
VOLUME 68 □ NUMBER 2 □ FEBRUARY 1982

FEDERAL RESERVE BULLETIN

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

PUBLICATIONS COMMITTEE

Joseph R. Coyne, *Chairman* □ Stephen H. Axilrod □ Michael Bradfield
John M. Denkler □ Janet O. Hart □ James L. Kichline □ Edwin M. Truman

Naomi P. Salus, *Coordinator*

The FEDERAL RESERVE BULLETIN is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. The artwork is provided by the Graphic Communications Section under the direction of Peter G. Thomas. Editorial support is furnished by the Economic Editing Unit headed by Mendelle T. Berenson.

Table of Contents

77 *DEVELOPMENTS IN BANKING STRUCTURE, 1970-81*

During the last decade the structure of the commercial banking industry continued to adjust to changes in legislation and to the evolution of the financial system.

86 *INDUSTRIAL PRODUCTION*

Output declined about 3.0 percent in January.

88 *STATEMENTS TO CONGRESS*

Paul A. Volcker, Chairman, Board of Governors, says that sustainable growth cannot be built on inflationary policies and that the progress that is beginning on the inflation front will help lay the base for recovery and a better economic performance over the long run, before the Joint Economic Committee of the Congress, January 26, 1982.

91 J. Charles Partee, Member, Board of Governors, discusses proposals to expand bank participation in securities markets by allowing banks to underwrite municipal revenue bonds and to offer mutual funds, before the Subcommittee on Securities of the Senate Committee on Banking, Housing, and Urban Affairs, February 4, 1982.

96 Chairman Volcker underscores and amplifies some of the points contained in the official report from the Board in accordance with the Humphrey-Hawkins Act, before the House Committee on Banking, Finance and Urban Affairs, February 10, 1982, and before the Senate Committee on Banking, Housing, and Urban Affairs, February 11, 1982.

103 *ANNOUNCEMENTS*

Gross earnings of Federal Reserve Banks amounted to \$15.5 billion in 1981, more than \$14 billion of which was paid to the U.S. Treasury.

Amendments to Regulations G, T, and U to simplify and clarify margin requirement rules. (See Legal Developments.)

Meeting of Consumer Advisory Council.

Changes in Board staff.

Admission of six state banks to membership in the Federal Reserve System.

105 *RECORD OF POLICY ACTIONS OF THE FEDERAL OPEN MARKET COMMITTEE*

At its meeting on December 21-22, 1981, the Committee decided to seek behavior of reserve aggregates associated with growth of M1 and M2 from November 1981 to March 1982 at annual rates of around 4 to 5 percent and around 9 to 10 percent respectively. In setting the objective for M1, the Committee took account of the relatively rapid growth that had already taken place through the first part of December. It also recognized that interpretation of actual money growth might need to take account of the significance of fluctuations in NOW accounts, which recently had been growing relatively rapidly. The intermeeting range for the federal funds rate that provides a mechanism for initiating consultation of the Committee was set at 10 to 14 percent.

111 *LEGAL DEVELOPMENTS*

Amendments to Regulations C, M, Z, Q, G, T, and U; various bank holding company and bank merger orders; and pending cases.

A1 *FINANCIAL AND BUSINESS STATISTICS*

A3 Domestic Financial Statistics

A46 Domestic Nonfinancial Statistics

A54 International Statistics

**A69 *GUIDE TO TABULAR PRESENTATION,
STATISTICAL RELEASES, AND SPECIAL
TABLES***

A70 *BOARD OF GOVERNORS AND STAFF*

**A72 *FEDERAL OPEN MARKET COMMITTEE
AND STAFF; ADVISORY COUNCILS***

**A73 *FEDERAL RESERVE BANKS,
BRANCHES, AND OFFICES***

**A74 *FEDERAL RESERVE BOARD
PUBLICATIONS***

A76 *INDEX TO STATISTICAL TABLES*

A78 *MAP OF FEDERAL RESERVE SYSTEM*

A79 *PUBLICATIONS OF INTEREST*

Developments in Banking Structure, 1970–81

Donald T. Savage of the Board's Division of Research and Statistics prepared this article, with research assistance provided by Patricia Lapczynski and Loree Bernard.

Since 1970, a number of economic and legislative changes have had significant impacts on the structure of the American banking system. Because of the accelerating evolution of the financial system, even greater changes in the structure of the commercial banking system can be expected in the future.

Concern with the structure of commercial banking derives mainly from the objective of maintaining a financial system that will provide high quality services at competitive prices. The performance of the industry, in terms of services, prices, and profits, depends on its structure. Other things being equal, an industry structured toward monopoly would be expected to provide fewer services, charge higher prices, and earn a higher rate of profit than an industry with many competitive firms each of which has a small share of the market. Thus, structural changes within the banking industry are important because of their implications for the future performance of the industry.

The first section of this review describes the major economic and legislative forces transforming the structure of the commercial banking industry. The next section examines specific components of banking structure—chartering, bank holding companies, and branch banking. Finally, statistics on the concentration of commercial banking are presented.

LEGISLATION ON BANKING STRUCTURE

The federal government and many of the states enacted banking legislation between 1970 and

1981. This article discusses only the portions of those laws that affect current or future trends in banking structure.

Federal Legislation

The 1970 amendments to the Bank Holding Company Act of 1956 and the Depository Institutions Deregulation and Monetary Control Act of 1980 were the major federal statutes affecting banking structure. Other significant legislation is discussed after consideration of these laws.

The 1970 amendments to the Bank Holding Company Act extended the coverage of the act to the 1,352 one-bank holding companies operating at the time the amendments were passed. Before that time, a one-bank holding company could engage in any line of business. Although insurance and real estate were the most common nonbank activities, subsidiaries of one-bank holding companies were involved in a variety of businesses, ranging from agriculture to manufacturing and service industries.

The 1970 amendments provided the mechanism to determine the nonbanking activities permissible for bank holding companies. The Board of Governors of the Federal Reserve System was given the power to permit bank holding companies to engage in those nonbanking activities that were “determined to be so closely related to banking. . . as to be a proper incident thereto” and that “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.” One-bank holding companies were given until December 31, 1980, to divest either their subsidiary

bank or those impermissible activities that were not conducted by the company's subsidiaries before and continuously since June 30, 1968.

The issue of appropriate nonbanking activities arose again in the late 1970s as nonbanking financial firms began offering new financial services that could not be offered by banks. The desire of some banks to establish money market mutual funds reopened the nonbanking activities debate. Because shares in money market mutual funds are considered to be securities for regulatory purposes, the controversy extends to a general reexamination of the separation of commercial banking and securities underwriting. The legislative response to bank requests for powers equal to those of their nonbank competitors could change not only the process by which the nonbanking activities of bank holding companies are evaluated but also the traditional separation of commercial and investment banking.

The Depository Institutions Deregulation and Monetary Control Act, the second major federal statute since 1970 affecting banking structure, legalized the provision to consumers of third-party payment services by thrift institutions in all states. The nationwide authorization of negotiable order of withdrawal (NOW) accounts, remote service units, and share draft accounts ended the exclusive role of commercial banks in the provision of payments services. Legislation proposed in the Congress in 1981, but not enacted, would have further reduced the uniqueness of commercial banks by expanding the banking powers of thrift institutions to include commercial checking accounts and commercial lending. Thus commercial banks now face increased competitive pressures from thrift institutions as well as from the money market mutual funds and other less regulated providers of financial services.

The gradual elimination of the ceilings on deposit interest rates (Regulation Q) mandated by the 1980 legislation also raises questions about the future structure of the banking industry, particularly whether small banks and thrift institutions can compete effectively for deposits against larger banks. Even if the larger banks were not permitted to expand geographically, they might be able to attract funds out of small banking markets by paying very high interest rates. Payment of such high interest rates would result in small institutions either losing funds or

incurring substantially increased interest costs. Studies that demonstrate that small banks can compete with much larger banks have been conducted in an environment of effective ceilings on explicit interest payments under Regulation Q. The eventual removal of rate ceilings could change those results, although the bulk of interest-sensitive deposits in smaller banking markets may already have been transferred to money market mutual funds and other investments yielding market returns.

Whereas the major legislative changes of the past decade have had some impact on the structure of the commercial banking system, future changes could be even more important. The expansion in the number of suppliers of commercial bank services and the phaseout of Regulation Q could have a major restructuring effect.

In addition to these key legislative actions, other statutes also have important implications for banking structure. The International Banking Act of 1978 (IBA) provided for federal, as well as state, chartering of foreign bank offices and limited the future interstate expansion of domestic deposit-taking activities of foreign banks in order to make their powers more comparable to those of domestic banks. The IBA subjected U.S. agencies and branches of foreign banks with worldwide assets in excess of \$1 billion to federal reserve requirements and interest rate limitations and required U.S. branches of foreign banks that accept retail deposits to obtain insurance from the Federal Deposit Insurance Corporation. The IBA also subjected foreign banks operating U.S. agencies and branches to the nonbanking provisions of the Bank Holding Company Act. Under the IBA, the powers of Edge corporations were expanded to allow them to compete more effectively with U.S. agencies and branches of foreign banks and foreign banks were, for the first time, permitted to own Edge corporations. The IBA also called for several reports to Congress, including a presidential study of the current relevance of existing restraints on interstate banking. The latter study, sent to the Congress in early 1981, recommended a phased reduction of current restrictions on geographic expansion by banking organizations, immediate provision for the interstate acquisition of large failing banks, and a liberalization of rules governing deployment of electronic fund transfer (EFT) facilities.

Other federal banking legislation has less extensive effects on the structure of the commercial banking industry. The Community Reinvestment Act of 1977 required the federal financial regulatory agencies to assess the extent to which institutions were meeting the credit needs of their entire community and to take these assessments into account in decisions on applications for mergers, branches, bank holding company acquisitions of banks, and other structural changes. The Change in Bank Control Act (title VI of the Financial Institutions Regulatory and Interest Rate Control Act of 1978) gave the federal banking agencies power to approve or disapprove proposed changes of control of banks and bank holding companies. Agency decisions are to be based on competitive effects, the financial condition of those seeking to obtain control, and the experience, competence, and integrity of the bank's proposed new management.

State Legislation

Several states liberalized their branching laws during the period as the slow drift toward more extensive branching continued. Three unit banking states authorized limited branching. In 1972, Iowa permitted banks to establish branches in the same county as their home office and in adjacent counties. The statute included a home office protection clause; a home office protection clause prohibits branching into a town or city if another bank has its home office in that town or city. Arkansas liberalized its laws in 1973 to allow countywide branching with home office protection. In 1980, Minnesota allowed the upgrading of two previously permitted limited service offices to full service branches.

Statewide branching was permitted in New Jersey (1973), New York (1977), and New Hampshire (1979). All three states included home office protection features in their laws, although the New Jersey and New Hampshire laws gradually reduced the maximum size of cities subject to protection. In 1978, Virginia, which had statewide branching by merger, liberalized its law with respect to *de novo* branching and allowed bank holding companies to merge their affiliates and to continue branching from the former home offices of the affiliates. Florida introduced

branching within the county of the bank's home office in 1973 and allowed statewide branching by merger in 1979. Statewide branching was authorized in Ohio in 1979, but the law does not become effective until 1989; in the interim, the countywide branching limit was expanded to an adjacent-county branching limit.

Other unit banking states, while continuing to restrict branching in the full sense of the term, have authorized various detached or drive-in facilities. In most cases, the services these facilities can offer and/or their distance from the bank's main office are restricted. For example, Texas allows a drive-in facility located between 500 and 2,000 feet from the main office and permits off-premises automated teller machines.

State legislation on bank holding companies is less easily categorized than branching legislation because many states have adopted unique holding company laws. Some states permit expansion, but restrict the share of total state deposits that can be held by any one holding company. Iowa, for example, has an 8 percent limit on the percentage of total state deposits that can be held by any one bank holding company. Illinois limits the expansion of bank holding companies to subdivisions of the state, rather than allowing expansion throughout the state.

Banks owned by out-of-state bank holding companies continue to operate in several states under the grandfather provisions of the Bank Holding Company Act of 1956, but only two states have provisions for current acquisitions of banks by out-of-state holding companies. Iowa permits expansion by the one out-of-state holding company that owned subsidiaries in the state at the time the law was enacted. Maine permits the acquisition of banks in that state by holding companies headquartered in states extending reciprocal acquisition rights to Maine bank holding companies. Similar laws have been considered, but not enacted, in other states. South Dakota in 1980 and Delaware in 1981 enacted laws allowing out-of-state holding companies to form special-purpose bank subsidiaries.

The net effect of changes in state branching and bank holding company laws has been that Kansas, Nebraska, Oklahoma, and West Virginia are now the only states with both unit banking laws and no significant multibank holding company activity. Illinois, previously in this group,

enacted a multibank holding company law in 1981, and legislation that would allow multibank holding companies in Nebraska is under judicial review.

States have been slow to lower the barriers to branching, but other developments have tended to reduce the importance of those barriers. Free from branching restraints, the nonbank subsidiaries of bank holding companies expanded on a multistate basis. Although unable to accept deposits, offices of consumer finance companies and mortgage banking companies owned by bank holding companies have allowed the parent organization to enter many local markets, in some cases on a nationwide basis. Loan production offices were established by major banks in commercial centers outside the home state of the bank in order to service customers with large commercial loans. Edge Act subsidiaries of banks were permitted to branch interstate to meet the foreign trade financing needs of their customers.

The development of EFT systems is also reducing the significance of barriers to branch banking. Debit card systems give customers access to their bank balances at terminals located off the premises of the bank. As groups of banks permit customers of each participating bank to use machines owned by the others in the group, the consumer will be able to withdraw funds from his checking account at more locations. An eventual nationwide expansion of these shared

debit card systems would be another step toward full interstate banking.

STRUCTURAL CHANGES IN COMMERCIAL BANKING

In this examination of various aspects of structural change in commercial banking, major emphasis is given to entry and exit, the bank holding company, and branch banking.

Entry and Exit

From 1969 to 1980, the number of commercial banks, whether independent or units in a bank holding company, grew from 13,679 to 14,836 (table 1). The number of new banks organized per year averaged more than 240 with the highest numbers in 1973 and 1974. Only in 1969 and 1979 did the number of exits from the industry by merger and failure exceed the number of new banks formed, although the level of net new entry trended downward from its peak in 1974.

When each bank holding company group or independent bank is counted as one organization, the number of banking organizations declined slightly over the period for which comparable data were available (table 1). Thus, even though many bank mergers and bank holding company acquisitions took place during the dec-

1. Changes in number of commercial banks in the United States, 1969-80

Item	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Number of banks, beginning of period	13,679	13,662	13,688	13,786	13,930	14,174	14,459	14,631	14,672	14,704	14,712	14,708
New banks organized	134	185	201	265	344	405	275	190	200	180	237	266
Reopenings			1			1	3					
Mergers, consolidations, and absorptions												
Banks converted into branches	-128	-127	-83	-106	-87	-105	-82	-128	-159	-154	-217	-117
Other	-18	-23	-13	-10	-10	-13	-13	-13	-2	-16	-16	-18
Suspensions	-4	-1	-4	-2	-3		-3					-3
Voluntary liquidations	-1	-8	-3	-2				-2			-2	
Other changes			-1	-1		-3	-8	-6	-7	-2	-6	
Number of banks, end of period	13,662	13,688	13,786	13,930	14,174	14,459	14,631	14,672	14,704	14,712	14,708	14,836
Net increase or decrease	-17	26	98	144	244	285	172	41	32	8	-4	128
Number of banking organizations, end of year ¹	n.a.	n.a.	n.a.	n.a.	12,606	12,619	12,663	12,682	12,717	12,719	12,785	12,572
Net increase or decrease	n.a.	n.a.	n.a.	n.a.	n.a.	13	44	19	35	2	66	-213

1. Companies that are subsidiaries of other bank holding companies are eliminated.

n.a. Not available on basis of holding company group.

SOURCE: *Annual Statistical Digest, 1976-1979* and *1980* (Board of Governors of the Federal Reserve System, 1981).

ade, new entries have been almost numerous enough to maintain a constant number of banking organizations.

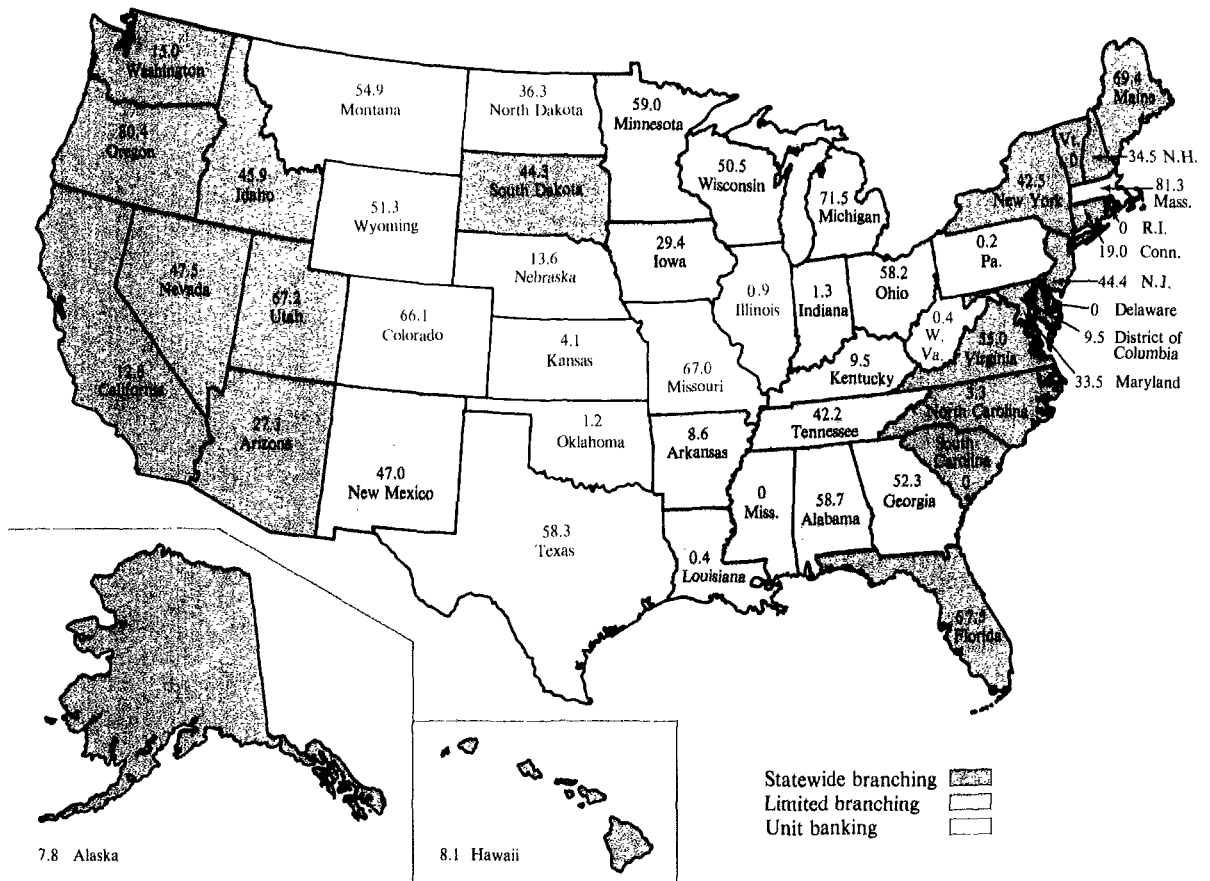
Bank Holding Companies

Over the period, the bank holding company gradually became the dominant form of banking organization. By the end of 1980, 74.1 percent of domestic commercial banking assets were held by subsidiary banks of bank holding companies. Multibank holding companies held 35.7 percent of these assets (an increase from 19.0 percent at the end of 1969) and one-bank holding companies held 38.4 percent.

When duplications caused by multitiered bank holding companies are eliminated, the number of multibank holding companies increased from 86 in 1969 to 361 at the end of 1980. The total number of banks controlled by multibank holding companies increased from 723 in 1969 to 2,426 in 1980. This increase in the number of subsidiary banks was concentrated in a relatively small number of unit banking or limited branching states. More than two-thirds of the increase was accounted for by Texas, Florida, Missouri, Michigan, Ohio, Colorado, Wisconsin, and Alabama.

During the 1970s, 363 de novo banks were organized by bank holding companies. The remaining growth in the number of subsidiary

Percent of commercial banking deposits held by multibank holding companies



banks resulted from the acquisition of existing banks.

The chart shows the percentage of total commercial bank domestic deposits held by banks in multibank holding companies in each state as well as state branching classifications. Each of the branching categories includes states with widely varying levels of multibank holding company activity.

In 1980, there were 2,544 one-bank holding companies, an increase of 1,192 since the passage of the 1970 amendments to the Bank Holding Company Act. In many cases, the one-bank holding company form of organization offers tax benefits to bank stockholders because the two organizations can file a consolidated income tax return if 80 percent or more of the stock of the bank is owned by the holding company. The income of the bank is reduced for tax purposes by the holding company's interest payments on its debt. The one-bank holding company also allows the organization to conduct permissible nonbank activities within the holding company, but outside the bank.

Since the passage of the 1970 amendments, the Board has approved 22 nonbank activities and rejected 13 others that were proposed. Nearly all of the approved activities were permissible for national banks. From 1971 to 1980, the Federal Reserve System approved 1,447 applications to engage in these activities. In spite of the large number of approvals, the assets of nonbank subsidiaries of bank holding companies are only about 5 percent of the assets of the commercial banking system.

Branch Banking

As indicated, the trend has been toward more liberal branching statutes. Despite the slow removal of branching restraints, the number of banks operating branches, as well as the number of branches, continued to increase. At the end of 1969, 3,794 commercial banks (27.7 percent of the total) operated 19,985 branches, an average of 5.26 branches per branching bank. At the end of 1980, 6,859 commercial banks (46.2 percent of the total) operated 38,353 branches, an average of 5.59 branches per branching bank.

Even the unit banking states permitted some expansion of banking offices, but most of these offices were relatively near the bank's home office, were limited as to functions performed, or were EFT facilities classified as branches by state law. Except in the statewide branching states, nearly all branches were located in the bank's home office county or in an adjacent county.

The question of what constitutes a branch created controversy and litigation. Legal issues arose with respect to regulatory classifications of loan production offices and customer-bank communication terminals. Litigation followed rulings on interstate activities of nonbank subsidiaries of bank holding companies; the most important case centered on the interstate provision of investment advisory and trust services by bank holding company subsidiaries.

CONCENTRATION IN COMMERCIAL BANKING

Overall, during the 1970s, the concentration of banking resources appears to have declined. Banking concentration data for the nation, the states, and standard metropolitan statistical areas (SMSAs) are presented in this section.

National Concentration

On the national level, the size distribution of commercial banks changed substantially, in response primarily to the impact of inflation. The size distributions of banking organizations at year-end 1969 and 1980 are presented in table 2.

The data indicate some decline in the concentration of commercial banking on the national level in terms of the proportion of domestic deposits held by the 10 largest and 100 largest banking organizations. As of December 31, 1969, the 10 largest banking organizations held 20.2 percent, and the 100 largest organizations, 47.3 percent, of domestic deposits. By year-end 1980, the share of the 10 largest had declined to 17.9 percent and that of the 100 largest had declined to 45.4 percent.

A trend toward reduced concentration is also

2. Size distribution of commercial banking organizations, 1969 and 1980

Percent except as noted

Asset size class (millions of dollars)	1969		1980	
	Number of organizations	Total U.S. commercial banking assets	Number of organizations	Total U.S. commercial banking assets
0-5.....	4,306	2.37	821	.16
5-10.....	3,317	4.51	1,833	.86
10-25.....	3,192	9.18	4,210	4.33
25-100.....	1,539	13.01	4,471	12.83
100-250.....	317	9.19	758	6.96
250-500.....	104	7.03	249	5.47
500-1,000.....	66	8.57	157	6.65
1,000 and over.....	72	46.16	240	62.75
Totals.....	12,913	100.00	12,739	100.00
Median size banking organizations (millions of dollars of assets).....	7.848		22.517	

SOURCE: Consolidated report of condition, December 31, 1969, and December 31, 1980.

found when an alternative measure of concentration, the Herfindahl index, is used. The Herfindahl index declined from 0.0061 at the end of 1969 to 0.0052 at the end of 1980.

State Concentration

State concentration data for 1960-80 are presented in table 3. The three- and five-firm concentration ratios indicate the percentage of total commercial banking deposits in the state held by the three and five largest banking organizations. The unweighted average change of the state five-firm concentration ratios for all states over the period 1970-1980 shows an increase of 0.9 percentage point. The largest increases in concentration (in percentage points) took place in Alabama (20.9), Maine (14.4), Texas (14.0), and Vermont (12.7); the largest decreases in concentration over the decade occurred in Oregon (13.6), Louisiana (8.3), and Nebraska (7.8). Overall, state concentration increased in 24 states and the District of Columbia and decreased in 26 states. In a number of states, such as Oregon, the decrease in concentration appeared to be attributable to the growth of branches of foreign banks.

The significance of state concentration ratios is limited because states are not banking markets. Some banking services, such as large commercial loans, are negotiated on a national basis, and other services, such as small business loans and consumer checking accounts, are produced

for local banking markets; no specific case can be advanced that certain banking services are distributed in a statewide market. Although not supported by consistent empirical evidence, some theories suggest that statewide structure has an impact on competitive conditions in local markets.

Local Banking Markets

For most banking services, especially those produced for consumers and small business firms, the relevant market is a local banking market. For analytical purposes, local banking markets are often approximated by SMSAs.

Average concentration ratios for SMSAs in 1970 and 1980 according to state branching category are presented in table 4. As indicated, average concentration has declined over the period in all branching categories, although average concentration ratios tend to be higher in the SMSAs with statewide branching. The lower concentration ratios in the unit banking states are explained, at least in part, by the fact that the larger banks in the central cities of unit banking SMSAs are not permitted to branch into suburban areas.

An analysis of the six states that liberalized branching laws early in the 1970s indicates that, in four of the six, state concentration had increased by 1980. At the SMSA level, however, concentration increased in only three of forty-

five SMSAs (excluding fourteen multistate SMSAs) in the states that liberalized branching laws.

On net, except for some increase in concentration on the statewide level in the statewide

branching states, the concentration of commercial banking resources in the United States has apparently decreased. This trend toward deconcentration was evident on the national, as well as the local, level.

3. State commercial banking concentration, 1960-80

Percent except as noted

State	1960		1970		1980		1980 branching law ¹	Change (percentage points)			
	3 largest firms	5 largest firms	3 largest firms	5 largest firms	3 largest firms	5 largest firms		1960-80		1970-80	
								3 largest firms	5 largest firms	3 largest firms	5 largest firms
Rhode Island	92.8	98.1	86.3	92.4	90.6	96.5	S	-2.2	-1.6	4.3	4.1
Nevada	93.5	98.6	86.4	97.5	83.5	96.1	S	-10.0	-2.5	-2.9	-1.4
Arizona	95.8	98.3	89.7	96.8	84.8	94.2	S	-11.0	-4.1	-4.9	-2.6
Delaware	79.8	92.3	73.1	92.3	74.2	91.6	S	-5.6	-.7	1.1	-.7
Hawaii	89.2	97.2	77.2	89.8	78.4	90.8	S	-10.8	-6.4	1.2	1.0
District of Columbia	74.0	87.3	70.6	86.1	71.2	87.9	S	-2.8	.6	.6	1.8
Idaho	74.5	83.8	78.4	88.0	74.2	86.1	S	-.3	2.3	-4.2	-1.9
Alaska	68.2	86.7	69.3	85.5	63.7	79.4	S	-4.5	-7.3	-5.6	-6.1
Washington	61.1	73.7	64.1	77.5	63.1	76.4	S	2.0	2.7	-1.0	-1.1
Maine	34.7	49.0	40.8	59.6	48.8	74.0	S	14.1	25.0	8.0	14.4
Utah	65.6	77.8	60.9	73.7	59.6	73.6	S	-6.0	-4.2	-1.3	-.1
California	65.7	77.7	60.7	77.0	57.7	73.3	S	-8.0	-4.4	-3.0	-3.7
Oregon	86.7	88.8	83.2	86.4	61.5	72.8	S	-25.2	-16.0	-21.7	-13.6
North Carolina	46.8	56.9	50.9	67.1	51.0	65.8	S	4.2	8.9	.1	-1.2
Massachusetts	46.6	58.5	48.3	64.1	47.4	65.3	L	.8	6.7	-.9	1.2
Vermont	25.6	35.2	38.1	51.1	43.3	63.3	S	17.7	28.6	5.2	12.7
Maryland	42.7	58.3	42.1	61.0	44.9	62.9	S	2.2	4.6	2.8	1.9
South Carolina	42.4	51.5	45.9	58.3	45.4	62.8	S	3.0	11.3	-.5	4.5
Connecticut	42.7	56.5	48.0	61.3	47.1	61.4	S	4.4	4.9	-.9	.1
Minnesota	58.6	63.7	55.0	59.1	53.3	56.9	L	-5.3	-6.8	-1.7	-2.2
Colorado	37.9	48.8	35.3	47.3	40.2	56.0	U	2.3	7.2	4.9	8.7
New Mexico	43.0	54.0	45.2	54.2	43.9	54.8	L	.9	.8	-1.3	.6
Alabama	31.2	40.6	23.8	32.2	38.2	53.1	L	7.0	12.5	14.4	20.9
Montana	48.9	57.6	49.2	58.4	41.9	51.7	U	-7.0	-5.9	-7.3	-6.7
Virginia	20.2	27.7	34.6	50.4	34.5	51.7	S	14.3	24.0	-.1	1.3
Michigan	40.8	50.2	35.4	45.8	36.4	50.2	L	-4.4	.0	1.0	4.4
South Dakota	37.5	43.0	43.6	47.7	43.3	49.7	S	5.8	6.7	-.3	2.0
New York	40.0	55.4	40.5	56.4	33.0	49.2	S	-7.0	-6.2	-7.5	-7.2
Georgia	40.0	50.9	33.8	43.8	39.8	47.1	L	-.2	-3.8	6.0	3.3
North Dakota	46.2	53.8	41.0	50.5	38.5	47.0	U	-7.7	-6.8	-2.5	-3.5
Wyoming	35.1	44.3	28.2	36.4	38.7	46.7	U	3.6	2.4	10.5	10.3
New Hampshire	24.3	33.7	34.8	42.8	34.5	46.7	S	10.2	13.0	-.3	3.9
Missouri	26.6	35.8	23.8	31.1	29.5	40.6	U	2.9	4.8	5.7	9.5
Tennessee	28.7	40.9	27.7	40.2	27.5	39.2	L	-1.2	-1.7	-.2	-1.0
Illinois	35.5	42.2	33.0	39.4	32.9	38.3	U	-2.6	-3.9	-.1	-1.1
Florida	17.9	23.2	19.5	28.0	26.9	36.9	S	9.0	13.7	7.4	8.9
Texas	21.2	27.9	16.0	22.7	25.3	36.7	U	4.1	8.8	9.3	14.0
Ohio	24.2	33.1	23.3	32.9	25.0	36.5	L	.8	3.4	1.7	3.6
New Jersey	16.8	23.5	16.8	24.6	24.8	35.8	S	8.0	12.3	8.0	11.2
Mississippi	24.9	28.9	28.1	33.3	27.2	33.9	L	2.3	5.0	-.9	.6
Wisconsin	29.8	33.0	30.2	33.9	28.7	33.2	L	-1.1	.2	-1.5	-.7
Pennsylvania	27.9	38.8	25.6	36.7	23.2	31.2	L	-4.7	-7.6	-2.4	-5.5
Kentucky	27.6	34.1	24.9	32.4	22.8	28.8	L	-4.8	-5.3	-2.1	-3.6
Nebraska	31.6	41.4	25.0	34.3	19.4	26.5	U	-12.2	-14.9	-5.6	-7.8
Oklahoma	32.6	42.2	23.1	32.6	18.9	26.1	U	-13.7	-16.1	-4.2	-6.5
Iowa	14.2	19.8	12.7	17.6	18.6	25.8	L	4.4	6.0	5.9	8.2
Indiana	23.8	29.4	22.8	27.5	17.4	21.3	L	-6.4	-8.1	-5.4	-6.2
Louisiana	29.3	38.7	22.0	28.9	14.6	20.5	L	-14.7	-18.2	-7.4	-8.4
Arkansas	17.2	23.4	15.6	21.3	13.0	18.1	L	-4.2	-5.3	-2.6	-3.2
West Virginia	17.3	22.7	12.9	17.6	8.6	12.1	U	-8.7	-10.6	-4.3	-5.5
Kansas	14.3	18.7	10.9	15.4	9.1	12.0	U	-5.2	-6.7	-1.8	-3.4
Averages (unweighted) ...	43.0	51.9	41.7	51.8	41.6	52.7		-1.4	.8	-.1	.9

1. S Statewide branching; L limited branching; U unit banking.

SOURCE: Consolidated report of condition, December 31, 1960, 1970, and 1980.

4. Average SMSA five-firm concentration ratio,
1970 and 1980

Percent

Branching category	1970	1980
Statewide.....	88.1	82.1
Limited.....	85.9	83.7
Unit.....	81.8	76.7

SOURCE: Summary of deposits in all commercial and mutual savings banks, 1970 and 1980 (Federal Deposit Insurance Corporation).

★

★

★

During the period 1970-81, the bank holding company form of organization increased in importance and legislation established limitations on the nonbank activities of bank holding companies. Although many restrictions on branch

banking remain, some barriers were reduced and new methods were found to lessen the impact of the remaining barriers. The concentration of commercial banking showed some evidence of a gradual decline on the national and SMSA levels, but did not show a similar trend on the state level.

By the end of 1980, anticipated changes in the financial system suggested an even more rapid evolution of the structure of commercial banking in the future. The removal of deposit rate ceilings, the possible extension of commercial banking powers to thrift institutions, and possible changes in interstate banking prohibitions, plus competition from nonbank providers of financial services, could all be catalysts for extensive changes in the structure of the commercial banking industry. □

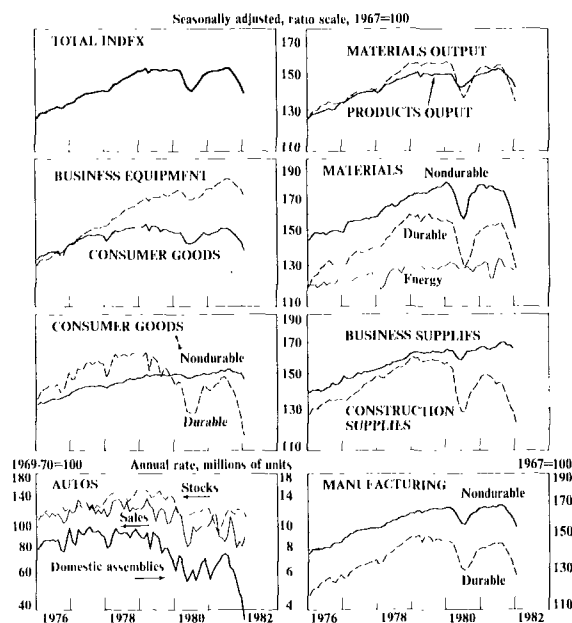
Industrial Production

Released for publication February 17

Industrial production declined an estimated 3.0 percent in January, reflecting continued economic weakness as well as sharply curtailed work schedules resulting from the severe January weather. Industrial output has fallen for six successive months and is now 9.6 percent below its high in July 1981. The total index for January, at 139.1 percent of the 1967 average, was almost 1 percent below its previous cyclical low in July 1980. Declines in January were again widespread, with the largest drops occurring in the production of autos, construction supplies, and durable and nondurable goods materials.

In market groupings, output of consumer goods fell 3.0 percent further in January. Auto assemblies, at a seasonally adjusted annual rate of 3.6 million units—the lowest rate in more than two decades—were about 22 percent below the December rate. Output of home goods declined 2.2 percent, as output of carpeting and furniture continued to drop. Production of consumer nondurable goods—which through December had declined less than 2 percent from its recent peak—fell 2.1 percent in January, in part reflecting substantial disruptions in work schedules, particularly in the apparel industry, because of

winter storms. The output of business equipment, which had declined by an average of 1 percent in each of the last four months of 1981, dropped 2.3 percent in January; all of its major components weakened further. Output of con-



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

Major market groupings

Grouping	1967 100		Percentage change from preceding month					Percentage change, Jan. 1981 to Jan. 1982
	1981	1982	1981				1982	
	Dec. ^p	Jan. ^s	Sept.	Oct.	Nov.	Dec.	Jan.	
Total industrial production	143.4	139.1	-1.3	-1.7	-1.8	-2.1	-3.0	-8.1
Products, total	146.0	142.3	1.0	1.1	-1.2	-1.1	-2.5	-5.1
Final products	145.8	142.3	-1.0	-1.7	-1.2	-1.9	-2.4	-3.7
Consumer goods	142.3	138.1	-1.2	-1.9	-1.6	-1.3	-3.0	-6.0
Durable	123.7	116.9	1.5	-2.9	-4.8	-4.6	-5.5	-16.6
Nondurable	149.8	146.6	-1.1	.2	-1.3	-1.1	-2.1	-2.0
Business equipment	177.0	172.9	-1.9	-1.2	-1.1	-1.9	-2.3	-2.7
Defense and space	106.0	106.1	.2	1.5	.6	.9	.1	5.2
Intermediate products	146.9	142.5	-1.4	-2.1	-1.5	-1.5	-3.0	-9.5
Construction supplies	128.2	122.0	-3.0	-3.2	-3.4	-1.8	-4.8	-17.8
Materials	139.3	134.1	-1.7	-2.6	2.6	-3.7	-3.7	-12.8

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

Major industry groupings

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, Jan. 1981 to Jan. 1982
	1981	1982	1981				1982	
	Dec. ^p	Jan. ^e	Sept.	Oct.	Nov.	Dec.	Jan.	
Manufacturing.....	141.9	137.1	-1.4	2.1	1.9	2.3	3.4	9.3
Durable.....	131.0	126.0	-1.7	-2.2	2.4	2.6	3.8	10.6
Nondurable.....	157.6	153.2	.8	-1.9	-1.4	1.9	2.8	7.5
Mining.....	142.2	141.7	-1.7	.2	1.1	-1.0	.4	.9
Utilities.....	167.5	167.9	-2.4	.2	.5	.8	.2	.2

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

struction supplies dropped 4.8 percent—partly because of weather disruptions—and was about 24 percent below its peak in January 1979. In contrast to the widespread declines, production of defense and space equipment in January was about unchanged and 5.2 percent above that of a year earlier.

Output of materials declined 3.7 percent again in January; it has fallen almost 14 percent since last July. Production of durable goods materials dropped almost 5 percent last month, as particularly large declines occurred in the output of basic metals and parts for consumer durables.

Production of nondurable goods materials, such as chemicals and textiles, also was curtailed sharply. Output of energy materials edged up slightly.

In industry groupings, manufacturing output fell 3.4 percent in January and was 9.3 percent below its level of a year earlier. Production by durable goods industries dropped 3.8 percent and that by nondurable goods producers declined 2.8 percent. Mining output was reduced slightly further. In contrast, utilities production edged up, with residential use increasing while industrial demand fell.

Statements to Congress

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee of the U.S. Congress, January 26, 1982.

I appreciate the opportunity to appear before you at the start of a new congressional session. We will be facing critical decisions on economic policy in the weeks and months ahead. Toward the middle of next month I will be reporting to the appropriate committees on monetary policy in more detail, and this morning I will confine my statement to more general considerations.

Over the past two years, we have faced up squarely to the necessity of reining in the inflation that has come to grip the economy over a long period of time. There are now clear signs of tangible and potentially sustainable progress toward that objective. But the economy is also caught up in recession, after several years of unsatisfactory performance. In a real sense, the nation is paying the costs of the distortions and imbalances in our economy created in large part by the years of inflationary experience.

In approaching these problems, and in considering monetary, fiscal, and other policies, it seems crucially important that we keep firmly in mind the lesson of the 1970s—*sustainable* growth cannot be built on inflationary policies. More positively stated, the progress we are clearly beginning to see on the inflation front when carried forward will help lay the base for recovery and much better economic performance over a long period of time.

As you know, the economy, after a burst of growth early in 1981, leveled off, and in recent months strong recessionary forces have taken hold. Real consumption expenditures have declined, in part reflecting an increased saving rate. A sustained higher rate of saving would, of course, be healthy in a longer-term perspective, and a number of policy measures have been adopted to strengthen incentives for saving. But in the short run, declines in consumption have

led to unwanted inventories, sharp reductions in production, and postponement of some capital spending.

These are elements of a classic recession pattern, and at this point the decline in economic activity has been of proportions comparable to other downturns since World War II. What is different and so distressing is that the recession has been superimposed on a pattern of sluggishness extending over some years; unemployment was high to begin with, and now, at 8.9 percent, stands very close to its postwar peak. Moreover, we have been left with a legacy of extraordinarily high interest rates and financial pressures, conditions fundamentally associated with the years of inflationary behavior and expectations.

The upward trend in unemployment in recent years and the early onset of a new recession reflect the difficulty both of living with inflation—and of bringing it to an end. Unsatisfactory economic performance, well below our reasonable potential, has extended over a number of years. The origins can be traced back at least as far as the mid-1960s, when as a nation we failed to accept the budgetary consequences of spending for a war and for vastly expanded social programs at the same time. Once started, the inflationary process assumed a momentum of its own, with only short interruptions in earlier recessions. At intervals, the massive oil shocks, and to a lesser extent worldwide crop shortages, ratcheted up the inflation rate, affected the real income of most workers, and led to the need for large adjustments in our industrial structure, depressing some traditional industries while spurring others.

Through this period, one aspect of our economic problem became increasingly obvious. Inflation came to be viewed as a permanent part of the economic landscape, and workers and businessmen, savers and investors, and borrowers and lenders built expectations of continued inflation into their daily economic decisions. There have been profound effects on financial

markets and interest rates, inhibiting growth and investment. Higher effective tax rates became a drag on the economy, and the interaction of inflation with the tax system tended to reduce business profitability and to divert both business and personal planning away from productive effort and innovation into more speculative or purely financial areas. It is worth recalling the culmination of the process in late 1979 and early 1980 when concern about the inflation and budgetary outlook brought interest rates to sharply higher levels and incited a speculative outbreak in prices of commodities and precious metals, even as prices of long-term securities fell sharply. Broadly recognized was that inflation was eroding the foundations of our economy and that strong action had to be taken to restore stability.

In the circumstances existing, that job fell largely to the Federal Reserve and monetary policy. As you know, we have been pursuing a policy of reducing the pace of monetary expansion over a period of time to rates consistent with price stability. But monetary restraint, however necessary, can be a blunt instrument. That is particularly true when prolonged experience with inflation builds in expectations that it will continue, when inflationary momentum is built into cost and pricing behavior, and when improvements in productivity are low.

For all its difficulty, monetary restraint must be an essential part of any successful effort to damp inflation. Strong upward price pressures may arise from a variety of sources not directly related to monetary conditions—the oil price shocks are a leading example. But those impulses will persist and spread only if they are accommodated by growth in money. And, as we have learned, we cannot really “accommodate” inflation without damaging economic growth and productivity.

Now, we can see highly encouraging signs that the inflationary tide is turning—we see it in the data, and less tangibly, in expectations. The improvement, to be sure, has been associated with highly unsatisfactory business conditions. Prices of commodities, in particular, are sensitive to depressed demand, incentives to reduce inventories are apparent, and the weakened financial position of many companies has led to extraordinary efforts to restrain wages and costs generally.

No successful program to restore price stability can rest on persistently high unemployment and depressed profitability, any more than we can build prosperity on inflation. The obvious challenge is to shape our policies in a way that can permit and encourage recovery to proceed while maintaining the progress we are seeing toward greater price stability. Some of the groundwork has already been laid, or is in process. Price expectations have calmed, and some evidence exists that the underlying trend of costs is slowing.

Our current inflation did not originate as a “wage-push” phenomenon. But in an economy like ours, with wages and salaries accounting for two-thirds of all costs, sustaining that progress will need to be reflected in moderation in the growth in *nominal* wages. The general indexes of worker compensation still show relatively little improvement, and prices of many services with a high labor content continue to show high rates of increase. But we are all aware of recent negotiations completed or in progress that seem to point toward significant moderation.

In many of these instances, to be sure, the changes reflect the most intense competitive pressures, and the potential benefits in terms of retaining jobs is clear. Major tests of the changing climate still lie ahead; 1982 is a particularly important year for wage bargaining. It seems to me crucially important, not least for the workers directly involved and for those now unemployed, that this emerging pattern of greater moderation be extended. The end result of moderating *nominal* wages should be higher *real* wages for workers generally, for such moderation can speed and sustain the process of recovery.

The prospect for greater price stability, at least in the near term, is reinforced by the outlook for stability in petroleum prices and for ample crops. And looking further ahead, partly as a result of the more favorable tax climate, we should be able to achieve renewed and sustained growth in productivity as the economy grows.

Obviously, it is far too soon to claim victory in the fight on inflation. To make that prospect a reality, properly restrained and cautious monetary policy will continue to be required. And at the same time, we need to combine that anti-inflation effort with policies that will encourage and sustain the recovery process. The linkage

lies in considerable part in encouraging favorable developments in financial markets and interest rates, and critical implications exist for the mix of government policies. An inadequate balance in policies can add to financial stress, with severe consequences for vulnerable credit-dependent sectors of the economy—consequences most dramatically reflected in homebuilding and in the problems of many small businessmen and farmers. Moreover, our need to improve and modernize our plant and equipment is evident. That need lay behind many of the tax changes enacted last year; but overburdening monetary policy in dealing with inflation, with consequences for financial pressures in the marketplace, can work against that very objective.

This year we will have a very large federal deficit. To the extent that deficit is a passive reflection of recession—which in turn reduces other credit demands—even that deficit may be manageable without, in itself, standing in the way of a more favorable financing climate. The large federal contribution to the income stream—including the second stage of the tax cut at midyear—should help buoy economic activity. But during a period of recovery, deficits approaching the current magnitude would have quite another implication; in an environment of limited monetary expansion and rising private demands for credit, they would threaten prolonged strain and congestion in financial markets, with strongly adverse consequences for other borrowers. And those consequences are not merely a hypothetical possibility for the future. That concern preoccupies the thinking of many potential investors in the market today, making them reluctant to commit funds for any long period of time, fearful that interest rates may not decline or could even rise.

You and I may think those concerns overdone, particularly in the light of the extraordinarily high level of rates today in relation to the prospects for inflation. But the lesson for policy seems to me unambiguous. Fiscal action needs to be directed toward the progressive and substantial reduction of the deficit as recovery proceeds.

We know there is a deep-seated public instinct associating large deficits with inflation, and a great deal of history points in that direction. We could also engage in abstract debate about whether budgetary deficits are inherently infla-

tionary, and the point would be advanced that, given sufficiently severe monetary policy, they might not be. But that would imply far higher interest rates, lower investment, and poorer economic performance generally. Paradoxical as it may seem, action by the administration and the Congress to bring spending and our revenue potential into closer balance—and ultimately into balance and surplus—as the economy expands can be a major element, through its implications for credit markets, in promoting recovery and nurturing it. Credibility in the budget, through its effects on expectations and behavior, could only work toward lower interest rates and speeding the disinflationary process.

In essence, the burden of my comments is that the need for disciplined financial policies to carry through the anti-inflation effort is not lessened by the current recession. It is not just a matter of the long run: to back away from the commitment to deal with inflation would be a disturbing matter for financial markets today, complicating the prospects for early recovery.

Interest rates fell appreciably last fall, and most have remained substantially below earlier peaks. But in both real and nominal terms, they remain extraordinarily high. The fact is that markets remain sensitive, disturbed, and uncertain despite the encouraging trend toward less inflation. We cannot wish these doubts and skepticism about the future away; we can dispel them by our actions.

That, of course, has important implications for monetary policy. As I indicated at the outset, I will deal more specifically with our intentions with respect to monetary growth after the Federal Open Market Committee, in the normal course, meets next week to adopt guidelines for the coming year. The basic thrust of policy will remain one of encouraging continued progress on the inflation front. With such progress, adequate financial resources should be available to support renewed economic growth.

Present economic conditions are those of pain and hardship for many. In working to relieve them, let us not forget the basic circumstances that brought on the difficulty. Let us take heart from the signs of progress in turning the corner toward more price stability. We can build on that progress and in doing so restore the confidence and financial condition so critical to recovery. □

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, February 4, 1982.

I am pleased to appear before you to discuss proposals to expand bank participation in securities markets by allowing banks to underwrite municipal revenue bonds and to offer mutual funds. These measures involve the natural extension of activities already engaged in by banks, but the significance of these activities should not be underestimated. They could have major effects on bank customers and competitors, and the structural and regulatory framework within which these proposals are implemented may set the pattern for other changes to be considered by the Congress as part of its broad reexamination of the laws governing our financial system. As you know, the Treasury Department has put forward a plan to mandate that the proposed new powers be exercised in a separate affiliate of a bank holding company. The Treasury's bill also treats other features of bank holding company organization and regulation, but I will confine my remarks to those aspects dealing with securities activities of banks.

The Board favors granting banks the authority to underwrite and deal in most state and local government revenue bonds. In addition, we think that trust departments of depository institutions should be allowed to establish collective investment funds—analogueous to mutual funds—that could be offered to the general public and not limited to those customers who had entered into trust agreements. For now, we would limit the investments of these more broadly available funds to stocks and bonds; sponsorship of money market funds by banks or thrift institutions seems to us to be in effect a “back door” method of deregulating deposit rate ceilings. As such, it would undermine the authority of the Depository Institutions Deregulation Committee (DIDC), the body established by the Congress to oversee an orderly phaseout of these ceilings, and in the process would tend to aggravate an already difficult situation caused by erosion of the traditional deposit base of depository institutions in favor of investments in money market instruments.

Because these proposed activities are the natu-

ral extension of services banks already undertake in various departments, we believe that the easiest and most beneficial method of implementing the new activities would be to allow them to be carried out in the appropriate section of the bank. Bank participation in these areas would be conducted under the same basic legal and regulatory structure that applies to nonbank participants, but responsibility for supervising the new activities would logically fall to the agencies that now perform this task for the related existing activities of banks. Within this framework, we can achieve equity in regulation between bank and nonbank entities competing to deliver the same services, and we can protect the public interest in safeguarding the soundness of our financial institutions.

The Board does not see the need for requiring that the proposed activities be done in a separate affiliate within the corporate structure. We believe that this approach would reduce some of the public benefits that could derive from entry by banks or thrift institutions into these areas, would be unnecessarily expensive and burdensome, particularly for smaller institutions, and would not by itself provide effective protection from risks to the combined organization that these activities could in some circumstances entail.

MUNICIPAL REVENUE BOND UNDERWRITING

The Board has long supported legislation that would allow banks to underwrite and deal in municipal revenue bonds. We believe that this would be a logical and reasonable extension of current bank activity in the tax-exempt market. Revenue bonds played a minor role in state and local government finance in the early 1930s when Glass-Steagall restrictions were imposed, but by last year they had grown to around 70 percent of tax-exempt bond sales. The entry of banks into this area would allow them to utilize the expertise of their municipal bond departments more fully and efficiently, and the additional competition should reduce costs for many revenue bond issuers.

We believe that the provisions of section 301 of S. 1720 introduced by Senator Garn in the last

session of Congress would be sufficient to protect against a bank assuming excessive risk when underwriting revenue bonds and against conflicts between the interests of the bank as underwriter and as investor or fiduciary. Banks would be permitted to underwrite or deal only in those issues in which they could also invest, and their holdings of the obligations of any one issuer would be limited to 10 percent of the bank's capital and surplus. Moreover, transactions between the bank's dealer department and its investment or trust accounts would be regulated. Indeed, we would recommend that the Congress extend those protections to bank transactions in general obligation municipal securities as well.

Departments already established by the banks to deal in tax-exempt securities are now subject to the same regulations of the Municipal Securities Rulemaking Board (MSRB) as are nonbank securities dealers, and those regulations would also apply to revenue bond activities. Enforcement of the rules of the MSRB and the Securities and Exchange Commission (SEC) and examination of tax-exempt bond underwriting and dealing would continue to be left to the primary bank regulator. Personnel from the banking agencies have been specially trained to examine for compliance with these rules, and they also are trained to look closely for potential conflicts of interest or unsound practices that may stem from the combination of investment and commercial banking functions.

OFFERING MUTUAL FUNDS

Stock and bond funds. Bank trust departments are in the business of managing investment funds for their customers and have a long and well-developed expertise in this field. Although banks are permitted to combine funds of some types of accounts to realize the efficiencies of investing them collectively, the banks are authorized to offer this service to individual investors only if they have established a trust relationship with the bank.

The Board believes that the needs of smaller investors would be better served if bank trust departments were allowed to offer collective or

comingled funds for investing in stocks or bonds—as do investment companies—for accounts handled on an advisory basis. Offering this service would increase the potential outlets for the savings of small investors through participation in diversified investment funds and would seem an especially appropriate change in view of the broadened availability of individual retirement and Keogh accounts that has just taken place. Although thrift institutions generally do not have trust departments, federally chartered savings and loan associations were authorized by the Congress in 1980 to offer trust services. The Board believes that any institution having a trust department should be eligible to offer the proposed service, and we recommend that any new legislation reflect this approach.

Because collective investment funds offered to the public on an agency basis would be functionally equivalent to a mutual fund, we suggest that it would be appropriate for the banks to register the funds under the Investment Company Act of 1940 and abide by its rules. However, to protect against special difficulties that may be associated with bank entry into this area, the Board believes that additional restrictions should be imposed on the bank trust department procedures, at least until some experience is gained with the activity. To avoid excessive promotion of the new services to depositors or other customers, banks should be permitted to offer only funds that do not involve payment of a front-end "load" or sales charge at the time of purchase. The advertising by banks of their comingled funds should also be constrained by regulation, to prevent undue public identification of the bank with the performance of its collective funds.

The primary bank regulators have responsibility for supervising collective funds now administered by bank trust departments, and this authority could be extended readily to the new comingled accounts. These regulatory agencies have special trust examiners who are sensitive to the potential for conflicts of interest between the trust and commercial areas of the banks. These agencies have adopted specific guidelines to require a "Chinese Wall" between fiduciary and other bank activities that would be used also in connection with this new activity. Trust examin-

ers could be instructed to look for compliance with the rules of the SEC under the Investment Company Act, which provide added safeguards against conflicts of interest. And the examiners, of course, would be particularly sensitive to any attempted use of bank resources in support of a troubled investment fund.

Money market funds. Unlike funds investing in stocks and bonds, collective or mutual funds holding short-term money market instruments have attributes closely resembling bank deposits. Like deposits, money market funds (MMFs) have a fixed asset value (except in extreme circumstances) and generally are accessible by check or phone transfer so that they can be used for third-party transactions. The Board recognizes that shares of MMFs have already been substituted in substantial amounts for deposits by the public, and that many depository institutions view the power to issue money market funds as an appropriate defensive response. But this very troubling process could have undesirable effects on the financial system, and one that would be greatly accelerated if MMFs were offered by banks, given the convenience of these institutions and the aura of safety that sponsorship by a highly regarded local banking organization would transfer to associated MMFs. Because of its concerns, the Board is opposed to allowing banks or thrift institutions the right to sponsor or sell money market funds or similar facilities at the present time.

A major consequence of the growth of MMFs has been an erosion of the deposit base of many institutions, forcing them to cut back lending or to replace lost deposits with funds acquired in the open market at high interest rates. For those institutions—like savings and loan associations—that hold longer-term fixed-rate assets, this has resulted in a sharp erosion of earning capacity. Concern for these institutions has constrained the pace at which the DIDC has been able to proceed with the phasing out of deposit rate ceilings. But allowing depositories to offer money funds would in effect void the existing rate ceilings, putting additional pressure on an already deeply troubled thrift industry and conflicting with the intention of the Congress when it

created the DIDC—namely, that the transition to market-determined rates on deposits be managed to minimize the possibility of severe dislocations in the financial system.

The diversion of deposits to MMF shares also is of concern because of the possible impact on the distribution of credit. Funds are drained from local institutions, where they are available to make loans in the service area, and invested instead in instruments issued mainly by the largest banks and corporations. Local lenders can replace these funds in the credit markets or through government agencies to some extent, but the cost and availability of credit to small local borrowers could well be affected by an accelerated conversion of deposits to MMFs. Moreover, this problem is not readily alleviated by allowing banks to sponsor their own MMFs because prudential rules of diversification and arm's-length dealing may well restrict the ability of bank sponsors to purchase their own liabilities.

The Board is also troubled by the implications for public confidence in our financial system of rechanneling funds from insured deposits to uninsured MMFs. Difficulties in one or more MMFs, though a remote possibility, could lead to a more general loss of confidence in all MMFs and perhaps other institutions—especially the banks or thrift institutions offering the MMFs. Such a development could produce sudden readjustments and disruptions in credit flows; and it could give rise to the need for potentially massive federal action to bolster affected institutions and borrowers.

The similarities of MMF shares with deposits, and the substitution of these shares for deposit balances—including use in transactions—also present problems for the conduct of monetary policy. Interpretation of the behavior of the monetary aggregates becomes more difficult, and less confidence can be placed in any particular monetary target in helping to achieve the nation's economic goals. Our ability to control the monetary aggregates also may suffer. The Congress structured the Monetary Control Act so that all transaction balances held in depository institutions would be subject to reserve requirements at the Federal Reserve. MMFs obviously

are outside this provision, and we have therefore requested authority from the Congress to place reserves on MMF accounts that are accessible for transactions—a need that would only be intensified if banks were to offer MMFs.

The problems that may be associated with banks or thrift institutions offering MMFs in the present environment seem to me to argue forcefully against congressional authorization of this activity. Deposit deregulation should remain the responsibility of the DDC and not be effected haphazardly through means that may produce undesirable shifts in deposits and credit flows, unwind our system of federal insurance of the public's liquid deposit accounts, and threaten to undermine the conduct of monetary policy. These difficulties are directly associated with the diversion of deposits to MMF shares, and they could be greatly alleviated by lifting the ceilings on deposit offering rates. The financial system would be far better served by this straightforward approach to deregulation, and the Board urges the DDC to proceed with this process as quickly as circumstances permit.

SECURITIES AFFILIATES

The Treasury's proposed bill joins the expansion of powers of banks and thrift institutions with a mandate that all securities activities be carried out only in separate affiliates. This requirement would apply not only to the new activities, but also to existing dealer functions for any banks wishing to take advantage of the expanded powers. As I understand it, the affiliate form of organization is proposed in order to ensure that the securities activities of banks are subject to the same rules, regulations, and investor safeguards as those of nonbanks, and to insulate the banks from any additional risks that these activities might entail. The use of securities affiliates is also advanced as a means to prevent abuses that are possible when the same organization engages in commercial and investment banking.

The Board has no objections to a bank holding company voluntarily establishing a securities affiliate subject to appropriate supervisory oversight; we have in the past approved bank holding company applications for just this purpose.

However, the Board views the Treasury's proposed requirement that these new activities be conducted in such an affiliate as both unnecessary and possibly counterproductive. The changes in powers are evolutionary in nature, building on the established business and expertise of the banks, and the benefits from bank participation in the new areas can be realized most fully if the new activities are lodged in those departments of the bank already engaged in the related activities. From a regulatory perspective, we would want to apply the same basic set of rules to a given activity whether performed by a bank, its nonbank affiliate, or a nonbank firm, and the Board sees advantages in utilizing the supervisory apparatus already in place for banks and thrift institutions. We believe our proposals would adequately protect the public against abusive practices by banks or thrifts and would better safeguard the public interest in maintaining a sound depository system. Moreover, the benefits of entry by banks and thrift institutions into these activities can be fully realized without incurring the expenses and inefficiencies of the affiliate form of organization.

The requirement to establish a securities affiliate would be especially burdensome for smaller banks that undertake only a few underwritings of municipal securities issues each year because it would entail separate capitalization and all of the expenses of incorporation and independent operation. If local and regional banks were to forgo revenue bond underwriting because of this burden, a significant part of the benefits of allowing banks into this activity would be lost. Enhanced competition is likely to result in the most significant savings for smaller issuers with limited local markets—precisely those units offering securities that small- or medium-sized banks would be best positioned to underwrite.

Even for larger banks we do not see anything to be gained from forcing them to shift their activities in the U.S. government and federal agencies markets to a separate affiliate, as the Treasury proposal would mandate for banks desiring to underwrite revenue bonds. No evidence has surfaced of problems or inequities in competition between banks and securities dealers in this important financing area.

It is true that the securities affiliate form would

eliminate the advantage enjoyed by banks over nonbank dealers that results from the tax treatment of bank interest expense. But this advantage has had little impact on the relative abilities of banks and nonbanks to compete for underwriting business—positioning securities is not an important aspect of this activity, and nonbank dealers have done a substantial share of the underwriting of general obligation bonds over the years. The tax advantage may be of somewhat greater significance for trading in the secondary market, which requires dealers to hold securities. Redressing this inequity by increasing the tax burden on banks, however, could well reduce their willingness to participate in the municipal securities markets. I question whether this is desirable at a time when these markets are already under great strain, and I would urge the Treasury and the Congress to seek other methods of redressing the tax imbalance.

Although the Board considers the securities affiliate requirement to be inferior to allowing these new activities to be conducted in the banks themselves, we could reluctantly accept the mandated affiliate concept provided that it incorporates adequate safeguards for the banking system. With respect to defining this last point, we appear to differ most markedly with Treasury.

Generally, the Board does not view the use of the securities affiliate form by itself as providing sufficient protection for the banking part of the organizations. Exposure of the parent to excessive risk-taking in the affiliate, arising in part from the strong prospect of public identification of the securities affiliate with the banking name, means that serious problems in the affiliate would very likely have an adverse impact on the bank. Restrictions such as those I have discussed for municipal bond underwriting and the sale of collective funds thus are necessary whether the activity is carried out by the bank or in a separate affiliate. It is true that putting these activities in a separate corporation triggers statutory barriers that limit transactions between a bank and its affiliate—barriers that would need to be extended by amending section 23A of the Federal Reserve Act to include advised or sponsored entities to cover the collective funds. But while

such restraints are helpful in limiting the use of bank resources to support a troubled nonbank affiliate, they have not been and are not likely to be fully effective in convincing either the markets or the public that a bank is immune to the problems of its affiliates. The Board has seen on several occasions situations in which difficulties in nonbank affiliates were quickly reflected in the cost and availability of funds to affiliated banks because of the close links within the banking organization.

An important premise of the Treasury proposal is that the fates of bank and nonbank affiliates can be effectively separated, provided that safeguards are erected to forestall unsound transactions between the two. From this premise flow a number of provisions of the Treasury bill, including one that the Board finds particularly troublesome. This proposal would deny us the authority to examine nonbank affiliates, including the new securities affiliate, except when the Board makes a prior finding that the financial condition of the affiliate is likely to have a materially adverse effect on the safety and soundness of the bank.

As I have said, our experience is that the public's confidence in a bank is generally linked with the financial strength of any important nonbank affiliate. For this reason, the Board believes that continuing regulatory oversight of the nonbank activities of a banking organization, including those that manage investment funds and underwrite securities, is critical to the maintenance of the soundness of the entire organization.

Therefore, we would urge that, if the Congress accepts the Treasury's concept of separate affiliates, such affiliates continue to be subjected to oversight by the bank regulatory authorities as provided for in existing statutes. These authorities would be expected to enforce rules of the SEC as well as their own and should also have prompt access to any information that the SEC generates in examinations or any other actions it undertakes. But we are strongly of the view that the particular circumstances of banking and the special status accorded banks in our financial system require the continuing presence of banking supervisors to protect the public interest. □

Additional statement follows.

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, February 10, 1982.

I appreciate the opportunity to meet with members of this distinguished committee to discuss the direction of monetary policy and the prospects for the national economy. I have submitted for the record the official report from the Board in accordance with the Humphrey-Hawkins Act. I would like to take a few minutes to underscore and amplify some of the points in that report, as well as to offer some more personal views on the problems—and equally important, the opportunities—that are before us.

As you know, the economy has been in recession for some months. The recession has some of the characteristics of earlier downturns. But it seems to me plainly wrong to think of the current state of the economy as simply reflecting “another” recession.

Rather, we are seeing the culmination of a much longer period of unsatisfactory economic performance extending back into the 1970s—performance marked by poor productivity, growing unemployment, much higher interest rates, and pressures on the real earnings of the average citizen and on the real profits of our businesses.

A number of factors have contributed to that deterioration in our performance, not all of them completely understood. But one pervasive element—an element particularly relevant to monetary policy—stands out: we found ourselves in the midst of the most prolonged inflation in our history, and that inflationary process had come to feed on itself. Incentives were distorted. Too much of the energy of our citizens was directed toward seeking protection from future price increases and toward speculative activity, and too little toward production. Increasingly depressed and volatile capital markets reflected the uncertainties. Effective tax rates increased as inflation carried taxpayers into higher brackets. But in a sluggish economy those revenues did not keep up with our spending plans and programs.

Against that background, the notion that we might comfortably live with inflation—or that we could accept inflation in the interest of strong growth—was exposed as an illusion. I believe it

is fair to say a clear national consensus emerged that turning back inflation had to be a top priority of economic policy—that a stable dollar is a necessary part of the foundation of a strong economy.

Monetary policy has a key role to play in restoring that stability, and our policies are directed to that end. But recent developments have confirmed again that ending an inflation, once it has become deeply seated in expectations and behavior, is not a simple and painless process. The problems can be aggravated if too much of the burden rests on one instrument of policy. And the effort to restore stability will be more difficult to the extent that policies feed skepticism and uncertainty about whether the effort will be sustained—a skepticism rooted in past failures to “carry through.” Monetary, fiscal, and other public policies are constantly scrutinized—in financial markets and elsewhere—to detect any signs of weakening in the sense of commitment to deal with inflation. To speed the transition to lower interest rates and healthier capital markets, to reduce the costly elements of anticipated inflation built into wage and price contracts, to permit more confident planning for the future—to, in fact, lay the base for *sustained* recovery—credibility in dealing with inflation has to be earned by performance and persistence.

That, essentially, is what public policy—and monetary policy in particular—has been about for some time, and now signs of real progress on the inflation front have appeared. That progress is reflected to a greater or lesser degree in all the widely used inflation indexes. Consumer prices rose 8.9 percent last year, 3½ percentage points less than the 1980 peak, and the inflation rate seemed to be trending still lower as the year ended. Producer prices for finished goods have had an average increase at an annual rate of only about 4 percent for six months. Expectations cannot be so easily measured, but earlier fears that inflation might rapidly accelerate have plainly dissipated.

Those gains, to be sure, have elements that may not be lasting. Some prices are depressed by recession-weakened markets, and some by the pressures of high interest rates on inventories and speculative positions; exceptionally good crops last year have held food prices down; and

surpluses have emerged in oil markets, following the enormous price increases of earlier years.

But we also see evidence of potentially more lasting changes in the trend of costs as management and labor in key industries come to grips with competitively damaging productivity and wage trends. I am aware that this process has just begun, and it has been centered largely in areas where competitive pressures are most intense. But as the emerging patterns spread, we will have succeeded in establishing one of the major elements for success in the fight against inflation and for reconciling, as we must, a return to greater price stability with growth, reduced unemployment, and higher real wages. Quite obviously, policies that encourage that process of cost moderation will have a large "payoff" in future economic performance.

I am acutely aware that progress on the inflation front has been accompanied by historically high levels of interest rates and heavy strains on financial markets. Those sectors of the economy particularly dependent on borrowing—especially long-term borrowing—have been hard hit.

The pattern of economic activity last year shows the picture clearly. Over the course of 1981, the overall level of production of goods and services—real gross national product—posted a slight increase. But at the same time, home building dropped to the lowest level in decades. Sales of consumer durable goods—car sales in particular—fell markedly. And now capital investment by businesses also appears to be adversely affected, running contrary to longer-term needs.

It would be simplistic to cite high interest rates as the sole cause of the difficulties in these vulnerable sectors. Part of the problem arises from other, and longer-term, factors, themselves associated with the inflationary process. In housing, for example, we have had a decade of increases in prices of homes almost double the rate of inflation in the economy generally and well in excess of the rise in average family income. "Sticker shock" still seems to be the major deterrent to new-car sales as the industry comes to grips with long-developing competitive and regulatory problems and the enormous challenge of adapting to the higher price of gasoline.

In the best of circumstances, coping with deep-seated inflation would pose difficulties. At

the same time, we have had to adjust to the huge increases in the price of energy, to meet the need for a stronger defense, and to deal with the drag on incentives and investment resulting from rising marginal tax rates. All of these imply massive economic adjustments, the threat of a growing fiscal imbalance, and a difficult transition period. The high level of unemployment generally, with particularly distressing conditions in some of our older industrial centers, are one symptom. Lasting progress toward price stability—and other needed adjustments—cannot be built on prolonged stagnation, rising unemployment, and slow growth. The relevant question is not whether current conditions are satisfactory or tolerable—obviously they are not. It is whether our policies, and our policy mix, promise to achieve the needed results over time.

MONETARY POLICY IN 1981 AND THE TARGETS FOR 1982

Against that background I would like to review monetary policy last year and discuss our intentions for 1982.

As you know, the main responsibility for dealing with inflation has fallen on monetary policy. I would emphasize that the process of restoring stability will proceed more easily and effectively, with less strain on financial markets and on credit-sensitive sectors of the economy, to the extent that the effort is complemented and supported by other policies. But in the end, history and theory alike confirm that no effort to turn back inflation can be successful without appropriate restraint on the expansion of money and credit. I believe the record of the past few years amply reflects the needed monetary discipline.

The Humphrey-Hawkins Act specifically requires that we translate our broad objectives into quantitative monetary and credit targets. More broadly, those targets have become one means of communicating our intentions to the public in a comprehensible way. The judgments involved in setting appropriate targets are never simple, and they have been increasingly complicated by the rapid pace of innovation in financial markets. Those innovations sometimes blur the precise meaning of the various monetary and credit aggregates, complicate their measurement, or

change the economic significance of a particular target. In the circumstances, elements of judgment are necessary in interpreting behavior of the aggregates, particularly when their movements diverge somewhat.

The events of 1981 surely reflect those facts, but they also seem to me to provide an unambiguous record of persistent monetary restraint. The targets we set for the year pointed toward a reduction in the growth of the monetary aggregates from the rates of expansion in 1980. In our 1981 report to the Congress setting forth those targets, we also suggested that changing preferences of the public for different types of financial assets—influenced by regulatory developments and new “products” offered by financial institutions—might tend to push the broader aggregate, M2, to the upper part of its specified range, and that judgments about the course of the narrow aggregates—M1-A and M1-B—would require taking account of shifts into negotiable order of withdrawal (NOW) accounts, particularly during the early part of the year when they were introduced nationwide. These expectations were borne out, but as the year progressed the divergences among some of the aggregates became even wider than expected.

Measured by comparing fourth-quarter averages in 1980 and 1981, growth of M1-B (adjusted for the estimated shift of funds into NOW accounts¹) in 1981 was 2.3 percent, a little more than 1 percent below the lower end of the target range specified a year ago (table 1). You will recall that I reported to you in July that an outcome near the lower end of the range would be desirable.

Measured in the same way, M2 slightly exceeded the upper end of its range, after rather closely following the upper bound as the year progressed. The subsidiary target range for M3 was exceeded by a greater margin, reflecting in considerable part some changes in the composi-

1. The “adjustment” allowed for shifts of funds into NOW accounts and similar instruments included in M1-B from sources outside of M1-B. The shift adjustment was estimated on the basis of various surveys of depository institutions and individuals, as well as by statistical techniques. M1-B without adjustment rose 5 percent, also below its indicated range. While the adjustment was necessarily estimated, we believe the “adjusted” data are more appropriate for assessing the trend in the money supply, particularly during the early part of the year when shifts were large.

1. Monetary growth, 1981

Percent

Item	Ranges	Actual ¹
M1-B.....	6 to 8½	5.0
M1-B (shift adjusted) ...	3½ to 6	2.3
M2.....	6 to 9	9.4
M3.....	6½ to 9½	11.3
Bank credit	6 to 9	8.8 ²

1. Fourth quarter to fourth quarter.

2. December level used for calculating this 1981 growth rate incorporates an adjustment to abstract from the shifting of assets from domestic banking offices to international banking facilities.

tion of commercial bank financing patterns toward domestic sources that had not been anticipated, while bank credit fell within, but toward the upper part of, its range.

In judging trends over a period of time, annual averages may be more meaningful; growth of M1-B (adjusted) has declined an average of 1.1 percentage points since 1978, to a rate of 4.7 percent in 1981 (table 2). On the same basis, M2 growth was steady in 1979 and 1980 but actually rose more than 1 percentage point in 1981. Over those years, both aggregates have been affected by institutional change. Relaxation of interest rate ceilings applicable to time deposits of depository institutions and the enormous growth of money market funds (both included in M2) tended to raise the trend of M2 over the period as individuals had incentives to lodge a larger proportion of their assets in these instruments. Assets in money market mutual funds are not included in M1, but the enormous growth of those funds, providing virtually immediate availability of funds and check-writing privileges, diverted some money away from checking ac-

2. Growth of money and bank credit

Percentage changes

Item	M1-B ¹	M2	M3	Bank credit
<i>Fourth quarter to fourth quarter</i>				
1978.....	8.3	8.3	11.3	13.3
1979.....	7.5	8.4	9.8	12.6
1980.....	6.6	9.1	9.9	8.0
1981.....	2.3	9.4	11.3	8.8 ²
<i>Annual average to annual average</i>				
1978.....	8.2	8.8	11.8	12.4
1979.....	7.7	8.5	10.3	13.5
1980.....	5.9	8.3	9.3	8.5
1981.....	4.7	9.8	11.6	9.4 ²

1. Growth rates for 1980 and 1981 adjusted for shifts to other checkable deposit accounts since the end of the preceding year.

2. The December level used for calculating these 1981 growth rates incorporates an adjustment to abstract from the shifting of assets from domestic banking offices to international banking facilities.

counts in depository institutions, which are included in M1. Given the technical and institutional changes bearing on M1 and its relative volatility, its movements need to be assessed in the light of developments with respect to the other aggregates. Indeed, a number of analysts attach greater weight to M2.

Experience during 1981 also illustrates the variety of forces impinging on interest rates and credit market conditions. Over long periods of time, there should be a relationship between interest rates and inflationary expectations—that is, both lenders and borrowers might reasonably anticipate a small positive return on loanable funds in “real” terms, after allowing for inflation. When economic conditions were relatively stable in the postwar period and inflation low, that relationship with respect to long-term interest rates was fairly steady. But history is replete with deviations for a time in either direction, and high levels of income taxation distort the comparison. Before taxes, “real” interest rates (measured on the base of actual inflation) were negative during part of the 1970s, but recently have been extraordinarily high. One factor, particularly in long-term markets, appears to be concern about whether public policy will, in fact, “carry through” the fight on inflation.

Even with inflation subsiding, the threat of prolonged large federal deficits as the economy recovers points to a more imminent concern—direct government competition for a limited supply of savings and loanable funds. The clear implication is greater pressure on interest rates than otherwise, with those interest rates serving to “crowd out” other borrowers. The most vulnerable, of course, are homebuyers and others particularly dependent on credit. But the consequences for business investment generally are adverse as well.

Monetary policy, of course, influences interest rates, but the relationship has several dimensions. As monetary restraint reduces and eliminates the risk of inflation over time, it will work powerfully toward a more favorable climate for longer-term borrowing and in the credit markets generally. In the short run, should inflation, economic growth, or other factors increase the need and desire to hold money, restraint on the supply of money will ordinarily be reflected in pressures on short-term rates. However, to ac-

cept *inflationary* increases in the money supply in an attempt to lower interest rates would ultimately be self-defeating; even in the short run, market sensitivities might well give the opposite result.

Some of these interrelationships were evident in 1981. Short-term interest rates fluctuated over a wide range, but generally trended down from peak levels in the spring or early summer, to fall very sharply as the recessionary forces became apparent in the fall. That was a period when pressures on commercial bank reserve positions were easing, consistent with our monetary and credit targets. However, longer-term interest rates continued to rise for months after the peak in short-term rates, influenced in substantial part by growing concern about prospective budgetary deficits.

As growth in the money supply rose more rapidly late last year, and a very sharp increase developed early in January, the reserve positions of banks came under some renewed pressure as Federal Reserve open market operations constrained the supply of reserves. At the same time, there were scattered signs that recessionary forces might be waning. Short-term interest rates have risen from lows in early November, although they remain well below levels prevailing during much of 1981. Some long-term interest rates—notably those on government securities—returned close to earlier peaks, suggesting the impact of current and prospective Treasury financing.

This was the setting for the decision on the monetary and credit targets taken by the Federal Open Market Committee last week. The sharp increase in the money supply in January carried the level well above the average in the fourth quarter of 1981, the conventional base for the new target, and somewhat above the lower end of the range specified for 1981. A large increase in the money supply, accompanied by higher interest rates, is unusual during a period of declining production and economic activity. Moreover, the composition of the increase in the money supply in the past three months is heavily concentrated in a rather small component of M1—NOW accounts, which are held by individuals. That increase in NOW accounts has been accompanied by a reversal of earlier sharp declines in savings accounts—another highly liquid

asset—and by declines in small-denomination time deposits, which provide a less liquid outlet for personal funds. Taken together, the evidence suggests some short-term—and potentially “self-reversing”—factors may be at work, inducing individuals to build up highly liquid balances at a time of economic and interest rate uncertainty.

Taking those circumstances and others into account, the Federal Open Market Committee decided to adopt the tentative targets discussed last July:

- for M1, 2½ to 5½ percent.
- for M2, 6 to 9 percent.
- for M3, 6½ to 9½ percent.

The associated range for bank credit is 6 to 9 percent.²

The M1 target is lower than the range specified a year ago for M1-B (3½ to 6 percent, shift adjusted), but it is consistent with somewhat larger *actual* growth than experienced last year with the “adjusted” measure. The lower end of the range would now appear appropriate only if the pace of financial innovation again picks up—for instance, a rapid spread of arrangements for “sweeping” temporarily excess checking account balances into money market funds or other liquid assets not included in M1. Given the present level of M1 and the relatively slow growth last year, the FOMC at this time feels that an outcome in the upper half of the range would be acceptable, and that M1 could acceptably remain somewhat above the implied “growth track” during the period immediately ahead.

In that connection, I would point out that an outcome in the upper part of the range specified for 1982 would be roughly the equivalent of a rate of growth of 4 percent from the lower end of the range targeted in 1981. Such a result would be entirely consistent with the objective I stated to your committee in July.

The FOMC anticipates somewhat slower

3. Monetary growth targets, 1982

Percent	
Item	Target
M1 ¹	2½ to 5½
M2	6 to 9
M3	6½ to 9½
Bank credit	6 to 9 ²

1. The objective for growth of narrowly defined money over 1981 is set in terms of M1. Based on a variety of evidence suggesting that the bulk of the shift to NOW accounts had occurred by late 1981, the Federal Reserve is publishing only a single M1 figure in 1982 with the same coverage as the former M1-B.

2. The bank credit data after December 1981 are not comparable with earlier data because of the introduction of international banking facilities. Thus, the targets for 1982 are in terms of growth from an average of December 1981 and January 1982 to the fourth-quarter average of 1982.

growth in M2 than a year ago, when the target was slightly exceeded. At present, an outcome in the upper half of the range appears more likely and desirable. Assets included in M2 account for a significant part of individual savings. Should total savings increase much more rapidly than now anticipated in response to tax incentives or other factors—or if legal or regulatory changes, such as the wider availability of individual retirement accounts, result in a substantial volume of funds shifting into depository institutions from other sources—growth might logically reach (or even slightly exceed) the upper limit.

Identifiable “structural” influences of that sort on M2, or other aggregates, must appropriately be taken into account in formulating policy steps and judging actual developments. For example, should developments in coming months provide solid evidence that the recent exceptional growth of M1 is indicative of some more fundamental and lasting change—such as a desire by individuals to continue to hold more liquid “savings” in the form of NOW accounts—the FOMC would, of course, reconsider that growth target at or before the regular midyear review.

These technicalities should not confuse a simple message: consolidating and extending the heartening progress on inflation will require continuing restraint on monetary growth, and we intend to maintain the necessary degree of restraint. The growth ranges specified are, we believe, consistent with an economic recovery later this year, although we do not anticipate, by historical standards, a sharp “snapback.” What

2. While all of the monetary ranges were set, as in previous years, on a fourth-quarter-to-fourth-quarter basis, the range for bank credit is measured from the average level in December 1981 and January 1982 to the fourth-quarter 1982 level. This adjustment in the base for bank credit is necessitated by the opening of international banking facilities on December 3, 1981, which led to a shifting of certain bank assets, formerly included in the domestic bank credit data, from U.S. offices to the IBFs.

is more important is that the recovery have a firm foundation—that it be sustained over a long period. There will be more room for real growth—and much better prospects for sustaining that growth over many years—the greater the progress on inflation.

THE COURSE AHEAD

In approaching the future, the lessons of the past bear repeating. We cannot buy or inflate our way out of recession—not without ratcheting up both inflation *and* unemployment over time. We cannot turn the effort to deal with inflation “on and off”—not without adversely influencing the decisions of those in the marketplace who commit funds for investment, with consequences for the recovery and productivity we want.

What we can do is set the stage for a much more favorable outlook—a future in which progress toward price stability, lower interest rates, greater productivity, slower growth in nominal wages but higher real wages, all benignly interact to support growth and reduce unemployment. That is a process we have not seen sustained in this country for many years.

Today, we are acutely aware of disturbed capital markets, high interest rates, economic slack, and a poor productivity record. But, when the economy begins to expand, productivity should rise; tax and other measures already in place or under way should help reinforce a better trend. Productivity growth, in turn, will permit prices to rise more slowly than wages—more modest wage and salary increases in dollars will then be consistent with more growth in real earnings, encouraging further moderation in wage demands and sustaining the disinflationary process. As confidence returns to securities markets, prices of bonds and stocks should rise, and lower interest rates and more favorable capital market conditions will in turn support the continuing growth in investment and productivity. With appropriate budgetary and monetary discipline, the process could be sustained for years.

That is not an impossible vision. We saw something of it in the early 1960s. As recently as the mid-1970s, coming out of a deep recession, we seemed to be moving in the right direction—

but then lost our way. Some of the essential elements of a brighter future—as well as some of the hazards on the way—are reflected in the longer-term projections of both the administration and the Congressional Budget Office that are now available to you.

From the standpoint of public policy, much of the groundwork has been laid. I have spoken of the key role for monetary policy, and of our record and intentions in that regard. The tax program enacted last year can, in the right context, have favorable effects on incentives and on investment. The excessive burden of regulation is being addressed.

But, of course, for the process to get fairly started we need to resolve some large outstanding questions as well—questions that hang heavily over financial markets and prospects for interest rates, inflation, and early recovery.

I have referred on many occasions to the key importance of winding down the cost and wage pressures that tend to keep the inflationary momentum going. The process appears to be starting, and the faster it takes hold the better the outlook for growth and reduced unemployment. But clearly prospects for early and sustained expansion—an expansion that can be broadly shared by industries now severely depressed—is dependent on access to capital and credit on more favorable terms. Pumping up the money supply cannot be the answer to that problem—excessive money and the inflation it breeds are enemies of the real savings needed to finance investment.

What we can do is relieve the concerns the markets understandably have—concerns reflected so strongly in the budgetary documents before you from both the administration and the Congressional Budget Office. *Without* action to cut spending—or, if that fails, to raise new revenues—we would face the prospect of deficits rising to unprecedented amounts, whether measured in dollars, in relation to the GNP, or as a proportion of our limited savings and the supply of loanable funds. We can debate among ourselves just what level of deficit is tolerable in coming years and what is not. We can be tempted to sit back and let a year pass as we discuss what programs should be cut or where revenues can be raised. But I think we all know that,

without action, we would be on a collision course between our need for new plant, equipment, and housing and our capacity to save—and it would be more difficult to reconcile the requirements for a sound dollar with our desire to grow.

One could argue that we have a little time. A large deficit in the midst of recession should be manageable; it indeed provides some support for the economy in a time of stress. Also, large potential sources of demand exist in the private economy. The latest economic indicators are not so weak as they were. We can see we are making some progress against inflation, perhaps as fast as could reasonably have been anticipated. In all

these circumstances, a degree of patience is needed—and justified.

But delay is another matter. In my judgment, the more progress we can see in restraining costs, and the more resolute your budgetary action, the earlier we can be assured a prompt and strong recovery.

The course of action we have set in the Federal Reserve seems to me consistent with that sense of direction and urgency. But no single instrument of policy can, alone, do the job. We look forward to working with you and your colleagues in the weeks and months ahead to meet these challenges constructively. □

Chairman Volcker gave similar testimony before the Senate Committee on Banking, Housing, and Urban Affairs on February 11, 1982.

Announcements

EARNINGS OF FEDERAL RESERVE BANKS

Preliminary figures indicate that gross income of the Federal Reserve Banks amounted to \$15.509 billion during 1981, a 21.1 percent increase from a year earlier. Of this, more than \$14 billion was paid to the U.S. Treasury. Current expenses for the 12 Reserve Banks and their branches totaled \$897 million, 13.4 percent above a year earlier.

Assessment for expenditures of the Board of Governors amounted to \$63 million. Other deductions from current net income amounted to \$372 million. The principal items were net losses of \$124 million on sales of U.S. government obligations and \$306 million on foreign exchange operations. The foreign exchange loss was primarily due to revaluation of assets to market exchange rates.

Net income before payments to the Treasury totaled \$14.177 billion. Payments to the Treasury as interest on Federal Reserve notes amounted to \$14.025 billion; statutory dividends to member banks, \$75 million; and additions to Reserve Bank surplus, \$77 million.

Under the policy established by the Board of Governors at the end of 1964, all net income after the statutory dividend to member banks and additions to surplus to bring it to the level of paid-in capital was paid to the U.S. Treasury as interest on Federal Reserve notes.

Compared with 1980, gross income was up \$2.707 billion, due mainly to increases of \$2.072 billion on U.S. government securities and \$454 million on foreign currencies. Income from priced Federal Reserve services amounted to \$155 million, reflecting mainly the phasing in of a program to charge for Federal Reserve services during the latter part of the year.

Income of the Federal Reserve System is derived primarily from interest accrued on U.S. government securities that the Federal Reserve has acquired through open market operations, one of the tools of monetary policy.

REGULATIONS G, T, AND U: AMENDMENTS

The Federal Reserve Board has announced adoption of several amendments to Regulations G (Securities Credit by Persons Other than Banks, Brokers, or Dealers), T (Credit by Brokers and Dealers), and U (Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks) to simplify and clarify its securities margin requirement rules.

The Board's action was part of a general overhaul of its margin regulations aimed at bringing them up to date with current circumstances in the securities markets, reducing the regulatory burden, and simplifying and clarifying the language. As part of its Regulatory Improvement Program, the Board is reviewing all of its regulations with similar objectives.

The Board adopted the amendments after considering comment received on proposed revisions of the margin regulations published in June and July. The amendments are effective February 15, except for a provision in Regulation U concerning collateral, which is effective as of March 31, 1982.

The Board will not complete the rewriting of its margin regulations for some time, but adopted these amendments—in the interests of lightening regulatory burdens and providing flexibility along the lines proposed by the Board—when comments disclosed no substantial disagreement.

Amendments to Regulation G permit lenders subject to this regulation (chiefly insurance companies and credit unions) to extend the scope of their lending, give them more flexibility with respect to collateral, and clarify the definition of indirect security for loans.

Amendments to Regulation T relax restrictions on the arranging of credit by brokers and dealers to permit investment banking services that may otherwise be prohibited.

Amendments to Regulation U revise the appli-

cability of the regulation so as to exempt bank credit not secured by margin equity securities, and clarify the definition of indirect security credit, as in Regulation G.

Amendments to Regulations G, T, and U remove some restrictions on transactions in highly leveraged margin accounts, thereby giving these account holders greater flexibility in reallocating portfolios.

MEETING OF CONSUMER ADVISORY COUNCIL

The Federal Reserve Board has announced that its Consumer Advisory Council met on January 27 and 28, 1982.

The Council, with 30 members who represent a broad range of consumer and creditor interests, advises the Board on the Board's responsibilities regarding consumer financial protection legislation. It meets four times a year.

CHANGES IN BOARD STAFF

The Board of Governors has announced the following official staff actions, effective January 20, 1982.

Division of Research and Statistics.

Peter A. Tinsley appointed Assistant Director. Mr. Tinsley, who joined the Board's staff in October 1965, has a Ph.D. from Princeton University.

Donald L. Kohn, Deputy Associate Director, promoted to Senior Deputy Associate Director.

Frederick M. Struble, Assistant Director, transferred to Assistant Director in Program Direction.

Office of the Secretary.

Barbara R. Lowrey, Assistant Secretary, promoted to Associate Secretary.

James B. McAfee, Assistant Secretary, promoted to Associate Secretary.

The Board has also announced the resignations of Harry A. Ginter, Assistant Director for Contingency Planning in the Office of Staff Director for Federal Reserve Bank Activities, effective December 31, 1981, and of Robert A. Eisenbeis, Senior Deputy Associate Director in the Division of Research and Statistics, also effective December 31, 1981.

SYSTEM MEMBERSHIP:

ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period December 11, 1981, through January 10, 1982:

Alabama

Birmingham . . . Central Bank of Birmingham

Colorado

Pueblo West . . . Bank of Southern Colorado

Delaware

Wilmington Morgan Bank (Delaware)

Oregon

Corvallis Bank of Corvallis

McMinnville Valley Community Bank

Virginia

Danville Virginia Bank and Trust Company

Record of Policy Actions of the Federal Open Market Committee

Meeting Held on December 21–22, 1981

1. Domestic Policy Directive

The information reviewed at this meeting suggested that real GNP declined appreciably in the fourth quarter, after having increased at an annual rate of 1.4 percent in the third quarter, according to revised estimates of the Commerce Department. Average prices, as measured by the fixed-weight price index for gross domestic business product, appeared to have risen less rapidly than over the first three quarters of the year.

In November the index of industrial production fell 2.1 percent, the largest of four consecutive monthly declines. The decline was broadly based, reflecting reductions in output for nearly all major product groupings, and was particularly sharp for durable consumer goods and durable goods materials. Capacity utilization in manufacturing fell 2 percentage points further to 74.9 percent, equal to its recent trough in July 1980.

Total nonfarm payroll employment declined by nearly $\frac{1}{4}$ million in November, the same as in October. Employment decreases in both months were concentrated in manufacturing, and in November the trade sector registered its first decline since June 1980. The unemployment rate rose an additional 0.4 percentage point to 8.4 percent.

The nominal value of retail sales, which had declined 2.1 percent in October, rose 0.8 percent in November; the level in November remained well below the average for the third quarter. Unit sales of new automo-

biles, although up slightly in November, continued at a depressed rate.

Private housing starts in November, at an annual rate of about 870,000 units, changed little from the depressed level of October. Sales of new homes picked up in October, while sales of existing homes dropped further; total sales of new and existing homes were about one-third below the pace in 1980.

The producer price index for finished goods rose 0.5 percent in November, about the same as in October. Food prices declined in November while prices of energy-related items, particularly gasoline and natural gas, rose. During the first eleven months of 1981, the finished goods index increased at an annual rate of about $7\frac{1}{2}$ percent, well below the increase of nearly 12 percent over 1980. The consumer price index rose about 0.4 percent and 0.5 percent in October and November respectively; through November of this year the index increased at an annual rate of about $9\frac{1}{4}$ percent, compared with a rise of about $12\frac{1}{2}$ percent over 1980. The rise in the index of average hourly earnings was somewhat less rapid thus far in 1981 than during 1980.

In foreign exchange markets the trade-weighted value of the dollar had changed little on balance since mid-November, as a decline through the end of November was more than reversed in early December. Trading conditions in the final week of the intermeeting period were unsettled by the declaration of martial law in Poland. The U.S. trade deficit in October widened substantially from the unusually low rate in September.

The average for the two months was about the same as that for July and August, but larger than that recorded in the first and second quarters of the year.

At its meeting on November 17, the Committee had noted the moderate shortfall in growth of M-1B in October from the 7 percent annual rate from September to December adopted at the preceding meeting and had decided that open market operations in the period until this meeting should be directed toward behavior of reserve aggregates consistent with growth of M-1B from October to December at an annual rate of about 7 percent (after allowance for shifts into NOW accounts) and with growth of M-2 at an annual rate of around 11 percent. It was understood that somewhat more rapid growth of M-1B, consistent with the objective adopted at the preceding meeting, would be accepted. If it appeared to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting was likely to be associated with a federal funds rate persistently outside a range of 11 to 15 percent, the Chairman might call for a Committee consultation.

In the event, M-1B (adjusted for shifts into NOW accounts) expanded in November and early December at rates somewhat above the October-to-December path, as checkable deposits other than demand deposits rose markedly. Nevertheless, growth of M-1B from the third to the fourth quarter (partly estimated) was at an annual rate of only about 4½ percent; and growth over the year from the fourth quarter of 1980 to the fourth quarter of 1981 was about 2 percent, well below the Committee's range of 3½ to 6 percent. Growth of M-2 accelerated in November to the highest rate so far in 1981, reflecting a surge in its nontransaction component in addition to the strength in M-1B. Growth over the year ending in the fourth quarter of 1981 was

estimated at about 9½ percent, somewhat above the Committee's range of 6 to 9 percent for the year.

Growth in nonborrowed reserves picked up in November and thus far in December from the October rate, but on balance remained well below the pace of last summer. Borrowings from Federal Reserve Banks for purposes of adjusting reserve positions remained relatively low on the average in the five weeks of the intermeeting period; they were little changed from those in the week ending November 18 and were well below levels in the immediately preceding weeks. The federal funds rate declined from about 13¾ percent in the days just before the November meeting to around 12 percent in early December and then moved up into a range of 12 to 12½ percent. On December 3 the Board of Governors announced a reduction in Federal Reserve discount rates from 13 to 12 percent to bring them into better alignment with the short-term rates that had recently been prevailing in the market.

Short-term market interest rates declined about ¾ to 1 percentage point further in the latter part of November, and bond yields moved down about ¼ to ½ percentage point. Subsequently, most market rates rose to levels close to or somewhat higher than those prevailing at the time of the mid-November FOMC meeting, apparently in response to strength in the monetary aggregates and reports of administration estimates of substantially enlarged budget deficits. However, the prime rate charged by commercial banks on short-term business loans was reduced about 1 percentage point further to 15¾ percent over the intermeeting period, and the average rate for primary conventional mortgages also declined about 1 percentage point.

Expansion in total credit outstanding at U.S. commercial banks slowed to an annual rate of about 3¼ percent in November. The slowing reflected

primarily a sharp reduction in bank holdings of Treasury securities and a further moderation in the growth of business loans. Short-term borrowing by businesses through issuance of commercial paper rose substantially, however, as the spread between commercial bank prime rates and market interest rates widened. In response to the decline in long-term interest rates, moreover, the volume of public offerings of corporate bonds rose in November to a record level; the pace of offerings slowed in early December but was still relatively large.

The staff projections presented at this meeting suggested that real GNP would continue to decline in the first quarter of 1982, although at a pace considerably slower than that estimated for the fourth quarter of 1981, and that activity would begin to recover in the second quarter. The unemployment rate was expected to rise somewhat further to a peak in the second quarter of the new year. The rise in the fixed-weight price index for gross domestic business product was projected to slow further in the quarters ahead.

In the Committee's discussion of the economic situation and outlook, the consensus was that real GNP was declining appreciably in the current quarter. It was suggested that the overall reduction in output was likely to be at least as deep as the average decline in recessions since the Second World War, but it was also observed that uncertainty concerning the likely severity of a recession typically was great at this early stage. Business capital spending was one sector that seemed vulnerable to a weaker performance than was generally being projected. The mood in the business community, particularly the industrial sector, was described as gloomy, because of the sluggish economic growth in recent years, the currently low rates of capacity utilization, and the widespread expectation of huge federal budget deficits and high real interest rates.

It was also observed, however, that the risk of significant further contraction in the housing and auto sectors appeared small. Those sectors were likely to benefit from the declines in interest rates that had already occurred. Moreover, the income tax reductions already legislated were generally expected to contribute to an upturn in economic activity by the middle of 1982.

With respect to the outlook for continued progress in reducing inflationary pressures, the view was expressed that the climate appeared to be more favorable for moderation in negotiation of new labor contracts and in pricing decisions than it had been for many years. In some industries and regions, measures to preserve jobs were coming to be viewed as more important than improvements in wages and benefits. Competition from imports, moreover, was exerting a restraining influence on wages and prices.

At its meeting in July 1981, the Committee had reaffirmed the monetary growth ranges for the period from the fourth quarter of 1980 to the fourth quarter of 1981 that it had set at its meeting in early February. These ranges were 3 to 5½ percent for M-1A and 3½ to 6 percent for M-1B, abstracting from the impact of NOW accounts on a nationwide basis; 6 to 9 percent for M-2; and 6½ to 9½ percent for M-3. The associated range for bank credit was 6 to 9 percent. The Committee had recognized that a shortfall in M-1B growth in the first half of the year partly reflected a shift in public preferences toward other highly liquid assets and that growth in the broader aggregates had been running somewhat above the upper end of the ranges. In light of its desire to maintain moderate growth in money over the balance of the year, the Committee expected that growth in M-1B for the year would be near the lower end of its range. At the same time, growth in the broader monetary aggregates might be at the higher end of their

ranges. For the period from the fourth quarter of 1981 to the fourth quarter of 1982, the Committee had tentatively agreed that growth of M-1, M-2, and M-3 within ranges of 2½ to 5½ percent, 6 to 9 percent, and 6½ to 9½ percent respectively would be appropriate. At this meeting, the Committee began a review of the ranges for 1982 in the expectation that at the meeting scheduled for early February it would complete the review and establish ranges for the year within the framework of the Full Employment and Balanced Growth Act of 1978 (the Humphrey-Hawkins Act).

In looking ahead to 1982, it had been decided earlier to abandon as of the beginning of the year the compilation of M-1A and the shift-adjusted M-1B (that is, M-1B adjusted to exclude that portion of flows into NOW accounts in 1981 estimated to have come from other interest-bearing assets rather than from demand deposits). That decision was based on a judgment that, after a full year of availability of NOW accounts on a national basis, the magnitude of additional shifts might no longer be significant, and that in any event, it would not be possible to make reliable estimates of the sources of funds flowing into such accounts. The remaining aggregate for M-1 in 1982 will be the one formerly labeled M-1B, which includes the total amount of NOW accounts.

In the near-term pursuit of the fundamental objective of fostering the financial conditions that would help to reduce inflation and promote recovery in economic activity on a sustainable basis, the Committee continued to face considerable uncertainty about the interpretation of the behavior of the monetary aggregates. Growth of other checkable deposits (OCD) had picked up sharply in November and early December. (Such deposits include NOW accounts and ATS accounts at banks and thrift institutions and credit union share draft accounts.) More-

over, the surge in OCD was accompanied by a renewal of flows into savings deposits at commercial banks and continuation of substantial flows into money market mutual funds, which raised growth of M-2 in November to the highest rate so far in 1981. Given the volatility of the behavior of the monetary aggregates in the short run, it seemed that the recent spurt might have resulted partly from an expansion of highly liquid precautionary balances at a time of considerable uncertainty about near-term economic and financial conditions, as well as a response to the lower level of market interest rates in earlier weeks.

The Committee decided to specify monetary growth rates for the four-month period from November 1981 to March 1982, because data for December were necessarily incomplete at the time of the meeting. It was generally recognized that a marked slowing in monetary growth in the early months of 1982 from the rapid pace in November and early December was desirable. Some members stressed the desirability of specifying growth rates for both M-1 and M-2 for the four-month period that would be within the ranges that had been tentatively adopted for 1982, partly with a view to avoiding any possible misunderstanding of the Committee's objectives in the period before completion of the review of its growth ranges for 1982. Other members stressed the importance of avoiding an abrupt deceleration of monetary growth in the first quarter of 1982, particularly if accompanied by upward interest rate pressures, because such developments might well hamper recovery in economic activity. A number of members were willing to accept relatively rapid growth in the period ahead, to the extent that it reflected a continuation of the recent behavior of other checkable deposits and thus might reflect expansion in its sizable savings component.

At the conclusion of the discus-

sion, the Committee decided to seek behavior of reserve aggregates associated with growth of M-1 and M-2 from November 1981 to March 1982 at annual rates of around 4 to 5 percent and around 9 to 10 percent respectively. In setting the objective for M-1, the Committee took account of the relatively rapid growth that had already taken place through the first part of December. It also recognized that interpretation of actual money growth might need to take account of the significance of fluctuations in NOW accounts, which recently had been growing relatively rapidly. The intermeeting range for the federal funds rate that provides a mechanism for initiating consultation of the Committee was set at 10 to 14 percent.

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 declined appreciably in the fourth quarter and that prices on the average rose less rapidly than over the first three quarters of the year. In November industrial production fell more than in preceding months; non-farm payroll employment, especially in manufacturing, declined sharply further; and the unemployment rate rose an additional 0.4 percentage point to 8.4 percent. The nominal value of retail sales increased, but the level was still well below the average for the third quarter. Housing starts remained at a depressed level. The rise in the index of average hourly earnings has been somewhat less rapid this year than during 1980.

The weighted average value of the dollar against major foreign currencies has changed little on balance since mid-November. The U.S. foreign trade deficit in October widened substantially from the unusually low rate in September, and the average for the two months was about the same as that for July and August.

M-1B (adjusted for estimated shifts into NOW accounts) expanded substantially in November and early December, but its level in November was still well below the lower end of the Committee's range for growth over the year from the fourth quarter of 1980 to the fourth quarter of 1981. Growth of M-2 accelerated sharply in November, raising its level above the upper end of its range for the

year. Short-term market interest rates and bond yields continued to decline in the latter part of November, but since then they have risen to levels generally higher than those of mid-November; over the period since mid-November, mortgage interest rates have declined further. On December 3 the Board of Governors announced a reduction in Federal Reserve basic discount rates from 13 to 12 percent.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation, promote a resumption of growth in output on a sustainable basis, and contribute to a sustainable pattern of international transactions. At its meeting in early July, the Committee agreed that its objectives would be furthered by reaffirming the monetary growth ranges for the period from the fourth quarter of 1980 to the fourth quarter of 1981 that it had set at the February meeting. These ranges included growth of $3\frac{1}{2}$ to 6 percent for M-1B, abstracting from the impact of flows into NOW accounts on a nationwide basis, and growth of 6 to 9 percent and $6\frac{1}{2}$ to $9\frac{1}{2}$ percent for M-2 and M-3 respectively. The Committee recognized that the shortfall in M-1B growth in the first half of the year partly reflected a shift in public preferences toward other highly liquid assets and that growth in the broader aggregates had been running at about or somewhat above the upper end of their ranges. In light of its desire to maintain moderate growth in money over the balance of the year, the Committee expected that growth in M-1B for the year would be near the lower end of its range. At the same time, growth in the broader aggregates might be high in their ranges. The associated range for bank credit was 6 to 9 percent. The Committee also tentatively agreed that for the period from the fourth quarter of 1981 to the fourth quarter of 1982 growth of M-1, M-2, and M-3 within ranges of $2\frac{1}{2}$ to $5\frac{1}{2}$ percent, 6 to 9 percent, and $6\frac{1}{2}$ to $9\frac{1}{2}$ percent respectively would be appropriate.

In the short run, the Committee seeks behavior of reserve aggregates consistent with growth of M-1 and M-2 from November 1981 to March at annual rates of around 4 to 5 percent and 9 to 10 percent respectively. The target for M-1 no longer reflects the "shift-adjustment" for conversion of outstanding interest-bearing assets into new NOW accounts, formerly estimated in the "shift-adjusted" M-1B series. In setting the M-1 target the Committee took account of the relatively rapid growth that had already taken place through the first part of December; it also recognized that inter-

pretation of actual money growth may need to take account of the significance of fluctuations in NOW accounts, which have recently been growing relatively rapidly. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting is likely to be associated with a federal funds rate persistently outside a range of 10 to 14 percent.

Votes for this action: Messrs. Volcker, Boehne, Corrigan, Gramley, Keehn, Partee, Rice, Schultz, Mrs. Teeters, and Mr. Wallich. Votes against this action: Messrs. Solomon and Boykin.

Mr. Solomon dissented from this action because he felt it was particularly important at the beginning of an annual target period that the Committee not formulate its directive in terms that conveyed an unrealistic sense of precision. In his view, the directive language referring to the November-to-March growth rates in M-1 and M-2 did seem to convey such a sense.

Mr. Boykin dissented from this action because he favored specification of somewhat lower rates for growth in the monetary aggregates from November to March. For M-2 in particular, he stressed the desirability of specifying a rate no higher than the range of 6 to 9 percent that had earlier been tentatively adopted for growth over 1982, with a view to

avoiding a possible interpretation that the Committee had implicitly raised its objective before completion of the current review of the growth ranges for 1982.

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 February 2, 1982.

Votes for this action: Messrs. Volcker, Solomon, Boehne, Boykin, Corrigan, Gramley, Keehn, Partee, Rice, Schultz, Mrs. Teeters, and Mr. Wallich. Votes against this action: None.

This action was taken on recommendation of the Manager for Domestic Operations. The Manager had advised that substantial net sales of securities were likely to be required during January in order to absorb reserves that had been provided over recent weeks to meet seasonal needs for currency in circulation.

* * * * *

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

Legal Developments

AMENDMENT TO REGULATION C

The Board of Governors of the Federal Reserve System has published the final version of its HMDA-1 disclosure and reporting form, required under the Home Mortgage Disclosure Act. This format is to be used by all depository institutions covered by Regulation C for reporting their mortgage and home improvement loan data, beginning with data for the calendar year 1981. The form constitutes Appendix C to Regulation C (12 CFR 203), and was effective December 31, 1981.

Copies of the form will be made available to all state member banks of the Federal Reserve System through the Federal Reserve Banks. The form will be made available to all other depository institutions through the nearest regional office of their federal supervisory agency—the Federal Home Loan Bank Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the National Credit Union Administration.

AMENDMENTS TO REGULATIONS M AND Z

The Board of Governors of the Federal Reserve System is deferring until October 1, 1982, the mandatory effective date for compliance with Regulation M (Consumer Leasing) (12 CFR 213), and revised Regulation Z (Truth in Lending) (12 CFR 226), which implement the Truth in Lending Simplification and Reform Act. Although the revised regulations became effective on April 1, 1981, compliance originally was not required until April 1, 1982. In the interim, creditors were given a transition period during which they could comply with either the revised regulations or the previous Regulation Z. On December 26, 1981, the President signed into law an amendment to the Truth in Lending Simplification and Reform Act delaying the mandatory effective date for six months until October 1, 1982. Pursuant to this new statutory mandate, the Board is deferring the mandatory effective date for compliance with its revised regulations and continuing the transition period until October 1, 1982.

Effective December 31, 1981, the Board amends its regulations as follows:

1. The Board delays from April 1, 1982, to Octo-

ber 1, 1982, the mandatory effective date for compliance with simplified Regulations Z and M and the expiration of pre-simplification Regulation Z (12 CFR Part 226), appendices, supplements, Board and staff interpretations, and state exemptions. The April 1, 1981, effective date for optional compliance with simplified Regulations Z and M as described in 46 FR 20848 (April 7, 1981) remains unchanged.

2. The Board amends simplified Regulation Z (12 CFR Part 226) as described in 46 FR 20848 (April 7, 1981) by changing the date in footnote 31a to § 226.14 and footnote 45a to § 226.22 from "April 1, 1982," to "October 1, 1982."

3. The Board delays from April 1, 1982, to October 1, 1982, rescission of § 226.5 (b) through (e), Board Interpretations §§ 226.502, 226.503 and 226.505, and Supplement 1 to pre-simplification Regulation Z (12 CFR Part 226), as described in 44 FR 77139 (December 31, 1979) and 45 FR 56795 (August 26, 1980). The January 10, 1980, effective date for revisions to § 226.5 and Supplement 1, and new § 226.8 (r) and (s) remains unchanged.

AMENDMENTS TO REGULATION Q

The Board of Governors of the Federal Reserve System, acting through its Secretary, pursuant to delegated authority, has suspended temporarily the Regulation Q penalty for the withdrawal of time deposits prior to maturity from member banks for depositors affected by severe storms, mud slides, high tides, and flooding in the California counties of Contra Costa, Marin, San Mateo, Santa Cruz, and Sonoma.

This action will be retroactive to January 7, 1982 for the designated counties and will remain in effect until 12 midnight July 7, 1982.

Part 217—Interest on Deposits

Section 217.4—[Amended]

The application of § 217.4(d) is temporarily suspended for the withdrawal of time deposits prior to maturity from member banks for depositors affected by severe storms, mud slides, high tides, and flooding in the

California counties of Contra Costa, Marin, San Mateo, Santa Cruz, and Sonoma.

On January 25, 1982, the Board acted to expand the original Order to include additional counties in California as follows:

Effective January 9, 1982 for Solano County; January 12, 1982 for Humboldt County; and January 15, 1982 for the counties of Alameda, San Joaquin, and Santa Clara.

AMENDMENTS TO REGULATIONS G, T, AND U

The Board of Governors of the Federal Reserve System has decided to amend portions of Regulations G, T, and U (12 CFR Parts 207, 220, and 221) at this time to grant relief and flexibility in areas where the comments on the Board's proposed major revision of the regulations disclosed no substantial disagreement with the Board's proposals, and the amendments can be adopted without substantial modification of the wording of the existing regulations.

Effective February 15, 1982, the Board amends Regulation G (12 CFR 207) as follows:

Part 207

Securities Credit by Persons Other than Banks, Brokers, or Dealers

A. Section 207.1 of Regulation G is amended by revising paragraphs (h) and (i).

Existing paragraphs (h) and (i) are removed and the following new paragraphs (h) and (i) are added:

Section 207.1—General rule

* * * * *

(h) *Purpose and nonpurpose credit extended to the same customer.*

(1) The lender shall identify all the collateral used to meet the requirements of § 207.1(c) (the entire credit being considered a single credit and collateral being similarly considered) and shall not cancel the identification of any portion thereof except in circumstances that would permit the withdrawal of that portion. Such identification may be made by any reasonable method.

(2) For any credit extended to the same customer that is not subject to § 207.1(c) the lender shall in good faith require as much collateral not so identified as would be required (if any) if the lender held neither the indebtedness subject to § 207.1(c) nor the identified collateral.

(i) *Purpose credit secured by margin securities and other collateral.* A lender may extend credit for the purpose of purchasing or carrying margin securities secured by collateral other than margin securities, and, in the case of such credit, the maximum loan value of the collateral shall be as determined by the lender in good faith.

* * * * *

B. Section 207.2 of Regulation G is amended by revising § 207.2(i) to read as follows:

Section 207.2—Definitions

* * * * *

(i) *Indirectly secured.* The term "indirectly secured" includes any arrangement with the customer under which the customer's right or ability to sell, pledge, or otherwise dispose of margin securities owned by the customer is in any way restricted as long as the credit remains outstanding or under which the exercise of such right is or may be cause for acceleration of the maturity of the credit.

The foregoing shall not apply:

(1) If, following application of the proceeds of the credit, not more than 25 per cent of the value of the assets subject to the arrangement, as determined by any reasonable method, are margin securities;

(2) To a lending arrangement that permits acceleration of the maturity of the credit as a result of a default under, or the renegotiation of the terms of, another credit to the same customer by another lender that is not an affiliate* of the G-lender; or

(3) If the margin securities are held by the lender only in the capacity of custodian, depositary, or trustee, or under similar circumstances, and the lender in good faith has not relied upon such margin securities as collateral in the extension or maintenance of the particular credit.

* * * * *

Section 207.5—[Amended]

C. Section 207.5—*Supplement*, is amended by changing the existing 70 per cent retention requirement to 50 per cent in § 207.5(c) and changing the existing 30 per cent minimum equity ratio to zero per cent in § 207.5(f).

Effective February 15, 1982, the Board amends Regulation T (12 CFR 220) as follows:

*For this purpose the term "affiliate" shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the lender.

Part 220

Credit by Brokers and Dealers

D. Section 220.7 of Regulation T is amended by revising § 220.7(a) to read as follows:

Section 220.7—Miscellaneous provisions

(a) *Arranging for loans by others.* A creditor may not arrange for the extension or maintenance of credit to or for any customer by any person upon terms and conditions other than those upon which the creditor may himself extend or maintain under the provisions of this Part, except that this limitation shall not apply to credit arranged for a customer which does not violate Parts 207 and 221 of this chapter and results solely from:

- (1) Investment banking services, provided by the creditor to the customer, including, but not limited to underwritings, private placements, and advice and other services in connection with exchange offers, mergers and acquisitions, except for underwritings that involve the public distribution of an equity security with installment or other deferred payment provisions; or
- (2) The sale of non-margin securities with installment or other deferred payment provisions if the sale is exempted from the registration requirements of the Securities Act of 1933 under section 4(2) or section 4(6) of the Act (15 U.S.C. 77(d) (2) and (6)).

* * * * *

Section 220.8—[Amended]

E. Section 220.8—*Supplement* is amended by changing the existing 70 per cent retention requirement to 50 per cent in § 220.8(e) (1), (3), and (4) and by changing the existing 70 per cent maximum loan value to 100 per cent in § 220.8(g)(1) and the existing 30 per cent margin to zero per cent margin in § 220.8(g)(2).

Effective February 15, 1982, the Board amends Regulation U (12 CFR Part 221), except for the amendment to exempt from quantitative limitation bank credit which is not secured by margin stock. The effective date of that amendment is March 31, 1982.

Part 221

Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks

Sections 221.1, 221.3 and 221.4—[Amended]

F. Sections 221.1, 221.3, and 221.4 are amended by adding the word “margin” before the word “stock” in the following paragraphs:

Sections 221.1(a), (b), and (c); 221.3(a), (m), (p), (q), (r)(2), (s), and (t)(4); 221.4(a) and (c) of Regulation U are amended by adding the word “margin” before the word “stock” in every place that it appears.

G. Section 221.3 of Regulation U is amended by revising § 221.3(c) to read as follows:

Section 221.3—Miscellaneous Provisions

* * * * *

(c) *Indirectly secured.* The term “indirectly secured” includes any arrangement with the customer under which the customer’s right or ability to sell, pledge, or otherwise dispose of margin stock owned by the customer is in any way restricted as long as the credit remains outstanding or under which the exercise of such right is or may be cause for acceleration of the maturity of the credit.

The foregoing shall not apply:

- (1) If, following application of the proceeds of the credit, not more than 25 per cent of the value of the assets subject to the arrangement, as determined by any reasonable method, are margin stock;
- (2) To a lending arrangement that permits acceleration of the maturity of the credit as a result of a default under, or the renegotiation of the terms of, another credit to the same customer by another lender that is not an affiliate¹ of the bank; or
- (3) If the margin stock is held by the bank only in the capacity of custodian, depository, or trustee, or under similar circumstances, and the bank in good faith has not relied upon such margin stock as collateral in the extension or maintenance of the particular credit.

Section 221.4—[Amended]

H. Section 221.4—*Supplement* is amended by changing the existing 70 per cent retention requirement to 50 per cent in § 221.4(c) and changing the existing 30 per cent minimum equity ratio to zero per cent in § 221.4(f).

¹For this purpose the term “affiliate” shall mean a bank holding company of which the bank is a subsidiary within the meaning of the Bank Holding Company Act of 1956, as amended, or any other subsidiary of such bank holding company, or any other corporation, business trust, association or other similar organization which is an affiliate as defined in section 2(b) of the Banking Act of 1933 (12 U.S.C. 221a).

**BANK HOLDING COMPANY AND BANK MERGER
ORDERS ISSUED BY THE BOARD OF GOVERNORS*****Orders Under Section 3 of Bank Holding
Company Act*****Banco de Columbia, S.A.,
Bogota, Colombia****Banco de Columbia, S.A.,
Panama, Panama*****Order Approving Formation of Bank Holding
Companies***

Banco de Colombia, S.A., Bogota, Colombia ("Banco (Colombia)") and Banco de Colombia, S.A., Panama, Panama ("Banco (Panama)"), have applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become bank holding companies by acquiring 100 percent of the voting shares of Sabrina Properties, Netherlands Antilles ("Sabrina"). Sabrina owns 100 percent of the voting shares of Eagle National Holding Company, Miami, Florida ("Eagle"), a registered bank holding company by virtue of its ownership of 93 percent of the voting shares of Eagle National Bank (formerly Central National Bank of Miami), Miami, Florida ("Bank").

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the act. The time for filing comments 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)).¹

Banco (Colombia), with total deposits of \$717 million and total assets of \$1.3 billion, is the largest commercial banking organization in Colombia and provides a broad range of commercial banking services through 237 branches in Colombia.² Banco (Colombia) owns 70 percent of the voting shares of Banco

(Panama), which is the third largest commercial bank in Panama with total deposits of \$524 million and total assets of \$585 million. The sole asset of Sabrina is its interest in Eagle which in turn holds only the voting shares of Bank. Bank, with total deposits of \$56.9 million,³ holds 0.5 percent of market deposits and ranks as the 37th largest of 69 banking organizations in the greater Miami banking market (the relevant market).⁴ Inasmuch as Applicants conduct no banking operations or other business in the United States, consummation of the proposed transactions 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 applications.

The financial and managerial resources of Applicants, Sabrina, Eagle, and Bank are considered generally satisfactory and their future prospects appear to be favorable. Thus, considerations relating to banking factors are consistent with approval. 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 transactions would be in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transactions shall not be made before the thirtieth 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 January 20, 1982.

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

1. The Comptroller of Florida, by letter dated April 28, 1981, requested that the Florida Attorney General issue an opinion as to the applicability of section 658.29 FSA to the acquisition of control of a national bank located in Florida by a non-United States bank. Although the Florida statute appears to prohibit the proposed acquisition, the Florida Attorney General stated, in a letter dated July 6, 1981, that he was "unable to conclude that [section 658.29 FSA] does in fact effectively prohibit the acquisition of ownership or control of a national bank located in Florida by a foreign (non-U.S.) bank." The Board concurs with this position, and, accordingly, has determined that section 658.29 FSA is not a bar to approval of the subject application.

2. Unless otherwise noted, all banking data are as of December 31, 1980.

(Signed) JAMES McAFEE,
[SEAL] *Assistant Secretary of the Board.*

3. As of June 30, 1980.

4. The greater Miami banking market is approximated by all of Dade and Broward Counties, Florida.

Bancomer, S.A.,
Mexico City, Mexico

Bancomer Holding Companies (Antilles) N.V.,
Netherland Antilles

Bancomer Holding Company
(Netherlands) B.V.,
The Netherlands

Bancomer Holding Company,
San Diego, California

*Order Approving Formation of Bank Holding
Companies*

Bancomer S.A., Mexico City, Mexico; Bancomer Holding Company (Antilles) N.V. ("BHC Antilles"), Netherlands Antilles; Bancomer Holding Company (Netherlands) B.V. ("BHC Netherlands"), The Netherlands; and Bancomer Holding Company ("BHC California"), San Diego, California, have applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become bank holding companies through the acquisition by BHC California of 100 percent of the voting shares of Grossmont Bank ("Bank"), La Mesa, California.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the act. The time for filing comments 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.

Bancomer, with total assets of \$14.6 billion, is the largest commercial banking organization in Mexico and offers a broad range of banking services through more than 650 branches in that country.¹ Bancomer operates banking agencies in New York and Los Angeles, and conducts no direct or indirect nonbanking activities in the United States. BHC Antilles, BHC Netherlands, and BHC California are nonoperating wholly-owned subsidiary companies of Bancomer, organized for the purpose of becoming bank holding companies. Upon acquisition of Bank, Applicants would control the 72nd largest banking organization in California with 0.07 percent of the total deposits in commercial banks in the state.²

Bank, with deposits of about \$93.1 million, is the 11th largest of 33 banking organizations in the San Diego metropolitan banking market and holds 1.6 percent of total deposits in commercial banks in that

market.³ Bancomer's nearest agency office to Bank is 115 miles away in the Los Angeles metropolitan banking market and Applicants control no other bank that operates in the United States. In light of these facts, consummation of the proposed transaction apparently would have no adverse effects on existing or potential competition, and would not increase the concentration of banking resources in any relevant area. Therefore, competitive considerations are consistent with approval of the applications.

The financial and managerial resources of Applicants and Bank are considered satisfactory and the future prospects for each appear favorable. Thus, considerations relating to banking factors are consistent with approval of the applications. Although consummation of the proposal would not immediately change the banking services offered by Bank, considerations relating to the convenience and needs of the community to be served are consistent with approval of the applications. Accordingly, the Board has determined that consummation of the transaction would be in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transaction shall not be made before the thirtieth 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 San Francisco, pursuant to delegated authority.

By order of the Board of Governors, effective January 18, 1982.

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

(Signed) JAMES McAFEE,
[SEAL] Assistant Secretary of the Board.

Dickey County Bancorporation,
Ellendale, North Dakota

*Order Approving Formation of a Bank Holding
Company*

Dickey County Bancorporation, Ellendale, North Dakota, 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

1. Data are as of December 31, 1980.

2. Bank data are as of June 30, 1981.

3. The San Diego metropolitan banking market is approximated by the San Diego RMA.

company by acquiring 98.3 percent of the voting shares of The First National Bank and Trust Company of Ellendale, Ellendale, North Dakota ("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.

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank. Upon acquisition of Bank, Applicant would control the 29th largest commercial bank in North Dakota, with 0.6 percent of the total deposits in commercial banks in the state.¹

Bank holds deposits of \$22.1 million, representing approximately 7.3 percent of the total deposits in commercial banks in the Aberdeen banking market² and is the fourth largest of seven banks in the relevant market.³ This proposal involves a restructuring of Bank's ownership from individuals to a corporation owned by the same individuals. Applicant's principals are also principals of another bank, The First National Bank of Oakes, Oakes, North Dakota, located in a separate banking market.⁴ Accordingly it appears from the facts of record that consummation of the proposal would not result in any adverse effects upon competition in any relevant area. Thus, competitive considerations are consistent with approval.

Where principals of an applicant are engaged in operating a chain of banking organizations, the Board, in addition to analyzing the bank holding company proposal before it, also considers the total chain and analyzes the financial and managerial resources and future prospects of the chain within the context of the

Board's multi-bank holding company standards. Based upon such analysis in this case, the financial and managerial resources and future prospects of Applicant, Bank, and the affiliated bank appear to be satisfactory. Although 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. Accordingly, the financial and managerial factors are consistent with approval of the application.

Since acquiring control of Bank in 1970, Applicant's principals have expanded Bank's lending to its community. Applicant intends to assist Bank in increasing the availability of credit in its local community. Consequently, convenience and needs factors lend some weight toward approval of this application. Based on the foregoing and other considerations reflected in the record, the Board's judgment is that the proposed acquisition is in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective January 13, 1982.

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

(Signed) JAMES McAFEE,
[SEAL] Assistant Secretary of the Board.

Orders Under Sections 3 and 4 of Bank Holding Company Act

**BankEast Corporation,
Manchester, New Hampshire**

Order Approving Merger of Bank Holding Companies and Acquisition of Rochester Savings Bank and Trust Company

BankEast Corporation, Manchester, New Hampshire ("BankEast") (formerly First Financial Group of New Hampshire, Inc.), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C.

1. Data are as of June 30, 1981.

2. The Aberdeen banking market is approximated by Brown County, South Dakota; and the town of Ellendale in Dickey County, North Dakota.

3. The deposit data for Bank in the Aberdeen banking market are as of June 30, 1980.

4. Applicant has proposed that the competitive consequences of consummation of this proposal should be analyzed in two alternative geographic markets. The first proposed market would place Bank and First National Bank of Oakes in separate geographic markets that would be approximated by the banks' respective service areas. Although the respective service areas of the banks involved in the proposed transaction are among the factors that the Board considers in determining the relevant geographic market, the Board does not consider such service areas to be dispositive. See, *Welch Bancshares*, 66 FEDERAL RESERVE BULLETIN 789 (1980). The second geographic market proposed by Applicant would place Bank and First National Bank of Oakes in the same geographic market, which would include a fourteen county area (representing more than 9,000 square miles) of North Dakota and South Dakota. However, the Board has not accepted this market definition because it is not supported by the facts of record.

§ 1842(a)(5)) to merge with Heritage Banks, Inc., Rochester, New Hampshire ("Heritage") (formerly Profile Bancshares, Inc.), under the charter and name of BankEast.

BankEast has also applied for the Board's approval, under section 4(c)(8) of the Bank Holding Company 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 Heritage's guaranty savings bank subsidiary, Rochester Savings Bank and Trust Company, Rochester, New Hampshire ("Rochester Savings Bank"), and thereby engage in the activity of operating a New Hampshire guaranty savings bank. The Board has previously approved applications from New Hampshire bank holding companies to acquire New Hampshire guaranty savings banks, determining that the operation of such an institution was closely related to banking in New Hampshire.¹ However, the operation of a New Hampshire guaranty savings bank has not been added by the Board to the list of permissible activities for bank holding companies in section 225.4(a) of Regulation Y (12 C.F.R. § 225.4(a)). The Board has instead chosen to consider whether the operation of a guaranty savings bank is an activity closely related to banking on a case-by-case basis.

Notice of these applications, affording opportunity for interested persons to submit comments and views has been duly published. No comments have been received and the time for filing comments has expired. The Board has considered the applications in light of the factors set forth in section 3(c) of the Bank Holding Company 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)).

BankEast, the third largest banking organization in New Hampshire, controls three commercial banking subsidiaries with aggregate deposits of approximately \$216.7 million, representing 8.0 percent of total commercial bank deposits in the state.² BankEast also controls a guaranty savings bank, BankEast Guaranty Savings Bank, Salem, New Hampshire ("BankEast Savings Bank"), and a mortgage company. Heritage, the thirty-first largest banking organization in New Hampshire, controls one commercial banking subsidiary with \$19.2 million in deposits, representing 0.7 percent of the total commercial bank deposits in the state. Consummation of the proposed merger would increase BankEast's share of state-wide commercial

bank deposits by only 0.7 percent, and would not alter its state-wide rank.

Heritage's subsidiary bank operates in the Portsmouth-Dover-Rochester banking market³ and is the second largest depository organization in the market, holding 11.1 percent of total deposits in the market. BankEast does not currently operate in the Portsmouth-Dover-Rochester banking market through either its commercial banking subsidiaries or its guaranty savings bank. Thus, consummation of the proposal would not eliminate any existing competition between BankEast and Heritage. Moreover, consummation would not have any significant effects on potential competition because the Portsmouth-Dover-Rochester banking market is not a concentrated market, because numerous other potential entrants exist, and because the market is not regarded as attractive for de novo entry or branching.

The financial and managerial resources and future prospects of BankEast and its subsidiaries, as well as Heritage and its subsidiaries, are regarded as satisfactory. Therefore, the Board regards banking factors as being consistent with approval.

The proposed acquisition by BankEast will enable Heritage to offer additional retail banking services to its customers, through access to BankEast's ATM network. In addition, BankEast intends to cause Heritage to offer free NOW accounts to senior citizens, to provide trust services to its customers, and to offer advisory services to municipalities. Accordingly, the Board's view is that the considerations relating to convenience and needs lend weight toward approval of the merger.

BankEast has also applied to acquire Rochester Savings Bank, Heritage's guaranty savings bank subsidiary. As discussed above, the Board previously approved by Order applications by both Heritage and BankEast to engage in operating guaranty savings banks in New Hampshire. In these prior applications by BankEast and Heritage, the Board determined that operation of a guaranty savings bank is closely related to banking in New Hampshire, stating that guaranty savings banks offer services that are similar to those offered by commercial banks.⁴ In that Order, the

1. *Profile Bankshares, Inc.*, 61 FEDERAL RESERVE BULLETIN 901 (1975); *Heritage Banks, Inc.*, 66 FEDERAL RESERVE BULLETIN 590 (1980) ("Heritage I"); *First Financial Group of New Hampshire, Inc.*, 66 FEDERAL RESERVE BULLETIN 594 (1980); *Heritage Bank, Inc.*, 66 FEDERAL RESERVE BULLETIN 917 (1980) ("Heritage II").

2. Financial information as of June 30, 1981. Market share information as of June 30, 1980.

3. The Portsmouth-Dover-Rochester banking market is approximated by the Portsmouth-Dover-Rochester SMSA, plus the towns of Nottingham, Strafford, New Durham, Brookfield, Middleton, Milton, and Wakefield, all in New Hampshire, and Lebanon, Maine.

4. Guaranty savings banks are similar to mutual savings banks except guaranty savings banks are stock corporations and mutual savings banks are non-stock corporations. Guaranty savings banks offer services essentially similar to those offered by mutual savings bank. Moreover, each of the main customer services offered by guaranty savings banks (accepting time and savings deposit, acting as fiduciary, and dealing in real estate mortgage financing) are generally offered by commercial banks.

Board also noted that guaranty savings banks are unique to New Hampshire, and that three of the six guaranty savings banks in New Hampshire have historically been affiliated with commercial banks. Inasmuch as there is no evidence that banking conditions have substantially changed in New Hampshire since the Board last considered this issue in 1980,⁵ and inasmuch as BankEast proposes no substantial changes in the operation of Rochester Savings Bank, the Board confirms its finding that the operation of a guaranty savings bank is closely related to banking in New Hampshire.

BankEast's proposal to acquire Rochester Savings Bank should have no significant adverse effects, either existing or potential. Rochester Savings Bank operates in the Portsmouth-Dover-Rochester market while BankEast's guaranty savings bank subsidiary operates in a separate market. No existing competition will be eliminated and neither does it appear that potential competition will be eliminated. Therefore, competitive considerations are consistent with approval.

In the previous applications by BankEast and Heritage, the Board noted the potential for serious conflicts of interests and possible unfair competition in the affiliation of commercial banks and thrift institutions, which arises from the operation of the two types of institutions at the same location ("tandem operations"). When it approved BankEast's application to acquire its guaranty savings bank subsidiary in 1980, the Board found that the establishment of a guaranty savings bank, authorized by Federal law to pay a higher rate of interest than commercial banks, at the same location as a commonly controlled commercial bank, would subvert the purpose of the interest rate differential. So far as the public's perception is concerned, these ostensibly competing institutions would have a range of powers that neither Congress nor the New Hampshire legislature has conferred on any single institution. In the Depository Institutions Deregulation Act of 1980, Congress has, in effect, prescribed that commercial banks wait for the elimination of the differential in 1986. The Board found that a bank holding company must present compelling public benefits under the act in order to justify indirectly avoiding that waiting period for its commercial bank subsidiaries through an artificial device that, in the Board's judgment, will entail the clear potential for serious conflicts of interests and unfair competition.

5. While a recently enacted state law authorizes guaranty savings banks to offer demand deposits and make a limited amount of commercial loans, BankEast and Heritage have assured the Board that their guaranty savings bank subsidiaries do not presently conduct such activities and have no intention of conducting such activities in the near future. Accordingly, the Board has relied on these assurances in acting on this application under Section 4 of the act.

The Board also found that the same problem arises when the two institutions are not paired at the same location but when they are located close to one another or operate in close mutual support.

Because of the Board's concern over the adverse effects of tandem operations, the Board imposed certain conditions with respect to tandem operations in approving BankEast's and Heritage's acquisition of guaranty savings banks. Under those conditions, BankEast may not shift assets between, or establish joint locations of its subsidiary bank and its subsidiary guaranty savings bank. Heritage may not establish an office of its subsidiary bank at the Wakefield branch of its subsidiary, Rochester Savings Bank. In the Board's view, approval of the proposed merger of BankEast and Heritage would not affect the applicability of those conditions.

In connection with the proposal, the Board is concerned that, although the present proposal would not result in the opening of any additional offices, the potential for expansion of tandem operations exists. For example, BankEast's subsidiary bank could, consistent with the existing Board-imposed conditions and without Board approval, establish a bank office at a branch of Heritage's guaranty savings bank, or assets and liabilities could be shifted from BankEast's commercial bank subsidiary to Heritage's subsidiary, Rochester Savings Bank. The Board believes that the circumstances that caused the Board concern over tandem operations in New Hampshire have not been altered, and that failure to restrict tandem operations in connection with this application might permit evasion of the existing conditions restricting tandem operations.⁶ The Board's Regulation Q has not been rescinded and banks currently must wait until 1986 until the interest rate differential is removed.

If, in fact, the question of tandem operation is removed from consideration in this case, based on the record, the Board believes the balance of public interest factors it is required to consider under section

6. The Board notes that BankEast has indicated its belief that certain developments have altered the adverse effects the Board found with respect to the circumvention of the interest rate differential. In particular, BankEast points to a recent staff study concerning bank holding company acquisition of thrift institutions as being inconsistent with a policy that continues to restrict tandem operations after such acquisition. The Board does not believe that this assumption is warranted, and notes that although the staff's thrift study did not specifically address the problems of evasion of Regulation Q, it did take note that problems in this area might occur but could be dealt with under existing authority. BankEast also argues that in light of current economic conditions, maintenance of the interest rate differential may not be effective to carry out its intended purposes. However, the Board notes that Regulation Q remains in effect and that the conditions cited by BankEast, existed in 1980 when the Board determined that it was necessary to limit tandem operations. Similarly, BankEast's argument that tandem operation furthers the purpose of Regulation Q by channeling deposits into the thrift institution is not persuasive.

4(c)(8) is favorable. These public benefits, however, are not sufficient to outweigh the adverse effects the Board believes could result from the establishment of tandem relationships between BankEast's subsidiary commercial banks and BankEast's subsidiary guaranty savings banks.

Accordingly, the Board's approval of this application is conditional on the following: that after approval, BankEast will not establish any additional commercial bank facilities within the service area of any office of BankEast's guaranty savings bank subsidiaries without the Board's consent; that BankEast will not shift assets and liabilities from either of its guaranty savings bank subsidiaries to any other subsidiary; and advertising at the Wakefield branch of Rochester Savings Bank and the Salem Office of BankEast Savings Bank will mention only the services available at these offices.⁷

On the basis of all facts of record, the applications to merge Heritage with and into BankEast and to acquire Rochester Savings Bank are approved for the reasons

7. BankEast may apply to the Board for relief from these conditions and any other condition imposed in the Board's 1980 Orders when the interest rate differential is eliminated, or if the Board alters its general policy concerning tandem operations.

discussed above. The subject merger shall not be made before the thirtieth calendar day following the effective date of this Order; and neither the subject merger, nor the acquisition of Rochester Savings Bank shall 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 Boston, pursuant to delegated authority. The determination as to BankEast's acquisition of Rochester Savings Bank is subject to the conditions set forth above and to the conditions set forth in 225.4(c) of Regulation Y (12 C.F.R. § 225.4(c)) and to the Board's authority to require such modifications 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 Order issued thereunder, or to prevent evasion thereof.

By Order of the Board of Governors, effective January 28, 1982.

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

(Signed) JAMES McAFEE,
[SEAL.] Assistant Secretary of the Board.

ORDERS APPROVING APPLICATIONS UNDER THE BANK HOLDING COMPANY ACT AND BANK MERGER ACT

By the Board of Governors

During January 1982, 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)
Bank Securities, Inc., Albuquerque, New Mexico	First National Bank of Socorro, Socorro, New Mexico	January 25, 1982
First Lafayette Bancorporation, Lafayette, Louisiana	First National Bank of Lafayette, Lafayette, Louisiana	January 5, 1982
Mercantile Texas Corporation, Dallas, Texas	Greenway Bank & Trust of Houston, Houston, Texas	January 12, 1982
Pee Dee Bancshares, Inc., Timmons ville, South Carolina	Pee Dee State Bank, Timmons ville, South Carolina	December 31, 1981

Section 3—Continued

Applicant	Bank(s)	Effective date
Southwest Baneshares, Inc., Houston, Texas	The Mercantile National Bank of Corpus Christi, Corpus Christi, Texas	January 8, 1982
	Preston State Bank, Dallas, Texas	January 18, 1982
	Republic State Bank, Houston, Texas	January 13, 1982
Texas American Baneshares, Inc., Fort Worth, Texas	North Austin State Bank, Austin, Texas	January 25, 1982

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
Banks County Financial Corporation, Homer, Georgia	Bank of Banks County, Homer, Georgia	Atlanta	January 15, 1982
Brighton Baneshares, Inc., Branson, Missouri	The First National Bank of Brighton, Brighton, Illinois	St. Louis	January 4, 1982
Camp Grove Bancorp, Inc., Camp Grove, Illinois	Camp Grove State Bank, Camp Grove, Illinois	Chicago	December 31, 1981
Cedar Bancorp, Hartington, Nebraska	Bank of Hartington, Hartington, Nebraska	Kansas City	January 15, 1982
The Chase Manhattan Corp., New York, New York	The Chase Manhattan Bank (U.S.A.), N.A., Wilmington, Delaware	New York	January 12, 1982
DeKalb Baneshares, Inc., Crossville, Alabama	The DeKalb Bank, Crossville, Alabama	Atlanta	December 31, 1981
Ellettsville Baneshares, Inc., Ellettsville, Indiana	The Peoples State Bank, Ellettsville, Indiana	Chicago	January 13, 1982
F. T. Baneshares, Inc., Shelbyville, Kentucky	Farmers and Traders Bank of Shelbyville, Shelbyville, Kentucky	St. Louis	January 15, 1982
F&M Shares Corp., Eagle Grove, Iowa	Farmers & Merchants Savings Bank, Manchester, Iowa	Chicago	January 14, 1982
Financial Dominion of Kentucky Corporation, Radcliff, Kentucky	The Bank of North Hardin, Radcliff, Kentucky	St. Louis	December 31, 1981
First Coweta Corporation, Coweta, Oklahoma	The First National Bank of Coweta, Coweta, Oklahoma	Kansas City	January 15, 1982

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
First National Cincinnati Corporation, Cincinnati, Ohio	Second National Bank of Hamilton, Hamilton, Ohio	Cleveland	January 21, 1982
First Olathe Bancshares, Inc., Olathe, Kansas	First National Bank of Olathe, Olathe, Kansas	Kansas City	January 14, 1982
First Seneca Corporation, Oil City, Pennsylvania	First Seneca Bank and Trust Company, Butler, Pennsylvania Ephrata National Bank, Ephrata, Pennsylvania Nazerath National Bank, Nazerath, Pennsylvania Producers Bank and Trust Company, Bradford, Pennsylvania Union Bank and Trust Company of Pennsylvania, Bethlehem, Pennsylvania	Cleveland	January 13, 1982
Greenview Banc Shares, Inc., Greenview, Illinois	Greenview Community Bank, Greenview, Illinois	Chicago	January 13, 1982
Heights Bancshares, Inc., Harker Heights, Texas	Heights Bank, Harker Heights, Texas	Dallas	January 14, 1982
Independent Community Banks, Inc., Sanibel, Florida	Winter Park National Bank, Winter Park, Florida Bank of the Islands, Sanibel-Captiva, Sanibel, Florida	Atlanta	January 4, 1982
Kilgore First Bancorp., Inc., Kilgore, Texas	Kilgore First National Bank, Kilgore, Texas	Dallas	January 19, 1982
Leeds Bancgroup, Inc., Leeds, Alabama	The Citizens Bank of Leeds, Leeds, Alabama	Atlanta	January 18, 1982
Madison Financial Corporation, Chicago, Illinois	Madison National Bank of Niles, Niles, Illinois First National Bank of Wheeling, Wheeling, Illinois	Chicago	January 14, 1982
Montrose County Bank Shares Inc., Crawford, Colorado	The Montrose County Bank, Naturita, Colorado	Kansas City	January 15, 1982
Multi-Line, Inc., Tampa, Florida	First Florida Banks, Inc., Tampa, Florida	Atlanta	January 18, 1982
St. James Bancorp., Inc., St. James, Minnesota	Citizens State Bank of St. James, St. James, Minnesota	Minneapolis	January 15, 1982
Spiro Bancshares, Inc., Spiro, Oklahoma	Spiro State Bank, Spiro, Oklahoma	Kansas City	January 20, 1982
TB&T Bancshares, Inc., Brownsville, Texas	Texas Bank and Trust of Brownsville, Brownsville, Texas	Dallas	January 7, 1982
Telluride Bank Shares, Inc., Crawford, Colorado	The Bank of Telluride, Telluride, Colorado	Kansas City	January 15, 1982
Tonica Bancorp., Inc., Tonica, Illinois	Tonica State Bank, Tonica, Illinois	Chicago	January 18, 1982

Section 3 --Continued

Applicant	Bank(s)	Reserve Bank	Effective date
United Missouri Baneshares, Inc., Kansas City, Missouri	City Baneshares, Inc., Kansas City, Missouri City Bank and Trust Company of Kansas City, Kansas City, Missouri	Kansas City	January 13, 1982
Valley Baneshares, Inc., McAllen, Texas	The Valley National Bank, McAllen, Texas	Dallas	January 26, 1982
West Shore Bank Corporation, Scottville, Michigan	State Savings Bank of Scottville, Scottville, Michigan	Chicago	December 31, 1981
Western Oklahoma Baneshares, Inc., Elk City, Oklahoma	Bank of Western Oklahoma, Elk City, Oklahoma	Kansas City	January 7, 1982

Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date
Climbing Hill Baneshares, Inc., Climbing Hill, Iowa	Climbing Hill Savings Bank, Climbing Hill, Iowa	general insurance activities in a town of less than 5,000 per- sons.	Chicago	January 12, 1982
Emmons Agency, Inc., Emmons, Minnesota	First State Bank of Emmons, Emmons, Minnesota	to continue to en- gage in operat- ing general in- surance activi- ties in a town of less than 5,000 persons.	Minneapolis	January 15, 1982
Solomon Baneshares, Inc., Solomon, Kansas	The Solomon State Bank, Solomon, Kansas	to continue to en- gage in the sale of general in- surance in a community of less than 5,000 population	Kansas City	December 23, 1981

Section 4

Applicant	Nonbanking company (or activity)	Reserve Bank	Effective date
Deutsche Bank, AG, Frankfurt, West Germany	Credit Acquisition Corp., Port- land, Oregon Freightliner Credit Corp., Portland, Oregon	New York	January 20, 1982

Section 4—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
First Moore Bancshares, Inc., Moore, Oklahoma	First Moore Insurance Agency, Inc., Moore, Oklahoma	Kansas City	January 7, 1982
Old Stone Corporation, Providence, Rhode Island	Pacific Southern Mortgage Trust, San Diego, California	Boston	January 26, 1982
Peoples Ban Corporation, Seattle, Washington	Tellus Financial Services, Inc., Seattle, Washington	San Francisco	January 22, 1982

ORDERS APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
DB Banking Co., Youngtown, Ohio	The Dollar Savings and Trust Company, Youngtown, Ohio	Cleveland	January 7, 1982

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.

Darnell Hilliard v. Wilbert G. Cooper, filed January 1982, Superior Court of the District of Columbia.

First Lakefield Bancorporation, et al. v. Board of Governors, filed January 1982, U.S.D.C. for the District of Minnesota.

C. A. Cavendes, Sociedad Financiera v. Board of Governors, filed December 1981, U.S.C.A. for the District of Columbia.

Option Advisory Service, Inc. v. Board of Governors, filed December 1981, U.S.C.A. for the Second Circuit.

Option Advisory Service, Inc. v. Board of Governors, filed September 1981, U.S.C.A. for the Second Circuit.

American Bankers Association v. Federal Home Loan Bank Board, et al., filed August 1981, U.S.D.C. for the District of Columbia.

The National Bank of Davis, et al. v. Charles L. Lord, et al., filed July 1981, U.S.C.A. for the Fourth Circuit.

Bank Stationers Association, Inc., et al. v. Board of Governors, filed July 1981, U.S.D.C. for the Northern District of Georgia.

Public Interest Bounty Hunters v. Board of Governors, et al., filed June 1981, U.S.D.C. for the Northern District of Georgia.

Edwin F. Gordon v. John Heimann, et al., filed May 1981, U.S.C.A. for the Fifth Circuit.

Louis J. Roussell v. Board of Governors, filed May 1981, U.S.C.A. for the District of Columbia.

Wilshire Oil Company of Texas v. Board of Governors, et al., filed April 1981, U.S.C.A. for the Third Circuit.

People of the State of Arkansas v. Board of Governors, et al., filed March 1981, U.S.C.A. for the Western District of Arkansas.

First Bank & Trust Company v. Board of Governors, filed February 1981, U.S.D.C. for the Eastern District of Kentucky.

Ellis E. St. Rose & James H. Sibbet v. Board of Governors, filed February 1981, U.S.D.C. for the District of Columbia.

Option Advisory Service, Inc. v. Board of Governors, et al., filed February 1981, U.S.C.A. for the Second Circuit.

- 9 to 5 Organization for Women Office Workers v. Board of Governors, filed December 1980, U.S.D.C. for the District of Massachusetts.
- 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.
- 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.
- 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 Colorado.
- Edwin F. Gordon v. Board of Governors, et al., filed August 1980, U.S.C.A. for the Fifth Circuit.
- 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 al., filed June 1980, U.S.D.C. for the Northern District of California.
- 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. Comptroller of the Currency and Federal Reserve Board, filed April 1980, U.S.D.C. for the District of Columbia.
- County National Bancorporation and TGB Co. v. Board of Governors, filed September 1979, U.S.C.A. for the Eighth Circuit.
- Donald W. Riegle, Jr. v. Federal Open Market Committee, filed July 1979, U.S.D.C. for the District of Columbia.
- Security Bancorp and Security National Bank v. Board of Governors, filed March 1978, U.S.C.A. for the Ninth Circuit.
- Darnell Hilliard v. G. William Miller, et al., filed September 1976, U.S.C.A. 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

CONTENTS

Domestic Financial Statistics

- A3 Monetary aggregates and interest rates
- A4 Reserves of depository institutions, reserve, bank credit
- A5 Reserves and borrowings of depository institutions
- A6 Federal funds and repurchase agreements of large member banks

POLICY INSTRUMENTS

- A7 Federal Reserve Bank interest rates
- A8 Depository institutions reserve requirements
- A9 Maximum interest rates payable on time and savings deposits at federally insured institutions
- A10 Federal Reserve open market transactions

FEDERAL RESERVE BANKS

- A11 Condition and Federal Reserve note statements
- A12 Maturity distribution of loan and security holdings

MONETARY AND CREDIT AGGREGATES

- A12 Bank debits and deposit turnover
- A13 Money stock measures and components
- A14 Aggregate reserves of depository institutions and monetary base
- A15 Loans and securities of all commercial banks

COMMERCIAL BANKS

- A16 Major nondeposit funds
- A17 Assets and liabilities, last Wednesday-of-month series

WEEKLY REPORTING COMMERCIAL BANKS

Assets and liabilities

- A18 All reporting banks
- A19 Banks with assets of \$1 billion or more
- A20 Banks in New York City
- A21 Balance sheet memoranda
- A22 Branches and agencies of foreign banks
- A23 Commercial and industrial loans
- A24 Gross demand deposits of individuals, partnerships, and corporations

FINANCIAL MARKETS

- A25 Commercial paper and bankers dollar acceptances outstanding
- A26 Prime rate charged by banks on short-term business loans
- A26 Terms of lending at commercial banks
- A27 Interest rates in money and capital markets
- A28 Stock market—Selected statistics
- A29 Selected financial institutions—Selected assets and liabilities

FEDERAL FINANCE

- A30 Federal fiscal and financing operations
- A31 U.S. budget receipts and outlay
- A32 Federal debt subject to statutory limitation
- A32 Gross public debt of U.S. Treasury—Types and ownership
- A33 U.S. government marketable securities—Ownership, by maturity
- A34 U.S. government securities dealers—Transactions, positions, and financing
- A35 Federal and federally sponsored credit agencies—Debt outstanding

*SECURITIES MARKETS AND
CORPORATE FINANCE*

- A36 New security issues—State and local governments and corporations
- A37 Open-end investment companies—Net sales and asset position
- A37 Corporate profits and their distribution
- A38 Nonfinancial corporations—Assets and liabilities
- A38 Total nonfarm business expenditures on new plant and equipment
- A39 Domestic finance companies—Assets and liabilities; business credit

REAL ESTATE

- A40 Mortgage markets
- A41 Mortgage debt outstanding

CONSUMER INSTALLMENT CREDIT

- A42 Total outstanding and net change
- A43 Extension and liquidations

FLOW OF FUNDS

- A44 Funds raised in U.S. credit markets
- A45 Direct and indirect sources of funds to credit markets

Domestic Nonfinancial Statistics

- A46 Nonfinancial business activity—Selected measures
- A46 Output, capacity, and capacity utilization
- A47 Labor force, employment, and unemployment
- A48 Industrial production—Indexes and gross value
- A50 Housing and construction
- A51 Consumer and producer prices
- A52 Gross national product and income
- A53 Personal income and saving

International Statistics

- A54 U.S. international transactions—Summary
- A55 U.S. foreign trade
- A55 U.S. reserve assets
- A56 Foreign branches of U.S. banks—Balance sheet data
- A58 Selected U.S. liabilities to foreign official institutions

REPORTED BY BANKS IN THE UNITED STATES

- A58 Liabilities to and claims on foreigners
- A59 Liabilities to foreigners
- A61 Banks' own claims on foreigners
- A62 Banks' own and domestic customers' claims on foreigners
- A62 Banks' own claims on unaffiliated foreigners
- A63 Claims on foreign countries—Combined domestic offices and foreign branches

SECURITIES HOLDINGS AND TRANSACTIONS

- A64 Marketable U.S. Treasury bonds and notes—Foreign holdings and transactions
- A64 Foreign official assets held at Federal Reserve Banks
- A65 Foreign transactions in securities

*REPORTED BY NONBANKING BUSINESS
ENTERPRISES IN THE UNITED STATES*

- A66 Liabilities to unaffiliated foreigners
- A67 Claims on unaffiliated foreigners

INTEREST AND EXCHANGE RATES

- A68 Discount rates of foreign central banks
- A68 Foreign short-term interest rates
- A68 Foreign exchange rates

*A69 Guide to Tabular Presentation,
Statistical Releases, and Special
Tables*

1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1981				1981				
	Q1 ¹	Q2 ²	Q3 ³	Q4 ⁴	Aug. ⁵	Sept. ⁶	Oct. ⁷	Nov. ⁸	Dec.
Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) ¹									
<i>Reserves of depository institutions</i>									
1 Total	5.5	4.2	4.0	3.2	2.5	15.1	5.8	1.0	11.4
2 Required	6.4	5.0	3.1	3.5	9.8	18.6	1.7	1.1	12.1
3 Nonborrowed	10.7	2.4	7.9	10.5	10.8	14.5	2.5	17.0	12.3
4 Monetary base ²	5.2	5.8	4.3	3.9	2.9	6.0	0.7	3.3	11.3
<i>Concepts of money and liquid assets³</i>									
5 M1	4.5	9.2	3	5.7	4.8	3	4.7	9.7	12.1
6 M2	7.5	12.0	8.3	8.8	12.7	4.0	7.6	13.6	8.4
7 M3	11.2	12.2	11.2	9.2	13.4	6.9	7.3	13.1	7.2
8 L	11.6	10.6	11.9	n.a.	13.9	8.3	9.7	n.a.	n.a.
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
9 Total	16.0	11.9	18.4	8.3	20.8	9.8	6.2	6.8	1.4
10 Savings ⁴	-28.3	-8.9	22.7	-11.9	32.7	22.4	16.8	8.5	4.6
11 Small-denomination time ⁵	28.5	16.2	24.3	20.7	36.1	23.7	22.2	17.0	-0.3
12 Large-denomination time ⁶	34.3	19.9	36.0	5.3	33.0	11.2	4	5.2	1.9
13 Thrift institutions ⁷	4.0	3.2	2.6	2.7	4.4	2.5	5.1	4.2	1.3
14 Total loans and securities at commercial banks ⁸	11.3	8.4	8.7	3.7	8.5	5.0	5.6	3.4	8.9
Interest rates (levels, percent per annum)									
1981					1981				1982
	Q1	Q2	Q3	Q4	Sept	Oct	Nov	Dec	Jan.
<i>Short-term rates</i>									
15 Federal funds ⁹	16.57	17.78	17.58	13.59	15.87	15.08	13.31	12.37	13.22
16 Discount window borrowing ¹⁰	13.00	13.62	14.00	13.04 ¹¹	14.00	14.00	13.03 ¹²	12.10	12.00
17 Treasury bills (3-month market yield) ¹³	14.39	14.91	15.05	11.75	14.70	13.54	10.86	10.85	12.28
18 Commercial paper (3-month) ^{11,12}	15.34	16.15	16.78	13.04	16.09	14.85	12.16	12.12	13.09
<i>Long-term rates</i>									
<i>Bonds</i>									
19 U.S. government ¹⁴	12.74	13.49	14.51	14.14	15.07	15.13	13.56	13.73	14.57
20 State and local government ¹⁴	9.97	10.69	12.11	12.54	12.92	12.83	11.89	12.91 ¹⁵	13.28
21 Aaa utility (new issue) ¹⁵	14.45	15.41	16.82	15.67	17.21	16.94	15.56	15.20	15.68
22 Conventional mortgages ¹⁶	15.10	16.15	17.50	17.33	18.30	18.05	16.95	17.00	17.30

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

2. Includes reserve balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.

3. M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's checks of non-bank issuers; (3) 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 (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2: M1 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.

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

L: M3 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 and thrifts and CUSD accounts at credit unions.

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

8. Changes calculated from figures shown in table 1.23. December 1981 and 1981 Q4 rates reflect shifts of foreign loans and securities from U.S. banking offices to international banking facilities.

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. Unweighted average of offering rates quoted by at least five dealers.

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.

NOTE: Reserve series have been revised to adjust for discontinuities associated with changes in Regulation D and with the transitional phase-in of reserve requirements under the Monetary Control Act of 1980. Reserve measures from November 1980 to date reflect a one-time increase—estimated at \$550 million to \$600 million—in required reserves associated with the reduction of week-end avoidance activities of a few large banks.

Measures of the money stock have been revised to incorporate annual seasonal adjustment and benchmark changes, as well as minor compositional changes. See the 11.6 statistical release for Feb. 5, 1982 for more details. Reserve aggregates data also incorporate benchmark and seasonal adjustment factor revisions.

A4 Domestic Financial Statistics □ February 1982

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						
	1981		1982	1981			1982			
	Nov.	Dec.	Jan.	Dec. 16	Dec. 23	Dec. 30	Jan. 6	Jan. 13	Jan. 20	Jan. 27
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	148,339	152,072	152,019	151,386	153,394	153,342	154,954	150,909	152,171	151,063
2 U.S. government securities ¹	125,247	128,505	127,473	128,459	129,574	129,223	130,905	127,323	125,853	126,143
3 Bought outright	124,559	127,483	126,112	128,459	128,455	127,172	127,586	127,323	125,437	124,791
4 Held under repurchase agreements	688	1,022	1,361	0	1,119	2,051	3,319	0	416	1,352
5 Federal agency securities	8,888	9,291	9,184	9,125	9,257	9,555	9,473	9,100	9,105	9,103
6 Bought outright	8,776	9,126	9,084	9,125	9,125	9,125	9,118	9,100	9,082	9,058
7 Held under repurchase agreements	112	165	100	0	132	430	355	0	23	45
8 Acceptances	261	315	156	0	254	798	217	0	60	186
9 Loans	695	642	1,526	398	621	883	1,454	1,000	950	2,471
10 Float	3,320	3,608	4,207	3,569	4,016	3,640	3,632	4,135	6,694	3,544
11 Other Federal Reserve assets	9,928	9,711	9,473	9,835	9,672	9,244	9,274	9,351	9,508	9,615
12 Gold stock	11,152	11,152	11,151	11,152	11,152	11,152	11,151	11,151	11,151	11,151
13 Special drawing rights certificate account	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318
14 Treasury currency outstanding	13,712	13,707	13,698	13,679	13,681	13,687	14,141	13,693	13,700	13,705
ABSORBING RESERVE FUNDS										
15 Currency in circulation	140,553	143,700	142,129	143,265	144,046	145,197	145,111	143,263	141,878	140,447
16 Treasury cash holdings	450	443	447	445	442	437	443	447	448	447
Deposits, other than reserves, with Federal Reserve Banks										
17 Treasury	3,061	2,965	4,713	2,772	3,215	2,912	3,747	3,069	3,712	6,147
18 Foreign	325	343	389	304	361	373	451	530	334	292
19 Other	688	605	538	578	592	574	873	480	470	448
20 Required clearing balances	91	110	127	110	110	115	117	125	128	131
21 Other Federal Reserve liabilities and capital	5,438	5,768	5,401	5,963	5,814	5,370	5,525	5,379	5,391	5,269
22 Reserve accounts ²	25,915	26,315	26,443	26,098	26,965	26,521	27,297	25,777	27,980	26,055
End-of-month figures										
Wednesday figures										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
1982										
1981										
19										

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. Excludes required clearing balances.

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									
	1980	1981								1982
	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 Reserve balances with Reserve Banks ¹ . . .	26,664	26,822	26,819	27,172	27,023	25,527	25,592	25,915	26,316	26,443
2 Total vault cash (estimated)	18,149	17,773	18,198	18,273	18,438	18,927	18,810	18,839	19,546	20,506
3 Vault cash at institutions with required reserve balances ²	12,602	12,124	12,396	12,504	12,585	12,966	12,881	12,956	13,550	14,197
4 Vault cash equal to required reserves at other institutions	704	1,310	1,350	1,319	1,364	2,041	2,054	2,011	2,126	2,229
5 Surplus vault cash at other institutions ³ . . .	4,843	4,339	4,452	4,450	4,489	3,920	3,875	3,872	3,870	4,080
6 Reserve balances + total vault cash ⁴	44,940	45,100	45,507	45,513	44,499	44,430	44,778	45,883	45,883	46,965
7 Reserve balances + total vault cash used to satisfy reserve requirements ^{4,5}	40,097	40,344	40,648	41,057	41,024	40,579	40,555	40,906	42,013	42,885
8 Required reserves (estimated)	40,067	40,213	40,098	40,675	40,753	40,179	40,438	40,591	41,614	42,784
9 Excess reserve balances at Reserve Banks ^{4,6} .	30	131	550	382	271	400	117	315	399	101
10 Total borrowings at Reserve Banks	1,617	2,154	2,038	1,751	1,408	1,473	1,149	695	642	1,526
11 Seasonal borrowings at Reserve Banks . . .	116	259	291	248	220	222	152	79	53	75
12 Extended credit at Reserve Banks	n.a.	n.a.	n.a.	n.a.	79	301	442	178	149	197
	Weekly averages of daily figures for week ending:									
	Nov. 25	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30	Jan. 6	Jan. 13	Jan. 20	Jan. 27
13 Reserve balances with Reserve Banks ¹ . . .	26,556	26,242	25,363	26,098	26,965	26,521	27,297	25,777	27,980	26,055
14 Total vault cash (estimated)	17,934	19,360	19,587	20,322	18,632	19,748	19,196	20,698	20,970	21,007
15 Vault cash at institutions with required reserve balances ²	12,410	13,359	13,450	13,861	13,087	13,862	13,515	14,336	14,447	14,483
16 Vault cash equal to required reserves at other institutions	1,916	2,053	2,158	2,251	2,023	2,104	2,061	2,326	2,235	2,265
17 Surplus vault cash at other institutions ³ . .	3,608	3,948	3,979	4,210	3,522	3,782	3,620	4,036	4,288	4,259
18 Reserve balances + total vault cash ⁴	44,513	45,624	44,772	46,444	45,618	46,285	46,509	46,489	48,966	47,078
19 Reserve balances + total vault cash used to satisfy reserve requirements ^{4,5}	40,905	41,676	40,793	42,234	42,096	42,503	42,889	42,453	44,678	42,819
20 Required reserves (estimated)	40,753	41,230	40,608	42,131	41,721	42,031	42,145	42,175	44,282	42,703
21 Excess reserve balances at Reserve Banks ^{4,6} .	152	446	185	103	375	472	744	278	396	116
22 Total borrowings at Reserve Banks	337	317	618	398	621	883	1,454	1,000	950	2,471
23 Seasonal borrowings at Reserve Banks . . .	69	41	30	51	70	75	59	53	70	96
24 Extended credit at Reserve Banks	123	125	125	130	161	173	193	194	195	190

1 As of Aug. 13, 1981 excludes required clearing balances of all depository institutions.

2 Prior to 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 joins the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total because adjusted data by class are not available.

5 Reserve balances with Federal Reserve Banks which exclude required clearing balances 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 which exclude required clearing balances 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.)

A6 Domestic Financial Statistics □ February 1982

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks¹

Averages of daily figures, in millions of dollars

By maturity and source	1981 and 1982, week ending Wednesday								
	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30 ^r	Jan. 6	Jan. 13	Jan. 20	Jan. 27
<i>One day and continuing contract</i>									
1 Commercial banks in United States	51,901	57,328	55,055	51,653	52,496	57,560	58,089	55,172	50,762
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	18,296	19,289	19,235	18,500	18,126	18,375	18,181	17,889	17,455
3 Nonbank securities dealers	3,566	4,018	4,242	3,882	3,293	3,739	3,638	4,019	4,478
4 All other	16,630	19,834	20,479	19,910	17,905	20,502	21,715	21,558	21,889
<i>All other maturities</i>									
5 Commercial banks in United States	3,839 ^r	3,311	3,416	3,717	3,945	3,614	3,388	3,891	3,824
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies	7,786	7,528	7,691	8,197	8,129	7,935	7,140	7,339	7,437
7 Nonbank securities dealers	4,350	4,385	4,052	3,968 ^r	4,189	3,421	3,603	3,718	4,151
8 All other	13,289 ^r	10,943	10,000	10,327 ^r	12,334	10,845	9,778	9,310	9,173
MEMO: Federal funds and resale agreement loans in ma- turities of one day or continuing contract									
9 Commercial banks in United States	19,404 ^r	18,575 ^r	17,364 ^r	17,460 ^r	18,049	22,231	18,534	18,896	17,819
10 Nonbank securities dealers	3,474	4,239	3,963	3,845	4,037	4,349	4,227	4,177	3,462

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels										
Federal Reserve Bank	Short-term adjustment credit and seasonal credit			Extended credit ¹						
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		Effective date for current rates
	Rate on 1/31/82	Effective date	Previous rate	Rate on 1/31/82	Previous rate	Rate on 1/31/82	Previous rate	Rate on 1/31/82	Previous rate	
Boston.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
New York.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Philadelphia.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Cleveland.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Richmond.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Atlanta.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Chicago.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
St. Louis.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Minneapolis.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Kansas City.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
Dallas.....	12	12/4/81	13	12	13	13	14	14	15	12/4/81
San Francisco....	12	12/4/81	13	12	13	13	14	14	15	12/4/81

Range of rates in recent years²

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1972.....	4½	4½	1976— Jan. 19.....	5½-6	5½	1979 - Sept. 19.....	10½-11	11
1973— Jan. 15.....	5	5	Nov. 23.....	5½	5½	Oct. 21.....	11	11
Feb. 26.....	5-5½	5½	Nov. 22.....	5¼-5½	5¼	Oct. 8.....	11-12	12
Mar. 2.....	5½	5½	Nov. 26.....	5¼	5¼	Oct. 10.....	12	12
Apr. 23.....	5½-5¾	5½	1977— Aug. 30.....	5¼-5¾	5¼	1980 - Feb. 15.....	12-13	13
May 4.....	5¾	5¾	Aug. 31.....	5¼-5¾	5¼	Feb. 19.....	13	13
June 11.....	5¾-6	6	Sept. 2.....	5¾	5¾	May 29.....	12-13	13
June 18.....	6	6	Oct. 26.....	6	6	June 30.....	12	12
July 2.....	6-6½	6½	1978— Jan. 9.....	6-6½	6½	June 13.....	11-12	11
July 15.....	6½	6½	Jan. 20.....	6½	6½	July 16.....	11	11
Aug. 14.....	7-7½	7½	May 11.....	6½-7	7	July 28.....	10-11	10
Aug. 23.....	7½	7½	May 12.....	7	7	Sept. 29.....	10	10
1974— Apr. 25.....	7½-8	8	July 3.....	7-7¼	7¼	Sept. 26.....	11	11
Apr. 30.....	8	8	July 10.....	7¼	7¼	Nov. 17.....	12	12
Dec. 9.....	7¾-8	7¾	Aug. 21.....	7¾	7¾	Dec. 5.....	12-13	13
Dec. 16.....	7¾	7¾	Sept. 22.....	8	8	Dec. 8.....	13	13
1975— Jan. 6.....	7¼-7¾	7¾	Oct. 16.....	8-8½	8½	1981 - May 5.....	13-14	14
Jan. 10.....	7¼-7¾	7¼	Nov. 20.....	8½	8½	May 8.....	14	14
Jan. 24.....	7¼	7¼	Nov. 1.....	8½-9½	9½	Nov. 2.....	13-14	13
Feb. 5.....	6¾-7¼	6¾	Nov. 3.....	9½	9½	Nov. 6.....	13	13
Feb. 7.....	6¾	6¾	1979— July 20.....	10	10	Dec. 4.....	12	12
Mar. 10.....	6¼-6¾	6¼	Aug. 17.....	10-10½	10½			
Mar. 14.....	6¼	6¼	Aug. 20.....	10½	10½			
May 16.....	6-6½	6						
May 23.....	6	6						
						In effect Jan. 31, 1982	12	12

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures. See section 201.3(b)(2) of Regulation A.

2. Rates for short-term adjustment credit. 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*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of \$500 million or more that had borrowed in successive weeks or in more than 4 weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. On Nov. 17, 1980, a 2 percent surcharge was adopted; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980 and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981 and to 2 percent effective Oct. 12. As of Oct. 1, the formula for applying the surcharge was changed from a calendar quarter to a moving 13-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 DEPOSITORY INSTITUTIONS RESERVE REQUIREMENTS¹

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
<i>Net demand</i> ²			<i>Net transaction accounts</i> ^{6,7}		
0-2	7	12/30/76	\$0-\$26 million	3	11/13/80
2-10	9½	12/30/76	Over \$26 million	12	11/13/80
10-100	11¾	12/30/76			
100-400	12¾	12/30/76	<i>Nonpersonal time deposits</i> ⁸		
Over 400	16¼	12/30/76	By original maturity		
<i>Time and savings</i> ^{2,3}			Less than 4 years	3	11/13/80
Savings	3	3/16/67	4 years or more	0	11/13/80
<i>Time</i> ⁴			<i>Eurocurrency liabilities</i>		
0-5, by maturity			All types	3	11/13/80
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 were 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 Apr. 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 non-member 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 at the time of implementation of the Monetary Control Act, the phase-in period ends 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, and telephone and preauthorized transfers (in excess of three per month) for the purpose of making payments to third persons or others.

7. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement will apply be modified annually to 80 percent of the percentage increase in transaction accounts held by all depository institutions on the previous June 30. At the beginning of 1982 the amount was accordingly increased from \$25 million to \$26 million.

8. 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 that 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.

NOTE TO TABLE 1.16

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*.

1.16 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 (thrift institutions)			
	In effect Jan. 31, 1982		Previous maximum		In effect Jan. 31, 1982		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	5¼	12/31/80	5	1/1/74	5¼	12/31/80	5	1/1/74
Time accounts ³								
Fixed ceiling rates by maturity ⁴								
3 14-89 days ⁵	5¼	8/1/79	5	7/1/73	(6)		(6)	
4 90 days to 1 year	5¼	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	6	7/1/73	5¾	1/21/70	6½	(1)	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	(6)		8	6/1/78	(6)	
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 12-month all savers certificates	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
15 2½ years to 4 years	(15)	(15)	(16)	(16)	(15)	(15)	(16)	(16)
Accounts with no ceiling rates								
16 Individual retirement accounts and Keogh (H.R. 10) plans (18 months or more)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)

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. Authorization to issue NOW accounts was extended to similar institutions nationwide effective Dec. 31, 1980.

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

4. 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 loans 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 to 14 days for mutual savings banks.

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

6. No separate account category.

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, certificates maturing in 4 years or more with minimum denominations of \$1,000 had no ceiling; 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 Jan. 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 and thrift institutions were authorized to offer money market time deposits effective June 1, 1978. These deposits have a minimum denomination requirement of \$10,000 and a maturity of 26 weeks. The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 26-week U.S. Treasury bills. Interest on these certificates may not be compounded. Effective for all 6-month money market certificates issued beginning Nov. 1, 1981, depository institutions may pay rates of interest on these deposits indexed to the higher of (1) the rate for 26-week Treasury bills established immediately before the date of deposit (bill rate) or (2) the average of the four rates for 26-week Treasury bills established for the 4 weeks immediately prior to the date of deposit (4-week average bill rate). Rate ceilings are determined as follows:

Bill rate or 4-week average bill rate
7.50 percent or below
Above 7.50 percent

Commercial bank ceiling
7.75 percent
¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate

Bill rate or 4-week average bill rate

7.25 percent or below
Above 7.25 percent, but below 8.50 percent
8.50 percent or above, but below 8.75 percent
8.75 percent or above

Thrift ceiling

7.75 percent
½ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
9 percent
¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate

The maximum allowable rates in January for commercial banks and thrifts based on the bill rate were as follows: Jan. 5, 12.698; Jan. 12, 12.532; Jan. 19, 13.056; Jan. 26, 13.352. The maximum allowable rates in January for commercial banks and thrifts based on the 4-week average bill rate were as follows: Jan. 5, 11.913; Jan. 12, 12.291; Jan. 19, 12.594; Jan. 26, 12.910.

14. Effective Oct. 1, 1981, depository institutions are authorized to issue all savers certificates (ASCs) with a 1-year maturity and an annual investment yield equal to 70 percent of the average investment yield for 52-week U.S. Treasury bills as determined by the auction of 52-week Treasury bills held immediately before the calendar week in which the certificate is issued. A maximum lifetime exclusion of \$1,000 (\$2,000 on a joint return) from gross income is generally authorized for interest income from ASCs. The annual investment yields for ASCs issued in January (in percent) were as follows: Jan. 24, 10.76.

15. Effective Aug. 1, 1981, commercial banks may pay interest on any variable ceiling nonnegotiable time deposit with an original maturity of 2½ years to less than 4 years at a rate not to exceed ¼ of 1 percent below the average 2½-year yield for U.S. Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. Thrift institutions may pay interest on these certificates at a rate not to exceed the average 2½-year yield for Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. If the announced average 2½-year yield for Treasury securities is less than 9.50 percent, commercial banks may pay 9.25 percent and thrift institutions 9.50 percent for these deposits. These deposits have no required minimum denomination, and interest may be compounded on them. The ceiling rates of interest at which they may be offered vary biweekly. The maximum allowable rates in January (in percent) for commercial banks were as follows: Jan. 5, 13.75; Jan. 19, 14.50; and for thrift institutions: Jan. 5, 14.00; Jan. 19, 14.75.

16. Between Jan. 1, 1980, and Aug. 1, 1981, commercial banks, and thrift institutions were authorized to offer variable ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2½ years or more. Effective Jan. 1, 1980, the maximum rate for commercial banks was ¼ percentage point below the average yield on 2½-year U.S. Treasury securities; the ceiling rate for thrift institutions was ¼ percentage point higher than that for commercial banks. Effective Mar. 1, 1980, a temporary ceiling of 11¼ percent was placed on these accounts at commercial banks and 12 percent on these accounts at savings and loan associations. Effective June 2, 1980, the ceiling rates for these deposits at commercial banks and savings and loans was increased ½ percentage point. The temporary ceiling was retained, and a minimum ceiling of 9.25 percent for commercial banks and 9.50 percent for thrift institutions was established.

17. Effective Dec. 1, 1981, depository institutions were authorized to offer time deposits not subject to interest rate ceilings when the funds are deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an IRA agreement or Keogh (H.R. 10) plan. Such time deposits must have a minimum maturity of 18 months, and additions may be made to the time deposit at any time before its maturity without extending the maturity of all or a portion of the balance of the account.

For Note: see opposite page.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1979	1980	1981	1981						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched sale-purchase transactions)										
Treasury bills										
1 Gross purchases.....	15,998	7,668	13,899	295	1,325	1,713	1,753	241	1,765	2,170
2 Gross sales.....	6,855	7,331	6,746	90	0	333	945	1,157	0	0
3 Exchange.....	0	0	0	0	0	0	0	0	0	0
4 Redemptions.....	2,900	3,389	1,816	0	100	0	500	200	16	0
Others within 1 year ¹										
5 Gross purchases.....	3,203	912	317	0	122	0	0	0	0	80
6 Gross sales.....	0	0	23	0	0	0	0	0	0	0
7 Maturity shift.....	17,339	12,427	13,794	833	1,073	2,807	628	425	1,389	887
8 Exchange.....	-11,308	-18,251	-12,869	823	-351	-2,430	-599	0	-3,047	-754
9 Redemptions.....	2,600	0	0	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases.....	2,148	2,138	1,702	0	607	0	0	0	100	526
11 Gross sales.....	0	0	0	0	0	0	0	0	0	0
12 Maturity shift.....	-12,693	-8,909	-10,299	-833	-1,073	-820	-628	-425	-1,057	-887
13 Exchange.....	7,508	13,412	10,117	823	351	1,724	599	0	2,325	754
5 to 10 years										
14 Gross purchases.....	523	703	393	0	64	0	0	0	0	165
15 Gross sales.....	0	0	0	0	0	0	0	0	0	0
16 Maturity shift.....	-4,646	-3,092	-3,495	0	0	-1,987	0	0	-332	0
17 Exchange.....	2,181	2,970	1,500	0	0	400	0	0	400	0
Over 10 years										
18 Gross purchases.....	454	811	379	0	182	0	0	0	0	108
19 Gross sales.....	0	0	0	0	0	0	0	0	0	0
20 Maturity shift.....	0	-426	0	0	0	0	0	0	0	0
21 Exchange.....	1,619	1,869	1,253	0	0	305	0	0	322	0
All maturities ¹										
22 Gross purchases.....	22,325	12,232	16,690	295	2,301	1,713	1,753	241	1,865	3,049
23 Gross sales.....	6,855	7,331	6,769	90	0	333	945	1,157	0	0
24 Redemptions.....	5,500	3,389	1,816	0	100	0	500	200	16	0
Matched transactions										
25 Gross sales.....	627,350	674,000	589,312	51,106	69,972	54,329	52,055	58,581	42,012	54,098
26 Gross purchases.....	624,192	675,496	589,647	52,607	69,309	55,917	51,555	58,372	41,900	54,044
Repurchase agreements										
27 Gross purchases.....	107,051	113,902	79,920	3,509	23,217	7,199	0	3,902	9,505	14,180
28 Gross sales.....	106,968	113,040	78,733	3,509	21,599	8,817	0	3,902	7,709	12,760
29 Net change in U.S. government securities.....	6,896	3,869	9,626	1,706	3,155	1,350	-192	-1,325	3,534	4,415
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases.....	853	668	494	0	0	0	0	0	494	0
31 Gross sales.....	399	0	0	0	0	0	0	0	0	0
32 Redemptions.....	134	145	108	26	*	*	33	15	10	4
Repurchase agreements										
33 Gross purchases.....	37,321	28,895	13,320	691	5,182	864	0	787	1,607	1,647
34 Gross sales.....	36,960	28,863	13,576	691	4,822	1,225	0	787	1,288	1,697
35 Net change in federal agency obligations.....	681	555	130	-26	360	-360	-33	-15	802	-54
BANKERS ACCEPTANCES										
36 Outright transactions, net.....	0	0	0	0	0	0	0	0	0	0
37 Repurchase agreements, net.....	116	73	-582	0	453	-453	0	0	744	-549
38 Net change in bankers acceptances.....	116	73	-582	0	453	-453	0	0	744	-549
39 Total net change in System Open Market Account.....	7,693	4,497	9,175	1,680	3,968	536	-225	-1,340	5,080	3,812

1. Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): 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		
	1981	1982				1981		1982
	Dec. 30	Jan. 6	Jan. 13	Jan. 20	Jan. 27	Nov	Dec.	Jan.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,151	11,151	11,151	11,151	11,151	11,152	11,151	11,151
2 Special drawing rights certificate account	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318
3 Coin	375	367	378	392	410	400	377	422
Loans								
4 To depository institutions	1,237	2,042	2,906	3,682	5,109	232	1,601	2,217
5 Other	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements	624	136	0	417	368	744	195	597
Federal agency obligations								
7 Bought outright	9,125	9,109	9,089	9,057	9,057	9,129	9,125	9,058
8 Held under repurchase agreements	437	364	0	160	102	319	269	134
U.S. government securities								
Bought outright								
9 Bills	49,611	47,117	47,067	46,493	48,162	47,243	49,359	46,588
10 Notes	59,978	59,978	59,978	59,978	59,978	59,207	59,978	59,978
11 Bonds	18,401	18,401	18,401	18,401	18,401	18,293	18,401	18,401
12 Total ¹	127,990	125,496	125,446	124,872	126,541	124,743	127,738	124,967
13 Held under repurchase agreements	3,503	2,199	0	2,915	2,506	1,796	3,216	3,263
14 Total U.S. government securities	131,493	127,695	125,446	127,787	129,047	126,539	130,954	128,230
15 Total loans and securities	142,916	139,346	137,441	141,103	143,683	136,963	142,144	140,236
16 Cash items in process of collection	10,996	11,023	11,794	14,428	6,983	7,485	8,557	8,119
17 Bank premises	503	503	499	500	502	497	503	502
Other assets								
18 Denominated in foreign currencies ²	5,128	5,194	5,194	5,196	5,200	5,998	5,129	5,111
19 All other ³	3,837	3,729	4,234	4,388	3,943	3,629	3,598	4,076
20 Total assets	178,224	174,631	174,009	180,476	175,190	169,442	174,777	172,935
LIABILITIES								
21 Federal Reserve notes	132,647	131,471	130,050	128,583	127,509	129,086	131,906	126,835
Deposits								
22 Depository institutions	29,083	27,046	28,247	34,304	29,434	24,312	25,228	25,066
23 U.S. Treasury—General account	3,402	2,486	3,235	3,661	7,169	3,475	4,301	8,285
24 Foreign—Official accounts	319	217	275	264	346	535	505	333
25 Other	600	684	448	543	437	715	781	393
26 Total deposits	33,404	30,433	32,205	38,772	37,386	29,037	30,815	34,077
27 Deferred availability cash items	6,828	7,374	6,448	7,849	5,251	5,308	6,795	6,484
28 Other liabilities and accrued dividends ⁴	2,480	2,532	2,449	2,425	2,196	2,846	2,705	2,611
29 Total liabilities	175,359	171,810	171,152	177,629	172,342	166,277	172,221	170,007
CAPITAL ACCOUNTS								
30 Capital paid in	1,278	1,278	1,281	1,284	1,286	1,270	1,278	1,287
31 Surplus	1,203	1,278	1,278	1,278	1,278	1,203	1,278	1,278
32 Other capital accounts	384	265	298	285	284	692	0	363
33 Total liabilities and capital accounts	178,224	174,631	174,009	180,476	175,190	169,442	174,777	172,935
34 M-MO: Marketable U.S. government securities held in custody for foreign and international account	95,122	96,079	96,806	95,430	95,533	91,787	95,220	94,794
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to bank)	151,126	151,014	150,831	150,755	150,632	150,955	151,033	150,605
36 LESS: Held by bank ⁵	18,479	19,543	20,701	22,172	23,123	21,869	19,127	23,770
37 Federal Reserve notes, net	132,647	131,471	130,130	128,583	127,509	129,086	131,906	126,835
Collateral for Federal Reserve notes								
38 Gold certificate account	11,151	11,151	11,151	11,151	11,151	11,152	11,151	11,151
39 Special drawing rights certificate account	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318
40 Other eligible assets	22	88	31	0	0	57	0	0
41 U.S. government and agency securities	118,156	116,914	115,630	114,114	113,040	114,559	117,437	112,366
42 Total collateral	132,647	131,471	130,130	128,583	127,509	129,086	131,906	126,835

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 special investment account at Chicago of Treasury bills maturing within 90 days.

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

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

A12 Domestic Financial Statistics □ February 1982

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1981	1982				1981		1982
	Dec. 30	Jan. 6	Jan. 13	Jan. 20	Jan. 27	Nov. 30	Dec. 31	Jan. 29
1 Loans—Total	1,237	2,042	2,906	3,682	5,109	232	1,601	2,217
2 Within 15 days	1,218	2,018	2,877	3,666	5,079	214	1,576	2,180
3 16 days to 90 days	19	24	29	16	30	18	25	37
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	624	136	0	417	368	744	195	597
6 Within 15 days	624	136	0	417	368	744	195	597
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	131,493	127,695	125,446	127,787	129,047	126,539	130,954	128,230
10 Within 15 days ¹	8,514	5,235	2,186	7,030	7,801	5,190	3,936	4,618
11 16 days to 90 days	24,302	22,603	23,461	21,265	23,428	25,503	25,190	24,980
12 91 days to 1 year	34,132	35,446	35,388	35,081	33,407	32,101	37,417	34,221
13 Over 1 year to 5 years	36,159	36,025	36,025	36,025	36,025	35,632	36,025	36,025
14 Over 5 years to 10 years	11,752	11,752	11,752	11,752	11,587	11,587	11,752	11,752
15 Over 10 years	16,634	16,634	16,634	16,634	16,634	16,526	16,634	16,634
16 Federal agency obligations—Total	9,562	9,473	9,089	9,217	9,159	9,448	9,394	9,192
17 Within 15 days ¹	697	646	181	224	243	518	529	276
18 16 days to 90 days	631	623	693	643	622	719	631	622
19 91 days to 1 year	1,443	1,388	1,319	1,413	1,357	1,394	1,443	1,357
20 Over 1 year to 5 years	5,256	5,286	5,366	5,404	5,404	5,237	5,256	5,404
21 Over 5 years to 10 years	962	957	957	960	960	1,007	962	960
22 Over 10 years	573	573	573	573	573	573	573	573

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	1978	1979	1980	1981					
				Aug.	Sept.	Oct.	Nov.	Dec.	
	Debits to demand deposits ¹ (seasonally adjusted)								
1 All commercial banks.....	40,297.8	49,775.0	63,013.4	89,723.4	85,571.0	85,705.8	76,946.6	96,654.8	
2 Major New York City banks.....	15,008.7	18,512.7	25,192.5	41,877.2	37,477.2	37,144.3	29,184.0	45,162.1	
3 Otherbanks.....	25,289.1	31,262.3	37,820.9	47,846.3	48,093.8	48,561.5	47,762.6	51,492.7	
	Debits to savings deposits ² (not seasonally adjusted)								
4 ATS/NOW ³	17.1	83.3	158.4	745.0	820.2	833.4	753.3	903.5	
5 Business ⁴	56.7	77.3	93.4	118.1	122.0	117.2	96.3	117.9	
6 Others ⁵	359.7	515.2	605.3	595.5	577.0	581.6	539.7	597.0	
7 Allaccounts.....	432.9	675.8	857.2	1,458.6	1,519.2	1,532.2	1,389.2	1,618.4	
	Demand deposit turnover ¹ (seasonally adjusted)								
8 All commercial banks.....	139.4	163.5	201.6	316.8	303.3	303.4	274.0	345.5	
9 Major New York City banks.....	541.9	646.2	813.7	1,338.1	1,204.4	1,174.1	961.7	1,495.4	
10 Otherbanks.....	96.8	113.3	134.3	189.9	191.6	193.6	190.7	206.6	
	Savings deposit turnover ² (not seasonally adjusted)								
11 ATS/NOW ³	7.0	7.8	9.7	13.5	14.5	14.6	12.8	14.6	
12 Business ⁴	5.1	7.2	9.3	13.5	14.3	14.1	11.7	13.9	
13 Others ⁵	1.7	2.7	3.4	3.9	3.9	3.9	3.6	4.0	
14 Allaccounts.....	1.9	3.1	4.2	6.7	7.1	7.2	6.4	7.4	

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	1978 Dec. ¹	1979 Dec. ¹	1980 Dec. ¹	1981 Dec.	1981				
					Aug. ¹	Sept. ¹	Oct. ¹	Nov. ¹	Dec
	Seasonally adjusted								
MEASURES ¹									
1 M1.....	363.2	389.0	414.5	440.8	431.1	431.2	432.9	436.4	440.8
2 M2.....	1,403.9	1,518.9	1,656.1	1,822.2	1,772.2	1,778.1	1,789.3	1,809.6	1,822.2
3 M3.....	1,629.0	1,779.3	1,963.1	2,187.5	2,125.8	2,138.0	2,151.0	2,174.4	2,187.5
4 L ²	1,938.9	2,153.9	2,370.4	n.a.	2,559.7	2,577.3	2,598.2	n.a.	n.a.
COMPONENTS									
5 Currency.....	97.4	106.1	116.2	123.1	120.7	121.1	121.3	121.8	123.1
6 Traveler's checks ³	3.5	3.7	4.2	4.3	4.3	4.3	4.3	4.3	4.3
7 Demand deposits.....	253.9	262.2	267.2	236.4	236.6	234.7	235.7	235.7	236.4
8 Other checkable deposits ⁷	8.4	16.9	26.9	77.0	69.5	71.2	71.6	74.7	77.0
9 Savings deposits ⁴	479.9	421.7	398.9	343.5	350.9	343.1	339.6	340.9	343.5
10 Small-denomination time deposits ⁵	533.9	652.6	751.7	854.6	830.8	839.7	849.8	856.7	854.6
11 Large-denomination time deposits ⁶	194.6	221.8	257.9	300.4	299.9	302.3	302.2	300.6	300.4
	Not seasonally adjusted								
MEASURES ¹									
12 M1.....	372.5	398.8	424.6	451.1	430.4	431.5	434.5	439.7	451.1
13 M2.....	1,408.5	1,524.6	1,662.4	1,828.9	1,766.7	1,775.6	1,793.1	1,809.3	1,828.9
14 M3.....	1,637.5	1,789.2	1,973.8	2,199.3	2,115.3	2,132.2	2,152.4	2,175.3	2,199.3
15 L ²	1,946.6	2,162.8	2,380.2	n.a.	2,544.1	2,568.4	2,596.7	n.a.	n.a.
COMPONENTS									
16 Currency.....	99.4	108.2	118.3	125.4	121.3	120.8	121.2	122.9	125.4
17 Traveler's checks ³	3.3	3.5	3.9	4.1	4.7	4.5	4.3	4.1	4.1
18 Demand deposits.....	261.5	270.1	275.1	243.3	234.7	234.6	236.6	237.5	243.3
19 Other checkable deposits ⁷	8.4	17.0	27.2	78.4	69.7	71.7	72.4	75.2	78.4
20 Overnight RPs and Eurodollars ⁸	24.1	26.3	35.0	38.1	43.1	39.6	36.2	36.9	38.1
21 Money market mutual funds.....	10.3	43.6	75.8	184.5	145.4	157.0	166.4	176.6	184.5
22 Savings deposits ⁴	478.0	420.5	398.0	342.9	355.0	347.9	343.9	342.2	342.9
23 Small-denomination time deposits ⁵	531.1	649.7	748.9	851.6	822.0	832.1	847.6	851.9	851.6
24 Large-denomination time deposits ⁶	198.6	226.0	262.3	305.4	294.8	299.1	299.8	301.8	305.4

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

M1: Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks, (2) traveler's checks of nonbank issuers; (3) 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 (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft accounts (CUSD), and demand deposits at mutual savings banks.

M2: M1 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.

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

L: M3 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. Outstanding amount of U.S. dollar-denominated traveler's checks of nonbank issuers.

4. Savings deposits exclude NOW and ATS accounts at commercial banks and thrift institutions and CUSDs at credit unions.

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 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.

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

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

Measures of the money stock have been revised to incorporate annual seasonal adjustment and benchmark changes, as well as minor compositional changes. See the H.6 statistical release for Feb. 5, 1982 for more details.

1.22 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1978 Dec.	1979 Dec.	1980 Dec.	1981									
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted												
	1 Total reserves ³	35.21	36. 58	39.19	39.27	39.54	39.35	39.61	39.88	40.62	40.27	40.26	40.80
	2 Nonborrowed reserves	34.34	35.11	37.50	37.93	37.31	37.31	37.93	38.46	39.16	39.09	39.60	40.16
	3 Required reserves	34.98	36.25	38.72	39.14	39.37	39.10	39.36	39.68	40.29	40.08	40.01	40.49
	4 Monetary base ⁴	134.9	145.3	158.2	160.5	161.7	161.6	162.7	163.4	164.0	163.9	164.7	166.1
	Not seasonally adjusted												
	5 Total reserves ³	35.66	36.97	39.66	39.23	39.23	38.96	39.55	39.39	40.00	40.13	40.25	41.24
	6 Nonborrowed reserves	34.80	35.50	37.97	37.89	37.00	36.93	37.87	37.97	38.54	38.94	39.58	40.61
7 Required reserves	35.43	36.65	39.19	39.10	39.05	38.72	39.30	39.19	39.67	39.94	39.99	40.94	
8 Monetary base ⁴	137.4	147.9	161.0	159.9	160.8	161.2	163.3	163.2	163.3	163.8	165.6	169.0	
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁵													
9 Total reserves ³	41.68	43.91	40.61	40.29	40.43	40.35	40.92	40.93	40.50	40.62	40.86	41.91	
10 Nonborrowed reserves	40.81	42.43	38.92	38.95	38.21	38.32	39.24	39.51	39.05	39.44	40.20	41.27	
11 Required reserves	41.45	43.58	40.15	40.16	40.26	40.10	40.67	40.73	40.18	40.43	40.60	41.60	
12 Monetary base ⁴	144.6	156.2	162.4	161.6	162.6	163.3	165.4	165.4	163.9	164.3	166.3	169.8	

1. Reserves measures from November 1980 to date reflect a one-time increase--estimated at \$550 million to \$600 million--in required reserves associated with the reduction of week-end avoidance activities of a few large banks.

2. Reserve aggregates include required reserves of member banks and Edge Act corporations and other depository institutions. Discontinuities associated with the implementation of the Monetary Control Act, the inclusion of Edge Act corporation reserves, and other changes in Regulation D have been removed.

3. Reserve balances with Federal Reserve Banks (which exclude required clearing balances) plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

4. Includes reserve balances and required clearing balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.

5. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustments to eliminate the effect of changes in Regulation D, including changes associated with the implementation of the Monetary Control Act. Includes required reserves of member banks and Edge Act corporations and, beginning Nov. 13, 1980, other depository institutions. Under the transitional phase-in program of the Monetary Control Act of 1980, the net changes in required reserves of depository institutions have been as follows: effective Nov. 13, 1980, a reduction of \$2.8 billion; Feb. 12, 1981, an increase of \$245 million; Mar. 12, 1981, an increase of \$75 million; May 14, 1981, an increase of \$245 million; Aug. 13, 1981, an increase of \$245 million; Sept. 3, 1981, a reduction of \$1.3 billion; and Nov. 19, 1981, an increase of \$220 million.

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

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars; averages of Wednesday figures

Category	1978 Dec.	1979 Dec.	1980 Dec.	1981		1978 Dec.	1979 Dec.	1980 Dec.	1981	
				Nov.	Dec. ²				Nov.	Dec. ²
	Seasonally adjusted					Not seasonally adjusted				
1 Total loans and securities ³	1,013.5 ⁴	1,135.9 ⁵	1,239.6	1,327.5	1,317.7 ⁶	1,022.5 ⁴	1,145.0 ⁵	1,249.5	1,333.4	1,327.6 ⁶
2 U.S. Treasury securities	93.8	94.5	110.0	110.3	110.9	94.5	95.0	110.5	109.5	111.4
3 Other securities	172.8 ⁴	191.5	214.4	231.2	231.8	173.9 ⁴	192.6	215.7	231.9	233.3
4 Total loans and leases ³	747.0 ⁴	849.9 ⁵	915.1	986.0	974.9 ⁶	754.2 ⁴	857.4 ⁵	923.3	992.0	982.9 ⁶
5 Commercial and industrial loans	245.9 ⁷	291.2 ⁵	326.8	363.5	358.5 ^{6,8}	247.7 ⁷	293.0 ⁵	328.8	364.9	360.6 ^{6,8}
6 Real estate loans	210.4	242.1 ⁵	262.6	283.1	285.5 ⁶	211.0	242.6 ⁵	263.3	284.4	286.4 ⁶
7 Loans to individuals	164.6	184.7	179.6	183.7	185.2	165.8	185.9	180.9	184.9	186.5
8 Security loans	19.9	19.1	18.5	21.0	21.9	20.6	19.7	19.1	21.3	22.7
9 Loans to nonbank financial institutions	26.9 ⁹	28.7 ⁵	29.0	30.4	30.3 ⁶	27.7 ⁹	29.5 ⁵	29.9	30.9	31.2
10 Agricultural loans	28.1	31.0	31.5	32.9	33.0	28.1	30.9	31.4	33.2	33.0
11 Lease financing receivables	7.5	9.3	10.9	12.6	12.7	7.5	9.3	10.9	12.6	12.7
12 All other loans	43.6 ⁴	43.9	56.2	58.8	47.8	45.8 ⁴	46.4	59.0	59.8	49.9
MEMO:										
13 Total loans and securities plus loans sold ^{3,10}	1,017.2 ⁴	1,138.9 ^{5,11}	1,242.3	1,330.3	1,320.5 ⁶	1,026.2 ⁴	1,148.0 ^{5,11}	1,252.2	1,336.2	1,330.4 ⁶
14 Total loans plus loans sold ^{3,10}	750.7 ⁴	852.9 ^{5,11}	917.8	988.8	977.7 ⁶	757.9 ⁴	860.4 ^{5,11}	926.0	994.7	985.7 ⁶
15 Total loans sold to affiliates ¹⁰	3.7	3.0 ^{9,11}	2.7	2.7	2.8	3.7	3.0 ^{9,11}	2.7	2.7	2.8
16 Commercial and industrial loans plus loans sold ¹⁰	247.8 ^{7,12}	293.2 ^{5,11}	328.6	365.6	360.7 ^{6,8}	249.6 ^{7,12}	295.0 ^{5,11}	330.6	367.0	362.8 ^{6,8}
17 Commercial and industrial loans sold ¹⁰	1.9 ¹²	2.0 ¹¹	1.8	2.1	2.2	1.9 ¹²	2.0 ¹¹	1.8	2.1	2.2
18 Acceptances held	6.6	8.2	7.8	8.9	8.9	7.3	9.1	8.5	9.2	9.8
19 Other commercial and industrial loans	239.3	283.0	319.0	354.6	349.0	240.4	283.9	320.3	355.7	350.2
20 To U.S. addressees ¹¹	226.1	264.6	297.6	328.3	335.0	225.9	264.1	297.1	329.2	334.4
21 To non-U.S. addressees	13.2	18.4	21.4	26.4	14.0	14.5	19.8	23.2	26.6	15.8
22 Loans to foreign banks	20.9	18.3	23.4	23.3	18.9	22.6	19.6	25.1	23.2	20.0

1. Includes domestically chartered banks; U.S. branches and agencies of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

2. Shifts of foreign loans and securities from U.S. banking offices to international banking facilities reduced the December levels for several items as follows: total loans and investments, \$23.4 billion; total loans, \$23.1 billion; commercial and industrial loans (non-U.S. addressees), \$11.0 billion; loans to foreign banks, \$5.9 billion; all other loans, \$6.2 billion; and other securities, \$0.3 billion.

3. Excludes loans to commercial banks in the United States.

4. 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."

5. 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.

6. Absorption of a nonbank affiliate by a large commercial bank added the following to February figures: total loans and securities, \$1.0 billion; total loans and leases, \$1.0 billion; commercial and industrial loans, \$5 billion; real estate loans, \$1 billion; nonbank financial, \$1 billion.

7. As of Dec. 31, 1978, commercial and industrial loans were reduced \$0.1 billion as a result of reclassifications.

8. An accounting procedure change by one bank reduced commercial and industrial loans by \$0.1 billion as of Apr. 1, 1981.

9. As of Dec. 31, 1978, nonbank financial loans were reduced \$0.1 billion as the result of reclassification.

10. Loans sold are those sold outright to a bank's own foreign branches, non-consolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

11. 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.

12. 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.

13. United States includes the 50 states and the District of Columbia.

NOTE: Data are prorated averages of Wednesday estimates for domestically chartered banks, based on weekly reports of a sample of domestically chartered banks and quarterly reports of all domestically chartered banks. For foreign-related institutions, data are averages of month-end estimates based on weekly reports from large agencies and branches and quarterly reports from all agencies, branches, investment companies, and Edge Act corporations engaged in banking.

G-7 data have been revised to reflect new benchmark corrections for domestically chartered banks and recomputation of seasonal factors for both the domestically chartered and foreign-related institutions. In addition, estimates of real estate loans and loans to individuals have been revised to include amounts of such loans at foreign-related institutions (previously included in "all other loans"). Revised data from December 1972 to date are available on request from Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Monthly averages, billions of dollars

Source	December outstanding			Outstanding in 1981								
	1978	1979	1980	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Total nondeposit funds												
1 Seasonally adjusted ²	91.2	121.1	121.7	119.2	112.5	120.1	123.8	122.8	124.7	122.5	119.0	119.3
2 Not seasonally adjusted	90.2	119.8	121.1	118.9	112.0	124.4	124.6	123.5	127.7	126.6	119.9	122.9
Federal funds, RPs, and other borrowings from nonbanks ³												
3 Seasonally adjusted	80.7	90.0	110.8	112.9	110.5	108.8	115.5	114.6	112.2	111.0	112.1	113.6
4 Not seasonally adjusted	79.7	88.7	110.2	112.7	110.1	113.1	116.2	115.3	115.2	115.2	112.9	117.2
5 Net balances due to foreign-related institutions, not seasonally adjusted	6.8	28.1	8.2	3.5	0.7	8.5	5.5	5.5	9.9	8.7	4.3	2.9
6 Loans sold to affiliates, not seasonally adjusted ^{4,5}	3.7	3.0	2.7	2.8	2.7	2.8	2.9	2.7	2.6	2.7	2.7	2.7
MEMO												
7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted ⁶	-10.2	6.5	-14.7	-17.0	-21.3	-13.6	-14.6	-14.6	-10.2	-12.3	-15.4	-15.1
8 Gross due from balances	24.9	22.8	37.5	38.8	43.0	43.4	42.5	45.0	43.7	44.5	45.5	47.9
9 Gross due to balances	14.7	29.3	22.8	21.8	21.7	29.8	27.8	30.4	33.5	32.2	30.1	32.8
10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted ⁷	17.0	21.6	22.9	20.5	20.5	22.1	20.1	20.2	20.1	21.0	19.7	18.0
11 Gross due from balances	14.3	28.9	32.5	31.9	33.8	34.9	35.6	33.8	33.9	35.0	33.8	34.1
12 Gross due to balances	31.3	50.5	55.4	52.4	54.3	57.0	55.7	53.9	54.0	56.0	53.4	52.1
Security RP borrowings												
13 Seasonally adjusted ⁸	45.0	49.7	65.0	68.2	68.3	65.7	72.4	71.4	68.8	67.2	69.3	69.2
14 Not seasonally adjusted	43.8	48.4	63.3	66.8	66.8	69.0	72.0	71.0	70.7	70.2	69.1	71.7
U.S. Treasury demand balances ⁹												
15 Seasonally adjusted	8.7	8.9	8.4	11.7	12.3	14.2	10.9	11.8	9.1	8.8	12.2	11.9
16 Not seasonally adjusted	10.3	9.7	9.0	10.3	12.1	12.3	12.4	10.7	7.4	11.1	13.4	9.7
Time deposits, \$100,000 or more ¹⁰												
17 Seasonally adjusted	213.0	227.1	265.8	281.1	284.3	294.8	303.6	312.4	321.9	324.7	323.5	320.2
18 Not seasonally adjusted	217.9	232.8	272.4	285.9	283.7	293.6	298.4	304.6	314.5	319.8	322.2	324.0

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

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 domestically 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. After October 1980, movement in federal funds, RPs, and other borrowings from

foreign sources and Federal Reserve Banks and federal funds purchased from federal agencies.

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. Averages of daily figures for member and nonmember banks. Before October 1980 nonmember banks were interpolated from quarterly call report data.

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	1981										
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
DOMESTICALLY CHARTERED COMMERCIAL BANKS¹											
1 Loans and securities, excluding interbank	1,168.0	1,170.4	1,188.7	1,195.5	1,206.1	1,214.1	1,221.3	1,242.5	1,239.9	1,249.4	1,266.1
2 Loans, excluding interbank	840.9	842.6	857.5	864.5	874.2	881.2	888.7	906.2	902.9	912.8	925.3
3 Commercial and industrial	278.2	279.8	287.8	290.3	295.4	298.3	301.2	308.5	308.5	312.6	320.6
4 Other	562.7	562.8	569.7	574.3	578.8	582.9	587.5	597.8	594.3	600.2	604.7
5 U.S. Treasury securities	111.4	110.3	113.1	112.1	113.4	113.1	111.3	109.4	110.0	106.7	109.4
6 Other securities	215.7	217.5	218.1	218.8	218.4	219.8	221.4	226.9	227.1	229.9	231.4
7 Cash assets, total	162.8	163.9	178.1	175.9	165.7	156.8	168.4	190.2	149.8	162.8	173.1
8 Currency and coin	18.5	17.7	18.7	19.3	19.0	19.5	20.0	19.2	19.7	18.5	22.0
9 Reserves with Federal Reserve Banks	30.4	31.8	38.3	25.2	25.4	27.0	25.4	26.8	25.3	26.1	28.0
10 Balances with depository institutions	51.8	51.3	53.7	57.7	56.8	52.7	61.4	68.9	49.3	52.0	54.5
11 Cash items in process of collection	62.1	63.1	67.4	73.5	64.5	57.6	61.6	75.4	55.5	66.4	68.6
12 Other assets ²	162.9	167.2	171.1	163.1	172.2	162.8	168.3	184.5	175.5	194.4	210.7
13 Total assets/total liabilities and capital	1,493.8	1,501.5	1,537.8	1,534.4	1,544.0	1,533.7	1,558.0	1,617.2	1,565.2	1,606.7	1,649.9
14 Deposits	1,131.2	1,135.7	1,151.2	1,169.3	1,164.6	1,160.0	1,181.3	1,224.4	1,177.1	1,206.0	1,240.0
15 Demand	345.4	345.3	356.8	360.7	350.8	333.7	342.5	378.0	324.0	339.2	364.3
16 Savings	213.9	220.1	222.4	220.4	220.0	219.2	217.2	216.7	214.0	217.9	222.0
17 Time	571.9	570.3	572.0	588.3	593.8	607.2	621.6	629.7	639.1	648.9	653.6
18 Borrowings	164.1	164.8	180.4	156.8	170.3	160.4	164.4	176.9	174.5	179.3	190.4
19 Other liabilities	80.6	80.6	81.8	82.5	81.8	86.3	89.8	91.4	89.3	95.2	91.8
20 Residual (assets less liabilities)	117.9	120.4	124.4	125.8	127.3	127.0	122.5	124.4	124.3	126.2	127.8
MEMO:											
21 U.S. Treasury note balances included in borrowing	5.9	7.7	16.8	5.5	17.4	7.2	6.4	15.3	13.9	5.6	13.5
22 Number of banks	14,696	14,701	14,713	14,719	14,719	14,719	14,720	14,720	14,740	14,743	14,744
ALL COMMERCIAL BANKING INSTITUTIONS³											
23 Loans and securities, excluding interbank		1,254.6			1,291.2	1,297.9	1,306.7	1,334.4	1,324.7	1,335.5	1,328.6
24 Loans, excluding interbank		922.8			955.1	960.8	969.8	993.9	983.6	994.7	983.4
25 Commercial and industrial		331.6			345.5	350.5	354.3	365.8	361.8	365.6	361.0
26 Other		591.3			609.8	610.3	615.5	628.1	621.8	629.1	622.4
27 U.S. Treasury securities		112.6			115.8	115.3	113.5	111.6	111.9	108.8	112.1
28 Other securities		219.3			220.4	221.8	223.4	228.9	229.2	232.0	233.1
29 Cash assets, total		193.2			207.5	187.8	205.2	234.4	165.3	179.3	188.0
30 Currency and coin		17.7			19.0	19.5	20.1	19.2	19.7	18.3	22.0
31 Reserves with Federal Reserve Banks		32.7			26.5	28.0	26.6	28.6	26.5	27.5	29.9
32 Balances with depository institutions		77.8			94.4	81.4	95.6	109.8	62.4	66.0	67.0
33 Cash items in process of collection		65.1			67.5	58.9	62.9	76.7	56.6	67.4	69.6
34 Other assets ²		229.0			238.0	228.4	231.7	250.9	244.0	267.0	288.2
35 Total assets/total liabilities and capital		1,677.0			1,736.9	1,714.1	1,745.6	1,819.8	1,734.0	1,781.7	1,804.9
36 Deposits		1,193.3			1,235.5	1,221.1	1,250.3	1,299.3	1,224.6	1,254.1	1,288.4
37 Demand		371.0			389.3	362.0	378.3	417.3	337.1	352.6	378.1
38 Savings		220.4			220.3	219.5	217.5	216.9	214.3	218.1	222.3
39 Time		602.0			625.9	639.7	654.5	665.0	673.1	683.4	688.0
40 Borrowings		224.4			231.6	218.9	223.5	240.4	236.8	246.2	251.1
41 Other liabilities		137.1			140.6	145.2	147.4	153.7	146.4	153.3	135.7
42 Residual (assets less liabilities)		122.4			129.4	128.9	124.4	126.3	126.3	128.1	129.7
MEMO:											
43 U.S. Treasury note balances included in borrowing		7.7			17.4	7.2	6.4	15.3	13.9	5.6	13.5
44 Number of banks		15,147			15,188	15,188	15,189	15,189	15,209	15,212	15,213

1. Domestically chartered commercial banks include all commercial banks in the United States except branches of foreign banks; included are member and non-member banks, stock savings banks, and nondeposit trust companies.

2. Other assets include loans to U.S. commercial banks.

3. 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 the last day of the quarter until June 1981; beginning July 1981, these data are estimates made on the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarterly condition report data.

Revised data result from benchmarking to the December 1980 and March 1981 quarterly call reports. Revised data for 1980 and 1981 are available from the Banking Section of the Federal Reserve Board.

A18 Domestic Financial Statistics □ February 1982

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	1981					1982				Adjustment bank, 1981
	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30 ^P	Jan. 6 ^P	Jan. 13 ^P	Jan. 20 ^P	Jan. 27 ^P	
1 Cash items in process of collection	56,090	45,930	54,960	57,533	54,879	53,634	48,082	49,251	44,114	118
2 Demand deposits due from banks in the United States	8,001	6,674	7,610	8,017	8,226	7,230	6,853	7,065	6,773	190
3 All other cash and due from depository institutions	35,259	36,694	35,576	39,135	36,154	35,604	35,130	40,636	37,002	354
4 Total loans and securities	605,865	598,937	606,042	602,292	608,325	612,163	606,700	604,315	600,360	1,711
<i>Securities</i>										
5 U.S. Treasury securities	37,510	38,002	37,739	36,621	36,819	37,325	37,376	37,577	37,977	353
6 Trading account	6,819	7,431	6,852	5,925	5,947	6,604	6,664	6,599	6,854	...
7 Investment account, by maturity	30,690	30,570	30,886	30,696	30,872	30,721	30,712	30,978	31,122	353
8 One year or less	9,168	9,368	9,563	9,499	9,861	9,702	9,655	9,970	10,145	110
9 Over one through five years	18,368	18,096	18,220	18,102	17,904	17,991	18,043	17,994	17,966	219
10 Over five years	3,154	3,106	3,104	3,095	3,107	3,028	3,014	3,014	3,011	24
11 Other securities	81,571	79,845	80,093	80,067	80,086	81,293	79,968	79,267	79,290	688
12 Trading account	5,345	3,625	3,892	3,731	3,868	4,677	3,589	3,090	3,098	6
13 Investment account	76,226	76,220	76,202	76,337	76,218	76,616	76,378	76,177	76,192	682
14 U.S. government agencies	16,397	16,431	16,365	16,297	16,300	16,515	16,539	16,383	16,292	237
15 States and political subdivisions, by maturity	56,903	56,866	56,912	57,130	57,021	57,194	56,966	56,942	57,081	432
16 One year or less	8,314	8,228	8,230	8,236	8,122	8,172	7,891	7,915	7,952	108
17 Over one year	48,589	48,638	48,682	48,894	48,899	49,022	49,075	49,027	49,128	324
18 Other bonds, corporate stocks and securities	2,926	2,923	2,924	2,910	2,896	2,907	2,873	2,852	2,818	13
<i>Loans</i>										
19 Federal funds sold ¹	33,654	33,102	35,517	32,781	35,527	38,127	37,153	36,719	32,601	179
20 To commercial banks	23,458	22,637	24,581	22,544	25,740	26,959	25,740	26,247	22,285	179
21 To nonbank brokers and dealers in securities	8,241	8,134	8,299	7,727	7,504	8,274	8,503	7,705	7,434	...
22 To others	1,955	2,330	2,637	2,510	2,283	2,864	2,910	2,766	2,882	...
23 Other loans, gross	465,613	460,518	465,204	465,313	468,270	467,895	464,724	463,231	463,040	529
24 Commercial and industrial	191,818	191,558	193,235	192,456	195,462	195,940	194,621	194,851	195,679	515
25 Bankers' acceptances and commercial paper	4,757	4,758	4,989	4,537	4,295	3,989	4,130	3,628	3,985	4
26 All other	187,061	186,800	188,246	187,920	191,167	191,951	190,491	191,223	191,694	510
27 U.S. addressees	179,679	179,922	181,421	181,034	184,395	185,142	184,003	184,868	185,396	506
28 Non-U.S. addressees	7,382	6,878	6,825	6,886	6,772	6,809	6,488	6,355	6,298	4
29 Real estate	123,512	123,553	124,160	124,151	124,444	125,644	125,744	125,920	126,038	1,059
30 To individuals for personal expenditures	73,758	73,850	74,159	74,722	75,164	73,781	73,640	73,412	73,294	-1,175
31 To financial institutions	7,721	6,991	7,302	7,248	7,069	7,420	7,218	7,280	7,124	40
32 Commercial banks in the United States	9,743	8,527	9,062	8,668	8,277	8,166	7,648	7,531	7,536	...
33 Banks in foreign countries	10,506	10,370	10,303	10,114	10,689	10,433	10,200	10,297	10,455	7
34 Sales finance, personal finance companies, etc	15,879	15,745	15,922	16,066	16,040	15,944	16,070	15,859	15,518	2
35 Other financial institutions	8,047	7,246	7,649	8,328	7,946	7,195	6,905	5,655	5,241	2
36 To nonbank brokers and dealers in securities	2,625	2,670	2,696	2,666	2,810	2,741	2,700	2,551	2,658	4
37 To others for purchasing and carrying securities ²	5,748	5,718	5,685	5,856	5,702	5,728	5,870	5,817	5,716	28
38 To finance agricultural production	16,256	14,288	15,031	15,038	14,666	14,874	14,107	13,958	13,782	47
39 All other	5,869	5,877	5,884	5,902	5,827	5,874	5,904	5,865	5,936	49
40 Less: Unearned income	6,615	6,653	6,627	6,590	6,551	6,574	6,616	6,614	6,611	-10
41 Loan loss reserve	453,130	447,988	452,694	452,822	455,893	455,417	452,203	450,752	450,492	490
42 Other loans, net	10,683	10,683	10,692	10,705	10,781	10,943	10,993	10,955	11,014	2
43 Lease financing receivables	105,444	104,910	107,477	108,121	108,144	108,440	108,261	104,916	103,714	342
44 Total assets	821,343	803,828	822,358	825,803	826,510	828,013	816,019	817,138	802,977	2,717
<i>Deposits</i>										
45 Demand deposits	186,099	168,316	183,108	186,038	187,518	188,380	173,827	171,859	162,035	1,145
46 Mutual savings banks	647	559	572	505	556	762	619	579	570	...
47 Individuals, partnerships, and corporations	137,774	127,311	135,279	138,620	140,376	142,159	134,586	129,635	123,292	973
48 States and political subdivisions	4,985	4,260	5,174	5,202	5,235	5,120	4,924	4,523	4,740	60
49 U.S. government	1,114	1,318	2,706	2,191	2,148	2,974	1,199	3,585	2,203	6
50 Commercial banks in the United States	22,158	18,324	21,586	21,295	21,896	21,224	18,068	18,278	17,084	50
51 Banks in foreign countries	9,349	8,271	8,666	8,535	8,206	7,676	7,255	7,701	7,236	10
52 Foreign governments and official institutions	933	1,597	1,272	1,125	1,211	1,154	1,128	1,334	1,052	3
53 Certified and officers' checks	9,138	6,677	7,852	8,565	7,889	7,309	6,048	6,223	5,856	44
54 Time and savings deposits	356,985	358,823	360,216	362,092	362,502	363,114	364,230	363,890	365,597	1,632
55 Savings	76,758	76,841	76,937	76,739	76,971	80,813	80,299	79,706	78,178	1,137
56 Individuals and nonprofit organizations	73,100	73,243	73,350	73,219	73,446	77,162	76,663	76,125	74,634	1,090
57 Partnerships and corporations operated for profit	3,048	3,062	3,019	2,968	2,977	3,041	3,000	2,939	2,923	35
58 Domestic governmental units	581	509	542	526	524	582	614	610	593	11
59 All other	29	27	26	26	24	28	21	31	28	...
60 Time	280,227	281,981	283,278	285,352	285,531	282,301	283,931	284,184	287,420	495
61 Individuals, partnerships, and corporations	245,714	247,466	248,548	250,175	250,511	247,821	249,319	249,676	252,405	259
62 States and political subdivisions	19,807	19,778	19,783	19,901	19,849	19,671	19,957	19,950	20,364	229
63 U.S. government	263	249	233	240	239	235	246	266	281	7
64 Commercial banks in the United States	9,520	9,638	9,737	9,984	9,852	9,693	9,578	9,602	9,757	...
65 Foreign governments, official institutions, and banks	4,923	4,849	4,977	5,052	5,079	4,880	4,831	4,690	4,612	...
<i>Liabilities for borrowed money</i>										
66 Borrowings from Federal Reserve Banks	200	2,960	98	660	436	1,671	2,553	3,112	4,017	...
67 Treasury tax-and-loan notes	5,118	1,294	6,351	9,096	10,013	3,913	7,085	10,757	11,962	-2
68 All other liabilities for borrowed money ³	141,439	142,248	141,125	138,683	139,215	146,354	142,208	141,836	133,123	-435
69 Other liabilities and subordinated notes and debentures	77,436	76,088	77,557	75,486	73,384	69,792	71,352	71,147	71,403	58
70 Total liabilities	767,278	749,729	768,455	772,055	773,069	773,224	761,254	762,601	748,136	2,398
71 Residual (total assets minus total liabilities)⁴	54,066	54,099	53,903	53,748	53,441	54,789	54,765	54,538	54,841	320

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. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

NOTE. Beginning in the week ending Dec. 9, 1981, shifts of assets and liabilities to international banking facilities (IBFs) reduced the amounts reported in some items, especially in loans to foreigners and to a lesser extent in time deposits. Based on preliminary reports, the large weekly reporting banks shifted \$4.7 billion of assets to their IBFs in the five weeks ending Jan. 13, 1982. Domestic offices net positions with IBFs are now included in net due from or net due to related institutions. More detail will be available later.

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	1981					1982				Adjustment bank, 1981
	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30 ^a	Jan. 6 ^a	Jan. 13 ^a	Jan. 20 ^a	Jan. 27 ^a	
1 Cash items in process of collection.....	52,922	43,344	51,852	54,252	51,553	50,210	45,225	45,972	41,439	115
2 Demand deposits due from banks in the United States.....	7,352	6,096	6,945	7,337	7,587	6,551	6,206	6,412	6,150	159
3 All other cash and due from depository institutions.....	33,091	34,580	33,323	36,569	33,646	33,424	32,623	37,899	34,495	340
4 Total loans and securities.....	565,512	558,742	565,563	561,976	567,776	572,259	567,143	565,051	561,695	3,347
<i>Securities</i>										
5 U.S. Treasury securities.....	34,208	34,717	34,437	33,331	33,535	33,974	33,999	34,165	34,681	335
6 Trading account.....	6,701	7,319	6,741	5,828	5,887	6,522	6,580	6,513	6,796	...
7 Investment account, by maturity.....	27,507	27,398	27,696	27,503	27,648	27,452	27,419	27,652	27,885	335
8 One year or less.....	8,208	8,379	8,567	8,494	8,816	8,605	8,535	8,813	9,039	107
9 Over one through five years.....	16,433	16,207	16,319	16,209	16,040	16,137	16,181	16,136	16,145	204
10 Over five years.....	2,865	2,812	2,810	2,800	2,792	2,710	2,703	2,703	2,701	24
11 Other securities.....	75,103	73,414	73,666	73,648	73,650	74,812	73,493	72,825	72,834	625
12 Trading account.....	5,216	3,531	3,790	3,632	3,751	4,562	3,496	3,024	3,015	6
13 Investment account.....	69,886	69,883	69,876	70,016	69,899	70,250	69,997	69,801	69,819	619
14 U.S. government agencies.....	15,174	15,204	15,160	15,094	15,092	15,295	15,320	15,164	15,070	223
15 States and political subdivision, by maturity.....	51,964	51,934	51,972	52,193	52,090	52,230	51,987	51,968	52,114	384
16 One year or less.....	7,495	7,371	7,366	7,392	7,284	7,325	7,040	7,063	7,101	100
17 Over one year.....	44,469	44,563	44,606	44,800	44,806	44,905	44,947	44,904	45,013	284
18 Other bonds, corporate stocks and securities.....	2,748	2,745	2,744	2,730	2,717	2,724	2,690	2,669	2,634	12
<i>Loans</i>										
19 Federal funds sold ¹	29,339	28,875	31,265	28,902	31,671	33,301	32,587	32,444	28,878	148
20 To commercial banks.....	19,643	19,011	20,902	19,235	22,403	22,800	21,876	22,717	19,196	148
21 To nonbank brokers and dealers in securities.....	7,791	7,567	7,765	7,230	7,028	7,656	7,866	7,034	6,892	...
22 To others.....	1,905	2,296	2,598	2,436	2,239	2,839	2,845	2,693	2,790	...
23 Other loans, gross.....	438,317	433,233	437,671	437,558	440,274	441,628	438,589	437,106	436,855	2,312
24 Commercial and industrial.....	182,480	182,211	183,774	182,878	185,715	186,107	184,857	185,035	185,824	486
25 Bankers acceptances and commercial paper.....	4,637	4,639	4,866	4,393	4,144	3,846	3,998	3,487	3,844	5
26 All other.....	177,842	177,572	178,908	178,485	181,571	182,260	180,859	181,548	181,979	480
27 U.S. addressees.....	170,541	170,772	172,165	171,685	174,876	175,539	174,453	175,274	175,764	476
28 Non-U.S. addressees.....	7,301	6,800	6,743	6,801	6,694	6,721	6,406	6,274	6,215	4
29 Real estate.....	116,705	116,744	117,306	117,329	117,629	118,670	118,736	118,993	118,996	929
30 To individuals for personal expenditures.....	64,560	64,628	64,891	65,393	65,765	66,417	66,294	66,060	65,953	775
31 To financial institutions.....	7,564	6,834	7,142	7,060	6,861	7,227	7,038	7,120	6,967	41
32 Banks in foreign countries.....	9,652	8,459	8,906	8,585	8,198	8,076	7,581	7,462	7,464	...
33 Sales finance, personal finance companies, etc.....	10,367	10,232	10,154	9,962	10,549	10,292	10,060	10,154	10,303	6
34 Other financial institutions.....	15,479	15,342	15,502	15,653	15,658	15,518	15,643	15,431	15,115	1
35 To nonbank brokers and dealers in securities.....	7,995	7,196	7,597	8,276	7,886	7,112	6,852	5,606	5,196	2
36 To others for purchasing and carrying securities ²	2,378	2,419	2,446	2,415	2,559	2,497	2,453	2,408	2,413	4
37 To finance agricultural production.....	5,610	5,582	5,552	5,722	5,569	5,591	5,732	5,679	5,572	26
38 All other.....	15,529	13,586	14,312	14,285	13,885	14,121	13,342	13,258	13,052	41
39 Less: Unearned income.....	5,232	5,237	5,243	5,261	5,189	5,234	5,266	5,227	5,293	46
40 Loan loss reserve.....	6,222	6,260	6,233	6,202	6,166	6,221	6,260	6,262	6,261	28
41 Other loans, net.....	426,862	421,736	426,195	426,095	428,920	430,173	427,064	425,617	425,302	2,238
42 Lease financing receivables.....	10,372	10,373	10,376	10,382	10,442	10,602	10,657	10,620	10,680	3
43 All other assets.....	102,533	101,961	104,415	104,940	104,903	105,350	105,140	101,820	100,593	361
44 Total assets.....	771,782	755,095	772,474	775,457	775,908	778,397	766,995	767,775	755,052	4,325
<i>Deposits</i>										
45 Demand deposits.....	173,502	156,748	170,396	173,297	174,411	174,966	161,432	159,249	150,286	1,106
46 Mutual savings banks.....	627	539	550	486	543	734	598	560	555	...
47 Individuals, partnerships, and corporations.....	127,852	118,076	125,492	128,822	130,196	131,828	124,741	119,999	114,247	950
48 States and political subdivisions.....	4,430	3,797	4,509	4,483	4,594	4,578	4,350	3,942	4,128	47
49 U.S. government.....	983	1,215	2,426	1,973	1,946	2,691	978	3,008	1,891	6
50 Commercial banks in the United States.....	20,576	16,908	20,050	19,720	20,308	19,494	16,718	16,875	15,730	50
51 Banks in foreign countries.....	9,271	8,201	8,592	8,446	8,074	7,602	7,188	7,622	7,160	10
52 Foreign governments and official institutions.....	931	1,596	1,265	1,113	1,209	1,153	1,126	1,331	1,034	3
53 Certified and officers' checks.....	8,832	6,415	7,512	8,253	7,541	6,886	5,732	5,912	5,541	40
54 Time and savings deposits.....	333,893	335,592	337,004	338,862	339,283	341,049	342,206	341,908	343,620	2,826
55 Savings.....	70,940	70,995	71,088	70,922	71,105	74,586	74,126	73,578	72,190	1,021
56 Individuals and nonprofit organizations.....	67,548	67,663	67,765	67,657	67,844	71,197	70,749	70,249	68,897	975
57 Partnerships and corporations operated for profit.....	2,819	2,831	2,789	2,744	2,752	2,813	2,772	2,719	2,702	35
58 Domestic governmental units.....	544	474	508	496	484	548	585	580	564	11
59 All other.....	29	27	26	26	28	28	21	31	28	...
60 Time.....	262,953	264,597	265,916	267,940	268,178	266,463	268,079	268,329	271,429	1,805
61 Individuals, partnerships, and corporations.....	230,618	232,245	233,318	234,922	235,290	234,070	235,527	235,814	238,416	1,576
62 States and political subdivisions.....	18,008	17,992	18,024	18,164	18,136	18,005	18,288	18,310	18,697	222
63 U.S. government.....	253	240	223	230	229	225	256	256	271	7
64 Commercial banks in the United States.....	9,151	9,272	9,374	9,571	9,443	9,284	9,198	9,261	9,433	...
65 Foreign governments, official institutions, and banks.....	4,923	4,849	4,977	5,052	5,079	4,880	4,831	4,690	4,612	...
<i>Liabilities for borrowed money</i>										
66 Borrowings from Federal Reserve Banks.....	200	2,960	98	645	436	1,584	2,520	3,061	3,853	...
67 Treasury tax-and-loan notes.....	4,744	1,182	5,893	8,376	9,207	3,608	6,607	9,918	10,998	...
68 All other liabilities for borrowed money ³	133,337	133,820	132,928	130,450	131,178	137,927	133,593	133,295	125,328	18
69 Other liabilities and subordinated notes and debentures.....	75,536	74,174	75,720	73,549	71,475	67,958	69,413	69,256	69,578	52
70 Total liabilities.....	721,212	704,476	722,040	725,180	725,990	727,092	715,770	716,687	703,663	4,001
71 Residual (total assets minus total liabilities) ⁴	50,569	50,619	50,434	50,276	49,917	51,305	51,225	51,088	51,389	324

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. 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	1981					1982			
	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30 ^a	Jan. 6 ^a	Jan. 13 ^a	Jan. 20 ^a	Jan. 27 ^a
1 Cash items in process of collection.....	17,378	14,053	16,463	17,836	17,269	13,663	14,337	13,816	12,932
2 Demand deposits due from banks in the United States.....	1,641	1,337	1,356	1,279	1,361	1,237	977	1,310	1,038
3 All other cash and due from depository institutions.....	8,566	9,364	9,660	10,444	9,812	10,882	8,137	9,008	7,507
4 Total loans and securities¹.....	137,739	133,801	136,911	134,866	135,997	133,843	133,127	133,572	132,793
<i>Securities</i>									
5 U.S. Treasury securities ²									
6 Trading account ²									
7 Investment account, by maturity.....	7,321	7,001	7,054	7,013	6,907	6,864	6,850	6,831	6,815
8 One year or less.....	1,240	1,225	1,218	1,218	1,213	1,198	1,198	1,231	1,215
9 Over one through five years.....	5,402	5,145	5,236	5,194	5,093	5,055	5,046	4,997	4,998
10 Over five years.....	679	631	601	601	601	611	607	603	602
11 Other securities ²									
12 Trading account ²									
13 Investment account.....	14,816	14,739	14,786	14,862	14,750	14,752	14,637	14,618	14,710
14 U.S. government agencies.....	2,360	2,360	2,354	2,352	2,353	2,348	2,352	2,303	2,274
15 States and political subdivision, by maturity.....	11,646	11,573	11,598	11,675	11,552	11,563	11,445	11,480	11,598
16 One year or less.....	1,983	1,907	1,933	2,020	1,964	1,998	1,956	1,990	2,066
17 Over one year.....	9,663	9,666	9,665	9,654	9,589	9,565	9,488	9,490	9,532
18 Other bonds, corporate stocks and securities.....	810	806	835	834	844	841	840	834	838
<i>Loans</i>									
19 Federal funds sold ³	8,461	7,796	9,944	8,038	8,215	6,887	7,670	9,441	8,528
20 To commercial banks.....	3,452	2,943	4,861	3,252	3,825	2,252	2,777	4,845	4,047
21 To nonbank brokers and dealers in securities.....	4,011	3,565	3,591	3,456	3,289	3,306	3,457	2,967	2,844
22 To others.....	998	1,288	1,492	1,329	1,101	1,330	1,435	1,628	1,638
23 Other loans, gross.....	110,592	107,741	108,609	108,417	109,585	108,829	107,474	106,187	106,311
24 Commercial and industrial.....	55,670	55,126	55,086	54,994	56,225	55,777	55,254	55,468	55,358
25 Bankers acceptances and commercial paper.....	1,453	1,408	1,411	1,292	1,265	1,194	1,284	1,042	1,163
26 All other.....	54,217	53,718	53,675	53,701	54,960	54,582	53,969	54,426	54,195
27 U.S. addressees.....	51,936	51,862	51,964	52,090	53,446	53,115	52,550	53,024	52,773
28 Non-U.S. addressees.....	2,280	1,856	1,711	1,611	1,514	1,467	1,419	1,402	1,422
29 Real estate.....	17,411	17,362	17,561	17,512	17,648	17,667	17,620	17,662	17,697
30 To individuals for personal expenditures.....	10,884	10,950	11,012	11,096	11,150	11,160	11,122	11,084	11,030
To financial institutions.....									
31 Commercial banks in the United States.....	2,258	2,113	2,157	1,995	2,001	2,362	2,033	1,964	2,147
32 Banks in foreign countries.....	4,754	3,735	4,256	3,632	3,467	3,845	3,365	3,216	3,272
33 Sales finance, personal finance companies, etc.....	4,352	4,249	4,179	3,948	4,323	4,253	4,249	4,349	4,509
34 Other financial institutions.....	4,495	4,602	4,562	4,612	4,595	4,485	4,485	4,436	4,340
35 To nonbank brokers and dealers in securities.....	4,904	4,329	4,640	5,240	5,090	4,271	4,272	3,138	3,113
36 To others for purchasing and carrying securities ⁴	595	597	616	612	724	685	683	670	666
37 To finance agricultural production.....	317	322	325	481	277	276	464	459	401
38 All other.....	4,953	4,355	4,213	4,295	4,087	4,168	3,927	3,741	3,778
39 Less, Unearned income.....	1,340	1,348	1,364	1,370	1,374	1,366	1,367	1,367	1,428
40 Loan loss reserve.....	2,112	2,127	2,118	2,092	2,086	2,124	2,137	2,137	2,143
41 Other loans, net.....	107,140	104,266	105,126	104,954	106,126	105,340	103,970	102,683	102,740
42 Lease financing receivables.....	2,254	2,251	2,252	2,250	2,258	2,302	2,308	2,314	2,318
43 All other assets.....	45,660	42,457	42,852	43,354	43,264	44,179	43,052	41,073	41,070
44 Total assets.....	213,238	203,263	209,495	210,029	209,961	206,106	201,980	201,094	197,658
<i>Deposits</i>									
45 Demand deposits.....	53,959	45,717	51,352	53,401	52,326	49,434	45,931	45,491	43,191
46 Mutual savings banks.....	318	277	265	215	268	368	313	282	284
47 Individuals, partnerships, and corporations.....	34,980	29,751	32,972	35,143	34,733	34,184	32,191	30,306	29,724
48 States and political subdivisions.....	598	424	587	494	424	610	552	522	437
49 U.S. government.....	152	379	680	507	500	808	365	942	532
50 Commercial banks in the United States.....	5,391	4,044	5,309	4,824	5,434	4,122	3,883	3,883	3,800
51 Banks in foreign countries.....	7,549	6,626	6,840	6,790	6,387	5,934	5,602	6,046	5,412
52 Foreign governments and official institutions.....	714	1,334	1,011	848	919	823	861	1,103	795
53 Certified and officers' checks.....	4,257	2,883	3,688	4,581	3,661	2,584	2,164	2,406	2,207
54 Time and savings deposits.....	66,995	67,033	67,278	67,310	66,460	65,224	65,927	65,693	66,930
55 Savings.....	9,278	9,263	9,346	9,260	9,318	9,707	9,648	9,540	9,357
56 Individuals and nonprofit organizations.....	8,905	8,896	8,984	8,910	8,966	9,341	9,277	9,185	9,005
57 Partnerships and corporations operated for profit.....	256	259	255	249	256	255	252	237	237
58 Domestic governmental units.....	114	105	104	99	94	109	116	114	112
59 All other.....	3	3	3	3	2	2	3	4	3
60 Time.....	57,717	57,771	57,932	58,050	57,142	55,517	56,279	56,153	57,573
61 Individuals, partnerships, and corporations.....	49,862	49,753	49,810	49,848	49,056	47,727	48,506	48,458	49,596
62 States and political subdivisions.....	2,141	2,135	2,139	2,098	2,073	1,916	1,923	1,961	2,121
63 U.S. government.....	18	18	21	25	25	25	40	54	56
64 Commercial banks in the United States.....	3,303	3,460	3,487	3,573	3,504	3,462	3,420	3,408	3,508
65 Foreign governments, official institutions, and banks.....	2,393	2,404	2,476	2,506	2,484	2,387	2,390	2,272	2,291
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks.....	200	2,145				1,280	2,317	600	1,512
67 Treasury tax-and-loan notes.....	1,338	229	1,810	2,654	2,856	954	1,832	2,902	3,021
68 All other liabilities for borrowed money ⁶	41,705	41,551	40,981	39,469	42,003	45,330	41,905	42,685	39,284
69 Other liabilities and subordinated notes and debentures.....	32,097	29,473	31,088	30,241	29,678	26,827	26,956	26,648	26,741
70 Total liabilities.....	196,295	186,148	192,509	193,076	193,323	189,049	184,869	184,018	180,680
71 Residual (total assets minus total liabilities) ⁷	16,943	17,115	16,986	16,953	16,638	17,057	17,111	17,077	16,978

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. 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	1981					1982				Adjustment bank, 1981
	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30 ^P	Jan. 6 ^P	Jan. 13 ^P	Jan. 20 ^P	Jan. 27 ^P	
BANKS WITH ASSETS OF \$750 MILLION OR MORE										
1 Total loans (gross) and securities adjusted ¹	587,170	581,838	586,670	584,991	587,893	590,232	586,262	583,266	583,499	1,529
2 Total loans (gross) adjusted ¹	468,089	463,992	468,838	468,302	470,988	471,613	468,918	466,422	466,233	488
3 Demand deposits adjusted ²	106,737	102,745	103,856	105,019	108,595	110,548	106,478	100,745	98,633	972
4 Time deposits in accounts of \$100,000 or more	182,692	184,316	185,638	187,836	187,938	182,990	184,113	183,947	186,945	- 965
5 Negotiable CDs	131,737	133,340	134,933	137,021	137,490	132,238	133,022	132,654	135,492	1,382
6 Other time deposits	50,954	50,976	50,705	50,816	50,448	50,752	51,090	51,293	51,454	417
7 Loans sold outright to affiliates ³	2,786	2,742	2,848	2,824	2,848	2,888	2,906	2,893	2,863	.....
8 Commercial and industrial	2,145	2,095	2,196	2,175	2,210	2,245	2,265	2,251	2,246	.....
9 Other	641	647	652	649	638	643	641	642	616	.....
BANKS WITH ASSETS OF \$1 BILLION OR MORE										
10 Total loans (gross) and securities adjusted ¹	549,761	544,394	548,994	547,144	549,866	553,681	549,754	546,703	547,086	3,231
11 Total loans (gross) adjusted ¹	440,450	436,263	440,891	440,165	442,681	444,896	442,262	439,714	439,570	2,271
12 Demand deposits adjusted ²	99,021	95,280	96,068	97,352	100,605	102,572	98,511	93,393	91,226	935
13 Time deposits in accounts of \$100,000 or more	173,074	174,618	175,953	178,099	178,259	174,953	176,103	175,965	178,873	432
14 Negotiable CDs	125,285	126,820	128,436	130,473	130,940	127,240	128,045	127,733	130,512	25
15 Other time deposits	47,790	47,797	47,517	47,626	47,319	47,713	48,059	48,232	48,361	407
16 Loans sold outright to affiliates ³	2,704	2,661	2,775	2,747	2,771	2,816	2,834	2,819	2,789	.....
17 Commercial and industrial	2,080	2,031	2,140	2,114	2,150	2,189	2,207	2,191	2,185	.....
18 Other	623	630	635	633	621	627	627	628	604	.....
BANKS IN NEW YORK CITY										
19 Total loans (gross) and securities adjusted ^{1,4}	135,481	132,220	133,376	133,082	133,630	132,719	131,821	130,267	130,170	.....
20 Total loans (gross) adjusted ¹	113,343	110,481	111,535	111,207	111,973	111,102	110,334	108,818	108,645	.....
21 Demand deposits adjusted ²	31,038	27,242	28,899	30,234	29,122	30,841	27,307	26,849	25,928	.....
22 Time deposits in accounts of \$100,000 or more	45,341	45,324	45,504	45,636	44,768	43,005	43,708	43,527	45,028	.....
23 Negotiable CDs	34,226	34,249	34,577	34,835	34,028	32,050	32,765	32,670	34,246	.....
24 Other time deposits	11,115	11,075	10,927	10,801	10,740	10,955	10,943	10,857	10,782	.....

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, non-consolidated 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.

1.291 LARGE WEEKLY REPORTING BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1981					1982			
	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30 ^P	Jan. 6 ^P	Jan. 13 ^P	Jan. 20 ^P	Jan. 27 ^P
1 Cash and due from depository institutions	8,046	6,587	7,285	6,772	6,545	6,421	6,591	6,402	6,327
2 Total loans and securities	65,226	52,756	51,311	50,757	51,178	50,150	50,055	48,682	49,443
3 U.S. Treasury securities	1,856	1,965	1,833	2,223	2,196	2,209	2,445	2,435	2,387
4 Other securities	1,045	871	863	828	801	800	826	811	816
5 Federal funds sold	4,857	4,082	4,032	4,844	5,070	5,282	4,791	4,205	5,044
6 To commercial banks in U.S.	4,364	3,631	3,615	4,474	4,442	4,926	4,554	4,014	4,758
7 To others	494	450	418	370	628	355	236	191	286
8 Other loans, gross	57,468	45,837	44,583	42,861	43,111	41,860	41,993	41,231	41,196
9 Commercial and industrial	27,906	21,632	21,454	20,369	20,463	20,291	20,108	19,488	19,716
10 Bankers acceptances and commercial paper	3,593	3,586	3,798	3,606	3,791	3,835	3,644	3,591	3,453
11 All other	24,313	18,047	17,656	16,763	16,672	16,456	16,464	15,898	16,263
12 U.S. addressees	14,205	13,848	14,075	13,683	13,971	13,902	13,886	13,395	13,645
13 Non-U.S. addressees	10,108	4,199	3,581	3,080	2,701	2,554	2,578	2,503	2,617
14 To financial institutions	20,992	18,121	17,469	17,462	17,504	16,740	16,949	16,939	16,832
15 Commercial banks in U.S.	13,358	13,610	13,334	13,613	13,683	12,991	13,230	13,089	13,114
16 Banks in foreign countries	7,296	4,171	3,796	3,506	3,452	3,356	3,314	3,443	3,322
17 Nonbank financial institutions	339	340	339	343	370	394	404	406	396
18 For purchasing and carrying securities	683	631	637	629	687	456	492	371	332
19 All other	7,886	5,452	5,023	4,400	4,456	4,372	4,444	4,432	4,316
20 Other assets (claims on nonrelated parties)	12,091	12,128	12,134	12,268	12,202	11,858	12,266	12,064	12,074
21 Net due from related institutions	9,770	11,914	11,872	12,124	12,639	12,903	12,660	13,183	12,917
22 Total assets	95,133	83,385	82,603	81,920	82,564	81,332	81,572	80,331	80,760
23 Deposits or credit balances ²	25,297	24,358	24,486	25,085	25,292	24,061	23,554	22,940	23,135
24 Credit balances	348	305	372	337	320	356	317	326	292
25 Demand deposits	2,501	2,490	2,415	2,628	2,379	2,459	2,098	1,943	1,972
26 Individuals, partnerships, and corporations	873	860	886	883	895	938	774	767	804
27 Other	1,628	1,630	1,530	1,745	1,484	1,521	1,324	1,176	1,168
28 Total time and savings	22,447	21,562	21,698	22,120	22,593	21,246	21,139	20,671	20,871
29 Individuals, partnerships, and corporations	18,312	18,003	18,082	18,450	18,866	17,936	17,926	17,452	17,744
30 Other	4,135	3,559	3,616	3,670	3,727	3,310	3,213	3,218	3,127
31 Borrowings ³	34,900	32,623	31,864	31,351	31,573	33,068	32,779	33,041	32,231
32 Federal funds purchased ⁴	7,856	6,534	6,603	5,923	5,666	8,169	7,659	8,176	7,167
33 From commercial banks in U.S.	6,872	5,729	5,746	4,922	4,568	7,410	6,777	7,250	6,265
34 From others	984	805	857	1,001	1,097	759	882	926	902
35 Other liabilities for borrowed money	27,044	26,089	25,260	25,428	25,907	24,899	25,119	24,865	25,064
36 To commercial banks in U.S.	22,741	23,138	22,743	22,756	23,242	22,428	22,596	22,395	22,553
37 To others	4,303	2,951	2,517	2,672	2,665	2,470	2,524	2,470	2,511
38 Other liabilities to nonrelated parties	12,395	12,172	12,090	12,331	12,306	11,921	12,472	12,216	12,237
39 Net due to related institutions	22,541	14,231	14,163	13,153	13,393	12,282	12,767	12,134	13,158
40 Total liabilities	95,133	83,385	82,603	81,920	82,564	81,332	81,572	80,331	80,760
MEMO									
41 Total loans (gross) and securities adjusted ⁵	47,505	35,514	34,363	32,669	33,054	32,233	32,270	31,579	31,570
42 Total loans (gross) adjusted ⁵	44,604	32,678	31,666	29,618	30,056	29,224	28,999	28,333	28,368

1. Includes securities purchased under agreements to resell.
2. Balances due to other than directly related institutions.
3. Borrowings from other than directly related institutions.
4. Includes securities sold under agreements to repurchase.
5. Excludes loans and federal funds transactions with commercial banks in U.S.

NOTE: Beginning in the week ending Dec. 9, 1981, shifts of assets and liabilities to international banking facilities (IBFs) reduced the amounts reported in some items, especially in loans to foreigners and to a lesser extent in time deposits. Based on preliminary reports, the large weekly reporting branches and agencies shifted \$22.2 billion of assets to their IBFs in the six weeks ending Jan. 13, 1982. Domestic offices net positions with IBFs are now included in net due from or net due to related institutions. More detail will be available later.

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

Millions of dollars

Industry classification	Outstanding					Net change during					Adjustment bank ¹
	1981				1982	1981		1981		1982	
	Sept. 30	Oct. 28	Nov. 25	Dec. 30	Jan. 27 ^P	Q3	Q4	Nov.	Dec.	Jan. ^P	
1 Durable goods manufacturing....	26,111	25,910	25,570	26,864	27,113	837	754	339	1,294	232	17
2 Nondurable goods manufacturing	23,400	22,060	22,190	21,713	21,589	2,782	1,688	130	-477	-134	11
3 Food, liquor, and tobacco.....	4,431	4,310	4,282	4,190	4,148	26	-241	-29	-92	-44	2
4 Textiles, apparel, and leather..	5,076	4,859	4,652	4,166	4,162	156	-910	-208	-485	-5	2
5 Petroleum refining.....	3,955	3,722	4,769	4,821	4,574	543	866	1,048	52	-247	.....
6 Chemicals and rubber.....	5,749	5,056	4,624	4,341	4,487	1,700	-1,408	-431	-283	144	2
7 Other nondurable goods.....	4,189	4,113	3,863	4,195	4,217	356	6	250	332	18	4
8 Mining (including crude petroleum and natural gas).....	21,283	21,729	22,940	24,364	24,551	3,088	3,082	1,211	1,424	186	.....
9 Trade.....	27,004	27,486	28,180	28,005	28,106	897	1,001	694	-175	35	65
10 Commodity dealers.....	1,657	1,666	1,901	2,292	2,297	158	634	235	390	5	.....
11 Other wholesale.....	12,634	12,636	12,791	12,919	13,230	546	285	155	128	291	20
12 Retail.....	12,713	13,184	13,488	12,795	12,579	193	82	304	-693	-261	45
13 Transportation, communication, and other public utilities....	21,866	21,723	22,025	23,184	23,416	1,042	1,318	302	1,158	208	24
14 Transportation.....	8,465	8,416	8,288	8,619	8,738	269	154	-128	331	98	22
15 Communication.....	3,534	3,573	3,701	3,954	4,029	7	419	128	253	75	.....
16 Other public utilities.....	9,866	9,734	10,037	10,611	10,648	780	745	303	574	36	1
17 Construction.....	7,248	7,164	7,138	7,193	7,065	264	54	-26	55	-173	45
18 Services.....	25,340	25,426	25,593	26,482	26,649	794	1,143	167	890	63	104
19 All other ²	15,818	15,962	16,098	17,070	17,274	641	1,252	136	972	-5	209
20 Total domestic loans.....	168,069	167,460	169,735	174,876	175,764	10,345	6,807	2,275	5,142	411	476
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans....	86,137	84,630	83,834	85,086	85,148	2,734	1,050	-796	1,253	-108	169

1. Adjustment bank amounts represent accumulated adjustments originally made to offset the cumulative effects of mergers. These adjustment amounts should be added to outstanding data for any date in the year to establish comparability with any date in the subsequent year. Changes shown have been adjusted for these amounts.

2. 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 Dec. 31, 1977, are included in this series. The revised series is on a last-Wednesday-of-the-month basis. Partly estimated historical data are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations¹

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks								
	1977 Dec.	1978 Dec.	1979 ² Dec.	1980				1981	
				Mar.	June	Sept.	Dec.	Mar. ³	June ⁴
1 All holders—Individuals, partnerships, and corporations	274.4	294.6	302.2	288.4	288.6	302.0	315.5	280.8	277.5
2 Financial business	25.0	27.8	27.1	28.4	27.7	29.6	29.8	30.8	28.2
3 Nonfinancial business	142.9	152.7	157.7	144.9	145.3	151.9	162.3	144.3	148.6
4 Consumer	91.0	97.4	99.2	97.6	97.9	101.8	102.4	86.7	82.1
5 Foreign	2.5	2.7	3.1	3.1	3.3	3.2	3.3	3.4	3.1
6 Other	12.9	14.1	15.1	14.4	14.4	15.5	17.2	15.6	15.5
Weekly reporting banks									
	1977 Dec.	1978 Dec.	1979 ⁵ Dec.	1980				1981	
				Mar.	June	Sept.	Dec.	Mar. ³	June ⁴
7 All holders—Individuals, partnerships, and corporations	139.1	147.0	139.3	133.6	133.9	140.6	147.4	133.2	131.3
8 Financial business	18.5	19.8	20.1	20.1	20.2	21.2	21.8	21.9	20.7
9 Nonfinancial business	76.3	79.0	74.1	69.1	69.2	72.4	78.3	69.8	71.2
10 Consumer	34.6	38.2	34.3	34.2	33.9	36.0	35.6	30.6	28.7
11 Foreign	2.4	2.5	3.0	3.0	3.1	3.1	3.1	3.2	2.9
12 Other	7.4	7.5	7.8	7.2	7.5	7.9	8.6	7.7	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. Demand deposit ownership data for March 1981 are subject to greater than normal errors reflecting unusual reporting difficulties associated with funds shifted to NOW accounts authorized at year-end 1980. For the household category, the \$15.7 billion decline in demand deposits at all commercial banks between December 1980 and March 1981 has an estimated standard error of \$4.8 billion.

4. Demand deposit ownership survey estimates for June 1981 are not yet available due to unresolved reporting errors.

5. 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	1977 Dec.	1978 Dec.	1979 ¹ Dec.	1980 Dec.	1981						
					June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Commercial paper (seasonally adjusted)										
1 All issuers	65,051	83,438	112,087	123,597	145,737	151,013	157,121	165,379	164,026	164,349	164,036
Financial companies ²											
Dealer-placed paper ³											
2 Total	8,796	12,181	17,161	19,236	25,933	26,006	27,813	30,213	28,909	28,745	28,613
3 Bank-related	2,132	3,521	2,874	3,561	4,750	5,267	6,037	6,161	5,626	5,725	6,036
Directly placed paper ⁴											
4 Total	40,574	51,647	64,748	67,888	74,952	79,571	80,769	83,311	83,053	82,290	81,702
5 Bank-related	7,102	12,314	17,598	22,382	24,107	26,104	25,153	26,426	25,397	26,224	26,901
6 Nonfinancial companies ⁵	15,681	19,610	30,178	36,473	44,852	45,436	48,539	51,855	52,064	53,314	53,721
	Bankers dollar acceptances (not seasonally adjusted)										
7 Total	25,450	33,700	45,321	54,744	63,427	63,721	64,577	65,048	66,072	68,749	↑

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 services.

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
1981—May 19.....	20.00	1981—Nov. 3.....	17.50	1980—Oct.....	13.79	1981—July.....	20.39
June 22.....	20.50	9.....	17.00	Nov.....	16.06	Aug.....	20.50
July 3.....	20.00	16.50—	16.50—	Dec.....	20.35	Sept.....	20.08
Sept. 8.....	20.50	17.....	17.00	1981—Jan.....	20.16	Oct.....	18.45
Sept. 15.....	20.00	20.....	16.50	Feb.....	19.43	Nov.....	16.84
Oct. 22.....	19.50	24.....	16.00	Mar.....	18.05	Dec.....	15.75
Oct. 5.....	19.00	Dec. 1.....	15.75	Apr.....	17.15	1982—Jan.....	15.75
Oct. 13.....	18.00	1982—Feb. 2.....	16.50	May.....	19.61		
				June.....	20.03		

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 2-7, 1981

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).....	\$25,466,901	\$853,739	\$639,132	\$579,473	\$2,158,438	\$814,291	\$20,421,829
2 Number of loans.....	161,627	115,558	20,039	8,992	12,122	1,275	3,641
3 Weighted-average maturity (months).....	1.6	3.0	2.8	3.9	3.4	3.0	1.2
4 Weighted-average interest rate (percent per annum).....	17.23	19.95	19.19	19.65	19.13	18.64	16.73
5 Interquartile range ¹	16.14-18.06	18.25-21.55	18.25-20.85	18.27-21.15	18.25-20.22	17.50-19.65	15.99-17.30
Percentage of amount of loans							
6 With floating rate.....	35.5	27.9	48.2	56.5	57.0	72.1	31.1
7 Made under commitment.....	48.1	31.3	35.9	35.8	45.9	71.9	48.8
8 With no stated maturity.....	15.9	10.1	15.3	17.1	19.9	35.2	15.0
LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS							
9 Amount of loans (thousands of dollars).....	\$2,438,209	↔			\$688,950	\$205,534	\$1,226,234
10 Number of loans.....	27,160	↔			2,811	319	391
11 Weighted-average maturity (months).....	37.6	↔			34.0	37.1	41.8
12 Weighted-average interest rate (percent per annum).....	18.94	↔			21.22	18.52	17.55
13 Interquartile range ¹	17.50-19.56	↔			18.00-20.50	17.50-19.75	16.72-18.90
Percentage of amount of loans							
14 With floating rate.....	56.3	↔			33.1	85.6	66.6
15 Made under commitment.....	54.1	↔			27.2	69.5	71.2
CONSTRUCTION AND LAND DEVELOPMENT LOANS							
16 Amount of loans (thousands of dollars).....	\$1,420,394	↔				\$459,056	
17 Number of loans.....	23,437	↔				250	
18 Weighted-average maturity (months).....	9.9	↔				11.1	
19 Weighted-average interest rate (percent per annum).....	19.46	↔				18.34	
20 Interquartile range ¹	18.54-20.75	↔				17.12-19.90	
Percentage of amount of loans							
21 With floating rate.....	55.3	↔				92.8	
22 Secured by real estate.....	82.4	↔				67.5	
23 Made under commitment.....	38.5	↔				75.6	
24 With no stated maturity.....	10.2	↔				23.7	
Type of construction							
25 1- to 4-family.....	45.8	↔				12.6	
26 Multifamily.....	5.0	↔				9.8	
27 Nonresidential.....	49.2	↔				77.7	
LOANS TO FARMERS							
28 Amount of loans (thousands of dollars).....	\$1,260,648	\$156,504	\$179,965	\$197,569	\$162,025	\$301,038	\$263,546
29 Number of loans.....	64,345	41,247	12,442	5,909	2,448	1,919	380
30 Weighted-average maturity (months).....	5.8	5.8	7.3	5.5	5.7	5.6	4.9
31 Weighted-average interest rate (percent per annum).....	18.76	18.52	18.79	18.59	18.40	19.04	18.93
32 Interquartile range ¹	17.72-19.56	17.72-19.44	17.72-19.54	17.72-19.36	17.72-19.06	18.10-20.12	18.00-20.15
By purpose of loan							
33 Feeder livestock.....	18.50	18.56	18.19	18.35	18.41	18.14	19.10
34 Other livestock.....	18.66	18.23	19.50	18.77	18.05	*	*
35 Other current operating expenses.....	18.88	18.67	19.04	18.74	18.47	19.20	19.11
36 Farm machinery and equipment.....	18.11	18.00	17.94	17.98	*	*	*
37 Other.....	18.87	18.68	19.13	19.31	18.28	19.03	18.63

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(111) statistical release.

1.35 INTEREST RATES Money and Capital Markets

Averages, percent per annum; weekly and monthly figures are averages of business day data unless otherwise noted.

Instrument	1979	1980	1981	1981			1982	1982, week ending				
				Oct.	Nov.	Dec.	Jan.	Jan. 1	Jan. 8	Jan. 15	Jan. 22	Jan. 29
MONEY MARKET RATES												
1 Federal funds ^{1,2}	11.19	13.36	16.38	15.08	13.31	12.37	13.22	12.54	12.98	12.42	12.96	13.98
2 Commercial paper ^{3,4}												
3 1-month	10.86	12.76	15.69	14.80	12.35	12.16	12.90	12.59	12.47	12.53	12.98	13.64
4 3-month	10.97	12.66	15.32	14.85	12.16	12.12	13.09	12.66	12.55	12.75	13.24	13.83
5 6-month	10.91	12.29	14.76	14.72	11.96	12.14	13.35	12.78	12.81	13.18	13.56	13.87
6 Finance paper, directly placed ^{3,4}												
7 1-month	10.78	12.44	15.30	14.63	12.13	11.89	12.67	12.22	12.20	12.27	12.76	13.43
8 3-month	10.47	11.49	14.08	14.04	11.80	11.31	12.56	12.00	12.17	12.33	12.64	13.11
9 6-month	10.25	11.28	13.73	13.96	11.72	11.24	12.56	11.82	12.07	12.42	12.66	13.11
10 Bankers acceptances ^{3,5}												
11 3-month	11.04	12.78	15.32	14.78	12.00	12.13	13.06	12.63	12.43	12.85	13.29	13.68
12 6-month	n.a.	n.a.	14.66	14.62	11.84	12.27	13.31	12.90	12.85	13.29	13.52	13.57
13 Certificates of deposit, secondary market ⁶												
14 1-month	11.03	12.91	15.91	14.97	12.45	12.27	13.03	12.64	12.57	12.67	13.08	13.80
15 3-month	11.22	13.07	15.91	15.39	12.48	12.49	13.51	13.03	12.91	13.22	13.66	14.24
16 6-month	11.44	12.99	15.77	15.71	12.65	13.07	14.25	13.80	13.72	14.21	14.48	14.58
17 Eurodollar deposits, 3-month ²	11.96	14.00	16.79	16.34	13.33	13.24	14.29	13.14	13.55	13.85	14.23	15.10
18 U.S. Treasury bills ⁴												
19 Secondary market ⁷												
20 3-month	10.07	11.43	14.03	13.54	10.86	10.85	12.28	11.35	11.59	12.07	12.66	12.79
21 6-month	10.06	11.37	13.80	13.82	11.30	11.52	12.83	12.25	12.37	12.85	13.13	12.96
22 1-year	9.75	10.89	13.14	13.62	11.20	11.57	12.77	12.23	12.34	12.84	13.11	12.78
23 Auction average ⁸												
24 3-month	10.041	11.506	14.077	13.873	11.269	10.926	12.412	11.690	11.658	12.121	12.505	13.364
25 6-month	10.017	11.374	13.811	14.013	11.530	11.471	12.930	12.448	12.282	12.806	13.102	13.530
26 1-year	9.817	10.748	13.159	14.580	14.077	11.504	13.143	12.501				13.143
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds ⁹												
Constant maturities ¹⁰												
27 1-year	10.67	12.05	14.78	15.38	12.41	12.85	14.32	13.68	13.80	14.39	14.72	14.37
28 2-year	10.12	11.77	14.56	15.54	12.88	13.29	14.57	13.88	14.12	14.67	14.93	14.55
29 2 1/2-year ¹¹								14.00		14.75		14.55
30 3-year	9.71	11.55	14.44	15.50	13.11	13.66	14.64	14.09	14.32	14.73	14.92	14.57
31 4-year	9.52	11.48	14.24	15.41	13.38	13.60	14.65	14.04	14.46	14.79	14.81	14.52
32 5-year	9.48	11.43	14.06	15.33	13.42	13.62	14.67	14.04	14.54	14.84	14.80	14.48
33 7-year	9.44	11.46	13.91	15.15	13.39	13.72	14.59	14.07	14.47	14.76	14.73	14.42
34 10-year	9.33	11.39	13.72	15.13	13.56	13.73	14.57	14.11	14.53	14.74	14.62	14.37
35 20-year	9.29	11.30	13.44	14.68	13.35	13.45	14.22	13.78	14.15	14.38	14.28	14.09
36 30-year												
37 Composite ¹²												
38 Over 10 years (long-term)	8.74	10.81	12.87	14.13	12.68	12.88	13.73	13.26	13.65	13.89	13.81	13.57
State and local notes and bonds												
Moody's series ¹³												
39 Aaa	5.92	7.85	10.43	12.05	10.98	11.70	12.30	11.95	12.00	12.50	12.50	12.20
40 Baa	6.73	9.01	11.76	13.34	12.69	13.30	13.95	14.00	14.00	14.00	14.00	13.80
41 Bond Buyer series ¹⁴	6.52	8.59	11.33	12.83	11.89	12.91	13.28	13.30	13.36	13.44	13.16	13.15
Corporate bonds												
Seasoned issues ¹⁵												
42 All industries	10.12	12.75	15.06	16.20	15.35	15.38	16.05	15.69	15.86	16.07	16.16	16.14
43 Aaa	9.63	11.94	14.17	15.40	14.22	14.23	15.18	14.50	14.81	15.29	15.36	15.27
44 Aa	9.94	12.50	14.75	15.82	14.97	15.00	15.75	15.38	15.59	15.70	15.87	15.84
45 A	10.20	12.89	15.29	16.47	15.82	15.75	16.19	16.00	16.07	16.16	16.25	16.27
46 Baa	10.69	13.67	16.04	17.11	16.39	16.55	17.10	16.86	16.95	17.12	17.14	17.17
47 Aaa utility bonds ¹⁶												
48 New issue	10.03	12.74	15.56	16.94	15.56	15.20	15.68					15.68
49 Recently offered issues	10.02	12.70	15.56	17.24	15.49	15.18	15.88	15.65	16.04	16.12	16.00	15.59
MIMO: Dividend/price ratio ¹⁷												
50 Preferred stocks	9.07	10.57	n.a.	13.09	12.76	12.83	13.19	13.30	13.22	13.16	13.26	13.13
51 Common stocks	5.46	5.25	n.a.	5.65	5.54	5.57	5.95	5.65	5.80	6.02	5.99	5.98

1. Weekly and monthly figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates.

2. Weekly figures are statement week averages—that is, averages for the week ending Wednesday.

3. 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). 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.

4. Yields are quoted on a bank-discount basis, rather than an investment yield basis (which would give a higher figure).

5. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).

6. Unweighted average of offered rates quoted by at least five dealers early in the day.

7. Unweighted average of closing bid rates quoted by at least five dealers.

8. Rates are recorded in the week in which bills are issued.

9. Yields are based on closing bid prices quoted by at least five dealers.

10. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.

11. Each weekly figure is calculated on a biweekly basis and is the average of five business days ending on the Monday following the calendar week. 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.)

12. Unweighted averages of yields (to maturity or call) for all outstanding notes and bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.

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

14. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.

15. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

16. Compilation of the Federal Reserve. 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	1979	1980	1981	1981							1982
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
	Prices and trading (averages of daily figures)										
Common stock prices											
1 New York Stock Exchange (Dec. 31, 1965 = 50)	55.67	68.06	74.02	76.80	74.98	75.24	68.37	69.40	71.49	71.81	67.91
2 Industrial	61.82	78.64	85.44	88.63	86.64	86.72	78.07	78.94	80.86	81.70	76.85
3 Transportation	45.20	60.52	72.61	76.71	74.42	73.27	63.67	65.65	67.68	68.27	62.04
4 Utility	36.46	37.35	38.90	39.23	38.90	40.22	38.17	38.87	40.73	40.22	39.30
5 Finance	58.65	64.28	73.52	79.79	74.97	73.76	69.38	72.58	76.47	74.74	70.99
6 Standard & Poor's Corporation (1941-43 = 10) ¹	107.94	118.71	128.05	132.28	129.13	129.63	118.27	119.84	122.92	123.79	117.41
7 American Stock Exchange (Aug. 31, 1973 = 100)	186.56	300.94	343.50	369.64	364.33	364.60	313.60	308.81	321.01	321.84	296.49
Volume of trading (thousands of shares)											
8 New York Stock Exchange	32,233	44,867	47,237	50,517	43,930	44,489	46,042	46,233	50,791	43,596	48,723
9 American Stock Exchange	4,182	6,377	5,346	6,096	4,374	5,137	5,556	4,233	5,257	4,992	4,497
	Customer financing (end-of-period balances, in millions of dollars)										
10 Regulated margin credit at brokers-dealers ²	11,619	14,721	14,321	15,126	15,134	14,545	13,973	13,866	14,044	14,321	↑ n.a. ↓
11 Margin stock ³	11,450	14,500	14,060	14,870	14,870	14,270	13,710	13,600	13,780	14,060	
12 Convertible bonds	167	219	259	254	263	274	263	263	261	259	
13 Subscription issues	2	2	2	2	1	1	.....	3	3	2	
Free credit balances at brokers ⁴											
14 Margin-account	1,105	2,105	3,515	2,350	2,670	2,645	2,940	2,990	3,290	3,515	↑ ↓
15 Cash-account	4,060	6,070	7,150	6,650	6,470	6,640	6,555	6,100	6,865	7,150	
	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	100.0	↑ n.a. ↓
By equity class (in percent) ⁵											
17 Under 40	16.0	14.0	37.0	25.0	25.0	38.5	47.0	32.0	30.0	37.0	
18 40-49	29.0	30.0	21.0	29.0	29.0	24.0	22.0	28.0	25.0	21.0	
19 50-59	27.0	25.0	20.0	21.0	22.0	15.0	13.0	18.0	21.0	20.0	
20 60-69	14.0	14.0	10.0	11.0	11.0	10.0	8.0	10.0	11.0	10.0	
21 70-79	8.0	9.0	6.0	7.0	7.0	6.0	5.0	6.0	6.0	6.0	
22 80 or more	7.0	8.0	6.0	7.0	6.0	6.0	5.0	6.0	7.0	6.0	
	Special miscellaneous-account balances at brokers (end of period)										
23 Total balances (millions of dollars) ⁶	16,150	21,690	25,870	23,700	24,460	24,760	25,234	24,962	25,409	25,870	↑ n.a. ↓
Distribution by equity status (percent)											
24 Net credit status	44.2	47.8	58.0	53.2	53.8	53.5	55.0	55.0	57.0	58.0	
25 Debt status, equity of	47.0	44.4	31.0	38.4	37.9	37.0	33.0	35.0	33.0	31.0	
26 Less than 60 percent	8.8	7.7	11.0	8.4	8.3	9.5	12.0	10.0	10.0	11.0	
	Margin requirements (percent of market value and effective date) ⁷										
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974					
27 Margin stocks	70	80	65	55	65	50					
28 Convertible bonds	50	60	50	50	50	50					
29 Short sales	70	80	65	55	65	50					

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exchange.

In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

3. A distribution of this total by equity class is shown on lines 17-22.

4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

6. Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act 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 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1979	1980	1981										
			Mar.	Apr.	May	June	July	Aug	Sept.	Oct	Nov.	Dec ^P	
Savings and loan associations													
1 Assets.....	578,962	629,829	636,859	639,827	644,603	646,704	648,793	651,986	654,605	657,997	659,246	662,288	
2 Mortgages.....	475,688	502,812	507,152	509,525	511,754	514,803	516,527	517,701	518,379	518,780	518,683	517,637	
3 Cash and investment securities ¹	46,341	57,572	58,461	56,886	59,045	57,616	57,453	58,558	59,161	61,125	60,978	62,411	
4 Other.....	56,933	69,445	71,246	72,416	73,804	74,285	74,813	75,727	77,065	78,092	79,585	82,240	
5 Liabilities and net worth.....	578,962	629,829	636,859	639,827	644,603	646,704	648,793	651,986	654,605	657,997	659,246	662,288	
6 Savings capital.....	470,004	510,959	518,990	516,071	517,628	517,632	514,103	512,745	514,941	518,556	519,043	523,546	
7 Borrowed money.....	55,232	64,491	64,197	67,704	70,025	74,756	79,554	83,287	87,296	85,926	86,073	88,954	
8 FHLBB.....	40,441	47,045	47,310	49,607	51,064	53,836	57,188	60,025	61,857	62,000	61,922	62,835	
9 Other.....	14,791	16,309	8,097	18,097	18,961	20,920	22,366	23,262	25,439	23,926	24,151	26,119	
10 Loans in process.....	9,582	8,120	7,840	7,840	7,997	8,008	7,766	7,382	7,073	6,790	6,493	6,407	
11 Other.....	11,506	12,227	13,271	14,946	17,089	14,756	16,365	18,067	15,097	17,298	18,878	15,020	
12 Net worth ²	32,638	33,319	32,645	32,266	31,864	31,552	31,005	30,505	30,198	29,427	28,759	28,361	
13 M.L.M.O: Mortgage loan commitments outstanding ³	16,007	16,102	17,374	18,552	18,740	18,020	17,224	16,681	16,015	15,731	15,756	14,879	
Mutual savings banks ⁴													
14 Assets.....	163,405	171,564	173,232	172,837	173,776	174,387	174,578	174,761	175,234	175,693	175,258	↑ n.a. ↓	
Loans													
15 Mortgage.....	98,908	99,865	99,719	99,798	99,790	99,993	100,095	99,987	99,944	99,903	99,879		
16 Other.....	9,253	11,733	13,248	12,756	13,375	14,403	14,359	14,560	14,868	14,725	15,073		
Securities													
17 U.S. government ⁵	7,658	8,949	9,203	9,262	9,296	9,230	9,361	9,369	9,594	9,765	9,508		
18 State and local government.....	2,930	2,390	2,359	2,314	2,328	2,337	2,291	2,326	2,323	2,394	2,271		
19 Corporate and other ⁶	37,086	39,282	39,236	39,247	39,111	38,418	38,374	38,180	38,118	38,108	37,874		
20 Cash.....	3,156	4,334	4,238	4,172	4,513	4,473	4,629	4,791	4,810	5,118	5,039		
21 Other assets.....	4,412	5,011	5,231	5,288	5,364	5,534	5,469	5,547	5,577	5,681	5,615		
22 Liabilities.....	163,405	171,564	173,232	172,837	173,776	174,387	174,578	174,761	175,234	175,693	175,258		
23 Deposits.....	146,006	153,501	154,805	153,692	153,891	154,926	153,757	153,120	153,412	154,066	153,809		
24 Regular ⁷	144,070	151,416	152,630	151,429	151,658	152,603	151,394	150,753	151,072	151,975	151,787		
25 Ordinary savings.....	61,123	53,971	53,049	52,331	51,212	51,594	50,593	49,003	49,254	48,238	48,456		
26 Time and other.....	82,947	97,445	99,581	99,098	100,447	101,009	100,800	101,750	101,818	103,737	126,889		
27 Other.....	1,936	2,086	2,174	2,264	2,232	2,323	28,494	27,073	25,769	24,806	2,023		
28 Other liabilities.....	5,873	6,695	7,265	8,103	8,922	8,634	10,156	11,125	11,458	11,513	11,434		
29 General reserve accounts.....	11,525	11,368	11,163	11,042	10,923	10,827	10,665	10,516	10,364	10,114	10,015		
30 M.L.M.O: Mortgage loan commitments outstanding ⁸	3,182	1,476	1,379	1,614	1,709	1,577	1,401	1,333	1,218	1,140	1,207		
Life insurance companies													
31 Assets.....	432,282	479,210	490,149	493,185	497,276	500,316	503,994	506,585	509,478	515,079	519,281	↑ n.a. ↓	
Securities													
32 Government.....	0,338	21,378	22,775	22,603	22,948	23,415	23,691	23,949	24,280	24,621	25,200		
33 United States ⁹	4,888	5,345	6,807	6,502	6,787	7,119	7,359	7,544	7,670	7,846	8,321		
34 State and local.....	6,428	6,701	6,199	6,809	6,815	6,876	6,865	6,904	7,033	7,129	7,148		
35 Foreign ¹⁰	9,022	9,332	9,269	9,292	9,346	9,420	9,467	9,501	9,577	9,646	9,731		
36 Business.....	222,332	238,113	243,996	245,841	247,437	248,737	250,186	250,371	250,315	253,976	255,632		
37 Bonds.....	178,371	190,747	196,514	198,397	199,818	201,402	203,016	204,501	205,908	208,004	209,194		
38 Stocks.....	39,757	47,366	47,482	47,444	47,619	47,335	41,170	45,870	44,407	45,972	46,438		
39 Mortgages.....	118,421	131,080	133,230	133,896	134,492	135,318	135,928	136,516	136,982	137,736	138,433		
40 Real estate.....	13,007	15,033	16,244	16,464	16,738	16,966	17,429	17,626	17,801	18,382	18,629		
41 Policy loans.....	34,825	41,411	43,231	43,772	44,292	44,970	45,591	46,252	47,042	47,731	48,275		
42 Other assets.....	27,563	31,702	30,673	30,609	31,369	30,910	31,169	31,971	33,058	32,633	33,112		
Credit unions													
43 Total assets/liabilities and capital.....	65,854	71,709	73,214	72,783	73,565	74,041	73,616	73,240	73,719	73,715	74,402	75,238	
44 Federal.....	35,934	39,801	40,624	40,207	40,648	40,948	40,510	40,233	40,513	40,555	40,843	41,200	
45 State.....	29,920	31,908	32,590	32,576	32,917	33,093	33,106	33,007	33,206	33,160	33,559	34,038	
46 Loans outstanding.....	53,125	47,774	47,815	47,994	48,499	49,064	49,507	49,976	50,169	49,799	49,410	49,230	
47 Federal.....	28,698	25,627	25,618	25,707	26,038	26,422	26,661	26,974	27,137	26,956	26,783	26,733	
48 State.....	24,426	22,147	22,197	22,287	22,461	22,642	22,846	23,002	23,032	22,843	22,627	22,497	
49 Savings.....	56,232	64,399	65,744	65,495	65,988	66,472	65,854	65,138	65,686	65,797	66,141	67,009	
50 Federal (shares).....	35,530	36,348	36,898	36,684	36,967	37,260	36,819	36,373	36,584	36,671	36,910	37,229	
51 State (shares and deposits).....	25,702	28,051	28,846	28,811	29,021	29,212	29,035	28,765	29,102	29,126	29,231	29,780	

For notes see bottom of page A30.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1979	Fiscal year 1980	Fiscal year 1981	Calendar year					
				1980	1981		1981		
					II2	II1	II2	Oct.	Nov.	Dec.
<i>U.S. budget</i>									
1 Receipts ¹	463,302 ^r	517,112 ^r	599,272 ^r	262,152	318,899	303,903	45,467	44,317	57,407
2 Outlays ^{1,2}	490,997 ^r	576,675 ^r	657,204 ^r	310,972	334,710	360,684	63,573	54,959	76,875
3 Surplus, or deficit (-)	-27,694	-59,563 ^r	-57,932	-48,821	-15,811	-36,780	-18,106	-10,642	-19,468
4 Trust funds	18,335	8,791	7,168	-2,551	5,797	-8,085	-4,269	-2,352	-7,675
5 Federal funds ³	-46,069	-67,752	-65,099	-46,306	-21,608	-48,697	-13,837	-8,290	-11,793
<i>Off-budget entities (surplus, or deficit (-))</i>									
6 Federal Financing Bank outlays	-13,261	14,549	-20,769	7,552	-11,046	-8,728	-638	-1,189	-727
7 Other ^{4,5}	793	303	-236	376	-900	-1,752	-5	-691	-320
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-)	-40,162	-73,808 ^r	-78,936 ^r	-55,998	-27,757	-67,260	-18,749	-12,522	-20,516
9 Source or financing									
10 Borrowing from the public	33,641	70,515	79,329	54,764	33,213	54,081	10,374	10,972	14,274
11 Cash and monetary assets (decrease, or increase (-)) ⁶	-408	-355	-1,878	-6,730	2,873	1,111	1,483	8,129	-3,889
12 Other ⁷	6,929	3,648 ^r	1,485	7,964	-8,328	14,290	6,892	-6,579	10,131
MEMO:									
12 Treasury operating balance (level, end of period)	24,176	20,990	18,670	12,305	16,389	12,046	16,335	7,796	12,046
13 Federal Reserve Banks	6,489	4,102	3,520	3,062	2,923	4,301	3,550	3,475	4,301
14 Tax and loan accounts	17,687	16,888	15,150	9,243	13,466	7,745	12,785	4,321	7,745

1. The *Budget of the U.S. Government, Fiscal Year 1983*, has reclassified supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other social insurance receipts, as offsetting receipts in the health function.

2. Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was reclassified from an off-budget agency to an on-budget agency in the Department of Labor.

3. Half-year figures are calculated as a residual (total surplus/deficit less trust fund surplus/deficit).

4. Includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank.

5. Other off-budget includes petroleum acquisition and transportation, strategic petroleum reserve effective November 1981.

6. 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.

7. Includes accrued interest payable to the public; allocations of special drawing rights; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; 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 1983*.

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 NAMSBB 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. Before 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, before 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 1979	Fiscal year 1980 ¹	Fiscal year 1981 ²	Calendar year					
				1980	1981		1981		
				H2	H1	H2	Oct.	Nov.	Dec.
RECEIPTS									
1 All sources ¹	463,302 ^r	517,112	599,272	262,152	318,899	303,903	45,467	44,317	57,407
2 Individual income taxes, net	217,841	244,069	285,917	131,962	142,889	147,035	22,555	21,775	25,770
3 Withheld	195,295	223,763	256,332	120,924	126,101	134,199	21,817	21,387	24,590
4 Presidential Election Campaign Fund	36	39	41	4	36	5	0	0	0
5 Nonwithheld	56,215	63,746	76,844	14,592	59,907	17,391	1,283	846	1,602
6 Refunds	33,705	43,479	47,299	3,559	43,155	4,559	545	458	423
7 Corporation income taxes									
8 Gross receipts	71,448	72,380	73,733	28,579	44,048	31,056	2,934	1,877	11,087
9 Refunds	5,771	7,780	12,596	4,518	6,565	6,847	1,669	1,133	867
10 Social insurance taxes and contributions, net	138,939 ^r	157,803	182,720	77,262	102,911	93,718	15,369	15,795	14,641
11 Payroll employment taxes and contributions ²	115,041	133,042	156,953	66,831	83,851	82,984	13,872	13,610	13,504
12 Self-employment taxes and contributions ³	5,034	5,723	6,041	188	6,240	244	443	0	0
13 Unemployment insurance	15,387	15,336	16,129	6,742	9,205	6,355	439	1,563	221
14 Other net receipts ^{4,5}	3,477 ^r	3,702	3,598	3,502	3,615	4,135	616	622	917
15 Excise taxes	18,745	24,329	40,839	15,332	21,945	22,097	3,486	3,334	3,633
16 Customs deposits	7,439	7,174	8,083	3,717	3,926	4,661	784	729	823
17 Estate and gift taxes	5,411	6,389	6,787	3,499	3,259	3,742	643	598	642
18 Miscellaneous receipts ⁵	9,252	12,748	13,790	6,318	6,487	8,441	1,365	1,341	1,679
OUTLAYS									
18 All types ^{1,6}	490,997 ^r	576,675	657,204	310,972	334,710	360,684	64,216	54,959	76,875
19 National defense	117,681	135,856	159,765	72,457	80,005	87,421	14,722	14,205	16,258
20 International affairs	6,091	10,733	11,130	5,430	5,999	4,655	1,019	745	830
21 General science, space, and technology	5,041	5,722	6,359	3,205	3,314	3,388	830	592	613
22 Energy	6,856	6,313	10,277	3,997	5,677	4,394	1,276	173	399
23 Natural resources and environment	12,091	13,812	13,525	7,722	6,476	7,296	1,562	955	1,289
24 Agriculture	6,238	4,762	5,572	1,892	3,101	5,181	820	1,637	2,681
25 Commerce and housing credit	2,579 ^r	7,788	3,946	3,163	1,940	1,825	1,154	-243	1,051
26 Transportation	17,459	21,120	23,381	11,547	11,991	10,753	1,727	1,559	1,871
27 Community and regional development	9,542 ^r	10,068	9,394	5,370	4,621	4,269	990	707	688
28 Education, training, employment, social services	29,685	30,767	31,402	15,221	15,928	13,878	2,655	2,274	2,245
29 Health ¹	46,962 ^r	55,220	65,982	31,263	34,708	37,448	6,276	6,173	6,421
30 Income security ⁶	160,159	193,100	225,099	107,912	113,490	129,269	20,847	18,462	33,175
31 Veterans benefits and services	19,928	21,183	22,988	11,731	10,531	12,880	3,013	854	3,217
32 Administration of justice	4,153	4,570	4,698	2,299	2,344	2,290	387	371	352
33 General government	4,093 ^r	4,505	4,614	2,432	2,692	2,311	508	339	384
34 General-purpose fiscal assistance	8,372	8,584	6,856	4,191	3,015	3,043	1,314	259	28
35 Interest	52,566 ^r	64,504	82,537	35,909	41,178	47,667	6,157	7,869	13,081
36 Undistributed offsetting receipts ⁷	18,488 ^r	-21,933	-30,320	-14,769	12,432	-17,281	1,039	-1,973	-7,710

1. The *Budget of the U.S. Government, Fiscal Year 1983* has reclassified supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other social insurance receipts, as offsetting receipts in the health function.

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 Oct. 1, 1980, the Pension Benefit Guaranty Corporation was re-

classified from an off-budget agency to an on-budget agency in the Department of Labor.

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 1983*.

1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1979		1980				1981		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding	833.8	852.2	870.4	884.4	914.3	936.7	970.9	977.4	1,003.9
2 Public debt securities	826.5	845.1	863.5	877.6	907.7	930.2	964.5	971.2	997.9
3 Held by public	638.8	658.0	677.1	682.7	710.0	737.7	773.7	771.3	789.8
4 Held by agencies	187.7	187.1	186.3	194.9	197.7	192.5	190.9	199.9	208.1
5 Agency securities	7.2	7.1	7.0	6.8	6.6	6.5	6.4	6.2	6.1
6 Held by public	5.8	5.6	5.5	5.3	5.1	5.0	4.9	4.7	4.6
7 Held by agencies	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
8 Debt subject to statutory limit	827.6	846.2	864.5	878.7	908.7	931.2	965.5	972.2	998.8
9 Public debt securities	825.9	844.5	862.8	877.0	907.1	929.6	963.9	970.6	997.2
10 Other debt ¹	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6
11 MEMO: Statutory debt limit	830.0	879.0	879.0	925.0	925.0	935.1	985.0	985.0	999.8

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	1977	1978	1979	1980	1981				1982
					Sept.	Oct.	Nov.	Dec.	
1 Total gross public debt	718.9	789.2	845.1	930.2	997.9	1,005.0	1,013.3	1,028.7	1,038.4
By type									
2 Interest-bearing debt	715.2	782.4	844.0	928.9	996.5	999.5	1,011.9	1,027.3	1,032.7
3 Marketable	459.9	487.5	530.7	623.2	683.2	689.6	704.8	720.3	726.5
4 Bills	161.1	161.7	172.6	216.1	223.4	229.1	233.9	245.0	250.6
5 Notes	251.8	265.8	283.4	321.6	363.6	362.6	370.8	375.3	374.4
6 Bonds	47.0	60.0	74.7	85.4	96.2	97.9	100.1	99.9	101.6
7 Nonmarketable ¹	255.3	294.8	313.2	305.7	313.3	309.9	307.1	307.0	306.1
8 Convertible bonds ²	2.2	2.2	2.2						
9 State and local government series	13.9	24.3	24.6	23.8	23.2	23.1	23.0	23.0	22.7
10 Foreign issues ³	22.2	29.6	28.8	24.0	20.5	20.5	20.3	19.0	18.9
11 Government	21.0	28.0	23.6	17.6	15.5	15.5	15.3	14.9	14.8
12 Public	1.2	1.6	5.3	6.4	5.0	5.0	5.0	4.1	4.1
13 Savings bonds and notes	77.0	80.9	79.9	72.5	68.3	68.0	68.0	68.1	67.8
14 Government account series ⁴	139.8	157.5	177.5	185.1	201.1	198.1	195.5	196.7	196.4
15 Non-interest-bearing debt	3.7	6.8	1.2	1.3	1.4	5.6	1.4	1.4	5.7
By holder ⁵									
16 U.S. government agencies and trust funds	154.8	170.0	187.1	192.5	208.1	204.9	202.1		
17 Federal Reserve Banks	102.8	109.6	117.5	121.3	124.3	122.4	126.5		
18 Private investors	461.3	508.6	540.5	616.4	665.4	677.2	684.6		
19 Commercial banks	101.4	93.2	96.4	116.0	112.2	111.3	110.0		
20 Mutual savings banks	5.9	5.0	4.7	5.4	5.5	5.5	5.2		
21 Insurance companies	15.1	15.7	16.7	20.1	20.7	19.2	19.4	n.a.	n.a.
22 Other companies	20.5	19.6	22.9	25.7	37.8	38.6	38.3		
23 State and local governments	55.2	64.4	69.9	78.8	86.2	88.3	87.5		
Individuals									
24 Savings bonds	76.7	80.7	79.9	72.5	68.3	68.0	68.1		
25 Other securities	28.6	30.3	36.2	56.7	72.0	73.0	73.5		
26 Foreign and international ⁶	109.6	137.8	124.4	127.7	135.5	135.3	138.3		
27 Other miscellaneous investors ⁷	49.7	58.9	90.1	106.9	127.2	138.0	144.3		

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 investments of foreign balances and international accounts in the United States.

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. 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	1979	1980	1981		1979	1980	1981	
			Oct.	Nov.			Oct.	Nov.
	All maturities				1 to 5 years			
1 All holders	530,731	623,186	689,578	704,819	89,578	197,409	213,462	227,886
2 U.S. government agencies and trust funds	11,047	9,564	9,009	8,745	2,555	1,990	1,352	1,906
3 Federal Reserve Banks	117,458	121,328	122,399	126,539	8,469	35,835	34,264	36,410
4 Private investors	402,226	492,294	558,169	569,534	133,173	159,585	177,846	189,570
5 Commercial banks	69,076	77,868	75,476	76,348	38,346	44,482	39,676	39,741
6 Mutual savings banks	3,204	3,917	4,101	3,847	1,668	1,925	1,897	1,814
7 Insurance companies	11,496	11,930	12,462	12,538	4,518	4,504	5,302	5,527
8 Nonfinancial corporations	8,433	7,758	5,610	5,497	2,844	2,203	1,128	1,212
9 Savings and loan associations	3,209	4,225	4,030	3,913	1,763	2,289	2,251	2,302
10 State and local governments	15,735	21,058	24,513	24,263	3,487	4,595	4,567	4,518
11 All others	291,072	365,539	431,104	444,001	80,546	99,577	123,024	134,455
	Total, within 1 year				5 to 10 years			
12 All holders	255,252	297,385	325,037	328,572	50,440	56,037	65,118	60,112
13 U.S. government agencies and trust funds	1,629	830	919	648	871	1,404	1,398	824
14 Federal Reserve Banks	63,219	56,858	60,413	61,761	12,977	13,458	11,519	11,673
15 Private investors	190,403	239,697	263,705	266,163	36,592	41,175	52,201	47,615
16 Commercial banks	20,171	25,197	28,531	27,708	8,086	5,793	4,823	4,505
17 Mutual savings banks	836	1,246	1,577	1,439	459	455	253	229
18 Insurance companies	2,016	1,940	2,010	2,132	2,815	3,037	2,724	2,464
19 Nonfinancial corporations	4,933	4,281	2,775	2,436	308	357	316	298
20 Savings and loan associations	1,301	1,646	1,628	1,509	69	216	77	32
21 State and local governments	5,607	7,750	9,083	8,789	1,540	2,030	2,805	2,724
22 All others	155,539	197,636	218,100	222,150	24,314	29,287	41,203	37,365
	Bills, within 1 year				10 to 20 years			
23 All holders	172,644	216,104	229,061	233,905	27,588	36,854	43,098	43,062
24 U.S. government agencies and trust funds	0	1	1	1	4,520	3,686	4,027	4,027
25 Federal Reserve Banks	45,337	43,971	45,605	47,661	3,272	5,919	6,535	6,580
26 Private investors	127,306	172,132	183,454	186,243	19,796	27,250	32,536	32,455
27 Commercial banks	5,938	9,856	8,057	8,083	993	1,071	1,278	1,324
28 Mutual savings banks	262	394	398	340	127	181	202	197
29 Insurance companies	473	672	669	673	1,305	1,718	1,564	1,548
30 Nonfinancial corporations	2,793	2,363	1,206	1,059	218	431	856	801
31 Savings and loan associations	219	818	265	203	58	52	39	37
32 State and local governments	3,100	5,413	6,455	6,124	1,762	3,597	4,666	4,724
33 All others	114,522	152,616	166,404	169,760	15,332	20,200	23,931	23,824
	Other, within 1 year				Over 20 years			
34 All holders	82,608	81,281	95,976	94,667	33,254	35,500	42,863	45,187
35 U.S. government agencies and trust funds	1,629	829	917	647	1,472	1,656	1,313	1,340
36 Federal Reserve Banks	17,882	12,888	14,847	14,101	9,520	9,258	9,669	10,115
37 Private investors	63,097	67,565	80,251	79,920	22,262	24,587	31,881	33,731
38 Commercial banks	14,233	15,341	20,474	19,624	1,470	1,325	2,041	2,198
39 Mutual savings banks	574	852	1,179	1,099	113	110	171	168
40 Insurance companies	1,543	1,268	1,341	1,459	842	730	862	866
41 Nonfinancial corporations	2,140	1,918	1,569	1,377	130	476	533	750
42 Savings and loan associations	1,081	828	1,363	1,306	19	21	35	34
43 State and local governments	2,508	2,337	2,828	2,665	3,339	3,086	3,392	3,509
44 All others	41,017	45,020	51,696	52,389	16,340	18,838	24,847	26,208

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 Nov. 30, 1981: (1) 5,323 commercial banks, 455 mutual savings banks,

and 724 insurance companies, each about 80 percent; (2) 410 nonfinancial corporations and 469 savings and loan associations, each about 50 percent; and (3) 489 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.

A34 Domestic Financial Statistics □ February 1982

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1978	1979	1980	1981			1981 and 1982, week ending Wednesday					
				Oct.	Nov.	Dec.	Dec. 16	Dec. 23	Dec. 30	Jan. 6	Jan. 13	Jan. 20
Immediate delivery ¹												
1 U.S. government securities . . .	10,285	13,183	18,331	27,905	35,034	27,425	27,660	23,941	26,129	29,888	29,817	24,662
By maturity												
2 Bills	6,173	7,915	11,413	17,241	18,862	16,599	16,080	13,420	18,236	19,260	18,028	15,806
3 Other within 1 year	392	454	421	768	1,137	986	1,439	396	1,181	1,062	722	505
4 1-5 years	1,889	2,417	3,330	4,408	7,713	5,354	4,883	6,804	4,010	3,913	4,177	4,099
5 5-10 years	965	1,121	1,464	2,903	3,534	2,265	2,611	1,658	1,041	2,005	4,373	2,208
6 Over 10 years	867	1,276	1,704	2,587	3,789	2,222	2,647	1,663	1,661	3,649	2,517	2,045
By type of customer												
7 U.S. government securities dealers	1,135	1,448	1,484	2,138	2,040	1,908	2,439	1,597	1,488	1,541	1,619	1,545
8 U.S. government securities brokers	3,838	5,170	7,610	13,499	16,519	12,316	13,422	10,981	9,631	13,298	15,417	11,534
9 All others ²	5,312	6,564	9,237	12,269	16,475	13,201	11,799	11,363	15,010	15,049	12,781	11,583
10 Federal agency securities . . .	1,894	2,723	3,258	3,559	4,383	2,803	3,320	1,947	2,647	2,694	2,602	2,500
11 Certificates of deposit	1,292	1,764	2,472	5,370	6,380	4,781	5,281	4,326	3,690	4,081	4,759	3,609
12 Bankers acceptances				2,087	2,643	2,042	2,153	1,708	1,589	1,872	2,210	1,697
13 Commercial paper				6,989	7,512	6,782	7,190	7,311	5,640	8,021	6,834	7,852
Futures transactions ³												
14 Treasury bills				3,825	4,905	5,024	6,917	5,340	2,990	4,074	5,107	5,255
15 Treasury coupons				1,499	2,629	1,525	1,818	1,384	860	1,559	1,115	1,037
16 Federal agency securities . . .	n.a.	n.a.	n.a.	195	260	218	310	192	94	169	163	172
Forward transactions ⁴												
17 U.S. government securities . .				303	569	602	343	750	914	389	205	503
18 Federal agency securities . . .				1,437	1,921	1,269	1,608	1,015	865	994	1,354	1,368

- Before 1981, data for immediate transactions include forward transactions.
- Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.
- Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.
- Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the

date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

NOTES: 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, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

Item	1978	1979	1980	1981			1981, week ending Wednesday				
				Oct.	Nov.	Dec. ^a	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30
	Positions										
Net immediate ¹											
1 U.S. government securities	2,656	3,223	4,306	6,384	8,592	4,111	8,175	5,976	1,873	2,010	5,423
2 Bills	2,452	3,813	4,103	4,781	4,920	2,308	4,489	3,200	1,333	540	3,536
3 Other within 1 year	260	325	1,062	3,235	3,611	3,915	4,107	4,142	4,350	4,065	3,048
4 1-5 years	-92	-455	434	1,901	3,779	3,148	3,851	3,449	2,441	3,398	3,105
5 5-10 years	40	160	166	12	241	80	911	342	200	367	380
6 Over 10 years	-4	30	665	2,947	3,264	2,650	3,032	3,127	2,650	2,505	2,210
7 Federal agency securities	606	1,471	797	2,059	2,809	3,721	3,001	3,516	3,934	3,877	3,762
8 Certificates of deposit	2,775	2,794	3,115	4,209	4,396	5,086	4,353	4,444	5,055	5,217	5,837
9 Bankers acceptances				2,133	2,211	2,587	2,516	2,712	2,861	2,428	2,368
10 Commercial paper	↑	↑	↑	2,635	3,273	3,254	3,430	3,309	3,077	3,285	3,293
Future positions											
11 Treasury bills				-8,568	-7,318	-5,209	-6,483	-6,051	-4,347	-4,569	-5,506
12 Treasury coupons	n.a.	n.a.	n.a.	-3,146	-3,872	-3,626	-4,157	-4,200	-3,615	-3,404	-3,134
13 Federal agency securities				-363	-197	-379	-278	-305	-336	-435	-469
Forwards positions											
14 U.S. government securities	↓	↓	↓	-560	-443	-642	-435	807	-926	-383	-513
15 Federal agency securities				-362	-1,045	-1,241	1,231	-1,135	-1,386	-1,315	-1,131
	Financing ²										
Reverse repurchase agreements ³	↑	↑	↑								
16 Overnight and continuing				19,848	20,711	25,185	23,456	24,598	26,733	24,662	26,474
17 Term agreements				37,492	44,981	51,003	47,876	49,820	50,963	52,731	53,624
Repurchase agreements ⁴	n.a.	n.a.	n.a.								
18 Overnight and continuing	↓	↓	↓	41,347	43,324	50,681	50,471	52,461	53,945	44,786	51,740
19 Term agreements				32,892	41,525	43,358	38,498	39,065	41,089	48,533	49,607

For notes see opposite page.

1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1978	1979	1980	1981					
				June	July	Aug.	Sept.	Oct	Nov.
1 Federal and federally sponsored agencies¹	137,063	163,290	193,229	208,961	213,690	218,362	223,393	226,010	226,269
2 Federal agencies	23,488	24,715	28,606	29,945	29,978	30,088	30,870	31,069	31,156
3 Defense Department ²	968	738	610	546	536	526	516	514	490
4 Export-Import Bank ^{3,4}	8,711	9,191	11,250	12,423	12,401	12,385	12,855	12,845	12,829
5 Federal Housing Administration ⁵	588	537	477	448	443	449	432	427	419
6 Government National Mortgage Association participation certificates ⁶	3,141	2,979	2,817	2,715	2,715	2,715	2,715	2,715	2,715
7 Postal Service ⁷	2,364	1,837	1,770	1,538	1,538	1,538	1,538	1,538	1,538
8 Tennessee Valley Authority	7,460	8,997	11,190	12,060	12,130	12,260	12,599	12,830	12,965
30 United States Railway Association ⁷	356	436	492	215	215	215	215	200	200
10 Federally sponsored agencies ¹	113,575	138,575	164,623	179,016	183,712	188,274	192,523	194,941	195,113
11 Federal Home Loan Banks	27,563	33,330	41,258	49,425	52,431	55,161	58,276	57,990	57,854
12 Federal Home Loan Mortgage Corporation	2,262	2,771	2,536	2,409	2,408	2,408	2,308	2,308	2,608
13 Federal National Mortgage Association	41,080	48,486	55,185	54,657	55,362	56,372	56,688	57,805	58,533
14 Federal Land Banks	20,360	16,006	12,365	10,583	10,317	10,317	10,317	9,717	9,717
15 Federal Intermediate Credit Banks	11,469	2,676	1,821	1,388	1,388	1,388	1,388	1,388	1,388
16 Banks for Cooperatives	4,843	584	584	220	220	220	220	220	220
17 Farm Credit Banks ¹	5,081	33,216	48,153	56,932	57,784	58,306	59,024	60,911	60,191
18 Student Loan Marketing Association ⁸	915	1,505	2,720	3,400	3,800	4,100	4,300	4,600	4,600
19 Other	2	1	1	2	2	2	2	2	2
MEMO:									
20 Federal Financing Bank debt^{1,9}	51,298	67,383	87,460	100,333	102,853	103,597	107,309	108,171	109,495
<i>Lending to federal and federally sponsored agencies</i>									
21 Export-Import Bank ³	6,898	8,353	10,654	11,933	11,933	11,933	12,409	12,409	12,409
22 Postal Service ⁷	2,114	1,587	1,520	1,288	1,288	1,288	1,288	1,288	1,288
23 Student Loan Marketing Association ⁸	915	1,505	2,720	3,400	3,800	4,100	4,300	4,600	4,600
24 Tennessee Valley Authority	5,635	7,272	9,465	10,335	10,405	10,535	10,874	11,105	11,240
25 United States Railway Association ⁷	356	436	492	215	215	215	215	200	200
<i>Other Lending¹⁰</i>									
26 Farmers Home Administration	23,825	32,050	39,431	45,691	47,396	47,171	48,821	48,571	49,029
27 Rural Electrification Administration	4,604	6,484	9,196	11,346	11,604	11,861	12,343	12,674	12,924
28 Other	6,951	9,696	13,982	16,125	16,212	16,494	17,059	17,324	17,805

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.

NOTES TO TABLE 1.44

1. Immediate positions are 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 (RPs). 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 to resell (reverse RPs). Before 1981, data for immediate positions include forward positions.

2. Figures cover financing involving U.S. government and federal agency securities, negotiable CDs, bankers acceptances, and commercial paper.

3. Includes all reverse repurchase agreements, including those that have been arranged to make delivery on short sales and those for which the securities obtained have been used as collateral on borrowings, i.e., matched agreements.

4. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.

NOTE: Data for positions are averages of daily figures, in terms of par value, based on the number of trading days in the period. Positions are shown net and are on a commitment basis. Data for financing are based on Wednesday figures, in terms of actual money borrowed or lent.

A36 Domestic Financial Statistics □ February 1982

1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1978	1979	1980	1981					
				June	July	Aug.	Sept.	Oct.	Nov.
1 All issues, new and refunding¹	48,512^r	43,365^r	48,367^r	4,886^r	3,184^r	3,078^r	3,874^r	3,977^r	5,137
<i>Type of issue</i>									
2 General obligation	17,854	12,109	14,100	1,389	1,066	961	567	730	1,273
3 U.S. government loans ²	n.a.	53	38	1	5	8	2	2	3
4 Revenue	30,658	31,256	34,267	3,497	2,118	2,117	3,307	3,247	3,864
5 U.S. government loans ²	n.a.	67	57	4	1	4	10	5	2
<i>Type of issuer</i>									
6 State	6,632	4,314	5,304	585	353	446	92	439	518
7 Special district and statutory authority	24,156	23,434	26,972	2,711	1,728	1,688	2,722	2,404	3,326
8 Municipalities, counties, townships, school districts	17,718	15,617	16,090	1,591	1,103	943	1,060	1,133	1,291
9 Issues for new capital, total	37,629	41,505	46,736	4,812	3,174	2,426	3,868	3,890	5,109
<i>Use of proceeds</i>									
10 Education	5,003	5,130	4,572	641	255	272	162	195	568
11 Transportation	3,460	2,441	2,621	161	537	113	214	496	284
12 Utilities and conservation	9,026	8,594	8,149	767	881	543	1,626	695	742
13 Social welfare	10,494	15,968	19,958	1,380	712	807	498	951	1,850
14 Industrial aid	3,526	3,836	3,974	757	364	292	849	921	539
15 Other purposes	6,120	6,120	5,536	1,106	425	399	519	632	1,126

1. Par amounts of long-term issues based on date of sale.

2. Consists of tax-exempt issues guaranteed by the Farmers Home Administration.

SOURCE: Public Securities Association.

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1978	1979	1980	1981						
				May	June	July	Aug	Sept.	Oct.	Nov.
1 All issues ¹	47,230	51,533	73,688	5,457	9,536	4,133	3,062	4,637	4,345	8,518
2 Bonds	36,872	40,208	53,199	3,080	5,601	2,376	1,616	2,797	2,848	6,724
Type of offering										
3 Public	19,815	25,814	41,587	2,520	4,603	1,925	905	2,198	2,582	6,560
4 Private placement	17,057	14,394	11,612	560	998	451	711	599	266	164
Industry group										
5 Manufacturing	9,572	9,678	15,409	1,269	1,313	600	308	452	21	2,054
6 Commercial and miscellaneous	5,246	3,948	6,688	138	566	206	390	201	617	949
7 Transportation	2,007	3,119	3,329	49	584	133	95	64	54	130
8 Public utility	7,092	8,153	9,556	1,063	996	383	360	1,012	1,008	802
9 Communication	3,373	4,219	6,683	56	470	767	115	471	83	326
10 Real estate and financial	9,586	11,094	11,534	506	1,672	287	348	598	1,065	2,463
11 Stocks	10,358	11,325	20,490	2,377	3,935	1,757	1,446	1,840	1,497	1,794
Type										
12 Preferred	2,832	3,574	3,632	164	188	67	14	156	141	59
13 Common	7,526	7,751	16,858	2,213	3,747	1,690	1,432	1,684	1,356	1,735
Industry group										
14 Manufacturing	1,241	1,679	4,839	903	382	335	160	117	193	407
15 Commercial and miscellaneous	1,816	2,623	5,245	958	1,024	437	626	457	433	564
16 Transportation	263	255	549	47	18	29	91	87	14	15
17 Public utility	5,140	5,171	6,230	173	843	308	248	484	438	405
18 Communication	264	303	567	...	1,036	73	12	369	7	85
19 Real estate and financial	1,631	12,931	3,059	296	632	574	310	325	412	318

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, intra-corporate 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	1980	1981	1981							
			May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
INVESTMENT COMPANIES ¹										
1 Sales of own shares ²	15,266	20,596	1,785	1,910	1,639	1,457	1,449	1,768	1,729	2,140
2 Redemptions of own shares ³	12,012	15,864	1,250	1,512	1,297	1,422	1,457	593	1,125	1,767
3 Net sales.....	3,254	4,732	535	398	342	35	8	1,175	604	373
4 Assets ⁴	58,400	54,966	60,081	58,887	57,494	54,221	51,659	54,335	57,408	54,966
5 Cash position ⁵	5,321	5,285	5,448	5,199	5,109	5,058	5,409	5,799	6,269	5,285
6 Other.....	53,079	49,681	54,633	53,688	52,385	49,163	46,250	48,536	51,139	49,681

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	1978	1979	1980	1980				1981		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Corporate profits with inventory valuation and capital consumption adjustment	185.5	196.8	182.7	200.2	169.3	177.9	183.3	203.0	190.3	195.7
2 Profits before tax	223.3	255.3	245.5	277.1	217.9	237.6	249.5	257.0	229.0	234.4
3 Profits tax liability	82.9	87.6	82.3	94.2	71.5	78.5	85.2	87.7	76.4	78.1
4 Profits after tax	140.3	167.7	163.2	182.9	146.4	159.1	164.3	169.3'	152.6'	156.3
5 Dividends	44.6	50.1	56.0	53.9	55.7	56.7	57.7	59.6	62.0	64.8
6 Undistributed profits	95.7	117.6	107.2	129.0	90.7	102.4	106.6	109.7'	90.6	91.5
7 Inventory valuation	24.3	-42.6	-45.6	-61.4	-31.1	41.7	-48.4	-39.2	-24.0	25.3
8 Capital consumption adjustment	13.5	15.9	-17.2	15.4	-17.6	17.9	17.8	14.7	14.7	13.4

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		1981		
						Q3	Q4	Q1	Q2	Q3
1 Current assets	759.0	826.8	902.1	1,030.0	1,200.9	1,254.9	1,281.6	1,321.2	1,317.4^r	1,349.2
2 Cash	82.1	88.2	95.8	104.5	116.1	113.4	121.0	120.5	118.5	118.3
3 U.S. government securities	19.0	23.4	17.6	16.3	15.6	16.4	17.3	17.0	17.7 ^r	16.0
4 Notes and accounts receivable	272.1	292.8	324.7	383.8	456.8	478.7	491.2	507.3	507.4 ^r	519.7
5 Inventories	315.9	342.4	374.8	426.9	501.7	524.5	525.4	542.8	540.0	557.2
6 Other	69.9	80.1	89.2	98.5	110.8	121.9	126.7	133.6	133.7	138.1
7 Current liabilities	451.6	494.7	549.4	665.5	809.1	850.5	877.2	910.9	908.1	951.1
8 Notes and accounts payable	264.2	281.9	313.2	373.7	456.3	477.2 ^r	498.3	504.0	500.8	529.1
9 Other	187.4	212.8	236.2	291.7	352.8	373.4 ^r	378.9	406.9	407.2	422.0
10 Net working capital	307.4	332.2	352.7	364.6	391.8	404.3	404.4	410.3	409.3^r	398.1
11 M/MO: Current ratio ¹	1.681	1.672	1.642	1.548	1.484	1.475	1.461	1.450	1.451	1.419

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	1981 ¹	1980	1981				1982	
				Q4	Q1	Q2 ¹	Q3	Q4 ¹	Q1 ¹	Q2 ¹
1 Total nonfarm business	270.46	295.63	322.61	299.58	312.24	316.73	328.25	332.06	345.46	354.83
<i>Manufacturing</i>										
2 Durable goods industries	51.07	58.91	62.94	59.77	61.24	63.10	62.58	64.73	66.26	68.34
3 Nondurable goods industries	47.61	56.90	65.32	58.86	63.27	62.40	67.53	67.50	70.21	72.24
<i>Nonmanufacturing</i>										
4 Mining	11.38	13.51	16.80	15.28	16.20	16.80	17.55	16.59	17.23	17.81
Transportation										
5 Railroad	4.03	4.25	4.28	4.54	4.23	4.38	4.18	4.32	4.20	5.18
6 Air	4.01	4.01	3.83	3.77	3.85	3.29	3.34	4.93	3.06	3.63
7 Other	4.31	3.82	3.95	3.39	3.66	4.04	4.09	3.96	4.53	5.08
Public utilities										
8 Electric	27.65	28.12	29.38	27.54	27.69	29.32	30.54	29.82	30.59	31.57
9 Gas and other	6.31	7.32	8.56	7.41	8.36	8.53	9.01	8.27	9.55	8.71
10 Trade and services	79.26	81.79	86.27	82.91	83.43	85.88	87.55	88.27	95.12	96.29
11 Communication and other ²	34.83	36.99	41.27	36.11	40.32	39.02	41.89	43.69	44.17	45.97

1. Anticipated by business.

2. "Other" consists of construction; social services and membership organizations; and forestry, fisheries, and agricultural services.

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	1975	1976	1977	1978	1979	1980		1981		
						Q3	Q4	Q1	Q2	Q3
ASSETS										
Accounts receivable, gross										
1 Consumer	36.0	38.6	44.0	52.6	65.7	71.7	73.6	76.1	79.0	84.5
2 Business	39.3	44.7	55.2	63.3	70.3	66.9	72.3	72.7	78.2	76.9
3 Total	75.3	83.4	99.2	116.0	136.0	138.6	145.9	148.7	157.2	161.3
4 Less: Reserves for unearned income and losses	9.4	10.5	12.7	15.6	20.0	22.3	23.3	24.3	25.7	27.7
5 Accounts receivable, net	65.9	72.9	86.5	100.4	116.0	116.3	122.6	124.5	131.4	133.6
6 Cash and bank deposits	2.9	2.6	2.6	3.5						
7 Securities	1.0	1.1	.9	1.3	24.9 ¹	28.3	27.5	30.8	31.6	34.5
8 All other	11.8	12.6	14.3	17.3						
9 Total assets	81.6	89.2	104.3	122.4	140.9	144.7	150.1	155.3	163.0	168.1
LIABILITIES										
10 Bank loans	8.0	6.3	5.9	6.5	8.5	10.1	13.2	13.1	14.4	14.7
11 Commercial paper	22.2	23.7	29.6	34.5	43.3	40.5	43.4	44.2	49.0	51.2
Debt										
12 Short-term, n.e.c.	4.5	5.4	6.2	8.1	8.2	7.7	7.5	8.2	8.5	11.9
13 Long-term, n.e.c.	27.6	32.3	36.0	43.6	46.7	52.0	52.4	51.6	52.6	50.7
14 Other	6.8	8.1	11.5	12.6	14.2	14.6	14.3	17.3	17.0	17.1
15 Capital, surplus, and undivided profits	12.5	13.4	15.1	17.2	19.9	19.8	19.4	20.9	21.5	22.4
16 Total liabilities and capital	81.6	89.2	104.3	122.4	140.9	144.7	150.1	155.3	163.0	168.1

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 Nov. 30, 1981 ¹	Changes in accounts receivable			Extensions			Repayments		
		1981			1981			1981		
		Sept	Oct.	Nov.	Sept.	Oct.	Nov.	Sept.	Oct	Nov
1 Total	80,283	-619	418	1,395	18,852	17,393	20,029	19,471	16,975	18,634
2 Retail automotive (commercial vehicles)	11,275	99	41	188	1,022	877	1,081	923	918	893
3 Wholesale automotive	12,776	1,216	184	534	5,203	4,804	5,275	6,419	4,620	4,741
4 Retail paper on business, industrial and farm equipment	27,738	307	76	510	1,446	1,352	2,091	1,139	1,276	1,581
5 Loans on commercial accounts receivable and factored commercial accounts receivable	8,627	-352	-21	83	8,721	8,061	9,120	9,073	8,082	9,037
6 All other business credit	19,867	543	220	80	2,460	2,299	2,462	1,917	2,079	2,382

1. Not seasonally adjusted.

1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1979	1980	1981	1981							
				June	July	Aug.	Sept.	Oct	Nov.	Dec.	
	Terms and yields in primary and secondary markets										
PRIMARY MARKETS											
Conventional mortgages on new homes											
Terms ¹											
1 Purchase price (thousands of dollars)	74.4	83.4	90.4	94.1	95.2	98.1	89.1	89.2	84.5	88.7	
2 Amount of loan (thousands of dollars)	53.3	59.2	65.2	66.8	67.7	70.3	64.8	63.5	62.7	64.4	
3 Loan/price ratio (percent)	73.9	73.2	74.8	72.6	73.9	74.7	74.1	73.0	77.3	75.3	
4 Maturity (years)	28.5	28.2	27.7	27.5	28.3	27.2	26.6	27.4	23.4	27.7	
5 Fees and charges (percent of loan amount) ²	1.66	2.09	2.67	2.50	2.73	2.98	2.75	2.86	2.52	2.87	
6 Contract rate (percent per annum)	10.48	12.25	14.16	14.12	14.13	14.60	14.69	15.04	15.68	15.23	
Yield (percent per annum)											
7 FHLBB series ³	10.77	12.65	14.74	14.67	14.72	15.27	15.29	15.65	16.38	15.87	
8 HUD series ⁴	11.15	13.95	16.52	16.40	16.70	17.50	18.30	18.05	16.95	17.00	
SECONDARY MARKETS											
Yield (percent per annum)											
9 FHA mortgages (HUD series) ⁵	10.87	13.42	16.29	16.31	16.76	17.96	18.55	17.43	15.98	16.43	
10 GNMA securities ⁶	10.22	12.55	15.29	15.02	15.76	16.67	17.06	16.54	15.10	15.51	
11 FNMA auctions ⁷											
12 Government-underwritten loans	11.17	14.11	16.70	16.17	16.65	17.63	18.99	18.13	16.64	16.92	
13 Conventional loans	11.77	14.43	16.64	16.30	16.44	17.59	19.14	18.61	17.20	16.95	
Activity in secondary markets											
FEDERAL NATIONAL MORTGAGE ASSOCIATION											
Mortgage holdings (end of period)											
14 Total	46,050	55,104	58,675	57,657	57,979	58,722	59,682	60,489	60,949	61,412	
15 FHA/VA-insured	33,673	37,364	39,342	38,988	39,108	39,368	39,792	40,043	40,056	39,997	
16 Conventional	14,377	17,724	19,334	18,669	18,870	19,354	19,890	20,445	20,885	21,435	
Mortgage transactions (during period)											
17 Purchases	10,812	8,099	6,112	247	627	944	1,125	1,000	594	655	
18 Sales	0	0	2	0	0	0	0	0	0	0	
Mortgage commitments ⁸											
19 Contracted (during period)	10,179	8,083	9,331	1,110	1,662	1,394	811	533	560	1,272	
20 Outstanding (end of period)	6,409	3,278	3,577	3,103	4,039	4,399	3,997	3,447	3,354	3,577	
Auction of 4-month commitments to buy											
Government-underwritten loans											
21 Offered	8,860.4	8,605.4	2,487.2	237.6	331.9	689.5	145.9	66.3	79.0	59.2	
22 Accepted	3,920.9	4,002.0	1,478.0	127.1	290.4	336.6	64.1	37.3	34.4	27.0	
Conventional loans											
23 Offered	4,495.3	3,639.2	2,524.7	307.1	306.6	862.2	120.7	43.2	147.7	84.4	
24 Accepted	2,343.6	1,748.5	1,392.3	224.0	238.2	304.3	67.9	27.5	63.1	48.0	
FEDERAL HOME LOAN MORTGAGE CORPORATION											
Mortgage holdings (end of period) ⁹											
25 Total	3,543	4,362	5,245	5,257	5,250	5,294	5,431	5,469	5,283	5,255	
26 FHA/VA	1,995	2,116	2,236	2,241	2,233	2,238	2,264	2,267	2,232	2,227	
27 Conventional	1,549	2,246	3,010	3,016	3,017	3,056	3,167	3,202	3,051	3,028	
Mortgage transactions (during period)											
28 Purchases	5,717	3,723	3,789	139	242	101	337	290	416	1,140	
29 Sales	4,544	2,527	3,531	94	238	44	249	244	596	1,158	
Mortgage commitments ¹⁰											
30 Contracted (during period)	5,542	3,859	6,974	293	866	386	365	1,834	2,011	203	
31 Outstanding (end of period)	797	447	3,518	1,018	824	1,028	982	2,863	4,451	3,518	

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. Includes participation as well as whole loans.

10. Includes conventional and government-underwritten loans.

1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1979	1980	1981	1980	1981			
				Q4	Q1	Q2	Q3 ¹	Q4
1 All holders	1,326,916¹	1,445,888¹	1,541,449	1,445,888¹	1,467,240¹	1,496,845¹	1,523,504	1,541,449
2 1- to 4-family	878,938 ¹	960,322 ¹	1,018,040	960,322 ¹	972,530 ¹	990,825 ¹	1,007,595	1,018,040
3 Multifamily	128,850 ¹	137,164 ¹	143,483	137,164 ¹	138,548 ¹	140,098 ¹	141,676	143,483
4 Commercial	236,451	256,549 ¹	277,924	256,549 ¹	261,807 ¹	268,587 ¹	274,216	277,924
5 Farm	82,677 ¹	91,853 ¹	102,002	91,853 ¹	94,355 ¹	97,335 ¹	100,017	102,002
6 Major financial institutions	938,567	996,789 ¹	1,043,396	996,789 ¹	1,006,836 ¹	1,023,340 ¹	1,036,687	1,043,396
7 Commercial banks ¹	245,187	263,030 ¹	286,626	263,030 ¹	266,734 ¹	273,225 ¹	281,126	286,626
8 1- to 4-family	149,460	160,326 ¹	172,549	160,326 ¹	161,758 ¹	164,873 ¹	169,378	172,549
9 Multifamily	11,180	12,924 ¹	14,905	12,924 ¹	13,282 ¹	13,800 ¹	14,478	14,905
10 Commercial	75,957	81,081 ¹	90,717	81,081 ¹	83,133 ¹	86,091 ¹	88,836	90,717
11 Farm	8,590	8,699 ¹	8,455	8,699 ¹	8,561 ¹	8,461 ¹	8,434	8,455
12 Mutual savings banks	98,908	99,866 ¹	100,000	99,866 ¹	99,719	99,993	100,200	100,000
13 1- to 4-family	64,706	65,332 ¹	65,420	65,332 ¹	65,236	65,415	65,511	65,420
14 Multifamily	17,180	17,347 ¹	17,370	17,347 ¹	17,321	17,369	17,405	17,370
15 Commercial	16,963	17,127 ¹	17,150	17,127 ¹	17,102	17,149	17,184	17,150
16 Farm	59	60	60	60	60	60	60	60
17 Savings and loan associations	475,688	502,812	517,637	502,812	507,152	514,803	518,379	517,637
18 1- to 4-family	394,345	419,446	432,693	419,446	423,269	433,324	433,313	432,693
19 Multifamily	37,579	38,113	38,253	38,113	38,189	38,044	38,308	38,253
20 Commercial	43,764	45,253	46,691	45,253	45,694	46,435	46,758	46,691
21 Life insurance companies	118,784	131,081 ¹	139,133	131,081 ¹	133,231	135,319	136,982	139,133
22 1- to 4-family	16,193	17,943 ¹	17,812	17,943 ¹	17,847	17,646	17,512	17,812
23 Multifamily	19,274	19,514 ¹	19,929	19,514 ¹	19,579	19,603	19,592	19,929
24 Commercial	71,137	80,666 ¹	88,232	80,666 ¹	82,839	85,038	86,742	88,232
25 Farm	12,180	12,958 ¹	13,160	12,958 ¹	12,966	13,032	13,136	13,160
26 Federal and related agencies	97,084	114,300	126,189	114,300	116,243	120,057	122,668	126,189
27 Government National Mortgage Association	3,852	4,642	4,650	4,642	4,826	4,972	4,382	4,650
28 1- to 4-family	763	704	705	704	696	698	696	705
29 Multifamily	3,089	3,938	3,945	3,938	4,130	4,274	3,686	3,945
30 Farmers Home Administration	1,274	3,492	2,108	3,492	2,837	3,595	2,458	2,108
31 1- to 4-family	417	916	809	916	1,321	1,565	893	809
32 Multifamily	71	610	183	610	528	489	266	183
33 Commercial	174	411	458	411	479	576	541	458
34 Farm	612	1,555	658	1,555	509	965	758	658
35 Federal Housing and Veterans Administration	5,555	5,640	6,073	5,640	5,799	5,895	6,005	6,073
36 1- to 4-family	1,955	2,051	2,293	2,051	2,135	2,172	2,240	2,293
37 Multifamily	3,600	3,589	3,780	3,589	3,664	3,723	3,765	3,780
38 Federal National Mortgage Association	51,091	57,327	61,412	57,327	57,362	57,657	59,682	61,412
39 1- to 4-family	45,488	51,775	55,986	51,775	51,842	52,181	54,227	55,986
40 Multifamily	5,603	5,552	5,426	5,552	5,520	5,476	5,455	5,426
41 Federal Land Banks	31,277	38,131	46,446	38,131	40,258	42,681	44,708	46,446
42 1- to 4-family	1,552	2,099	2,788	2,099	2,228	2,401	2,605	2,788
43 Farm	29,725	36,032	43,658	36,032	38,030	40,280	42,103	43,658
44 Federal Home Loan Mortgage Corporation	4,035	5,068	5,500	5,068	5,161	5,257	5,433	5,500
45 1- to 4-family	3,059	3,873	4,200	3,873	3,953	4,025	4,166	4,200
46 Multifamily	976	1,195	1,300	1,195	1,208	1,232	1,267	1,300
47 Mortgage pools or trusts ²	119,278	142,258	160,450	142,258	147,246	151,374	157,246	160,450
48 Government National Mortgage Association	76,401	93,874	105,790	93,874	97,184	100,558	103,750	105,790
49 1- to 4-family	74,546	91,602	102,750	91,602	94,810	98,057	101,068	102,750
50 Multifamily	1,855	2,272	3,040	2,272	2,374	2,501	2,682	3,040
51 Federal Home Loan Mortgage Corporation	15,180	16,854	19,100	16,854	17,067	17,565	17,936	19,100
52 1- to 4-family	12,149	13,471	15,500	13,471	13,641	14,115	14,401	15,500
53 Multifamily	3,031	3,383	3,600	3,383	3,426	3,450	3,535	3,600
54 Farmers Home Administration	27,697	31,530	35,560	31,530	32,995	33,251	35,560	35,560
55 1- to 4-family	14,884	16,683	18,014	16,683	16,640	16,750	18,014	18,014
56 Multifamily	2,163	2,612	3,464	2,612	2,853	3,072	3,464	3,464
57 Commercial	4,328	5,271	5,826	5,271	5,382	5,531	5,826	5,826
58 Farm	6,322	6,964	8,256	6,964	8,120	7,898	8,256	8,256
59 Individual and others ³	171,987 ¹	192,541 ¹	211,414	192,541 ¹	196,915 ¹	202,074 ¹	206,903	211,414
60 1- to 4-family	99,421 ¹	114,101 ¹	126,521	114,101 ¹	117,154 ¹	120,603 ¹	123,531	126,521
61 Multifamily	23,249 ¹	26,115 ¹	28,288	26,115 ¹	26,474 ¹	27,065 ¹	27,773	28,288
62 Commercial	24,128	26,740 ¹	28,850	26,740 ¹	27,178 ¹	27,767 ¹	28,329	28,850
63 Farm	25,189 ¹	25,585 ¹	27,755	25,585 ¹	26,109 ¹	26,639 ¹	27,270	27,755

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 CREDIT¹ Total Outstanding, and Net Change▲

Millions of dollars

Holder, and type of credit	1978	1979	1980	1981						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Amounts outstanding (end of period)									
1 Total	273,645	312,024	313,435	318,459	320,886	324,653	328,296	328,826	328,944	333,063
By major holder										
2 Commercial banks	136,016	154,177	145,765	143,310	144,020	144,769	145,287	145,090	144,560	146,792
3 Finance companies	54,298	68,318	76,756	82,723	83,924	86,152	88,698	89,583	89,956	89,818
4 Credit unions	44,334	46,517	44,041	45,686	46,096	46,605	46,791	46,416	46,092	45,954
5 Retailers ²	25,987	28,119	29,410	27,412	27,469	27,494	27,712	28,046	28,563	30,717
6 Savings and loans	7,097	8,424	9,911	11,115	10,959	11,125	11,236	11,348	11,529	11,598
7 Gasoline companies	3,220	3,729	4,717	5,364	5,597	5,716	5,771	5,562	5,452	5,433
8 Mutual savings banks	2,693	2,740	2,835	2,849	2,821	2,792	2,801	2,781	2,792	2,751
By major type of credit										
9 Automobile	101,647	116,362	116,327	119,685	121,002	123,219	125,646	126,235	125,929	125,754
10 Commercial banks	60,510	67,367	61,025	59,192	59,434	59,485	59,394	59,133	58,669	58,504
11 Indirect paper	33,850	38,338	34,857	33,996	34,270	34,501	34,656	34,638	34,421	34,569
12 Direct loans	26,660	29,029	26,168	25,196	25,164	24,984	24,738	24,495	24,248	23,935
13 Credit unions	21,200	22,244	21,060	21,847	22,044	22,286	22,375	22,196	22,041	21,975
14 Finance companies	19,937	26,751	34,242	38,646	39,525	41,448	43,877	44,906	45,219	45,275
15 Revolving	48,309	56,937	59,862	58,470	58,976	59,745	60,415	60,651	61,166	65,354
16 Commercial banks	24,341	29,862	30,001	29,722	29,923	30,530	30,921	31,012	31,125	33,246
17 Retailers	20,748	23,346	25,144	23,384	23,456	23,499	23,723	24,077	24,589	26,675
18 Gasoline companies	3,220	3,729	4,717	5,364	5,597	5,716	5,771	5,562	5,452	5,433
19 Mobile home	15,235	16,838	17,327	17,724	17,784	17,988	18,157	18,329	18,385	18,487
20 Commercial banks	9,545	10,647	10,376	10,179	10,192	10,242	10,274	10,317	10,272	10,301
21 Finance companies	3,152	3,390	3,745	3,990	4,076	4,178	4,282	4,384	4,439	4,494
22 Savings and loans	2,067	2,307	2,737	3,069	3,026	3,072	3,103	3,134	3,184	3,203
23 Credit unions	471	494	469	486	490	496	498	494	490	489
24 Other	108,454	121,887	119,919	122,580	123,124	123,701	124,078	123,611	123,464	123,468
25 Commercial banks	41,620	46,301	44,363	44,217	44,471	44,512	44,698	44,628	44,494	44,741
26 Finance companies	31,209	38,177	38,769	40,087	40,323	40,526	40,539	40,293	40,298	40,049
27 Credit unions	22,663	23,779	22,512	23,353	23,563	23,823	23,918	23,726	23,561	23,490
28 Retailers	5,239	4,773	4,266	4,028	4,013	3,995	3,989	3,969	3,974	4,042
29 Savings and loans	5,030	6,117	7,174	8,046	7,933	8,053	8,133	8,214	8,345	8,395
30 Mutual savings banks	2,693	2,740	2,835	2,849	2,821	2,792	2,801	2,781	2,792	2,751
	Net change (during period) ³									
31 Total	43,079	38,381	1,410	1,930	1,954	2,859	2,819	1,014	342	-173
By major holder										
32 Commercial banks	23,641	18,161	-8,412	614	432	185	123	-175	121	881
33 Finance companies	9,430	14,020	8,438	570	948	2,383	2,682	1,204	462	-414
34 Credit unions	6,729	2,185	-2,475	219	532	245	-134	-209	-224	-369
35 Retailers ²	2,497	2,132	1,291	416	265	-13	117	101	-214	-306
36 Savings and loans	7	1,327	1,485	45	-175	42	71	32	121	57
37 Gasoline companies	257	509	988	78	4	33	-20	72	61	9
38 Mutual savings banks	518	47	95	-12	-52	-16	-20	-11	15	-31
By major type of credit										
39 Automobile	18,736	14,715	-35	57	1,208	2,115	2,282	962	274	-91
40 Commercial banks	10,933	6,857	-6,342	-214	199	-91	-201	-288	-70	77
41 Indirect paper	6,471	4,488	-3,481	-44	274	159	63	-44	60	332
42 Direct loans	4,462	2,369	-2,861	-170	-75	-250	-264	-244	-130	-255
43 Credit unions	3,101	1,044	-1,184	106	263	106	-82	-98	-77	-200
44 Finance companies	4,702	6,814	7,491	165	746	2,100	2,565	1,348	421	32
45 Revolving	9,035	8,628	2,925	1,018	477	491	293	390	53	128
46 Commercial banks	5,967	5,521	139	580	156	440	171	138	178	413
47 Retailers	2,811	2,598	1,798	360	317	18	142	180	-186	-294
48 Gasoline companies	257	509	988	78	4	33	-20	72	61	9
49 Mobile home	286	1,603	488	89	67	176	175	135	58	136
50 Commercial banks	419	1,102	-271	-12	20	44	48	41	-26	74
51 Finance companies	74	238	355	85	81	93	102	74	42	49
52 Savings and loans	276	240	430	14	-44	37	26	23	45	15
53 Credit unions	69	23	-25	2	10	2	-1	-3	-3	-2
54 Other	15,022	13,435	-1,968	766	202	77	69	-473	-43	-346
55 Commercial banks	6,322	4,681	-1,938	260	57	-208	105	-66	39	317
56 Finance companies	4,654	6,968	592	320	121	190	15	-218	-1	-495
57 Credit unions	3,559	1,118	-1,266	111	259	137	-51	-108	-144	-167
58 Retailers	-314	-466	-507	56	-52	-31	-25	-79	-28	-12
59 Savings and loans	283	1,087	1,056	31	-131	5	45	9	76	42
60 Mutual savings banks	518	47	95	-12	-52	-16	-20	-11	15	-31

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.

▲ 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 \$71.3 billion at the end of 1979, \$72.2 billion at the end of 1980, and \$78.4 billion at the end of 1981.

1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

Holder, and type of credit	1978	1979	1980	1981							
				June	July	Aug	Sept.	Oct	Nov.	Dec	
	Extensions										
1 Total	297,668	324,777	305,887	29,005	28,750	28,899	29,428	26,952	27,499	26,871	
By major holder											
2 Commercial banks	142,433	154,733	133,605	12,483	12,433	12,034	12,036	11,244	12,043	13,008	
3 Finance companies	50,505	61,518	60,801	5,251	5,439	6,385	7,158	5,327	5,287	4,089	
4 Credit unions	38,111	34,926	29,594	3,137	3,299	2,913	2,558	2,621	2,571	2,517	
5 Retailers ¹	44,571	47,676	50,959	5,018	4,826	4,616	4,727	4,729	4,405	4,221	
6 Savings and loans	3,724	5,901	6,621	649	383	537	573	553	668	588	
7 Gasoline companies	16,017	18,005	22,402	2,296	2,252	2,284	2,246	2,333	2,353	2,323	
8 Mutual savings banks	2,307	2,018	1,905	171	118	130	130	145	172	125	
By major type of credit											
9 Automobile	87,981	93,901	83,002	7,442	8,178	8,573	9,176	7,139	7,748	7,156	
10 Commercial banks	52,969	53,554	40,657	3,652	3,874	3,457	3,394	2,912	3,654	3,782	
11 Indirect paper	29,342	29,623	22,269	2,126	2,349	2,084	2,075	1,627	2,189	2,344	
12 Direct loans	23,627	23,931	18,388	1,526	1,525	1,373	1,319	1,285	1,465	1,438	
13 Credit unions	18,539	17,397	15,294	1,553	1,663	1,537	1,337	1,308	1,342	1,345	
14 Finance companies	16,473	22,950	27,051	2,237	2,641	3,579	4,445	2,919	2,752	2,029	
15 Revolving	105,125	120,174	129,580	12,668	12,190	11,964	12,335	12,208	11,861	12,099	
16 Commercial banks	51,333	61,048	61,847	5,905	5,557	5,528	5,831	5,555	5,555	6,028	
17 Retailers	37,775	41,121	45,331	4,467	4,381	4,152	4,258	4,320	3,953	3,748	
18 Gasoline companies	16,017	18,005	22,402	2,296	2,252	2,284	2,246	2,333	2,353	2,323	
19 Mobile home	5,412	6,471	5,098	488	451	536	543	487	498	500	
20 Commercial banks	3,697	4,542	2,942	259	282	297	302	266	254	300	
21 Finance companies	886	797	898	122	116	120	134	123	108	106	
22 Savings and loans	609	948	1,146	93	30	105	95	89	127	86	
23 Credit unions	220	184	113	14	23	14	12	9	9	8	
24 Other	99,150	104,231	88,207	8,407	7,931	7,826	7,374	7,118	7,392	7,116	
25 Commercial banks	34,434	35,589	28,159	2,667	2,720	2,752	2,509	2,511	2,580	2,898	
26 Finance companies	33,146	37,771	32,852	2,892	2,682	2,686	2,579	2,285	2,427	1,954	
27 Credit unions	19,352	17,345	14,187	1,570	1,613	1,362	1,209	1,304	1,220	1,164	
28 Retailers	6,796	6,555	5,628	551	445	464	469	409	452	473	
29 Savings and loans	3,115	4,953	5,476	556	353	432	478	464	541	502	
30 Mutual savings banks	2,307	2,018	1,905	171	118	130	130	145	172	125	
	Liquidations										
31 Total	254,589	286,396	304,477	27,075	26,796	26,040	26,609	25,938	27,157	27,044	
By major holder											
32 Commercial banks	118,792	136,572	142,017	11,869	12,001	11,849	11,913	11,419	11,922	12,127	
33 Finance companies	41,075	47,498	52,363	4,681	4,491	4,002	4,476	4,123	4,825	4,503	
34 Credit unions	31,382	32,741	32,069	2,918	2,767	2,668	2,692	2,830	2,795	2,886	
35 Retailers ¹	42,074	45,544	49,668	4,602	4,561	4,629	4,610	4,628	4,619	4,527	
36 Savings and loans	3,717	4,574	5,136	604	558	495	502	521	547	531	
37 Gasoline companies	15,760	17,496	21,414	2,218	2,248	2,251	2,266	2,261	2,292	2,314	
38 Mutual savings banks	1,789	1,971	1,810	183	170	146	150	156	157	156	
By major type of credit											
39 Automobile	69,245	79,186	83,037	7,385	6,970	6,458	6,894	6,177	7,474	7,247	
40 Commercial banks	42,036	46,697	46,999	3,866	3,675	3,548	3,595	3,200	3,724	3,705	
41 Indirect paper	22,871	25,135	25,750	2,170	2,075	1,925	2,012	1,671	2,129	2,012	
42 Direct loans	19,165	21,562	21,249	1,696	1,600	1,623	1,583	1,529	1,595	1,693	
43 Credit unions	15,438	16,353	16,478	1,447	1,400	1,431	1,419	1,406	1,419	1,545	
44 Finance companies	11,771	16,136	19,560	2,072	1,895	1,479	1,880	1,571	2,331	1,997	
45 Revolving	96,090	111,546	126,655	11,650	11,713	11,473	12,042	11,818	11,808	11,971	
46 Commercial banks	45,366	55,527	61,708	5,325	5,401	5,088	5,660	5,417	5,377	5,615	
47 Retailers	34,964	38,523	43,533	4,107	4,064	4,134	4,116	4,140	4,139	4,042	
48 Gasoline companies	15,760	17,496	21,414	2,218	2,248	2,251	2,266	2,261	2,292	2,314	
49 Mobile home	5,126	4,868	4,610	399	384	360	368	352	440	364	
50 Commercial banks	3,278	3,440	3,213	271	262	253	254	225	280	226	
51 Finance companies	812	559	543	37	35	27	32	49	66	57	
52 Savings and loans	885	708	716	79	74	68	69	66	82	71	
53 Credit unions	151	161	138	12	13	12	13	12	12	10	
54 Other	84,128	90,796	90,175	7,641	7,729	7,749	7,305	7,591	7,435	7,462	
55 Commercial banks	28,112	30,908	30,097	2,407	2,663	2,960	2,404	2,577	2,541	2,581	
56 Finance companies	28,492	30,803	32,260	2,572	2,561	2,496	2,564	2,503	2,428	2,449	
57 Credit unions	15,793	16,227	15,453	1,459	1,354	1,225	1,260	1,412	1,364	1,331	
58 Retailers	7,110	7,021	6,135	495	497	495	494	488	480	485	
59 Savings and loans	2,832	3,866	4,420	525	484	427	433	455	465	460	
60 Mutual savings banks	1,789	1,971	1,810	183	170	146	150	156	157	156	

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; half-yearly data are at seasonally adjusted annual rates.

Transaction category, sector	1975	1976	1977	1978	1979	1980	1978	1979		1980		1981
							H2	H1	H2	H1	H2	H1
Nonfinancial sectors												
1 Total funds raised	211.8	273.6	336.6	395.6	387.0	371.9	404.9	385.0	389.0	339.0	404.9	416.8
2 Excluding equities	201.7	262.8	333.5	396.3	394.0	357.0	403.5	394.7	393.3	330.1	383.8	415.3
By sector and instrument												
3 U.S. government	85.4	69.0	56.8	53.7	37.4	79.2	43.4	30.0	44.7	66.5	91.9	89.0
4 Treasury securities	85.8	69.1	57.6	55.1	38.8	79.8	45.3	32.3	45.2	67.2	92.4	89.5
5 Agency issues and mortgages	- .4	- .1	- .9	- 1.4	- 1.4	- .6	- 1.9	- 2.3	- .5	- .6	- .6	- .5
6 All other nonfinancial sectors	126.4	204.6	279.9	342.0	349.6	292.7	361.5	355.0	344.3	272.5	313.0	327.9
7 Corporate equities	10.1	10.8	3.1	- .6	- 7.1	15.0	1.4	- 9.8	- 4.3	8.9	21.0	1.6
8 Debt instruments	116.3	193.8	276.7	342.6	356.7	277.8	360.1	364.7	348.6	263.6	292.0	326.3
9 Private domestic nonfinancial sectors	114.9	185.0	266.0	308.7	328.6	263.4	318.2	341.0	316.1	241.3	285.6	292.6
10 Corporate equities	9.9	10.5	2.7	- .1	- 7.8	12.9	1.6	- 9.6	- 6.1	6.9	18.8	.9
11 Debt instruments	105.0	174.5	263.2	308.8	336.4	250.6	316.6	350.6	322.2	234.4	266.8	291.7
12 Debt capital instruments	98.4	123.7	172.2	193.7	200.1	179.4	202.1	203.0	197.2	177.0	181.9	162.2
13 State and local obligations	16.1	15.7	21.9	26.1	21.8	26.9	26.8	20.9	22.7	21.6	32.1	27.8
14 Corporate bonds	27.2	22.8	21.0	20.1	21.2	30.4	21.0	21.7	20.7	35.3	25.6	20.5
15 Mortgages												
16 Home mortgages	39.5	64.0	96.3	108.5	113.7	81.7	116.7	117.6	109.8	76.5	87.0	76.1
17 Multifamily residential	- .	3.9	7.4	9.4	7.8	8.5	8.5	8.0	7.6	8.2	8.8	5.4
18 Commercial	11.0	11.6	18.5	22.1	24.4	22.4	20.5	23.4	25.4	24.8	19.9	22.6
19 Farm	4.6	5.7	7.1	7.5	11.3	9.5	8.4	11.6	11.0	10.6	8.4	9.7
20 Other debt instruments	6.6	50.7	91.0	115.1	136.3	71.1	114.5	147.6	125.0	57.4	84.9	129.5
21 Consumer credit	9.6	25.4	40.2	47.6	46.3	2.3	47.0	50.9	41.6	- 5.1	9.7	29.2
22 Bank loans n.e.c.	- 10.5	4.4	26.7	37.1	49.2	37.3	30.5	55.5	42.8	13.5	61.2	46.3
23 Open market paper	- 2.6	4.0	2.9	5.2	11.1	6.6	7.1	8.0	14.2	24.8	- 11.6	16.9
24 Other	10.1	16.9	21.3	25.1	29.7	24.9	30.0	33.1	26.4	24.1	25.6	37.1
25 By borrowing sector	114.9	185.0	266.0	308.7	328.6	263.4	318.2	341.0	316.1	241.3	285.6	292.6
26 State and local governments	13.7	15.2	17.3	20.9	18.4	25.3	23.3	17.9	18.9	19.7	30.9	25.3
27 Households	49.6	89.6	139.1	164.3	170.6	101.7	173.5	179.1	162.1	94.2	109.1	126.8
28 Farm	8.5	10.2	12.3	15.0	20.8	14.5	17.1	21.2	20.4	17.9	11.1	23.0
29 Nonfarm noncorporate	1.4	5.7	12.7	15.3	14.0	15.8	13.0	13.5	14.5	11.0	20.6	16.8
30 Corporate	1.7	64.3	84.6	93.2	104.8	106.1	91.3	109.3	100.2	98.4	113.8	100.8
31 Foreign	11.5	19.6	13.9	33.2	21.0	29.3	43.2	14.0	28.1	31.2	27.4	35.2
32 Corporate equities	.2	.3	.4	- .5	.8	2.1	- .3	- .2	1.7	1.9	2.2	.6
33 Debt instruments	11.3	19.3	13.5	33.8	20.3	27.2	43.5	14.1	26.4	29.2	25.2	34.6
34 Bonds	6.2	8.6	5.1	4.2	3.9	.8	3.1	2.8	4.9	2.0	- .4	3.3
35 Bank loans n.e.c.	2.0	5.6	3.1	19.1	2.3	11.5	26.5	2.1	2.4	6.1	17.0	5.5
36 Open market paper	.3	1.9	2.4	6.6	11.2	10.1	9.6	6.1	16.3	15.7	4.5	20.6
37 U.S. government loans	2.8	3.3	3.0	3.9	3.0	4.7	4.2	3.1	2.8	5.4	4.0	5.2
Financial sectors												
37 Total funds raised	9.7	23.4	51.4	76.8	84.3	66.7	75.2	87.8	80.8	59.8	73.5	90.9
By instrument												
38 U.S. government related	10.3	15.1	21.9	36.7	48.2	43.0	39.0	43.7	52.8	44.7	41.3	38.7
39 Sponsored credit agency securities	2.3	3.3	7.0	23.1	24.3	24.4	24.9	21.2	27.3	25.1	23.7	24.0
40 Mortgage pool securities	7.1	12.2	16.1	13.6	24.0	18.6	14.1	22.5	25.5	19.6	17.6	14.7
41 Loans from U.S. government	.9	- .4	- 1.2	0	0	0	0	0	0	0	0	0
42 Private financial sectors	- .6	8.2	29.5	40.1	36.0	23.7	36.2	44.1	28.0	15.2	32.2	52.2
43 Corporate equities	.5	- .2	2.6	1.8	2.5	6.2	.5	3.6	1.4	7.1	5.2	10.4
44 Debt instruments	- 1.1	8.4	26.9	38.3	33.6	17.5	35.8	40.6	26.6	8.1	27.0	41.9
45 Corporate bonds	3.2	9.8	10.1	7.5	7.8	7.1	7.1	8.2	7.5	10.1	4.2	- 1.7
46 Mortgages	2.3	2.1	3.1	.9	- 1.2	- .9	- .7	.3	- 2.6	- 5.8	4.0	- 2.9
47 Bank loans n.e.c.	- 3.7	- 3.7	- .3	2.8	- .4	- .5	3.0	- 1.4	.6	- .	- .9	4.6
48 Open market paper and RPs	1.1	2.2	9.6	14.6	18.2	4.6	15.0	25.4	10.9	- .8	10.1	23.8
49 Loans from Federal Home Loan Banks	4.0	- 2.0	4.3	12.5	9.2	7.1	11.5	8.2	10.1	4.6	9.6	18.0
By sector												
50 Sponsored credit agencies	3.2	2.9	5.8	23.1	24.3	24.4	24.9	21.2	27.3	25.1	23.7	24.0
51 Mortgage pools	7.1	12.2	16.1	13.6	24.0	18.6	14.1	22.5	25.5	19.6	17.6	14.7
52 Private financial sectors	- .6	8.2	29.5	40.1	36.0	23.7	36.2	44.1	28.0	15.2	32.2	52.2
53 Commercial banks	1.2	2.3	1.1	1.3	1.6	.5	1.1	1.3	1.8	.8	.3	.2
54 Bank affiliates	.6	5.4	2.0	7.2	6.5	6.9	8.2	8.0	4.9	5.8	8.0	6.9
55 Savings and loan associations	2.3	.1	9.9	14.3	11.4	6.9	11.4	11.1	11.7	- 1.4	15.2	17.0
56 Other insurance companies	1.0	.9	1.4	.8	.9	.9	.8	.9	.9	.9	.9	.9
57 Finance companies	.5	4.3	16.9	18.1	16.8	5.8	17.5	22.7	10.9	5.2	6.3	18.7
58 REITs	- 1.3	- 2.2	2.3	- 1.1	- .4	- 1.7	- 1.1	- .6	- .2	- 1.4	- 2.0	- .8
59 Open-end investment companies	.3	2.4	.4	- .5	- .6	4.4	1.7	.7	- 1.9	5.3	3.4	9.3
All sectors												
60 Total funds raised, by instrument	221.5	297.0	388.0	472.5	471.3	438.6	480.1	472.8	469.7	398.8	478.4	507.8
61 Investment company shares	- .3	- 2.4	.4	- .5	- .6	4.4	- 1.7	.7	- 1.9	5.3	3.4	9.3
62 Other corporate equities	10.9	13.1	5.3	1.7	- 4.0	16.8	3.6	- 6.9	- 1.0	10.7	22.8	2.6
63 Debt instruments	210.9	286.4	382.3	471.3	475.8	417.5	478.3	479.0	472.6	382.9	452.1	495.8
64 U.S. government securities	94.9	84.6	79.9	90.5	85.7	122.3	82.5	73.8	97.6	111.3	133.2	127.8
65 State and local obligations	16.1	15.7	21.9	26.1	21.8	26.9	26.8	20.9	22.7	21.6	32.1	27.8
66 Corporate and foreign bonds	36.7	41.2	36.1	31.8	32.8	38.4	31.2	32.6	33.0	47.4	29.5	22.1
67 Mortgages	57.2	87.2	132.3	148.3	155.9	121.1	153.4	160.6	151.1	114.2	128.0	110.9
68 Consumer credit	9.6	25.4	40.2	47.6	46.3	2.3	47.0	50.9	41.6	- 5.1	9.7	29.2
69 Bank loans n.e.c.	- 12.2	6.2	29.5	59.0	51.0	48.4	60.0	56.2	45.8	19.6	77.2	56.4
70 Open market paper and RPs	- 1.2	8.1	15.0	26.4	40.5	21.4	31.6	39.5	41.5	39.7	3.1	61.3
71 Other loans	9.8	17.8	27.4	41.5	41.9	36.7	45.7	44.4	39.3	34.1	39.3	60.3

1.59 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; half-yearly data are at seasonally adjusted annual rates

Transaction category, or sector	1975	1976	1977	1978	1979	1980	1978	1979		1980		1981
							112	111	112	111	112	111
1 Total funds advanced in credit markets to nonfinancial sectors	201.7	262.8	333.5	396.3	394.0	357.0	403.5	394.7	393.3	330.1	383.8	415.3
<i>By public agencies and foreign</i>												
2 Total net advances	39.6	49.8	79.2	101.9	74.0	92.1	102.7	49.6	98.5	102.9	81.3	103.0
3 U.S. government securities	18.0	23.1	34.9	36.1	6.2	15.6	29.5	27.1	14.7	23.2	8.0	24.0
4 Residential mortgages	15.8	12.3	20.0	25.7	36.7	31.1	30.1	35.7	37.8	33.3	28.9	20.8
5 FHLB advances to savings and loans	-4.0	2.0	4.3	12.5	9.2	7.1	11.5	8.2	10.1	4.6	9.6	18.0
6 Other loans and securities	9.8	16.4	20.1	27.6	34.3	38.2	31.6	32.8	35.8	41.7	34.8	40.3
<i>Total advanced, by sector</i>												
7 U.S. government	13.4	7.9	10.0	17.1	19.0	23.7	20.8	19.8	18.3	25.4	22.1	29.3
8 Sponsored credit agencies	11.6	16.8	22.4	39.9	53.4	43.8	44.8	47.8	58.9	42.4	45.2	40.4
9 Monetary authorities	8.5	9.8	7.1	7.0	7.7	4.5	.5	.9	16.2	12.1	-1.1	-7.4
10 Foreign	6.1	15.2	39.6	38.0	-6.1	20.0	36.7	17.2	5.1	23.0	17.0	40.8
11 Agency borrowing not included in line 1	10.3	15.1	21.9	36.7	48.2	43.0	39.0	43.7	52.8	44.7	41.3	38.7
<i>Private domestic funds advanced</i>												
12 Total net advances	172.4	228.1	276.2	331.0	368.2	307.9	339.8	388.9	347.6	271.9	351.0	351.0
13 U.S. government securities	76.9	61.5	45.1	54.3	91.9	106.7	53.0	101.0	82.9	88.1	125.3	103.8
14 State and local obligations	16.1	15.7	21.9	26.1	21.8	26.9	26.8	20.9	22.7	21.6	32.1	27.8
15 Corporate and foreign bonds	32.8	30.5	22.2	22.4	24.0	26.2	22.3	24.0	24.0	32.5	19.9	17.3
16 Residential mortgages	23.6	55.5	83.7	92.1	84.6	59.1	95.0	89.8	79.5	51.2	66.9	60.7
17 Other mortgages and loans	18.9	62.9	107.7	148.6	155.1	96.2	154.2	161.4	148.7	83.1	109.3	159.4
18 Less: Federal Home Loan Bank advances	4.0	-2.0	4.3	12.5	9.2	7.1	11.5	8.2	10.1	4.6	9.6	18.0
<i>Private financial intermediation</i>												
19 Credit market funds advanced by private financial institutions	123.4	191.4	260.9	302.4	292.5	270.3	294.8	316.9	268.0	246.1	294.4	322.5
20 Commercial banking	29.4	59.6	87.6	128.7	121.1	99.7	124.6	130.3	112.0	58.5	140.9	101.4
21 Savings institutions	53.2	70.5	82.0	73.5	55.9	58.4	69.4	59.6	52.2	35.5	81.3	43.8
22 Insurance and pension funds	40.6	49.7	67.8	75.0	66.4	79.8	73.9	72.3	60.5	89.2	70.3	79.3
23 Other finance	.3	11.6	23.4	25.2	49.0	32.4	27.0	54.8	43.3	62.8	1.9	97.9
24 Sources of funds	123.4	191.4	260.9	302.4	292.5	270.3	294.8	316.9	268.0	246.1	294.4	322.5
25 Private domestic deposits	94.2	124.4	138.9	140.8	143.2	171.1	132.9	135.1	151.2	158.7	183.6	196.9
26 Credit market borrowing	1.1	8.4	26.9	38.3	33.6	17.5	35.8	40.6	26.6	8.1	27.0	41.9
27 Other sources	30.3	58.5	95.1	123.2	115.7	81.6	126.1	141.2	90.3	79.4	83.8	83.7
28 Foreign funds	-8.7	-4.7	1.2	6.3	25.6	-22.3	11.8	45.6	5.6	22.8	21.9	-5.1
29 Treasury balances	-1.7	-1.1	4.3	6.8	.4	2.6	12.4	5.0	4.2	2.3	2.8	10.6
30 Insurance and pension reserves	29.7	34.3	50.1	62.2	47.8	64.1	60.8	52.3	43.4	70.0	58.1	61.6
31 Other, net	11.0	29.0	39.5	48.0	41.9	42.4	41.1	38.4	45.4	34.5	50.4	16.7
<i>Private domestic nonfinancial investors</i>												
32 Direct lending in credit markets	47.9	45.1	42.2	67.0	109.3	55.1	80.7	112.5	106.1	33.9	76.4	70.4
33 U.S. government securities	25.4	16.4	24.1	35.6	62.8	32.6	37.8	71.0	54.5	19.3	45.8	34.6
34 State and local obligations	8.4	3.3	-8	1.4	1.4	3.1	.8	2.6	.2	-1.8	7.9	19.7
35 Corporate and foreign bonds	8.9	11.8	-3.8	-2.9	10.3	3.6	*	4.6	16.0	4.8	2.3	12.5
36 Commercial paper	-1.3	1.9	9.6	16.5	11.4	3.8	23.1	11.4	11.4	-4.5	3.1	7.2
37 Other	6.6	11.7	13.2	16.4	23.5	19.7	19.1	22.9	24.0	16.0	23.3	21.4
38 Deposits and currency	101.2	133.4	148.5	152.1	152.6	182.3	143.0	149.3	155.9	167.6	197.1	202.6
39 Currency	6.2	7.3	8.3	9.3	7.9	10.3	8.7	9.0	6.9	8.5	12.1	4.7
40 Checkable deposits	9.4	10.4	17.2	16.3	19.2	4.2	13.8	16.6	21.9	-1.5	9.9	29.9
41 Small time and savings accounts	97.3	123.7	93.5	63.5	61.7	80.9	65.8	66.5	56.9	66.7	95.2	11.3
42 Money market fund shares	1.3	*	2	6.9	34.4	29.2	7.7	30.2	38.6	61.9	3.4	104.1
43 Large time deposits	-14.0	12.0	25.8	46.6	21.2	50.3	40.6	3.3	39.1	26.3	74.2	43.9
44 Security RPs	2	2.3	2.2	7.5	6.6	6.5	5.1	18.5	5.3	5.3	7.8	7.7
45 Foreign deposits	.8	1.7	1.3	2.0	1.5	.9	1.4	5.2	2.3	4	1.3	1.0
46 Total of credit market instruments, deposits and currency	149.1	178.5	190.7	219.1	261.9	237.5	223.7	261.8	262.0	201.5	273.4	273.0
47 Public support rate (in percent)	19.6	19.0	23.7	25.7	18.8	25.8	25.5	12.6	25.0	31.2	21.2	24.8
48 Private financial intermediation (in percent)	71.6	83.9	94.4	91.3	79.4	87.8	86.8	81.5	77.1	90.5	85.6	91.9
49 Total foreign funds	-2.6	10.5	40.8	44.3	19.5	-2.3	48.5	28.4	10.7	.2	4.8	35.6
<i>MI MO: Corporate equities not included above</i>												
50 Total net issues	10.6	10.6	5.7	1.2	-4.6	21.1	1.8	-6.2	-2.9	16.0	26.3	11.9
51 Mutual fund shares	-3	-2.4	.4	.5	.6	4.4	1.7	.7	1.9	5.3	3.4	9.3
52 Other equities	10.9	13.1	5.3	1.7	4.0	16.8	3.6	6.9	-1.0	10.7	22.8	2.6
53 Acquisitions by financial institutions	9.8	12.5	7.4	4.5	10.6	17.7	6.9	7.1	14.0	10.5	24.9	28.8
54 Other net purchases	.8	-1.9	1.6	-3.4	-15.1	3.4	5.0	13.4	-16.9	5.5	1.4	16.9

NOTES BY LINE NUMBER.

1. Line 2 of table 1.58.
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.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, and 38 less lines 40 and 46.
17. Includes farm and commercial mortgages.
25. Line 38 less lines 40 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.

39. Mainly an offset to line 9.

46. Lines 32 plus 38, or line 12 less line 27 plus 39 and 45.

47. Line 2/line 1.

48. Line 19/line 12.

49. Sum of lines 10 and 28.

50, 52. Includes issues by financial institutions.

NOTE: Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

A46 Domestic Nonfinancial Statistics □ February 1982

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

1967 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1979	1980	1981	1981										1982
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^r	Dec. ^r	Jan.	
1 Industrial production¹	152.5	147.0	151.0	151.9	152.7	152.9	153.9	153.6	151.6	149.1^r	146.4	143.4	139.1	
<i>Market groupings</i>														
2 Products, total	150.0	146.7	150.6	151.3	152.3	152.7	153.0	152.6	151.0	149.4 ^r	147.6	146.0	142.3	
3 Final, total	147.2	145.3	149.5	149.9	151.3	151.4	152.1	151.5	150.0	148.9 ^r	147.1	145.8	142.3	
4 Consumer goods	150.8	145.4	147.9	148.9	150.7	150.3	150.7	149.6	147.8	146.5 ^r	144.2	142.3	138.1	
5 Equipment	142.2	145.2	151.7	151.4	152.1	153.0	154.1	154.0	152.9	152.1 ^r	151.2	150.5	148.0	
6 Intermediate	160.5	151.9	154.6	156.3	156.1	154.9	156.2	156.8	154.6	151.4	149.2	146.9	142.5	
7 Materials	156.4	147.6	151.6	152.9	153.4	154.0	155.3	155.2	152.5	148.5 ^r	144.6	139.3	134.1	
<i>Industry groupings</i>														
8 Manufacturing	153.6	146.7	150.4	152.0	152.8	152.4	153.2	153.2	151.1	148.2	145.2	141.9	137.1	
<i>Capacity utilization (percent)^{1,2}</i>														
9 Manufacturing	85.7	79.1	74.8	79.8	80.0	79.6	79.8	79.6	78.3	76.6	74.9	73.0	70.4	
10 Industrial materials industries	87.4	80.0	80.0	81.1	81.2	81.3	81.9	81.7	80.0	77.7 ^r	75.5	72.6	69.8	
11 Construction contracts (1972 100) ³	185.6	161.8	n.a.	172.0	160.0	170.0	153.0	156.0	159.0	157.0	142.0	172.0	n.a.	
12 Nonagricultural employment, total ⁴	136.5	137.6	139.1	139.0	139.1	139.2	139.6	139.7	139.9	139.6	139.1	138.4 ^r	138.1	
13 Goods-producing, total	113.5	110.3	110.2	110.3	110.3	110.8	111.3	111.3	111.2	110.1	109.1	107.8 ^r	106.2	
14 Manufacturing, total	108.2	104.4	104.2	104.6	105.0	105.0	105.6	105.4	105.4	104.1	102.9	101.6 ^r	100.5	
15 Manufacturing, production- worker	105.3	99.4	98.5	99.2	99.6	99.6	100.1	99.9	99.8	98.1	96.4	94.6 ^r	93.4	
16 Service-producing	149.1	152.6	155.0	154.7	155.0	154.8	155.2	155.2	155.6	155.7	155.6	155.3 ^r	155.5	
17 Personal income, total	308.5	342.9	381.5	373.6	375.8	378.5	384.0	387.8	390.9	392.6 ^r	394.9	395.6	n.a.	
18 Wages and salary disbursements	289.5	314.7	347.3	341.8	343.6	345.2	347.8	351.4	353.2	355.4 ^r	357.4	357.2	n.a.	
19 Manufacturing	248.6	261.5	288.9	286.1	289.2	289.9	292.1	294.3	294.9	293.7 ^r	292.0	289.9	n.a.	
20 Disposable personal income ⁵	299.6	332.5	n.a.	360.6 ^r	362.3	364.4	369.7	372.9	375.5 ^r	379.4 ^r	381.2	381.8	n.a.	
21 Retail sales ⁶	281.6	303.8	332.5	328.1	326.7	333.9	333.8	338.5	338.9	331.1	333.3	332.7	329.1	
<i>Prices⁷</i>														
22 Consumer	217.4	246.8	272.4	266.8	269.0	271.3	274.4	276.5	279.3	279.9	280.7	281.5	n.a.	
23 Producer finished goods	216.1	246.9	269.8	268.5	269.6	270.5	271.8	271.2	271.1	274.0	274.5	275.3	n.a.	

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.

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

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

Seasonally adjusted

Series	1981				1981				1981			
	Q1	Q2	Q3	Q4 ^r	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 Manufacturing	151.3	152.4	152.5	74.8	189.4	190.9	192.4	193.9	79.9	79.8	79.3	74.8
2 Primary processing	157.5	156.5	155.8	72.6	193.8	195.0	196.3	197.5	81.3	80.3	79.4	72.6
3 Advanced processing	148.1	150.2	150.7	145.8	187.1	188.7	190.4	192.0	79.1	79.6	79.2	76.0 ^r
4 Materials	154.2	153.4	154.3	144.1	187.6	189.0^r	190.3^r	191.5^r	82.2	81.2	81.1^r	75.3
5 Durable goods	150.9	152.3	152.8	140.4	191.8	192.9	194.2 ^r	195.3 ^r	78.7	78.9 ^r	78.7	71.9
6 Metal materials	117.5	112.8	114.2	99.5	141.5	141.7	141.9	142.1	83.0	79.6	80.5	70.0 ^r
7 Nondurable goods	179.2	178.4	175.8	164.4	207.3	209.2	211.2	213.1	86.5	85.3	83.3	77.2
8 Textile, paper, and chemical	186.7	185.9	182.8	169.1	217.1	219.4	221.7	223.9	86.0	84.8	82.5	75.6
9 Textile	114.8	114.5	115.5	106.9	140.1	140.6	141.0	141.6	81.9	81.4	81.8	75.5 ^r
10 Paper	151.4	151.0	152.2	147.5	159.7	160.7	161.9	162.8	94.8	93.9	94.1	90.6 ^r
11 Chemical	232.7	231.6	224.9	205.4	274.1	277.5	281.0	284.4	84.9	83.5	80.0	72.3 ^r
12 Energy materials	130.9	125.1	131.6	128.0	153.5	154.3 ^r	155.0	155.8 ^r	85.3	81.1	84.9	82.1 ^r

2.11 Continued

Series	Previous cycle ¹		Latest cycle ²		1980	1981							
	High	Low	High	Low	Dec.	May	June	July	Aug.	Sept.	Oct. ^r	Nov. ^r	Dec.
Capacity utilization rate (percent)													
13 Manufacturing	88.0	69.0	87.2	74.9	n.a.	80.0	79.6	79.8	79.6	78.4	76.6	74.9	n.a.
14 Primary processing	93.8	68.2	90.1	71.0	n.a.	80.6	79.5	80.1	79.9	78.2 ^r	75.7	72.8	n.a.
15 Advanced processing	85.5	69.4	86.2	77.2	n.a.	79.8	79.7	79.8	79.4	78.3 ^r	77.0	76.0	n.a.
16 Materials	92.6	69.4	88.8	73.8	81.4	81.2	81.3	81.9	81.7	80.0	77.7	75.5	72.6
17 Durable goods	91.5	63.6	88.4	68.2	77.1	79.2	78.9	79.3	79.5	77.3 ^r	74.7	72.1	69.0
18 Metal materials	98.3	68.6	96.0	59.6	80.3	80.3	78.7	79.5	83.0	79.1	73.9	70.8	65.3
19 Nondurable goods	94.5	67.2	91.6	77.5	87.2	85.6	84.3	83.9	83.0	82.9	80.3	77.5	73.8
20 Textile, paper, and chemical	95.1	65.3	92.2	75.3	87.1	85.4	83.5	83.2	82.3	82.1	79.1	76.1	71.6
21 Textile	92.6	57.9	90.6	80.9	80.2	81.7	80.5	82.0	82.3	81.3	78.8	75.7	71.9
22 Paper	99.4	72.4	97.7	89.3	95.0	93.9	93.0	92.9	93.6	95.7	92.1	91.9	87.8
23 Chemical	95.5	64.2	91.3	70.7	86.8	84.3	82.0	81.2	79.7	79.2	76.2	72.7	67.9
24 Energy materials	94.6	84.8	88.3	82.7	84.6	79.8	83.7	86.2	85.6	83.0	82.5	82.5	81.5

1. Monthly high 1973; monthly low 1975.

2. Preliminary; monthly highs December 1978 through January 1980; monthly lows July 1980 through October 1980.

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1979	1980	1981	1981						1982
				July	Aug.	Sept.	Oct.	Nov. '	Dec. '		Jan.
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population ¹	166,952 ^r	169,848 ^r	172,272	172,385 ^r	172,559 ^r	172,758 ^r	172,967 ^r	173,154	173,330	173,494
2 Labor force (including Armed Forces) ¹ ..	107,050 ^r	109,042 ^r	111,812	110,827 ^r	110,978 ^r	110,659	111,170 ^r	111,430	111,348	111,038
3 Civilian labor force	104,962 ^r	106,940 ^r	108,670	108,688 ^r	108,818 ^r	108,494 ^r	109,012 ^r	109,272	109,184	108,879
4 Nonagricultural industries ²	95,477 ^r	95,938 ^r	97,030	97,522 ^r	97,436 ^r	96,900 ^r	96,965	96,800	94,404	94,170
5 Agriculture	3,347 ^r	3,364 ^r	3,368	3,342 ^r	3,404 ^r	3,358 ^r	3,378 ^r	3,372	3,209	3,411
6 Unemployment										
7 Number	6,137 ^r	7,637 ^r	8,273	7,824 ^r	7,978 ^r	8,236 ^r	8,669	9,100	9,571	9,298
7 Rate (percent of civilian labor force) ..	5.8	7.1	7.6	7.2 ^r	7.3 ^r	7.6 ^r	8.0	8.3	8.8	8.5
8 Not in labor force	59,902 ^r	60,806 ^r	60,460	61,558 ^r	61,581 ^r	62,099 ^r	61,797 ^r	61,724	61,982	62,456
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment ³	89,823	90,564	91,548	91,880	91,901	92,033	91,832	91,522	91,096	90,859
10 Manufacturing	21,040	20,300	20,264	20,535	20,505	20,496	20,241	20,017	19,750	19,537
11 Mining	958	1,020	1,104	1,132	1,151	1,162	1,162	1,172	1,176	1,172
12 Contract construction	4,463	4,399	4,307	4,272	4,275	4,272	4,259	4,229	4,191	4,052
13 Transportation and public utilities	5,136	5,143	5,152	5,167	5,170	5,186	5,168	5,147	5,109	5,108
14 Trade	20,192	20,386	20,736	20,796	20,862	20,872	20,916	20,838	20,725	20,893
15 Finance	4,975	5,168	5,330	5,344	5,354	5,366	5,360	5,355	5,367	5,359
16 Service	17,112	17,901	18,598	18,642	18,667	18,774	18,788	18,838	18,848	18,842
17 Government	15,947	16,249	16,056	15,992	15,917	15,905	15,938	15,926	15,930	15,896

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

Monthly data are seasonally adjusted.

Grouping	1967 pro- por- tion	1981 aver- age	1981												1982
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept	Oct. ^r	Nov.	Dec. ^p	
			Index (1967 = 100)												
MAJOR MARKET															
1 Total index	100.00	151.0	151.4	151.8	152.1	151.9	152.7	152.9	153.9	153.6	151.6	149.1	146.4	143.4	139.1
2 Products	60.71	150.6	149.9	150.2	150.7	151.3	152.3	152.2	153.0	152.6	151.0	149.4	147.6	146.0	142.3
3 Final products	47.82	149.5	147.8	148.2	149.0	149.9	151.3	151.4	152.1	151.5	150.0	148.9	147.1	145.8	142.3
4 Consumer goods	27.68	147.9	146.9	147.8	148.3	148.9	150.7	150.3	150.7	149.6	147.8	146.5	144.2	142.3	138.1
5 Equipment	20.14	151.7	149.1	148.7	150.0	151.4	152.1	153.0	154.1	154.0	152.9	152.1	151.2	150.5	148.0
6 Intermediate products	12.89	154.6	157.5	157.7	157.1	156.3	156.1	154.9	156.2	156.8	154.6	151.4	149.2	146.9	142.5
7 Materials	39.29	151.6	153.8	154.3	154.4	152.9	153.4	154.0	155.3	155.2	152.5	148.5	144.6	139.3	134.1
Consumer goods															
8 Durable consumer goods	7.89	140.5	140.1	141.2	143.6	144.3	147.3	147.9	146.5	142.5	140.4	136.3	129.7	123.7	116.9
9 Automotive products	2.83	138.0	130.4	133.9	139.2	142.9	151.8	153.1	147.6	137.6	139.1	132.8	121.7	120.1	106.4
10 Autos and utility vehicles	2.03	111.2	102.7	108.5	116.1	120.2	129.1	131.4	123.0	107.8	110.0	101.7	88.9	87.5	70.4
11 Autos	1.90	103.4	93.3	101.1	107.8	113.2	120.0	122.2	118.1	104.0	103.3	92.5	81.1	78.1	61.3
12 Auto parts and allied goods	80	205.9	200.8	198.4	197.5	200.8	209.5	208.0	210.0	213.1	212.9	211.8	205.0	203.1	197.7
13 Home goods	5.06	142.0	145.6	145.2	146.1	145.0	144.8	145.0	145.8	145.3	141.1	138.2	134.3	125.6	122.9
14 Appliances, A/C, and TV	1.40	119.7	132.2	125.8	129.1	121.2	121.4	120.0	123.6	126.8	119.0	116.7	107.7	86.1	88.4
15 Appliances and TV	1.33	121.2	134.1	128.2	131.2	122.6	122.3	121.4	124.8	128.9	121.4	118.7	108.7	87.1	.....
16 Carpeting and furniture	1.07	158.0	156.2	160.4	160.2	165.2	163.1	166.3	163.2	160.1	158.6	152.6	148.0	142.5	.....
17 Miscellaneous home goods	2.59	147.5	148.4	149.5	149.4	149.7	149.9	149.8	150.7	149.2	145.8	143.9	143.0	140.1	136.5
18 Nondurable consumer goods	19.79	150.9	149.6	150.5	150.1	150.7	152.1	151.2	152.3	152.5	150.8	150.5	150.0	149.8	146.6
19 Clothing	4.29	.....	121.2	120.9	118.9	120.6	122.1	120.9	122.8	121.9	119.3	117.8	116.4	.....	.....
20 Consumer staples	15.50	159.5	157.5	158.6	158.8	159.0	160.3	159.6	160.5	161.0	159.5	159.6	159.3	159.5	157.6
21 Consumer foods and tobacco	8.33	150.4	149.3	150.5	150.5	150.2	151.3	149.6	150.5	150.6	149.5	150.7	150.7	151.3	.....
22 Nonfood staples	7.17	170.1	167.0	168.1	168.4	169.3	170.8	171.3	172.2	173.0	171.1	169.9	169.3	169.0	167.5
23 Consumer chemical products	2.63	223.2	213.0	219.3	220.0	224.1	225.1	224.4	226.8	227.7	227.5	223.0	220.9	220.5	.....
24 Consumer paper products	1.92	127.8	127.9	129.0	128.7	127.4	127.7	129.2	127.6	128.9	127.7	126.9	125.7	125.3	.....
25 Consumer energy products	2.62	147.8	149.4	145.4	143.7	144.9	147.9	148.9	150.0	150.4	146.4	148.2	149.4	149.3	.....
26 Residential utilities	1.45	.....	167.5	161.3	161.1	162.9	168.9	170.4	172.6	169.7	162.8	166.2	167.4	.....	.....
Equipment															
27 Business	12.63	180.9	177.7	177.5	179.3	181.0	182.0	183.6	184.8	184.8	182.7	180.5	178.6	177.0	172.9
28 Industrial	6.77	166.4	161.5	163.4	164.6	165.9	167.0	169.0	169.4	170.2	168.9	166.9	165.2	163.5	160.1
29 Building and mining	1.44	285.9	264.0	270.4	276.6	281.7	286.4	289.7	290.3	293.0	293.6	295.6	292.8	292.6	289.4
30 Manufacturing	3.85	127.9	127.7	128.4	128.6	128.5	128.4	130.6	130.8	130.8	129.3	125.7	123.9	121.9	118.6
31 Power	1.47	149.8	149.1	149.9	149.3	149.9	150.8	151.2	151.6	152.7	150.4	148.4	148.0	145.9	142.1
32 Commercial transit, farm	5.86	197.7	196.6	193.7	196.2	198.6	199.4	200.4	202.5	200.9	198.5	196.2	194.1	192.5	187.6
33 Commercial	3.26	258.1	249.3	250.4	252.7	254.5	258.0	259.9	263.7	264.3	264.2	259.8	259.0	256.9	251.1
34 Transit	1.93	125.3	133.1	124.8	127.8	131.5	130.0	129.7	128.4	124.6	121.0	120.6	116.6	116.3	113.0
35 Farm	67	112.0	122.9	116.4	118.5	119.7	113.9	114.9	118.0	111.8	102.1	104.6	101.7	99.1	.....
36 Defense and space	7.51	102.6	100.9	100.5	100.7	101.5	102.0	101.7	102.6	102.8	103.0	104.5	105.1	106.0	106.1
Intermediate products															
37 Construction supplies	6.42	142.1	148.4	148.9	149.0	147.9	146.5	143.4	144.3	144.0	139.7	135.2	130.6	128.2	122.0
38 Business supplies	6.47	167.0	166.6	166.4	165.1	164.7	165.6	166.2	168.0	169.5	169.4	167.5	167.5	165.6	.....
39 Commercial energy products	1.14	176.3	175.5	174.0	174.7	175.2	179.0	177.7	180.0	176.6	174.2	174.3	176.0	176.8	.....
Materials															
40 Durable goods materials	20.35	149.2	150.0	150.6	152.2	151.8	152.8	152.4	153.6	154.3	150.4	145.6	140.8	134.9	128.4
41 Durable consumer parts	4.58	114.5	114.7	114.3	118.4	119.7	121.1	123.1	123.2	121.8	114.5	107.6	102.5	93.6	82.6
42 Equipment parts	5.44	191.2	189.7	188.9	191.1	192.8	194.0	193.2	193.8	194.7	192.7	190.3	188.0	183.9	178.9
43 Durable materials n.e.c.	10.34	142.4	144.7	146.6	146.7	144.3	145.1	143.9	145.9	147.4	144.1	138.9	132.9	127.5	122.1
44 Basic metal materials	5.57	112.0	116.6	118.6	118.3	113.8	114.3	112.8	114.5	117.4	113.1	106.5	101.6	94.7	.....
45 Nondurable goods materials	10.47	174.6	180.2	179.9	177.5	179.3	179.0	176.9	176.5	175.4	175.5	170.6	165.1	157.6	150.5
46 Textile, paper, and chemical materials	7.62	181.3	187.6	187.3	185.1	186.8	187.3	183.7	183.5	182.4	182.5	176.4	170.4	160.6	153.6
47 Textile materials	1.85	113.0	114.8	115.1	114.4	115.1	114.9	113.4	115.5	116.0	114.9	111.6	107.2	101.9	.....
48 Paper materials	1.62	150.7	150.5	151.0	152.6	152.2	150.9	149.8	150.0	151.5	155.1	149.6	149.6	143.2	.....
49 Chemical materials	4.15	223.8	234.7	233.8	229.5	232.4	233.9	228.4	227.1	224.1	223.4	215.9	206.8	193.6	.....
50 Containers, nondurable	1.70	169.4	173.0	172.3	168.7	172.0	167.8	171.4	171.7	169.4	170.9	166.7	163.5	162.2	.....
51 Nondurable materials n.e.c.	1.14	137.6	141.0	141.8	139.6	139.7	140.5	139.6	136.6	137.8	136.2	137.1	131.9	130.6	.....
52 Energy materials	8.48	129.0	130.2	131.6	130.9	123.1	123.0	129.3	133.3	132.6	128.9	128.3	128.5	127.2	127.5
53 Primary energy	4.65	114.9	115.8	118.2	116.9	104.2	104.4	113.7	120.3	120.9	117.4	116.4	116.2	114.8	.....
54 Converted fuel materials	3.82	146.1	147.8	148.0	148.1	146.1	145.5	148.2	149.2	146.9	142.9	142.8	143.4	142.4	.....
Supplementary groups															
55 Home goods and clothing	9.35	131.8	134.4	134.1	133.6	133.8	134.4	133.9	135.2	134.5	131.1	128.8	126.1	120.6	115.5
56 Energy, total	12.23	137.4	138.5	138.5	137.7	132.6	133.5	138.0	141.2	140.5	136.8	136.9	137.4	136.6	136.5
57 Products	3.76	156.4	157.3	154.0	153.1	154.1	157.3	157.6	159.1	158.4	154.8	156.1	157.5	157.6	.....
58 Materials	8.48	129.0	130.2	131.6	130.9	123.1	123.0	129.3	133.3	132.6	128.9	128.3	128.5	127.2	127.5

2.13 Continued

Grouping	SIC code	1967 proportion	1981 avg.	1981												1982		
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ¹	Nov.	Dec. ²	Jan. ³		
				Index (1967 = 100)														
MAJOR INDUSTRY																		
1 Mining and utilities		12.05	155.0	153.3	154.1	154.8	150.5	152.1	156.3	159.1	158.2	155.8	156.1	155.6	154.2	154.1		
2 Mining		6.36	142.2	140.4	143.1	143.2	135.2	135.4	141.7	146.5	146.0	145.0	145.3	143.7	142.2	141.7		
3 Utilities		5.69	169.1	167.6	166.4	167.8	167.6	170.7	172.7	173.1	171.9	167.8	168.1	168.9	167.5	167.9		
4 Electric		3.88	191.0	189.3	187.1	188.9	188.6	192.9	195.6	196.2	194.2	188.3	189.4	190.9	189.3	189.7		
5 Manufacturing		87.95	150.4	151.1	151.2	151.6	152.0	152.8	152.4	153.2	153.1	151.1	148.0	145.2	141.9	137.1		
6 Nondurable		35.97	164.8	165.6	166.2	165.3	165.9	166.4	165.8	167.1	167.3	165.9	162.8	160.6	157.6	153.2		
7 Durable		51.98	140.5	141.0	140.8	142.1	142.5	143.5	143.2	143.6	143.4	140.9	137.8	134.5	131.0	126.0		
Mining																		
8 Metal	10	.51	123.0	125.5	134.1	131.1	123.1	125.0	123.5	123.6	124.1	121.5	119.8	114.8	109.4	.....	
9 Coal	11.12	.69	141.3	147.5	159.0	151.2	75.9	77.0	122.9	170.0	167.4	161.9	166.9	160.8	145.5	144.7		
10 Oil and gas extraction	13	4.40	146.8	141.4	142.2	144.1	146.1	146.2	148.2	147.7	148.2	148.8	148.9	149.1	150.3	150.9		
11 Stone and earth minerals	14	.75	129.2	138.4	140.0	138.8	133.7	132.2	132.7	133.3	128.2	123.4	122.0	116.7	114.2	.....	
Nondurable manufactures																		
12 Foods	20	8.75	152.0	151.9	152.5	152.4	151.9	152.2	151.3	151.6	151.9	150.7	151.4	152.7	152.0	.....	
13 Tobacco products	21	.67	123.5	123.5	125.4	125.7	122.2	122.3	120.9	121.3	123.8	122.4	124.3	124.4	.....	.....
14 Textile mill products	22	2.68	135.8	138.4	139.3	136.2	138.9	138.8	138.3	139.4	140.7	136.3	132.5	126.3	123.2	.....	
15 Apparel products	23	3.31	123.8	123.8	121.6	120.2	121.6	122.6	121.1	122.6	122.6	122.5	117.8	114.4	.....	.....
16 Paper and products	26	3.21	155.0	156.5	156.0	157.6	157.0	155.9	153.4	154.9	156.7	158.6	153.3	152.3	146.1	142.9		
17 Printing and publishing	27	4.72	144.4	143.9	144.8	142.7	141.6	141.3	143.1	144.4	146.1	145.9	145.6	144.7	146.3	143.7		
18 Chemicals and products	28	7.74	215.6	218.9	219.8	218.5	219.8	220.6	218.4	221.5	219.2	216.3	208.8	205.2	198.8	.....	
19 Petroleum products	29	1.79	129.8	133.1	131.5	130.3	130.0	129.8	129.3	128.7	130.4	129.1	128.3	128.2	128.9	.....	
20 Rubber and plastic products	30	2.24	274.3	264.0	270.2	269.5	275.2	280.3	285.1	285.3	286.7	282.2	276.0	263.5	252.0	.....	
21 Leather and products	31	.86	69.3	68.9	68.3	68.8	68.9	69.8	68.4	70.1	69.6	69.7	71.2	70.8	66.5	.....	
Durable manufactures																		
22 Ordnance, private and government	19.91	3.64	81.1	78.6	78.4	78.5	79.8	80.9	80.9	80.6	81.8	82.3	82.5	83.8	85.3	85.9		
23 Lumber and products	24	1.64	118.8	127.4	126.2	125.6	126.3	126.2	122.5	122.9	119.1	113.2	109.6	104.8	101.8	.....	
24 Furniture and fixtures	25	1.37	157.4	150.0	154.3	155.6	158.7	158.9	162.4	164.9	163.3	159.9	157.2	154.5	150.8	.....	
25 Clay, glass, stone products	32	2.74	148.0	156.8	156.4	154.6	154.3	151.7	148.1	148.7	148.2	147.3	143.4	135.8	133.4	.....	
26 Primary metals	33	6.57	107.9	114.1	114.5	114.9	110.6	111.9	107.4	109.4	113.1	108.6	102.3	96.7	88.8	83.0		
27 Iron and steel	331.2	4.21	99.7	108.7	108.4	108.0	103.4	105.6	98.5	99.7	105.1	99.2	92.2	87.2	77.8	.....	
28 Fabricated metal products	34	5.93	136.5	135.8	137.6	139.2	139.5	138.4	139.3	140.1	140.0	136.8	133.8	130.5	126.6	121.2		
29 Nonelectrical machinery	35	9.15	171.0	167.3	168.3	169.2	169.7	172.1	174.1	176.7	176.4	173.9	169.7	167.9	164.8	160.0		
30 Electrical machinery	36	8.05	178.6	177.6	174.9	177.4	178.8	179.9	180.1	180.9	182.6	180.0	179.6	176.3	172.2	168.3		
31 Transportation equipment	37	9.27	116.1	117.4	116.1	119.5	121.3	123.7	123.4	119.8	115.4	114.2	110.6	106.1	103.6	97.3		
32 Motor vehicles and parts	371	4.50	122.3	120.0	119.9	127.1	130.7	136.4	137.5	130.5	123.1	120.4	113.8	105.5	100.7	90.2		
33 Aerospace and miscellaneous transportation equipment	372-9	4.77	110.2	114.9	112.6	112.3	112.4	111.8	110.2	109.7	108.2	108.5	107.5	106.8	106.4	103.9		
34 Instruments	38	2.11	170.1	173.9	171.1	170.0	170.0	170.6	171.3	172.1	172.3	169.7	168.6	167.2	164.0	159.0		
35 Miscellaneous manufactures	39	1.51	154.9	152.9	154.9	155.4	157.3	157.0	158.8	159.4	158.6	154.2	151.5	151.7	149.0	142.3		
Gross value (billions of 1972 dollars, annual rates)																		
MAJOR MARKET																		
36 Products, total		507.4 ¹	612.4	612.9	614.5	618.0	616.2	622.2	619.2	621.4	616.5	611.5	605.0	598.1	593.0	578.0		
37 Final		390.9 ¹	474.0	471.6	472.8	476.4	476.3	482.4	480.5	481.9	476.4	473.0	470.1	465.3	461.3	449.9		
38 Consumer goods		277.5 ¹	318.1	316.8	318.8	320.5	320.0	324.3	322.1	324.0	319.3	317.7	314.3	311.3	308.1	298.3		
39 Equipment		113.4 ¹	155.9	154.8	154.0	155.9	156.3	158.1	158.5	157.9	157.1	155.3	155.8	154.0	153.3	151.5		
40 Intermediate		116.6 ¹	138.4	141.2	141.7	141.7	139.9	139.8	138.7	139.5	140.1	138.4	134.9	132.8	131.7	128.2		

1. 1972 dollar value.

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	1979	1980	1981	1981							
				May	June	July	Aug.	Sept.	Oct. ^r	Nov. ^r	Dec.
Private residential real estate activity (thousands of units)											
NEW UNITS											
1 Permits authorized	1,552	1,191	970	1,167	963	913	865	850	722	723	807
2 1-family	981	710	558	654	567	528	494	453	398	401	458
3 2-or-more-family	571	481	413	513	396	385	371	397	324	322	349
4 Started	1,745	1,292	1,087	1,158	1,039	1,047	941	916	867	863	978
5 1-family	1,194	852	706	764	688	704	606	645	510	569	579
6 2-or-more-family	551	440	381	394	351	343	335	271	357	294	399
7 Under construction, end of period ¹	1,140	896	n.a.	894	853	822	788	762 ^r	729	717	n.a.
8 1-family	639	515	n.a.	506	482	462	438	423 ^r	408	401	n.a.
9 2-or-more-family	501	382	n.a.	388	371	361	349	340	321	316	n.a.
10 Completed	1,855	1,502	n.a.	1,273	1,377	1,324	1,226	1,197 ^r	1,255	989	n.a.
11 1-family	1,286	957	n.a.	875	877	864	804	776 ^r	714	652	n.a.
12 2-or-more-family	569	545	n.a.	398	500	460	422	421 ^r	541	337	n.a.
13 Mobile homes shipped	277	222	n.a.	255	246	268	230	235	207	208	n.a.
Merchant builder activity in 1-family units											
14 Number sold	709	530	425	478	402	408	349	322 ^r	359	395	438
15 Number for sale, end of period ¹	402	340	271	322	310	303	300	295	282	274	267
Price (thousands of dollars) ²											
16 Median Units sold	62.7	64.9	69.0	71.2	68.7	69.6	72.8	65.8 ^r	69.4	71.5	69.9
17 Average Units sold	71.9	76.6	82.9	83.7	84.7	82.7	87.3	81.4 ^r	81.7	85.7	83.5
EXISTING UNITS (1-family)											
18 Number sold	3,701	2,881	2,346	2,500	2,660	2,520	2,260	2,050	1,970	1,920	1,950
Price of units sold (thous. of dollars) ²											
19 Median	55.5	62.1	66.2	66.3	67.7	67.5	68.1	67.1	66.0	65.9	66.9
20 Average	64.0	72.7	78.0	78.6	79.9	79.6	80.5	79.1 ^r	76.6	77.5	78.6
Value of new construction ³ (millions of dollars)											
CONSTRUCTION											
21 Total put in place	230,781	230,273	236,312	235,907	233,998	233,862	229,844	230,892	229,857	231,631	229,261
22 Private	181,690	174,896	182,816	184,077	181,811	182,288	180,576	178,649	178,245	179,222	177,250
23 Residential	99,032	87,260	85,720	89,719	85,971	82,916	80,535	78,503	78,202	78,100	78,876
24 Nonresidential, total	82,658	87,636	97,096	94,358	95,840	99,372	100,041	100,146	100,043	101,122	98,374
Buildings											
25 Industrial	14,953	13,839	16,839	15,503	16,243	17,182	18,295	18,344	18,558	18,373	17,210
26 Commercial	24,919	29,940	33,308	32,391	32,442	34,028	33,721	33,412	33,046	34,506	33,781
27 Other	7,427	8,654	9,358	8,903	9,735	9,241	9,367	9,402	9,553	9,193	8,784
28 Public utilities and other	35,359	35,203	37,591	37,561	37,420	38,921	38,658	38,988	38,886	39,050	38,599
29 Public	49,088	55,371	53,496	51,830	52,186	51,574	49,268	52,243	51,611	52,407	52,011
30 Military	1,648	1,880	1,956	2,065	2,254	2,091	2,105	2,065	2,116	1,960	1,877
31 Highway	11,998	13,784	13,143	12,419	13,338	13,203	12,227	12,537	11,515	12,478	11,348
32 Conservation and development	4,586	5,089	5,268	4,894	4,912	5,233 ^r	4,717	4,910 ^r	6,978	4,868	4,912
33 Other	30,856	34,618	33,129	32,452	31,682	31,047 ^r	30,219 ^r	32,731 ^r	31,002	33,101	33,874

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.

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 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 Dec. 1981 (1967 = 100) ¹
	1980 Dec	1981 Dec.	1981				1981					
			Mar.	June	Sept.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
CONSUMER PRICES ²												
1 All items	12.4	8.9	9.6	7.4	13.5	5.3	.8	1.2	.4	.5	.4	281.5
2 Commodities	11.1	6.0	8.9	2.1	9.2	3.8	.6	.9	.4	.2	.3	258.4
3 Food	10.2	4.3	2.1	-.1	10.9	3.8	.8	1.0	.3	.2	.4	277.8
4 Commodities less food	11.5	6.7	12.3	3.1	8.6	3.6	.5	.8	.4	.2	.3	246.5
5 Durable	10.7	5.7	.7	9.0	12.4	2.6	1.0	.7	.0	.3	.4	233.7
6 Nondurable	12.5	7.9	29.8	-2.0	3.6	2.8	.3	.5	.3	.2	.1	261.1
7 Services	14.2	13.0	10.3	15.1	19.5	7.3	1.2	1.5	.4	.8	.5	321.8
8 Rent	9.1	8.5	7.0	7.7	10.2	9.0	1.2	.8	.8	.7	.7	216.5
9 Services less rent	14.9	13.7	10.9	16.1	20.9	7.1	1.2	1.6	.4	.9	.4	342.8
Other groupings												
10 All items less food	12.9	9.9	11.7	9.0	14.1	5.4	.8	1.2	.4	.5	.4	280.8
11 All items less food and energy	12.1	9.6	5.8	11.8	15.2	5.7	.9	1.2	.4	.5	.5	267.9
12 Homeownership	16.5	10.1	3.1	16.9	21.3	.4	1.1	1.6	.3	.2	.2	367.8
PRODUCER PRICES												
13 Finished goods	11.8	7.0	13.3	6.8	2.8	5.4	.2	1	.6	.5	.3	275.3
14 Consumer	11.9	6.5	13.6	6.1	2.1	4.5	.1	1	.4	.5	.2	275.6
15 Foods	7.5	1.5	1.6	1.8	5.6	-2.5	.3	.3	.2	.5	.1	253.0
16 Excluding foods	14.2	8.4	18.6	7.9	.7	7.4	.0	.2	.7	.8	.2	282.8
17 Capital equipment	11.4	9.2	12.0	9.8	5.7	9.4	.6	.1	.9	.8	.6	274.1
18 Intermediate materials ³	12.4	7.4	14.3	7.7	4.3	3.5	.5	.2	.0	.4	.4	315.1
Crude materials												
19 Nonfood	19.1	10.4	39.7	9.5	2.1	4.9	.9	.7	.8	-.6	.1	479.1
20 Food	8.6	-14.0	23.1	8.6	12.1	-25.2	1.0	2.5	2.5	-2.1	2.5	233.7

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	1979	1980	1981 ^a	1980	1981			
				Q4	Q1	Q2	Q3	Q4 ^b
GROSS NATIONAL PRODUCT								
1 Total	2,413.9	2,626.1	2,922.2	2,730.6	2,853.0	2,885.8	2,965.0	2,984.9
By source								
2 Personal consumption expenditures	1,510.9	1,672.8	1,858.1	1,751.0	1,810.1	1,829.1	1,883.9	1,909.5
3 Durable goods	212.3	211.9	232.0	223.3	238.3	227.3	236.2	226.4
4 Nondurable goods	602.2	675.7	743.4	703.5	726.0	735.3	751.3	760.9
5 Services	696.3	785.2	882.7	824.2	845.8	866.5	896.4	922.2
6 Gross private domestic investment	415.8	395.3	450.6	397.7	437.1	458.6	463.0	443.6
7 Fixed investment	398.3	401.2	432.4	415.1	432.7	435.3	435.6	426.0
8 Nonresidential	279.7	296.0	327.1	302.1	315.9	324.6	335.1	332.6
9 Structures	96.3	108.8	125.0	111.5	117.2	123.1	128.3	131.4
10 Producers' durable equipment	183.4	187.1	202.0	190.7	198.7	201.5	206.8	201.2
11 Residential structures	118.6	105.3	105.3	113.0	116.7	110.7	100.5	93.4
12 Nonfarm	113.9	100.3	99.8	107.6	111.4	105.4	94.9	87.7
13 Change in business inventories	17.5	- 5.9	18.2	- 17.4	4.5	23.3	27.5	17.6
14 Nonfarm	13.4	- 4.7	15.9	- 14.0	6.8	21.5	23.1	12.2
15 Net exports of goods and services	13.4	23.3	23.8	23.3	29.2	20.8	29.3	16.0
16 Exports	281.3	339.8	366.7	346.1	367.4	368.2	368.0	363.0
17 Imports	267.9	316.5	342.9	322.7	338.2	347.5	338.7	347.1
18 Government purchases of goods and services	473.8	534.7	589.6	558.6	576.5	577.4	588.9	615.7
19 Federal	167.9	198.9	228.6	212.0	221.6	219.5	226.4	246.7
20 State and local	305.9	335.8	361.1	346.6	354.9	357.9	362.5	369.0
By major type of product								
21 Final sales, total	2,396.4	2,632.0	2,904.0	2,748.0	2,848.5	2,862.5	2,937.6	2,967.3
22 Goods	1,055.9	1,130.4	1,271.2	1,169.0	1,247.5	1,257.0	1,298.3	1,282.0
23 Durable	451.2	458.6	507.0	476.7	501.4	516.9	525.2	484.7
24 Nondurable	604.7	671.9	764.2	692.2	746.1	740.1	773.0	797.4
25 Services	1,097.2	1,229.6	1,370.3	1,285.3	1,317.1	1,344.7	1,390.5	1,429.0
26 Structures	260.8	266.0	280.7	276.4	288.4	284.1	276.3	273.9
27 Change in business inventories	17.5	- 5.9	18.2	- 17.4	4.5	23.3	27.5	17.6
28 Durable goods	11.5	- 4.0	9.0	- 7	4.2	18.5	18.6	3.1
29 Nondurable goods	6.0	- 1.8	9.2	- 18.1	8.6	4.8	8.9	14.6
30 MEMO: Total GNP in 1972 dollars	1,483.0	1,480.7	1,509.6	1,485.6	1,516.4	1,510.4	1,515.8	1,495.6
NATIONAL INCOME								
31 Total	1,963.3	2,121.4	2,343.7	2,204.8	2,291.1	2,320.9	2,377.6	n.a.
32 Compensation of employees	1,460.9	1,596.5	1,771.7	1,661.8	1,722.4	1,752.0	1,790.7	1,821.7
33 Wages and salaries	1,235.9	1,343.6	1,482.9	1,397.3	1,442.9	1,467.0	1,498.7	1,522.9
34 Government and government enterprises	235.9	253.6	273.9	263.3	267.1	270.5	274.7	283.3
35 Other	1,000.0	1,090.0	1,208.9	1,134.0	1,175.7	1,196.4	1,224.0	1,239.5
36 Supplement to wages and salaries	225.0	252.9	288.8	264.5	279.5	285.1	292.0	298.9
37 Employer contributions for social insurance	106.4	115.8	134.7	121.0	131.5	133.2	135.6	138.4
38 Other labor income	118.6	137.1	154.2	143.5	148.0	151.8	156.3	160.5
39 Proprietors' income ¹	131.6	130.6	134.4	134.0	132.1	134.1	137.1	134.1
40 Business and professional ¹	100.7	107.2	112.4	111.6	113.2	112.5	112.4	111.5
41 Farm ¹	30.8	23.4	22.0	22.5	18.9	21.7	24.7	22.7
42 Rental income of persons ²	30.5	31.8	33.6	32.4	32.7	33.3	33.9	34.5
43 Corporate profits ¹	196.8	182.7	189.0	183.3	203.0	190.3	195.7	n.a.
44 Profits before tax ³	255.4	245.5	230.2	249.5	257.0	229.0	234.4	n.a.
45 Inventory valuation adjustment	- 42.6	- 45.7	- 29.3	- 48.4	- 39.2	- 24.0	- 25.3	- 20.9
46 Capital consumption adjustment	- 15.9	- 17.2	- 13.9	- 17.8	- 14.7	14.7	- 13.4	- 12.8
47 Net interest	143.4	179.8	215.0	193.3	200.8	211.0	220.2	228.1

1. With inventory valuation and capital consumption adjustments.

2. With capital consumption adjustments.

3. For after-tax profits, dividends, and the like, see table 1.49.

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	1979	1980	1981 ^a	1980	1981				
				Q4	Q1	Q2	Q3	Q4 ^b	
PERSONAL INCOME AND SAVING									
1 Total personal income.....	1,943.8	2,160.2	2,403.6	2,256.2	2,319.8	2,368.5	2,441.7	2,484.4	
2 Wage and salary disbursements.....	1,236.1	1,343.7	1,482.8	1,397.8	1,442.9	1,467.0	1,498.5	1,522.9	
3 Commodity-producing industries.....	437.9	465.4	512.7	484.0	501.3	508.1	520.2	521.2	
4 Manufacturing.....	333.4	350.7	387.4	364.0	377.4	386.7	393.9	391.4	
5 Distributive industries.....	303.0	328.9	361.1	340.6	351.9	357.8	365.3	369.5	
6 Service industries.....	259.2	295.7	335.1	310.0	322.5	330.5	338.5	348.8	
7 Government and government enterprises.....	236.1	253.6	273.9	263.3	267.3	270.5	274.5	283.4	
8 Other labor income.....	118.6	137.1	154.2	143.5	148.0	151.8	156.3	160.5	
9 Proprietors' income ¹	131.6	130.6	134.4	134.0	132.1	134.1	137.1	134.1	
10 Business and professional ¹	100.8	107.2	112.4	111.6	113.2	112.5	112.4	111.5	
11 Farm ¹	30.8	23.4	22.0	22.5	18.9	21.7	24.7	22.7	
12 Rental income of persons ²	30.5	31.8	33.6	32.4	32.7	33.3	33.9	34.5	
13 Dividends.....	48.6	54.4	61.3	56.1	58.0	60.2	63.0	64.1	
14 Personal interest income.....	209.6	256.3	308.6	269.7	288.7	300.9	315.7	329.0	
15 Transfer payments.....	249.4	294.2	332.9	313.9	319.6	324.2	342.2	345.7	
16 Old-age survivors, disability, and health insurance benefits.....	131.8	153.8	180.3	165.3	169.8	172.0	188.5	191.1	
17 Less: Personal contributions for social insurance.....	80.6	87.9	104.2	91.2	102.3	103.1	105.0	106.5	
18 EQUALS: Personal income.....	1,943.8	2,160.2	2,403.6	2,256.2	2,319.8	2,368.5	2,441.7	2,484.4	
19 Less: Personal tax and nontax payments.....	302.0	338.5	388.2	359.2	372.0	382.9	399.8	398.0	
20 EQUALS: Disposable personal income.....	1,641.7	1,821.7	2,015.4	1,897.0	1,947.8	1,985.6	2,042.0	2,086.4	
21 Less: Personal outlays.....	1,555.5	1,720.4	1,908.8	1,799.4	1,858.9	1,879.0	1,935.1	1,962.3	
22 EQUALS: Personal saving.....	86.2	101.3	106.6	97.6	88.9	106.6	106.9	124.1	
MIMO:									
Per capita (1972 dollars)									
23 Gross national product.....	6,588	6,503	6,567	6,499	6,619	6,581	6,585	6,482	
24 Personal consumption expenditures.....	4,135	4,108	4,172	4,142	4,191	4,162	4,184	4,153	
25 Disposable personal income.....	4,493	4,473	4,525	4,488	4,511	4,517	4,535	4,538	
26 Saving rate (percent).....	5.2	5.6	5.3	5.1	4.6	5.4	5.2	6.0	
GROSS SAVING									
27 Gross saving.....	412.0	401.9	453.6	406.7	442.6	465.3	469.4	n.a.	
28 Gross private saving.....	398.9	432.9	477.6	436.4	451.1	475.3	486.2	n.a.	
29 Personal saving.....	86.2	101.3	106.6	97.6	88.9	106.6	106.9	124.1	
30 Undistributed corporate profits ¹	59.1	44.3	49.5	40.4	55.7	52.0	52.8	n.a.	
31 Corporate inventory valuation adjustment.....	42.6	45.7	29.3	48.4	39.2	24.0	25.3	20.9	
Capital consumption allowances									
32 Corporate.....	155.4	175.4	197.7	183.2	187.5	194.6	201.1	207.7	
33 Noncorporate.....	98.2	111.8	123.7	115.8	119.0	122.1	125.4	128.4	
34 Wage accruals less disbursements.....	0	0	0	5	0	0	0	0	
35 Government surplus, or deficit (—), national income and product accounts.....	11.9	32.1	25.1	30.8	9.7	11.2	17.9	n.a.	
36 Federal.....	14.8	61.2	-61.6	-67.9	46.6	47.2	55.7	n.a.	
37 State and local.....	26.7	29.1	36.5	37.1	36.9	36.1	37.8	n.a.	
38 Capital grants received by the United States, net.....	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	
39 Gross investment.....	414.1	401.2	452.9	400.1	446.0	458.3	469.6	437.6	
40 Gross private domestic.....	415.8	395.3	450.6	397.7	437.1	458.6	463.0	443.6	
41 Net foreign.....	1.7	5.9	2.3	2.3	8.8	2	6.5	6.1	
42 Statistical discrepancy.....	2.2	-7	-0.8	-6.6	3.4	-6.9	.2	n.a.	

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	1978	1979	1980	1980		1981		
				Q3	Q4	Q1	Q2	Q3 ^p
1 Balance on current account	-14,075	1,414	3,723	4,975	1,390	3,263	1,142	2,100
2 Not seasonally adjusted				1,149	3,244	3,546	2,438	-886
3 Merchandise trade balance ²	-33,759	-27,346	25,342	-2,902	-5,570	-4,677	6,910	-7,042
4 Merchandise exports	142,054	184,473	223,966	56,252	57,149	61,098	60,477	58,037
5 Merchandise imports	-175,813	-211,819	-249,308	-59,154	-62,719	-65,775	-67,387	-65,079
6 Military transactions, net	738	-1,947	-2,515	-455	-715	-568	-698	-72
7 Investment income, net ³	21,400	33,462	32,762	8,154	8,257	9,053	8,733	9,490
8 Other service transactions, net	2,613	2,839	5,874	1,681	1,762	982	1,535	1,618
9 Remittances, pensions, and other transfers	1,884	-2,057	-2,397	-591	-720	-550	-553	-602
10 U.S. government grants (excluding military)	3,183	-3,536	-4,659	912	-1,624	-977	-965	-1,292
11 Change in U.S. government assets, other than official reserve assets, net (increase, -)	-4,644	-3,767	-5,165	-1,427	-1,094	1,395	-1,485	-1,242
12 Change in U.S. official reserve assets (increase, -)	732	-1,132	-8,155	-1,109	-4,279	-4,529	-905	-4
13 Gold	-65	-65	0	0	0	0	0	0
14 Special drawing rights (SDRs)	1,249	1,136	-16	-261	1,285	1,441	-23	-225
15 Reserve position in International Monetary Fund	4,231	-189	-1,667	-294	-1,240	-707	780	-647
16 Foreign currencies	-4,683	257	-6,472	-554	-4,324	-2,381	102	868
17 Change in U.S. private assets abroad (increase, -) ³	-57,158	-57,739	-71,456	-16,766	-22,622	-16,473	-19,581	-16,758
18 Bank-reported claims	-33,667	-26,213	-46,947	-12,440	-13,139	-11,241	15,627	-14,808
19 Nonbank-reported claims	-3,853	-3,026	-2,653	343	-2,005	-3,192	2,470	n.a.
20 U.S. purchase of foreign securities, net	-3,582	-4,552	-3,310	-818	-356	-488	1,479	-517
21 U.S. direct investments abroad, net ³	-16,056	-23,948	-18,546	-3,851	-7,122	-1,552	-4,945	-1,433
22 Change in foreign official assets in the United States (increase, +)	33,561	13,757	15,492	7,686	7,712	5,503	2,779	-5,847
23 U.S. Treasury securities	23,555	-22,435	9,683	3,769	6,911	7,242	-2,069	-4,632
24 Other U.S. government obligations	666	463	2,187	549	587	454	536	545
25 Other U.S. government liabilities ⁴	2,359	-133	636	80	205	-112	177	-162
26 Other U.S. liabilities reported by U.S. banks	5,551	7,213	-159	1,823	-460	-2,910	-2,070	-2,572
27 Other foreign official assets ⁵	1,4530	1,135	3,145	1,465	469	829	647	974
28 Change in foreign private assets in the United States (increase, +) ³	30,187	52,703	34,769	3,965	16,157	1,637	15,667	20,903
29 U.S. bank-reported liabilities	16,141	32,607	10,743	916	7,737	-3,889	7,916	16,720
30 U.S. nonbank-reported liabilities	1,717	2,065	5,109	373	3,228	-820	-293	n.a.
31 Foreign private purchases of U.S. Treasury securities, net	2,178	4,820	2,679	-254	893	1,405	733	-523
32 Foreign purchases of other U.S. securities, net	2,254	1,334	5,384	241	2,240	2,454	3,472	758
33 Foreign direct investments in the United States, net ³	7,896	11,877	10,853	2,689	2,059	2,487	3,839	3,948
34 Allocation of SDRs	0	1,139	1,152	0	0	1,093	0	0
35 Discrepancy	11,398	21,140	29,640	2,676	2,736	10,901	7,941	848
36 Owing to seasonal adjustments				-3,291	2,139	-340	1,222	-2,592
37 Statistical discrepancy in recorded data before seasonal adjustment	11,398	21,140	29,640	5,967	597	11,241	6,719	3,440
MEMO.								
38 Changes in official assets								
39 U.S. official reserve assets (increase, -)	732	-1,132	-8,155	-1,109	-4,279	-4,529	-905	-4
40 Foreign official assets in the United States (increase, +)	31,202	-13,624	14,856	7,606	7,507	5,615	-2,956	-5,685
41 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	-1,137	5,543	12,744	4,115	1,024	5,446	2,676	3,028
42 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	236	305	635	125	211	192	214	120

1. Seasonal factors are no longer calculated for lines 12 through 41.

2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.

3. Includes reinvested earnings of incorporated affiliates.

4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.

5. 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	1979	1980	1981	1981						
				June	July	Aug.	Sept.	Oct	Nov.	Dec.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	181,860	220,626	233,677	19,870	19,264	19,050	19,655	19,044	19,118	18,821
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	209,458	244,871	261,305	21,975	19,807	23,528	21,229	23,234	22,522	19,516
3 Trade balance	- 27,598	- 24,245	- 27,628	- 2,105	- 542	- 4,478	- 1,574	- 4,190	- 3,404	- 695

NOTE: The data in this table are reported by the Bureau of Census data on a free-alongside-ship (f.a.s.) value basis—that is, value at the port of export. Beginning in 1981, foreign trade of the U.S. Virgin Islands is included in the Census basis trade data; this adjustment has been made for all data shown in the table.

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, 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 sales (which are combined with other military transactions and reported separately in the "service

account" in table 3.10, line 6). On the import side, additions are made for gold, ship purchases, imports of electricity from Canada and other transactions; military payments are excluded and shown separately as indicated above.

SOURCE: F1900 "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	1978	1979	1980	1981						
				July	Aug.	Sept.	Oct.	Nov.	Dec. ¹	Jan.
1 Total ¹	18,650	18,956	26,756	28,870	29,265	29,716	30,248	31,002	30,075	30,098
2 Gold stock, including Exchange Stabilization Fund ¹	11,671	11,172	11,160	11,154	11,154	11,152	11,152	11,152	11,151	11,151
3 Special drawing rights ^{2,3}	1,558	2,724	2,610	3,717	3,739	3,896	3,949	4,109	4,095	4,176
4 Reserve position in International Monetary Fund ²	1,047	1,253	2,852	4,157	4,341	4,618	4,736	5,009	5,055	5,237
5 Foreign currencies ^{4,5}	4,374	3,807	10,134	9,842	10,031	10,050	10,411	10,732	9,774	9,534

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 member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. 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; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; 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	1978 ¹	1979	1980	1981						
				May	June	July	Aug.	Sept.	Oct.	Nov. ²
	All foreign countries									
1 Total, all currencies	306,795	364,409	401,135	417,187	422,946	433,238	433,242	450,234	444,654	462,559
2 Claims on United States	17,340	32,302	28,460	38,645	35,217	43,074	41,533	46,369 ^r	41,554	44,612
3 Parent bank	12,811	25,929	20,202	28,012	24,311	30,994	29,782	32,249 ^r	26,833	26,592
4 Other.....	4,529	6,373	8,258	10,633	10,906	12,080	11,751	14,120 ^r	14,721	18,020
5 Claims on foreigners.....	278,135	317,330	354,960	359,531	368,644	370,938	372,378	384,407 ^r	383,463	397,421
6 Other branches of parent bank	70,338	79,662	77,019	76,224	79,814	82,128	83,171	84,627 ^r	83,597	89,244
7 Banks	103,111	123,420	146,448	148,988	154,682	154,760	152,286	159,637 ^r	156,833	161,411
8 Public borrowers ²	23,737	26,097	28,033	27,806	27,872	28,728	29,270	29,927 ^r	30,211	30,088
9 Nonbank foreigners	80,949	88,151	103,460	106,513	106,276	105,322	107,651	110,216 ^r	112,822	116,678
10 Other assets	11,320	14,777	17,715	19,011	19,085	19,226	19,331	19,458	19,637	20,526
11 Total payable in U.S. dollars.....	224,940	267,713	291,798	312,683	320,308	330,758	328,784	343,067	336,817	348,991
12 Claims on United States	16,382	31,171	27,191	37,403	33,963	41,873	40,250	45,116 ^r	40,370	43,322
13 Parent bank	12,625	25,632	19,896	27,709	24,041	30,742	29,490	31,991	26,639	26,399
14 Other.....	3,757	5,539	7,295	9,694	9,922	11,131	10,760	13,125 ^r	13,731	16,923
15 Claims on foreigners.....	203,498	229,120	255,391	264,263	275,185	277,354	276,935	286,367 ^r	284,590	293,591
16 Other branches of parent bank	55,408	61,525	58,541	58,711	62,696	64,725	65,477	66,279 ^r	65,859	69,917
17 Banks	78,686	96,261	117,342	121,858	128,048	127,469	124,504	131,524 ^r	127,944	131,478
18 Public borrowers ²	19,567	21,629	23,491	23,273	23,554	24,333	24,410	24,709	25,199	25,182
19 Nonbank foreigners	49,837	49,705	56,017	60,421	60,887	60,827	62,544	63,855	65,588	67,014
20 Other assets	5,060	7,422	9,216	11,017	11,160	11,531	11,599	11,584	11,857	12,078
	United Kingdom									
21 Total, all currencies	106,593	130,873	144,717	146,640	149,704	148,774	150,161	154,096	153,615	161,494
22 Claims on United States	5,370	11,117	7,509	10,382	9,650	9,130	9,995	11,167	9,668	9,315
23 Parent bank	4,448	9,338	5,275	7,666	7,098	6,167	7,189	7,842	6,351	5,163
24 Other.....	922	1,779	2,234	2,716	2,552	2,963	2,806	3,325	3,317	4,152
25 Claims on foreigners.....	98,137	115,123	131,142	130,200	134,092	133,626	134,034	137,056	137,879	145,847
26 Other branches of parent bank	27,830	34,291	34,760	34,834	35,914	37,035	38,035	39,117 ^r	38,799	41,467
27 Banks	45,013	51,343	58,741	57,611	60,261	59,639	58,362	58,986 ^r	59,307	63,044
28 Public borrowers ²	4,522	4,919	6,688	6,720	6,811	6,822	6,665	7,112	7,305	7,463
29 Nonbank foreigners	20,772	24,570	30,953	31,035	31,106	30,130	30,972	31,841	32,468	33,873
30 Other assets	3,086	4,633	6,066	6,058	5,962	6,018	6,132	5,873	6,068	6,332
31 Total payable in U.S. dollars.....	75,860	94,287	99,699	104,959	108,854	107,961	109,008	113,014	112,064	117,454
32 Claims on United States	5,113	10,746	7,116	9,932	9,160	8,628	9,552	10,703	9,201	8,811
33 Parent bank	4,386	9,297	5,229	7,611	7,059	6,110	7,128	7,779	6,299	5,111
34 Other.....	727	1,449	1,887	2,321	2,101	2,518	2,424	2,924	2,902	3,700
35 Claims on foreigners.....	69,416	81,294	89,723	91,632	96,230	95,832	95,887	98,611	98,934	104,734
36 Other branches of parent bank	22,838	28,928	28,268	28,527	29,725	30,789	31,710	32,845 ^r	32,698	34,898
37 Banks	31,482	36,760	42,073	42,786	45,631	44,488	42,957	43,605 ^r	43,345	46,463
38 Public borrowers ²	3,317	3,319	4,911	4,967	5,123	5,176	5,006	5,281	5,485	5,500
39 Nonbank foreigners	11,779	12,287	14,471	15,352	15,751	15,379	16,214	16,880	17,406	17,873
40 Other assets	1,331	2,247	2,860	3,395	3,464	3,501	3,569	3,700	3,929	3,909
	Bahamas and Caymans									
41 Total, all currencies	91,735	108,977	123,837	133,594	135,081	145,290	142,087	147,904	142,687	148,557
42 Claims on United States	9,635	19,124	17,751	24,531	21,812	29,808	27,131	29,896 ^r	26,741	29,908
43 Parent bank	6,429	15,196	12,631	17,511	14,477	21,654	19,303	20,372	16,717	17,665
44 Other.....	3,206	3,928	5,120	7,020	7,335	8,154	7,828	9,524 ^r	10,024	12,243
45 Claims on foreigners.....	79,774	86,718	101,926	104,197	108,477	110,584	109,888	113,048 ^r	110,781	113,487
46 Other branches of parent bank	12,904	9,689	13,342	12,235	13,569	13,788	13,909	13,174	13,066	13,983
47 Banks	33,677	43,189	54,861	57,073	59,705	60,748	59,316	62,946 ^r	60,220	61,337
48 Public borrowers ²	11,514	12,905	12,577	12,169	12,038	12,471	12,610	12,431	12,637	12,730
49 Nonbank foreigners	21,679	20,935	21,146	22,720	23,165	23,577	24,053	24,497	24,858	25,437
50 Other assets	2,326	3,135	4,160	4,866	4,792	4,898	5,068	4,960	5,165	5,162
51 Total payable in U.S. dollars.....	85,417	102,368	117,654	127,969	129,438	139,514	136,054	142,053	136,854	142,632

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, in-

cluding corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

3.13 Continued

Liability account	1978 ¹	1979	1980	1981						
				May	June	July	Aug.	Sept.	Oct.	Nov. ^p
	All foreign countries									
52 Total, all currencies	306,795	364,409	401,135	417,187	422,946	433,238	433,242	450,234	444,654	462,559
53 To United States	58,012	66,689	91,079	105,343	109,322	118,093	116,190	124,096 ^r	120,039	128,124
54 Parent bank	28,654	24,533	39,286	41,039	44,327	43,069	44,010	48,592 ^r	45,909	49,428
55 Other banks in United States	12,169	13,968	14,473	16,301	16,136	17,578	15,686	17,657 ^r	16,436	17,110
56 Nonbanks	17,189	28,188	37,275	48,003	48,859	57,446	56,494	57,847 ^r	57,694	61,586
57 To foreigners	238,912	283,510	295,411	296,462	298,169	299,240	300,081	306,785 ^r	305,040	315,349
58 Other branches of parent bank	67,496	77,640	75,773	75,815	79,033	81,387	80,991	83,336 ^r	82,038	87,543
59 Banks	97,711	122,922	132,116	133,707	131,854	129,290	125,563	127,794 ^r	128,536	132,012
60 Official institutions	31,936	35,668	32,473	27,479	26,316	25,682	28,209	28,715 ^r	27,685	24,541
61 Nonbank foreigners	41,769	47,280	55,049	59,461	60,966	62,881	65,318	66,940	66,781	71,253
62 Other liabilities	9,871	14,210	14,690	15,382	15,455	15,905	16,971	19,353	19,575	19,086
63 Total payable in U.S. dollars	230,810	273,857	303,281	324,479	332,284	343,947	341,596	355,030 ^r	349,602	360,928
64 To United States	55,811	64,530	88,157	102,971	106,740	115,481	113,526	121,130 ^r	117,362	125,144
65 Parent bank	27,519	23,403	37,528	39,604	42,822	41,620	42,481	46,766	44,170	47,482
66 Other banks in United States	11,915	13,771	14,203	16,175	15,945	17,391	15,529	17,479 ^r	16,285	17,011
67 Nonbanks	16,377	27,356	36,426	47,192	47,973	56,470	55,516	56,885 ^r	56,907	60,651
68 To foreigners	169,927	201,514	206,883	211,915	215,931	218,178	217,239	221,090 ^r	219,818	224,278
69 Other branches of parent bank	53,396	60,551	58,172	59,108	62,292	64,884	64,338	66,256 ^r	65,160	69,542
70 Banks	63,000	80,691	87,497	89,875	89,909	88,554	83,842	84,670 ^r	84,552	84,691
71 Official institutions	26,404	29,048	24,697	21,355	20,853	20,108	22,056	22,836 ^r	21,948	18,911
72 Nonbank foreigners	27,127	31,224	36,517	41,577	42,877	44,632	47,003	47,328	48,158	51,134
73 Other liabilities	5,072	7,813	8,241	9,593	9,613	10,288	10,831	12,810	12,422	11,506
	United Kingdom									
74 Total, all currencies	106,593	130,873	144,717	146,640	149,704	148,774	150,161	154,096	153,615	161,494
75 To United States	9,730	20,986	21,785	26,688	29,598	30,383	31,408	34,143 ^r	32,960	36,315
76 Parent bank	1,887	3,104	4,225	4,376	4,371	4,138	4,189	5,370	3,542	4,044
77 Other banks in United States	4,189	7,693	5,716	5,973	6,172	5,864	5,646	6,396 ^r	6,054	7,102
78 Nonbanks	3,654	10,189	11,844	16,339	19,055	20,381	21,573	22,377 ^r	23,364	25,169
79 To foreigners	93,202	104,032	117,438	114,655	115,099	113,560	113,191	113,862 ^r	114,415	118,361
80 Other branches of parent bank	12,786	12,567	15,384	14,169	14,996	15,103	15,255	15,121 ^r	15,544	16,050
81 Banks	39,917	47,620	56,262	56,209	55,923	54,351	51,532	51,830	53,634	56,239
82 Official institutions	20,963	24,202	21,412	18,508	17,197	17,352	18,686	18,687	17,442	15,089
83 Nonbank foreigners	19,536	19,643	24,380	25,769	26,983	27,754	28,538	28,224	27,795	30,983
84 Other liabilities	3,661	5,855	5,494	5,297	5,007	4,831	5,562	6,091	6,240	6,818
85 Total payable in U.S. dollars	77,030	95,449	103,440	109,209	113,427	113,247	114,191	117,920	117,346	122,362
86 To United States	9,328	20,552	21,080	26,221	28,858	29,606	30,661	33,464 ^r	32,408	35,705
87 Parent bank	1,836	3,054	4,078	4,306	4,277	4,054	4,132	5,309	3,484	3,955
88 Other banks in United States	4,101	7,651	5,626	5,919	6,094	5,768	5,594	6,317 ^r	5,976	7,061
89 Nonbanks	3,391	9,847	11,376	15,996	18,487	19,784	20,935	21,838 ^r	22,948	24,689
90 To foreigners	66,216	72,397	79,636	79,713	81,544	80,400	79,988	80,638 ^r	81,260	82,757
91 Other branches of parent bank	9,635	8,446	10,474	9,327	10,289	10,566	10,943	10,747 ^r	11,121	11,448
92 Banks	25,287	29,424	35,388	35,870	36,701	35,789	32,914	33,010	34,312	35,141
93 Official institutions	17,091	20,192	17,024	14,851	14,000	13,133	14,244	15,514	14,415	12,133
94 Nonbank foreigners	14,203	14,335	16,750	19,665	20,554	20,912	21,887	21,367	21,412	24,035
95 Other liabilities	1,486	2,500	2,724	3,275	3,025	3,241	3,542	3,818	3,678	3,900
	Bahamas and Caymans									
96 Total, all currencies	91,735	108,977	123,837	133,594	135,081	145,290	142,087	147,904	142,687	148,557
97 To United States	39,431	37,719	59,666	69,048	69,407	77,197	73,924	77,533	75,991	80,161
98 Parent bank	20,482	15,267	28,181	29,583	32,160	31,034	31,265	33,282	33,387	36,066
99 Other banks in United States	6,073	5,204	7,379	9,279	8,822	10,517	8,938	9,964 ^r	9,321	8,971
100 Nonbanks	12,876	17,248	24,106	30,168	28,425	35,646	33,721	34,287 ^r	33,283	35,124
101 To foreigners	50,447	68,598	61,218	61,170	62,470	64,491	64,565	66,627	67,295	64,462
102 Other branches of parent bank	16,094	20,875	17,040	17,950	19,484	20,989	20,315	22,393	20,521	23,307
103 Banks	23,104	33,631	29,895	28,846	28,326	28,056	27,538	27,983	25,396	24,712
104 Official institutions	4,208	4,866	4,361	3,666	3,685	3,934	4,605	4,028	4,078	3,381
105 Nonbank foreigners	7,041	9,226	9,922	10,708	10,975	11,512	12,107	12,223	12,800	13,062
106 Other liabilities	1,857	2,660	2,953	3,376	3,204	3,602	3,598	3,744	3,901	3,934
107 Total payable in U.S. dollars	87,014	103,460	119,657	129,811	131,120	141,241	137,754	143,507	138,094	144,034

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1978	1979	1980	1981						
				May	June	July	Aug.	Sept.	Oct. ^P	Nov. ^P
1 Total ¹	162,775	149,697	164,576	165,414	167,069	166,986	162,391	161,586	159,796	164,418
By type										
2 Liabilities reported by banks in the United States ²	23,326	30,540	30,381	23,575	25,234	25,937	22,934	22,865	20,928	23,189
3 U.S. Treasury bills and certificates ³	67,671	47,666	56,243	57,858	57,719	55,659	52,924	50,179	48,867	49,644
U.S. Treasury bonds and notes										
4 Marketable	35,894	37,590	41,455	45,625	46,605	47,402	48,934	50,311	51,943	54,066
5 Nonmarketable ⁴	20,970	17,387	14,654	13,202	12,802	12,402	12,402	12,402	12,191	11,791
6 U.S. securities other than U.S. Treasury securities ⁵	14,914	16,514	21,843	24,062	24,309	25,186	25,197	25,829	25,867	25,728
By area										
7 Western Europe ¹	93,089	85,633	81,592	71,467	71,130	70,557	65,960	64,409	61,086	62,971
8 Canada	2,486	1,898	1,562	1,365	1,248	664	1,603	1,366	1,073	2,248
9 Latin America and Caribbean	5,046	6,291	5,688	5,526	6,103	5,584	5,968	5,429	5,088	5,008
10 Asia	59,004	52,978	70,782	81,014	83,124	85,845	84,641	87,331	89,188	91,314
11 Africa	2,408	2,412	4,123	3,927	3,190	2,645	2,840	2,090	2,149	1,792
12 Other countries ⁶	742	485	829	2,116	2,275	1,691	1,379	961	1,212	1,085

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	1978	1979	1980	1981		
				Dec.	Mar.	June	Sept.
1 Banks' own liabilities	925	2,406	1,918	3,748	3,298	3,031	2,870
2 Banks' own claims ¹	2,356	3,671	2,419	4,206	4,257	3,673	4,132
3 Deposits	941	1,795	994	2,507	1,779	2,052	2,423
4 Other claims	1,415	1,876	1,425	1,699	2,478	1,621	1,709
5 Claims of banks' domestic customers ²		358	580	962	444	347	247

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	1978	1979	1980	1981						
				May	June	July	Aug.	Sept.	Oct.	Nov ^P
1 All foreigners	166,842	187,521	205,295	213,487	208,799	213,677	208,044	216,113	197,963	206,908
2 Banks' own liabilities	78,661	117,196	124,789	132,167	127,947	131,903	130,980	142,213	123,507	131,206
3 Demand deposits	19,218	23,303	23,462	22,193	23,174	21,401	22,072	23,592	19,061	21,118
4 Time deposits ¹	12,427	13,623	15,076	16,059	16,641	16,457	17,250	17,313	17,465	18,135
5 Other ²	9,705	16,453	17,581	12,359	14,090	13,327	11,242	13,608	11,225	14,051
6 Own foreign offices ³	37,311	63,817	68,670	81,556	74,042	80,717	80,416	87,699	75,757	77,901
7 Banks' custody liabilities ⁴	88,181	70,325	80,506	81,320	80,852	81,774	77,065	73,900	74,456	75,703
8 U.S. Treasury bills and certificates ⁵	68,202	48,573	57,595	59,597	59,745	57,550	54,846	52,368	51,281	52,004
9 Other negotiable and readily transferable instruments ⁶	17,472	19,396	20,079	17,392	17,023	17,865	17,999	17,295	18,257	18,256
10 Other	2,507	2,356	2,832	4,331	4,084	6,359	4,220	4,238	4,919	5,442
11 Nonmonetary international and regional organizations ⁷	2,607	2,356	2,342	1,813	1,777	1,798	1,650	1,826	1,981	2,317
12 Banks' own liabilities	906	714	442	509	357	363	436	398	303	555
13 Demand deposits	330	260	146	147	224	222	233	249	185	388
14 Time deposits ¹	84	151	85	80	75	75	59	60	58	74
15 Other ²	492	303	211	281	58	65	145	89	60	93
16 Banks' custody liabilities ⁴	1,701	1,643	1,900	1,304	1,420	1,435	1,214	1,428	1,678	1,762
17 U.S. Treasury bills and certificates	201	102	254	213	289	247	84	96	184	142
18 Other negotiable and readily transferable instruments ⁶	1,499	1,538	1,646	1,091	1,132	1,188	1,130	1,332	1,494	1,621
19 Other	1	2	0	0	0	0	0	0	0	0
20 Official institutions ⁸	90,742	78,206	86,624	81,434	82,953	81,596	75,858	73,044	69,796	72,833
21 Banks' own liabilities	12,165	18,292	17,826	13,478	15,815	14,460	13,482	13,951	11,869	13,978
22 Demand deposits	3,390	4,671	3,771	3,444	3,975	3,134	3,714	2,697	2,668	2,459
23 Time deposits ¹	2,560	3,050	3,612	2,654	2,563	2,090	2,021	1,981	1,692	1,854
24 Other ²	6,215	10,571	10,443	7,381	9,277	9,236	7,747	9,273	7,509	9,665
25 Banks' custody liabilities ⁴	78,577	59,914	68,798	67,955	67,138	67,136	62,376	59,093	57,927	58,856
26 U.S. Treasury bills and certificates ⁵	67,415	47,666	56,243	57,858	57,719	55,659	52,921	50,179	48,867	49,644
27 Other negotiable and readily transferable instruments ⁶	10,992	12,196	12,501	10,014	9,346	9,396	9,400	8,659	9,013	9,161
28 Other	170	52	54	83	73	2,081	55	255	46	51
29 Banks ⁹	57,423	88,316	96,415	108,542	101,464	107,806	107,448	117,630	102,232	107,273
30 Banks' own liabilities	52,626	83,299	90,456	100,442	93,250	98,886	98,350	108,618	92,032	96,442
31 Unaffiliated foreign banks	15,315	19,482	21,786	18,886	19,208	18,168	17,933	20,919	16,275	18,541
32 Demand deposits	11,257	13,285	14,188	13,394	13,628	12,929	13,255	15,199	11,346	12,910
33 Time deposits ¹	1,429	1,667	1,703	1,685	1,728	1,573	1,686	1,880	1,631	1,955
34 Other ²	2,629	4,530	5,895	3,808	3,852	3,666	2,993	3,840	3,298	3,676
35 Own foreign offices ³	37,311	63,817	68,670	81,556	74,042	80,717	80,416	87,699	75,757	77,901
36 Banks' custody liabilities ⁴	4,797	5,017	5,959	8,100	8,214	8,921	9,099	9,01230	10,200	10,831
37 U.S. Treasury bills and certificates	300	422	623	945	1,170	1,069	1,217	1,439	1,574	1,584
38 Other negotiable and readily transferable instruments ⁶	2,425	2,415	2,748	3,053	3,178	3,732	4,019	3,889	4,091	4,169
39 Other	2,072	2,179	2,588	4,102	3,866	4,119	3,862	3,684	4,535	5,078
40 Other foreigners	16,070	18,642	19,914	21,698	22,605	22,477	23,088	23,613	23,955	24,485
41 Banks' own liabilities	12,964	14,891	16,065	17,737	18,525	18,195	18,712	19,246	19,303	20,231
42 Demand deposits	4,242	5,087	5,356	5,209	5,346	5,116	4,871	5,447	4,862	5,361
43 Time deposits ¹	8,353	8,755	9,676	10,995	12,275	12,719	13,483	13,393	14,084	14,252
44 Other ²	368	1,048	1,033	889	903	360	358	406	358	618
45 Banks' custody liabilities ⁴	3,106	3,751	3,849	3,961	4,080	4,283	4,376	4,367	4,652	4,253
46 U.S. Treasury bills and certificates	285	382	474	581	568	575	624	654	656	634
47 Other negotiable and readily transferable instruments ⁶	2,557	3,247	3,185	3,235	3,367	3,548	3,450	3,414	3,659	3,306
48 Other	264	123	190	145	144	159	302	300	337	313
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	11,007	10,984	10,745	9,653	10,176	10,091	9,961	9,459	9,424	9,975

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 Continued

Area and country	1978	1979	1980	1981						
				May	June	July	Aug.	Sept	Oct.	Nov. ^p
1 Total	166,842	187,521	205,295	213,487	208,799	213,677	208,044	216,113	197,963	206,908
2 Foreign countries	164,235	185,164	202,953	211,674	207,022	211,880	206,394	214,287	195,983	204,591
3 Europe	85,172	90,952	90,897	87,209	86,789	85,418	81,547	85,087	77,665	82,275
4 Austria	513	413	523	493	540	610	612	590	583	596
5 Belgium-Luxembourg	2,550	2,375	4,019	5,469	5,056	4,759	4,240	4,852	3,644	3,989
6 Denmark	1,946	1,092	497	526	415	430	239	163	232	306
7 Finland	346	398	455	280	305	294	220	198	187	196
8 France	9,214	10,433	12,125	11,367	11,515	11,058	9,235	7,637	7,125	7,385
9 Germany	17,283	12,935	9,973	9,472	9,631	9,072	7,301	8,410	6,555	7,211
10 Greece	826	635	670	513	507	533	492	578	496	428
11 Italy	7,739	7,782	7,572	3,014	4,620	6,134	6,374	6,264	5,687	5,656
12 Netherlands	2,402	2,337	2,441	2,176	2,133	1,792	1,751	2,240	2,173	2,351
13 Norway	1,271	1,267	1,344	1,648	1,743	1,289	1,228	1,008	1,449	1,642
14 Portugal	330	557	374	336	454	448	460	486	424	358
15 Spain	870	1,259	1,500	1,678	1,199	1,329	1,409	1,189	975	954
16 Sweden	3,121	2,005	1,737	2,501	2,180	1,864	1,667	2,102	1,609	1,508
17 Switzerland	18,225	17,954	16,689	15,810	15,844	16,320	16,426	16,983	17,116	18,949
18 Turkey	157	120	242	182	194	356	208	234	252	197
19 United Kingdom	14,272	24,700	22,680	25,485	24,428	23,220	24,194	26,335	23,985	24,258
20 Yugoslavia	254	266	681	270	312	408	343	366	265	380
21 Other Western Europe ¹	3,440	4,070	6,939	5,616	5,323	5,177	4,804	5,010	4,472	5,354
22 U.S.S.R.	82	52	68	85	41	46	34	28	42	72
23 Other Eastern Europe ²	330	302	370	288	351	280	310	414	396	486
24 Canada	6,969	7,379	10,031	11,222	10,208	9,249	9,871	10,119	8,934	10,091
25 Latin America and Caribbean	31,638	49,686	53,170	60,096	56,156	63,979	63,791	66,363	58,582	59,923
26 Argentina	1,484	1,582	2,132	1,800	1,991	1,980	2,043	1,979	1,929	2,012
27 Bahamas	6,752	15,255	16,381	20,154	17,760	24,476	24,209	25,168	20,206	21,584
28 Bermuda	428	430	670	802	698	646	700	806	721	624
29 Brazil	1,125	1,005	1,216	1,347	1,412	1,145	1,282	1,301	1,265	1,282
30 British West Indies	5,974	11,138	12,766	14,892	12,834	14,024	13,239	14,456	10,472	9,489
31 Chile	398	468	460	526	508	566	538	491	538	504
32 Colombia	1,756	2,617	3,077	2,828	2,827	2,784	2,708	2,527	2,759	2,775
33 Cuba	13	13	6	7	7	7	7	8	6	7
34 Ecuador	322	425	371	391	463	392	355	394	403	516
35 Guatemala ³	416	414	367	413	399	412	399	476	419	444
36 Jamaica ³	52	76	97	132	80	122	290	92	147	96
37 Mexico	3,467	4,185	4,547	4,948	5,351	5,532	6,352	6,021	5,717	6,031
38 Netherlands Antilles	308	499	413	438	495	487	692	697	2,771	2,896
39 Panama	2,967	4,483	4,718	4,847	4,615	5,004	4,619	4,964	4,599	4,904
40 Peru	363	383	403	334	450	363	398	380	369	473
41 Uruguay	231	202	254	334	322	243	266	259	249	266
42 Venezuela	3,821	4,192	3,170	3,924	3,548	3,671	3,621	3,982	4,044	3,971
43 Other Latin America and Caribbean	1,760	2,318	2,123	1,979	2,398	2,125	2,073	2,362	1,969	2,049
44 Asia	36,492	33,005	42,420	46,156	47,279	48,073	46,192	48,722	46,844	48,631
45 China	67	49	49	54	102	84	74	76	85	200
46 Taiwan	502	1,393	1,662	1,781	1,936	2,005	2,177	2,188	2,182	2,140
47 Hong Kong	1,256	1,672	2,548	3,001	3,151	3,446	3,956	4,062	4,158	4,090
48 India	790	527	416	458	408	394	455	491	433	511
49 Indonesia	449	504	730	707	582	1,309	732	809	1,269	985
50 Israel	688	707	883	404	478	387	482	412	418	475
51 Japan	21,927	8,907	16,281	19,803	19,563	19,475	19,757	20,747	20,204	19,987
52 Korea	795	993	1,528	1,397	1,330	1,252	1,319	1,434	1,291	1,322
53 Philippines	644	795	919	802	1,049	992	868	832	691	736
54 Thailand	427	277	464	338	422	436	371	392	274	409
55 Middle-East oil-exporting countries ⁴	7,534	15,300	14,453	14,728	15,129	14,909	12,396	13,293	12,196	13,603
56 Other Asia	1,414	1,879	2,487	2,684	3,129	3,385	3,607	3,985	3,643	4,172
57 Africa	2,886	3,239	5,187	4,513	3,907	3,173	3,201	2,561	2,535	2,381
58 Egypt	404	475	485	308	289	293	355	433	343	328
59 Morocco	32	33	33	54	41	77	59	43	28	37
60 South Africa	168	184	288	360	253	257	296	244	282	202
61 Zaire	43	110	57	24	181	84	41	76	44	56
62 Oil-exporting countries ⁵	1,525	1,635	3,540	3,004	2,388	1,715	1,703	1,040	1,165	830
63 Other Africa	715	804	783	764	755	747	746	725	672	929
64 Other countries	1,076	904	1,247	2,477	2,683	1,987	1,792	1,434	1,423	1,291
65 Australia	838	684	950	2,276	2,398	1,770	1,568	1,174	1,212	1,065
66 All other		211	226							
67 Nonmonetary international and regional organizations	2,607	2,356	2,342	1,813	1,777	1,798	1,650	1,826	1,981	2,317
68 International	1,485	1,238	1,156	781	747	699	524	631	945	1,128
69 Latin American regional	808	806	890	729	722	765	747	750	724	797
70 Other regional ⁶	314	313	296	303	307	333	379	445	312	391

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	1978	1979	1980	1981						
				May	June	July	Aug	Sept	Oct	Nov ^P
1 Total	115,545	133,943	172,592	187,139	197,312	196,860	198,878	210,086	196,428	207,909
2 Foreign countries	115,488	133,906	172,514	187,092	197,264	196,800	198,827	210,031	196,385	207,869
3 Europe	24,201	28,388	32,108	34,463	37,338	35,198	35,065	40,876	34,256	39,253
4 Austria	140	284	236	149	166	157	185	436	138	179
5 Belgium-Luxembourg	1,200	1,339	1,621	2,012	2,796	2,087	2,373	2,625	1,755	2,023
6 Denmark	254	147	127	162	125	132	166	158	186	207
7 Finland	305	202	460	299	365	343	352	346	397	516
8 France	3,735	3,322	2,958	3,164	3,209	2,861	3,074	3,351	2,563	3,252
9 Germany	845	1,179	948	1,140	1,099	1,259	1,144	1,267	841	969
10 Greece	164	154	256	242	249	292	214	287	235	255
11 Italy	1,523	1,631	3,364	2,981	3,879	3,923	3,997	4,016	4,322	4,559
12 Netherlands	677	514	575	604	627	497	581	569	564	567
13 Norway	299	276	227	173	172	167	249	300	230	281
14 Portugal	171	330	331	263	353	389	350	328	353	390
15 Spain	1,120	1,051	993	1,720	1,769	1,726	1,801	1,711	1,627	1,693
16 Sweden	537	542	783	996	794	730	672	930	871	1,333
17 Switzerland	1,283	1,165	1,446	1,708	1,690	1,871	1,708	1,948	1,471	1,961
18 Turkey	300	149	145	172	147	137	159	144	153	144
19 United Kingdom	10,147	13,795	14,917	15,835	16,675	15,454	14,832	19,380	15,638	17,855
20 Yugoslavia	363	611	853	904	988	992	948	932	954	1,016
21 Other Western Europe ¹	122	175	179	147	182	160	200	185	148	197
22 U.S.S.R.	360	268	281	254	302	245	252	232	203	248
23 Other Eastern Europe ²	657	1,254	1,410	1,539	1,752	1,776	1,809	1,733	1,608	1,606
24 Canada	5,152	4,143	4,810	6,068	7,024	7,661	6,353	7,962	7,342	6,922
25 Latin America and Caribbean	57,565	67,993	92,992	99,964	103,375	105,302	108,706	111,561	107,799	112,865
26 Argentina	2,281	4,389	5,689	5,659	5,822	5,742	5,702	5,771	5,885	6,044
27 Bahamas	21,555	18,918	29,419	33,285	34,753	35,552	36,684	38,023	36,626	39,386
28 Bermuda	184	496	218	481	404	411	340	490	335	255
29 Brazil	6,251	7,713	10,496	9,927	10,014	9,781	10,214	9,861	10,374	10,823
30 British West Indies	9,694	9,818	15,663	17,312	18,313	18,001	17,846	19,006	17,086	17,745
31 Chile	970	1,441	1,951	2,019	2,074	2,203	2,321	2,514	2,567	2,643
32 Colombia	1,012	1,614	1,752	1,580	1,533	1,480	1,429	1,487	1,529	1,601
33 Cuba	0	4	3	3	3	7	14	3	4	6
34 Ecuador	705	1,025	1,190	1,239	1,285	1,307	1,318	1,298	1,282	1,328
35 Guatemala ³	94	134	137	104	104	95	115	119	126	123
36 Jamaica ³	40	47	36	35	38	39	40	68	39	45
37 Mexico	5,479	9,099	12,595	13,351	14,066	15,560	17,391	17,245	17,148	18,498
38 Netherlands Antilles	273	248	821	756	874	933	894	869	928	946
39 Panama	3,098	6,041	4,974	6,054	6,210	6,029	6,167	6,667	5,791	5,645
40 Peru	918	652	890	871	818	803	796	788	795	705
41 Uruguay	52	105	137	100	94	102	107	142	166	148
42 Venezuela	3,474	4,657	5,438	5,438	5,295	5,436	5,529	5,325	5,272	5,129
43 Other Latin America and Caribbean	1,485	1,593	1,583	1,751	1,675	1,821	1,800	1,885	1,846	1,794
44 Asia	25,362	30,730	39,078	43,020	46,027	44,999	44,934	45,564	43,134	44,912
45 China										
46 Mainland	4	35	195	204	205	188	186	153	148	210
47 Taiwan	1,499	1,821	2,469	2,414	2,471	2,380	2,543	2,476	2,359	2,262
48 Hong Kong	1,479	1,804	2,247	2,898	3,328	3,208	3,347	3,716	3,775	3,921
49 India	54	92	142	170	132	106	135	144	176	179
50 Indonesia	143	131	245	268	257	271	254	363	267	329
51 Israel	888	990	1,172	1,186	1,309	1,178	1,108	1,086	1,200	1,325
52 Japan	12,646	16,911	21,361	24,195	25,995	25,954	25,352	25,300	22,746	23,785
53 Korea	2,282	3,793	5,697	6,023	6,678	6,426	6,479	6,486	6,555	6,671
54 Philippines	680	737	989	1,024	1,192	1,194	1,402	1,530	1,448	1,621
55 Thailand	758	933	876	698	661	546	527	549	559	546
56 Middle East oil-exporting countries ⁴	3,125	1,548	1,432	1,474	1,617	1,288	1,473	1,394	1,381	1,569
Other Asia	1,804	1,934	2,252	2,465	2,181	2,261	2,129	2,367	2,520	2,495
57 Africa	2,221	1,797	2,377	2,536	2,422	2,518	2,715	2,957	2,795	2,803
58 Egypt	107	114	151	126	155	128	148	145	147	137
59 Morocco	82	103	223	87	71	88	204	273	269	243
60 South Africa	860	445	370	668	658	688	787	917	852	904
61 Zaire	164	144	94	98	98	100	87	102	98	100
62 Oil-exporting countries ⁵	452	391	805	805	672	726	713	689	534	531
63 Other	556	600	734	752	769	789	777	831	896	888
64 Other countries	988	855	1,150	1,040	1,078	1,121	1,054	1,110	1,059	1,114
65 Australia	877	673	859	898	939	988	952	959	962	989
66 All other	111	182	290	142	139	133	102	152	97	125
67 Nonmonetary international and regional organizations ⁶	56	36	78	47	48	60	51	55	43	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	1978	1979	1980	1981						
				May	June	July	Aug	Sept.	Oct.	Nov. ^P
1 Total	126,787	154,030	198,698	.....	231,076	.....	.....	245,642	.....	.....
2 Banks' own claims on foreigners	115,545	133,943	172,592	187,139	197,312	196,860	198,878	210,086	196,428	207,909
3 Foreign public borrowers	10,346	15,937	20,882	21,541	22,825	24,020	24,414	25,021	25,435	26,313
4 Own foreign offices ¹	41,605	47,428	65,084	75,441	80,228	80,673	80,373	88,214	78,855	84,835
5 Unaffiliated foreign banks	40,483	40,927	50,168	52,236	55,212	54,204	55,364	58,469	54,749	57,605
6 Deposits	5,428	6,274	8,254	10,743	11,342	11,278	11,678	12,685	12,273	12,783
7 Other	35,054	34,654	41,914	41,493	43,870	42,926	43,686	45,784	42,477	44,822
8 All other foreigners	23,111	29,650	36,459	37,921	39,047	37,963	38,727	38,382	37,390	39,157
9 Claims of banks' domestic customers ²	11,243	20,088	26,106	.....	33,764	.....	.....	35,556	.....	.....
10 Deposits	480	955	885	.....	743	.....	.....	992	.....	.....
11 Negotiable and readily transferable instruments ³	5,396	13,100	15,574	.....	23,514	.....	.....	25,191	.....	.....
12 Outstanding collections and other claims ⁴	5,366	6,032	9,648	.....	9,507	.....	.....	9,373	.....	.....
13 MEMO: Customer liability on acceptances	15,030	18,021	22,714	.....	27,457	.....	.....	27,628	.....	.....
Dollar deposits in banks abroad, reported by non-banking business enterprises in the United States ⁵	13,558	22,042	24,100	34,883	33,102	37,354	34,175	36,038	39,519	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 before 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		1981		
	Dec.	Dec.	Sept	Dec	Mar.	June	Sept
1 Total	73,635	86,181	99,022	106,857	107,276	116,251	122,050
<i>By borrower</i>							
2 Maturity of 1 year or less ¹	58,345	65,152	76,231	82,665	83,471	90,819	94,603
3 Foreign public borrowers	4,633	7,233	8,935	10,036	10,734	11,619	12,970
4 All other foreigners	53,712	57,919	67,296	72,628	72,737	79,200	81,633
5 Maturity of over 1 year ¹	15,289	21,030	22,791	24,193	23,805	25,431	27,447
6 Foreign public borrowers	5,395	8,371	9,722	10,152	10,250	11,012	12,296
7 All other foreigners	9,894	12,659	13,069	14,041	13,555	14,419	15,151
<i>By area</i>							
8 Maturity of 1 year or less ¹							
9 Europe	15,169	15,235	16,940	18,762	18,681	20,718	22,749
10 Canada	2,670	1,777	2,166	2,723	2,743	3,196	3,799
11 Latin America and Caribbean	20,895	24,928	28,097	32,034	31,329	32,911	35,509
12 Asia	17,545	21,641	26,876	26,748	28,363	31,448	29,448
13 Africa	1,496	1,077	1,401	1,757	1,624	1,770	2,324
14 All other ²	569	493	751	640	730	776	774
15 Maturity of over 1 year ¹							
16 Europe	3,142	4,160	4,705	5,118	5,585	6,277	6,403
17 Canada	1,426	1,317	1,188	1,448	1,180	1,316	1,347
18 Latin America and Caribbean	8,464	12,814	14,187	15,075	14,841	15,448	17,423
19 Asia	1,407	1,911	2,014	1,865	1,530	1,680	1,571
20 Africa	637	655	567	507	531	551	548
21 All other ²	214	173	130	179	138	159	155

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 Banks¹

Billions of dollars, end of period

Area or country	1977	1978 ²	1979		1980				1981		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept. ³
1 Total	240.0	266.2	294.0	303.8	308.5	328.7	339.1	351.9	370.9	382.2	398.2
2 G-10 countries and Switzerland	116.4	124.7	135.7	138.4	141.2	154.2	158.8	162.1	168.4	168.3	171.8
3 Belgium-Luxembourg	8.4	9.0	10.7	11.1	10.8	13.1	13.6	13.0	13.5	14.2	14.0
4 France	11.0	12.2	12.0	11.7	12.0	14.1	13.9	14.1	14.5	14.7	16.0
5 Germany	9.6	11.3	12.8	12.2	11.4	12.7	12.9	12.1	13.2	12.1	12.7
6 Italy	6.5	6.7	6.1	6.4	6.2	6.9	7.2	8.2	7.7	8.4	8.6
7 Netherlands	3.5	4.4	4.7	4.8	4.3	4.5	4.4	4.4	4.6	4.1	3.7
8 Sweden	1.9	2.1	2.3	2.4	2.4	2.7	2.8	2.9	3.2	3.1	3.4
9 Switzerland	3.6	5.3	5.0	4.7	4.3	3.3	3.4	5.0	5.1	5.2	5.1
10 United Kingdom	46.5	47.3	53.7	56.4	57.6	64.4	66.7	67.4	68.2	66.7	68.6
11 Canada	6.4	6.0	6.0	6.3	6.9	7.2	7.7	8.4	8.8	10.8	11.5
12 Japan	18.8	20.6	22.3	22.4	25.4	25.5	26.1	26.5	29.6	28.9	28.2
13 Other developed countries	18.6	19.4	19.7	19.9	18.8	20.3	20.6	21.7	23.5	24.8	26.3
14 Austria	1.3	1.7	2.0	2.0	1.7	1.8	1.8	1.9	1.8	2.1	2.1
15 Denmark	1.6	2.0	2.0	2.2	2.1	2.2	2.2	2.3	2.4	2.3	2.5
16 Finland	1.2	1.2	1.2	1.2	1.1	1.3	1.2	1.4	1.4	1.3	1.4
17 Greece	2.2	2.3	2.3	2.4	2.4	2.5	2.6	2.8	2.7	3.0	2.9
18 Norway	1.9	2.1	2.3	2.3	2.4	2.4	2.4	2.6	2.8	2.8	3.0
19 Portugal	.6	.6	.7	.7	.6	.6	.7	.6	.6	.8	1.0
20 Spain	3.6	3.5	3.3	3.5	3.5	3.9	4.2	4.4	5.6	5.7	5.8
21 Turkey	1.5	1.5	1.4	1.4	1.4	1.4	1.3	1.5	1.5	1.4	1.5
22 Other Western Europe	.9	1.3	1.5	1.4	1.4	1.6	1.7	1.7	1.8	1.8	1.9
23 South Africa	2.4	2.0	1.7	1.3	1.1	1.5	1.2	1.1	1.5	1.9	2.5
24 Australia	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.3	1.4	1.7	1.9
25 OPEC countries ³	17.6	22.7	23.4	22.9	21.8	20.9	21.4	22.7	21.7	22.2	23.4
26 Ecuador	1.1	1.6	1.6	1.7	1.8	1.8	1.9	2.1	2.0	2.0	2.1
27 Venezuela	5.5	7.2	7.9	8.7	7.9	7.9	8.5	9.1	8.3	8.7	9.2
28 Indonesia	2.2	2.0	1.9	1.9	1.9	1.9	1.9	1.8	2.1	2.1	2.5
29 Middle East countries	6.9	9.5	9.2	8.0	7.8	6.9	6.7	6.9	6.7	6.8	7.1
30 African countries	1.9	2.5	2.8	2.6	2.5	2.5	2.4	2.8	2.6	2.6	2.6
31 Non-OPEC developing countries	48.7	52.6	58.9	62.9	63.7	67.6	72.8	77.2	81.8	84.6	89.8
Latin America											
32 Argentina	2.9	3.0	4.1	5.0	5.5	5.6	7.6	7.9	9.4	8.5	9.2
33 Brazil	12.7	14.9	15.1	15.2	15.0	15.3	15.8	16.2	16.8	17.3	17.6
34 Chile	.9	1.6	2.2	2.5	2.5	2.7	3.2	3.7	4.0	4.7	5.5
35 Colombia	1.3	1.4	1.7	2.2	2.1	2.2	2.4	2.6	2.4	2.5	2.5
36 Mexico	11.9	10.8	11.4	12.0	12.1	13.6	14.4	15.9	17.0	18.2	20.0
37 Peru	1.9	1.7	1.4	1.5	1.3	1.4	1.5	1.8	1.8	1.7	1.8
38 Other Latin America	2.6	3.6	3.6	3.7	3.6	3.6	3.9	3.9	4.7	3.8	4.2
Asia											
China											
39 Mainland	.0	.0	.1	.1	.1	.1	.1	.2	.2	.2	.2
40 Taiwan	3.1	2.9	3.5	3.4	3.6	3.8	4.1	4.2	4.4	4.6	5.1
41 India	.3	.2	.2	.2	.2	.2	.2	.3	.3	.3	.3
42 Israel	.9	1.0	1.0	1.3	.9	1.2	1.1	1.5	1.3	1.8	1.5
43 Korea (South)	3.9	3.9	5.3	5.4	6.4	7.1	7.3	7.1	7.7	8.7	8.5
44 Malaysia	.7	.6	.7	.9	.8	.9	.9	1.0	1.0	1.4	1.4
45 Philippines	2.5	2.8	3.7	4.2	4.4	4.6	4.8	5.1	4.8	5.1	5.6
46 Thailand	1.1	1.2	1.6	1.5	1.4	1.5	1.5	1.6	1.6	1.5	1.4
47 Other Asia	.4	.2	.4	.5	.5	.5	.5	.6	.5	.7	.8
Africa											
48 Egypt	.3	.4	.6	.6	.7	.8	.6	.8	.8	.7	1.0
49 Morocco	.5	.6	.5	.6	.5	.5	.6	.7	.6	.5	.7
50 Zaire	.3	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2
51 Other Africa ⁴	.7	1.4	1.6	1.7	1.7	1.9	2.1	2.1	2.2	2.1	2.2
52 Eastern Europe	6.3	6.9	7.2	7.3	7.3	7.2	7.3	7.4	7.7	7.7	7.7
53 U.S.S.R.	1.6	1.3	.9	.7	.6	.5	.5	.4	.4	.5	.4
54 Yugoslavia	1.1	1.5	1.8	1.8	1.9	2.1	2.1	2.3	2.4	2.5	2.5
55 Other	3.7	4.1	4.6	4.8	4.9	4.5	4.7	4.6	4.8	4.8	4.8
56 Offshore banking centers	26.1	31.0	38.6	40.4	42.6	44.3	44.6	47.0	53.1	59.0	60.9
57 Bahamas	9.9	10.4	13.0	13.7	13.9	13.7	13.2	13.7	15.2	17.7	20.8
58 Bermuda	.6	.7	.7	.8	.6	.6	.6	.6	.7	.7	.9
59 Cayman Islands and other British West Indies	3.7	7.4	9.5	9.4	11.3	9.8	10.1	10.6	11.7	12.4	11.7
60 Netherlands Antilles	.7	.8	1.1	1.2	.9	1.2	1.3	2.1	2.3	2.4	2.2
61 Panama ⁵	3.1	3.0	3.4	4.3	4.9	5.6	5.6	5.4	6.5	6.9	6.7
62 Lebanon	.2	.1	.2	.2	.2	.2	.2	.2	.2	.2	.2
63 Hong Kong	3.7	4.2	5.5	6.0	5.7	6.9	7.5	8.1	8.4	10.3	10.3
64 Singapore	3.7	3.9	4.9	4.5	4.7	5.9	5.6	5.9	7.3	8.1	8.0
65 Others ⁶	.5	.5	.4	.4	.4	.4	.4	.3	.9	.3	.1
66 Miscellaneous and unallocated ⁷	5.3	9.1	10.6	11.7	13.1	14.3	13.7	14.0	14.9	15.7	18.2

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. Excludes Liberia.

5. Includes Canal Zone beginning December 1979.

6. Foreign branch claims only.

7. 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	1979	1980	1981	1981						
			Jan. Nov ^a	May	June	July	Aug.	Sept	Oct.	Nov ^a
	Holdings (end of period) ¹									
1 Estimated total ²	51,484	57,549		62,967	64,263	64,668	66,468	67,039	68,519	70,543
2 Foreign countries ²	46,055	52,961		58,168	59,289	59,658	61,579	62,369	64,067	66,035
3 Europe ²	24,964	24,468		24,641	25,000	24,573	25,090	24,334	24,531	24,952
4 Belgium-Luxembourg	60	77		131	173	163	370	372	384	329
5 Germany ²	14,056	12,327		11,940	12,585	13,226	13,524	12,830	13,029	13,226
6 Netherlands	1,466	1,884		1,813	1,781	1,756	1,760	1,756	1,784	1,889
7 Sweden	647	595		572	582	606	623	646	661	645
8 Switzerland ²	1,868	1,485		1,535	1,600	763	848	876	861	833
9 United Kingdom	6,376	7,323		7,414	6,976	6,709	6,630	6,469	6,446	6,693
10 Other Western Europe	491	777		1,236	1,304	1,350	1,334	1,385	1,367	1,337
11 Eastern Europe	0	0		0	0	0	0	0	0	0
12 Canada	232	449		486	484	501	514	528	547	508
13 Latin America and Caribbean	466	999		849	666	724	818	854	788	761
14 Venezuela	103	292		287	287	287	313	294	289	306
15 Other Latin America and Caribbean	200	285		430	217	260	321	313	317	289
16 Netherlands Antilles	163	421		132	162	177	184	246	182	165
17 Asia	19,805	26,112		31,047	31,997	32,716	34,008	35,506	37,052	38,774
18 Japan	11,175	9,479		9,606	9,778	9,786	9,890	10,102	10,094	10,732
19 Africa	591	919		1,140	1,139	1,139	1,140	1,140	1,141	1,037
20 All other	- 3	14		6	3	6	8	8	8	3
21 Nonmonetary international and regional organizations	5,429	4,588		4,799	4,974	5,010	4,889	4,670	4,452	4,508
22 International	5,388	4,548		4,791	4,966	5,008	4,887	4,667	4,450	4,493
23 Latin American regional	37	36		1	1	1	1	1	1	1
	Transactions (net purchases, or sales () during period)									
24 Total ²	6,537	6,066	12,994	721	1,297	405	1,799	571	1,480	2,024
25 Foreign countries ²	6,238	6,906	13,073	694	1,121	369	1,920	791	1,698	1,968
26 Official institutions	1,697	3,865	12,611	321	980	798	1,532	1,376	1,633	2,123
27 Other foreign ²	4,543	3,040	462	373	141	429	388	585	65	155
28 Nonmonetary international and regional organizations	300	- 843	78	26	176	36	- 120	220	217	56
MLMO: Oil-exporting countries										
29 Middle East ³	1,014	7,672	11,139	841	565	659	1,204	1,354	1,442	1,250
30 Africa ⁴	- 100	327	117	0	0	0	0	0	0	- 102

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	1978	1979	1980	1981						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec ^a
1 Deposits	367	429	411	338	285	255	419	547	534	505
<i>Assets held in custody</i>										
2 U.S. Treasury securities ¹	117,126	95,075	102,417	107,884	105,064	102,197	101,068	101,068	103,894	104,680
3 Earmarked gold ²	15,463	15,169	14,965	14,871	14,854	14,833	14,813	14,811	14,802	14,804

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	1979	1980	1981	1981							
			Jan Nov	May	June	July	Aug.	Sept.	Oct.	Nov. ^P	
	U.S. corporate securities										
STOCKS											
1 Foreign purchases	22,783	40,273	37,565	4,076	4,384	3,455	3,152	2,847	2,839	2,688	
2 Foreign sales	21,104	34,852	32,084	2,860	3,417	3,257	3,206	2,322	2,792	2,493	
3 Net purchases, or sales (-)	1,679	5,421	5,481	1,217	967	198	-54	525	47	195	
4 Foreign countries	1,662	5,403	5,457	1,207	962	190	-49	531	53	206	
5 Europe	237	3,110	3,381	764	508	119	74	38	46	109	
6 France	137	490	880	393	45	48	29	10	21	7	
7 Germany	215	172	22	20	13	28	28	48	6	4	
8 Netherlands	71	328	84	31	29	41	28	3	13	28	
9 Switzerland	519	308	194	84	0	19	1	68	97	0	
10 United Kingdom	964	2,523	2,035	215	371	147	85	132	86	96	
11 Canada	552	887	742	143	104	77	39	44	47	7	
12 Latin America and Caribbean	19	148	4	9	126	126	51	81	7	54	
13 Middle East ¹	688	1,206	1,164	223	33	105	36	497	164	45	
14 Other Asia	211	16	206	71	187	37	20	29	117	7	
15 Africa	14	1	7	1	4	-1	0	0	0	1	
16 Other countries	7	38	47	-4	1	21	17	4	2	3	
17 Nonmonetary international and regional organizations	17	18	24	10	5	8	-5	-5	-6	-12	
BONDS ²											
18 Foreign purchases	8,871	15,425	15,857	897	1,793	1,894	1,171	1,306	1,166	1,099	
19 Foreign sales	7,592	9,964	11,012	669	1,319	820	894	1,051	1,203	1,303	
20 Net purchases, or sales (-)	1,279	5,461	4,846	228	474	1,074	277	255	-36	-204	
21 Foreign countries	1,376	5,526	4,791	246	473	1,067	278	243	-27	-212	
22 Europe	671	1,576	1,182	3	179	122	176	5	-106	112	
23 France	56	129	4	17	10	5	9	4	5	4	
24 Germany	59	213	798	28	151	68	105	64	43	67	
25 Netherlands	202	65	57	4	0	0	2	2	3	9	
26 Switzerland	118	54	90	34	20	22	22	23	7	10	
27 United Kingdom	814	1,257	120	87	4	11	45	53	164	174	
28 Canada	80	135	4	18	6	23	2	12	35	29	
29 Latin America and Caribbean	109	185	109	9	12	21	5	7	12	4	
30 Middle East ¹	424	3,499	3,527	192	359	853	81	252	84	72	
31 Other Asia	88	117	17	29	71	49	24	-9	43	1	
32 Africa	1	5	1	0	0	0	0	0	0	1	
33 Other countries	1	10	-6	0	1	0	0	-1	0	2	
34 Nonmonetary international and regional organizations	-96	-65	55	-18	1	7	-1	12	-10	9	
	Foreign securities										
35 Stocks, net purchases, or sales (-)	817	2,139	63	32	114	108	51	191	30	70	
36 Foreign purchases	4,617	7,887	8,499	853	891	891	835	794	588	625	
37 Foreign sales	5,434	10,026	8,561	821	1,005	783	784	603	617	695	
38 Bonds, net purchases, or sales (-)	3,912	1,013	4,500	194	479	417	-32	258	154	-2,024	
39 Foreign purchases	12,662	17,073	15,839	1,292	1,509	1,768	1,078	1,023	1,553	2,293	
40 Foreign sales	16,573	18,086	20,339	1,487	1,988	2,185	1,110	1,281	1,706	4,316	
41 Net purchases, or sales (-), of stocks and bonds	-4,729	-3,152	-4,563	-162	-592	-309	19	-67	-183	-2,093	
42 Foreign countries	-3,979	-4,029	-4,527	-162	-592	-619	62	-81	-356	-1,505	
43 Europe	1,698	1,105	809	75	41	147	55	76	45	504	
44 Canada	2,601	1,959	3,606	385	507	858	-74	326	250	906	
45 Latin America and Caribbean	343	80	175	51	10	24	62	1	50	-6	
46 Asia	15	1,147	312	174	104	141	131	177	113	148	
47 Africa	63	24	60	3	6	2	3	6	1	1	
48 Other countries	25	78	84	29	75	23	1	3	0	57	
49 Nonmonetary international and regional organizations	-750	876	-36	0	0	311	-43	14	173	-588	

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 States¹

Millions of dollars, end of period

Type, and area or country	1978	1979	1980	1980			1981	
				June	Sept.	Dec.	Mar.	June
1 Total	14,956	17,170	21,644	18,760	18,778	21,644	21,681	21,182
2 Payable in dollars	11,527	14,095	17,935	15,320	15,441	17,935	18,156	17,997
3 Payable in foreign currencies ²	3,429	3,075	3,709	3,439	3,337	3,709	3,525	3,185
<i>By type</i>								
4 Financial liabilities	6,368	7,477	11,122	8,528	8,441	11,122	11,492	11,386
5 Payable in dollars	3,853	5,207	8,350	5,907	5,954	8,350	8,860	9,053
6 Payable in foreign currencies	2,515	2,270	2,772	2,621	2,487	2,772	2,633	2,333
7 Commercial liabilities	8,588	9,693	10,521	10,232	10,337	10,521	10,188	9,796
8 Trade payables	4,001	4,708	4,708	4,296	4,377	4,708	4,781	4,400
9 Advance receipts and other liabilities	4,587	5,272	5,814	5,936	5,960	5,814	5,407	5,396
10 Payable in dollars	7,674	8,888	9,585	9,413	9,487	9,585	9,296	8,944
11 Payable in foreign currencies	914	805	936	819	850	936	892	852
<i>By area or country</i>								
12 Financial liabilities	3,971	4,655	6,314	5,464	5,321	6,314	6,011	5,926
13 Europe	293	345	484	437	432	484	553	527
14 Belgium-Luxembourg	173	175	327	347	360	327	324	362
15 France	366	497	582	657	557	582	498	477
16 Germany	391	829	663	799	781	663	544	700
17 Netherlands	248	170	354	233	224	354	315	321
18 Switzerland	2,167	2,460	3,769	2,824	2,836	3,769	3,665	3,419
19 United Kingdom	247	532	958	641	642	958	1,090	978
20 Canada	1,357	1,483	3,103	1,641	1,734	3,103	3,483	3,592
21 Latin America and Caribbean	478	375	964	429	407	964	1,217	1,272
22 Bahamas	4	81	1	2	1	1	1	1
23 Bermuda	10	18	23	25	20	23	19	20
24 Brazil	194	514	1,452	714	708	1,452	1,458	1,534
25 British West Indies	102	121	99	101	108	99	97	98
26 Mexico	49	72	81	72	74	81	85	91
27 Venezuela	784	799	723	757	712	723	880	861
28 Asia	717	726	644	683	618	644	766	741
29 Japan	32	31	38	31	37	38	51	29
30 Middle East oil-exporting countries ³	5	4	11	10	11	11	6	5
31 Africa	2	1	1	1	1	1	1	0
32 Oil-exporting countries ⁴	5	4	15	15	21	15	23	24
33 All other ⁵	3,047	3,636	4,197	4,036	4,074	4,197	3,814	3,894
34 Europe	97	137	90	133	109	90	83	72
35 Belgium-Luxembourg	321	467	582	485	501	582	563	564
36 France	523	545	679	724	686	679	639	615
37 Germany	246	227	219	245	276	219	246	225
38 Netherlands	302	310	493	462	452	493	385	375
39 Switzerland	824	1,077	1,017	1,133	1,047	1,017	880	949
40 United Kingdom	667	868	806	591	591	806	749	661
41 Canada	997	1,323	1,244	1,271	1,361	1,244	1,287	1,156
42 Latin America	25	69	8	26	8	8	1	4
43 Bahamas	97	32	73	107	114	73	111	72
44 Bermuda	74	203	111	151	156	111	84	54
45 Brazil	53	21	35	37	12	35	16	34
46 British West Indies	106	257	326	272	324	326	421	327
47 Mexico	303	301	307	210	293	307	253	290
48 Venezuela	2,931	2,905	3,005	3,091	2,909	3,005	3,071	2,788
49 Asia	448	494	802	418	502	802	810	867
50 Japan	1,523	1,017	894	1,030	944	894	955	852
51 Middle East oil-exporting countries ³	743	728	814	875	1,006	814	828	675
52 Africa	312	384	514	498	633	514	519	392
53 Oil-exporting countries ⁴	203	233	456	367	396	456	440	622
54 All other ⁵								

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 States¹

Millions of dollars, end of period

Type, and area or country	1978	1979	1980	1980			1981	
				June	Sept	Dec	Mar	June
1 Total	28,004	31,286	34,489	32,449	32,048	34,489	37,661	35,186
2 Payable in dollars	25,001	28,094	31,563	29,329	28,712	31,563	34,663	32,407
3 Payable in foreign currencies ²	3,003	3,193	2,926	3,119	3,336	2,926	2,999	2,879
<i>By type</i>								
4 Financial claims	16,644	18,431	19,812	18,932	18,633	19,812	22,203	20,133
5 Deposits	11,201	12,797	13,978	13,096	12,574	13,978	16,474	14,487
6 Payable in dollars	10,133	11,881	13,203	12,192	11,361	13,203	15,679	13,761
7 Payable in foreign currencies	1,068	916	775	904	1,213	775	795	725
8 Other financial claims	5,443	5,634	5,834	5,836	6,059	5,834	5,729	5,646
9 Payable in dollars	3,874	3,808	4,152	4,108	4,404	4,152	4,082	3,992
10 Payable in foreign currencies	1,569	1,826	1,683	1,728	1,655	1,683	1,646	1,655
11 Commercial claims	11,360	12,855	14,677	13,517	13,415	14,677	15,458	15,053
12 Trade receivables	10,802	12,161	13,957	12,795	12,714	13,957	14,657	14,222
13 Advance payments and other claims	559	694	720	722	702	720	801	830
14 Payable in dollars	10,994	12,405	14,208	13,209	12,947	14,208	14,901	14,554
15 Payable in foreign currencies	366	450	468	488	469	468	557	499
<i>By area or country</i>								
<i>Financial claims</i>								
16 Europe	5,225	6,163	6,094	5,899	5,692	6,094	6,098	5,212
17 Belgium-Luxembourg	48	32	195	23	17	195	170	174
18 France	178	177	334	307	409	334	411	377
19 Germany	510	409	230	195	168	230	213	139
20 Netherlands	103	53	32	377	30	32	42	34
21 Switzerland	98	73	59	96	41	59	90	96
22 United Kingdom	4,031	5,107	46,098	5,212				
23 Canada	4,549	4,984	5,057	4,968	4,948	5,057	6,611	6,168
24 Latin America and Caribbean	5,714	6,282	7,682	6,962	6,812	7,682	8,552	7,882
25 Bahamas	3,001	2,757	3,424	3,098	2,845	3,424	3,947	3,231
26 Bermuda	80	30	135	25	65	135	13	33
27 Brazil	151	163	96	120	116	96	22	20
28 British West Indies	1,291	2,007	2,681	2,414	2,342	2,681	3,398	3,396
29 Mexico	162	157	208	177	192	208	168	162
30 Venezuela	157	143	137	139	128	137	131	143
31 Asia	920	706	710	781	853	710	691	618
32 Japan	305	199	177	276	331	177	191	107
33 Middle East oil-exporting countries ³	18	16	20	16	20	20	17	19
34 Africa	181	253	238	256	260	238	214	216
35 Oil-exporting countries ⁴	10	49	26	35	29	26	27	39
36 All other ⁵	55	44	32	65	68	32	36	37
<i>Commercial claims</i>								
37 Europe	3,983	4,909	5,511	4,880	4,709	5,511	5,822	5,449
38 Belgium-Luxembourg	144	202	233	259	230	233	277	235
39 France	609	727	1,129	666	710	1,129	918	782
40 Germany	399	589	591	514	571	591	597	570
41 Netherlands	267	298	318	297	289	318	347	308
42 Switzerland	198	272	351	434	339	351	461	474
43 United Kingdom	824	901	932	909	994	932	1,187	1,067
44 Canada	1,094	849	899	904	934	899	1,037	987
45 Latin America and Caribbean	2,546	2,853	3,791	3,291	3,389	3,791	3,832	3,786
46 Bahamas	109	21	21	19	53	21	15	29
47 Bermuda	215	197	148	133	81	148	170	192
48 Brazil	628	645	861	696	712	861	799	823
49 British West Indies	9	16	34	9	17	34	15	34
50 Mexico	505	698	1,090	931	992	1,090	1,051	1,110
51 Venezuela	291	343	407	395	388	407	436	417
52 Asia	3,112	3,450	3,507	3,627	3,443	3,507	3,763	3,721
53 Japan	1,006	1,175	1,045	1,191	1,135	1,045	1,294	1,171
54 Middle East oil-exporting countries ³	716	766	821	830	837	821	925	956
55 Africa	447	554	651	566	669	651	678	701
56 Oil-exporting countries ⁴	136	133	151	115	135	151	143	137
57 All other ⁵	178	240	318	249	272	318	327	409

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 Jan. 31, 1982		Country	Rate on Jan. 31, 1982		Country	Rate on Jan. 31, 1982	
	Per- cent	Month effective		Per- cent	Month effective		Per- cent	Month effective
Argentina	187.55	Jan. 1982	France ¹	17.5	Oct. 1981	Sweden	11.0	Oct. 1981
Austria	6.75	Mar. 1980	Germany, Fed. Rep. of	7.5	May 1980	Switzerland	6.0	Sept. 1981
Belgium	14.0	Jan. 1982	Italy	19.0	Mar. 1981	United Kingdom		
Brazil	49.0	Mar. 1981	Japan	5.5	Dec. 1981	Venezuela	14.0	Aug. 1981
Canada	14.59	Jan. 1982	Netherlands	8.5	Jan. 1982			
Denmark	11.00	Oct. 1980	Norway	9.0	Nov. 1979			

1. As from February 1981, the rate at which the Bank of France discounts Treasury bills for 7 to 10 days.

2. Minimum lending rate suspended as of Aug. 20, 1981

NOTE: Rates shown are mainly those at which the central bank either

discounts or makes advances against eligible commercial paper and/or government 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	1979	1980	1981	1981						1982
				July	Aug.	Sept.	Oct.	Nov.	Dec.	
1 Eurodollars	11.96	14.00	16.79	18.50	18.79	17.80	16.34	13.33	13.24	14.29
2 United Kingdom	13.60	16.59	13.86	13.63	14.02	14.60	16.27	15.03	15.31	15.14
3 Canada	11.91	13.12	18.34	19.67	21.84	20.42	18.84	16.53	15.97	15.01
4 Germany	6.64	9.45	12.05	12.92	12.87	12.48	11.72	11.05	10.72	10.43
5 Switzerland	2.04	5.79	9.15	9.76	9.05	10.56	10.85	9.88	9.76	8.53
6 Netherlands	9.33	10.60	11.52	12.38	13.54	12.96	12.57	11.70	11.03	10.49
7 France	9.44	12.18	15.28	17.34	17.40	17.65	16.47	15.35	15.30	15.07
8 Italy	11.85	17.50	19.98	20.78	20.94	21.07	21.00	21.12	21.24	21.38
9 Belgium	10.48	14.06	15.28	16.16	16.00	16.00	15.83	15.28	15.48	15.09
10 Japan	6.10	11.45	7.58	7.16	7.22	7.26	7.13	7.15	6.75	6.41

NOTE: Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills, and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1979	1980	1981	1981						1982
				July	Aug.	Sept.	Oct.	Nov.	Dec.	
1 Australia/dollar	111.77	114.00	114.95	114.27	113.99	114.86	114.32	114.55	113.39	111.41
2 Austria/schilling	7.4799	7.7349	6.2936	5.8225	5.6968	6.0554	6.3356	6.4022	6.3088	6.2243
3 Belgium/franc	3.4098	3.4247	2.7007	2.5027	2.4466	2.5978	2.6557	2.6724	2.6115	2.5623
4 Canada/dollar	85.386	85.530	83.408	82.601	81.766	83.275	83.136	84.235	84.382	83.850
5 Denmark/krone	19.010	17.766	14.080	13.074	12.732	13.552	13.825	13.944	13.661	13.337
6 Finland/markka	27.732	26.892	23.159	22.045	21.607	22.225	22.601	23.020	22.902	22.710
7 France/franc	23.504	23.694	18.489	17.253	16.720	17.769	17.762	17.782	17.502	17.153
8 Germany/deutsche mark	54.561	55.089	44.362	40.977	39.988	42.545	44.370	44.862	44.293	43.596
9 India/rupee	12.265	12.686	11.548	11.229	11.038	10.971	10.948	10.947	10.952	10.926
10 Ireland/pound	204.65	205.77	161.32	149.40	146.04	155.04	157.50	158.95	157.30	153.97
11 Italy/lira	12035	11694	108842	108233	108038	108424	108374	108392	108290	108142
12 Japan/yen	45834	44311	45432	43055	42881	43582	43198	44843	45675	44483
13 Malaysia/ringgit	45.720	45.967	43.406	42.519	42.119	42.527	43.500	44.323	44.489	44.297
14 Mexico/peso	4.3826	4.3535	4.0785	4.0650	4.0301	3.9859	3.9371	3.8878	3.8358	3.7780
15 Netherlands/guilder	49.843	50.369	40.191	36.833	36.009	38.329	40.151	40.915	40.435	39.769
16 New Zealand/dollar	102.23	97.337	86.848	83.771	82.331	82.644	82.355	83.104	82.784	81.399
17 Norway/krone	19.747	20.261	17.459	16.387	16.177	16.779	16.897	17.194	17.402	17.058
18 Portugal/escudo	2.0437	1.9980	1.6275	1.5429	1.4999	1.5268	1.5458	1.5534	1.5304	1.5039
19 South Africa/rand	118.72	128.54	114.77	108.46	105.27	105.56	104.61	103.82	103.10	103.46
20 Spain/peseta	1.4896	1.3958	1.0869	1.0248	.99864	1.0407	1.0416	1.0483	1.0313	1.0167
21 Sri Lanka/rupee	6.4226	6.1947	5.2928	5.3491	5.1932	5.0056	4.8372	4.8020	4.9362	4.9436
22 Sweden/krona	23.323	23.647	19.860	19.293	18.870	18.435	18.023	18.217	18.049	17.792
23 Switzerland/franc	60.121	59.697	51.025	47.667	46.091	49.511	53.080	56.000	55.098	54.224
24 United Kingdom/pound	212.24	232.58	202.43	187.37	182.03	181.46	184.07	190.25	190.33	188.60
25 United States/dollar ¹	88.09	87.39	102.94	109.87	112.29	107.98	106.34	104.53	105.21	106.96

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

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for periodic releases	June 1981	A78

SPECIAL TABLES

Published Irregularly, with Latest Bulletin Reference

Commercial bank assets and liabilities, September 30, 1980	February 1981	A68
Commercial bank assets and liabilities, December 31, 1980	April 1981	A72
Assets and liabilities of U.S. branches and agencies of foreign banks, September 30, 1981	January 1982	A76
Commercial bank assets and liabilities, March 31, 1981	July 1981	A72
Commercial bank assets and liabilities, June 30, 1981	October 1981	A74
Commercial bank assets and liabilities, September 30, 1981	January 1982	A70

Federal Reserve Board of Governors

PAUL A. VOLCKER, *Chairman*

HENRY C. WALLICH
J. CHARLES PARTEE

OFFICE OF BOARD MEMBERS

JOSEPH R. COYNE, *Assistant to the Board*
DONALD J. WINN, *Assistant to the Board*
ANTHONY F. COLE, *Special Assistant to the Board*
WILLIAM R. MALONI, *Special Assistant to the Board*
FRANK O'BRIEN, JR., *Special Assistant to the Board*
JAMES L. STULL, *Manager, Operations Review Program*

OFFICE OF STAFF DIRECTOR FOR MONETARY AND FINANCIAL POLICY

STEPHEN H. AXILROD, *Staff Director*
EDWARD C. ETTIN, *Deputy Staff Director*
MURRAY ALTMANN, *Assistant to the Board*
STANLEY J. SIGEL, *Assistant to the Board*
NORMAND R.V. BERNARD, *Special Assistant to the Board*

LEGAL DIVISION

MICHAEL BRADFIELD, *General Counsel*
ROBERT E. MANNION, *Deputy General Counsel*
J. VIRGIL MATTINGLY, JR., *Associate General Counsel*
GILBERT T. SCHWARTZ, *Associate General Counsel*
MICHAEL E. BLEIER, *Assistant General Counsel*
MARYELLEN A. BROWN, *Assistant to the General Counsel*

OFFICE OF THE SECRETARY

WILLIAM W. WILES, *Secretary*
BARBARA R. LOWREY, *Associate Secretary*
JAMES MCAFEE, *Associate Secretary*
~~*THEODORE E. DOWNING, JR., Assistant Secretary~~

DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

JANET O. HART, *Director*
GRIFFITH L. GARWOOD, *Deputy Director*
JERAULD C. KLUCKMAN, *Associate Director*
GLENN E. LONEY, *Assistant Director*
DOLORES S. SMITH, *Assistant Director*

DIVISION OF BANKING SUPERVISION AND REGULATION

JOHN E. RYAN, *Director*
FREDERICK R. DAHL, *Associate Director*
DON E. KLINE, *Associate Director*
WILLIAM TAYLOR, *Associate Director*
JACK M. EGERTSON, *Assistant Director*
ROBERT A. JACOBSEN, *Assistant Director*
ROBERT S. PLOTKIN, *Assistant Director*
THOMAS A. SIDMAN, *Assistant Director*
SAMUEL H. TALLEY, *Assistant Director*
LAURA M. HOMER, *Securities Credit Officer*

DIVISION OF RESEARCH AND STATISTICS

JAMES L. KICHLINE, *Director*
JOSEPH S. ZEISEL, *Deputy Director*
MICHAEL J. PRELL, *Associate Director*
JARED J. ENZLER, *Senior Deputy Associate Director*
DONALD L. KOHN, *Senior Deputy Associate Director*
ELEANOR J. STOCKWELL, *Senior Deputy Associate Director*
J. CORTLAND G. PERET, *Deputy Associate Director*
HELMUT F. WENDEL, *Deputy Associate Director*
MARTHA BETHEA, *Assistant Director*
JOE M. CLEAVER, *Assistant Director*
ROBERT M. FISHER, *Assistant Director*
DAVID E. LINDSEY, *Assistant Director*
LAWRENCE SLIFMAN, *Assistant Director*
FREDERICK M. STRUBLE, *Assistant Director*
STEPHEN P. TAYLOR, *Assistant Director*
PETER A. TINSLEY, *Assistant Director*
LEVON H. GARABEDIAN, *Assistant Director (Administration)*

DIVISION OF INTERNATIONAL FINANCE

EDWIN M. TRUMAN, *Director*
ROBERT F. GEMMILL, *Associate Director*
CHARLES J. SIEGMAN, *Associate Director*
LARRY J. PROMISEL, *Senior Deputy Associate Director*
DALE W. HENDERSON, *Deputy Associate Director*
SAMUEL PIZER, *Staff Adviser*
RALPH W. SMITH, JR., *Assistant Director*

and Official Staff

NANCY H. TEETERS
EMMETT J. RICE

OFFICE OF STAFF DIRECTOR FOR MANAGEMENT

JOHN M. DENKLER, *Staff Director*
EDWARD T. MULRENIN, *Assistant Staff Director*
JOSEPH W. DANIELS, SR., *Director of Equal Employment Opportunity*

DIVISION OF DATA PROCESSING

CHARLES L. HAMPTON, *Director*
BRUCE M. BEARDSLEY, *Deputy Director*
ULYESS D. BLACK, *Associate Director*
GLENN L. CUMMINS, *Assistant Director*
NEAL H. HILLERMAN, *Assistant Director*
C. WILLIAM SCHLEICHER, JR., *Assistant Director*
ROBERT J. ZEMEL, *Assistant Director*

DIVISION OF PERSONNEL

DAVID L. SHANNON, *Director*
JOHN R. WEIS, *Assistant Director*
CHARLES W. WOOD, *Assistant Director*

OFFICE OF THE CONTROLLER

JOHN KAKALEC, *Controller*
GEORGE E. LIVINGSTON, *Assistant Controller*

DIVISION OF SUPPORT SERVICES

DONALD E. ANDERSON, *Director*
ROBERT E. FRAZIER, *Associate Director*
WALTER W. KREIMANN, *Associate Director*

LYLE E. GRAMLEY

OFFICE OF STAFF DIRECTOR FOR FEDERAL RESERVE BANK ACTIVITIES

THEODORE E. ALLISON, *Staff Director*

DIVISION OF FEDERAL RESERVE BANK OPERATIONS

CLYDE H. FARNSWORTH, JR., *Director*
LORIN S. MEEDER, *Associate Director*
WALTER ALTHAUSEN, *Assistant Director*
CHARLES W. BENNETT, *Assistant Director*
RICHARD B. GREEN, *Assistant Director*
EARL G. HAMILTON, *Assistant Director*
ELLIOTT C. MCENTEE, *Assistant Director*
DAVID L. ROBINSON, *Assistant Director*
P.D. RING, *Adviser*
†HOWARD F. CRUMB, *Acting Adviser*

*On loan from the Federal Reserve Bank of Chicago.

†On loan from the Federal Reserve Bank of New York

FOMC and Advisory Councils

FEDERAL OPEN MARKET COMMITTEE

PAUL A. VOLCKER, *Chairman*

ANTHONY M. SOLOMON, *Vice Chairman*

EDWARD G. BOEHNE
ROBERT H. BOYKIN
E. GERALD CORRIGAN

LYLL E. GRAMLY
SILAS KILHN
J. CHARLES PARTLE
EMMETT J. RICE

FREDERICK H. SCHULTZ
NANCY H. TEETERS
HENRY C. WALLICH

STEPHEN H. AXILROD, *Staff Director*
MURRAY ALTMANN, *Secretary*
NORMAND R. V. BERNARD, *Assistant Secretary*
NANCY M. STELLE, *Deputy Assistant Secretary*
MICHAEL BRADFIELD, *General Counsel*
JAMES H. OUTMAN, *Deputy General Counsel*
ROBERT E. MANNION, *Assistant General Counsel*
JAMES L. KICHLINE, *Economist*

JOSEPH E. BURNS, *Associate Economist*
RICHARD G. DAVIS, *Associate Economist*
EDWARD C. FITIN, *Associate Economist*
DONALD J. MULINI AUX, *Associate Economist*
MICHAEL J. PRELI, *Associate Economist*
KARL L. SCHELD, *Associate Economist*
EDWIN M. TRUMAN, *Associate Economist*
JOSEPH S. ZEISLER, *Associate Economist*

PETER D. STERNLIGHT, *Manager for Domestic Operations, System Open Market Account*
SAM Y. CROSS, *Manager for Foreign Operations, System Open Market Account*

FEDERAL ADVISORY COUNCIL

DONALD C. PLATTEN, Second District, *President*
ROBERT M. SURDAM, Seventh District, *Vice President*

WILLIAM S. EDGERLY, First District
JOHN H. WATHER, Third District
JOHN G. MCCOY, Fourth District
VINCENT C. BURKE, JR., Fifth District
ROBERT STRICKLAND, Sixth District

RONALD TERRY, Eighth District
CLARENCE G. FRAME, Ninth District
GORDON E. WELLS, Tenth District
T. C. FROST, JR., Eleventh District
JOSEPH J. PINOIA, Twelfth District

HERBERT V. PROCHNOW, *Secretary*
WILLIAM J. KORSVIK, *Associate Secretary*

CONSUMER ADVISORY COUNCIL

CHARLOTTE H. SCOTT, Charlottesville, Virginia, *Chairman*
MARGARET REILLY-PIETRONE, Upper Montclair, New Jersey, *Vice Chairman*

ARTHUR F. BOUTON, Little Rock, Arkansas
JULIA H. BOYD, Alexandria, Virginia
ELLEN BROADMAN, Washington, D.C.
GERALD R. CHRISTENSEN, Salt Lake City, Utah
JOSEPH N. CUGINI, Westerly, Rhode Island
RICHARD S. D'AGOSTINO, Philadelphia, Pennsylvania
SUSAN PIERSON DE WITT, Springfield, Illinois
JOANNE S. FAULKNER, New Haven, Connecticut
MEREDITH FERNSTROM, New York, New York
ALLEN J. FISHBEIN, Washington, D.C.
E. C. A. FORSBERG, SR., Atlanta, Georgia
LUTHER R. GATLING, New York, New York
VERNARD W. HENLEY, Richmond, Virginia
JUAN J. HINOJOSA, McAllen, Texas

SHIRLEY T. HOSOI, Los Angeles, California
GEORGE S. IRVIN, Denver, Colorado
HARRY N. JACKSON, Minneapolis, Minnesota
F. THOMAS JUSTER, Ann Arbor, Michigan
ROBERT J. McEWEN, S. J., Chestnut Hill, Massachusetts
STAN L. MULARZ, Chicago, Illinois
WILLIAM J. O'CONNOR, Buffalo, New York
WILLARD P. OGBURN, Boston, Massachusetts
JANET J. RATHF, Portland, Oregon
RENE RELIXACH, Rochester, New York
PIETER D. SCHLITZ, Washington, D.C.
NANCY Z. SPILMAN, Los Angeles, California
CLINTON WARNE, Cleveland, Ohio
FREDERICK T. WILMER, Chicago, Illinois

Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK, branch, or <i>facility</i>	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON [*]	02106	Robert P. Henderson Thomas I. Atkins	Frank E. Morris James A. McIntosh	
NEW YORK [*]	10045	Robert H. Knight, Esq. Boris Yavitz	Anthony M. Solomon Thomas M. Timlen	John T. Keane
Buffalo	14240	Frederick D. Berkeley, III		
PHILADELPHIA	19105	Jean A. Crockett Robert M. Landis, Esq.	Edward G. Boehne Richard L. Smoot	
CLEVELAND [*]	44101	J. L. Jackson William H. Knoell	Willis J. Winn Walter H. MacDonald	Robert E. Showalter Harold J. Swart
Cincinnati	45201	Clifford R. Meyer		
Pittsburgh	15230	Milton G. Hulme, Jr.		
RICHMOND [*]	23219	Steven Muller Paul E. Reichardt	Robert P. Black Jimmie R. Monhollon	Robert D. McTeer, Jr. Stuart P. Fishburne
Baltimore	21203	Edward H. Covell		
Charlotte	28230	Naomi G. Albanese		
<i>Culpeper Communications and Records Center</i>	22701			Albert D. Tinkelenberg
ATLANTA	30301	William A. Fickling, Jr. John H. Weitnauer, Jr.	William F. Ford Robert P. Forrestal	Hiram J. Honea Charles D. East F. J. Craven, Jr. Jeffrey J. Wells James D. Hawkins
Birmingham	35202	William H. Martin, III		
Jacksonville	32231	Copeland D. Newbern		
Miami	33152	David A. Rush		
Nashville	37203	Cecelia Adkins		
New Orleans	70161	Leslie B. Lampton		
CHICAGO [*]	60690	John Sagan Stanton R. Cook	Silas Keehn Daniel M. Doyle	William C. Conrad
Detroit	48231	Russell G. Mawby		
ST. LOUIS	63166	Armand C. Stalnaker Hadley Griffin	Lawrence K. Roos Donald W. Moriarty, Jr.	John F. Breen Donald L. Henry Robert E. Matthews
Little Rock	72203	Richard V. Warner		
Louisville	40232	James F. Thompson		
Memphis	38101	Donald B. Weis		
MINNEAPOLIS	55480	William G. Phillips John B. Davis, Jr.	E. Gerald Corrigan Thomas E. Gainor	Betty J. Lindstrom
Helena	59601	Ernest B. Corrick		
KANSAS CITY	64198	Paul H. Henson Doris M. Drury	Roger Guffey Henry R. Czerwinski	Wayne W. Martin William G. Evans Robert D. Hamilton
Denver	80217	Caleb B. Hurt		
Oklahoma City	73125	Christine H. Anthony		
Omaha	68102	Robert G. Lueder		
DALLAS	75222	Gerald D. Hines John V. James	Robert H. Boykin William H. Wallace	Joel L. Koonce, Jr. J. Z. Rowe Thomas H. Robertson
El Paso	79999	A. J. Losee		
Houston	77001	Jerome L. Howard		
San Antonio	78295	Pat Legan		
SAN FRANCISCO	94120	Caroline L. Ahmanson Alan C. Furth	John J. Balles John B. Williams	Richard C. Dunn Angelo S. Carella A. Grant Holman Gerald R. Kelly
Los Angeles	90051	Bruce M. Schwaegler		
Portland	97208	John C. Hampton		
Salt Lake City	84130	Wendell J. Ashton		
Seattle	98124	John W. Ellis		

^{*}Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

Federal Reserve Board Publications

Copies are available from PUBLICATIONS SERVICES, Room MP-510, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. When a charge is indicated, remittance should accompany request and be made

payable to the order of the Board of Governors of the Federal Reserve System. Remittance from foreign residents should be drawn on a U.S. bank. Stamps and coupons are not accepted.

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1974. 125 pp.

ANNUAL REPORT.

FEDERAL RESERVE BULLETIN. Monthly. \$20.00 per year or \$2.00 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, \$18.00 per year or \$1.75 each. Elsewhere, \$24.00 per year or \$2.50 each.

BANKING AND MONETARY STATISTICS. 1914–1941. (Reprint of Part I only) 1976. 682 pp. \$5.00.

BANKING AND MONETARY STATISTICS, 1941–1970. 1976. 1,168 pp. \$15.00.

ANNUAL STATISTICAL DIGEST

1971–75. 1976. 339 pp. \$5.00 per copy.

1972–76. 1977. 377 pp. \$10.00 per copy.

1973–77. 1978. 361 pp. \$12.00 per copy.

1974–78. 1980. 305 pp. \$10.00 per copy.

1970–79. 1981. 587 pp. \$20.00 per copy.

1980. 1981. 241 pp. \$10.00 per copy.

FEDERAL RESERVE CHART BOOK. Issued four times a year in February, May, August, and November. Subscription includes one issue of Historical Chart Book. \$7.00 per year or \$2.00 each in the United States, its possessions, Canada, and Mexico. Elsewhere, \$10.00 per year or \$3.00 each.

HISTORICAL CHART BOOK. Issued annually in Sept. Subscription to Federal Reserve Chart Book includes one issue. \$1.25 each in the United States, its possessions, Canada, and Mexico; 10 or more to one address, \$1.00 each. Elsewhere, \$1.50 each.

SELECTED INTEREST AND EXCHANGE RATES—WEEKLY SERIES OF CHARTS. Weekly. \$15.00 per year or \$.40 each in the United States, its possessions, Canada, and Mexico; 10 or more of same issue to one address, \$13.50 per year or \$.35 each. Elsewhere, \$20.00 per year or \$.50 each.

THE FEDERAL RESERVE ACT, as amended through December 1976, with an appendix containing provisions of certain other statutes affecting the Federal Reserve System. 307 pp. \$2.50.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

BANK CREDIT-CARD AND CHECK-CREDIT PLANS. 1968. 102 pp. \$1.00 each; 10 or more to one address, \$.85 each.

REPORT OF THE JOINT TREASURY-FEDERAL RESERVE STUDY OF THE U.S. GOVERNMENT SECURITIES MARKET. 1969. 48 pp. \$.25 each; 10 or more to one address, \$.20 each.

JOINT TREASURY-FEDERAL RESERVE STUDY OF THE GOVERNMENT SECURITIES MARKET; STAFF STUDIES—PART 1. 1970. 86 pp. \$.50 each; 10 or more to one address, \$.40 each. PART 2, 1971. 153 pp. and PART 3, 1973. 131 pp.

Each volume \$1.00; 10 or more to one address, \$.85 each.

OPEN MARKET POLICIES AND OPERATING PROCEDURES—STAFF STUDIES. 1971. 218 pp. \$2.00 each; 10 or more to one address, \$1.75 each.

REAPPRAISAL OF THE FEDERAL RESERVE DISCOUNT MECHANISM. Vol. 1. 1971. 276 pp. Vol. 2. 1971. 173 pp. Vol. 3. 1972. 220 pp. Each volume \$3.00; 10 or more to one address, \$2.50 each.

THE ECONOMETRICS OF PRICE DETERMINATION CONFERENCE, October 30–31, 1970, Washington, D.C. 1972. 397 pp. Cloth ed. \$5.00 each; 10 or more to one address, \$4.50 each. Paper ed. \$4.00 each; 10 or more to one address, \$3.60 each.

FEDERAL RESERVE STAFF STUDY: WAYS TO MODERATE FLUCTUATIONS IN HOUSING CONSTRUCTION. 1972. 487 pp. \$4.00 each; 10 or more to one address, \$3.60 each.

LENDING FUNCTIONS OF THE FEDERAL RESERVE BANKS. 1973. 271 pp. \$3.50 each; 10 or more to one address, \$3.00 each.

IMPROVING THE MONETARY AGGREGATES: REPORT OF THE ADVISORY COMMITTEE ON MONETARY STATISTICS. 1976. 43 pp. \$1.00 each; 10 or more to one address, \$.85 each.

ANNUAL PERCENTAGE RATE TABLES (Truth in Lending—Regulation Z) Vol. I (Regular Transactions). 1969. 100 pp. Vol. II (Irregular Transactions). 1969. 116 pp. Each volume \$1.00; 10 or more of same volume to one address, \$.85 each.

FEDERAL RESERVE MEASURES OF CAPACITY AND CAPACITY UTILIZATION. 1978. 40 pp. \$1.75 each; 10 or more to one address, \$1.50 each.

THE BANK HOLDING COMPANY MOVEMENT TO 1978: A COMPENDIUM. 1978. 289 pp. \$2.50 each; 10 or more to one address, \$2.25 each.

IMPROVING THE MONETARY AGGREGATES: STAFF PAPERS. 1978. 170 pp. \$4.00 each; 10 or more to one address, \$3.75 each.

1977 CONSUMER CREDIT SURVEY. 1978. 119 pp. \$2.00 each.

FLOW OF FUNDS ACCOUNTS. 1949–1978. 1979. 171 pp. \$1.75 each; 10 or more to one address, \$1.50 each.

INTRODUCTION TO FLOW OF FUNDS. 1980. 68 pp. \$1.50 each; 10 or more to one address, \$1.25 each.

PUBLIC POLICY AND CAPITAL FORMATION. 1981. 326 pp. \$13.50 each.

NEW MONETARY CONTROL PROCEDURES: FEDERAL RESERVE STAFF STUDY, 1981.

SEASONAL ADJUSTMENT OF THE MONETARY AGGREGATES: REPORT OF THE COMMITTEE OF EXPERTS ON SEASONAL ADJUSTMENT TECHNIQUES. 1981. 55 pp. \$2.75 each.

FEDERAL RESERVE REGULATORY SERVICE, Looseleaf; updated at least monthly. (Requests must be prepaid.)

Consumer and Community Affairs Handbook, \$60.00 per year.

Monetary Policy and Reserve Requirements Handbook, \$60.00 per year.

Securities Credit Transactions Handbook, \$60.00 per year.

Federal Reserve Regulatory Service, 2 vols. (Contains all three Handbooks plus substantial additional material.) \$175.00 per year.

Rates for subscribers outside the United States are as follows and include additional air mail costs:

Federal Reserve Regulatory Service, \$225.00 per year.

Each Handbook, \$75.00 per year.

WELCOME TO THE FEDERAL RESERVE, December 1980.

CONSUMER EDUCATION PAMPHLETS

Short pamphlets suitable for classroom use. Multiple copies available without charge.

Alice in Debitland

Consumer Handbook to Credit Protection Laws

Dealing with Inflation: Obstacles and Opportunities

The Equal Credit Opportunity Act and . . . Age

The Equal Credit Opportunity Act and . . . Credit Rights in Housing

The Equal Credit Opportunity Act and . . . Doctors, Lawyers, Small Retailers, and Others Who May Provide Incidental Credit

The Equal Credit Opportunity Act and . . . Women

Fair Credit Billing

Federal Reserve Glossary

Guide to Federal Reserve Regulations

How to File A Consumer Credit Complaint

If You Borrow To Buy Stock

If You Use A Credit Card

Series on the Structure of the Federal Reserve System

The Board of Governors of the Federal Reserve System

The Federal Open Market Committee

Federal Reserve Bank Board of Directors

Federal Reserve Banks

Monetary Control Act of 1980

Truth in Lending

U.S. Currency

What Truth in Lending Means to You

STAFF STUDIES: Summaries Only Printed in the Bulletin

Studies and papers on economic and financial subjects that are of general interest. 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.

PERFORMANCE AND CHARACTERISTICS OF EDGE CORPORATIONS, by James V. Hought, Feb. 1981, 56 pp.

BANKING STRUCTURE AND PERFORMANCE AT THE STATE LEVEL DURING THE 1970s, by Stephen A. Rhoades, Mar. 1981, 26 pp.

FEDERAL RESERVE DECISIONS ON BANK MERGERS AND ACQUISITIONS DURING THE 1970s, by Stephen A. Rhoades, Aug. 1981, 16 pp.

THE USE OF CONTINGENCIES AND COMMITMENTS BY COMMERCIAL BANKS, by Benjamin Wolkowitz et al. Jan. 1982, 186 pp.

MULTIBANK HOLDING COMPANIES: RECENT EVIDENCE ON COMPETITION AND PERFORMANCE IN BANKING MARKETS, by Timothy J. Curry and John T. Rose, Jan. 1982, 9 pp.

REPRINTS

Most of the articles reprinted do not exceed 12 pages.

Revision of Bank Credit Series, 12/71.

Rates on Consumer Installment Loans, 9/73.

Industrial Electric Power Use, 1/76.

Revised Series for Member Bank Deposits and Aggregate Reserves, 4/76.

Federal Reserve Operations in Payment Mechanisms: A Summary, 6/76.

Perspectives on Personal Saving, 8/80.

The Impact of Rising Oil Prices on the Major Foreign Industrial Countries, 10/80.

Federal Reserve and the Payments System: Upgrading Electronic Capabilities for the 1980s, 2/81.

U.S. International Transactions in 1980, 4/81.

Survey of Finance Companies, 1980, 5/81.

Bank Lending in Developing Countries, 9/81.

Index to Statistical Tables

References are to pages A3 through A68 although the prefix "A" is omitted in this index

- ACCEPTANCES, bankers, 10, 25, 27
- Agricultural loans, commercial banks, 18, 19, 20, 26
- Assets and liabilities (*See also* Foreigners)
 - Banks, by classes, 17, 18–21
 - Domestic finance companies, 39
 - Federal Reserve Banks, 11
 - Foreign banks, U.S. branches and agencies, 22
 - Nonfinancial corporations, 38
 - Savings institutions, 29
- Automobiles
 - Consumer installment credit, 42, 43
 - Production, 48, 49
- BANKERS balances, 17, 18–20
 - (*See also* Foreigners)
- Banks for Cooperatives, 35
- Bonds (*See also* U.S. government securities)
 - New issues, 36
 - Yields, 3
- Branch banks, 15, 21, 22, 56
- Business activity, nonfinancial, 46
- Business expenditures on new plant and equipment, 38
- Business loans (*See* Commercial and industrial loans)
- CAPACITY utilization, 46
- Capital accounts
 - Banks, by classes, 17
 - Federal Reserve Banks, 11
- Central banks, 68
- Certificates of deposit, 21, 27
- Commercial and industrial loans
 - Commercial banks, 15, 17, 22, 26
 - Weekly reporting banks, 18–22, 23
- Commercial banks
 - Assets and liabilities, 3, 15, 17, 18–21
 - Business loans, 26
 - Commercial and industrial loans, 15, 17, 22, 23, 26
 - Consumer loans held, by type, 42, 43
 - Loans sold outright, 21
 - Nondeposit funds, 16
 - Number, 17
 - Real estate mortgages held, by holder and property, 41
- Commercial paper, 3, 25, 27, 39
- Condition statements (*See* Assets and liabilities)
- Construction, 46, 50
- Consumer installment credit, 42, 43
- Consumer prices, 46, 51
- Consumption expenditures, 52, 53
- Corporations
 - Profits and their distribution, 37
 - Security issues, 36, 65
- Cost of living (*See* Consumer prices)
- Credit unions, 29, 42, 43
- Currency and coin, 5, 17
- Currency in circulation, 4, 13
- Customer credit, stock market, 28
- DEBITS to deposit accounts, 12
- Debt (*See specific types of debt or securities*)
- Demand deposits
 - Adjusted, commercial banks, 12, 14
 - Banks, by classes, 17, 18–21
- Demand deposits—Continued
 - Ownership by individuals, partnerships, and corporations, 24
 - Subject to reserve requirements, 14
 - Turnover, 12
- Depository institutions
 - Reserve requirements, 8
 - Reserves, 3, 4, 5, 14
- Deposits (*See also specific types*)
 - Banks, by classes, 3, 17, 18–21, 29
 - Federal Reserve Banks, 4, 11
 - Subject to reserve requirements, 14
 - Turnover, 12
- Discount rates at Reserve Banks and at foreign central banks (*See* Interest rates)
- Discounts and advances by Reserve Banks (*See* Loans)
- Dividends, corporate, 37
- EMPLOYMENT, 46, 47
- Eurodollars, 27
- FARM mortgage loans, 41
- Federal agency obligations, 4, 10, 11, 12, 34
- Federal credit agencies, 35
- Federal finance
 - Debt subject to statutory limitation and types and ownership of gross debt, 32
 - Receipts and outlays, 31
 - Treasury operating balance, 30
- Federal Financing Bank, 30, 35
- Federal funds, 3, 6, 18, 19, 20, 27, 30
- Federal Home Loan Banks, 35
- Federal Home Loan Mortgage Corporation, 35, 40, 41
- Federal Housing Administration, 35, 40, 41
- Federal Intermediate Credit Banks, 35
- Federal Land Banks, 35, 41
- Federal National Mortgage Association, 35, 40, 41
- Federal Reserve Banks
 - Condition statement, 11
 - Discount rates (*See* Interest rates)
 - U.S. government securities held, 4, 11, 12, 32, 33
- Federal Reserve credit, 4, 5, 11, 12
- Federal Reserve notes, 11
- Federally sponsored credit agencies, 35
- Finance companies
 - Assets and liabilities, 39
 - Business credit, 39
 - Loans, 18, 19, 20, 42, 43
 - Paper, 25, 27
- Financial institutions
 - Loans to, 18, 19, 20
 - Selected assets and liabilities, 29
- Float, 4
- Flow of funds, 44, 45
- Foreign banks, assets and liabilities of U.S. branches and agencies, 22
- Foreign currency operations, 11
- Foreign deposits in U.S. banks, 4, 11, 18, 19, 20
- Foreign exchange rates, 68
- Foreign trade, 55
- Foreigners
 - Claims on, 56, 58, 61, 62, 63, 67
 - Liabilities to, 21, 56–60, 64–66

GOLD

- Certificates, 11
- Stock, 4, 55
- Government National Mortgage Association, 35, 40, 41
- Gross national product, 52, 53

HOUSING, new and existing units, 50**INCOME**, personal and national, 46, 52, 53

- Industrial production, 46, 48
- Installment loans, 42, 43
- Insurance companies, 29, 32, 33, 41
- Interbank loans and deposits, 17
- Interest rates
 - Bonds, 3
 - Business loans of banks, 26
 - Federal Reserve Banks, 3, 7
 - Foreign central banks and foreign countries, 68
 - Money and capital markets, 3, 27
 - Mortgages, 3, 40
 - Prime rate, commercial banks, 26
 - Time and savings deposits, 9
- International capital transactions of United States, 56–67
- International organizations, 56–61, 64–67
- Inventories, 52
- Investment companies, issues and assets, 37
- Investments (*See also specific types*)
 - Banks, by classes, 17, 29
 - Commercial banks, 3, 15, 17, 18–20
 - Federal Reserve Banks, 11, 12
 - Savings institutions, 29, 41

LABOR force, 47Life insurance companies (*See* Insurance companies)Loans (*See also specific types*)

- Banks, by classes, 17, 18–21
- Commercial banks, 3, 15, 17, 18–21, 22, 26
- Federal Reserve Banks, 3, 4, 5, 7, 11, 12
- Insured or guaranteed by United States, 40, 41
- Savings institutions, 29, 41

MANUFACTURING

- Capacity utilization, 46
- Production, 46, 49

Margin requirements, 28

Member banks

- Borrowing at Federal Reserve Banks, 5, 11
- Federal funds and repurchase agreements, 6
- Reserve requirements, 8
- Reserves and related items, 14

Mining production, 49

Mobile home shipments, 50

Monetary aggregates, 3, 14

Money and capital market rates (*See* Interest rates)

Money stock measures and components, 3, 13

Mortgages (*See* Real estate loans)Mutual funds (*See* Investment companies)

Mutual savings banks, 3, 9, 18–20, 29, 32, 33, 41

NATIONAL defense outlays, 31

National income, 52

OPEN market transactions, 10**PERSONAL** income, 53

Prices

- Consumer and producer, 46, 51
- Stock market, 28
- Prime rate, commercial banks, 26
- Production, 46, 48
- Profits, corporate, 37

REAL estate loans

- Banks, by classes, 18–20, 41
- Rates, terms, yields, and activity, 3, 40
- Savings institutions, 27
- Type of holder and property mortgaged, 41
- Repurchase agreements and federal funds, 6, 18, 19, 20
- Reserve requirements, 8
- Reserves
 - Commercial banks, 17
 - Depository institutions, 3, 4, 5, 14
 - Federal Reserve Banks, 11
 - Member banks, 14
 - U.S. reserve assets, 55
- Residential mortgage loans, 40
- Retail credit and retail sales, 42, 43, 46

SAVING

- Flow of funds, 44, 45
- National income accounts, 53
- Savings and loan assns., 3, 9, 29, 33, 41, 44
- Savings deposits (*See* Time deposits)
- Securities (*See also* U.S. government securities)
 - Federal and federally sponsored credit agencies, 35
 - Foreign transactions, 65
 - New issues, 36
 - Prices, 28
- Special drawing rights, 4, 11, 54, 55
- State and local governments
 - Deposits, 18, 19, 20
 - Holdings of U.S. government securities, 32, 33
 - New security issues, 36
 - Ownership of securities issued by, 18, 19, 20, 29
 - Yields of securities, 3
- Stock market, 28
- Stocks (*See also* Securities)
 - New issues, 36
 - Prices, 28

TAX receipts, federal, 31

Time deposits, 3, 9, 12, 14, 17, 18–21

Trade, foreign, 55

Treasury currency, Treasury cash, 4

Treasury deposits, 4, 11, 30

Treasury operating balance, 30

UNEMPLOYMENT, 47

U.S. balance of payments, 54

U.S. government balances

- Commercial bank holdings, 18, 19, 20
- Member bank holdings, 14
- Treasury deposits at Reserve Banks, 4, 11, 30

U.S. government securities

- Bank holdings, 17, 18–20, 32, 33
- Dealer transactions, positions, and financing, 34
- Federal Reserve Bank holdings, 4, 11, 12, 32, 33
- Foreign and international holdings and transactions, 11, 32, 64
- Open market transactions, 10
- Outstanding, by type and ownership, 32, 33
- Rates, 3, 27
- Savings institutions, 29

Utilities, production, 49

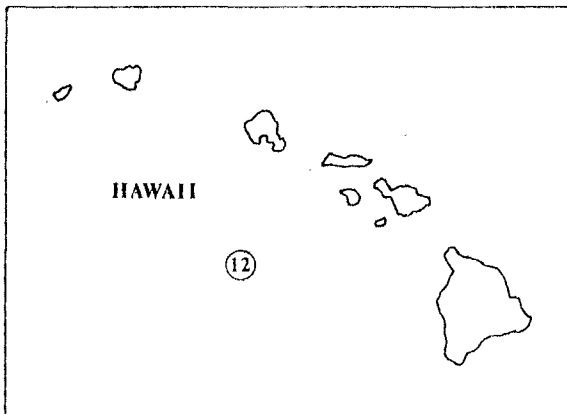
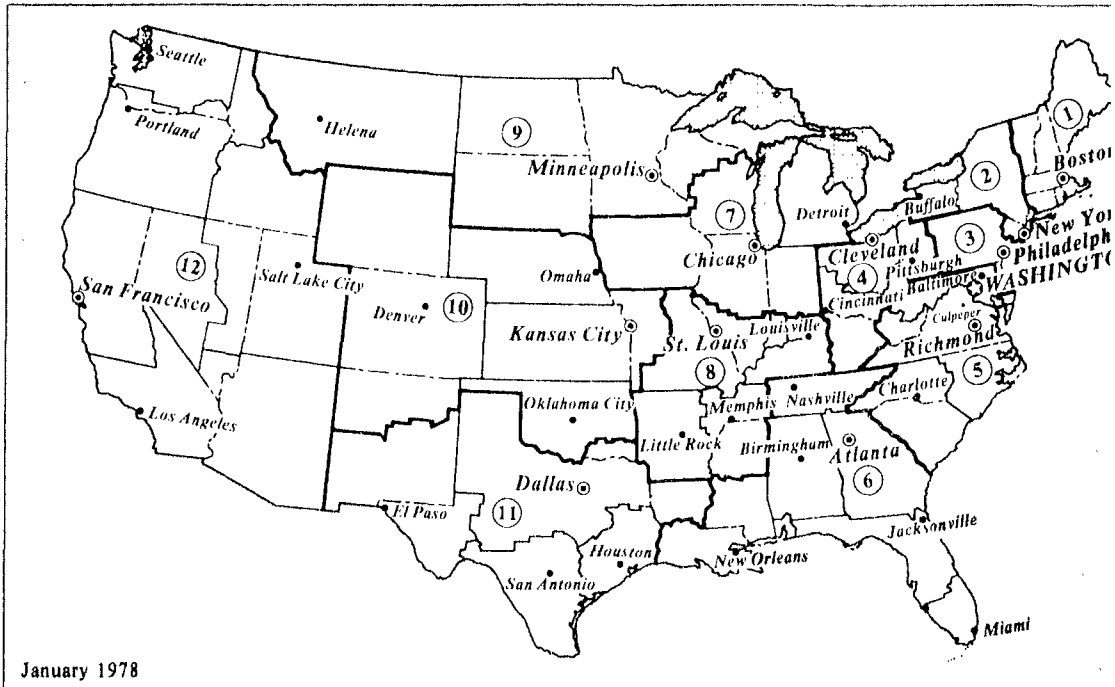
VETERANS Administration, 40, 41**WEEKLY** reporting banks, 18–23

Wholesale (producer) prices, 46, 51

YIELDS (*See* Interest rates)

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