DECEMBER 1979

# FEDERAL RESERVE BULLETIN

Reducing Federal Reserve Float

Foreign Exchange Operations: Interim Report

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# FEDERAL RESERVE BULLETIN

Board of Governors of the Federal Reserve System
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# Reducing Federal Reserve Float

*Benjamin Wolkowitz and Peter R. Lloyd-Davies of the Board's Division of Research and Statistics prepared this article.*

The Federal Reserve System has been under considerable pressure, from both internal and congressional sources, to control Federal Reserve float, which has more than tripled between late 1975 and the end of 1978. This increase has resulted in a reduction in the System's payment to the Treasury below what it would otherwise have been. The Federal Reserve has been exploring ways of reducing the level of float without causing dislocations in the payments mechanism or expending an excessive amount of resources.

This article analyzes three possible policy options: (1) improving management of the payments mechanism, (2) devoting additional resources to reduce clearing times, and (3) changing the schedule that determines when a member bank receives credit for items deposited with the System. All three approaches have certain benefits, but care must be taken to distinguish between the real benefits of float reduction to society in general and benefits to particular groups at the expense of other groups. As discussed below, float reduction is largely a redistribution of wealth, not a contribution to wealth.

The analysis in this article is limited in scope. Float is viewed solely from an economic perspective; no attempt is made to deal with some of the fundamental questions concerning the appropriateness of existing policies or of alternative policies that may be motivated by other than strictly economic considerations.

## COST OF FLOAT TO THE TREASURY

In the course of transferring funds among member banks, the Federal Reserve sometimes credits the reserve accounts of payee banks before it has debited the accounts of payor banks. That process produces a temporary increase in total System reserves, which is known as float. (The article does not deal with bank float, which develops after a check has been deposited but before it has been credited to the bank's reserve account.) In order to prevent changes in float from affecting the execution of monetary policy, the System Open Market Account offsets this increase in reserves by selling government securities. Thus total reserves fall back to their targeted level, but the System's portfolio shrinks. As a result, System earnings drop and the residual payment to the Treasury declines. The precise size of this reduction depends on the size of float and market interest rates. For example, with \$5.5 billion in float (the annual daily average for 1978) and a market rate of 7 percent (an approximation of the average return on the System's portfolio in 1978), the annual reduction in Federal Reserve earnings transferred to the Treasury is \$385 million.

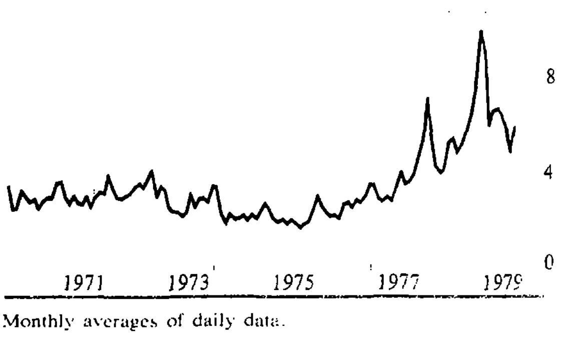
The net cost of float to the Treasury is different from the direct reduction in System revenues transferred to the Treasury, for two reasons. First, increased float boosts taxable income in the private sector. The private sector has gained an interest-bearing asset (the government securities sold by the Trading Desk) in exchange for a non-interest-bearing one (a check that has been deposited for which funds have not yet been made available). The interest earned by the private sector could show up as additional income to the bank, or to the bank's customers, or it could be diffused throughout the economy. Thus the exact amount recovered by the Treasury in taxes is difficult to estimate. If, for example, each dollar of interest is subject to the full corporate income tax rate of 46 percent and the remainder is taxed at a 20 percent personal rate, the total recovery is \$0.568—that is, 0.46 + (0.20 × 0.54). At least some recovery by the Treasury of the direct cost of float seems likely, so the net cost would be significantly less than the reduction in System earnings.

Second, as float increases and System payments to the Treasury decline, the Treasury is compelled to raise additional revenues to replace the funds lost. Tax collection consumes real resources in the form of bookkeeping, administration, auditing, and other ancillary services. These costs are real costs to the economy of Federal Reserve float, but they are likely to be small. Although no data exist on the marginal cost of tax collection, the average cost can be measured simply by dividing the annual budget of the Internal Revenue Service by the amount of taxes collected. The result is a number on the order of 1/2 percent; that is, it costs about one-half cent to raise one dollar of revenue. (The average cost is not strictly appropriate since it probably includes many fixed costs that would not rise with an increase in float; however, marginal variable costs are probably rising, so there is no clear direction of bias.)

## *Reasons for Controlling Float*

During the first half of the 1970s, float declined significantly, from a daily average of about $3 billion in 1972 to about $2 billion toward the end of 1975, as shown in the chart. This reduction reflected the installation of high-speed check-sorting equipment and expansion of air charter service, which have helped to reduce the delay in presenting checks for payment; another factor was an amendment to Regulation J in late 1972 to debit the reserve accounts of country banks on the day on which checks are presented by the Federal Reserve rather than on the following day, as previously had been done.

Federal Reserve float, 1970-79




Monthly averages of daily data.

The reduction in float in the earlier part of the decade is in marked contrast to the growth in float since 1976. By the end of that year the average daily volume of float was again more than $3 billion; volume continued to rise through 1977; and in late 1978 it seemed to accelerate, until by December it was more than $7.5 billion. After climbing above $9 billion during the winter months of 1979, it subsided somewhat, and for most of the rest of the year it has ranged between $5 billion and $6 billion.

Some part of this increase may be attributed to growth not only in the number of checks collected but in the value of the average check. But neither more checks nor larger ones fully account for the entire rise in float. While float grew by 162 percent from 1975 to 1978, the growth in the total value of items collected was only 68 percent, leaving a substantial portion of the change in float unexplained (see the table). At least part of the answer may be that checks are taking longer on average to clear through the System, although the detailed data to determine a precise answer are lacking.

The Congress has also been concerned with the recent pattern of float. While the Federal Reserve is not a tax collection agency, by rebating to the Treasury its portfolio earnings in excess of expenses, it provides a substitute for tax revenues. As float increases, the amount of the rebate falls, and the Treasury is compelled to replace the lost revenue by additional taxes or borrowing if government spending is not to be reduced. For this reason, members of the Congress have urged the Board to reduce float significantly.

## *Resource Cost of Float*

The revenue loss to the Treasury that is caused by float is, from society's viewpoint, principally a transfer payment rather than a true social cost. No resources are consumed in the production of float per se; rather, float represents a transfer from taxpayers to banks in the form of interest-free loans of reserves. These benefits are then passed on at least in part to the consumers of

Annual daily average of check items collected by the Federal Reserve and float, 1975–78
Dollar amounts in billions

| Year | Items collected | | | | Float | |
|---|---|---|---|---|---|---|
| | Number | | Value | | | |
| | Total (millions) | Percentage change from previous year | Dollar amount | Percentage change from previous year | Dollar amount | Percentage change from previous year |
| 1975 .. | 37.5 | 5.3 | 14.0 | 3.7 | 2.1 | −8.7 |
| 1976 .. | 40.4 | 7.7 | 15.3 | 9.3 | 2.6 | 23.8 |
| 1977 .. | 43.8 | 8.4 | 18.1 | 18.3 | 3.6 | 38.5 |
| 1978 .. | 46.4 | 5.9 | 23.4 | 29.3 | 5.5 | 52.8 |

financial services. Since many of these consumers are corporations, the benefits of float may then be further diffused throughout the economy. The redistribution of wealth that float fosters may benefit certain individuals at the expense of others, but it seems unlikely systematically to benefit or to penalize any well-defined group.

To assume that the taxpayer will always benefit from a reduction in float is incorrect. It is likewise incorrect to use the increase in Treasury revenues as a justification for programs to reduce float that require the expenditure of real resources. In considering alternative methods for controlling float, the focus should be on the real benefits from each program, excluding apparent benefits that are merely transfer payments. The only real benefit resulting directly from a reduction in float is the reduced real cost of tax collection. As noted, this benefit is likely to be small. Calculating the Treasury revenue loss with the 7 percent interest rate on the System portfolio in 1978, and allowing for an average cost of tax collection of 1/2 percent and a tax-recovery factor of 55 percent, one finds that a reduction in float of $1 billion could save around $158,000.

## *Methods of Reducing Float*

In addition to the modest saving of tax collection costs, other real benefits may be associated with particular methods of reducing float. Three routes are open to the Federal Reserve: (1) managerial techniques; (2) speedier clearing; and (3) changes in the availability schedule.

### *Managerial Techniques*

The Federal Reserve can take certain steps to improve the efficiency of check-clearing operations that do not involve any major commitment of resources. If all participants adhered strictly to policies already in effect, those policies would be adequate to assure a check-clearing system that would be both efficient and relatively free from float. For example, the System's 3 percent dollar holdover guideline means that no more than 3 percent of the total dollars for which credit was passed to depositors on a given day should be held over for processing on the next day. That guideline began to be exceeded for the first time in 1975. Since then, the variation in holdover has increased and the guideline has been exceeded occasionally. To the extent that this development reflects managerial problems, closer adherence to the guideline and a corresponding decrease in float probably could be accomplished at small additional cost by closer monitoring of Reserve Bank operations.

Another area of concern is remote disbursement, which has been growing because the continued inflation has imparted a higher time value to money. This practice involves the deliberate routing of checks in ways that maximize the delay before checks are presented for payment; for example, checks to pay local bills are drawn on accounts at country branches, remote affiliates, or banks on the other side of the country. This practice maximizes float to the advantage of the payor bank's customer and at a cost to the taxpayer. Not only does the Federal Reserve lose earning assets from its portfolio but also its operating costs are increased as checks are sent along unnecessarily lengthy routes. Payees are hurt by this process, too, because they are forced to wait longer for possible return items, a delay that jeopardizes their chances of recovering the money from the writers of bad checks. And a small rural payor bank could experience difficulties if it honored a large volume of checks for a corporation that was unable to cover them. (There is no evidence that this danger has ever been realized.)

No real benefits offset these costs, and so the Federal Reserve has initiated contacts with banks to discourage them from offering remote disbursement services to their customers. This program has had some success. Even so, a large corporation could continue to write checks on accounts it maintained throughout the country without any assistance from the banks. Only a fee reflective of the System's increased costs could have a sure impact on firms engaged in remote disbursement. To be effective, the fee would require a charge to the payor, which might call for enforcing legislation.

Direct-send float is another area in which improved System monitoring is serving to reduce float. Banks clearing interdistrict items with the System can either deposit them at their own district office or send them directly to the appropriate System office. If they are sent directly, availability depends on the time they are sent. Banks are required to report sending times to their own Reserve Bank, and they are expected to comply with a 75 percent on-time performance guideline. Such a guideline builds in a certain amount of float attributable to direct-send practices. However, if the guideline is abused (that is, if banks send items later than they report such items more than one-fourth of the time, as many in the System now believe), this component of float will rise above the ceiling established by the guideline. Better monitoring of an compliance with the 75 percent guideline may permit significant reductions in float.

### *Speedier Clearing*

Another route the Federal Reserve might take to reduce float is to speed up the collection process so that the payor's reserve account is debited more quickly. In the context of current check-processing technology, this could be accomplished by acquiring faster machines, more employees, more backup capability to deal with equipment failures, greater capacity to handle peak loads, and faster or more frequent transportation. Other technologies are available to expedite the clearing process, such as electronic settlement by automated clearinghouse. Another program under consideration is electronic check presentment, by which checks of large value would be paid electronically before they are physically presented to the payor bank.

This reduction in float would be achieved at the expense of those banks whose reserve accounts are debited after a shorter delay, thereby losing at least part of their interest-free loan of reserves. The banks will pass on the cost to their customers, whose accounts will likewise be debited sooner than before. Corporate customers of the banks will probably also pass on these costs, at least partially, to their customers in the form of higher prices and to their suppliers in the form of lower contract prices. (The extent of this passthrough depends on how responsive demand and supply are to changes in prices. Costs not passed on this way will be borne by the corporation's stockholders.) In other words, the gain in System revenues is principally a transfer from the consumers of financial services. Thus the only real benefit of the increase in Treasury revenues resulting from improved check handling is the reduction in the real cost of tax collection, which would justify the improvements only if the improvements were less costly than raising an equivalent amount of revenue through taxes.

Several other real benefits associated with improving the efficiency of the clearing process could justify such a policy. The faster checks are cleared, the easier it is for individuals and corporations to reconcile bank statements with their own accounts. If faster clearing also implies more predictable delays, check writers will require lower precautionary balances in non-interest-bearing accounts, waiting for checks to be presented. Payees also benefit from faster clearing, even if the availability schedule is unchanged. The longer the delay before presentment, the greater the danger that the check writer's financial condition will deteriorate to the point at which the check will no longer be honored. Furthermore, the sooner the payee can be notified about return items, the easier he will find it to extract payment from the check writers. With faster clearing, remote disbursement and other maneuvers to maximize float become less profitable. This creates real benefits as checks are routed more efficiently. A determination of the optimal clearing speed, then, should weigh the costs of achieving a given level of service against these real benefits.

### *Changing the Availability Schedule*

The Federal Reserve could reduce the level of float by changing the availability schedule to make it correspond more closely to actual clearing times. Thus payee banks may have to wait longer before receiving credit for items deposited for clearing. Float could in effect be reduced by the stroke of a pen; therefore, none of the real costs to the System associated with improving the efficiency of System operations need be incurred when the availability schedule is altered. Unfortunately, few of the real benefits will be realized either.

As before, the Treasury gains revenue from the reduction in float. In this case, however, the gain is paid for by depositing banks and by check recipients, rather than by receiving banks and by check writers; and the incidence of this cost is more complex. Corporate customers, commonly given the same availability as the bank, will bear the cost of the longer wait to receive credit, and to some extent they will pass the cost on to the buyers of their products. Smaller or less valued bank customers may not be allowed to draw on items deposited until some time after the bank has been credited, supposedly in case the item is later returned. But if actual clearing time is unchanged while availability for the bank is deferred, the bank would have no reason to lengthen its availability schedule for these customers. In such a case, the bank appears to be the one to absorb the cost of the float reduction, though it might eventually shift the cost increase to its customers by adjusting fee schedules. Regardless of who actually absorbs it, the cost is still principally an income transfer and not a net benefit to society.

As in the other instances, the reduction in float accomplished by lengthening the availability schedule will allow the Treasury to save certain tax collection expenses. This would seem to be the preferred approach because no expenditures by the System are required to reduce float. Certain social costs are, however, associated with lengthening the availability schedule. The payee, in response to a lengthened schedule, will be more likely to seek alternative, more rapid, clearing arrangements outside the System. The amount of resources devoted to such alternative arrangements will equate the marginal cost of speedier clearing with its marginal benefit to the payee. These benefits include real ones, such as simplified bookkeeping and the earlier resolution of uncertainty about the collectibility of the check. But they also include the interest gained from obtaining earlier access to the funds. This last, however, is not a true gain to society, any more than is the increase in Treasury revenue resulting from a reduction in Federal Reserve float. The payee's gain is the payor's loss, so society as a whole has gained nothing. The problem is that, as soon as the check is handed over, the payor loses control of how it is to be handled, even though his wealth is affected by the clearing speed. This is in contrast to usual market behavior, in which resource allocation is determined by all directly affected parties. Because in this case the payor has no influence on the payee's clearing decision, overinvestment in clearing is likely from society's point of view.

In principle, this overinvestment could be avoided without government intervention. Contracts between individuals could be altered so that the payee received no advantage at the expense of the payor by a speedup in collection of the check. The advantage could be precluded by specifying payment in immediately available funds by the due date, or by requiring the payor to pay interest until the funds are actually collected. Because of the transaction costs of writing and monitoring, such contracts are unlikely to become universal. The Federal Reserve, by giving guaranteed availability and clearing at a slower rate, is allowing individuals to economize on these transaction costs without the overinvestment in clearing speed. A by-product of this policy, however, is that it increases Federal Reserve float.

It appears that, while reducing Federal Reserve clearing time may involve a substantial public investment of resources, to lengthen the availability schedule will probably bring about a comparable private investment. The resulting reduction in float is unlikely by itself to justify such an expenditure, whether public or private. Attention should instead be focused on the real benefits to society of such expenditures to see if the benefits outweigh the costs. □

*An appendix on the seasonal adjustment of Federal Reserve float is available from the authors on request.*

# Treasury and Federal Reserve Foreign Exchange Operations: Interim Report

*This interim report, covering the period August through October 1979, is the fourteenth of a series providing information on Treasury and System foreign exchange operations to supplement the regular series of semiannual reports that are usually issued each March and September. It was prepared by Scott E. Pardee, Manager of Foreign Operations of the System Open Market Account and Senior Vice President in the Foreign Function of the Federal Reserve Bank of New York.*

At the beginning of the August–October period under review, exchange market participants were concerned over the outlook for the dollar, as progress toward reducing the U.S. trade deficit stalled and inflationary pressures in this country intensified further. U.S. exports continued to expand smartly, but import growth also remained strong, reflecting the unexpected rebound in domestic economic activity as well as the upsurge in international oil prices, which added massively to our oil import bill. The rise in oil prices was also aggravating U.S. inflation at a time of considerable talk of an impending recession in this country. Market participants thus increasingly questioned the credibility of the U.S. authorities' stated policy emphasis on the need to combat inflation, to curb oil imports, and to foster a strong dollar and stability in the exchange markets.

In this regard market participants focused on monetary conditions here and abroad. Interest rates in other major industrial countries had moved higher through 1979 in response to growing credit demands and accelerating inflation. The German economy in particular had built up a head of steam, and the German Federal Bank had acted to slow the growth of money and credit. As German interest rates rose, the authorities of other European countries whose currencies were linked directly or indirectly to the German mark also moved to increase domestic interest rates.

For those countries where economic activity remained sluggish, the decision to tighten monetary policies was especially difficult. But the authorities stressed the need to raise domestic interest rates at least in line with the increase in domestic inflation rates rather than risk an erosion of the external values of their currencies that would aggravate domestic inflationary pressures. In the United States, strong growth of the monetary aggregates had resumed in the late spring and early summer and the Federal Reserve also acted to raise the federal funds rate. Nevertheless, interest rates here did not advance by as much as interest rates in most other industrial countries, and differentials in favor of dollar placements narrowed accordingly. Moreover, many market participants had

1. Federal Reserve reciprocal currency arrangements
Millions of dollars

| Institution | Amount of facility, Oct. 31, 1979 |
|---|---|
| Austrian National Bank | 250 |
| National Bank of Belgium | 1,000 |
| Bank of Canada | 2,000 |
| National Bank of Denmark | 250 |
| Bank of England | 3,000 |
| Bank of France | 2,000 |
| German Federal Bank | 6,000 |
| Bank of Italy | 3,000 |
| Bank of Japan | 5,000 |
| Bank of Mexico | 700[1] |
| Netherlands Bank | 500 |
| Bank of Norway | 250 |
| Bank of Sweden | 300 |
| Swiss National Bank | 4,000 |
| Bank for International Settlements | |
| Swiss francs/dollars | 600 |
| Other authorized European currencies/dollars | 1,250 |
| **Total** | **30,100** |

1. Increased by $340 million effective Aug. 17, 1979.

2. Foreign exchange operations: Summary, July 31–October 31, 1979
Millions of dollars equivalent

| Type of transaction | Transactions with German Federal Bank |
|---|---|
| *Reciprocal currency arrangements*[1] | |
| Commitments outstanding, July 31, 1979 | 2,053.3 |
| Drawings or repayments (–), Aug. 1–Oct. 31, 1979 | {1,844.1 / –492.1[2] |
| Commitments outstanding, Oct. 31, 1979 | 3,443.9 |
| *U.S. Treasury swap arrangement*[3] | |
| Commitments outstanding, July 31, 1979 | 0 |
| Drawings or repayments (–), Aug. 1–Oct. 31, 1979 | { 337.7 / –337.7 |
| Commitments outstanding, Oct. 31, 1979 | 0 |
| | **Transactions with Swiss National Bank** |
| *Reciprocal currency arrangements*[1] | |
| Commitments outstanding, July 31, 1979 | 31.7 |
| Drawings or repayments (–), Aug. 1–Oct. 31, 1979 | { 44.2 / –76.0 |
| Commitments outstanding, Oct. 31, 1979 | 0 |
| | **Transactions with BIS (against German marks)[4]** |
| *Reciprocal currency arrangements*[3] | |
| Commitments outstanding, July 31, 1979 | 0 |
| Drawings or repayments (–), Aug. 1–Oct. 31, 1979 | { 39.0 / –39.0 |
| Commitments outstanding, Oct. 31, 1979 | 0 |

1. Data are on a transaction-date basis.
2. Repayments exclude revaluation adjustments from swap renewals, which amounted to $38.6 million for drawings on the German Federal Bank renewed during the period.
3. Data are on a value-date basis.
4. Bank for International Settlements drawings and repayments of dollars against European currencies other than Swiss francs to meet temporary cash requirements.

become increasingly concerned that U.S. interest rates had not risen sufficiently to take account of the surge of inflation and of inflationary expectations in this country.

By early August, heavy intervention by the U.S. authorities in the early summer months had blunted the selling pressures on the dollar and was reflected, in part, by an increase in the Federal Reserve's outstanding swap drawings to $2,053.3 million equivalent of marks and $31.7 million equivalent of Swiss francs as of the end of July. Moreover, President Carter's appointment of G. William Miller as Secretary of the Treasury and Paul A. Volcker as Chairman of the Federal Reserve had been welcomed in the markets as indicating the government's resolve to deal with inflation and the dollar problem.

Against this background, the exchange markets turned quieter during most of August. Even so, confidence in the dollar remained tenuous, and a substantial reflux of funds into dollar-denominated assets did not materialize. The U.S. authorities sharply reduced their intervention, operating in the exchange markets on only three occasions and selling a total of $448.1 million equivalent of marks. At the same time the Federal Reserve was able to purchase through transactions with correspondents enough marks and Swiss francs to make small net repayments on previous swap line drawings with the Swiss National Bank and the German Federal Bank.

By late summer, market sentiment had deteriorated. Although market interest rates in the United States continued to firm, interest rates elsewhere also advanced further, particularly in Germany. Moreover, even though the dollar had not recovered to earlier levels, some central banks began to support their currencies by selling dollars and other currencies. Many in the market interpreted reports of official dollar sales as indicating an unwillingness to let the dollar rise should it come into demand and, more broadly, as a breakdown in central bank cooperation.

With the latest price indicators for the United States still rising at double-digit annual rates, the dollar was left vulnerable to selling pressure. Thus, by early September, the dollar came on offer once again against the German mark and other European currencies. The demand for marks also swelled on expectations of a near-term revaluation of the mark against other currencies within the European Monetary System (EMS). Intervention to maintain the exchange rate limits within the EMS mounted rapidly, and the participating central banks sold increasingly large amounts of marks. Nevertheless, the demand for marks was so strong that it pulled up EMS currencies as a group against the dollar.

As the decline in the dollar gathered momentum, the U.S. authorities intervened forcefully once again, selling substantial amounts of marks almost every day during September. In view of the continuing excessive growth of the monetary aggregates, the Federal Reserve raised the federal funds rate further, and hiked the discount rate 1/2 percentage point to a record 11 percent on September 18. But in the atmosphere of concern over U.S. resolve to combat inflation, market participants reacted more to the fact that the discount rate increase was approved by a split 4 to 3 vote of the Board of Governors than to the tightening in monetary policy. Consequently, selling pressure continued as commercial leads and lags shifted against the dollar, corporations intensified efforts to hedge exposures before the end of the quarter, and some asset holders moved to diversify their portfolios. In this environment, the formal realignment of EMS currencies over the September 22–23 weekend relieved the tension among the participating currencies but not the broader pressures against the dollar.

Meanwhile, speculative excesses began to show up in a number of other financial and commodity markets in the United States and abroad. Concern over international price stability heightened when spot oil prices advanced once again as members of the Organization of Petroleum Exporting Countries (OPEC) began to raise their contract prices above the range agreed on last June. The price of gold soared to as high as $447 per ounce in early October. This explosion in commodity prices was widely interpreted not just as a shift out of the dollar but as a shift out of currencies generally into tangible assets. In the exchange markets, the Japanese yen in particular declined in response to the oil situation and to Japan's sudden shift into current-account deficit. Otherwise, the brunt of the speculative pressures fell on the dollar as the world's major trading and reserve currency. In this atmosphere, market participants, the financial press, and politicians here and abroad were calling generally for improved monetary policy coordination among major industrial countries, and in particular, for the United States to take more effective action to bring U.S. inflation under control.

By Tuesday, October 2, the dollar had declined by 4 percent against the German mark and by 1 to 5 percent against other European currencies, compared with early-August levels. In their intervention during September and early October, the U.S. authorities sold a further $3,720.9 million equivalent of marks shared about evenly between the Federal Reserve and the Treasury. The Federal Reserve financed most of its mark intervention by drawing an additional $1,762.2 million equivalent under the swap line with the German Federal Bank, bringing total drawings to $3,746.0 million after allowing for further repayments and revaluation adjustments. The remainder of the System's mark sales and all of the Treasury's intervention were financed out of balances. The Treasury's $337.7 million equivalent drawing and repayment on the swap line with the German Federal Bank reflected temporary financing, while Treasury holdings of German government securities were being liquidated. The Federal Reserve also resumed intervention in Swiss francs, selling $44.2 million equivalent drawn on the swap line with the Swiss National Bank.

3. Net profits and losses (−) on U.S. Treasury and Federal Reserve current foreign exchange operations[1]

Millions of dollars

| Period | Federal Reserve | U.S. Treasury: Exchange Stabilization Fund | U.S. Treasury: General account |
|---|---|---|---|
| Aug. 1 through Oct. 31, 1979 | −12.6 | 56.5 | 16.2 |
| Valuation profits and losses on outstanding assets and liabilities as of Oct. 31, 1979 | 1.2 | 358.8 | 123.9 |

1. Data are on a value-date basis.

By that time, however, the exchange markets were alive with rumors of a new support package for the dollar. Market participants followed closely the news reports surrounding the Hamburg meeting between U.S. and German officials and the annual meetings of the International Monetary Fund and the World Bank in Belgrade, Yugoslavia, in the first week of October. When it was learned in the market that Chairman Volcker had left Belgrade early to return to Washington, dollar rates rallied on expectations of dramatic new policy action, and the Trading Desk had no further need to intervene.

On Saturday, October 6, the Federal Reserve announced a series of complementary actions to assure better control over the expansion of money and credit, to help curb speculation in financial, foreign exchange, and commodity markets, and thereby to dampen inflationary forces. The actions included an increase of 1 percentage point in the discount rate to 12 percent and the imposition of an 8 percent marginal reserve requirement on increases in managed liabilities. In addition, the System announced that it would place greater emphasis on the supply of bank reserves in its open market procedures and less emphasis on the federal funds rate in seeking to reach its objective for the monetary aggregates.

In the days following these measures, interest rates in the Eurodollar and domestic markets moved up sharply. Although there was considerable uncertainty at first, the exchange markets reacted positively on balance both to the announced Federal Reserve actions and to the subsequent rise in dollar interest rates. Through the remainder of October the dollar traded more firmly despite the continued advance of interest rates abroad, the lack of improvement in the latest U.S. trade and inflation figures, the escalation in international oil prices, and growing uncertainties over the political situation in Iran. Compared with early-October lows, the dollar was up 2 percent to 5 percent on balance against the European currencies by the month-end. Against the Japanese yen and Canadian dollar, the dollar rose 5 percent and 2 percent respectively during the period under review.

With the dollar on much better footing following the October 6 measures, the U.S. authorities did not intervene as a seller of foreign currencies through the rest of the month. Rather, the improvement in the dollar enabled the Federal Reserve to step up repayment of swap debt through purchases of foreign currencies from correspondents. As a result, by the month-end the Federal Reserve had repaid $314.3 million equivalent of swap drawings on the German Federal Bank, reducing the total to $3,443.9 million, and had arranged acquisition of a sufficient amount of Swiss francs to liquidate outstanding drawings in that currency.

During the period under review, the System realized net losses of $12.6 million on its exchange market operations. The Exchange Stabilization Fund (ESF) realized net profits of $56.5 million, while the Treasury's General Account realized net profits of $16.2 million. Valuation losses were $358.8 million for the ESF and $123.9 million for the General Account, while the System had valuation profits of $1.2 million. Also in August the Federal Reserve's reciprocal swap arrangement with the Bank of Mexico was increased by $340 million to $700 million.

4. U.S. Treasury securities, foreign currency denominated, July 31–October 31, 1979[1]

Millions of dollars equivalent; issues or redemptions (−)

| Issues | Commitments, July 31 | Aug. 1 through Oct. 31 | Commitments, Oct. 31 |
|---|---|---|---|
| *Public series* | | | |
| Switzerland | 1,203.0 | 0 | 1,203.0 |
| Germany | 2,946.7 | 0 | 2,946.7 |
| **Total** | **4,149.7** | **0** | **4,149.7** |

1. Data are on a value-date basis.

# Staff Studies

*The 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. In some instances the Federal Reserve System finances similar studies by members of the academic profession.*

*From time to time the results of studies that are of general interest to the professions and to others are summarized—or they may be printed in full—in this section of the* FEDERAL RESERVE BULLETIN.

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## *STUDY SUMMARY*

### *THE GNMA-GUARANTEED PASSTHROUGH SECURITY: Market Development and Implications for the Growth and Stability of Home Mortgage Lending*

*David F. Seiders—Staff, Board of Governors*

Prepared as a staff paper in mid-1979

In the nine years since the introduction of mortgage-backed passthrough certificates guaranteed by the Government National Mortgage Association, more than $75 billion of these securities have been issued. Security dealers have developed a secondary market for the so-called GNMAs, and futures markets in these securities have been organized on the commodities exchanges. As these markets have opened up, households have acquired a way to compete for funds, indirectly, on reasonably favorable terms with the most highly rated participants in the capital markets. Despite such striking developments, the implications of GNMAs for the growth and stability of home mortgage lending have undergone little analysis; this study undertakes to fill part of that gap.

Based on available evidence, the total long-run supply of home mortgage credit has increased to some degree as institutions not traditionally interested in mortgage assets have been drawn into the GNMA market by attractive yields and by various nonrate characteristics of the security. Effects on the cyclical variability of home mortgage lending are more difficult to determine. Despite the importance of diversified investors with relatively stable sources of funds and the existence of an active secondary market for seasoned securities, GNMAs are not necessarily a stabilizing factor. Indeed, new issues of GNMAs have been quite volatile, implying a destabilizing effect on the total supply of mortgage funds. Closer analysis reveals, however, that short-term fluctuations in the volume of issues have been associated largely with the management of loan inventories by mortgage bankers that act as intermediaries between final borrowers and investors and that employ various methods to hedge their interest rate risk.

The cyclical influence of GNMAs is not adequately indicated by new issues, secondary market transactions, or GNMA commitments to guarantee. Additional insights into the effect of the GNMA market on the stability of home mortgage lending may be gained by combining inferences about the growth effects of GNMAs and the relative stability of the unsubsidized government-underwritten component of the primary home mortgage market—the base upon which the GNMA market is built. This line of analysis indicates that development of the GNMA market has had a slight stabilizing effect on total home mortgage lending.

A number of factors are likely to limit the effect of GNMAs on the growth and stability of home mortgage lending in the future. Problems in estimating expected yields on outstanding GNMAs with various issue dates and coupon rates may hamper secondary market trading in seasoned securities. In addition, the growth potential of the GNMA market may be constrained by further erosion of demand for unsubsidized government-underwritten home loans by mortgage originators and borrowers, despite some recent innovations in insurance programs initiated by the Federal Housing Administration.

The impact of GNMAs on mortgage market activity will depend also on adjustments to interest rate ceilings in the primary markets for conventional and for government-underwritten loans, and on the relationship that develops between GNMAs and the Federal National Mortgage Association in the secondary market for government-underwritten loans. Finally, the health of the GNMA market will depend to some degree on the type of regulation—government or private—that evolves in the wake of scattered abuses in the forward market for GNMAs. □

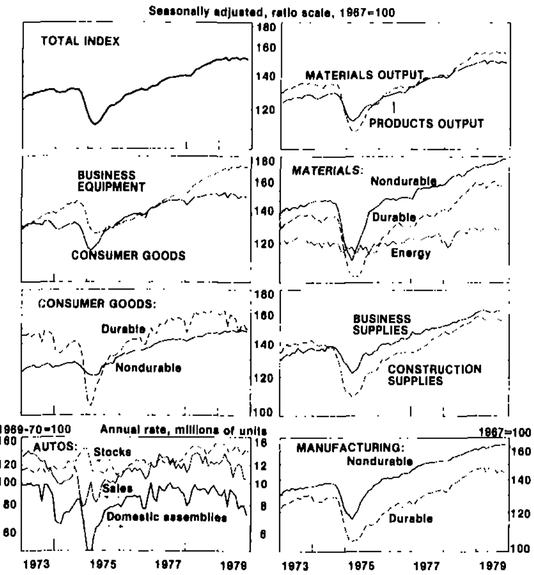
# Industrial Production

*Released for publication December 14*

Industrial production declined an estimated 0.5 percent in November after no change in October. The decline mainly reflected cutbacks in the output of autos, trucks, and related durable goods materials and parts. In addition, output of home goods and construction supplies declined somewhat. At 151.6 percent of the 1967 average, total industrial production in November was 0.7 percent higher than that of a year earlier and slightly below the level at the end of 1978.

Output of consumer goods declined 0.8 percent in November. The production of autos and utility vehicles (mainly lightweight trucks) was reduced about 8 percent, reflecting lower sales and large dealer inventories of these vehicles. Auto assemblies were at a seasonally adjusted annual rate of 7.2 million units—almost 20 percent below the monthly average in the first half of 1979. Production of home goods declined 0.5 percent, and output of consumer nondurable goods edged down. Output of construction supplies weakened further in November, while production of business supplies increased slightly. Output of business equipment was maintained after a strike-related decline in October; this component was almost 4 percent above its level of a year earlier.

Output of durable goods materials declined 1.3 percent in November, reflecting reductions in the output of basic metals, particularly steel, and parts for motor vehicles. Production of equipment parts increased further. Output of nondurable materials was unchanged as an increase in chemicals was offset by small declines in paper and textiles production. Output of energy materials was about unchanged.




Federal Reserve indexes, seasonally adjusted. Latest figures: November. Auto sales and stocks include imports.

| Industrial production | 1967 = 100 | | Percentage change from preceding month | | | | | | Percentage change 11/78 to 11/79 |
|---|---|---|---|---|---|---|---|---|---|
| | 1979 | | 1979 | | | | | | |
| | Oct.[p] | Nov.[e] | June | July | Aug. | Sept. | Oct. | Nov. | |
| **Total** | **152.4** | **151.6** | **.1** | **.1** | **–.8** | **.5** | **.0** | **–.5** | **.7** |
| Products, total | 149.6 | 149.0 | –.1 | –.3 | –.7 | .7 | –.1 | –.4 | .7 |
| Final products | 146.9 | 146.2 | –.1 | –.3 | –1.0 | 1.0 | –.1 | –.5 | .6 |
| Consumer goods | 149.9 | 148.7 | –.1 | –.7 | –1.7 | 1.1 | .1 | –.8 | –1.7 |
| Durable | 152.9 | 149.6 | –1.2 | –.9 | –6.2 | 3.1 | .6 | –2.2 | 8.2 |
| Nondurable | 148.7 | 148.4 | .3 | –.6 | .2 | .3 | –.1 | .2 | 1.2 |
| Business equipment | 171.3 | 171.4 | .1 | –.1 | .1 | 1.0 | –1.2 | .1 | 3.9 |
| Intermediate products | 159.6 | 159.3 | .0 | –.1 | .8 | –.6 | .0 | –.2 | 1.0 |
| Construction supplies | 155.8 | 154.9 | –.1 | .1 | .6 | –.7 | –.3 | –.6 | –.8 |
| Materials | 156.6 | 155.6 | .5 | .7 | –1.0 | .3 | .1 | .6 | .7 |

p Preliminary. e Estimated. NOTE. Indexes are seasonally adjusted.

# Statements to Congress

*Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittees on Domestic Monetary Policy and on International Trade, Investment and Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, November 13, 1979.*

I am pleased to participate in these hearings on the goals and conduct of monetary policy. As you know, this is a subject that has been the focus of considerable public attention and debate recently. That attention is symptomatic of the widespread concern and uneasiness about the performance and prospects of our economy. All of us—members of this committee, members of the Federal Reserve Board, and citizens generally—would no doubt prefer more equable economic conditions, with the performance of financial markets and financial policies relegated to the back pages of the newspapers. But conditions being what they are, I can only welcome this opportunity to contribute to general understanding of the problems we face and the approaches we are taking to their solution.

I would like to set the stage for our dialogue this morning by reviewing briefly the decisions taken by the Federal Reserve on October 6, indicating both the circumstances that prompted those decisions and the objectives of our actions. In the process, it should be possible to address in a fairly concrete way some of the broader issues of monetary strategy that you have indicated you wish to examine.

Viewed from virtually any vantage point, economic developments in the weeks and months immediately preceding the Federal Reserve's October 6 announcement were disturbing. The level of business activity had dropped in the second quarter, and virtually all economists either were predicting a recession or felt a recession had already started. As the summer ended, however, signs began to emerge of a surprising degree of strength in spending. Subsequently available information, such as the 2½ percent annual rate of increase in real gross national product for the third quarter, the large increase in retail sales in August and September, and the record increase in consumer installment credit for September, has in fact confirmed this assessment.

In retrospect, the suspicion that the second-quarter performance was heavily affected by the shortage of gasoline seemed confirmed. But the subsequent burst in spending was troubling because it seemed to reflect in considerable part a "buy now" attitude spurred by an intensification of inflationary expectations. Savings dropped to historically low levels, and some inventory imbalances seemed to be developing. Such a pattern could temporarily provide some strength to business activity. But, if extended, the clear threat was that the ultimate result would be to deepen and prolong anticipated adjustments in production and employment—adjustments that in part are related to the oil price shock.

These unsettling developments were plainly related to the inflationary situation. The most widely watched price index had advanced at an annual rate in the range of 13 to 14 percent. Many Americans, as they struggled to balance their family budgets and suffered a continuing erosion in the value of their savings, began to doubt the prospects for a return to greater stability. While the acceleration of inflation this year has, in large part, been a reflection of a surge in energy prices, the question remained as to whether the higher rate of inflation would not be built into wage and other cost elements in the economy, defeating the prospects for some relaxation in price pressures as the bulge in energy prices passed. Consequently, in the absence of firm action to deal with inflation and inflationary expectations, there was a clear risk that the runup in energy prices would work its way into wages and prices generally, thereby raising the nation's underlying inflation rate and, among other things, contributing to pressures on oil prices.

That risk was underscored by an apparent buildup of speculative pressures in commodity markets in September, carrying with it the potential of aggravating economic instability. Rapid price movements in gold and silver markets, while not of critical importance in themselves, seemed to reflect discouragement over our ability to deal with inflation, and the atmosphere began to affect movements in the prices of other metals. The danger was not only that the bidding up of prices in commodity markets would in itself reinforce the inflationary trends but also that it would lead to a brief and unsustainable surge of buying.

The same expectational forces were reflected in an atmosphere of increasing uncertainty in foreign exchange markets, and in September the dollar weakened against a number of other major currencies. The external value of the dollar is sensitive to perceptions and expectations about our economic prospects and policies, and especially to concern about our ability to deal with inflation. And given the central position of the dollar in international financial markets, as well as the direct impact of a decline in the value of the dollar on the prices of imports, renewed instability in foreign exchange markets could undercut prospects for dealing with inflation generally and for achieving moderation in oil prices in particular.

Under these circumstances, there was in early October no conflict or meaningful "trade-off" between the domestic and international objectives of economic policy. Nor was there any real trade-off between inflation and unemployment. The clear and present danger was that failure to deal with inflation and inflationary expectations would in time produce more—not less—economic instability, ultimately with higher prices and greater unemployment.

In that setting, the priority for policy was decisive action to deal with inflationary pressures and to defuse the dangerous expectational forces that were jeopardizing the orderly functioning of financial and commodity markets. The Federal Reserve clearly had a key role to play in this situation. Although the solution to the problem of inflation should not reside with monetary policy alone, control over money and credit is an essential part of the overall policy framework. In the long run, inflation can continue only if it is nourished by excessive monetary expansion; in the short run, it was clear by early fall that the growth in money and credit was threatening to exceed our own targets for the year and was nourishing inflationary expectations.

Efforts had been made during the summer to slow this excessive rate of money and credit expansion—largely by permitting money market interest rates to rise, a process accompanied by several increases in the discount rate. The October 6 actions involved a change in instruments and tactics to reinforce and to underscore our intention to achieve moderation in the growth of money and bank credit.

The new steps taken did not reflect any change in our basic targets for the various monetary aggregates for 1979; they did provide added assurance that those objectives will be achieved. In doing so, the new measures should make abundantly clear our unwillingness to finance an accelerating inflationary process and our desire to "wind down" inflationary pressures.

One component of the October 6 package was a change in our operating procedures. In recent years, with the support of this committee and others, explicit targets for the growth of money have been a central feature of our approach toward monetary policy. However, the operational guide from day to day in conducting open market operations has typically been the so-called federal funds rate—the rate established in interbank trading of reserve balances. Translation of money stock objectives into day-to-day management of the federal funds rate is effective if the relationship between the public's demand for cash balances and short-term market interest rates is relatively stable and predictable. But in an environment of high and relatively volatile inflation rates, the relationship between interest rates and money (or for that matter, between interest rates and economic activity) is more difficult to appraise. Moreover, the operating techniques over time may have contributed to excessive supplies of credit by encouraging a view held by banks or by others that they could count on access to liquidity at interest rates reasonably close to whatever levels were currently prevailing.

Consequently, we are now placing more emphasis on controlling the provision of reserves to the banking system—which ultimately governs the supply of deposits and money—to keep monetary growth within our established targets. In changing that emphasis, we necessarily must be less concerned with day-to-day or week-to-week fluctuations in interest rates because those interest rates will respond to shifts in demand for money and reserves. I would emphasize that, in an important sense, our objective has remained the same: to achieve the growth of money that we believe suitable to the nation's economic goals. What is involved is a tactical change in the approach to control of the money stock. We did not before, as we do not now, attempt to maintain a fixed or predetermined pattern of interest rates over time. But changes in interest rates will necessarily be observed and evaluated over time, along with the entire array of economic and financial variables, in reaching policy judgments.

We took two other actions on October 6. The Board approved an increase of 1 percentage point in the discount rate so that restraint on bank reserves would not be offset by excessive borrowing from the Federal Reserve Banks. And we placed a special marginal reserve requirement of 8 percent on increases in managed liabilities of larger banks (including U.S. agencies and branches of foreign banks) because that source of funds, which is not included in the usual definition of the money supply, has financed much of the recent excessive buildup in bank credit.

Let me highlight a few points about our current approach, particularly as they bear on the broad issues of monetary strategy raised in the letter of invitation from Chairman Mitchell and Chairman Neal. First, the effort to restrain monetary expansion in the face of strong credit demands and rising levels of economic activity has initially entailed increases in market rates of interest. Whether those increases persist, or whether they subside rather promptly, will in the end be determined largely by the course of the economy and inflation. Control of the money supply is not synonymous with rising interest rates; it all depends upon the performance of the economy itself. In the long run, only the prospect of a lower inflation rate can create the environment for a sustained and substantial reduction in interest rates.

Second, some other important industrialized countries have recently experienced increases in their interest rates. These events have been interpreted by some observers as implying the existence of an "interest rate war" in the pursuit of conflicting exchange rate objectives. That interpretation seems to me unwarranted in circumstances in which those countries are responding reasonably to inflationary pressures in their own economies.

There is, of course, always the possibility that national economic goals and policies will not mesh. I know of no protection against that possibility other than working continuously with our partners abroad to ensure that policies take into account our mutual interdependencies and do not move in mutually damaging directions. Within limits, all major industrial countries have several tools of economic policy at their disposal, and particular elements can be emphasized or deemphasized at particular times. Intervention in foreign exchange markets can sometimes be helpful—although experience illustrates clearly that intervention alone cannot substitute for more fundamental actions over time if stability in exchange markets is to be maintained. We continue, on a day-to-day basis, to monitor developments in foreign exchange markets, and I am satisfied that if and when intervention is necessary, our actions can be closely coordinated with those of key monetary authorities abroad to maximize their effectiveness. Meanwhile, we shall continue to consult with our trading partners to assure mutual clarification of our policy objectives and decisions.

In that connection, I do not anticipate, in practice, the sharp dichotomy in the orientation of monetary policy strategies between "foreign exchange'' and the ''money supply'' outlined in your recent letter. For the foreseeable future, a policy that looks toward attaining and maintaining a noninflationary growth in money at home would appear broadly compatible with our concern about the international position of the dollar. I do not, in any event, view our domestic and international problems as distinct and separable. Recent experience has shown—all too clearly—that weakness in the value of the dollar internationally is symptomatic of basic problems here at home.

It is fundamentally inflation that raises questions about the stability of holdings of dollar-denominated assets or the outlook for our balance of payments, thereby prompting recurrent downward pressures on the dollar in exchange markets. And it is inflation and the distortions it creates that constitute a major impediment to the resumption of balanced, sustainable economic expansion at home. In that sense, the problems confronting us on the domestic and international fronts demand a common response, and an essential element in that response must be a firm and credible monetary policy, seeking and attaining appropriate restraint on growth in money and credit over time.

The suggestion has been made that this process could be accelerated by setting out a specific target path for future growth in the money stock over a number of years. Mr. Neal's bill would incorporate such a strategy in law. In examining this question, members of the Federal Reserve Board remain of the view that there are decisive drawbacks to setting out so precise a growth target over so many years in the future.

We recognize that this approach is rooted in a central element of truth—that a return to price stability will require, over time, a substantially reduced rate of monetary and credit growth. Indeed, the Federal Reserve has often reiterated in the past the need to reduce growth in money over time if we are to deal with inflation. Moreover, some observers would go further, arguing that by clarifying our intentions in a numerically precise and simple way we could more decisively change expectations about inflation, assist in achieving a national consensus, and thus change behavior in a constructive way.

However, experience shows that many forces can affect the financial requirements of the economy at any time. Other governmental policies, institutional changes, exogenous shocks to the economy—emanating from both domestic and foreign sources—and changes in the public's money preferences can alter the relationship between money and economic performance. Rigid adherence to a fixed money stock path set for years ahead might therefore turn out to be inappropriate, sometimes needlessly wrenching financial markets or unduly constricting our flexibility in responding to some cyclical or other disturbances. If, on the other hand, the targets are changed, or interpreted more flexibly, unnecessary confusion could arise, and the basic rationale would then be undermined.

Furthermore, even though we hope that our new operating procedures will bring some improvement, we must recognize that monetary control will always be imprecise. Recent events indicate quite clearly that even the problem of specifying precisely the monetary variable that should be controlled over a period of years is a very knotty one; what serves as money in our rapidly changing financial system is far from a constant.

For all of these reasons—and despite the underlying element of truth in the broad proposition relating inflation to excessive monetary growth—I think that it would be a mistake to attempt to set rigid and narrow long-range monetary targets. Further, a legislative approach—even one with some built-in leeway—would raise the basic question as to whether the Congress would want to inject itself so directly into these judgments, filled with technical complexity and doctrinal controversy. It does not seem to be consistent with the approach taken by the Congress in establishing the Federal Reserve System 65 years ago, and consistently adhered to since, that these decisions should emerge from a dispassionate, professional, deliberative process and be shielded from partisan pressures.

I would suggest strongly that the present system, under which the Federal Reserve reports its intentions and its targets to the Congress within the framework of the Humphrey-

Hawkins Act, is a much more promising approach. This system preserves a necessary degree of flexibility in monetary management, while providing a good basis for communication. While our experience has been limited, the present arrangement seems to be working well. The line of responsibility *and* accountability is clear.

I am sure other members of the Board, like myself, have profited from your attention to these important issues of monetary policy. We particularly welcome your concern with developing policies appropriate to the longer-term future, and look forward to working with you as we develop and announce new monetary targets. □

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*Statement by Nancy H. Teeters, Member, Board of Governors of the Federal Reserve System, before the Budget Committee, U.S. House of Representatives, November 13, 1979.*

Mr. Chairman and members of the Task Force on the Budget Process, I am pleased to be here to discuss proposals for improving control over federal credit programs. I appear before this task force because I have had a continuing interest in federal credit programs for a number of years and personally consider the lack of comprehensive controls over these activities to be a major shortcoming in the budget process. Other members of the Board of Governors support this position and also the analysis in this statement.

The need to improve the budget treatment of federal credit activities has long been recognized. Both the *1963 Report of the President's Committee on Federal Credit Programs* and the *1967 Report of the President's Commission on Budget Concepts* called for reforms in budgetary treatment of federal credit programs. To date, however, very little progress has been made in this area. The Congressional Budget Act of 1974 was particularly disappointing in this regard because it specifically exempted loan guarantees from the budget process and did not develop a comprehensive framework for evaluating these activities. Given this background, it was especially heartening earlier this year when the administration indicated its intention to establish a system of control for federal credit programs.

The provision of credit assistance through direct loans and loan guarantees in order to achieve particular social and economic objectives is, of course, a legitimate activity of the federal government—provided that the assistance is handled in a responsible manner and held to a reasonable level. Credit programs originally were established to correct imperfections in capital markets, which left credit unavailable to many groups or made its cost prohibitive. For example, the loan programs insured by the Federal Housing Administration were devised by the federal government during the Great Depression to reduce the risk perceived by lenders in making loans for home purchases. By pooling risks across a large number of loans issued in a standardized fashion, the government program encouraged private lenders to advance credit at a lower cost to borrowers and on less restrictive nonrate terms than would otherwise have been possible. As a result, private individuals were able to finance the purchase of homes on terms involving more reasonable interest charges, more liberal loan-to-value ratios, and longer maturities than before. Another popular mortgage assistance program has been operated by the Veterans Administration. Over time, the extension of low down payment, long-term mortgages has gained general acceptance by all types of private lenders.

Many other federal credit assistance programs have been introduced over the years to foster desirable social objectives. In contrast to the home mortgage area, however, the default experience in the case of some of these programs—such as student loans and assistance for low-income housing—has been comparatively high. Thus, the government has had to absorb sizable losses in addition to providing a subsidy to borrowers in the form of loans at below-market interest rates. In the past few years, the federal government has also guaranteed sizable loans to single borrowers that carried a large potential for default.

The reference to these recent federal credit activities helps emphasize the point that the benefits of these loan programs are not obtained without cost. These costs include not only the interest subsidies, the administrative expenses, and the default losses but also the real loss in public welfare that occurs when federal credit programs are expanded beyond socially desirable and efficient levels. In this regard, the administration and the Congress must keep in mind that the supply of credit is not unlimited. Direct government loans or loan guarantees that enable one group of borrowers to acquire funds may make it more difficult for other groups to obtain credit accommodation.

The potential for such displacement depends, of course, on the extent to which the economy's resources are being utilized and on conditions in credit markets. During recessionary periods when credit supplies are readily available, credit assistance programs may result in an increase in total credit flows, and thus may promote a more intensive use of resources and an expansion in the level of economic activity. On the other hand, in situations when productive resources are being pressed by strong demands for goods and services and credit supplies are tight, there is a much stronger tendency for credit extended under federal auspices to supplant the loanable funds available to other borrowers. Moreover, to the extent that such programs result in an expansion of spending, upward pressures on prices may be exacerbated and the task of government economic stabilization policy may be complicated. Thus, during periods of unusually strong credit market demands, the growth of federal credit programs may need to be restrained in order to ease inflationary pressures.

The recognition that federal credit activities involve substantial costs suggests that all such programs should be subject to a careful and comprehensive examination. As indicated earlier, however, the procedures currently being followed to evaluate, fund, and account for the federal government's direct lending and credit assistance activities are seriously deficient. As a result of these deficiencies, the Congress is only able to make an imperfect assessment of the effects of all federal credit activities on economic stabilization and resource allocation. If direct loans, loan guarantees, and preferential tax treatment were given the same attention in the budget process as direct federal expenditures, the extent of total federal assistance to particular sectors would look much different from what is currently pictured in the unified budget. The amount of total assistance to agriculture and housing, for example, is substantially greater than the volume of direct loans made to these sectors. Moreover, the American people and their representatives are not being properly informed as to the extent of the government's impact on total credit flows.

The magnitude of federal credit activities has become quite large in recent years and further rapid growth is in prospect. Gross loans and loan guarantees outstanding are estimated to have totaled more than $350 billion in the fiscal year just ended. This is more than double the level of $157 billion reached just 10 years ago. In addition, loans held by government-sponsored agencies are projected to have been $142 billion in fiscal year 1979, up $15 billion from the year before and more than $100 billion from the level 10 years earlier. Moreover, these credit activities are projected to grow rapidly in the years ahead. Last January, for example, the administration forecast that net credit advanced under federal auspices—direct, guaranteed, and sponsored—would increase almost $60 billion in fiscal year 1980. If total credit flows in the coming year turn out to be roughly the same as in the past year, then funds raised under credit assistance will account for about one-sixth of the total net funds raised in financial markets.

As noted earlier, only a small portion of this credit activity is ever considered by the Congress in its deliberations on the budget's expenditure targets. Loan guarantees, in particular, do not involve an expenditure of funds and are thus not reflected in the unified budget, except in those instances when appropriations are required to cover the cost of defaulted loans. Moreover, credit extended by privately owned and sponsored credit agencies is not recorded in the budget totals, even though the liabilities issued by these agencies to finance their operations have an implicit (and in some cases explicit) government guarantee.

The picture of federal credit activities also is clouded by the operation of the Federal Financing Bank. The FFB uses funds borrowed directly from the Treasury to support the lending activities of federal agencies and to acquire certain types of guaranteed loans. By operating in this way, the FFB has successfully carried out its mandate, since it has eliminated the congestion that often occurred when the agencies attempted to finance their operations directly in the credit markets. By relieving this congestion, the FFB also has helped to reduce the interest costs of such programs. In fulfilling its function, however, the FFB has reduced the accountability of federal credit programs because lending activities are attributed to the FFB rather than to the agency originating the transaction.

These problems of accountability are matched by imperfections in the congressional review process. All federal credit programs, of course, have been authorized by law and are subject to oversight by the Congress. In the case of some loans made by "on budget" agencies, this oversight is conducted annually. However, most programs are not subject to annual review, as authorizations to engage in activities frequently are set for several years. Moreover, credit limits often are stated in terms of net credit extended (or loans guaranteed) rather than in terms of the gross volume of such lending activity.

In general, these accountability problems—especially as regards resource allocation and stabilization policy—could be improved by establishing a federal credit control budget along the lines suggested by the administration. Under this approach, annual limits would be placed on gross loan activity for both direct and guaranteed loans. These legally binding limitations would be established annually and would be included in the Presidential and congressional budget process. When faced with a credit limit, the Congress would be forced to consider how each program affects the ceiling and how it integrates with other credit and noncredit programs to achieve specific budget objectives.

To implement such a control program successfully, the Congress should establish a uniform set of accounting procedures for the agencies to follow. At the present time, wide differences exist among agencies in their definitions of assistance provided under credit programs and in the procedures followed in collecting and processing credit data. If the Congress is to be supplied with the data required for making informed decisions, such differences must be eliminated.

One tool that might prove useful in evaluating the impact of federal credit activities on overall credit demands is the flow of funds accounts. Flow of funds statistics for past periods and projections of credit flows for future periods are readily available. The use of these data will serve to emphasize that the nation's credit supply has limits and to indicate that some sectors may be adversely affected by federal credit activities. Furthermore, focusing on the government involvement in overall credit flows should facilitate the coordination of fiscal and monetary policies.

The administration's study also has suggested that sales of certificates of beneficial ownership (CBO) be treated as a form of borrowing rather than as a negative outlay. This proposal should be adopted, given past attempts by agencies to hold down net loan activities and hence outlays through the use of offsetting CBO sales. Another proposal that seems sensible involves requiring FFB purchases of guaranteed loans to be attributed to the agency originating the guarantee. Additional legislation, however, may be needed in order to prevent agencies from circumventing this allocation process. Agencies, for example, should be prohibited from guaranteeing obligations sold to the public when the issues resemble assets currently being sold to the FFB. The inclusion of all direct lending and loan guarantees in the credit control system and the imposition of limitations on these programs, of course, will reduce incentives to channel loan guarantees away from the FFB. Safeguards will also have to be established to constrain agencies from turning to other arrangements—such as increased regulatory activity, long-term leasing agreements, and price support activities—that can be used to achieve the same allocation purposes as loan guarantees.

In general, the scorekeeping proposals set forth by the administration in last January's budget appear sound. However, logic would argue against the recommendation to keep direct lending of federal agencies in the unified budget. In the Board's view, direct loans should be taken out of the unified budget and recorded instead in a carefully controlled credit assistance budget. After all, they are not the same as other government outlays, since financial assets are acquired in conjunction with the disbursal of funds. In addition, direct loans appear to have essentially the same implications for economic stabilization, resource allocation, and income distribution as do loan guarantees. The removal of direct loans from the unified budget assumes, of course, that coincidentally a comprehensive federal credit budget will be adopted, thus preventing any loss in the scrutiny and control of these programs. Certainly such a change should *not* be made until the credit budget is in place and working.

While a broad range of questions pertaining to the budgetary treatment of federal credit activities have been covered by the administration, a number of other important issues did not receive adequate attention. First, procedures need to be developed that will permit policymakers to determine the trade-offs between accomplishing social objectives through direct outlays on the one hand and through federal credit programs on the other. Similar criteria need to be developed to provide guidance for choosing between giving credit assistance through direct loans or through loan guarantees.

Second, the budgetary treatment of nonrecourse loans—such as those made by the Commodity Credit Corporation to farmers—should be studied in greater detail. Since nonrecourse loans need not be repaid, an ongoing question exists as to whether these transactions should be treated as outlays or as loans at the time the funds are disbursed. Similar accounting questions also can be raised in connection with other direct nonrecourse loan programs, especially foreign loans. For example, the accounting and budgetary treatment of funds disbursed as loans under the International Development and International Security Assistance programs is far from clear, since the ultimate collectibility of such loans may depend on unforeseen international developments.

Given the importance of these unanswered questions, the Board believes that a new budget commission should be appointed to study these issues. The creation of a new commission need not delay the implementation of the administration's credit control proposals. Rather, it would be advisable in our view to push ahead and to set up the new control system and then to make adjustments to this system, if the commission's studies deemed such changes to be desirable.

The establishment of a credit control budget to appraise, control, and keep track of federal credit programs should lead to the proper evaluation of new programs and, at the same time, insure that such activities are subject to wide publicity and intense review. Past experience, however, suggests that the mind of man can be highly inventive. Whatever restrictions are placed on fiscal activities or credit programs, ways may be found to circumvent them. Thus, the Congress should carefully consider the advisability of establishing formal rules to require the reconvening, at regular intervals, of a budgetary commission to review the conceptual and measurement problems associated with the unified and credit control budgets.

Finally, consideration should be given to establishing a credit control office within the Congressional Budget Office in order to provide the Congress with detailed technical data on the costs and benefits of federal credit programs and with up-to-date scorekeeping reports on federal credit activities. These reports also would include a credit information system that encompasses total federal lending activity by budget function and by economic sector. Ideally, such a system also would provide information that highlights the federal government's total involvement in, and assistance to, sectors in the form of direct outlays, direct loans, loan guarantees, and tax expenditures.

To sum up, the Board of Governors fully supports the administration's decision to establish a credit budget. Such action is urgently needed to improve our ability to evaluate and control federal credit activities. In addition, we believe that a standing commission should be formed to study carefully a numer of unanswered questions regarding the accounting treatment of federal credit programs and that a credit control office should be established in order to provide the Congress with the technical data and analysis that are needed for control purposes. □

# Announcements

## *Consumer Advisory Council: New Members*

The Federal Reserve on November 21, 1979, named 13 new members to its Consumer Advisory Council to replace persons whose terms have expired and to expand the Council to 30 members.

The Council advises the Board in the field of consumer credit protection laws. Its members come from all parts of the country and include a broad representation of consumer and creditor interests.

William D. Warren, Dean of the School of Law of the University of California at Los Angeles, is Chairman. Marcia A. Hakala, Assistant to the Vice Chancellor, University of Nebraska Medical Center, is Vice Chairman. Leonor K. Sullivan serves as Chairman Emeritus.

Meetings of the Council are quarterly and are open to the general public.

The Council's new members, named for three-year terms, are as follows:

Julia H. Boyd, Washington, D.C., who serves as Director of Credit for Woodward & Lothrop, Inc., the Washington, D.C.-based regional department store chain. She has been with the chain for more than 20 years and formerly was Assistant Controller. She is chairman of the Washington Shopping Plate Association and First Vice President of the Washington chapter of the International Consumer Credit Association. She has had many years experience dealing with consumer credit matters and is familiar with compliance problems, especially for small- and medium-size retailers.

Ellen Broadman, Washington, D.C., who is an attorney with Consumers Union and has several years experience in consumer credit rights. She has been a frequent congressional witness and has participated in federal administrative proceedings, with emphasis on banking, credit, regulation of professions, and product safety. She develops policy positions and litigates cases on behalf of Consumers Union. She is an Adjunct Professor at Antioch School of Law, teaching debtors' and creditors' rights.

Richard S. D'Agostino, Philadelphia, Pennsylvania, who has been employed by Girard Bank since 1952. His current responsibilities include all installment lending and credit-card operations, and he has previous experience with branch banking and commercial lending. He is the Director of the Pennsylvania Bankers Association School, was formerly a member of the Executive Committee of the Deposits Division of the American Bankers Association, and has been active in a number of business and civic organizations. He has spoken to both lender and consumer groups in Pennsylvania on the consumer credit protection regulations.

Joanne Faulkner, New Haven, Connecticut, who has been an attorney with the New Haven Legal Assistance Association since 1966, with cases covering all aspects of consumer law. She is serving as the Chairperson of the Consumer Law Section of the Connecticut Bar Association and on the Executive Committee of the Board of Directors of the National Consumer Law Center in Boston. Other activities include a term on the Connecticut Advisory Committee on Recodification of Banking Laws.

Vernard W. Henley, Richmond, Virginia, who has been President of the Consolidated Bank and Trust Company since 1971. Previously he was Vice President and Executive Vice President. His banking career began in 1951 with a bank in North Carolina, and he joined Consolidated in 1958. He has been active with the American Institute of Banking, the American Bankers Association, and various civic and charitable organizations, including the Red Cross, the Boy Scouts of America, the Salvation Army Boys Club, the United Negro College Fund, and many others.

Juan Jesus Hinojosa, McAllen, Texas, who is presently an Assistant Attorney General of Texas, with the primary responsibility of enforcing the Texas Deceptive Trade Practices-Consumer Protection Act. He has been with the Attorney General's office since 1976; before then he was legal counsel to the Texas Secretary of State and a Senior Staff Attorney for the Nueces County Legal Aid Association in Corpus Christi, where he dealt with both federal and state consumer credit laws. He presently is a board member of the Texas Rural Legal Aid Association in Weslaco, Texas. He is a member of the Board of Directors of the Section on the Concerns of the Spanish-Speaking Community of the State Bar of Texas and of the Chicano Bar Association. Also, he is the Chairman of the Board for the Tri-County Rural Housing Corporation.

Shirley T. Hosoi, Los Angeles, California, who is Assistant Vice President, Marketing for Western Bancorporation, where she develops and implements consumer banking programs. She is responsible for research on consumer attitudes and development of products to meet consumer needs. Previously, she had similar responsibilities with United California Bank, the lead bank for the holding company.

Francis Thomas Juster, Ann Arbor, Michigan, who is the Director of the Institute for Social Research and a professor of economics at the University of Michigan. He also serves frequently as a consultant for a number of business and government entities. He has more than 25 years experience as a research analyst in economics, with the National Bureau of Economic Research from 1959 to 1973 and with the Institute of Social Research since then.

Robert J. McEwen, S.J., Boston, Massachusetts, who is a senior member and past Chairman of the Economics Department of Boston College. He is one of the original incorporators of the Consumer Federation of America and the first President of the Federation. He also was a founder of the Conference of Consumer Organizations, and he served as an advisory council member for the Consumer Product Safety Commission. He served for two years as President of the American Council on Consumer Interests and was the first Chairman of the Massachusetts State Consumers Council. Father McEwen has also been a member of the President's Consumer Advisory Council.

Margaret Reilly-Petrone, Clifton, New Jersey, who is a Professor of Economics at Montclair State College and has been a member of the Executive Board of the Consumers League of New Jersey since 1974. She is Chairman of the League's Consumer Credit Committee and is responsible for analyzing consumer credit legislation on the national and state level. She has recently been appointed to the Board of the National Consumer's League.

Rene H. Reixach, Rochester, New York, who has been a staff attorney with the Greater Upstate Law Project since 1973. The project provides litigation and training assistance to all Legal Services offices in New York State outside New York City. He advises and assists attorneys whose clients have consumer credit problems. He has been actively involved in challenges to collection practices, security interests in household goods, and other consumer credit matters.

Peter D. Schellie, Washington, D.C., who has been actively involved in consumer credit matters since 1970. Before moving to Washington, he served for four years as Chief Legislative Counsel to the Governor of Indiana. He established the Washington office of an Indianapolis law firm in 1976 and was the Legislative Director for Senator Richard Lugar during 1977, returning to private practice in January 1978. While on Sen. Lugar's staff, he was actively involved in the drafting of consumer credit legislation, including proposed simplification of Truth in Lending and the Electronic Fund Transfer Act.

Charlotte H. Scott, Charlottesville, Virginia, who is University Professor of Business Administration and Commerce and a Research Associate of the Tayloe Murphy Institute at the University of Virginia, where she has been since 1976. She was an Assistant Vice President at the Federal Reserve Bank of Chicago from 1971 to 1976, as well as an economist at the Bank from 1956 to 1971. She has a strong background in research on consumer finance and savings flow analysis.

## *Proposed Action*

The Federal Reserve Board on November 26, 1979, issued a proposal to add a new section to its Regulation J (Collection of Checks and Other Items and Transfer of Funds) governing the clearing and settlement of payments that would deal with the handling of electronic fund transfers made through automated clearinghouses operated by the Federal Reserve.

The Board asked for comment on its proposal by January 31, 1980.

## *Regulation O: Amendments*

The Federal Reserve Board on November 21, 1979, published amendments to its Regulation O (Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks) to implement the reporting requirements of Titles VIII and IX of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA).

The Board's revised regulation, effective December 31, applies to both state-chartered member banks and national banks. The Office of the Comptroller of the Currency has concurred in the amendments. The revisions were adopted by the Board after consideration of comment received following publication of proposed amendments in March.

Title VIII of FIRA prohibits banks that maintain correspondent account relationships with other banks from extending credit on preferential terms to one another's executive officers, directors, and principal shareholders, or from establishing a correspondent relationship when one of the banks involved has outstanding preferential credits to an executive officer, director, or principal shareholder of the other bank.

As one basis for enforcing its requirements, Title VIII of FIRA establishes reporting requirements applying to executive officers and principal shareholders of insured banks, and a related report by the bank.

Title IX requires public disclosure in annual reports by insured banks of principal shareholders and executive officers who are in debt to the bank or its correspondent banks, and the aggregate amount of such indebtedness during the year.

To implement Title VIII, the revised regulation requires that:

1. Each executive officer and principal shareholder of an insured bank should report annually, to the bank's board of directors, their own indebtedness and that of their "related interests" to each of the insured bank's correspondent banks, the amount of debt outstanding 10 days before the report is filed, the range of interest rates on such loans, and other terms and conditions of the loans. A related interest is a company controlled by, and political or campaign committees controlled by, or benefiting from, bank officials and shareholders. For the purposes of reporting requirements, Regulation O, as amended, defines a correspondent bank as a bank that maintains at an insured bank an account that exceeds an average daily balance of more than $100,000 or 1/2 percent of the insured bank's total deposits.

2. Each insured bank forward a publicly available annual report to the appropriate banking agency listing the name of each executive officer or principal shareholder who files a report of indebtedness with the bank's board of directors, and the aggregate amount of indebtedness of these persons and their related interests to the insured bank's correspondent banks.

To implement Title IX, the revised regulation requires that each insured bank file with its appropriate regulator an annual report, available to the public on request, listing the names of the bank's principal shareholders as of December 31, a list of executive officers and principal shareholders of the bank who were indebted, or whose related interests were indebted to the bank during the year, and the aggregate amount of such debt to the bank.

The first such annual report will cover the period from July 1, 1979, to December 31, 1979.

Executive officers and principal shareholders filing reports of indebtedness under Title VIII will file before January 30, 1980, and the insured banks will file reports with their appropriate regulators based on these reports by March 31.

## *Regulation F: Amendments*

The Federal Reserve Board on November 23, 1979, adopted amendments to its Regulation F (Securities of Member State Banks) reflecting rule changes adopted by the Securities and Exchange Commission. The SEC Act requires that the federal bank regulators adopt rules and regulations, applicable to banks they supervise, comparable with requirements of the SEC's rules.

## Regulation K: Amendments

The Federal Reserve Board on November 29, 1979, approved expedited procedures under which subsidiaries of U.S. banking organizations may establish branches in foreign countries.

The amendments to the Board's Regulation K (International Banking Operations) liberalize these procedures.

## Bank Regulatory Policy Statement

The three federal bank regulatory agencies on November 15, 1979, issued a joint policy statement setting forth precautionary rules and specific guidelines for commercial banks that engage in futures, forward, and standby contracts for U.S. government and agency securities.

The policy statement is effective January 1, 1980, for contracts outstanding at that time and for those to be entered into subsequently. However, the agencies invited comment on the policy statement through December 15, 1979.

The agencies noted the following background to the general guidance they gave to commercial banks engaging in interest rate futures, forward, and standby contracts on U.S. government and agency securities.

A recent Treasury-Federal Reserve study indicated that banks can effectively use financial futures contracts to hedge their risk of losses due to changes in interest rates but noted that improper use of interest rate futures contracts increases, rather than decreases, the risk of loss due to changes in interest rates.

The study also cited the experience of participants in financial futures markets who have been approached by salespersons who suggested speculative rather than hedging transactions and indicated that some banks and other financial institutions have issued standby obligations for delivery of securities at predetermined prices in contracts that were so large they exposed the institutions to losses that could, and in some cases did, affect their financial condition.

The agencies' policy statement provided the following precautionary rules:

1. Banks that engage in futures, forward, or standby contract transactions should do so only in accordance with safe and sound banking practices.
2. Such transactions should be of a size reasonably related to the bank's business needs and to its capacity to fulfill obligations incurred.
3. The positions banks take in futures, forward, and standby contracts should be such as to reduce the bank's exposure to loss through interest rate changes affecting securities in the bank's investment portfolio.
4. Policy objectives should be formulated in the light of the bank's entire mix of assets and liabilities.
5. Standby contracts calling for settlement in excess of 150 days should not be issued by banks except in special circumstances and ordinarily such long-term standby contracts would be viewed by the agencies as being inappropriate.

The policy statement also provided a 10-point set of guidelines that should be followed by banks authorized to participate in these markets. The guidelines included directives on the role of bank boards of directors, recordkeeping, monitoring of such activities, valuation of contracts, treatment of fee income in connection with a standby contract, disclosures of activity by a bank in futures, forward, and standby contracts, monitoring of credit risk exposure, and internal controls at banks.

The agencies said they will closely monitor bank transactions in financial futures, forward, and standby contracts and that, depending on what this monitoring discloses, they might find it necessary to establish position limits or take other supervisory precautions against unsafe or unsound practices.

The agencies said that they may issue a similar policy statement for bank trust departments and trust companies later.

## Foreign Exchange Survey

The Federal Reserve Board on November 28, 1979, approved a survey to be conducted in March of the daily foreign exchange transactions of 90 banks and 17 foreign exchange brokers known to be active in the foreign exchange market.

The survey is intended to provide up-to-date information on the growth of foreign exchange activity by U.S. banks and brokers, and changes in practices and structure in the foreign exchange market.

The survey, similar to those conducted in 1966, 1969, and 1977, will be carried out by the Foreign Exchange Trading Desk of the Federal Reserve Bank of New York.

## *Survey on Trust Assets*

The Federal Financial Institutions Examination Council on November 14, 1979, announced approval of a uniform survey to be made annually by the three federal bank supervisory agencies to collect information on the assets of bank trust departments and trust companies and on their collective investment funds.

The uniform survey will take the place of separate annual surveys on trust assets by the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Office of the Comptroller of the Currency. It will also replace an annual survey on collective investment funds previously done by the Office of the Comptroller. A collective investment fund is, in effect, a mutual investment fund operated by a trust institution for the investment of the trust accounts of its customers.

The information to be collected on trust assets is the same in all major respects as that previously collected individually by the agencies, but the number of items to be reported on the collective investment funds has been substantially reduced.

The new trust survey is the first such uniform report to be mandated by the Council. It will reduce the overall reporting burden of banks in this area and result in savings at the regulatory agencies by reduction of their administrative costs.

The new report form will be used by bank trust departments and federally supervised trust institutions to report their assets and provide basic information about collective investment funds they administer. As previously, results will be published by the Federal Deposit Insurance Corporation.

## *Supervisory Policy for Financial Institutions*

The Federal Financial Institutions Examination Council on November 29, 1979, announced its endorsement of a uniform policy for supervising financial institutions that participate in certain U.S. government guaranteed loan programs and recommended adoption by the federal agencies represented on the Council.

The policy endorsed by the Council concerns the participation of federally supervised financial institutions in U.S. government guaranteed loan programs that (1) provide lenders a partial guarantee of principal and interest and (2) allow for the separate sale of the guaranteed portions of the loans to third parties. Guarantees of principal and accrued interest are usually up to 90 percent of the total involved. Sales of the guaranteed portions of these loans to third parties are usually in the form of 100 percent guaranteed certificates of participation. Such programs are currently being administered by the Small Business Administration and the Farmers Home Administration. Participating financial institutions may be originators, sellers, servicers, or purchasers of the guaranteed loans.

The supervisory policy endorsed by the Council is designed to help achieve uniform and effective supervision of participating financial institutions and is not a reflection upon the guarantee programs or of institutions participating in them.

The Council recommended that the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Federal Reserve Board, the National Credit Union Administration, and the Office of the Comptroller of the Currency approve and implement the supervisory policy for the institutions they supervise to help assure sound and prudent financial operations. [The Federal Reserve approved the policy on December 6, 1979.]

In taking its action, the Council noted three areas of supervisory concern that the policy would address: portfolio management, accounting for fee income, and asset liquidity. Portfolio management is regarded as being important especially for originating and selling institutions as they can become responsible for servicing a greater number of loans, or loans more remotely located, than would normally be considered prudent. The Council-endorsed policy urges examiners to evaluate carefully each institution's origination and servicing practices.

A potential accounting problem arises if a selling institution attempts to accelerate the recognition of servicing charges as income by such methods as charging a loan premium in lieu of regular servicing fees or of booking the present value of part or all of the anticipated service fee as current income. Such practices tend to distort the selling institution's income statement for both current and future periods and may lead an institution to originate and sell loans solely to bolster current income. The proposed policy would therefore require selling institutions to recognize as income servicing fees and premiums only as they are earned.

The Council's primary supervisory concern for purchasing institutions is the possible effect of purchases on their liquidity. No formal secondary market currently exists for the guaranteed portions of U.S. government guaranteed loans. These investments are therefore not as readily marketable as investments for which such a market and a uniform pricing structure exist. The recommended policy would restrict consideration of the guaranteed portions of these loans as liquid assets in agency formulas for monitoring institution liquidity.

## *Supplement to Federal Reserve Compliance Handbook*

The second supplement to the *Federal Reserve Compliance Handbook*, which incorporates Regulation E (Electronic Fund Transfers) material, is now available.

Requests for copies may be sent to Publications Services, Room MP-510, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## *Federal Reserve Readings on Inflation*

A selection of speeches and articles by officials and staff economists throughout the Federal Reserve System has been compiled by the Federal Reserve Bank of New York. It is designed to provide a comprehensive explanation of the inflationary process, its effects, and its policy implications.

This 272-page booklet is primarily intended as a teaching resource for teachers of economics and all interested economy watchers. The price is $2.00 per copy. Requests for copies may be sent to Public Information, Federal Reserve Bank of New York, 33 Liberty Street, New York, New York 10045.

## *System Membership: Admission of State Bank*

The following bank was admitted to membership in the Federal Reserve System during the period November 11 through December 10, 1979:

*Oklahoma*

Norman ..........United Bank of Norman

## *Banking Data on Reports of Condition and Income*

Two changes in the subscription service for banking data based on reports of condition and income, effective January 1, 1980, are as follows:

1. The price for all magnetic tapes—past and present—will be $70 each.
2. The 1960–71 report of condition seven-tape series will no longer be available. It will be replaced by a semiannual individual magnetic tape for each date that contains both face and back of the report of condition.

# Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON OCTOBER 6, 1979

## Domestic Policy Directive

This meeting of the Committee was called by the Chairman to consider actions that might be taken, in conjunction with actions being contemplated by the Board of Governors, to improve control over the expansion of money and bank credit in the light of developing speculative excesses in financial and commodity markets and additional evidence of strong inflationary forces in the economy. Special attention was given to the conduct of open market operations in order to contain growth in the monetary aggregates within the ranges previously adopted by the Committee for the year ending in the fourth quarter of 1979.

The information available at the time of the meeting suggested somewhat stronger economic activity in the third quarter than had been indicated at the time of the Committee's meeting on September 18, and real output of goods and services was estimated to have recovered a significant part of the second-quarter decline. According to staff projections, however, a decline in activity in the fourth quarter still appeared probable. Prices on the average were continuing to rise somewhat more rapidly than anticipated earlier, in part because of additional large increases in energy items and renewed upward pressures on foods. Moreover, developments in spot and futures markets for a number of commodities were indicative of an intensification of speculative activity and of the possibility of a further surge in prices.

In foreign exchange markets the weighted-average value of the dollar against major foreign currencies had declined substantially since the Committee's meeting in mid-September, and monetary authorities had purchased, net, a large amount of dollars. Over the last few days dollar exchange rates had strengthened somewhat and gold prices had fallen considerably from record highs, apparently in anticipation of official actions to support the dollar. However, the atmosphere in the exchange markets remained sensitive and unsettled.

In accordance with the Committee's decision at its meeting on September 18, open market operations initially were directed toward a slight increase in the federal funds rate to about 11½ percent. On September 18, moreover, the Board of Governors announced an increase in Federal Reserve Bank discount rates from 10½ to 11 percent. Subsequently, open market operations were aimed at maintaining the funds rate at about 11½ percent, although the rate generally was somewhat higher during the week preceding this meeting. Interest rates had remained under considerable upward pressure since mid-September, and most yields had risen to new highs for the year.

The monetary aggregates—M-1 and M-2—continued to expand at rapid rates in September, and growth in bank credit appeared to have accelerated appreciably from its pace in the prior two months. Banks were reported to have financed a substantial portion of their loan growth through sizable increases in the outstanding volume of large-denomination certificates of deposit and through continued large borrowings in the Eurodollar market.

At its meeting on July 11, 1979, the Committee reaffirmed the ranges for monetary growth in 1979 that it had established in February. Thus the Committee agreed that from the fourth quarter of 1978 to the fourth quarter of 1979, average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: M-1, 1½ to 4½ percent; M-2, 5 to 8 percent; and M-3, 6 to 9 percent. The associated range for commercial bank credit was 7½ to 10½ percent. Having established the range for M-1 in February on the assumption that expansion of ATS and NOW accounts would dampen growth by about 3 percentage points over the year, the Committee also agreed that actual growth of M-1 might vary in relation to its range to the extent of any deviation from that estimate. It now appeared that expansion of such accounts would reduce measured growth of M-1 over the year by about 1½ percentage points. After allowance for the deviation from the earlier estimate, the equivalent range for M-1 was 3 to 6 percent.

Over the first three quarters of the year, growth in M-1, M-2, and M-3 was within the ranges for 1979 set by the Committee. However, growth in all three monetary aggregates became increasingly rapid after the first quarter. Thus M-1 grew at annual rates of about 7½ and 9½ percent in the second and third quarters respectively, after a decline at a rate of about 2 percent in the first quarter. Growth in M-2 and M-3 accelerated to annual rates of about 12 percent and 10¼ percent respectively in the third quarter. For bank credit, growth exceeded its 1979 range in each of the first three quarters. In order that growth of the monetary aggregates fall within the Committee's ranges for the whole of 1979, expansion during the final quarter of the year would have to slow substantially from the rapid rates of recent months.

In the Committee's discussion of policy for the period immediately ahead, the members agreed that the current situation called for additional measures to restrain growth of the monetary aggregates over the months ahead. The members felt that growth of the aggregates at rates within the ranges previously established for 1979 remained a reasonable and feasible objective in the light of the available information and the business outlook. Given that objective, most members strongly supported a shift in the conduct of open market operations to an approach placing emphasis on supplying the volume of bank reserves estimated to be consistent with the desired rates of growth in monetary aggregates, while permitting much greater fluctuations in the federal funds rate than heretofore. A few members, while urging strong action to restrain monetary growth, expressed some preference for continuing to direct daily open market operations toward maintenance of levels of the federal funds rate and other short-term interest rates that appeared to be consistent with the Committee's objectives for growth in the monetary aggregates. The advantages and disadvantages of the different approaches were discussed.

The principal reason advanced for shifting to an operating procedure aimed at controlling the supply of bank reserves more directly was that it would provide greater assurance that the Committee's objectives for monetary growth could be achieved. In the present environment of rapid inflation, estimates of the relationship among interest rates, monetary growth, and economic activity had become less reliable than before, and monetary growth since the first quarter of 1979 had exceeded the rates expected despite substantial increases in short-term interest rates. Committee members recognized that for a number of reasons the relationship between growth of various reserve measures and growth of the monetary aggregates was not precise; thus the shift in emphasis to controlling reserves improved prospects for achievement of the Committee's objectives for monetary growth over the next few months but did not assure it.

Committee members suggested that the shift in operating techniques, along with the other actions being contemplated by the Board of Governors, would tend to increase confidence at home and abroad in the System's determination to achieve its objectives for monetary growth and to avoid further deterioration in the inflationary outlook. Partly because it would increase uncertainty about the near-term course of interest rates, the new operating technique should induce banks to exercise greater caution in extending credit and might dampen speculative behavior by increasing its risks and costs. Altogether, the System's action would tend to moderate inflationary expectations, thereby exerting a constructive influence over time on decisions affecting wages and prices in domestic markets and on the value of the dollar in foreign exchange markets.

The observation was made that the new emphasis in open market operations might be accompanied by larger increases in interest rates in the immediate future than would otherwise occur. On the other hand, the emphasis on reserves also could be expected to produce a shift toward easier conditions in money markets more promptly whenever the demand for money and credit abated significantly in response to a weakening in economic activity. The point was made that an easing in money market conditions under circumstances in which growth of monetary aggregates was restrained, economic activity was weakening, and the rise in prices was moderating should not adversely affect inflationary expectations and the value of the dollar in foreign exchange markets.

At the conclusion of the discussion and after full consideration of the advantages and disadvantages of alternative courses of action, the Committee agreed that in the conduct of open market operations over the remainder of 1979 the Manager for Domestic Operations should place primary emphasis on restraining expansion of bank reserves in pursuit of the Committee's objective of decelerating growth of M-1, M-2, and M-3 to rates that would hold growth of these monetary aggregates over the year from the fourth quarter of 1978 to the fourth quarter of 1979 within the Committee's ranges for that period. Specifically, the Committee instructed the Manager to restrain expansion of bank reserves to a pace consistent with growth from September to December at an annual rate on the order of 4½ percent in M-1 and about 7½ percent in M-2 and M-3, provided that in the period before the next regular meeting the federal funds rate remained generally within a range of 11½ to 15½ percent. Because such rates of expansion would result in growth of the monetary aggregates in the upper part of their ranges for the year, the Committee also agreed that over the three-month period somewhat slower growth would be acceptable.

The Committee anticipated that the shift to an operating approach that placed primary emphasis on the volume of reserves would result in both a prompt increase and greater fluctuations in the federal funds rate. It was recognized that on particular days, or for several days, the federal funds rate might rise above or fall below the general limits established, and those limits were interpreted to apply to weekly averages. The Committee also agreed that it would consider whether supplementary instructions were needed if it appeared that operations to achieve the necessary restraint in expansion of reserves would tend to maintain the federal funds rate within 1 percentage point of the upper limit of its range of 11½ to 15½ percent. It was understood, moreover, that the Committee's decisions with respect to open market operations in the period immediately ahead had implications for Federal Reserve Bank discount rates.

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

Taking account of past and prospective developments in employment, unemployment, production, investment, real income, productivity, international trade and payments, and prices, the Federal Open Market Committee seeks to foster monetary and financial conditions that will resist inflationary pressures while encouraging moderate economic expansion and contributing to a sustainable pattern of international transactions. At its meeting on July 11, 1979, the Committee agreed that these objectives would be furthered by growth of M-1, M-2, and M-3 from the fourth quarter of 1978 to the fourth quarter of 1979 within ranges of 1½ to 4½ percent, 5 to 8 percent, and 6 to 9 percent respectively, the same ranges that had been established in February. The range for M-1 had been established on the basis of an assumption that expansion of ATS and NOW accounts would dampen growth by about 3 percentage points over the year. It now appears that expansion of such accounts will dampen growth by about 1½ percentage points over the year; thus, the equivalent range for M-1 is now 3 to 6 percent. The associated range for bank credit is 7½ to 10½ percent. The Committee anticipates that for the period from the fourth quarter of 1979 to the fourth quarter of 1980, growth may be within the same ranges, depending upon emerging economic conditions and appropriate adjustments that may be required by legislation or judicial developments affecting interest-bearing transactions accounts. These ranges will be reconsidered at any time as conditions warrant.

In the short run, the Committee seeks to restrain expansion of reserve aggregates to a pace consistent with deceleration in growth of M-1, M-2, and M-3 in the fourth quarter of 1979 to rates that would hold growth of these monetary aggregates over the whole period from the fourth quarter of 1978 to the fourth quarter of 1979 within the Committee's longer-run ranges, provided that in the period before the next regular meeting the weekly average federal funds rate remains within a range of 11½ to 15½ percent. The Committee will consider the need for supplementary instructions if it appears that operations to restrain expansion of reserve aggregates would maintain the federal funds rate near the upper limit of its range.

Votes for this action: Messrs. Volcker, Balles, Black, Coldwell, Kimbrel, Mayo, Partee, Rice, Schultz, Mrs. Teeters, Messrs. Wallich, and Timlen. Votes against this action: None. (Mr. Timlen voted as an alternate member.)

On October 6, after the meeting of the Committee, the Board of Governors unanimously approved complementary actions also directed toward assuring better control over the expansion of money and bank credit and toward curbing speculative excesses in financial and commodity markets. Specifically, the Board approved an increase in Federal Reserve Bank discount rates from 11 percent to 12 percent and established a marginal reserve requirement of 8 percent on increases in the total of managed liabilities of member banks, Edge corporations, and U.S. agencies and branches of foreign banks. (Managed liabilities include large-denomination time deposits with maturities of less than one year, Eurodollar borrowings, repurchase agreements against U.S. government and federal agency securities, and borrowings of federal funds from institutions other than members of the Federal Reserve System.)

Subsequently, on October 22, 1979, the Committee held a telephone conference to review the situation and to consider whether supplementary instructions to the Manager were needed. Since October 6, expansion of total reserves had exceeded the pace consistent with the Committee's objective for growth of the monetary aggregates during the fourth quarter. At the same time, the federal funds rate had begun fluctuating close to the upper limit of the 11½ to 15½ percent range established by the Committee. It was recognized that the desired restraint in the expansion of total reserves might involve continued pressure on money market conditions, including higher levels of member bank borrowings from the Federal Reserve than had been anticipated, as banks made orderly adjustments that would in time slow monetary growth. It was not clear, however, that retention of the 15½ percent upper limit of the range for the federal funds rate would be inconsistent with the desired restraint on monetary growth. Moreover, unsettled conditions in financial markets also suggested no change in the upper limit of the range for the federal funds rate. Consequently, no change was proposed in the domestic policy directive issued at the meeting on October 6.

* * * * *

Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's *Annual Report*, are made available a few days after the next regularly scheduled meeting and are subsequently published in the BULLETIN.

# Law Department

Statutes, regulations, interpretations, and decisions

*AMENDMENTS TO REGULATION F*

The Board of Governors has adopted amendments to its Regulation F, Securities of State Member Banks, consistent with the recent amendments to comparable regulations of the Securities and Exchange Commission, concerning (A) Beneficial Ownership and Acquisition Statements, (B) Corporate Governance, (C) Management Remuneration, (D) Changes in Independent Auditor Fees, and (E) Simplification and Other Commission Amendments. Forms F-1, F-2, F-3, F-4, F-5, and F-11 have been revised and a new form F-11A has been adopted.

Effective December 31, 1979, Regulation F is amended as follows:

1. Section 206.4(h) of Regulation F is amended by revising subsections (3)–(5) and by adding subsection (6)–(8) to read as follows:

*Section 206.4—*
*Registration Statements and Reports.*

* * * * *

(h) * * *

(3)(i) Any person who, after acquiring directly or indirectly the beneficial ownership of any equity security of a member State bank, of a class which is registered pursuant to Section 12 of the Act (except nonvoting securities), is directly or indirectly the beneficial owner of more than 5 per cent of such class shall, within 10 days after such acquisition, send to the bank at its principal executive office, by registered or certified mail, and to each exchange where the security is traded, and file with the Board, a statement containing the information required by Form F-11. Eight copies of the statement, including all exhibits, shall be filed with the Board.

(ii)(A) A person who would otherwise be obligated under paragraph (h)(3)(i) of this section to file a statement on Form F-11, may in lieu thereof, file with the Board, within 45 days after the end of the calendar year in which such person became so obligated, eight copies, including all exhibits, of a short form statement on Form F-11A and send one copy each of such form to the bank at its principal executive office, by registered or certified mail, and to the principal national securities exchange where the security is traded: *Provided*, That it shall not be necessary to file a Form F-11A unless the percentage of the class of equity security beneficially owned as of the end of the calendar year is more than 5 per cent: And *provided further*, That:

(1) Such person has acquired such securities in the ordinary course of his business and not with the purpose nor with the effect of changing or influencing the control of the bank, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to § 206.4(h)(5)(i); and

(2) Such person is:

(i) A broker or dealer registered under section 15 of the Act;

(ii) A bank as defined in section 3(a)(6) of the Act;

(iii) An insurance company as defined in section 3(a)(19) of the Act:

(iv) An investment company registered under Section 8 of the Investment Company Act of 1940;

(v) An investment adviser registered under Section 203 of the Investment Advisers Act of 1940;

(vi) An employee benefit plan, or pension fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") or an endowment fund;

(vii) A parent holding company, provided the aggregate amount held directly by the parent, and directly and indirectly by its subsidiaries which are not persons specified in paragraphs (h)(3)(ii)(A)(2)(i) through (vii) of this section, does not exceed 1 per cent of the securities of the subject class;

(viii) A group, provided that all the members are persons specified in paragraphs (h)(3)(ii)(A)(2)(1) through (vii) of this section; and

(3) Such person has promptly notified any other person (or group within the meaning of section 13(d)(3) of the Act) on whose behalf it holds, on a discretionary basis, securities exceeding 5 per cent of the class, of any acquisition or transaction on behalf of such other person that might be reportable by that person under section 13(d) of the Act. This paragraph only requires notice to the account owner of information that the filing person reasonably should be expected to know and that would advise the account owner of an obligation he may have to file a statement pursuant to section 13(d) of the Act or an amendment thereto.

(B) Any person relying on paragraphs (h)(3)(ii)(A) and (h)(4)(ii)(B) of this section shall, in addition to filing any statements required thereunder, file a statement on Form F-11A, within ten days after the end of the first month in which such person's direct or indirect beneficial ownership exceeds 10 per cent of a class of equity securities specified in paragraph (h)(3)(i) of this section computed as of the last day of the month, and thereafter within ten days after the end of any month in which such person's beneficial ownership of securities of such class, computed as of the last day of the month, increases or decreases by more than 5 per cent of such class of equity securities. Eight copies of such statement, including all exhibits, shall be filed with the Board and one each sent, by registered or certified mail, to the bank at its principal executive office and to the principal national securities exchange where the security is traded. Once an amendment has been filed reflecting beneficial ownership of 5 per cent or less of the class of securities, no additional filings are required by this paragraph (ii)(B) unless the person thereafter becomes the beneficial owner of more than 10 per cent of the class and is required to file pursuant to this provision.

(C)(1) Notwithstanding paragraphs (h)(3)(ii)(A) and (ii)(B) and (h)(4)(ii) of this section, a person shall immediately become subject to (h)(3)(i) and (h)(4)(i) of this section and shall promptly, but not more than ten days later, file a statement on Form F-11 if such person:

(i) Has reported that the person is the beneficial owner of more than 5 per cent of a class of equity securities in a statement on Form F-11A pursuant to paragraph (ii)(A) or (ii)(B), or is required to report such acquisition but has not yet filed the form;

(ii) Determines that the person no longer has acquired or holds such securities in the ordinary course of business or not with the purpose nor with the effect of changing or influencing the control of the bank, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to § 206.4(h)(5)(ii); and

(iii) Is at that time the beneficial owner of more than 5 per cent of a class of equity securities described in § 206.4(h)(3)(i).

(2) For the ten-day period immediately following the date of the filing of a Form F-11 pursuant to this paragraph (h)(3)(ii)(C), such person shall not: (i) Vote or direct the voting of the securities described in paragraph (h)(3)(ii)(C)(1)(i); nor, (ii) Acquire an additional beneficial ownership interest in any equity securities of the bank nor of any person controlling the bank.

(D) Any person who has reported an acquisition of securities in a statement on Form F-11A pursuant to paragraph (ii)(A) or (ii)(B) and thereafter ceases to be a person specified in paragraph (ii)(A)(2) shall immediately become subject to § 206.4(h)(3)(i) and § 206.4(h)(4)(i) and shall file, within ten days thereafter, a statement on Form F-11 in the event such person is a beneficial owner at that time of more than 5 per cent of the class of equity securities.

(iii) Any person who, as of December 31, 1979, or as of the end of any calendar year thereafter, is directly or indirectly the beneficial owner of more than 5 per cent of any equity security of a class specified in paragraph (h)(3)(i) of this section and who is not required to file a statement under paragraph (h)(3)(i) of this section by virtue of the exemption provided by Section 13(d)(6)(A) or (B) or the Act, or because such beneficial ownership was acquired prior to December 20, 1970, or because such person otherwise (except for the exemption provided by section 13(d)(6)(C) of the Act) is not required to file such statement, shall, within 45 days after the end of the calendar year in which such person became obligated to report under this paragraph, send to the bank at its principal executive office, by registered or certified mail, and file with the Board, a statement containing the information required by Form F-11A. Eight copies of the statement, including all exhibits, shall be filed with the Board.

(iv) For the purposes of sections 13(d) and 13(g), any person, in determining the amount of outstanding securities of a class of equity securities, may rely upon information set forth in the bank's most recent quarterly or annual report, and any current report subsequent thereto, filed with the Board pursuant to this Act, unless he knows or has reason to believe that the information contained therein is inaccurate.

(v)(A) Whenever two or more persons are required to file a statement containing the information required by Form F-11 or Form F-11A with respect to the same securities, only one statement need be filed, provided that:

(1) Each person on whose behalf the statement is filed is individually eligible to use the Form on which the information is filed;

(2) Each person on whose behalf the statement is filed is responsible for the timely filing of such statement and any amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; such person is not responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate; and

(3) Such statement identifies all such persons, contains the required information with regard to each such person, indicates that such statement is filed on behalf of all such persons, and includes, as an exhibit, their agreement in writing that such a statement is filed on behalf of each of them.

(B) A group's filing obligations may be satisfied either by a single joint filing or by each of the group's members making an individual filing. If the group's members elect to make their own filings, each such filing should identify all members of the group but the information provided concerning the other persons making the filing need only reflect information which the filing person knows or has reason to know.

(4)(i) Form *F-11*—If any material change occurs in the facts set forth in the statment required by § 206.4(h)(3)(i) including, but not limited to, any material increase or decrease in the percentage of the class beneficially owned, the person or persons who were required to file such statement shall promptly file or cause to be filed with the Board and send or cause to be sent to the bank at its principal executive office, by registered or certified mail, and to each exchange on which the security is traded an amendment disclosing such change. An acquisition or disposition of beneficial ownership of securities in an amount equal to 1 per cent or more of the class of securities shall be deemed "material" for purposes of this rule; acquisitions or dispositions of less than such amounts may be material, depending upon the facts and circumstances. The requirement that an amendment be filed with respect to an acquisition which materially increases the percentage of the class beneficially owned shall not apply if such acquisition is exempted by Section 13(d)(6)(B) of the Act. Eight copies of each such amendment shall be filed with the Board.

(ii) Form F-11A—Notwithstanding paragraph (h)(4)(i) of this section, and provided that the person or persons filing a statement pursuant to § 206.4(h)(3)(ii) continues to meet the requirements set forth therein, any person who has filed a short form statement on Form F-11A shall amend such statement within 45 days after the end of each calendar year to reflect, as of the end of the calendar year any changes in the information reported in the previous filing on that Form, or if there are no changes from the previous filing, a signed statement to that effect under cover of Form F-11A. Eight copies of such amendment, including all exhibits, shall be filed with the Board and one each sent, by registered or certified mail, to the bank at its principal executive office and to the principal national securities exchange where the security is traded. Once an amendment has been filed reflecting beneficial ownership of 5 per cent or less of the class of securities, no additional filings are required unless the person thereafter becomes the beneficial owner of more than 5 per cent of the class and is required to file pursuant to § 206.4(h)(3).

*Note.*—For persons filing a short form statement pursuant to § 206.4(h)(3)(ii), see also § 206.4(h)(e)(ii)(B), (C), and (D).

(5)(i) For the purposes of section 13(d) and 13(g) of the Act, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares:

(A) voting power which includes the power to vote, or to direct the voting of, such security; and/or

(B) Investment power which includes the power to dispose or to direct the disposition of such security.

(ii) Any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device with the purpose or effect of divesting such person of beneficial ownership of a security or preventing the vesting of such beneficial ownership as part of a plan or scheme to evade the reporting requirements of Section 13(d) or 13(g) of the Act shall be deemed for purposes of such sections to be the beneficial owner of such security.

(iii) All securities of the same class beneficially owned by a person, regardless of the form which such beneficial ownership takes, shall be aggregated in calculating the number of shares beneficially owned by such person.

(iv) Notwithstanding the provisions of paragraphs (h)(5)(i) and (iii) of this section:

(A)(1) A person shall be deemed to be the beneficial owner of a security, subject to the provisions of paragraph (h)(5)(ii) of this section, if that person has the right to acquire beneficial ownership of such security, as defined in § 206.4(h)(3)(i), within 60 days, including but not limited to any right to acquire: (i) through the exercise of any option, warrant, or right; (ii) through the conversion of a security; (iii) pursuant to the power to revoke a trust, discretionary account, or similar arrangement; or (iv) pursuant to the automatic termination of a trust, discretionary account or similar arrangement; provided, however, any person who acquires a security or power specified in paragraphs (h)(5)(iv)(A)(1)(i), (ii) or (iii) above, with the purpose or effect of changing or influencing the control of the bank, or in connection with or as a participant in any transaction having such purpose or effect, immediately upon such acquisition shall be deemed to be the beneficial owner of the securities which may be acquired through the exercise or conversion of such security or power. Any securities not outstanding which are subject to such options, warrants, rights or conversion privileges shall be deemed to be outstanding securities of the class owned by such person but shall not be deemed to be outstanding for the purpose of computing the percentage of the class by any other person.

(2) Paragraph (A)(1) remains applicable for the purpose of determining the obligation to file with respect to the underlying security even though the option, warrant, right or convertible security is of a class of equity security, as defined in § 206.4(h)(3)(i) and may therefore give rise to a separate obligation to file.

(B) A member of a national securities exchange shall not be deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person solely because such member is the record holder of such securities and, pursuant to the rules of such exchange may direct the vote of such securities, without instruction, on other than contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted, but is otherwise precluded by the rules of such exchange from voting without instruction.

(C) A person who in the ordinary course of business is a pledgee of securities under a written pledge agreement shall not be deemed to be the beneficial owner of such pledged securities until the pledgee has taken all formal steps necessary which are required to declare a default and determines that the power to vote or to direct the vote or to dispose or to direct the disposition of such pledged securities will be exercised, provided that:

(1) The pledgee agreement is bona fide and was not entered into with the purpose nor with the effect of changing or influencing the control of the bank, nor in connection with any transaction having such purpose or effect, including any transaction subject to § 206.4(h)(5)(ii);

(2) The pledgee is a person specified in § 206.4(h)(3)(ii)(A)(2), including persons meeting the conditions set forth in paragraph (h) thereof; and

(3) The pledgee agreement, prior to default, does not grant to the pledgee:

(i) The power to vote or to direct the vote of the pledged securities; or

(ii) The power to dispose or direct the disposition of the pledged securities, other than the grant of such power(s) pursuant to a pledge agreement under which credit is extended subject to Regulation T (12 CFR 220) and in which the pledgee is a broker or dealer registered under section 15 of the Act.

(D) A person engaged in business as an underwriter of securities who acquires securities through his participation in good faith in a firm commitment underwriting registered under the Securities Act of 1933 shall not be deemed to be the beneficial owner of such securities until the expiration of 40 days after the date of such acquisition.

(6) Any person may expressly declare in any statement filed that the filing of such statement shall not be construed as an admission that such person is, for the purposes of section 13(d) or 13(g) of the Act, the beneficial owner of any securities covered by the statement.

(7)(i) A person who becomes a beneficial owner of securities shall be deemed to have acquired such securities for purposes of section 13(d)(1) of the Act, whether such acquisition was through purchase or otherwise. However, executors or administrators of a decedent's estate generally will be presumed not to have acquired beneficial ownership of the securities in the decedent's estate until such time as such executors or administrators are qualified under local law to perform their duties.

(ii)(A) When two or more persons agree to act together for the purpose of acquiring, holding, voting or disposing of equity securities of a bank, the group formed thereby shall be deemed to have acquired beneficial ownership, for purposes of section 13(d) and 13(g) of the Act, as of the date of such agreement, of all equity securities of that bank beneficially owned by any such persons.

(B) Notwithstanding the previous paragraph, a group shall be deemed not to have acquired any equity securities beneficially owned by the other members of the group solely by virtue of their concerted actions relating to the purchase of equity securities directly from a bank in a transaction not involving a public offering; provided that:

(1) All the members of the group are persons specified in § 206.4(h)(3)(ii)(A)(2);

(2) The purchase is in the ordinary course of each member's business and not with the purpose nor with the effect of changing or influencing control of the bank, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to § 206.4(h)(5)(ii);

(3) There is no agreement among or between any members of the group to act together with respect to the bank or its securities except for the purpose of facilitating the specific purpose involved; and

(4) The only actions among or between any members of the group with respect to the bank or its securities subsequent to the closing date of the nonpublic offering are those which are necessary to conclude ministerial matters directly related to the completion of the offer or sale of the securities.

(8) The acquisition of securities of a bank by a person who, prior to such acquisition, was a beneficial owner of more than 5 per cent of the outstanding securities of the same class as those acquired shall be exempt from Section 13(d) of the Act, provided that:

(i) The acquisition is made pursuant to preemptive subscription rights in an offering made to all holders of securities of the class to which the preemptive subscription rights pertain;

(ii) Such person does not acquire additional securities except through the exercise of his pro rata share of the preemptive subscription rights; and

(iii) The acquisition is duly reported, if required, pursuant to Section 16(a) of the Act and the rules and regulations thereunder.

* * * * *

2. Section 206.5(l) of Regulation F is amended as follows:

*Section 206.5—Proxy Statements and Other Solicitations Under Section 14 of the Act*

(l) *Tender offers.* (1) No person directly or indirectly by use of the mails or any means or instrumentality of interstate commerce or any facility of a national securities exchange or otherwise, shall make a tender offer for, or a request or invitation for tenders of any class of equity security, which is registered pursuant to Section 12 of the Act of any member State bank, if, after consummation thereof, such person would, directly or indirectly, be the beneficial owner of more than 5 per cent of such class, unless, at the time copies of the offer or request or invitation are first published or sent or given to security holders, such person has filed with the Board a statement containing the information and exhibits required by Form F-13. The definition of beneficial owner set forth in 206.4(h)(5) for the purposes of Section 13(d)(1) of the Act shall apply also for purposes of Section 14(d)(1) of the Act.

* * * * *

3. Section 206.5(k) of Regulation F is amended by adding a new paragraph to read as follows:

* * * * *

(5) If management intends to include in the proxy statement a statement in opposition to a proposal received from a proponent, it shall, not later than ten calendar days prior to the date the preliminary copies of the proxy statement and form of proxy are filed pursuant to § 206.5(f) or, in the event that the proposal must be revised in order to be included, not later than five calendar days after receipt by the bank of the revised proposal, promptly forward to the proponent a copy of the statement in opposition to the proposal. In the event the proponent believes that the statement in opposition contains materially false or misleading statements within the meaning of § 206.5(h) and the proponent wishes to bring this matter to the attention of the Board, the proponent should promptly provide the staff with a letter setting forth the reasons for this view and at the same time promptly provide management with a copy of such letter.

*Section 206.41—[Amended]*

4. Section 206.41, Form F-1, Item 8, Directors and Officers, is amended as follows:

*Item 8. Directors and officers.* (a) The information required by Item 6(a)-(e) of § 206.51 shall be reported pursuant to this Item for both officers and directors. The term "officer" is defined in § 206.2(q).

(b) *Identification of certain significant employees.* Where the bank employs persons such as special consultants or attorneys who are not officers, but who make or are expected to make significant contributions to the business of the bank, such persons should be identified and their background disclosed to the same extent as in the case of officers.

(c) *Business experience.* When an officer or person named in response to paragraph (b), has been employed by the bank or a subsidiary of the bank for less than five years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions in order to provide adequate disclosure of his prior business experience. What is required is information relating to the level of his professional competence which may include, depending upon the circumstances, such specific information as the size of the operation supervised.

5. Section 206.41. Form F-1 (Registration Statement), Item 10, Remuneration of Directors and Officers, and Item 13, Interest of Management and Others in Certain Transactions, are combined into a new Item 10, Remuneration and Other Transactions With Management and Others, and reads as follows:

*Item 10. Remuneration and Other Transactions With Management and Others.* (a) The information required by Item 7(a), (b), (d), (e), (f), and (g) of Form F-5 at § 206.51 shall be reported pursuant to this Item. The information required by Item 7(d), (e), and (f) of Form F-5 at § 206.51 shall be reported for the past three years.

(b) If the bank was organized within the past five years, furnish the following information:

(1) State the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter directly or indirectly from the bank, and the nature and amount of any assets, services or other consideration therefor received or to be received by the bank.

(2) As to any assets acquired or to be acquired by the bank from a promoter, state the amount at which acquired or to be acquired and the principle followed, or to be followed in determining the amount. Identify the persons making the determination and state their relationship, if any, with the bank or any promoter. If the assets were acquired by the promoter within two years prior to their transfer to the bank, state the cost thereof to the promoter.

6. 206.41, *Form F-1 (Registration Statement),* Item 11, Management Options to Purchase Securities, is amended as follows:

*Item 11. Management Options to Purchase Securities.* The information required by Item 7(c) of Form F-5 at § 206.51 shall be reported pursuant to this Item.

7. Section 206.41, *Form F-1 (Registration Statement),* Item 12, Principal Holders of Securities, is retitled, Security Ownership of Certain Beneficial Ownership and Management, and is amended as follows:

*Item 12. Security Ownership of Certain Beneficial Owners and Management.* The information required by Items 5(d), (e), and (g) of Form F-5 at § 206.51, shall be reported pursuant to this Item.

8. Section 206.41, *Form F-1 (Registration Statement),* Items 14-20 are redesignated Items 13-19, respectively.

*Section 206.42—[Amended]*

9. Section 206.42, *Form F-2 (Annual Report),* Item 6, Directors of Bank, is amended as follows:

*Item 6. Directors of Bank.* See General Instruction G. Set forth the same information as is required by Item 6(a), (d), and (e) of Form F-5 at § 206.51.

*Note.*—This information need not be included for nominees for election as directors.

10. In section 206.42, *Form F-2 (Annual Report),* Item 7, Remuneration of Directors and Officers, is revised to read as follows:

*Item 7. Remuneration of Directors and Officers and Related Matters.* See General Instruction G. Set forth the same information as to remuneration of officers and directors and their transactions with management and others as is required to be furnished by Item 7(a) and (b) of Form F-5 at § 206.51.

11. In section 206.42, *Form F-2 (Annual Report),* Item 11, Officers of the Bank, is revised to read as follows:

*Item 11. Officers of Bank.* See General Instruction G. Set forth the same information as to officers of bank as is required to be furnished by Item 6 (a)-(e) of Form F-5 at § 206.51. When an officer has been employed by the bank or a subsidiary of the bank for less than five years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions in order to provide adequate disclosure of his prior business experience. What is required is information relating to the level of his professional competence which may include, depending upon the circumstances, such specific information as the size of the operation supervised.

12. In section 206.42, *Form F-2 (Annual Report)*, Item 13, Options Granted to Management to Purchase Securities, is revised to read as follows:

*Item 13. Options Granted to Management to Purchase Securities.* See General Instruction G. Set forth the same information as to options granted to management to purchase securities as is required to be furnished by Item 7(c) of Form F-5 at § 206.51.

13. In section 206.42, *Form F-2 (Annual Report)*, Item 14, Interest of Management and Others in Certain Transactions, is revised to read as follows:

*Item 14. Interest of Management and Others in Certain Transactions.* See General Instruction G. Set forth the same information as to the interest of management and others in certain transactions as is required to be furnished by Item 7(d), (e), and (f) of Form F-5 at § 206.51.

*Section 206.43—[Amended]*

14. Section 206.43, *Form F-3 (Current Report)*, Item 4, Changes in Bank's Accountant, is amended by adding a new paragraph (e) which reads as follows:

(e) State whether the decision to change accountants was recommended or approved by:

(1) Any audit or similar committee of the Board of Directors, if the bank has such a committee; or

(2) The Board of Directors, if the bank has no such committee.

15. Section 206.43, *Form F-3 (Current Report)*, is amended by adding a new Item 5, Resignation of Bank's Directors, which reads as follows:

*Item 5. Resignations of Bank's Directors.* (a) If a director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of shareholders because of a disagreement with the bank on any matter relating to the bank's operations, policies or practices, and if the director has furnished the bank with a letter describing such disagreement and requesting that the matter be disclosed, the bank shall state the date of such resignation or declination to stand for re-election and summarize the director's description of the disagreement.

(b) If the bank believes that the description provided by the director is incorrect or incomplete, it may include a brief statement presenting its views of the disagreement.

(c) The bank shall file a copy of the director's letter as an exhibit with all copies of this Form F-3.

16. Section 206.43, *Form F-3 (Current Report)*, Present Item 5, Other Materially Important Events, is renumbered Item 6. Present Item 6, Financial Statements and Exhibits, is renumbered Item 7, and reads as follows:

*Item 7. Financial Statements and Exhibits.*

* * * * *

(b) *Exhibits.* Subject to the rules as to incorporation by reference, the following documents shall be filed as exhibits to this report.

1. Copies of any plan of acquisition or disposition described in answer to Item 2, including any plan of reorganization, readjustment, exchange, merger, consolidation or succession in connection therewith.

2. Letters from directors furnished pursuant to Item 5.

*Section 206.44—[Amended]*

17. Section 206.44, *Form F-4 (Quarterly Report)*, Item 7, Submission of Matters to a Vote of Security Holders, is amended by adding a new paragraph (d) and Instruction 6 that reads as follows:

*Item 7. Submission of Matters to a Vote for Security Holders.*

* * * * *

(D) Describe the terms of any settlement between the bank and any other participant (as defined in § 206.5(i)) terminating any solicitation subject to § 206.5(i) including the cost or anticipated cost to the bank.

*Instructions* * * *

6. If the bank has furnished to its security holders proxy soliciting material containing the information called for by paragraph (d), the paragraph may be answered by reference to the information contained in such material.

18. Section 206.47, Form F-11, is revised as follows:

*Section 206.47—Form for Acquisition Statement Filed Pursuant to § 206.4(h)(3) and Amendments Thereto Filed Pursuant to § 206.4(h)(4) of Regulation F.*

Board of Governors of the
Federal Reserve System
*Form F-11*

Acquisition statement to be filed pursuant to § 206.4(h)(3) or § 206.4(h)(4) of Regulation F (Amendment No. ).

(Name and Address of Bank)

(Title of Class of Securities)

(CUSIP Number)

(Name, Address and Telephone Number or Person Authorized to Receive Notices and Communications)

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Form F-11A, and is filing this form because of § 206.4(h)(3)(ii)(C) or (D), check the following box [ ].

*Note:* Eight copies of this form, including all exhibits, should be filed with the Board. See § 206.4(h)(3)(i) for other parties to whom copies are to be sent.

*Special Instructions for Complying With Form F-11*

Under Sections 13(d) and 23 of the Securities Exchange Act of 1934 and the rules and regulations thereunder, the Board is authorized to solicit the information required to be supplied by this form by certain security holders of certain banks.

Disclosure of the information specified in this schedule is mandatory, except for Social Security or I.R.S. identification numbers, disclosure of which is voluntary. The information will be used for the primary purpose of determining and disclosing the holdings of certain beneficial owners of certain equity securities. This statement will be made a matter of public record. Therefore, any information given will be available for inspection by any member of the public.

Failure to disclose the information requested by this schedule, except for Social Security or I.R.S. identification numbers, may result in civil or criminal action against the persons involved for violation of the Federal securities laws and rules promulgated thereunder.

*General Instructions*

A. The item numbers and captions of the items shall be included but the text of the items is to be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.

B. Information contained in exhibits to the statement may be incorporated by reference in answer or partial answer to any item or sub-item of the statement unless it would render such answer incomplete, unclear or confusing. Matter incorporated by reference shall be clearly identified in the reference by page, paragraph, caption or otherwise. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the statement where the information is required.

C. If the statement is filed by a general or limited partnership, syndicate, or other group, the information called for by Items 2-6, inclusive, shall be given with respect to (i) each partner of such general partnership; (ii) each partner who is demonstrated as a general partner who functions as a general partner of such limited partnership; (iii) each member of such syndicate or group; and (iv) each person controlling such partner or member. If the statement is filed by a corporation or if a person referred to in (i), (ii), (iii), or (iv) of this instruction is a corporation, the information called for by the above mentioned items shall be given with respect to (a) each executive officer and director of such corporation; (b) each person controlling such corporation; and (c) each executive officer and director of any corporation or other person ultimately in control of such corporation. Executive officer shall mean the president, secretary, treasurer, and any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs or has the power to perform similar policy making functions for the corporation.

*Item 1. Security and Bank.* State the title of the class of equity securities to which this statement relates and the name and address of the principal office of the bank.

*Item 2. Identity and Background.* If the person filing this statement or any person enumerated in Instruction C of this statement is a corporation, general partnership, limited partnership, syndicate or other group of persons, state its name, the state or other place of its organization, its principal business, the address of its principal business, the address of its principal office and the information required by (d) and (e) of this item. If the person filing this statement or any person enumerated in Instruction C is a natural person, provide the information specified in (a) through (f) of this Item with respect to such person(s).

(a) Name:

(b) Residence or business address:

(c) Present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted;

(d) Whether or not, during the last five years, such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give the dates, nature of conviction, name and location of court, any penalty imposed, or other disposition of the case.

(e) Whether or not, during the last five years, such person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violation of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws; and, if so, identify and describe such proceedings and summarize the terms of such judgment, decree or final order: and

(f) Citizenship.

*Item 3. Source and Amount of Funds or Other Consideration.* State the source and the amount of funds or other consideration used or to be used in making the purchases, and if any part of the purchase price is or will be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, trading or voting the securities, a description of the transaction and the names of the parties thereto. Where material, such information should also be provided with respect to prior acquisitions not previously reported pursuant to this regulation. If the source of all or any part of the funds is a loan made in the ordinary course of business by a bank, as defined in Section 3(a)(6) of the Act, the name of the bank shall not be made available to the public if the person at the time of filing the statement so requests in writing and files such request, naming such bank with the Board. If the securities were acquired other than by purchase, describe the method of acquisition.

*Item 4. Purpose of Transaction.* State the purpose or purposes of the acquisition of securities of the bank. Describe any plans or proposals which the reporting persons may have which relate to or would result in:

(a) The acquisition by any person of additional securities of the bank, or the disposition of securities of the bank;

(b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the bank or any of its subsidiaries;

(c) A sale or transfer of a material amount of assets of the bank or of any of its subsidiaries;

(d) Any change in the present board of directors or management of the bank, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;

(e) Any material change in the present capitalization or dividend policy of the bank;

(g) Changes in the bank's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the bank by any person;

(h) Causing a class of securities of the bank to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(i) A class of equity securities of the bank becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or

(j) Any action similar to any of those enumerated above.

*Item 5. Interest in Securities of the Bank.* (a) State the aggregate number and percentage of the class of securities identified pursuant to Item 1 (which may be based on the number of securities outstanding as contained in the most recently available filing with the Board by the bank unless the filing person has reason to believe such information is not current) beneficially owned (identifying those shares which there is a right to acquire) by each person named in Item 2. This information should also be furnished with respect to persons who, together with any of the persons named in Item 2, comprise a group within the meaning of Section 13(d)(3) of the Act;

(b) For each person named in response to paragraph (a), indicate the number of shares as to which there is sole power to vote or to direct the vote, shared power to vote or to direct the vote, sole power to dispose or to direct the disposition, or shared power to dispose or to direct the disposition. Provide the applicable information required by Item 2 with respect to each person with whom the power to vote or to direct the vote or to dispose or direct the disposition is shared;

(c) Describe any transactions in the class of securities reported on that were effected during the past sixty days or since the most recent filing on Form F-11, whichever is less, by the persons named in response to paragraph (a).

*Instruction.* The description of a transaction required by Item 5(c) shall include, but not necessarily be limited to: (1) the identity of the person covered by Item 5(c) who effected the transaction; (2) the date of the transaction; (3) the amount of securities involved; (4) the price per share or unit; and (5) where and how the transaction was effected.

(d) If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified.

(e) If applicable, state the date on which the reporting person ceased to be the beneficial owner of more than five per cent of the class of securities.

*Instruction.* For computations regarding securities which represent a right to acquire an underlying security, see § 206.4(h)(5)(iv) and the note thereto.

*Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Bank.* Describe any contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the bank, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees or profits, division of profits or losses, or the giving or withholding of proxies, and name the persons with whom such contracts, arrangements, understandings or relationships have been entered into. Include such information for any of the securities that are pledged or otherwise subject to a contingency the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

*Item 7. Material To Be Filed as Exhibits.* The following shall be filed as exhibits: Copies of written agreements relating to the filing of joint acquisition statements as required by § 206.4 (h)(g)(v) and copies of all written agreements, contracts, arrangements, understandings, plans, or proposals relating to: (1) The borrowing of funds to finance the acquisition as disclosed in Item 3: (2) the acquisition of bank control, liquidation, sale of assets, merger, or change in business or corporate structure, or any other matter as disclosed in Item 4; and (3) the transfer or voting of the securities, finder's fees, joint ventures, options, puts, calls, guarantees of loans, guarantees against loss or of profit, or the giving or withholding of any proxy as disclosed in Item 6.

*Signature.* After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct:

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Date

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Signature

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Name/Title

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Board may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001).

19. Proposed Form F-11A is added to section 206.48 and reads as follows:

Section 206.48—Short Form for statement filed pursuant to section 206.4(h)(3) and amendments thereto filed pursuant to § 206.4(h)(4) of Regulation F (Form F-11A).

Board of Governors of the
Federal Reserve System
Washington, D.C. 20551.

*Form F-11A*

Short Form Ownership Statement to be Filed Pursuant to § 206.4(y)(3) or 206.4(y)(4)
(Amendment No. )

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(Name and Bank)

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(Title of Class of Securities)

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(CUSIP Number)

*Special Instructions for Complying With Form F-11A*

Under Sections 13(d), 13(g), and 23 of the Securities Exchange Act of 1934 and the rules and regulations therunder, the Board is authorized to solicit the information required to be supplied by this schedule by certain security holders of certain banks.

Disclosure of the information specified in this schedule is mandatory, except for Social Security or I.R.S. identification numbers the disclosure of which is voluntary. The information will be used for the primary purpose of determining and disclosing the holdings of certain beneficial owners of certain equity securities. This statement will be made a matter of public record. Therefore, any information given will be available for inspection by any member of the public.

Failure to disclose the information requested by this schedule, except for Social Security or I.R.S. identification numbers, may result in civil or criminal action against the persons involved for violation of the Federal securities laws and rules promulgated thereunder.

*General Instructions*

A. Statements containing the information required by this Form shall be filed not later than February 14 following the calendar year covered by the statement or within the time specified in § 335.4(h)(2)(ii)(B), if applicable.

B. Information contained in a form which is required to be filed by the Securities and Exchange Commission's rules under Section 13(f) of the Act [15 U.S.C. 78m(f)] for the same calendar year as that covered by a statement on this Form may be incorporated by reference in response to any of the items of this Form. If such information is incorporated by reference in this Form, copies of the relevant pages of such form shall be filed as an exhibit to this Form.

C. The item numbers and captions of the items shall be included but the text of the items is to be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.

*Item 1(a).* Name of Bank:

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*Item 1(b).* Address of Bank's Principal Office:

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*Item 2(a).* Name of Person Filing:

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*Item 2(b).* Address of Principal Business Office or, if none, Residence:

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*Item 2(c).* Citizenship:

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*Item 2(d).* Title of Class of Securities:

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*Item 3.* If this statement is filed pursuant to § 206.4(h)(3)(i) or 206.4(h)(4)(ii) check whether the person filing is a:

(a) [ ] Broker or Dealer registered under Section 15 of the Act.

(b) [ ] Bank as defined in Section 3(a)(6) of the Act.

(c) [ ] Insurance Company as defined in Section 3(a)(19) of the Act.

(d) [ ] Investment Company registered under Section 8 of the Investment Company Act.

(e) [ ] Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940.

(f) [ ] Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974, or Endowment Fund.

(g) [ ] Parent Holding Company, in accordance with § 206.4(h)(3)(ii)(A)(2)(g) (Note: See Item 7).

(h) [ ] Group, in accordance with § 206.4(h)(3)(ii)(A)(2)(h).

*Item 4. Ownership.* If the per cent of the class owned, as of December 31 of the year covered by the statement, or as of the last day of any month described in § 206.4(h)(3)(B) if applicable, exceeds five per cent, provide the following information as of that date and identify those shares for which there is a right to acquire.

(a) Amount beneficially owned.

(b) Per cent of class.

(c) Number of shares as to which such person has

(i) Sole power to vote or to direct the vote.

(ii) Shared power to vote or to direct the vote.

(iii) Sole power to dispose or to direct the disposition of.

(iv) Shared power to dispose or to direct the disposition of.

*Instruction.* for computations regarding securities which represent a right to acquire an underlying security see § 206.4(h)(5)(iv)(A).

*Item 5. Ownership of Five Per Cent or Less of a Class.* If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five per cent of the class of securities, check the following [ ].

*Instructions:* Dissolution of a group requires a response to this item.

*Item 6. Ownership of More Than Five Per Cent on Behalf of Another Person.* If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five per cent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

*Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.* If a parent holding company has filed this schedule, pursuant to § 206.4(h)(3)(ii)(A)(2)(g), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company has filed this schedule pursuant to § 206.4(h)(2)(ii), attach an exhibit stating the identification of the relevant subsidiary.

*Item 8. Identification and Classification of Members of the Group.* If a group has filed this schedule pursuant to § 206.4(h)(3)(ii)(A)(2)(y), so indicate under Item 3(h) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to § 206.4(h)(3)(iii), attach an exhibit stating the identity of each member of the group.

*Item 9. Notice of Dissolution of Group.* Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group in their individual capacity. See Item 5.

*Item 10. Certification.* The following certification shall be included if the statement is filed pursuant to § 206.4(h)(3)(ii).

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the bank and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

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Date

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Signature

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Name/Title

The original statement shall be signed by each person on whose behalf the statement is filed, or by his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

*Note.*—Eight copies of this statement, including all exhibits, should be filed with the Board.

*Section 206.51—[Amended]*

20. Section 206.51, Form F-5 (Proxy Statement), Item 3, Persons Making the Solicitation, is amended as follows:

*Item 3. Persons Making the Solicitation.*

(a) * * *

(b) * * *

(6) If any such solicitation is terminated pursuant to a settlement between the bank and any other participant in such solicitation, describe the terms of such settlement, including the cost or anticipated cost thereof to the bank.

*Instructions.* 1. * * *

2. The information required pursuant to paragraph (b)(6) of this Item should be included in any amended or revised proxy statement or other soliciting material relating to the same meeting or

subject matter furnished to security holders by the bank subsequent to the date of settlement.

21. Section 206.51, Form F-5 (Proxy Statement), Item 5. Voting Securities and Principal Holders Thereof, is amended as follows:

*Item 5. Voting Securities and Principal Holders Thereof.*

(a)* * *

(b)* * *

(c)* * *

(d) *Security ownership of certain beneficial owners.* Furnish the following information as of the most recent practicable date in substantially the tabular form indicated, with respect to any person (including any "group" as the term is used in Section 13(d)(3) of the Securities Exchange Act of 1934) who is known to the bank to be the beneficial owner of more than five per cent of any class of the bank's securities. Show in Column (3) the total number of shares beneficially owned and in Column (4) the per cent of class so owned. Of the number of shares shown in Column (3), indicate by footnote or otherwise the amount of shares with respect to which such listed beneficial owner has the right to acquire beneficial ownership, as specified in § 206.4 (h)(5)(iv)(A).

(1) Title of Class ____________

(2) Name and Address of Beneficial Owner____

(3) Amount of and Nature of Beneficial Ownership ____________

(4) Per cent of Class ____________

(3) *Security ownership of management.* Furnish the following information, as of the most recent practicable date in substantially the tabular form indicated, as to each class of equity securities of the bank or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned by all directors and nominees, naming them, and directors and officers of the bank as a group, without naming them. Show in Column (2) the total number of shares beneficially owned and Column (3) the per cent of class so owned. Of the number of shares shown in Column (2), indicate, by footnote or otherwise the amount of shares with respect to which such persons have the right to acquire beneficial ownership as specified in § 206.4(h)(5)(iv)(A).

(1) Title of Class ____________

(2) Amount and Nature of Beneficial Ownership ____________

(3) Per cent of Class ____________

(f) *Recent change in control.* If, to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the bank has occurred since the beginning of its last fiscal year, state the name of the person(s) who acquired such control, the amount and the source of the consideration used by such person(s), the basis of the control, the date and a description of the transaction(s) which resulted in the change of control, the percentage of voting securities of the bank now beneficially owned directly or indirectly by the person(s) who acquired control, and the identity of the person(s) from whom control was assumed. If the source of all or any part of the consideration used is a loan made in the ordinary course of business by a bank as defined by Section 3(a)(6) of the Act, the identity of such bank shall be omitted provided a request for confidentiality has been made pursuant to Section 13(d)(1)(B) of the Act by the person(s) who acquired control. In lieu thereof, the material shall indicate the identity of the bank so omitted and shall be filed separately with the Board. If the source of all or any part of the funds used to acquire control of the bank was a loan made by a bank as defined by section 3(a)(8) of the Act indicate whether there exists any agreement, arrangement or understanding pursuant to which the bank maintains or would maintain a correspondent deposit account at such lending bank.

*Instructions.* 1. State the terms of any loans or pledges obtained by the new control group for the purpose of acquiring control, and the names of the lenders or pledgees.

2. Any arrangements or understandings among members of both the former and new control groups and their associates with respect to the election of directors and other matters should be described.

(g) *Anticipated change in control.* Describe any arrangements, known to the bank, including any pledge by any person of securities of the bank or any of its parents, the operation of which may at a subsequent date result in a change in control of the bank. A description is not required of ordinary default provisions contained in any charter, trust indentures or other governing instruments relating to securities of the bank.

*Instructions to Item 5(d), (e), and (f).* 1. The percentages are to be calculated on the basis of the amount of outstanding securities, excluding securities held by or for the account of the bank or its subsidiaries, plus securities deemed outstanding pursuant to § 206.4(h)(5)(iv)(A).

2. For the purposes of this item, beneficial

ownership shall be determined in accordance with § 206.4(h)(5). Include such additional subcolumns or any other appropriate explanation of Column (3) necessary to reflect amounts as to which the beneficial owner has (1) sole voting power, (2) shared voting power, (3) sole investment power, and (4) shared investment power.

3. The bank shall be deemed to know the contents of any statement filed with the Board pursuant to section 13(d) of the Act. When applicable, a bank may rely upon information set forth in such statements unless the bank knows or has reason to believe that such information is not complete or accurate, or that a statement or amendment should have been filed and was not.

4. For purposes of furnishing information pursuant to paragraph (d), the bank may indicate the source and date of such information.

5. Where more than one beneficial owner is known to be listed for the same securities, appropriate disclosure should be made to avoid confusion.

22. Section 206.51, *Form F-5 (Proxy Statement)*, Item 6, Nominees and Directors, is retitled Directors, and amended as follows:

*Item 6. Directors and Officers.* If action is to be taken with respect to election of directors, furnish the following information in tabular form to the extent practicable, with respect to each person nominated for election as a director and each other person whose term of office as a director will continue after the meeting. However, if the solicitation is made on behalf of persons other than management, the information required need only be furnished as to nominees of the persons making the solicitation.

(a) *Identification of directors.* List all directors of the bank and all persons nominated or chosen to become directors. Indicate all positions and offices with the bank held by each person named. State the age of the persons named, their terms of office, and the periods during which each such person has served. Briefly describe any arrangement or understanding between each director and any other person pursuant to which such director was selected to serve in that capacity.

*Instructions.* 1. Do not include any arrangements or understandings with directors of the bank acting solely in their capacities as such.

2. No nominee or person chosen to become a director or who has not consented to act as such should be named in response to this item. In this regard, see § 206.5(d).

3. No information need be given respecting any director whose term of office as a director will not continue after the meeting to which the statement relates.

4. In connection with action to be taken concerning the election of directors, if fewer nominees are named than the number fixed by or pursuant to the governing instruments, state the reasons for this procedure and that the proxies cannot be voted for a greater number of persons than the number of nominees named.

(b) *Family relationships.* State the nature of any family relationships between any director, officer, or person nominated or chosen by the bank to become a director or officer.

*Instruction.* The term "family relationships" means any relationship by blood, marriage, or adoption, not more remote than first cousin.

(c) *Business experience.* (1) Give a brief account of the business experience during the past five years of each director or person nominated or chosen to become a director, including principal occupations and employment during that period, and the name and principal business of any corporation or other organization in which such occupations and employment were carried on. (2) Indicate any other directorship held by each director or person chosen to become a director in any company with a class of securities registered pursuant to Section 12 of the Act.

(d) *Involvement in certain legal proceedings.* Describe any of the following events which occurred during the past five years and which are material to an evaluation of the ability or integrity of any director or person chosen or nominated to become a director of the bank:

(1) A petition under the Bankruptcy Act or any state insolvency law was filed by or against such person, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction permanently or temporarily enjoining him from, or otherwise limiting the following activities:

(i) Acting as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) Engaging in any type of business practice; or

(iii) Engaging in any activity in connection with the purchase or sale of any security or in connection with any violation of federal or state securities laws.

(4) Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in subparagraph (3), above, or to be associated with persons engaged in any such activity.

(5) Such person was found by a court of competent jurisdiction in a civil action, or by a government agency, to have violated any federal or state securities law, and the judgment in such civil action or finding by the government agency has not been subsequently reversed, suspended, or vacated.

*Instructions.* 1. For purposes of computing the five year period referred to in this paragraph, the date of a reportable event shall be deemed the date on which the final order, judgment or decree was entered, or the date on which any rights of appeal from preliminary orders, judgments, or decrees have lapsed. With respect to bankruptcy petititons, the computation date shall be the date of filing for uncontested petitions or the date upon which approval of a contested petition became final.

2. If any event specified in this subparagraph (e) has occurred and information in regard thereto is omitted on the ground that it is not material, the bank may furnish to the Board at the time of filing, as supplemental information and not as part of the statement, materials to which the omission relates, a description of the event, and a statement of the reasons for the omission of information in regard thereto.

3. The bank is permitted to explain any mitigating circumstances associated with events reported pursuant to this paragraph.

4. If the information called for by Item 6(e) is being presented in a proxy or information statement, no information need be given respecting any director whose term in office as director will not continue after the meeting to which the statement relates.

(e) Describe any of the following relationships which exist:

(1) If the nominee or director has during the past five years had a principal occupation or employment with any of the bank's parents, subsidiaries or other affiliates;

(2) If the nominee or director is related to an officer of any of the bank' parents, subsidiaries or other affiliates by blood, marriage or adoption (except relationships more remote than first cousin);

(3) If the nominee or director is, or has within the last two full fiscal years been, an officer, director or employee of, or owns, or has within the last two full fiscal years owned, directly or indirectly, in excess of 1 per cent equity interest in any firm, corporation or other business or professional entity:

(i) Which has made payments to the bank or its subsidiaries for property or services during the bank's last full fiscal year in excess of 1 per cent of the bank's consolidated gross revenues for its last full fiscal year;

(ii) Which proposes to make payments to the bank or its subsidiaries for property or services during the current fiscal year in excess of 1 per cent of the bank's consolidated gross revenues for its full fiscal year;

(iii) To which the bank or its subsidiaries were indebted at any time during the bank's fiscal year in an aggregate amount in excess of 1 per cent of the bank's total consolidated assets at the end of such fiscal year or $5,000,000, whichever is less;

(iv) To which the bank or its subsidiaries have made payments for property or services during such entity's last full fiscal year in excess of 1 per cent of such entity's gross revenues for its last full fiscal year;

(v) To which the bank or its subsidiaries propose to make payments for property or services during such entity's current fiscal year in excess of 1 per cent of such entity's consolidated gross revenues for its last full fiscal year;

(vi) In order to determine whether payments made or proposed to be made exceed 1 per cent of the consolidated gross revenues of any entity other than the bank for such entity's last full fiscal year, it is appropriate to rely on information provided by the nominee or director;

(vii) In calculating payments for property and services the following may be excluded:

(A) Payments where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority;

(B) Payments which arise solely from the ownership of securities of the bank and no extra or special benefit not shared on a pro rata basis by all holders of the class of securities is received;

(viii) In calculating indebtedness for purposes of subparagraph (iii) above, debt securities which have been publicly offered, admitted to trading on a national securities exchange, or quoted on the automated quotation system of a registered securities association may be excluded.

(4) That the nominee or director is a member or employee of, or is associated with, a law firm which the bank has retained in the last two full fiscal years or proposes to retain in the current fiscal year.

(5) That the nominee or director is a control person of the bank (other than solely as a director of the bank).

(6) In addition, the bank should disclose any other relationships it is aware of between the director or nominee and bank or its management which are substantially similar in nature and scope to those relationships listed above.

*Note.*—In the Board's view, where significant business or personal relationships exist between the director or nominee and the bank or its management, including, but not limited to, those as to which disclosure would be required pursuant to item 6(b), characterization of a director or nominee by any "label" connoting a lack of relationship to the issuer and its management may be materially misleading.

(f) *Committees.* (1) State whether or not the bank has standing audit, nominating and compensation committees of the Board of Directors, or committees performing similar functions. If the bank has such committees, however designated, identify each committee member, state the number of committee meetings held by each such committee during the last fiscal year and describe briefly the functions performed by such committees.

(2)(a) If the bank has a nominating or similar committee, state whether the committee will consider nominees recommended by shareholders and, if so:

(b) Describe the procedures to be followed by shareholders in submitting such recommendations.

(g) *Director Attendance.* State the total number of meetings of the Board of Directors (including regularly scheduled and special meetings) which were held during the last full fiscal year. Name each incumbent director who during the last full fiscal year attended fewer than 75 per cent of the aggregate of (1) the total number of meetings of the board of directors (held during the period for which he has been a director) and (2) the total number of meetings held by all committees of the board on which he served (during the periods that he served).

(h) *Resignation of Directors.* If a director has resigned or declined to stand for reelection to the board of directors since the date of the last annual meeting of shareholders because of a disagreement with the bank on any matter relating to the bank's operations, policies or practices, and if the director has furnished the bank with a letter describing such disagreement and requesting that the matter be disclosed, the bank shall state the date of resignation or declination to stand for re-election and summarize the director's description of the disagreement.

(i) If the bank believes that the description provided by the director is incorrect or incomplete, it may include a brief statement presenting its views of the disagreement.

23. Section 206.51, *Form F-5 (Proxy Statement)*, Item 7, Remuneration and Other Transactions With Management and Others, is amended as follows:

*Item 7. Remuneration and Other Transactions With Management and Others.* Furnish the information called for by this item if action is to be taken with respect to (i) the election of directors, (ii) any bonus, profit sharing or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the bank will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants or rights to purchase any securities, other than warrants or rights issued to security holders, as such, on a pro rata basis. However, if the solicitation is made on behalf of persons other than the management, Remuneration table

| (A) | (B) | (C) | | (D) |
|---|---|---|---|---|
| Name of individual or number of persons in group | Capacities in which served | Cash and cash-equivalent forms of remuneration | | Aggregate of contingent forms of remuneration |
| | | (C1) | (C2) | |
| | | Salaries, fees, directors fees, commissions, and bonuses | securities or property, insurance benefits or reimbursement, personal benefits | |

the information required need be furnished only as to nominees for election as directors and as to their associates.

(a) *Current remuneration.* Furnish the information required in the table below, in substantially the tabular form as stqcified, concerning all remuneration of the following persons and group for services in all capacities to the bank during the bank's last fiscal year.

(1) *Five officers or directors.* Each of the five most highly compensated officers or directors of the bank as to whom the total remuneration required to be disclosed in Columns C1 and C2, below, would exceed $50,000, naming each such person: and

(2) *All officers and directors.* All officers and directors of the bank as a group, stating the number or persons in the group without naming them.

(3) *Specified tabular format*

*Instructions to Item 7(a). 1. Columns A and B. Persons subject to this item.* (a) This item applies to any person who was an officer or director of the bank at any time during the fiscal year. However, information need not be given for any portion of the period during which such person was not an officer or director of the bank, provided a statement to that effect is made. (b) The term officer is defined in § 206.2(q). (c) For the purposes of this item "bank" shall include the bank and all its subsidiaries.

2. *Column C.* (a) Column C1 shall include all cash remuneration distributed or accrued in the form of salaries, fees, directors' fees, commissions and bonuses.

(b) Column C2 shall include the following: (i) *Securities or property.* Where any of the specified persons or group (a) exercises any option, right or similar election in connection with any contract, agreement, plan or arrangement, or (b) becomes entitled without further contingencies to retain securities or property, state the spread between the acquisition price, if any, and the fair market price of all securities or property acquired under any contract, agreement, plan or arrangement. The fair market price of any such securities or property shall be determined as of the date during the fiscal year that either of the events in (a) or (b) of this paragraph occurs, or if both events are contemplated, the date of the latter event.

(ii) *Personal benefits.* (A) The value of personal benefits which are not directly related to job performance, which are furnished by the bank directly or through third parties to each of the specified persons and group, or benefits furnished by the bank to other persons which indirectly benefit the specified persons. Such personal benefits shall include the costs of any premiums or benefits paid by the bank for any life or health insurance policy or health plan of which bank is not the sole beneficiary. (B) Such benefits shall be valued on the basis of the aggregate actual cost to the bank. Information need not be furnished for any such benefit provided by the bank which does not discriminate in favor of officers or directors and which is available generally to all salaried employees. (C) If the bank cannot determine without unreasonable effort or expense the specific amount of certain personal benefits, or the extent to which benefits are personal rather than business, the amount of such personal benefits may be omitted from the table provided that, after reasonable inquiry, the bank has concluded that the aggregate amounts of such personal benefits that cannot be specifically or precisely ascertained do not in any event exceed $10,000 as to each person or, in the case of a group, $10,000 for each person in the group and has concluded that the information set forth in the table is not rendered materially misleading by virtue of the omission of the value of such personal benefits.

3. *Column D.* Column D shall include remuneration of the specified persons and group in whole or in part for services rendered during the latest fiscal year (including the forms of remuneration described in paragraph (a) through (c) below) if the distribution of such remuneration or the un-

conditional vesting or measurement of benefits thereunder is subject to future events.

(a) *Pensions or retirement plans; annuities; employment contracts; deferred compensation plans.*

(i) As to each of the specified persons and group, the amount expensed for financial reporting purposes by the bank for the year which represents the contribution, payment, or accrual for the account of any such person or group under any existing pension or retirement plans, annuity contracts, deferred compensation plans, or any other similar arrangements. Such amounts should be reflected as remuneration for the fiscal year under all such plans or arrangements, including plans qualified under the Internal Revenue Code, unless in the case of a defined benefit or actuarial plan, the amount of the contribution, payment, or accrual in respect to a specified person is not and cannot readily be separately or individually calculated by the regular actuaries for the plan.

(ii) If amounts are excluded from the table pursuant to the previous provision, include a footnote to the table: (a) stating the fact; (b) disclosing the percentage which the aggregate contributions to the plan bear to the total remuneration of plan participants covered by such plan; and (c) briefly describing the remuneration covered by the plan.

(b) *Incentive and compensation plans and arrangements.*

(i) With respect to stock options, stock appreciation rights plans, phantom stock plans and any other incentive or compensation plan or arrangement pursuant to which the measure of benefits is based on objective standards or on the value of securities of the bank or another person granted, awarded or entered into at any time in connection with services to the bank, include as remuneration of each of the specified persons and group any attributable amount expensed by the bank for financial reporting purposes for the fiscal year as remuneration for any such person or group.

(ii) Where amounts are expensed and reported in the remuneration table, and amounts are credited in a subsequent year in connection with the same plan or arrangement for any proper reason including a decline in the market price of the securities, such credit may be reflected as a reduction of the remuneration reported in Column D. If amounts credited are reflected in the table, include a footnote stating the amount of the credit and briefly describe such treatment.

(iii) The term "options" as used in this item includes all options, warrants, or rights, other than those issued to security holders as such on a pro rata basis.

(c) *Stock purchase plans; profit sharing and thrift plans.* Include the amount of any contribution, payment or accrual for the account of each of the specified persons and groups under any stock purchase, profit sharing, thrift, or similar plans which has been expensed during the fiscal year by the bank for financial reporting purposes. Amounts reflecting contributions under plans qualified under the Internal Revenue Code may not be excluded.

4. *Other permitted disclosure.* The bank may provide additional disclosure through a footnote to the table, through additional columns, or otherwise, describing the components of aggregate remuneration in such greater detail as is appropriate.

5. *Definition of "Plan."* The term "plan" as used in this item includes all plans, contracts, authorizations, or arrangements whether or not set forth in any formal documents.

6. *Transactions with third parties.* Item 7(a), among other things, includes transactions between the bank and a third party when the primary purposes of the transaction is to furnish remuneration to the persons specified in Item 7(a). Other transactions between the bank and third parties in which persons specified in Item 7(a) have an interest, or may realize a benefit, generally are addressed by other disclosure requirements concerning the interest of management and others in certain transactions. Item 7(a) does not require disclosure of remuneration paid to a partnership in which any officer or director was a partner; any such transactions should be disclosed pursuant to these other disclosure requirements, and not as a note to the remuneration table presented pursuant to Item 7(a).

[End of Instructions to Item 7(a)]

(b) *Proposed remuneration.* Briefly describe all remuneration payments proposed to be made in the future pursuant to any existing plan or arrangement to the persons and group specified in Item 7(a). As to defined benefit or actuarial plans, with respect to which amounts are not included in the table pursuant to Instruction 3(a) to Item 7(a), include a separate table showing the estimated annual benefits payable upon retirement to persons in specified remuneration and year-of-service classification.

*Instruction.* Information need not be furnished with respect to any group life, health, hospitalization, or medical reimbursement plans which do not discriminate in favor of officers or directors of the bank and which are available generally to all salaried employees.

(c) *Options, warrants, or rights.* Furnish the following information as to all options to purchase any securities from the bank which were granted to or exercised by the following persons since the beginning of the bank's last fiscal year, and as to all options held by such persons as of the latest practicable date: (i) each director or officer named in answer to paragraph (a)(1), naming each such person; and (ii) all directors and officers of the bank as a group, without naming them;

(1) As to options granted during the period specified state: (i) the title and aggregate amount of securities called for; (ii) the average option price per share; and (iii) if the option price was less than 100 per cent of the market value of the security on on the date of grant, state such fact, and the market price on such date, shall be disclosed.

(2) As to options exercised during the period specified, state (i) the title and aggregate amount of securities purchased; (ii) the aggregate purchase price; and (iii) the aggregate market value of the securities purchased on the date of purchase.

(3) As to all unexercised options held as of the latest practicable date (state date), regardless of when such options were granted, state (i) the title and aggregate amount of securities called for, and (ii) the average option price per share.

*Instructions.* 1. The term "options" as used in this paragraph (c) includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis. Where the average option price per share is called for, the weighted average price per share shall be given.

2. The extension, regranting or material amendment of options shall be deemed the granting of options within the meaning of this paragraph.

3. (i) Where the total market value on the granting dates of the securities called for by all options granted during the period specified does not exceed $10,000 for any officer or director named in answer to paragraph (a)(1), or $40,000 for all officers and directors as a group, this item need not be answered with respect to options granted to such persons or group. (ii) Where the total market value on the dates of purchases of all securities purchased through the exercise of options during the period specified does not exceed $10,000 for any such period or $40,000 for such group, this item need not be answered with respect to options exercised by such person or group. (iii) Where the total market value as of the latest practicable date of the securities called for by all options held at such time does not exceed $10,000 for any such person or $40,000 for such group, this item need not be answered with respect to options held as of the specified date by such person or group.

4. If the options relate to more than one class of securities the information shall be given separately for each such class.

(d) *Indebtedness of management.* (1) State as to each of the following persons, herein called specified persons, who was indebted to the bank at any time since the beginning of its last fiscal year: (i) the largest aggregate amount of indebtedness, including extensions of credit or overdrafts, endorsements or guarantees outstanding (in dollar amounts and as a percentage of total equity capital accounts at the time) at any time during such period: (ii) the amount thereof outstanding as of the latest practicable date; (iii) the nature of the indebtedness and of the transaction in which it was incurred; and (iv) the rate of interest paid or charges thereon:

(A) each director or officer of the bank;

(B) each nominee for election as director;

(C) each security holder who is known to bank to own of record or beneficially more than five per cent of any class of the bank's voting securities;

(D) each associate of any such director, officer, nominee or principal security holder.

*Instructions.* 1. Include the name of each person whose indebtedness is described and the nature of the relationship by reason of which the information is required to be given.

2. Generally, no information need be given under this Item 7(d), unless any of the following is present:

(a) such extensions of credit are not made on substantially the same terms, including interest rates, collateral and repayment terms, as those prevailing at the time for comparable transactions with other than the specified persons.

(b) such extensions of credit were not made in the ordinary course of business.

(c) such extensions of credit have involved or presently involve more than a normal risk of collectibility or other unfavorable features including the restructuring of an extension of credit or a delinquency as to payment of interest or principal.

(d) the aggregate amount of extensions of credit outstanding at any time from the beginning of the last fiscal year to date to a person specified in (A), (B), and (C) of this paragraph (d)(1) together with the persons' associates exceeded 10 per cent of the equity capital accounts of the bank at that time or $10 million, whichever is less.

*Note.*—For purposes of this Instruction 2(d) only: (1) The information called for by paragraphs (d)(1)(iii) and (iv) of this Item 7 need not be furnished; (2) A principal security holder shall mean each security holder known to the bank to own of record or beneficially more than ten (10) per cent of any class of the bank's voting securities; and (3) The name of any associate need not be furnished.

(2) If any extension of credit to the specified persons as a group exceeded 20 per cent of the equity capital accounts of the bank at any time since the beginning of the last full fiscal year to date, disclose the maximum aggregate amount of extensions of credit to the group during the period, the aggregate amount as a percentage of the equity capital accounts of the bank and include a statement, to the extent applicable, that the bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders and their associates, on substantially the same terms, including interest rates, collateral and repayment terms on extensions of credit, as those prevailing at the same time for comparable transactions with others.

3. If any indebtedness required to be described arose under Section 16(b) of the Act and has not been discharged by payment, state the amount of any profit realized, that such profit will inure to the benefit of the bank or its subsidiaries and whether suit will be brought or other steps taken to recover such profit. If in the opinion of counsel a question reasonably exists as to the recoverability of such profit, it will suffice to state all facts necessary to describe the transaction, including the prices and number of shares involved.

4. Notwithstanding the foregoing, any transaction or series of transactions resulting in indebtedness to the bank or its subsidiaries which may be considered material should be disclosed.

5. If the information called for by Item 7(d) is being presented in Form F-1, § 206.41, the information called for shall be presented for the last three full fiscal years.

(e) *Transactions with management.* Describe briefly any transaction since the beginning of the bank's last full fiscal year or any presently proposed transactions, to which the bank or any of its subsidiaries was or is to be a party, in which any of the specified persons in Item 7(d) had or is to have a direct or indirect material interest, naming such person and stating his relationship to the bank, the nature of his interest in the transaction and, where practicable, the amount of such interest.

*Instructions.* 1. No information need be given in response to this Item 7(e) as to any remuneration or other transaction reported in response to Item 7(a), (b), (c) or (d), or as to any transaction with respect to which information may be omitted pursuant to Instruction 2 to Item 7(c) or Instruction 2 or 3 to Item 7(d). Instruction 2 to Item 7(a) applies to this Item 7(e).

2. No information need be given in answer to this Item 7(e) as to any transaction where:

(a) The rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

(b) The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under an indenture, or similar services;

(c) The amount involved in the transaction or series of similar transactions, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed $40,000 for the term of each transaction or series of transactions; or

(d) The interest of the specified person arises solely from the ownership of securities of the bank and the specified person receives no extra or special benefit not shared on a pro rate basis by all holders of securities of the class.

3. It should be noted that this item calls for disclosure of indirect, as well as direct, material interests in transactions. A person who has a position or relationship with a firm, corporation, or other entity, which engages in a transaction with the bank may have an indirect interest in such transaction by reason of such position or relationship. However, a person shall be deemed not to have a material indirect interest in a transaction within the meaning of this Item 7(e) where:

(a) The interest arises only (i) from such person's position as a director of another corporation or organization (other than a partnership) which is a party to the transaction, or (ii) from the direct or indirect ownership by such person and all other persons specified in subparagraphs (1) through (4) above, in the aggregate, of less than a 10 per cent equity interest in another person (other than a partnership) which is a party to the transaction, or (iii) from both such position and ownership;

(b) The interest arises only from such person's position as a limited partner in a partnership in which he and all other persons specified in (1) through (4) above had an interest of less than 10 per cent; or

(c) The interest of such person arises solely from the holding of an equity interest (including a limited partnership interest but excluding a general partnership interest) or a creditor interest in another person which is a party to the transactions with the bank and the transaction is not material to such other person.

4. The amount of the interest of any specified person shall be computed without regard to the amount of the profit or loss involved in the transaction. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction will be indicated.

5. In describing any transaction involving the purchase or sale of assets by or to the bank, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost thereof, to the seller. Indicate the principle followed in determining the bank's purchase or sale price and the name of the person making this determination.

6. If the information called for by this Item 7(e) is being presented in Form F-1, § 206.41, the period for which the information called for shall be presented for the previous three years.

7. Include the name of each person whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

8. Information shall be furnished in answer to this item with respect to transactions not excluded above which involve remuneration from the bank directly or indirectly, to any of the specified persons for services in any capacity unless the interest of such persons arises solely from the ownership individually and in the aggregate of less than 10 per cent of any class of equity securities of another corporation furnishing the services to the bank.

9. The foregoing instructions specify certain transactions and interests as to which information may be omitted in answering this item. There may be situations where, although the foregoing instructions do not expressly authorize nondisclosure, the interest of a specified person in the particular transaction or series of transactions is not a mutual interest. In that case, information regarding such interest and transaction is not required to be disclosed in response to this item. The materiality of any interest or transaction is to be determined on the basis of the significance of the information to investors in light of all of the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction to each other and the amount involved in the transaction are among the factors to be considered in determining the significance of the information to investors.

(f) *Transactions with pension or similar plans.* Describe briefly any transactions since the beginning of the bank's last full fiscal year or any presently proposed transactions, to which any pension, retirement, savings or similar plan provided by the bank, or any of its parents or subsidiaries was or is to be a party, in which any of the specified persons in Item 7(d) had or is to have a direct or indirect material interest, naming such person and stating his relationship to the bank, the nature of his interest in the transaction and, where practicable, the amount of such interest.

*Instructions.* 1. Instructions 2, 3, 4, and 5 to Item 7(e) shall apply to this Item 7(f).

2. Without limiting the general meaning of the term "transaction" there shall be included in answer to this Item 7(f) any remuneration received or any loans received or outstanding during the period, or proposed to be received.

3. No information need be given in answer to paragraph (f) with respect to:

(a) Payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;

(b) Payment of remuneration for services not in excess of 5 per cent of the aggregate remuneration received by the specified person during the bank's last fiscal year from the bank; or

(c) Any interest of the bank which arises solely from its general interest in the success of the plan.

(g) *Legal Proceedings.* Any material proceedings to which any director, officer or affiliate of the bank, and persons holding in excess of five per cent of the bank's outstanding stock, or any associate of any such director, officer or security holder, is a party or has an interest materially adverse to the bank or any of its subsidiaries should also be described.

24. Section 206.51, *Form F-5 (Proxy Statement)*, Item 8, Relationship with Independent Public Accountants, is amended as follows:

*Item 8. Relationship With Independent Public Accountants.*

* * * * *

(e) If action is to be taken with respect to the selection or approval of auditors, or if it is proposed that particular auditors shall be recommended by any committee to select auditors for whom votes are to be cast, name the auditors and describe briefly any direct financial interest or any material indirect financial interest in the bank or any of its parents or subsidiaries, or any connection during the past 3 years with the bank or any of its parents or subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer, or employee. If the auditors to be selected are other than those which were engaged as the principal auditors for the bank's most recently filed certified financial statements, briefly summarize the circumstances and conditions surrounding the proposed change of such auditors, and state whether such change was recommended or approved by:

(1) Any audit or similar committee of the Board of Directors, if the bank has such a committee; or

(2) The Board of Directors, if the bank has no such committee.

(f) For the fiscal year most recently completed, describe each professional service provided by the auditor and state the percentage relationship which the aggregate of the fees for all nonaudit services bear to the audit fees, and, except as provided below, state the percentage relationship which the fee for each nonaudit service bears to the audit fees. Indicate whether, before each professional service provided by the principal accountant was rendered, it was approved by, and the possible effect on the independence of the accountant was considered by (1) any audit or similar committee of the board of directors and (2) for any service not approved by an audit or similar committee, the board of directors.

*Instructions.* 1. For purposes of this subsection, all fees for services provided in connection with the audit function (*e.g.*, reviews of quarterly reports, filings with the Board, and annual reports) may be computed as part of the audit fees. Indicate which services are reflected in the audit fees computation.

2. If the fee for any nonaudit service is less than 3 per cent of the audit fees, the percentage relationship need not be disclosed.

3. Each service should be specifically described. Broad general categories such as "tax matters" or "management advisory services" are not sufficiently specific.

4. Describe the circumstances and give details of any services provided by the bank's independent accountant during the latest fiscal year that were furnished at rates or terms that were not customary.

5. Describe any existing direct or indirect understanding or agreement that places a limit on current or future years' audit fees, including fee arrangements that provide fixed limits on fees that are not subject to reconsideration if unexpected issues involving accounting or auditing are encountered. Disclosure of fee estimates is not required.

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## *Amendments to Regulation K*

The Board of Governors has amended section 211.5(b)(3) of its Regulation K, International Banking Operations, to simplify the procedures by which subsidiaries of United States banking organizations may establish branches in foreign countries.

Effective November 28, 1979, Regulation K is amended by revising § 211.5(b)(3) to read as follows:

*Section 211.5—*
*Investments in Other Organizations*

* * * * *

(b) *Investment limitations.*

* * * * *

(3) A subsidiary (other than a member bank or an Edge Corporation) may establish a foreign branch with prior approval of the Board. Unless otherwise advised by the Board: (i) a subsidiary (other than a member bank or an Edge Corporation) whose affiliates have offices (other than representative offices) in two or more foreign countries may establish initial branches in additional foreign countries after 60 days' notice to the Board; (ii) a foreign bank subsidiary may, without prior approval or prior notice, establish additional

branches in any country in which it operates one or more offices (other than representative offices); and (iii) without prior approval or prior notice, any subsidiary (other than a foreign bank, member bank, or Edge Corporation) may establish additional branches in any foreign country in which any affiliate operates one or more offices (other than representative offices). Authority to establish branches through prior approval or prior notice shall expire one year from the earliest date on which that authority could have been exercised, unless extended by the Board. An investor shall inform the Board within 30 days of the opening, closing, or relocation of a branch and the address of a new or relocated foreign branch.

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## AMENDMENTS TO REGULATION O

The Board of Governors has amended its Regulation O, Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks, to implement the reporting requirements of Titles VIII and IX of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 ("FIRA").

Effective December 31, 1979, Regulation O is amended as follows:

### *Part 215—Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks*

*Subpart A—Loans by Member Banks to Their Executive Officers, Directors, and Principal Shareholders*

Section
215.1 Authority, purpose, and scope
215.2 Definitions
215.3 Extension of credit
215.4 General prohibitions
215.5 Additional restrictions on loans to executive officers of member banks
215.6 Extensions of credit outstanding on March 10, 1979
215.7 Records of member banks
215.8 Reports by executive officers
215.9 Report on credit to executive officers
215.10 Annual report on aggregate credit to executive officers and principal shareholders
215.11 Civil penalties

*Subpart B—Reports on Indebtedness of Executive Officers and Principal Shareholders to Correspondent Banks*

Section
215.20 Authority, purpose, and scope
215.21 Definitions
215.22 Reports by executive officers and principal shareholders
215.3 Report by member bank

### *Subpart A—Loans by Member Banks to their Executive Officers, Directors, and Principal Shareholders*

### *Section 215.1—Authority, Purpose, and Scope*

(a) *Authority.* This Subpart is issued pursuant to sections 11(i), 22(g) and 22(h) of the Federal Reserve Act (12 U.S.C. §§ 248(i), 375a, 375b(7)) and 12 U.S.C. § 1817(k)(3).

(b) *Purpose and Scope.* This Subpart governs any extension of credit by a member bank to an executive officer, director, or principal shareholder of (1) the member bank, (2) a bank holding company of which the member bank is a subsidiary, and (3) any other subsidiary of that bank holding company. It also applies to any extension of credit by a member bank to (1) a company controlled by such a person and (2) a political or campaign committee that benefits or is controlled by such a person. This Subpart also implements the reporting requirements of 12 U.S.C. § 375a concerning extensions of credit by a member bank to its executive officers and of 12 U.S.C. § 1817(k) concerning extensions of credit by a member bank to its executive officers and principal shareholders.

### *Section 215.2—Definitions*

For the purpose of this Subpart, the following definitions apply unless otherwise specified:

* * * * *

### *Section 215.9— Report on Credit to Executive Officers*

* * * * *

### *Section 215.10—Annual Report on Aggregate Credit to Executive Officers and Principal Shareholders*

(a) *Definitions.* For the purposes of this section, the following definitions apply:

(1) "Aggregate amount of all extensions of credit" means the sum of the highest amount of credit outstanding during the calendar year (or, as an alternative, the highest end of the month credit outstanding during the calendar year) from the member bank to: (i) each of its executive officers,[7] (ii) each of its principal shareholders, and (iii) each of the related interests of these persons.

(2) "Principal shareholder of a member bank" means any person[8] (other than an insured bank, or a foreign bank as defined in 12 U.S.C. § 3101(7)) that, directly or indirectly, owns, controls, or has power to vote more than 10 per cent of any class of voting securities of the member bank. The term includes a person that controls a principal shareholder (*e.g.*, a person that controls a bank holding company). Shares of a bank (including a foreign bank), bank holding company, or other company owned or controlled by a member of an individual's immediate family are presumed to be owned or controlled by the individual for the purposes of determining principal shareholder status.

(3) "Related interest" means any company controlled by a person and any political or campaign committee, the funds or services of which will benefit a person or that is controlled by a person. For the purposes of this section and Subpart B, a related interest does not include a bank or a foreign bank (as defined in 12 U.S.C. § 3101(7)).

(b) *Contents of Report.* On or before March 31 of each year, each member bank shall file with the appropriate Federal Reserve Bank in the case of State member banks, or the Comptroller of the Currency in the case of national banks or banks located in the District of Columbia, a report that shall include the following information with respect to the preceding calendar year:

(1) a list by name of each person who was a principal shareholder of the member bank on December 31;

(2) a list by name of each executive officer or principal shareholder of the member bank during the year to whom, or to whose related interests, the member bank had outstanding an extension of credit during the year; and

(3) the aggregate amount of all extensions of credit from the member bank to its executive officers and principal shareholders and their related interests.

(c) *Availability of Report.* The Board or the Comptroller, as the case may be, and the member bank shall make a copy of the report required by this section available to the public upon request.

### *Section 215.11—Civil Penalties*

As specified in section 29 of the Federal Reserve Act (12 U.S.C. 504), any member bank, or any officer, director, employee, agent, or other person participating in the conduct of the affairs of the bank, that violates any provision of this Subpart (other than section 215.10) is subject to a civil penalty of not more than $1,000 per day for each day during which the violation continues.

## *Subpart B—Reports on Indebtedness of Executive Officers and Principal Shareholders to Correspondent Banks*

### *Section 215.20— Authority, Purpose, and Scope*

(a) *Authority.* This Subpart is issued pursuant to section 11(i) of the Federal Reserve Act (12 U.S.C. § 248(i)) and 12 U.S.C. §§ 1817(k)(3) and 1972(2)(F)(vi).

(b) *Purpose and Scope.* This Subpart implements the reporting requirements of Title VIII of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 ("FIRA") (P.L. 95-630), 12 U.S.C. § 1972(2)(G). Title VIII prohibits (1) preferential lending by a bank to executive officers, directors, and principal shareholders of another bank when there is a correspondent account relationship between the banks, and (2) the opening of a correspondent account relationship between banks when there is a preferential extension of credit by one of the banks to an executive officer, director, or principal shareholder of the other bank.

### *Section 215.21—Definitions*

For the purposes of this Subpart, the following definitions apply unless otherwise specified:

(a) "Bank" has the meaning given in 12 U.S.C. § 1841(c), and includes a branch or agency

7. For purposes of this section and Subpart B, executive officers of a member bank do not include an executive officer of a bank holding company of which the member bank is a subsidiary or of any other subsidiary of that bank holding company unless, of course, the executive officer is also an executive officer of the member bank.

8. The term "stockholder of record" appearing in 12 U.S.C. §§ 1817(k)(1) and 1972(2)(G) is synonymous with the term person.

of a foreign bank, or a commercial lending company controlled by a foreign bank or by a company that controls a foreign bank, where the branch or agency is maintained in a State of the United States or in the District of Columbia or the commercial lending company is organized under State law.

(b) "Company," "control of a company or bank," "executive officer,"[9] "extension of credit," "immediate family," and "person" have the meanings provided in Subpart A.

(c) "Correspondent account" is an account that is maintained by a bank with another bank for the deposit or placement of funds. A correspondent account does not include:

(1) time deposits at prevailing market rates, and

(2) an account maintained in the ordinary course of business solely for the purpose of effecting federal funds transactions at prevailing market rates or making Eurodollar placements at prevailing market rates.

(d) "Correspondent bank" means a bank that maintains one or more correspondent accounts for a member bank during a calendar year that in the aggregate exceed an average daily balance during that year of $100,000 or 0.5 per cent of such member bank's total deposits (as reported in its first consolidated report of condition during that calendar year), whichever amount is smaller.

(e) "Principal shareholder" and "related interest" have the meanings provided in section 215.10 of Subpart A.

### *Section 215.22—Report by Executive Officers and Principal Shareholders*

(a) *Annual Report.* If during any calendar year an executive officer or principal shareholder of a member bank or a related interest of such a person has outstanding an extension of credit from a correspondent bank of the member bank, the executive officer or principal shareholder shall, on or before January 31 of the following year, make a written report to the board of directors of the member bank.[10]

(b) *Contents of Report.* The report required by this section shall include the following information:

(1) the maximum amount of indebtedness of the executive officer or principal shareholder and of each of that person's related interests to each of the member bank's correspondent banks during the calendar year;

(2) the amount of indebtedness of the executive officer or principal shareholder and of each of that person's related interests outstanding to each of the member bank's correspondent banks as of ten business days before the report required by this section is filed;[11] and

(3) a description of the terms and conditions (including the range of interest rates, the original amount and date, maturity date, payment terms, security, if any, and any other unusual terms or conditions) of each extension of credit included in the indebtedness reported under paragraph (b)(1) of this section.

(c) *Definitions.* For the purposes of this section:

(1) "Indebtedness" means an extension of credit, but does not include:

(i) commercial paper, bonds, and debentures issued in the ordinary course of business; and

(ii) consumer credit (as defined in 12 C.F.R. § 226.2(p)) in an aggregate amount of $5,000 or less from each of the member bank's correspondent banks, provided the indebtedness is incurred under terms that are not more favorable than those offered to the general public.

(2) "Maximum amount of indebtedness" means, at the option of the reporting person, either (i) the highest outstanding indebtedness during the calendar year for which the report is made, or (ii) the highest end of the month indebtedness outstanding during the calendar year for which the report is made.

(d) *Retention of Reports at Member Banks.* The reports required by this section shall be retained at the member bank for a period of three years. The Reserve Bank or the Comptroller, as the case may be, may require these reports to be retained by the bank for an additional period of time. The reports filed under this section are not required by this regulation to be made available to the public and shall not be filed with the Reserve Bank or the Comptroller unless specifically requested.

(e) *Member Bank's Responsibility.* Each member bank shall advise each of its executive officers and each of its principal shareholders (to the extent

9. See note 7 above.

10. Persons reporting under this section are not required to include information on extensions of credit that are fully described in a report by a person they control or a person that controls them, provided they identify their relationships with such other person.

11. If the amount of indebtedness outstanding to a correspondent bank ten days before the filing of the report is not available or cannot be readily ascertained, an estimate of the amount of indebtedness may be filed with the report, provided that the report is supplemented within the next 30 days with the actual amount of indebtedness.

known by the bank) of the reports required by this section and make available to each of these persons a list of the names and addresses of the member bank's correspondent banks.

*Section 215.23—Report by Member Banks*

(a) On or before March 31 of each year, each member bank shall compile the reports filed under section 215.22 of this Subpart and shall forward the compilation to the Comptroller of the Currency in the case of a national bank or a bank located in the District of Columbia, or the appropriate Federal Reserve Bank in the case of a State member bank. This compilation shall contain only the information required in paragraph (b) of this section.

(b) Each member bank shall include in the report required under section 215.10 of Subpart A to be filed by March 31 of each year, the following information:

(1) a list by name of each executive officer or principal shareholder that files a report with the member bank's board of directors under section 215.22 of this Subpart; and

(2) the aggregate amount (or sum) of the maximum amounts of indebtedness reported to the board of directors of the member bank under section 215.22(b)(1) by the member bank's executive officers and principal shareholders and their related interests.

### *Amendment to Regulation Y Correction*

The amendment to section 225.1(c) of Regulation Y effective October 24, 1979 (65 Federal Reserve Bulletin 924 (1979)) is corrected as follows:

*Section 225.1—.*
*Authority, Scope and Definitions*

* * * * *

(c) *Federal Reserve Bank.* The term "Federal Reserve Bank" as used in this Part with respect to action by, on behalf of, or directed to be taken by a bank holding company or other organization shall mean either the Federal Reserve Bank of the Federal Reserve district in which the operations of the bank holding company or other organization are principally conducted, as measured by total deposits held or controlled by it in subsidiary banks on the date on which it became, or is to become, a bank holding company, or such Reserve Bank as the Board may designate. With respect to notices filed and other actions taken under the Control Act, the term refers to the Federal Reserve Bank for the institution to be acquired, as determined by the preceding sentence in the case of bank holding companies and by section 9 of the Federal Reserve Act in the case of State member banks. In the case of a foreign banking organization that is not a bank holding company but which has one or more branches, agencies, or commercial lending companies located in any State of the United States or the District of Columbia, "Federal Reserve Bank" shall mean, unless otherwise determined by the Board, the Reserve Bank of the district in which its banking assets are the largest as of the later of January 1, 1980, or the date that it establishes its first branch, agency or commercial lending company.

### *Amendments to Rules Regarding Delegation of Authority*

The Board of Governors has amended its Rules Regarding Delegation of Authority to delegate to the Director of the Division of Banking Supervision and Regulation authority to make reports of examination of transfer agents, clearing agencies and municipal securities dealers subject to the Board's supervisory jurisdiction available to the Securities and Exchange Commission pursuant to section 17(a)(3) of the Securities Exchange Act of 1934, as amended.

Effective November 28, 1979, is amended by adding a new paragraph (25) to read as follows:

*Section 265.2—Specific Functions Delegated to Board Employees and to Federal Reserve Banks.*

(c) The Director of the Division of Banking Supervision and Regulation (or, in the Director's absence, the Acting Director) is authorized:

* * * * *

(25) Under the provisions of section 17(c)(3) of the Securities Exchange Act of 1934, as amended, to make available upon request to the Securities and Exchange Commission reports of examination of transfer agents, clearing agencies and municipal securities dealers for which the Board is the appropriate regulatory agency for use by the Commission in the exercise of its supervisory responsibilities under that statute.

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

## *Orders Under Section 3 of Bank Holding Company Act*

Barnett Banks of Florida, Inc.,
Jacksonville, Florida

*Order Approving Acquisition of Banks*

Barnett Banks of Florida, Inc., Jacksonville, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 50 percent or more of the voting shares of First National Bank & Trust Company of Eustis, Eustis, Florida ("Eustis Bank") and 50 percent or more of the voting shares of Bank of Mount Dora, Mount Dora, Florida ("Mount Dora Bank").

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

Applicant, the second largest banking organization in Florida, controls thirty-one banks with aggregate deposits of $2.7 billion, representing 8.83 percent of deposits in all commercial banks in the state.[1] Acquisition of Eustis Bank and Mount Dora Bank, with total deposits of $33.0 million and $26.2 million respectively, would increase Applicant's share of state deposits by less than 1 percent, and would not result in a significant increase in the concentration of banking resources in Florida.

Mount Dora Bank is the seventh largest of nine commercial banks in the relevant banking market,[2] and controls 7.97 percent of deposits in commercial banks in the market. Eustis Bank is the fifth largest bank in the market, and controls 10.04 percent of deposits in commercial banks in the market.[3] Mount Dora Bank was organized by principals of Eustis Bank, and the two banks have been under the same control and operated as a unit ever since. Thus, there is little, if any, meaningful competition currently existing between Eustis Bank and Mount Dora Bank and no existing competition between the two banks would be eliminated by the consummation of the proposal.[4] In addition, Applicant is not currently represented in the market and its nearest banking subsidiary is located 23 miles from Mount Dora Bank's closest office and 26 miles from Eustis Bank's closest office in a separate banking market. From the record it appears that no competition currently exists between Applicant's banking and nonbanking subsidiaries on the one hand and Eustis Bank and Mount Dora Bank on the other. Furthermore, while Applicant could establish a de novo bank in the relevant market, it does not appear that the market is attractive for de novo entry. Moreover, several potential entrants into the relevant market would remain. Accordingly, consummation of the proposal would not have any adverse effect upon competition. Therefore, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Banks appear generally satisfactory. Banking factors are, therefore, regarded as consistent with approval of the application.

Affiliation with Applicant will enable banks to increase their lending capabilities, provide access to international banking and greater retail banking services, and furnish marketing expertise and investment management. Thus, convenience and needs factors lend some weight toward approval. Accordingly, it is the Board's judgment that the proposed transactions would be in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transactions shall not be made before the thirtieth

1. All banking data are as of June 30, 1978.
2. The relevant banking market is the northern two-thirds of Lake County, bounded on the south by the Florida turnpike.
3. The combined market share of the two banks is approximately 18.0 percent, making them together the second largest banking organization in the market.
4. Approval of the application may have some procompetitive effect in the relevant market by severing the affiliation between Mount Dora and Eustis Banks and Citizens National Bank of Leesburg, Leesburg, Florida ("Citizens Bank"), the second largest bank in the market. In 1975, the principals of Mount Dora Bank and Eustis Bank controlled 27 percent of the shares of Citizens Bank. At present these principals control 7 percent of the shares and the chairman of both Mount Dora Bank and Eustis Bank is a director and member of the executive committee of Citizens Bank. Both the ownership and director relations will be terminated upon consummation of the proposal.

calendar day following the effective date of this Order or later than three months after that date, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Secretary of the Board, acting pursuant to delegated authority from the Board of Governors, effective November 27, 1979.

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

Fidelity Union Bancorporation,
Newark, New Jersey

*Order Denying Acquisition of Bank*

Fidelity Union Bancorporation, Newark, New Jersey ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act (the "Act"), has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)) to acquire all the outstanding shares of Garden State National Bank, Paramus, New Jersey ("Bank").

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

Applicant, with five subsidiary banks, is the fourth largest banking organization in New Jersey.[1] It holds aggregate deposits of $1.7 billion, representing 6.2 percent of total commercial bank deposits in the state. Through its subsidiary banks, Applicant conducts its banking business at a total of eighty-six banking offices located in ten local banking markets in northeastern New Jersey.[2] Bank, the twelfth largest banking organization in New Jersey, holds deposits of $709.6 million, representing 2.6 percent of statewide deposits. Bank conducts its banking business through thirty-seven banking offices located in six local markets in northern New Jersey.

Section 3(c) of the Act provides, in part, that the Board may not approve any proposed acquisition, the effect of which, in any section of the country, may be substantially to lessen competition or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

The Board has consistently expressed its concern regarding acquisitions that impact significantly on statewide structure and the concentration of banking resources within a state, and has indicated that there are limits as to what it regards as approvable under the standards of the Bank Holding Company Act. The Board has been particularly concerned where proposals involved banking organizations of relatively large absolute size.[3] In New Jersey the four largest banking organizations hold 28.9 percent of the total deposits in the state, and the ten largest banking organizations hold approximately 48 percent of statewide deposits. The acquisition of Bank by Applicant would increase the concentration of deposits held by the four largest banking organizations in New Jersey to over 31 percent. Furthermore, consummation of the proposed acquisition would have the immediate effect of increasing both Applicant's deposits and its number of banking offices by over 40 percent. It would also enable Applicant to move from its position as the fourth largest banking organization to become the largest banking organization in New Jersey. Finally, the Board is concerned that this proposal represents an undesirable trend of merger and acquisition activity that, if permitted by the Board, would result in further increases in concentration among New Jersey banking organizations.[4]

Under section 3(c) of the Act, the Board is not required to permit the development of undue concentration among banking organizations in New Jersey before it is empowered to intervene. Indeed, the Clayton Act, which was incorporated into section 3(c) of the Act, provides authority for arresting mergers at a time when the trend to a lessening of competition is in its incipiency in order to break the force of a trend toward undue

1. All banking data are as of December 31, 1978.

2. In addition, Applicant's subsidiary, Suburban Finance Company, operates 15 consumer finance offices in New Jersey.

3. *E.g, Old Kent Financial Corporation*, 65 FEDERAL RESERVE BULLETIN 1010 (Order of November 2, 1979); *First City Bancorporation of Texas, Inc.* 65 FEDERAL RESERVE BULLETIN 862 (1979); and *First International Bancshares, Inc.*, 60 FEDERAL RESERVE BULLETIN 290 (1974).

4. In commenting adversely on the proposal, the United States Department of Justice maintains that this is the latest in a recent series of proposed acquisitions by the largest banking organizations in the state.

concentration before it gathers momentum. See *Brown Shoe Co.* v. *United States*, 370 U.S. 294, 317-18. Based on the facts of record, the Board views the proposed transaction as representing a trend toward concentration of resources in New Jersey, and the Board concludes that consummation of this proposal, which would combine the resources of two significant banking organizations and increase by 2.6 percent the amount of statewide deposits held by New Jersey's four largest banking organizations, would have substantially adverse effects on the concentration of banking resources in New Jersey.

In addition to the effects of the proposed acquisition on the concentration of banking resources in New Jersey, consummation of the proposed transaction would affect both existing and potential competition within thirteen local banking markets.[5] In particular, both Applicant and Bank compete in the Paterson, New Jersey banking market where the combined market share of Applicant and Bank would be 4.4 percent. In addition, both Bank and Applicant compete in the metropolitan New York banking market, which includes portions of several northern New Jersey counties. While neither organization has a significant presence in that market, which is somewhat distorted because of the large New York City banks, Bank is the 20th largest of 126 banking organizations competing in New York and, what is more important, is the second largest New Jersey banking organization in the market. Accordingly, the Board concludes that the proposal would eliminate a slight amount of existing competition between the two organizations.[6]

With regard to potential competition, consummation of the proposal would foreclose the possibility of competition in the future between Applicant and Bank in eleven banking markets.[7] In particular, Applicant competes in eight New Jersey markets where Bank does not presently have offices. In the Freehold, Asbury Park, and Newark banking markets, where a large share of market deposits are concentrated in a few banking organizations, Applicant is regarded as one of these dominant organizations with market shares of 33, 17, and 14.1 percent, respectively. The Board views Bank as a likely entrant into these markets, in view of its size and resources, as well as its significant presence in adjacent banking markets.[8] Furthermore, Applicant also operates in five less concentrated markets where Bank does not compete; however, Bank may also be regarded as a likely entrant into those markets because of its overall size and resources and presence in adjacent markets. Conversely, Bank has offices in three markets where Applicant is not currently represented. In the Board's view, both Applicant and Bank have sufficient resources to enter into each other's markets in a less anticompetitive fashion than the present proposal. This conclusion is supported by the record of expansion of both organizations. For example, over the past five years, Applicant established 15 branches de novo, and in the same period Bank established three de novo branches and acquired four through mergers. Based on the record in this application, particularly the large number of local markets affected by this proposal, the Board concludes that the proposed acquisition would have substantially adverse effects on potential competition. Accordingly, the Board has determined that the overall effects of the proposal on competition and concentration of resources are so serious as to require denial of the application, unless such anticompetitive effects are outweighed by considerations relating to the convenience and needs of the communities to be served.

The financial and managerial resources of Applicant, its subsidiaries and Bank are considered to be satisfactory and their future prospects appear favorable. However, the Board notes that Applicant would incur a substantial amount of indebtedness in connection with this proposed transaction, which could reduce its financial flexibility. Accordingly, banking factors lend no weight toward approval of the application.

With respect to the convenience and needs of the communities to be served, Applicant has asserted that the acquisition of Bank will have two beneficial results. First, Applicant intends to raise

5. The local banking markets most seriously affected by this proposal are more fully described in the Appendix to this Order.

6. The United States Department of Justice has indicated its view that the proposal would have much more serious effects on existing competition. Its conclusion is based upon a more inclusive definition of the Newark banking market, and the fact that within that market the combined market share of Applicant and Bank would be 14.3 percent. The Justice Department also relies on the fact that in that area 20 offices of Applicant are located within ten miles of an office of Bank.

7. Applicant urges that the effects of the proposal on competition in local banking markets are mitigated by the fact that Applicant is primarily a "wholesale" banking organization, whereas Bank serves the "retail" banking customer. However, the Board does not generally view such distinction as meaningful, particularly where, as here, both organizations have the ability and resources to serve retail customers.

8. The Board notes that in general banks in New Jersey have authority to establish branches throughout the state.

the interest rates paid to Bank's customers on certain time deposit accounts, as well as to lower the interest rates charged on certain loans. While the Board favors such specific public benefits that have a direct impact on consumers, it notes that there appears to be no reason that an institution of Bank's size could not make the proposed rate adjustments absent the proposed acquisition. Applicant also states that it will assist Bank in increasing its commercial lending services through expertise to be provided by personnel of Applicant, as well as the availability of a greater lending capacity through the holding company system. It is the Board's view that the benefits to the public are not sufficient to outweigh the substantially adverse effects on competition and concentration of banking resources in New Jersey that would result from consummation of the proposed transaction. Accordingly, it is the Board's judgment that the proposed transaction would not be in the public interest and that the application should be denied. Based on the foregoing and other facts of record, the application is hereby denied.

By Order of the Board of Governors of the Federal Reserve System, effective November 16, 1979.

Voting for this action: Governors Wallich, Partee, Teeters, and Rice. Voting against this action: Chairman Volcker and Governors Schultz and Coldwell.

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

*Appendix*

1. The Metropolitan New York banking market is approximately by the five boroughs of New York City, and Nassau, Westchester, Putnam, and Western Suffolk Counties in New York, as well as the northern two-thirds of Bergen County and western Hudson Counties in New Jersey, and southwestern Fairfield County in Connecticut.

2. The Greater Newark banking market is approximated by Essex and Union Counties and portions of Bergen, Hudson, and Morris Counties in New Jersey.

3. The Paterson banking market is approximated by Passaic County, sixteen municipalities in western Bergen County and five municipalities in northeastern Morris County in New Jersey.

4. The Freehold banking market is approximated by the municipalities of Atlantic, Englishtown, Farmingdale, Freehold Township, Freehold Boro, Manalapan, Marlboro, and part of Howell, all located in Monmouth County, New Jersey.

*Dissenting Statement of Chairman Volcker and Governors Schultz and Coldwell*

We do not find that the application of Fidelity Union Bancorporation to acquire Garden State National Bank will have such serious adverse effects on competition as to warrant denial. Accordingly, we would approve the application for the following reasons.

First, as the Board emphasized in its Board Order, we too are concerned about the effects of certain proposed acquisitions on the banking structure and concentration of banking resources within a state. However, based upon our review of the facts of this case, unlike the majority of the Board, we do not find that the banking structure in the State of New Jersey is now overly concentrated. Moreover, we do not believe that the proposed acquisition, which will increase the deposits held by the four largest organizations in New Jersey by only 2.6 percent, evidences a trend in New Jersey of anticompetitive acquisitions and mergers that would result in any dramatic increase in the concentration of banking resources in New Jersey.

Second, while the proposed combination will eliminate some existing and potential competition, we do not view the effects of this proposal on such competition in any of local market involved to be so significant as to warrant denial. Neither Applicant nor Bank may be regarded as dominant in any of the markets in which they compete. Indeed, neither is the largest organization in any local market in which it competes, and in ten of the thirteen markets involved, Applicant and Bank hold well under 10 percent of the total market deposits. Moreover, in the principal market of Garden State Bank it holds less than 1 percent of total market deposits. We would agree with the majority if a bank this size were located in a market where it held a sizeable share of market deposits.

Finally, the majority of the Board finds significant anticompetitive effects resulting from the combination of two such sizeable banking organizations. However, we believe that the combination may, in fact, have procompetitive effects in that it would result in a New Jersey-based banking organization that would be of sufficient size to be a more effective competitor for business in the New York banking market.

Based on the foregoing, we believe that the application should be approved.

November 16, 1979

National City Corporation,
Cleveland, Ohio

*Order Approving Acquisition of Bank*

National City Corporation, Cleveland, Ohio, has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares of the successor by merger to The National City Bank of Marion ("Bank"), Marion, Ohio. The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated in this Order as an acquisition of Bank's shares.

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

Applicant, the third largest banking organization in Ohio, controls ten banks with aggregate deposits of approximately $2.4 billion, representing 6.4 percent of the total commercial bank deposits in Ohio.[1] Acquisition of Bank ($102.9 million in deposits) would increase Applicant's share of deposits statewide by only 0.27 percent and would not result in a significant increase in the concentration of banking resources in Ohio.

Bank is the largest of four banking organizations operating in the Marion banking market, controlling 48.2 percent of commercial bank deposits in that market.[2] No significant competition exists between Applicant and Bank inasmuch as none of Applicant's subsidiary banks operates in the relevant banking market, and there is no significant overlap in the service areas of Bank and any of Applicant's subsidiary banks.

Notwithstanding the absence of any significantly adverse effects of the proposal upon existing competition, the Board is concerned, particularly in light of Bank's market share, with the effects the proposal might have upon probable future competition within the Marion banking market. Applicant could enter the market de novo either by establishing a bank or through branching by Applicant's subsidiary, Galion Bank. Furthermore, there are two smaller independent banks located in the market that might serve as foothold entry points for Applicant.

These considerations warrant some concern, but this concern is mitigated by several facts. First, eight of the other nine largest Ohio bank holding companies would remain as possible entrants into the market. Moreover, based upon demographic and banking data, the market does not appear to be particularly attractive for de novo entry by Applicant.[3] In addition, while Bank could branch into the banking market in which Galion Bank is located, that market likewise appears only marginally attractive for de novo entry. In light of the above and other facts of record, the Board on balance concludes that the effects of consummation of this proposal on competition would be only slightly adverse.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Bank are considered generally satisfactory. Thus, banking factors are consistent with approval of the application. Applicant plans to introduce some new services to customers of Bank, including trust and international services. In addition, Applicant plans to increase Bank's consumer installment and residential mortgage lending and improve the level of services to customers of Bank. These considerations relating to the convenience and needs of the communities to be

1. Unless otherwise indicated, banking data are as of September 30, 1978, and reflect bank holding company formations and acquisitions approved as of August 31, 1979. Applications by Applicant to acquire The First National Bank ("Galion Bank"), Galion, Ohio, and The Fairfield National Bank, Lancaster, Ohio, were approved on June 8 and August 23, 1979, respectively. On September 28, 1979, the Board approved the acquisition of The Citizens National Bank, Bryan, Ohio ($75.7 million in deposits), by Applicant.

2. The Marion banking market is approximated by Marion County and the townships of Jackson and Claibourne, Ohio. Banking data for this banking market are as of June 30, 1978.

3. In commenting on this application, the Department of Justice concluded that the effect of this acquisition on competition would be adverse, but it recognized that the likelihood of de novo entry is limited.

served lend weight toward approval of the application, and are sufficient to outweigh any anticompetitive effects associated with the proposal. Based upon the foregoing and other considerations reflected in the record, it is the Board's judgment that the proposed acquisition is in the public interest and the application should be approved.

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

By order of the Board of Governors, effective November 9, 1979.

Voting for this action: Chairman Volcker and Governors Schultz, Coldwell, and Partee. Voting against this action: Governors Wallich, Teeters, and Rice.

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

## *Dissenting Statement of Governors Wallich, Teeters, and Rice*

We would deny the application of National City Corporation to acquire National City Bank of Marion for reasons similar to those set forth in Dissenting Statements to past actions by the Board approving applications by major bank holding companies seeking to acquire a banking organization with a significant presence in one or more markets where the applicant was not present.[1] We believe that consummation of this proposal would have an adverse effect upon potential competition which is not outweighed by convenience and needs considerations.

In this case the third largest banking organization in Ohio is seeking to acquire the largest banking organization located in the relevant banking market. Not only is the bank to be acquired sizable, but its market share is more than twice that of any other competitor in the market. In addition, Applicant is one of the most rapidly expanding of Ohio's largest multibank holding companies. In 1979 alone the Board has acted on five applications by National City Corporation to acquire banks, and in all but one of those cases the bank to be acquired was the largest in its market. Under the circumstances we consider future entry by Applicant into the Marion banking market by less anticompetitive means to be more probable than does the majority.

In our view the competitive effects of this acquisition are so seriously adverse as to warrant denial, and we perceive no significant offsetting benefits to alter that conclusion.

In light of this, we would deny this application.

November 9, 1979

1. See *National Detroit Corporation*, 65 FEDERAL RESERVE BULLETIN 928 (October 25, 1979), and Orders there cited.

## Old Kent Financial Corporation, Grand Rapids, Michigan

### *Order Denying Acquisition of Bank Holding Company*

Old Kent Financial Corporation, Grand Rapids, Michigan ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act (the "Act"), has applied for the Board's approval under section 3(a)(5) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(5)) to merge Peoples Banking Corporation, Bay City, Michigan ("Peoples"), into Applicant.

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

Applicant, the sixth largest banking organization in Michigan,[2] controls 10 banks with aggregate deposits of approximately $1.35 billion, representing 3.5 percent of total commercial bank deposits in the state. Peoples, the 12th largest banking organization in Michigan, controls 6 banks with aggregate deposits of approximately $613 million, representing 1.6 percent of statewide commercial bank deposits. Upon consummation of the proposal, Applicant's share of commercial bank deposits in Michigan would increase to 5.1 percent and it would become the fifth largest banking organization in the state.

Section 3(c) of the Act provides, in part, that the Board may not approve any proposed acquisition, the effect of which, in any section of the

1. Mr. Plum, a shareholder of both Applicant and Peoples, urged denial of the proposal on competitive grounds.
2. All banking data are as of June 30, 1978.

country, may be substantially to lessen competition or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

As of December 31, 1976, the proportion of statewide deposits held by Michigan's five largest banking organizations stood at 45.0 percent, having reached that point after a five-year decline from December 31, 1971, when that proportion was 50.2 percent. Consummation of this proposal, and another recently approved by the Board, would result in an increase in this ratio to 49.3 percent.[3] The Board believes that such a rapid increase in the concentration of statewide banking resources is cause for concern. The Board is not required to await the development of undue concentration among bank holding companies in Michigan before it intervenes. Indeed, the underlying purpose of the Clayton Act, as incorporated in the Bank Holding Company Act, is to brake the force of a trend toward undue concentration before it gathers momentum. See *Brown Shoe Co.* v. *United States*, 370 U.S. 294, 317-18).

The Board has often expressed its concern regarding the concentration of banking resources within a state, and this concern has at times resulted in denial of applications presented to the Board.[4] In other instances, the Board has concluded that although some increase in statewide concentration was involved, such an increase was insufficient to warrant denial.[5] The latter cases have generally involved the acquisition of organizations that were smaller than Peoples in terms of deposit size and statewide deposit share. In view of the recent, rapid increase in statewide concentration in Michigan, the Board concludes that consummation of this proposal, which would increase by 1.3 percent the amount of statewide deposits held by Michigan's five largest bank holding companies, would have substantially adverse effects on the concentration of banking resources in Michigan. Consummation would also eliminate a large, viable multibank holding company from its status as a potential competitor with other banking organizations in Michigan.

The competitive effects associated with this proposal, in addition to the general effect upon the structure of banking in Michigan, must be considered within a number of separate banking markets. None of Applicant's subsidiary banks is located in the same banking market as any of Peoples' subsidiary banks. Thus, consummation of the proposal would have no adverse effects on existing competition. With regard to potential competition, however, the Board notes that both Applicant and Peoples are among the dominant banking organizations in the majority of the banking markets they serve. Indeed, Peoples is the second or third largest banking organization in all of the six markets in which it is represented, while Applicant holds in excess of 25 percent of market deposits in four of its seven markets. The following tables provide the relevant market data:

The size of both Applicant and Peoples demon-

Peoples' Market Data

| Market | Number of banking organizations | Rank | Market bank deposits ($000,000) | Percent | Four bank concentration ratio (Percent) |
|---|---|---|---|---|---|
| Bay City-Saginaw | 12 | 2 | 342.5 | 24.4[6] | 79.5 |
| Mount Pleasant | 7 | 3 | 39.7 | 20.2 | 83.1 |
| Standish-West Branch | 4 | 2 | 36.7 | 29.1 | 100.0 |
| Oscoda | 2 | 2 | 20.2 | 37.9 | 100.0 |
| Tuscola | 12 | 3 | 21.9 | 13.7 | 54.5 |
| Flint | 11 | 3 | 145.3 | 8.0 | 90.4 |

3. Between year-end 1976 and 1978 this ratio increased to 47.7 percent.

4. *E.g., First Int'l Bancshares*, 60 FEDERAL RESERVE BULLETIN 290 (1974).

5. *E.g, First City Bancorporation of Texas, Inc*, 65 FEDERAL RESERVE BULLETIN, 862 (Order of September 10, 1979); *First National Financial Corporation*, 64 FEDERAL RESERVE BULLETIN 119 (1978). Applicant suggests that the competitive impact of its proposal compares favorably with that presented in *First City Bancorporation* since population growth in Texas is more rapid than in Michigan and the Applicant in *First City Bancorporation* held a larger share of statewide deposits. The Board believes the opposite conclusion would be more accurate, however, because Michigan's statewide deposit concentration is considerably higher than that of Texas (Michigan's five largest banking organizations hold 47.7 percent of statewide deposits compared to 34.0 percent in Texas) and Texas has more multibank holding companies (36 as compared to 22). The organization to be acquired here is also about 50 percent larger in terms of deposit size ($613 million compared to $413 million) and controls a larger share of Statewide deposits (1.6 percent compared to 0.6 percent).

6. The Bay City-Saginaw market is comprised of two

Applicant's Market Data

| Market | Number of banking organizations | Rank | Market bank deposits ($000,000) | Percent | Four bank concentration ratio (Percent) |
|---|---|---|---|---|---|
| Fremont-Newago | 6 | 2 | 22.6 | 26.2 | 83.1 |
| Grand Rapids | 16 | 1 | 1013.5 | 48.3 | 89.0 |
| Muskegon-Grand Haven | 7 | 6 | .8 | .1 | 87.4 |
| Holland | 3 | 2 | 88.6 | 31.0 | 100.0 |
| Lake City-Cadillac | 4 | 4 | 28.4 | 12.6 | 100.0 |
| Detroit | 49 | 14 | 147.2 | .7 | 70.4 |
| Big Rapids | 5 | 1 | 52.8 | 44.2 | 99.1 |

strates that each has the potential to expand into the markets in which the other presently operates. Applicant particularly appears to be a probable entrant into Peoples' markets in view of its past performance.[7] It has entered one market de novo after the Board denied its proposal to acquire an existing bank in that market,[8] and has acquired other banks outside of its area of principal operations in Western Michigan. Moreover, the instant proposal represents Applicant's second attempt to enter the Bay City-Saginaw market, an earlier application to acquire a large Saginaw bank having been denied by the Board in 1974.[9]

Several of the markets involved in this proposal are either attractive for de novo entry, or could support such entry. The Board has reconsidered its previous conclusion that the Bay City-Saginaw market is not attractive for de novo entry, *National Detroit Corporation*, 64 FEDERAL RESERVE BULLETIN 763 (1978). It now appears that it would be more accurate to conclude that although that portion of the market consisting of Gladwin and Bay counties is unattractive for such entry, the Midland and Saginaw County half of the market is relatively attractive since those two counties rank sixth and seventh, respectively, in terms of per capita income among Michigan counties. Both counties also have above average population per banking office and above average growth in both deposits and population.

The Flint market is also attractive for de novo entry, ranking third in per capita income. Although its deposit growth has been below average recently and it has experienced a slight decline in population, both deposits per banking office and population per banking office are relatively high. Moreover, Applicant's entry into the Flint market through the acquisition of Peoples cannot be regarded as a foothold entry. While People's market share is considerably smaller than the Flint market's two largest competitors, it is nevertheless the third largest of eleven banking organizations in the market, holding eight percent, or $145 million, of the market's deposits. Finally, the Grand Rapids market, in which Applicant holds some 48 percent of the market deposits, appears to be capable of supporting de novo entry.

Acquisition of Peoples by Applicant would eliminate the probability that these two organizations will come into direct competition. Moreover, approval of this proposal would do nothing to reduce the concentration in the markets involved. On the other hand, denial of the proposal preserves the distinct possibility that Applicant and Peoples will be confronting each other in these concentrated markets in the future. Competition, and ultimately, consumers of banking services, should benefit from such an eventuality. In view of the facts of record, including the large market shares held by Applicant and Peoples, and the level of concentration and other characteristics of the markets involved, the Board concludes that consummation of this proposal would have substantially adverse effects on potential competition in these markets. These adverse effects alone are sufficient to warrant denial of the proposal [10] unless they are outweighed by factors related to the convenience and needs of the communities to be served.

standard metropolitan statistical areas ("SMSAs"). Within the sub-market of the Bay City SMSA, Peoples is the largest banking organization, holding approximately 42 percent of total deposits.

7. Although Peoples presently appears somewhat less capable of expansion than Applicant, its sound financial condition and record of previous expansion demonstrate that its potential for expansion cannot be disregarded.

8. *Old Kent Financial Corporation* (National Lumberman's Bank and Trust Company), 61 FEDERAL RESERVE BULLETIN 247 (1975).

9. *Old Kent Financial Corporation* (Century Financial Corporation), 60 FEDERAL RESERVE BULLETIN 301 (1974).

10. Moreover, the inter-relationship between approving a proposal that may perpetuate the concentrated nature of a large

The Board has, in the recent past, approved acquisitions in Michigan with facts somewhat similar to those involved in this proposal.[11] Competitive analysis involves questions of judgment that require close scrutiny of the particular facts of each case, however, and the Board is satisfied that this proposal involves facts sufficiently different to warrant the opposite result.

The financial and managerial resources and future prospects of Applicant, Peoples, and their subsidiary banks, are satisfactory and consistent with approval of the application. It does not appear that Applicant's acquisition of Peoples would result in substantial benefits with regard to the services provided to the relevant communities. Although Applicant proposes to improve certain services offered by Peoples, both organizations are sufficiently large to serve their respective communities adequately, and to expand the services they presently provide. Thus, although convenience and needs considerations, including Community Reinvestment Act factors, are consistent with approval of the proposal, these factors do not outweigh the adverse competitive considerations described above.

It is the Board's judgment that the proposed transaction would not be in the public interest and should be denied. On the basis of the record, the application is denied for the reasons summarized above.

By order of the Board of Governors, effective November 2, 1979.

Voting for this action: Chairman Volcker and Governors Wallich, Coldwell, Partee, Teeters, and Rice. Voting against this action: Governor Schultz.

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

number of local markets and the recent increase in statewide concentration cannot be ignored.

11. *First National Financial Corporation, supra; DETROITBANK Corporation*, 63 FEDERAL RESERVE BULLETIN 926 (1977). These decisions are distinguishable from the present proposal on several grounds, however. *DETROITBANK* involved an acquisition in a market that was not attractive for de novo entry for example, whereas several of the markets involved here are attractive for such entry. *First National*, on the other hand, involved banking organizations that, although similar in size to Peoples, were significantly smaller than Applicant. The increase in size of the resulting organization in *First National* was expected to produce certain competitive benefits that Applicant is already sufficiently large to attain without acquiring Peoples.

## *Order Approved Under Bank Merger Act*

United California Bank,
Los Angeles, California

Gavilan Bank,
Gilroy, California

### *Order Approving Application for Merger of Banks*

United California Bank, Los Angeles, California ("Applicant"), a State member bank of the Federal Reserve System, has applied for the Board's approval, pursuant to the Bank Merger Act (12 U.S.C. § 1828(c)), to merge with Gavilan Bank, Gilroy, California ("Bank"), under the charter and title of Applicant. As an incident to the proposed merger, the existing offices of Gavilan Bank would become branch offices of the resulting bank.

As required by the Bank Merger Act, notice of the proposed transaction in a form approved by the Board was published, and reports on competitive factors were requested from the United States Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The time for filing comments and reports has expired, and all comments and reports received have been considered in light of the factors set forth in the Act.

Applicant is a wholly-owned subsidiary of Western Bancorporation, Los Angeles, California. Applicant is the fifth largest bank in California with total deposits of $7.9 billion, representing 7 percent of commercial bank deposits in the state.[1] Bank, with $50.7 million in deposits, representing less than 0.1 percent of statewide deposits, ranks as the 85th largest commercial bank in California. Bank's acquisition by Applicant would not significantly increase Applicant's share of deposits in the State and thus would have no significant adverse effect on the concentration of banking resources in California.

Bank, with four offices in the San Francisco-Oakland-San Jose metropolitan banking market, holds .08 percent of market deposits. Applicant is also represented in this banking market, with a 2.42 percent market share. The institution surviving the merger would hold 2.50 percent of the market deposits and would continue to be ranked at fourth. Approval of the subject proposal would result in a slight increase in the concentration of banking resources within the San Francisco-

1. All banking data are as of September 30, 1978.

Oakland-San Jose banking market and would remove one independent competitor from the market. However, in view of the market shares of the institutions involved, it appears that consummation would have only a slightly adverse effect on existing competition.

Bank is also represented in two markets in which Applicant has no offices. The two branches of Bank located in the Santa Cruz metropolitan banking market hold a 2.2 percent market share and rank sixth among seven banking institutions. Bank is the smallest of four banks in the Hollister-San Juan Bautista banking market with a 5.8 percent market share. Applicant's closest branches to any of these three offices of Bank are some 30 miles distant. While Applicant has the resources to expand de novo into these areas, it is unlikely to do so given current demographic trends. Therefore, in view of the small market shares held by Bank in these two markets, consummation of this proposal would have only slightly adverse effects on potential competition.

The financial and managerial resources of Applicant and Bank are regarded as generally satisfactory and their future prospects appear favorable. The financial and managerial resources of the resulting institution would also be generally satisfactory and its future prospects favorable. The range and quality of banking services provided to customers of Bank would be increased through the proposed merger. Bank's customers would benefit by the availability of Applicant's wide range of lending and leasing services, larger lending limits, trust department operations, credit card services and investment counseling services. Convenience and needs factors are sufficient to outweigh the slightly adverse competitive effect of the proposed merger. Thus, it has been determined that consummation of the proposed merger would be in the public interest and that the application should be approved.

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

By order of the Secretary of the Board, acting pursuant to delegated authority from the Board of Governors, effective November 7, 1979.

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

### *Determination Under Section 2 of Bank Holding Company Act*

Citicorp,
New York, New York

*Order Granting Determination Under the Bank Holding Company Act*

Citicorp, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, has requested a determination under section 2(g)(3) of the Act (12 U.S.C. § 1841(g)(3)), that Citicorp is not in fact capable directly or indirectly of controlling the transferees of shares of Cresap, McCormick and Paget, Inc. ("CMP"), a management consulting firm, despite the indebtedness of the transferees to Citicorp as a result of their purchase of such shares and other indebtedness of CMP to Citicorp. This request has been made in connection with a sale by Citicorp of *all* CMP's outstanding voting shares to 17 management employees of CMP.[1]

Under section 2(g)(3) of the Act, shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor are deemed to be owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee.

Notice of an opportunity for hearing with respect to Citicorp's request for a determination under section 2(g)(3) was publsihed in the *Federal Register* on October 4, 1977 (42 *Federal Register* 53,998 (1977)). The time for requesting a hearing has expired, and no request has been received by the Board. Citicorp has submitted to the Board evidence to show that it is not in fact capable of controlling the transferees of CMP shares, and the Board has received no contradictory evidence.

1. Arnold B. Becker, Rodney F. Beckwith, Robert L. Bush, James W. Buttimer, Rodman L. Drake, Bill G. Evans, Chris R. Geckeler, Milton F. Heller, Jr., John H. Hoffman, Fred H. Meyer, Georges Petipas, Allan J. Prager, Nicholas J. Radell, George I. Roen, James J. Sullivan, Peter Van Pelt, and George M. Whitmore, Jr.

It is hereby determined that Citicorp is not in fact capable of controlling the transferees of CMP's shares. This determination is based upon the evidence of record in this matter, including information reflecting that the sale of CMP's shares by Citicorp was the result of arm's length negotiations; that there are no officer or director interlocks between CMP and Citicorp or its subsidiaries, and that other operational relationships have been terminated; that the transferees have sufficient personal resources to enable them to resist any attempt by Citicorp to control them or to influence their management of CMP; and that the terms governing the debt relationships are limited to those of the type customarily required in comparable circumstances, and reasonably necessary, consistent with sound banking practices, to assure repayment. Furthermore, Citicorp has undertaken that it will not, in any manner, exercise control or a controlling influence over the transferees or CMP, and if it is necessary that Citicorp reacquire CMP shares upon the default of any transferee, Citicorp will undertake to dispose of those shares promptly.

Accordingly, it is ordered that the request of Citicorp for a determination pursuant to section 2(g)(3) is granted. This determination is based on representations made to the Board by Citicorp and CMP. In the event that the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that Citicorp has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts and circumstances relied upon in making this determination could result in the Board's reconsidering the determination made herein.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(b)(1)), effective November 7, 1979.

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

United Dairy Farmers Investment Company, Cincinnati, Ohio

*Order Granting Determination Under the Bank Holding Company Act*

United Dairy Farmers Investment Company, Cincinnati, Ohio ("UDFIC"), a registered bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956, as amended ("BHC Act") (12 U.S.C. § 1841(a)), by virtue of its ownership prior to December 31, 1978, of more than 25 percent of the outstanding voting shares of American Financial Corporation, Cincinnati, Ohio ("AFC"), which owns all of the outstanding voting shares of The Provident Bank, Cincinnati, Ohio ("Bank"), has requested a determination, pursuant to the provisions of section 2(g)(3) of the BHC Act (12 U.S.C. § 1841(g)(3)), that UDFIC is not in fact capable of controlling Carl H. Lindner and Robert D. Lindner ("Lindner Brothers"), individuals to whom it transferred its shares of AFC, notwithstanding the fact that the two brothers are the partners of the UDFIC partnership and are directors of AFC, and one of the brothers is a director of Bank.

Under the provisions of section 2(g)(3) of the BHC Act, shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferer are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for a hearing, determines that the transferor is not in fact capable of controlling the transferee.

It is hereby determined that UDFIC is not in fact capable of controlling the Lindner Brothers. This determination is based upon the evidence of record in this matter, including the following facts. UDFIC is a partnership in which the Lindner Brothers are the sole partners, holding 60 percent and 40 percent interests, respectively. Under section 4(c)(12) of the BHC Act, UDFIC filed an irrevocable declaration to divest all of its banking interests by 1981. Accordingly, pursuant to a plan of liquidation of the partnership, UDFIC made pro rate distributions of 38 percent of the shares of AFC to the Lindner Brothers, and presently has no interest in FAC. There is no evidence that UDFIC's transfer of shares to the Lindner Brothers was intended as a means for perpetuating UDFIC's control over AFC. Moreover, from the record it appears that control over UDFIC and the transferred shares of AFC rests with the Lindner Brothers as individuals, and there is no evidence that UDFIC controls or is in fact capable of controlling, the Lindner Brothers in their capacity as transferees of sahres of AFC, or otherwise.

Accordingly, it is ordered that the request of UDFIC for a determination pursuant to section

2(g)(3) be and hereby is granted. This determination is based upon the representations made to the Board by UDFIC and the Lindner Brothers. In the event the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that UDFIC or the Lindner Brothers has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts or circumstances relied upon in making this determination could result in a reconsideration of the determination made herein.

By order of the Board of Governors, acting through its General Counsel pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective November 29, 1979.

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

*Certifications Pursuant to the Bank Holding Company Tax Act of 1976*

AZL Resources, Inc.,
Phoenix, Arizona

*[Docket No. TCR 76-174]*

*Prior Certification Pursuant to the Bank Holding Company Act of 1976*

AZL Resources, Inc. ("AZL"), Phoenix, Arizona ("AZL") has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code ("Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976 ("Tax Act"), that its proposed sale of 2,806 shares of common stock of The Alamosa National Bank, ("Bank") Alamosa, Colorado, to an unaffiliated individual, is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.) ("BHC Act").

In connection with this request the following information is deemed relevant for purposes of issuing the certification:[1]

1. AZL is a corporation organized on February 1, 1963, under the laws of the state of Arizona. On January 1, 1964, AZL acquired ownership and control of 2,756 shares, representing more than 91 percent of the outstanding voting shares, of Bank.

2. AZL became a bank holding company on December 31, 1970 as a result of the 1970 amendments to the BHC Act by virtue of its ownership and control at that time of more than 25 percent of the outstanding voting shares of Bank, and it registered as such with the Board on October 6, 1971. AZL would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its ownership in that date of more than 25 percent of the outstanding voting shares of Bank. AZL presently owns[2] and controls 2,866[3] shares, representing 96.2 percent of the outstanding voting shares, of Bank.

3. AZL holds property acquired by it on or before July 7, 1970, the disposition of which would be necessary or appropriate to effectuate section 4 of the BHC Act if AZL were to remain a bank holding company beyond December 31, 1980, and which property is "prohibited property" within the meaning of section 1103(a) of the Code.

On the basis of the foregoing information, it is hereby certified that:

(A) AZL is a qualified bank holding corporation within the meaning of the section 1103(b) of the Code, and satisfies the requirements of that subsection;

(B) 2,806 of the shares of Bank that AZL proposes to sell to an unaffiliated individual are all or part of the property by reason of which AZL controls (within the meaning of section 2(a) of the BHC Act) a bank; and

(C) the sale of such shares of Bank to an unaffiliated individual is necessary or appropriate to effectuate the policies the BHC Act.

This certification is based upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification are otherwise than as represented by AZL or that AZL has failed to disclose to the Board other

1. This information derives from AZL's communications with the Board concerning its request for this certification, AZL's Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

2. Although AZL owns all of the shares that are to be sold in this transaction, 20 of such shares are registered in the name of AZL's President and Chief Executive Officer.

3. Subsequent to July 7, 1970, AZL purchased 60 shares of Bank. Under section 1101(c)(1) of the Code, property acquired after July 7, 1970, generally does not qualify for the tax benefits of section 6153(a) of the Code when acquired by an otherwise qualified bank holding company. AZL has not claimed any applicable exception to this general rule, and the 60 shares acquired after July 7, 1970, do not appear to be eligible for tax benefits under the Tax Act and are therefore not the subject of this certification.

material facts, it may revoke this certification.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(g)(3)), effective November 21, 1979.

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

GATX Corporation,
Chicago, Illinois

*Prior Certification Pursuant to the Bank Holding Company Tax Act of 1976*

*[Docket No. CR 76-102]*

CORRECTION

In the prior certification issued on August 13, 1979, to GATX Corporation, Chicago, Illinois ("GATX"), the first paragraph on the first page is corrected to read as follows:

GATX Corporation (formerly General American Transportation Corporation), Chicago, Illinois ("GATX") has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code ("Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976 ("Tax Act"), that its proposed sale of 582,591 shares of common stock ("Bank Shares") of LaSalle National Bank, Chicago, Illinois ("Bank") to Algemene Bank Netherlands N.V. Amsterdam, The Netherlands ("ABN") for cash is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.) ("BHC Act").

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 C.F.R. 265.2(b)(3)), effective November 15, 1979.

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

## *ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT*

### *By the Board of Governors*

During March 1979 the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Room MP-510, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

| Applicant | Bank(s) | Board action (effective date) |
|---|---|---|
| Baylor Bancshares, Inc., Seymour, Texas | The First National Bank of Seymour, Seymour, Texas | November 7, 1979 |
| Utah Bancorporation, Salt Lake City, Utah | Valley Central Bank, Richfield, Utah | November 21, 1979 |

### *By Federal Reserve Banks*

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies of the orders are available upon request to the Reserve Banks.

Section 3

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|---|---|
| Beggs Bancshares, Inc., Beggs, Oklahoma | The Bank of Beggs, Beggs, Oklahoma | Kansas City | November 25, 1979 |
| CENTER POINT BANSHARES CORP., Crawfordsville, Iowa | Iowa State Bank and Trust Co., Center Point, Iowa | Chicago | November 27, 1979 |
| Commerce Bancshares, Inc., Kansas City, Missouri | American Security Bank of Pacific, Pacific, Missouri | Kansas City | November 20, 1979 |
| Commercial Bankshares, Inc. Groffin, Georgia | Bank of Hampton, Hampton, Georgia | Atlanta | November 28, 1979 |
| Eagle Bancshares, Inc., Shallowater, Texas | First State Bank of Shallowater, Shallowater, Texas | Dallas | November 23, 1979 |
| Granbury Bancshares, Inc., Granbury, Texas | Granbury State Bank, Granbury, Texas | Dallas | November 16, 1979 |
| IRVING BANCORP, INC., Chicago, Illinois | The Irving Bank, Chicago, Illinois | Chicago | November 23, 1979 |
| Maitland Bancshares, Inc., Maitland, Missouri | The Maitland Farmers Bank, Maitland, Missouri | Kansas City | November 19, 1979 |
| Mid-Continental Bancorporation, Inc., Milwaukee, Wisconsin | American Hampton Bank, Milwaukee, Wisconsin | Chicago | November 27, 1979 |
| Moore Bancshares Corp., Dumas, Texas | First State Bank, Dumas, Texas | Dallas | November 23, 1979 |
| Pioneer Bancshares, Inc., Ponca City, Oklahoma | Pioneer National Bank, Ponca City, Oklahoma | Kansas City | November 26, 1979 |
| Purdy Bancshares, Inc., Purdy, Missouri | First State Bank of Purdy, Purdy, Missouri | St. Louis | November 26, 1979 |
| Reliable Bancshares, Inc., Albany, Missouri | First State Bank of Pattonsburg, Pattonsburg, Missouri | Kansas City | November 26, 1979 |
| Tonganoxie Bancshares, Inc., Tonganoxie, Kansas | The First State Bank of Tonganoxie, Tonganoxie, Kansas | Kansas City | November 19, 1979 |
| Tri City Bancshares Corporation, Oak Creek, Wisconsin | Tri City National Bank of Oak Creek, Oak Creek, Wisconsin, et al. | Chicago | November 21, 1979 |
| Wolbach Insurance Agency, Inc., Wolbach, Nebraska | Broken Bow Enterprises, Inc., Broken Bow, Nebraska | Kansas City | November 19, 1979 |

Section 4

| Applicant | Nonbanking company (or activity) | Reserve Bank | Effective date |
|---|---|---|---|
| Town Financial Corporation, Hartford City, Indiana | Retention of Town Finance Company, Inc., Hartford City, Indiana | Chicago | November 26, 1979 |

## *Pending Cases Involving the Board of Governors*

*Does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.*

*Boggs, et al.* v. *Board of Governors*, filed October 1979, U.S.C.A. for the Eighth Circuit.

*Independent Bank Corporation* v. *Board of Governors*, filed Octboer 1979, U.S.C.A. for the Sixth Circuit.

*Wiley* v. *United States, et al.*, filed September 1979, U.S.D.C. for the District of Columbia.

*County National Bancorporation and TGB Co.* v. *Board of Governors*, filed September 1979, U.S.C.A. for the Eighth Circuit.

*State of Indiana* v. *The United States of America, et al.*, filed September 1979, U.S.D.C. for the District of Columbia.

*Edwin F. Gordon* v. *Board of Governors, et al.*, filed August 1979, U.S.D.C. for the Northern District of Georgia.

*Edwin F. Gordon* v. *Board of Governors, et al.*, filed August 1979, U.S.C.A. for the Fifth Circuit.

*American Bankers Association* v. *Board of Governors, et al.*, filed August 1979, U.S.D.C. for the District of Columbia.

*Gregory* v. *Board of Governors*, filed July 1979, U.S.D.C. for the District of Columbia.

*Donald W. Riegel, Jr.* v. *Federal Open Market Committee*, filed July 1979, U.S.D.C. for the District of Columbia.

*Connecticut Bankers Association, et al.*, v. *Board of Governors*, filed May 1979, U.S.C.A. for the District of Columbia.

*Ella Jackson et al.*, v. *Board of Governors*, filed May 1979, U.S.C.A. for the Fifth Circuit.

*Memphis Trust Company* v. *Board of Governors*, filed May 1979, U.S.C.A. for the Sixth Circuit.

*Independent Insurance Agents of America, et al.*, v. *Board of Governors*, filed May 1979, U.S.C.A. for the District of Columbia.

*Independent Insurance Agents of America, et al.*, v. *Board of Governors*, filed April 1979, U.S.C.A. for the District of Columbia.

*Independent Insurance Agents of America, et al.*, v. *Board of Governors*, filed March 1979, U.S.C.A. for the District of Columbia.

*Credit and Commerce American Investment, et al.*, v. *Board of Governors*, filed March 1979 U.S.C.A. for the District of Columbia.

*Consumers Union of the United States*, v. *G. William Miller*, et al., filed December 1978, U.S.D.C. for the District of Columbia.

*Manchester-Tower Grove Community Organization/ACORN* v. *Board of Governors*, filed September 1978, U.S.C.A. for the District of Columbia.

*Beckley* v. *Board of Governors*, filed July 1978, U.S.C.A. for the Northern District of Illinois.

*Independent Bankers Association of Texas* v. *First National Bank in Dallas, et al.*, filed July 1978, U.S.D.C. for the Northern District of Texas.

*Mid-Nebraska Bancshares, Inc.* v. *Board of Governors*, filed July 1978, U.S.C.A. for the District of Columbia.

*Security Bancorp and Security National Bank* v. *Board of Governors*, filed March 1978, U.S.C.A. for the Ninth Circuit.

*Vickars-Henry Corp.* v. *Board of Governors*, filed December 1977, U.S.C.A. for the Ninth Circuit.

*Investment Company Institute* v. *Board of Governors*, filed September 1977, U.S.D.C. for the District of Columbia.

*Roberts Farms, Inc.* v. *Comptroller of the Currency, et al.*, filed November 1975, U.S.D.C. for the Southern District of California.

# Financial and Business Statistics

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## 1.10 MONETARY AGGREGATES AND INTEREST RATES

| Item | 1978 Q4 | 1979 Q1 | 1979 Q2 | 1979 Q3 | 1979 June | 1979 July | 1979 Aug. | 1979 Sept. | 1979 Oct. |
|---|---|---|---|---|---|---|---|---|---|
| | Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[13] | | | | | | | | |
| *Member bank reserves* | | | | | | | | | |
| 1 Total | 2.4 | −3.0 | −5.0 | 6.3 | −1.5 | 12.7 | 7.2 | 11.5 | 20.7 |
| 2 Required | 2.2 | −2.9 | −4.8 | 6.0 | −3.9 | 13.1 | 7.0 | 12.5 | 18.2 |
| 3 Nonborrowed | 4.7 | −3.4 | −8.8 | 8.2 | 9.1 | 20.7 | 10.0 | 4.2 | 1.1 |
| 4 Monetary base[1] | 8.5 | 5.6 | 4.0 | 9.8 | 6.2 | 11.2 | 12.1 | r13.9 | 10.6 |
| *Concepts of money*[2] | | | | | | | | | |
| 5 M-1 | 4.1 | −2.1 | 7.6 | 9.7 | 14.8 | 10.4 | 6.8 | 11.2 | 2.5 |
| 6 M-1+ | 2.7 | −5.0 | 3.7 | 8.2 | 12.3 | 10.2 | 6.5 | 7.2 | −4.6 |
| 7 M-2 | 7.6 | 1.8 | 8.6 | 12.0 | 14.2 | 12.9 | 11.0 | 12.2 | 8.6 |
| 8 M-3 | 9.3 | 4.7 | 7.9 | 10.5 | 11.9 | 11.4 | 10.0 | 10.9 | 7.5 |
| *Time and savings deposits* | | | | | | | | | |
| Commercial banks | | | | | | | | | |
| 9 Total | 12.3 | 8.4 | 1.2 | 9.0 | .8 | 12.2 | 14.6 | 15.1 | 16.6 |
| 10 Savings | .2 | −9.6 | −3.1 | 5.5 | 7.8 | 9.4 | 6.6 | .0 | −16.9 |
| 11 Other time | 18.2 | 15.6 | 18.5 | 19.2 | 17.6 | 18.1 | 19.4 | 21.2 | 32.0 |
| 12 Thrift institutions[3] | 11.6 | 8.8 | 6.8 | 8.4 | 8.8 | 9.3 | 8.5 | 8.9 | 6.2 |
| 13 Total loans and investments at commercial banks[4] | 12.7 | 13.3 | 11.9 | 15.8 | 12.6 | 13.4 | 11.6 | 21.7 | 6.4 |

| Item | 1978 Q4 | 1979 Q1 | 1979 Q2 | 1979 Q3 | 1979 July | 1979 Aug. | 1979 Sept. | 1979 Oct. | 1979 Nov. |
|---|---|---|---|---|---|---|---|---|---|
| | Interest rates (levels, percent per annum) | | | | | | | | |
| *Short-term rates* | | | | | | | | | |
| 14 Federal funds[5] | 9.58 | 10.07 | 10.18 | 10.94 | 10.47 | 10.94 | 11.43 | 13.77 | 13.18 |
| 15 Federal Reserve discount[6] | 9.09 | 9.50 | 9.50 | 10.21 | 9.69 | 10.24 | 10.70 | 11.77 | 12.00 |
| 16 Treasury bills (3-month market yield)[7] | 8.57 | 9.38 | 9.38 | 9.67 | 9.24 | 9.52 | 10.26 | 11.70 | 11.79 |
| 17 Commercial paper (3-month)[7,8] | 9.83 | 10.04 | 9.85 | 10.64 | 9.87 | 10.43 | 11.63 | 13.23 | 13.57 |
| *Long-term rates* | | | | | | | | | |
| Bonds | | | | | | | | | |
| 18 U.S. government[9] | 8.78 | 9.03 | 9.08 | 9.03 | 8.92 | 8.97 | 9.21 | 9.99 | 10.37 |
| 19 State and local government[10] | 6.28 | 6.37 | 6.22 | 6.28 | 6.13 | 6.20 | 6.52 | 7.08 | 7.30 |
| 20 Aaa utility (new issue)[11] | 9.23 | 9.58 | 9.66 | 9.64 | 9.58 | 9.48 | 9.93 | 10.97 | 11.42 |
| 21 Conventional mortgages[12] | 10.12 | 10.33 | 10.35 | 11.13 | 10.95 | 11.10 | 11.35 | 12.15 | n.a. |

1. Includes total reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier); currency outside the U.S. Treasury, Federal Reserve Banks and the vaults of commercial banks; and vault cash of nonmember banks.
2. M-1 equals currency plus private demand deposits adjusted.
M-1+ equals M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.
M-2 equals M-1 plus bank time and savings deposits other than large negotiable certificates of deposit (CDs).
M-3 equals M-2 plus deposits at mutual savings banks, savings and loan associations, and credit union shares.
3. Savings and loan associations, mutual savings banks, and credit unions.
4. Quarterly changes calculated from figures shown in table 1.23.
5. Seven-day averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).
6. Rate for the Federal Reserve Bank of New York.
7. Quoted on a bank-discount basis.
8. Beginning Nov. 1977, unweighted average of offering rates quoted by at least five dealers. Previously, most representative rate quoted by these dealers. Before Nov. 1979, data shown are for 90- to 119-day maturity.
9. Market yields adjusted to a 20-year maturity by the U.S. Treasury.
10. *Bond Buyer* series for 20 issues of mixed quality.
11. Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.
12. Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.
13. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter. Growth rates for member bank reserves are adjusted for discontinuities in series that result from changes in Regulations D and M.

## 1.11 FACTORS AFFECTING MEMBER BANK RESERVES

Millions of dollars

| Factors | Monthly averages of daily figures | | | Weekly averages of daily figures for weeks ending— | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1979 | | | 1979 | | | | | | |
| | Sept. | Oct.p | Nov.p | Oct. 17p | Oct. 24p | Oct. 31p | Nov. 7p | Nov. 14p | Nov. 21p | Nov. 28p |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 **Reserve Bank credit outstanding** | **133,505** | **134,049** | **136,696** | **135,391** | **135,305** | **135,930** | **134,404** | **135,454** | **138,522** | **138,192** |
| 2 U.S. government securities[1] | 112,967 | 113,775 | 115,240 | 113,221 | 113,931 | 115,440 | 114,473 | 114,620 | 116,046 | 115,232 |
| 3 Bought outright | 112,421 | 113,282 | 114,815 | 113,221 | 113,373 | 114,171 | 112,733 | 114,620 | 116,046 | 115,232 |
| 4 Held under repurchase agreements | 546 | 493 | 425 | 0 | 558 | 1,269 | 1,740 | 0 | 0 | 0 |
| 5 Federal agency securities | 8,524 | 8,414 | 8,363 | 8,221 | 8,531 | 8,501 | 8,692 | 8,221 | 8,221 | 8,221 |
| 6 Bought outright | 8,229 | 8,222 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 |
| 7 Held under repurchase agreements | 295 | 192 | 142 | 0 | 310 | 280 | 471 | 0 | 0 | 0 |
| 8 Acceptances | 316 | 173 | 116 | 0 | 125 | 336 | 459 | 0 | 0 | 0 |
| 9 Loans | 1,344 | 2,022 | 1,908 | 1,530 | 2,960 | 3,056 | 1,928 | 1,858 | 1,865 | 2,021 |
| 10 Float | 5,814 | 6,116 | 6,119 | 7,850 | 5,309 | 4,129 | 4,387 | 5,725 | 7,226 | 7,548 |
| 11 Other Federal Reserve assets | 4,540 | 4,423 | 4,950 | 4,569 | 4,449 | 4,467 | 4,465 | 5,031 | 5,164 | 5,170 |
| 12 Gold stock | 11,239 | 11,205 | 11,159 | 11,196 | 11,196 | 11,195 | 11,181 | 11,164 | 11,164 | 11,142 |
| 13 Special drawing rights certificate account | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| 14 Treasury currency outstanding | 12,645 | 12,745 | 12,823 | 12,731 | 12,753 | 12,806 | 12,793 | 12,816 | 12,834 | 12,837 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 15 Currency in circulation | 119,109 | 119,813 | 121,392 | 120,257 | 119,812 | 119,546 | 120,129 | 121,230 | 121,744 | 122,252 |
| 16 Treasury cash holdings | 289 | 347 | 398 | 339 | 356 | 370 | 386 | 397 | 397 | 403 |
| Deposits, other than member bank reserves, with Federal Reserve Banks | | | | | | | | | | |
| 17 Treasury | 4,073 | 3,090 | 3,050 | 2,987 | 3,505 | 3,073 | 3,146 | 2,851 | 3,215 | 3,098 |
| 18 Foreign | 319 | 310 | 353 | 321 | 292 | 320 | 314 | 350 | 386 | 341 |
| 19 Other | 716 | 645 | 294 | 636 | 580 | 648 | 291 | 253 | 275 | 346 |
| 20 Other Federal Reserve liabilities and capital | 4,697 | 4,870 | 4,894 | 4,840 | 4,908 | 5,188 | 4,518 | 4,666 | 5,085 | 5,190 |
| 21 Member bank reserves with Federal Reserve Banks | 29,986 | 31,599 | 32,098 | 31,737 | 31,599 | 32,587 | 31,396 | 31,488 | 33,218 | 32,341 |

| | End-of-month figures | | | Wednesday figures | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1979 | | | 1979 | | | | | | |
| SUPPLYING RESERVE FUNDS | Sept. | Oct.p | Nov.p | Oct. 17p | Oct. 24p | Oct. 31p | Nov. 7p | Nov. 14p | Nov. 21p | Nov. 28p |
| 22 **Reserve bank credit outstanding** | **134,993** | **135,005** | **138,008** | **139,185** | **135,139** | **135,005** | **131,944** | **135,832** | **138,113** | **139,749** |
| 23 U.S. government securities[1] | 115,458 | 114,580 | 118,087 | 113,744 | 113,084 | 114,580 | 111,853 | 113,147 | 114,814 | 116,239 |
| 24 Bought outright | 114,596 | 114,455 | 117,528 | 113,744 | 113,084 | 114,455 | 111,853 | 113,147 | 114,814 | 116,239 |
| 25 Held under repurchase agreements | 862 | 125 | 559 | 0 | 0 | 125 | 0 | 0 | 0 | 0 |
| 26 Federal agency securities | 9,323 | 8,278 | 9,194 | 8,221 | 8,221 | 8,278 | 8,221 | 8,221 | 8,221 | 8,221 |
| 27 Bought outright | 8,224 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 |
| 28 Held under repurchase agreements | 1,099 | 57 | 973 | 0 | 0 | 57 | 0 | 0 | 0 | 0 |
| 29 Acceptances | 1,053 | 317 | 269 | 0 | 0 | 317 | 0 | 0 | 0 | 0 |
| 30 Loans | 1,156 | 2,672 | 2,034 | 4,257 | 4,106 | 2,672 | 941 | 1,425 | 2,240 | 4,715 |
| 31 Float | 2,654 | 4,685 | 3,729 | 8,089 | 5,268 | 4,685 | 6,265 | 6,882 | 7,605 | 5,367 |
| 32 Other Federal Reserve assets | 5,349 | 4,473 | 4,695 | 4,874 | 4,460 | 4,473 | 4,664 | 6,157 | 5,233 | 5,207 |
| 33 Gold stock | 11,228 | 11,194 | 11,112 | 11,196 | 11,196 | 11,194 | 11,164 | 11,164 | 11,164 | 11,112 |
| 34 Special drawing rights certificate account | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| 35 Treasury currency outstanding | 12,825 | 12,937 | 12,868 | 12,753 | 12,753 | 12,937 | 12,793 | 12,834 | 12,834 | 12,842 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 36 Currency in circulation | 118,716 | 120,125 | 121,910 | 120,388 | 119,873 | 120,125 | 120,959 | 121,881 | 122,275 | 122,682 |
| 37 Treasury cash holdings | 337 | 394 | 450 | 349 | 359 | 394 | 394 | 398 | 405 | 373 |
| Deposits, other than member bank reserves, with Federal Reserve Banks | | | | | | | | | | |
| 38 Treasury | 6,489 | 2,209 | 2,590 | 3,423 | 3,218 | 2,209 | 3,340 | 2,981 | 3,402 | 2,941 |
| 39 Foreign | 348 | 352 | 490 | 290 | 301 | 352 | 354 | 379 | 294 | 320 |
| 40 Other | 780 | 286 | 352 | 466 | 582 | 286 | 287 | 252 | 267 | 312 |
| 41 Other Federal Reserve liabilities and capital | 5,086 | 5,011 | 5,378 | 4,907 | 4,917 | 5,011 | 4,271 | 4,989 | 4,993 | 5,124 |
| 42 Member bank reserves with Federal Reserve Banks | 29,089 | 32,561 | 32,617 | 35,111 | 31,638 | 32,561 | 28,097 | 30,751 | 32,275 | 33,750 |

1. *Includes* securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and *excludes* (if any) securities sold and scheduled to be bought back under matched sale–purchase transactions.

NOTE. For amounts of currency and coin held as reserves, see table 1.12.

## 1.12 RESERVES AND BORROWINGS Member Banks

Millions of dollars

| Reserve classification | Monthly averages of daily figures | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1978 | 1979 | | | | | | | | |
| | Dec. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct.p | Nov.p |
| *All member banks* | | | | | | | | | | |
| Reserves | | | | | | | | | | |
| 1 At Federal Reserve Banks | 31,158 | 30,399 | 30,675 | 30,208 | 29,822 | 30,191 | 30,006 | 29,986 | 31,599 | 32,098 |
| 2 Currency and coin | 10,330 | 9,776 | 9,737 | 10,044 | 10,154 | 10,552 | 10,523 | 10,726 | 10,681 | 10,740 |
| 3 Total held[1] | 41,572 | 40,316 | 40,546 | 40,382 | 40,105 | 40,900 | 40,687 | 40,868 | 42,423 | 42,979 |
| 4 Required | 41,447 | 40,059 | 40,548 | 40,095 | 39,884 | 40,710 | 40,494 | 40,863 | 42,002 | 42,770 |
| 5 Excess[1] | 125 | 257 | −2 | 287 | 221 | 190 | 193 | 5 | 421 | 209 |
| Borrowings at Reserve Banks[2] | | | | | | | | | | |
| 6 Total | 874 | 999 | 897 | 1,777 | 1,396 | 1,179 | 1,097 | 1,344 | 2,022 | 1,908 |
| 7 Seasonal | 134 | 121 | 134 | 173 | 188 | 168 | 177 | 169 | 161 | 141 |
| *Large banks in New York City* | | | | | | | | | | |
| 8 Reserves held | 7,120 | 6,892 | 6,804 | 6,658 | 6,346 | 6,605 | 6,408 | 6,437 | 6,655 | 6,695 |
| 9 Required | 7,243 | 6,845 | 6,837 | 6,544 | 6,415 | 6,586 | 6,427 | 6,378 | 6,851 | 6,932 |
| 10 Excess | −123 | 47 | −33 | 114 | −69 | 19 | −19 | 59 | −196 | −237 |
| 11 Borrowings[2] | 99 | 45 | 61 | 150 | 78 | 97 | 79 | 87 | 183 | 139 |
| *Large banks in Chicago* | | | | | | | | | | |
| 12 Reserves held | 1,907 | 1,822 | 1,801 | 1,730 | 1,726 | 1,709 | 1,694 | 1,654 | 1,790 | 1,869 |
| 13 Required | 1,900 | 1,809 | 1,824 | 1,712 | 1,697 | 1,713 | 1,706 | 1,760 | 1,859 | 1,950 |
| 14 Excess | 7 | 13 | −23 | 18 | 29 | −4 | −12 | −106 | −69 | −81 |
| 15 Borrowings[2] | 10 | 26 | 18 | 60 | 64 | 45 | 6 | 80 | 136 | 118 |
| *Other large banks* | | | | | | | | | | |
| 16 Reserves held | 16,446 | 15,844 | 15,948 | 15,926 | 15,989 | 16,374 | 16,370 | 16,426 | 16,519 | 16,663 |
| 17 Required | 16,342 | 15,802 | 16,014 | 15,893 | 15,877 | 16,339 | 16,321 | 16,491 | 16,796 | 17,000 |
| 18 Excess | 104 | 42 | −66 | 33 | 112 | 35 | 49 | −65 | −277 | −337 |
| 19 Borrowings[2] | 276 | 215 | 271 | 721 | 586 | 517 | 484 | 600 | 856 | 804 |
| *All other banks* | | | | | | | | | | |
| 20 Reserves held | 16,099 | 15,758 | 15,993 | 16,068 | 16,044 | 16,212 | 16,215 | 16,351 | 16,495 | 16,496 |
| 21 Required | 15,962 | 15,603 | 15,873 | 15,946 | 15,895 | 16,072 | 16,040 | 16,234 | 16,424 | 16,420 |
| 22 Excess | 137 | 155 | 120 | 122 | 149 | 140 | 175 | 117 | 71 | 76 |
| 23 Borrowings[2] | 489 | 713 | 547 | 846 | 668 | 520 | 528 | 577 | 847 | 847 |
| *Edge corporations* | | | | | | | | | | |
| 24 Reserves held | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 90 | 308 |
| 25 Required | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 72 | 287 |
| 26 Excess | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 18 | 21 |
| *U.S. agencies and branches* | | | | | | | | | | |
| 27 Reserves held | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 185 |
| 27 Required | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 181 |
| 29 Excess | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4 |

| Reserve classification | Weekly averages of daily figures for week (in 1979) ending | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Sept. 26 | Oct. 3 | Oct. 10 | Oct. 17p | Oct. 24p | Oct. 31p | Nov. 7p | Nov. 14p | Nov. 21p | Nov. 28p |
| *All member banks* | | | | | | | | | | |
| Reserves | | | | | | | | | | |
| 30 At Federal Reserve Banks | 30,553 | 31,036 | 30,041 | 31,737 | 31,599 | 32,587 | 31,396 | 31,488 | 33,218 | 32,341 |
| 31 Currency and coin | 10,836 | 10,954 | 11,079 | 10,692 | 9,942 | 10,891 | 11,046 | 11,242 | 10,045 | 10,542 |
| 32 Total held[1] | 41,545 | 42,136 | 41,264 | 42,571 | 41,684 | 43,621 | 42,585 | 42,871 | 43,406 | 43,022 |
| 33 Required | 41,519 | 41,769 | 40,723 | 42,570 | 41,533 | 43,285 | 42,109 | 42,618 | 43,291 | 42,887 |
| 34 Excess[1] | 26 | 367 | 541 | 1 | 151 | 336 | 476 | 253 | 115 | 135 |
| Borrowings at Reserve Banks[2] | | | | | | | | | | |
| 35 Total | 1,159 | 1,114 | 937 | 1,530 | 2,960 | 3,056 | 1,928 | 1,858 | 1,865 | 2,021 |
| 36 Seasonal | 180 | 177 | 136 | 151 | 164 | 187 | 151 | 133 | 151 | 136 |
| *Large banks in New York City* | | | | | | | | | | |
| 37 Reserves held | 6,388 | 6,782 | 6,727 | 7,035 | 6,410 | 6,753 | 6,477 | 6,578 | 6,888 | 6,699 |
| 38 Required | 6,395 | 6,774 | 6,496 | 7,264 | 6,539 | 7,136 | 6,729 | 6,804 | 7,316 | 6,779 |
| 39 Excess | −7 | 8 | 231 | −229 | −129 | 383 | −252 | −226 | −428 | −80 |
| 40 Borrowings[2] | 29 | 99 | 0 | 348 | 308 | 96 | 78 | 107 | 149 | 239 |
| *Large banks in Chicago* | | | | | | | | | | |
| 41 Reserves held | 1,809 | 1,852 | 1,802 | 1,926 | 1,795 | 1,860 | 1,884 | 1,850 | 1,881 | 1,875 |
| 42 Required | 1,803 | 1,855 | 1,773 | 1,967 | 1,830 | 1,866 | 1,879 | 1,951 | 1,994 | 1,960 |
| 43 Excess | 6 | −3 | 29 | −41 | −35 | −6 | 5 | −101 | −113 | −85 |
| 44 Borrowings[2] | 0 | 1 | 64 | 2 | 226 | 309 | 2 | 0 | 75 | 424 |
| *Other large banks* | | | | | | | | | | |
| 45 Reserves held | 16,669 | 16,815 | 16,424 | 16,429 | 16,559 | 16,447 | 17,093 | 16,296 | 16,450 | 16,969 |
| 46 Required | 16,743 | 16,671 | 16,339 | 17,022 | 16,583 | 17,279 | 16,843 | 16,744 | 17,142 | 17,197 |
| 47 Excess | −74 | 144 | 85 | −593 | −24 | −832 | 250 | −448 | −692 | −228 |
| 48 Borrowings[2] | 579 | 441 | 405 | 582 | 1,265 | 1,391 | 835 | 997 | 779 | 601 |
| *All other banks* | | | | | | | | | | |
| 49 Reserves held | 16,679 | 16,687 | 16,311 | 16,291 | 16,574 | 16,508 | 16,371 | 16,460 | 16,507 | 16,567 |
| 50 Required | 16,578 | 16,469 | 16,115 | 16,317 | 16,581 | 16,686 | 16,364 | 16,236 | 16,488 | 16,565 |
| 51 Excess | 101 | 218 | 196 | −26 | −7 | −178 | 7 | 224 | 19 | 2 |
| 52 Borrowings[2] | 551 | 573 | 468 | 598 | 1,161 | 1,260 | 1,013 | 754 | 862 | 757 |
| *Edge corporations* | | | | | | | | | | |
| 53 Reserves held | n.a. | n.a. | n.a. | n.a. | n.a. | 396 | 309 | 312 | 292 | 310 |
| 54 Required | n.a. | n.a. | n.a. | n.a. | n.a. | 318 | 294 | 282 | 276 | 298 |
| 55 Excess | n.a. | n.a. | n.a. | n.a. | n.a. | 78 | 15 | 30 | 16 | 12 |
| *U.S. agencies and branches* | | | | | | | | | | |
| 56 Reserves held | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 609 | 79 | 91 |
| 57 Required | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 601 | 75 | 88 |
| 58 Excess | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 8 | 4 | 3 |

1. Adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merges into an existing member bank, or when a nonmember bank joins the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total because adjusted data by class are not available.

2. Based on closing figures.

## 1.13 FEDERAL FUNDS TRANSACTIONS Money Market Banks

Millions of dollars, except as noted

| Type | 1979, week ending Wednesday | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Oct. 3 | Oct. 10 | Oct. 17 | Oct. 24 | Oct. 31 | Nov. 7 | Nov. 14 | Nov. 21 | Nov. 28 |
| | Total, 46 banks | | | | | | | | |
| *Basic reserve position* | | | | | | | | | |
| 1 Excess reserves[1] | 56 | 361 | 67 | 58 | 194 | 288 | 113 | 16 | −32 |
| LESS: | | | | | | | | | |
| 2 Borrowings at Federal Reserve Banks | 252 | 221 | 489 | 834 | 869 | 213 | 438 | 243 | 757 |
| 3 Net interbank federal funds transactions | 19,007 | 23,129 | 23,567 | 21,712 | 20,332 | 22,729 | 22,817 | 20,945 | 16,939 |
| EQUALS: Net surplus, or deficit (−) | | | | | | | | | |
| 4 Amount | −19,204 | −22,988 | −23,989 | −22,488 | −21,008 | −22,653 | −23,142 | −21,173 | −17,728 |
| 5 Percent of average required reserves | 108.4 | 133.5 | 128.7 | 129.1 | 113.8 | 126.4 | 128.6 | 112.8 | 96.9 |
| *Interbank federal funds transactions* | | | | | | | | | |
| Gross transactions | | | | | | | | | |
| 6 Purchases | 28,904 | 32,356 | 31,379 | 28,320 | 27,700 | 28,973 | 30,733 | 23,397 | 25,712 |
| 7 Sales | 9,896 | 9,227 | 7,812 | 6,608 | 7,367 | 6,244 | 7,915 | 7,451 | 8,773 |
| 8 Two-way transactions[2] | 6,767 | 7,198 | 6,190 | 5,478 | 5,737 | 5,308 | 5,890 | 5,614 | 6,694 |
| Net transactions | | | | | | | | | |
| 9 Purchases of net buying banks | 22,136 | 25,159 | 25,189 | 22,841 | 21,963 | 23,665 | 24,843 | 22,783 | 19,018 |
| 10 Sales of net selling banks | 3,129 | 2,030 | 1,621 | 1,130 | 1,630 | 937 | 2,025 | 1,838 | 2,079 |
| *Related transactions with U.S. government securities dealers* | | | | | | | | | |
| 11 Loans to dealers[3] | 2,973 | 3,551 | 2,992 | 2,575 | 1,800 | 2,322 | 2,121 | 2,293 | 2,488 |
| 12 Borrowings from dealers[4] | 2,103 | 1,520 | 1,590 | 1,571 | 1,285 | 1,546 | 980 | 1,177 | 1,115 |
| 13 Net loans | 870 | 2,030 | 1,402 | 1,004 | 514 | 776 | 1,141 | 1,116 | 1,373 |
| | 8 banks in New York City | | | | | | | | |
| *Basic reserve position* | | | | | | | | | |
| 14 Excess reserves[1] | 15 | 228 | 6 | 33 | 202 | 92 | 46 | 18 | −20 |
| LESS: | | | | | | | | | |
| 15 Borrowings at Federal Reserve Banks | 56 | 0 | 342 | 168 | 58 | 0 | 0 | 142 | 221 |
| 16 Net interbank federal funds transactions | 5,439 | 7,175 | 5,880 | 4,883 | 5,656 | 6,256 | 8,122 | 5,682 | 3,027 |
| EQUALS: Net surplus, or deficit (−) | | | | | | | | | |
| 17 Amount | −5,480 | −6,947 | −6,216 | −5,019 | −5,512 | −6,165 | −8,076 | −5,805 | −3,268 |
| 18 Percent of average required reserves | 89.8 | 119.0 | 94.7 | 82.5 | 86.4 | 101.3 | 131.8 | 88.1 | 53.6 |
| *Interbank federal funds transactions* | | | | | | | | | |
| Gross transactions | | | | | | | | | |
| 19 Purchases | 6,930 | 8,331 | 7,256 | 6,402 | 7,300 | 7,454 | 9,004 | 6,958 | 5,178 |
| 20 Sales | 1,491 | 1,155 | 1,375 | 1,519 | 1,645 | 1,198 | 882 | 1,276 | 2,151 |
| 21 Two-way transactions[2] | 976 | 1,155 | 1,375 | 1,519 | 1,459 | 1,198 | 881 | 1,276 | 1,828 |
| Net transactions | | | | | | | | | |
| 22 Purchases of net buying banks | 5,955 | 7,175 | 5,881 | 4,884 | 5,841 | 6,256 | 8,122 | 5,681 | 3,350 |
| 23 Sales of net selling banks | 516 | 0 | 0 | 0 | 186 | 0 | 0 | 0 | 323 |
| *Related transactions with U.S. government securities dealers* | | | | | | | | | |
| 24 Loans to dealers[3] | 1,854 | 2,340 | 2,139 | 1,838 | 1,107 | 1,407 | 1,400 | 1,489 | 1,722 |
| 25 Borrowings from dealers[4] | 748 | 714 | 780 | 745 | 595 | 698 | 543 | 557 | 557 |
| 26 Net loans | 1,105 | 1,625 | 1,359 | 1,093 | 512 | 709 | 857 | 932 | 1,165 |
| | 38 banks outside New York City | | | | | | | | |
| *Basic reserve position* | | | | | | | | | |
| 27 Excess reserves[1] | 41 | 134 | 61 | 25 | −8 | 196 | 67 | −2 | −12 |
| LESS: | | | | | | | | | |
| 28 Borrowings at Federal Reserve Banks | 196 | 221 | 147 | 666 | 811 | 213 | 438 | 101 | 536 |
| 29 Net interbank federal funds transactions | 13,569 | 15,954 | 17,686 | 16,829 | 14,677 | 16,472 | 14,695 | 15,264 | 13,912 |
| EQUALS: Net surplus, or deficit (−) | | | | | | | | | |
| 30 Amount | −13,724 | −16,041 | −17,772 | −17,469 | 15,496 | −16,488 | −15,066 | −15,367 | −14,460 |
| 31 Percent of average required reserves | 118.2 | 140.9 | 147.1 | 151.5 | 128.4 | 139.3 | 126.9 | 126.2 | 118.6 |
| *Interbank federal funds transactions* | | | | | | | | | |
| Gross transactions | | | | | | | | | |
| 32 Purchases | 21,973 | 24,026 | 24,123 | 21,917 | 20,399 | 21,519 | 12,729 | 21,439 | 20,535 |
| 33 Sales | 8,405 | 8,072 | 6,437 | 5,089 | 5,723 | 5,047 | 7,034 | 6,176 | 6,623 |
| 34 Two-way transactions[2] | 5,792 | 6,042 | 4,815 | 3,959 | 4,278 | 4,110 | 5,009 | 4,338 | 4,866 |
| Net transactions | | | | | | | | | |
| 35 Purchases of net buying banks | 16,182 | 17,983 | 19,308 | 17,958 | 16,122 | 17,409 | 16,721 | 17,101 | 15,669 |
| 36 Sales of net selling banks | 2,613 | 2,030 | 1,621 | 1,130 | 1,444 | 937 | 2,025 | 1,838 | 1,757 |
| *Related transactions with U.S. government securities dealers* | | | | | | | | | |
| 37 Loans to dealers[3] | 1,120 | 1,211 | 853 | 737 | 693 | 915 | 721 | 804 | 766 |
| 38 Borrowings from dealers[4] | 1,355 | 806 | 809 | 827 | 691 | 848 | 437 | 621 | 558 |
| 39 Net loans | −235 | 405 | 43 | −90 | 2 | 68 | 284 | 184 | 203 |

For notes see end of table.

1.13 Continued

| Type | Oct. 3 | Oct. 10 | Oct. 17 | Oct. 24 | Oct. 31 | Nov. 7 | Nov. 14 | Nov. 21 | Nov. 28 |
|---|---|---|---|---|---|---|---|---|---|
| | 1979, week ending Wednesday | | | | | | | | |
| | 5 banks in City of Chicago | | | | | | | | |
| *Basic reserve position* | | | | | | | | | |
| 40 Excess reserves[1] | 0 | 29 | 3 | 19 | 4 | 19 | 12 | 6 | 9 |
| LESS: | | | | | | | | | |
| 41 Borrowings at Federal Reserve Banks | 0 | 64 | 0 | 213 | 300 | 0 | 0 | 75 | 422 |
| 42 Net interbank federal funds transactions | 7,302 | 7,276 | 8,135 | 8,072 | 7,266 | 7,498 | 7,108 | 6,781 | 5,754 |
| EQUALS: Net surplus, or deficit (−) | | | | | | | | | |
| 43 Amount | −7,302 | −7,310 | −8,132 | −8,266 | −7,563 | −7,480 | −7,096 | 6,850 | 6,166 |
| 44 Percent of average required reserves | 421.3 | 442.5 | 441.2 | 484.0 | 433.9 | 425.7 | 388.1 | 367.4 | 336.1 |
| *Interbank federal funds transactions* | | | | | | | | | |
| Gross transactions | | | | | | | | | |
| 45 Purchases | 8,614 | 8,810 | 9,496 | 8,963 | 8,380 | 8,481 | 8,470 | 7,928 | 7,222 |
| 46 Sales | 1,313 | 1,534 | 1,361 | 891 | 1,114 | 983 | 1,362 | 1,147 | 1,468 |
| 47 Two-way transactions[2] | 1,313 | 1,531 | 1,361 | 891 | 1,114 | 983 | 1,362 | 1,147 | 1,468 |
| Net transactions | | | | | | | | | |
| 48 Purchases of net buying banks | 7,302 | 7,280 | 8,135 | 8,072 | 7,266 | 7,499 | 7,108 | 6,781 | 5,754 |
| 49 Sales of net selling banks | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Related transactions with U.S. government securities dealers* | | | | | | | | | |
| 50 Loans to dealers[3] | 144 | 244 | 170 | 113 | 59 | 64 | 64 | 101 | 112 |
| 51 Borrowings from dealers[4] | 52 | 4 | 0 | 68 | 160 | 110 | 0 | 28 | 16 |
| 52 Net loans | 92 | 240 | 170 | 45 | −101 | −46 | 64 | 73 | 96 |
| | 33 other banks | | | | | | | | |
| *Basic reserve position* | | | | | | | | | |
| 53 Excess reserves[1] | 41 | 104 | 58 | 6 | −12 | 178 | 55 | −8 | −21 |
| LESS: | | | | | | | | | |
| 54 Borrowings at Federal Reserve Banks | 196 | 157 | 147 | 453 | 511 | 213 | 438 | 26 | 115 |
| 55 Net interbank federal funds transactions | 6,267 | 8,678 | 9,552 | 8,757 | 7,410 | 8,974 | 7,587 | 8,482 | 8,158 |
| EQUALS: Net surplus, or deficit (−) | | | | | | | | | |
| 56 Amount | −6,422 | −8,731 | −9,641 | −9,204 | −7,933 | −9,009 | −7,970 | −8,517 | −8,294 |
| 57 Percent of average required reserves | 65.0 | 89.7 | 94.2 | 93.7 | 76.8 | 89.4 | 79.4 | 82.6 | 80.1 |
| *Interbank federal funds transactions* | | | | | | | | | |
| Gross transactions | | | | | | | | | |
| 58 Purchases | 13,359 | 15,215 | 14,627 | 12,955 | 12,019 | 13,038 | 13,259 | 13,511 | 13,313 |
| 59 Sales | 7,092 | 6,537 | 5,076 | 4,198 | 4,609 | 4,064 | 5,672 | 5,029 | 5,155 |
| 60 Two-way transactions[2] | 4,479 | 4,512 | 3,454 | 3,069 | 3,164 | 3,128 | 3,647 | 3,191 | 3,398 |
| Net transactions | | | | | | | | | |
| 61 Purchases of net buying banks | 8,880 | 10,704 | 11,173 | 9,886 | 8,855 | 9,910 | 9,612 | 10,320 | 9,915 |
| 62 Sales of net selling banks | 2,613 | 2,026 | 1,621 | 1,130 | 1,444 | 937 | 2,025 | 1,838 | 1,757 |
| *Related transactions with U.S. government securities dealers* | | | | | | | | | |
| 63 Loans to dealers[3] | 976 | 967 | 683 | 624 | 634 | 851 | 657 | 703 | 655 |
| 64 Borrowings from dealers[4] | 1,303 | 802 | 809 | 759 | 531 | 737 | 437 | 592 | 543 |
| 65 Net loans | −328 | 165 | −127 | −135 | 103 | 114 | 220 | 111 | 112 |

1. Based on reserve balances, including adjustments to include waivers of penalities for reserve deficiencies in accordance with changes in policy of the Board of Governors effective Nov. 19, 1975.
2. Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's average purchases and sales are offsetting.
3. Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases from dealers subject to resale), or other lending arrangements.
4. Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by U.S. government or other securities.

NOTE. Weekly averages of daily figures. For description of series, see August 1964 BULLETIN, pp. 944–53. Back data for 46 banks appear in the Board's *Annual Statistical Digest, 1971–1975*, table 3.

## 1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

| Federal Reserve Bank | Loans to member banks | | | | | | | | | Loans to all others under sec. 13, last par.[4] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under secs. 13 and 13a[1] | | | Under sec. 10(b)[2] | | | | | | | | |
| | | | | Regular rate | | | Special rate[3] | | | | | |
| | Rate on 11/30/79 | Effective date | Previous rate | Rate on 11/30/79 | Effective date | Previous rate | Rate on 11/30/79 | Effective date | Previous rate | Rate on 11/30/79 | Effective date | Previous rate |
| Boston | 12 | 10/10/79 | 11 | 12½ | 10/10/79 | 11½ | 13 | 10/10/79 | 12 | 15 | 10/10/79 | 14 |
| New York | 12 | 10/8/79 | 11 | 12½ | 10/8/79 | 11½ | 13 | 10/8/79 | 12 | 15 | 10/8/79 | 14 |
| Philadelphia | 12 | 10/8/79 | 11 | 12½ | 10/8/79 | 11½ | 13 | 10/8/79 | 12 | 15 | 10/8/79 | 14 |
| Cleveland | 12 | 10/8/79 | 11 | 12½ | 10/8/79 | 11½ | 13 | 10/8/79 | 12 | 15 | 10/8/79 | 14 |
| Richmond | 12 | 10/8/79 | 11 | 12½ | 10/8/79 | 11½ | 13 | 10/8/79 | 12 | 15 | 10/8/79 | 14 |
| Atlanta | 12 | 10/9/79 | 11 | 12½ | 10/9/79 | 11½ | 13 | 10/9/79 | 12 | 15 | 10/9/79 | 14 |
| Chicago | 12 | 10/9/79 | 11 | 12½ | 10/9/79 | 11½ | 13 | 10/9/79 | 12 | 15 | 10/9/79 | 14 |
| St. Louis | 12 | 10/8/79 | 11 | 12½ | 10/8/79 | 11½ | 13 | 10/8/79 | 12 | 15 | 10/8/79 | 14 |
| Minneapolis | 12 | 10/8/79 | 11 | 12½ | 10/8/79 | 11½ | 13 | 10/8/79 | 12 | 15 | 10/8/79 | 14 |
| Kansas City | 12 | 10/9/79 | 11 | 12½ | 10/9/79 | 11½ | 13 | 10/9/79 | 12 | 15 | 10/9/79 | 14 |
| Dallas | 12 | 10/9/79 | 11 | 12½ | 10/9/79 | 11½ | 13 | 10/9/79 | 12 | 15 | 10/9/79 | 14 |
| San Francisco | 12 | 10/8/79 | 11 | 12½ | 10/8/79 | 11½ | 13 | 10/8/79 | 12 | 15 | 10/8/79 | 14 |

Range of rates in recent years[5]

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| In effect Dec. 31, 1970 | 5½ | 5½ |
| 1971—Jan. 8 | 5¼–5½ | 5¼ |
| 15 | 5¼ | 5¼ |
| 19 | 5–5¼ | 5¼ |
| 22 | 5–5¼ | 5 |
| 29 | 5 | 5 |
| Feb. 13 | 4¾–5 | 5 |
| 19 | 4¾ | 4¾ |
| July 16 | 4¾–5 | 5 |
| 23 | 5 | 5 |
| Nov. 11 | 4¾–5 | 5 |
| 19 | 4¾ | 4¾ |
| Dec. 13 | 4½–4¾ | 4¾ |
| 17 | 4½–4¾ | 4½ |
| 24 | 4½ | 4½ |
| 1973—Jan. 15 | 5 | 5 |
| Feb. 26 | 5–5½ | 5½ |
| Mar. 2 | 5½ | 5½ |
| Apr. 23 | 5½–5¾ | 5½ |
| May 4 | 5¾ | 5¾ |
| 11 | 5¾–6 | 6 |
| 18 | 6 | 6 |
| June 11 | 6–6½ | 6½ |
| 15 | 6½ | 6½ |

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| 1973—July 2 | 7 | 7 |
| Aug. 14 | 7–7½ | 7½ |
| 23 | 7½ | 7½ |
| 1974—Apr. 25 | 7½–8 | 8 |
| 30 | 8 | 8 |
| Dec. 9 | 7¾–8 | 7¾ |
| 16 | 7¾ | 7¾ |
| 1975—Jan. 6 | 7¼–7¾ | 7¾ |
| 10 | 7¼–7¾ | 7¼ |
| 24 | 7¼ | 7¼ |
| Feb. 5 | 6¾–7¼ | 6¾ |
| 7 | 6¾ | 6¾ |
| Mar. 10 | 6¼–6¾ | 6¼ |
| 14 | 6¼ | 6¼ |
| May 16 | 6–6¼ | 6 |
| 23 | 6 | 6 |
| 1976—Jan. 19 | 5½–6 | 5½ |
| 23 | 5½ | 5½ |
| Nov. 22 | 5¼–5½ | 5¼ |
| 26 | 5¼ | 5¼ |

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| 1977—Aug. 30 | 5¼–5¾ | 5¼ |
| 31 | 5¼–5¾ | 5¾ |
| Sept. 2 | 5¾ | 5¾ |
| Oct. 26 | 6 | 6 |
| 1978—Jan. 9 | 6–6½ | 6½ |
| 20 | 6½ | 6½ |
| May 11 | 6½–7 | 7 |
| 12 | 7 | 7 |
| July 3 | 7–7¼ | 7¼ |
| 10 | 7¼ | 7¼ |
| Aug. 21 | 7¾ | 7¾ |
| Sept. 22 | 8 | 8 |
| Oct. 16 | 8–8½ | 8½ |
| 20 | 8½ | 8½ |
| Nov. 1 | 8½–9½ | 9½ |
| 3 | 9½ | 9½ |
| 1979—July 20 | 10 | 10 |
| Aug. 17 | 10–10½ | 10½ |
| 20 | 10½ | 10½ |
| Sept. 19 | 10½–11 | 11 |
| 21 | 11 | 11 |
| Oct. 8 | 11–12 | 12 |
| 10 | 12 | 12 |
| In effect Nov. 30, 1979 | 12 | 12 |

1. Discounts of eligible paper and advances secured by such paper or by U.S. government obligations or any other obligations eligible for Federal Reserve Bank purchase.

2. Advances secured to the satisfaction of the Federal Reserve Bank. Advances secured by mortgages on 1- to 4-family residential property are made at the section 13 rate.

3. Applicable to special advances described in section 201.2(e)(2) of Regulation A.

4. Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. government or any agency thereof.

5. Rates under secs. 13 and 13a (as described above). For description and earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941* and *1941–1970*; *Annual Statistical Digest*, *1971–1975*, *1972–1976*, and *1973–1977*.

## 1.15 MEMBER BANK RESERVE REQUIREMENTS[1]

Percent of deposits

| Type of deposit, and deposit interval in millions of dollars | Requirements in effect November 30, 1979 | | Previous requirements | |
|---|---|---|---|---|
| | Percent | Effective date | Percent | Effective date |
| *Net demand*[2] | | | | |
| 0–2 | 7 | 12/30/76 | 7½ | 2/13/75 |
| 2–10 | 9½ | 12/30/76 | 10 | 2/13/75 |
| 10–100 | 11¾ | 12/30/76 | 12 | 2/13/75 |
| 100–400 | 12¾ | 12/30/76 | 13 | 2/13/75 |
| Over 400 | 16¼ | 12/30/76 | 16½ | 2/13/75 |
| *Time and savings*[2,3,4] | | | | |
| Savings | 3 | 3/16/67 | 3½ | 3/2/67 |
| Time[5] | | | | |
| 0–5, by maturity | | | | |
| 30–179 days | 3 | 3/16/67 | 3½ | 3/2/67 |
| 180 days to 4 years | 2½ | 1/8/76 | 3 | 3/16/67 |
| 4 years or more | 1 | 10/30/75 | 3 | 3/16/67 |
| Over 5, by maturity | | | | |
| 30–179 days | 6 | 12/12/74 | 5 | 10/1/70 |
| 180 days to 4 years | 2½ | 1/8/76 | 3 | 12/12/74 |
| 4 years or more | 1 | 10/30/75 | 3 | 12/12/74 |

| | Legal limits | |
|---|---|---|
| | Minimum | Maximum |
| *Net demand* | | |
| Reserve city banks | 10 | 22 |
| Other banks | 7 | 14 |
| Time | 3 | 10 |
| Borrowings from foreign banks | 0 | 22 |

1. For changes in reserve requirements beginning 1963, see Board's *Annual Statistical Digest, 1971–1975* and for prior changes, see Board's *Annual Report* for 1976, table 13.

2. (a) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank. Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) The Federal Reserve Act specifies different ranges of requirements for reserve city banks and for other banks. Reserve cities are designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than $400 million is considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are Federal Reserve Banks or branches are also reserve cities. Any banks having net demand deposits of $400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see the Board's Regulation D.

(c) Effective Aug. 24, 1978, the Regulation M reserve requirements on net balances due from domestic banks to their foreign branches and on deposits that foreign branches lend to U.S. residents were reduced to zero from 4 percent and 1 percent, respectively. The Regulation D reserve requirement on borrowings from unrelated banks abroad was also reduced to zero from 4 percent.

(d) Effective with the reserve computation period beginning Nov. 16, 1978, domestic deposits of Edge corporations are subject to the same reserve requirements as deposits of member banks.

3. Negotiable order of withdrawal (NOW) accounts and time deposits such as Christmas and vacation club accounts are subject to the same requirements as savings deposits.

4. The average reserve requirement on savings and other time deposits must be at least 3 percent, the minimum specified by law.

5. Effective Nov. 2, 1978, a supplementary reserve requirement of 2 percent was imposed on large time deposits of $100,000 or more, obligations of affiliates, and ineligible acceptances.

Effective with the reserve maintenance period beginning Oct. 25, 1979, a marginal reserve requirement of 8 percent was added to managed liabilities in excess of a base amount. Managed liabilities are defined as large time deposits, Eurodollar borrowings, repurchase agreements against U.S. government and federal agency securities, federal funds borrowings from nonmember institutions, and certain other obligations. In general, the base for the marginal reserve requirement is $100 million or the average amount of the managed liabilities held by a member bank, Edge corporation, or family of U.S. branches and agencies of a foreign bank for the two statement weeks ending Sept. 26, 1979.

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash.

## 1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions

Percent per annum

| Type and maturity of deposit | Commercial banks | | | | Savings and loan associations and mutual savings banks | | | |
|---|---|---|---|---|---|---|---|---|
| | In effect Dec. 31, 1979 | | Previous maximum | | In effect Dec. 31, 1979 | | Previous maximum | |
| | Percent | Effective date | Percent | Effective date | Percent | Effective date | Percent | Effective date |
| 1 Savings | 5¼ | 7/1/79 | 5 | 7/1/73 | 5½ | 7/1/79 | 5¼ | (7) |
| 2 Negotiable order of withdrawal accounts[1] | 5 | 1/1/74 | (8) | .......... | 5 | 1/1/74 | (8) | .......... |
| Time accounts[2] | | | | | | | | |
| *Fixed ceiling rates by maturity* | | | | | | | | |
| 3 30–89 days | 5¼ | 9/1/79 | 5 | 7/1/73 | (8) | .......... | (8) | .......... |
| 4 90 days to 1 year | 5½ | 7/1/73 | 5 | (9) | [3]5¾ | (7) | 5¼ | 1/21/70 |
| 5 1 to 2 years[3] | 6 | 7/1/73 | 5½ | 1/21/70 | 6½ | (7) | 5¾ | 1/21/70 |
| 6 2 to 2½ years[3] | | | 5¾ | 1/21/70 | | | 6 | 1/21/70 |
| 7 2½ to 4 years[3] | 6½ | 7/1/73 | 5¾ | 1/21/70 | 6¾ | (7) | 6 | 1/21/70 |
| 8 4 to 6 years[4] | 7¼ | 11/1/73 | (10) | .......... | 7½ | 11/1/73 | (10) | .......... |
| 9 6 to 8 years[4] | 7½ | 12/23/74 | 7¼ | 11/1/73 | 7¾ | 12/23/74 | 7½ | 11/1/73 |
| 10 8 years or more[4] | 7¾ | 6/1/78 | (8) | .......... | 8 | 6/1/78 | (8) | .......... |
| 11 Issued to governmental units (all maturities) | 8 | 6/1/78 | 7¾ | 12/23/74 | 8 | 6/1/78 | 7¾ | 12/23/74 |
| 12 Individual retirement accounts and Keogh (H.R. 10) plans (3 years or more)[5] | 8 | 6/1/78 | 7¾ | 7/6/77 | 8 | 6/1/78 | 7¾ | 7/6/77 |
| *Special variable ceiling rates by maturity* | | | | | | | | |
| 13 6 months (money market time deposits)[6] | (11) | (11) | (11) | (11) | (11) | (11) | (11) | (11) |
| 14 4 years or more | (12) | (12) | (12) | (12) | (12) | (12) | (12) | (12) |

1. For authorized states only. Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976, and in New York State on Nov. 10, 1978.
2. For exceptions with respect to certain foreign time deposits see the FEDERAL RESERVE BULLETIN for October 1962 (p. 1279), August 1965 (p. 1094), and February 1968 (p. 167).
3. No minimum denomination. Until July 1, 1979, a minimum of $1,000 was required for savings and loan associations, except in areas where mutual savings banks permitted lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.
4. No minimum denomination. Until July 1, 1979, minimum denomination was $1,000 except for deposits representing funds contributed to an Individual Retirement Account (IRA) or a Keogh (H.R. 10) Plan established pursuant to the Internal Revenue Code. The $1,000 minimum requirement was removed for such accounts in December 1975 and November 1976, respectively.
5. Accounts maturing in less than 3 years subject to regular ceilings.
6. Must have a maturity of exactly 26 weeks and a minimum denomination of $10,000, and must be nonnegotiable.
7. July 1, 1973, for mutual savings bank; July 6, 1973 for savings and loan associations.
8. No separate account category.
9. Multiple maturity: July 20, 1966; single maturity: September 26, 1966.
10. Between July 1, 1973, and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $1,000; however, the amount of such certificates that an institution could issue was limited to 5 percent of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than $1,000, were limited to the 6½ percent ceiling on time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, ceilings were reimposed on certificates maturing in 4 years or more with minimum denominations of $1,000. There is no limitation on the amount of these certificates that banks can issue.

11. Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The ceiling rate for commercial banks is the discount rate on most recently issued 6-month U.S. Treasury bills. Until Mar. 15, 1979, the ceiling rate for savings and loan associations and mutual savings banks was ¼ percentage point higher than the rate for commercial banks. Beginning Mar. 15, 1979, the ¼ percentage point interest differential is removed when the 6-month Treasury bill rate is 9 percent or more. The full differential is in effect when the 6-month bill rate is 8¾ percent or less. Thrift institutions may pay a maximum 9 percent when the 6-month bill rate is between 8¾ and 9 percent. Also effective March 15, 1979, interest compounding was prohibited on money market time deposit at all offering institutions. For both commercial banks and thrift institutions, the maximum allowable rates in November were as follows: Nov. 1, 12.193; Nov. 8, 12.086; Nov. 15, 11.945; Nov. 22, 12.035; Nov. 29, 11.022.
12. Effective July 1, 1979, commercial banks, savings and loan associations, and mutual savings banks are authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 4 years or more. The maximum rate for commercial banks is 1¼ percentage points below the yield on 4-year U.S. Treasury securities; the ceiling rate for thrift institutions is ¼ percentage point higher than that for commercial banks. For deposits issued in November, the ceiling was 10.3 percent at commercial banks and 10.55 percent at thrift institutions. In December, the ceiling at commercial banks is 9.6 percent, and the ceiling at thrift institutions is 9.85 percent.

NOTE. Maximum rates that can be paid by federally insured commercial banks, mutual savings banks, and savings and loan associations are established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217, 329, and 526, respectively. The maximum rates on time deposits in denominations of $100,000 or more with maturities of 30-89 days were suspended in June 1970; such deposits maturing in 90 days or more were suspended in May 1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the FEDERAL RESERVE BULLETIN, the Federal Home Loan Bank Board *Journal* and the *Annual Report* of the Federal Deposit Insurance Corporation.

## 1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

| Type of transaction | 1976 | 1977 | 1978 | 1979 Apr. | 1979 May | 1979 June | 1979 July | 1979 Aug. | 1979 Sept. | 1979 Oct. |
|---|---|---|---|---|---|---|---|---|---|---|
| U.S. GOVERNMENT SECURITIES | | | | | | | | | | |
| Outright transactions (excluding matched sale–purchase transactions) | | | | | | | | | | |
| *Treasury bills* | | | | | | | | | | |
| 1 Gross purchases | 14,343 | 13,738 | 16,628 | [2]2,361 | 0 | 518 | 2,252 | 2,351 | 1,692 | 1,528 |
| 2 Gross sales | 8,462 | 7,241 | 13,725 | 100 | 251 | 623 | 0 | 380 | 353 | 780 |
| 3 Redemptions | [2]5,017 | 2,136 | 2,033 | [2]1,240 | 200 | 0 | 0 | 0 | 200 | 968 |
| *Others within 1 year*[1] | | | | | | | | | | |
| 4 Gross purchases | 472 | 3,017 | 1,184 | 0 | 0 | 42 | 218 | 57 | 120 | 28 |
| 5 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Exchange, or maturity shift | 792 | 4,499 | −5,170 | 439 | 4,660 | 1,152 | 33 | 1,526 | 876 | −116 |
| 7 Redemptions | 0 | 2,500 | 0 | [2]3,240 | 0 | 0 | 0 | 0 | 0 | 668 |
| *1 to 5 years* | | | | | | | | | | |
| 8 Gross purchases | [2]3,202 | 2,833 | 4,188 | [2]640 | 0 | 0 | 237 | 699 | 354 | 703 |
| 9 Gross sales | 177 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 Exchange, or maturity shift | −2,588 | −6,649 | −178 | −439 | −5,209 | −1,152 | −33 | −1,591 | −876 | 116 |
| *5 to 10 years* | | | | | | | | | | |
| 11 Gross purchases | 1,048 | 758 | 1,526 | 0 | 0 | 0 | 96 | 140 | 73 | 0 |
| 12 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Exchange, or maturity shift | 1,572 | 584 | 2,803 | 0 | 350 | 0 | 0 | −240 | 0 | 0 |
| *Over 10 years* | | | | | | | | | | |
| 14 Gross purchases | 642 | 553 | 1,063 | 0 | 0 | 0 | 142 | 81 | 87 | 0 |
| 15 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 Exchange, or maturity shift | 225 | 1,565 | 2,545 | 0 | 200 | 0 | 0 | 305 | 0 | 0 |
| *All maturities*[1] | | | | | | | | | | |
| 17 Gross purchases | [2]19,707 | 20,898 | 24,591 | [2]3,000 | 0 | 561 | 2,945 | 3,327 | 2,326 | 2,259 |
| 18 Gross sales | 8,639 | 7,241 | 13,725 | 100 | 251 | 623 | 0 | 380 | 353 | 780 |
| 19 Redemptions | [2]5,017 | 4,636 | 2,033 | [2]4,480 | 200 | 0 | 0 | 0 | 200 | 1,636 |
| Matched sale–purchase transactions | | | | | | | | | | |
| 20 Gross sales | 196,078 | 425,214 | 511,126 | 62,362 | 54,343 | 52,640 | 40,310 | 35,159 | 41,395 | 58,656 |
| 21 Gross purchases | 196,579 | 423,841 | 510,854 | 61,968 | 53,692 | 52,949 | 40,300 | 35,480 | 41,583 | 58,671 |
| Repurchase agreements | | | | | | | | | | |
| 22 Gross purchases | 232,891 | 178,683 | 151,618 | 5,784 | 2,188 | 15,531 | 18,464 | 10,539 | 10,850 | 10,599 |
| 23 Gross sales | 230,355 | 180,535 | 152,436 | 6,163 | 3,488 | 12,226 | 19,690 | 12,226 | 10,380 | 11,336 |
| 24 Net change in U.S. government securities | 9,087 | 5,798 | 7,743 | −2,352 | −2,403 | 3,552 | 1,708 | 1,582 | 2,431 | −878 |
| FEDERAL AGENCY OBLIGATIONS | | | | | | | | | | |
| Outright transactions | | | | | | | | | | |
| 25 Gross purchases | 891 | 1,433 | 301 | 0 | 0 | 371 | 482 | 0 | 0 | 0 |
| 26 Gross sales | 0 | 0 | 173 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27 Redemptions | 169 | 223 | 235 | * | 40 | 33 | 0 | * | 18 | 3 |
| Repurchase agreements | | | | | | | | | | |
| 28 Gross purchases | 10,520 | 13,811 | 40,567 | 1,173 | 1,149 | 4,443 | 7,247 | 4,057 | 5,016 | 5,146 |
| 29 Gross sales | 10,360 | 13,638 | 40,885 | 1,392 | 1,298 | 3,617 | 7,434 | 4,544 | 4,069 | 6,188 |
| 30 Net change in federal agency obligations | 882 | 1,383 | −426 | −219 | −189 | 1,163 | 295 | −487 | 928 | −1,045 |
| BANKERS ACCEPTANCES | | | | | | | | | | |
| 31 Outright transactions, net | −545 | −196 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 Repurchase agreements, net | 410 | 159 | −366 | 48 | −252 | 1,400 | −241 | −684 | 578 | −735 |
| 33 Net change in bankers acceptances | −135 | −37 | −366 | 48 | −252 | 1,400 | −241 | −684 | 578 | −735 |
| **34 Total net change in System Open Market Account** | **9,833** | **7,143** | **6,951** | **−2,524** | **−2,844** | **6,115** | **1,761** | **412** | **3,937** | **−2,658** |

1. Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): Sept. 1977, 2,500; Mar. 1979, 2,600.

2. In 1976, the System acquired $189 million of 2-year Treasury notes in exchange for maturing bills. In April 1979, the System acquired $640 million of 2-day cash management bills in exchange for maturing 2-year notes. New 2-year notes were later obtained in exchange for the maturing bills. Each of these transactions is treated in the table as both a purchase and a redemption. In Oct. 1979, $668 million of maturing 2- and 4-year notes were exchanged for a like amount of short-term bills, later exchanged for new 2- and 4-year notes.

NOTE. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings. Details may not add to totals because of rounding.

## 1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

| Account | Wednesday | | | | | End of month | | |
|---|---|---|---|---|---|---|---|---|
| | 1979 | | | | | 1979 | | |
| | Oct. 31p | Nov. 7p | Nov. 14p | Nov. 21p | Nov. 28 | Sept. | Oct.p | Nov.p |
| | **Consolidated condition statement** | | | | | | | |
| ASSETS | | | | | | | | |
| 1 Gold certificate account | 11,194 | 11,164 | 11,164 | 11,164 | 11,112 | 11,228 | 11,194 | 11,112 |
| 2 Special drawing rights certificate account | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| 3 Coin | 449 | 441 | 435 | 427 | 428 | 454 | 449 | 415 |
| Loans | | | | | | | | |
| 4 Member bank borrowings | 2,672 | 941 | 1,425 | 2,240 | 4,715 | 1,156 | 2,672 | 2,034 |
| 5 Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acceptances | | | | | | | | |
| 6 Bought outright | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 Held under repurchase agreements | 317 | 0 | 0 | 0 | 0 | 1,053 | 317 | 269 |
| Federal agency obligations | | | | | | | | |
| 8 Bought outright | 8,221 | 8,221 | 8,221 | 8,221 | 8,221 | 8,224 | 8,221 | 8,221 |
| 9 Held under repurchase agreements | 57 | 0 | 0 | 0 | 0 | 1,099 | 57 | 973 |
| U.S. governments securities | | | | | | | | |
| Bought outright | | | | | | | | |
| 10 Bills | 44,028 | 41,426 | 42,720 | 44,387 | 45,812 | 44,232 | 44,028 | 47,101 |
| 11 Certificates—Special | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Notes | 56,242 | 56,242 | 56,242 | 55,928 | 55,928 | 56,179 | 56,242 | 55,928 |
| 13 Bonds | 14,185 | 14,185 | 14,185 | 14,499 | 14,499 | 14,185 | 14,185 | 14,499 |
| 14 Total[1] | 114,455 | 111,853 | 113,147 | 114,814 | 116,239 | 114,596 | 114,455 | 117,528 |
| 15 Held under repurchase agreements | 125 | 0 | 0 | 0 | 0 | 862 | 125 | 559 |
| 16 Total U.S. government securities | 114,580 | 111,853 | 113,147 | 114,814 | 116,239 | 115,458 | 114,580 | 118,087 |
| 17 **Total loans and securities** | **125,847** | **121,015** | **122,793** | **125,275** | **129,175** | **126,990** | **125,847** | **129,584** |
| 18 Cash items in process of collection | 11,693 | 12,368 | 15,783 | 15,167 | 12,137 | 8,986 | 11,693 | 10,137 |
| 19 Bank premises | 402 | 402 | 402 | 401 | 402 | 400 | 402 | 403 |
| Other assets | | | | | | | | |
| 20 Denominated in foreign currencies[2] | 1,432 | 1,453 | 2,573 | 2,565 | 2,554 | 1,536 | 1,432 | 2,607 |
| 21 All other | 2,639 | 2,809 | 3,182 | 2,267 | 2,251 | 3,413 | 2,639 | 1,685 |
| 22 **Total assets** | **155,456** | **151,452** | **158,132** | **159,066** | **159,859** | **154,807** | **155,456** | **157,743** |
| LIABILITIES | | | | | | | | |
| 23 Federal Reserve notes | 108,029 | 109,000 | 109,879 | 110,273 | 110,642 | 106,683 | 108,029 | 109,908 |
| Deposits | | | | | | | | |
| 24 Reserve accounts | | | | | | | | |
| 25 Member Banks | 32,192 | 27,758 | 29,875 | 31,928 | 33,278 | 29,089 | 32,192 | 32,280 |
| 26 Edge Act Corporations | 369 | 339 | 356 | 283 | 369 | 0 | 369 | 296 |
| 27 U.S. agencies and branches of foreign banks | 0 | 0 | 520 | 64 | 103 | 0 | 0 | 41 |
| 28 Total | 32,561 | 28,097 | 30,751 | 32,275 | 33,750 | 29,089 | 32,561 | 32,617 |
| 29 U.S. Treasury—General account | 2,209 | 3,340 | 2,981 | 3,402 | 2,941 | 6,489 | 2,209 | 2,590 |
| 30 Foreign | 352 | 354 | 379 | 294 | 320 | 348 | 352 | 490 |
| 31 Other | 286 | 287 | 252 | 267 | 312 | 780 | 286 | 352 |
| 32 Total deposits | 35,408 | 32,078 | 34,363 | 36,238 | 37,323 | 36,706 | 35,408 | 36,049 |
| 33 Deferred availability cash items | 7,008 | 6,103 | 8,901 | 7,562 | 6,770 | 6,332 | 7,008 | 6,408 |
| 34 Other liabilities and accrued dividends[3] | 1,849 | 1,809 | 2,321 | 2,119 | 2,049 | 2,078 | 1,849 | 2,313 |
| 35 **Total liabilities** | **152,294** | **148,990** | **155,464** | **156,192** | **156,784** | **151,799** | **152,294** | **154,678** |
| CAPITAL ACCOUNTS | | | | | | | | |
| 36 Capital paid in | 1,136 | 1,136 | 1,135 | 1,140 | 1,142 | 1,135 | 1,136 | 1,142 |
| 37 Surplus | 1,078 | 1,078 | 1,078 | 1,078 | 1,078 | 1,078 | 1,078 | 1,078 |
| 38 Other capital accounts | 948 | 248 | 455 | 656 | 855 | 795 | 948 | 845 |
| 39 **Total liabilities and capital accounts** | **155,456** | **151,452** | **158,132** | **159,066** | **159,859** | **154,807** | **155,456** | **157,743** |
| 40 MEMO: Marketable U.S. government securities held in custody for foreign and international account | 81,928 | 80,037 | 77,055 | 77,037 | 74,473 | 82,703 | 81,928 | 74,403 |
| | **Federal Reserve note statement** | | | | | | | |
| 41 Federal Reserve notes outstanding (issued to Bank) | 124,342 | 124,369 | 124,343 | 124,521 | 124,819 | 122,457 | 124,342 | 124,864 |
| *Collateral held against notes outstanding* | | | | | | | | |
| 42 Gold certificate account | 11,194 | 11,164 | 11,164 | 11,164 | 11,112 | 11,228 | 11,194 | 11,112 |
| 43 Special Drawing Rights certificate account | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| 44 Eligible paper | 1,743 | 647 | 1,146 | 1,222 | 1,373 | 848 | 1,743 | 1,246 |
| 45 U.S. government and agency securities | 109,605 | 110,758 | 110,233 | 110,335 | 110,534 | 108,581 | 109,605 | 110,706 |
| 46 **Total collateral** | **124,342** | **124,369** | **124,343** | **124,521** | **124,819** | **122,457** | **124,342** | **124,864** |

1. *Includes* securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and *excludes* (if any) securities sold and scheduled to be bought back under matched sale-purchase transactions.

2. Beginning December 29, 1978, such assets are revalued monthly at market exchange rates.

3. Includes exchange-translation account reflecting, beginning December 29, 1978, the monthly revaluation at market exchange rates of foreign-exchange commitments.

## 1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

| Type and maturity | Wednesday 1979 Oct. 31 | Nov. 7 | Nov. 14 | Nov. 21 | Nov. 28 | End of month 1979 Sept. 30 | Oct. 31 | Nov. 30 |
|---|---|---|---|---|---|---|---|---|
| 1 Loans | 2,672 | 941 | 1,425 | 2,240 | 4,715 | 1,157 | 2,672 | 2,034 |
| 2 Within 15 days | 2,577 | 866 | 1,335 | 2,166 | 4,681 | 1,079 | 2,577 | 1,894 |
| 3 16 days to 90 days | 95 | 75 | 90 | 74 | 34 | 78 | 95 | 140 |
| 4 91 days to 1 year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 Acceptances | 317 | 0 | 0 | 0 | 0 | 1,053 | 317 | 269 |
| 6 Within 15 days | 317 | 0 | 0 | 0 | 0 | 1,053 | 317 | 269 |
| 7 16 days to 90 days | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 91 days to 1 year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 U.S. Government securities | 114,580 | 111,853 | 113,147 | 114,814 | 116,239 | 115,458 | 114,580 | 118,087 |
| 10 Within 15 days[1] | 6,848 | 5,268 | 3,631 | 3,761 | 5,063 | 3,481 | 6,848 | 4,402 |
| 11 16 days to 90 days | 20,930 | 20,845 | 21,362 | 23,182 | 23,077 | 25,171 | 20,930 | 24,787 |
| 12 91 days to 1 year | 35,036 | 33,974 | 36,388 | 35,364 | 35,592 | 34,983 | 35,036 | 36,196 |
| 13 Over 1 year to 5 years | 27,089 | 27,089 | 27,089 | 27,116 | 27,116 | 27,146 | 27,089 | 27,311 |
| 14 Over 5 years to 10 years | 12,294 | 12,294 | 12,294 | 12,694 | 12,694 | 12,294 | 12,294 | 12,694 |
| 15 Over 10 years | 12,383 | 12,383 | 12,383 | 12,697 | 12,697 | 12,383 | 12,383 | 12,697 |
| 16 Federal agency obligations | 8,278 | 8,221 | 8,221 | 8,221 | 8,221 | 9,323 | 8,278 | 9,194 |
| 17 Within 15 days[1] | 109 | 0 | 35 | 104 | 125 | 1,186 | 109 | 1,098 |
| 18 16 days to 90 days | 352 | 431 | 396 | 327 | 420 | 223 | 352 | 420 |
| 19 91 days to 1 year | 1,350 | 1,323 | 1,323 | 1,323 | 1,354 | 1,369 | 1,350 | 1,363 |
| 20 Over 1 year to 5 years | 4,290 | 4,290 | 4,290 | 4,290 | 4,177 | 4,376 | 4,290 | 4,168 |
| 21 Over 5 years to 10 years | 1,435 | 1,435 | 1,435 | 1,435 | 1,403 | 1,427 | 1,435 | 1,403 |
| 22 Over 10 years | 742 | 742 | 742 | 742 | 742 | 742 | 742 | 742 |

1. Holdings under repurchase agreements are classified as maturing within 15 days in accordance with maximum maturity of the agreements.

## 1.20 BANK DEBITS AND DEPOSIT TURNOVER

Debits are shown in billions of dollars, turnover as ratio of debits to deposit. Monthly data are at annual rates.

| Bank group, or type of customer | 1976 | 1977 | 1978 | 1979 May | June | July | Aug. | Sept. |
|---|---|---|---|---|---|---|---|---|
| | Debits to demand deposits[2] (seasonally adjusted) | | | | | | | |
| 1 All commercial banks | 29,180.4 | 34,322.8 | 40,300.3 | 47,545.4 | 50,388.3 | 52,102.7 | 52,402.5 | 54,233.1 |
| 2 Major New York City banks | 11,467.2 | 13,860.6 | 15,008.7 | 16,960.3 | 19,747.4 | 20,480.5 | 20,357.2 | 21,117.6 |
| 3 Other banks | 17,713.2 | 20,462.2 | 25,291.6 | 30,585.2 | 30,641.0 | 31,622.2 | 32,045.3 | 33,115.5 |
| | Debits to savings deposits[3] (not seasonally adjusted) | | | | | | | |
| 4 All customers | ............ | 174.0 | 418.1 | 764.4 | 658.8 | 732.8 | 735.8 | 667.6 |
| 5 Business[1] | ............ | 21.7 | 56.7 | 69.4 | 72.6 | 74.1 | 78.2 | 74.5 |
| 6 Others | ............ | 152.3 | 361.4 | 695.0 | 586.2 | 658.8 | 657.6 | 593.1 |
| | Demand deposit turnover[2] (seasonally adjusted) | | | | | | | |
| 7 All commercial banks | 116.8 | 129.2 | 139.4 | 160.3 | 167.3 | 171.9 | 173.1 | 175.0 |
| 8 Major New York City banks | 411.6 | 503.0 | 541.9 | 619.1 | 685.4 | 717.7 | 709.1 | 711.5 |
| 9 Other banks | 79.8 | 85.9 | 96.7 | 113.6 | 112.5 | 115.2 | 116.9 | 118.2 |
| | Savings deposit turnover[3] (not seasonally adjusted) | | | | | | | |
| 10 All customers | ............ | 1.6 | 1.9 | 3.6 | 3.1 | 3.4 | 3.4 | 3.1 |
| 11 Business[1] | ............ | 4.1 | 5.1 | 6.8 | 7.2 | 7.2 | 7.4 | 7.0 |
| 12 Others | ............ | 1.5 | 1.7 | 3.4 | 2.9 | 3.2 | 3.2 | 2.9 |

1. Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and federally sponsored lending agencies).
2. Represents accounts of individuals, partnerships, and corporations, and of states and political subdivisions.
3. Excludes negotiable order of withdrawal (NOW) accounts and special club accounts, such as Christmas and vacation clubs.

NOTE. Historical data—estimated for the period 1970 through June 1977, partly on the basis of the debits series for 233 SMSAs, which were available through June 1977—are available from Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Debits and turnover data for savings deposits are not available prior to July 1977.

## 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

| Item | 1975 Dec. | 1976 Dec. | 1977 Dec. | 1978 Dec. | 1979 May | June | July | Aug. | Sept. | Oct. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | | |
| MEASURES[1] | | | | | | | | | | |
| 1 M-1 | 295.4 | 313.8 | 338.7 | 361.2 | 364.5 | 369.0 | 372.2 | 374.3 | 377.8 | 378.6 |
| 2 M-1+ | 456.8 | 517.2 | 560.6 | 587.2 | 584.1 | 590.1 | 595.1 | 598.3 | 601.9 | 599.7 |
| 3 M-2 | 664.8 | 740.6 | 809.4 | 875.8 | 893.8 | 904.4 | 914.1 | 922.5 | 931.9 | 938.6 |
| 4 M-3 | 1,092.4 | 1,235.6 | 1,374.3 | 1,500.1 | 1,537.0 | 1,552.3 | 1,567.0 | 1,580.0 | r1,594.3 | 1,604.5 |
| 5 M-4 | 745.8 | 803.0 | 883.1 | 972.4 | 984.4 | 989.3 | 998.8 | 1,008.4 | 1,020.0 | 1,029.7 |
| 6 M-5 | 1,173.5 | 1,298.0 | 1,448.0 | 1,596.7 | 1,627.6 | 1,637.2 | 1,651.7 | 1,666.0 | 1,682.4 | 1,695.5 |
| COMPONENTS | | | | | | | | | | |
| 7 Currency | 73.8 | 80.8 | 88.6 | 97.5 | 100.7 | 101.5 | 102.4 | 103.6 | r104.9 | 105.4 |
| Commercial bank deposits | | | | | | | | | | |
| 8 Demand | 221.7 | 233.0 | 250.1 | 263.7 | 263.8 | 267.5 | 269.8 | 270.7 | 273.0 | 273.2 |
| 9 Time and savings | 450.3 | 489.2 | 544.4 | 611.2 | 619.9 | 620.3 | 626.6 | 634.2 | 642.2 | 651.1 |
| 10 Savings | 160.7 | 202.1 | 219.7 | 223.0 | 216.4 | 217.8 | 219.5 | 220.7 | 220.7 | 220.7 |
| 11 Negotiable CDs[2] | 81.0 | 62.4 | 73.7 | 96.6 | 90.6 | 84.9 | 84.7 | 85.9 | 88.1 | 91.1 |
| 12 Other time | 208.6 | 224.7 | 251.0 | 291.5 | 313.0 | 317.6 | 322.4 | 327.6 | 333.4 | 342.3 |
| 13 Nonbank thrift institution deposits[3] | 427.7 | 495.0 | 564.9 | 624.4 | 643.2 | 647.9 | 652.9 | 657.5 | 662.4 | 665.8 |
| | Not seasonally adjusted | | | | | | | | | |
| MEASURES[1] | | | | | | | | | | |
| 14 M-1 | 303.9 | 322.6 | 348.2 | 371.3 | 359.1 | 368.2 | 374.1 | 371.6 | 375.6 | 378.4 |
| 15 M-1+ | 463.6 | 524.2 | 568.0 | 595.2 | 580.6 | 591.0 | 598.8 | 595.6 | 597.8 | 597.8 |
| 16 M-2 | 670.0 | 745.8 | 814.9 | 881.5 | 892.1 | 906.0 | 917.0 | 919.3 | 927.2 | 935.7 |
| 17 M-3 | 1,095.0 | 1,238.3 | 1,377.2 | 1,502.8 | 1,536.4 | 1,556.3 | 1,573.0 | 1,577.1 | r1,588.5 | 1,600.2 |
| 18 M-4 | 753.5 | 810.0 | 890.8 | 981.0 | 981.1 | 990.4 | 1,001.0 | 1,005.7 | 1,017.0 | 1,029.0 |
| 19 M-5 | 1,178.4 | 1,302.6 | 1,453.2 | 1,602.4 | 1,625.4 | 1,640.7 | 1,657.0 | 1,663.4 | 1,678.4 | 1,693.5 |
| COMPONENTS | | | | | | | | | | |
| 20 Currency | 75.1 | 82.1 | 90.1 | 99.1 | 100.6 | 101.8 | 103.2 | 103.9 | 104.5 | 105.2 |
| Commercial bank deposits | | | | | | | | | | |
| 21 Demand | 228.8 | 240.5 | 258.1 | 272.2 | 258.5 | 266.4 | 270.9 | 267.7 | 271.1 | 273.2 |
| 22 Member | 162.8 | 169.4 | 177.5 | 183.0 | 171.8 | 177.1 | 180.5 | 178.5 | 179.4 | 180.4 |
| 23 Domestic nonmember | 62.6 | 67.5 | 76.2 | 85.2 | 82.6 | 84.8 | 86.1 | 85.3 | 87.4 | 88.3 |
| 24 Time and savings | 449.6 | 487.4 | 542.6 | 609.7 | 622.0 | 622.2 | 627.0 | 634.1 | 641.4 | 650.6 |
| 25 Savings | 159.1 | 200.2 | 217.7 | 220.9 | 218.2 | 219.4 | 221.4 | 220.7 | 218.9 | 216.0 |
| 26 Negotiable CDs[2] | 83.5 | 64.3 | 75.9 | 99.5 | 88.9 | 84.4 | 84.0 | 86.4 | 89.8 | 93.3 |
| 27 Other time | 207.1 | 222.9 | 249.0 | 289.2 | 314.9 | 318.3 | 321.6 | 327.1 | 332.7 | 341.2 |
| 28 Other checkable deposits[4] | .7 | 1.4 | 2.1 | 3.0 | 3.3 | 3.3 | 3.4 | 3.4 | 3.4 | 3.4 |
| 29 Nonbank thrift institution deposits[3] | 424.9 | 492.5 | 562.3 | 621.4 | 644.3 | 650.3 | 656.0 | 657.8 | 661.4 | 664.5 |
| 30 U.S. government demand deposits (all commercial banks)[5] | 4.1 | 4.4 | 5.1 | 10.2 | 8.4 | 10.8 | 13.2 | 9.8 | 12.4 | 11.7 |

1. Composition of the money stock measures is as follows:

M-1: Averages of daily figures for (1) demand deposits at commercial banks other than domestic interbank and U.S. government, less cash items in process of collection and Federal Reserve float; (2) foreign demand balances at Federal Reserve Banks; and (3) currency outside the Treasury, Federal Reserve Banks, and vaults of commercial banks.

M-1+: M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M-2: M-1 plus savings deposits, time deposits open account, and time certificates of deposit (CDs) other than negotiable CDs of $100,000 or more at large weekly reporting banks.

M-3: M-2 plus the average of the beginning- and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

M-4: M-2 plus large negotiable CDs.

M-5: M-3 plus large negotiable CDs.

2. Negotiable time CDs issued in denominations of $100,000 or more by large weekly reporting commercial banks.

3. Average of the beginning- and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.

4. Includes NOW accounts at thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

5. Includes Treasury note balances beginning Nov. 2, 1978.

NOTE. Latest monthly and weekly figures are available from the Board's H.6 (508) release. Back data are available from the Banking Section, Division of Research and Statistics.

NOTES TO TABLE 1.23:

1. Includes domestic chartered banks, U.S. branches, agencies, and New York investment company subsidiaries of foreign banks; and Edge Act corporations.

2. Excludes loans to commercial banks in the United States.

3. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

4. United States includes the 50 states and the District of Columbia.

5. As of Dec. 31, 1977, as the result of loan reclassifications, business loans were reduced by $0.2 billion and nonbank financial loans by $0.1 billion; real estate loans were increased by $0.3 billion.

6. As of Dec. 31, 1978, total loans and investments were reduced by $0.1 billion. "Other securities" were increased by $1.5 billion and total loans were reduced by $1.6 billion largely as the result of reclassifications of certain tax-exempt obligations. Most of the loan reduction was in "all other loans."

7. As of Dec. 31, 1978, commercial and industrial loans were reduced $0.1 billion as a result of reclassifications.

8. As of Dec. 31, 1978, commercial and industrial loans sold outright were increased $0.7 billion as the result of reclassifications, but $0.1 billion of this amount was offset by a balance sheet reduction of $0.1 billion as noted above.

9. As of Dec. 31, 1978, nonbank financial loans were reduced $0.1 billion as the result of reclassifications.

10. As of Jan. 3, 1979, as the result of reclassifications, total loans and investments and total loans were increased by $0.6 billion. Business loans were increased by $0.4 billion and real estate loans by $0.5 billion. Nonbank financial loans were reduced by $0.3 billion.

NOTE. Data are prorated averages of Wednesday data for domestic chartered banks, and averages of current and previous month-end data for foreign-related institutions.

## 1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

| Item | 1976 Dec. | 1977 Dec. | 1978 Dec. | 1979 Mar. | 1979 Apr. | 1979 May | 1979 June | 1979 July | 1979 Aug. | 1979 Sept. | 1979 Oct. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | | | |
| 1 Reserves[1] | 34.89 | 36.10 | 41.27 | 40.81 | 40.65 | 40.48 | 40.42 | 40.82 | 41.07 | 41.46 | 42.32 |
| 2 Nonborrowed | 34.84 | 35.53 | 40.40 | 39.82 | 39.73 | 38.72 | 39.00 | 39.65 | 39.98 | 40.12 | 40.30 |
| 3 Required | 34.61 | 35.91 | 41.04 | 40.66 | 40.47 | 40.34 | 40.20 | 40.61 | 40.85 | 41.27 | 42.04 |
| 4 Monetary base[2] | 118.4 | 127.8 | 142.3 | 143.9 | 144.5 | 144.9 | 145.6 | 146.9 | 148.4 | 150.1 | 151.7 |
| 5 Deposits subject to reserve requirements[3] | 528.6 | 568.6 | 616.7 | 616.4 | 618.6 | 613.9 | 613.1 | 618.7 | 623.7 | 630.5 | 639.0 |
| 6 Time and savings | 354.1 | 386.7 | 429.4 | 434.1 | 432.0 | 428.7 | 425.9 | 429.4 | 434.4 | 439.8 | 445.6 |
| Demand | | | | | | | | | | | |
| 7 Private | 171.5 | 178.5 | 185.1 | 180.5 | 184.7 | 183.5 | 184.8 | 187.5 | 187.1 | [r]189.0 | 191.7 |
| 8 U.S. government | 3.0 | 3.5 | 2.3 | 1.8 | 1.8 | 1.7 | 2.4 | 1.8 | 2.2 | 1.8 | 1.8 |
| | Not seasonally adjusted | | | | | | | | | | |
| 9 Monetary base[2] | 120.3 | 129.8 | 144.6 | 142.3 | 144.2 | 144.4 | 145.6 | 147.9 | 148.4 | 149.4 | 151.4 |
| 10 Deposits subject to reserve requirements[3] | 534.8 | 575.3 | 624.0 | 614.3 | 621.1 | 610.9 | 613.9 | 619.2 | 620.4 | 629.0 | 638.6 |
| 11 Time and savings | 353.6 | 386.4 | 429.6 | 434.9 | 432.3 | 429.8 | 427.2 | 429.8 | 434.1 | 439.4 | 445.7 |
| Demand | | | | | | | | | | | |
| 12 Private | 177.9 | 185.1 | 191.9 | 177.5 | 186.8 | 179.2 | 183.9 | 187.8 | 184.5 | 187.5 | 191.4 |
| 13 U.S. government | 3.3 | 3.8 | 2.5 | 1.9 | 2.0 | 1.8 | 2.8 | 1.6 | 1.7 | 2.1 | 1.6 |

1. Series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Jan. 8 and Dec. 30, 1976; and Nov. 2, 1978. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

2. Includes total reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier); currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of commercial banks; and vault cash of nonmember banks.

3. Includes total time and savings deposits and net demand deposits as defined by Reguation D. Private demand deposits include all demand deposits except those due to the U.S. government, less cash items in process of collection and demand balances due from domestic commercial banks.

NOTE. Back data and estimates of the impact on required reserves and changes in reserve requirements are shown in table 14 of the Board's *Annual Statistical Digest, 1971–1975*.

## 1.23 LOANS AND INVESTMENTS All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

| Category | 1977 Dec. | 1978 Dec. | 1979 Aug.[p] | 1979 Sept.[p] | 1979 Oct.[p] | 1977 Dec. | 1978 Dec. | 1979 Aug.[p] | 1979 Sept.[p] | 1979 Oct.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | Not seasonally adjusted | | | | |
| 1 Total loans and securities[2] | 891.1 | [6]1,014.3 | 1,102.8 | 1,122.8 | 1,128.9 | 899.1 | [6]1,023.8 | 1,102.7 | 1,124.7 | 1,130.9 |
| 2 U.S. Treasury securities | 99.5 | 93.4 | 94.1 | 95.2 | 95.3 | 100.7 | 94.6 | 92.2 | 93.6 | 93.2 |
| 3 Other securities | 159.6 | [6]173.1 | 185.4 | 187.6 | 188.8 | 160.2 | [6]173.9 | 185.0 | 187.6 | 189.0 |
| 4 Total loans and leases[2] | 632.1 | [6]747.8 | 823.3 | 840.0 | 844.8 | 638.3 | [6]755.4 | 825.5 | 843.5 | 848.7 |
| 5 Commercial and industrial loans | [5]211.2 | [7]246.5 | 279.9 | 285.9 | 288.6 | [5]212.6 | [7]248.2 | 279.6 | 285.8 | 288.4 |
| 6 Real estate loans | [5]175.2 | 210.5 | 231.3 | 234.1 | 237.1 | [5]175.5 | 210.9 | 232.0 | 235.3 | 238.3 |
| 7 Loans to individuals | 138.2 | 164.9 | 178.8 | 180.2 | 181.3 | 139.0 | 165.9 | 180.4 | 182.4 | 183.3 |
| 8 Security loans | 20.6 | 19.4 | 23.0 | 23.5 | 20.6 | 22.0 | 20.7 | 23.0 | 23.6 | 20.8 |
| 9 Loans to nonbank financial institutions | [5]25.8 | [9]27.1 | 29.5 | 29.8 | 30.9 | [5]26.3 | [9]27.6 | 29.8 | 30.3 | 31.0 |
| 10 Agricultural loans | 25.8 | 28.2 | 29.2 | 29.6 | 30.0 | 25.7 | 28.1 | 29.8 | 30.1 | 30.3 |
| 11 Lease financing receivables | 5.8 | 7.4 | 8.6 | 8.7 | 8.9 | 5.8 | 7.4 | 8.6 | 8.7 | 8.9 |
| 12 All other loans | 29.5 | [6]43.6 | 42.6 | 47.5 | 47.4 | 31.5 | [6]46.6 | 42.3 | 47.2 | 47.6 |
| MEMO: | | | | | | | | | | |
| 13 Total loans and investments plus loans sold[2,3] | 895.9 | [6]1,018.1 | 1,106.5 | 1,126.5 | 1,132.5 | 903.9 | [6]1,027.6 | 1,106.4 | 1,128.4 | 1,134.5 |
| 14 Total loans plus loans sold[2,3] | 636.9 | [6]751.6 | 827.0 | 843.7 | 848.4 | 643.0 | [6]759.2 | 829.2 | 847.2 | 852.3 |
| 15 Total loans sold to affiliates[3] | 4.8 | 3.8 | 3.7 | 3.7 | 3.6 | 4.8 | 3.8 | 3.7 | 3.7 | 3.6 |
| 16 Commercial and industrial loans plus loans sold[3] | [5]213.9 | [8]248.5 | 282.6 | 288.7 | 291.2 | [5]215.3 | [8]250.1 | 282.4 | 288.6 | 291.1 |
| 17 Commercial and industrial loans sold[3] | 2.7 | [8]1.9 | 2.8 | 2.8 | 2.7 | 2.7 | [8]1.9 | 2.8 | 2.8 | 2.7 |
| 18 Acceptances held | 7.5 | 6.8 | 8.0 | 8.6 | 8.0 | 8.6 | 7.5 | 7.5 | 8.0 | 7.9 |
| 19 Other commercial and industrial loans | [5]203.7 | 239.7 | 271.8 | 277.3 | 280.6 | [5]203.9 | 240.9 | 272.1 | 277.8 | 280.5 |
| 20 To U.S. addressees[4] | [5]193.8 | 226.6 | 253.7 | 258.7 | 261.2 | [5]193.7 | 226.5 | 254.2 | 259.2 | 261.4 |
| 21 To non-U.S. addressees | [5]9.9 | 13.1 | 18.1 | 18.6 | 19.5 | [5]10.3 | 14.4 | 17.9 | 18.7 | 19.2 |
| 22 Loans to foreign banks | 13.5 | 21.2 | 20.9 | 24.0 | 23.0 | 14.6 | 23.0 | 20.6 | 23.6 | 22.5 |
| 23 Loans to commercial banks in the United States | 54.1 | 57.3 | 70.9 | 75.9 | 76.4 | 56.9 | 60.3 | 66.4 | 73.5 | 74.2 |

For notes see bottom of opposite page.

## 1.24 ASSETS AND LIABILITIES OF COMMERCIAL BANKING INSTITUTIONS Last-Wednesday-of-Month Series

Billions of dollars except for number of banks

| Account | 1978 | 1979p | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. |
| DOMESTICALLY CHARTERED COMMERCIAL BANKS[1] | | | | | | | | | | | |
| 1 Loans and investments | 1,030.4 | 1,025.2 | 1,031.4 | 1,048.3 | 1,059.4 | 1,071.3 | 1,081.8 | 1,094.3 | 1,112.1 | 1,118.4 | 1,118.3 |
| 2 Loans, gross | 761.6 | 755.6 | 759.8 | 773.9 | 785.3 | 797.9 | 807.6 | 819.4 | 833.8 | 839.0 | 837.0 |
| 3 Interbank | 45.3 | 42.1 | 42.3 | 44.4 | 45.9 | 46.3 | 48.1 | 50.3 | 53.6 | 54.0 | 52.6 |
| 4 Commercial and industrial | 221.6 | 225.3 | 227.8 | 233.0 | 236.4 | 240.5 | 242.0 | 244.1 | 249.4 | 249.8 | 248.1 |
| 5 Other | 494.7 | 488.2 | 489.6 | 496.5 | 503.0 | 511.2 | 517.4 | 525.0 | 530.9 | 535.3 | 536.4 |
| 6 U.S. Treasury securities | 93.1 | 93.1 | 93.6 | 94.2 | 93.2 | 91.6 | 92.1 | 90.6 | 91.9 | 91.5 | 92.1 |
| 7 Other securities | 175.7 | 176.5 | 178.0 | 180.2 | 181.0 | 181.7 | 182.1 | 184.3 | 186.4 | 187.8 | 189.3 |
| 8 Cash assets, total | 177.3 | 147.1 | 135.8 | 139.9 | 158.8 | 146.3 | 140.2 | 145.7 | 148.5 | 160.7 | 158.1 |
| 9 Currency and coin | 15.5 | 15.0 | 15.2 | 15.6 | 16.0 | 16.3 | 16.1 | 16.8 | 16.7 | 16.6 | 18.2 |
| 10 Reserves with Federal Reserve Banks | 34.4 | 29.7 | 30.0 | 33.9 | 32.8 | 32.6 | 29.6 | 33.7 | 31.6 | 34.1 | 34.7 |
| 11 Balances with depositary institutions | 52.3 | 42.5 | 36.8 | 39.0 | 44.6 | 40.8 | 41.2 | 41.1 | 40.7 | 45.5 | 43.7 |
| 12 Cash items in process of collection | 75.1 | 59.9 | 53.7 | 51.4 | 65.4 | 56.5 | 53.4 | 54.1 | 59.5 | 64.6 | 61.5 |
| 13 Other assets | 60.9 | 62.4 | 58.9 | 55.8 | 52.7 | 55.1 | 53.9 | 53.8 | 57.5 | 57.8 | 59.0 |
| **14 Total assets/total liabilities and capital** | **1,268.6** | **1,234.8** | **1,226.1** | **1,244.0** | **1,270.9** | **1,272.7** | **1,275.9** | **1,293.8** | **1,318.2** | **1,336.9** | **1,335.4** |
| 15 Deposits | 1,011.3 | 969.2 | 954.9 | 964.4 | 975.5 | 971.3 | 975.2 | 982.9 | 996.6 | 1,023.6 | 1,017.5 |
| 16 Demand | 399.2 | 352.1 | 335.0 | 348.0 | 357.8 | 352.4 | 352.6 | 352.4 | 358.7 | 376.6 | 365.0 |
| 17 Time and savings | 612.1 | 617.1 | 619.8 | 616.4 | 617.8 | 618.9 | 622.6 | 630.5 | 637.9 | 647.0 | 652.5 |
| 18 Savings | 219.7 | 215.2 | 216.8 | 215.9 | 215.5 | 216.4 | 218.3 | 216.6 | 213.4 | 207.6 | 205.1 |
| 19 Time | 392.4 | 401.9 | 403.0 | 400.5 | 402.3 | 402.5 | 404.2 | 413.8 | 424.5 | 439.4 | 447.4 |
| 20 Borrowings | 114.6 | 111.9 | 115.2 | 123.5 | 132.0 | 137.1 | 137.2 | 140.1 | 147.0 | 137.4 | 135.7 |
| 21 Other liabilities | 49.1 | 59.0 | 60.9 | 60.8 | 65.4 | 65.5 | 64.9 | 69.7 | 71.2 | 74.0 | 78.5 |
| 22 Residual (assets less liabilities) | 93.6 | 94.7 | 95.1 | 95.3 | 98.1 | 98.9 | 98.7 | 101.1 | 103.3 | 101.9 | 103.7 |
| MEMO: | | | | | | | | | | | |
| 23 U.S. Treasury note balances included in borrowing | 12.4 | 4.0 | 4.8 | 5.9 | 4.9 | 12.9 | 11.9 | 8.6 | 17.8 | 8.4 | 5.0 |
| 24 Number of banks | 14,602 | 14,593 | 14,597 | 14,610 | 14,616 | 14,620 | 14,584 | 14,607 | 14,616 | 14,605 | 14,608 |
| ALL COMMERCIAL BANKING INSTITUTIONS[2] | | | | | | | | | | | |
| 25 Loans and investments | 1,097.0 | 1,087.7 | 1,101.4 | 1,114.8 | 1,131.2 | 1,146.9 | 1,153.1 | 1,169.8 | 1,197.7 | 1,200.3 | |
| 26 Loans, gross | 825.5 | 815.6 | 827.2 | 837.7 | 854.2 | 870.7 | 876.2 | 892.1 | 915.9 | 917.6 | |
| 27 Interbank | 57.6 | 53.5 | 56.1 | 57.3 | 61.8 | 60.4 | 60.6 | 63.8 | 69.2 | 71.6 | |
| 28 Commercial and industrial | 251.2 | 255.6 | 259.8 | 264.7 | 268.8 | 274.6 | 276.9 | 280.5 | 288.1 | 288.3 | |
| 29 Other | 516.8 | 506.5 | 511.3 | 515.6 | 523.6 | 535.7 | 538.6 | 547.8 | 558.6 | 557.7 | |
| 30 U.S. Treasury securities | 94.5 | 94.3 | 94.9 | 95.6 | 94.6 | 93.1 | 93.5 | 91.9 | 93.5 | 93.1 | |
| 31 Other securities | 177.0 | 177.8 | 179.4 | 181.5 | 182.3 | 183.1 | 183.5 | 185.8 | 188.3 | 189.5 | |
| 32 Cash assets, total | 196.8 | 166.8 | 157.0 | 156.6 | 176.5 | 167.8 | 160.4 | 166.0 | 172.2 | 179.9 | |
| 33 Currency and coin | 15.5 | 15.1 | 15.2 | 15.6 | 16.1 | 16.3 | 16.1 | 16.8 | 16.7 | 16.6 | |
| 34 Reserves with Federal Reserve Banks | 35.0 | 30.3 | 30.7 | 34.6 | 33.5 | 33.4 | 30.4 | 34.5 | 32.5 | 34.9 | |
| 35 Balances with depositary institutions | 69.9 | 60.3 | 56.0 | 53.9 | 60.3 | 60.3 | 59.3 | 59.3 | 62.4 | 62.5 | |
| 36 Cash items in process of collection | 76.4 | 61.3 | 55.1 | 52.5 | 66.6 | 57.7 | 54.7 | 55.3 | 60.6 | 65.9 | |
| 37 Other assets | 76.0 | 76.9 | 74.1 | 70.8 | 67.7 | 71.4 | 69.7 | 70.9 | 76.7 | 76.5 | |
| **38 Total assets/total liabilities and capital** | **1,369.8** | **1,331.0** | **1,332.5** | **1,342.1** | **1,375.5** | **1,386.1** | **1,383.2** | **1,406.7** | **1,446.5** | **1,456.7** | n.a. |
| 39 Deposits | 1,049.0 | 1,002.5 | 994.0 | 997.4 | 1,013.2 | 1,015.6 | 1,012.3 | 1,020.9 | 1,043.6 | 1,062.6 | |
| 40 Demand | 418.9 | 368.1 | 355.7 | 362.0 | 375.8 | 376.4 | 369.7 | 369.1 | 383.2 | 394.2 | |
| 41 Time and savings | 630.0 | 634.4 | 638.3 | 635.4 | 637.4 | 639.2 | 642.5 | 651.8 | 660.5 | 668.4 | |
| 42 Savings | 220.3 | 215.9 | 218.0 | 216.9 | 216.7 | 217.2 | 219.1 | 217.6 | 214.2 | 208.3 | |
| 43 Time | 409.7 | 418.4 | 420.3 | 418.5 | 420.7 | 422.0 | 423.5 | 434.2 | 446.2 | 460.1 | |
| 44 Borrowings | 144.0 | 138.0 | 141.7 | 150.5 | 159.5 | 165.4 | 165.8 | 169.5 | 182.1 | 171.6 | |
| 45 Other liabilities | 81.4 | 94.6 | 99.8 | 97.1 | 102.8 | 104.2 | 104.4 | 113.1 | 115.2 | 118.5 | |
| 46 Residual (assets less liabilities) | 95.5 | 96.5 | 97.1 | 97.2 | 100.0 | 100.9 | 100.8 | 103.2 | 105.6 | 104.0 | |
| MEMO: | | | | | | | | | | | |
| 47 U.S. Treasury note balances included in borrowing | 12.4 | 4.0 | 4.8 | 5.9 | 4.9 | 12.9 | 11.9 | 8.6 | 17.8 | 8.4 | |
| 48 Number of banks | 14,923 | 14,926 | 14,930 | 14,946 | 14,954 | 14,968 | 14,933 | 14,960 | 14,972 | 14,963 | |

1. Domestically chartered commercial banks include all commercial banks in the United States except branches of foreign banks; included are member and nonmember banks, stock savings banks, and nondeposit trust companies.

2. Commercial banking institutions include domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York state foreign investment corporations.

NOTE. Figures are partly estimated except on call dates. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries.

## 1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series

Millions of dollars, except for number of banks

| | Account | 1976 | 1977 | | 1978 | 1976 | 1977 | | 1978 |
|---|---|---|---|---|---|---|---|---|---|
| | | Dec. 31 | June 30 | Dec. 31 | June 30 | Dec. 31 | June 30 | Dec. 31 | June 30 |
| | | Total insured | | | | National (all insured) | | | |
| 1 | Loans and investments, gross | 827,696 | 854,733 | 914,779 | 956,431 | 476,610 | 488,240 | 523,000 | 542,218 |
| | *Loans* | | | | | | | | |
| 2 | Gross | 578,734 | 601,122 | 657,509 | 695,443 | 340,691 | 351,311 | 384,722 | 403,812 |
| 3 | Net | 560,077 | 581,143 | 636,318 | 672,207 | 329,971 | 339,955 | 372,702 | 390,630 |
| | *Investments* | | | | | | | | |
| 4 | U.S. Treasury securities | 101,461 | 100,568 | 99,333 | 97,001 | 55,727 | 53,345 | 52,244 | 50,519 |
| 5 | Other | 147,500 | 153,042 | 157,936 | 163,986 | 80,191 | 83,583 | 86,033 | 87,886 |
| 6 | Cash assets | 129,562 | 130,726 | 159,264 | 157,393 | 76,072 | 74,641 | 92,050 | 90,728 |
| 7 | **Total assets/total liabilities**[1] | **1,003,970** | **1,040,945** | **1,129,712** | **1,172,772** | **583,304** | **599,743** | **651,360** | **671,166** |
| 8 | Deposits | 825,003 | 847,372 | 922,657 | 945,874 | 469,377 | 476,381 | 520,167 | 526,932 |
| | *Demand* | | | | | | | | |
| 9 | U.S. government | 3,022 | 2,817 | 7,310 | 7,956 | 1,676 | 1,632 | 4,172 | 4,483 |
| 10 | Interbank | 44,064 | 44,965 | 49,843 | 47,203 | 23,149 | 22,876 | 25,646 | 22,416 |
| 11 | Other | 285,200 | 284,544 | 319,873 | 312,707 | 163,346 | 161,358 | 181,821 | 176,025 |
| | *Time and savings* | | | | | | | | |
| 12 | Interbank | 8,248 | 7,721 | 8,731 | 8,987 | 4,907 | 4,599 | 5,730 | 5,791 |
| 13 | Other | 484,467 | 507,324 | 536,899 | 569,020 | 276,296 | 285,915 | 302,795 | 318,215 |
| 14 | Borrowings | 75,291 | 81,137 | 89,339 | 98,351 | 54,421 | 57,283 | 63,218 | 68,948 |
| 15 | Total capital accounts | 75,061 | 75,502 | 79,082 | 83,074 | 41,319 | 43,142 | 44,994 | 47,019 |
| 16 | MEMO: Number of banks | 14,397 | 14,425 | 14,397 | 14,381 | 4,735 | 4,701 | 4,654 | 4,616 |
| | | State member (all insured) | | | | Insured nonmember | | | |
| 17 | Loans and investments, gross | 144,000 | 144,597 | 152,514 | 157,464 | 207,085 | 221,896 | 239,265 | 256,749 |
| | *Loans* | | | | | | | | |
| 18 | Gross | 102,277 | 102,117 | 110,243 | 115,736 | 135,766 | 147,694 | 162,543 | 175,894 |
| 19 | Net | 99,474 | 99,173 | 107,205 | 112,470 | 130,630 | 142,015 | 156,411 | 169,106 |
| | *Investments* | | | | | | | | |
| 20 | U.S. Treasury securities | 18,849 | 19,296 | 18,179 | 16,886 | 26,884 | 27,926 | 28,909 | 29,595 |
| 21 | Other | 22,874 | 23,183 | 24,091 | 24,841 | 44,434 | 46,275 | 47,812 | 51,259 |
| 22 | Cash assets | 32,859 | 35,918 | 42,305 | 43,057 | 20,631 | 20,166 | 24,908 | 23,606 |
| 23 | **Total assets/total liabilities**[1] | **189,579** | **195,452** | **210,442** | **217,384** | **231,086** | **245,748** | **267,910** | **284,221** |
| 24 | Deposits | 149,491 | 152,472 | 163,436 | 167,403 | 206,134 | 218,519 | 239,053 | 251,539 |
| | *Demand* | | | | | | | | |
| 25 | U.S. government | 429 | 371 | 1,241 | 1,158 | 917 | 813 | 1,896 | 2,315 |
| 26 | Interbank | 19,295 | 20,568 | 22,346 | 23,117 | 1,619 | 1,520 | 1,849 | 1,669 |
| 27 | Other | 52,204 | 52,570 | 57,605 | 55,550 | 69,648 | 70,615 | 80,445 | 81,131 |
| | *Time and savings* | | | | | | | | |
| 28 | Interbank | 2,384 | 2,134 | 2,026 | 2,275 | 956 | 988 | 973 | 920 |
| 29 | Other | 75,178 | 76,827 | 80,216 | 85,301 | 132,993 | 144,581 | 153,887 | 165,502 |
| 30 | Borrowings | 17,310 | 19,697 | 21,736 | 23,167 | 3,559 | 4,155 | 4,384 | 6,235 |
| 31 | Total capital accounts | 13,199 | 13,441 | 14,182 | 14,670 | 17,542 | 18,919 | 19,905 | 21,384 |
| 32 | MEMO: Number of banks | 1,023 | 1,019 | 1,014 | 1,005 | 8,639 | 8,705 | 8,729 | 8,760 |
| | | Noninsured nonmember | | | | Total nonmember | | | |
| 33 | Loans and investments, gross | 18,819 | 22,940 | 24,415 | 28,699 | 225,904 | 244,837 | 263,681 | 285,448 |
| | *Loans* | | | | | | | | |
| 34 | Gross | 16,336 | 20,865 | 22,686 | 26,747 | 152,103 | 168,559 | 185,230 | 202,641 |
| 35 | Net | 16,209 | 20,679 | 22,484 | 26,548 | 146,840 | 162,694 | 178,896 | 195,655 |
| | *Investments* | | | | | | | | |
| 36 | U.S. Treasury securities | 1,054 | 993 | 879 | 869 | 27,938 | 28,919 | 29,788 | 30,465 |
| 37 | Other | 1,428 | 1,081 | 849 | 1,082 | 45,863 | 47,357 | 48,662 | 52,341 |
| 38 | Cash assets | 6,496 | 8,330 | 9,458 | 9,360 | 27,127 | 28,497 | 34,367 | 32,967 |
| 39 | **Total assets/total liabilities**[1] | **26,790** | **33,390** | **36,433** | **42,279** | **257,877** | **279,139** | **304,343** | **326,501** |
| 40 | Deposits | 13,325 | 14,658 | 16,844 | 19,924 | 219,460 | 233,177 | 255,898 | 271,463 |
| | *Demand* | | | | | | | | |
| 41 | U.S. government | 4 | 8 | 10 | 8 | 921 | 822 | 1,907 | 2,323 |
| 42 | Interbank | 1,277 | 1,504 | 1,868 | 2,067 | 2,896 | 3,025 | 3,718 | 3,736 |
| 43 | Other | 3,236 | 3,588 | 4,073 | 4,814 | 72,884 | 74,203 | 84,518 | 85,946 |
| | *Time and savings* | | | | | | | | |
| 44 | Interbank | 1,041 | 1,164 | 1,089 | 1,203 | 1,997 | 2,152 | 2,063 | 2,123 |
| 45 | Other | 7,766 | 8,392 | 9,802 | 11,831 | 140,760 | 152,974 | 163,690 | 177,334 |
| 46 | Borrowings | 4,842 | 7,056 | 6,908 | 8,413 | 8,401 | 11,212 | 11,293 | 14,649 |
| 47 | Total capital accounts | 818 | 893 | 917 | 962 | 18,360 | 19,812 | 20,823 | 22,346 |
| 48 | MEMO: Number of banks | 275 | 293 | 310 | 317 | 8,914 | 8,998 | 9,039 | 9,077 |

1. Includes items not shown separately.

For Note see table 1.24.

## 1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, September 30, 1978

Millions of dollars, except for number of banks

| Asset account | Insured commercial banks | Member banks[1] | | | | | Nonmember banks[1] |
|---|---|---|---|---|---|---|---|
| | | Total | Large banks | | | All other | |
| | | | New York City | City of Chicago | Other large | | |
| 1 Cash bank balances, items in process | 158,380 | 134,955 | 43,758 | 5,298 | 47,914 | 37,986 | 23,482 |
| 2 Currency and coin | 12,135 | 8,866 | 867 | 180 | 2,918 | 4,901 | 3,268 |
| 3 Reserves with Federal Reserve Banks | 28,043 | 28,041 | 3,621 | 1,152 | 12,200 | 11,067 | 3 |
| 4 Demand balances with banks in United States | 41,104 | 25,982 | 12,821 | 543 | 3,672 | 8,945 | 15,177 |
| 5 Other balances with banks in United States | 4,648 | 2,582 | 601 | 15 | 648 | 1,319 | 2,066 |
| 6 Balances with banks in foreign countries | 3,295 | 2,832 | 331 | 288 | 1,507 | 705 | 463 |
| 7 Cash items in process of collection | 69,156 | 66,652 | 25,516 | 3,119 | 26,969 | 11,049 | 2,504 |
| 8 Total securities held—Book value | 262,199 | 179,877 | 20,808 | 7,918 | 58,271 | 92,881 | 82,336 |
| 9 U.S. Treasury | 95,068 | 65,764 | 9,524 | 2,690 | 22,051 | 31,499 | 29,315 |
| 10 Other U.S. government agencies | 40,078 | 25,457 | 1,828 | 1,284 | 7,730 | 14,616 | 14,622 |
| 11 States and political subdivisions | 121,260 | 85,125 | 9,166 | 3,705 | 27,423 | 44,831 | 36,136 |
| 12 All other securities | 5,698 | 3,465 | 291 | 240 | 1,048 | 1,887 | 2,234 |
| 13 Unclassified total | 94 | 66 | ......... | ......... | 19 | 47 | 28 |
| 14 Trading-account securities | 6,833 | 6,681 | 3,238 | 708 | 2,446 | 290 | 151 |
| 15 U.S. Treasury | 4,125 | 4,103 | 2,407 | 408 | 1,210 | 78 | 23 |
| 16 Other U.S. government agencies | 825 | 816 | 401 | 82 | 278 | 55 | 9 |
| 17 States and political subdivisions | 1,395 | 1,381 | 363 | 117 | 794 | 107 | 14 |
| 18 All other trading account securities | 394 | 316 | 67 | 101 | 145 | 3 | 78 |
| 19 Unclassified | 94 | 66 | ......... | ......... | 19 | 47 | 28 |
| 20 Bank investment portfolios | 255,366 | 173,196 | 17,570 | 7,210 | 55,825 | 92,591 | 82,185 |
| 21 U.S. Treasury | 90,943 | 61,661 | 7,117 | 2,282 | 20,840 | 31,422 | 29,293 |
| 22 Other U.S. government agencies | 39,253 | 24,641 | 1,426 | 1,201 | 7,452 | 14,561 | 14,613 |
| 23 States and political subdivisions | 119,865 | 83,745 | 8,803 | 3,588 | 26,629 | 44,724 | 36,123 |
| 24 All other portfolio securities | 5,305 | 3,149 | 224 | 138 | 903 | 1,884 | 2,156 |
| 25 Federal Reserve stock and corporate stock | 1,656 | 1,403 | 311 | 111 | 507 | 475 | 253 |
| 26 Federal funds sold and securities resale agreement | 41,258 | 31,999 | 3,290 | 1,784 | 16,498 | 10,427 | 9,365 |
| 27 Commercial banks | 34,256 | 25,272 | 1,987 | 1,294 | 12,274 | 9,717 | 9,090 |
| 28 Brokers and dealers | 4,259 | 4,119 | 821 | 396 | 2,361 | 541 | 140 |
| 29 Others | 2,743 | 2,608 | 482 | 94 | 1,863 | 169 | 135 |
| 30 Other loans, gross | 675,915 | 500,802 | 79,996 | 26,172 | 190,565 | 204,069 | 175,113 |
| 31 Less: Unearned income on loans | 17,019 | 11,355 | 675 | 107 | 3,765 | 6,809 | 5,664 |
| 32 Reserves for loan loss | 7,431 | 5,894 | 1,347 | 341 | 2,256 | 1,949 | 1,537 |
| 33 Other loans, net | 651,465 | 483,553 | 77,974 | 25,724 | 184,544 | 195,311 | 167,912 |
| *Other loans, gross, by category* | | | | | | | |
| 34 Real estate loans | 203,386 | 138,730 | 10,241 | 2,938 | 52,687 | 72,863 | 64,656 |
| 35 Construction and land development | 25,621 | 19,100 | 2,598 | 685 | 9,236 | 6,581 | 6,521 |
| 36 Secured by farmland | 8,418 | 3,655 | 23 | 34 | 453 | 3,146 | 4,763 |
| 37 Secured by residential properties | 117,176 | 81,370 | 5,362 | 1,559 | 31,212 | 43,236 | 35,806 |
| 38 1- to 4-family residences | 111,674 | 77,422 | 4,617 | 1,460 | 29,774 | 41,570 | 34,252 |
| 39 FHA-insured or VA-guaranteed | 7,503 | 6,500 | 508 | 44 | 3,446 | 2,502 | 1,003 |
| 40 Conventional | 104,171 | 70,922 | 4,109 | 1,417 | 26,328 | 39,068 | 33,249 |
| 41 Multifamily residences | 5,502 | 3,948 | 746 | 99 | 1,438 | 1,665 | 1,554 |
| 42 FHA-insured | 399 | 340 | 132 | 27 | 88 | 92 | 59 |
| 43 Conventional | 5,103 | 3,609 | 613 | 72 | 1,350 | 1,573 | 1,495 |
| 44 Secured by other properties | 52,171 | 34,605 | 2,258 | 660 | 11,786 | 19,901 | 17,566 |
| 45 Loans to financial institutions | 37,072 | 34,843 | 12,434 | 4,342 | 15,137 | 2,930 | 2,228 |
| 46 REITs and mortgage companies | 8,574 | 8,162 | 2,066 | 801 | 4,616 | 680 | 412 |
| 47 Domestic commercial banks | 3,362 | 2,618 | 966 | 165 | 1,206 | 281 | 744 |
| 48 Banks in foreign countries | 7,359 | 7,187 | 3,464 | 268 | 2,820 | 635 | 171 |
| 49 Other depositary institutions | 1,579 | 1,411 | 290 | 76 | 785 | 261 | 167 |
| 50 Other financial institutions | 16,198 | 15,465 | 5,649 | 3,033 | 5,710 | 1,073 | 733 |
| 51 Loans to security brokers and dealers | 11,042 | 10,834 | 6,465 | 1,324 | 2,846 | 199 | 207 |
| 52 Other loans to purchase or carry securities | 4,280 | 3,532 | 410 | 276 | 1,860 | 985 | 747 |
| 53 Loans to farmers except real estate | 28,054 | 15,296 | 168 | 150 | 3,781 | 11,196 | 12,758 |
| 54 Commercial and industrial loans | 213,123 | 171,815 | 39,633 | 13,290 | 67,833 | 51,059 | 41,309 |
| 55 Loans to individuals | 161,599 | 110,974 | 7,100 | 2,562 | 40,320 | 60,993 | 50,624 |
| 56 *Installment loans* | 131,571 | 90,568 | 5,405 | 1,711 | 33,640 | 49,811 | 41,003 |
| 57 Passenger automobiles | 58,908 | 37,494 | 1,077 | 209 | 11,626 | 24,582 | 21,414 |
| 58 Residential repair and modernization | 8,526 | 5,543 | 331 | 60 | 2,088 | 3,064 | 2,983 |
| 59 Credit cards and related plans | 21,938 | 19,333 | 2,268 | 1,267 | 9,736 | 6,062 | 2,605 |
| 60 Charge-account credit cards | 17,900 | 16,037 | 1,573 | 1,219 | 8,192 | 5,053 | 1,863 |
| 61 Check and revolving credit plans | 4,038 | 3,296 | 695 | 47 | 1,545 | 1,009 | 742 |
| 62 Other retail consumer goods | 19,689 | 13,296 | 427 | 57 | 5,242 | 7,570 | 6,393 |
| 63 Mobile homes | 9,642 | 6,667 | 179 | 19 | 2,563 | 3,905 | 2,976 |
| 64 Other | 10,047 | 6,629 | 249 | 38 | 2,678 | 3,664 | 3,417 |
| 65 Other installment loans | 22,510 | 14,902 | 1,302 | 119 | 4,948 | 8,533 | 7,608 |
| 66 Single-payment loans to individuals | 30,027 | 20,406 | 1,694 | 851 | 6,680 | 11,182 | 9,621 |
| 67 All other loans | 17,360 | 14,778 | 3,545 | 1,290 | 6,100 | 3,844 | 2,582 |
| **68 Total loans and securities, net** | **956,579** | **696,833** | **102,383** | **35,536** | **259,820** | **299,094** | **259,867** |
| 69 Direct lease financing | 6,717 | 6,212 | 1,145 | 96 | 3,931 | 1,041 | 505 |
| 70 Fixed assets—Buildings, furniture, real estate | 22,448 | 16,529 | 2,332 | 795 | 6,268 | 7,133 | 5,926 |
| 71 Investment in unconsolidated subsidiaries | 3,255 | 3,209 | 1,642 | 188 | 1,282 | 96 | 46 |
| 72 Customer acceptances outstanding | 16,557 | 16,036 | 8,315 | 1,258 | 6,054 | 409 | 521 |
| 73 Other assets | 34,559 | 30,408 | 11,323 | 1,000 | 12,810 | 5,275 | 4,249 |
| **74 Total assets** | **1,198,495** | **904,182** | **170,899** | **44,170** | **338,079** | **351,034** | **294,595** |

For notes see opposite page.

1.26 Continued

| | Liability or capital account | Insured commercial banks | Member banks[1] | | | | | Nonmember banks[1] |
|---|---|---|---|---|---|---|---|---|
| | | | Total | Large banks | | | All other | |
| | | | | New York City | City of Chicago | Other large | | |
| 75 | Demand deposits | 369,030 | 282,450 | 66,035 | 10,690 | 100,737 | 104,988 | 86,591 |
| 76 | Mutual savings banks | 1,282 | 1,089 | 527 | 1 | 256 | 305 | 194 |
| 77 | Other individuals, partnerships, and corporations | 279,651 | 205,591 | 31,422 | 7,864 | 79,429 | 86,876 | 74,061 |
| 78 | U.S. government | 7,942 | 5,720 | 569 | 188 | 1,987 | 2,977 | 2,222 |
| 79 | States and political subdivisions | 17,122 | 11,577 | 764 | 252 | 3,446 | 7,116 | 5,545 |
| 80 | Foreign governments, central banks, etc. | 1,805 | 1,728 | 1,436 | 19 | 211 | 62 | 77 |
| 81 | Commercial banks in United States | 39,596 | 38,213 | 21,414 | 1,807 | 10,803 | 4,189 | 1,393 |
| 82 | Banks in foreign countries | 7,379 | 7,217 | 5,461 | 207 | 1,251 | 298 | 162 |
| 83 | Certified and officers' checks, etc. | 14,253 | 11,315 | 4,443 | 352 | 3,354 | 3,166 | 2,937 |
| 84 | Time deposits | 368,562 | 266,496 | 38,086 | 15,954 | 98,525 | 113,931 | 102,066 |
| 85 | Accumulated for personal loan payments | 79 | 66 | 0 | 0 | 1 | 65 | 13 |
| 86 | Mutual savings banks | 399 | 392 | 177 | 40 | 148 | 27 | 7 |
| 87 | Other individuals, partnerships, and corporations | 292,120 | 210,439 | 29,209 | 12,074 | 76,333 | 92,824 | 81,680 |
| 88 | U.S. government | 864 | 689 | 61 | 40 | 356 | 232 | 175 |
| 89 | States and political subdivisions | 59,087 | 40,010 | 1,952 | 1,554 | 16,483 | 20,020 | 19,077 |
| 90 | Foreign governments, central banks, etc. | 6,672 | 6,450 | 3,780 | 1,145 | 1,401 | 124 | 222 |
| 91 | Commercial banks in United States | 7,961 | 7,289 | 2,077 | 999 | 3,585 | 629 | 672 |
| 92 | Banks in foreign countries | 1,381 | 1,161 | 829 | 103 | 219 | 9 | 220 |
| 93 | Savings deposits | 223,326 | 152,249 | 10,632 | 2,604 | 54,825 | 84,188 | 71,077 |
| 94 | Individuals and nonprofit organizations | 207,701 | 141,803 | 9,878 | 2,448 | 51,161 | 78,316 | 65,897 |
| 95 | Corporations and other profit organizations | 11,216 | 7,672 | 519 | 148 | 3,195 | 3,809 | 3,544 |
| 96 | U.S. government | 82 | 65 | 2 | 3 | 24 | 35 | 17 |
| 97 | States and political subdivisions | 4,298 | 2,682 | 215 | 4 | 437 | 2,025 | 1,616 |
| 98 | All other | 30 | 27 | 18 | * | 8 | 2 | 3 |
| 99 | **Total deposits** | **960,918** | **701,195** | **114,753** | **29,248** | **254,087** | **303,107** | **259,733** |
| 100 | Federal funds purchased and securities sold under agreements to repurchase | 91,981 | 85,582 | 21,149 | 8,777 | 41,799 | 13,857 | 6,398 |
| 101 | Commercial banks | 42,174 | 39,607 | 6,991 | 5,235 | 21,609 | 5,773 | 2,566 |
| 102 | Brokers and dealers | 12,787 | 11,849 | 2,130 | 1,616 | 6,381 | 1,722 | 939 |
| 103 | Others | 37,020 | 34,126 | 12,028 | 1,926 | 13,809 | 6,362 | 2,894 |
| 104 | Other liabilities for borrowed money | 8,738 | 8,352 | 3,631 | 306 | 3,191 | 1,225 | 386 |
| 105 | Mortgage indebtedness | 1,767 | 1,455 | 234 | 27 | 701 | 491 | 316 |
| 106 | Bank acceptances outstanding | 16,661 | 16,140 | 8,398 | 1,260 | 6,070 | 412 | 521 |
| 107 | Other liabilities | 27,124 | 23,883 | 8,860 | 1,525 | 9,020 | 4,477 | 3,494 |
| 108 | **Total liabilities** | **1,107,188** | **836,607** | **157,026** | **41,144** | **314,868** | **323,569** | **270,849** |
| 109 | Subordinated notes and debentures | 5,767 | 4,401 | 1,001 | 79 | 2,033 | 1,287 | 1,366 |
| 110 | Equity capital | 85,540 | 63,174 | 12,871 | 2,947 | 21,177 | 26,178 | 22,380 |
| 111 | Preferred stock | 88 | 36 | 0 | 0 | 5 | 31 | 52 |
| 112 | Common stock | 17,875 | 12,816 | 2,645 | 570 | 4,007 | 5,594 | 5,064 |
| 113 | Surplus | 32,341 | 23,127 | 4,541 | 1,404 | 8,148 | 9,034 | 9,217 |
| 114 | Undivided profits | 33,517 | 26,013 | 5,554 | 921 | 8,680 | 10,858 | 7,509 |
| 115 | Other capital reserves | 1,719 | 1,182 | 132 | 52 | 337 | 661 | 538 |
| 116 | **Total liabilities and equity capital** | **1,198,495** | **904,182** | **170,899** | **44,170** | **338,079** | **351,034** | **294,595** |
| | MEMO: | | | | | | | |
| 117 | Demand deposits adjusted[2] | 252,337 | 171,864 | 18,537 | 5,576 | 60,978 | 86,774 | 80,472 |
| | *Average for last 15 or 30 days* | | | | | | | |
| 118 | Cash and due from bank | 146,283 | 124,916 | 36,862 | 6,030 | 45,731 | 36,293 | 21,379 |
| 119 | Federal funds sold and securities purchased under agreements to resell | 43,873 | 33,682 | 4,272 | 1,887 | 16,007 | 11,517 | 10,307 |
| 120 | Total loans | 651,874 | 483,316 | 76,750 | 25,722 | 184,790 | 196,054 | 168,558 |
| 121 | Time deposits of $100,000 or more | 183,614 | 150,160 | 32,196 | 13,216 | 65,776 | 38,972 | 33,454 |
| 122 | Total deposits | 944,593 | 687,543 | 107,028 | 28,922 | 250,804 | 300,789 | 257,062 |
| 123 | Federal funds purchased and securities sold under agreements to repurchase | 92,685 | 86,635 | 22,896 | 9,473 | 40,541 | 13,725 | 6,053 |
| 124 | Other liabilities for borrowed money | 8,716 | 8,326 | 3,679 | 370 | 3,211 | 1,067 | 390 |
| 125 | Standby letters of credit outstanding | 18,820 | 17,658 | 10,063 | 1,477 | 4,820 | 1,297 | 1,162 |
| 126 | Time deposits of $100,000 or more | 186,837 | 152,553 | 32,654 | 13,486 | 66,684 | 39,728 | 34,284 |
| 127 | Certificates of deposit | 160,227 | 129,667 | 27,950 | 11,590 | 56,383 | 33,743 | 30,560 |
| 128 | Other time deposits | 26,610 | 22,886 | 4,704 | 1,896 | 10,301 | 5,985 | 3,724 |
| 129 | Number of banks | 14,390 | 5,593 | 12 | 9 | 153 | 5,419 | 8,810 |

1. Member banks exclude and nonmember banks include 13 noninsured trust companies that are members of the Federal Reserve System.
2. Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. government, less cash items reported as in process of collection.

NOTE. Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Back data in lesser detail were shown in previous issues of the BULLETIN.

## 1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $750 Million or More on December 31, 1977, Assets and Liabilities

Millions of dollars, Wednesday figures

| Account | 1979 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Oct. 3 | Oct. 10 | Oct. 17 | Oct. 24 | Oct. 31p | Nov. 7p | Nov. 14p | Nov. 21p | Nov. 28p |
| 1 Cash items in process of collection | 54,654 | 56,500 | 54,960 | 47,021 | 52,006 | 52,595 | 58,698 | 54,058 | 50,552 |
| 2 Demand deposits due from banks in the United States | 16,903 | 17,938 | 18,026 | 16,026 | 17,651 | 18,789 | 18,389 | 15,768 | 17,905 |
| 3 All other cash and due from depositary institutions | 28,503 | 32,949 | 36,264 | 31,936 | 33,188 | 29,470 | 31,558 | 31,708 | 34,726 |
| 4 **Total loans and securities** | **506,942** | **508,928** | **502,765** | **498,431** | **503,105** | **503,197** | **506,552** | **501,110** | **500,811** |
| *Securities* | | | | | | | | | |
| 5 U.S. Treasury securities | 34,196 | 35,966 | 35,644 | 35,160 | 35,281 | 34,691 | 35,916 | 35,559 | 35,782 |
| 6 Trading account | 4,016 | 5,169 | 4,935 | 4,468 | 4,770 | 4,262 | 5,452 | 5,121 | 5,234 |
| 7 Investment account, by maturity | 30,180 | 30,798 | 30,709 | 30,691 | 30,511 | 30,429 | 30,464 | 30,438 | 30,549 |
| 8 One year or less | 7,839 | 8,121 | 8,033 | 8,001 | 8,084 | 8,181 | 8,283 | 8,037 | 8,102 |
| 9 Over one through five years | 18,059 | 18,381 | 18,350 | 18,378 | 18,102 | 17,965 | 17,894 | 17,898 | 17,953 |
| 10 Over five years | 4,281 | 4,296 | 4,326 | 4,312 | 4,325 | 4,284 | 4,286 | 4,503 | 4,494 |
| 11 Other securities | 71,161 | 70,812 | 70,867 | 70,717 | 70,817 | 70,458 | 70,766 | 70,422 | 70,574 |
| 12 Trading account | 4,761 | 4,337 | 4,143 | 3,911 | 3,744 | 3,625 | 3,734 | 3,439 | 3,419 |
| 13 Investment account | 66,400 | 66,475 | 66,724 | 66,805 | 67,073 | 66,832 | 67,032 | 66,983 | 67,154 |
| 14 U.S. government agencies | 15,067 | 15,116 | 15,344 | 15,263 | 15,341 | 15,235 | 15,410 | 15,347 | 15,454 |
| 15 States and political subdivision, by maturity | 48,667 | 48,709 | 48,712 | 48,872 | 49,070 | 48,948 | 48,942 | 48,983 | 49,053 |
| 16 One year or less | 6,538 | 6,514 | 6,408 | 6,462 | 6,690 | 6,698 | 6,453 | 6,640 | 6,476 |
| 17 Over one year | 42,129 | 42,195 | 42,304 | 42,410 | 42,380 | 42,250 | 42,489 | 42,343 | 42,576 |
| 18 Other bonds, corporate stocks and securities | 2,666 | 2,649 | 2,668 | 2,671 | 2,661 | 2,649 | 2,680 | 2,653 | 2,648 |
| *Loans* | | | | | | | | | |
| 19 Federal funds sold[1] | 31,807 | 30,952 | 26,074 | 24,196 | 25,270 | 27,190 | 28,568 | 24,744 | 24,202 |
| 20 To commercial banks | 19,614 | 21,191 | 17,637 | 16,534 | 17,983 | 19,600 | 20,836 | 17,862 | 17,668 |
| 21 To nonbank brokers and dealers in securities | 7,959 | 6,908 | 5,876 | 5,168 | 5,039 | 5,272 | 5,257 | 4,909 | 4,626 |
| 22 To others | 4,233 | 2,852 | 2,561 | 2,494 | 2,248 | 2,317 | 2,475 | 1,973 | 1,909 |
| 23 Other loans, gross | 381,483 | 382,985 | 382,019 | 380,260 | 383,665 | 382,867 | 383,368 | 382,519 | 382,377 |
| 24 Commercial and industrial | 152,515 | 152,938 | 151,323 | 151,730 | 152,749 | 152,676 | 152,127 | 151,967 | 151,006 |
| 25 Bankers' acceptances and commercial paper | 3,954 | 4,027 | 3,410 | 3,105 | 3,935 | 3,840 | 3,801 | 3,918 | 3,750 |
| 26 All other | 148,562 | 148,911 | 147,913 | 148,624 | 148,814 | 148,836 | 148,326 | 148,050 | 147,256 |
| 27 U.S. addresses | 141,989 | 142,190 | 141,187 | 141,783 | 142,190 | 142,182 | 141,584 | 141,452 | 140,688 |
| 28 Non-U.S. addressees | 6,573 | 6,721 | 6,726 | 6,841 | 6,624 | 6,654 | 6,742 | 6,598 | 6,568 |
| 29 Real estate | 94,128 | 94,483 | 95,037 | 95,470 | 95,948 | 96,277 | 96,562 | 96,890 | 97,236 |
| 30 To individuals for personal expenditures | 69,140 | 69,240 | 69,392 | 69,567 | 70,161 | 70,099 | 70,203 | 70,339 | 70,555 |
| To financial institutions | | | | | | | | | |
| 31 Commercial banks in the United States | 3,618 | 3,284 | 3,183 | 3,288 | 3,783 | 3,557 | 3,193 | 3,292 | 3,259 |
| 32 Banks in foreign countries | 7,308 | 7,729 | 7,483 | 7,074 | 6,807 | 7,062 | 7,477 | 7,028 | 6,645 |
| 33 Sales finance, personal finance companies, etc. | 9,367 | 9,790 | 9,521 | 9,572 | 9,584 | 9,390 | 9,356 | 9,329 | 9,402 |
| 34 Other financial institutions | 16,588 | 16,808 | 16,477 | 16,524 | 16,908 | 16,889 | 16,780 | 16,619 | 16,651 |
| 35 To nonbank brokers and dealers in securities | 8,636 | 8,483 | 9,265 | 7,208 | 7,284 | 6,756 | 7,316 | 6,967 | 7,354 |
| 36 To others for purchasing and carrying securities[2] | 2,508 | 2,536 | 2,508 | 2,475 | 2,526 | 2,491 | 2,493 | 2,502 | 2,528 |
| 37 To finance agricultural production | 5,032 | 5,021 | 4,987 | 4,941 | 4,930 | 4,938 | 4,930 | 4,892 | 4,910 |
| 38 All other | 12,644 | 12,674 | 12,843 | 12,412 | 12,984 | 12,732 | 12,931 | 12,694 | 12,831 |
| 39 Less: Unearned income | 6,718 | 6,777 | 6,809 | 6,846 | 6,828 | 6,868 | 6,920 | 6,965 | 6,955 |
| 40 Loan loss reserve | 4,988 | 5,011 | 5,030 | 5,055 | 5,100 | 5,140 | 5,147 | 5,169 | 5,169 |
| 41 Other loans, net | 369,777 | 371,197 | 370,180 | 368,358 | 371,737 | 370,858 | 371,301 | 370,384 | 370,253 |
| 42 Lease financing receivables | 7,308 | 7,335 | 7,355 | 7,379 | 7,405 | 7,480 | 7,516 | 7,531 | 7,544 |
| 43 All other assets | 59,088 | 57,754 | 57,195 | 57,533 | 59,268 | 58,951 | 59,950 | 58,875 | 59,880 |
| 44 **Total assets** | **673,398** | **681,403** | **676,565** | **658,326** | **672,624** | **670,481** | **682,663** | **669,051** | **671,418** |
| *Deposits* | | | | | | | | | |
| 45 Demand deposits | 196,821 | 199,308 | 193,740 | 178,840 | 191,305 | 194,538 | 200,192 | 188,105 | 185,092 |
| 46 Mutual savings banks | 809 | 828 | 733 | 646 | 779 | 802 | 780 | 685 | 613 |
| 47 Individuals, partnerships, and corporations | 135,724 | 138,029 | 134,648 | 126,797 | 134,690 | 133,427 | 140,382 | 133,102 | 130,593 |
| 48 States and political subdivisions | 4,507 | 4,610 | 4,630 | 4,332 | 5,089 | 4,635 | 4,594 | 4,888 | 4,607 |
| 49 U.S. government | 2,824 | 1,236 | 939 | 727 | 1,306 | 760 | 876 | 926 | 712 |
| 50 Commercial banks in the United States | 33,620 | 35,523 | 34,720 | 30,529 | 32,840 | 37,897 | 36,026 | 31,274 | 30,612 |
| 51 Banks in foreign countries | 8,268 | 8,628 | 8,067 | 6,581 | 7,279 | 7,461 | 8,074 | 7,816 | 7,740 |
| 52 Foreign governments and official institutions | 1,512 | 1,223 | 1,581 | 1,339 | 991 | 1,293 | 1,820 | 1,760 | 2,239 |
| 53 Certified and officers' checks | 9,556 | 9,231 | 8,422 | 7,890 | 8,330 | 8,262 | 7,639 | 7,655 | 7,976 |
| 54 Time and savings deposits | 258,406 | 259,111 | 260,126 | 260,453 | 261,561 | 261,578 | 262,518 | 264,098 | 264,662 |
| 55 Savings | 76,781 | 76,557 | 76,036 | 75,295 | 74,028 | 73,770 | 73,236 | 73,035 | 72,559 |
| 56 Individuals and nonprofit organizations | 71,844 | 71,597 | 71,165 | 70,487 | 69,341 | 69,107 | 68,611 | 68,484 | 68,002 |
| 57 Partnerships and corporations operated for profit | 4,124 | 4,142 | 4,065 | 4,065 | 3,976 | 3,942 | 3,889 | 3,835 | 3,870 |
| 58 Domestic governmental units | 789 | 797 | 783 | 724 | 689 | 702 | 708 | 690 | 662 |
| 59 All other | 24 | 20 | 23 | 19 | 22 | 18 | 27 | 26 | 25 |
| 60 Time | 181,624 | 182,553 | 184,090 | 185,158 | 187,533 | 187,808 | 189,282 | 191,063 | 192,103 |
| 61 Individuals, partnerships, and corporations | 149,213 | 149,902 | 151,314 | 152,232 | 154,654 | 155,084 | 156,440 | 158,092 | 158,937 |
| 62 States and political subdivisions | 21,880 | 22,137 | 22,255 | 22,384 | 22,218 | 22,189 | 22,165 | 22,209 | 22,248 |
| 63 U.S. government | 477 | 476 | 488 | 476 | 464 | 478 | 509 | 498 | 494 |
| 64 Commercial banks in the United States | 5,038 | 5,019 | 5,004 | 5,155 | 5,305 | 5,273 | 5,309 | 5,385 | 5,498 |
| 65 Foreign governments, official institutions, and banks | 5,016 | 5,019 | 5,028 | 4,910 | 4,891 | 4,785 | 4,859 | 4,879 | 4,927 |
| 66 Federal funds purchased[3] | 94,380 | 100,765 | 96,406 | 91,348 | 93,753 | 93,870 | 97,837 | 92,638 | 91,154 |
| Other liabilities for borrowed money | | | | | | | | | |
| 67 Borrowings from Federal Reserve Banks | 677 | 190 | 3,746 | 3,118 | 1,631 | 262 | 673 | 1,449 | 3,740 |
| 68 Treasury tax-and-loan notes | 4,275 | 5,354 | 4,062 | 5,985 | 4,865 | 384 | 1,287 | 2,599 | 2,519 |
| 69 All other liabilities for borrowed money | 15,632 | 14,842 | 14,742 | 14,182 | 12,904 | 14,091 | 13,507 | 13,422 | 14,773 |
| 70 Other liabilities and subordinated note and debentures | 58,790 | 57,195 | 59,218 | 59,788 | 61,652 | 60,878 | 61,746 | 61,986 | 64,686 |
| 71 **Total liabilities** | **628,981** | **636,766** | **632,040** | **613,715** | **627,670** | **625,602** | **637,762** | **624,297** | **626,627** |
| 72 Residual (total assets minus total liabilities)[4] | 44,417 | 44,638 | 44,525 | 44,612 | 44,954 | 44,879 | 44,902 | 44,753 | 44,791 |

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes securities sold under agreements to repurchase.
4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

## 1.28 LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $1 Billion or More on December 31, 1977 Assets and Liabilities

Millions of dollars, Wednesday figures

| Account | 1979 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Oct. 3 | Oct. 10 | Oct. 17 | Oct. 24 | Oct. 31p | Nov. 7p | Nov. 14p | Nov. 21p | Nov. 28p |
| 1 Cash items in process of collection | 52,242 | 53,681 | 52,567 | 44,848 | 49,627 | 50,344 | 55,734 | 51,464 | 48,335 |
| 2 Demand deposits due from banks in the United States | 16,048 | 17,005 | 17,258 | 15,372 | 16,882 | 17,849 | 17,507 | 14,952 | 17,202 |
| 3 All other cash and due from depositary institutions | 26,810 | 31,370 | 34,546 | 30,233 | 31,458 | 27,952 | 29,788 | 30,153 | 32,757 |
| 4 **Total loans and securities** | **474,521** | **476,568** | **470,436** | **466,252** | **470,995** | **470,776** | **474,285** | **468,644** | **468,787** |
| *Securities* | | | | | | | | | |
| 5 U.S. Treasury securities | 31,838 | 33,618 | 33,288 | 32,854 | 33,020 | 32,441 | 33,656 | 33,262 | 33,478 |
| 6 Trading account | 3,968 | 5,128 | 4,878 | 4,430 | 4,717 | 4,221 | 5,409 | 5,080 | 5,194 |
| 7 Investment account, by maturity | 27,870 | 28,490 | 28,410 | 28,424 | 28,303 | 28,221 | 28,247 | 28,183 | 28,284 |
| 8 One year or less | 7,304 | 7,591 | 7,509 | 7,499 | 7,603 | 7,695 | 7,806 | 7,512 | 7,571 |
| 9 Over one through five years | 16,580 | 16,906 | 16,876 | 16,918 | 16,672 | 16,540 | 16,453 | 16,470 | 16,522 |
| 10 Over five years | 3,987 | 3,993 | 4,024 | 4,008 | 4,028 | 3,986 | 3,988 | 4,200 | 4,190 |
| 11 Other securities | 65,893 | 65,550 | 65,600 | 65,425 | 65,496 | 65,160 | 65,429 | 65,070 | 65,204 |
| 12 Trading account | 4,676 | 4,257 | 4,069 | 3,840 | 3,659 | 3,557 | 3,648 | 3,342 | 3,316 |
| 13 Investment account | 61,218 | 61,293 | 61,531 | 61,586 | 61,837 | 61,602 | 61,781 | 61,729 | 61,888 |
| 14 U.S. government agencies | 14,043 | 14,094 | 14,312 | 14,231 | 14,295 | 14,191 | 14,347 | 14,287 | 14,385 |
| 15 States and political subdivision, by maturity | 44,671 | 44,712 | 44,714 | 44,847 | 45,045 | 44,926 | 44,918 | 44,950 | 45,012 |
| 16 One year or less | 5,938 | 5,916 | 5,831 | 5,870 | 6,102 | 6,115 | 5,873 | 6,065 | 5,901 |
| 17 Over one year | 38,733 | 38,796 | 38,883 | 38,977 | 38,944 | 38,812 | 39,045 | 38,884 | 39,112 |
| 18 Other bonds, corporate stocks and securities | 2,503 | 2,486 | 2,505 | 2,508 | 2,496 | 2,484 | 2,516 | 2,492 | 2,491 |
| *Loans* | | | | | | | | | |
| 19 Federal funds sold[1] | 29,278 | 28,464 | 23,638 | 21,873 | 23,049 | 24,599 | 26,089 | 22,158 | 22,064 |
| 20 To commercial banks | 17,657 | 19,175 | 15,641 | 14,687 | 16,089 | 17,394 | 18,797 | 15,776 | 15,934 |
| 21 To nonbank brokers and dealers in securities | 7,479 | 6,505 | 5,504 | 4,760 | 4,769 | 4,956 | 4,877 | 4,566 | 4,284 |
| 22 To others | 4,142 | 2,785 | 2,493 | 2,426 | 2,190 | 2,250 | 2,415 | 1,817 | 1,846 |
| 23 Other loans, gross | 358,382 | 359,887 | 358,907 | 357,155 | 360,512 | 359,738 | 360,327 | 359,434 | 359,313 |
| 24 Commercial and industrial | 144,910 | 145,360 | 143,736 | 144,182 | 145,224 | 145,145 | 144,632 | 144,475 | 143,562 |
| 25 Bankers' acceptances and commercial paper | 3,850 | 3,928 | 3,316 | 3,015 | 3,849 | 3,759 | 3,724 | 3,842 | 3,674 |
| 26 All other | 141,060 | 141,432 | 140,419 | 141,167 | 141,375 | 141,386 | 140,908 | 140,633 | 139,888 |
| 27 U.S. addresses | 134,531 | 134,762 | 133,737 | 134,371 | 134,797 | 134,778 | 134,212 | 134,080 | 133,369 |
| 28 Non-U.S. addresses | 6,529 | 6,670 | 6,682 | 6,796 | 6,578 | 6,608 | 6,696 | 6,553 | 6,519 |
| 29 Real estate | 88,486 | 88,832 | 89,377 | 89,813 | 90,273 | 90,616 | 90,893 | 91,205 | 91,548 |
| 30 To individuals for personal expenditures | 61,219 | 61,315 | 61,442 | 61,597 | 62,118 | 62,066 | 62,186 | 62,288 | 62,475 |
| To financial institutions | | | | | | | | | |
| 31 Commercial banks in the United States | 3,547 | 3,208 | 3,115 | 3,214 | 3,717 | 3,478 | 3,129 | 3,214 | 3,194 |
| 32 Banks in foreign countries | 7,249 | 7,660 | 7,426 | 6,994 | 6,729 | 6,994 | 7,389 | 6,962 | 6,579 |
| 33 Sales finance, personal finance companies, etc. | 9,168 | 9,592 | 9,320 | 9,374 | 9,399 | 9,211 | 9,164 | 9,148 | 9,208 |
| 34 Other financial institutions | 16,101 | 16,317 | 16,013 | 16,065 | 16,436 | 16,428 | 16,328 | 16,158 | 16,190 |
| 35 To nonbank brokers and dealers in securities | 8,522 | 8,388 | 9,169 | 7,112 | 7,179 | 6,662 | 7,224 | 6,879 | 7,279 |
| 36 To others for purchasing and carrying securities[2] | 2,297 | 2,322 | 2,290 | 2,259 | 2,305 | 2,267 | 2,276 | 2,279 | 2,304 |
| 37 To finance agricultural production | 4,855 | 4,845 | 4,811 | 4,765 | 4,761 | 4,768 | 4,765 | 4,726 | 4,742 |
| 38 All other | 12,027 | 12,047 | 12,208 | 11,780 | 12,371 | 12,102 | 12,339 | 12,099 | 12,231 |
| 39 LESS: Unearned income | 6,153 | 6,209 | 6,235 | 6,269 | 6,256 | 6,295 | 6,345 | 6,387 | 6,380 |
| 40 Loan loss reserve | 4,718 | 4,742 | 4,761 | 4,786 | 4,826 | 4,866 | 4,871 | 4,894 | 4,891 |
| 41 Other loans, net | 347,511 | 348,936 | 347,911 | 346,099 | 349,431 | 348,576 | 349,111 | 348,153 | 348,042 |
| 42 Lease financing receivables | 7,115 | 7,143 | 7,161 | 7,184 | 7,208 | 7,283 | 7,317 | 7,329 | 7,340 |
| 43 All other assets | 57,558 | 56,136 | 55,644 | 55,964 | 57,636 | 57,321 | 58,338 | 57,290 | 58,266 |
| 44 **Total assets** | **634,293** | **641,903** | **637,612** | **619,853** | **633,806** | **631,527** | **642,969** | **629,832** | **632,688** |
| *Deposits* | | | | | | | | | |
| 45 Demand deposits | 185,251 | 187,487 | 182,131 | 167,950 | 179,865 | 183,282 | 188,263 | 176,738 | 174,126 |
| 46 Mutual savings banks | 773 | 794 | 705 | 619 | 744 | 763 | 748 | 660 | 587 |
| 47 Individuals, partnerships, and corporations | 126,764 | 128,862 | 125,551 | 118,266 | 125,678 | 124,699 | 131,020 | 124,181 | 121,854 |
| 48 States and political subdivisions | 3,991 | 4,024 | 4,032 | 3,682 | 4,570 | 4,100 | 4,074 | 4,274 | 4,059 |
| 49 U.S. government | 2,624 | 1,141 | 832 | 671 | 1,208 | 687 | 807 | 845 | 645 |
| 50 Commercial banks in the United States | 32,130 | 33,943 | 33,368 | 29,246 | 31,424 | 36,413 | 34,468 | 29,854 | 29,336 |
| 51 Banks in foreign countries | 8,217 | 8,571 | 7,972 | 6,524 | 7,228 | 7,391 | 8,006 | 7,763 | 7,679 |
| 52 Foreign governments and official institutions | 1,512 | 1,222 | 1,548 | 1,338 | 989 | 1,263 | 1,800 | 1,757 | 2,232 |
| 53 Certified and officers' checks | 9,241 | 8,930 | 8,123 | 7,602 | 8,023 | 7,965 | 7,339 | 7,403 | 7,735 |
| 54 Time and savings deposits | 240,750 | 241,432 | 242,444 | 242,866 | 243,946 | 243,923 | 244,818 | 246,251 | 246,834 |
| 55 Savings | 71,301 | 71,108 | 70,623 | 69,932 | 68,758 | 68,517 | 68,018 | 67,832 | 67,384 |
| 56 Individuals and nonprofit organizations | 66,742 | 66,524 | 66,121 | 65,492 | 64,430 | 64,195 | 63,745 | 63,625 | 63,177 |
| 57 Partnerships and corporations operated for profit | 3,820 | 3,833 | 3,760 | 3,763 | 3,681 | 3,654 | 3,604 | 3,550 | 3,581 |
| 58 Domestic governmental units | 717 | 732 | 720 | 660 | 626 | 651 | 642 | 631 | 601 |
| 59 All other | 22 | 19 | 21 | 17 | 21 | 18 | 27 | 26 | 25 |
| 60 Time | 169,448 | 170,323 | 171,821 | 172,934 | 175,187 | 175,406 | 176,800 | 178,418 | 179,450 |
| 61 Individuals, partnerships, and corporations | 139,282 | 139,911 | 141,264 | 142,205 | 144,509 | 144,900 | 146,176 | 147,738 | 148,554 |
| 62 States and political subdivisions | 19,881 | 20,141 | 20,277 | 20,431 | 20,263 | 20,216 | 20,210 | 20,192 | 20,263 |
| 63 U.S. government | 470 | 469 | 481 | 470 | 457 | 470 | 502 | 491 | 487 |
| 64 Commercial banks in the United States | 4,806 | 4,791 | 4,776 | 4,924 | 5,072 | 5,039 | 5,057 | 5,122 | 5,223 |
| 65 Foreign governments, official institutions, and banks | 5,008 | 5,012 | 5,023 | 4,905 | 4,885 | 4,780 | 4,855 | 4,874 | 4,922 |
| 66 Federal funds purchased[3] | 89,345 | 95,502 | 91,567 | 86,361 | 88,899 | 88,420 | 92,378 | 87,471 | 85,981 |
| Other liabilities for borrowed money | | | | | | | | | |
| 67 Borrowings from Federal Reserve Banks | 670 | 182 | 3,638 | 2,932 | 1,410 | 218 | 651 | 1,360 | 3,581 |
| 68 Treasury tax-and-loan notes | 3,963 | 4,980 | 3,750 | 5,532 | 4,508 | 348 | 1,181 | 2,445 | 2,365 |
| 69 All other liabilities for borrowed money | 15,144 | 14,487 | 14,363 | 13,862 | 12,629 | 13,687 | 13,130 | 12,992 | 14,429 |
| 70 Other liabilities and subordinated note and debentures | 57,567 | 56,003 | 57,993 | 58,538 | 60,394 | 59,589 | 60,489 | 60,668 | 63,404 |
| 71 **Total liabilities** | **592,690** | **600,074** | **595,886** | **578,042** | **591,650** | **589,468** | **600,911** | **587,927** | **590,720** |
| 72 Residual (total assets minus total liabilities)[4] | 41,603 | 41,829 | 41,725 | 41,812 | 42,156 | 42,060 | 42,058 | 41,905 | 41,968 |

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes securities sold under agreements to repurchases.
4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

## 1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS IN NEW YORK CITY Assets and Liabilities

Millions of dollars, Wednesday figures

| Account | 1979 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Oct. 3 | Oct. 10 | Oct. 17 | Oct. 24 | Oct. 31ᵖ | Nov. 7ᵖ | Nov. 14ᵖ | Nov. 21ᵖ | Nov. 28ᵖ |
| 1 Cash items in process of collection | 19,732 | 20,210 | 20,563 | 16,652 | 18,045 | 20,448 | 19,713 | 17,388 | 18,015 |
| 2 Demand deposits due from banks in the United States | 11,253 | 11,737 | 12,451 | 10,852 | 11,847 | 13,037 | 11,922 | 10,372 | 11,795 |
| 3 All other cash and due from depositary institutions | 5,476 | 8,435 | 10,533 | 6,172 | 8,997 | 6,065 | 9,961 | 7,117 | 6,469 |
| 4 **Total loans and securities**[1] | **109,605** | **108,838** | **108,546** | **106,673** | **108,327** | **109,360** | **108,618** | **108,034** | **109,022** |
| *Securities* | | | | | | | | | |
| 5 U.S. Treasury securities[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 6 Trading account[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 7 Investment account, by maturity | 6,004 | 6,303 | 6,299 | 6,311 | 6,314 | 6,300 | 6,218 | 6,292 | 6,167 |
| 8 One year or less | 1,064 | 1,309 | 1,310 | 1,324 | 1,343 | 1,348 | 1,348 | 1,333 | 1,276 |
| 9 Over one through five years | 4,376 | 4,427 | 4,411 | 4,409 | 4,385 | 4,376 | 4,294 | 4,271 | 4,240 |
| 10 Over five years | 563 | 567 | 578 | 578 | 586 | 576 | 576 | 688 | 651 |
| 11 Other securities[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 12 Trading account[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 13 Investment account | 11,742 | 11,753 | 11,962 | 11,959 | 11,939 | 11,899 | 12,011 | 12,034 | 12,137 |
| 14 U.S. government agencies | 2,146 | 2,155 | 2,374 | 2,371 | 2,356 | 2,356 | 2,479 | 2,478 | 2,544 |
| 15 States and political subdivision, by maturity | 9,041 | 9,050 | 9,041 | 9,037 | 9,028 | 8,990 | 8,954 | 8,999 | 9,035 |
| 16 One year or less | 1,409 | 1,405 | 1,384 | 1,386 | 1,400 | 1,411 | 1,407 | 1,470 | 1,442 |
| 17 Over one year | 7,632 | 7,645 | 7,657 | 7,650 | 7,628 | 7,579 | 7,546 | 7,529 | 7,592 |
| 18 Other bonds, corporate stocks and securities | 555 | 548 | 547 | 551 | 555 | 553 | 578 | 557 | 558 |
| *Loans* | | | | | | | | | |
| 19 Federal funds sold[3] | 7,977 | 6,777 | 5,762 | 5,755 | 5,749 | 7,183 | 5,533 | 5,456 | 7,208 |
| 20 To commercial banks | 4,323 | 3,044 | 2,452 | 3,156 | 3,198 | 4,625 | 3,198 | 3,498 | 5,192 |
| 21 To nonbank brokers and dealers in securities | 2,471 | 2,822 | 2,486 | 1,848 | 1,823 | 1,761 | 1,646 | 1,327 | 1,372 |
| 22 To others | 1,183 | 911 | 824 | 751 | 728 | 796 | 690 | 631 | 644 |
| 23 Other loans, gross | 86,362 | 86,495 | 87,014 | 85,146 | 86,850 | 86,532 | 87,445 | 86,864 | 86,127 |
| 24 Commercial and industrial | 45,456 | 45,608 | 44,947 | 44,969 | 45,383 | 45,392 | 45,541 | 45,315 | 44,790 |
| 25 Bankers' acceptances and commercial paper | 1,264 | 1,327 | 923 | 820 | 1,228 | 1,195 | 1,371 | 1,531 | 1,437 |
| 26 All other | 44,192 | 44,282 | 44,024 | 44,148 | 44,155 | 44,197 | 44,170 | 43,784 | 43,353 |
| 27 U.S. addressees | 42,090 | 42,067 | 41,792 | 41,889 | 42,025 | 42,027 | 41,924 | 41,653 | 41,232 |
| 28 Non-U.S. addressees | 2,101 | 2,215 | 2,232 | 2,259 | 2,130 | 2,169 | 2,245 | 2,132 | 2,121 |
| 29 Real estate | 11,881 | 11,840 | 11,926 | 11,949 | 12,062 | 12,073 | 12,072 | 12,120 | 12,141 |
| 30 To individuals for personal expenditures | 8,005 | 8,029 | 8,049 | 8,052 | 8,100 | 8,098 | 8,118 | 8,144 | 8,166 |
| To financial institutions | | | | | | | | | |
| 31 Commercial banks in the United States | 1,486 | 1,191 | 1,157 | 1,247 | 1,695 | 1,313 | 1,289 | 1,414 | 1,422 |
| 32 Banks in foreign countries | 3,370 | 3,762 | 3,518 | 3,163 | 3,010 | 3,245 | 3,533 | 3,319 | 2,839 |
| 33 Sales finance, personal finance companies, etc. | 3,356 | 3,583 | 3,418 | 3,449 | 3,574 | 3,485 | 3,542 | 3,478 | 3,550 |
| 34 Other financial institutions | 4,886 | 4,866 | 4,875 | 4,894 | 5,058 | 5,108 | 5,052 | 4,993 | 5,012 |
| 35 To nonbank brokers and dealers in securities | 4,490 | 4,133 | 5,330 | 3,953 | 4,180 | 4,120 | 4,342 | 4,287 | 4,386 |
| 36 To others for purchasing and carrying securities[4] | 468 | 458 | 457 | 438 | 444 | 430 | 426 | 422 | 426 |
| 37 To finance agricultural production | 251 | 243 | 237 | 246 | 249 | 262 | 278 | 266 | 274 |
| 38 All other | 2,712 | 2,782 | 3,098 | 2,785 | 3,097 | 3,007 | 3,252 | 3,107 | 3,119 |
| 39 LESS: Unearned income | 921 | 929 | 921 | 928 | 938 | 950 | 971 | 985 | 994 |
| 40 Loan loss reserve | 1,558 | 1,560 | 1,569 | 1,572 | 1,587 | 1,603 | 1,619 | 1,626 | 1,622 |
| 41 Other loans, net | 83,882 | 84,005 | 84,523 | 82,647 | 84,325 | 83,978 | 84,856 | 84,252 | 83,511 |
| 42 Lease financing receivables | 1,420 | 1,422 | 1,420 | 1,424 | 1,424 | 1,425 | 1,421 | 1,426 | 1,426 |
| 43 All other assets[5] | 27,360 | 27,379 | 26,436 | 26,748 | 28,588 | 27,928 | 29,237 | 27,802 | 27,648 |
| 44 **Total assets** | **174,846** | **178,022** | **179,950** | **168,520** | **177,228** | **178,263** | **180,872** | **172,140** | **174,375** |
| *Deposits* | | | | | | | | | |
| 45 Demand deposits | 63,730 | 64,047 | 63,865 | 56,219 | 61,697 | 66,715 | 64,284 | 58,677 | 58,994 |
| 46 Mutual savings banks | 409 | 471 | 383 | 340 | 394 | 431 | 402 | 350 | 288 |
| 47 Individuals, partnerships, and corporations | 31,790 | 32,238 | 30,693 | 28,100 | 31,885 | 32,137 | 33,166 | 30,274 | 29,868 |
| 48 States and political subdivisions | 443 | 429 | 489 | 397 | 434 | 385 | 436 | 557 | 403 |
| 49 U.S. government | 639 | 165 | 172 | 140 | 229 | 144 | 115 | 119 | 84 |
| 50 Commercial banks in the United States | 18,658 | 18,932 | 20,424 | 17,801 | 18,776 | 23,199 | 19,533 | 16,913 | 17,242 |
| 51 Banks in foreign countries | 6,205 | 6,494 | 6,208 | 4,708 | 5,426 | 5,622 | 6,050 | 5,906 | 5,830 |
| 52 Foreign governments and official institutions | 1,144 | 914 | 1,244 | 878 | 723 | 953 | 1,446 | 992 | 1,457 |
| 53 Certified and officers' checks | 4,441 | 4,403 | 4,250 | 3,854 | 3,830 | 3,844 | 3,137 | 3,566 | 3,821 |
| 54 Time and savings deposits | 42,436 | 42,720 | 42,751 | 42,254 | 42,903 | 42,991 | 43,295 | 44,049 | 44,383 |
| 55 Savings | 9,903 | 9,889 | 9,802 | 9,693 | 9,511 | 9,546 | 9,472 | 9,430 | 9,385 |
| 56 Individuals and nonprofit organizations | 9,324 | 9,307 | 9,219 | 9,141 | 8,993 | 9,034 | 8,967 | 8,938 | 8,890 |
| 57 Partnerships and corporations operated for profit | 387 | 385 | 373 | 365 | 358 | 352 | 348 | 344 | 348 |
| 58 Domestic governmental units | 180 | 188 | 197 | 178 | 149 | 150 | 140 | 134 | 132 |
| 59 All other | 13 | 9 | 12 | 8 | 11 | 9 | 17 | 13 | 15 |
| 60 Time | 32,533 | 32,831 | 32,950 | 32,560 | 33,391 | 33,445 | 33,823 | 34,619 | 34,998 |
| 61 Individuals, partnerships, and corporations | 26,715 | 26,971 | 27,050 | 26,678 | 27,391 | 27,537 | 27,795 | 28,577 | 28,852 |
| 62 States and political subdivisions | 1,564 | 1,636 | 1,664 | 1,713 | 1,772 | 1,762 | 1,748 | 1,734 | 1,723 |
| 63 U.S. government | 40 | 48 | 51 | 50 | 48 | 49 | 47 | 42 | 42 |
| 64 Commercial banks in the United States | 1,434 | 1,418 | 1,437 | 1,457 | 1,511 | 1,470 | 1,488 | 1,495 | 1,593 |
| 65 Foreign governments, official institutions, and banks | 2,780 | 2,757 | 2,748 | 2,663 | 2,670 | 2,628 | 2,746 | 2,770 | 2,788 |
| 66 Federal funds purchased[6] | 25,426 | 28,729 | 26,827 | 24,456 | 27,983 | 26,712 | 30,572 | 26,362 | 24,354 |
| Other liabilities for borrowed money | | | | | | | | | |
| 67 Borrowings from Federal Reserve Banks | 394 | ........ | 2,390 | 578 | ........ | ........ | ........ | 293 | 1,252 |
| 68 Treasury tax-and-loan notes | 656 | 990 | 786 | 1,177 | 942 | 4 | 332 | 626 | 580 |
| 69 All other liabilities for borrowed money | 7,322 | 7,258 | 6,960 | 7,356 | 6,390 | 5,896 | 5,932 | 6,442 | 6,807 |
| 70 Other liabilities and subordinated note and debentures | 21,243 | 20,582 | 22,769 | 22,877 | 23,571 | 22,227 | 22,665 | 21,972 | 24,326 |
| 71 **Total liabilities** | **161,208** | **164,327** | **166,349** | **154,916** | **163,485** | **164,546** | **167,082** | **158,421** | **160,696** |
| 72 Residual (total assets minus total liabilities)[7] | 13,638 | 13,694 | 13,601 | 13,603 | 13,743 | 13,717 | 13,790 | 13,719 | 13,680 |

1. Excludes trading account securities.
2. Not available due to confidentiality.
3. Includes securities purchased under agreements to resell.
4. Other than financial institutions and brokers and dealers.
5. Includes trading account securities.
6. Includes securities sold under agreements to repurchase.
7. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

## 1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

| Category | 1979 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Oct. 3 | Oct. 10 | Oct. 17 | Oct. 24 | Oct. 31p | Nov. 7p | Nov. 14p | Nov. 21p | Nov. 28p |
| BANKS WITH ASSETS OF $750 MILLION OR MORE | | | | | | | | | |
| 1 Total loans (gross) and investments adjusted[1] | 495,415 | 496,240 | 493,783 | 490,510 | 493,266 | 492,048 | 494,591 | 492,091 | 492,009 |
| 2 Total loans (gross) adjusted[1] | 390,058 | 389,462 | 387,272 | 384,633 | 387,169 | 386,899 | 387,908 | 386,109 | 385,653 |
| 3 Demand deposits adjusted[2] | 105,723 | 106,050 | 103,121 | 100,563 | 105,152 | 103,286 | 104,592 | 101,847 | 103,216 |
| 4 Time deposits in accounts of $100,000 or more | 123,245 | 123,916 | 125,153 | 125,706 | 126,344 | 126,590 | 127,714 | 129,155 | 129,713 |
| 5 Negotiable CDs | 88,401 | 88,799 | 89,692 | 90,102 | 90,664 | 90,575 | 91,381 | 92,864 | 93,365 |
| 6 Other time deposits | 34,844 | 35,118 | 35,461 | 35,603 | 35,680 | 36,015 | 36,333 | 36,291 | 36,347 |
| 7 Loans sold outright to affiliates[3] | 3,606 | 3,600 | 3,589 | 3,570 | 3,633 | 3,671 | 3,660 | 3,576 | 3,602 |
| 8 Commercial and industrial | 2,685 | 2,681 | 2,653 | 2,623 | 2,648 | 2,683 | 2,618 | 2,525 | 2,535 |
| 9 Other | 922 | 919 | 936 | 947 | 985 | 988 | 1,042 | 1,051 | 1,067 |
| BANKS WITH ASSETS OF $1 BILLION OR MORE | | | | | | | | | |
| 10 Total loans (gross) and investments adjusted[1] | 464,188 | 465,136 | 462,676 | 459,407 | 462,271 | 461,066 | 463,575 | 460,936 | 460,930 |
| 11 Total loans (gross) adjusted[1] | 366,456 | 365,968 | 363,789 | 361,127 | 363,755 | 363,465 | 364,489 | 362,603 | 362,248 |
| 12 Demand deposits adjusted[2] | 98,256 | 98,721 | 95,364 | 93,184 | 97,605 | 95,837 | 97,254 | 94,575 | 95,810 |
| 13 Time deposits in accounts of $100,000 or more | 115,361 | 116,015 | 117,228 | 117,868 | 118,489 | 118,726 | 119,788 | 121,090 | 121,657 |
| 14 Negotiable CDs | 82,450 | 82,816 | 83,710 | 84,198 | 84,758 | 84,686 | 85,430 | 86,820 | 87,333 |
| 15 Other time deposits | 32,910 | 33,199 | 33,518 | 33,669 | 33,731 | 34,040 | 34,357 | 34,270 | 34,324 |
| 16 Loans sold outright to affiliates[3] | 3,556 | 3,549 | 3,536 | 3,506 | 3,576 | 3,603 | 3,593 | 3,509 | 3,534 |
| 17 Commercial and industrial | 2,664 | 2,659 | 2,631 | 2,590 | 2,621 | 2,650 | 2,586 | 2,494 | 2,503 |
| 18 Other | 892 | 889 | 906 | 916 | 955 | 952 | 1,007 | 1,015 | 1,031 |
| BANKS IN NEW YORK CITY | | | | | | | | | |
| 19 Total loans (gross) and investments adjusted[1,4] | 106,275 | 107,093 | 107,428 | 104,769 | 105,960 | 105,976 | 106,721 | 105,735 | 105,024 |
| 20 Total loans (gross) adjusted[1] | 88,530 | 89,037 | 89,167 | 86,498 | 87,707 | 87,777 | 88,492 | 87,408 | 86,720 |
| 21 Demand deposits adjusted[2] | 24,702 | 24,739 | 22,705 | 21,626 | 24,647 | 22,924 | 24,923 | 24,257 | 23,653 |
| 22 Time deposits in accounts of $100,000 or more | 26,065 | 26,309 | 26,402 | 26,053 | 26,714 | 26,702 | 26,955 | 27,718 | 28,022 |
| 23 Negotiable CDs | 18,447 | 18,566 | 18,609 | 18,227 | 18,810 | 18,857 | 19,050 | 19,807 | 20,110 |
| 24 Other time deposits | 7,618 | 7,743 | 7,793 | 7,826 | 7,904 | 7,845 | 7,904 | 7,911 | 7,912 |

1. Exclusive of loans and federal funds transactions with domestic commercial banks.
2. All demand deposits except U.S. government and domestic banks less cash items in process of collection.
3. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank) and nonconsolidated nonbank subsidiaries of the holding company.
4. Excludes trading account securities.

NOTES TO TABLE 1.311.

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus U.S. branches, agencies, and New York investment company subsidiaries of foreign banks and Edge Act corporations.
2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestic chartered banks and averages of current and previous month-end data for foreign-related institutions.
3. Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.
4. Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.
5. Includes averages of daily figures for member banks and quarterly call report figures for nonmember banks.
6. Includes averages of current and previous month-end data.
7. Based on daily average data reported by 46 large banks.
8. Includes U.S. Treasury demand deposits and Treasury tax and loan notes at commercial banks. Averages of daily data.
9. Averages of Wednesday figures.

## 1.31 LARGE WEEKLY REPORTING COMMERCIAL BANKS Domestic Classified Commercial and Industrial Loans

Millions of dollars

| Industry classification | Outstanding 1979 | | | | | Net change during 1979 | | 1979 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | July 25 | Aug. 29 | Sept. 26 | Oct. 31 | Nov. 28p | Q2 | Q3 | Sept. | Oct. | Nov.p |
| 1 Durable goods manufacturing | 21,521 | 21,703 | 23,594 | 23,465 | 22,857 | 1,323 | 2,689 | 1,891 | −128 | −608 |
| 2 Nondurable goods manufacturing | 17,612 | 18,441 | 18,907 | 19,124 | 18,379 | −89 | 1,504 | 466 | 218 | −745 |
| 3 Food, liquor, and tobacco | 4,348 | 4,598 | 4,906 | 5,024 | 4,968 | −440 | 535 | 308 | 118 | −57 |
| 4 Textiles, apparel, and leather | 4,860 | 5,090 | 5,029 | 4,849 | 4,608 | 495 | 328 | −62 | −180 | −241 |
| 5 Petroleum refining | 1,929 | 1,841 | 1,972 | 2,182 | 1,873 | −310 | 6 | 131 | 210 | −309 |
| 6 Chemicals and rubber | 3,437 | 3,641 | 3,627 | 3,810 | 3,749 | −63 | 179 | −14 | 183 | −61 |
| 7 Other nondurable goods | 3,038 | 3,270 | 3,372 | 3,259 | 3,182 | 230 | 456 | 102 | −114 | −77 |
| 8 Mining (including crude petroleum and natural gas) | 11,221 | 11,442 | 11,681 | 11,697 | 11,502 | 858 | 673 | 240 | 16 | −195 |
| 9 Trade | 25,029 | 24,396 | 24,662 | 25,417 | 25,078 | 1,493 | 686 | 266 | 754 | −338 |
| 10 Commodity dealers | 2,100 | 1,675 | 1,859 | 2,191 | 1,861 | 25 | −58 | 184 | 332 | −330 |
| 11 Other wholesale | 12,075 | 12,038 | 11,940 | 12,170 | 11,902 | 777 | 199 | −98 | 229 | −268 |
| 12 Retail | 10,854 | 10,683 | 10,863 | 11,056 | 11,316 | 692 | 544 | 180 | 193 | 260 |
| 13 Transportation, communication, and other public utilities | 15,396 | 15,788 | 16,761 | 16,885 | 17,212 | 1,256 | 1,436 | 972 | 124 | 327 |
| 14 Transportation | 6,495 | 6,691 | 6,834 | 7,065 | 7,075 | 180 | 382 | 143 | 231 | 10 |
| 15 Communication | 2,106 | 2,139 | 2,325 | 2,404 | 2,475 | 199 | 274 | 186 | 80 | 70 |
| 16 Other public utilities | 6,794 | 6,959 | 7,602 | 7,416 | 7,662 | 877 | 779 | 643 | −187 | 247 |
| 17 Construction | 5,861 | 5,805 | 5,891 | 5,687 | 5,692 | 210 | 308 | 86 | −205 | 6 |
| 18 Services | 17,822 | 18,082 | 18,359 | 18,782 | 18,926 | 1,177 | 1,109 | 277 | 423 | 144 |
| 19 All other[1] | 13,925 | 14,193 | 13,720 | 13,739 | 13,720 | 868 | −1,320 | −473 | 19 | −19 |
| **20 Total domestic loans** | **128,387** | **129,851** | **133,575** | **134,797** | **133,369** | **7,098** | **7,085** | **3,724** | **1,221** | **−1,428** |
| 21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans | 63,586 | 65,293 | 67,226 | 68,708 | 69,416 | 3,725 | 2,987 | 1,933 | 1,482 | 707 |

1. Includes commercial and industrial loans at a few banks with assets of $1 billion or more that do not classify their loans.

NOTE. New series. The 134 large weekly reporting commercial banks with domestic assets of $1 billion or more as of December 31, 1977 are included in this series. The revised series is on a last-Wednesday-of-the-month basis.

## 1.311 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

| Source | December outstanding | | | Outstanding in 1979 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1976 | 1977 | 1978 | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. |
| Total nondeposit funds | | | | | | | | | | | |
| 1 Seasonally adjusted[2] | 54.6 | c61.8 | 84.9 | 100.8 | 104.9 | 111.2 | 115.8 | 119.5 | 130.3 | 131.4 | 130.4 |
| 2 Not seasonally adjusted | 53.3 | c60.4 | 83.9 | 98.5 | 102.6 | 113.4 | 115.6 | 122.2 | 131.9 | 131.6 | 131.1 |
| Federal funds, RPs, and other borrowings from nonbanks[3] | | | | | | | | | | | |
| 3 Seasonally adjusted[3] | 47.1 | 58.4 | 74.8 | 81.0 | 82.3 | 84.3 | 84.5 | 86.6 | 92.9 | 91.3 | 91.9 |
| 4 Not seasonally adjusted | 45.8 | 57.0 | 73.8 | 78.7 | 80.1 | 86.5 | 84.3 | 89.3 | 94.5 | 91.5 | 92.6 |
| 5 Net Eurodollar borrowings, not seasonally adjusted | 3.7 | −1.3 | 6.8 | 16.3 | 18.9 | 23.2 | 27.5 | 29.1 | 33.8 | 36.4 | 35.0 |
| 6 Loans sold to affiliates, not seasonally adjusted[4] | 3.8 | 4.8 | 3.8 | 3.5 | 3.6 | 3.7 | 3.8 | 3.7 | 3.7 | 3.7 | 3.6 |
| MEMO | | | | | | | | | | | |
| 7 Domestic chartered banks net positions with own foreign branches, not seasonally adjusted[5] | −6.0 | −12.5 | c−10.2 | −4.5 | −1.9 | 2.6 | 5.8 | 6.3 | 8.9 | 11.0 | 9.7 |
| 8 Gross due from balances | 12.8 | 21.1 | c24.9 | 22.5 | 21.6 | 19.7 | 20.0 | 20.1 | 19.2 | 21.4 | 21.9 |
| 9 Gross due to balances | 6.8 | 8.6 | c14.7 | 18.0 | 19.7 | 22.3 | 25.7 | 26.3 | 28.1 | 32.5 | 32.5 |
| 10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted[6] | 9.7 | 11.1 | 17.0 | 20.8 | 20.8 | 20.6 | 21.7 | 22.8 | 24.9 | 25.4 | 25.3 |
| 11 Gross due from balances | 8.3 | 10.3 | 14.2 | 15.3 | 15.7 | 15.9 | 17.6 | 17.6 | 16.2 | 18.1 | 20.5 |
| 12 Gross due to balances | 18.1 | 21.4 | 31.2 | 36.0 | 36.5 | 36.5 | 39.3 | 40.4 | 41.0 | 43.5 | 45.7 |
| 13 Security RP borrowings, seasonally adjusted[7] | 27.9 | 36.3 | 43.8 | 42.7 | 43.0 | 42.2 | 45.0 | 42.8 | 40.9 | 42.8 | 44.6 |
| 14 Not seasonally adjusted | 27.0 | 35.1 | 42.4 | 42.2 | 42.5 | 44.8 | 44.5 | 42.5 | 42.5 | 44.5 | 44.1 |
| 15 U.S. Treasury demand balances, seasonally adjusted[8] | 3.9 | 4.4 | 8.6 | 6.2 | 5.1 | 9.3 | 9.2 | 15.3 | 12.4 | 11.1 | 12.9 |
| 16 Not seasonally adjusted | 4.4 | 5.1 | 10.2 | 6.5 | 5.3 | 8.4 | 10.8 | 13.2 | 9.8 | 12.4 | 11.7 |
| 17 Time deposits, $100,000 or more, seasonally adjusted[9] | 136.0 | 159.8 | 204.4 | 208.4 | 202.1 | 196.8 | 189.6 | 190.4 | 192.6 | 197.2 | 203.7 |
| 18 Not seasonally adjusted | 138.4 | 162.5 | 207.8 | 207.8 | 200.4 | 196.0 | 189.4 | 188.9 | 192.7 | 198.6 | 205.1 |

For notes see bottom of page A23.

## 1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations[1]

Billions of dollars, estimated daily-average balances

| Type of holder | Commercial banks | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1974 Dec. | 1975 Dec. | 1976 Dec. | 1977 | 1978 | | | 1979[2] | | |
| | | | | Dec. | June | Sept. | Dec. | Mar. | June | Sept. |
| 1 **All holders—Individuals, partnerships, and corporations** | **225.0** | **236.9** | **250.1** | **274.4** | **271.2** | **278.8** | **294.6** | **270.4** | **285.6** | **292.4** |
| 2 Financial business | 19.0 | 20.1 | 22.3 | 25.0 | 25.7 | 25.9 | 27.8 | 24.4 | 25.4 | 26.7 |
| 3 Nonfinancial business | 118.8 | 125.1 | 130.2 | 142.9 | 137.7 | 142.5 | 152.7 | 135.9 | 145.1 | 148.8 |
| 4 Consumer | 73.3 | 78.0 | 82.6 | 91.0 | 92.9 | 95.0 | 97.4 | 93.9 | 98.6 | 99.2 |
| 5 Foreign | 2.3 | 2.4 | 2.7 | 2.5 | 2.4 | 2.5 | 2.7 | 2.7 | 2.8 | 2.8 |
| 6 Other | 11.7 | 11.3 | 12.4 | 12.9 | 12.4 | 13.1 | 14.1 | 13.5 | 13.7 | 14.9 |
| | Weekly reporting banks | | | | | | | | | |
| | 1975 Dec. | 1976 Dec. | 1977 Dec. | 1978 | | | | 1979[3] | | |
| | | | | Sept. | Oct. | Nov. | Dec. | Mar. | June | Sept. |
| 7 **All holders—Individuals, partnerships, and corporations** | **124.4** | **128.5** | **139.1** | **139.7** | **141.3** | **142.7** | **147.0** | **121.9** | **128.8** | **132.7** |
| 8 Financial business | 15.6 | 17.5 | 18.5 | 18.9 | 19.1 | 19.3 | 19.8 | 16.9 | 18.4 | 19.7 |
| 9 Nonfinancial business | 69.9 | 69.7 | 76.3 | 74.1 | 75.0 | 75.7 | 79.0 | 64.6 | 68.1 | 69.1 |
| 10 Consumer | 29.9 | 31.7 | 34.6 | 37.1 | 37.5 | 37.7 | 38.2 | 31.1 | 33.0 | 33.7 |
| 11 Foreign | 2.3 | 2.6 | 2.4 | 2.4 | 2.5 | 2.5 | 2.5 | 2.6 | 2.7 | 2.8 |
| 12 Other | 6.6 | 7.1 | 7.4 | 7.3 | 7.2 | 7.5 | 7.5 | 6.7 | 6.6 | 7.4 |

1. Figures include cash items in process of collection. Estimates of gross deposits are based on reports supplied by a sample of commercial banks. Types of depositors in each category are described in the June 1971 BULLETIN, p. 466.

2. Beginning with the March 1979 survey, the demand deposit ownership survey sample was reduced to 232 banks from 349 banks, and the estimation procedure was modified slightly. To aid in comparing estimates based on the old and new reporting sample, the following estimates in billions of dollars for December 1978 have been constructed using the new smaller sample: financial business, 27.0; nonfinancial business, 146.9; consumer, 98.3; foreign, 2.8; and other, 15.1.

3. After the end of 1978 the large weekly reporting bank panel was changed to 170 large commercial banks, each of which had total assets in domestic offices exceeding $750 million as of Dec. 31, 1977. See "Announcements," p. 408 in the May 1978 BULLETIN. Beginning in March 1979, demand deposit ownership estimates for these large banks are constructed quarterly on the basis of 97 sample banks and are not comparable with earlier data. The following estimates in billions of dollars for December 1978 have been constructed for the new large-bank panel: financial business, 18.2; nonfinancial business, 67.2; consumer, 32.8; foreign, 2.5; other, 6.8.

## 1.33 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

| Instrument | 1976 Dec. | 1977 Dec. | 1978 Dec. | 1979 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct.[5] |
| | Commercial paper (seasonally adjusted) | | | | | | | | | |
| 1 **All issuers** | **52,971** | **65,101** | **83,665** | **92,725** | **96,106** | **101,516** | **102,447** | **103,907** | **107,621** | **106,641** |
| Financial companies[1] | | | | | | | | | | |
| *Dealer-placed paper*[2] | | | | | | | | | | |
| 2 Total | 7,261 | 8,884 | 12,296 | 14,961 | 15,551 | 16,537 | 17,042 | 17,379 | 18,207 | 16,085 |
| 3 Bank-related | 1,900 | 2,132 | 3,521 | 4,251 | 4,141 | 3,826 | 3,951 | 4,062 | 4,485 | 3,052 |
| *Directly placed paper*[3] | | | | | | | | | | |
| 4 Total | 32,511 | 40,484 | 51,630 | 55,313 | 57,886 | 61,256 | 60,532 | 60,402 | 61,369 | 62,761 |
| 5 Bank-related | 5,959 | 7,102 | 12,314 | 12,788 | 13,799 | 15,130 | 14,722 | 15,817 | 15,930 | 18,024 |
| 6 Nonfinancial companies[4] | 13,199 | 15,733 | 19,739 | 22,451 | 22,669 | 23,723 | 24,873 | 26,126 | 28,045 | 27,767 |
| | Bankers dollar acceptances (not seasonally adjusted) | | | | | | | | | |
| 7 **Total** | **22,523** | **25,450** | **33,700** | **34,391** | **35,286** | **36,989** | **39,040** | **42,354** | **42,147** | **43,486** |
| *Holder* | | | | | | | | | | |
| 8 Accepting banks | 10,442 | 10,434 | 8,579 | 7,535 | 7,844 | 8,180 | 8,288 | 7,994 | r8,119 | 7,785 |
| 9 Own bills | 8,769 | 8,915 | 7,653 | 6,685 | 6,895 | 6,956 | 7,243 | 7,138 | 7,288 | 7,121 |
| 10 Bills bought | 1,673 | 1,519 | 927 | 849 | 950 | 1,224 | 1,045 | 856 | 831 | 664 |
| Federal Reserve Banks | | | | | | | | | | |
| 11 Own account | 991 | 954 | 1 | 252 | 0 | 1,400 | 1,159 | 475 | 1,053 | 317 |
| 12 Foreign correspondents | 375 | 362 | 664 | 861 | 940 | 971 | 952 | 957 | 1,470 | 1,498 |
| 13 Others | 10,715 | 13,904 | 24,456 | 25,744 | 26,501 | 27,837 | 28,641 | 32,928 | r31,505 | 33,886 |
| *Basis* | | | | | | | | | | |
| 14 Imports into United States | 4,992 | 6,378 | 8,574 | 8,679 | 9,007 | 9,202 | 9,499 | 9,847 | 9,724 | 10,129 |
| 15 Exports from United States | 4,818 | 5,863 | 7,586 | 8,087 | 8,367 | 8,599 | 8,784 | 9,578 | 9,354 | 9,519 |
| 16 All other | 12,713 | 13,209 | 17,540 | 17,625 | 17,912 | 19,189 | 20,756 | 22,929 | 23,069 | 23,838 |

1. Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

2. Includes all financial company paper sold by dealers in the open market.

3. As reported by financial companies that place their paper directly with investors.

4. Includes public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

5. A change in reporting instructions resulted in offsetting shifts in the dealer-placed and directly placed financial company paper in October.

## 1.34 PRIME RATE CHARGED BY BANKS on Short-Term Business Loans

Percent per annum

| Effective date | Rate | Effective date | Rate | Month | Average rate | Month | Average rate |
|---|---|---|---|---|---|---|---|
| 1979—June 19 | 11½ | 1979—Sept. 7 | 12¾ | 1978—Apr. | 8.00 | 1979—Jan. | 11.75 |
| July 27 | 11¾ | 14 | 13 | May | 8.27 | Feb. | 11.75 |
| Aug. 16 | 12 | 21 | 13¼ | June | 8.63 | Mar. | 11.75 |
| 28 | 12¼ | 28 | 13½ | July | 9.00 | Apr. | 11.75 |
| | | Oct. 9 | 14½ | Aug. | 9.01 | May | 11.75 |
| | | 23 | 15 | Sept. | 9.41 | June | 11.65 |
| | | Nov. 1 | 15¼ | Oct. | 9.94 | July | 11.54 |
| | | 9 | 15½ | Nov. | 10.94 | Aug. | 11.91 |
| | | 16 | 15¾ | Dec. | 11.55 | Sept. | 12.90 |
| | | 30 | 15½ | | | Oct. | 14.39 |
| | | | | | | Nov. | 15.55 |

## 1.35 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 6–11, 1979

| Item | All sizes | Size of loan (in thousands of dollars) 1–24 | 25–49 | 50–99 | 100–499 | 500–999 | 1,000 and over |
|---|---|---|---|---|---|---|---|
| SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS | | | | | | | |
| 1 Amount of loans (thousands of dollars) | 8,295,363 | 881,138 | 521,863 | 461,301 | 1,402,779 | 678,498 | 4,349,784 |
| 2 Number of loans | 148,187 | 115,179 | 15,657 | 7,224 | 7,779 | 1,063 | 1,286 |
| 3 Weighted average maturity (months) | 2.7 | 3.2 | 2.9 | 3.1 | 3.2 | 2.9 | 2.3 |
| 4 Weighted average interest rate (percent per annum) | 12.31 | 12.23 | 12.44 | 12.53 | 12.42 | 12.61 | 12.21 |
| 5 Interquartile range[1] | 11.75–12.82 | 11.02–13.65 | 10.60–13.69 | 11.75–13.52 | 11.75–13.25 | 11.99–13.03 | 11.75–12.40 |
| *Percentage of amount of loans* | | | | | | | |
| 6 With floating rate | 49.0 | 19.6 | 21.4 | 32.3 | 41.6 | 57.8 | 61.0 |
| 7 Made under commitment | 46.0 | 26.5 | 42.8 | 40.2 | 45.3 | 59.9 | 49.0 |
| LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS | | | | | | | |
| 8 Amount of loans (thousands of dollars) | 1,888,708 | | 358,723 | | 169,065 | 120,865 | 1,240,055 |
| 9 Number of loans | 29,692 | | 28,087 | | 847 | 177 | 581 |
| 10 Weighted average maturity (months) | 45.1 | | 44.9 | | 45.4 | 51.2 | 44.5 |
| 11 Weighted average interest rate (percent per annum) | 12.25 | | 12.57 | | 12.82 | 12.91 | 12.02 |
| 12 Interquartile range[1] | 11.57–12.97 | | 11.00–14.09 | | 12.00–13.75 | 12.25–13.75 | 11.57–12.50 |
| *Percentage of amount of loans* | | | | | | | |
| 13 With floating rate | 48.8 | | 32.8 | | 58.1 | 68.2 | 50.3 |
| 14 Made under commitment | 49.2 | | 26.3 | | 56.1 | 67.4 | 53.1 |
| CONSTRUCTION AND LAND DEVELOPMENT LOANS | | | | | | | |
| 15 Amount of loans (thousands of dollars) | 895,394 | 139,974 | 88,809 | 66,913 | 186,534 | 413,165 | |
| 16 Number of loans | 21,106 | 16,444 | 2,503 | 968 | 966 | 225 | |
| 17 Weighted average maturity (months) | 7.4 | 5.4 | 4.0 | 7.2 | 8.8 | 8.7 | |
| 18 Weighted average interest rate (percent per annum) | 12.52 | 11.49 | 12.49 | 12.79 | 12.95 | 12.64 | |
| 19 Interquartile range[1] | 11.30–13.75 | 10.34–12.40 | 11.46–12.96 | 12.00–13.75 | 12.34–14.00 | 11.00–13.75 | |
| *Percentage of amount of loans* | | | | | | | |
| 20 With floating rate | 60.6 | 14.3 | 24.9 | 57.1 | 68.8 | 80.7 | |
| 21 Secured by real estate | 91.0 | 82.4 | 96.5 | 95.9 | 85.7 | 94.2 | |
| 22 Made under commitment | 71.5 | 63.2 | 66.8 | 67.9 | 75.0 | 74.3 | |
| *Type of construction* | | | | | | | |
| 23 1- to 4-family | 40.1 | 82.5 | 84.8 | 53.8 | 41.9 | 13.1 | |
| 24 Multifamily | 9.4 | 1.8 | 5.1 | 13.5 | 13.8 | 10.3 | |
| 24 Nonresidential | 50.5 | 15.6 | 10.1 | 32.7 | 44.3 | 76.6 | |
| LOANS TO FARMERS | All sizes | 1–9 | 10–24 | 25–49 | 50–99 | 100–249 | 250 and over |
| 26 Amount of loans (thousands of dollars) | 817,603 | 150,832 | 126,103 | 116,791 | 150,651 | 184,649 | 88,578 |
| 27 Number of loans | 59,186 | 42,815 | 8,970 | 3,574 | 2,363 | 1,280 | 184 |
| 28 Weighted average maturity (months) | 6.2 | 6.9 | 6.6 | 8.0 | 5.6 | 4.2 | 4.5 |
| 29 Weighted average interest rate (percent per annum) | 11.28 | 10.86 | 11.08 | 10.89 | 11.12 | 11.57 | 12.40 |
| 30 Interquartile range[1] | 10.34–12.00 | 10.25–11.41 | 10.34–11.52 | 10.25–11.50 | 10.25–11.61 | 11.00–12.13 | 11.00–13.54 |
| *By purpose of loan* | | | | | | | |
| 31 Feeder livestock | 11.18 | 10.61 | 11.12 | 10.39 | 11.36 | 11.05 | 12.58 |
| 32 Other livestock | 11.08 | 10.81 | 10.58 | 11.49 | 10.58 | 12.29 | (2) |
| 33 Other current operating expenses | 11.37 | 10.89 | 11.06 | 10.93 | 11.23 | 12.51 | 12.12 |
| 34 Farm machinery and equipment | 10.87 | 10.83 | 10.98 | 11.15 | (2) | (2) | (2) |
| 35 Other | 11.50 | 10.98 | 11.67 | 10.87 | 11.50 | 11.82 | 12.59 |

1. Interest rate range that covers the middle 50 percent of the total dollar amount of loans made.

2. Fewer than 10 sample loans.

NOTE. For more detail, see the Board's E. 2 (416) statistical release.

## 1.36 INTEREST RATES Money and Capital Markets

Averages, percent per annum

| Instrument | 1976 | 1977 | 1978 | 1979 Aug. | 1979 Sept. | 1979 Oct. | 1979 Nov. | 1979, week ending Nov. 3 | Nov. 10 | Nov. 17 | Nov. 24 | Dec. 1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Money market rates | | | | | | | | | | | |
| 1 Federal funds[1] | 5.05 | 5.54 | 7.94 | 10.94 | 11.43 | 13.77 | 13.18 | 15.61 | 13.77 | 13.30 | 13.10 | 12.46 |
| Commercial paper[2,3] | | | | | | | | | | | | |
| 2 1-month | 4.99 | 5.42 | 7.76 | 10.44 | 11.52 | 13.06 | 13.34 | n.a. | 14.07 | 13.60 | 13.26 | 12.28 |
| 3 3-month | 5.24 | 5.54 | 7.94 | 10.43 | 11.63 | 13.23 | 13.57 | n.a. | 14.24 | 13.80 | 13.50 | 12.65 |
| 4 6-month | 5.35 | 5.60 | 7.99 | 10.39 | 11.60 | 13.23 | 13.26 | n.a. | 13.95 | 13.37 | 13.19 | 12.40 |
| Finance paper, directly placed[2,3] | | | | | | | | | | | | |
| 5 1-month | 4.91 | 5.38 | 7.73 | 10.35 | 11.45 | 12.85 | 13.25 | n.a. | 13.96 | 13.59 | 13.14 | 12.14 |
| 6 3-month | n.a. | 5.49 | 7.80 | 10.09 | 10.89 | 12.24 | 12.52 | n.a. | 12.87 | 12.80 | 12.65 | 11.80 |
| 7 6-month | n.a. | 5.50 | 7.78 | 9.68 | 10.43 | 11.50 | 12.00 | n.a. | 12.25 | 12.19 | 12.14 | 11.43 |
| 8 Prime bankers acceptances, 90-day[3,4] | 5.19 | 5.59 | 8.11 | 10.62 | 11.70 | 13.44 | 13.53 | 14.11 | 14.20 | 13.72 | 13.46 | 12.62 |
| Certificates of deposit, secondary market[5] | | | | | | | | | | | | |
| 9 1-month | 5.07 | 5.48 | 7.88 | 10.58 | 11.70 | 13.36 | 13.60 | 14.17 | 14.28 | 13.83 | 13.62 | 12.61 |
| 10 3-month | 5.27 | 5.64 | 8.22 | 10.71 | 11.89 | 13.66 | 13.90 | 14.45 | 14.53 | 14.09 | 13.95 | 12.96 |
| 11 6-month | 5.62 | 5.92 | 8.61 | 10.86 | 12.01 | 13.83 | 13.97 | 14.49 | 14.60 | 14.11 | 14.03 | 13.09 |
| 12 Eurodollar deposits, 3-month[6] | 5.57 | 6.05 | 8.74 | 11.53 | 12.61 | 14.59 | 15.00 | 15.65 | 15.68 | 15.43 | 15.16 | 14.21 |
| U.S. Treasury bills[3,7] | | | | | | | | | | | | |
| Secondary market | | | | | | | | | | | | |
| 13 3-month | 4.98 | 5.27 | 7.19 | 9.52 | 10.26 | 11.70 | 11.79 | 12.07 | 12.25 | 11.90 | 11.77 | 11.26 |
| 14 6-month | 5.26 | 5.53 | 7.58 | 9.49 | 10.20 | 11.66 | 11.82 | 12.14 | 12.28 | 11.92 | 11.84 | 11.25 |
| 15 1-year | 5.52 | 5.71 | 7.74 | 9.16 | 9.89 | 11.23 | 11.22 | 11.65 | 11.66 | 11.12 | 11.25 | 10.74 |
| Auction average[8] | | | | | | | | | | | | |
| 16 3-month | 4.989 | 5.265 | 7.221 | 9.450 | 10.182 | 11.472 | 11.868 | 12.256 | 12.098 | 12.026 | 11.944 | 11.018 |
| 17 6-month | 5.266 | 5.510 | 7.572 | 9.450 | 10.125 | 11.339 | 11.856 | 12.193 | 12.086 | 11.945 | 12.035 | 11.022 |
| | Capital market rates | | | | | | | | | | | |
| U.S. TREASURY NOTES AND BONDS | | | | | | | | | | | | |
| Constant maturities[9] | | | | | | | | | | | | |
| 18 1-year | 5.88 | 6.09 | 8.34 | 9.98 | 10.84 | 12.44 | 12.39 | 12.91 | 12.94 | 12.31 | 12.45 | 11.76 |
| 19 2-year | ....... | 6.45 | 8.34 | 9.46 | 10.06 | 11.49 | 11.81 | 12.13 | 12.15 | 11.78 | 12.02 | 11.27 |
| 20 3-year | 6.77 | 6.69 | 8.29 | 9.14 | 9.69 | 10.95 | 11.18 | 11.64 | 11.56 | 11.12 | 11.31 | 10.64 |
| 21 4-year[10] | ....... | ....... | ....... | 9.20 | 9.50 | 11.55 | 10.85 | ....... | ....... | ....... | ....... | ....... |
| 22 5-year | 7.18 | 6.99 | 8.32 | 9.06 | 9.41 | 10.63 | 10.93 | 11.25 | 11.21 | 10.95 | 11.09 | 10.42 |
| 23 7-year | 7.42 | 7.23 | 8.36 | 9.05 | 9.38 | 10.47 | 10.80 | 11.00 | 11.03 | 10.83 | 10.91 | 10.40 |
| 24 10-year | 7.61 | 7.42 | 8.41 | 9.03 | 9.33 | 10.30 | 10.65 | 10.78 | 10.87 | 10.69 | 10.71 | 10.34 |
| 25 20-year | 7.86 | 7.67 | 8.48 | 8.97 | 9.21 | 9.99 | 10.37 | 10.44 | 10.56 | 10.42 | 10.42 | 10.09 |
| 26 30-year | ....... | ....... | 8.49 | 8.98 | 9.17 | 9.85 | 10.30 | 10.26 | 10.45 | 10.36 | 10.35 | 10.07 |
| Composite[11] | | | | | | | | | | | | |
| 27 3 to 5 years | 6.94 | 6.85 | 8.30 | 9.08 | 9.56 | 10.75 | 10.98 | 11.43 | 11.36 | 10.97 | 11.08 | 10.42 |
| 28 Over 10 years (long-term) | 6.78 | 7.06 | 7.89 | 8.42 | 8.68 | 9.44 | 9.80 | 9.88 | 9.98 | 9.86 | 9.84 | 9.51 |
| STATE AND LOCAL NOTES AND BONDS | | | | | | | | | | | | |
| Moody's series[12] | | | | | | | | | | | | |
| 29 Aaa | 5.66 | 5.20 | 5.52 | 5.72 | 5.90 | 6.25 | 6.49 | 6.35 | 6.35 | 6.55 | 6.60 | 6.60 |
| 30 Baa | 7.49 | 6.12 | 6.27 | 6.36 | 6.75 | 7.34 | 7.66 | 7.90 | 7.60 | 7.70 | 7.70 | 7.40 |
| 31 *Bond Buyer* series[13] | 6.64 | 5.68 | 6.03 | 6.20 | 6.52 | 7.08 | 7.30 | 7.26 | 7.27 | 7.31 | 7.38 | 7.26 |
| CORPORATE BONDS | | | | | | | | | | | | |
| 32 Seasoned issues, all industries[14] | 9.01 | 8.43 | 9.07 | 9.74 | 9.93 | 10.71 | 11.37 | 11.32 | 11.41 | 11.37 | 11.40 | 11.30 |
| *By rating groups* | | | | | | | | | | | | |
| 33 Aaa | 8.43 | 8.02 | 8.73 | 9.23 | 9.44 | 10.13 | 10.76 | 10.73 | 10.83 | 10.75 | 10.83 | 10.63 |
| 34 Aa | 8.75 | 8.24 | 8.92 | 9.53 | 9.70 | 10.46 | 11.22 | 11.06 | 11.23 | 11.27 | 11.29 | 11.14 |
| 35 A | 9.09 | 8.49 | 9.12 | 9.85 | 10.03 | 10.83 | 11.50 | 11.50 | 11.58 | 11.47 | 11.52 | 11.40 |
| 36 Baa | 9.75 | 8.97 | 9.45 | 10.35 | 10.54 | 11.40 | 11.99 | 11.98 | 11.99 | 11.99 | 11.98 | 12.00 |
| Aaa utility bonds[15] | | | | | | | | | | | | |
| 37 New issue | 8.48 | 8.19 | 8.96 | 9.48 | 9.83 | 10.97 | 11.42 | 11.51 | 11.50 | 11.50 | 11.45 | 11.20 |
| 38 Recently offered issues | 8.49 | 8.19 | 8.97 | 9.49 | 9.87 | 10.91 | 11.36 | 11.42 | 11.45 | 11.41 | 11.38 | 11.17 |
| MEMO: Dividend/price ratio[16] | | | | | | | | | | | | |
| 39 Preferred stocks | 7.97 | 7.60 | 8.25 | 9.02 | 9.16 | 7.44 | 7.40 | 7.28 | 7.14 | 7.40 | 7.54 | 7.64 |
| 40 Common stocks | 3.77 | 4.56 | 5.28 | 5.30 | 5.31 | 5.56 | 5.71 | 5.72 | 5.88 | 5.70 | 5.70 | 5.55 |

1. Weekly figures are 7-day averages of daily effective rates for the week ending Wednesday; the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates.
2. Beginning November 1977, unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Previously, most representative rate quoted by those dealers and finance companies. Before Nov. 1979, maturities for data shown are 30-59 days, 90-119 days, and 120–179 days for commercial paper; and 30-59 days, 90–119 days, and 150–179 days for finance paper.
3. Yields are quoted on a bank-discount basis.
4. Average of the midpoint of the range of daily dealer closing rates offered for domestic issues.
5. Five-day average of rates quoted by five dealers (3-month series was previously a 7-day average).
6. Averages of daily quotations for the week ending Wednesday.
7. Except for auction averages, yields are computed from daily closing bid prices.
8. Rates are recorded in the week in which bills are issued.
9. Yield on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.
10. Each figure is an average of only five business days near the end of the month. The rate for each month is used to determine the maximum interest rate payable in the following month on small saver certificates with maturities of four years or more. (See table 1.16.)
11. Unweighted averages for all outstanding notes and bonds in maturity ranges shown, based on daily closing bid prices. "Long-term" includes all bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.
12. General obligations only, based on figures for Thursday, from Moody's Investors Service.
13. Twenty issues of mixed quality.
14. Averages of daily figures from Moody's Investors Service.
15. Compilation of the Board of Governors of the Federal Reserve System.
Issues included are long-term (20 years or more). New-issue yields are based on quotations on date of offering; those on recently offered issues (included only for first 4 weeks after termination of underwriter price restrictions), on Friday close-of-business quotations.
16. Provided by Standard and Poor's Corporation.

## 1.37 STOCK MARKET Selected Statistics

| Indicator | 1976 | 1977 | 1978 | 1979 May | June | July | Aug. | Sept. | Oct. | Nov. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Prices and trading (averages of daily figures) | | | | | | | | | |
| *Common stock prices* | | | | | | | | | | |
| 1 **New York Stock Exchange (Dec. 31, 1965 = 50)** | 54.45 | 53.67 | 53.76 | 56.21 | 57.61 | 58.38 | 61.19 | 61.89 | 59.27 | 59.02 |
| 2 Industrial | 60.44 | 57.84 | 58.30 | 62.21 | 63.57 | 64.24 | 67.71 | 69.17 | 66.68 | 66.45 |
| 3 Transportation | 39.57 | 41.07 | 43.25 | 45.60 | 47.53 | 48.85 | 52.48 | 52.21 | 48.07 | 47.61 |
| 4 Utility | 36.97 | 40.91 | 39.23 | 37.48 | 38.44 | 38.88 | 39.26 | 38.39 | 36.58 | 36.55 |
| 5 Finance | 52.94 | 55.23 | 56.74 | 58.80 | 61.87 | 64.43 | 68.40 | 67.21 | 61.64 | 60.64 |
| 6 **Standard & Poor's Corporation (1941–43 = 10)**[1] | 102.01 | 98.18 | 96.11 | 99.73 | 101.73 | 102.71 | 107.36 | 108.60 | 104.47 | 103.66 |
| 7 **American Stock Exchange (Aug. 31, 1973 = 100)** | 101.63 | 116.18 | 144.56 | 180.81 | 196.08 | 197.63 | 208.29 | 223.00 | 212.33 | 216.58 |
| *Volume of trading (thousands of shares)* | | | | | | | | | | |
| 8 New York Stock Exchange | 21,189 | 20,936 | 28,591 | 28,352 | 34,662 | 32,416 | 35,870 | 37,576 | 37,301 | 31,126 |
| 9 American Stock Exchange | 2,565 | 2,514 | 3,922 | 3,888 | 5,236 | 3,890 | 4,503 | 5,405 | 5,446 | 3,938 |
| | Customer financing (end-of-period balances, in millions of dollars) | | | | | | | | | |
| 10 **Regulated margin credit at brokers/dealers**[2] | 8,166 | 9,993 | 11,035 | 11,314 | 11,763 | 12,019 | 12,236 | 12,178 | 11,483 | n.a. |
| 11 Margin stock[3] | 7,960 | 9,740 | 10,830 | 11,130 | 11,590 | 11,840 | 12,060 | 12,000 | 11,310 | n.a. |
| 12 Convertible bonds | 204 | 250 | 205 | 183 | 172 | 178 | 176 | 177 | 173 | n.a. |
| 13 Subscription issues | 2 | 3 | 1 | 1 | 1 | 1 | * | 1 | * | n.a. |
| *Free credit balances at brokers*[4] | | | | | | | | | | |
| 14 Margin-account | 585 | 640 | 835 | 840 | 895 | 885 | 910 | 960 | 950 | n.a. |
| 15 Cash-account | 1,855 | 2,060 | 2,510 | 2,590 | 2,880 | 3,025 | 2,995 | 3,325 | 3,490 | n.a. |
| | Margin-account debt at brokers (percentage distribution, end of period) | | | | | | | | | |
| 16 **Total** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | n.a. |
| *By equity class (in percent)*[5] | | | | | | | | | | |
| 17 Under 40 | 12.0 | 18.0 | 33.0 | 22.0 | 21.0 | 19.0 | 14.0 | 16.0 | 27.0 | n.a. |
| 18 40–49 | 23.0 | 36.0 | 28.0 | 30.0 | 28.0 | 28.0 | 26.0 | 26.0 | 31.0 | n.a. |
| 19 50–59 | 35.0 | 23.0 | 18.0 | 23.0 | 26.0 | 28.0 | 31.0 | 30.0 | 20.0 | n.a. |
| 20 60–69 | 15.0 | 11.0 | 10.0 | 12.0 | 12.0 | 12.0 | 14.0 | 14.0 | 10.0 | n.a. |
| 21 70–79 | 8.7 | 6.0 | 6.0 | 7.0 | 7.0 | 7.0 | 8.0 | 8.0 | 6.0 | n.a. |
| 22 80 or more | 6.0 | 5.0 | 5.0 | 6.0 | 6.0 | 6.0 | 7.0 | 6.0 | 6.0 | n.a. |
| | Special miscellaneous-account balances at brokers (end of period) | | | | | | | | | |
| 23 **Total balances (millions of dollars)**[6] | 8,776 | 9,910 | 13,092 | 13,099 | 13,634 | n.a. | n.a. | n.a. | n.a. | n.a. |
| *Distribution by equity status (percent)* | | | | | | | | | | |
| 24 Net credit status | 41.3 | 43.4 | 41.3 | 41.3 | 42.6 | n.a. | n.a. | n.a. | n.a. | n.a. |
| Debit status, equity of | | | | | | | | | | |
| 25 60 percent or more | 47.8 | 44.9 | 45.1 | 48.6 | 47.3 | n.a. | n.a. | n.a. | n.a. | n.a. |
| 26 Less than 60 percent | 10.9 | 11.7 | 13.6 | 10.1 | 10.1 | n.a. | n.a. | n.a. | n.a. | n.a. |

Margin requirements (percent of market value and effective date)[7]

| Indicator | Mar. 11, 1968 | June 8, 1968 | May 6, 1970 | Dec. 6, 1971 | Nov. 24, 1972 | Jan. 3, 1974 |
|---|---|---|---|---|---|---|
| 27 Margin stocks | 70 | 80 | 65 | 55 | 65 | 50 |
| 28 Convertible bonds | 50 | 60 | 50 | 50 | 50 | 50 |
| 29 Short sales | 70 | 80 | 65 | 55 | 65 | 50 |

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exchange.
In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.
3. A distribution of this total by equity class is shown on lines 17–22.
4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.
6. Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.
7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act or 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

## 1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

| Account | 1976 | 1977 | 1978 | 1979 Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct.[p] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Savings and loan associations[r] | | | | | | |
| 1 **Assets** | **391,907** | **459,241** | **523,542** | **534,044** | **539,582** | **543,320** | **549,031** | **555,409** | **561,037** | **566,493** | **570,479** | **576,138** |
| 2 Mortgages | 323,005 | 381,163 | 432,808 | 437,849 | 441,358 | 445,638 | 450,978 | 456,544 | 460,620 | 464,609 | 468,307 | 472,094 |
| 3 Cash and investment securities[1] | 35,724 | 39,150 | 44,884 | 49,042 | 50,153 | 48,698 | 48,280 | 48,253 | 49,496 | 50,007 | 49,301 | 49,227 |
| 4 Other | 33,178 | 38,928 | 45,850 | 47,153 | 48,071 | 48,984 | 49,773 | 50,612 | 50,721 | 51,877 | 52,871 | 54,817 |
| 5 **Liabilities and net worth** | **391,907** | **459,241** | **523,542** | **534,044** | **539,582** | **543,320** | **549,031** | **555,409** | **561,037** | **566,493** | **570,479** | **576,138** |
| 6 Savings capital | 335,912 | 386,800 | 430,953 | 438,564 | 446,898 | 445,751 | 447,788 | 454,642 | 456,657 | 457,856 | 462,626 | 464,375 |
| 7 Borrowed money | 19,083 | 27,840 | 42,907 | 41,315 | 41,538 | 43,710 | 44,324 | 46,993 | 48,437 | 50,437 | 52,738 | 54,264 |
| 8 FHLBB | 15,708 | 19,945 | 31,990 | 31,004 | 31,123 | 32,389 | 33,003 | 34,266 | 35,286 | 36,009 | 37,620 | 39,229 |
| 9 Other | 3,375 | 7,895 | 10,917 | 10,311 | 10,415 | 11,321 | 11,321 | 12,727 | 13,151 | 14,428 | 15,118 | 15,035 |
| 10 Loans in process | 6,840 | 9,911 | 10,721 | 10,271 | 10,331 | 10,690 | 11,118 | 11,260 | 11,309 | 11,047 | 10,909 | 10,778 |
| 11 Other | 8,074 | 9,506 | 9,904 | 14,230 | 10,905 | 12,950 | 15,259 | 11,681 | 13,503 | 15,712 | 12,497 | 14,662 |
| 12 Net worth[2] | 21,998 | 25,184 | 29,057 | 29,664 | 29,910 | 30,219 | 30,542 | 30,833 | 31,131 | 31,441 | 31,709 | 32,059 |
| 13 MEMO: Mortgage loan commitments outstanding[3] | 14,826 | 19,875 | 18,911 | 19,037 | 21,082 | 22,915 | 23,560 | 22,770 | 22,360 | 22,282 | 22,397 | 20,949 |
| | | | | | | Mutual savings banks[9] | | | | | | |
| 14 **Assets** | **134,812** | **147,287** | **158,174** | **160,078** | **161,866** | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Loans | | | | | | | | | | | | |
| 15 Mortgage | 81,630 | 88,195 | 95,157 | 95,821 | 96,136 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 16 Other | 5,183 | 6,210 | 7,195 | 8,455 | 9,421 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Securities | | | | | | | | | | | | |
| 17 U.S. government | 5,840 | 5,895 | 4,959 | 4,801 | 4,814 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 18 State and local government | 2,417 | 2,828 | 3,333 | 3,167 | 3,126 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 19 Corporate and other[4] | 33,793 | 37,918 | 39,732 | 40,307 | 40,658 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 20 Cash | 2,355 | 2,401 | 3,665 | 3,306 | 3,410 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 21 Other assets | 3,593 | 3,839 | 4,131 | 4,222 | 4,300 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 22 **Liabilities** | **134,812** | **147,287** | **158,174** | **160,078** | **161,866** | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 23 Deposits | 122,877 | 134,017 | 142,701 | 143,539 | 145,650 | 145,096 | 145,056 | 146,057 | 145,757 | 145,713 | 146,252 | n.a. |
| 24 Regular[5] | 121,961 | 132,744 | 141,170 | 142,071 | 144,042 | 143,210 | 143,271 | 144,161 | 143,843 | 143,731 | 144,258 | n.a. |
| 25 Ordinary savings | 74,535 | 78,005 | 71,816 | 68,817 | 68,829 | 67,758 | 67,577 | 68,104 | 67,537 | 66,733 | 65,676 | n.a. |
| 26 Time and other | 47,426 | 54,739 | 69,354 | 73,254 | 75,213 | 75,452 | 75,694 | 76,057 | 76,306 | 76,998 | 78,572 | n.a. |
| 27 Other | 916 | 1,272 | 1,531 | 1,468 | 1,608 | 1,886 | 1,784 | 1,896 | 1,914 | 1,982 | 2,003 | n.a. |
| 28 Other liabilities | 2,884 | 3,292 | 4,565 | 5,485 | 5,048 | 5,050 | 5,172 | 4,545 | 5,578 | 6,350 | 5,790 | n.a. |
| 29 General reserve accounts | 9,052 | 9,978 | 10,907 | 11,054 | 11,167 | 11,085 | 11,153 | 11,212 | 11,264 | 11,324 | 11,388 | n.a. |
| 30 MEMO: Mortgage loan commitments outstanding[6] | 2,439 | 4,066 | 4,400 | 4,453 | 4,482 | 4,449 | 4,352 | 4,469 | 4,214 | 4,071 | 4,123 | n.a. |
| | | | | | | Life insurance companies | | | | | | |
| 31 **Assets** | **321,552** | **351,722** | **389,924** | **396,190** | **399,579** | **402,963** | **405,627** | **409,853** | **414,120** | **418,350** | **421,660** | n.a. |
| Securities | | | | | | | | | | | | |
| 32 Government | 17,942 | 19,553 | 20,009 | 20,222 | 20,463 | 20,510 | 20,381 | 20,397 | 20,468 | 20,472 | 20,379 | n.a. |
| 33 United States[7] | 5,368 | 5,315 | 4,822 | 5,114 | 5,234 | 5,272 | 5,149 | 5,178 | 5,228 | 5,229 | 5,067 | n.a. |
| 34 State and local | 5,594 | 6,051 | 6,402 | 6,255 | 6,259 | 6,268 | 6,272 | 6,241 | 6,243 | 6,258 | 6,295 | n.a. |
| 35 Foreign[8] | 6,980 | 8,187 | 8,785 | 8,853 | 8,970 | 8,970 | 8,960 | 8,978 | 8,997 | 8,985 | 9,017 | n.a. |
| 36 Business | 157,246 | 175,654 | 198,105 | 202,843 | 204,895 | 206,160 | 207,775 | 209,804 | 212,876 | 215,252 | 216,500 | n.a. |
| 37 Bonds | 122,984 | 141,891 | 162,587 | 167,548 | 168,622 | 169,817 | 171,762 | 173,130 | 175,854 | 176,920 | 177,698 | n.a. |
| 38 Stocks | 34,262 | 33,763 | 35,518 | 35,295 | 36,273 | 36,343 | 36,013 | 36,674 | 37,022 | 38,332 | 38,802 | n.a. |
| 39 Mortgages | 91,552 | 96,848 | 106,167 | 107,385 | 108,417 | 109,198 | 110,023 | 111,123 | 112,120 | 113,102 | 114,368 | n.a. |
| 40 Real estate | 10,476 | 11,060 | 11,764 | 11,943 | 11,484 | 12,086 | 12,101 | 12,199 | 12,351 | 12,738 | 12,740 | n.a. |
| 41 Policy loans | 25,834 | 27,556 | 30,146 | 30,778 | 31,160 | 31,512 | 31,832 | 32,131 | 32,390 | 32,713 | 33,046 | n.a. |
| 42 Other assets | 18,502 | 21,051 | 23,733 | 23,019 | 23,160 | 23,497 | 23,515 | 24,199 | 23,915 | 24,073 | 24,637 | n.a. |
| | | | | | | Credit unions | | | | | | |
| 43 **Total assets/liabilities and capital** | **45,225** | **54,084** | **62,595** | **62,319** | **63,883** | **63,247** | **64,372** | **65,603** | **66,563** | **67,271** | **68,032** | n.a. |
| 44 Federal | 24,396 | 29,574 | 34,681 | 34,419 | 35,289 | 34,653 | 35,268 | 35,986 | 36,733 | 37,045 | 37,498 | n.a. |
| 45 State | 20,829 | 24,510 | 27,914 | 27,900 | 28,594 | 28,594 | 29,104 | 29,617 | 29,830 | 30,226 | 30,534 | n.a. |
| 46 Loans outstanding | 34,384 | 42,055 | 51,807 | 51,716 | 52,480 | 52,542 | 53,100 | 53,831 | 54,160 | 55,110 | 55,744 | n.a. |
| 47 Federal | 18,311 | 22,717 | 28,583 | 28,427 | 28,918 | 28,849 | 29,109 | 29,525 | 29,674 | 30,179 | 30,495 | n.a. |
| 48 State | 16,073 | 19,338 | 23,224 | 23,289 | 23,562 | 23,693 | 23,991 | 24,306 | 24,486 | 24,931 | 25,249 | n.a. |
| 49 Savings | 39,173 | 46,832 | 53,048 | 52,484 | 54,243 | 53,745 | 54,638 | r55,948 | 56,512 | 56,701 | 57,372 | n.a. |
| 50 Federal (shares) | 21,130 | 25,849 | 29,326 | 28,743 | 29,741 | 29,339 | 29,755 | 30,563 | 30,857 | 30,890 | 31,227 | n.a. |
| 51 State (shares and deposits) | 18,043 | 20,983 | 23,722 | 23,741 | 24,502 | 24,406 | 24,883 | r25,386 | 25,655 | 25,811 | 26,145 | n.a. |

For notes see bottom of page A30.

## 1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

| Type of account or operation | Fiscal year 1977 | Fiscal year 1978 | Fiscal year 1979 | Calendar year | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 1978 | | 1979 | 1979 | | |
| | | | | H1 | H2 | H1 | Aug. | Sept. | Oct. |
| *U.S. budget* | | | | | | | | | |
| 1 Receipts[1] | 357,762 | 401,997 | 465,940 | 210,650 | 206,275 | 246,574 | 39,353 | 47,295 | 33,099 |
| 2 Outlays[1] | 402,725 | r450,938 | 493,221 | 222,561 | 238,186 | 245,616 | 54,279 | 29,625 | 47,807 |
| 3 Surplus, or deficit (−) | −44,963 | r−48,940 | −27,281 | −11,912 | −31,912 | 958 | −14,926 | 17,670 | −14,708 |
| 4 Trust funds | 9,497 | 12,693 | 18,335 | 4,334 | 11,754 | 4,041 | −4,673 | 16,039 | −6,555 |
| 5 Federal funds[2] | −54,460 | r−61,633 | −45,616 | −16,246 | −43,666 | −4,999 | −10,254 | 1,631 | −8,153 |
| *Off-budget entities surplus, or deficit* (−) | | | | | | | | | |
| 6 Federal Financing Bank outlays | −8,415 | −10,661 | −13,261 | −5,105 | −5,082 | −7,712 | −908 | −1,383 | −1,536 |
| 7 Other[3] | −264 | 355 | 832 | −790 | 1,843 | −447 | −169 | −730 | 1,598 |
| *U.S. budget plus off-budget, including Federal Financing Bank* | | | | | | | | | |
| 8 Surplus, or deficit (−) | −53,642 | r−59,246 | −39,710 | −17,806 | −35,151 | −7,201 | −16,003 | 15,557 | −14,646 |
| Source of financing | | | | | | | | | |
| 9 Borrowing from the public | 53,516 | r−59,106 | 33,641 | 23,378 | 30,314 | 6,039 | 3,268 | 4,249 | 2,217 |
| 10 Cash and monetary assets (decrease, or increase (−))[4] | −2,247 | r−3,023 | −408 | −5,098 | 3,381 | −8,878 | 6,535 | −16,562 | 14,220 |
| 11 Other[5] | 2,373 | r3,163 | 6,477 | −474 | 1,456 | 10,040 | 6,200 | −3,244 | −1,791 |
| MEMO: | | | | | | | | | |
| 12 Treasury operating balance (level, end of period) | 19,104 | 22,444 | 24,176 | 17,526 | 16,291 | 17,485 | 6,950 | 24,176 | 10,460 |
| 13 Federal Reserve Banks | 15,740 | 16,647 | 6,489 | 11,614 | 4,196 | 3,290 | 3,542 | 6,489 | 2,209 |
| 14 Tax and loan accounts | 3,364 | 5,797 | 17,687 | 5,912 | 12,095 | 14,195 | 3,408 | 17,687 | 8,251 |

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.
2. Half-year figures calculated as a residual (total surplus/deficit less trust fund surplus/deficit).
3. Includes Pension Benefit Guaranty Corp.; Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank.
4. Includes U.S. Treasury operating cash accounts; special drawing rights; gold tranche drawing rights; loans to International Monetary Fund; and other cash and monetary assets.
5. Includes accured interest payable to the public; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seignorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1980.*

## NOTES TO TABLE 1.38

1. Holdings of stock of the Federal Home Loan Banks are included in "other assets."
2. Includes net undistributed income, which is accrued by most, but not all, associations.
3. Excludes figures for loans in process, which are shown as a liability.
4. Includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. government agencies.
5. Excludes checking, club, and school accounts.
6. Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Association of the State of New York.
7. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in this table under "business" securities.
8. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.
9. The NAMSB reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. This largely reflects: (1) changes in FDIC reporting proceedures; and (2) reclassification of certain items.

NOTE. *Savings and loan associations:* Estimates by the FHLBB for all associations in the United States. Data are based on monthly reports of federally insured associations and annual reports of other associations. Even when revised, data for current and preceding year are subject to further revision.

*Mutual savings banks:* Estimates of National Association of Mutual Savings Banks for all savings banks in the United States. Data are reported on a gross-of-valuation-reserves basis.

*Life insurance companies:* Estimates of the American Council of Life Insurance for all life insurance companies in the United States. Annual figures are annual-statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "other assets."

*Credit unions:* Estimates by the National Credit Union Administration for a group of federal and state-chartered credit unions that account for about 30 percent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

## 1.40 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

| Source or type | Fiscal year 1977 | Fiscal year 1978[r] | Fiscal year 1979 | Calendar year | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 1978 | | 1979 | 1979 | | |
| | | | | H1 | H2 | H1 | Aug. | Sept. | Oct. |
| RECEIPTS | | | | | | | | | |
| 1 **All sources**[1] | **357,762** | **401,997** | **465,940** | **210,650** | **206,275** | **246,574** | **39,353** | **47,295** | **33,099** |
| 2 Individual income taxes, net | 157,626 | 180,988 | 217,841 | 90,336 | 98,854 | 111,603 | 17,215 | 23,341 | 18,682 |
| 3 Withheld | 144,820 | 165,215 | 195,295 | 82,784 | 90,148 | 98,683 | 16,952 | 16,194 | 17,777 |
| 4 Presidential Election Campaign Fund | 37 | 39 | 36 | 36 | 3 | 32 | 3 | 0 | 0 |
| 5 Nonwithheld | 42,062 | 47,804 | 56,215 | 37,584 | 10,777 | 44,116 | 1,041 | 7,349 | 1,183 |
| 6 Refunds[1] | 29,293 | 32,070 | 33,705 | 30,068 | 2,075 | 31,228 | 781 | 201 | 278 |
| Corporation income taxes | | | | | | | | | |
| 7 Gross receipts | 60,057 | 65,380 | 71,448 | 38,496 | 28,536 | 42,427 | 1,661 | 10,096 | 2,543 |
| 8 Refunds | 5,164 | 5,428 | 5,771 | 2,782 | 2,757 | 2,889 | 293 | 463 | 1,068 |
| 9 Social insurance taxes and contributions, net | 108,683 | 123,410 | 141,591 | 66,191 | 61,064 | 75,609 | 17,164 | 10,809 | 9,384 |
| 10 Payroll employment taxes and contributions[2] | 88,196 | 99,626 | 115,041 | 51,668 | 51,052 | 59,298 | 13,577 | 9,893 | 8,013 |
| 11 Self-employment taxes and contributions[3] | 4,014 | 4,267 | 5,034 | 3,892 | 369 | 4,616 | 0 | 417 | 0 |
| 12 Unemployment insurance | 11,312 | 13,850 | 15,387 | 7,800 | 6,727 | 8,623 | 2,847 | 154 | 840 |
| 13 Other net receipts[4] | 5,162 | 5,668 | 6,130 | 2,831 | 2,917 | 3,072 | 740 | 344 | 530 |
| 14 Excise taxes | 17,548 | 18,376 | 18,745 | 8,835 | 9,879 | 8,984 | 1,498 | 1,660 | 1,547 |
| 15 Customs deposits | 5,150 | 6,573 | 7,439 | 3,320 | 3,748 | 3,682 | 689 | 559 | 646 |
| 16 Estate and gift taxes | 7,327 | 5,285 | 5,411 | 2,587 | 2,691 | 2,657 | 534 | 434 | 526 |
| 17 Miscellaneous receipts[5] | 6,536 | 7,413 | 9,237 | 3,667 | 4,260 | 4,501 | 886 | 859 | 838 |
| OUTLAYS | | | | | | | | | |
| 18 **All types**[1] | **402,725** | **450,938** | **493,221** | **222,561** | **238,186** | **245,616** | **54,279** | **29,625** | **47,807** |
| 19 National defense | 97,501 | 105,192 | 116,491 | 52,535 | 55,124 | 57,643 | 10,657 | 9,200 | 10,448 |
| 20 International affairs | 4,813 | 6,083 | 5,419 | 3,347 | 2,060 | 3,538 | 944 | 748 | 1,263 |
| 21 General science, space, and technology | 4,677 | 4,721 | 5,620 | 2,395 | 2,383 | 2,461 | 503 | 965 | 451 |
| 22 Energy | 4,172 | 5,901 | 7,855 | 2,721 | 4,279 | 4,417 | 789 | 459 | 52 |
| 23 Natural resources and environment | 10,000 | 11,167 | 12,346 | 4,690 | 6,020 | 5,672 | 1,394 | 1,234 | 1,433 |
| 24 Agriculture | 5,532 | 7,618 | 6,410 | 2,435 | 4,967 | 3,020 | −215 | −28 | 402 |
| 25 Commerce and housing credit | −44 | 3,319 | 2,592 | −443 | 3,292 | 60 | 59 | −46 | 2,078 |
| 26 Transportation | 14,636 | 15,462 | 17,013 | 7,215 | 8,740 | 7,688 | 1,702 | 1,589 | 1,923 |
| 27 Community and regional development | 6,286 | 11,263 | 9,735 | 5,500 | 5,844 | 4,499 | 933 | 1,003 | 630 |
| 28 Education, training, employment, and social services | 20,985 | 25,890 | 28,524 | 13,218 | 14,247 | 14,467 | 2,645 | 2,341 | 2,330 |
| 29 Health | 38,785 | 43,676 | 49,614 | 21,147 | 23,830 | 24,860 | 4,632 | 4,109 | 4,662 |
| 30 Income security[1] | 137,915 | 146,503 | 160,496 | 75,370 | 73,127 | 81,173 | 23,659 | 4,546 | 14,477 |
| 31 Veterans benefits and services | 18,038 | 18,987 | 19,916 | 9,625 | 9,532 | 10,127 | 2,559 | 599 | 1,809 |
| 32 Administration of justice | 3,600 | 3,786 | 4,138 | 1,945 | 1,989 | 2,096 | 397 | 281 | 460 |
| 33 General government | 3,374 | 3,723 | 4,671 | 1,845 | 2,304 | 2,291 | 432 | 333 | 209 |
| 34 General-purpose fiscal assistance | 9,499 | 9,377 | 8,234 | 4,678 | 4,610 | 3,890 | 53 | 131 | 1,822 |
| 35 Interest[6] | 38,009 | 44,040 | 52,634 | 22,280 | 24,036 | 26,934 | 4,240 | 3,818 | 4,082 |
| 36 Undistributed offsetting receipts[6,7] | −15,053 | −15,772 | −18,489 | −7,945 | −8,199 | −8,999 | −1,103 | −1,655 | −722 |

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance.
4. Supplementary medical insurance premiums, federal employee retirement contributions, and Civil Service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Effective September 1976, "Interest" and "Undistributed Offsetting Receipts" reflect the accounting conversion for the interest on special issues for U.S. government accounts from an accrual basis to a cash basis.
7. Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. government contributions for employee retirement.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1980.*

## 1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

| Item | 1976 | 1977 | | | 1978 | | | 1979 | |
|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31 | June 30 | Sept. 30 | Dec. 31 | June 30 | Sept. 30 | Dec. 31 | Mar. 31 | June 30 |
| 1 **Federal debt outstanding** | **665.5** | **685.2** | **709.1** | **729.2** | **758.8** | **780.4** | **797.7** | **804.6** | **812.2** |
| 2 Public debt securities | 653.5 | 674.4 | 698.8 | 718.9 | 749.0 | 771.5 | 789.2 | 796.8 | 804.9 |
| 3 Held by public | 506.4 | 523.2 | 543.4 | 564.1 | 587.9 | 603.6 | 619.2 | 630.5 | 626.4 |
| 4 Held by agencies | 147.1 | 151.2 | 155.5 | 154.8 | 161.1 | 168.0 | 170.0 | 166.3 | 178.5 |
| 5 Agency securities | 12.0 | 10.8 | 10.3 | 10.2 | 9.8 | 8.9 | 8.5 | 7.8 | 7.3 |
| 6 Held by public | 10.0 | 9.0 | 8.5 | 8.4 | 8.0 | 7.4 | 7.0 | 6.3 | 5.9 |
| 7 Held by agencies | 1.9 | 1.8 | 1.8 | 1.8 | 1.8 | 1.5 | 1.5 | 1.5 | 1.5 |
| 8 **Debt subject to statutory limit** | **654.7** | **675.6** | **700.0** | **720.1** | **750.2** | **772.7** | **790.3** | **797.9** | **806.0** |
| 9 Public debt securities | 652.9 | 673.8 | 698.2 | 718.3 | 748.4 | 770.9 | 788.6 | 796.2 | 804.3 |
| 10 Other debt[1] | 1.7 | 1.7 | 1.7 | 1.7 | 1.8 | 1.8 | 1.7 | 1.7 | 1.7 |
| 11 MEMO: Statutory debt limit | 682.0 | 700.0 | 700.0 | 752.0 | 752.0 | 798.0 | 798.0 | 798.0 | 830.0 |

1. Includes guaranteed debt of government agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

NOTE. Data from *Treasury Bulletin* (U.S. Treasury Department).

## 1.42 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership

Billions of dollars, end of period

| Type and holder | 1975 | 1976 | 1977 | 1978 | 1979 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | July | Aug. | Sept. | Oct. | Nov. |
| 1 **Total gross public debt** | **576.6** | **653.5** | **718.9** | **789.2** | **807.5** | **813.1** | **826.5** | **826.8** | **833.8** |
| *By type* | | | | | | | | | |
| 2 Interest-bearing debt | 575.7 | 652.5 | 715.2 | 782.4 | 806.5 | 812.1 | 819.0 | 825.7 | 832.7 |
| 3 Marketable | 363.2 | 421.3 | 459.9 | 487.5 | 507.0 | 509.2 | 506.7 | 515.0 | 519.6 |
| 4 Bills | 157.5 | 164.0 | 161.1 | 161.7 | 159.9 | 160.5 | 161.4 | 161.7 | 165.1 |
| 5 Notes | 167.1 | 216.7 | 251.8 | 265.8 | 278.3 | 277.6 | 274.2 | 280.8 | 279.7 |
| 6 Bonds | 38.6 | 40.6 | 47.0 | 60.0 | 68.8 | 71.1 | 71.1 | 72.5 | 74.8 |
| 7 Nonmarketable[1] | 212.5 | 231.2 | 255.3 | 294.8 | 299.5 | 302.9 | 312.3 | 310.7 | 313.2 |
| 8 Convertible bonds[2] | 2.3 | 2.3 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| 9 State and local government series | 1.2 | 4.5 | 13.9 | 24.3 | 24.2 | 24.6 | 24.6 | 24.4 | 24.5 |
| 10 Foreign issues[3] | 21.6 | 22.3 | 22.2 | 29.6 | 28.0 | 27.7 | 28.1 | 28.0 | 29.2 |
| 11 Government | 21.6 | 22.3 | 22.2 | 28.0 | 23.9 | 23.5 | 24.0 | 23.9 | 23.9 |
| 12 Public | 0 | 0 | 0 | 1.6 | 4.2 | 4.2 | 4.2 | 4.2 | 5.3 |
| 13 Savings bonds and notes | 67.9 | 72.3 | 77.0 | 80.9 | 80.9 | 80.9 | 80.0 | 80.5 | 80.0 |
| 14 Government account series[4] | 119.4 | 129.7 | 139.8 | 157.5 | 163.9 | 167.3 | 176.4 | 175.3 | 177.0 |
| 15 Non-interest-bearing debt | 1.0 | 1.1 | 3.7 | 6.8 | 1.0 | 1.0 | 7.5 | 1.1 | 1.1 |
| *By holder*[5] | | | | | | | | | |
| 16 U.S. government agencies and trust funds | 139.1 | 147.1 | 154.8 | 170.0 | 176.3 | 178.6 | 187.8 | | |
| 17 Federal Reserve Banks | 89.8 | 97.0 | 102.5 | 109.6 | 111.4 | 113.0 | 114.8 | | |
| 18 Private investors | 349.4 | 409.5 | 461.3 | 508.6 | 519.8 | 521.5 | 524.0 | | |
| 19 Commercial banks | 85.1 | 103.8 | 101.4 | 93.4 | 93.4 | 92.7 | 92.3 | | |
| 20 Mutual savings banks | 4.5 | 5.9 | 5.9 | 5.2 | 4.7 | 4.6 | 4.7 | | |
| 21 Insurance companies | 9.5 | 12.7 | 15.1 | 15.0 | 14.5 | 14.6 | 14.6 | | |
| 22 Other corporations | 20.2 | 27.7 | 22.7 | 20.6 | 21.2 | 20.7 | 23.7 | n.a. | n.a. |
| 23 State and local governments | 34.2 | 41.6 | 55.2 | 68.6 | 69.9 | 70.1 | 68.9 | | |
| Individuals | | | | | | | | | |
| 24 Savings bonds | 67.3 | 72.0 | 76.7 | 80.7 | 80.7 | 80.7 | 80.6 | | |
| 25 Other securities | 24.0 | 28.8 | 28.6 | 30.0 | 32.0 | 32.3 | 32.6 | | |
| 26 Foreign and international[6] | 66.5 | 78.1 | 109.6 | 137.8 | r124.4 | r123.7 | 125.2 | | |
| 27 Other miscellaneous investors[7] | 38.0 | 38.9 | 46.1 | 57.4 | r79.0 | r82.2 | 81.3 | | |

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration, depositary bonds, retirement plan bonds, and individual retirement bonds.
2. These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ percent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category above.
3. Nonmarketable dollar-denominated and foreign currency denominated series held by foreigners.
4. Held almost entirely by U.S. government agencies and trust funds.
5. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
6. Consists of the investments of foreign balances and international accounts in the United States. Beginning with July 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.
7. Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit accounts, and government sponsored agencies.

NOTE. Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues.
Data by type of security from *Monthly Statement of the Public Debt of the United States* (U.S. Treasury Department); data by holder from *Treasury Bulletin*.

## 1.43 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

| | Type of holder | 1977 | 1978 | 1979 | | 1977 | 1978 | 1979 | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Aug. | Sept. | | | Aug. | Sept. |
| | | All maturities | | | | 1 to 5 years | | | |
| 1 | **All holders** | **459,927** | **487,546** | **509,187** | **506,693** | **151,264** | **162,886** | **160,771** | **157,315** |
| 2 | U.S. government agencies and trust funds | 14,420 | 12,695 | 11,388 | 11,379 | 4,788 | 3,310 | 3,109 | 3,099 |
| 3 | Federal Reserve Banks | 101,191 | 109,616 | 113,027 | 104,645 | 27,012 | 31,283 | 27,055 | 26,642 |
| 4 | Private investors | 344,315 | 365,235 | 384,771 | 390,669 | 119,464 | 128,293 | 130,607 | 127,574 |
| 5 | Commercial banks | 75,363 | 68,890 | 66,813 | 66,653 | 38,691 | 38,390 | 37,055 | 36,874 |
| 6 | Mutual savings banks | 4,379 | 3,499 | 3,244 | 3,287 | 2,112 | 1,918 | 1,752 | 1,719 |
| 7 | Insurance companies | 12,378 | 11,635 | 11,743 | 11,777 | 4,729 | 4,664 | 5,095 | 5,013 |
| 8 | Nonfinancial corporations | 9,474 | 8,272 | 7,127 | 8,952 | 3,183 | 3,635 | 2,265 | 3,178 |
| 9 | Savings and loan associations | 4,817 | 3,835 | 3,547 | 3,517 | 2,368 | 2,255 | 2,070 | 1,994 |
| 10 | State and local governments | 15,495 | 18,815 | 18,151 | 17,491 | 3,875 | 3,997 | 4,283 | 4,051 |
| 11 | All others | 222,409 | 250,288 | 274,145 | 278,991 | 64,505 | 73,433 | 78,087 | 74,745 |
| | | Total, within 1 year | | | | 5 to 10 years | | | |
| 12 | **All holders** | **230,691** | **228,516** | **245,699** | **246,693** | **45,328** | **50,400** | **45,510** | **45,507** |
| 13 | U.S. government agencies and trust funds | 1,906 | 1,488 | 1,416 | 1,417 | 2,129 | 1,989 | 872 | 872 |
| 14 | Federal Reserve Banks | 56,702 | 52,801 | 61,392 | 53,254 | 10,404 | 14,809 | 12,246 | 12,356 |
| 15 | Private investors | 172,084 | 174,227 | 182,891 | 192,023 | 32,795 | 33,601 | 32,392 | 32,279 |
| 16 | Commercial banks | 29,477 | 20,608 | 20,232 | 20,478 | 6,162 | 7,490 | 6,951 | 6,870 |
| 17 | Mutual savings banks | 1,400 | 817 | 799 | 849 | 584 | 496 | 444 | 470 |
| 18 | Insurance companies | 2,398 | 1,838 | 1,865 | 1,923 | 3,204 | 2,899 | 2,478 | 2,587 |
| 19 | Nonfinancial corporations | 5,770 | 4,048 | 4,150 | 5,052 | 307 | 369 | 324 | 355 |
| 20 | Savings and loan associations | 2,236 | 1,414 | 1,334 | 1,381 | 143 | 89 | 68 | 68 |
| 21 | State and local governments | 7,917 | 8,194 | 5,952 | 5,600 | 1,283 | 1,588 | 1,719 | 1,712 |
| 22 | All others | 122,885 | 137,309 | 148,559 | 156,741 | 21,112 | 20,671 | 20,408 | 20,218 |
| | | Bills, within 1 year | | | | 10 to 20 years | | | |
| 23 | **All holders** | **161,081** | **161,747** | **160,489** | **161,378** | **12,906** | **19,800** | **26,270** | **26,241** |
| 24 | U.S. government agencies and trust funds | 32 | 2 | * | * | 3,102 | 3,876 | 4,520 | 4,520 |
| 25 | Federal Reserve Banks | 42,004 | 42,397 | 42,911 | 44,449 | 1,510 | 2,088 | 3,203 | 3,232 |
| 26 | Private investors | 119,035 | 119,348 | 117,578 | 127,068 | 8,295 | 13,836 | 18,548 | 18,489 |
| 27 | Commercial banks | 11,996 | 5,707 | 4,663 | 5,137 | 456 | 956 | 1,062 | 1,006 |
| 28 | Mutual savings banks | 484 | 150 | 136 | 157 | 137 | 143 | 133 | 134 |
| 29 | Insurance companies | 1,187 | 753 | 506 | 489 | 1,245 | 1,460 | 1,365 | 1,331 |
| 30 | Nonfinancial corporations | 4,329 | 1,792 | 1,831 | 2,302 | 133 | 86 | 225 | 221 |
| 31 | Savings and loan associations | 806 | 262 | 201 | 192 | 54 | 60 | 59 | 58 |
| 32 | State and local governments | 6,092 | 5,524 | 2,977 | 2,715 | 890 | 1,420 | 2,070 | 1,993 |
| 33 | All others | 94,152 | 105,161 | 107,264 | 116,076 | 5,380 | 9,711 | 13,634 | 13,747 |
| | | Other, within 1 year | | | | Over 20 years | | | |
| 34 | **All holders** | **69,610** | **66,769** | **85,210** | **85,315** | **19,738** | **25,944** | **30,937** | **30,937** |
| 35 | U.S. government agencies and trust funds | 1,874 | 1,487 | 1,416 | 1,416 | 2,495 | 2,031 | 1,472 | 1,472 |
| 36 | Federal Reserve Banks | 14,698 | 10,404 | 18,481 | 8,805 | 5,564 | 8,635 | 9,131 | 9,161 |
| 37 | Private investors | 53,039 | 54,879 | 65,313 | 64,955 | 11,679 | 15,278 | 20,334 | 20,304 |
| 38 | Commercial banks | 15,482 | 14,901 | 15,569 | 15,340 | 578 | 1,446 | 1,513 | 1,427 |
| 39 | Mutual savings banks | 916 | 667 | 662 | 692 | 146 | 126 | 116 | 115 |
| 40 | Insurance companies | 1,211 | 1,084 | 1,359 | 1,433 | 802 | 774 | 941 | 925 |
| 41 | Nonfinancial corporations | 1,441 | 2,256 | 2,319 | 2,750 | 81 | 135 | 162 | 147 |
| 42 | Savings and loan associations | 1,430 | 1,152 | 1,133 | 1,190 | 16 | 17 | 16 | 15 |
| 43 | State and local governments | 1,825 | 2,670 | 2,975 | 2,885 | 1,530 | 3,616 | 4,128 | 4,135 |
| 44 | All others | 28,733 | 32,149 | 41,296 | 40,665 | 8,526 | 9,164 | 13,457 | 13,540 |

NOTE. Direct public issues only. Based on Treasury Survey of Ownership from *Treasury Bulletin* (U.S. Treasury Department).

Data complete for U.S. government agencies and trust funds and Federal Reserve Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of Sept. 30, 1979: (1) 5,401 commercial banks, 461 mutual savings banks, and 723 insurance companies, each about 80 percent; (2) 427 nonfinancial corporations and 484 savings and loan associations, each about 50 percent; and (3) 491 state and local governments, about 40 percent.

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

## 1.44 U.S. GOVERNMENT SECURITIES DEALERS Transactions

Par value; averages of daily figures, in millions of dollars

| Item | 1976 | 1977 | 1978 | 1979 | | | 1979, week ending Wednesday | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Aug. | Sept. | Oct. | Aug. 15 | Aug. 22 | Aug. 29 | Sept. 5 | Sept. 12 | Sept. 19 |
| 1 **U.S. government securities** | **10,449** | **10,838** | **10,285** | **12,259** | **13,489** | **13,846** | **12,290** | **11,946** | **12,265** | **13,336** | **13,523** | **14,049** |
| *By maturity* | | | | | | | | | | | | |
| 2 Bills | 6,676 | 6,746 | 6,173 | 6,787 | 8,056 | 7,856 | 7,228 | 7,588 | 6,419 | 7,965 | 7,708 | 8,639 |
| 3 Other within 1 year | 210 | 237 | 392 | 466 | 606 | 430 | 483 | 493 | 487 | 887 | 372 | 472 |
| 4 1–5 years | 2,317 | 2,320 | 1,889 | 2,328 | 2,425 | 3,076 | 1,848 | 1,724 | 3,151 | 2,845 | 2,747 | 2,575 |
| 5 5–10 years | 1,019 | 1,148 | 965 | 1,275 | 1,033 | 955 | 1,429 | 919 | 992 | 667 | 1,059 | 968 |
| 6 Over 10 years | 229 | 388 | 866 | 1,403 | 1,368 | 1,529 | 1,302 | 1,221 | 1,215 | 973 | 1,636 | 1,395 |
| *By type of customer* | | | | | | | | | | | | |
| 7 U.S. government securities dealers | 1,360 | 1,267 | 1,135 | 1,480 | 1,720 | 1,613 | 1,300 | 1,689 | 1,295 | 1,473 | 1,630 | 2,036 |
| 8 U.S. government securities brokers | 3,407 | 3,709 | 3,838 | 4,690 | 5,580 | 6,123 | 4,606 | 4,516 | 5,001 | 5,478 | 6,053 | 5,843 |
| 9 Commercial banks | 2,426 | 2,295 | 1,804 | 1,638 | 1,836 | 1,823 | 1,565 | 1,548 | 1,653 | 1,684 | 1,842 | 1,851 |
| 10 All others[1] | 3,257 | 3,568 | 3,508 | 4,450 | 4,342 | 4,288 | 4,819 | 4,193 | 4,317 | 4,701 | 3,998 | 4,319 |
| 11 **Federal agency securities** | **1,548** | **1,729** | **1,894** | **2,348** | **3,230** | **3,151** | **2,411** | **2,009** | **2,413** | **3,007** | **2,807** | **3,030** |

1. Includes, among others, all other dealers and brokers in commodities and securities, foreign banking agencies, and the Federal Reserve System.

NOTE. Averages for transactions are based on number of trading days in the period.

Transactions are market purchases and sales of U.S. government securities dealers reporting to the Federal Reserve Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. government securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase, reverse repurchase (resale), or similar contracts.

## 1.45 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing

Par value; averages of daily figures, in millions of dollars

| Item | 1976 | 1977 | 1978 | 1979 | | | 1979, week ending Wednesday | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Aug. | Sept. | Oct. | July 25 | Aug. 1 | Aug. 8 | Aug. 15 | Aug. 22 | Aug. 29 |
| | Positions[2] | | | | | | | | | | | |
| 1 **U.S. government securities** | **7,592** | **5,172** | **2,656** | **1,128** | **866** | **700** | **1,632** | **1,355** | **2,926** | **1,275** | **−120** | **345** |
| 2 Bills | 6,290 | 4,772 | 2,452 | 1,306 | 2,476 | 2,291 | 2,703 | 2,336 | 2,020 | 1,350 | 822 | 815 |
| 3 Other within 1 year | 188 | 99 | 260 | −23 | −380 | −800 | −40 | −76 | 88 | −47 | −35 | −75 |
| 4 1–5 years | 515 | 60 | −92 | −299 | −1,085 | −535 | −661 | −111 | 314 | −420 | −1,005 | −311 |
| 5 5–10 years | 402 | 92 | 40 | 312 | 146 | 17 | −13 | −150 | 505 | 390 | 294 | 228 |
| 6 Over 10 years | 198 | 149 | −4 | −168 | −291 | −272 | −357 | −644 | −1 | 2 | −196 | −313 |
| 7 **Federal agency securities** | **729** | **693** | **606** | **1,975** | **2,164** | **1,809** | **1,976** | **1,686** | **1,941** | **1,974** | **2,147** | **1,944** |
| | Financing[3] | | | | | | | | | | | |
| 8 **All sources** | **8,715** | **9,877** | **10,204** | **16,173** | **18,057** | **16,021** | **16,711** | **16,269** | **16,411** | **15,781** | **15,969** | **16,558** |
| *Commercial banks* | | | | | | | | | | | | |
| 9 New York City | 1,896 | 1,313 | 599 | 773 | 1,292 | 1,152 | 1,151 | 714 | 1,437 | 590 | 1,113 | 8 |
| 10 Outside New York City | 1,660 | 1,987 | 2,174 | 2,562 | 3,517 | 3,247 | 2,332 | 2,318 | 2,602 | 2,841 | 2,283 | 2,454 |
| 11 Corporations[1] | 1,479 | 2,423 | 2,370 | 3,979 | 3,918 | 3,131 | 3,814 | 3,860 | 3,363 | 4,304 | 4,153 | 4,137 |
| 12 All others | 3,681 | 4,155 | 5,052 | 8,859 | 9,329 | 8,491 | 9,414 | 9,376 | 9,009 | 8,046 | 8,420 | 9,960 |

1. All business corporations except commercial banks and insurance companies.
2. New amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase. The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities purchased under agreements to resell.
3. Total amounts outstanding of funds borrowed by nonbank dealer firms and dealer departments of commercial banks against U.S. government and federal agency securities (through both collateral loans and sales under agreements to repurchase), plus internal funds used by bank dealer departments to finance positions in such securities. Borrowings against securities held under agreement to resell are excluded where the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

NOTE. Averages for positions are based on number of trading days in the period; those for financing, on the number of calendar days in the period.

## 1.46 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

| Agency | 1976 | 1977 | 1978 | 1979 Mar. | 1979 Apr. | 1979 May | 1979 June | 1979 July | 1979 Aug. |
|---|---|---|---|---|---|---|---|---|---|
| 1 **Federal and federally sponsored agencies**[1] | **103,848** | **112,472** | **137,063** | **143,265** | **145,556** | **146,429** | **149,612** | **152,653** | **153,788** |
| 2 Federal agencies | 22,419 | 22,760 | 23,488 | 23,507 | 23,568 | 23,366 | 24,170 | 24,274 | 24,415 |
| 3 Defense Department[2] | 1,113 | 983 | 868 | 839 | 822 | 807 | 796 | 787 | 777 |
| 4 Export-Import Bank[3,4] | 8,574 | 8,671 | 8,711 | 8,326 | 8,322 | 8,107 | 8,806 | 8,783 | 8,781 |
| 5 Federal Housing Administration[5] | 575 | 581 | 588 | 580 | 576 | 568 | 562 | 559 | 552 |
| 6 Government National Mortgage Association participation certificates[6] | 4,120 | 3,743 | 3,141 | 3,141 | 3,099 | 3,099 | 3,039 | 3,004 | 3,004 |
| 7 Postal Service[7] | 2,998 | 2,431 | 2,364 | 2,364 | 2,364 | 2,202 | 2,202 | 2,202 | 2,202 |
| 8 Tennessee Valley Authority | 4,935 | 6,015 | 7,460 | 7,900 | 7,985 | 8,155 | 8,335 | 8,495 | 8,655 |
| 9 United States Railway Association[7] | 104 | 336 | 356 | 357 | 400 | 428 | 430 | 444 | 444 |
| 10 Federally sponsored agencies[1] | 81,429 | 89,712 | 113,575 | 119,758 | 121,988 | 123,063 | 125,442 | 128,379 | 129,373 |
| 11 Federal Home Loan Banks | 16,811 | 18,345 | 27,563 | 28,265 | 28,121 | 28,577 | 28,758 | 29,600 | 29,994 |
| 12 Federal Home Loan Mortgage Corporation | 1,690 | 1,686 | 2,262 | 2,333 | 2,330 | 2,323 | 2,522 | 2,522 | 2,720 |
| 13 Federal National Mortgage Association | 30,565 | 31,890 | 41,080 | 43,625 | 44,792 | 44,639 | 45,775 | 46,341 | 46,108 |
| 14 Federal Land Banks | 17,127 | 19,118 | 20,360 | 19,275 | 18,389 | 18,389 | 18,389 | 17,075 | 17,075 |
| 15 Federal Intermediate Credit Banks | 10,494 | 11,174 | 11,469 | 7,890 | 6,994 | 5,958 | 5,122 | 4,269 | 3,427 |
| 16 Banks for Cooperatives | 4,330 | 4,434 | 4,843 | 3,351 | 2,473 | 1,483 | 785 | 785 | 785 |
| 17 Farm Credit Banks[1] | | 2,548 | 5,081 | 13,987 | 17,838 | 20,597 | 22,949 | 26,606 | 28,033 |
| 18 Student Loan Marketing Association[8] | 410 | 515 | 915 | 1,030 | 1,050 | 1,095 | 1,140 | 1,180 | 1,230 |
| 19 Other | 2 | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 1 |
| MEMO: | | | | | | | | | |
| 20 **Federal Financing Bank debt**[7,9] | **28,711** | **38,580** | **51,298** | **55,310** | **56,610** | **58,186** | **60,816** | **61,798** | **62,880** |
| *Lending to federal and federally sponsored agencies* | | | | | | | | | |
| 21 Export-Import Bank[4] | 5,208 | 5,834 | 6,898 | 7,131 | 7,131 | 7,131 | 7,846 | 7,846 | 7,846 |
| 22 Postal Service[7] | 2,748 | 2,181 | 2,114 | 2,114 | 2,114 | 1,952 | 1,952 | 1,952 | 1,952 |
| 23 Student Loan Marketing Association[8] | 410 | 515 | 915 | 1,030 | 1,050 | 1,095 | 1,140 | 1,180 | 1,230 |
| 24 Tennessee Valley Authority | 3,110 | 4,190 | 5,635 | 6,075 | 6,260 | 6,430 | 6,610 | 6,770 | 6,930 |
| 25 United States Railway Association[7] | 104 | 336 | 356 | 357 | 400 | 428 | 430 | 444 | 444 |
| *Other lending*[10] | | | | | | | | | |
| 26 Farmers Home Administration | 10,750 | 16,095 | 23,825 | 25,985 | 26,890 | 28,050 | 29,200 | 29,765 | 30,445 |
| 27 Rural Electrification Administration | 1,415 | 2,647 | 4,604 | 4,962 | 5,122 | 5,253 | 5,497 | 5,639 | 5,754 |
| 28 Other | 4,966 | 6,782 | 6,951 | 7,656 | 7,643 | 7,847 | 8,141 | 8,202 | 8,279 |

1. In September 1977 the Farm Credit Banks issued their first consolidated bonds, and in January 1979 they began issuing these bonds on a regular basis to replace the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Line 17 represents those consolidated bonds outstanding, as well as any discount notes that have been issued. Lines 1 and 10 reflect the addition of this item.

2. Consists of mortages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

3. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

4. Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.

5. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

6. Certificates of participation issued prior to fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.

7. Off-budget.

8. Unlike other federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.

9. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

10. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

## 1.47 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

| Type of issue or issuer, or use | 1976 | 1977 | 1978 | 1979 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Apr. | May | June | July[r] | Aug. | Sept. |
| 1 **All issues, new and refunding** [1] | **35,313** | **46,769** | **48,607** | **3,512** | **3,032** | **4,578** | **3,323** | **4,134** | **2,416** |
| *Type of issue* | | | | | | | | | |
| 2 General obligation | 18,040 | 18,042 | 17,854 | 1,258 | 1,137 | 1,527 | 786 | 728 | 699 |
| 3 Revenue | 17,140 | 28,655 | 30,658 | 2,243 | 1,893 | 3,032 | 2,534 | 3,396 | 1,710 |
| 4 Housing Assistance Administration [2] | ...... | ...... | ...... | ...... | ...... | ...... | ...... | ...... | ...... |
| 5 U.S. government loans | 133 | 72 | 95 | 11 | 2 | 19 | 3 | 10 | 7 |
| *Type of issuer* | | | | | | | | | |
| 6 State | 7,054 | 6,354 | 6,632 | 298 | 205 | 642 | 234 | 200 | 113 |
| 7 Special district and statutory authority | 15,304 | 21,717 | 24,156 | 1,709 | 1,464 | 1,911 | 1,593 | 2,473 | 1,375 |
| 8 Municipalities, counties, townships, school districts | 12,845 | 18,623 | 17,718 | 1,495 | 1,361 | 2,005 | 1,493 | 1,451 | 921 |
| 9 **Issues for new capital, total** | **32,108** | **36,189** | **37,629** | **3,482** | **3,023** | **4,233** | **3,145** | **4,070** | **2,373** |
| *Use of proceeds* | | | | | | | | | |
| 10 Education | 4,900 | 5,076 | 5,003 | 562 | 665 | 527 | 383 | 555 | 217 |
| 11 Transportation | 2,586 | 2,951 | 3,460 | 134 | 125 | 278 | 149 | 103 | 35 |
| 12 Utilities and conservation | 9,594 | 8,119 | 9,026 | 508 | 590 | 981 | 927 | 813 | 374 |
| 13 Social welfare | 6,566 | 8,274 | 10,494 | 1,499 | 582 | 1,332 | 1,156 | 1,704 | 1,069 |
| 14 Industrial aid | 483 | 4,676 | 3,526 | 182 | 399 | 321 | 264 | 406 | 331 |
| 15 Other purposes | 7,979 | 7,093 | 6,120 | 597 | 662 | 794 | 266 | 489 | 347 |

1. Par amounts of long-term issues based on date of sale.
2. Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

SOURCE. Public Securities Association.

## 1.48 NEW SECURITY ISSUES of Corporations

Millions of dollars

| Type of issue or issuer, or use | 1976 | 1977 | 1978 | 1979 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Feb. | Mar. | Apr. | May | June | July |
| 1 **All issues** [1] | **53,488** | **53,792** | **47,230** | **3,170** | **4,401** | **4,692** | **4,167** | **6,247** | **4,008** |
| 2 **Bonds** | **42,380** | **42,015** | **36,872** | **2,257** | **3,729** | **4,113** | **3,575** | **5,356** | **3,027** |
| *Type of offering* | | | | | | | | | |
| 3 Public | 26,453 | 24,072 | 19,815 | 1,336 | 1,904 | 2,984 | 1,999 | 4,171 | 2,247 |
| 4 Private placement | 15,927 | 17,943 | 17,057 | 921 | 1,825 | 1,129 | 1,576 | 1,185 | 780 |
| *Industry group* | | | | | | | | | |
| 5 Manufacturing | 13,264 | 12,204 | 9,572 | 278 | 739 | 536 | 1,208 | 1,146 | 925 |
| 6 Commercial and miscellaneous | 4,372 | 6,234 | 5,246 | 279 | 362 | 73 | 267 | 573 | 229 |
| 7 Transportation | 4,387 | 1,996 | 2,007 | 266 | 245 | 307 | 205 | 423 | 375 |
| 8 Public utility | 8,297 | 8,262 | 7,092 | 517 | 721 | 1,153 | 638 | 1,125 | 174 |
| 9 Communication | 2,787 | 3,063 | 3,373 | 558 | 517 | 261 | 102 | 379 | 26 |
| 10 Real estate and financial | 9,274 | 10,258 | 9,586 | 359 | 1,145 | 1,782 | 1,154 | 1,710 | 1,298 |
| 11 **Stocks** | **11,108** | **11,777** | **10,358** | **913** | **672** | **579** | **592** | **891** | **981** |
| *Type* | | | | | | | | | |
| 12 Preferred | 2,803 | 3,916 | 2,832 | 201 | 231 | 155 | 174 | 278 | 392 |
| 13 Common | 8,305 | 7,861 | 7,526 | 712 | 441 | 424 | 418 | 613 | 589 |
| *Industry group* | | | | | | | | | |
| 14 Manufacturing | 2,237 | 1,189 | 1,241 | 121 | 24 | 36 | 85 | 47 | 38 |
| 15 Commercial and miscellaneous | 1,183 | 1,834 | 1,816 | 93 | 114 | 210 | 203 | 363 | 173 |
| 16 Transportation | 24 | 456 | 263 | ...... | 55 | ...... | 49 | 3 | ...... |
| 17 Public utility | 6,121 | 5,865 | 5,140 | 669 | 335 | 257 | 227 | 248 | 598 |
| 18 Communication | 776 | 1,379 | 264 | ...... | 65 | ...... | 7 | 30 | 68 |
| 19 Real estate and financial | 771 | 1,049 | 1,631 | 29 | 79 | 78 | 21 | 200 | 103 |

1. Figures, which represent gross proceeds of issues maturing in more than one year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than $100,000, secondary offerings, undefined or exempted issues as defined in the *Securities Act of 1933*, employee stock plans, investment companies other than closed-end, intracorporate transactions, and sales to foreigners.

SOURCE. Securities and Exchange Commission.

## 1.49 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

| Item | 1977 | 1978 | 1979 Apr. | May | June | July | Aug. | Sept. | Oct. |
|---|---|---|---|---|---|---|---|---|---|
| INVESTMENT COMPANIES[1] | | | | | | | | | |
| 1 Sales of own shares[2] | 6,401 | 6,645 | 594 | 549 | 676 | 744 | 675 | 580 | 617 |
| 2 Redemptions of own shares[3] | 6,027 | 7,231 | 761 | 715 | 667 | 706 | 832 | 784 | 805 |
| 3 Net sales | 357 | −586 | −175 | −166 | 9 | 38 | −157 | −204 | −188 |
| 4 Assets[4] | 45,049 | 44,980 | 47,142 | 46,431 | 48,064 | 48,771 | 50,802 | 50,147 | 46,271 |
| 5 Cash position[5] | 3,274 | 4,507 | 4,862 | 4,869 | 5,012 | 5,052 | 4,924 | 5,016 | 4,521 |
| 6 Other | 41,775 | 40,473 | 42,280 | 41,562 | 43,052 | 43,719 | 45,878 | 45,131 | 41,750 |

1. Excluding money market funds.
2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
3. Excludes share redemption resulting from conversions from one fund to another in the same group.
4. Market value at end of period, less current liabilities.
5. Also includes all U.S. government securities and other short-term debt securities.

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

## 1.50 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

| Account | 1976 | 1977 | 1978 | 1977 Q4 | 1978 Q1 | 1978 Q2 | 1978 Q3 | 1978 Q4 | 1979 Q1 | 1979 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|
| **1 Profits before tax** | **156.0** | **177.1** | **206.0** | **183.0** | **177.5** | **207.2** | **212.0** | **227.4** | **233.3** | **227.9** |
| 2 Profits tax liability | 63.8 | 72.6 | 84.5 | 75.1 | 70.8 | 84.7 | 87.5 | 95.1 | 91.3 | 88.7 |
| 3 Profits after tax | 92.2 | 104.5 | 121.5 | 107.9 | 106.7 | 122.4 | 124.5 | 132.3 | 142.0 | 139.3 |
| 4 Dividends | 37.5 | 42.1 | 47.2 | 43.4 | 45.1 | 46.0 | 47.8 | 49.7 | 51.5 | 52.3 |
| 5 Undistributed profits | 54.7 | 62.4 | 74.3 | 64.5 | 61.6 | 76.4 | 76.8 | 82.6 | 90.5 | 87.0 |
| 6 Capital consumption allowances | 97.1 | 109.3 | 119.8 | 113.1 | 116.5 | 119.1 | 120.6 | 123.1 | 125.5 | 130.4 |
| 7 Net cash flow | 151.8 | 171.7 | 194.1 | 177.6 | 178.1 | 195.5 | 197.3 | 205.7 | 216.0 | 217.3 |

SOURCE. *Survey of Current Business* (U.S. Department of Commerce.)

## 1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

| Account | 1975 | 1976 | 1977 Q3 | 1977 Q4 | 1978 Q1 | 1978 Q2 | 1978 Q3 | 1978 Q4 | 1979 Q1 | 1979 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Current assets** | 759.0 | 826.3 | 881.8 | 900.9 | 925.0 | 954.2 | 992.6 | 1,028.1 | 1,078.6 | 1,110.2 |
| 2 Cash | 82.1 | 87.3 | 83.5 | 94.3 | 88.8 | 91.3 | 91.6 | 103.5 | 102.4 | 100.1 |
| 3 U.S. government securities | 19.0 | 23.6 | 19.3 | 18.7 | 18.6 | 17.3 | 16.1 | 17.8 | 19.2 | 20.8 |
| 4 Notes and accounts receivable | 272.1 | 293.3 | 326.9 | 325.0 | 337.4 | 356.0 | 376.4 | 381.9 | 405.3 | 418.8 |
| 5 Inventories | 315.9 | 342.9 | 368.3 | 375.6 | 390.5 | 399.3 | 415.5 | 428.3 | 452.6 | 468.9 |
| 6 Other | 69.9 | 79.2 | 83.8 | 87.3 | 89.6 | 90.3 | 92.9 | 96.5 | 99.1 | 101.4 |
| 7 **Current liabilities** | 451.6 | 492.7 | 533.2 | 546.8 | 574.2 | 593.5 | 626.3 | 662.2 | 701.9 | 723.7 |
| 8 Notes and accounts payable | 264.2 | 282.0 | 306.1 | 313.7 | 325.2 | 337.9 | 356.2 | 375.1 | 392.6 | 410.5 |
| 9 Other | 187.4 | 210.6 | 227.1 | 233.1 | 249.0 | 255.6 | 270.0 | 287.1 | 309.2 | 313.1 |
| 10 **Net working capital** | 307.4 | 333.6 | 348.6 | 354.1 | 350.7 | 360.7 | 366.3 | 365.9 | 376.7 | 386.5 |
| 11 MEMO: Current ratio[1] | 1.681 | 1.677 | 1.654 | 1.648 | 1.611 | 1.608 | 1.585 | 1.552 | 1.537 | 1.534 |

1. Ratio of total current assets to total current liabilities.

NOTE. For a description of this series, see "Working Capital of Nonfinancial Corporations" in the July 1978 BULLETIN, pp. 533–37.

All data in this table have been revised to reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics.

SOURCE. Federal Trade Commission.

## 1.52 BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

| Industry | 1977 | 1978 | 1978 Q1 | 1978 Q2 | 1978 Q3 | 1978 Q4 | 1979 Q1 | 1979 Q2 | 1979 Q3 | 1979 Q4[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **All industries** | 135.72 | 153.60 | 144.25 | 150.76 | 155.41 | 163.96 | 165.94 | 173.48 | 175.29 | 179.56 |
| *Manufacturing* | | | | | | | | | | |
| 2 Durable goods industries | 27.75 | 31.59 | 28.72 | 31.40 | 32.25 | 33.99 | 34.00 | 36.86 | 38.03 | 40.38 |
| 3 Nondurable goods industries | 32.33 | 35.86 | 32.86 | 35.80 | 35.50 | 39.26 | 37.56 | 39.56 | 40.27 | 41.58 |
| *Nonmanufacturing* | | | | | | | | | | |
| 4 Mining | 4.49 | 4.81 | 4.45 | 4.81 | 4.99 | 4.98 | 5.46 | 5.31 | 5.30 | 5.58 |
| Transportation | | | | | | | | | | |
| 5 Railroad | 2.82 | 3.33 | 3.35 | 3.09 | 3.38 | 3.49 | 4.02 | 3.66 | 4.13 | 3.92 |
| 6 Air | 1.63 | 2.34 | 2.67 | 2.08 | 2.20 | 2.39 | 3.35 | 3.26 | 2.92 | 3.15 |
| 7 Other | 2.55 | 2.42 | 2.44 | 2.23 | 2.47 | 2.55 | 2.71 | 2.79 | 3.24 | 3.08 |
| Public utilities | | | | | | | | | | |
| 8 Electric | 21.57 | 24.71 | 23.15 | 23.83 | 24.92 | 26.95 | 27.70 | 28.06 | 28.52 | 27.46 |
| 9 Gas and other | 4.21 | 4.72 | 4.78 | 4.62 | 4.70 | 4.78 | 4.66 | 5.18 | 4.74 | 5.33 |
| 10 Communication | 15.43 | 18.15 | 17.07 | 18.18 | 18.90 | 18.46 | 18.75 | 20.29 | } 48.13 | 49.08 |
| 11 Commercial and other[1] | 22.95 | 25.67 | 24.76 | 24.71 | 26.09 | 27.12 | 27.73 | 28.51 | | |

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

NOTE. Estimates for corporate and noncorporate business, excluding agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

SOURCE. *Survey of Current Business* (U.S. Dept. of Commerce).

## 1.53 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

| Account | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 Q3 | 1978 Q4 | 1979 Q1 | 1979 Q2 | 1979 Q3 |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | | |
| Accounts receivable, gross | | | | | | | | | | |
| 1 Consumer | 35.4 | 36.1 | 36.0 | 38.6 | 44.0 | 49.7 | 52.6 | 54.9 | 58.7 | 62.3 |
| 2 Business | 32.3 | 37.2 | 39.3 | 44.7 | 55.2 | 58.3 | 63.3 | 66.7 | 70.1 | 68.1 |
| 3 Total | 67.7 | 73.3 | 75.3 | 83.4 | 99.2 | 108.0 | 116.0 | 121.6 | 128.8 | 130.4 |
| 4 LESS: Reserves for unearned income and losses | 8.4 | 9.0 | 9.4 | 10.5 | 12.7 | 14.3 | 15.6 | 16.5 | 17.7 | 18.7 |
| 5 Accounts receivable, net | 59.3 | 64.2 | 65.9 | 72.9 | 86.5 | 93.7 | 100.4 | 105.1 | 111.1 | 111.7 |
| 6 Cash and bank deposits | 2.6 | 3.0 | 2.9 | 2.6 | 2.6 | 2.7 | 3.5 | | | |
| 7 Securities | .8 | .4 | 1.0 | 1.1 | .9 | 1.8 | 1.3 | [1]23.8 | 24.6 | 25.8 |
| 8 All other | 10.6 | 12.0 | 11.8 | 12.6 | 14.3 | 17.1 | 17.3 | | | |
| 9 **Total assets** | 73.2 | 79.6 | 81.6 | 89.2 | 104.3 | 115.3 | 122.4 | 128.9 | 135.8 | 137.4 |
| LIABILITIES | | | | | | | | | | |
| 10 Bank loans | 7.2 | 9.7 | 8.0 | 6.3 | 5.9 | 5.4 | 6.5 | 6.5 | 7.3 | 7.8 |
| 11 Commercial paper | 19.7 | 20.7 | 22.2 | 23.7 | 29.6 | 29.3 | 34.5 | 38.1 | 41.0 | 39.2 |
| Debt | | | | | | | | | | |
| 12 Short-term, n.e.c. | 4.6 | 4.9 | 4.5 | 5.4 | 6.2 | 6.8 | 8.1 | 6.7 | 8.8 | 9.1 |
| 13 Long-term, n.e.c. | 24.6 | 26.5 | 27.6 | 32.3 | 36.0 | 41.3 | 43.6 | 44.5 | 46.0 | 47.5 |
| 14 Other | 5.6 | 5.5 | 6.8 | 8.1 | 11.5 | 15.2 | 12.6 | 15.1 | 14.4 | 15.4 |
| 15 Capital, surplus, and undivided profits | 11.5 | 12.4 | 12.5 | 13.4 | 15.1 | 17.3 | 17.2 | 18.0 | 18.2 | 18.4 |
| 16 **Total liabilities and capital** | 73.2 | 79.6 | 81.6 | 89.2 | 104.3 | 115.3 | 122.4 | 128.9 | 135.8 | 137.4 |

1. Beginning Q1 1979, asset items on lines 6, 7, and 8 are combined.

NOTE. Components may not add to totals due to rounding.

## 1.54 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

| Type | Accounts receivable outstanding Sept. 30, 1979[1] | Changes in accounts receivable 1979 July | Aug. | Sept. | Extensions 1979 July | Aug. | Sept. | Repayments 1979 July | Aug. | Sept. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total** | 68,054 | 1,234 | 251 | −1,245 | 15,453 | 15,606 | 15,310 | 14,219 | 15,355 | 16,555 |
| 2 Retail automotive (commercial vehicles) | 15,288 | −25 | 101 | 94 | 1,118 | 1,239 | 1,236 | 1,143 | 1,138 | 1,142 |
| 3 Wholesale automotive | 13,679 | 526 | −583 | −1,453 | 5,804 | 5,633 | 5,320 | 5,278 | 6,216 | 6,773 |
| 4 Retail paper on business, industrial and farm equipment | 17,287 | −31 | 282 | 135 | 1,171 | 1,194 | 1,172 | 1,202 | 912 | 1,037 |
| 5 Loans on commercial accounts receivable[2] / 6 Factored commercial accounts receivable[2] | 6,435 | −91 | 97 | −281 | 5,004 | 5,195 | 5,369 | 5,095 | 5,098 | 5,650 |
| 7 All other business credit | 15,365 | 855 | 354 | 260 | 2,356 | 2,345 | 2,213 | 1,501 | 1,991 | 1,953 |

1. Not seasonally adjusted.

2. Beginning January 1979 the categories "Loans on commercial accounts receivable" and "Factored commercial accounts receivable" are combined.

## 1.55 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

| Item | 1976 | 1977 | 1978 | 1979 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | May | June | July | Aug. | Sept. | Oct. |
| | Terms and yields in primary and secondary markets | | | | | | | | |
| PRIMARY MARKETS | | | | | | | | | |
| Conventional mortgages on new homes | | | | | | | | | |
| *Terms*[1] | | | | | | | | | |
| 1 Purchase price (thousands of dollars) | 48.4 | 54.3 | 62.6 | 72.3 | 73.7 | 74.3 | 80.0 | 75.5 | 78.8 |
| 2 Amount of loan (thousands of dollars) | 35.9 | 40.5 | 45.9 | 51.4 | 52.5 | 52.7 | 56.9 | 53.9 | 56.5 |
| 3 Loan/price ratio (percent) | 74.2 | 76.3 | 75.3 | 73.2 | 73.5 | 73.0 | 73.1 | 73.4 | 73.5 |
| 4 Maturity (years) | 27.2 | 27.9 | 28.0 | 28.2 | 28.4 | 28.1 | 28.1 | 28.6 | 28.7 |
| 5 Fees and charges (percent of loan amount)[2] | 1.44 | 1.33 | 1.39 | 1.59 | 1.53 | 1.63 | 1.60 | 1.67 | 1.68 |
| 6 Contract rate (percent per annum) | 8.76 | 8.80 | 9.30 | 10.20 | 10.39 | 10.49 | 10.73 | 10.72 | 10.88 |
| *Yield (percent per annum)* | | | | | | | | | |
| 7 FHLBB series[3] | 8.99 | 9.01 | 9.54 | 10.47 | 10.66 | 10.78 | 11.01 | 11.02 | 11.18 |
| 8 HUD series[4] | 8.99 | 8.95 | 9.68 | 10.80 | 10.90 | 10.95 | 11.10 | 11.35 | 11.35 |
| SECONDARY MARKETS | | | | | | | | | |
| *Yield (percent per annum)* | | | | | | | | | |
| 9 FHA mortgages (HUD series)[5] | 8.82 | 8.68 | 9.70 | 10.61 | 10.49 | 10.46 | 10.58 | 11.37 | n.a. |
| 10 GNMA securities[6] | 8.17 | 8.04 | 8.98 | 9.89 | 9.78 | 9.77 | 9.91 | 10.31 | 11.25 |
| FNMA auctions[7] | | | | | | | | | |
| 11 Government-underwritten loans | 8.99 | 8.73 | 9.77 | 10.84 | 10.77 | 10.66 | 10.66 | 11.08 | 12.52 |
| 12 Conventional loans | 9.11 | 8.98 | 10.01 | 11.35 | 11.57 | 11.52 | 11.52 | 11.75 | 12.85 |
| | Activity in secondary markets | | | | | | | | |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION | | | | | | | | | |
| *Mortgage holdings (end of period)* | | | | | | | | | |
| 13 Total | 32,904 | 34,370 | 43,311 | 47,757 | 48,206 | 48,539 | 48,909 | 49,173 | 49,744 |
| 14 FHA-insured | 18,916 | 18,457 | 21,243 | 23,008 | 23,204 | 23,378 | 23,526 | n.a. | n.a. |
| 15 VA-guaranteed | 9,212 | 9,315 | 10,544 | 10,543 | 10,502 | 10,450 | 10,386 | n.a. | n.a. |
| 16 Conventional | 4,776 | 6,597 | 11,524 | 14,206 | 14,500 | 14,710 | 14,997 | 15,203 | 15,517 |
| *Mortgage transactions (during period)* | | | | | | | | | |
| 17 Purchases | 3,606 | 4,780 | 12,303 | 1,023 | 739 | 602 | 646 | 545 | 859 |
| 18 Sales | 86 | 67 | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Mortgage commitments*[8] | | | | | | | | | |
| 19 Contracted (during period) | 6,247 | 9,729 | 18,960 | 1,400 | 634 | 354 | 593 | 1,407 | n.a. |
| 20 Outstanding (end of period) | 3,398 | 4,698 | 9,201 | 6,862 | 6,476 | 5,912 | 5,692 | 6,352 | n.a. |
| *Auction of 4-month commitments to buy* | | | | | | | | | |
| Government-underwritten loans | | | | | | | | | |
| 21 Offered[9] | 4,929.8 | 7,974.1 | 12,978 | 426.3 | 219.9 | 133.2 | 162.3 | 1,421.1 | 2,943.4 |
| 22 Accepted | 2,787.2 | 4,846.2 | 6,747.2 | 185.0 | 99.9 | 69.6 | 82.7 | 599.9 | 1,130.4 |
| Conventional loans | | | | | | | | | |
| 23 Offered[9] | 2,595.7 | 5,675.2 | 9,933.0 | 458.6 | 357.5 | 93.5 | 245.9 | 527.3 | 1,049.9 |
| 24 Accepted | 1,879.2 | 3,917.8 | 5,110.9 | 214.3 | 195.3 | 69.9 | 184.1 | 325.6 | 431.2 |
| FEDERAL HOME LOAN MORTGAGE CORPORATION | | | | | | | | | |
| *Mortgage holdings (end of period)*[10] | | | | | | | | | |
| 25 Total | 4,269 | 3,276 | 3,064 | 3,310 | 3,334 | 3,487 | r3,549 | 3,729 | 3,726 |
| 26 FHA/VA | 1,618 | 1,395 | 1,243 | 1,186 | 1,171 | 1,156 | 1,145 | 1,132 | 1,120 |
| 27 Conventional | 2,651 | 1,881 | 1,822 | 2,124 | 2,163 | 2,331 | r2,404 | 2,597 | 2,606 |
| *Mortgage transactions (during period)* | | | | | | | | | |
| 28 Purchases | 1,175 | 3,900 | 6,524 | 560 | 447 | 518 | 636 | 537 | 552 |
| 29 Sales | 1,396 | 4,131 | 6,211 | 572 | 382 | 321 | 554 | 347 | 530 |
| *Mortgage commitments*[11] | | | | | | | | | |
| 30 Contracted (during period) | 1,477 | 5,546 | 7,451 | 652 | 528 | 528 | 655 | 437 | 504 |
| 31 Outstanding (end of period) | 333 | 1,063 | 1,410 | 1,541 | 1,590 | 1,572 | 1,536 | 1,400 | 1,312 |

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups. Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) in order to obtain a loan.
3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.
4. Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Department of Housing and Urban Development.
5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.
6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.
7. Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.
8. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.
9. Mortgage amounts offered by bidders are total bids received.
10. Includes participation as well as whole loans.
11. Includes conventional and government-underwritten loans.

## 1.56 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

| Type of holder, and type of property | 1976 | 1977 | 1978 | 1978 | | 1979 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 |
| 1 **All holders** | **889,327** | **1,023,505** | **1,172,502** | **r1,133,503** | **r1,172,737** | **r1,206,280** | **r1,252,519** | **1,295,449** |
| 2 1- to 4-family | 556,557 | 656,566 | 761,905 | r734,709 | r761,892 | r784,602 | r817,018 | 842,284 |
| 3 Multifamily | 104,516 | 111,841 | 122,004 | r119,381 | r121,978 | r123,970 | r125,923 | 129,079 |
| 4 Commercial | 171,223 | 189,274 | 212,597 | r205,629 | r212,743 | r217,501 | r224,507 | 232,084 |
| 5 Farm | 57,031 | 65,824 | 75,996 | r73,784 | r76,124 | r80,207 | r85,071 | 89,002 |
| 6 Major financial institutions | 647,650 | 745,011 | 847,910 | r821,988 | r848,145 | 866,036 | r894,471 | 919,984 |
| 7 Commercial banks[1] | 151,326 | 178,979 | 213,963 | 205,445 | 213,963 | 220,063 | 229,564 | 239,363 |
| 8 1- to 4-family | 86,234 | 105,115 | 126,966 | 121,911 | 126,966 | 130,585 | 136,223 | 142,038 |
| 9 Multifamily | 8,082 | 9,215 | 10,912 | 10,478 | 10,912 | 11,223 | 11,708 | 12,208 |
| 10 Commercial | 50,289 | 56,898 | 67,056 | 64,386 | 67,056 | 68,968 | 71,945 | 75,016 |
| 11 Farm | 6,721 | 7,751 | 9,029 | 8,670 | 9,029 | 9,287 | 9,688 | 10,101 |
| 12 Mutual savings banks | 81,639 | 88,104 | 95,157 | 93,403 | 95,157 | 96,136 | 97,155 | 97,929 |
| 13 1- to 4-family | 53,089 | 57,637 | 62,252 | 61,104 | 62,252 | 62,892 | 63,559 | 64,065 |
| 14 Multifamily | 14,177 | 15,304 | 16,529 | 16,224 | 16,529 | 16,699 | 16,876 | 17,010 |
| 15 Commercial | 14,313 | 15,110 | 16,319 | 16,019 | 16,319 | 16,488 | 16,663 | 16,795 |
| 16 Farm | 60 | 53 | 57 | 56 | 57 | 57 | 58 | 59 |
| 17 Savings and loan associations | 323,130 | 381,163 | 432,858 | 420,971 | 432,858 | 441,420 | 456,629 | 468,324 |
| 18 1- to 4-family | 260,895 | 310,686 | 356,156 | 345,617 | 356,156 | 363,774 | 377,587 | 387,257 |
| 19 Multifamily | 28,436 | 32,513 | 36,057 | 35,362 | 36,057 | 36,682 | 37,078 | 38,028 |
| 20 Commercial | 33,799 | 37,964 | 40,645 | 39,992 | 40,645 | 40,964 | 41,964 | 43,039 |
| 21 Life insurance companies | 91,555 | 96,765 | 105,932 | r102,169 | r106,167 | 108,417 | 111,123 | 114,368 |
| 22 1- to 4-family | 16,088 | 14,727 | 14,449 | r14,158 | r14,436 | 14,507 | 14,489 | 14,884 |
| 23 Multifamily | 19,178 | 18,807 | 19,026 | r18,742 | r19,000 | 19,080 | 19,102 | 19,107 |
| 24 Commercial | 48,864 | 54,388 | 62,086 | r59,153 | r62,232 | 63,908 | 66,055 | 68,513 |
| 25 Farm | 7,425 | 8,843 | 10,371 | r10,116 | r10,499 | 10,922 | 11,477 | 11,864 |
| 26 Federal and related agencies | 66,753 | 70,006 | 81,853 | 78,672 | 81,853 | 86,689 | 90,095 | 93,143 |
| 27 Government National Mortgage Assn. | 4,241 | 3,660 | 3,509 | 3,560 | 3,509 | 3,448 | 3,425 | 3,382 |
| 28 1- to 4-family | 1,970 | 1,548 | 877 | 897 | 877 | 821 | 800 | 780 |
| 29 Multifamily | 2,271 | 2,112 | 2,632 | 2,663 | 2,632 | 2,627 | 2,625 | 2,602 |
| 30 Farmers Home Administration | 1,064 | 1,353 | 926 | 1,384 | 926 | 956 | 1,200 | 1,383 |
| 31 1- to 4-family | 454 | 626 | 288 | 460 | 288 | 302 | 363 | 163 |
| 32 Multifamily | 218 | 275 | 320 | 240 | 320 | 180 | 75 | 299 |
| 33 Commercial | 72 | 149 | 101 | 251 | 101 | 283 | 278 | 262 |
| 34 Farm | 320 | 303 | 217 | 433 | 217 | 191 | 484 | 659 |
| 35 Federal Housing and Veterans Admin. | 5,150 | 5,212 | 5,419 | 5,295 | 5,419 | 5,522 | 5,597 | 5,672 |
| 36 1- to 4-family | 1,676 | 1,627 | 1,641 | 1,565 | 1,641 | 1,693 | 1,744 | 1,795 |
| 37 Multifamily | 3,474 | 3,585 | 3,778 | 3,730 | 3,778 | 3,829 | 3,853 | 3,877 |
| 38 Federal National Mortgage Association | 32,904 | 34,369 | 43,311 | 41,189 | 43,311 | 46,410 | 48,206 | 49,173 |
| 39 1- to 4-family | 26,934 | 28,504 | 37,579 | 35,437 | 37,579 | 40,702 | 42,543 | 43,534 |
| 40 Multifamily | 5,970 | 5,865 | 5,732 | 5,752 | 5,732 | 5,708 | 5,663 | 5,639 |
| 41 Federal Land Banks | 19,125 | 22,136 | 25,624 | 24,758 | 25,624 | 26,893 | 28,459 | 29,804 |
| 42 1- to 4-family | 601 | 670 | 927 | 819 | 927 | 1,042 | 1,198 | 1,374 |
| 43 Farm | 18,524 | 21,466 | 24,697 | 23,939 | 24,697 | 25,851 | 27,261 | 28,430 |
| 44 Federal Home Loan Mortgage Corp. | 4,269 | 3,276 | 3,064 | 2,486 | 3,064 | 3,460 | 3,208 | 3,729 |
| 45 1- to 4-family | 3,889 | 2,738 | 2,407 | 1,994 | 2,407 | 2,685 | 2,489 | 2,850 |
| 46 Multifamily | 380 | 538 | 657 | 492 | 657 | 775 | 719 | 879 |
| 47 Mortgage pools or trusts[2] | 49,801 | 70,289 | 88,633 | 82,730 | 88,633 | 94,551 | r102,259 | 110,648 |
| 48 Government National Mortgage Assn. | 30,572 | 44,896 | 24,347 | 50,844 | 54,347 | 57,955 | r63,000 | 69,357 |
| 49 1- to 4-family | 29,583 | 43,555 | 52,732 | 49,276 | 52,732 | 56,269 | r61,246 | 67,535 |
| 50 Multifamily | 989 | 1,341 | 1,615 | 1,568 | 1,615 | 1,686 | r1,754 | 1,822 |
| 51 Federal Home Loan Mortgage Corp. | 2,671 | 6,610 | 11,892 | 10,511 | 11,892 | 12,467 | 13,708 | 14,421 |
| 52 1- to 4-family | 2,282 | 5,621 | 9,657 | 8,616 | 9,657 | 10,088 | 11,096 | 11,568 |
| 53 Multifamily | 389 | 989 | 2,235 | 1,895 | 2,235 | 2,379 | 2,612 | 2,853 |
| 54 Farmers Home Administration | 16,558 | 18,783 | 22,394 | 21,375 | 22,394 | 24,129 | 25,551 | 26,870 |
| 55 1- to 4-family | 10,219 | 11,379 | 13,400 | 12,851 | 13,400 | 13,883 | 14,329 | 14,972 |
| 56 Multifamily | 532 | 759 | 1,116 | 1,116 | 1,116 | 1,465 | 1,764 | 1,763 |
| 57 Commercial | 2,440 | 2,945 | 3,560 | 3,369 | 3,560 | 3,660 | 3,833 | 4,054 |
| 58 Farm | 3,367 | 3,682 | 4,318 | 4,039 | 4,318 | 5,121 | 5,625 | 6,081 |
| 59 Individuals and others[3] | 125,123 | 138,199 | 154,106 | 150,113 | 154,106 | 158,014 | r165,694 | 171,674 |
| 60 1- to 4-family | 62,643 | 72,115 | 82,574 | 80,004 | 82,574 | 85,056 | r89,352 | 92,469 |
| 61 Multifamily | 20,420 | 20,538 | 21,395 | 21,119 | 21,395 | 21,670 | r22,094 | 22,992 |
| 62 Commercial | 21,446 | 21,820 | 212,830 | 22,459 | 22,830 | 23,292 | r23,770 | 24,405 |
| 63 Farm | 20,614 | 23,726 | 27,307 | 26,531 | 27,307 | 27,996 | r30,478 | 31,808 |

1. Includes loans held by nondeposit trust companies but not bank trust departments.
2. Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.
3. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

NOTE. Based on data from various institutional and government sources, with some quarters estimated in part by the Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Department of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations when required, are estimated mainly by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

## 1.57 CONSUMER INSTALLMENT CREDIT[1] Total Outstanding, and Net Change

Millions of dollars

| Holder, and type of credit | 1976 | 1977 | 1978 | 1979 Apr. | 1979 May | 1979 June | 1979 July | 1979 Aug. | 1979 Sept. | 1979 Oct. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amounts outstanding (end of period) | | | | | | | | | |
| 1 **Total** | **193,977** | **230,829** | **275,629** | **282,575** | **287,315** | **291,856** | **295,052** | **299,813** | **303,902** | **305,217** |
| *By major holder* | | | | | | | | | | |
| 2 Commercial banks | 93,728 | 112,373 | 136,189 | 139,843 | 142,102 | 144,035 | 145,169 | 147,312 | 148,657 | 149,152 |
| 3 Finance companies | 38,919 | 44,868 | 54,298 | 58,334 | 59,635 | 60,996 | 62,463 | 63,362 | 64,822 | 65,692 |
| 4 Credit unions | 31,169 | 37,605 | 45,939 | 46,322 | 46,832 | 47,478 | 47,772 | 48,631 | 49,214 | 48,770 |
| 5 Retailers[2] | 19,260 | 23,490 | 24,876 | 23,097 | 23,421 | 23,672 | 23,713 | 24,114 | 24,446 | 24,860 |
| 6 Savings and loans | 6,246 | 7,354 | 8,394 | 8,833 | 9,066 | 9,290 | 9,425 | 9,760 | 9,972 | 10,073 |
| 7 Gasoline companies | 2,830 | 2,963 | 3,240 | 3,383 | 3,537 | 3,704 | 3,872 | 4,048 | 4,244 | 4,174 |
| 8 Mutual savings banks | 1,825 | 2,176 | 2,693 | 2,763 | 2,722 | 2,681 | 2,638 | 2,586 | 2,547 | 2,496 |
| *By major type of credit* | | | | | | | | | | |
| 9 Automobile | 67,707 | 82,911 | 102,468 | 107,186 | 109,211 | 110,930 | 111,952 | 113,351 | 114,765 | 114,876 |
| 10 Commercial banks | 39,621 | 49,577 | 60,564 | 62,866 | 63,891 | 64,480 | 64,826 | 65,389 | 65,813 | 65,973 |
| 11 Indirect paper | 22,072 | 27,379 | 33,850 | 35,322 | 35,917 | 36,251 | 36,475 | 36,887 | 37,267 | 37,469 |
| 12 Direct loans | 17,549 | 22,198 | 26,714 | 27,544 | 27,974 | 28,229 | 28,351 | 28,502 | 28,546 | 28,504 |
| 13 Credit unions | 15,238 | 18,099 | 21,967 | 22,150 | 22,394 | 22,703 | 22,844 | 23,255 | 23,534 | 23,322 |
| 14 Finance companies | 12,848 | 15,235 | 19,937 | 22,170 | 22,926 | 23,747 | 24,282 | 24,707 | 25,418 | 25,581 |
| 15 Revolving | 17,189 | 39,274 | 47,051 | 45,781 | 46,489 | 47,458 | 47,894 | 49,270 | 50,422 | 50,883 |
| 16 Commercial banks | 14,359 | 18,374 | 24,434 | 24,767 | 25,054 | 25,652 | 25,927 | 26,782 | 27,446 | 27,600 |
| 17 Retailers | ........ | 17,937 | 19,377 | 17,631 | 17,898 | 18,102 | 18,095 | 18,440 | 18,732 | 19,109 |
| 18 Gasoline companies | 2,830 | 2,963 | 3,240 | 3,383 | 3,537 | 3,704 | 3,872 | 4,048 | 4,244 | 4,174 |
| 19 Mobile home | 14,573 | 15,141 | 16,042 | 16,198 | 16,453 | 16,607 | 16,719 | 16,972 | 17,105 | 17,244 |
| 20 Commercial banks | 8,737 | 9,124 | 9,553 | 9,549 | 9,702 | 9,759 | 9,801 | 9,912 | 9,940 | 10,013 |
| 21 Finance companies | 3,263 | 3,077 | 3,152 | 3,159 | 3,177 | 3,191 | 3,212 | 3,231 | 3,258 | 3,295 |
| 22 Savings and loans | 2,241 | 2,538 | 2,848 | 2,997 | 3,076 | 3,152 | 3,198 | 3,312 | 3,384 | 3,418 |
| 23 Credit unions | 332 | 402 | 489 | 493 | 498 | 505 | 508 | 517 | 523 | 518 |
| 24 Other | 94,508 | 93,503 | 110,068 | 113,410 | 115,162 | 116,861 | 118,487 | 120,220 | 121,610 | 122,214 |
| 25 Commercial banks | 31,011 | 35,298 | 41,638 | 42,661 | 43,455 | 44,144 | 44,615 | 45,229 | 45,458 | 45,566 |
| 26 Finance companies | 22,808 | 26,556 | 31,209 | 33,005 | 33,532 | 34,058 | 34,969 | 35,424 | 36,146 | 36,816 |
| 27 Credit unions | 15,599 | 19,104 | 23,483 | 23,679 | 23,940 | 24,270 | 24,420 | 24,859 | 25,157 | 24,930 |
| 28 Retailers | 19,260 | 5,553 | 5,499 | 5,466 | 5,523 | 5,570 | 5,618 | 5,674 | 5,714 | 5,751 |
| 29 Savings and loans | 4,005 | 4,816 | 5,546 | 5,836 | 5,990 | 6,138 | 6,227 | 6,448 | 6,588 | 6,655 |
| 30 Mutual savings banks | 1,825 | 2,176 | 2,693 | 2,763 | 2,722 | 2,681 | 2,638 | 2,586 | 2,547 | 2,496 |
| | Net change (during period)[3] | | | | | | | | | |
| 31 **Total** | **21,647** | **35,278** | **44,810** | **4,105** | **3,306** | **2,558** | **2,443** | **2,446** | **4,446** | **2,186** |
| *By major holder* | | | | | | | | | | |
| 32 Commercial banks | 10,792 | 18,645 | 23,813 | 2,117 | 1,665 | 984 | 662 | 866 | 1,521 | 771 |
| 33 Finance companies | 2,946 | 5,948 | 9,430 | 1,378 | 893 | 913 | 1,185 | 549 | 1,773 | 1,076 |
| 34 Credit unions | 5,503 | 6,436 | 8,334 | 139 | 124 | 144 | 342 | 391 | 411 | −152 |
| 35 Retailers[1] | 1,059 | 2,654 | 1,386 | 306 | 283 | 288 | 180 | 332 | 443 | 335 |
| 36 Savings and loans | 1,085 | 1,111 | 1,041 | 158 | 280 | 240 | 120 | 253 | 207 | 76 |
| 37 Gasoline companies | 124 | 132 | 276 | 73 | 96 | 39 | 2 | 116 | 127 | 122 |
| 38 Mutual savings banks | 138 | 352 | 530 | −66 | −35 | −50 | −48 | −61 | −36 | −42 |
| *By major type of credit* | | | | | | | | | | |
| 39 Automobile | 10,465 | 15,204 | 19,557 | 1,387 | 1,225 | 690 | 616 | 594 | 1,823 | 487 |
| 40 Commercial banks | 6,334 | 9,956 | 10,987 | 740 | 633 | 123 | 72 | 172 | 762 | 203 |
| 41 Indirect paper | 2,742 | 5,307 | 6,471 | 482 | 389 | 87 | 51 | 188 | 542 | 237 |
| 42 Direct loans | 3,592 | 4,649 | 4,516 | 258 | 244 | 36 | 21 | −16 | 220 | −34 |
| 43 Credit unions | 2,497 | 2,861 | 3,868 | 64 | 60 | 45 | 183 | 177 | 218 | −79 |
| 44 Finance companies | 1,634 | 2,387 | 4,702 | 583 | 532 | 522 | 361 | 245 | 843 | 363 |
| 45 Revolving | 2,170 | 6,248 | 7,776 | 918 | 749 | 796 | 429 | 787 | 1,057 | 664 |
| 46 Commercial banks | 2,046 | 4,015 | 6,060 | 605 | 418 | 494 | 303 | 365 | 546 | 253 |
| 47 Retailers | ........ | 2,101 | 1,440 | 240 | 235 | 263 | 124 | 306 | 384 | 289 |
| 48 Gasoline companies | 124 | 132 | 276 | 73 | 96 | 39 | 2 | 116 | 127 | 122 |
| 49 Mobile home | 140 | 565 | 897 | 82 | 234 | 102 | 72 | 182 | 89 | 150 |
| 50 Commercial banks | 70 | 387 | 426 | 21 | 125 | 12 | 17 | 59 | 10 | 105 |
| 51 Finance companies | −182 | −189 | 74 | 6 | 13 | 14 | 11 | 13 | 17 | 27 |
| 52 Savings and loans | 192 | 297 | 310 | 56 | 94 | 74 | 41 | 106 | 57 | 21 |
| 53 Credit unions | 60 | 70 | 87 | −1 | 2 | 2 | 3 | 4 | 5 | −3 |
| 54 Other | 8,872 | 13,261 | 16,580 | 1,718 | 1,098 | 970 | 1,326 | 883 | 1,477 | 885 |
| 55 Commercial banks | 2,342 | 4,287 | 6,340 | 751 | 489 | 355 | 270 | 270 | 203 | 210 |
| 56 Finance companies | 1,494 | 3,750 | 4,654 | 789 | 348 | 377 | 813 | 291 | 913 | 686 |
| 57 Credit unions | 2,946 | 3,505 | 4,379 | 76 | 62 | 97 | 156 | 210 | 188 | −70 |
| 58 Retailers | 1,059 | 553 | −54 | 66 | 48 | 25 | 56 | 26 | 59 | 46 |
| 59 Savings and loans | 893 | 814 | 731 | 102 | 186 | 166 | 79 | 147 | 150 | 55 |
| 60 Mutual savings banks | 138 | 352 | 530 | −66 | −35 | −50 | −48 | −61 | −36 | −42 |

1. The Board's series cover most short- and intermediate-term credit extended to individuals through regular business channels, usually to finance the purchase of consumer goods and services or to refinance debts incurred for such purposes, and scheduled to be repaid (or with the option of repayment) in two or more installments.
2. Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies.
3. Net change equals extensions minus liquidations (repayments, charge-offs, and other credits); figures for all months are seasonally adjusted.

NOTE. Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to $64.3 billion at the end of 1978, $58.6 billion at the end of 1977, $54.8 billion at the end of 1976, and $50.9 billion at the end of 1975. Comparable data for Dec. 31, 1979, will be published in the February 1980 BULLETIN.

## 1.58 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars

| Holder, and type of credit | 1976 | 1977 | 1978 | 1979 Apr. | 1979 May | 1979 June | 1979 July | 1979 Aug. | 1979 Sept. | 1979 Oct. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Extensions[2] | | | | | | | | | |
| 1 **Total** | **211,028** | **254,071** | **298,351** | **27,009** | **27,901** | **26,139** | **26,848** | **27,583** | **28,634** | **27,695** |
| *By major holder* | | | | | | | | | | |
| 2 Commercial banks | 97,397 | 117,896 | 142,720 | 13,111 | 13,400 | 12,278 | 12,292 | 12,700 | 13,172 | 12,718 |
| 3 Finance companies | 36,129 | 41,989 | 50,505 | 5,239 | 5,186 | 4,641 | 5,353 | 5,133 | 5,489 | 5,642 |
| 4 Credit unions | 29,259 | 34,028 | 40,023 | 2,753 | 3,124 | 2,986 | 3,282 | 3,361 | 3,363 | 2,942 |
| 5 Retailers[1] | 29,447 | 39,133 | 41,619 | 3,742 | 3,721 | 3,853 | 3,687 | 3,921 | 4,082 | 3,930 |
| 6 Savings and loans | 3,898 | 4,485 | 5,050 | 559 | 723 | 682 | 592 | 728 | 678 | 571 |
| 7 Gasoline companies | 13,387 | 14,617 | 16,125 | 1,505 | 1,613 | 1,589 | 1,525 | 1,640 | 1,734 | 1,773 |
| 8 Mutual savings banks | 1,511 | 1,923 | 2,309 | 100 | 134 | 110 | 117 | 100 | 116 | 119 |
| *By major type of credit* | | | | | | | | | | |
| 9 Automobile | 63,743 | 75,641 | 88,987 | 7,999 | 8,260 | 7,178 | 7,447 | 7,667 | 8,430 | 7,676 |
| 10 Commercial banks | 37,886 | 46,363 | 53,028 | 4,707 | 4,680 | 3,952 | 3,936 | 4,085 | 4,544 | 4,185 |
| 11 Indirect paper | 20,576 | 25,149 | 29,336 | 2,635 | 2,684 | 2,146 | 2,151 | 2,276 | 2,569 | 2,376 |
| 12 Direct loans | 17,310 | 21,214 | 23,692 | 2,072 | 1,996 | 1,806 | 1,785 | 1,809 | 1,975 | 1,809 |
| 13 Credit unions | 14,688 | 16,616 | 19,486 | 1,415 | 1,566 | 1,485 | 1,611 | 1,661 | 1,655 | 1,434 |
| 14 Finance companies | 11,169 | 12,662 | 16,473 | 1,877 | 2,014 | 1,741 | 1,900 | 1,921 | 2,231 | 2,057 |
| 15 Revolving | 43,934 | 86,756 | 104,587 | 9,722 | 10,039 | 10,136 | 9,856 | 10,371 | 10,699 | 10,424 |
| 16 Commercial banks | 30,547 | 38,256 | 51,531 | 4,923 | 5,154 | 5,166 | 5,078 | 5,280 | 5,398 | 5,165 |
| 17 Retailers | ......... | 33,883 | 36,931 | 3,294 | 3,272 | 3,381 | 3,253 | 3,451 | 3,567 | 3,486 |
| 18 Gasoline companies | 13,387 | 14,617 | 16,125 | 1,505 | 1,613 | 1,589 | 1,525 | 1,640 | 1,734 | 1,773 |
| 19 Mobile home | 4,859 | 5,425 | 6,067 | 510 | 668 | 547 | 519 | 655 | 531 | 582 |
| 20 Commercial banks | 3,064 | 3,466 | 3,704 | 304 | 411 | 304 | 297 | 362 | 294 | 374 |
| 21 Finance companies | 702 | 643 | 886 | 59 | 58 | 59 | 71 | 67 | 69 | 83 |
| 22 Savings and loans | 929 | 1,120 | 1,239 | 134 | 182 | 167 | 133 | 206 | 148 | 114 |
| 23 Credit unions | 164 | 196 | 238 | 13 | 17 | 17 | 18 | 20 | 20 | 11 |
| 24 Other | 98,492 | 86,249 | 98,710 | 8,778 | 8,934 | 8,278 | 9,026 | 8,890 | 8,974 | 9,013 |
| 25 Commercial banks | 25,900 | 29,811 | 34,457 | 3,177 | 3,155 | 2,856 | 2,981 | 2,973 | 2,936 | 2,994 |
| 26 Finance companies | 24,258 | 28,684 | 33,146 | 3,303 | 3,114 | 2,841 | 3,382 | 3,145 | 3,189 | 3,502 |
| 27 Credit unions | 14,407 | 17,216 | 20,299 | 1,325 | 1,541 | 1,484 | 1,653 | 1,680 | 1,688 | 1,497 |
| 28 Retailers | 29,447 | 5,250 | 4,688 | 448 | 449 | 472 | 434 | 470 | 515 | 444 |
| 29 Savings and loans | 2,969 | 3,365 | 3,811 | 425 | 541 | 515 | 459 | 522 | 530 | 457 |
| 30 Mutual savings banks | 1,511 | 1,923 | 2,309 | 100 | 134 | 110 | 117 | 100 | 116 | 119 |
| | Liquidations[2] | | | | | | | | | |
| 31 **Total** | **189,381** | **218,793** | **253,541** | **22,904** | **24,595** | **23,581** | **24,405** | **25,137** | **24,188** | **25,509** |
| *By major holder* | | | | | | | | | | |
| 32 Commercial banks | 86,605 | 99,251 | 118,907 | 10,994 | 11,735 | 11,294 | 11,630 | 11,834 | 11,651 | 11,947 |
| 33 Finance companies | 33,183 | 36,041 | 41,075 | 3,861 | 4,293 | 3,728 | 4,168 | 4,584 | 3,716 | 4,566 |
| 34 Credit unions | 23,756 | 27,592 | 31,689 | 2,614 | 3,000 | 2,842 | 2,940 | 2,970 | 2,952 | 3,094 |
| 35 Retailers[1] | 28,388 | 36,479 | 40,233 | 3,436 | 3,438 | 3,565 | 3,507 | 3,589 | 3,639 | 3,595 |
| 36 Savings and loans | 2,813 | 3,374 | 4,009 | 401 | 443 | 442 | 472 | 475 | 471 | 495 |
| 37 Gasoline companies | 13,263 | 14,485 | 15,849 | 1,432 | 1,517 | 1,550 | 1,523 | 1,524 | 1,607 | 1,651 |
| 38 Mutual savings banks | 1,373 | 1,571 | 1,779 | 166 | 169 | 160 | 165 | 161 | 152 | 161 |
| *By major type of credit* | | | | | | | | | | |
| 39 Automobile | 53,278 | 60,437 | 69,430 | 6,612 | 7,035 | 6,488 | 6,831 | 7,073 | 6,607 | 7,189 |
| 40 Commercial banks | 31,552 | 36,407 | 42,041 | 3,967 | 4,047 | 3,829 | 3,864 | 3,913 | 3,782 | 3,982 |
| 41 Indirect paper | 17,834 | 19,842 | 22,865 | 2,153 | 2,295 | 2,059 | 2,100 | 2,088 | 2,027 | 2,139 |
| 42 Direct loans | 13,718 | 16,565 | 19,176 | 1,814 | 1,752 | 1,770 | 1,764 | 1,825 | 1,755 | 1,843 |
| 43 Credit unions | 12,191 | 13,755 | 15,618 | 1,351 | 1,506 | 1,440 | 1,428 | 1,484 | 1,437 | 1,513 |
| 44 Finance companies | 9,535 | 10,275 | 11,771 | 1,294 | 1,482 | 1,219 | 1,539 | 1,676 | 1,388 | 1,694 |
| 45 Revolving | 41,764 | 80,508 | 96,811 | 8,804 | 9,290 | 9,340 | 9,427 | 9,584 | 9,642 | 9,760 |
| 46 Commercial banks | 28,501 | 34,241 | 45,471 | 4,318 | 4,736 | 4,672 | 4,775 | 4,915 | 4,852 | 4,912 |
| 47 Retailers | ......... | 31,782 | 35,491 | 3,054 | 3,037 | 3,118 | 3,129 | 3,145 | 3,183 | 3,197 |
| 48 Gasoline companies | 13,263 | 14,485 | 15,849 | 1,432 | 1,517 | 1,550 | 1,523 | 1,524 | 1,607 | 1,651 |
| 49 Mobile home | 4,719 | 4,860 | 5,170 | 428 | 434 | 445 | 447 | 473 | 442 | 432 |
| 50 Commercial banks | 2,994 | 3,079 | 3,278 | 283 | 286 | 292 | 280 | 303 | 284 | 269 |
| 51 Finance companies | 884 | 832 | 812 | 53 | 45 | 45 | 60 | 54 | 52 | 56 |
| 52 Savings and loans | 737 | 823 | 929 | 78 | 88 | 93 | 92 | 100 | 91 | 93 |
| 53 Credit unions | 104 | 126 | 151 | 14 | 15 | 15 | 15 | 16 | 15 | 14 |
| 54 Other | 89,620 | 72,988 | 82,130 | 7,060 | 7,836 | 7,308 | 7,700 | 8,007 | 7,497 | 8,128 |
| 55 Commercial banks | 23,558 | 25,524 | 28,117 | 2,426 | 2,666 | 2,501 | 2,711 | 2,703 | 2,733 | 2,784 |
| 56 Finance companies | 22,764 | 24,934 | 28,492 | 2,514 | 2,766 | 2,464 | 2,569 | 2,854 | 2,276 | 2,816 |
| 57 Credit unions | 11,461 | 13,711 | 15,920 | 1,249 | 1,479 | 1,387 | 1,497 | 1,470 | 1,500 | 1,567 |
| 58 Retailers | 28,388 | 4,697 | 4,742 | 382 | 401 | 447 | 378 | 444 | 456 | 398 |
| 59 Savings and loans | 2,076 | 2,551 | 3,080 | 323 | 355 | 349 | 380 | 375 | 380 | 402 |
| 60 Mutual savings banks | 1,373 | 1,571 | 1,779 | 166 | 169 | 160 | 165 | 161 | 152 | 161 |

1 Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies.

2 Monthly figures are seasonally adjusted.

## 1.59 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

| Transaction category, or sector | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1976 | 1977 | | 1978 | | 1979 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | H2 | H1 | H2 | H1 | H2 | H1 |
| | | | | | Nonfinancial sectors | | | | | | | |
| 1 Total funds raised | 203.1 | 191.3 | 210.8 | 271.9 | 338.5 | 400.3 | 274.9 | 298.1 | 378.9 | 384.5 | 416.1 | 386.5 |
| 2 Excluding equities | 195.4 | 187.4 | 200.7 | 261.1 | 335.4 | 398.2 | 266.8 | 296.9 | 373.8 | 387.1 | 409.3 | 383.8 |
| *By sector and instrument* | | | | | | | | | | | | |
| 3 U.S. government | 8.3 | 11.8 | 85.4 | 69.0 | 56.8 | 53.7 | 61.4 | 46.1 | 67.4 | 61.4 | 46.0 | 27.1 |
| 4 Treasury securities | 7.9 | 12.0 | 85.8 | 69.1 | 57.6 | 55.1 | 61.8 | 46.7 | 68.6 | 62.3 | 47.9 | 29.4 |
| 5 Agency issues and mortgages | .4 | −.2 | −.4 | −.1 | −.9 | −1.4 | −.3 | −.6 | −1.2 | −.9 | −1.9 | −2.3 |
| 6 All other nonfinancial sectors | 194.9 | 179.5 | 125.4 | 202.9 | 281.8 | 346.6 | 213.4 | 252.0 | 311.5 | 323.1 | 370.2 | 359.4 |
| 7 Corporate equities | 7.7 | 3.8 | 10.1 | 10.8 | 3.1 | 2.1 | 8.1 | 1.2 | 5.1 | −2.6 | 6.8 | 2.7 |
| 8 Debt instruments | 187.2 | 175.6 | 115.3 | 192.0 | 278.6 | 344.5 | 205.4 | 250.8 | 306.4 | 325.7 | 363.4 | 356.7 |
| 9 Private domestic nonfinancial sectors | 188.8 | 164.1 | 112.1 | 182.0 | 267.9 | 314.4 | 192.3 | 241.5 | 294.2 | 302.5 | 326.3 | 344.1 |
| 10 Corporate equities | 7.9 | 4.1 | 9.9 | 10.5 | 2.7 | 2.6 | 7.7 | .5 | 4.9 | −1.8 | 7.0 | 2.8 |
| 11 Debt instruments | 180.9 | 160.0 | 102.1 | 171.5 | 265.1 | 311.8 | 184.6 | 241.0 | 289.3 | 304.3 | 319.2 | 341.3 |
| 12 Debt capital instruments | 105.1 | 98.0 | 98.4 | 123.5 | 175.6 | 196.6 | 126.5 | 158.7 | 192.5 | 188.0 | 205.1 | 204.8 |
| 13 State and local obligations | 14.7 | 16.5 | 16.1 | 15.7 | 23.7 | 28.3 | 10.9 | 22.3 | 25.0 | 27.8 | 28.7 | 17.5 |
| 14 Corporate bonds | 9.2 | 19.7 | 27.2 | 22.8 | 21.0 | 20.1 | 22.9 | 16.6 | 25.4 | 20.6 | 19.6 | 23.7 |
| *Mortgages* | | | | | | | | | | | | |
| 15 Home | 46.4 | 34.8 | 39.5 | 63.7 | 96.4 | 104.5 | 70.0 | 89.7 | 103.1 | 99.8 | 109.2 | 112.7 |
| 16 Multifamily residential | 10.4 | 6.9 | * | 1.8 | 7.4 | 10.2 | 3.1 | 6.4 | 8.4 | 9.3 | 11.2 | 8.2 |
| 17 Commercial | 18.9 | 15.1 | 11.0 | 13.4 | 18.4 | 23.3 | 12.5 | 14.8 | 21.9 | 21.2 | 25.4 | 25.8 |
| 18 Farm | 5.5 | 5.0 | 4.6 | 6.1 | 8.8 | 10.2 | 7.3 | 9.0 | 8.7 | 9.3 | 11.1 | 17.1 |
| 19 Other debt instruments | 75.8 | 62.0 | 3.8 | 48.0 | 89.5 | 115.2 | 58.0 | 82.3 | 96.7 | 116.3 | 114.1 | 136.5 |
| 20 Consumer credit | 26.0 | 9.9 | 9.7 | 25.6 | 40.6 | 50.6 | 27.6 | 36.6 | 44.5 | 50.1 | 51.0 | 47.7 |
| 21 Bank loans n.e.c. | 37.1 | 31.7 | −12.3 | 4.0 | 27.0 | 37.3 | 10.8 | 27.3 | 26.7 | 43.1 | 31.4 | 48.9 |
| 22 Open market paper | 2.5 | 6.6 | −2.6 | 4.0 | 2.9 | 5.2 | 2.3 | 3.4 | 2.4 | 5.3 | 5.1 | 10.8 |
| 23 Other | 10.3 | 13.7 | 9.0 | 14.4 | 19.0 | 22.2 | 17.4 | 14.9 | 23.2 | 17.8 | 26.5 | 29.1 |
| 24 By borrowing sector | 188.8 | 164.1 | 112.1 | 182.0 | 267.9 | 314.4 | 192.3 | 241.5 | 294.2 | 302.5 | 326.3 | 344.1 |
| 25 State and local governments | 13.2 | 15.5 | 13.7 | 15.2 | 20.4 | 23.6 | 11.7 | 15.7 | 25.0 | 21.0 | 26.1 | 14.6 |
| 26 Households | 80.1 | 51.2 | 49.5 | 90.7 | 139.9 | 162.6 | 98.8 | 129.4 | 150.4 | 156.1 | 169.1 | 168.5 |
| 27 Farm | 9.6 | 8.0 | 8.8 | 10.9 | 14.7 | 18.1 | 11.9 | 15.7 | 13.8 | 15.3 | 20.8 | 23.2 |
| 28 Nonfarm noncorporate | 13.0 | 7.7 | 2.0 | 5.4 | 12.5 | 15.7 | 5.8 | 13.4 | 12.5 | 16.3 | 14.5 | 15.1 |
| 29 Corporate | 73.0 | 81.7 | 38.1 | 59.8 | 80.3 | 94.5 | 64.1 | 67.3 | 92.4 | 93.7 | 95.8 | 122.7 |
| 30 Foreign | 6.1 | 15.4 | 13.3 | 20.8 | 13.9 | 32.3 | 21.1 | 10.5 | 17.3 | 20.6 | 43.9 | 15.3 |
| 31 Corporate equities | −.2 | −.2 | .2 | .3 | .4 | −.5 | .3 | .6 | .2 | −.8 | −.2 | −.1 |
| 32 Debt instruments | 6.3 | 15.7 | 13.2 | 20.5 | 13.5 | 32.8 | 20.8 | 9.9 | 17.1 | 21.4 | 44.1 | 15.4 |
| 33 Bonds | 1.0 | 2.1 | 6.2 | 8.6 | 5.1 | 4.0 | 9.7 | 4.4 | 5.7 | 5.0 | 3.0 | 3.5 |
| 34 Bank loans n.e.c. | 2.7 | 4.7 | 3.9 | 6.8 | 3.1 | 18.3 | 5.1 | −.4 | 6.5 | 9.3 | 27.3 | 2.8 |
| 35 Open market paper | .9 | 7.3 | .3 | 1.9 | 2.4 | 6.6 | 2.4 | 2.7 | 2.2 | 3.6 | 9.6 | 6.1 |
| 36 U.S. government loans | 1.7 | 1.6 | 2.8 | 3.3 | 3.0 | 3.9 | 3.6 | 3.1 | 2.9 | 3.6 | 4.2 | 3.1 |
| | | | | | Financial sectors | | | | | | | |
| 37 Total funds raised | 44.8 | 39.2 | 12.7 | 24.1 | 54.0 | 81.4 | 28.5 | 47.7 | 60.3 | 80.7 | 82.1 | 90.9 |
| *By instrument* | | | | | | | | | | | | |
| 38 U.S. government related | 19.9 | 23.1 | 13.5 | 18.6 | 26.3 | 41.4 | 20.7 | 22.6 | 29.9 | 38.5 | 44.3 | 48.0 |
| 39 Sponsored credit agency securities | 16.3 | 16.6 | 2.3 | 3.3 | 7.0 | 23.1 | 4.3 | 7.1 | 6.8 | 21.9 | 24.3 | 21.4 |
| 40 Mortgage pool securities | 3.6 | 5.8 | 10.3 | 15.7 | 20.5 | 18.3 | 17.2 | 17.9 | 23.1 | 16.6 | 20.1 | 26.6 |
| 41 Loans from U.S. government | 0 | .7 | .9 | −.4 | −1.2 | 0 | −.7 | −2.3 | 0 | 0 | 0 | 0 |
| 42 Private financial sectors | 24.9 | 16.2 | −.8 | 5.5 | 27.7 | 40.0 | 7.8 | 25.1 | 30.4 | 42.2 | 37.8 | 42.9 |
| 43 Corporate equities | 1.5 | .3 | .6 | 1.0 | .9 | 1.7 | 2.3 | .9 | .8 | 2.2 | 1.1 | 2.3 |
| 44 Debt instruments | 23.4 | 15.9 | −1.4 | 4.4 | 26.9 | 38.3 | 5.6 | 24.2 | 29.6 | 40.0 | 36.7 | 40.5 |
| 45 Corporate bonds | 3.5 | 2.1 | 2.9 | 5.8 | 10.1 | 7.5 | 5.1 | 10.2 | 10.1 | 8.5 | 6.4 | 10.1 |
| 46 Mortgages | −1.2 | −1.3 | 2.3 | 2.1 | 3.1 | .9 | 2.8 | 3.1 | 3.0 | 2.1 | −.3 | −.4 |
| 47 Bank loans n.e.c. | 9.0 | 4.6 | −3.7 | −3.7 | −.3 | 2.8 | −5.3 | −1.8 | 1.2 | 2.5 | 3.1 | −1.4 |
| 48 Open market paper and RPs | 4.9 | 3.8 | 1.1 | 2.2 | 9.6 | 14.6 | 5.0 | 9.8 | 9.5 | 13.5 | 15.7 | 24.5 |
| 49 Loans from FHLBs | 7.2 | 6.7 | −4.0 | −2.0 | 4.3 | 12.5 | −2.0 | 2.9 | 5.8 | 13.2 | 11.8 | 7.7 |
| *By sector* | | | | | | | | | | | | |
| 50 Sponsored credit agencies | 16.3 | 17.3 | 3.2 | 2.9 | 5.8 | 23.1 | 3.5 | 4.7 | 6.8 | 21.9 | 24.3 | 21.4 |
| 51 Mortgage pools | 3.6 | 5.8 | 10.3 | 15.7 | 20.5 | 18.3 | 17.2 | 17.9 | 23.1 | 16.6 | 20.1 | 26.6 |
| 52 Private financial sectors | 24.9 | 16.2 | −.8 | 5.5 | 27.7 | 40.0 | 7.8 | 25.1 | 30.4 | 42.2 | 37.8 | 42.9 |
| 53 Commercial banks | 1.2 | 1.2 | 1.2 | 2.3 | 1.1 | 1.3 | 2.1 | .8 | 1.5 | 1.5 | 1.1 | 1.1 |
| 54 Bank affiliates | 2.2 | 3.5 | .3 | −.8 | 1.3 | 6.7 | −.3 | 1.3 | 1.2 | 5.8 | 7.6 | 6.2 |
| 55 Savings and loan associations | 6.0 | 4.8 | −2.3 | .1 | 9.9 | 14.3 | .3 | 8.3 | 11.5 | 16.4 | 12.2 | 10.4 |
| 56 Other insurance companies | .5 | .9 | 1.0 | .9 | .9 | 1.1 | .9 | .9 | 1.0 | 1.0 | 1.1 | 1.0 |
| 57 Finance companies | 9.5 | 6.0 | .5 | 6.4 | 17.6 | 18.6 | 7.2 | 16.7 | 18.5 | 18.9 | 18.2 | 24.7 |
| 58 REITs | 6.5 | .6 | −1.4 | −2.4 | −2.2 | −1.0 | −2.7 | −2.4 | −2.0 | −1.0 | −1.0 | −.4 |
| 59 Open-end investment companies | −1.2 | −.7 | −.1 | −1.0 | −.9 | −1.0 | .4 | −.6 | −1.3 | −.5 | −1.5 | −.3 |
| | | | | | All sectors | | | | | | | |
| 60 Total funds raised, by instrument | 248.0 | 230.5 | 223.5 | 296.0 | 392.5 | 481.7 | 303.4 | 345.8 | 439.2 | 465.2 | 498.3 | 477.4 |
| 61 Investment company shares | −1.2 | −.7 | −.1 | −1.0 | −.9 | −1.0 | .4 | −.6 | −1.3 | −.5 | −1.5 | −.3 |
| 62 Other corporate equities | 10.4 | 4.8 | 10.8 | 12.9 | 4.9 | 4.7 | 9.9 | 2.6 | 7.2 | .1 | 9.4 | 5.3 |
| 63 Debt instruments | 238.8 | 226.4 | 212.8 | 284.1 | 388.5 | 478.0 | 293.1 | 343.8 | 433.3 | 465.6 | 490.4 | 472.4 |
| 64 U.S. government securities | 28.3 | 34.3 | 98.2 | 88.1 | 84.3 | 95.2 | 82.9 | 71.2 | 97.4 | 100.0 | 90.4 | 75.3 |
| 65 State and local obligations | 14.7 | 16.5 | 16.1 | 15.7 | 23.7 | 28.3 | 10.9 | 22.3 | 25.0 | 27.8 | 28.7 | 17.5 |
| 66 Corporate and foreign bonds | 13.6 | 23.9 | 36.4 | 37.2 | 36.1 | 31.6 | 37.7 | 31.2 | 41.1 | 34.2 | 29.1 | 37.2 |
| 67 Mortgages | 79.9 | 60.5 | 57.2 | 87.1 | 134.0 | 149.0 | 95.5 | 122.9 | 145.1 | 141.6 | 156.4 | 163.2 |
| 68 Consumer credit | 26.0 | 9.9 | 9.7 | 25.6 | 40.6 | 50.6 | 27.6 | 36.6 | 44.5 | 50.1 | 51.0 | 47.7 |
| 69 Bank loans n.e.c. | 48.8 | 41.0 | −12.2 | 7.0 | 29.8 | 58.4 | 10.6 | 25.1 | 34.4 | 54.9 | 61.8 | 50.3 |
| 70 Open market paper and RPs | 8.3 | 17.7 | −1.2 | 8.1 | 15.0 | 26.4 | 9.6 | 15.9 | 14.0 | 22.4 | 30.4 | 41.3 |
| 71 Other loans | 19.1 | 22.7 | 8.7 | 15.3 | 25.2 | 38.6 | 18.2 | 18.5 | 31.8 | 34.6 | 42.5 | 39.9 |

## 1.60 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; quarterly data are at seasonally adjusted annual rates.

| Transaction category, or sector | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1976 | 1977 | | 1978 | | 1979 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | H2 | H1 | H2 | H1 | H2 | H1 |
| 1 **Total funds advanced in credit markets to nonfinancial sectors** | **195.4** | **187.4** | **200.7** | **261.1** | **335.4** | **398.2** | **266.8** | **296.9** | **373.8** | **387.1** | **409.3** | **383.8** |
| *By public agencies and foreign* | | | | | | | | | | | | |
| 2 Total net advances | 31.8 | 53.7 | 44.6 | 54.3 | 85.1 | 109.7 | 60.3 | 66.1 | 104.2 | 102.8 | 116.6 | 47.3 |
| 3 U.S. government securities | 9.5 | 11.9 | 22.5 | 26.8 | 40.2 | 43.9 | 30.2 | 27.1 | 53.3 | 43.7 | 44.0 | −27.4 |
| 4 Residential mortgages | 8.2 | 14.7 | 16.2 | 12.8 | 20.4 | 26.5 | 14.7 | 18.9 | 22.0 | 22.2 | 30.7 | 36.2 |
| 5 FHLB advances to S&Ls | 7.2 | 6.7 | −4.0 | −2.0 | 4.3 | 12.5 | −2.0 | 2.9 | 5.8 | 13.2 | 11.8 | 7.7 |
| 6 Other loans and securities | 6.9 | 20.5 | 9.8 | 16.6 | 20.2 | 26.9 | 17.4 | 17.2 | 23.1 | 23.7 | 30.1 | 30.7 |
| *Totals advanced, by sector* | | | | | | | | | | | | |
| 7 U.S. government | 2.8 | 9.8 | 15.1 | 8.9 | 11.8 | 20.4 | 11.9 | 5.9 | 17.8 | 19.4 | 21.4 | 24.4 |
| 8 Sponsored credit agencies | 19.1 | 26.5 | 14.8 | 20.3 | 26.8 | 44.6 | 22.2 | 21.6 | 32.0 | 39.4 | 49.8 | 52.9 |
| 9 Monetary authorities | 9.2 | 6.2 | 8.5 | 9.8 | 7.1 | 7.0 | 6.2 | 10.2 | 4.0 | 13.4 | .5 | −.6 |
| 10 Foreign | .6 | 11.2 | 6.1 | 15.2 | 39.4 | 37.7 | 20.0 | 28.3 | 50.4 | 30.6 | 44.9 | −29.5 |
| 11 Agency borrowing not included in line 1 | 19.9 | 23.1 | 13.5 | 18.6 | 26.3 | 41.4 | 20.7 | 22.6 | 29.9 | 38.5 | 44.3 | 48.0 |
| *Private domestic funds advanced* | | | | | | | | | | | | |
| 12 Total net advances | 183.6 | 156.8 | 169.7 | 225.4 | 276.5 | 330.0 | 227.2 | 253.5 | 299.6 | 322.8 | 337.1 | 384.6 |
| 13 U.S. government securities | 18.8 | 22.4 | 75.7 | 61.3 | 44.1 | 51.3 | 52.7 | 44.1 | 44.1 | 56.3 | 46.4 | 102.6 |
| 14 State and local obligations | 14.7 | 16.5 | 16.1 | 15.7 | 23.7 | 28.3 | 10.9 | 22.3 | 25.0 | 27.8 | 28.7 | 17.5 |
| 15 Corporate and foreign bonds | 10.0 | 20.9 | 32.8 | 30.5 | 22.5 | 22.5 | 31.8 | 18.0 | 27.0 | 24.1 | 20.9 | 28.4 |
| 16 Residential mortgages | 48.4 | 26.9 | 23.2 | 52.7 | 83.3 | 88.2 | 58.2 | 77.1 | 89.4 | 86.7 | 89.6 | 84.5 |
| 17 Other mortgages and loans | 98.8 | 76.8 | 17.9 | 63.3 | 107.3 | 152.2 | 71.6 | 94.9 | 119.7 | 141.1 | 163.3 | 159.3 |
| 18 Less: FHLB advances | 7.2 | 6.7 | −4.0 | −2.0 | 4.3 | 12.5 | −2.0 | 2.9 | 5.8 | 13.2 | 11.8 | 7.7 |
| *Private financial intermediation* | | | | | | | | | | | | |
| 19 Credit market funds advanced by private financial institutions | 161.3 | 125.5 | 122.5 | 190.3 | 255.9 | 296.9 | 202.2 | 249.1 | 265.0 | 301.7 | 292.0 | 324.4 |
| 20 Commercial banking | 84.6 | 66.6 | 29.4 | 59.6 | 87.6 | 128.7 | 68.3 | 84.6 | 90.7 | 132.5 | 125.0 | 131.4 |
| 21 Savings institutions | 35.1 | 24.2 | 53.5 | 70.8 | 82.0 | 75.9 | 70.4 | 81.4 | 82.6 | 75.8 | 75.9 | 59.3 |
| 22 Insurance and pension funds | 23.7 | 29.8 | 40.6 | 49.9 | 67.9 | 73.5 | 47.9 | 65.2 | 70.6 | 76.9 | 70.2 | 81.3 |
| 23 Other finance | 17.9 | 4.8 | −1.0 | 10.0 | 18.4 | 18.7 | 15.5 | 18.0 | 21.2 | 16.6 | 20.9 | 52.4 |
| 24 Sources of funds | 161.3 | 125.5 | 122.5 | 190.3 | 255.9 | 296.9 | 202.2 | 249.1 | 265.0 | 301.7 | 292.0 | 324.4 |
| 25 Private domestic deposits | 97.3 | 67.5 | 92.0 | 124.6 | 141.2 | 142.5 | 132.4 | 138.6 | 143.8 | 138.3 | 146.7 | 111.8 |
| 26 Credit market borrowing | 23.4 | 15.9 | −1.4 | 4.4 | 26.9 | 38.3 | 5.6 | 24.2 | 29.6 | 40.0 | 36.7 | 40.5 |
| 27 Other sources | 40.6 | 42.1 | 32.0 | 61.3 | 87.8 | 116.0 | 64.2 | 86.2 | 91.7 | 123.5 | 108.6 | 172.1 |
| 28 Foreign funds | 3.0 | 10.3 | −8.7 | −4.6 | 1.2 | 6.3 | −2.8 | 1.6 | .8 | 5.7 | 6.9 | 52.2 |
| 29 Treasury balances | −1.0 | −5.1 | −1.7 | −.1 | 4.3 | 6.8 | −3.9 | .1 | 8.5 | 1.9 | 11.6 | 5.5 |
| 30 Insurance and pension reserves | 18.4 | 26.2 | 29.7 | 34.5 | 49.4 | 62.7 | 33.2 | 45.3 | 53.4 | 66.2 | 59.2 | 60.8 |
| 31 Other, net | 20.2 | 10.6 | 12.7 | 31.4 | 32.9 | 40.3 | 37.8 | 39.3 | 29.0 | 49.6 | 31.0 | 53.6 |
| *Private domestic nonfinancial investors* | | | | | | | | | | | | |
| 32 Direct lending in credit markets | 45.7 | 47.2 | 45.8 | 39.5 | 47.5 | 71.4 | 30.6 | 28.6 | 64.1 | 61.1 | 81.7 | 100.7 |
| 33 U.S. government securities | 18.8 | 18.9 | 24.1 | 16.1 | 23.0 | 33.2 | 11.0 | 11.9 | 34.2 | 32.1 | 34.4 | 66.5 |
| 34 State and local obligations | 5.4 | 9.3 | 8.4 | 3.8 | 2.6 | 4.5 | −1.5 | −.5 | 5.7 | 7.0 | 2.0 | −3.0 |
| 35 Corporate and foreign bonds | 2.0 | 5.1 | 8.4 | 5.8 | −3.3 | −1.4 | 6.0 | −.1 | −6.5 | −3.7 | 1.0 | 3.8 |
| 36 Commercial paper | 9.8 | 5.8 | −1.3 | 1.9 | 9.5 | 16.3 | 1.6 | 8.2 | 10.8 | 8.2 | 24.4 | 9.4 |
| 37 Other | 9.7 | 8.0 | 6.2 | 11.8 | 15.7 | 18.7 | 13.5 | 9.2 | 19.9 | 17.5 | 20.0 | 24.1 |
| 38 Deposits and currency | 101.2 | 73.8 | 98.1 | 131.9 | 149.5 | 151.8 | 141.0 | 144.5 | 154.5 | 148.7 | 154.8 | 121.8 |
| 39 Security RPs | 11.0 | −2.2 | .2 | 2.3 | 2.2 | 7.5 | 3.2 | 4.3 | .2 | 9.8 | 5.1 | 10.5 |
| 40 Money market fund shares | ...... | 2.4 | 1.3 | * | .2 | 6.9 | .5 | −.5 | .9 | 6.1 | 7.7 | 30.2 |
| 41 Time and savings accounts | 75.7 | 65.4 | 84.0 | 113.5 | 121.0 | 115.2 | 122.9 | 115.3 | 126.7 | 110.7 | 119.8 | 77.2 |
| 42 Large negotiable CDs | 17.8 | 18.4 | −14.3 | −13.6 | 9.0 | 10.8 | −7.8 | −4.5 | 22.6 | 10.1 | 11.4 | −39.4 |
| 43 Other at commercial banks | 29.5 | 25.3 | 38.8 | 57.9 | 43.0 | 43.3 | 61.5 | 47.5 | 38.4 | 42.1 | 44.5 | 61.1 |
| 44 At savings institutions | 28.5 | 21.8 | 59.4 | 69.1 | 69.0 | 61.1 | 69.3 | 72.3 | 65.7 | 58.5 | 63.8 | 55.5 |
| 45 Money | 14.5 | 8.2 | 12.6 | 16.1 | 26.1 | 22.2 | 14.3 | 25.4 | 26.8 | 22.1 | 22.3 | 3.8 |
| 46 Demand deposits | 10.6 | 1.9 | 6.4 | 8.8 | 17.8 | 12.9 | 5.8 | 19.6 | 16.1 | 11.6 | 14.2 | −6.1 |
| 47 Currency | 3.9 | 6.3 | 6.2 | 7.3 | 8.3 | 9.3 | 8.6 | 5.8 | 10.8 | 10.5 | 8.1 | 10.0 |
| 48 **Total of credit market instruments, deposits and currency** | **146.9** | **121.0** | **143.9** | **171.4** | **197.0** | **223.2** | **171.6** | **173.1** | **218.6** | **209.8** | **236.6** | **222.5** |
| 49 Public support rate (in percent) | 16.3 | 28.7 | 22.2 | 20.8 | 25.4 | 27.5 | 22.6 | 22.2 | 27.9 | 26.5 | 28.5 | 12.3 |
| 50 Private financial intermediation (in percent) | 87.9 | 80.0 | 72.2 | 84.4 | 92.5 | 90.0 | 89.0 | 98.2 | 88.5 | 93.5 | 86.6 | 84.4 |
| 51 Total foreign funds | 3.6 | 21.5 | −2.6 | 10.6 | 40.5 | 44.0 | 17.3 | 29.9 | 51.2 | 36.3 | 51.8 | 22.7 |
| Memo: Corporate equities not included above | | | | | | | | | | | | |
| 52 **Total net issues** | 9.2 | 4.1 | 10.7 | 11.9 | 4.0 | 3.7 | 10.3 | 2.1 | 5.9 | −.4 | 7.9 | 5.0 |
| 53 Mutual fund shares | −1.2 | −.7 | −.1 | −1.0 | −.9 | −1.0 | .4 | −.6 | −1.3 | −.5 | −1.5 | −.3 |
| 54 Other equities | 10.4 | 4.8 | 10.8 | 12.9 | 4.9 | 4.7 | 9.9 | 2.6 | 7.2 | .1 | 9.4 | 5.3 |
| 55 Acquisitions by financial institutions | 13.1 | 5.8 | 9.6 | 12.3 | 7.4 | 7.6 | 11.8 | 6.8 | 8.1 | .4 | 14.7 | 14.2 |
| 56 Other net purchases | −3.9 | −1.7 | 1.1 | −.4 | −3.4 | −3.8 | −1.5 | −4.7 | −2.2 | −.8 | −6.8 | −9.2 |

Notes by line number.
1. Line 2 of p. A-44.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities. Included below in lines 3, 13, and 33.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Sum of lines 39 and 44.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.
45. Mainly an offset to line 9.
46. Lines 32 plus 38, or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Sum of lines 10 and 28.
50, 52. Includes issues by financial institutions.

Note. Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## 2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

1967 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

| Measure | 1976 | 1977 | 1978 | 1979 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Apr. | May | June | July | Aug. r | Sept. r | Oct. r | Nov. |
| 1 **Industrial production**[1] | **130.5** | **138.2** | **146.1** | **150.8** | **152.4** | **152.6** | **152.8** | **151.6** | **152.4** | **152.4** | **151.6** |
| *Market groupings* | | | | | | | | | | | |
| 2 Products, total | 129.7 | 137.9 | 144.8 | 148.4 | 150.3 | 150.2 | 149.7 | 148.7 | 149.8 | 149.6 | 149.0 |
| 3 Final, total | 127.6 | 135.9 | 142.2 | 145.4 | 147.8 | 147.6 | 147.1 | 145.6 | 147.1 | 146.9 | 146.2 |
| 4 Consumer goods | 137.1 | 145.3 | 149.1 | 149.1 | 152.0 | 151.8 | 150.8 | 148.2 | 149.8 | 149.9 | 148.7 |
| 5 Equipment | 114.6 | 123.0 | 132.8 | 140.4 | 141.9 | 141.9 | 142.1 | 141.8 | 143.5 | 142.7 | 142.8 |
| 6 Intermediate | 137.2 | 145.1 | 154.1 | 159.7 | 159.5 | 159.5 | 159.4 | 160.6 | 159.6 | 159.6 | 159.3 |
| 7 Materials | 131.7 | 138.6 | 148.3 | 154.5 | 155.7 | 156.5 | 157.6 | 156.0 | 156.4 | 156.6 | 155.6 |
| *Industry groupings* | | | | | | | | | | | |
| 8 Manufacturing | 130.3 | 138.4 | 146.8 | 151.6 | 153.8 | 153.9 | 154.1 | 152.8 | 158.2 | 157.6 | 152.8 |
| *Capacity utilization (percent)*[1,2] | | | | | | | | | | | |
| 9 Manufacturing | 79.5 | 81.9 | 84.4 | 85.3 | 86.3 | 86.2 | 86.1 | 84.9 | 85.3 | 85.0 | 84.4 |
| 10 Industrial materials industries | 81.1 | 82.7 | 85.6 | 86.9 | 87.4 | 87.5 | 87.9 | 86.8 | 86.7 | 86.7 | 85.9 |
| 11 Construction contracts[3] | 190.2 | 160.5 | 174.3 | 202.0 | 178.0 | 177.0 | 165.0 | 164.0 | 185.0 | 171.0 | n.a. |
| 12 Nonagricultural employment, total[4] | 120.7 | 125.3 | 131.4 | 135.3 | 135.9 | 136.2 | 136.3 | 136.4 | 136.5 | 136.7 | 137.1 |
| 13 Goods-producing, total | 100.2 | 104.5 | 109.8 | 114.0 | 114.3 | 114.4 | 114.7 | 114.1 | 114.1 | 113.9 | 114.1 |
| 14 Manufacturing, total | 97.7 | 101.2 | 105.3 | 108.3 | 108.3 | 108.3 | 108.4 | 107.8 | 107.7 | 107.4 | 107.4 |
| 15 Manufacturing, production-worker | 95.3 | 98.8 | 102.8 | 105.8 | 105.6 | 105.5 | 105.5 | 104.5 | 104.5 | 104.1 | 104.0 |
| 16 Service-producing | 131.9 | 136.7 | 143.2 | 147.0 | 147.7 | 148.1 | 148.2 | 148.6 | 148.7 | 149.2 | 149.6 |
| 17 Personal income, total[5] | 220.5 | 244.4 | 274.1 | 300.1 | 301.9 | 304.0 | r308.5 | 310.5 | 312.6 | 315.2 | n.a. |
| 18 Wages and salary disbursements | 208.2 | 230.2 | 258.1 | 282.1 | 283.2 | 285.5 | r287.7 | 289.2 | 292.0 | 249.5 | n.a. |
| 19 Manufacturing | 177.0 | 198.3 | 222.4 | 244.1 | 244.8 | 245.9 | r247.6 | 246.3 | 248.8 | 251.1 | n.a. |
| 20 Disposable personal income | 176.8 | 194.8 | 217.7 | ...... | 239.1 | ...... | ...... | 244.8 | ...... | ...... | ...... |
| 21 Retail sales[6] | c207.4 | c229.8 | c253.8 | 272.7 | 274.8 | 274.4 | 276.5 | 285.8 | 293.9 | 288.9 | 294.2 |
| *Prices*[7] | | | | | | | | | | | |
| 22 Consumer | 170.5 | 181.5 | 195.4 | 211.5 | 214.1 | 216.6 | 218.9 | 221.1 | 223.4 | 225.4 | n.a. |
| 23 Producer finished goods | 170.3 | 180.6 | 194.6 | 211.4 | 212.7 | 213.7 | r216.2 | 217.3 | 220.4 | 223.7 | 225.9 |

1. The industrial production and capacity utilization series have been revised. For a description of the changes see the August 1979 BULLETIN, pp. 603–07.
2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.
3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Informations Systems Company, F. W. Dodge Division.
4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.
5. Based on data in *Survey of Current Business* (U.S. Department of Commerce). Series for disposable income is quarterly.
6. Based on Bureau of Census data published in *Survey of Current Business* (U.S. Department of Commerce).
7. Data without seasonal adjustment, as published in *Monthly Labor Review* (U.S. Department of Labor). Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE. Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business* (U.S. Department of Commerce).
Figures for industrial production for the last two months are preliminary and estimated, respectively.

## 2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

| Series | 1978 | 1979 | | | 1978 | 1979 | | | 1978 | 1979 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q4 | Q1 | Q2 | Q3r | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3r |
| | Output (1967 = 100) | | | | Capacity (percent of 1967 output) | | | | Utilization rate (percent) | | | |
| 1 **Manufacturing** | **151.7** | **153.4** | **153.1** | **153.3** | **175.6** | **176.9** | **178.2** | **179.5** | **86.4** | **86.7** | **85.9** | **85.4** |
| 2 Primary processing | 162.2 | 162.1 | 161.9 | 163.4 | 181.2 | 182.7 | 184.2 | 185.7 | 89.5 | 88.7 | 87.9 | 88.0 |
| 3 Advanced processing | 146.1 | 148.7 | 148.5 | 148.0 | 172.7 | 173.8 | 175.0 | 176.2 | 84.6 | 85.6 | 84.8 | 84.0 |
| 4 **Materials** | **154.6** | **155.5** | **155.6** | **156.7** | **175.4** | **176.8** | **178.1** | **179.8** | **88.2** | **88.0** | **87.3** | **87.1** |
| 5 Durable goods | 157.3 | 158.4 | 157.7 | 158.7 | 180.1 | 181.5 | 183.0 | 184.6 | 87.4 | 87.3 | 86.2 | 86.0 |
| 6 Metal materials | 132.2 | 124.7 | 124.3 | 127.0 | 139.6 | 139.8 | 140.3 | 140.8 | 94.7 | 89.1 | 88.5 | 90.2 |
| 7 Nondurable goods | 170.3 | 172.2 | 173.4 | 175.7 | 190.2 | 191.9 | 193.7 | 195.7 | 89.6 | 89.7 | 89.5 | 89.8 |
| 8 Textile, paper, and chemical | 177.1 | 179.1 | 181.3 | 184.3 | 197.9 | 199.6 | 201.5 | 203.8 | 89.5 | 89.7 | 89.9 | 90.5 |
| 9 Textile | 119.5 | 118.2 | 119.6 | 122.3 | 136.6 | 136.9 | 137.3 | 137.7 | 87.5 | 86.3 | 87.1 | 88.8 |
| 10 Paper | 138.1 | 136.9 | 140.7 | 147.0 | 147.8 | 148.7 | 149.9 | 151.0 | 93.4 | 92.0 | 93.9 | 97.3 |
| 11 Chemical | 218.0 | 222.7 | 224.8 | 226.6 | 244.6 | 247.4 | 250.6 | 253.8 | 89.1 | 90.0 | 89.7 | 89.3 |
| 12 Energy | 128.9 | 127.9 | 128.1 | 128.4 | 145.7 | 146.7 | 147.5 | 148.3 | 88.5 | 87.2 | 86.9 | 86.6 |

1. The capacity utilization series has been revised. For a description of the changes, see the August 1979 BULLETIN, pp. 606–07.

## 2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

**Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.**

| Category | 1976 | 1977 | 1978 | 1979 May | 1979 June | 1979 July | 1979 Aug. | 1979 Sept. | 1979 Oct. | 1979 Nov. |
|---|---|---|---|---|---|---|---|---|---|---|
| HOUSEHOLD SURVEY DATA | | | | | | | | | | |
| 1 **Noninstitutional population**[1] | **156,048** | **158,559** | **161,058** | **163,260** | **163,469** | **163,685** | **163,891** | **164,106** | **[r]164,468** | **164,682** |
| 2 Labor force (including Armed Forces)[1] | 96,917 | 99,534 | 102,537 | 104,325 | 104,604 | 105,141 | 105,139 | 105,590 | 105,567 | 105,777 |
| 3 Civilian labor force | 94,773 | 97,401 | 100,420 | 102,247 | 102,528 | 103,059 | 103,049 | 103,498 | 103,474 | 103,685 |
| *Employment* | | | | | | | | | | |
| 4 Nonagricultural industries[2] | 84,188 | 87,302 | 91,031 | 93,134 | 93,494 | 93,949 | 93,578 | 94,113 | 94,005 | 94,221 |
| 5 Agriculture | 3,297 | 3,244 | 3,342 | 3,184 | 3,260 | 3,262 | 3,322 | 3,400 | 3,288 | 3,426 |
| *Unemployment* | | | | | | | | | | |
| 6 Number | 7,288 | 6,855 | 6,047 | 5,929 | 5,774 | 5,848 | 6,149 | 5,985 | 6,182 | 6,039 |
| 7 Rate (percent of civilian labor force) | 7.7 | 7.0 | 6.0 | 5.8 | 5.6 | 5.7 | 6.0 | 5.8 | 6.0 | 5.8 |
| 8 Not in labor force | 59,130 | 59,025 | 58,521 | 58,935 | 59,865 | 58,545 | 58,752 | 58,515 | 58,901 | 58,904 |
| ESTABLISHMENT SURVEY DATA | | | | | | | | | | |
| 9 **Nonagricultural payroll employment**[3] | **79,382** | **82,423** | **86,446** | **89,398** | **89,626** | **89,713** | **89,762** | **[r]89,803** | **[r]89,967** | **90,185** |
| 10 Manufacturing | 18,997 | 19,682 | 20,476 | 21,059 | 21,063 | 21,079 | 20,957 | [r]20,949 | [r]20,886 | 20,887 |
| 11 Mining | 779 | 813 | 851 | 944 | 949 | 956 | 968 | [r]973 | [r]980 | 986 |
| 12 Contract construction | 3,576 | 3,851 | 4,271 | 4,648 | 4,662 | 4,688 | 4,674 | [r]4,671 | [r]4,693 | 4,731 |
| 13 Transportation and public utilities | 4,582 | 4,713 | 4,927 | 5,130 | 5,190 | 5,169 | 5,194 | [r]5,180 | [r]5,217 | 5,233 |
| 14 Trade | 17,755 | 18,516 | 19,499 | 20,129 | 20,116 | 20,122 | 20,126 | [r]20,169 | [r]20,244 | 20,285 |
| 15 Finance | 4,271 | 4,467 | 4,727 | 4,936 | 4,958 | 4,972 | 5,003 | [r]4,997 | [r]5,018 | 5,056 |
| 16 Service | 14,551 | 15,303 | 16,220 | 16,954 | 17,051 | 17,092 | 17,141 | [r]17,191 | [r]17,260 | 17,334 |
| 17 Government | 14,871 | 15,079 | 15,476 | 15,598 | 15,637 | 15,635 | 15,699 | [r]15,673 | [r]15,669 | 15,673 |

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the February 1977 benchmark. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

## 2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data are seasonally adjusted.

| Grouping | 1967 proportion | 1978 average | 1978 Sept. | 1978 Oct. | 1978 Nov. | 1979 Mar. | 1979 Apr. | 1979 May | 1979 June | 1979 July | 1979 Aug.[r] | 1979 Sept. | 1979 Oct.[p] | 1979 Nov.[e] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Index (1967 = 100) | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | |
| 1 **Total index** | **100.00** | **146.1** | **148.6** | **149.7** | **150.6** | **153.0** | **150.8** | **152.4** | **152.6** | **152.8** | **151.6** | **152.4** | **152.4** | **151.6** |
| 2 Products | 60.71 | 144.8 | 146.9 | 147.5 | 148.0 | 150.8 | 148.4 | 150.3 | 150.2 | 149.7 | 148.7 | 149.8 | 149.6 | 149.0 |
| 3 Final products | 47.82 | 142.2 | 144.5 | 145.1 | 145.3 | 148.2 | 145.4 | 147.8 | 147.6 | 147.1 | 145.6 | 147.1 | 146.9 | 146.2 |
| 4 Consumer goods | 27.68 | 149.1 | 150.8 | 151.2 | 151.3 | 152.9 | 149.1 | 152.0 | 151.8 | 150.8 | 148.2 | 149.8 | 149.9 | 148.7 |
| 5 Equipment | 20.14 | 132.8 | 135.9 | 136.6 | 137.1 | 141.7 | 140.4 | 141.9 | 141.9 | 142.1 | 141.8 | 143.5 | 142.7 | 142.8 |
| 6 Intermediate products | 12.89 | 154.1 | 155.6 | 156.4 | 157.8 | 160.4 | 159.7 | 159.5 | 159.5 | 159.4 | 160.6 | 159.6 | 159.6 | 159.3 |
| 7 Materials | 39.29 | 148.3 | 151.2 | 153.2 | 154.5 | 156.3 | 154.5 | 155.7 | 156.5 | 157.6 | 156.0 | 156.4 | 156.6 | 155.6 |
| *Consumer goods* | | | | | | | | | | | | | | |
| 8 Durable consumer goods | 7.89 | 159.2 | 160.5 | 162.6 | 162.9 | 163.6 | 151.6 | 160.5 | 158.6 | 157.2 | 147.5 | 152.0 | 152.9 | 149.6 |
| 9 Automotive products | 2.83 | 179.9 | 179.5 | 187.6 | 190.2 | 186.8 | 163.0 | 182.7 | 175.9 | 170.3 | 147.3 | 157.8 | 160.2 | 152.4 |
| 10 Autos and utility vehicles | 2.03 | 172.5 | 170.0 | 181.0 | 185.0 | 178.8 | 147.4 | 176.3 | 167.4 | 155.6 | 125.1 | 139.7 | 142.4 | 131.1 |
| 11 Autos | 1.90 | 148.6 | 144.2 | 154.7 | 159.7 | 153.8 | 128.6 | 153.1 | 148.0 | 141.8 | 118.5 | 128.0 | 129.0 | 118.3 |
| 12 Auto parts and allied goods | 80 | 198.5 | 203.7 | 204.3 | 203.2 | 207.2 | 202.7 | 199.0 | 197.5 | 207.8 | 203.7 | 204.0 | 205.4 | 206.4 |
| 13 Home goods | 5.06 | 147.7 | 149.9 | 148.6 | 147.6 | 150.6 | 145.2 | 148.1 | 148.8 | 149.8 | 147.7 | 148.8 | 148.8 | 148.0 |
| 14 Appliances, A/C, and TV | 1.40 | 133.3 | 136.2 | 132.3 | 129.1 | 128.4 | 115.6 | 128.4 | 129.3 | 129.7 | 121.2 | 129.6 | 126.2 | 125.0 |
| 15 Appliances and TV | 1.33 | 135.4 | 137.5 | 132.9 | 130.1 | 130.3 | 116.5 | 130.2 | 131.2 | 131.6 | 124.1 | 132.3 | 128.3 | ...... |
| 16 Carpeting and furniture | 1.07 | 164.2 | 167.9 | 165.3 | 164.2 | 173.5 | 170.7 | 170.2 | 170.6 | 171.9 | 171.7 | 169.7 | 169.7 | ...... |
| 17 Miscellaneous home goods | 2.59 | 148.6 | 149.9 | 150.5 | 150.7 | 153.2 | 150.8 | 149.6 | 150.5 | 151.6 | 152.1 | 150.5 | 152.5 | 152.0 |
| 18 Nondurable consumer goods | 19.79 | 145.1 | 147.0 | 146.6 | 146.7 | 148.6 | 148.0 | 148.7 | 149.1 | 148.2 | 148.5 | 148.9 | 148.7 | 148.4 |
| 19 Clothing | 4.29 | 131.1 | 135.0 | 132.6 | 132.4 | 130.9 | 127.7 | 128.6 | 130.7 | 126.9 | 128.0 | 129.0 | ...... | ...... |
| 20 Consumer staples | 15.50 | 148.9 | 150.3 | 150.5 | 150.6 | 153.6 | 153.7 | 154.2 | 154.2 | 154.1 | 154.2 | 154.4 | 154.5 | 154.3 |
| 21 Consumer foods and tobacco | 8.33 | 140.6 | 141.4 | 141.4 | 141.7 | 145.1 | 145.2 | 145.7 | 146.2 | 147.0 | 145.3 | 146.1 | 146.3 | ...... |
| 22 Nonfood staples | 7.17 | 158.5 | 160.6 | 161.1 | 161.0 | 163.4 | 163.5 | 164.1 | 163.5 | 162.4 | 164.6 | 164.0 | 164.1 | 163.9 |
| 23 Consumer chemical products | 2.63 | 192.7 | 196.1 | 198.3 | 195.9 | 202.8 | 201.6 | 205.2 | 205.9 | 206.1 | 209.2 | 207.2 | 206.7 | ...... |
| 24 Consumer paper products | 1.92 | 118.4 | 119.8 | 118.0 | 119.0 | 121.4 | 120.9 | 121.3 | 121.1 | 119.9 | 121.2 | 121.1 | 122.5 | ...... |
| 25 Consumer energy products | 2.62 | 153.6 | 155.0 | 155.3 | 156.8 | 154.7 | 156.4 | 154.3 | 152.0 | 149.8 | 151.6 | 152.1 | 151.8 | ...... |
| 26 Residential utilities | 1.45 | 162.1 | 162.2 | 163.0 | 162.7 | 167.9 | 169.1 | 167.8 | 162.3 | 158.5 | 163.5 | 164.3 | ...... | ...... |
| *Equipment* | | | | | | | | | | | | | | |
| 27 Business | 12.63 | 160.3 | 163.8 | 164.8 | 165.0 | 170.8 | 168.7 | 171.4 | 171.5 | 171.4 | 171.5 | 173.3 | 171.3 | 171.4 |
| 28 Industrial | 6.77 | 145.8 | 147.6 | 148.1 | 147.6 | 152.8 | 150.4 | 151.8 | 152.0 | 151.3 | 151.7 | 153.6 | 151.3 | 152.1 |
| 29 Building and mining | 1.44 | 207.3 | 208.4 | 208.8 | 207.8 | 205.2 | 204.2 | 203.7 | 205.3 | 207.4 | 210.6 | 212.0 | 200.5 | 203.5 |
| 30 Manufacturing | 3.85 | 121.2 | 122.8 | 123.4 | 123.3 | 130.3 | 128.0 | 130.1 | 130.1 | 130.3 | 131.1 | 130.7 | 130.7 | 130.7 |
| 31 Power | 1.47 | 149.4 | 153.0 | 153.0 | 152.1 | 160.2 | 156.0 | 157.7 | 156.8 | 151.0 | 147.7 | 156.3 | 156.8 | 157.5 |
| 32 Commercial transit, farm | 5.86 | 177.2 | 182.5 | 184.1 | 185.0 | 191.6 | 189.9 | 193.9 | 194.0 | 194.6 | 194.4 | 196.1 | 194.4 | 193.8 |
| 33 Commercial | 3.26 | 212.0 | 217.6 | 218.2 | 217.8 | 224.4 | 223.0 | 224.9 | 226.4 | 227.0 | 230.5 | 230.7 | 232.8 | 233.1 |
| 34 Transit | 1.93 | 133.8 | 139.5 | 143.3 | 145.7 | 150.5 | 148.8 | 156.7 | 155.3 | 155.2 | 149.4 | 155.3 | 154.4 | 151.8 |
| 35 Farm | 67 | 132.8 | 135.7 | 135.5 | 138.5 | 150.0 | 147.7 | 150.8 | 148.1 | 151.0 | 148.3 | 145.2 | 123.2 | ...... |
| 36 Defense and space | 7.51 | 86.5 | 89.0 | 89.3 | 90.3 | 92.9 | 92.9 | 92.5 | 92.3 | 92.8 | 92.0 | 93.5 | 94.8 | 94.6 |
| *Intermediate products* | | | | | | | | | | | | | | |
| 37 Construction supplies | 6.42 | 151.7 | 153.5 | 154.5 | 156.1 | 157.1 | 156.0 | 156.4 | 156.3 | 156.4 | 157.3 | 156.2 | 155.8 | 154.9 |
| 38 Business supplies | 6.47 | 156.5 | 157.7 | 158.4 | 159.6 | 163.8 | 163.2 | 162.5 | 162.6 | 162.4 | 163.8 | 163.0 | 163.4 | ...... |
| 39 Commercial energy products | 1.14 | 168.2 | 170.2 | 170.0 | 171.3 | 173.5 | 174.6 | 172.6 | 169.4 | 167.8 | 170.7 | 169.1 | 170.7 | ...... |
| *Materials* | | | | | | | | | | | | | | |
| 40 Durable goods materials | 20.35 | 149.0 | 153.4 | 155.5 | 157.0 | 159.2 | 155.7 | 157.9 | 159.5 | 160.7 | 157.7 | 157.6 | 157.2 | 155.2 |
| 41 Durable consumer parts | 4.58 | 140.8 | 145.1 | 147.0 | 147.2 | 145.8 | 136.9 | 142.5 | 141.8 | 138.5 | 129.7 | 132.2 | 131.1 | 123.9 |
| 42 Equipment parts | 5.44 | 166.5 | 170.7 | 172.9 | 176.7 | 186.8 | 187.0 | 188.0 | 191.0 | 192.1 | 190.7 | 191.6 | 191.9 | 193.1 |
| 43 Durable materials n.e.c. | 10.34 | 143.3 | 148.0 | 150.1 | 151.0 | 150.6 | 147.7 | 149.0 | 150.8 | 154.0 | 152.7 | 150.9 | 150.4 | 149.2 |
| 44 Basic metal materials | 5.57 | 121.2 | 127.0 | 129.3 | 130.2 | 126.7 | 123.2 | 122.9 | 126.1 | 130.5 | 127.7 | 125.1 | 122.9 | ...... |
| 45 Nondurable goods materials | 10.47 | 165.6 | 167.8 | 168.8 | 170.2 | 173.1 | 173.0 | 173.8 | 173.4 | 174.6 | 175.8 | 176.6 | 178.1 | 178.1 |
| 46 Textile, paper, and chemical materials | 7.62 | 171.8 | 174.6 | 175.3 | 177.1 | 180.1 | 180.7 | 181.5 | 181.7 | 182.8 | 184.3 | 185.9 | 187.8 | 187.8 |
| 47 Textile materials | 1.85 | 116.9 | 116.8 | 119.7 | 118.8 | 119.0 | 117.0 | 118.8 | 122.9 | 122.2 | 120.6 | 124.1 | 124.8 | ...... |
| 48 Paper materials | 1.62 | 137.0 | 137.7 | 137.3 | 137.9 | 139.9 | 140.8 | 140.1 | 141.1 | 146.2 | 146.7 | 148.1 | 147.4 | ...... |
| 49 Chemical materials | 4.15 | 210.0 | 214.9 | 214.9 | 218.4 | 223.0 | 224.7 | 225.7 | 223.9 | 224.1 | 227.5 | 228.3 | 231.8 | ...... |
| 50 Containers, nondurable | 1.70 | 159.8 | 160.7 | 163.9 | 163.1 | 167.3 | 162.0 | 163.3 | 159.2 | 163.1 | 162.9 | 161.8 | 163.4 | ...... |
| 51 Nondurable materials n.e.c. | 1.14 | 132.7 | 132.5 | 133.2 | 135.2 | 135.6 | 138.2 | 138.4 | 139.0 | 137.5 | 138.2 | 136.4 | 135.0 | ...... |
| 52 Energy materials | 8.48 | 125.3 | 125.6 | 128.6 | 129.3 | 128.7 | 128.4 | 127.7 | 128.3 | 129.1 | 127.7 | 128.5 | 128.9 | 128.8 |
| 53 Primary energy | 4.65 | 112.6 | 111.5 | 116.7 | 117.0 | 114.6 | 113.0 | 111.7 | 112.4 | 112.8 | 112.0 | 114.0 | 114.0 | ...... |
| 54 Converted fuel materials | 3.82 | 140.8 | 142.7 | 143.0 | 144.4 | 145.9 | 147.1 | 147.2 | 147.6 | 148.8 | 146.9 | 146.2 | 146.9 | ...... |
| *Supplementary groups* | | | | | | | | | | | | | | |
| 55 Home goods and clothing | 9.35 | 140.0 | 143.0 | 141.2 | 140.6 | 141.6 | 137.2 | 139.1 | 140.5 | 139.3 | 138.6 | 139.7 | 139.2 | 138.4 |
| 56 Energy, total | 12.23 | 135.4 | 136.0 | 138.2 | 139.1 | 138.4 | 138.7 | 137.6 | 137.2 | 137.1 | 136.8 | 137.3 | 137.7 | 137.6 |
| 57 Products | 3.76 | 158.0 | 159.6 | 159.8 | 161.2 | 160.3 | 161.9 | 159.9 | 157.3 | 155.2 | 157.4 | 137.2 | 157.5 | ...... |
| 58 Materials | 8.48 | 125.3 | 125.6 | 128.6 | 129.3 | 128.7 | 128.4 | 127.7 | 128.3 | 129.1 | 127.7 | 128.5 | 128.9 | 128.8 |

For notes see opposite page.

## 2.13 Continued

| Grouping | SIC code | 1967 proportion | 1978 average[p] | 1978 Sept. | 1978 Oct. | 1978 Nov. | 1979 Mar. | 1979 Apr. | 1979 May | 1979 June | 1979 July | 1979 Aug.[r] | 1979 Sept. | 1979 Oct.[p] | 1979 Nov.[e] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Index (1967 = 100) | | | | | | | | | | | |
| MAJOR INDUSTRY | | | | | | | | | | | | | | | |
| 1 Mining and utilities | ...... | 12.05 | 141.7 | 142.6 | 144.6 | 140.9 | 143.5 | 143.8 | 143.4 | 143.0 | 143.7 | 149.0 | 146.5 | 142.9 | 143.1 |
| 2 Mining | ...... | 6.36 | 124.0 | 124.4 | 127.9 | 129.4 | 122.3 | 122.7 | 122.8 | 123.9 | 124.7 | 126.9 | 127.0 | 129.0 | 129.0 |
| 3 Utilities | ...... | 5.69 | 161.4 | 163.0 | 163.2 | 153.8 | 167.1 | 167.4 | 166.5 | 164.2 | 164.8 | 173.7 | 168.2 | 158.4 | 158.9 |
| 4 Electric | ...... | 3.88 | 182.2 | 184.5 | 184.7 | 170.9 | 188.8 | 189.0 | 186.4 | 182.4 | 182.2 | 200.7 | 192.3 | ...... | ...... |
| 5 Manufacturing | ...... | 87.95 | 146.8 | 149.6 | 150.7 | 151.9 | 154.5 | 151.6 | 153.8 | 153.9 | 154.1 | 152.8 | 158.2 | 157.6 | 152.8 |
| 6 Nondurable | ...... | 35.97 | 156.9 | 159.3 | 159.5 | 160.8 | 163.0 | 161.7 | 162.8 | 163.0 | 164.1 | 168.8 | 171.7 | 170.9 | 165.4 |
| 7 Durable | ...... | 51.98 | 139.7 | 142.9 | 144.6 | 145.6 | 148.6 | 144.6 | 147.6 | 147.6 | 147.2 | 141.7 | 148.8 | 148.5 | 144.1 |
| *Mining* | | | | | | | | | | | | | | | |
| 8 Metal | 10 | .51 | 121.0 | 115.6 | 122.1 | 120.9 | 126.9 | 128.9 | 123.1 | 123.2 | 128.6 | 132.8 | 131.0 | 126.1 | ...... |
| 9 Coal | 11, 12 | .69 | 114.7 | 114.0 | 141.9 | 146.1 | 124.0 | 130.1 | 133.4 | 137.5 | 137.1 | 144.1 | 146.9 | 151.9 | 144.3 |
| 10 Oil and gas extraction | 13 | 4.40 | 124.6 | 125.4 | 125.5 | 126.1 | 119.3 | 118.6 | 118.6 | 119.6 | 120.4 | 121.2 | 121.1 | 123.3 | 125.3 |
| 11 Stone and earth minerals | 14 | .75 | 131.2 | 133.7 | 133.6 | 139.3 | 135.6 | 135.3 | 137.8 | 137.3 | 136.4 | 140.8 | 141.0 | 143.2 | ...... |
| *Nondurable manufacturers* | | | | | | | | | | | | | | | |
| 12 Foods | 20 | 8.75 | 142.7 | 143.7 | 143.2 | 145.7 | 147.6 | 147.0 | 149.2 | 149.5 | 149.4 | 155.0 | 159.0 | 156.9 | ...... |
| 13 Tobacco products | 21 | .67 | 118.3 | 120.3 | 119.0 | 123.1 | 123.3 | 120.0 | 120.2 | 118.3 | 118.9 | 112.3 | 125.7 | ...... | ...... |
| 14 Textile mill products | 22 | 2.68 | 137.5 | 138.6 | 139.6 | 140.2 | 142.3 | 141.2 | 141.5 | 114.6 | 143.0 | 148.3 | 152.2 | 154.0 | ...... |
| 15 Apparel products | 23 | 3.31 | 134.2 | 139.6 | 136.8 | 131.5 | 136.5 | 130.8 | 128.2 | 132.0 | 129.7 | 134.5 | 140.4 | ...... | ...... |
| 16 Paper and products | 26 | 3.21 | 144.8 | 144.2 | 145.8 | 145.7 | 149.0 | 148.7 | 147.9 | 148.0 | 154.0 | 154.1 | 152.2 | 159.0 | 153.2 |
| 17 Printing and publishing | 27 | 4.72 | 131.5 | 132.6 | 132.6 | 135.2 | 137.3 | 135.7 | 136.8 | 136.9 | 135.6 | 149.7 | 150.5 | 145.1 | 141.0 |
| 18 Chemicals and products | 28 | 7.74 | 197.4 | 201.3 | 202.7 | 203.9 | 107.4 | 207.7 | 209.7 | 207.8 | 210.5 | 215.6 | 218.0 | 217.7 | ...... |
| 19 Petroleum products | 29 | 1.79 | 145.2 | 147.6 | 147.6 | 153.5 | 143.8 | 145.4 | 142.4 | 143.9 | 143.9 | 148.7 | 146.0 | 142.2 | 144.7 |
| 20 Rubber and plastic products | 30 | 2.24 | 253.6 | 260.9 | 262.3 | 265.5 | 270.4 | 265.5 | 270.0 | 270.0 | 278.0 | 268.5 | 276.0 | 280.2 | ...... |
| 21 Leather and products | 31 | .86 | 73.8 | 72.9 | 72.4 | 72.9 | 72.9 | 69.6 | 72.3 | 70.1 | 69.7 | 70.7 | 72.8 | 72.6 | ...... |
| *Durable manufactures* | | | | | | | | | | | | | | | |
| 22 Ordnance, private and government | 19,91 | 3.64 | 73.7 | 73.8 | 74.2 | 72.6 | 75.1 | 75.1 | 75.3 | 75.1 | 74.6 | 74.8 | 75.1 | 74.4 | 75.1 |
| 23 Lumber and products | 24 | 1.64 | 136.3 | 136.2 | 138.1 | 137.2 | 137.7 | 137.2 | 136.1 | 136.8 | 135.2 | 140.6 | 143.5 | 142.2 | ...... |
| 24 Furniture and fixtures | 25 | 1.37 | 155.8 | 160.7 | 159.9 | 161.0 | 163.6 | 159.4 | 159.6 | 159.6 | 159.5 | 162.4 | 165.8 | 165.2 | ...... |
| 25 Clay, glass, stone products | 32 | 2.74 | 157.2 | 159.8 | 161.3 | 164.7 | 164.9 | 161.2 | 163.8 | 162.7 | 163.3 | 168.1 | 164.7 | 169.7 | ...... |
| 26 Primary metals | 33 | 6.57 | 119.9 | 127.4 | 129.4 | 123.3 | 123.7 | 121.7 | 121.0 | 124.3 | 127.1 | 115.7 | 118.7 | 116.4 | 110.3 |
| 27 Iron and steel | 331,2 | 4.21 | 113.2 | 121.3 | 123.8 | 115.9 | 116.2 | 115.8 | 114.3 | 118.1 | 119.0 | 107.2 | 111.8 | 106.3 | ...... |
| 28 Fabricated metal products | 34 | 5.93 | 141.6 | 144.2 | 144.9 | 147.0 | 150.2 | 148.8 | 150.3 | 149.3 | 149.3 | 146.4 | 148.6 | 149.3 | 147.8 |
| 29 Nonelectrical machinery | 35 | 9.15 | 153.6 | 156.4 | 157.5 | 158.0 | 164.0 | 161.8 | 164.3 | 164.5 | 165.3 | 165.9 | 172.5 | 165.3 | 161.9 |
| 30 Electrical machinery | 36 | 8.05 | 159.4 | 163.3 | 164.2 | 167.4 | 174.2 | 170.6 | 174.7 | 175.1 | 174.4 | 170.0 | 181.3 | 182.3 | 179.1 |
| 31 Transportation equipment | 37 | 9.27 | 132.5 | 134.9 | 139.7 | 144.2 | 143.7 | 131.6 | 141.9 | 139.4 | 135.5 | 113.2 | 132.3 | 137.3 | 128.1 |
| 32 Motor vehicles and parts | 371 | 4.50 | 169.9 | 171.0 | 178.9 | 185.1 | 179.7 | 156.0 | 176.3 | 169.6 | 160.2 | 116.7 | 151.7 | 158.7 | 140.5 |
| 33 Aerospace and miscellaneous transportation equipment | 372–9 | 4.77 | 97.2 | 100.9 | 102.8 | 105.6 | 109.7 | 108.6 | 109.6 | 111.0 | 112.2 | 109.9 | 114.0 | 117.1 | 116.5 |
| 34 Instruments | 38 | 2.11 | 167.1 | 170.4 | 170.3 | 174.0 | 177.3 | 176.3 | 174.7 | 175.9 | 174.0 | 175.0 | 177.2 | 176.8 | 177.8 |
| 35 Miscellaneous manufactures | 39 | 1.51 | 151.0 | 151.3 | 151.8 | 152.5 | 154.5 | 152.3 | 150.7 | 152.7 | 155.7 | 161.2 | 164.9 | 162.2 | 157.5 |
| | | | | Gross value (billions of 1972 dollars, annual rates) | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | | |
| 36 **Products, total** | ...... | **507.4** | **610.2** | **617.2** | **622.1** | **625.0** | **636.1** | **620.8** | **632.3** | **628.7** | **622.7** | **613.0** | **622.4** | **621.4** | **616.1** |
| 37 Final | ...... | [2]390.9 | 471.0 | 476.8 | 481.0 | 482.8 | 491.0 | 476.4 | 488.2 | 485.1 | 479.6 | 468.8 | 478.8 | 478.0 | 473.2 |
| 38 Consumer goods | ...... | [2]277.5 | 326.6 | 329.9 | 331.8 | 332.8 | 334.7 | 323.9 | 331.5 | 329.8 | 326.0 | 319.2 | 323.8 | 325.1 | 322.1 |
| 39 Equipment | ...... | [2]113.4 | 144.4 | 146.9 | 149.2 | 150.0 | 156.3 | 152.5 | 156.7 | 155.4 | 153.6 | 149.6 | 155.0 | 152.8 | 151.1 |
| 40 Intermediate | ...... | [2]116.6 | 139.2 | 140.4 | 141.1 | 142.3 | 145.1 | 144.4 | 144.2 | 143.6 | 143.2 | 144.2 | 143.7 | 143.4 | 142.9 |

1. The industrial production series has been revised. For a description of the changes, see "Revision of Industrial Production Index" in the August 1979 BULLETIN, pp. 603–05.
2. 1972 dollars.

NOTE. Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System: Washington, D.C.), December 1977.

## 2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

| Item | 1976[r] | 1977[r] | 1978[r] | 1979 Apr. | May | June | July[r] | Aug.[r] | Sept.[r] | Oct. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Private residential real estate activity (thousands of units) | | | | | | |
| New Units | | | | | | | | | | |
| 1 Permits authorized | 1,296 | 1,677 | 1,801 | 1,517 | 1,618 | 1,639 | 1,528 | 1,654 | 1,775 | 1,550 |
| 2 1-family | 894 | 1,126 | 1,182 | 1,036 | 1,047 | 1,012 | 1,001 | 1,030 | 1,015 | 920 |
| 3 2-or-more-family | 402 | 551 | 619 | 481 | 571 | 627 | 527 | 624 | 760 | 630 |
| 4 Started | 1,538 | 1,986 | 2,019 | 1,745 | 1,835 | 1,923 | 1,788 | 1,793 | 1,911 | 1,760 |
| 5 1-family | 1,163 | 1,451 | 1,433 | 1,278 | 1,226 | 1,288 | 1,220 | 1,239 | 1,255 | 1,148 |
| 6 2-or-more-family | 377 | 535 | 586 | 467 | 609 | 635 | 568 | 554 | 656 | 612 |
| 7 Under construction, end of period[1] | 1,147 | 1,442 | 1,355 | 1,256 | 1,244 | 1,247 | 1,237 | 1,235 | 1,235 | n.a. |
| 8 1-family | 655 | 829 | 1,378 | 793 | 730 | 723 | 715 | 715 | 720 | n.a. |
| 9 2-or-more-family | 492 | 613 | 553 | 519 | 514 | 524 | 522 | 520 | 514 | n.a. |
| 10 Completed | 1,362 | 1,652 | 1,866 | 2,015 | 2,016 | 1,866 | 1,745 | 1,742 | 1,948 | n.a. |
| 11 1-family | 1,026 | 1,254 | 1,368 | 1,438 | 1,344 | 1,345 | 1,192 | 1,193 | 1,197 | n.a. |
| 12 2-or-more-family | 336 | 398 | 498 | 577 | 672 | 521 | 553 | 549 | 751 | n.a. |
| 13 Mobile homes shipped | 246 | 277 | 276 | 273 | 271 | 279 | 282 | 277 | 268 | n.a. |
| *Merchant builder activity in 1-family units* | | | | | | | | | | |
| 14 Number sold | 639 | 819 | 817 | [r]722 | [r]707 | [r]689 | 778 | 756 | 737 | 724 |
| 15 Number for sale, end of period[1] | 433 | 407 | 423 | 425 | 430 | 418 | 416 | 416 | 414 | 408 |
| *Price (thousands of dollars)*[2] | | | | | | | | | | |
| Median | | | | | | | | | | |
| 16 Units sold | 44.2 | 48.9 | 55.9 | 62.6 | [r]63.8 | [r]64.2 | 63.8 | 63.9 | 67.3 | n.a. |
| 17 Units for sale | 41.6 | 48.2 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Average | | | | | | | | | | |
| 18 Units sold | 48.1 | 54.4 | 62.7 | 71.1 | 71.8 | 74.3 | 71.9 | 74.3 | 77.4 | 71.4 |
| Existing Units (1-family) | | | | | | | | | | |
| 19 Number sold | 3,002 | 3,572 | 3,905 | 3,760 | 3,860 | 3,560 | 3,770 | 3,850 | 4,010 | 3,990 |
| *Price of units sold (thous. of dollars)*[2] | | | | | | | | | | |
| 20 Median | 38.1 | 42.9 | 48.7 | 54.7 | 55.9 | 56.8 | 57.9 | 57.7 | 57.3 | 56.3 |
| 21 Average | 42.2 | 47.9 | 55.1 | 62.5 | 64.2 | 66.1 | 66.7 | 66.3 | 66.1 | 65.2 |
| | | | | Value of new construction[4] (millions of dollars) | | | | | | |
| Construction | | | | | | | | | | |
| **22 Total put in place** | **151,053** | **173,998** | **206,223** | **216,212** | **223,205** | **224,686** | **232,593** | **[r]232,396** | **234,640** | **235,951** |
| 23 Private | 111,931 | 135,824 | 160,403 | 171,692 | 174,803 | 178,703 | 181,678 | [r]182,860 | 183,669 | 184,030 |
| 24 Residential | 60,519 | 80,957 | 93,425 | 95,496 | 94,963 | 97,339 | 98,781 | [r]100,045 | 101,244 | 99,659 |
| 25 Nonresidential, total | 51,412 | 54,867 | 66,978 | 76,196 | 79,840 | 81,364 | 82,897 | 82,815 | 82,425 | 84,371 |
| Buildings | | | | | | | | | | |
| 26 Industrial | 7,182 | 7,713 | 10,993 | 14,034 | 14,504 | 14,697 | 15,547 | 13,751 | 13,698 | 14,348 |
| 27 Commercial | 12,757 | 14,789 | 18,568 | 21,463 | 23,601 | 24,785 | 24,785 | 25,818 | 25,693 | 26,653 |
| 28 Other | 6,155 | 6,200 | 6,739 | 7,150 | 7,141 | 7,306 | 7,427 | 7,532 | 7,331 | 7,839 |
| 29 Public utilities and other | 25,320 | 26,173 | 30,685 | 33,325 | 34,101 | 33,958 | 35,140 | 35,714 | 35,702 | 35,530 |
| 30 Public | 39,120 | 38,172 | 45,821 | 44,823 | 48,402 | 45,983 | 50,916 | 49,536 | 50,971 | 51,921 |
| 31 Military | 1,630 | 1,428 | 1,498 | 1,550 | 1,531 | 1,787 | 1,459 | 1,702 | 1,704 | 1,808 |
| 32 Highway | 9,406 | 8,984 | 10,286 | 9,875 | 11,674 | 10,250 | 11,166 | 10,802 | n.a. | n.a. |
| 33 Conservation and development | 3,741 | 3,862 | 4,436 | 4,417 | 5,383 | 3,572 | 5,371 | 5,273 | n.a. | n.a. |
| 34 Other[3] | 24,343 | 23,898 | 29,601 | 30,376 | 29,814 | 30,374 | 32,920 | 31,759 | n.a. | n.a. |

1. Not at annual rates.
2. Not seasonally adjusted.
3. Beginning January 1977 Highway imputations are included in Other.
4. Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

Note. Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 14,000 jurisdictions through 1977, and 16,000 jurisdictions beginning with 1978.

## 2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

| Item | 12 months to | | 3 months (at annual rate) to | | | | 1 month to | | | | | Index level Oct. 1979 (1967 = 100)[3] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1978 Oct. | 1979 Oct. | 1978 Dec. | 1979 Mar. | 1979 June | 1979 Sept. | 1979 June | 1979 July | 1979 Aug. | 1979 Sept. | 1979 Oct. | |
| CONSUMER PRICES[1] | | | | | | | | | | | | |
| 1 **All items** | **8.9** | **12.2** | **8.5** | **13.0** | **13.4** | **13.2** | **1.0** | **1.0** | **1.1** | **1.1** | **1.0** | **225.4** |
| 2 Commodities | 8.4 | 12.4 | 9.6 | 14.5 | 13.3 | 12.3 | 1.0 | .9 | .9 | 1.1 | .8 | 215.6 |
| 3 Food | 11.5 | 9.9 | 10.2 | 17.7 | 7.5 | 4.2 | .2 | .1 | 0 | .9 | .8 | 238.2 |
| 4 Commodities less food | 7.0 | 13.6 | 9.6 | 12.9 | 15.8 | 16.2 | 1.3 | 1.2 | 1.3 | 1.2 | .8 | 203.4 |
| 5 Durable | 8.4 | 9.6 | 11.3 | 10.0 | 9.1 | 8.7 | .8 | .7 | .7 | .7 | .7 | 196.0 |
| 6 Nondurable | 4.5 | 18.6 | 6.7 | 16.5 | 25.8 | 25.7 | 2.1 | 2.1 | 1.9 | 1.8 | .7 | 211.3 |
| 7 Services | 9.6 | 11.9 | 7.2 | 10.6 | 13.8 | 14.3 | 1.0 | 1.1 | 1.2 | 1.1 | 1.2 | 243.6 |
| 8 Rent | 7.2 | 8.4 | 7.7 | 3.6 | 8.7 | 10.7 | .5 | .8 | .9 | .8 | 1.3 | 181.4 |
| 9 Services less rent | 9.9 | 12.5 | 7.1 | 11.7 | 14.5 | 15.1 | 1.1 | 1.2 | 1.3 | 1.1 | 1.2 | 255.1 |
| *Other groupings* | | | | | | | | | | | | |
| 10 All items less food | 8.3 | 12.8 | 8.5 | 12.0 | 14.9 | 15.4 | 1.1 | 1.2 | 1.3 | 1.2 | 1.0 | 221.8 |
| 11 All items less food and energy | 8.4 | 10.1 | 7.7 | 9.3 | 11.2 | 11.5 | .8 | .7 | 1.0 | 1.0 | 1.0 | 213.6 |
| 12 Homeownership | 12.9 | 16.8 | 10.9 | 16.7 | 18.0 | 19.3 | 1.4 | 1.4 | 1.7 | 1.4 | 1.9 | 276.7 |
| PRODUCER PRICES | | | | | | | | | | | | |
| 13 Finished goods | 8.5 | 12.1 | 10.5 | 14.3 | 7.5 | 15.0 | .5 | .9 | 1.2 | 1.4 | 1.0 | 223.7 |
| 14 Consumer | 8.9 | 13.5 | 11.1 | 16.0 | 6.7 | 19.6 | .5 | 1.0 | 1.6 | 1.8 | 1.0 | 224.1 |
| 15 Foods | 11.6 | 6.9 | 15.3 | 21.0 | −11.3 | 13.1 | −1.2 | 0.0 | 1.2 | 1.8 | −.1 | 226.7 |
| 16 Excluding foods | 7.3 | 17.2 | 8.8 | 13.4 | 17.9 | 23.2 | 1.4 | 1.6 | 1.8 | 1.9 | 1.6 | 220.6 |
| 17 Capital equipment | 7.7 | 8.9 | 8.8 | 10.3 | 9.8 | 4.3 | .6 | .6 | .1 | .3 | 1.2 | 222.5 |
| 18 Materials | 10.4 | 15.5 | 13.0 | 17.9 | 12.0 | 18.5 | 1.0 | 1.7 | 1.0 | 1.6 | 1.7 | 261.4 |
| 19 Intermediate[2] | 7.5 | 15.7 | 11.2 | 14.0 | 15.3 | 18.8 | 1.0 | 1.4 | 1.4 | 1.5 | 1.9 | 256.4 |
| Crude | | | | | | | | | | | | |
| 20 Nonfood | 16.5 | 24.3 | 19.8 | 29.2 | 22.2 | 21.0 | 3.2 | 1.4 | .5 | 2.9 | 2.8 | 368.9 |
| 21 Food | 22.6 | 10.3 | 21.2 | 31.0 | −7.1 | 13.9 | −1.2 | 2.1 | −.2 | 1.5 | .5 | 247.1 |

1. Figures for consumer prices are those for all urban consumers.
2. Excludes intermediate materials for food manufacturing and manufactured animal feeds.
3. Not seasonally adjusted.

SOURCE. Bureau of Labor Statistics.

## 2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data are at seasonally adjusted annual rates.

| Account | 1976 | 1977 | 1978 | 1978 | | | 1979 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3[r] |
| GROSS NATIONAL PRODUCT | | | | | | | | | |
| 1 Total | 1,702.2 | 1,899.5 | 2,127.6 | 2,104.2 | 2,159.6 | 2,235.2 | 2,292.1 | 2,329.8 | 2,394.5 |
| *By source* | | | | | | | | | |
| 2 Personal consumption expenditures | 1,089.9 | 1,210.0 | 1,350.8 | 1,331.2 | 1,369.3 | 1,415.4 | 1,454.2 | 1,475.9 | 1,527.7 |
| 3 Durable goods | 157.4 | 178.8 | 200.3 | 200.3 | 203.5 | 212.1 | 213.8 | 208.7 | 212.5 |
| 4 Nondurable goods | 443.9 | 481.3 | 530.6 | 521.8 | 536.7 | 558.1 | 571.1 | 581.2 | 604.1 |
| 5 Services | 488.5 | 549.8 | 619.8 | 609.1 | 629.1 | 645.1 | 669.3 | 686.0 | 711.2 |
| 6 Gross private domestic investment | 243.0 | 303.3 | 351.5 | 352.3 | 356.2 | 370.5 | 373.8 | 395.4 | 393.7 |
| 7 Fixed investment | 233.0 | 281.3 | 329.1 | 326.5 | 336.1 | 349.8 | 354.6 | 361.9 | 378.4 |
| 8 Nonresidential | 164.9 | 189.4 | 221.1 | 218.8 | 225.9 | 236.1 | 243.4 | 249.1 | 262.0 |
| 9 Structures | 57.3 | 62.6 | 76.5 | 75.2 | 79.7 | 84.4 | 84.9 | 90.5 | 95.1 |
| 10 Producers' durable equipment | 107.6 | 126.8 | 144.6 | 143.6 | 146.3 | 151.8 | 158.5 | 158.6 | 166.9 |
| 11 Residential structures | 68.1 | 91.9 | 108.0 | 107.7 | 110.2 | 113.7 | 111.2 | 112.9 | 116.4 |
| 12 Nonfarm | 65.7 | 88.8 | 104.4 | 104.3 | 106.4 | 110.0 | 107.8 | 109.1 | 112.3 |
| 13 Change in business inventories | 10.0 | 21.9 | 22.3 | 25.8 | 20.0 | 20.6 | 19.1 | 33.4 | 15.3 |
| 14 Nonfarm | 12.1 | 20.7 | 21.3 | 25.3 | 18.5 | 19.3 | 18.8 | 32.6 | 13.4 |
| 15 Net exports of goods and services | 8.0 | −9.9 | −10.3 | −7.6 | −6.8 | −4.5 | 4.0 | −8.1 | −3.5 |
| 16 Exports | 163.3 | 175.9 | 207.2 | 205.7 | 213.8 | 224.9 | 238.5 | 243.7 | 266.8 |
| 17 Imports | 155.4 | 185.8 | 217.5 | 213.3 | 220.6 | 229.4 | 234.4 | 251.9 | 270.3 |
| 18 Government purchases of goods and services | 361.3 | 396.2 | 435.6 | 428.3 | 440.9 | 453.8 | 460.1 | 466.6 | 477.5 |
| 19 Federal | 129.7 | 144.4 | 152.6 | 148.2 | 152.3 | 159.0 | 163.6 | 161.7 | 162.7 |
| 20 State and local | 231.6 | 251.8 | 283.0 | 280.1 | 288.6 | 294.8 | 296.5 | 304.9 | 314.8 |
| *By major type of product* | | | | | | | | | |
| 21 Final sales, total | 1,692.1 | 1,877.6 | 2,105.2 | 2,078.4 | 2,139.5 | 2,214.5 | 2,272.9 | 2,296.4 | 2,380.1 |
| 22 Goods | 762.7 | 842.2 | 930.0 | 922.5 | 940.9 | 983.8 | 1,011.8 | 1,018.1 | 1,035.9 |
| 23 Durable | 305.9 | 345.9 | 380.4 | 378.0 | 382.6 | 402.3 | 425.5 | 422.4 | 425.7 |
| 24 Nondurable | 456.8 | 496.3 | 549.6 | 544.5 | 558.3 | 581.6 | 586.2 | 595.7 | 610.2 |
| 25 Services | 776.7 | 866.4 | 969.3 | 956.2 | 981.7 | 1,005.3 | 1,041.4 | 1,064.2 | 1,099.3 |
| 26 Structures | 162.7 | 190.9 | 228.2 | 225.6 | 237.0 | 246.0 | 238.9 | 247.5 | 260.2 |
| 27 Change in business inventories | 10.0 | 21.9 | 22.3 | 25.8 | 20.0 | 20.6 | 19.1 | 33.4 | 15.3 |
| 28 Durable goods | 5.3 | 11.9 | 13.9 | 13.1 | 10.3 | 13.4 | 18.4 | 24.3 | 8.7 |
| 29 Nondurable goods | 4.7 | 10.0 | 8.4 | 12.7 | 9.7 | 7.2 | .7 | 9.1 | 6.6 |
| 30 MEMO: Total GNP in 1972 dollars | 1,273.0 | 1,340.5 | 1,399.2 | 1,395.2 | 1,407.3 | 1,426.6 | 1,430.6 | 1,422.3 | 1,434.4 |
| NATIONAL INCOME | | | | | | | | | |
| 31 Total | 1,359.8 | 1,525.8 | 1,724.3 | 1,703.9 | 1,752.5 | 1,820.0 | 1,869.0 | 1,897.9 | 1,941.6 |
| 32 Compensation of employees | 1,037.8 | 1,156.9 | 1,304.5 | 1,288.2 | 1,321.1 | 1,364.8 | 1,411.2 | 1,439.7 | 1,472.9 |
| 33 Wages and salaries | 890.0 | 984.0 | 1,103.5 | 1,090.0 | 1,117.4 | 1,154.7 | 1,189.4 | 1,211.5 | 1,238.1 |
| 34 Government and government enterprises | 188.0 | 201.3 | 218.0 | 215.3 | 219.2 | 225.1 | 228.1 | 231.2 | 234.4 |
| 35 Other | 702.0 | 782.7 | 885.5 | 874.6 | 898.1 | 929.6 | 961.3 | 980.3 | 1,003.7 |
| 36 Supplement to wages and salaries | 147.8 | 172.9 | 201.0 | 198.3 | 203.7 | 210.1 | 221.8 | 228.2 | 234.8 |
| 37 Employer contributions for social insurance | 70.4 | 81.2 | 94.6 | 93.6 | 95.5 | 98.2 | 105.8 | 107.9 | 109.9 |
| 38 Other labor income | 77.4 | 91.8 | 106.5 | 104.7 | 108.2 | 111.9 | 116.0 | 120.3 | 124.9 |
| 39 Proprietors' income[1] | 89.3 | 100.2 | 116.8 | 115.0 | 117.4 | 125.7 | 129.0 | 129.3 | 130.1 |
| 40 Business and professional[1] | 71.0 | 80.5 | 89.1 | 87.3 | 91.3 | 94.4 | 94.8 | 95.5 | 99.2 |
| 41 Farm[1] | 18.3 | 19.6 | 27.7 | 27.7 | 26.1 | 31.3 | 34.2 | 33.7 | 30.9 |
| 42 Rental income of persons[2] | 22.1 | 24.7 | 25.9 | 24.4 | 26.8 | 27.1 | 27.3 | 26.8 | 26.6 |
| 43 Corporate profits[1] | 126.8 | 150.0 | 167.7 | 169.4 | 175.2 | 184.8 | 178.9 | 176.6 | 181.0 |
| 44 Profits before tax[3] | 156.0 | 177.1 | 206.0 | 207.2 | 212.0 | 227.4 | 233.3 | 227.9 | 242.5 |
| 45 Inventory valuation adjustment | −14.6 | −15.2 | −25.2 | −25.1 | −23.0 | −28.8 | −39.9 | −36.6 | −44.0 |
| 46 Capital consumption adjustment | −14.5 | −12.0 | −13.1 | −12.6 | −13.8 | −13.8 | −14.5 | −14.7 | −17.6 |
| 47 Net interest | 83.8 | 94.0 | 109.5 | 106.8 | 111.9 | 117.6 | 122.6 | 125.6 | 131.1 |

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustments.
3. For after-tax profits, dividends, and the like, see table 1.50.

SOURCE. *Survey of Current Business* (Department of Commerce).

## 2.17 PERSONAL INCOME AND SAVING

Billions of current dollars; quarterly data are at seasonally adjusted annual rates. Exceptions noted.

| Account | 1976 | 1977 | 1978 | 1978 | | | 1979 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3r |
| **PERSONAL INCOME AND SAVING** | | | | | | | | | |
| 1 Total personal income | 1,381.6 | 1,531.6 | 1,717.4 | 1,689.3 | 1,742.5 | 1,803.1 | 1,852.6 | 1,892.5 | 1,945.9 |
| 2 Wage and salary disbursements | 890.0 | 984.0 | 1,103.3 | 1,090.0 | 1,116.8 | 1,154.3 | 1,189.3 | 1,212.4 | 1,238.2 |
| 3 Commodity-producing industries | 307.2 | 343.1 | 387.4 | 383.4 | 393.7 | 408.6 | 423.0 | 431.7 | 438.3 |
| 4 Manufacturing | 237.4 | 266.0 | 298.3 | 294.1 | 300.8 | 312.7 | 324.8 | 328.5 | 332.0 |
| 5 Distributive industries | 216.3 | 239.1 | 269.4 | 265.9 | 272.5 | 281.6 | 291.1 | 295.8 | 304.0 |
| 6 Service industries | 178.5 | 200.5 | 228.7 | 225.4 | 231.9 | 239.4 | 247.2 | 252.8 | 261.4 |
| 7 Government and government enterprises | 188.0 | 201.3 | 217.8 | 215.3 | 218.7 | 224.7 | 228.0 | 232.1 | 234.6 |
| 8 Other labor income | 77.4 | 91.8 | 106.5 | 104.7 | 108.2 | 111.9 | 116.0 | 120.3 | 124.9 |
| 9 Proprietors' income[1] | 89.3 | 100.2 | 116.8 | 115.0 | 117.4 | 125.7 | 129.0 | 129.3 | 130.1 |
| 10 Business and professional[1] | 71.0 | 80.5 | 89.1 | 87.3 | 91.3 | 94.4 | 94.8 | 95.5 | 99.2 |
| 11 Farm[1] | 18.3 | 19.6 | 27.7 | 27.7 | 26.1 | 31.3 | 34.2 | 33.7 | 30.9 |
| 12 Rental income of persons[2] | 22.1 | 24.7 | 25.9 | 24.4 | 26.8 | 27.1 | 27.3 | 26.8 | 26.6 |
| 13 Dividends | 37.5 | 42.1 | 47.2 | 46.0 | 47.8 | 49.7 | 51.5 | 52.3 | 52.8 |
| 14 Personal interest income | 127.0 | 141.7 | 163.3 | 159.4 | 167.2 | 174.3 | 181.0 | 187.6 | 193.8 |
| 15 Transfer payments | 193.8 | 208.4 | 224.1 | 218.8 | 228.3 | 231.8 | 237.3 | 243.6 | 260.7 |
| 16 Old-age survivors, disability, and health insurance benefits | 92.9 | 105.0 | 116.3 | 112.4 | 119.8 | 121.5 | 123.8 | 127.1 | 138.7 |
| 17 LESS: Personal contributions for social insurance | 55.6 | 61.3 | 69.6 | 69.0 | 70.2 | 71.8 | 78.7 | 79.8 | 81.2 |
| 18 EQUALS: Personal income | 1,381.6 | 1,531.6 | 1,717.4 | 1,689.3 | 1,742.5 | 1,803.1 | 1,852.6 | 1,892.5 | 1,945.9 |
| 19 LESS: Personal tax and nontax payments | 197.1 | 226.4 | 259.0 | 252.1 | 266.0 | 278.2 | 280.4 | 290.7 | 306.5 |
| 20 EQUALS: Disposable personal income | 1,184.5 | 1,305.1 | 1,458.4 | 1,437.3 | 1,476.5 | 1,524.8 | 1,572.2 | 1,601.7 | 1,639.4 |
| 21 LESS: Personal outlays | 1,115.9 | 1,240.2 | 1,386.4 | 1,366.1 | 1,405.6 | 1,453.4 | 1,493.0 | 1,515.8 | 1,568.9 |
| 22 EQUALS: Personal saving | 68.6 | 65.0 | 72.0 | 71.2 | 70.9 | 71.5 | 79.2 | 85.9 | 70.5 |
| MEMO: Per capita (1972 dollars) | | | | | | | | | |
| 23 Gross national product | 5,916 | 6,181 | 6,402 | 6,392 | 6,433 | 6,506 | 6,514 | 6,459 | 6,499 |
| 24 Personal consumption expenditures | 3,813 | 3,974 | 4,121 | 4,099 | 4,138 | 4,197 | 4,197 | 4,155 | 4,195 |
| 25 Disposable personal income | 4,144 | 4,285 | 4,449 | 4,426 | 4,462 | 4,522 | 4,536 | 4,510 | 4,501 |
| 26 Saving rate (percent) | 5.8 | 5.0 | 4.9 | 5.0 | 4.8 | 4.7 | 5.0 | 5.4 | 4.3 |
| **GROSS SAVING** | | | | | | | | | |
| 27 Gross private saving | 271.9 | 295.6 | 324.9 | 324.2 | 330.4 | 336.1 | 345.2 | 360.5 | 352.0 |
| 28 Personal saving | 68.6 | 65.0 | 72.0 | 71.2 | 70.9 | 71.5 | 79.2 | 85.9 | 70.5 |
| 29 Undistributed corporate profits[1] | 25.5 | 35.2 | 36.0 | 38.7 | 40.0 | 40.1 | 36.1 | 35.6 | 33.6 |
| 30 Corporate inventory valuation adjustment | −14.6 | −15.2 | −25.2 | −25.1 | −23.0 | −28.8 | −39.9 | −36.6 | −44.0 |
| *Capital consumption allowances* | | | | | | | | | |
| 31 Corporate | 111.6 | 121.3 | 132.9 | 131.7 | 134.3 | 136.8 | 139.9 | 145.1 | 150.4 |
| 32 Noncorporate | 66.1 | 74.1 | 84.0 | 82.7 | 85.2 | 87.7 | 89.9 | 93.9 | 97.5 |
| 33 Wage accruals less disbursements | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 34 Government surplus, or deficit (−), national income and product accounts | −35.7 | −19.5 | −.3 | 5.0 | 2.3 | 10.8 | 15.8 | 12.7 | 14.4 |
| 35 Federal | −53.6 | −46.3 | −27.7 | −24.6 | −20.4 | −16.3 | −11.7 | −7.0 | −11.3 |
| 36 State and local | 17.9 | 26.8 | 27.4 | 29.6 | 22.7 | 27.1 | 27.6 | 19.7 | 25.7 |
| 37 Capital grants received by the United States, net | ........ | ........ | ........ | ........ | ........ | ........ | 1.1 | 1.1 | 1.1 |
| 38 Investment | 242.3 | 283.6 | 327.9 | 331.5 | 336.5 | 351.0 | 362.8 | 373.1 | 375.5 |
| 39 Gross private domestic | 243.0 | 303.3 | 351.5 | 352.3 | 356.2 | 370.5 | 373.8 | 395.4 | 393.7 |
| 40 Net foreign | −.1 | −19.6 | −23.5 | −20.8 | −19.6 | −19.4 | −11.0 | −22.3 | −18.2 |
| 41 Statistical discrepancy | 6.1 | 7.5 | 3.3 | 2.3 | 3.9 | 4.1 | .6 | −1.3 | 7.9 |

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

SOURCE. *Survey of Current Business* (Department of Commerce).

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.[1]

| | Item credits or debits | 1976 | 1977 | 1978 | 1978 | | | 1979 | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q2 | Q3 | Q4 | Q1 | Q2 |
| 1 | Balance on current account | 4,605 | −14,092 | −13,895 | −3,426 | −3,227 | −313 | 415 | −965 |
| 2 | Not seasonally adjusted | ........ | ........ | ........ | −2,858 | −5,955 | 722 | 1,731 | −85 |
| 3 | Merchandise trade balance[2] | −9,306 | −30,873 | −34,187 | −7,907 | −8,012 | −6,369 | −6,115 | −7,716 |
| 4 | Merchandise exports | 114,745 | 120,816 | 141,884 | 35,267 | 36,491 | 39,315 | 41,348 | 42,792 |
| 5 | Merchandise imports | −124,051 | −151,689 | −176,071 | −43,174 | −44,503 | −45,684 | −47,463 | −50,508 |
| 6 | Military transactions, net | 674 | 1,679 | 492 | 237 | 247 | −239 | 34 | −92 |
| 7 | Investment income, net[3] | 15,975 | 17,989 | 21,645 | 4,854 | 4,952 | 6,599 | 6,864 | 7,398 |
| 8 | Other service transactions, net | 2,260 | 1,783 | 3,241 | 703 | 819 | 1,010 | 954 | 827 |
| 9 | MEMO: Balance on goods and services[3,4] | 9,603 | −9,423 | −8,809 | −2,113 | −1,994 | 1,001 | 1,737 | 417 |
| 10 | Remittances, pensions, and other transfers | −1,851 | −1,895 | −1,934 | −486 | −463 | −524 | −517 | −485 |
| 11 | U.S. government grants (excluding military) | −3,146 | −2,775 | −3,152 | −827 | −770 | −790 | −805 | −897 |
| 12 | Change in U.S. government assets, other than official reserve assets, net (increase, −) | −4,214 | −3,693 | −4,656 | −1,263 | −1,390 | −994 | −1,094 | −1,000 |
| 13 | Change in U.S. official reserve assets (increase, −) | −2,558 | −375 | 732 | 248 | 115 | 182 | −3,585 | 343 |
| 14 | Gold | 0 | −118 | −65 | 0 | 0 | −65 | 0 | 0 |
| 15 | Special drawing rights (SDRs) | −78 | −121 | 1,249 | −104 | −43 | 1,412 | −1,142 | 6 |
| 16 | Reserve position in International Monetary Fund | −2,212 | −294 | 4,231 | 437 | 195 | 3,275 | −86 | −78 |
| 17 | Foreign currencies | −268 | 158 | −4,683 | −85 | −37 | −4,440 | −2,357 | 415 |
| 18 | Change in U.S. private assets abroad (increase, −)[3] | −44,498 | −31,725 | −57,033 | −4,451 | −8,774 | −29,442 | −2,958 | −14,811 |
| 19 | Bank-reported claims | −21,368 | −11,427 | −33,023 | 715 | −5,488 | −21,980 | 6,572 | −7,147 |
| 20 | Nonbank-reported claims | −2,296 | −1,940 | −3,853 | 315 | −29 | −1,898 | −2,719 | n.a. |
| 21 | U.S. purchase of foreign securities, net | −8,885 | −5,460 | −3,487 | −1,095 | −475 | −918 | −1,056 | −639 |
| 22 | U.S. direct investments abroad, net[3] | −11,949 | −12,898 | −16,670 | −4,386 | −2,782 | −4,646 | −5,755 | −7,025 |
| 23 | Change in foreign official assets in the United States (increase, +) | 17,573 | 36,656 | 33,758 | −5,265 | 4,641 | 18,764 | −9,391 | −9,515 |
| 24 | U.S. Treasury securities | 9,319 | 30,230 | 23,542 | −5,813 | 3,029 | 13,422 | −8,872 | −12,737 |
| 25 | Other U.S. government obligations | 573 | 2,308 | 656 | 211 | 443 | −115 | −5 | 94 |
| 26 | Other U.S. government liabilities[5] | 4,507 | 1,240 | 2,754 | −136 | 122 | 2,045 | −164 | 154 |
| 27 | Other U.S. liabilities reported by U.S. banks | 969 | 773 | 5,411 | −164 | 963 | 3,156 | −563 | 2,829 |
| 28 | Other foreign official assets[6] | 2,205 | 2,105 | 1,395 | 637 | 84 | 256 | 213 | 145 |
| 29 | Change in foreign private assets in the United States (increase, +)[3] | 18,826 | 14,167 | 29,956 | 6,207 | 10,717 | 10,475 | 10,868 | 13,931 |
| 30 | U.S. bank-reported liabilities | 10,990 | 6,719 | 16,975 | 1,865 | 7,958 | 7,556 | 7,157 | 11,299 |
| 31 | U.S. nonbank-reported liabilities | −578 | 473 | 1,640 | 315 | 1,004 | −177 | −651 | n.a. |
| 32 | Foreign private purchases of U.S. Treasury securities, net | 2,783 | 534 | 2,180 | 803 | −1,053 | 1,549 | 2,583 | −239 |
| 33 | Foreign purchases of other U.S. securities, net | 1,284 | 2,713 | 2,867 | 1,347 | 528 | 540 | 790 | 893 |
| 34 | Foreign direct investments in the United States, net[3] | 4,347 | 3,728 | 6,294 | 1,877 | 2,280 | 1,008 | 989 | 1,978 |
| 35 | Allocation of SDRs | 0 | 0 | 0 | 0 | 0 | 0 | 1,139 | 0 |
| 36 | Discrepancy | 10,265 | −937 | 11,139 | 7,950 | −2,082 | 1,328 | 4,606 | 12,016 |
| 37 | Owing to seasonal adjustments | ........ | ........ | ........ | 517 | −2,716 | 1,301 | 985 | 748 |
| 38 | Statistical discrepancy in recorded data before seasonal adjustment | 10,265 | −937 | 11,139 | 7,433 | 634 | 27 | 3,621 | 11,268 |
| | MEMO: Changes in official assets | | | | | | | | |
| 39 | U.S. official reserve assets (increase, −) | −2,558 | −375 | 732 | 248 | 115 | 182 | −3,585 | 343 |
| 40 | Foreign official assets in the United States (increase, +) | 13,066 | 35,416 | 31,004 | −5,129 | 4,519 | 16,719 | −9,227 | −9,669 |
| 41 | Changes in Organization of Petroleum Exporting Countries official assets in the United States (part of line 25 above) | 9,581 | 6,351 | −727 | −2,705 | −1,794 | 1,803 | −1,916 | 676 |
| 42 | Transfers under military grant programs (excluded from lines 4, 6, and 11 above) | 373 | 204 | 259 | 50 | 69 | 63 | 31 | 48 |

1. Seasonal factors are no longer calculated for lines 13 through 42.
2. Data are on an international accounts (IA) basis. Differs from the census basis primarily because the IA basis includes imports into the U.S. Virgin Islands, and it excludes military exports, which are part of line 6.
3. Includes reinvested earnings of incorporated affiliates.
4. Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition makes various adjustments to merchandise trade and service transactions.
5. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.
6. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE. Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

## 3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

| Item | 1976 | 1977 | 1978 | 1979 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. |
| 1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments | 115,156 | 121,150 | 143,574 | 13,883 | 13,862 | 15,038 | 15,669 | 15,821 | 15,832 | 16,838 |
| 2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses | 121,009 | 147,685 | 172,026 | 16,036 | 16,342 | 16,937 | 16,777 | 18,177 | 18,666 | 18,856 |
| 3 Trade balance | −5,853 | −26,535 | −28,452 | −2,153 | −2,480 | −1,900 | −1,108 | −2,357 | −2,833 | −2,018 |

NOTE. Bureau of Census data reported on a free-alongside-ship (f.a.s.) value basis. Effective January 1978, major changes were made in coverage, reporting, and compiling procedures. The international-accounts-basis data adjust the Census basis data for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military exports (which are combined with other military transactions and are reported separately in the "service account"). On the *import side*, the largest single adjustment is the addition of imports into the Virgin Islands (largely oil for a refinery on St. Croix), which are not included in Census statistics.

SOURCE. FT 900 "Summary of U.S. Export and Import Merchandise Trade" (U.S. Department of Commerce, Bureau of the Census).

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

| Type | 1976 | 1977 | 1978 | 1979 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | May | June | July | Aug. | Sept. | Oct. | Nov.$^p$ |
| 1 Total[1] | **18,747** | **19,312** | **18,650** | **22,230** | **21,246** | **20,023** | **20,023** | **18,534** | **17,994** | **19,261** |
| 2 Gold stock, including Exchange Stabilization Fund[2] | 11,598 | 11,719 | 11,671 | 11,354 | 11,323 | 11,290 | 11,259 | 11,228 | 11,194 | 11,112 |
| 3 Special drawing rights[1,3] | 2,395 | 2,629 | 1,558 | 2,624 | 2,670 | 2,690 | 2,689 | 2,725 | 2,659 | 2,705 |
| 4 Reserve position in International Monetary Fund[1] | 4,434 | 4,946 | 1,047 | 1,193 | 1,204 | 1,200 | 1,277 | 1,280 | 1,238 | 1,322 |
| 5 Foreign currencies[4] | 320 | 18 | 4,374 | 7,059 | 6,049 | 4,843 | 4,798 | 3,301 | 2,903 | 4,122 |

1. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.
2. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.24.
3. Includes allocations by the International Monetary Fund of SDRs as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; $710 million on Jan. 1, 1972; and $1,139 million on Jan. 1, 1979; plus net transactions in SDRs.
4. Beginning November 1978, valued at current market exchange rates.

## 3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

| Asset account | 1976 | 1977 | 1978[2] | 1979 Mar. | Apr. | May | June | July | Aug. | Sept.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | **All foreign countries** | | | | | | |
| 1 **Total, all currencies** | **219,420** | **258,897** | **306,795** | **r307,839** | **r303,996** | **r311,334** | **r327,012** | **r326,545** | **350,544** | **360,783** |
| 2 Claims on United States | 7,889 | 11,623 | 17,340 | r22,908 | r19,985 | r24,624 | r29,293 | r26,605 | 41,917 | 37,685 |
| 3 Parent bank | 4,323 | 7,806 | 12,811 | r17,314 | r14,259 | r18,014 | r22,641 | r19,734 | 35,203 | 29,931 |
| 4 Other | 3,566 | 3,817 | 4,529 | 5,594 | 5,726 | 6,610 | r6,652 | 6,871 | 6,714 | 7,754 |
| 5 Claims on foreigners | 204,486 | 238,848 | 278,135 | r271,956 | r271,107 | r274,384 | r284,595 | r286,590 | 295,079 | 308,886 |
| 6 Other branches of parent bank | 45,955 | 55,772 | 70,338 | r65,278 | r64,126 | r65,967 | r69,608 | r70,124 | 74,749 | 80,197 |
| 7 Banks | 83,765 | 91,883 | 103,111 | r101,915 | r101,852 | r103,329 | r107,673 | r107,955 | 111,826 | 118,650 |
| 8 Public borrowers[1] | 10,613 | 14,634 | 23,737 | r24,896 | r24,829 | r24,691 | r24,835 | r24,580 | 24,227 | 24,944 |
| 9 Nonbank foreigners | 64,153 | 76,560 | 80,949 | r79,867 | r80,300 | r80,397 | r82,479 | r83,931 | 84,277 | 85,095 |
| 10 Other assets | 7,045 | 8,425 | 11,320 | r12,975 | r12,904 | r12,326 | r13,124 | r13,350 | 13,548 | 14,212 |
| 11 **Total payable in U.S. dollars** | **167,695** | **193,764** | **224,940** | **r224,599** | **r222,096** | **r228,587** | **r238,298** | **r234,445** | **249,138** | **263,424** |
| 12 Claims on United States | 7,595 | 11,049 | 16,382 | r22,043 | r19,015 | r23,676 | r28,223 | r25,536 | 40,799 | 36,447 |
| 13 Parent bank | 4,264 | 7,692 | 12,625 | r17,122 | r14,020 | r17,832 | r22,387 | r19,478 | 34,939 | 29,700 |
| 14 Other | 3,332 | 3,357 | 3,757 | 4,921 | 4,995 | 5,844 | r5,836 | 6,058 | 5,860 | 6,747 |
| 15 Claims on foreigners | 156,896 | 178,896 | 203,498 | r196,619 | r196,560 | r198,717 | r203,729 | r202,426 | 211,663 | 220,422 |
| 16 Other branches of parent bank | 37,909 | 44,256 | 55,408 | r50,093 | r49,661 | r50,790 | r53,136 | r53,629 | 58,255 | 61,969 |
| 17 Banks | 66,331 | 70,786 | 78,686 | r77,311 | r77,608 | r79,089 | r81,392 | r79,951 | 84,104 | 89,516 |
| 18 Public borrowers[1] | 9,022 | 12,632 | 19,567 | r21,092 | r20,852 | r20,816 | r20,553 | r20,188 | 20,083 | 20,644 |
| 19 Nonbank foreigners | 43,634 | 51,222 | 49,837 | r48,123 | r48,439 | r48,022 | r48,648 | r48,658 | 49,221 | 48,293 |
| 20 Other assets | 3,204 | 3,820 | 5,060 | r5,937 | r6,521 | r6,194 | r6,346 | r6,483 | 6,676 | 6,555 |
| | | | | **United Kingdom** | | | | | | |
| 21 **Total, all currencies** | **81,466** | **90,933** | **106,593** | **102,144** | **102,876** | **104,915** | **112,881** | **115,217** | **120,703** | **126,018** |
| 22 Claims on United States | 3,354 | 4,341 | 5,370 | 5,019 | 5,268 | 6,303 | 7,492 | 8,408 | 10,559 | 10,614 |
| 23 Parent bank | 2,376 | 3,518 | 4,448 | 3,544 | 3,679 | 4,410 | 5,495 | 6,177 | 8,520 | 8,322 |
| 24 Other | 978 | 823 | 922 | 1,475 | 1,589 | 1,893 | 1,997 | 2,231 | 2,039 | 2,292 |
| 25 Claims on foreigners | 75,859 | 84,016 | 98,137 | 93,840 | 94,120 | 95,266 | 101,693 | 103,033 | 106,394 | 111,598 |
| 26 Other branches of parent bank | 19,753 | 22,017 | 27,830 | 24,911 | 24,435 | 25,248 | 29,158 | 28,376 | 31,800 | 32,998 |
| 27 Banks | 38,089 | 39,899 | 45,013 | 42,964 | 43,308 | 43,657 | 44,800 | 46,291 | 46,625 | 49,980 |
| 28 Public borrowers[1] | 1,274 | 2,206 | 4,522 | 4,608 | 4,547 | 4,579 | 4,872 | 4,489 | 4,639 | 4,784 |
| 29 Nonbank foreigners | 16,743 | 19,895 | 20,772 | 21,357 | 21,830 | 21,782 | 22,863 | 23,877 | 23,330 | 23,836 |
| 30 Other assets | 2,253 | 2,576 | 3,086 | 3,285 | 3,488 | 3,346 | 3,696 | 3,776 | 3,750 | 3,806 |
| 31 **Total payable in U.S. dollars** | **61,587** | **66,635** | **75,860** | **71,499** | **72,015** | **73,480** | **78,155** | **79,211** | **85,380** | **88,959** |
| 32 Claims on United States | 3,275 | 4,100 | 5,113 | 4,710 | 4,946 | 5,981 | 7,033 | 7,956 | 10,146 | 10,096 |
| 33 Parent bank | 2,374 | 3,431 | 4,386 | 3,488 | 3,612 | 4,374 | 5,386 | 6,060 | 8,443 | 8,270 |
| 34 Other | 902 | 669 | 727 | 1,222 | 1,334 | 1,607 | 1,647 | 1,896 | 1,703 | 1,826 |
| 35 Claims on foreigners | 57,488 | 61,408 | 69,416 | 65,214 | 65,356 | 65,968 | 69,451 | 69,496 | 73,503 | 77,145 |
| 36 Other branches of parent bank | 17,249 | 18,947 | 22,838 | 20,370 | 19,866 | 20,505 | 23,999 | 23,481 | 26,983 | 27,631 |
| 37 Banks | 28,983 | 28,530 | 31,482 | 29,393 | 29,924 | 30,211 | 29,803 | 30,626 | 31,318 | 34,306 |
| 38 Public borrowers[1] | 846 | 1,669 | 3,317 | 3,523 | 3,429 | 3,331 | 3,396 | 3,166 | 3,210 | 3,276 |
| 39 Nonbank foreigners | 10,410 | 12,263 | 11,779 | 11,928 | 12,137 | 11,921 | 12,253 | 12,223 | 11,992 | 11,932 |
| 40 Other assets | 824 | 1,126 | 1,331 | 1,575 | 1,713 | 1,531 | 1,671 | 1,759 | 1,731 | 1,718 |
| | | | | **Bahamas and Caymans** | | | | | | |
| 41 **Total, all currencies** | **66,774** | **79,052** | **91,735** | **97,509** | **93,832** | **98,057** | **103,387** | **98,839** | **113,512** | **109,925** |
| 42 Claims on United States | 3,508 | 5,782 | 9,635 | 15,774 | 12,859 | 16,360 | r20,001 | 16,613 | 29,021 | 24,731 |
| 43 Parent bank | 1,141 | 3,051 | 6,429 | 12,158 | 9,332 | 12,244 | r15,956 | 12,566 | 24,929 | 19,919 |
| 44 Other | 2,367 | 2,731 | 3,206 | 3,616 | 3,527 | 4,116 | r4,045 | 4,047 | 4,092 | 4,812 |
| 45 Claims on foreigners | 62,048 | 71,671 | 79,774 | 79,057 | 77,992 | 78,869 | r80,579 | 79,476 | 81,370 | 82,296 |
| 46 Other branches of parent bank | 8,144 | 11,120 | 12,904 | 12,086 | 11,756 | 11,886 | 11,295 | r11,760 | 10,745 | 10,897 |
| 47 Banks | 25,354 | 27,939 | 33,677 | 33,821 | 33,524 | 34,063 | r36,542 | r35,051 | 37,897 | 39,062 |
| 48 Public borrowers[1] | 7,105 | 9,109 | 11,514 | 12,573 | 12,360 | 12,703 | 12,445 | 12,301 | 11,981 | 12,054 |
| 49 Nonbank foreigners | 21,445 | 23,503 | 21,679 | 20,577 | 20,352 | 20,217 | r20,297 | 20,364 | 20,747 | 20,283 |
| 50 Other assets | 1,217 | 1,599 | 2,326 | 2,678 | 2,981 | 2,828 | 2,807 | 2,750 | 3,121 | 2,898 |
| 51 **Total payable in U.S. dollars** | **62,705** | **73,987** | **85,417** | **91,184** | **87,875** | **91,829** | **r96,995** | **92,216** | **106,767** | **103,027** |

For notes see opposite page.

3.13 Continued

| Liability account | 1976 | 1977 | 1978[2] | 1979 Mar. | Apr. | May | June | July | Aug. | Sept.$^p$ |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | All foreign countries | | | | |
| 52 **Total, all currencies** | **219,420** | **258,897** | **306,795** | **$^r$307,839** | **$^r$303,996** | **$^r$311,334** | **$^r$327,012** | **$^r$326,545** | **350,544** | **360,783** |
| 53 To United States | 32,719 | 44,154 | 57,948 | $^r$56,424 | $^r$56,020 | $^r$57,620 | $^r$61,064 | $^r$60,097 | 67,744 | 67,562 |
| 54 Parent bank | 19,773 | 24,542 | 28,564 | $^r$21,387 | $^r$23,895 | $^r$23,343 | $^r$19,355 | $^r$20,256 | 20,242 | 21,420 |
| 55 Other banks in United States | } 12,946 | 19,613 | 12,338 | $^r$12,527 | $^r$9,871 | $^r$9,884 | $^r$15,013 | $^r$12,444 | 17,807 | 18,569 |
| 56 Nonbanks | | | 17,046 | $^r$22,510 | $^r$22,254 | $^r$24,393 | $^r$26,696 | $^r$27,397 | 29,695 | 27,573 |
| 57 To foreigners | 179,954 | 206,579 | 238,912 | $^r$241,136 | $^r$237,588 | $^r$242,513 | $^r$254,050 | $^r$253,785 | 270,328 | 280,309 |
| 58 Other branches of parent bank | 44,370 | 53,244 | 67,496 | $^r$62,451 | $^r$62,005 | $^r$63,731 | $^r$66,631 | $^r$67,961 | 72,977 | 78,412 |
| 59 Banks | 83,880 | 94,140 | 97,711 | $^r$102,393 | $^r$100,214 | $^r$101,936 | $^r$109,295 | $^r$105,296 | 117,794 | 118,256 |
| 60 Official institutions | 25,829 | 28,110 | 31,936 | 34,275 | $^r$33,006 | 34,107 | $^r$34,303 | 35,363 | 33,511 | 35,712 |
| 61 Nonbank foreigners | 25,877 | 31,085 | 41,769 | $^r$42,017 | $^r$42,363 | $^r$42,739 | $^r$43,821 | $^r$45,165 | 46,046 | 47,929 |
| 62 Other liabilities | 6,747 | 8,163 | 9,935 | $^r$10,279 | $^r$10,388 | $^r$11,201 | $^r$11,898 | $^r$12,663 | 12,472 | 12,912 |
| 63 **Total payable in U.S. dollars** | **173,071** | **198,572** | **230,810** | **$^r$229,852** | **$^r$226,660** | **$^r$232,515** | **$^r$243,521** | **$^r$240,458** | **264,339** | **269,645** |
| 64 To United States | 31,932 | 42,881 | 55,811 | $^r$54,334 | $^r$54,051 | $^r$55,488 | $^r$58,524 | $^r$57,455 | 65,126 | 64,910 |
| 65 Parent bank | 19,559 | 24,213 | 27,493 | $^r$20,355 | $^r$22,951 | $^r$22,406 | $^r$18,333 | $^r$19,218 | 19,192 | 20,254 |
| 66 Other banks in United States | } 12,373 | 18,669 | 12,084 | $^r$12,282 | $^r$9,668 | $^r$9,651 | $^r$14,715 | $^r$12,137 | 17,352 | 18,113 |
| 67 Nonbanks | | | 16,234 | $^r$21,697 | $^r$21,432 | $^r$23,431 | $^r$25,476 | $^r$26,100 | 28,582 | 26,543 |
| 68 To foreigners | 137,612 | 151,363 | 169,927 | $^r$169,828 | $^r$167,133 | $^r$170,847 | $^r$178,631 | $^r$176,619 | 192,481 | 197,812 |
| 69 Other branches of parent bank | 37,098 | 43,268 | 53,396 | $^r$48,154 | $^r$48,393 | $^r$49,442 | $^r$51,101 | $^r$52,048 | 56,840 | 60,540 |
| 70 Banks | 60,619 | 64,872 | 63,000 | $^r$65,643 | $^r$64,042 | $^r$65,404 | $^r$71,041 | $^r$65,945 | 78,006 | 76,423 |
| 71 Official institutions | 22,878 | 23,972 | 26,404 | 28,524 | 27,108 | 28,310 | 28,117 | 29,497 | 27,468 | 29,476 |
| 72 Nonbank foreigners | 17,017 | 19,251 | 27,127 | $^r$27,507 | $^r$27,590 | $^r$27,691 | $^r$28,372 | $^r$29,129 | 30,167 | 31,373 |
| 73 Other liabilities | 3,527 | 4,328 | 5,072 | $^r$5,690 | $^r$5,476 | $^r$6,180 | $^r$6,366 | $^r$6,384 | 6,732 | 6,923 |
| | | | | | | United Kingdom | | | | |
| 74 **Total, all currencies** | **81,466** | **90,933** | **106,593** | **102,144** | **102,876** | **104,915** | **112,881** | **115,217** | **120,703** | **126,018** |
| 75 To United States | 5,997 | 7,753 | 9,730 | 10,086 | 10,781 | 11,697 | 12,779 | 13,626 | 17,174 | 18,451 |
| 76 Parent bank | 1,198 | 1,451 | 1,887 | 1,461 | 1,814 | 2,113 | 1,505 | 1,706 | 2,669 | 2,079 |
| 77 Other banks in United States | } 4,798 | 6,302 | 4,232 | 3,657 | $^r$3,521 | $^r$3,360 | $^r$4,245 | $^r$4,822 | 6,155 | 7,744 |
| 78 Nonbanks | | | 3,611 | 4,968 | $^r$5,446 | $^r$6,224 | $^r$7,029 | $^r$7,098 | 8,350 | 8,628 |
| 79 To foreigners | 73,228 | 80,736 | 93,202 | 88,068 | 88,174 | 88,796 | 95,385 | 96,258 | 98,557 | 102,520 |
| 80 Other branches of parent bank | 7,092 | 9,376 | 12,786 | 10,910 | 11,023 | 10,931 | 11,353 | 11,193 | 11,507 | 13,045 |
| 81 Banks | 36,259 | 37,893 | 39,917 | 38,318 | 39,391 | 38,417 | 42,297 | 41,336 | 46,256 | 45,346 |
| 82 Official institutions | 17,273 | 18,318 | 20,963 | 21,845 | 20,115 | 21,312 | 23,140 | 24,017 | 21,825 | 24,015 |
| 83 Nonbank foreigners | 12,605 | 15,149 | 19,536 | 16,995 | 17,645 | 18,136 | 18,595 | 19,712 | 18,969 | 20,114 |
| 84 Other liabilities | 2,241 | 2,445 | 3,661 | 3,990 | 3,921 | 4,422 | 4,717 | 5,333 | 4,972 | 5,047 |
| 85 **Total payable in U.S. dollars** | **63,174** | **67,573** | **77,030** | **72,639** | **72,653** | **74,127** | **79,256** | **80,398** | **86,642** | **90,609** |
| 86 To United States | 5,849 | 7,480 | 9,328 | 9,756 | 10,439 | 11,200 | 12,199 | 13,077 | 16,572 | 17,817 |
| 87 Parent bank | 1,182 | 1,416 | 1,836 | 1,418 | 1,780 | 2,047 | 1,460 | 1,637 | 2,613 | 1,975 |
| 88 Other banks in United States | } 4,667 | 6,064 | 4,144 | $^r$3,606 | $^r$3,472 | $^r$3,301 | $^r$4,174 | $^r$4,757 | 6,068 | 7,669 |
| 89 Nonbanks | | | 3,348 | $^r$4,732 | $^r$5,187 | $^r$5,852 | $^r$6,565 | $^r$6,683 | 7,891 | 8,173 |
| 90 To foreigners | 56,372 | 58,977 | 66,216 | 61,215 | 60,689 | 60,948 | 65,081 | 65,403 | 68,035 | 70,717 |
| 91 Other branches of parent bank | 5,874 | 7,505 | 9,635 | 7,985 | 7,706 | 7,777 | 7,711 | 7,377 | 7,720 | 8,663 |
| 92 Banks | 25,527 | 25,608 | 25,287 | 23,017 | 24,002 | 22,684 | 25,436 | 23,893 | 28,698 | 27,284 |
| 93 Official institutions | 15,423 | 15,482 | 17,091 | 18,030 | 16,197 | 17,486 | 19,093 | 20,288 | 18,119 | 20,257 |
| 94 Nonbank foreigners | 9,547 | 10,382 | 14,203 | 12,183 | 12,784 | 13,001 | 12,841 | 13,845 | 13,498 | 14,513 |
| 95 Other liabilities | 953 | 1,116 | 1,486 | 1,668 | 1,525 | 1,979 | 1,976 | 1,918 | 2,035 | 2,075 |
| | | | | | | Bahamas and Caymans | | | | |
| 96 **Total, all currencies** | **66,774** | **79,052** | **91,735** | **97,509** | **93,832** | **98,057** | **103,387** | **98,839** | **113,512** | **109,925** |
| 97 To United States | 22,721 | 32,176 | 39,431 | $^r$38,646 | $^r$37,676 | $^r$38,713 | $^r$40,023 | $^r$37,939 | 41,734 | 40,571 |
| 98 Parent bank | 16,161 | 20,956 | 20,456 | $^r$14,777 | $^r$16,527 | $^r$15,957 | $^r$12,276 | $^r$12,232 | 11,117 | 13,525 |
| 99 Other banks in United States | } 6,560 | 11,220 | 6,199 | 7,044 | 5,224 | 5,404 | 8,973 | 6,342 | 10,206 | 8,936 |
| 100 Nonbanks | | | 12,776 | $^r$16,825 | $^r$15,925 | $^r$17,352 | $^r$18,774 | $^r$19,365 | 20,411 | 18,110 |
| 101 To foreigners | 42,899 | 45,292 | 50,447 | $^r$56,768 | $^r$54,146 | $^r$57,184 | $^r$61,216 | $^r$58,724 | 69,373 | 67,028 |
| 102 Other branches of parent bank | 13,801 | 12,816 | 16,094 | 13,923 | 14,716 | 15,997 | 17,104 | 18,223 | 20,246 | 20,730 |
| 103 Banks | 21,760 | 24,717 | 23,104 | 28,749 | 25,964 | 28,599 | 31,662 | 28,204 | 35,121 | 32,810 |
| 104 Official institutions | 3,573 | 3,000 | 4,208 | 5,181 | 5,328 | 4,970 | 4,074 | 4,375 | 4,751 | 4,418 |
| 105 Nonbank foreigners | 3,765 | 4,759 | 7,041 | $^r$8,915 | $^r$8,138 | $^r$7,618 | $^r$8,376 | $^r$7,922 | 9,255 | 9,070 |
| 106 Other liabilities | 1,154 | 1,584 | 1,857 | 2,095 | 2,010 | 2,160 | 2,148 | 2,176 | 2,405 | 2,326 |
| 107 **Total payable in U.S. dollars** | **63,417** | **74,463** | **87,014** | **92,673** | **88,942** | **92,797** | **97,993** | **93,470** | **107,623** | **104,113** |

1. In May 1978 a broader category of claims on foreign public borrowers, including corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

2. In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

## 3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

| Item | 1976 | 1977 | 1978 | 1979 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Apr. | May | June | July | Aug. | Sept.[p] | Oct.[p] |
| 1 **Total**[1] | **95,634** | **131,097** | **162,567** | **148,364** | **141,084** | **144,017** | **147,829** | **148,567** | **149,390** | **146,917** |
| *By type* | | | | | | | | | | |
| 2 Liabilities reported by banks in the United States[2] | 17,231 | 18,003 | 23,274 | 24,924 | 25,720 | 25,349 | 25,640 | 25,259 | 25,248 | 25,162 |
| 3 U.S. Treasury bills and certificates[3] | 37,725 | 47,820 | 67,671 | 51,614 | 43,727 | 46,304 | 49,425 | 50,146 | 50,842 | 49,411 |
| U.S. Treasury bonds and notes | | | | | | | | | | |
| 4 Marketable | 11,788 | 32,164 | 35,912 | 36,329 | 36,179 | 36,478 | 37,510 | 38,025 | 38,126 | 38,176 |
| 5 Nonmarketable[4] | 20,648 | 20,443 | 20,970 | 20,467 | 20,467 | 20,697 | 19,797 | 19,547 | 19,547 | 18,497 |
| 6 U.S. securities other than U.S. Treasury securities[5] | 8,242 | 12,667 | 14,740 | 15,030 | 14,991 | 15,189 | 15,457 | 15,590 | 15,627 | 15,671 |
| *By area* | | | | | | | | | | |
| 7 Western Europe[1] | 45,882 | 70,748 | 92,989 | 85,198 | 81,025 | 83,523 | 86,630 | 86,505 | 87,074 | 85,491 |
| 8 Canada | 3,406 | 2,334 | 2,506 | 3,044 | 1,993 | 1,979 | 2,116 | 2,185 | 2,412 | 1,954 |
| 9 Latin America and Caribbean | 4,926 | 4,649 | 5,045 | 4,671 | 4,822 | 4,610 | 5,397 | 4,497 | 4,890 | 4,552 |
| 10 Asia | 37,767 | 50,693 | 58,858 | 52,086 | 49,827 | 50,573 | 50,380 | 51,749 | 52,066 | 51,953 |
| 11 Africa | 1,893 | 1,742 | 2,423 | 2,529 | 2,604 | 2,614 | 2,618 | 3,219 | 2,513 | 2,583 |
| 12 Other countries[6] | 1,760 | 931 | 746 | 836 | 813 | 718 | 688 | 412 | 435 | 384 |

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

## 3.15 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States *Payable in Foreign Currencies*

Millions of dollars, end of period

| Item | 1976 | 1977 | 1978 | | 1979 | | |
|---|---|---|---|---|---|---|---|
| | | | Sept. | Dec. | Mar. | June | Sept.[p] |
| 1 Banks' own liabilities | 781 | 925 | 1,771 | 2,235 | 1,781 | 1,963 | 2,323 |
| 2 Banks' own claims[1] | 1,834 | 2,356 | 2,950 | 3,522 | 2,602 | 2,492 | 2,607 |
| 3 Deposits | 1,103 | 941 | 1,375 | 1,650 | 1,121 | 1,302 | 1,228 |
| 4 Other claims | 731 | 1,415 | 1,575 | 1,871 | 1,481 | 1,189 | 1,379 |
| 5 Claims of banks' domestic customers[2] | ........ | ........ | 446 | 367 | 476 | 520 | 612 |

1. Includes claims of banks' domestic customers through March 1978.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE. Data on claims exclude foreign currencies held by U.S. monetary authorities.

## 3.16 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars
Millions of dollars, end of period

| Holder and type of liability | 1976 | 1977 | 1978 | 1979 Apr. | May | June | July | Aug. | Sept.p | Oct.p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **All foreigners** | **110,657** | **126,168** | **167,087** | **160,248** | **159,114** | **167,855** | **168,957** | **191,491** | **185,406** | **181,018** |
| 2 Banks' own liabilities | ........ | ........ | 78,995 | 86,152 | 93,689 | 100,018 | 97,255 | 117,674 | 111,424 | 108,246 |
| 3 Demand deposits | 16,803 | 18,996 | 19,201 | 18,367 | 18,105 | 19,326 | 19,088 | 18,910 | 20,235 | 17,962 |
| 4 Time deposits[1] | 11,347 | 11,521 | 12,473 | 12,516 | 12,650 | 12,735 | 12,608 | 12,968 | 12,974 | 12,508 |
| 5 Other[2] | ........ | ........ | 9,767 | 10,264 | 13,564 | 12,440 | 12,753 | 12,205 | 12,410 | 12,494 |
| 6 Own foreign offices[3] | ........ | ........ | 37,554 | 45,005 | 49,370 | 55,517 | 52,806 | 73,591 | 65,805 | 65,282 |
| 7 Banks' custody liabilities[4] | ........ | ........ | 88,091 | 74,096 | 65,425 | 67,837 | 71,702 | 73,817 | 73,983 | 72,772 |
| 8 U.S. Treasury bills and certificates[5] | 40,744 | 48,906 | 68,202 | 53,434 | 45,103 | 47,425 | 51,467 | 52,258 | 52,429 | 50,452 |
| 9 Other negotiable and readily transferable instruments[6] | ........ | ........ | 17,396 | 18,513 | 18,118 | 18,115 | 18,020 | 19,275 | 19,300 | 20,130 |
| 10 Other | ........ | ........ | 2,493 | 2,150 | 2,203 | 2,296 | 2,215 | 2,284 | 2,254 | 2,190 |
| 11 **Nonmonetary international and regional organizations**[7] | **5,714** | **3,274** | **2,617** | **2,300** | **2,757** | **2,851** | **3,437** | **3,462** | **2,909** | **2,389** |
| 12 Banks' own liabilities | ........ | ........ | 916 | 791 | 1,306 | 1,500 | 844 | 603 | 491 | 566 |
| 13 Demand deposits | 290 | 231 | 330 | 270 | 298 | 264 | 216 | 154 | 161 | 143 |
| 14 Time deposits[1] | 205 | 139 | 94 | 100 | 85 | 87 | 79 | 87 | 82 | 82 |
| 15 Other[2] | ........ | ........ | 492 | 422 | 923 | 1,150 | 549 | 362 | 248 | 342 |
| 16 Banks' custody liabilities[4] | ........ | ........ | 1,701 | 1,509 | 1,451 | 1,350 | 2,593 | 2,859 | 2,418 | 1,823 |
| 17 U.S. Treasury bills and certificates | 2,701 | 706 | 201 | 212 | 175 | 199 | 1,345 | 1,442 | 912 | 327 |
| 18 Other negotiable and readily transferable instruments[6] | ........ | ........ | 1,499 | 1,294 | 1,274 | 1,151 | 1,247 | 1,416 | 1,505 | 1,494 |
| 19 Other | ........ | ........ | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 2 |
| 20 **Official institutions**[8] | **54,956** | **65,822** | **90,688** | **76,537** | **69,447** | **71,653** | **75,066** | **75,405** | **76,090** | **74,574** |
| 21 Banks' own liabilities | ........ | ........ | 12,112 | 12,675 | 13,958 | 13,305 | 14,240 | 12,806 | 13,135 | 12,203 |
| 22 Demand deposits | 3,394 | 3,528 | 3,390 | 3,583 | 3,170 | 3,196 | 2,850 | 2,397 | 3,140 | 2,434 |
| 23 Time deposits[1] | 2,321 | 1,797 | 2,546 | 2,491 | 2,567 | 2,506 | 2,590 | 2,607 | 2,246 | 2,110 |
| 24 Other[2] | ........ | ........ | 6,176 | 6,601 | 8,221 | 7,604 | 8,800 | 7,801 | 7,749 | 7,660 |
| 25 Banks' custody liabilities[4] | ........ | ........ | 78,577 | 63,862 | 55,489 | 58,347 | 60,826 | 62,600 | 62,955 | 62,370 |
| 26 U.S. Treasury bills and certificates[5] | 37,725 | 47,820 | 67,415 | 51,614 | 43,727 | 46,304 | 49,425 | 50,146 | 50,842 | 49,411 |
| 27 Other negotiable and readily transferable instruments[6] | ........ | ........ | 10,992 | 12,209 | 11,692 | 12,003 | 11,350 | 12,401 | 12,048 | 12,902 |
| 28 Other | ........ | ........ | 170 | 40 | 70 | 40 | 50 | 52 | 65 | 57 |
| 29 **Banks**[9] | **37,174** | **42,335** | **57,758** | **64,363** | **70,178** | **76,465** | **73,313** | **95,465** | **88,954** | **86,498** |
| 30 Banks' own liabilities | ........ | ........ | 52,973 | 59,386 | 65,010 | 71,434 | 68,362 | 90,444 | 83,797 | 81,397 |
| 31 Unaffiliated foreign banks | ........ | ........ | 15,419 | 14,381 | 15,640 | 15,917 | 15,556 | 16,853 | 17,992 | 16,116 |
| 32 Demand deposits | 9,104 | 10,933 | 11,239 | 10,202 | 10,278 | 11,138 | 11,361 | 11,757 | 12,424 | 10,603 |
| 33 Time deposits[1] | 2,297 | 2,040 | 1,479 | 1,302 | 1,263 | 1,398 | 1,209 | 1,525 | 1,752 | 1,547 |
| 34 Other[2] | ........ | ........ | 2,700 | 2,877 | 4,099 | 3,382 | 2,987 | 3,571 | 3,816 | 3,965 |
| 35 Own foreign offices[3] | ........ | ........ | 37,554 | 45,005 | 49,370 | 55,517 | 52,806 | 73,591 | 65,805 | 65,282 |
| 36 Banks' custody liabilities[4] | ........ | ........ | 4,785 | 4,977 | 5,168 | 5,031 | 4,951 | 5,020 | 5,157 | 5,100 |
| 37 U.S. Treasury bills and certificates | 119 | 141 | 300 | 456 | 508 | 407 | 347 | 384 | 406 | 400 |
| 38 Other negotiable and readily transferable instruments[6] | ........ | ........ | 2,425 | 2,499 | 2,593 | 2,480 | 2,556 | 2,509 | 2,649 | 2,684 |
| 39 Other | ........ | ........ | 2,060 | 2,022 | 2,066 | 2,145 | 2,048 | 2,127 | 2,103 | 2,017 |
| 40 **Other foreigners** | **12,814** | **14,736** | **16,023** | **17,047** | **16,732** | **16,886** | **17,140** | **17,159** | **17,454** | **17,558** |
| 41 Banks' own liabilities | ........ | ........ | 12,995 | 13,299 | 13,415 | 13,778 | 13,809 | 13,821 | 14,001 | 14,079 |
| 42 Demand deposits | 4,015 | 4,304 | 4,242 | 4,312 | 4,358 | 4,729 | 4,661 | 4,602 | 4,510 | 4,782 |
| 43 Time deposits[1] | 6,524 | 7,546 | 8,353 | 8,623 | 8,735 | 8,744 | 8,731 | 8,748 | 8,894 | 8,769 |
| 44 Other[2] | ........ | ........ | 399 | 364 | 322 | 305 | 417 | 470 | 597 | 528 |
| 45 Banks' custody liabilities[4] | ........ | ........ | 3,028 | 3,748 | 3,317 | 3,108 | 3,332 | 3,338 | 3,453 | 3,479 |
| 46 U.S. Treasury bills and certificates | 198 | 240 | 285 | 1,152 | 693 | 516 | 350 | 285 | 269 | 315 |
| 47 Other negotiable and readily transferable instruments[6] | ........ | ........ | 2,481 | 2,511 | 2,559 | 2,482 | 2,867 | 2,948 | 3,099 | 3,050 |
| 48 Other | ........ | ........ | 262 | 85 | 66 | 111 | 115 | 105 | 86 | 114 |
| 49 MEMO: Negotiable time certificates of deposit held in custody for foreigners | ........ | ........ | 11,007 | 11,151 | 10,824 | 10,633 | 10,709 | 11,082 | 11,247 | 11,336 |

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments." Data for time deposits prior to April 1978 represent short-term only.
2. Includes borrowing under repurchase agreements.
3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.
4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.
5. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.
8. Foreign central banks and foreign central governments and the Bank for International Settlements.
9. Excludes central banks, which are included in "Official institutions."

## 3.16 LIABILITIES TO FOREIGNERS Continued

| Area and country | 1976 | 1977 | 1978 | 1979 Apr. | May | June | July | Aug. | Sept.[p] | Oct.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total** | **110,657** | **126,168** | 167,087 | **160,248** | **159,114** | **167,855** | **168,957** | 191,491 | **185,406** | **181,018** |
| 2 **Foreign countries** | **104,943** | **122,893** | *164,470* | **157,948** | *156,357* | *165,004* | *165,520* | *188,029* | *182,498* | *178,629* |
| 3 Europe | 47,076 | 60,295 | 85,387 | 77,532 | 75,221 | 79,513 | 81,510 | 86,110 | 88,605 | 88,049 |
| 4 Austria | 346 | 318 | 513 | 484 | 475 | 449 | 444 | 446 | 444 | 426 |
| 5 Belgium-Luxembourg | 2,187 | 2,531 | 2,552 | 2,359 | 2,282 | 2,419 | 2,493 | 2,714 | 2,920 | 2,710 |
| 6 Denmark | 356 | 770 | 1,946 | 1,596 | 1,526 | 1,165 | 1,560 | 1,412 | 1,100 | 1,001 |
| 7 Finland | 416 | 323 | 346 | 367 | 401 | 457 | 466 | 508 | 415 | 334 |
| 8 France | 4,876 | 5,269 | 9,208 | 9,291 | 9,755 | 9,594 | 9,616 | 9,985 | 10,529 | 9,342 |
| 9 Germany | 6,241 | 7,239 | 17,286 | 9,364 | 7,617 | 8,492 | 10,724 | 10,434 | 13,129 | 13,154 |
| 10 Greece | 403 | 603 | 826 | 660 | 678 | 684 | 760 | 695 | 691 | 632 |
| 11 Italy | 3,182 | 6,857 | 7,674 | 8,939 | 9,751 | 9,656 | 8,458 | 9,676 | 8,551 | 8,481 |
| 12 Netherlands | 3,003 | 2,869 | 2,402 | 2,816 | 2,889 | 2,628 | 2,355 | 2,627 | 2,281 | 2,174 |
| 13 Norway | 782 | 944 | 1,271 | 1,477 | 1,456 | 1,348 | 1,263 | 1,320 | 1,402 | 1,393 |
| 14 Portugal | 239 | 273 | 330 | 231 | 244 | 353 | 303 | 411 | 554 | 621 |
| 15 Spain | 559 | 619 | 870 | 1,077 | 897 | 1,211 | 1,107 | 1,060 | 1,133 | 1,101 |
| 16 Sweden | 1,692 | 2,712 | 3,121 | 2,596 | 2,524 | 2,437 | 2,227 | 2,368 | 2,062 | 2,165 |
| 17 Switzerland | 9,460 | 12,343 | 18,612 | 15,567 | 13,720 | 15,932 | 16,744 | 15,717 | 16,639 | 16,673 |
| 18 Turkey | 166 | 130 | 157 | 110 | 127 | 156 | 193 | 160 | 135 | 236 |
| 19 United Kingdom | 10,018 | 14,125 | 14,265 | 16,150 | 16,696 | 18,079 | 18,760 | 22,579 | 22,685 | 24,090 |
| 20 Yugoslavia | 189 | 232 | 254 | 207 | 184 | 151 | 159 | 149 | 149 | 147 |
| 21 Other Western Europe[1] | 2,673 | 1,804 | 3,346 | 3,897 | 3,686 | 3,961 | 3,553 | 3,504 | 3,425 | 3,059 |
| 22 U.S.S.R. | 51 | 98 | 82 | 84 | 58 | 62 | 63 | 80 | 45 | 53 |
| 23 Other Eastern Europe[2] | 236 | 236 | 325 | 258 | 254 | 277 | 260 | 265 | 317 | 259 |
| 24 Canada | 4,659 | 4,607 | 6,966 | 8,760 | 7,959 | 6,674 | 7,610 | 8,376 | 8,319 | 8,640 |
| 25 Latin America and Caribbean | 19,132 | 23,670 | 31,622 | 36,009 | 40,406 | 44,887 | 41,398 | 56,879 | 49,403 | 47,401 |
| 26 Argentina | 1,534 | 1,416 | 1,484 | 1,483 | 1,886 | 1,891 | 1,693 | 1,757 | 1,929 | 1,694 |
| 27 Bahamas | 2,770 | 3,596 | 6,743 | 10,064 | 11,682 | 16,383 | 13,022 | 24,085 | 18,442 | 15,686 |
| 28 Bermuda | 218 | 321 | 428 | 351 | 345 | 402 | 339 | 415 | 392 | 399 |
| 29 Brazil | 1,438 | 1,396 | 1,125 | 1,251 | 1,576 | 1,332 | 1,294 | 1,040 | 1,198 | 1,033 |
| 30 British West Indies | 1,877 | 3,998 | 5,991 | 6,916 | 9,313 | 8,943 | 8,085 | 13,367 | 11,132 | 11,292 |
| 31 Chile | 337 | 360 | 399 | 447 | 368 | 403 | 465 | 459 | 420 | 461 |
| 32 Colombia | 1,021 | 1,221 | 1,756 | 2,079 | 2,192 | 2,402 | 2,292 | 2,378 | 2,188 | 2,243 |
| 33 Cuba | 6 | 6 | 13 | 7 | 9 | 7 | 7 | 6 | 9 | 7 |
| 34 Ecuador | 320 | 330 | 322 | 335 | 318 | 391 | 443 | 449 | 364 | 482 |
| 35 Guatemala[3] | ....... | ....... | 416 | 360 | 318 | 319 | 319 | 320 | 335 | 361 |
| 36 Jamaica[3] | ....... | ....... | 52 | 80 | 78 | 46 | 104 | 67 | 175 | 113 |
| 37 Mexico | 2,870 | 2,876 | 3,417 | 3,234 | 3,215 | 3,392 | 3,632 | 3,658 | 3,549 | 3,527 |
| 38 Netherlands Antilles | 158 | 196 | 308 | 335 | 396 | 414 | 422 | 361 | 359 | 609 |
| 39 Panama | 1,167 | 2,331 | 2,992 | 3,368 | 2,903 | 3,125 | 3,070 | 3,049 | 3,336 | 3,926 |
| 40 Peru | 257 | 287 | 363 | 360 | 321 | 382 | 425 | 391 | 477 | 388 |
| 41 Uruguay | 245 | 243 | 231 | 230 | 223 | 248 | 231 | 222 | 218 | 217 |
| 42 Venezuela | 3,118 | 2,929 | 3,821 | 3,426 | 3,664 | 2,982 | 3,920 | 3,180 | 2,903 | 3,168 |
| 43 Other Latin America and Caribbean | 1,797 | 2,167 | 1,760 | 1,681 | 1,601 | 1,825 | 1,636 | 1,675 | 1,977 | 1,795 |
| 44 Asia | 29,766 | 30,488 | 36,532 | 31,511 | 28,510 | 29,513 | 30,614 | 32,019 | 32,201 | 30,636 |
| China | | | | | | | | | | |
| 45 Mainland | 48 | 53 | 67 | 45 | 41 | 46 | 42 | 41 | 45 | 49 |
| 46 Taiwan | 990 | 1,013 | 502 | 667 | 598 | 739 | 769 | 1,027 | 1,231 | 1,339 |
| 47 Hong Kong | 894 | 1,094 | 1,256 | 1,459 | 1,496 | 1,555 | 1,452 | 1,571 | 1,634 | 1,542 |
| 48 India | 638 | 961 | 790 | 929 | 1,016 | 940 | 873 | 704 | 674 | 496 |
| 49 Indonesia | 340 | 410 | 449 | 567 | 394 | 409 | 509 | 317 | 463 | 555 |
| 50 Israel | 392 | 559 | 674 | 673 | 650 | 706 | 621 | 625 | 626 | 621 |
| 51 Japan | 14,363 | 14,616 | 21,927 | 14,922 | 12,262 | 12,572 | 13,104 | 13,094 | 13,300 | 10,844 |
| 52 Korea | 438 | 602 | 795 | 728 | 986 | 809 | 816 | 825 | 938 | 951 |
| 53 Philippines | 628 | 687 | 644 | 562 | 605 | 690 | 640 | 619 | 632 | 596 |
| 54 Thailand | 277 | 264 | 427 | 343 | 302 | 413 | 307 | 330 | 421 | 304 |
| 55 Middle East oil-exporting countries[4] | 9,360 | 8,979 | 7,588 | 9,242 | 8,758 | 9,003 | 9,651 | 11,092 | 10,373 | 11,374 |
| 56 Other Asia | 1,398 | 1,250 | 1,414 | 1,375 | 1,402 | 1,632 | 1,830 | 1,773 | 1,865 | 1,965 |
| 57 Africa | 2,298 | 2,535 | 2,886 | 2,986 | 3,056 | 3,237 | 3,226 | 3,818 | 3,194 | 3,141 |
| 58 Egypt | 333 | 404 | 404 | 359 | 297 | 306 | 378 | 302 | 245 | 294 |
| 59 Morocco | 87 | 66 | 32 | 34 | 36 | 45 | 35 | 40 | 40 | 30 |
| 60 South Africa | 141 | 174 | 168 | 246 | 206 | 316 | 196 | 174 | 235 | 194 |
| 61 Zaire | 36 | 39 | 43 | 55 | 47 | 56 | 37 | 49 | 73 | 112 |
| 62 Oil-exporting countries[5] | 1,116 | 1,155 | 1,525 | 1,554 | 1,523 | 1,566 | 1,699 | 2,441 | 1,832 | 1,711 |
| 63 Other Africa | 585 | 698 | 715 | 738 | 946 | 948 | 881 | 811 | 768 | 800 |
| 64 Other countries | 2,012 | 1,297 | 1,076 | 1,149 | 1,206 | 1,181 | 1,162 | 826 | 776 | 763 |
| 65 Australia | 1,905 | 1,140 | 838 | 957 | 991 | 891 | 806 | 621 | 549 | 528 |
| 66 All other | 107 | 158 | 239 | 192 | 215 | 290 | 355 | 205 | 227 | 235 |
| 67 Nonmonetary international and regional organizations | 5,714 | 3,274 | 2,617 | 2,300 | 2,757 | 2,851 | 3,437 | 3,462 | 2,909 | 2,389 |
| 68 International | 5,157 | 2,752 | 1,485 | 1,128 | 1,535 | 1,738 | 2,257 | 2,427 | 1,810 | 1,343 |
| 69 Latin American regional | 267 | 278 | 808 | 872 | 892 | 829 | 917 | 793 | 824 | 755 |
| 70 Other regional[6] | 290 | 245 | 324 | 300 | 330 | 284 | 263 | 242 | 275 | 291 |

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

## 3.17 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

| Area and country | 1976 | 1977 | 1978 | 1979 Apr. | May | June | July | Aug. | Sept.p | Oct.p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total** | **79,301** | **90,206** | **115,307** | **105,507** | **106,554** | **115,297** | **113,417** | **125,772** | **127,297** | **121,097** |
| 2 **Foreign countries** | **79,261** | **90,163** | **115,250** | **105,460** | **106,508** | **115,252** | **113,369** | **125,720** | **127,247** | **121,060** |
| 3 Europe | 14,776 | 18,114 | 24,235 | 20,538 | 20,267 | 24,377 | 24,097 | 25,774 | 28,390 | 26,180 |
| 4 Austria | 63 | 65 | 140 | 130 | 150 | 169 | 188 | 223 | 191 | 210 |
| 5 Belgium-Luxembourg | 482 | 561 | 1,200 | 1,377 | 1,328 | 1,689 | 1,657 | 1,483 | 1,737 | 1,533 |
| 6 Denmark | 133 | 173 | 254 | 199 | 168 | 140 | 137 | 141 | 166 | 116 |
| 7 Finland | 199 | 172 | 305 | 250 | 184 | 186 | 220 | 247 | 227 | 230 |
| 8 France | 1,549 | 2,082 | 3,742 | 2,907 | 2,701 | 3,517 | 3,205 | 3,260 | 3,766 | 2,736 |
| 9 Germany | 509 | 644 | 900 | 806 | 792 | 843 | 944 | 888 | 1,840 | 1,329 |
| 10 Greece | 279 | 206 | 164 | 168 | 156 | 167 | 130 | 267 | 209 | 281 |
| 11 Italy | 993 | 1,334 | 1,508 | 1,411 | 1,440 | 1,332 | 1,196 | 1,474 | 1,567 | 1,424 |
| 12 Netherlands | 315 | 338 | 680 | 532 | 531 | 516 | 792 | 559 | 631 | 618 |
| 13 Norway | 136 | 162 | 299 | 240 | 196 | 200 | 181 | 227 | 238 | 236 |
| 14 Portugal | 88 | 175 | 171 | 208 | 190 | 172 | 235 | 297 | 325 | 349 |
| 15 Spain | 745 | 722 | 1,110 | 803 | 925 | 994 | 999 | 969 | 1,126 | 1,117 |
| 16 Sweden | 206 | 218 | 537 | 300 | 231 | 247 | 401 | 482 | 459 | 603 |
| 17 Switzerland | 379 | 564 | 1,283 | 878 | 959 | 1,071 | 1,027 | 714 | 1,179 | 1,169 |
| 18 Turkey | 249 | 360 | 283 | 145 | 119 | 135 | 118 | 148 | 119 | 141 |
| 19 United Kingdom | 7,033 | 8,964 | 10,156 | 8,361 | 8,530 | 11,272 | 10,697 | 12,347 | 12,389 | 11,827 |
| 20 Yugoslavia | 234 | 311 | 363 | 472 | 492 | 535 | 541 | 571 | 584 | 578 |
| 21 Other Western Europe[1] | 85 | 86 | 122 | 422 | 171 | 187 | 199 | 216 | 247 | 154 |
| 22 U.S.S.R. | 485 | 413 | 366 | 298 | 291 | 300 | 282 | 292 | 326 | 349 |
| 23 Other Eastern Europe[2] | 613 | 566 | 652 | 631 | 713 | 704 | 950 | 969 | 1,064 | 1,178 |
| 24 Canada | 3,319 | 3,355 | 5,152 | 4,801 | 4,712 | 4,899 | 5,063 | 5,017 | 4,786 | 4,333 |
| 25 Latin America and Caribbean | 38,879 | 45,850 | 57,166 | 52,585 | 53,708 | 57,328 | 54,015 | 62,927 | 62,509 | 59,164 |
| 26 Argentina | 1,192 | 1,478 | 2,281 | 3,095 | 3,406 | 3,200 | 3,339 | 3,257 | 3,287 | 3,653 |
| 27 Bahamas | 15,464 | 19,858 | 21,515 | 19,273 | 19,996 | 19,113 | 16,572 | 19,931 | 19,146 | 17,359 |
| 28 Bermuda | 150 | 232 | 184 | 135 | 198 | 126 | 192 | 167 | 172 | 485 |
| 29 Brazil | 4,901 | 4,629 | 6,251 | 6,189 | 6,271 | 6,121 | 6,169 | 6,548 | 7,291 | 7,565 |
| 30 British West Indies | 5,082 | 6,481 | 9,391 | 5,524 | 4,896 | 9,221 | 6,525 | 10,564 | 9,172 | 6,719 |
| 31 Chile | 597 | 675 | 972 | 970 | 1,058 | 1,089 | 1,120 | 1,173 | 1,339 | 1,396 |
| 32 Colombia | 675 | 671 | 1,012 | 945 | 1,005 | 1,089 | 1,196 | 1,220 | 1,259 | 1,451 |
| 33 Cuba | 13 | 10 | * | 4 | 4 | 4 | 4 | 6 | 4 | 4 |
| 34 Ecuador | 375 | 517 | 705 | 903 | 877 | 908 | 916 | 921 | 944 | 1,000 |
| 35 Guatemala[3] | ....... | ....... | 94 | 95 | 101 | 95 | 98 | 100 | 106 | 110 |
| 36 Jamaica[3] | ....... | ....... | 40 | 63 | 64 | 40 | 47 | 30 | 32 | 29 |
| 37 Mexico | 4,822 | 4,909 | 5,423 | 5,753 | 6,024 | 6,424 | 7,171 | 7,699 | 8,417 | 8,414 |
| 38 Netherlands Antilles | 140 | 224 | 273 | 213 | 234 | 280 | 392 | 342 | 301 | 230 |
| 39 Panama | 1,372 | 1,410 | 3,094 | 3,549 | 3,702 | 3,600 | 4,189 | 4,400 | 4,524 | 4,268 |
| 40 Peru | 933 | 962 | 918 | 813 | 739 | 720 | 727 | 730 | 716 | 607 |
| 41 Uruguay | 42 | 80 | 52 | 48 | 61 | 58 | 56 | 66 | 60 | 72 |
| 42 Venezuela | 1,828 | 2,318 | 3,474 | 3,545 | 3,601 | 3,793 | 3,819 | 4,043 | 4,205 | 4,348 |
| 43 Other Latin America and Caribbean | 1,293 | 1,394 | 1,487 | 1,468 | 1,470 | 1,447 | 1,483 | 1,731 | 1,536 | 1,455 |
| 44 Asia | 19,204 | 19,236 | 25,488 | 24,677 | 24,893 | 25,535 | 27,138 | 29,107 | 28,544 | 28,527 |
| China | | | | | | | | | | |
| 45 Mainland | 3 | 10 | 4 | 20 | 22 | 9 | 20 | 29 | 25 | 55 |
| 46 Taiwan | 1,344 | 1,719 | 1,499 | 1,818 | 1,812 | 1,882 | 1,891 | 1,970 | 1,936 | 1,930 |
| 47 Hong Kong | 316 | 543 | 1,573 | 1,730 | 1,970 | 2,105 | 1,978 | 1,788 | 1,862 | 1,737 |
| 48 India | 69 | 53 | 54 | 73 | 59 | 82 | 43 | 75 | 74 | 68 |
| 49 Indonesia | 218 | 232 | 143 | 135 | 138 | 138 | 131 | 156 | 140 | 147 |
| 50 Israel | 755 | 584 | 870 | 779 | 824 | 842 | 865 | 857 | 882 | 891 |
| 51 Japan | 11,040 | 9,839 | 12,686 | 12,134 | 12,342 | 12,523 | 13,908 | 15,193 | 14,670 | 14,993 |
| 52 Korea | 1,978 | 2,336 | 2,282 | 2,708 | 2,940 | 3,366 | 3,465 | 3,612 | 3,730 | 3,839 |
| 53 Philippines | 719 | 594 | 680 | 710 | 697 | 678 | 743 | 793 | 638 | 724 |
| 54 Thailand | 442 | 633 | 758 | 760 | 836 | 895 | 925 | 919 | 1,036 | 956 |
| 55 Middle East oil-exporting countries[4] | 1,459 | 1,746 | 3,135 | 2,437 | 1,723 | 1,586 | 1,784 | 1,689 | 1,914 | 1,252 |
| 56 Other Asia | 863 | 947 | 1,804 | 1,374 | 1,531 | 1,429 | 1,386 | 2,026 | 1,637 | 1,936 |
| 57 Africa | 2,311 | 2,518 | 2,221 | 1,977 | 1,971 | 2,128 | 2,043 | 1,969 | 2,101 | 1,929 |
| 58 Egypt | 126 | 119 | 107 | 104 | 125 | 178 | 115 | 126 | 120 | 122 |
| 59 Morocco | 27 | 43 | 82 | 64 | 46 | 37 | 34 | 31 | 23 | 66 |
| 60 South Africa | 957 | 1,066 | 860 | 680 | 719 | 745 | 745 | 730 | 704 | 602 |
| 61 Zaire | 112 | 98 | 164 | 151 | 151 | 151 | 189 | 151 | 149 | 135 |
| 62 Oil-exporting countries[5] | 524 | 510 | 452 | 462 | 460 | 478 | 452 | 398 | 563 | 435 |
| 63 Other | 565 | 682 | 556 | 516 | 471 | 539 | 508 | 533 | 542 | 568 |
| 64 Other countries | 772 | 1,090 | 988 | 882 | 956 | 984 | 1,013 | 926 | 916 | 928 |
| 65 Australia | 597 | 905 | 877 | 755 | 789 | 779 | 765 | 756 | 744 | 748 |
| 66 All other | 175 | 186 | 111 | 127 | 167 | 205 | 248 | 170 | 173 | 180 |
| 67 Nonmonetary international and regional organizations[6] | 40 | 43 | 56 | 46 | 46 | 45 | 47 | 51 | 50 | 36 |

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslavkia, German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. Data for period prior to April 1978 include claims of banks' domestic customers on foreigners.

## 3.18 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

| Type of claim | 1976 | 1977 | 1978 | 1979 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Apr. | May | June | July | Aug.r | Sept. | Oct.p |
| 1 **Total** | **79,301** | **90,206** | **126,392** | ... | ... | **r128,839** | ... | ... | **144,588** | ... |
| 2 Banks' own claims on foreigners | ... | ... | 115,307 | 105,507 | 106,554 | 115,297 | 113,417 | 125,772 | 127,297 | 121,097 |
| 3 Foreign public borrowers | ... | ... | 10,103 | 10,982 | 10,542 | 11,268 | 11,737 | 12,498 | 13,817 | 14,161 |
| 4 Own foreign offices[1] | ... | ... | 41,465 | 36,853 | 35,889 | 37,347 | 36,265 | 40,229 | 39,490 | 38,012 |
| 5 Unaffiliated foreign banks | ... | ... | 40,427 | 34,174 | 35,415 | 41,512 | 38,843 | 45,091 | 45,960 | 39,846 |
| 6 Deposits | ... | ... | 5,721 | 5,430 | 5,498 | 7,384 | 6,990 | 7,541 | 7,369 | 6,988 |
| 7 Other | ... | ... | 34,706 | 28,744 | 29,917 | 34,128 | 31,853 | 37,550 | 38,591 | 32,857 |
| 8 All other foreigners | ... | ... | 23,312 | 23,498 | 24,707 | 25,169 | 26,572 | 27,954 | 28,031 | 29,078 |
| 9 Claims of banks' domestic customers[2] | ... | ... | 11,085 | ... | ... | r13,542 | ... | ... | 17,290 | ... |
| 10 Deposits | ... | ... | 972 | ... | ... | r1,428 | ... | ... | 955 | ... |
| 11 Negotiable and readily transferable instruments[3] | ... | ... | 4,762 | ... | ... | 6,230 | ... | ... | 10,161 | ... |
| 12 Outstanding collections and other claims[4] | 5,756 | 6,176 | 5,351 | ... | ... | r5,883 | ... | ... | 6,175 | ... |
| 13 MEMO: Customer liability on acceptances | ... | ... | 14,918 | ... | ... | r16,847 | ... | ... | 19,746 | ... |
| Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5] | ... | ... | 11,674 | 16,550 | 17,468 | 15,321 | 18,217 | 18,081 | 15,438 | n.a. |

1. *U.S. banks:* includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. *Agencies, branches, and majority-owned subsidiaries of foreign banks:* principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.
3. Principally negotiable time certificates of deposit and bankers acceptances.
4. Data for March 1978 and for period prior to that are outstanding collections only.
5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

NOTE. Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' domestic customers are available on a quarterly basis only.

## 3.19 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

| Maturity; by borrower and area | 1978 | | | 1979 | | |
|---|---|---|---|---|---|---|
| | June | Sept. | Dec. | Mar. | June r | Sept. |
| 1 **Total** | **55,902** | **60,096** | **73,633** | **71,528** | **77,648** | **87,233** |
| *By borrower* | | | | | | |
| 2 Maturity of 1 year or less[1] | 44,558 | 47,230 | 58,341 | 55,347 | 59,999 | 67,877 |
| 3 Foreign public borrowers | 3,128 | 3,709 | 4,579 | 4,627 | 4,583 | 5,949 |
| 4 All other foreigners | 41,430 | 43,521 | 53,762 | 50,720 | 55,416 | 61,928 |
| 5 Maturity of over 1 year[1] | 11,343 | 12,866 | 15,292 | 16,181 | 17,650 | 19,356 |
| 6 Foreign public borrowers | 3,243 | 4,230 | 5,336 | 5,935 | 6,405 | 7,637 |
| 7 All other foreigners | 8,101 | 8,635 | 9,956 | 10,246 | 11,244 | 11,719 |
| *By area* | | | | | | |
| Maturity of 1 year or less[1] | | | | | | |
| 8 Europe | 9,710 | 10,513 | 15,121 | 12,376 | 14,040 | 16,754 |
| 9 Canada | 1,598 | 1,953 | 2,670 | 2,512 | 2,703 | 2,462 |
| 10 Latin American and Caribbean | 17,439 | 18,624 | 20,912 | 21,634 | 23,071 | 25,556 |
| 11 Asia | 13,831 | 14,014 | 17,572 | 16,993 | 18,181 | 21,182 |
| 12 Africa | 1,457 | 1,535 | 1,496 | 1,290 | 1,438 | 1,400 |
| 13 All other[2] | 523 | 591 | 569 | 541 | 565 | 523 |
| Maturity of over 1 year[1] | | | | | | |
| 14 Europe | 2,920 | 3,102 | 3,149 | 3,108 | 3,486 | 3,667 |
| 15 Canada | 344 | 794 | 1,426 | 1,456 | 1,221 | 1,371 |
| 16 Latin America and Caribbean | 5,900 | 6,877 | 8,469 | 9,336 | 10,267 | 11,794 |
| 17 Asia | 1,297 | 1,303 | 1,399 | 1,471 | 1,879 | 1,713 |
| 18 Africa | 631 | 580 | 636 | 629 | 614 | 622 |
| 19 All other[2] | 252 | 211 | 214 | 180 | 183 | 189 |

1. Remaining time to maturity.
2. Includes nonmonetary international and regional organizations.

NOTE. The first available data are for June 1978.

## 3.20 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

| | Area or Country | 1975 | 1976 | 1977 | | 1978 | | | | 1979 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Dec. | Mar. | June[7] | Sept. | Dec. | Mar. | June | Sept. |
| 1 | Total | 167.0 | 207.7 | 226.7 | 239.4 | 247.2 | 245.7 | 246.7 | r265.4 | r263.6 | r274.6 | 293.8 |
| 2 | G-10 countries and Switzerland | 88.0 | 100.1 | 108.8 | 115.3 | 116.6 | 112.8 | 113.7 | 124.9 | r118.9 | r125.2 | 135.2 |
| 3 | Belgium-Luxembourg | 5.3 | 6.1 | 7.1 | 8.4 | 8.3 | 8.3 | 8.4 | 9.0 | 9.4 | r9.7 | 10.7 |
| 4 | France | 8.5 | 10.0 | 10.5 | 11.0 | 11.4 | 11.4 | 11.7 | 12.2 | 11.7 | r12.9 | 12.0 |
| 5 | Germany | 7.8 | 8.7 | 8.6 | 9.6 | 9.0 | 9.1 | 9.7 | 11.4 | 10.5 | 10.8 | 12.9 |
| 6 | Italy | 5.2 | 5.8 | 6.0 | 6.5 | 6.0 | 6.4 | 6.0 | 6.6 | 5.7 | 6.1 | 6.1 |
| 7 | Netherlands | 2.8 | 2.8 | 3.0 | 3.5 | 3.4 | 3.4 | 3.5 | 4.4 | 3.8 | 4.0 | 4.7 |
| 8 | Sweden | 1.0 | 1.2 | 1.9 | 1.9 | 2.0 | 2.1 | 2.2 | 2.1 | 2.0 | 2.0 | 2.3 |
| 9 | Switzerland | 2.4 | 3.0 | 3.3 | 3.3 | 4.0 | 4.1 | 4.3 | 5.4 | 4.5 | 4.8 | 5.0 |
| 10 | United Kingdom | 36.3 | 41.5 | 44.1 | 46.5 | 46.5 | 45.0 | 44.4 | 47.2 | r46.5 | r50.3 | 53.2 |
| 11 | Canada | 3.8 | 5.1 | 6.6 | 5.8 | 6.9 | 5.1 | 4.9 | 5.9 | 5.8 | 5.5 | 6.0 |
| 12 | Japan | 14.9 | 15.9 | 17.6 | 18.8 | 19.1 | 17.9 | 18.6 | 20.7 | 19.0 | 19.1 | 22.3 |
| 13 | Other developed countries | 10.7 | 15.1 | 18.1 | 18.6 | 20.5 | 19.3 | 18.7 | r19.4 | 18.3 | r18.4 | 19.7 |
| 14 | Austria | .7 | 1.2 | 1.3 | 1.3 | 1.5 | 1.5 | 1.5 | 1.7 | 1.7 | r1.8 | 2.0 |
| 15 | Denmark | .6 | 1.0 | 1.5 | 1.6 | 1.6 | 1.7 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 |
| 16 | Finland | .9 | 1.1 | 1.2 | 1.2 | 1.2 | 1.1 | 1.0 | 1.2 | 1.1 | 1.1 | 1.2 |
| 17 | Greece | 1.4 | 1.7 | 2.0 | 2.2 | 2.7 | 2.3 | 2.2 | 2.3 | 2.3 | 2.2 | 2.3 |
| 18 | Norway | 1.4 | 1.5 | 1.8 | 1.9 | 1.9 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.3 |
| 19 | Portugal | .3 | .4 | .6 | .6 | .7 | .6 | .5 | .6 | .6 | .5 | .7 |
| 20 | Spain | 1.9 | 2.8 | 3.5 | 3.6 | 3.6 | 3.6 | 3.5 | 3.4 | 3.0 | 3.0 | 3.3 |
| 21 | Turkey | .6 | 1.3 | 1.4 | 1.5 | 1.5 | 1.4 | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 |
| 22 | Other Western Europe | .6 | .7 | 1.2 | .9 | 1.4 | 1.2 | 1.0 | r1.2 | 1.1 | 1.2 | 1.5 |
| 23 | South Africa | 1.2 | 2.2 | 2.3 | 2.4 | 2.5 | 2.4 | 2.2 | 2.0 | 1.7 | 1.8 | 1.7 |
| 24 | Australia | 1.3 | 1.2 | 1.5 | 1.4 | 1.9 | 1.4 | 1.3 | 1.4 | 1.3 | 1.3 | 1.3 |
| 25 | Oil-exporting countries[2] | 6.9 | 12.6 | 16.5 | 17.6 | 19.2 | 19.1 | 20.4 | r22.7 | r22.6 | r22.7 | 23.3 |
| 26 | Ecuador | .4 | .7 | 1.1 | 1.1 | 1.3 | 1.4 | 1.6 | 1.6 | 1.5 | 1.6 | 1.6 |
| 27 | Venezuela | 2.3 | 4.1 | 5.1 | 5.5 | 5.5 | 5.6 | 6.2 | 7.2 | 7.2 | 7.5 | 7.9 |
| 28 | Indonesia | 1.6 | 2.2 | 2.2 | 2.2 | 2.1 | 1.9 | 1.9 | 2.0 | 1.9 | 1.9 | 1.9 |
| 29 | Middle East countries | 1.6 | 4.2 | 6.3 | 6.9 | 8.3 | 8.3 | 8.7 | r9.4 | r9.4 | r9.1 | 9.1 |
| 30 | African countries | 1.0 | 1.4 | 1.9 | 1.9 | 2.0 | 1.9 | 2.0 | 2.5 | 2.6 | 2.6 | 2.8 |
| 31 | Non-oil developing countries | 34.2 | 43.1 | 47.6 | 50.0 | 49.9 | 48.9 | 49.5 | 52.4 | r53.8 | 56.1 | 59.8 |
| | *Latin America* | | | | | | | | | | | |
| 32 | Argentina | 1.7 | 1.9 | 2.4 | 2.9 | 3.0 | 3.0 | 2.9 | 3.0 | 2.9 | 3.5 | 4.1 |
| 33 | Brazil | 8.0 | 11.1 | 11.8 | 12.7 | 13.0 | 13.3 | 14.0 | 14.9 | r15.2 | 15.0 | 15.1 |
| 34 | Chile | .5 | .8 | .8 | .9 | 1.1 | 1.3 | 1.3 | 1.6 | 1.7 | 1.8 | 2.2 |
| 35 | Colombia | 1.2 | 1.3 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.5 | 1.5 | 1.7 |
| 36 | Mexico | 9.0 | 11.7 | 12.6 | 11.9 | 11.2 | 11.0 | 10.7 | 10.8 | 10.9 | 11.0 | 11.6 |
| 37 | Peru | 1.4 | 1.8 | 1.9 | 1.9 | 1.7 | 1.8 | 1.8 | 1.7 | 1.6 | 1.4 | 1.4 |
| 38 | Other Latin America | 2.6 | 2.7 | 2.5 | 2.7 | 3.5 | 3.3 | 3.4 | 3.6 | 3.5 | 3.3 | 3.7 |
| | *Asia* | | | | | | | | | | | |
| | China | | | | | | | | | | | |
| 39 | Mainland | * | * | * | * | * | * | * | * | .1 | .1 | .1 |
| 40 | Taiwan | 1.7 | 2.3 | 2.9 | 3.1 | 2.5 | 2.4 | 2.4 | 2.9 | 3.1 | 3.3 | 3.5 |
| 41 | India | .2 | .2 | .3 | .3 | .3 | .2 | .3 | .2 | .2 | .2 | .2 |
| 42 | Israel | .9 | 1.0 | .7 | .9 | .8 | .7 | .7 | 1.0 | 1.0 | .9 | 1.0 |
| 43 | Korea (South) | 2.4 | 3.1 | 3.6 | 3.9 | 3.7 | 3.6 | 3.5 | 3.9 | 4.2 | 5.0 | 5.3 |
| 44 | Malaysia[3] | .3 | .5 | .7 | .7 | .6 | .6 | .6 | .6 | .6 | .7 | .7 |
| 45 | Philippines | 1.7 | 2.2 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 | 2.8 | 3.2 | 3.7 | 3.7 |
| 46 | Thailand | .7 | .7 | .9 | 1.7 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.4 | 1.6 |
| 47 | Other Asia | .4 | .4 | .4 | .3 | .4 | .3 | .3 | .2 | .3 | .4 | .3 |
| | *Africa* | | | | | | | | | | | |
| 48 | Egypt | .4 | .4 | .4 | .3 | .3 | .3 | .4 | .4 | .4 | .7 | 1.2 |
| 49 | Morocco | .1 | .2 | .4 | .5 | .4 | .5 | .5 | .6 | .6 | .5 | .5 |
| 50 | Zaire | .3 | .2 | .3 | .3 | .3 | .2 | .2 | .2 | .2 | .2 | .2 |
| 51 | Other Africa[4] | .5 | .6 | 1.2 | 1.2 | 1.4 | 1.2 | 1.3 | 1.4 | 1.4 | 1.5 | 1.7 |
| 52 | Eastern Europe | 3.7 | 5.2 | 5.5 | 6.5 | 6.3 | 6.4 | 6.6 | 6.9 | 6.7 | 6.7 | 7.3 |
| 53 | U.S.S.R. | 1.0 | 1.5 | 1.5 | 1.6 | 1.4 | 1.4 | 1.4 | 1.3 | 1.1 | .9 | .9 |
| 54 | Yugoslavia | .6 | .8 | 1.0 | 1.1 | 1.2 | 1.3 | 1.3 | 1.5 | 1.6 | 1.7 | 1.8 |
| 55 | Other | 2.1 | 2.8 | 3.0 | 3.8 | 3.7 | 3.7 | 3.9 | 4.1 | 4.0 | 4.1 | 4.6 |
| 56 | Offshore banking centers | 19.4 | 26.2 | 25.3 | 26.1 | 29.0 | 31.1 | 29.2 | 30.0 | r33.8 | r35.6 | 37.9 |
| 57 | Bahamas | 7.3 | 11.8 | 9.9 | 9.8 | 11.3 | 11.8 | 11.1 | 9.9 | r12.9 | r13.3 | 13.0 |
| 58 | Bermuda | .5 | .5 | .5 | .6 | .6 | .7 | .7 | .7 | .6 | .7 | .7 |
| 59 | Cayman Islands and other British West Indies | 2.5 | 3.8 | 4.3 | 3.8 | 4.5 | 6.3 | 6.2 | 6.9 | r6.7 | r7.2 | 9.1 |
| 60 | Netherlands Antilles | .6 | .6 | .6 | .7 | .7 | .6 | .6 | .8 | r.8 | r1.0 | 1.1 |
| 61 | Panama | 2.6 | 2.7 | 2.8 | 3.1 | 3.2 | 3.2 | 3.1 | 2.9 | 3.3 | r3.5 | 3.0 |
| 62 | Lebanon | .2 | .1 | .1 | .2 | .2 | .1 | .1 | .1 | .1 | .1 | .2 |
| 63 | Hong Kong | 1.6 | 2.3 | 3.1 | 3.7 | 4.0 | 4.1 | 4.0 | 4.3 | 4.7 | r5.2 | 5.5 |
| 64 | Singapore | 3.8 | 4.4 | 3.9 | 3.7 | 4.0 | 3.8 | 2.9 | 3.9 | r4.2 | 4.2 | 4.9 |
| 65 | Others[5] | .1 | * | .1 | .5 | .5 | .5 | .5 | .5 | .5 | .4 | .4 |
| 66 | Miscellaneous and unallocated[6] | 4.1 | 5.4 | 5.0 | 5.3 | 5.7 | 8.1 | 8.6 | 9.1 | 9.5 | 9.9 | 10.6 |

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.17 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2. Includes Algeria, Bahrain, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, and United Arab Emirates in addition to countries shown individually.

3. Foreign branch claims only through December 1976.

4. Excludes Liberia.

5. Foreign branch claims only.

6. Includes New Zealand, Liberia, and international and regional organizations.

7. For June 1978 and subsequent dates, the claims of the U.S. offices in this table include only banks' own claims payable in dollars. For earlier dates the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to $10 billion).

## 3.21 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

| Country or area | 1977 | 1978 | 1979 Jan.–Oct.p | 1979 Apr. | May | June | July | Aug. | Sept.p | Oct.p |
|---|---|---|---|---|---|---|---|---|---|---|
| | Holdings (end of period)[4] | | | | | | | | | |
| 1 Estimated total[1] | **38,640** | **44,938** | ........ | **48,131** | **47,218** | **47,494** | **48,991** | **49,575** | **50,257** | **50,888** |
| 2 Foreign countries[1] | 33,894 | 39,817 | ........ | 43,177 | 43,055 | 43,454 | 44,544 | 44,979 | 45,060 | 45,206 |
| 3 Europe[1] | 13,936 | 17,072 | ........ | 20,593 | 20,667 | 21,047 | 22,213 | 22,558 | 22,599 | 22,692 |
| 4 Belgium-Luxembourg | 19 | 19 | ........ | 19 | 20 | 24 | 24 | 24 | 65 | 65 |
| 5 Germany[1] | 3,168 | 8,705 | ........ | 10,812 | 10,828 | 10,751 | 10,781 | 10,952 | 10,953 | 11,082 |
| 6 Netherlands | 911 | 1,358 | ........ | 1,637 | 1,672 | 1,695 | 1,655 | 1,577 | 1,667 | 1,660 |
| 7 Sweden | 100 | 285 | ........ | 415 | 479 | 484 | 481 | 525 | 588 | 600 |
| 8 Switzerland | 497 | 977 | ........ | 1,510 | 1,458 | 1,582 | 1,843 | 2,048 | 2,496 | 2,427 |
| 9 United Kingdom | 8,888 | 5,373 | ........ | 5,735 | 5,697 | 6,016 | 6,938 | 6,895 | 6,193 | 6,191 |
| 10 Other Western Europe | 349 | 354 | ........ | 464 | 513 | 496 | 491 | 538 | 637 | 666 |
| 11 Eastern Europe | 4 | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 12 Canada | 288 | 152 | ........ | 226 | 216 | 227 | 232 | 233 | 233 | 235 |
| 13 Latin America and Caribbean | 551 | 416 | ........ | 397 | 387 | 387 | 537 | 539 | 539 | 541 |
| 14 Venezuela | 199 | 144 | ........ | 183 | 183 | 183 | 183 | 183 | 183 | 183 |
| 15 Other Latin American and Caribbean | 183 | 110 | ........ | 52 | 42 | 42 | 192 | 192 | 192 | 194 |
| 16 Netherlands Antilles | 170 | 162 | ........ | 162 | 162 | 162 | 162 | 165 | 165 | 164 |
| 17 Asia | 18,745 | 21,488 | ........ | 21,273 | 21,097 | 21,103 | 20,874 | 20,960 | 21,000 | 21,050 |
| 18 Japan | 6,860 | 11,528 | ........ | 12,982 | 13,014 | 13,040 | 13,090 | 12,818 | 12,789 | 12,591 |
| 19 Africa | 362 | 691 | ........ | 691 | 691 | 691 | 691 | 691 | 691 | 691 |
| 20 All other | 11 | −3 | ........ | −3 | −3 | −3 | −3 | −3 | −3 | −3 |
| 21 Nonmonetary international and regional organizations | 4,746 | 5,121 | ........ | 4,954 | 4,163 | 4,040 | 4,447 | 4,596 | 5,197 | 5,682 |
| 22 International | 4,646 | 5,089 | ........ | 4,915 | 4,114 | 3,993 | 4,400 | 4,551 | 5,150 | 5,636 |
| 23 Latin American regional | 100 | 33 | ........ | 38 | 48 | 48 | 48 | 46 | 46 | 46 |
| | Transactions (net purchases, or sales (−), during period) | | | | | | | | | |
| 24 Total[1] | **22,843** | **6,297** | **5,951** | **602** | **−913** | **277** | **1,497** | **584** | **681** | **632** |
| 25 Foreign countries[1] | 21,130 | 5,921 | 5,389 | 246 | −122 | 399 | 1,090 | 435 | 81 | 146 |
| 26 Official institutions | 20,377 | 3,747 | 2,265 | 242 | −149 | 298 | 1,033 | 515 | 101 | 50 |
| 27 Other foreign[1] | 753 | 2,175 | 3,122 | 4 | 27 | 101 | 57 | −81 | −20 | 94 |
| 28 Nonmonetary international and regional organizations | 1,713 | 375 | 564 | 356 | −791 | −121 | 407 | 149 | 600 | 487 |
| MEMO: Oil-exporting countries | | | | | | | | | | |
| 29 Middle East[2] | 4,451 | −1,785 | −1,247 | −452 | −190 | 8 | −193 | 394 | 72 | 299 |
| 30 Africa[3] | −181 | 329 | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |

1. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

## 3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

| Assets | 1976 | 1977 | 1978 | 1979 May | June | July | Aug. | Sept. | Oct. | Nov.p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 Deposits | 352 | 424 | 367 | 407 | 326 | 372 | 325 | 347 | 351 | 490 |
| *Assets held in custody* | | | | | | | | | | |
| 2 U.S. Treasury securities[1] | 66,532 | 91,962 | 117,126 | 91,327 | 95,301 | 99,004 | 98,794 | 100,383 | 97,965 | 100,877 |
| 3 Earmarked gold[2] | 16,414 | 15,988 | 15,463 | 15,381 | 15,356 | 15,322 | 15,296 | 15,294 | 15,253 | 15,230 |

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.
2. The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

NOTE. Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

## 3.23 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

| Transactions, and area or country | 1977 | 1978 | 1979 Jan.–Oct.p | 1979 Apr. | May | June | July | Aug. | Sept.p | Oct.p |
|---|---|---|---|---|---|---|---|---|---|---|
| | U.S. corporate securities | | | | | | | | | |
| STOCKS | | | | | | | | | | |
| 1 Foreign purchases | 14,155 | 20,142 | 18,351 | 1,615 | 1,579 | 1,860 | 1,766 | 2,382 | 2,074 | 2,382 |
| 2 Foreign sales | 11,479 | 17,723 | 17,103 | 1,520 | 1,389 | 1,794 | 1,774 | 2,224 | 2,023 | 2,372 |
| **3 Net purchases, or sales (−)** | **2,676** | **2,420** | **1,249** | **95** | **191** | **66** | **−8** | **158** | **51** | **10** |
| **4 Foreign countries** | **2,661** | **2,466** | **1,235** | **94** | **191** | **67** | **−8** | **156** | **58** | **10** |
| 5 Europe | 1,006 | 1,283 | 64 | −2 | 136 | 11 | −42 | −48 | −107 | −34 |
| 6 France | 40 | 47 | 133 | 31 | 48 | 41 | 18 | 19 | −20 | −48 |
| 7 Germany | 291 | 620 | −193 | −59 | −1 | −16 | −19 | −30 | −37 | −32 |
| 8 Netherlands | 22 | −22 | −58 | −10 | −7 | −15 | 8 | −3 | * | 38 |
| 9 Switzerland | 152 | −585 | −302 | −16 | 18 | −3 | −52 | −87 | −64 | −68 |
| 10 United Kingdom | 613 | 1,230 | 530 | 52 | 74 | 5 | −12 | 97 | 19 | 83 |
| 11 Canada | 65 | 74 | 486 | 30 | 47 | 33 | 30 | 78 | 145 | 64 |
| 12 Latin America and Caribbean | 127 | 151 | −52 | 22 | −18 | −28 | −17 | 45 | −8 | −93 |
| 13 Middle East[1] | 1,390 | 781 | 491 | 48 | 20 | 15 | −7 | 44 | 41 | 59 |
| 14 Other Asia | 59 | 187 | 257 | −3 | 9 | 39 | 32 | 34 | −12 | 18 |
| 15 Africa | 5 | −13 | −13 | −3 | −2 | −3 | −4 | −4 | −2 | −1 |
| 16 Other countries | 8 | 3 | 3 | 2 | −1 | −1 | 1 | 7 | 1 | −3 |
| **17 Nonmonetary international and regional organizations** | **15** | **−46** | **13** | **1** | ***** | **−1** | ***** | **2** | **−7** | ***** |
| BONDS[2] | | | | | | | | | | |
| 18 Foreign purchases | 7,739 | 7,975 | 7,079 | 589 | 863 | 1,081 | 869 | 729 | 398 | 863 |
| 19 Foreign sales | 3,560 | 5,517 | 6,122 | 378 | 922 | 793 | 648 | 673 | 288 | 680 |
| **20 Net purchases, or sales (−)** | **4,179** | **2,458** | **957** | **210** | **−59** | **288** | **221** | **56** | **110** | **183** |
| **21 Foreign countries** | **4,083** | **2,049** | **981** | **106** | **87** | **254** | **222** | **71** | **23** | **44** |
| 22 Europe | 1,850 | 908 | 842 | 139 | 121 | 163 | 159 | −5 | 19 | 84 |
| 23 France | −34 | 30 | −1 | −2 | −1 | 8 | −34 | −3 | −1 | 1 |
| 24 Germany | −20 | 68 | 79 | 19 | 6 | 24 | −11 | −10 | −1 | −7 |
| 25 Netherlands | 72 | 12 | −167 | −20 | −37 | −32 | −9 | −19 | −2 | −7 |
| 26 Switzerland | 94 | −100 | −15 | 8 | −41 | −1 | −4 | −8 | 4 | * |
| 27 United Kingdom | 1,690 | 930 | 898 | 134 | 151 | 169 | 232 | 24 | 23 | 98 |
| 28 Canada | 141 | 102 | 106 | 6 | 4 | * | 8 | 9 | 17 | 8 |
| 29 Latin America and Caribbean | 64 | 98 | 85 | 9 | 7 | −10 | 11 | 10 | −4 | 6 |
| 30 Middle East[1] | 1,695 | 810 | −153 | −61 | −73 | 52 | 40 | 50 | −7 | −39 |
| 31 Other Asia | 338 | 131 | 99 | 14 | 28 | 48 | 5 | 7 | −4 | −16 |
| 32 Africa | −6 | −1 | 2 | * | * | * | * | * | 1 | * |
| 33 Other countries | * | 1 | 1 | −1 | * | * | * | * | * | 1 |
| **34 Nonmonetary international and regional organizations** | **96** | **409** | **−24** | **104** | **−146** | **34** | **−1** | **−14** | **87** | **140** |
| | Foreign securities | | | | | | | | | |
| 35 Stocks, net purchases, or sales (−) | −410 | 527 | −656 | 13 | 67 | −18 | −67 | −100 | −338 | −198 |
| 36 Foreign purchases | 2,255 | 3,666 | 3,744 | 369 | 554 | 403 | 329 | 377 | 420 | 466 |
| 37 Foreign sales | 2,665 | 3,139 | 4,400 | 356 | 487 | 421 | 396 | 476 | 758 | 663 |
| 38 Bonds, net purchases, or sales (−) | −5,096 | −4,018 | −3,325 | −11 | 10 | −689 | −345 | −543 | −725 | −75 |
| 39 Foreign purchases | 8,040 | 11,043 | 10,164 | 893 | 860 | 1,011 | 984 | 1,575 | 829 | 1,081 |
| 40 Foreign sales | 13,136 | 15,061 | 13,490 | 904 | 851 | 1,700 | 1,330 | 2,118 | 1,554 | 1,156 |
| **41 Net purchases, or sales (−) of stocks and bonds** | **−5,506** | **−3,491** | **−3,981** | **2** | **77** | **−707** | **−412** | **−643** | **−1,063** | **−273** |
| **42 Foreign countries** | **−3,949** | **−3,314** | **−3,205** | **−11** | **76** | **−425** | **−436** | **−559** | **−914** | **−277** |
| 43 Europe | −1,100 | −40 | −1,236 | −165 | −25 | −144 | −305 | −290 | −120 | −38 |
| 44 Canada | −2,404 | −3,238 | −2,399 | 10 | 85 | −221 | −178 | −128 | −891 | −358 |
| 45 Latin America and Caribbean | −82 | 201 | 390 | 55 | 26 | 53 | 30 | 30 | * | 11 |
| 46 Asia | −97 | 350 | 34 | 84 | −14 | −114 | 16 | −172 | 92 | 112 |
| 47 Africa | 2 | −441 | −15 | 2 | 4 | 4 | * | −1 | * | −6 |
| 48 Other countries | −267 | −146 | 20 | 2 | 1 | −4 | 2 | 2 | 5 | 2 |
| **49 Nonmonetary international and regional organizations** | **−1,557** | **−177** | **−776** | **13** | **1** | **−282** | **24** | **−83** | **−150** | **4** |

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

## 3.24 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States [1]

Millions of dollars, end of period

| | Type, and area or country | 1976 | 1977 | 1978ʳ | 1978 | | 1979 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | June | Sept. | Mar. | June | Sept. | Dec. |
| 1 | **Total** | **10,099** | **11,085** | **14,192** | **11,870** | **12,786** | **13,683** | **14,641** | ... | ... |
| 2 | Payable in dollars | 9,390 | 10,284 | 11,136 | 11,044 | 11,955 | 10,984 | 12,126 | ... | ... |
| 3 | Payable in foreign currencies[2] | 709 | 801 | 3,056 | 825 | 831 | 2,699 | 2,515 | ... | ... |
| | *By type* | | | | | | | | | |
| 4 | Financial liabilities | ... | ... | 5,734 | ... | ... | 5,505 | 5,319 | ... | ... |
| 5 | Payable in dollars | ... | ... | 3,469 | ... | ... | 3,433 | 3,453 | ... | ... |
| 6 | Payable in foreign currencies | ... | ... | 2,265 | ... | ... | 2,072 | 1,866 | ... | ... |
| 7 | Commercial liabilities | ... | ... | 8,458 | ... | ... | 8,178 | 9,322 | ... | ... |
| 8 | Trade payables | ... | ... | 3,929 | ... | ... | 3,445 | 4,213 | ... | ... |
| 9 | Advance receipts and other liabilities | ... | ... | 4,529 | ... | ... | 4,733 | 5,109 | ... | ... |
| 10 | Payable in dollars | ... | ... | 7,667 | ... | ... | 7,551 | 8,673 | ... | ... |
| 11 | Payable in foreign currencies | ... | ... | 791 | ... | ... | 627 | 648 | ... | ... |
| | *By area or country* | | | | | | | | | |
| | Financial liabilities | | | | | | | | | |
| 12 | Europe | ... | ... | 3,772 | ... | ... | 3,528 | 3,336 | ... | ... |
| 13 | Belgium-Luxembourg | ... | ... | 287 | ... | ... | 264 | 313 | ... | ... |
| 14 | France | ... | ... | 162 | ... | ... | 138 | 142 | ... | ... |
| 15 | Germany | ... | ... | 371 | ... | ... | 329 | 295 | ... | ... |
| 16 | Netherlands | ... | ... | 364 | ... | ... | 396 | 375 | ... | ... |
| 17 | Switzerland | ... | ... | 204 | ... | ... | 190 | 181 | ... | ... |
| 18 | United Kingdom | ... | ... | 2,064 | ... | ... | 2,009 | 1,838 | ... | ... |
| 19 | Canada | ... | ... | 203 | ... | ... | 224 | 195 | ... | ... |
| 20 | Latin América and Caribbean | ... | ... | 996 | ... | ... | 997 | 1,052 | ... | ... |
| 21 | Bahamas | ... | ... | 422 | ... | ... | 407 | 438 | ... | ... |
| 22 | Bermuda | ... | ... | 56 | ... | ... | 41 | 38 | ... | ... |
| 23 | Brazil | ... | ... | 10 | ... | ... | 13 | 19 | ... | ... |
| 24 | British West Indies | ... | ... | 122 | ... | ... | 132 | 118 | ... | ... |
| 25 | Mexico | ... | ... | 102 | ... | ... | 101 | 132 | ... | ... |
| 26 | Venezuela | ... | ... | 46 | ... | ... | 52 | 65 | ... | ... |
| 27 | Asia | ... | ... | 754 | ... | ... | 745 | 725 | ... | ... |
| 28 | Japan | ... | ... | 671 | ... | ... | 667 | 656 | ... | ... |
| 29 | Middle East oil-exporting countries[3] | ... | ... | 48 | ... | ... | 36 | 36 | ... | ... |
| 30 | Africa | ... | ... | 5 | ... | ... | 5 | 6 | ... | ... |
| 31 | Oil-exporting countries[4] | ... | ... | 2 | ... | ... | 1 | 2 | ... | ... |
| 32 | All other[5] | ... | ... | 5 | ... | ... | 5 | 5 | ... | ... |
| | Commercial liabilities | | | | | | | | | |
| 33 | Europe | ... | ... | 2,930 | ... | ... | 2,804 | 3,207 | ... | ... |
| 34 | Belgium-Luxembourg | ... | ... | 75 | ... | ... | 70 | 80 | ... | ... |
| 35 | France | ... | ... | 317 | ... | ... | 339 | 339 | ... | ... |
| 36 | Germany | ... | ... | 529 | ... | ... | 394 | 473 | ... | ... |
| 37 | Netherlands | ... | ... | 208 | ... | ... | 194 | 202 | ... | ... |
| 38 | Switzerland | ... | ... | 314 | ... | ... | 329 | 439 | ... | ... |
| 39 | United Kingdom | ... | ... | 760 | ... | ... | 804 | 946 | ... | ... |
| 40 | Canada | ... | ... | 663 | ... | ... | 612 | 659 | ... | ... |
| 41 | Latin America | ... | ... | 990 | ... | ... | 1,138 | 1,313 | ... | ... |
| 42 | Bahamas | ... | ... | 25 | ... | ... | 16 | 65 | ... | ... |
| 43 | Bermuda | ... | ... | 95 | ... | ... | 40 | 80 | ... | ... |
| 44 | Brazil | ... | ... | 74 | ... | ... | 61 | 165 | ... | ... |
| 45 | British West Indies | ... | ... | 53 | ... | ... | 89 | 121 | ... | ... |
| 46 | Mexico | ... | ... | 105 | ... | ... | 236 | 203 | ... | ... |
| 47 | Venezuela | ... | ... | 303 | ... | ... | 356 | 323 | ... | ... |
| 48 | Asia | ... | ... | 2,946 | ... | ... | 2,632 | 3,003 | ... | ... |
| 49 | Japan | ... | ... | 431 | ... | ... | 412 | 500 | ... | ... |
| 50 | Middle East oil-exporting countries[3] | ... | ... | 1,543 | ... | ... | 1,117 | 1,222 | ... | ... |
| 51 | Africa | ... | ... | 724 | ... | ... | 754 | 894 | ... | ... |
| 52 | Oil-exporting countries[4] | ... | ... | 313 | ... | ... | 345 | 412 | ... | ... |
| 53 | All other[5] | ... | ... | 205 | ... | ... | 239 | 246 | ... | ... |

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.
5. Includes nonmonetary international and regional organizations.

## 3.25 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States [1]

Millions of dollars, end of period

| Type, and area or country | 1976 | 1977 | 1978r | 1978 June | 1978 Sept. | 1979 Mar. | 1979 June | 1979 Sept. | 1979 Dec. |
|---|---|---|---|---|---|---|---|---|---|
| 1 **Total** | **19,350** | **21,298** | 27,193 | **23,229** | **23,260** | **29,714** | **29,048** | ... | ... |
| 2 Payable in dollars | 18,300 | 19,880 | 24,223 | 21,665 | 21,292 | 26,939 | 26,181 | ... | ... |
| 3 Payable in foreign currencies[2] | 1,050 | 1,418 | 2,971 | 1,564 | 1,968 | 2,775 | 2,867 | ... | ... |
| *By type* | | | | | | | | | |
| 4 Financial claims | ... | ... | 15,884 | ... | ... | 18,995 | 18,009 | ... | ... |
| 5 Deposits | ... | ... | 10,770 | ... | ... | 13,899 | 12,835 | ... | ... |
| 6 Payable in dollars | ... | ... | 9,707 | ... | ... | 12,991 | 11,873 | ... | ... |
| 7 Payable in foreign currencies | ... | ... | 1,063 | ... | ... | 908 | 961 | ... | ... |
| 8 Other financial claims | ... | ... | 5,115 | ... | ... | 5,096 | 5,174 | ... | ... |
| 9 Payable in dollars | ... | ... | 3,541 | ... | ... | 3,567 | 3,635 | ... | ... |
| 10 Payable in foreign currencies | ... | ... | 1,574 | ... | ... | 1,529 | 1,540 | ... | ... |
| 11 Commercial claims | ... | ... | 11,309 | ... | ... | 10,719 | 11,039 | ... | ... |
| 12 Trade receivables | ... | ... | 10,662 | ... | ... | 9,963 | 10,325 | ... | ... |
| 13 Advance payments and other claims | ... | ... | 647 | ... | ... | 756 | 714 | ... | ... |
| 14 Payable in dollars | ... | ... | 10,976 | ... | ... | 10,381 | 10,673 | ... | ... |
| 15 Payable in foreign currencies | ... | ... | 333 | ... | ... | 338 | 366 | ... | ... |
| *By area or country* | | | | | | | | | |
| Financial claims | | | | | | | | | |
| 16 Europe | ... | ... | 5,010 | ... | ... | 5,191 | 5,486 | ... | ... |
| 17 Belgium-Luxembourg | ... | ... | 48 | ... | ... | 63 | 54 | ... | ... |
| 18 France | ... | ... | 174 | ... | ... | 170 | 182 | ... | ... |
| 19 Germany | ... | ... | 530 | ... | ... | 266 | 361 | ... | ... |
| 20 Netherlands | ... | ... | 103 | ... | ... | 86 | 80 | ... | ... |
| 21 Switzerland | ... | ... | 98 | ... | ... | 96 | 81 | ... | ... |
| 22 United Kingdom | ... | ... | 3,814 | ... | ... | 4,283 | 4,491 | ... | ... |
| 23 Canada | ... | ... | 4,463 | ... | ... | 5,137 | 4,964 | ... | ... |
| 24 Latin America and Caribbean | ... | ... | 5,271 | ... | ... | 7,598 | 6,487 | ... | ... |
| 25 Bahamas | ... | ... | 2,857 | ... | ... | 4,098 | 3,165 | ... | ... |
| 26 Bermuda | ... | ... | 80 | ... | ... | 62 | 57 | ... | ... |
| 27 Brazil | ... | ... | 151 | ... | ... | 137 | 122 | ... | ... |
| 28 British West Indies | ... | ... | 1,275 | ... | ... | 2,438 | 2,264 | ... | ... |
| 29 Mexico | ... | ... | 168 | ... | ... | 166 | 164 | ... | ... |
| 30 Venezuela | ... | ... | 148 | ... | ... | 141 | 148 | ... | ... |
| 31 Asia | ... | ... | 918 | ... | ... | 826 | 797 | ... | ... |
| 32 Japan | ... | ... | 306 | ... | ... | 206 | 216 | ... | ... |
| 33 Middle East oil-exporting countries[3] | ... | ... | 18 | ... | ... | 17 | 17 | ... | ... |
| 34 Africa | ... | ... | 182 | ... | ... | 204 | 227 | ... | ... |
| 35 Oil-exporting countries[4] | ... | ... | 10 | ... | ... | 26 | 23 | ... | ... |
| 36 All other[5] | ... | ... | 41 | ... | ... | 39 | 48 | ... | ... |
| Commercial claims | | | | | | | | | |
| 37 Europe | ... | ... | 3,939 | ... | ... | 3,818 | 3,820 | ... | ... |
| 38 Belgium-Luxembourg | ... | ... | 143 | ... | ... | 172 | 169 | ... | ... |
| 39 France | ... | ... | 609 | ... | ... | 490 | 472 | ... | ... |
| 40 Germany | ... | ... | 395 | ... | ... | 501 | 420 | ... | ... |
| 41 Netherlands | ... | ... | 257 | ... | ... | 271 | 303 | ... | ... |
| 42 Switzerland | ... | ... | 208 | ... | ... | 248 | 243 | ... | ... |
| 43 United Kingdom | ... | ... | 803 | ... | ... | 681 | 712 | ... | ... |
| 44 Canada | ... | ... | 1,105 | ... | ... | 1,113 | 1,144 | ... | ... |
| 45 Latin America and Caribbean | ... | ... | 2,535 | ... | ... | 2,382 | 2,403 | ... | ... |
| 46 Bahamas | ... | ... | 109 | ... | ... | 117 | 98 | ... | ... |
| 47 Bermuda | ... | ... | 215 | ... | ... | 241 | 118 | ... | ... |
| 48 Brazil | ... | ... | 625 | ... | ... | 490 | 500 | ... | ... |
| 49 British West Indies | ... | ... | 9 | ... | ... | 10 | 25 | ... | ... |
| 50 Mexico | ... | ... | 506 | ... | ... | 488 | 582 | ... | ... |
| 51 Venezuela | ... | ... | 292 | ... | ... | 273 | 295 | ... | ... |
| 52 Asia | ... | ... | 3,090 | ... | ... | 2,757 | 2,985 | ... | ... |
| 53 Japan | ... | ... | 977 | ... | ... | 895 | 1,008 | ... | ... |
| 54 Middle East oil-exporting countries[3] | ... | ... | 712 | ... | ... | 670 | 691 | ... | ... |
| 55 Africa | ... | ... | 451 | ... | ... | 446 | 490 | ... | ... |
| 56 Oil-exporting countries[4] | ... | ... | 137 | ... | ... | 132 | 140 | ... | ... |
| 57 All other[5] | ... | ... | 188 | ... | ... | 203 | 198 | ... | ... |

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.
5. Includes nonmonetary international and regional organizations.

## 3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

| Country | Rate on Nov. 30, 1979 | | Country | Rate on Nov. 30, 1979 | | Country | Rate on Nov. 30, 1979 | |
|---|---|---|---|---|---|---|---|---|
| | Per-cent | Month effective | | Per-cent | Month effective | | Per-cent | Month effective |
| Argentina | 18.0 | Feb. 1972 | France | 9.5 | Aug. 1977 | Norway | 9.0 | Nov. 1979 |
| Austria | 3.75 | Jan. 1979 | Germany, Fed. Rep. of | 6.0 | Nov. 1979 | Sweden | 9.0 | Nov. 1979 |
| Belgium | 10.0 | Oct. 1979 | Italy | 12.0 | Oct. 1979 | Switzerland | 2.0 | Nov. 1978 |
| Brazil | 33.0 | Nov. 1978 | Japan | 6.25 | Nov. 1979 | United Kingdom | 17.0 | Nov. 1979 |
| Canada | 14.0 | Oct. 1979 | Mexico | 4.5 | June 1942 | Venezuela | 7.5 | July 1978 |
| Denmark | 11.0 | Sept. 1979 | Netherlands | 9.5 | Nov. 1979 | | | |

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government 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.

## 3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

| Country, or type | 1976 | 1977 | 1978 | 1979 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | June | July | Aug. | Sept. | Oct. | Nov. |
| 1 Eurodollars | 5.58 | 6.03 | 8.74 | 10.52 | 10.87 | 11.53 | 12.61 | 14.59 | 15.00 |
| 2 United Kingdom | 11.35 | 8.07 | 9.18 | 13.02 | 13.87 | 14.06 | 14.11 | 14.12 | 16.09 |
| 3 Canada | 9.39 | 7.47 | 8.52 | 11.17 | 11.29 | 11.78 | 11.89 | 13.34 | 14.19 |
| 4 Germany | 4.19 | 4.30 | 3.67 | 6.40 | 6.77 | 7.04 | 7.82 | 8.84 | 9.57 |
| 5 Switzerland | 1.45 | 2.56 | 0.74 | 1.51 | 1.19 | 1.67 | 1.94 | 2.57 | 3.97 |
| 6 Netherlands | 7.02 | 4.73 | 6.53 | 8.55 | 9.53 | 9.51 | 9.82 | 10.09 | 11.86 |
| 7 France | 8.65 | 9.20 | 8.10 | 8.63 | 9.90 | 10.85 | 11.67 | 12.14 | 12.72 |
| 8 Italy | 16.32 | 14.26 | 11.40 | 11.27 | 11.46 | 11.50 | 11.51 | 12.71 | 13.12 |
| 9 Belgium | 10.25 | 6.95 | 7.14 | 9.09 | 11.18 | 11.42 | 11.88 | 12.99 | 14.17 |
| 10 Japan | 7.70 | 6.22 | 4.75 | 5.46 | 6.26 | 7.00 | 7.00 | 7.01 | 8.13 |

NOTE. Rates are for 3-month interbank loans except for the following: Canada, finance company paper; Belgium, *time deposits of 20 million* francs and over; and Japan, loans and discounts that can be called after *being held over a minimum of two month-ends.*

## 3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

| Country/currency | 1976 | 1977 | 1978 | 1979 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | June | July | Aug. | Sept. | Oct. | Nov. |
| 1 Australia/dollar | 122.15 | 110.82 | 114.41 | 111.11 | 112.83 | 112.83 | 112.63 | 111.31 | 109.34 |
| 2 Austria/schilling | 5.5744 | 6.0494 | 6.8958 | 7.2081 | 7.4628 | 7.4786 | 7.7211 | 7.7570 | 7.8345 |
| 3 Belgium/franc | 2.5921 | 2.7911 | 3.1809 | 3.3048 | 3.4240 | 3.4140 | 3.4684 | 3.4656 | 3.4822 |
| 4 Canada/dollar | 101.41 | 94.112 | 87.729 | 85.296 | 85.920 | 85.425 | 85.814 | 85.084 | 84.771 |
| 5 Denmark/krone | 16.546 | 16.658 | 18.156 | 18.401 | 19.072 | 18.964 | 19.279 | 19.110 | 19.034 |
| 6 Finland/markka | 25.938 | 24.913 | 24.337 | 25.250 | 26.040 | 26.075 | 26.242 | 26.483 | 26.428 |
| 7 France/franc | 20.942 | 20.344 | 22.218 | 22.914 | 23.535 | 23.491 | 23.826 | 23.809 | 24.065 |
| 8 Germany/deutsche mark | 39.737 | 43.079 | 49.867 | 53.084 | 54.817 | 54.666 | 55.758 | 55.884 | 56.470 |
| 9 India/rupee | 11.148 | 11.406 | 12.207 | 12.317 | 12.651 | 12.484 | 12.289 | 12.159 | 12.209 |
| 10 Ireland/pound | 180.48 | 174.49 | 191.84 | 200.01 | 206.79 | 205.79 | 209.18 | 208.28 | 208.70 |
| 11 Italy/lira | .12044 | .11328 | .11782 | .11828 | .12192 | .12219 | .12326 | .12112 | .12112 |
| 12 Japan/yen | .33741 | .37342 | .47981 | .45750 | .46189 | .45890 | .44963 | .43405 | .40834 |
| 13 Malaysia/ringgit | 39.340 | 40.620 | 43.210 | 45.474 | 46.422 | 46.363 | 46.382 | 46.074 | 45.661 |
| 14 Mexico/peso | 6.9161 | 4.4239 | 4.3896 | 4.3767 | 4.3767 | 4.3804 | 4.3858 | 4.3825 | 4.3726 |
| 15 Netherlands/guilder | 37.846 | 40.752 | 46.284 | 48.374 | 49.821 | 49.805 | 50.635 | 50.379 | 50.686 |
| 16 New Zealand/dollar | 99.115 | 96.893 | 103.64 | 103.29 | 102.04 | 101.40 | 100.28 | 98.564 | 96.813 |
| 17 Norway/krone | 18.327 | 18.789 | 19.079 | 19.398 | 19.824 | 19.877 | 20.080 | 20.143 | 19.928 |
| 18 Portugal/escudo | 3.3159 | 2.6234 | 2.2782 | 2.0192 | 2.0551 | 2.0332 | 2.0297 | 1.9992 | 1.9852 |
| 19 South Africa/rand | 114.85 | 114.99 | 115.01 | 118.31 | 118.46 | 119.38 | 119.91 | 120.79 | 120.32 |
| 20 Spain/peseta | 1.4958 | 1.3287 | 1.3073 | 1.5131 | 1.5118 | 1.5132 | 1.5135 | 1.5117 | 1.5051 |
| 21 Sri Lanka/rupee | 11.908 | 11.964 | 6.3834 | 6.4059 | 6.3786 | 6.4174 | 6.4126 | 6.4000 | 6.4053 |
| 22 Sweden/krona | 22.957 | 22.383 | 22.139 | 23.028 | 23.687 | 23.693 | 23.860 | 23.747 | 23.677 |
| 23 Switzerland/franc | 40.013 | 41.714 | 56.283 | 58.884 | 60.650 | 60.349 | 62.087 | 61.350 | 60.870 |
| 24 United Kingdom/pound | 180.48 | 174.49 | 191.84 | 211.19 | 225.98 | 223.68 | 219.66 | 214.38 | 213.52 |
| MEMO: | | | | | | | | | |
| 25 United States/dollar[1] | 105.57 | 103.31 | 92.39 | 89.56 | 86.93 | 87.24 | 86.73 | 87.67 | 88.12 |

1. Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. March 1973 = 100. Weights are 1972–76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar: Revision" on page 700 of the August 1978 BULLETIN.

NOTE. Averages of certified noon buying rates in New York for cable transfers

# Guide to Tabular Presentation and Statistical Releases

## GUIDE TO TABULAR PRESENTATION

### Symbols and Abbreviations

| | |
|---|---|
| c | Corrected |
| e | Estimated |
| p | Preliminary |
| r | Revised (Notation appears on column heading when more than half of figures in that column are changed.) |
| * | Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions) |
| 0 | Calculated to be zero |
| n.a. | Not available |
| n.e.c. | Not elsewhere classified |
| IPCs | Individuals, partnerships, and corporations |
| REITs | Real estate investment trusts |
| RPs | Repurchase agreements |
| SMSAs | Standard metropolitan statistical areas |
| ...... | Cell not applicable |

### General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

## STATISTICAL RELEASES

### List Published Semiannually, with Latest Bulletin Reference

| | *Issue* | *Page* |
|---|---|---|
| Anticipated schedule of release dates for individual releases ............................ | December 1979 | A-76 |

# Federal Reserve Board of Governors

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# Federal Reserve Banks, Branches, and Offices

| FEDERAL RESERVE BANK, branch, *or facility* Zip | Chairman<br>Deputy Chairman | President<br>First Vice President | Vice President in charge of branch |
|---|---|---|---|
| BOSTON* ..............02106 | Robert M. Solow<br>Robert P. Henderson | Frank E. Morris<br>James A. McIntosh | |
| NEW YORK* ..........10045 | Robert H. Knight<br>Boris Yavitz | Vacancy<br>Thomas M. Timlen | |
| Buffalo ............... 14240 | Frederick D. Berkeley, III | | John T. Keane |
| PHILADELPHIA ....... 19105 | John W. Eckman<br>Werner C. Brown | David P. Eastburn<br>Richard L. Smoot | |
| CLEVELAND* .........44101 | Robert E. Kirby<br>Arnold R. Weber | Willis J. Winn<br>Walter H. MacDonald | |
| Cincinnati ............45201 | Lawrence H. Rogers, II | | Robert E. Showalter |
| Pittsburgh ............ 15230 | G. J. Tankersley | | Robert D. Duggan |
| RICHMOND* ..........23261 | Maceo A. Sloan<br>Steven Muller | Robert P. Black<br>George C. Rankin | |
| Baltimore.............21203 | I. E. Killian | | Jimmie R. Monhollon |
| Charlotte .............28230 | Robert E. Elberson | | Stuart P. Fishburne |
| *Culpeper Communications and Records Center 22701* | | | Albert D. Tinkelenberg |
| ATLANTA .............30303 | Vacancy<br>William A. Fickling, Jr. | Monroe Kimbrel<br>Robert P. Forrestal | |
| Birmingham ..........35202 | William H. Martin, III | | Hiram J. Honea |
| Jacksonville ..........32203 | Copeland D. Newbern | | Charles D. East |
| Miami ................33152 | Castle W. Jordan | | F. J. Craven, Jr. |
| Nashville .............37203 | Cecelia Adkins | | Jeffrey J. Wells |
| New Orleans .........70161 | Levere C. Montgomery | | Pierre M. Viguerie |
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| KANSAS CITY ........64198 | Harold W. Andersen<br>Joseph H. Williams | Roger Guffey<br>Henry R. Czerwinski | |
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| Omaha ...............68102 | Durward B. Varner | | Robert D. Hamilton |
| DALLAS ...............75222 | Irving A. Mathews<br>Gerald D. Hines | Ernest T. Baughman<br>Robert H. Boykin | |
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| Houston ..............77001 | Gene M. Woodfin | | J. Z. Rowe |
| San Antonio..........78295 | Pat Legan | | Carl H. Moore |
| SAN FRANCISCO .....94120 | Joseph F. Alibrandi<br>Cornell C. Maier | John J. Balles<br>John B. Williams | |
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| Portland .............97208 | Loran L. Stewart | | Angelo S. Carella |
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* Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

# Federal Reserve Board Publications

*Available from Publications Services, Room MP-510, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Where a charge is indicated, remittance should accompany request and be made payable to the order of the Board of Governors of the Federal Reserve System. Remittance from foreign residents should be drawn on a U.S. bank. (Stamps and coupons are not accepted.)*

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1974. 125 pp.

ANNUAL REPORT.

FEDERAL RESERVE BULLETIN. Monthly. $20.00 per year or $2.00 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, $18.00 per year or $1.75 each. Elsewhere, $24.00 per year or $2.50 each.

BANKING AND MONETARY STATISTICS, 1914–1941. (Reprint of Part 1 only) 1976. 682 pp. $5.00.

BANKING AND MONETARY STATISTICS, 1941-1970. 1976. 1,168 pp. $15.00.

ANNUAL STATISTICAL DIGEST

1971–75. 1976. 339 pp. $4.00 per copy for each paid subscription to *Federal Reserve Bulletin*; all others $5.00 each.

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FEDERAL RESERVE CHART BOOK. Issued four times a year in February, May, August, and November. Subscription includes one issue of Historical Chart Book. $7.00 per year or $2.00 each in the United States, its possessions, Canada, and Mexico. Elsewhere, $10.00 per year or $3.00 each.

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PUBLISHED INTERPRETATIONS OF THE BOARD OF GOVERNORS, as of Dec. 31, 1978. $7.50.

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BANK CREDIT-CARD AND CHECK-CREDIT PLANS. 1968. 102 pp. $1.00 each; 10 or more to one address, $.85 each.

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THE ECONOMETRICS OF PRICE DETERMINATION CONFERENCE, October 30-31, 1970, Washington, D.C. 1972. 397 pp. Cloth ed. $5.00 each; 10 or more to one address, $4.50 each. Paper ed. $4.00 each; 10 or more to one address, $3.60 each.

FEDERAL RESERVE STAFF STUDY: WAYS TO MODERATE FLUCTUATIONS IN HOUSING CONSTRUCTION. 1972. 487 pp. $4.00 each; 10 or more to one address, $3.60 each.

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### *Consumer Education Pamphlets*

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The Board of Governors of the Federal Reserve System
Consumer Handbook To Credit Protection Laws.
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Fair Credit Billing.
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How to File A Consumer Credit Complaint.
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### *Staff Studies*

*(Studies and papers on economic and financial subjects that are of general interest.)*

#### *Summaries Only Printed in the Bulletin*

*(Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.)*

Interest Rate Ceilings and Disintermediation, by Edward F. McKelvey. Sept. 1978. 105 pp.
The Relationship Between Reserve Ratios and the Monetary Aggregates Under Reserves and Federal Funds Rate Operating Targets, by Kenneth J. Kopecky. Dec. 1978. 58 pp.
Tie-ins Between the Granting of Credit and Sales of Insurance by Bank Holding Companies and Other Lenders, by Robert A. Eisenbeis and Paul R. Schweitzer. Feb. 1979. 75 pp.
Geographic Expansion of Banks and Changes in Banking Structure, by Stephen A. Rhoades. Mar. 1979. 40 pp.
Impact of the Dollar Depreciation on the U.S. Price Level: An Analytical Survey of Empirical Estimates, by Peter Hooper and Barbara R. Lowrey. Apr. 1979. 53 pp.
Innovations in Bank Loan Contracting: Recent Evidence, by Paul W. Boltz and Tim S. Campbell. May 1979. 40 pp.
Measurement of Capacity Utilization: Problems and Tasks, by Frank de Leeuw, Lawrence R. Forest, Jr., Richard D. Raddock, and Zoltan E. Kenesey. July 1979. 264 pp.
The Market for Federal Funds and Repurchase Agreements, by Thomas D. Simpson. July 1979. 106 pp.
Impact of Bank Holding Companies on Competition and Performance in Banking Markets, by Stephen A. Rhoades and Roger D. Rutz. Aug. 1979. 30 pp.
The GNMA-Guaranteed Passthrough Security: Market Development and Implications for the Growth and Stability of Home Mortgage Lending, by David F. Seiders. Dec. 1979. 65 pp.

#### *Printed in Full in the Bulletin*

*(Included under "Reprints.")*

### *Reprints*

*(Except for Staff Papers, Staff Studies, and some leading articles, most of the articles reprinted do not exceed 12 pages.)*

Measures of Security Credit. 12/70.
Revision of Bank Credit Series. 12/71.
Assets and Liabilities of Foreign Branches of U.S. Banks. 2/72.
Bank Debits, Deposits, and Deposit Turnover—Revised Series. 7/72.
Yields on Newly Issued Corporate Bonds. 9/72.
One-Bank Holding Companies Before the 1970 Amendments. 12/72.
Yields on Recently Offered Corporate Bonds. 5/73.
Rates on Consumer Instalment Loans. 9/73.
New Series for Large Manufacturing Corporations. 10/73.
The Structure of Margin Credit. 4/75.
An Assessment of Bank Holding Companies, *Staff Economic Study* by Robert J. Lawrence and Samuel H. Talley. 1/76.
Industrial Electric Power Use. 1/76.
Revision of Money Stock Measures. 2/76.
Revised Series for Member Bank Deposits and Aggregate Reserves. 4/76.
Industrial Production—1976 Revision. 6/76.
Federal Reserve Operations in Payment Mechanisms: A Summary. 6/76.
New Estimates of Capacity Utilization: Manufacturing and Materials. 11/76.
Bank Holding Company Financial Developments in 1976. 4/77.
Survey of Terms of Bank Lending—New Series. 5/77.
The Commercial Paper Market. 6/77.
The Federal Budget in the 1970's. 9/78.
Redefining the Monetary Aggregates. 1/79.
U.S. Int~~ernational Transactions in 1978. 4/79.~~
Implementation of the International Banking Act. 10/79.
Changes in Bank Lending Practices, 1977–79. 10/79.

*ANTICIPATED SCHEDULE OF RELEASE DATES FOR PUBLIC PERIODIC RELEASES—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM* [1]

| *Weekly Releases* | *Approximate Release Day* [2] | *Date or Period to which Data Refer* |
|---|---|---|
| Aggregate Reserves and Member Bank Deposits. H.3 (502) | Tuesday | Week ended previous Wednesday |
| Actions of the Board; Applications and Reports H.2 (501) | Friday | Week ended previous Saturday |
| Assets and Liabilities of All Commercial Banks in the United States. H.8 (510) | Wednesday | Wednesday, 2 weeks earlier |
| Changes in State Member Banks. K.3 (615) | Tuesday | Week ended previous Saturday |
| Deposits, Reserves, and Borrowings of Member Banks. H.7 (509) | Wednesday | Week ended 3 Wednesdays earlier |
| Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks. H.4.1 (503) | Thursday | Week ended previous Wednesday |
| Foreign Exchange Rates. H.10 (512) | Monday | Week ended previous Friday |
| Money Stock Measures. H.6 (508) | Thursday | Week ended Wednesday of previous week |
| Reserve Positions of Major Reserve City Banks. H.5 (507) | Friday | Week ended Wednesday of previous week |
| Selected Interest Rates. H.15 (519) | Monday | Week ended previous Saturday |
| Weekly Consolidated Condition Report of Large Commercial Banks and Domestic Subsidiaries. H.4.2 (504) | Wednesday | Wednesday, 1 week earlier |
| Weekly Summary of Banking and Credit Measures. H.9 (511) | Thursday | Week ended previous Wednesday; and week ended Wednesday of previous week |

*Semimonthly Release*

| | | |
|---|---|---|
| Research Library—Recent Acquisitions. J.2 (601) | 1st and 16th of month | Period since last release |

*Monthly Releases*

| | | |
|---|---|---|
| Capacity Utilization: Manufacturing and Materials. G.3 (402) | 17th of month | Previous month |
| Changes in Status of Banks and Branches. G.4.5 (404) | 25th of month | Previous month |

[1] The Board's official mailing list is being computerized, and three-digit identification codes have been assigned to each individual release.

[2] Release dates are those anticipated or usually met. However, it should be noted that for some releases there is normally a certain variability because of reporting or processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.

| | Approximate Release Day | Date or Period to which Data Refer |
|---|---|---|
| Commercial and Industrial Loans to U.S. Addresses Excluding Bankers' Acceptances and Commercial Paper by Industry. | 1st Wednesday of month | Last Wednesday of previous month |
| Consumer Installment Credit. G.19 (421) | 3rd working day of month | 2nd month previous |
| Debits and Deposit Turnover at Commercial Banks. G.6 (406) | 25th of month | Previous month |
| Federal Reserve System Memorandum on Exchange Charges. K.14 (628) | 5th of month | Period since last release |
| Finance Companies. G.20 (422) | 5th working day of month | 2nd month previous |
| Foreign Exchange Rates. G.5 (405) | 1st of month | Previous month |
| Industrial Production. G.12.3 (414) | 15th of month | Previous month |
| Loan Commitments at Selected Large Commercial Banks. G.21 (423) | 20th of month | 2nd month previous |
| Loans and Investments at all Commercial Banks. G.7 (407) | 20th of month | Previous month |
| Major Nondeposit Funds of Commercial Banks. G.10 (411) | 20th of month | Previous month |
| Maturity Distribution of Outstanding Negotiable Time Certificates of Deposit. G.9 (410) | 24th of month | Last Wednesday of previous month |
| Monthly Report of Condition for U.S. Agencies, Branches, and Domestic Banking Subsidiaries of Foreign Banks. G.11 (412) | 15th of month | 2nd month previous |
| Selected Interest Rates. G.13 (415) | 6th of month | Previous month |
| Summary of Equity Security Transactions. G.16 (418) | Last week of month | Release date |

## *Quarterly Releases*

| | | |
|---|---|---|
| Automobile Credit E.4 (114) | 14th of April, July, October, and January | Previous quarter |
| Finance Rates and Other Terms on Selected Types of Consumer Installment Credit Extended by Major Finance Companies. E.10 (120) | 25th of January, April, July, and October | 2nd month previous |
| Flow of Funds: Seasonally adjusted and unadjusted. Z.1 (780) | 15th of February, May, August, and November | Previous quarter |
| Geographical Distribution of Assets and Liabilities of Major Foreign Branches of U.S. Banks. E.11 (121) | 15th of March, June, September, and December | Previous quarter |
| Interest Rates on Selected Consumer Installment Loans at Reporting Commercial Banks. E.12 (122) | 15th of March, June, September, and December | February, May, August, and November |
| Survey of Terms of Bank Lending. E.2 (111) | 15th of March, June, September, and December | February, May, August, and November |

| *Semiannual Releases* | *Approximate Release Day* | *Date or Period to which Data Refer* |
|---|---|---|
| Assets and Liabilities of Commercial Banks, by Class of Bank. E.3.4 (113) | May and November | End of previous December and June |
| Check Collection Services–Federal Reserve System. (E.9) 119 | February and July | Previous 6 months |
| List of OTC Margin Stocks. E.7 (117) | April, and October | Release date |
| Assets, Liabilities, and Capital Accounts of Commercial and Mutual Savings Banks—Reports of Call (Joint Release of the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and Office of the Comptroller of the Currency. Published and distributed by FDIC.) | May and November | End of previous December and June |

| *Annual Releases* | | |
|---|---|---|
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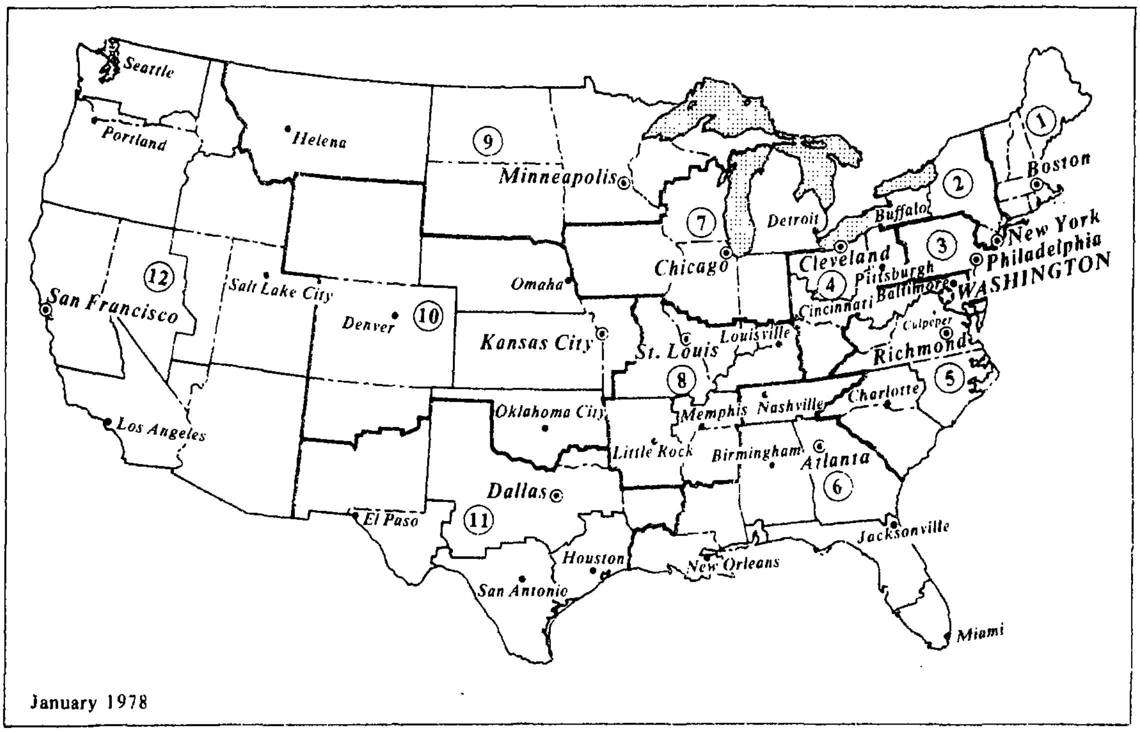
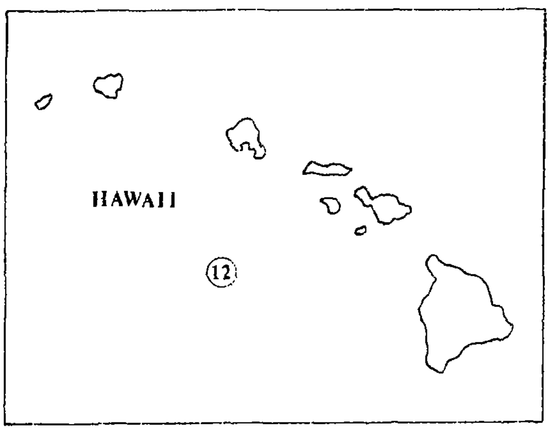
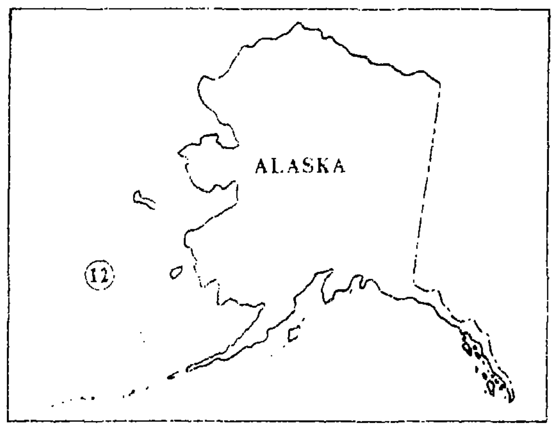
# The Federal Reserve System

## Boundaries of Federal Reserve Districts and Their Branch Territories




*LEGEND*

—— Boundaries of Federal Reserve Districts

---- Boundaries of Federal Reserve Branch Territories

✪ Board of Governors of the Federal Reserve System

◉ Federal Reserve Bank Cities

• Federal Reserve Branch Cities

· Federal Reserve Bank Facility