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Recent Developments in Monetary Policy

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, November 19, 1980.

I welcome the opportunity to review with you the events of the past year in the area of monetary policy and to outline our basic intentions and some of the key problems as we approach the future.

As you well know, this has been a turbulent year in the national economy and in financial markets. Partly because inflation and inflationary expectations are profoundly changing behavior patterns, economists and forecasters have been repeatedly surprised by developments in both the real and the financial markets. Businessmen, consumers, and financial intermediaries have had to cope with more-than-usual uncertainty amid sharp fluctuations in sales, employment, and interest rates. Understandably, there has been a sense of frustration and disappointment, combined, I believe, with growing recognition of the fact that deeply seated economic problems that have built up over a long period of years will take strong measures to solve.

Under the circumstances, Federal Reserve policy has understandably been the focus of a great deal of scrutiny. Some of this scrutiny has concentrated on the techniques of policy implementation normally of concern only to specialists. Most commonly, the public discussion reflects broad concern about the fluctuations in, or level of, interest rates and their relationship to both inflation and sluggish economic performance. Constructive dialogue on these problems is always helpful—and this committee has contributed to it.

I hope that a common understanding can emerge from this discussion that monetary policy indeed has an indispensable role to play in the effort to restore a stable, vital economy. That role requires that the Federal Reserve apply the measured, persistent restraint on growth in money and credit that is necessary to drain the momentum from inflationary forces in the economy and to encourage a return to stability in prices and unit costs. Misperceptions of the Federal Reserve's intentions in that respect can only detract from the effectiveness of our actions. At the same time, fully effective results will require concerted, complementary efforts from other directions as well.

Our focus on the objective of dealing with inflation recognizes that inflation has been the single most disruptive element on the economic scene. Inflation places tremendous pressures on the budgets of many households, distorts spending and saving decisions, inhibits productivity-expanding business capital formation, erodes the foundations of the domestic and international financial systems, and in the process saps confidence at home and abroad in our future. More specifically, without a sense that inflation is decelerating, there can be, in my judgment, little hope of bringing about the *sustained,* balanced growth of production and real income that we seek. That deceleration requires that excessive monetary expansion must be avoided.

That basic tenet of economic policy, on which economists of almost all schools can agree, is reflected in the broad concepts of monetary "targeting" that the Federal Reserve has adopted in recent years, a concept that looks toward a reduction in monetary growth over time, and that the members of this committee and many others have strongly supported. I recognize that the concept does not in itself resolve important questions about the precise magnitude of the targets or about the techniques of monetary control, matters about which, in fact, there are many differences of opinion. Nor does it offer exact guidance about how to react to new developments, surrounded as they inevitably are by uncertainty in interpretation and conflicting considerations.

The Federal Reserve's approach to these problems can, I believe, best be clarified by reviewing the change in operating procedures introduced about a year ago and developments since that time. To that end, I am attaching to this testimony a statement reviewing our experience with the new operating techniques.

In reviewing the record, I trust that understandable questions and concerns about particular actions and techniques will not obscure the basic order and consistency in our efforts to control the growth of money and credit. Uncertainty on that point would be unfortunate. Let us recognize that slowing growth of money and credit in an inflation-prone economy, at best, is not a simple, painless job. Let us also recognize that it must be done.

At least as important, we should be aware of the limitations of purely monetary actions. Acting on the basis of those understandings, we should be able to change expectations, to develop consistent policies to share the burdens, and to look forward to the ultimate success of the effort.

Looking at the most recent situation, I believe it should be unambiguously clear that the Federal Reserve has been leaning hard against excessive monetary growth and that we mean to maintain firm control as we look ahead.

I believe that our new approach has, over the year as a whole, helped avoid excessive monetary growth. But I am sure you agree that we should learn all we can from our experience.

To assist in that process, I initiated in September, roughly a year after the change in technique, a systematic study of our recent experience, drawing on staff throughout the Federal Reserve, so that we do not neglect opportunities to achieve further improvement in operating techniques and can better address broader policy issues. We are also acutely conscious of the fact that implementation of the Depository Institutions Deregulation and Monetary Control Act is altering the institutional framework of our activities, raising some new questions that must be carefully considered, particularly in connection with the introduction of NOW (negotiable order of withdrawal) accounts nationwide. We expect to take advantage of these studies in the review of our 1981 targets required early next year and will, of course, share any relevant results with you at the time of our regular "Humphrey-Hawkins" testimony. Whatever further insights we can gain from that systematic study, I believe certain points are worth emphasizing.

As I have already indicated, 1980 has been an unusually turbulent and difficult year. Deeply embedded problems of inflation, low productivity and investment, weakened competitive position of some key industries, and dependence on imported energy have made the economy vulnerable to nonmonetary "shocks" and extremely sensitive to indications of changes in price trends, while impairing growth prospects. Expectations are highly volatile, and there is a sense of both impatience and confusion about setting the economy right.

All of this puts a special burden on those of us who develop and implement policy to "get it right," to communicate our purposes and intentions effectively, and to persevere with needed policies.

In that context, I am satisfied that the greater emphasis we have placed on monetary targeting in recent years, supplemented by the change in operating techniques, has assisted in both communicating what we are about and achieving the internal discipline necessary to act in a timely way. One can argue about the precise timing and degree of particular decisions. But the need for strong action last winter, prompted in part by growth in the aggregates, to head off an almost explosive rise in inflationary sentiment seems to me incontestable. Contrary to most expectations, the ominous free-fall in economic activity during the spring quickly ended, in substantial part because our operating techniques led to a rapid opening of credit markets. And while the episode is clearly not over, we have acted more quickly to rein in recent excessive monetary growth than would have been at all likely under the previous operating techniques.

The record shows, unambiguously, that we do take the targets seriously. But it also strongly suggests that no single target can reasonably be interpreted in isolation and that the lower-order aggregates, M-1A and M-1B, can be extremely volatile. All of them—and the interrelationships among them—are affected by institutional change in a way that cannot be quantitatively pinned down in advance.

A clear case this year is the relationship between M-1A and M-1B. The half-point difference in the ranges for these two aggregates set almost a year ago reflected an *assumption* that growth of automatic transfer service (ATS), NOW, and similar accounts would be limited; those new types of account would make up the entire difference between M-1A and M-1B. As the year wore on, NOW and ATS accounts grew more rapidly than anticipated, perhaps because passage of the Monetary Control Act prompted commercial banks with the authority to do so to market those accounts more aggressively before their power was extended to potential competitors. As a result, we now know the difference between M-1A and M-1B will be more like 2 percent rather than the 1/2 percent we had earlier assumed. What we cannot know with any accuracy is the extent to which ATS and NOW accounts were fed by flows from savings deposits or other funds not counted in M-1B and how much reflected shifts from demand deposits, depressing M-1A. Put differently, if we arbitrarily assume NOW and ATS accounts substitute for savings deposits and demand deposits in roughly equal proportions, M-1A has been artificially depressed by 3/4 percent, and M-1B increased by about the same amount, relative to the targets set at the start of the year.

I make the point at some length because these shifts are expected to be much larger in the year ahead, when we will have nationwide NOW accounts, and will raise important questions of interpretation of both M-1A and M-1B. In essence, it is wrong to view either in isolation.

Other examples of institutional change abound; some are of only negligible importance in interpreting the data but others are significant. For instance, the explosive growth of money market funds earlier this year drew money into M-2 that otherwise would have been in market instruments that are not counted in the Ms.

Without allowing for these institutional influences, the various aggregates now are running a little below or a little above the upper end of the ranges set almost a year ago. Obviously, I would be delighted to see the data gravitate more toward the midpoints of the established ranges as we receive data for the final two months. But I would warn you against attributing unwarranted importance to statistical precision in hitting the target in any given period. For one thing, a bull's-eye for one aggregate can imply a miss for another as relationships evolve in the course of a year. More fundamentally, experience here and abroad strongly points to the fact that relationships of monetary targets to income, inflation, and interest rates—the variables we really care about—are not known with precision. Shifts in technology, regulation (such as deposit ceilings), and market incentives are all important at times. That is why it seems to me the better part of wisdom to think in terms of reasonable ranges.

In essence, I believe monetary targeting has been, and should remain, an invaluable discipline, a means for communicating our intentions, and a benchmark for performance. Whatever the debate about technique and the significance of possible "misses" over the course of the year, the broad thrust of our policy has plainly been one of restraint, working against the strong inflationary momentum. I take satisfaction, limited as that satisfaction must be, that the inflationary process has not gained fresh momentum, despite the strong shocks from energy and (more recently) food prices, the rigidities and strong momentum built into wages and prices, and the trend of government spending and deficits. The restraining effort has been accompanied by strains and instability in financial and other markets. But I believe we have steered away from more treacherous inflationary storms—storms that would have brought in their wake much more severe financial and economic dislocations.

Now we are opening a crucial new chapter—the challenge of restoring growth, productivity, and employment while visibly reducing inflation. As we look ahead to that challenge, you should be aware that targets and performances for monetary growth in the general area in which we have been operating, or lower, seem bound to be restrictive so long as the momentum of inflation remains strong. If we are to deal with inflation, I see no alternative. At the same time I have spoken before about the potential for collision and conflict between restrained monetary growth and the financial needs of an expanding and inflating economy. Recent developments provide a taste of the potential problem.

The point is sometimes made that, in theory, monetary restraint, sustained strongly enough and long enough, can alone do the job of restoring price stability. Perhaps so—in the long run. But over what period of time and at what unnecessary cost in recurrent pressures on financial markets, in inhibiting investment and dampening productivity, in lost output and deferred growth? The alternative of trying to accommodate real growth while living with inflation by freely creating money is ultimately even more threatening. Expectations of inflation would roar ahead, the whole process of inflation would quickly accelerate, and (I fear sooner rather than later) the growth and investment that are sought would crumble away, leaving us with an even more difficult situation.

These basic dilemmas and conflicts cannot be painlessly escaped by some technical change in monetary technique. I welcome informed debate on those matters—after all they are part of our job and we want to draw on all the wisdom and evidence we can get to do our job better. But the world at large—the real world of huge prolonged deficits, of wage bargaining that builds in rising costs for years ahead, and of enormous pressure to protect established competitive positions and living standards even when productivity cannot support them—will not focus on the technicalities of the various Ms, the precise targets, or short-run fluctuations about those targets. What we must do is convey a general sense—and make good on that message—that excessive creation of money and credit will not underwrite the inflationary process. Taken alone, as I have suggested, that commitment implies an extraordinarily heavy burden on monetary policy. So equally, we need the perception and the reality that essential monetary restraint will be combined with persistent and effective policies in other directions so that monetary restraint can be tolerable and sustainable.

In particular we must not flinch from the budgetary discipline necessary to complement the tax relief so desirable to foster incentives, investment, and increased productivity in our society. We must seize other opportunities to deal with price and wage rigidities and to promote productivity. We need to face up to the hard job of achieving valid regulatory objectives at less cost. We need to keep our markets open to competitive forces at home and from abroad.

It is a difficult agenda for action. But the rewards are enormous, for along that road lies the opportunity for achieving growth as we restore stability. I know of no other. □

Supplementary Statement

The New Operating Procedures

The new operating procedures announced on October 6, 1979, were described at the time as placing "greater emphasis in day-to-day operations on the supply of bank reserves and less emphasis on confining short-term fluctuations in the federal funds rate."[1] The change was introduced at a time when inflationary expectations were rising dangerously and the expansion of credit and the money supply was exceeding objectives.

The point was to underscore, in terms of public perception and debate, the central importance of maintaining control over monetary growth and bank reserves to deal with inflation and to discipline better our internal policymaking with respect to monetary and credit growth, thus enhancing our ability to achieve our objectives. Earlier, policy judgments typically took the form of action to influence changes in money market interest rates in the direction and amounts deemed consistent with money supply or other objectives, and in the short run, efforts were made to constrain those interest rates within a rather narrow range. However, in a changing inflationary environment, judgments about the appropriate level of money market rates had, at least within very broad limits, become increas-

1. Federal Reserve announcement of October 6, 1979, FEDERAL RESERVE BULLETIN, vol. 65 (October 1979), p. 830. The new operating procedures are described more fully in appendix B to the Monetary Policy Report to Congress, February 19, 1980.

ingly unreliable as a gauge or guide to policy, and in the then existing market circumstances, perceptions (right or wrong) that changes in money market rates would be limited seemed to be encouraging banks and other lending institutions to market credit aggressively.

Obviously, the change in technique reflected the significance we attach to monetary growth targets, and we felt the change enhanced our prospects for hitting those targets over a period of time. But I must also stress that no change in operating technique can achieve the following:

- Resolve the issue of what the appropriate growth targets should be.
- Eliminate the looseness—indeed the instability, evident particularly in the short run—in the relationship between changes in money, economic activity, and inflation.
- Avoid judgments about the appropriate definition of "money" during a period of rapid institutional change and inflationary distortions.
- Substitute for ongoing appraisal of the significance of changing economic and financial conditions for monetary growth.

Certainly, experience over the past several years suggests that the relationship between the growth of the various money stock concepts, as best we can measure them statistically, and the performance of the economy is not tight or immutable over relevant periods of time. In other words, we have to be prepared for, and analyze the significance of, changes in the turnover or velocity of money.

1. Quarterly variability of growth in selected monetary aggregates in major industrial countries

Country and aggregate	Average annual growth rate (percent)	Variation in growth around average rate[1]	Variation relative to average growth[2]	Sample period
	(1)	(2)	(3)	(4)
Narrow money				
Canada: M-1	8.8	7.1	.80	1973 Q1–1980 Q3
France: M-1	10.4	5.4	.52	1973 Q1–1980 Q2
Germany: M-1	7.6	5.7	.75	1973 Q1–1980 Q3
Japan: M-1	10.7	6.9	.65	1973 Q1–1980 Q2
Switzerland: M-1	4.2	10.9	2.59	1972 Q1–1980 Q2
United Kingdom: M-1	11.5	8.9	.78	1973 Q1–1980 Q3
United States: M-1A	5.5	2.8	.50	1973 Q1–1980 Q3
Broad money				
Canada: M-2	14.0	3.7	.27	1973 Q1–1980 Q3
France: M-2	13.4	3.4	.26	1973 Q1–1980 Q2
Germany: CBM	7.8	2.9	.37	1973 Q1–1980 Q3
Japan: M-2	12.3	3.4	.28	1973 Q1–1980 Q2
Switzerland: M-2	8.8	8.4	1.00	1975 Q4–1980 Q2
United Kingdom: £M-3	12.6	7.5	.60	1973 Q1–1980 Q3
United States: M-2	9.3	3.1	.34	1973 Q1–1980 Q3

1. Measured by standard deviation.
2. Column 2 divided by column 1.

2. Annual growth in selected monetary aggregates in major industrial countries[1]

Country and aggregate	Percent					Most recent quarter
	1976	1977	1978	1979	1980	
Narrow money						
Canada: M-1	2.6	10.4	11.0	4.8	6.3	Q3
France: M-1	11.5	8.9	12.3	10.8	9.6	Q2
Germany: M-1	7.3	9.9	13.3	4.6	1.0	Q3
Japan: M-1	15.2	5.3	12.4	6.9	4.7	Q2
Switzerland: M-1	7.6	5.2	21.9	−.2	−16.7	Q2
United Kingdom: M-1	13.5	18.7	15.4	10.9	2.3	Q3
United States: M-1A	5.5	7.7	7.4	5.0	4.0	Q3
Broad money						
Canada: M-2	13.3	12.0	12.4	17.5	16.1	Q3
France: M-2	14.6	12.8	13.4	13.5	11.9	Q2
Germany: CBM	9.1	9.4	11.8	6.1	4.5	Q3
Japan: M-2	14.6	10.5	12.5	10.8	8.8	Q2
Switzerland: M-2	2.2	7.3	7.9	11.1	28.2	Q2
United Kingdom: £M-3	10.8	7.3	14.0	13.0	17.9	Q3
United States: M-2	13.7	11.5	8.4	8.9	9.6	Q3

1. Growth is measured from the fourth quarter of previous year; the 1980 figure is the seasonally adjusted growth between 1979 Q4 and the most recent quarter for which data are available, expressed at an annual rate.

I know of no substantial body of economic analysis that suggests that fluctuations in monetary growth over a monthly, quarterly, or even somewhat longer period—*if they are subsequently reversed*—are significant in terms of the evolution of economic activity or inflation over a period of time. Indeed, all the evidence suggests that the economic effects of developments with respect to the money supply are spread out over considerable time; there is a kind of natural smoothing process in the transmission belt. The simple fact is that the short-run movements of the measured monetary aggregates are characterized by a considerable amount of "noise;" ironing out these fluctuations would be extremely difficult technically.[2]

Our current operating techniques automatically "lean" against deviations in money growth to help ensure that such deviations do not cumulate in one direction or another. Even so, short-term fluctuations in money growth (or in other related magnitudes such as reserves or the monetary base) can sometimes raise questions about our basic policy intentions and thus influence expectations about market developments and the economy among those constantly probing for clues as to a change in our objectives or in the economic and financial market outlook. Unwarranted "expectational" effects, which can for a time influence market attitudes and behavior, can perhaps only be worn away by experience over time. That seems to me the likely result if we can successfully demonstrate that we do indeed take seriously our monetary goals and that those goals are appropriate to our economic circumstances and objectives. The change in our operating procedures, combined with established procedures for the formulation and explanation of our monetary targets, have been designed to those ends.

More specifically, the procedure adopted in October 1979, emphasizing reserve "paths" and "targeting," offered the prospect of avoiding *persistent* over- or undershoots of money and credit growth. In that sense the procedure complemented steps taken earlier to end the practice of shifting the base for monetary targets forward every quarter. In simple terms, our present operating procedure involves, in the first instance, directing the Manager of the System Open Market Account to buy and sell securities with a view to providing the volume of nonborrowed reserves (the only portion of reserves subject to close short-run control) thought consistent with the targeted level of the money stock.

If the money stock (particularly M-1, to which most reserves are directly related) begins to move off the targeted path, banks will find it necessary to borrow more or less reserves through the discount window to meet their reserve requirements. Because banks are encouraged administratively to seek out other sources of funds before turning to the discount window, variations in pressures on reserve positions of banks will affect money market interest rates and, in time, their lending or investment policies and the money supply. If money growth nonetheless moves more clearly "off course," action can be taken to speed the adjustment process by further constricting or expanding the supply of nonborrowed reserves.

Because there is a large amount of day-to-day variation in the supply of and demand for reserves, owing to such uncontrollable factors as variations in float or shifts of deposits within the banking system, it is inevitable that greater short-run variability in the federal funds rate will occur than was the case when the basic approach entailed constraining movements in that rate within a narrow band. Movements in the funds rate over somewhat longer periods might also have been expected to be sharper under the new operating procedure because they are no longer dependent on a "policy" decision as to the "appropriate" rate level but rather reflect the tightening or easing of bank reserve positions that occurs when the monetary aggregates (and therefore the demand for reserves) deviate from their short-run targets. This does not mean that the federal funds rate—and, more important, interest rates on instruments of longer maturities, which are in any event beyond the immediate influence of the Federal Reserve—would necessarily be expected to exhibit wider "cyclical" swings. With less likelihood of cumulative divergences of money from desired paths, there could be reason to look forward to milder cyclical swings in the economy and perhaps in interest rates as well.

Of course what we have actually experienced in 1980 is substantial short-run volatility in both money and interest rates, combined with unusually sharp movements in economic activity and inflation, as measured or anticipated. These developments have been interrelated in complex ways. However, it seems to me that to associate those developments primarily with the new operating techniques would be wrong. The past year has been one of extraordinary instability in the economic environment in which monetary policy is conducted. Dangerous turmoil in the Middle

2. These short-run fluctuations, here and abroad, are more pronounced in the narrow M-1 definition of the money supply. Indeed, the evidence suggests the short-run instability of M-1 has generally been considerably more pronounced in other countries.

East, another tremendous surge in energy prices, the shifting prospects for the federal budget, the temporary imposition of credit controls, short-term swings in the direction of economic activity that confounded forecasters, substantial variations in the rate of increase in major price indexes, and recurrent swings of sentiment about inflation and the economic outlook all left a strong mark on financial markets.

Against this backdrop of unsettlement and the associated volatility of expectations, it would be unreasonable to expect that either interest rates or the demand for money would exhibit great stability. I recognize that fluctuations in money growth and interest rates did, on occasion, raise questions about our intentions, in that sense contributing to financial market uncertainty. But I must also note that the expressed concerns, more often than not, have been inconsistent. For instance, during the spring when the narrowly defined money supply and interest rates were both falling sharply, some interpreted the decline in interest rates as indicative of a "retreat" by the Federal Reserve from the fight on inflation. Others interpreted the decline in the money supply as aggravating recessionary forces. Under the existing conditions, it seemed self-evident that more aggressive action to increase monetary growth would have tended to reduce interest rates still further, or vice versa. Yet, so long as observers from different schools of economic thought differ in their interpretations, concerns of the sort voiced seem bound to arise.

Operations Since October 6, 1979

Looking back, we can observe three rather distinct phases in monetary developments during the period of the new operating procedures: October 1979 to March 1980, April through July, and August to the present. These periods roughly correspond to spans, first, of strong credit and monetary growth and rising interest rates; second, of falling or sluggish monetary growth and declining interest rates; and then again, of strong monetary growth and rising rates.

The introduction of the new techniques in October, coming at a time of strong money and credit growth and mounting inflationary expectations, was accompanied by considerable turbulence in financial markets. However, coincidentally or not, monetary growth after that remained well within our targets and rather stable from month to month until early February. However, as growth in M-1 and other monetary measures picked up sharply in February, member banks needed more reserves to meet their reserve requirements. Because the path for nonborrowed reserves had been designed to accommodate only targeted increases in the narrowly defined money stock, member banks found it necessary to turn to the discount window in larger amounts to obtain the reserves they required. Because of the reluctance of banks to borrow for significant periods of time at the discount window, reinforced by our guidelines limiting access to the discount window, increased borrowings are normally associated with pressures on short-term market rates as banks are induced to slow credit expansion.

We took two additional steps in February that served to reinforce the restraint on expansion of money and credit. One was to lower the previously established path for nonborrowed reserves, thereby increasing pressure on the reserve positions of member banks and inducing restraint on their lending and portfolio policies. The other step was a hike of 1 percentage point in the discount rate.[3]

The decision to reinforce the pressures arising more or less automatically from the maintenance of a fixed path for nonborrowed reserves was based on several considerations. The first was simply the magnitude of the runup in some of the monetary aggregates. Bank credit, too, had been growing at a particularly rapid pace in January and February, with business loan increases of 20 percent or more at an annual rate. These deviations from our ranges were of particular concern because of other developments affecting the inflationary outlook and expectations.

The preceding few weeks had seen a very serious deterioration in public confidence in the government's ability and resolve to rein in inflation. The Soviet invasion of Afghanistan led to discussion of enlarged defense outlays that might add to federal budgetary deficits; outsized in-

3. The strongest pressure on reserve positions did not develop until mid-February and later, partly because of lags in reporting and reserve accounting procedures.

creases in consumer and producer prices caused alarm, even though they should have been largely anticipated on the basis of previous changes in prices of the Organization of Petroleum Exporting Countries and in mortgage rates; soaring prices for gold and silver both reflected and reinforced fears of accelerating inflation; and there was some anxiety that the traditional tools of monetary policy might prove inadequate to restrain aggregate demand pressures. On the last score, many analysts had been surprised by evidence that sales and orders had registered strong gains at the turn of the year in the face of historically high nominal rates of interest.

Perhaps the most dramatic manifestation of the intensification of inflationary expectations was the disarray in the bond markets. Bond yields had begun to soar in late January, even before the money markets (and M-1) had begun to firm. Postponements and cancellations of offerings became numerous, and fears were expressed for the future of the long-term bond markets.

During the formulation of a revised budget and other economic measures by the administration to deal with the dangerous inflationary potential, the Federal Reserve continued to restrain its provision of reserves, and the money markets clearly reflected the tightening of reserve availability. Short-term market interest rates rose to record levels, although bond prices began to stabilize as the market responded to indications that the government was developing a strong anti-inflation program.

On March 14, the President announced a set of measures to fight inflation, including steps taken in consultation with the Congress to cut federal expenditures and work toward a balanced budget. He also authorized the Federal Reserve to employ the extraordinary powers of the Credit Control Act. As you know, under the authority of that act, we took certain measures to restrain more directly the expansion of credit, including a special deposit requirement on growth of certain consumer credit and money market mutual funds and a tightening of marginal reserve requirements on managed liabilities of big banks. In addition the Federal Reserve undertook a voluntary program to restrain bank lending and added a 3-percentage-point surcharge to the discount rate for frequent borrowing from the discount window by larger banks.

Over the second half of March, most market interest rates rose further, but following the new action, perceptible weakening of money and bank credit soon became apparent. By early April, interest rates were on the decline. These developments accelerated, and while the full magnitude of the decline in the money supply was apparent only some time after the event, the temporary contraction was large. M-1A, for example, declined at an unprecedented annual rate for a single month of 17¾ percent in April.

By May, the decline had ended. Renewed growth in late spring and early summer nevertheless left M-1A and M-1B low relative to the Federal Open Market Committee's objectives for several months. Bank credit continued to contract through June. Meanwhile the broader aggregates, M-2 and M-3, while declining or flat for a time, generally remained within target ranges.

The extraordinary falloff in M-1 and bank credit, which reduced reserve needs, was quickly reflected in the repayment by member banks of discount window borrowings. As the magnitude of the decline in the aggregates became apparent, the Federal Reserve also acted to reverse the earlier reduction in nonborrowed reserves and to maintain the volume of total reserves. The rapid expansion in *nonborrowed* reserves in April and May essentially offset the decline in adjustment borrowing by member banks, which was reduced to a frictional minimum by late May. After that, nonborrowed reserves were provided at a rate believed consistent with restoring over time the narrow monetary aggregates to their longer-run target ranges.

Several characteristics of that period are worth emphasizing for they bear on questions of both technique and policy. First was the fact that only the narrow money stock measures, M-1A and M-1B, were deviating appreciably from our longer-run ranges. The narrow money stock is characteristically much more volatile than the broader measures, not only in the United States but also in other countries. Partly for that reason and partly because of broader considerations, some students of monetary policy tend to place more weight on the broader aggregates. Indeed, a number of foreign countries engaged in the practice of monetary targeting focus exclusively on a broader aggregate.

The relative weakness in M-1A and M-1B during the early spring was clearly exceptional in terms of the typical behavior of transaction balances relative to other key economic variables. To be sure, real gross national product dropped abruptly, and nominal GNP came to a standstill in the second quarter. Such a sharp reduction in nominal GNP growth ordinarily would be expected to reduce demand for transaction balances. During the spring, however, cash holdings fell substantially faster than nominal GNP growth. The velocity of money, instead of falling as it normally does in a recession, rose sharply, suggesting among other things that rapid repayment of consumer and other debt following the special measures of credit restraint led, in the first instance, to depleted cash balances. In practice, the effects of the credit control program cannot be separated from other influences, including the strong possibility that earlier record levels of interest rates induced deposit holders to minimize demand deposits while searching for more renumerative ways of using spare cash.

In these circumstances, matters of judgment arose as to how aggressively to supply reserves to restore M-1 to the established growth path. On one side, the sharpness of the decline in business activity itself—which was then forecast to continue for some time—might have suggested an effort to restore M-1 to "path" as quickly as possible to avoid any risk of exacerbating the downturn. But there were powerful considerations on the other side. Account had to be taken of the probability that the decline of interest rates itself would tend to increase money growth later in view of the lags in response in the banking system and among money holders. Account had to be taken, too, of the likelihood that special efforts connected with repayment of debt during the credit restraint program would tend to be reversed as the public sought to restore depleted cash balances.

If the drop in M-1 turned out to be an extraordinary, self-reversing deviation from past norms related to lags and the credit restraint program, then strong action taken to offset it by pressing excess reserves on banks might have had to be quickly reversed, leading to a purposeless whipsawing of the money markets. Conversely, if the change in velocity reflected a more permanent desire to hold less cash by the public, the existing targets for M-1 would be, in economic effect, less restraining on inflation than had been anticipated. Either possibility argued for some caution in dealing with the M-1 shortfall.

The other consideration involved more directly the potential impact of a deeper decline in interest rates, which would have been the immediate consequence of a more generous provision of reserves to boost monetary growth. We have, as you know, emphasized the limitations of using interest rates as a reliable indicator of the thrust of monetary policy. Nonetheless, we had to recognize that, even against the backdrop of a declining money stock, the already precipitous decline in interest rates might be misread as a fundamental reversal of policy—a lessening of our resolve to fight inflation. Such a false interpretation could only have undermined the ultimate success of that effort; a perceived weakening in the fight on inflation would, in turn, ultimately impair prospects for a sustained economic recovery. The same uncertainty about our objectives could have complicated our task further by undermining confidence in the dollar on foreign exchange markets. The exchange value of the dollar did go through a wide swing over the first and second quarters, largely in response to the relative movement of U.S. and foreign interest rates. As it turned out, however, a cumulative downward movement that would have reflected eroding confidence was avoided.

These considerations remained relevant as some recovery of the monetary aggregates continued into July. By that time, the average levels of M-1A and M-1B were only slightly under the lower bounds of the FOMC's longer-run growth ranges for these aggregates, while M-2 and M-3 were in or moving into the upper halves of their ranges. At that point, in testifying before the Congress, I indicated that, in the light of the continuing inflationary problem, I did not feel that *aggressive* actions to push M-1 higher were desirable, even though the business outlook remained cloudy.

Within a matter of weeks, our concerns became quite different, as a pattern of more rapid monetary expansion developed. That pattern came to threaten our ability to achieve our targets for the year.

In retrospect, the persistent high rate of monetary growth since July appears excessive; however, as events unfolded the picture was one of considerable ambiguity. Much of the extraordinary growth took place in a single week in August when the M-1 figures jumped about $10 billion. We know that weekly figures often are unreliable indicators of trends, and available projections suggested that the increase was probably in large part an aberration. Indeed, data for a few subsequent weeks showed declines, and it was not until well into September that our growth targets appeared in any jeopardy.

From our present vantage point, it seems clear that the early and surprisingly sharp upturn in economic activity in midsummer led to more demand for money, importantly accounting for the sharp rise in the narrow monetary aggregates. The extent of that rebound in economic activity was not clearly apparent until data were received in late September and October. Nevertheless, as soon as monetary growth picked up, our operating techniques "automatically" began to bring bank reserve positions under mild pressure as use of the discount window increased. That pressure was reinforced on several occasions by reducing the provision of nonborrowed reserves. Total bank reserves have, to be sure, expanded sharply—a mechanical concomitant of the rise in M-1—but banks have had to borrow those reserves from the Federal Reserve; we have not supplied them on our own initiative through the open market. The need to exert restraint has also been reflected in changes in the discount rate as market rates rose.

Interest rates generally have, as you know, risen substantially since August. The restraint on reserve and money growth has clearly played a role in this rise, but a number of other factors have also been important, particularly in the long-term markets. The unexpected brevity of the recession, the related revival of acute concern about inflation, and the possibility of substantial tax cuts resulting at least for a time in larger deficits led borrowers and lenders to anticipate higher interest rates.

The past few weeks have seen some tendency for growth in the monetary aggregates to moderate. It is clearly a matter of judgment whether actions already taken will maintain monetary growth precisely within the desired path, but plainly operations are directed to that end. □

Treasury and Federal Reserve Foreign Exchange Operations: Interim Report

This interim report, covering the period August through October 1980, is the sixteenth 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.

Coming into the period under review, participants in the exchange market remained cautious about the outlook for the dollar. Traders were encouraged by the improving trend in the U.S. current account, which had swung from deep deficit to near balance and was expected to move into surplus by late 1980. At the same time, however, they were concerned about the outlook for inflation in the United States. Even though U.S. price indexes were no longer rising as rapidly as before, inflation remained uncomfortably high by historical standards and by comparison with inflation rates in many other industrial countries. Moreover, the improvements in U.S. current-account and price performance might prove transitory to the extent that they stemmed from the sharp recession that had emerged in the United States earlier in 1980.

Meanwhile, discussion of possible tax cuts or of an easing of monetary policy had generated concern in the market that heavy stimulus to the economy might undercut the anti-inflation effort. For its part, the Federal Reserve had phased out the special credit restraints imposed in March, but Chairman Volcker had made it clear that the Federal Reserve would continue to adhere to its efforts to slow the growth of money and credit in the United States by placing primary emphasis on bank reserves rather than on interest rates. By August, U.S. interest rates were rebounding from their latest lows, and a sudden surge in the growth of the monetary aggregates gave rise to some expectations that interest rates might advance even further.

The market's uncertainties were not limited to the outlook for the dollar. Most other major industrial countries were afflicted with inflation rates, which were too high by their own standards, and by substantial current-account deficits, which had been aggravated by the oil price increases of 1979 and early 1980. The authorities had pursued restrictive policies to deal with these problems. By late summer, economic growth was slackening generally, prompting the authorities in several countries to move cautiously toward a less restrictive policy stance. But authorities were reluctant to move too quickly in the direction of ease in view of the need to fight inflation and of their efforts to keep interest rates sufficiently high to attract funds from abroad to finance large current-account deficits. As a result, interest rates remained high even as market expectations built up that, in light of domestic economic considerations, an easing of monetary policy was imminent in several countries.

1. Federal Reserve System activity under reciprocal currency arrangements, July 31-October 31, 1980[1]

Millions of dollars equivalent; drawings, or repayments (−)

Transactions with	Commitments, July 31, 1980	August through October 1980	Commitments, Oct. 31, 1980
Bank of France	166.3	−165.2[2]	0
German Federal Bank	879.7	−873.0[2]	0
Total	**1,046.0**	**−1,038.2[2]**	**0**

1. Because of rounding, details may not add to totals. Data are on a transaction-date basis.

2. Repayments include revaluation adjustments from swap renewals, which amounted to $1.1 million for drawings on the Bank of France and $6.7 million for drawings on the German Federal Bank, which were renewed during the period.

Consequently, an uneasy atmosphere persisted in the exchange markets through August and early September as traders sought to assess the implications of the economic and financial developments here and abroad. In addition, the sense of unease was heightened from time to time by political events, such as general strikes in Poland and continued tensions in the Middle East. In this environment, exchange rates fluctuated widely day to day, but few clear trends developed, with the exception that both sterling and the Japanese yen were bid up by the force of heavy capital inflows. Among the currencies participating in the joint float arrangement, the French franc remained near the top of the band and the German mark near the bottom.

In the absence of renewed selling pressures on the dollar, the U.S. authorities took the opportunity to acquire currencies to repay debt arising from earlier intervention and to rebuild balances. Operating on days in which the dollar was firm or rising, the U.S. authorities bought a total of \$426.6 million equivalent of German marks in the market, either in New York or in Frankfurt through the agency of the German Federal Bank. Over the same period, the Federal Reserve Trading Desk purchased an additional \$453.6 million of marks from correspondents. The Federal Reserve used a portion of these marks along with previously acquired balances to repay its swap debt to the German Federal Bank; the swap debt was reduced from \$879.7 million at the end of July to \$362.6 million on September 15. The remaining acquisitions were added to Treasury balances, which increased by \$338.1 million equivalent. The Federal Reserve also bought small amounts of French francs and Swiss francs in the market and from correspondents. On five different days when the dollar came under selling pressure in August, the U.S. authorities intervened, selling a total of \$69.6 million equivalent of marks, including \$53.9 million equivalent from Federal Reserve balances and \$15.7 million from U.S. Treasury balances.

By mid-September, economic indications suggested that the United States was moving out of recession. Although the upturn was welcomed by the markets, it dimmed the prospects for further relief from inflation in the near term. Indeed, partly because of rising food prices, the U.S. inflation rate was expected to accelerate. Moreover, the money and credit aggregates were growing rapidly. In response to this buildup in the demand for money, the Federal Reserve acted to constrain the growth of bank reserves. Market interest rates climbed sharply, and on September 26 the Federal Reserve raised the discount rate 1 percentage point to 11 percent. Strong demand for money and credit persisted through October, putting additional upward pressure on money market rates.

2. U.S. Treasury securities, foreign currency denominated[1]

Millions of dollars equivalent; issues, or redemptions (−)

Issues	Commitments, July 31, 1980	August through October 1980	Commitments, Oct. 31, 1980
Public series			
Germany	5,233.6	0	5,233.6
Switzerland	1,203.0	0	1,203.0
Total	**6,436.6**	**0**	**6,436.6**

1. Data are on a value-date basis.

The advance of U.S. interest rates was not matched abroad where, if anything, the authorities were becoming increasingly concerned about slower economic growth and the prospect of recession. Consequently, interest differentials swung increasingly in favor of the dollar against most major currencies, prompting flows of funds into dollar-denominated assets. Much of this pressure fell on the German mark, in view of Germany's low nominal interest rates relative to rates abroad and its sizable current-account deficit. Funds were shifted out of marks not only into dollars but also into sterling and French francs. Within the European Monetary System (EMS), the German mark and the French franc were pushed to their respective intervention points, and the German Federal Bank and the Bank of France were obliged to absorb substantial amounts of marks against francs. At the same time, the EMS currencies as a group declined against the dollar.

As a result of the flow of funds into dollar assets, the dollar rose in October to end the three-month period up a net 7 percent against the German mark and other currencies in the EMS, $3^1/_2$ percent against the Swiss franc, and $1^3/_8$ percent against the Canadian dollar. Over this same period, sterling rose a net $4^3/_8$ percent against the dollar, and the yen moved up by $7^3/_8$ percent.

With the dollar in demand, the U.S. authorities stepped up their acquisitions of currencies to repay debt and to rebuild balances. Operations were conducted in New York, Frankfurt, and on occasion the Far East. When strong one-way pressures emerged late in October, the Trading Desk intervened, sometimes forcefully, in the market as a buyer of German marks. Purchases of marks in the spot market totaled $1,770.7 million between mid-September and the end of October. Moreover, as part of the effort to repay debt and rebuild balances, the U.S. authorities purchased a total of $346.6 million of marks from correspondents, divided about equally between the System and the Treasury and $132.9 million of outright forward marks on behalf of the Treasury. As a result, the Federal Reserve was able to complete liquidation of its swap debt with the German Federal Bank by the end of October.

Besides mark purchases, the U.S. authorities bought over the three-month period $87.5 million equivalent of Swiss francs, including $25 million equivalent in the market and $62.5 million equivalent from correspondents. Of this amount, $62.6 million equivalent was added to System balances and $24.9 million equivalent went into Treasury balances. The Federal Reserve also took advantage of opportunities to buy $158.6 million equivalent of French francs to complete repayment of its swap debt with the Bank of France.

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

Millions of dollars

Period	Federal Reserve	U.S. Treasury	
		Exchange Stabilization Fund	General Account
Aug. 1 through Oct. 31, 1980	14.0	.1	0
Valuation profits and losses on outstanding assets and liabilities as of Oct. 31, 1980	12.7	−372.8	138.8

1. Data are on a value-date basis.

From August through October, the Federal Reserve realized $14 million in profits on its foreign exchange operations and the Exchange Stabilization Fund (ESF) realized $0.1 million. As of the end of the period, the Federal Reserve showed valuation profits of $12.7 million on its foreign exchange assets while the ESF showed valuation losses of $372.8 million on its foreign exchange assets. The General Account showed valuation profits, related to the outstanding issues of Treasury securities denominated in foreign currencies, of $138.8 million. □

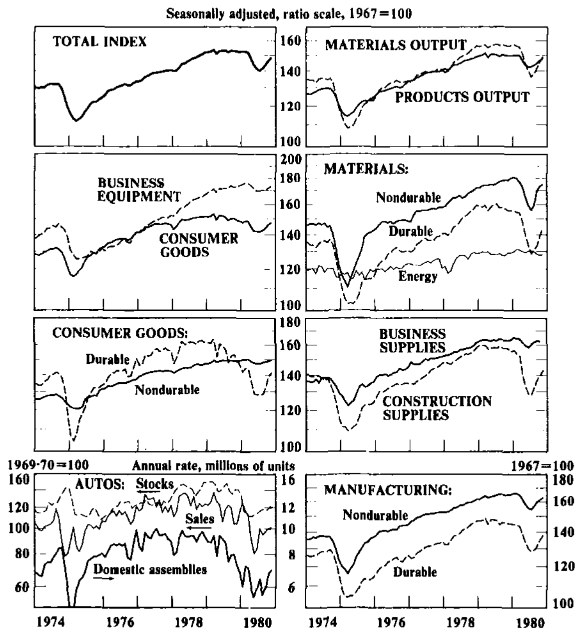
Industrial Production

Released for publication December 16

Industrial production increased an estimated 1.4 percent in November, after upward-revised increases of 1.8 and 1.5 percent respectively for October and September; the index rose 1.0 percent in August. In November, output gains were large for most product and material groupings. At 148.5 percent of the 1967 average, the index was 5.8 percent above its recent low in July but remained 2.5 percent below its year-earlier level.

Output of consumer goods increased 0.8 percent in November. Autos were assembled at an annual rate of 6.9 million units, about 3 percent higher than in October; recently reduced industry schedules indicate a decrease in December. Production of home goods rose 0.8 percent in November, a smaller increase than in any of the preceding three months, and output of consumer nondurable goods rose 0.6 percent, somewhat more than in the past few months. Equipment output also increased more than in other recent months; this is one of the few major components of the industrial production index for which production is above that of a year earlier. Output of business equipment, which had declined about 3.6 percent between March and June, has risen 2.1 percent since then. Production of construction supplies increased 2.0 percent further in November.

Production of durable goods materials increased 3.4 percent, reflecting continued sharp gains in iron and steel; moderate increases occurred in other metals and in parts for consumer durable goods and equipment. Output of nondurable goods materials increased 0.8 percent, after gains of more than 2 percent in each of the three preceding months. Production of energy materials rose slightly in November.



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

Grouping	1967 = 100		Percentage change from preceding month						Percentage change Nov. 1979 to Nov. 1980
	1980		1980						
	Oct.[p]	Nov.[e]	June	July	Aug.	Sept.	Oct.	Nov.	
Total industrial production	**146.5**	**148.5**	**−1.7**	**−.8**	**1.0**	**1.5**	**1.8**	**1.4**	**−2.5**
Products, total	146.8	148.1	−.8	.2	.7	.9	1.2	.9	−1.1
Final products	145.6	146.8	−.6	.1	.3	.7	1.3	.8	−.2
Consumer goods	146.4	147.6	−.2	−.1	.5	1.0	1.6	.8	−1.0
Durable	139.5	141.6	−.5	.1	.2	3.3	5.0	1.5	−5.3
Nondurable	149.1	150.0	−.1	−.1	.6	.2	.3	.6	.7
Business equipment	171.9	173.4	−1.2	.2	.1	.2	.7	.9	.5
Intermediate products	151.3	152.8	−1.8	.7	2.1	1.7	.8	1.0	−4.6
Construction supplies	140.1	142.9	−3.4	.1	3.5	3.3	1.9	2.0	−9.2
Materials	146.1	149.0	−3.0	−2.5	1.5	2.5	2.8	2.0	−4.6

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

Statements to Congress

Statement by Lyle E. Gramley, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, November 21, 1980.

I am pleased to present the views of the Board of Governors on amendment No. 1586 to the A. Phillip Randolph Institute Bill (H.R. 5625). This amendment would modify section 4 of the Bank Holding Company Act to prohibit banking organizations from acquiring a savings bank, a savings and loan association, or a savings and loan holding company except when necessary to prevent an insolvency or to restore solvency.

The issue of affiliations between commercial banks and thrift institutions is an important one for the evolution of the financial sector of the economy. The Board has long believed that this issue should be the focus of careful study and congressional consideration. The need to do so is heightened by the fact that the distinctions between banking organizations and thrift institutions are narrowing. However, the Board believes that an indefinite moratorium on such affiliations is not desirable. What is needed is timely resolution by the Congress of the broad public policy issues posed in this area, and we doubt that a moratorium would contribute to that development. Moreover, depository institutions, and especially thrift institutions, have experienced a significant decline in earnings recently, and pressures on earnings may persist as these institutions adapt to changes in the competitive environment created by recent legislative and regulatory actions.

The Board feels that the public interest would best be served by a flexible regulatory framework capable of responding to special situations that may arise. A moratorium would only introduce additional rigidities into the regulatory system.

Let me begin by reviewing briefly the economic forces that have been operating during recent years to reduce the distinctions among different financial institutions.

Changes in the U.S. financial system have been occurring at a rapid pace over the past two decades. An evolutionary process is under way that is profoundly affecting the structure and performance of the financial industry. It has involved banks, thrift institutions, nonfinancial businesses, individuals, and financial regulatory institutions—all interacting in response to economic forces. A major initiating source of this process has been the dramatic increase in interest rates that has accompanied accelerating inflation. Each rise of interest rates has brought with it new efforts to capitalize on the time value of money. Repeatedly, banks and thrift institutions have faced usury ceilings and other regulatory constraints that limit profit-making opportunities and deposit rate ceilings that limit the ability to pay market rates of return to businesses and individuals. As a result, depositors have shifted funds elsewhere in search of higher yields. To avoid regulatory and statutory constraints and to protect their sources of funding, financial institutions have responded by creating new instruments—certificates of deposit (CDs), negotiable order of withdrawal (NOW) accounts, money market certificates, automatic transfers, and others; new technologies—such as electronic fund transfer; new concepts of funds management—such as remote or controlled disbursement and reliance on short-term liabilities as a source of liquidity; and even new markets and institutional forms.

These developments have had profound effects on the structure and functioning of the U.S. financial system. The expanded array of services has resulted in a blurring of the distinctions between banks and thrift institutions and even between depository and nondepository institutions. Regulations limiting the ability of institutions to pay market rates of return have become increasingly ineffective. Barriers to the free flow of funds among markets have been reduced, and geographical mobility of funds has increased greatly. The bank holding company form of organization, besides enhancing leverage possibilities, has served as a vehicle enabling intrastate expansion within states with restrictive branching laws and expansion beyond state boundaries, particularly with respect to the lending activities of nonbank affiliates. This interstate expansion, together with the growth and multistate presence of foreign banking organizations, has called attention to the need for a careful review of the present restrictions on interstate banking.

These changes in the financial system contributed to passage of the Depository Institutions Deregulation and Monetary Control Act of 1980. By providing for a phaseout of Regulation Q, for expanded asset powers for thrift institutions, and for NOW accounts and automatic transfers, the act will encourage a further homogenization of depository institutions, especially in the field of consumer services. The act also sought to provide competitive equality between banks and thrift institutions offering nearly identical services but subject to different regulatory constraints. The act would not result, however, in complete equality in the regulatory treatment of financial institutions even when fully in effect. Federal savings and loan associations, for example, have broader branching powers within states and are subject only to regulatory, and not to statutory, restrictions on interstate expansion.

As the distinctions between banks and thrift institutions diminish further, it will become increasingly difficult to rationalize the maintenance of barriers to consolidation between bank holding companies and thrift institutions. We are already faced with an anomalous situation. Bank holding companies are permitted to acquire other companies meeting the statutory criterion of providing services that are "so closely related to banking or managing or controlling banks as to be a proper incident thereto," such as consumer finance and mortgage banking firms. But the Board has not generally permitted bank holding companies to acquire thrift institutions, which are more similar to banks in terms of the types of services they offer than many of the nonbanking companies whose activities are on the permissible list.

The issue of whether or not to include thrift institution activities on the permissible list for bank holding company acquisitions has come up on several occasions since the enactment of the 1970 amendments to the Bank Holding Company Act. Beginning in May 1971, with the adoption of its initial list of permissible activities and in each instance thereafter, the Board has consistently ruled in the negative on this general issue. The Board noted that the Congress had created a separate statutory and regulatory framework for savings and loan associations, reflecting its intent to maintain savings and loans as specialized lenders to finance housing. Because of that, the Board felt that affiliations between banks and thrift institutions involved broad public policy matters that the Congress should address.

The most recent case involving the general issue was in 1977, with the application of D. H. Baldwin to retain a savings and loan acquired before the 1970 amendments became effective. The Board again concluded that operating a savings and loan was impermissible for bank holding companies for several reasons. The Board noted that there were conflicts between the regulatory frameworks for bank holding companies and thrift institutions, especially with respect to the nonbanking activities that thrift institutions and bank holding companies are permitted to engage in. The Board felt that it could not resolve this conflict nor could it limit the activities of thrift institutions so as to fit within the standards of the Bank Holding Company Act. The Board also stated that such acquisitions might erode the beneficial institutional rivalry between thrift institutions and banks. Finally, the Board recognized that, as the powers of thrift institutions were expanded and they became more like banks, acquisitions of thrift institutions by out-of-state bank holding companies would undercut the interstate restrictions of section 3(d) of the Bank Holding Company Act.

The only exceptions to the Board's general policy in this regard have been cases in Rhode Island and New Hampshire, where such affiliations have been permitted because of the unique banking structures in those states. In both states, state law permits mutual associations to own commercial bank stock, and virtually all thrift institutions, with the exception of credit unions, are affiliated with commercial banks. Moreover, in the most recent case, involving New Hampshire institutions, the Board indicated that the exceptions made for New Hampshire and Rhode Island were not to be viewed as signaling a departure from the principles set forth in the D. H. Baldwin case.

In light of the changes in the financial system and competitive environment presently under way, the Board would urge the Congress to address the issues in a purposeful way of whether, when, and under what circumstances, thrift institutions and commercial banks should be allowed to merge or join forces under a holding company structure. We feel it is particularly important to investigate fully the legal, supervisory, competitive, and other implications of affiliations between banks and thrift institutions, especially at this crossroads in the evolution of the financial system. We would be pleased to prepare a timely study of the issues so as to facilitate early consideration by the Congress. The Board believes it would be appropriate also for the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board to prepare separate studies because they would provide their unique experiences as regulators of mutual savings banks and savings and loan associations.

As I have already indicated, there are important reasons why the Board does not feel that this legislation is desirable. In addition to these concerns, this legislation would establish a type of negative laundry list. The Board has consistently opposed such attempts because of the limits that would be placed on the ability to adapt the regulatory structure to a changing competitive and economic environment. In any event, the legislation seems to us defective in several ways.

First, acquisitions of thrift institutions in New Hampshire and Rhode Island already approved by the Board would need to be explicitly grandfathered; otherwise, they might have to be divested.

Second, whereas the amendment would prohibit banks or bank holding companies from acquiring thrift institutions, the amendment does not prohibit them from acquiring banking organizations.

Third, the language of the act relating to acquisitions in emergency situations does not provide the flexibility needed for the Board to permit acquisitions before insolvency becomes imminent. Moreover, the proposed legislation does not provide for suspension of the notice requirements in emergency situations, as is the case in emergency bank acquisitions under section 3 of the Bank Holding Company Act. The Board would not be able to act until proper notice and opportunity for a hearing had been given. This might telegraph to the public that a particular thrift institution was in financial difficulty.

Finally, the Board believes that if a moratorium is imposed, it should have a terminal date of no more than one year to encourage the Congress to deal in a timely way with the broad issues involved. □

Statement by John E. Ryan, Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, before the Subcommittee on General Oversight and Renegotiation of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, December 3, 1980.

I am pleased to appear before this subcommittee and to participate on behalf of the Federal Reserve System in these hearings on the Currency and Foreign Transactions Reporting Act (Bank Secrecy Act). In response to the request of Chairman Minish, my testimony will respond to the interim report of the General Accounting Office (GAO) concerning the efforts of the federal bank regulatory agencies to monitor compliance with the provisions of this act. As background, however, I think it may be useful to the subcommittee to spell out briefly the role and responsibilities of the Federal Reserve relative to the act and to detail some of the background developments that have brought us to this point.

As a bank supervisory and regulatory agency, the Federal Reserve refers to the appropriate law enforcement agency evidence of possible criminal conduct that is brought to light through the Federal Reserve's examination powers. In addition, the Federal Reserve issues, redeems, destroys, and processes currency for member banks and has provided technical expertise to law enforcement agencies on banking matters in connection with drug-related investigations. Further, the Federal Reserve has specific responsibilities for monitoring compliance of the financial institutions under its direct supervision with the requirements of the Bank Secrecy Act. This responsibility was delegated to the Federal Reserve and other bank regulatory agencies by the Department of the Treasury, which has primary responsibility for the enforcement of the statute.

As a result of its responsibilities for processing currency and coin, the Federal Reserve cooperates with the Treasury Department by providing information concerning currency flows into and out of the Reserve Banks and their branches that result from the requests of banks for currency and coin. A recent study by the Treasury Department showed what appeared to be unusually heavy inflows of currency at the Miami Branch of the Federal Reserve Bank of Atlanta, particularly in $50 and $100 bills, denominations that are reportedly popular with narcotics operatives. Based on the records of the Federal Reserve and the currency transactions reports filed by banks, a number of financial institutions in Florida were selected for review for compliance with the Bank Secrecy Act.

The three federal bank regulatory agencies, including the Federal Reserve, conducted special examinations of the Florida financial institutions that had been selected. Those examinations for which the Federal Reserve was responsible were concluded, and the findings were forwarded to the staff of the Treasury Department on July 3, 1980.

Besides these recent special examinations, Federal Reserve examiners have responded to requests from the Internal Revenue Service and the Justice Department for technical assistance in connection with investigations of possible violations of the Bank Secrecy Act by financial institutions. In short, we believe the Federal Reserve has cooperated diligently with the law enforcement agencies and with the Treasury in seeking compliance with the Bank Secrecy Act.

We would agree with the GAO, however, that there have been compliance problems with the Bank Secrecy Act. Some of these problems, as the GAO quite correctly points out, were due to vague and imprecise regulations that left room for wide-ranging interpretations and created mammoth "loopholes." Some were also due to the difficulties that a number of commercial banks, particularly smaller institutions, were having in devising compliance mechanisms and in understanding the requirements as their resources were being strained by a surge of new regulations and paperwork. Finally, some of the problems were undoubtedly a result of the need for more comprehensive procedures to monitor and enforce compliance.

Recent amendments by the Treasury Department to the implementing regulations that tighten exemption procedures for the filing of currency transactions reports have removed many ambiguities. We agree with the GAO assessment that these revisions should result in more consistent interpretation and reporting. Moreover, we believe that these changes will facilitate more effective compliance monitoring.

With respect to the compliance commitment of the financial institutions themselves, we believe that the overwhelming majority of senior management of the financial institutions under the supervision of the Federal Reserve would not knowingly permit their institutions to be used as vehicles for laundering narcotics-related monies and that compliance with the requirements of the Bank Secrecy Act is generally good. Nevertheless, in an effort to reinforce the compliance commitment of financial institutions, the Federal Reserve, on September 17, 1980, forwarded a letter to the chief executive officers of the institutions under its supervision requesting a review of procedures to insure that employees were being properly trained concerning the requirements of the regulations and that adequate internal controls were in place to insure compliance with the Bank Secrecy Act.

The examination procedures followed by the Federal Reserve to monitor bank compliance with the Bank Secrecy Act have evolved over time and have expanded as our experience with enforcement has broadened. The original compliance checklist was worked out in consultation with the Treasury Department after the issuance of the regulations in mid-1972. In March 1976, representatives from the federal banking regulatory agencies and the Treasury Department designed more detailed examination guidelines, which were forwarded to the examiners for implementation.

In 1980, new and more comprehensive examination procedures, based on those in place at the Federal Reserve Bank of New York, were developed by staffs of all of the federal regulatory agencies working under the aegis of the Federal Financial Institutions Examination Council. These revised procedures (which are appended to my testimony) are currently being field tested by the agencies.[1] They have also been recently reviewed by staffs of both the Treasury Department and the GAO and were modified to take into account the concerns expressed by GAO staff and by Senior Associate Director Arnold P. Jones of the GAO in his testimony before this subcommittee.

These new examination procedures are comprised of two separate phases that are progressively extensive in scope. In the first phase, the examiner must establish that the financial institution has appropriate operating and auditing standards and determine that the institution has established a program of employee education with regard to the requirements of the regulations, and that operations personnel are sufficiently knowledgeable about these requirements. Phase 1 also contemplates actual review of the reports submitted (4789s and 4790s), the list of customers exempted from reporting, and the volume of cash shipped to and/or received from the Federal Reserve Bank or a correspondent bank. In addition, the examiner must require a senior official to certify in writing that the financial institution is in compliance with the recordkeeping and reporting requirements of the regulations.

If the financial institution's performance is found deficient as a result of the phase 1 review, the examiner proceeds to the more exhaustive phase 2 procedures. We believe that this phased, progressively extensive scope of examination will lessen the regulatory burden imposed on those institutions in compliance with the regulations, conserve limited examiner resources, and still bring to light any institutions that may have circumvented the recordkeeping and reporting requirements of these regulations. An exception to this approach will be made in connection with examinations of selected institutions, particularly those located in geographic areas where there has been a reported high incidence of drug-trafficking. For these examinations, the examiner will complete both phases as a matter of routine.

In conclusion, it is my opinion that the recent changes in the regulations, the steps being taken by the Treasury Department to make greater use of the reported data, and the new examination procedures will improve the level of compliance with the Bank Secrecy Act by financial institutions. However, compliance with the act and the monitoring and enforcement of it are costly both to the government and to the private financial institutions. Because of these costs, we urge that periodic reviews such as the one being conducted by this subcommittee be made to assure that public benefits commensurate with costs are being derived from these efforts. □

1. The attachments to this statement are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Announcements

CHANGE IN DISCOUNT RATE AT FEDERAL RESERVE BANKS

The Federal Reserve Board has announced an increase in the basic discount rate from 11 percent to 12 percent and the adoption of a surcharge of 2 percentage points on frequent use of the discount window by large borrowers.

These actions, effective November 17, 1980, were taken in view of the current level of short-term market interest rates and the recent rapid growth in the monetary aggregates and bank credit.

The surcharge above the basic discount rate will apply to borrowings for short-term adjustment purposes of institutions with deposits of $500 million or more. It will be charged when discount borrowing occurs in two or more successive weeks in a calendar quarter or when borrowing takes place in more than four weeks in a calendar quarter.

In adopting the changes, the Board approved actions by the boards of directors of the 12 Federal Reserve Banks. The discount rate is the interest rate that is charged for borrowings from the District Federal Reserve Banks.

Subsequently, in light of the level of market rates and consistent with existing policy to restrain excessive growth in money and credit, the Federal Reserve Board announced an increase in the basic discount rate from 12 to 13 percent, effective December 5. In addition, the surcharge applicable to larger banks that have a record of frequent borrowing was raised from 2 to 3 percentage points.

In approving the increase, the Board acted on requests from the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, and San Francisco (and from the directors of the Banks of Boston, Philadelphia, Chicago, and Dallas, effective December 8).

PROPOSED ACTIONS

The Federal Reserve Board has issued revised proposals for simplifying its Regulation Z (Truth in Lending), which implements the Truth in Lending, Fair Credit Billing, and Consumer Leasing Acts. The Board requested comment by January 19, 1981.

POLICY STATEMENT FOR PROTESTED APPLICATIONS

The Federal Reserve Board on December 4, 1980, announced adoption of a policy statement for the handling of protested applications under the Bank Holding Company and Bank Merger Acts, for membership in the System, and for new branches of state member banks.

The policies set forth are intended to provide better notice to the public of applications to expand bank holding companies, merge financial institutions (or for certain other applications requiring the Board's approval), provide for public meetings when appropriate, and generally improve on existing procedures.

The Board also adopted technical amendments to its Rules of Procedure concerning notice requirements to give effect to certain provisions of the policy statement. These procedures are expected to be of assistance to individuals, groups, or others desiring to protest applications that come before the Board, and to applicants whose applications are protested.

REGULATION Y: RULING

The Federal Reserve Board has adopted a rule under Regulation Y (Bank Holding Companies) that adds the performance of real estate appraisals to the list of activities permissible for bank holding companies.

The Board confirmed, in connection with an application by the First Chicago Corporation, Chicago, Illinois, that it regards two further activities as falling within the scope of nonbanking activities already approved for bank holding companies. These are "advising state and local governments about methods available to finance real estate development projects" and "evaluation of projected income to determine for state and local governments whether debt resulting from proposed development projects can be adequately serviced."

REGULATION K: AMENDMENTS

The Federal Reserve Board has adopted rules revising provisions of its Regulation K (International Banking Operations) granting the Board's general consent for member banks, Edge and Agreement corporations, and bank holding companies to make certain additional investments in organizations in which they already have an interest.

The Board has established the general consent provision to give U.S. investors flexibility in making their foreign investments and to minimize their regulatory burden.

The revised general consent provisions are as follows: (1) provision that dividends reinvested within a year of receipt do not reduce the additional investment permissible under general consent; (2) application of the accumulation provisions retrospectively as well as prospectively; (3) limitation of the size of additional investments that can be made under the accumulation provision of the general consent rules to 10 percent of the investor's capital and surplus; and (4) definition of historical cost.

In addition, the Federal Reserve Board has issued amendments to Regulation K dealing with the nonbanking activities of foreign bank holding companies and foreign banks that have banking offices in the United States.

The Board's action implements certain limited exemptions from prohibitions respecting nonbanking activities of these institutions. The regulations provide criteria to determine what foreign institutions are eligible for exemption and what types of U.S. nonbanking activities may be engaged in by these institutions.

A foreign institution engaged in banking activities in the United States through a branch, agency, commercial lending company, or subsidiary bank is subject to the prohibitions on nonbanking activities of the Bank Holding Company Act.

The Board made the following rulings:

1. Foreign organizations, in order to qualify for exemption, are required to be principally engaged in the banking business outside the United States (that is, more than half of their business—exclusive of their banking business in the United States—must be banking and more than half of their banking business must be outside the United States).
2. Foreign organizations that fail to qualify for two consecutive years will no longer be entitled to the exemptions.
3. Foreign organizations that do not qualify under the numerical criteria will have an opportunity to petition the Board for specific determinations as to eligibility for the exemptions.
4. Permissible nonbanking activities in the United States will be determined by reference to the four-digit "establishment" category of the standard industrial classification (SIC).
5. Activities in the United States that are included in division H of the SIC, with certain exceptions, may be engaged in only with specific Board approval.

COUNTRY EXPOSURE LENDING SURVEY

International claims of U.S. banks with sizable foreign banking operations were about 20 percent higher at June 30, 1980, than a year earlier, and were up 8 percent in the first six months of 1980. This was reported on November 24, 1980, by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board. The report was based on a semiannual survey covering foreign offices of 143 U.S. banking organizations.

Cross-border and nonlocal currency claims amounted to $266 billion in June 1980, up from $221 billion at June 1979. The increase was primarily in short-term credits; claims with a maturity in excess of one year rose only $2.5 billion.

In addition, the survey indicated that local currency lending to local borrowers by foreign offices of U.S. banks increased $3.5 billion in the first six months of 1980 to a total of $70.5 billion.

The largest share of the increase in cross-border and nonlocal currency lending was the result of higher claims on borrowers located in developed countries. Cross-border and nonlocal currency lending to less developed countries that are not members of the Organization of Petroleum Exporting Countries (OPEC) amounted to $66 billion, an increase of about $4 billion in the first six months of 1980. Claims on these countries were 22 percent higher than at June 30, 1979.

Types of Loans

The survey concentrated on data on lending from a bank's office in one country to residents of another country as well as in a currency other than that of the borrowers. These are known as cross-border and cross-currency loans.

Cross-border and cross-currency loans are those most closely associated with country risk. Such claims totaled $266 billion in June 1980. Claims on residents of Switzerland and the Group of Ten (G-10) developed countries and "offshore banking centers" (countries in which multinational banks conduct a large international money market business) represent 57 percent of this total. Claims on residents of developing countries that are not members of OPEC amount to 25 percent of the total, about the same percentage as for 1979.

In addition, the banks reported $70.5 billion in local currency claims that were held by their foreign offices on residents of the country in which the office was located. An example would be deutsche mark claims on German residents held by the German branch of the reporting U.S. bank. Most of these local currency claims were funded by local currency liabilities due to local residents; they amounted to $57 billion.

Maturities

Nearly three-quarters of the reported cross-border and cross-country claims had a maturity of one year or less. Only $19.6 billion in claims had a maturity in excess of five years. Short-term claims are especially prominent in the G-10 countries and the offshore banking centers, where a large volume of interbank lending takes place. Such placements of deposits are usually for short periods.

For most other groups of countries, short-term claims accounted for about half of the total claims, although the proportion varied among countries.

Type of Borrower

Business with other banks accounted for the largest amount, equaling $147 billion. Most of the claims on banks were on those located in the G-10 countries and the offshore banking centers. Private nonbank sector lending totaled $75 billion, and loans to the public sector amounted to $44 billion. This last category includes foreign central banks and commercial nonbank enterprises owned by government. The distribution by type of borrower varied significantly from country to country.

Guarantees

Cross-border and cross-country claims that are guaranteed by residents of another country are reallocated from the country of residence of the borrower to another country in two major ways. First, claims on a bank branch located in one country when the head office is located in another country are allocated to the country of the head office. Since a branch is legally a part of the parent, claims on a branch are treated as being guaranteed by the head office. Second, claims on a borrower in one country, which are formally guaranteed by a resident of another country, are allocated to the latter country. These reallocations are thought to provide a better approximation of country exposure in the banks' portfolios than the unadjusted figures.

Most of the reallocations are accounted for by the transfer of claims on branches (and, when guaranteed, subsidiaries) of banks to their head offices ($55 billion of $68 billion). In general, the reallocations primarily affected the offshore banking centers and some of the developed countries. For example, claims on the offshore banking centers decreased from $38 billion to $11 billion and claims on the United Kingdom decreased from $43 billion to $24 billion. For most of the less developed countries, a relatively small portion of claims is externally guaranteed. The total for claims on foreigners by country of guarantor is about $241 billion, or $25 billion less than the total for claims by country of borrower. This results from U.S. residents guaranteeing claims on foreign residents and foreigners guaranteeing claims on U.S. residents.

Commitments to Provide Funds for Foreigners

The survey also provided information on contingent claims on foreigners. The banks reported only those contingent claims when the bank had a legal obligation to provide funds. The amounts reported totaled $75 billion, 74 percent of which is in the private sector, including banks.

REGULATION D: AMENDMENTS

The Federal Reserve Board has announced a revision of its Regulation D (Reserve Requirements of Depository Institutions) affecting the calculation of Eurocurrency liabilities by domestic depository institutions and by U.S. branches and agencies of foreign banks. These liabilities are being phased into a reserve requirement of 3 percent under Regulation D.

Previously, in calculating Eurocurrency reserve requirements, loans of a financial institution in the United States to its offices abroad were used only to offset funds received by the institution from its offices abroad.

As revised, the regulation permits an institution to use loans to foreign offices not only to offset borrowings from foreign offices but also to offset the amount of assets sold to foreign offices and, in the case of domestic depository institutions, loans by foreign branches to U.S. residents.

The change is intended to avoid imposing reserve requirements on the same funds twice: once, when the funds advanced to the foreign branch are raised in this country, and again when they are used by a foreign office to purchase assets from a domestic office or when they are lent by a foreign branch of a domestic depository institution to a resident of the United States.

Subsequently, the Board amended Regulation D with respect to the period during which a limited number of telephone or preauthorized transfers can be made in an account without causing the account to become subject to a reserve requirement on transaction accounts.

Before revision, the regulation had specified that a depository institution could authorize three or less telephone or preauthorized transfers of funds to be made within a calendar month from an account, without subjecting the account to the reserve requirement on transaction accounts. The amended regulation provides that the term "calendar month" includes any statement cycle or similar period of at least four weeks for purposes of the three permissible transfers.

The Board also made a number of technical changes to Regulation D in the nature of clarifications and corrections of minor errors.

REGULATION C: AMENDMENT

The Federal Reserve Board on December 1, 1980, amended its Regulation C (Home Mortgage Disclosure) to require institutions to change from a fiscal- to a calendar-year basis for reporting of mortgage loan data for 1980 under the Home Mortgage Disclosure Act. Institutions that previously compiled data on a noncalendar-year basis are required to prepare a separate disclosure statement for that portion of 1979 not covered by the fiscal year ending before January 1, 1980. The Board established March 31, 1981, as the due date for the 1980 disclosure statement and for the separate disclosure to cover the odd period before calendar year 1980.

The Board's actions implement a portion of the amendments to the Home Mortgage Disclosure Act contained in the Housing and Community Development Act of 1980. Proposed amendments to implement other statutory provisions are expected to be published in January.

Availability of Agency Enforcement Documents

The Federal Reserve Board has announced that, effective November 26, 1980, it will make available to the public, on request, final agency enforcement documents or portions of such documents, issued by the Board to enforce the Truth-in-Lending Act, the Equal Opportunity Act, the Fair Housing Act, the Fair Credit Reporting Act, the Electronic Fund Transfer Act, the Fair Debt Collection Act, the Fair Credit Billing Act, and the Community Reinvestment Act. Such documents and portions of documents will be made available without charge but with identifying details relating to financial institutions and third parties removed to protect valid interests of confidentiality. This action was taken to accomplish the fullest possible public disclosure of information consistent with valid interests of confidentiality.

High-Speed Currency Examination

The Federal Reserve Board has announced adoption of a Systemwide program to improve the quality of the nation's currency through the use of high-speed electronic currency examination equipment.

As soon as practicable, but not later than 1984, virtually all Reserve Bank offices will acquire sufficient high-speed equipment to scan electronically for fitness nearly all of the millions of used pieces of currency returned by banks to the Federal Reserve System annually.

The currency examination machines are capable of inspecting electronically 67,000 currency notes per hour. The machines, which are already being used in some parts of the System, determine whether or not a currency note is fit for return to use by the public. If the notes are fit for further use, the machines separate them according to denomination and bind them into packs. Notes that are determined to be unfit for further circulation because they are excessively soiled, have been torn and taped back together, or are otherwise mutilated are destroyed.

The Board also announced that it has approved more than a hundred recommendations by a committee of Federal Reserve Bank officials for improvement and standardization of services provided by Reserve Banks to financial institutions. The primary objective of the System committee, which identified areas for improvement and developed means of providing a higher level or better quality of services in such areas, was to reduce inconsistencies in services provided by the 12 Federal Reserve Banks in the areas of check collection, cash handling, fiscal agency operations, and transfers of funds and securities. The Board asked the Reserve Banks to make the improvements as soon as practicable but not later than the end of 1981. The Board directed the Banks to maintain contacts with those receiving services in order to monitor the quality of Federal Reserve services on a continuing basis.

Changes in Board Staff

The Board of Governors has announced the following staff changes.

Donald J. Winn, Special Assistant to the Board, has been named Assistant to the Board for Congressional Liaison, effective November 17, 1980.

James McAfee, has been appointed Assistant Secretary in the Office of the Secretary, effective about December 15. Mr. McAfee, who joined the Board's staff in 1976, holds a B.A. from Princeton University and a J.D. from the University of Florida.

New Publication

Introduction to Flow of Funds, a revised description of flow of funds accounts, is now available. This publication consists of the 53-page introductory text on purposes, nature, and structure of flow of funds accounts that was last published in 1975. This version of the text has been updated in terms of charts and definitions with the September 1979 revision of the accounts. It *does not* include the tables themselves, which are available as annual data on request without charge, nor does it include the detailed description of derivation methods.

The price of the publication is $1.50 a copy; in quantities of 10 or more sent to one address, $1.25 each. Copies may be obtained from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

System Membership: Admission of State Banks

The following banks were admitted to membership in the Federal Reserve System during the period November 11, 1980, through December 10, 1980:

Colorado
Arapahoe County..........Orchard Valley Bank
Kansas
Ellsworth ....Citizens State Bank and Trust Company
Nebraska
Lincoln ....Gateway Bank and Trust
Oregon
Prineville ....Prineville Bank

Record of Policy Actions of the Federal Open Market Committee

Meeting Held on October 21, 1980

1. Domestic Policy Directive

The information reviewed at this meeting suggested that economic activity had expanded in the third quarter. According to preliminary estimates of the Commerce Department, real GNP increased at an annual rate of 1 percent in the quarter, following a contraction at an annual rate of about $9^1/_2$ percent in the second quarter. Average prices, as measured by the fixed-weight price index for gross domestic business product, continued to rise at the annual rate of about $10^1/_2$ percent recorded in the second quarter.

The dollar value of total retail sales rose in September for the fourth consecutive month. Sales at food stores and gas service stations rose sharply, while combined sales at general merchandise, apparel, and furniture and appliance stores were unchanged, following large increases in July and August. Sales of new automobiles changed little in September, but for the third quarter as a whole they were up substantially from the depressed rate in the second quarter.

Private housing starts rose considerably further in September, to an annual rate of more than 1.5 million units. Most of the increase was in multifamily units and apparently reflected a bulge in starts associated with federal subsidies at the end of the fiscal year. In August, sales of new houses declined somewhat, after rising markedly over the previous three months, but the stock of unsold units fell further to its lowest level in more than four years. Sales of existing homes, which had accelerated in July, rose somewhat further in August.

The index of industrial production rose an estimated 1 percent in September; the index had increased 0.6 percent in August after declining somewhat more than 8 percent over the previous six months. The increase in September, like that in August, was broadly based and included notable gains in output of materials, construction supplies, and consumer home goods. The rate of capacity utilization in manufacturing increased nearly 1 percentage point during August and September, following a cumulative decline of more than 12 percentage points from the peak in March 1979.

Nonfarm payroll employment expanded in September for the second consecutive month, and the unemployment rate edged down from 7.6 to 7.5 percent. Employment gains were especially strong in trade and service industries. Employment in manufacturing rose further, and the length of the average workweek edged up to a level one-half hour above its July trough.

Producer prices of finished goods declined slightly in September, but they rose substantially on the average during the third quarter as a whole. At the consumer level, increases in food prices accelerated sharply in August, but prices of energy items continued to rise at a greatly reduced pace and homeownership costs declined somewhat further; excluding those categories, consumer prices increased at about the 8 percent pace that had prevailed since April. The rise in the index of average hourly earnings of private nonfarm production workers moderated in the third quarter, but the increase over the first nine months of the year was at an annual rate of $8^1/_2$ percent, about the same as in 1979.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies had risen somewhat on balance over the interval since the Committee's meeting in mid-September. The U.S. foreign trade deficit in August remained at a level well below the monthly average in the second quarter. The volume and value of oil imports fell sharply in the July–August period, while the value of other imports was about unchanged and the value of exports increased.

At its meeting on September 16, the Committee had decided that open market operations in the period until this meeting should be directed toward expansion of reserve aggregates consistent with growth of M-1A, M-1B, and M-2 over the period from August to December at annual rates of about 4 percent, $6^1/_2$ percent, and $8^1/_2$ percent respectively, provided that in the period until the next regular meeting the weekly average federal funds rate remained within a range of 8 to 14 percent. Early in the intermeeting period, incoming data indicated that the monetary aggregates, particularly M-1A and M-1B, were growing faster than the rates consistent with the Committee's objectives for the August-to-December period. Required reserves and member bank demands for reserves expanded substantially in relation to the supply of reserves being made available through open market operations. Consequently, member bank borrowings for reserve-adjustment purposes increased sharply, to an average of \$1.4 billion in the four statement weeks ending on October 15 from an average of about \$835 million in the preceding four weeks. These developments were associated with additional upward pressures on the federal funds rate and other short-term interest rates. Those pressures were intensified by an increase in Federal Reserve discount rates from 10 to 11 percent announced on September 25. In the days preceding this meeting, the funds rate was in the area of $12^1/_2$ to 13 percent, compared with $10^1/_2$ to 11 percent in the days just before the Committee's meeting on September 16.

In September, M-1A and M-1B grew at annual rates of $12^1/_4$ and $15^1/_4$ percent respectively, down markedly from the record rates set in August but still far above the rates consistent with the Committee's objectives for the period from August to December. Expansion in M-2 moderated further in September, to an annual rate of about $8^1/_4$ percent, reflecting in part a further slowing in the growth of nontransaction accounts included in that measure of money. However, M-3 grew more rapidly than M-2 for the first time since the spring, as both banks and thrift institutions stepped up their issuance of large-denomination certificates of deposit and other managed liabilities. For the period from the fourth quarter of 1979 through September, growth of M-1A was just above the midpoint of the Committee's range for the year ending in the fourth quarter of 1980; M-1B and M-2 grew at rates somewhat above the upper limits of their respective ranges, and growth of M-3 was near the upper limit of its range.

Expansion in total credit outstanding at U.S. commercial banks was relatively rapid in September, although somewhat below the August pace. Bank acquisitions of securities moderated in September from the brisk pace in the previous two months; but growth in total loans, including business loans, accelerated, following a substantial increase in August. Net issuance of commercial paper by nonfinancial corporations declined further in September.

Short-term market interest rates rose $^5/_8$ to $1^1/_2$ percentage points further over the intermeeting period, while long-term rates changed little on balance. Over the interval, commercial banks increased their loan rate to prime business borrowers from $12^1/_4$ to 14 percent. In primary markets for home mortgages, average rates on new commitments for conventional loans at savings and loan associations rose to about $13^3/_4$ percent from a little over 13 percent at the time of the September meeting.

The staff projections presented at this meeting suggested that the rise in real GNP in the third quarter marked the beginning of a recovery, but a sluggish one that was likely to be associated with some further increase in the rate of unemployment over the next few quarters. The projections continued to suggest that the rise in the fixed-weight price index for gross domestic business product would be somewhat less rapid in 1981 than in 1980.

During the Committee's discussion of the economic situation, the members agreed that recovery in economic activity had begun, and several suggested that growth in real GNP could well be greater in the current quarter than that incorporated in the staff projections and greater than that in the third quarter. However, prospects for 1981 were viewed with much more uncertainty, and considerable skepticism was expressed about the degree of confidence with which consumer and business behavior could be forecast in the current environment.

Major sources of uncertainty as well as of concern with regard to the business outlook were the continued rapid pace of inflation and the substantial rebound of interest rates so soon after the turnaround in economic activity. In these circumstances, the outlook for consumer spending was very clouded. It was suggested, for example, that continued expansion in consumption expenditures and a further decline in the already low personal saving rate might tend to sustain the recovery in activity for a time, as consumers attempted to maintain their standards of living or even to anticipate additional increases in prices. Alternatively, consumer spending might be constrained by the low saving rate, by increases in prices of foods and other necessities, and by rising interest rates. Similarly, concern was expressed that the rise in interest rates, aggravated by the prospect of sizable budget deficits, would have significantly adverse consequences for residential construction and business investment; but it was also suggested that in the current inflationary environment the higher levels of interest rates might have considerably less inhibiting effects than they would have had in the past.

At its meeting in July, the Committee had reaffirmed the ranges for monetary growth in 1980 that it had established in February. Thus, the Committee had agreed that from the fourth quarter of 1979 to the fourth quarter of 1980, average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: M-1A, $3^1/_2$ to 6 percent; M-1B, 4 to $6^1/_2$ percent; M-2, 6 to 9 percent; and M-3, $6^1/_2$ to $9^1/_2$ percent. The associated range for the rate of growth in commercial bank credit was 6 to 9 percent. For the period from the fourth quarter of 1980 to the fourth quarter of 1981, the Committee looked toward a reduction in the ranges for growth of M-1A, M-1B, and M-2 on the order of $^1/_2$ percentage point from the ranges adopted for 1980, abstracting from institutional influences affecting the behavior of the aggregates. It was understood that the longer-run ranges would be reconsidered as conditions warranted.

In contemplating policy for the period immediately ahead, the Committee noted that growth of the narrower monetary aggregates in September had substantially exceeded the rates consistent with the growth objectives for the period from August to December adopted at the meeting on September 16. Those objectives in turn had been consistent with growth for M-1A just below the midpoint of the Committee's range for the year from the fourth quarter of 1979 to the fourth quarter of 1980 and with growth for M-1B just below the upper bound of its range. The members had recognized that, owing to shifts in the public's preferences for deposits of various types, growth of M-2 over the year might slightly exceed its range.

According to a staff analysis, expansion in the public's demands for money might be expected to slow substantially in the final three months of the year even with some further pickup in growth of nominal GNP, because of the substantial accumulation of cash balances in the third quarter and the large increase in short-term interest rates since midyear. The analysis also emphasized that the differential between growth of M-1A and M-1B would remain appreciably greater than had been anticipated when the ranges for growth of the aggregates during 1980 were first adopted in February.

In the Committee's discussion of policy for the period immediately ahead, all of the members favored pursuit of a sharp reduction in monetary expansion over the final three months of the year from the rapid pace of recent months. The uncertainty concerning projections of much slower growth in the monetary aggregates was emphasized, and it was generally recognized that further evidence that growth was proceeding faster than targeted in the short run would require greater pressure on bank reserve positions. The members differed somewhat in their views with respect to the precise growth rate targets that should be adopted for the period ahead. A number of members favored growth objectives for the final three months of the year that would arithmetically compensate for the overshoot in September and thus would be consistent with the growth rates for the period from August to December that had been adopted at the Committee's meeting in September. Most members, on the other hand, favored adoption of objectives that would contemplate slightly higher growth over the final three months of the year, given the developments in the aggregates since the last meeting, although they were willing to accept lower rates of growth should such rates emerge as a result of pressures already placed on bank reserves.

Those who favored the objectives precisely consistent with the growth rates adopted at the preceding meeting believed that such a stated objective was appropriate in the interest of reducing inflationary expectations and strengthening confidence. It was considered in this context that, while the differences discussed were small, the lower objective could better assure the maintenance of growth of M-1B, as well as that of M-1A, within its range for the year, which could be psychologically important. The point was made, moreover, that very slow monetary growth in the course of the fourth quarter could be tolerated in view of the rapid growth in the third quarter, and also that such a development would contribute toward gradual year-to-year reduction in monetary growth.

Other members, while also seeking sharply reduced growth rates of the aggregates in the months ahead, attached less significance to targets precisely consistent with the August-to-December objectives adopted a month earlier, in light of the inherent volatility of the data in the short run. Committee actions affected the money supply only with some lag, and given actions already in place and the uncertainties in the economic outlook, the possibility could not be excluded that very ambitious short-run objectives with respect to restraint could generate undesirable instability in both interest rates and the money supply over a somewhat longer period and thus be counter to the Committee's more fundamental goals. These members agreed, however, that further indications of excessive monetary growth would need to be reflected in further pressures on bank reserve positions.

During the Committee's discussion, most members agreed that the differences concerning the numerical targets for growth over the last three months of the year should be reconciled by small adjustments among the competing views, with the general understanding that some shortfall from the specified rates of monetary growth would be accepted. It was pointed out that, in light of the recent excessive rate of monetary expansion, growth of M-1B could marginally exceed the upper bound of its range for 1980 if increases over the months ahead equaled or exceeded the numerical specifications. In that connection, it was also emphasized that an inconsistency had become apparent during the course of the year between the longer-run ranges for M-1A and M-1B as a result of faster-than-expected growth of ATS and NOW accounts, which had been at the expense partly of demand deposits and partly of savings deposits or other sources of funds not included in M-1. In light of those developments during the past year, the range for growth of M-1B in 1980 presumably should have been somewhat higher than that actually adopted, while the range for M-1A should have been somewhat lower, to achieve the intended economic result. It was understood that the agreed approach would be associated with significant further pressures on bank reserve positions if growth of the monetary aggregates and the associated demands for reserves proved to be greater than anticipated. In light of the recent rise in the federal funds rate and the objective of sharply reducing monetary growth, sentiment was expressed for raising the intermeeting range for the funds rate from the range of 8 to 14 percent specified at the September meeting.

At the conclusion of the discussion the Committee agreed that open market operations in the period until the next meeting should be directed toward expansion of reserve aggregates consistent with growth of M-1A, M-1B, and M-2 over the September-to-December period at annual rates of about $2^1/_2$ percent, 5 percent, and $7^1/_4$ percent respectively, or somewhat less, provided that in the period before the next regular meeting the weekly average federal funds rate remained within a range of 9 to 15 percent. If it appeared during the period before the next regular meeting that the constraint on the federal funds rate was inconsistent with the objective for the expansion of reserves, the Manager for Domestic Operations was promptly to notify the Chairman, who would then decide whether the situation called for supplementary instructions from the Committee.

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

The information reviewed at this meeting suggests that real GNP increased somewhat in the third quarter following the sharp contraction in the second quarter, while prices on the average continued to rise rapidly. The recovery in retail sales and housing starts that began in June continued during the third quarter. Industrial production and nonfarm payroll employment expanded in September for the second consecutive month, and the unemployment rate edged down from 7.6 to 7.5 percent. The rise in the index of average hourly earnings moderated in the third quarter, but the rise over the first nine months of the year was about as rapid as in 1979.

The weighted average value of the dollar in exchange markets on balance has risen somewhat over the past month. The U.S. trade deficit in August remained well below the monthly average in the second quarter.

M-1A and M-1B continued to grow rapidly in September, although not so rapidly as in August, while growth in M-2 moderated further. From the fourth quarter of 1979 to September, growth of M-1A was slightly above the midpoint of the range set by the Committee for growth over the year ending in the fourth quarter of 1980, while growth of M-1B and M-2 was somewhat above the upper limits of their ranges. Expansion in commercial bank credit was relatively rapid in both August and September. On balance short-term market interest rates have risen considerably further since mid-September while long-term rates have changed little; average rates on new home mortgage commitments have continued upward. An increase in Federal Reserve discount rates from 10 to 11 percent was announced on September 25.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation, encourage economic recovery, and contribute to a sustainable pattern of international transactions. At its meeting in July, the Committee agreed that these objectives would be furthered by growth of M-1A, M-1B, M-2, and M-3 from the fourth quarter of 1979 to the fourth quarter of 1980 within ranges of $3\frac{1}{2}$ to 6 percent, 4 to $6\frac{1}{2}$ percent, 6 to 9 percent, and $6\frac{1}{2}$ to $9\frac{1}{2}$ percent respectively. The associated range for bank credit was 6 to 9 percent. For the period from the fourth quarter of 1980 to the fourth quarter of 1981, the Committee looked toward a reduction in the ranges for growth of M-1A, M-1B, and M-2 on the order of $\frac{1}{2}$ percentage point from the ranges adopted for 1980, abstracting from institutional influences affecting the behavior of the aggregates. These ranges will be reconsidered as conditions warrant.

In the short run, the Committee seeks behavior of reserve aggregates consistent with growth of M-1A, M-1B, and M-2 over the September-to-December period at annual rates of about $2\frac{1}{2}$ percent, 5 percent, and $7\frac{1}{4}$ percent respectively, or somewhat less, provided that in the period before the next regular meeting the weekly average federal funds rate remains within a range of 9 to 15 percent.

If it appears during the period before the next meeting that the constraint on the federal funds rate is inconsistent with the objective for the expansion of reserves, the Manager for Domestic Operations is promptly to notify the Chairman, who will then decide whether the situation calls for supplementary instructions from the Committee.

Votes for this action: Messrs. Volcker, Gramley, Guffey, Partee, Rice, Schultz, Solomon, and Mrs. Teeters. Votes against this action: Messrs. Morris, Roos, Wallich, and Winn.

Messrs. Morris, Roos, Wallich, and Winn dissented from this action because, given the excessive monetary expansion in recent months, they favored specification of lower monetary growth rates for the period from September to December than those adopted at this meeting. In their view, such a policy stance was appropriate in order to enhance the prospects for restraining growth of the monetary aggregates within the Committee's ranges for the period from the fourth quarter of 1979 to the fourth quarter of 1980 and thereby contribute to restraining inflation.

2. Authorization for Domestic Open Market Operations

At this meeting the Committee voted to increase from $3 billion to $4 billion the limit on changes between Committee meetings in System Account holdings of U.S. government and federal agency securities specified in paragraph 1(a) of the authorization for domestic open market operations, effective immediately, for the period ending with the close of business on November 18, 1980.

Votes for this action: Messrs. Volcker, Gramley, Guffey, Morris, Partee, Rice, Roos, Schultz, Solomon, Mrs. Teeters, Messrs. Wallich, and Winn. Votes against this action: None.

This action was taken in light of projections indicating a need for substantial reserve-absorbing operations over the coming intermeeting interval to counter the effects of a significant reduction in required reserves. The anticipated reduction was associated with the implementation in November of new regulations on reserve requirements under provisions of the Monetary Control Act of 1980.

Legal Developments

AMENDMENTS TO REGULATION D

The Board of Governors has amended Regulation D—Reserve Requirements of Depository Institutions—to permit a U.S. depository institution or Edge or Agreement Corporation to use net balances advanced to its foreign branches to offset the amount of credit extended by its foreign branches to United States residents and the amount of assets sold to its foreign branches or to foreign offices of an affiliated Edge or Agreement Corporation.

Effective December 11, 1980, Regulation D (12 CFR Part 204) is amended as follows:

In section 204.2, paragraph (h) is revised to read as follows:

Section 204.2—Definitions

* * * * *

(h) *"Eurocurrency liabilities"* means:

(1) For a depository institution or an Edge or Agreement Corporation organized under the laws of the United States, the sum, if positive, of the following:

(i) net balances due to its non-United States offices from its United States offices.

(ii) assets (including participations) held by its non-United States offices or by non-United States offices of an affiliated Edge or Agreement Corporation that were acquired after October 6, 1979, from its United States offices, and

(iii) credit outstanding from its non-United States offices to United States residents (other than assets acquired and net balances due from its United States offices), except credit extended (i) in the aggregate amount of $100,000 or less to any United States resident, (ii) by a non-United States office that at no time during the computation period had credit outstanding to United States residents exceeding $1 million, or (iii) to an institution that will be maintaining reserves on such credit pursuant to this Part. Credit extended to a foreign branch, office, subsidiary, affiliate or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations is not regarded as credit extended to a United States resident if the proceeds will be used in its foreign business or that of other foreign affiliates of the controlling domestic corporation(s).

(2) For a United States branch or agency of a foreign bank, the sum, if positive, of the following:

(i) net balances due to its foreign bank (including offices thereof located outside the United States) after deducting an amount equal to 8 per cent of the following: The United States branch's or agency's total assets less the sum of United States currency and coin, cash items in process of collection, unposted debits, balances due from depository institutions organized under the laws of the United States, balances due from other foreign banks, balances due from foreign central banks, and net balances due from its foreign bank and the foreign bank's United States and non-United States offices, and

(ii) assets (including participations) held by its foreign bank (including offices thereof located outside the United States), by its parent holding company, or by non-United States offices of an affiliated Edge or Agreement Corporation that were acquired after October 6, 1979, from the United States branch or agency (other than assets required to be sold by Federal or State supervisory authorities).

* * * * *

AMENDMENTS TO REGULATION K

The Board of Governors has adopted a final rule to amend provisions of Regulation K governing investments by member banks, Edge and Agreement Corporations, and bank holding companies.

Effective November 13, 1980, Regulation K (12 CFR 211) is amended as follows:

1. By revising Section 211.5(c)(1)(ii) to read as follows:

Section 211.5—Investments in Other Organizations

* * * * *

(c) *Investment Procedures.*

* * * * *

(1) *General consent.* The Board grants its general consent for the following:

* * * * *

(ii) any additional investment in an organization in any calendar year so long as (A) the investment does not cause the organization to be a direct or indirect subsidiary or joint venture of the investor; (B) the total amount invested in that calendar year does not exceed 10 per cent of investor's capital and surplus; and, (C) the total amount invested under Part 211 in the current calendar year does not exceed cash dividends reinvested pursuant to paragraph (iii) below plus the greater of (1) 10 percent of the investor's direct and indirect historical cost[6] in such organization, or (2) 50 per cent of the investor's direct and indirect historical cost in that organization less any amounts invested in that organization during the previous four calendar years (excluding dividends reinvested pursuant to paragraph (iii) below); or

* * * * *

2. By redesignating section 211.5(c)(1)(iii) as section 211.5(c)(1)(iv), and adding a new section 211.5(c)(1)(iii) to read as follows:

Section 211.5—Investments in Other Organizations

* * * * *

(c) *Investment Procedures.*

* * * * *

(1) *General consent.* The Board grants its general consent for the following:

* * * * *

(iii) any additional investment in an organization in an amount equal to cash dividends received from that organization during the preceding 12 calendar months so long as such investment does not cause the organization to be a direct or indirect subsidiary or joint venture of the investor; or

6 The "historical cost" of an investment consists of the actual amounts paid for shares or otherwise contributed to the capital accounts, as measured in dollars at the exchange rate in effect at the time each investment was made. It does not include subordinated debt or unpaid commitments to invest even though these may be considered investments for other purposes of this Part. For investments acquired indirectly as a result of acquiring a subsidiary, the historical cost to the investor is measured as of the date of acquisition of the subsidiary; at the net asset value of the equity interest in the case of subsidiaries and joint ventures, and in the case of portfolio investments, at the book carrying value.

Amendments to Regulation Y

The Board of Governors has adopted a final rule that adds the performance of appraisals of real estate to the list of those activities permissible for bank holding companies. See the Board's Order on this action in connection with an application by First Chicago Corporation on page 984 of this issue.

Effective December 31, 1980, section 225.4(a) of Regulation Y (12 CFR 225) is amended by adding the following new paragraph (14) immediately following § 225.4(a)(13):

Section 225.4—Nonbanking Activities

* * * * *

(a) * * *

(14) Performing appraisals of real estate.

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

Orders Under Section 3 of Bank Holding Company Act

Banco Zaragozano, S.A., Madrid, Spain

Order Approving Formation of Bank Holding Company

Banco Zaragozano, S.A., Madrid, Spain, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 84.5 percent of the voting shares of Miami National Bank, Miami, Florida ("Bank").

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

Applicant, a Spanish bank with total assets of approximately $1.5 billion, and total deposits of $1.0 billion,[1] is the seventeenth largest banking organization in Spain and provides a broad range of commercial banking services through more than 150 branches in that country. Bank, with total deposits of $42.1 million, is one of the smaller banking organizations in the

1. All banking data are as of June 30, 1980, unless otherwise noted.

greater Miami banking market (relevant market),[2] controlling about 0.5 percent of total commercial bank deposits in that market. Inasmuch as Applicant conducts no banking operations in the United States, consummation of the proposed transaction would have no adverse effects on existing or potential competition and would not increase the concentration of resources in any relevant area. Therefore, competitive considerations are consistent with approval of the application.

The financial and managerial resources of Applicant are considered satisfactory and its future prospects are favorable. Affiliation of Bank with Applicant will strengthen the financial and managerial resources of Bank, and, therefore, Bank's future prospects appear favorable. Thus, considerations relating to banking factors lend some weight toward approval of the application.

Although consummation of the proposal would not immediately result in any change in the banking services offered by Bank, considerations relating to the convenience and needs of the community to be served are consistent with approval. Accordingly, the Board has determined that consummation of the transaction would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated 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 Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective November 26, 1980.

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

(Signed) JEFFERSON A. WALKER,
[SEAL] *Assistant Secretary of the Board.*

2. The greater Miami banking market is approximated by all of Dade and Broward Counties.

Barrington Bancorporation, Inc., Barrington, Illinois

Order Denying Formation of a Bank Holding Company

Barrington Bancorporation, Inc., Barrington, Illinois, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 80 percent or more of the voting shares of Barrington State Bank ("Bank"), Barrington, Illinois.

Notice of the application, affording an 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 Illinois Commissioner of Banks and Trust Companies, in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $20.0 million.[1] Upon acquisition of Bank, Applicant would control the 640th largest bank in Illinois and would hold approximately 0.03 percent of the total deposits in commercial banks in the state.

Bank is the 273rd largest of 369 banking organizations in the relevant market and holds approximately 0.04 percent of the total deposits in commercial banks in the market.[2] Three principals of Bank and Applicant are principals of four other one-bank holding companies and their subsidiary banks. Even though three of these organizations are located in the same banking market as Bank, any anticompetitive effect is mitigated by the relatively small size of these organizations and the large number of banking alternatives within the market. It appears from the facts of record that consummation of the proposal would neither result in any adverse effect upon competition nor increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary banks, and that the Board would closely examine the condition of an applicant in each case with this consideration in mind. While the financial and managerial resources and future prospects of Applicant's affiliated banks and bank holding companies are considered generally satisfactory, in this case the Board concludes that considerations relating to the financial resources and future prospects of Applicant warrant denial of this application.

With respect to Applicant's and Bank's financial resources and future prospects, the Board notes that Ap-

1. Banking data are as of December 31, 1979, and reflect holding company formations and acquisitions as of June 30, 1980.

2. The relevant banking market is the Chicago banking market, which is approximated by all of Cook and Page Counties and the southern half of Lake County, Illinois.

plicant would incur a sizeable debt in connection with this proposal. Applicant proposes to service this debt over a 25-year period through dividends to be declared by Bank and tax benefits to be derived from filing consolidated tax returns. Applicant has also proposed to inject capital into Bank by donating to it Bank's building and land, which would be purchased from an affiliate of Bank. Applicant anticipates that this capital injection, and the concurrent reduction in Bank's overhead expenses, would allow Applicant to service the acquisition debt while maintaining an adequate capital level in Bank. However, in light of Bank's historical performance, Bank's earnings and growth projections appear overly optimistic. It is the Board's view that Bank is unlikely to have sufficient earnings to enable Applicant to service its debt, maintain adequate capital at Bank, and meet any unforeseen problems that might arise at Bank. Accordingly, the Board concludes that considerations relating to the financial resources and future prospects of Applicant and Bank lend weight toward denial of the application.

No significant changes in the services offered by Bank are expected to follow from consummation of the proposed transaction. Consequently, convenience and needs factors are consistent with, but lend no weight toward, approval of this application.

On the basis of the circumstances concerning this application, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the financial resources and future prospects of Applicant and Bank. Such adverse factors are not outweighted by any procompetitive effects or by benefits to the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and the application should be denied.

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

By order of the Board of Governors, effective November 25, 1980.

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

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

Security Bancorp, Inc., Boston, Massachusetts

Order Approving Formation of a Bank Holding Company

Security Bancorp, Inc., Boston, Massachusetts, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 100 percent of the voting shares of Security National Bank ("Bank"), Lynn, Massachusetts.

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

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company through the acquisition of Bank, which holds deposits of $93.18 million.[1] Bank is the sixteenth largest of seventy-six banking organizations in the relevant market[2] and controls 0.5 percent of commercial bank deposits in that market. Inasmuch as Applicant controls no other bank and no principal of Applicant is a principal of any other bank located in the relevant banking market, consummation of this proposed transaction would have no adverse effects on either existing or potential competition and would not increase the concentration of resources in any relevant area. Therefore, competitive considerations are consistent with approval.

Under the proposal, there would be a change in the control of Bank from individuals to a corporation owned by different individuals. The financial and managerial resources and future prospects of Applicant are considered generally satisfactory. While Applicant will incur debt in connection with the proposal, it appears that Applicant will be able to service the debt without adversely affecting the financial condition of Bank. In this regard, the Board has relied upon several commitments by Applicant, including one to inject additional capital into the Bank immediately after consummation of this proposal without incurring any additional debt. Accordingly, banking factors are consistent with approval of the application.[3]

1. All banking data are as of June 30, 1979.

2. The Boston banking market is approximated by the Boston RMA, the eighth largest RMA in the United States, which is comprised of 159 cities and towns or sections thereof. It includes all of Suffolk and Essex Counties, most of Middlesex, Norfolk, and Plymouth Counties, and small portions of Worchester and Bristol Counties. Also included are the SMSA's of Boston, Brocton, Lowell, and Lawrence-Haverhill. The area extends over the entire eastern coast of Massachusetts, excluding Cape Cod, but including 13 towns in southern New Hampshire.

3. In considering this application, the Board reviewed the relationship between Applicant and Gibbs Industries, Inc., Revere, Massachusetts ("Gibbs"), a retail oil supplier. Under the proposal, Gibbs would acquire all of Applicant's *nonvoting* preferred stock, which would represent 24.6 percent of Applicant's total equity. While such a sizeable investment interest together with other relationships could provide a basis for the institution of a control proceeding under section 2 of the Act, the Board has determined that such an action is not

Following consummation of the transaction, Applicant would assist Bank in offering a variety of new and expanded services, including automated teller machines, revolving auto loan program, accounts receivable financing, equipment leasing programs and accounts receivable lock box collection services. Thus, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Accordingly, it is the Board's judgment that consummation of the Applicant's proposal would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made before the thirtieth 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 of Governors or by the Federal Reserve Bank of Boston, pursuant to delegated authority.

By order of the Board of Governors, effective November 10, 1980.

Voting for this action: Vice Chairman Schultz and Governors Wallich, Partee, Teeters, Rice, and Gramley. Absent and not voting: Chairman Volcker.

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

necessary in this case in light of certain commitments and representations made by Applicant and Gibbs. In particular, Gibbs will be treated as an "affiliate" for the purposes of the limitations on loans and investments imposed by section 23A of the Federal Reserve Act (12 U.S.C. § 371(c)), and commitments have been made to insulate Gibbs from any direct and indirect involvement or control of the operations and policy of Applicant and Bank. Moreover, there is no evidence to indicate that Gibbs' relationship with Bank is such that a finding of corporate control of Applicant or Bank is necessary or appropriate at this time.

Order Under Section 3 and 4 of Bank Holding Company Act

Marshall & Ilsley Corporation, Milwaukee, Wisconsin

Order Approving the Acquisition of Banks and a Nonbanking Company

Marshall & Ilsley Corporation, Milwaukee, Wisconsin, 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 of the Bank Holding Company Act (12 U.S.C. § 1842) to acquire 90 percent or more of the voting shares of Affiliated Bank Corporation, Madison, Wisconsin ("ABC"), a registered bank holding company by virtue of its control of each of the following Wisconsin banks: Affiliated Bank of Madison, Madison; Affiliated Bank of Hilldale, Hilldale; Affiliated Bank of Jamestown, Jamestown; Affiliated Bank of Middleton, Middleton; and Affiliated Bank of Cambridge, Cambridge. As a part of the same proposal, Applicant has also applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)) to acquire all of the voting shares of ABC's nonbanking subsidiary, Affiliated Leasing Corporation, Madison, Wisconsin ("ALC"). ALC engages in equipment lease financing activities. This activity has been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)).

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the Act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations specified in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the second largest banking organization in Wisconsin, controls 20 banks with aggregate commercial bank deposits of approximately $1.4 billion, representing 6.9 percent of the total deposits in commercial banks in the state.[1] ABC, the eleventh largest banking organization in Wisconsin, controls five banks with aggregate deposits of approximately $285.2 million, representing 1.4 percent of the total commercial bank deposits in the state. Upon consummation of the proposal, Applicant would remain the second largest banking organization in the state. 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. However, on the basis of all the facts of record in this matter, including the concentration of deposits in Wisconsin, a majority of the Board does not view Applicant's acquisition of ABC as having a significantly adverse effect upon the structure of banking in Wisconsin.

The competitive effects associated with the subject proposal, in addition to the general effect upon the structure of banking in Wisconsin, must be considered within two separate banking markets—the Jefferson

1. Unless otherwise indicated, all banking data are as of December 31, 1979, and reflect bank holding company formations and acquisitions approved as of September 30, 1980.

banking market[2] and the Madison banking market.[3] ABC is the second largest of 22 banking organizations located in the Madison banking market. ABC controls four subsidiary banks in the Madison market, which hold in the aggregate $272.4 million in commercial bank deposits, representing 22.0 percent of total market deposits. ABC also is the sixth largest of 11 banking organizations in the Jefferson banking market through its control of one bank with deposits of $12.8 million, representing 7.8 percent of the total commercial bank deposits in the market. Since none of Applicant's subsidiary banks has an office in either of these banking markets, the facts of record indicate that no significant amount of existing competition would be eliminated upon consummation of the proposal.

With respect to the effects of the proposal upon probable future competition, the Board is principally concerned with the adverse effects the proposal might have within the Madison banking market. The Board has previously expressed its concern about the adverse competitive effects resulting from the entry by one of a state's larger banking organizations into metropolitan markets through the acquisition of one of the larger organizations in those markets.

In this instance, the Board notes that Applicant has the financial and managerial resources to enter the Madison banking market on either a de novo basis or through a foothold acquisition. A geographic market extension under those circumstances would represent a more competitive form of entry into the Madison banking market. Nevertheless, such considerations are mitigated by several facts of record. First, based upon demographic and banking data, it appears that the Madison banking market is not particularly attractive for de novo entry. Second, Wisconsin law provides a limited form of home-office protection so that Applicant's entry into the market through acquisition of a smaller independent suburban bank would preclude it from any meaningful competitive presence in downtown Madison or the other suburban areas in the Madison banking market. In this regard, the Board notes that the geography of the Madison market confines downtown Madison to a narrow strip of land between Lake Mendota and Lake Monona, in which only five of the twenty-two banking organizations in the Madison market are located, with the remainder being located in the suburban areas. Accordingly, Applicant argues that multiple office entry is necessary to create a meaningful competitive presence in the Madison market. The record also indicates that the possible alternative entry point banks are located in areas which are expected to grow slowly, or have experienced declining or stagnant market shares. Third, Applicant has presented information that causes the Board to view Applicant as an unlikely entrant into the Madison banking market absent this proposal. In addition, among other facts of record considered by the Board are that the Madison market is only moderately concentrated, that the level of concentration has remained essentially unchanged in recent years, and that competing in the market are the first and third largest banking organizations in Wisconsin.

With regard to the acquisition of ABC's subsidiary bank in the Jefferson banking market, it is the Board's opinion, based on all the facts of record, including ABC's relative position in the market, that Applicant's proposed entry into the Jefferson banking market would not have any significantly adverse competitive consequences. ABC, on its own, does not appear capable of expanding beyond its present markets, and thus may not be considered a reasonably likely entrant into any of the markets currently served by Applicant. The Board recognizes that consummation of the proposal would have some adverse competitive effects in the Madison banking market as well as some adverse effect upon the banking structure of Wisconsin. However, although the above and other facts of record, including the nature and relative size of the organization to be acquired, the attractiveness and structure of the markets involved and the effects of the proposal on convenience and needs of the communities to be served, present a fairly close case, the Board is unable to conclude that consummation of this proposal would have such adverse competitive effects as to warrant denial of the application.

As part of the subject proposal, Applicant has also applied for the Board's approval to acquire ABC's nonbanking subsidiary, ALC, which engages in equipment lease financing activities. Applicant owns a leasing subsidiary, First National Leasing Corporation, Milwaukee, Wisconsin, and has indirect control of two other leasing subsidiaries, Commerce Leasing Corporation and First Federal Leasing Corporation, both located in Milwaukee, Wisconsin. Although incorporated in 1972, ALC has not originated any new leases since 1976; this is a result of Wisconsin law which permits state-chartered banks to engage directly in lease financing. To the extent that approval of the proposal would permit the continuation of these limited leasing activities, it appears that the proposal would be in the public interest. Furthermore, there is no evidence that Applicant's acquisition of ALC would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices or other adverse effects on the public interest.

2. The Jefferson banking market is approximated by the southern half of Jefferson County and the five eastern townships in Dane County, Wisconsin.

3. The Madison banking market is approximated by the Madison RMA.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as generally satisfactory. This affiliation will result in an increased availability of mortgage funds for the communities served by ABC. In addition, ABC's subsidiary banks will be capable of offering new services to its customers, such as expanded trust and international services, investment and cash management services to small businesses, and loan participations. In light of the convenience and needs considerations associated with this application and after considering the overall competitive impact that would result from consummation of this proposal, a majority of the Board has concluded that approval of this application would generally be in the public interest.

By order of the Board of Governors, effective November 19, 1980.

Voting for this action: Chairman Volcker and Governors Schultz, Partee, and Gramley. Voting against this action: Governors Teeters and Rice. Absent and not voting: Governor Wallich.

(Signed) THEODORE E. ALLISON,
Secretary of the Board.

[SEAL]

Dissenting Statement of Governors Teeters and Rice

We would deny the application of Marshall & Ilsley Corporation to acquire both the banking and nonbanking operations of Affiliated Bank Corporation, a multi-bank holding company, for the reasons set forth in previous Dissenting Statements to past actions by the Board approving applications by statewide bank holding companies seeking to acquire a banking organization with a significant presence in one or more important 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 outweighted by convenience and needs considerations.

In this case, the second largest banking organization in Wisconsin is seeking to acquire the eleventh largest banking organization in the state, which is also the second largest banking organization in one of the two banking markets of most concern to the Board in this matter. This proposal is very similar to a number of other proposals from statewide bank holding companies recently considered by the Board. We are quite concerned that the majority's decision may encourage other large bank holding companies in Wisconsin and elsewhere to eschew de novo or foothold entry into concentrated metropolitan markets in the belief that the Board will approve less competitive means of entry, including acquisition of other holding companies having a potential for significant growth.

With respect to the specific proposal before us, we believe that continuation of this trend would increase the size disparity between the larger banking organizations in Wisconsin and all the other banking organizations in the state. In addition, we feel the acquisition of Affiliated Bank Corporation by Marshall & Ilsley Corporation will eliminate a banking organization that is a viable, aggressive competitor in its present markets. Accordingly, consummation of this proposal would, in our view, have an adverse effect upon potential competition without offering any offsetting benefits or outweighing convenience and needs considerations.

In light of the above, we would deny these applications.

1. First City Bancorporation of Texas, Inc., Houston, Texas, to acquire First Security National Corporation, Beaumont (65 FEDERAL RESERVE BULLETIN 862 (1979)); National Detroit Corporation, Detroit, Michigan, to acquire Farmers and Merchants National Bank in Benton Harbor, Benton Harbor, Michigan (65 FEDERAL RESERVE BULLETIN 928 (1979)); National City Corporation, Cleveland, Ohio, to acquire National City Bank of Marion, Marion, Ohio (65 FEDERAL RESERVE BULLETIN 1009 (1979)); and The Marine Corporation, Milwaukee, Wisconsin, to acquire First National Bank and Trust Company of Racine, Racine, Wisconsin (66 FEDERAL RESERVE BULLETIN (Order of October 3, 1980)).

Orders Under Section 4 of Bank Holding Company Act

Barclays Bank Limited, London, England

Barclays Bank International Limited, London, England

Order Approving Acquisition of Aetna Business Credit, Inc.

Barclays Bank Limited ("Barclays") and its wholly owned subsidiary, Barclays Bank International Limited ("BBIL"), both of London, England (collectively, "Applicants"), each of which is a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841, et seq.), have applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)) to acquire 100 percent of the shares of Aetna Business Credit, Inc., East Hartford, Connecticut ("Aetna"), through its subsidiary, Barclays American Corporation ("BAC"), Charlotte, North Carolina. Aetna engages in commercial finance and factoring activities, as well as leasing.[1] Such activities have been deter-

1. Aetna is currently lessor in two transactions involving five aircraft. Such leases are full payout leases that meet the standards under section 225.4(a)(6)). Regulation Y 12 C.F.R. § 225.4(a)(6)).

Aetna also has eleven subsidiaries whose sole function is to hold property acquired in connection with debts previously contracted. Applicant has committed to divest or liquidate these subsidiaries.

mined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(1) and (6)).

Notice of the applications, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (45 *Federal Register* 57773 (1980)). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 4(c)(8) of the Act.

Barclays is the largest banking organization in the United Kingdom and the tenth largest in the world, with consolidated assets of approximately $67.3 billion and consolidated deposits of about $58.4 billion.[2] Barclays engages in retail and wholesale banking, merchant banking, consumer finance, leasing, development finance and related financial services through more than 3,000 offices in the United Kingdom and numerous offices and affiliates worldwide. Its subsidiary, BBIL, is the holding company for Barclays' foreign operations and holds two domestic subsidiary banks located in the United States, Barclays Bank of California ("Barcal"), and Barclays Bank of New York ("BBNY").[3] In addition, BBIL operates two branches in New York City, one branch each in Boston, Chicago, Pittsburgh, and the Virgin Islands; agencies in Atlanta and San Francisco; and a representative office in Houston. Through BAC, Applicants also engage in consumer lending, current asset financing, leasing, and the sale and underwriting of credit-related insurance.

Aetna, a wholly owned subsidiary of Aetna Life and Casualty Company, Hartford, Connecticut, is engaged primarily in commercial finance and factoring activities. Aetna has total assets of $784.1 million and total receivables of $712 million, of which $697 million are related to commercial finance activities and $15 million are related to factoring operations. Based on total assets, Aetna ranks as the 16th largest non-captive finance company in the United States.[4] BAC, which derives a substantial portion of its business from consumer lending, has total assets of $908 million. Based on total assets, BAC ranks as the 15th largest non-captive finance company in the United States. On September 30, 1980, the Board approved the acquisition by BAC of 138 consumer finance offices of subsidiaries of Beneficial Corporation. Upon consummation of that transaction and of the acquisition proposed here, BAC would have total assets of $1.94 billion and would rank as the tenth largest non-captive finance company in the United States. The Board notes that while the proposed acquisition will significantly increase BAC's national ranking, the consummation is not regarded as adverse in view of the fact that Aetna's business is commercial lending and the lending activity of BAC is primarily consumer-oriented.

It is the Board's view that the markets in which to assess the competitive effects of a proposed transaction involving companies engaged in commercial finance and factoring activities are generally regional or national in scope. Based upon the facts of record, the Board has determined that the appropriate markets in which to examine the effects of the proposal are six regional areas within the continental United States that appear to be distinct geographic territories in which commercial finance services are marketed: the Northeast, Southeast, Midwest, North Central, South Central and West regions.[5]

Aetna operates in all six regions through eight marketing offices and five service offices. BAC operates in all but the North Central region from the head office of its wholly-owned subsidiary BarclaysAmerican/Commercial, Inc. located in Charlotte, North Carolina. Consummation of the proposed transaction would eliminate some existing competition in five of the six regions. The Board notes, however, that neither Aetna nor BAC should be regarded a dominant participant in these regions. Specifically, the combined market share of the commercial finance market of Aetna and BAC would range from 0.4 percent in the South Central region to 1.2 percent in the West. Furthermore, while BAC's commercial finance operations are concentrated in North Carolina and South Carolina, from which it derives 62 percent of its commercial finance receivables, Aetna holds less than one percent of the commercial finance receivables in each of these states. Moreover, consummation of the proposal would not eliminate existing competition between Aetna and Applicants' U.S. banking subsidiaries, as neither Barcal nor BBNY solicit or participate in commercial finance loans in the normal course of their business. In view of the small market shares involved, the large number of competitors active in the commercial finance indus-

2. Financial data are as of December 31, 1979, unless otherwise noted.

3. As a result of the 1966 Amendments to the Bank Holding Company Act, Barclays became a multi-bank holding company by virtue of its ownership of a subsidiary bank in California and three branches in New York. Barclays' multi-state operations were grandfathered as of that time. In 1971, Barclays converted one of its New York branches into a state-chartered subsidiary bank, a transaction that essentially reorganized Barclays' operations in that state. See the Board's Order and Statement of December 29, 1970, in Barclays Bank Limited/Barclays Bank of New York, 57 FEDERAL RESERVE BULLETIN 44 (1971).

4. *American Banker* June 20, 1980.

5. For purposes of this proposal, the Northeast region is approximated by the six New England states, New York, New Jersey, Pennsylvania, Delaware and Mayland; the Southeast by Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia; the Midwest by Illinois, Indiana, Kentucky, Michigan, Missouri, Ohio and Wisconsin; North Central by Iowa, Kansas, Minnesota, Nebraska, North Dakota and South Dakota; the South Central by Arkansas, Colorado, Louisiana, New Mexico, Oklahoma, Texas and Wyoming; and the West by Arizona, California, Idaho, Montana, Nevada, Oregon, Utah and Washington.

try, the relatively large size of such competitors, and the unconcentrated nature of the regional markets, the Board is of the opinion that consummation of the proposal would have only slightly adverse effects on existing competition.

With respect to potential competition, consummation of the proposal would foreclose some future competition between BAC and Aetna in the North Central region, the only area where Aetna and BAC do not both compete. Inasmuch as BAC appears to have the financial resources and managerial capability to enter this market de novo, it is the Board's judgment that BAC may be viewed as a reasonably likely entrant into the North Central region. Generally, elimination of potential competition is regarded as most serious in the framework of a concentrated market, where the party being acquired is a dominant or one of the largest organizations in the market, and the party making the acquisition is sizeable and perceived to be one of a limited number of likely entrants into the market. With respect to the North Central regional market, from the record it appears that the market is relatively unconcentrated with the commercial finance business dispersed among numerous competitors, and Aetna with a 0.9 percent market share should not be regarded as dominant in the market. Accordingly, based on the foregoing and other facts of record, the Board concludes that, although consummation of the proposal would eliminate some potential competition, the overall effects would be only slightly adverse.

With respect to factoring, the relevant market is national in scope. BAC holds receivables of $109 million, or 2.2 percent of all factored receivables in the U.S., and ranks as the 15th largest factoring firm. Aetna holds $15 million in factored receivables, and has a nationwide market share of 0.3 percent. The Board notes that while BAC derives 66 percent of its receivables from North Carolina, 60 percent of Aetna's receivables are derived from Georgia. Upon consummation of the proposal, BAC would rank as the 11th largest factoring firm in the United States with 2.5 percent of total factored receivables. In view of the number of factoring firms competing nationwide, the minimal increase in BAC's market share, and the small degree of overlap in BAC's and Aetna's service areas, the Board concludes that the consummation of the proposal would have only slightly adverse effects on existing competition in factoring.

Upon consummation of the proposal, Applicants intend to take such action as to enable Aetna to expand and become more aggressive and to make the capital injections to enable Aetna to add at least $500 million in loans during the next three years. This increase in lending activity should translate into a source of funds to small and medium-sized firms in need of capital. In addition, Applicants have committed to institute programs at Aetna to provide loans to the small businesses which do not presently qualify for loans from Aetna, resulting in at least $10 million in loans to these companies during the next five years; to cause Aetna to apply to become a Small Business Administration-approved lender and to make at least $5 million in loans under the SBA and similar government programs over the next five years; and to make at least $10 million in loans to businesses located in low- and moderate-income communities over the next five years. Thus, upon affiliation with Applicants, Aetna will make at least $25 million in loans over the next five years to segments of the economy that are in need of financing. Finally, Applicants propose to expand the services of Aetna to include export financing and oil and gas financing.

On the basis of these and other facts of record, the Board concludes that the benefits to the public that would result from Applicants' acquisition of Aetna are sufficient to outweigh the slightly adverse effects on competition that would result from the proposed acquisition. Moreover, there is no evidence in the record that consummation of the proposal would, with respect to these applications, result in any undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other adverse effects.

Based on the foregoing and other facts of record, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the Act is favorable. Accordingly, the applications are hereby approved subject to the condition that Applicants will divest or otherwise dispose of all impermissible subsidiaries within one year of consummation of the transaction.

The approval of these applications is also subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof. The transaction shall not be made later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective November 10, 1980.

Voting for this action: Chairman Volcker and Governors Partee, Teeters, Rice, and Gramley. Absent and not voting: Governors Schultz and Wallich.

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

The Chase Manhattan Corporation, New York, New York

Order Approving Issuance and Sale of Travelers Checks

The Chase Manhattan Corporation, New York, New York ("Chase"), a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval, under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)), to engage de novo, through its Travelers Cheque Division, in the issuance and sale of travelers checks.

The retail sale of travelers checks such as Applicant proposes is included on the Board's list of permissible activities for bank holding companies in Regulation Y (12 C.F.R. § 225.4(a)(13)). The issuance of travelers checks has not been included on the list of permissible activities. However, in connection with four earlier applications the Board determined by order that the activity of issuing travelers checks is closely related to banking and would be in public interest. *First Chicago Corporation,* 65 FEDERAL RESERVE BULLETIN 937 (1979); *Citicorp,* 65 FEDERAL RESERVE BULLETIN 666 (1979); *BankAmerica Corporation,* 59 FEDERAL RESERVE BULLETIN 544 (1973); and *Republic of Texas Corporation,* 62 FEDERAL RESERVE BULLETIN 630 (1976). As noted in these earlier Board decisions, banks have in fact engaged in the issuance of travelers checks and generally have engaged in activities that are operationally and functionally similar to the proposed activity. Accordingly, the Board has determined that issuing travelers checks as Applicant proposes is closely related to banking.[1]

Notice of the application, affording opportunity for interested persons to submit comments on the public interest factors, has been duly published (45 *Federal Register* 60015). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant, the second largest banking organization in New York, has one subsidiary bank, The Chase Manhattan Bank, N.A., New York, New York ("Bank"), which accounts for 99 percent of the holding company's consolidated assets of $73.0 billion.[2] In addition, Applicant also engages in a variety of nonbank activities, including commercial financing, factoring, leasing, mortgage banking, the sale of credit-related insurance and international finance.

Applicant proposes to issue and sell travelers checks, which initially will be Visa Travelers Cheques, through its Travelers Cheque division. Bank recently commenced issuing Visa Travelers Cheques and offering them for sale through its worldwide branch network. These activities will be transferred to Applicant and the travelers checks will be distributed on consignment to financial and nonfinancial agents, including Bank. The selling agents will sell the travelers checks to the public on behalf of Applicant.

The five major travelers check issuers currently control in excess of approximately 90 percent of total worldwide travelers check sales, with the largest issuer, American Express, accounting for 50 percent of the market. The Board has previously determined that it would be in the public interest for bank holding companies, having the capability, to engage in the issuance of travelers checks in view of the limited number of competitors currently servicing this industry. Applicant's entry into this industry should serve to enhance competition in providing this service. Accordingly, it is the Board's view that approval of this application would produce benefits to the public and would be in the public interest. Furthermore, there is no evidence in the record to indicate that Applicant's engaging in this activity would lead to any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The transaction shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York.

By order of the Board of Governors, effective November 18, 1980.

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

(Signed) THEODORE E. ALLISON,
Secretary of the Board.

[SEAL]

1. See *National Courier Association v. Board of Governors of the Federal Reserve System,* 516 F. 2d 1229 (D.C. Cir. 1975).
2. All financial data are as of June 30, 1980.

First Chicago Corporation, Chicago, Illinois

Order Approving Retention of Real Estate Research Corporation

First Chicago Corporation, Chicago, Illinois, a bank holding company within the meaning of the Bank Holding Company Act, has applied pursuant to section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)) for the Board's approval to retain the shares of its subsidiary, Real Estate Research Corporation ("RERC"), Chicago, Illinois.

Applicant acquired RERC in June 1970, and has been engaged since that time[1] in the following activities: (1) providing financial advice to state and local governments; (2) providing portfolio investment advice; (3) providing branch location, financial feasibility, and specialized market studies for nonaffiliated banks; (4) providing general economic information and advice, general economic statistical forecasting services, and industry studies; (5) advising state and local governments about methods available to finance real estate development projects; (6) evaluating projected income to determine for state and local governments whether debt resulting from proposed development projects can be adequately serviced; (7) performing appraisals of all types of real estate, other than single-family residences; (8) providing energy conservation advice with respect to the financial feasibility and market acceptance of various energy alternatives for real estate; (9) providing advice with respect to the financial and market feasibility and scope of real estate development projects; (10) providing advice as to the financial consequences of pursuing different real estate strategies; (11) providing advice as to the optimum use of a parcel of real estate; (12) providing advice as to the suitability of a particular location, or the optimum location, for a facility in terms of economic return, transportation, marketability or other factors; and (13) writing reports for governmental agencies evaluating specific development projects or recommending or evaluating development options for a community.

In its Order of June 26, 1980, the Board determined that there is no reasonable basis for believing that activities (8) through (13) are closely related to banking. Accordingly, the Board declined to publish notice of Applicant's proposal with respect to these activities. Notice of the application with respect to activities (1) through (6), and of a proposal to add activity (7) to the list of activities permissible for bank holding companies, was given in accordance with section 4 of the Act (45 *Federal Register* 44963 (1980)). In the published notice, the Board stated its belief that the real estate advisory services proposed to be provided to state and local governments (activities (5) and (6) above) may already be authorized by section 225.4(a)(5)(v) of Regulation Y as "providing financial advice to state and local governments; " nevertheless, it requested comments as to whether these activities should be permissible for bank holding companies. The time for filing comments has expired, and the Board has considered the application and all comments received in light of the considerations specified in section 4(c)(8) of the Act. None of the comments received objected to the application or to performance of the proposed activities by bank holding companies.

Applicant, the second largest banking organization in Illinois, controls one bank and a number of domestic nonbank subsidiaries with assets aggregating $28 billion.[2] Through its nonbank subsidiaries, Applicant engages in such activities as real estate financing and advisory services, leasing personal property, mortgage banking, and commercial financing. RERC provides its advisory services throughout the entire United States.

In order to authorize a bank holding company to engage in a nonbank activity pursuant to section 4(c)(8) of the Act, the Board must first determine whether the activity is closely related to banking or managing or controlling banks. A federal circuit court has set forth guidelines for determining whether an activity is closely related to banking,[3] and the Board has previously found these guidelines useful in determining whether a proposed new nonbanking activity is closely related to banking. Under these guidelines, an activity may be found to be closely related to banking if it is demonstrated (1) that banks generally have in fact provided the proposed service; or (2) that banks generally provide services that are operationally or functionally so similar to the proposed services as to equip them particularly well to provide the proposed service; or (3) that banks generally provide services that are so integrally related to the proposed service as to require their provision in a specialized form.

1. Section 4 of the Act provides, inter alia, that nonbanking activities acquired between June 30, 1968, and December 31, 1970, by a company which became a bank holding company as a result of the 1970 Amendments may not be retained beyond December 31, 1980, without Board approval.

2. Data are as of June 30, 1980.

3. *National Courier Association* v. *Board of Governors of the Federal Reserve System*, 516 F.2d 1229 (D.C. Cir. 1975) (hereinafter referred to as "*National Courier*"). These guidelines are cited, for example, in *NCNB Corporation* v. *Board of Governors of the Federal Reserve System*, 599 F.2d 609, 613 (4th Cir. 1979); *Association of Bank Travel Bureaus, Inc.* v. *Board of Governors of the Federal Reserve System*, 568 F.2d 549, 551 (7th Cir. 1978); *Alabama Association of Insurance Agents* v. *Board of Governors of the Federal Reserve System*, 533 F.2d 224, 241 (5th Cir. 1976), rehearing denied 558 F.2d 729 (1977), cert. denied 435 U.S. 904 (1978).

In the case of performing appraisals of real estate other than single-family residences, the record reflects that banks have performed appraisals of real estate either in connection with extensions of credit involving real estate lending or as a discrete activity. In addition, it appears that the activity of appraising real estate calls upon the necessary skills and resources often possessed by banking organizations. On the basis of the record, the Board has determined that the proposed appraisal activity is closely related to banking.[4]

The Board has also determined that the proposed real estate advisory services described in (5) and (6) above have already been found to be closely related to banking in section 225.4(a)(5)(v) of Regulation Y (12 C.F.R. § 225.4(a)(5)(v)), which provides that a bank holding company may engage in the nonbanking activity of "acting as investment adviser to the extent of. . . (v) providing financial advice to state and local governments, such as with respect to the issuance of their securities." Two examples of these activities cited by Applicant are (i) analyzing the financial feasibility of converting obsolete urban buildings to new uses, and (ii) examining the impact of a proposed freeway on land use, property values, tax receipts, and public expenditures.

The Board received comments noting that aspects of the services described in these examples may be within the scope of the activity of "management consulting," as defined in footnote two to section 225.4(a)(5) of Regulation Y (12 C.F.R. § 225.4(a)(5)(n.2)).[5] The Board has previously found that it is not permissible for bank holding companies to offer management consulting services to nonaffiliated companies,[6] with the exception of banks. The Board's action does not authorize bank holding companies to engage in such management consulting activities; however, the Board is of the opinion that, in view of the relationship that has traditionally existed between banks and state and local governments, and the net public benefits that would result from provision of advice to these governments by bank holding companies, the Board would be more flexible in determining that particular services constitute "providing financial advice" rather than "management consulting" when the services are provided solely to state and local governments rather than other nonbank organizations.

In order to approve the subject application, the Board must also find that Applicant's performance of the activities through RERC "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."

The Board notes that since acquiring RERC in 1970, Applicant has reorganized RERC to provide better and more efficient service to its customers. Retention of RERC by Applicant is expected to preserve RERC as a viable competitor in real estate advisory activities. Retention is also expected to promote innovation in providing these advisory services. Moreover, RERC's continued affiliation with Applicant is likely to preserve RERC as a source of financial advice to state and local governments.

There is no evidence in the record that approval of this proposal would result in any adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board finds that the balance of public interest factors it must consider under section 4(c)(8) of the Act is favorable and that the application should be approved with respect to activities (1) through (7).

Based on the record and for reasons summarized above, the application is approved, subject to provisions of the Board's Order of June 26, 1980, requiring RERC to cease engaging in activities (8) through (13) on or before December 31, 1980. This determination is subject to the considerations set forth in section 225.4(c) of the Board's Regulation Y and to the Board's authority to require reports by and make examinations of bank holding companies and their subsidiaries, and to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's Orders and regulations issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective November 26, 1980.

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

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

4. In a separate action, the Board has amended its Regulation Y to add the performance of appraisals of real estate to the list of activities in which a bank holding company may engage.

5. The definition of "management consulting" includes the provision of analysis or advice as to the following: marketing operations, such as market testing and development; planning operations, such as demand and cost projections, plant location, program planning and determination of long-term and short-term goals; internal operations, such as budgeting systems, budget control, and efficiency evaluation; and research operations, such as product development, basic research, and product design and innovations. 12 C.F.R. § 225.4(a)(5)(n.2).

6. *First Commerce Corporation* (W. R. Smolkin & Associates, Inc.), 58 FEDERAL RESERVE BULLETIN 674 (1972); *Marine Midland Banks, Inc.* (Carter H. Golembe Associates, Inc.), 58 FEDERAL RESERVE BULLETIN 676 (1972).

Indiana National Corporation, Indianapolis, Indiana

Order Approving Retention of Indun Realty, Inc.

Indiana National Corporation, Indianapolis, Indiana, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval pursuant to section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to retain all the shares of its wholly-owned subsidiary, Indun Realty, Inc. ("Indun"), Indianapolis, Indiana. Applicant proposes to continue to engage, through Indun, in real property leasing on a limited basis for the purpose of liquidating one real estate development project subject to two leases. Its activities substantially conform to the specifications of the Board's leasing regulation, which defines real property leasing activities that have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(6)(b)).[1]

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

Applicant, a bank holding company by virtue of its ownership and control of the Indiana National Bank ("Bank"), Indianapolis, Indiana, has applied to retain Indun, a subsidiary engaged in certain real estate activities. Bank (deposits of $1.4 billion, as of March 31, 1979) is the second largest bank in Indiana with 5.85 percent of total state deposits. In addition to owning Bank, Applicant engages through subsidiaries in various nonbank activities, including leasing real and personal property, mortgage banking, and selling and underwriting of credit-related insurance.

Indun (total assets of $27.8 million, as of December 31, 1979) was organized in August 1964 as a wholly-owned operating subsidiary of Bank to own and manage real property used by Bank in its banking business. On November 28, 1969, Indun became a direct subsidiary of Applicant and commenced the activities of acquiring, financing, and developing real estate projects either as a joint venture partner or as owner-lessor. In connection with the joint ventures, Indun served as the lending or financing partner, while other partners, all being developers, would provide expertise in managing and developing each project. Because of general economic conditions, in late 1974, Indun stopped investing in new real estate projects and, since that time, has concentrated its efforts on liquidating its real estate investments. Since Applicant became a bank holding company as a result of the enactment of the 1970 Amendments to the Act, Applicant may retain its nonbank shares held, or may engage in nonbank activities engaged in at that time, until December 31, 1980, under section 4(a)(2) of the Act (12 U.S.C. § 1843(a)(2)). Applicant has stated that by December 31, 1980, Indun's assets will consist only of the two leases, and it will not make any new real estate investments.[2] Accordingly, Applicant has applied to retain Indun pursuant to section 4(c)(8) of the Act for the limited purpose of continuing to hold the two leases until their expiration dates in 1982 and 1989.

Approval of the proposal will not have any adverse effects on existing, potential or probable future competition, nor is there anything in the record to suggest that Applicant's acquisition of Indun in 1969 eliminated any competition, since Indun was formed de novo by Bank and its direct acquisition in 1969 by Applicant is viewed as a corporate reorganization lacking any competitive implications. Furthermore, in the Board's judgment, the temporary retention of Indun by Applicant to enable Indun to conduct an orderly disposition of remaining real property investments will be in the public interest. Moreover, there is no evidence in the record to indicate that approval of retention of Indun would result in or perpetuate any undue concentration or resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, that the balance of public interest factors the Board is required to consider under section 4(c)(8) of the Act is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any

1. While the two leases that Indun proposes to retain substantially conform to the specifications outlined in the section 225.4(a)(6)(b) of the Board's Regulation Y (12 C.F.R. 225.4(a)(6)(b)) for permissible full payout real property leasing activities, one of the leases does not include a definitive schedule of periodic lease payments. The Board believes that a fixed schedule of payments is necessary to ensure that the residual value of the property at the expiration of a lease would not exceed 20 percent of the lessor's acquisition cost of the property (§ 225.4(a)(6)(b)(iv)(3)), and to determine that a particular lease thereby satisfies the "full payout" criteria of Regulation Y. The Board has found, however, that Indun's leasing activities may be regarded as permissible in view of the particulars of this case, including the fact that there is evidence that the 1974 Indun lease, which preceded the Board's promulgation of its real property leasing regulation, was negotiated with the expectation of all parties that it would be fully paid out prior to the expiration of the lease, and the fact that Applicant has provided certain assurances that the 20 percent residual limit will not be exceeded.

2. The Board notes that pursuant to section 701 of the Monetary Control Act of 1980, Applicant has received extensions until December 31, 1982, to dispose of certain of its interests in real property subject to the section 4(a)(2) divestiture requirements.

of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective November 12, 1980.

Voting for this action: Chairman Volcker and Governors Partee, Teeters, Rice, and Gramley. Absent and not voting: Governors Schultz and Wallich.

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

U.S. Bancorp, Portland, Oregon

Old National Bancorporation, Spokane, Washington

Order Approving Insurance Agency Activities

U.S. Bancorp, Portland, Oregon ("USB") and Old National Bancorporation, Spokane, Washington ("ONB") (together, "Applicants"), both bank holding companies within the meaning of the Bank Holding Company Act ("Act"), have applied pursuant to section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(1) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(1)), for permission to engage in the sale of insurance directly related to extensions of credit by their respective banking subsidiaries. USB and ONB would engage in this activity through their subsidiaries, Mt. Hood Credit Life Insurance Agency, Inc. and Union Securities Company, respectively. Such activities generally have been determined by the Board to be closely related to banking and therefore permissible for bank holding companies. (12 C.F.R. § 225.4(a)(9)(ii)).

Notices of the applications, affording opportunity for interested persons to submit comments and views on the public interest factors, have been duly published. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the considerations specified in section 4(c)(8) of the Act.

USB is the largest banking organization in Oregon, with $4.4 billion in assets on December 31, 1979. It has one banking subsidiary and eight non-banking subsidiaries, which are engaged in mortgage banking, commercial and consumer financing, credit insurance, leasing, and marketing services. ONB, with assets of $1.3 billion as of December 31, 1979, is the fifth largest banking organization in the state of Washington. It has two subsidiary banks and seven non-bank subsidiaries active in mortgage banking, leasing, insurance, consumer lending, and investment advisory service activities.

Each Applicant proposes to offer essentially the same type of insurance package to holders of credit cards issued by their respective banking subsidiaries. The package includes (1) credit life insurance, which would pay the entire card balance due on the date of death of an insured cardholder; (2) credit disability insurance, which would pay an insured cardholder's minimum monthly payment retroactively after the borrower has been disabled for 30 days; and (3) loss of income insurance, which would pay the cardholder's minimum monthly payment when the cardholder is out of work because of termination, lay off, or labor dispute. This insurance would be underwritten by a company that is unaffiliated with Applicants. Neither proposal involves the direct or indirect underwriting of this insurance package by Applicants.

USB would offer this proposed package ("three-part package") in place of an insurance package that it currently offers ("two-part package"). The proposed three-part package differs from the two-part package only in that it includes involuntary unemployment insurance coverage and provides modified disability insurance coverage.[1]

USB's proposal was filed and approved pursuant to the procedures set forth in section 225.4(b)(1) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(1)). However, a member of the Board requested Board review of the approval pursuant to section 265.3 of the Board's Rules Regarding Delegation of Authority (12 C.F.R. § 265.3).

ONB, which does not currently offer credit insurance to its credit card customers, also filed its application under section 225.4(b)(1) of Regulation Y. As the insurance package to be offered is substantially similar to that proposed by USB, it was determined that the applications should be treated together.

Section 4(c)(8) of the Act provides that the Board may approve an application by a bank holding company to engage in a non-banking activity only after the Board has determined that the proposed activity is so closely related to banking as to be a proper incident thereto. The Board has determined by regulation that the sale as agent of insurance directly related to an extension of credit is a permissible nonbank activity, 12 C.F.R. § 225.4(a)(9)(ii). This determination was affirmed in *Alabama Association of Insurance Agents* v. *Board of Governors,* 533 F.2d 224 (5th Cir. 1976),

1. USB's current disability insurance pays the entire card balance owing on the date of disability after the insured cardholder has been disabled for 90 days.

modified on rehearing, 558 F.2d 729 (1977), cert. denied, 435 U.S. 904 (1978). The portions of these proposals relating to the sale of credit life and disability insurance clearly are authorized by the Board's regulations. See 12 C.F.R. § 225.128. However, credit insurance for involuntary unemployment is a relatively new coverage that has not yet been approved by the Board in any bank holding company proposal. This coverage, as described in these applications, would assure payment of the minimum monthly amount in the event of involuntary unemployment; no cash benefit would be paid to the cardholder and the amount of insurance coverage would be equal only to the cardholders' minimum monthly payments while unemployed. Accordingly, based on these facts, involuntary unemployment insurance programs such as those proposed in these applications appear directly related to an extension of credit within the meaning of section 225.4(a)(9)(ii) of Regulation Y, and, therefore, permissible for bank holding companies.

To approve an application under section 4(c)(8) of the Act the Board must also determine that the performance of the proposed activities by a nonbank subsidiary of a bank holding company can reasonably be expected to produce benefits to the public such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices.

In the Board's view, consummation of both of these proposals would result in benefits to the public. Unemployment insurance coverage is a new product that has not yet been offered by bank holding companies, although it has been authorized to be sold in 40 states by a major department store chain. The provision of this insurance program by bank holding companies will provide a source of such insurance to those who would wish to insure against possible unemployment. In this regard, the Board notes that ONB is not presently offering any credit insurance to its credit card holders, and approval of its application will provide the people of the state of Washington with a new source for such insurance. The Board generally regards de novo expansion of this nature as providing benefits to the public.[2] Furthermore, while USB presently is offering a two-part insurance package to its credit card holders, its underwriter plans to stop offering it whether or not USB receives approval to offer the three part package. Thus, failure to approve USB's application would mean removal of a source of insurance from the market in Oregon. Accordingly, approval of USB's proposal would assure the continued availability of credit life and disability, as well as the initial provision of unemployment insurance to USB's customers. Finally, Applicants have committed to offer the insurance packages at the lowest practicable cost, including billing costs. This commitment assures the public on a continuing basis the benefit of the lowest practicable costs for the purchase of such products.

In the Board's view, undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices are not likely to be significant results of approval of these applications. The Board is concerned, however, that the proposals may require those who want only credit life or credit disability insurance also to take the unemployment insurance or to forego entirely the purchase of insurance for their credit cards. While it may be preferable for these coverages to be made available in independent packages, packaging of benefits is not unusual in the insurance industry, and the Board has formally recognized this practice.[3] The Board's regulations prohibit Applicants from requiring the purchase of credit related insurance as a condition of receiving credit and Applicants' customers may freely elect whether to purchase such insurance. Furthermore, Applicants have submitted evidence demonstrating that a requirement that the insurance benefit be offered separately would greatly increase the cost of each benefit to the consumer. Therefore, the Board regards the proposed packaging of insurance benefits to be a pricing decision made by the Applicants and to be judged by the market place, which will provide alternative sources of credit insurance to those who find Applicants' packages unacceptable.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application of ONB is hereby approved and the previous action approving USB's application is affirmed. This determination is subject to the commitments described herein, as well as to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such termination or modification of the activities of a holding company or any of its subsidiaries as the Board finds

2. *Virginia National Bankshares, Inc.*, 66 FEDERAL RESERVE BULLETIN 668 (1980), *BankAmerica Corporation* (Decimus Corporation) 66 FEDERAL RESERVE BULLETIN 511 (1980): *Citicorp* (Person-to-Person), 65 FEDERAL RESERVE BULLETIN 507 (1979); *U.N. Bancshares, Inc.*, 59 FEDERAL RESERVE BULLETIN 204 (1973). The United States Court of Appeals for the District of Columbia Circuit affirmed the Board's conclusions regarding the procompetitive nature of de novo entry in *Connecticut Bankers Assn.* v. *Board of Governors*, No. 79-1554 (D.C. Cir. Feb. 7, 1980).

3. See 12 C.F.R. § 225.128(c)(iii).

necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders insured thereunder, or to prevent evasion thereof.

The proposed activities shall commence not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, pursuant to delegated authority.

By order of the Board of Governors, effective November 25, 1980.

Voting for this action: Chairman Volcker and Governors Rice, and Gramley. Voting against this action: Governors Partee and Teeters. Absent and not voting: Governors Schultz and Wallich.

(Signed) JEFFERSON A. WALKER,
[SEAL] *Assistant Secretary of the Board.*

Dissenting Statement of Governors Partee and Teeters

We do not agree with the conclusion of the Board that the balance of public interest factors associated with these proposals is favorable. In particular, we strongly object to the Applicants' intentions to offer credit life and disability insurance only as part of a package with involuntary unemployment insurance, without providing the public the option of purchasing the life and disability benefits separately. We would rather that Applicants unbundle these insurance coverages.

The possibility of unemployment varies widely according to a worker's circumstances. The risk of unemployment falls most heavily on those who are marginally employed and those who, because of the seasonal nature of their work or poor economic conditions, face periodic lay-offs; it weighs less heavily on those who occupy positions of seniority in stable industries, to say nothing of those who are self-employed. The effect of combining in a package this insurance with credit life and disability insurance is to force those who may want the credit life insurance, and yet have no fear of unemployment, to take the unemployment insurance anyway and, in effect, to subsidize the insurance of those whose risk of unemployment is high.

Further, we do not share the majority's faith that the market will provide alternatives to alleviate this problem. Insurance for credit card holders is generally sold only by the card issuer or an affiliate. Thus, a holder of one of the Applicants' credit cards who wishes to purchase only credit life and disability insurance will be required to shift to another credit card issuer as well. This is not always possible, especially where the market does not provide many alternatives, as is the case in Washington and Oregon.

Accordingly, we believe that the adverse effects resulting from the offering of a package of credit life, disability insurance and involuntary unemployment insurance are not outweighed by the public benefits associated with these proposals. Therefore, we would deny both applications unless the Applicants were prepared to offer the unemployment insurance separate from the other insurance products.

Certifications Pursuant to the Bank Holding Company Tax Act of 1976

American Financial Corporation, Cincinnati, Ohio

Final Certification Pursuant to the Bank Holding Company Tax Act of 1976

American Financial Corporation, Cincinnati, Ohio ("AFC"), has requested a final certification pursuant to section 1101(e) of the Internal Revenue Code (the "Code"), as amended by section 2(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that it has, before the expiration of the period prohibited property is permitted under the Bank Holding Company Act, 12 U.S.C. § 1841 et. seq., ("BHC Act") to be held by a bank holding company, ceased to be a bank holding company.

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

1. Effective August 29, 1980, the Board issued a prior certification pursuant to section 1101(b) and 1101(c)(3) of the Code with respect to the proposed divestiture by AFC of all the 5,107 shares of the Provident Bank ("Bank"), Cincinnati, Ohio, then held by AFC, through the pro rata distribution to AFC's common stockholders of the stock of Provident Holding Company ("PHC"), a corporation created and availed of solely for the purpose of receiving AFC's shares of Bank.

2. The Board's Order certified that:

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

   B. The 5,107 shares of Bank that AFC proposes to exchange for shares of PHC are all or part of the property by reason of which AFC controls

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

(within the meaning of section 2(a) of the BHC Act) a bank or bank holding company; and

C. The exchange of the shares of Bank for the shares of PHC and the distribution to the shareholders of AFC of the shares of PHC are necessary or appropriate to effectuate the policies of the BHC Act.

3. On November 1, 1980, AFC exchanged its 5,107 shares of Bank for all of the shares of PHC, and immediately thereafter distributed to its common stockholders, on a pro rata basis, all of the shares of PHC. AFC does not currently hold any interest in PHC or Bank.

4. The prior certification issued on August 29, 1980, was granted in reliance on AFC's commitment to the Board that by December 31, 1980, no person holding an office or position (including an advisory or honorary position) with AFC or any of its subsidiaries as an officer, director, policy-making employee or management consultant, or who performs (directly or through an agent, representative or nominee) functions comparable to those normally associated with such office or position, will hold any such office or perform any such function with PHC, Bank, or any of their subsidiaries. Accordingly, effective November 6, 1980, all such interlocking relationships between AFC and its subsidiaries on the one hand, and PHC, Bank, and their respective subsidiaries on the other, were terminated.

5. AFC does not directly or indirectly own, control, or have power to vote 25 percent or more of any class of voting securities of any bank or any company that controls a bank.

6. AFC has represented that it does not control in any manner the election of a majority of directors or exercise a controlling influence over the management or policies of PHC, Bank, or any other bank or company that controls a bank.

On the basis of the foregoing information it is hereby certified that AFC has (before the expiration of the period prohibited property is permitted under the BHC Act to be held by a bank holding company) ceased to be a bank holding company.

This certification is based upon the representations made to the Board by AFC and upon the facts set forth above, including AFC's compliance with the commitment made in connection with the prior certification. In the event the Board should determine that facts material to this certification are otherwise than as represented by AFC, or that AFC has failed to disclose to the Board other material facts or failed to comply with that commitment, the Board 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(b)(3)), effective November 21, 1980.

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

Hastings Realty Company, Little Rock, Arkansas

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

Hastings Realty Company, Little Rock, Arkansas ("Hastings"), has requested a prior certification pursuant to section 1101(b)(1) of the Internal Revenue Code ("Code"), as amended by section 2(b) of the Bank Holding Company Tax Act of 1976, that its proposed divestiture of all of the 4,160 shares (52%) of the First State Bank of Sherwood, Sherwood, Arkansas ("Bank") currently held by Hastings, through the pro rata distribution of the stock of Bank to Hastings' stockholders, 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 the purposes of issuing the requested certification.[1]

1. Hastings is a corporation organized on January 2, 1957 under the laws of Arkansas to engage in business activities.

2. On August 3, 1967, Hastings acquired ownership and control of 3,160 shares of the outstanding common stock of Bank. Hastings acquired a further 1,000 shares of Bank stock on December 4, 1967, for a total of 4,160 shares of the 8,000 shares outstanding of Bank, representing 52 percent of such shares.

3. Hastings 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 March 14, 1973. Hastings would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on that date by virtue of its ownership and control on that date of more than 25 percent of the outstanding voting shares of Bank. Hastings cur-

1. This information derives from Hastings' communications with the Board concerning its request for this certification, Hastings' registration statement filed with the Board pursuant to the BHC Act, and other records of the Board.

rently owns and controls 4,160 shares out of the 8,000 shares outstanding of the bank, representing approximately 52 percent of such shares.

4. Company holds property acquired by it on or before June 30, 1968, the disposition of which but for the provisos of section 4(c)(ii) section 4(a)(2) of the BHC Act would be necessary or appropriate to effectuate section 4 of the BHC Act if Hastings were to continue to be a bank holding company beyond December 31, 1980, and which property, but for such provisos would be "prohibited property" within the meaning of section 1103(a) of the Code. Sections 1103(g) and (h) of the Code provides that any bank holding company may elect, for the purposes of Part VIII of subchapter O of Chapter 1 of the Code, to have the determination of whether property is "prohibited property" or is property eligible to be distributed without recognition of gain under section 1101(b)(1) of the Code made under the BHC Act as if the Act did not contain the provisos of sections 4(a)(2) and 4(c)(ii). Hasting has represented that it will waive its exemptions under sections 4(a)(2) and 4(c)(ii) from the prohibitions of section 4 and make an election under sections 1103(g) and (h) of the Code prior to the consummation of the proposed divestiture.

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

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

(B) the shares of Bank that Hastings proposes to distribute are all of the property by reason of which Hastings controls (within the meaning of section 2(a) of the BHC Act), a bank;

(C) and distribution to the shareholders of Hastings of the stock of Bank is necessary or appropriate to effectuate the policies of the BHC Act.

This certification is based upon the representations made to the Board by Hastings and the facts set out above. In the event that the Board should hereafter determine that the facts material to this certification are otherwise than as represented by Hastings or that Hastings failed to disclose to the Board other material fact, the Board 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(b)(3)), effective November 24, 1980.

(Signed) JEFFERSON A. WALKER,
Assistant Secretary of the Board.

[SEAL]

Industrial National Corporation, Providence, Rhode Island

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

Industrial National Corporation, Providence, Rhode Island ("INC"), has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code (the "Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that its proposed sale of a 50 percent limited partnership interest in Waterman Avenue Associates, East Providence, Rhode Island ("Associates"), now held by Westminster Properties, Inc. ("Westminster"), a wholly owned subsidiary of INC, is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act (12 U.S.C. § 1843 et seq.) ("BHC Act"). Westminster has agreed to sell the partnership interest and shares to the other partner in Associates.

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

1. Industrial Bancorp., Inc. ("Industrial") was a corporation organized under the laws of the State of Delaware on September 18, 1968 to acquire and hold all the shares of Industrial National Bank of Rhode Island ("Bank").

2. On September 18, 1968 Industrial acquired ownership and control of 1,616,700 shares, representing more than 99 percent of the outstanding voting shares of Bank.

3. INC is a corporation organized under the laws of the state of Rhode Island on April 29, 1970 as a wholly-owned subsidiary of Industrial, and on the same date Industrial was merged into INC. INC thereby acquired ownership and control of the shares of Bank then held by Industrial.

4. INC 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 September 16, 1971. INC 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 and control on that date of more than 25 percent of the voting shares of Bank. INC presently owns and con-

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

trols 100 percent (less directors' qualifying shares) of the outstanding voting shares of Bank.

5. Westminster is a corporation organized on November 12, 1968 under the laws of the state of Delaware as a wholly-owned subsidiary of Industrial. Westminster acquired its limited partnership interest in Associates on April 15, 1969. Associates was formed to own and operate a retail and office building located in East Providence, Rhode Island. INC presently owns and controls the 50 percent limited partnership interest in Associates which it acquired through Westminster before July 7, 1970. The disposition of its interest in Associates by INC is necessary or appropriate to effectuate section 4 of the BHC Act if INC were to continue to be a bank holding company beyond December 31, 1980.[2]

6. Westminster has contracted to sell the limited partnership interest of Associates to the other partner in Associates.

7. After such sale, no person who is a director, officer or in a policy-making position (including an advisory or honorary position) with INC or any of its subsidiaries as a director, policy-making employee or consultant, or who performs (directly, or through an agent, representative or nominee) functions comparable to those normally associated with such office or position, will hold any such office or position or perform any such function with Associates.

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

(A) INC is a qualified bank holding corporation, within the meaning of section 6158(f)(1) and subsection (b) of section 1103 of the Code, and satisfies the requirements of that subsection;

(B) the 50 percent limited partnership interest in Associates are "prohibited property" within the meaning of sections 6158(f)(2) and 1103(c) of the Code; and

(C) the sale of the 50 percent limited partnership interest in Associates is necessary or appropriate to effectuate section 4 of the BHC Act.

This certification is based upon the representations and commitments made to the Board by INC and 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 INC, or that INC has failed to disclose to the Board other material facts or to fulfill any commitments made to the Board in connection herewith, it may revoke this certification.

2. The Board has determined that real estate development and property management are not permissible nonbanking activities for bank holding companies (12 C.F.R. § 225.126).

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 21, 1980.

[SEAL]

(Signed) JEFFERSON A. WALKER,
Assistant Secretary of the Board.

Noble Insurance Agency, Inc., Noble, Oklahoma

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

Noble Insurance Agency, Inc., Noble, Oklahoma ("Noble"), 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 all of its general insurance agency business to a newly formed corporation also called Noble Insurance Agency, Noble, Oklahoma ("Agency") is necessary or appropriate to effectuate section 4 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 the purpose of issuing the requested certification.[1]

1. Noble is a corporation organized under the laws of Oklahoma on December 9, 1969.

2. On December 11, 1969, Noble acquired ownership and control of 378 of the 590 shares of the outstanding common stock of the First State Bank, Noble, Oklahoma ("Bank"), representing 75.6 percent of such shares. Noble currently owns and controls 17,607 shares out of the 30,000 shares outstanding of the Bank, representing approximately 58.07 percent of such shares.

3. Noble 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 the Bank, and it registered as such with the Board on December 8, 1972. Noble would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on that date by virtue of its ownership and control on that date of more than 25 percent of the outstanding voting shares of Bank.

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

4. Noble has directly engaged in the operation of a general insurance agency since its formation on December 9, 1969.

5. Noble has not filed an application with the Board, and has not otherwise obtained the Board's approval pursuant to section 4(c)(8) of the BHC Act, to continue to engage in the operation of an insurance agency.[2]

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

A. Noble is a qualified bank holding company within the meaning of section 1103(b) of the Internal Revenue Code, and satisfies the requirements of that section;

B. The insurance agency business that Noble proposes to sell are "prohibited property" within the meaning of section 1103(c) of the Internal Revenue Code;

C. The sale of the insurance agency business is necessary or apropriate to effectuate section 4 of the BHC Act.

This certification is based on the representations made to the Board by Noble and the facts set out above. In the event that the Board should hereafter determine that the facts material to this certification are otherwise than as represented by Noble or that Noble has failed to disclose to the Board other material facts, the Board 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(b)(3)), effective November 6, 1980.

(Signed) JEFFERSON A. WALKER,
[SEAL] *Assistant Secretary of the Board.*

2. Although Noble has not sought Board approval to retain its general insurance agency activities, these activities may be among those activities that the Board has determined to be closely related to banking under section 4(c)(8) of the BHC Act, 12 U.S.C. § 1843(c)(8). Effective December 5, 1979, the Board amended section 225.4(a)(9) of its Regulation Y pursuant to section 4(c)(8) of the BHC Act to include as a permissible activity acting as insurance agent or broker with respect to any insurance sold by a bank holding company in a community that has a population not exceeding 5,000, provided that the principal place of banking business of the bank holding company is located in a community having a population not exceeding 5,000. 12 C.F.R. §225.4(a)(9). While Noble's insurance activities generally fall within this category, under the Board's present procedures, the question whether, or to what extent, Noble would be permitted to retain these activities would not be determinable unless and until Noble files an application for permission to retain the activities. In passing upon such an application, the Board would be required to apply the second test set forth in section 4(c)(8) and to determine whether the performance of the activities by Noble could "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices." In the absence of favorable action on such an application, Noble would have no authority to continue to be a bank holding company beyond December 31, 1980. The legislative history of the Tax Act does not indicate a Congressional intent that companies subject to such a divestiture requirement exhaust the possibilities for retaining the activity before being eligible for tax relief, and in view of the paramount purpose of section 4 of the BHC Act that "banking and commerce should remain separate," S. Rep. No. 1084, 91st Cong., 2d Sess. 12 (1970), it would appear that the disposition of a potentially permissible activity, without first seeking approval for retention, is at least "appropriate" to effectuate section 4.

Southeastern Capital Corporation, Atlanta, Georgia

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

Southeastern Capital Corporation ("Southeastern"), Atlanta, Georgia, 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 19,344.5 shares of common stock ("Bank Shares") of First National Bank of McDonough, McDonough, Georgia ("Bank"), to Trust Company of Georgia, Atlanta, Georgia ("Buyer"), a registered bank holding company, 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").

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

1. Southeastern is a corporation organized (under the name of Phoenix, Inc.) on November 23, 1951, under the laws of the state of Georgia.

2. Between August 17, 1956, and July 7, 1970, Southeastern acquired 14,508.5 shares representing 38.6 percent of Bank's outstanding voting shares. Southeastern currently owns and controls 19,344.5 shares, representing 38.6 percent of the voting shares, of Bank.[2]

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

2. Under subsection (c) of section 1101 of the Code, property acquired after July 7, 1970, generally does not qualify for the tax benefits of section 6158(a) by an otherwise qualified bank holding company. However, when such property was acquired by a qualified bank holding company in a transaction in which gain was not recognized under section 305(a) of the Code, then § 6158(a) is applicable. Southeastern has stated that the 4836 shares of Bank acquired since July 7, 1970, were acquired in stock splits and stock dividends in which gain was not recognized under section 305(a) of the Code. If these shares were, in fact, received in transactions in which gain was not recognized under section 305(a) of the Code, then these shares are, accordingly, eligible for the benefits provided in section 6158(a), by virtue of section 1101(c)(1)(A) of the Code.

3. Southeastern 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 the time of more than 25 percent of the outstanding voting shares of Bank, and it registered as such with the Board on June 4, 1971. Southeastern 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 ownership and control on that date of more than 25 percent of the outstanding voting shares of Bank.
4. Southeastern holds property acquired by it on or before July 7, 1970, the disposition of which would be necessary or appropriate under section 4 of the BHC Act if Southeastern were to remain a bank holding company beyond December 31, 1980, and which property is "prohibited property" within the meaning of section 1103(c) of the Code.
5. On July 11, 1972, Southeastern filed with the Board an irrevocable declaration pursuant to section 225.4(d) of the Board's Regulation Y that it would cease to be a bank holding company prior to January 1, 1981, by divesting itself of all of its interest in Bank. In accordance with this portion of the regulation and Southeastern's commitment, Southeastern has been permitted to expand its nonbanking activities without seeking the Board's prior approval.
6. Southeastern has committed that all persons affiliated with Southeastern currently serving as directors or officers of Bank will resign their positions prior to the closing date of the sale, and thereafter that Southeastern and its subsidiaries will have no directors or officers in connection with Bank or its affiliates. Southeastern has further stated that Buyer is not, and will not be, indebted to Southeastern, and that none of Buyer's directors or officers is affiliated in any way with Southeastern.

On the basis of the foregoing information, it is hereby certified that:
(A) Southeastern is a qualified bank holding corporation within the meaning of section 1103(b) of the Code, and satisfies the requirements of that section;
(B) Bank Shares covered by the instant request are the property by reason of which Southeastern controls (within the meaning of section 2(a) of the BHC Act) a bank; and
(C) the sale of such shares is necessary or appropriate to effectuate the policies of the BHC Act.

This certification is based upon the representations and commitments made to the Board by Southeastern and upon the facts set forth above. In the event the Board should determine that facts material to this certification are otherwise than as represented by Southeastern, or that Southeastern has failed to disclose to the Board other material facts or to fulfill any commitments made to the Board in connection herewith, it may revoke the certification.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority, effective November 25, 1980.

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

Orders Under Section 2 of Bank Holding Company Act

American Financial Corporation, Cincinnati, Ohio

Order Granting Determination Under the Bank Holding Company Act

American Financial Corporation ("AFC"), Cincinnati, Ohio, a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841(a)) (the "Act"), by virtue of its ownership and control of The Provident Bank ("Bank"), Cincinnati, Ohio, has requested a determination pursuant to the provisions of section 2(g)(3) of the Act (12 U.S.C. § 1841(g)(3)) that AFC is not in fact capable of controlling certain individuals to whom it indirectly transferred its interest in Bank ("Transferees"), Provident Holding Company ("PHC") (a corporation created to receive AFC's interest in Bank), or Bank, notwithstanding the fact that Transferees are officers and/or directors of AFC or its subsidiaries.

Pursuant to the provisions of 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 or has one or more officers, directors, trustees, or beneficiaries in common with or subject to the control by the transferor are deemed to be indirectly 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.[1]

It is hereby determined that AFC is not, in fact, capable of controlling Transferees, PHC, or Bank. This determination is based on the evidence of record in

1. In its interpretation of this provision, the Board stated that the presumption arises not only where the transferee or transferred company has an officer, director, or trustee "in common with" the transferor, but where the transferee himself holds such a position with the transferor. 12 C.F.R. § 225.139. Since AFC's officers and directors will receive in the aggregate more than 25 percent of the stock of PHC, and indirectly of Bank, AFC is presumed to continue to control the Transferees, PHC and Bank.

this matter, including the following facts. AFC divested its interest in Bank by forming a new one-bank holding company, PHC, and transferring the shares of Bank to it. AFC then distributed the shares of PHC on a pro rata basis to its shareholders, some of whom are officers and/or directors of AFC or its subsidiaries. AFC now holds no interest in Bank or PHC, and all officer/director interlocks between AFC and PHC/Bank have been terminated. Furthermore, AFC and its subsidiaries will not enter into any new joint loan participation agreements with Bank, nor is there any indebtedness or significant business relationship between AFC and PHC/Bank (except for those entered into and maintained on substantially the same terms and conditions as those prevailing for comparable transactions with other persons). The fact that, after a spin off, the officers and directors of a bank holding company own shares of a divested company is the predictable result of a pro rata distribution, and that distribution does not appear to have been a means of perpetuating AFC's control over Bank. Moreover, AFC's board of directors has adopted a resolution that it cannot control and will not attempt to control PHC or Bank. Similarly, the boards of directors of PHC and Bank have adopted resolutions that they will resist any attempt by AFC to acquire, retain, or attempt to exercise control over their management or policies.

Accordingly, it is ordered that the request of AFC 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 AFC. In the event the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that AFC 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 by the Board in making this determination could result in the Board reconsidering 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 21, 1980.

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

First Jersey National Corporation, Jersey City, New Jersey

Order Granting Determination Under the Bank Holding Company Act

First Jersey National Corporation, Jersey City, New Jersey ("First Jersey"), a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended, has requested a determination under section 2(g)(3) of the Act (12 U.S.C. § 1841(g)(3)) that it is not in fact capable of controlling Guardian Loan Company of Massapequa, Inc., Massapequa, New York ("Guardian-Massapequa"), the transferee of certain assets of First Jersey's indirect subsidiary, Guardian Loan Company, Inc., Roslyn Heights, New York ("Guardian Loan").

Under section 2(g)(3), 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 transferor, are deemed to be indirectly controlled or owned by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. The Board has interpreted this provision to cover transfers of significant portions of assets as well as transfers of corporate stock. No request for a hearing was made by First Jersey. First Jersey has submitted to the Board evidence to show that it is not in fact capable of controlling Guardian-Massapequa or its subsidiary, Guardian Discount Company of Massapequa, Inc., Massapequa, New York ("Guardian Discount"), and the Board has received no contradictory evidence. It is hereby determined that First Jersey is not in fact capable of controlling Guardian-Massapequa or its subsidiary. This determination is based on the following facts.

In February 1977, Guardian-Massapequa purchased the small loan assets of the Massapequa branch of Guardian Loan and Guardian Discount purchased the sales finance assets of one of Guardian Loan's subsidiaries. The purchase price of $1,247,980 included a junior subordinated note in the amount of $140,000 at six percent annual interest payable in monthly installments over a 20-year period beginning March 1, 1977 ("Note"). The Note is not secured, is subordinated to all other debt, and is guaranteed by Guardian-Massapequa's principal, Carl J. Schultz. The sale was the result of arms-length negotiations, and the Note is the only debt outstanding between Guardian-Massapequa and First Jersey. First Jersey and Guardian-Massapequa have no common officers and directors. First Jersey has submitted a resolution of its board of directors to the effect that First Jersey and its subsidiaries have not and will not attempt to exercise any control or influence over Guardian-Massapequa or its officers or directors. In addition, Guardian-Massapequa has submitted a resolution of its board of directors to the effect that it will resist any efforts by First Jersey to control it.

In view of the facts of record, it is determined that First Jersey is not capable of controlling Guardian-

Massapequa. Accordingly, it is ordered that the request of First Jersey for a determination pursuant to section 2(g)(3) be granted. This determination is based on the representations and commitments made to the Board by First Jersey and Guardian-Massapequa. In the event that the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that First Jersey or Guardian-Massapequa have failed to disclose to the Board other material facts or failed to fulfill their commitments, this determination may be revoked, and any change in the facts and circumstances relied upon by the Board in making this determination would result in the Board reconsidering 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 26, 1980.

(Signed) JEFFERSON A. WALKER,

[SEAL] *Assistant Secretary of the Board.*

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

During November 1980 the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, ~~Division of Support Services~~, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank(s)	Board action (effective date)
First Bank Holding Company, Lakewood, Colorado	FirstBank Holding Company, Lakewood, Colorado	November 4, 1980

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
Affiliated Capital Corporation Atoka, Oklahoma	First Bank in Atoka, Atoka, Oklahoma	Dallas	November 3, 1980
Altamaha Bancshares, Inc., Uvalda, Georgia	Altamaha Bank and Trust Company, Uvalda, Georgia	Atlanta	November 12, 1980
Ankeny Investment Co., Webster City, Iowa	Ankeny State Bank, Ankeny, Iowa	Chicago	November 13, 1980
Antioch Holding Company, Antioch, Illinois	State Bank of Antioch, Antioch, Illinois	Chicago	November 20, 1980
B.P.C. Corporation, Cookeville, Tennessee	The Bank of Putnam County, Cookeville, Tennessee	Atlanta	November 21, 1980
CCB Corp., Atlanta, Georgia	Clayton County Bank, Riverdale, Georgia	Atlanta	November 6, 1980
CDB Corporation, Atlanta, Georgia	Citizens DeKalb Bank, Clarkston, Georgia	Atlanta	November 6, 1980

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Cedar Point Bancshares, Inc., Cedar Point, Kansas	Cedar Point State Bank, Cedar Point, Kansas	Kansas City	October 10, 1980
CENTRAL TRUST INVESTMENT, INC., Cherokee, Iowa	Central Trust and Savings Bank, Cherokee, Iowa	Chicago	November 3, 1980
Citbank Corp., Richardson, Texas	Citizens Bank, Richardson, Texas	Dallas	November 6, 1980
Crete Investment Corporation, Lincoln, Nebraska	City Bank & Trust Co., Crete, Nebraska	Kansas City	October 30, 1980
Dominion Banqueshares Limited, Kansas City, Missouri	Grandview Bank and Trust Company, Grandview, Missouri	Kansas City	October 9, 1980
Desoto Banking Corporation, Arcadia, Florida	The First State Bank of Arcadia, Arcadia, Florida	Atlanta	November 21, 1980
East Texas Bancorporation, Inc., Palestine, Texas	The East Texas National Bank of Palestine, Palestine, Texas	Dallas	November 21, 1980
Eureka Financial Corporation, Wichita, Kansas	The Citizens National Bank in Eureka, Eureka, Kansas	Kansas City	October 24, 1980
Everman Bank Shares, Inc., Fort Worth, Texas	Everman National Bank of Fort Worth Fort Worth, Texas	Dallas	November 10, 1980
F and M Bancshares, Inc., Derby, Kansas	Farmers and Merchants State Bank, Derby, Kansas	Kansas City	October 10, 1980
FBH Corp., Atlanta, Georgia	First Cornelia Corporation Cornelia, Georgia	Atlanta	November 6, 1980
FCB Corp., Atlanta, Georgia	First Commercial Bank, Buford, Georgia	Atlanta	November 6, 1980
FMB Corp., Atlanta, Georgia	Farmers & Merchants Bank Summerville, Georgia	Atlanta	November 6, 1980
First Belleville Bancshares, Inc., Belleville, Kansas	First National Bank in Belleville, Belleville, Kansas	Kansas City	October 31, 1980
First Gwinnett Bancshares, Inc., Lawrenceville, Georgia	First National Bank of Gwinnett County, Lawrenceville, Georgia	Atlanta	November 7, 1980
First Norman Bancshares, Inc., Norman, Oklahoma	The First National Bank and Trust Company, Norman, Oklahoma	Kansas City	October 17, 1980
F.N.B. Stinnett Bancshares, Inc., Stinnett, Texas	First National Bank of Stinnett, Stinnett, Texas	Dallas	November 17, 1980
First National State Bancorporation, Newark, New Jersey	The Broadway National Bank of Bayonne, Bayonne, New Jersey	New York	November 3, 1980
First Security Bancshares, Inc., Oklahoma City, Oklahoma	First Security Bank and Trust Company, Oklahoma City, Oklahoma	Kansas City	October 17, 1980

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
First State Financial Corporation, Gulfport, Mississippi	First State Bank, Gulfport, Mississippi	Atlanta	November 10, 1980
Freeport Bancshares, Inc., Freeport, Minnesota	Freeport State Bank, Freeport, Minnesota	Minneapolis	November 10, 1980
Garrett Bancshares LTD., Bloomfield, Iowa	Davis County Savings Bank, Bloomfield, Iowa	Chicago	November 14, 1980
Graham-Michaelis Financial Corporation, Wichita, Kansas	RKB, Inc., Wichita, Kansas	Kansas City	October 24, 1980
Hardwick Holding Company Dalton, Georgia	Hardwick Bank & Trust Company, Dalton, Georgia	Atlanta	November 12, 1980
Harris County Bankshares, Inc., Houston, Texas	Bank of Harris County, National Association Houston, Texas	Dallas	November 20, 1980
Home State Bancorporation, Inc., Hobart, Oklahoma	Home State Bank, Hobart, Oklahoma	Kansas City	October 31, 1980
Hopkins Financial Corporation, Mitchell, South Dakota	Live Stock State Bank, Mitchell, South Dakota	Minneapolis	October 31, 1980
KENNEDY BANCSHARES, INC., Bancroft, Iowa	Farmers and Traders Savings Bank, Bancroft, Iowa	Chicago	November 10, 1980
Liberty Bancshares, Inc., Liberty, Missouri	Commercial Bank of Liberty, N.A., Liberty, Missouri	Kansas City	October 10, 1980
Matador Bancshares, Inc., Matador, Texas	The First State Bank of Matador, Matador, Texas	Dallas	October 30, 1980
M.B. Group, Inc., Marathon, Florida	The Marathon Bank, Marathon, Florida	Atlanta	November 13, 1980
Northstar Bancorporation, Inc., Wayzata, Minnesota	Minnetonka State Bank, Excelsior, Minnesota	Minneapolis	November 20, 1980
Norwood Bancshares, Inc., Norwood, Minnesota	Citizens State Bank of Norwood, Norwood, Minnesota	Minneapolis	November 14, 1980
Oketo Banc Shares, Inc., Oketo, Kansas	Oketo State Bank, Oketo, Kansas	Kansas City	October 27, 1980
Owenton Bancorp., Inc., Owenton, Kentucky	Peoples Bank & Trust Company Owenton, Owenton, Kentucky	St. Louis	November 14, 1980
P & C Bank Shares, Inc., Camilla, Georgia	Planters & Citizens Bank, Camilla, Georgia	Atlanta	November 12, 1980
Peoples Bancshares of Caddo, Inc., Blanchard, Louisiana	Republic Bank, Blanchard, Louisiana	Dallas	November 7, 1980
RKB, Inc., Wichita, Kansas	National Bank of Wichita, Wichita, Kansas	Kansas City	October 24, 1980
Roswell Bancshares, Atlanta, Georgia	Roswell Bank, Roswell, Georgia	Atlanta	November 6, 1980
RUTHVEN INVESTMENT, LTD., Ruthven, Iowa	Ruthven State Bank, Ruthven, Iowa	Chicago	November 3, 1980

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
S & H HOLDINGS, INC., Iroquois, Illinois	Iroquois Farmers State Bank, Iroquois, Illinois	Chicago	November 13, 1980
Security State Holding Company of Fort Scott, Inc., Fort Scott, Kansas	Security State Bank, Fort Scott, Kansas	Kansas City	October 31, 1980
Shawnee Mission Bancshares, Inc., Fairway, Kansas	The First National Bank of Shawnee Mission Fairway, Kansas	Kansas City	October 17, 1980
Sierra Petroleum Co., Inc., Wichita, Kansas	RKB, Inc., Wichita, Kansas	Kansas City	October 24, 1980
State Bancshares, Inc., Schaller, Iowa	State Bank of Schaller, Schaller, Iowa	Chicago	October 30, 1980
TGB Corp., Atlanta, Georgia	The Gordon Bank, Gordon, Georgia	Atlanta	November 6, 1980
Toronto Financial Corporation, Wichita, Kansas	The First National Bank of Toronto, Toronto, Kansas	Kansas City	October 24, 1980
Waubun Bancshares, Inc., Waubun, Minnesota	Farmers State Bank of Waubun, Incorporated, Waubun, Minnesota	Minneapolis	November 3, 1980
Western Development, Inc., Bozeman, Montana	Western Bank of Bozeman, Bozeman, Montana	Minneapolis	November 6, 1980
Zavala Bankshares, Incorporated, Crystal City, Texas	Zavala County Bank, Crystal City, Texas	Dallas	November 21, 1980

Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date
Mahaska Investment Company, Oskaloosa, Iowa	The First National Bank Sumner, Sumner, Iowa	to continue to engage directly in leasing real property	Chicago	November 20, 1980
Moline Financial Corporation, Wichita, Kansas	Exchange State Bank, Moline, Kansas	to engage in the sale of credit-related insurance	Kansas City	October 27, 1980
Pawnee Bancshares, Inc., Larned, Kansas	The First National Bank and Trust Company, Larned, Kansas	to engage indirectly in the sale of general insurance	Kansas City	October 24, 1980
Peoples Equity Shares, Inc., Carrollton, Georgia	The Peoples Bank, Carrollton, Georgia	to engage de novo in the leasing of equipment to corporations and individuals	Atlanta	November 20, 1980
Weleetka Bancorporation, Inc., Weleetka, Oklahoma	The State National Bank of Weleetka, Weleetka, Oklahoma	to engage de novo in the sale of credit-related insurance	Kansas City	October 23, 1980

Section 4

Applicant	Nonbanking company (or activity)	Reserve Bank	Effective date
Citizens Bancshares, Inc., Ogden, Utah	to acquire Bonneville Thrift, Bountiful, Utah, a company that will engage in the industrial loan business	San Francisco	November 4, 1980
DuRoc Investment Company, Table Rock, Nebraska	to continue to engage in commercial finance activities at an office in Table Rock, Nebraska	Kansas City	October 10, 1980
First of Herington, Inc., Herington, Kansas	to continue to engage in general insurance agency activities	Kansas City	October 3, 1980
Hometown Finance Company, Clinton, Oklahoma	to continue to engage in industrial loan company activities	Kansas City	October 23, 1980
LeRoy C. Darby, Inc., Monana, Iowa	to continue to engage in lending activities	Chicago	November 10, 1980
The Walsh Bancorporation, Inc., Plymouth, Minnesota	to acquire Walsh Insurance Agency, Inc., Plymouth, Minnesota	Kansas Ctiy	October 23, 1980

ORDERS APPROVED UNDER BANK MERGER ACT

Applicant	Bank(s)	Reserve Bank	Effective date
First Virginia Bank—South Central, Brookneal, Virginia	The Farmers and Merchants Bank, Inc. of Amherst, Amherst, Virginia	Richmond	November 10, 1980

*PENDING CASES INVOLVING THE BOARD OF GOVERNORS**

**This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.*

Securities Industry Association v. *Board of Governors, et al.*, filed October 1980, U.S.D.C. for the District of Columbia.

Securities Industry Association v. *Board of Governors, et al.*, filed October 1980, U.S.C.A. for the District of Columbia.

A. G. Becker, Inc. v. *Board of Governors et al.*, filed October 1980, U.S.D.C. for the District of Columbia.

A. G. Becker, Inc. v. *Board of Governors, et al.*, filed October 1980, U.S.C.A. for the District of Columbia.

Independent Insurance Agents of America and Independent Insurance Agents of Missouri v. *Board of Governors*, filed September 1980, U.S.C.A. for the Eighth Circuit.

Independent Insurance Agents of America and Independent Insurance Agents of Virginia v. *Board of Governors*, filed September 1980, U.S.C.A. for the Fourth Circuit.

Nebraska Bankers Association, et al. v. *Board of Governors, et al.*, filed September 1980, U.S.D.C. for the District of Nebraska.

Republic of Texas Corporation v. *Board of Governors*, filed September 1980, U.S.C.A. for the Fifth Circuit.

Welch Bancshares v. *Board of Governors*, filed September 1980, U.S.C.A. for the Tenth Circuit.

Consumers Union of the United States, Inc., v. *Board of Governors et al.*, filed August 1980, U.S.D.C. for the District of Columbia.

A. G. Becker Inc., v. *Board of Governors, et al.*, filed August 1980, U.S.D.C. for the District of Columbia.

Otero Savings and Loan Association v. *Board of Governors*, filed August 1980, U.S.D.C. for the District of Columbia.

Edwin F. Gordon v. *Board of Governors, et al.*, filed August 1980, U.S.C.A. for the Fifth Circuit.

Edwin F. Gordon v. *Board of Governors, et al.*, filed July 1980, U.S.D.C. for the Northern District of Georgia.

Edwin F. Gordon v. *Board of Governors, et al.*, filed July 1980, U.S.D.C. for the Northern District of Georgia.

Edwin F. Gordon v. Board of Governors, et al., filed August 1980, U.S.D.C. for the Northern District of Georgia.

Martin-Trigona v. *Board of Governors*, filed July 1980, U.S.C.A. for the District of Columbia.

U.S. League of Savings Associations v. *Depository Institutions Deregulation Committee, et al.*, filed June 1980, U.S.D.C. for the District of Columbia.

Berkovitz, et al. v. *Government of Iran, et a.*, filed June 1980, U.S.D.C. for the Northern District of California.

Edwin F. Gordon v. *Board of Governors, et al.*, filed June 1980, U.S. Supreme Court.

Mercantile Texas Corporation v. *Board of Governors*, filed May 1980, U.S.C.A. for the Fifth Circuit.

Corbin, Trustee v. *United States*, filed May 1980, United States Court of Claims.

Louis J. Roussel v. *Board of Governors*, filed April 1980, U.S.D.C. for the District of Columbia.

Ulyssess S. Crockett v. *United States et al.*, filed April 1980, U.S.D.C. for the Eastern District of North Carolina.

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

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.

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.

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.

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.

David Merrill, et al. v. *Federal Open Market Committee*, filed May 1975, U.S.D.C. for the District of Columbia.

Financial and Business Statistics

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1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1979	1980			1980				
	Q4	Q1	Q2	Q3	June	July	Aug.	Sept.	Oct.
	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1]								
Member bank reserves									
1 Total	12.3	4.2	0.9	6.9	-1.1	3.0	16.1	23.3	6.0
2 Required	11.2	5.3	1.2	6.1	-1.9	0.5	15.9	24.4	7.3
3 Nonborrowed	6.2	3.3	7.5	12.3	18.4	2.5	8.3	4.1	6.2
4 Monetary base[2]	9.5	7.6	5.2	9.8	6.6	8.5	15.2	10.4	10.2
Concepts of money and liquid assets[3]									
5 M-1A	4.5	4.8	-3.9	11.0	11.4	7.8	19.3	12.6	9.4
6 M-1B	5.0	5.9	-2.4	13.5	14.6	11.1	21.6	15.8	11.5
7 M-2	7.1	7.2	5.5	15.5	18.1	18.2	14.5	8.6r	9.3
8 M-3	9.1	7.8	5.7	12.6r	13.4	13.5r	13.6	9.2r	11.0
9 L	8.5	8.3	7.7	9.6	6.8r	7.7r	13.3r	14.2r	n.a.
Time and savings deposits									
Commercial banks									
10 Total	12.4	8.4	9.8	4.2	-1.6	2.3	7.3	12.4	11.1
11 Savings[4]	-16.5	-19.3	-22.6	26.4	32.9	38.6	26.5	7.6	9.4
12 Small-denomination time[5]	32.1	29.1	33.9	0.6	-3.1	-3.1	0.0	6.1	10.9
13 Large-denomination time[6]	19.7	11.3	10.1	-8.3	-24.8	-19.7	1.5	23.1	12.6
14 Thrift institutions[7]	6.7	2.7	5.0	10.0	10.8	9.1r	11.3r	10.7r	12.0
15 Total loans and securities at commercial banks[8]	8.6	9.5	-.5	7.0r	-2.8	8.2r	17.9r	14.1r	13.3

Item	1979	1980			1980				
	Q4	Q1	Q2	Q3	July	Aug.	Sept.	Oct.	Nov.
	Interest rates (levels, percent per annum)								
Short-term rates									
16 Federal funds[9]	13.58	15.07	12.67	9.82	9.03	9.61	10.87	12.81	15.59
17 Federal Reserve discount[10]	11.92	12.51	12.45	10.35	10.87	10.00	10.17	11.00	11.47
18 Treasury bills (3-month market yield)[11]	11.84	13.35	9.62	9.15	8.06	9.13	10.27	11.62	13.73
19 Commercial paper (3-month)[11,12]	13.35	14.54	11.18	9.65	8.41	9.57	10.97	12.52	15.18
Long-term rates									
Bonds									
20 U.S. government[13]	10.18	11.78	10.58	10.95	10.32	11.07	11.47	11.75	12.44
21 State and local government[14]	7.20	8.23	7.95	8.58	8.13	8.67	8.94	9.11	9.56
22 Aaa utility (new issue)[15]	11.21	13.22	11.77r	12.20	11.60	12.32	12.74	13.18	13.85
23 Conventional mortgages[16]	12.38	14.32	12.70	n.a.	12.45	13.25	13.65	14.10	n.a.

1. 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.

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. M-1A: Averages of daily figures for (1) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (2) currency outside the Treasury, Federal Reserve banks, and the vaults of commercial banks.

M-1B: M-1A plus negotiable order of withdrawal and automated transfer service accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M-2: M-1B plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and money market mutual fund shares.

M-3: M-2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

L: M-3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds.

4. Savings deposits exclude NOW and ATS accounts at commercial banks.

5. Small-denomination time deposits are those issued in amounts of less than $100,000.

6. Large-denomination time deposits are those issued in amounts of $100,000 or more.

7. Savings and loan associations, mutual savings banks, and credit unions.

8. Changes calculated from figures shown in table 1.23.

9. Averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).

10. Rate for the Federal Reserve Bank of New York.

11. Quoted on a bank-discount basis.

12. 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.

13. Market yields adjusted to a 20-year maturity by the U.S. Treasury.

14. *Bond Buyer* series for 20 issues of mixed quality.

15. 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.

16. 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.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week-ending						
	1980			1980						
	Sept.	Oct.p	Nov.p	Oct. 15	Oct. 22	Oct. 29	Nov. 5p	Nov. 12p	Nov. 19p	Nov. 26p
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit outstanding**	**139,993**	**141,695**	**142,984**	**141,199**	**143,233**	**141,755**	**141,887**	**143,252**	**142,641**	**142,123**
2 U.S. government securities[1]	119,826	121,455	120,656	121,879	121,830	121,472	121,048	120,365	120,131	121,150
3 Bought outright	119,692	119,866	119,094	120,314	120,895	120,037	119,893	118,847	118,976	118,974
4 Held under repurchase agreements	134	1,589	1,562	1,565	935	1,435	1,155	1,518	1,155	2,176
5 Federal agency securities	8,858	9,206	9,087	9,101	9,262	9,070	9,077	9,234	8,914	9,083
6 Bought outright	8,809	8,769	8,761	8,776	8,761	8,761	8,761	8,761	8,761	8,761
7 Held under repurchase agreements	49	437	326	325	501	309	316	473	153	322
8 Acceptances	42	353	397	357	167	487	430	623	195	312
9 Loans	1,311	1,335	2,156	1,111	1,198	1,435	1,878	2,067	1,979	2,215
10 Float	4,768	3,722	4,288	3,348	5,123	3,314	3,038	4,338	5,107	3,209
11 Other Federal Reserve assets	5,188	5,624	6,400	5,403	5,653	5,976	6,416	6,625	6,315	6,154
12 Gold stock	11,170	11,165	11,163	11,165	11,165	11,164	11,163	11,163	11,163	11,163
13 Special drawing rights certificate account	3,268	3,268	3,325	3,268	3,268	3,268	3,268	3,268	3,354	3,368
14 Treasury currency outstanding	13,344	13,369	13,399	13,350	13,363	13,371	13,522	13,376	13,376	13,376
ABSORBING RESERVE FUNDS										
15 Currency in circulation	129,744	130,582	132,743	131,001	130,886	130,459	131,134	132,525	133,159	133,080
16 Treasury cash holdings	468	464	462	468	465	460	460	465	476	454
Deposits, other than member bank reserves, with Federal Reserve Banks										
17 Treasury	3,237	3,196	2,964	3,306	3,201	3,190	2,291	3,062	3,468	2,946
18 Foreign	309	284	314	299	287	231	310	309	308	309
19 Other	367	330	401	306	303	305	447	332	375	387
20 Other Federal Reserve liabilities and capital	4,486	4,665	4,772	4,626	4,742	4,654	4,785	4,708	4,674	4,785
21 Reserve accounts[2]	29,164	29,976	29,215	28,975	31,145	30,258	30,412	29,658	28,072	28,068

Factors	End-of-month figures			Wednesday figures						
	1980			1980						
	Sept.	Oct.	Nov.	Oct. 15	Oct. 22	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26
SUPPLYING RESERVE FUNDS										
22 **Reserve bank credit outstanding**	**140,011**	**141,189**	**146,115**	**140,219**	**143,583**	**143,384**	**145,967**	**141,979**	**144,379**	**144,197**
23 U.S. government securities[1]	120,711	121,482	120,812	119,460	121,472	121,436	121,314	118,050	121,690	120,642
24 Bought outright	119,418	119,852	118,936	119,460	121,472	120,515	119,988	117,014	119,145	119,161
25 Held under repurchase agreements	1,293	1,630	1,876	....	....	921	1,326	1,036	2,545	1,481
26 Federal agency securities	9,053	9,220	9,165	8,761	8,761	8,928	8,919	9,283	8,904	9,086
27 Bought outright	8,782	8,761	8,761	8,761	8,761	8,761	8,761	8,761	8,761	8,761
28 Held under repurchase agreements	271	459	404	....	....	167	158	522	143	325
29 Acceptances	499	566	523	....	....	426	441	429	374	387
30 Loans	982	1,567	2,284	567	3,966	2,740	3,371	2,095	2,468	3,985
31 Float	3,192	2,194	6,792	5,805	3,503	3,686	5,217	5,202	4,981	3,599
32 Other Federal Reserve assets	5,574	6,160	6,539	5,626	5,881	6,168	6,705	6,920	5,962	6,498
33 Gold stock	11,168	11,163	11,162	11,165	11,164	11,163	11,163	11,163	11,163	11,162
34 Special drawing rights certificate account	3,268	3,268	3,368	3,268	3,268	3,268	3,268	3,268	3,368	3,368
35 Treasury currency outstanding	13,663	13,716	13,376	13,362	13,368	13,376	13,376	13,376	13,376	13,376
ABSORBING RESERVE FUNDS										
36 Currency in circulation	129,917	131,075	133,662	131,520	130,945	130,989	131,904	133,381	133,351	133,823
37 Treasury cash holdings	466	460	488	467	465	460	470	465	455	451
Deposits, other than member bank reserves, with Federal Reserve Banks										
38 Treasury	4,102	1,864	2,435	2,898	3,228	2,877	3,064	2,763	3,477	2,323
39 Foreign	460	368	368	325	236	260	236	398	236	279
40 Other	363	338	478	320	321	316	421	311	363	461
41 Other Federal Reserve liabilities and capital	4,659	4,713	5,061	4,562	4,506	4,518	4,501	4,608	4,658	4,621
42 Reserve accounts[2]	28,146	30,518	31,528	27,921	31,682	31,770	33,177	27,859	29,746	30,144

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. Includes reserves of member banks, and Edge Act corporations.

NOTE: For amounts of currency and coin held as reserves, see table 1.12.

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1979	1980								
	Dec.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.p	Nov.p
1 Reserve balances with Reserve Banks[1]	32,473	32,400	33,663	32,726	32,125	31,384	28,923	29,164	29,976	29,215
2 Total vault cash (estimated)	....	....	....	....	....	....	....	....	....	15,311
3 Vault cash at institutions with required reserve balances[2]	11,344	10,729	10,895	10,998	11,141	11,287	11,262	11,811	11,678	11,876
4 Vault cash equal to required reserves at other institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	439
5 Surplus vault cash at other institutions[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,996
6 Reserve balances + total vault cash[4]	43,972	43,352	44,769	43,933	43,479	42,859	40,373	41,164	41,815	44,674
7 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	41,678
8 Required reserves (estimated)	43,578	42,907	44,678	43,793	43,268	42,575	40,071	40,908	41,498	40,723
9 Excess reserve balances at Reserve Banks[4,6]	394	445	91	140	211	284	302	256	317	955
10 Total borrowings at Reserve Banks	1,473	2,828	2,443	1,028	380	395	659	1,311	1,335	2,156
11 Seasonal borrowings at Reserve Banks	82	152	156	64	12	7	10	26	67	99
Large banks in New York City										
12 Reserves held	7,401	7,276	7,603	7,596	7,580	7,316	6,506	6,686	6,710	n.a.
13 Required	7,326	7,194	7,655	7,662	7,586	7,275	6,507	6,661	6,741	n.a.
14 Excess	75	82	−52	−66	−6	41	−1	25	−31	n.a.
15 Borrowings[7]	66	60	81	31	18	61	100	177	117	n.a.
Large banks in Chicago										
16 Reserves held	2,036	1,886	2,150	1,922	1,869	1,865	1,596	1,658	1,654	n.a.
17 Required	2,005	1,961	2,173	1,906	1,868	1,866	1,590	1,657	1,687	n.a.
18 Excess	31	−75	−23	16	1	−1	6	1	−33	n.a.
19 Borrowings[7]	90	137	60	28	5	18	27	109	29	n.a.
Other large banks										
20 Reserves held	17,426	17,029	17,644	17,379	17,244	16,863	15,853	16,107	16,188	n.a.
21 Required	17,390	17,135	17,991	17,545	17,205	16,819	15,781	16,073	16,347	n.a.
22 Excess	36	−106	−347	−166	39	44	72	34	−159	n.a.
23 Borrowings[7]	707	1,479	1,287	808	327	298	453	725	751	n.a.
All other banks										
24 Reserves held	16,734	16,261	16,314	16,271	16,310	16,373	16,083	16,378	16,466	n.a.
25 Required	16,536	16,233	16,367	16,234	16,168	16,203	15,883	16,207	16,392	n.a.
26 Excess	198	28	−53	37	142	170	200	171	74	n.a.
27 Borrowings[7]	610	1,152	1,015	161	30	18	79	300	438	n.a.
Edge corporations										
28 Reserves held	336	317	339	335	366	378	335	335	346	n.a.
29 Required	303	300	299	295	341	353	310	310	331	n.a.
30 Excess	33	17	40	40	25	25	25	25	15	n.a.
U.S. agencies and branches[8]										
31 Reserves held	39	90	198	162	110	64	....	....	....	n.a.
32 Required	18	84	193	151	100	59	....	....	....	n.a.
33 Excess	21	6	5	11	10	5	....	....	....	n.a.
	Weekly averages of daily figures for week ending:									
	Sept. 24	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29	Nov. 5p	Nov. 12p	Nov. 19p	Nov. 26p
34 Reserve balances with Reserve Banks[1]	29,817	30,047	28,852	28,975	31,145	30,258	30,412	29,658	28,079	28,068
35 Total vault cash (estimated)	....	....	....	....	....	....	....	....	17,350	16,937
36 Vault cash at institutions with required reserve balances[2]	11,629	12,015	12,106	12,049	10,889	11,544	12,028	12,273	11,553	11,385
37 Vault cash equal to required reserves at other institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	730	730
38 Surplus vault cash at other institutions[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,067	4,822
39 Reserve balances + total vault cash[4]	41,643	42,234	41,132	41,188	42,198	41,966	42,599	42,090	45,588	45,134
40 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	40,521	40,312
41 Required reserves (estimated)	41,564	41,884	40,780	40,953	42,120	41,930	42,032	41,686	40,017	39,995
42 Excess reserve balances at Reserve Banks[4,6]	79	350	352	235	78	36	567	404	504	317
43 Total borrowings at Reserve Banks	1,630	1,873	1,249	1,111	1,198	1,435	1,878	2,067	1,979	2,215
44 Seasonal borrowings at Reserve Banks	31	41	49	61	70	87	72	96	96	115
Large banks in New York City										
45 Reserves held	6,701	7,036	6,728	6,501	6,948	6,664	7,045	6,648	n.a.	n.a.
46 Required	6,778	6,974	6,608	6,634	6,905	6,719	6,982	6,896	n.a.	n.a.
47 Excess	−77	62	120	−133	43	−55	63	−248	n.a.	n.a.
48 Borrowings[7]	154	247	46	−0	225	71	36	−0	n.a.	n.a.
Large banks in Chicago										
49 Reserves held	1,650	1,677	1,638	1,685	1,707	1,720	1,659	1,621	n.a.	n.a.
50 Required	1,651	1,674	1,628	1,684	1,713	1,718	1,715	1,747	n.a.	n.a.
51 Excess	−1	3	10	1	−6	2	−56	−126	n.a.	n.a.
52 Borrowings[7]	385	27	18	6	89	−0	148	71	n.a.	n.a.
Other large banks										
53 Reserves held	16,376	16,535	16,127	16,297	16,557	16,466	16,447	16,253	n.a.	n.a.
54 Required	16,368	16,464	16,074	16,192	16,616	16,488	16,443	16,392	n.a.	n.a.
55 Excess	8	71	53	105	−59	−22	4	−139	n.a.	n.a.
56 Borrowings[7]	731	1,078	750	676	484	840	1,174	1,437	n.a.	n.a.
All other banks										
57 Reserves held	16,598	16,674	16,304	16,340	16,614	16,791	16,708	16,413	n.a.	n.a.
58 Required	16,470	16,481	16,149	16,114	16,552	16,664	16,569	16,354	n.a.	n.a.
59 Excess	128	193	155	226	62	127	139	59	n.a.	n.a.
60 Borrowings[7]	360	521	435	429	400	524	520	559	n.a.	n.a.
Edge corporations										
61 Reserves held	318	319	335	365	372	325	367	352	n.a.	n.a.
62 Required	297	291	321	329	334	341	323	297	n.a.	n.a.
63 Excess	21	28	14	36	38	−16	44	55	n.a.	n.a.

For notes see bottom of page A-6.

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks[1]

Averages of daily figures, in millions of dollars

By maturity and source	1980, week ending Wednesday								
	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26
One day and continuing contract									
1 Commercial banks in United States	50,744r	54,831r	53,527r	49,832r	47,442	49,000	52,916	51,609	48,094
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	15,189	15,272	15,835	15,973	15,230	14,139	15,280	15,986	15,593
3 Nonbank securities dealers	1,990r	2,203r	1,740r	2,007	2,200r	2,670	2,698	2,638	2,794
4 All other	16,917	16,823	15,775	17,144	17,232r	16,584	15,873	17,504	17,074
All other maturities									
5 Commercial banks in United States	3,563r	3,216r	5,122r	3,691r	3,791	4,606	4,744	3,833	4,067
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	6,044	6,051	6,551	6,749	6,871r	7,437	7,568	7,080	6,913
7 Nonbank securities dealers	3,937	3,681	3,805r	4,020r	4,570	4,051	4,186	4,168	4,229
8 All other	10,613r	10,256r	11,342r	10,536r	10,956r	10,987	10,790	9,882	10,615
MEMO: Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States	14,378	13,873	15,138	12,504r	12,200r	13,305	12,565	14,948	11,460
10 Nonbank securities dealers	2,020	2,465	2,266r	2,484r	2,126	2,774	2,731	2,787	2,547

1. Banks with assets of $1 billion or more as of December 31, 1977.

NOTES TO TABLE 1.12.

1. Includes all reserve balances of depository institutions.
2. Before Nov. 13, 1980, the figures shown reflect only the vault cash held by member banks.
3. Total vault cash at institutions without required reserve balances less vault cash equal to their required reserves.
4. 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 merged into an existing member bank, or when a nonmember bank joints the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total adjusted data byclass are not available.
5. Reserve balance with Federal Reserve Banks plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.
6. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves. (This measure of excess reserves is comparable to the old excess reserve concept published historically.)
7. Based on closing figures.
8. Data not reported after July 23, 1980.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit			Extended credit						Emergency credit to all others under section 13[2]		
				Seasonal credit			Special circumstances[1]					
	Rate on 11/30/80	Effective date 11/17/80	Previous rate	Rate on 11/30/80	Effective date 11/17/80	Previous rate	Rate on 11/30/80	Effective date 11/17/80	Previous rate	Rate on 11/30/80	Effective date 11/17/80	Previous rate
Boston	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
New York	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
Philadelphia	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
Cleveland	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
Richmond	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
Atlanta	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
Chicago	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
St. Louis	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
Minneapolis	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
Kansas City	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
Dallas	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14
San Francisco	12	11/17/80	11	12	11/17/80	11	13	11/17/80	12	15	11/17/80	14

Range of rates in recent years[3]

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
July 2	7	7
Aug. 14	7–7½	7½
23	7½	7½

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1974— Apr. 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾
1975— Jan. 6	7¼	7¼
10	7¼	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
1976— Jan. 19	5½–6	5½
23	5½	5½
Nov. 22	5¼–5½	5¼
26	5¼	5¼
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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1978— July 3	7–7¼	7¼
10	7¼–7¾	7¼
Aug. 221	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
1980— Feb. 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
June 16	11	11
July 28	10–11	10
July 29	10	10
Sept. 26	11	11
Nov. 17	12	12
In effect Nov. 30, 1980	12	12

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution as described in section 201.3(b) (2) of Regulation A.

2. Applicable to emergency advances to individuals, partnerships, and corporations as described in section 201.3(c) of Regulation A.

3. Rates for short-term adjustment credit (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, 1973–1977*, and *1974–1978*.

1.15 DEPOSITORY INSTITUTIONS RESERVE REQUIREMENTS[1]

Percent of deposits

Type of deposit, and deposit interval in millions of dollars	Member bank requirements before implementation of the Monetary Control Act		Type of deposit, and deposit interval	Depository institution requirements after implementation of the Monetary Control Act[5]	
	Percent	Effective date		Percent	Effective date
Net demand[2]			*Net transaction accounts*[6]		
0–2	7	12/30/76	\$0–\$25 million	3	11/13/80
2–10	9½	12/30/76	Over \$25 million	12	11/13/80
10–100	11¾	12/30/76			
100–400	12¾	12/30/76	*Nonpersonal time deposits*[7]		
Over 400	16¼	12/30/76	By original maturity		
			Less than 4 years	3	11/13/80
Time and savings[2,3]			4 years or more	0	11/13/80
Savings	3	3/16/67			
			Eurocurrency liabilities		
Time[4]			All types	3	11/13/80
0–5, by maturity					
30–179 days	3	3/16/67			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			
Over 5, by maturity					
30–179 days	6	12/12/74			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			

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. Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

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 as amended through 1978 specified different ranges of requirements for reserve city banks and for other banks. Reserve cities were designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than \$400 million was considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constituted designation of that place as a reserve city. Cities in which there were Federal Reserve Banks or branches were also reserve cities. Any banks having net demand deposits of \$400 million or less were considered to have the character of business of banks outside of reserve cities and were permitted to maintain reserves at ratios set for banks not in reserve cities.

(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 were subject to the same reserve requirements as deposits of member banks.

3. (a) Negotiable order of withdrawal (NOW) accounts and time deposits such as Christmas and vacation club accounts were subject to the same requirements as savings deposits.

(b) The average reserve requirement on savings and other time deposits before implementation of the Monetary Control Act had to be at least 3 percent, the minimum specified by law.

4. (a) 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. This supplementary requirement was eliminated with the maintenance period beginning July 24, 1980.

(b) 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. This marginal requirement was increased to 10 percent beginning April 3, 1980, was decreased to 5 percent beginning June 12, 1980, and was reduced to zero beginning July 24, 1980. 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 was originally the greater of (a) \$100 million or (b) 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. For the computation period beginning Mar. 20, 1980, the base was lowered by (a) 7 percent or (b) the decrease in an institution's U.S. office gross loans to foreigners and gross balances due from foreign offices of other institutions between the base period (Sept. 13–26, 1979) and the week ending Mar. 12, 1980, whichever was greater. For the computation period beginning May 29, 1980, the base was increased by 7½ percent above the base used to calculate the marginal reserve in the statement week of May 14–21, 1980. In addition, beginning Mar. 19, 1980, the base was reduced to the extent that foreign loans and balances declined.

5. For existing nonmember banks and thrift institutions, there is a phase-in period ending Sept. 3, 1987. For existing member banks the phase-in period is about three years, depending on whether their new reserve requirements are greater or less than the old requirements. For existing agencies and branches of foreign banks, the phase-in ends Aug. 12, 1982. All new institutions will have a two-year phase-in beginning with the date that they open for business.

6. Transaction accounts include all deposits on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, telephone and preauthorized transfers (in excess of three per month), for the purpose of making payments to third persons or others.

7. In general, nonpersonal time deposits are time deposits, including savings deposits, that are not transaction accounts and in which the beneficial interest is held by a depositor which is not a natural person. Also included are certain transferable time deposits held by natural persons, and certain obligations issued to depository institution offices located outside the United States. For details, see section 204.2 of Regulation D.

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. After implementation of the Monetary Control Act, nonmembers may maintain reserves on a pass-through basis with certain approved institutions.

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 Nov. 30, 1980		Previous maximum		In effect Nov. 30, 1980		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	(1)
2 Negotiable order of withdrawal accounts [2]	5	1/1/74	(3)	....	5	1/1/74	(3)	....
Time accounts [4]								
Fixed ceiling rates by maturity [5]								
3 14–89 days [6]	5¼	8/1/79	5	7/1/73	(3)	....	(3)	....
4 90 days to 1 year	5¾	1/1/80	5½	7/1/73	6	1/1/80	5¾	(1)
5 1 to 2 years [7]	} 6	7/1/73	5½	1/21/70	} 6½	(1)	5¾	1/21/70
6 2 to 2½ years [7]			5¾	1/21/70			6	1/21/70
7 2½ to 4 years [7]	6½	7/1/73	5¾	1/21/70	6¾	(1)	6	1/21/70
8 4 to 6 years [8]	7¼	11/1/73	(9)	....	7½	11/1/73	(9)	....
9 6 to 8 years [8]	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
10 8 years or more [8]	7¾	6/1/78	(3)	....	8	6/1/78	(3)	....
11 Issued to governmental units (all maturities) [10]	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) [10,11]	8	6/1/78	7¾	7/6/77	8	6/1/78	7¾	7/6/77
Special variable ceiling rates by maturity								
13 6-month money market time deposits [12]	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
14 2½ years or more	(14)	(14)	(15)	(15)	(14)	(14)	(15)	(15)

1. July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loan associations.

2. 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, and in New Jersey on Dec. 28, 1979.

3. No separate account category.

4. For exceptions with respect to certain foreign time deposits see the FEDERAL RESERVE BULLETIN for October 1962 (p. 1279), August 1965 (p. 1084), and February 1968 (p. 167).

5. Effective Nov. 10, 1980, the minimum notice period for public unit accounts at savings and loan associations was decreased to 14 days and the minimum maturity period for time deposits at savings and loan associations in excess of $100,000 was decreased to 14 days. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 days to 14 days for mutual savings banks.

6. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 days to 14 days for commercial banks.

7. 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.

8. 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.

9. 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 denomination of $1,000. There is no limitation on the amount of these certificates that banks can issue.

10. Accounts subject to fixed rate ceilings. See footnote 8 for minimum denomination requirements.

11. Effective January 1, 1980, commercial banks are permitted to pay the same rate as thrifts on IRA and Keogh accounts and accounts of governmental units when such deposits are placed in the new 2½-year or more variable ceiling certificates or in 26-week money market certificates regardless of the level of the Treasury bill rate.

12. Must have a maturity of exactly 26 weeks and a minimum denomination of $10,000, and must be nonnegotiable.

13. 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 on money market time deposits entered into before June 5, 1980, is the discount rate (auction average) on most recently issued six-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 March 15, 1979, the ¼-percentage-point interest differential is removed when the six-month Treasury bill rate is 9 percent *or more. The full differential is in effect when the six-month bill rate is 8¾ percent* or less. Thrift institutions may pay a maximum 9 percent when the six-month bill rate is between 8¾ and 9 percent. Also effective March 15, 1979, interest compounding was prohibited on six-month money market time deposits at all offering institutions. The maximum allowable rates in November for commercial banks and thrift institutions were as follows: Nov. 6, 13.519; Nov. 13, 13.481; Nov. 20, 14.167; Nov. 27, 14.280. Effective for all six-month money market certificates issued beginning June 5, 1980, the interest rate ceilings will be determined by the discount rate (auction average) of most recently issued six-month U.S. Treasury bills as follows:

Bill rate	*Commercial bank ceiling*	*Thrift ceiling*
8.75 and above	bill rate + ¼ percent	bill rate + ¼ percent
8.50 to 8.75	bill rate + ¼ percent	9.00
7.50 to 8.50	bill rate + ¼ percent	bill rate + ½ percent
7.25 to 7.50	7.75	bill rate + ½ percent
Below 7.25	7.75	7.75

The prohibition against compounding interest in these certificates continues. In addition, during the period May 29, 1980, through Nov. 1, 1980, commercial banks may renew maturing six-month money market time deposits for the same depositor at the thrift institution ceiling interest rate.

14. Effective Jan. 1, 1980, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable-ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2½ years or more. The maximum rate for commercial banks is ¾ percentage point below the yield on 2½-year U.S. Treasury securities; the ceiling rate for thrift institutions is ¼ percentage point higher than that for commercial banks. Effective Mar. 1, 1980, a temporary ceiling of 11¾ percent was placed on these accounts at commercial banks; the temporary ceiling is 12 percent at savings and loan associations and mutual savings banks. Effective for all variable ceiling nonnegotiable time deposits with maturities of 2½ years or more issued beginning June 2, 1980, the ceiling rates of interest will be determined as follows:

Treasury yield	*Commercial bank ceiling*	*Thrift ceiling*
12.00 and above	11.75	12.00
9.50 to 12.00	Treasury yield – ¼ percent	Treasury yield
Below 9.50	9.25	9.50

Interest may be compounded on these time deposits. The ceiling rates of interest at which these accounts may be offered vary biweekly. The maximum allowable rates in November for commercial banks were as follows: Nov. 13, 11.75; Nov. 27, 11.75. The maximum allowable rates in November for thrift institutions were as follows: Nov. 13, 12.00; Nov. 27, 12.00.

15. Between July 1, 1979, and Dec. 31, 1979, commercial banks, savings and loan associations, and mutual savings banks were 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 was 1¼ percentage points below the yield on 4-year U.S. Treasury securities; the ceiling rate for thrift institutions was ¼ percentage point higher than that for commercial banks.

NOTE. Before Mar. 31, 1980, the maximum rates that could be paid by federally insured commercial banks, mutual savings banks, and savings and loan associations were 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. Title II of the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L. 96–221) transferred the authority of the agencies to establish maximum rates of interest payable on deposits to the Depository Institutions Deregulation Committee. 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	1977	1978	1979	1980						
				Apr.	May	June	July	Aug.	Sept.	Oct.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched sale-purchase transactions)										
Treasury bills										
1 Gross purchases	13,738	16,628	15,998	2,428	838	322	0	0	200	991
2 Gross sales	7,241	13,725	6,855	108	232	0	2,264	47	237	531
3 Exchange	0	0	0	0	0	274	0	0	0	0
4 Redemptions	2,136	2,033	2,900	0	0	0	950	0	0	700
Others within 1 year[1]										
5 Gross purchases	3,017	1,184	3,203	109	155	121	0	137	0	0
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shift	4,499	-5,170	17,339	179	1,670	412	311	2,423	589	596
8 Exchange	2,500	0	-11,308	-459	-5,276	-1,479	-788	-3,134	-1,459	-420
9 Redemptions			2,600	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases	2,833	4,188	2,148	373	405	465	0	541	0	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	-6,649	-178	-12,693	-179	-1,302	-412	-311	-720	-589	-596
13 Exchange			7,508	459	3,000	1,479	788	1,750	1,459	420
5 to 10 years										
14 Gross purchases	758	1,526	523	62	133	164	0	236	0	0
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shift	584	2,803	-4,646	0	-25	0	0	-1,703	0	0
17 Exchange			2,181	0	1,300	0	0	1,000	0	0
Over 10 years										
18 Gross purchases	553	1,063	454	64	216	129	0	320	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	1,565	2,545	0	0	-342	0	0	0	0	0
21 Exchange			1,619	0	976	0	0	384	0	0
All maturities[1]										
22 Gross purchases	20,898	24,591	22,325	3,036	1,747	1,200	0	1,234	200	991
23 Gross sales	7,241	13,725	6,855	108	232	0	2,264	47	237	531
24 Redemptions	4,636	2,033	5,500	0	0	0	950	0	0	700
Matched transactions										
25 Gross sales	425,214	511,126	627,350	57,316	49,934	50,590	48,370	72,315	55,766	55,787
26 Gross purchases	423,841	510,854	624,192	57,479	50,965	52,076	46,023	71,645	56,207	56,462
Repurchase agreements										
27 Gross purchases	178,683	151,618	107,051	3,029	7,717	12,810	10,719	2,783	3,203	20,145
28 Gross sales	180,535	152,436	106,968	3,952	4,811	15,258	10,110	3,016	2,743	19,808
29 Net change in U.S. government securities	5,798	7,743	6,896	2,168	5,452	238	-4,952	284	863	771
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	1,433	301	853	668	0	0	0	0	0	0
31 Gross sales	0	173	399	0	0	0	0	0	0	0
32 Redemptions	223	235	134	2	0	2	2	*	91	21
Repurchase agreements										
33 Gross purchases	13,811	40,567	37,321	483	1,611	3,035	1,737	1,082	977	5,922
34 Gross sales	13,638	40,885	36,960	563	1,258	3,351	1,242	1,132	1,188	5,734
35 Net change in federal agency obligations	1,383	-426	681	586	353	-318	492	-50	-302	167
BANKERS ACCEPTANCES										
36 Outright transactions, net	-196	0	0	0	0	0	0	0	0	0
37 Repurchase agreements, net	159	-366	116	-171	366	7	-64	-33	222	67
38 Net change in bankers acceptances	-37	-366	116	-171	366	7	-64	-33	222	67
39 **Total net change in System Open Market Account**	**7,143**	**6,951**	**7,693**	**2,582**	**6,171**	**-73**	**-4,523**	**202**	**784**	**1,005**

1. Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): September 1977, 2,500; March 1979, 2,600.

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		
	1980					1980		
	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26	Sept.	Oct.	Nov.
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,163	11,163	11,163	11,163	11,162	11,168	11,163	11,162
2 Special drawing rights certificate account	3,268	3,268	3,268	3,368	3,368	3,268	3,268	3,368
3 Coin	417	420	419	419	411	427	429	416
Loans								
4 To depository institutions	2,740	3,371	2,095	2,468	3,985	982	1,567	2,284
5 Other	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements	426	441	429	374	387	499	566	523
Federal agency obligations								
7 Bought outright	8,761	8,761	8,761	8,761	8,761	8,782	8,761	8,761
8 Held under repurchase agreements	167	158	522	143	325	271	459	404
U.S. government securities								
Bought outright								
9 Bills	45,004	44,477	41,503	43,634	43,650	43,907	44,341	43,425
10 Notes	58,703	58,703	58,703	58,618	58,618	58,703	58,703	58,618
11 Bonds	16,808	16,808	16,808	16,893	16,893	16,808	16,808	16,893
12 Total[1]	120,515	119,988	117,014	119,145	119,161	119,418	119,852	118,936
13 Held under repurchase agreements	921	1,326	1,036	2,545	1,481	1,293	1,630	1,876
14 Total U.S. government securities	121,436	121,314	118,050	121,690	120,642	120,711	121,482	120,812
15 Total loans and securities	**133,530**	**134,045**	**129,857**	**133,436**	**134,100**	**131,245**	**132,835**	**132,784**
16 Cash items in process of collection	9,780	12,244	12,348	12,055	10,257	12,481	8,691	12,831
17 Bank premises	453	453	453	455	457	450	453	457
Other assets								
18 Denominated in foreign currencies[2]	2,754	3,158	2,993	3,148	3,509	2,245	2,750	3,631
19 All other	2,961	3,094	3,474	2,359	2,532	2,879	2,957	2,451
20 Total assets	**164,326**	**167,845**	**163,975**	**166,403**	**165,796**	**164,163**	**162,546**	**167,100**
LIABILITIES								
21 Federal Reserve notes	118,491	119,419	120,890	120,849	121,310	117,144	118,248	121,191
Deposits								
22 Depository institutions	31,770	33,177	27,859	29,746	30,144	28,146	30,518	31,528
23 U.S. Treasury—General account	2,877	3,064	2,763	3,477	2,323	4,102	1,864	2,435
24 Foreign—Official accounts	260	236	398	236	279	460	368	368
25 Other	316	421	311	363	461	363	338	478
26 Total deposits	**35,223**	**36,898**	**31,331**	**33,822**	**33,207**	**33,071**	**33,088**	**34,809**
27 Deferred availability cash items	6,094	7,027	7,146	7,074	6,658	9,289	6,497	6,039
28 Other liabilities and accrued dividends[3]	1,903	1,895	1,992	2,054	1,978	1,877	2,042	2,317
29 Total liabilities	**161,711**	**165,239**	**161,359**	**163,799**	**163,153**	**161,381**	**159,875**	**164,356**
CAPITAL ACCOUNTS								
30 Capital paid in	1,198	1,199	1,199	1,200	1,199	1,184	1,199	1,199
31 Surplus	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145
32 Other capital accounts	272	262	272	259	299	453	327	400
33 Total liabilities and capital accounts	**164,326**	**167,845**	**163,975**	**166,403**	**165,796**	**164,163**	**162,546**	**167,100**
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account	85,677	85,850	86,334	88,749	90,236	84,526	86,150	90,529
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to Bank)	137,922	138,125	138,080	138,366	138,716	137,292	137,871	138,699
36 Less: held by bank[4]	19,431	18,706	17,190	17,517	17,406	20,148	19,623	17,508
37 Federal Reserve notes, net	118,491	119,419	120,890	120,849	121,310	117,144	118,248	121,191
Collateral for Federal Reserve notes								
38 Gold certificate account	11,163	11,163	11,163	11,163	11,162	11,168	11,163	11,162
39 Special drawing rights certificate account	3,268	3,268	3,268	3,368	3,368	3,268	3,268	3,368
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. government and agency securities	104,060	104,988	106,459	106,318	106,780	102,708	103,817	106,661
42 Total collateral	**118,491**	**119,419**	**120,890**	**120,849**	**121,310**	**117,144**	**118,248**	**121,191**

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. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies and foreign currencies warehoused for the U.S. Treasury. Assets shown in this line are revalued monthly at market exchange rates.

3. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.

4. Beginning September 1980, Federal Reserve notes held by the Reserve Bank are exempt from the collateral requirement.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday 1980 Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26	End of month 1980 Sept. 30	Oct. 31	Nov. 30
1 Loans—Total	2,740	3,371	2,095	2,468	3,985	982	1,567	2,283
2 Within 15 days	2,730	3,334	2,036	2,450	3,971	973	1,550	2,272
3 16 days to 90 days	10	37	59	18	14	9	17	11
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	426	441	429	374	387	499	566	523
6 Within 15 days	426	441	429	374	387	499	566	523
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—Total	121,436	121,314	118,050	121,690	120,642	120,711	121,482	120,812
10 Within 15 days[1]	5,771	5,930	3,637	7,114	6,709	3,168	2,993	5,494
11 16 days to 90 days	20,973	21,415	19,748	20,755	20,336	22,479	24,059	23,086
12 91 days to 1 year	30,379	29,832	30,527	30,523	30,299	30,751	30,293	28,934
13 Over 1 year to 5 years	36,336	36,160	36,161	34,942	34,942	36,336	36,160	34,942
14 Over 5 years to 10 years	13,135	13,135	13,135	13,354	13,354	13,135	13,135	13,354
15 Over 10 years	14,842	14,842	14,842	15,002	15,002	14,842	14,842	15.002
16 Federal agency obligations—Total	8,928	8,919	9,283	8,904	9,086	9,053	9,220	9,165
17 Within 15 days[1]	230	158	702	413	477	522	63	556
18 16 days to 90 days	544	617	437	347	284	508	1,003	467
19 91 days to 1 year	1,558	1,548	1,548	1,548	1,668	1,312	1,558	1,495
20 Over 1 year to 5 years	4,771	4,771	4,771	4,771	4,880	4,818	4,771	4,870
21 Over 5 years to 10 years	1,140	1,140	1,140	1,140	1,092	1,149	1,140	1,092
22 Over 10 years	685	685	685	685	685	744	685	685

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	1977	1978	1979	1980 June	July	Aug.	Sept.	Oct.
	Debits to demand deposits[1] (seasonally adjusted)							
1 All commercial banks	34,322.8	40,297.8	49,750.7	61,574.7	63,088.5	65,385.9	65,111.5	65,645.5
2 Major New York City banks	13,860.6	15,008.7	18,512.2	24,788.9	25,538.8	26,705.7	26,103.5	26,034.2
3 Other banks	20,462.2	25,289.1	31,238.5	36,785.7	37,549.8	38,680.2	39,008.0	39,611.4
	Debits to savings deposits[2] (not seasonally adjusted)							
4 ATS/NOW[3]	5.5	17.1	83.3	158.7	161.6	145.2	175.0	193.0
5 Business[4]	21.7	56.7	77.4	80.2	85.1	84.9	91.4	98.6
6 Others[5]	152.3	359.7	557.6	587.5	633.7	631.1	719.2	775.5
7 All accounts	179.5	432.9	718.2	826.4	880.4	861.2	985.6	1,067.1
	Demand deposit turnover[1] (seasonally adjusted)							
8 All commercial banks	129.2	139.4	163.4	201.5	203.7	205.5	202.1	201.4
9 Major New York City banks	503.0	541.9	646.2	817.1	844.5	859.6	818.5	779.4
10 Other banks	85.9	96.8	113.2	133.7	134.4	134.7	134.4	135.0
	Savings deposit turnover[2] (not seasonally adjusted)							
11 ATS/NOW[3]	6.5	7.0	7.8	10.2	9.7	8.2	9.4	10.0
12 Business[4]	4.1	5.1	7.2	8.6	8.5	7.9	8.5	8.9
13 Others[5]	1.5	1.7	2.9	3.4	3.6	3.5	4.0	4.3
14 All accounts	1.7	1.9	3.3	4.2	4.3	4.1	4.7	5.0

1. Represents accounts of individuals, partnerships, and corporations, and of states and political subdivisions.
2. Excludes special club accounts, such as Christmas and vacation clubs.
3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data availability starts with December 1978.
4. 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).
5. Savings accounts other than NOW; business; and, from December 1978, ATS.

NOTE: Historical data for the period 1970 through June 1977 have been estimated; these estimates are based in part on the debits series for 233 SMSAs, which were available through June 1977. Back data are available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Debits and turnover data for savings deposits are not available before July 1977.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1976 Dec.	1977 Dec.	1978 Dec.	1979 Dec.	1980 May	1980 June	1980 July	1980 Aug.	1980 Sept.	1980 Oct.
					Seasonally adjusted					
MEASURES[1]										
1 M-1A	305.0	328.4	351.6	369.7	367.8	371.3	373.7	379.7	383.7[r]	386.7
2 M-1B	307.7	332.5	359.9	386.4	386.2	390.9	394.5	401.6	406.9[r]	410.8
3 M-2	1,166.7	1,294.1	1,401.5	1,525.5	1,562.1	1,585.7	1,609.7	1,629.2	1,640.9[r]	1,653.6
4 M-3	1,299.7	1,460.3	1,623.6	1,775.5	1,824.2	1,844.5	1,865.2[r]	1,886.3	1,900.8[r]	1,918.2
5 L[2]	1,523.5	1,715.5	1,927.7	2,141.1	2,216.6	2,229.1[r]	2,243.4[r]	2,268.2[r]	2,295.1[r]	n.a.
COMPONENTS										
6 Currency	80.7	88.7	97.6	106.3	110.1	111.0	112.0	113.4	113.9	115.1
7 Demand deposits	224.4	239.7	253.9	263.4	257.7	260.3	261.6	266.3	269.8	271.6
8 Savings deposits	447.7	486.5	476.1	416.7	372.7	381.4	393.8[r]	403.9[r]	407.9[r]	410.3
9 Small-denomination time deposits[3]	396.6	454.9	533.8	656.5	718.0	719.6	717.2	717.1[r]	720.9	727.9
10 Large-denomination time deposits[4]	118.0	145.2	194.7	219.4	235.0	230.7	226.2	225.3[r]	229.0[r]	232.2
					Not seasonally adjusted					
MEASURES[1]										
11 M-1A	313.5	337.2	360.9	379.2	362.2	370.1	375.7	377.5	382.9	388.4
12 M-1B	316.1	341.3	369.3	396.0	380.5	389.7	396.5	399.4	406.1[r]	412.4
13 M-2	1,169.1	1,295.9	1,403.7	1,527.3	1,559.2	1,587.5	1,615.1	1,626.2	1,638.9[r]	1,654.1
14 M-3	1,303.8	1,464.5	1,629.2	1,780.8	1,820.1	1,843.9	1,868.3[r]	1,883.3	1,898.5[r]	1,919.4
15 L[2]	1,527.1	1,718.5	1,931.1	2,143.6	2,210.9	2,227.3[r]	2,244.7[r]	2,264.1[r]	2,284.7[r]	n.a.
COMPONENTS										
16 Currency	82.1	90.3	99.4	108.2	109.9	111.1	112.7	113.7	113.7	114.9
17 Demand deposits	231.3	247.0	261.5	271.0	252.2	259.0	263.0	263.9	269.2	273.5
18 Other checkable deposits[5]	2.7	4.1	8.3	16.7	18.4	19.6	20.8	21.9	23.2	24.1
19 Overnight RPs and Eurodollars[6]	13.6	18.6	23.9	25.3	21.3	22.5	26.6	28.9	30.1[r]	30.4
20 Money market mutual funds	3.4	3.8	10.3	43.6	66.8	74.2	80.6	80.7	78.2	77.4
21 Savings deposits	444.9	483.2	472.9	413.8	374.4	383.6	396.7	404.6	408.2[r]	409.1
22 Small-denomination time deposits[3]	393.5	451.3	529.8	651.5	719.1	720.4	717.7[r]	715.6	719.4[r]	727.9
23 Large-denomination time deposits[4]	119.7	147.7	198.2	223.0	233.9	228.4	223.8	225.4	228.7[r]	233.0

1. Composition of the money stock measures is as follows:

M-1A: Averages of daily figures for (1) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (2) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks.

M-1B: M-1A plus negotiable order of withdrawal and automatic transfer service accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M-2: M-1B plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and money market mutual fund shares.

M-3: M-2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

2. L: M-3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds.

3. Small-denomination time deposits are those issued in amounts of less than $100,000.

4. Large-denomination time deposits are those issued in amounts of $100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. government, money market mutual funds, and foreign banks and official institutions.

5. Includes ATS and NOW balances at all institutions, credit union share draft balances, and demand deposits at mutual savings banks.

6. Overnight (and continuing contract) RPs are those issued by commercial banks to the nonbank public, and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. nonbank customers.

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.

1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

Item	1977 Dec.	1978 Dec.	1979 Dec.	1980 Apr.	May	June	July	Aug.	Sept.	Oct.
	Seasonally adjusted									
1 **Reserves**[1]	**36.00**	**41.16**	**43.57**	**44.85**	**44.45**	**43.96**	**42.78**	**40.75**	**41.54**	**41.74**
2 Nonborrowed	35.43	40.29	42.10	42.39r	43.43	43.58	42.39	40.09	40.23	40.43
3 Required	35.81	40.93	43.13	44.65	44.27	43.76	42.50r	40.45	41.27	41.52
4 Monetary base[2]	127.6	142.2	153.8	157.9	158.5	158.9	158.8	158.2	159.5	160.9
5 **Deposits subject to reserve requirements**[3]	**567.6**	**616.1**	**644.4**	**655.4**	**656.8**	**658.0**	**658.5**	**667.8**	**678.2**	**684.5**
6 Time and savings	385.6	428.8	451.1	464.2	467.7	467.9	467.0	474.2	482.0	486.6
Demand										
7 Private	178.5	185.1	191.5	188.7	187.3	188.4	189.1	191.5	194.5	195.5
8 U.S. government	3.5	2.2	1.8	2.4	1.8	1.7	2.5	2.1	1.8	2.4
	Not seasonally adjusted									
9 Monetary base[2]	129.8	144.6	156.3	157.5	157.8	158.6	159.6	158.0	159.0	160.6
10 **Deposits subject to reserve requirements**[3]	**575.3**	**624.0**	**652.6**	**657.7**	**651.5**	**656.9**	**658.2**	**662.5**	**675.6**	**684.0**
11 Time and savings	386.4	429.6	452.0	464.7	467.7	467.4	466.0	471.8	479.6	485.7
Demand										
12 Private	185.1	191.9	198.6	190.4	182.1	187.2	190.0	189.0	193.9	196.3
13 U.S. government	3.8	2.5	2.0	2.6	1.7	2.3	2.2	1.7	2.1	2.1

1. Member bank reserve series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Effective Nov. 2, 1978, a supplementary reserve requirement of 2 percentage points was imposed on time deposits of $100,000 or more. This action increased required reserves approximately $3.0 billion in the week beginning Nov. 16, 1978. Effective Oct. 11, 1979, an 8 percentage point marginal reserve requirement was imposed on "managed liabilities" (liabilities that have been actively used to finance rapid expansion in bank credit). On Oct. 25, 1979, reserves of Edge Act corporations were included in member bank reserves. This action raised required reserves $318 million. Effective Mar. 12, 1980, the marginal reserve requirement of 8 percentage points was raised to 10 percentage points. In addition the base upon which the marginal reserve requirement is calculated was reduced. This action increased required reserves about $1,693 million in the week ending April 2, 1980.

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 Regulation 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. Latest monthly and weekly figures are available from the Board's H.3(502) statistical release. Back data and estimates of the impact on required reserves and changes in reserve requirements are available from the Banking Section, Division of Research and Statistics.

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

Category	1977 Dec.	1978 Dec.	1979 Dec.	1980 Aug.	1980 Sept.	1977 Dec.	1978 Dec.	1979 Dec.	1980 Aug.	1980 Sept.
	Seasonally adjusted					Not seasonally adjusted				
1 **Total loans and securities[2]**	**891.1**	**1,014.3[3]**	**1,132.5[4]**	**1,176.2**	**1,191.2**	**899.1**	**1,023.8[3]**	**1,143.0[4]**	**1,175.8**	**1,192.9**
2 U.S. Treasury securities	99.5	93.4	93.8	104.4	106.5	100.7	94.6	95.0	102.3	104.7
3 Other securities	159.6	173.1[3]	191.5	207.0	207.9	160.2	173.9[3]	192.3	206.5	207.9
4 Total loans and leases[2]	632.1	747.8[3]	847.2[4]	864.8	876.7	638.3	755.4[3]	855.7[4]	867.0	880.3
5 Commercial and industrial loans	211.2[5]	246.5[6]	290.5[4]	301.2	307.4	212.6[5]	248.2[6]	292.4[4]	301.0	307.3
6 Real estate loans	175.2[5]	210.5	242.4[4]	252.4	253.7	175.5[5]	210.9	242.9[4]	253.2	254.9
7 Loans to individuals	138.2	164.9	182.7	171.5	171.4	139.0	165.9	183.8	173.1	173.4
8 Security loans	20.6	19.4	18.3	15.8	15.5	22.0	20.7	19.6	15.9	15.5
9 Loans to nonbank financial institutions	25.8[5]	27.1[7]	30.3[4]	28.3	28.6	26.3[5]	27.6[7]	30.8[4]	28.6	29.1
10 Agricultural loans	25.8	28.2	31.0	32.7	33.0	25.7	28.1	30.8	33.4	33.6
11 Lease financing receivables	5.8	7.4	9.5	10.7	10.8	5.8	7.4	9.5	10.7	10.8
12 All other loans	29.5	43.6[3]	42.6	52.2	56.3	31.5	46.6[3]	45.9	51.0	55.7
MEMO:										
13 **Total loans and securities plus loans sold[2,9]**	**895.9**	**1,018.1[3]**	**1,135.3[4,8]**	**1,179.1**	**1,194.1**	**903.9**	**1,027.6[3]**	**1,145.7[4,8]**	**1,178.7**	**1,195.8**
14 Total loans plus loans sold[2,9]	636.9	751.6[3]	850.00[4,8]	867.7	879.7	643.0	759.2[3]	858.4[4,8]	869.9	883.2
15 Total loans sold to affiliates[9]	4.8	3.8	2.8[8]	2.9	2.9	4.8	3.8	2.8[8]	2.9	2.9
16 Commercial and industrial loans plus loans sold[9]	213.9[5]	248.5[6,10]	292.3[4,8]	303.2	309.4	215.3[5]	250.1[6,10]	294.2[4,8]	302.9	309.2
17 Commercial and industrial loans sold[9]	2.7	1.9[10]	1.8[8]	1.9	1.9	2.7	1.9[10]	1.8[8]	1.9	1.9
18 Acceptances held	7.5	6.8	8.5	9.3	8.9	8.6	7.5	9.4	8.6	8.2
19 Other commercial and industrial loans	203.7[5]	239.7	282.0	291.9	298.5	203.9[5]	240.9	283.1	292.4	299.1
20 To U.S. addressees[11]	193.8[5]	226.6	263.2	271.8	277.9	193.7[5]	226.5	263.2	272.3	278.3
21 To non-U.S. addressees	9.9[5]	13.1	18.8	20.1	20.7	10.3[5]	14.4	19.8	20.1	20.8
22 Loans to foreign banks	13.5	21.2	18.7	21.9	23.5	14.6	23.0	20.1	21.6	23.1
23 Loans to commercial banks in the United States	54.1	57.3	77.8	102.9	97.8	56.9	60.3	81.9	96.3	94.7

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. As of Dec. 31, 1978, total loans and securities 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."
4. As of Jan. 3, 1979, as the result of reclassifications, total loans and securities 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.
5. As of Dec. 31, 1977, as the result of loan reclassifications, business loans were reduced $0.2 billion and nonbank financial loans $0.1 billion; real estate loans were increased $0.3 billion.
6. As of Dec. 31, 1978, commercial and industrial loans were reduced $0.1 billion as a result of reclassifications.
7. As of Dec. 1, 1978, nonbank financial loans were reduced $0.1 billion as the result of reclassification.
8. As of Dec. 1, 1979, loans sold to affiliates were reduced $800 million and commercial and industrial loans sold were reduced $700 million due to corrections of two banks in New York City.
9. 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.
10. 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.
11. United States includes the 50 states and the District of Columbia.

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.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	December outstanding			Outstanding in 1980								
	1976	1977	1978	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Total nondeposit funds												
1 Seasonally adjusted[2]	54.7	61.8	85.4	122.5	129.2	133.4	124.2	120.0	113.6	113.6	111.0	112.3
2 Not seasonally adjusted	53.3	60.4	84.4	121.2	125.9	130.4	121.1	123.2	113.7	117.7	113.9	112.8
Federal funds, RPs, and other borrowings from nonbanks												
3 Seasonally adjusted[3]	47.1	58.4	74.8	92.0	97.2	97.9	94.7	94.2	96.1	100.1	99.1	103.5
4 Not seasonally adjusted	45.8	57.0	73.8	90.6	93.9	94.8	91.7	97.4	96.2	104.2	102.1	104.0
5 Net Eurodollar borrowings, not seasonally adjusted	3.7	−1.3	6.8	27.9	29.4	32.9	26.8	23.2	14.7	10.7	8.9	5.9
6 Loans sold to affiliates, not seasonally adjusted[4,5]	3.8	4.8	3.8	2.7	2.6	2.6	2.6	2.6	2.8	2.8	2.9	2.9
MEMO												
7 Domestic chartered banks net positions with own foreign branches, not seasonally adjusted[6]	−6.0	−12.5	−10.2	5.9	6.6	9.3	6.0	2.7	−5.2	−8.1	−9.9	−14.1
8 Gross due from balances	12.8	21.1	24.9	23.0	23.4	23.6	24.4	27.3	29.9	32.4	35.3	37.6
9 Gross due to balances	6.8	8.6	14.7	28.9	29.8	32.9	30.4	30.0	24.7	24.3	25.4	23.5
10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted[7]	9.7	11.1	17.0	22.0	22.8	23.6	20.9	20.5	19.9	18.8	18.9	19.9
11 Gross due from balances	8.3	10.3	14.2	29.6	30.4	31.9	28.5	28.4	28.5	30.6	30.7	31.6
12 Gross due to balances	18.1	21.4	31.2	51.6	53.2	55.6	49.4	48.8	48.4	49.4	49.6	51.6
13 Security RP borrowings, seasonally adjusted[8]	27.9	36.3	44.8	51.0	49.5	45.0	41.5	40.1	45.0	50.4	52.7	51.4
14 Not seasonally adjusted	27.0	35.1	43.6	48.3	48.2	44.1	40.6	42.1	44.7	50.2	54.2	53.7
15 U.S. Treasury demand balances, seasonally adjusted[9]	3.9	4.4	8.7	12.7	11.3	7.5	8.6	9.4	8.6	10.7	11.6	12.5
16 Not seasonally adjusted	4.4	5.1	10.3	12.7	11.7	7.8	9.0	8.4	10.0	9.2	9.1	14.1
17 Time deposits, $100,000 or more, seasonally adjusted[10]	137.7	162.0	213.0	229.1	235.6	237.1	240.3	242.0	237.0	233.1	233.4	237.8
18 Not seasonally adjusted	140.0	165.4	217.9	233.0	236.8	239.2	238.4	240.1	234.9	229.2	231.1	235.6

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. As of Dec. 1, 1979, loans sold to affiliates were reduced $800 million due to corrections of two New York City banks.
6. Includes averages of daily figures for member banks and quarterly call report figures for nonmember banks.
7. Includes averages of current and previous month-end data until August 1979; beginning September 1979 averages of daily data.
8. Based on daily average data reported by 122 large banks beginning February 1980 and 46 banks before February 1980.
9. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.
10. Averages of Wednesday figures.

1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKING INSTITUTIONS Last-Wednesday-of-Month Series

Billions of dollars except for number of banks

Account	1980 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	De
DOMESTICALLY CHARTERED COMMERCIAL BANKS[1]												
1 Loans and investments	1,133.4	1,143.6	1,142.8	1,151.9	1,150.5	1,153.2	1,158.3	1,172.5	1,182.1	1,199.2	1,223.5	
2 Loans, gross	849.7	857.0	854.6	861.2	857.1	857.0	857.4	866.9	873.9	886.4	906.0	
3 Interbank	57.2	58.0	55.6	62.4	67.4	66.6	66.8	67.8	67.0	66.9	75.5	
4 Commercial and industrial	252.6	256.2	258.3	259.2	256.0	256.8	256.4	258.7	262.9	268.2	274.8	
5 Other	540.0	542.9	540.7	539.6	533.7	533.6	534.1	540.3	543.9	551.3	555.7	
6 U.S. Treasury securities	92.4	93.6	94.2	93.5	93.9	95.2	97.6	100.3	102.1	103.3	106.0	
7 Other securities	191.2	192.9	193.9	197.2	199.5	201.0	203.3	205.3	206.1	209.4	211.5	
8 Cash assets, total	148.4	149.9	153.8	168.2	172.4	150.4	154.1	148.7	156.6	156.0	175.7	
9 Currency and coin	17.3	17.1	16.8	16.8	17.8	17.4	17.7	18.4	18.0	18.5	17.1	
10 Reserves with Federal Reserve Banks	28.3	30.7	34.2	33.2	37.9	29.5	32.1	28.9	31.2	31.6	30.3	
11 Balances with depository institutions	43.7	43.4	43.1	49.7	47.9	45.4	44.7	45.6	46.6	47.0	56.2	
12 Cash items in process of collection	59.0	58.7	59.8	68.6	68.9	58.0	59.6	55.8	60.9	58.8	72.2	
13 Other assets	63.1	65.0	66.1	73.3	72.7	77.4	77.0	82.6	87.6	88.0	76.0	
14 Total assets/total liabilities and capital	**1,344.9**	**1,358.4**	**1,362.7**	**1,393.5**	**1,395.7**	**1,381.0**	**1,389.4**	**1,403.8**	**1,426.3**	**1,443.2**	**1,475.2**	
15 Deposits	1,022.5	1,028.9	1,032.1	1,060.0	1,057.3	1,044.7	1,050.1	1,059.5	1,074.9	1,091.1	1,124.3	
16 Demand	362.4	358.7	354.5	377.4	370.2	358.0	363.6	363.4	370.0	376.3	393.4	
17 Savings	200.6	199.9	196.5	189.3	192.3	197.8	205.7	208.7	209.4	211.4	210.0	
18 Time	459.6	470.3	481.1	493.4	494.8	488.9	480.8	487.4	495.5	503.5	520.9	
19 Borrowings	143.1	145.1	142.1	147.0	154.1	152.5	158.6	160.1	165.3	163.4	159.0	
20 Other liabilities	77.5	81.6	84.2	81.2	78.5	76.6	74.8	76.2	76.4	75.6	79.0	
21 Residual (assets less liabilities)	101.8	102.9	104.2	105.2	105.7	107.1	106.0	108.0	109.6	113.1	112.9	
MEMO:												
22 U.S. Treasury note balances included in borrowing	15.0	8.1	9.4	14.3	5.1	13.1	7.6	8.7	15.2	11.5	4.4	
23 Number of banks	14,594	14,609	14,626	14,629	14,639	14,646	14,658	14,666	14,678	14,760	14,692	
ALL COMMERCIAL BANKING INSTITUTIONS[2]												
24 Loans and investments	1,217.7	1,230.8	1,231.8	1,240.9	1,239.2	1,241.9			1,279.6			
25 Loans, gross	930.7	941.0	940.2	946.8	942.4	942.2			964.2			
26 Interbank	75.4	78.3	75.2	82.1	88.0	84.8			87.2			
27 Commercial and industrial	295.1	298.5	301.7	302.0	298.1	297.8			307.1			
28 Other	560.1	564.2	563.4	562.7	556.2	559.6			573.1			
29 U.S. Treasury securities	94.3	95.5	96.2	95.5	95.9	97.2			104.5			
30 Other securities	192.7	194.4	195.4	198.6	201.0	202.4			207.7			
31 Cash assets, total	166.5	168.8	174.0	187.3	190.7	172.0			179.8			
32 Currency and coin	17.3	17.1	16.8	16.8	17.8	17.4			18.0			
33 Reserves with Federal Reserve Banks	28.9	31.3	35.0	33.9	38.7	30.3			31.7			
34 Balances with depository institutions	59.8	60.5	61.1	66.6	63.8	64.6	n.a.	n.a.	67.6	n.a.	n.a.	
35 Cash items in process of collection	60.4	60.0	61.2	69.9	70.4	59.7			62.5			
36 Other assets	83.7	86.8	91.6	99.0	98.1	105.5			117.2			
37 Total assets/total liabilities and capital	**1,468.0**	**1,486.5**	**1,497.5**	**1,527.2**	**1,528.0**	**1,519.4**			**1,576.6**			
38 Deposits	1,063.1	1,070.0	1,073.5	1,101.1	1,097.1	1,088.7			1,122.2			
39 Demand	380.5	376.8	373.6	396.6	387.7	379.1			391.2			
40 Savings	201.3	200.3	196.7	189.5	192.6	198.2			209.8			
41 Time	481.3	492.9	503.2	515.0	516.9	511.4			521.2			
42 Borrowings	179.5	182.9	186.5	190.8	196.3	197.9			212.6			
43 Other liabilities	121.1	128.4	130.9	127.8	126.6	124.1			130.6			
44 Residual (assets less liabilities)	104.2	105.2	106.5	107.4	108.1	108.7			111.2			
MEMO:												
45 U.S. Treasury note balances included in borrowing	15.0	8.1	9.4	14.3	5.1	13.1			15.2			
46 Number of banks	14,962	14,978	14,995	15,004	15,016	15,019			15,069			

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. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Data for domestically chartered commercial banks are for the last Wednesday of the month; data for other banking institutions are for last Wednesday except at end of quarter, when they are for the last day of the month.

1.26 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	1980								
	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29	Nov. 5p	Nov. 12p	Nov. 19p	Nov. 26p
1 Cash items in process of collection	57,586	50,163	65,802	51,492	48,411	60,752	62,087	53,136	57,989
2 Demand deposits due from banks in the United States	21,347	20,337	21,311	19,183	17,181	24,966	24,529	18,304	18,787
3 All other cash and due from depository institutions	33,389	27,733	30,263	33,466	34,739	35,103	31,660	34,215	33,655
4 **Total loans and securities**	**536,955**	**535,690**	**537,879**	**530,954**	**534,310**	**543,994**	**545,194**	**542,085**	**543,466**
Securities									
5 U.S. Treasury securities	38,706	37,966	38,308	37,972	37,674	38,294	38,397	38,729	38,506
6 Trading account	4,324	4,241	4,388	4,191	3,777	4,360	4,380	4,677	4,354
7 Investment account, by maturity	34,382	33,725	33,920	33,781	33,897	33,933	34,017	34,052	34,153
8 One year or less	8,068	7,959	8,288	8,396	8,579	8,528	8,611	8,615	8,745
9 Over one through five years	22,731	22,295	22,157	21,944	21,929	21,981	22,011	22,042	22,053
10 Over five years	3,583	3,470	3,476	3,441	3,389	3,424	3,395	3,395	3,355
11 Other securities	76,173	77,097	76,553	76,539	76,562	76,722	77,274	76,919	76,756
12 Trading account	2,810	3,390	2,869	2,984	2,941	3,142	3,458	2,979	2,745
13 Investment account	73,362	73,707	73,684	73,554	73,621	73,580	73,815	73,940	74,011
14 U.S. government agencies	16,047	16,066	16,034	15,915	15,973	15,907	15,939	15,889	15,855
15 States and political subdivision, by maturity	54,611	54,943	54,932	54,916	54,926	54,987	55,174	55,288	55,398
16 One year or less	7,432	7,415	7,384	7,243	7,296	7,346	7,432	7,426	7,398
17 Over one year	47,178	47,528	47,548	47,674	47,629	47,641	47,742	47,862	47,999
18 Other bonds, corporate stocks and securities	2,704	2,698	2,718	2,722	2,722	2,686	2,702	2,763	2,758
Loans									
19 Federal funds sold[1]	26,229	28,093	27,720	22,511	23,952	27,267	28,163	24,858	23,505
20 To commercial banks	20,027	20,605	21,039	15,552	16,720	20,437	19,944	17,642	16,743
21 To nonbank brokers and dealers in securities	4,142	5,159	4,725	4,807	4,820	4,660	5,252	5,305	4,661
22 To others	2,060	2,329	1,956	2,152	2,411	2,169	2,968	1,910	2,100
23 Other loans, gross	408,566	405,264	408,063	406,751	408,948	414,510	414,221	414,426	417,524
24 Commercial and industrial	166,204	165,548	165,946	165,964	166,168	169,151	169,627	169,471	171,451
25 Bankers acceptances and commercial paper	4,971	4,406	4,424	4,280	4,480	4,698	4,714	4,314	4,374
26 All other	161,233	161,142	161,522	161,684	161,688	164,453	164,913	165,157	167,076
27 U.S. addressees	155,033	154,832	155,108	155,336	155,276	157,968	158,335	158,381	160,202
28 Non-U.S. addressees	6,200	6,310	6,414	6,348	6,412	6,485	6,578	6,775	6,874
29 Real estate	108,298	108,462	108,871	109,194	109,482	109,743	110,059	110,478	110,586
30 To individuals for personal expenditures	71,228	71,066	71,006	71,010	71,111	71,069	71,041	71,038	71,222
To financial institutions									
31 Commercial banks in the United States	4,151	3,678	4,012	3,638	3,629	3,843	4,199	3,814	4,096
32 Banks in foreign countries	7,778	7,314	8,449	7,966	8,118	8,453	8,455	8,374	8,440
33 Sales finance, personal finance companies, etc	8,604	8,498	8,916	8,991	8,911	9,803	9,057	8,904	9,023
34 Other financial institutions	15,674	15,416	15,311	15,111	15,113	15,538	15,576	15,684	15,446
35 To nonbank brokers and dealers in securities	5,532	4,968	5,391	4,593	4,939	5,623	5,476	6,045	5,885
36 To others for purchasing and carrying securities[2]	2,112	2,103	2,113	2,109	2,145	2,130	2,115	2,164	2,148
37 To finance agricultural production	5,437	5,461	5,403	5,529	5,487	5,494	5,462	5,466	5,366
38 All other	13,547	12,749	12,645	12,646	13,844	13,664	13,153	12,988	13,862
39 Less: Unearned income	7,082	7,096	7,104	7,139	7,162	7,078	7,105	7,081	7,053
40 Loan loss reserve	5,636	5,633	5,660	5,679	5,664	5,722	5,755	5,766	5,772
41 Other loans, net	395,847	392,534	395,298	393,932	396,122	401,711	401,361	401,579	404,699
42 Lease financing receivables	8,946	8,946	9,001	8,991	9,043	9,013	9,030	9,062	9,078
43 All other assets	84,093	83,339	81,376	78,796	78,980	81,280	82,566	80,828	81,588
44 **Total assets**	**742,316**	**726,208**	**745,633**	**722,883**	**722,664**	**755,109**	**755,066**	**737,629**	**744,564**
Deposits									
45 Demand deposits	208,608	197,809	221,533	194,085	191,810	218,490	219,887	197,064	201,912
46 Mutual savings banks	863	790	965	607	619	871	873	620	607
47 Individuals, partnerships, and corporations	145,288	138,494	150,662	136,323	135,213	146,564	149,852	137,075	142,073
48 States and political subdivisions	5,135	4,850	5,534	4,794	4,658	5,088	4,569	4,674	4,922
49 U.S. government	1,030	858	1,786	742	787	2,927	1,358	2,883	2,143
50 Commercial banks in the United States	37,536	35,951	42,878	33,955	34,457	44,253	44,337	33,864	34,325
51 Banks in foreign countries	7,922	7,886	8,602	7,900	7,618	8,071	8,929	8,810	8,338
52 Foreign governments and official institutions	1,376	1,395	1,628	1,439	1,292	2,261	1,933	1,424	1,607
53 Certified and officers' checks	9,457	7,585	9,476	8,325	7,165	8,455	8,036	7,716	7,895
54 Time and savings deposits	285,113	287,028	285,683	286,789	289,376	291,384	295,019	297,514	300,363
55 Savings	76,664	76,556	76,449	76,241	76,043	76,542	75,742	75,344	74,640
56 Individuals and nonprofit organizations	71,733	71,711	71,596	71,425	71,217	71,705	70,952	70,543	69,912
57 Partnerships and corporations operated for profit	4,079	4,106	4,053	4,103	4,171	4,142	4,102	4,066	4,052
58 Domestic governmental units	835	720	784	694	635	674	664	709	655
59 All other	16	19	17	18	20	20	24	25	22
60 Time	208,449	210,472	209,234	210,548	213,333	214,842	219,277	222,170	225,722
61 Individuals, partnerships, and corporations	177,063	178,748	177,529	178,429	181,123	182,736	186,769	189,205	192,598
62 States and political subdivisions	19,118	19,366	19,366	19,579	19,583	19,521	19,767	20,123	20,237
63 U.S. government	296	315	322	315	315	328	322	308	303
64 Commercial banks in the United States	5,640	5,638	5,646	5,743	5,805	5,807	5,998	6,097	6,261
65 Foreign governments, official institutions, and banks	6,332	6,404	6,372	6,482	6,508	6,451	6,422	6,437	6,324
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	2,791	274	275	3,499	2,082	2,365	1,401	1,638	2,975
67 Treasury tax-and-loan notes	12,740	4,480	5,633	6,901	7,996	774	278	1,901	2,781
68 All other liabilities for borrowed money[3]	123,240	128,848	124,516	122,586	122,468	132,308	129,431	128,331	124,490
69 Other liabilities and subordinated notes and debentures	60,551	58,359	58,937	59,978	59,730	60,188	59,481	61,856	62,607
70 **Total liabilities**	**693,043**	**676,799**	**696,577**	**673,838**	**673,464**	**705,508**	**705,498**	**688,304**	**695,128**
71 Residual (total assets minus total liabilities)[4]	49,272	49,409	49,056	49,045	49,200	49,601	49,568	49,325	49,436

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes federal funds purchased and securities sold under agreements to repurchase; for information on these liabilities at banks with assets of $1 billion or more on Dec. 31, 1977, see table 1.13.
4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

1.27 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	1980								
	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29	Nov. 5p	Nov. 12p	Nov. 19p	Nov. 26p
1 Cash items in process of collection	54,785	47,711	62,230	48,943	46,204	57,947	58,552	50,530	54,967
2 Demand deposits due from banks in the United States	20,648	19,703	20,408	18,580	16,678	24,236	23,763	17,675	18,144
3 All other cash and due from depository institutions	31,079	25,911	27,977	30,977	32,337	32,746	29,320	31,886	31,537
4 Total loans and securities	**500,730**	**499,116**	**501,268**	**494,987**	**498,052**	**507,412**	**508,970**	**505,741**	**506,892**
Securities									
5 U.S. Treasury securities	35,982	35,264	35,588	35,299	34,996	35,628	35,719	36,043	35,824
6 Trading account	4,268	4,202	4,284	4,127	3,714	4,293	4,297	4,604	4,296
7 Investment account, by maturity	31,714	31,062	31,304	31,172	31,282	31,334	31,422	31,438	31,527
8 One year or less	7,536	7,441	7,770	7,874	8,052	7,996	8,085	8,080	8,200
9 Over one through five years	20,971	20,527	20,434	20,233	20.205	20,278	20,306	20,327	20,327
10 Over five years	3,207	3,094	3,100	3,065	3,025	3,060	3,031	3,031	3,000
11 Other securities	69,871	70,801	70,260	70,210	70,206	70,365	70.909	70,526	70,352
12 Trading account	2,710	3,320	2,805	2,921	2,852	3,049	3,391	2,906	2,684
13 Investment account	67,161	67,481	67,455	67,290	67,355	67,315	67,518	67,620	67,668
14 U.S. government agencies	14,863	14,873	14,838	14,714	14,769	14,699	14,718	14,665	14,624
15 States and political subdivision, by maturity	49,763	50,081	50,069	50,024	50,035	50,101	50,266	50,360	50,456
16 One year or less	6,706	6,683	6,657	6,479	6,536	6,573	6,648	6,630	6,599
17 Over one year	43,058	43,398	43,412	43,545	43,498	43,528	43,618	43,730	43,857
18 Other bonds, corporate stocks and securities	2,534	2,527	2,548	2,551	2,551	2,515	2,534	2,595	2,588
Loans									
19 Federal funds sold[1]	23,054	24,500	24,194	19,627	20,860	23,987	25,297	21,998	20,617
20 To commercial banks	17,140	17,485	17,907	13,044	13,981	17,503	17,468	15,103	1,4266
21 To nonbank brokers and dealers in securities	3,874	4,712	4,358	4,462	4,507	4,342	4,895	5,025	4,286
22 To others	2,040	2,303	1,929	2,122	2,372	2,142	2,934	1,870	2.066
23 Other loans, gross	383,599	380,332	383,043	381,725	383,867	389,289	388,960	389,074	391,978
24 Commercial and industrial	157,796	157,083	157,487	157,440	157,630	160,552	161,014	160,796	162,705
25 Bankers acceptances and commercial paper	4,809	4,229	4,215	4,060	4,272	4,478	4,486	4,087	4,146
26 All other	152,988	152,854	153,273	153,380	153,358	156,074	156,529	156,709	158,558
27 U.S. addressees	146,853	146,607	146,923	147,100	147,011	149,655	150,016	150,000	151,748
28 Non-U.S. addressees	6,135	6,246	6,350	6,280	6,347	6,419	6,512	6,710	6,811
29 Real estate	102,057	102,227	102,609	102,912	103,188	103,448	103,747	104,160	104,279
30 To individuals for personal expenditures	62,872	62,724	62,657	62,654	62,748	62,698	62,692	62,668	62,801
To financial institutions									
31 Commercial banks in the United States	4,030	3,565	3,885	3,516	3,510	3,720	4,077	3,685	3,913
32 Banks in foreign countries	7,703	7,229	8,353	7,891	8,047	8,375	8,343	8,299	8,364
33 Sales finance, personal finance companies, etc	8,422	8,330	8,747	8,827	8,740	9,639	8,882	8,712	8,829
34 Other financial institutions	15,264	15,012	14,902	14,714	14,716	15,134	15,164	15,264	15,030
35 To nonbank brokers and dealers in securities	5,460	4,890	5,322	4,531	4,862	5,537	5,395	5,964	5,814
36 To others for purchasing and carrying securities[2]	1,881	1,870	1,880	1,872	1,900	1,866	1,873	1,926	1,903
37 To finance agricultural production	5,270	5,296	5,236	5,364	5,324	5,329	5,298	5,301	5,208
38 All other	12,842	12,105	11,966	12,004	13,204	12,971	12,476	12,298	13,131
39 LESS: Unearned income	6,465	6,478	6,484	6,516	6,542	6,466	6,491	6,466	6,442
40 Loan loss reserve	5,310	5,304	5,333	5,359	5,335	5,391	5,424	5,434	5,437
41 Other loans, net	371,823	368,551	371,226	369,851	371,990	377,433	377,045	377,174	380,099
42 Lease financing receivables	8,690	8,691	8,743	8,732	8,784	8,752	8,768	8,800	8,814
43 All other assets	81,733	81,074	79,226	76,603	76,712	78,951	80,352	78,724	79,394
44 Total assets	**697,666**	**682,206**	**699,853**	**678,822**	**678,768**	**710,044**	**709,725**	**693,356**	**699,749**
Deposits									
45 Demand deposits	195,768	185,648	207,921	181,950	179,986	205,464	206,561	184,872	189,290
46 Mutual savings banks	825	754	932	580	591	832	838	589	577
47 Individuals, partnerships, and corporations	135,153	128,751	139,982	126,755	125,735	136,456	139,317	127,442	131,959
48 States and political subdivisions	4,551	4,326	4,886	4,052	4,086	4,489	3,991	4,094	4,357
49 U.S. government	934	769	1,606	645	718	2,654	1,242	2,672	1,988
50 Commercial banks in the United States	36,017	34,567	41,206	32,629	33,150	42,714	42,722	32,502	32,957
51 Banks in foreign countries	7,830	7,820	8,535	7,839	7,559	7,950	8,829	8,728	8,259
52 Foreign governments and official institutions	1,371	1,390	1,625	1,436	1,292	2,259	1,916	1,422	1,588
53 Certified and officers' checks	9,088	7,270	9,149	8,015	6,855	8,109	7,705	7,423	7,604
54 Time and savings deposits	265,358	267,073	265,612	266,736	269,315	271,224	274,821	277,141	279,865
55 Savings	70,892	70,774	70,651	70,503	70,326	70,762	70,032	69,676	69,005
56 Individuals and nonprofit organizations	66,333	66,305	66,203	66,059	65,868	66,308	65,614	65,248	64,642
57 Partnerships and corporations operated for profit	3,774	3,799	3,752	3,796	3,857	3,826	3,786	3,755	3,739
58 Domestic governmental units	769	651	680	629	581	607	607	649	602
59 All other	16	18	17	18	20	20	24	25	21
60 Time	194,466	196,300	194,961	196,233	198,989	200,462	204,789	207,465	210,860
61 Individuals, partnerships, and corporations	165,191	166,704	165,380	166,250	168,878	170,452	174,399	176,679	179,911
62 States and political subdivisions	17,245	17,488	17,496	17,702	17,731	17,678	17,908	18,218	18,345
63 U.S. government	281	301	307	300	300	313	306	293	287
64 Commercial banks in the United States	5,416	5,401	5,406	5,500	5,571	5,568	5,753	5,838	5,993
65 Foreign governments, official institutions, and banks	6,332	6,404	6,372	6,482	6,508	6,451	6,422	6,437	6,324
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	2,700	248	142	3,365	2.045	2,352	1,154	1,528	2,797
67 Treasury tax-and-loan notes	11,829	4,144	5,237	6,359	7,411	710	231	1,730	2,584
68 All other liabilities for borrowed money[3]	116,927	121,882	117,546	115,963	115,733	125,125	122,536	121,545	117,858
69 Other liabilities and subordinated notes and debentures	59,044	57,032	57,568	58,604	58,303	58,797	58,102	60,480	61,190
70 Total liabilities	**651,627**	**636,028**	**654,026**	**632,978**	**632,793**	**663,672**	**663,404**	**647,295**	**653,584**
71 Residual (total assets minus total liabilities)[4]	46,039	46,179	45,826	45,844	45,974	46,372	46,321	46,060	46,165

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes federal funds purchased and securities sold under agreement to repurchase; for information on these liabilities at banks with assets of $1 billion or more on Dec. 31, 1977, see table 1.13.
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 IN NEW YORK CITY Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1980								
	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29	Nov. 5p	Nov. 12p	Nov. 19p	Nov. 26p
1 Cash items in process of collection	21,691	18,886	23,370	19,743	18,340	22,246	22,704	18,836	20,101
2 Demand deposits due from banks in the United States	15,161	14,791	13,692	13,798	11,930	18,887	18,161	12,747	12,558
3 All other cash and due from depository institutions	9,494	7,113	7,103	9,130	9,004	9,670	8,744	8,784	9,183
4 Total loans and securities[1]	**118,737**	**118,370**	**120,262**	**117,477**	**120,225**	**122,382**	**122,470**	**122,274**	**122,467**
Securities									
5 U.S. Treasury securities[2]	......	......	......	......	......	......	......	......	......
6 Trading account[2]	......	......	......	......	......	......	......	......	......
7 Investment account, by maturity	8,624	8,206	8,267	8,026	8,105	8,097	8,169	8,237	8,292
8 One year or less	1,345	1,150	1,286	1,216	1,306	1,323	1,340	1,366	1,387
9 Over one through five years	6,739	6,522	6,438	6,271	6,261	6,236	6,291	6,332	6,357
10 Over five years	539	533	543	538	538	538	538	538	549
11 Other securities[2]	......	......	......	......	......	......	......	......	......
12 Trading account[2]	......	......	......	......	......	......	......	......	......
13 Investment account	13,733	13,281	13,823	13,845	13,816	13,791	13,860	13,827	13,782
14 U.S. government agencies	2,413	2,408	2,393	2,383	2,392	2,396	2,396	2,342	2,309
15 States and political subdivision, by maturity	10,747	10,840	10,844	10,878	10,835	10,837	10,895	10,900	10,892
16 One year or less	1,966	1,886	1,913	1,828	1,798	1,789	1,846	1,852	1,830
17 Over one year	8,781	8,954	8,931	9,050	9,037	9,048	9,050	9,048	9,061
18 Other bonds, corporate stocks and securities	573	573	587	584	588	588	569	586	582
Loans									
19 Federal funds sold[3]	6,150	6,948	7,415	6,135	7,112	7,467	8,115	7,575	6,967
20 To commercial banks	3,323	4,026	4,244	2,591	3,372	4,061	4,553	3,868	3,641
21 To nonbank brokers and dealers in securities	1,780	1,883	2,056	2,106	2,134	2,102	2,398	2,596	2,193
22 To others	1,047	1,039	1,114	1,438	1,604	1,303	1,163	1,112	1,133
23 Other loans, gross	93,081	92,237	93,630	92,369	94,088	95,938	95,260	95,590	96,381
24 Commercial and industrial	49,272	48,816	48,900	48,405	48,565	49,593	49,831	49,754	50,458
25 Bankers acceptances and commercial paper	1,377	970	878	828	851	1,036	875	931	885
26 All other	47,895	47,846	48,022	47,577	47,714	48,557	48,956	48,822	49,573
27 U.S. addressees	45,912	45,817	45,880	45,501	45,600	46,438	46,800	46,632	47,409
28 Non-U.S. addressees	1,983	2,029	2,142	2,076	2,114	2,119	2,156	2,190	2,164
29 Real estate	14,067	14,075	14,174	14,252	14,353	14,404	14,472	14,559	14,559
30 To individuals for personal expenditures	8,988	8,996	9,020	9,010	9,023	9,038	9,050	9,060	9,084
31 To financial institutions									
Commercial banks in the United States	1,362	1,412	1,492	1,284	1,241	1,328	1,780	1,519	1,561
32 Banks in foreign countries	3,680	3,231	4,167	3,831	4,026	4,339	4,019	4,172	4,137
33 Sales finance, personal finance companies, etc.	3,525	3,540	3,810	3,820	3,825	4,379	3,858	3,665	3,781
34 Other financial institutions	4,636	4,505	4,470	4,409	4,377	4,523	4,405	4,586	4,392
35 To nonbank brokers and dealers in securities	3,070	3,074	3,339	2,732	3,020	3,380	3,023	3,391	3,408
36 To others for purchasing and carrying securities[4]	382	381	393	392	411	426	400	427	403
37 To finance agricultural production	443	448	445	546	542	534	531	533	516
38 All other	3,656	3,759	3,420	3,687	4,705	3,994	3,890	3,924	4,081
39 LESS: Unearned income	1,099	1,092	1,093	1,118	1,129	1,124	1,131	1,144	1,149
40 Loan loss reserve	1,752	1,749	1,781	1,780	1,767	1,787	1,803	1,812	1,807
41 Other loans, net	90,230	89,396	90,756	89,471	91,192	93,027	92,326	92,634	93,425
42 Lease financing receivables	1,720	1,720	1,728	1,723	1,723	1,682	1,684	1,694	1,696
43 All other assets[5]	33,702	34,047	33,012	30,821	30,159	31,736	33,384	31,724	32,462
44 Total assets	**200,505**	**194,928**	**199,167**	**192,692**	**191,381**	**206,604**	**207,147**	**196,060**	**198,467**
Deposits									
45 Demand deposits	69,476	65,723	74,007	64,628	62,848	75,142	75,726	63,335	64,780
46 Mutual savings banks	480	407	463	277	292	402	439	299	270
47 Individuals, partnerships, and corporations	34,862	32,532	34,877	31,920	31,427	34,353	34,242	31,258	32,958
48 States and political subdivisions	597	676	929	456	455	374	395	366	379
49 U.S. government	137	130	338	122	134	393	207	672	524
50 Commercial banks in the United States	21,752	21,641	24,632	20,276	20,516	27,568	28,033	18,961	19,318
51 Banks in foreign countries	6,154	6,147	6,891	6,177	5,865	6,297	7,172	7,063	6,455
52 Foreign governments and official institutions	1,092	1,045	1,290	1,154	1,037	1,992	1,611	1,111	1,312
53 Certified and officers' checks	4,401	3,144	4,586	4,245	3,122	3,762	3,628	3,603	3,566
54 Time and savings deposits	49,856	50,277	49,678	49,783	51,138	51,900	53,307	54,057	54,843
55 Savings	9,967	10,041	10,042	9,976	9,894	10,003	9,980	9,936	9,866
56 Individuals and nonprofit organizations	9,479	9,536	9,515	9,483	9,411	9,512	9,463	9,407	9,350
57 Partnerships and corporations operated for profit	345	346	339	343	346	348	356	353	366
58 Domestic governmental units	139	155	184	146	132	138	151	168	143
59 All other	4	4	4	4	4	5	8	8	7
60 Time	39,889	40,237	39,636	39,808	41,243	41,897	43,328	44,121	44,977
61 Individuals, partnerships, and corporations	33,441	33,674	33,059	33,030	34,490	35,270	36,571	37,379	38,288
62 States and political subdivisions	1,496	1,585	1,624	1,742	1,794	1,784	1,823	1,845	1,773
63 U.S. government	22	21	22	24	26	26	29	26	22
64 Commercial banks in the United States	2,040	2,038	2,039	2,132	2,046	1,970	2,044	2,015	2,038
65 Foreign governments, official institutions, and banks	2,890	2,919	2,891	2,879	2,888	2,846	2,860	2,856	2,856
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	1,232	......	......	1,417	500	......	......	900	1,725
67 Treasury tax-and-loan notes	2,939	1,018	1,393	1,668	1,956	2	1	319	632
68 All other liabilities for borrowed money[6]	38,186	39,649	35,622	36,366	36,515	40,275	40,083	38,058	37,556
69 Other liabilities and subordinated notes and debentures	23,397	22,889	23,260	23,628	23,218	23,910	22,652	24,060	23,703
70 Total liabilities	**185,086**	**179,556**	**183,960**	**177,491**	**176,175**	**191,231**	**191,769**	**180,729**	**183,240**
71 Residual (total assets minus total liabilities)[4]	15,419	15,372	15,206	15,201	15,206	15,374	15,379	15,330	15,227

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 federal funds purchased and 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.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1980								
	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26
BANKS WITH ASSETS OF $750 MILLION OR MORE									
1 Total loans (gross) and securities adjusted[1]	525,495	524,136	525,593	524,582	526,787	532,514	533,912	533,475	535,453
2 Total loans (gross) adjusted[1]	410,617	409,073	410,732	410,072	412,551	417,497	418,241	417,827	420,190
3 Demand deposits adjusted[2]	112,455	110,838	111,066	107,896	108,156	110,557	112,104	107,182	107,454
4 Time deposits in accounts of $100,000 or more	134,403	135,012	133,681	134,982	137,880	139,348	142,432	144,967	148,024
5 Negotiable CDs	97,287	97,353	95,910	96,601	99,374	100,476	102,809	104,777	107,452
6 Other time deposits	37,116	37,659	37,770	38,382	38,506	38,871	39,623	40,190	40,573
7 Loans sold outright to affiliates[3]	2,949	2,868	2,775	2,732	2,633	2,733	2,597	2,577	2,650
8 Commercial and industrial	1,948	1,848	1,753	1,811	1,760	1,734	1,704	1,700	1,744
9 Other	1,001	1,020	1,022	921	873	999	892	877	906
BANKS WITH ASSETS OF $1 BILLION OR MORE									
10 Total loans (gross) and securities adjusted[1]	491,335	489,848	491,293	490,302	492,439	498,046	499,341	498,853	500,593
11 Total loans (gross) adjusted[1]	385,482	383,783	385,445	384,793	387,237	392,053	392,713	392,284	394,417
12 Demand deposits adjusted[2]	104,032	102,600	102,879	99,734	99,914	102,149	104,044	99,168	99,377
13 Time deposits in accounts of $100,000 or more	126,324	126,839	125,426	126,703	129,543	130,969	134,035	136,405	139,328
14 Negotiable CDs	91,502	91,496	89,958	90,630	93,374	94,467	96,743	98,615	101,179
15 Other time deposits	34,822	35,343	35,469	36,073	36,169	36,502	37,291	37,790	38,149
16 Loans sold outright to affiliates[3]	2,907	2,825	2,732	2,688	2,590	2,688	2,554	2,534	2,606
17 Commercial and industrial	1,926	1,826	1,730	1,787	1,736	1,708	1,678	1,675	1,720
18 Other	981	999	1,002	902	854	980	876	859	887
BANKS IN NEW YORK CITY									
19 Total loans (gross) and securities adjusted[1,4]	116,902	115,774	117,400	116,500	118,508	119,904	119,071	119,843	120,220
20 Total loans (gross) adjusted[1]	94,546	93,747	95,310	94,629	96,586	98,016	97,042	97,778	98,145
21 Demand deposits adjusted[2]	25,896	25,066	25,666	24,486	23,857	24,935	24,782	24,865	24,838
22 Time deposits in accounts of $100,000 or more	31,128	31,245	30,632	30,857	32,286	32,895	34,075	34,784	35,569
23 Negotiable CDs	23,132	23,117	22,431	22,520	23,902	24,383	25,428	26,010	26,838
24 Other time deposits	7,996	8,128	8,201	8,337	8,384	8,512	8,647	8,773	8,730

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.

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Domestic Classified Commercial and Industrial Loans

Millions of dollars

Industry classification	Outstanding					Net change during				
	1980					1980				
	July 30	Aug. 27	Sept. 24	Oct. 29	Nov. 26p	Q2	Q3	Sept.	Oct.	Nov.p
1 Durable goods manufacturing	22,477	22,965	23,513	23,336	24,098	−2,332	784	548	−176	762
2 Nondurable goods manufacturing	18,532	18,799	19,535r	20,115	20,804	−1,486	1,197r	736r	580	688
3 Food, liquor, and tobacco	3,887	3,897	4,352	4,586	4,921	−1,222	651	455	234	335
4 Textiles, apparel, and leather	5,066	5,230	5,204	5,070	4,906	454	269	−27	−133	−164
5 Petroleum refining	2,616	2,694	2,686r	2,993	3,129	−424	−28r	;−8r	306	136
6 Chemicals and rubber	3,723	3,707	3,733	3,846	4,158	−208	30	26	112	312
7 Other nondurable goods	3,240	3,270	3,559	3,620	3,690	−86	275	289	61	70
8 Mining (including crude petroleum and natural gas)	13,650	13,560	13,958	14,717	15,338	1,162	200	398	760	621
9 Trade	24,279	24,737	24,954r	26,275	27,050	−857	355r	217r	1,320	776
10 Commodity dealers	1,670	1,853	2,118	2,470	2,402	−285	588	266	352	−69
11 Other wholesale	11,557	11,614	11,589	11,880	12,182	−418	−91	−25	291	302
12 Retail	11,052	11,270	11,247r	11,924	12,467	−154	−142r	−23r	677	543
13 Transportation, communication, and other public utilities	18,996	19,221	19,224	19,317	20,099	453	479	3	93	782
14 Transportation	7,753	7,652	7,736	7,789	8,019	83	137	84	52	230
15 Communication	2,883	2,918	2,993	3,094	3,161	92	154	76	101	67
16 Other public utilities	8,359	8,651	8,495	8,434	8,919	278	188	−157	−60	484
17 Construction	5,787	5,873	6,031	5,927	5,992	96	61	158	−104	66
18 Services	20,567	20,808	21,315	21,532	22,160	86	1,018	507	217	628
19 All other[1]	14,964	15,250	15,402	15,792	16,206	−656	403	152	389	414
20 Total domestic loans	**139,252**	**141,214**	**143,932**	**147,011**	**151,748**	**−3,534**	**4,498**	**2,719**	**3,078**	**4,737**
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans	73,767	74,976	76,536	76,912	78,942	−1,702	2,241	1,560	376	2,030

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.

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations[1]

Billions of dollars, estimated daily-average balances

Type of holder	1975 Dec.	1976 Dec.	1977 Dec.	1978 Dec.	1979[2] June	1979[2] Sept.	1979[2] Dec.	1980 Mar.	1980 June	1980 Sept.
	Commercial banks									
1 **All holders—Individuals, partnerships, and corporations**	**236.9**	**250.1**	**274.4**	**294.6**	**285.6**	**292.4**	**302.2**	**288.4**	**288.6**	**302.0**
2 Financial business	20.1	22.3	25.0	27.8	25.4	26.7	27.1	28.4	27.7	29.6
3 Nonfinancial business	125.1	130.2	142.9	152.7	145.1	148.8	157.7	144.9	145.3	151.9
4 Consumer	78.0	82.6	91.0	97.4	98.6	99.2	99.2	97.6	97.9	101.8
5 Foreign	2.4	2.7	2.5	2.7	2.8	2.8	3.1	3.1	3.3	3.2
6 Other	11.3	12.4	12.9	14.1	13.7	14.9	15.1	14.4	14.4	15.5
	Weekly reporting banks									
	1975 Dec.	1976 Dec.	1977 Dec.	1978 Dec.	1979[3] June	1979[3] Sept.	1979[3] Dec.	1980 Mar.	1980 June	1980 Sept.
7 **All holders—Individuals, partnerships, and corporations**	**124.4**	**128.5**	**139.1**	**147.0**	**128.8**	**132.7**	**139.3**	**133.6**	**133.9**	**140.6**
8 Financial business	15.6	17.5	18.5	19.8	18.4	19.7	20.1	20.1	20.2	21.2
9 Nonfinancial business	69.9	69.7	76.3	79.0	68.1	69.1	74.1	69.1	69.2	72.4
10 Consumer	29.9	31.7	34.6	38.2	33.0	33.7	34.3	34.2	33.9	36.0
11 Foreign	2.3	2.6	2.4	2.5	2.7	2.8	3.0	3.0	3.1	3.1
12 Other	6.6	7.1	7.4	7.5	6.6	7.4	7.8	7.2	7.5	7.9

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.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1976 Dec.	1977 Dec.	1978 Dec.	1979[1] Dec.	1980 Apr.	1980 May	1980 June	1980 July	1980 Aug.	1980 Sept.	1980 Oct.
	Commercial paper (seasonally adjusted)										
1 **All issuers**	**53,010**	**65.036**	**83,420**	**112,803**	**120,887**	**121,032**	**123,937**	**122,259**	**122,607**	**123,460**	
Financial companies[2]											
Dealer-placed paper[3]											
2 Total	7,263	8,888	12,300	17,579	18,881	18,526	19,100	18,207	19,092	19,509	
3 Bank-related	1,900	2,132	3,521	2,874	3,467	3,591	3,188	3,198	3,313	3,370	n.a.
Directly placed paper[4]											
4 Total	32,622	40,612	51,755	64,931	66,110	63,813	62,623	63,777	64,550	65,542	
5 Bank-related	5,959	7,102	12,314	17,598	19,166	18,845	19,436	19,239	19,909	19,692	
6 Nonfinancial companies[5]	13,125	15,536	19,365	30,293	35,896	38,693	42,214	40,275	38,965	38,409	
	Bankers dollar acceptances (not seasonally adjusted)										
7 **Total**	**22,523**	**25,450**	**33,700**	**45,321**	**50,177**	**52,636**	**54,356**	**54,334**	**54,486**	**55,774**	**56,610**
Holder											
8 Accepting banks	10,442	10,434	8,579	9,865	8,159	9,262	10,051	9,764	9,644	10,275	11,317
9 Own bills	8,769	8,915	7,653	8,327	7,488	8,768	9,113	8,603	8,544	9,004	9,808
10 Bills bought	1,673	1,519	927	1,538	670	493	939	1,161	1,100	1,270	1,509
Federal Reserve Banks											
11 Own account	991	954	1	704	0	366	373	310	277	499	566
12 Foreign correspondents	375	362	664	1,382	1,555	1,718	1,784	1,899	1,841	1,820	1,915
13 Others	10,715	13,700	24,456	33,370	40,463	41,290	42,147	42,361	42,724	43,179	42,813
Basis											
14 Imports into United States	4,992	6,378	8,574	10,270	10,946	11,651	11,536	12,109	11,861	11,731	12,254
15 Exports from United States	4,818	5,863	7,586	9,640	11,221	11,347	11,339	12,401	12,582	12,991	13,445
16 All other	12,713	13,209	17,540	25,411	28,010	29,637	31,480	29,824	30,043	31,052	30,911

1. A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979.

2. 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.

3. Includes all financial company paper sold by dealers in the open market.

4. As reported by financial companies that place their paper directly with investors.

5. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and reserves.

1.33 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
1980—July 7	11.50	1980—Oct 1	13.50	1979—Sept.	12.90	1980—May	16.57
25	11.00	17	14.00	Oct.	14.39	June	12.63
Aug 22	11.25	29	14.50	Nov.	15.55	July	11.48
27	11.50	Nov 6	15.50	Dec.	15.30	Aug.	11.12
Sept 8	12.00	17	16.25			Sept.	12.23
12	12.25	21	17.00	1980—Jan.	15.25	Oct.	13.79
19	12.50	26	17.75	Feb.	15.63	Nov.	16.06
26	13.00	Dec 2	18.50	Mar.	18.31		
				Apr.	19.77		

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 4–9, 1980

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)	13,492,779	696,920	501,851	716,033	2,074,691	703,435	8,799,849
2 Number of loans	139,530	98,586	15,075	11,249	11,675	1,133	1,812
3 Weighted-average maturity (months)	2.2	3.0	3.1	3.4	3.5	3.4	1.5
4 Weighted-average interest rate (percent per annum)	11.56	13.65	13.53	13.00	12.49	12.01	10.92
5 Interquartile range[1]	10.75–12.42	12.42–14.84	12.42–14.66	12.07–13.72	11.60–13.10	11.25–12.41	10.12–11.50
Percentage of amount of loans							
6 With floating rate	35.4	22.1	30.9	42.2	39.2	68.5	32.6
7 Made under commitment	46.2	24.7	30.3	35.3	44.6	67.6	48.4
8 With no stated maturity	22.8	14.3	8.5	31.5	20.0	33.0	23.5
Long-Term Commercial and Industrial Loans							
9 Amount of loans (thousands of dollars)	1,806,322		325,437		219,163	113,059	1,148,663
10 Number of loans	24,017		22,299		1,248	174	297
11 Weighted-average maturity (months)	45.9		33.2		55.1	43.9	47.9
12 Weighted-average interest rate (percent per annum)	12.06		14.28		12.57	12.26	11.31
13 Interquartile range[1]	11.00–12.99		13.00–15.00		11.92–13.24	11.25–13.10	11.00–12.00
Percentage of amount of loans							
14 With floating rate	67.8		20.1		59.9	80.9	81.5
15 Made under commitment	72.5		33.7		64.6	75.6	84.7
Construction and Land Development Loans							
16 Amount of loans (thousands of dollars)	1,065,180	161,684	144,638	166,745	318,897	273,217	
17 Number of loans	23,363	15,447	3,878	2,608	1,261	169	
18 Weighted-average maturity (months)	8.0	15.2	3.4	4.9	5.2	12.0	
19 Weighted-average interest rate (percent per annum)	13.16	14.87	13.15	13.13	12.74	12.66	
20 Interquartile range[1]	12.62–13.50	12.68–16.99	12.30–13.28	12.56–13.65	12.56–13.00	12.07–13.00	
Percentage of amount of loans							
21 With floating rate	40.1	16.8	14.2	19.4	34.2	87.3	
22 Secured by real estate	93.9	78.8	98.5	97.9	96.4	95.0	
23 Made under commitment	69.8	36.8	75.1	53.2	88.8	74.6	
24 With no stated maturity	12.9	8.4	2.5	21.4	6.4	23.5	
Type of construction							
25 1- to 4-family	44.2	75.5	81.1	69.7	21.7	16.7	
26 Multifamily	8.9	8.0	12.1	1.9	7.4	13.7	
27 Nonresidential	47.0	16.5	6.8	28.4	70.9	69.6	

Loans to Farmers	All sizes	1–9	10–24	25–49	50–99	100–249	250 and over
28 Amount of loans (thousands of dollars)	948,371	145,747	182,288	160,300	130,001	148,329	181,706
29 Number of loans	60,078	38,800	12,884	4,751	2,067	1,150	425
30 Weighted-average maturity (months)	7.8	6.1	7.1	6.9	12.1	5.6	9.6
31 Weighted-average interest rate (percent per annum)	13.51	13.50	13.44	13.57	13.54	13.77	13.28
32 Interquartile range[1]	12.89–14.12	12.68–14.49	12.96–13.96	12.89–14.49	12.89–14.49	13.42–14.28	12.68–13.50
By purpose of loan							
33 Feeder livestock	13.45	13.73	13.31	13.72	13.39	13.63	12.92
34 Other livestock	13.74	13.48	13.38	13.68	14.67	14.26	13.37
35 Other current operating expenses	13.65	13.40	13.50	13.79	13.58	13.88	14.14
36 Farm machinery and equipment	13.31	13.94	13.16	13.21	13.06	13.52	12.24
37 Other	13.25	13.46	13.68	12.39	13.35	13.62	12.98

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. These data have been updated since the issuance of the E.2.

1.35 INTEREST RATES Money and Capital Markets

Averages, percent per annum

Instrument	1977	1978	1979	1980 Aug.	1980 Sept.	1980 Oct.	1980 Nov.	1980, week ending Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
	Money market rates											
1 Federal funds[1]	5.54	7.94	11.20	9.61	10.87	12.81	15.59	13.17	13.99	14.65	15.22	17.43
Commercial paper[2,3]												
2 1-month	5.42	7.76	10.86	9.48	10.82	12.59	15.23	13.12	14.29	14.59	15.41	16.60
3 3-month	5.54	7.94	10.97	9.57	10.97	12.52	15.18	13.33	14.47	14.52	15.37	16.33
4 6-month	5.60	7.99	10.91	9.61	11.04	12.32	14.73	13.28	14.34	14.12	14.91	15.48
Finance paper, directly placed[2,3]												
5 1-month	5.38	7.73	10.78	9.30	10.62	12.32	14.87	12.88	14.06	14.30	14.94	16.15
6 3-month	5.49	7.80	10.47	9.08	10.28	11.24	13.14	11.65	12.49	12.96	13.32	13.76
7 6-month	5.50	7.78	10.25	9.08	10.29	11.15	13.07	11.52	12.38	12.93	13.28	13.63
8 Prime bankers acceptances, 90-day[3,4]	5.59	8.11	11.04	9.85	11.13	12.69	15.34	13.71	14.68	14.64	15.46	16.58
Certificates of deposit, secondary market[5]												
9 1-month	5.48	7.88	11.03	9.62	10.89	12.69	15.39	13.34	14.50	14.80	15.44	16.79
10 3-month	5.64	8.22	11.22	9.91	11.29	12.94	15.68	13.98	14.98	14.95	15.79	16.97
11 6-month	5.92	8.61	11.44	10.29	11.73	12.99	15.36	14.09	15.02	14.70	15.52	16.15
12 Eurodollar deposits, 3-month[6]	6.05	8.74	11.96	10.82	12.07	13.55	16.46	14.31	15.41	16.39	15.85	16.98
U.S. Treasury bills[3,7]												
Secondary market												
13 3-month	5.27	7.19	10.07	9.13	10.27	11.62	13.73	12.51	13.28	13.29	13.98	14.31
14 6-month	5.53	7.58	10.06	9.41	10.57	11.63	13.50	12.59	13.18	13.03	13.71	14.05
15 1-year	5.71	7.74	9.75	9.39	10.48	11.30	12.66	12.16	12.47	12.21	12.74	13.22
Auction average[8]												
16 3-month	5.265	7.221	10.041	9.259	10.321	11.580	13.888	12.331	13.344	13.514	14.309	14.384
17 6-month	5.510	7.572	10.017	9.443	10.546	11.566	13.612	12.284	13.269	13.231	13.917	14.030
	Capital market rates											
U.S. TREASURY NOTES AND BONDS												
Constant maturities[9]												
18 1-year	6.09	8.34	10.67	10.24	11.52	12.49	14.15	13.51	13.97	13.61	14.20	14.81
19 2-year	6.45	8.34	10.12	10.53	11.57	12.09	13.51	12.95	13.39	13.07	13.58	14.00
20 2½-year[10]	.....	.....	.....	.....	.....	.....	.....	.....	13.30	.....	13.50	.....
21 3-year	6.69	8.29	9.71	10.63	11.57	12.01	13.31	12.82	13.27	12.99	13.33	13.62
22 5-year	6.99	8.32	9.52	10.84	11.62	11.86	12.83	12.62	12.94	12.59	12.77	13.06
23 7-year	7.23	8.36	9.48	10.95	11.57	11.79	12.71	12.45	12.76	12.50	12.74	12.82
24 10-year	7.42	8.41	9.44	11.10	11.51	11.75	12.68	12.37	12.69	12.63	12.69	12.72
25 20-year	7.67	8.48	9.33	11.07	11.47	11.75	12.44	12.33	12.56	12.45	12.38	12.37
26 30-year	.....	8.49	9.29	11.00	11.34	11.59	12.37	12.16	12.44	12.41	12.33	12.30
Composite[11]												
27 3 to 5 years[12]	6.85	8.30	9.58	.....	.....	.....	.....	.....	.....	.....	.....	.....
28 *Over 10 years (long-term)*	7.06	7.89	8.74	10.53	10.94	11.20	11.83	11.74	11.94	11.82	11.77	11.80
STATE AND LOCAL NOTES AND BONDS												
Moody's series[13]												
29 Aaa	5.20	5.52	5.92	8.03	8.36	8.38	8.71	8.40	9.05	8.60	8.60	8.60
30 Baa	6.12	6.27	6.73	9.25	9.38	9.41	9.74	9.63	9.75	9.60	9.60	10.00
31 *Bond Buyer* series[14]	5.68	6.03	6.52	8.67	8.94	9.11	9.56	9.45	9.64	9.50	9.50	9.61
CORPORATE BONDS												
32 Seasoned issues, all industries[15]	8.43	9.07	10.12	12.33	12.80	13.07	13.64	13.35	13.56	13.62	13.62	13.76
By rating group												
33 Aaa	8.02	8.73	9.63	11.64	12.02	12.31	12.97	12.72	12.96	12.93	12.96	13.03
34 Aa	8.24	8.92	9.94	12.09	12.52	12.68	13.34	12.99	13.28	13.34	13.30	13.44
35 A	8.49	9.12	10.20	12.44	12.97	13.05	13.59	13.17	13.42	13.59	13.59	13.76
36 Baa	8.97	9.45	10.69	13.15	13.70	14.23	14.64	14.49	14.56	14.61	14.61	14.79
Aaa utility bonds[16]												
37 New issue	8.19	8.96	10.03	12.32	12.74	13.18	13.85	13.92	.....	.....	13.85	.....
38 Recently offered issues	8.19	8.97	10.02	12.31	12.72	13.13	13.91	13.79	13.97	13.92	13.91	14.02
MEMO: Dividend/price ratio[17]												
39 Preferred stocks	7.60	8.25	9.07	10.04	10.14	10.64	11.33p	11.12	11.07	11.48	11.36	11.40
40 Common stocks	4.56	5.28	5.46	5.06	4.90	4.80	4.65p	4.91	4.79	4.68	4.54	4.60

1. Weekly figures are seven-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 November 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 (three-month series was previously a seven-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 monthly figure is an average of only five business days near the end of the month. The rate for each month was used to determine the maximum interest rate payable in the following month on small saver certificates, until June 2, 1980. Each weekly figure [illegible] is calculated on a biweekly basis and is the average of five business days ending on the Monday following the calendar week. Beginning June 2, the biweekly rate is used to determine the maximum interest rate payable in the following two-week period on small saver certificates. (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. The three- to five-year series has been discontinued.

13. General obligations only, based on figures for Thursday, from Moody's Investors Service.

14. Twenty issues of mixed quality.

15. Averages of daily figures from Moody's Investors Service.

16. 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.

17. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

1.36 STOCK MARKET Selected Statistics

Indicator	1977	1978	1979	1980 May	1980 June	1980 July	1980 Aug.	1980 Sept.	1980 Oct.	1980 Nov.
	Prices and trading (averages of daily figures)									
Common stock prices										
1 New York Stock Exchange (Dec. 31, 1965 = 50)	53.67	53.76	55.67	61.38	65.43	68.56	70.87	73.12	75.17	78.15
2 Industrial	57.84	58.30	61.82	69.39	74.47	78.67	82.15	84.92	88.00	92.32
3 Transportation	41.07	43.25	45.20	51.07	54.04	59.14	62.48	65.89	70.76	77.22
4 Utility	40.91	39.23	36.46	37.31	38.50	38.77	38.18	38.77	38.44	38.35
5 Finance	55.23	56.74	58.65	61.47	65.16	66.76	67.22	69.33	68.29	67.21
6 Standard & Poor's Corporation (1941–43 = 10)[1]	98.18	96.11	98.34	107.69	114.55	119.83	123.50	126.49	130.22	135.65
7 American Stock Exchange (Aug. 31, 1973 = 100)	116.18	144.56	186.56	258.45	286.21	310.29	321.87	337.01	350.08	349.97
Volume of trading (thousands of shares)										
8 New York Stock Exchange	20,936	28,591	32,233	36,425	39,508r	46,444	45,984	50,397	44,860	54,895
9 American Stock Exchange	2,514	3,622	4,182	3,799	5,240	6,195	6,452	7,880	7,087	7,852
	Customer financing (end-of-period balances, in millions of dollars)									
10 **Regulated margin credit at brokers/dealers[2]**	**9,993**	**11,035**	**11,619**	**11,441**	**11,370**	**11,522**	**12,007**	**12,731**	**13,293**	n.a.
11 Margin stock[3]	9,740	10,830	11,450	11,270	11,200	11,320	11,800	12,520	13,080	n.a.
12 Convertible bonds	250	205	167	167	166	198	204	208	211	n.a.
13 Subscription issues	3	1	2	4	4	4	3	3	2	n.a.
Free credit balances at brokers[4]										
14 Margin-account	640	835	1,105	1,270	1,345	1,665r	1,695	1,850	5,500	n.a.
15 Cash-account	2,060	2,510	4,060	4,750	4,790	4,905r	4,925	5,680	1,950	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	18.0	33.0	16.0	19.0	17.0	12.0	11.0	13.0	13.0	n.a.
18 40–49	36.0	28.0	29.0	32.0	31.0	27.0	25.0	28.0	29.0	n.a.
19 50–59	23.0	18.0	27.0	22.0	23.0	28.0	30.0	26.0	25.0	n.a.
20 60–69	11.0	10.0	14.0	12.0	13.0	16.0	16.0	15.0	15.0	n.a.
21 70–79	6.0	6.0	8.0	7.0	8.0	9.0	10.0	10.0	10.0	n.a.
22 80 or more	5.0	5.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	n.a.
	Special miscellaneous-account balances at brokers (end of period)									
23 **Total balances (millions of dollars)[6]**	**9,910**	**13,092**	**16,150**	**16,543**	**16,920**	**17,886**	**18,350**	**19,283**	**19,929**	n.a.
Distribution by equity status (percent)										
24 Net credit status	43.4	41.3	44.2	45.8	47.6	48.7	48.2	49.0	46.8	n.a.
Debt status, equity of										
25 60 percent or more	44.9	45.1	47.0	43.6	43.4	43.8	44.6	43.4	46.2	n.a.
26 Less than 60 percent	11.7	13.6	8.8	10.6	9.0	8.0	7.0	7.6	7.0	n.a.

Indicator	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
	Margin requirements (percent of market value and effective date)[7]					
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 of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

1.37 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1977	1978	1979 Dec.	1980 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.p
	Savings and loan associations												
1 **Assets**	**459,241**	**523,542**	**579,307**	**582,252**	**585,685**	**589,498**	**591,108**	**593,321**	**594,792**	**597,023**	**603,720**	**609,764**	**618,201**
2 Mortgages	381,163	432,808	475,797	476,448	477,303	479,078	480,165	480,092	481,184	482,985	487,198	492,068	496,560
3 Cash and investment securities[1]	39,150	44,884	46,541	48,473	50,168	50,899	50,576	52,670	52,613	52,370	53,545	53,647	56,427
4 Other	38,928	45,850	56,969	57,331	58,214	59,521	60,367	60,559	60,995	61,668	62,977	64,049	65,214
5 **Liabilities and net worth**	**459,241**	**523,542**	**579,307**	**582,252**	**585,685**	**589,498**	**591,108**	**593,321**	**594,792**	**597,023**	**603,720**	**609,764**	**618,201**
6 Savings capital	386,800	430,953	470,171	472,236	473,862	478,265	478,591	481,613	486,900	489,123	491,638	497,244	501,096
7 Borrowed money	27,840	42,907	55,375	55,233	55,276	57,346	57,407	55,353	54,950	53,615	55,552	58,578	60,970
8 FHLBB	19,945	31,990	40,441	40,364	40,337	42,413	42,724	41,529	40,613	39,882	41,005	42,547	44,367
9 Other	7,895	10,917	14,934	14,869	14,939	14,933	14,683	13,824	14,337	13,733	14,547	16,031	16,603
10 Loans in process	9,911	10,721	9,511	8,735	8,269	8,079	7,660	7,126	6,974	7,055	7,483	8,184	8,604
11 Other	9,506	9,904	11,684	13,315	15,385	12,683	14,260	16,246	13,056	14,455	16,291	12,877	14,520
12 Net worth[2]	25,184	29,057	32,566	32,733	32,893	33,125	33,190	32,983	32,912	32,775	32,756	32,881	33,011
13 MEMO: Mortgage loan commitments outstanding[3]	19,875	18,911	16,007	15,559	16,744	15,844	14,193	13,929	15,368	18,020	20,280	20,313	18,976
	Mutual savings banks[4]												
14 **Assets**	**14,287**	**158,174**	**163,405**	**163,252**	**164,270**	**165,107**	**165,366**	**166,340**	**166,982r**	**167,959r**	**168,752r**	**169,409**	
Loans													
15 Mortgage	88,195	95,157	98,908	98,940	99,220	99,151	99,045	99,163	99,176r	99,301r	99,289r	99,306	
16 Other	6,210	7,195	9,253	9,804	10,044	10,131	10,187	10,543	11,148r	11,390r	11,122r	11,415	
Securities													
17 U.S. government[5]	5,895	4,959	7,658	7,387	7,436	7,629	7,548	7,527	7,483r	7,796r	8,079r	8,434	
18 State and local government	2,828	3,333	2,930	2,887	2,853	2,824	2,791	2,727	2,706r	2,702r	2,709r	2,728	
19 Corporate and other[6]	37,918	39,732	37,086	37,114	37,223	37,493	37,801	38,246	38,276r	38,863r	39,327r	39,609	
20 Cash	2,401	3,665	3,156	2,703	3,012	3,361	3,405	3,588	3,561r	3,260r	3,456r	3,153	
21 Other assets	3,839	4,131	4,412	4,417	4,481	4,518	4,588	4,547	4,631r	4,648r	4,770r	4,764	
22 **Liabilities**	**147,287**	**158,174**	**163,405**	**163,252**	**164,270**	**165,107**	**165,366**	**166,340**	**166,982r**	**167,959r**	**168,752r**	**169,409**	**n.a.**
23 Deposits	134,017	142,701	146,006	145,044	145,171	146,328	145,821	146,637	148,606r	149,580r	150,187r	151,765	
24 Regular[7]	132,744	141,170	144,070	143,143	143,284	144,214	143,765	144,646	146,416r	147,408r	148,018r	149,395	
25 Ordinary savings	78,005	71,816	61,123	59,252	58,234	56,948	54,247	54,669	56,388r	57,737r	58,191r	58,658	
26 Time and other	54,739	69,354	82,947	83,891	85,050	87,266	89,517	89,977	90,028r	89,671r	89,827r	90,736	
27 Other	1,272	1,531	1,936	1,901	1,887	2,115	2,056	1,990	2,190r	2,172r	2,169r	2,370	
28 Other liabilities	3,292	4,565	5,873	6,665	7,485	7,135	7,916	8,161	6,898r	6,964r	7,211r	6,299	
29 General reserve accounts	9,978	10,907	11,525	11,544	11,615	11,643	11,629	11,542	11,478r	11,416r	11,353r	11,344	
30 MEMO: Mortgage loan commitments outstanding[8]	4,066	4,400	3,182	2,919	2,618	2,397	2,097	1,883	1,898r	1,939r	1,849r	1,883	
	Life insurance companies												
31 **Assets**	**351,722**	**389,924**	**432,282**	**436,226**	**438,638**	**439,733**	**442,932**	**447,020**	**450,858**	**455,759**	**459,362**	**464,483**	
Securities													
32 Government	19,553	20,009	0,338	20,378	20,438	20,545	20,470	20,529	20,395	20,736	20,833	20,853	
33 United States[9]	5,315	4,822	4,888	4,878	4,898	5,004	5,059	5,107	4,990	5,325	5,386	5,361	
34 State and local	6,051	6,402	6,428	6,433	6,488	6,454	6,351	6,352	6,349	6,361	6,421	6,474	
35 Foreign[10]	8,187	8,785	9,022	9,067	9,052	9,087	9,060	9,070	9,056	9,050	9,026	9,018	
36 Business	175,654	198,105	218,128	222,332	223,423	221,214	222,175	223,556	224,874	228,645	230,477	233,652	
37 Bonds	141,891	162,587	178,371	181,820	182,521	182,536	182,750	183,356	184,329	186,385	187,839	189,586	n.a.
38 Stocks	33,763	35,518	39,757	40,512	40,902	38,678	39,425	40,200	40,545	42,260	42,638	44,066	
39 Mortgages	96,848	106,167	118,421	119,885	120,926	122,314	123,587	124,563	125,455	126,461	127,357	128,089	
40 Real estate	11,060	11,764	13,007	13,083	13,201	13,512	13,696	13,981	14,085	14,164	14,184	14,460	
41 Policy loans	27,556	30,146	34,825	35,302	35,839	36,901	38,166	38,890	39,354	39,649	39,925	40,258	
42 Other assets	21,051	23,733	27,563	25,246	24,811	25,247	24,838	25,501	26,695	26,104	26,586	27,171	
	Credit unions												
43 **Total assets/liabilities and capital**	**53,755**	**62,348**	**65,854**	**64,506**	**64,857**	**65,678**	**65,190**	**66,103**	**68,102**	**68,429**	**69,553**	**70,515**	**70,702**
44 Federal	29,564	34,760	35,934	35,228	35,425	36,091	35,834	36,341	37,555	37,573	38,168	39,219	39,155
45 State	24,191	27,588	29,920	29,278	29,432	29,587	29,356	29,762	30,547	30,856	31,385	31,296	31,547
46 Loans outstanding	41,845	50,269	53,125	52,089	51,626	51,337	50,344	49,469	48,172	47,829	47,884	47,211	47,221
47 Federal	22,634	27,687	28,698	28,053	27,783	27,685	27,119	26,550	25,773	25,435	25,401	25,381	25,288
48 State	19,211	22,582	24,426	24,036	23,843	23,652	23,225	22,919	22,399	22,394	22,483	21,830	21,933
49 Savings	46,516	53,517	56,232	55,447	55,790	56,743	56,338	57,197	59,310	60,574	61,403	63,728	63,957
50 Federal (shares)	25,576	29,802	35,530	30,040	32,256	30,948	30,851	31,403	32,764	33,472	33,964	35,961	36,030
51 State (shares and deposits)	20,940	23,715	25,702	25,407	25,534	25,795	25,487	25,794	26,546	27,102	27,439	27,767	27,927

For notes see bottom of page A28.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980	Calendar year 1979 H1	1979 H2	1980 H1	1980 Aug.	1980 Sept.	1980 Oct.
U.S. budget									
1 Receipts[1]	401,997	465,940	520,050	246,574	233,952	270,864	44,259	53,544	38,923
2 Outlays[1]	450,836	493,673	579,011	245,616	263,044	289,899	50,755	47,289	56,304
3 Surplus, or deficit(−)	−48,839	−27,733	−58,961	958	−29,093	−19,035	−6,496	6,255	−17,382
4 Trust funds	12,693	18,335	8,791	4,041	9,679	4,383	2,227	8,286	−7,452
5 Federal funds[2]	−61,532	−46,069	−67,752	−3,083	−38,773	−23,418	−8,723	−2,031	−9,929
Off-budget entities (surplus, or deficit (−))									
6 Federal Financing Bank outlays	−10,661	−13,261	−14,549	−7,712	−5,909	−7,735	−929	−1,861	−1,157
7 Other[3]	334	832	330	−447	805	−528	−922	41	1,403
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit (−)	−59,166	−40,162	−73,180	−7,201	−34,197	−27,298	−8,347	4,435	−17,136
Source or financing									
9 Borrowing from the public	59,106	33,641	70,515	6,039	31,320	24,435	11,111	6,260	4,758
10 Cash and monetary assets (decrease, or increase (−))[4]	−3,023	−408	−355	−8,878	3,059	−3,482	−2,464	−9,692	8,488
11 Other[5]	3,083	6,929	3,020	10,040	−182	6,345	−300	−1,002	3,890
MEMO:									
12 Treasury operating balance (level, end of period)	22,444	24,176	20,990	17,485	15,924	14,092	12,494	20,990	12,678
13 Federal Reserve Banks	16,647	6,489	4,102	3,290	4,075	3,199	2,742	4,102	1,864
14 Tax and loan accounts	5,797	17,687	16,888	14,195	11,849	10,893	9,752	16,888	10,814

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 are calculated as a residual (total surplus/deficit less trust fund surplus/deficit).
3. Includes Pension Benefit Guaranty Corporation; 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 accrued 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 1981*.

NOTES TO TABLE 1.37

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. The NAMSB reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. Beginning April 1979, data are reported on a net-of-valuation-reserves basis. Prior to that date, data were reported on a gross-of-valuation-reserves basis.
5. Beginning April 1979, includes obligations of U.S. government agencies. Before that date, this item was included in "Corporate and other."
6. Includes securities of foreign governments and international organizations and, prior to April 1979, nonguaranteed issues of U.S. government agencies.
7. Excludes checking, club, and school accounts.
8. 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.
9. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.
10. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

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.

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.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980	Calendar year 1979 H1	Calendar year 1979 H2	Calendar year 1980 H1	Calendar year 1980 Aug.	Calendar year 1980 Sept.	Calendar year 1980 Oct.
RECEIPTS									
1 **All sources**[1]	**401,997**	**465,940**	**520,050**	**246,574**	**233,952**	**270,864**	**44,259**	**53,544**	**38,923**
2 Individual income taxes, net	180,988	217,841	244,069	111,603	115,488	119,988	19,527	26,936	21,150
3 Withheld	165,215	195,295	223,763	98,683	105,764	110,394	19,220	18,731	20,237
4 Presidential Election Campaign Fund	39	36	39	32	3	34	0	0	0
5 Nonwithheld	47,804	56,215	63,746	44,116	12,355	49,707	1,103	8,632	1,454
6 Refunds[1]	32,070	33,705	43,479	31,228	2,634	40,147	796	429	540
Corporation income taxes									
7 Gross receipts	65,380	71,448	72,380	42,427	29,169	43,434	1,848	9,531	2,598
8 Refunds	5,428	5,771	7,790	2,889	3,306	4,064	481	647	1,314
9 Social insurance taxes and contributions, net	123,410	141,591	160,747	75,609	71,031	86,597	18,546	12,860	11,283
10 Payroll employment taxes and contributions[2]	99,626	115,041	133,042	59,298	60,562	69,077	15,512	11,520	9,645
11 Self-employment taxes and contributions[3]	4,267	5,034	5,723	4,616	417	5,535	0	419	0
12 Unemployment insurance	13,850	15,387	15,336	8,623	6,899	8,690	2,423	299	1,068
13 Other net receipts[4]	5,668	6,130	6,646	3,072	3,149	3,294	612	622	570
14 Excise taxes	18,376	18,745	24,329	8,984	9,675	11,383	2,687	2,734	2,778
15 Customs deposits	6,573	7,439	7,174	3,682	3,741	3,443	617	605	654
16 Estate and gift taxes	5,285	5,411	6,389	2,657	2,900	3,091	595	611	610
17 Miscellaneous receipts[5]	7,413	9,237	12,741	4,501	5,254	6,993	918	914	1,163
OUTLAYS									
18 **All types**[1]	**450,836**	**493,673**	**579,011**	**245,616**	**263,044**	**289,899**	**50,755**	**47,289**	**5,630**
19 National defense	105,186	117,681	135,880	57,643	62,002	69,132	11,698	11,636	13,040
20 International affairs	5,922	6,091	10,476	3,538	4,617	4,602	546	532	984
21 General science, space, and technology	4,742	5,041	5,999	2,461	3,299	3,150	556	391	588
22 Energy	5,861	6,856	6,339	4,417	3,281	3,126	645	630	631
23 Natural resources and environment	10,925	12,091	14,142	5,672	7,350	6,668	1,275	1,314	1,406
24 Agriculture	7,731	6,238	4,951	3,020	1,709	3,193	-131	-184	221
25 Commerce and housing credit	3,324	2,565	7,537	60	3,002	3,878	88	-26	1,626
26 Transportation	15,445	17,459	20,840	7,688	10,298	9,582	1,778	2,077	2,066
27 Community and regional development	11,039	9,482	10,182	4,499	4,855	5,302	941	1,128	989
28 Education, training, employment, social services	26,463	29,685	31,397	14,467	14,579	16,686	2,560	2,595	2,947
29 Health	43,676	49,614	58,165	24,860	26,492	29,299	4,897	5,284	5,432
30 Income security[1]	146,212	160,198	192,160	81,173	86,007	94,600	17,999	17,487	18,361
31 Veterans benefits and services	18,974	19,928	21,167	10,127	10,113	9,758	2,659	747	2,859
32 Administration of justice	3,802	4,153	4,553	2,096	2,174	2,291	353	350	466
33 General government	3,737	4,153	4,878	2,291	2,103	2,422	642	428	39
34 General-purpose fiscal assistance	9,601	8,372	8,268	3,890	4,286	3,940	46	150	1,929
35 Interest[6]	43,966	52,556	64,571	26,934	29,045	32,658	5,063	4,752	5,349
36 Undistributed offsetting receipts[6,7]	-15,772	-18,489	-22,494	-8,999	-12,164	-10,387	-860	-2,000	-2,630

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 from an accrual basis to a cash basis for the interest on special issues for U.S. government accounts.
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 1981.*

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1978			1979				1980	
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31.	Mar. 31	June 30
1 **Federal debt outstanding**	**758.8**	**780.4**	**797.7**	**804.6**	**812.2**	**833.8**	**852.2**	**870.4**	**884.4**
2 Public debt securities	749.0	771.5	789.2	796.8	804.9	826.5	845.1	863.5	877.6
3 Held by public	587.9	603.6	619.2	630.5	626.4	638.8	658.0	677.1	682.7
4 Held by agencies	161.1	168.0	170.0	166.3	178.5	187.7	187.1	186.3	194.9
5 Agency securities	9.8	8.9	8.5	7.8	7.3	7.2	7.1	7.0	6.8
6 Held by public	8.0	7.4	7.0	6.3	5.9	5.8	5.6	5.5	5.3
7 Held by agencies	1.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
8 **Debt subject to statutory limit**	**750.2**	**772.7**	**790.3**	**797.9**	**806.0**	**827.6**	**846.2**	**864.5**	**878.7**
9 Public debt securities	748.4	770.9	788.6	796.2	804.3	825.9	844.5	862.8	877.0
10 Other debt[1]	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7
11 MEMO: Statutory debt limit	752.0	798.0	798.0	798.0	830.0	830.0	879.0	879.0	925.0

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).

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership

Billions of dollars, end of period

Type and holder	1976	1977	1978	1979	1980				
					July	Aug.	Sept.	Oct.	Nov.
1 **Total gross public debt**	**653.5**	**718.9**	**789.2**	**845.1**	**881.7**	**893.4**	**907.7**	**908.2**	**913.8**
By type									
2 Interest-bearing debt	652.5	715.2	782.4	844.0	880.4	888.7	906.4	906.9	909.4
3 Marketable	363.2	459.9	487.5	530.7	576.1	583.4	594.5	599.4	605.4
4 Bills	164.0	161.1	161.7	172.6	191.5	199.3	199.8	202.3	208.7
5 Notes	216.7	251.8	265.8	283.4	302.6	300.3	310.9	311.9	311.1
6 Bonds	40.6	47.0	60.0	74.7	82.0	83.9	83.8	85.2	85.5
7 Nonmarketable[1]	231.2	255.3	294.8	313.2	304.3	305.3	311.9	307.5	304.0
8 Convertible bonds[2]	2.3	2.2	2.2	2.2	—	—	—	—	—
9 State and local government series	4.5	13.9	24.3	24.6	23.5	23.6	23.6	23.9	24.0
10 Foreign issues[3]	22.3	22.2	29.6	28.8	25.8	25.8	25.2	24.8	24.5
11 Government	22.3	22.2	28.0	23.6	19.3	19.4	18.7	18.4	18.1
12 Public	0	0	1.6	5.3	6.4	6.4	6.4	6.4	6.4
13 Savings bonds and notes	72.3	77.0	80.9	79.9	73.3	73.2	73.0	73.0	72.8
14 Government account series[4]	129.7	139.8	157.5	177.5	181.5	182.4	189.8	185.7	182.4
15 Non-interest-bearing debt	1.1	3.7	6.8	1.2	1.3	4.7	1.3	1.3r	4.4
By holder[5]									
16 U.S. government agencies and trust funds	147.1	154.8	170.0	187.1	189.2	189.8	197.7		
17 Federal Reserve Banks	97.0	102.5	109.6	117.5	119.6	119.3	120.7		
18 Private investors	409.5	461.3	508.6	540.5	572.9	583.8	589.2		
19 Commercial banks	103.8	101.4	93.1	97.0	94.4	98.1	100.9		
20 Mutual savings banks	5.9	5.9	5.0	4.7	4.7	5.0	5.3		
21 Insurance companies	12.7	15.5	14.9	14.4	14.4	14.1	14.4		
22 Other companies	27.7	22.7	21.2	23.9	25.3	24.6	25.5	n.a.	n.a.
23 State and local governments	41.6	54.8	64.4	67.4	68.9	70.7	73.4		
Individuals									
24 Savings bonds	72.0	76.7	80.7	79.9	73.3	73.2	73.0		
25 Other securities	28.8	28.6	33.3	34.2	47.9	50.9	50.0		
26 Foreign and international[6]	78.1	109.6	137.8	123.8	124.8	125.4r	126.0		
27 Other miscellaneous investors[7]	38.9	46.0	58.2	97.6	119.2	121.8	120.7		

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration, depository 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 (line 5).
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*.

1.42 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

Type of holder	1978	1979	1980 August	1980 Sept.	1978	1979	1980 August	1980 Sept.
	All maturities				1 to 5 years			
1 **All holders**	**487,546**	**530,731**	**583,419**	**594,506**	**162,886**	**164,198**	**188,841**	**195,784**
2 U.S. government agencies and trust funds	12,695	11,047	10,078	10,078	3,310	2,555	2,255	2,255
3 Federal Reserve Banks	109,616	117,458	119,277	120,711	31,283	28,469	35,823	37,285
4 Private investors	365,235	402,226	454,063	463,717	128,293	133,173	150,764	156,244
5 Commercial banks	68,890	69,076	72,952	75,029	38,390	38,346	43,992	45,390
6 Mutual savings banks	3,499	3,204	3,365	3,605	1,918	1,668	1,669	1,880
7 Insurance companies	11,635	11,496	11,229	11,464	4,664	4,518	4,373	4,417
8 Nonfinancial corporations	8,272	8,433	7,761	8,182	3,635	2,844	2,419	2,370
9 Savings and loan associations	3,835	3,209	3,168	4,021	2,255	1,763	1,908	2,193
10 State and local governments	18,815	15,735	19,376	20,467	3,997	3,487	4,212	4,555
11 All others	250,288	291,072	336,213	340,948	73,433	80,546	92,191	95,439
	Total, within 1 year				5 to 10 years			
12 **All holders**	**228,516**	**255,252**	**275,387**	**276,529**	**50,400**	**50,440**	**50,326**	**53,372**
13 U.S. government agencies and trust funds	1,488	1,629	1,084	1,084	1,989	871	1,398	1,398
14 Federal Reserve Banks	52,801	63,219	55,360	55,326	14,809	12,977	13,276	13,165
15 Private investors	174,227	190,403	218,977	220,084	33,601	36,592	35,653	38,809
16 Commercial banks	20,608	20,171	20,859	21,308	7,490	8,086	5,632	5,871
17 Mutual savings banks	817	836	964	981	496	459	445	454
18 Insurance companies	1,838	2,016	1,736	1,807	2,899	2,815	2,818	2,943
19 Nonfinancial corporations	4,048	4,933	4,141	4,638	369	308	340	318
20 Savings and loan associations	1,414	1,301	1,128	1,680	89	69	75	82
21 State and local governments	8,194	5,607	7,212	7,236	1,588	1,540	1,770	2,118
22 All others	137,309	155,539	182,937	182,434	20,671	23,314	24,573	27,022
	Bills, within 1 year				10 to 20 years			
23 **All holders**	**161,747**	**172,644**	**199,306**	**199,832**	**19,800**	**27,588**	**35,524**	**35,481**
24 U.S. government agencies and trust funds	2	0	1	1	3,876	4,520	3,686	3,686
25 Federal Reserve Banks	42,397	45,337	43,600	44,098	2,088	3,272	5,891	5,895
26 Private investors	119,348	127,306	155,705	155,732	13,836	19,796	25,948	25,901
27 Commercial banks	5,707	5,938	7,655	8,168	956	993	1,082	1,129
28 Mutual savings banks	150	262	233	257	143	127	186	185
29 Insurance companies	753	473	461	528	1,460	1,305	1,509	1,495
30 Nonfinancial corporations	12	2,793	1,920	2,363	86	218	412	403
31 Savings and loan associations	262	219	249	802	60	58	44	54
32 State and local governments	5,524	3,100	4,824	4,836	1,420	1,762	3,211	3,559
33 All others	105,161	114,522	140,373	138,779	9,711	15,332	19,503	19,076
	Other, within 1 year				Over 20 years			
34 **All holders**	**66,769**	**82,608**	**76,081**	**76,697**	**25,944**	**33,254**	**33,340**	**33,340**
35 U.S. government agencies and trust funds	1,487	1,629	1,083	1,083	2,031	1,472	1,656	1,656
36 Federal Reserve Banks	10,404	17,882	11,726	11,262	8,635	9,520	8,962	9,005
37 Private investors	54,879	63,097	63,272	64,351	15,278	22,262	22,723	22,680
38 Commercial banks	14,901	14,233	13,204	13,140	1,446	1,470	1,387	1,332
39 Mutual savings banks	667	574	731	724	126	113	102	104
40 Insurance companies	1,084	1,543	1,274	1,280	774	842	794	802
41 Nonfinancial corporations	2,256	2,140	2,231	2,275	135	130	449	454
42 Savings and loan associations	1,152	1,081	879	878	17	19	13	13
43 State and local governments	2,670	2,508	2,388	2,400	3,616	3,339	2,971	2,998
44 All others	32,149	41,017	42,564	43,655	9,164	16,340	17,008	16,978

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 September 30, 1980: (1) 5,355 commercial banks, 460 mutual savings banks, and 723 insurance companies, each about 80 percent; (2) 413 nonfinancial corporations and 479 savings and loan associations, each about 50 percent; and (3) 492 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.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

Par value; averages of daily figures, in millions of dollars

Item	1977	1978	1979	1980			1980, week ending Wednesday					
				July	Aug.	Sept.	July 30	Aug. 6	Aug. 13	Aug. 20	Aug. 27	Sept. 3
1 **U.S. government securities**	**10,838**	**10,285**	**13,183**	**15,824**	**17,892**	**17,608**	**15,146**	**17,448**	**18,871**	**18,181**	**17,289**	**18,390**
By maturity												
2 Bills	6,746	6,173	7,915	10,108	10,387	10,789	9,010	10,927	10,104	11,400	9,843	10,475
3 Other within 1 year	237	392	454	348	465	325	360	454	505	550	433	377
4 1–5 years	2,320	1,889	2,417	2,680	3,546	3,377	3,361	3,364	3,242	3,369	4,544	2,813
5 5–10 years	1,148	965	1,121	1,121	1,692	1,611	1,031	1,116	2,452	1,280	979	3,091
6 Over 10 years	388	867	1,276	1,567	1,802	1,506	1,385	1,587	2,569	1,582	1,490	1,634
By type of customer												
7 U.S. government securities dealers	1,268	1,135	1,448	1,204	1,333	1,503	1,077	1,198	1,470	1,206	1,541	1,257
8 U.S. government securities brokers	3,709	3,838	5,170	6,513	7,418	7,220	5,840	7,177	7,867	7,668	7,120	7,329
9 Commercial banks	2,294	1,804	1,904	2,032	2,164	2,228	2,155	2,025	2,145	2,213	2,290	2,451
10 All others[1]	3,567	3,508	4,660	6,074	6,977	6,657	6,074	7,049	7,390	7,095	6,337	7,354
11 **Federal agency securities**	**1,729**	**1,894**	**2,723**	**3,234**	**2,735**	**2,666**	**3,122**	**3,028**	**2,577**	**2,740**	**2,958**	**2,456**

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.

1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing

Par value; averages of daily figures, in millions of dollars

Item	1977	1978	1979	1980			1980, week ending Wednesday					
				July	Aug.	Sept.	July 2	July 9	July 16	July 23	July 30	Aug. 6
	Positions[1]											
1 **U.S. government securities**	**5,172**	**2,656**	**3,223**	**5,240**	**5,947**	**3,338**	**3,134**	**4,011**	**3,957**	**5,955**	**7,076**	**6,230**
2 Bills	4,772	2,452	3,813	4,603	5,149	3,753	2,258	3,163	3,743	5,893	5,674	5,381
3 Other within 1 year	99	260	−325	−1,150	−1,336	−1,685	−908	−1,055	−1,209	−1,281	−1,138	−910
4 1–5 years	60	−92	−455	1,074	1,391	620	1,035	890	663	604	2,031	1,739
5 5–10 years	92	40	160	73	218	122	234	227	129	84	−99	−373
6 Over 10 years	149	−4	30	640	526	529	515	786	631	655	609	393
7 **Federal agency securities**	**693**	**606**	**1,471**	**1,182**	**691**	**320**	**1,397**	**1,454**	**1,292**	**1,124**	**949**	**845**
	Financing[2]											
8 **All sources**	**9,877**	**10,204**	**16,003**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Commercial banks												
9 New York City	1,313	599	1,396	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Outside New York City	1,987	2,174	2,868	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 Corporations[3]	2,358	2,379	3,373	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 All others	4,158	5,052	4,104	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

1. Net 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 agreement to resell.

2. 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 agreeement to resell are excluded when the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

3. All business corporations except commercial banks and insurance companies.

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.

1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt outstanding

Millions of dollars, end of period

Agency	1976	1977	1978	1980					
				Jan.	Feb.	Mar.	Apr.	May	June
1 **Federal and federally sponsored agencies**[1]	**103,848**	**112,472**	**137,063**	**165,819**	**167,813**	**173,216**	**176,880**	**179,062**	**179,353**
2 Federal agencies	22,419	22,760	23,488	24,883	25,013	25,583	25,776	25,904	26,667
3 Defense Department[2]	1,113	983	968	729	719	709	688	679	674
4 Export-Import Bank[3,4]	8,574	8,671	8,711	9,176	9,144	9,627	9,615	9,597	10,275
5 Federal Housing Administration[5]	575	581	588	539	546	550	537	531	524
6 Government National Mortgage Association participation certificates[6]	4,120	3,743	3,141	2,979	2,979	2,979	2,937	2,937	2,877
7 Postal Service[7]	2,998	2,431	2,364	1,837	1,837	1,837	1,837	1,770	1,770
8 Tennessee Valley Authority	4,935	6,015	7,460	9,182	9,347	9,440	9,695	9,920	10,075
9 United States Railway Association[7]	104	336	356	441	441	441	467	470	472
10 Federally sponsored agencies[1]	81,429	89,712	113,575	140,936	142,800	147,633	151,104	153,158	152,686
11 Federal Home Loan Banks	16,811	18,345	27,563	33,122	33,102	35,309	36,352	37,540	36,748
12 Federal Home Loan Mortgage Corporation	1,690	1,686	2,262	2,769	2,764	2,644	2,643	2,642	2,642
13 Federal National Mortgage Association	30,565	31,890	41,080	49,031	50,139	51,614	52,456	52,573	52,389
14 Federal Land Banks	17,127	19,118	20,360	15,106	15,106	15,106	13,940	13,940	13,940
15 Federal Intermediate Credit Banks	10,494	11,174	11,469	2,144	2,144	2,144	2,144	2,144	2,144
16 Banks for Cooperatives	4,330	4,434	4,843	584	584	584	584	584	584
17 Farm Credit Banks[1]	....	2,548	5,081	36,584	37,240	38,446	41,039	41,629	42,058
18 Student Loan Marketing Association[8]	410	515	915	1,595	1,720	1,785	1,945	2,105	2,180
19 Other	2	2	2	1	1	1	1	1	1
MEMO:									
20 **Federal Financing Bank debt**[7,9]	**28,711**	**38,580**	**51,298**	**68,294**	**69,268**	**71,885**	**74,009**	**76,009**	**77,408**
Lending to federal and federally sponsored agencies									
21 Export-Import Bank[4]	5,208	5,834	6,898	8,353	8,353	8,849	8,849	8,849	9,558
22 Postal Service[7]	2,748	2,181	2,114	1,587	1,587	1,587	1,587	1,520	1,520
23 Student Loan Marketing Association[8]	410	515	915	1,595	1,720	1,785	1,945	2,105	2,180
24 Tennessee Valley Authority	3,110	4,190	5,635	7,457	7,622	7,715	7,970	8,195	8,350
25 United States Railway Association[7]	104	336	356	441	441	441	467	470	472
Other Lending[10]									
26 Farmers Home Administration	10,750	16,095	23,825	32,145	32,565	33,410	34,755	35,745	35,745
27 Rural Electrification Administration	1,415	2,647	4,604	6,701	6,874	7,039	7,155	7,631	7,942
28 Other	4,966	6,782	6,951	10,015	10,106	11,059	11,281	11,494	11,641

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 mortgages 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.

1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1977	1978	1979	1980 Mar.	1980 Apr.	1980 May	1980 June	1980 July	1980 Aug.
1 **All issues, new and refunding**[1]	**46,769**	**48,607**	**43,490**	**2,385**	**4,833**	**4,570**	**5,960**	**4,692**	**3,792**
Type of issue									
2 General obligation	18,042	17,854	12,109	731	1,662	1,534	1,886	1,368	787
3 Revenue	28,655	30,658	31,256	1,648	3,170	3,032	4,071	3,319	2,995
4 Housing Assistance Administration[2]	....	....	....	....	....	....	....	....	....
5 U.S. government loans	72	95	125	6	1	4	3	5	10
Type of issuer									
6 State	6,354	6,632	4,314	393	466	749	897	185	304
7 Special district and statutory authority	21,717	24,156	23,434	1,200	2,175	2,276	3,414	3,034	2,200
8 Municipalities, counties, townships, school districts	18,623	17,718	15,617	786	2,192	1,539	1,647	1,468	1,278
9 **Issues for new capital, total**	**36,189**	**37,629**	**41,505**	**2,379**	**4,704**	**4,501**	**5,886**	**4,327**	**3,771**
Use of proceeds									
10 Education	5,076	5,003	5,130	191	488	297	783	618	263
11 Transportation	2,951	3,460	2,441	156	299	193	329	143	98
12 Utilities and conservation	8,119	9,026	8,594	440	607	688	563	1,221	1,176
13 Social welfare	8,274	10,494	15,968	1,133	2,062	1,801	2,986	1,607	1,421
14 Industrial aid	4,676	3,526	3,836	211	315	484	332	120	340
15 Other purposes	7,093	6,120	5,536	248	933	1,038	893	618	473

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.

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1977	1978	1979	1980 Mar.	1980 Apr.	1980 May	1980 June	1980 July	1980 Aug.	1980 Sept.
1 **All issues**[1]	**53,792**	**47,230**	**51,464**	**4,353**	**5,677**	**9,067**	**9,511**	**7,736**[r]	**5,371**	**4,922**
2 **Bonds**	**42,015**	**36,872**	**40,139**	**2,771**	**4,775**	**7,335**	**8,148**	**6,376**	**4,147**	**2,813**
Type of offering										
3 Public	24,072	19,815	25,814	1,985	3,828	6,810	7,548	5,354[r]	3,843	2,421
4 Private placement	17,943	17,057	14,325	786	947	525	600	1,021	304	392
Industry group										
5 Manufacturing	12,204	9,572	9,667	693	1,697	2,400	2,318	2,851[r]	1,499	509
6 Commercial and miscellaneous	6,234	5,246	3,941	215	457	560	1,629	999[r]	203	357
7 Transportation	1,996	2,007	3,102	94	173	364	385	329	338	401
8 Public utility	8,262	7,092	8,118	1,423	572	723	1,412	316	971	555
9 Communication	3,063	3,373	4,219	196	598	1,171	209	787	580	517
10 Real estate and financial	10,258	9,586	11,095	152	1,278	2,116	2,195	1,284[r]	556	472
11 **Stocks**	**11,777**	**10,358**	**11,325**	**1,582**	**902**	**1,732**	**1,363**	**1,361**	**1,224**	**2,109**
Type										
12 Preferred	3,916	2,832	3,574	525	223	202	382	360	101	392
13 Common	7,861	7,526	7,751	1,057	679	1,530	981	1,001	1,123	1,717
Industry group										
14 Manufacturing	1,189	1,241	1,679	598	81	215	127	165[r]	293	502
15 Commercial and miscellaneous	1,834	1,816	2,623	404	374	512	202	390	238	569
16 Transportation	456	263	255	36	9	27	9	....	32	54
17 Public utility	5,865	5,140	5,171	408	319	615	494	714	463	633
18 Communication	1,379	264	303	27	53	25	126	....	46	6
19 Real estate and financial	1,049	1,631	1,293	109	67	338	406	104	152	345

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.

1.48 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1978	1979	1980							
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
INVESTMENT COMPANIES[1]										
1 Sales of own shares[2]	6,645	7,495	723	1,010	1,175	1,772	1,890	1,507	1,405	1,448
2 Redemptions of own shares[3]	7,231	8,393	892	762	647	775	863	1,019	1,228	1,362
3 Net sales	−586	−898	−169	248	528	997	1,027	488	177	86
4 Assets[4]	44,980	49,493	44,581	47,270	50,539	52,946	54,406	54,941	55,779	56,082
5 Cash position[5]	4,507	4,983	5,644	5,862	6,209	6,495	5,629	5,619	5,481	5,445
6 Other	40,473	44,510	38,937	41,708	44,330	46,451	48,777	49,322	50,298	50,637

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.

1.49 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Account	1977	1978	1979	1979				1980		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 **Profits before tax**	**177.1**	**206.0**	**236.6**	**233.3**	**227.9**	**242.3**	**243.0**	**260.4**	**204.8**	**222.4**
2 Profits tax liability	72.6	84.5	92.5	91.3	88.7	94.0	96.1	102.4	77.6	85.2
3 Profits after tax	104.5	121.5	144.1	142.0	139.2	148.3	146.9	158.0	127.2	137.2
4 Dividends	42.1	47.2	52.7	51.5	52.3	52.8	54.4	56.7	58.6	59.7
5 Undistributed profits	62.4	74.4	91.4	90.5	86.9	95.5	92.5	101.3	68.6	77.5
6 Capital consumption allowances	109.3	119.8	131.0	125.4	130.4	132.8	135.2	137.4	139.3	141.4
7 Net cash flow	171.7	194.1	222.3	215.9	217.3	228.3	227.7	238.7	207.9	218.9

SOURCE. *Survey of Current Business* (U.S. Department of Commerce).

1.50 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1975	1976	1977	1978	1979				1980	
					Q1	Q2	Q3	Q4	Q1	Q2
1 **Current assets**	**759.0**	**826.8**	**902.1**	**1,030.0**	**1,081.0**	**1,108.2**	**1,169.5**	**1,200.9**	**1,235.2**	**1,233.8**
2 Cash	82.1	88.2	95.8	104.5	102.7	100.1	103.7	116.1	110.2	111.4
3 U.S. government securities	19.0	23.4	17.6	16.3	17.4	18.6	15.8	15.6	15.1	13.9
4 Notes and accounts receivable	272.1	292.8	324.7	383.8	408.1	421.1	453.0	456.8	471.2	464.2
5 Inventories	315.9	342.4	374.8	426.9	451.4	465.2	489.4	501.7	519.5	525.7
6 Other	69.9	80.1	89.2	98.5	101.4	103.2	107.7	110.8	119.3	118.7
7 **Current liabilities**	**451.6**	**494.7**	**549.4**	**665.5**	**705.4**	**724.7**	**777.8**	**809.1**	**838.3**	**828.1**
8 Notes and accounts payable	264.2	281.9	313.2	373.7	391.3	406.4	438.8	456.3	467.9	463.1
9 Other	187.4	212.8	236.2	291.7	314.1	318.3	339.0	352.8	370.4	364.9
10 **Net working capital**	**307.4**	**332.2**	**352.7**	**364.6**	**375.6**	**383.5**	**391.7**	**391.8**	**397.0**	**405.7**
11 MEMO: Current ratio [1]	1.681	1.672	1.642	1.548	1.532	1.529	1.504	1.484	1.474	1.490

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 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.

1.51 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Industry	1979	1980[2]	1979		1980				1981	
			Q3	Q4	Q1	Q2	Q3	Q4[2]	Q1[2]	Q2[2]
1 **Total nonfarm business**	**270.46**	**294.30**	**273.15**	**284.30**	**291.89**	**294.36**	**296.23**	**294.95**	**310.59**	**323.84**
Manufacturing										
2 Durable goods industries	51.07	58.25	52.13	55.03	58.28	59.38	58.19	57.42	60.23	65.36
3 Nondurable goods industries	47.61	56.65	47.97	51.55	53.49	56.32	58.21	57.96	62.46	65.21
Nonmanufacturing										
4 Mining	11.38	13.50	11.40	11.86	11.89	12.81	13.86	15.25	16.07	18.02
Transportation										
5 Railroad	4.03	4.17	4.13	4.24	4.46	4.06	3.98	4.22	3.62	4.07
6 Air	4.01	3.97	3.95	4.55	3.90	4.27	4.06	3.59	4.04	3.41
7 Other	4.31	3.84	4.60	4.41	4.11	3.76	4.18	3.44	3.83	4.13
Public utilities										
8 Electric	27.65	27.44	28.71	27.16	28.98	27.91	28.14	25.05	27.99	27.93
9 Gas and other	6.31	7.18	6.35	6.92	7.28	7.12	7.44	6.90	8.79	8.29
10 Trade and services	79.26	82.28	78.86	82.69	82.17	81.07	81.19	84.87	84.09	87.43
11 Communication and other[1]	34.83	37.02	35.05	35.90	37.34	37.66	36.97	36.26	39.48	40.01

1. "Other" consists of construction; social services and membership organization; and forestry, fisheries, and agricultural services.

2. Anticipated by business.

SOURCE. *Survey of Current Business* (U.S. Dept. of Commerce).

1.52 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1974	1975	1976	1977	1978	1979			1980	
						Q2	Q3	Q4	Q1	Q2
ASSETS										
Accounts receivable, gross										
1 Consumer	36.1	36.0	38.6	44.0	52.6	58.7	62.3	65.7	67.7	70.2
2 Business	37.2	39.3	44.7	55.2	63.3	70.1	68.1	70.3	70.6	70.3
3 Total	73.3	75.3	83.4	99.2	116.0	128.8	130.4	136.0	138.4	140.4
4 LESS: Reserves for unearned income and losses	9.0	9.4	10.5	12.7	15.6	17.7	18.7	20.0	20.4	21.4
5 Accounts receivable, net	64.2	65.9	72.9	86.5	100.4	111.1	111.7	116.0	118.0	119.0
6 Cash and bank deposits	3.0	2.9	2.6	2.6	3.5					
7 Securities	.4	1.0	1.1	.9	1.3	24.6[1]	25.8	24.9	23.7	26.1
8 All other	12.0	11.8	12.6	14.3	17.3					
9 **Total assets**	**79.6**	**81.6**	**89.2**	**104.3**	**122.4**	**135.8**	**137.4**	**140.9**	**141.7**	**145.1**
LIABILITIES										
10 Bank loans	9.7	8.0	6.3	5.9	6.5	7.3	7.8	8.5	9.7	10.1
11 Commercial paper	20.7	22.2	23.7	29.6	34.5	41.0	39.2	43.3	40.8	40.7
Debt										
12 Short-term, n.e.c.	4.9	4.5	5.4	6.2	8.1	8.8	9.1	8.2	7.4	7.9
13 Long-term n.e.c.	26.5	27.6	32.3	36.0	43.6	46.0	47.5	46.7	48.9	50.5
14 Other	5.5	6.8	8.1	11.5	12.6	14.4	15.4	14.2	15.7	16.0
15 Capital, surplus, and undivided profits	12.4	12.5	13.4	15.1	17.2	18.2	18.4	19.9	19.2	19.9
16 **Total liabilities and capital**	**79.6**	**81.6**	**89.2**	**104.3**	**122.4**	**135.8**	**137.4**	**140.9**	**141.7**	**145.1**

1. Beginning Q1 1979, asset items on lines 6, 7, and 8 are combined.

NOTE. Components may not add to totals due to rounding.

1.53 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Aug. 31, 1980[1]	Changes in accounts receivable			Extensions			Repayments		
		1980			1980			1980		
		June	July	Aug.	June	July	Aug.	June	July	Aug.
1 **Total**	**67,064**	**−336**	**−599**	**−412**	**14,376**	**15,187**	**15,545**	**14,712**	**15,786**	**15,957**
2 Retail automotive (commercial vehicles)	13,125	−389	−363	−232	782	772	883	1,171	1,135	1,115
3 Wholesale automotive	9,814	−10	−514	−101	4,316	4,338	4,710	4,326	4,852	4,811
4 Retail paper on business, industrial and farm equipment	20,884	−105	295	155	1,201	1,466	1,601	1,306	1,171	1,446
5 Loans on commercial accounts receivable and factored commercial accounts receivable	6,700	−235	−194	−358	6,083	6,479	6,349	6,318	6,673	6,707
6 All other business credit	16,541	403	177	124	1,994	2,132	2,002	1,591	1,955	1,878

1. Not seasonally adjusted.

1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1976	1977	1978	1980					
				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	88.0	81.3	89.0	88.6	83.7	84.0
2 Amount of loan (thousands of dollars)	35.9	40.5	45.9	61.3	58.0	63.7	61.5	58.7	61.3
3 Loan/price ratio (percent)	74.2	76.3	75.3	72.4	74.1	73.5	71.2	72.2	75.0
4 Maturity (years)	27.2	27.9	28.0	28.8	28.4	28.9	27.7	27.6	28.2
5 Fees and charges (percent of loan amount)[2]	1.44	1.33	1.39	2.17	2.21	2.13	2.12	2.10	2.16
6 Contract rate (percent per annum)	8.76	8.80	9.30	13.26	12.24	12.11	11.84	11.95	12.20
Yield (percent per annum)									
7 FHLBB series[3]	8.99	9.01	9.54	13.68	12.66	12.51	12.25	12.35	12.60
8 HUD series[4]	8.99	8.95	9.68	13.20	12.45	12.45	13.25	13.70	14.10
SECONDARY MARKETS									
Yield (percent per annum)									
9 FHA mortgages (HUD series)[5]	8.82	8.68	9.70	11.99	11.85	12.39	13.54	14.26	14.38
10 GNMA securities[6]	8.17	8.04	8.98	11.30	11.04	11.53	12.34	12.84	12.91
FNMA auctions[7]									
11 Government-underwritten loans	8.99	8.73	9.77	12.87	12.35	12.65	13.92	14.77	14.94
12 Conventional loans	9.11	8.98	10.01	13.54	12.93	12.80	13.66	14.45	14.70
	Activity in secondary markets								
FEDERAL NATIONAL MORTGAGE ASSOCIATION									
Mortgage holdings (end of period)									
13 Total	32,904	34,370	43,311	55,328	55,419	55,362	55,361	55,632	56,188
14 FHA-insured	18,916	18,457	21,243	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
15 VA-guaranteed	9,212	9,315	10,544	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 Conventional	4,776	6,597	11,524	17,858	18,001	18,034	18,049	18,074	18,448
Mortgage transactions (during period)									
17 Purchases	3,606	4,780	12,303	589	206	100	167	500	771
18 Sales	86	67	5	0	0	0	0	0	0
Mortgage commitments[8]									
19 Contracted (during period)	6,247	9,729	18,960	391	441	734	1,180	1,070	514
20 Outstanding (end of period)	3,398	4,698	9,201	4,064	4,215	4,230	4,545	4,789	4,399
Auction of 4-month commitments to buy									
Government-underwritten loans									
21 Offered[9]	4,929.8	7,974.1	12,978	608.7	602.5	1,055.6	1,063.3	907.0	427.8
22 Accepted	2,787.2	4,846.2	6,747.2	214.1	266.5	430.3	628.10	538.0	257.7
Conventional loans									
23 Offered[9]	2,595.7	5,675.2	9,933.0	279.7	169.7	228.7	430.4	347.7	107.6
24 Accepted	1,879.2	3,917.8	5,110.9	109.1	76.0	140.9	218.8	209.8	93.9
FEDERAL HOME LOAN MORTGAGE CORPORATION									
Mortgage holdings (end of period)[10]									
25 Total	4,269	3,276	3,064	4,031	4,014	4,151	4,295	4,543	4,727
26 FHA/VA	1,618	1,395	1,243	1,076	1,072	1,066	1,058	1,050	1,044
27 Conventional	2,651	1,881	1,822	2,955	2,942	3,085	3,237	3,492	3,629
Mortgage transactions (during period)									
28 Purchases	1,175	3,900	6,524	176	225	440	495	521	398
29 Sales	1,396	4,131	6,211	391	232	288	320	275	187
Mortgage commitments[11]									
30 Contracted (during period)	1,477	5,546	7,451	491	577	708	476	218	222
31 Outstanding (end of period)	333	1,063	1,410	932	1,246	1,386	1,300	934	726

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.

1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1977	1978	1979	1979 Q3	1979 Q4	1980 Q1	1980 Q2	1980 Q3
1 **All holders**	**1,023,505**	**1,172,754**	**1,333,550**	**1,295,935**	**1,333,550**	**1,363,787**	**1,386,344**	**1,419,155**
2 1- to 4-family	656,566	761,843	872,068	846,287	872,068	890,121	904,226	926,161
3 Multifamily	111,841	121,972	130,713	128,270	130,713	132,795	133,646	136,010
4 Commercial	189,274	212,746	238,412	232,208	238,412	243,839	247,085	252,715
5 Farm	65,824	76,193	92,357	89,170	92,357	97,032	101,387	104,269
6 Major financial institutions	745,011	848,095	939,487	920,231	939,487	951,898	958,887	977,449
7 Commercial banks[1]	178,979	213,963	245,998	239,627	245,998	251,198	253,098	257,998
8 1- to 4-family	105,115	126,966	145,975	142,195	145,975	149,061	150,188	153,095
9 Multifamily	9,215	10,912	12,546	12,221	12,546	12,811	12,908	13,158
10 Commercial	56,898	67,056	77,096	75,099	77,096	78,725	79,321	80,857
11 Farm	7,751	9,029	10,381	10,112	10,381	10,601	10,681	10,888
12 Mutual savings banks	88,104	95,157	98,908	97,929	98,908	99,151	99,150	99,306
13 1- to 4-family	57,637	62,252	64,706	64,065	64,706	64,865	64,864	64,966
14 Multifamily	15,304	16,529	17,180	17,010	17,180	17,223	17,223	17,249
15 Commercial	15,110	16,319	16,963	16,795	16,963	17,004	17,004	17,031
16 Farm	53	57	59	59	59	59	59	60
17 Savings and loan associations	381,163	432,808	475,797	468,307	475,797	479,078	481,184	492,068
18 1- to 4-family	310,686	356,114	394,436	387,992	394,436	398,114	398,864	408,908
19 Multifamily	32,513	36,053	37,588	37,277	37,588	37,224	37,340	38,185
20 Commercial	37,964	40,641	43,773	43,038	43,773	43,740	43,980	44,975
21 Life insurance companies	96,765	106,167	118,784	114,368	118,784	122,471	125,455	128,077
22 1- to 4-family	14,727	14,436	16,193	14,884	16,193	16,850	17,796	17,996
23 Multifamily	18,807	19,000	19,274	19,107	19,274	19,590	19,284	19,357
24 Commercial	54,388	62,232	71,137	68,513	71,137	73,618	75,693	77,995
25 Farm	8,843	10,499	12,180	11,864	12,180	12,413	12,682	12,729
26 Federal and related agencies	70,006	81,853	97,293	93,143	97,293	104,133	108,742	110,695
27 Government National Mortgage Association	3,660	3,509	3,852	3,382	3,852	3,919	4,466	4,389
28 1- to 4-family	1,548	877	763	780	763	749	736	719
29 Multifamily	2,112	2,632	3,089	2,602	3,089	3,170	3,730	3,670
30 Farmers Home Administration	1,353	926	1,274	1,383	1,274	2,845	3,375	3,525
31 1- to 4-family	626	288	417	163	417	1,139	1,383	978
32 Multifamily	275	320	71	299	71	408	636	774
33 Commercial	149	101	174	262	174	409	402	370
34 Farm	303	217	612	659	612	889	954	1,403
35 Federal Housing and Veterans Administration	5,212	5,419	5,764	5,672	5,764	5,833	5,894	5,769
36 1- to 4-family	1,627	1,641	1,863	1,795	1,863	1,908	1,953	1,826
37 Multifamily	3,585	3,778	3,901	3,877	3,901	3,925	3,941	3,943
38 Federal National Mortgage Association	34,369	43,311	51,091	49,173	51,091	53,990	55,419	55,632
39 1- to 4-family	28,504	37,579	45,488	43,534	45,488	48,394	49,837	50,071
40 Multifamily	5,865	5,732	5,603	5,639	5,603	5,596	5,582	5,561
41 Federal Land Banks	22,136	25,624	31,277	29,804	31,277	33,311	35,574	36,837
42 1- to 4-family	670	927	1,552	1,374	1,552	1,708	1,893	1,985
43 Farm	21,466	24,697	29,725	28,430	29,725	31,603	33,681	34,852
44 Federal Home Loan Mortgage Corporation	3,276	3,064	4,035	3,729	4,035	4,235	4,014	4,543
45 1- to 4-family	2,738	2,407	3,059	2,850	3,059	3,210	3,037	3,459
46 Multifamily	538	657	976	879	976	1,025	977	1,084
47 Mortgage pools or trusts[2]	70,289	88,633	119,278	110,648	119,278	124,632	129,647	135,356
48 Government National Mortgage Association	44,896	54,347	76,401	69,357	76,401	80,843	84,282	89,452
49 1- to 4-family	43,555	52,732	74,546	67,535	74,546	78,872	82,208	87,276
50 Multifamily	1,341	1,615	1,855	1,822	1,855	1,971	2,074	2,176
51 Federal Home Loan Mortgage Corporation	6,610	11,892	15,180	14,421	15,180	15,454	16,120	16,659
52 1- to 4-family	5,621	9,657	12,149	11,568	12,149	12,359	12,886	13,318
53 Multifamily	989	2,235	3,031	2,853	3,031	3,095	3,234	3,341
54 Farmers Home Administration	18,783	22,394	27,697	26,870	27,697	28,335	29,245	29,245
55 1- to 4-family	11,397	13,400	14,884	14,972	14,884	14,926	15,224	15,224
56 Multifamily	759	1,116	2,163	1,763	2,163	2,159	2,159	2,159
57 Commercial	2,945	3,560	4,328	4,054	4,328	4,495	4,763	4,763
58 Farm	3,682	4,318	6,322	6,081	6,322	6,755	7,099	7,099
59 Individual and others[3]	138,199	154,173	177,492	171,913	177,492	183,153	189,068	195,655
60 1- to 4-family	72,115	82,567	96,037	92,580	96,037	99,012	102,357	106,340
61 Multifamily	20,538	21,393	23,436	22,921	23,436	23,936	24,558	25,353
62 Commercial	21,820	22,837	24,941	24,447	24,941	25,493	25,922	26,724
63 Farm	23,726	27,376	33,078	31,965	33,078	34,712	36,231	37,238

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 governmental 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.

1.56 CONSUMER INSTALLMENT CREDIT[1] Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1977	1978	1979	1980 Apr.	May	June	July	Aug.	Sept.	Oct.
	Amounts outstanding (end of period)									
1 **Total**	**230,829**	**275,629**	**311,122**	**306,131**	**303,759**	**301,378**	**301,754**	**303,263**	**304,707**	**305,452**
By major holder										
2 Commercial banks	112,373	136,189	149,604	145,405	143,174	140,922	140,489	140,790	141,037	140,897
3 Finance companies	44,868	54,298	68,318	71,545	72,101	73,118	73,909	74,433	74,823	74,985
4 Credit unions	37,605	45,939	48,186	45,731	44,907	43,740	43,390	43,347	43,562	43,518
5 Retailers[2]	23,490	24,876	27,916	25,746	25,792	25,724	25,707	26,065	26,372	26,925
6 Savings and loans	7,354	8,394	10,361	10,887	10,930	10,995	11,204	11,390	11,548	11,893
7 Gasoline companies	2,963	3,240	4,316	4,503	4,581	4,664	4,888	5,102	5,205	5,042
8 Mutual savings banks	2,176	2,693	2,421	2,314	2,274	2,215	2,167	2,136	2,160	2,192
By major type of credit										
9 Automobile	82,911	102,468	115,022	115,014	114,318	113,174	113,604	114,061	114,334	114,452
10 Commercial banks	49,577	60,564	65,229	62,978	61,928	60,584	60,466	60,370	60,287	60,145
11 Indirect paper	27,379	33,850	37,209	36,325	35,791	34,929	34,704	34,630	34,612	34,557
12 Direct loans	22,198	26,714	28,020	26,653	26,137	25,655	25,762	25,740	25,675	25,588
13 Credit unions	18,099	21,967	23,042	21,868	21,474	20,916	20,749	20,728	20,831	20,810
14 Finance companies	15,235	19,937	26,751	30,168	30,916	31,674	32,389	32,963	33,216	33,497
15 Revolving	39,274	47,051	55,330	52,217	51,823	51,246	51,330	52,126	52,651	52,945
16 Commercial banks	18,374	24,434	28,954	27,889	27,456	26,926	26,841	27,114	27,252	27,211
17 Retailers	17,937	19,377	22,060	19,825	19,786	19,656	19,601	19,910	20,194	20,692
18 Gasoline companies	2,963	3,240	4,316	4,503	4,581	4,664	4,888	5,102	5,205	5,042
19 Mobile home	15,141	16,042	17,409	17,668	17,642	17,779	17,809	17,860	17,928	18,052
20 Commercial banks	9,124	9,553	9,991	9,965	9,927	10,039	10,000	9,968	9,945	9,897
21 Finance companies	3,077	3,152	3,390	3,523	3,529	3,544	3,546	3,566	3,601	3,657
22 Savings and loans	2,538	2,848	3,516	3,694	3,709	3,731	3,802	3,865	3,919	4,036
23 Credit unions	402	489	512	486	477	465	461	461	463	462
24 Other	93,503	110,068	123,361	121,232	119,976	119,179	119,011	119,216	119,794	120,003
25 Commercial banks	35,298	41,638	45,430	44,573	43,863	43,373	43,182	43,338	43,553	43,644
26 Finance companies	26,556	31,209	38,177	37,854	37,656	37,900	37,974	37,904	38,006	37,831
27 Credit unions	19,104	23,483	24,632	23,377	22,956	22,359	22,180	22,158	22,268	22,246
28 Retailers	5,553	5,499	5,856	5,921	6,006	6,068	6,106	6,155	6,178	6,233
29 Savings and loans	4,816	5,546	6,845	7,193	7,221	7,264	7,402	7,525	7,629	7,857
30 Mutual savings banks	2,176	2,693	2,421	2,314	2,274	2,215	2,167	2,136	2,160	2,192
	Net change (during period)[3]									
31 **Total**	**35,278**	**44,810**	**35,491**	**-1,985**	**-3,434**	**-3,463**	**-609**	**15**	**1,450**	**1,465**
By major holder										
32 Commercial banks	18,645	23,813	13,414	-2,237	-2,495	-2,659	-972	-433	168	-78
33 Finance companies	5,948	9,430	14,020	984	105	625	418	495	628	369
34 Credit unions	6,436	8,334	2,247	-743	-977	-1,362	-381	-303	12	250
35 Retailers[2]	2,654	1,386	3,040	-65	-58	-108	140	112	424	465
36 Savings and loans	1,111	1,041	1,967	83	75	89	196	76	182	332
37 Gasoline companies	132	276	1,076	14	-42	8	36	101	30	70
38 Mutual savings banks	352	530	-273	-21	-42	-56	-46	-33	6	57
By major type of credit										
39 Automobile	15,204	19,557	12,554	-645	-1,343	-1,738	-93	174	443	490
40 Commercial banks	9,956	10,987	4,665	-1,335	-1,246	-1,519	-413	-263	23	-166
41 Indirect paper	5,307	6,471	3,359	-698	-626	-945	-365	-187	12	-51
42 Direct loans	4,649	4,516	1,306	-637	-620	-574	-48	-76	11	-115
43 Credit unions	2,861	3,868	1,075	-373	-482	-660	-175	-152	-3	118
44 Finance companies	2,387	4,702	6,814	1,063	385	441	495	589	423	538
45 Revolving	6,248	7,776	8,279	-388	-488	-748	14	142	346	467
46 Commercial banks	4,015	6,060	4,520	-260	-308	-562	-131	-30	-66	-3
47 Retailers	2,101	1,440	2,683	-142	-138	-194	109	71	382	400
48 Gasoline companies	132	276	1,076	14	-42	8	36	101	30	70
49 Mobile home	565	897	1,366	36	-33	97	26	-8	50	102
50 Commercial banks	387	426	437	-30	-54	74	-43	-52	-29	-49
51 Finance companies	-189	74	238	41	5	13	-6	18	28	36
52 Savings and loans	297	310	668	33	23	23	78	29	51	115
53 Credit unions	70	87	23	-8	-7	-13	-3	-3	0	0
54 Other	13,261	16,580	13,292	-988	-1,570	-1,074	-556	-293	611	406
55 Commercial banks	4,287	6,340	3,792	-612	-887	-652	-385	-88	240	140
56 Finance companies	3,750	4,654	6,968	-120	-285	171	-71	-112	177	-205
57 Credit unions	3,505	4,379	1,149	-362	-488	-689	-203	-148	15	132
58 Retailers	553	-54	357	77	80	86	31	41	42	65
59 Savings and loans	814	731	1,299	50	52	66	118	47	131	217
60 Mutual savings banks	352	530	-273	-21	-42	-56	-46	-33	6	57

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 credit); 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 $70.9 billion at the end of 1979, $64.7 billion at the end of 1978, $58.6 billion at the end of 1977, and $55.4 billion at the end of 1976.

1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

Holder, and type of credit	1977	1978	1979	1980 Apr.	May	June	July	Aug.	Sept.	Oct.
				Extensions						
1 **Total**	**254,071**	**298,351**	**322,558**	**22,548**	**21,239**	**20,698**	**24,497**	**25,601**	**27,308**	**27,548**
By major holder										
2 Commercial banks	117,896	142,720	149,599	9,338	8,812	8,574	10,548	10,893	11,905	11,704
3 Finance companies	41,989	50,505	61,518	4,841	4,304	4,324	4,888	5,204	5,359	5,229
4 Credit unions	34,028	40,023	36,778	1,865	1,615	1,302	2,267	2,354	2,733	3,088
5 Retailers[1]	39,133	41,619	46,092	3,870	3,880	3,881	4,032	4,375	4,422	4,395
6 Savings and loans	4,485	5,050	7,333	555	536	576	711	605	726	859
7 Gasoline companies	14,617	16,125	19,607	1,978	2,011	1,971	1,971	2,078	2,033	2,082
8 Mutual savings banks	1,923	2,309	1,631	101	81	70	80	92	130	191
By major type of credit										
9 Automobile	75,641	88,987	91,847	5,725	5,192	4,770	6,609	6,964	7,718	7,632
10 Commercial banks	46,363	53,028	50,596	2,398	2,354	2,160	3,239	3,499	3,928	3,751
11 Indirect paper	25,149	29,336	28,183	1,433	1,353	1,092	1,645	1,895	2,124	2,055
12 Direct loans	21,214	23,692	22,413	965	1,001	1,068	1,594	1,604	1,804	1,696
13 Credit unions	16,616	19,486	18,301	962	838	708	1,178	1,224	1,444	1,572
14 Finance companies	12,662	16,473	22,950	2,365	2,000	1,902	2,192	2,241	2,346	2,309
15 Revolving	86,756	104,587	120,728	10,293	10,089	9,635	10,522	10,652	10,897	11,118
16 Commercial banks	38,256	51,531	60,406	4,929	4,745	4,342	4,974	4,785	5,005	5,159
17 Retailers	33,883	36,931	40,715	3,386	3,333	3,322	3,577	3,789	3,859	3,877
18 Gasoline companies	14,617	16,125	19,607	1,978	2,011	1,971	1,971	2,078	2,033	2,082
19 Mobile home	5,425	6,067	6,395	436	324	464	421	387	485	511
20 Commercial banks	3,466	3,704	3,720	220	166	302	195	202	230	230
21 Finance companies	643	886	797	84	52	53	49	59	84	87
22 Savings and loans	1,120	1,239	1,687	128	103	110	169	117	158	185
23 Credit unions	196	238	191	4	3	−1	8	9	13	9
24 Other	86,249	98,710	103,588	6,094	5,634	5,829	6,945	7,598	8,208	8,287
25 Commercial banks	29,811	34,457	34,877	1,791	1,547	1,770	2,140	2,407	2,742	2,564
26 Finance companies	28,684	33,146	37,771	2,392	2,252	2,369	2,647	2,904	2,929	2,833
27 Credit unions	17,216	20,299	18,286	899	774	595	1,081	1,121	1,276	1,507
28 Retailers	5,250	4,688	5,377	484	547	559	455	586	563	518
29 Savings and loans	3,365	3,811	5,646	427	433	466	542	488	568	674
30 Mutual savings banks	1,923	2,309	1,631	101	81	70	80	92	130	191
				Liquidations						
31 **Total**	**218,793**	**253,541**	**287,067**	**24,533**	**24,673**	**24,161**	**25,106**	**25,586**	**25,858**	**26,083**
By major holder										
32 Commercial banks	99,251	118,907	136,185	11,575	11,307	11,233	11,520	11,326	11,737	11,782
33 Finance companies	36,041	41,075	47,498	3,857	4,199	3,699	4,470	4,709	4,731	4,860
34 Credit unions	27,592	31,689	34,531	2,608	2,592	2,664	2,648	2,657	2,721	2,838
35 Retailers[1]	36,479	40,233	43,052	3,935	3,938	3,989	3,892	4,263	3,998	3,930
36 Savings and loans	3,374	4,009	5,366	472	461	487	515	529	544	527
37 Gasoline companies	14,485	15,849	18,531	1,964	2,053	1,963	1,935	1,977	2,003	2,012
38 Mutual savings banks	1,571	1,779	1,904	122	123	126	126	125	124	134
By major type of credit										
39 Automobile	60,437	69,430	79,293	6,370	6,535	6,508	6,702	6,790	7,275	7,142
40 Commercial banks	36,407	42,041	45,931	3,733	3,600	3,679	3,652	3,762	3,905	3,917
41 Indirect paper	19,842	22,865	24,824	2,131	1,979	2,037	2,010	2,082	2,112	2,106
42 Direct loans	16,565	19,176	21,107	1,602	1,621	1,642	1,642	1,680	1,793	1,811
43 Credit unions	13,755	15,618	17,226	1,335	1,320	1,368	1,353	1,376	1,447	1,454
44 Finance companies	10,275	11,771	16,136	1,302	1,615	1,461	1,697	1,652	1,923	1,771
45 Revolving	80,508	96,811	112,449	10,681	10,577	10,383	10,508	10,510	10,551	10,651
46 Commercial banks	34,241	45,471	55,886	5,189	5,053	4,904	5,105	4,815	5,071	5,162
47 Retailers	31,782	35,491	38,032	3,528	3,471	3,516	3,468	3,718	3,477	3,477
48 Gasoline companies	14,485	15,849	18,531	1,964	2,053	1,963	1,935	1,977	2,003	2,012
49 Mobile home	4,860	5,170	5,029	400	357	367	395	395	435	409
50 Commercial banks	3,079	3,278	3,283	250	220	228	238	254	259	279
51 Finance companies	832	812	559	43	47	40	55	41	56	51
52 Savings and loans	823	929	1,019	95	80	87	91	88	107	70
53 Credit unions	126	151	168	12	10	12	11	12	13	9
54 Other	72,988	82,130	90,296	7,082	7,204	6,903	7,501	7,891	7,597	7,881
55 Commercial banks	25,524	28,117	31,085	2,403	2,434	2,422	2,525	2,495	2,502	2,424
56 Finance companies	24,934	28,492	30,803	2,512	2,537	2,198	2,718	3,016	2,752	3,038
57 Credit unions	13,711	15,920	17,137	1,261	1,262	1,284	1,284	1,269	1,261	1,375
58 Retailers	4,697	4,742	5,020	407	467	473	424	545	521	453
59 Savings and loans	2,551	3,080	4,347	377	381	400	424	441	437	457
60 Mutual savings banks	1,571	1,779	1,904	122	123	126	126	125	124	134

1. Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies.

1.58 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Transaction category, sector	1974	1975	1976	1977	1978	1979	1977	1978		1979		1980
							H2	H1	H2	H1	H2	H1
						Nonfinancial sectors						
1 **Total funds raised**	**191.3**	**210.8**	**271.9**	**338.5**	**400.3**	**394.9**	**378.9**	**384.5**	**416.1**	**380.5**	**408.2**	**325.1**
2 Excluding equities	187.4	200.7	261.1	335.4	398.2	390.6	373.8	387.1	409.3	377.7	402.3	316.5
By sector and instrument												
3 U.S. government	11.8	85.4	69.0	56.8	53.7	37.4	67.4	61.4	46.0	28.6	46.1	62.8
4 Treasury securities	12.0	85.8	69.1	57.6	55.1	38.8	68.6	62.3	47.9	30.9	46.6	63.4
5 Agency issues and mortgages	-.2	-.4	-.1	-.9	-1.4	-1.4	-1.2	-.9	-1.9	-2.3	-.5	-.6
6 All other nonfinancial sectors	179.5	125.4	202.9	281.8	346.6	357.6	311.5	323.1	370.2	351.9	362.1	262.3
7 Corporate equities	3.8	10.1	10.8	3.1	2.1	4.3	5.1	-2.6	6.8	2.8	5.9	8.6
8 Debt instruments	175.6	115.3	192.0	278.6	344.5	353.2	306.4	325.7	363.4	349.1	356.2	253.7
9 Private domestic nonfinancial sectors	164.1	112.1	182.0	267.9	314.4	336.4	294.2	302.5	326.3	338.6	333.0	234.2
10 Corporate equities	4.1	9.9	10.5	2.7	2.6	3.5	4.9	-1.8	7.0	2.8	4.1	6.3
11 Debt instruments	160.0	102.1	171.5	265.1	311.8	333.0	289.3	304.3	319.2	335.8	328.9	227.8
12 Debt capital instruments	98.0	98.4	123.5	175.6	196.6	199.9	192.5	188.0	205.1	198.8	201.1	168.1
13 State and local obligations	16.5	16.1	15.7	23.7	28.3	18.9	25.0	27.8	28.7	16.0	21.8	17.8
14 Corporate bonds	19.7	27.2	22.8	21.0	20.1	21.2	25.4	20.6	19.6	22.4	19.9	33.3
Mortgages												
15 Home	34.8	39.5	63.7	96.4	104.5	109.1	103.1	99.8	109.2	109.8	108.5	72.3
16 Multifamily residential	6.9	*	1.8	7.4	10.2	8.9	8.4	9.3	11.2	8.1	9.7	7.2
17 Commercial	15.1	11.0	13.4	18.4	23.3	25.7	21.9	21.2	25.4	26.0	25.4	20.9
18 Farm	5.0	4.6	6.1	8.8	10.2	16.2	8.7	9.3	11.1	16.6	15.9	16.6
19 Other debt instruments	62.0	3.8	48.0	89.5	115.2	133.0	96.7	116.3	114.1	137.0	127.8	59.7
20 Consumer credit	9.9	9.7	25.6	40.6	50.6	44.2	44.5	50.1	51.0	48.3	39.0	-9.2
21 Bank loans n.e.c.	31.7	-12.3	4.0	27.0	37.3	50.6	26.7	43.1	31.4	48.2	52.9	17.8
22 Open market paper	6.6	-2.6	4.0	2.9	5.2	10.9	2.4	5.3	5.1	12.0	9.7	29.7
23 Other	13.7	9.0	14.4	19.0	22.2	27.3	23.2	17.8	26.5	28.4	26.2	21.3
24 By borrowing sector	164.1	112.1	182.0	267.9	314.4	336.4	294.2	302.5	326.3	338.6	333.0	234.2
25 State and local governments	15.5	13.7	15.2	20.4	23.6	15.5	25.0	21.0	26.1	13.0	18.0	16.0
26 Households	51.2	49.5	90.7	139.9	162.6	165.0	150.4	156.1	169.1	168.1	161.0	91.4
27 Farm	8.0	8.8	10.9	14.7	18.1	25.8	13.8	15.3	20.8	23.5	28.1	23.6
28 Nonfarm noncorporate	7.7	2.0	5.4	12.5	15.4	15.8	12.5	16.3	14.5	15.3	16.0	9.2
29 Corporate	81.7	38.1	59.8	80.3	94.7	114.3	92.4	93.7	95.8	118.7	109.8	94.1
30 Foreign	15.4	13.3	20.8	13.9	32.3	21.1	17.3	20.6	43.9	13.3	29.1	28.1
31 Corporate equities	-.2	.2	.3	.4	-.5	.9	.2	-.8	-.2	*	1.7	2.2
32 Debt instruments	15.7	13.2	20.5	13.5	32.8	20.3	17.1	21.4	44.1	13.3	27.3	25.9
33 Bonds	2.1	6.2	8.6	5.1	4.0	3.9	5.7	5.0	3.0	3.0	4.7	2.0
34 Bank loans n.e.c.	4.7	3.9	6.8	3.1	18.3	2.3	6.5	9.3	27.3	1.0	3.5	2.7
35 Open market paper	7.3	.3	1.9	2.4	6.6	11.2	2.2	3.6	9.6	6.1	16.3	15.7
36 U.S. government loans	1.6	2.8	3.3	3.0	3.9	3.0	2.9	3.6	4.2	3.1	2.8	5.5
						Financial sectors						
37 **Total funds raised**	**39.2**	**12.7**	**24.1**	**54.0**	**81.4**	**87.4**	**60.3**	**80.7**	**82.1**	**87.0**	**87.8**	**59.2**
By instrument												
38 U.S. government related	23.1	13.5	18.6	26.3	41.4	52.4	29.9	38.5	44.3	45.8	59.0	45.8
39 Sponsored credit agency securities	16.6	2.3	3.3	7.0	23.1	24.3	6.8	21.9	24.3	21.5	27.0	25.1
40 Mortgage pool securities	5.8	10.3	15.7	20.5	18.3	28.1	23.1	16.6	20.1	24.2	32.0	20.7
41 Loans from U.S. government	.7	.9	-.4	-1.2	0	0	0	0	0	0	0	0
42 Private financial sectors	16.2	-.8	5.5	27.7	40.0	35.0	30.4	42.2	37.8	41.2	28.8	13.3
43 Corporate equities	.3	.6	1.0	.9	1.7	1.2	.8	2.2	1.1	2.8	-.4	8.5
44 Debt instruments	15.9	-1.4	4.4	26.9	38.3	33.8	29.6	40.0	36.7	38.4	29.2	4.8
45 Corporate bonds	2.1	2.9	5.8	10.1	7.5	7.8	10.1	8.5	6.4	8.7	7.0	10.7
46 Mortgages	-1.3	2.3	2.1	3.1	.9	-1.2	3.0	2.1	-.3	-.5	-1.9	-6.7
47 Bank loans n.e.c.	4.6	-3.7	-3.7	-.3	2.8	-.4	1.2	2.5	3.1	-.7	-.2	.3
48 Open market paper and repurchase agreements	3.8	1.1	2.2	9.6	14.6	18.4	9.5	13.5	15.7	23.0	13.8	-3.5
49 Loans from Federal Home Loan Banks	6.7	-4.0	-2.0	4.3	12.5	9.2	5.8	13.2	11.8	7.8	10.5	4.1
By sector												
50 Sponsored credit agencies	17.3	3.2	2.6	5.8	23.1	24.3	6.8	21.9	24.3	21.5	27.0	25.1
51 Mortgage pools	5.8	10.3	15.7	20.5	18.3	28.1	23.1	16.6	20.1	24.2	32.0	20.7
52 Private financial sectors	16.2	-.8	5.5	27.7	40.0	35.0	30.4	42.2	37.8	41.2	28.8	13.3
53 Commercial banks	1.2	1.2	2.3	1.1	1.3	1.6	1.5	1.5	1.1	1.3	1.8	2.3
54 Bank affiliates	3.5	.3	-.8	1.3	6.7	4.5	1.2	5.8	7.6	6.2	2.9	4.5
55 Savings and loan associations	4.8	-2.3	.1	9.9	14.3	11.4	11.5	16.4	12.2	9.9	12.9	-4.6
56 Other insurance companies	.9	1.0	.9	.9	1.1	1.0	1.0	1.0	1.1	1.0	.9	.8
57 Finance companies	6.0	.5	6.4	17.6	18.6	18.9	18.5	18.9	18.2	23.5	14.3	5.5
58 REITs	.6	-1.4	-2.4	-2.2	-1.0	-.4	-2.0	-1.0	-1.0	-.6	-.1	-.9
59 Open-end investment companies	-.7	-.1	-1.0	-.9	-1.0	-2.1	-1.3	-.5	-1.5	-.3	-3.9	5.7
						All sectors						
60 **Total funds raised, by instrument**	**230.5**	**223.5**	**296.0**	**392.5**	**481.7**	**482.3**	**439.2**	**465.2**	**498.3**	**467.4**	**496.0**	**384.2**
61 Investment company shares	-.7	-.1	-1.0	-.9	-1.0	-2.1	-1.3	-.5	-1.5	-.3	-3.9	5.7
62 Other corporate equities	4.8	10.8	12.9	4.9	4.7	7.6	7.2	.1	9.4	5.8	9.3	11.4
63 Debt instruments	226.4	212.8	284.1	388.5	478.0	476.8	433.3	465.5	490.4	461.9	490.5	367.2
64 U.S. government securities	34.3	98.2	88.1	84.3	95.2	89.9	97.4	100.0	90.4	74.5	105.2	108.8
65 State and local obligations	16.5	16.1	15.7	23.7	28.3	18.9	25.0	27.8	28.7	16.0	21.8	17.8
66 Corporate and foreign bonds	23.9	36.4	37.2	36.1	31.6	32.9	41.1	34.2	29.1	34.1	31.5	45.9
67 Mortgages	60.5	57.2	87.1	134.0	149.0	158.6	145.1	141.6	156.4	159.8	157.4	110.2
68 Consumer credit	9.9	9.7	25.6	40.6	50.6	44.2	44.5	50.1	51.0	48.3	39.0	-9.2
69 Bank loans n.e.c.	41.0	-12.2	7.0	29.8	58.4	52.5	34.4	54.9	61.8	48.6	56.2	20.9
70 Open market paper and RPs	17.7	-1.2	8.1	15.0	26.4	40.5	14.0	22.4	30.4	41.1	39.8	41.9
71 Other loans	22.7	8.7	15.3	25.2	38.6	39.5	31.8	34.6	42.5	39.4	39.5	30.8

1.59 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	1974	1975	1976	1977	1978	1979	1977 H2	1978 H1	1978 H2	1979 H1	1979 H2	1980 H1
1 **Total funds advanced in credit markets to nonfinancial sectors**	**187.4**	**200.7**	**261.1**	**355.4**	**398.2**	**390.6**	**373.8**	**387.1**	**409.3**	**377.7**	**402.3**	**316.5**
By public agencies and foreign												
2 Total net advances	53.7	44.6	54.3	85.1	109.7	80.1	104.2	102.8	116.6	47.6	112.5	104.7
3 U.S. government securities	11.9	22.5	26.8	40.2	43.9	2.0	53.3	43.7	44.0	-22.1	26.2	24.8
4 Residential mortgages	14.7	16.2	12.8	20.4	26.5	36.1	22.0	22.2	30.7	32.6	39.6	33.5
5 FHLB advances to savings and loans	6.7	-4.0	-2.0	4.3	12.5	9.2	5.8	13.2	11.8	7.8	10.5	4.1
6 Other loans and securities	20.5	9.8	16.6	20.2	26.9	32.8	23.1	23.7	30.1	29.2	36.3	42.3
Total advanced, by sector												
7 U.S. government	9.8	15.1	8.9	11.8	20.4	22.5	17.8	19.4	21.4	23.8	21.3	32.2
8 Sponsored credit agencies	26.5	14.8	20.3	26.8	44.6	57.5	32.0	39.4	49.8	49.9	65.2	44.0
9 Monetary authorities	6.2	8.5	9.8	7.1	7.0	7.7	4.0	13.4	.5	.9	14.5	14.3
10 Foreign	11.2	6.1	15.2	39.4	37.7	-7.7	50.4	30.6	44.9	-27.0	11.7	14.2
11 Agency borrowing not included in line 1	23.1	13.5	18.6	26.3	41.4	52.4	29.9	38.5	44.3	45.8	59.0	45.8
Private domestic funds advanced												
12 Total net advances	156.8	169.7	225.4	276.5	330.0	362.9	299.6	322.8	337.1	375.9	348.8	257.7
13 U.S. government securities	22.4	75.7	61.3	44.1	51.3	87.9	44.1	56.3	46.4	96.6	79.1	83.9
14 State and local obligations	16.5	16.1	15.7	23.7	28.3	18.9	25.0	27.8	28.7	16.0	21.8	17.8
15 Corporate and foreign bonds	20.9	32.8	30.5	22.5	22.5	25.6	27.0	24.1	20.9	26.9	24.3	31.5
16 Residential mortgages	26.9	23.2	52.7	83.3	88.2	81.8	89.4	86.7	89.6	85.1	78.5	45.9
17 Other mortgages and loans	76.8	17.9	63.3	107.3	152.2	157.9	119.7	141.1	163.3	159.1	155.6	82.6
18 LESS: Federal Home Loan Bank advances	6.7	-4.0	-2.0	4.3	12.5	9.2	5.8	13.2	11.8	7.8	10.5	4.1
Private financial intermediation												
19 Credit market funds advanced by private financial institutions	125.5	122.5	190.3	255.9	296.9	291.4	265.0	301.7	292.0	308.2	274.5	231.3
20 Commercial banking	66.6	29.4	59.6	87.6	128.7	121.1	90.7	132.5	125.0	124.6	117.6	57.3
21 Savings institutions	24.2	53.5	70.8	82.0	75.9	56.3	82.6	75.8	75.9	57.7	54.9	28.8
22 Insurance and pension funds	29.8	40.6	49.9	67.9	73.5	70.4	70.6	76.9	70.2	75.4	65.5	84.6
23 Other finance	4.8	-1.0	10.0	18.4	18.7	43.6	21.2	16.6	20.8	50.6	36.6	60.7
24 Sources of funds	125.5	122.5	190.3	255.9	296.9	291.4	265.0	301.7	292.0	308.2	274.5	231.3
25 Private domestic deposits	67.5	92.0	124.6	141.2	142.5	136.7	143.8	138.3	146.7	121.7	151.6	149.7
26 Credit market borrowing	15.9	-1.4	4.4	26.9	38.3	33.8	29.6	40.0	36.7	38.4	29.2	4.8
27 Other sources	42.1	32.0	61.3	87.8	116.0	120.9	91.7	123.5	108.6	148.1	93.7	76.8
28 Foreign funds	10.3	-8.7	-4.6	1.2	6.3	26.3	.8	5.7	6.9	49.4	3.2	-16.5
29 Treasury balances	-5.1	-1.7	-.1	4.3	6.8	.4	8.5	1.9	11.6	5.1	-4.3	-2.0
30 Insurance and pension reserves	26.2	29.7	34.5	49.4	62.7	49.0	53.4	66.2	59.2	53.9	44.0	59.8
31 Other, net	10.6	12.7	31.4	32.9	40.3	45.2	29.0	49.6	31.0	39.6	50.8	35.4
Private domestic nonfinancial investors												
32 Direct lending in credit markets	47.2	45.8	39.5	47.5	71.4	105.4	64.1	61.1	81.7	106.1	103.5	31.2
33 U.S. government securities	18.9	24.1	16.1	23.0	33.2	57.8	34.2	32.1	34.4	64.1	51.5	14.6
34 State and local obligations	9.3	8.4	3.8	2.6	4.5	-2.5	5.7	7.0	2.0	-2.3	-2.7	-3.4
35 Corporate and foreign bonds	5.1	8.4	5.8	-3.3	-1.4	12.2	-6.5	-3.7	1.0	7.1	17.2	5.3
36 Commercial paper	5.8	-1.3	1.9	9.5	16.3	10.7	10.8	8.2	24.4	12.5	9.0	-8.0
37 Other	8.0	6.2	11.8	15.7	18.7	27.1	19.9	17.5	20.0	24.7	28.5	22.6
38 Deposits and currency	73.8	98.1	131.9	149.5	151.8	144.7	154.5	148.7	154.8	131.1	158.1	158.7
39 Security RPs	-2.2	.2	2.3	2.2	7.5	6.6	.2	9.8	5.1	18.5	-5.3	5.3
40 Money market fund shares	2.4	1.3	*	.2	6.9	34.4	.9	6.1	7.7	30.2	38.6	61.9
41 Time and savings accounts	65.4	84.0	113.5	121.0	115.2	84.7	126.7	110.7	119.8	71.4	97.9	91.6
42 Large at commercial banks	32.4	-15.8	-13.2	23.0	45.9	.4	49.6	33.9	57.9	-25.3	26.0	-11.0
43 Other at commercial banks	11.3	40.3	57.6	29.0	8.2	39.3	11.4	18.4	-1.9	41.3	37.3	60.8
44 At savings institutions	21.8	59.4	69.1	69.0	61.1	45.1	65.7	58.5	63.8	55.4	34.7	41.8
45 Money	8.2	12.6	16.1	26.1	22.2	18.9	26.8	22.1	22.3	10.9	26.8	-.1
46 Demand deposits	1.9	6.4	8.8	17.8	12.9	11.0	16.1	11.6	14.2	1.6	20.3	-9.2
47 Currency	6.3	6.2	7.3	8.3	9.3	7.9	10.8	10.5	8.1	9.3	6.5	9.0
48 **Total of credit market instruments, deposits and currency**	**121.0**	**143.9**	**171.4**	**197.0**	**223.2**	**250.0**	**218.6**	**209.8**	**236.6**	**237.1**	**261.6**	**189.9**
49 Public support rate (in percent)	28.7	22.2	20.8	25.4	27.5	20.5	27.9	26.5	28.5	12.6	28.0	33.1
50 Private financial intermediation (in percent)	80.0	72.2	84.4	92.5	90.0	80.3	88.5	93.5	86.6	82.0	78.7	89.8
51 Total foreign funds	21.5	-2.6	10.6	40.5	44.0	18.6	51.2	36.3	51.8	22.4	14.9	-2.2
MEMO: Corporate equities not included above												
52 **Total net issues**	**4.1**	**10.7**	**11.9**	**4.0**	**3.7**	**5.5**	**5.9**	**-.4**	**7.9**	**5.5**	**5.4**	**17.0**
53 Mutual fund shares	-.7	-.1	-1.0	-.9	-1.0	-2.1	-1.3	-.5	-1.5	-.3	-3.9	5.7
54 Other equities	4.8	10.8	12.9	4.9	4.7	7.6	7.2	.1	9.4	5.8	9.3	11.4
55 Acquisitions by financial institutions	5.8	9.6	12.3	7.4	7.6	15.7	8.1	.4	14.7	12.5	18.9	16.7
56 Other net purchases	-1.7	1.1	-.4	-3.4	-3.8	-10.2	-2.2	-.8	-6.8	-7.0	-13.5	.3

NOTES BY LINE NUMBER.
1. Line 2 of p. A-42.
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, 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, 40, 41, and 46.
17. Includes farm and commercial mortgages.
25. Sum of lines 39, 40, 41, and 46.
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.
47. Mainly an offset to line 9.
48. Lines 32 plus 38, or line 12 less line 27 plus 45.
49. Line 2/line 1.
50. Line 19/line 12.
51. Sum of lines 10 and 28.
52, 54. 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	1977	1978	1979	1980 Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.	Nov.[e]
1 **Industrial production**[1]	**138.2**	**146.1**	**152.5**	**152.1**	**148.3**	**144.0**	**141.5**	**140.4**	**141.8**	**143.9**	**146.5**	**148.5**
Market groupings												
2 Products, total	137.9	144.8	150.0	150.0	146.6	143.7	142.5	142.8	143.8	145.1	146.8	148.1
3 Final, total	135.9	142.2	147.2	147.7	145.4	143.1	142.3	142.4	142.8	143.8	145.6	146.8
4 Consumer goods	145.3	149.1	150.8	148.6	145.3	142.4	142.1	142.0	142.7	144.1	146.4	147.6
5 Equipment	123.0	132.8	142.2	146.6	145.6	144.0	142.6	142.9	142.9	143.3	144.5	145.8
6 Intermediate	145.1	154.1	160.5	158.3	150.8	146.2	143.5	144.5	147.6	150.1	151.3	152.8
7 Materials	138.6	148.3	156.4	155.3	151.0	144.3	140.0	136.5	138.6	142.1	146.1	149.0
Industry groupings												
8 Manufacturing	138.4	146.8	153.6	152.1	147.9	143.4	140.3	139.1	140.6	143.2	146.0	148.0
Capacity utilization (percent)[1,2]												
9 Manufacturing	81.9	84.4	85.7	82.8	80.3	77.6	75.7	74.9	75.5	76.6	77.9	78.8
10 Industrial materials industries	82.7	85.6	87.4	84.7	82.1	78.3	75.7	73.7	74.6	76.3	78.3	79.6
11 Construction contracts (1972 = 100)[3]	160.5	174.3	181.5	155.0	130.0	125.0	145.0	148.0	192.0	163.0	167.0	n.a.
12 Nonagricultural employment, total[4]	125.3	131.4	136.0	138.5	138.2	137.5	136.8	136.6	137.0	137.4[r]	137.7	138.1
13 Goods-producing, total	104.5	109.8	114.0	113.6	112.1	110.5	109.1	108.0	108.6	109.3	109.9	110.5
14 Manufacturing, total	101.2	105.3	107.9	107.7	106.1	104.3	102.9	102.0	102.5	103.1	103.6	104.1
15 Manufacturing, production-worker	98.8	102.8	104.9	103.8	101.7	99.1	97.4	96.2	97.0	97.7	98.2	98.9
16 Service-producing	136.7	143.2	148.1	152.2	152.6	152.3	152.1	152.3	152.6	152.7	153.0	153.2
17 Personal income, total[5]	244.4	274.1	307.1	330.4	330.7	331.8	333.6	339.0	342.0[r]	345.8[r]	349.5	n.a.
18 Wages and salary disbursements	230.2	258.1	287.2	307.4	306.2	306.4	307.0	307.6	311.1[r]	314.1[r]	318.4	n.a.
19 Manufacturing	198.3	222.4	246.8	260.8	257.8	254.4	252.9	252.8	255.9[r]	260.2[r]	264.3	n.a.
20 Disposable personal income	194.8	217.7	242.5	......	......	262.2	......	......	270.3[r]	......	......	n.a.
21 Retail sales[6]	229.8	253.8	281.6	292.4	286.6	285.0	290.4	299.1	301.0	306.0	307.7	312.7
Prices[7]												
22 Consumer	181.5	195.4	217.4	239.8	242.5	244.9	247.6	247.8	249.4	251.7	253.9	n.a.
23 Producer finished goods	180.6	194.6	216.1	238.5	240.5	241.6	243.0[r]	246.6	249.0	248.9	252.2	253.2

1. The industrial production and capacity utilization series have been revised back to January 1979.
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 Information 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.
Monthly data for lines 12 through 16 reflect March 1979 benchmarks; only seasonally adjusted data are presently available.
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*.
7. Data without seasonal adjustment, as published in *Monthly Labor Review*. 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*.
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	Output (1967 = 100) 1979 Q4	1980 Q1	1980 Q2	1980 Q3	Capacity (percent of 1967 output) 1979 Q4	1980 Q1	1980 Q2	1980 Q3	Utilization rate (percent) 1979 Q4	1980 Q1	1980 Q2	1980 Q3
1 **Manufacturing**	**153.4**	**152.8**	**143.9**	**141.0**	**181.7**	**183.3**	**184.8**	**186.3**	**84.4**	**83.4**	**77.9**	**75.7**
2 Primary processing	162.5	160.5	145.0	139.5	187.1	188.5	190.0	191.5	86.9	85.1	76.3	72.9
3 Advanced processing	148.5	148.8	143.3	141.8	178.9	180.5	182.0	183.5	83.0	82.5	78.7	77.3
4 **Materials**	**156.5**	**156.3**	**145.1**	**139.1**	**181.2**	**182.8**	**184.3**	**185.8**	**86.3**	**85.5**	**78.7**	**74.9**
5 Durable goods	156.3	155.0	140.6	131.3	185.7	187.2	188.6	190.0	84.1	82.8	74.6	69.1
6 Metal materials	119.6	117.1	100.6	86.5	140.6	140.7	140.8	140.9	85.1	83.2	71.4	61.4
7 Nondurable goods	179.2	179.3	166.0	161.9	197.6	199.8	202.0	204.3	90.6	89.7	82.2	79.2
8 Textile, paper, and chemical	187.9	187.5	171.9	165.4	205.8	208.3	211.0	213.7	91.2	90.0	81.5	77.4
9 Textile	123.8	120.6	116.4	113.4	138.4	138.8	139.2	139.6	89.4	86.9	83.7	81.2
10 Paper	148.9	146.1	142.1	142.4	153.3	154.7	156.0	157.4	97.1	94.5	91.0	90.5
11 Chemical	231.8	233.6	208.3	197.7	256.8	260.4	264.6	268.7	90.2	89.7	78.7	73.5
12 Energy materials	129.0	130.8	130.0	129.7	150.3	151.1	151.8	152.6	85.9	86.6	85.6	85.0

2.11 Continued

Series	Previous cycle[1] High	Previous cycle[1] Low	Latest cycle[2] High	Latest cycle[2] Low	1979 Oct.	1980 May	1980 June	1980 July	1980 Aug.[r]	1980 Sept.[r]	1980 Oct.	1980 Nov.
	Capacity utilization rate (percent)											
13 Manufacturing	88.0	69.0	87.2	74.9	84.8	77.6	75.7	74.9	75.5	76.6	77.9[r]	78.8
14 Primary processing	93.8	68.2	90.1	70.9	87.5	75.8	72.7	70.9	72.5	75.1	77.3[r]	79.0
15 Advanced processing	85.5	69.4	86.2	77.1	83.4	78.6	77.4	77.1	77.1	77.6	78.4[r]	78.9
16 Materials	92.6	69.4	88.8	73.7	86.6	78.3	75.7	73.7	74.6	76.3	78.3[r]	79.6
17 Durable goods	91.5	63.6	88.4	68.0	84.8	74.1	70.8	68.0	69.1	70.2	73.0[r]	75.3
18 Metal materials	98.3	68.6	96.0	58.4	85.4	70.0	67.0	58.4	62.2	63.7	70.7	......
19 Nondurable goods	94.5	67.2	90.9	76.8	90.7	81.8	78.7	76.8	78.2	82.7	84.4[r]	84.8
20 Textile, paper, and chemical	95.1	65.3	91.4	74.5	91.4	81.3	77.1	74.5	76.4	81.4	83.8[r]	83.9
21 Textile	92.6	57.9	90.1	79.5	90.0	84.5	81.8	82.0	79.5	82.0	82.3	......
22 Paper	99.4	72.4	97.6	88.1	96.9	90.8	91.6	88.1	90.2	93.0	92.6	......
23 Chemical	95.5	64.2	91.2	69.6	90.4	78.3	72.7	69.6	72.5	78.5	82.1	......
24 Energy materials	94.6	84.8	88.8	85.0	85.5	85.3	85.8	85.6	85.2	84.2	83.7[r]	83.9

1. Monthly high 1973; monthly low 1975.
2. Preliminary; monthly highs December 1978 through January 1980; monthly lows July 1980 through September 1980.

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1977	1978	1979	1980 May	1980 June	1980 July	1980 Aug.	1980 Sept.[r]	1980 Oct.	1980 Nov.
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population[1]	**158,559**	**161,058**	**163,620**	**165,886**	**166,105**	**166,391**	**166,578**	**166,789**	**167,005**	**167,201**
2 Labor force (including Armed Forces)[1]	99,534	102,537	104,996	107,230	106,634	107,302	107,139	107,155	107,301	107,439
3 Civilian labor force	97,401	100,420	102,908	105,142	104,542	105,203	105,025	105,034	105,180	105,320
Employment										
4 Nonagricultural industries[2]	87,302	91,031	93,648	93,609	93,346	93,739	93,826	93,765	93,851	94,054
5 Agriculture	3,244	3,342	3,297	3,379	3,191	3,257	3,180	3,442	3,324	3,342
Unemployment										
6 Number	6,855	6,047	5,963	8,154	8,006	8,207	8,019	7,827	8,005	7,924
7 Rate (percent of civilian labor force)	7.0	6.0	5.8	7.8	7.7	7.8	7.6	7.5	7.6	7.5
8 Not in labor force	59,025	58,521	58,623	58,657	59,471	59,091	59,439	59,633	59,704	59,762
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment[3]	**82,423**	**86,446**	**89,497**	**90,468**	**90,047**	**89,867**	**90,142**	**90,384**	**90,612[r]**	**90,880**
10 Manufacturing	19,682	20,476	20,979	20,286	20,014	19,828	19,940	20,044	20,138[r]	20,243
11 Mining	813	851	958	1,023	1,029	1,013	1,013	1,028	1,038[r]	1,051
12 Contract construction	3,851	4,271	4,642	4,436	4,379	4,322	4,359	4,404	4,437	4,472
13 Transportation and public utilities	4,713	4,927	5,154	5,167	5,134	5,114	5,129	5,124	5,142[r]	5,145
14 Trade	18,516	19,499	20,140	20,487	20,459	20,506	20,589	20,620	20,637[r]	20,663
15 Finance	4,467	4,727	4,964	5,137	5,150	5,167	5,180	5,194	5,206[r]	5,214
16 Service	15,303	16,220	17,047	17,659	17,652	17,760	17,788	17,861	17,906[r]	17,981
17 Government	15,079	15,476	15,613	16,273	16,230	16,157	16,144	16,109	16,108[r]	16,111

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. Department 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 March 1979 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data are seasonally adjusted.

Grouping	1967 proportion	1979 average	1979 Nov.	1979 Dec.	1980 Feb.	1980 Mar.	1980 Apr.	1980 May	1980 June	1980 July	1980 Aug.	1980 Sept.	1980 Oct.p	1980 Nov.e
			Index (1967 = 100)											
MAJOR MARKET														
1 **Total index**	**100.00**	**152.5**	**152.3**	**152.5**	**152.6**	**152.1**	**148.3**	**144.0**	**141.5**	**140.4**	**141.8**	**143.9**	**146.5**	**148.5**
2 Products	60.71	150.0	149.8	149.8	150.1	150.0	146.6	143.7	142.5	142.8	143.8	145.1	146.8	148.1
3 Final products	47.82	147.2	147.1	147.2	147.7	147.7	145.4	143.1	142.3	142.4	142.8	143.8	145.6	146.8
4 Consumer goods	27.68	150.8	149.1	148.6	148.4	148.6	145.3	142.4	142.1	142.0	142.7	144.1	146.4	147.6
5 Equipment	20.14	142.2	144.2	145.2	146.6	146.6	145.6	144.0	142.6	142.9	142.9	143.3	144.5	145.8
6 Intermediate products	12.89	160.5	160.2	159.6	159.2	158.3	150.8	146.2	143.5	144.5	147.6	150.1	151.3	152.8
7 Materials	39.29	156.4	156.2	156.6	156.5	155.3	151.0	144.3	140.0	136.5	138.6	142.1	146.1	149.0
Consumer goods														
8 Durable consumer goods	7.89	155.8	149.6	142.3	144.5	144.1	136.3	128.8	128.2	128.3	128.6	132.9	139.5	141.6
9 Automotive products	2.83	167.7	150.6	141.8	142.1	141.0	126.3	118.5	121.6	129.2	121.5	130.6	141.9	145.6
10 Autos and utility vehicles	2.03	154.3	131.0	121.4	124.6	122.0	102.3	92.6	97.1	106.4	94.1	105.5	120.1	124.0
11 Autos	1.90	136.7	118.3	110.2	116.8	114.9	97.1	88.4	95.7	105.2	91.3	98.0	110.7	114.3
12 Auto parts and allied goods	80	201.5	200.3	200.3	188.5	189.1	187.2	184.0	183.7	186.9	191.1	194.2	197.4	200.2
13 Home goods	5.06	149.2	149.0	149.4	145.8	145.8	142.0	134.6	132.0	127.7	132.6	134.2	138.2	139.3
14 Appliances, A/C, and TV	1.40	127.4	129.8	129.8	128.9	122.1	114.8	102.8	105.6	102.3	114.2	116.3	123.3	123.7
15 Appliances and TV	1.33	129.3	132.4	135.5	124.4	125.0	117.5	106.0	108.5	103.4	114.2	117.6	125.5	.....
16 Carpeting and furniture	1.07	173.0	171.6	170.8	168.2	169.1	165.8	154.2	146.7	136.1	141.1	146.1	149.3	.....
17 Miscellaneous home goods	2.59	151.1	150.0	149.4	149.4	149.0	146.8	143.8	140.2	138.1	139.1	139.1	141.6	143.2
18 Nondurable consumer goods	19.79	148.8	149.0	149.3	150.0	150.3	148.8	147.7	147.6	147.4	148.3	148.6	149.1	150.0
19 Clothing	4.29	131.9	132.3	131.3	130.7	131.8	128.7	127.9	126.7	122.5	123.6	.....	.....	.....
20 Consumer staples	15.50	153.5	153.6	154.3	155.4	155.5	154.5	153.2	153.4	154.3	155.1	156.2	156.3	157.2
21 Consumer foods and tobacco	8.33	145.0	144.8	145.8	146.5	147.3	146.2	146.1	146.2	146.4	146.0	147.0	147.3	.....
22 Nonfood staples	7.17	163.4	163.8	164.3	165.6	165.0	164.0	161.5	161.7	163.6	165.7	166.8	166.8	168.2
23 Consumer chemical products	2.63	205.5	207.9	207.8	211.8	208.9	206.9	203.0	202.6	204.3	209.3	213.0	214.5	.....
24 Consumer paper products	1.92	120.8	119.3	121.0	122.5	121.6	120.4	120.2	120.6	121.5	122.0	122.3	123.7	.....
25 Consumer energy products	2.62	152.2	152.2	152.4	150.9	152.7	152.8	150.1	150.9	153.5	153.9	153.1	150.6	.....
26 Residential utilities	1.45	163.8	166.5	165.0	162.5	169.6	172.5	169.8	170.1	176.5	178.6	.....	.....	.....
Equipment														
27 Business	12.63	171.3	172.6	174.1	176.0	176.1	174.2	171.9	169.8	170.1	170.3	170.7	171.9	173.4
28 Industrial	6.77	152.2	153.5	153.2	159.2	159.3	159.3	157.8	155.2	154.8	154.5	154.4	155.7	157.1
29 Building and mining	1.44	206.3	205.1	205.0	231.6	235.6	239.5	242.2	241.0	244.4	243.6	243.4	245.9	249.0
30 Manufacturing	3.85	130.3	132.5	132.1	133.1	133.1	131.9	129.5	126.1	126.0	124.4	123.9	124.4	125.0
31 Power	1.47	156.3	157.6	157.8	156.4	153.2	152.3	149.1	147.1	142.0	145.9	147.0	148.9	151.0
32 Commercial transit, farm	5.86	193.4	194.7	198.1	195.5	195.5	191.5	188.2	186.7	187.8	188.4	189.5	190.6	192.2
33 Commercial	3.26	228.1	232.5	237.2	238.7	240.4	235.6	232.0	228.8	229.0	233.6	237.2	238.2	239.2
34 Transit	1.93	151.6	150.1	151.9	145.4	142.5	143.0	136.3	138.0	140.9	138.4	134.2	135.0	136.7
35 Farm	67	144.9	139.5	141.0	129.9	129.7	116.4	124.6	121.6	122.5	112.7	116.8	119.4	.....
36 Defense and space	7.51	93.4	96.4	96.7	97.2	97.1	97.6	97.2	96.8	97.2	96.9	97.4	98.4	99.4
Intermediate products														
37 Construction supplies	6.42	158.0	157.4	155.7	153.8	152.3	139.4	133.0	128.5	128.6	133.1	137.5	140.1	142.9
38 Business supplies	6.47	163.1	163.0	163.5	164.5	164.3	162.0	159.4	158.4	160.4	161.9	162.7	162.5	.....
39 Commercial energy products	1.14	172.0	172.7	173.8	171.7	174.1	174.8	172.0	168.7	172.1	173.7	172.0	170.4	.....
Materials														
40 Durable goods materials	20.35	157.8	155.8	155.8	154.8	154.2	148.2	139.8	133.8	129.0	131.3	133.7	139.5	144.2
41 Durable consumer parts	4.58	137.1	126.1	125.1	119.9	120.3	110.6	100.1	96.0	93.9	98.1	102.9	111.0	114.8
42 Equipment parts	5.44	189.9	195.1	196.7	198.9	199.2	195.8	190.8	182.5	177.6	176.3	175.6	177.7	181.4
43 Durable materials n.e.c.	10.34	150.1	148.3	147.8	147.0	145.5	139.8	130.5	125.0	118.9	122.4	125.2	132.0	137.6
44 Basic metal materials	5.57	124.1	119.9	118.1	116.4	116.6	109.3	100.0	95.9	84.7	89.4	91.4	100.8	.....
45 Nondurable goods materials	10.47	175.9	178.5	180.2	179.9	177.0	173.2	165.2	159.6	156.2	159.8	169.6	173.6	175.0
46 Textile, paper, and chemical materials	7.62	183.7	187.0	189.2	188.1	185.2	180.7	171.5	163.4	158.5	163.2	174.5	180.4	181.3
47 Textile materials	1.85	121.0	123.2	123.8	121.1	120.7	117.7	117.6	114.0	114.4	111.0	114.7	115.2	.....
48 Paper materials	1.62	143.5	148.5	150.1	146.0	144.2	141.2	141.7	143.4	138.4	142.0	146.9	146.6	.....
49 Chemical materials	4.15	227.4	230.5	233.6	234.5	230.1	224.3	207.3	193.3	186.1	194.9	212.0	222.8	.....
50 Containers, nondurable	1.70	167.4	168.1	168.2	170.6	167.1	166.8	155.8	157.7	159.0	158.8	169.2	168.2	.....
51 Nondurable materials n.e.c.	1.14	136.8	137.6	138.8	138.7	137.4	133.0	136.4	136.8	136.6	137.9	137.2	136.5	.....
52 Energy materials	8.48	128.9	129.4	129.4	131.5	130.9	130.1	129.6	130.4	130.4	130.0	128.6	128.1	128.4
53 Primary energy	4.65	113.5	114.0	113.7	113.7	115.6	116.4	116.2	117.3	115.6	114.0	114.3	113.4	.....
54 Converted fuel materials	3.82	147.7	148.2	148.5	153.1	149.6	146.9	145.8	146.4	148.4	149.4	145.9	145.9	.....
Supplementary groups														
55 Home goods and clothing	9.35	141.3	141.3	141.1	138.9	139.4	135.9	131.5	129.5	125.3	128.5	128.3	131.2	132.3
56 Energy, total	12.23	137.9	138.3	138.4	139.4	139.6	139.1	137.9	138.4	139.2	139.2	137.8	136.8	137.6
57 Products	3.76	158.2	158.4	158.9	157.2	159.1	159.5	156.7	156.3	159.1	159.9	158.8	156.5	.....
58 Materials	8.48	128.9	129.4	129.4	131.5	130.9	130.1	129.6	130.4	130.4	130.0	128.6	128.1	128.4

For notes see opposite page.

2.13 Continued

Grouping	SIC code	1967 pro-portion	1979 Avg.	1979 Nov.	1979 Dec.	1980 Feb.	1980 Mar.	1980 Apr.	1980 May	1980 June	1980 July	1980 Aug.	1980 Sept.	1980 Oct.[p]	1980 Nov.[e]
				Index (1967 = 100)											
MAJOR INDUSTRY															
1 Mining and utilities	.....	12.05	144.7	147.5	148.2	149.0	151.4	150.1	149.6	150.1	150.1	150.5	149.9	150.2	151.8
2 Mining	.....	6.36	125.5	129.9	131.4	132.9	133.0	133.1	133.4	132.9	130.6	129.6	130.5	131.8	134.2
3 Utilities	.....	5.69	166.0	167.2	166.9	167.1	172.0	169.1	167.7	169.3	171.8	173.8	171.6	170.8	171.4
4 Electric	.....	3.88	185.8	186.6	186.0	185.7	192.4	187.9	186.0	188.7	192.4	195.4	.....	.....	.....
5 Manufacturing	.....	87.95	153.6	153.3	153.2	153.0	152.1	147.9	143.4	140.3	139.2	140.6	143.2	146.0	148.0
6 Nondurable	.....	35.97	164.0	165.0	165.3	165.9	164.7	161.6	158.0	155.3	154.7	156.9	159.8	161.4	162.7
7 Durable	.....	51.98	146.4	145.2	144.8	144.1	143.4	138.4	133.3	129.9	128.3	129.4	131.7	135.3	137.8
Mining															
8 Metal	10	.51	127.0	132.2	136.9	136.6	132.7	123.5	120.8	120.0	83.1	71.2	73.1	85.9	.....
9 Coal	11.12	.69	135.6	143.3	143.4	136.0	137.2	143.4	145.0	150.0	149.8	154.9	148.9	144.7	147.4
10 Oil and gas extraction	13	4.40	121.7	125.7	127.2	130.4	131.8	132.5	133.9	133.2	134.3	133.6	134.7	135.3	136.8
11 Stone and earth minerals	14	.75	137.6	140.5	141.4	142.3	136.0	133.1	128.1	123.9	123.7	123.5	128.2	130.3	.....
Nondurable manufactures															
12 Foods	20	8.75	147.5	147.9	148.4	149.0	149.3	147.8	149.5	149.0	148.9	148.3	148.7	149.2	.....
13 Tobacco products	21	.67	117.8	113.0	116.6	120.0	122.2	121.9	116.2	113.9	119.6	117.4	119.1	.....	.....
14 Textile mill products	22	2.68	145.0	148.5	148.0	144.0	142.0	139.9	137.1	133.6	132.5	132.6	133.0	133.7	.....
15 Apparel products	23	3.31	134.4	133.5	131.1	133.8	136.1	131.3	128.6	127.2	121.5	123.8	.....	.....	.....
16 Paper and products	26	3.21	151.0	154.3	155.7	153.6	152.7	148.2	145.7	146.2	143.6	147.1	151.7	151.4	154.6
17 Printing and publishing	27	4.72	136.9	136.2	137.8	139.9	139.2	136.5	135.5	135.4	138.6	140.3	140.1	141.5	142.4
18 Chemicals and products	28	7.74	211.8	215.3	216.8	217.4	213.6	209.1	199.2	191.1	190.3	197.8	206.0	210.4	.....
19 Petroleum products	29	1.79	143.9	142.1	145.4	144.6	140.7	137.4	133.0	131.3	130.5	126.7	131.1	129.5	132.2
20 Rubber and plastic products	30	2.24	272.2	271.3	263.8	266.8	264.4	261.8	248.1	242.9	242.5	245.9	253.1	258.9	.....
21 Leather and products	31	.86	71.7	70.4	71.2	73.3	72.8	69.9	70.1	68.5	67.8	67.7	67.2	68.5	.....
Durable manufactures															
22 Ordnance, private and government	19.91	3.64	75.2	78.0	77.5	77.2	76.9	77.5	77.9	77.5	77.1	77.2	77.1	78.9	79.8
23 Lumber and products	24	1.64	136.9	135.9	132.4	130.2	25.3	105.2	104.5	109.7	112.8	121.7	122.7	121.4	.....
24 *Furniture and fixtures*	25	1.37	161.5	162.9	161.0	159.2	159.5	157.1	149.5	143.1	138.6	141.1	144.3	146.2	.....
25 Clay, glass, stone products	32	2.74	163.9	164.1	163.8	162.4	156.4	148.8	140.8	134.5	134.2	135.7	141.0	143.4	.....
26 Primary metals	33	6.57	121.3	117.1	115.3	111.9	113.7	106.4	96.1	90.4	81.7	86.0	89.9	100.0	107.7
27 Iron and steel	331.2	4.21	113.2	108.1	106.6	103.4	105.9	97.4	84.4	75.4	68.1	75.3	79.8	93.8	.....
28 Fabricated metal products	34	5.93	148.5	146.9	146.2	145.7	145.5	141.4	133.2	126.1	123.8	125.8	129.0	132.4	134.6
29 Nonelectrical machinery	35	9.15	163.7	162.9	163.0	167.0	166.5	163.2	162.1	158.3	158.5	158.8	159.1	160.5	161.5
30 Electrical machinery	36	8.05	175.0	179.5	181.6	179.2	179.2	177.0	171.4	166.6	165.0	166.7	167.8	169.9	171.9
31 Transportation equipment	37	9.27	135.4	128.3	127.3	125.7	123.8	115.1	109.8	110.0	110.7	108.3	112.9	118.9	120.9
32 Motor vehicles and parts	371	4.50	159.9	139.3	137.1	133.9	130.1	114.7	105.9	106.7	107.9	104.4	113.4	124.7	128.3
33 Aerospace and miscellaneous transportation equipment	372–9	4.77	112.2	117.9	118.1	118.1	117.8	115.5	113.5	113.1	113.4	111.9	112.3	113.3	113.8
34 Instruments	38	2.11	174.9	173.4	175.0	174.8	173.5	173.8	171.0	169.2	167.5	167.6	167.4	168.9	170.9
35 Miscellaneous manufactures	39	1.51	154.7	155.3	153.7	151.6	152.8	151.2	147.3	43.7	144.7	144.2	143.6	143.7	144.9
				Gross value (billions of 1972 dollars, annual rates)											
MAJOR MARKET															
36 **Products, total**	.....	**507.4**	**625.3**	**618.8**	**619.7**	**619.8**	**619.0**	**599.5**	**588.6**	**585.0**	**586.7**	**585.9**	**593.1**	**602.2**	**608.6**
37 Final	.....	390.9[2]	480.8	475.1	476.1	476.4	475.9	464.5	457.3	455.6	456.9	453.0	458.2	466.1	471.3
38 Consumer goods	.....	277.5[2]	327.1	322.5	322.1	320.0	321.3	312.5	306.3	305.8	307.7	305.1	309.2	315.0	318.7
39 Equipment	.....	113.4[2]	153.6	152.6	154.0	156.3	154.6	152.0	151.0	149.8	149.2	147.9	149.0	151.2	152.5
40 Intermediate	.....	116.6[2]	144.6	143.7	143.6	143.4	143.1	135.0	131.3	129.4	129.9	132.9	134.8	136.1	137.4

1. The industrial production series has been revised back to January 1979.
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	1977	1978	1979	1980 Mar.	Apr.	May	June	July	Aug.	Sept.r	Oct.
	Private residential real estate activity (thousands of units)										
NEW UNITS											
1 Permits authorized	1,677	1,801	1,552	968	789	825	1,078	1,236	1,361	1,564	1,333
2 1-family	1,125	1,183	981	556	473	495	628	781	857	914	817
3 2-or-more-family	551	618	570	412	316	330	450	455	504	650	516
4 Started	1,987	2,020	1,745	1,041	1,030	906	1,223	1,265	1,429r	1,545	1,569
5 1-family	1,451	1,433	1,194	617	628	628	757	869	1,003r	1.058	1.011
6 2-or-more-family	536	587	551	424	402	278	466	396	426r	487	558
7 Under construction, end of period[1]	1,208	1,310	1,140	1,062	978	911	871	851r	847r	874	n.a.
8 1-family	730	765	639	589	535	495	474	473r	475	502	n.a.
9 2-or-more-family	478	546	501	473	443	416	397	378r	372r	372	n.a.
10 Completed	1,656	1,868	1,855	1,669	1,897	1,536	1,469	1,502r	1,402r	1,215	n.a.
11 1-family	1,258	1,369	1,286	1,093	1,135	970	886	876r	915	732	n.a.
12 2-or-more-family	399	499	570	576	762	566	583	626r	487r	483	n.a.
13 Mobile homes shipped	277	276	277	226	201	162	163	215	206	238	n.a.
Merchant builder activity in 1-family units											
14 Number sold	820	818	709	458	345	458	544	646r	638r	573	548
15 Number for sale, end of period[1]	408	419	402	377	364	351	340	333	330r	336	335
Price (thousands of dollars)[2]											
Median											
16 Units sold	49.0	55.8	62.7	64.8	62.8	63.2	65.4	64.4r	63.2r	68.8	65.7
Average											
17 Units sold	54.4	62.7	71.9	71.1	74.1	73.1	76.3	76.8r	76.2r	80.7	77.5
EXISTING UNITS (1-family)											
18 Number sold	3,572	3,905	3,742	2,750	2,420	2,310	2,480	2,920	3,030	3,380	3,300
Price of units sold (thous. of dollars)[2]											
19 Median	42.8	48.7	55.5	59.5	60.4	61.2	63.4	64.1	64.9	64.2	62.7
20 Average	47.1	55.1	64.0	69.4	70.6	71.2	75.7	75.7	76.2	75.5	73.4
	Value of new construction[3] (millions of dollars)										
CONSTRUCTION											
21 **Total put in place**	**173,976**	**205,457**	**228,948**	**237,132**	**225,833**	**218,909**	**215,021**	**214,230**	**215,084r**	**224,072**	**224,999**
22 Private	135,799	159,555	179,948	180,616	171,488	164,791	161,349	158,921	162,576r	168,624	169,853
23 Residential	80,957	93,423	99,029	93,991	83,467	76,957	73,360	74,954	79,788r	85,857	87,488
24 Nonresidential, total	54,842	66,132	80,919	86,625	88,021	87,834	87,989	83,967	82,788r	82,767	82,365
Buildings											
25 Industrial	7,713	10,993	14,953	13,916	13,611	14,197	15,022	13,267	13,046	13,102	12,581
26 Commercial	14,789	18,568	24,924	29,911	30,878	30,149	29,609	28,063	27,993	27,425	27,113
27 Other	6,200	6,739	7,427	8,515	8,220	8,571	8,256	8,115	8,095	8,447	8,755
28 Public utilities and other	26,140	29,832	33,615	34,283	35,312	34,917	35,102	34,522	33,655	33,793	33,916
29 Public	38,172	45,901	49,001	56,516	54,344	54,118	53,672	55,308	52,508	55,448	55,146
30 Military	1,428	1,501	1,641	1,895	2,048	1,671	1,748	1,727	1,841	1,450	1,924
31 Highway	9,380	10,713	11,915	13,606	14,393	13,230	14,012	13,758	10,866	n.a.	n.a.
32 Conservation and development	3,862	4,457	4,586	5,686	5,000	5,285	4,241	5,893	4,295	n.a.	n.a.
33 Other[4]	23,502	29,230	30,859	35,329	32,903	33.932	33,671	33,930	35,506	n.a.	n.a.

1. Not at annual rates.
2. Not seasonally adjusted.
3. 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.
4. Beginning January 1977 "Highway" imputations are included in "Other."

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. 1980 (1967 = 100)[1]
	1979 Oct.	1980 Oct.	1979	1980			1980					
			Dec.	Mar.	June	Sept.	June	July	Aug.	Sept.	Oct.	
CONSUMER PRICES[2]												
1 **All items**	**12.2**	**12.6**	**13.7**	**18.1**	**11.6**	**7.0**	**1.0**	**0.0**	**.7**	**1.0**	**1.0**	**253.9**
2 Commodities	12.4	11.6	12.5	16.1	5.0	12.8	.3	.6	1.2	1.2	.8	240.7
3 Food	9.9	10.2	12.1	3.8	5.6	18.9	.5	1.0	1.8	1.6	.8	262.4
4 Commodities less food	13.6	12.2	12.7	22.1	4.7	10.6	.3	.5	.9	1.1	.8	228.3
5 Durable	9.6	11.3	13.2	7.6	6.8	15.7	.5	.5	1.6	1.6	1.2	218.1
6 Nondurable	18.6	13.4	12.8	39.8	3.5	4.0	.1	.3	.4	.2	.1	239.6
7 Services	11.9	14.1	15.8	20.9	21.6	−.6	1.8	−.8	−.1	.7	1.2	277.9
8 Rent	8.4	8.7	9.0	8.3	10.0	8.6	1.2	.5	.6	1.0	1.0	197.1
9 Services less rent	12.5	14.9	16.9	22.8	23.3	1.8	1.9	−.9	−.2	.7	1.2	293.2
Other groupings												
10 All items less food	12.8	13.1	14.2	21.7	13.0	4.6	1.1	−.2	.4	.9	1.0	250.9
11 All items less food and energy	10.1	12.2	13.9	15.7	13.5	5.1	1.1	−.2	.5	.9	1.2	239.7
12 Homeownership	16.8	17.0	25.6	24.1	26.6	−5.6	2.3	−1.8	−.2	.6	2.1	323.8
PRODUCER PRICES												
13 Finished goods	12.3	12.5	13.3	19.3	6.7r	12.2	.7	1.5	1.5	−.2	.8	252.2
14 Consumer	13.8	12.9	14.6	21.6	4.9	13.8	.7	1.6	1.8	−.2	.6	253.6
15 Foods	8.6	−1.2	−7.8	36.9	.7	3.8	4.4	−.2	.5	245.9	.5	245.9
16 Excluding foods	17.6	15.2	17.9	34.8	11.3	4.4	.6	.6	.6	−.1	.6	255.0
17 Capital equipment	9.0	11.4	10.0	13.4	11.3	8.5	.7	1.3	.9	−.1	1.4	248.2
18 Intermediate materials[3]	15.8	11.6	17.0	24.0	5.2	6.4	.8	.5	.5	.5	.6	286.6
Crude materials												
19 Nonfood	24.3	20.4	27.8	21.9	−3.9	39.1	−.5	3.2	1.8	3.3	2.5	444.1
20 Food	10.5	12.8	5.7	−16.7	−10.5	96.4	1.1	9.0	9.0	−.4	1.5	279.1

1. Not seasonally adjusted.
2. Figures for consumer prices are those for all urban consumers.
3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

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	1977	1978	1979	1979			1980		
				Q2	Q3	Q4	Q1	Q2	Q3[r]
GROSS NATIONAL PRODUCT									
1 **Total**	**1,899.5**	**2,127.6**	**2,368.8**	**2,329.8**	**2,396.5**	**2,456.9**	**2,520.8**	**2,521.3**	**2,586.5**
By source									
2 Personal consumption expenditures	1,210.0	1,350.8	1,509.8	1,475.9	1,528.6	1,580.4	1,629.5	1,626.6	1,683.3
3 Durable goods	178.8	200.3	213.0	208.7	213.4	216.2	220.2	195.7	208.5
4 Nondurable goods	481.3	530.6	596.9	581.2	604.7	630.7	652.0	654.1	665.8
5 Services	549.8	619.8	699.8	686.0	710.6	733.5	757.3	776.9	808.9
6 Gross private domestic investment	303.3	351.5	387.2	395.4	392.3	387.2	387.7	368.5	348.4
7 Fixed investment	281.3	329.1	369.0	361.9	377.8	381.7	383.0	357.1	365.2
8 Nonresidential	189.4	221.1	254.9	249.1	261.8	265.2	272.6	268.2	270.9
9 Structures	62.6	76.5	92.6	90.5	95.0	100.2	103.3	103.7	102.0
10 Producers' durable equipment	126.8	144.6	162.2	158.6	166.7	165.1	169.4	164.5	168.9
11 Residential structures	91.9	108.0	114.1	112.9	116.0	116.4	110.4	88.9	94.2
12 Nonfarm	88.8	104.4	110.2	109.1	112.0	112.1	105.9	85.3	90.8
13 Change in business inventories	21.9	22.3	18.2	33.4	14.5	5.6	4.7	11.4	−16.8
14 Nonfarm	20.7	21.3	16.5	32.6	12.6	2.1	4.4	12.3	−10.7
15 Net exports of goods and services	−9.9	−10.3	−4.6	−8.1	−2.3	−11.9	−13.6	−2.2	21.3
16 Exports	175.9	207.2	257.5	243.7	267.3	280.4	308.1	307.0	313.2
17 Imports	185.8	217.5	262.1	251.9	269.5	292.4	321.7	309.2	291.9
18 Government purchases of goods and services	396.2	435.6	476.4	466.6	477.8	501.2	517.2	528.3	533.6
19 Federal	144.4	152.6	166.6	161.7	162.9	178.4	186.2	193.3	191.4
20 State and local	251.8	283.0	309.8	304.9	314.9	322.8	331.0	335.0	342.2
By major type of product									
21 Final sales, total	1,877.6	2,105.2	2,350.6	2,296.4	2,381.9	2,451.4	2,516.1	2,509.9	2,603.3
22 Goods	842.2	930.0	1,030.5	1,018.1	1,036.0	1,056.3	1,086.2	1,079.2	1,099.3
23 Durable	345.9	380.4	423.1	422.4	424.4	420.2	421.5	414.7	426.8
24 Nondurable	496.3	549.6	607.4	595.7	611.6	636.1	664.8	664.5	672.5
25 Services	866.4	969.3	1,085.1	1,064.2	1,100.6	1,134.0	1,169.5	1,199.9	1,240.8
26 Structures	190.9	228.2	253.2	247.5	259.8	266.6	265.1	242.2	246.4
27 Change in business inventories	21.9	22.3	18.2	33.4	14.5	5.6	4.7	11.4	−16.8
28 Durable goods	11.9	13.9	13.0	24.3	7.3	1.8	−9.3	6.1	−5.1
29 Nondurable goods	10.0	8.4	5.2	9.1	7.2	3.8	14.0	5.3	−11.7
30 MEMO: **Total GNP in 1972 dollars**	**1,340.5**	**1,399.2**	**1,431.6**	**1,422.3**	**1,433.3**	**1,440.3**	**1,444.7**	**1,408.6**	**1,411.7**
NATIONAL INCOME									
31 **Total**	**1,525.8**	**1,724.3**	**1,924.8**	**1,897.9**	**1,941.9**	**1,990.4**	**2,035.4**	**2,024.6**	**2,068.6**
32 Compensation of employees	1,156.9	1,304.5	1,459.2	1,439.7	1,472.9	1,513.2	1,555.2	1,567.2	1,591.5
33 Wages and salaries	984.0	1,103.5	1,227.4	1,211.5	1,238.0	1,270.7	1,303.6	1,310.4	1,329.7
34 Government and government enterprises	201.3	218.0	233.5	231.2	234.4	240.2	243.5	247.5	251.0
35 Other	782.7	885.5	993.9	980.3	1,003.6	1,030.5	1,060.1	1,062.9	1,078.7
36 Supplement to wages and salaries	172.9	201.0	231.8	228.2	234.8	242.5	251.6	256.8	261.9
37 Employer contributions for social insurance	81.2	94.6	109.1	107.9	109.9	113.0	117.2	118.1	119.7
38 Other labor income	91.8	106.5	122.7	120.3	124.9	129.6	134.4	138.7	142.2
39 Proprietors' income[1]	100.2	116.8	130.8	129.3	130.3	134.5	130.0	120.5	125.6
40 Business and professional[1]	80.5	89.1	98.0	95.5	99.4	102.1	102.3	97.4	101.5
41 Farm[1]	19.6	27.7	32.8	33.7	30.9	32.5	27.7	23.1	24.1
42 Rental income of persons[2]	24.7	25.9	26.9	26.8	26.6	27.0	27.0	27.3	27.8
43 Corporate profits[1]	150.0	167.7	178.2	176.6	180.8	176.4	175.0	152.8	158.3
44 Profits before tax[3]	177.1	206.0	236.6	227.9	242.3	243.0	260.4	204.8	222.4
45 Inventory valuation adjustment	−15.2	−25.2	−41.8	−36.6	−44.0	−46.5	−63.2	−27.4	−35.9
46 Capital consumption adjustment	−12.0	−13.1	−16.7	−14.7	−17.6	−20.1	−22.2	−24.6	−28.2
47 Net interest	94.0	109.5	129.7	125.6	131.5	139.2	148.1	156.8	165.3

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustments.
3. For after-tax profits, dividends, and the like, see table 1.49.

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	1977	1978	1979	1979			1980		
				Q2	Q3	Q4	Q1	Q2	Q3[r]
PERSONAL INCOME AND SAVING									
1 **Total personal income**	**1,531.6**	**1,717.4**	**1,924.2**	**1,892.5**	**1,946.6**	**2,005.0**	**2,057.4**	**2,080.5**	**2,144.6**
2 Wage and salary disbursements	984.0	1,103.3	1,227.6	1,212.4	1,238.1	1,270.5	1,303.7	1,310.4	1,329.2
3 Commodity-producing industries	343.1	387.4	435.2	431.7	438.3	447.8	460.0	454.5	456.4
4 Manufacturing	266.0	298.3	330.9	328.5	331.9	338.3	347.2	342.0	343.7
5 Distributive industries	239.1	269.4	300.8	295.8	304.0	312.4	320.1	320.8	325.8
6 Service industries	200.5	228.7	257.9	252.8	261.3	270.2	280.0	287.6	296.0
7 Government and government enterprises	201.3	217.8	233.7	232.1	234.5	240.1	243.6	247.5	251.0
8 Other labor income	91.8	106.5	122.7	120.3	124.9	129.6	134.4	138.7	142.2
9 Proprietors' income[1]	100.2	116.8	130.8	129.3	130.3	134.5	130.0	120.5	125.6
10 Business and professional[1]	80.5	89.1	98.0	95.5	99.4	102.1	102.3	97.4	101.5
11 Farm[1]	19.6	27.7	32.8	33.7	30.9	32.5	27.7	23.1	24.1
12 Rental income of persons[2]	24.7	25.9	26.9	26.8	26.6	27.0	27.0	27.3	27.8
13 Dividends	42.1	47.2	52.7	52.3	52.8	54.4	56.7	58.6	59.7
14 Personal interest income	141.7	163.3	192.1	187.6	194.4	205.5	217.2	228.8	236.4
15 Transfer payments	208.4	224.1	252.0	243.6	260.8	266.5	274.9	282.5	312.2
16 Old-age survivors, disability, and health insurance benefits	105.0	116.3	132.4	127.1	138.7	140.0	142.0	143.6	161.4
17 LESS: Personal contributions for social insurance	61.3	69.6	80.7	79.8	81.2	82.9	86.6	86.3	88.4
18 EQUALS: Personal income	1,531.6	1,717.4	1,924.2	1,892.5	1,946.6	2,005.0	2,057.4	2,080.5	2,144.6
19 LESS: Personal tax and nontax payments	226.4	259.0	299.9	290.7	306.6	321.9	320.0	324.6	334.0
20 EQUALS: Disposable personal income	1,305.1	1,458.4	1,624.3	1,601.7	1,640.0	1,683.1	1,737.4	1,755.9	1,810.7
21 LESS: Personal outlays	1,240.2	1,386.4	1,550.5	1,515.8	1,569.7	1,623.4	1,672.9	1,669.5	1,725.7
22 EQUALS: Personal saving	65.0	72.0	73.8	85.9	70.3	59.7	64.4	86.3	84.9
MEMO: Per capita (1972 dollars)									
23 Gross national product	6,181	6,402	6,494	6,459	6,494	6,509	6,514	6,336	6,333
24 Personal consumption expenditures	3,974	4,121	4,194	4,155	4,195	4,227	4,222	4,097	4,136
25 Disposable personal income	4,285	4,449	4,512	4,510	4,501	4,502	4,502	7,900	8,121
26 Saving rate (percent)	5.0	4.9	4.5	5.4	4.3	3.5	3.7	4.9	4.7
GROSS SAVING									
27 **Gross saving**	**276.1**	**324.6**	**363.9**	**374.3**	**367.3**	**351.9**	**346.6**	**345.5**	**345.4**
28 Gross private saving	295.6	324.9	349.6	360.5	352.1	340.7	343.7	374.0	378.6
29 Personal saving	65.0	72.0	73.8	85.9	70.3	59.7	64.4	86.3	84.9
30 Undistributed corporate profits[1]	35.2	36.0	32.9	35.6	34.0	25.9	15.9	16.6	13.5
31 Corporate inventory valuation adjustment	-15.2	-25.2	-41.8	-36.6	-44.0	-46.5	-63.2	-27.4	-35.9
Capital consumption allowances									
32 Corporate	121.3	132.9	147.7	145.1	150.4	155.3	159.6	163.9	169.6
33 Noncorporate	74.1	84.0	95.3	93.9	97.5	99.8	103.7	107.1	110.1
34 Wage accruals less disbursements	....	....	....	....	....	....	....	....	.5
35 Government surplus, or deficit (−), national income and product accounts	-19.5	-.3	13.2	12.7	14.0	10.0	1.7	-29.6	-34.4
36 Federal	-46.3	-27.7	-11.4	-7.0	-11.3	-15.7	-22.9	-49.2	-58.4
37 State and local	26.8	27.4	24.6	19.7	25.3	25.8	24.6	19.5	23.9
38 Capital grants received by the United States, net	....	....	1.1	1.1	1.1	1.1	1.2	1.2	1.2
39 **Gross investment**	**283.6**	**327.9**	**367.6**	**373.1**	**375.6**	**359.1**	**357.5**	**350.9**	**355.0**
40 Gross private domestic	303.3	351.5	387.2	395.4	392.3	387.2	387.7	368.5	348.4
41 Net foreign	-19.6	-23.5	-19.5	-22.3	-16.7	-28.1	-30.2	-17.6	6.6
42 **Statistical discrepancy**	**7.5**	**3.3**	**2.9**	**-1.3**	**8.3**	**7.2**	**11.0**	**5.4**	**9.7**

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	1977	1978	1979	1979 Q2	1979 Q3	1979 Q4	1980 Q1	1980 Q2p
1 Balance on current account	-14,068	-14,259	-788	-1,493	1,099	-1,802	-2,635	-2,500
2 Not seasonally adjusted	....	....	....	-61	-2,909	486	-2,453	-738
3 Merchandise trade balance[2]	-30,873	-33,759	-29,469	-8,070	-7,060	-9,225	-10,875	-7,643
4 Merchandise exports	120,816	142,054	182,055	42,815	47,198	50,237	54,708	54,710
5 Merchandise imports	-151,689	-175,813	-211,524	-50,885	-54,258	-59,462	-65,583	-62,353
6 Military transactions, net	1,628	886	-1,274	-102	-443	-700	-922	-1,074
7 Investment income, net[3]	17,988	20,899	32,509	7,271	9,319	8,883	10,094	6,355
8 Other service transactions, net	1,794	2,769	3,112	791	690	792	880	1,104
9 MEMO: Balance on goods and services[3,4]	-9,464	-9,204	4,878	-110	2,506	-250	-823	-1,258
10 Remittances, pensions, and other transfers	-1,830	-1,884	-2,142	-484	-529	-665	-565	-557
11 U.S. government grants (excluding military)	-2,775	-3,171	-3,524	-899	-878	-887	-1,247	-685
12 Change in U.S. government assets, other than official reserve assets, net (increase, -)	-3,693	-4,644	-3,783	-991	-766	-925	-1,467	-1,280
13 Change in U.S. official reserve assets (increase, -)	-375	732	-1,106	343	2,779	-644	-3,246	473
14 Gold	-118	-65	-65	0	0	-65	0	0
15 Special drawing rights (SDRs)	-121	1,249	-1,136	6	0	0	-1,152	112
16 Reserve position in International Monetary Fund	-294	4,231	-189	-78	-52	27	-34	-99
17 Foreign currencies	158	-4,683	283	415	2,831	-606	-2,060	460
18 Change in U.S. private assets abroad (increase, -)[3]	-31,725	-57,279	-56,858	-14,631	-27,228	-11,918	-7,976	-25,554
19 Bank-reported claims	-11,427	-33,631	-25,868	-7,839	-16,997	-7,213	-274	-20,913
20 Nonbank-reported claims	-1,940	-3,853	-2,029	935	-932	410	-1,474	n.a.
21 U.S. purchase of foreign securities, net	-5,460	-3,450	-4,643	-513	-2,143	-986	-765	-1,325
22 U.S. direct investments abroad, net[3]	-12,898	-16,345	-24,318	-7,214	-7,156	-4,129	-5,463	-3,316
23 Change in foreign official assets in the United States (increase, +)	36,574	33,292	-14,270	-10,095	5,789	-1,221	-7,215	7,816
24 U.S. Treasury securities	30,230	23,523	-22,356	-12,859	5,024	-5,769	-5,357	4,315
25 Other U.S. government obligations	2,308	666	465	94	335	41	801	247
26 Other U.S. government liabilities[5]	1,159	2,220	-714	122	216	-924	181	1,035
27 Other U.S. liabilities reported by U.S. banks	773	5,488	7,219	2,354	56	4,881	-3,185	1,559
28 Other foreign official assets[6]	2,105	1,395	1,116	195	158	550	345	660
29 Change in foreign private assets in the United States (increase, +)[3]	14,167	30,804	51,845	16,502	19,152	5,246	14,409	-2,056
30 U.S. bank-reported liabilities	6,719	16,259	32,668	12,082	13,185	400	6,355	-4,334
31 U.S. nonbank-reported liabilities	473	1,640	1,692	579	606	1,050	683	n.a.
32 Foreign private purchases of U.S. Treasury securities, net	534	2,197	4,830	-120	1,466	920	3,278	-1,226
33 Foreign purchases of other U.S. securities, net	2,713	2,811	2,942	1,149	677	313	2,427	1,350
34 Foreign direct investments in the United States, net[3]	3,728	7,896	9,713	2,812	3,217	2,564	1,666	2,155
35 Allocation of SDRs	0	0	1,139	0	0	0	1,152	0
36 Discrepancy	-880	11,354	23,822	10,364	-825	11,264	6,978	23,100
37 Owing to seasonal adjustments	....	....	....	1,167	-3,641	2,400	-101	1,473
38 Statistical discrepancy in recorded data before seasonal adjustment	-880	11,354	23,822	9,197	2,816	8,864	7,079	21,627
MEMO:								
Changes in official assets								
39 U.S. official reserve assets (increase, -)	-375	732	-1,106	343	2,779	-644	-3,246	473
40 Foreign official assets in the United States (increase, +)	35,416	31,072	-13,556	-10,216	5,573	-297	-7,396	6,781
41 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 23 above)	6,351	-1,137	5,508	238	1,676	4,955	2,930	4,671
42 Transfers under military grant programs (excluded from lines 4, 6, and 11 above)	204	236	305	49	88	139	144	152

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	1977	1978	1979	1980						
				Apr.	May	June	July	Aug.	Sept.	Oct.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	121,150	143,578	181,637	18,468	17,678	18,642	18,075	19,103	18,701	19,088
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	147,685	171,978	206,326	20,588	19,257r	19,893	18,995	19,236	19,465	20,060
3 **Trade balance**	**−26,535**	**−28,400**	**−24,690**	**−789**	**−2,762**	**−1,251**	**−920**	**−132**	**−764**	**−972**

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	1977	1978	1979	1980						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 **Total**[1]	**19,312**	**18,650**	**18,956**	**21,917**	**21,943**	**21,845**	**22,691**	**22,994**	**23,967**	**25,673**
2 Gold stock, including Exchange Stabilization Fund[1]	11,719	11,671	11,172	11,172	11,172	11,172	11,172	11,168	11,163	11,162
3 Special drawing rights[2,3]	2,629	1,558	2,724	3,744	3,782	3,842	4,009	4,007	3,939	3,954
4 Reserve position in International Monetary Fund[2]	4,946	1,047	1,253	1,157	1,385	1,410	1,564	1,665	1,671	1,822
5 Foreign currencies[4,5]	18	4,374	3,807	5,844	5,604	5,421	5,946	6,154	7,194	8,735

1. 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 3.22.
2. 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.
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; $1,139 million on Jan. 1, 1979; and $1,152 million Jan. 1, 1980; plus net transactions in SDRs.
4. Beginning November 1978, valued at current market exchange rates.
5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies, if any.

3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1977	1978[1]	1979	1980						
				Mar.	Apr.	May	June	July	Aug.	Sept.[p]
	All foreign countries									
1 **Total, all currencies**	**258,897**	**306,795**	**364,233**	**371,533**	**376,146**	**378,899**	**376,722**	**377,813**	**386,200**	**385,011**
2 Claims on United States	11,623	17,340	32,302	35,682	34,183	35,606	29,069	29,053	36,821	29,320
3 Parent bank	7,806	12,811	25,929	28,249	26,290	26,139	18,565	17,525	26,684	19,676
4 Other	3,817	4,529	6,373	7,433	7,893	9,467	10,504	11,528	10,137	9,644
5 Claims on foreigners	238,848	278,135	317,175	319,795	325,623	326,340	330,171	331,301	332,317	338,388
6 Other branches of parent bank	55,772	70,338	79,661	80,523	79,500	76,317	76,061	75,196	72,417	73,784
7 Banks	91,883	103,111	123,395	126,069	130,198	130,313	132,587	134,624	136,484	139,458
8 Public borrowers[2]	14,634	23,737	26,072	25,509[r]	25,239[r]	25,438[r]	25,632[r]	25,474[r]	26,112	26,494
9 Nonbank foreigners	76,560	80,949	88,047	87,694[r]	90,686[r]	94,272[r]	95,891[r]	96,007[r]	97,304	98,654
10 Other assets	8,425	11,320	14,756	16,056	16,340	16,953	17,482	17,459	17,062	17,303
11 **Total payable in U.S. dollars**	**193,764**	**224,940**	**267,711**	**276,760**	**277,791**	**277,542**	**275,232**[r]	**275,719**	**284,363**	**281,444**
12 Claims on United States	11,049	16,382	31,171	34,502	32,899	34,314	27,867	27,688	35,508	28,117
13 Parent bank	7,692	12,625	25,632	27,897	25,920	25,778	18,254	17,209	26,363	19,405
14 Other	3,357	3,757	5,539	6,605	6,979	8,536	9,613	10,479	9,145	8,712
15 Claims on foreigners	178,896	203,498	229,118	233,763	235,953	234,159	238,213	239,271	240,012	244,910
16 Other branches of parent bank	44,256	55,408	61,525	63,404	61,768	58,908	58,456	57,813	54,965	56,584
17 Banks	70,786	78,686	96,243	99,383	103,256	102,693	104,902	106,313	107,976	111,512
18 Public borrowers[2]	12,632	19,567	21,629	21,382[r]	20,998[r]	21,221[r]	21,382[r]	21,233[r]	21,785	22,059
19 Nonbank foreigners	51,222	49,837	49,721	49,594[r]	49,931[r]	51,337[r]	53,473[r]	53,912[r]	55,286	54,755
20 Other assets	3,820	5,060	7,422	8,495	8,939	9,069	9,152[r]	8,760	8,843	8,417
	United Kingdom									
21 **Total, all currencies**	**90,933**	**106,593**	**130,873**	**136,654**	**138,915**	**138,930**	**139,066**	**135,669**	**136,467**	**136,872**
22 Claims on United States	4,341	5,370	11,117	11,990	11,533	11,399	9,157	8,366	8,465	8,022
23 Parent bank	3,518	4,448	9,338	9,838	9,300	9,140	6,870	5,705	6,023	5,788
24 Other	823	922	1,779	2,152	2,233	2,259	2,287	2,661	2,442	2,234
25 Claims on foreigners	84,016	98,137	115,123	119,290	122,105	121,851	124,059	120,914	121,805	122,825
26 Other branches of parent bank	22,017	27,830	34,291	35,536	36,015	34,305	34,824	32,231	31,607	30,792
27 Banks	39,899	45,013	51,343	52,509	54,020	54,076	54,855	54,824	55,530	56,911
28 Public borrowers[2]	2,206	4,522	4,919	5,860	5,578	5,591	5,897	5,710	5,865	6,005
29 Nonbank foreigners	19,895	20,772	24,570	25,385	26,492	27,879	28,483	28,149	28,803	29,117
30 Other assets	2,576	3,086	4,633	5,374	5,277	5,680	5,850	6,389	6,197	6,025
31 **Total payable in U.S. dollars**	**66,635**	**75,860**	**94,287**	**99,711**	**100,628**	**98,809**	**98,013**	**93,158**	**94,376**	**94,355**
32 Claims on United States	4,100	5,113	10,746	11,620	11,071	10,988	8,790	7,831	7,954	7,656
33 Parent bank	3,431	4,386	9,297	9,778	9,179	9,059	6,810	5,629	5,960	5,744
34 Other	669	727	1,449	1,842	1,892	1,929	1,980	2,202	1,994	1,912
35 Claims on foreigners	61,408	69,416	81,294	85,452	86,818	85,013	86,404	82,434	83,361	83,933
36 Other branches of parent bank	18,947	22,838	28,928	30,204	29,980	28,466	28,692	26,083	25,565	24,907
37 Banks	28,530	31,482	36,760	37,768	39,159	38,594	39,050	38,471	39,070	40,817
38 Public borrowers[2]	1,669	3,317	3,319	4,589	4,277	4,277	4,396	4,280	4,327	4,419
39 Nonbank foreigners	12,263	11,779	12,287	12,891	13,402	13,676	14,266	13,600	14,399	13,790
40 Other assets	1,126	1,331	2,247	2,639	2,739	2,808	2,819	2,893	3,061	2,766
	Bahamas and Caymans									
41 **Total, all currencies**	**79,052**	**91,735**	**108,977**	**114,798**	**115,840**	**116,538**	**115,276**	**120,243**	**128,429**	**123,076**
42 Claims on United States	5,782	9,635	19,124	21,832	20,060	21,406	17,682	18,240	25,846	18,293
43 Parent bank	3,051	6,429	15,196	17,323	15,269	15,334	10,660	10,497	19,129	11,839
44 Other	2,731	3,206	3,928	4,509	4,791	6,072	7,022	7,743	6,717	6,454
45 Claims on foreigners	71,671	79,774	86,718	89,326	91,683	90,995	93,432	98,001	98,463	100,832
46 Other branches of parent bank	11,120	12,904	9,689	13,659	13,438	12,454	12,977	14,362	13,160	14,870
47 Banks	27,939	33,677	43,171	44,485	47,212	46,782	48,012	50,780	51,712	52,476
48 Public borrowers[2]	9,109	11,514	12,905	11,334	11,355	11,636	11,554	11,627	12,054	12,076
49 Nonbank foreigners	23,503	21,679	20,953	19,848	19,678	20,123	20,889	21,232	21,537	21,410
50 Other assets	1,599	2,326	3,135	3,640	4,097	4,137	4,162	4,002	4,120	3,951
51 **Total payable in U.S. dollars**	**73,987**	**85,417**	**102,368**	**108,599**	**109,728**	**110,872**	**109,715**[r]	**114,474**	**122,581**	**117,142**

For notes see opposite page.

3.13 Continued

Liability account	1977	1978[1]	1979	1980 Mar.	Apr.	May	June	July	Aug.	Sept.p
				All foreign countries						
52 **Total, all currencies**	**258,897**	**306,795**	**364,233**	**371,533**	**376,146**	**378,899**	**376,722**	**377,813**	**386,200**	**385,011**
53 To United States	44,154	57,948	66,618	67,654	69,570	73,262	76,296	83,150	87,466	83,666
54 Parent bank	24,542	28,590	24,462	22,413	24,348	26,603	30,918	35,357	37,400	38,049
55 Other banks in United States	19,613	12,212	13,968	12,351	12,832	13,089	12,431	11,414	14,724	12,686
56 Nonbanks		17,146	28,188	32,890	32,390	33,570	32,947	36,379	35,342	32,931
57 To foreigners	206,579	238,912	283,344	289,484	291,114	289,755	284,540	279,568	283,950	287,290
58 Other branches of parent bank	53,244	67,496	77,601	76,695	75,096	72,530	72,061	72,067	69,158	70,606
59 Banks	94,140	97,711	122,849	129,254r	130,676r	130,806r	127,637r	122,709r	130,345	130,569
60 Official institutions	28,110	31,936	35,664	34,890r	35,107r	34,910r	34,141r	33,073r	33,080	33,406
61 Nonbank foreigners	31,085	41,769	47,230	48,645	50,235	51,509	50,701	51,719r	51,367	52,709
62 Other liabilities	8,163	9,935	14,271	14,395	15,462	15,882	15,886	15,095	14,784	14,055
63 **Total payable in U.S. dollars**	**198,572**	**230,810**	**273,819**	**282,715**	**283,880**	**285,131**	**282,578**	**283,026r**	**291,606**	**288,436**
64 To United States	42,881	55,811	64,530	65,393	67,215	70,825	73,703	80,629	84,624	80,778
65 Parent bank	24,213	27,519	23,403	21,225	23,102	25,279	29,547	33,977	35,906	36,450
66 Other banks in United States	18,669	11,958	13,771	12,004	12,583	12,825	12,161	11,154	14,418	12,450
67 Nonbanks		16,334	27,356	32,164	31,530	32,721	31,995	35,498	34,300	31,878
68 To foreigners	151,363	169,927	201,476	209,174	207,848	205,264	199,873	194,323r	198,780	199,897
69 Other branches of parent bank	43,268	53,396	60,513	61,240	59,423	56,577	56,247	56,206	53,335	55,097
70 Banks	64,872	63,000	80,691	88,018r	87,607r	87,030r	84,291r	78,912r	86,405	84,946
71 Official institutions	23,972	26,404	29,048	28,384r	28,685r	28,360r	26,961r	26,177r	26,165	25,986
72 Nonbank foreigners	19,251	27,127	31,224	31,532	32,133	33,297	32,374	33,028	32,875	33,868
73 Other liabilities	4,328	5,072	7,813	8,148	8,817	9,042	9,002	8,074	8,202	7,761
				United Kingdom						
74 **Total, all currencies**	**90,933**	**106,593**	**130,873**	**136,654**	**138,915**	**138,930**	**139,066**	**135,669**	**136,467**	**136,872**
75 To United States	7,753	9,730	20,986	19,921	20,838	19,877	20,189	21,404	20,583	19,071
76 Parent bank	1,451	1,887	3,104	2,140	2,301	2,118	2,410	3,275	2,542	2,679
77 Other banks in United States	6,302	4,232	7,693	6,502	6,382	6,265	6,306	5,567	5,910	5,352
78 Nonbanks		3,611	10,189	11,279	12,155	11,494	11,473	12,562	12,131	11,040
79 To foreigners	80,736	93,202	104,032	110,473	111,375	111,769	111,878	107,739	109,629	112,138
80 Other branches of parent bank	9,376	12,786	12,567	14,799	14,268	13,824	13,767	12,694	13,343	13,345
81 Banks	37,893	39,917	47,620	53,204	53,955	54,309	54,750	51,203	51,452	53,749
82 Official institutions	18,318	20,963	24,202	23,303	23,453	23,628	22,577	21,088	22,600	22,663
83 Nonbank foreigners	15,149	19,536	19,643	19,167	19,699	20,008	20,784	22,754	22,234	22,381
84 Other liabilities	2,445	3,661	5,855	6,260	6,702	7,284	6,999	6,526	6,255	5,663
85 **Total payable in U.S. dollars**	**67,573**	**77,030**	**95,449**	**101,293**	**101,679**	**101,170**	**100,117**	**95,314r**	**96,453**	**96,403**
86 To United States	7,480	9,328	20,552	19,381	20,337	19,284	19,498	20,843	19,982	18,415
87 Parent bank	1,416	1,836	3,054	2,089	2,252	2,060	2,315	3,238	2,496	2,620
88 Other banks in United States	6,064	4,144	7,651	6,351	6,318	6,210	6,233	5,486	5,809	5,250
89 Nonbanks		3,348	9,847	10,941	11,767	11,014	10,950	12,119	11,677	10,545
90 To foreigners	58,977	66,216	72,397	79,251	78,296	78,278	77,145	71,489r	73,456	75,273
91 Other branches of parent bank	7,505	9,635	8,446	10,894	10,468	10,021	9,758	8,672	9,128	9,261
92 Banks	25,608	25,287	29,424	35,300	34,485	34,488	35,217	31,352	31,726	32,865
93 Official institutions	15,482	17,091	20,192	19,255	19,554	19,558	18,300	16,846r	18,253	18,272
94 Nonbank foreigners	10,382	14,203	14,335	13,802	13,789	14,211	13,870	14,619	14,349	14,875
95 Other liabilities	1,116	1,486	2,500	2,661	3,046	3,608	3,474	2,982	3,015	2,715
				Bahamas and Caymans						
96 **Total, all currencies**	**79,052**	**91,735**	**108,977**	**114,798**	**115,840**	**116,538**	**115,276**	**120,243**	**128,429**	**123,076**
97 To United States	32,176	39,431	37,719	40,926	41,918	45,617	48,430	54,189	58,876	56,263
98 Parent bank	20,956	20,482	15,267	15,371	17,066	19,170	22,748	26,589	29,189	29,252
99 Other banks in United States	11,220	6,073	5,204	4,778	5,417	5,720	5,199	4,820	7,459	6,124
100 Nonbanks		12,876	17,248	20,777	19,435	20,727	20,483	22,780	22,228	20,887
101 To foreigners	45,292	50,447	68,598	70,822	70,602	67,972	63,936	63,172	66,594	63,918
102 Other branches of parent bank	12,816	16,094	20,875	22,387	22,470	20,009	20,102	20,409	18,081	17,377
103 Banks	24,717	23,104	33,631	33,792	33,047	32,175	28,918	27,127	34,087	31,756
104 *Official institutions*	3,000	4,208	4,866	4,958	5,435	5,461	5,096	5,525	4,119	4,351
105 Nonbank foreigners	4,759	7,041	9,226	9,685	9,650	10,327	9,820	10,111	10,307	10,434
106 Other liabilities	1,584	1,857	2,660	3,050	3,320	2,949	2,910	2,882	2,959	2,895
107 **Total payable in U.S. dollars**	**74,463**	**87,014**	**103,460**	**110,123**	**111,486**	**112,509**	**111,494**	**116,182**	**124,017**	**118,473**

1. In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.
2. 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.

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1977	1978	1979r	1980						
				Apr.r	Mayr	Juner	Julyr	Aug.	Sept.p	Oct.p
1 **Total**[1]	**131,097**	**162,589**	**149,451**	**140,501**	**143,465**	**149,094**	**152,982**	**154,579**	**156,815**	**157,105**
By type										
2 Liabilities reported by banks in the United States[2]	18,003	23,290	30,475	27,999	28,566	28,940	29,201	29,449	30,929	28,718
3 U.S. Treasury bills and certificates[3]	47,820	67,671	47,666	40,527	42,731	45,907	47,982	49,811	49,361	50,392
U.S. Treasury bonds and notes										
4 Marketable	32,164	35,894	37,590	37,643	38,029	39,745	40,507	39,762	40,760	41,363
5 Nonmarketable[4]	20,443	20,970	17,387	16,384	16,184	15,954	15,954	15,654	15,254	15,254
6 U.S. securities other than U.S. Treasury securities[5]	12,667	14,764	16,333	17,948	17,955	18,548	19,338	19,903	20,511	21,378
By area										
7 Western Europe[1]	70,748	93,089	85,602	74,169	74,174	75,246	78,141	78,424	76,943	75,964
8 Canada	2,334	2,486	1,898	1,903	2,134	2,157	1,907	2,156	1,911	1,736
9 Latin America and Caribbean	4,649	5,046	6,291	5,899	5,955	5,932	6,276	6,049	6,611	6,008
10 Asia	50,693	58,817	52,763	54,480	57,382	62,164	62,989	64,191	67,601	68,891
11 Africa	1,742	2,408	2,412	3,316	2,889	2,694	2,930	3,281	3,232	3,431
12 Other countries[6]	931	743	485	734	931	901	739	478	517	1,075

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	1977	1978r	1979		1980		
			Sept.r	Dec.r	Mar.	June	Sept.p
1 Banks' own liabilities	925	2,363	2,401	1,868	2,237	2,580r	2,688
2 Banks' own claims[1]	2,356	3,682	3,024	2,448	2,812	2,994	3,161
3 Deposits	941	1,795	1,376	1,003	1,212	1,048	1,120
4 Other claims	1,415	1,887	1,648	1,445	1,600	1,946	2,040
5 Claims of banks' domestic customers[2]	....	358	609	582	1,060r	798r	595

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	1977	1978	1979	1980						
				Apr.	May^r	June	July	Aug.	Sept.	Oct.^p
1 **All foreigners**	**126,168**	**166,816r**	**187,376r**	**181,100r**	**184,309**	**187,012**	**188,354**	**201,388r**	**191,469**	**195,386**
2 Banks' own liabilities	....	78,718r	117,183r	115,770r	116,348	116,811	116,645	128,246r	118,555	120,823
3 Demand deposits	18,996	19,218r	23,325r	22,319	22,511	25,967	22,138	22,511	22,473	22,346
4 Time deposits[1]	11,521	12,431r	13,627r	12,627	12,678	12,778	12,899	13,158	13,826	14,001
5 Other[2]	....	9,693	16,392r	15,166r	16,027	16,774	18,737	18,721r	17,945	17,283
6 Own foreign offices[3]	....	37,376r	63,839r	65,658r	65,133	61,292	62,871	73,856r	64,311	67,194
7 Banks' custody liabilities[4]	....	88,098	70,193	65,329r	67,961	70,201	71,708	73,142	72,913	74,562
8 U.S. Treasury bills and certificates[5]	48,906	68,202	48,573	42,596r	45,523	48,193	49,627	51,505r	50,731	51,974
9 Other negotiable and readily transferable instruments[6]	....	17,396	19,270	19,944	19,645	19,433	19,349	19,054r	19,671	19,959
10 Other	....	2,499	2,350	2,790	2,793	2,575	2,732	2,584	2,511	2,630
11 **Nonmonetary international and regional organizations[7]**	**3,274**	**2,607**	**2,351**	**2,377r**	**3,212**	**3,504**	**2,903**	**2,820r**	**2,549**	**2,734**
12 Banks' own liabilities	....	906	709	693r	377	847	607	501r	476	352
13 Demand deposits	231	330	260	241	144	99	214	171	141	115
14 Time deposits[1]	139	84	151	93	88	92	93	101	100	95
15 Other[2]	....	492	298	359r	145	657	299	229r	235	143
16 Banks' custody liabilities[4]	....	1,701	1,643	1,684r	2,835	2,657	2,296	2,319	2,073	2,382
17 U.S. Treasury bills and certificates	706	201	102	451r	1,519	1,106	604	644r	316	581
18 Other negotiable and readily transferable instruments[6]	....	1,499	1,538	1,233	1,317	1,551	1,692	1,675r	1,757	1,800
19 Other	....	1	2	0	0	0	0	0	0	0
20 **Official institutions[8]**	**65,822**	**90,706**	**78,142r**	**68,526r**	**71,297**	**74,848**	**77,183**	**79,260r**	**80,291**	**79,111**
21 Banks' own liabilities	....	12,129	18,228r	14,623r	15,442	16,341	17,061	17,591r	18,560	16,112
22 Demand deposits	3,528	3,390	4,704	4,734	4,484	5,042	4,218	3,898	4,350	3,406
23 Time deposits[1]	1,797	2,550	3,041	2,392	2,591	2,670	2,695	2,959	3,487	3,290
24 Other[2]	....	6,189	10,483r	7,497r	8,367	8,628	10,148	10,735	10,724	9,416
25 Banks' custody liabilities[4]	....	78,577	59,914	53,903	55,854	58,507	60,122	61,669r	61,731	62,999
26 U.S. Treasury bills and certificates[5]	47,820	67,415	47,666	40,527	42,731	45,907	47,982	49,811	48,361	50,392
27 Other negotiable and readily transferable instruments[6]	....	10,992	12,196	13,341	13,084	12,554	12,092	11,807	12,307	12,516
28 Other	....	170	52	35	40	45	48	52	63	90
29 **Banks[9]**	**42,335**	**57,483r**	**88,357r**	**92,061r**	**92,049**	**89,661**	**90,328**	**100,977r**	**89,953**	**94,735**
30 Banks' own liabilities	....	52,693r	83,357r	86,246r	86,221	84,270	84,846	95,664r	84,712	89,376
31 Unaffiliated foreign banks	....	15,317r	19,517r	20,588r	21,088	22,977	21,975	21,808r	20,401	22,182
32 Demand deposits	10,933	11,257r	13,274r	12,681	13,003	14,986	12,974	13,427	12,992	13,723
33 Time deposits[1]	2,040	1,443r	1,680r	1,498	1,423	1,479	1,544	1,514	1,404	1,724
34 Other[2]	....	2,617r	4,563r	6,410r	6,662	6,512	7,457	6,867r	6,005	6,735
35 Own foreign offices[3]	....	37,376r	63,839r	65,658r	65,133	61,292	62,871	73,856r	64,311	67,194
36 Banks' custody liabilities[4]	....	4,790	5,000	5,815	5,828	5,392	5,482	5,313	5,241	5,360
37 U.S. Treasury and certificates	141	300	422	771	765	594	557	577	361	510
38 Other negotiable and readily transferable instruments[6]	....	2,425	2,405	2,462	2,490	2,522	2,395	2,435	2,533	2,423
39 Other	....	2,065	2,173	2,582	2,574	2,277	2,530	2,301	2,347	2,427
40 **Other foreigners**	**14,736**	**16,020**	**18,526**	**18,135r**	**17,752**	**18,999**	**17,940**	**18,330**	**18,676**	**18,805**
41 Banks' own liabilities	....	12,990	14,890	14,207r	14,309	15,353	14,131	14,490	14,808	14,984
42 Demand deposits	4,304	4,242	5,087	4,663	4,880	5,840	4,732	5,014	4,991	5,102
43 Time deposits	7,546	8,353	8,755	8,645	8,576	8,537	8,566	8,585	8,836	8,892
44 Other[2]	....	394	1,048	900r	853	977	833	891	981	989
45 Banks' custody liabilities[4]	....	3,030	3,636	3,928	3,443	3,646	3,809	3,841r	3,868	3,822
46 U.S. Treasury bills and certificates	240	285	382	847	508	586	484	473	693	490
47 Other negotiable and readily transferable instruments[6]	....	2,481	3,131	2,908	2,755	2,806	3,170	3,137	3,074	3,219
48 Other	....	264	123	173	180	254	154	231	100	112
49 MEMO: *Negotiable time certificates of deposit* in custody for foreigners	....	11,007	10,974	11,670	11,685	11,773	10,500	10,433	10,704	10,493

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments." Data for time deposits before 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 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	1977	1978	1979	1980 Apr.	May	June	July	Aug.	Sept.	Oct.p
1 **Total**	**126,168**	**166,816r**	**187,376r**	**181,100r**	**184,309r**	**187,012**	**188,354**	**201,388r**	**191,469**	**195,386**
2 **Foreign countries**	**122,893**	**164,209r**	**185,025r**	**178,723r**	**181,097r**	**183,508**	**185,451**	**198,568r**	**188,920**	**192,651**
3 Europe	60,295	85,157r	90,935r	82,822r	82,756r	82,911	83,871	86,072	83,441	83,932
4 Austria	318	513	413	444	352	383	432	390	432	466
5 Belgium-Luxembourg	2,531	2,550r	2,375	2,369	2,795	3,982	3,837	3,673	3,696	3,307
6 Denmark	770	1,946	1,092	615	588	553	534	525	528	493
7 Finland	323	346	398	552	435	438	433	403	311	307
8 France	5,269	9,208	10,433r	11,302r	10,850r	11,272	12,178	12,596	12,332	11,654
9 Germany	7,239	17,286	12,935	5,337r	5,427	6,954	7,626	9,121	7,854	7,556
10 Greece	603	826	635	617	610	626	567	642	591	643
11 Italy	6,857	7,739	7,782	7,429	6,942	5,778	7,138	6,530	5,940	6,764
12 Netherlands	2,869	2,402	2,327	2,022	2,128	2,676	2,830	2,491	2,540	2,555
13 Norway	944	1,271	1,267	1,391	1,221	1,282	1,140	1,040	1,074	1,381
14 Portugal	273	330	557	537	339	391	398	506	571	491
15 Spain	619	870	1,259	1,418	1,386	1,366	1,371	1,491	1,321	1,520
16 Sweden	2,712	3,121	2,005	1,847	1,632	1,999	1,795	1,861	1,826	1,813
17 Switzerland	12,343	18,225	17,954	14,859	14,517	14,736	14,359	14,252	13,524	13,740
18 Turkey	130	157	120	136	136	153	156	147	237	171
19 United Kingdom	14,125	14,265	24,694	27,201r	27,251r	24,192	22,579	22,925	22,813	23,789
20 Yugoslavia	232	254	266	122	144	254	190	135	169	208
21 Other Western Europe[1]	1,804	3,440	4,070	4,301	5,606r	5,468	6,006	7,002	7,250	6,815
22 U.S.S.R.	98	82	52	33	40	49	36	70	39	28
23 Other Eastern Europe[2]	236	325	302	319r	354	357	267	271	392	230
24 Canada	4,607	6,969	7,379	8,048	8,201	9,157	9,228	9,187	10,234	9,993
25 Latin America and Caribbean	23,670	31,627r	49,576r	48,922r	48,886r	46,975	49,301	58,306r	48,629	52,156
26 Argentina	1,416	1,484	1,582	1,679	1,903	1,705	1,841	1,880	1,875	2,075
27 Bahamas	3,596	6,752	15,255r	14,419r	16,468r	12,887	13,173	21,179r	13,879	17,259
28 Bermuda	321	428	430	479	512	576	464	559r	677	604
29 Brazil	1,396	1,125	1,005	1,645	1,527	1,454	1,474	1,378	1,170	1,364
30 British West Indies	3,998	6,014r	11,117r	11,626r	9,571	10,369	12,072	13,422r	11,408	11,895
31 Chile	360	398r	468r	444	416	450	453	475	431	448
32 Colombia	1,221	1,756	2,617	2,905	2,780	2,854	2,932	2,893	2,916	3,038
33 Cuba	6	13	13	23	7	6	6	7	5	5
34 Ecuador	330	322	425	357	337	455	346	818	381	387
35 Guatemala[3]	....	416	414	403	350	360	373	372	373	365
36 Jamaica[3]	....	52	76	132	138	91	137	100	101	85
37 Mexico	2,876	3,417	4,096	4,345r	4,111	3,918	4,208	4,202	4,121	4,572
38 Netherlands Antilles	196	308	499	411	335	250	332	314	358	393
39 Panama	2,331	2,968	4,483	4,505	4,082	4,176	4,685	4,617	3,894	3,595
40 Peru	287	363	383	392	412	346	350	401	355	380
41 Uruguay	243	231	202	216	208	232	232	241	199	220
42 Venezuela	2,929	3,821	4,192	3,104	3,953	4,707	4,350	3,692	4,405	3,659
43 Other Latin America and Caribbean	2,167	1,760	2,318	1,837	1,775	2,139	1,873	1,755	2,080	1,811
44 Asia	30,488	36,492	32,991r	33,595r	36,047r	39,468	38,020	39,850	41,819	40,870
China										
45 Mainland	53	67	49	35	30	44	38	37	38	46
46 Taiwan	1,013	502	1,393	1,076	1,396	1,524	1,438	1,552	1,595	1,611
47 Hong Kong	1,094	1,256	1,672	1,857	1,944	2,270	2,186	1,991	2,204	2,148
48 India	961	790	527	576	740	633	494	631	528	485
49 Indonesia	410	449	504	935	670	807	849	632	827	811
50 Israel	559	688	707	560	570	584	488	569	533	530
51 Japan	14,616	21,927	8,907	9,381r	10,790r	12,430	12,547	14,059	15,414	15,354
52 Korea	602	795	993	1,008	988	1,087	1,482	1,473	1,994	1,809
53 Philippines	687	644	800	789	885	883	935	778	814	838
54 Thailand	264	427	277	407	472	405	405	304	517	403
55 Middle-East oil-exporting countries[4]	8,979	7,534	15,282r	15,265r	15,788r	16,792	15,350	15,791	15,382	14,575
56 Other Asia	1,250	1,414	1,879r	1,704	1,771	2,010	1,808	2,033	1,972	2,261
57 Africa	2,535	2,886	3,239	4,203	3,810	3,708	3,792	4,218	3,902	4,216
58 Egypt	404	404	475	438	376	346	447	347	322	269
59 Morocco	66	32	33	41	31	35	33	47	32	57
60 South Africa	174	168	184	294	316	325	360	404	354	288
61 Zaire	39	43	110	84	86	107	78	38	42	36
62 Oil-exporting countries[5]	1,155	1,525	1,635	2,462	2,231	2,100	2,094	2,685	2,459	2,911
63 Other Africa	698	715	804	885	768	796	779	697	694	656
64 Other countries	1,297	1,076	904	1,133	1,397	1,290	1,239	936	894	1,484
65 Australia	1,140	838	684	881	1,150	1,019	959	692	613	1,190
66 All other	158	239	220	252	247	271	281	243	281	294
67 Nonmonetary international and regional organizations	3,274	2,607	2,351	2,377r	3,212r	3,504	2,903	2,820r	2,549	2,734
68 International	2,752	1,485	1,238	1,272r	2,133r	2,394	1,804	1,736r	1,389	1,586
69 Latin American regional	278	808	806	813	790	807	785	800	837	841
70 Other regional[6]	245	314	308	292	289	302	314	285	323	307

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, the 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	1977	1978	1979	1980						
				Apr.	May	June	July	Aug.	Sept.	Oct.p
1 **Total**	**90,206**	**115,603r**	**133,855r**	**133,629r**	**139,733r**	**149,447**	**151,196**	**163,300r**	**161,520**	**162,508**
2 **Foreign countries**	**90,163**	**115,547r**	**133,823r**	**133,596r**	**139,699r**	**149,413**	**151,165**	**163,262r**	**161,486**	**162,468**
3 Europe	18,114	24,232	28,389	24,553r	26,206	29,707	28,439	29,394r	29,839	29,203
4 Austria	65	140	284	337	292	305	309	280	264	196
5 Belgium-Luxembourg	561	1,200	1,339	1,590	1,471	1,866	1,622	1,881	1,954	1,680
6 Denmark	173	254	147	203	168	167	149	164	180	137
7 Finland	172	305	202	223	273	307	223	215	184	253
8 France	2,082	3,735	3,302	2,811	2,740	2,689	2,582	3,288	3,232	2,551
9 Germany	644	845	1,179r	1,153	1,104	1,131	1,004	1,131	1,018	987
10 Greece	206	164	154	244	329	346	279	265	221	276
11 Italy	1,334	1,523	1,631	1,462	1,748	1,940	2,295	2,433	2,560	2,836
12 Netherlands	338	677	514	480	457	590	492	628	546	552
13 Norway	162	299	276	170	172	219	270	231	248	335
14 Portugal	175	171	330	247	246	300	346	335r	330	339
15 Spain	722	1,120	1,051	1,020	1,106	1,189	1,011	1,139	1,106	1,112
16 Sweden	218	537	542	618	661	677	534	558	716	736
17 Switzerland	564	1,283	1,165r	826	916	1,237	1,319	1,581	1,337	1,591
18 Turkey	360	300	149	132	151	144	143	137	144	124
19 United Kingdom	8,964	10,172	13,794r	10,490r	11,851	14,026	13,175	12,638r	13,197	12,923
20 Yugoslavia	311	363	611	593	614	658	648	647	682	684
21 Other Western Europe[1]	86	122	175	330	266	203	170	172	245	226
22 U.S.S.R.	413	366	290	257	247	289	531	232	241	257
23 Other Eastern Europe[2]	566	657	1,254r	1,366	1,394	1,424	1,336	1,438	1,434	1,410
24 Canada	3,355	5,152	4,143	3,923	4,283	5,272	4,654	4,775	5,253	4,614
25 Latin America and Caribbean	45,850	57,567r	68,011r	68,525r	71,656r	74,100	78,703	89,189r	85,655	87,500
26 Argentina	1,478	2,281	4,389r	4,993r	5,117	5,226	5,234	5,393	5,629	5,849
27 Bahamas	19,858	21,555r	18,918r	21,171r	23,295r	25,093	28,710	31,866r	30,167	30,107
28 Bermuda	232	184	496	321	296	175	194	256	216	399
29 Brazil	4,629	6,251	7,720r	8,112	8,064r	8,316	9,002	9,218r	9,639	10,135
30 British West Indies	6,481	9,692	9,822r	8,715r	9,047	8,667	8,637	14,570	11,970	12,680
31 Chile	675	970	1,441r	1,334	1,355	1,367	1,359	1,487	1,627	1,721
32 Colombia	671	1,012	1,614	1,539	1,408	1,435	1,448	1,490	1,492	1,575
33 Cuba	10	0	4	5	4	4	4	3	7	3
34 Ecuador	517	705	1,025	1,011	1,007	1,058	1,051	1,136	1,111	1,157
35 Guatemala[3]	....	94	134	108	107	120	153	102	105	112
36 Jamaica[3]	....	40	47	43	43	36	31	31	33	35
37 Mexico	4,909	5,479	9,099r	9,201r	9,726	10,239	10,660	10,750	11,123	11,674
38 Netherlands Antilles	224	273	248	663	693	728	760	729	710	799
39 Panama	1,410	3,098	6,031	4,643	4,538	4,952	4,552	4,931	4,461	3,972
40 Peru	962	918	652	654	628	711	647	687	671	719
41 Uruguay	80	52	105	84	154	103	91	105	100	100
42 Venezuela	2,318	3,474	4,669r	4,232r	4,528	4,295	4,469	4,737	4,879	4,744
43 Other Latin America and Caribbean	1,394	1,490	1,598	1,696	1,646	1,576	1,700	1,697	1,715	1,721
44 Asia	19,236	25,386	30,628r	33,912	34,902	37,261	36,260	36,907	37,619	37,810
China										
45 Mainland	10	4	35	48	40	75	68	50	129	126
46 Taiwan	1,719	1,499	1,821	1,626	1,889	2,100	2,224	2,284	2,480	2,318
47 Hong Kong	543	1,479	1,804	2,001	2,362	2,269	2,174	2,063	2,099	1,980
48 India	53	54	92	87	61	83	97	118	84	103
49 Indonesia	232	143	131	166	128	155	205	245	208	214
50 Israel	584	888	990	829	828	1,028	950	1,012	918	1,057
51 Japan	9,839	12,671	16,924r	20,311	20,395	21,606	20,575	21,187	20,663	20,567
52 Korea	2,336	2,282	3,796	4,853	5,057	5,417	5,521	5,462	5,574	5,885
53 Philippines	594	680	737	693	717	780	881	1,019	1,169	1,095
54 Thailand	633	758	935	857	918	922	939	947	947	925
55 Middle East oil-exporting countries[4]	1,746	3,125	1,548	1,178	978	1,262	1,120	1,040	1,471	1,300
56 Other Asia	947	1,804	1,813	1,263	1,530	1,564	1,506	1,480	1,876	2,240
57 Africa	2,518	2,221	1,797r	1,802r	1,770	2,016	2,166	1,977	2,029	2,157
58 Egypt	119	107	114r	137r	134	95	112	135	123	158
59 Morocco	43	82	103	128	107	121	134	180	166	119
60 South Africa	1,066	860	445	362	465	616	691	469	535	508
61 Zaire	98	164	144	143	108	107	107	98	101	123
62 Oil-exporting countries[5]	510	452	391	443	325	364	365	349	374	469
63 Other	682	556	600	588	632	714	757	746	729	780
64 Other countries	1,090	988	855	880	883	1,056	943	1,021	1,091	1,185
65 Australia	905	877	673	713	695	860	743	793r	879	942
66 All other	186	111	182	167	187	196	200	228r	213	243
67 Nonmonetary international and regional organizations[6]	43	56	32	33	34	34	31	38	34	40

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, the 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	1977	1978[r]	1979[r]	1980						
				Apr.[r]	May[r]	June	July	Aug.[r]	Sept.	Oct.[p]
1 **Total**	**90,206**	**126,851**	**153,953**	....	....	**174,621[r]**	....	....	**187,134**	....
2 Banks' own claims on foreigners	....	115,603	133,855	133,629	139,733	149,447	151,196	163,300	161,520	162,508
3 Foreign public borrowers	....	10,263	15,491	15,166	15,115	15,723	16,444	17,238	18,930	18,988
4 Own foreign offices[1]	....	41,628	47,447	46,399	50,108	56,064	58,499	64,016	61,933	61,451
5 Unaffiliated foreign banks	....	40,545	41,023	41,050	42,859	44,061	42,007	47,528	45,920	46,526
6 Deposits	....	5,428	6,224	6,121	6,507	6,573	6,176	7,268	7,197	7,093
7 Other	....	35,117	34,799	34,928	36,352	37,488	35,832	40,261	38,724	39,434
8 All other foreigners	....	23,167	29,894	31,013	31,652	33,600	34,245	34,518	34,737	35,542
9 Claims of banks' domestic customers[2]	....	11,248	20,098	....	....	25,174[r]	....	....	25,613	....
10 Deposits	....	480	955	....	....	910	....	....	1,218	
11 Negotiable and readily transferable instruments[3]	....	5,414	13,124	....	....	17,470	....	....	15,265	....
12 Outstanding collections and other claims[4]	6,176	5,353	6,019	....	....	6,794[r]	....	....	9,130	....
13 MEMO: Customer liability on acceptances	....	14,969	18,058	....	....	22,302[r]	....	....	23,400	....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	....	13,113	21,364	24,208[r]	24,692	23,195	24,777	21,476[r]	23,503	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' own 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			1980		
	Dec.	June	Sept.	Dec.[r]	Mar.[r]	June[r]	Sept.[p]
1 **Total**	**73,771[r]**	**77,742[r]**	**87,580[r]**	**86,224**	**85,242**	**93,070**	**98,556**
By borrower							
2 Maturity of 1 year or less[1]	58,481	60,078[r]	68,404[r]	65,215	63,883	71,690	75,565
3 Foreign public borrowers	4,583	4,609[r]	6,067[r]	7,038	6,488	6,972	8,612
4 All other foreigners	53,898	55,469[r]	62,337[r]	58,177	57,035	64,718	66,954
5 Maturity of over 1 year[1]	15,289[r]	17,664[r]	19,176[r]	21,009	21,359	21,380	22,991
6 Foreign public borrowers	5,361	6,433	7,652	8,114	8,430	8,512	9,592
7 All other foreigners	9,928[r]	11,231[r]	11,524[r]	12,895	12,929	12,869	13,399
By area							
Maturity of 1 year or less[1]							
8 Europe	15,176	14,033[r]	16,799[r]	15,214	13,844	17,407	16,849
9 Canada	2,670	2,703	2,471	1,777	1,818	2,013	2,161
10 Latin America and Caribbean	20,990	23,148[r]	25,690[r]	24,974	23,178	24,477	27,816
11 Asia	17,579	18,191	21,519[r]	21,677	23,374	25,749	26,592
12 Africa	1,496	1,438	1,401[r]	1,080	1,043	1,320	1,394
13 All other[2]	569	565	524	493	627	724	754
Maturity of over 1 year[1]							
14 Europe	3,142	3,483[r]	3,653[r]	4,140	4,248	4,033	4,714
15 Canada	1,426	1,221	1,364	1,317	1,214	1,199	1,191
16 Latin America and Caribbean	8,464[r]	10,279	11,771	12,821	13,397	13,902	14,215
17 Asia	1,407	1,884	1,578	1,911	1,728	1,524	2,178
18 Africa	637	614	623	652	620	576	567
19 All other[2]	214	183	188	169	152	146	125

1. Remaining time to maturity.
2. Includes nonmonetary international and regional organizations.

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	1976	1977	1978[2]		1979				1980		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.p
1 **Total**	**206.8**	**240.0**	**247.5**	**266.3**	**264.0**	**275.6**	**294.0**	**303.8**	**307.6r**	**328.2r**	**338.5**
2 G-10 countries and Switzerland	100.3	116.4	113.5	124.8	119.1	125.3	135.8	138.4	140.4	154.4r	159.7
3 Belgium-Luxembourg	6.1	8.4	8.4	9.0	9.4	9.7	10.7	11.1	10.8	13.1	13.6
4 France	10.0	11.0	11.7	12.2	11.7	12.7	12.0	11.6	12.0	14.1	13.9
5 Germany	8.7	9.6	9.7	11.3	10.5	10.8	12.8	12.2	11.4	12.7	12.9
6 Italy	5.8	6.5	6.1	6.7	5.7	6.1	6.1	6.4	6.2	6.9	7.2
7 Netherlands	2.8	3.5	3.5	4.4	3.9	4.0	4.7	4.8	4.3	4.5	4.4
8 Sweden	1.2	1.9	2.2	2.1	2.0	2.0	2.3	2.4	2.4	2.7	2.8
9 Switzerland	3.0	3.6	4.3	5.4	4.5	4.8	5.0	4.8	4.4	3.4	3.5
10 United Kingdom	41.7	46.5	44.2	47.3	46.4	50.3	53.7	56.4	57.6r	64.7r	67.3
11 Canada	5.1	6.4	4.9	6.0	5.9	5.5	6.0	6.3	6.8	7.2r	7.9
12 Japan	15.9	18.8	18.5	20.6	19.0	19.5	22.3	22.4	24.7	25.2r	26.2
13 Other developed countries	15.0	18.6	18.7	19.4	18.2	18.2	19.7	19.9r	18.8	20.3	20.4
14 Austria	1.2	1.3	1.5	1.7	1.7	1.8	2.0	2.0	1.7	1.8	1.7
15 Denmark	1.0	1.6	1.9	2.0	2.0	1.9	2.0	2.2	2.1	2.2	2.3
16 Finland	1.1	1.2	1.0	1.2	1.2	1.1	1.2	1.2	1.1	1.3	1.2
17 Greece	1.7	2.2	2.2	2.3	2.3	2.2	2.3	2.4	2.4	2.5	2.6
18 Norway	1.5	1.9	2.1	2.1	2.1	2.1	2.3	2.3	2.4	2.4	2.4
19 Portugal	.4	.6	.5	.6	.6	.5	.7	.7	.6	.6	.6
20 Spain	2.8	3.6	3.5	3.5	3.0	3.0	3.3	3.5	3.5	3.9	4.2
21 Turkey	1.3	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.3
22 Other Western Europe	.7	.9	1.0	1.3	1.1	.9r	1.5	1.4	1.4	1.6	1.7
23 South Africa	2.2	2.4	2.2	2.0	1.7	1.8	1.7	1.3	1.1	1.5	1.2
24 Australia	1.2	1.4	1.3	1.4	1.3	1.4	1.3	1.3	1.2	1.2	1.2
25 OPEC countries[3]	12.6	17.6	20.4	22.7	22.6	22.7	23.4	22.9	21.8r	20.9	21.2
26 Ecuador	.7	1.1	1.6	1.6	1.5	1.6	1.6	1.7	1.8	1.8	1.9
27 Venezuela	4.1	5.5	6.2	7.2	7.2	7.6	7.9	8.7	7.9	7.9	8.3
28 Indonesia	2.2	2.2	1.9	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9
29 Middle East countries	4.2	6.9	8.7	9.5	9.4	9.0	9.2	8.0	7.8	6.9	6.7
30 African countries	1.4	1.9	2.0	2.5	2.6	2.6	2.8	2.6	2.5	2.5	2.4
31 Non-OPEC developing countries	44.2	48.7	49.6	52.6	53.9	55.9	58.8	62.8	63.7r	67.5r	72.8
Latin America											
32 Argentina	1.9	2.9	2.9	3.0	3.1	3.5	4.1	5.0r	5.5r	5.6r	7.5
33 Brazil	11.1	12.7	14.0	14.9	14.9	15.1	15.1	15.2	15.0	15.3r	15.8
34 Chile	.8	.9	1.3	1.6	1.7	1.8	2.2	2.5	2.5	2.7r	3.2
35 Colombia	1.3	1.3	1.3	1.4	1.5	1.5	1.7	2.2	2.1	2.2	2.3
36 Mexico	11.7	11.9	10.7	10.8	10.9	10.7	11.4	12.0	12.1r	13.6r	14.4
37 Peru	1.8	1.9	1.8	1.7	1.6	1.4	1.4	1.5	1.3	1.4	1.5
38 Other Latin America	2.8	2.6	3.4	3.6	3.5	3.3	3.6	3.7	3.6	3.6	3.9
Asia											
China											
39 Mainland	0	.0	.0	.0	.1	.1	.1	.1	.1	.1	.1
40 Taiwan	2.4	3.1	2.4	2.9	3.1	3.3	3.5	3.4	3.6	3.7r	4.1
41 India	.2	.3	.3	.2	.2	.2	.2	.2	.2	.2	.2
42 Israel	1.0	.9	.7	1.0	1.0	.9	1.0	1.3	.9	1.2	1.1
43 Korea (South)	3.1	3.9	3.5	3.9	4.2	5.0	5.3	5.5	6.5	7.1r	7.3
44 Malaysia[4]	.5	.7	.6	.6	.6	.7	.7	.9	.8	.9	.9
45 Philippines	2.2	2.5	2.8	2.8	3.2	3.7	3.7	4.2	4.4	4.6	4.8
46 Thailand	.7	1.1	1.1	1.2	1.2	1.4	1.6	1.6	1.4	1.5	1.5
47 Other Asia	.5	.4	.3	.2	.3	.4	.3	.4	.4	.5	.5
Africa											
48 Egypt	.4	.3	.4	.4	.5	.7	.6	.6	.7	.7	.7
49 Morocco	.3	.5	.5	.6	.6	.5	.5	.6	.5	.5	.6
50 Zaire	.2	.3	.2	.2	.2	.2	.2	.2	.2	.2	.2
51 Other Africa[5]	1.2	.7	1.3	1.4	1.4	1.5	1.6	1.7	1.8	1.8r	2.0
52 Eastern Europe	5.2	6.3	6.6	6.9	6.7	6.7	7.2	7.3	7.3	7.2	7.3
53 U.S.S.R.	1.5	1.6	1.4	1.3	1.1	.9	.9	.7	.6	.5	.5
54 Yugoslavia	.8	1.1	1.3	1.5	1.6	1.7	1.8	1.8	1.9	2.1	2.1
55 Other	2.9	3.7	3.9	4.1	4.0	4.1	4.6	4.8	4.9	4.6	4.7
56 Offshore banking centers	24.7	26.1	30.1r	30.9	33.7	37.0	38.6	40.4	42.6r	43.8r	43.7
57 Bahamas	10.1	9.9r	11.5r	10.4r	12.3r	14.4r	13.0r	13.7	14.0r	13.6r	12.6
58 Bermuda	.5	.6	.7	.7	.6	.7	.7	.8	.6	.6	.6
59 Cayman Islands and other British West Indies	3.8	3.7	6.7r	7.4	7.1r	7.4r	9.5	9.4	11.3	9.5r	10.1
60 Netherlands Antilles	.6	.7	.6	.8	.8	1.0	1.1	1.2	.9	1.1r	1.3
61 Panama[6]	3.0	3.1	3.1	3.0	3.4	3.8	3.4	4.3	4.9	5.6	5.7
62 Lebanon	.1	.2	.1	.1	.1	.1	.2	.2	.2	.2	.2
63 Hong Kong	2.2	3.7	4.0	4.2	4.8	4.9	5.5	6.0	5.7	6.9	7.3
64 Singapore	4.4	3.7	2.9	3.9	4.2	4.2	4.9	4.5	4.7	5.9	5.6
65 Others[7]	.0	.5	.5	.5	.4	.4	.4	.4	.4	.4	.4
66 Miscellaneous and unallocated[8]	5.0	5.3	8.6	9.1	9.5	9.9	10.6	11.7	13.1	14.3r	13.7

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. Beginning with data for June 1978, 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. In addition to the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

4. Foreign branch claims only through December 1976.

5. Excludes Liberia.

6. Includes Canal Zone beginning December 1979.

7. Foreign branch claims only.

8. Includes New Zealand, Liberia, and international and regional organizations.

3.21 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1978	1979	1980 Jan.–Oct.	1980 Apr.	May	June	July	Aug.	Sept.	Oct.p
	Holdings (end of period)[1]									
1 **Estimated total[2]**	**44,946r**	**50,255r**	....	**52,013r**	**51,294r**	**53,054r**	**53,742r**	**52,979r**	**54,727**	**55,351**
2 Foreign countries[2]	39,817	44,796r	....	46,355r	46,833r	48,653r	49,448r	48,850r	50,031	50,874
3 Europe[2]	17,072	23,705	....	24,008	24,075	24,377	24,157	23,541	23,914	23,681
4 Belgium-Luxembourg	19	60	....	28	28	28	45	89	91	78
5 Germany[2]	8,705	12,937	....	13,207	13,225	12,976	12,578	11,978	11,991	11,704
6 Netherlands	1,358	1,466	....	1,473	1,412	1,437	1,547	1,522	1,640	1,658
7 Sweden	285	647	....	642	653	647	650	640	611	607
8 Switzerland[2]	977	1,868	....	1,528	1,574	1,731	1,675	1,675	1,566	1,517
9 United Kingdom	5,373	6,236	....	6,603	6,665	7,001	7,091	7,106	7,473	7,555
10 Other Western Europe	354	491	....	527	519	556	571	531	542	562
11 Eastern Europe	0	0	....	0	....	....	0	0	0	0
12 Canada	152	232	....	381	385	423	481	469	480	503
13 Latin America and Caribbean	416	466r	....	501r	512r	616r	690r	706r	768	768
14 Venezuela	144	103r	....	103r	103r	200r	248r	261r	302	292
15 Other Latin America and Caribbean	110	200	....	199	209	215	242	240	241	255
16 Netherlands Antilles	162	163	....	199	200	200	200	205	225	221
17 Asia	21,488	19,805r	....	20,873r	21,270r	22,752r	23,535r	23,546r	24,253	25,291
18 Japan	11,528	11,175	....	9,533	9,543	9,545	9,614	9,465	9,444	9,503
19 Africa	691	591	....	593	593	492	592	592	617	625
20 All other	−3	−3	....	−2r	−2r	−6r	−6r	−5r	0	5
21 Nonmonetary international and regional organizations	5,129r	5,429r	....	5,658r	4,461r	4,401r	4,294r	4,129r	4,696	4,477
22 International	5,089	5,388	....	5,606	4,401	4,338	4,234	4,066	4,632	4,430
23 Latin American regional	41r	37	....	50r	60r	60r	60r	60r	65	44
	Transactions (net purchases, or sales (−) during period)									
24 **Total[2]**	**6,305r**	**5,278r**	**5,127r**	**−902r**	**−716r**	**1,757**	**692**	**−767**	**1,752**	**621**
25 Foreign countries[2]	5,921	4,980r	6,078r	−101r	479r	1,820	795	−598	1,181	843
26 Official institutions	3,729	1,697r	3,773r	−63r	386	1,716	762	−745	998	603
27 Other foreign[2]	2,193	3,284	2,303r	−37	93r	104	33	146	183	240
28 Nonmonetary international and regional organizations	383r	301r	−950r	−802	−1,195	−63	−104	−168	571	−222
MEMO: Oil-exporting countries										
29 Middle East[3]	−1,785	−1,014r	6,753r	471	462	1,427	598	140	601	990
30 Africa[4]	329	−100	33r	0	0	−100	100	0	25	8

1. 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.

2. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1977	1978	1979	1980 May	June	July	Aug.	Sept.	Oct.	Nov.p
1 Deposits	424	367	429	380	691	436	336	460	368	368
Assets held in custody										
2 U.S. Treasury securities[1]	91,962	117,126	95,075	88,489	93,661	95,525	96,504	96,227	98,121	102,786
3 Earmarked gold[2]	15,988	15,463	15,169	15,034	15,034	15,034	15,025	14,987	14,986	14,968

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	1978	1979	1980 Jan.–Oct.	1980 Apr.	May	June	July	Aug.	Sept.	Oct.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	20,145	22,643	31,400	1,985	1,940	2,550	3,080	3,505	3,569	4,438
2 Foreign sales	17,723	21,017	27,577	1,719	1,958	2,390	2,781	3,301	3,329	3,920
3 **Net purchases, or sales (−)**	**2,423**	**1,627**	**3,823**	**266**	**−17**	**160**	**299**	**203**	**241**	**519**
4 **Foreign countries**	**2,469**	**1,610**	**3,829**	**263**	**−19**	**162**	**296**	**205**	**246**	**524**
5 Europe	1,283	217	2,182	129	105	56	115	42	−83	301
6 France	47	122	313	14	23	9	62	30	−33	53
7 Germany	620	−221	56	3	14	−5	−13	−21	−18	35
8 Netherlands	−22	−71	−253	−30	−40	−25	−27	−26	−38	−29
9 Switzerland	−585	−519	131	−75	−17	−19	−82	−127	−122	83
10 United Kingdom	1,230	964	1,952	194	106	99	188	216	153	172
11 Canada	74	552	354	66	−42	24	81	13	−22	−66
12 Latin America and Caribbean	151	−19	99	6	−4	27	−25	−32	−83	132
13 Middle East[1]	781	656	1,116	145	−60	20	130	183	410	126
14 Other Asia	189	211	47	−81	−21	28	−5	−22	19	33
15 Africa	−13	−14	1	0	0	−2	−1	0	2	2
16 Other countries	3	7	31	−2	3	8	2	21	4	−3
17 **Nonmonetary international and regional organizations**	**−46**	**17**	**−6**	**3**	**2**	**−2**	**2**	**−2**	**−5**	**−6**
BONDS[2]										
18 Foreign purchases	7,985r	8,835r	13,128	1,654	1,280r	1,834	1,695	1,087	645	1,612
19 Foreign sales	5,688r	7,602r	8,235	1,137	1,257r	1,152	898	589	481	739
20 **Net purchases, or sales (−)**	**2,297r**	**1,233r**	**4,893**	**517r**	**23r**	**682**	**797**	**498**	**165**	**873**
21 **Foreign countries**	**1,878r**	**1,330r**	**4,968**	**567r**	**249**	**625**	**769**	**475**	**214**	**918**
22 Europe	736r	626r	1,371	250r	92	105	129	27	−23	284
23 France	30	11	119	7	47	12	8	6	−2	16
24 Germany	−2r	58r	178	103r	104	−14	−50	−11	4	30
25 Netherlands	12	−202	−74	−14	−14	6	−26	−7	7	8
26 Switzerland	−202	−118	32	79	−29	−10	−16	−9	0	1
27 United Kingdom	930	814	1,121	36	−34	110	196	53	−5	235
28 Canada	102	80r	121	2	9	5	−2	25	12	9
29 Latin America and Caribbean	98	109	179	13	25	23	29	32	18	7
30 Middle East[1]	810	424	3,194	295	104	483	600	382	194	594
31 Other Asia	131	88	88	7	17	5	13	9	14	24
32 Africa	−1	1	5	0	1	0	0	0	0	0
33 Other countries	1	1	11	0	0	4	1	0	−2	0
34 **Nonmonetary international and regional organizations**	**419r**	**−96r**	**−75**	**−50**	**−226r**	**57**	**28**	**23**	**−49**	**−45**
	Foreign securities									
35 Stocks, net purchases, or sales (−)	527	−786	−2,294	−40	−241	−164	−76	−201	−558	−335
36 Foreign purchases	3,666	4,615	6,180	402	450	491	654	605	694	788
37 Foreign sales	3,139	5,401	8,475	442	691	655	731	805	1,253	1,143
38 Bonds, net purchases, or sales (−)	−4,185r	−3,858r	−1,162	−12	−251	−618	374	−259	−84	−206
39 Foreign purchases	11,098r	12,661r	13,994	1,072	1,479	1,637	1,725	1,374	1,231	1,651
40 Foreign sales	15,283r	16,519r	15,157	1,084	1,730	2,255	1,351	1,634	1,316	1,857
41 **Net purchases, or sales (−), of stocks and bonds**	**−3,658r**	**−4,644r**	**−3,457**	**−52**	**−491**	**−781**	**298**	**−460**	**−643**	**−561**
42 **Foreign countries**	**−3,471r**	**−3,894r**	**−3,936**	**−72**	**−498**	**−800**	**−32**	**−384**	**−680**	**−576**
43 Europe	−61r	−1,646r	−828	−80	−214	−474	10	−176	−110	113
44 Canada	−3,229r	−2,601r	−2,424	3	−256	−283	−29	42	−344	−651
45 Latin America and Caribbean	221r	345r	162	14	45	−25	34	−14	7	−35
46 Asia	186r	48r	−968	−12	−82	−65	−55	−313	−223	−16
47 Africa	−441	−65r	32	3	4	3	1	0	−4	29
48 Other countries	−146	25	90	0	5	44	7	76	−6	−16
49 **Nonmonetary international and regional organizations**	**−187**	**−750**	**479**	**20**	**7**	**19**	**330**	**−76**	**37**	**15**

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	1978	1979	1979				1980	
			Mar.	June	Sept.	Dec.	Mar.	June.
1 **Total**	**14,860**	**16,910**	**14,470**	**15,452**	**15,653**	**16,910**	**17,370**	**18,500**
2 Payable in dollars	11,496	13,916	11,493	12,579	12,667	13,916	14,437	15,145
3 Payable in foreign currencies[2]	3,363	2,994	2,977	2,872	2,986	2,994	2,933	3,354
By type								
4 Financial liabilities	6,305	7,286	6,047	6,024	6,100	7,286	7,799	8,303
5 Payable in dollars	3,841	5,083	3,789	3,861	3,864	5,083	5,618	5,757
6 Payable in foreign currencies	2,464	2,203	2,258	2,164	2,236	2,203	2,182	2,546
7 Commercial liabilities	8,555	9,624	8,423	9,428	9,553	9,624	9,571	10,197
8 Trade payables	3,989	4,369	3,501	4,259	4,035	4,369	4,138	4,299
9 Advance receipts and other liabilities	4,566	5,255	4,922	5,168	5,518	5,255	5,433	5,898
10 Payable in dollars	7,656	8,834	7,703	8,719	8,802	8,834	8,819	9,388
11 Payable in foreign currencies	899	790	719	709	750	790	752	809
By area or country								
Financial liabilities								
12 Europe	3,903	4,554	3,650	3,557	3,682	4,554	4,813	5,389
13 Belgium-Luxembourg	289	345	266	355	317	345	360	413
14 France	167	168	139	134	126	168	188	341
15 Germany	366	497	311	283	381	497	520	668
16 Netherlands	390	834	422	401	542	834	801	804
17 Switzerland	248	168	244	235	190	168	172	231
18 United Kingdom	2,110	2,347	2,054	1,930	1,927	2,347	2,568	2,763
19 Canada	244	445	252	290	304	445	383	482
20 Latin America and Caribbean	1,357	1,483	1,346	1,395	1,347	1,483	1,761	1,632
21 Bahamas	426	347	411	442	355	347	459	433
22 Bermuda	56	109	41	37	37	109	82	2
23 Brazil	10	18	13	19	14	18	22	25
24 British West Indies	194	514	201	189	198	514	693	700
25 Mexico	102	121	101	131	122	121	101	101
26 Venezuela	49	72	55	68	71	72	70	72
27 Asia	791	795	790	772	757	795	821	775
28 Japan	714	723	714	706	700	723	737	680
29 Middle East oil-exporting countries[3]	32	31	23	25	19	31	26	31
30 Africa	5	4	5	6	5	4	11	10
31 Oil-exporting countries[4]	2	1	1	2	1	1	1	1
32 All other[5]	5	4	5	5	5	4	10	15
Commercial liabilities								
33 Europe	3,033	3,625	3,003	3,306	3,395	3,625	3,682	4,006
34 Belgium-Luxembourg	75	137	70	81	103	137	117	132
35 France	321	467	350	353	394	467	503	485
36 Germany	529	534	395	471	539	534	533	714
37 Netherlands	246	227	224	230	206	227	288	245
38 Switzerland	302	310	329	439	348	310	382	462
39 United Kingdom	824	1,078	870	997	1,015	1,078	994	1,120
40 Canada	667	852	614	645	709	852	720	591
41 Latin America	997	1,323	1,168	1,335	1,401	1,323	1,253	1,307
42 Bahamas	25	69	16	65	89	69	4	26
43 Bermuda	97	32	42	82	48	32	47	107
44 Brazil	74	203	61	165	186	203	228	151
45 British West Indies	53	21	89	121	21	21	20	37
46 Mexico	106	257	236	216	270	257	235	311
47 Venezuela	303	301	356	323	359	301	211	210
48 Asia	2,912	2,859	2,622	3,007	2,985	2,859	2,912	3,051
49 Japan	429	481	401	489	506	481	578	411
50 Middle East oil-exporting countries[3]	1,523	1,021	1,122	1,225	1,070	1,021	901	1,017
51 Africa	743	728	779	891	775	728	742	875
52 Oil-exporting countries[4]	312	384	343	410	370	384	382	498
53 All other[5]	203	237	237	243	287	237	263	367

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Before 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	1978	1979	1979				1980	
				Mar.	June	Sept.	Dec.	Mar.	June
1	**Total**	**27,645**	**30,141**	**30,114**	**29,516**	**30,069**	**30,141**	**31,953**	**31,808**
2	Payable in dollars	24,700	27,087	27,348	26,665	27,458	27,087	28,956	28,778
3	Payable in foreign currencies[2]	2,945	3,055	2,766	2,852	2,611	3,055	2,997	3,030
	By type								
4	Financial claims	16,307	17,456	19,390	18,526	18,295	17,456	19,237	18,467
5	Deposits	10,846	11,810	13,932	12,904	12,888	11,810	13,563	12,626
6	Payable in dollars	9,785	10,927	13,013	11,967	11,988	10,927	12,601	11,766
7	Payable in foreign currencies	1,061	883	920	938	901	883	963	860
8	Other financial claims	5,461	5,646	5,458	5,622	5,407	5,646	5,673	5,841
9	Payable in dollars	3,908	3,872	3,949	4,071	4,049	3,872	4,046	4,097
10	Payable in foreign currencies	1,553	1,774	1,509	1,551	1,358	1,774	1,627	1,744
11	Commercial claims	11,337	12,685	10,724	10,991	11,773	12,685	12,716	13,341
12	Trade receivables	10,779	11,997	10,054	10,362	11,061	11,997	12,071	12,638
13	Advance payments and other claims	559	688	670	628	712	688	645	703
14	Payable in dollars	11,007	12,287	10,387	10,627	11,421	12,287	12,309	12,915
15	Payable in foreign currencies	331	398	337	363	352	398	407	426
	By area or country								
	Financial claims								
16	Europe	5,073	6,066	5,203	5,498	6,428	6,066	5,826	5,812
17	Belgium-Luxembourg	48	32	63	54	33	32	19	23
18	France	178	177	171	183	191	177	290	307
19	Germany	510	401	266	361	393	401	298	185
20	Netherlands	103	53	85	62	51	53	39	37
21	Switzerland	98	73	96	81	85	73	89	96
22	United Kingdom	3,878	5,009	4,284	4,510	5,388	5,009	4,778	4,835
23	Canada	4,482	4,777	5,164	5,101	4,709	4,777	4,882	4,778
24	Latin America and Caribbean	5,595	5,624	7,939	6,840	5,994	5,624	7,512	6,800
25	Bahamas	2,902	2,294	4,148	3,216	2,831	2,294	3,448	2,962
26	Bermuda	80	30	63	57	31	30	34	25
27	Brazil	151	163	156	141	133	163	128	120
28	British West Indies	1,280	1,851	2,443	2,281	1,717	1,851	2,591	2,393
29	Mexico	163	158	160	159	156	158	169	178
30	Venezuela	150	133	142	151	139	133	132	132
31	Asia	922	693	829	800	818	693	708	756
32	Japan	307	190	207	217	222	190	226	253
33	Middle East oil-exporting countries[3]	18	16	16	17	21	16	18	16
34	Africa	181	253	204	227	277	253	265	256
35	Oil-exporting countries[4]	10	49	26	23	41	49	40	35
36	All other[5]	55	44	52	61	69	44	43	65
	Commercial claims								
37	Europe	3,985	4,891	3,811	3,833	4,127	4,891	4,751	4,808
38	Belgium-Luxembourg	144	203	173	170	179	203	208	255
39	France	609	727	490	470	518	727	703	662
40	Germany	399	580	504	421	448	580	515	504
41	Netherlands	267	298	275	307	262	298	347	297
42	Switzerland	198	269	230	232	224	269	349	429
43	United Kingdom	827	905	676	731	818	905	924	904
44	Canada	1,094	840	1,109	1,104	1,162	840	862	895
45	Latin America and Caribbean	2,547	2,859	2,395	2,406	2,598	2,859	2,990	3,278
46	Bahamas	109	21	117	98	16	21	19	19
47	Bermuda	215	197	241	118	154	197	135	133
48	Brazil	629	647	495	503	568	647	656	697
49	British West Indies	9	16	10	25	13	16	11	9
50	Mexico	506	704	489	584	650	704	833	918
51	Venezuela	292	342	274	296	346	342	349	394
52	Asia	3,085	3,299	2,765	2,967	3,116	3,299	3,370	3,544
53	Japan	979	1,127	896	1,005	1,128	1,127	1,209	1,129
54	Middle East oil-exporting countries[3]	717	700	682	685	701	700	718	830
55	Africa	447	556	443	487	549	556	518	567
56	Oil-exporting countries[4]	136	133	131	139	140	133	114	116
57	All other[5]	179	240	200	194	220	240	225	249

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, 1980		Country	Rate on Nov. 30, 1980		Country	Rate on Nov. 30, 1980	
	Per-cent	Month effective		Per-cent	Month effective		Per-cent	Month effective
Argentina	110.31	Nov. 1980	France	9.5	Aug. 1977	Sweden	10.0	Jan. 1980
Austria	6.75	Mar. 1980	Germany, Fed. Rep. of	7.5	May 1980	Switzerland	3.0	Feb. 1980
Belgium	12.0	July 1980	Italy	16.5	Sept. 1980	United Kingdom	14.0	Nov. 1980
Brazil	40.0	June 1980	Japan	7.25	Nov. 1980	Venezuela	12.0	Mar. 1980
Canada	13.95	Nov. 1980	Netherlands	8.0	Oct. 1980			
Denmark	11.00	Oct. 1980	Norway	9.0	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	1977	1978	1979	1980						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 Eurodollars	6.03	8.74	11.96	11.20	9.41	9.33	10.82	12.07	13.55	16.46
2 United Kingdom	8.07	9.18	13.60	16.97	16.68	15.82	16.45	15.89	15.87	15.84
3 Canada	7.47	8.52	11.91	13.23	11.73	10.91	10.47	10.73	11.71	12.96
4 Germany	4.30	3.67	6.64	10.18	10.00	9.59	8.93	8.90	8.99	9.37
5 Switzerland	2.56	0.74	2.04	5.85	5.64	5.29	5.52	5.57	5.40	5.53
6 Netherlands	4.73	6.53	9.33	11.18	10.72	10.06	9.97	10.31	9.63	9.59
7 France	9.20	8.10	9.44	12.62	12.37	11.87	11.20	11.81	11.69	11.26
8 Italy	14.26	11.40	11.85	17.20	17.25	17.49	17.30	17.50	18.16	17.51
9 Belgium	6.95	7.14	10.48	16.31	14.69	13.30	12.52	12.35	12.24	12.40
10 Japan	6.22	4.75	6.10	13.63	13.51	12.89	12.04	11.46	10.98	9.74

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	1977	1978	1979	1980						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 Australia/dollar	110.82	114.41	111.77	113.02	115.29	115.85	115.77	117.04	117.43	116.75
2 Austria/schilling	6.0494	6.8958	7.4799	7.8112	7.9421	8.0578	7.8840	7.8916	7.6714	7.3433
3 Belgium/franc	2.7911	3.1809	3.4098	3.4759	3.5335	3.5766	3.4883	3.4844	3.3875	3.2457
4 Canada/dollar	94.112	87.729	85.386	85.178	86.836	86.783	86.263	85.861	85.538	84.286
5 Denmark/krone	16.658	18.156	19.010	17.859	18.215	18.487	18.070	18.068	17.639	16.962
6 Finland/markka	24.913	24.337	27.732	27.084	27.448	27.699	27.353	27.428	27.122	26.452
7 France/franc	20.344	22.218	23.504	23.920	24.310	24.657	24.106	24.056	23.489	22.515
8 Germany/deutsche mark	43.079	49.867	54.561	55.828	56.584	57.245	55.867	55.883	54.280	52.113
9 India/rupee	11.406	12.207	12.265	12.727	12.751	12.875	12.849	12.903	12.932	12.868
10 Ireland/pound	174.49	191.84	204.65	207.41	211.16	214.74	210.62	210.34	203.88	194.59
11 Italy/lira	.11328	.11782	.12035	.11860	.11973	.12026	.11801	.11742	.11441	.11000
12 Japan/yen	.37342	.47981	.45834	.43766	.45894	.45232	.44666	.46644	.47777	.46928
13 Malaysia/ringgit	40.620	43.210	45.720	45.691	46.625	46.658	46.484	47.127	46.902	46.187
14 Mexico/peso	4.4239	4.3896	4.3826	4.3763	4.3684	4.3511	4.3389	4.3443	4.3324	4.3166
15 Netherlands/guilder	40.752	46.284	49.843	50.673	51.578	52.337	51.305	51.398	50.052	48.102
16 New Zealand/dollar	96.893	103.64	102.23	97.641	98.729	98.643	97.738	98.309	98.069	96.770
17 Norway/krone	18.789	19.079	19.747	20.377	20.608	20.762	20.555	20.676	20.421	19.938
18 Portugal/escudo	2.6234	2.2782	2.0437	2.0298	2.0422	2.0466	2.0163	2.0096	1.9756	1.9178
19 South Africa/rand	114.99	115.01	118.72	126.43	129.00	130.79	131.55	132.73	133.13	133.20
20 Spain/peseta	1.3287	1.3073	1.4896	1.4104	1.4280	1.4122	1.3810	1.3639	1.3423	1.3085
21 Sri Lanka/rupee	11.964	6.3834	6.4226	6.1900	6.2186	6.3288	6.2980	6.3196	5.9707	5.8139
22 Sweden/krona	22.383	22.139	23.323	23.731	23.995	24.238	23.953	24.072	23.845	23.240
23 Switzerland/franc	41.714	56.283	60.121	60.131	61.207	62.203	60.527	61.012	60.185	57.942
24 United Kingdom/pound	174.49	191.84	212.24	230.20	233.59	237.32	237.04	240.12	241.64	239.41
MEMO:										
25 United States/dollar[1]	103.31	92.39	88.09	86.96	85.29	84.65	86.09	85.50	86.59	89.31

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, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when more than half of figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	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)	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 periodic releases	August 1980	A80

SPECIAL TABLES

Published Irregularly, with Latest Bulletin Reference

Commercial bank assets and liabilities, call dates, December 31, 1978, to March 31, 1980	October 1980	A71
Commercial bank assets and liabilities, June 30, 1980	December 1980	A68

Special tables begin on following page.

4.20 DOMESTIC AND FOREIGN OFFICES, Commercial Banks with Assets of $100 Million or over[1,p]
Consolidated Report of Condition; June 30, 1980

Millions of dollars

Item	Insured	Banks with foreign offices[2]			Banks without foreign offices
		Total	Foreign offices[3]	Domestic offices	
1 **Total assets**	**1,378,679**	**1,028,935**	**335,806**	**718,145**	**349,745**
2 Cash and due from depository institutions	285,268	245,676	121,357	124,319	39,592
3 Currency and coin (U.S. and foreign)	11,411	6,523	246	6,277	4,888
4 Balances with Federal Reserve Banks	31,625	24,622	528	24,094	7,003
5 Balances with other central banks	3,018	3,018	3,006	12	N.A.
6 Demand balances with commercial banks in United States	41,119	30,179	4,231	25,947	10,941
7 All other balances with depository institutions in United States and with banks in foreign countries	119,586	115,886	111,197	4,689	3,700
8 Time and savings balances with commercial banks in United States	4,372	2,010	961	1,049	2,362
9 Balances with other depository institutions in United States	349	239	129	109	110
10 Balances with banks in foreign countries	114,865	113,637	110,107	3,530	1,228
11 Foreign branches of other U.S. banks	N.A.	26,896	25,750	1,146	N.A.
12 Other banks in foreign countries	N.A.	86,741	84,357	2,384	N.A.
13 Cash items in process of collection	78,508	65,449	2,149	63,300	13,059
14 **Total securities, loans, and lease financing receivables**	**1,000,552**	**703,990**	**188,745**	**515,246**	**296,562**
15 Total securities, book value	206,592	119,471	10,236	109,234	87,121
16 U.S. Treasury	59,500	32,281	429	31,852	27,220
17 Obligations of other U.S. government agencies and corporations	31,519	16,428	130	16,297	15,092
18 Obligations of states and political subdivisions in United States	93,549	51,447	644	50,803	42,102
19 All other securities	22,023	19,316	9,033	10,282	2,708
20 Other bonds, notes, and debentures	10,970	9,078	7,426	1,651	1,893
21 Federal Reserve and corporate stock	1,663	1,213	166	1,047	450
22 Trading account securities	9,391	9,025	1,442	7,584	365
23 Federal funds sold and securities purchased under agreements to resell	43,261	23,531	549	22,982	19,731
24 Total loans, gross	760,696	564,088	177,599	386,489	196,607
25 LESS: Unearned income on loans	14,810	8,434	1,563	6,872	6,375
26 Allowance for possible loan loss	7,741	5,615	222	5,393	2,126
27 EQUALS: Loans, net	738,146	550,039	175,814	374,225	188,106
Total loans, gross, by category					
28 Real estate loans	180,939	107,612	6,084	101,528	73,327
29 Construction and land development	N.A.	N.A.	N.A.	20,541	8,284
30 Secured by farmland	N.A.	N.A.	N.A.	719	1,164
31 Secured by residential properties	N.A.	N.A.	N.A.	59,639	41,013
32 1- to 4-family	N.A.	N.A.	N.A.	56,546	39,024
33 FHA-insured or VA-guaranteed	N.A.	N.A.	N.A.	3,782	1,992
34 Conventional	N.A.	N.A.	N.A.	52,763	37,032
35 Multifamily	N.A.	N.A.	N.A.	3,094	1,990
36 FHA-insured	N.A.	N.A.	N.A.	213	94
37 Conventional	N.A.	N.A.	N.A.	2,880	1,896
38 Secured by nonfarm nonresidential properties	N.A.	N.A.	N.A.	20,628	22,864
39 Loans to financial institutions	69,478	66,879	32,322	34,557	2,599
40 REITs and mortgage companies in United States	5,540	4,907	100	4,807	633
41 Commercial banks in United States	5,262	4,839	720	4,119	423
42 U.S. branches and agencies of foreign banks	N.A.	1,760	388	1,372	N.A.
43 Other commercial banks	N.A.	3,078	331	2,747	N.A.
44 Banks in foreign countries	31,559	31,366	24,182	7,184	194
45 Foreign branches of other U.S. banks	N.A.	858	521	337	N.A.
46 Other	N.A.	30,507	23,661	6,847	N.A.
47 Finance companies in United States	9,620	9,206	404	8,802	414
48 Other financial institutions	17,496	16,562	6,916	9,645	935
49 Loans for purchasing or carrying securities	13,085	11,375	1,547	9,828	1,710
50 Brokers and dealers in securities	8,968	8,692	1,138	7,554	276
51 Other	4,117	2,682	409	2,273	1,435
52 Loans to finance agricultural production and other loans to farmers	9,441	5,506	583	4,922	3,935
53 Commercial and industrial loans	317,375	262,017	104,465	157,552	55,358
54 U.S. addressees (domicile)	N.A.	157,620	7,636	149,983	N.A.
55 Non-U.S. addressees (domicile)	N.A.	104,397	96,829	7,569	N.A.
56 Loans to individuals for household, family, and other personal expenditures	127,939	71,542	6,406	65,136	56,397
57 Installment loans	N.A.	N.A.	N.A.	55,576	48,050
58 Passenger automobiles	N.A.	N.A.	N.A.	18,375	21,151
59 Credit cards and related plans	N.A.	N.A.	N.A.	18,268	8,803
60 Retail (charge account) credit card	N.A.	N.A.	N.A.	14,651	7,514
61 Check and revolving credit	N.A.	N.A.	N.A.	3,617	1,290
62 Mobile homes	N.A.	N.A.	N.A.	3,483	3,494
63 Other installment loans	N.A.	N.A.	N.A.	15,450	14,602
64 Other retail consumer goods	N.A.	N.A.	N.A.	4,174	3,424
65 Residential property repair and modernization	N.A.	N.A.	N.A.	3,729	3,524
66 Other installment loans for household, family, and other personal expenditures	N.A.	N.A.	N.A.	7,547	7,654
67 Single-payment loans	N.A.	N.A.	N.A.	9,560	8,347
68 All other loans	42,439	39,158	26,191	12,966	3,281
69 Loans to foreign governments and official institutions	N.A.	25,196	22,942	2,254	N.A.
70 Other	N.A.	13,961	3,249	10,712	N.A.
71 Lease financing receivables	12,554	10,950	2,145	8,805	1,604
72 Bank premises, furniture and fixtures, and other assets representing bank premises	17,700	10,737	1,031	9,705	6,963
73 Real estate owned other than bank premises	1,673	1,212	137	1,075	461
74 All other assets	73,486	67,319	24,536	67,799	6,167
75 Investment in unconsolidated subsidiaries and associated companies	1,236	1,200	721	479	36
76 Customers' liability on acceptances outstanding	39,559	39,282	8,363	30,920	276
77 U.S. addressees (domicile)	N.A.	13,826	N.A.	N.A.	N.A.
78 Non-U.S. addressees (domicile)	N.A.	25,456	N.A.	N.A.	N.A.
79 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	N.A.	N.A.	5,469	19,546	N.A.
80 Other	32,691	26,837	9,982	16,854	5,854

4.20 Continued

Item	Insured	Banks with foreign offices[2]			Banks without foreign offices
		Total	Foreign offices[3]	Domestic offices	
81 **Total liabilities and equity capital[4]**	**1,378,679**	**1,028,935**	**N.A.**	**N.A.**	**349,745**
82 **Total liabilities excluding subordinated debt**	**1,301,363**	**978,369**	**335,510**	**667,874**	**322,994**
83 Total deposits	1,066,710	775,242	284,622	490,620	291,468
84 Individuals, partnerships, and corporations	739,104	486,870	100,183	386,687	252,234
85 U.S. government	2,241	1,484	203	1,281	757
86 States and political subdivisions in United States	51,247	24,942	550	24,392	26,305
87 All other	258,710	249,878	181,413	68,465	8,832
88 Foreign governments and official institutions	44,719	44,454	36,170	8,284	265
89 Commercial banks in United States	73,464	65,210	15,622	49,589	8,253
90 U.S. branches and agencies of foreign banks	N.A.	13,869	3,759	10,111	N.A.
91 Other commercial banks in United States	N.A.	51,341	11,863	39,478	N.A.
92 Banks in foreign countries	140,528	140,214	129,622	10,592	314
93 Foreign branches of other U.S. banks	N.A.	27,015	26,981	33	N.A.
94 Other banks in foreign countries	N.A.	113,199	102,641	10,559	N.A.
95 Certified and officers' checks, travelers checks, and letters of credit sold for cash	15,407	12,068	2,272	9,796	3,339
96 Federal funds purchased and securities sold under agreements to repurchase in domestic offices and Edge and agreement subsidiaries	119,377	97,459	557	96,902	21,918
97 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money	37,485	34,152	13,083	21,069	3,333
98 Interest-bearing demand notes (note balances) issued to U.S. Treasury	9,790	7,334	N.A.	7,334	2,455
99 Other liabilities for borrowed money	27,695	26,818	13,083	13,734	877
100 *Mortgage indebtedness and liability for capitalized leases*	1,826	1,253	43	1,211	573
101 All other liabilities	75,966	70,262	37,206	58,072	5,704
102 Acceptances executed and outstanding	39,874	39,598	7,076	32,521	277
103 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	N.A.	N.A.	19,546	5,469	N.A.
104 Other	36,092	30,665	10,583	20,082	5,427
105 Subordinated notes and debentures	5,763	4,064	295	3,769	1,699
106 Total equity capital[4]	71,553	46,502	N.A.	N.A.	25,051
107 Preferred stock	96	10	N.A.	N.A.	86
108 Common stock	14,408	9,333	N.A.	N.A.	5,076
109 Surplus	25,369	15,916	N.A.	N.A.	9,452
110 Undivided profits and reserve for contingencies and other capital reserves	31,680	21,243	N.A.	N.A.	10,437
111 Undivided profits	30,816	20,802	N.A.	N.A.	10,014
112 Reserve for contingencies and other capital reserves	864	441	N.A.	N.A.	424
MEMO					
Deposits in domestic offices					
113 Total demand	320,867	223,159	0	223,159	97,707
114 Total savings	132,849	69,151	0	69,151	63,698
115 Total time	328,372	198,310	0	198,310	130,062
116 Time deposits of $100,000 or more	177,177	127,004	0	127,004	50,172
117 Certificates of deposit (CDs) in denominations of $100,000 or more	155,182	109,023	0	109,023	46,159
118 Other	21,995	17,981	0	17,981	4,013
119 Savings deposits authorized for automatic transfer and NOW accounts	12,655	7,764	0	7,764	4,892
120 *Money market time certificates of $10,000 and less than $100,000 with original maturities of 26 weeks*	86,545	41,851	0	41,851	44,694
121 Demand deposits adjusted[5]	192,208	115,024	0	115,024	77,184
122 Standby letters of credit, total	39,724	37,197	8,721	28,476	2,528
123 U.S. addressees (domicile)	N.A.	24,138	N.A.	N.A.	N.A.
124 Non-U.S. addressees (domicile)	N.A.	13,059	N.A.	N.A.	N.A.
125 Standby letters of credit conveyed to others through participations (included in total standby letters of credit)	2,131	2,064	381	1,682	67
126 Holdings of commercial paper included in total gross loans	N.A.	N.A.	N.A.	249	353
Average for 30 calendar days (or calendar month) ending with report date					
127 Total assets	1,343,054	998,709	310,355	688,355	344,345
128 Cash and due from depository institutions	260,702	226,132	120,436	105,696	34,571
129 Federal funds sold and securities purchased under agreements to resell	43,986	23,689	692	22,997	20,297
130 *Total loans*	737,823	547,900	172,577	375,323	189,923
131 Total deposits	1,031,758	746,389	285,703	460,686	285,369
132 Time CDs in denominations of $100,000 or more in domestic offices	157,818	N.A.	N.A.	110,742	47,076
133 Federal funds purchased and securities sold under agreements to repurchase	126,062	102,801	778	102,023	23,262
134 Other liabilities for borrowed money	26,896	25,980	11,411	14,569	916
135 Number of banks	1,430	173	173	173	1,257

For notes see page A73.

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of $100 Million or over[1.6p] Consolidated Report of Condition; June 30, 1980

Millions of dollars

Item	Insured	Member banks			Nonmember insured
		Total	National	State	
1 **Total assets**	**1,067,890**	**915,600**	**688,212**	**227,388**	**152,290**
2 Cash and due from depository institutions	163,911	149,049	97,158	51,891	14,861
3 Currency and coin (U.S. and foreign)	11,165	9,549	7,395	2,154	1,616
4 Balances with Federal Reserve Banks	31,097	31,088	22,080	9,008	9
5 Balances with other central banks	12	12	12	*	*
6 Demand balances with commercial banks in United States	36,888	29,004	15,517	13,486	7,885
7 All other balances with depository institutions in United States and with banks in foreign countries	8,389	5,339	4,083	1,257	3,050
8 Time and savings balances with commercial banks in United States	3,411	1,782	1,564	218	1,629
9 Balances with other depository institutions in United States	220	89	74	16	130
10 Balances with banks in foreign countries	4,759	3,468	2,445	1,023	1,290
11 Cash items in process of collection	76,359	74,057	48,071	25,986	2,302
12 **Total securities, loans, and lease financing receivables**	**811,808**	**681,728**	**527,807**	**153,921**	**130,079**
13 Total securities, book value	196,356	157,591	119,271	38,320	38,765
14 U.S. Treasury	59,071	46,147	34,735	11,412	12,924
15 Obligations of other U.S. government agencies and corporations	31,389	24,399	19,143	5,257	6,990
16 Obligations of states and political subdivisions in United States	92,905	75,687	57,428	18,259	17,218
17 All other securities	12,990	11,357	7,965	3,392	1,633
18 Other bonds, notes, and debentures	3,544	2,258	1,654	604	1,286
19 Federal Reserve and corporate stock	1,497	1,318	973	344	180
20 Trading account securities	7,949	7,782	5,338	2,444	167
21 Federal funds sold and securities purchased under agreements to resell	42,713	37,068	29,585	7,483	5,644
22 Total loans, gross	583,096	494,613	385,485	109,128	88,483
23 LESS: Unearned income on loans	13,247	10,559	8,733	1,826	2,688
24 Allowance for possible loan loss	7,518	6,588	4,950	1,638	930
25 EQUALS: Loans, net	562,331	477,466	371,802	105,664	84,865
Total loans, gross, by category					
26 Real estate loans	174,855	140,109	114,932	25,177	34,746
27 Construction and land development	28,825	24,278	19,078	5,201	4,547
28 Secured by farmland	1,884	1,418	1,293	125	466
29 Secured by residential properties	100,653	81,462	67,929	13,534	19,190
30 1- to 4-family	95,569	77,469	64,878	12,591	18,101
31 FHA-insured or VA-guaranteed	5,774	5,197	4,398	798	578
32 Conventional	89,795	72,272	60,480	11,792	17,523
33 Multifamily	5,083	3,994	3,051	943	1,090
34 FHA-insured	307	248	133	114	59
35 Conventional	4,777	3,746	2,917	829	1,031
36 Secured by nonfarm nonresidential properties	43,493	32,950	26,633	6,317	10,543
37 Loans to financial institutions	37,156	35,546	23,167	12,379	1,609
38 REITs and mortgage companies in United States	5,440	5,164	3,916	1,248	276
39 Commercial banks in United States	4,542	4,147	2,592	1,555	395
40 Banks in foreign countries	7,377	7,141	3,956	3,185	236
41 Finance companies in United States	9,216	8,987	5,889	3,097	230
42 Other financial institutions	10,580	10,108	6,813	3,295	472
43 Loans for purchasing or carrying securities	11,538	10,852	6,573	4,099	686
44 Brokers and dealers in securities	7,830	7,499	4,190	3,309	331
45 Other	3,708	3,353	2,563	790	355
46 Loans to finance agricultural production and other loans to farmers	8,857	7,972	7,454	518	886
47 Commercial and industrial loans	212,910	187,510	142,619	44,891	25,399
48 Loans to individuals for household, family, and other personal expenditures	121,533	97,791	80,303	17,487	23,742
49 Installment loans	103,626	83,236	68,780	14,456	20,390
50 Passenger automobiles	39,526	30,363	25,116	5,247	9,163
51 Credit cards and related plans	27,071	24,288	20,042	4,246	2,783
52 Retail (charge account) credit card	22,165	20,070	16,819	3,251	2,095
53 Check and revolving credit	4,906	4,219	3,224	995	688
54 Mobile homes	6,976	5,683	5,179	504	1,293
55 Other installment loans	30,052	22,901	18,443	4,459	7,151
56 Other retail consumer goods	7,598	6,097	5,207	890	1,501
57 Residential property repair and modernization	7,252	5,394	4,434	960	1,858
58 Other installment loans for household, family, and other personal expenditures	15,202	11,411	8,802	2,609	3,791
59 Single-payment loans	17,907	14,555	11,524	3,031	3,352
60 All other loans	16,247	14,833	10,256	4,577	1,415
61 Lease financing receivables	10,408	9,603	7,149	2,454	805
63 Bank premises, furniture and fixtures, and other assets representing bank premises	16,669	13,709	11,178	2,532	2,959
63 Real estate owned other than bank premises	1,536	1,347	1,077	270	189
64 All other assets	73,966	69,765	50,992	18,774	4,201
65 Investment in unconsolidated subsidiaries and associated companies	515	489	416	73	26
66 Customers' liability on acceptances outstanding	31,196	30,604	21,736	8,869	591
67 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	19,546	18,673	14,329	4,344	873
68 Other	22,709	19,998	14,511	5,488	2,710

4.21 Continued

Item	Insured	Member banks			Nonmember insured
		Total	National	State	
69 **Total liabilities and equity capital**[7]	**1,067,890**	**915,600**	**688,212**	**227,388**	**152,290**
70 **Total liabilities excluding subordinated debt**	**990,869**	**849,895**	**638,368**	**211,527**	**140,974**
71 Total deposits	782,088	652,838	492,265	160,573	129,250
72 Individuals, partnerships, and corporations	638,921	527,081	412,111	114,970	111,840
73 U.S. government	2,038	1,686	1,323	363	352
74 States and political subdivisions in United States	50,697	38,366	31,668	6,698	12,330
75 All other	77,297	74,352	40,890	33,462	2,945
76 *Foreign governments and official institutions*	8,549	8,267	5,046	3,221	282
77 Commercial banks in United States	57,842	55,570	31,046	24,525	2,272
78 Banks in foreign countries	10,906	10,514	4,798	5,716	392
79 Certified and officers' checks, travelers checks, and letters of credit sold for cash	13,135	11,353	6,273	5,080	1,782
80 Demand deposits	320,867	280,108	194,343	85,766	40,758
81 Mutual savings banks	1,235	1,056	546	510	179
82 Other individuals, partnerships, and corporations	230,131	195,543	147,241	48,302	34,588
83 U.S. government	1,500	1,263	1,021	241	237
84 States and political subdivisions in United States	11,209	9,041	7,296	1,745	2,168
85 All other	63,655	61,852	31,966	29,887	1,803
86 Foreign governments and official institutions	2,995	2,924	1,406	1,518	71
87 Commercial banks in United States	50,800	49,243	26,273	22,970	1,557
88 Banks in foreign countries	9,860	9,685	4,287	5,399	175
89 *Certified and officers' checks, travelers checks, and letters of credit sold for cash*	13,135	11,353	6,273	5,080	1,782
90 Time deposits	328,372	267,511	213,812	53,699	60,862
91 Mutual savings banks	420	412	339	73	8
92 Other individuals, partnerships, and corporations	276,220	226,371	181,004	45,367	49,849
93 U.S. government	478	367	247	120	111
94 States and political subdivisions in United States	37,635	27,883	23,317	4,566	9,752
95 All other	13,619	12,478	8,905	3,573	1,141
96 Foreign governments and official institutions	5,537	5,327	3,626	1,701	210
97 Commercial banks in United States	7,036	6,322	4,767	1,554	714
98 Banks in foreign countries	1,046	829	511	317	217
99 Savings deposits	132,849	105,219	84,111	21,108	27,630
100 Mutual savings banks	*	*	*	0	0
101 *Other individuals, partnerships, and corporations*	130,914	103,699	82,981	20,718	27,215
102 Individuals and nonprofit organizations	124,181	98,655	78,984	19,671	25,526
103 Corporations and other profit organizations	6,732	5,044	3,997	1,047	1,688
104 U.S. government	60	56	55	1	5
105 States and political subdivisions in United States	1,852	1,442	1,055	387	410
106 All other	22	22	20	2	*
107 Foreign governments and official institutions	17	16	14	2	*
108 Commercial banks in United States	6	6	6	*	*
109 Banks in foreign countries	*	*	*	*	*
110 Federal funds purchased and securities sold under agreements to repurchase	118,820	111,675	84,651	27,024	7,145
111 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money	24,401	23,327	14,924	8,403	1,075
112 Interest-bearing demand notes (note balances) issued to U.S. Treasury	9,790	9,036	6,594	2,442	753
113 *Other liabilities for borrowed money*	14,612	14,290	8,329	5,961	321
114 Mortgage indebtedness and liability for capitalized leases	1,783	1,506	1,231	276	277
115 All other liabilities	63,776	60,548	45,297	15,251	3,228
116 Acceptances executed and outstanding	32,798	32,206	23,197	9,009	592
117 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	5,469	5,340	4,824	516	130
118 Other	25,509	23,002	17,276	5,726	2,506
119 Subordinated notes and debentures	5,468	4,438	3,261	1,177	1,030
120 **Total equity capital**[7]	**71,553**	**61,267**	**46,583**	**14,684**	**10,286**
MEMO:					
121 Time deposits of $100,000 or more	177,177	149,683	115,790	33,893	27,494
122 *Certificates of deposit (CDs) in denominations of $100,000 or more*	155,182	129,288	98,557	30,730	25,894
123 Other	21,995	20,395	17,232	3,163	1,599
124 Savings deposits authorized for automatic transfer and NOW accounts	12,655	10,418	7,838	2,580	2,237
125 Money market time certificates of $10,000 and less than $100,000 with original maturities of 26 weeks	86,545	67,792	56,772	11,020	18,753
126 Demand deposits adjusted[5]	192,208	155,545	118,977	36,568	36,662
127 Total standby letters of credit	31,003	29,692	19,075	10,618	1,311
128 Conveyed to others through participation (included in standby letters of credit	1,750	1,709	1,406	303	41
129 Holdings of commercial paper included in total gross loans	602	335	230	105	267
Average for 30 calendar days (or calendar month) ending with report date					
130 Total assets	1,032,700	883,501	667,762	215,740	149,198
131 Cash and due from depository institutions	140,266	128,606	85,411	43,195	11,660
132 Federal funds sold and securities purchased under agreements to resell	43,294	37,204	28,000	9,204	6,090
133 Total loans	565,246	479,796	373,162	106,633	85,451
134 Total deposits	746,054	619,667	470,768	148,899	126,388
135 Time CDs in denominations of $100,000 or more in domestic offices	157,818	131,673	100,332	31,341	26,145
136 Federal funds purchased and securities sold under agreements to repurchase	125,284	118,411	88,818	29,592	6,874
137 Other liabilities for borrowed money	15,485	15,116	8,897	6,219	369
138 Number of banks	1,430	931	771	160	499

For notes see page A73.

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities[1,p]
Consolidated Report of Condition; June 30, 1980

Millions of dollars

Item	Insured	Member banks			Non-member insured
		Total	National	State	
1 **Total assets**	**1,429,221**	**1,066,633**	**815,725**	**250,909**	**362,587**
2 Cash and due from depository institutions	196,727	164,408	110,232	54,176	32,319
3 Currency and coin (U.S. and foreign)	16,024	11,780	9,283	2,497	4,244
4 Balances with Federal Reserve Banks	35,685	35,664	25,968	9,696	21
5 Balances with other central banks	12	12	12	*	*
6 Demand balances with commercial banks in United States	53,031	34,090	19,906	14,184	18,940
7 All other balances with depository institutions in United States and banks in foreign countries	12,407	6,648	5,238	1,410	5,759
8 Cash items in process of collection	79,568	76,214	49,825	26,388	3,354
9 **Total securities, loans, and lease financing receivables**	**1,127,160**	**812,002**	**637,640**	**174,361**	**315,158**
10 Total securities, book value	295,746	198,692	154,108	44,584	97,053
11 U.S. Treasury	90,650	58,906	45,374	13,532	31,744
12 Obligations of other U.S. government agencies and corporations	53,554	33,113	26,548	6,564	20,441
13 Obligations of states and political subdivisions in United States	136,691	94,518	73,554	20,964	42,173
14 All other securities	14,850	12,155	8,632	3,523	2,695
15 Federal funds sold and securities purchased under agreements to resell	63,914	46,119	37,201	8,918	17,796
16 Total loans, gross	786,377	578,275	455,860	122,416	208,101
17 LESS: Unearned income on loans	20,182	13,448	11,189	2,260	6,734
18 Allowance for possible loan loss	9,435	7,412	5,652	1,761	2,023
19 EQUALS: Loans, net	756,759	557,415	439,019	118,395	199,345
Total loans, gross, by category					
20 Real estate loans	250,881	171,575	141,057	30,518	79,305
21 Construction and land development	33,960	26,054	20,618	5,436	7,906
22 Secured by farmland	8,436	3,619	3,054	565	4,817
23 Secured by residential properties	146,405	101,318	84,300	17,019	45,087
24 1- to 4-family	140,096	96,866	80,871	15,996	43,230
25 Multifamily	6,309	4,452	3,429	1,023	1,857
26 Secured by nonfarm nonresidential properties	62,079	40,584	33,085	7,499	21,495
27 Loans to financial institutions	37,864	35,814	23,395	12,419	2,050
28 Loans for purchasing or carrying securities	12,116	11,032	6,911	4,121	1,085
29 Loans to finance agricultural production and other loans to farmers	31,055	16,575	14,489	2,086	14,480
30 Commercial and industrial loans	257,435	205,958	158,396	47,562	51,477
31 Loans to individuals for household, family, and other personal expenditures	177,737	121,193	100,239	20,954	56,544
32 Installment loans	147,801	101,745	84,594	17,151	46,056
33 Passenger automobiles	64,157	40,635	33,913	6,722	23,521
34 Credit cards and related plans	28,265	24,853	20,541	4,312	3,413
35 Mobile homes	10,601	7,336	6,604	732	3,265
36 All other installment loans for household, family, and other personal expenditures	44,778	28,922	23,536	5,385	15,857
37 Single-payment loans	29,935	19,448	15,645	3,802	10,488
38 All other loans	19,289	16,128	11,373	4,755	3,161
39 Lease financing receivables	10,741	9,776	7,312	2,464	965
40 Bank premises, furniture and fixtures, and other assets representing bank premises	23,825	16,694	13,711	2,982	7,132
41 Real estate owned other than bank premises	2,029	1,516	1,212	304	513
42 All other assets	79,479	72,015	52,930	19,085	7,465

4.22 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
43 **Total liabilities and equity capital**[7]	**1,429,221**	**1,066,633**	**815,725**	**250,909**	**362,587**
44 **Total liabilities excluding subordinated debt**	**1,320,704**	**987,965**	**754,992**	**232,973**	**332,739**
45 Total deposits	1,100,990	785,697	604,470	181,227	315,293
46 Individuals, partnerships, and corporations	923,662	646,331	512,709	133,622	277,331
47 U.S. government	2,932	2,031	1,624	407	902
48 States and political subdivisions in United States	79,811	49,821	41,440	8,381	29,990
49 All other	78,341	74,857	41,308	33,549	3,484
50 Certified and officers' checks, travelers checks, and letters of credit sold for cash	16,243	12,657	7,389	5,268	3,585
51 Demand deposits	414,847	319,645	228,203	91,443	95,202
52 Individuals, partnerships, and corporations	314,370	231,353	177,611	53,742	83,017
53 U.S. government	2,180	1,530	1,252	278	649
54 States and political subdivisions in United States	17,669	11,842	9,655	2,187	5,827
55 All other	64,385	62,262	32,296	29,967	2,123
56 Certified and officers' checks, travelers checks, and letters of credit sold for cash	16,243	12,657	7,389	5,268	3,585
57 Time deposits	486,132	331,774	267,955	63,820	154,357
58 Other individuals, partnerships, and corporations	413,166	283,076	228,640	54,436	130,090
59 U.S. government	673	435	310	125	237
60 States and political subdivisions in United States	58,384	35,705	30,026	5,679	22,679
61 All other	13,908	12,558	8,979	3,579	1,350
62 Savings deposits	200,011	134,278	108,313	25,965	65,734
63 Corporations and other profit organizations	9,488	6,164	4,948	1,216	3,324
64 Other individuals, partnerships, and corporations	186,638	125,739	101,510	24,229	60,900
65 U.S. government	80	65	62	3	15
66 States and political subdivisions in United States	3,758	2,274	1,759	515	1,484
67 All other	48	37	34	3	11
68 Federal funds purchased and securities sold under agreements to repurchase	123,081	113,940	86,546	27,394	9,141
69 Interest-bearing demand notes (note balances) issued to U.S. Treasury and other liabilities for borrowed money	25,890	24,092	15,589	8,503	1,798
70 Mortgage indebtedness and liability for capitalized leases	2,109	1,629	1,328	301	480
71 All other liabilities	68,635	62,607	47,059	15,548	6,027
72 Subordinated notes and debentures	6,263	4,765	3,554	1,212	1,498
73 **Total equity capital**[7]	**102,254**	**73,903**	**57,179**	**16,724**	**28,351**
MEMO					
74 Time deposits of $100,000 or more	212,711	163,405	127,621	35,784	49,307
75 Certificates of deposit (CDs) in denominations of $100,000 or more	187,019	141,588	109,168	32,420	45,430
76 Other	25,693	21,816	18,453	3,363	3,877
77 Savings deposits authorized for automatic transfer and NOW accounts	15,459	11,754	8,978	2,776	3,705
78 *Money market time certificates of $10,000 and less than $100,000 with original maturities of 26* weeks	153,255	95,344	79,958	15,386	57,912
79 Demand deposits adjusted[5]	281,572	192,248	150,523	41,726	89,324
80 Total standby letters of credit	31,894	30,035	19,368	10,667	1,859
Average for 30 calendar days (or calendar month) ending with report date					
81 Total deposits	1,061,612	750,812	581,520	169,292	310,800
82 Number of banks	14,395	5,406	4,425	981	8,989

1. Effective December 31, 1978, the report of condition was substantially revised for commercial banks. Commercial banks with assets less than $100 million and with domestic offices only were given the option to complete either the abbreviated or the standard set of reports. Banks with foreign offices began reporting in greater detail on a consolidated domestic and foreign basis. These tables reflect the varying levels of reporting detail.

2. All transactions between domestic and foreign offices of a bank are reported in "Net due from" and "Net due to" (lines 79 and 103). All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intra-office transactions are erased by consolidation, total assets and liabilities are the sum of all except intra-office balances.

3. Foreign offices include branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.

4. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

5. Demand deposits adjusted equal demand deposits other than domestic commercial interbank and U.S. government less cash items in process of collection.

6. Domestic offices exclude branches in foreign countries and in U.S. territories and possessions, subsidiaries in foreign countries, and all offices of Edge Act and agreement corporations wherever located.

7. This item contains the capital accounts of U.S. banks that have no Edge or foreign operations and reflects the difference between domestic office assets and liabilities of U.S. banks with Edge or foreign operations excluding the capital accounts of their Edge or foreign subsidiaries.

N.A. This item is unavailable for all or some of the banks because of the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices, and the absence of detail on a fully consolidated basis for banks with foreign offices.

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How to File A Consumer Credit Complaint
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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.

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.

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. Kenessey. July 1979. 264 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.

FOREIGN OWNERSHIP AND THE PERFORMANCE OF U.S. BANKS, by James V. Houpt. July 1980. 27 pp.

Printed in Full in the Bulletin

AN ASSESSMENT OF BANK HOLDING COMPANIES, by Robert J. Lawrence and Samuel H. Talley. January 1976.

REPRINTS

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.
Rates on Consumer Instalment Loans. 9/73.
New Series for Large Manufacturing Corporation. 10/73.
The Structure of Margin Credit. 4/75.
Industrial Electric Power Use. 1/76.
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.
The Commercial Paper Market. 6/77.
The Federal Budget in the 1970's. 9/78.
Redefining the Monetary Aggregates. 1/79.
Implementation of the International Banking Act. 10/79.
U.S. International Transactions in 1979: Another Round of Oil Price Increases. 4/80.
Perspectives on Personal Saving. 8/80.
The Impact of Rising Oil Prices on the Major Foreign Industrial Countries. 10/80.

SCHEDULE OF DATES FOR PERIODIC STATISTICAL RELEASES — BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM[1]

Weekly Releases	*Approximate release date*	*Date or period to which data refer*
Aggregate Reserves and Member Bank Deposits. H.3 (502) [1.22]	Monday	Week ended previous Wednesday
Actions of the Board; Applications and Reports. H.2 (501)	Friday	Week ended previous Saturday
*Assets and Liabilities of Domestically Chartered Commercial Banks. H.8 (510) [1.24]	Wednesday	Wednesday, 2 weeks earlier
Changes in State Member Banks. K.3 (615)	Tuesday	Week ended previous Saturday
*Factors Affecting Reserve of Depository Institutions and Condition Statement of Federal Reserve Banks. H.4.1 (503) [1.11]	Friday	Week ended previous Wednesday
Foreign Exchange Rates. H.10 (512) [3.28]	Monday	Week ended previous Friday
Money Stock Measures. H.6 (508) [1.21]	Friday	Week ended Wednesday of previous week
Selected Borrowings in Immediately Available Funds of Large Member Banks. H.5 (507) [1.13]	Wednesday	Week ended Thursday of previous week
Selected Interest Rates. H.15 (519) [1.36]	Monday	Week ended previous Saturday
Weekly Consolidated Condition Report of Large Commercial Banks and Domestic Subsidiaries. H.4.2 (504) [1.29]	Friday	Wednesday, 1 week earlier
Weekly Summary of Banking and Credit Measures. H.9 (511)	Friday	Week ended previous Wednesday; and week ended Wednesday of previous week
Monthly releases		
Capacity Utilization: Manufacturing and Materials. G.3 (402) [2.11]	Midmonth	Previous month
Changes in Status of Banks and Branches. G.4.5 (404)	25th	Previous month
Commercial and Industrial Loans to U.S. Addresses Excluding Bankers Acceptances and Commercial Paper by Industry. G.27 (429)	1st Wednesday	Last Wednesday of previous month
Consumer Installment Credit. G.19 (421) [1.57, 1.58]	3rd working day	2nd month previous
Debits and Deposit Turnover at Commercial Banks. G.6 (406) [1.20]	25th	Previous month
Federal Reserve System Memorandum on Exchange Charges. K.14 (628)	5th	Period since last release
Finance Companies. G.20 (422) [1.53, 1.54]	5th working day	2nd month previous
Foreign Exchange Rates. G.5 (405) [3.28]	1st	Previous month

[1]Release dates are those anticipated or usually met. However, some release dates are normally subject to change because of reporting or processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date later than anticipated.

The BULLETIN table that reports these data is designated in the brackets.

Monthly releases—Continued	Approximate release date	Date or period to which data refer
Industrial Production. G.12.3 (414) [2.13]	Midmonth	Previous month
Loan Commitments at Selected Large Commercial Banks. G.21 (423)	20th	2nd month previous
Loans and Investments at all Commercial Banks. G.7 (407) [1.23]	20th	Previous month
Major Nondeposit Funds of Commercial Banks. G.10 (411) [1.31.1]	20th	Previous month
Maturity Distribution of Outstanding Negotiable Time Certificates of Deposit. G.9 (410)	24th	Last Wednesday of previous month
Research Library-Recent Acquisitions. G.15 (417)	1st	Previous month
Selected Interest Rates. G.13 (415) [1.36]	6th	Previous month
Summary of Equity Security Transactions. G.16 (418)	Last week	Release date
Quarterly releases		
Float Components Report E.14 (124)	3rd week	Previous quarter
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) [1.59, 1.60]	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
Finance 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) [1.35]	15th of March, June, September, and December	February, May, August, and November
Semiannual releases		
Assets and Liabilities of Commercial Banks, by Class of Bank. E.3.4 (113) [1.26]	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 the Office of the Comptroller of the Currency. Published and distributed by FDIC.)	May and November	End of previous December and June

Annual releases	*Approximate release date*	*Date or period to which data refer*
Aggregate Summaries of Annual Surveys of Security Credit Extension. C.2 (101)	February	End of previous June
Bank Holding Companies and Subsidiary Banks. C.6 (105)	March	Previous year
Insured Bank Income by Size of Bank. C.4 (103)	End of May	Previous year
State Member Banks of Federal Reserve System and Nonmember Banks that Maintain Clearing Accounts with Federal Reserve Banks. G.4 (403)	1st quarter	End of previous year
Supplements issued monthly.	15th	Previous month

Index to Statistical Tables

References are to pages A-3 through A-73 although the prefix "A" is omitted in this index

Index to Volume 66

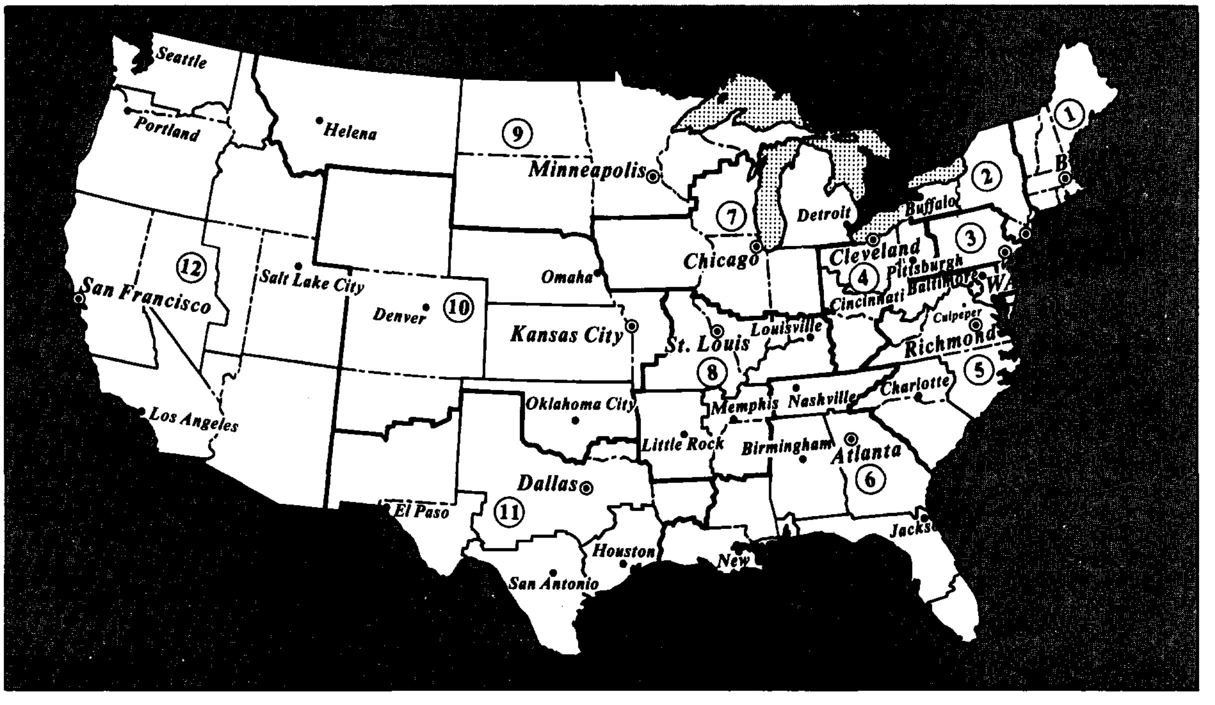
GUIDE TO PAGE REFERENCES IN MONTHLY ISSUES

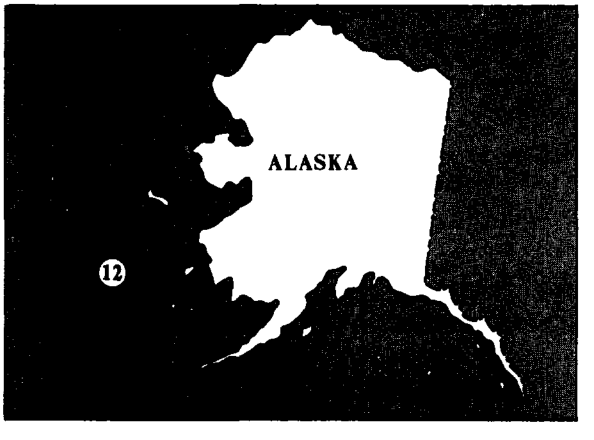
		Other ("A" pages)				Other ("A" pages)	
Issue	*Text*	*Total*	*Index to tables*	*Issue*	*Text*	*Total*	*Index to tables*
January	1-86	1-78	76-77	July	531-612	1-78	76-77
February ..	87-176	1-78	76-77	August	613-682	1-86	83-84
March	177-282	1-82	80-81	September .	683-816	1-78	76-77
April	283-360	1-78	76-77	October	817-870	1-122	120-121
May	361-436	1-78	76-77	November .	871-942	1-76	74-75
June	437-530	1-86	83-84	December .	943-1002	1-100	83-84

The "A" pages referred to in this index are in the December issue.

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