# FEDERAL RESERVE BULLETIN

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## BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

**WASHINGTON** 

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## FEDERAL RESERVE BULLETIN

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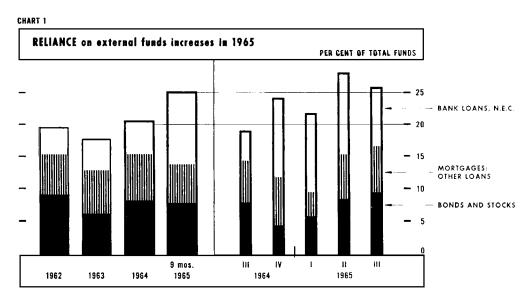
## FINANCING CORPORATE INVESTMENT

onfinancial corporations have increased their reliance on external financing since the fall of 1964, as their investment outlays have risen faster than their internal funds. Although the bulk of corporate funds have continued to come from internal sources, the proportion obtained externally has risen to about one-fourth compared with one-fifth or less in other recent years.

This moderate increase in the relative importance of external financing has meant a large increase in the dollar volume of credit obtained by nonfinancial corporations. Furthermore, financial corporations have been borrowing substantial amounts. The security issues of commercial banks in the first half of the year, and of other financial corporations in the second half, added significantly to total demand for long-term funds. All in all, borrowing by corporations and noncorporate business has been the principal source of increase in total credit demands this year.

The shift toward greater business borrowing in credit and capital markets began in the fourth quarter of 1964, when continued growth in fixed investment was accompanied by a rise in expenditures for inventories. Even though retained profits showed a sharp increase in the first quarter of 1965 and inventory outlays declined as the year progressed, total domestic investment in fixed assets and inventories by nonfinancial corporations expanded about half again as much as the flow of internal funds over the full period from late 1964 through the third quarter of 1965. Also, direct investment abroad by U.S. corporations was sharply higher in the first half of this year, adding further to demands for domestic credit.

Despite greater inflows of funds from external sources, corpora-



Flow of funds data for nonfinancial corporate business. Figures for the external sources shown are expressed as percentages of total funds retained from current operations and obtained from external sources (excluding trade debt). Quarterly and 9-month percentages are computed from seasonally adjusted data. Third quarter 1965 preliminary.

tions have reduced their holdings of liquid assets over the past year. This suggests that the bulk of the external financing in the first 9 months of 1965 reflected the pressure of immediate needs for funds and not an attempt to anticipate future needs.

The increase in corporate demands for external funds has been met primarily through borrowing at banks. Starting in the fourth quarter of last year and continuing through the second quarter of 1965, such borrowing by nonfinancial corporations accounted for twice as large a share of their external funds, and nearly 3 times as large a share of all their internal and external funds, as it had of the much smaller totals in each of the preceding 3 years. By the second quarter, however, corporations began to borrow more in capital markets. Although the proportion of total funds raised there in the third quarter was still not much larger than a year earlier, it appears to have risen further in the current quarter; and the proportion borrowed from banks has apparently declined.

The manufacturing sector has been primarily responsible for the enlarged business demands for external funds. It is here that the rise in capital outlays and in inventory accumulation has been the greatest. Within manufacturing, those industries that have reported the largest increases in spending have generally shown the sharpest increases in demands for external financing.

#### INVESTMENT OUTLAYS

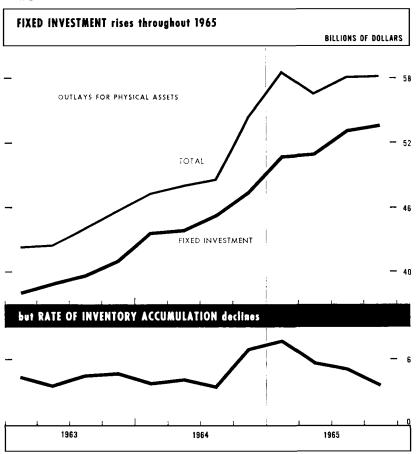
The long period of expansion that has carried most measures of economic activity to successive new highs has included substantial growth in corporate domestic outlays for physical assets. Such investment grew by three-fifths from the start of the general expansion through the third quarter of 1964, and it has apparently risen another one-fifth since then. Inventory accumulation—though moderating during 1965—has been greater than in any other recent year, and outlays for plant, equipment, and commercial properties have continued to advance. Despite the substantial additions to productive capacity, many businesses appear to be using their facilities more intensively than is efficient, and a further substantial rise in outlays for fixed assets is planned in 1966.

This year's expansion in spending on fixed assets has been unevenly distributed among industries. The Commerce-SEC series, which covers domestic expenditures for new plant and equipment by all nonfarm businesses—noncorporate as well as corporate, shows that the sharpest increases by far have occurred in manufacturing. Within that major grouping the motor vehicle, nonferrous metals, nonelectrical machinery, textile, chemical, and rubber industries are all increasing their outlays by 30 per cent or more. Together they account for \$2.2 billion of the \$6.9 billion total

expansion. Outlays in the electrical machinery, paper, and petroleum groups, as well as in the transportation industries, also show percentage increases that exceed the rise for industry as a whole. On the other hand, public utilities and the commercial and miscellaneous group—which includes communications—are spending only 10 per cent more than they did in 1964; the amounts of the increases are \$0.6 and \$1.5 billion, respectively. In most industries, the increases are significantly greater than those anticipated by business only 4 months ago.

In addition to large outlays for plant and equipment and inventories, nonfinancial corporations continued to channel substantial amounts, net, into the financing of customers. They also stepped up their direct investment abroad more rapidly than in preceding years. For nonfinancial corporations as a group, total

CHART 2

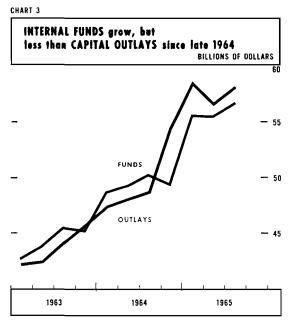


Flow of funds data for nonfinancial corporate business. Quarterly totals at seasonally adjusted annual rates. Figures for the third quarter of 1965 are consistent with published Dept. of Commerce data on gross private domestic investment and do not reflect the upward revision in plant and equipment outlays recently reported in the Commerce-SEC survey. Figures for the fourth quarter of 1965 are Federal Reserve estimates; the estimated third-to-fourth-quarter change in fixed investment outlays is based on the third-to-fourth-quarter change shown in the plant and equipment survey.

investment in fixed assets, net trade credit, and other assets was at a seasonally adjusted annual rate of \$76 billion in the first 9 months of 1965, compared with \$62 billion in 1964.

#### INTERNAL FUNDS

The volume of internal funds flowing to nonfinancial corporations this year has once more surpassed previous records. In the first 9 months of 1965 retained earnings and capital consumption allowances taken together were 15 per cent larger than a year earlier. Retained earnings spurted in the first quarter, then remained at that level through the third quarter; meanwhile, capital consumption allowances continued to grow. Nevertheless, as is shown in Chart 3, outlays for physical assets have been larger relative to internal funds than they were earlier in the current expansion. This has been true especially for the manufacturing sector, where outlays have risen faster and internal funds more slowly than for industry as a whole.



Flow of funds data for nonfinancial corporate business. Quarterly totals at seasonally adjusted annual rates. Outlays comprise fixed investment and change in inventories. Latest data shown, third quarter. See also note to Chart 2.

Profits before taxes of all U.S. corporations were at a seasonally adjusted annual rate of \$73.7 billion in the first 9 months of the year. The increase of 14 per cent in this the fifth year of expansion was the largest year-to-year rise since 1958-59. Profits growth in 1965 reflected both new highs in sales volume and further increases in profit margins. The ratio of profits before taxes to sales for manufacturing corporations exceeded 9 per cent, sea-

sonally adjusted, in each of the first three quarters—the first time since the mid-1950's that margins had been this high for more than a single quarter.

The prolonged rise in profits and profit margins in the current expansion has been unusual. In past cycles, they ceased to rise after the first year of expansion and then began to decline. This time, cost—price relationships have continued generally favorable, in spite of high output-to-capacity ratios and heavy expenses connected with the introduction of new plants.

Because the final instalment of the cut in Federal income tax rates for corporations became effective at the start of 1965, corporate profits after taxes rose even more from 1964 to 1965 than profits before taxes. Moreover, the proportion of profits paid out in dividends has been unusually low. Although dividend payments have reached new highs each quarter, the ratio of dividends to profits, at an average of only 41 per cent in the January–September period, was well below the 1964 rate and the lowest in a decade. As a result, retained earnings in the first 9 months of 1965 were nearly one-third above the previous record reached last year.

While expansion in this component of internal funds has been spectacular, when measured against the already large flow in 1964, all of the rise took place in the first quarter and there has been no further growth since then. Indeed, undistributed profits of manufacturers have probably declined since the first quarter, as profits have tended to level off and dividend payments have increased more than in nonmanufacturing industries.

Total internal funds of corporations have risen throughout the year, because of the continued moderate growth in capital consumption allowances. But outlays in many industries have risen more. With liquidity balances already low relative to the scale of operations, and thus not available as a major source of temporary financing, corporate reliance on external funds has increased.

Funds raised by nonfinancial corporations in credit and capital markets in the first 9 months of 1965 were at a seasonally adjusted annual rate of more than \$20 billion, nearly \$7 billion more than in the full year 1964. Most of this expansion represented increased borrowing at banks. The net volume of funds obtained from security issues was \$1 billion larger than last year, and financing in the form of mortgages and other loans changed little.

During the course of the year, however, demands by nonfinancial corporations for bank credit have declined and borrowing in long-term capital markets has increased. This shift in financing media, when combined with the financing demands of financial

EXTERNAL FINANCING

corporations and of noncorporate businesses, has had an important effect on credit and capital markets.

Borrowing at banks. Nonfinancial corporate borrowing at banks, which had been at a seasonally adjusted annual rate of \$2 billion in the first 9 months of 1964, rose to a rate of nearly \$8 billion in the fourth quarter and to \$10 billion in the first quarter of 1965. Borrowing by noncorporate business was also unusually large in the first quarter—about \$4 billion. A high rate of inventory accumulation, the dock strike, and substantial foreign drawings, including some on earlier commitments, were all adding to demand for bank credit in the first quarter; commercial bank loans to nonfinancial business—domestic and foreign, corporate and noncorporate—grew at a seasonally adjusted annual rate of 26 per cent.

Since the first quarter, and especially since midyear, growth has been slower. Over the period April-November the annual rate of expansion was 15 per cent. An unusually large proportion of the expansion in business loans this year appears to have been in term loans, which suggests that the borrowing may have been in part for capital spending programs. This is also suggested by the industrial composition of the borrowing.

The rapid growth in business loans outstanding at commercial banks has been broadly distributed by industries, but over the 12 months through November, according to data for large weekly reporting member banks, especially sharp increases occurred in the petroleum and chemical groups, where the rise in capital outlays has been large, and in metal products manufacturing groups, where funds have been needed to finance both an increase in capital outlays and, over much of the period, a build-up in steel inventories. In the preceding 12 month period, loans to the chemical group had also increased substantially, but those to each of the other groups had increased little or had declined.

The smaller rise in loans to primary metals producers than to other durable goods manufacturers probably reflected a combination of larger than average increases in earnings and less expansion in capital outlays than in other durable goods industries. Loans to public utilities showed a relatively large expansion, as these companies reduced their reliance, until quite recently, on capital market financing. In most other nonmanufacturing industries, increases in bank loans were more moderate.

Financing in capital markets. Funds obtained by nonfinancial corporations from sales of bonds and stocks, which totaled \$5.4 billion in 1964, were at a seasonally adjusted annual rate of \$6.4 billion in the first 9 months of 1965. These figures represent net

#### **INCREASE IN** LOANS OUTSTANDING. YEAR ENDED NOV. 1965

38 38 35 34 31 29 Petroleum Chemicals Other durable mfg.1 Transp. equipment Public utilities Machinery 24 Other nondur, mfg. Textiles and apparel Primary metals **ALL INDUSTRIES<sup>2</sup>** 21 Trade Mining 18 15 Construction Food, liquor, tobacco Other nonmfg.<sup>3</sup> 14 14

Including fabricated metals.
Total at weekly reporting banks.
Including unclassified loans.

Commodity dealers

sums raised, that is, gross offerings for new capital, refunding, and other purposes, less all retirements of existing securities.

Total corporate activity in the capital market, as measured by gross offerings of both nonfinancial and financial corporations, is estimated to have exceeded \$16 billion for the year as a whole, one-sixth above last year's volume, which had been a record. Most of the year-over-year rise occurred in the second half, when continued large flotations by manufacturing companies were augmented by renewed capital market financing by other industries. In this period total corporate offerings were nearly one-third larger than in the corresponding period of 1964.

Security issues of manufacturing corporations were in substantial volume throughout 1965. In fact, flotations in each of the first three quarters were at least twice as high as in the same quarter of 1964, and these companies sold a larger volume of issues in the first 9 months of 1965 than in any full year since 1957. Since only one large equity issue was offered, financing by manufacturers swelled the total of both public offerings and private placements of bonds and notes.

Three major industries—petroleum, chemicals, and motor vehicles—accounted for nearly half of the expansion in manufacturing issues in the first 9 months of this year. Their flotations were almost five times as large as last year. This large increase reflected in part the very small volume of security financing by petroleum companies in 1964 and also the first major issue in the motor vehicle industry since 1955.

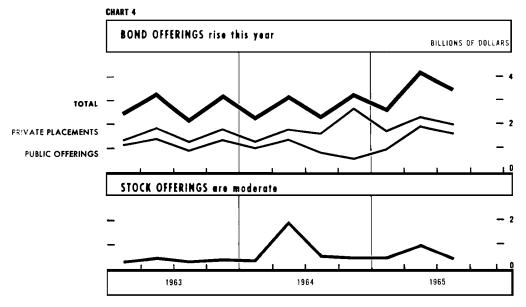
Four nondurable goods groups—paper, textiles, food, and rubber—each sold roughly three times as large a volume of new securities as in 1964 and together accounted for another fourth of the 1964-65 increase. Most of these industries have reported greater than average increases in outlays for plant and equipment. Security issues by companies in other manufacturing groups, including primary metals and machinery, were generally above a year earlier, but the increases were much more moderate.

Public utilities, which have financed part of the moderate rise in their plant and equipment expenditures this year by borrowing from commercial banks, sold a smaller volume of new issues in the first half of 1965 than a year earlier. In the July-December period, however, their flotations have been nearly one-fourth larger than in the corresponding period of 1964, and the issues have consisted mostly of publicly offered bonds. Although issues of communications companies also picked up after midyear, flotations for the year as a whole have been well below the huge volume of 1964.

In the real estate and finance group, offerings of debentures by commercial banks were substantial in the second quarter of 1965, and for the year as a whole they have been one-fourth greater than in 1964. The decline in commercial bank issues after midyear was offset to some extent by a sharp increase in flotations of bonds by finance companies; these included several large public offerings.

Sales of new equity securities this year have been larger than in 1962 or 1963 but well below the volume sold last year, which included two very large offerings by communications companies. Offerings of bonds, on the other hand, totaled one-third more than in 1964. Public offerings in particular, which had been small in the last half of 1964 and the first quarter of this year, increased sharply in the second quarter. They were unseasonably high during the summer and appear to have continued large in the fourth quarter.

The increased importance of publicly offered bond issues in the moderately enlarged total of corporate security offerings was one factor accounting for the general upward pressures on long-term interest rates this year. These pressures began to appear in the markets for corporate and municipal issues early in the spring and then spread to other markets. Over the full period through early December average yields on new corporate issues rose  $\frac{3}{6}$  of a percentage point to the highest level in 5 years, and those on seasoned high-grade issues approached the record post-World War II highs reached in early 1960.

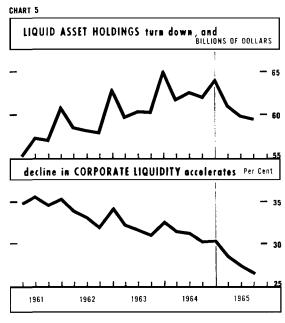


Securities and Exchange Commission data on gross offerings in the United States by domestic nonfinancial corporations, banks, other financial institutions (except open-end investment cos.) and foreign corporations. Quarterly totals, without seasonal adjustment. Latest data shown third quarter.

Despite record inflows of funds from both internal and external sources, corporations have reduced their holdings of liquid assets, and their liquidity ratios have continued to decline. By the end of the third quarter, their holdings of cash, deposits, and U.S. Government securities amounted to 26.6 per cent of total current liabilities, compared with 30.4 per cent a year earlier. If the definition of liquid balances is broadened to include "other current assets"—some of which may be readily marketable—the ratios become about 35 and 38 per cent, respectively.

Corporate liquidity has been declining persistently for many years; while the volume of liquid assets has risen steadily, apart from seasonal fluctuations, total short-term debts have risen faster. In each of the first three quarters of 1965, however, holdings of liquid assets were smaller than a year earlier, and the year-to-year drop in liquidity was the sharpest since 1960.

The fact that the liquidity ratio has been so much lower in 1965 than at corresponding dates in 1964 reflects, almost entirely, devel-



Securities and Exchange Commission data for all U.S. corporations except banks, insurance companies, and savings and loan associations. Figures are for end of quarter and are not adjusted for seasonal variation. Liquid assets comprise cash, deposits, and U.S. Government securities. Liquidity is measured by the ratio of these assets to total current liabilities.

opments in the fourth quarter of last year. At that time the yearend increase in liquid assets fell considerably short of its usual magnitude, and the ratio of these assets to total current liabilities, which normally rises sharply in the fourth quarter, showed almost no increase. Since then the ratio has declined only a little more than seasonally. CORPORATE LIQUIDITY The smallness of the addition to liquid asset holdings at the end of 1964 suggests that corporations, especially those faced with continued large needs for funds to finance inventory and capital outlays, were more pressed for cash than they had been earlier, and this may have contributed to the heavy borrowing this year. Even so, liquidity balances of corporations as a group have remained below earlier levels.

At the end of the third quarter of 1965 aggregate corporate holdings of cash, deposits, and U.S. Government securities were \$2.6 billion smaller than a year earlier. One-third of the decline occurred in the communications group and probably represented the use of proceeds of previous capital market financing. Most of the remainder reflected large reductions in holdings by the petroleum, motor vehicle, and electrical machinery industries and smaller reductions in almost every other major manufacturing industry.

The persistent decline in corporate liquidity throughout the postwar period has reflected, to a considerable extent, successful efforts by corporations to manage their financial resources more efficiently. But as liquidity ratios continue, quarter after quarter, to reach new lows for the time of year, corporations have less leeway not only for further economizing on cash but also for drawing down liquid assets as an alternative to raising funds in credit and capital markets. If internal funds continue to grow more slowly than planned outlays, corporations can be expected to rely more heavily on external financing.

### Federal Reserve Policy Actions

On December 5, 1965, the Federal Reserve announced increases in discount rates and in maximum rates that member banks are permitted to pay their depositors on certain types of time deposits. Text of the announcement of these actions is given below, together with related materials, including the text of an address by Chairman Martin of the Board of Governors on December 8, and the text of statements of members of the Board of Governors to the Joint Economic Committee of the Congress on December 13, 1965.

#### ANNOUNCEMENT OF ACTIONS

The Federal Reserve announced on December 5, 1965, two complementary actions to reinforce efforts to maintain price stability, and thus to foster balance in the economy's continued growth and strength in the dollar's international standing.

The actions, intended not to cut back on the present pace of credit flows but to dampen mounting demands on banks for still further credit extensions that might add to inflationary pressures, were as follows:

- 1. The Board of Governors in Washington approved actions by the directors of the Federal Reserve Banks of New York and Chicago increasing the discount rates of those Banks from 4 to 4½ per cent, effective Monday, December 6, 1965. The discount rate is the interest rate charged member Banks for borrowing from their district Federal Reserve Banks.
- 2. Simultaneously, the Board increased the maximum rates that member banks are permitted to pay their depositors to 5½ per cent on all time deposits and certificates of

deposit having a maturity of 30 days or more. This change is also effective Monday, December 6. Previously, the maximum rates payable were 4 per cent for time deposits and certificates of 30 to 90 days and 4½ per cent on those of 90 days or more. No change was made in the rate payable on savings deposits (4 per cent).

The increase in the rates that member banks are permitted to pay their depositors is intended to enable the banks to attract and retain deposits of businesses and individuals and thus to make more effective use of savings funds already available in the economy to finance their loan expansion.

The increase in discount rates is intended to moderate additional bank reliance on short-term borrowings from the Federal Reserve to meet intensifying loan demands.

The action contemplates, however, the continued provision of additional reserves to the banking system, in amounts sufficient to meet seasonal pressures as well as the credit needs of an expanding economy with-

out promoting inflationary excesses, primarily through the Federal Reserve's dayin and day-out purchases of U.S. Government securities in the open market.

The changes in discount rates and the maximum rates that banks may pay depositors were the first in either respect since November 24, 1964.

Since then, total borrowing by consumers, business, and State and local governments has risen sharply, and interest rates at all maturities from the shortest to the longest have been rising under demand pressures. In these circumstances the Federal Reserve would be forced to increase bank reserves at an accelerated pace if all demands for borrowing money at present rates were to be satisfied.

With slack in manpower and productive capacity now reduced to narrow proportions, with the economy closer to full potential than at any time in nearly a decade, and with military demands on output and manpower increasing, it was felt that excessive additions to money and credit availabilities in an effort to hold present levels of interest rates would spill over into further price increases in goods and services. Such price rises would endanger the sustainable nature of the present business expansion. Moreover, increases in costs and prices would make it more difficult for American goods to compete in markets at home and abroad.

In addition, a pattern of interest rates that is accepted by borrowers and lenders as fully reflecting market forces should add assurance of a smooth flow of funds to all sectors of the economy. Discount rate increases in 1963 and 1964 did not stop business or credit growth, but helped to keep the economy within an expansion that was sustainable.

In sum, the actions announced today should have the three-pronged impact of:

- 1. Backing up the Government's efforts to prevent inflationary excesses from damaging an economy now carrying the added burden of military operations in Viet Nam;
- Bolstering the Government's programs to overcome persistent deficits in the U.S. balance of payments; and
- 3. Demonstrating anew the United States' determination to maintain the international strength of the dollar.

Governors Robertson, Mitchell, and Maisel dissented from the discount rate action on the ground that it was at least premature in the absence of more compelling evidence of inflationary dangers. Governor Robertson also dissented from the action to increase the maximum rates on time deposits.

Since December 5, 1965, the Board of Governors has also approved the action by the directors of the following Federal Reserve Banks increasing the discount rates of those banks from 4 to 4½ per cent effective on the dates shown:

Boston	December	8,	1965
Atlanta	December	8,	1965
Philadelphia	December	10,	1965
Cleveland	December	10,	1965
Richmond	December	10,	1965
St. Louis	December	10,	1965
Minneapolis	December	10,	1965
Dallas	December	10,	1965
San Francisco	December	10,	1965
Kansas City	December	13,	1965

## THE FEDERAL RESERVE'S ROLE IN THE ECONOMY

by William McC. Martin, Jr.'

In meeting with your Association, I feel very much at home. Life insurance and central banking have many problems and many attitudes in common. We are both deeply concerned with long-term aims, with maintaining the strength of our economy and the strength of our currency.

Millions of Americans are putting their faith in life insurance for the protection of the future of their families, and this faith rests on the expectation that your policies will return to them a full measure of value for the dollars they are paying to you. These millions who entrust funds to you, and who rely on the Federal Reserve to safeguard the value of their money, want most of all safety and security—in your case, safety and security from want for their old age and for their families; in our case, safety and security from the twin dangers of inflation and deflation, the two deadly enemies of rational financial planning.

In trying to fulfill our duties, both your Association and the Federal Reserve System must rely on the best information and the most accurate analysis covering the innumerable factors that influence the development of our economy. It is therefore no coincidence that each of us has sponsored programs of basic economic research and that the Federal Reserve has time and again benefited from the work of your Association. I may mention in particular your invaluable studies in the fields of savings, capital markets, and interest rates.

I gladly take this opportunity to thank

you for those contributions to our common efforts, and I can only hope that our research program proves as useful to you as yours has proved to us.

Now, if I may, I should like to make some observations on the Federal Reserve's role in our economy. I shall begin with recent developments.

Just a few days ago, the Federal Reserve raised discount rates to 4½ per cent, and the maximum rate payable on time deposits to 5½ per cent. The discount rate thus reached its highest level in more than 30 years, and the time deposit rate its highest level since the promulgation of Regulation Q, also more than 30 years ago.

In view of these developments, I would like to speak to three questions that I believe of interest to you: First, for what reasons and for what purpose did the Federal Reserve act? Second, does the action mean that the Federal Reserve disagrees with the rest of the Government on the basic issues of financial policy? And third, what is the significance of this action for the future?

First, I want to say that the Federal Reserve acted because it believed that the previous level of the discount rate and of time deposit rates was out of line with conditions in the money and credit markets and especially with the need to keep the flow of bank credit large enough to satisfy the needs of our expanding economy but not so large as to threaten to turn that expansion into an inflationary boom.

Second, the Federal Reserve acted not to hamper but to further the goal of the administration—shared by the Congress and by the American people as a whole—to do

<sup>&</sup>lt;sup>1</sup> Remarks before the 59th annual meeting of the Life Insurance Association of America, New York City, December 8, 1965.

the best that can be done to assure the continuance of our economic expansion, maintenance of generally stable prices, and restoration of reasonable equilibrium in our international payments.

And third, the Federal Reserve will continue to shape its policies with complete flexibility, firming whenever our further progress is threatened by inflation, and easing whenever that threat has passed.

The Federal Reserve, in all its actions, aims always at the same goal: to help the economy move forward at the fastest sustainable pace. We reach our destination most rapidly as well as most assuredly when we travel at maximum safe speed—and this speed cannot be the same under all conditions and at all times.

Actually, the recent increase in rates is intended not to reduce the pace of the economy's expansion but to moderate mounting demands for bank credit that might jeopardize that pace by overstimulating the economy.

A brief review of developments over the past 12 months in the three critical sectors of production and employment, the balance of payments, and prices will provide background for our recent action.

The production and employment record of our economy has been excellent. Our industrial output will be at least 7 per cent higher this year than in 1964, a significant gain by any standard. Employment has expanded fast enough to reduce the unemployment rate by a full percentage point since October 1964. For the first time since 1957 it seems likely that we may soon reach our interim goal of pushing unemployment down to, if not below, 4 per cent of our labor force. And despite such progress, average wages of production workers do not seem on balance to have risen faster than produc-

tivity so that labor costs per unit of output in manufacturing have remained virtually unchanged. The American worker—with whose progress all of us are concerned—has shown great responsibility in negotiating wage settlements that help to insure a steady rise in the real incomes of all Americans.

Our record on international payments balance is fair enough, but less satisfactory than in the field of production and employment. Over the first three quarters of the year, our deficit on so-called "regular transactions" was at an annual rate of \$1.75 billion—far smaller than in any calendar year since 1957 but still far too large for comfort. We need to do much better if we are to reach our goal of reasonable payments equilibrium next year, and especially if we wish to do so without further interference with the freedom of international transactions.

But in the third critical area, maintenance of general price stability, our record has not been so good as in other recent years. Whenever in recent years our economic growth was less rapid and our payments deficit larger than we would have wished, we could be hopeful because our price level had remained stable. For we knew that such stability was a firm basis for further economic expansion as well as for further progress towards payments balance. But over little more than 12 months, the crucial index of industrial wholesale prices has risen about 134 per cent, after 4 years of virtual stability.

It is quite true that prices have not broken out of the pattern of modest and selective advance in recent months. In order to avert such an eventuality, the Government has taken action relating to prices of a number of individual key commodities. But selective intervention to deal with price pressures necessarily has limits. In the longer run, it

would be ineffective if not accompanied by measures that affect the source of price pressures rather than the prices themselves.

Unlike price pressures during the period before 1958, recent price developments cannot be explained by cost-push influences. As mentioned before, unit labor costs have remained essentially stable. Such price pressures as are making themselves felt must be primarily attributed to demand-pull.

This fact should not cause surprise. The closer an economy comes to full employment of manpower and capital resources, the greater is the risk that bottlenecks will develop in strategic areas so that large new injections of bank credit and money will serve to raise prices more than production.

Whatever divergent views the experts may take in regard to the ability of a central bank to control price pressures generated by costpush, nobody has ever denied that it is the function of monetary policy to restrain price pressures that originate from private demand. Hence, the threat to continued maintenance of the noteworthy price stability of the first 4 years of the present business expansion must be of concern to the Federal Reserve.

I do not want to imply that monetary policy had ignored the problem before last weekend. Since December 1964, the free reserve position of member banks has changed from a moderate plus to a moderate minus—limiting the ability of banks to increase their credit creation. The interplay between that degree of restraint and the accelerating pace of economic expansion led in many—though not all—financial markets to increases in interest rates, well before the recent rise in discount and time deposit rates. But let us not overlook the fact that, despite such restraint, commercial and industrial bank loans have increased this year

by about 20 per cent.

As long as unemployment of manpower and plant capacity was greater than could be considered acceptable or normal, we had every reason to lean on the side of monetary stimulus. While this posture did risk some spillover of funds abroad, the adverse effect on our payments balance was more than offset by the benefit to our domestic economic growth. And we have tried to combat excessive capital outflows by selective fiscal and monetary measures, including the voluntary foreign credit restraint efforts of our financial institutions, in which the members of your Association have so magnificently joined.

But despite the exemplary compliance of the financial community, and the dramatic decline in the foreign credits of financial institutions, foreign investments of nonfinancial corporations were large enough to explain the persistence of our international payments deficit. As financial institutions reduced drastically the availability of dollar credits abroad, and thus had more funds to devote to domestic uses, their domestic customers were in a position to use part of the newly available funds to finance their ventures abroad. This is an example of the leakage inherent in selective credit controls, an indication of their limited effectiveness, and a demonstration of why they can only serve as stopgaps rather than lasting remedies.

Our closer approach to a satisfactory level of domestic output and employment has diminished the weight of the arguments against the use of general rather than selective measures to help counter price pressures at home as well as to help correct our payments imbalance. Obviously, no one, and least of all those of us responsible for monetary policy, would ever want to do anything that could undercut the sustained prog-

ress of the economy. But those who are fearful of the economic consequences of *any* move even towards the mildest restraint—any drop of free reserves below zero, any slight rise in interest rates—would do well to consider the record of the economy's performance over the past 12 months.

Let none of us overlook the fundamental difference between a change in interest rates *imposed* by a central bank *contrary* to the trend of basic economic forces, and a change *permitted* by the central bank *in line with* those forces.

If the Federal Reserve had followed the advice offered by some and had tried to force interest rates up at a time when the demand for investible funds (even at existing relatively low rates) was not sufficient to employ our idle resources and to move our economy rapidly towards fuller employment, such a policy would indeed have harmed our domestic economy, and in consequence the economy of the entire free world. Conversely, if the Federal Reserve had strained to keep interest rates from rising by providing reserves without limit at a time when funds borrowed from banks were beginning to generate an aggregate demand in excess of output from available resources, the Federal Reserve would again have become, in the words of one of my distinguished predecessors, a veritable engine of inflation.

Recent developments in our economy—mounting danger of price pressures, rapidly climbing bank credit, and continuing deficit in our payments balance—have been warning signals. And they have indicated that prevailing market rates of interest were beginning to distort the flow of funds through the economy. Our recent action has been designed to insure that the demands for credit do not reach inflationary dimensions, and at the same time that the flow of savings

remains sufficient to sustain, and be efficiently directed to sustaining, the economy's growth.

I realize that judgments can differ, not only as to the substance of an action, but also as to its timing. To me, the effective time to act against inflationary pressures is when they are in the development stage before they have become full-blown and the damage has been done. Precautionary measures are more likely to be effective than remedial action: the old proverb that an ounce of prevention is worth a pound of cure applies to monetary policy as well as to anything else. It is simpler, for one thing, to try to prevent prices from rising than to attempt to roll them back. And finally, it is surer and safer: so long as inflation is merely a threat rather than a reality, it is enough to prevent the pace of economic expansion from accelerating dangerously. But once that pace has become unsustainably fast, then it becomes necessary to reduce the speed, and once such a reduction is started, there is no assurance it can be stopped in time to avoid an actual downswing.

This is no mere theoretical reasoning. It has been the practical experience of other industrial countries in recent years. Those countries that permitted inflationary trends to take firm hold have been forced to institute harsh remedial measures to restore stability, and invariably they have had to pay the price of actual reduction in output and real income. We shall succeed in avoiding a "stop-and-go" cycle—as the British call the practice of first permitting inflationary pressures to develop and then taking drastic measures to suppress them—only if we do not delay until inflation is upon us.

One curious concern voiced in the press is that our action might hamper the administration in its efforts to introduce a "tough" budget next year. Nonsense. I have every confidence that the President will come up with a budget for fiscal 1967 just as "tough" as the necessities of the war in Viet Nam permit. It is monetary policy that must adapt itself to the hard facts of the budget—and not the other way 'round.

Now I'd like to add something about our increase in maximum rates on time deposits. This part of the action was designed to permit the banking system as a whole, and the smaller banks in particular, to expand their resources sufficiently to provide the economy with additional credit, especially mediumand long-term accommodation.

In recent weeks, the rates paid by the largest banks on certificates of deposits had been "bumping" against the previous ceiling of 4½ per cent. This situation not only made it difficult for those banks to add to their resources; more important, it made it virtually impossible for the smaller banks to add to theirs, since these banks have to pay some premium in order to attract new depositors in competition with the giants.

Let me emphasize that the new rate sets a maximum, not a standard. We expect banks, both large and small, to exercise a high degree of prudence and responsibility in their use of this increased rate flexibility. If they do, there now will be room for smaller banks to attract funds by paying slightly higher rates than the big ones. This opportunity for smaller banks to compete more effectively is both economically advisable and socially equitable. It makes for a better regional distribution of the availability of funds throughout the country; and it makes for a larger flow of funds to small business, which is mainly dependent on the smaller banks for their credit accommodation.

The Board of Governors has purposely refrained from raising the maximum rate for savings deposits. It has done so in order to minimize the impact on competitive relationships between commercial banks and savings banks and savings and loan associations, which depend for their resources mainly on funds deposited by individual savers rather than by corporations. I expect a continued ample flow of funds into residential construction.

I hope this discussion will add to understanding of the reasons and the purposes of our action. But what about its relation to the basic financial policies of the United States?

The administration has—rightly, in my judgment—stated time and again that its goal was the most rapid economic progress compatible with price stability and payments equilibrium. And the administration—no less than the Board of Governors of the Federal Reserve System—has recognized, by deeds as well as by words, that the dangers of spreading price increases and persisting payments deficits are the primary threats to the achievement of that goal.

In the monetary sphere, no less than in others, the making of decisions—on the direction of operations, on the precise timing of actions, and on the precise choice to be made among the instruments of policy available—is often difficult, but the necessity of making these decisions is inescapable.

And in the monetary sphere, the Federal Reserve Act imposes the responsibility—as well as the authority—for making decisions upon the Board of Governors and the Federal Open Market Committee. In the discharge of our responsibility, and in the exercise of our authority, we must—and we do—give careful consideration to the opinions and judgments of others who also bear grave responsibilities. But the use of the authority assigned to us cannot be delegated, nor can the responsibility we bear be escaped. To

promote effectiveness and to avoid inconsistencies, we will always endeavor, to the best of our abilities, to coordinate our moves with those of other agencies in seeking to achieve the common goals of economic policy. But we cannot take monetary measures that are contrary to our best judgment, or refrain from taking measures that we consider necessary.

As I have said many times, the American people, through the legislative process, can change the authority and responsibility of the Federal Reserve System whenever they choose to do so. But unless and until the law is changed, I should consider it a violation of my oath of office to vote for or against a policy measure for any reason other than my best judgment of that measure on its merits.

Now, in conclusion, a few words about the third question, concerning the significance of our recent action for the future.

I cannot repeat often enough that the main requirement of monetary policy is flexibility, the capacity for adaptation to changes in the economy as they develop. This is particularly true for monetary policy in times of prosperity. Whenever the economy approaches full employment, the central bank must be constantly on guard against two opposite dangers that threaten continued expansion: not only against the risk of orderly growth giving way to an unsustainable boom, but just as much, if not more so, against the risk of an upswing leveling off and giving way to stagnation or downturn.

The Federal Reserve is not looking only at those data that seem to be warning of inflationary pressures. It is also scanning the horizon just as carefully for indications of weakness in the economy wherever it may be found—in residential construction, in inventories, in employment, or in any other sector.

Moreover, monetary policy will always need to take into consideration other Government policies and especially fiscal policies. Obviously, it will make a great difference for the development of interest rates, of monetary and credit conditions in general, and thus for the posture of monetary policy, whether the Treasury will need to divert more funds from the private capital and credit market than last year or whether, on the contrary, it will be able to reduce its borrowing. Even if we knew how the private economy would develop next year, we could not know whether any action that might be needed would be taken in the fiscal sector or whether the main burden of policy action would fall on the Federal Reserve.

For these reasons, I hope you will understand that neither I nor anybody else can predict whether, in the future, conditions will be such as to require greater firmness or greater ease, or for that matter a policy of neutrality.

There is only one thing I can predict and promise. The Federal Reserve will do its utmost, within the limits of its powers, to maintain a solid monetary and credit foundation on which to build the economy's continued progress.

## STATEMENTS TO THE JOINT ECONOMIC COMMITTEE OF THE CONGRESS

Statement of William McC. Martin, Jr., Chairman, Board of Governors

I understand that you have asked that witnesses this morning confine their remarks to brief summaries of their views. In making this brief statement, I speak for the majority of the Board of Governors. With your permission, Mr. Chairman, I would like to offer for inclusion in the record of these hearings a copy of the Board's press release announcing these actions.<sup>1</sup>

The Federal Reserve acted because it believed that the previous level of the discount rate and of time deposit rates was out of line with conditions in the money and credit markets and especially with the need to keep the flow of bank credit large enough to satisfy the needs of our expanding economy but not so large as to threaten to turn that expansion into an inflationary boom.

The actions were taken not to hamper but to further the goal of the administration—shared by the American people as a whole—to do the best that can be done to assure the continuance of our economic expansion, maintenance of generally stable prices, and restoration of reasonable equilibrium in our international payments.

As we have sought to make clear from the outset, the recent increase in rates is intended not to reduce the pace of our upswing but to moderate mounting demands for bank credit that might jeopardize that pace by overstimulating the economy.

Throughout 1965 the Federal Reserve System has followed a policy that permitted

member bank reserves to grow in response to the credit needs of a growing economy. It became increasingly apparent, however, that the rate at which we were supplying reserves to the banking system, even though it supported a strong rise in the money supply and in bank credit, was not enough to meet the intense demand for credit at prevailing interest rates. In response to this demand, interest rates rose in most financial markets. As a result, money market rates rose above the discount rate, and time deposit rates pushed against the established ceilings, hampering the efforts of banks to tap available funds to meet the mounting demand for credit.

The Federal Reserve faced a choice between (1) attempting to check or reverse the rise in interest rates, by accelerating the rate at which it was providing reserves to the banking system, or (2) raising the time deposit rate ceiling to allow the economy to use more efficiently the funds already available and raising the discount rate to bring it more in line with market rates. We chose the latter course, because we believed the former course posed too great a risk to the economy.

A brief review of developments over the past 12 months in production and employment, the balance of payments, and prices will provide background for this assessment of the potential effect of our actions on the economy.

The production and employment record of our economy has been excellent. Our industrial output will be at least 7 per cent higher this year than in 1964. For the first time since 1957 it seems likely that we may

<sup>&</sup>lt;sup>1</sup> For this press release, see pp. 1667-68.

soon reach our interim goal of pushing unemployment down to, if not below, 4 per cent of our labor force. And despite such progress, labor costs per unit of output in manufacturing remained virtually unchanged until recently, when they moved up somewhat.

Our record on international payments balance is fair, but less satisfactory than in the field of production and employment. Over the first three quarters of the year, our deficit on so-called "regular transactions" was at an annual rate of \$1.75 billion—smaller than in any calendar year since 1957 but still too large for comfort.

But in another critical area, maintenance of general price stability, our record has not been so good as in other recent years. In the summer of 1964, the index of industrial wholesale prices began to rise after 4 years of virtual stability, and has since risen 1.7 per cent. Consumer prices have risen 1.8 per cent in the past year—again, a somewhat faster rate than prevailed earlier.

It is quite true that prices have not broken out of the pattern of modest and selective advance in recent months. In order to avert such an eventuality, the Government has taken action relating to prices of a number of individual key commodities. But selective intervention to deal with price pressures necessarily has limits. In the longer run, it would be ineffective if not accompanied by measures that affect the source of price pressures rather than the prices themselves. The closer an economy comes to full employment of manpower and capital resources, the greater is the risk that bottlenecks will develop in strategic areas so that large new injections of bank credit and money would serve to raise prices more than production.

As long as unemployment of manpower and plant capacity was greater than could

be considered acceptable or normal, we had every reason to lean on the side of monetary stimulus. While this posture did risk some spillover of funds abroad, the adverse effect on our payments balance was more than offset by the benefit to our domestic economic growth. And we have tried to combat excessive capital outflows by selective fiscal and monetary measures, including the programs for voluntary restraint of foreign credits and investments.

But despite the splendid cooperation of the financial community, and the dramatic slowdown in foreign lending by financial institutions, foreign investments of nonfinancial corporations were large enough to explain the persistence of our international payments deficit. As financial institutions reduced drastically the availability of new dollar credits abroad, and thus had more funds to devote to domestic uses, their domestic customers were in a position to use part of the newly available funds to finance their ventures abroad. This is an example of the leakage inherent in selective credit controls.

Our closer approach to a satisfactory level of domestic output and employment has diminished the weight of the arguments against the use of general rather than selective measures to help counter price pressures at home as well as to help correct our payments imbalance. Obviously, no one, and least of all those of us responsible for monetary policy, would ever want to do anything that could undercut the sustained progress of the economy. But those who are fearful of the economic consequences of any move even towards the mildest restraint-any drop of free reserves below zero, any slight rise in interest rates-would do well to consider the record of the economy's performance over the past 12 months.

Let none of us overlook the fundamental difference between a change in interest rates imposed by a central bank contrary to the trend of basic economic forces, and a change permitted by the central bank in line with those forces.

If the Federal Reserve had followed the advice offered by some and had tried to force interest rates up at a time when the demand for investible funds (even at relatively low rates) was not sufficient to employ our idle resources and to move our economy vigorously towards fuller employment, such a policy would indeed have harmed our domestic economy, and in consequence the economy of the entire free world. Conversely, if the Federal Reserve had strained to keep interest rates from rising by providing reserves without limit at a time when funds borrowed from banks were beginning to generate an aggregrate demand in excess of output from available resources, the result would clearly have been inflation.

We believe that we have managed to steer a constructive middle course between these two policy extremes, providing a beneficial degree of monetary stimulus when the economy was slack and then gradually moderating this stimulus as the expansion gained strength and demands began to press harder upon available resources. The Federal Reserve will continue to shape its policies with flexibility, firming or easing as may be necessary to help the economy move forward at the fastest sustainable pace.

Now I would like to take up the points raised in your press release announcing today's hearing.

Your first point relates to the nature of the Board's actions, and suggests that the actions represent "a most important shift" in monetary policy. In my judgment, the actions simply extend the policy that the Federal Reserve has been following of permitting money and credit to expand enough to satisfy the needs of our growing economy but not so much as to threaten inflationary disturbances. Until recently, this policy was executed primarily through open market operations, which brought about a reduction in the free reserve position of member banks from a moderate plus at the end of last year to a moderate minus. Now-as happened twice before in the course of the present economic upswing—these open market operations have been supplemented by increases in the discount rate and the maximum rate that member banks may pay on time deposits. These actions implement our policy further; they do not change it.

Your second point relates to the factors that entered into the Board's decision. These factors include the rapid improvement in output and employment; persistence of the deficit in international payments; the upcreep in prices; a build-up in credit demands due to rising Government expenditures over the rest of this fiscal year and to a considerably faster pace of expansion in business investment during this same period; a declining trend in liquidity of both banks and nonfinancial corporations; and an increasing difficulty encountered by banks in expanding their lending capacity at then existing time deposit rates.

Your third point relates to the effect of the actions on the economy. In my judgment, this effect will be beneficial. The actions should help to sustain progress in raising output and employment by averting monetary overstimulation of the economy. They should moderate the rate of expansion in the demands for credit and at the same time enable the banks—and especially the smaller banks—to attract deposits to help meet those demands. These favorable consequences

should more than outweigh any additional costs of Treasury borrowing and the increased costs of credit to business. In fact, in the longer run, the resulting increase in these costs of borrowing would be very much smaller than would be the rise in both borrowing and operating expenses that inflation would cause.

Finally, you ask whether there was appropriate coordination with the President. I can assure you that the administration has been kept continuously informed of the position of the Federal Reserve System and that there has been a continuing frank exchange of views between the Federal Reserve and administration officials, both before and after the Board's actions. The administration and the Federal Reserve are equally dedicated to doing everything possible to assure the most rapid growth of our economy compatible with reasonable stability of prices and reasonable equilibrium in our international payments. The administration has indicated by its actions as well as by its pronouncements that it considers price inflation and a persistent payments deficit to be serious dangers to continued domestic prosperity. The actions of the Federal Reserve will help to avert these dangers and thereby will assist in achieving maximum employment, production, and purchasing power.

I should like now to discuss in more detail the factors that entered into the Board's decision, and the prospective effects of the actions upon the economy.

Over the past year, industrial production has increased 7 per cent, employment 4 per cent, and personal income more than 7 per cent. For the first time since 1957, we can expect to see unemployment reduced to or below 4 per cent of the labor force. The gains in recent years have been facilitated, and indeed made possible, by the absence of

inflationary expectations on the part of both labor and management. If labor had had reason to fear a persistent substantial rise in the cost of living, it would have felt compelled to seek compensatory increases in wages; and if management had had reason to expect a general increase in the price level, it would not have felt compelled to resist such demands. In that case, wages would certainly have risen faster than productivity; prices would have been raised in consequence; and the feared inflationary spiral would have become actuality.

Our persistent deficit in international payments has been greatly reduced but not eliminated. In fact, the deficit this year will probably be about midway between last year's level and full equilibrium. And even this limited success has been achieved only by means of serious restraints upon the outflow of U.S. capital to foreign developed countries, in the form of a broadened interestequalization tax and of a voluntary foreign credit restraint effort by banks, other financial institutions, and nonfinancial corporations. The cutback in bank credits to foreigners so far this year has been larger than the entire expected improvement in our balance of payments from 1964 to 1965. While the voluntary restraint effort, together with the interest-equalization tax, probably did not account for the entire change in the flows of bank credit, it presumably played a crucial role. Hence, the restraints on capital flows, which are generally considered to be only temporary stopgaps, have been responsible for a large part if not for the whole of the improvement in our payments balance. We certainly will need to do better than that in order to assure lasting payments equilibrium.

In the field of prices we have done less well. The cost of living and the wholesale price index have both risen faster than in any other year since 1958. And the crucial index of industrial commodity prices has begun to rise, after 4 years of virtual stability. It is true that prices have not broken out of the pattern of modest and selective advance in recent months. In order to avert such an eventuality, the Government has taken action relating to prices of a number of individual key commodities. But selective intervention to deal with price pressures necessarily has limits. In the longer run, it would be ineffective if not accompanied by measures that affect the source of price pressures rather than the prices themselves.

Recent developments in the financial sector of the economy have indicated some developing threat of imbalance even more clearly than have the persistence of our payments deficit and the movement in commodity prices.

In October and November of this year, bank loans to business rose at an annual rate of 11 per cent—substantially more rapid than the increase in business activity. It is true that this rate was much lower than that of the unusually fast increase in the first half of the year; but in the first half, credit demand was stimulated by the rapid build-up of inventories in expectation of a steel strike, while in recent months steel inventories have been liquidated. This liquidation is expected soon to come to an end, and once accumulation starts again, we can expect a substantial increase in business loan demands, over and above the present high level.

In order to accommodate the loan demand, banks have attempted to increase their lending resources in two ways: by adding to their time deposit liabilities, and by shifting their assets from securities into loans. But efforts to attract additional time deposits were hampered by the existing ceil-

ing on time deposit interest rates. Offering rates of prime banks for certificates of deposit were at or near the ceiling, thus leaving smaller banks no leeway for offering the premium necessary to induce corporations to entrust their funds to a less well known institution. Partly in consequence, the growth of negotiable deposit certificates has slowed in recent months to a small fraction of the rate prevailing during the first 8 months of the year.

Over the year banks have been obliged to finance some part of their new loans to business by reducing their holdings of U.S. Government securities and by slowing down their acquisition of securities of local governments. In the last 2 months the annual growth rate for bank holdings of securities of municipalities and Government agencies was 8 per cent, as compared with 17 per cent in the first three quarters of the year. Since local governments depend heavily on bank financing, this decline threatened to jeopardize the increase in capital outlays of States and municipalities for schools, hospitals, roads, and other installations needed to provide our rising population with facilities commensurate with our rising standard of living.

The decline in bank holdings of Government securities was particularly serious because at the same time the liquidity of non-financial corporations—and therefore their ability to increase their holdings of such securities—was being reduced. The market's reception of the Treasury's refunding offerings in mid-November was indicative of the difficulties the Treasury was encountering in distributing its securities to investors.

All these factors brought upward pressure to bear on interest rates. And these pressures increased although the Federal Reserve kept the net borrowed reserve position of member banks roughly stable after the spring of 1965, adding about \$2.5 billion of Government securities to its portfolio in the process.

In recent weeks, two further developments made it evident that pressures on real and financial resources would intensify.

First, business plans to spend for plant and equipment projected a considerably faster pace of expansion than was previously considered likely. The results of the Government survey, just released, document that business outlays are scheduled to rise at an annual rate of 15 per cent, at least throughout the first half of next year. Of late, actual spending typically has exceeded the estimates based on the surveys.

Second, the course of the war in Viet Nam made certain a step-up in the rate of Government expenditures. In consequence, Federal needs for funds over the next few months will be significantly heavier than expected only a few months ago.

Both these developments are adding to the pressures on financial markets. In this environment the only way by which the Federal Reserve could have averted a further rise in interest rates would have been to accelerate sharply its provision of reserves to the banking system. This would have been a serious departure from the course the Federal Reserve has been following, which was designed to keep the rise in bank credit and money from becoming excessive. In my judgment, the course of moderation the Federal Reserve has been following has helped to provide the financial basis for the

satisfactory development of our economy this year.

Reflecting the intensity of credit demands, however, interest rates in money markets had risen above the discount rate. This relation could not be permitted to last indefinitely because it could stimulate an excessive resort by banks to borrowing from the Federal Reserve.

Demand pressures have not been confined to money markets. The issue of corporate securities also has greatly expanded, and is expected to expand further. Internal funds, and especially undivided profits, of manufacturing corporations have been rising more slowly than their investments in plant, equipment, and inventory. The rising need for external financing has made it necessary for corporations to increase both their borrowing from banks and their recourse to capital markets.

All these considerations justify, in my judgment, not only the substance of the Board's actions but also their timing. At present, we can expect a modest rise in interest rates to restore equilibrium between the flow of savings and credit demands. Delaying action further would probably have made it necessary to take stronger measures later.

Let me stress once more, in conclusion, that the recent actions of the Board have been, in my judgment, a further unfolding of a policy designed to keep the expansion of credit in line with the needs of the economy, avoiding both inflationary and deflationary disturbances.

Statement submitted by J. L. Robertson, Member, Board of Governors.<sup>1</sup>

Reasons for opposing an increase in the discount rate. Changes in monetary policy should not be triggered by fear of prosperity. A prosperous and growing economy has been the goal of public policies, and substantial achievement in that direction in the 1960's should be a cause of gratification rather than concern. It is not inevitable that inflation, boom, and bust must follow from the kind of prosperous performance the U.S. economy has been giving, and consequently there are no valid grounds for arguing that tightening now is needed to forestall inflationary developments that are sure to come later.

This is not to deny the need for very careful scrutiny of the progress of economic events and a willingness to act to further restrain credit if and as excessive demand pressures actually emerge. I conceive of the present as a time of delicate balance in the economy. Supply and demand forces seem so tentatively poised that abrupt action to change monetary conditions could tip the scales significantly—towards inflation if policy was actively eased, or on the other hand, towards recession if credit availability were sharply tightened.

Financial markets have only recently calmed somewhat after being buffeted by rumors of an impending discount rate change. Such a rate increase now would come as a distinct surprise, with reactions aggravated by the impending seasonal peak of money market pressures. Such action would insure undoubtedly that the heavy volume of Treasury cash borrowing to be done in January would have to be undertaken at substantially higher interest costs to the Government.

If, for whatever reasons, a tightening action is to be initiated, it would be far preferable to use a subtle rather than a slambang method. An appropriately mild and indirect line of action might be to (1) dampen bank issuance of promissory notes by defining them as deposits; (2) hold Regulation Q ceilings on time deposit interest rates at existing levels for the time being; and (3) take no action on the discount rate. expecting that banks would undoubtedly have to cover some portion of their net December loss of CD's by substantial temporary resort to the discount window. This combination of steps should serve to moderate somewhat the rate of advance in bank credit, while not triggering immediate expectations of higher interest rates in the market and yet, at the same time, placing banks in a position of dependence on the discount window that could lead fairly naturally to a more overt tightening of monetary policy should inflationary developments begin to appear.

Whether or not a breakout of inflationary pressures will in fact occur cannot now be predicted. Accordingly, the best practical course is to adopt a policy of "watchful waiting," meanwhile continuing to supply a reasonable flow of reserves to finance muchneeded economic growth. Despite large and sustained expansion since the last recession in 1961, a small but significant margin of human and real capital resources remains unutilized in this country. Further orderly expansion in aggregate demand can effec-

<sup>&</sup>lt;sup>1</sup> Governor Robertson, who was unable to be present, submitted two statements setting forth his reasons for opposing the Federal Reserve's recent decision to raise both the discount rate and the ceilings on interest rates payable on time deposits. The first statement was presented to the Board at the time action was taken on the discount rate. The statement on maximum interest rates was written after the meeting and was submitted for the Board's record.

tively employ some of these resources. The accompanying growth in credit and money during this period has been orderly, and has contributed to over-all economic growth. Continued orderly credit expansion is needed if our economy is to move on up to the goal of sustainable full employment of available resources.

The price pressures to date from this economic growth have been small and selective, stemming mostly from worldwide shortages of particular nonferrous metals, temporary scarcities of certain agricultural products, and market-testing mark-ups in a few administered-price industries. These are not the types of price increases appropriately dealt with by a dampening of aggregate domestic demand. The temporary nature of some of the recent increases is indicated by the fact that the rate of rise in the wholesale price index has already slowed since midyear from an annual rate of 2 per cent to 1 per cent. Meanwhile, recent successful administration actions against aluminum and copper prices reduce the likelihood of other administeredprice increases.

The U.S. balance of payments performance does not now supply reasonable grounds for further monetary tightening. The chief burden for further improvement in the balance falls on other policies. The allegedly interest-sensitive components are already performing very well under the discipline of the Voluntary Foreign Credit Restraint program. I see no sign that this program is weakening in so far as its influence on financial institutions is concerned. Corporate direct investment abroad, the category of capital flow that has been least reduced to date, is notoriously insensitive to changing general credit conditions in the United States.

U.S. interest rates are already high by historical standards, and I believe they are generating all the credit restraint that ought to be attempted in the current delicate situation. The Federal fiscal position will be shifting to a somewhat less stimulative policy for a time after the turn of the year, and we should be wary of imposing a coincident restraining influence from additional monetary tightening at this juncture. The appropriate monetary policy for later in 1966 can be best judged after we have the benefit of the official Federal budget message in January and see the public reaction thereto.

Reasons for opposing higher maximum interest rates. Governor Robertson dissented from this action generally for the same reasons given for his dissent from the action to raise the discount rate. The latter action, he assumed, was designed to tighten credit, in view of the rapid expansion of bank credit; it surely was not designed simply to raise interest rates. However, in his view, the raising of the ceilings on interest rates payable on time deposits would-in virtually the same breath—enable banks to acquire more funds to expand their lending but at higher rates, and thus not serve to reduce bank credit expansion—if that were the aim. In addition, he felt, the larger banks would be able to attract funds away from smaller financial institutions which did not actively engage in the issuance of time deposits but relied on inflows of savings and demand deposits with which to meet loan demands, or, alternatively, to force those smaller banks to also engage in the risky business of competitively bidding for highly interest-sensitive short-term funds with which to make long-term loans.

Statement made by George W. Mitchell, Member, Board of Governors

Consideration of the issues involved in the December 3 actions by the Federal Reserve Board must begin with the state of the economy and its prospects for the future.

The current expansion, which has been going on since early 1961, received a new impulse from the tax cut of 1964. Output accelerated, unemployment declined, and the capacity utilization rate rose; by the summer of 1965, unemployment was down to 4.5 per cent and an estimated 91 per cent of manufacturing capacity was in use. Just when there was some danger of a fall-off in the rate of expansion—as the steel wage settlement led to an inventory run-off-the commitment to greater involvement in Viet Nam provided a new impulse in the form of stepped-up Federal spending and the expectation that more was in the offing. And we now know that business outlays for plant and equipment have accelerated in recent months and are expected to forge ahead in the first half of 1966. In the past year or so, we have experienced some upward creep in wholesale prices after several years of virtual stability in that index.

These economic developments pose both a promise and a challenge. The promise is that the economy continues to move steadily toward full use of its labor force. The challenge is to achieve that goal and to maintain it without inflation. It is to be expected that differences of opinion regarding economic policy measures will assert themselves in these circumstances. For my part, at this time the highest priority attaches to a combination of economic policies that will ease the economy onto a steady growth path at full employment. I believe this can be done with reasonably stable prices. I would grant

that as we achieve full employment, and are in orbit so to speak, our efforts to expand aggregate demand should inevitably be limited by growth in productivity and the labor force.

What is currently at issue is whether a further shift toward restraint—and a spectacular signal of the sort implied by a discount rate increase—was needed. The difference in view on the appropriate monetary policy at the moment is based on differences in judgment on three questions regarding the recent and prospective performance of the economy.

1. Does the nature of the price advances we have had during the past year indicate that inflationary pressures are responsible? Food prices have risen significantly—but because of supply conditions in agriculture. Several internationally traded commodities have risen sharply—but because of political uncertainties and strikes in supplier countries and demand conditions outside as well as in the United States.

Among industrial prices, increases have been selective rather than widespread, and more recently have tended to slow. In one-half of 70 industrial groupings, wholesale price changes since August 1964 have been within  $\pm$  1 per cent.

As guides to monetary action, our price indexes—both the consumer price index and the wholesale price index—leave much to be desired. The consumer price index accentuates the illusion of rising prices properly attributable to higher incomes and rising consumption standards. As pointed out in the Stigler Report, it does so by the upward bias inherent in its treatment of quality changes in goods and services. And the public tends to think of its consumption standards as constant and prices as rising, whereas a significant part of the "price rise" has

purchased improved products and better services.

The wholesale price index has its defects too—mainly that it moves sluggishly and understates the magnitude of price adjustments that are normal in our economy. Interpreting the movements in both these indexes gives rise to many shades of opinion. The price picture has changed in the past year and expectations regarding prices may also have changed. But the evidence on prices does not, in my view, now call for more monetary restraint than is already being applied.

2. The second question underlying the current debate on monetary policy has to do with the rate of unemployment and the potentiality for reducing it further without generating excessive upward pressures on costs and prices. Those who regard 4 per cent unemployment, or 3 million persons, as the approximate total of the frictionally unemployed and the unemployable, and who are especially impressed with the fact that the unemployment rate among married men is down to 2 per cent, may feel that we have achieved our employment goals and that any further progress in reducing over-all unemployment cannot come from aggregate demand. I am not one of those. And I would not choke off growth of aggregate demand if it risked committing a million or more workers, many of them young and the most recent products of our educational system, to the dole or a new category of welfare dependence.

There is no doubt that shortages of skilled labor are being felt at various points in the economy. On the other hand, I remember clearly that many observers a year and more ago were doubtful that unemployment—then about 5 per cent—could be reduced further by expansion of aggregate demand. Yet it has been reduced and unit

labor costs have remained relatively stable. On this basis, I am not yet ready to agree that there is no further room for compression of the unemployment rate—with significant benefit to disadvantaged groups. I would also stress, incidentally, that the age distribution of our population is such that there is little increase in numbers among the 30- to 45-year-olds. To achieve adequate growth in the economy, our labor force must grow, and for this we must absorb the younger entrants into employment.

3. The third question on which I would like to comment concerns the rate of growth of bank credit. Many observers look at the numbers-showing that bank credit has expanded by about 10 per cent this year, while gross national product has been increasing at a rate of about 7 per cent-and conclude that the economy is being oversupplied with bank credit. This is a matter for analysis and judgment. In arriving at judgments on this question, one must keep in mind that bank credit statistics have become very difficult to interpret because of the significant expansion in the role of commercial banks as financial intermediaries. Commercial banks, by offering negotiable certificates of deposit and other new savings instruments, have in recent years captured a larger share of the flow of funds on their way from savers to borrowers. This enlargement in the banking system's share of the savings flow necessarily brings with it a much more rapid growth of bank assets than would flow from the 4 per cent increase in demand deposits that occurred.

The question whether credit expansion is excessive because of monetary creation has no easy answer. It is significant, however, that the rate of growth of bank credit has declined in the course of this year, from an annual rate of over 12 per cent in the first quarter to less than 5 per cent in the third.

This points up the fact that the posture of monetary policy has changed in 1965, especially in the second half. In the recent preoccupation with the discount rate little attention has been given the shift in monetary policy toward greater restraint brought about by open market operations. That monetary policy has become more restrictive over a period of months is evidenced in the advance in interest rates on public and private securities of all maturities since the spring of this year. Long before the discount rate action, Treasury bill yields had risen from 3.8 per cent in the early summer to 4.1 per cent at the end of November; longterm Government bond yields had risenfrom 4.14 per cent in June to 4.34 per cent in late November; the yield on new issues of high-grade corporate bonds had risen from 4.50 per cent in the spring to about 4.75 per cent in late November; and mortgage yields had also begun to move up.

Recent public discussion of Federal Reserve actions has largely ignored the fact that open market operations—not discount rate policy—are the principal instrument of Federal Reserve policy. The major task of the Federal Reserve is to regulate the volume of bank reserves, which affects the rate of expansion of bank credit and money, and thereby influences interest rates and other credit conditions. The discount rate has important psychological and announcement effects, but the real muscle in monetary policy will be found in the open market actions that follow. Thus the impact of monetary policy on the economy in the weeks and months ahead will depend more on the open market policy to be followed than on last week's discount rate action. And open market policy should, in turn, depend on the strength of the private economy and on the impact of fiscal policy.

The recent increase in the discount rate has been interpreted by the public as a decisive shift toward more restrictive monetary policy. And it may prove to be so. A higher discount rate can influence future open market policy toward greater restrictiveness, insofar as the policy-makers come to regard the new discount rate as the level toward which Treasury bills and other money rates should gravitate. This is one of the reasons I opposed the discount rate increase last week.

It seems to me that such an action, given its announcement and psychological effects, should have awaited, and been coordinated with, other Government decisions to be taken over the next several weeks and to be announced in the Budget and the Economic Report. Such consultation and coordination, in my view, would not in any way have been inconsistent with the independence of the Federal Reserve.

The issue of independence of the Federal Reserve calls for a brief comment. In my view, independence of judgment is much more than a matter of legal right, for laws can be changed. Real independence, the only enduring kind, rests on wise and responsible behavior. The measure of independence that the System has retained over the years reflects its sparing use of dissent and the care and skill with which the System's views have been negotiated, mainly by the Chairman, in controversial analyses and judgments. I might add that a similar sort of independence is found within the Federal Reserve where individual policy-makers prize and use, as I did last December 3, the right to dissent.

Turning now to a matter on which I did not dissent, the increase in maximum rates payable on time deposits was justified, in my view, whether or not the discount rate was advanced. This move must be viewed against the background of the past several years in which we have witnessed what could be called a "revolution" on the liability side of bank balance sheets. Banks have been transformed from relatively passive acceptors of deposits to competitively active seekers of deposits. While this situation must be under constant surveillance so as to guard against imprudent lending, more active competition from banks should be a benefit to the economy.

In the current circumstances, rates on negotiable certificates of deposit were pressing the ceiling. It seemed desirable to remove this impediment to competition among banks and to the free flow of funds. This does not mean that I sought or expected a substantial upward adjustment of short-term interest rates in response to the raising of the ceiling. It does mean that I saw the need for more leeway for banks and for them to know that they could offer higher yields, if necessary, as they sought funds.

On past occasions when Regulation Q ceilings were raised—actions in which I also concurred—banks put their enlarged flows of deposits to work in purchasing mortgages and State and local government securities, with downward adjustment in the interest rates on these obligations. There is little scope for such downward interest rate movement now, but there was a danger, before the ceiling was raised, of a sharp rise in rates if the inability of banks to continue to attract time deposits forced them to limit further their acquisitions of municipal securities and cut back on mortgage lending.

The month of December usually witnesses an exceptional concentration of money market pressures. I do not claim that a rise in Regulation Q ceilings was essential to see the money market through this period. Rather, the provision of reserves by the System could have accomplished this task, by

offsetting tendencies for money market yields to rise and making it possible for banks to sell CD's within the existing ceiling to replace CD's maturing this month. But the continuation of such a policy into next year might well have required too rapid an increase in bank reserves and consequently too rapid a rate of monetary and credit expansion, given the strength of aggregate demand.

In brief summary, my position on the posture of monetary policy in the current changing circumstances is that the discount rate action could have been delayed, to await coordination with other Government policies. My willingness to delay discount rate action in this way is based on the fact that monetary policy has already tightened, on the lack of evidence that inflationary pressures are strong or accumulating, and on the belief that we should continue to set high standards for the performance of the economy and, especially, for the reduction of unemployment.

Statement made by Sherman J. Maisel, Member, Board of Governors

I am pleased to have the privilege of appearing before the Joint Economic Committee. The Employment Act of 1946 and the knowledge developed in the reports and hearings of this committee have made major contributions toward the rapid, orderly, non-inflationary growth of the U.S. economy and toward better public understanding of the problems involved in maintaining such progress.

I also welcome this opportunity because

I believe the independence of the Federal Reserve System to be a keystone in our economy's proper functioning. Maintenance of independence is possible only with full public support. Hearings such as this give the Federal Reserve System an opportunity to explain the complexities of monetary policy. They enable the System to report on its stewardship while helping the people of the United States to shape their views as to a proper monetary policy.

I am sorry that as a result of these hearings internal conflicts will receive wide publicity. However, the action of the Board raising the discount rate was significant and worthy of a report to the country. I trust that the net results will be positive. I hope we will gain a better understanding of past action plus improved policies for the future.

Agreements and disagreements. I was somewhat unhappy about the action taken by my fellow Board members on December 3. However, I want to make it clear that my dissent was not based on some of the reasons carried in the press. I do not fear that at this time higher interest rates will lead to an immediate depression or deflation. I respect the motives of all my fellow Board members. Each voted according to his own view of how a better economy could be achieved. The action was deliberate. Its timing did not arise from political or other ulterior motives. An attempt to characterize the votes as based on a belief in "hard money" or "easy money" is not helpful either. Each member clearly based his vote on how he believed the Board could best insure sound money and sound growth for the economy.

I disagreed on positive grounds. I felt that a discount increase at this time was premature. Furthermore, this action posed a net threat to long-run price stability. More specifically I concluded that:

- (1) No sound decision was possible without firm information on the Federal budget. A delay of 1 month to await such knowledge could do little harm. It would enable us to make a much sounder choice.
- (2) To act without far more effort at obtaining agreement on a coordinated monetary, fiscal, and wage-price policy was wrong. The method and timing of the discount rate increase decreased its hoped-for impact. It threatened to introduce undesired, inflationary side-effects. It made the future development of sound fullemployment policies more difficult. Unilateral action could only weaken the President's leadership in a critical war period.
- (3) Two major reasons cited by the majority for immediate action are, I believe, based on faulty theoretical reasoning. Their continued use as a basis for policy can only do harm.
- (4) In departing from its normal and publicized policy of not making discount moves in advance of the market, the Board invested its recent decision to curtail credit expansion and raise interest rates with an urgency that I feel was unwarranted.

If I may, Mr. Chairman, I would like to expand on each of these four points.

A month's delay seemed advantageous. It can be no secret that, like people throughout the country, every Board member has diligently watched each critical economic variable. Growth this year has been excellent. Unemployment has decreased toward our interim goal. Our balance of payments has moved toward equilibrium, but not so rapidly as some hoped. Price pressures have exceeded those in recent years. Credit expansion was high.

The strains of growth have been severe. Continued progress toward full employment is bound to bring further pressures. Still, in prices, wages, and credit, distortions have been less than would be expected for a period of such rapid expansion. For example, in nonfood commodities (those most likely to be influenced by monetary policy) we note that although the rate of increase since midyear is slightly over 1 per cent a year, wholesale prices are only 1 per cent higher than 6 years ago. Nonfood commodity prices in

the consumer price index rose about 3 per cent in the 6-year period. Their increase in the past year was 0.7 of a per cent. The U.S. price stability record in this period far surpasses that of almost every nation in the world.

The credit picture has been mixed. The major credit indexes show a high general rate of expansion in the first part of the year. From June through November, however, commercial bank reserves held in the System decreased. An economy expanding at a rate of over 7 per cent annually received no additional reserves.

Because existing reserves shifted to support time deposits attracted from other saving sources, total commercial credit continued to expand. The rate, however, was slower than in the first half of the year or in the two previous years. Other individual measures of credit showed differing reactions to the lowered reserves. Almost all grew more slowly than in the first half and most at rates below previous years.

As a result of this moderate credit restraint, interest rates rose sharply. On December 3, rates on short-term Governments were about a half a percentage point higher than earlier in the year. Corporate and municipal bonds had risen about as much, while long-term Governments were up over a third of a percentage point. All rates were close to their 30-year highs.

On the whole, one could conclude on December 3 that the price and credit pictures showed signs of pressure arising partly from higher demand and partly from a slowing in the rate of credit expansion. While unwanted price increases threatened, the cooperative effort to hold the wage-price level undertaken by labor, industry, and the Government seemed to be working.

The critical forces that would determine

price movements for the next several months appeared to be the relative expansion rates for total demand and potential output, expectations, and the success of the President's price and wage programs. Price movements of the past year could be considered as normal and logical, given the rapid rate of expansion. They offered no evidence as to how prices might react in a period of steady expansion at full employment.

Most projections of demand and supply available when the Board made its decision were in balance. In all forecasts, however, a recognized critical problem was inexact knowledge as to next year's growth rate for Federal expenditures and revenues. Depending on growth in the Federal budget, the country's demand might expand either more slowly or somewhat faster than capacity.

The Federal Reserve had no special information as to likely changes in the budget. Since, in attempting to formulate a correct policy for next year, the budget figures are critical, it seemed to me improper to make a drastic monetary change until this information became available. Reinforcing this reasoning was the fact that although a 1-month delay was technically feasible, an increase in discount and interest rates would be irreversible for a considerable period. The arguments for immediate action seemed weak.

Need for coordination. A more significant reason for urging a delay than incomplete information was my belief that this action failed to give sufficient weight to the necessity for a proper coordination of fiscal, wage—price, and monetary policies.

It would be interpreted by many as an attack by the Federal Reserve on the national consensus or program for meeting price pressures. Some would feel that the Board was assailing recent Governmental policies. Others would assume that the Board

did not accept maximum full-employment growth with stable prices as a national goal. Raising the discount rate would be interpreted as a view by the Board that because full employment increases inflationary problems, restrictive monetary policy must be invoked at its mere approach.

More important, I felt that a failure to coordinate was an irresponsible use of our independence. It reduced the choices on national policy available to the President. We were informing him that monetary policy would be tighter, leaving him to adjust fiscal and wage—price policy accordingly.

Many people recently have argued that the country can achieve a proper level of total demand by a policy of high interest rates offset by high budget deficits. They point out that each dollar of demand curtailed by higher interest rates can be offset by a budget deficit. As a fiscal conservative and a believer in leaving the maximum of choices to our market economy, I dislike this theory.

I personally think that, in the current situation, adjustments through fiscal policy might be more advantageous. The country may be better off with lower deficits and lower interest rates. If demand is great enough, we may need a budget surplus. Increasing interest rates primarily penalizes growth and improvements in urban life. It tends to restrict modernization of plant and equipment, growth in housing, and the expansion and rebuilding of vitally needed State and local improvements. It increases the Federal deficit. It makes the task of the small businessman more difficult.

But more important than my own beliefs is the fact that I dislike attempting to impose them unilaterally on other parts of the Government. I would have preferred to explore all possible channels in an attempt to

get a coordinated program. The Board's freedom to act requires that it use responsible statesmanship in achieving better economic policy.

History has shown that dividing the monetary from the fiscal functions of government is wise. Otherwise the creation of money to fill the public purse can become an engine of inflation. Because the Federal Reserve has a unique responsibility for maintaining monetary integrity, we must work as hard as possible to make certain that it is used properly.

The costs of conflict between monetary, fiscal, and wage-price policy are high. Achieving sound policies that will enable our economy to grow with stable prices at full employment is a most difficult task. In such decisions the Federal Reserve System has a vital role. It must remind other agencies of the need for monetary probity and must insist that the value of the dollar be maintained. However, our independence and right to act should be used primarily as a valuable ace in the hole. An unnecessary use of power may dangerously weaken the System. The weapon of independence is clearly a major bargaining force. However, because monetary and fiscal policies are necessarily interdependent, national goals may more easily be achieved if the ability to act leads to a coordinated program rather than independent action. Weapons held in reserve may be more powerful than those committed at the earliest sign of conflict.

It also seemed clear that a precipitate action by the Board in the light of recent history would decrease its hoped-for deflationary impact. People might mistakenly believe that the action was taken on far firmer grounds than it was. They might assume that the Board was convinced that inflation was imminent. This sudden action could easily

cause a rise in expectations and a sharp runup in demand. Others might not understand the significant difference between banks raising their prices and unions and other industries doing likewise. They might feel justified in demanding higher wages or prices.

To some people's surprise my views on the requirements for evaluating the total (both direct and side-effects) results of this interest rate action have been highly influenced by Senator Robert Taft. As a member of your Committee, he pointed out on numerous occasions that tax (and by implication, interest) increases have three separate influences. (1) Demand is decreased, thus tending to reduce prices. (2) Costs are raised, tending to raise prices. (3) The changed situation (announcement effect) may lead to independent price increases.

Most people concerned with the discount change stress only the first factor: that is, that higher interest rates make credit more expensive. People decrease their desires to purchase equipment, plants, houses, autos, and so forth. The lowered demand for goods means a lowered demand for employment. There is less pressure for wage and price hikes.

In addition though, we all recognize that interest is a cost of doing business. Gross interest payments in this country total about \$70 billion a year. Raising a cost must have some influence on prices.

The announcement effects are expected to be mixed. However, any procedures that raised expectations or decreased the ability of the administration to maintain its wage-price guidelines would diminish the desired price influences.

It seemed clear to me that the method used by the Board of raising the discount rate failed to coordinate monetary, fiscal, and wage-price policy. It was bound to increase the undesired price-increasing sideeffects at the expense of the hoped-for deflationary impact. A delay of a month to enable the Government to announce a unified policy would greatly increase the effectiveness of the Board's action.

Improper reasons. I am also concerned because it appears to me that the reasoning and action of the majority tend to enthrone as causes for monetary restraint two pieces of theory that I feel are invalid and dangerous precedents. These are: (1) the continuing use of higher interest rates in the U.S. economy for balance of payments purposes; and (2) the concept that one must act in advance of changes in demand for fear that once demand starts to grow it can be contained only with much higher sacrifices.

I have previously stated my views on the balance of payments argument. The United States is doing extremely well in restraining interest-sensitive items through present programs. Further rate increases might simply be matched again overseas. Indeed, higher rates may have a perverse effect. U.S. interest payments abroad would rise immediately. Higher financing costs would make our exports less competitive. Slower growth in this country might make direct investments abroad—our chief problem area—look even more inviting.

The traditional belief in higher interest rates for balance of payments reasons assumes either (1) rates high enough to raise unemployment sufficiently to curtail imports or (2) interest high enough to change capital flows. No one admits to desiring the first path. The second path I regard as dangerous and almost impassable.

When the discount rate was raised, the President was in the process of announcing a revised balance of payments program designed to bring about the necessary return to equilibrium. I believe the President's program was proper and sufficient. The constant use of balance of payments as a theme to raise interest rates can only have a most unfortunate long-run impact.

I am not certain I understand the argument that it was impossible to delay action for a month or until sufficient information about demand, prices, and credit became available. This is contrary to what we know about most decision processes. As I understand this reasoning, it holds that delays and small infusions of additional credit are extremely dangerous. They lead to highly magnified inflationary conditions in the future. The use of credit gains momentum and runs away after some critical point.

We must admit that anything, including such results, may be possible. However, most people who have studied our monetary system carefully believe such a situation is extremely unlikely to occur. A large-scale credit expansion without added reserves would require peculiar types of discontinuities in our monetary system. There is no indication they exist. They have not appeared in the past. I spent considerable time trying to track down the basis of this idea. No one I asked on our staff or among monetary historians or theorists could find any support for this doctrine.

I concluded that neither the idea of a critical mass of credit nor the balance of payments argument was a proper basis for policy decisions.

The method of curtailing credit expansion. When it became evident that a majority of the Board felt that a curtailment of credit was desirable, a question arose as to the best method of procedure. This is clearly far more a question of judgment than of analysis or of values. I felt that an immediate discount

rate change should be avoided. The Board has had an established policy of letting discount rate changes follow the market. It has stated that it rarely deviates from this policy unless it desires to stress the importance of the change and to obtain a magnified effect. The disadvantages of decreasing credit at this time seemed sufficiently great. I saw no special circumstances requiring a break with traditional policy.

In addition to all other disadvantages the rate change method, together with the change in Regulation Q, made it possible that the level of credit and demand would be raised rather than lowered. The System would have to furnish additional reserves for the transition period. A shift from demand to time deposits would mean that the existing reserve base could support a credit expansion. As a result, the action would bring higher interest rates, but at least initially an undesired increase in real demand could occur.

Given the expressed desire to curtail credit rather than to ratchet the interest rate structure upward, a more traditional and simpler approach appeared preferable. The System could simply determine not to furnish additional reserves and not to raise Regulation Q. The discount window could have been opened wider to meet urgent needs. Borrowed reserves have been low by past standards for periods of restraint. Tighter money and larger borrowed reserves would have led to higher rates, which could then have been ratified by a later discount rate change. This would have avoided the uncertainties and misunderstandings of the present situation. There would have been time for coordination with the fiscal authorities. If no agreement was possible, there at least could have been an announcement of a joint agreement to disagree.

Mr. Chairman, this concludes my statement. I want to make it clear again that while I believe the discount rate change at this time was incorrect policy, it is a move that can and will be absorbed by the economy without causing an immediate recession.

We must recognize our limited experience in operating for any length of time at full employment. However, the potential gains to our national welfare from the successful development of policies that will allow rapid expansion with stable prices are enormous. I hope that we can think of this action as behind us. Now it is time to try again to work out a better coordinated use of all types of policies that can help in achieving our national goals.

# Revised Guidelines

### For Banks and Nonbank Financial Institutions

Since inception of the voluntary foreign credit restraint effort, immediately following announcement by the President of his balance of payments program in February 1965, commercial banks and other financial institutions have contributed substantially to the improvement in the nation's payments position. This has been accomplished by the high degree of cooperation and statesmanship exhibited by the financial community in restraining the growth of (and in some instances reducing) claims on foreigners in accordance with guidelines issued by the Board of Governors of the Federal Reserve System.

Although considerable progress has been made and although the voluntary restraint program is temporary in nature, perseverance by financial institutions in the program through 1966 is necessary to attain the goal of equilibrium in the nation's balance of payments and represents the appropriate response to the President's message of February 10, 1965, in which he issued a personal "call on American businessmen and bankers to enter a constructive partnership with their Government to protect and strengthen the position of the dollar in the world today."

The main feature of the guidelines for 1965 has been a percentage limitation on increases in foreign credits from the base date of December 31, 1964. In general, each bank was requested to restrict its

foreign credits outstanding to an amount not in excess of 105 per cent of the amount outstanding at the end of 1964, and each nonbank financial institution was requested to operate within a framework roughly similar to that suggested for banks.

For the year 1966 the guidelines for both banks and nonbank financial institutions have been revised to suggest limitations on expansion of foreign credits that are comparable to the limitations suggested for 1965. These will permit some further expansion in such credits, and provide for variations to remove certain inequities inherent in the 1965 program.

Notwithstanding the fact that the banking system as a whole is presently well below the suggested target for 1965, this additional expansion has been allowed for two reasons: (1) it is believed that banks will continue to cooperate with the spirit as well as the letter of the program and will utilize the expansion suggested only to the extent needed to meet priority credit requirements; and (2) it is intended to make certain that export financing is available in adequate amounts, and that the bona fide credit needs of less developed countries will continue to be met.

Continued restraint on the increase in foreign credits is the basic objective of the bank program for 1966. Generally speaking, commercial banks are requested to restrain any expansion in foreign credits to such an

extent that the amount outstanding at yearend will not exceed 109 per cent of the amount outstanding on December 31, 1964. Further, in order to spread throughout the year any outflow necessary to meet priority credit requirements, it is requested that the amount outstanding not exceed 106 per cent of the 1964 base during the first quarter, 107 per cent during the second, and 108 per cent during the third quarter. Special consideration for banks with small bases will add 1 per cent or less to the total, bringing the potential amount outstanding at the end of 1966 for the banking sysem as a whole to about 110 per cent of the 1964 base as compared with the 105 per cent target for 1965.

The guidelines for 1966 for nonbank financial institutions have been revised to reflect provisions broadly comparable with those of the bank guidelines. Investments of liquid funds abroad are to be held to minimum practicable levels and ordinarily should not be permitted to exceed the reduced September 30, 1965, total. Investments in credits maturing in 10 years or less and in foreign branches and financial subsidiaries are subject to the same ceiling as suggested for the banks. Long-term invest-

ments in developed countries other than Canada and Japan are subject to a ceiling of 105 per cent of the September 30, 1965, amounts during 1966; this base was selected because retroactive use of a 1964 year-end base might have been inequitable for some institutions.

As in 1965, financial institutions are requested to give priority to export credits and credits to less developed countries. In instances where the special base and ceiling calculations for banks with small bases result in a ceiling in excess of 109 per cent, it is requested that the amount in excess of 109 per cent of a bank's base be used exclusively for such priority credits. The leeway for additional foreign credits provided by the 1966 guidelines plus the funds available from repayments on outstanding credits will provide larger resources than last year to finance an expanded volume of exports and to satisfy credit requirements of less developed countries.

The guidelines for banks and nonbank financial institutions follow.<sup>1</sup>

### Guidelines for Banks

#### (1) Base, ceiling, and reporting

- (a) Base
- 1. The base is a bank's total claims on foreigners for own account, including foreign long-term securities, on December 31, 1964, except for the exclusion in (a) 3 below.
  - 2. Meaning of terms:
- (A) "Foreigners" include individuals, partnerships, and corporations domiciled

outside the United States, irrespective of citizenship, except their agencies or branches within the United States; branches, subsidiaries, and affiliates of U.S. banks and other U.S. corporations that are located in foreign countries; and any government of a foreign country or official agency thereof and any official international or regional institution created by treaty, irrespective of location.

<sup>&</sup>lt;sup>1</sup> Previous Guidelines for Banks and Nonbank Financial Institutions were published in the following BULLETINS this year: March, pp. 371-76; April, p. 532; May, p. 685; July, pp. 944-46; and August, p. 1105.

- (B) "Long-term securities" are those issued without a contractual maturity or with an original maturity of more than 1 year from the date of issuance.
- (C) "Other claims" include all long-term claims other than securities, real assets, net investment in and advances to foreign branches and subsidiaries, and all short-term claims (such as deposits, money market instruments, customers' liability on acceptances, and loans).
  - 3. Specific inclusions and exclusions:
- (A) Claims on foreigners should be included without deduction of any offsets. Foreign customers' liability for acceptances executed should be included whether or not the acceptances are held by the reporting bank. Participations purchased in loans to foreigners (except participations in loans extended by the Export-Import Bank) also should be included.
- (B) Contingent claims, unutilized credits, claims held for account of customers, acceptances executed by other U.S. banks, and participations in loans arranged by or guaranteed by the Export-Import Bank or insured by the Foreign Credit Insurance Association should be excluded.

### (b) Ceiling

- 1. The 1966 ceilings with respect to the amount of foreign credits outstanding by a bank with a base of \$5 million or more are as follows:
- (A) In the first calendar quarter, 106 per cent of its base;
- (B) In the second calendar quarter, 107 per cent of its base;
- (C) In the third calendar quarter, 108 per cent of its base;
- (D) In the fourth calendar quarter, 109 per cent of its base.
- 2. In lieu of the ceiling prescribed in (b) 1 above, a bank with a base of \$500,000

- but less than \$5 million, may use the following special ceiling:
- (A) In the first calendar half, its base plus \$225,000;
- (B) In the second calendar half, its base plus \$450,000.
- 3. The ceiling for a bank with a base below \$500,000 is 150 per cent of its base. However, any such bank, or a bank which had no foreign credits outstanding on December 31, 1964, may discuss with the Federal Reserve Bank of the Reserve district in which it is located the possibility of adopting a ceiling that would permit expansion up to \$450,000 above the bank's base.
- 4. In discussing the ceiling of a bank described in paragraph 3, the Federal Reserve Bank will ascertain the bank's previous history in foreign transactions, including acceptance of foreign deposits or handling foreign collections, and the reasons why the bank considers it should have additional leeway. Prior to a decision, the Federal Reserve Bank will obtain clearance from the Board of Governors.
- 5. Any expansion under paragraphs 2 or 3 that is in excess of 109 per cent of the bank's base should be limited to loans or acceptance credits that finance exports of U.S. goods or services or that represent credit extended to less developed countries. Export credits should be limited to transactions orginated by the bank's regular customers or by residents of its normal trade territory. Such expansion should not involve (A) participations in loans originated by other banks or purchases of such loans, (B) investments in foreign securities, (C) deposits in foreign banks, or (D) investments in foreign short-term money market instruments.

### (c) Reporting

1. Banks that report on Treasury Foreign

Exchange Form B-2 or B-3 should file a Monthly Report on Foreign Claims (Form F.R. 391) with the Federal Reserve Bank of the Reserve district in which the bank is located.

- 2. Banks that have claims on foreigners in an amount of \$100,000 or more and do not report on Treasury Foreign Exchange Form B-2 or B-3 should file a Quarterly Report on Foreign Claims (Form F.R. 391a) with the Federal Reserve Bank of the Reserve district in which the bank is located.
- 3. Copies of Forms F.R. 391 and 391a are available at the Reserve Banks.

### (2) Loans involving Export-Import Bank

Participations in individual export loans arranged by the Export-Import Bank, loans with Export-Import Bank guarantees or insurance, and holdings of "Export-Import Portfolio Fund" participations are excluded from the ceiling. The role of the Export-Import Bank within the framework of the President's program is coordinated by the National Advisory Council for International Monetary and Financial Problems.

### (3) Credits in excess of ceiling

A bank would not be considered as acting in a manner inconsistent with the program if it at times exceeds its ceiling as a result of the (a) drawdown of binding commitments entered into before February 11, 1965; or (b) extension of priority export credits.

The bank should, however, reduce its claims on foreigners to an amount within the ceiling as quickly as possible. It should also take every opportunity to withdraw or reduce commitments, including credit lines, that are not of a firm nature and to assure

that drawings under credit lines are kept to normal levels and usage. At time of renewal, each credit line should be reviewed for consistency with the program.

A bank whose foreign credits are in excess of the ceiling will be invited periodically to discuss with the appropriate Federal Reserve Bank the steps it has taken and proposes to take to reduce its credits to a level within its ceiling.

### (4) Loan priorities

Within the ceiling, absolute priority should be given to bona fide export credits. Credits that substitute for cash sales or for sales customarily financed out of nonbank or foreign funds are not entitled to priority.

With respect to nonexport credits, banks should give the highest priority to loans to less developed countries and should avoid restrictive policies that would place an undue burden on Canada, Japan, and the United Kingdom.

It is expected that the outstanding amount of nonexport credits to developed countries in continental Western Europe would not be increased during 1966 but rather would be reduced to the extent needed to meet bona fide requests for priority credits within the over-all ceiling.

Without attempting to specify all types of loans that should be restricted, it is obvious that credits to developed countries that can be cut back with benefit to our balance of payments and with the least adverse side-effects include: credits to finance third-country trade, credits to finance local currency expenditures outside the United States, credits to finance fixed or working capital needs, and all other nonexport credits to developed countries that do not suffer from balance of payments difficulties.

# (5) Banks whose foreign credits consist almost entirely of export credits

A bank whose foreign credits are consistently composed almost entirely of export credits usually should keep its credits within its ceiling. If such a bank exceeds its ceiling from time to time, it would not be considered as acting in a manner inconsistent with the program if the amount of such excess is reasonable and the bank makes every effort to bring the amount of its credits back within the ceiling at the earliest practicable date.

### (6) Trust departments

Trust departments of commercial banks should follow the guidelines with respect to nonbank financial institutions.

# (7) Transactions for the account of customers

A bank should bear in mind the President's balance of payments program when acting for the account of a customer. Although the bank must follow a customer's instructions, it should not encourage customers to place liquid funds outside the United States. A bank should not place with a customer foreign obligations that, in the absence of the voluntary credit restraint program, it would have acquired or held for its own account.

### (8) Foreign branches

The voluntary credit restraint program is not designed to restrict the extension of foreign credits by foreign branches if the funds utilized are derived from foreign sources and do not add to the outflow of capital from the United States.

Total claims of a bank's domestic offices on its foreign branches (including permanent capital invested in as well as balances due from such branches) represent bank credit to nonresidents for the purposes of the program.

### (9) "Edge Act" corporations

"Edge Act" and "Agreement" corporations are included in the voluntary credit restraint program. Foreign loans and investments of such corporations may be combined with those of the parent bank or a separate ceiling may be adopted for the parent bank and each such subsidiary corporation. If such corporation is owned by a bank holding company, its foreign loans and investments may be combined for purposes of the program with any one or all of the banks in the holding company group.

An "Edge Act" corporation established before February 10, 1965, that had not made any significant volume of loans and investments before December 31, 1964, may take as a base, alone and not in combination with its parent, its paid-in capital and surplus, up to \$2.5 million.

# (10) U.S. branches and agencies of foreign banks

Branches and agencies of foreign banks located in the United States are requested to act in accordance with the spirit of the domestic commercial bank voluntary credit restraint program.

# (11) Loans to U.S. residents and substitution of domestic credit for credit from foreign sources

There are a number of situations in which loans to domestic customers may be detrimental to the President's balance of payments program. These include:

(A) Loans to U.S. companies which will aid the borrower in making new foreign loans or investments inconsistent with the President's program. Banks should avoid making new loans that would directly or indirectly enable borrowers to use funds abroad in a manner inconsistent with the Department of Commerce program or with the guidelines for nonbank financial institutions.

- (B) Loans to U.S. subsidiaries and branches of foreign companies which otherwise might have been made by the bank to the foreign parent or other foreign affiliate of the company, or which normally would have been obtained abroad.
- (C) Loans to U.S. companies with foreign activities that take the place of credit normally obtained abroad. Even though such loans are made to domestic firms or those domiciled here, the impact on the U.S.

balance of payments is the same as if the bank had made loans to foreigners in the first instance.

To the extent possible, banks should also avoid making loans to domestic borrowers that have an effect similar to that of the loans described in paragraphs (B) and (C) above.

### (12) Management of a bank's liquid funds

A bank should not place its own funds abroad for short-term investment purposes, whether such investments are payable in foreign currencies or in U.S. dollars. This does not, however, call for a reduction in necessary working balances held with foreign correspondents.

### Guidelines for Nonbank Financial Institutions

The types of financial institutions to which these guidelines on foreign lending and investing are applicable include domestic life, fire and casualty insurance companies; corporate noninsured pension funds and Statelocal retirement systems; mutual savings banks, mutual funds and investment companies; consumer, sales and commercial finance companies; college endowment funds and charitable foundations. Also covered by the program are the U.S. branches of foreign insurance companies and of other foreign financial corporations. Trust companies and trust departments of commercial banks are expected to observe the guidelines in the investment of funds entrusted to them or for which they serve as investment advisor. Investment underwriting firms, security brokers and dealers, and investment counseling firms are also covered with respect to foreign assets held for their own account, and are requested to inform customers of the guidelines and to enlist their support in cooperating with the President's program.

Any nonbank financial institution holding \$500,000 or more in foreign loans, investments, or other foreign financial assets is requested to file a statistical report (Form F.R. 392) at the close of each calendar quarter with the Federal Reserve Bank of the Reserve district in which its principal office is located. Lending institutions not receiving copies of the reporting form may obtain them from the Federal Reserve Bank.

#### SPECIFIC GUIDELINES

(1) Investment of liquid funds abroad should be reduced to minimum practicable levels consistent with the operating needs of the institution. Such holdings ordinarily should not be permitted to exceed the September 30, 1965, total, except for temporary seasonal excesses.

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This category includes all deposits held with foreign banks or foreign branches of U.S. banks, whether denominated in U.S. dollars or a foreign currency and regardless of maturity. It also includes all liquid money market claims on foreign obligors with an original maturity of 1 year or less, whether such claims are denominated in U.S. dollars or a foreign currency. The term "liquid money market claims" is interpreted broadly to include the securities of Governments and their instrumentalities, commercial paper, finance company paper, bankers' acceptances, and other readily marketable paper. This guideline is *not* applicable to short-term business credits that are not readily marketable (covered under guideline (2)).

(2) Investments and credits maturing in 10 years or less at date of acquisition, except for liquid investments covered under guideline (1), are subject to a percentage guideline based on the total of such holdings at the end of 1964. The aggregate amount of these investments, and of net financial investment in foreign branches, financial subsidiaries and affiliates (described below), should not exceed 105 per cent of the 1964 base date amount as of the end of 1965, and should not exceed 106 per cent of the base date amount during the first quarter of 1966, 107 per cent during the second quarter, 108 per cent during the third quarter, and 109 per cent in the final quarter of the year.

This category includes all bonds, notes, mortgages, loans, and other credits carrying maturities at date of acquisition of 10 years or less. The date of final maturity is to be taken in classifying individual credit transactions, except that a credit transaction should not be classified as "long term" (and hence subject to guideline (3) below) unless 10 per cent or more of the amount to be repaid is scheduled to be repaid after 10

years. Loans guaranteed or arranged by the Export-Import Bank or insured by the Foreign Credit Insurance Association are not to be considered foreign credits for purposes of this program.

Net financial investment in foreign branches, financial subsidiaries and affiliates, if any, is included among the assets subject to the percentage ceilings of this guideline. Such financial investment includes payments into equity and other capital accounts of, and net loans and advances to, foreign corporations engaged principally in finance, insurance, or real estate activities, in which the U.S. institution has an ownership interest of 10 per cent or more. Earnings of a foreign affiliate that are reinvested in the business are not included among assets subject to the guideline ceiling, although institutions are requested to repatriate such earnings to the fullest extent feasible.

In administering restraint in foreign lending and investing, institutions are requested to observe the following priorities or guides:

- 1. Credits and investments that represent bona fide U.S. export financing should receive absolute priority.
- 2. Nonexport credits and investments in the less developed countries, and investments in the securities of international institutions, are to be given priority consideration second only to bona fide export financing.
- 3. The flow of investment funds to Canada and Japan, which are heavily dependent on U.S. capital markets, need be restricted only to the extent necessary to remain under the guideline ceiling.

It is recognized that some individual institutions may temporarily exceed the guideline ceiling, because of investments made under the first two priorities above, or the taking down of firm commitments to lend or invest entered into prior to June 22, 1965, the effective date of the previous guidelines. In any such case, an institution that exceeds its target should consult with the Federal Reserve Bank of the Reserve district in which it is located regarding a program for moving back within the ceiling in a reasonable period of time.

(3) Long-term credits (exceeding 10 years in maturity) and stock investments in foreign companies are not subject to an aggregate ceiling for 1966. This category includes bonds, notes, mortgages, loans, and other credits maturing more than 10 years after date of acquisition, as well as preferred and common stocks. (Loans and investment in certain subsidiaries and affiliates, however, are covered by guideline (2).) Term loans and serial-payment notes and bonds are included in this category only if 10 per cent or more of the total amount of the credit is scheduled

for repayment to the lender after 10 years beyond date of acquisition.

No percentage ceiling is suggested on long-term credits and investments in the priority categories relating to export financing and to less developed countries (including international institutions) as described in guideline (2). Long-term investment in Canada and Japan also is not subject to a percentage ceiling, in view of inter-Governmental agreements affecting the net amount of financing done by these countries in U.S. financial markets. Lending institutions are requested, however, to limit in 1966 the total of credits and investments in other developed countries to an amount not in excess of 105 per cent of the amount of such holdings on September 30, 1965. Within this category, institutions are expected to avoid any increase in long-term investments in the developed countries of continental Western Europe.

The attention of lending institutions is directed to the need to refrain from making loans and investments inconsistent with the President's balance of payments program. Among these are the following:

- 1. Long-term credits covered by guideline (3) which substitute for loans that commercial banks would have made in the absence of the voluntary foreign credit restraint effort administered by the Federal Reserve System.
- 2. Credits to U.S. borrowers which would aid in making new foreign loans or investments inconsistent with the voluntary restraint program administered by the Department of Commerce.
- 3. Credits to U.S subsidiaries and branches of foreign companies which otherwise might have been made to the foreign parent, or

which would substitute for funds normally obtained from foreign sources.

4. Credits to U.S. companies with foreign activities which would take the place of funds normally obtained abroad.

Reasonable efforts should be made to avoid accommodating credit requests of these types, regardless of specific guideline targets detailed in this circular.

#### **NOTES**

- 1. None of the guidelines in this circular are intended to apply to the reinvestment of reserves on insurance policies sold abroad in assets within the country involved, in amounts up to 110 per cent of such reserves.
- 2. Developed countries other than Canada and Japan are: Abu Dhabi, Australia, Austria, the Bahamas, Bahrein, Belgium, Bermuda, Denmark, France, Germany (Federal Republic), Hong Kong, Indonesia, Iran, Iraq, Ireland, Italy, Kuwait, Libya, Liechtenstein, Luxembourg, Monaco, Netherlands, Neutral Zone,

New Zealand, Norway, Portugal, Qatar, Republic of South Africa, San Marino, Saudi Arabia, Spain, Sweden, Switzerland, and the United Kingdom.

Also to be considered "developed" are the following countries within the Sino-Soviet bloc: Albania, Bulgaria, any part of China which is dominated or controlled by international communism, Cuba, Czechoslovakia, Estonia, Hungary, any part of Korea which is dominated or controlled by international commu-

nism, Latvia, Lithuania, Outer Mongolia, Poland (including any area under its provisional administration), Rumania, Soviet Zone of Germany and the Soviet sector of Berlin, Tibet, Union of Soviet Socialist Republics and the Kurile Islands, Southern Sakhalin, and areas in East Prussia which are under the provisional administration of the Union of Soviet Socialist Republics, and any part of Viet Nam that is dominated or controlled by international communism.

### Staff Economic Studies

The research staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects. From time to time the results of studies that are of general interest to the economics profession and to others are summarized—or in some instances printed in full—in this section of the BULLETIN.

In all cases the analyses and conclusions set forth are those of the authors and do not

necessarily indicate concurrence by other members of the research staffs, by the Board of Governors, or by the Federal Reserve Banks.

Single copies of the full text of each of the studies summarized below are available in mimeographed form. The list of publications at the back of each Federal Reserve BULLETIN includes a separate section enumerating the studies for which copies are currently available in that form.

### STUDY SUMMARIES

# CRITERIA FOR CONDUCT OF MONETARY POLICY: IMPLICATIONS OF RECENT RESEARCH

Daniel H. Brill-Staff, Board of Governors

Paper delivered at the Conference of University Professors, sponsored by the American Bankers Association at Purdue University, August 29—September 1, 1965

Recent research has emphasized the importance of financial variables, and hence of monetary policy, on spending decisions. It has not, however, suggested rules for central banking that provide adequate guidance for policy making.

Theoretical research has led to general agreement that monetary policy influences spending decisions through its effects on prices and yields of financial assets and on nonprice credit terms. These effects are not reflected in any simple way in changes in the money stock. In fact, the recent behavior of banks in markets for time and savings deposits seems to have weakened consider-

ably the relation between the stock of money and financial market conditions.

What is needed for guidance of central bank decisions is more systematic exploration of the links between monetary policy and interest rates, and the links between interest rates and expenditure responses. And the nonprice aspects of credit transactions need much more intensive examination on both a theoretical and empirical level. Finally, the results of all of these inquiries must be integrated in a model of economic performance which will more clearly delineate the path between policy actions and policy goals.

#### THE POSTWAR BOOM IN HOTELS AND MOTELS

Royal Shipp and Robert Moore Fisher—Staff, Board of Governors Paper prepared as a staff memorandum in July 1965

A major construction boom has taken place during recent years in many types of income-producing real estate. As a result, these properties have been serving as collateral for a rapidly growing volume of mortgage debt. What economic forces have contributed to the timing, extent, and likely remaining duration of this boom? What trends have emerged in financing requirements? Will these rental properties be able to generate operating revenues adequate to repay indebtedness secured by them?

This paper explores various supply and demand aspects of the postwar construction boom for one special type of income-producing property—hotels and motels. Drawing on statistical and other materials taken from

varied sources, the paper highlights certain features of hotels and motels affecting their value as loan collateral. It also analyzes the changing ability of such properties to service debt outstanding against them. Methods of financing and Federal income tax laws and regulations affecting the industry are discussed. Sources of hotel-motel data and information are summarized in a brief appendix.

The paper concludes that the most rapid growth in hotel-motel building appears to lie behind us. But given a continued high level of economic activity and sufficient availability of credit, a large annual volume of such construction should persist.

# Law Department

Administrative interpretations, new regulations, and similar material

### Maximum Rate of Interest Payable on Time Deposits

The Board of Governors, effective December 6, 1965, increased to 5½ per cent per annum the maximum permissible rate of interest payable by member banks of the Federal Reserve System on time deposits, and reduced from 90 to 30 days the minimum time limitation for classification as a time deposit eligible to receive the highest maximum rate of interest. Similar action was taken by the Federal Deposit Insurance Corporation with respect to maximum rates of interest payable by nonmember insured banks. The amended Supplement to the Board's Regulation O, reads as follows:

### SUPPLEMENT TO REGULATION Q (12 CFR Part 217)

**SECTION 217.6** 

Effective December 6, 1965

Pursuant to the provisions of section 19 of the Federal Reserve Act and § 217.3, the Board of Governors of the Federal Reserve System hereby prescribes the following maximum rates of interest payable by member banks of the Federal Reserve System on time and savings deposits:

(a) Maximum rate of 5½ per cent. No member bank shall pay interest accruing at a rate in excess of 5½ per cent per annum, compounded quarterly, regardless of the basis upon which such interest may be

computed, on any time deposit.

(b) Maximum rate of 4 per cent. No member bank shall pay interest accruing at a rate in excess of 4 per cent per annum, compounded quarterly,2 regardless of the basis upon which such interest may be computed, on any savings deposit.

#### Termination of Reserve City Designation

Pursuant to the Board's Rule for Classification of Reserve Cities, the reserve city designation of Pueblo, Colorado, was terminated effective November 25, 1965. This action by the Board is codified as § 204.57 of Title 12, Code of Federal Regulations, Part 204, reading as follows:

§ 204.57 Termination of Pueblo, Colorado, designation as reserve city.

In accordance with paragraph (e) of § 204.51, a member bank in Pueblo, Colorado, has submitted a written request for termination of the designation of such city as a reserve city, and, acting pursuant to such paragraph (e) of § 204.51, the Board of Governors has granted such request. Accordingly, the designation of Pueblo, Colorado, as a reserve city is hereby terminated effective November 25, 1965.

#### Relationships with Dealers in Securities

The Board of Governors, effective November 17, 1965, amended § 218.2 of Regulation R, "Relationships with Dealers in Securities Under Section 32 of the Banking Act of 1933," so as to add obligations of the Tennessee Valley Authority, the Inter-American Development Bank, the International Bank for Reconstruction and Development, obligations insured by the Federal Housing Administrator, and obligations of local public housing agencies to the list of obligations of Federal agencies now named in this section of the regulation which exempts relationships of officers, directors or employees of member banks of the Federal Reserve System with firms dealing in only certain types of obligations. The amendment reads as follows:

### AMENDMENT TO REGULATION R (12 CFR Part 218)

Effective November 17, 1965, section 218.2 is amended to read as follows:

#### SECTION 218.2—EXCEPTIONS

Pursuant to the authority vested in it by section 32, the Board of Governors of the Federal Reserve System hereby permits the following relationships:2 Any officer, director, or employee of any corporation or unincorporated association, any partner or employee of any partnership, or any individual, not engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of any stocks, bonds, or other similar securities except bonds, notes, certificates of indebtedness, and Treasury bills of the United States, obligations fully guaranteed both as to principal and interest

<sup>&</sup>lt;sup>1</sup>The maximum rates of interest payable by member banks of the Federal Reserve System on time and savings deposits as prescribed herein are not applicable to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia. <sup>2</sup>This limitation is not to be interpreted as preventing the compounding of interest at other than quarterly intervals, provided that the aggregate amount of such interest at the rate above prescribed when compounded quarterly.

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by the United States, obligations of Federal Intermediate Credit banks, Federal Land banks, Central Bank for Cooperatives, Federal Home Loan banks, the Federal National Mortgage Association, and the Tennessee Valley Authority, obligations of the International Bank for Reconstruction and Development and obligations of the Inter-American Development Bank which are specified in paragraph Seventh of Section 5136, Revised Statutes (12 U.S.C. 24), obligations insured by the Federal Housing Administrator and obligations of any local public agency which are specified in paragraph Seventh of Section 5136, Revised Statutes (12 U.S.C. 24), and general obligations of Territories, dependencies and insular possessions of the United States, may be at the same time an officer, director, or employee of any member bank of the Federal Reserve System, except when otherwise prohibited.<sup>3</sup>

NOTE: Footnotes 2 and 3 were not changed.

# Loans Secured by Obligations of the United States

The Comptroller of the Currency, effective November 17, 1965, amended his regulation formerly pertaining only to Loans Made by National Banks Secured by Direct Obligations of the United States (12 CFR, Part 6), so as to include loans secured by obligations fully guaranteed both as to principal and interest by the United States. Section 11(m) of the Federal Reserve Act makes this regulation applicable also to State banks that are members of the Federal Reserve System. The regulation as thus amended reads as follows:

PART 6—LOANS MADE BY NATIONAL BANKS SECURED BY OBLIGATIONS OF THE UNITED STATES

§ 6.1 Scope and application.

(a) This part is issued by the Comptroller of the Currency with the approval of the Secretary of the Treasury under authority of paragraph (8) of section 5200 of the Revised Statutes, as amended (12 U.S.C. 84), and section 321(b) of the act of August 23, 1935 (49 Stat. 713);

(b) This part applies to loans made by National Banks secured by either direct obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.

§ 6.2 General authorization.

The obligations to any national banking association of any person, copartnership, association, or corporation, secured by not less than a like amount (at par or face value) of either direct obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, shall not be subject to any limitation based upon the capital and surplus of the association.

# Amendments to Registration Statements and Reports Filed Pursuant to Regulation F

The Board of Governors, effective December 1, 1965, adopted Federal Reserve Form F-20 as an addition to Regulation F, "Securities of Member State Banks" as a guide for the preparation of amendments to registration statements and periodic reports filed pursuant to the regulation. The Board's Form F-20, codified as § 206.45 of Title 12, Code of Federal Regulations, Part 206, reads as follows:

### FORM F-20

### AMENDMENT TO REGISTRATION STATEMENT OR PERIODIC REPORT OF BANK

### **GENERAL INSTRUCTIONS**

The form set forth hereinafter is not to be used as a blank form to be filled in but is intended solely as a guide in the preparation of an amendment to a previously filed registration statement or report. Attention should be given to the general requirements governing amendments, which are prescribed in section 206.4(u) of Regulation F.

The amendment shall contain the number and caption of each item being amended and each such item shall be restated, as amended, in its entirety. Where a financial statement, or a note or schedule related thereto, is being amended, such statement, note, or schedule likewise shall be restated in its entirety.

### BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Washington, D. C. 20551
AMENDMENT NUMBER
То
On
FORM F2
Pursuant to Section 12 or 13 of the Securities Exchange Act of 1934
(Exact name of bank as specified in charter)
(Address of principal office)
The undersigned bank hereby amends the following items, financial statements or exhibits constituting part of the aforesaid statement or report, as set forth in the pages attached hereto (List all such items, financial statements, exhibits, or other portions amended).
Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.
Name of Bank
Date By
(Print name and title of signing officer under signature)
<sup>1</sup> Indicate appropriate designation of statement or report being amended, such as "Registration Statement" of "Annual Report for year ended December 31, 19" <sup>2</sup> Indicate the number of the form on which the statement or report was filed, such as "Form F-1."

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# Financial Statements to Be Included in Annual Reports to Security Holders

Since 1966 will generally be the first time that banks subject to the public disclosure requirements of the Securities Exchange Act of 1934 will be soliciting proxies in accordance with such requirements, the Board of Governors directs the attention of registrant banks to section 206.5(c) of Federal Reserve Regulation F, "Securities of Member State Banks." It is provided therein that a bank's proxy statement (or the statement that must be distributed where management does not solicit proxies) which relates to an annual meeting of security holders at which directors are to be elected, shall be accompanied or preceded by an annual report to such security holders "containing such financial statements for the last fiscal year as will, in the opinion of the management, adequately reflect the financial position and operations of the bank."

Adherence to the following reporting standards, prescribed in Regulation F, is considered necessary to reflect adequately the financial position and results of operations of registrant banks in such annual reports to security holders:

- Financial statements should be prepared on a consolidated basis to the extent required by Regulation F.
- A statement of income should be furnished in a form providing for the determination of the "amount transferred to undivided profits" as a result of all activity related to the preceding year.
- A statement of changes in capital accounts, including capital reserves, should be included.
- Valuation reserves should be reported as reductions of related asset values.
- A reconciliation of valuation reserves should be presented, showing material charges and credits.

Section 206.5(c) further provides that—

"The financial statements included in the annual report may omit details or summarize information if such statements, considered as a whole in the light of other information contained in the report and in the light of the financial statements of the bank filed or to be filed with the Board, will not by such procedure omit any material information necessary to a fair presentation or to make the financial statements not misleading under the cir-

cumstances. Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management."

Pursuant to these provisions, the financial statements included in annual reports to security holders should not be inconsistent with the financial reporting prescribed by Regulation F and they should conform in all material respects to the accounting principles stated therein. However, annual reports to security holders need not include the detailed information required in annual reports filed with the Federal Reserve Board on Federal Reserve Form F-2.

#### Proxy Solicitation by Bank Management— Disclosure of Loans to "Insiders"

The Board of Governors has recently been asked to clarify its position with respect to disclosure of loans to "insiders"—that it, officers, directors, and persons holding more than 10 per cent of the bank's stock—in management proxy statements furnished in accordance with the requirements of section 206.5 of the Federal Reserve Regulation F ("Securities of Member State Banks") and Federal Reserve Form F-5. This interpretation is also applicable to disclosure of such transactions under comparable provisions relating to registration of bank securities (Federal Reserve Form F-1) under section 12 of the Securities Exchange Act of 1934.

Item 7(f) of Form F-5 and Item 12 of Form F-1 in effect require a description of any material interest of any insider or any of his "associates".

<sup>&</sup>lt;sup>1</sup> "The term 'material', when used to qualify a requirement for furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before buying or selling the security registered." Regulation F, section 206.2(n).

<sup>&</sup>lt;sup>a</sup> "The term 'associate', when used to indicate a relationship with any person, means (1) any corporation or organization (other than the bank or a majority-owned subsidiary of the bank) of which such person is an officer or partner or is, directly or indirectly, either alone or together with one or more members of his immediate family, the beneficial owner of 10 per cent or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as a trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person, or any relative of such

in any material transaction to which the bank was, or is to be, a party. These Items contain a number of specific exemptive instructions—for example, no disclosure is required where the only interlock is that a director of a bank is a director and/or officer of another corporation that is a party to the transaction. Generally, these items require disclosure of loans to a corporate borrower only where insiders, individually or with members of their immediate families,<sup>3</sup> own at least 10 per cent of the borrower's outstanding stock.

The Board does not regard loans and other extensions of credit by a registrant bank in the ordinary course of its business as "material" for the purposes of Regulation F (and therefore required to be disclosed unless otherwise specifically exempted by the instructions in these Items) if such loans (a) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other than insiders, (b) at no time aggregate more than 10 per cent of the equity capital accounts of the bank or \$10 million, whichever is less, and (c) do not involve more than the normal risk of collectibility or present other unfavorable features.

Item 7(e) of Form F-5 requires disclosure of indebtedness to the bank of each director or officer of the bank and each nominee for election as a director. An instruction to this Item specifically excludes indebtedness resulting from transactions in the ordinary course of the bank's business. The effect of this instruction is to exempt the bank from reporting under Item 7(e) normal extensions of credit to such persons, of types and amounts customarily made by the bank in the usual course of its operations. However, even if disclosure of indebtedness is not required by Item 7(e), consideration must be given to whether it must be

spouse, who has the same home as such person or who is a director or officer of the bank or any of its parents or subsidiaries." Regulation F, section 206.2 (d).

reported in the light of the provisions of Item 7(f), referred to above.

It should also be noted that Item 7(e) requires disclosure of any liability to the bank that appears to have arisen under section 16 of the Securities Exchange Act of 1934 as a result of "insider" transactions in the bank's stock (or other equity security).

#### Orders Under Bank Merger Act

The following Orders and Statements were issued in connection with actions by the Board of Governors with respect to applications for approval of the merger of banks:

### UNITED CALIFORNIA BANK, LOS AN-GELES, CALIFORNIA

In the matter of the application of United California Bank for approval of merger with Feather River National Bank.

#### ORDER APPROVING MERGER OF BANKS

There has come before the Board of Governors, pursuant to the Bank Merger Act of 1960 (12 U.S.C. 1828 (c)), an application by United California Bank, Los Angeles, California, a State member bank of the Federal Reserve System, for the Board's prior approval of the merger of that bank and Feather River National Bank, Oroville, California, under the charter and title of the former. As an incident to the merger, the sole office of Feather River National Bank would become a branch of the resulting bank. Notice of the proposed merger, in form approved by the Board, has been published pursuant to said Act.

Upon consideration of all relevant material in the light of the factors set forth in said Act, including reports furnished by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Attorney General on the competitive factors involved in the proposed merger,

It is hereby ordered, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that said merger shall not be consummated (a) within seven calendar days after the date of this Order or (b) later than three months after said date.

Dated at Washington, D.C., this 22nd day of November, 1965.

<sup>(</sup>d).

3 "The term 'immediate family' includes a person's
(1) spouse; (2) son, daughter, and descendant of
either; (3) father, mother, and ancestor of either;
(4) stepson and stepdaughter; and (5) stepfather
and stepmother. For the purpose of determining
whether any of the foregoing relationships exist, a
legally adopted child shall be considered a child by
blood." Regulation F, section 206.2(k).

By order of the Board of Governors.

Voting for this action: Chairman Martin, and Governors Balderston, Shepardson, Mitchell, Daane, and Maisel. Voting against this action: Governor Robertson.

(Signed) MERRITT SHERMAN, Secretary.

[SEAL]

#### STATEMENT

United California Bank, Los Angeles, California ("United"), with total deposits of \$2.7 billion, has applied, pursuant to the Bank Merger Act of 1960 (12 U.S.C. 1828(c)), for the Board's prior approval of the merger of that bank and Feather River National Bank, Oroville, California ("National"), which has total deposits of \$3.6 million.¹ The banks would merge under the charter and title of United, which is a member of the Federal Reserve System. As an incident to the merger, the one office of National would become an office of United, increasing the number of its authorized offices to 180.

As required by law, the Board has considered, as to each of the banks involved, (1) its financial history and condition, (2) the adequacy of its capital structure, (3) its future earnings prospects, (4) the general character of its management, (5) whether its corporate powers are consistent with the purposes of 12 U.S.C., Ch. 16 (the Federal Deposit Insurance Act), (6) the convenience and needs of the community to be served, and (7) the effect of the transaction on competition (including any tendency toward monopoly). The Board may not approve the transaction unless, after considering all of these factors, it finds the transaction to be in the public interest.

Banking factors. National opened for business a little more than three years ago and its capital structure is adequate. From its inception, National pursued an aggressive policy of soliciting commercial and industrial loans well in excess of its lending capacity, with overlines placed with a correspondent bank. Many of these loans were for relatively long terms, and several were made to borrowers outside the Oroville area. As of June 16, 1965, the bank's loan-to-deposit ratio exceeded 80 per cent. The application states that this ratio cannot be reduced without substantial loss to the bank and that reduction of the ratio through the

repayment of outstanding loans will take from three to five years. The bank's condition has been further affected by the failure of deposits to continue to increase, and as a result of the high loanto-deposit ratio and its restricted secondary reserves, National has been forced to limit its lending functions primarily to servicing prior commitments. While the bank's future operating earnings prospects may be regarded as fairly satisfactory, sizable losses on loans are probable.

National is experiencing management difficulties. Its original executive officer resigned in late 1964. At that time, its current president, who is well past normal retirement age, assumed executive duties on a temporary basis until new management could be found. Shortly thereafter, the bank's vice president resigned. National's current president has devoted a substantial amount of his time to a search for permanent management but has failed to find a qualified executive officer interested in supervising the affairs of the bank. Consummation of the proposal would solve this problem.

Convenience and needs of the communities. Because National is too small for consummation of the proposal to affect the services that United can render, the effects of the merger would be felt only in the Oroville area.

As National is the only banking institution headquartered in Oroville, merger of it into a large bank would deprive local customers of the opportunity to do business with a local bank; however, the number of alternatives in Oroville would remain unchanged. National is not in a position to serve its community to an effective degree. At present the Oroville area is predominantly an agricultural area, but with the completion of the nearby Oroville dam project in 1968, rapid development is expected, particularly of recreational facilities and attendant service establishments. National has made relatively few loans to farmers, and the bank's financial condition does not allow it to aid in the development of its community or assist with the agricultural requirements upon which the area's economy is currently based. In view of this condition and the bank's management difficulties, the needs of the community would be better served by approval of the proposed merger.

Competition. United is a State-wide banking organization operating branches in 33 of the 58 counties of the State. National operates primarily

<sup>&</sup>lt;sup>1</sup> Deposit figures are as of June 30, 1965.

in the immediate Oroville area, and competition between the two banks is insignificant. The nearest offices of United are 23 and 25 miles from National, and the service areas,<sup>2</sup> separated by natural barriers, do not overlap.

Within the immediate vicinity of National are four branches of three other banks: (1) Bank of America NT & SA, San Francisco; (2) First Western Bank and Trust Company, Los Angeles; and (3) Central Valley National Bank, Oakland. Each of these banks constitutes an active competitive force throughout the central valley of California.

While approval of the proposed merger would eliminate a local bank, National is no longer a significant competitive force in the Oroville area. The replacement of a noncompetitive unit with a branch of an aggressive institution would strengthen competition in the area served, and the merger would have little effect outside this area.

Banking in California is characterized by the concentration of banking resources and banking offices in five large branch banking systems. Consummation of this proposal would result in some increase in this concentration, although such increase would be relatively insignificant. United ranks fifth in deposit size in California with 8.2 per cent of the total deposits in the State. The addition of National's deposits, which comprise 4/100ths of one per cent of total deposits in the State, would not change United's relative position in California.3 The small increase in concentration of banking resources that would result from this proposal would be more than offset by the other factors in this case and the restoration of the office of National to a significant competitive position.

During the period 1955-1964, 38 per cent of United's total deposit growth and 59 per cent of its total increase in number of offices resulted from mergers. It should be noted that 28 per cent of the total deposit growth and 36 per cent of the total office growth resulted from only one merger, that of First Western Bank and Trust Company into California Bank (United's predecessor).

Summary and conclusion. National has failed to provide meaningful competition in the Oroville area, and in view of its liquidity position, developing loan problems, and inability to acquire succes-

sion to its temporary management, the banking needs of the area would be better served if the proposal were effectuated. These factors offset the adverse considerations that arise from the fact that United has followed an expansive merger policy and from the high degree of concentration existing in California.

Accordingly, the Board finds that the proposed merger would be in the public interest.

# DISSENTING STATEMENT OF GOVERNOR ROBERTSON

The effect of the proposed merger of United and National must be assessed in the light of both the history of United and the degree of concentration of banking resources in the State of California in the hands of a few large banks. United's proposed acquisition is only the latest of a series of similar acquisitions by United and other large California banks that could lead to a complete oligopoly in commercial banking in the State.

National is the only local banking institution in the Oroville area, and it has shown increasing profits every year since its inception. Two of the three other banks in this area are huge, State-wide banking institutions, and the third bank, Central Valley National Bank, Oakland, with deposits of \$156 million, is an aggressive competitor throughout the central valley of the State. Elimination of National leaves the residents of Oroville with only a choice among large, monolithic banking institutions with home offices far removed from the Oroville area.

The majority attempts to justify the elimination of National as a local banking institution by citing its high loan-to-deposit ratio, its inability effectively to serve the community, and its need for successor management. Perhaps it is true that National would not, in the immediate future, be able to serve its community as effectively as if it had a lower loan-to-deposit ratio. However, rejection of the application would mean that the bank would remain an alternative source of banking services. and I am unconvinced from the record before the Board that the bank would not soon be in a position to compete aggressively once again for new loan business. In my opinion, the bank's difficulties were alleviated with the institution of its current management. I realize that the current management is in a sense only temporary, but I believe that a diligent search would produce an alternative

<sup>&</sup>lt;sup>a</sup> The area from which a bank derives 75 per cent or more of its deposits of individuals, partnerships, and corporations.

<sup>&</sup>lt;sup>3</sup> These figures are as of December 31, 1964.

more in the public interest than the present proposal.

United has compiled an extremely aggressive merger record over the past ten years. In the period 1955-64, United's deposits grew by \$2,050 million, and mergers accounted for approximately 38 per cent of this growth. During the same period, mergers accounted for 59 per cent of United's increase in number of banking offices. The Department of Justice sued to prevent one merger-the 1961 merger of California Bank (United's predecessor) with First Western Bank and Trust Company-charging violations of both the Sherman and Clayton Acts. As a result of this suit, 65 banking offices of First Western Bank and Trust Company were sold to a new State-wide banking organization. However, United still ranks fifth in size of all banks in the State of California with 8.2 per cent of total deposits.

Not only do I view United's aggressiveness in acquiring small, independent banks with apprehension, but, absent unusual circumstances, the concentration of banking resources in the five largest banks in the State should in itself prohibit further bank acquisitions by any of these five, which together hold 78.5 per cent 1 of all deposits in the State. Accordingly, even the slightest increase in concentration of banking resources through the acquisition of sound, independent banks cannot be said to be "insignificant." Each acquisition by these giants makes it more difficult for the small banks to compete, which could result in a banking structure that would be the very antithesis of that contemplated by the Bank Merger Act of 1960.

I would disapprove the application.

# GREENFIELD BANKING COMPANY, GREENFIELD, INDIANA

In the matter of the application of Greenfield Banking Company for approval of merger with The First National Bank of Fortville.

#### ORDER APPROVING MERGER OF BANKS

There has come before the Board of Governors, pursuant to the Bank Merger Act of 1960 (12 U.S.C. 1828(c)), an application by Greenfield Banking Company, Greenfield, Indiana, a State member bank of the Federal Reserve System, for

the Board's prior approval of the merger of that bank and The First National Bank of Fortville, Fortville, Indiana, under the charter and title of the former. As an incident to the merger, the sole office of The First National Bank of Fortville would become a branch of the resulting bank. Notice of the proposed merger, in form approved by the Board, has been published pursuant to said Act.

Upon consideration of all relevant material in the light of the factors set forth in said Act, including reports furnished by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Attorney General on the competitive factors involved in the proposed merger.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that said merger shall not be consummated (a) within seven calendar days after the date of this Order or (b) later than three months after said date.

Dated at Washington, D.C., this 1st day of December, 1965.

By order of the Board of Governors.

Voting for this action: Unanimous, with all members present.

(Signed) MERRITT SHERMAN, Secretary.

[SEAL]

#### STATEMENT

Greenfield Banking Company, Greenfield, Indiana ("Greenfield Bank"), with total deposits of \$13 million, has applied, pursuant to the Bank Merger Act of 1960 (12 U.S.C. 1828(c)), for the Board's prior approval of the merger of that bank and The First National Bank of Fortville, Fortville, Indiana ("Fortville Bank"), which has total deposits of \$4 million.¹ The banks would merge under the charter and title of Greenfield Bank, which is a member of the Federal Reserve System. As an incident to the merger, the one office of Fortville Bank would become an office of Greenfield Bank, increasing the number of its authorized offices to three.

As required by law, the Board has considered, as to each of the banks involved, (1) its financial history and condition, (2) the adequacy of its capital structure, (3) its future earnings prospects,

<sup>&</sup>lt;sup>1</sup> This percentage is as of December 31, 1964.

<sup>&</sup>lt;sup>1</sup> Deposit figures are as of June 30, 1965.

(4) the general character of its management, (5) whether its corporate powers are consistent with the purposes of 12 U.S.C., Ch. 16 (the Federal Deposit Insurance Act), (6) the convenience and needs of the community to be served, and (7) the effect of the transaction on competition (including any tendency toward monopoly). The Board may not approve the transaction unless, after considering all of these factors, it finds the transaction to be in the public interest.

Banking factors. Fortville Bank has an adequate capital structure. In recent years it has experienced increasing loan losses and declining earnings. Consummation of the transaction would minimize the loss potential and provide a basis for improved earnings. In addition, as Fortville Bank's senior officers have passed normal retirement age, effectuation of the proposal would assure continued management for the banking office in Fortville.

Convenience and needs of the communities. Greenfield is a city of 9,000 persons located 21 miles east of Indianapolis. It is the county seat and largest city in Hancock County, which adjoins the Indianapolis Standard Metropolitan Statistical Area. As Greenfield Bank offers a broad range of banking services and as there are a number of alternative sources of banking services near the Greenfield area, the proposed merger would be of little positive benefit in serving the convenience and needs of that area.

Fortville, also in Hancock County, is 13 miles northwest of Greenfield and 21 miles northeast of Indianapolis. The town has a population of 2,000, and its economy is based primarily upon agriculture, although there is some trend toward industrialization. Fortville Bank appears to be serving its community reasonably well, and while there are no other banks located in Fortville, there are a number of banking alternatives in nearby towns. Although there is no evidence that the banking needs of the Fortville area are not being served at the present time, the resulting bank would better serve the community through more constructive loan policies, an increased lending limit, and continuation of progressive banking services.

Competition. Competition between Greenfield Bank and Fortville Bank is not significant. The service areas <sup>2</sup> of the banks do not overlap, and there is a branch office of Hancock County Bank,

Greenfield, located directly between Fortville and Greenfield.

Hancock County Bank, with deposits of \$7 million, operates four banking offices in the county. The bank is the result of a recent merger and is Greenfield's Bank's principal competitor. American Fletcher National Bank, Indianapolis, also operates two branches on the periphery of Hancock County, one six miles from Fortville and the other ten miles from Greenfield. In addition, although they are not actually located in the service areas involved, there are several smaller banks competing at various distances from Fortville and Greenfield.

While the resulting bank would control 21 per cent of all IPC deposits held by banking offices competing in its service area, this percentage of concentration of deposits is rendered almost meaningless by the near proximity of large banks in Indianapolis and other surrounding cities.

Summary and conclusion. Approval of the proposed merger would assure constructive lending policies in the Fortville area, provide a basis for improved earnings, and provide continuity of management, thereby assuring continued sound banking service in Fortville and enabling the convenience and needs of the community to be better served. The effect on competition would not be adverse.

Accordingly, the Board finds that the proposed merger would be in the public interest.

# Orders Under Section 3 of Bank Holding Company Act

The following Orders and Statements were issued in connection with actions by the Board of Governors on applications by bank holding companies for approval of the acquisition of voting shares of bank:

# SOCIETY CORPORATION, CLEVELAND, OHIO

In the matter of the application of Society Corporation, Cleveland, Ohio, for approval of the acquisition of voting shares of The North Madison Banking Company, North Madison, Ohio.

### ORDER APPROVING APPLICATION UNDER BANK HOLDING COMPANY ACT

There has come before the Board of Governors, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842 (a)(2)) and section 222.4(a)(2) of Federal Re-

<sup>&</sup>lt;sup>a</sup> The area from which a bank derives 75 per cent or more of its deposits of individuals, partnerships, and corporations.

serve Regulation Y (12 CFR 222.4(a)(2)), an application of Society Corporation, Cleveland, Ohio, a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of The North Madison Banking Company, North Madison, Ohio.

In accordance with section 3(b) of the Act, the Board notified the Ohio Superintendent of Banks of receipt of the application and requested his views and recommendation thereon. The Superintendent recommended approval of the application

Notice of receipt of the application was published in the Federal Register of July 14, 1965 (30 F. R. 8869), providing an opportunity for interested persons to submit comments and views with respect to the proposed acquisition. The time for filing such comments and views has expired, and all those received have been considered by the Board.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) within seven calendar days after the date of this Order or (b) later than three months after said date.

Dated at Washington, D.C., this 24th day of November, 1965.

By order of the Board of Governors.

Voting for this action: Unanimous, with all members present.

(Signed) MERRITT SHERMAN, Secretary.

[SEAL]

#### STATEMENT

Society Corporation, Cleveland, Ohio ("Applicant"), a registered bank holding company, has filed with the Board, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 ("the Act"), an application for approval of the acquisition of 80 per cent or more of the voting shares of The North Madison Banking Company, North Madison, Ohio ("Bank").

Views and recommendation of supervisory authority. As required by section 3(b) of the Act, notice of receipt of the application was given to, and views and recommendation requested of, the Ohio Superintendent of Banks. The Superintendent

recommended approval of the application.

Statutory factors. Section 3(c) of the Act requires the Board to take into consideration the following five factors in acting upon this application: (1) the financial history and condition of the holding company and the banks concerned; (2) their prospects; (3) the character of their management; (4) the convenience, needs, and welfare of the communities and the area concerned; and (5) whether or not the effect of the acquisition would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Financial history, condition, prospects, and management of Applicant and Bank. Applicant became a bank holding company in January 1965, and presently controls two banks: Society National Bank of Cleveland ("National"), and The Fremont Savings Bank Company, Fremont, Ohio. At December 31, 1964, these banks operated 18 banking offices and, combined, held \$555 million in deposits. National, Applicant's principal subsidiary, operated 16 of these offices and held \$537 million of deposits.

Applicant's financial condition is largely determined by the condition of its subsidiary banks, particularly National. National was organized by Society for Savings, a mutual savings bank, and commenced business in January 1956. As of December 31, 1958, Society for Savings commenced dissolution, and its accounts were transferred to National, resulting in National having a substantially larger percentage of time and savings deposits than have other commercial banks of comparable size. While National's net earnings position in relation to its gross earnings and invested capital is somewhat lower than that of other commercial banks of similar size, due principally to the large portion of its total deposits represented by time and savings accounts, National's past operation and history of growth, particularly in demand deposits, warrant the conclusion that its-and therefore Applicant's-prospects for sound and profitable future operations are satisfactory. The managements of Applicant and its subsidiary banks are considered satisfactory.

<sup>&</sup>lt;sup>1</sup> Unless otherwise indicated, all banking data noted are as of this date.

Bank was organized and commenced business in 1956, and its only office had nearly \$4 million in total deposits at year-end 1964. Its financial history and condition and its prospects are considered to be satisfactory. Bank's management is also considered to be satisfactory, although it appears that such management has not fully met the credit needs of the area, especially with respect to mortgage and consumer loans, and some types of installment loans. As a result, Bank's percentage of loans to deposits has been substantially less than that for other banks shown to be competing within Madison Township. Affiliation with Applicant should result in more aggressive management, which, in turn, would be expected to enhance Bank's prospects.

Accordingly, considerations bearing on the financial history, condition, prospects, and management of Applicant and Bank are consistent with approval of the application.

Convenience, needs, and welfare of the communities and the area concerned. North Madison is located 42 miles east of Cleveland in Madison Township, Lake County, Ohio. The current population of Lake County is estimated to be 182,000, and the current population of Madison Township, the primary service area of Bank,<sup>2</sup> is estimated to be 10,000. Madison Township is predominantly a suburban residential area having some agricultural and industrial sections. The principal agricultural activity in the area is nursery production. Eight light industries, with a total labor force of approximately 240, also operate within the service area.

Applicant asserts that its acquisition of Bank will enable Bank to (1) improve its lending program to the individuals and businesses in the area, (2) have access to electronic data processing equipment, (3) offer securities investment management services, and (4) provide new and additional services to its customers.

On the basis of the record presented, the Board is satisfied that Applicant's proposed improved service rendition would prove of direct benefit to Bank, and indirectly to the residents and businesses of Bank's primary service area.

Effect of proposed acquisition on adequate and

sound banking, the public interest, and banking competition. The aggregate deposits of \$555 million held by Applicant's two banks would, by the addition of Bank to Applicant's system, be increased to about \$559 million. Applicant would then control slightly more than three per cent of the total deposits in Lake County and less than four per cent of the total deposits in the State of Ohio.

The effect on banking competition to be anticipated by the extent to which banking resources would be concentrated in holding company groups, were Applicant's acquisition of Bank to be consummated, is not viewed by the Board as a consideration requiring denial of the application. BancOhio Corporation, Columbus, Ohio, the only other registered bank holding company now operating in the State, has no subsidiaries in any of the counties in which Applicant has or will have subsidiaries.

In addition, the five largest banks and banking systems operating in Ohio at year-end 1964 controlled 16.5 per cent of all banking offices and 33.4 per cent of the deposits of all banks in the State. BancOhio Corporation's system of 22 banks, operating a total of 71 offices with \$809 million in deposits, ranked fourth in size, and Applicant's present system of two banks, operating 18 offices with \$555 million in deposits, ranked fifth in size. Measured in terms of deposits held, three independent banks were each larger than the combined bank subsidiaries of either holding company system, and together these three banks accounted for 10.2 per cent and 23.9 per cent, respectively, of the offices and deposits in the State.

In the Board's opinion, no bar to approval of the application is presented by consideration of the extent to which Applicant's ownership of Bank would eliminate existing competition or foreclose future competition between Bank and Applicant's subsidiaries. With the approval of the application, Applicant will be operating in two contiguous counties-Cuyahoga County wherein National is located, and Lake County wherein Bank's only office is located. Applicant's other subsidiary, The Fremont Savings Bank Company, is located 85 miles west of Cleveland in Sandusky County. There presently exists little or no competition between Applicant's subsidiaries and Bank. The nearest branch of National to North Madison is in Euclid, Ohio, 32 miles west of Bank, and several

<sup>&</sup>lt;sup>a</sup> The area from which Bank obtains approximately 71 per cent of its deposits of individuals, partnerships, and corporations.

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offices of other banks are located between Euclid and North Madison.

Bank's principal competitor in the North Madison area is the Lake County National Bank of Painesville, Painesville, Ohio, which at June 30, 1964, operated eight banking offices and held \$62 million of total deposits, which accounted for 52 per cent of the total deposits in Lake County. One of these offices is located two miles south of Bank, in Madison, Bank also competes with four Geneva, Ohio, branch offices of the following three Ashtabula, Ohio, banks: (1) The Commercial Bank, with deposits of \$6 million; (2) The Farmers National Bank and Trust Co., with deposits of \$35 million; and (3) The Northeastern Ohio National Bank with deposits of \$29 million.8 Geneva is located in Ashtabula County, six miles east of Bank. In view of the fact that each of Bank's principal competitors has deposits comparable to or greater than Bank, and since no subsidiary of Applicant competes to any significant extent in the area concerned, it appears to the Board that consummation of the proposed acquisition would not significantly alter the present competitive picture in that area.

The foregoing considerations warrant, in the Board's opinion, a finding that the acquisition proposed would not result in an expansion of the size or extent of Applicant's system inconsistent with adequate and sound banking, the public interest, or the preservation of banking competition.

On the basis of all the relevant facts as contained in the record before the Board, and in the light of the factors set forth in section 3(c) of the Act, it is the Board's judgment that the proposed transaction would be consistent with the public interest, and that the application should, therefore, be approved.

# BRENTON COMPANIES, INC., DES MOINES, IOWA

In the matter of the application of Brenton Companies, Inc., Des Moines, Iowa, for approval of the acquisition of voting shares of Dallas County State Bank, Adel, Iowa.

# ORDER APPROVING APPLICATION UNDER BANK HOLDING COMPANY ACT

There has come before the Board of Governors, pursuant to section 3(a)(2) of the Bank Holding

Company Act of 1956 (12 U.S.C. 1842(a)(2)) and section 222.4(a)(2) of Federal Reserve Regulation Y (12 CFR 222.4(a)(2)), an application by Brenton Companies, Inc., Des Moines, Iowa, a registered bank holding company, for the Board's prior approval of the acquisition of at least 80 per cent of the outstanding voting shares of Dallas County State Bank, Adel, Iowa.

As required by section 3(b) of the Act, notice of receipt of the application was given to the Iowa Superintendent of Banking with a request for his views and recommendation. The Deputy Superintendent of Banking advised that the Iowa Department of Banking had no objection to the application. Notice of receipt of the application was published in the Federal Register on September 25, 1965 (30 Federal Register 12309), which provided an opportunity for submission of comments and views regarding the proposed acquisition. The time for filing such comments and views has expired, and all those received have been considered by the Board.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) within seven calendar days after the date of this Order or (b) later than three months after said date.

Dated at Washington, D.C., this 26th day of November, 1965.

By order of the Board of Governors.

Voting for this action: Unanimous, with all members present.

(Signed) MERRITT SHERMAN,

Secretary.

[SEAL]

# BRENTON COMPANIES, INC., DES MOINES, IOWA

In the matter of the application of Brenton Companies, Inc., Des Moines, Iowa, for approval of the acquisition of voting shares of Palo Alto County State Bank, Emmetsburg, Iowa.

# ORDER APPROVING APPLICATION UNDER BANK HOLDING COMPANY ACT

There has come before the Board of Governors, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(2)) and section 222.4(a)(2) of Federal Reserve Reg-

<sup>&</sup>lt;sup>2</sup> Deposit figures are as of June 30, 1964.

ulation Y (12 CFR 222.4(a)(2)), an application by Brenton Companies, Inc., Des Moines, Iowa, a registered bank holding company, for the Board's prior approval of the acquisition of at least 80 per cent of the outstanding voting shares of Palo Alto County State Bank, Emmetsburg, Iowa.

As required by section 3(b) of the Act, notice of receipt of the application was given to the Iowa Superintendent of Banking with a request for his views and recommendation. The Deputy Superintendent of Banking advised that the Iowa Department of Banking had no objection to the application. Notice of receipt of the application was published in the Federal Register on September 25, 1965 (30 Federal Register 12309), which provided an opportunity for submission of comments and views regarding the proposed acquisition. The time for filing such comments and views has expired, and all those received have been considered by the Board.

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) within seven calendar days after the date of this Order or (b) later than three months after said date.

Dated at Washington, D.C., this 26th day of November, 1965.

By order of the Board of Governors.

Voting for this action: Unanimous, with all members present.

(Signed) MERRITT SHERMAN, Secretary.

[SEAL]

#### STATEMENT

Brenton Companies, Inc., Des Moines, Iowa ("Applicant"), a registered bank holding company, has filed applications, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 ("the Act"), requesting the Board's prior approval of the acquisition of at least 80 per cent of the outstanding voting shares of Dallas County State Bank, Adel, Iowa, and Palo Alto County State Bank, Emmetsburg, Iowa ("Banks").

Views and recommendations of supervisory authority. As required by section 3(b) of the Act, the Board notified the Iowa Superintendent of Banking of receipt of the applications and requested his views and recommendations thereon. The Deputy

Superintendent of Banking advised that the Iowa Department of Banking had no objection to approval of either application.

Statutory factors. With respect to each application, section 3(c) of the Act requires the Board to take into consideration the following five factors: (1) the financial history and condition of the holding company and the banks concerned; (2) their prospects; (3) the character of their management; (4) the convenience, needs, and welfare of the communities and the areas concerned; and (5) whether the effect of the proposed acquisition would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Discussion. Although the applications have been acted upon separately, the Board has determined that unnecessary repetition of facts and conclusions resulting from application of the foregoing statutory factors may be avoided through the use of a combined Statement. Accordingly, while separate Orders effecting the Board's determinations accompany this Statement, the Board's findings, conclusions, and reasoning in respect to each application are combined in this Statement.

Applicant presently has a majority interest in 12 banks and owns, respectively, 31 per cent and 34 per cent of the outstanding shares of Dallas County State Bank and Palo Alto County State Bank, the two banks that are the subjects of these applications. Consummation of these proposals would add to Applicant's presently owned shares, the shares in both banks that are now owned by the Brenton family interests and associates. The Brenton family owns a majority of the outstanding stock of Applicant. Thus, the present majority ownership of the Banks now held by Applicant and the Brenton family interests and associates would vest in the Applicant alone upon consummation of the proposed acquisitions.

The financial history and condition, prospects, and management of Applicant and each of its banks, including the Banks involved in these applications, are considered satisfactory.

In view of the successful operations records of Applicant's subsidiary banks, there is no reason to conclude that approval of these applications will result in any change by Applicant in the present nature of Banks' operations. Banks have been

subsidiaries of Applicant since prior to enactment of the Act. They have been provided by Applicant with management services and no change in this respect will occur upon approval of these applications. Similarly, there is no reason to believe that consummation of the proposed transactions would have any significant effect on the convenience, needs, and welfare of the areas now served by the Banks. Nor, in view of the existing ownership and control of the Banks, does it appear that the acquisitions proposed will have the effect of expanding the size or extent of Applicant's present system beyond limits consistent with adequate and sound banking, public interest, and the preservation of banking competition.

On the basis of all relevant facts as contained in the record before the Board and in the light of the factors set forth in section 3(c) of the Act, it is the Board's judgment that the proposed acquisitions would be consistent with the public interest and that the applications should, therefore, be approved.

# BANCOHIO CORPORATION, COLUMBUS, OHIO

In the matter of the application of BancOhio Corporation, Columbus, Ohio, for approval of the acquisition of up to 100 per cent of the outstanding voting shares of The First National Bank of Jackson, Jackson, Ohio.

# ORDER APPROVING APPLICATION UNDER BANK HOLDING COMPANY ACT

There has come before the Board of Governors, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(2)), and section 222.4(a)(2) of Federal Reserve Regulation Y (12 CFR 222.4(a)(2)), an application by BancOhio Corporation, Columbus, Ohio, a registered bank holding company, for the Board's prior approval of the acquisition of up to 100 per cent of the outstanding voting shares of The First National Bank of Jackson, Jackson, Ohio.

In accordance with section 3(b) of the Act, the Board notified the Comptroller of the Currency of receipt of the application and requested his views and recommendation with respect to the application. The Comptroller recommended approval of the application.

Notice of receipt of the application was published in the Federal Register of May 6, 1965 (30

F.R. 6368), providing an opportunity for interested persons to submit comments and views with respect to the proposed acquisition. The time for filing such comments and views has expired, and all those received have been considered by the Board.

It is hereby ordered, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) within seven calendar days after the date of this Order or (b) later than three months after said date.

Dated at Washington, D.C., this 1st day of December, 1965.

By order of the Board of Governors.

Voting for this action: Unanimous, with all members present.

(Signed) MERRITT SHERMAN, Secretary.

[SEAL]

#### STATEMENT

BancOhio Corporation, Columbus, Ohio ("Applicant"), a registered bank holding company, has filed with the Board, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 ("the Act"), an application for approval of the acquisition of up to 100 per cent of the outstanding voting shares of The First National Bank of Jackson, Jackson, Ohio ("Bank").

Views and recommendation of supervisory authority. As required by section 3(b) of the Act, notice of receipt of the application was given to, and views and recommendation requested of, the Comptroller of the Currency. The Comptroller recommended approval of the application.

Statutory factors. Section 3(c) of the Act requires the Board to take into consideration the following five factors in acting on this application: (1) the financial history and condition of the holding company and the banks concerned; (2) their prospects; (3) the character of their management; (4) the convenience, needs, and welfare of the communities and the area concerned; and (5) whether or not the effect of the acquisition would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Financial history, condition, and prospects of Applicant and Bank concerned. Applicant, organized under the laws of the State of Ohio on September 29, 1929, has been regulated, since 1933, as a holding company affiliate. Its financial history and condition have been found to be satisfactory. The data of record reflect that, as of March 31, 1965, Applicant had cash and miscellaneous securities amounting to \$1.5 million in excess of its liabilities. As of December 31, 1964, its investment in 22 subsidiary banks, the last of which was acquired in 1958, represented 97 per cent of the total assets of Applicant, Deposits amounted to approximately \$809 million,<sup>2</sup> and capital and loan reserves were \$78 million, a ratio of 1 to 10.3 of deposits. Ohio National Bank, Columbus (Franklin County), Applicant's largest banking subsidiary, held approximately \$492 million of deposits, more than 50 per cent of the total held by all of Applicant's banks. The operation of the 22 subsidiary banks has been found to be satisfactory. The subsidiary banks' reported profits, dividends paid, and earnings retained for the years 1960-1964 indicate the substantial growth enjoyed by BancOhio and its subsidiary banks. The Board concludes that the financial history, condition, and prospects of Applicant and its subsidiary banks are satisfactory.

Bank, originally established as a private bank in 1865, became a national bank in 1871. It is located in Jackson, Ohio, approximately 75 miles south of Columbus. The record shows for Bank approximate deposits of \$15 million, assets of \$17 million, loans of \$6 million, and capital and reserves for loans and securities amounting to \$1.6 million. Despite the poor economic climate of Jackson County,<sup>8</sup> Bank's earnings have been good and its capital position satisfactory. Bank's growth over the last five years is reflected by an increase in deposits and loans of about 19 per cent and 18 per cent, respectively. Profits and dividends have also increased. The Board concludes that Bank's financial history and condition are satisfactory. Its prospects, provided management and controlling ownership continue to be sound, are also satisfactory.

Character of management of Applicant and Bank. BancOhio and its subsidiaries have been and are satisfactorily managed, as has been demonstrated over a substantial period of years.

Bank's ownership and management have been good but a change of ownership and management is imminent. Control has been held for years by a Mr. Jones who, with his family and the corporations he controls, owns approximately 78 per cent of Bank's outstanding shares. He proposes to sell his interest in Bank and retire. Several key directors of Bank also plan to relinquish their positions. Applicant states that Mr. Jones refused to negotiate with potential purchasers, other than Applicant, for the reason that the principals were undisclosed and he could not, therefore, be sure of a continuity of satisfactory management for Bank.

Applicant is in a position to provide, as needed, qualified officers and capable directorate for Bank. Bank's affiliation with Applicant offers reasonable assurance of a continuity of competent, experienced executive management. While the Board recognizes that Applicant's proposed acquisition is not the only solution to Bank's management succession problem, the Board finds the proposal herein to be an immediate and reasonable solution, and concludes that the factor of management is a consideration favorable to approval of the application.

Convenience, needs, and welfare of the communities and the area concerned. Bank is the only bank in Jackson, a city with a population of approximately 7,100. The primary service area of Bank,4 with an estimated population of about 30,-000, includes all of Jackson County and a small agricultural section of contiguous Pike County. The primary service area covers a territory within an estimated average distance of 12 miles from Bank. There are three other banks in the area. Two are in Wellston, 9 miles northeast of Jackson, and one is in Oak Hill, 12 miles to the south of Jackson. They are small, indepedent banks, each having one office, and their combined deposits are less than the deposits of Bank. The record reflects that business growth in the area has

<sup>&</sup>lt;sup>1</sup> Unless otherwise indicated, all data herein are as of this date.

<sup>&</sup>lt;sup>2</sup> A merger in 1965 of the Farmers Bank, Sunbury, with Applicant's First National Bank of Delaware in Delaware, Ohio, increased these deposits to \$811.7 million.

<sup>&</sup>lt;sup>3</sup> It has been included in the Federal Appalachia Program.

<sup>&#</sup>x27;The area from which Applicant indicates that 84 per cent of Bank's deposits of individuals, partnerships, and corporations ("IPC deposits") originate.

LAW DEPARTMENT 1719

been only moderate in recent years and that the area could benefit from additional economic stimuli. The application reflects that, in the 10-year period ending June 1964, three important industries left Jackson. Further, median family income and average value of dwelling units in Jackson are substantially below State averages. Apropos of this situation, Applicant asserts that its diversified contacts with national companies and correspondent banks can assist in obtaining new business for the area. Applicant's financial resources and its past operating history lend support to its assertion.

The services now offered by Bank appear to be serving adequately the needs arising within Bank's service area-a fact evidenced by Applicant's statement that no significant changes in services are presently contemplated. In the foreseeable future, however, Applicant anticipates a need for, and stands ready to initiate at or through Bank, such services as assisting in the administration of Bank's investment account; preparation of tax returns; performance of examination and audit functions; consultation on matters involving credit, insurance, personnel, systems, and procedures; and, eventually, furnishing data processing services. While the nature of the improved or additional services mentioned is such that their rendition would benefit most directly Bank, indirectly the public also would be benefitted.

It should be noted that the Board's earlier finding regarding the beneficial effect of Applicant's ownership of Bank, in respect to providing management succession in Bank, bears also upon the convenience and needs of the area concerned, especially in the light of the fact that Bank is the largest of the four banks in the primary service area and no purchaser acceptable to the stockholders is immediately available other than Applicant.

On the basis of the foregoing findings, the Board concludes that considerations bearing on the convenience, needs, and general welfare of the communities and area concerned lend some weight toward approval of Applicant's proposal.

Effect of proposed acquisition on adequate and sound banking, public interest, and banking competition. None of Applicant's subsidiary banks' offices is located in Bank's primary service area. Of Applicant's subsidiaries, the three which are closest to Bank are First National Bank, Chillicothe (29 miles northwest), Farmers and Mer-

chants Bank, Logan (43 miles north), and National Bank of Portsmouth, Portsmouth (37 miles southwest). Analyses of the origins of loan and deposit accounts at the three named subsidiary banks, and of the deposits and loans at Bank, show that Applicant's three subsidiaries nearest Bank are not significant competitors in Bank's area of operations; nor is Bank a significant competitor in the area of Applicant's subsidiaries.

According to Applicant, apart from the aforementioned three subsidiary banks, 13 other banks are located, respectively, from 18 to 45 miles from Bank's location, all outside Bank's primary service area. Considering the sizes of these banks, their distances from Bank, and the fact that the two banks in Wellston are located between Bank and the closest of the 13 banks aforementioned, it may reasonably be concluded that the latter banks are not significant competitors of Bank.

It appears that little significant competition exists between and among the banks within Bank's primary service area. Each of the two banks located in Wellston, some 9 miles northeast of Jackson, and the bank in Oak Hill, 12 miles south of Jackson, appear to derive a major portion of their business from the communities in which they are located. The respective sizes of these institutions and the topographical features of the communities in which they are situated make unlikely any significant competition with Bank.

For the foregoing reasons, the Board concludes that the proposed affiliation would not adversely affect, to any significant degree, the competitive force of other banks in the area.

Regarding the increase in the size of Applicant's system that would follow consummation of the acquisition proposed, Applicant's present control of 5.7 per cent of the deposits and 5.1 per cent of the banking offices of all commercial banks in the State would be increased, respectively, by .1 per cent or less. Similarly, total loans held by Applicant's subsidiaries would be increased by but .1 per cent. Applicant's system is the fourth largest banking organization in Ohio. Its deposits

<sup>&</sup>lt;sup>5</sup> Society Corporation, the only other registered bank holding company in Ohio, is the fifth largest banking organization in the State and controls deposits of approximately \$559 million. The two bank holding companies in the State control 6.4 per cent of the offices and 9.6 per cent of the deposits of all commercial banks.

are exceeded by those of the Cleveland Trust Co. (\$1,640 million), National City Bank of Cleveland (\$970.4 million), and Central National Bank, Cleveland (\$815.6 million). Acquisition of Bank would raise Applicant to the rank of third by a small margin. On the State scene, it is reasonable to conclude that the proposed increase in size will not cause an alarming or undue concentration of banking resources, nor does it demonstrate a tendency to monopoly by the Applicant.

The Board notes that Applicant's expansion in the period 1951-1964, inclusive, appears to reflect, primarily, internal growth, rather than predatory practices or a tendency toward monopoly. While its subsidiaries' deposits rose, in that period, from about \$404 million to about \$809 million—an increase from 5.2 to 5.7 per cent of deposits of commercial banks in the State—the increase in size was due, only in small measure, to acquisitions of existing banks. Applicant acquired four existing banks with total deposits of about \$24.6 million. Over a 31-year period (1934-1964), Applicant acquired or merged 15 existing banks with aggregate deposits of about \$48.5 million.

Applicant's subsidiaries are located in 20 counties, 17 of which are contiguous, in central and south-central Ohio. Acquisition of Bank would increase to 19 the number of contiguous counties served by Applicant's system. If the proposal is consummated, the deposits of Applicant's banks would rise from 41 per cent to 42 per cent of the deposits of all commercial banks in the 21 counties (out of Ohio's 88 counties) in which Applicant would have banks. Excluding Franklin County, inclusion of which heavily weights the percentages because Applicant's largest subsidiary is located there and Applicant's three subsidiaries in Franklin County account for about 47 per cent of Applicant's offices and about two-thirds of its deposits, the increase in the 20 counties would be from 29.3 per cent to 31 per cent. Commercial banks in the aforementioned 21 counties hold approximately 14 per cent of total deposits of all commercial banks in Ohio.

In each of the 20 counties where Applicant's banks are located, BancOhio has only one bank,

except for Franklin County where BancOhio has 3, including the largest, of the 9 banks in the County. In each of 8 of the other 19 counties, Applicant's bank is the largest bank; however, in each of these 8 counties, with one exception, there is a bank of a size to be a fairly strong competitor. In the remaining 11 of the said 19 counties, Applicant's bank is not the largest. As indicated earlier, the affiliation herein would leave 67 Ohio counties where Applicant has no subsidiary.

Consummation of Applicant's proposal would result in control of 52 per cent of the deposits of commercial banks in Jackson County. The appearance of dominance presented is lessened by a number of considerations. Applicant has no bank in the City of Jackson or in Bank's primary service area. The area is not a significant one in the State from the point of view of population, economy, or banking. In the light of these considerations and all the data in the record, it appears to the Board that the proposed acquisition would not create such concentration of banking resources as to require a disapproval of the application.

The Department of Justice submitted views on the subject application, but refrained from making any recommendation. The data and views based thereon as presented in the Department of Justice statement have been considered by the Board, together with Applicant's reply thereto. The Department's suggestion, that the proposed acquisition may serve as a precedent or set a pattern for future expansion, is not considered to be a significant factor adverse to the proposed acquisition, as the Board consistently has taken the position that each application must be considered on the pertinent facts presented and that a decision by the Board in a given matter does not constitute any commitment on future applications.

In the light of the foregoing considerations and all the facts in the record, the Board concludes that consummation of the subject proposal would not increase Applicant's size or extent beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

On the basis of all the relevant facts as contained in the record before the Board, and in the light of the factors set forth in section 3(c) of the Act, it is the Board's judgment that the proposed transaction would be consistent with the public interest, and that the application should, therefore, be approved.

<sup>&</sup>lt;sup>6</sup> It may be observed that, in Franklin County in the 10-year period 1955 to 1964, inclusive, the percentage of deposits held by Applicant's banks decreased from 57 to 52, while the percentages of the other two large Columbus banks increased.

### Announcements

### ELECTION OF CLASS A AND CLASS B DIRECTORS

The Federal Reserve Banks have announced the results of the annual elections by their member banks of Class A and Class B directors as shown below. The directors have been elected to serve for three years beginning January 1, 1966.

, ,	
Boston	
Class A	LAWRENCE H. MARTIN, President, The National Shawmut Bank of Boston, Massachusetts. Mr. Martin succeeds Ostrom Enders, Chairman, Hartford National Bank and Trust Company, Hartford, Connecticut.
Class B	JOHN R. NEWELL, Vice Chairman, Bath Iron Works Corporation, Bath, Maine. (Re-elected)
New York	
Class A	ROBERT G. COWAN, Chairman, National Newark and Essex Bank, Newark, New Jersey. Mr. Cowan succeeds Ralph H. Rue, Chairman, The Schenectady Trust Company, Schenectady, New York.
Class B	MILTON C. MUMFORD, Chairman, Lever Brothers Company, New York, New York. Mr. Mumford succeeds Kenneth H. Hannan, Executive Vice President, Union Carbide Corporation, New York, New York.
Philadelphia	
Class A	HOWARD C. PETERSEN, President, Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania. Mr. Petersen succeeds Benjamin F. Sawin, Vice Chairman of the Board, Provident National Bank, Philadelphia, Pennsylvania.
Class B	RALPH K. GOTTSHALL, Chairman of the Board and President, Atlas Chemical Industries, Inc., Wilmington, Delaware. (Re-elected)
Cleveland	
Class A	EVERETT D. REESE, Chairman of the Board, The City National Bank & Trust Company of Columbus, Ohio. Mr. Reese succeeds Frank E. Agnew, Jr., Chairman of the Board and Chief Executive Officer, Pittsburgh National Bank, Pittsburgh, Pennsylvania.
Class B	WALTER K. BAILEY, Chairman of the Board, The Warner & Swasey Company, Cleveland, Ohio. (Re-

elected)

Richmond Class A	WILLIAM A. DAVIS, Executive Vice President and Cashier, Peoples Bank of Mullens, West Virginia. Mr. Davis succeeds David K. Cushwa, Jr., President, The Washington County National Savings Bank, Williamsport, Maryland.
Class B	CHARLES D. LYON, President, The Potomac Edison Company, Hagerstown, Maryland. Mr. Lyon succeeds R. E. Salvati, Consultant, Island Creek Coal Company, Huntington, West Virginia.
Atlanta	
Class A	JOHN W. GAY, President, The First National Bank, Scottsboro, Alabama. He succeeds M. M. Kimbrel, who had resigned.
Class B	HARRY T. VAUGHN, President, United States Sugar Corporation, Clewiston, Florida. Mr. Vaughn succeeds McGregor Smith, Chairman of the Board, Florida Power & Light Company, Miami. Florida.
Chicago	
Class A	HARRY W. SCHALLER, President, The Citizens First National Bank of Storm Lake, Iowa. (Re-elected)
Class B	JOSEPH O. WAYMIRE, Vice President & Treasurer, Eli Lilly and Company, Indianapolis, Indiana. Mr. Waymire succeeds William A. Hanley, Director, Eli Lilly and Company, Indianapolis, Indiana.
St. Louis	
Class A	HARRY F. HARRINGTON, Chairman of the Board, The Boatmen's National Bank of St. Louis, Missouri. (Reelected)
Class B	SHERWOOD J. SMITH, Vice President, Whirlpool Corporation, Evansville, Indiana. Mr. Smith succeeds Harold O. McCutchan, Senior Executive Vice President, Mead Johnson & Company, Evansville, Indiana.
Minneapolis	
Class A	CURTIS B. MATEER, Executive Vice President, The Pierre National Bank, Pierre, South Dakota. (Reelected)
Class B	JOHN H. TOOLE, President, Toole and Easter Company, Missoula, Montana. (Re-elected)

Kansas City

Class A

BURTON L. LOHMULLER, President, The First National Bank of Centralia, Kansas. (Re-elected)

Class B

STANLEY LEARNED, President & Chief Executive Officer, Phillips Petroleum Company, Bartlesville, Oklahoma. Mr. Learned succeeds K. S. Adams, Chairman of the Board, Phillips Petroleum Company, Bartlesville, Oklahoma.

Dallas

Class A

RALPH A. PORTER, President, The State National Bank of Denison, Texas. (Re-elected)

Class B

J. B. PERRY, Jr., President and General Manager, Perry Brothers, Inc., Lufkin, Texas. (Re-elected)

San Francisco Class A

RALPH V. ARNOLD, President & Chairman of the Board, First National Bank and Trust Company, Ontario, California. Mr. Arnold succeeds M. Vilas Hubbard, Chairman of the Board & Chief Executive Officer, Citizens Commercial Trust and Savings Bank of Pasadena, California.

Class B

HERBERT D. ARMSTRONG, Treasurer, Standard Oil Company of California, San Francisco, California. Mr. Armstrong succeeds Fred H. Merrill, President, Fireman's Fund American Insurance Companies, San Francisco, California.

### SUPPLEMENT TO BANKING AND MONETARY STATISTICS

Assets and liabilities of Federal Reserve Banks for periods from 1937 through 1941 are contained in a new pamphlet now available, "Federal Reserve Banks," Section 9 of Supplement to Banking

and Monetary Statistics. Copies may be obtained from the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D. C. 20551. (Price shown on page 1811.)

# National Summary of Business Conditions

Released for publication December 15

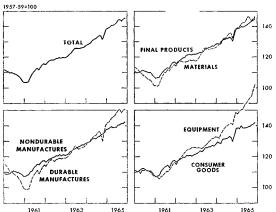
Industrial production continued to advance in November and nonfarm employment increased considerably further. Retail sales were little changed. Industrial commodity prices edged up further. Bank credit rose again, while the increase in the money supply slowed substantially. Market interest rates increased between mid-November and mid-December. Reserve Bank discount rates and maximum interest rates payable on bank time deposits were raised December 6.

#### INDUSTRIAL PRODUCTION

Industrial production in November rose to 145.5 per cent of the 1957-59 average, a level above the August high and 7½ per cent above last November. The index for October was revised upward to 144.4 per cent. In both months gains were widespread among final products and materials.

Auto assemblies continued strong in November and were at an annual rate of 9.3 million units. Output of household appliances continued to rise from the reduced summer level and was above the previous peak reached last spring. Furniture, television sets, apparel, and consumer staples also rose. Production of business equipment advanced further following large increases in October in industrial and commercial machinery and aircraft.

#### INDUSTRIAL PRODUCTION



F.R. indexes, seasonally adjusted. Latest figures shown are for November.

In November, business equipment was 14 per cent above the year-ago level.

Output of most durable and nondurable materials continued to increase except for a further moderate decline in iron and steel production.

#### Construction

New construction put in place increased to an annual rate of \$68.5 billion in November, but remained below both the September peak and the average for the third quarter. Private construction expenditures held at the October rate as a further decrease in residential activity was offset by a rise in other private construction. Public construction, revised downward for October, rose appreciably.

#### EMPLOYMENT

Nonfarm employment advanced nearly 300,000 in November to register the largest monthly gain this year. In addition to continued large increases in trade, services, and State and local government, there was a sharp increase in manufacturing employment. Gains were especially strong in the metal-using industries; in nondurable goods industries, only food showed a large advance. The average workweek in manufacturing advanced to 41.4 hours and exceeded the peak rates in the first quarter. The unemployment rate edged down to 4.2 per cent from 4.3 per cent in October. A year earlier it was 4.9 per cent.

#### DISTRIBUTION

Retail sales in November remained at about the record October level. Sales at durable goods stores increased a little, while sales at nondurable goods stores declined slightly. Deliveries of new domestic cars rose to an annual rate of 9.0 million units, equal to the high level of the summer months. Sales at furniture and appliance, apparel, and general merchandise stores also increased.

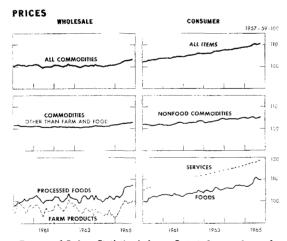
### COMMODITY PRICES

The industrial commodity price index rose

somewhat further in November and apparently changed little to mid-December. Prices of steel scrap and some steel products advanced, but announced increases in copper and brass prices were subsequently rescinded. Prices of 1966 model cars were somewhat lower than year-ago prices of comparable 1965 models, apart from the reduction in the Federal excise tax. Hog prices advanced sharply to the record levels of 1948 and prices of other meats and eggs also rose. Consequently, average prices of foodstuffs in early December were above the advanced levels reached last summer.

#### BANK CREDIT, MONEY SUPPLY AND RESERVES

Commercial bank credit rose \$2.6 billion in November, about the same as in the previous month. Although loans accounted for most of the expansion in both October and November, holdings of U.S. Government issues also increased in both months as a result of Treasury financing operations. Other security holdings rose by considerably less than the average of other recent months. The money supply increased slightly in November following large gains in the two previous months, while the increase in time deposits was about equal to the large amount in October.



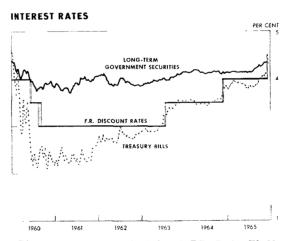
Bureau of Labor Statistics indexes. Latest figures shown for consumer prices, October; for wholesale prices, November estimates.

Total and required reserves declined somewhat in November. A further decline in borrowings accompanied by a small increase in excess reserves reduced net borrowed reserves to about \$85 million, little more than half the level of the two previous months. Reserves were supplied principally through System purchases of U.S. Government securities and were absorbed mainly through currency outflows.

# SECURITY MARKETS

Yields in all sectors of the capital markets moved upward between mid-November and mid-December. The advance accelerated in most sectors after an increase in the Reserve Bank discount rates from 4 to 4½ per cent was announced December 6. On the same date maximum rates payable on all member bank time deposits and certificates of deposit having a maturity of 30 days or more were raised to 5½ per cent. In mid-December yields on 3-month Treasury bills were about 4.40 per cent, up about ½ of a percentage point from mid-November. Corporate and State and local yields were the highest in 5 years.

After reaching an all-time high, common stock prices fluctuated within a narrow margin from mid-November to mid-December.



Discount rate, range or level for all F.R. Banks. Weekly average market yields for U.S. Govt, bonds maturing in 10 years or more and for 90-day Treasury bills. Latest figures shown, week ending Dec. 10.

# Guide to Tabular Presentation

# SYMBOLS AND ABBREVIATIONS

•	Estimated	N.S.A.	Monthly (or quarterly) figures not adjusted
C P	Corrected Preliminary	IPC SMSA	for seasonal variation Individuals, partnerships, and corporations
r rp	Revised Revised preliminary	A L	Standard metropolitan statistical area Assets Liabilities
I, II, III, IV	Quarters	S U	Sources of funds Uses of funds
n.a. n.e.c. S.A.	Not available  Not elsewhere classified  Monthly (or quarterly) figures adjusted for seasonal variation	•	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 (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.

# LIST OF TABLES PUBLISHED QUARTERLY, SEMIANNUALLY, OR ANNUALLY, WITH LATEST BULLETIN REFERENCE

Quarterly	Issue	Page	Annually—Continued	Issue	Page
Flow of funds	Nov. 1965	1608–17	Banking and monetary statistics, 1964	Feb. 1965 Mar. 1965 June 1965	490-91
Semiannually			Banks and branches, number of, by class and		
Banking offices: Analysis of changes in number of	Aug. 1965	1170	State	Apr. 1965	615–16
On, and not on, Federal Reserve Par List number of	Aug. 1965		Flow of funds (assets and liabilities)	Nov. 1965	1618-27
			Income and expenses: Federal Reserve Banks	Feb. 1963	322–23
Annually			Calendar year	May 1965	750-58
Bank holding companies: List of, Dec. 31, 1964	June 1965	892	Operating ratios Insured commercial banks	May 1965	617–19 759
Banking offices and deposits of group banks, Dec. 31, 1964	July 1965		Stock exchange firms, detailed debit and credit balances	Sept. 1965	1340

# Financial and Business Statistics

# \* United States \*

Member bank reserves, Reserve Bank credit, and related items; Federal funds Reserve Bank discount rates; margin requirements; reserve requirements Open market transactions; Federal Reserve Banks Bank debits; currency in circulation Money supply; banks and the monetary system Commercial and mutual savings banks, by classes Commercial banks, by classes Weekly reporting member banks Business loans	1728 1733 1735 1738 1740 1742 1746 1748 1751
Interest rates Security prices; stock market credit; open market paper Savings institutions Federal finance Federally sponsored agencies Security issues Business finance Real estate credit Consumer credit	1752 1753 1754 1756 1761 1762 1765 1767 1770
Industrial production Business activity; construction Employment and earnings Wholesale and consumer prices National product and income series Flow of funds	1774 1778 1780 1782 1784 1786
Guide to tabular presentation Index to statistical tables	1726 1815

The data for F.R. Banks and member banks and for consumer credit are derived from regular reports made to the Board; production indexes are compiled by the Board on the basis of data collected by other agencies; and flow of funds figures are compiled on the basis of materials from a combination of sources, including the Board. Figures for gold stock, currency, Fed-

eral finance, and Federal credit agencies are obtained from Treasury statements. The remaining data are obtained largely from other sources. For many of the banking and monetary series back data and descriptive text are available in *Banking and Monetary Statistics* and its *Supplements* (see list of publications at end of the BULLETIN).

# MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

			Factors	supplyir	ng reser	ve funds	in mille				Fact	ors abs	orbing 1	reserve f	unds	<del>-</del>	
Period or	U.S. C	F. R. B.		dit outst	anding		Gold	Treas- ury cur-	Cur- rency in	Treas- игу	than	osits, o nember eserves F.R. B	bank ,	Other F.R.	Member bank reserves		
date	Total	Bought out- right	Repurchase agreements	counts	Float 1	To- tal <sup>2</sup>	Stock	rency out- stand- ing	cir- cula- tion	cash hold- ings	Treas- ury	For- eign	Other 1	ac- counts	With F.R. Banks	Cur- rency and coin 3	Total
Averages of daily figures																1000	
1929—June	179 1,933 2,510 2,219 23,708 20,345	2 510		978 250 8 5 381 142	652	1,317 2,208 2,612 2,404 24,744 21,606	4,024 4,030 17,518 22,759 20,047 22,879	2,295 2,956 3,239 4,322	28.452	210 272 2,402 2,189 2,269 1,290	81 616 592 625		247	376 350 248 292 493 739	2,211 11,473 12,812	1	2,314 2,211 11,473 12,812 16,027 17,391
1955—Dec	24,602 24,765 23,982 26,312 27,036	24,318 24,498 23,615 26,216 26,993		840 706 716 564 911	1,633 1,443 1,496	26,853 27,156 26,186 28,412 29,435	21,689 21,942 22,769 20,563 19,482	5.144 5.230	31,775 31,932	777 772 768 691 396	385 470	459 372 345 262 361	247 186	998 1,063 1,174	19,240 19,535 19,420 18,899 18,628		19,240 19,535 19,420 18,899 18,932
1960—Dec	27,248 29,098 30,546 33,729 34,631	27,170 29,061 30,474 33,626 34,530	78 37 72 103 101	94 152 305 360 271	2.434	29,060 31,217 33,218 36,610 36,760	15.562	5,587	33,954	408 422 398 389 414	514 587 879	250 229 222 160 135	244 290	1,215	16,688 17.259 16,932 17,303 17,356	3.108	20,118
1964—Nov Dec	36,036 37,126	35,867 36,895	169 231	433 266	1,874 2,423	38,421 39,873	15,442 15,388	5,494 5,401	38,937 39,698	529 595	613 944	148 181	200 186		17,812 17,964	3,347 3,645	21,159 21,609
1965—JanFebMarAprMayJuneJulyAugSeptOctNov	36,684 37,052 37,315 37,637 38,111 38,840 39,249 39,318 39,108 39,601 40,128	36,457 36,957 37,267 37,482 37,749 38,610 38,891 39,074 39,055 39,580 40,127	227 95 48 155 362 230 358 244 53 21	340 450 441 487 520 543 527 566 533 515 485	1,659 1,658 1,633 1,714 1,831 1,581 1,922 1,869	39,245 39,244 39,535 39,882 40,340 41,153 41,651 41,504 41,610 42,048 42,649	15,258 14,984 14,687 14,472 14,358 14,277 13,924 13,858 13,858 13,857 13,845	5,394 5,396 5,405 5,402 5,402 5,412 5,433 5,469	38,641 38,777 38,942 39,052 39,508 40,005 40,104 40,347	652 696 727 744 755 772 780 810 809 *800 802	943 890 865 908 844 805 924 978 1,024	180 145 144 170 142 142 160 215 210 169 174	211 194 207 187 182 196 185 195 209	949 1,166 1,049 783 985 1,196 740 480 287 142 296	18,076 18,111	3,407 3,412 3,458 3,406 3,522 3,564 3,544 3,618	21,227 21,248 21,505 21,476 21,709 21,865 21,620
Week ending— 1964																	
Oct. 7		35,549 35,532 34,909 34,911	210 131	372 241 382 233	1,820 1,875 2,548 1,995	38,051 37,876 37,878 37,203	15,463 15,462 15,463 15,462	5,541 5,538	38,209 38,465 38,432 38,333	457 470 489 467		131 133 130 137		1,103 1,028 966 925	17.660	3.246	20,985
Nov. 4	35,711 35,986 35,913 35,992	35,642 35,671 35,698 35,867	69 315 215 125	479 429 593 162	1,634 1,711 1,962 2,136	37,910 38,201 38,532 38,388	15,462 15,463 15,462 15,430	5,505 5,497 5,497 5,494	38,446 38,793 38,975 39,071	484 503 533 552	563	122 139 130 148	215	1,153	17,851 17,823 17,926 17,592	3,359 3,192 3,389 3,467	21,210 21,015 21,315 21,059
Dec. 2	36,667 37,335 37,335 36,926 36,936	36,667 37,335 37,020 36,660 36,570	315 266 366	377 124 162 291 535	2,907	38,969 39,480 39,632 40,175 40,409	15,387 15,387 15,388 15,387 15,388	5,456 5,400 5,402 5,404 5,397	39,277 39,476 39,743 39,834 39,852	554 571 593 608 620	873 1,024 978	224 186 142 144 221	186 176	1,231 1,106	17,745 17,637 18,160	3,750	21,841
Jan. 6	36,460	36,515 36,515 36,403 36,334	543 301 57 106	340 460 322 252	2,622 2,149 2,249 1,841	40,111 39,522 39,112 38,631	15,388 15,330 15,187 15,187	5,407 5,394 5,393 5,387	39,552 39,282 38,927 38,644	630 649 662 657	780 1,015	228 186 178 151	205 212	970 902	18,174	3,671 3,643	21,845 21,440
Feb. 3	37,272	36,769 37,133 37,088 36,718	63	323 517 398 565	1,611 1,472 1,540 1,730	38,923 39,384 39,189 39,162	15,157 15,045 14,937 14,938	5,391 5,397	38,641 38,715	664 679 699 719	924 1,001	148 152 141 139	216 207 220 204	1,032 1,158 1,158 1,158	17,912 18,060 17,589 17,744	3.252	21,312
Mar. 3	37,319 37,371 37,305	37,308 37,305	76 108 63 18	315 426 388 482 502	1,624 1,597 2,005	39,226 39,475 39,484 39,900 39,444	14,562	5,394 5,397 5,393	38,894 38,796	706 715 717 735 746	806 912 956	132 139	209 191 186	1,061 980	17,714 18,064	3,218 3,454 3,448	21,062

For notes see opposite page.

# MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued (In millions of dollars)

	(in millions of dollars)																
İ		1	Factors	supplyii	ng reser	ve funds	s 				Fact	ors abs	orbing	reserve	funds		
Period		F. R. B	ank cred	dit outst	anding			Treas-	Cur-	Trees	than	osits, o nember	bank		Member bank reserves		
or date	U.S. C	Govt. sec	curities	Dis-			Gold	cur- rency	rency in	Treas- ury cash	with	F.R. B	anks	Other F.R.			
	Total	Bought out- right	Repur- chase agree- ments	ad-	Float 1	To- tal <sup>2</sup>	stock	out- stand- ing	cir- cula- tion	hold- ings	Treas- ury	For- eign	Other 1	ac- counts	With F.R. Banks	Cur- rency and coin <sup>3</sup>	Total
Averages of daily figures							<del>-</del>								-		
Week ending—																	
1965	27 725	27 406	220	<b>5</b> 00	1 400	20, 962	14 562	£ 200	20 962	722	720	176	207	925	10 202	2 220	21 502
Apr. 7 14 21 28	37,723 37,881 37,594 37,361	37,496 37,623 37,486 37,343	258 108	589	1,487	39,863 39,883 40,230 39,548	14,519 14,412	5,408	39.092 39.058	732 741 761 744	881	176 158 178 166	202 228		17,899 18,224	3,389	
May 5 12 19 26	KX ISHI	37,501 37,565 37,546 37,788	297	514 515	1,557 1,915	40,137 40,332 40,333 40,146	14,395 14,353	5,399 5,407	38,825 39,071 39,095 39,047		1,060	164 134 138 142	191 186			3,311	21,465 21,442
June 2 9 16 23 30	38,889 38,817 38,775	38,462 38,515 38,527 38,696 38,740	374 290 79	494 626 596	1,556 1,632 2,037	40,772 41,006 41,131 41,455 41,102	14,293 14,292 14,292	5,394 5,394 5,409	39,555 39,528	771 778			178 177 185	1,293 1,231 1,153	17,992 18,017 18,115 18,491 18,221	3,352 3,534 3,569	22,060
July 7	38.864	39,050 38,987 38,766 38,799	583 98	623 427	1,883 2,206	41,955 42,128 41,535 41,201	13,934 13,934	5,405 5,412	40,201 40,065	762	888	162 146 179 156	196 194	829 725	18,917 18,491 18,046 17,914	3,616	22,105 21,662
Aug. 4	39,631	38,903 39,259 39,037 38,971	392 99	493	1.480	41,418 41,786 41,434 41,409	13,858 13.858	5.422 5.426		812	848	155 198 235 218	191 190	470 466	18,230 17,965	3,372 3,549	21,602 21,514
Sept. 1	39.152 39,480 39.088 38.708 39.074	39,074 39,339 39,088 38,621 39,074	141 87		1,552 1,821 2,539	41,170 41,586 41,508 41,918 41,578	13,858 13,857 13,858	5.462 5.470 5.470	40,307 40,488 40,319	807 809 812	898 987	240 243 212 187 199	179 191	398 389 312 220 222	17,846 18,082 17,836 18,478 18,232	3,332 3,748 3,636	21,584 22,114
Oct. 6	39,850 39,779 39,486 39,292	39,850 39,749 39,424 39,292	30 62		1,717	42,196 42,061 42,347 41,642	13,857	5,493 5,501	40,492 40,814 40,848 40,729	802 810	1,021 1,053	187 178 170 161	218		18,557 18,175 18,544 18,058	3,531	21,706 22,273
Nov. 3 10 17 24	39,829 40,253 40,048 39,788	39,829 40,249 40,048 39,788	4	533 369 522 394	1,988	42,082 42,616 42,605 42,501	13,859	5,532	40,817 41,112 41,389 41,520	786 792 791 806	1,045	154 179 180 180	215 231	176 261 234 319	18,377 18,386 18,134 17,959	3,734 3,518 3,744 3,788	21.904
End of month																	
1965 Sept Oct Nov	39.657	1 39.657		174 510 365	1,652	41,905	13,858 13,857 213,805	5,509	40,754	773	1,053	213 144 149	211	230 133 369		3,419	22,216 21,623 P22,229
Wednesday																	
1965	20. 701	20 701			1 543	41.020	12.050	E 40.	40.702	000	1 224	107	210	220	ta 02:	2 645	21 27/
Oct. 6 13 20 27	39,900 39,200	39,693 39,200	207	511 950 414 366	1,211 1,872	41,920 42,117 41,525 41,106	13,859	5,503 5,508	40,968 40,837	812 813	891	183 168 162 153	195 201	228 81 75 73	18,339 17,913	4,044 4,094	22,007
Nov. 3 10 17 24	40,048 40,048	40,048		635 184 281 792	2,160	42,387 42,505 42,535 42,600	13,859 13,859 13,859 13,809	5,539 5,541	41,410 41,490	790 798	912	182	305 208			3,959 4,065	21,723 22,090

<sup>&</sup>lt;sup>1</sup> Beginning with 1960 reflects a minor change in concept, see Feb. 1961 BULLETIN. p. 164.

<sup>2</sup> Includes industrial loans and acceptances, when held. (Industrial loan program discontinued Aug. 21, 1959.) For holdings of acceptances on Wed. and end-of-month dates, see subsequent tables on F.R. Banks. See also note 1.

<sup>&</sup>lt;sup>3</sup> Part allowed as reserves Dec. 1, 1959-Nov. 23, 1960; all allowed thereafter. Beginning with Jan, 1963 figures are estimated except for weekly averages.

# RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

	(In millions of dollars)														
									R	eserve ci	ty banks				
		All m	ember ba	anks			Nev	w York C	City			City	of Chica	ago	
Period	1	Reserves		Bor- row-			Reserves		Bor- row-	_		Reserves		Bor- row-	
	Total held	Re- quired	Excess	ings at F.R. Banks	Free re- serves	Total held	Re- quired	Excess	ings at F.R. Banks	Free re- serves	Total held	Re- quired	Excess	ings at F.R. Banks	Free re- serves
1929—June	2,314 12,160 11,473 12,812 16,027 17,261 17,391	1,797 6,462 9,422 14,536	42 363 5,011 3,390 1,491 986 1,027	974 184 3 5 334 224 142	-932 179 5,008 3,385 1,157 762 885	762 861 5,623 5,142 4,118 4,404 4,742	755 792 3,012 4,153 4,070 4,299 4,616	7 69 2,611 989 48 105 125	 192	-167 69 2,611 989 -144 67	161 211 1,141 1,143 939 1,024 1,199	848 924 1,011	14 13		-62 78 540 295 14 7
1955—Dec	19,240 19,535 19,420 18,899 18,932	18,883 18,843 18,383	594 652 577 516 482	839 688 710 557 906	-245 -36 -133 -41 -424	4,432 4,448 4,336 4,033 3,920	4,397 4,392 4,303 4,010 3,930	35 57 34 23 —10	197 147 139 102 99	-162 -91 -105 -81 -109	1,166 1,149 1,136 1,077 1,038	1,138 1,127 1,070	12 8 7	85	-83 -86 -77 -31 -104
1960—Dec. 1961—Dec. 1962—Dec. 1963—Dec. 1964—June	19,283 20,118 20,040 20,746 20,558	19,550 19,468 20,210	756 568 572 536 390	327	669 419 268 209 120	3,687 3,834 3,863 3,951 3,984	3,658 3,826 3,817 3,895 3,945	29 7 46 56 39	19 57 108 37 39	10 -50 -62 19	958 987 1,042 1,056 1,033	1,051	5	8 22 18 26 13	-4 -22 -11 -21 -13
1964 Nov Dec	21,159 21,609	20,763 21,198	396 411	430 243	-34 168	3,893 4,083	3,882 4,062	11 21	97 35	-86 -14	1,076 1,083	1,072 1,086		20 28	-16 -31
1965—Jan	21,619 21,227 21,248 21,505 21,476 21,709 21,865 21,620 21,729 21,959 21,959	21,516 21,192 21,356 21,618	402 437 340 359 327 343 349 428 373 341 \$\mathref{p}\$368	405 416 471 505 528 524 564 528 490	103 32 -76 -112 -178 -185 -175 -136 -155 -149 \$\mathref{p}\$-84	4,117 3,966 4,026 4,111 4,135 4,206 4,155 4,097 4,094 4,112 4,003	4,087 4,127 4,185 4,164 4,026 4,079 4,105	43 5 23 25 8 21 -9 71 15 8	75 21 135 126 103 62 36	-70 -90 -97 -50 -13 -114 -135 -32 -47 -28 -78	1,094 1,096 1,082 1,085 1,116 1,100 1,102 1,077 1,091 1,091	1,083 1,077 1,086 1,110 1,096 1,100 1,075 1,088 1,085	13 5 -1 6 4 2 2 2 3	50 39 10 19 27 38 46	-45 -40 -4 -15 -25
Week ending-															
1964—Nov. 4 11 18 25	21,210 21,015 21,315 21,059	20,769 20,646 20,724 20,801	441 369 591 258	590	-35 -58 1 99	4,021 3,829 3,862 3,904	3,837	32 5 24 25	73	-188 -69 -106 15	1,083 1,065 1,070 1,083	1,059 1,070	5	44	-10 5 -44 5
1965—June 2 9 16 23 30	21,414 21,369 21,649 22,060 21,894	21,067	327 302 400 416 336	611 583	-191 -172 -211 -167 -150	4,124 4,069 4,164 4,358 4,256	4,163 4,271	15 5 1 87 3	52 175	-5 -46 -173 -138 -108	1,083	1,065 1,079 1,119	4 4 9	13 38	-9
July 7 14 21 28	22,171 22,105 21,662 21,597	21,576	349 529 192 323	582 620 425 479	-233 -91 -233 -156	4,352 4,148 4,139 4,107		32 11 20 14		-201 -189 -48 -23	1,132 1,094 1,105 1,079	1,094	5	23 18	-27 -23 -13 -37
Aug. 4 11 18 25	21,777 21,602 21,514 21,519	21,399 21,183 21,188 21,115	378 419 326 404	616 491	-166 -197 -165 -141	4,175 4,031 4,028 4,003	4,158 4,022 4,009 3,995	17 8 19 8	7	-118 -167 12 -53	1,113 1,070 1,068 1,073	1,066 1,070	$-\frac{3}{2}$	68	-10 -19 -70 -53
Sept. 1 8 15 22 29	21,578 21,414 21,584 22,114 21,890	21,041 21,120 21,681	433	483 558 627	-104 -110 -94 -194 -219	4,081 3,959 4,009 4,201 4,252	3,956 4,192	86 7 53 9 58		-10 -36 11 -171 56	1,080 1,071 1,061 1,128 1,105	1,065 1,062	7		-7 -35 -39
Oct. 6 13 20 27	22,053 21,706 22,273 21,838	21,408 21,783	440 298 490 193	536 495 591 338	-96 -197 -101 -145	4,209 4,035 4,136 4,115	3,999 4,126	3 36 10 6	35	-1 -46 -25 -5	1,090 1,063 1,097 1,097	1,059	4	154	-118 -90 -149 -7
Nov. 3 10 17 24	22,111 21,904 21,878 21,747	21,476 21,561	379 428 317 230	489	-107 94 -172 -131	4,173 4,016 3,823 3,958	3,939 3,971	31 77 -149 -11	102 79 59 50	-71 -3 -207 -62	1,105 1,066 1,064 1,078	1,060 1,063	6 2		-30 6 -103 3
	<del></del>		·					·				•	·	•	

For notes see opposite page.

# RESERVES AND BORROWINGS OF MEMBER BANKS-Continued

(In millions of dollars)

		Other	reserve city	banks			C	ountry ban	cs.	
Period		Reserves		Borrow- ings at	Free		Reserves		Borrow- ings at	Free
	Total held	Required	Excess	F. R. Banks	reserves	Total held	Required	Excess	F. R. Banks	reserves
1929—June	761 648 3,140 4,317 6,394 6,861 6,689	749 528 1,953 3,014 5,976 6,589 6,458	12 120 1,188 1,303 418 271 232	409 58 1 96 123 50	-397 62 1,188 1,302 322 148 182	632 441 1,568 2,210 4,576 4,972 4,761	610 344 897 1,406 3,566 4,375 4,099	22 96 671 804 1,011 597 663	327 126 3 4 46 57 29	305 30 668 800 965 540 634
1955—Dec.	7,924	7,865	60	398	-338	5,716	5,220	497	159	338
1956—Dec.	8,078	7,983	96	300	-203	5,859	5,371	488	144	344
1957—Dec.	8,042	7,956	86	314	-228	5,906	5,457	449	172	277
1958—Dec.	7,940	7,883	57	254	-198	5,849	5,419	430	162	268
1959—Dec.	7,954	7,912	41	490	-449	6,020	5,569	450	213	237
1960—Dec.	7,950	7,851	100	20	80	6,689	6,066	623	40	583
1961—Dec.	8,367	8,308	59	39	20	6,931	6,429	502	31	471
1962—Dec.	8,178	8,100	78	130	-52	6,956	6,515	442	48	394
1963—Dec.	8,393	8,325	68	190	-122	7,347	6,939	408	74	334
1964—June	8,318	8,290	28	142	-114	7,224	6,900	324	76	248
1964—Nov	8,612	8,565	47	225	-178	7,578	7,244	334	88	246
Dec	8,735	8,713	22	125	-103	7,707	7,337	370	55	315
1965—Jan. Peb. Mar. Apr. May. June. July Aug. Sept. Oct. Nov.	8,713 8,548 8,563 8,680 8,604 8,649 8,774 8,661 8,815 8,815 8,801	8,676 8,485 8,547 8,648 8,554 8,636 8,725 8,626 8,778 8,778	37 63 15 32 50 13 50 35 40 38 44	120 207 163 271 383 287 264 263 286 245 221	-83 -144 -148 -239 -333 -274 -214 -228 -246 -207 -177	7,695 7,617 7,577 7,628 7,621 7,751 7,833 7,785 7,863 7,941 P8,067	7,369 7,262 7,279 7,326 7,358 7,450 7,528 7,465 7,548 7,651 27,753	327 355 298 303 263 301 306 320 315 290 2314	54 53 83 86 91 87 107 160 134 124 112	273 302 215 217 172 214 199 160 181 166 202
Week ending										
1964—Nov. 4	8,585	8,543	41	163	-122	7,521	7,155	366	80	286
	8,570	8,536	34	262	-228	7,551	7,227	324	92	232
	8,601	8,556	46	312	-266	7,782	7,261	521	103	418
	8,624	8,576	48	73	-25	7,448	7,268	180	76	104
1965—June 2	8,555	8,530	26	381	-355	7,635	7,352	282	102	181
	8,571	8,539	32	313	-280	7,659	7,399	260	103	157
	8,603	8,571	32	338	-306	7,799	7,436	363	85	278
	8,804	8,734	70	238	-167	7,770	7,520	250	82	168
	8,772	8,719	53	282	-229	7,751	7,450	301	87	214
July 7	8,869	8,841	28	218	-190	7,818	7,532	286	101	185
	8,800	8,768	32	293	-261	8,063	7,577	486	104	382
	8,731	8,704	26	225	-199	7,687	7,547	140	114	26
	8,654	8,621	33	319	-286	7,757	7,479	278	88	190
Aug. 4	8,710	8,677	33	238	-205	7,779	7,461	318	150	168
	8,649	8,612	38	274	-236	7,853	7,482	370	145	225
	8,671	8,638	33	251	-218	7,747	7,471	276	165	111
	8,635	8,597	38	265	-226	7,808	7,454	354	162	190
Sept. 1	8,669	8,617	52	258	-205	7,747	7,456	292	170	119
	8,602	8,551	50	286	-235	7,783	7,473	310	141	170
	8,625	8,565	60	291	-232	7,889	7,536	352	191	159
	8,762	8,744	18	312	-294	8,023	7,624	399	89	310
	8,778	8,689	89	322	-233	7,755	7,568	187	126	61
Oct. 6	8,767	8,742	25	304	-279	7,987	7,576	411	109	302
	8,755	8,715	40	194	-154	7,851	7,633	218	125	93
	8,907	8,871	36	278	-242	8,133	7,693	440	124	316
	8,795	8,771	24	186	-162	7,831	7,670	162	132	30
Nov. 3	8,842	8,802	39	238	-199	7,991	7,685	306	113	195
	8,769	8,725	43	129	-86	8,053	7,752	301	126	175
	8,784	8,763	21	208	-187	8,208	7,764	444	117	327
	8,758	8,711	47	212	-165	7,952	7,762	190	99	91

<sup>&</sup>lt;sup>1</sup> This total excludes, and that in the preceding table includes, \$51 million in balances of unlicensed banks.

Total reserves held: Based on figures at close of business through Nov. 1959; thereafter on closing figures for balances with F.R. Banks and opening figures for allowable cash; see also note 3 to preceding table.

Required reserves: Based on deposits as of opening of business each day.

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

Note.—Averages of daily figures. Monthly data are averages of daily figures within the calendar month; they are not averages of the 4 or 5 weeks ending on Wed. that fall within the month. Beginning with Jan. 1964 reserves are estimated except for weekly averages.

# BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars unless otherwise noted)

		Basic	reserve po	osition		Inte	rbank Fe	deral fund	s transact	ions	Related transactions with U.S. Govt. securities dealers			
Reporting banks		Les	s—	Ne	:t—	Gross tra	nsactions		Net trai	nsactions				
week ending	Excess re- serves <sup>1</sup>	Bor- rowings at F.R. Banks	Net inter- bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Pur- chases	Sales	Total 2-way trans- actions <sup>2</sup>	Pur- chases of net buying banks	Sales of net selling banks	Loans to dealers <sup>3</sup>	Bor- row- ings from dealers 4	Net loans	
Total—46 banks														
1965—Oct. 6 13 20 27	14 52 26 31	290 276 270 41	844 1,322 1,011 692	-1,120 -1,546 -1,255 -701	11.4 16.2 12.8 7.2	2,291 2,864 2,194 2,475	1,447 1,542 1,183 1,783	984 1,149 798 1,136	1,307 1,715 1,397 1,339	463 393 386 647	516 742 979 717	133 104 102 86	384 638 877 631	
Nov. 3 10 17 24	38 86 25 17	168 89 216 124	631 1,099 1,022 786	-761 -1,102 -1,213 -892	7.8 11.6 12.7 9.4	2,233 2,560 2,323 2,162	1,603 1,461 1,301 1,376	951 1,100 1,149 1,043	1,282 1,460 1,173 1,119	652 362 152 333	783 499 797 835	107 92 99 119	676 407 697 716	
8 in New York City		<u> </u>												
1965—Oct. 6 13 20 27	3 29 7 15	83 32 11	-41 466 152 -46	-520 -177 50	1.1 13.9 4.6 1.3	808 1,183 819 1,005	849 717 666 1,051	516 485 410 604	292 698 409 401	333 232 256 447	434 561 721 553	102 73 75 54	332 489 647 499	
Nov. 3 10 17 24	18 57 12 -9	96 79 59 46	-114 296 379 202	37 -319 -426 -257	.9 8.6 11.5 6.9	834 1,066 995 927	949 770 616 725	467 521 592 569	367 545 403 358	481 248 24 156	596 414 621 668	75 60 72 72	521 354 550 596	
38 outside New York City														
1965—Oct. 6 13 20 27	11 23 20 16	290 193 238 29	885 857 859 738	-1,164 -1,026 -1,077 -751	19.9 17.8 18.2 12.7	1,482 1,682 1,376 1,469	597 825 517 732	468 664 388 531	1,015 1,017 988 938	130 161 129 200	82 181 258 164	31 32 28 32	51 149 230 133	
Nov. 3 10 17 24	20 29 13 26	72 10 157 78	745 802 643 584	-797 -783 -787 -636	13.5 13.6 13.5 11.0	1,399 1,494 1,327 1,235	654 692 685 651	484 578 557 475	915 915 770 761	170 113 127 177	187 85 175 167	32 32 28 47	156 53 147 120	
5 in City of Chicago														
1965—Oct. 6 13 20 27	4 1 3 1	111 88 143 3	345 356 255 277	-453 -443 -395 -279	46.2 46.8 40.5 28.4	503 521 351 398	158 164 97 121	158 164 97 110	345 356 255 288	ii	8 1 24 8	6 7	-6 24 8	
Nov. 3 10 17 24	2 4 3	31 105	294 325 263 125	-323 -321 -368 -122	32.6 33.9 38.7 12.7	421 489 383 309	126 164 120 184	125 148 111 155	295 341 272 155	1 16 9 30	11 2 2 2		11 2 2 2	
33 others														
1965—Oct. 6 13 20 27	7 22 17 15	179 105 95 26	540 500 604 461	-712 -583 -682 -472	14.6 12.1 13.8 9.6	980 1,161 1,024 1,071	440 661 420 611	310 500 291 422	670 661 733 650	130 161 129 189	75 180 234 156	25 25 28 32	50 155 206 125	
Nov. 3	18 25 13 23	42 10 52 78	451 477 380 459	-475 -462 -419 -513	9.6 9.6 8.8 10.6	978 1,005 945 926	528 528 565 467	359 431 447 320	619 574 498 606	169 97 118 147	177 83 174 165	32 32 28 47	145 51 146 118	

<sup>&</sup>lt;sup>1</sup> Based upon reserve balances including all adjustments applicable to the reporting period. Carryover reserve deficiencies, if any, are deducted.

<sup>2</sup> Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which its weekly average purchases and sales are offsetting.

<sup>3</sup> 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.

Note.—Weekly averages of daily figures. For description of series and back data, see Aug. 1964 BULLETIN, pp. 944-74.

<sup>&</sup>lt;sup>4</sup> 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.

# FEDERAL RESERVE BANK DISCOUNT RATES

(Per cent per annum)

Federal Reserve Ban <sup>1</sup> -		Discounts for ces and discounts ecs. 13 and 13a 1	s under	ances to me	Advances under Sec. 10(b) <sup>2</sup>		Advances to all others under last par. Sec. 133			
	Rate on Nov. 30	Effective date	Previous rate	Rate on Nov. 30	Effective date	Previous rate	Rate on Nov. 30	Effective date	Previous rate	
Boston. New York. Philadelphia. Cleveland Richmond Atlanta. Chicago St. Louis. Minneapolis. Kansas City. Dallas. San Francisco.	4 4 4 4 4 4 4 4	Nov. 24, 1964 Nov. 24, 1964 Nov. 24, 1964 Nov. 27, 1964 Nov. 27, 1964 Nov. 24, 1964 Nov. 24, 1964 Nov. 30, 1964 Nov. 27, 1964 Nov. 27, 1964 Nov. 27, 1964	31/2 31/2 31/2 31/2 31/2 31/2 31/2 31/2	4½ 4½ 4½ 4½ 4½ 4½ 4½ 4½ 4½ 4½ 4½ 4½	Nov. 24, 1964 Nov. 24, 1964 Nov. 27, 1964 Nov. 27, 1964 Nov. 27, 1964 Nov. 24, 1964 Nov. 24, 1964 Nov. 30, 1964 Nov. 30, 1964 Nov. 27, 1964 Nov. 27, 1964	4 4 4 4 4 4 4 4 4 4 4 4	51/2 5 5 5 51/2 5 6 5 5 5 5 5	Nov. 24, 1964 Nov. 24, 1964 Nov. 24, 1964 Nov. 27, 1964 Nov. 27, 1964 July 19, 1963 Nov. 24, 1964 Nov. 30, 1964 Nov. 27, 1964 Nov. 27, 1964 Nov. 27, 1964	4½ 4½ 4½ 5 4½ 5 4½ 4½ 4½ 4½ 4½ 4½	

<sup>&</sup>lt;sup>1</sup> Advances secured by U.S. Govt, securities and discounts of and advances secured by eligible paper. Rates shown also apply to advances secured by securities of Federal intermediate credit banks maturing within 6 months. 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, and advances

#### FEDERAL RESERVE BANK DISCOUNT RATES

(Per cent per annum)

Effective date	Range (or level)— all F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)— all F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)— all F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1932	21/2-31/2	21/2	1953 Jan. 16	13/42	2 2	1958 Jan. 22	23/4-3	3
Mar. 3		3½ 3½ 3½	1954	2	2	24	2¾-3 2¼-3 2¼-2¾	23/4 21/4 21/4
Apr. 7	21/2-31/2	2½ 2	Feb. 5	1 <sup>3</sup> / <sub>4</sub> -2 1 <sup>3</sup> / <sub>4</sub> 1 <sup>1</sup> / <sub>2</sub> -1 <sup>3</sup> / <sub>4</sub>	1 3/4 1 3/4 1 3/4	21	$ \begin{array}{c c} 2\frac{1}{4} \\ 1\frac{3}{4} - 2\frac{1}{4} \\ 1\frac{3}{4} \\ 1\frac{3}{4} - 2 \end{array} $	21/4 21/4 13/4 13/4 13/4
1934 Feb. 2	1½-3½ 1½-3	11/2	16	11/2-13/4	11/2	Sept. 12	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	2 2 21/2
1935 Jan, 11		1½ 1½	1955 Apr. 14	1 ½-1 ¾ 1½-1 ¾ 1¾-1 ¾	1½ 1¾ 1¾ 1¾	1959 Mar. 6	,-	3 3
1937 Aug. 27 Sept. 4		i 1	Aug. 4	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	13/4	May 29	$ \begin{array}{c c} 3 & -31/2 \\ 31/2 \\ 31/2 -4 \\ 4 \end{array} $	31/2 31/2 4 4
1942 Apr. 11Oct. 15		1 1 † ½	13	2 <sup>1</sup> / <sub>4</sub> 2 <sup>1</sup> / <sub>4</sub> -2 <sup>1</sup> / <sub>2</sub> 2 <sup>1</sup> / <sub>2</sub>	21/4 21/2 21/2	1960 June 3	3½-4 3½-4	4 31/2
1946 Apr. 25	† ½1	1 1	1956 Apr. 13	21/2-3	234	14		31/2
1948 Jan. 12	1 -11/4	11/4	20. Aug. 24. 31	23/4-3 23/4-3 3	2 <sup>3</sup> / <sub>4</sub> 2 <sup>3</sup> / <sub>4</sub> 3 3	1963 July 17 26	3 -31/2	3½ 3½
Aug. 13	11/4-11/2	11/2	1957 Aug. 9	3 -31/2	3	1964 Nov. 24	3½-4 4	4
1950 Aug. 21		1 3/4 1 3/4	23. Nov. 15. Dec. 2.	3 -31/2	31/2	1965 In effect Nov. 30	4	4

 $<sup>\</sup>dagger$  Preferential rate of  $\frac{1}{2}$  of 1 per cent for advances secured by U.S. Govt. securities maturing in 1 year or less. The rate of 1 per cent was continued for discounts of and advances secured by eligible paper.

against U.S. Govt. securities was the same as its discount rate except in the following periods (rates in percentages): 1955—May 4-6, 1.65; Aug. 4, 1.85; Sept. 1-2, 2.10; Sept. 8, 2.15; Nov. 10, 2.375; 1956—Aug. 24, 29, 2.75; 1956—Out. 31-Nov. 17, Dec. 28-29, 2.75; 1961—Jan. 9, Feb. 6-7, 2.75; Apr. 3-4, 2.50; June 29, 2.75; July 20, 31, Aug. 1-3, 2.50; Sept. 28-29, 2.75; Oct. 5, 2.50; Oct. 23, Nov. 3, 2.75; 1962—Mar. 20-21, 2.75; 1964—Dec. 10, 3.85; Dec. 15, 17, 22, 24, 28, 30, 31, 3.875; 1965—Jan. 4-8, 3.875.

secured by FICB securities are limited to 15 days.

<sup>2</sup> Advances secured to the satisfaction of the F.R. Bank. Maximum maturity: 4 months.

<sup>3</sup> Advances to individuals, partnerships, or corporations other than member banks secured by U.S. Govt. direct securities. Maximum maturity: 90 days.

Note.—Discount rates under Secs. 13 and 13a (as described in table above). For data before 1933, see *Banking and Monetary Statistics*, 1943, pp. 439-42.

The rate charged by the F.R. Bank of N.Y. on repurchase contracts

# MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

	Effective date									
Type and maturity of deposit	Jan. 1, 1936	Jan. 1, 1957	Jan. 1, 1962	July 17, 1963	Nov. 24, 1964	Dec. 6, 1965				
Savings deposits: 1 year or more Less than 1 year	21/2 21/2	3 3	4 3½	4 31/2	4 4	4 4				
Other time deposits: 1 1 year or more 6 months-1 year 90 days-6 months Less than 90 days (30-89 days)	2½ 2½ 2 1	3 3 21/2 1	4 31/2 21/2 1	4 4 4 1	4½ 4½ 4½ 4½ 4	51/2 51/2 51/2				

<sup>&</sup>lt;sup>1</sup> For exceptions with respect to foreign time deposits, see Oct. 1962 BULLETIN, p. 1279, and Aug. 1965 BULLETIN, p. 1084.

Note.—Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q. Under this regulation the rate payable by a member bank may not in any event exceed the maximum rate payable by State banks or trust cos. on like deposits under the laws of the State in which the member bank is located. Effective Feb. 1, 1936, maximum rates that may be paid by insured nonmember commercial banks, as established by the FDIC, have been the same as those in effect for member banks. Rates for postal savings deposits are shown each year in the Board's Annual Report.

Maximum rate payable on all types of time and savings deposits: Nov. 1, 1933-Jan. 31, 1935, 3 per cent; Feb. 1, 1935-Dec. 31, 1935, 2½ per cent.

# MARGIN REQUIREMENTS

(Per cent of market value)

	E	Effective date						
Regulation	July 28,	July 10,	Nov. 6,					
	1960	1962	1963					
Regulation T: For extensions of credit by brokers and dealers on listed securities. For short sales. Regulation U: For loans by banks on stocks.	70	50	70					
	70	50	70					
	70	50	70					

Note.—Regulations T and U, prescribed in accordance with Securities Exchange Act of 1934, limit the amount of credit that may be extended on a security by prescribing a maximum loan value, which is a specified percentage of its market value at the time of extension; margin requirements are the difference between the market value (100 per cent) and the maximum loan value.

# RESERVE REQUIREMENTS OF MEMBER BANKS

(Per cent of denosits)

	Net de	emand der	posits 2	Time d	leposits
Effective date 1	Central reserve city banks <sup>3</sup>	Reserve city banks	Coun- try banks	Central reserve and reserve city banks	Coun- try banks
In effect Dec. 31, 1948	26	22	16	71/2	71/2
1949—May 1, 5 June 30, July 1 Aug. 1, 11 Aug. 16, 18 Aug. 25 Sept. 1 1951—Jan. 11, 16 1953—July 1, 9 1954—June 16, 24 1958—Feb. 27, Mar. 1, Mar. 20, Apr. 1 Apr. 17 Apr. 17 Apr. 24 1960—Sept. 1 Nov. 24 Dec. 1	24 23½ 23 22½ 22 23 24 22 21 20 19½ 19 18 17½	21 20 1914 19 1814 1815 19 20 19 18 1716 1716 1716 1716 1716	15 14 13 12 13 14 13 14 13 11 12 11 12	6	7 6 5
1962-Oct. 25, Nov. 1.				4	4
In effect Dec. 1, 1965		161/2	12	4	4
Present legal requirem Minimum Maximum	'	10 22	7 14	3 6	3 6

<sup>1</sup> When two dates are shown, a first-of-month or midmonth date records changes at country banks, and any other date (usually a Thurs.) records changes at central reserve and reserve city banks.
2 Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances

due from domestic banks.

3 Authority of the Board of Governors to classify or reclassify cities as central reserve cities was terminated effective July 28, 1962.

Note.—All required reserves were held on deposit with F.R. Banks, June 21, 1917, until late 1959. Since then, member banks have been allowed to count vault cash also as reserves, as follows: country banks in excess of 4 and 2½ per cent of net demand deposits effective Dec. 1, 1959, and Aug. 25, 1960, respectively; central reserve city and reserve city banks—in excess of 2 and 1 per cent effective Dec. 3, 1959, and Sept. 1, 1960, respectively; all member banks were allowed to count all vault cash as reserves effective Nov. 24, 1960.

# DEPOSITS, CASH, AND RESERVES OF MEMBER BANKS

(In millions of dollars)

			_								
		Rese	erve city b	anks				Rese	rve city b	anks	
Item	All member banks	New York City	City of Chicago	Other	Country banks	Item	All member banks	New York City	City of Chicago	Other	Country banks
	F	our weeks	ending O	ct. 13, 19	55		Fo	our weeks	ending N	ov. 10, 19	65
Gross demand—Total Interbank U.S. Govt Other Net demand <sup>1</sup> . Time Demand balances due from dom. banks Currency and coin Balances with F.R. Banks. Total reserves held Required Excess	15,662 5,296 120,319 114,996 117,226 7,768 3,581 18,360 21,941 21,565	26,853 4,690 1,356 20,806 20,820 17,808 156 291 3,883 4,174 4,148 26	6,582 1,306 372 4,904 5,441 4,896 105 66 1,030 1,094 2	52,826 7,617 1,954 43,254 42,102 44,406 1,953 1,083 7,683 8,766 8,723 43	55,017 2,049 1,613 51,354 46,633 50,116 5,554 2,141 5,763 7,904 7,601 303	Gross demand—Total. Interbank. U.S. Govt. Other. Net demand 1 Time. Demand balances due from dom. banks. Currency and coin. Balances with F.R. Banks. Total reserves held Required. Excess.	15,771 4,020 122,596 115,364 118,779 7,860 3,690 18,342 22,032 21,659	26,629 4,692 913 21,024 20,308 18,205 164 296 3,814 4,110 4,079 31	6,582 1,306 284 4,992 5,377 5,010 113 71 1,020 1,091 1,088	53,308 7,662 1,592 44,053 42,415 44,851 1,967 1,110 7,718 8,828 8,793 35	55,867 2,111 1,230 52,527 47,264 50,713 5,616 2,213 5,789 8,002 7,700 302

<sup>&</sup>lt;sup>1</sup> Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

Note.—Averages of daily figures. Balances with F.R. Banks are as of close of business; all other items (excluding total reserves held and excess reserves) are as of opening of business.

# TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

					Outright tra		n U.S.	Govt.	securities by	y maturity			
			Tot	al	l		Freasur	y bills	s	Oth	ers with	nin 1	year
	Month	Gross purchases	Gro sale		Redemp- tions	Gross purchases	Gro sale		Redemp- tions	Gross purchases	Gro sale		Exch., maturity shifts, or redemp- tions
1964	-Oct Nov Dec	1,347 1,197 813	1	388 131 366	215	1,275 1,197 706	1	388 31 366	215	5			-28
1965-	Jan. Feb. Mar. Apr. May. June. July Sept. Oct.	388 865 642 466 984 755 206 758 1,692 652	1 2 1 2 3 7	261 98 290 26 15 284 398 770	12 464 7 126 224 114 198 98	388 784 551 466 876 361 206 652 1,541 652	1 2 3 3 7	261 98 290 26 115 284 398 770	12 464 7 111 224 114 198 98				1,752 -15 2,521 1,937
				Outr	ight transact	ions in U.S.	Govt.	secur	ities by matu	ırity—Conti	inued		
	Month		1-5 y	years		5-10 ye		years			Over 10	year.	s
	HOME	Gross Gross sales			Exch. or maturity shifts	Gross purchases	Gre sale		Exch. or maturity shifts	Gross purchases	Gro sale		Exch. or maturity shifts
	Oct Nov Dec	33			102 28 335	29 45			-102 35 -335	11			-35
1965-	-Jan. Feb. Mar. Apr. May. June. July. Aug. Sept. Oct.	46 36 36 65 185 61 107			-1,752 574 -2,521 -1,821	23 45 32 166 35 40			574 116	12 10 12 43 10 4			
		Rep (U.S	urchase S. Govt	agree	ements irities)	Net chain U	ange		Bankers'	acceptances		No in I	et change J.S. Govt.
	Month		Gross purchases		Gross sales	Gov securi	t.		Outright, net	Unde repurch agreeme net	ase	seci	urities and ceptances
1964-	Oct Nov Dec	68 1,31 2,19	3		782 1,313 1,657	35 1,06 26	5		6 15	-1: -2:	8 3 5		341 1,048 300
1965-	-Jan, Feb. Mar Apr. May June July Aug. Sept. Oct.	1,753 983 482 1,831 1,207 1,894 2,734 1,552 450 352			2,171 1,019 434 1,717 1,233 1,895 2,549 1,955 450 352	- 303 166 684 163 932 415 106 -157 725 -117		3 -1 -4 4 4 1 3 -1 -3 5 -10 -6 7 1 5 3		22 -40 71 -38 -20 -19 -12 19 4 21			-281 122 756 124 909 386 88 -137 732 -94

Note.—Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings.

# CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

-		millions of						<u>.</u>
			Wednesday			E	end of mont	h
Item			1965			19	65	1964
	Nov. 24	Nov. 17	Nov. 10	Nov. 3	Oct. 27	Nov.	Oct.	Nov.
Assets								
Gold certificate account	11,816 1,676	11,894 1,677	11,905 1,673	11,905 1,673	11,905 1,677	11,817 1,695	11,905 1,677	13,555 1,536
Total gold certificate reserves	13,492	13,571	13,578	13,578	13,582	13,512	13,582	15,091
Cash Discounts and advances:	106	108	107	131	137	106	146	126
Member bank borrowingsOtherAcceptances:	759 33	248 33	151 33	602 33	333 33	332 33	452 58	208
Bought outright	48 50	46	43 23	43 40	41 18	50 60	42 44	43 20
Bought outright: Bills Certificates—Special	8,708	8,670	8,670	8,899	7,860	9,197	8,279	6,419
Other	24,828 6,550	24,828 6,550	24,828 6,550	24,828 6,550	24,828 6,550	24,828 6,550	24,828 6,550	25,133 5,222
Total bought outright	40,086	40,048	40,048	40,277	39,238	40,575	39,657	36,774
Total U.S. Govt. securities	40,086	40,048	40,048	40,277	39,238	40,575	39,657	36,774
Total loans and securities  Cash items in process of collection  Bank premises	40,976 6,575 101	40,375 8,125 101	40,298 6,626 101	40,995 6,613 102	39,663 6,230 103	41,050 6,235 101	40,253 5,764 103	37,047 6,100 102
Other assets:  Denominated in foreign currencies	719 247	720 200	720 481	721 457	869 431	671 263	820 448	727 169
Total assets	62,216	63,200	61,911	62,597	61,015	61,938	61,116	59,362
Liabilities								
F.R. notes	36,801	36,567	36,488	36,109	35,931	36,875	35,888	34,209
Member bank reserves. U.S. Treasurer—General account. Foreign Other.	17,844 870 158 222	18,025 912 182 208	17,764 1,190 188 305	18,432 945 168 194	17,387 1,085 153 196	18,050 719 149 245	18,204 1,053 144 211	18,084 974 256 209
Total deposits	19,094	19,327	19,447	19,739	18,821	19,163	19,612	19,523
Deferred availability cash itemsOther liabilities and accrued dividends	4,951 188	5,965 188	4,419 313	5,221 311	4,787 286	4,496 197	4,112 298	3,845 130
Total fiabilities	61,034	62,047	60,667	61,380	59,825	60,731	59,910	57,707
Capital Accounts								
Capital paid in	546 524 112	546 524 83	546 524 174	546 524 147	546 524 120	546 524 137	546 524 136	522 990 143
Total liabilities and capital accounts	62,216	63,200	61,911	62,597	61,015	61,938	61,116	59,362
Contingent liability on acceptances purchased for foreign correspondents	149	148	149	155	<b>1</b> 55	146	156	125
account	8,213	8,171	8,017	7,923	8,099	8,171	7,974	8,278
Feder	al Reserve N	iotes—Feder	al Reserve A	gents' Accou	ints		1	
F.R. notes outstanding (issued to Bank)	39,243	39,029	38,780	38,681	38,643	39,460	38,692	36,488
Gold certificate account.  Eligible paper.  U.S. Govt. securities	6,595 44 33,560	6,555 8 33,510	6,555 · 7 33,450	6,505 33 33,420	6,470 26 33,270	6,595 65 34,090	6,470 34 33,270	6,667 2 30,695
Total collateral	40,199	40,073	40,012	39,958	39,766	40,750	39,774	37,364

# STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON NOVEMBER 30, 1965 (In millions of dollars)

(11 Inimions of donate)													
Item	Total	Boston	New York	Phila- del- phia	Cleve- land	Rich- mond	Atlan- ta	Chi- cago	St. Louis	Minne- apolis	Kan- sas City	Dallas	San Fran- cisco
Assets													
Gold certificate account	11,817 1,695	742 98	2,955 403	702 91	898 147	1,018 137	652 94	2,152 310	475 63	183 31	486 65	353 56	1,201 200
Total gold certificate reserves	13,512	840	3,358	793	1,045	1,155	746	2,462	538	214	551	409	1,401
F.R. notes of other Banks	533 106	46 7	115 15	27 5	23 8	66 6	58 10	54 18	23 7	24 4	22 5	32 6	43 15
Discounts and advances: Secured by U.S. Govt. securities Other	301 64	2 1	19 9	17 2	1 3	47 2	28 22	24 5	48 1	7 11	82 2	1 2	25 4
Bought outright  Held under repurchase agreements.	50 60		50 60		• • • • • • • •	<i>.</i>							
U.S. Govt. securities:  Bought outright  Held under repurchase agreements.	40,575	2,106	9,760	2,114	3,427	2,817	2,228	6,764	1,499	851	1,579	1,648	5,782
Total loans and securities	41,050	2,109	9,898	2,133	3,431	2,866	2,278	6,793	1,548	869	1,663	1,651	5,811
Cash items in process of collection  Bank premises  Other assets:	7,814 101	473 3	1,500 8	481 3	559 5	618 5	680 20	1,302 21	362 7	252 3	456 6	394 11	737 9
Denominated in foreign currencies. All other	671 263	31 12	1176 90	38 11	60 20	34 14	40 12	95 36	23 8	15 6	30 12	39 8	90 34
Total assets	64,050	3,521	15,160	3,491	5,151	4,764	3,844	10,781	2,516	1,387	2,745	2,550	8,140
Liabilities													
F.R. notes Deposits:	37,408	2,225	8,451	2,206	3,199	3,343	2,185	6,825	1,424	686	1,417	1,166	4,281
Member bank reserves U.S. Treasurer—General account. Foreign. Other.	18,050 719 149 245	715 33 8 *	4,902 136 227 171	730 65 9 1	1,264 68 15	817 54 8 4	1,026 43 10 1	2,662 64 23 2	648 88 6 *	454 20 4 1	890 34 7 2	968 34 10 1	2,974 80 22 62
Total deposits	19,163	756	5,236	805	1,347	883	1,080	2,751	742	479	933	1,013	3,138
Deferred availability cash items Other liabilities and accrued dividends.	6,075 197	471 10	1;111 48	406 10	480 17	461 14	496 11	997 32	301 7	189 5	335 8	295 8	533 27
Total liabilities	62,843	3,462	14,846	3,427	5,043	4,701	3,772	10,605	2,474	1,359	2,693	2,482	7,979
Capital Accounts													
Capital paid in	546 524 137	26 25 8	143 137 34	29 29 6	49 47 12	28 26 9	33 31 8	78 75 23	19 18 5	13 12 3	24 23 5	32 31 5	72 70 19
Total liabilities and capital accounts	64,050	3,521	15,160	3,491	5,151	4,764	3,844	10,781	2,516	1,387	2,745	2,550	8,140
Ratio of gold certificate reserves to F.R. note liability (per cent): Nov. 30, 1965. Oct. 31, 1965. Nov. 30, 1965.	36.1 37.1 43.6	37.8 36.0 38.5	39.7 37.5 43.0	35.9 36.0 37.0	32.7 36.5 42.5	34.5 35.7 33.4	34.1 35.8 47.3	36.1 37.3 38.8	37.8 34.2 41.8	31.2 34.4 55.6	38.9 37.4 47.0	35.1 44.4 57.2	32.7 38.5 58.9
Contingent liability on acceptances purchased for foreign correspondents	146	7.	336	8	13	8	9	21	5	3	7	9	20
	]	Federal R	eserve N	otes—Fe	deral Re	serve Age	ent's Acc	ounts					
F.R. notes outstanding (issued to Bank)	39,460	2,312	8,893	2,296	3,406	3,488	2,351	7,158	1,504	718	1,481	1,270	4,583
Gold certificate account Eligible paper	6,595 65	440	1,000	500 17	600	883	500	1,100	305 48	127	225	180	735
U.S. Govt. securities	34,090	1,895	8,100	1,900	2,950	2,650	1,900	6,400	1,260	605	1,300	1,130	4,000
Total collateral	40,750	2,335	9,100	2,417	3,550	3,533	2,400	7,500	1,613	732	1,525	1,310	4,735

After deducting \$495 million participations of other F.R. Banks.
 After deducting \$122 million participations of other F.R. Banks.

<sup>&</sup>lt;sup>3</sup> After deducting \$110 million participations of other F.R. Banks.

# MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELL BY FEDERAL RESERVE BANKS (In millions of dollars)

			Wednesday			E	nd of month	n
Item			1965	_		19	65	1964
	Nov. 24	Nov. 17	Nov. 10	Nov. 3	Oct. 27	Nov.	Oct.	Nov.
Discounts and advances—Total	792	281	184	635	366	365	510	210
	757	244	148	598	329	333	470	206
	35	37	36	37	37	32	40	4
Acceptances—Total. Within 15 days. 16 days to 90 days.	98	46	66	83	59	110	86	63
	61	11	31	49	28	71	53	26
	37	35	35	34	31	39	33	37
U.S. Government securities—Total Within 15 days¹. 16 days to 90 days. 91 days to 1 year. Over 1 year to 5 years. Over 5 years to 10 years. Over 10 year to 10 years.	40,086	40,048	40,048	40,277	39,238	40,575	39,657	36,774
	969	1,093	6,932	7,355	699	638	6,993	538
	5,739	5,589	3,802	3,655	9,855	6,495	3,774	3,911
	17,478	17,466	18,996	18,949	18,366	17,542	18,572	16,828
	14,066	14.066	8,484	8,484	8,484	14,066	8,484	13,119
	1,449	1,449	1,449	1,449	1,449	1,449	1,449	2,088
	385	385	385	385	385	385	385	290

 $<sup>^{\</sup>rm 1}$  Holdings under repurchase agreements are classified as maturing within 15 days in accordance with maximum maturity of the agreements.

#### CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Belgian francs	Canadian dollars	I-rench francs	German marks	Italian lire	Japanese yen	Nether- lands guilders	Swiss francs
1965—Feb. Mar. Apr. May. June July Aug.	375 315 80 457 620	131 347 297 17 390 549 819	16 11 1 41 42 52 47	2 2 2 2 2 2 2 2	1 1 1 1 1 1	4 2 1 17 17 12 11	2 2 2 1 1 2 2	1 1 1 1 1 1	2 2 3 2 3 3 3 3	5 7 8 12 * *

# BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

			mand depos oillions of do	it accounts <sup>1</sup> llars)			Turnove	r of demand	deposits	
Period	Total 225	Leading	SMSA's	Total 224 centers	218 other	Total 225	Leading	SMSA's	Total 224 SMSA's	218
	SMSA's	N.Y.	6 others 2	(excl. N.Y.)	SMSA's	SMSA's	N.Y.	6 others <sup>2</sup>	(excl. N.Y.)	other SMSA's
1964—Sept	4,763.5	2,007.6	1,049.5	2,755.9	1,706.4	44.3	88.5	41.4	32.9	29.2
Oct	4.698.2	1,926.7	1,060.6	2,771.5	1.710.9	44.6	89.8	40.9	32.8	29.3
Nov	4,648.0	1,917.7	1,023.7	2,730.3	1.706.6	45.1	91.3	41.0	33.2	29.5
Dec	4,816.5	2,013.0	1,065.4	2,803.5	1.738.1	45.5	90.7	41.7	33.4	30.0
1965—JanFeb	4,870.9	2,067.6	1,065.5	2.803.3	1.737.8	46.3	94.8	42.8	33.8	30.0
	4,842.5	1,997.4	1,077.2	2,845.1	1.767.9	47.1	96.1	44.3	34.6	30.5
	4,995.6	2,071.8	1,115.4	2,923.8	1,808.4	47.9	96.9	44.8	35.4	31.2
AprMayJune	5,113.3	2,151.3	1,131.7	2,962.0	1,830.3	48.4	100.0	44.5	35.2	31.2
	4,825.6	1,954.1	1,082.7	2,871.5	1,788.8	47.0	96.0	44.3	34.7	30.6
	5,327.8	2,308.4	1,146.8	3,019.4	1,872.6	50.9	107.0	45.5	36.3	32.2
JulyAugSept	5,302.6	2,281.6	1,149.5	3,021.0	1,871.5	49.3	104.9	44.4	35.1	31.1
	5,146.8	2,128.0	1,141.0	3,018.8	1,877.8	48.4	99.4	44.9	35.5	31.7
	5,126.9	2,104.3	1,142.9	3,022.6	1,879.7	47.2	95.4	44.1	35.3	31.4
Oct	5,129.9	2,061.0	1,165.4	3,068.9	1,903.5	47.4	96.3	43.8	35.1	31.4
Nov	5,408.3	2,229.4	1,215.0	3,178.9	1,963.9	50.5	104.7	47.6	37.0	32.1

<sup>&</sup>lt;sup>1</sup> Excludes interbank and U.S. Covt. demand deposit accounts.

<sup>2</sup> Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland, and Los Angeles-Long Beach.

Note.—Total SMSA's include some cities and counties not designated as SMSA's.

For a description of the revised series see Mar. 1965 BULLETIN, p. 390.

# DENOMINATIONS IN CIRCULATION

(In millions of dollars)

Pad at andad	Total in cir-		Coin a	nd small	denomin	ation cu	rrency			L	arge den	ominatio	n curren	су	
End of period	cula- tion <sup>1</sup>	Total	Coin	\$1 2	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000
1939 1941 1945 1945 1947 1950 1955	11 160	5,553 8,120 20,683 20,020 19,305 22,021	590 751 1,274 1,404 1,554 1,927	559 695 1,039 1,048 1,113 1,312	36 44 73 65 64 75	1,019 1,355 2,313 2,110 2,049 2,151	1,772 2,731 6,782 6,275 5,998 6,617	1,576 2,545 9,201 9,119 8,529 9,940	3,044 7,834 8,850 8,438	460 724 2,327 2,548 2,422 2,736	919 1,433 4,220 5,070 5,043 5,641	191 261 454 428 368 307	425 556 801 782 588 438	20 24 7 5 4 3	32 46 24 17 12 12
1958	32,193 32,591 32,869 33,918 35,338 37,692	22,856 23,264 23,521 24,388 25,356 26,807	2,182 2,304 2,427 2,582 2,782 3,030	1,494 1,511 1,533 1,588 1,636 1,722	83 85 88 92 97 103	2,186 2,216 2,246 2,313 2,375 2,469	6,624 6,672 6,691 6,878 7,071 7,373	10,288 10,476 10,536 10,935 11,395 12,109	9,326 9,348 9,531	2,792 2,803 2,815 2,869 2,990 3,221	5,886 5,913 5,954 6,106 6,448 7,110	275 261 249 242 240 249	373 341 316 300 293 298	3 3 3 3 3 3	9 5 10 10 10 4
1964—Oct Nov Dec	39,248	27,201 27,925 28,100	3,321 3,359 3,405	1,716 1,749 1,806	111 108 111	2,385 2,455 2,517	7,328 7,568 7,543	12,687	11,172 11,323 11,519	3,262 3,314 3,381	7,367 7,468 7,590	246 246 248	291 289 293	3 3 2	4 4 4
1965—JanFebMarAprMayJune.JulyAugSeptOct	38,593 38,816 38,760 39,207 39,720 39,897 40,165 40,443	27,158 27,227 27,424 27,365 27,758 28,188 28,311 28,506 28,724 28,926	3,435 3,468 3,520 3,566 3,608 3,662 3,689 3,751 3,808 3,856	1,709 1,702 1,704 1,714 1,740 1,752 1,748 1,761 1,783 1,807	110 110 111 112 114 116 116 118 120 121	2,381 2,375 2,391 2,381 2,427 2,447 2,431 2,442 2,474 2,489	7,256 7,282 7,327 7,275 7,375 7,489 7,493 7,513 7,599 7,624	12,289 12,371 12,317 12,494 12,723 12,833 12,921 12,941	11,382 11,366 11,392 11,394 11,449 11,532 11,586 11,659 11,719 11,828	3,321 3,310 3,316 3,313 3,332 3,361 3,376 3,389 3,392 3,411	7,519 7,517 7,536 7,544 7,579 7,635 7,674 7,735 7,792 7,883	246 245 245 244 244 243 243 243 243 243	290 288 288 288 289 287 287 286 286 285	2 2 2 2 2 3 3 3 3 3 3 3 3	4 4 4 4 4 4 4 4

<sup>&</sup>lt;sup>1</sup> Outside Treasury and F.R. Banks. Before 1955 details are slightly overstated because they include small amounts of paper currency held by the Treasury and the F.R. Banks for which a denominational breakdown is not available.

Note.—Condensed from Circulation Statement of United States Money, issued by the Treasury.

# KINDS OUTSTANDING AND IN CIRCULATION

(In millions of dollars)

		Helo	i in the Trea	asury	Held by	Currer	ncy in circul	ation 1
Kind of currency	Total out- standing Oct. 31, 1965	As security against gold and silver certificates	Treasury cash	For F.R. Banks and Agents	F.R. Banks and Agents	Oct. 31, 1965	Sept. 30, 1965	Oct. 31, 1964
Gold Gold certificates F.R. notes Treasury currency—Total	38,694	(13,582)	<sup>2</sup> 275 97 401	313,581	2,804 147	35,793 4,96t	35,506 4,937	33,129 5,244
Standard silver dollars. Silver bullion. Silver certificates. Subsidiary silver coin. Minor coin. United States notes. In process of retirement 4.	1,110 (737) 2,585 900 323	734	376 3 14 6 1		36	482 698 2,519 855 301 106	721 2,477 849 -302 106	482 1,445 2,077 763 317 160
Total—Oct. 31, 1965	557,639	(14,319) (14,355) (16,744)	773 779 475	13,581 13,585 12,369	2,952 2,832 5,340	40,754		38,373

Note,—Condensed from Circulation Statement of United States Money, issued by the Treasury. For explanation of currency reserves and security features, see the Circulation Statement or the Aug. 1961 BULLETIN, p. 936.

<sup>&</sup>lt;sup>2</sup> Paper currency only; \$1 silver coins reported under coin.

<sup>&</sup>lt;sup>1</sup> Outside Treasury and F.R. Banks. Includes any paper currency held outside the United States and currency and coin held by banks. Estimated totals for Wed. dates shown in table on p. 1729.

<sup>2</sup> Includes \$156 million reserve against United States notes and \$9 million gold deposited by and held for the International Monetary Fund.

<sup>3</sup> Consists of credits payable in gold certificates: (1) the Gold Certificate Fund—Board of Governors, FRS, and (2) the Redemption Fund for F.R. notes.

notes.

4 Redeemable from the general fund of the Treasury.

<sup>&</sup>lt;sup>5</sup> Does not include all items shown, as some items represent the security for other items; gold certificates are secured by gold, and silver certificates by standard silver dollars and monetized silver bullion. Duplications are shown in parentheses.

# MONEY SUPPLY AND RELATED DATA

(In billions of dollars)

		Seasonally	y adjusted			Not se	asonally adj	usted	
Period	1	Money suppl	у	Time	ı	Money suppl	y	Time	U.S.
	Total	Currency component	Demand deposit component	deposits ad- justed <sup>1</sup>	Total	Currency component	Demand deposit component	deposits ad- justed <sup>1</sup>	Govt. demand deposits <sup>1</sup>
1957—Dec. 1958—Dec. 1959—Dec. 1960—Dec. 1961—Dec. 1962—Dec. 1963—Dec. 1964—Dec.	135.9 141.1 141.9 141.1 145.5 147.5 153.1 159.7	28.3 28.6 28.9 28.9 29.6 30.6 32.5 34.2	107.6 112.6 113.1 112.1 116.0 116.9 120.6 125.4	57.4 65.4 67.4 72.9 82.7 97.8 112.2	139.3 144.7 145.6 144.7 149.4 151.6 157.3 164.0	28.9 29.2 29.5 29.6 30.2 31.2 33.1 35.0	110.4 115.5 116.1 115.2 119.2 120.3 124.1 129.1	56.7 64.6 66.6 72.1 81.8 96.7 111.0 125.2	3.5 3.9 4.9 4.7 4.9 5.6 5.1
1964—Oct	158.8	34.0	124.8	123.5	159.0	34.1	124.9	123.4	5.5
	159.1	34.2	124.8	125.1	°160.6	34.6	126.1	124.1	5.8
	159.7	34.2	125.4	126.6	164.0	35.0	129.1	125.2	5.5
1965—Jan. Feb. Mar. Apr. May. June. July. Aug. Sept. Oct. Nov. <sup>p</sup>	160.0 159.7 160.3 161.1 160.0 161.8 162.5 162.7	34.5 34.7 34.7 34.7 34.9 35.0 35.2 35.4 35.6 35.9 36.1	125.5 125.1 125.6 126.4 125.1 126.8 127.3 127.3 128.7 129.7 129.6	128.8 131.0 132.1 133.5 134.6 135.9 137.6 140.1 141.6 143.6 145.5	164.4 159.5 159.0 161.6 157.6 159.6 160.9 160.5 163.2 165.8 167.4	34.4 34.2 34.3 34.5 34.6 35.4 35.5 35.6 36.0 36.5	130.1 125.3 124.6 127.1 123.0 124.6 125.6 125.0 127.5 129.8 130.9	128.3 130.8 132.7 134.0 135.4 136.6 138.3 140.2 141.4 143.5 144.4	4.2 5.7 6.7 5.6 9.7 9.3 9.1 7.4 5.6 4.0
Week ending									
1965—June 2	161.0	34.9	126.1	135.2	157.5	34.8	122.8	136.1	9.7
	161.5	34.9	126.6	135.6	158.8	35.1	123.7	136.4	8.1
	162.0	35.0	127.0	135.8	161.2	35.0	126.2	136.7	7.2
	162.1	35.0	127.2	136.1	160.2	34.9	125.3	136.6	10.2
	161.7	35.0	126.7	136.3	158.4	34.7	123.7	137.0	11.5
July 7	162.7	35.1	127.6	136.7	160.4	35.6	124.8	137.5	12.0
	163.0	35.2	127.7	137.2	161.4	35.5	125.9	137.9	9.3
	162.4	35.3	127.2	137.7	161.1	35.4	125.7	138.4	8.4
	162.2	35.3	126.9	138.2	160.6	35.1	125.5	138.9	7.6
Aug. 4	162.9	35.3	127.7	138.9	162.1	35,3	126.8	139.3	7.5
	162.5	35.4	127.1	139.5	161.4	35,7	125.7	139.8	6.6
	162.5	35.4	127.1	140.0	160.3	35,6	124.7	140.1	7.6
	162.4	35.4	126.9	140.4	158.8	35,4	123.4	140.5	8.1
Sept. 1	163.1	35.3	127.8	141.0	160.4	35.2	125.2	141.0	6.9
	163.2	35.4	127.8	141.0	161.6	35.9	125.7	141.3	5.6
	164.1	35.5	128.7	141.5	164.2	35.6	128.6	141.5	3.0
	165.2	35.7	129.5	141.6	164.8	35.6	129.2	141.0	5.7
	164.6	35.9	128.7	141.8	162.3	35.5	126.8	141.7	7.6
Oct. 6	165.8	35.9	129.9	142.5	164.4	35.9	128.5	142.5	6.3
	165.5	35.9	129.6	143.5	165.4	36.2	129.2	143.3	4.1
	165.4	35.9	129.6	143.9	166.0	36.0	130.0	143.6	5.7
	165.5	36.0	129.5	144.1	166.0	35.8	130.2	144.0	4.8
Nov. 3	165.9	36.1	129.9	144.5	167.7	35.9	131.7	144.2	4.3
	165.8	36.0	129.7	144.9	167.6	36.5	131.1	144.3	3.1
	165.6	36.1	129.4	145.4	167.8	36.5	131.3	144.2	3.3
	165.8	36.2	129.6	146.2	166.6	36.6	130.1	144.4	4.1
Dec. 1 <sup>p</sup>	165.7	36.2	129.6	146. <b>4</b>	167.4	36.6	130.8	144.7	5.7

<sup>1</sup> At all commercial banks.

Note.—Revised data. For description of revision of series and back data beginning Jan. 1959, see July 1965 BULLETIN, pp. 933-43; for monthly data 1947-58, see June 1964 BULLETIN, pp. 679-89.

Averages of daily figures. Money supply consists of (1) demand deposits at all commercial banks other than those due to domestic com-

mercial banks and the 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, the F.R. Banks, and the vaults of all commercial banks. Time deposits adjusted are time deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt.

# CONSOLIDATED CONDITION STATEMENT

(In millions of dollars)

					Assets						Liabi and ca	
					В	ank credit				Total assets, net—		
Date		Treas- ury cur-			U. S	. Governm	ent securi	ies		Total liabil- ities	Total	Capital and
	Gold	rency out- stand- ing	Total	Loans, net	Total	Com- mercial and savings banks	Federal Reserve Banks	Other	Other secu- rities	and capital, net	deposits and currency	misc. ac- counts, net
1929—June 29	4,037 4,031 17,644 22,737 20,065 22,754 22,706 15,978 15,582 15,461	2,019 2,286 2,963 3,247 4,339 4,562 4,636 5,568 5,586 5,578		41,082 21,957 22,157 22,157 26,605 30,387 43,023 60,366 170,693 189,433 201,161	5,741 10,328 23,105 29,049 128,417 107,086 96,560 103,684 103,273 100,879	5,499 8,199 19,417 25,511 101,288 81,199 72,894 72,563 69,068 65,337	216 1,998 2,484 2,254 24,262 22,559 20,778 30,478 33,552 34,794	26 131 1,204 1,284 2,867 3,328 2,888 643 653 748	11,819 9,863 9,302 8,999 8,577 10,723 14,741 35,012 40,497 41,948	64,698 48,465 75,171 90,637 191,785 188,148 199,008 330,935 354,371 365,027	55,776 42,029 68,359 82,811 180,806 175,348 184,384 302,195 323,251 333,114	8,922 6,436 6,812 7,826 10,979 12,800 14,624 28,739 31,118 31,915
1964—Nov. 25 Dec. 31	15,400 15,388	5,500 5,405		206,700 214,254	105,700 106,825	68,500 68,779	36,300 37,044	1,000 1,002	43,700 44,287	377,000 386,159	342,100 352,964	34,900 33,193
1965—Jan. 27.  Feb. 24.  Mar. 31.  Apr. 28.  May 26.  June 30.  July 28.  Aug. 25.  Sept. 29.  Oct. 27 <sup>p</sup> .  Nov. 24 <sup>p</sup> .	13,934 13,900 13,900	5,400 5,400 5,400 5,400 5,400 5,400 5,500 5,500 5,500 5,500	362,600 367,200 368,900 371,200	210,900 213,100 217,600 219,300 222,100 228,721 226,400 228,100 231,600 231,900 234,300	150,100 104,300 103,800 102,600 102,400 102,318 102,000 101,500 102,300 104,300 105,400	67,400 66,500 65,100 64,200 63,000 62,606 62,200 61,300 61,700 64,000	36,700 36,700 37,600 37,400 38,300 39,100 39,200 39,200 39,200 39,200 40,100	1,000 1,100 1,100 1,100 1,100 612 600 1,000 1,000 1,000	44,600 45,200 45,800 47,000 46,700 47,795 48,100 49,100 49,500 49,700 49,300	381,100 382,900 387,200 388,700 390,900 398,181 395,800 398,000 402,800 405,200 408,300	347,200 347,600 351,900 354,000 354,600 362,370 360,000 361,100 365,900 368,300 370,300	34,000 35,300 35,300 34,700 36,400 35,814 35,800 37,000 36,900 36,900 38,000

#### DETAILS OF DEPOSITS AND CURRENCY

,			Money	supply				Rela	ited depos	its (not s	easona1ly	adjuste	d)	
	Seaso	nally adju	sted 1	Not sea	asonally a	djusted		Tir	ne			U. S.	Governn	nent
te	Total	Cur- rency outside banks	De- mand deposits ad- justed <sup>2</sup>	Total	Cur- rency outside banks	De- mand deposits ad- justed 2	Total	Com- mercial banks	Mutual savings banks <sup>3</sup>	Postal Savings Sys- tem	For- eign net <sup>4</sup>	Treas- ury cash hold- ings	At com- mer- cial and savings banks	At F.R. Banks
1929—June 29 1933—June 30 1939—Dec. 30 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31 1950—Dec. 30 1962—Dec. 28 1963—Dec. 20	110,500 114,600 147,600 153,100 153,500	26,100 24,600 29,600 31,700	84,400 90,000 118,000 121,400	117,670 153,162 158,104	4,761 6,401 9,615 26,490 26,476 25,398 30,904 33,468	22,540 14,411 29,793 38,992 75,851 87,121 92,272 122,258 124,636 120,311	28,611 21,656 27,059 27,729 48,452 56,411 59,246 139,448 155,714	10,849 15,258 15,884 30,135 35,249 36,314 97,440 110,794	8,905 9,621 10,523 10,532 15,385 17,746 20,009 41,478 44,467 46,882	2,923 530 452	365 50 1,217 1,498 2,141 1,682 2,518 1,488 1,206 1,324	204 264 2,409 2,215 2,287 1,336 1,293 405 392 391	381 852 846 1,895 24,608 1,452 2,989 7,090 6,986 10,502	602 850
1964—Nov. 25 Dec. 31	156,900 159,300	33,400 33,500				125,000 132,258			48,300 49,065	400 386	1,500 1,724	600 612	7,300 6,770	
1965—Jan. 27 Feb. 24 Mar. 31 Apr. 28 May 26 June 30 July 28 Aug. 25 Sept. 29 Oct. 27". Nov. 24".	158,700 157,400 161,300 159,000 157,500 161,000 159,800 159,700 162,200 163,900 162,500	33,900 33,900 34,100 33,800 34,100 34,400 34,500 34,800 35,200 35,300	123,500 127,200 125,200 123,500 126,900 125,400 125,200 127,400 128,700	156,600 156,800 159,100 155,400 158,878 159,600 158,400 161,200 164,600	33,500 33,800 33,500 33,900 34,524 34,500 34,800 34,900 35,100	123,100 123,000 125,600 121,600 124,354 125,100 123,600 126,300 129,500	183,300 184,600 186,100 188,348 190,100 191,900	131,000 132,800 134,100 135,400 137,088 138,700 140,400 141,800 143,800	50,100 50,100 50,300 50,918 51,000 51,300 51,600 51,900	400 400 400 400 342 300 300 300 300	1,700 1,600	700 700 800 800 779 800 800 800	7,100 10,100 12,062 7,100 7,500 7,600 4,300	900 900 1,000 700 672 800 800 900 1,100

Note.—For back figures and descriptions of the consolidated condition statement and the seasonally adjusted series on currency outside banks and demand deposits adjusted, see "Banks and the Monetary System," Section 1 of Supplement to Banking and Monetary Statistics, 1962, and Jan. 1948 and Feb. 1960 BULLETINS.

Except on call dates, figures are partly estimated and are rounded to the nearest \$100 million.

<sup>1</sup> Series begin in 1946; data are available only for last Wed. of month.
2 Other than interbank and U.S. Govt., less cash items in process of collection.
3 Includes relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.
4 Reclassification of deposits of foreign central banks in May 1961 reduced this item by \$1,900 million (\$1,500 million to time deposits and \$400 million to demand deposits)

# PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

				(An	nounts i	n million	s of doll	ars)							
	Lo	ans and i	nvestmer	its		Total			Dep	osits					
			Secur	ities		assets— Total lia-		Interl	oank <sup>1</sup>		Other		Bor-	Total	Num-
Class of bank and date	Total	Loans			Cash assets 1	bilities and	Total 1			Der	nand		row- ings	capital ac- counts	ber of banks
	Total	Loans	U.S. Govt.	Other		capital ac- counts <sup>2</sup>	Total	De- mand	Time	U.S.		Time 3	'	counts	Danks
										Govt.	Other				
All banks 1941—Dec. 31	61,126	26,615	25,511	8,999	27,3 <u>44</u>	90,908	81,816	10,	982	44 105	,355	26,479	23	8,414	14,826 14,553
1945—Dec. 31 1947—Dec. 31 <sup>4</sup> 1962—Dec. 28	140,227 134,924 280.397	30,361 43,002 172,822	101,288 81,199 72,563	8,577 10,723 35,012	35,415 38,388 54,939	177,332 175,091 343,201	165,612 161,865 303,653	14, 12,793 16,008	.065 240 535	1.346	94.381	45,613 53,105 139,188	66	111 948	14 714
All banks  1941—Dec. 31 1945—Dec. 31 1947—Dec. 314 1962—Dec. 28 1963—Dec. 20 1964—June 30	302,251 310,404	192,686 203,119	69,068 65,337	40,497 41,948	51,536 54,073	362,394 373,909	319,636 331,843	15,267 15,272	528 678	6,734 10,263	141,576 139,160	139,188 155,531 166,469	3,702 2,120	29,882 31,037	13,940 14,079 14,175
1964—Nov. 25 Dec. 31	323,150 329,739	210,990 216,674	68,460 68,779	43,700	53,100	385,810 401,161	338,970	15,460	710 821	7,090 6,517	143,180 155,248	172,530 175,785	4,500 2,700	31,800 32,196	14,261 14,265
1965—Jan. 27	326,880 328,920	214,920 217,270	67,380 66,470	44,580 45,180	51,960 52,580	388,570 391,080	342,250 343,770	14,800 14,890	890 940	6,710	140,420	178,870 180,810	4,330	32,200	14,290
Apr. 28 May 26	331,950 335,020 336,360	221,040 223,890 226,660	63,140 64,180 63,030	45,770 46,950 46,670	52,580 52,150	391,080 397,650 397,710 398,710	349,320 349,550	14,450 14,240	920 920 970	6,850 9,890	142,130 142,600 138,490	183,140 184,500 185,960 188,284 189,990	5,020 4,970	32,670 33,000	14,292 14,297 14,300
June 30 July 28	342,138 340,780 343 120	231,737 230,510 232,710	62,606 62,150 61,320	47,795 48,120 49,090	58,083 52,070 51,460	410,935 403,210 404,900	362,611 353,730 354,340	16,172 14,460 14 900	1,034	11,802 6,890 7 230	145,319 141,410 139 340	188,284 189,990 191,860	3,726 4,730 5,060	34,015 33,820 34,020	14,295 14,291 14,293
Sept. 29 Oct. 27	347,070 351,010	235,830 237,290	61,720 64,040	49,520 49,680	53,780 53,870	411,570	361,320	15,850 15,710	1,040	4,120	143,440	193,620	4,400 5,780	34,280	14,297 14,303
Communication bearings							ļ	}				196,440		34,720	
1941—Dec. 31 1945—Dec. 31	50,746 124,019 116 284	21,714 26,083 38,057	21,808 90,606 69 221	7,225 7,331 9,006	26,551 34,806 37,502	79,104 160,312	71,283 150,227	10, 14, 12 <b>7</b> 92	.982 .065	105 1 343	,349 ,921   94_367	15,952 30,241 35,360	23 219 65	8.950	14,278 14,011 14 181
1941—Dec. 31	235,839 254,162	140,106 156,006	66,434 63,196	29,298 34,959	54,049 50,711	79,104 160,312 155,377 297,116 312,773	262,122 275,120	16,008 15,267	535 526	6,829 6,729	141,041 141,534	30,241 35,360 97,709 111,064	3,627 3,664	24,094 25,677 26,768	14,181 13,429 13,570
1964—June 30 1964—Nov. 25 Dec. 31				38,120	52,200	321,909 331,980 346,921	290,580	15,460	710	7,090	143,130	119,587 124,190 126,720	4,500	27,380 27,795	13,746
1965—Jan. 27	274,000 275,730	173,420	61,520		1	333,810 336,010		ł		4,060	143,580	129,440	4,400	27,640	13,785
Mar. 31 Apr. 28	273,730 278,350 281,240	179,040 181,530	59,040 58,320	40,270 41,390	54,510 51,640	342,110 342,060	300,770 299,140	16,300 14,450	950	8,350	142,100	131,220 133,070 134,370	3,670	27,750 28,100 28,210	13.789
May 26 June 30 July 28	282,230 287,723 285,940	183,930 188,641 187,060	57,190 56,853 56,320	41,110 42,229 42,560	51,180 57,063 51,090	342,110 342,060 342,700 354,553 346,440	299,180 311,632 302,650	14,240 16,171 14,460	970 1,032 980	9,890 11,796 6,890	138,430 145,266 141,350	135,650 137,366 138,970 140,610	4,970 3,682 4,730	28,210 28,490 29,479 29,280	13,796 13,791 13,787
1965—Jan. 27	287,840 291,470	188,900 191,690	55,510 55,930	43.430	130.310	347,720 354,060 357,920	1303.030	114.900	1 1.010	7,230	139,280 143,380	140,610 142,000 144,000	5,060 4,400	29,410 29,630 29,890	13,789 13,793 13,799
Nov. 24 <sup>p</sup>	296,990	194,560	58,720	43,710	55,040	361,690	314,540	15,770	1,030	5,390	147,870	144,480	5,970	30,060	13,805
Member banks: 1941—Dec. 31 1945—Dec. 31	43,521 107,183	18,021 22,775	19,539 78,338	5,961 6,070	23,123 29,845	68,121 138,304 132,060	61,717 129,670	10,385 13,576	140 64	1,709 22,179	37,136 69,640	12,347 24,210	4 208	5,886 7,589 8,464 19,854	6,619 6,884
1941—Dec. 31	97,846 195,698 210 127	32,628 118,637 131,712	57,914 52,968 49 342	24.092	47.421	132,060 249,488 261,469	1219.468	115,309	1 338	1,176 6,086 5 986	80,609 117,999 117,562	24,210 28,340 79,716 90,929	3,550 3,499	8,464 19,854 21,054	6,923 6,049 6,112
1964—June 30 1964—Nov. 25 Dec. 31				30,249	46,767	269,437 276,406 289,142	238,052	14,527	525	9,342 6,319	115,624	98,034 101,595	1,936 4,297	22,060 22,560	6,180
Dec. 31 1965—Jan. 27	228,497 2 <b>2</b> 5,493	147,690	48,717 47,297	32,089	52,737 44,461	289,142 277,606	255,724 242,781	17,007	664 731		1	103,676 106,065 107,542	1		
1965—Jan. 27 Feb. 24 Mar. 31 Apr. 28 May 26	227,093 229,456 231,866	147,818 150,921	46,364 45,120	32,911 33,415	44,750 47,749 45,106	279,488 285,300	244,018 250,277 248 563	14,138 15,556	779 795 759	7,510	1117,349	107,542 109,067 110,262	3.509	23,173	6,236 6,235 6,237
May 26 June 30	232,373 237,328	154,705 158,832	43,615 43,396							8,881 10,806	114,025	111,246 112,654	4,701 3,455	23,406 24,323	6 220
July 28 Aug. 25 Sept. 29	235,644 237,093 240.078	157,345 158,885 161.336	42,863 42,064 42,294	35,436 36,144 36,448	44,703 43,951 46.087	288,568 289,232 294,704	251,216 251,232 256,981	13,671 14,073 14,991	803 825 861	6,565	114,426	114,042 115,343 116,400	4,732	24,279	6,235 6,230 6,227 6,223 6,223 6,225
May 26	243,144 244,260	162,156 163,597	44,438 44,552	36,550	46,119	297,674 300,784	258,443	114,815	848	3,760	120,904	118,116 118,475	5,462	24,654	6,223 6,225
Mutual savings banks: 1941—Dec. 31	10,379	4,901	3,704	1,774		11,804					6	10,527	·····	1,241	548
1945—Dec. 31	18,641	4,944	11.978	1,246 1,718 5,714	886	19,714	17,763		1	3		15,371 17,745 41,478		1,592 1,889 3,951	542 533 511
1963—Dec. 20 1964—June 30	48,089	36,679	5,872	5,714 5,539 5,554	826 905	49,621	44,516		1	6	42	44,467 46,882	38 21	4,205 4,269	509 506
1964—Nov. 25 Dec. 31	52,363	40,660 41,085		5,490	1,004		49,138		2	7	50 64	49,065	l .	4,420 4,401	505 505
1965—Jan. 27 Feb. 24 Mar. 31	53,190	41,740	5,950	5,500	1,000	55,070	49,640				50 50 50	49,590		4,400 4,450 4,510	504
Apr. 28 May 26	53,780 54,130	42,360 42,730	5,860 5,840	5,560	940 970	55,650 56,010	50,180				50 60	50,130		4,460	504 504
June 30 July 28 Aug. 25	54,840 55,280	43,450	5,830 5,810	5,560 5,660	980	56,770 57,180	51,310			<sup>7</sup>	53 60 60	51,020		4,536 4,540 4,610	504 504
Sept. 29 Oct. 27 <sup>p</sup>	55,600 55,680	44,140 44,490	5,790 5,590	5,670 5,600	950 980	57,510 57,610	51,680 51,900				60 50 50	51,620 51,850		4,650 4,620	504 504
1NOV. 24 <sup>p</sup>	55,930	44,810	5,550	5,570	900	57,810	32,010				30	51,960	1	4,660	304

For notes see end of table.

# PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK-Continued

(Amounts in millions of dollars)

	Loa	ans and i	nvestmer			Total			Dep	osits					
Class of hards			Secur	ities	Carl	assets— Total lia-		Interb	ank 1		Other		Bor-	Total	Num-
Class of bank and date	Total	Loans	U.S.		Cash assets 1	bilities and capital	Total 1	De-		Der	nand		row- ings	capital ac- counts	of
			Govt.	Other		ac- counts <sup>2</sup>		mand	Time	U.S. Govt.	Other	Time			
Reserve city member banks New York City: 5, 6	12 896	4 072	7 765	1 550	6 627	10. 862	17 932	4,202	6	866	12 051	807		1 648	26
1941—Dec. 31	12,896 26,143 20,393 32,989 34,827 36,693	4,072 7,334 7,179 21,954 23,577 25,490	7,265 17,574 11,972 7,017 6,154 5,779	1,235 1,242 4,017 5,095 5,424	6,637 6,439 7,261 11,050 9,372 10,550	19.862 32,887 27,982 46,135 46,434 49,716	17,932 30,121 25,216 37,885 38,327 41,545	4,640 4,453 4,783 4,289 4,711	17 12 207 214 317	6.940	12,051 17,287 19,040 22,231 20,960 21,224	1,236 1,445 9,256 11,446 13,181	195 30 1,728 1,438 924	3,898 3,984	36 37 37 17 13 14
1964—Nov. 25 Dec. 31	37,594 39,507	26,051 27,301	5,954 6,178		10,103 11,820		40,753 45,191	4,394 5,088	333 436	1,261 1,486	20,679 23,896	14,086 14,285	1,784 1,224	4,434 4,471	13 13
1965—Jan. 27. Feb. 24. Mar. 31. Apr. 28. May 26. June 30. July 28. Aug. 25. Sept. 29. Oct. 27. Nov. 24 <sup>p</sup> .		26,573 27,570 28,894 29,173 29,558 30,975 29,438 29,896 30,680 30,518 30,840	5,630 5,122 4,788 4,764 4,674 4,907 4,834 4,566 4,366 5,239 4,897	6,388 5,969 6,342 6,530 6,745 6,830 6,654	9,427 9,218 11,597 9,844 10,230 12,186 9,639 9,233 9,851 9,508 10,098	52,852 53,184 57,150 52,998 53,106 54,511 54,477	41,574 44,997 43,502 43,820 47,322 43,263	4,359 4,852 4,226 4,308 5,065 4,300 4,123 4,669 4,286	457 499 518 492 549 579 525 534 563 553 546	1,666 1,989 2,561 1,409 1,287	22,123 20,842 20,289 22,380 19,934 19,557 20,449 20,546	14,694 15,186 15,726 16,276 16,685 16,738 17,095 17,389 17,290 17,813 17,818	1,506 1,655 1,498	4.517 4,548 5,094 5,091 5,114 5,106 5,137	13 13 12
City of Chicago: 5 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31 1962—Dec. 28 1963—Dec. 20 1964—June 30	2,760 5,931	954 1,333 1,801 5,418 6,220 6,266	1,430 4,213 2,890 2,129 1,705 1,750	385 397 1,409 1,690	1,739 2,280 1,970	7,459 6,866 11,432 11,776	7,046 6,402 9,993 10,296	1,035 1,312 1,217 1,277 1,211 1,182	18 17 25	127 1,552 72 410 395 587	5,264	913 3,025 3,787	262 255 210	288 377 426 948 996 1,017	13 12
1964—Nov. 25 Dec. 31	10,021 10,562	6,600 7,102	1,786 1,873	1,635 1,587	2,366		11,009 11,807		22 22	380 396			256 204	1,044 1,056	
1965—Jan. 27. Feb. 24. Mar. 31. Apr. 28. May 26. June 30. July 28. Aug. 25. Sept. 29. Oct. 27. Nov. 24 p.	10,245 10,296 10,310 10,425 10,363 10,835 10,558 10,559 10,814 10,871 11,058	7.555	1,850 1,678 1,546 1,669 1,643 1,761 1,659 1,521 1,544 1,619	1,655 1,635 1,683 1,612 1,707 1,716 1,755 1,762 1,697	2,089 2,318 2,232 2,311 2,206 2,110 2,201 2,343		11,547	1,238 1,977 1,182 1,169 1,297 1,133 1,221 1,245 1,236	26 28 28 22 23 27 19 19 19 19	259 349 501 463 576 699 395 380 532 268 552	4,905 3,985 5,047 4,800 4,926 4,936	4,597 4,681 4,714 4,749 4,829 4,871 4,862	232 322 278 355 333 438 415 447 566 623 460	1,053 1,060 1,065 1,071 1,096 1,096 1,102 1,107	12 11 11 11 11 11
Other reserve city: 5, 6 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31 1962—Dec. 28 1963—Dec. 20 1964—June 30	15,347 40,108 36,040 73,130 78,370 80,466	8,514 13,449 46,567	29,552 20,196 18,398 16,686	1,776 2,042 2,396 8,165 9,792 10,375	8,518 11,286 13,066 19,539 18,778 19,143	24,430 51,898 49,659 94,914 99,643 102,245	49,085 46,467 84,248 87,994	5,627 7,477 7,225	104 30 22 82 95 118	405 2,337 2,212	24,655 28,990 43,609 43,459	4,806 9,760 11,423 30,743 35,004 37,974	1,388 1,417 572	7,263 7,697	353 191 190
1964—Nov. 25 Dec. 31		57,555	1		1	104,306 109,053	1	8,289	132 134	2,195	46,883	38,634 39,645	1,845 841	8,488	182
1965—Jan. 27. Feb. 24. Mar. 31. Apr. 28. May 26. June 30. July 28. Aug. 25. Sept. 29. Oct. 27. Nov. 24 p.	84,567 85,374 86,265	57,428 57,966 58,771 59,701 60,015 61,417 61,993 62,804 63,161 63,471				104,997 105,275 107,146 107,609 106,851 110,063 108,359 108,284 110,410 111,469 112,849		6,789 6,976 6,573 6,366 7,168 6,473 6,882 7,159 7,299	188	2,546 3,035 2,538 3,548 4,325 2,566 2,724 2,462 1,472	42,615 42,651 40,969 42,971 42,141 41,124 42,374 43,620	40,903 41,315 41,708 42,058 42,073 42,781 43,253 43,725 44,265 44,694 44,843	1,663	8,529 8,646 8,675 8,676 8,774 8,756 8,762 8,798	184 186 183 178 179 177 177 177
Country member banks: 5, 6 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31 1962—Dec. 28 1963—Dec. 20 1964—June 30	12,518 35,002 36,324 80,623 87,316 88,337	5,890 5,596 10,199 44,698 50,023 52,289				19,466 46,059 47,553 97,008 103,615 105,430	1	1,056 1,773 1,793	30 17 17 51 56 64	1,960	28,378 46,895 48,256	6,258 12,494 14,560 36,692 40,693 42,788	4 11 23 172 390 230	2,525 2,934 7,744 8,377	6,476 6,519 5,828 5,897
1964—Nov. 25 Dec. 31	92,494 93,759	55,733	24,657 24,341	13,539 13,685	14,708 16,944	109,392 112,932	98,080 101,581	2,182	64 71	2,098 1,760	49,594 52,398	44,425 45,169	412 213		6,014 6,018
1965—Jan. 27. Feb. 24. Mar. 31. Apr. 28. May 26. June 30. July 28. Aug. 25. Sept. 29. Oct. 27. Nov. 24 "	92,990 93,280 93,867 94,851 95,775 97,043 97,012 97,462 98,669 100,156 101,199	55,062 55,319 56,127 57,004 58,024 59,411 59,307 59,680 60,344 60,922 61,562	24,154 23,754 23,493 23,175 22,697 22,730 22,600 22,915 23,543	13,807 13,986 14,354 14,576 14,935 14,975 15,182 15,410 15,691	15,234 15,052 14,422 14,358 15,837 14,725 14,995 15,369 15,478	109,740 110,568 111,155 111,467 112,335 115,302 114,058 114,744 116,399 118,109 119,433	98,863 99,673 99,665 100,262 103,304 102,020 102,475 104,123 105,572	1,752 1,751 1,729 1,682 1,825 1,765 1,847 1,918	64 64 64 64 71 71 71 71 71	1,980 2,196 1,596 2,768 3,222 1,926 2,174 1,840 1,184	48,659 48,626 49,029 47,967 49,800 49,393 49,025 50,311 51,707	45,805 46,408 47,036 47,247 47,774 48,386 48,865 49,358 49,983 50,616 50,775	417 712 312 482 541 323 500 650 508 643 597	8,819 8,941 8,996 9,111 9,359 9,250 9,301 9,421 9,511	6,027 6,025 6,030 6,037 6,032 6,027

For notes see end of table.

# PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK-Continued

(Amounts in millions of dollars)

	Loai	ns and in	vestment	s	(1223	is in million			Depo	sits					
			Secut			Total assets— Total		Interl	ank 1		Other			_	
Class of bank and date		_			Cash assets 1	lia- bilities and				 Der	nand	·	Bor- row- ings	Total capital ac-	of
	Total	Loans	U.S. Govt.	Other		capital ac- counts 2	Total 1	De- mand	Time	U.S.		Time 3	mgs	counts	banks
						Counts				Govt.	Other				
Insured commercial banks: 1941—Dec. 31	49,290	21 250	21,046	6,984	25 799	76,820	69.411	10	,654	1,762	41,298	15 600	10	6,844	12 426
1945—Dec. 31 1947—Dec. 31	121,809	25,765	88,912 67,941	7,131	25,788 34,292 36,926	157,544 152,733	147,775 141,851	13	,883	23,740 1,325	80,276	29,876 34,882	215 61	8,671 9,734	13,297 13,398
1962 -Dec. 28 1963Dec. 20	234,243 252,579	139,449 155,261 174,234	65,891 62,723	28,903 34,594 38,320	53,702 50,337 59,911	295.093 310,730 343,876	260 .609 273 .657 105 .113	15,077	443		140,169 140,702 154,043	97,380 110,723	3,584 3,571	23,712 25,277 27,377	13,119 13,284
1964—Dec. 31 1965—June 30	285,375	187,207	56,426	41,742	56,555	351,544	309,612			11,761	144,205	136,798	3,562	29,051	13,528
National member banks: 1941 —Dec. 31	27,571 69,312	11,725 13,925	12,039 51,250	3,806	14,977 20,114	43,433 90,220	39,458 84,939	6	,786 ,229	1,088	23,262	8,322 16,224	4 78	3,640 4,644	5,117 5,017
1945 —Dec. 31 1947—Dec. 31	65,280	21,428 75,548	38,674	5,178	22,024 29,684	88,182 160,657	82,023 142.825	8,375	35 127		53,541	19,278	45	5,409	5,005
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	137,447 151,406	84,845 96,688 103,377	33,384 33,405	119.218	28,635 34,064 31,595	170,233 190,289	150,823 169.615 171,528	8,863 10 521	146 211	3,691 3 604	76,836 84,534	53,733 61,288 70,746 76,389	1,704	12,750 13,548 15,048	4,615 4,773 4,803
State member banks:	15,950	6,295	-	2,155	8,145	24,688			,739	621		4,025	1,063		
1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	37,871 32,566	8,850 11,200	27,089	1,933	9,731 10,822	48,084 43,879	22,259 44,730 40,505	3,978	,411	8,166	24,168 27,068	7,986 9,062	130	2,945 3,055	1,502 1,867 1,918
1962 — Dec. 28 1963 — Dec. 20	68,444 72,680 77 091	43,089 46,866 51,002	15,958	8,050 9,855	17,744 15,760 18.673	88,831 91,235 98,852	76,643 78,553 86,108	6,154 5,655 6.486	231 236 453	2.295	41,924 40,725	25,983 29,642 32,931	1,914 1,795 1,372	7,104 7,506	1,544 1,497 1,452
1964—Dec. 31 1965—June 30	80,339		13,166	11,718	18,603		88,215	6,259	538	4,085	41,068	36,265	1,769	8,470	1,432
Insured nonmember commercial banks: 1941—Dec. 31 1945—Dec. 31	5,776 14,639	3,241 2,992	1,509 10,584	1,025 1,063	2,668 4,448	8,708 19,256	7,702 18,119 19,340		129 244	53 1,560	4,162 10,635	3,360 5,680	6	959 1,083	
1947—Dec. 31 1962—Dec. 28	16,444 38,557	4,958 20,811	10,039	1,448	4,083 6,276	20,691 45,619			43		12,366	6,558 17,664	7 7 34	1,271 3,870	6,478
1963 —Dec. 20 1964 —Dec. 31 1965—June 30	42,464 46,567 48,058	23,550 26.544 28,375	13,391 13,790	5,523 6,233	5,942 7,174 6,357	49,275 54,747 55,507	41,142 44,280 49,389 49,869	559 658 565	61 70	726 649	23,140 25,504	19,793 22,509 24,144	72 99 108	4,234 4,488	7,173 7,262
Noninsured non- member	40,000	20,515	10,000	0,011	0,001	30,00	15,005	500	,,,	755	27,120	24,147	100	4,732	1,254
commercial banks: 1941—Dec. 31 1945—Dec. 31	1,457 2,211 2,009	455 318	761 1,693	241 200	763 514	2,283 2,768	1,872 2,452 2,251		329 181	1	,291 ,905	253 365	13 4	329 279	852 714
1947—Dec. 314. 1962—Dec. 28		474 657	1,280 534	255 392	576 346	2,643	1,513	177 164	185 133	18 14	1,392 872	478 330	4	325 371	783 308
1963—Dec. 20 1964—Dec. 31 1965—June 30	1,584 1,571 2,312 2,336	745 1,355 1,434	463 483 418	474	374 578 508	2,029 3,033 2,997	1,463 2,057 2,020	190 273 252	86	17 23	832 1,141 1,061	341 534 568	93 99 120	389 406 417	285 274 262
Nonmember commercial banks:					!										
1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	7,233 16,849 18,454	3,696 3,310 5,432	2,270 12,277 11,318	1,266 1,262 1,703	3,431 4,962 4,659		9,573 20,571 21,591	439	457 425 190	14	,504 ,101   13,758	3,613 6,045 7,036	18 11 12	1,288 1,362 1,596	7,662 7,130 7,261
1962—Dec. 28. 1963—Dec. 20.	40,141 44,035 48,879	21.469		1 :		47,628 51,304 57,780		699 749		743		17,994 20,134 23,043	77 165	4,240 4,623	7,380 7,458
1964—Dec. 31 1965—June 30	48,879 50,394	27,899 29,809	14,273 13,457	6,707 7,128	7,752 6,865	57,780 58,503	\$1,447 51,889	931 817	156	672 989	26,645 25,189	23,043 24,713	198 228	4,894	7,536 7,556
Insured mutual savings banks: 1941—Dec. 31	1,693 10,846	642	629	421	151	1,958	1,789				<u>.</u>	1,789		164	52
1945—Dec. 31 1947—Dec. 31	12,683	3,560	7,160 8,165	606 958	429 675	11,424	10,363 12,207	· · · · · ·	····i	2	1	10,351 12,192	1	1,034 1,252	192 194
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31	38,597 41,664 45,358	28,778 32,300 36,233	4,639 4,324 4,110	5,041 5,015	784 722 893	43,019 47,044	36,104 38,657 42,751		1 1 2 1	9 5 7	l 292	35,827 38,359 42,416 43,912	7 38 20	3,731	331 330 327 327
1965—June 30	47,031	37,970	3,975	5,085			44,293	·····	1	6	374	43,912	43	3,848	327

For notes see end of table.

# PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK-Continued

(Amounts in millions of dollars)

								-,							
	Lo	ans and i	nvestmer	nts		Total			Dep	osits					
			Secu	rities		assets— Total lia-		Inter	bank <sup>1</sup>		Other		Bor-	Total	Num-
Class of bank and date	Total Loans			Cash assets 1	bilities and capital	Total <sup>1</sup>	_		Der	nand		row- ings	capital ac- counts	of	
			U.S. Govt.	Other		ac- counts <sup>2</sup>		De- mand	Time	U.S. Govt.	Other	Time 3			
Noninsured mutual savings banks:															
1941—Dec. 31	8,687 5,361 5,957	4,259 1,198 1,384	3,075 3,522 3,813	641	180	5,596	8,744 5,022 5,556			6 2 1	 2	8,738 5,020 5,553		1,077 558 637	496 350 339
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31	5,961 6,425 7,005	3,938 4,380 4,852	1.548	533 498 475	104	6,602	5.859	1		1 1	6 8 6	5.851	1	608 633 670	179
1965—June 30	7,385	5,126	1,778	481	110	7,576	6,686			1	20	6,666	1	688	177

Note.—Data are for all commercial and mutual savings banks in the United States (including Alaska and Hawaii, beginning with 1959). For definition of "commercial banks" as used in this table, and for other banks that are included under member banks, see Note, p. 643, May 1964

banks that are included under member banks, see Note, p. 643, May 1964 BULLETIN.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

Data for Dec. 31, 1964 and June 30, 1965 for national banks have been adjusted to make them comparable with State bank data. (Dec. 20, 1963, data also adjusted to lesser extent.)

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870-71.

# LOANS AND INVESTMENTS AT COMMERCIAL BANKS

(In billions of dollars)

		Seasonall	y adjusted			Not seasona	illy adjusted	
Period			Secu	rities			Secu	rities
	Total 1	Loans 1	U.S. Govt.	Other	Total <sup>1</sup>	Loans 1	U.S. Govt.	Other
1957—Dec. 31 1958—Dec. 31 1959—Dec. 31	166.4 181.2 185.9	91.4 95.6 107.6	57.1 65.1 57.8	17.9 20.5 20.5	169.3 184.4 189.5	93.2 97.5 110.0	58.2 66.4 58.9	17.9 20.6 20.5
1960—Dec. 31 1961—Dec. 30 1962—Dec. 31 1963—Dec. 31 1964—Dec. 31	194.5 209.8 228.3 246.5 267.2	113.8 120.5 133.9 149.4 167.1	59.9 65.4 65.2 62.1 61.4	20.8 23.9 29.2 35.0 38.7	198.5 214.4 233.6 252.4 273.9	116.7 123.9 137.9 153.9 172.1	61.0 66.6 66.4 63.4 63.0	20.9 23.9 29.3 35.1 38.8
1964—Oct. 28	261.1 265.5 267.2	163.2 165.4 167.1	60.0 61.6 61.4	37.9 38.5 38.7	262.4 266.3 273.9	163.0 165.5 172.1	61.4 62.7 63.0	38.0 38.1 38.8
1965—Jan. 27. Feb. 24. Mar. 31. Apr. 28. May 26. June 30. July 28. Aug. 25. Sept. 29. Oct. 27p. Nov. 24p.	269.6 272.1 275.5 277.3 279.4 282.8 281.5 286.1 286.2 288.9 291.5	170.2 171.9 175.8 177.1 179.5 183.0 182.7 185.8 186.2 188.0 189.8	59.9 60.2 59.6 59.1 58.6 57.7 56.4 57.0 56.5 57.6	39.5 40.0 40.1 41.1 41.3 42.1 42.4 43.3 43.5 43.9 44.1	269.1 270.7 273.9 275.9 277.1 283.9 281.2 283.2 286.8 290.3 292.4	168.5 170.5 174.5 176.2 178.8 184.9 182.4 184.3 187.0 187.8 190.0	61.5 60.5 59.0 58.3 57.2 56.9 56.3 55.5 55.5 58.7	39.1 39.7 40.3 41.4 41.1 42.2 42.6 43.4 43.9 44.1 43.7

<sup>1</sup> Adjusted to exclude interbank loans.

are call dates.

For back data see June 1964 Bulletin, pp. 693-97; for description of seasonally adjusted series, see July 1962 Bulletin, pp. 797-802.

<sup>&</sup>lt;sup>1</sup> Reciprocal balances excluded beginning with 1942.

<sup>2</sup> Includes other assets and liabilities not shown separately.

<sup>3</sup> Figures for mutual savings banks include relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.

<sup>4</sup> Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN,

<sup>5</sup> Regarding reclassification of New York City and Chicago as reserve cities, see Aug. 1962 BULLETIN, p. 993. For various changes between reserve city and country status in 1960-63, see note 6, p. 587, May 1964 BULLETIN.

<sup>6</sup> Beginning with May 18, 1964, one New York City country bank with

BULLETIN.

Beginning with May 18, 1964, one New York City country bank with loans and investments of \$1,034 million and total deposits of \$982 million was reclassified as a reserve city bank. Beginning with May 13, 1965 (Toledo, Ohio), reserve city banks with total loans and investments of \$530 million and total deposits of \$576 million were reclassified as country banks.

Note.—Data are for last Wed, of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31

# LOANS AND INVESTMENTS BY CLASS OF BANK

(In millions of dollars)

							ans 1							In	vestmer	nts		
Class of bank and	Total loans 1 and		Com- mer-	Agri-	purch or car secur	asing rying	Ti finar institu	cial	BI	Other to				Govern			State and	041
call date	invest- ments	Total <sup>2</sup>	cial and in- dus- trial	cul- tur- al	To bro- kers and deal- ers	To others	To banks	To others	Real es- tate	in- di- vid- uals	Other	Total	Bills	Cer- tifi- cates	Notes	Bonds	local govt. secu- rities	Other secu- rities
Total: 2 1947—Dec. 31 1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	116,284 235,839 254,162 277,376 287,723	38,057 140,106 156,006 175,589 188,641	18,167 48,673 52,947 60,217 65,546	1,660 7,097 7,470 7,505 8,068	830 5,144 5,353 5,542 6,066	1,220 2,131 2,509 2,843 2,912	115 2,578 3,605 3,491 3,788	8,459 9,479 10,913 11,463	9,393 34,259 39,056 43,675 46,223	5,723 30,553 34,550 39,809 43,056	947 3,909 4,034 5,152 5,148	69,221 66,434 63,196 62,991 56,853	2,193 11,674 11,059 13,377 8,920	7,789 3,932 1,658	6,034 23,841 22,415 19,039 14,678	53,205 26,987 28,065 30,574 33,255	5,276 24,755 29,786 33,533 36,541	3,729 4,543 5,173 5,263 5,688
All insured 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	49,290 121,809 114,274	21,259 25,765 37,583	9,214 9,461 18,012	1,450 1,314 1,610	614 3,164 823	662 3,606 1,190	49		4,677	4, 2,361 5,654	505 1,132 914	21,046 88,912 67,941	988 2,455 2,124	i9,07i 7,552	3,159 16,045 5,918	16,899 51,342 52,347	3,651 3,873 5,129	3,333 3,258 3,621
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	234,243 252,579 275,053 285,375	139,449 155,261 174,234 187,207	48,458 52,743 59,746 65,053	7,060 7,444 7,482 8,047	5,119 5,321 5,355 5,925	2,103 2,476 2,794 2,860	2,551 3,594 3,419 3,680	8,434 9,415 10,812 11,342	34,123 38,861 43,436 45,951	30,402 34,383 39,627 42,879	3,890 4,015 5,112 5,092	65,891 62,723 62,499 56,426	11,514 10,952 13,275 8,849	3,916 1,649	23,715 22,316 18,939 14,603	26,746 27,806 30,285 32,974	24,547 29,559 33,294 36,295	4 356 5,035 5,026 5,447
Member, total 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	43,521 107,183 97,846	18,021 22,775 32,628	8,671 8,949 16,962	972 855 1,046	594 3,133 811	598 3,378 1,065	39 47 113	• • • • • •	3,494 3,455 7,130	3, 1,900 4,662	653 1,057 839	19,539 78,338 57,914	971 2,275 1,987	16,985 5,816	3,007 14,271 4,815	15,561 44,807 45,295	3,090 3,254 4,199	2,871 2,815 3,105
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	195,698 210,127 228,497 237,328	118,637 131,712 147,690 158,832	43,843 47,403 53,717 58,640	4,419 4,659 4,643 4,969	4,954 5,124 5,142 5,729	1,777 2,136 2,411 2,442	2,445 3,439 3,250 3,516	7,936 8,875 10,179 10,735	27,162 31,009 34,587 36,577	24,799 27,908 32,024 34,582	3,657 3,765 4,824 4,783	52,968 49,342 48,717 43,396	8,862 8,032 9,932 6,260	3,249 1,307	19,443 18,072 15,238 11,430	21,414 21,932 23,548 25,706	20,773 25,210 28,374 31,036	3,319 3,864 3,715 4,064
New York City: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	12,896 26,143 20,393	7,334	2,807 3,044 5,361	8	412 2,453 545	169 1,172 267	32 26 93	•••••	123 80 111		22 272 238	7,265 17,574 11,972	311 477 1,002	3,433	1,623 3,325 558	5,331 10,339 9,772	729 606 638	629
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	39,507	23.577	11,943 12,332 14,189 16,082	17 26 30 16	2,766 2,677 2,742 3,657	425 569 623 561	1,179	2,247 2,615	1,329 1,968 2,546 2,866	2,143 2,257 2,654 2,832	1,196 1,068 1,371 1,419	7,017 6,154 6,178 4,907	1,711 1,958	508 147	2 341	12,248	3,585 4,653 5,579 5,799	442 449
City of Chicago: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	2,760 5,931 5,088	954 1,333 1,801	760		48 211 73	52 233 87			22 36 46	51			256 133 132	1,467	153 749 248	1,864	182 181 213	193 204 185
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	9,615 10,562	5,418 6,220 7,102 7,367	2,941 3,378 3,870 4,099	I 24	497	152 181 203 232	89 242 227 266	703 751 948 1,007	401	594 669	430	2,129 1,705 1,873 1,761	377 347 564 473			717 911		329 195
Other reserve city: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	15,347 40,108 36,040	13,449	7,088	205 225	427 170	1,503 484	15		3,147	1,969		6,467 29,552 20,196		6,982 2,358	1,901	5,421 15,883 15,563	956 1,126 1,342	820 916 1,053
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30.,	73,130 78,370 84,670 87,225	46,567 51,891 57,555 61,079	17,660 18,862 21,102 22,817	1,179 1,219 1,095 1,214	1,053 1,243 1,060 978	752 891 986 1,034	1,020 1,224 1,134 1,241	3,583 4,286 4,887 5,076	11,030 12,525 13,611 14,213	9,860 11,106 12,802 13,636	1,266 1,462 1,977 1,981	18,398 16,686 16,326 14,030	2,343 2,152 3,200 1,819	1,403 545	7,257 6,600 5,662 4,161	7,395 7,390 7,463 8,050	7,252 8,810 9,871 11,108	913 981 918 1,008
Country: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	12,518 35,002		1,676 1,484	659 648	20 42	183 471	2 4 5		1,823 1,881 3,827	<b>7</b> 07	1,528 359 224	4,377 26,999 22,857	110 630 480	5,102 2,583	481 4,544 2,108	3,787 16,722 17,687	1,222 1,342 2,006	1,028 1,067 1,262
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	93,759	44,698 50,023 55,733 59,411	11,299 12,831 14,556 15,641	3,374 3,493	728 708 830 629	447 496 599 616	764 966 710 796	1,563 1,591 1,730 1,675	14,441 16,114 17,964 18,984	12,273 13,951 15,899 17,413	826 917 1,047 1,074	25,425 24,797 24,341 22,697	4,144 3,822 4,209	1,223 573	8,849 8,531 7,206	11,209 11,871 12,925 13,915	10,385 11,531	2,111
Nonmember 1947—Dec. 31 1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	18,454 40,141 44,035 48,879 50,394	5,432 21,469 24,295 27,899 29,809	1,205 4,830 5,544 6,500 6,906	614 2,678 2,811 2,862 3,099	190 229 400	354 373 432	132 166 241	604 733	9,088	1,061 5,754 6,643 7,786 8,474	109 252 3 269 3 328 3 366	11,318 13,466 13,854 14,273 13,457	206 2,812 3,027 3,445 2,660	693	1 3.801	7,920 5,573 6,133 7,026 7,549	5,159	625 1,224 1,309 1,548 1,624

<sup>&</sup>lt;sup>1</sup> Beginning with June 30, 1948, figures for various loan items are shown gross (i.e., before deduction of valuation reserves); they do not add to the total and are not entirely comparable with prior figures. Total loans continue to be shown net.

<sup>&</sup>lt;sup>2</sup> Breakdowns of loan, investment, and deposit classifications are not available before 1947; summary figures for earlier dates appear in the preceding table.
For other notes see opposite page.

# RESERVES AND LIABILITIES BY CLASS OF BANK

(In millions of dollars)

<u></u> !							Deman	d deposi	ts			Time de	posits			
Class of bank and call date	Re- serves with F.R. Banks	Cur- rency and coin	Bal- ances with do- mestic banks <sup>3</sup>	De- mand de- posits ad- justed 4	Do- mestic <sup>3</sup>	For- eign 5	U.S. Govt.	State and local govt.	Certi- fied and offi- cers' checks, etc.	IPC	Inter- bank	U.S. Govt. and postal sav- ings	State and local govt.	IPC	Bor- row- ings	Capi- tal ac- Counts
Total: <sup>2</sup> 1947—Dec. 31 1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	17,796, 17,680 17,150 17,581 17,842	4,252 4,048 4,532	10,216 13,099 12,312 15,111 13,023	87,123 124,342 126,579 134,671 126,714	11,362 14,713 14,048 16,369 14,696	1.369	1,343 6,829 6,729 6,510 11,796	6,799 12,071 12,256 13,519 13,291	2,581 4,511 4,494 5,970 6,001	84,987 124,459 124,784 135,694 125,974	240 535 526 819 1,032	111 269 269 272 278	866 6,450 7,908 9,812 10,573	34,383 90,991 102,886 116,635 126,516	65 3,627 3,664 2,679 3,682	10,059 24,094 25,677 27,795 29,479
All insured: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	12,396 15,810 17,796	1,358 1,829 2,145	8,570 11,075 9,736	74,722	9,823 12,566 11,236	673 1,248 1,379	23 740	3,677 5,098 6,692	1,077 2,585 2,559	36,544 72,593 83,723	158 70 54	59 103 111	492 496 826	15,146 29,277 33,946	10 215 61	8,671
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	17,680 17,150 17,581 17,842	4,232 4,033 4,515 4,961	12,795 11,984 14,613 12,599	123,361 125,615 133,336 125,471	14,579 13,900 16,210 14,532	1,265 1,177 1,454 1,387	6,815 6,712 6,487 11,761	11,991 12,175 13,423 13,199	4,434 4,429 5,856 5,906	123,744 124,098 134,764 125,100	402 443 733 928	269 269 272 278	6,397 7,853 9,766 10,522	90,714 102,600 116,147 125,998	3,584 3,571 2,580 3,562	23,712 25,277 27,377 29,051
Member, total: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	12,396 15,811 17,797	1,087 1,438 1,672	6,246 7,117 6,270	64.184	9,714 12,333 10,978	671 1,243 1,375	1,709 22,179 1,176	3,066 4,240 5,504	1,009 2,450 2,401	33,061 62,950 72,704	140 64 50	50 99 105	418 399 693	11,878 23,712 27,542	4 208 54	
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	17,680 17,150 17,581 17,842	3,263 3,131 3,490 3,853	7.359	101,528 102,816 108,324 101,733	14,071 13,378 15,604 14,009	1,237 1,140 1,403 1,346	6,086 5,986 5,838 10,806	9,270 9,376 10,293 10,127	4,083 4,055 5,368 5,449	104,646 104,130 112,878 104,502	358 382 664 851	243 240 239 247	5,158 6,364 8,012 8,592	74,316 84,326 95,425 103,814	3,550 3,499 2,481 3,455	19,854 21,054 22,901 24,323
New York City: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	5,105 4,015 4,639	93 111 151	141 78 70	10,761 15,065 16,653	3,595 3,535 3,236	607 1,105 1,217	866 6,940 267	319 237 290	450 1,338 1,105	11,282 15,712 17,646	6 17 12	 10 12	29 20 14	778 1,206 1,418	195 30	1,648 2,120 2,259
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	4,121 3,625 3,730 4,274	251 264 278 314	156 96 180 199	17,095 16,763 17,729 16,430	3,854 3,487 4,112 4,115	929 801 976 950	1,408 1,419 1,486 2,561	366 368 441 561	2,237 2,119 2,940 3,270	19,628 18,473 20,515 18,549	207 214 436 579	53 76 74 87	266 449 677 682	8,937 10,920 13,534 15,969	1,728 1,438 1,224 1,423	3,898 3,984 4,471 5,094
City of Chicago: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	1,021 942 1,070	43 36 30	298 200 175	2,215 3,153 3,737	1,027 1,292 1,196	8 20 21	127 1,552 72	233 237 285	34 66 63	2,152 3,160 3,853		<u>2</u>	 9	476 719 902		288 377 426
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	1,071 1,019 1,006 1,028	44 49 55 64	99 98 150 97	4,262 4,144 4,294 3,881	1,235 1,169 1,389 1,237	41 43 59 60	410 395 396 699	351 275 312 276	109 112 122 109	4,804 4,500 4,929 4,542	18 17 22 27	7 6 5 5	16 185 213 181	3,001 3,595 4,361 4,563	262 255 204 438	948 996 1,056 1,096
Other reserve city: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	4,060 6,326 7,095	425 494 562	2,590 2,174 2,125	11,117 22,372 25,714	4,302 6,307 5,497	54 110 131	491 8,221 405	1,144 1,763 2,282	286 611 705	11,127 22,281 26,003	104 30 22	20 38 45	243 160 332	4,542 9,563 11,045	 2 1	1,967 2,566 2,844
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	7,671 7,587 7,680 7,274	1,021 935 1,065 1,149	2,253 2,105 2,433 2,202	35,481 35,859 37,047 34,279	7,229 6,958 7,962 6,874	248 267 326 294	2,337 2,212 2,195 4,325	3,216 3,144 3,508 3,280	980 1,034 1,238 1,091	39,413 39,281 42,137 38,600	82 95 134 173	83 72 77 75	2,633 2,950 3,840 4,163	28,027 31,982 35,728 38,543	841	7,263 7,697 8,488 8,774
Country: 1941—Dec. 31 1945—Dec. 31 1947—Dec. 31	2,210 4,527 4,993	526 796 929	3,216 4,665 3,900	9,661 23,595 27,424	790 1,199 1,049	2 8 7	225 5,465 432	1,370 2,004 2,647	239 435 528	8,500 21,797 25,203	30 17 17	31 52 45	146 219 337	6,082 12,224 14,177	4 11 23	1,982 2,525 2,934
1962—Dec. 28 1963—Dec. 20 1964—Dec. 31 1965—June 30	4,817 4,919 5,165 5,267	1,947 1,884 2,092 2,326	5,389 5,060 6,295 5,333	44,689 46,049 49,253 47,143	1,753 1,764 2,141 1,784	19 29 41 41	1,931 1,960 1,760 3,222	5,337 5,590 6,031 6,010	756 790 1,068 979	40,801 41,877 45,298 42,810	51 56 71 71	100 86 83 81	2,778 3,282	34,350 37,829 41,803 44,739	213	
Nonmember: 2 1947—Dec. 31 1962—Dec. 28 1963—Dec. 29 1964—Dec. 31 1965—June 30		544 989 917 1,042 1,125	3,947 5,202 4,953 6,054 5,192	13,595 22,814 23,763 26,348 24,982	385 642 671 765 686	55 57 78 166 130	167 743 743 672 989	1,295 2,802 2,880 3,227 3,164	180 428 438 602 552	12,284 19,813 20,654 22,816 21,473	190 176 144 156 181	6 26 29 33 30	172 1,292 1,545 1,800 1,981	6,858 16,675 18,560 21,210 22,702	12 77 165 198 228	1,596 4,240 4,623 4,894 5,156

Note.—Data are for all commercial banks in the United States. (For definition of "commercial banks" as used in this table and for other banks

that are included under member banks, see Note, p. 589, May 1964 BULLETIN.) These figures exclude data for banks in U.S. possessions except for member banks. Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

Data for Dec. 31, 1964 and June 30, 1965, for national banks have been adjusted to make them comparable with State bank data. (Data for Dec. 20, 1963, also adjusted to lesser extent.)

For other notes see opposite page.

<sup>&</sup>lt;sup>3</sup> Beginning with 1942, excludes reciprocal bank balances.

<sup>4</sup> Through 1960, demand deposits other than interbank and U.S. Govt., less cash items in process of collection; beginning with 1961, demand deposits other than domestic commercial interbank and U.S. Govt., less cash items in process of collection.

<sup>5</sup> For reclassification of certain deposits in 1961, see note 6, p. 589, May 1964 BULLETIN.

# WEEKLY REPORTING MEMBER BANKS

# ASSETS AND LIABILITIES OF BANKS IN LEADING CITIES

(In millions of dollars)

							million			Loa	ns						<del></del>
									chasing securit		To fi	inancial	institu	tions			
	Wednesday	Total loans and invest-	Loans and invest- ments	Loans	Com- mer- cial	Agri- cul-	To brand de		To o	thers	Ва	nk	Non	bank	Real	All	Valua- tion
		ments 1	ad- justed 2	ad- justed <sup>2</sup>	and indus- trial	tural	U.S. Govt. se- curi- ties	O ther se- curi- ties	U.S. Govt. se- curi- ties	Other se- curi- ties	For- eign	Do- mes- tic com- mer- cial	Pers. and sales finan. cos., etc.	Other	estate		re- serves
	Total— Leading cities																
	1964																
Nov.	4 11 18 25	148,211 147,101 148,179 148,979	145,619 145,016 145,693 146,250	98,021 97,694 97,998 98,019	40,192 40,295 40,651 40,548	1,617 1,629 1,635 1,633	1,099 1,000 756 954	3,516 3,320 3,311 3,179	68 63 61 64	1,928 1,943 1,950 1,948	1,248 1,287 1,292 1,314	2,592 2,085 2,486 2,729	4,316 4,106 4,168 4,103	4,045 4,059 4,048 4,023	19,789	22,360 22,311 22,391 22,474	2,109 2,108 2,107 2,107
	1965																
Oct.	6	161,002 163,146 162,975 162,841	158,411 160,859 160,570 160,286	111,671 112,298 111,930 111,781	48,132 48,370 48,241 48,220	1,634 1,644 1,654 1,649	370 849 729 672	2,841	92 89 93 95	2,028 2,034 2,040 2,044	1,591 1,623 1,594 1,585	2,591 2,287 2,405 2,555	5,251 5,024 4,877 4,831	4,851 4,851 4,841 4,816	22,046 22,126 22,153 22,203	25,111 25,167 25,157 25,176	2,320 2,318
Nov	3	162,692 162,336 163,222 163,059	161,498 159,708 160,618 161,007	112,729 112,537 113,816 113,238	49,310	1,657 1,682	505 477 580 676		99 95 94 93	2,060	1,631 1,626 1,604 1,622	2,194 2,628 2,604 2,052	5,179 4,961 5,121 4,932	4,879 4,863 4,864 4,833	22,231 22,278 22,356 22,387	25,100 25,125 25,286 25,218	2,317
1	New York City																
	1964																
Nov	4 11 18 25	35,714 34,809 35,692 35,949	34,928 34,345 34,589 34,624	24,175 23,808 23,907 23,724	12,835 12,996	20 20 18 18	513	2,083 1,871 1,838 1,740	8	599 604 601 598	681 688 693 708	1,103	1,309 1,332	813 815 818 820	2,218 2,242	3,556 3,498 3,576 3,582	571 571 571 571
	1965							!					•				
Oct.	6	40,367	38,965 39,814 39,744 39,557	28,539 28,787 28,618 28,372	16,222 16,309 16,204 16,131	20 20 21 21	443	1,677 1,631 1,637 1,598	19 18 21 21	573 577 579 583	812 833 819 809	1,092	1.559	1,137 1,131 1,144 1,147	2,805 2,811 2,815 2,814	4,041 4,064 4,048 4,056	610
Nov	3	40,186 40,248 40,412 40,140	39,315 39,631	28,789 29,400	16,341 16,377 16,630 16,523	21 21 21 21	336	1,699 1,735 1,920 1,820	24 22 23 23	579 585 591 619	854 853 844 855	781	1,538 1,478 1,591 1,540	1,158 1,156 1,159 1,135	2,816 2,831 2,855 2,874	4,003 4,030	608 609
٨	Outside lew York City																
	1964	110 40-	110 621	72 0:-	20 412	1 50-	405			. 200		1 00-	2 000	2 222		10.05:	
Nov	11 18 25	112,497 112,292 112,487 113,030	110,691 110,671 111,104 111,626	73,846 73,886 74,091 74,295	27,413 27,460 27,655 27,617	1,597 1,609 1,617 1,615	486 487 400 570	1,433 1,449 1,473 1,439	59 55 53 55	1,329 1,339 1,349 1,350	567 599 599 606	1,806 1,621 1,383 1,404	2,939 2,797 2,836 2,853	3,232 3,244 3,230 3,203	17,525 17,571 17,600 17,631	18,813 18,815 18,892	1,538 1,537 1,536 1,536
	1965	l															
Oct.	6	120,979 122,779 122,139 122,245	119,446 121,045 120,826 120,729	83,132 83,511 83,312 83,409	32,037	1,624 1,633	194 406 250 308	1,210 1,210 1,232 1,210	73 71 72 74	1,457	779 790 775 776	1,533 1,734 1,313 1,516	3,585 3,465 3,416 3,394	3,714 3,720 3,697 3,669	19,241 19,315 19,338 19,389	21,070 21,103 21,109 21,120	1,713 1,711 1,708 1,709
Nov	. 3	122,506 122,088 122,810 122,919	122,084 120,393 120,987 121,360	83,980 83,748 84,416 84,034	32,437 32,360 32,680 32,428	1,641 1,636 1,661 1,667	193 141 235 254	1,219 1,240 1,254 1,238	75 73 71 70	1,486 1,475 1,471 1,476	777 773 760 767	1,422 1,695 1,823 1,559	3,483 3,530	3,707 3,705	19,415 19,447 19,501 19,513	21,084 21,122 21,256 21,237	1,708

For notes see p. 1750.

# ASSETS AND LIABILITIES OF BANKS IN LEADING CITIES—Continued

(In millions of dollars)

<u> </u>		<del> </del>	Inve	stments			ins of don		C	ash assets	3			
		U.S. C	Governmer											Total
Wednesday			Cer-		es and be		Other secu- rities	Total	Bal- ances with domes-	Bal- ances with for-	Currency and coin	Re- serves with F.R.	All other assets	Total liabili- ties and capital
	Total	Bills	tifi- cates	With- in 1 year	1 to 5 years	After 5 years			tic banks	eign banks		Banks		accounts
Total— Leading cities	İ													
1964	26 920	£ 171		2 706	11 560	6 202	20. 760	10.006	2 240	290	1 720	12.710	£ 00£	100 664
Nov. 4	26,829 26,552 27,032 27,538	4,922 4,847 5,345		3,711 3,901 3,988	11,560 11,509 11,876 11,786	6,392 6,410 6,408 6,419	20,769 20,770 20,663 20,693	18,086 17,994 18,599 17,825	3,348 3,352 3,354 3,160	256 257 247	1,882 1,878	12,719 12,504 13,110 12,562	5,885 5,853 5,786 5,821	189,664 186,022 188,911 188,812
1965	22 577	2 477		4 024	0.333		24.463	10 100	2 156	100	1 000	12.043	c 734	201 (03
Oct. 6	22,577 24,320 24,492 24,414	4,363 4,540 4,482		4,031 4,027 3,999 4,018	9,322 9,321 9,341 9,284	6,609	24,163 24,241 24,148 24,091	18,109 19,343 18,692 18,264	3,156 3,421 3,252 3,130	190 201 201 207	2,155 2,096	12,843 13,566 13,143 12,751	6,734 6,624 6,466 6,436	201,683 208,581 204,823 203,103
Nov. 3	23,991 23,538 23,268 24,276	4,043 3,625 3,576 4,715		4,057 4,052 3,922 3,84€	9,302 9,270 9,234 9,178	6,589 6,591 6,536 6,537	23,778 23,633 23,534 23,493	19,105 18,335 18,907 18,482	3,415 3,191 3,454 3,047	215 203 197 207	2,049 2,083	13,459 12,892 13,173 13,161	6,598 6,568 6,597 6,515	207,275 205,672 207,166 205,146
New York City	21,270	,,,,,		,,,,,	,,	, ,,,,,,,,	<b>40</b> ,	10, 102	.,,,,,,		=,001	10,100		
1964														
Nov. 4	5,365 5,223 5,492 5,678	1,600 1,474 1,603 1,761		801 799 682 708	1,780 1,766 2,040 2,001	1,184 1,184 1,167 1,208	5,388 5,314 5,190 5,222	3,739 3,992 3,829 3,872	86 128 90 84	134 122 123 117	278	3,464 3,343	2,430 2,421 2,420 2,400	48,208 46,407 47,312 48,301
1965 Oct 6	4,044	600		655	1 300	1 300	6 392	3,718	129	90	295	3 204	2 772	51,611
Oct. 6	4,665 4,862 4,941	1,235 1,388 1,428		658 661 678	1,383 1,418 1,430	1,390 1,389 1,395 1,405	6,382 6,362 6,264 6,244	4,619 4,059 4,189	148 149 175	97 97 106	322 299	3,204 4,052 3,514 3,609	2,516 2,471	52,402
Nov. 3 10 17 24	4,657 4,648 4,475 4,670	1.144		681 680 629 582	1,431 1,430 1,421 1,470	1,401 1,394 1,395 1,397	6,008 5,878 5,756 5,773	4,246 4,120 4,139 4,053	120 106 151 146	103 95 92 99	293 298	3,716 3,626 3,598 3,526	2,573 2,575 2,653 2,544	54,184 54,711 53,262 52,630
Outside New York City											ļ			
1964			,											
Nov. 4	21,464 21,329 21,540 21,860	3,571 3,448 3,244 3,584		2,905 2,912 3,219 3,280	9,780 9,743 9,836 9,785	5,208 5,226 5,241 5,211	15,381 15,456 15,473 15,471	14,347 14,002 14,770 13,953	3,262 3,224 3,264 3,076	156 134 134 130	1,604 1,605	9,474 9,040 9,767 9,149	3,455 3,432 3,366 3,421	141,456 139,615 141,599 140,511
1965														
Oct. 6	18,533 19,655 19,630 19,473	1,968 3,128 3,152 3,054		3,376 3,369 3,338 3,340	7,932 7,938 7,923 7,854	5,257 5,220 5,217 5,225	17,781 17,879 17,884 17,847	14,391 14,724 14,633 14,075	3,027 3,273 3,103 2,955	100 104 104 101	1,833 1,797	9,639 9,514 9,629 9,142	3,961 3,945 3,950 3,965	150,072 153,896 151,775 150,701
Nov. 3	19,334 18,890 18,793 19,606	2,899 2,481 2,546 3,494				5,188 5,197 5,141 5,140	17,770 17,755 17,778 17,720	14,859 14,215 14,768	3,295 3,085 3,303	112	1,756 1,785	9,743 9,266 9,575	4,025 3,993 3,944	153,091 150,961 153,904 152,516

For notes see the following page.

# ASSETS AND LIABILITIES OF BANKS IN LEADING CITIES—Continued

(In millions of dollars)

						De	posits							Borro	wings		
					Dema	nd		-			Time						_
Wednesday	Total	De- mand de-			State			Do- mes-			O	her tim	e 9	From	From	Other liabili- ties	Cap- ital ac-
	unad- justed 4	posits ad- justed <sup>5</sup>	Total 6	IPC	State and local govt.	For- eign <sup>7</sup>	U.S. Govt.	tic com- mer- cial banks	Total *	Sav- ings	IPC	State and local govt.	For- eign 7	F.R. Banks	others		counts
Total— Leading cities																	
1964																	
Nov. 4 11 18 25	160,129	64,019 63,890 63,282 63,856	98,301 94,593 97,230 96,724	69,371 67,818 68,982 68,724	5,730 5,193 4,731 5,095	2,052 1,986 1,988 1,943	3,697 2,842 5,004 4,826	13,103 12,787 12,597 11,855	65,329 65,536 65,561 65,612	40,128 40,197 40,227 40,255	16,254 16,388 16,264 16,288	4,626 4,606 4,611 4,628	3,807 3,834 3,951 3,941	345 434 103 105	3,335 3,676	6,405 6,549 6,791 6,883	15,565 15,575 15,550 15,521
1965																	
Oct. 6 13 20 27	178,353	63,558 63,817 65,145 65,704	95,162 101,399 98,070 95,945	68,420 72,168 71,140 70,581	4,861 4,605 4,483 4,839	1,976 2,065 2,094 2,001	2,404 4,530 3,789 2,826	13,362 13,584 12,446 11,853	76,738 76,954 77,135 77,464	44,506 44,589 44,660 44,719	21,295 21,426 21,561 21,739	5,902 5,932 5,923 6,007	4,278 4,248 4,233 4,248	410 855 328 254	4,914 4,794 4,875 4,941	7,494 7,570 7,428 7,469	16,965 17,009 16,987 17,030
Nov. 3 10 17 24	174,996	65,014 64,334 64,435 64,102	100,028 97,620 98,834 97,082	71 348	5,572 5,242 4,909	2,011 2,079 2,033	2,442 1,468 2,871	13,692 13,385 13,088 12,025	77,170 77,376 77,342		21,342 21,431 21,336 21,552	5,972 6,020 6,058 6,120	4,246	515 86 210 681		7,551 7,770 8,015 7,887	17,133 17,138 17,114 17,081
New York City		0.,.0-	,,,,,,,	,	,	-,	,,,,,,	,	, . , ,	,	,	,,,,,	.,200		.,	,,00,	.,,
1964																	
Nov. 4 11 18 25	39,520 37,895 38,589 39,190	15,435 15,391 15,356 15,230	26,314 24,522 25,151 25,779	16,876 16,299 16,658 16,781	658 425 294 278	1,516 1,468 1,478 1,436	1,100 810 1,327 1,231	3,454 3,136 3,097 3,238	13,206 13,373 13,438 13,411	4,549 4,567 4,580 4,583	5,176 5,318 5,280 5,276	444 440 443 444	2,727 2,822	78 77 	1,477 1,286 1,404 1,721	2,847 2,872 3,049 3,134	4,286 4,277 4,270 4,256
1965																	
Oct. 6 13 20 27	41,585 44,122 42,989 42,242	15,299 15,009 15,940 16,025	24,619 27,097 25,925 25,002	16,088 17,248 17,174 17,025	344 319 301 332	1,525 1,512	708 1,310 1,031 730	3,515 3,758 3,317 3,101	16,966 17,025 17,064 17,240	5,191 5,197 5,194 5,200	7,701 7,740 7,803 7,918	559 581 552 591	3,011 2,996 3,003 3,028	180 23 79	1,585 1,900 1,675 1,699	3,479 3,520 3,400 3,421	4,962 4,963 4,961 4,961
Nov. 3 10 17 24	44,064 43,860 42,465 42,204	15,406 14,716 15,344 15,098	27,084 26,794 25,394 24,945	17,391 17,101 17,074 16,829	513 364 301 266	1,456 1,535 1,470 1,420	638 370 617 709	3,861 3,940 3,375 3,245	16,980 17,066 17,071 17,259	5,205 5,227 5,237 5,248	7,613 7,704 7,719 7,874	603 603 603 645	3,051 3,031	95  233	1,610 2,333 2,347 1,830	3,420 3,523 3,464 3,396	4,995 4,995 4,986 4,967
Outside New York City 1964																	
Nov. 4 11 18 25	124,110 122,234 124,202 123,146	48,584 48,499 47,926 48,626	71,987 70,071 72,079 70,945	52,495 51,519 52,324 51,943	5,072 4,768 4,437 4,817	536 518 510 507	2,597 2,032 3,677 3,595	9,649 9,651 9,500 8,617	52,123 52,163 52,123 52,201	35,579 35,630 35,647 35,672	11,078 11,070 10,984 11,012	4,182 4,166 4,168 4,184	1,092 1,107 1,129 1,136	267 357 103 105	2,242 2,049 2,272 2,246	3,558 3,677 3,742 3,749	11,279 11,298 11,280 11,265
1965					:											ļ	
Oct. 6 13 20 27	134,231 132,216	48,259 48,808 49,205 49,679	70,543 74,302 72,145 70,943	52,332 54,920 53,966 53,556	4,517 4,286 4,182 4,507	540 540 582 564	1,696 3,220 2,758 2,096	9,847 9,826 9,129 8,752	59,772 59,929 60,071 60,224	39,315 39,392 39,466 39,519	13,594 13,686 13,758 13,821	5,343 5,351 5,371 5,416	1,267 1,252 1,230 1,220	410 675 305 175	3,329 2,894 3,200 3,242	4,015 4,050 4,028 4,048	12,003 12,046 12,026 12,069
Nov 3	133,134 131,136 133,711	49,618   49,091	72,944 70,826 73,440 72,137	53,957 53,197 54,537 53,315	5,059 4,878 4,608 4,741	555 544 563 577	1,804 1,098 2,254 3,156	,	60,190 60,310 60,271		13,729 13,727 13,617	5,369 5,417 5,455	1,235 1,206 1,215	l 1	3,268 3,349 3,304	4,131 4,247 4,551 4,491	12,138 12,143 12,128 12,114

banks, international institutions, banks in foreign countries, and foreign branches of U.S. banks other than reporting bank.

8 Includes U.S. Govt., postal savings, domestic commercial interbank and mutual savings banks, not shown separately.

9 Includes certificates of deposit outstanding in following amounts (in millions of dollars):

	Nov. 3	Nov. 10	Nov. 17	Nov. 24
Total—Leading cities	16,250	16,374	16,372	16,610
New York City	6,801	6,899	6,863	7,023
Outside New York City	9.404	9,475	9,509	9,587

<sup>1</sup> After deduction of valuation reserves.
2 Exclusive of loans to domestic commercial banks and after deduction of valuation reserves; individual loan items are shown gross.
3 Excludes cash items in process of collection.
4 Total demand and total time deposits.
5 Demand deposits other than domestic commercial interbank and U.S. Govt., less cash items in process of collection.
6 Includes certified and officers' checks and deposits of mutual savings banks, not shown separately.
7 Deposits of foreign governments and official institutions, central

# COMMERCIAL AND INDUSTRIAL LOANS OF WEEKLY REPORTING MEMBER BANKS

(In millions of dollars)

		O	utstandin	g				N	et change	during-	_		
Industry			1965				1965		196	5	1964	1965	1964
	Nov. 24	Nov. 17	Nov. 10	Nov. 3	Oct. 27	Nov.	Oct.	Sept.	Ш	11	I	1st half	2nd half
Durable goods manufacturing: Primary metals	763 2,770 1,188 1,296 1,513	753 2,800 1,219 1,320 1,521	750 2,744 1,192 1,311 1,524	758 2,791 1,199 1,321 1,521	751 2,759 1,231 1,327 1,537	12 11 -43 -31 -24	-56 -18 -15 -67 -19	1 44 101 73 84	6 36 180 109 118	68 77 55 154 142	92 457 64 169 143	160 534 119 323 285	-99 12 47 -36 -9
Food, liquor, and tobacco Textiles, apparel, and leather Petroleum refining Chemicals and rubber Other nondurable goods	2,121 1,669 1,385 1,701 1,144	2,151 1,728 1,376 1,717 1,133	2,015 1,738 1,370 1,701 1,126	2,009 1,736 1,357 1,713 1,132	1,964 1,746 1,357 1,709 1,144	157 -77 28 -8	231 -120 24 15 -59	217 -11 44 58 29	103 172 102 -9 108	-191 176 23 109 106	179 248 166 190 97	-370 424 189 299 203	704 -295 -11 249 -63
Mining, including crude petroleum and natural gas.  Trade: Commodity dealers.  Other wholesale.  Retail.  Transportation communication, and	3,350 1,443 2,691 3,337	3,360 1,414 2,715 3,412	3,349 1,398 2,677 3,270	3,353 1,339 2,667 3,309	3,342 1,271 2,651 3,176	8 172 40 161	-9 170 74 21	24 60 30 169	1 62 44 -19	3 -370 144 267	218 -20 126 414	221 -390 270 681	435 545 156 -68
other public utilities	5,663 2,604	5,683 2,618	5,658 2,581	5,662 2,565	5,513 2,551	150 53	11 1	356 -7	333 29	520 257	-15 2	505 259	637 142
Bankers' acceptances	6,091 41,331	618 6,127 41,665	624 6,128 41,156	641 6,103 41,176	623 6,081 40,733	-21 10 598	-68 29 145	-102 -3 1,167	-191 94 1,278	94 136 1,770	-307 428 2,293	-213 564 4,063	235 355 2,936
Commercial and industrial loans— All weekly reporting banks	48,951			48,778		731	103		1,270	2,227	2,501	4,728	3,371

<sup>&</sup>lt;sup>1</sup> Beginning Dec. 31, 1963, bankers' acceptances for the creation of dollar exchange are excluded from commercial and industrial loans and those relating to commercial transactions are shown in a separate category. Current figures are therefore not strictly comparable with figures previously reported, but differences are relatively small.

Note.—About 200 of the weekly reporting member banks are included in this series; these banks classify, by industry, commercial and industrial loans amounting to about 85 per cent of such loans held by all weekly reporting member banks, and about 60 per cent of those held by all commercial banks.

# BANK RATES ON SHORT-TERM BUSINESS LOANS

(Per cent per annum)

Area and	Ali	(	Size o	f loan of dollar	s)	Area and	ΑΊ	(	Size o	of loan of dollar	s)
period	loans	1 10	10- 100	100- 200	200 and over	period	loans	1- 10	10- 100	100- 200	200 and over
Year: 19 large cities: 1956	5.0 5.2 5.0 5.0	5.2 5.5 5.8 6.0 5.9 5.9 5.9	4.8 5.1 5.5 5.5 5.5 5.5 5.5 5.6	4.4 4.8 4.6 5.2 5.4 5.2 5.2 5.2 5.3	4.0 4.5 4.1 4.9 5.0 4.8 4.8 4.8	Quarter—cont.:¹ New York City: 1964—Sept. Dec. 1965—Mar. June. Sept. 7 other northern and eastern cities: 1964—Sept. Dec. 1965—Mar. June. Sept. Sept.	4.72 4.77 4.74 4.74 4.76 5.01 5.03 5.00 5.01 5.03	5.64 5.59 5.62 5.65 5.88 5.84 5.88 5.88	5.40 5.35 5.36 5.39 5.37 5.56 5.58 5.55 5.58 5.62	5.01 5.08 5.10 5.07 5.13 5.25 5.31 5.26 5.32 5.32	4.61 4.62 4.62 4.62 4.64 4.86 4.88 4.85 4.85 4.87
19 large cities:  1964—Sept.  Dec.  1965—Mar.  June.  Sept.	4.98 5.00 4.97 4.99 5.00	5.86 5.85 5.89 5.88 5.90	5.57 5.56 5.56 5.59 5.60	5.23 5.31 5.26 5.29 5.32	4.79 4.82 4.78 4.79 4.80	11 southern and western cities: 1964—Sept. Dec. 1965—Mar. June. Sept.	5.31 5.31 5.27 5.31 5.31	5.95 5.96 6.02 6.00 6.02	5.67 5.67 5.68 5.71 5.73	5.36 5.46 5.36 5.42 5.45	5.09 5.06 4.99 5.06 5.03

<sup>1</sup> Based on new loans and renewals for first 15 days of month.

NOTE.—Weighted averages. For description see Mar. 1949 BULLETIN, pp. 228-37. Bank prime rate was 3 per cent Jan. 1, 1955—Aug. 3, 1955.

Changes thereafter occurred on the following dates (new levels shown in per cent): 1955—Aug. 4, 3½; Oct. 14, 3½; 1956—Apr. 13, 3½; Aug. 21, 4; 1957—Aug. 6, 4½; 1958—Jan. 22, 4; Apr. 21, 3½; Sept. 11, 4; 1959—May 18, 4½; Sept. 1, 5; 1960—Aug. 23, 4½; and 1965—Dec. 6, 5.

# MONEY MARKET RATES

(Per cent per annum)

					or come per						
		Finance				τ	J.S. Governi	nent securit	ies (taxable)	4	
Period	Prime coml. paper,	co. paper placed	Prime bankers' accept-	Federal funds	3-month	h bills <sup>5</sup>	6-mont	h bills <sup>5</sup>	9- to 12-m	onth issues	2
	4- to 6- months 1	directly, 3- to 6- months 2	ances, 90 days 1	rate <sup>3</sup>	Rate on new issue	Market yield	Rate on new issue	Market yield	Bills (market yield) 5	Other 6	3- to 5- year issues 7
1962 1963 1964	3.26 3.55 3.97	3.07 3.40 3.83	3.01 3.36 3.77	2.68 3.18 3.50	2.778 3.157 3.549	2.77 3.16 3.54	2.908 3.253 3.686	2.90 3.25 3.68	3.01 3.30 3.74	3.02 3.28 3.76	3.57 3.72 4.06
1964Nov Dec	4.02 4.17	3.89 3.98	3.79 4.00	3.52 3.85	3.624 3.856	3.64 3.84	3.794 3.971	3.81 3.94	3.86 3.96	3.88 3.96	4.04 4.07
1965—Jan	4.25 4.27 4.38 4.38 4.38 4.38 4.38 4.38 4.38 4.38	4.05 4.12 4.25 4.25 4.25 4.25 4.25 4.25 4.25 4.32 4.38	4.00 4.10 4.15 4.19 4.25 4.25 4.22 4.14 4.25 4.25 4.25	3.90 3.98 4.04 4.09 4.10 4.04 4.09 4.12 4.01 4.08 4.10	3.828 3.929 3.942 3.932 3.895 3.810 3.831 3.836 3.912 4.032 4.082	3.81 3.93 3.93 3.89 3.80 3.83 3.84 3.92 4.02 4.08	3.944 4.003 4.003 3.992 3.950 3.872 3.887 3.938 4.050 4.197 4.238	3.94 4.00 4.00 3.99 3.95 3.86 3.89 3.95 4.07 4.18 4.24	3.91 4.00 4.02 4.00 3.96 3.89 3.89 3.96 4.09 4.16 4.23	3.87 3.97 4.03 4.00 3.99 3.98 3.96 4.00 4.11 4.18 4.29	4.06 4.08 4.12 4.12 4.11 4.09 4.10 4.19 4.24 4.33 4.46
Week ending— 1965—Oct. 30 Nov. 6 13 20	4.38 4.38 4.38 4.38 4.38	4.38 4.38 4.38 4.38 4.38	4.25 4.25 4.25 4.25 4.25 4.25	4.00 4.13 4.04 4.13 4.11	4.040 4.082 4.045 4.097 4.104	4.05 4.07 4.06 4.09 4.11	4.192 4.219 4.221 4.259 4.253	4.19 4.22 4.23 4.25 4.25	4.16 4.22 4.24 4.23 4.24	4.21 4.25 4.28 4.28 4.31	4.37 4.44 4.48 4.46 4.45

# BOND AND STOCK YIELDS

(Per cent per annum)

	C	overnme	nt bonds	3			Corpora	te bonds				Stock	s
Period	United States		State and loca	ı	Total 1	By se rat	lected ing		By group		Divid price		Earnings/ price ratio
	(long- term)	Total <sup>1</sup>	Aaa	Baa	Total	Aaa	Baa	Indus- trial	Rail- road	Public utility	Pre- ferred	Com- mon	Com- mon
1962	3.95 4.00 4.15	3.30 3.28 3.28	3.03 3.06 3.09	3.67 3.58 3.54	74.62 4.50 4.57	4.33 4.26 4.40	5.02 4.86 4.83	4.47 4.42 4.52	4.86 4.65 4.67	4.51 4.41 4.53	4.50 4.30 4.32	3.37 3.17 3.01	6.06 5.68 5.54
1964—Nov Dec	4.12 4.14	3.27 3.23	3.08 3.01	3.52 3.51	4.58 4.58	4.43 4.44	4.81 4.81	4.53 4.54	4.67 4.68	4.53 4.54	4.25 4.23	2,96 3,05	5.36
1965—Jan. Feb. Mar. Apr. May. June. July Aug. Sept. Oct. Nov.	4.14 4.16 4.15 4.15 4.14 4.14 4.15 4.19 4.25 4.27 4.34	3.18 3.18 3.28 3.28 3.32 3.34 3.32 3.41 3.46 3.50	2.97 2.97 3.09 3.09 3.15 3.16 3.25 3.31 3.34	3.44 3.42 3.51 3.51 3.54 3.56 3.55 3.61 3.65 3.70	4.57 4.55 4.56 4.56 4.57 4.60 4.64 4.65 4.69 4.72 4.75	4.43 4.41 4.42 4.43 4.44 4.46 4.48 4.49 4.52 4.56 4.60	4.80 4.78 4.78 4.80 4.81 4.85 4.88 4.89 4.91 4.93 4.95	4.53 4.52 4.52 4.54 4.55 4.59 4.62 4.63 4.65 4.67 4.71	4.66 4.62 4.63 4.64 4.66 4.71 4.73 4.77 4.81 4.83	4.52 4.51 4.51 4.51 4.53 4.56 4.58 4.60 4.64 4.67 4.71	4.18 4.22 4.26 4.28 4.30 4.38 4.38 4.34 4.32 4.38 4.41	2.99 2.99 2.99 2.95 2.92 3.07 3.09 3.06 2.98 2.91 2.96	5.65
Week ending— 1965—Oct. 30  Nov. 6 13 20 27	4.29 4.34 4.35 4.34 4.34	3.47 3.47 3.47 3.52 3.52	3.32 3.32 3.32 3.36 3.37	3.67 3.67 3.67 3.73 3.74	4.72 4.73 4.75 4.75 4.77	4.57 4.58 4.60 4.61 4.61	4.93 4.93 4.95 4.96 4.97	4.67 4.68 4.70 4.71 4.72	4.81 4.82 4.83 4.83 4.84	4.68 4.69 4.71 4.71 4.73	4.37 4.39 4.42 4.41 4.41	2.88 2.91 2.98 2.96 3.00	
Number of issues	6-12	20	5	5	120	30	30	40	40	40	14	500	500

<sup>&</sup>lt;sup>1</sup> 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.

Note.—Annual yields are averages of monthly or quarterly data. Monthly and weekly yields are computed as follows: U.S. Govt. bonds: Averages of daily figures for bonds maturing or callable in 10 years or more. State and local govt. bonds: General obligations only, based on

Thurs, figures. Corp. bonds: Averages of daily figures. Both of these series are from Moody's Investors Service series.

Stocks: Standard and Poor's Corp. series. Dividend/price ratios are based on Wed, figures; earnings/price ratios are as of end of period. Preferred stock ratio is based on 8 median yields for a sample of non-callable issues—12 industrial and 2 public utility; common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

Averages of daily offering rates of dealers.
 Averages of daily rates, published by finance cos., for varying maturities in the 90-179 day range.
 Seven-day average for week ending Wed.
 Except for new bill issues, yields are averages computed from daily closing bid prices.

<sup>&</sup>lt;sup>5</sup> Bills quoted on bank discount rate basis.
<sup>6</sup> Certificates of indebtedness and selected note and bond issues.
<sup>7</sup> Selectechnote and bond issues.

# MORTGAGES: NEW HOMES

# SECURITY PRICES

	FHA- insured	C	onventio	nal first	mortgage	es		B,	ond price	10	(	Common (1941-4		ices	Vol-
Period	Yield (per cent)	Inter- est rate (per cent)	Fees, etc. (per cent)	Ma- tur- ity (yrs.)	Loan/ price ratio (per cent)	Avg. loan (thou. dollars)	Period	U.S. Govt. (long- term)	State and local	Corporate AAA	Total	In- dus- trial	Rail- road	Pub- lic util- ity	ume of trad- ing (thou. shares)
1961 1962 1963 1964	15.69 5.60 5.46 5.45	(5.98) (5.93) (5.81) 5.84 5.78	.64	24.0 24.8	73.3	16.3 17.3	1962 1963 1964 1964—Nov Dec.	86.94 86.31 84.46 84.81 84.65	112.1 111.3 111.5 112.0 112.6	96.2 96.8 95.1 95.2 95.3	62.38 69.87 81.37 85.44 83.96	65.54 73.39 86.19 90.36 88.71	30.56 37.58 45.46 48.01 45.75	59.16 64.99 69.91 74.39 74.24	3,818 4,573 4,888 4,928 4,729
1964—Oct Nov Dec 1965—Jan Feb Mar Apr May June July Sept Oct	5.45 5.45 5.45 5.45 5.45 5.45 5.45 5.44 5.44 5.46 5.46	5.75 5.75 5.76 5.79 5.72 5.74 5.76 5.76 5.76 5.75 5.75	.58 .55 .59 .61 .49 .51 .53 .49 .55 .50 .56	24.5 24.7 25.2 24.7 24.9 24.9 24.9 24.6 25.0 24.5 24.8	73.2 73.5 73.9 74.0 74.0 73.7 74.4 73.9 75.0 73.8 73.7 73.8	17.4 17.4 17.8 17.5 18.5 18.1 18.2 17.5 18.3 18.2 18.3	1965—Jan Feb Mar Apr May June July Aug Sept Oct Nov	84.56 84.40 84.48 84.53 84.57 84.51 84.00 83.27 82.97 82.22	114.0 113.3 112.0 112.2 111.9 110.8 110.8 111.0 109.3 108.4 107.7	95.5 95.5 95.2 95.0 94.7 94.3 93.9 93.5 92.8 92.7 92.3	86.12 86.75 86.83 87.97 89.28 85.04 84.91 86.49 89.38 91.39 92.15	91.04 91.64 91.75 93.08 94.69 90.19 89.92 91.68 94.93 97.20 98.06	46.79 46.76 46.98 46.63 45.53 42.52 43.31 46.13 46.96 48.46 50.18	75.87 77.04 76.92 77.24 77.50 74.12 74.61 76.69 76.80	5,457 5,910 5,427 5,673 5,510 5,828 4,056 4,962 7,403 7,809 <b>7</b> ,360
1 Last 6 m Note.—An on FHA-inst	mual dat ired mor	a are av tgages ai	e derive	d from v	veighted	averages	Oct. 30 Nov. 6 13 20 27	82.09	108.2 107.9 107.9 107.6 107.3	92.7 92.5 92.4 92.3 92.1	92.20 92.34 93.13 92.42 91.85	98.12 98.22 97.96 98.34 97.71	49.31 50.10 50.07 50.29 50.24	76.77 76.99 77.09 76.76 76.36	7,200 7,391 6,357 7,943 7,093

Note.—Annual data are averages of monthly figures. Yields on FHA-insured mortgages are derived from weighted averages of FHA field-office opinions on private secondary market prices for Sec. 203, 30-year mortgages, with the minimum down payment, a maximum permissible interest rate of 5½ per cent, and an assumed prepayment period of 15 years. Price data are reported as of the first of the succeeding month.

Conventional first mortgages, Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation beginning in late 1962; interest rate data for earlier years—in parentheses—are hased on estimates from Federal Housing Administration.

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 preceding table 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, Standard and Poor's index. Volume of trading, average daily trading in stocks on the N.Y. Stock Exchange for a 5½-hour trading day.

# STOCK MARKET CREDIT

(In millions of dollars)

				•						
			Customer c	redit			Brok	er and dealer	credit	
Month	Total	N. Y. Stoc	alances with k Exchange ured by—	brokers and d	o others than lealers for pur- carrying—		Money bo	rrowed on—		Cus- tomers
	securities other than U.S. Govt.	U.S.	Other	U.S.	Other	U.S.	(	Other securiti	es	net free credit bal-
		Govt. securities	securities	Govt. securities	securities	Govt. securities	Total	Customer collateral	Other collateral	ances
1961—Dec 1962—Dec 1963—Dec	5,602 5,494 7,242	35 24 26	4,259 4,125 5,515	125 97 140	1,343 1,369 1,727	48 35 32	2,954 2,785 4,449	2,572 2,434 3,852	382 351 597	1,219 1,216 1,210
1964—Nov Dec	7,108 7,053	20 21	5,160 5,079	64 72	1,948 1,974	184 222	3,951 3,910	3,469 3,393	482 517	1,131 1,169
1965—Jan Feb	7,001 7,085 7,084 6,833	33 31 30 30 26 26 24 22 22 22 23 23	4,986 5,007 5,055 5,066 5,129 5,114 4,863 4,886 4,994 5,073 5,209	70 76 129 67 75 73 69 68 88 88 95	1,954 1,865 1,886 1,935 1,956 1,970 1,970 1,988 2,042 2,044 2,095	177 132 106 213 157 225 82 145 86 150 134	3,763 3,748 3,894 3,853 4,030 4,211 3,594 3,626 3,522 3,403 3,527	3,317 3,259 3,303 3,326 3,397 3,396 3,099 3,108 2,978 2,882 2,930	446 489 591 527 633 815 495 518 544 521 597	1,207 1,254 1,264 1,207 1,208 1,297 1,233 1,192 1,369 1,475 1,479

Note.—Data in first 3 cols. and last col. are for end of month; in other

NOTE.—Data in first 3 cois, and last coi, are for end of month, in other cols, for last Wed.

Net debit balances and broker and dealer credit: Ledger balances of member firms of N.Y. Stock Exchange carrying margin accounts, as reported to Exchange. Customers' debit and free credit balances exclude balances maintained with reporting firm by other member firms of national securities exchanges and balances of reporting firm and of general part-

ners of reporting firm. Balances are net for each customer—i.e., all accounts of one customer are consolidated. Money borrowed includes borrowings from banks and from other lenders except member firms of national securities exchanges.

Bank loans to others than brokers and dealers: Figures are for weekly reporting member banks.

# COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

(In millions of dollars)

	Comm	nercial and	finance						Dolla	r accepta	nces				
	co	mpany par	per				Held	by					Based or	ı—	
End of period	Total	Placed through	Placed	Total	Acce	pting l	oanks		R. nks	Others	Im- ports	Ex- ports	Dollar	shipped	tored in or l between its in—
	dealers 1 ly 2  2,672 551 2,121 32,751 840 31,911 3 202 677 2,552	direct- ly <sup>2</sup>		Total	Own bills	Bills bought	Own acct.	For- eign corr.		into United States	from United States	ex- change	United States	Foreign countries	
1957 1958 1959 1960 1961 1962 1963			2,121 31,911 2,525 3,139 2,975 3,912 4,819	1,307 1,194 1,151 2,027 2,683 2,650 2,890	287 302 319 662 1,272 1,153 1,291	194 238 282 490 896 865 1,031	64 36 173 376	66 49 75 74 51 110 162	76 68 82 230 126 86 92	878 775 675 1,060 1,234 1,301 1,345	278 254 357 403 485 541 567	456 349 309 669 969 778 908	46 83 74 122 117 186 56	296 244 162 308 293 171 41	232 263 249 524 819 974 1,317
1964—Oct Nov Dec	9,343 9,146 8,361	2,431 2,438 2,223	6,912 6,708 6,138	3,222 3,217 3,385	1,400 1,458 1,671	1,164 1,195 1,301	236 263 370	81 63 94	126 125 122	1,614 1,570 1,498	647 657 667	935 955 999	106 102 111	34 40 43	1,500 1,463 1,565
1965—Jan	8,928 9,033 9,077 9,533 9,934 9,370 10,439 10,358 9,692 10,554	2,143 2,239 2,070 2,047 1,976 1,965 2,046 2,117 2,194 2,250	6,785 6,794 7,007 7,486 7,958 7,405 8,393 8,241 7,498 8,304	3,276 3,232 3,325 3,384 3,467 3,355 3,337 3,299 3,314 3,310	1,535 1,439 1,297 1,394 1,452 1,443 1,357 1,321 1,311 1,264	1,308 1,247 1,138 1,171 1,187 1,127 1,094 1,078 1,114 1,099	243 198	115 71 143 104 82 53 35 55 63 86	122 118 134 139 160 157 151 145 152 156	1,504 1,604 1,751 1,747 1,774 1,702 1,794 1,779 1,787 1,804	662 660 725 744 761 736 782 797 820 842	956 916 924 936 965 960 949 933 942 919	79 59 31 25 23 13 11 11 17 18	34 26 22 21 21 18 16 12 20	1,545 1,571 1,622 1,659 1,698 1,627 1,580 1,547 1,516

<sup>&</sup>lt;sup>1</sup> As reported by dealers; includes finance co. paper as well as other commercial paper sold in the open market.

<sup>2</sup> As reported by finance cos. that place their paper directly with investors.

# MUTUAL SAVINGS BANKS

(Amounts in millions of dollars)

	Lo	ans		Securities				Total assets—					
Ènd of period	Mort- gage	Other	U. S. Govt.	State and local	Corpo- rate and other 1	Cash	Other assets	Total liabili- ties and general	Deposits 2	Other liabili- ties	General reserve ac- counts	Mortga commit	ige Ioan ments <sup>3</sup>
				govt.				reserve accts.				Number	Amount
1941 1945	4,787 4,202	89 62	3,592 10,650	1,7 1,2	86 257	829 60 <b>6</b>	689 185	11,772 16,962	10,503 15,332	38 48	1,231 1,582		
1956	20 971	248 253 320 358 416	7,982 7,583 7,270 6,871 6,243	675 685 729 721 672	3,549 4,344 4,971 4,845 5,076	920 889 921 829 874	448 490 535 552 589	33,381 35,215 37,784 38,945 40,571	30,026 31,683 34,031 34,977 36,343	369 427 526 606 678	2,986 3,105 3,227 3,362 3,550	89,912 65,248 58,350	1,664 1,170 1,200
1961	28,902 32,056 36,007	475 602 607	6,160 6,107 5,863	667 527 440	5,040 5,177 5,074	937 956 912	640 695 799	42,829 46,121 49,702	38,277 41,336 44,606	781 828 943	3,771 3,957 4,153	61,855 114,985 104,326	1,654 2,548 2,549
1964—Sept Oct Nov Dec	39,146 39,538 39,898 40,328	739 727 760 739	6,082 5,849 5,785 5,791	409 403 399 391	5,193 5,178 5,180 5,099	883 898 905 1,004	887 889 898 886	53,339 53,482 53,825 54,238	47,757 47,982 48,188 48,849	1,200 1,146 1,223 989	4,414	134,277 139,066 136,470 135,992	2,736 2,825 2,811 2,820
1965—Jan	40,640 40,924 41,265 41,563 41,853 42,187 42,600 42,964 43,305	800 786 820 798 882 849 807 872 842	5,907 6,016 6,054 5,857 5,841 5,821 5,791 5,814 5,795	388 383 381 379 367 360 356 349 349	5,105 5,123 5,144 5,183 5,188 5,199 5,284 5,299 5,263	977 992 1,007 944 968 1,019 946 941 960	895 909 931 928 913 946 955 951 958	54,713 55,133 55,602 55,652 56,013 56,382 56,739 57,191 57,470	49,222 49,444 49,989 49,978 50,166 50,623 50,844 51,063 51,506	1,085 1,214 1,108 1,216 1,334 1,226 1,350 1,502 1,326	4,476 4,505 4,459 4,512 4,533 4,545 4,626	132,992 138,062 138,853 141,959 142,676 141,299 151,885 136,180 132,029	2,745 2,838 2,873 2,930 3,025 3,094 2,947 2,928 2,897

Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.
 See note 3, p. 1741.
 Commitments outstanding of banks in N.Y. State as reported to the Savings Bank Assn. of the State of N.Y.
 Data reflect consolidation of a large mutual savings bank with a commercial bank.

Note.—National Assn. of Mutual Savings Banks 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. Loans are shown net of valuation reserves.

<sup>&</sup>lt;sup>3</sup> Beginning with Nov. 1958, series includes all paper with maturity of 270 days or more. Figures on old basis for Dec. were (in millions): total \$2,739; placed directly \$1,899.

# LIFE INSURANCE COMPANIES

(In millions of dollars)

	Total	(	Governme	nt securiti	es	Bus	iness secu	ities		n 1	- I	0.1
End of period	assets	Total	United States	State and local	Foreign 1	Total	Bonds	Stocks	Mort- gages	Real estate	Policy loans	Other assets
Statement value: 1941	32,731 44,797	9,478 22,545	6,796 20,583	1,995	687 1,240	10,174 11,059	9,573 10,060	601 999	6,442 6,636	1,878 857	2,919 1,962	°1,840 °1,738
1959	113,650	11,581	6,868	3,200	1,513	49,666	45,105	4,561	39,197	3,651	4,618	4,937
	119,576	11,679	6,427	3,588	1,664	51,857	46,876	4,981	41,771	3,765	5,231	5,273
	126,816	11,896	6,134	3,888	1,874	55,294	49,036	6,258	44,203	4,007	5,733	°5,683
1962	133,291	12,448	6,170	4,026	2,252	57,576	51,274	6,302	46,902	4,107	6,234	6,024
	141,121	12,438	5,813	3,852	2,773	60,780	53,645	7,135	50,544	4,319	6,655	6,385
	149,470	12,322	5,594	3,774	2,954	63,579	55,641	7,938	55,152	4,528	7,140	6,749
Book value:	133,291	12,469	6,171	4,037	2,261	56,565	51,389	5,176	46,957	4,114	6,235	6,951
1962—Dec	141,121	12,464	5,813	3,868	2,783	59,434	53,770	5,664	50,596	4,325	6,656	7,646
1964—Sept. *	147,189	12,605	5,840	3,833	2,932	61,431	55,275	6,156	53,571	4,494	7,030	8,058
	147,977	12,555	5,769	3,866	2,920	61,722	55,487	6,235	53,984	4,499	7,060	8,157
	148,746	12,509	5,699	3,841	2,969	61,968	55,658	6,310	54,404	4,514	7,094	8,257
	149,318	12,274	5,511	3,808	2,955	62,087	55,697	6,390	55,179	4,521	7,133	8,124
1965—Jan. Feb. Mar. Apr. Apr. June July Aug. Sept.	150,392	12,518	5,724	3,821	2,973	62,484	56,024	6,460	55,626	4,534	7,162	8,068
	151,028	12,549	5,761	3,797	2,991	62,704	56,183	6,521	55,941	4,543	7,201	8,090
	151,663	12,337	5,557	3,787	2,993	63,008	56,399	6,609	56,343	4,568	7,258	8,149
	152,266	12,312	5,521	3,767	3,024	63,156	56,535	6,621	56,687	4,570	7,314	8,227
	152,918	12,268	5,490	3,754	3,024	63,525	56,851	6,674	56,997	4,580	7,359	8,189
	153,497	12,043	5,273	3,724	3,046	63,855	57,113	6,742	57,384	4,614	7,408	8,193
	154,418	12,018	5,311	3,652	3,055	64,356	57,608	6,748	57,663	4,640	7,464	8,277
	155,186	11,982	5,321	3,606	3,055	64,629	57,834	6,795	58,017	4,653	7,510	8,395
	156,040	11,897	5,259	3,584	3,054	64,899	57,944	6,955	58,411	4,677	7,552	8,604

<sup>&</sup>lt;sup>1</sup> Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

Note.—Institute of Life Insurance data; figures are estimates for all life insurance cos, in the United States.

Year-end figures: Annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Month-end figures: Book value of ledger assets. 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)

		Ass	sets		Total			Liabilities			
End of period	Mort- gages	U.S. Govt. securi- ties	Cash	Other 1	Total assets 2— Total liabilities	Savings capital	Reserves and undivided profits	Borrowed money <sup>3</sup>	Loans in process	Other	Mortgage loan commit- ments <sup>4</sup>
1941	4,578 5,376	107 2,420	344 450	775 356	6,049 8,747	4,682 7,365	475 644	256 336	63 40		
1958	45,627	3,819	2,585	3,108	55,139	47,976	3,845	1,444	1,161	713	1,475
1959	53,141	4,477	2,183	3,729	63,530	54,583	4,393	2,387	1,293	874	1,285
1960	60,070	4,595	2,680	4,131	71,476	62,142	4,983	2,197	1,186	968	1,359
1961	68,834	5,211	3,315	4,775	82,135	70,885	5,708	2,856	1,550	1,136	1,908
	78,770	5,563	3,926	5,346	93,605	80,236	6,520	3,629	1,999	1,221	2,230
	90,944	6,445	3,979	6,191	107,559	91,308	7,209	5,015	2,528	1,499	2,614
1964—Sept	98,995	6,781	3,411	6,757	115,944	98,558	7,552	5,069	2,396	2,369	2,912
Oct	99,832	6,823	3,434	6,828	116,917	99,309	7,564	5,033	2,314	2,697	2,897
Nov	100,519	6,965	3,520	7,054	118,058	100,168	7,580	5,003	2,244	3,063	2,822
Dec	101,314	6,973	4,025	6,983	119,295	101,847	7,903	5,596	2,221	1,728	2,589
1965—Jan	101,844	7,098	3,593	6,827	119,362	102,101	8,014	5,146	2,113	1,988	2,642
	102,351	7,305	3,609	6,964	120,229	102,680	8,029	5,040	2,085	2,395	2,843
	103,151	7,386	3,558	7,139	121,234	103,735	8,000	4,938	2,182	2,379	3,124
	103,975	7,356	3,398	7,293	122,022	103,642	8,017	5,456	2,281	2,626	3,281
	104,816	7,406	3,433	7,680	123,335	104,434	8,027	5,465	2,366	3,043	3,379
	105,827	7,235	3,710	7,694	124,466	106,037	8,314	5,887	2,441	1,787	3,266
	106,647	7,180	3,266	7,529	124,622	105,605	8,333	6,086	2,415	2,183	3,195
	107,490	7,167	3,308	7,615	125,580	106,159	8,345	6,099	2,364	2,613	3,124
	108,234	7,177	3,408	7,739	126,558	107,199	8,349	6,164	2,311	2,535	3,076

Note.—Federal Savings and Loan Insurance Corp. data; figures are estimates for all savings and loan assns, in the United States. Data beginning with 1954 are based on monthly reports of insured assns, and annual reports of noninsured assns. Data before 1954 are based entirely on annual reports. Data for current and preceding year are preliminary even when revised.

<sup>&</sup>lt;sup>1</sup> Includes other loans, stock in the Federal home loan banks, other investments, real estate owned and sold on contract, and office buildings and fixtures.

<sup>2</sup> Before 1958 mortgages are net of mortgage-pledged shares. Asset items will not add to total assets, which include gross mortgages with no deductions for mortgage-pledged shares. Beginning with Jan. 1958, no deduction is made for mortgage-pledged shares. These have declined consistently in recent years and amounted to \$42 million at the end of 1957.

<sup>3</sup> Consists of advances from FHLB and other borrowing.

<sup>4</sup> Commitments data comparable with those shown for mutual savings banks (on opposite page) would include loans in process.

# FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

	r				(III milli	ons or ac	шага)						···
				I	Derivation	of U.S	. Govern	ment cash t	ransaction	s 			
Posite 4	Rec	eipts fron		lic,	Pa		to the pu than debi		Not	]	Net cash b or repa	orrowing syment	
Period	Budget net	Plus: Trust funds	Less: Intra- govt.1	Equals: Total rects, 2	Budget	Plus: Trust funds <sup>3</sup>	Less: Adjus ments	t- Total	Net rects. or payts.	Change in debt (direct & agen.)	Less: Invest. by agen. & trusts	Less: Non- cash debt	Equals: Net
Cal. year—1962 1963 1964	84,709 87,516 88,696	25,471 29,255 30,742	3,928 4,144 4,324	106,206 112,575 115,035	91,907 94,188 96,944	25,38 28,34 28,39	8 5,3	13 117,222	-5,668 -4,647 -5,235	7.672	1,109 2,535 2,685	1,386 883 619	4,255
Fiscal year1962 1963 1964 1965°	81,409 86,376 89,459 93,044	24,290 27,689 30,331 31,055	3,776 4,281 4,190 4,302	101,865 109,739 115,530 119,685	87,787 92,642 97,684 96,518	25,14 26,54 28,88 29,62	5 5,4 5 6,2	66 107,662 36 113,751 37 120,332 76 122,369	-4,802	7,733	492 2,069 2,775 2,362	923 1,033 1,099 267	9,594 5,579 3,859 4,304
Haif year: 1963—July-Dec 1964—JanJune July-Dec 1965—JanJune <sup>p</sup>	40,266 49,193 39,503 53,541	13,404 16,927 13,815 17,240	1,792 2,398 1,926 2,376	51,847 63,683 51,352 68,333	48,832 48,852 48,092 48,426	14,07 14,32	3 4,10	65 58,760 04 61,510	$\begin{bmatrix} 4,923 \\ -10,158 \end{bmatrix}$	6,486	-403 3,178 -493 2,855	714 385 234 33	4,824 -965 6,744 -2,440
Month: 1964—Oct Nov Dec	3,398 7,037 8,856	1,224 2,928 1,966	271 240 557	74,340 9,716 10,256	8,329 7,051 8,770	2,28 2-19 2,56	1 -1:	98 10,317 56 9,398 53 10,882	318		-1,360 691 -550	16 153 —122	71,438 2,132 -13
1965—Jan Feb Mar Apr May June* July. Aug Sept Oct	5,642 7,518 11,188 8,549 7,268 13,377 3,807 7,350 10,999 3,295	1,016 3,746 2,175 2,201 4,885 3,217 1,417 4,572 1,954 1,262	262 27 285 244 284 1,274 233 314 328 238	6,387 11,227 13,065 10,492 11,857 15,306 4,981 11,595 12,599 4,283	7,676 7,146 8,139 8,268 8,116 9,081 7,240 8,990 9,452 8,750	2,06 2,94 2,32 3,57 2,41 2,34	3 -2° 4 6° 9 7° 3 -1° 9 1,1° 8 - 9 -9° 2 1.5°	37 9,566 41 10,476 28 10,567 25 11,535 37 9,696 60 12,299	1,621 3,499 16 1,290 3,771 -4,714 -705 1,509	-891 3,119 -1,566 -667 2,131	-1,537 1,353 292 -1,471 3,597 621 -1,045 2,515 -1,210 -1,308	110 60 -43 57 -151  50  46 125	1,187 471 -2,108 523 -327 -2,187 318 -383 -378 3,370
					Effects	of opera	tions on	Treasurer's	account				
	Net op	erating tra	ansaction	s No	t financin	ig transa	ctions	Chan cash ba			Treasurer (end of	's account period)	:
Period				Age	ncies & t	rusts	Change				Operat	ing bal.	
	Budget surplus or deficit	Trust funds <sup>3</sup>	Cleari		nce in	vest. U.S. ovt. ec.3	in gross direct public debt	Held outside Treasury	Treas- urer's account	Balance	F.R. banks	Tax and loan accts.	Other net assets
Fiscal year—1962 1963 1964 1965	-8,226	-851 1,143 1,446 1,428	3   1	22   1, 48   1,	022   -2 880   -2	-492 2,069 2,775 2,362	9,230 7,659 5,853 5, <b>5</b> 61	118 -74 206 158	3,736 1,686 -1,080 1,575	10,430 12,116 11,036 12,610	612 806 939 672	8,815 10,324 9,180 10,689	1,003 986 917 1,249
Haif year: 1963—July-Dec 1964—JanJune July-Dec 1965—JanJune <sup>p</sup>		-1,408 2,854 -507 1,935	$\begin{bmatrix} 1 & 1,3 \\ 7 & -1,2 \end{bmatrix}$	81 56	258	403 3,178 493 2,855	3,487 2,366 6,228 -667	-129 334 367 209	-4,741 3,661 -3,741 5,316	7,375 11,036 7,295 12,610	880 939 820 672	5,621 9,180 5,377 10,689	874 917 1,098 1,249
Month: 1964—Oct Nov Dec	-15	-1,062 737 -599	7   -5		67 1 125 139	1,360 -691 550	26 2,851 -546	-30 46 178	-4,498 2,412 -809	5,691 8,104 7,295	687 974 820	4,155 6,182 5,377	849 948 1,098
1965—Jan. Feb. Mar. Apr. May. June <sup>b</sup> . July. Aug. Sept. Oct.	372 3,049 280 -848 4,296	-1,191 1,563 110 -748 2,562 -1,001 -2,223 -1,189 -1,186	$ \begin{array}{c cccc} 3 & -3 & 3 & 4 \\ 2 & -2 & -1 & -3 & -1,2 \\ 3 & -1,2 & -1,1 & -1,1 \end{array} $	64 96 39 61 50 20 73	-16	1,471 3,597 -621 -,045 2,515	1,900 -2,186 -1,140 2,661 -1,944 -692 1,658 -1,493 2,154	25 -95 116 447 -504 -197 -263 -215 148 24	-1,550 2,197 1,289 105 1,480 1,795 -4,124 -858 1,010 -2,852	5,745 7,942 9,231 9,336 10,816 12,610 8,486 7,627 8,637 5,786	914 988 867 944 875 672 947 916 1,053	3,612 5,800 7,271 6,934 8,822 10,689 6,333 5,548 6,394 3,534	1,219 1,154 1,093 1,458 1,119 1,249 1,206 1,163 1,241 1,199

<sup>1</sup> Primarily interest payments by Treasury to trust accounts and accumulations to U.S. employee trust funds.
2 Includes small adjustments not shown separately.
3 Includes net transactions of Govt.-sponsored enterprises.
4 Primarily (1) intragovt. transactions, (2) noncash debt, (3) clearing accounts.
5 Includes technical adjustments not allocated by functions.

Note.-Based on Treasuty Dept. and Bureau of the Budget data.

<sup>6</sup> Yearly totals for fiscal 1962-65 and all monthly figures reflect a shift of the Food for Peace program from agriculture to international affairs. Half-yearly totals before fiscal 1965 have not been adjusted for this reclassification.

# FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

						c	ash receij	ots from	the publi	ic	·				
		I	ncome ta	xes	1	Excise tax	es	Soc	al ins. ta	ixes					
Period	Total	Indi	vidual			Liquor	Trials		OASI	***	Estate and	Cus-	Int. and repay-	Re- funds	Other
	<u> </u>	With- held	Other	Corp.	Total	and to- bacco	High- way	Total	and R.R.	Un- empl.	gift		ments		
Fiscal year—1962 1963 1964 1965».		36,246 38,719 39,259 36,830	14,403 14,269 15,331 16,820	21,296 22,336 24,301 26,130	12,752 13,410 13,950 14,798	5,367 5,521 5,630 5,921	3,080 3,405 3,646 3,782	17,032 19,729 21,936 22,140	13,197 15,128 17,405 17,833	3,334 4,107 4,037 3,816	2,035 2,187 2,416 2,744	1,171 1,241 1,284 1,478	1,358 1,815 1,702 2,094	6,266 6,571 7,148 6,028	1,838 2,604 2,499 2,679
Half year: 1963—July-Dec 1964—JanJune. July-Dec 1965—JanJune	51,352	19 130	3,465 11,866 3,598 13,223	9,242 15,059 9,989 16,142	7,043 6,907 7,398 7,400	2,940 2,690 3,089 2,832	1,898 1,748 1,947 1,786	9,209 12,727 9,378 12,759	7,373 10,032 7,535 10,297	1,588 2,449 1,594 2,221	992 1,424 1,170 1,574	661 623 729 749	943 759 900 1,193	1,044 6,104 1,008 5,021	1,216 1,283 1,466 1,217
Month: 1964—Oct Nov Dec	. 9,716	4,956	112	572 449 3,953	1,176 1,244 1,257	n.a. n.a. 555	298 336 280	r640 2,238 885	478 1,766 778	121 435 65	205 168 192	126 124 125	130 220 152	176 100 90	7245 305 383
1965—Jan	. 11,227 . 13,065 . 10,492 . 11,857 . 15,306 . 4,981 . 11,595 . 12,599	5,302 3,201 1,091 5,371 2,946 1,299 5,371 2,995	872 928 5,852 696 2,369 362 164 2,427	607 473 6,759 1,187 520 6,596 727 482 4,236 625	1,045 1,214 1,303 1,150 1,325 1,363 1,221 1,305 1,162 983	384 360 573 461 489 565 462 n.a. n.a.	296 340 286 271 296 347 333 421 334 313	508 3,369 1,580 1,570 4,211 1,521 773 3,808 1,200 610	305 2,537 1,453 1,309 3,285 1,408 631 2,922 1,118 465	161 797 81 221 888 73 94 847 43	183 213 308 370 283 217 232 212 193 213	76 106 155 139 128 145 137 145 159 153	155 173 249 214 205 197 198 181 196 202	107 653 1,582 1,286 1,071 322 223 225 186 206	233 158 158 205 189 274 255 146 217 196
	<u>.</u>				<u> </u>	<u>'</u>	Cash pay	ments to	the pub	lic			<u>'</u>		
Period	Tota	al 5 tic	nal le- ai	Foire 6	Space re- search	Agri- culture 6	Nat- ural re- sources	Com- merce and transp.	Housing & cor devel	n. labo	r& Eu	uca- on	Vet- erans	Inter- est	Gen- eral Govt.
1964	107, 113, 120, 122,	751   53 132   54	429 514	3,976 3,805 3,492 1,622	1,257 2,552 4,171 5,094	4,458 5,703 5,846 5,413	2,223 2,456 2,595 2,723	5,487 5,777 6,545 7,420	1.67	8   25,0 4   27,2	598   1, 285   1,	214 299	6,092 5,971 6,107 6,087	6,940 7,427 8,011 8,684	1.837 1,953 2,221 2,348
Half year: 1963—July-Dec	61,	72 26	359	,031	1,857	4,302	1,455	3,657	1,85	0 13,1	62	563	2,956	3,481	1,052
1964—Jan,-June, July-Dec, . 1965—Jan,-June	61	10   24	158 569 198	962 ,818 2,804	2,313 2,333 2,761	3,038 3,642 1,777	1,139 1,543 1,176	2,890 4,288 3,133	- 17 51 34	6   13,7	22	639	3,150 2,943 3,143	4,170 4,258 4,426	1,168 1,138 1,209
Month: 1964—Oct Nov Dec	10,1 9,1 10,1	98 4.	301 052 512	448 -53 562	387 406 435	694 220 516	244 229 255	779 657 651	-4 -19 46	3 2,2	261 199 107	94 90 122	505 398 529	436 1,337 430	200 164 218
1965—Jan Feb Mar Apr May June <sup>p</sup> . July Sept Oct	9,6 10,2 10,3 11,5 12,2	06 3 66 4 76 4 67 4 35 5 96 3 99 4	018 885 583 384 282 046 855 393 610 538	439 311 86 609 734 625 48 346 346 456	407 423 461 529 433 508 427 482 489 449	210 288 386 370 163 360 543 1,066 639 476	164 166 203 185 179 279 264 319 281 269	539 465 472 449 489 719 586 611 748 646	-12 -9 56 6 11 28	66 2,4 9 2,3 5 2,4 8 2,4 11 2,4 17 2,3 14 3,4	123 119 148 139 1609 165 187	118 122 146 142 141 182 73 118 171 90	658 497 501 488 486 513 250 496 513 520	315 1,353 446 450 1,326 536 325 1,645 365 375	202 172 197 195 219 224 212 189 214 201
1	963		1964		T	196:	5	1963			1964			1965	
Item	IV	I I	I 11	ı Iv	v 1	IIP	III	IV	I	п	III	IV	I	IIP	III
			Seaso	nally adj	usted					N	ot seasor	nally adj	justed		
		2.5 25	3.7 21	3.2 28	3.7 29 3.8 30		7 30. 3 32.		30.3 5 28.7	33.4 30.1	27.0 30.9	24.: 30.	3 30.7 6 28.3	37.7 32.6	29.2 33.1
Net	9 -1	.1 -1	.1 -2	2.0 -1	.1 -	.2 .	5 -1.	8 -6.	1.6	3.3	-3.9	-6.	3 2.4	5.1	-3.9

For notes, see opposite page.

# TOTAL DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period		<b>Í</b>	Public issues <sup>3</sup>										
	Total gross	gross		Marketable						Nonmarketable		Special	
	debt 1		Total	Total	Bills	Certifi- cates	Notes	Bonds 4	vert- ible bonds	Total 5	Sav- ings bonds	issues 6	
1941—Dec	64.3 278.7 257.0	57.9 278.1 256.9	50.5 255.7 225.3	41.6 198.8 165.8	2.0 17.0 15.1	38.2 21.2	6.0 23.0 11.4	33.6 120.6 118.0		8.9 56.9 59.5	6.1 48.2 52.1	7.0 20.0 29.0	
1957—Dec. 1958—Dec. 1959—Dec. 1960—Dec. 1961—Dec. 1962—Dec. 1963—Dec.	. 283.0 290.9 290.4 296.5 304.0	274.9 282.9 290.8 290.2 296.2 303.5 309.3	227.1 236.0 244.2 242.5 249.2 255.8 261.6	164.2 175.6 188.3 189.0 196.0 203.0 207.6	26.9 29.7 39.6 39.4 43.4 48.3 51.5	34.6 36.4 19.7 18.4 5.5 22.7 10.9	20.7 26.1 44.2 51.3 71.5 53.7 58.7	82.1 83.4 84.8 79.8 75.5 78.4 86.4	9.5 8.3 7.1 5.7 4.6 4.0 3.2	53.4 52.1 48.9 47.8 48.6 48.8 50.7	52.5 51.2 48.2 47.2 47.5 47.5 48.8	45.8 44.8 43.5 44.3 43.5 43.4 43.7	
1964—Nov Dec	. 319.3 . 318.7	318.5 317.9	267.4 267.5	212.4 212.5	56.5 56.5		58.9 59.0	97.0 97.0	3.1 3.0	51.9 52.0	49.7 49.7	46.7 46.1	
1965—Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov.	. 320.6 . 318.4 . 317.2 . 319.8 . 317.1 . 318.7 . 317.3 . 319.4	318.0 319.9 317.7 316.6 319.2 317.3 316.5 318.2 316.7 318.9 321.7	269.4 270.0 267.7 267.8 266.3 264.5 264.4 264.1 264.3 267.6 270.3	214.4 214.9 212.5 212.5 211.0 208.7 208.7 208.4 208.4 212.1 214.6	58.4 58.8 56.5 56.9 55.9 53.7 53.7 53.7 57.7 60.2		53.2 55.5 55.5 55.1 52.5 52.5 52.5 50.4 50.4 50.2	102.8 100.6 100.5 100.5 102.5 102.5 104.3 104.3 104.3	3.0 3.0 2.9 2.9 2.9 2.9 2.9 2.9 2.9 2.8 2.8	52.1 52.1 52.2 52.5 52.5 52.9 52.9 52.8 53.0 52.7 52.9	49.8 49.9 49.9 50.0 50.0 50.1 50.2 50.2 50.3 50.3	44.2 45.6 45.7 44.4 47.8 48.6 47.8 49.8 48.1 47.0 47.1	

Includes noninterest-bearing debt (of which \$281 million, on Nov. 30, 1965, was not subject to statutory debt limitation) and guaranteed securities not shown separately.

2 Excludes guaranteed securities.

3 Includes amounts held by U.S. Govt. agencies and trust funds, which totaled \$15,298 million on Oct. 31, 1965.

4 Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

NOTE.—Based on Daily Statement of U.S. Treasury,

# OWNERSHIP OF DIRECT AND FULLY GUARANTEED SECURITIES

(Par value in billions of dollars)

		Held by—		Held by the public										
End of gros	Total gross debt	U. S. Govt. agencies	F. R.	Total	Com- mercial banks	Mutual savings	Insur- ance com- panies	Other corpo- rations	State and local govts.	Individuals		Foreign and	Other misc.	
		and trust funds <sup>1</sup>	banks			banks				Savings bonds	Other securities	inter- national <sup>2</sup>	inves- tors <sup>3</sup>	
1941—Dec 1945—Dec 1947—Dec	64.3 278.7 257.0	9.5 27.0 34.4	2.3 24.3 22.6	52.5 227.4 200.1	21.4 90.8 68.7	3.7 10.7 12.0	8.2 24.0 23.9	4.0 22.2 14.1	.7 6.5 7.3	5.4 42.9 46.2	8.2 21.2 19.4	.4 2.4 2.7	.5 6.6 5.7	
1957—Dec	275,0 283,0 290,9 290,4 296,5 304,0 310,1	55.2 54.4 53.7 55.1 54.5 55.6 58.0	24.2 26.3 26.6 27.4 28.9 30.8 33.6	195.5 202.3 210.6 207.9 213.1 217.6 218.5	59.5 67.5 60.3 62.1 67.2 67.2 64.3	7.6 7.3 6.9 6.3 6.1 6.1 5.8	12.5 12.7 12.5 11.9 11.4 11.5 11.3	17.7 18.1 21.4 18.7 18.5 18.6 18.7	16.6 16.5 18.0 18.7 19.0 20.1 21.1	48.2 47.7 45.9 45.7 46.4 46.9 48.1	16.7 16.0 23.5 20.5 19.5 19.2 20.1	7.6 7.7 12.0 13.0 13.4 15.3 15.9	9.0 8.9 10.1 11.2 11.6 12.7 13.3	
1964—Oct Nov Dec	316.5 319.3 318.7	60.5 61.2 60.6	35.7 36.8 37.0	220.2 221.4 221.1	62.2 63.6 64.0	5.8 5.7 5.7	11.2 11.2 11.1	18.7 18.5 17.9	21.9 21.6 21.1	48.8 48.9 48.9	21.0 20.8 21.2	16.3 16.4 16.7	14.4 14.6 14.5	
1965—JanFebMarAprMayJulyAugSeptOct	318.6 320.6 318.4 317.2 319.8 317.1 318.7 317.1 319.4	59.1 60.4 60.7 59.2 62.7 63.4 62.3 64.8 63.6 62.3	36.7 36.9 37.6 37.8 38.7 39.1 39.2 39.0 39.8 39.7	222.8 223.3 220.2 220.3 218.5 215.4 215.6 214.9 213.9 217.5	62.8 61.6 60.3 59.5 58.1 57.9 57.0 56.2 57.2	5.8 5.9 6.0 5.8 5.8 5.7 5.7 5.7	11.3 11.2 11.1 11.0 10.9 10.6 10.6 10.6 10.5	18.6 19.0 17.2 17.3 18.1 15.9 17.1 17.3 16.2 16.9	22.0 22.7 22.8 24.0 24.0 23.6 23.5 23.2 22.7	49.0 49.1 49.2 49.2 49.2 49.3 49.4 49.4 49.4	21.8 22.2 22.8 22.2 21.9 22.1 22.0 22.1 22.2	16.5 16.6 16.0 15.8 15.7 15.7 15.8 716.3	15.0 14.8 14.8 15.3 14.4 14.8 14.6 14.7 r14.0 14.5	

<sup>&</sup>lt;sup>5</sup> Includes (not shown separately): depositary bonds, adjusted service bonds, foreign currency series, foreign series, and Rural Electrification Administration bonds; before 1954, armed forces leave bonds; before 1956, tax and savings notes; and before Oct. 1965, Series A investment bonds.
6 Held only by U.S. Govt. agencies and trust funds.

<sup>&</sup>lt;sup>1</sup> Includes the Postal Savings System,
<sup>2</sup> Includes investments of foreign balances and international accounts in the United States.

<sup>&</sup>lt;sup>3</sup> Includes savings and loan assns., dealers and brokers, nonprofit institutions, and corp. pension funds.

Note.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

# OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value in millions of dollars)

	<u> </u>	ļ ,	Within 1 yea	r	1.5	5.10	10.20	Over	
Type of holder and date	Total	Total	Bills	Other	1-5 years	5-10 years	10-20 years	20 years	
All holders:  1962—Dec. 31  1963—Dec. 31  1964—Dec. 31  1965—Sept. 30  Oct. 31	203,011	87,284	48,250	39,034	61,640	33,983	4,565	15,539	
	207,571	89,403	51,539	37,864	58,487	35,682	8,357	15,642	
	212,454	88,451	56,476	31,974	64,007	36,421	6,108	17,467	
	208,381	92,444	53,655	38,789	55,264	35,027	8,447	17,199	
	212,097	96,491	57,660	38,831	54,952	35,024	8,446	17,184	
U.S Govt. agencies and trust funds:  1962—Dec. 31	9,638	1,591	865	726	1,425	2,731	1,309	2,583	
	11,889	1,844	1,366	478	1,910	3,021	2,178	2,936	
	12,146	1,731	1,308	424	2,422	3,147	1,563	3,282	
	13,197	1,530	1,130	400	2,788	3,344	2,069	3,466	
	13,077	1,407	1,007	400	2,785	3,348	2,070	3,466	
Federal Reserve Banks: 1962—Dec. 31. 1963—Dec. 31. 1964—Dec. 31. 1965—Sept. 30. Oct. 31.	30,820	17,741	2,723	15,018	10,834	2,094	68	83	
	33,593	22,580	4,146	18,434	8,658	2,136	88	131	
	37,044	21,388	6,487	14,901	13,564	1,797	58	237	
	39,774	29,456	8,396	21,060	8,484	1,449	147	238	
	39,657	29,339	8,279	21,060	8,484	1,449	147	238	
Held by public:  1962—Dec. 31.  1963—Dec. 31.  1964—Dec. 31.  1965—Sept. 30.  Oct. 31.	162,553	67,952	44,662	23,290	49,381	29.158	3,188	12,873	
	162,089	64,979	46,027	18,952	47,919	30.525	6,091	12,575	
	163,264	65,331	48,682	16,650	48,021	31.477	4,487	13,948	
	155,410	61,458	44,129	17,329	43,992	30.234	6,231	13,495	
	159,363	65,745	48,374	17,371	43,683	30,227	6,229	13,480	
Commercial banks: 1962—Dec. 31. 1963—Dec. 31. 1964—Dec. 31. 1965—Sept. 30. Oct. 31.	58,004	19,885	9,838	10,047	26,348	11,163	191	417	
	54,881	16,703	9,290	7,413	26,107	11,075	533	463	
	53,752	18,509	10,969	7,540	23,507	11,049	187	501	
	47,674	14,976	6,814	8,162	20,245	11,463	326	664	
	49,462	16,893	8,786	8,107	20,131	11,462	322	654	
Mutual savings banks:  1962—Dec. 31.  1963—Dec. 31.  1964—Dec. 31.  1965—Sept. 30.  Oct. 31.	5,793	635	252	383	1,337	2,210	306	1,305	
	5,502	690	268	422	1,211	2,009	377	1,215	
	5,434	608	344	263	1,536	1,765	260	1,266	
	5,509	933	610	323	1,435	1,612	348	1,181	
	5,316	815	486	329	1,414	1,600	339	1,148	
Insurance companies: 1962—Dec. 31. 1963—Dec. 31. 1964—Dec. 31. 1965—Sept. 30. Oct. 31.	9,265	1,259	552	707	2,175	2,223	718	2,890	
	9,254	1,181	549	632	2,044	2,303	939	2,787	
	9,160	1,002	480	522	2,045	2,406	818	2,890	
	8,834	784	416	368	2,038	2,185	1,117	2,710	
	8,853	825	461	364	2,042	2,169	1,114	2,703	
Nonfinancial corporations: 1962—Dec. 31. 1963—Dec. 31. 1964—Dec. 31. 1965—Sept. 30. Oct. 31.	10,750	9,063	6,551	2,512	1,524	149	5	9	
	10,427	7,671	6,178	1,493	2,397	290	9	60	
	9,136	6,748	5,043	1,705	2,001	272	3	112	
	7,394	5,190	3,955	1,235	1,853	233	43	76	
	7,792	5,694	4,412	1,282	1,746	235	37	80	
Savings and loan associations: 1962—Dec. 31. 1963—Dec. 31. 1964—Dec. 31. 1965—Sept. 30. Oct. 31.	2,862	437	254	183	817	1,030	105	473	
	3,253	378	236	142	919	1,202	253	501	
	3,418	490	343	148	1,055	1,297	129	447	
	3,516	439	279	160	977	1,388	250	462	
	3,597	504	343	161	985	1,393	251	465	
State and local governments:         1962—Dec. 31       1963—Dec. 31         1964—Dec. 31       1964—Dec. 31         Oct. 31       Oct. 31	11,716	4,447	3,282	1,165	1,059	1,505	688	4,017	
	12,453	4,637	3,869	768	941	1,502	1,591	3,782	
	15,022	4,863	3,961	902	2,014	2,010	1,454	4,680	
	15,912	5,730	4,815	915	1,940	1,841	1,996	4,405	
	16,119	5,873	4,959	914	1,980	1,857	1,997	4,411	
All others:  1962—Dec. 31.  1963—Dec. 31.  1964—Dec. 31.  1965—Sept. 30.  Oct. 31.	64,162	32,227	23,935	8,292	16,121	10,877	1,175	3,761	
	66,320	33,719	25,637	8,082	14,301	12,144	2,389	3,767	
	67,341	33,111	27,542	5,570	15,863	12,678	1,637	4,052	
	66.571	33,407	27,239	6,168	15,503	11,513	2,150	3,997	
	68,224	35,140	28,927	6,213	15,384	11,511	2,169	4,020	

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 for other groups are based on Treasury Survey data. Of total marketable issues held by groups, the proportion held on latest date by those reporting in the Survey and the number of owners surveyed were: (1) about 90 per cent by the 5,960 commercial banks, 501 mutual savings

banks, and 770 insurance cos. combined; (2) about 50 per cent by the 469 nonfinancial corps, and 488 savings and loan assns.; and (3) about 70 per cent by 507 State and local govts.

Holdings of "all others," a residual, include holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

# DEALER TRANSACTIONS

(Par value, in millions of dollars)

	U.S. Government securities										
		By maturity				By type of customer					
Period	Total		l-5 years	5-10 years	Over 10 years	Dealers and brokers				U.S. Govt agency securities	
	70	Within 1 year				U.S. Govt. securities	Other	Com- mercial banks	All other		
1964—Oct	1,749 1,864 2,052	1,476 1,426 1,596	141 271 261	92 127 146	41 40 49	529 533 615	25 28 38	719 805 835	475 499 564	114 131 85	
1965—Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct.	2,405 1,814 1,690 1,769 1,670 1,519 1,519 1,488 1,548 1,928	1,763 1,434 1,369 1,467 1,379 1,453 1,284 1,172 1,297 1,715	307 219 184 172 151 200 125 183 140 123	177 91 83 91 108 103 82 91 70 64	158 69 53 38 32 31 28 43 41 26	689 516 523 562 448 584 452 465 458 596	44 29 24 38 33 45 37 39 32 36	1,036 750 672 708 698 696 615 568 604 834	637 518 471 460 491 462 415 417 453 461	93 101 108 155 143 204 152 140 139 149	
Week ending-											
1965—Oct. 6	2,111 2,363 1,807 1,613	1,853 2,118 1,585 1,447	159 134 126 86	73 82 73 51	26 29 22 29	642 696 583 589	42 42 35 31	925 1,142 741 629	502 483 449 365	176 190 147 122	
Nov. 3	2,136 1,981 2,111 2,224	1,890 1,587 1,614 1,891	166 285 346 204	53 73 110 99	26 37 41 31	518 621 634 581	39 63 48 41	848 737 932 1,025	731 560 497 578	100 144 163 155	

Note.—The transactions data combined market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of N.Y. 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 securi-

ties under repurchase agreements, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

# DEALER POSITIONS

(Par value, in millions of dollars)

	U.S. Gove	U.S. Govt.				
Period	All	Within	1-5	Over	agency	
	maturities	1 year	years	5 years	securities	
1964—Oct	3,358	2,966	231	160	262	
Nov	3,692	3,073	479	140	313	
Dec	3,252	2,675	419	159	282	
1965—Jan	3,812 3,420 3,034 3,471 3,398 3,651 4,180 3,548 2,858 2,562	2,882 2,688 2,590 3,118 2,508 2,838 2,472 2,907 2,622 2,381	196 163 112 115 149 115 100 222 75 68	734 569 332 238 741 697 609 419 161	246 237 268 327 378 509 446 368 292 286	
Week ending-						
1965—Sept. 1	3,538	3,092	158	289	301	
8	3,012	2,717	99	197	289	
15	3,053	2,819	76	159	283	
22	3,051	2,839	56	157	289	
29	2,498	2,304	70	125	308	
Oct. 6	1,514	1,346	64	105	294	
13	2,667	2,463	91	114	312	
20	2,845	2,656	73	116	285	
27	2,944	2,776	53	115	276	

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.

# DEALER FINANCING

(In millions of dollars)

		Commerc	ial banks		All other	
Period	All sources	New York City	Else- where	Corpora- tions 1		
1964—Oct	3,299	845	835	1,258	361	
Nov	3,706	1,020	963	1,192	531	
Dec	3,399	1,029	781	1,056	533	
1965— Jan	4,354	1,323	1,229	1,206	596	
	3,495	856	902	1,278	459	
	3,181	626	807	1,350	398	
	3,594	918	885	1,369	422	
	3,635	765	828	1,327	716	
	4,094	1,251	776	1,457	609	
	4,459	1,293	1,009	1,468	688	
	3,815	967	650	1,584	613	
	3,050	807	643	1,284	316	
	2,579	823	605	871	279	
Week ending-						
1965—Sept. 1	3,619	1,036	587	1,666	330	
8	3,173	582	487	1,698	405	
15	3,160	846	570	1,469	275	
22	3,264	955	876	1,118	315	
29	2,627	805	647	873	302	
Oct. 6	1,801	428	377	806	189	
13	2,243	684	527	796	236	
20	3,041	999	889	784	370	
27	2,913	1,069	588	962	294	

<sup>&</sup>lt;sup>1</sup> All business corps. except commercial banks and insurance cos.

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 opposite table on this page.

## U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE, NOVEMBER 30, 1965

(In millions of dollars)

Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount
Treasury bills Dec. 2, 1965		Treasury bills—Cont.  May 5, 1966  May 12, 1966	1,000 1,000	Treasury notes—Cont. Apr. 1, 19681½ Oct. 1, 19681½	212 115	Treasury bonds—Cont. Aug. 15, 19704 Aug. 15, 19714	4,129 2,806
Dec. 9, 1965 Dec. 16, 1965 Dec. 23, 1965	2,203	May 19, 1966 May 26, 1966	1,001	Apr. 1, 19691½ Oct. 1, 19691½	61 159	Nov. 15, 1971378 Feb. 15, 19724	2,760 2,344
Dec. 30, 1965 Dec. 31, 1965	2,200	May 31, 1966 June 22, 1966	1,001	Apr. 1, 19701½ Oct. 1, 19701½	88	Aug. 15, 19724 Aug. 15, 19734	2,579 3,894
Jan. 6, 1966 Jan. 13, 1966	2,202	June 30, 1966	1,001	Treasury bonds	10	Nov. 15, 197341/8 Feb. 15, 197441/8	4,357 3,130
Jan. 20, 1966 Jan. 27, 1966	2.205	Aug. 31, 1966 Sept. 30, 1966	1,000	June 15, 1962-6721/2 Dec. 15, 1963-6821/2	1,430 1,791	May 15, 197441/4 Nov. 15, 197437/8	3,593 2,243
Jan. 31, 1966 Feb. 3, 1966	1,000	Oct. 31, 1966 Nov. 30, 1966	1,000	June 15, 1964-6921/2 Dec. 15, 1964-6921/2	2,554 2,533	May 25, 1975-854 <sup>1</sup> / <sub>4</sub> June 15, 1978-833 <sup>1</sup> / <sub>4</sub>	1,218
Feb. 10, 1966 Feb. 17, 1966	2,201	Treasury notes	,	Mar. 15, 1965-702½ May 15, 19663¾	2,410 1,688	Feb. 15, 19804 Nov. 15, 198031/2	2,608 1,912
Feb. 24, 1966 Feb. 28, 1966	1,001	Feb. 15, 196635/8 Feb. 15, 196637/8	2,195 2,597	Aug. 15, 19663 Nov. 15, 196633/8	1,024 1,851	May 15, 198531/4 Feb. 15, 199031/2	1,127 4,900
Mar. 3, 1966 Mar. 10, 1966	1,000	Apr. 1, $19661\frac{1}{2}$ May 15, $19664$	675 9,519	Mar. 15, 1966-7121/2 June 15, 1967-7221/2	1,399 1,278	Aug. 15, 1987-9241/4 Feb. 15, 1988-934	3,818
Mar. 17, 1966 Mar. 22, 1966	3,009	Aug. 15, 19664 Oct. 1, 19661½	11,060 357	Sept. 15, 1967–722½ Nov. 15, 19673%	1,952 2,019	May 15, 1989-9441/8 Feb. 15, 19953	1,560 2,225
Mar. 24, 1966 Mar. 31, 1966	2.000	Nov. 15, 19664 Feb. 15, 196735%	2,254 2,358	Dec. 15, 1967–7221/2 May 15, 196837/8	2,687 2,460	Nov. 15, 19983½  Convertible bonds	4,414
Apr. 7, 1966 Apr. 14, 1966 Apr. 21, 1966	999	Feb. 15, 19674 Apr. 1, 19671½ May 15, 19674¼	5,151 270 9,748	Aug. 15, 1968334 Nov. 15, 1968378 Feb. 15, 19694	3,747 1,591 3,728	Investment Series B Apr. 1, 1975–80234	2,80
Apr. 28, 1966	1,001	Aug. 15,1 967334 Oct. 1, 19671½	2,929 457	Oct. 1, 19694 Feb. 15, 19704	6,260 4,381	лун. 1, 1975-002 <i>9</i> 4	2,60

 $\ensuremath{\mathsf{Notf}}.\mathbf{--} \ensuremath{\mathsf{Direct}}$  public issues only. Based on Daily Statement of U.S. Treasury.

## FEDERALLY SPONSORED AGENCIES, OCTOBER 31, 1965

Agency, type and date of issue, and coupon rate	Maturity	Amount (millions of dollars)	Agency, type and date of issue, and coupon rate	Maturity	Amount (millions of dollars)
Notes: May 17, 1965   4.25	Nov. 24, 1965 Jan. 17, 1966 Jan. 25, 1966 Feb. 15, 1966 Mar. 25, 1966 Apr. 25, 1966 June 24, 1966 July 25, 1966 Mar. 15, 1966 Aug. 15, 1966 Nov. 15, 1966 Jan. 25, 1966	297 220 302 524 273 525 496 336 500	Federal intermediate credit banks Debentures: Feb. 1, 1965. 4.15 Mar. 1, 1965. 4.20 Apr. 1, 1965. 4.30 June 1, 1965. 4.30 June 1, 1965. 4.30 July 1, 1965. 4.35 Aug. 2, 1965. 4.35 Oct. 4, 1965. 4.35 Federal land banks Bonds: June 20, 1961. 4 Apr. 3, 1961. 35% June 21, 1965. 4.35 May 1, 1958. 33% May 1, 1958. 33%	Nov. 1, 1965 Dec. 1, 1965 Jan. 3, 1966 Feb. 1, 1966 Mar. 1, 1966 Apr. 4, 1966 July 5, 1966 July 5, 1966  Dec. 20, 1965 Feb. 21, 1966 May 2, 1966	327 321 295 289 272 272 294 228 204
Mar. 15, 1965	Sept. 15, 1967 Mar. 1, 1968	185 250	Sept. 20, 1961 41/4 Oct. 20, 1965 4.55 Aug. 23, 1965 43/8 Feb. 15, 1957 41/8 Apr. 20, 1965 41/4 May 1, 1962 4	July 20, 1966 Sept. 20, 1966 Dec. 20, 1966 Feb. 15, 1967-72 Feb. 20, 1967 May 22, 1967	193 219 239 72 126 180
Discount notes.  Debentures: Sept. 10, 1962	Mar. 10, 1966 Dec. 12, 1966 Oct. 11, 1967 Mar. 11, 1968 Apr. 10, 1969 Apr. 10, 1970 Sept. 10, 1970 Aug. 10, 1971 Feb. 10, 1972 June 12, 1972 June 12, 1973 Feb. 10, 1977	357 108 93 150 87 88 142 119 64 96 98 100 146 198	Oct. 1, 1957	Oct. 1, 1967–70 Oct. 23, 1967 Mar. 20, 1968 June 20, 1968 Aug. 20, 1968 Mar. 20, 1969 July 15, 1969 July 15, 1969 Oct. 20, 1969 Feb. 20, 1970 Apr. 1, 1970 July 20, 1970 May 1, 1971 Sept. 15, 1972 Feb. 20, 1973–78 Feb. 20, 1973–78 Feb. 20, 1974 Apr. 21, 1975	75 174 111 186 160 100 130 60 209 82 83 85 60 109 148 155 200
Debentures:  May 3, 1965. 41/4  June 1, 1965. 44/4  Aug. 2, 1965. 4.30  Oct. 4, 1965. 4.35	Nov. 1, 1965 Dec. 1, 1965 Feb. 1, 1966 Apr. 4, 1966	108 201 225 212	Tennessee Valley Authority Short-term notes.  Bonds: Nov. 15. 1960 4.40 July 1, 1961 45% Feb. 1, 1962 4½	Nov. 15, 1985 July 1, 1986 Feb. 1, 1987	95 50 50 45

Note.—These securities are not guaranteed by the U.S. Govt.; see also Note to table at top of following page.

#### MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

		Fee	deral hom	e loan bar	ıks			ge Assn.		nks or		eral ediate		eral
End of		Assets		Liabil	ities and o	capital	(secondar opera	y market tions)		ratives		banks		1ks
period	Advances to mem- bers	Invest- ments	Cash and de- posits	Bonds and notes	Mem- ber de- posits	Capital stock	Mort- gage loans (A)	Debentures and notes (L)	Loans to cooper- atives (A)	Debentures (L)	Loans and dis- counts (A)	Deben- tures (L)	Mort- gage loans (A)	Conds (L)
1956 1957 1958	1,228 1,265 1,298 2,134	1,027 908 999 1,093	62 63 75 103	963 825 714 1,774	683 653 819 589	607 685 769 866	628 1,562 1,323 1,967	200 1,315 1,100 1,640	457 454 510 622	143 222 252 364	747 932 1,157 1,391	705 886 1,116 1,356	1,744 919 2,089 2,360	1,437 1,599 1,743 1,986
1960 1961 1962 1963	1,981 2,622 3,479 4,784	1,233 1,153 1,531 1,906	90 159 173 159	1,266 1,571 2,707 4,363	938 1,180 1,214 1,151	989 1,107 1,126 1,171	2,788 2,770 2,752 2,000	2,523 2,453 2,422 1,788	649 697 735 840	407 435 505 589	1,501 1,650 1,840 2,099	1,454 1,585 1,727 1,952	2,564 2,828 3,052 3,310	2,210 2,431 2,628 2,834
1964—Oct Nov Dec	4,797 4,784 5,325	1,614 1,889 1,523	94 84 141	4,144 4,369 4,369	978 989 1,199	1,214 1,216 1,227	1,934 1,930 1,940	1,707 1,701 1,601	924 975 958	576 638 686	2,377 2,241 2,247	2,352 2,174 2,112	3,652 3,680 3,718	3,169 3,169 3,169
1965—Jan Feb Mar Apr May June July Aug Sept Oct	4,944 4,851 4,747 5,219 5,227 5,586 5,793 5,770 5,802 5,826	1,491 1,425 1,761 1,386 1,687 1,691 1,578 1,578 1,574	75 77 80 95 73 110 75 79 85 75	4,078 3,905 4,090 4,184 4,484 4,757 4,807 5,057 5,046 5,018	1,013 1,013 1,048 1,026 1,024 1,174 913 903 903 944 965	1,232 1,237 1,247 1,254 1,257 1,260 1,265 1,268 1,270 1,272	1,954 1,958 1,974 1,990 2,004 2,014 2,032 2,062 2,169	1,723 1,739 1,739 1,795 1,898 1,797 1,794 1,804 1,756 1,845	1,020 1,037 1,007 978 940 931 935 944 940 1,009	686 670 723 696 678 687 710 708 744	2,252 2,308 2,380 2,480 2,577 2,687 2,772 2,786 2,725 2,617	2,102 2,143 2,206 2,278 2,367 2,462 2,546 2,627 2,603 2,501	3,765 3,818 3,889 3,950 4,011 4,058 4,097 4,135 4,171 4,204	3,169 3,298 3,298 3,415 3,415 3,532 3,532 3,612 3,612 3,671

Note.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among the omitted balance sheet items are capital accounts of all agencies, except for stock of home loan banks. Bonds, debentures, and notes are valued at par. They include only publicly offered securities (excluding, for the home loan banks,

bonds held within the FHLB System), and are not guaranteed by the U.S. Govt., for a listing of these securities, see 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)

		Al	issues (	new capi	al and re	fundin	g)					Issues	for new	capital		
			Туре	of issue		Ту	pe of iss	uer	Total amount				Use of p	roceeds		
Period	Total	Gener- al obli- gations	Reve- nue	PHA1	U.S. Govt. loans	State	Special district and stat. auth.	Other 2	deliv- ered <sup>3</sup>	Total	Edu- cation	Roads and bridges	Util- ities 4	Hous- ing5	Veter- ans' aid	Other pur- poses
1959	7,697	4,782	2,407	332	176	1,686	2,121	3,890	7,423	7,589	2,318	844	1,985	401	355	1,685
1960 1961 1962 1963	7,292 8,566 8,845 10,538 10,847	5,724 5,582	2,095 2,407 2,681 4,180 3,585	302 315 437 254 637	125 120 145 249 208	1,110 1,928 1,419 1,620 1,628	2,165 2,600 3,636	4,473 4,825 5,281	7,102 8,301 8,732 10,496 10,069	8,463 8,568 9,151		1,007 1,167 1,114 812 688	1,316 1,700 1,668 2,344 2,437	426 385 521 598 727	125	1,913 2,177 2,369
1964—June July Aug Sept Oct Nov Dec	939 943 799 920 852 578 1,078	267 510 662 376	260 369 520 260 178 195 345	130	23 11 12 20 13 7 26	71 116 13 101 191 106 218	341 534 374 133 126	529	696 948 829 925 717 912 722		161 207 245 166	43 25 73 50 12 18 30	183 169 440 248 240 137 93	133		181 311 105 254 268 201 264
1965—Jan Feb Mar Apr May June July Aug	848 965 1,079 1,994 1,060 1,038 741	666 546 687 506 7570	*235 288 406 *291 *347 *476 245 223	116	7: 11: 12: 16: 8: 14: 17: 4	182 191 84 295 180 192 400 38	289 451 7276 370 7417 258	544 422	964 754 1,018 r1,035 r938 r1,119 993 999	872 946 7825 7924		38 20 28 120 70 762 26 51	125	1 127 17 133 13 2 139	50	220 265 248 317 7204 7243 592 160

Only bonds sold pursuant to 1949 Housing Act; secured by contract requiring the Public Housing Administration to make annual contributions to the local authority.
 Municipalities, counties, townships, school districts.
 Excludes U.S. Govt. loans. Based on date of delivery to purchaser (and payment to issuer), which occurs after date of sale.
 Water, sewer, and other utilities.

<sup>&</sup>lt;sup>5</sup> Includes urban redevelopment loans.

Note.—The figures in the first column differ from those shown on the following page, which are based on Bond Buyer data. The principal difference is in the treatment of U.S. Govt. loans. Investment Bankers Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.

## TOTAL NEW ISSUES

(In millions of dollars)

-				G	ross proc	eeds, all	issues 1					Pre	oposed us all corp	se of net porate iss	proceed ues <sup>6</sup>	s,
			Nonco	rporate				Corpo	rate				N	ew capita	ıl	
Period	Total		U.S.	U.S.				Bonds		Sto	ock	Total			Other	Re- tire- ment of
		U. S. Govt. <sup>2</sup>	Govt. agen- cy <sup>3</sup>	State and local 4	Other 5	Total	Total	Pub- licly offered	Pri- vately placed	Pre- ferred	Com- mon		Total	New money <sup>7</sup>		secu- rities
1957 1958 1959	30,571 34,443 31,074 27,541	9,601 12,063 12,322 7,906	707	6,958 7,449 7,681 7,230	557 1,052 616 579	12,884 11,558 9,748 10,154	9,957 9,653 7,190 8,081	6,118 6,332 3,557 4,806	3,320 3,632	531	2,516 1,334 2,027 1,664	11,372 9,527	10,823 9,392	11,784 9,907 8,578 8,758	663 915 814 895	214 549 135 271
1961	35,527 29,956 31,616 37,122	12,253 8,590 7,213 10,656	1,188 1,168	8,360 8,558 10,107 10,544	303 915 891 760	13,165 10,705 12,237 13,957	9,420 8,969 10,872 10,865	4,700 4,440 4,714 3,623	4,529	422 342	1,314 1,022	12,885 10,501 12,081 13,792	12,017 9,747 10,553 13,038	8,240 8,993	1,507 1,561	868 754 1,528 754
1964—Sept Oct Nov Dec	2,548 2,914 4,631 3,339	3.242	510	952 816 566 1,097	13 186 97 64	1,226 1,036 727 1,805	1,069 823 675 1,662	376 181 30 320	642 645	9	133 188 43 94	1,212 1,019 720 1,787	1,130 953 669 1,642	754 553	116	82 67 51 145
1965—Jan Feb Mar Apr May June July Aug Sept	2,333 3,997 3,003 3,050 3,160 4,297 72,936 72,354 3,029	371	129 185 325  775		232 14 45 131 11 122 749 795	858 791 1,358 1,233 1,773 2,038 71,443 7930 1,538	727 637 1,215 1,070 1,324 1,729 1,322 7837 1,370	161 187 557 422 694 748 542 369 664	648 630 980 7780 7468	24 60 35 65 155 744 715	84 130 82 127 384 154 78 78	850 779 1,343 1,214 1,746 2,018 1,427 1,523	795 746 1,197 1,152 1,691 1,946 1,290 7850 1,392	700 687 1,039 939 1,560 1,665 1,168 7760 1,249	157 213 132 281 7122 791	54 33 146 61 55 72 137 769
		Ì	<del></del>			Proposed	uses of	net proce	eds, maj	or grou	s of co	porate is	suers			
Peri	iod		Manufa	acturing		nercial ar ellaneous		ansporta	tion	Public	utility	Com	municati		Real est	
						- La		5					1	.	١,	

			Pr	oposed us	es of net p	roceeds, n	najor grou	ps of corp	orate issue	ers		
Period	Manufa	acturing	Commer miscell		Transp	ortation	Public	utility	Commu	nication	Real and fir	
	New capital <sup>8</sup>	Retire- ment of secu- rities	New capital 8	Retire- ment of secu- rities	New capital 8	Retire- ment of secu- rities	New capital 8	Retire- ment of secu- rities	New capital 8	Retire- ment of secu- rities	New capital <sup>8</sup>	Retire- ment of secu- rities
1957	4,104 3,265 1,941 1,997	49 195 70 79	579 867 812 794	29 13 28 30	802 778 942 672	14 38 15 39	3,821 3,605 3,189 2,754	51 138 15 51	1,441 1,294 707 1,036	118 * 1	1,701 1,014 1,801 2,401	67 47 6 71
1961	2.958	287 228 190 243	1,109 803 774 1,024	36 32 55 82	651 543 873 941	35 16 83 32	2,883 2,341 1,935 2,445	106 444 699 280	1,435 1,276 726 2,133	382 11 356 36	2,248 1,825 2,933 3,723	22 23 144 80
1964—Sept	234 250 203 607	36 17 24 26	176 88 134 121	2 5 17 49	59 44 62 127	* 1 1 8	296 297 40 172	38 37 6 31	19 82 21 32	2 6 1 *	345 191 208 582	4 1 3 31
1965—Jan	385 192 494 540 698 441 r399 r307 414	23 15 56 16 22 41 750 754	70 35 104 120 75 151 r265 r51 117	5 2 4 6 4 15 74 72 8	40 47 108 58 163 44 *124 *42 65	17 1 1 1 73 7*	97 215 229 176 248 184 r202 r297 287	21 13 57 34 23 8 724 5	21 44 26 15 143 98 102 25 196	1 * 4 3 1 * 51 4 5	182 213 236 244 364 1,028 197 129 313	4 3 9 2 6 7 7 4 4 27

Note.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

Gross proceeds are derived by multiplying principal amounts or number of units by offering price.
 Includes guaranteed issues.
 Issues not guaranteed.
 See Note to table at bottom of opposite page.
 Foreign governments, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

<sup>Estimated gross proceeds less cost of flotation.
For plant and equipment and working capital.
All issues other than those for retirement of securities.</sup> 

#### NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

					(		,					
					Deriv	ation of ch	ange, all is	suers				
	A	All securitie	s	Во	nds and no	tes		Con	mon and p	referred st	ocks	
Period							New	issues	Retire	ments	Net cl	nange
	New issues	Retire- ments	Net change	New issues	Retire- ments	Net change	Invest. cos. 1	Other	Invest.	Other	Invest.	Other
1959 1960 1961	13,338 13,485 17,503	4,845 4,962 6,999	8,492 8,523 10,503	7,122 8,072 9,194	3,049 3,078 4,024	4,073 4,994 5,170	2,838 2,688 3,855	3,378 2,725 4,454	794 855 1,171	1,002 1,029 1,804	2,044 1,833 2,684	2,376 1,696 2,650
1962	14,206 15,552 18,610	6,457 8,711 8,290	7,750 6,841 10,320	8,613 10,556 10,715	3,749 4,979 4,077	4,864 5,577 6,637	3,338 3,049 4,147	2,255 1,948 3,748	1,140 1,536 1,895	1,567 2,197 2,317	2,198 1,513 2,252	688 -249 1,431
1964—II III IV	5,139 4,011 5,158	1,795 1,946 2,590	3,344 2,065 2,568	2,987 2,297 3,233	940 1,033 1,191	2,046 1,265 2,043	917 1,010 1,300	1,235 704 625	469 475 415	385 438 984	448 535 885	850 265 -360
1965—I	4,162 6,339	2,058 2,475	2,103 3,864	2,272 4,007	967 1,227	1,305 2,780	1,275 1,243	615 1,089	485 511	606 737	790 732	8 352
						Туре о	f issuer					
Period		inu- uring		nercial ther <sup>2</sup>	Tran tatio	spor- on <sup>3</sup>		blic lity	Com	muni- ion		estate ancial 4
,	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
1959 1960 1961	316 399 2,012	442 462 415	217 261 516	162 -46 -447	332 173 71	-42 -7	1,738 1,689 1,648	1,028 635 704	475 901 149	445 356 1,457	994 1,572 775	2,342 2,164 3,212
1962 1963 1964	1,355 1,804 1,303	-242 -664 -516	294 339 507	-201 -352 -483	-85 316 317	-25 -19 -30	1,295 876 1,408	479 245 476	1,172 438 458	357 447 1,699	833 1,806 2,644	2,517 1,607 2,537
1964—II III IV	291 232 689	-65 28 -226	84 93 265	-21 -34 -444	59 38 88	31 -47 -7	606 290 356	156 149 101	229 42 -47	681 92 115	775 569 693	516 613 986
1965—I	574 814	-256 138	-5 234	-1 -4	39 57	9 -28	281 293	97 116	64 201	100 139	351 1,181	850 723

Note.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on p. 1763, new issues exclude

foreign and include offerings of open-end investment cos., sales of securities held by affiliated cos. or RFC, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements include the same types of issues, and also securities retired with internal funds or with proceeds of issues for that purpose shown on p. 1763.

#### OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

<b>V</b>		and redem f own share			ts (market end of perio		361		and redem of own shar			ts (market end of perio	
Year	Sales 1	Redemp- tions	Net sales	Total <sup>2</sup>	Cash position 3	Other	Month	Sales 1	Redemp- tions	Net sales	Total 2	Cash position	Other
1953 1954 1955 1956 1957 1958 1959 1960 1961 1962 1963 1964	1,207 1,347 1,391 1,620 2,280 2,097 2,951 2,699	239 400 443 433 406 511 786 842 1,160 1,123 1,504 1,875	433 463 765 914 984 1,109 1,494 1,255 1,791 1,576 952 1,528	4,146 6,109 7,838 9,046 8,714 13,242 15,818 17,026 22,789 21,271 25,214 29,116	309 438 492 523 634 860 973 980 1,315 1,341 1,329	5,800 7,400 8,554 8,191 12,608 14,958 16,053 21,809 19,956 23,873 27,787	1964—Oct Nov Pec 1965—Jan Apr Apr May June July Aug Sept Oct	306 317 336 407 313 356 351 301 417 332 272 381 394	142 134 136 152 159 168 155 158 147 142 183 173	164 184 200 254 154 188 196 143 231 185 129 129 220	29,087 29,062 29,116 30,349 30,749 30,464 31,521 31,431 30,036 30,749 31,762 32,824 33,921	1,312 1,300 1,329 1,545 1,605 1,597 1,523 1,551 1,447 1,616 1,815 1,787 1,758	27,775 27,762 27,787 28,804 29,144 28,867 29,988 29,880 28,589 29,133 29,947 31,037 32,163

 <sup>&</sup>lt;sup>1</sup> Includes contractural and regular single purchase sales, voluntary and contractural accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
 <sup>2</sup> Market value at end of period less current liabilities.
 <sup>3</sup> Cash and deposits, receivables, all U.S. Govt. securities, and other

short-term debt securities, less current liabilities.

Note.—Investment Co. Institute data based on reports of members, which comprise substantially all open-end investment cos, registered with the Securities and Exchange Commission. Data reflect newly formed cos, after their initial offering of securities.

Open-end and closed-end cos.
 Extractive and commercial and misc. cos.
 Railroad and other transportation cos.
 Includes investment cos.

#### SALES, PROFITS, AND DIVIDENDS OF LARGE CORPORATIONS

(In millions of dollars)

		, m mm.	ns of do								
1060	1061	1062	1062	1064		19	64			1965	
1960	1961	1902	1903	1904	I	п	Ш	IV	1	п	Ш
123.911	123.669	136.545	147.380	157.633	38.326	40.784	37.697	40.827	42.742	r45.344	41,978
13,543 7,161 4,485	13,268 7,167 4,730	15,330 8,215	17,337 9,138	18,821 10,520	4,781 2,603	5.333	4,077 2,335 1,324	4,631 2,684 1,873	5,517 3,081 1,411	76,021 73,399 71,629	4,718 2,750 1,434
47,372 5,579 3,215	49,362 5,602 3,225	3.403	55,372 6,333 3,646	6,896 4,137	1,643 992	14,823 1,752 1,028	1,037	1,761 1,080	15,453 1,804 1,112	716,131 71,985 71,213	16,355 1,984 1,215 616
76.540		84.300	92,008	-		25.961			27,289		
1.94h	7,666 3,942 2,699	9,434 4,812 2,898	11,004 5,492 3,179	11,925 6,383 3,526	3,138 1,611 724	3,581 1,871 879	2,336 1,299 740	2,870 1,603 1,183	3,713	r4,036 r2,186 r1,022	25,623 2,733 1,535 818
1,342 639	1,440	13,457 1,460 698 425	14,301 1,546 747 448	15,209 1,589 807 479	3,598 345 173 117	3,721 401 202 119	3,863 420 214 119	424 219	3,868 388 201 124	4,082 *433 225 125	4,205 455 235 126
2,005 1,058	1,979 1,034	2,162 1,126	2.286	2.596	3,791 636 347	4,114 682 366	4,067 654 349	4,104 623 342	4,238 679 386	4,492 758 424	4,564 734 411 215
13,815 1,267 1,026	14,483 1,237 1,025	15,106 1,319 1,099	16,043 1,487 1,204	16,583 1,558 1,309	4,132 400 336	4,111 361 298	4,123 373 318	4,217 424 358	4,404 440 363	74,449 7473 386	4,475 469 389
I	20,234 1,999	21,260 1,838	22,116 2,178	670 24,114 2,577	5,540 5,60	6,046 674	6,042 605	6,486 738	6,614 768	7,091 7865	6,666 697 403
838	843	820	734	763	186	187	187	204	195	200	202
1,509 768	1,701 859	1,924 966	21,144 2,394 1,177 577	22,653 2,733 1,399 673	5,401 673 338 157	5,673 702 357 170	5,584 701 373 171	5,995 657 331 175	5,772 747 385 192	6,305 817 426 187	6,270 787 425 189
26,275 3,197 1,534 837	2.786	29,156 4,337 2,143	32,927 5,004 2,387 1,447	35,323 4,997 2,625 1,630	9,275 1,573 782 276	10,028 1,775 900 419	7,137 589 338 276	8,883 1,060 604 659	10,898 1,828 942 305	11,450 1,883 1,004 520	8,281 756 430 307
9,514	9,189	9.440	9,560	9,857	2,362	2,481	2,486	2,526	2,385	2,582	
648 445 385	625 382 359	729 572 367	816 651 356	836 698 451	188 144 110	245 196 101	211 175 109	192 182 132	145 121 •108	259	
3,163 1,793	3,349 1,883	2.062	14,294 3,735 2,187 1,567	14,968 3,947 2,385 1,672	3,961 1,106 660 424	3,572 893 542 412	3,686 998 583 426	949 600	4,227 1,154 712 467	597	626
2,326 1,155	8,615 2,478 1,233 867	9,196 2,639 1,327 935	9,796 2,815 1,417 988	3,069 1,590	2,543 726 377 261	2,619 796 408 262	773 402	774 403	2,732 783 420 279	2,790 766 419 284	2,854 830 447 294
	13,543 7,161 4,485 47,372 5,579 3,215 1,948 76,540 7,964 3,946 2,536 12,202 1,342 372 12,205 1,038 16,811 1,026 13,815 1,267 1,026 13,815 1,267 1,026 13,815 1,267 1,026 13,815 1,521 20,828 22,214 838 16,581 1,590 768 494 26,275 3,197 1,534 837  9,514 837  9,514 837  9,514 837  8,111 2,326 11,307  8,111 2,326	1960 1961  123,911 123,669 13,543 13,268 7,161 7,167 4,485 4,730  47,372 49,362 5,579 5,602 3,215 3,225 1,948 2,031 76,540 74,307 7,964 3,946 2,536 2,699  12,202 12,951 1,442 1,440 639 372 397 12,205 12,606 2,005 1,934 1,638 11,237 1,026 1,025 521 20,828 20,234 2,214 1,999 1,169 1,025 521 20,828 20,234 2,214 1,999 1,169 1,761 838 843 16,681 1,701 768 859 494 508 26,272 23,386 1,534 1,404 837 973  9,514 9,189 648 625 445 382 332 31,906 12,478 3,163 3,349 1,793 1,834 1,307 1,374 8,111 8,615 2,326 2,478 1,155 1,233	1960 1961 1962  123,911 123,669 136,545 13,543 13,268 15,330 7,161 7,167 8,215 4,485 4,730 5,048  47,372 49,362 52,245 5,579 5,602 3,403 1,948 2,031 2,150  76,540 74,307 84,307 7,964 7,666 9,434 2,536 2,699 2,898  12,202 12,951 13,457 1,342 1,440 1,460 639 397 425  12,205 12,606 13,759 2,005 1,979 2,162 1,058 1,034 1,126 639 397 425  12,205 12,606 13,759 2,005 1,979 2,162 1,058 1,034 868 13,815 14,483 15,106 1,267 1,237 1,319 1,026 1,025 1,025 1,099 521 528 566 20,828 20,234 1,199 1,067 1,013 838 843 843 820  26,214 1,999 1,838 1,169 1,067 1,013 838 843 1,169 1,067 1,013 838 843 840 2,214 1,999 1,838 1,169 1,067 1,013 838 843 840 2,214 1,999 1,838 1,169 1,067 1,013 838 843 840 2,214 1,999 1,838 1,169 1,067 1,013 838 843 840 2,214 1,999 1,838 1,169 1,067 1,013 838 843 840 2,214 1,999 1,838 1,169 1,067 1,013 838 843 820 2,214 1,999 1,838 1,169 1,067 1,013 838 843 840 2,214 1,999 1,839 9,440 2,143 3,197 3,197 3,197 3,198 3,193 3,19	1960 1961 1962 1963  123,911 123,669 136,545 147,380 13,543 13,268 15,330 17,337 7,161 7,167 4,485 4,730 5,048 5,444 47,372 49,362 52,245 55,372 5,579 5,602 5,896 6,333 3,215 3,225 3,403 3,646 1,948 2,031 2,150 2,265 76,540 74,307 84,300 92,008 7,964 7,666 9,434 11,004 2,536 2,265 98 3,179  12,202 12,951 13,457 14,301 1,346 639 372 397 425 448 12,205 12,606 13,759 14,623 2,005 1,979 2,162 2,286 1,038 1,034 1,267 1,237 1,319 1,267 1,025 1,025 1,099 1,204 521 1,025	123,911 123,669 136,545 147,380 157,633 13,543 13,268 15,330 17,337 18,821 7,161 7,167 8,930 4,485 4,730 5,048 5,444 5,930 47,372 49,362 52,245 55,372 59,256 5,579 5,602 5,896 6,333 ,646 4,137 1,948 2,031 2,150 2,265 2,404 76,540 74,307 84,300 92,008 98,377 7,964 7,666 9,434 11,004 11,925 2,536 2,699 2,898 3,179 3,526 12,205 1,404 1,400 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,546 1,058 1,034 1,262 1,267 1,058 1,034 1,262 1,267 1,058 1,034 1,262 1,182 1,404 1,267 1,058 1,034 1,267 1,237 1,319 1,471 1,550 1,058 1,034 1,267 1,237 1,319 1,471 1,550 1,058 1,034 1,267 1,271 1,319 1,471 1,550 1,058 1,034 1,267 1,271 1,319 1,471 1,550 1,058 1,034 1,267 1,271 1,319 1,471 1,550 1,058 1,034 1,267 1,271 1,319 1,471 1,550 1,058 1,054 1,058 1,034 1,267 1,271 1,319 1,471 1,550 1,058 1,058 1,034 1,267 1,271 1,319 1,471 1,550 1,058 1,058 1,054 1,165 1,059 1,058 1,058 1,054 1,165 1,059 1,051 1,051 1,051 1,182 1,404 2,214 1,999 1,204 1,309 1,204 1,309 1,204 1,309 1,201 1,301 1,183 1,485 1,506 1,058 1,054 1,509 1,001 1,013 1,183 1,485 1,506 1,509 1,201 1,059 1,201 1,301 1,183 1,485 1,509 1,001 1,001 1,183 1,485 1,509 1,001 1,001 1,183 1,485 1,509 1,001 1,001 1,183 1,485 1,509 1,001 1,001 1,183 1,485 1,509 1,001 1,001 1,183 1,485 1,509 1,001 1,001 1,183 1,485 1,500 1,001 1,001 1,183 1,485 1,500 1,001 1,001 1,183 1,485 1,500 1,001 1,001 1,183 1,485 1,500 1,001 1,001 1,183 1,485 1,500 1,001 1,001 1,183 1,485 1,500 1,001 1,0	1960	1960	1960	1960	1960	1960

Includes 17 corps, in groups not shown separately.
 Includes 27 corps, in groups not shown separately.

Telephone: Data obtained from Federal Communications Commission on revenues and profits for telephone operations of the Bell System Consolidated (including the 20 operating subsidiaries and the Long Lines snd General Depts. of American Telephone and Telegraph Co.) and for 2 affiliated telephone cos. Dividends are for the 20 operating subsidiaries and the 2 affiliates.

All series: Profits before taxes are income after all charges and before Federal income taxes and dividends.

Back data available from the Division of Research and Statistics.

Note.—Manufacturing corps: Data are obtained primarily from published co. reports.

Railroads: Interstate Commerce Commission data for Class I line-haul railroads.

Electric power: Federal Power Commission data for Class A and B electric utilities, except that quarterly figures on operating revenue and profits before taxes are partly estimated by the Federal Reserve to include affiliated nonelectric operations.

1766 BUSINESS FINANCE DECEMBER 1965

#### CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	In- come taxes	Profits after taxes	Cash divi- dends	Undis- tributed profits	Corporate capital consump- tion allow- ances 1	Quarter	Profits before taxes	In- come taxes	Profits after taxes	Cash divi- dends	Undis- tributed profits	Corporate capital consump- tion allow- ances 1
1957 1958 1959 1960	41.4 52.1	21.2 19.0 23.7 23.0	26.0 22.3 28.5 26.7	11.7 11.6 12.6 13.4	14.2 10.8 15.9 13.2	20.8 22.0 23.5 24.9	1964—I II IV	64.0 64.5 65.3 65.9	27.3 27.5 27.8 28.1	36.7 37.0 37.5 37.8	16.7 17.1 17.4 17.7	20.0 19.9 20.1 20.0	33.2 33.6 34.3 34.8
1961		23.1 24.2 26.0 27.6	27.2 31.2 32.6 37.2	13.8 15.2 15.8 17.2	13.5 16.0 16.8 19.9	26.2 30.1 32.0 34.0	1965—I II III	73.1 73.7 74.4	29.1 29.4 29.6	44.0 744.4 44.8	17.8 18.2 18.6	26.2 26.1 26.2	35.4 35.8 36.3

 $<sup>^{\</sup>rm 1}$  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 CORPORATIONS

(In billions of dollars)

				С	urrent asse	ets				Cur	rent liabil	ities	
End of period	Net working capital	Total	Coah	U. S. Govt.		nd accts. vable	Inven-	Other	Total		nd accts. able	Accrued Federal	Other
		Total	Cash	securi- ties	U. S. Govt. <sup>1</sup>	Other	tories	Otner	Total	U. S. Govt. <sup>1</sup>	Other	income taxes	Other
1957. 1958. 1959. 1960. 1961. 1962. 1963. 1964—III. IV.	135.6 142.8 151.2	244.7 255.3 277.3 289.0 306.8 326.7 349.9 364.3 371.0	34.9 37.4 36.3 37.2 41.1 42.9 44.5 43.1 45.0	18.6 18.8 22.8 20.1 20.0 20.2 20.6	2.8 2.8 2.9 3.1 3.4 3.7 3.6 3.2	99.4 106.9 117.7 126.1 135.8 146.7 159.7	82.2 81.9 88.4 91.8 95.2 100.9 107.3	6.7 7.5 9.1 10.6 11.4 12.4 14.3	133.1 136.6 153.1 160.4 171.2 184.0 198.8 204.9 209.9	2.3 1.7 1.7 1.8 1.8 2.0 2.5	84.3 88.7 99.3 105.0 112.8 121.2 131.8	15.4 12.9 15.0 13.5 14.1 15.0 16.3	31.1 33.3 37.0 40.1 42.5 45.7 48.2 51.2 50.2
1965—I II	163.5 166.2	376.4 384.3 393.5	42.5 43.7 43.6	18.5 16.3 16.0	3.3 3.2 3.6	177.5 182.8 188.3	117.3 119.7 123.4	17.2 18.4 18.6	212.9 218.0 224.4	2.8 2.9 3.1	141.4 145.9 150.2	16.6 15.9 17.0	52.1 53.2 54.1

 $<sup>^{\</sup>rm 1}$  Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corps.' books.

Note.—Securities and Exchange Commission estimates; excludes banks, savings and loan assns., and insurance  $\cos$ .

#### BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

		Manufa	ecturing		Transpo	ortation	Public	Commu-		Total
Period	Total	Durable	Non- durable	Mining	Railroad	Other	utilities	nications	Other 1	(S. A. annual rate)
1957	36.96 30.53 32.54 35.68	8.02 5.47 5.77 7.18	7.94 5.96 6.29 7.30	1.24 .94 .99 .99	1.40 .75 .92 1.03	1.77 1.50 2.02 1.94	6.20 6.09 5.67 5.68	3.03 2.62 2.67 3.13	7.37 7.20 8.21 8.44	
1961 1962 1963 1964 1965 <sup>2</sup> r	34.37 37.31 39.22 44.90 51.83	6.27 7.03 7.85 9.43 11.34	7.40 7.65 7.84 9.16 11.18	.98 1.08 1.04 1.19 1.30	.67 .85 1.10 1.41 1.68	1.85 2.07 1.92 2.38 2.83	5.52 5.48 5.65 6.22 6.84	3.22 3.63 3.79 4.30	8.46 9.52 10.03 10.83	
1964—I	9.40 11.11 11.54 12.84	1.93 2.30 2.37 2.83	1.87 2.23 2.30 2.76	.26 .29 .30 .33	.32 .36 .37 .35	.51 .63 .59 .64	1.18 1.58 1.71 1.76	.97 1.10 1.06 1.17	2.37 2.61 2.84 3.01	42.55 43.50 45.65 47.75
1965—I II III <sup>r</sup> IV <sup>2 r</sup>	10.79 12.81 13.41 14.82	2.25 2.76 2.91 3.41	2.28 2.70 2.82 3.37	.29 .33 .32 .35	.39 .44 .44 .40	.58 .77 .72 .76	1.32 1.71 1.88 1.94	1.08 1.24 1.22 4.	2.59 2.85 3.10	49.00 50.35 52.75 54.85
1966—I <sup>2</sup>	12.48	2,70	2.70	.32	.40	.89	1.47	4.	01 	56.70

<sup>&</sup>lt;sup>1</sup> Includes trade, service, finance, and construction. <sup>2</sup> Anticipated by business.

#### MORTGAGE DEBT OUTSTANDING

(In billions of dollars)

		All pro	perties			Farm						Nonfarm	l			
End of period	All	Finan-	Ot hold		All	Finan,	ial hold- hold	A 11	1- to 4-family houses			Multifamily and commercial properties 4			Mortgage type-	
period	hold- ers	cial insti- tutions <sup>1</sup>	U.S. agen- cies	Indi- viduals and others	hold-	cial insti- tutions <sup>1</sup>		old- hold-		Finan. insti- tutions <sup>1</sup>	Other hold- ers	Total	Finan. insti- tutions <sup>1</sup>	Other hold- ers	FHA- VA- under- written	Con- ven- tional
1941 1945	37.6 35.5	20.7 21.0	4.7 2,4	12.2 12.1	6.4 4.8	1.5	4.9	31.2 30.8	18.4 18.6	11.2 12.2	7.2 6.4	12.9 12.2	8.1 7.4	4.8 4.7	3.0 4.3	28.2 26.5
1957 1958 1959 1960	156.5 171.8 190.8 206.8	119.7 131.5 145.5 157.6	7.4 7.8 10.0 11.2	29.3 32.5 35.4 38.0	10.4 11.1 12.1 12.8	4.0 4.2 4.5 4.7	6.4 6.9 7.6 8.2	146.1 160.7 178.7 194.0	107.6 117.7 130.9 141.3	89.9 98.5 109.2 117.9	17.7 19.2 21.6 23.4	38.5 43.0 47.9 52.7	25.8 28.8 31.8 35.0	12.7 14.2 16.1 17.7	51.6 55.2 59.2 62.3	94.5 105.5 119.4 131.7
1961 1962 1963 <sup>r</sup>	226.3 251.6 281.2 311.6	172.6 192.5 217.1 241.0	11.8 12.2 11.2 11.4	41.9 47.0 52.9 59.2	13.9 15.2 16.8 18.9	5.0 5.5 6.2 7.0	8.9 9.7 10.7 11.9	212.4 236.4 264.4 292.7	153.1 166.5 182.2 197.6	128.2 140.4 156.0 170.4	24.9 26.0 26.2 27.2	59.3 69.9 82.2 95.1	39.4 46.6 54.9 63.6	19.9 23.4 27.3 31.4	65.5 69.4 73.4 77.2	146.9 167.0 190.9 215.6
19 <b>63—III</b> <sup>r</sup> . IV <sup>r</sup>	273.4 281.2	210.8 217.1	11.1	51.5 52.9	16.6 16.8	6.1 6.2	10.5 10.7	256.8 264.4	178.2 182.2	152.2 156.0	26.0 26.2	78.6 82.2	52.5 54.9	26.1 27.3	72.1 73.4	184.7 190.9
1964—I II III <sup>p</sup> . IV <sup>p</sup>	287.4 295.5 303.6 311.6	222.0 228.5 234.8 241.0	11.3 11.3 11.3 11.4	54.1 55.7 57.4 59.2	17.3 18.1 18.5 18.9	6.4 6.7 6.9 7.0	10.9 11.4 11.7 11.9	270.0 277.5 285.1 292.7	185.4 189.8 193.9 197.6	159.0 163.2 167.0 170.4	26.4 26.6 26.9 27.2	84.6 87.7 91.2 95.1	56.5 58.6 61.0 63.6	28.1 29.1 30.2 31.4	74.2 74.9 76.2 77.2	195.8 202.6 208.9 215.6
1965—I <sup>p</sup> III <sup>p</sup>	317.7 326.0 334.0	245.8 252.2 258.3	11.6 11.7 11.9	60.4 62.1 63.8	19.5 20.2 20.7	7.2 7.4 7.6	12.3 12.8 13.1	298.3 305.8 313.3	200.5 204.8 209.0	173.1 177.1 180.8	27.4 27.7 28.2	97.7 101.0 104.3	65.5 67.7 69.9	32.3 33.3 34.4	78.0 78.7	220.2 226.8

Note,—Based on data from Federal Deposit Insurance Corp., Federal Home Loan Bank Board, Institute of Life Insurance, Depts. of Agriculture and Commerce, Federal National Mortgage Assn., Federal Housing Admin., Public Housing Admin., Veterans Admin., and Comptroller of the Currency.

Figures for first 3 quarters of each year are F.R. estimates.

#### MORTGAGE LOANS HELD BY BANKS

(In millions of dollars)

		C	ommercia	al bank h	oldings 1			Mutual savings bank holdings 2							
End of period			Resid	ential						Reside	ential				
	Total	Total	FHA- in- sured	VA- guar- anteed	Con- ven- tional	Other non- farm	Farm	Total	Total	FHA- in- sured	VA- guar- anteed	Con- ven- tional	Other non- farm	Farm	
1941 1945	4,906 4,772	3,292 3,395				1,048 856	566 521	4,812 4,208	3,884 3,387				900 797	28 24	
1957 1958 1959 1960	23,337 25,523 28,145 28,806	20,320	4,823 5,476 6,122 5,851	3,335	8,735 9,780 11,037 11,652	4,823 5,461 6,237 6,796	1,367 1,471 1,588 1,648	21,169 23,263 24,992 26,935	19,010 20,935 22,486 24,306	5,501 6,276	8,360 8,589	6,551 7,073 7,622 8,246	2,451	55	
1961 1962 1963 1964	30,442 34,476 39,414 43,976	26,476	7,105	2,862	12,623 14,308 16,509 18,876	7,470 8,972 10,611 12,405	2,327	29,145 32,320 36,224 40,556	26,341 29,181 32,718 36,487	10,684	9,787	11,544	3,454	51 52	
1963—III IV	38,360 39,414	25,855 26,476		2,870 2,862	15,978 16,509		2,302 2,327	35,191 36,224	31,775 32,718					51 52	
1964—I II III IV	40,200 41,648 42,948 43,976	27,750 28,432	7,158 7,250	2,793 2,786	17,799 18,396	11,340 11,896	2,558 2,620	37,155 38,199 39,381 40,556	34,407 35,449	11,376 11,826	10,977	12,205 12,646	3,739 3,879	53 53	
1965—I II III.»	44,799 46,548 48,148	30,383	7,329 7,469	2,722 2,712	19,337 20,202	12,723 13,371		41,521 42,467 43,608	38,214	12,664 13,036	11,228 11,322	13,465 13,856		52 51	

 $<sup>^{\</sup>rm I}$  Includes loans held by nondeposit trust cos., but not bank trust depts.  $^{\rm 2}$  Data for 1941 and 1945, except for totals, are special F.R. estimates.

NOTE.—Second and fourth quarters, Federal Deposit Insurance Corp. series for all commercial and mutual savings banks in the United States

and possessions. First and third quarters, estimates based on FDIC data for insured banks for 1962 and part of 1963 and on special F.R. interpolations thereafter. For earlier years, the basis for first and third quarter estimates included F.R. commercial bank call data and data from the National Assn. of Mutual Savings Banks.

<sup>&</sup>lt;sup>1</sup> Commercial banks (including nondeposit trust cos. but not trust depts.), mutual savings banks, life insurance cos., and savings and loan assns.

<sup>2</sup> U.S. agencies are FNMA, FHA, VA, PHA, Farmers Home Admin., and Federal land banks, and in earlier years, RFC, HOLC, and FFMC. Other U.S. agencies (amounts small or current separate data not readily available) included with "individuals and others."

<sup>3</sup> Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.

<sup>4</sup> Derived figures; includes small amounts of farm loans held by

savings and loan assns,  $^5\,\mathrm{Data}$  by type of mortgage on nonfarm 1- to 4-family properties alone are shown on second page following.

#### MORTGAGE ACTIVITY OF LIFE INSURANCE COMPANIES

(In millions of dollars)

			Loans a	cquired			Loans outstanding (end of period)						
Period			Non	farm					Non	farm			
	Total	Total	FHA- insured	VA- guar- anteed	Other 1	Farm 1	Total	Total	FHA- insured	VA- guar- anteed	Other	Farm	
1945	976						6,637	5,860	1,394		4,466	766	
1958	5,277 5,970 6,086	4,839 5,472 5,622	1,301 1,549 1,401	195 201 291	3,343 3,722 3,930	438 498 464	37,062 39,197 41,771	34,395 36,370 38,789	7,443 8,273 9,032	7,433 7,086 6,901	19,519 21,011 22,856	2,667 2,827 2,982	
1961	6,785 7,478 9,172 10,432	6,233 6,859 8,306 9,385	1,388 1,355 1,598 1,811	220 469 678 674	4,625 5,035 6,030 6,900	552 619 866 1,047	44,203 46,902 50,544 55,152	41,033 43,502 46,752 50,848	9,665 10,176 10,756 11,484	6,553 6,395 6,401 6,403	24,815 26,931 29,595 32,961	3,170 3,400 3,792 4,304	
1964—Oct	921 890 1,340	853 825 1,228	168 165 162	60 64 52	625 596 1,014	68 65 112	54,001 54,422 55,197	49,768 50,164 50,893	11,371 11,446 11,512	6,403 6,410 6,413	31,994 32,308 32,968	4,233 4,258 4,304	
1965—Jan. Feb. Mar. Apr. May. June. July Aug. Sept. Oct.	915 748 939 880 749 939 834 867 932 932	808 655 786 772 662 840 759 798 868 868	175 123 154 134 117 142 121 144 142 161	67 50 51 40 37 41 40 41 45 44	566 482 581 598 508 657 598 613 681 663	107 93 153 108 87 99 75 69 64	55,626 55,941 56,343 56,687 56,997 57,384 57,663 58,017 58,411 58,824	51,307 51,593 51,923 52,213 52,482 52,806 53,041 53,359 53,723 54,103	11,625 11,676 11,742 11,786 11,821 11,860 11,866 11,914 11,950 12,010	6,433 6,439 6,432 6,419 6,404 6,384 6,361 6,340 6,326 6,316	33,249 33,478 33,749 34,008 34,257 34,562 34,814 35,105 35,447 35,777	4,319 4,348 4,420 4,474 4,515 4,578 4,622 4,658 4,721	

<sup>&</sup>lt;sup>1</sup> Certain mortgage loans secured by land on which oil drilling or extracting operations in process were classified with farm through June 1959 and with "other" nonfarm thereafter. These loans totaled \$38 million on July 31, 1959.

Note.-Institute of Life Insurance data. For loans acquired, the

monthly figures may not add to annual totals and for loans outstanding, the end-of-Dec. figures may differ from end-of-year figures, because (1) monthly figures represent book value of ledger assets whereas year-end figures represent annual statement asset values, and (2) data for year-end adjustments are more complete.

## MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

	Lo	ans ma	de	Loans or	itstandin	g (end of	period)
Period	Total <sup>1</sup>	New con- struc- tion	Home pur- chase	Total 2	FHA- in- sured	VA- guar- anteed	Con- ven- tional
1945	1,913	181	1,358	5,376			
1958 1959 1960	12,182 15,151 14,304	5,201	5,172 6,613 6,132	45,627 53,141 60,070	2,206 2,995 3,524	7,077 7,186 7,222	36,344 42,960 49,324
1961	17,364 20,754 24,735 24,505	5,979 7,039	7,207 8,524 9,920 10,397	68,834 78,770 90,944 101,314	4,476 4,696	6,960	57,515 67,284 79,288 89,732
1964							
Oct Nov Dec	2,051 1,791 1,969	462	770		4,830	6,706 6,690 6,686	88,315 88,999 89,732
1965							
JanFebMarAprMay June JulyAugSeptOct.**	1,527 1,541 2,056 2,068 2,022 2,399 2,186 2,187 2,079 1,985	379 544 558 526 614 520 511	638 824 850 861 1,099 1,063 1,099	102,351 103,151 103,975 104,816 105,827 106,647 107,490 108,234	4,921 4,939 4,952 4,975 5,001 5,022 5,050 5,082	6,654 6,629 6,590 6,568 6,560 6,547	90,255 90,776 91,583 92,433 93,273 94,266 95,078 95,933 96,672 97,431

Includes loans for repairs, additions and alterations, refinancing, etc., not shown separately.
 Beginning with 1958 includes shares pledged against mortgage loans.

# NONFARM MORTGAGE RECORDINGS OF \$20,000 OR LESS (In millions of dollars)

		Ву	type of le	nder (N.S	.A.)
Period	Total <sup>1</sup> N.S.A.	Sav- ings & loan assns.	Insur- ance com- panies	Com- mer- cial banks	Mutual sav- ings banks
1945	5,650	2,017	250	1,097	217
1958	27,388 32,235 29,341	10,516 13,094 12,158	1,460 1,523 1,318	5,204 5,832 4,520	1,640 1,780 1,557
1961	31,157 34,187 36,925 36,921	13,662 15,144 16,716 15,759	1,160 1,212 1,339 1,408	4,997 5,851 6,354 6,656	1,741 1,957 2,061 2,182
1964 Feb	2,575 2,935 3,089 3,090 3,388 3,519 3,227 3,281 3,225 2,847 2,936	1,128 1,290 1,350 1,349 1,485 1,508 1,398 1,338 1,332 1,174 1,189	90 102 109 116 126 137 130 131 129 114 120	465 540 567 560 618 581 597 590 514 533	129 140 154 176 197 233 213 215 201 192 185
Jan Feb	2,422 2,396	975 984	88 89	453 454	136 127

<sup>&</sup>lt;sup>1</sup> Includes amounts for other lenders, not shown separately.

Note.-Federal Home Loan Bank Board data.

Note.—Federal Home Loan Bank Board data.

#### GOVERNMENT-UNDERWRITTEN RESIDENTIAL LOANS MADE

(In millions of dollars)

		F	HA-insur	ed		VA	-guarant	eed
Period		Mort	gages		Prop-		Mort	gages
	Total	New homes	Ex- isting homes	Proj- ects <sup>1</sup>	erty im- prove- ments 1	Total <sup>3</sup>	New homes	Ex- isting homes
1945	665	257	217	20	171	192		
1957 1958 1959 1960	3,715 6,349 7,694 6,293	880 1,666 2,563 2,197	1,371 2,885 3,507 2,403	595 929 628 711	869 868 997 982	3,761 1,865 2,787 1,985	2,890 1,311 2,051 1,554	863 549 730 428
1961 1962 1963 1964	6,546 7,184 7,216 8,130	1,783 1,849 1,664 1,608	2,982 3,421 3,905 4,965	926 1,079 843 895	855 834 804 663	1,829 2,652 3,045 2,846	1,170 1,357 1,272 1,023	656 1,292 1,770 1,821
1964—Oct Nov Dec	790 688 683	159 135 135	491 422 428	81 81 67	58 50 54	271 258 242	93 91 88	178 167 153
1965—Jan. Feb. Mar. Apr. May. June. July Aug. Sept. Oct.	630 517 640 634 625 716 776 875 860 811	138 115 137 128 116 127 140 163 159	405 328 396 413 399 484 506 594 597 554	34 40 62 51 57 40 71 51 42 45	54 34 45 42 53 66 58 67 62 52	225 200 216 179 182 217 217 245 254 245	84 72 77 64 57 65 65 78 78	141 128 139 115 125 152 152 167 177 163

Note,—Federal Housing Admin. and Veterans Admin. data. FHA-insured loans represent gross amount of insurance written; VA-guaranteed loans, gross amounts of loans closed. Figures do not take into account principal repayments on previously insured or guaranteed loans. For VA-guaranteed loans, amounts by type are derived from data on number and average amount of loans closed.

## MORTGAGE DEBT OUTSTANDING ON NONFARM 1- to 4-FAMILY PROPERTIES

(In billions of dollars)

End of			overnm derwrit		Con-
period	Total	Total	FHA- in- sured	VA- guar- anteed 1	ven- tional
1945	18.6	4.3	4.1	.2	14.3
1957 1958 1959	107.6 117.7 130.9	47.2 50.1 53.8	16.5 19.7 23.8	30.7 30.4 30.0	60.4 67.6 77.0
1960	141.3 153.1 166.5 182.2 197.6	56.4 59.1 62.2 65.9 69.2	26.7 29.5 32.3 35.0 38.3	29.7 29.6 29.9 30.9 30.9	84.8 93.9 104.3 116.3 128.3
1963—I II IV	169.2 173.7 178.2 182.2	63.0 63.8 64.6 65.9	33.0 33.5 34.3 35.0	30.0 30.3 30.4 30.9	106.2 109.9 113.6 116.3
1964—I II III <sup>p</sup> IV <sup>p</sup>	185.4 189.8 193.9 197.6	66.6 67.3 68.4 69.2	35.7 36.3 37.4 38.3	31.0 30.9 31.1 30.9	118.8 122.5 125.4 128.3
1965—I <sup>p</sup> III <sup>p</sup>	200.5 204.8 209.0	70.1 70.7	39.0 39.7	31.0 31.0	130.5 134.1

<sup>&</sup>lt;sup>1</sup> Includes outstanding amount of VA vendee accounts held by private investors under repurchase agreement.

NOTE.—For total debt outstanding, figures are FHLBB and F.R. estimates. For conventional, figures are derived.

Based on data from Federal Home Loan Bank Board, Federal Housing Admin., and Veterans Admin.

#### FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY

(In millions of dollars)

End of	Mort	gage hol	dings	transa (du	tgage ections ring	Com- mit- ments	
period	Total	FHA- in- sured	VA- guar- anteed	Pur- chases	Sales	un- dis- bursed	
1956	3,047	978	2,069	609	5	360	
	3,974	1,237	2,737	1,096	3	764	
	3,901	1,483	2,418	623	482	1,541	
	5,531	2,546	2,985	1,907	5	568	
	6,159	3,356	2,803	1,248	357	576	
1961	6,093	3,490	2,603	815	541	631	
	5,923	3,571	2,353	740	498	355	
	4,650	3,017	1,634	290	1,114	191	
	4,412	2,996	1,416	424	251	<b>31</b> 3	
1964—Oct	4,440	2,997	1,443	36	14	260	
Nov	4,439	3,011	1,428	40	11	292	
Dec	4,412	2,996	1,416	40	31	313	
1965—Jan	4,417 4,394 4,364 4,341 4,326 4,303 4,309 4,332 4,372 4,436	3,009 3,005 2,986 2,989 2,997 2,992 3,012 3,039 3,083 3,145	1,408 1,388 1,378 1,352 1,329 1,311 1,297 1,293 1,289 1,290	40 48 45 51 47 44 49 54 78 96	4 41 43 43 32 27 9	316 316 320 321 327 360 376 418 443 559	

Note.—Federal National Mortgage Assn. data including mortgages subject to participation pool of Government Mortgage Liquidation Trust, but excluding conventional mortgage loans acquired by FNMA from the RFC Mortgage Co., the Defense Homes Corp., the Public Housing Admin., and Community Facilities Admin.

#### FEDERAL HOME LOAN BANKS

(In millions of dollars)

Period	Ad-	Repay-		ces outsi		Members
	vances	ments	Total	Short- term 1	Long- term 2	deposits
1945	278	213	195	176	19	46
1956 1957 1958 1959	745 1,116 1,364 2,067 1,943	934 1,079 1,331 1,231 2,097	1,228 1,265 1,298 2,134 1,981	798 731 685 1,192 1,089	430 534 613 942 892	683 653 819 589 938
1961 1962 1963 1964	2,882 4,111 5,601 5,565	2,220 3,294 4,296 5,025	2,662 3,479 4,784 5,325	1,447 2,005 2,863 2,846	1,216 1,474 1,921 2,479	1,180 1,213 1,151 1,199
1964—Oct Nov Dec	401 379 791	441 392 250	4,797 4,784 5,325	2,605 2,572 2,846	2,192 2,212 2,479	978 989 1,199
1965—Jan	412 309 348 735 350 602 613 355 310 337	793 402 452 264 342 243 406 378 278 312	4,944 4,851 4,747 5,219 5,227 5,586 5,793 5,770 5,802 5,826	2,590 2,420 2,277 2,565 2,480 2,867 3,176 2,951 2,908 2,924	2,354 2,431 2,470 2,653 2,748 2,719 2,617 2,819 2,894 2,902	1,013 1,013 1,048 1,026 1,017 1,172 912 902 942 957

Note.-Federal Home Loan Bank Board data.

Monthly figures do not reflect mortgage amendments included in annual totals.
 Not ordinarly secured by mortgages.
 Includes a small amount of alteration and repair loans, not shown separately; only such loans in amounts of more than \$1,000 need be secured.

Secured or unsecured loans maturing in 1 year or less.
 Secured loans, amortized quarterly, having maturities of more than
 year but not more than
 years.

TOTAL CREDIT

(In millions of dollars)

				Instalment				Nonins	talment	
End of period	Total	Total	Auto- mobile paper	Other consumer goods paper	Repair and mod- ernization loans 1	Personal loans	Total	Single- payment loans	Charge accounts	Service credit
939	7,222	4,503	1,497	1,620	298	1,088	2,719	787.	1,414	518
941	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
945	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
957	44,970	33,867	15,340	8,844	2,101	7,582	11,103	3,364	5,146	2,593
	45,129	33,642	14,152	9,028	2,346	8,116	11,487	3,627	5,060	2,800
	51,542	39,245	16,420	10,630	2,809	9,386	12,297	4,129	5,104	3,064
960	56,028	42,832	17,688	11,525	3,139	10,480	13,196	4,507	5,329	3,360
	57,678	43,527	17,223	11,857	3,191	11,256	14,151	5,136	5,324	3,691
	63,164	48,034	19,540	12,605	3,246	12,643	15,130	5,456	5,684	3,990
	69,890	53,745	22,199	13,766	3,389	14,391	16,145	5,959	5,871	4,315
	76,810	59,397	24,521	15,303	3,502	16,071	17,413	6,473	6,300	4,640
964—Oct	73,928	57,826	24,423	14,222	3,509	15,672	16,102	6,333	5,352	4,417
Nov	74,371	58,085	24,367	14,431	3,516	15,771	16,286	6,412	5,394	4,480
Dec	76,810	59,397	24,521	15,303	3,502	16,071	17,413	6,473	6,300	4,640
965—Jan	76,145	59,342	24,574	15,204	3,473	16,091	16,803	6,412	5,724	4,667
	75,741	59,363	24,743	14,984	3,446	16,190	16,378	6,442	5,154	4,782
	76,085	59,788	25,063	14,944	3,440	16,341	16,297	6,518	4,977	4,802
	77,483	60,803	25,615	15,056	3,439	16,693	16,680	6,606	5,210	4,864
	78,687	61,739	26,109	15,229	3,484	16,917	16,948	6,686	5,453	4,809
	79,887	62,790	26,685	15,422	3,524	17,159	17,097	6,776	5,528	4,793
	80,686	63,609	27,171	15,573	3,553	17,312	17,077	6,781	5,534	4,762
	81,454	64,393	27,493	15,738	3,597	17,565	17,061	6,825	5,498	4,738
	81,924	64,846	27,555	15,954	3,613	17,724	17,078	6,856	5,496	4,726
	82,569	65,368	27,766	16,214	3,625	17,763	17,201	6,871	5,645	4,685

<sup>&</sup>lt;sup>1</sup> Holdings of financial institutions; holdings of retail outlets are included in "other consumer goods paper."

Note.—Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage

loans. The estimates include data for Alaska beginning with Jan, 1959 (except for instalment credit held by sales finance cos.) and for Hawaii beginning with Aug. 1959. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of Supplement to Banking and Monetary Statistics, 1965.

#### INSTALMENT CREDIT

(In millions of dollars)

End of moriod Total			1	Financial i	nstitution	s		Retail outlets						
End of period	Total	Total	Com- mercial banks	Sales finance cos.	Credit unions	Con- sumer finance 1	Other 1	Total	Depart- ment stores <sup>2</sup>	Furni- ture stores	Appli- ance stores	Auto- mobile dealers <sup>3</sup>	Other	
1939	4,503	3,065	1,079	1,197	132		657	1,438	354	439	183	123	339	
194 <b>1</b>	6,085	4,480	1,726	1,797	198		759	1,605	320	496	206	188	395	
1945	2,462	1,776	745	300	102		629	686	131	240	17	28	270	
1957	33,867	29,200	12,843	9,609	2,429	3,124	1,195	4,668	1,393	1,210	361	478	1,226	
	33,642	28,659	12,780	8,844	2,668	3,085	1,282	4,983	1,882	1,128	292	506	1,175	
	39,245	33,570	15,227	10,319	3,280	3,337	1,407	5,676	2,292	1,225	310	481	1,368	
1960	42,832	37,218	16,672	11,472	3,923	3,670	1,481	5,615	2,414	1,107	333	359	1,402	
	43,527	37,935	17,008	11,273	4,330	3,799	1,525	5,595	2,421	1,058	293	342	1,481	
	48,034	41,782	19,005	12,194	4,902	4,131	1,550	6,252	3,013	1,073	294	345	1,527	
	53,745	46,992	21,610	13,523	5,622	4,590	1,647	6,753	3,427	1,086	287	328	1,625	
	59,397	51,990	23,943	14,762	6,458	5,078	1,749	7,407	3,922	1,152	286	370	1,677	
1964—Oct	57,826	51,220	23,663	14,625	6,334	4,870	1,728	6,606	3,444	1,062	276	367	1,457	
Nov	58,085	51,341	23,680	14,622	6,378	4,919	1,742	6,744	3,541	1,088	279	367	1,469	
Dec	59,397	51,990	23,943	14,762	6,458	5,078	1,749	7,407	3,922	1,152	286	370	1,677	
1965—JanFebMarAprMayJuneJulyAugSeptOct	60,803	52,159 52,352 52,837 53,828 54,694 55,666 56,442 57,181 57,570 57,962	24,091 24,246 24,537 25,117 25,602 26,154 26,610 26,992 27,210 27,475	14,797 14,782 14,831 14,991 15,158 15,372 15,565 15,721 15,802 15,876	6,429 6,465 6,569 6,739 6,871 7,032 7,124 7,235 7,310 7,363	5,078 5,101 5,132 5,202 5,243 5,287 5,334 5,387 5,410 5,422	1,764 1,758 1,768 1,779 1,820 1,821 1,809 1,846 1,838 1,826	7,183 7,011 6,951 6,975 7,045 7,124 7,167 7,212 7,276 7,406	3,791 3,713 3,673 3,701 3,745 3,785 3,811 3,847 3,910 3,979	1,128 1,101 1,085 1,077 1,076 1,084 1,090 1,103 1,117 1,138	285 282 277 275 277 281 284 287 289 293	373 377 384 395 405 417 425 431 433 438	1,606 1,538 1,532 1,527 1,542 1,557 1,557 1,544 1,527 1,558	

Consumer finance cos. included with "other" financial institutions until 1950.
 Includes mail-order houses.

See also Note to table above.

<sup>&</sup>lt;sup>3</sup> Automobile paper only; other instalment credits held by automobile dealers is included with "other" retail outlets.

#### INSTALMENT CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total		nobile per	Other com-	Repair and mod-	Per-	
End of period	Total	Pur- chased	Direct	goods paper	erniza- tion loans	loans	
1939	1,079	237	178	166	135	363	
	1,726	447	338	309	161	471	
	745	66	143	114	110	312	
1957	12,843	4,130	2,225	2,557	1,580	2,351	
	12,780	4,014	2,170	2,269	1,715	2,612	
	15,227	4,827	2,525	2,640	2,039	3,196	
1960	16,672	5,316	2,820	2,759	2,200	3,577	
	17,008	5,391	2,860	2,761	2,198	3,798	
	19,005	6,184	3,451	2,824	2,261	4,285	
	21,610	7,246	4,003	3,123	2,361	4,877	
	23,943	8,300	4,451	3,380	2,427	5,385	
1964—Oct	23,663	8,233	4,396	3,273	2,437	5,324	
	23,680	8,242	4,393	3,281	2,438	5,326	
	23,943	8,300	4,451	3,380	2,427	5,385	
1965—Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct.	24,091	8,325	4,503	3,455	2,400	5,408	
	24,246	8,405	4,568	3,457	2,378	5,438	
	24,537	8,539	4,673	3,461	2,368	5,496	
	25,117	8,769	4,814	3,506	2,364	5,664	
	25,602	8,982	4,935	3,554	2,391	5,740	
	26,154	9,201	5,078	3,616	2,420	5,839	
	26,610	9,421	5,181	3,672	2,446	5,890	
	26,992	9,564	5,248	3,726	2,473	5,981	
	27,210	9,638	5,243	3,787	2,488	6,054	
	27,475	9,768	5,294	3,847	2,499	6,067	

See Note to first table on previous page.

## INSTALMENT CREDIT HELD BY OTHER FINANCIAL INSTITUTIONS

(In millions of dollars)

End of period	Total	Auto- mobile paper	Other con- sumer goods paper	Repair and modern- ization loans	Per- sonal loans
1939	789	81	24	15	669
	957	122	36	14	785
	731	54	20	14	643
1957	6,748	1,114	588	490	4,555
	7,035	1,152	565	595	4,723
	8,024	1,400	681	698	5,244
1960	9,074	1,665	771	800	5,837
	9,654	1,819	743	832	6,257
	10,583	2,111	751	815	6,906
	11,859	2,394	835	870	7,760
	13,285	2,699	997	933	8,656
1964—Oct	12,932	2,654	956	926	8,396
Nov	13,039	2,667	969	934	8,469
Dec	13,285	2,699	997	933	8,656
1965—Jan. Feb. Mar. Apr. May. June. July Aug. Sept. Oct.	13,271	2,689	996	933	8,653
	13,324	2,700	1,006	929	8,689
	13,469	2,744	1,019	935	8,771
	13,720	2,813	1,042	939	8,926
	13,934	2,868	1,058	959	9,049
	14,140	2,934	1,076	971	9,159
	14,267	2,970	1,092	974	9,231
	14,468	3,015	1,106	993	9,354
	14,558	3,045	1,120	996	9,397
	14,611	3,065	1,130	998	9,418

Note.—Institutions represented are consumer finance cos., credit unions, industrial loan cos., mutual savings banks, savings and loan assns., and other lending institutions holding consumer instalment loans.

See also Note to first table on previous page.

## INSTALMENT CREDIT HELD BY SALES FINANCE COMPANIES (In millions of dollars)

End of period	Total	Auto- mobile paper	Other con- sumer goods paper	Repair and modern- ization loans	Per- sonal loans
1939	1,197	878	115	148	56
	1,797	1,363	167	201	66
	300	164	24	58	54
1957	9,609	7,393	1,509	31	676
	8,844	6,310	1,717	36	781
	10,319	7,187	2,114	72	946
1960	11,472	7,528	2,739	139	1,066
	11,273	6,811	3,100	161	1,201
	12,194	7,449	3,123	170	1,452
	13,523	8,228	3,383	158	1,754
	14,762	8,701	3,889	142	2,030
1964—Oct	14,625	8,773	3,754	146	1,952
	14,622	8,698	3,804	144	1,976
	14,762	8,701	3,889	142	2,030
1965—Jan	14,797	8,684	3,943	140	2,030
	14,782	8,693	3,887	139	2,063
	14,831	8,723	3,897	137	2,074
	14,991	8,824	3,978	136	2,103
	15,158	8,919	3,977	134	2,128
	15,372	9,055	4,023	133	2,161
	15,565	9,174	4,067	133	2,191
	15,721	9,235	4,125	131	2,230
	15,802	9,196	4,204	129	2,273
	15,876	9,201	4,269	128	2,278

See Note to first table on previous page,

#### NONINSTALMENT CREDIT

(In millions of dollars)

		payı	gle- nent ins	Cha	rge acco	unts	
End of period	Total	Com- mer- cial banks	Other finan- cial insti- tutions	De- part- ment stores 1	Other retail outlets	Credit cards 2	Service credit
1939	2,719	625	162	236	1,178		518
1941	3,087	693	152	275	1,370		597
1945	3,203	674	72	290	1,322		845
1957	11,103	2,937	427	876	3,953	317	2,593
	11,487	3,156	471	907	3,808	345	2,800
	12,297	3,582	547	958	3,753	393	3,064
1960	13,196	3,884	623	941	3,952	436	3,360
	14,151	4,413	723	948	3,907	469	3,691
	15,130	4,690	766	927	4,252	505	3,990
	16,145	5,047	912	895	4,456	520	4,315
	17,413	5,469	1,004	909	4,756	635	4,640
1964—Oct	16,102	5,361	972	660	4,055	637	4,417
Nov	16,286	5,377	1,035	703	4,065	626	4,480
Dec	17,413	5,469	1,004	909	4,756	635	4,640
1965—Jan	16,803	5,409	1,003	793	4,280	651	4,667
Feb	16,378	5,436	1,006	660	3,857	637	4,782
Mar	16,297	5,495	1,023	601	3,743	633	4,802
Apr	16,680	5,572	1,034	626	3,942	642	4,864
May	16,948	5,628	1,058	647	4,142	664	4,809
June	17,097	5,707	1,069	627	4,218	683	4,793
July	17,077	5,718	1,063	591	4,217	726	4,762
Aug	17,061	5,747	1,078	595	4,149	754	4,738
Sept	17,078	5,776	1,080	647	4,078	771	4,726
Oct	17,201	5,793	1,078	682	4,221	742	4,685

 <sup>&</sup>lt;sup>1</sup> Includes mail-order houses,
 <sup>2</sup> Service station and misc. credit-card accounts and home-heating oil accounts.
 See also Note to first table on previous page.

#### INSTALMENT CREDIT EXTENDED AND REPAID, BY TYPE OF CREDIT

(In millions of dollars)

Period	Tot	al	Automob	ile paper	Other co goods		Repair modernizar		Persona	l loans
I GHOG	S,A,1	N.S.A.	S.A. 1	N.S.A.	S.A. i	N.S.A.	S.A. 1	N.S.A.	S.A.1	N.S.A.
					Extens	ions		. ]		
1957		42,016 40,119 48,052 49,560		16,465 14,226 17,779 17,654		11,807 11,747 13,982 14,470		1,674 1,871 2,222 2,213		12,069 12,275 14,070 15,223
1961 1962 1963 1964		48,396 55,126 60,822 66,070		16,007 19,796 22,013 23,565		14,578 15,685 17,007 19,162		2,068 2,051 2,178 2,182		15,744 17,594 19,624 21,161
1964—Oct	5,507 5,456 5,816	5,552 5,323 6,767	1,924 1,858 2,043	1,999 1,727 1,992	1,582 1,631 1,719	1,657 1,672 2,404	180 175 180	191 175 161	1,821 1,792 1,874	1,705 1,749 2,210
1965—Jan	5,883 6,022 6,030 6,189 6,105 6,139 6,278 6,288 6,331 6,306	5,023 5,007 6,173 6,480 6,189 6,780 6,429 6,394 5,992 6,144	2,120 2,228 2,229 2,272 2,215 2,250 2,301 2,313 2,324 2,266	1,836 1,915 2,382 2,496 2,384 2,608 2,465 2,343 2,039 2,263	1,729 1,760 1,698 1,645 1,717 1,792 1,794 1,834 1,883	1,440 1,338 1,619 1,614 1,682 1,804 1,755 1,769 1,828 1,874	181 175 186 189 190 199 179 194 172	134 132 176 190 214 225 200 224 187 182	1,853 1,859 1,917 2,083 1,972 1,973 2,006 1,987 2,001 1,980	1,613 1,622 1,996 2,180 1,909 2,143 2,009 2,058 1,938 1,825
					Repayı	ments	i			
1957		39,868 40,344 42,603 45,972		15,545 15,415 15,579 16,384		11,569 11,563 12,402 13,574		1,477 1,626 1,765 1,883		11,276 11,741 12,857 14,130
1961		47,700 50,620 55,111 60,418		16,472 17,478 19,354 21,243		14,246 14,939 15,846 17,625		2,015 1,996 2,035 2,069		14,967 16,206 17,876 19,481
1964—Oct	5,155	5,172 5,064 5,455	1,788 1,818 1,864	1,871 1,783 1,838	1,456 1,509 1,505	1,481 1,463 1,532	167 174 177	175 168 175	1,686 1,654 1,710	1,645 1,650 1,910
1965—Jan	5,393 5,445 5,435 5,537	5,078 4,986 5,748 5,465 5,253 5,729 5,610 5,610 5,539 5,622	1,830 1,897 1,924 1,936 1,940 1,960 1,972 2,030 1,996 2,028	1,783 1,746 2,062 1,944 1,890 2,032 1,979 2,021 1,977 2,052	1,526 1,632 1,567 1,487 1,564 1,587 1,612 1,658 1,629 1,648	1,539 1,558 1,659 1,502 1,509 1,611 1,604 1,604 1,612 1,614	171 172 171 190 172 179 169 180 168	163 159 182 191 169 185 171 180 171	1,686 1,680 1,731 1,832 1,759 1,811 1,859 1,811 1,855 1,871	1,593 1,523 1,845 1,828 1,685 1,901 1,856 1,805 1,779 1,786
		and the second second second		Net	change in cre	edit outstan	ding <sup>2</sup>			
1957	1	2,148 -225 5,601 3,588		920 -1,189 2,268 1,270		238 184 1,602 896		197 245 463 330		793 534 1,269 1,093
1961		696 4,506 5,711 5,652		-465 2,318 2,659 2,322		332 746 1,161 1,537		53 55 143 113		777 1,388 1,748 1,680
1964—Oct	410 301 560	380 259 1,312	136 40 179	128 -56 154	126 122 214	176 209 872	13 1 3	16 7 -14	135 138 164	60 99 300
1965—Jan	744 670 602 666 609 683	-55 21 425 1,015 936 1,051 819 784 453 522	290 331 305 336 275 290 329 283 328 238	53 169 320 552 494 576 486 322 62 211	203 128 131 158 164 130 180 136 205 235	-99 -220 -40 112 173 193 151 165 216 260	10 3 15 -1 18 20 10 14 4 7	-29 -27 -6 -1 45 40 29 44 16	167 179 186 251 213 162 147 176 146	20 99 151 352 224 242 153 253 159

Note.—Estimates are based on accounting records and often include

financing 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.

<sup>&</sup>lt;sup>1</sup> Includes adjustments for differences in trading days.
<sup>2</sup> Net changes in credit outstanding equal extensions less repayments except in 1959, when the differences do not reflect the introduction of outstanding balances for Alaska and Hawaii.

#### INSTALMENT CREDIT EXTENDED AND REPAID, BY HOLDER

(In millions of dollars)

			<u> </u>						<del></del>	
Period	То	tal	Commerc	ial banks	Sales f comp		Other f institu	inancial utions	Retail	outlets
	S.A.1	N.S.A.	S.A. 1	N.S.A.	S.A. 1	N.S.A.	S.A. 1	N.S.A.	S.A.1	N.S.A.
				·	Exten	sions				
1957		42,016 40,119 48,052 49,560		15,355 14,860 17,976 18,269		10,250 9,043 11,196 11,456		9,915 9,654 10,940 ,12,073		6,495 6,563 7,940 7,762
1961 1962 1963 1964		48,396 55,126 60,822 66,070		17,711 20,474 22,871 24,515		10,667 11,999 12,664 14,020		12,282 13,525 14,894 16,251		7,736 9,128 10,393 11,284
1964—Oct	5,507 5,456 5,816	5,552 5,323 6,767	2,030 2,036 2,186	2,044 1,873 2,176	1,156 1,114 1,191	1,192 1,070 1,317	1,402 1,370 1,443	1,319 1,365 1,704	919 936 996	997 1,015 1,570
1965—Jan. Feb. Mar. Apr. May. June July Aug. Sept. Oct.	5,883 6,022 6,030 6,189 6,105 6,139 6,278 6,288 6,331 6,306	5,023 5,007 6,173 6,480 6,189 6,780 6,429 6,394 5,992 6,144	2,224 2,262 2,286 2,362 2,343 2,370 2,411 2,478 2,464 2,462	2,020 1,974 2,414 2,591 2,459 2,687 2,540 2,509 2,293 2,385	1,175 1,281 1,276 1,243 1,242 1,237 1,253 1,256 1,311 1,214	1,027 1,060 1,292 1,284 1,239 1,393 1,318 1,293 1,228 1,223	1,459 1,427 1,487 1,607 1,494 1,504 1,538 1,514 1,514 1,508	1,219 1,217 1,551 1,653 1,487 1,654 1,557 1,576 1,440 1,404	1,025 1,052 981 977 1,026 1,028 1,076 1,040 1,042 1,122	757 756 916 952 1,004 1,046 1,014 1,016 1,031 1,132
			<u> </u>	1	Repay	ments				<del></del> - <del></del>
1957	<b>.</b>	39,868 40,344 42,603 45,972		14,360 14,647 15,560 16,832		9,759 9,842 9,742 10,442		9,250 9,365 10,020 11,022		6,499 6,490 7,281 7,676
1961 1962 1963 1964		47,700 50,620 55,111 60,418		18,294 18,468 20,266 22,268		10,943 11,434 12,211 13,161		11,715 12,593 13,618 14,825		6,749 8,125 9,016 10,164
1964—Oct Nov Dec	5,097 5,155 5,256	5,172 5,064 5,455	1,868 1,916 1,944	1,908 1,856 1,913	1,071 1,103 1,129	1,120 1,073 1,177	1,284 1,255 1,303	1,244 1,258 1,458	874 881 880	900 877 907
1965—Jan. Feb. Mar. Apr. May. June July Aug. Sept. Oct.	5 537	5,078 4,986 5,748 5,465 5,253 5,729 5,610 5,539 5,622	1,921 1,956 1,972 2,002 2,020 2,048 2,070 2,137 2,083 2,165	1,872 1,819 2,123 2,011 1,974 2,135 2,084 2,127 2,075 2,120	1,059 1,157 1,136 1,108 1,113 1,137 1,152 1,160 1,180 1,130	992 1,075 1,243 1,124 1,072 1,179 1,125 1,137 1,147 1,149	1,299 1,286 1,328 1,396 1,329 1,377 1,421 1,384 1,410 1,422	1,233 1,164 1,406 1,402 1,273 1,448 1,430 1,375 1,350 1,351	934 982 957 939 973 975 969 998 975 1,000	981 928 976 928 934 967 971 967 1,002
				Net	change in cre	dit outstand	ling <sup>2</sup>			
1957		2,148 -225 5,601 3,588		1,066 -63 2,447 1,446		491 -765 1,475 1,152		665 289 986 1,051		-75 315 693 -61
1961		696 4,506 5,711 5,652		335 1,997 2,605 2,333		-199 921 1,329 1,239		578 932 1,276 1,426		-20 656 501 654
1964—Oct	410 301 560	380 259 1,312	162 120 242	136 17 263	85 11 62	72 -3 140	118 115 140	75 107 246	45 55 116	97 138 663
1965—Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct.	670 641 637 744 670 602 666 609 683 589	-55 21 425 1,015 986 1,051 819 784 453 522	303 306 314 360 323 322 341 341 381 297	148 155 291 580 485 552 456 382 218 265	116 124 140 135 129 100 101 96 131 84	35 -15 49 160 167 214 193 156 81	160 141 159 211 165 127 117 130 104 86	-14 53 145 251 214 206 127 201 90 53	91 70 24 38 53 53 107 42 67 122	-224 -172 -60 24 70 79 43 45 64 130

months the differences between extensions and repayments for some particular holders do not equal the changes in their outstanding credit. Such transfers do not affect total instalment credit extended, repaid, or outstanding.

See also Note to previous table.

<sup>&</sup>lt;sup>1</sup> Includes adjustment for differences in trading days.

<sup>2</sup> Net changes in credit outstanding are equal to extensions less repayments except: (1) in 1959, when the differences do not reflect the introduction of outstanding balances for Alaska and Hawaii, and (2) in certain months when data for extensions and repayments have been adjusted to eliminate duplication resulting from large transfers of paper. In those

## MARKET GROUPING

(1957-59= 100)

	(1757-37=100)														
Grouping	1957-50 pro-	1964 aver-		1964						190	65				
Отоприя	por- tion	age	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Арг.	May	June	July	Aug.	Septr	Oct.
Total index	100,00	132,3	131.6	135.4	138.1	138.6	139.2	140.7	140,9	141.6	142.7	144.2	144.5	143.4	144.4
Final products, total	47.35 32.31 15.04 52.65	131.8 131.7 132.0 132.8	130.5 129.5 132.5 132.6	135.2 134.5 136.7 135.9	138.1 138.0 138.4 138.0	138.2	138.5 138.0 139.4 139.7	140.4	139.4 138.5 141.2 142.6	140.2 138.6 143.7 142.6	140.7 138.7 144.9 144.5	141 7 139 3 147.0 146.4		140.6 149.1	
Consumer goods															
Automotive productsAutosAuto parts and allied products	3.21 1.82 1.39	150.6	105.9 83.0 136.1	143.0 145.1 140.2	166.2 183.0 144.0	165.7 182.8 143.1	163.8 178.9 143.9	173.1 194.2 145.2	166.9 183.5 145.1	168.1 184.9 146.0	168.1 187.1 143.0	167.8 184.6 145.8	169.8 184.3 150.7	178.1	168.7 181.1 152.4
Home goods and apparel. Home goods. Appliances, TV, and radios. Appliances. TV and home radios. Furniture and rugs. Miscellaneous home goods. Apparel, knit goods, and shoes.	4.59 1.81 1.33 .47 1.26	141.1 137.1 141.1 125.7 142.4	134.8 144.0 143.1 146.8 132.7 145.5 143.7 127.1	145.6 148.9 136.1	150.9 145.3 149.7 152.3	140.8 151.7 147.2 148.5 143.6 150.6 157.9 131.6	141.4 152.7 148.7 150.8 142.9 152.6 157.5 131.8	146.8	141.1 152.1 149.0 151.7 141.3 152.0 155.8 131.8	141 6	148.8 152.1 139.2	140.9 151.2 146.5 148.4 141.3 154.0 154.4 132.2	140.1 149.8 145.2 146.4 141.9 152.3 153.3 131.9	149.1 151.0 143.6 152.0 158.4	143.0 155.8 151.3 153.0 146.6 155.2 161.6
Consumer staples. Processed foods Beverages and tobacco. Drugs, soap, and toiletries. Newspapers, magazines, and books. Consumer fuel and lighting. Fuel oil and gasoline. Residential utilities. Electricity. Gas.	8.43 2.43 2.97 1.47 3.67 1.20 2.46	146.9 123.7 142.3 119.6 153.4 159.6	130.7 120.0 121.5 151.9 121.8 147.2 122.2 159.4 165.9	126.0 149.7 122.8 147.0 119.9 160.2	127.5 151.8 124.3 146.9 120.1	132.6 122.3 128.3 154.2 125.8 143.9 118.0 156.5 163.7	125.3 145.4 119.9 157.8	128.1 154.2 128.6 146.5 118.6 160.0	132.4 122.1 121.5 152.6 126.9 148.8 122.4 161.7 169.1	124.8 151.9 126.6 148.2 119.9 162.0	152.9 125.6 150.6 122.8 164.1	134.1 122.4 123.9 157.0 128.0 151.2 123.1 164.9 172.6	123.6 160.1 128.0 150.6 123.1 164.0	127.4 161.3 126.1 155.0 122.6 170.9	135.4 121.8 159.1 126.6
Equipment															
Business equipment. Industrial equipment. Commercial equipment. Freight and passenger equipment. Farm equipment.	1.76	139.1 137.0 145.3 141.0 133.1	140.6 140.4 149.3 128.6 142.2	144.5 151.0 149.1	148.5 145.9 152.4 155.2 142.1	147.7 144.8 152.5 154.0 142.5	149.2 147.1 156.2 150.7 141.3	148.3 159.1 148.2	150.9 148.4 161.3 150.8 138.3	150.6 162.3 157.1	151.9 164.1 157.8	156.4 155.1 165.2 155.0 145.3	153.8 165.2 163.6	155.3 166.4	163.8 159.4 169.8 176.5
Defense equipment	3.41														••••
Materials															
Durable goods materials	26.73 3.43 7.84 9.17 6.29	131.2 145.8 134.4 124.5 129.2	137.7 124.1	134.9 147.4 139.2 126.8 135.1	127.5	138.0 159.6 142.6 128.3 141.9	139.0 164.9 143.8 130.8 140.5	142.6 166.3 146.9 133.5 142.5	142.9 163.4 147.5 130.5 141.8	131,4	146.1 169.9 150.0 131.3 142.3	148.4 171.8 153.3 132.7 146.3	167.9 154.7 134.6	154.2 134.5	142.0 167.0 157.6 135.4 126.1
Nondurable materials.  Business supplies.  Containers.  General business supplies.  Nondurable materials n.e.c.	25.92 9.11 3.03 6.07 7.40	127.9 127.1	136.7 129.3 131.8 128.0 162.2	132.3 127.3	135.3 131.4	139.5 133.2 136.3 131.6 167.0	140.5 135.6 138.0 134.4 167.5	140.6 134.2 129.7 136.5 167.6	142.4 135.1 137.3 134.0 170.8	141.8 134.1 132.0 135.2 168.8	136.2	145.0 137.6 136.1 138.3 174.7	132.1 136.6	144.4 135.9 134.4 136.7 178.3	145.9 136.7 136.6 136.8 179.3
Business fuel and power	9.41 6.07 2.86 2.32 1.03 1.21 .54	149 6	151.0 150.4	151.2 150.5 147.4	154.6 154.6 149.7	124.1 112.1 153.8 154.7 148.7 165.3	123.9 111.1 155.6 156.1 150.9 166.0	125.7 112.3 158.5 159.1 154.9	127.2 114.3 159.6 160.2 155.8 169.8	160.1 160.7 156.0	163.4 159.8	128.9 117 0 158.8 160.8 159.3 167.9	129.2 117.2 160.1 162.3 161.3 169.2	161.0	• • • • • • • • • • • • • • • • • • •
Supplementary groups of consumer goods															
Automotive and home goods Apparel and staples	7.80 24.51		128.3 129.9	145.7 131.0	156.9 132.0	157.4 132.4	157.3 131.9	161.9 133.0	158.2 132.3	158.5 132.2	158.2 132.8	158.1 133.7	158.1 133.6	158.5 134.8	161.1

For notes see opposite page.

#### INDUSTRY GROUPINGS

(1957-59=100)

	1957-59 pro-	1964		1964						190	55				
Grouping	por- tion	aver- age	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Total index	100.00	132.3	131.6	135.4	138.1	138.6	139.2	140.7	140.9	141.6	142.7	144.2	144.5	143.4	144.4
Manufacturing, total. Durable Nondurable. Mining Utilities.	86.45 48.07 38.38 8.23 5.32	133.1 133.5 132.6 111.3 151.3	132.0 129.9 134.6 112.0 154.9	136.4 137.0 135.6 112.8 155.4	137.6 112.5	140.2 142.0 137.9 111.8 154.9	138.4 111.8	142.3 144.8 139.1 112.5 158.5	138.5 113.0	143.1 146.4 138.8 114.0 160.4	144.1 148.1 139.0 115.3 162.5	116.0	140.4 117.0	148.2 141.3 112.4	141.4 115.0
Durable manufactures											İ				
Primary and fabricated metals Primary metals. Iron and steel. Nonferrous metals and products. Fabricated metal products. Structural metal parts.	12.32 6.95 5.45 1.50 5.37 2.86	130.7 129.1 126.5 138.3 132.7 130.3	132.3 133.6 132.5 133.9 130.7 128.6	136.4 136.1 135.2 140.6 136.9 135.8	138.6 136.4 150.9 139.7	139.6 137.1	140.4 136.9 137.0 149.0 145.0 140.9	142.5 140.4 139.5 151.0 145.2 144.1	144.0 141.4 141.2 153.6 147.4 144.3	142.7 140.2 139.7 153.4 146.0 142.7	144.5 143.0 143.3 146.1 146.4 144.3	148.7 152.1 138.4	143.3 149.0	130.6 125.0 149.5 147.0	122.9 115.8 150.9
Machinery and related products Machinery. Nonelectrical machinery. Electrical machinery. Transportation equipment. Motor vehicles and parts. Aircraft and other equipment. Instruments and related products. Ordnance and accessories.	27.98 14.80 8.43 6.37 10.19 4.68 5.26 1.71 1.28	136.4 141.4 142.1 140.6 130.7 150.1 112.4 136.4	145.4 144.9 105.3 96.2 110.8	139.2 147.7 148.1 147.2 129.2 143.9 114.5 140.2	167.4 115.0	150.7 151.3 150.0 141.4 169.1 115.5	152.7 152.3 139.7	154.1 144.4 176.4 115.3	155.4 155.2 155.8 144.6 173.2 118.6	151.2 156.9 157.0 156.8 147.3 175.5 121.7 147.0	159.4 158.4 149.5 178.0 123.3	160.6 161.7 159.2 149.8 177.4 124.1	162.4 160.1 151.5	162.3 162.4 162.1 149.4 175.1 125.6	165.1 153.5 176.7 131.8
Clay, glass, and lumber	4.72 2.99 1.73	121.1 126.0 112.6	121.0 126.9 110.8	120.9 127.7 109.2	130,2	124.9 132.4 111.9	125.9 131.8 115.6	126.0 129.2 120.5	129.9	125.5 130.3 117.1	124.7 131.6 112.8	132.6	127.5 133.5 117.2	133.8	134.5
Furniture and miscellaneous Furniture and fixtures Miscellaneous manufactures	3.05 1.54 1.51	138.4 143.4 133.4	147.4	143.4 149.3 137.4	151.5	150.6	147.6 154.3 140.8	154.3	155.6	150.1 156.5 143.6		155.8	151.5 156.3 146.6	156.8	159.9
Nondurable manufactures								ļ							
Textiles, apparel, and leather Textile mill products Apparel products Leather and products	7.60 2.90 3.59 1.11	125.2 122.9 134.1 102.6	137.2	130.2 128.7 139.1 105.4	140,6	142.2	133.8 132.0 143.7 106.6	131.5 144.0	132.2 144.3	135.0 131.6 145.3 110.9	132.2 145.4	133.8 143.8	134.8 141.9	135.7	134.9 137.2
Paper and printing	8.17 3.43 4.74 1.53	127.5 133.4 123.3 117.0	128.8 137.0 123.0 114.3	128.2 133.8 124.2 117.0	132.1 140.2 126.2 122.6	132.0 139.1 126.8 121.4	131.8 137.5 127.7 120.9	139.0 128.5	140.0	134.2 140.9 129.3 121.5	134.0 139.4 130.0 124.7	142.1 131.3	136.4 141.1 133.0 129.7	143.9	141.9
Chemicals, petroleum, and rubber Chemicals and products Industrial chemicals Petroleum products Rubber and plastics products	11.54 7.58 3.84 1.97 1.99	152.5 159.6 178.4 121.0 156.3	156.2 163.0 181.0 122.7 163.2	156.2 163.2 182.9 121.7 163.7	158.5 166.4 187.9 120.9 165.7	186 0	160.4 167.8 188.2 121.5 171.1	162.0 169.5 190.8 122.2 172.6	160.8 169.2 191.6 121.5 167.7	161.2 169.3 191.7 122.9 168.2	161.6 169.9 192.9 121.8 169.1	194.9 124.5	195.7	176.6 199.9 125.1	
Foods, beverages, and tobacco Foods and beverages. Food manufactures. Beverages. Tobacco products.	11.07 10.25 8.64 1.61 .82	120.8 120.8 120.1 124.4 120.8	120.5 120.3 120.2 120.6 123.3	123.3 123.5 122.6 128.5 121.0	123.9 123.8 122.9 128.6 125.4	123.0 131.4	122.6	123.4	122.4 122.5 122.6 121.8 120.9	120.6	122.3 121.2 128.5	122.9 123.1 122.6 125.9 119.9	122.4 121.9 125.0	123.2 121.8 130.8	123.0 121.8
Mining															
Coal, oil, and gas. Coal Crude oil and natural gas. Oil and gas extraction. Crude oil. Gas and gas liquids Oil and gas drilling.	6.80 1.16 5.64 4.91 4.25 .66 .73	109.8 107.1 110.4 113.4 109.9 136.1 90.1	130.0	130,3	133.0	134.0	109.4 103.2 110.6 113.0 108.6 141.0 94.7	140.2	144.0	112.1 113.0 111.9 115.6 111.3 143.1 87.4	140.3	147.9	144.0		112.9 116.8 112.1 115.9 112.0
Metal, stone, and earth minerals Metal mining Stone and earth minerals	1.43 .61 .82	118.1 117.4 118.7	117.9 115.4 119.7	125.1 126.6 123.9	122.7 121.8 123.4	123.3 126.7 120.8	123.1 123.4 122.9	124.3 124.6 124.1	121.4 125.8 118.2	122.9 121.6 123.9	124.9 123.7 125.8	126.9 126.4 127.3	129.6 130.2 129.1	125.3 122.4 127.4	125.3 124.4 126.0
Utilities				!											
ElectricGas	4.04 1.28	153.9 143.4	157.0 148.4	157.4 149.0	159.4 149.6	158.5 143.6	159.6 145.4	162.4 146.0	164.0 147.2	164.3 147.8	167.1 147.9	165.8	166.2	170.9	

Note.—Published groupings include some series and subtotals not shown separately. A description and historical data are available in

Industrial Production 1957-59 Base. Figures for individual series and subtotals (N.S.A.) are published in the monthly Business Indexes release.

## MARKET GROUPINGS

(1957-59=100)

Grouping	1957-59 pro- por-	1964 aver-		1964						19	65				<del></del>
Grouping	tion	age	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. r	Sept. *	Oct.
Total index	100.00	132.3	135.3	136.2	135.5	136.7	139.1	141.7	141.6	142.6	145.2	139.3	143.2	145.9	149.4
Final products, total	47.35 32.31 15.04 52.65	131.8 131.7 132.0 132.8	132.4	135.5 135.4 135.7 136.8	135.1 133.3 139.1 135.9	138.3	138.3 137.7 139.8 139.8	140.9 140.5 141.6 142.5	142.0	139.8 137.8 144.2 145.0	143.2 141.6 146.8 147.0	144.9	141.1 138.9 145.9 145.1	145.7 143.9 149.8 146.1	
Consumer goods							:					,			
Automotive products	3,21 1,82 1,39	145.1 150.6 138.0	114.7 95.4 140.2	153.4 165.4 137.6	169.5 192.2 139.7	175.5 201.1 141.7	173.9 196.8 143.8	182.9 213.6 142.4	176,7 200,0 146,0	178.8 203.4 146.5	180.3 208.6 143.1	158.5 171.7 141.2	106.8 72.8 151.7	129.4 114.0 149.8	206.4
Home goods and apparel Home goods Appliances, TV, and radios Appliances. TV and home radios. Furniture and rugs Miscellaneous home goods. Apparel, knit goods, and shoes.	4.59 1.81 1.33 .47 1.26 1.52	141.1		139.1 152.9 151.7 150.2 156.1 152.3 154.9 127.4	140.4	143.7 138.8 141.7 130.7 147.3 146.5	144.6 152.8 156.7 159.8 148.0 150.0 150.4 137.7	163.1 170.8 141.4	154.5 161.5 134.7	142.6 153.0 154.7 161.8 134.7 148.5 154.7 133.8	158 1	126.5 130.2 115.9 145.8 148.2	129.2 123.9 144.2	158.1	167.4 165.6 156.7 190.6
Consumer staples Processed foods. Beverages and tobacco Drugs, soap, and toiletries. Newspapers, magazines, and books. Consumer fuel and lighting. Fuel oil and gasoline. Residential utilities. Electricity. Gas	8.43 2.43 2.97	119.6 153.4 159.6	134.3 127.6 154.9 123.5 138.8 119.0	150.1 122.8 137.4	148.8 124.8 148.9 122.9	112.6 153.0 124.5 156.8 123.0	114.8 152.3 124.4 154.0 123.0	129.9 113.8 124.6 155.0 128.3 150.2 117.4	123.9	128.4 114.4 133.6 152.1 125.6 138.5 115.9	133.1 118.8 144.4 156.3 124.6 142.8 121.4 	127.6 153.9 126.1 151.9 125.1	142.6 133.5 134.8 163.6 129.7 156.5 126.7	162.9	162.3 128.4
Equipment															
Business equipment. Industrial equipment Commercial equipment. Freight and passenger equipment. Farm equipment.	6.85 2.42	137.0 145.3 141.0	139.6 151.8	152.8 146.1	148.5 146.8 155.0 149.8 138.7	147.3 145.1 152.7 149.4 145.0	149.7 146.4 155.1 152.2 157.8	151.9 148.4 157.7 154.9 158.9	152.2 148.4 158.2 156.8 157.6	154.4 150.8 160.4 161.8 149.2	164.6	153.5 162.9 148.8	165.5 157.1	168.9 164.2	163.3 158.4 172.7 176.5
Defense equipment	3.41				•••••						•••••	•••••	• • • • • •		• • • • •
Materials															
Durable goods materials Consumer durable Equipment Construction Metal materials n.e.c	26.73 3.43 7.84 9.17 6.29	131.2 145.8 134.4 124.5 129.2	131.8 115.6 137.3 130.9 134.9	135.8 151.8 139.3 126.5 136.2	135.2 163.9 143.6 118.6 133.0	135.7 165.2 143.9 115.9 138.2	138.7 167.4 145.1 120.3 141.8	142.9 171.3 148.5 125.5 145.9	144.4 168.3 149.1 129.2 147.5	146.9 168.8 149.7 136.0 147.4	149.5 171.6 151.5 141.2 146.9	158.1	144.5 144.4 150.1 144.0 138.3	165.4 152.7	147.4 171.2 157.1 142.8 129.1
Nondurable materials  Business supplies.  Containers.  General business supplies.  Nondurable materials n.e.c.	25.92 9.11 3.03 6.07 7.40	134.3 127.4 127.9 127.1 157.7	134.9 138.4 133.1	137.9 130.2 125.0 132.8 164.9	136.6 127.3 117.7 132.1 161.9	137.8 128.0 128.1 127.9 166.2	140.9 133.3 135.2 132.4 170.8	142.0 134.2 129.7 136.5 171.8	144.3 138.7 141.4 137.4 174.2	143.1 136.3 133.3 137.9 173.0	144.5 137.0 138.6 136.2 173.7	137.5 128.4 130.7 127.2 163.9	145.7 137.2 145.3 133.2 174.8	143.1 138.1	149.2 144.0 144.8 143.6 180.2
Business fuel and power Mineral fuels Nonresidential utilities Electricity General industrial Commercial and other. Gas.	6.07 2.86 2.32 1.03	122.6 112.2 149.6 149.6 142.8 159.7	114.1 152.6 147.3	124.2 114.4 147.7 147.4 152.7	125.6 114.9 151.4 148.2 159.3	124.9 114.0 152.3 148.0 161.2	124.8 114.6 150.0 147.0 157.7	153.6	153.8	126.0 113.9 156.3 156.8 161.5	128.8 114.9 164.8 161.2 174.1	125.7 109.3 168.9 158.5	164.5	163,1	129.7
Supplementary groups of consumer goods															
Automotive and home goods Apparel and staples	7.80 24.51							167.8 131.8			165.8 133.9		129.6 141.8	148.4 142.4	174.8

For notes see opposite page.

## INDUSTRY GROUPINGS

(1957-59= 100)

	1937-39	- 100)													
Grouping	19 <b>57-5</b> 9 pro-	1964 aver-		1964						196	55				
Grouping	por- tion	age	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Јипе	July	Aug.	Sept.	Oct.
Total index	100.00	132.3	135.3	136.2	135.5	136.7	139.1	141.7	141.6	142.6	145.2	139.3	143.2	145.9	149.4
Manufacturing, total.  Durable.  Nondurable.  Mining.  Utilities.	86.45 48.07 38.38 8.23 5.32	133.1 133.5 132.6 111.3 151.3	136.3 132.6 141.0 114.5	137.7 139.0 136.0 113.4	131,1	137.7 140.7 133.8 110.8	140.5 143.5 136.8 111.1	143.5 147.1 139.0 111.1	138.2	144.6 149.0 139.0 114.4	141.5	140.3 144.9 134.6 112.3	143.9 143.3 144.7 118.2	147.5 148.2 146.5 114.0	151.7 154.4 148.3 117.8
Durable manufactures															
Primary and fabricated metals Primary metals Iron and steel Nonferrous metals and products. Fabricated metal products. Structural metal parts	12.32 6.95 5.45 1.50 5.37 2.86	130.7 129.1 126.5 138.3 132.7 130.3	134.8 134.9 134.5 136.4 134.6 132.5	137.7 137.8	134.4 133.0 139.4 139.0 138.6	141.0 139.8	144.7 142.9 151.2 140.2 135.3		150.9 148.3 160.4 145.2 140.0	146.0 146.6 142.5 161.5 145.3 142.0	147.4 145.9 143.3 155.2 149.3 147.2	138.7 133.1 135.4 124.6 145.8 145.5	137.4	130.5 125.0 150.5 154.1	138.5 125.4 117.5 153.8 155.5 152.8
Machinery and related products Machinery. Nonelectrical machinery. Electrical machinery Transportation equipment Motor vehicles and parts. Aircraft and other equipment Instruments and related products. Ordnance and accessories.	14.80 8.43 6.37 10.19 4.68 5.26	136.4 141.4 142.1 140.6 130.7 150.1 112.4 136.4	142.8	141.6 147.9 145.0 151.7 135.0 155.0 116.2 142.7	151.8 151.0	148.1 146.1 178.9	148.9 154.8 155.4 153.9 144.8 177.3 115.5 143.1	156 3	154.4 148.3 179.8 119.2	153.7 158.6 160.9 155.7 151.9 185.0 121.2 145.5	163.2 159.8	149.2 144.0 168.5 121.1	154.8 156.0 123.8 120.2 125.0	160.3 167.3	163.2 167.5 162.7 173.8 161.2 189.9 135.1 159.4
Clay, glass, and lumber	4.72 2.99 1.73	121.1 126.0 112.6	128.2 134.5 117.4	121.1 129.6 106.5	110.5 120.4 93.4	108.3 113.9 98.5	114.4 116.4 111.0	117.3 118.9 114.5	122.9 129.3 111.9	130.6 136.2 121.0	135.5 142.1 124.1	133.0 141.9 117.7	139.8 146.2 128.9	138.0 143.2 129.0	137.6 144.6 125.7
Furniture and miscellaneous Furniture and fixtures Miscellaneous manufactures	3.05 1.54 1.51	138.4 143.4 133.4	149.2 153.0 145.4	148.2 152.0 144.3	146.7 154.2 139.1	139.5 147.6 131.2	142.9 150.4 135.2	145.6 152.4 138.8	145.2 151.4 138.9	146.7 151.8 141.4	150.5 156.5 144.3	146.4 154.2 138.5	156.3 161.5 151.0	159.0 162.8 155.2	163.1 166.0 160.1
Nondurable manufactures															
Textiles, apparel, and leather Textile mill products Apparel products Leather and products	7.60 2.90 3.59 1.11	125.2 122.9 134.1 102.6	132.8 127.8 144.7 107.4	129.4 129.3 137.7 103.3	119.4 121.2 124.4 98.5	131.2 131.0 138.6 108.2	139.3 134.6 150.9 114.0	139.4 134.1 151.9 112.5	135.5 135.5 145.0 105.0	136.5 137.5 145.3 105.9	137.4 136.8 147.6 106.2	130.1	138.4 138.2 146.2 114.0	136.4 146.6	140.7 142.0
Paper and printing Paper and products Printing and publishing Newspapers	8.17 3.43 4.74 1.53	127.5 133.4 123.3 117.0	134.9 145.9 126.9 122.6	130.9 134.5 128.4 128.7	126.6 128.2		131.8 140.9 125.3 116.9	134.6 141.8 129.5 123.4	130.1 144.2 130.2	135.2 141.6 130.5 129.5	134.7 142.2 129.3 125.3	127.3 130.7 124.8 109.8	135.6 144.2 129.3 117.4	146.8 131.4	142.7 152.5 135.7 134.2
Chemicals, petroleum, and rubber Chemicals and products Industrial chemicals Petroleum products Rubber and plastics products	11.54 7.58 3.84 1.97 1.99	152.5 159.6 178.4 121.0 156.3	158.6 164.1 181.9 123.3 172.3	155.3 162.8 184.4 119.9 162.1	1 186.0	185.1 117.2	161.3 168.2 190.1 119.7 176.2	163.2 171.5 192.7 117.9 176.4	116.6	162.9 171.7 192.8 121.1 171.6	195.8 125.5	190.0 130.1	196.7	178.1 201.9	170.0 178.2 126.5
Foods, beverages, and tobacco Foods and beverages Food manufactures Beverages Tobacco products	11.07 10.25 8.64 1.61 .82	120.8 120.8 120.1 124.4 120.8	133.0 132.9 134.6 124.2 134.3	124.2 124.3 125.7 116.7 123.4	117.2 118.4 119.2 113.9 102.1	115.4 115.0 116.2 108.4 120.9	113.2 112.5 112.8 110.7 122.9	116.7 116.0 114.4 124.2 125.3	115.4 115.0 113.0 125.5 120.7	118.8 118.6 114.6 140.1 120.7	151.6	124.6 122.0	133.5 132.9 136.9	134.3	135.3 136.4
Mining															i
Coal, oil, and gas. Coal. Crude oil and natural gas. Oil and gas extraction. Crude oil Gas and gas liquids. Oil and gas drilling.	1.16 5.64 4.91	110.4 113.4 109.9	111.6 118.7 110.2 113.0 109.7 133.9 91.4	111.7 114.1 111.3 114.5 110.2 141.6 89.5	112.3 108.1 113.1 116.5 112.0 144.9 90.5	116.0	112.2 104.4 113.8 116.9 111.9 149.0 92.4	1117.5	112.0 108.7 112.6 117.2 113.2 143.3 81.5	110.6 114.1 109.9 113.8 110.2 137.5 83.6	110.2 114.5 111.1 136.4	90.2 110.3 113.8 109.9	111.7   114.4   111.1   135.8	110.2	113.9 127.3 111.2 114.5 110.9
Metal, stone, and earth minerals Metal miningStone and earth minerals	.61	117.4	127.9 123.5	121.5 116.5	111.1	111.5	105.8 111.1 101.9	110.9	117.0	132.4 133.8 131.3	139.8	135.2	141.8 140.6 142.7	138.3	135.9 133.1 138.0
Utilities															
Electric	4.04 1.28	153.9 143.4		147.3	158.6	167.3	163.0	163.0	158.2	154.2	161.4	170.5	177.7	176.6	

Note.—Published groupings include some series and subtotals not shown separately. A description and historical data are available in

Industrial Production—1957-59 Base. Figures for individual series and subtotals (N.S.A.) are published in the monthly Business Indexes release.

#### SELECTED BUSINESS INDEXES

(1957-59=100)

			I	ndustria	l produ	ction	-				Ma factu				Pric	ces 4
Period	Total		or mark al prod	et group ucts	oings		jor indu		Con- stru- tion con- tracts	Nonag- ricul- tural em- ploy- ment-	Em-	Pay-	Freight car- load- ings	Total retail sales 3	Con-	Whole-
	Total	Total	Con- sumer goods	Equip- ment	Mate- rials	Mfg.	Min- ing	Util- ities	tracts	Total 1	ment	rolls			sumer	com- modity
1950 1951 1952 1953	74.9 81.3 84.3 91.3 85.8	72.8 78.6 84.3 89.9 85.7	79.5	94 1	76.9 83.8 84.3 92.6 85.9	75.8 81.9 85.2 92.7 86.3	83.2 91.3 90.5 92.9 90.2	49.5 56.4 61.2 66.8 71.8	61 63 67 70 76	86.1 91.1 93.0 95.6 93.3	99.4 106.1 106.1 111.6 101.8	68.9 80.2 84.5 93.6 85.4	117.1 121.5 115.0 116.6 104.6	72 76 79 83 82	83.8 90.5 92.5 93.2 93.6	86.8 96.7 94.0 92.7 92.9
1955 1956 1957 1958 1959	96.6 99.9 100.7 93.7 105.6	93.9 98.1 99.4 94.8 105.7	93.3 95.5 97.0 96.4 106.6	104.6 91.3	99.0 101.6 101.9 92.7 105.4	100.8	99.2 104.8 104.6 95.6 99.7	80.2 87.9 93.9 98.1 108.0	91 92 93 102 105	96.5 99.8 100.7 97.8 101.5	105.5 106.7 104.7 95.2 100.1	94.8 100.2 101.4 93.5 105.1	115.3 115.9 108.2 93.8 97.9	89 92 97 98 105	93.3 94.7 98.0 100.7 101.5	93.2 96.2 99.0 100.4 100.6
1960 1961 1962 1963 1964	108.7 109.7 118.3 124.3 132.3	109.9 111.2 119.7 124.9 131.8	112.6 119.7 125.2	108.3 119.6 124.2	107.6 108.4 117.0 123.7 132.8	109.6 118.7 124.9	101.6 102.6 105.0 107.9 111.3	115.6 122.3 131.4 140.0 151.3	105 108 120 132 137	103.2 102.8 105.7 7107.8 110.8	99.9 95.9 99.1 99.7 101.4	106.7 105.4 113.8 117.9 1124.2	95.3 91.2 92.4 93.3 95.5	106 107 115 120 127	103.1 104.2 105.4 106.7 108.1	100.7 100.3 100.6 100.3 100.5
1964—Oct Nov Dec	131.6 135.4 138.1	130.5 135.2 138.1	134.5	132.5 136.7 138.4	132.6 135.9 138.0	136.4	112.0 112.8 112.5	154.9 155.4 157.1	136 143 154	r111.1 112.1 r112.6	r100.3 r102.9 r103.6	r122.5 r127.4 r130.3	94.6 98.5 99.1	125 127 133	108.5 108.7 108.8	100.8 100.7 100.7
1965—Jan	138.6 139.2 140.7 140.9 141.6 142.7 144.2 7144.5 7143.4 144.4 145.5	138.4 138.5 140.1 139.4 140.2 140.7 141.7 142.3 7143.3 145.2 146.6	140.0 138.5 138.6 138.7 139.3 *139.5 *140.6 141.1	139.4 140.4 141.2 143.7 144.9 147.0	138.8 139.7 141.7 142.6 142.6 144.5 144.5 146.1 7143.5 143.9 144.6	140.8 142.3 142.4 143.1 144.1 145.7 146.0 7145.1	111.8 111.8 112.5 113.0 114.0 115.3 116.0 '117.0 '112.4 115.0 115.4	154.9 156.1 158.5 159.9 160.4 162.5 161.6 161.9 7165.6 166.0 166.5	137 140 141 152 145 139 149 139 147	r112.9 r113.4 r113.9 r113.9 r114.3 r114.8 r115.2 r115.4 r115.7 116.1 116.7	r104.1 r104.5 r105.0 r105.1 r105.2 r105.9 r106.4 r106.7 r106.8 107.2 108.0	7132.1 7132.9 7134.3 7132.8 7133.8 7134.5 7135.3 7136.7 7136.7 140.2	100.4 96.4 98.1 98.6 100.5 93.8 95.1 94.3 93.4 97.9	134 136 133 134 137 136 139 138 139 140	108.9 108.9 109.0 109.3 109.6 110.1 110.2 110.0 110.2	101.0 101.2 101.3 101.7 102.1 102.8 102.9 102.9 103.0 103.1 103.5

Employees only; excludes personnel in the armed forces.
 Production workers only.
 Federal Reserve index based on Census Bureau figures.
 Prices are not seasonally adjusted.

Note.—Data are seasonally adjusted unless otherwise noted. Construction contracts: F. W. Dodge Co. 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.

Freight carloadings: Based on data from Association of American Railroads.

#### CONSTRUCTION CONTRACTS

(In millions of dollars)

Type of ownership and	1062	1064		1964						19	965				
type of construction	1963	1964	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Total construction	45,546	47,330	4,033	3,758	3,598	3,131	3,226	4,224	4,770	4,864	4,625	4,795	4,265	4,153	4,356
By type of ownership: PublicPrivate	14,653 30,893	15,374 31,956	r1,310 r2,724	1,174 2,584	1,230 2,368	1,105 2,026	1,113 2,113	1,356 2,867	1,539 3,231	1,517 3,348	1,553 3,072	1,750 3,045	1,313 2,952	1,332 2,821	1,294 3,061
By type of contruction: Residential building Nonresidential building Nonbuilding		15,522	1,429	1,482 1,264 1,012	1,299	1,156	1,300 1,062 864	1,877 1,384 962	1,546	2,074 1,775 1,015	1,551	1,691	1,507	1,756 1,464 934	

Note.—Dollar value of total contracts as reported by the F. W. Dodge Co. does not include data for Alaska or Hawaii. Totals of monthly

data exceed annual totals because adjustments—negative—are made to accumulated monthly data after original figures have been published.

#### VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

-					Private						Public		
Period	Total		Non-		Busi	iness		Other non-		Mili-	High-	Sewer	i
		Total	resi- dential	Total	Indus- trial	Com- mercial	Public utility	resi- den- tial	Total	tary	way	and water	Other
1956 1957 1958	47,601 49,139 50,153	34,869 35,080 34,696	20,178 19,006 19,789	11,076 12,029 10,659	3.084 3.557 2,382	3,631 3,564 3,589	4,361 4,908 4,688	3,615 4,045 4,248	12,732 14,059 15,457	1,360 1,287 1,402	4,415 4,934 5,545	1,275 1,344 1,387	5,682 6,494 7,123
1959 1	55,305 53,941 55,447 59,576 62,755 65,817	39,235 38,078 38,299 41,707 43,859 45,891	24,251 21,706 21,680 24,292 25,843 26,507	10,557 11,652 11,789 12,234 12,758 13,809	2,106 2,851 2,780 2,949 2,962 3,303	3,930 4,180 4,674 4,955 5,200 5,656	4,521 4,621 4,335 4,330 4,596 4,850	4,427 4,720 4,830 5,181 5,258 5,575	16,070 15,863 17,148 17,869 18,896 19,926	1,465 1,366 1,371 1,266 1,227 968	5,761 5,437 5,854 6,365 6,948 7,182	1,467 1,487 1,581 1,754 1,966 2,298	7,377 7,573 8,342 8,484 8,755 9,478
1964—Nov Dec	65,153 66,178	45,368 45,684	25,638 25,953	14,242 14,416	3,521 3,610	5,709 5,641	5,012 5,165	5,488 5,315	19,785 20,494	1,033 756	7,087 7,583	2,189 2,187	9,476 9,968
1965—Jan	66,881 67,598 67,590 67,572 68,950 68,599 67,953 69,311	46,333 46,846 47,17! 47,544 47,982 48,616 48,603 48,194 48,068 47,831 47,811	26,676 26,713 26,602 26,675 27,070 27,224 26,983 26,621 26,413 26,344 26,132	14,278 14,647 15,044 15,267 15,300 15,801 16,084 16,053 16,076 15,810 15,859	3,792 3,871 3,934 3,997 4,012 4,040 4,073 4,096 4,114 4,099 4,008	5,662 5,701 5,903 6,089 6,254 6,574 6,826 6,815 6,754 6,529 6,545	4,824 5,075 5,207 5,181 5,034 5,187 5,185 5,142 5,208 5,182 5,306	5,379 5,486 5,525 5,602 5,612 5,591 5,536 5,520 5,579 5,677 5,820	19,722 20,035 20,427 20,046 19,590 20,334 19,996 19,759 21,243 19,840 20,713	785 776 912 888 887 833 980 910 1,025	7,010 7,151 7,541 7,396 6,862 7,546 7,156 6,529 7,636 6,384	2,167 2,164 2,110 2,074 2,042 2,014 1,995 2,000 2,042 2,078 2,127	9,760 9,944 9,864 9,688 9,799 9,941 9,865 10,320 10,540

<sup>&</sup>lt;sup>1</sup> Beginning with 1959, includes data for Alaska and Hawaii.

Note.—Monthly data are at seasonally adjusted annual rates. Beginning with 1959, figures are Census Bureau estimates. Data before 1959 are joint estimates of the Depts. of Commerce and Labor.

#### NEW HOUSING STARTS

(In thousands of units)

<del>-</del>		il rate,		Ву	area		By ty	pe of own	ership		G	overnmen	t-
Period	S. (privat	A. e only)	Total	Metro-	Non- metro-		Priv	vate			u	nderwritte:	n
	Total	Non- farm		politan	politan	Total	1- family	2- family	Multi- family	Public	Total	FHA	VA
1955 1956 1957			1,646 1,349 1,224 1,382			1,627 1,325 1,175 1,314				19 24 49 68	670 465 322 439	277 195 193 337	393 271 128 102
1959			1,554 1,296 1,365 1,492 1,641 1,591	1,077 889 948 1,054 1,151 1,119	477 407 417 439 490 472	1,517 1,252 1,313 1,463 1,609 1,557	1,234 995 975 992 1,021 972	56 44 44 49 53 54	227 213 295 422 535 532	37 44 52 30 32 33	458 336 328 339 292 264	349 261 244 261 221 205	109 75 83 78 71 59
1964—Oct Nov Dec	1,505	1,495 1,480 1,575	146 115 98	101 78 70	45 37 28	144 112 97	92 69 59	5 4 3	47 39 35	2 3 2	24 21 17	19 16 13	5 5 4
1965—Jan	1,442 1,489 1,552 1,516 1,566 1,473 1,422 1,449 1,402	1,417 1,468 1,465 1,532 1,501 1,539 1,447 1,409 1,432 1,371	86 88 125 155 162 162 144 138 #126 #135	59 63 91 103 111 115 95 95 88 95	27 25 34 52 52 52 48 49 43 38 41	82 85 121 152 158 156 141 135 124 133	52 51 77 100 102 100 94 88 80 90	334 556 5544	27 31 40 48 50 50 43 42 40 39	4 2 4 3 5 7 3 3 2 2 2 2	17 16 20 22 24 25 22 22 22 21 22	13 12 16 17 19 19 17 18 17	4 4 4 5 5 5 5 5 5 5 5 4 4

Note.—Beginning with 1959, Census Bureau series includes both farm and nonfarm scries developed initially by the Bureau of Labor Statistics. Series before 1959 reflect recent Census Bureau revisions which are not

available by area or type of structure. Data from Federal Housing Admin, and Veterans Admin, represent units started, based on field office reports of first compliance inspections.

#### LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons unless otherwise indicated)

					Civil	lian labor force	, S.A.		
Period	Total non- institutional population	Not in the labor force	Total labor force			Employed <sup>1</sup>			Unemploy- ment rate <sup>2</sup>
	N.S.A.	N.S.A.	S.A.	Total	Total	In nonagri- cultural industries	In agriculture	Unem- ployed	(per cent) S.A.
1959	125, 368 127, 852 130, 081 132, 125 134, 143 134, 952 135, 135 135, 302 135, 469 133, 651 135, 812 136, 160 136, 252 136, 670 136, 670 136, 862	\$1,420 52,242 53,677 55,400 56,412 57,172 58,055 58,568 59,603 59,051 59,039 58,504 57,556 55,477 55,102 56,310 58,626 58,149 58,445	71,946 73,126 73,126 74,175 74,681 75,712 76,971 77,432 77,621 77,755 77,647 78,063 78,127 78,356 78,874 78,465 78,538 78,847	69, 394 70, 612 71, 603 71, 854 72, 975 74, 233 74, 409 74, 706 74, 914 75, 377 75, 443 75, 676 76, 181 75, 772 75, 7483 75, 778 75, 778 76, 052	65,581 66,681 66,796 67,846 68,809 70,357 70,755 71,004 71,284 71,304 71,717 71,937 72,118 72,766 72,397 72,182 72,486 72,839	59,745 60,958 61,333 62,657 63,863 65,596 66,084 66,463 66,771 66,709 66,870 66,874 66,979 67,459 68,092 67,821 67,935 68,595	5,836 5,723 5,463 5,190 4,946 4,761 4,541 4,541 4,513 4,595 4,550 4,843 4,958 4,659 4,674 4,576 4,405 4,551 4,244	3,813 3,931 4,806 4,007 4,166 3,876 3,654 3,702 3,630 3,747 3,504 3,660 3,558 3,415 3,375 3,375 3,392 3,292 3,213	5.5 5.6 6.7 5.6 5.7 5.2 4.9 5.0 4.7 4.9 4.6 4.7 4.5 4.4 4.3

Note.—Information relating to persons 14 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, Bureau of Labor Statistics.

#### EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufac- turing	Mining	Contract construc- tion	Transporta- tion & pub- lic utilities	Trade	Finance	Service	Govern- ment
1959 ¹	53,297 54,203 53,989 55,515 56,602 58,156	16,675 16,796 16,326 16,853 16,995 17,259	732 712 672 650 635 633	2,960 2,885 2,816 2,902 2,963 3,056	4,011 4,004 3,903 3,906 3,903 3,947	11,127 11,391 11,337 11,566 11,778 12,132	2,594 2,669 2,731 2,800 2,877 2,964	7,115 7,392 7,610 7,947 8,226 8,569	8,083 8,353 8,594 8,890 9,225 9,595
SEASONALLY ADJUSTED  1964—Nov. r  Dec. r	58,879 59,163	17,477 17,565	636 635	3,124 3,179	3,972 3,994	12,250 12,303	2,994 2,999	8,674 8,705	9,752 7,783
1965—Jan. * Feb. * Mar. * Apr. * May * June * July * Aug. * Sept. Oct.* Nov.**	59,295 59,581 59,814 59,846 60,032 60,290 60,501 60,621 60,756 60,975 61,268	17,638 17,703 17,762 17,803 17,835 17,943 18,032 18,072 18,072 18,072 18,272	634 634 632 629 627 626 633 627 617 623 625	3,185 3,211 3,238 3,145 3,188 3,195 3,154 3,189 3,186 3,198 3,251	3,926 3,985 4,017 4,013 4,020 4,034 4,031 4,049 4,067 4,070 4,079	12,374 12,423 12,460 12,494 12,532 12,580 12,619 12,641 12,681 12,724	3,003 3,013 3,023 3,024 3,032 3,041 3,049 3,053 3,061 3,067 3,074	8,732 8,771 8,794 8,814 8,843 8,857 8,929 8,946 8,967 9,011 9,040	9,803 9,841 9,888 9,924 9,955 10,014 10,054 10,085 10,119 10,166 10,203
NOT SEASONALLY ADJUSTED									
1964—Nov.†	59,405 59,896	17,589 17,547	640 633	3,227 3,007	3,984 4,002	12,448 13,084	2,982 2,981	8,648 8,627	9,887 10,015
1965—Jan. r. Feb. r. Mar. r. Apr. r. May r. June r. July r. Aug. r. Sept. Oct. p. Nov. p.	58,234 58,341 58,784 59,471 60,000 60,848 60,694 60,960 61,515 61,757 61,821	17,396 17,473 17,578 17,659 17,745 18,027 18,016 18,211 18,428 18,406 18,393	619 616 615 623 629 640 641 640 627 630 629	2,800 2,713 2,820 2,978 3,223 3,412 3,476 3,575 3,495 3,460 3,358	3,863 3,917 3,965 3,977 4,008 4,070 4,083 4,098 4,112 4,103 4,091	12,190 12,112 12,167 12,418 12,437 12,596 12,583 12,574 12,639 12,733 12,929	2,973 2,986 2,999 3,012 3,062 3,062 3,102 3,073 3,064 3,062	8,557 8,604 8,662 8,796 8,905 9,008 9,081 9,062 9,039 9,065 9,013	9,836 9,920 9,978 10,008 10,024 10,033 9,716 9,698 10,102 10,296 10,346

<sup>&</sup>lt;sup>1</sup> Data include Alaska and Hawaii beginning with 1959.

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 the armed forces are excluded.

 <sup>&</sup>lt;sup>1</sup> Includes self-employed, unpaid family, and domestic service workers.
 <sup>2</sup> Per cent of civilian labor force.
 <sup>3</sup> Inclusion of figures for Alaska and Hawaii beginning with 1960 increased population by about 500,000 and total labor force by about 300,000. Most of the increase was in nonagricultural industries.

#### PRODUCTION WORKER EMPLOYMENT IN MANUFACTURING INDUSTRIES

(In thousands of persons)

		Seasonally	adjusted		:	Not seasona	lly adjusted	
Industry group	1964		1965		1964		1965	
	Nov.	Sept.	Oct.p	Nov.⊅	Nov.	Sept.	Oct.p	Nov.p
Total	12,960	13,457	13,500	13,601	13,078	13,773	13,747	13,722
Durable goods.  Ordnance and accessories.  Lumber and wood products.  Furniture and fixtures.  Stone, clay, and glass products.  Primary metal industries.  Fabricated metal products.  Machinery except electrical.  Electrical machinery.  Transportation equipment.  Instruments and related products.  Miscellaneous manufacturing industries.	1,140 1,065 1,146	7,781 105 527 357 500 1,068 983 1,218 1,163 1,267 251 342	7,793 107 529 358 500 1,048 986 1,226 1,180 1,262 252 345	7,863 109 532 362 502 1,051 1,004 1,239 1,193 1,270 253 348	7,412 102 530 348 498 1,029 937 1,126 1,084 1,175 238 345	7,887 106 550 364 519 1,069 999 1,211 1,180 1,270 254	7,895 108 542 366 511 1,034 1,004 1,214 1,201 1,290 254 371	7,932 111 534 367 507 1,036 1,015 1,223 1,214 1,302 256 367
Nondurable goods.  Food and kindred products.  Tobacco manufactures. Textile-mill products.  Apparel and other finished textiles. Paper and allied products. Printing, publishing, and allied industries. Chemicals and allied products. Products of petroleum and coal. Rubber products Leather and leather products.	1,163 80 804 1,175 491 606 531 111 341	5,676 1,129 68 825 1,205 499 621 546 111 362 310	5,707 1,141 70 828 1,212 499 626 545 110 365 311	5,738 1,160 68 832 1,208 502 629 547 110 371 311	5,666 1,183 87 808 1,187 495 610 528 110 347 311	5,886 1,266 86 832 1,229 506 626 547 113 369 312	5,852 1,229 86 835 1,229 504 631 544 111 372 311	5,790 1,180 74 836 1,219 506 633 543 109 377 313

Note.—Bureau of Labor Statistics; data cover production and related workers only (full- and part-time) who worked during, or received pay for

the pay period that includes the 12th of the month.

#### HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES

·		erage ho (per weel		ced	Aver (doll	rage weel ars per w	kly earni reek; N.S	ngs S.A.)	Ave (doll	erage hou ars per h	ırly earn our; N.S	ings S.A.)
Industry group	1964		1965		1964		1965		1964		1965	
	Nov.	Sept.	Oct.p	Nov.p	Nov.	Sept.	Oct.p	Nov.p	Nov.	Sept.	Oct.p	Nov.
Total	40.9	40.9	41.3	41.4	104.30	107.83	108.88	109.30	2.55	2.63	2.63	2.64
Durable goods. Ordnance and accessories. Lumber and wood products. Furniture and fixtures. Stone, clay, and glass products. Primary metal industries. Fabricated metal products. Machinery except electrical. Electrical machinery Transportation equipment. Instruments and related products. Miscellaneous manufacturing industries.	41.7 40.5 40.6 41.6 41.8 42.2 42.0 42.9 40.8 41.9 41.0 39.8	41.6 41.9 40.5 40.9 41.9 41.6 43.0 40.5 41.8 41.5 39.8	42.1 42.2 41.1 41.5 41.8 41.4 42.3 43.5 41.0 43.5 41.6 40.2	42.2 42.8 41.6 41.8 42.0 41.4 42.4 43.7 41.1 43.5 41.6 40.3	113.42 124.95 85.01 86.73 107.26 130.83 112.3.11 103.32 132.71 106.14 83.20	131.15 90.61 89.24 112.10 133.44 116.48 127.12 106.08 135.01 108.58	131.98 91.08 90.73 112.52 130.06 118.30 129.47 107.12 142.68 109.52	90.01 90.52 111.99 130.79 118.72 129.77 107.79 143.44 110.20	2.72 3.07 2.12 2.07 2.56 3.13 2.69 2.89 2.52 3.13 2.57 2.08	2.81 3.13 2.21 2.14 2.65 3.20 2.78 2.97 2.60 3.23 2.61 2.13	2.81 3.12 2.20 2.15 2.66 3.18 2.79 2.99 2.60 3.25 2.62 2.14	2.82 3.13 2.19 2.15 2.66 3.19 2.80 2.99 2.61 3.26 2.63 2.14
Nondurable goods. Food and kindred products. Tobacco manufactures. Textile-mill products. Apparel and other finished textiles. Paper and allied products. Printing, publishing, and allied industries. Chemicals and allied products. Products of petroleum and coal. Rubber products. Leather and leather products.	38.4 41.5 36.4 42.5 38.5 41.6 41.8 41.4	40.1 40.7 37.8 41.7 36.0 43.0 38.6 42.2 42.7 41.6 38.4	40.1 41.0 37.6 41.8 36.4 43.4 38.4 41.9 42.3 42.4 38.6	40.3 41.2 38.5 41.9 36.5 43.5 41.9 42.3 42.6 38.5	92.17 98.29 73.92 76.68 65.70 109.82 114.82 118.14 134.69 105.73 69.56	100.19 78.41 78.62 67.33 116.48 120.28 123.65 142.68 110.46	119.27 122.06 140.44 112.36	101.02 81.79 80.79 67.34 116.31 119.58 122.77 142.21 113.05	2.38 1.93 1.83 1.81 2.59	2.38 2.42 1.99 1.89 1.86 2.69 3.10 2.93 3.28 2.63 1.90	2.38 2.42 1.98 1.90 1.86 2.68 3.09 2.92 3.32 2.65 1.90	2.39 2.44 2.13 1.91 1.85 2.68 3.09 2.93 3.37 2.66 1.91

 $\begin{tabular}{ll} \textbf{Note.--Bureau of Labor Statistics; data are for production and related} \\ \textbf{workers only.} \end{tabular}$ 

1782 **PRICES DECEMBER 1965** 

## CONSUMER PRICES

(1957-59= 100)

					Hou	sing						Health	and rec	reation	
Period	All items	Food	Total	Rent	Home- owner- ship	Fuel oil and coal	Gas and elec- tricity	Fur- nish- ings and opera- tion	Apparel and upkeep	Trans- porta- tion	Total	Med- ical care	Per- sonal care	Read- ing and recrea- tion	Other goods and serv- ices
1929 1933 1941	59.7 45.1 51.3 62.7	55.6 35.3 44.2 58.4	61.4 67.5	85.4 60.8 64.3 66.1		45.2 53.6	88.3 86.4			51.2 55.4		50.6 57.5	47.6 63.6	57.3 75.0	58.2 67.3
1956	94.7 98.0 100.7 101.5	94.7 97.8 101.9 100.3	95.5 98.5 100.2 101.3	96.5 98.3 100.1 101.6	94.1 98.2 100.4 101.4	95.9 100.8 99.0 100.2	95.9 96.9 100.3 102.8	97.3 99.4 99.9 100.7	97.8 99.5 99.8 100.6	91.3 96.5 99.7 103.8	93.6 97.0 100.3 102.8	91.8 95.5 100.1 104.4	93.7 97.1 100.4 102.4	93.4 96.9 100.8 102.4	95.8 98.5 99.8 101.8
1960 1961 1962 1963	103.1 104.2 105.4 106.7 108.1	101.4 102.6 103.6 105.1 106.4	103.1 103.9 104.8 106.0 107.2	103.1 104.4 105.7 106.8 107.8	103.7 104.4 105.6 107.0 109.1	99.5 101.6 102.1 104.0 103.5	107.0 107.9 107.9 107.8 107.8	101.5 101.4 101.5 102.4 102.8	102.2 103.0 103.6 104.8 105.7	103.8 105.0 107.2 107.8 109.3	105.4 107.3 109.4 111.4 113.6	108.1 111.3 114.2 117.0 119.4	104.1 104.6 106.5 107.9 109.2	104.9 107.2 109.6 111.5 114.1	103.8 104.6 105.3 107.1 108.8
1964—Oct Nov Dec	108.5 108.7 108.8	106.9 106.8 106.9	107.6 107.7 107.8	108.2 108.3 108.4	109.6 109.8 110.0	102.9 103.7 105.8	108.2 108.1 108.3	102.8 102.9 102.9	106.2 106.4 106.6	109.4 110.0 110.5	114.0 114.2 114.3	119.9 120.2 120.3	109.7 109.7 110.0	114.5 114.9 114.9	109.1 109.1 109.2
1965—JanFebMarAprMayJulyAugSeptOct	108.9 108.9 109.0 109.3 109.6 110.1 110.2 110.0 110.2 110.4	106.6 106.6 106.9 107.3 107.9 110.1 110.9 110.7 109.7	108.1 108.2 108.2 108.2 108.2 108.2 108.3 108.3 108.9	108.4 108.5 108.7 108.8 108.8 108.8 108.9 109.0 109.1 109.2	110.6 110.9 110.8 110.8 110.8 111.0 111.2 111.4 111.6 112.1	106.5 106.7 106.5 105.4 104.6 103.4 103.2 103.5 104.3 106.9	108.0 107.8 107.7 107.7 107.7 107.8 106.9 107.7 107.9	102.8 102.8 103.1 103.1 103.1 102.9 102.9 103.1 103.3	105.6 105.8 106.0 106.3 106.8 106.9 106.1 106.4 107.2	111.1 110.6 110.6 111.0 111.4 111.2 111.5 111.0 111.0	114.5 114.7 114.9 115.4 115.6 115.7 115.3 115.6 115.8 116.2	120.6 121.0 121.4 121.6 121.8 122.2 122.7 122.8 122.8 123.0	110.0 110.1 110.4 110.7 111.0 111.0 108.7 109.0 109.2 109.2	115.0 115.2 115.4 115.9 115.9 115.7 114.6 114.3 114.3	109.3 109.4 109.5 110.3 110.6 111.0 111.5 112.6 112.7 113.3

Note.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

The new series index begins with January 1964.

### WHOLESALE PRICES: SUMMARY

(1957-59= 100)

									О	ther cor	nmoditi	es					
Period	All com- modi- ties	Farm prod- ucts	Proc- essed foods	Total	Tex- tiles, etc.	Hides, etc.	Fuel, etc.	Chem- icals, etc.	Rub- ber, etc.	Lum- ber, etc.	Paper, etc.	Met- als, etc.	Ma- chin- ery	Furni- ture, etc.	Non- me- tallic min- erals	To- bacco, etc.	Mis- cella- neous
1956	96.2 99.0 100.4 100.6	103.6		99.5	100.7 100.8 98.9 100.4	94.9 96.0	97.4 102.7 98.7 98.7	99.6 100.4	100.6 100.2 100.1 99.7	98.5 97.4	99.0 100.1	97.8 99.7 99.1 101.2	92.1 97.7 100.1 102.2	100.2		99.7	96.6 101.5
1960	100.7 100.3 100.6 100.3 100.5	96.9 96.0 97.7 95.7 94.3	100.7 101.2 101.1	100.7	99.7 100.6 100.5	106.2 107.4 104.2		99.1	99.9 96.1 93.3 93.8 92.5	95.9 96.5 98.6	98.8 100.0 99.2	101.3 100.7 100.0 100.1 102.8	102.3 102.3 102.2	99.5 98.8 98.1	101.8 101.8 101.3	103.2 104.1 106.1	103.9 107.3 110.4
1964—Oct Nov Dec	100.8 100.7 100.7	93.8 94.0 92.7	100.9	101.5 101.6 101.8	101.4	105.5	96.7 97.6 98.1	96.9 97.1 97.2	92.1 92.2 92.2	99.6	98.9	103.8 104.3 104.7	103.0 103.2 103.1		101.8	107.6 107.5 107.5	108.5
1965—Jan	101.0 101.2 101.3 101.7 102.1 102.8 102.9 103.0 103.1	100.3 100.0 99.1	102.1 101.8 102.3 103.3 106.1 106.6 106.7 106.7	101.9 102.0 102.1 120.3 102.5 102.5 102.7	101.5 101.5 101.5 101.6 101.9 101.9 101.9 7102.1	105.1 105.7 106.3 107.4 107.7 108.8 112.2 111.3	98.5 97.9 97.6 98.4 98.7 98.7 99.0 99.2	97.2	93.3	100.8 100.7 100.5 100.4 100.3 100.5 101.8 *102.0	99.0 99.5 99.8 100.0 100.0 99.9	104.6 104.8 105.2 105.7 105.9 105.8 106.2 106.2	103.8	98.0 97.8 97.7 97.7	101.8 101.9 101.9 101.9 102.0 101.6 101.6	107.6 107.5 107.8 108.1 107.6 107.6 107.6	109.5 110.3

See next page for composition of other commodities.

## WHOLESALE PRICES: DETAIL

(1957-59= 100)

	1964		1965			1964		1965	
Group	Oct.	Aug.	Sept.	Oct.	Group	Oct.	Aug.	Sept.	Oct.
Farm Products:					Pulp, Paper, and Allied Products:				
Fresh and dried produce. Grains. Livestock and poultry. Plant and animal fibers. Fluid milk. Eggs. Hay and seeds. Other farm products.	88.9 85.8 93.8 104.5	85.5 88.3 106.4 90.5 103.9 100.0 106.6 98.3	96.1 89.3 102.6 90.0 r104.8 105.9 105.4 100.8	95.6 88.6 103.2 89.9 105.9 105.1 102.7 100.1	Woodpulp Wastepaper Paper Paperboard Converted paper and paperboard Building paper and board Metals and Metal Products:	97.5 92.2 104.0 96.4 98.1 94.3	98.1 97.5 104.1 96.3 99.4 793.3	98.1 97.3 104.1 96.4 99.6 793.4	98.1 104.5 104.5 96.5 99.7 93.8
Processed Foods:  Cereal and bakery products	108.2 93.2	108.8	109.1	109.4	Iron and steel Nonferrous metals Metal containers.	100.7 110.4 105.6	101.4 116.5 108.3	101.2 117.0 108.3	101.2 117.4 108.3
Meat, poultry, and fish.  Dairy products and ice cream.  Canned and frozen fruits and vegetables  Sugar and confectionery.	108.9 102.7 105.8	106.3 108.5 100.4 109.1	105.3 109.1 101.8 108.8	104.9 109.4 105.9 109.4	Hardware. Plumbing equipment. Heating equipment. Fabricated structural metal products. Fabricated nonstructural metal prod-	104.8 *102.9 91.8 99.6	106.4 *103.9 91.9 101.7	106.5 *103.8 91.9 101.8	106.7 103.8 91.9 101.8
Packaged beverage materials  Animal fats and oils  Crude vegetable oils  Refined vegetable oils	97.2 109.8	93.4 114.1 93.2 90.0	93.4 7119.7 100.3 91.0	93.4 122.2 102.1 92.9	ucts	108.2	109.9	<sup>7</sup> 109.9	109.9
Vegetable oil end products	90.4 109.1	101.2 114.8	101.2 114.3	101.2 114.1	Agricultural machinery and equip Construction machinery and equip Metalworking machinery and equip General purpose machinery and	112.9 112.4 114.0	115.6 117.4	r115.0 115.6 r117.9	114.8 115.8 118.3
Cotton products	103.1	100.4 105.0	100.6	100.7 105.4	General purpose machinery and equipment.  Miscellaneous machinery. Special industry machinery and equipment (Jan. 1961=100)	104.5 *104.9	105.1	r105.7 r104.9	106.2
Man-made fiber textile products Silk products Apparel Other textile products	103,3	94.7 132.8 103.9 122.8	794.2 134.9 104.2 127.7	93.4 140.3 104.3 127.1	equipment (Jan. 1961 = 100) Electrical machinery and equip Motor vehicles Transportation equip., R.R. rolling stock (Jan. 1961 = 100)	106.0 96.3 100.7	108.0 96.7 100.7	7108.2 96.6 100.5	108.3 96.5 n.a.
Hides, Skins, Leather, and Products:						100.6	101.0	101.0	101.0
Hides and skins. Leather. Footwear. Other leather products.	95.4 104.8 109.1 103.6	133.4 112.5 110.2 108.8	124.9 110.9 110.3 7109.3	125.6 111.9 112.9 108.9	Furniture and Other Household Durables:  Household furniture Commercial furniture	105.5 103.2	106.1 103.7	106.2 103.7	106.3 103.7
Fuels and Related Products, and Power:	97.7	95.8	796.6	97.2	Floor coverings. Household appliances. Television, radios, and phonographs.	99.0 91.2 87.3	97.5 88.6 84.4	97.5 88.6 84.4	97.5 88.6 84.4
Coal. Coke. Gas fuels (Jan. 1958=100) Electric power (Jan. 1958=100) Petroleum products, refined	107.3 120.4	107.3 123.9 100.8 96.4	107.3 7125.3 100.8 96.4	107.3 126.4 100.8 96.6	Other household durable goods  Nonmetallic Mineral Products:	104.3	104.9	105.0	105.0
Chemicals and Allied Products:					Flat glass	103.1 102.8 101.1	100.2 103.2 101.5	799.9 103.2 101.6	99.9 103.4 101.6
Industrial chemicals. Prepared paint Paint materials Drugs and pharmaceuticals. Fats and oils, inedible. Mixed fertilizers. Fertilizer materials. Other chemicals and products.	90.5 94.6 107.7 104.3 99.3	95.0 105.7 89.2 93.9 104.4 105.7 102.1 99.8	95.0 105.7 89.2 93.9 *108.4 105.9 102.5 *99.9	95.3 105.9 89.7 93.9 110.0 105.9 103.4 100.0	Concrete products Structural clay products. Gypsum products Asphalt roofing Other nonmetallic minerals  Tobacco Products and Bottled Beverages:	7104.6 108.6 91.2	7105.3 7100.6 92.1 101.4	7105.4 799.9 795.0 7101.3	105.4 98.8 94.7 101.3
Rubber and Products:  Crude rubber Tires and tubes Miscellaneous rubber products	91.3 88.0	88.6 91.1 97.4	88.7 91.1 97.5	89.0 91.1 97.6	Tobacco products	106.1 100.8 128.1	106.1 100.7 128.5	106.1 *100.9 128.5	106.1 100.9 128.5
Lumber and Wood Products:	,0.5	71.4	31.3	71.0	Toys, sporting goods, small arms	101.1	102.7	103.0	103.0
Lumber	100.4 109.0 91.2	102.5 107.8 94.6	r103.1 107.8 93.3	103.1 107.8 91.7	Manufactured animal feeds	115.3 99.1 103.9	116.9 99.1 105.1 104.4	7116.8 99.1 105.1 104.6	116.2 99.1 105.1 104.0

Note.—Bureau of Labor Statistics.

#### GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1960	1961	1962	1963	1964	19	64		1965	
rem	1929	1933	1741	1930	1900	1901	1902	1903	1904	III	IV	I	п	Ш
Gross national product	103.1 101.4	55.6 57.2		284.8 278.0		520.1 518.1	560.3 554.3			634.8 631.0	641.1 633.6	656.4 647.6	665.9 659.2	677.5 671.3
Personal consumption expenditures.  Durable goods.  Nondurable goods.  Services.	77.2 9.2 37.7 30.3	45.8 3.5 22.3 20.1	80.6 9.6 42.9 28.1	191.0 30.5 98.1 62.4	325.2 45.3 151.3 128.7	335.2 44.2 155.9 135.1	355.1 49.5 162.6 143.0	168.0		404.6 60.5 179.8 164.3	405.9 57.9 180.9 167.1	416.9 63.9 183.0 170.0		432.2 65.0 191.1 176.1
Gross private domestic investment. Fixed investment. Nonresidential. Structures. Producers' durable equipment. Residential structures. Nonfarm. Change in business inventories. Nonfarm.	16.2 14.5 10.6 5.0 5.6 4.0 3.8 1.7	1.4 3.0 2.4 .9 1.5 .6 .5 -1.6	6.6 3.9 3.7	54.1 47.3 27.9 9.2 18.7 19.4 18.6 6.8 6.0	18.1 30.3 22.8	22.6 22.0	25.3 24.8 6.0	86.9 81.2 54.3 19.7 34.6 26.9 26.3 5.7 4.9	27.5 27.0 4.8	92.6 88.8 61.6 21.1 40.5 27.2 26.6 3.8 4.6	97.7 90.2 63.5 21.5 42.0 26.7 26.2 7.5 7.8	44.2 27.7 27.1 8.7	101.1 94.4 66.4 22.7 43.7 28.0 27.5 6.7 7.1	102.0 95.9 68.3 23.2 45.1 27.6 27.1 6.1 6.0
Net exports of goods and services Exports Imports	1.1 7.0 5.9	.4 2.4 2.0	1.3 5.9 4.6	1.8 13.8 12.0		5.6 28.6 22.9		5.9 32.4 26.4	8.6 37.0 28.5	8.8 37.3 28.5	8.9 38.4 29.5	6.2 34.8 28.6	7.5 39.8 32.3	8.1 40.0 31.8
Government purchases of goods and services.  Federal.  National defense. Other.  State and local.		8.0 2.0  6.0	16.9 13.8 3.1	37.9 18.4 14.1 4.3 19.5	99.6 53.5 44.9 8.6 46.1	47.8	63.4	122.6 64.4 50.8 13.6 58.3	65.3 49.9 15.4	128.7 64.9 49.5 15.4 63.8	128.6 64.3 48.8 15.5 64.3	64.9 48.9 16.0	132.9 65.9 49.4 16.5 67.0	135.2 67.1 50.8 16.3 68.1
Gross national product in constant (1958) dollars	203.6	141.5	263.7	355.3	487.8	497.3	530.0	550.0	577.6	582.6	584.7	597.5	601.4	609.7

Note.—Dept. of Commerce seasonally adjusted quarterly totals at annual rates. For changes in definitions of components reflected in the Aug. 1965 revision by Dept. of Commerce, see Aug. 1965, Survey of Current Business. For broad concepts and most definitions underlying

the U.S. national accounts, see National Income, 1954 Edition, and U.S. Income and Output (1958), both supplements to the Survey of Current Business.

#### NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1960	1961	1962	1963	1964	19	64		1965	
item	1929	1933	1941	1930	1900	1901	1902	1903	1904	III	IV	I	п	III
National income	86.8	40.3	104.2	241.1	414.5	427.3	457.7	481.1	514.4	519.5	526.3	541.4	550.3	558.4
Compensation of employees	51.1	29.5	64.8	154.6	294.2	302.6	323.6	341.0	365.3	369.0	375.4	383.1	388.7	395.2
Wages and salaries. Private. Military. Government civilian.	50.4 45.5 .3 4.6	29.0 23.9 .3 <b>4</b> .9		5.0	222.1	278.1 225.9 10.2 42.0	296.1 240.1 10.8 45.2	10.8	269.2 11.7		342.6 276.5 11.9 54.3	349.8 282.9 11.8 55.0		291.9
Supplements to wages and salaries Employer contributions for social insurance Other labor income	.7 .1 .6	.5 .1 .4	2.7 2.0 .7	7.8 4.0 3.8		24.6 11.8 12.7	27.5 13.7 13.9	29.8 15.0 14.8		32.2 15.5 16.7	32.7 15.7 17.1	33.4 16.1 17.3	33.8 16.3 17.5	34.2 16.5 17.7
Proprietors' income	15.1 9.0 6.2	5.9 3.3 2.6	11.1	37.5 24.0 13.5	46.2 34.2 12.0	48.4 35.6 12.8	50.1 37.1 13.0	50.8 37.8 13.0	51.1 39.1 12.0	51.4 39.4 12.0	51.8 39.6 12.2	<b>51.9</b> 39.9 12.0	54.6 40.1 14.5	54.6 40.4 14.2
Rental income of persons	5.4	2.0	3.5	9.4	15.8	16.0	16.7	17.6	18.2	18.3	18.5	18.5	18.6	18.6
Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	49.9	50.3	55.7	58.1	64.5	65.5	64.9	71.7	72.0	73.3
Profits before tax.  Profits tax liability.  Profits after tax.  Dividends.  Undistributed profits.	10.0 1.4 8.6 5.8 2.8	1.0 .5 .4 2.0 -1.6	7.6 10.1 4.4	42.6 17.8 24.9 8.8 16.0	26.7 13.4	50.3 23.1 27.2 13.8 13.5	55.4 24.2 31.2 15.2 16.0	58.6 26.0 32.6 15.8 16.8	64.8 27.6 37.2 17.2 19.9	65.3 27.8 37.5 17.4 20.1	65.9 28.1 37.8 17.7 20.0	73.1 29.1 44.0 17.8 26.2	73.7 29.4 44.4 18.2 26.1	74.4 29.6 44.8 18.6 26.2
Inventory valuation adjustment	.5	-2.1	-2.5	-5.0	.2	1	.3	4	3	.2	-1.0	-1.4	-1.7	-1.1
Net interest	4.7	4.1	3.2	2.0	8.4	10.0	11.6	13.6	15.2	15.4	15.7	16.1	16.4	16.7

Note.—Dept, of Commerce seasonally adjusted quarterly totals at annual rates. See also Note to previous table.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING (In billions of dollars)

	1929	1933	1941	1950	1960	1961	1962	1963	1964	19	64		1965	
ltem	1929	1933	1941	1950	1960	1961	1962	1963	1964	ш	IV	I	u	III»
Gross national product	103.1	55.6	124.5	284.8	503.8	520.1	560.3	589.2	628.7	634.8	641.1	656.4	665.9	677.5
Less: Capital consumption allowances Indirect business tax and nontax lia-	7.9	7.0	8.2	18.3	43.4	45.2	50.0	52.8	55.7	56.1	56.9	57.7	58.3	59.1
bility	7.0 .6 .7	7.1 .7 .6	11.3 .5 .4	23.3 .8 1.5	45.2 1.9 -1.0	47.7 2.0 7	51.5 2.1 .5	54.6 2.2 7	58.0 2.3 5	58.8 2.3 7	59.3 2.4 -2.2	60.7 2.3 -4.2	61.0 2.3 -4.6	$\begin{array}{r} 61.6 \\ 2.3 \\ -2.8 \end{array}$
Plus: Subsidies less current surplus of government enterprises	1		.1	.2	.2	1.4	1.4	.7	1.2	1.3	1.5	1.5	1.5	1.2
Equals: National income	86.8	40.3	104.2	241.1	414.5	427.3	457.7	481.1	514.4	519.5	526.3	541.4	550.3	558.4
Less: Corporate profits and inventory valuation adjustment	10.5	-1.2 .3		37.7 6.9		50,3 21,4	55.7 24.0	26.8	64.5 27.8	65.5 28.0	64.9 28.4 1	71.7 29.1	72.0 29.4	73.3 29.9
Plus: Government transfer payments	.9	1.5	2.6	14.3	26.6	30.4	31.2	33.0	34.2	34.1	34.4	36.0	35.1	38.9
Net interest paid by government and consumer	2.5 5.8 .6		2.2 4.4 .5	7.2 8.8 .8		15.0 13.8 2.0	16.1 15.2 2.1		17.2	19.4 17.4 2.3	19.5 17.7 2.4	19.9 17.8 2.3	18.2	20.8 18.6 2.3
Equals: Personal income	85.9	47.0	96.0	227.6	401.0	416.8	442.6	464.8	495.0	499.1	507.1	516.6	524.9	535.9
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	50.9	52.4	57.4	60.9	59.2	58.8	60.7	64.8	66.0	64.6
Equals: Disposable personal income	83.3	45.5	92.7	206.9	350.0	364.4	385.3	403.8	435.8	440.3	446.4	451.9	458.9	471.3
Less: Personal outlays	79.1 77.2 1.5	.5	.9	2.4	325.2 7.3	335.2 7.6	363.7 355.1 8.1	373.8	398.9	10.2	405.9		424.4	432.2
eigners	.3	.2	.2	.4		.5	.5	.6	i	.5	.6	.6		.6
Equals: Personal saving	4.2	9	11.0	13.1	17.0	21.2	21.6	20.5	26.3	25.0	29.5	23.8	23.0	27.2
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	340.2	350.7	367.6	380.6	406.5	410.7	414.5	418.4	422.2	432.4

Note.—Dept. of Commerce seasonally adjusted quarterly totals at annual rates. See also Note to table at top of previous page.

## PERSONAL INCOME

(In billions of dollars)

T	1963	1064		1964						19	65				
Item	1963	1964	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.p
Total personal income	464.8	495.0	502.8	506.6	512.0	1515.8	515.7	518.4	520.7	525.3	528.8	530.5	532.0	545.7	540.2
Wage and salary disbursements Commodity-producing industries Manufacturing only. Distributive industries. Service industries. Government.	311.2 125.7 100.6 76.0 49.9 59.6	133.9 107.2 81.1 54.1	135.2		139.8 111.9 83.8	140.3 112.6 84.0 56.4	349.8 141.4 113.6 84.9 56.7 66.8	142.6 114.6 85.8 56.9	142.3 114.4 85.8 57.2	143.3 115.0 86.5 57.7	144.2 115.7 86.7	145.1 116.7 87.2 58.5	360.7 145.8 117.3 87.5 58.8 68.7	146.0 117.6 87.8 59.2	147.2 118.7 88.2 59.7
Other labor income	14.8	16.5	17.0	17.1	17.1	17.2	17.3	17.4	17.4	17.5	17.6	17.7	17.7	17.7	17.8
Proprietors' income	50.8 37.8 13.0	39.1	51.4 39.4 12.0	51.8 39.6 12.2	39.9	39.8	51.9 39.9 12.0	40.1	40.0	54.8 40.1 14.7	40.1	54.9 40.3 14.6	40.4	40.5	
Rental income	17.6	18.2	18.4	18.5	18.5	18.5	18.5	18.5	18.6	18.6	18.6	18.6	18.6	18.6	18.7
Dividends	15.8	17.2	17.5	17.7	18.1	17.8	17.8	17.8	18.0	18.1	18.6	18.5	18.6	18.8	18.9
Personal interest income	31.1	34.3	35.1	35,2	35.5	35.7	36.0	36.2	36.5	36.7	37.0	37.2	37.5	37.7	37.9
Transfer payments	35.2	36.6	36.6	36.5	37.0	<sup>1</sup> 40.1	37.4	37.6	37.8	37.4	37.2	37.6	37.7	48.4	39.0
Less: Personal contributions for social insurance	11.8	12.4	12.6	12.7	12.8	13.0	13.0	13.1	13.1	13.1	13.2	13.3	13.4	13.4	13.5
Nonagricultural income	447.4	478.7	486.5	490.4	495.3	1499.1	499.5	502.7	503.4	506.1	508.5	511.4	513.6	527.5	521.5
Agriculture income	17.4	16.3	16.3	16.3	16.6	16.7	16.2	15.7	17.2	19.2	20.4	19.1	18.1	18.2	18.7

 $<sup>^{\</sup>rm I}$  Includes stepped-up rate of Govt, life insurance dividend payments to veterans in the amount of \$2.4 billion.

## SAVINGS, INVESTMENT, AND FINANCIAL FLOWS

(In billions of dollars)

_	Transaction category,				(111			1963			19	64		196	55	_
	or sector	1960	1961	1962	1963	1964	11	111	IV	I	II	Ш	IV	I	II	
	I. Saving and investment															
1 2 2 4 5 6 7	Gross national saving Households Farm and noncorp. business Corporate nonfin. business U.S. Government. State and local govt Financial sectors	122.9 72.0 12.5 34.4 2.5 -1.9 3.3	119.7 75.8 12.6 35.6 -4.8 -2.9 3.3	134.5 82.1 13.1 41.8 -4.8 -1.4 3.8	144.1 85.9 13.4 44.3 -1.0 -1.8 3.2	158.0 98.4 13.9 49.4 -5.0 -2.1 3.4	142.4 83.6 13.4 43.8 .2 -1.8 3.2	145.7 85.9 13.5 45.5 6 -1.8 3.1	152.0 91.8 13.6 45.2 1 -1.8 3.2	153.2 93.4 13.8 48.7 -3.9 -2.2 3.5	155.0 99.5 13.9 49.3 -8.9 -2.2 3.4	159.7 99.3 14.0 50.2 -5.1 -2.0 3.4		174.1 101.9 14.2 55.6 1.3 -2.5 3.6	174.1 101.9 14.4 55.5 .9 -2.4 3.8	1 2 3 4 5 6 7
8 9 10	Gross national investment	120.9 45.3 3.6	117.9 44.2 2.0	133.8 49.5 6.0	143.1 53.4 5.7	156.3 58.7 4.8	140.4 52.6 4.6	143.7 54.1 5.8	152.3 54.9 8.1	152.1 57.4 3.3	154.3 59.1 4.2	158.4 60.5 4.0	57.9	169.3 63.9 8.7	169.0 63.7 6.7	8 9 10
11 12 13 14	Gross pvt. fixed investment Households Nonfinan. business Financial sectors	71.3 23.0 47.7 .5	69.7 20.9 48.1 .7	77.0 22.2 54.2 .6	81.2 22.6 57.6 1.0	88.1 23.5 63.7 .9	80.1 22.2 56.9 1.0	82.0 22.7 58.2 1.1	84.3 23.2 60.0 1.1	86.5 23.8 61.8 .9	86.8 23.7 62.2 .9	88.8 23.6 64.4 .9		69.9	94.4 23.1 70.4 .8	11 12 13 14
1 <b>5</b> 16	Net financial investment Discrepancy (1-8)	.7 2.0	2.0 1.8	1.3 .7	2.8 1.0	4.7 1.6	3.1 2.0	1.9 1.9	5.0 3	4.9 1.1	4.2 .7	5.1 1.3	4.6 3.6		4.2 5.1	15 16
	II. Financial flows—Summary															
17 18 19	Net funds raised—Nonfinan. sectors. Loans and short-term securities Long-term securities and mtgs	33.1 15.1 18.0	44.3 16.4 27.9	54.3 15.5 38.8	58.2 18.8 39.3		66.2 27.6 38.6	49.7 1.5 48.2	63.0 27.9 35.0	24.3				44.2	68.4 29.6 38.9	17 18 19
20 21 22 23 24 25 26 27 28 30 31 31 32 33 33 34 41 42 44 45 46 47 48 49 50	By sector U.S. Government. Short-term mkt. securities. Other securities. Loan participation certs. Foreign borrowers. Loans. Securities. Pvt. domestic nonfin. sectors. Loans. Consumer credit. Bank loans n.e.c. Other loans. Securities and mortgages. State and local obligations. Corporate securities. 1- to 4-family mortgages. Other mortgages. Net sources of credit (= 17). Chg. in U.S. Govt. cash balance. U.S. Govt. lending. Foreign funds. Pvt. insur. & pension reserves. Sources n.e.c Pvt. domestic nonfin. sectors. Liquid assets. Deposits. Demand dep. and currency Time and sygs. accounts. At commercial banks. At savings instit. Short-term U.S. Govt. sec.	3.1 -5.65 2.00 1.4 4.5 2.8 2.8 2.8 3.01 10.5 3.8 3.1 13.7 -1.3 13.7 -1.3 5.4	3 2.88 2.08 33.99 55.4 1.77 2.22 1.66 4.99 7.11 11.44 3.37 2.88 2.55 8.77 3.77 26.66 24.99 24.00 3.88 20.22 9.02 11.2	2.3 1.20 1.00 44.2 13.3 5.5 4.8 3.00 5.0 7.9 7.9 3.1 3.5 5.2 3.5 5.2 3.5 9.0 3.2 3.5 3.5 3.5 5.5 7.9 3.5 3.5 5.5 7.9 3.5 3.5 5.5 5.5 7.9 3.5 3.5 5.5 7.9 3.5 3.5 3.5 3.5 3.5 3.5 3.5 3.5 3.5 3.5	2 3.32 1.0 49.99 15.5 6.7 34.4 6.7 34.6 15.2 9.0 58.2 2.7 2.3 37.3 34.2 5.7 28.5 13.4 15.1	2.2 4.66 3.97 55.8 18.7 6.9 7.6 4.1 5.9 5.4 10.1 15.8 21.4 23.8 21.4 4.1 13.5 4.1 11.2 28.8 13.4 4.1 13.4 14.1 15.4 16.5 16.5 16.5 16.5 16.5 16.5 16.5 16.5	1.5 .19 3.11 1.88 51.55 6.2 3.66 3.66 3.66 3.67 3.67 9.2 4.11 2.44 6.88 9.99 2.4 40.4 32.2 7.00 25.2	-4.9 3.7 -1.0 11.2 3.0 37.7 32.7 32.1 5.0 27.1 13.1	5 3.24 53.99 6.66 11.5 11.8 34.00 7.1 2.22 9.4 63.06 4.1 .3 9.7 1.2 48.5 42.3 11.9 30.4 15.4	-1.1 3.99 3.99 3.99 3.99 47.22 7.44 2.77 2.11 35.00 4.2 58.67 11.00 4.1 35.00 27.55 25.3 -1.02 26.2 11.57	-1.0 4.99 1.7 4.90 4.09 64.66 23.99 7.2 9.7 7.0 40.7 6.4 7.1 16.3 10.9 3.3 112.1 6.4 49.4 49.4 29.3 31.9 56.6 15.7	11.4 .9 2.66 52.7 15.7 7.1 4.7 4.7 4.7 4.7 6.3 9.9 63.9 -1.1 3.4 1.0.2 4.2 4.3 31.5 38.1 29.0 12.2 16.8	7.00 -7.11 -7.02 -7.11 -7.02 -7.12 -	13.7 -6.2 -6.2 5.4 4.2 63.9 9.6 14.5 2.3 37.4 4.6 15.2 9.4 4.4 4.4 9.5 12.9 40.9 33.4 4.9 5.4 13.2 9.6 14.5 12.9 12.9 12.9 13.3 12.9 13.3 13.9 13.9 13.9 13.9 13.9 13.9 13.9 13.9 13.9 13.9 13.9 13.9 13.9 13.9 14.9 15.9 16.9 16.9 17.9	29.3 8.7 14.7 5.9 38.5 6.8 15.5 68.4 2.4 6.9 12.8 43.7 12.8 27.5 15.2 12.2	32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49
51 52 53 54	Other U.S. Govt. securities  Pvt. credit mkt. instruments  Less security debt  Memo: Total U.S. Govt. sec	4.9	-1.3 4.2 1.3	2.3	1.6 2.2 2.0	7.7	1.3 4.3 1.5	1.9		*	13.1	-1.5	5.5 1.1	6.0	3.5 3	53
	III. Direct lending in credit markets	J	3	1.9	4.7	.9	5.4	5.8	6.3	4.6	7.2		-5.0	5.3	5.5	
55 56 57	Total funds raisedLess change in U.S. Govt. cash Total net of U.S. Govt. cash	33.1 .9 32.2	44.3 44.3	1.3	3	.2	66.2 4.1 62.1	<b>49.7</b> -4.9 54.6	63.0 8 63.8	3.6	9	-1.1	9	5.4	2.4	56
58 59 60 61	Funds supplied directly to cr. mkts  Monetary authorities  Total Less change in U.S. Govt. cash.	.8 .7	1.5	1.9	2.6	3.2	2.3	54.6 1.4 2.3 .8	4.5 4.0	3.2 2.9	1.0	2.1 2.5	6.4	4.1	3.2	59 60
62 63 64 65	Commercial banks, net Total Less chg. in U.S. Govt. cash Security issues	9.0	15.7	19.5 1.2	6	22.2	21.6 4.6		24.1	17.4	21.3 -1.4	20.2 -1.5	30.0 -1.1	31.5 5.0	25.0 2.9	64
66 67 68	Nonbank finance, net	22.1	23.7	28.7	34.5	33.6	36.3			32.2	38.4	32.9	31.0	34.2	26.1 37.2 11.1	66 67 68
69 70	U.S. Government	1			1	}	2.4		4.1		1	1	1	1	6.0	69
70 71 72 73 74 75	Foreign  Pvt. domestic nonfin  Households. Business. State and local govts. Less ret security credit.	.2 1.1 -4.6 3.3	.7 .1 3.2	4.4 -1.7 2.3 3.6	4.9 1.3 2.1 3.5	8.7 3.5 1.3 3.7	8.2 .1 4.5 5.1	3.1	5.8 .6 2.5	9.8 2.7 1.7 5.4	17.5 9.2 2.0	8.2 1.2 2.6 2.8	6 .9 -1.1	11.5 4.6 -3.3 10.1	4.4	73 74

Note.—Quarterly data are seasonally adjusted totals at annual rates. For other notes see Nov. 1965 BULLETIN, p. 1611.

DECEMBER 1965 FLOW OF FUNDS 1787

## PRINCIPAL FINANCIAL TRANSACTIONS

(In billions of dollars)

-								1963			19	64		190	55
	Transaction category, or sector	1960	1961	1962	1963	1964	II	ш	IV	I	II	III	IV	I	п
1 2 3 4 5 6 7 8 9	I. Demand deposits and currency Net incr. in banking system liability. U.S. Govt. deposits. Other. Domestic sectors. Households. Nonfinancial business. State and local govts. Financial sectors. Mail float. Rest of the world.	.1 .9 7 8 9 -1.0 -1.1	5.6 * 5.6 4.8 .8 1.7 .3 1.1	4.5 1.3 3.2 3.1 4.1 -2.3 .9 1.0 6	5.9 5.3 -1.9 2.0	7.4 .2 7.3 6.8 7.4 -2.6 .7 .2	11.9 4.1 7.8 7.4 3.0 .2 .3 .4 3.5	.2 -4.9 5.1 5.4 6.7 -1.1 1 4 4	11.2 8 12.0 12.1 6.8 8 7.8 7.8	3.9 3.6 .3 -1.0 10.6 -7.2 -1.7 -1.1	5.6 9 6.5 6.7 3.4 2.1 -2.3 1.1 -2.3	8.2 -1.1 9.3 8.3 2.8 2.1 1.4 -2.8 1.0	12.0 9 13.0 13.2 13.1 -7.5 5.6 1.3 3	.2 5.4 -5.1 -5.8 7.7 -4.9 -1.6 2 -6.8	8.9 1 2.4 2 6.5 3 7.3 4 8.6 5 -4.3 6 -2.1 7 .5 8 4.7 9
	II. Time and savings accounts														
11 12 13 14 15 16 17 18	Net increase—Total.  At commercial banks—Total.  Corporate business. State and local govts.  Foreign depositors.  Households.  At savines institutions.  Memo: Households total.	1.4 .3 2.8 9.5	20.7 9.4 1.9 .9 .3 6.2 11.3 17.4	28.7 15.6 3.7 1.0 .6 10.3 13.1 23.4	29.5 14.3 3.9 1.6 1.0 7.9 15.2 23.0	30.4 14.6 3.2 1.7 1.4 8.2 15.8 23.9	26.0 11.4 2.4 .3 .9 7.7 14.6 22.6	27.7 13.8 3.2 1.4 .8 8.5 13.9 22.5	31.3 16.2 5.2 2.2 .8 8.0 15.1 23.0	27.9 13.1 6.4 .3 1.5 4.9 14.8 19.6	28.0 12.1 1.4 1.1 1.5 8.1 15.8 23.8	30.0 13.3 1.5 2.2 1.0 8.5 16.7 25.4	35.7 19.9 3.4 3.3 1.6 11.4 15.8 27.0	35.6 22.6 8.3 2.1 .6 11.6 12.9 24.6	28.6 11 16.7 12 6.9 13 .5 14 1.3 15 7.8 16 11.9 17 20.1 18
	III. U.S. Govt. securities														
19 20 21	Total net issues	-2.5 3.1 -5.6	7.3 8.8 -1.4	7.3 .5 6.8	5.2 1.4 3.8	6.2 4.0 2.2	9.6 8.0 1.5	-13.5	6.4 5.2 1.3	8.7 9.1 5	$ \begin{array}{r} 3.9 \\ -1.0 \\ 4.9 \end{array} $		4.4 11.4 -7.0	13.7	9 19 5 20 4 21
22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38	Net acquisitions, by sector.  Monetary authorities Short-term Commercial banks Short-term direct. Other direct Nonguaranteed Nonbank finance. Short-term direct. Other direct Nonguaranteed Foreign Pyt. domestic nonfinan. sectors. Short-term direct. Other direct Other direct. Nonguaranteed Foreign Pyt. domestic nonfinan. sectors. Short-term direct. Other direct Other direct Other direct Nonguaranteed Savings bonds—Households	-1.0 1.7 7.0 -5.2 1 -1.7 .3 .5 .2 -5.1 -4.2 4.2	5.4 9.3 -4.1 .3 .4 1.1 8 .1 7 3	1.2 2.0 1.9 1.0 1	-2.6 -3.7 .5 .5 -1.1 .6 .3 .6 7 4.7 1.9 .8	2.1 5 3.9 -4.1 2 1.8 1.1 .5 .3 .4 .2 .9	-4.1 .8 1.3 .9 2 .8 .3 3.4 1.3 5.4 3.1 -1.9	2.2 -1.0 -10.1 -10.8 * .7 2.3 1.2 .6 -2.3 -2.5 5.8 -3.7	6.4 3.5 -1.1 -5.4 1.1 -2.62 77 33 99 6.33 4.88 -1.69 1.2	1.0 5.4 -2.7 -1.7 1.7 1.3 * -1.8 -1.6 4.6 1.4 2.9	-6.6 1.4 -9.0 1.1 3.5 2.8 .3 4 1.0 .7 4.2 -3.6 1.5	5.1 2.7 5 3.8 66 2.88 3 2.2 3 2 -1.1 -7.5 5.7	2.2 .9 9.22 -8.6 .3 7 .8 -1.9 .4 2.7 2.8 -5.0 -2.3 -2.3	-2.1 -1.9 1 2.5 -2.5 3.1 -2.5 -2.5 5.3 3.1,7	9 22 3.5 23 6.9 24 10.0 25 7.9 25 3.4 27 1.3 28 1.2 29 1.0 30 9 31 1.7 32 1.2 33 1.1 34 5.5 35 1.4 36 1.0 37 2.8 38 4 39
	IV. Other securities	ļ ———													
40 41 42 43 44 45	Total net issues, by sector	3.6 5.0 .1 1.5	13.6 4.9 7.1 .2 .5 .8	11.6 5.0 5.1 .1 .3 1.0	6.7 3.6 .3 1.4	.6 2.1	13.7 7.0 3.4 .1 1.4 1.8	1.6	12.1 7.1 2.2 .9 2.2 2	13.4 4.2 6.2 .9 2.2	17.3 6.4 7.1 .5 2.4	13.9 6.0 5.3 .6 2.0	2.9	4.6 .5 1.5	18.3 40 6.7 41 6.8 42 2.0 43 2.0 44 .8 45
46 47 48 49 50 51 52 53 54 55 56	Net purchases. Households. State and local govts. Commercial banks. Insurance and pension funds. Finance n.e.c Security brokers and dealers. Investment cos.—Net. Portfolio purchases. Net issues of own shares. Rest of the world.	1.4 2.1 .4 7.2 5	1.3 2.2 2.6 8.0 7 1 6 1.4	-2.1 2.0 4.4 7.7 2 .5 7 1.1 1.8	-1.8 2.5 5.2	1.3 3.0 3.7 7.5 5 *	-2.1 2.5 5.5 8.1 3 4	-1.7 2.5 6.1 7.8 -1.5 7 9	12.1 7 2.5 3.6 6.4 .5 1.3 8 .9	2.4 7.7 1	4.9 3.0 2.6 7.9 -1.1	3.1 4.9 6.8 6 4 2	5 2.9 4.7 7.5 3 .1 4 2.1 2.5	1.4 3.1 4.8 6.8 3 1.3	
	V. Mortgages														
57 58 59 60 61	Total net lending. 1- to 4-family. In process. Disbursed. Other.	14.2 10.4 1 10.5 3.8	11.8 .4 11.4	13.4 .4		3 15.8	16.3	16.5 .6 16.0	25.0 15.6 .4 15.2 9.4	24.3 15.5 2 15.6 8.9	15.9 4 16.3	15.5 3 15.8	15.1	15.3 .1 15.2	25.2 57 15.7 58 .2 59 15.5 60 9.5 61
62 63 64 65 66 67 68	Net acquisitions.  Households. U.S. Government. Commercial banks. Savings institutions. Insurance. Mortgage companies.	1.2 .7 8.9 2.9	2 .6 1.6 11.0	13.2 3.0	24.7 6 -1.0 4.9 16.1 4.0 .8	.1 .2 4.5 14.7 5.1	25.5 .3 -1.9 5.5 16.5 3.8	-1.0 4 5.2 16.5	25.0 -1.1 4 4.5 16.2 4.4 .9	14.5	4.4 14.9	.2 .1 4.0 15.1 5.3	5.1 14.4	-1.0 .6 4.7 13.0 6.0	1.2 64 5.5 65 13.1 66 5.6 67
69 70 71 72 73	VI. Bank loans n.e.c.  Total net borrowing. Nonfinancial business. Nonbank finance. Households. Rest of the world	3	1.3	4.3	1.7	5.0	1.4	2.2	14.2 9.4 1.5 2.1 1.2	4.8 .5 * 2.2 1.9	3.7	4.6 -1.7	9.0 1 4.3	13.8 2.5 .7	2.8 71

Note.—Quarterly data are seasonally adjusted totals at annual rates. For other notes see Nov. 1965 BULLETIN, p. 1611.

## Financial Statistics

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The figures on international capital transactions are collected by the F.R. Banks from reports made on Treasury foreign exchange forms collected by the F.R. Banks in accordance with Executive Orders No. 6560, dated Jan. 15, 1934, and No. 10033, dated Feb. 8, 1949, and Treasury regulations thereunder. Other data are com-

piled largely from regularly published sources such as central bank statements and official statistical bulletins. For some of the series, back data are available in *Banking and Monetary Statistics* and its *Supplements* (see list of publications at the end of the BULLETIN).

## GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars)

							.,						
End of period	Esti- mated total world <sup>1</sup>	Intl. Mone- tary Fund	United States	Esti- mated rest of world	Afghan- istan	Argen- tina	Aus- tralia	Aus- tria	Bel- gium	Brazil	Burma	Canada	Chile
1958	39,445 40,195 40,540 41,140 41,470 42,310	1,332 2,407 2,439 2,077 2,194 2,312	20,582 19,507 17,804 16,947 16,057 15,596	17,530 18,280 20,295 22,115 23,220 24,400	n.a. n.a. n.a. 36 36 36	60 56 104 190 61 78	162 154 147 162 190 208	194 292 293 303 454 536	1,270 1,134 1,170 1,248 1,365 1,371	325 327 287 285 225 150	42 42	1,078 960 885 946 708 817	40 43 45 48 43 43
1964—Oct Nov Dec	43,060	2,425 2,430 2,179	15,606 15,566 15,471	25,410	36 36 36	73 73 71	224 224 226	592 592 600	1,404 1,434 1,451	92 92 92	42 42 84	1,001 1,007 1,026	43 43 43
1965—JanFebMarAprMayJuneJulyAugSeptOct	42,810 243,025 243,025	2,181 2,188 2,189 2,217 1,822 31,832 31,847 31,856 31,865 31,865	15,208 14,993 14,639 14,480 14,362 14,049 13,969 13,916 13,925 13,937	25,980 26,885 	36 36 36 36 36 36 36 36 36 36	71 70 70 70 68 68 68 67 67	228 228 229 230 230 231 231 231 222 248	600 613 625 638 650 663 675 688 700 700	1,461 1,473 1,484 1,490 1,532 1,563 1,564 1,573 1,554 1,558	92 92 92 62 62 63 63 63	84 84 84 84 84 84 84 84	1,036 1,041 1,044 1,045 1,081 1,089 1,096 1,104 1,112 1,124	43 42 43 43 42 42 44 44 44 44
End of period	Co- lombia	Den- mark	Fin- land	France	Ger- many, Fed. Rep. of	Greece	India	Indo- nesia	Iran	Iraq	Israel	Italy	Japan
1958	72 71 78 88 57 62	48 57 107 107 92 92	35 38 41 47 61 61	750 1,290 1,641 2,121 2,587 3,175	2,639 2,637 2,971 3,664 3,679 3,843	17 26 76 87 77 77	247 247 247 247 247 247	37 33 58 43 44 35	141 140 130 130 129 142	34 84 98 84 98	2 2 * 10 41 60	1,086 1,749 2,203 2,225 2,243 2,343	124 244 247 287 289 289
1964—Oct Nov Dec	58 58 58	92 92 92	64 64 85	3,598 3,632 3,729	4,149 4,149 4,248	98 98 77	247 247 247		141 141 141	112 112 112	56 56 56	2,104 2,104 2,107	304
1965—Jan	59 60 60 45 36 31 33 33 33	92 92 92 92 97 97 97 97 97	85 85 85 85 85 85 85 85 85 85	3,913 3,974 4,197 4,255 4,400 4,433 4,471 4,500 4,556 4,604	4,250 4,251 4,243 4,243 4,378 4,378 4,382 4,382 4,390 4,404	77 78 82 80 80 84 81 77 78 78	270 281 281 281 281 281 281 281 281 281		141 141 141 141 141 141 141 141 141 140	112 112 112 122 122 122 122 122 122 122	56 56 56 56 56 56 56 56 56 56	2,107 2,101 2,093 2,351 2,384 2,384 2,388 2,388 2,390 2,403	304
End of period	Kuwait	Leb- anon	Mex- ico	Moroc- co	Nether- lands	Nigeria	Nor- way	Paki- stan	Peru	Philip- pines	Portu- gal	Saudi Arabia	South Africa
1958	n,a. n.a. n.a. 43 49 48	91 102 119 140 172 172	143 142 137 112 95 139	16 23 29 29 29 29	1,050 1,132 1,451 1,581 1,581 1,601	20 20 20 20	43 30 30 30 30 30 31	49 50 52 53 53 53	19 28 42 47 47 57	10 9 15 27 41 28	493 548 552 443 471 497	18 18 65 78 78	211 238 178 298 499 630
1964—Oct Nov Dec	45 45 48	172 183	169 167 169	34 34 34	1,611 1,621 1,688	20 20 20	31 31 31	53 53 53	67 67 67	31 32 23	523 523 523	78 78 78	601 592 574
1965—JanFebAprAprMayJuneJulyAugSeptOct	48 48 49 49 49	182 182 182 182 182 7182 7182 7182 182	174 171 170 168 167 165 164	34 34 34 34 34 34 34 34 31	1,688 1,723 1,723 1,723 1,756 1,756 1,756 1,756 1,756	20 20 20 20 20 20 20 20 20 20 20	31 31 31 31 31 31 31 31 31	53 53 53 53 53 53 53 53 53 53	67 67 67 67 67 67 67 67 67	24 26 27 28 30 31 32 33 34 36	523 532 538 540 544 547 548 560 560	78 78 78 78 78 74 74 73 73	545 519 498 453 408 375 359 339 342 371

For notes see end of table.

#### GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS-Continued

(In millions of dollars)

End of period	Spain	Sweden	Switzer- land	Taiwan	Thai- land	Turkey	U.A.R. (Egypt)	United King- dom	Uru- guay	Vene- zuela	Yugo- slavia	Bank for Intl. Settle- ments 4	EPU- EF 5
1958 1959 1960 1961 1962	57 68 178 316 446 573	204 191 170 180 181 182	1,925 1,934 2,185 2,560 2,667 2,820	43 41 41 43 43 50	112 104 104 104 104 104	144 133 134 139 140 115	174 174 174 174 174 174	2,808 2,514 2,800 2,268 2,582 2,484	180 180 180 180 180 180	719 652 401 401 401 401	17 10 4 6 4 14	-42 -134 -19 115 -50 -279	126 40 55 56 56 47
1964—Oct Nov Dec	575 576 616	182 182 189	2,532 2,532 2,725	55 55 55	104 104 104	105 105 104	174 174 139	2,136	171 171 171	401 401 401	17 17 17	71 79 -50	43
1965—Jan Feb Mar Apr May June July Aug Sept Oct	677 706 735 780 780	189 189 189 202 202 202 202 202 202 202	2,702 2,702 2,702 2,713 2,688 2,789 2,655 2,653 2,656 2,660	55 55 55 55 55 55 55 54 54	104 104 104 104 104 96 96 96 96	111 115 115 116 126 126 116 116 116	139 139 139 139 139 139 139 139 139	2,111	171 171 171 171 171 171 171 171 171	401 401 401 401 401 401 401 401 401	17 16 17 18 18 18 18 19	-111 -159 -104 -98 -164 -249 -92 -199 -145 -141	53 54 54

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 Includes gold subscription payments to the IMF; see footnote 3 for amounts.

<sup>3</sup> Excludes gold subscription payments by member countries in anticipation of increase in Fund quotas. Amounts outstanding as follows (in millions): June-Aug., \$259; Sept., \$285; and Oct., \$288.

<sup>4</sup> Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

<sup>5</sup> European Payments Union for 1958 and European Fund thereafter.

Note.—For back figures and description of the data in this and the following tables on gold (except production), see "Gold," Section 14 of Supplement to Banking and Monetary Statistics, 1962.

#### GOLD PRODUCTION

(In millions of dollars at \$35 per fine troy ounce)

	•		Afr	ica			North as	nd South	America	1	A	sia	Oti	her
Period	World produc- tion <sup>1</sup>	South Africa	Rho- desia	Ghana	Congo (Leo- pold- ville)	United States	Can- ada	Mex- ico	Nica- ragua	Colom- bia	India	Philip- pines	Aus- tralia	All other
58	1,125.0 1,175.0 1,215.0 1,290.0 1,350.0	618.0 702.2 748.4 803.1 892.2 960.1 1,019.8	19.4 19.8 19.6 20.1 19.4 19.8 20.1	29.8 32.0 30.8 29.2 31.1 32.2 30.3	12.3 12.2 11.1 8.1 7.1 7.5 4.4	61.6 57.2 58.8 54.8 54.5 51.4 51.4	158.8 156.9 162.0 156.6 146.2 139.0 133.4	11.6 11.0 10.5 9.4 8.3 8.3 7.4	7.2 7.3 7.0 7.9 7.8 7.2 7.4	13.0 13.9 15.2 14.0 13.9 11.4 12.8	6.0 5.8 5.6 5.5 5.7 4.8 5.2	14.8 14.1 14.4 14.8 14.8 13.2 14.9	38.6 38.1 38.0 37.7 37.4 35.8 33.7	58. 54. 53. 53. 51. 59.
54—Sept. Oct. Nov. Dec.	<b>.</b>	88.2 89.9 88.0 84.2	1.6 1.6 1.8 1.9	2.5 2.6 2.5 2.4			10.9 11.5 11.5 10.8	.5 .8 .6 .5		.9 1.0 1.1 .8	.4 .5 .4 .4	1.2 1.3 1.3 1.3	2.5 2.8 3.0 2.8	
65—Jan. Feb. Mar. Apr. May. June. July Aug. Sept.		87.4 85.3 86.8 88.0 89.2 90.1 90.8 91.0 89.7	1.6 1.6 1.5 1.7 1.6 1.5				10.8 9.8 10.8 11.3 10.4 10.7 10.0 10.5 10.2						2.8 2.5 2.6 2.5 2.4 72.8 2.4	

<sup>&</sup>lt;sup>1</sup> Estimated; excludes U.S.S.R., other Eastern European countries, China Mainland, and North Korea.

Note.—Estimated world production based on report of the U.S. Bureau of Mines. Country data based on reports from individual countries and Bureau of Mines. Data for the United States are from the Bureau of the Mint.

amounts.

#### U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales (-) or net acquisitions; in millions of dollars at \$35 per fine troy ounce)

Area and country	1956	1957	1958	1959	1960	1961	1962	1963	1964	19	64		1965	
Area and country	1936	1937	1938	1939	1900	1901	1902	1903	1904	Ш	IV	1	11	Ш
Western Europe: Austria. Belgium. France Germany, Fed. Rep. of Italy. Netherlands. Portugal. Spain Switzerland. United Kingdom. Bank for Intl. Settlements. Other.	-34	25 31	-349 -261 -20 32 -215 -900 -178	-83 -39 -266 	-141 -173 -34 -249 -114 -324 -550 -36		-143 -63 -456 	-518	-55 -40 -405 -225 200 -60 -32 -31 618	-101 -25 -163	-40 -101 -60 -30 -51 125	-482 -35 -90 -37 -76	-22 -148 -80 -60 -13 29	-38 -21 -117 -30 -30
Total	80	68	-2,326	-827	-1,718	-754	-1,105	-399	-88	35	-171	-802	-334	-82
Canada	15	5	<b>.</b>		•••••		190	•••••			• • • • • • •		• • • • • •	••••
Latin American republics: Argentina Brazil Colombia Mexico Venezuela Other	115 -1 28  -200 29	75 6		-11 -30 65 -5	-50 -2 -6 -20	2	85 57 38 5	-30 72 -4 -7	54 10 9	-1 10 	28 • 2		28 30	-# 3
Total	-28	81	69	19	-100	-109	175	32	56	7	27	-8	58	-4
Asia: Japan Other	•	18	-30 -4	-157 -28	-15 -97		2-93	312	3	<u>-</u> i	i	•	— i5	····-3
Total	•	18	-34	-186	-113	-101	-93	12	3	-1	-1	•	-15	-3
All other	14	•••••			-38	-6	-1	-36			1	1	9	-15
Total foreign countries	80		-2,294	-998	, , , , , , , , , , , , , , , , , , , ,		-833	-392	-36	41	-145	-811	-299	-104
Intl. Monetary Fund	4200	600		5-44	4300	150	•••••			• • • • • •	• • • • • •		6-259	78
Grand total	280	772	-2,294	-1,041	-1,669	-820	-833	-392	-36	41	-145	-811	-558	-96

<sup>1</sup> Includes sales of \$21 million to Lebanon and \$48 million to Saudi <sup>2</sup> Includes sales of \$21 million to Burma, \$32 million to Lebanon, and \$13 million to Saudi Arabia.

<sup>3</sup> Includes purchases of \$25 million from the Philippines.

<sup>4</sup> Proceeds from this sale invested by the IMF in U.S. Govt. securities;

upon termination of the investment the IMF can reacquire the same amount of gold from the United States.

5 Payment to the IMF of \$344 million as increase in U.S. gold subscription less sale by the IMF of \$300 million (see also note 4).

6 Payment to the IMF as increase in U.S. gold subscription.

7 Represents gold deposit by the IMF; see footnote 6 to table below.

## U.S. GOLD STOCK AND HOLDINGS OF CONVERTIBLE FOREIGN CURRENCIES BY U.S. MONETARY AUTHORITIES

(In millions of dollars)

Year		End o	of period		Chang	es in			End o	of period		Change	es in—
Year	m1	Gold	stock 1	Foreign		Total	Month	<b>.</b>	Gold	stock 1	Foreign		Total
	Total	Total <sup>2</sup>	Treasury	holdings	Total	gold		Total	Total <sup>2</sup>	Treasury	currency holdings <sup>3</sup>	Total	gold
1952	22,857 20,582 19,507 17,804 17,063 16,156	23,252 22,091 21,793 21,753 22,058 22,857 20,582 19,507 17,804 16,947 16,057 15,596 15,471	23,187 22,030 21,713 21,690 21,949 22,781 20,534 19,456 17,767 16,889 15,978 15,513 15,388	116 99 212 432	379 -1,161 -298 -40 305 799 -2,275 -1,075 -1,703 -741 -907 -348	379 -1,161 -298 -40 305 799 -2,275 4-1,075 -1,703 -857 -890 -461 -125	1964—Nov Dec  1965—Jan Feb Mar Apr May June July Aug Sept Oct Nov.P.	15,903 15,572 15,220 15,129 14,884 14,511 14,595 14,697 14,953	15,566 15,471 15,208 14,993 14,639 14,480 14,362 14,049 13,969 13,916 613,925 613,937 613,880	15,386 15,388 15,185 14,937 14,563 14,410 14,290 13,934 13,857 613,858 613,857 613,858	758 432 364 227 490 404 149 546 546 1,037 959 858 807	622 -421 -331 -352 -91 -245 -373 84 102 256 -69 -108	-40 -95 -263 -215 -354 -159 -118 5-313 -80 -53 9 12 -57

<sup>&</sup>lt;sup>1</sup> Includes gold sold to the United States by the International Monetary Fund with the right of repurchase, which amounted to \$800 million on Nov. 30, 1965. Also includes gold deposit of IMF; see footnote 6.
<sup>2</sup> Includes gold in Exchange Stabilization Fund.
<sup>3</sup> For holdings of F.R. Banks only, see pp. 1736 and 1738.
<sup>4</sup> Includes payment of \$344 million increase in U.S. gold subscription to the IMF.
<sup>5</sup> Includes payment of \$259 million increase in U.S. gold subscription to the IMF.

<sup>6</sup> Includes gold deposited by the IMF (\$8 million as of Sept. 30, \$9 million as of Oct. 31 and \$34 million as of Nov. 30) to mitigate the impact on the U.S. gold stock of purchases by foreign countries for gold subscriptions on increased IMF quotas. The United States has a corresponding gold liability to the IMF.

NOTE.—See Table 11 on p. 1801 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.

See also NOTE to table on gold reserves.

#### HOLDINGS OF FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(In millions of dollars)

	Dec. 3	1, 1963	Sept. 3	0, 1964	Dec. 31	1, 1964	Mar. 3	1, 1965	June 3	0, 1965	Sept. 30	), 1965 <i>p</i>
Area and country	Gold & short- term dollars	U.S. Govt. bonds & notes	Gold & short- term dollars	U.S. Govt. bonds & notes	Gold & short- term dollars	U.S. Govt. bonds & notes	Gold & short- term dollars	U.S. Govt. bonds & notes	Gold & short- term dollars	U.S. Govt. bonds & notes	Gold & short- term dollars	U.S. Govt. bonds & notes
Western Europe: Austria Belgium Denmark Finland France Germany, Fed. Rep. of Greece Italy Netherlands Norway Portugal Spain	901 1,791 253 160 4,653 6,884 265 3,146 1,961 164 688 778	3 * 14 16 11 4 131 * 20 12 12 12 12 12 12 12 12 12 12 12 12 12	947 1,821 352 174 5,093 6,437 225 3,225 1,964 205 747 972	3 * 14 17 7 1 4 101 *	923 1,887 428 212 5,392 6,258 252 3,729 2,055 780 1,010	3 ** 14 17 7 1 ** 15 98 **	201 5,530 6,137 232 3,539 2,036 234 802 984	3 * 14 17 7 1 * 1 5 68 *	885 1,983 368 189 5,646 5,918 235 3,824 2,034 263 795 1,011	3 * 14 1, 7 1 * 1, 568 *	959 1,972 335 179 5,667 5,753 237 3,752 2,086 262 837 1,063	3 * 14 1 7 1 * 1 68 *
Sweden Switzerland Turkey. United Kingdom. Other¹.	3,726 136 3,967 369	129 75 * 328 46	733 3,653 123 4,222 491	90 78 * 402 49	4,095 140 4,020 508	40 79 * 414 49	3,927 142 4,308 391	40 78 407 49	921 4,088 145 4,715 341	24 87 * 502 50	906 4,039 140 5,101 396	2 24 89 * 548 50
Total	30,433 3,805	741 687	31,384	753 695	32,737 4,010	714 690	32,590 3,565	676 735	33,361 3,492	765 727	33,684 3,893	814 718
Latin American republics: Argentina Brazil. Chile. Colombia Cuba. Mexico. Panama, Republic of. Peru. Uruguay, Venezuela Other.	453 329 186 231 12 808 129 215 284 992 424	* * * 1 * 2 10 * * 1	386 330 224 226 10 808 89 271 280 1,076 465	**************************************	362 350 219 267 12 904 99 273 282 1,135 478	* * 1 1 1 1 * 2	371 421 207 229 11 913 111 334 294	* * 1 * 1 1 *	378 402 240 190 11 852 124 330 295 1,097 538	* * 1 * 1 1 * 2	449 475 249 200 10 806 113 321 299 1,091 559	* * * 1 * * 1 1 * * 2
Total.  Asia: India. Indonesia. Japan. Philippines Thailand Other.	298 83 2,773 237 486 1,687	14 1 5 * 41	307 63 2,882 260 546 1,994	5 1 5 * 45	306 73 3,044 256 562 2,059	6 1 5 * 43	4,532 342 62 3,137 279 592 2,222	5. 1 9 * 43	353 58 3,130 281 592 2,235	5 1 9 * *	4,572 357 58 3,234 312 598 2,224	5 * 1 9 * * *
Total	5,564	47	6,052	51	6,300	49	6,634	53	6,649	53	6,783	51
Africa: South Africa U.A.R. (Egypt) Other.	671 188 296	9	635 196 288	14	621 163 283	16	547 163 317	16	424 161 373	16	400 159 357	16
TotalOther countries: AustraliaAll other	1,155 388 313	9 * 26	1,119 392 358	14 * 28	1,067 402 374	16 * 26	1,027 411 421	16 * 31	958 433 414	16 • 28	916 421 380	16 * 28
Total	701	26	750	28	776	26	832	31	847	28	801	28
Total foreign countries <sup>2</sup>	45,721	1,524	47,333	1,546	49,271	1,501	49,180	1,516	49,764	1,594	50,649	1,632
International and regional3	6,958	1,218	7,499	923	7,162	904	7,279	798	46,689	799	46,999	795
Grand total <sup>2</sup>	52,679	2,742	54,832	2,469	56,433	2,405	56,459	2,314	56,453	2,393	57,648	2,427

<sup>&</sup>lt;sup>1</sup> Includes, in addition to other Western European countries, unpublished gold reserves of certain Western European countries; gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; European Fund; and the Bank for International Settlements (the figures for the gold reserves of the BIS represent the Bank's net gold assets.)

<sup>2</sup> Excludes gold reserves of the U.S.S.R., other Eastern European countries, and China Mainland.

<sup>3</sup> Includes international organizations and Latin American and European regional organizations, except the Bank for International Settlements and European Fund, which are included in "Other Western Europe."

<sup>4</sup> Excludes gold subscription payments by member countries in anticipa-

tion of increase in IMF quotas. Amounts outstanding were as follows: \$259 million on June 30 and \$285 million on Sept. 30, 1965.

Note.—Gold and short-term dollars include reported and estimated official gold reserves, and official and private short-term dollar holdings (principally deposits and U.S. Treasury bills and certificates); excludes nonnegotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Harden U.S. Govt. bonds and notes are official and private holdings of U.S. Govt. securities with an original maturity of more than 1 year; excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries as shown in Table 8 on p. 1800.

See also Note to table on gold reserves.

#### 1. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS AND INTERNATIONAL ORGANIZATIONS

(Amounts outstanding; in millions of dollars)

End of period	Grand total	Intl. and regional <sup>1</sup>	Foreign countries	Western Europe <sup>2</sup>	Canada	Latin American republics	Asia	Africa	Other countries
1963—Dec		5,855 5,964 5,954 5,876	13,650 13,465 13,848 14,349	7,867 7,517 7,824 8,270	1,664 1,533 1,577 1,483	1,058 1,175 1,191 1,238	2,731 2,904 2,930 3,020	154 158 152 160	176 178 174 178
1965—Jan  Feb  Mar  Apr  May  June  July.  Aug  Sept. P  Oct. P	19,606 19,317 18,994 18,745 18,977 18,822 19,039	5,822 5,780 5,879 5,883 5,660 5,646 5,944 5,853 5,920 5,891	13,697 13,826 13,438 13,111 13,085 13,331 12,878 13,186 13,453 13,519	7,551 7,644 7,255 6,955 6,822 7,200 6,726 6,892 7,140 7,177	1,449 1,419 1,316 1,308 1,304 1,275 1,281 1,378 1,385 1,410	1,265 1,278 1,296 1,305 1,389 1,295 1,296 1,356 1,385 1,347	3,096 3,124 3,213 3,175 3,178 3,173 3,198 3,174 3,161 3,187	159 180 178 180 191 193 181 194 184	177 181 180 188 201 195 196 192 198 211

<sup>&</sup>lt;sup>1</sup> Includes international organizations, and Latin American and European regional organizations, except the Bank for International Settlements and the European Fund which are included in Western Europe.

<sup>2</sup> Includes Bank for International Settlements and European Fund.

Note.—Data represent short-term liabilities to the official institutions of foreign countries and to official international and regional organizations,

as reported by banks in the United States, and estimated foreign official holdings of marketable U.S. Govt. securities with an original maturity of more than 1 year. Data exclude nonnegotiable, non-interest-bearing special notes held by the Inter-American Development Bank and the International Development Association, and also nonmarketable U.S. Treasury notes and bonds, payable in dollars and in foreign currencies.

#### 1. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(Amounts outstanding; in millions of dollars)

		Inte	rnational	and region	nal 1		Foreign							
End of period	Grand total	Total	Intl.	Euro- pean re- gional <sup>2</sup>	L.A. re- gional	Total	Offi- cial <sup>3</sup>	Other	Europe	Canada	Latin America	Asia	Africa	Other coun- tries
1960 1961 1962 1963	1422 533	4,012 3,752 5,145 4,637	3,897 3,695 4,938 4,501	34 18	115 57 173 118	17,260 418,781 19,874 21,330	10,212 10,940 11,963 12,467	7,048 47,841 7,911 8,863	9,046 10,322 10,162 10,770	2,439 2,758 3,349 2,988	2,308 2,340 2,448 3,137	3,115 42,974 3,544 4,001	227 283 319 241	125 104 152 194
1964Oct Nov Dec.5	28,039 28,975 28,843	5,061 5,051 4,974	4,900 4,889 4,802	18 18 22	143 144 150	22,978 23,924 23,869	12,300 12,723 13,224	10,678 11,201 10,645	11,233 12,012 12,240	3,405 3,461 2,984	3,411 3,480 3,556	4,497 4,553 4,660	244 238 238	188 181 192
1965—Jan Feb Mar Apr May June July Aug Sept.*. Oct.**	28,777 28,915 28,288 27,841 27,420 27,735 27,781 28,457 28,457 28,835 29,148	4,986 4,982 5,081 5,085 4,863 4,848 5,146 5,059 5,125 5,096	4,811 4,815 4,916 4,914 4,696 4,689 4,994 4,919 4,988 4,964	19 17 19 15 13 15 12 9 14 12	156 150 146 157 153 144 140 130 122 120	23,791 23,933 23,207 22,756 22,557 22,887 22,635 23,398 23,710 24,052	12,588 12,685 12,297 11,970 11,959 12,205 11,752 12,062 12,329 12,406	11,203 11,248 10,910 10,786 10,598 10,682 10,883 11,336 11,381 11,646	11,990 12,017 11,527 11,014 10,751 11,309 710,770 11,314 11,558 11,563	2,961 2,941 2,521 2,549 2,509 2,403 2,585 2,748 2,781 3,007	3,611 3,668 3,739 3,767 3,849 3,724 3,750 3,781 3,797 3,827	4,765 4,834 4,953 4,948 4,945 4,947 75,050 5,054 5,080 5,138	246 273 263 268 283 277 262 283 271 272	218 199 204 210 221 228 219 218 223 244

### 2a. Europe

End of period	Total	Austria	Belgium	Den- mark	Fin- land	France	Ger- many, Fed. Rep. of	Greece	Italy	Nether- lands	Norway	Portu- gal	Spain	Sweden
1960 1961 1962	1 10 162	243 255 329 365	142 326 177 420	54 52 67 161	46 91 73 99	519 989 1,157 1,478	3,476 2,842 2,730 3,041	63 67 119 188	877 1,234 1,384 803	328 216 248 360	82 105 125 133	84 99 161 191	149 153 177 205	227 406 490 409
1964—Oct Nov Dec	11,233 12,012 12,240	293 349 323	444 473 436	269 280 336	112 110 127	1,524 1,600 1,663	2,184 2,152 2,010	159 172 175	1,263 1,434 1,622	356 447 367	186 182 184	228 228 257	409 410 394	563 653 644
1965—Jan Feb Mar Apr May June July Aug Sept.** Oct.**	12,017 11,527 11,014 10,751 11,309 710,770	296 269 247 215 206 222 248 263 259 261	470 459 413 460 463 420 425 444 418 411	344 338 318 255 271 269 242 238 260	129 126 116 122 113 104 104 100 94 113	1,530 1,584 1,333 1,273 1,174 1,213 1,089 1,181 1,111 1,036	1,928 1,916 1,894 1,879 1,711 1,540 1,363 1,233 1,363 1,385	165 152 150 148 148 151 148 152 159 147	1,592 1,571 1,446 1,345 1,357 1,440 1,314 1,486 1,362 1,328	355 339 313 328 285 278 308 316 330 356	153 174 203 197 205 232 214 224 231 240	257 267 264 264 246 248 241 256 277 280	408 338 278 244 197 231 234 271 253 229	682 717 739 724 748 719 724 707 704 699

For notes see following two pages.

#### 2. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued (Amounts outstanding: in millions of dollars)

(Amounts outstanding; in millions of dollars)																	
			2a. E	urope—(	Continue	d							2b. La	tin Ame	ica		
End of period	Switzer- land	Turkey	United King- dom	Yugo slavia		tern   U.		Other Eastern Europe	To	otal		gen- I	Brazil	Chile	Colom- bia	Cuba	Mexico
1960 1961 1962 1963	678 875 908 906	18 26 25 21	1,667 2,227 1,609 1,483		2   3	357 325 351 465	12 5 3 2	14 16 19 24	2, 2, 2, 3,	308 340 448 137		315 235 210 375	194 228 204 179	135 105 135 143	158 147 148 169	77 43 715 11	397 495 <b>5</b> 31 <b>6</b> 69
1964—Oct Nov Dec	1,083 1,199 1,370	22 27 36	1,848 2,004 1,884	1 1 3	5   2	254 251 358	2 3 3	23 21 19	3,	411 480 556		305 279 291	233 253 258	163 151 176	162 177 209	10 10 12	663 773 735
1965—Jan, Feb. Mar Apr. May June July Aug Sept. Oct. P	1,321 1,308 1,225 1,209 1,199 1,299 1,271 1,319 1,383 1,317	26 21 27 19 22 19 15 19 24	2,035 2,074 2,197 1,890 2,055 2,489 72,463 2,727 2,962 3,146	1 1 5	7 1 7 6 8 8 5 6	253 324 296 341 3328 390 296 292 303 245	3223224122	24 24 24 21 19 21 25 25 27 29	3 3 3 3 3 3	611 668 739 767 849 724 750 781 797 827		298 301 301 314 337 310 327 354 382 414	280 305 329 298 370 340 339 410 412 356	189 161 164 159 161 198 187 184 205 195	177 197 169 171 180 159 162 171 167	12 11 11 11 11 11 11 10 10	699 710 743 700 726 687 623 622 642 611
2b. Latin America—Continued													·····	2c.	Asia		i
End of period	Panama	Peru	Uru- guay	Vene zuela		A.	ahamas & rmuda 8	Net Antille Surin	es &	Oth Lati Ameri	in	Total	China Main- Iand	Hong Kong	India	In- do- nesia	Israel
1960 1961 1962 1963	123 87 98 129	72 84 105 158	51 57 101 113	39 41 40 59	8	235 226 267 355	69 111 123 136		72 89 97 93		12 15 10 15	3,115 42,974 3,444 4,001	35 35 36 35	57 56 65 66	54 78 41 51	178 76 28 48	75 63 81 112
1964—Oct Nov Dec	96 103 99	199 196 206	113 111 111	76 71 73	4 .	405 410 416	178 174 181	1 :	105 113 114		16 15 14	4,497 4,553 4,660	36 35 35	74 85 95	55 63 59	36 37 38	132 140 133
1965—Jan Feb	102 111 111 105 113 124 114 106 113 114	242 244 267 248 262 263 259 267 254 251	115 119 123 128 118 124 123 126 123 140	76 72 70 80 76 69 78 73 69	0 2 0 1 6 2 9	419 446 474 482 463 472 497 496 494 498	183 209 212 222 211 206 196 169 165 179		115 118 114 110 112 115 109 109 114 113		16 16 19 21 23 18 20 18 20 23	4,765 4,834 4,953 4,948 4,947 75,050 5,054 5,080 5,138	35 35 35 35 35 35 36 36 35 35	96 100 95 97 100 94 97 101 104 106	65 70 61 65 67 72 86 78 76	26 30 27 28 29 23 34 22 23 34	131 134 128 116 107 111 114 108 114
		20	. Asia—(	Continue	d					<b>2</b> d	l. Afı	rica			2e. (	Other cou	ntries
End of period	Japan	Korea	Philip- pines	Tai- wan	Thai- land	Other Asia	Total	(Lec	ngo pold- lle)		[o- co 8	South Africa	U.A.R (Egypt	Other Africa	Total	Aus- tralia	All other 8
1960 1961 1962 1963	. 41,672 2,195	152 199 136 113	203 185 174 209	84 92 75 149	186 264 333 382	204 254 280 353	319	1	32 34 35 26		64 93 68 49	29 32 41 41	22 15 14 14	80 109 161 112	125 104 152 194	88 98 147 180	37 6 5 13
1964—Oct Nov Dec	. 2,608	103 106 104	227 228 233	240 221 221	437 444 458	571 585 543	244 238 238	: 1	26 25 26		8 7 7	48 51 47	23 19 24	139 135 135	188 181 192	165 163 176	23 18 15
1965—Jan Feb Mar Apr May June July Aug Sept. P Oct. P	2,765 2,833 2,766 2,771 2,803	116 111 100 93 91 88 88 92 101 103	243 259 252 252 248 250 280 265 278 283	225 230 232 232 227 229 226 228 227 228	471 484 488 488 494 496 501 503 502 506	618 615 703 774 776 747 7804 764 713	273 263 268 283 277 262 283 271		23 33 37 35 31 30 18 17 14 12		8 9 10 16 18 17 16 22 31	57 62 49 53 54 49 52 61 58 53	28 28 24 25 27 22 24 24 20 19	131 142 143 146 154 158 151 164 157	228 219	201 178 182 184 198 203 195 196 199 222	18 21 22 25 23 25 24 22 24 22

International Bank for Reconstruction and Development, International Monetary Fund, International Finance Corp., International Development Assn., and other international organizations; Inter-American Development Bank, European Coal and Steel Community, European Investment Bank and other Latin American and European regional organizations, except Bank for International Settlements and European Fund which are included in "Europe."
 Not reported separately until 1962.
 Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.
 Includes \$82 million reported by banks initially included as of Dec.
 1961, of which \$81 million reported for Japan.

For Note see end of Table 2.

<sup>&</sup>lt;sup>5</sup> Includes revisions arising from changes in reporting coverage as follows (in millions of dollars): Total +20; Europe -13; Canada +1; Latin America +19; Asia +22; Africa -9.

<sup>6</sup> Includes Bank for International Settlements and European Fund,

<sup>7</sup> Decline from end of 1961 reflects principally reclassification of deposits for changes in domicile over the past few years from Cuba to other countries.

<sup>8</sup> Data based on reports by banks in the Second F.R. District only for year-end 1960-62.

## 2. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(Amounts outstanding; in millions of dollars)

#### 2f. Supplementary Data9; (end of period)

	1963 1964			1965		1963	1964		1965	
Area or country	Dec. Apr. Dec.		Dec.	Apr.	Area or country	Dec.	Apr.	Dec.	Apr.	
Other Western Europe: Iceland. Ireland, Rep. of. Luxembourg. Monaco.  Other Latin American republics: Bolivia. Costa Rica. Dominican Republic. Ecuador. El Salvador Guatemala. Haiti. Honduras. Jamaica. Nicaragua. Paraguay. Trinidad & Tobago.  Other Latin America: British West Indies. French West Indies & French Guiana.	7.0 10.7 7.4 2.7 32.6 29.1 53.4 41.7 912.9 6.5 35.0 6.5 35.0 7.3	4.7 6.0 8.6 2.4 35.1 35.9 40.6 62.1 57.8 65.1 17.3 26.3 4.7 52.3 8.4 5.5	5.2 8.7 17.4 4.1 43.2 31.5 55.8 67.1 56.0 48.7 14.3 26.0 7.0 42.4 11.4 7.4 8.0	7.1 6.3 20.1 3.6 53.1 28.6 47.3 65.2 71.7 71.6 15.4 33.0 7.8 67.4 12.1 8.6	Other Asia (Cont.): Iran. Iraq. Jordan. Kuwait. Laos. Lebanon. Malaysia Pakistan. Ryukyu Islands (incl. Okinawa). Saudi Arabia. Syria. Viet-Nam. Other Africa: Algeria. Ethiopia, incl. Eritrea. Ghana Liberia Libya. Mozambique. Nigeria. Somali Republic. Southern Rhodesia. Sudan.	23.5 19.8 2.85 46.5 8.83 24.1 17.3 21.7 61.7 12.1 22.3 6.4 22.0 14.1 1.4 17.4 17.4 17.4 17.4 17.4 17.4	33.4 22.9 2.7 49.9 6.5 108.1 24.3 16.1 31.6 151.0 32.1 6.3 17.9 1.4 17.4 17.4 17.4 17.4 17.4 17.4 17.4	23.4 21.6 21.7 56.4 5.0 84.2 22.2 23.1 197.6 19.0 1.5 33.7 5.6 20.0 28.9 2.5 15.7 3.0 2.2	62.0 n.a. n.a. 52.0 513.2 113.2 136.3 224.8 322.7 288.0 3.22.7 25.1 17.6 8 1.6 n.a.  8 2.2	
Other Asia: Afghanistan	5.0 9.9 6.9 3.1	4.2 22.1 2.1 3.7	5.5 32.5 1.5 2.4	6.3 n.a. 1.7 2.7	Tunisia All other: New Zealand	1.0	18.8	12.0	1.0	

<sup>9</sup> Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe") in Tables 2a-2e.

Note.—Short-term liabilities are principally deposits (demand and time) and U.S. Govt. securities maturing in not more than 1 year from their date of issue; the latter, however, exclude nonnegotiable, non-

interest-bearing special U.S. notes held by the International Development Assn. and the Inter-American Development Bank. For data on long-term liabilities, see Table 6. For back figures and further description of the data in this and the following tables on international capital transactions of the United States, see "International Finance," Section 15 of Supplement to Banking and Monetary Statistics, 1962.

#### 3. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period		Payable in dollars												
	Total		To ba	nks and	official instit	utions			Payable in					
	Total	Total	Deposits		U.S. Treasury	Special U.S.	Other 3	Total	Deposits		U.S. Treasury	Other 3	foreign currencies	
			Demand	Time 1	bills and certificates	notes 2	Other	Total	Demand	Time 1	bills and certificates	1		
1960	25,019 25,967 28,039 28,975	18,929 19,944 20,025 22,311 22,787 24,683 25,563 25,376	8, 8.	568 644 707 528 3,673 3,856 3,880 3,994	7,491 7,363 7,363 9,214 8,571 8,133 8,470 8,727	2,469 2,388 2,388 3,012 3,036 3,394 3,385 3,308	1,401 1,549 1,567 1,557 1,878 2,536 2,518 2,634	2,230 2,356 2,358 2,565 3,047 3,250 3,302 3,377	1, 1, 1, 2, 1,493, 1,449 1,500 1,531	849 976 977 096 966 1,196 1,206 1,271	148 149 149 116 119 105 84 72	233 231 232 352 469 500 512 503	113 150 150 143 134 106 111 90	
1965—Jan	28,288 27,841	25,297 25,411 24,742 24,280 723,890 24,162 24,200 24,858 25,217 25,518	6,849 6,753 6,628 6,226 76,082 6,465 6,533 7,060 6,970 7,043	4,047 4,032 3,970 3,982 3,933 3,911 3,962 4,007 3,930 4,077	8,560 8,607 7,978 7,767 7,690 7,640 77,175 7,284 7,674 7,784	3,303 3,303 3,373 3,367 3,167 3,167 3,462 3,434 3,494 3,489	2,538 2,716 2,793 2,938 3,017 2,979 73,069 3,074 3,150 3,125	3,383 3,431 3,482 3,478 73,440 3,473 3,484 3,485 3,501 3,529	1,509 1,516 1,541 1,546 1,516 1,522 1,536 1,480 1,504 1,515	1,295 1,320 1,362 1,393 1,400 1,418 1,423 1,471 1,492 1,529	81 79 79 77 79 86 87 88 81	497 515 501 461 445 446 438 447 424 394	97 73 64 84 90 101 97 113 118	

<sup>1</sup> Excludes negotiable time certificates of deposit which are included in "Other."

2 Nonnegotiable, non-interest-bearing special U.S. notes held by the International Monetary Fund; excludes such notes held by the International Development Assn. and the Inter-American Development Bank, which amounted to \$268 million on Oct. 31, 1965.

3 Principally bankers' acceptances, commercial paper, and negotiable

time certificates of deposit.

4 These figures reflect the inclusion of data for banks initially included as of Dec. 31, 1961.

5 Includes revisions arising from changes in reporting coverage as follows (in millions of dollars): Total +20; foreign banks, etc. +26; other foreigners +22; payable in foreign currencies -28.

# 4. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY (Amounts outstanding; in millions of dollars)

·								
End of period	Grand total	Intl. and regional	Europe	Canada	Latin America	Asia	Africa 1	Other countries 2
1960	3,614 34,820 5,163 5,975	1	717 767 877 939	421 556 526 638	1,356 1,522 1,606 1,742	1,052 31,891 2,017 2,493	104	69 85 137 58
1964—Oct	6,912 6,964 7,469 7,950	1 1 1	1,164 1,129 1,217 1,230	629 627 725 1,004	2,020 2,098 2,212 2,234	2,925 2,934 3,137 3,287	108 109 120 131	66 67 58 63
1965—Jan. Feb. Mar. Apr. May. June July. Aug. Sept.* Oct.**	7,881 7,929 7,794 77,767 7,748 7,560 7,531 7,490	2 1 * * * * 1 * * *	1,174 1,185 1,185 1,167 1,173 1,164 1,126 1,120 1,213 1,156	1,000 1,059 981 902 851 807 786 758 678	2,206 2,243 2,195 2,178 2,191 2,172 2,116 2,124 2,137 2,156	3,212 3,224 3,385 3,360 73,359 3,400 3,320 3,327 3,258 3,185	112 118 130 129 136 146 151 142 146 146	56 51 53 57 57 61 62 59 59

#### 4a. Europe

End of period	Total	Aus- tria	Bel- gium	Den- mark	Fin- land	France	Germany, Fed. Rep. of	Greece	Italy	Neth- er- lands	Nor- way	Por- tugal	Spain	Swe- den
1960	717 767 877 939	2 5 7 8	65 20 32 26	13 11 14 13	9 23 30 52	32 42 68 70	82 165 186 121	6 6 6 9	34 35 54 97	33 54 27 33	17 27 35 40	4 5 9 14	8 11 19 26	28 35 18 30
1964—Oct	1,129 1,217	9 7 10 11	35 34 42 48	15 16 28 26	69 71 85 84	76 76 79 81	173 175 159 152	10 10 9 10	113 122 109 114	40 42 39 36	36 41 43 43	21 20 19 23	28 32 40 40	43 41 47 49
1965—Jan	1,185 1,185 1,167 1,173 1,164 1,126 1,120 1,213	9 10 9 9 9 8 10 9	57 72 49 49 43 40 37 34 40 54	18 20 21 27 23 19 20 20 20 24 30	77 76 77 77 75 74 71 71 70 78	89 84 75 82 83 86 72 81 76	189 203 186 173 184 167 174 169 173	11 9 10 10 14 11 11 12 12 12	106 125 138 123 116 113 113 113 113 115 110	33 42 46 47 44 46 40 38 42 39	46 44 49 49 51 50 44 45 42 43	28 26 34 36 36 34 32 27 21	32 26 32 43 46 38 52 45 45	51 45 44 47 38 42 40 39 40 40

4a.	Europe-Continued
	maraka communa

## 4b. Latin America

End of period	Switz- er- land	Tur- key	United King- dom	Yugo- slavia	Other Western Europe 5	U.S.S.R.	Other Eastern Europe 6	Total	Argen- tina	Brazil	Chile	Co- lom- bia	Cuba	Mex- ico
1960	60 105 75 70	49 16 42 48	245 181 221 237	11 9 6 7	11 9 19 23	* * *	8 8 8 16	1,356 1,522 1,606 1,742	121 192 181 188	225 186 171 163	73 127 186 187	80 125 131 208	26 19 17 18	343 425 408 465
1964—Oct	92 97	31 15 36 37	312 278 319 310	17 15 15 16	26 21 20 20	*	20 20 20 20 20	2,020 2,098 2,212 2,234	196 205 210 203	155 146 145 126	183 188 188 175	291 300 319 338	16 17 17 17	580 604 630 644
1965—Jan. Feb. Mar. Apr. May. June. July. Aug. Sept.* Oct.**	118 116 98 95 99 87 82 89	36 32 30 7 17 31 42 42 42 36 40	223 196 199 213 216 223 195 201 282 218	16 15 20 24 28 29 32 39 36 32	20 21 23 24 25 26 26 28 25 27	* * * 1 1 2 3 3 3 3 3	21 23 24 28 30 28 27 29 31 27	2,206 2,243 2,195 2,178 2,191 2,172 2,116 2,124 2,137 2,156	210 209 201 204 208 204 208 219 220 220	125 119 119 108 112 112 113 111 104	164 155 141 140 135 144 139 135 143 152	313 313 292 295 294 285 276 265 248 266	16 16 17 16 16 16 16 16	659 686 685 684 691 693 671 672 677 655

For notes see following page.

#### 4. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY-Continued (Amounts outstanding; in millions of dollars)

	4b. Latin America—Continued																
			4b. La	atin Ame	rica—Co	ntinued								4c. A	sia		
End of period	Panama	P	eru	Uru- guay	Vene- zuela	Other L.A. Repub- lics 7	Baha- mas & Ber- muda	Antil & Suri	les	Oth Lati Ame	in T	otal 1	China Main- land	Hong Kong	India	Indo- nesia	Israel
1960 1961 1962 1963	23 32 30 35		44 74 85 99	57 55 122 65	234 144 102 114	55 56 66 135	42	. 1	8 3 9	7	4 31, 8 2.	052 891 017 493	2 2 2 2	9 9 13 11	9 8 20 17	•	24 36 37 22
1964—Oct Nov Dec Dec.4	35 38 41 49		96 99 102 108	62 67 76 78	140 153 165 168	188 199 222 224	44 50 58 65	19 17 18	7		6 2, 0 3,	925 934 137 287	2 2 2 2	21 20 26 28	20 19 22 21	3 7 7	40 45 44 47
1965—Jan Feb Mar Apr May June July Aug Sept. <sup>p</sup> Oct. <sup>p</sup>	49 57 50 49 51 50 47 48 51 53	1 1 1 1 1 1 1 1 1	109 112 116 112 119 117 115 122 125 138	78 84 84 81 78 72 67 68 67	158 161 164 173 173 167 164 172 177	221 230 229 221 216 213 208 210 217 224	68 63 62 58 58 59 56 52 52 55	19 19 19 19 19 11 11 11		1 1 1 1 1 2 2 2	9 3, 8 3, 9 3, 8 3, 8 3, 1 3, 1 3,	212 224 385 360 359 400 320 327 258 185	2 1 1 1 1 1 1 1 1 1 1 1	21 21 25 24 27 34 32 32 28 27	22 16 28 28 28 26 21 19 18	7 7 7 7 4 1 1 2 2 2	37 46 55 57 55 54 54 53 54 67
		40	. Asia	-Continu	ed						4d	Africa			4e. C	Other cou	ntries
End of period	i Jap	oan	Korea	Philip- pines	Tai- wan	Thai- land	Other Asia	Total 1	Con (Lec pole ville	o- d-	Moroc-	South Africa	U.A.R (Egypt		Total <sup>2</sup>	Aus- tra- lia	All other 9
1960	0.0031,5	40	2 4 3 25	19 114 70 113	7 10 9 8	24 34 41 52	150 145 80 71	104		3 6 2 1		11 10 10 15	3 13 26 28	59	69 85 137 58	28 29 41 48	24 27 57 9
1964—Oct Nov Dec Dec.4	2,4 2,6 2,8	196 153 103	25 25 21 21	185 183 202 203	9 8 9 9	54 55 64 65	81 79 88 82	108 109 120 131		1 1 1 1	2 2 2 2	18 19 19 20	29 28 42 42	58 60 56 67	66 67 58 63	56 58 48 48	10 9 10 16
1965—Jan  Feb Mar Apr May June July Aug Sept.** Oct.**	2,7 2,8 2,8 2,8 2,8 2,8 2,8 2,8	122 122 150	20 20 20 20 21 20 21 20 21 20 20	205 208 212 212 209 200 191 194 209 219	10 12 12 13 13 12 11 10 9	70 73 71 73 76 77 74 74 72 70	80 80 97 99 199 106 94 101 93 98	112 118 130 129 136 146 151 142 146 146		1 1 1 1 1 1 1 1 1 1	1 2 3 2 2 3 2 2 2 2 2 2 2 2 2 2 2 2 2	15 15 19 21 20 22 32 32 37 37	31 29 35 35 38 43 40 36 38 35	63 71 72 70 75 77 77 71 68 70	56 51 53 57 57 61 62 59 59 66	43 39 41 45 45 48 48 46 45 52	13 12 12 13 13 13 14 14 14

Costa Rica, Ecuador, Haiti, Honduras, Jamaica, Nicaragua, Paraguay, and Trinidad and Tobago.

9 Until 1963 includes also African countries other than Congo (Leopoldville), South Africa, and U.A.R. (Egypt).

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.

See also Note to Table 2.

<sup>1</sup> Not reported separately until 1963.
2 Includes Africa until 1963.
3 Includes \$58 million reported by banks initially included as of Dec. 1961, of which \$52 million reported for Japan.
4 Differs from December data in line above because of the exclusion as of Dec. 31, 1964, of \$58 million of short-term U.S. Govt. claims previously included; and because of the addition of \$539 million of short-term claims arising from the inclusion of claims previously held but first reported as of Dec. 31, 1964, and revision of preliminary data.
5 Until 1963 includes Eastern European countries other than U.S.S.R., Czechoslovakia, Poland, and Rumania.
6 Czechoslovakia, Poland, and Rumania only until 1963.
7 Bolivia, Dominican Republic, El Salvador, and Guatemala only until 1963.

<sup>1963.

8</sup> Until 1963 includes also the following Latin American republics:

#### LAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

				Paya	ible in for	eign curre	ncies						
End of period	Total			Loans	to-		Collec-	Accept- ances		- " -	Deposits	Foreign govt. se-	
End of period		Total	Total	Official institu- tions <sup>1</sup>	Banks	Others	out- stand- ing	made for acct. of for- eigners 2	Other 3	Total	with for- eigners		Other 4
1960	4,762	3,135 4,177 4,234 4,606 5,344	1,296 1,646 1,660 1,954 1,915	290 329 329 359 186	524 699 709 953 955	482 618 622 642 774	605 694 700 686 832	2,214	1,233 1,837 1,874 1,967 384	480 586 586 557 631	242 385 386 371 432	157	238 200 200 186 42
1964—Oct	6,912 6,964 7,469 7,950	6,242 6,303 6,810 7,323	2,379 2,461 2,652 2,773	164 165 223 221	1,251 1,316 1,374 1,403	964 980 1,055 1,149	986 990 1,007 1,129	2,431 2,420 2,600 2,621	446 432 552 800	670 662 659 626	410 394 400 338	177 183 182 187	83 84 77 102
1965—Jan  Feb Mar Apr May June July. Aug Sept." Oct."	7,762 7,881 7,929 7,794 7,767 7,748 7,560 7,531 7,490 7,388	7,130 7,220 7,327 7,243 7,189 7,180 7,025 7,019 6,955 6,891	2,788 2,947 2,954 2,909 2,818 2,854 2,803 2,818 2,811 2,807	221 250 243 208 213 231 241 232 237 264	1,427 1,491 1,504 1,493 1,461 1,476 1,422 1,457 1,447 1,446	1,140 1,206 1,207 1,208 1,144 1,147 1,139 1,129 1,102 1,097	1,051 1,007 1,076 1,082 1,091 1,122 1,127 1,150 1,184 1,188	2,511 2,499 2,590 2,584 2,607 2,605 2,531 2,509 2,454 2,421	779 765 706 668 673 599 564 542 507 476	633 661 602 550 577 568 535 512 535 496	345 350 328 312 332 330 310 300 367 321	181 188 157 138 147 141 141 125 78 82	107 123 117 100 98 98 84 87 90 93

#### 6. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

							Cla	ims			-		
	Total			Type					Country	or area			<b>_</b>
End of period	liabili- ties	Total claims	Payable	in dollars	Payable in	United	Other				0.1		4.11
			Loans	All other	foreign cur- rencies	King- dom	Europe	Canada	Latin America	Japan	Other Asia	Africa 1	All other 2
1960	7 2 7 69	1,698 2,034 2,160 33,030	2,811	217	2	15 11 25 38	351 482 552 31,063	76 274 304 290	914 931 886 31,015	19 24 74 3249	115 146 148 <sup>3</sup> 194	113	208 166 171 68
1964—Oct Nov Dec, Dec.4	164 298 305	3,693 3,853 { 3,971   r4,285	3,490 3,652 3,777 73,995	203 201 195 r288	* * *	76 77 77 87	1,408 1,493 1,611 1,632	292 291 273 *327	1,099 1,153 1,162 71,275	352 369 385 430	229 238 238 255	131 125 123 r156	105 107 103 122
1965—Jan	309 493 458 441 441 501 442 443 452 415	74,513 74,735 74,746 74,680 74,620 74,545 74,533 4,558 4,587 4,573	r4,228 r4,426 r4,458 r4,375 r4,316 r4,239 r4,233 4,260 4,290 4,279	7283 7304 7284 7299 7299 7301 7295 293 292 288	2 5 5 6 5 5 5 4 5 6	86 90 96 95 91 92 89 87 89	71,686 71,790 71,770 71,770 71,698 71,655 71,619 1,614 1,589 1,577	7351 7399 7364 7378 7362 7357 7359 357 355 345	r1,370 r1,403 r1,406 r1,334 r1,360 r1,327 r1,311 1,311 1,322 1,323	455 472 479 483 479 482 475 471 464	259 276 297 295 *296 305 322 340 359 354	7186 7189 7204 7193 7196 7203 7207 213 220 221	119 133 136 135 133 128 7143 160 181 196

Includes central banks,
 Not reported separately until 1963.
 Until 1963 includes acceptances made for account of foreigners,
 Until 1963 includes foreign government securities, commercial and finance paper.

<sup>&</sup>lt;sup>5</sup> These figures reflect the inclusion of data for banks initially included as of Dec. 31, 1961.

<sup>6</sup> Differs from December data in line above because of the exclusion as of Dec. 31, 1964, of \$58 million of short-term U.S. Govt. claims previously included; and because of the addition of \$539 million of short-term claims arising from the inclusion of claims previously held but first reported as of Dec. 31, 1964, and revision of preliminary data.

Not reported separately until 1963.
 Includes Africa until 1963.
 Includes claims previously held, but reported for the first time as of May 1963; on that date such claims were \$86 million. Also includes \$193 million reported for the first time as of Dec. 1963, representing in part claims previously held but not reported by banks. Included in

this amount are claims on; Europe \$5 million, Latin America \$134 million, and Asia \$54 million.

4 Differs from Dec. data in line above because of the addition of \$314 million of long-term claims arising from the inclusion of claims previously held but first reported as of Dec. 31, 1964, and revision of preliminary data.

#### 7. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

	τ	J.S. Govi	. bonds	and notes	1		S. corpo securities		Fo	oreign bo	onds	Fo	reign sto	cks
Period		Net p	urchases	or sales		_			1					
	Total	Intl.		Foreign		Pur- chases	Sales	Net pur- chases or sales	Pur- chases	Sales	Net pur- chases or sales	Pur- chases	Sales	Net pur- chases or sales
1961	Total	and regional	Total	Official	Other									
1961	512 -728 671 -338	532 -521 302 -315	-20 -207 369 -23			3,384 2,568 2,980 3,537	3,161 2,508 2,773 3,710	223 60 207 -173	802 1,093 991 915	1,262 2,037 2,086 1,838	-460 -944 -1,095 -923	596 702 696 748	966 806 644 548	-370 -104 51 200
1964—Oct Nov Dec	-30 -37 2	-21 * *	-9 -37 2	-13 -40 *	4 3 2	335 297 289	353 292 302	-17 5 -13	252 86 94	399 342 221	-148 -256 -127	60 55 72	59 50 59	1 5 13
1965—Jan	-66 -7 -17 65 -1 14 20 8 6 -44	68 38 * * * * -4 *	2 30 -17 65 -1 14 20 12 6 -44	-15 32 * -15 * -2	17 -17 -65 14 14 20 14 6 -55	240 282 427 338 346 326 244 234 365 430	249 292 395 342 342 563 355 335 335 439	-9 -9 32 -4 4 -236 -112 -100 -28 -10	49 55 46 88 7119 97 72 47 288 101	107 269 157 183 7148 7251 135 90 407 204	-58 -214 -111 -95 r-29 r-154 -63 -44 -119 -102	86 79 78 93 70 71 64 69 75 67	48 45 55 69 52 36 40 44 54 52	38 34 23 23 18 35 24 25 21 15

<sup>&</sup>lt;sup>1</sup> Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries; see Table 8.

<sup>2</sup> Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations which are not guaranteed by the United States.

Note,—Statistics include transactions of international and regional organizations. See also Note to Table 2.

#### 8. NONMARKETABLE U.S. TREASURY BONDS AND NOTES HELD BY OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES (In millions of dollars)

		P	ayable in fo	reign curren	icies			Payable	in dollars	
End of period	Total	Austria	Belgium	Germany	Italy	Switzerland 1	Total	Canada 2	Italy	Sweden
1962—Dec	251 730	50	30	275	200 200	51 175	163	125	13	25
1964—Nov Dec	1,086 1,086	50 50	30 30	679 679		327 327	354 354	329 329		25 25
1965—Jan. Feb. Mar. Apr. May. June. July Aug. Sept. Oct. Nov.	1,112 1,137 1,137 1,137 1,137 1,259 1,259 1,259 1,208	50 75 101 101 101 101 101 101 101 101	30 30 30 30 30 30 30 30 30 30 30	679 679 679 679 679 679 653 653 653 603	125 125 125 125 125 125	327 327 327 327 327 327 327 350 350 350 350 350	354 354 354 354 354 354 354 354 354 354	329 329 329 329 329 329 329 329 329 329	75	25 25 25 25 25 25 25 25 25 25 25 25

<sup>&</sup>lt;sup>1</sup> Includes bonds payable in Swiss francs to the Bank for International Settlements. Amounts outstanding were \$70 million May 1964-June 1965 and \$93 million July-Nov. 1965.
<sup>2</sup> Includes bonds issued to the Government of Canada in connection

with transactions under the Columbia River treaty. Amounts outstanding were \$204 million Sept, 1964-Oct, 1965 and \$174 million for Nov. 1965.

## 9. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE SECURITIES, BY TYPE OF SECURITY AND BY COUNTRY

(In millions of dollars)

-		Type of	security				•	Со	untry or a	rea				
Period	Total	Stocks	Bonds	France	Swit- zer- land	United King- dom	Other Europe	Total Europe	Canada	Latin Amer- ica	Asia	Africa 1	Other coun- tries <sup>2</sup>	Intl. and regional
1961 1962 1963	223 60 207 -173	323 111 198 -349	-99 -51 9 176	21 4 -8 -37	166 129 14 200	-17 -33 206 -4	61 24 16 14	232 124 199 -228	-112 -43 -47 3	44 -20 14 25	44 -18 17 10	*	3 1 1 -1	12 17 22 18
1964—Oct Nov <b>De</b> c	-17 5 -13	-25 -27 -37	8 32 24	-6 -2 -3	-19 -26 -14	14 41 -5	-1 -15 -1	-13 -2 -22	-7 5 3	* * 4	2 2 *	* *	*	1 1 1
1965—Jan Feb Mar Apr May June July Aug Sept.?. Oct.?.	-9 -9 32 -4 4 -236 -112 -100 -28 -10	* 8 9 -49 -42 -65 -96 -93 -39 -8	-9 -17 23 45 45 -172 -16 -8 11 -1	* 28 -23 64 -4 3	-2 -2 -2 -13 -5 -41 -22 -8 20	-3 7 -7 * -9 -220 -90 -82 -56 -21	-1 -3 23 -4 -1 -7 -1 -2 -3	-6 4 22 -19 -12 -262 -117 -92 -36 -11	-3 -11 7 10 11 29 11 -13 -3 -4	-1 -3 -2 1 3 -3 -7 -1	* 3 1 1 -2 2 4 7 4	******	*****	1 3 2 2 3 1 2 1

Note.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations which are not guaranteed by the United States.

## 10. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and re- gional	Total for- eign coun- tries	Eu- rope	Can- ada	Latin Amer- ica	Asia	Af- rica <sup>1</sup>	Other coun- tries <sup>2</sup>
1961 1962 1963	-830 -1,048 -1,044 -723	-235	-949	-188 -49	-318 -360 -614 -665	-41	-121 -175 -252 -77		-73 -50 -8 25
1964—Oct Nov <b>Dec</b>	-147 -251 -114	7 -95 -22	-153 -156 -92	15	-171 -129 -98		-5 -15 -18		6 2 2
1965—Jan Feb Mar Apr May June July Aug Sept. <sup>p</sup> . Oct. <sup>p</sup>	-72 r-11 -119 -39	-178 3 4 3 9 -13 1 -17	-92 -75 r-14 -128 -26 -20 -81	2 -6 22 14 -42 33 16 27	-81 -28 -17 -62 -39	-4 -6 -26 10 -6 -4 5 -5	-20 -3 -1 -47 * -23 -2 -1 12 -2	* * * 1 1 *	3 1 2 5 -21 3 -16 1 -12 3

Not reported separately until May 1963.
 Yearly figures through 1963 include Africa.

## 11. DEPOSITS, U.S. GOVT. SECURITIES, AND GOLD HELD AT F. R. BANKS FOR FOREIGNERS

(In millions of dollars)

		Assets in	custody
End of	Deposits	U.S. Govt.	Earmarked
period		securities 1	gold
1961	279	6,006	11,905
	247	6,990	12,700
	171	8,675	12,954
1964Nov	256	8,278	12,672
Dec	229	8,389	12,698
1965—Jan Feb Mar Apr June July Aug Sept Oct Nov	143	7,952	12,871
	154	8,100	12,940
	162	7,741	13,187
	146	7,626	13,174
	142	7,713	13,050
	179	7,599	12,951
	147	7,221	13,108
	356	7,263	13,065
	213	7,805	12,923
	144	7,974	12,905
	149	8,171	12,824

Not reported separately until May 1963.
 Yearly figures through 1963 include Africa.

<sup>&</sup>lt;sup>1</sup> U.S. Treasury bills, certificates of indebtedness, notes, and bonds; includes securities payable in foreign currencies.

Nore.—Excludes deposits and U.S. Govt. securities held for international organizations. Earmarked gold is gold held for foreign and international accounts (for back figures, see "Gold," Section 14 of Supplement to Banking and Monetary Statistics, 1962).

# 12. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS (End of period; in millions of dollars)

		T :	iabilities to	f period; i			-		Tlaime on	foreigner	,	
Area and country			1964	o Toreigne		65		<del></del>	64	Torcigner		65
Area and country	June	June 1	Sept.	Dec.	Mar.	June	June	June 1	Sept.	Dec.	Mar.	June <sup>p</sup>
Europe:												
AustriaBelgiumDenmark	3 21	3 20 1	22 1	2 20 2	2 25 2	2 21 1	6 21 7	20 7	5 17 6	7 19 6	7 16 9	5 16 11
FinlandFrance	1 28	1 27	1 31	1 31	1 35 70	1 47 73	5 69	5 67	8 50	61	6 69	6 71 117
Germany, Fed. Rep. of Greece Italy	36 5 24	34 5 22	44 4 27	63 4 26	5 16	6 16	82 9 101	79 9 99	95 10 90	140 10 95	114 7 84	8 81
Netherlands Norway	46 3 1	46 2 1	31 2 2	33 1 2	40 2 2	50 5	30 7 10	30 6 10	32 7 9	31 8 4	28 6 8	31 7 10
PortugalSpainSweden	9 7	8 7	12 7	10 8	5 6	5 2 5 9	47 17	46 17	45 19	42 19	39 21	33 23
Switzerland Turkey United Kingdom	19 5 102	18 4 97	36 5 108	33 6 102	34 7 98	35 7 94	19 5 284	17 5 280	16 4 407	22 9 329	29 12 364	41 8 293
YugoslaviaOther Western Europe	1 3	1 2	1 4	1 5	1 6	1 5 *	3 6 *	3 6 *	3 6	3 9	6 7	5 4
U.S.S.R Other Eastern Europe	i	:	i	i	<u>i</u>	•	2	2	3	2	3	2
Total	316	301	341	350	356	380	731	714	832	822	837	773
Canada	62	57	60	77	72	72	932	923	1,032	1,057	838	704
Latin America: Argentina Brazil Chile	6 11 3	5 10 3	4 11 4	3 11 5	3 11 4	2 11 4	20 126 23	20 125 21	26 128 25	30 145 25	33 113 25	29 93 27 22 4 70 9 27
ColombiaCuba	8	7	7	10	12	13	23 23 5	21 22 5	25	25 25 4	25 26 4	22
MexicoPanamaPeru.	8 21 6	7 21 5	26 5	6 28 7	25 7	6 21 5	62 10 23	58 10	25 25 4 64 9 23 8 45	69 12 26	69 11 21	70
Uruguay Venezuela	1 22	21	1 20	1 16	1 19	5 2 19	6 40	22 6 38	8 45	10 46	40	1 43
Other L.A. republics	9 2 7 6	8 2 7 6	11 2 9 4	15 2 6 6	13 2 5 1	19 15 2 6 1	45 21 5 11	42 20 5 9	47 19 4 10	51 11 4 10	49 8 3 9	55 9 3 9
Total	112	104	111	115	107	108	422	404	438	468	420	412
Asia: China Mainland	2	2 2	1	1	1	1		•			•.	
Hong KongIndiaIndonesia	2 14 5	13 5	16 3	21 4	2 22 6	2 24 7	39 5	38 5	37 4	9 41 4	9 45 5	8 41
Israel	1 27	25	1 31	1 28	22 6 2 22	2 30	5 8 161	7 160	174	180	6 181	6 7 172
KoreaPhilippines	1 5	1 4	6	1 5	6	6	4 11	4 11	5 14	11	5 15	6 14
Taiwan	1	1 1	1	3	2	1	4 7	4 7	5 7	5 5	5 7	7 7
Other Asia	2i	19	21	21	24	23	53	51	55	6 <b>ŏ</b>	62	67
Total	80	73	82	88	87	98	298	294	315	327	339	333
Africa: Congo (Leopoldville) Morocco	1	1	3	4	:	:	2	2	5 2	6	2	3 2
South Africa	10 2 6	10 2 5	11	14	22 1	22 2 7	13 13	12 13	11 12	11 13	19 17	24 12
Other Africa	6 19	18	5 22	31	34	32	26 55	25 53	57	57	23 63	68
Other countries:						25					}	
AustraliaAll other	27 6	27 5	26 8	25 9	23 8	9	37	36 6	38	38 7	33 8	36 7
Total	33	32	34	34	32	34	43	41	45	45	41	43
International and regional	1	1	•	•	*	*	1	1	•	*	*	•
Grand total	622	585	650	695	688	725	2,482	2,430	2,719	2,776	2,539	2,333

<sup>1</sup> Ninth revised series; includes reports from firms having \$500,000 or more of liabilities or of claims; for previous series the exemption level was \$100,000.

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. See also Note to Table 2.

#### CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS (Per cent per annum)

		te as of . 30, 1964				Chang	ges duri	ng the l	ast 12 r	nonths					Rate
Country	1100	. 30, 1904	1964						1965						as of Nov. 30,
	Per cent	Month effective	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	1965
Argentina	6.0 4.5 4.75 10.0 4.0	Dec. 1957 June 1963 July 1964 Apr. 1958 Feb. 1962		12.0									]		6.0 4.5 4.75 12.0 4.0
Canada 1	4.25 4.0 14.63 8.0 3.0	Nov. 1964 Aug. 1960 July 1964 May 1963 Apr. 1939		15.09						15.30					4.25 5.0 15.30 8.0 3.0
Denmark	6.5 5.0 4.0 7.0 4.0	June 1964 Nov. 1956 Aug. 1964 Apr. 1962 Nov. 1963													6.5 5.0 4.0 7.0 3.5
Germany, Fed. Rep. of Ghana Greece Honduras <sup>3</sup> Iceland.	3.0 4.5 5.5 3.0 9.0	May 1961 Oct. 1961 Jan. 1963 Jan. 1962 Dec. 1960													4.0 4.5 5.5 3.0 8.0
India. Indonesia. Iran Ireland Israel.	5.0 9.0 4.0 6.87 6.0	Sept. 1964 Aug. 1963 Oct. 1963 Nov. 1964 Feb. 1955			6.0 6.75	6.81	6.69	6.50	5.92	6.00	5.81	5.84			6.0 9.0 4.0 5.08 6.0
Italy. Jamaica. Japan Korea. Mexico.	3.5 5.0 6.57 10.5 4.5	June 1958 Nov. 1964 Mar. 1964 Mar, 1964 June 1942					5.84							21.0	3.5 5.0 5.48 21.0 4.5
Netherlands	4.5 7.0 6.0 3.5 4.0	June 1964 Mar. 1961 Apr. 1954 Feb. 1955 Jan. 1959													4.5 7.0 6.0 3.5 5.0
Peru. Philippine Republic 4 Portugal. South Africa. Spain	9.5 6.0 2.0 4.0 4.0	Nov. 1959 Jan. 1962 Jan. 1944 July 1964 June 1961	4.5									2.5			9.5 6.0 2.5 5.0 4.0
Sweden. Switzerland Taiwan <sup>5</sup> Thailand Tunisia	5.0 2.5 14.04 5.0 4.0	Nov. 1964 July 1964 July 1963 Oct. 1959 Oct. 1962							<u> </u>			l:::::			5.5 2.5 14.04 5.0 4.0
Turkey United Arab Rep. (Egypt) United Kingdom Venezuela	7.5 5.0 7.0 4.5	May 1961 May 1962 Nov. 1964 Dec. 1960							6.0						7.5 5.0 6.0 4.5

1 On June 24, 1962, the bank rate on advances to chartered banks was fixed at 6 per cent. Rates on loans to money market dealers will continue to be .25 of 1 per cent above latest weekly Treasury bill tender average rate but will not be more than the bank rate.

2 Beginning with Apr. 1, 1959, new rediscounts have been granted at the average rate charged by banks in the previous half year. Old rediscounts remain subject to old rates provided their amount is reduced by one-eighth each month beginning with May 1, 1959, but the rates are raised by 1.5 per cent for each month in which the reduction does not occur.

occur.

3 Rate shown is for advances only.

4 Beginning with June 1, 1962, the rediscount rate for commercial bank loans financing the purchase of surplus agricultural commodities under U.S. Law 480 was reduced from 6 to 3 per cent; and on Aug. 22, 1962, the rediscount rate for commercial bank financing of 9 categories of development loans was reduced from 6 to 3 per cent.

5 Rate shown is for call loans.

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

Brazil—8 per cent for secured paper and the paper;
Colombia—5 per cent for warehouse receipts covering approved lists of products, 6 and 7 per cent for agricultural bonds, and 12 and 18 per cent for rediscounts in excess of an individual bank's quota:
Costa Rica—5 per cent for paper related to commercial transactions (rate shown is for agricultural and industrial paper);
Ecuador—6 per cent for bank acceptances for commercial purposes;
Indonesia—various rates depending on type of paper, collateral, commercial involved, etc.:

Indonesia—various rates depending on type of paper, collateral, commodity involved, etc.;

Japan—penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

Peru—8 per cent for agricultural, industrial and mining paper; and Venezuela—4 per cent for rediscounts of certain agricultural paper and for advances against govt. bonds or gold and 5 per cent on advances against securities of Venezuelan companies.

#### OPEN MARKET RATES

(Per cent per annum)

	Can	ada		United I	Kingdom		France	Gern Fed. F	nany Rep. of	Nethe	rlands	Switzer- land
Month	Treasury bills, 3 months <sup>1</sup>	Day-to- day money <sup>2</sup>	Bankers' accept- ances, 3 months	Treasury bills, 3 months	Day-to- day money	Bankers' allowance on deposits	Day-to- day money <sup>3</sup>	Treasury bills, 60–90 days 4	Day-to- day money <sup>5</sup>	Treasury bills, 3 months	Day-to- day money	Private discount rate
1962—Dec. 1963—Dec. 1964—Oct. Nov. Dec. 1965—Jan. Feb. Mar. Apr. May.	3.71 3.69 3.73 3.85 3.78 3.72 3.69 3.67 3.84	3.75 3.55 3.60 3.68 3.84 3.83 3.57 3.45 3.51 3.79	3.86 3.91 4.88 5.42 6.84 6.74 6.74 6.78 6.73	3.64 3.74 4.69 5.18 6.62 6.60 6.48 6.45 6.45 6.45	3,30 3,00 3,99 4,54 5,87 5,92 5,92 5,90 5,90	2.50 2.00 3.00 3.56 5.00 5.00 5.00 5.00 5.00	3.51 4.66 4.30 4.13 4.16 3.77 4.11 4.45 4.00 4.22	2.63 2.63 2.63 2.63 2.63 3.13 3.13 3.13 3.13	3.50 2.56 3.25 3.13 2.88 2.44 3.56 4.06 4.19 3.44	1.98 2.25 3.80 3.84 3.68 3.29 3.34 3.05 3.39 4.05	1.24 1.56 3.24 2.88 2.09 2.43 3.69 3.39 3.54 3.67	2.00 2.00 2.50 2.50 2.68 3.00 3.00 3.00 3.00
June July Aug Sept Oct	4.00 4.08 4.11	3.80 3.76 3.91 3.98 3.93	6.04 5.97 5.97 5.97 5.92	5.59 5.59 5.56 5.51 5.42	5.02 4.93 4.97 4.95 4.96	4.08 4.00 4.00 4.00 4.00	4.36 4.34 4.01 3.86	3.13 3.13 3.88 3.88 3.88	4.44 4.06 3.44 4.75 4.31	4.08 4.13 4.07 4.00 4.07	2.69 3.53 2.68 2.66 3.13	3.00 3.00 3.00 3.00 3.00

Based on average yield of weekly tenders during month.
 Based on weekly averages of daily closing rates.
 Rate shown is on private securities.
 Rate in effect at end of month.

Note.—For description of rates and back data, see "International Finance," Section 15 of Supplement to Banking and Monetary Statistics, 1962.

#### ARBITRAGE ON TREASURY BILLS

(Per cent per annum)

		United State	es and Unite	d Kingdom			1	United State	s and Canad	ia	
	Tre	asury bill ra	ites				Treasury	bill rates		Premium	
Date	United Kingdom	-	Spread	Premium (十) or discount	Not incentive (favor	Can	nada		Spread	(+) or discount (-) on	Net incentive (favor
	(adj. to U.S. quotation basis)	United States	(favor of London)	(-) on forward pound	of London)	As quoted in Canada	Adj. to U.S. quotation basis	United States	(favor of Canada)	forward Canadian dollars	of Canada)
1965											
July 2	5.36 5.42 5.46 5.46 5.46	3.80 3.84 3.82 3.79 3.78	1.56 1.58 1.64 1.67 1.68	-1.93 -1.82 -1.85 -1.98 -2.09	37 24 21 31 41	3.92 3.96 3.96 4.01 4.06	3.83 3.87 3.87 3.92 3.96	3.80 3.84 3.82 3.79 3.78	+.03 +.03 +.05 +.13 +.18	+.27 +.27 +.14 +.14 20	+.30 +.30 +.19 +.27 02
Aug. 6	5.46 5.36 5.36 5.39	3.82 3.81 3.81 3.83	1.64 1.55 1.55 1.56	-2.54 -2.49 -2.51 -2.49	90 94 96 93	4.09 4.10 4.08 4.09	3.99 4.00 3.98 3.99	3.82 3.81 3.81 3.83	+.17 +.19 +.17 +.16	07 +.14 .00 14	+.10 +.33 +.17 +.02
Sept. 3	5.36 5.36 5.36 5.36	3.84 3.87 3.86 3.94	1.52 1.49 1.50 1.42	-2.59 -2.09 -1.88 -1.73	-1.07 60 38 31	4.10 4.13 4.09 4.08	4.00 4.03 3.99 3.98	3.84 3.87 3.86 3.94	+.16 +.16 +.13 +.04	34 54 40 61	18 38 27 57
Oct. 1 8 15 22 29	5.27 5.24 5.30 5.30 5.27	3.99 3.98 3.99 4.01 4.03	1.28 1.26 1.31 1.29 1.24	-1.38 -1.35 -1.27 -1.23 -1.29	10 09 +.04 +.06 05	4.16 4.10 4.13 4.18 4.17	4.06 4.00 4.03 4.08 4.07	3.99 3.98 3.99 4.01 4.03	+.07 +.02 +.04 +.07 +.04	54 60 67 74 67	47 58 63 67 63
Nov. 5	5.33 5.33 5.33 5.24	4.04 4.05 4.07 4.09	1,29 1,28 1,26 1,15	-1.33 -1.32 -1.26 -1.10	04 04 .00 +.05	4.18 4.21 4.18 4.16	4.08 4.11 4.08 4.06	4.04 4.05 4.07 4.09	+.04 +.06 +.01 03	60 67 81 67	56 61 80 70
Dec. 3	5.24	4.10	1.14	-1.07	+.07	4.18	4.08	4.10	02	81	83

<sup>5</sup> Based on average of lowest and highest quotation during month.

Note.—Treasury bills: All rates are on the latest issue of 91-day bills. U.S. and Canadian rates are market offer rates 11 a.m. Friday; U.K. rates are Friday opening market offer rates in London.

Premium or discount on forward pound and on forward Canadian dollar: Rates per annum computed on basis of midpoint quotations (between bid and offer) at 11 a.m. Friday in New York for both spot and forward pound sterling and for both spot and forward Canadian dollars.

All series: Based on quotations reported to Federal Reserve Bank of New York by market sources.

For description of series and for back figures see Oct. 1964 BULLETIN, pp. 1241-60. For description of adjustments to U.K. and Canadian Treasury bill rates, see notes to Table 1, p. 1257, and to Table 2, p. 1260. Oct. 1964 BULLETIN.

#### FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

<del></del> · <del></del>		(III cents )	oci unit ot i	oreign carrer					
Period	Argentina (peso)	Aus- tralia (pound)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Ceylon (rupee)	Denmark (krone)	Finland (markka)	France (franc)
1959. 1960. 1961. 1962. 1963.	1.2730 1.2026 1.2076 .9080 .7245 .7179	223.81 223.71 223.28 223.73 223.10 222.48	3.8619 3.8461 3.8481 3.8685 3.8690 3.8698	2.0012 2.0053 2.0052 2.0093 2.0052 2.0099	104.267 103.122 98.760 93.561 92.699 92.689	21.055 21.048 21.023 21.034 21.015 20.988	14.508 14.505 14.481 14.490 14.484 14.460	.3115 .3112 .3110 .3107 331.057 31.067	.2038 20.389 20.384 20.405 420.404 20.404
1964—Nov	.6725 .6652	221.90 222.36	3.8693 3.8707	2.0149 2.0144	93.100 93.039	20.953 20.944	14.430 14.459	31.076 31.084	20.405 20.405
1965—Jan. Feb. Mar. Apr. May. June July. Aug. Sept. Oct. Nov.	.6628 .6615 .6629 1.6627 2.5814 .5805 .5802 .5806 .5632 .5542	222.42 222.72 222.50 222.80 222.87 222.49 222.37 222.37 222.84 223.35 223.40	3.8697 3.8681 3.8694 3.8700 3.8701 3.8713 3.8726 3.8724 3.8721 3.8707 3.8700	2.0148 2.0147 2.0144 2.0147 2.0147 2.0147 2.0145 2.0146 2.0140 2.0130 2.0145	93.109 92.943 92.480 92.654 92.627 92.381 92.280 92.714 92.888 92.999 93.009	20.943 20.967 20.950 20.948 20.951 20.939 20.935 20.934 20.952 20.989 21.008	14.458 14.460 14.453 14.462 14.456 14.429 14.418 14.405 14.457 14.502 14.506	31.079 31.081 31.080 31.081 31.098 31.062 31.061 31.061 31.060 31.059 31.061	20.404 20.404 20.400 20.401 20.397 20.405 20.405 20.403 20.400 20.393 20.403
Period	Germany (deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)	Malay- sia (dollar)	Mexico (peso)	Neth- erlands (guilder)	New Zealand (pound)
1959. 1960. 1961. 1962. 1963.	23.926 23.976 24.903 25.013 25.084 25.157	21.031 20.968 20.980 21.026 20.966 20.923	280.88 280.76 280.22 280.78 280.00 279.21	.16099 .16104 .16099 .16107 .16087 .16014	.27781 .27785 .27690 .27712 .27663 .27625	32.857 32.817 32.659 32.757 32.664 32.566	8.0056 8.0056 8.0056 8.0056 8.0056 8.0056	26.492 26.513 27.555 27.755 27.770 27.724	278.10 277.98 277.45 278.00 277.22 276.45
1964—Nov	25.148 25.149	20.867 20.898	278.48 279.06	.16003 .16003	.27686 .27837	32.507 32.569	8.0056 8.0056	27.824 27.831	275.73 276.30
1965—Jan	24.960 24.923 24.934 24.968	20.894 20.915 20.915 20.935 20.939 20.924 20.914 20.913 20.943 20.978 20.990	279.13 279.51 279.24 279.62 279.71 279.23 279.10 279.08 279.67 280.31 280.37	.16003 .16003 .16004 .16004 .16004 .16005 .16005 .16005 .16005 .16003	.27856 .27830 .27710 .27609 .27585 .27638 .27599 .27598 .27597 .27602 .27661	32,575 32,602 32,553 32,582 32,617 32,583 32,579 32,565 32,621 32,694 32,679	8.0056 8.0056 8.0056 8.0856 8.0056 8.0056 8.0056 8.0056 8.0056	27.827 27.825 27.780 27.768 27.768 27.735 27.761 27.791 27.781 27.772 27.756	276.37 276.75 276.47 276.85 276.94 276.46 276.33 276.32 276.90 277.53 277.59
Period	Norway (krone)	Philip- pine Republic (peso)	Portu- gal (escudo)	South (pound)	Africa (rand)	Spain (peseta)	Sweden (krona)	Swit- zerland (franc)	United King- dom (pound)
1959	14.028 14.018 14.000 14.010 13.987 13.972	49.721 49.770	3,4967 3,4937 3,4909 3,4986 3,4891 3,4800	279.83 279.71 279.48	139.57 139.87 139.48 139.09	2.0579 1.6635 1.6643 1.6654 1.6664	19.324 19.349 19.353 19.397 19.272 19.414	23.142 23.152 23.151 23.124 23.139 23.152	280.88 280.76 280.22 280.78 280.00 279.21
1964—Nov	13.956 13.980		3.4686 3.4777		138.72 139.01	1.6665 1.6666	19.396 19.439	23.172 23.172	278.48 279.06
1965—Jan. Feb. Mar. Apr. May. June. July. Aug. Sept. Oct. Nov.	13.977 13.982 13.976 13.983 13.982 13.976 13.975 13.978 13.990 13.998 14.001		3.4783 3.4826 3.4817 3.4822 3.4819 3.4804 3.4798 3.4775 3.4786 3.4871 3.4928		139.05 139.23 139.10 139.29 139.33 139.09 139.03 139.02 139.31 139.63 139.66	1.6665 1.6663 1.6663 1.6662 1.6662 1.6662 1.6658 1.6658	19.465 19.469 19.468 19.434 19.411 19.369 19.355 19.332 19.352 19.329	23.149 23.102 23.020 23.019 23.004 23.075 23.128 23.161 23.162 23.150 23.150	279.13 279.51 279.24 279.62 279.71 279.23 279.10 279.08 279.67 280.31 280.37

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.

<sup>&</sup>lt;sup>1</sup> Based on quotations through April 16, 1965.

<sup>2</sup> Based on quotations beginning May 5, 1965.

<sup>3</sup> A new markka, equal to 100 old markka, was introduced on Jan. 1, 1963.

<sup>4</sup> Effective Jan. 1, 1963, the franc again became the French monetary unit. It replaces, at a 1 to 1 ratio, the new franc introduced Jan. 1, 1960.

#### U.S. BALANCE OF PAYMENTS

(In millions of dollars)

					19	64		19	65
Item	1962	1963	1964	I	II	ш	IV	I	$\Pi^p$
A. Transactions other than changes in foreign liquid	A. Transactions other than changes in foreign liquid assets in U.S. and in U.S. monetary reserve assets, and other than special U.S. Govt. transactions—Seasonally adjusted								
Exports of goods and services—Total 1	30,278 20,604 656 3,954 471 4,593	32,353 22,069 659 4,156 498 4,971	37,017 25,288 762 5,003 454 5,510	9,084 6,149 194 1,266 130 1,345	8,991 6,067 191 1,263 132 1,338	9,335 6,382 168 1,260 132 1,393	9,607 6,690 209 1,214 60 1,434	8,670 5,586 174 1,413 139 1,358	10,084 6,762 231 1,509 146 1,436
Imports of goods and services—Total.  Merchandise. Military expenditures. Investment income payments Other services.	I 16 173	-26,436 -16,992 -2,929 -1,271 -5,244	-28,457 -18,619 -2,824 -1,404 -5,610	-6,878 -4,410 -732 -341 -1,395	-7,061 -4,599 -720 -345 -1,397	-7,136 -4,709 -691 -347 -1,389	-7,382 -4,901 -681 -371 -1,429	-7,152 -4,663 -662 -375 -1,452	-8,078 -5,469 -693 -393 -1,523
Balance on goods and services 1		5,917	8,560	2,206	1,930	2,199	2,225	1,518	2,006
Remittances and pensions	-738	-837	-839	-209	-203	-207	-220	-224	-288
1. Balance on goods, services, remittances and pensions	4,411	5,080	7,721	1,997	1,727	1,992	2,005	1,294	1,718
2. U.S. Govt. grants and capital flow, net, excluding advance debt repayments	$ \begin{array}{r} -3,547 \\ -1,919 \\ -2,129 \end{array} $	$ \begin{array}{r rrrr} -3,813 \\ -1,917 \\ -2,187 \end{array} $	$ \begin{array}{r} -3,636 \\ -1,884 \\ -2,349 \end{array} $	-813 -470 -521	-888 -538 -697	-921 -425 -601	-1,014 -451 -530	-805 -437 -632	<b>954</b> 477 693
short-term claims, net (increase, -) 3 Seasonal adjustment on three preceding items	-245	-447	-27	72	69	21	189	147	45
combined	147 599	94 644	49 575	-47 -8 161	83 35 160	-80 4 160	44 18 94	-51 4 164	87 -10 184
3. U.S. private capital, net	-3,425 -1,654 -1,227 -544	-4,456 -1,976 -1,695 -785	-6,462 -2,376 -1,975 -2,111	-1,327 -464 -274 -589	-1,344 -540 -256 -548	-1,569 -551 -612 -406	-2,222 -821 -833 -568	-1,533 -1,159 -688 314	-264 -882 115 503
4. Foreign capital, net, excluding liquid assets in U.S	153 272 115 4	303 326 -24 1	432 110 115 207	14 6 4 4	112 94 19 -1	196 -72 64 204	110 82 28	274 281 -8	-215 -271 50 6
5. Errors and unrecorded transactions	-1,197	-401	-1,161	-288	-152	-291	-430	-10	-166
Balance of A (=1+2+3+4+5)		-3,287 $-3,287$	-3,106 $-3,106$	-417 -481 64	-545 50 -595	-593 428 -1,021	-1,551 $-1,554$	-780 -521 -259	119 47 72
B. Changes in foreign liquid assets in U.S. and	in U.S. mo	netary rese	rve assets,	and special	U.S. Govi	. transactio	ons—Not s	easonally a	djusted
Total.  Advance repayments on U.S. Govt. loans 4  Advances on U.S. military exports, net	3,605 681 470	3,287 326 334	3,106 122 222	-64 52 163	595 33 -62	1,021 30 -28	1,554 7 149	259 10 69	-72 6 126
Sales of nonconvertible nonmarketable securities net 5.  Dollar securities 6.  Foreign currency securities.	251 251	-43 31 -74	-36 -16 -20	-55 -5 -50	-8 -8 *	-2 -2 *	29 -1 30		-2 -2
Sales of convertible nonmarketable securities, net 5 Dollar securities	<b></b> .	703 150 553	375 375		122	203	50	51 51	
Change in U.S. short-term liabilities reported by U.S. banks? and foreign holdings of marketable U.S. Govt. bonds and notes.  International and regional organizations 8 Foreign private holders excluding banks 9 Foreign commercial banks. Foreign official holders.	670 211 131 -129 457	1,589 -236 393 462 970	2,252 -245 359 1,440 698	-173 -86 35 278 -400	207 -25 57 82 93	748 -140 122 580 186	1,470 6 145 500 819	-713 -65 78 186 -912	-270 -26 116 -246 -114
Change in U.S. monetary reserve assets (increase, -). IMF position Convertible currencies. Gold	1,533 626 17 890	378 30 -113 461	171 266 -220 125	-51 131 -228 46	303 118 258 -73	70 135 -45 -20	-151 -118 -205 172	842 68 -58 832	68 10-466 -56 10590

<sup>1</sup> Excludes military transfers under grants,
2 Excludes military grants.
3 Not seasonally adjusted separately,
4 Includes sell-offs.
5 With maturities over 12 months.
6 Includes certificates sold abroad by Export-Import Bank,
7 Includes official liabilities.

<sup>8</sup> Includes, for International Monetary Fund, only changes in its holdings of income-earning U.S. Govt. securities.
9 Includes undetermined holders.
10 Reflects payment of \$259 million increase in U.S. gold subscription to the IMF.

Note.—Dept. of Commerce data. Minus sign indicates net payments (debits); absence of sign indicates net receipts (credits).

1807 **DECEMBER 1965** FOREIGN TRADE

#### MERCHANDISE EXPORTS AND IMPORTS

(In millions of dollars, seasonally adjusted)

		Exp	orts 1			Imp	orts <sup>2</sup>			Export	surplus	
Period	1962	1963	1964	1965	1962	1963	1964	1965	1962	1963	1964	1965
Month: Jan. Feb. Mar. Apr. May June July Aug Sept. Oct. Nov. Dec.	1,809 1,672 1,795 1,762 1,836 1,748 1,703 31,908 31,523 1,725	3986 32,124 31,958 31,914 1,895 1,803 1,841 1,922 1,958 1,967 1,966 2,091	2,043 2,046 2,074 2,061 2,062 2,034 2,123 2,109 2,235 2,155 2,197 32,430	31,217 31,593 32,753 32,380 32,278 32,185 2,263 2,346 2,298 2,349	1,327 1,320 1,342 1,365 1,404 1,351 1,347 1,346 31,471 31,312 1,425 31,377	31,100 31,510 31,485 31,415 1,416 1,431 1,450 1,497 1,443 1,455 1,466 1,480	1,434 1,460 1,520 1,541 1,539 1,518 1,578 1,575 1,546 1,548 31,698 31,642	31,206 31,601 31,869 31,835 31,799 31,835 41,670 31,725 31,787 32,002	341 489 330 430 358 485 401 357 3437 3211 300 3462	3-114 3614 3473 3499 479 372 391 425 515 512 500 611	609 586 554 520 523 516 545 534 689 607 3499	311 3—8 3884 3545 3479 3350 4593 3621 3511 3347
Quarter: IIIIII	5.393	35,068 35,612 5,721 6,024 22,424	6,163 6,157 6,467 36,782 25,620	<sup>35,563</sup> <sup>36,843</sup> 6,907	3,989 4,120 34,164 34,114 16,389	34,095 34,262 4,390 4,401 17,142	4,414 4,598 4,699 34,888 18,685	34,676 35,469 45,182	1,160 1,273 31,195 3973 4,556	3973 31,350 1,331 1,623 5,282	1,749 1,559 1,768 31,894 6,935	<sup>3</sup> 887 <sup>3</sup> 1,374 <sup>4</sup> 1,725

<sup>&</sup>lt;sup>1</sup> Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.

<sup>2</sup> General imports including imports for immediate consumption plus entries into bonded warehouses.

Note.—Bureau of the Census data.

Significantly affected by strikes.
 Significantly affected by strikes and by change in statistical procedures.
 Sum of unadjusted figures.

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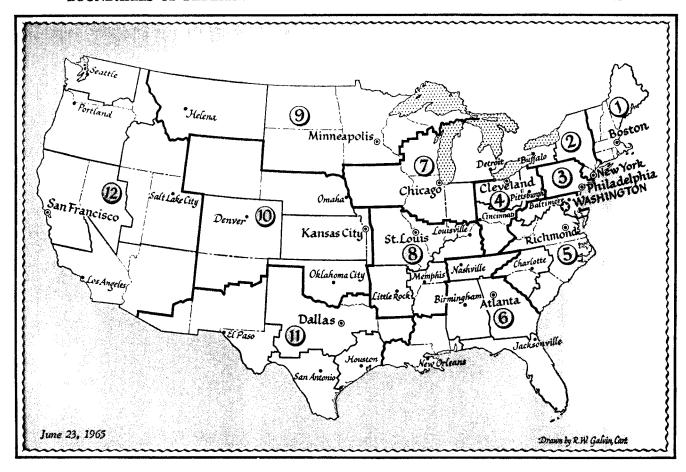
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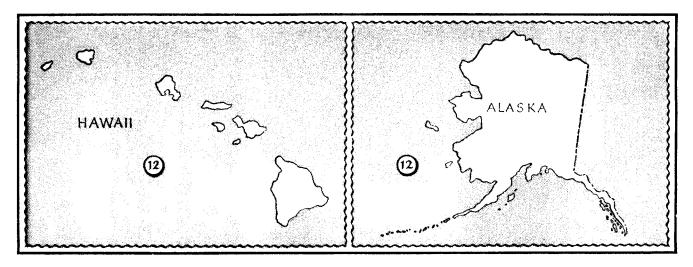
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