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# Perspectives on the Food and Agricultural Situation

*This article was prepared by John Rosine and Paul Balides, with some sections based on the analyses of Emanuel Melichar, of the Wages, Prices, and Productivity Section of the Board's Division of Research and Statistics. Footnotes appear at the end of the article.*

Just over a year ago, following a poor harvest in 1980, food prices were widely expected to rise at double-digit rates in 1981. Drought during the summer of 1980 had reduced the production of key feed crops, and prices of these crops had soared. This situation seemed likely to reduce meat supplies in 1981 and drive consumer prices for meats and related products sharply higher. But, contrary to these expectations, a major runup in consumer food prices did not occur. Instead, food prices in the consumer price index registered their smallest increase since 1976 (table 1). Prices for meats actually declined, and prices for most other foods slowed considerably. Crop prices at the farm level also weakened as the year progressed, and by late 1981 were more than 15 percent below levels of a year earlier.

Part of the explanation for this turn of events is that the supply situation in 1981 did not deteriorate as much as was anticipated. For various reasons, the poor crop of 1980 did not lead to a sizable contraction of meat supplies in 1981. In addition, timely rains that began in the spring eased concerns that drought might adversely affect crops for a second consecutive year, and for a number of crops the 1981 harvests even exceeded previous highs.

Nevertheless, supply developments are not the whole story of why farm prices fell and food price increases slowed. Per capita meat and poultry supplies were larger than expected in 1981, but were still not large enough to account for the marked relative declines in meat prices. Moreover, a weakening of crop prices was already under way well before the magnitude of the favorable 1981 harvest became apparent. Thus a full accounting of what happened to farm prices and food prices must consider both supply and demand factors.

## *Agricultural Supplies, Aggregate Demand, and Farm Commodity Prices*

Shifts in agricultural supplies often have a direct and immediate impact on the prices of farm products. An observable event, such as a freeze or drought, causes visible damage to farm crops and can be linked clearly to the subsequent price increases. Demand shifts are often more difficult

1. Selected measures of food prices and farm prices

Percent change at compound annual rate, based on seasonally adjusted data[1]

| Measure | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|
| 1. CPI for food | .6 | 8.0 | 11.8 | 10.2 | 10.2 | 4.0 |
| 2. Meats, poultry, fish, and eggs | −8.5 | 4.2 | 20.7 | 8.8 | 8.6 | −1.4 |
| 3. Fruits and vegetables | 2.0 | 9.7 | 8.9 | 9.8 | 11.0 | 8.0 |
| 4. Other consumer foods[2] | 5.0 | 9.6 | 9.3 | 10.7 | 10.7 | 5.5 |
| 5. PPI for finished foods | −2.5 | 6.9 | 11.7 | 7.4 | 7.5 | 1.5 |
| 6. PPI for crude foods | −3.4 | 1.4 | 18.3 | 10.6 | 8.6 | −14.0 |
| 7. Prices received by farmers | −3.0 | 1.0 | 23.2 | 7.4 | 10.7 | −13.1 |
| 8. Livestock | −7.6 | 6.2 | 32.0 | 6.6 | 2.1 | −10.1 |
| 9. Crops | 1.0 | −4.0 | 11.6 | 8.5 | 23.5 | −16.2 |

1. Changes are measured from December to December except that for lines 1, 2, 3, and 4, the 1981 data are from December 1980 to November 1981, at compound annual rates.

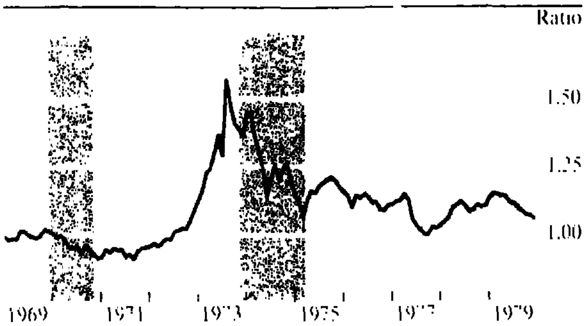
2. Series constructed by Federal Reserve staff; includes food items accounting for about two-thirds of total food in the consumer price index.

SOURCES. U.S. Department of Labor, except lines 7, 8, and 9 from U.S. Department of Agriculture.

to identify. Consumer tastes and preferences are not observable, and therefore demand shifts must often be inferred from data on output and prices. Moreover, demand shifts in the farm and food sectors are usually far less dramatic than in many other industries.

Nevertheless, considerable evidence exists that farm commodity prices do respond to changes in demand. For example, farm prices tend to weaken during cyclical downturns in economic activity, and an examination of prices during past business contractions offers some perspective on price behavior during the past two years of slow economic growth and recurring recessions.

1. Farm prices relative to the general price level

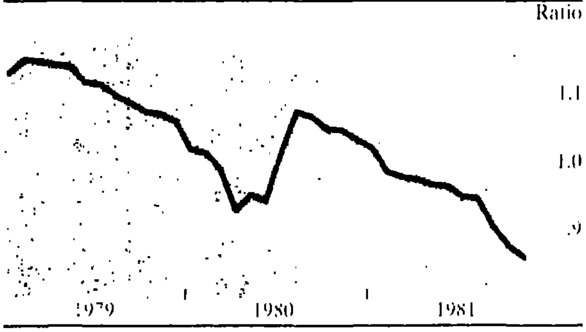



Series shown is the producer price index for farm products divided by the consumer price index for all items; this ratio was equal to 1.0 in 1967, the base year for these price measures. Shaded areas indicate periods of cyclical contraction. Calculated from U.S. Department of Labor data.

The National Bureau of Economic Research has identified fifteen business downturns that occurred between 1913 and 1980. More than half of these downturns were associated with declines in farm prices of 10 percent or more relative to the general price level; milder price declines were observed in other cycles. A sustained runup in farm prices did not occur in any of these contractions, at least in relative terms.[2]

The steepest declines in farm prices of this century occurred during the 1920s and 1930s and reflected the economic conditions and institutional characteristics of that period. The economic downturns of those years were relatively severe, supply variations were large, and government programs to support farm prices were either nonexistent or in an embryonic stage. In contrast, declines in farm prices were generally

2. Farm prices relative to the general price level




Series shown is the producer price index for farm products divided by the consumer price index for all items; this ratio was equal to 1.0 in 1967, the base year for these price measures. Calculated from U.S. Department of Labor data.

less severe during many of the business cycles following World War II, both because the cycles were milder and because government price support and inventory programs reduced the volatility of farm prices. Nevertheless, a cyclical pattern in relative farm prices was still evident in some of the cycles of this period.[3]

Changes in agricultural markets and in agricultural policies in the past decade have left farm prices more exposed to market forces than they were in much of the postwar period, even though the price support measures of earlier years have not been fully abandoned. In addition, supply and demand shifts for farm products were larger than in the fifties and sixties. Thus, as might be expected, farm prices became more volatile in the 1970s (chart 1). Prices soared in 1972 and 1973 in response to strong worldwide demand, reduced livestock supplies, and disappointing crops. Next, they fell sharply, especially in relative terms, as the deep recession of the mid-seventies took hold and as harvests improved. Farm prices perked up again in 1978 in response to strengthening demand and declining beef supplies, but began weakening once more in 1979.

Farm prices remained volatile over the past two years (chart 2), as developments in the general economy and in the farm sector interacted to cause wide swings in commodity prices. A brief, but particularly steep, falloff in economic activity in early 1980 added to the downward price pressures that were already evident in livestock markets in the second half of 1979. A rebound in the economy in the second half of 1980 supported farm prices from the demand side at the same time that a contraction in pork supplies and the effects of the drought were bolstering prices from the supply side. However, renewed weakness in farm commodity prices began showing up in late 1980. The price slide persisted through most of 1981 and by year-end, farm prices, relative to broader price measures, had declined more than 20 percent from a year earlier.

## *DEMAND EFFECTS IN THE RECENT PERIOD*[4]

Merely noting the observed relationship between business contractions and declines in farm prices does not identify the cause-and-effect relationships that are at work. These linkages have varied in importance from cycle to cycle,[5] and there is no strong consensus on which linkage has been most important in the recent period. However, most observers, in discussing the recent influence of demand on farm prices, have focused on three factors: the behavior of consumer demand, developments in export markets, and shifts in inventory demand.

### *Consumer Demand*

Some evidence indicates that consumers economize on food expenditures during periods of slow income growth by shifting to lower-cost diets. In the first six cyclical contractions of the postwar period, increases in real consumer spending on food and beverages averaged ½ percent a year (table 2). In contrast, spending increased at an annual rate of more than 2½ percent, on average, during the corresponding cyclical expansions. Reflecting the small gains in real income since early 1980, total real spending on food and beverages has increased at an annual rate of only about ½ percent in that period. Because the relative price of food has not been rising, the reduced rate of growth in spending appears to have reflected demand restraint, rather than shifts in the availability of food products.

One way that consumers economize is to spend less on food away from home. Consumer spending for purchased meals and beverages

2. Real consumer spending for food and beverages, six postwar business cycles[1]

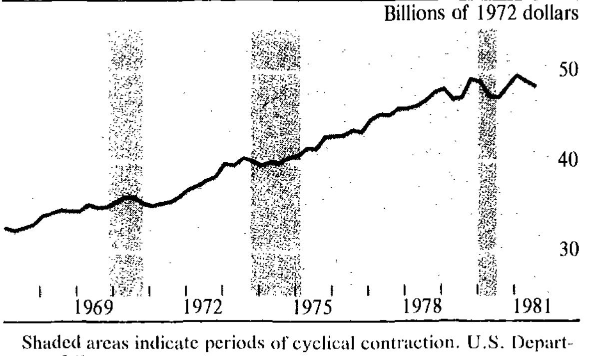
Percent change at compound annual rates

| Phase of cycle and period | Rate of change in spending |
|---|---|
| **CONTRACTIONS** | |
| 1948:4 to 1949:4 | −.1 |
| 1953:2 to 1954:2 | −.7 |
| 1957:3 to 1958:2 | −1.8 |
| 1960:2 to 1961:1 | .2 |
| 1969:4 to 1970:4 | 3.6 |
| 1973:4 to 1975:1 | 1.8 |
| Average | .5 |
| **EXPANSIONS** | |
| 1949:4 to 1953:2 | 3.1 |
| 1954:2 to 1957:3 | 3.6 |
| 1958:2 to 1960:2 | 3.1 |
| 1961:1 to 1969:4 | 2.6 |
| 1970:4 to 1973:4 | .1 |
| 1975:1 to 1980:1 | 3.4 |
| Average | 2.7 |
| 1980:1 to 1981:3 | .6 |

1. Spending in constant 1972 dollars.
SOURCE. U.S. Department of Commerce data.

generally has trended upward over the past two decades, but recessions have interrupted this uptrend (chart 3). For example, this spending, in real terms, turned down briefly in the 1970 recession and declined again near the beginning of the 1973–75 recession. Spending on purchased meals and beverages then rose steadily during most of the economic expansion of the late 1970s. However, it has since slowed again and by the fall of 1981 was only slightly higher than in early 1979. Gasoline shortages and high meat prices probably limited such spending temporarily in mid-1979, but the sluggish performance of

3. Consumer spending on purchased meals and beverages




Shaded areas indicate periods of cyclical contraction. U.S. Department of Commerce data at annual rates.

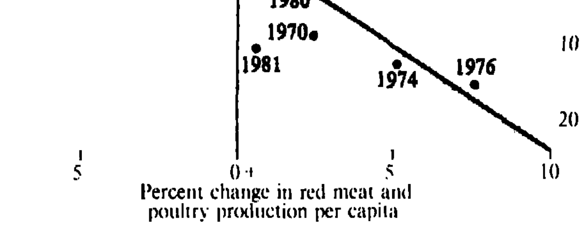
recent quarters is, more than likely, a reflection of a sustained period of slow income growth.

Consumers can also economize by shifting to a lower-cost mix of groceries for home consumption. That seems to be happening now, although it is difficult to disentangle temporary cyclical effects from what may turn out to be permanent shifts in market shares. For instance, in the meat industry a shift toward lower-cost poultry products has been in progress for several years. In late 1981, per capita beef production was down about 20 percent from its 1976 peak, despite a moderate production upturn during the past two years. Pork production, which rose sharply through the late 1970s, fell at about a 10 percent annual rate from mid-1980 to the fourth quarter of 1981. Meanwhile, output in the poultry industry has continued to climb steadily except for some temporary setbacks.

Given these production data, weak consumer demand for meats and related products can be inferred from the recent behavior of meat prices. Meat production normally bears a fairly consistent relationship to the level of meat prices, relative to broader price measures (chart 4). Declines in meat production typically generate sizable increases in the relative price of meats, and sizable advances in meat production typically cause sharp declines in meat prices. The price response, often a little weaker in recession years, appears to have been unusually so in 1981. Although commercial production of meat and poultry was up only slightly in 1981, the consumer price index (CPI) for meats, poultry, fish, and eggs registered about a 10 percent drop in relative terms. This decline was a surprise because a much larger increase in commercial production, as in 1974 or 1976, is usually necessary to keep meat price inflation much below general price inflation.

It is tempting to argue that this softness in meat prices primarily reflects cyclical weakness in economic activity because consumer preferences should not change so suddenly. However, apparent quantum shifts in the demand for meats have been observed in earlier periods, and permanent shifts in the current period cannot be ruled out.

4. Meat production and relative meat prices



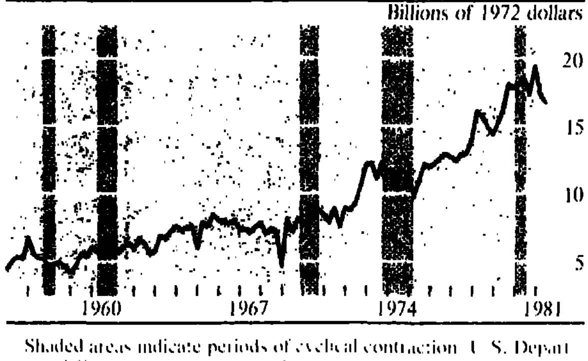

Production includes beef, pork, veal, lamb, and poultry; computations are based on annual averages. Change in relative prices is calculated as the percentage change in the consumer price index for meats, poultry, fish, and eggs minus the change in the consumer price index for all items excluding food, energy, and homeownership. Price changes are measured from December to December. Regression line is based on 1968–80 data. Estimate for 1981 is based on data through November.

Production is based on data from the U.S. Department of Agriculture; prices, from U.S. Department of Labor.

## *Agricultural Exports*

Early in the postwar period, exports constituted a relatively small share of the total demand for U.S. farm products. Over time, however, a number of factors combined to boost U.S. agricultural exports significantly (chart 5). World population grew steadily, and rising incomes in many industrial nations fostered increased demand for more expensive, protein-centered diets. Moreover, a series of policy actions that reduced price support levels in the United States, combined

5. Agricultural exports




Shaded areas indicate periods of cyclical contraction. U.S. Department of Commerce data at annual rates.

with a depreciating dollar, reduced the cost of U.S. crops to foreign buyers.

Some of these factors that had been bolstering export growth through the 1970s were not so supportive in 1980 and 1981. Real income growth in industrial nations was quite small in both years. The 1980 drought that reduced crop supplies in the United States also caused a spurt in export prices that discouraged foreign buying. In addition, an appreciation of more than 30 percent in the trade-weighted exchange value of the dollar from mid-1980 to mid-1981 compounded the price increases that foreign customers faced.[6] As a result, the volume of farm exports, after reaching a new high in early 1981, fell markedly as the year progressed. By the third quarter the exports of farm commodities had fallen 7 percent below their 1980 average. The quantity of corn shipments in the marketing year ending in September 1981 was down 3 percent from a year earlier. Soybean exports for the 1980–81 marketing year were off by 17 percent.

In part, the recent fall in exports probably reflected transitory supply and demand developments, rather than permanent shifts of export demand. Foreign buyers of corn and soybeans may have delayed their purchases this past summer in the hope that crop prices would decline or that the dollar appreciation would be partly reversed. Their hopes were, in fact, realized. Corn and soybean prices fell sharply as U.S. crop conditions improved over the summer; and by year-end the dollar had surrendered about one-fourth of its earlier gains. In response, export activity has picked up a little in some markets. Shipments of soybeans in the current marketing year are running ahead of last year's levels. Wheat exports, which had been well maintained all along, appear headed still higher in the current marketing year. Corn exports, on the other hand, are still lagging.

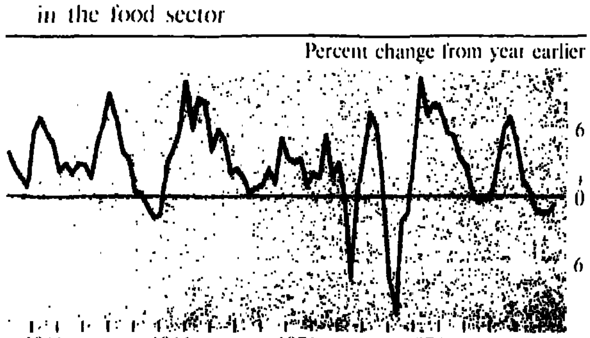
## *Inventory Demand*

Qualitative reports on market activity this past year often attributed declining commodity prices to the inventory liquidations caused by historically high interest rates. High interest rates increase the cost of carrying inventories at the same time that they increase the returns on financial investments. These developments, in turn, encourage portfolio shifts, reduce inventory demand, and put downward pressure on commodity prices as long as the inventory liquidation is under way.

Unfortunately, the effect of interest rates on inventories is difficult to sort out empirically. One reason is that it is presumably the desired level of inventories that is altered by a change in rates, and some time may elapse before actual inventories are brought into line with desired inventories. This lag may be especially long at the farm level, where producers have only limited ability to adjust production in the short run. In addition, firms adjust inventories in response not only to interest rates but to other forces as well, such as supply uncertainties and sales prospects. Thus any simple correlation between interest rates and inventories should be interpreted with caution.

The inventory experience of the past couple of years has varied considerably across different parts of the farm and food sector. But one clear pattern that has emerged is that the burden of carrying inventories is being shifted back to the primary producers. For example, the inventory of cattle in feedlots has been declining for about three years in response to disappointing cattle prices, high feed costs, and record interest rates. But the cattle inventories held by primary producers—that is, the farmers and ranchers who supply cattle to feedlots—were still increasing according to the latest report in mid-1981. Simi

6. Manufacturing and trade inventories in the food sector




Inventories are measured in constant 1972 dollars and are the sum of inventories held by food manufacturers, wholesale grocers, and retail food stores. Based on U.S. Department of Commerce data larly, cutbacks in cattle feeding and in hog inventories have caused a greater inventory problem among crop farmers who supply feed inputs for livestock production.

At a broader level, total manufacturing and trade inventories held in the food sector have been running below their levels of a year earlier for several quarters (chart 6); similar declines in the constant-dollar value of these inventories have occurred before, but not often. In contrast, total farm inventories appear to have increased in 1981, as a large harvest added to crop inventories while an apparent expansion of the cattle herd was augmenting livestock inventories. On balance, this pattern of inventory changes appears consistent with the view that high carrying costs have had an effect on inventory demands.

### *THE DYNAMICS OF PRICE ADJUSTMENT*

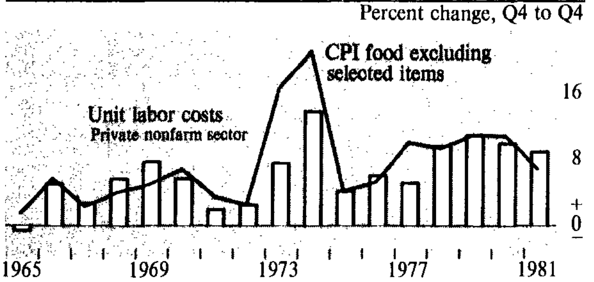
The changes in consumer spending, agricultural exports, and inventory levels can be integrated to illustrate some of the price dynamics at work during the past two years. Slower growth in consumer demand limits the flow of output that can be absorbed in domestic markets. Falling demand in foreign markets has a similar effect. High interest rates compound the effect of falling demand as processing and marketing firms act quickly to prevent any buildup of unwanted inventories. These shifts, considered individually, have not been especially dramatic in the recent period. However, taken together, they are reinforcing and tend to shift the main burden of adjusting to weak demand back to the primary producers at the farm level. Farmers, too, face high carrying costs and, without doubt, would also like to reduce inventories. But all market participants cannot reduce inventories at the same time, and farmers, as the primary suppliers, end up holding the stocks that buyers do not want. Because farmers cannot adjust production quickly, farm prices may need to fall considerably in order for markets to clear, even if the shift in demand is only moderate. Indeed, in the recent period, farm output has continued to rise in the face of weak demand, thereby adding to the downward pressures on farm prices.

Some of these supply or demand shifts have a direct and immediate impact on the prices of farm products, but only an indirect and delayed influence on retail prices. For example, most agricultural exports consist of raw farm products such as grains or soybeans. A fall in export demand thus affects the prices of these products immediately but affects retail prices only as the lower prices of these raw materials are passed on to consumers. Likewise, supply shifts at the farm level affect farm prices first and retail prices only later.

The effects of weakening consumer demand may also show up sooner in farm prices than in retail prices, reflecting production and pricing practices of the firms that process and distribute food products. Unlike farmers, who have no control over prices and can alter production only after long time lags, these firms typically have some control over prices and quantities, even in the short run. And, as in many other industrial markets, these firms adjust to short-run demand shifts by changing quantities, as well as prices.[7] A weakening of demand at retail is thus "passed back" to farmers through a series of quantity adjustments. But, because quantities at the farm level cannot be altered quickly, farm prices bear the full brunt of adjusting to demand shifts. Subsequently, retail prices are also lowered as processing and marketing firms begin to react to the reduced costs of raw farm inputs.

For many consumer foods, farm inputs make up only a small share of the total value added; however, very large changes in commodity prices, as in the past year, can influence prices significantly at the consumer level. This influence can be seen more clearly by examining a series that excludes the volatile prices of meats and related products and fruits and vegetables (chart 7). The remaining food items include such things as cereals and bakery products, processed foods, and meals purchased away from home. For many such foods, nonfarm labor costs account for a large share of the value added in production, and the prices of these foods usually tend to track labor costs quite closely.[8] Changes in commodity prices are usually not large enough to disrupt this relationship. But in 1973–74, when enormous increases occurred in a broad range of farm commodity prices, these food prices rose

7. Food prices and labor costs



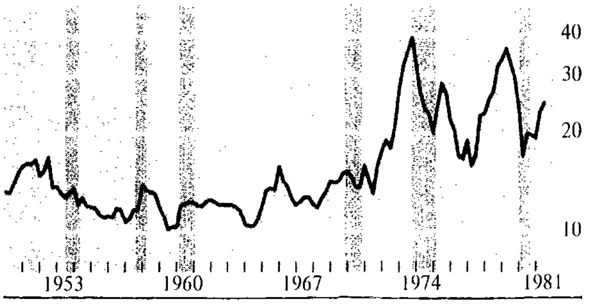

Unit labor costs—U.S. Department of Labor data; CPI series—based on U.S. Department of Labor data, excludes prices of meats, poultry, fish, and eggs, and of fruits and vegetables. Data for 1981 are for first three quarters.

more than labor costs. And, during the recent period of sharp declines in the prices of several commodities, increases in the prices of these foods have lagged labor costs. Many of the commodities used in producing these foods, such as sugar, grains, and soybeans, appeared to be in tight supply as 1981 began, but weak demand and favorable crop developments eroded prices as the year progressed. The result was reduced inflation rates for some consumer foods and outright declines in prices for others.

### *Farm Income*

The weakness in farm product prices over the past two years, coupled with rising input costs, has pushed farm income down sharply (chart 8). In 1980, total net farm income, measured in current dollars and adjusted for inventory

8. Net farm income




Net income of farm operators in current dollars and adjusted for inventory change. Shaded areas indicate periods of cyclical contraction. Data from U.S. Department of Agriculture at annual rates.

change, was more than one-third below its 1979 level. Income for 1981, on balance, appears to have increased only moderately from its 1980 level. This experience thus reflects another episode of the violent income swings that have characterized the last decade—a period during which nominal farm income, at an annual rate, ranged from a peak of nearly $39 billion in late 1973 to a low of $16 billion in the second quarter of 1977. The last upswing in income occurred over the 1978–79 period; subsequently, the farm sector has experienced eight consecutive quarters of relatively low profitability, an income recession that approximates the 1976–77 period in magnitude and duration. The fall in income has, in turn, caused financial adjustments throughout the farm sector.

Such income volatility is not a new phenomenon in farming. On the contrary, the price swings preceding World War II caused enormous year-to-year volatility in farm incomes and extensive financial distress among farmers. Reflecting that historical experience, financial practices in farming are geared to an environment that is perceived as inherently risky. Farmers rely more heavily on equity financing than do nonfarm businesses. Agricultural banks typically maintain lower loan-to-deposit ratios than their urban counterparts. And a variety of farm programs help to insure farmers against particularly adverse outcomes.

Nor has the drop in income affected all agricultural producers in the same way. The financial conditions of crop farmers vary by crop and region and also differ from those of livestock farmers; full-time farmers face constraints different from those part-time farmers face; and the financial situation of the typical beginning farmer is probably far more precarious than that of well-established operators.

Keeping such distinctions in mind, some broad generalizations may still be made about financial problems in the farm sector during this period of reduced income flows. First, income declines have been so widespread that a large share of all full-time commercial farmers face a weakened cash-flow situation that is likely to worsen if farm incomes remain low through a third consecutive year. Second, in recent months it appears that land prices are no longer running ahead of inflation; thus farmers are now experiencing some erosion of real wealth, and debt-to-asset ratios are rising. Nevertheless, debt-to-asset ratios remain relatively low for most farmers, thereby diminishing the chances of insolvencies in the period immediately ahead.

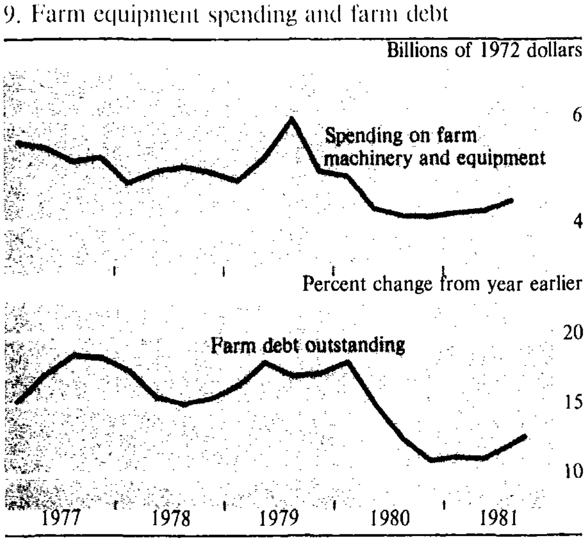
### *CASH FLOW ADJUSTMENTS*

Farmers can maintain net cash flows to some extent by reducing cash outlays or exploiting opportunities to increase cash receipts. Cash resources can also be augmented in the short run through increased borrowing. In the recent period, farmers have relied to a varying degree on all three types of adjustment.

First, farmers have trimmed cash spending by postponing investment outlays (chart 9). For example, constant-dollar spending for farm machinery, as measured in the national income accounts, dropped 17 percent from 1979 to 1980 and remained low through the third quarter of 1981. Real outlays for farm equipment over these two years were at the lowest level since the early 1970s, a development that has contributed to weakening financial conditions among manufacturers of farm equipment.

Second, as is customary in a period of low market prices, farmers are benefiting from government programs that supplement near-term cash flows. Cash payments are being made to some farmers because the market prices of certain crops have fallen short of specified "target" levels. In addition, the Commodity Credit Corporation is providing cash loans that help farmers to even out marketings over the year, and the volume of these loans appears to have increased considerably in the fourth quarter of 1981. Longer-run inventory financing is available to farmers through the farmer-owned, but government-sponsored, grain reserve, which isolates grain from the market for three years or until market prices reach a specified level. Toward year-end, a growing volume of grain was being committed to the reserve, as farmers delayed sales in hopes that prices would improve.

9. Farm equipment spending and farm debt




Farm equipment spending—U.S. Department of Commerce data, annual rate; farm debt outstanding, which includes only the debt from institutions that report debt quarterly—Federal Reserve Board.

More generally, farmers have added to their available cash by increasing borrowings from farm lenders other than the Commodity Credit Corporation. Farm debt increased $17 billion during 1980 and an estimated $20 billion in 1981. But in the face of historically high interest rates, the rate of increase dropped below that of earlier years, and farmers have sought out the lenders offering attractive, below-market rates. Among the lenders for which quarterly data are available, farm loans outstanding at the end of the third quarter of 1981 were about 12 percent above the year-earlier level. This increase is a little faster than the 11 percent rise in these loans during 1980, but gains in both years are well below the increase of 17 percent in 1979. Surveys of rural banks indicate that borrowing to finance land and machinery purchases, cattle feeding, and dairy operations has fallen sharply; in contrast, borrowing to finance current operations or to finance inventories still appears relatively strong.[9]

Since the advent of high interest rates in late 1979 a major part of the net increase in borrowings has been from Federal Land Banks, at which the use of variable rates based on the cost of all outstanding funds has kept loan rates far below current market rates. The other major part of new borrowings was from the Farmers Home Administration, through which attractively priced loans were available to qualified borrowers under the natural disaster and economic emergency programs.

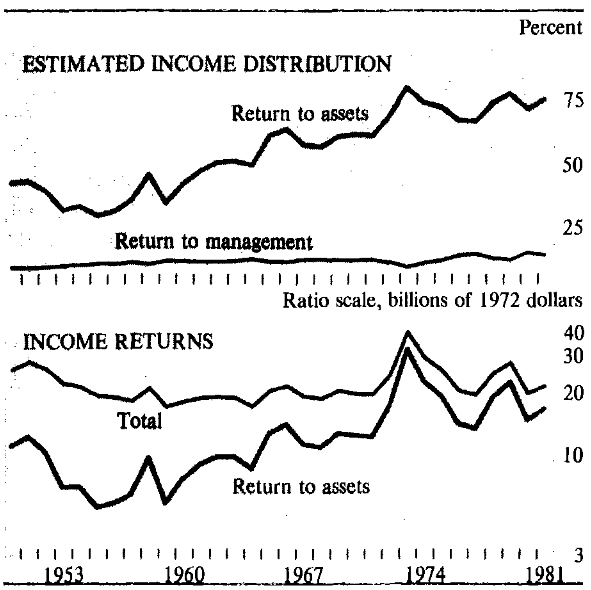
*FARM ASSET VALUES*

Increases in land prices have slowed in the past two years. The average price of farmland was about 10 percent higher in early 1981 than a year earlier, less than the average annual rate of increase of 14 percent over the previous decade. Indications are that a further slowing has occurred since early 1981; outright declines have been reported in some areas.

Whereas nominal land prices would naturally be expected to slow with the unwinding of inflation, the recent income performance in farming has raised concerns that a significant decline in land values could be under way in real terms, as well. Although that possibility cannot be dismissed, such a pessimistic conclusion should not be based on the recent income data alone. Farm incomes, land prices, and asset values do not always, or even typically, move in lockstep. On the contrary, increases in land prices since the 1950s have consistently outpaced the increases in farm income.

One reason why land prices and farm incomes have diverged is that the customary measures of farm income include not only the returns to assets such as farmland, but also the returns to operators' labor and management. The latter returns must be deleted from farm income in order to obtain estimates of asset earnings, per se. Estimates of asset earnings constructed in this way show that, despite considerable year-to-year volatility, the returns to farm assets, in constant dollars, have trended up since the early 1950s. Farm technology changed greatly over that period. The quantity of labor and the number of farm managers fell dramatically—by three-fourths and one-half, respectively—and the share of these inputs in total farm income declined substantially. Conversely, the estimated share of farm assets in the income returns to farming[10] rose from less than one-third in the early 1950s to about three-fourths in the early 1980s (chart 10). The average rate of increase in real asset earnings over this period is estimated at between 4 and 5 percent a year, roughly the same as the inflation-adjusted rate of increase in the value of farm real estate, which accounts for about three-fourths of total farm assets.[11]

10. Income returns to
farm assets, labor, and management




Calculated from U.S. Department of Agriculture data. Income returns in 1972 dollars have been computed by deflating nominal returns by the Commerce Department's price deflator for personal consumption expenditures. Estimates for 1981 are preliminary.

Because the real earning power of farmland has risen, its price increases in most years have outpaced the general inflation rate, thereby providing its owners with real capital appreciation. Over the past 30 years the annual value of these real capital gains has, on average, been as large as the current earnings of farm assets. Expressed as a rate, the total return to farm assets over this period—that is, the sum of the current return and the real capital gain—has averaged about 8 percent (chart 11). However, it has been significantly below this average in the past two years.

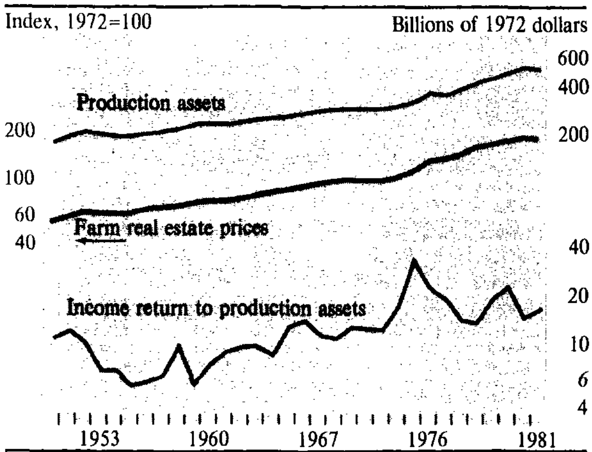
A period of depressed asset earnings naturally kindles doubts about earnings prospects for the long run, particularly in an unsettled economic environment such as the current one. However, similar episodes of low earnings have occurred before, as in the early fifties, the late sixties, and the 1976–77 period, but low earnings have never persisted for long enough to undermine seriously the expectations of further real growth in asset earnings. Thus farm real estate prices in constant dollars have trended up almost continuously in the postwar period despite considerable variations in earnings from year to year (chart 12).

During this long uptrend in values of farmland,

11. Rate of return to farm production assets


Based on data from the U.S. Department of Agriculture. Nominal returns as estimated by the USDA have been deflated by the Commerce Department's price deflator for personal consumption expenditures. Estimates for 1981 are preliminary.

12. Farm assets, real estate prices, and asset earnings




Based on data from the U.S. Department of Agriculture. Nominal values as estimated by the USDA have been deflated by the Commerce Department's price deflator for personal consumption expenditures. Estimates for 1981 are preliminary. Ratio scale.

farmers may not have been keenly aware of earnings ratios and probably did not have a precise, well-defined notion of long-run economic prospects. But, even in the early postwar period, it was becoming clear that, whatever the economic forces at work, farming more land was consistently proving a better economic strategy than farming less land. That view has persisted to the present, as growth in asset earnings reinforced farmers' views that an expansionist strategy was the correct one. So long as economic conditions do not lead farmers to question seriously these underlying perceptions, farm real estate values can be maintained, even as current earnings remain temporarily depressed.

In turn, as long as farm asset values are not severely impaired, insolvency appears to pose an immediate threat mainly to those farmers whose operations are highly dependent on short-term debt financing or, alternatively, have been adversely affected by a series of locally bad harvests. If their incomes do not improve, some of these farmers may face harsh financial adjustments in the year ahead, such as the need to liquidate some real assets in order to remain in business. However, the vast majority of farmers are not currently in this situation. Total farm debt outstanding as of January 1, 1982, was still only about one-sixth of the total value of farm assets, despite a weakening of equity positions over the past two years. This is a much lower debt burden than that of most manufacturing industries in the United States. Debt-to-asset ratios remain relatively low, on average, both for the part-time farmers who have outside sources of income and for full-time commercial farmers.

### *Summary and Conclusions*

Slow economic growth here and abroad, reinforced by the effects of high interest rates and improved supply conditions, has led to significant declines in farm commodity prices, relative to prices in general. The pass-through of these declines to the retail level has been an important factor in reducing the rates of price change, overall. At the same time, the price drop that has occurred in farm markets has weakened farm incomes. Cash flow problems have emerged in the farm sector, and increases in land prices have slackened.

Looking ahead, the downward influence of falling commodity prices on consumer food prices appears likely to wane as the year progresses. First, although farmers cannot adjust supplies much in the short run, they do eventually reduce production in response to unfavorable prices. Such adjustments are now apparent in some farm markets. For example, pork producers, having trimmed output in 1981, are currently planning on further cutbacks in 1982.

In addition, a number of farm policy measures should counter the downward price pressures in farm markets: farm programs are currently supporting the prices of some products; the farmer-owned grain reserve should help isolate current crop surpluses from the market; and new farm legislation enacted in late 1981 promises somewhat higher support levels for farm crops in coming years. The tax cut scheduled for mid-1982 should increase consumer demands, and the recent slump in export buying does not appear to signal a permanent deterioration of trade prospects. Thus there is reason to believe that, at a minimum, farm product prices will not fall nearly so much in the coming year as they have in the year just ended, and they may in fact turn up.

Whether any firming of prices will be strong enough to bolster farm incomes much in 1982 remains to be seen, and the financial conditions of some farmers may be precarious in the year ahead. Yet, the farm sector has demonstrated a repeated ability to rebound from adverse economic conditions, and despite an unfavorable current situation, many observers continue to believe that the long-run outlook for agriculture remains bright. So long as that belief is maintained and low earnings are perceived as temporary, there should be underlying support for values of farmland, despite the financial strains that are currently evident. □

### *FOOTNOTES*

1. These computations were obtained by dividing the producer price index for farm products by the consumer price index for all items. If alternative price measures were used, the numerical results would vary somewhat, especially in the recent period when the consumer price index has shown substantially higher inflation rates than other broad price measures. However, the main point—that relative farm prices tend to fall in recessions—remains true even if alternative price measures are used in the calculations.

2. In relative terms, farm prices rose temporarily following the cyclical peaks in 1913 and 1957. Prices remained flat for more than a year following the cyclical peak in 1945; they then spurted unusually rapidly in the early stages of the ensuing recovery as consumer demand pent up by the war was released.

3. In the period following World War II, rapidly changing technology pushed farmers' production costs lower, and cyclical swings in farm prices were therefore superimposed on a long-term downtrend. In addition, as in other cycles, random supply disturbances sometimes temporarily overshadowed the cyclical influences on prices.

The structure of agricultural markets in the early postwar period also differed from that of other periods, and this affected the degree to which supply and demand shifts were transmitted into farm prices. In the 1950s a number of farm policy measures helped insulate agricultural prices from market forces. Price supports during those years limited the extent to which farm prices could decline, and large inventories of farm crops tended to limit price increases. Shifts in supply or demand were thus absorbed more through changes in inventories or other quantity variables than through changes in prices.

4. Because agricultural supply developments have been discussed extensively in a number of recent publications, this section focuses somewhat more on recent demand influences. This does not imply that supply effects can be ignored in the analysis of recent developments.

5. Analysts today believe that these linkages work mainly through product markets, but in the 1930s analysts believed that cyclical weakness was also transmitted to the farm sector through labor markets. According to this view, reduced job opportunities in the nonfarm sector bottled up surplus labor in agriculture, thereby leading to excess production and lower prices. This linkage is probably not important in more recent business cycles, as farming has become much more capital-intensive than in the 1930s.

Causality has also been an issue. As late as the 1930s some studies tried to show that developments in the farm economy caused business cycles, and not the reverse. Even then, however, most analysts agreed on the main direction of causality: that business cycles cause variability in farm prices, but that variability in farm prices is not a main cause of business cycles. Farm prices were stable enough through the 1950s and 1960s that supply developments in agriculture could be safely ignored in business cycle analyses. But, with the supply shocks of the 1970s, the consensus shifted back a little. Today most observers probably take the balanced view that developments in the farm sector can influence the shape of business cycles significantly, even though the main causes of cycles usually lie elsewhere.

6. In some countries, variable levies tend to offset the price changes in world markets. These levies drive a wedge between world prices and the domestic prices in importing countries. As farm crop prices rose in 1980, the levies declined, thereby buffering consumers in those countries from the supply disturbances that bolstered world prices.

7. It would be too strong a statement to say that these firms *always* change quantities alone in response to sluggish demand. Frequently, price concessions are also apparent in the food sector, as retailers try to bolster consumer outlays.

Nevertheless, it is clear that weakening of demand growth does trigger a series of adjustments in activity in the food sector, just as it does to a much greater degree in the cyclically sensitive durable goods industries. These cyclical patterns are evident in employment and workweek data (not discussed in this article), as well as in the inventory and sales data.

8. Chart 7 shows a fairly high correlation between these food prices and measures of labor costs for the entire economy. One possible reason for this is that firms in the food processing and marketing sectors must pay competitive wages to retain workers. Also, similar inflationary pressures may be at work in all these markets simultaneously.

9. Five of the twelve District Banks in the Federal Reserve System conduct regular quarterly surveys that permit an ongoing appraisal of changing credit conditions in agricultural areas. The data collected in recent surveys generally show results that are not surprising, given the current environment of slumping farm incomes and high interest rates. Loan demand is easing at rural banks, farm spending is off, and lenders are increasingly apprehensive about the farm income situation. However, on the whole, these survey results suggest that agricultural bankers, as of early October, still perceived the situation as being within the range of recent experience, similar in many ways to the low-income period of 1976 and 1977. One way in which it differs dramatically is that in the late 1970s, the cost of deposit funds at rural banks began to reflect changes in national money market interest rates to a much greater extent, and these changes have resulted in higher and more volatile interest rates on farm loans. This in turn has discouraged borrowing by farmers. At the same time, rural banks report that funds are readily available for farm lending and that most banks are actively seeking new farm loan accounts; this development is in contrast to the 1976–77 period, when strong loan demand led to very tight credit conditions at many rural banks.

10. The income returns to farming include not only the net incomes of farm proprietors, but also the interest paid on farm debt and the net rents paid to nonfarm landlords. These latter items must be included in computing asset earnings, because they represent a portion of the total capital committed to farming. In a similar vein, asset earnings are not necessarily a good indicator of farm proprietors' current well-being because creditors may have a prior claim on asset earnings. Measures that do focus on the returns to proprietors' equity are available from the Department of Agriculture.

11. Real capital gains and real income were computed using the Commerce Department's price deflator for personal consumption expenditures, rather than the consumer price index. In recent years the CPI has overstated the inflation rate faced by families that have not obtained new residential mortgage loans. Most farm families would fall in this category, and the personal consumption expenditure deflator thus appears more appropriate for computing changes in farmers' real wealth and real incomes.

# Monetary Policy, Money Supply, and the Federal Reserve's Operating Procedures

*This paper was prepared by Stephen H. Axilrod, Staff Director for Monetary and Financial Policy, Board of Governors of the Federal Reserve System. It was prepared as background for a seminar with financial and academic participants. The views expressed are, of course, those of the author alone and not necessarily those of the Board.*

The operations of a nation's central bank—in the United States, the Federal Reserve System—have, of course, a powerful influence on the economy. But the precise channels through which this influence is felt, the importance of monetary policy to other governmental and private policies, the time lags involved in the process, and related matters have all been debated within the economics profession for a number of years. A fairly large area of agreement has probably emerged, but differences of degree and possibly also of kind no doubt remain.

Most, if not all, probably agree that "money" matters, though differences seem to remain about exactly how much it matters, and many may worry about the ability to define "money" satisfactorily. Most probably also agree that, within the context of money supply targeting, the willingness of the various sectors of the economy to alter their spending plans works mainly through accompanying changes in interest rates and other credit terms, though there is also recognition that some direct role in affecting spending should be assigned to changes in wealth brought about not only by changes in bond and stock prices but also by changes in the amount of wealth held in such highly liquid forms as "money." Finally, most probably agree that expectations exert a strong influence on the behavior of participants in markets for financial instruments and for goods and services and that monetary policy (as well as other governmental policies) affects markets partly through effects on expectations—though there may well be differences about which aspects of policy (for example, the behavior of money, of interest rates, or of the federal budget) in practice have the greatest influence on the attitudes of businessmen, consumers, and financial market participants.

This list of areas of agreement and differences is certainly not comprehensive. And others may want to alter its tone, if not make deletions or additions. But it may serve as a reasonable context for understanding the kinds of decisions that a central bank needs to make in formulating its objectives and in establishing the operating procedures by which it attempts to achieve those objectives.

## *FORMULATING OBJECTIVES*

A nation's central bank, in contrast to other participants in the economy, may be said to operate as a force "exogenous" to the ongoing flow of income and spending in an economy in the sense that, unlike businesses, it can "create" a product without necessarily being limited by the demand for it or the availability of means to finance it. To produce bank reserves (or monetary base), the product most immediately under its control, the central bank need only acquire a U.S. government security from the market. No cash flow, liquidation of other assets, or borrowing is needed to finance the acquisition: the central bank simply credits the account of the customer's bank with the funds, "creating" bank reserves as a result.[1] The economy will react to the production of these funds as production takes

1. These reserves are part of the monetary base, which is measured as reserves of depository institutions plus currency in circulation. Reserves and the monetary base as operating targets are discussed later.

place and afterwards through changes in such economic variables as interest rates, prices, and spending. But those responses do not inherently limit a central bank's capacity to act. The bank theoretically can go on creating, or not creating, funds as long as it can meet its relatively minimal operating expenses.

Because of this power to expand or contract its balance sheet, there has been a continuing search for criteria by which to judge, or to restrain, the central bank's operations. The economic objectives that should guide the Federal Reserve were spelled out in rather vague terms in the Federal Reserve Act. When originally passed in 1913, before the full extent of a central bank's capacity to expand or contract money and credit was realized, the act noted the need to provide for an elastic currency, and said little else about economic policy. The amendment of 1933 creating the Federal Open Market Committee—the policymaking body in the Federal Reserve governing the provision of reserves to the depository system through purchase and sale of securities—was only a bit more specific. It indicated that security transactions "shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country."

As time passed, the operations of the Federal Reserve came to be judged less in terms of such criteria and more in terms of their contribution to basic economic goals of the nation, like full or high levels of employment and price stability. In the early years after World War II, and against the background of the prolonged depression of the 1930s, the public and the Congress appeared to place more stress on high employment. The Employment Act of 1946 contained no more than a passing reference to price stability in stating that the objectives of governmental policy were, among other things, ". . . to promote maximum employment, production, and purchasing power." In more recent times, the need to curb inflation and work toward price stability has been stressed more strongly. Thus the original employment act was amended by the Full Employment and Balanced Growth Act of 1978, which stated that "Congress further declares that inflation is a major national problem requiring improved government policies relating to food, energy, improved and coordinated fiscal and monetary management. . . ."

In the same act, the Congress went on to amend the Federal Reserve Act so as to require the Federal Reserve twice a year to transmit to the Congress ". . . the objectives and plans of the Board of Governors and the Federal Open Market Committee with respect to ranges of growth or diminution of the monetary and credit aggregates. . . ."[2] The Congress also stipulated that "nothing in this act shall be interpreted to require that the objectives and plans with respect to the ranges of growth or diminution of the monetary and credit aggregates disclosed in the reports submitted under this section be achieved if the Board of Governors and the Federal Open Market Committee determine they cannot or should not be achieved because of changing conditions."

The Federal Reserve had for some time before 1978 targeted monetary aggregates. But targeting of aggregates is now embodied in law and can be said to represent a yardstick for measuring the Federal Reserve's performance and a criterion by which the Federal Reserve should govern its own operations. Monetary and credit aggregates were presumably chosen not only because they were thought to bear a reasonably close relationship over time to the basic economic objectives of the nation, but also because it was recognized that the Federal Reserve could be held responsible only for the financial variables over which it has a reasonable degree of influence and not for the performance year by year of the economy as a whole (which responds to many factors besides Federal Reserve policy). The Federal Reserve was asked, however, to report on how its monetary objectives related to short-term economic goals of the administration and the Congress. It was left to the Federal Reserve to define money and credit aggregates, and to assign relative importance to them.

Before passing to a discussion of the aggregates, and then to related control issues, I might touch on other standards that might have been set for limiting a central bank's freedom of action. Interest rates are the most obvious. A

2. This idea was earlier embodied in H. Con. Res. 133, approved in March 1975 by the House and the Senate.

lengthy essay could be written on this subject, but only one or two points might need to be made in this context.

First, making the central bank announce an interest rate target for the year is tantamount to depriving it of control over the volume of money and credit. It would force the central bank to accommodate all changes in demands for money and credit in order to avoid upward (or downward) pressure on the interest rate.[3] In an inflationary period, it would amount to giving up on efforts to control inflation should the chosen interest rate target have been wrong (for example, too low relative to inflationary expectations).

Second, and equally basic, setting an interest rate target assumes that the proper value for the rate can be known in advance, or at least known with more certainty than the proper growth in money. Whether this is so depends, as many economists have been reiterating for some years now, on whether it is probable that the demand for goods and services, which depends in part on interest rates, is sufficiently more stable or predictable than the demand for money in relation to the nation's ultimate economic objectives.[4] If the demand for goods is sufficiently more predictable, then interest rates are a better target than money; otherwise, money is the better target.

Given the many forces apart from a particular level of interest rates that can influence business and consumer spending (and interest costs seem to influence federal government spending very little), there is good reason to believe, and experience certainly suggests, that the demand for goods and services is not very predictable. Moreover, in an environment in which volatile inflationary expectations affect the extent to which nominal market rates of interest in fact represent "real" rates, the relationship between market interest rates and spending is especially uncertain. Thus it seems that interest rates are a highly risky target. However, as will be brought out in the discussion of money supply, there are also reasons for worry about the stability or predictability of money demand. These reasons also suggest a certain flexibility in evaluating money performance and in setting and attaining money targets.

Maintenance of a fixed exchange rate for the dollar in relation to foreign currencies is yet another guide that has been advanced for monetary policy. As a target the exchange rate suffers from many of the same deficiencies as interest rates. It exerts discipline by setting a "price" to be attained, but at the cost of control of the quantity of money and credit. The amount of money to be supplied would depend not simply on conditions in the United States, but also on policies and conditions in foreign countries. For example, inflationary policies abroad that were causing foreign currencies to tend to depreciate relative to the dollar would force similar policies here if the announced parity in exchange rates were to be maintained.[5]

However, these reasons for not employing an interest rate or an exchange rate as a pre-announced criterion for judging monetary policy or for limiting a central bank's discretion are not necessarily also reasons for ignoring interest rate or exchange rate movements in the execution of policy, particularly in periods when changes in financial technology and in the public's attitudes toward cash and other liquid assets increase uncertainty about how to interpret the behavior of the money supply. For instance, in a period of sharply declining interest rates, when money may also be running low relative to target—as in

3. Of course, such a constraint presupposes that agreement could be reached on which one among the many market rates the central bank should try to control. It could hardly control the structure of rates as a whole, which would be influenced by the pattern of credit demand and supply and by expectations.

4. Following an argument set forth in, among other places, William Poole, "Optimal Policy in a Simple Stochastic Macro Model," *Quarterly Journal of Economics*, vol. 84 (May 1970), pp. 197–216, and Stephen F. LeRoy and David E. Lindsey, "Determining the Monetary Instrument: A Diagrammatic Exposition," *American Economic Review*, vol. 68 (December 1978), pp. 929–34.

5. A gold standard in some variant also has been advanced as a guide for monetary policy. Whether that, too, would lead to the relinquishing of the central bank's discretion in controlling money and credit depends on how strong a link was forged between the value of the gold stock and the capacity of the central bank to alter its assets. To the degree of strength in such a link, the ability of the central bank to exert a discretionary impact on domestic money and credit would be limited by gold flows if gold once again became an important means of settlement in international trade, or it would be limited by changes in the quantity of gold being offered to or demanded from the United States at an established fixed price.

the spring of 1980—the desirability of permitting the money target to be breached, at least temporarily, on the down side would depend in part on analyses of the impact of possible changes in cash management behavior on money demand (given income and interest rates), and on the impact of lower interest rates on attitudes toward inflation (that is, whether exacerbating such expectations or not). Or, if interest rates are rising sharply, account will need to be taken of the extent to which that development might, under certain conditions, lead to financial dislocations that would threaten confidence in the economy or in the financial system. Finally, with regard to the exchange rate, a sustained depreciation, for example, could be signaling stronger underlying inflationary pressures than might be otherwise expected—given money supply targets—or could be presaging such pressures later, suggesting that more restrictive monetary actions may need to be considered.

### *Money Supply Targets*

Although ranges for monetary and credit aggregates are provided for in legislation, and a bank credit measure is among the targets announced annually, the Federal Reserve has placed more emphasis in recent years on controlling measures of money supply than it has on credit aggregates. Three reasons may be advanced for the secondary role assigned to credit. First, credit is fungible; and it is difficult to argue that it matters whether credit is obtained at banks, other institutions, or in the open market. Spending can be financed in any event, and many borrowers can readily shift from one lending source to another. Second, while econometric relationships between credit and gross national product may sometimes appear reasonably predictable, it seems that changes in credit more reflect than cause changes in economic activity. Third, in the degree that control of credit would lead to control of GNP and in view of the fungibility of credit, it seems that such control must involve restraints on total credit (including credit obtained offshore) and not just on one or two sectors of credit. Such restraints would require a structure of credit controls that would clearly interfere with the ability of financial markets efficiently to allocate credit and that would at best be an administrative and economic nightmare.

Using money as a monetary target is not without its difficulties, of course. The Federal Reserve targets three principal measures of money. One comprises currency in the hands of the public, demand deposits, and interest-bearing deposits against which checks can be written, and is labeled M1.[6] This narrow measure of money was designed as a transactions concept to measure the hand-to-hand currency and checking accounts through which payments are made.

Two broader concepts of money are also currently in use as targets. M2 includes assets in M1 plus all deposit liabilities of depository institutions (except large-denomination time deposits) as well as money market funds, overnight repurchase agreements issued by commercial banks, and certain overnight Eurodollars. The other broad measure, M3, includes all of M2 plus large-denomination time deposits, term Eurodollars, and other repurchase agreements.

The current measures of money unavoidably represent a compromise among various concepts that might be employed, given the availability of the necessary raw data and the not always clear empirical evidence from statistical tests relating various money measures to other economic variables.[7] The broader measures include assets of various degrees of liquidity, all of which are assigned equal weight in the measure.[8] Thus, to take an extreme, an eight-year time certificate of deposit with a sizable penalty for early withdrawal is included in M2 along with monies placed in short-term money market funds, which can be accessed by check and for which the risk of capital loss is small. Clearly, a concept of money broader than M1 but including only highly liquid assets with short maturities would be an attractive alternative or supplement to present broad

6. Formerly M1-B.

7. The rationale for current money measures, and a detailed description of them, are presented in Thomas D. Simpson, "The Redefined Monetary Aggregates," FEDERAL RESERVE BULLETIN, vol. 66 (February 1980), pp. 97–114.

8. Efforts have been made to develop measures that provide for differential weighting of money supply components by their degree of liquidity. See William A. Barnett, "Economic Monetary Aggregation: An Application of Index Number and Aggregation Theory," *Journal of Econometrics*, vol. 14 (September 1980), pp. 11–48.

money measures, but the statistics on remaining maturity of deposits and other similar assets are not available and would be very costly to collect.

In general, the best definition of money is one that is both capable of reasonably accurate measurement and related in a highly predictable way to desirable economic performance over time. That would, of course, then be the measure that the Federal Reserve should control. A number of money measures are currently in use precisely because it is not clear at this time which particular measure does consistently bear the most predictable relationship to economic objectives.[9]

A strong argument can be made for the narrow money supply as the variable to be assigned highest priority for control purposes on the grounds that a relatively predictable amount of currency and transactions deposits is needed to finance a given amount of the nation's income. As a result, if growth in narrow money is constrained, growth in nominal income over time will also be constrained, bringing it into line with the rise in the nation's productive capacity and thereby encouraging price stability. This argument depends in part on the view that the public cannot easily substitute other assets for cash in carrying out transactions, or that if they do, such a substitution can be reasonably well predicted.

Particularly since the mid-1970s, the historical relationship between narrow money and income, given interest rates, has weakened. This seems to have been caused by reactions of the public, depository institutions, and regulatory agencies to the exceptionally high short-term market interest rates of recent years and the resulting high opportunity cost of holding non-interest-earning demand deposits. At these rates, the public began to reevaluate the amount of cash held for transactions or precautionary purposes, and large-scale transfers out of demand deposits to other assets began to take place.

At the same time, depository institutions sought to retain funds by offering increasingly attractive accounts and services that substituted for non-interest-bearing demand deposits. Regulatory agencies facilitated these innovations through decisions that permitted banks and thrift institutions to remain competitive with the market and with each other. Interest-bearing savings accounts offered transfer facilities by telephone or on a preauthorized basis; in New England checks could be written against savings accounts. As market interest rates remained high, banks also provided investment outlets for large blocs of funds through short-term repurchase agreements and Eurodollar accounts. Finally, as a result of the Monetary Control Act of 1980, interest-bearing transactions accounts could be offered to consumers on a nationwide basis by all depository institutions.

But even with so sizable an expansion in the array of accounts offered, depository institutions found that other institutions, particularly money market funds, were able to attract large amounts of money into short-term, high-yielding, highly liquid accounts. Many of the money market funds offered check-writing facilities, though often with a minimum denomination of check. However, balances moved into money market funds were in large part investments of individuals (and trusts) who found these funds a convenient device for earning the high short-term yields implicit in the downward-sloping yield curve of recent years. To that extent, the balances were not substitutes for cash. In some degree, nevertheless, they also represented funds that otherwise would have been kept in transactions accounts at depository institutions (which are subject to a relatively low fixed-ceiling rate). The amount of money directly transferred out of transactions accounts into money market funds appears to account for only a small share of the funds, but the availability of the highly liquid money market funds may have encouraged consumers and others to economize further on transactions balances at depository institutions, investing those deposits elsewhere or spending them.[10]

The proliferation of convenient alternatives for holding money for transactions and precaution-

9. For results of statistical tests relating demand for money to income and other variables, including interest rates, or relating gross national product to money supplied, see D. J. Bennett, F. Brayton, E. Mauskopf, E. Offenbacher, and R. D. Porter, "Econometric Properties of the Redefined Monetary Aggregates" (Board of Governors of the Federal Reserve System, Division of Research and Statistics, February 1980; processed).

10. The funds had total assets of about $180 billion at the end of 1981.

ary purposes, together with the very high opportunity cost of holding cash assets that earn nothing or assets that earn at well below market rates because of regulatory ceilings, has increased the difficulty of predicting the demand for money in relation to income. In the mid-1970s there was evidence—which has again developed recently—that demand for narrow money (M1) had shifted downward; that is, for given income and interest rates, the public wanted to hold less money than earlier historical relationships would have suggested. Such shifts are, of course, much easier to detect after the fact (though even then experts disagree) than in process.[11] In practice, money demand appears to be highly volatile in any event, so that it is difficult to judge whether an observed tendency in a current quarter for money to, say, fall short of a long-run path is a temporary aberration that will be reversed on its own, so to speak, or whether it marks the beginning of a persistent structural shift.

These difficulties arising from changing public and institutional behavior toward money do not, however, necessarily imply that money is not a useful target for monetary policy. Attitudes generally do not change so rapidly, or so unexpectedly, that monetary authorities cannot make reasonable judgments year by year, or in the course of a year, about the processes at work, their magnitude, and their significance for interpreting the aggregates. The changes are, however, arguments—particularly in current circumstances, when a marked change in financial structure is under way—for recognizing the need for flexibility in judging actual developments in money relative to targets.

Target ranges, while still acting as constraints, may have to be adhered to less rigidly than otherwise, or they may need to be relatively wide to provide leeway for unexpected demand shifts. In addition, judgments may need to be based on the behavior of more than one monetary variable. For instance, in a period of considerable institutional change, broader measures of money may show more stability than M1 relative to historical patterns because they include a broad enough spectrum of assets to increase the odds for offsetting shifts among their components. Thus shifts by the public from M1 to money market funds would not also affect M2 because both are components of M2.

But it should not be concluded that, even in periods of institutional change, broader aggregates are on balance automatically better as monetary targets than are the narrow ones. Institutional change causes shifts into and out of such aggregates from assets not included in them (for example, money market funds, which are included in M2, compete against market securities, which are not included in that aggregate). Moreover, broader measures comprise such heterogeneous assets—a large and growing proportion of which bear market or market-related interest rates—that their relation to, or implications for, income may be subject to considerable uncertainty. They are more influenced than is narrow money by factors other than transactions demand related to income. The demand for broader money measures also depends on such unpredictable factors as changes in the propensity to save out of income and the structure of interest rates—factors that might need to be accommodated in monetary policy operations if an undesired economic outcome is to be avoided.[12]

Because of the difficulties and complexities of recent years in interpreting monetary aggregates, some have advocated targeting on a very narrow concept of money, the monetary base (as noted earlier, essentially currency in circulation plus reserves of depository institutions). Using the base as a monetary objective differs, of course, from using it as an instrument for controlling M1 or M2. From one perspective, the base, or at least that part of it that is not borrowed by depository institutions, could in principle be viewed as basically exogenous to the depository system in the sense that it is directly controllable by the Federal Reserve and does not necessarily

11. A discussion of this problem and possible explanations can be found in Thomas D. Simpson and Richard D. Porter, "Some Issues Involving the Definition and Interpretation of Monetary Aggregates," in *Controlling the Monetary Aggregates III* (Federal Reserve Bank of Boston, 1980).

12. For instance, an increase in broader money because of an enlarged propensity to save—if, for example, a tax cut should induce at least an initial rise in saving relative to income—would need to be accommodated. If it were not—if less broad money were provided in line with, say, a pre-set target—interest rates would be even higher than otherwise, despite a greater propensity to save than expected.

depend as well on the response of depositors and banks to current economic and financial conditions. From another perspective, however, use of the base as a monetary objective may be viewed as begging important questions.

The essence of money supply targeting is to control a variable that will in turn act as a reasonably predictable "governor" on the economy. That variable has ordinarily been thought to be a measure of money held as an asset by businesses, consumers, and other sectors whose ability to spend may be influenced by money available to them. But only one part of the base, currency in circulation, is directly held as an asset by the public. The remainder is reserves of depository institutions. Although these reserves are only about 25 percent of the monetary base as measured, they support a wide range of deposit assets that are held by the public as part of money measures. The total amount of deposits so supported will depend on public preferences for various forms of deposits, and can vary from about nine times the amount of reserves if the reserves support only transactions deposits to a much, much larger amount if the public prefers to hold accounts that require very little or no reserves rather than transactions accounts.

Thus the monetary base is a suitable monetary objective only if one is prepared to accept a wide range of money supply outcomes, in terms of money in the hands of the public (currency plus deposits and certain other assets). However, the base can be, and usually has been, viewed from another perspective—as an operating instrument for achieving money supply objectives (viewing money solely as assets in the hands of the public). In that context, it will be discussed, along with other such instruments, in the next section.

## *CONTROL PROCEDURES*

Procedures for controlling measures of the money supply in the hands of the public that are taken as the guide for central bank operations must provide for both control over the longer run and flexibility in the short run. Short-run flexibility is needed not only to deal with the inherent volatility of money demand, but also to provide leeway for evaluating tendencies in the money supply in light of changes in economic conditions and financial structure.[13]

The monetary control procedure adopted by the Federal Reserve in October 1979 involved using reserve aggregates—on a day-to-day basis, nonborrowed reserves—as a means of controlling the money supply. Before that, day-to-day operations of the Federal Reserve had been based on control of the federal funds rate—the overnight market rate for bank reserves—as a device for reaching money supply objectives. The shift to the new procedure, which meant that day-to-day fluctuations in the funds rate would freely reflect variations in market demand for reserves, was made in an effort to find a more reliable way to control the money supply over the longer run.

The various reserve aggregates that could be employed as a guide for monetary policy operations include nonborrowed reserves (reserves provided by the Federal Reserve through open market security transactions and from certain other sources, such as float), total reserves (nonborrowed reserves plus reserves obtained from borrowing at the Federal Reserve discount window), and the monetary base (total reserves plus currency). Which of these aggregates is the best operating guide depends on institutional structure at the time. It also depends on assessment by the monetary authority of the risks to its basic policy from the varying disturbances to which the economy and financial markets are subject. The predictability of disturbances in the market for goods and services relative to the predictability of disturbances in the demand for money tends to influence the need for flexibility in money supply targeting. Within the context of money targeting, the monetary authority would also need to consider how a reserve procedure might accommodate, at least partially, to short-

13. On a week-to-week basis the "noise" in the behavior of the narrow money supply accounts for dollar changes of about plus or minus \$3.3 billion two-thirds of the time. On a monthly basis "noise" accounts for about plus or minus 4½ percent at an annual rate of change two-thirds of the time, and twice that amount 95 percent of the time. See David A. Pierce, "Trend and Noise in the Monetary Aggregates" in *New Monetary Control Procedures*, vol. II, Federal Reserve staff study (Board of Governors of the Federal Reserve System, 1981).

run variations in money demand in the interest of overall financial stability while assuring longer-run monetary control.

In addition to disturbances affecting the demand for money, there are disturbances in the supply of money that influence the effectiveness of particular reserve guides for controlling money. Disturbances on the supply side are caused by such factors as unexpected variations in banks' demand for excess reserves and in the mix of deposits that the public chooses to hold. With regard to deposit mix, because the current reserve requirement structure has various reserve requirements for different types of deposits, the amount of reserves that will support a particular level of the money stock will change depending on the extent to which the public holds deposits that require more or less reserves.

Alternative operating procedures tend to produce different outcomes for the pattern of interest rates and money growth in the face of disturbances in money demand or supply. A procedure designed to control tightly the supply of money month by month, if that were practicable, would tend to produce sizable interest rate fluctuations if short-run variations in the demand for money were large (as experience suggests they are) as the amount demanded was forced into balance with the given supply. On the other hand, a reserve operating procedure that permitted the supply of money to adjust somewhat to short-run variations in demand—as would be the case in some degree with a nonborrowed reserve target—would tend to moderate short-term movements in interest rates. Such a procedure would be desirable in the degree that the monetary authority believed that some allowance should be made for transitory variations in money demand or for the need to assess ongoing changes in financial structure.

A nonborrowed reserve target also has advantages under the present institutional structure in the presence of disturbances from the side of money supply. With a nonborrowed reserve target, if there is a large increase in banks' demand for excess reserves, or if the deposit mix changes so that banks need more required reserves than had been anticipated for a given money supply, banks will be in a position to borrow the additional excess or required reserves. Probably, they will not in practice borrow all of the needed reserves, but the money stock would be cushioned better from such disturbances than it would be under a total reserves or monetary base operating procedure.

If there were a total reserves target, borrowing by banks would be offset by reductions in nonborrowed reserves, so that in the end the aggregate of reserves could not respond to changes in the multiplier relationship between aggregate reserves and money. As a result, with supply-side disturbances, a total reserves operating procedure would lead to errors in money supplied relative to money objectives. It would cause greater variations in both interest rates and money supply under those circumstances than would a nonborrowed reserve procedure (although, in practice, ongoing judgmental adjustments to the multiplier on the basis of incoming information might moderate these variations).

Some of the multiplier disturbances between total reserves and money could be eliminated through rationalization of the reserve requirement structure. The Monetary Control Act of 1980 embodies a structure applicable to all depository institutions that is less complicated and more suitable to control of the narrow money supply than was the previous structure, which applied only to member banks; but that act will not be fully phased in for a number of years. At that time, there will be no reserve requirements on personal time and savings deposits, while there will be a reserve requirement on all transactions deposits offered by depository institutions. Such a structure will tend to make it more feasible to attempt to control narrow money in the short run by controlling total reserves or the base rather than their nonborrowed components (assuming away for the moment difficulties raised by lagged reserve accounting), although the significance of greater controllability of transactions deposits held in depository institutions would be lessened to the degree that transactions money may come to be held more outside the reserve requirement system (such as in money market funds).

However, under those conditions the total monetary base would probably be a less effective control mechanism than total reserves. The reason is related to the fact that currency has effectively a 100 percent reserve requirement, while the deposit component of money has a fractional reserve requirement, now scheduled to be, after full phase-in, 3 percent of the first $25 million of transactions deposits (which is established by law) and 12 percent for deposits above that amount.[14] As a result, if, for example, currency were running stronger than expected, achievement of a predetermined target for the monetary base would require a dollar-for-dollar weakening in reserves of depository institutions, leading to a multiple contraction of bank deposits and money. By contrast, achievement of a predetermined total reserves target, under the circumstances, would imply that the money stock would be stronger than expected, but only by the amount by which currency is stronger than anticipated. Thus the deviation of money from target would be less with a total reserve target than with a monetary base target.

To determine the efficacy of various reserve operating procedures, a recent Federal Reserve staff study compared the experience under the new procedure adopted since October 1979 with alternatives.[15] A conclusion drawn in the study was that, given the existing institutional environment and the various disturbances to which the economy was subject, the procedure used produced results that could not have been improved on significantly with alternative techniques.

The summary paper evaluating the study found that the relationship between reserves and money is loose in the short run—a month or so—and that over the year since the new technique was adopted the "degree of variability [in the short-run relationship between reserves and money] was in line with—in some cases less than and in some cases more than—model simulation results. . . ."[16] In addition, it was noted that "In the model simulations of the past year, control of money supply through strict adherence to a total reserve or total monetary base target produced more slippage than control through the nonborrowed parts of each."[17] This result largely reflected the effect of money-supply-side disturbances. In simulations that attempted to allow for institutional changes that would reduce such disturbances, the effectiveness of total reserves as a target improved markedly. Total reserves were also found to be a more effective target than the total base because, as noted above, control through the base was still subject to slippage from the large effective reserve requirements on currency compared with those on deposits.

Given these results, the natural question is whether changes should be made in the institutional environment to assure closer control of money, particularly in the short run, in which slippage is by far the worst. Over the longer run, short-run misses tend to average out. The desirability of institutional change depends in part on whether short-run variations in money have significant economic effects. According to the recent Federal Reserve staff study, "model simulations indicate that variations in money growth above or below targets lasting a quarter or so are not likely to have substantial economic effects,"[18] assuming that they are subsequently offset. But even if economic effects of short-run deviations from target are small or negligible, it seems clear that one is more likely to hit a longer-run target the closer one attempts to adhere to it in the short run.[19] Moreover, the closer one is to the long-run target as time goes on, the more confidence is the market likely to have in the achievement of the long-run target, so that whatever psychological benefits may be expected from the process of monetary targeting—such as reducing inflationary expectations—are more likely to be achieved sooner rather than later. Still, the need for institutional changes that tend to reduce variations in money from the supply

14. The amount to which the 3 percent is applied changes each year in accordance with the indexing provision in the Monetary Control Act.

15. See particularly David Lindsey and others, "Monetary Control Experience Under the New Operating Procedure" in *New Monetary Control Procedures*, vol. II.

16. Stephen Axilrod, "Overview of Findings and Evaluation," in ibid., vol. I, p. 3.

17. Ibid., p. 4.

18. Ibid., p. 20.

19. How soon to return to a long-run target path once disturbances throw you off path is a critical operating question. In *New Monetary Procedures*, Peter Tinsley and others, "Money Market Impacts of Alternative Operating Procedures," found that about a three-month return path would provide reasonable assurance of hitting a one-year target. Returning more quickly would greatly exaggerate interest rate volatility with only a minor gain in the precision with which the longer-run target was hit.

side must also be judged in light of the extent to which scope should be provided for short-run fluctuations from the money demand side, given the inherent volatility of money flows and uncertainties about the timing and dimension of possible shifts in the public's attitudes toward money in its various forms.

If one could be certain about the concept of money to be controlled, the reserve requirements on deposits included in this concept clearly should be uniform. If a narrow concept were targeted, the uniform requirement would apply only to transactions deposits. If the concept of money were broader, the requirement would need to be extended to other deposits.

Yet another essay could be written on the specific issues raised by reserve requirements, however. Some who seek control of money might also allege that no reserves should be required of depository institutions. They would contend that the reserves necessarily kept by depository institutions for ordinary business purposes will be sufficiently stable or predictable in relation to deposits to serve as an operating guide for the central bank. That approach raises the risk of undue slippage, however, as institutions are likely to alter their reserve positions in response to changes in demands for credit and money and in market conditions. Control would probably be more certain if there were a uniform required reserve ratio, particularly if the ratio were sufficiently high so that it was generally "binding" on financial institutions—that is, at a level that involved required reserves at least as high as those the bulk of institutions would in any event maintain for operating purposes.[20]

Other changes have been suggested for improving monetary control, whether or not the existing structure of reserve requirements were altered. Two have been particularly publicized: (1) a shift from the present system of lagged reserve requirements (LRR), in which reserves are based on deposits two weeks ago, to a contemporaneous reserve system (CRR); and (2) a change in approach to the Federal Reserve discount window, in particular ensuring that the discount rate fluctuates closely with market rates, even if it is not always maintained at a penalty above such rates.

The Federal Reserve has recently sought public comment on the operational feasibility and costs to depository institutions of a particular CRR proposal. A CRR system would tighten the linkage between reserves, especially total reserves, and the money supply. The improvement would be greatest in the short run, and much less so over the longer run (in which control is in any event not extremely loose). But benefits for control in the short run should not be exaggerated. There would still be considerable slippage from other multiplier-type (or supply-side) disturbances, and there would still be short-run demand-side disturbances that it might in any event be desirable to accommodate for reasons noted earlier. In that context, the benefits of CRR for monetary control, particularly in the short run, have generally been weighed against the benefits of LRR for reducing the cost of reserve management to banks and against judgments about the adequacy of LRR for monetary control over the long run.

Policies toward the variability and level of the discount rate in relation to changing market rates involve all of the issues raised by whether the monetary system is more afflicted, at least in the short run, by disturbances from the side of money demand or from the side of money supply. On the supply side, the discount window performs a valuable buffering function. It buffers the money stock from, for example, disturbances to money supply from unanticipated increases in excess reserves or in required reserves needed to support a given money supply. The availability of the discount window, assuming a nonborrowed reserves operating target, permits the added reserves to be borrowed, thus moderating the effects on the money supply and also on market interest rates relative to what otherwise would take place. Similarly, reserves from the discount window cushion the market from the full impact of transitory variations in money demand.

While the availability of the discount window offers clear benefits, discount rate policy can

20. That, incidentally, might necessitate paying a market interest rate on required reserves to forestall the development of substitutes for transactions deposits that would be outside the reserve requirement system. On the other hand, a market interest rate on required reserves would remove one of the incentives for institutions to differentiate the yield between transactions and other accounts.

interfere with monetary control if, for example, the rate is low relative to market rates in a period of strong, sustained (not transitory) money demand pressures—or if the rate is kept high relative to market rates in a period of sustained weakness in money demand relative to target. A rising discount rate in a period of strong money demand will work to speed up the response of depository institutions and bring money supply under control more promptly. However, something of the same effect can also be achieved by downward adjustments in the path for nonborrowed reserves that guides open market operations. Such adjustments will force even more borrowing on the depository system (given the discount rate) and hence pose a greater need to restrain its expansion (given the restrictive administrative conditions imposed by discount window guidelines).

Many have argued, nonetheless, that even given present administrative guidelines, monetary control would be less vulnerable to slippage if the discount rate were tied to market rates (or at least moved promptly with such rates) and, moreover, if it were a penalty rate. An approach that called for automatic adjustment of the discount rate, however, involves the danger of upward or downward ratcheting of market rates in the short run that may be excessive for monetary control needs (for all of the demand and supply reasons earlier mentioned) and that also may unduly disturb market functioning.

The danger of ratcheting is greatest if the discount rate is set at a penalty above a recent market rate, or otherwise closely tied to one. If required reserves of the depository system under the circumstances were to expand rapidly in a current week, institutions would have to borrow the added required reserves above and beyond the reserves allowed for through open market operations. Market interest rates would have to rise above the prevailing discount rate to make banks willing to borrow the additional reserves.[21] The preexisting penalty of the discount rate above market rates, if there were one, would necessarily disappear. The discount rate would then have to be raised in an attempt to reestablish the penalty, forcing market rates further upward above the new discount rate as long as required reserves remained at advanced levels.

Under a nonborrowed reserves operating target, a discount rate closely tied to recent market rates would, because of this tendency for the discount rate and market rates to ratchet up (or down) together, increase the sensitivity of the depository system and money markets to changes in money demand relative to money supply. But the greater sensitivity might be counterproductive if changes in money demand were transitory or if a rise in borrowing (with minimal effects on market interest rates) were needed to moderate shocks to money from the side of supply.[22]

### *Concluding Comment*

One of the reasons that a central bank adopts a reserve operating procedure is to provide greater assurance than does targeting on interest rates that sustained upward (or downward) movements in money demand do not lead to a cumulative overshooting (or undershooting) in money supply relative to target. The particular reserve procedure, and the institutional reforms that also should be undertaken, depend in part on how tightly short-run movements in the money supply should be controlled relative to longer-run targets. This in turn depends on how sure policymakers can be about the appropriateness of a specific long-run monetary target and of a specific short-run path designed to attain that target.

On the evidence of recent years, it appears that a certain flexibility is required for evaluating emerging tendencies in the money supply relative to objectives. There seems no doubt that reducing money growth is necessary to curbing inflation. But financial innovations in recent

21. Under LRR they would necessarily have to borrow, since required reserves cannot be reduced in a current week. Under CRR, required reserves could be reduced, but the extent to which they would be reduced within a one-week reserve period is an open question.

22. If the day-to-day reserve target were based on total reserves, or the total base, the setting of the discount rate would seem to be a somewhat less important element in monetary control—assuming restrictive conditions for administering the discount window—except to the degree that a discount rate close to (or at a penalty above) market rates would make borrowings more predictable and thereby facilitate control of total reserves or the base.

years have facilitated shifts of transactions-type money, not to mention precautionary balances, into and out of an increasingly broad range of assets. The pace of change, while difficult to predict, has not, however, been so rapid or so imponderable as to vitiate the effectiveness of the money supply as a long-run target. Still, unavoidably, a number of money measures need to be evaluated in a changing financial environment.

Moreover, it seems clear that flows of transactions-type money are inherently volatile, as would be expected in so large an economy as ours, involving hundreds of billions of dollars in transactions every day. Thus an effort to tie the financial system rigidly into attainment of pre-set short-run monetary paths, given a longer-run target, is probably neither feasible nor desirable. That conclusion does not mean one should not *aim* at a pre-set path, but it does mean that an operating procedure should offer sufficient flexibility to allow for temporary deviations. Such deviations, however, should not be permitted to cumulate over many months, unless policymakers conclude that their underlying longer-run target has been misspecified.

Thus monetary policy can hardly avoid evaluating suggested changes in operating procedures and in the process of monetary targeting in terms of their implications for the balance between the needs for short-run flexibility and for assuring longer-run monetary control. In a world in which disturbances come not only from the market for goods and services, but also from the side of money demand (given income and interest rates), there is much to be said for a procedure that allows a certain "breathing room" for evaluation of ongoing trends in money in relation to the economy. On the other hand, in a world in which monetary control has also been weakened because of disturbances from the side of money supply, there is also much to be said for institutional or procedural changes that strengthen the relationship between reserves and money. □

# Staff Studies

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## *STUDY SUMMARIES*

### *BELOW THE BOTTOM LINE: THE USE OF CONTINGENCIES AND COMMITMENTS BY COMMERCIAL BANKS*

*Benjamin Wolkowitz, Peter R. Lloyd-Davies, Brian Charles Gendreau, Gerald A. Hanweck, and Michael A. Goldberg—Staff, Board of Governors*

Prepared as a staff paper in 1980.

In the normal course of business, commercial banks regularly enter into contracts that commit them to purchase or sell assets, at some future date, contingent upon fulfillment of the contracts. Because these commitments do not involve the current acquisition or sale of assets, traditional accounting principles do not require banks to recognize them on the balance sheet (although some may appear as memoranda items or footnotes). This study analyzes the extent to which banks currently engage in four such off-balance-sheet transactions: loan commitments, standby letters of credit, commercial letters of credit (expanded to include bankers acceptances), and financial futures and forward transactions.

Loan commitments, perhaps the best known off-balance-sheet item, enable banks to accommodate the special borrowing needs of some of their customers. These commitments have grown more rapidly than bank assets over the period 1974 through 1980, 13 percent a year compared with 10 percent. As of year-end 1980, loan commitments outstanding totaled $368.6 billion.

Standby and commercial letters of credit are contracts in which a bank formally substitutes its creditworthiness for that of its customer and incurs a liability to make payment upon the presentation of certain documents. The standby letter of credit is used to insure the beneficiary against the bank customer's nonperformance of a contract, and the commercial letter of credit is used in conjunction with the movement or storage of goods. By comparison with that in loan commitments, the growth in standby letters of credit has been dramatic. By year-end 1980, the dollar volume of this contingent liability at all insured commercial banks had increased to $46.9 billion, from $5.0 billion at year-end 1973, an annual growth rate of 38 percent. Only limited data on commercial letters of credit are available; but, as some indication of their growth, the growth of a closely related liability, bankers acceptances, has been a dramatic 30 percent a year since year-end 1973.

The financial futures and forwards markets are new, and thus far bank involvement in them has been limited. However, bank involvement may increase substantially, particularly with the introduction of futures contracts designed to enable banks to hedge interest rate risk even better than these markets now permit.

The study concludes that although these off-balance-sheet items have been abused in some instances—abuses that prompted changes in their regulation—banks appear to use them in a prudent way. □

## *MULTIBANK HOLDING COMPANIES: RECENT EVIDENCE ON COMPETITION AND PERFORMANCE IN BANKING MARKETS*

*Timothy J. Curry and John T. Rose—Staff, Board of Governors*

Prepared as a staff paper in late 1981.

One of the major issues relating to the multibank holding company movement concerns the impact of such organizations on competition and performance in banking markets. The staff of the Federal Reserve Board reviewed the early literature in this area in 1978, and since then, others have explored further the competitive effects of expansion of multibank holding companies. Most of the recent studies have focused on the impact of these companies on one or more elements of the structure–conduct–performance paradigm.

The evidence clearly indicates a deconcentrating effect from de novo entry by bank holding companies. Indeed, de novo banks established by holding companies may result in more deconcentration than new, independent banks. Other findings generally indicate little, if any, impact of holding company affiliation on the market shares of existing banks acquired as entry vehicles into new markets, regardless of the initial market share of the acquired bank. This latter evidence points to little or no structural effect from acquisition entry by bank holding companies; however only limited testing of the impact of acquisition entry on overall market structure has been performed.

Even if no change is observed in market structure, participation by multibank holding companies may affect market conduct and performance, depending on the initiatives of the holding company banks and the actions of competing independent organizations. Studies in this area have yielded diverse results, which may be due in part to different levels of aggregation of multibank holding company activity within the market. Most recent evidence based on all multibank holding companies in a market generally points either to no effect or to an anticompetitive effect on market performance, according to various measures. However, studies that distinguish between bank holding companies headquartered outside the market and those that are locally based yield somewhat different results. Outside holding companies produce either no effect or a procompetitive effect on various performance measures; locally based holding companies have no effect on any aspect of performance. In terms of conduct, multibank holding companies appear to have a procompetitive effect, according to the measures examined.

Finally, two studies have departed from the traditional structure–conduct–performance model in order to explore the competitive effects of large, geographically diversified banking firms. Results from one study provide no support for the argument that the presence of geographically diversified multibank holding companies in a market will impede de novo entry. Evidence from the other study, however, indicates that, as participation by the state's dominant banking firms in a market increases, interfirm rivalry deteriorates, and in some cases, price performance worsens.

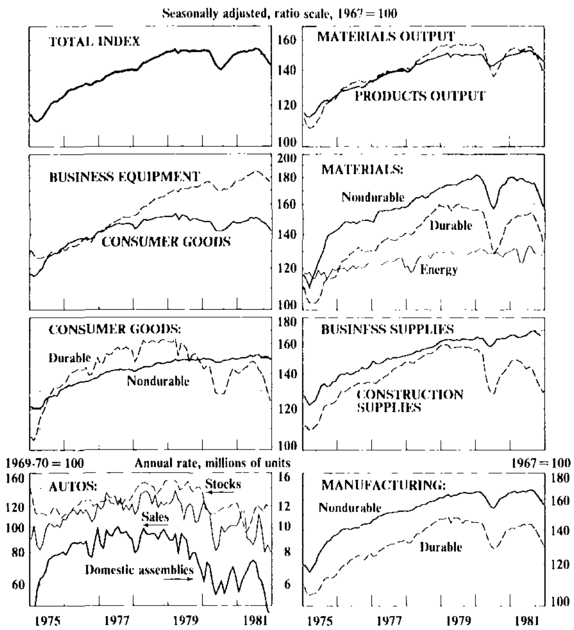
These findings suggest several areas for further research: (1) the association between the level of holding company entry (that is, at the foothold level or through acquisition of a leading bank) and changes in overall banking market structure; (2) the relationship between the level of entry by outside holding companies and changes in market conduct and performance; (3) the connection between market rivalry (as a proxy for market conduct) and market performance; and (4) the significance of large, geographically diversified banking organizations for local market competition and performance. □

# Industrial Production

*Released for publication January 15*

Industrial production declined an estimated 2.1 percent in December, reflecting sharp reductions in most industries. This drop follows decreases of 1.9 and 1.6 percent in November and October respectively. Since its peak in July, industrial production has declined 6.9 percent. At 143.3 percent of the 1967 average, the index for December is 4.7 percent below its level of a year earlier.

In market groupings, output of consumer goods declined 1.9 percent in December. Sizable further reductions continued in the production of home goods, such as appliances and furniture. Another, but smaller, cutback occurred in automotive products, as autos were assembled at an annual rate of 4.6 million units—down about 4 percent from the November rate. Additionally, output of consumer nondurable goods declined 1.1 percent, with an especially large reduction in output of clothing. Production of business equipment decreased 1.2 percent further in December, after similar declines in the preceding two months; this reduction mainly reflected cuts in manufacturing, commercial, and farm equipment. Production of defense and space equipment continued to rise moderately. Output of construction supplies and business supplies declined further.




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

Major market groupings

| Grouping | 1967 = 100 | | Percentage change from preceding month | | | | | Percentage change, Dec. 1980 to Dec. 1981 |
|---|---|---|---|---|---|---|---|---|
| | 1981 | | 1981 | | | | | |
| | Nov.p | Dec.e | Aug. | Sept. | Oct. | Nov. | Dec. | |
| **Total industrial production** | **146.4** | **143.3** | **−.2** | **−1.3** | **−1.6** | **−1.9** | **−2.1** | **−4.7** |
| Products, total | 147.8 | 145.8 | −.3 | −1.0 | −.9 | −1.2 | −1.4 | −2.4 |
| Final products | 147.5 | 145.5 | −.4 | −1.0 | −.6 | −1.1 | −1.4 | −1.6 |
| Consumer goods | 145.0 | 142.3 | −.7 | −1.2 | −.6 | −1.3 | −1.9 | −3.3 |
| Durable | 129.8 | 124.4 | −2.7 | −1.5 | −2.9 | −4.8 | −4.2 | −12.0 |
| Nondurable | 151.0 | 149.4 | .1 | −1.1 | .3 | −.1 | −1.1 | .1 |
| Business equipment | 178.4 | 176.3 | −.2 | −.9 | −1.2 | −1.2 | −1.2 | −.5 |
| Defense and space | 104.9 | 105.4 | .2 | .2 | 1.5 | .4 | .5 | 4.4 |
| Intermediate products | 149.2 | 147.0 | .4 | −1.4 | −2.1 | −1.5 | −1.5 | −5.4 |
| Construction supplies | 132.1 | 129.2 | −.2 | −3.0 | −3.2 | −2.4 | −2.2 | −11.0 |
| Materials | 144.1 | 139.5 | −.1 | −1.7 | −2.6 | −3.0 | −3.2 | −8.3 |

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

Major industry groupings

| Grouping | 1967 = 100 | | Percentage change from preceding month | | | | | Percentage change, Dec. 1980 to Dec. 1981 |
|---|---|---|---|---|---|---|---|---|
| | 1981 | | 1981 | | | | | |
| | Nov.p | Dec.e | Aug. | Sept. | Oct. | Nov. | Dec. | |
| Manufacturing | 145.1 | 141.7 | .0 | −1.4 | −1.9 | −2.1 | −2.3 | −5.8 |
| Durable | 134.4 | 131.0 | −.1 | −1.7 | −2.1 | −2.5 | −2.5 | −6.6 |
| Nondurable | 160.5 | 157.2 | .1 | −.8 | −1.6 | −1.7 | −2.1 | −4.7 |
| Mining | 144.0 | 143.8 | −.3 | −.7 | .5 | −1.2 | −.1 | 3.8 |
| Utilities | 167.9 | 167.0 | −.7 | −2.4 | .4 | −.3 | −.5 | −.5 |

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

Production of materials declined sharply, as it has in recent months. The December drops in both durable and nondurable materials exceeded 3.5 percent. The curtailment of production of energy materials was 0.5 percent.

In industry groupings, manufacturing output in December is estimated to have been 2.3 percent below its level of a month earlier and 5.8 percent below that of a year earlier. The December declines in durable and nondurable manufacturing output were 2.5 and 2.1 percent respectively. The output of utilities declined 0.5 percent in December, and mining remained about unchanged.

# Statement to Congress

*Statement by Frederick H. Schultz, Vice Chairman, Board of Governors of the Federal Reserve System, before the Domestic Monetary Policy Subcommittee of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, December 11, 1981.*

It is a pleasure for me to be here to testify on Joint Resolution 365. The issues involved are of vital interest and concern to the Board of Governors, and my colleagues and I appreciate the opportunity to convey our views.

Let me emphasize at the outset that the Federal Reserve Board agrees fully with the objective of achieving a lasting reduction in interest rates. Lower interest rates would serve to improve conditions in credit-dependent sectors of the economy such as housing, agriculture, and small business and would relieve earnings pressures on numerous financial institutions, particularly thrift institutions. Interest rates have declined sharply over the past two months, as private credit demands have weakened along with a reduction in economic activity. But they remain high by historical standards, fundamentally because of the persistence of inflationary expectations along with large federal financing requirements. I would hope that recent improvements in price performance will begin to erode inflationary expectations, but so long as borrowers believe that they will be able, through inflation, to pay off loans with shrunken dollars, they will have a strong incentive to borrow. And so long as lenders see inflation in their future, they will require an "inflation premium" that compensates for the erosion of purchasing power.

Monetary policy is designed to achieve a gradual reduction in monetary growth rates that will curb inflation over time. Reduced monetary expansion is essential if the fight against inflation is to be successful. As inflation and inflationary expectations subside, conditions for sustainable economic recovery should be established. If the Federal Reserve were to attempt to reduce interest rates by pouring reserves into the banking system and promoting a sharp surge in money growth, short-term interest rates might decline further, but this decline would be only temporary. The excessive monetary stimulus would intensify price pressures in the economy. Inflationary expectations would worsen and long-term interest rates, which are of major importance for investment activity and homebuilding, would undoubtedly rise. Thus, the end result of an overly expansionary monetary policy would be higher, not lower, interest rates.

I would like to turn now to the specific provisions of the Joint Resolution. The first of these provisions calls for reconsideration of current economic policies "so as to bring interest rates down rapidly enough to effect an early, complete recovery from the recession and to prevent a resurgence of high interest rates in future years." Our view is that what we take to be the basic purpose of this provision—a sustainable economic recovery without the excessively high interest rates we all want to avoid—can be achieved only if inflation is brought under control. That will require a steady monetary policy, but also and importantly disciplined fiscal policies and moderation of wage and price behavior on the part of business and labor.

The Joint Resolution also calls for "an aggressive campaign designed to encourage banks to cease providing loans or lines of credit for unproductive takeovers and speculative purposes so as to increase the supply of credit for productive purposes." We assume that this means use of "moral suasion" rather than authority that might be involved through presidential activation of the Credit Control Act of 1969.

The Board of Governors is fully sympathetic with the objective of encouraging the most productive use of credit and understands the concerns that prompted this provision of the Joint Resolution. Nonetheless, we have serious reservations about the provision. It raises fundamental issues regarding the definition of "unproductive" and "speculative" credit. For example, we should be wary of categorizing given uses of credit—such as the financing of corporate takeovers—as necessarily undesirable. A given takeover may be "productive" in the sense that it may strengthen management, generate resources for increased investment in improved facilities, produce economies of integration or scale, and especially in the case of smaller enterprises, provide for orderly transfer of ownership from one generation to another.

On a more technical level I would point out that the several highly publicized merger deals this year have in reality had quite limited impacts on credit markets. The credit flows involved in actually consummated transactions have been considerably smaller than suggested by the aggregation of credit lines that were arranged, including those by unsuccessful bidders. Moreover, mergers generally involve only a transfer of ownership of existing assets and do not tend to absorb the real savings in the economy. Stockholders who sell out obtain funds that are available for reinvestment or for loan repayments, thereby recycling these funds into credit markets.

I do not want to suggest that we should be complacent about takeover loans. They may in some cases be a cause for concern and they should be given close scrutiny. Moreover, they can have a somewhat inhibiting effect on short-run flows of credit. In committing themselves to a large volume of takeover loans, banks may restrict for a time their lending to other potential borrowers, but any such effects should normally be quite small and of short duration.

Another provision of the Joint Resolution urges "efforts to ensure that thrift institutions, the housing industry, small business, farmers, consumers, and homebuyers have access to the least expensive possible credit." A few months ago our staff completed a study for the Senate Banking Committee, which concluded, not surprisingly, that adverse credit conditions had played a role in curtailing activity in housing, automobiles, and agriculture, and apparently of many small businesses as well. Actually, as the study also makes clear, we have to be cautious about blaming high interest rates for all the problems that some sectors of the economy are experiencing. In many instances a major part of the difficulty appears to lie elsewhere, including excessive price increases in the past and failures to remain fully competitive. Nonetheless, high interest rates have certainly exacerbated problems and have had an uneven impact on different sectors of the economy.

Access of selected sectors to credit on the least expensive terms possible cannot be achieved by credit-control-type approaches in today's highly competitive national and international financial markets. Inequities, administrative nightmares, and distortions in credit flows would be the principal result. Allocation of credit on the least expensive terms possible is most effectively performed by a freely functioning and competitive market. Last year's experience with credit controls, although they were imposed under exceptional circumstances and were in effect only for a brief period, emphasizes that they lose their effectiveness and become increasingly inequitable as the financial system devises ways to circumvent them.

Pressures in credit-sensitive sectors can be relieved efficiently and effectively only by achieving and sustaining a lower level of interest rates generally. This depends on bringing inflation under control. This process would be accelerated, and sectors of the credit market relieved, if federal fiscal deficits were held down. In current inflationary circumstances heavy borrowings by the federal government tend to hold up interest rates and absorb savings that would otherwise be channeled to private borrowers.

The Joint Resolution also asks for studies "on innovative techniques for managing the money supply and credit resources in times of tight credit so as to meet urgent national needs." As many committee members know, the Federal Open Market Committee adopted new operating procedures about two years ago that were designed to improve the System's control over the growth of the monetary aggregates. Those operating procedures, and certain alternatives, were reviewed by our staff in a comprehensive study that was completed earlier this year. Copies of the two-volume staff study were supplied to congressional committees.[1] Besides this study,

1. Copies of this study are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

we of course have our procedures, as they involve all the instruments of policy, under continuing review. Against this background, and given current economic developments, I would question whether a major new study of the type contemplated in the resolution is needed.

The Joint Resolution calls on the Federal Reserve to "reconsider its tentative decision to reduce the targets for monetary growth for 1982." The contemplated reduction applies to only one of the targeted measures of money, namely, narrowly defined money or M1-B; no changes from this year's ranges were proposed for the broader measures of money, including M2 and M3. For a number of reasons, including the explosive growth in money market mutual funds that may substitute in part for M1-B type accounts, growth of M1-B this year has fallen short of our target range, while expansion in the broader monetary aggregates has been close to or above the upper limits of their respective target ranges.

In keeping with the Joint Resolution and its own past practice, the Federal Open Market Committee has planned a full review of the tentative 1982 ranges at a meeting scheduled for early February, and a final decision regarding those ranges will be made at that time. By early February the Committee will have had an opportunity to analyze the administration's new budget proposals and will, of course, be in a position to evaluate the latest economic and financial developments. I cannot predict the outcome of that review, but I can assure you that it will be thorough.

As a final provision, the Joint Resolution states that "the President shall select individuals for nomination to vacancies on the Board of Governors . . . so that this Nation's agricultural and commercial interests, including housing and small businesses, will no longer be underrepresented." The selection of new Board members is, of course, the prerogative of the President subject to confirmation by the U.S. Senate. In my view, it would be helpful at this time for a new Board member to have a broad business or financial background and to possess administrative skills. I can see positive benefits in diversity of backgrounds and regional representation on the Board, provided a member does not undertake to represent the narrow interests of a particular group, industry, or region.

In conclusion, I want to reiterate that my colleagues and I on the Board of Governors are sympathetic with the basic objectives of the Joint Resolution to lower interest rates and achieve a balanced distribution of the nation's credit resources. However, we would question the need for the resolution at this time. It runs the risk of being interpreted as calling for monetary policy to back off from its anti-inflationary stance and of regenerating what I hope are diminishing inflationary expectations. I believe it is critically important that the economic recovery following the present downturn be on a sustainable basis with inflation continuing to unwind. □

# Announcements

## *CAPITAL ADEQUACY GUIDELINES*

The Comptroller of the Currency and the Federal Reserve Board have issued to the financial institutions they supervise guidelines to be used in assessing the adequacy of their capital.

The capital adequacy guidelines will be used by the two agencies in their examination and supervision of national banks, state-chartered banks that are members of the Federal Reserve System, and bank holding companies.

The agencies developed the guidelines in order to achieve greater consistency in their supervisory activities. The guidelines should also be helpful to banking organizations in their financial planning. The regulators stressed that the guidelines will be used in a manner that allows for consideration of differences in the situations of individual financial institutions.

One of the objectives of the agencies was to address the sizable existing disparity in capital ratios among banking organizations of different size. To this end, the agencies considered both qualitative characteristics and practical economic and market constraints that often account for differences in capital ratios. The program adopted will permit somewhat lower capital ratios for smaller banks than most of these institutions now maintain. At the same time, the agencies indicated that their policies with respect to the multinational banking organizations—at present, 17 institutions with assets in excess of $15 billion—would be amended to insure that appropriate steps are taken to improve over time the capital positions of banking organizations in this group.

The following guidelines will be reviewed from time to time for possible adjustment commensurate with changes in the economy, financial markets, and banking practices. As conditions permit, differences in the capital ratios by size of institution will be considered further.

The Federal Reserve and the Office of the Comptroller of the Currency have developed capital adequacy guidelines to provide a framework for assessing the capital of well-managed national banks, state member banks, and bank holding companies.[1] The guidelines will be used in the examination and supervisory process and will be reviewed from time to time for possible adjustment commensurate with changes in the economy, financial markets, and banking practices.

Objectives of the capital adequacy guidelines program are to address the long-term decline in capital ratios, particularly those of the multinational group; introduce greater uniformity, objectivity, and consistency into the supervisory approach for assessing capital adequacy; provide direction for capital and strategic planning to banks and bank holding companies and for the appraisal of this planning by the agencies; and permit some reduction of existing disparities in capital ratios between banking organizations of different size.

Two principal ratio measurements of capital will be used: (1) primary capital to total assets; and (2) total capital to total assets. Primary capital consists of common stock, perpetual preferred stock, capital surplus, undivided profits, reserves for contingencies and other capital reserves, mandatory convertible instruments, and allowance for possible loan losses. Total capital includes the primary capital components plus limited-life preferred stock and qualifying subordinated notes and debentures.

The capital guidelines generally will be applied on a consolidated basis. However, for those bank holding companies with consolidated assets of less than $150 million, the capital guidelines will apply to the bank only if the company does not engage directly or indirectly in any nonbanking activity involving significant leverage and if no significant debt of the parent company is held by the general public.

Some bank holding companies are engaged in significant nonbanking activities that require capital ratios higher than those for the bank alone. In these cases, appropriate adjustments will be made in the application of the consolidated capital guidelines.

Institutions affected by the guidelines are categorized as either multinational organizations (as designated by their respective supervisory agency); regional organizations (all other institutions with assets in excess of $1 billion);[2] or community organizations (less than $1 billion in total assets).

Capital guidelines for the relatively small number of

1. Institutions that are under special supervision and those that have been in operation for less than two years are not affected by the guidelines.

2. May include some institutions located in money centers.

multinational organizations will continue to be formulated and monitored on an individual basis, taking into account their present and prospective financial condition. The supervisory agencies are increasingly concerned about the secular declines in the capital ratios of the nation's largest banking organizations, particularly in view of increased risks both domestically and internationally. In general, supervisory policies of the Federal Reserve and the Office of the Comptroller of the Currency, designed to arrest the secular decline in the capital ratios of this group of institutions, will be modified to insure that appropriate steps are taken to improve over time the capital positions of this group.

A minimum level of primary capital to total assets is established at 5 percent for regional organizations and 6 percent for community organizations. Generally, regional and community banking organizations are expected to operate above the minimum primary capital levels.

The agencies also have established the following capital guidelines for regional and community organizations for the total capital to total assets ratio (in percent):

| Zone | Regional | Community |
|---|---|---|
| 1 | Above 6.5 | Above 7.0 |
| 2 | 5.5 to 6.5 | 6.0 to 7.0 |
| 3 | Below 5.5 | Below 6.0 |

Generally, the nature and intensity of supervisory action will be determined by the zone in which an institution falls.

For banking institutions operating in zone 1, the agencies will presume adequate capital if the primary capital ratio is acceptable to the regulator and is above the minimum level; and intensify analysis and action when unwarranted declines in capital ratios occur.

For banking institutions operating in zone 2, agencies will presume that the institution may be undercapitalized particularly if the primary and total capital ratios are at or near the minimum guidelines; engage in extensive contact and discussion with the management and require the submission of comprehensive capital plans acceptable to the regulator; and closely monitor the capital position over time.

The agencies' approach to institutions operating in zone 3 will include a very strong presumption that the bank is undercapitalized; frequent contact with management and a requirement that the bank submit a comprehensive capital plan, including a capital augmentation program that is acceptable to the regulator; and continuous analysis, monitoring, and supervision.

The guidelines will be applied in a flexible manner with exceptions as appropriate. The assessment of capital adequacy will continue to be made on a case-by-case basis considering various qualitative factors that affect an institution's overall financial condition. Thus, the agencies retain the flexibility to recognize the unique characteristics of sound and well-managed banks.

## *Regulation D: Amendment*

The Federal Reserve Board has announced adjustment of the amount of net transaction accounts to which the lowest—3 percent—reserve requirement will apply in 1982.

The change increased the amount of net transaction accounts to which the 3 percent requirement applies from $25 million to $26 million in any one depository institution.

The Board made the change in accordance with provisions of the Monetary Control Act of 1980. The act requires that the Board amend its Regulation D (Reserve Requirements of Depository Institutions) annually to increase the amount of transaction accounts against which the 3 percent reserve requirement will apply in the next calendar year to 80 percent of the percentage increase in transaction accounts held by all depository institutions on the previous June 30.

The growth in total net transaction accounts of all depository institutions from June 30, 1980, to June 30, 1981, was 5.25 percent. The statutory rule thus requires an increase of 4.2 percent, to $26 million.

## *Consumer Advisory Council: New Members*

The Federal Reserve Board has named nine new members to its Consumer Advisory Council to replace members whose terms have expired and has designated a new chairman and vice chairman.

Charlotte H. Scott, Professor of Business Administration and Commerce and a Senior Fellow at the Tayloe Murphy Institute of the Colgate Darden Graduate School of Business Administration at the University of Virginia, Charlottesville, Virginia, was designated Chairman. She succeeds Ralph J. Rohner, a law professor at the Catholic University Law School, Washington, D.C.

Margaret Reilly-Petrone, Professor of Economics at Montclair State College, Upper Montclair, New Jersey, succeeds Professor Scott as Vice Chairman.

The council advises the Board in the field of consumer financial protection laws and other consumer-related matters. Its members come from all parts of the country and include a broad representation of consumer and financial industry interests. The council generally meets four times a year in sessions open to the public.

The nine new members named for three-year terms are as follows:

Gerald R. Christensen, Salt Lake City, Utah, President and Chairman of the Board of First Federal Savings Association, in Salt Lake City. He has been with the association since 1953 and has served on the Mayor's Council on Housing. He is a former director of the Federal Home Loan Bank of Seattle.

Meredith Fernstrom, New York, New York, Vice President for Consumer Affairs of American Express Company. She is responsible for monitoring consumer opinion, advising management on policy, preparing consumer information for the public, and serving as liaison to consumer leaders. She serves on the Boards of Directors of the National Consumers League and the Society of Consumer Affairs Professionals and was Director of the Office of Consumer Affairs for the U.S. Department of Commerce, and Consumer Education Director for the District of Columbia Office of Consumer Affairs.

Allen J. Fishbein, Washington, D.C., Director of the Neighborhood Revitalization Project of the Center for Community Change, Washington, D.C. He directs a national advocacy project that provides legal representation and technical assistance to community groups on uses of the Community Reinvestment Act and other fair lending laws. He is a former staff attorney with the D.C. Neighborhood Reinvestment Commission.

E. C. A. Forsberg, Sr., Atlanta, Georgia, President and Chief Executive Officer of the Gulf Finance Corporation in Atlanta. He has worked for more than 40 years in the consumer finance industry and is the immediate past president of the National Consumer Finance Association. He is on the executive committee of the consumer credit management program at Columbia University's Graduate School of Business.

Harry N. Jackson, Minneapolis, Minnesota, Vice President, Credit, of the Dayton Hudson Corporation, headquartered in Minneapolis. He has served as Chairman of the Credit Management Divison of the National Retail Merchants Association and continues to be active in this group. Formerly, he was Chairman of the Better Business Bureau of Minnesota.

Willard P. Ogburn, Boston, Massachusetts, Deputy Director of the National Consumer Law Center in Boston. He is responsible for all phases of the Center's work, particularly issues of consumer protection and credit regulation. The center is a nonprofit corporation that advocates the interests of low-income consumers and assists legal services attorneys and others throughout the country. In 1978–79, he served as Deputy Commissioner of Banks, Consumer Credit, for the Commonwealth of Massachusetts.

Janet J. Rathe, Portland, Oregon, member of the Executive Committee of the Oregon Consumer League, after having served 14 years as executive secretary and one year as president. She helped found the League in 1966. Mrs. Rathe served as a member of President Nixon's Consumer Advisory Council and has been active in the areas of legislation, consumer credit, and privacy concerns. A former newspaper journalist, she is a frequent speaker on radio and television talk shows.

Clinton L. Warne, Cleveland, Ohio, President of the Consumers League of Ohio and a Professor of Economics at Cleveland State University. He was formerly President of the American Council on Consumer Interests and is a member of the Consumer Federation of America. He has been active in local, state, and national consumer credit groups for many years.

Frederick T. Weimer, Chicago, Illinois, General Assistant to the Vice President, Credit, of Sears, Roebuck and Co. He supervises all credit activities, with special emphasis on credit legislation, litigation, and implementation of all credit laws and regulations. He has been with Sears more than 30 years and is a member and director of the Merchants Research Council.

## *INTERNATIONAL BANKING FACILITIES: INTERPRETATION*

The Federal Reserve Board on December 17, 1981, issued an interpretation of its rules for international banking facilities with respect to purchases and sales of financial assets in the secondary market. IBFs are banking facilities that may be established—beginning December 3—in the United States by U.S. depository institutions, by Edge and Agreement corporations, and by branches and agencies in the United States of foreign banks. When operated under the Board's rules, their deposits are free of reserve requirements and interest rate ceilings. They may accept deposits from and extend credit only to foreign residents, their establishing entity, and other IBFs.

The question has arisen with whom IBFs may deal in buying and selling, in the secondary market, such assets as loans, securities, Eurodollar certificates of deposit, and bankers acceptances.

The Board decided that because purchases and sales of assets do not result in extensions of credit, IBFs may buy assets eligible to be held by IBFs from, or sell them to, both domestic and foreign parties, under certain conditions.

The Board's interpretation and conditions are set forth as follows:

Questions have been raised concerning the extent to which international banking facilities may purchase (or sell) IBF-eligible assets such as loans (including loan participations), securities, CDs, and bankers acceptances from (or to) third parties. Under the Board's regulations, as specified in § 204.8 of Regulation D, IBFs are limited, with respect to making loans and accepting deposits, to dealing only with certain customers, such as other IBFs and foreign offices of other organizations, and with the entity establishing the IBF. In addition, an IBF may extend credit to a nonbank customer only to finance the borrower's non-U.S. operations and may accept deposits from a nonbank customer that are used only to support the depositor's non-U.S. business.

Consistent with the Board's intent, IBFs may purchase IBF-eligible assets[1] from, or sell such assets to, any domestic or foreign customer provided that the transactions are at arm's length without recourse. Therefore, an IBF may not purchase such assets from, or sell such assets to, affiliates of the institution establishing the IBF. (However, this restriction does not affect the IBF's ability to purchase (or sell) assets directly from (or to) the institution establishing the IBF; such purchases from the institution establishing the IBF would continue to be subject to Eurocurrency reserve requirements except during the initial four-week transition period.) Since repurchase agreements are regarded as loans, transactions involving repurchase agreements are permitted only with customers who are otherwise eligible to deal with IBFs, as specified in Regulation D.

In the case of purchases of assets, in order to determine that the Board's use-of-proceeds requirement has been met, it is necessary for the IBF (1) to ascertain that the applicable IBF notices and acknowledgements have been provided, or (2) in the case of loans or securities, to review the documentation underlying the loan or security, or accompanying the security (for example the prospectus or offering statement), to determine that the proceeds are being used only to finance the obligor's operations outside the United States, or (3) in the case of loans, to obtain a statement from either the seller or the borrower that the proceeds are being used only to finance operations outside the United States, or in the case of securities, to obtain such a statement from the obligor, or (4) in the case of bankers acceptances, to review the underlying documentation to determine that the proceeds are being used only to finance the parties' operations outside the United States.

Under the Board's regulations, IBFs are not permitted to issue negotiable Euro-CDs, bankers acceptances, or similar instruments. Accordingly, consistent with the Board's intent in this area, IBFs may sell such instruments issued by third parties that qualify as IBF-eligible assets provided that the IBF, its establishing institution, and any affiliate of the institution establishing the IBF do not endorse, accept, or otherwise guarantee the instrument.

1. In order for an asset to be eligible to be held by an IBF, the obligor or issuer of the instrument, or in the case of bankers' acceptances, the customer and any endorser or acceptor, must be an IBF-eligible customer.

## *Fee Schedule for Coin Wrapping Services*

The Federal Reserve Board has approved a fee schedule for coin wrapping services, effective January 28, 1982.

The schedule applies to two Federal Reserve Banks, Boston and Cleveland, planning to offer coin wrapping services in 1982.

The Federal Reserve Bank of Cleveland will charge 3.2 cents a roll and the Federal Reserve Bank of Boston will charge 2.8 cents a roll for coin wrapping.

In each case a private sector adjustment—for such items as taxes that would have been paid and the return on capital that would have been provided in the private sector—has been included when applicable.

The fee schedules were established, including the private sector adjustment, in accordance with the provisions of the Monetary Control Act of 1980.

## *Proposed Actions*

The Federal Reserve Board has requested public comment, in connection with an application, on the question of whether arranging equity financing with institutional lenders for income-producing properties should be considered closely related to banking and would have public benefits if engaged in by a subsidiary of a bank holding company. The Board said it may consider amending its Regulation Y (Bank Holding Companies and Change in Bank Control) to add this item to the list of activities permissible for bank holding companies. It requested comment by February 1, 1982.

The Federal Reserve Board has also proposed revisions of its charges to depository institutions for wire transfer and net settlement services. It asked for comment by February 20, 1982.

### *Regulations M and Z: Deferral of Mandatory Effective Date*

The mandatory effective date of the Federal Reserve Board's Regulation M (Consumer Leasing) and Regulation Z (Truth in Lending), as these regulations were revised to implement the Truth in Lending Simplification and Reform Act, has been postponed until October 1, 1982.

This action will conform the Board's regulations with an amendment to the Simplification Act, signed into law on December 26, 1981, delaying the mandatory effective date of the Simplification Act from April 1, 1982, to October 1, 1982.

### *Federal Reserve Regulatory Service and Handbooks: Revised Rates*

In view of substantial increases in the cost of publishing and distributing the Federal Reserve Regulatory Service and Handbooks, the subscription rates have been revised effective January 1, 1982. The new annual rates are as follows.

| | |
|---|---|
| *Domestic rates* | |
| Consumer and Community Affairs Handbook | $ 60.00 |
| Monetary Policy and Reserve Requirements Handbook | $ 60.00 |
| Securities Credit Transactions Handbook | $ 60.00 |
| Federal Reserve Regulatory Service (two volumes, containing all three Handbooks plus substantial additional material) | $175.00 |
| *Foreign rates* (for subscribers outside the United States, including additional air mail costs) | |
| Federal Reserve Regulatory Service | $225.00 |
| Each Handbook | $ 75.00 |

# Record of Policy Actions of the Federal Open Market Committee

## Meeting Held on November 17, 1981

### 1. Domestic Policy Directive

The information reviewed at this meeting suggested that real GNP was declining appreciably in the current quarter, following a slight decline in the third quarter indicated by preliminary estimates of the Commerce Department. Average prices, as measured by the fixed-weight price index for gross domestic business product, appeared to be rising somewhat less rapidly than on the average in the first three quarters of the year.

The nominal value of retail sales in October was down 1½ percent from September and about 1 percent from the third-quarter average; although the nominal value had risen about 2¼ percent from the second to the third quarter, sales in real terms had changed little. In October sales of automotive products were particularly weak; unit sales of new automobiles fell nearly one-fifth from September, even though some rebates and special financing arrangements remained in effect.

The index of industrial production fell 1.5 percent in October, following a decline of 1.2 percent in September. Reductions in both months were widespread among market groupings, with declines particularly large in durable materials, construction supplies, and consumer durable goods.

Total nonfarm payroll employment declined sharply in October. Job losses in manufacturing were sizable, overwhelming moderate gains in trade and service industries, and the average factory workweek remained at a reduced level. The unemployment rate rose from 7.5 to 8.0 percent.

Private housing starts edged down in September from an already depressed level. At an annual rate of less than 1 million units, starts in the third quarter were one-fourth below the rate in the first half. Sales of new houses in September were at their lowest level in the 18-year history of the series, and sales of existing homes continued to decline.

The producer price index for finished goods rose on the average in September and October at about the reduced rate of the preceding four months. The consumer price index rose at a much faster pace in September and during the third quarter as a whole than in the first half of the year. Much of the acceleration reflected the behavior of the homeownership component and food prices. Over the first 10 months of 1981, the rise in the index of average hourly earnings was less rapid than it was during 1980.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies had fluctuated over a wide range since early October. On balance, it declined only a little over the intermeeting interval although U.S. short-term interest rates fell substantially more than foreign short-term rates. The U.S. trade deficit in September was substantially lower than the extraordinarily large one in August. For the third quarter, the deficit was little changed from that in the second quarter. A decline in the value of exports about offset a reduction in imports, which was accounted for largely by oil.

At its meeting on October 5–6, the Committee 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 September to December at an annual rate of 7 percent (after allowance for shifts into NOW accounts) and with growth of M-2 at an annual rate of around 10 percent or slightly higher. 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 12 to 17 percent, the Chairman might call for a Committee consultation.

By late October, incoming data began to indicate shortfalls in growth of the monetary aggregates, especially M-1B, from the rates that the Committee had specified for the three-month period from September to December. Subsequently, money market conditions eased: the federal funds rate in the days just before this meeting was about 13¼ percent, compared with an average of about 15 percent in the four weeks ending October 28. In the statement week including the day of the meeting, borrowings from Federal Reserve Banks for purposes of adjusting reserve positions were running $300 million to $400 million below the average of the preceding weeks of the intermeeting period.

M-1B (adjusted for shifts into NOW accounts) expanded at an annual rate of about 3¾ percent in October, following a contraction of 4 percent in September, and M-2 grew at an annual rate of about 9¼ percent. In October the level of shift-adjusted M-1B remained 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, while the level of M-2 was at the upper end of its range for the year.

Expansion in total credit outstanding at U.S. commercial banks slowed to an annual rate of about 8½ percent in October, following expansion at annual rates of 10 and 10½ percent in August and September respectively. The slowing reflected in part a moderation in the growth of business loans from the brisk pace in the third quarter. Bank holdings of Treasury securities were unchanged in October, while acquisitions of other securities increased. Net issues of commercial paper by nonfinancial corporations slowed substantially, following expansion at exceptionally rapid rates in August and September.

Short-term market interest rates declined about 2½ to 3½ percentage points over the intermeeting period. Yields on longer-term securities generally reached record levels around the end of September but had declined in recent weeks, apparently in response to incoming evidence of weakness in economic activity and reduced pressures in short-term markets. During the intermeeting period, the prime rate charged on short-term business loans was reduced by 2 percentage points to 17 percent by most commercial banks, and to 16½ percent by a few banks. On October 30, against the background of the declines in short-term rates, the Board of Governors announced a reduction in Federal Reserve basic discount rates from 14 to 13 percent. The surcharge on frequent borrowings of large depository institutions had been reduced from 3 to 2 percentage points on October 9, and on November 16 it was removed altogether. In home mortgage markets, average interest rates on new commitments for fixed-rate conventional loans at savings and loan associations had eased a bit in recent weeks after reaching a record level in early October.

In the Committee's discussion of the economic situation and outlook, the consensus was that the downward drift in economic activity apparent when the Committee met in early October had clearly developed into a recession. Weakness in output and employment was intensifying in those industries and regions that had already been seriously affected, and it was spreading. As usual, considerable uncertainty existed about the likely severity and duration of the recession. It was generally thought, however, that the scheduled reductions in federal income taxes, the projected increases in defense spending along with other elements in the federal fiscal outlook, and the decline in interest rates most likely would generate an upturn in economic activity by the middle of 1982, although some difference of opinion existed about the timing of recovery.

At the same time, concern about inflationary tendencies remained strong. Some encouraging signs of an easing in inflationary expectations were noted, but it was also emphasized that such expectations tended to change slowly; they would be sensitive to judgments about federal budgetary developments, to the nature of the newly negotiated collective bargaining agreements, and to perceptions of the course of monetary policy. Inflationary expectations, as well as the budgetary outlook, would have a major effect on long-term interest rates and thus on business financial positions and the sustainability of the projected recovery in activity.

At its meeting on July 6–7, 1981, the Committee 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 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 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.

In reviewing the objectives that it had established in early October for growth of M-1B and M-2 over the final three months of the year, the Committee continued to face uncertainties with respect to the forces affecting the behavior of the monetary aggregates, including the apparent decline in the public's desire to hold transaction balances in the forms included in M-1B and the expansive effect on M-2 of growth in money market mutual funds and of shifts into deposit forms that either bear a market interest rate or are subject to variable ceilings closely related to market rates. Growth of M-1B in October had fallen below the 7 percent annual rate that the Committee had adopted for growth over the final three months of the year. M-2, meanwhile, had grown at an annual rate only slightly less than the 10 percent that had been specified for the final three months and remained close to the upper end of its range for the year.

Committee members continued to agree on the desirability of seeking somewhat more rapid growth in M-1B, while taking account of the relative strength of the broader monetary aggregates. At the same time, however, questions were raised about how aggressively more rapid growth in M-1B should be pursued in the short period before the end of the year. The view was expressed that objectives for growth of M-1B over that interval should take account of the desirability of a smooth transition to the targets for monetary growth tentatively established for 1982 as well as the relatively rapid growth in the broader aggregates. While recognizing the variability of demands for money over the short run, many members thought that an aggressive effort to stimulate M-1B growth over November and December at a pace sufficiently rapid to compensate for the shortfall in October would interfere with achievement of longer-term economic goals and would risk overly rapid expansion of money and credit in later months, particularly if the effort were accompanied by a precipitous decline in short-term interest rates to levels that might not be sustainable. Such a decline in short-term rates could exacerbate inflationary expectations and abort a desirable downtrend in bond yields and mortgage interest rates.

Committee members in general believed that additional weakness in economic activity could well be accompanied by further declines in interest rates, which would be constructive in supporting economic activity. In that light, they wished to set objectives for monetary growth over the period ahead consistent with achieving further progress in reducing inflationary expectations and with minimizing the risk of destabilizing swings in both monetary growth and interest rates. Their view was reinforced by the concern that projection of large budgetary deficits in the years ahead, combined with inflationary sensitivities, could generate anticipations of a reversal of favorable interest rate trends as recovery in activity got under way.

After noting the moderate shortfall in growth of M-1B in October from the 7 percent annual rate that had been adopted for growth from September to December, the Committee decided to seek behavior of reserve aggregates associated with growth of M-1B from October to December at an annual rate of about 7 percent (after allowance for the impact of flows 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 for growth over the fourth quarter adopted at the previous meeting, would be accepted in the event that transaction demands for money proved to be stronger than anticipated; it was also understood that moderate shortfalls from the growth path would not be unacceptable, particularly if broader aggregates continued to expand rapidly. The intermeeting range for the federal funds rate that provided a mechanism for initiating further consultation of the Committee was set at 11 to 15 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 is declining appreciably in the current quarter and that prices on the average are rising somewhat less rapidly than over the first three quarters of the year. In October the nominal value of total retail sales dropped; industrial production fell more than in September; and nonfarm payroll employment, especially in manufacturing, declined sharply. The unemployment rate rose from 7.5 percent to 8.0 percent. Housing starts edged down in September from an already depressed level. Over the first 10 months of 1981, the rise in the index of average hourly earnings was less rapid than during 1980.

The weighted average value of the dollar against major foreign currencies has declined only a little since early October, although U.S. short-term interest rates have declined more than foreign rates. A reduced U.S. foreign trade deficit in September brought the deficit for the third quarter close to the second-quarter rate.

M-1B (adjusted for estimated shifts into NOW accounts) expanded in October almost as much as it had declined in September, and growth of M-2 picked up. The level of adjusted M-1B remained 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; the level of M-2 was at the upper end of its range for the year. Short-term market interest rates have declined substantially since the end of

September, and bond yields have also dropped from the peaks generally reached about then. On October 30 the Board of Governors announced a reduction in Federal Reserve basic discount rates from 14 to 13 percent. The surcharge on frequent borrowings of large depository institutions had been reduced from 3 to 2 percentage points on October 9, and on November 16 the Board removed the remaining 2 percentage points.

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 3½ 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 6½ to 9½ 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 2½ to 5½ percent, 6 to 9 percent, and 6½ to 9½ percent respectively would be appropriate. These ranges will be reconsidered as warranted to take account of developing experience with public preferences for NOW and similar accounts as well as changing economic and financial conditions.

The Committee, after noting a moderate shortfall in growth of M-1B in October from the target path set at the last meeting, seeks 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 the impact of flows into NOW accounts) and with growth of M-2 at an annual rate around 11 percent. 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 11 to 15 percent.

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.

## 2. Authorization for Domestic Open Market Operations

On December 4, 1981, 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 December 22, 1981.

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

This action was taken on recommendation of the Manager for Domestic Operations. The Manager had advised that since the November meeting, substantial net purchases of securities had been undertaken to provide reserves in association with a seasonal increase in currency in circulation. The leeway for further purchases had been reduced to about $900 million, and additional purchases in excess of that amount were likely to be required before the next Committee meeting.

# Legal Developments

*AMENDMENTS TO REGULATION A*

The Board of Governors of the Federal Reserve System has amended its Regulation A—Extensions of Credit by Federal Reserve Banks (12 CFR Part 201). This action was taken to bring the discount rates into better alignment with short-term rates that have been prevailing recently in the market.

Effective December 4, 1981, sections 201.51 and 201.52 were amended as set forth below:

## Section 201.51—Short Term Adjustment Credit for Depository Institutions

The rates for short term adjustment credit provided to depository institutions under § 201.3(a) of Regulation A are:

| Federal Reserve Bank | Rate | Effective |
|---|---|---|
| Boston | 12 | December 4, 1981 |
| New York | 12 | December 4, 1981 |
| Philadelphia | 12 | December 4, 1981 |
| Cleveland | 12 | December 4, 1981 |
| Richmond | 12 | December 4, 1981 |
| Atlanta | 12 | December 4, 1981 |
| Chicago | 12 | December 4, 1981 |
| St. Louis | 12 | December 4, 1981 |
| Minneapolis | 12 | December 4, 1981 |
| Kansas City | 12 | December 4, 1981 |
| Dallas | 12 | December 4, 1981 |
| San Francisco | 12 | December 4, 1981 |

## Section 201.52—Extended Credit to Depository Institutions

(a) The rates for seasonal credit extended to depository institutions under § 201.3(b)(1) of Regulation A are:

| Federal Reserve Bank | Rate | Effective |
|---|---|---|
| Boston | 12 | December 4, 1981 |
| New York | 12 | December 4, 1981 |
| Philadelphia | 12 | December 4, 1981 |
| Cleveland | 12 | December 4, 1981 |
| Richmond | 12 | December 4, 1981 |
| Atlanta | 12 | December 4, 1981 |
| Chicago | 12 | December 4, 1981 |
| St. Louis | 12 | December 4, 1981 |
| Minneapolis | 12 | December 4, 1981 |
| Kansas City | 12 | December 4, 1981 |
| Dallas | 12 | December 4, 1981 |
| San Francisco | 12 | December 4, 1981 |

(b) The rates for other extended credit provided to depository institutions under sustained liquidity pressures or where there are exceptional circumstances or practices involving a particular institution under § 201.3(b)(2) of Regulation A are:

| Federal Reserve Bank | Rate | Effective |
|---|---|---|
| Boston | 12 | December 4, 1981 |
| New York | 12 | December 4, 1981 |
| Philadelphia | 12 | December 4, 1981 |
| Cleveland | 12 | December 4, 1981 |
| Richmond | 12 | December 4, 1981 |
| Atlanta | 12 | December 4, 1981 |
| Chicago | 12 | December 4, 1981 |
| St. Louis | 12 | December 4, 1981 |
| Minneapolis | 12 | December 4, 1981 |
| Kansas City | 12 | December 4, 1981 |
| Dallas | 12 | December 4, 1981 |
| San Francisco | 12 | December 4, 1981 |

NOTE: These rates apply for the first 60 days of borrowing. A 1 per cent surcharge applies for borrowing during the next 90 days, and a 2 per cent surcharge applies for borrowing thereafter.

(12 U.S.C. 248(i), Interprets or applies 12 U.S.C. 357)

*AMENDMENTS TO REGULATION D*

The Board of Governors of the Federal Reserve System has amended its Regulation D—Reserve Requirements of Depository Institutions (12 CFR Part 204) to adjust the dollar amount of transaction accounts subject to a reserve requirement ratio of 3 per cent for depository institutions, Edge and Agreement Corporations, and United States branches and agencies of foreign banks, as required by the Monetary Control Act of 1980. The first reserve maintenance period to which the amendment applies commences January 14, 1982.

Effective December 31, 1981, section 204.9(a) is amended as set forth below:

## Section 204.9—Supplement: Reserve Requirement Ratios

(a) *Reserve percentages*. The following reserve ratios are prescribed for all depository institutions, Edge and Agreement Corporations and United States branches and agencies of foreign banks:

| Category | Reserve Requirement |
|---|---|
| Net Transaction Accounts | |
| $0–$26 million | 3% of amount |
| Over $26 million | $780,000 plus 12% of amount over $26 million |
| Nonpersonal Time Deposits | |
| By original maturity (or notice period): | |
| less than four years | 3% |
| four years or more | 0% |
| Eurocurrency Liabilities | 3% |

* * * * *

*AMENDMENTS TO REGULATION Q*

The Board of Governors of the Federal Reserve System has amended its Regulation Q—Interest on Deposits (12 CFR Part 217). The amendments to Regulation Q are technical in nature, and conform the Board's rules to those of the Depository Institutions Deregulation Committee.

Effective December 16, 1981, sections 217.3(a) and 217.7(b), (e), (f), and (g) are amended, and a new paragraph, section 217.7(i) is added as set forth below:

## Section 217.3—Interest on Time and Savings Deposits

* * * * *

(a) *Maximum rate.* Except as provided in this section, no member bank shall, directly or indirectly, by any device whatsoever, pay interest on any time or savings deposit at a rate in excess of such applicable maximum rate as the Board of Governors of the Federal Reserve System shall prescribe from time to time in § 217.7. Except as provided in § 217.7(i), in ascertaining the rate of interest paid, the effects of compounding of interest may be disregarded. The maximum rate of interest that may be paid by a member bank on an additional deposit to any existing time deposit shall not exceed the maximum rate that may be paid in accordance with § 217.7 on the date the additional deposit is made.

## Section 217.7—Supplement: Maximum Rates of Interest Payable by Member Banks on Time and Savings Deposits

* * * * *

(b) *Fixed-ceiling time deposits of less than $100,000.* Except as provided in paragraphs (a), (d), (e), (f), (g), and (i), no member bank shall pay interest on any time deposit at a rate in excess of the applicable rate under the following schedule:

| Maturity | Maximum per cent |
|---|---|
| 14 days or more but less than 90 days | 5-1/4 |
| 90 days or more but less than 1 year | 5-3/4 |
| 1 year or more but less than 2-1/2 years | 6 |
| 2-1/2 years or more but less than 4 years | 6-1/2 |
| 4 years or more but less than 6 years | 7-1/4 |
| 6 years or more but less than 8 years | 7-1/2 |
| 8 years or more | 7-3/4 |

* * * * *

(e) *Individual Retirement Account and Keogh (H.R. 10) Plan deposits of less than $100,000.*

(1) Except as provided in paragraphs (a), (e)(2), and (g), a member bank may pay interest on any time deposit with a maturity of three years or more that consists of funds deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an Individual Retirement Account agreement or Keogh (H.R. 10) Plan established pursuant to 26 U.S.C. (I.R.C. 1954). §§ 219, 401, 404, 408 and related provisions at a rate not in excess of 8 per cent.[2]

(2) A member bank may pay interest at any rate as agreed to by the depositor on any time deposit with a maturity of one and one-half years or more, that consists of funds deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an Individual Retirement Account agreement or Keogh (H.R. 10) Plan established pursuant to 26 U.S.C. (I.R.C. 1954) §§ 219, 401, 404, 408 and related provisions. An institution may permit additional deposits to be made to such a time deposit at any time prior to its maturity without extending the maturity of all or a portion of the entire balance in the account.

(f) *26-week money market time deposits of less than $100,000.* Except as provided in paragraphs (a), (b) and (d), a member bank may pay interest on any nonnegotiable time deposit of $10,000 or more, with a maturity of 26 weeks, at a rate not to exceed the ceiling rates set forth below. The ceiling rate shall be based on the higher of either (1) the rate established and announced (auction average on a discount basis) for U.S. Treasury bills with maturities of 26 weeks at the auction held immediately prior to the date of deposit ("Bill Rate"), or (2) the average of the four rates established and announced (auction average on a discount basis) for U.S. Treasury bills with maturities of 26 weeks at the four auctions held immediately prior to the date of deposit ("Four-Week Average Bill Rate"). Rounding any rate to the next higher rate is

2. * * *

not permitted and interest may not be compounded during the term of this deposit.

| Bill Rate or Four-Week Average Bill Rate | Interest Rate Ceiling |
|---|---|
| 7.50 per cent or below | 7.75 per cent |
| Above 7.50 per cent | One-quarter of one percentage point plus the higher of the Bill Rate or Four-Week Average Bill Rate |

A member bank may offer this category of time deposit to all depositors. However, a member bank may pay interest on any nonnegotiable time deposit of $10,000 or more with a maturity of 26 weeks which consists of funds deposited to the credit of, or in which the entire beneficial interest is held by:

(1) the United States, any state of the United States, or any county, municipality or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or political subdivision thereof; or

(2) an individual pursuant to an Individual Retirement Account agreement or Keogh (H.R. 10) Plan established pursuant to 26 U.S.C. (I.R.C. 1954) §§ 219, 401, 404, 408 and related provisions at a rate not to exceed the ceiling rate payable on the same category of deposit by any Federally insured savings and loan association or mutual savings bank.[3]

(g) *Time deposits of less than $100,000 with maturities of 2-1/2 years to less than 4 years.* Except as provided in paragraphs (a), (b), (d), and (e), a member bank may pay interest on any nonnegotiable time deposit with an original maturity of 2-1/2 years to less than four years at a rate not to exceed the higher of one-quarter of one per cent below the average 2-1/2 year yield for U.S. Treasury securities as determined and announced by the U.S. Department of the Treasury immediately prior to the date of deposit, or 9.25 per cent. Such announcement is made by the U.S. Department of the Treasury every two weeks. The average 2-1/2 year yield will be rounded by the U.S. Department of the Treasury to the nearest 5 basis points. The rate paid on any such deposit cannot exceed the ceiling rate in effect on the date of deposit. A member bank may offer this category of time deposit to all depositors. However, a member bank may pay interest on any nonnegotiable time deposit with a maturity of 2-1/2 years to less than 4 years which consists of funds deposited to the credit of, or in which the entire beneficial interest is held by:

(1) the United States, any state of the United States, or any county, municipality or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or political subdivision thereof; or

(2) an individual pursuant to an Individual Retirement Account agreement or Keogh (H.R. 10) Plan established pursuant to 26 U.S.C. (I.R.C. 1954) §§ 219, 401, 404, 408 and related provisions at a rate not to exceed the ceiling rate payable on the same category of deposit by any Federally insured savings and loan association or mutual savings bank.[4]

* * * * *

(i) *Tax-exempt savings certificate.*

(1) A member bank may pay interest on a nonnegotiable tax-exempt savings certificate ("ASC") provided that the time deposit has an original maturity of exactly one year, is available in denominations of $500 and any other denomination, at the discretion of the member bank, and has an annual investment yield to maturity equal to 70 per cent of the average investment yield for the most recent auction of 52-week U.S. Treasury bills prior to the calendar week in which the ASC is issued.[5]

(2) A member bank must provide each depositor the following notice, in a form that the depositor may retain at the time of opening a deposit under this paragraph:

> The Economic Recovery Tax Act of 1981 authorizes a lifetime exclusion from gross income for federal income tax purposes of up to $1,000 ($2,000 in the case of a joint return) for interest earned on tax-exempt savings certificates. Regardless of how much interest is earned on this

3. * * *

4. * * *

5. When institutions credit interest more frequently than annually, the computation of interest must be adjusted to reflect the effects of compounding so that the annual investment yield to the depositor remains at the rate stipulated by law. Specifically, the formula used to derive the nominal interest rate at which interest can be credited is as follows:

$$I = [(1 = c/100)^{(d/365)}] - 1$$

$$r = 100 \times (365/d) \times I$$

where: c = the annual investment yield required to be paid on the ASCs (in percent per annum)

D = the average number of days in a compounding period (365-day year)

I = the amount of interest earned during a (365-day year) compounding period per dollar in the account at the beginning of the period

r = the corresponding nominal rate of interest (365-day basis, in percent per annum)

For institutions using continuous compounding, the nominal interest rate would be defined as: r = 100 [ln (1 + (c/100))], where "ln" signifies the natural logarithm of the expression that follows it.

or any other tax-exempt savings certificate, including interest earned on such certificates from other institutions, and regardless of during which taxable years that interest is earned, no more than a total of $1,000 ($2,000 in the case of a joint return) can be excluded from federal gross income for all taxable years. Furthermore, interest earned on a specific certificate cannot be excluded from federal gross income if (A) that certificate is used as collateral for any loan, or (B) any part of the principal of that certificate is redeemed or disposed of prior to maturity.

(3) (i) A member bank may not issue ASCs after March 31, 1982, under this paragraph unless an executive officer of the member bank certifies, in a form determined by the member bank, that the member bank has complied with the "qualified residential financing" requirement set out in 26 U.S.C. § 128. The certification must be maintained by the member bank in its files and must be available to the member bank's primary supervisory agency upon request. The certification shall include appropriate supporting documentation, as determined by the member bank.

(ii) A member bank issuing ASCs during any calendar quarter must use at least 75 per cent of the lesser of:

(A) the proceeds from ASCs issued during a calendar quarter, or

(B) "qualified net savings,"

to provide "qualified residential financing" by the end of the subsequent calendar quarter and may not issue additional ASCs until the 75 per cent requirement is satisfied.

(iii) For purposes of determining compliance with the "qualified residential financing" requirement, the following applies:

(A) the term "qualified net savings" includes interest or dividends credited to deposit accounts;

(B) the amount of "qualified residential financing" is to be determined net of repayment of principal and paydowns, but sales of such assets may not be netted;

(C) the term "any loan for agricultural purposes" is defined to have the same meaning as items described in the instructions to the Report of Condition of all Insured Commercial Banks, schedule A, item 4 "Loans to Finance Agricultural Production and Other Loans to Farmers, and schedule A, item 1(b) "Real Estate Loans Secured by Farmland," and

(D) "qualified residential financing" includes a firm commitment to purchase any assets eligible for such investment.

(iv) If a member bank provides for automatic renewal of an ASC, depositors must be notified in writing at least 15 days in advance of the maturity of an ASC in the event the member bank cannot renew the ASC because of its failure to satisfy the residential financing requirement. Failure to give such notice shall not result in automatic renewal of the ASC.

(v) This paragraph (*i*) expires January 1, 1983.

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

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

### CNCC Partners, Chicago, Illinois

*Order Denying Formation of a Bank Holding Company*

CNCC Partners, Chicago, Illinois ("Applicant") 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)) for the formation of a bank holding company by acquiring 63 percent or more of the voting shares of Central National Chicago Corporation, Chicago, Illinois ("Corporation"), which is a one-bank holding company by virtue of its 100 percent ownership of Central National Bank in Chicago, Chicago, Illinois ("Bank").

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

Applicant, a nonoperating general partnership composed of a number of personal trusts with no other subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Corporation and thereby indirectly acquiring Bank. Bank, with total deposits of approximately $436.9 million, is the seventh largest commercial bank in Illinois and controls about 0.54 percent of total deposits in commercial banks in the state.[1] Bank competes in the Chicago

1. Banking data are as of December 31, 1980.

banking market[2] where it ranks as the seventh largest of 372 commercial banks and controls about 0.79 percent of the market's commercial bank deposits. Inasmuch as neither Applicant nor any of its principals is a principal of any other banking organization in the relevant market, consummation of the proposal will not result in any significant adverse competitive effects. Accordingly, in the Board's view, competitive considerations are consistent with approval.

Applicant's proposal contemplates the acquisition of preferred stock, as well as options on common stock, from the present principal shareholders of Corporation. Specifically, Applicant proposes to acquire Corporation's 6 percent cumulative, participating series A preferred stock ("preferred shares"), which are convertible into approximately 38 percent of Corporation's voting common stock. Applicant plans to convert one-half of the preferred shares immediately into common stock of Corporation. The total purchase price of the preferred shares is $6 million, all of which Applicant proposes to borrow from its partners and the sellers. The application also encompasses Applicant's proposal to acquire an option that would allow it to purchase 429,728 shares of Corporation's common stock over the next five years.[3] Applicant would obtain funds for the exercise of the options through borrowings or capital contributions from its partners. During the life of the option the common stock will be held in a voting trust controlled by Applicant's principals as voting trustees. Upon fully exercising all the conversion rights and options described above, Applicant would own 63 percent or more of Corporation's outstanding voting shares.

The Board has previously stated that it expects a bank holding company to serve as a source of strength to its subsidiary bank(s). A bank holding company may serve as a source of strength by providing managerial expertise and by demonstrating a willingness to come to the assistance of its subsidiaries by providing additional capital or other appropriate financial support when needed.[4] In order to fulfill this role a bank holding company should itself be financially sound, and should be in a position to gain access to additional financial resources. Although the Board notes that Corporation's financial and managerial resources, which are primarily dependent upon those of Bank, have been steadily improving over the past year, the Board believes that the nature of Applicant's proposal indicates that it may not serve as a source of financial strength to Corporation and Bank. In particular, the Board notes that Applicant's proposal to acquire the preferred shares is wholly financed by borrowing.[5] In addition, Applicant's proposal enables it to acquire control of approximately 24 percent of Corporation's common stock for five years without making any financial investment. In view of the lack of an appropriate funding commitment by Applicant and its principals, and given the highly leveraged financial structure of the proposal, the Board sees no benefit to Company or Bank. Inasmuch as Applicant does not propose to make any immediate changes in Bank's services or operations, convenience and needs considerations lend no weight toward approval of this application. In conclusion, the Board's judgment is that, based on the foregoing, the financial and managerial resources of Applicant as they pertain to this proposal are unsatisfactory, and therefore, banking considerations weigh for denial of the application.

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

By order of the Board of Governors, effective December 24, 1981.

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

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

## Florida National Banks of Florida, Inc., Jacksonville, Florida

### *Order Approving Merger of Bank Holding Companies*

Florida National Banks of Florida, Inc., Jacksonville, Florida ("Florida National"), a bank holding company

2. The Chicago banking market is approximated by Cook, DuPage, and Lake Counties in Illinois.

3. It is the Board's general policy not to approve an option for the purchase of shares that may never be exercised or which may be exercised over an extended time period. The Board's reluctance to approve such open-ended proposals is based on the difficulty of adequately assessing, over an extended period, the financial and managerial factors as they pertain to applicants and banks, that the Board is required to consider under the act. In addition, the Board believes that approval of a proposal such as Applicant's that will not be consummated for an extended period would raise supervisory concerns and could lead to misunderstandings between the Board and an applicant regarding the applicant's obligation to serve as a source of strength to its subsidiary bank.

4. *Board of Governors of the Federal Reserve System* v. *First Lincolnwood Corp.*, 439 U.S. 234 (1978); *Emerson First National Company*, 67 FEDERAL RESERVE BULLETIN 344 (1981).

5. The Board's experience indicates that a bank holding company with a substantial amount of debt generally lacks the financial flexibility to meet unexpected problems of its subsidiary bank(s). With a high level of debt there is a potential for straining the financial resources of the banking organization and management is given less incentive to conduct the affairs of the banking organization in a safe and sound manner. See, *Emerson First National Company*, 67 FEDERAL RESERVE BULLETIN 344 (1981); *First Dodge City Bancshares, Inc.*, 67 FEDERAL RESERVE BULLETIN 800 (1981).

within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841, et seq.) has applied for the Board's approval under section 3(a)(5) of the act (12 U.S.C. § 1842(a)(5)) to merge with Alliance Corporation, Jacksonville, Florida ("Alliance"), another such bank holding company, under the charter and title of Florida National. Florida National would thereby acquire Jacksonville National Bank, Jacksonville, Florida ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those of C. A. Cavendes Sociedad Financiera ("Protestant"), a minority shareholder of Florida National,[1] in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1842(c)).

Florida National, the fifth largest banking organization in Florida, controls 25 banks with aggregate deposits of about $1.96 billion, representing 5.0 percent of the total commercial bank deposits in the state.[2] Bank holds aggregate deposits of approximately $126.6 million, representing 0.3 percent of total deposits in commercial banks in the state, and is the 71st largest banking organization in Florida. Upon consummation of the proposed merger, Florida National would be the fourth largest banking organization in the state with aggregate deposits of about $2.09 billion, representing 5.3 percent of the total commercial bank deposits in the state. On the basis of all the facts of record, including the overall structure of banking in Florida and in light of Florida National's commitment, discussed below, to divest Bank, the Board does not view the proposal as having significantly adverse effects on the statewide concentration of banking resources in Florida.

Bank, Alliance's only subsidiary bank, competes in the Jacksonville banking market.[3] In addition, Bank controls a wholly-owned subsidiary, Charter Mortgage Company, Jacksonville, Florida ("Charter Mortgage"), that engages in the mortgage banking business in Florida and in eight other states. Protestant asserts that this proposal will substantially lessen existing competition in the commercial banking and mortgage banking product markets.

Florida National's subsidiary, Florida National Bank of Jacksonville ("FNBJ"), competes in the Jacksonville banking market. FNBJ is the third largest banking organization located in that market, controlling $433.0 million, or 19.1 percent, of deposits in commercial banks in the market. Bank is the sixth largest banking organization in the market, controlling 5.6 percent of deposits in commercial banks in the market. Consummation of the proposed merger would result in FNBJ becoming the second largest banking organization in the market, controlling 24.7 percent of deposits in commercial banks in the market.

Although the combined market shares of Bank and FNBJ in the Jacksonville market might normally raise some concern about the elimination of significant existing competition, the Board notes that several facts in the record in this case indicate that market shares alone do not accurately reflect the effects of this application on existing competition. The Board notes that Bank, through its subsidiary Charter Mortgage, conducts a substantial portion of its business in the mortgage banking field. As a result, a substantial portion of Bank's deposits are related to the mortgage banking business, such as escrow accounts, and are derived from locations where Charter Mortgage conducts its business, primarily outside the Jacksonville banking market. In addition, Bank's loan portfolio is comprised of a much larger percentage of home mortgages than the typical commercial bank in Florida. Accordingly, because of the unique composition of Bank's assets and liabilities, market share data alone may not reflect adequately the direct and immediate impact of this proposal on banking competition in the Jacksonville market. In any event, the potential anticompetitive impact of this proposal has been substantially mitigated by Applicant's commitment to divest itself of Bank within 13 months of consummation of the proposal by selling Bank to another firm not engaged in the banking business in the Jacksonville market.[4] Under the circumstances of this case, the Board finds that consummation of the proposal would result in only slightly adverse competitive effects in the Jacksonville commercial banking market.

With respect to mortgage banking activities, Florida National's subsidiary bank and Charter Mortgage

1. Florida National has requested the Board to strike the comments submitted by Protestant in opposition to the proposal, on the grounds that Protestant has unlawfully acquired control of 25 percent or more of the voting shares of Florida National without applying for the Board's prior approval as required by the act. The Board's Rules of Procedure provide for notice, opportunity for public comment, and the submission of comments with respect to an application of this type. (12 C.F.R. § 262.3(b),(e)). Nothing in the Board's regulation appears to provide for refusal to accept comments that are filed in a timely manner and are germane to the merits of the application, such as these. The Board has ample authority under the act to investigate any alleged violation of the act.

2. All banking data are as of December 31, 1980.

3. The Jacksonville banking market comprises all of Duval County, Florida, and the City of Orange Park, Florida.

4. If the application is approved, Applicant intends to retain Charter Mortgage, which is now a subsidiary of Bank. If as a result of the divestiture Charter Mortgage becomes a direct subsidiary of Florida National, compliance with section 4 of the act would be required.

compete for loan originations in seven markets in Florida.[5] However, Florida National and Charter Mortgage together originated only 1.7 percent of all the single-family mortgages originated in these seven markets during 1980. Charter Mortgage also engages in the servicing of mortgage portfolios. Florida National, which services mortgages for its own account, does not compete in this activity. Moreover, the servicing of mortgage loans is conducted in geographic markets that are regional or national in scope. Accordingly, in the Board's view, consummation of this proposal would not have any adverse effect on competition in mortgage banking services.

Protestant has made a variety of allegations with regard to the impact of the proposed merger on the financial and managerial resources and the future prospects of the companies involved. In particular, Protestant asserts that the price to be paid by Florida National for the proposed purchase of the shares of Alliance is so excessive as to impair Florida National's financial condition and it would be unfair to the shareholders of Florida National.

Under the Act, there are some limits to the Board's ability to resolve complaints by minority shareholders against the management of a banking organization. A Federal Circuit Court has ruled, for example, that the Board may not deny applications under the act solely because of an applicant's failure to extend substantially equal purchase offers to minority shareholders. *Western Bancshares, Inc.* v. *Board of Governors*, 480 F.2d 749 (10th Cir. 1973). However, if the price to be paid by an acquiring company is sufficiently disproportionate to raise the prospect of financial harm to such company, such as might be evidenced by a depressed earnings rate, such circumstances may present grounds for denial. See *United Missouri Bancshares, Inc.*, 58 FEDERAL RESERVE BULLETIN 155, 156 (1972). Also, if the acquiring company deals with minority shareholders unfairly or dishonestly, that fact may reflect adversely upon the integrity of a bank holding company's management. See *Benson Bancshares, Inc.*, 63 FEDERAL RESERVE BULLETIN 1009 (1977).

After consideration of the entire record in this case, the Board's view is that evidence sufficiently establishing the prospect of a depressed earnings rate or other material adverse effects relating to the financial resources and future prospects of Florida National, FNBJ, or Bank has not been presented. In this regard, the Board notes that Protestant, in its calculations of the cost of the acquisition to Florida National, has failed to take into account the value of the $2.2 billion mortgage servicing portfolio of Charter Mortgage in valuing Alliance's shares.[6] After consideration of the comments of Protestant and Florida National, the Board is unable to conclude that the price paid for Alliance would have a substantially adverse impact on the financial condition of Florida National.

Protestant also asserts that the proposed divestiture of Bank in connection with the proposal will have adverse effects on the financial resources of Florida National and Bank. Protestant claims that the purchase price paid to Florida National will not be reduced when the divestiture occurs, and that the sale of Bank separately from its subsidiary, Charter Mortgage, which Florida National will retain, would deprive Bank of its current management and a substantial proportion of its assets and earnings. However, Florida National has committed that the divestiture of Bank would be accomplished in a separate transaction with a third party in which Florida National would certainly be compensated for the value of Bank. Moreover, it appears that, despite any reduction in Bank's earnings due to loss of income attributable to Charter Mortgage, Bank's overall condition would remain satisfactory after the proposed divestiture. Applicant has further committed that the divestiture of Bank will be accomplished in a manner that assures that Bank will remain a viable competitor in the Jacksonville banking market.[7]

Protestant also alleges that the proposed merger is designed solely to protect the existing management of Florida National from challenges from Protestant, and alleges that it has not been undertaken for a legitimate corporate purpose. Florida National contends that the transaction was undertaken to expand Florida National's activities into the mortgage banking business and that negotiations that led to the proposed transaction were commenced during 1980, before Protestant had acquired any shares of Florida National. The act, however, does not require the Board to consider the

5. In addition to the Jacksonville banking market, these are: the Orlando banking market, comprising Orange County and southern Seminole County; the Daytona Beach banking market, comprising eastern Volusia County; the Pensacola banking market, comprising Escambia County; the Miami–Fort Lauderdale banking market, comprising Dade and Broward Counties; the Eastern Palm Beach banking market, comprising eastern Palm Beach County; and the Pinellas County banking market.

6. Under generally accepted accounting principles, the value of loans serviced is not reported on the servicer's balance sheet. However, the loan servicing portfolio represents a current source of income and, as evidenced by frequent sales or servicing portfolios, represents current value to the servicer. If the value of Charter Mortgage's servicing portfolio is included in the value Florida National will receive in the transaction, the price paid by Florida National is not so excessive as to result in financial harm.

7. Protestant requests that the Board defer action on the proposal until Florida National has entered into a definitive agreement for the sale of Bank. In view of the fact that it appears likely that Bank can be divested without any substantial impairment of its financial condition, deferring action on the proposed merger appears unnecessary. The Board also notes that the acquisition of Bank by another banking organization would be subject to regulatory approval by the appropriate banking agencies.

purpose for which a particular transaction, subject to the Board's prior approval, is entered into. Thus, while the purpose of a proposed transaction may, in some cases, have some bearing on the financial or managerial resources of the companies or banks involved, it is doubtful that the act authorizes the Board to deny an application solely by reason of the applicant's motivation in seeking the proposed acquisition, where that application otherwise satisfies all of the factors specified in the act.[8] Based on the facts of record, the Board finds that consummation of this proposal would not adversely affect the financial condition, managerial resources, or future prospects of any of the companies or banks involved. It appears that Florida National will be able to service the debt to be incurred in connection with the transaction without an adverse effect on the condition of its subsidiary bank. The Board is also unable to conclude that the proposed transaction is so lacking in a legitimate corporate purpose or reflects so adversely on the integrity of management as to warrant denial. In sum, the Board has examined the financial soundness and managerial resources of all organizations involved in this application and concludes that financial and managerial considerations and future prospects are consistent with approval.

Protestant also challenges the proposed merger on the grounds that it would violate the provisions of a 1977 Board Order concerning the divestiture of Florida National by the Alfred I. duPont Testamentary Trust ("duPont Trust").[9] The Order, dated September 21, was designed to insure the effective and complete separation of Florida National's banking and related interests from the nonbanking interests of the duPont Trust. Pursuant to the 1966 Amendments to the Bank Holding Company Act, the duPont Trust was required to divest its interest in Florida National. By Order of October 15, 1973, the Board determined that the duPont Trust had failed to divest its control over Florida National, and ordered the duPont Trust to submit a specific plan of divestiture to terminate its control of Florida National. As part of its September 1977 Order, the Board approved certain transactions pursuant to the final stage of this divestiture plan, as effectively implementing congressional intent. In connection with its approval under this Order, the Board imposed 12 requirements on the future conduct of Florida National and the duPont Trust to insure the separation of the interests held by each.

Paragraph 5 of the Board's 1977 Order required Florida National's subsidiary, FNBJ, to resign as corporate trustee of the duPont Trust and prohibited any subsidiary of Florida National from thereafter serving as a trustee of the duPont Trust.[10] Pursuant to Paragraph 5, Bank succeeded FNBJ as the corporate trustee of the duPont Trust. Protestant asserts that the proposal violates Paragraph 5 because Bank, the corporate trustee, would become a subsidiary of Florida National. However, as indicated earlier, Florida National has committed to divest itself of Bank within 13 months of consummation of the proposal. Also, Bank has committed to resign as corporate trustee of the duPont Trust prior to consummation of the proposed transaction, and Florida National has committed that neither Florida National nor any of its affiliates or subsidiaries will serve as successor corporate trustee of the Trust, and that no director, officer, or employee of Florida National, or any of its subsidiaries or affiliates, will serve in a similar capacity with such successor corporate trustee.[11]

Additionally, Protestant maintains that the contemplated service of certain principals of Alliance with Florida National after consummation would violate Paragraph 1 of the 1977 Order, which prohibits any past, present or successor individual trustee, policy-making employee, or agent of the duPont Trust, or any director, officer or policy-making employee of any subsidiary or affiliate of the Trust, from serving as a director, officer or policy-making employee of Florida National or any of its subsidiaries. The Board notes that the principals involved, although management officials of Bank, have not themselves been individual trustees of the duPont Trust, and have not served as directors, officers, policy-making employees, or agents of the duPont Trust itself or any of its subsidiaries or affiliates. The restrictions of Paragraph 1 therefore do not apply to these individuals.

Paragraph 7 of the Order prohibits any officer, director, employee, or agent of Florida National or its subsidiaries and affiliates from communicating in any manner with any trustee, policy-making employee, agent or representative of the duPont Trust or any of its subsidiaries concerning any matter relating to the management, policies, or operations of Florida National or any bank or nonbank subsidiary or affiliate thereof, except in the same manner and under the

8. The record indicates that Protestant has instituted a lawsuit against the management of Florida National challenging the purpose of this proposal as well as raising many of the other arguments advanced in support of Protestant's arguments against the proposal.

9. *The Alfred I. duPont Testamentary Trust*, 63 FEDERAL RESERVE BULLETIN 940 (1977).

10. The duPont Trust has six individual trustees as well as a corporate trustee.

11. Protestant alleges that Bank's resignation as corporate trustee will harm Florida National by depriving it of fee income for service as corporate trustee. In light of the fact that Bank, since it became corporate trustee, has received only a nominal amount for its services, it does not appear that Bank's resignation will result in any substantial harm to Florida National.

same circumstances as communications are made to all shareholders of Florida National. Protestant argues that Florida National violated Paragraph 7 by communicating with certain senior management officials of Bank, the Trust's corporate trustee, regarding the terms of the proposed transaction because such communications were not conducted in the same manner, and under the same circumstances, as communications to all shareholders. While Paragraph 7 applies by its terms to the corporate trustee as well as to the individual trustees of the Trust, and while the principals involved here are senior management officials of Bank, which serves as corporate trustee, these communications with Florida National were clearly not conducted in Bank's capacity as trustee of the duPont Trust. In addition, the Board regards Paragraph 7 of the 1977 Order as a means of preventing the continuation of the type of control relationship by the duPont Trust over Florida National's day-to-day operations that might be perpetuated by means of frequent communication between the two organizations on an ongoing basis. Negotiations conducted during development of the present transaction were preparatory to an extraordinary corporate acquisition, and did not in the Board's view constitute a means of perpetuating ongoing control in this manner.[12] Accordingly, the Board concludes that the proposed transaction would not violate any of the provisions of the 1977 divestiture Order and concludes that Florida National did not violate the Order by reason of its negotiations with senior management of Alliance in connection with the proposal.[13] After consideration of the entire record, the Board's view is that the record does not present evidence establishing conduct on the part of the parties involved, with respect to compliance with the September, 1977 Order as well as other matters, of the type or degree warranting denial of the application on the basis of managerial resources.

12. Protestant urges the Board to grant the shareholders of Florida National the opportunity to vote on the proposed transaction, as an acceptable means of remedying the harm allegedly worked by Florida National's asserted violation of Paragraph 7. Because the Board does not view the proposed transaction as violating Paragraph 7, the question of an appropriate remedy does not properly arise. The Board also notes that, at Protestant's request, a meeting of the shareholders has been called to consider whether the proposed transaction should be submitted for shareholders approval.

13. Protestant has presented no evidence to support its allegation that Florida National consulted regarding the proposal with the late Mr. Edward Ball, who until his death in June 1981, owned a large block of Florida National's shares and served as an individual trustee of the duPont Trust. In addition, Protestant's reliance on an August, 1976 Board Order pertaining to another proposed acquisition by Florida National is misplaced. 62 FEDERAL RESERVE BULLETIN 696. In that Order, the Board found that, with respect to the particular proposal involved, Florida National's management had engaged in certain types of behavior in disregard of statutory and regulatory requirements that reflected so adversely upon the managerial factors in connection with that application as to constitute grounds for denial. The present application does not involve similar conduct.

Upon consummation of the proposal, all banking offices of Florida National will begin offering FHA/VA mortgage loans, including certain loans under programs now provided by Bank that are designed to assist moderate and low income families. Florida National also plans to expand construction lending to residential and commercial builders and developers. Considerations relating to the convenience and needs of the communities to be served are consistent with approval of this application and outweigh any slightly adverse effects on competition that might result from the transaction. Based on the foregoing and other facts of record, the Board has determined that consummation of the transaction would be consistent with the public interest and that the application should be approved.[14]

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

By order of the Board of Governors, effective December 10, 1981.

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

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

## Mercantile Texas Corporation, Dallas, Texas

### *Order Approving Merger of Bank Holding Companies*

Mercantile Texas Corporation, Dallas, Texas, a bank

14. Protestant has requested that the Board conduct a hearing on this application, asserting that a hearing is necessary to examine the issues addressed in Protestant's written submissions. Under section 3 of the act, a hearing is required only if the primary supervisory agency of the bank to be acquired recommends disapproval. The primary supervisory agency in this case has not objected to the proposal. Although Protestant makes general conclusory statements that a hearing would be "very illuminating", Protestant has offered no particular facts or reasoning supporting these assertions. Because no evidence explicitly showing why written presentations are insufficient has been submitted, because it appears to the Board that each of the issues addressed in Protestant's requests for a hearing has been satisfactorily addressed through written submissions of the parties, and because Protestant's comments do not present material facts in dispute, the Board finds that a hearing is not warranted under the Board's Rules of Procedure (12 C.F.R. § 262.3(e)).

holding company within the meaning of the Bank Holding Company Act (12 U.S.C. §§ 1841 et seq.), has applied for the Board's approval under section 3(a)(5) of the act (12 U.S.C. § 1842(a)(5)) to merge with PanNational Group, Inc., El Paso, Texas.

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

On the basis of the record, the application is granted for the reasons set forth in the Board's Statement, which will be released at a later date. This transaction shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Dallas, pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 1981.

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

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

## NCNB Corporation, Charlotte, North Carolina

*Order Approving Acquisition of Bank*

NCNB Corporation, Charlotte, North Carolina, a bank holding company within the meaning of the Bank Holding Company Act, whose banking subsidiary's operations were principally conducted in North Carolina on the effective date of the Douglas Amendment to the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the act (12 U.S.C. § 1842(a)(3)) to acquire The First National Bank of Lake City, Lake City, Florida ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including the submission of the Comptroller of the Currency, in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1842(c)). In response to the notice of this application, twenty-two comments have been submitted in favor of the proposal, principally by business and personal banking customers of NCNB in North Carolina and Florida. Two comments, from the Florida Bankers Association (also submitted on behalf of two competitors of Bank) and the Independent Bankers Association of America, were received in opposition to the application principally on the grounds that Florida law does not authorize such an interstate acquisition and that the Douglas Amendment, section 3(d) of the Bank Holding Company Act (12 U.S.C. § 1842(d)), would prohibit such acquisition. Comments were also requested and received from the Florida Attorney General ("Attorney General") and the Florida Comptroller of Banking ("Comptroller"). The Florida Attorney General, in his submission, deferred to the Comptroller with respect to the interpretation of relevant provisions of Florida law, and included a staff memorandum submitted to the Comptroller which concluded that Florida law authorizes NCNB to acquire a Florida bank. The Florida Comptroller opined that even assuming Florida law does not prohibit this proposal, Florida law does not specifically authorize the proposed acquisition within the meaning of the exception to the Douglas Amendment's prohibition against interstate banking. The Comptroller also forwarded to the Board a legal memorandum prepared by his General Counsel, which explained this position, basing it principally on the conclusion that the legislative intent of relevant Florida law was not to expand the powers of out-of-state companies to operate in the Florida market, but rather to prohibit such expansion.

Because the Board would be precluded from approving an application where the proposed acquisition would violate state or federal law,[1] the legality of the proposal must be established before the statutory factors contained in section 3(c) may even be considered. The Florida statute at issue in this case is section 658.29 of Florida Statutes Annotated ("FSA"), which generally prohibits the acquisition of Florida banks and trust companies by out-of-state companies, but also contains a provision excepting from such prohibition any out-of-state bank holding company which, on December 20, 1972, owned all the assets of, or had

1. Under *Whitney National Bank in Jefferson Parish* v. *Bank of New Orleans and Trust Company*, 379 U.S. 411 (1965), the Board is prohibited from approving an application by a bank holding company if consummation of the proposal contemplated by such application would be prohibited by a valid state law. *Id.* at 419.

Section 3(d) of the Bank Holding Company Act precludes the approval of an application under section 3 if such approval would permit an interstate banking acquisition unless the acquisition ". . . is specifically authorized by the statute laws of the state in which such bank is located, by language to that effect and not merely by implication."

control over, a Florida bank or trust company.[2] Because NCNB had, on October 4, 1972, acquired the Trust Company of Florida, it argues that it qualifies within the plain meaning of the statute for the exception from the Florida prohibition against interstate acquisitions. This exception to the interstate prohibition is relied upon by NCNB as a specific authorization by Florida permitting out-of-state bank holding companies, such as NCNB, to acquire Florida banks within the meaning of the exception to the general federal prohibition against interstate acquisitions contained in the Douglas Amendment to the act.[3] Thus, this case presents three principal legal issues to be determined by the Board: the constitutionality of section 658.29 FSA, the permissibility of NCNB's proposal under that statute, and its permissibility under the Douglas Amendment. Each of these issues is discussed in detail below.

2. The relevant portions of section 658.29 provide as follows:

(1) Except as provided in subsection (3), no bank, trust company, or bank holding company, the operations of which are principally conducted outside this state, shall acquire, retain, or own, directly or indirectly, all, or substantially all of the assets of, or control over, any bank or trust company having a place of business in this state where the business of banking or trust business or functions are conducted, or acquire, retain, or own all, or substantially all, of the assets of, or control over, any business organization having a place of business in this state where or from which it furnishes investment advisory services in this state.

* * * *

(3) Notwithstanding any other provisions of this section, the restrictions and prohibitions of this seciton shall not apply:

(a) To the ownership or control of shares acquired by a bank, trust company, or bank holding company prior to January 1, 1972.

(b) To any acquisition of a bank, trust company, or investment advisory business organization if an application for approval of such acquisition or notice of proposed investment advisory activities was filed with the Department of Banking and Finance, or the Board of Governors of the Federal Reserve System or other appropriate federal regulatory agency having jurisdiction, prior to June 1, 1972.

* * * *

(d) To any bank, trust company, or bank holding company, the operations of which are principally conducted outside this state, which, on December 20, 1972, owned all the assets of, or control over, a bank or trust company located within and doing business within this state.

3. The Douglas Amendment (12 U.S.C. § 1842(d)), the provision of Federal law concerning interstate acquisitions by bank holding companies of banks, provides as follows:

(d) Notwithstanding any other provision of this section, no application shall be approved under this section which will permit any bank holding company or any subsidiary thereof to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any additional bank located outside of the State in which the operations of such bank holding company's banking subsidiaries were principally conducted on the effective date of this amendment or the date on which such company became a bank holding company, whichever is later, unless the acquisition of such shares or assets of a state bank by an out-of-state bank holding company is specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication. For the purposes of this section, the State in which the operations of a bank holding company's subsidiaries are principally conducted is that state in which total deposits of all such banking subsidiaries are largest.

I. *Constitutionality*

Protestants contend that section 658.29(3)(d) FSA, the provision of Florida law upon which NCNB relies for its authorization to acquire Lake City Bank, "has no legal existence" in view of the decision of the Supreme Court in *Lewis* v. *BT Investment Managers, Inc.*,[4] determining that a portion of the predecessor to section 658.29 FSA, restricting the offering of investment advisory services, is unconstitutional. The Supreme Court decision, however, did not directly affect those portions of section 658.29 FSA that are applicable in this case. Although the Supreme Court decision in the *Lewis* case does contain dicta questioning whether the Douglas Amendment authorizes any state law restrictions on banking, only the portion of section 658.29 FSA dealing with restrictions on investment advisor acquisitions was deemed unconstitutional in view of its contravention of the Commerce Clause. The Supreme Court's opinion does not indicate that state legislation that goes no further than a repetition of the Douglas Amendment's restrictions on interstate bank acquisitions would be unconstitutional. The opinion only holds that state regulation of bank holding companies may not exceed the scope of authority granted by Congress, and that authority did not extend to investment advisory services offered by bank holding companies.

In a 1975 decision, the United States Court of Appeals for the D.C. Circuit considered the constitutionality of an Iowa statute that was similar to section 658.29 FSA. The Iowa statute limited out-of-state bank holding companies, with the exception of those that controlled two or more Iowa banks on a specified date, from acquiring an Iowa bank, and the Court determined that statute to be constitutional.[5] The Court of Appeals held that the Iowa statute did not violate the equal protection clause of the federal Constitution since the statute bears a rational relationship to a legitimate state purpose (that is, that the state would not be well served if out-of-state bank holding companies, with a specified exception, were allowed entry without restriction into the Iowa market), and that it was not implicit in permitting state law to govern with respect to certain federal statutes to prohibit selective acquisitions.

The Board has on prior occasions taken the position that it possesses neither the authority nor the expertise

4. 447 U.S. 27 (1980).

5. *Iowa Independent Bankers* v. *Board of Governors of the Federal Reserve System*, 511 F.2d 1288 (D.C. Cir. 1975).

to pass on the constitutional validity of state laws;[6] however, language in the above-described Iowa decision indicates the Board should not merely presume the constitutional validity of state law.[7] The Board believes, in any event, that it should not hold a state statute to be unconstitutional without clear and unequivocal evidence of the inconsistency of the state law with the federal Constitution. In the absence of such clear and unequivocal evidence in this case, the Board concludes that the portion of the Florida statute that is in question here only goes as far as has been permitted by Congress under the Douglas Amendment, and thus no inconsistency arises between the state statute and the regulation of interstate commerce by Congress.

In view of the determination that, for the purpose of applying the Bank Holding Company Act, section 658.29 FSA is not unconstitutional, the remaining issues are whether NCNB's proposal is legally permissible under that provision of Florida law and also under the Douglas Amendment (section 3(d) of the act).

II. *Permissibility Under Florida Law*

Section 658.29(3)(a) FSA excepts from the general prohibition against interstate banking in Florida "any bank, trust company, or bank holding company, the operations of which are principally conducted outside [Florida] which, on December 20, 1972, owned all the assets of, or control over, a bank or trust company located within and doing business within [Florida]."

NCNB argues that because the language of section 658.29 FSA is clear and unambiguous on its face, there is no reason to, nor is it legally correct to, resort to legislative history to attempt to contradict the plain meaning of the statute.[8] NCNB further states that in this case there does not appear to be any relevant legislative history that contradicts the plain meaning of the statute.

Protestants disagree with NCNB's conclusion that section 658.29 FSA is clear and unambiguous on its face, and would resort to legislative history to prove the clear intent of the relevant Florida statute. In this connection, Protestants argue that the rules of statutory construction as enunciated by the Florida state courts require that "where a literal interpretation of the statute would lead to an unreasonable conclusion or purpose not designated by the legislature, it is the Court's duty to interpret the statute in accord with the clear purpose and intent of the legislature."[9] Protestants state that the purpose of section 658.29 FSA is to prohibit the acquisition of Florida banks and trust companies by non-Florida holding companies. This purpose would be undercut by reading the exceptions to section 658.29 FSA broadly to allow Florida banks to be acquired by grandfathered non-Florida companies that owned only Florida trust companies at the time the legislature acted. They contend that a more consistent reading which gives full effect to the language of section 658.29 FSA and its exceptions, is that banks, trust companies, and bank holding companies that were engaged in grandfathered activities are excepted from the prohibitions against engaging in such grandfathered activities only. Protestants conclude that not only is such a reading consistent with the general purpose of the statute, but it is also consistent with the purpose of grandfathering activities, which is to permit companies to continue activities already engaged in without expanding their powers to engage in other activities.

The Board has considered both NCNB's and Protestant's arguments on the permissibility under Florida law of NCNB's proposed acquisition of Lake City Bank, and has concluded that subsection 658.29(3)(d) FSA on its face, clearly and unambiguously excepts an out-of-state company, which, on December 20, 1972, owned or controlled a Florida bank or trust company, from all the restrictions and prohibitions in section 658.29 FSA. The language authorizes the acquisition of additional banks and trust companies in Florida, as opposed to merely grandfathering the retention of then-owned banks and trust companies, since it is phrased to free qualifying companies from all the prohibitions of section 658.29 FSA, including both retentions and future acquisitions.[10] Under Florida law, as interpreted by Florida Courts, if the language

6. See, e.g., *Bankers Trust New York Corporation*, 59 FEDERAL RESERVE BULLETIN, 364, (1973); *NCNB Corporation*, 59 FEDERAL RESERVE BULLETIN 304, 306 (1973); and *Northwest Bancorporation*, 38 *Federal Register* 21,530 (1973).

7. *Iowa Independent Bankers* v. *Board of Governors of the Federal Reserve System*, 511 F.2d 1288, 1293 n.4 (D.C. Cir. 1975).

8. It is a fundamental principle of statutory construction that one should not resort to legislative history to contradict the plain words of a statute. The plain meaning rule of statutory construction is that "where the language is plain and admits of no more than one meaning the duty of interpretation does not arise and the rules which are to aid doubtful meanings need no discussion." C. Sands, *2A Sutherland Statutory Construction*, § 46.01 (1973). Although it is also a fundamental rule of statutory construction that a statute should be construed in such a way as to effectuate the legislative intent, the Florida courts have clearly stated that, in interpreting Florida statutes the language of the particular statute must be the primary guide to its meaning. See, e.g., *S.R.G. Corp.* v. *Dept. of Revenue*, 365 So.2d 687,689 (Fla. 1978).

9. *State ex rel Register* v. *Safer*, 368 So.2d 620 (Fla. App. 1979); See also, *Conascenta* v. *Giordano*, 143 So.2d 682 (Fla. App. 1962).

10. Subsection 658.29(3)(a) FSA specifically deals with retentions in excepting from the general prohibition the ownership or control of shares acquired by a bank, trust company, or bank holding company prior to January 1, 1972. In addition, subsection 658.29(3)(b) provides an exception covering acquisitions that were pending on June 1, 1972.

of a statute is free from ambiguity, the statute must be applied without extrinsic aids to assist in its interpretation. In *Tropical Coach Line, Inc.* v. *Carter*, 121 So.2d 779 (Fla. 1980), the Court stated that "If the language of the statute is clear and unequivocal, then the legislative intent must be derived from the words used without involving incidental rules of construction . . ." Id. at 782. See also, *Thayer* v. *State*, 335 So.2d 815 (Fla. 1976) and *State* v. *Egan*, 287 So.2d 1 (Fla. 1973).[11]

Even if it were appropriate to resort to the legislative history on this provision, that history does not provide a helpful guide to the meaning of the scope of the grandfathering exception in section 658.29(3)(d) FSA. The only legislative history that has been submitted on this point is recent affidavits by individuals involved in the enactment in 1972, of section 65 FSA and these documents containing conflicting interpretations of the relevant provisions may not be considered as probative since individual views of the legislators or draftsmen do not necessarily reflect the views of the legislature.[12] The remainder of the legislative history only attempts to explain the intended scope of Florida's prohibition on acquisitions by out-of-state firms. It does not address the scope of the continuing grandfather rights of the out-of-state-firms. The Board has, in effect, been requested by the protestants to draw the inference that since the Florida legislature intended to be very restrictive about the entry of new out-of-state firms, it also intended to be very restrictive about the grandfather rights of the firms that were already present in Florida. It would be particularly inappropriate to draw such an inference in light of the clear language of the exception in section 658.29 and the general rules of statutory interpretation limiting resort to legislative history only where the statutory language is unclear.

Based upon the above, it is the Board's determination that NCNB may, in accordance with Florida law, acquire, retain, or own all the assets of, or control over, any Florida bank or trust company. Therefore, the only remaining legal issue in this case is whether section 658.29 FSA satisfies the Douglas Amendment requirement that the acquisition by NCNB, an out-of-state bank holding company, of a Florida bank be "specifically authorized" by Florida law "by language to that effect and not merely by implication."

III. *Permissibility Under Federal Law*

The Douglas Amendment was part of the original Bank Holding Company Act of 1956, and was added on the Senate floor for the express purpose of preventing the creation or expansion of a multi-state bank holding company through the acquisition of a bank outside of the state in which the holding company has its principal banking business. The Douglas Amendment represents a decision by Congress to give each state the right to determine for itself whether or not it would allow an out-of-state bank holding company to acquire or establish a bank within its boundaries. The authorization to states to permit out-of-state acquisitions of their banks is required to be specific and must be made by language to that effect and not merely by implication.

Neither the Board nor the courts have dealt directly with the question of what statutory language is necessary to "specifically authorize" an out-of-state company to acquire a bank within the meaning of the exception to the Douglas Amendment prohibition.

With respect to the question of the permissibility of NCNB's proposal under the Douglas Amendment, NCNB argues that section 658.29 FSA specifically deals on its face with the question of whether to authorize out-of-state bank holding companies to acquire Florida banks and does so authorize NCNB to acquire Florida banks based upon NCNB's qualification for an exception to the interstate prohibition. That

Therefore, since subsection 658.29(3)(d) should not be interpreted as superfluous language duplicating the exceptions in subsections 3(a) and (b), it must have been included to authorize future acquisitions of Florida banks and trust companies by grandfathered out-of-state companies. In addition, subsection 658.29(3)(d) FSA has been utilized as authority for ten acquisitions of Florida banks and trust companies by bank holding companies qualifying, like NCNB, for the exception contained in subsection 658.29(3)(d) and such acquisitions were approved by Florida banking authorities. Although it is recognized that each of these acquisitions involved the same type of Florida organization (bank or trust company) as the acquiring institution had owned prior to the grandfather date, and NCNB is seeking to acquire a bank while its trust activities are the grandfathered activity, there is nothing in the Florida statute restricting a grandfathered company's acquisitions to the grandfathered activity. The statute consistently refers to "bank or trust company" in the alternative, thereby indicating that if a holding company qualifies for grandfather rights, it is authorized to make future acquisitions of both banks and trust companies.

11. This analysis of Florida law is supported by a staff memorandum of November 18, 1981, from the Office of the Florida Attorney General that was forwarded to the Florida Comptroller by the Attorney General. The memorandum cites a number of Florida precedents for the proposition that a primary indicator of legislative intent is the language of the statute itself. The memorandum also states that under the plain language of the relevant Florida statute, NCNB (assuming it owned a Florida trust company on the grandfather date) would appear to be exempt from the restrictions of section 658.29 FSA prohibiting the acquisition of Florida banks and trust companies by non-Florida holding companies. The memorandum further states that the relevant statute does not appear to contain any limitation restricting NCNB's acquisitions only to trust companies, and such a restriction cannot be implied from the statutory language. The memorandum concludes that NCNB is not prohibited from acquiring a Florida bank under Florida law.

12. *Aldridge* v. *Williams*, 44 U.S. 9, 24 (1845); *U.S.* v. *Trans-Missouri Freight Assn.*, 166 U.S. 290, 318 (1897); *Binns* v. *U.S.*, 194 U.S. 486, 495 (1904); *Duplex Printing Press Co.* v. *Deering*, 254 U.S. 443, 474 (1921); *U.S.* v. *United Mine Workers of America*, 330 U.S. 258 (1947); *Fields* v. *Zinman*, 394 So.2d 1133 (Fla. D.C. App. 1981).

is, although Florida law generally prohibits such interstate acquisitions, it also excepts certain grandfathered companies, like NCNB, from the prohibition, and this exception is a specific authorization, by language to that effect and not merely by implication. Because the Douglas Amendment requires no particular language for state authorization of interstate acquisitions, NCNB concludes that an exception to the interstate acquisition prohibition would appear to satisfy the requirements of the Douglas Amendment just as well as a state statute that gives such permission as a positive grant of authority. In this connection, NCNB further contends that implied authority arises only where the law neither expressly authorizes nor expressly prohibits an action.

Protestants disagree with NCNB's conclusion that Florida law specifically authorizes out-of-state holding companies to acquire Florida banks. They state that the original section 658.29 FSA applied only to the acquisition of Florida trust companies by out-of-state banks, trust companies, and holding companies,[13] and did not restrict the acquisition of Florida banks by non-Florida companies in any way. The amendments to the original section 658.29 FSA extended certain prohibitions and restrictions to the acquisition of Florida banks and investment advisory organizations. Protestants contend that the purpose of these amendments was to close loopholes in the law that permitted non-Florida companies to acquire Florida banks and investment advisory organizations. Thus, Protestants conclude, after examining the available legislative history and the situation that prompted these amendments,[14] that these amendments were adopted to restrict, and not encourage, out-of-state entry and, therefore, the amendments could not be considered a specific authorization by Florida for acquisitions of Florida banks by out-of-state holding companies for purposes of the Douglas Amendment.

In the Protestants' view, the exception to interstate banking contained in the Douglas Amendment requires that a state "consciously and deliberately" choose to allow out-of-state bank holding companies to operate banks within the state's borders, and neither Florida's law nor the history of its enactment demonstrates a deliberate choice to permit NCNB to operate Florida banks. That is, Protestants argue that if Florida's principal purpose in enacting the subject legislation was to reiterate and supplement federal prohibitions against out-of-state entry into its financial markets, it is unlikely that Florida intended the same legislation to satisfy the exception to the federal prohibition for institutions that did not even conduct a grandfathered banking business in Florida.

Moreover, Protestants argue that because the Florida lawmakers were aware of the federal prohibition against interstate banking, they could easily have specifically authorized out-of-state entry to override the federal prohibition. However, neither Florida law, nor the legislative history thereof shows any intent to override the federal prohibition against interstate banking.

The Florida Comptroller has also submitted an opinion prepared by the General Counsel of Florida Banking Department, based upon arguments similar to those made by Protestants, that Florida law does not specifically authorize the proposed acquisition by language required by the Douglas Amendment. The General Counsel's opinion states that it appears that the intent of the legislature in including the grandfather provision was to preclude a judicial finding that the newly increased prohibitions were to be applied retroactively and, thus, unconstitutionally. In addition, he argues that nothing in the legislative history indicates a legislative intent to expand the powers of out-of-state companies in Florida, but rather it was to prohibit such expansion. The opinion further states that even if the language of the statute were interpreted to exempt grandfathered companies from Florida's interstate acquisition prohibition, this would not be sufficient for the Douglas Amendment, which requires specific authorization by language to that effect and not merely by implication: an exception to a prohibition may not be read as an affirmative grant of authority.

The Florida Comptroller, in his opinion letter, does not analyze the scope, in the context of the application of Florida law, of the rights granted under the grandfather provisions of section 658.29(3)(d) FSA. Instead he has concluded that the Florida statute does not satisfy the specific authorization requirement of the Douglas Amendment. Although it is the policy of the Board to give weight to interpretations of state law by authorized state authorities, the Florida Comptroller has addressed the question of interpreting a federal law—whether the requirements of the Douglas Amendment to the Bank Holding Company Act have been fulfilled. As the Attorney General of Florida notes, and the Board concurs, the interpretation of the scope and meaning of the Douglas Amendment is a matter on which the Board has both the necessary expertise and the Congressionally mandated responsibility.[15]

13. Laws of Florida, Ch. 72-96, effective March 28, 1972.

14. The acquisition by Royal Trustco Limited, a Canadian banking organization, of a Florida bank apparently prompted the amendment of section 658.29 FSA, as the Florida legislature became aware through that transaction that the Douglas Amendment would not prohibit a foreign (non-U.S.) holding company from acquiring a Florida bank. The amendments to section 658.59 FSA were intended to close this loophole allowing Florida bank acquisitions by non-Florida companies.

15. See, *Whitney National Bank in Jefferson Parish* v. *Bank of New Orleans and Trust Company*, 379 U.S. 411 (1965).

After considering all the evidence of record, and particularly the language of section 658.29 FSA and the Douglas Amendment in view of the rules of statutory construction, the Board concludes that Florida law authorizes grandfathered out-of-state companies to acquire Florida banks and that this state authorization is sufficient for purposes of satisfying the Douglas Amendment.[16] The basis for the Board's determinations is summarized as follows. First, section 658.29 FSA, clearly, and on its face, excepts certain grandfathered institutions from Florida's interstate banking and trust company prohibitions, and there is no evidence from legislative history to contradict the plain meaning of this statute. Moreover, staff of Florida's Attorney General's Office has confirmed this view in concluding that a company, like NCNB, which qualifies for the grandfather exception in section 658.29 FSA, would not be prohibited under Florida law from acquiring both banks and trust companies in Florida regardless of which of those two activities it had been engaged in on the grandfather date.

Second, the language in question from section 3(d) of the Bank Holding Company Act was drawn from the even more stringent test of the McFadden Act, that the permission for statewide branching be by language "specifically granting such authority affirmatively and not merely by implication." A 1933 opinion of the United States Attorney General took the position that this language would not allow approval of branching based on state law inaction or silence. However, he held that state action in the form of an exception to a prohibition was a sufficient authorization for the purposes of the McFadden Act.[17] Congress, when adopting the McFadden Act's language in the Douglas Amendment, is presumed to have known the administrative interpretation of that authorization test.[18]

Third, Florida has itself treated this language as an authorization. As noted above, the Florida banking authorities have approved ten acquisitions by grandfathered companies under this provision. While all the applications and approvals were either of trust companies by bank holding companies with grandfathered trust activities, or banks by a bank holding company with grandfathered banking activities, they have treated the Florida statutes as a specific authorization. The question of whether this admittedly specific authorization also covers the acquisition of bank shares by a bank holding company that was grandfathered to own a trust company has been answered affirmatively based on the plain meaning of the Florida statute and the lack of any probative legislative history that explains the scope of the grandfather rights.

Finally, in considering an Iowa statute on interstate banking, the language constituting authorization took a form similar to the Florida statute, that is, of a prohibition and an exception. The Iowa statute provides that "Nothing in this division shall be construed to authorize a bank holding company which is with respect to the state of Iowa an out-of-state bank holding company . . . to acquire any . . . interest in . . . any bank in this state, unless such bank holding company was on January 1, 1971, registered with the Federal Reserve Board as a bank holding company, and on that date owned at least two banks in this state" (Iowa Code Ann. § 525,1805 (Supp. 1974–75)). The Court of Appeals, upon considering this provision, held the language to be both constitutional and sufficient for satisfying the requirements of the Douglas Amendment.[19] Although in that case the specific issue of whether the Iowa legislature intended the exception to the prohibition as an authorization was not before the Court, the Court implicitly approved the use of the exception to a prohibition form of language to satisfy the requirements of the Douglas Amendment. Based upon this precedent, it may be concluded that the similar Florida exception to a prohibition also satisfies the Douglas Amendment.

Based upon the above the Board concludes that NCNB, as a qualified grandfathered organization under section 658.29 FSA, is authorized under Florida law to acquire Florida banks and therefore further qualifies for the exception to the Douglas Amendment's general prohibition against interstate banking. Accordingly, the Board's judgment is that NCNB's proposed acquisition of Lake City Bank is permissible under both state and federal law.

NCNB controls one banking subsidiary (deposits of $3.5 billion) headquartered in Charlotte, North Carolina, and operates 175 offices throughout the state. It is North Carolina's second largest banking organization with 19.3 percent of the total deposits in commercial banks in the state.[20] Lake City Bank (deposits of $21.6

16. In this connection the Board has taken into consideration the fact that Florida would be without authority to legislate on interstate banking absent the authority given it pursuant to the Douglas Amendment. Therefore, the exception to the Florida prohibition against interstate banking must also be applicable to the federal prohibition.

17. 37. Op. Atty. Gen. 325 (1933).

18. *Massachusetts Mutual Life Insurance Co.* v. *United States*, 228 U.S. 269 (1933).

19. *Iowa Independent Bankers* v. *Board of Governors of the Federal Reserve System*, 511 F.2d 1288 (D.C. Cir. 1975).

20. All banking data are as of December 31, 1980, unless otherwise indicated.

million) has a single banking office in the relevant banking market[21] where it ranks second among three banks as of June 30, 1980, with 26.4 percent of the market's total commercial bank deposits. Several of NCNB's nonbank subsidiaries operate in Florida; however, a distance of approximately 45 miles separates the nearest subsidiary's office from Lake City Bank. Based upon the above and all the facts of record, consummation of the proposed transaction would have no significant adverse effects upon existing or potential competition.

The financial and managerial resources and future prospects of NCNB, its subsidiaries, and Lake City Bank are consistent with approval. Following consummation of the proposed acquisition, NCNB proposes to examine the feasibility of reducing Lake City Bank's service charges, and making credit life and credit accident and health insurance available to customers at rates below those currently charged by Lake City Bank. NCNB also intends to offer new or improved services to Lake City Bank's customers, including overdraft lines of credit, expanded agricultural and commercial lending, trust services, and on-line automated teller machines. In addition, NCNB intends to open branches, which should provide widespread access to all these services and products.

Finally, Lake City Bank's affiliation with NCNB will provide Lake City Bank with access to NCNB's financial and managerial resources, thus supporting Lake City Bank's future growth and increasing its competitive effectiveness. Thus, the Board concludes that considerations relating to the convenience and needs of the community to be served lend weight toward approval of this application.

Based upon 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 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 Richmond, pursuant to delegated authority.

By order of the Board of Governors, effective December 9, 1981.

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

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

21. The relevant banking market is approximated by Columbia County, Florida.

## Republic of Texas Corporation, Dallas, Texas

*Order Approving Acquisition of Bank*

Republic of Texas Corporation, Dallas, Texas, a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. §§ 1841 et seq.), has applied for the Board's approval under section 3(a)(3) of the act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent, less directors' qualifying shares, of the voting shares of Citizens National Bank of Waco, Waco, Texas.

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

On the basis of the record, the application is granted for the reasons set forth in the Board's Statement, which will be released at a later date. This transaction shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Dallas, pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 1981.

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

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

## United Bank Corporation of New York, Albany, New York

*Order Approving Acquisition of Bank*

United Bank Corporation of New York, Albany, New York, 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. § 1842(a)(3)) to acquire 100 percent of the voting shares of the successor by merger to The Oneida National Bank and Trust Company of Central New York ("Bank"), Utica, New York. The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of shares of 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 (12 U.S.C. § 1842(b)). The time for filing comments has expired and the Board has considered all comments received, including those of the New York State Banking Commissioner, in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1842(c)).

Applicant, the 16th largest commercial banking organization in New York, controls 7 subsidiary banks, with aggregate deposits of approximately $1.9 billion, representing approximately 1.1 percent of total deposits held by commercial banks in the state.[1] Bank is the 23rd largest commercial banking organization in New York, with $695.0 million in total deposits, representing about 0.4 percent of deposits in commercial banks in the state. Acquisition of Bank would increase Applicant's share of statewide commercial bank deposits to 1.5 percent and increase Applicant's rank to 13th largest in the state. Thus, consummation of this proposal would not significantly increase the concentration of banking resources in New York State.

Bank operates 34 offices in 6 banking markets in northern New York State. Applicant is represented in 16 banking markets throughout the state. Upon consummation, Applicant would acquire 3 branches of Bank located in 2 banking markets in which Applicant already has branches, the Hamilton-Essex-Clinton banking market and the Rochester banking market.[2] In the Hamilton-Essex-Clinton banking market, Applicant has 4 branches and total deposits of $71.4 million, representing 27.0 percent of the market's commercial bank deposits and ranks as the second largest commercial banking organization in the market. Bank has one branch in the market with total deposits of $12.7 million, representing 4.8 percent of market deposits. Based upon all the facts in the record, the anticompetitive effects of the transaction are significantly mitigated by the structure and rural nature of the Hamilton-Essex-Clinton banking market. Moreover, the Board notes that although Applicant and Bank compete in this market, the distance between the competing offices is 110 miles. Thus, having considered all the facts in the record, the Board is of the opinion that consummation of the proposal would have only slightly adverse effects on existing competition in this market.

In the Rochester banking market, Applicant is the 14th largest commercial banking organization, and operates one branch with total deposits of $10.5 million, representing 0.2 percent of the market's commercial bank deposits. Bank has two branches in the same market with total deposits of $18.0 million, representing 0.4 percent of market deposits, and ranks as the 13th largest commercial banking organization in the Rochester market. In view of the small combined market share that would result from consummation, the Board finds that the acquisition would have no serious adverse effects on existing competition in the Rochester banking market.

Bank's remaining 31 branches are located in 4 banking markets in which Applicant is not represented, Utica-Rome (in which Bank is the largest commercial banking organization with a 48.7 percent market share), St. Lawrence (in which Bank ranks 4th with a 13.9 percent commercial bank market share), Syracuse (in which Bank is 7th largest with a 1.9 percent market share) and Franklin[3] (in which Bank is the smallest commercial bank, with a 2.4 percent market share). The Board has examined the effects of the proposal on potential competition with respect to each of these four markets and finds that there would not be any significant adverse effects upon potential competition following consummation of this proposal. The Board has made this determination in view of all the facts of record, including the relative unattractiveness of the Utica-Rome and St. Lawrence banking markets for de novo entry, and the large number of potential entrants into each market that would remain after the acquisition. Accordingly, the Board finds that the competitive effects of this proposal do not warrant denial of the application.

1. All banking data, unless otherwise indicated, are as of December 31, 1980, and reflect bank holding company formations and acquisitions approved as of September 30, 1981.

2. The Hamilton-Essex-Clinton banking market is approximated by all of Clinton County and parts of Essex, Hamilton, and Herkimer Counties. The Rochester banking market is approximated by all of Monroe and Wayne Counties and parts of Livingston, Orleans, and Genessee Counties. All market data are as of June 30, 1980.

3. The Utica-Rome banking market is approximated by Oneida County and parts of Herkimer and Madison Counties; the St. Lawrence banking market consists of all of St. Lawrence County; the Franklin banking market is approximated by Franklin County and the cities of North Elba, St. Armand, and Wilmington in Essex County; and the Syracuse banking market is approximated by Onondaga and Oswego Counties and the cities of Cazenovia, De Ruyter, Fenner, Georgetown, Lenox, Nelson, and Sullivan in Madison County.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Bank are regarded as satisfactory. The record indicates that the banking needs of the communities in which Bank operates are being met; however, upon affiliation with Applicant, Bank will be able to draw upon Applicant's expertise in the areas of commercial lending, leasing, data processing, and portfolio management. Thus, considerations relating to the convenience and needs of the communities to be served are sufficient to outweigh any adverse effects that may be associated with consummation of the proposal. Accordingly, the Board's judgment is that the proposed transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective December 23, 1981.

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.*

## *Orders Under Section 4 of Bank Holding Company Act*

### City National Corporation, Beverly Hills, California

*Order Approving Acquisition of Shares of Thompson Tuckman Andersen, Inc.*

City National Corporation, Beverly Hills, California ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to acquire 8 percent of the voting shares of Thompson Tuckman Andersen, Inc., Palo Alto, California ("Company"), a company that is engaged in the business of furnishing investment and financial advice. Applicant also has applied to engage in the activity of lending to Company. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(1), (5)).

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

Applicant, which controls one banking subsidiary and holds assets of approximately $1.5 billion, has applied to acquire Company (assets of $208,000, as of June 30, 1981).[1] In connection with the application, the Secretary of the Board has considered whether the activity to be performed by Company can reasonably be expected to produce benefits to the public that outweigh possible adverse effects.[2] On the basis of the record of these applications and in the light of the factors contained in the act, the Secretary has determined that the balance of the public interest factors required to be considered under section 4(c)(8) is favorable. On the basis of these considerations, the applications are approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the authority of the Board to require such modification or termination of the activities of a holding company or any of its subsidiaries as it finds necessary to assure compliance with the provisions and purposes of the act and the Board's regulations and orders issued thereunder or to prevent evasions thereof.

The transaction shall not be consummated 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 acting pursuant to delegated authority.

By order of the Secretary, acting pursuant to delegated authority for the Board of Governors, effective December 17, 1981.

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

1. All banking data are as of September 30, 1981, unless otherwise noted.

2. Applicant states that at least two, and not more than four, other banking organizations will each purchase at least eight percent of the shares of Company. Three individuals who founded Company will retain 60 percent of Company's voting shares, and those individuals, rather than Applicant or other banking organizations, will be responsible for managing the operations of Company. In view of the facts of this case, including the size of Company, the small share of voting stock to be purchased by Applicant, and the continuing management of Company by individuals not affiliated with Applicant, the proposed investment by Applicant is regarded as the functional equivalent of a purchase of a service rather than as part of a joint venture among nonaffiliated banking organizations.

The Hongkong and Shanghai Banking Corporation, Hong Kong, B.C.C.

*Order Approving Acquisition of Subsidiaries of The Royal Bank of Scotland Group Limited*

The Hongkong and Shanghai Banking Corporation ("HSBC"), Hong Kong, B.C.C., a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 4(c)(8) of the act (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 indirectly acquire shares of subsidiaries of The Royal Bank of Scotland Group, Limited ("Royal Group"), Edinburgh, Scotland, that engage in business in the United States. These subsidiaries are James Talcott Factors, Inc., ("Talcott Factors"), and James Talcott Business Credit, Inc. ("Talcott Credit"), a wholly-owned subsidiary of Talcott Factors, both of New York, New York. Talcott Factors engages in factoring and commercial financing activities. Talcott Credit engages in commercial financing activities. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(1)). In addition, Royal Group has applied for the Board's approval under section 211.23(f)(5) of Regulation K (12 C.F.R. § 211.23(f)(5)) for its subsidiary, Royal Scot Energy Limited ("RSE"), Edinburgh, Scotland, to invest in royalty and working interests in oil and gas leases in the United States. HSBC has applied to retain Royal Group's interest in RSE if that application is approved and RSE commences activities in the United States.

Notice of the applications, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (46 *Federal Register* 50611). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the public interest factors set forth in section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and the considerations specified in Regulation K.

HSBC is the largest banking organization in Hong Kong and the 33rd largest in the world, with consolidated assets of $47.3 billion.[1] HSBC engages in a broad range of banking and financial services throughout the world through an extensive network of offices and subsidiaries. In the United States, HSBC controls Marine Midland Banks, Inc. ("MMBI"), Buffalo, New York (consolidated assets of $17.97 billion);[2] has branches located in Illinois, New York, Oregon, and Washington; and has two agencies in California. HSBC also operates an Edge Corporation in Houston, Texas. In addition, HSBC engages in nonbanking activities in the United States pursuant to section 4(c)(8), and holds interests in other companies doing business in the United States pursuant to section 211.23(f) of Regulation K.

Royal Group is a holding company for two United Kingdom banks, Royal Bank of Scotland, Limited ("Royal Bank"), Edinburgh, Scotland, and Williams & Glyn's Bank Limited, London, England, which rank as the thirteenth and fourteenth largest banks in the United Kingdom. Royal Bank, the 11th largest banking organization in the world (consolidated assets of $8.1 billion),[3] operates a branch in New York and an agency in San Francisco.[4] Both HSBC and Royal Group have chosen New York as their home state, and consummation of the proposal would raise no issues under the Board's regulations concerning interstate banking operations (12 C.F.R. § 211.22).

Royal Group holds a 39.2 percent interest in Lloyd's and Scottish Limited ("L&S"), Edinburgh, Scotland, a holding company and financing vehicle for a number of foreign companies.[5] L&S, through its subsidiaries, owns all of the shares of Talcott Factors which, through its offices in New York and Los Angeles, engages in the activities of factoring and making business loans secured by accounts receivable or inventory of factored clients throughout the United States. Accounts receivable and advances equaled $144.5 million as of September 30, 1980. Talcott Factors, with factored receivables volume of $830 million in 1980, is the 13th largest of 35 factoring companies in the U.S. and holds 2.9 percent of the total volume of factored receivables. The factoring industry is characterized by markets that are regional or national in scope. Neither HSBC nor any of its subsidiaries engages in factoring in the U.S. Thus, acquisition of Talcott Factors would not eliminate any existing competition in the factoring industry. Moreover, it does not appear that consummation of the transaction would eliminate any potential or probable future competition between Talcott Factors and HSBC or MMBI. In view of the high barriers to entry into the factoring business in the

1. Unless otherwise indicated, data are as of December 31, 1980.

2. As of June 30, 1981.

3. As of September 30, 1980.

4. Royal Bank has a minority interest in Finance for Industry Limited, London, England, which owns Triangle Valve Corporation, Inc., a distributor of valves throughout the United States. This investment is permissible under section 211.23(f)(5) of Regulation K.

5. L&S is jointly owned by Royal Group and by Lloyds Bank Limited, London, England. See the Board's Order of May 12, 1980, 66 FEDERAL RESERVE BULLETIN 518 (1980).

U.S., due to the need for specialized personnel and extensive customer contacts,[6] it does not appear that either HSBC or MMBI would enter the U.S. factoring business de novo.

It would also appear that the acquisition of Talcott Credit by HSBC would have no seriously adverse competitive effects. Talcott Credit, which in April 1981, commenced de novo general commercial financing activities, including making or acquiring commercial loans secured by a borrower's accounts receivable, inventory or other assets, and servicing such loans for others, pursuant to section 4(c)(8), operates from the same New York and Los Angeles locations as does Talcott Factors, and serves a national market. Although certain nonbank subsidiaries of MMBI do engage in specific types of commercial financing pursuant to section 225.4(a)(1) of Regulation Y, Talcott Credit is involved primarily in making or acquiring commercial loans secured by accounts receivable and inventory, while MMBI's nonbanking subsidiaries principally make or acquire loans secured by mortgages or real property. HSBC's direct branches in the U.S., its U.S. bank subsidiary, Marine Midland Bank, N.A., as well as Royal Bank's New York branch, may also engage in similar types of commercial financing as part of their commercial banking activities. However, because of the size of the markets involved and because of the competitive structure of the commercial financing industry, it does not appear that the acquisition of Talcott Factors and Talcott Credit would result in the elimination of any significant competition. Based on all the facts of record, the Board's judgment is that consummation of the proposal would not have any significantly adverse effects on competition in any relevant area.

The Board had previously determined that the balance of public interest factors prescribed by section 4(c)(8) of the act favored approval of the acquisition of these companies when they were acquired originally by Royal Group. Nothing in the record suggests that HSBC's acquisition of Royal Group would alter that balance. There is no evidence in the record that consummation of the proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) favors approval of the application filed under that section and that the application should be approved.[7, 8]

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

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

By order of the Board of Governors, effective December 23, 1981.

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.*

## Manufacturers Hanover Corporation, New York, New York

*Order Approving Acquisition of Nonbanking Assets*

Manufacturers Hanover Corporation, New York, New York ("MHC"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)), to acquire through its subsidiary, Manufacturers Hanover Consumer Services, Inc. ("MHCS"), 67 consumer finance offices and consumer finance receivables currently held

6. See Industrial National Corporation, 58 FEDERAL RESERVE BULLETIN 171 (1972) and Lloyds Bank Limited, 66 FEDERAL RESERVE BULLETIN 518 (1980).

7. The Board is aware that Royal Group is the object of competing acquisition bids by HSBC and by the Standard Chartered Bank Limited, London, England, and that both transactions are currently under review by the United Kingdom Monopolies and Mergers Commission. By its action today, the Board does not indicate a preference for one offer over the other. Rather, the Board is acting on the application before it solely with respect to the U.S. activities of Royal Group and in order that the proposed transaction, if consummated, may be made in accordance with U.S. law.

8. With respect to HSBC's application to retain Royal Group's interest in RSE if the Board approves RSE's application to invest in oil and gas leases, the Board will consider HSBC's application at the time it acts on the underlying application by Royal Group concerning RSE's activities.

by American Investment Company ("AIC") located in California, Oregon, and Washington. MHC has applied to engage in the following activities at the offices to be acquired: consumer finance, sales finance, home equity lending loan servicing, and acting as agent or broker for the sale of credit life, accident and health insurance, and property and casualty insurance in connection with extensions of credit. These activities have been determined by the Board to be closely related to banking or managing or controlling banks within the meaning of section 4(c)(8) of the act. (12 C.F.R. §§ 225.4(a)(1), (3), and (9)).

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

Applicant, the third largest banking organization in New York, with consolidated assets of approximately $59.7 billion,[1] controls four bank subsidiaries with $52.4 billion[2] in total assets. Applicant also engages in various permissible nonbanking activities.

In order to approve the subject application, the Board must find that Applicant's performance of the proposed activities through MHCS "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Some existing competition would be eliminated as a result of consummation of the proposal in the Los Angeles and San Diego banking markets[3] where MHCS and AIC operate consumer finance offices. The combined market shares resulting from the acquisition, however, would be 1.72 percent in the Los Angeles market and 2.13 percent in the San Diego market. In addition, given the large number of alternative participants providing similar consumer credit services and the minimal share of AIC and MHCS in the relevant markets, no appreciable amount of potential or probable future competition would be eliminated by the proposal. Accordingly, the Board does not regard the proposed acquisition as raising any significant competitive issues.

Consummation of the proposal will provide public benefits in the form of increased consumer finance services in the west coast markets currently served by AIC's offices. AIC has made a corporate decision to withdraw from the consumer finance business on the west coast. MHCS' acquisition of AIC's offices will preserve a competitor in the market and MHCS will provide extensive managerial and financial resources to support the continued operation of AIC's existing offices. MHCS has stated that it will offer a greater number and variety of consumer finance services by expanding the services of AIC's existing offices to include larger and longer-term loans, revolving credit loans, large ticket equipment lease financing, and small business and marine loans.

There is no evidence in the record to indicate that consummation of the proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest. Accordingly, the Board concludes that the balance of public interest factors that it must consider under section 4(c)(8) of the act favors approval of the application, and that the application should be approved.

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

By order of the Board of Governors, effective December 22, 1981.

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

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

## *Orders Under Bank Merger Act*

### AmeriTrust Company, Cleveland, Ohio

*Order Approving Merger of Banks*

AmeriTrust Company, Cleveland, Ohio ("AmeriTrust"), has applied for the Board's approval pursuant

1. Consolidated assets data are as of September 30, 1981.
2. Bank asset data are as of December 31, 1980.
3. These markets are approximated by the Los Angeles RMA and the San Diego RMA, respectively.

to section 1828(c) of the Bank Merger Act (12 U.S.C. § 1828 (c)), to merge with AmeriTrust Company of Northeastern Ohio, N.A., Ashtabula, Ohio; AmeriTrust Company of Stark County, Canton, Ohio, and AmeriTrust Company of Jefferson County, Steubenville, Ohio. Incident to the proposed merger, the existing offices of Northeastern Bank, Stark County Bank, and Jefferson County Bank would become branch offices of AmeriTrust. AmeriTrust, as well as the other banks involved, are wholly-owned subsidiaries of AmeriTrust Corporation, Cleveland, Ohio ("Corporation"), a registered bank holding company.

Notice of these applications, affording interested persons an opportunity to submit comments and views, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. § 262.3(b)). As required by the Bank Merger Act, reports of the competitive effects of the mergers were requested from the United States Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Comments were received from Neighborhood People in Action ("NPIA"), a coalition of Cleveland community organizations, including Buckeye-Woodland Community Congress, Citizens to Bring Broadway Back, Union Miles Community Coalition, and St. Clair Superior Coalition (hereinafter referred to as "Protestant"). Protestant's comments on these applications relate to AmeriTrust's record under the Community Reinvestment Act of 1977, (12 U.S.C. §§ 2901–05 ("CRA")). The Board has considered these applications and all comments received in light of the factors set forth in the Bank Merger Act, the CRA, and the Board's Regulation BB, (12 C.F.R. § 228).

Corporation, the second largest banking organization in Ohio, controls four banking subsidiaries, with aggregate deposits of about $3.6 billion, representing 8.5 percent of total deposits in commercial banks in the state.[1] AmeriTrust, the largest banking organization in Cleveland with deposits of $3.5 billion, is Corporation's leading banking subsidiary. The merger of Northeastern Bank, Stark County Bank, and Jefferson County Bank into AmeriTrust represents a corporate reorganization and would not affect the concentration of banking resources or existing or potential competition in any relevant area. Thus, the Board concludes that competitive considerations are consistent with approval of these applications. The financial and managerial resources of Corporation, AmeriTrust, Northeastern Bank, Stark County Bank, and Jefferson County Bank are generally satisfactory. Therefore, the Board regards banking factors as consistent with approval of these applications.

1. All banking data are as of March 31, 1981.

In addition to interposing numerous objections to the proposed transactions based on AmeriTrust's CRA record, in accordance with the Board's Rules of Procedure, (12 C.F.R. Part 262), Protestant requested that the Board convene a public meeting to elicit information and to clarify factual issues relating to AmeriTrust's CRA record. In making its public meeting request, Protestant submitted considerable data which, in its view, demonstrated AmeriTrust's consistent disregard for serving the credit needs of low- and moderate-income neighborhoods. In Protestant's view, a public meeting would permit representatives of the various community organizations to present oral testimony, and would allow these representatives to question AmeriTrust, thereby developing a more complete record on the issues raised by Protestant.

Based on Protestant's submissions, as well as AmeriTrust's response, pursuant to the Board's Rules of Procedure, (12 C.F.R. § 262.25), on June 30, 1981, a public meeting was convened at the Federal Reserve Bank of Cleveland ("Reserve Bank"). Representatives of AmeriTrust and of Protestant, as well as Reserve Bank staff, participated in the meeting.[2] At the meeting, Protestant's representatives presented their views concerning AmeriTrust's record of meeting the credit needs of its community, particularly the Buckeye-Woodland, Broadway, St. Clair Superior and Union Miles neighborhoods, followed by a statement on behalf of AmeriTrust by its representative. Both parties were then given the opportunity to respond to the other's opening statement, and the meeting concluded with an opportunity for the parties to question one another directly. An official transcript of the meeting was recorded and has been made a part of the record of these applications.

At the conclusion of the June 30 public meeting, Protestant asserted that the record revealed factual disputes between the parties, and requested that the Board order a formal hearing on these applications to resolve these differences. Although the Board is not required to hold a formal hearing on an application filed pursuant to the Bank Merger Act, the Board could, in its discretion, order a formal or informal proceeding if it deemed it appropriate. In general, the Board will hold a hearing if it determines there are material questions of fact in dispute that can only be resolved by a trial-type proceeding. The Board has scrutinized the record of these applications, and has determined there are no material factual differences in the record that would warrant a hearing on these applications. Notwithstanding Protestant's assertions,

2. Although the meeting was open to the public, it was determined that only representatives of those constituent organizations of Protestant, who had filed timely objections to these applications, would be permitted to participate in the meeting.

it appears that many of the alleged factual discrepancies are in reality based on the interpretation and significance to be accorded certain facts, as well as differing views as to what constitutes the relevant facts in assessing the various allegations Protestant has raised. Inasmuch as the Board is charged by statute with making these judgments, and in view of the fact that all parties have been afforded ample opportunity to present their arguments in written and in oral form, and to comment on one another's submissions, the Board has determined that a formal hearing would not be useful. Accordingly, Protestant's request for a formal hearing is hereby denied, and the Board has proceeded to consider these applications, as well as the objections raised by Protestant, on the merits.

The Board has considered the convenience and needs of the communities to be served. As a result of consummation, the surviving institution will have a higher lending limit allowing AmeriTrust to better serve the credit needs of its community. In addition, AmeriTrust will commence offering a special braille checking account and will introduce a level-payment program for small businesses. In considering the convenience and needs of the communities, the Board has considered the CRA records of Corporation's banking subsidiaries. The CRA requires the Board to assess the record of each of Corporation's banking subsidiaries in meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with their safe and sound operation, and to take those records into account in its evaluation of these applications. With regard to AmeriTrust's compliance with the procedural requirements of the Board's Regulation BB, (12 C.F.R. § 228), from the record it appears that AmeriTrust's delineation of its community is reasonable and in a manner permitted by Regulation BB. Moreover, AmeriTrust has made its CRA statement available, public notices are displayed at its branch offices, and AmeriTrust's Board of Directors is familiar with the provisions of the CRA. Accordingly, AmeriTrust appears to be in compliance with the technical requirements of the Board's Regulation BB, and Protestant has not challenged this aspect of AmeriTrust's CRA record. In addition, the Board has reviewed the CRA records of Corporation's banking subsidiaries other than AmeriTrust, and finds that they are consistent with approval.

In its consideration of AmeriTrust's CRA record, the Board has examined Protestant's allegations concerning AmeriTrust's record of performance with respect to CRA factors. In this regard Protestant generally charges that AmeriTrust's lending record demonstrates a consistent disregard for serving the credit needs of low- and moderate-income and predominantly minority areas within the city of Cleveland. Specifically, Protestant alleges that AmeriTrust has made a corporate decision to withdraw from the Cleveland residential mortgage market; that AmeriTrust consistently has failed to implement an adequate program to ascertain the credit needs of the residents and businesses in low- and moderate-income areas of its CRA community, particularly Buckeye-Woodland, Union-Miles, Saint Clair Superior, and Broadway; that AmeriTrust engages in practices that deny access to credit and discourage applications from creditworthy residents of low- and moderate-income and predominately minority communities; that AmeriTrust consistently has failed to market its credit and credit-related services in NPIA neighborhoods; that AmeriTrust has refused to participate in locally-sponsored neighborhood reinvestment and community development programs in low- and moderate-income neighborhoods; that AmeriTrust has failed to comply with the spirit and the letter of the commitments and condition contained in the Board's Order of February 20, 1980;[3] and that AmeriTrust does not participate in government-insured small business loan programs.

Protestant has submitted information regarding each of these allegations, including information presented at the June 30 public meeting, and AmeriTrust has responded to Protestant's submissions. The Board has examined the submissions of Protestant and AmeriTrust regarding the issues raised by Protestant. The Board has also considered conclusions resulting from a recent examination of AmeriTrust that included an assessment of AmeriTrust's record of performance under the CRA. Accordingly, on the basis of its review of the entire record, the Board makes the following findings.

In support of its allegations concerning the mortgage and home improvement lending record of AmeriTrust, Protestant has submitted its own analysis of AmeriTrust's lending record in NPIA and other low- and moderate-income areas.[4] Specifically, Protestant compared AmeriTrust's mortgage lending record to those of other commercial banks in Cleveland, and found that while other Cleveland banks had increased their mortgage lending activity in the last few years, AmeriTrust had reduced the percentage of mortgage loans in its portfolio. On the basis of this comparison, Protestant claims that AmeriTrust has made a corporate

3. *AmeriTrust Corporation*, 66 FEDERAL RESERVE BULLETIN 238 (1980). ("1980 Order").

4. The Board has also reviewed Protestant's allegation that in certain NPIA neighborhoods AmeriTrust grants consumer installment loans rather than mortgage loans for the purchase of residential real estate and that this practice discriminates against low- and moderate-income areas. AmeriTrust does not dispute that it engages in this practice, but argues the result is a reduced overall cost to the

decision to withdraw from the mortgage market. In addition, Protestant analyzed AmeriTrust's small loan home improvement program by comparing AmeriTrust's share of the deposits from NPIA neighborhoods to the volume of small loans AmeriTrust extended in these neighborhoods, and concluded that AmeriTrust has extended fewer home improvement loans than are warranted by AmeriTrust's share of deposits.

The Board notes that it considered AmeriTrust's record of residential lending in 1979 in connection with a previous application, and found it to be generally satisfactory. Although Protestant is correct in its assertion that AmeriTrust has reduced its residential mortgage lending somewhat since 1979, the reduction appears to be warranted in light of market conditions in recent years,[5] and the Board notes that AmeriTrust's residential mortgage loans continue to represent a significant percentage of its loan portfolio in all areas of its community. Moreover, any reduction by AmeriTrust of its mortgage lending has not been at the expense of the city of Cleveland. In fact, the record reveals that AmeriTrust has increased the proportionate share of mortgage credit it has extended to the city from 16 percent in 1977 to 26 percent in 1980. Finally, within the past year AmeriTrust has introduced its AmeriHome Resale Financing Program, whereby AmeriTrust will offer a reduced rate mortgage to the buyer of a home with an AmeriTrust mortgage originated before 1979; approximately 400 homes in NPIA neighborhoods would be eligible for this program. With respect to home improvement loans, the Board notes that AmeriTrust's market share in all areas has remained constant since 1977 and that any reduction in such loans has occurred equally in all areas of the city. Moreover, when the demand for home improvement loans is considered, from the record it appears that AmeriTrust has accommodated somewhat more of the demand for such loans in Cleveland's low- and moderate-income areas than in other areas of the city. Based on a review of the entire record and in light of current conditions, the Board believes that AmeriTrust's mortgage lending record is adequate and believes that AmeriTrust serves all areas of its community.

In support of its allegations of discriminatory credit practices by AmeriTrust, Protestant has submitted 13 affidavits that Protestant concludes indicate prescreening, failure to send proper adverse action notices, or otherwise show that AmeriTrust discourages applications for credit. Protestant asserts also that AmeriTrust's requirement that a borrower maintain a deposit account is discriminatory. Finally, Protestant asserts that AmeriTrust has failed to properly keep the log of all credit inquiries and applications that is required by the Board's 1980 Order addressing concerns about AmeriTrust's credit practices.

At the outset the Board notes that several of these affidavits pertain to incidents that occurred prior to the effective date of the Board's Regulation B relating to Equal Credit Opportunity, (12 C.F.R. Part 202). With respect to the remaining affidavits, the Reserve Bank conducted a thorough review of AmeriTrust's records of each incident. Based on this review it appears that since the effective date of Regulation B, adverse action notices were properly sent to all affiants. Moreover, review of the records relating to the events described in each affidavit indicates that in each case AmeriTrust's action was based on the bank's standard lending practices and did not involve discriminatory action.[6] With respect to Protestant's allegation that AmeriTrust requires borrowers to be deposit customers, the record indicates that AmeriTrust does require an installment loan customer to maintain a deposit relationship before the bank will disperse loan funds, but does not require an installment loan applicant to have an account relationship with the bank in order to apply for and obtain credit.[7] However, in view of the small amount of the minimum deposit generally required, this requirement does not appear onerous and there is no evidence it has been used to discriminate against low- and moderate-income neighborhoods.[8]

customer. The record indicates that this practice does, in fact, benefit the loan customer in those instances in which the amount of mortgage credit requested is low, since it eliminates the appraisal fee, title examination, location survey as well as other costs associated with a mortgage. The Board notes that such installment loans secured by a first lien on residential property should be reported on AmeriTrust's Home Mortgage Disclosure Act ("HMDA") statement pursuant to Regulation C (12 C.F.R. Part 203), and that since 1980, AmeriTrust's HMDA statement has included such loans. From the record it appears that part of the confusion over this practice may be attributed to the failure of AmeriTrust personnel to communicate effectively to the customer the basis for the decision to offer an installment loan rather than a mortgage loan.

5. AmeriTrust has indicated that the adjustment in its mortgage portfolio is based on its need, consistent with safe and sound banking, to increase the interest rate sensitivity of its loan portfolio in light of increased funding costs and volatile interest rates.

6. In addition, it appears that the complaints of some affiants did not involve any denial of credit; for example, one individual wanted to reopen a closed savings account. It is AmeriTrust's policy not to reopen a closed account but to issue a new account.

7. The Board notes that during periods of tight credit many financial institutions institute a "customer only" policy. AmeriTrust had such a policy in effect from February–July 1979 for mortgage loan applicants. AmeriTrust initiated, and continues to require, a deposit relationship in connection with its installment loan and credit card operations. At present, it appears that the minimum amount required to be kept in such an account is $1 to $5.

8. In accordance with its supervisory responsibilities, the Board has reviewed the log AmeriTrust was required to maintain and has found no evidence that it was not maintained in accordance with the Board's 1980 Order.

Protestant alleges that AmeriTrust's efforts to ascertain the credit needs of its entire community are nonsystematic and that its efforts to communicate with its community's residents are inadequate. In support of the first allegation, Protestant points out that most of the calls and contacts made pursuant to AmeriTrust's branch officer call program have been to businesses outside NPIA neighborhoods.[9] Moreover, based on its own telephone survey, Protestant asserts that a high proportion of these calls and contacts involved businesses that already maintained a business or personal account with AmeriTrust. In addition, Protestant has submitted five affidavits from NPIA area residents in which the affiant stated he or she was unaware of a systematic attempt by AmeriTrust to ascertain credit needs of his or her community. Protestant also points to two occasions on which AmeriTrust declined to attend public meetings in NPIA neighborhoods. Finally, Protestant asserts that the high turnover rate at two of the branch offices in NPIA neighborhoods indicates that these offices are used as training grounds for AmeriTrust's branch personnel, and reflects AmeriTrust's disregard for establishing stable relationships with those communities. AmeriTrust points out that, in addition to its call program, in April of this year it instituted a Branch Manager Community Involvement Plan under which each branch manager is required to develop a plan for community relations; to ascertain credit needs and service promotion; and to outline specific programs to achieve these goals. Moreover, AmeriTrust indicates that it has met with NPIA groups on numerous occasions during the past year and that as a result of these meetings AmeriTrust has agreed to participate in several community development projects.

The Board has reviewed the record relating to AmeriTrust's efforts to ascertain the credit needs of all its community's residents as well as its efforts to communicate with its community. For example, while Protestant alleges that only one call to a business in Union Miles was made from the Broadway-Harvard office in the Union Miles neighborhood, an analysis of the calls made from this office on the basis of geocoding reveals that 12 out of 75, or 16 percent, of these calls were to businesses in Union Miles. Moreover, the Board notes that a number of AmeriTrust's offices including the Union Miles office mentioned are located on the fringe of NPIA neighborhoods, and that the marketing, and, therefore, contact calls of these offices would include but not be limited to NPIA neighborhoods. In addition, review of the data provided by Protestant reveals that Protestant overstated the percentage of respondents who could not recall being contacted by AmeriTrust. The Board further notes that the incidents cited by Protestant in which AmeriTrust would not meet with community groups occurred in 1979, and that since that time, AmeriTrust has changed its policy and has met with numerous community groups, including those from NPIA neighborhoods. Finally, the Board notes that although the turnover rate of branch managers in NPIA areas is somewhat higher than at other offices, all AmeriTrust offices appear to have a significant turnover rate, and that this alone, does not indicate a lack of service to these neighborhoods.

With regard to its allegation that AmeriTrust has not marketed its credit services in NPIA neighborhoods or in other low- and moderate-income neighborhoods in its community, Protestant has submitted statements from NPIA groups asserting that AmeriTrust has done little or no advertising in their community newsletters, meeting brochures or local newspapers. Specifically, Protestant complains that AmeriTrust does not advertise the availability of small home improvement loans, private mortgage insured mortgages, or FHA-guaranteed loans.[10] In response, AmeriTrust states that it evaluates and develops programs to serve the needs of its community on a continuing basis, and that it markets these services through various media including television, radio, and newspapers, which circulate throughout its entire community, as well as local neighborhood and foreign language publications oriented toward particular groups. AmeriTrust has submitted copies of representative advertisements it has placed in large newspapers and local area newsletters. In addition, AmeriTrust states that it has met with realtors at a number of receptions in order to promote its AmeriHome Resale Financing Program. Further, AmeriTrust's " 'How to' Guide to Consumer Credit" ("Guide") and related promotional material are examples of its efforts to explain the concept of consumer credit to its community. The Guide indicates specific kinds of consumer credit AmeriTrust makes available, the factors AmeriTrust considers in evaluating a mortgage loan application, and a personal financial worksheet. The Board has carefully considered AmeriTrust's efforts to inform its community about its credit services because this aspect of AmeriTrust's CRA record has been one of concern in the past. Initially,

9. AmeriTrust has an officer call program whereby a designated officer is required to call and/or contact businesses within his or her area to market credit services.

10. Protestant's allegation that AmeriTrust does not market or promote government-insured lending programs including FHA, VA, or PMI (Private Mortgage Insurance) financing has not been disputed by AmeriTrust, although the bank does claim to offer these services. While the Board questions AmeriTrust's commitment to offer these services, the Board notes that AmeriTrust does provide SBA financing and participates in the SBA bank certification lending program.

the Board notes that a bank's decision to emphasize certain services and not others is a matter best left to management, because it reflects managements assessment of current market conditions. While the record indicates that AmeriTrust's decision to curtail advertising of certain credit services may be based primarily on economic conditions, and is not directed to any particular segment of AmeriTrust's community, the Board is of the view that AmeriTrust could make certain of its services known to its community in a more effective manner.

With respect to AmeriTrust's participation in community investment and development activities, the Board notes that Protestant and AmeriTrust appear to have different views on how to best rehabilitate innercity neighborhoods, and that much of their disagreement concerning the degree of AmeriTrust's participation in local development projects may result from their different philosophies in this regard. From the record it appears that AmeriTrust evidences a willingness to consider proposals, and has agreed to participate in several development programs, including those of NPIA neighborhoods. As evidence of bad faith, Protestant notes that AmeriTrust does not respond to community initiatives as quickly as other financial institutions. However, there is no indication that AmeriTrust has treated proposals by NPIA groups differently from other investment decisions,[11] and, the fact that AmeriTrust may take a different approach is not, by itself, evidence of bad faith or discrimination. Moreover, AmeriTrust has made financial commitments to certain development projects in its community, including offering interim financing and credit for a home rehabilitation project; offering appraisal time to individuals buying rehabilitated homes from the Union Miles Development Corporation; donating $2,500 to the Union Miles Development Corporation; and participating in the Broadway Home Weatherization Project.

Protestant also alleges that AmeriTrust has failed to comply with the commitments set forth in the Board's 1980 Order. Specifically, Protestant asserts that AmeriTrust has not significantly improved its training program for lending personnel, has not implemented a viable credit counseling program, has not published meaningful real estate appraisal standards, does not have a clear lending policy, and has not made systematic efforts to inform the public of these commitments. In support of these contentions, Protestant submitted the results of its survey of seven of the nine credit counseling organizations listed by AmeriTrust in its quarterly reports[12] and submitted letters from five of the listed agencies. Moreover, Protestant claims AmeriTrust has eliminated its in-house credit counseling program.

The Board views with particular concern Protestant's allegations that AmeriTrust has not complied fully with commitments it made to the Board, because these undertakings were made to the Board in light of serious deficiencies uncovered in AmeriTrust's record at that time. Accordingly, the Board has carefully examined AmeriTrust's record in this regard. The record indicates that AmeriTrust significantly revised its training program for lending personnel, and that all branch managers and assistant managers at AmeriTrust's offices in Cuyahoga County have completed the program. Moreover, AmeriTrust has since agreed to include loan interviewers in this program. To fulfill its credit counseling commitment, AmeriTrust has prepared a list of credit-counseling services and has also included general housing assistance services. In addition, the Guide provides some instruction on how to assess one's own credit capacity. Further, AmeriTrust has revised its appraisal standards for residential mortgage credit and has incorporated these revisions into its updated Guide. In this regard, the Board notes that AmeriTrust uses the appraisal standards devised by the Federal National Mortgage Association and the Federal Home Loan Mortgage Association. Based on a review of the entire record in this matter, the Board is persuaded that AmeriTrust has fulfilled its prior commitments to the Board, has corrected deficiencies in its earlier record, and has maintained the log in accordance with the Board's instructions.

Based on the foregoing and other facts of record, the Board concludes that AmeriTrust's overall record of performance under the CRA is satisfactory. Nonetheless, the Board finds the continuing strained relations between AmeriTrust and Protestant a matter of concern, and believes they reflect to some degree a lack of effective communication on the part of both parties. Thus, in approving these applications, the Board has relied on AmeriTrust's commitment to establish a Community Advisory Council for the Cleveland area, and the Board is hopeful that such a council will help promote more meaningful dialogue between AmeriTrust and Protestant. With the commitment, and in view of all the facts of record, the Board's judgment is

11. Protestant asserts that AmeriTrust's failure to participate in the Buckeye-Woodland Development Corporation reflects the lack of a sincere commitment by AmeriTrust to address development needs. In response, AmeriTrust states that it does not want to geographically limit a development corporation's activities to one neighborhood and, in addition, questions the amount of the investment being sought. In any event, the Board is unable to find any evidence of discriminatory intent or bad faith in AmeriTrust's consideration of the proposal.

12. Pursuant to the Board's 1980 Order, AmeriTrust was required to report quarterly on its progress in implementing its commitments.

that convenience and needs considerations associated with these proposals are consistent with approval, and that approval of the applications would be in the public interest.

On the basis of the entire record, these applications are approved for the reasons summarized above. These transactions shall not be made before the thirtieth calendar day following the effective date of this Order nor later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Cleveland acting pursuant to delegated authority.

By order of the Board of Governors, effective December 1, 1981.

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 December 1981, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

### Section 3

| Applicant | Bank(s) | Board action (effective date) |
|---|---|---|
| First City Bancorporation of Texas, Inc., Houston, Texas | First City Bank—Addison, Addison, Texas | December 17, 1981 |
| Mercantile Bankshares Corporation, Baltimore, Maryland | The Peoples Bank of Maryland, Denton, Maryland | December 29, 1981 |
| Mercantile Texas Corporation, Dallas, Texas | The Citizens National Bank of Greenville, Greenville, Texas | December 3, 1981 |
| Pee Dee Bancshares, Inc., Timmonsville, South Carolina | Pee Dee State Bank, Timmonsville, South Carolina | December 31, 1981 |

### *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 |
|---|---|---|---|
| Allied Banschares, Inc., Houston, Texas | American Bancorp, Inc., San Antonio, Texas<br>The American Bank, San Antonio, Texas | Dallas | November 25, 1981 |
| | First Continental Bank, Dallas, Texas | Dallas | November 24, 1981 |

Section 3—Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|---|---|
| | First National Bank of Hallettsville, Hallettsville, Texas | Dallas | November 24, 1981 |
| | Live Oak State Bank, Fulton, Texas | Dallas | November 24, 1981 |
| | Marble Falls Financial Corporation, Marble Falls, Texas<br>The Bank of Marble Falls, Marble Falls, Texas | Dallas | November 25, 1981 |
| | Metro Bank of Dallas, Dallas, Texas | Dallas | November 24, 1981 |
| | The Peoples State Bank, Marshall, Texas | Dallas | November 24, 1981 |
| | Vidor Bancshares, Inc., Vidor, Texas<br>Vidor State Bank, Vidor, Texas | Dallas | November 30, 1981 |
| Bank of Poplar Bluff Bancshares, Inc., Poplar Bluff, Missouri | Bank of Poplar Bluff, Poplar Bluff, Missouri | St. Louis | November 30, 1981 |
| Bank South Corporation, Atlanta, Georgia | Cobb Bank and Trust Company, Smyrna, Georgia | Atlanta | December 30, 1981 |
| Biggsville Financial Corporation, Biggsville, Illinois | First State Bank of Biggsville, Biggsville, Illinois | Chicago | November 27, 1981 |
| Big Lake Bancshares, Inc., Big Lake, Minnesota | Citizens State Bank of Big Lake, Big Lake, Minnesota | Minneapolis | December 30, 1981 |
| Boulevard Bancorp, Inc., Chicago, Illinois | National Boulevard Bank of Chicago, Chicago, Illinois | Chicago | November 27, 1981 |
| Brinkley Bancshares, Inc., Brinkley, Arkansas | Bank of Brinkley, Brinkley, Arkansas | St. Louis | November 27, 1981 |
| Buhl Bancorporation, Inc., Buhl, Minnesota | First National Bank of Buhl, Buhl, Minnesota | Minneapolis | November 30, 1981 |
| CBC, Inc., Clovis, New Mexico | The Citizens Bank of Clovis, Clovis, New Mexico | Dallas | December 31, 1981 |
| Central Illinois Banc Shares, Inc., Springfield, Illinois | Capitol Bank & Trust Company of Springfield, Springfield, Illinois | Chicago | November 27, 1981 |
| Citizens Bancorporation of Milaca, Inc., Ogilvie, Minnesota | Citizens State Bank of Milaca-Ogilvie, Milaca, Minnesota | Minneapolis | November 27, 1981 |
| Community Bancshares, Inc., Independence, Louisiana | Community State Bank, Independence, Louisiana | Atlanta | December 28, 1981 |
| Community Financial Services, Inc., Bolivar, Tennessee | Bank of Bolivar, Bolivar, Tennessee | St. Louis | November 30, 1981 |
| F&M Holding Company, Inc., Foley, Alabama | Farmers & Merchants Bank, Foley, Alabama | Atlanta | December 28, 1981 |

Section 3—Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|---|---|
| F&M National Corporation, Winchester, Virginia | The Suburban Bank, Richmond, Virginia | Richmond | December 29, 1981 |
| Fifth Third Bancorp, Cincinnati, Ohio | The First-Mason Bank, Mason, Ohio | Cleveland | December 28, 1981 |
| First Holmes Corporation, Lexington, Mississippi | First National Bank of Holmes County, Lexington, Mississippi | St. Louis | November 23, 1981 |
| First Jersey National Corp., Jersey City, New Jersey | The Washington Bank, Turnersville, New Jersey | New York | December 29, 1981 |
| First Railroad and Banking Company of Georgia, Augusta, Georgia | First National Bank in Newman, Newman, Georgia | Atlanta | November 27, 1981 |
| First Valley National Corp., Clarksdale, Mississippi | First National Bank, Clarksdale, Mississippi | St. Louis | November 25, 1981 |
| Flagship Banks, Inc., Miami, Florida | Century Bank of Gainesville, Gainesville, Florida | Atlanta | December 30, 1981 |
| Germantown Bancshares, Inc., Germantown, Tennessee | The Bank of Germantown, Germantown, Tennessee | St. Louis | November 30, 1981 |
| Maple Lake Bancshares, Inc., Maple Lake, Minnesota | Security State Bank of Maple Lake, Maple Lake, Minnesota | Minneapolis | November 30, 1981 |
| Marlin Financial Corporation, Marlin, Texas | Marlin National Bank, Marlin, Texas | Dallas | November 27, 1981 |
| The Maybaco Company, Baltimore, Maryland | Equitable Bancorporation, Baltimore, Maryland | Richmond | November 23, 1981 |
| Mechanicsville Bancshares, Inc., Mechanicsville, Iowa | The Mechanicsville Trust and Savings Bank, Mechanicsville, Iowa | Chicago | November 23, 1981 |
| Merchants Bancorporation, Hanceville, Alabama | Merchants Bank, Hanceville, Alabama | Atlanta | December 28, 1981 |
| Mt. Zion Bancorp., Inc., Mount Zion, Illinois | Mt. Zion State Bank, Mount Zion, Illinois | Chicago | November 25, 1981 |
| Ogle County Bancshares, Inc., Rochelle, Illinois | The First National Bank & Trust Company of Rochelle, Rochelle, Illinois | Chicago | November 27, 1981 |
| Republic of Texas Corporation, Dallas, Texas | First National Bank, Sherman, Texas<br>North State Bank of Amarillo, Amarillo, Texas | Dallas | November 30, 1981 |
| Schreiner Bancshares, Inc., Kerrville, Texas | Ingram State Bank, Ingram, Texas<br>First National Bank, Boerne, Texas | Dallas | December 28, 1981 |
| Security State Investments, Inc., Houston, Minnesota | Security State Bank of Houston, Houston, Minnesota | Minneapolis | November 27, 1981 |
| Tri-State Bancorporation, Inc., Montpelier, Idaho | Tri-State Bank and Trust Company, Montpelier, Idaho | San Francisco | November 20, 1981 |

Section 3—Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
| --- | --- | --- | --- |
| Tri-States Bankshares, Inc., Trenton, Georgia | Bank of Dade, Trenton, Georgia | Atlanta | December 29, 1981 |
| Tri-State Financial Bancorp, Bryan, Ohio | First National Bank Northwest Ohio, Bryan, Ohio | Cleveland | December 29, 1981 |

Sections 3 and 4

| Applicant | Bank(s) | Nonbanking company (or activity) | Reserve Bank | Effective date |
| --- | --- | --- | --- | --- |
| Tucker Bros., Inc., Jacksonville, Florida | First State Bank of Winter Garden, Winter Garden, Florida | to continue to engage in mortgage banking activities | Atlanta | December 30, 1981 |

*ORDERS APPROVED UNDER BANK MERGER ACT*

*By Federal Reserve Banks*

| Applicant | Bank(s) | Reserve Bank | Effective date |
| --- | --- | --- | --- |
| The Connecticut Bank and Trust Company, Hartford, Connecticut | The Southington Bank and Trust Company, Southington, Connecticut | Boston | December 31, 1981 |
| F&M National Corporation, Winchester, Virginia | Big Apple Bank, Richmond, Virginia | Richmond | December 29, 1981 |
| The FTB Fourth Bank, Mason, Ohio | The First-Mason Bank, Mason, Ohio | Cleveland | December 28, 1981 |

*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.*

*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 E. 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*



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*REPORTED BY BANKS IN THE UNITED STATES*



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*REPORTED BY NONBANKING BUSINESS ENTERPRISES IN THE UNITED STATES*



*INTEREST AND EXCHANGE RATES*





## *Special Tables*

## 1.10 MONETARY AGGREGATES AND INTEREST RATES

| Item | 1980 | 1981 | | | 1981 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Q4 | Q1 | Q2 | Q3 | July | Aug. | Sept. | Oct. | Nov. |
| | Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1] | | | | | | | | |
| *Reserves of depository institutions* | | | | | | | | | |
| 1 Total | 16.7 | 2.7 | 3.3 | 6.6 | 7.9 | 8.3 | 22.0 | −10.3 | −.1 |
| 2 Required | 15.5 | 4.0 | 4.3 | 5.9 | 7.9 | 9.8 | 18.4 | −6.3 | −2.2 |
| 3 Nonborrowed | 7.2 | 7.7 | 3.3 | 10.6 | 19.8 | 16.9 | 21.7 | −2.2 | 15.8 |
| 4 Monetary base[2] | 10.8 | 4.9 | 5.5 | 5.3 | 8.2 | 5.0 | 4.3 | −.6 | 5.8 |
| *Concepts of money and liquid assets*[3] | | | | | | | | | |
| 5 M1 | 10.8 | 4.8ʳ | 8.6ʳ | .5ʳ | 3.6 | 7.5 | −2.8 | 3.3 | 13.6 |
| 6 M2 | 8.1 | 8.2ʳ | 10.6 | 7.2ʳ | 7.4 | 11.7 | 6.5 | 8.1 | 17.2 |
| 7 M3 | 11.3 | 12.4 | 10.6 | 10.3 | 8.7 | 13.5 | 9.2 | 5.9ʳ | 13.5 |
| 8 L | 11.4 | 12.9 | 8.4 | 11.0 | 8.0 | 15.0 | 11.1 | n.a | n.a. |
| *Time and savings deposits* | | | | | | | | | |
| Commercial banks | | | | | | | | | |
| 9 Total | 15.4 | 17.0 | 10.0 | 17.3 | 16.7 | 20.8 | 7.9 | 5.0ʳ | 5.5 |
| 10 Savings[4] | 1.5 | −30.5 | −11.9 | −19.6 | −11.5 | −29.1 | −22.4 | −19.0 | 13.9 |
| 11 Small-denomination time[5] | 16.2 | 30.2 | 13.4 | 21.0 | 14.5 | 30.9 | 20.1 | 24.7 | 17.3 |
| 12 Large-denomination time[6] | 25.4 | 37.5 | 20.0 | 34.7 | 34.8 | 36.5 | 10.4 | −4.4 | −11.5 |
| 13 Thrift institutions[7] | 9.7 | 5.3 | .4 | −1.7 | −5.3 | −2.0 | 1.3 | 3.5ʳ | 6.5 |
| 14 Total loans and securities at commercial banks[8] | 14.6 | 11.8 | 6.1 | 8.4ʳ | 6.0 | 10.3ʳ | 10.7ʳ | 8.5ʳ | 3.2 |
| | 1981 | | | | 1981 | | | | |
| | Q1 | Q2 | Q3 | Q4 | Aug. | Sept. | Oct. | Nov. | Dec. |
| | Interest rates (levels, percent per annum) | | | | | | | | |
| *Short-term rates* | | | | | | | | | |
| 15 Federal funds[9] | 16.57 | 17.78 | 17.58 | 13.59 | 17.82 | 15.87 | 15.08 | 13.31 | 12.37 |
| 16 Discount window borrowing[10] | 13.00 | 13.62 | 14.00 | 13.03 | 14.00 | 14.00 | 14.00 | 13.00 | 12.10 |
| 17 Treasury bills (3-month market yield)[11] | 14.39 | 14.91 | 15.05 | 11.75 | 15.51 | 14.70 | 13.54 | 10.86 | 10.85 |
| 18 Commercial paper (3-month)[11,12] | 15.34 | 16.15 | 16.78 | 13.04 | 17.23 | 16.09 | 14.85 | 12.16 | 12.12 |
| *Long-term rates* | | | | | | | | | |
| Bonds | | | | | | | | | |
| 19 U.S. government[13] | 12.74 | 13.49 | 14.51 | 14.14 | 14.52 | 15.07 | 15.13 | 13.56 | 13.73 |
| 20 State and local government[14] | 9.97 | 10.69 | 12.11 | 12.54 | 12.26 | 12.92 | 12.83 | 11.89 | 12.90 |
| 21 Aaa utility (new issue)[15] | 14.45 | 15.41 | 16.82 | 15.67 | ........ | 17.21 | 16.94 | 15.56 | 15.20 |
| 22 Conventional mortgages[16] | 15.10 | 16.15 | 17.50 | 17.33 | 17.50 | 18.30 | 18.05 | 16.95 | 17.00 |

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 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 (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 unions.
8. Changes calculated from figures shown in table 1.23.
9. Averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).
10. Rate for the Federal Reserve Bank of New York.
11. Quoted on a bank-discount basis.
12. 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.

## 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 | | | 1981 | | | | | | |
| | Oct. | Nov. | Dec. | Nov. 18 | Nov. 25 | Dec. 2 | Dec. 9 | Dec. 16 | Dec. 23 | Dec. 30 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 **Reserve Bank credit outstanding** | **145,960** | **148,339** | **152,072** | **149,300** | **149,245** | **150,345** | **149,452** | **151,344** | **153,394** | **153,342** |
| 2 U.S. government securities[1] | 123,497 | 125,247 | 128,505 | 125,951 | 126,396 | 126,175 | 126,683 | 128,459 | 129,574 | 129,223 |
| 3 Bought outright | 123,273 | 124,559 | 127,483 | 124,599 | 125,283 | 125,199 | 126,461 | 128,459 | 128,455 | 127,172 |
| 4 Held under repurchase agreements | 224 | 688 | 1,022 | 1,352 | 1,113 | 976 | 222 | 0 | 1,119 | 2,051 |
| 5 Federal agency securities | 8,700 | 8,888 | 9,291 | 8,844 | 9,048 | 9,296 | 9,147 | 9,125 | 9,257 | 9,555 |
| 6 Bought outright | 8,652 | 8,776 | 9,126 | 8,646 | 8,857 | 9,130 | 9,129 | 9,125 | 9,125 | 9,125 |
| 7 Held under repurchase agreements | 48 | 112 | 165 | 198 | 191 | 166 | 18 | 0 | 132 | 430 |
| 8 Acceptances | 58 | 261 | 315 | 502 | 392 | 398 | 48 | 0 | 254 | 798 |
| 9 Loans | 1,149 | 695 | 642 | 561 | 337 | 317 | 618 | 398 | 621 | 883 |
| 10 Float | 3,285 | 3,320 | 3,608 | 3,423 | 3,419 | 4,257 | 2,864 | 3,528 | 4,016 | 3,640 |
| 11 Other Federal Reserve assets | 9,271 | 9,928 | 9,711 | 10,019 | 9,653 | 9,901 | 10,092 | 9,835 | 9,672 | 9,244 |
| 12 Gold stock | 11,152 | 11,152 | 11,152 | 11,152 | 11,152 | 11,152 | 11,152 | 11,152 | 11,152 | 11,152 |
| 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 | 13,664 | 13,712 | 13,682 | 13,660 | 13,668 | 13,785 | 13,679 | 13,679 | 13,681 | 13,687 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 15 Currency in circulation | 138,500 | 140,553 | 143,674 | 140,759 | 140,955 | 141,959 | 142,388 | 143,265 | 144,046 | 145,197 |
| 16 Treasury cash holdings | 455 | 450 | 443 | 450 | 453 | 447 | 444 | 445 | 442 | 437 |
| Deposits, other than reserves, with Federal Reserve Banks | | | | | | | | | | |
| 17 Treasury | 3,339 | 3,061 | 2,965 | 3,215 | 2,841 | 3,028 | 2,666 | 2,772 | 3,215 | 2,912 |
| 18 Foreign | 353 | 325 | 343 | 338 | 310 | 335 | 312 | 304 | 361 | 373 |
| 19 Other | 611 | 688 | 605 | 696 | 591 | 731 | 573 | 578 | 592 | 574 |
| 20 Required clearing balances | 74 | 91 | 110 | 89 | 95 | 99 | 105 | 110 | 110 | 115 |
| 21 Other Federal Reserve liabilities and capital | 5,171 | 5,438 | 5,768 | 5,405 | 5,583 | 5,759 | 5,952 | 5,963 | 5,814 | 5,370 |
| 22 Reserve accounts[2] | 25,592 | 25,915 | 26,315 | 26,478 | 26,556 | 26,242 | 25,163 | 26,057 | 26,965 | 26,521 |

| Factors | End-of-month figures | | | Wednesday figures | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | | | 1981 | | | | | | |
| | Oct. | Nov. | Dec. | Nov. 18 | Nov. 25 | Dec. 2 | Dec. 9 | Dec. 16 | Dec. 23 | Dec. 30 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 23 **Reserve Bank credit outstanding** | **143,917** | **149,264** | **153,136** | **149,904** | **149,966** | **152,758** | **154,036** | **153,115** | **158,352** | **156,552** |
| 24 U.S. government securities[1] | 123,005 | 126,539 | 130,954 | 125,912 | 126,788 | 127,553 | 127,179 | 128,570 | 131,260 | 131,493 |
| 25 Bought outright | 123,005 | 124,743 | 127,738 | 124,337 | 126,479 | 125,325 | 127,179 | 128,570 | 127,247 | 127,990 |
| 26 Held under repurchase agreements | 0 | 1,796 | 3,216 | 1,575 | 309 | 2,228 | 0 | 0 | 4,013 | 3,503 |
| 27 Federal agency securities | 8,646 | 9,448 | 9,394 | 9,020 | 9,189 | 9,512 | 9,129 | 9,125 | 9,604 | 9,562 |
| 28 Bought outright | 8,646 | 9,129 | 9,125 | 8,646 | 9,139 | 9,129 | 9,129 | 9,125 | 9,125 | 9,125 |
| 29 Held under repurchase agreements | 0 | 319 | 269 | 374 | 50 | 383 | 0 | 0 | 479 | 437 |
| 30 Acceptances | 0 | 744 | 195 | 656 | 164 | 778 | 0 | 0 | 787 | 624 |
| 31 Loans | 924 | 232 | 1,601 | 1,444 | 656 | 396 | 3,213 | 505 | 1,290 | 1,237 |
| 32 Float | 1,690 | 2,177 | 1,762 | 3,304 | 3,229 | 4,370 | 4,292 | 5,682 | 6,183 | 4,168 |
| 33 Other Federal Reserve assets | 9,652 | 10,124 | 9,230 | 9,568 | 9,940 | 10,149 | 10,223 | 9,233 | 9,228 | 9,468 |
| 34 Gold stock | 11,152 | 11,152 | 11,151 | 11,152 | 11,152 | 11,152 | 11,152 | 11,152 | 11,152 | 11,151 |
| 35 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 |
| 36 Treasury currency outstanding | 14,363 | 14,441 | 13,687 | 13,666 | 13,674 | 13,679 | 13,679 | 13,679 | 13,687 | 13,687 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 37 Currency in circulation | 138,847 | 142,683 | 144,774 | 141,087 | 141,691 | 142,443 | 143,334 | 143,886 | 144,032 | 145,517 |
| 38 Treasury cash holdings | 447 | 445 | 443 | 450 | 450 | 447 | 443 | 442 | 442 | 442 |
| Deposits, other than reserves, with Federal Reserve Banks | | | | | | | | | | |
| 39 Treasury | 3,550 | 3,475 | 4,301 | 3,146 | 2,905 | 3,702 | 2,543 | 3,352 | 2,282 | 3,402 |
| 40 Foreign | 547 | 535 | 505 | 284 | 302 | 303 | 327 | 264 | 333 | 319 |
| 41 Other | 573 | 715 | 781 | 522 | 720 | 661 | 543 | 579 | 614 | 600 |
| 42 Required clearing balances | 82 | 99 | 117 | 89 | 95 | 99 | 105 | 110 | 110 | 115 |
| 43 Other Federal Reserve liabilities and capital | 5,112 | 6,011 | 5,261 | 5,385 | 5,520 | 5,806 | 5,693 | 5,814 | 5,292 | 5,345 |
| 44 Reserve accounts[2] | 23,590 | 24,213 | 25,111 | 27,077 | 26,427 | 27,447 | 29,198 | 26,818 | 32,404 | 28,968 |

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 | | | | | | | | |
| | Dec. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
| 1 Reserve balances with Reserve Banks[1] | 26,664 | 27,173 | 26,822 | 26,819 | 27,172 | 27,023 | 25,527 | 25,592 | 25,915 | 26,316 |
| 2 Total vault cash (estimated) | 18,149 | 17,189 | 17.773 | 18,198 | 18,273 | 18,438 | 18,927 | 18,810 | 18,839 | 19,546 |
| 3 Vault cash at institutions with required reserve balances[2] | 12,602 | 11,687 | 12.124 | 12,396 | 12,504 | 12,585 | 12,966 | 12,881 | 12,956 | 13,550 |
| 4 Vault cash equal to required reserves at other institutions | 704 | 1,204 | 1,310 | 1,350 | 1,319 | 1,364 | 2,041 | 2,054 | 2,011 | 2,126 |
| 5 Surplus vault cash at other institutions[3] | 4,843 | 4,298 | 4,339 | 4,452 | 4,450 | 4,489 | 3,920 | 3,875 | 3,872 | 3,870 |
| 6 Reserve balances + total vault cash[4] | 44,940 | 44,683 | 45.100 | 45,507 | 45,513 | 44,499 | 44,430 | 44,778 | 45,883 | 45,883 |
| 7 Reserve balances + total vault cash used to satisfy reserve requirements[4,5] | 40,097 | 40,153 | 40,344 | 40,648 | 41,057 | 41,024 | 40,579 | 40,555 | 40,906 | 42,013 |
| 8 Required reserves (estimated) | 40,067 | 40,071 | 40,213 | 40,098 | 40,675 | 40,753 | 40,179 | 40,438 | 40,591 | 41,614 |
| 9 Excess reserve balances at Reserve Banks[4,6] | 30 | 82 | 131 | 550 | 382 | 271 | 400 | 117 | 315 | 399 |
| 10 Total borrowings at Reserve Banks | 1,617 | 1,343 | 2,154 | 2,038 | 1,751 | 1,408 | 1,473 | 1,149 | 695 | 642 |
| 11 Seasonal borrowings at Reserve Banks | 116 | 161 | 259 | 291 | 248 | 220 | 222 | 152 | 79 | 53 |
| 12 Extended credit at Reserve Banks | n.a. | n.a. | n.a. | n.a. | n.a. | 79 | 301 | 442 | 178 | 149 |
| | Weekly averages of daily figures for week ending: | | | | | | | | | |
| | Oct. 28 | Nov. 4 | Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2 | Dec. 9 | Dec. 16 | Dec. 23 | Dec. 30 |
| 13 Reserve balances with Reserve Banks[1] | 26,134 | 25,437 | 24,627 | 26,478 | 26,556 | 26,242 | 25,163 | 26,098 | 26,965 | 26,521 |
| 14 Total vault cash (estimated) | 18,558 | 19,212 | 19,403 | 18,593 | 17,934 | 19,360 | 19,587 | 20,322 | 18,632 | 19,748 |
| 15 Vault cash at institutions with required reserve balances[2] | 12,767 | 13,272 | 13,322 | 12,666 | 12,410 | 13,359 | 13,450 | 13,861 | 13,087 | 13,862 |
| 16 Vault cash equal to required reserves at other institutions | 1,959 | 2,021 | 2,091 | 1,992 | 1,916 | 2,053 | 2,158 | 2,251 | 2,023 | 2,104 |
| 17 Surplus vault cash at other institutions[3] | 3,832 | 3,919 | 3,990 | 3,935 | 3,608 | 3,948 | 3,979 | 4,210 | 3,522 | 3,782 |
| 18 Reserve balances + total vault cash[4] | 44,716 | 44,674 | 44,054 | 45,095 | 44,513 | 45,624 | 44,772 | 46,444 | 45,618 | 46,285 |
| 19 Reserve balances + total vault cash used to satisfy reserve requirements[4,5] | 40,884 | 40,755 | 40,064 | 41,160 | 40,905 | 41,676 | 40,793 | 42,234 | 42,096 | 42,503 |
| 20 Required reserves (estimated) | 40,625 | 40,521 | 39,637 | 40,966 | 40,753 | 41,230 | 40,608 | 42,131 | 41,721 | 42,031 |
| 21 Excess reserve balances at Reserve Banks[4,6] | 259 | 234 | 427 | 194 | 152 | 446 | 185 | 103 | 375 | 472 |
| 22 Total borrowings at Reserve Banks | 1,187 | 1,237 | 965 | 561 | 337 | 317 | 618 | 398 | 621 | 883 |
| 23 Seasonal borrowings at Reserve Banks | 147 | 134 | 134 | 102 | 69 | 41 | 30 | 51 | 70 | 75 |
| 24 Extended credit at Reserve Banks | 464 | 452 | 111 | 126 | 123 | 125 | 125 | 130 | 161 | 173 |

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.)

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

Averages of daily figures, in millions of dollars

| By maturity and source | 1981, week ending Wednesday | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 4 | Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2 | Dec. 9 | Dec. 16 | Dec. 23 | Dec. 30 |
| *One day and continuing contract* | | | | | | | | | |
| 1 Commercial banks in United States | 48,715 | 54,555[r] | 52,581 | 49,639[r] | 51,901 | 57,328 | 55,055 | 51,653 | 52,576 |
| 2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies | 17,192 | 17,907 | 18,785 | 18,942[r] | 18,296 | 19,289 | 19,235 | 18,500 | 18,135 |
| 3 Nonbank securities dealers | 3,464 | 3,755 | 3,844 | 3,774[r] | 3,566 | 4,018 | 4,242 | 3,882 | 3,296 |
| 4 All other | 19,548 | 19,126 | 19,658 | 18,775[r] | 16,630 | 19,834 | 20,479 | 19,910 | 17,918 |
| *All other maturities* | | | | | | | | | |
| 5 Commercial banks in United States | 3,853 | 3,612 | 3,367 | 3,600 | 3,834 | 3,311 | 3,416 | 3,717 | 3,934 |
| 6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies | 7,598 | 7,719 | 7,794 | 7,998 | 7,786 | 7,528 | 7,691 | 8,197 | 8,122 |
| 7 Nonbank securities dealers | 4,384 | 4,369 | 4,386 | 4,283 | 4,350 | 4,385 | 4,052 | 3,967 | 4,189 |
| 8 All other | 10,359 | 10,552 | 10,415 | 11,037 | 13,294 | 10,943 | 10,000 | 10,328 | 12,346 |
| MEMO: Federal funds and resale agreement loans in maturities of one day or continuing contract | | | | | | | | | |
| 9 Commercial banks in United States | 18,238 | 18,508 | 19,293 | 16,364[r] | 19,417 | 18,588 | 17,376 | 17,483 | 18,007 |
| 10 Nonbank securities dealers | 2,773 | 3,474 | 3,589 | 3,406[r] | 3,474 | 4,239 | 3,963 | 3,845 | 4,037 |

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 12/31/81 | Effective date | Previous rate | Rate on 12/31/81 | Previous rate | Rate on 12/31/81 | Previous rate | Rate on 12/31/81 | 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 years[2]

| Effective date | Range (or level)— All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| In effect Dec. 31, 1972 | 4½ | 4½ |
| 1973— Jan. 15 | 5 | 5 |
| Feb. 26 | 5-5½ | 5½ |
| Mar. 2 | 5½ | 5½ |
| Apr. 23 | 5½–5¾ | 5½ |
| May 4 | 5¾ | 5¾ |
| 11 | 5¾-6 | 6 |
| 18 | 6 | 6 |
| June 11 | 6–6½ | 6½ |
| 15 | 6½ | 6½ |
| July 2 | 7 | 7 |
| Aug. 14 | 7–7½ | 7½ |
| 23 | 7½ | 7½ |
| 1974— Apr. 25 | 7½–8 | 8 |
| 30 | 8 | 8 |
| Dec. 9 | 7¾–8 | 7¾ |
| 16 | 7¾ | 7¾ |
| 1975— Jan. 6 | 7¼-7¾ | 7¾ |
| 10 | 7¼-7¾ | 7¼ |
| 24 | 7¼ | 7¼ |
| Feb. 5 | 6¾-7¼ | 6¾ |
| 7 | 6¾ | 6¾ |
| Mar. 10 | 6¼–6¾ | 6¼ |
| 14 | 6¼ | 6¼ |
| May 16 | 6-6¼ | 6 |

| Effective date | Range (or level) — All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| 1976— Jan. 19 | 5½-6 | 5½ |
| 23 | 5½ | 5½ |
| Nov. 22 | 5¼–5½ | 5¼ |
| 26 | 5¼ | 5¼ |
| 1977— Aug. 30 | 5¼-5¾ | 5¼ |
| 31 | 5¼–5¾ | 5¾ |
| Sept. 2 | 5¾ | 5¾ |
| Oct. 26 | 6 | 6 |
| 1978— Jan. 9 | 6-6½ | 6½ |
| 20 | 6½ | 6½ |
| May 11 | 6½-7 | 7 |
| 12 | 7 | 7 |
| July 3 | 7-7¼ | 7¼ |
| July 10 | 7¼ | 7¼ |
| Aug. 21 | 7¾ | 7¾ |
| Sept. 22 | 8 | 8 |
| Oct. 16 | 8–8½ | 8½ |
| 20 | 8½ | 8½ |
| Nov. 1 | 8½-9½ | 9½ |
| 3 | 9½ | 9½ |
| 1979— July 20 | 10 | 10 |
| Aug. 17 | 10–10½ | 10½ |
| 20 | 10½ | 10½ |

| Effective date | Range (or level)— All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| 1979— Sept. 19 | 10½–11 | 11 |
| 21 | 11 | 11 |
| Oct. 8 | 11–12 | 12 |
| 10 | 12 | 12 |
| 1980— Feb. 15 | 12–13 | 13 |
| 19 | 13 | 13 |
| May 29 | 12–13 | 13 |
| 30 | 12 | 12 |
| June 13 | 11–12 | 11 |
| 16 | 11 | 11 |
| July 28 | 10–11 | 10 |
| 29 | 10 | 10 |
| Sept. 26 | 11 | 11 |
| Nov. 17 | 12 | 12 |
| Dec. 5 | 12–13 | 13 |
| 8 | 13 | 13 |
| 1981— May 5 | 13–14 | 14 |
| May 8 | 14 | 14 |
| Nov. 2 | 13-14 | 13 |
| Nov 6 | 13 | 13 |
| Dec. 4 | 12 | 12 |
| In effect Dec. 31, 1981 | 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 REQUIREMENTS[1]

Percent of deposits

| Type of deposit, and deposit interval in millions of dollars | Member bank requirements before implementation of the Monetary Control Act | |
|---|---|---|
| | Percent | Effective date |
| *Net demand*[2] | | |
| 0–2 | 7 | 12/30/76 |
| 2–10 | 9½ | 12/30/76 |
| 10–100 | 11¾ | 12/30/76 |
| 100–400 | 12¾ | 12/30/76 |
| Over 400 | 16¼ | 12/30/76 |
| *Time and savings*[2,3] | | |
| Savings | 3 | 3/16/67 |
| Time[4] | | |
| 0–5, by maturity | | |
| 30–179 days | 3 | 3/16/67 |
| 180 days to 4 years | 2½ | 1/8/76 |
| 4 years or more | 1 | 10/30/75 |
| Over 5, by maturity | | |
| 30–179 days | 6 | 12/12/74 |
| 180 days to 4 years | 2½ | 1/8/76 |
| 4 years or more | 1 | 10/30/75 |

| Type of deposit, and deposit interval | Depository institution requirements after implementation of the Monetary Control Act[5] | |
|---|---|---|
| | Percent | Effective date |
| *Net transaction accounts*[6,7] | | |
| $0–$26 million | 3 | 11/13/80 |
| Over $26 million | 12 | 11/13/80 |
| *Nonpersonal time deposits*[8] | | |
| By original maturity | | |
| Less than 4 years | 3 | 11/13/80 |
| 4 years or more | 0 | 11/13/80 |
| *Eurocurrency liabilities* | | |
| All types | 3 | 11/13/80 |

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 nonmember institutions, and certain other obligations. In general, the base for the marginal reserve requirement was originally the greater of (a) $100 million or (b) the average amount of the managed liabilities held by a member bank, Edge corporation, or family of U.S. branches and agencies of a foreign bank for the two statement weeks ending Sept. 26, 1979. For the computation period beginning Mar. 20, 1980, the base was lowered by (a) 7 percent or (b) the decrease in an institution's U.S. office gross loans to foreigners and gross balances due from foreign offices of other institutions between the base period (Sept. 13–26, 1979) and the week ending Mar. 12, 1980, whichever was greater. For the computation period beginning May 29, 1980, the base was increased by 7½ percent above the base used to calculate the marginal reserve in the statement week of May 14–21, 1980. In addition, beginning Mar. 19, 1980, the base was reduced to the extent that foreign loans and balances declined.

5. For existing nonmember banks and thrift institutions 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 Dec. 31, 1981 | | Previous maximum | | In effect Dec. 31, 1981 | | 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 | 5¾ | 1/1/80 | 5½ | 7/1/73 | 6 | 1/1/80 | 5¾ | (1) |
| 5 1 to 2 years [7] | 6 | 7/1/73 | 5½ | 1/21/70 | 6½ | (1) | 5¾ | 1/21/70 |
| 6 2 to 2½ years [7] | | | 5¾ | 1/21/70 | | | 6 | 1/21/70 |
| 7 2½ to 4 years [7] | 6½ | 7/1/73 | 5¾ | 1/21/70 | 6¾ | (1) | 6 | 1/21/70 |
| 8 4 to 6 years [8] | 7¼ | 11/1/73 | (9) | .......... | 7½ | 11/1/73 | (9) | .......... |
| 9 6 to 8 years [8] | 7½ | 12/23/74 | 7¼ | 11/1/73 | 7¾ | 12/23/74 | 7½ | 11/1/73 |
| 10 8 years or more [8] | 7¾ | 6/1/78 | (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] | | | | | | | | |

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* | *Commercial bank ceiling* |
|---|---|
| 7.50 per cent or below | 7.75 per cent |
| Above 7.50 per cent | 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* | *Thrift ceiling* |
|---|---|
| 7.25 per cent or below | 7.75 per cent |
| Above 7.25 per cent, but below 8.50 per cent | ½ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate |
| 8.50 per cent or above, but below 8.75 per cent | 9 per cent |
| 8.75 per cent or above | ¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate |

The maximum allowable rates in December for commercial banks and thrifts based on the bill rate were as follows: Dec. 8, 10.951; Dec 15, 11.022; Dec. 22, 11.845; Dec. 29, 12.088. The maximum allowable rates in December for commercial banks and thrifts based on the 4-week average bill rate were as follows: Dec. 8, 11.274; Dec. 15, 11.09; Dec. 22, 11.245; Dec. 29, 11.477.

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 December (in percent) were as follows: Dec. 27, 10.16.

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 December (in percent) for commercial banks were as follows: Dec. 8, 12.70; Dec. 22. 13.20; and for thrift institutions: Dec. 8, 12.95; Dec. 22. 13.45.

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 ¾ 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 11¾ 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 | 1978 | 1979 | 1980 | 1981 May | 1981 June | 1981 July | 1981 Aug. | 1981 Sept. | 1981 Oct. | 1981 Nov. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | U.S. GOVERNMENT SECURITIES | | | | | | | | | | |
| | Outright transactions (excluding matched sale-purchase transactions) | | | | | | | | | | |
| | *Treasury bills* | | | | | | | | | | |
| 1 | Gross purchases | 16,628 | 15,998 | 7,668 | 790 | 295 | 1,325 | 1,713 | 1,753 | 241 | 1,765 |
| 2 | Gross sales | 13,725 | 6,855 | 7,331 | 0 | 90 | 0 | 333 | 945 | 1,157 | 0 |
| 3 | Exchange | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Redemptions | 2,033 | 2,900 | 3,389 | 0 | 0 | 100 | 0 | 500 | 200 | 16 |
| | *Others within 1 year*[1] | | | | | | | | | | |
| 5 | Gross purchases | 1,184 | 3,203 | 912 | 0 | 0 | 122 | 0 | 0 | 0 | 0 |
| 6 | Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Maturity shift | −5,170 | 17,339 | 12,427 | 2,900 | 833 | 1,073 | 2,807 | 628 | 425 | 1,389 |
| 8 | Exchange | 0 | −11,308 | −18,251 | −1,281 | −823 | −351 | −2,430 | −599 | 0 | −3,047 |
| 9 | Redemptions | | 2,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | *1 to 5 years* | | | | | | | | | | |
| 10 | Gross purchases | 4,188 | 2,148 | 2,138 | 0 | 0 | 607 | 0 | 0 | 0 | 100 |
| 11 | Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Maturity shift | −178 | −12,693 | −8,909 | −1,724 | −833 | −1,073 | −820 | −628 | −425 | −1,057 |
| 13 | Exchange | | 7,508 | 13,412 | 681 | 823 | 351 | 1,724 | 599 | 0 | 2,325 |
| | *5 to 10 years* | | | | | | | | | | |
| 14 | Gross purchases | 1,526 | 523 | 703 | 0 | 0 | 64 | 0 | 0 | 0 | 0 |
| 15 | Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | Maturity shift | 2,803 | −4,646 | −3,092 | −1,176 | 0 | 0 | −1,987 | 0 | 0 | −332 |
| 17 | Exchange | | 2,181 | 2,970 | 300 | 0 | 0 | 400 | 0 | 0 | 400 |
| | *Over 10 years* | | | | | | | | | | |
| 18 | Gross purchases | 1,063 | 454 | 811 | 0 | 0 | 182 | 0 | 0 | 0 | 0 |
| 19 | Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | Maturity shift | 2,545 | 0 | −426 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | Exchange | | 1,619 | 1,869 | 300 | 0 | 0 | 305 | 0 | 0 | 322 |
| | *All maturities*[1] | | | | | | | | | | |
| 22 | Gross purchases | 24,591 | 22,325 | 12,232 | 790 | 295 | 2,301 | 1,713 | 1,753 | 241 | 1,865 |
| 23 | Gross sales | 13,725 | 6,855 | 7,331 | 0 | 90 | 0 | 333 | 945 | 1,157 | 0 |
| 24 | Redemptions | 2,033 | 5,500 | 3,389 | 0 | 0 | 100 | 0 | 500 | 200 | 16 |
| | Matched transactions | | | | | | | | | | |
| 25 | Gross sales | 511,126 | 627,350 | 674,000 | 45,658 | 51,106 | 69,972 | 54,329 | 52,055 | 58,581 | 42,012 |
| 26 | Gross purchases | 510,854 | 624,192 | 675,496 | 43,492 | 52,607 | 69,309 | 55,917 | 51,555 | 58,372 | 41,900 |
| | Repurchase agreements | | | | | | | | | | |
| 27 | Gross purchases | 151,618 | 107,051 | 113,902 | 1,219 | 3,509 | 23,217 | 7,199 | 0 | 3,902 | 9,505 |
| 28 | Gross sales | 152,436 | 106,968 | 113,040 | 1,219 | 3,509 | 21,599 | 8,817 | 0 | 3,902 | 7,709 |
| 29 | Net change in U.S. government securities | 7,743 | 6,896 | 3,869 | −1,376 | 1,706 | 3,155 | 1,350 | −192 | −1,325 | 3,534 |
| | FEDERAL AGENCY OBLIGATIONS | | | | | | | | | | |
| | Outright transactions | | | | | | | | | | |
| 30 | Gross purchases | 301 | 853 | 668 | 0 | 0 | 0 | 0 | 0 | 0 | 494 |
| 31 | Gross sales | 173 | 399 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 | Redemptions | 235 | 134 | 145 | * | 26 | * | * | 33 | 15 | 10 |
| | Repurchase agreements | | | | | | | | | | |
| 33 | Gross purchases | 40,567 | 37,321 | 28,895 | 186 | 691 | 5,182 | 864 | 0 | 787 | 1,607 |
| 34 | Gross sales | 40,885 | 36,960 | 28,863 | 186 | 691 | 4,822 | 1,225 | 0 | 787 | 1,288 |
| 35 | Net change in federal agency obligations | −426 | 681 | 555 | 0 | −26 | 360 | −360 | −33 | −15 | 802 |
| | BANKERS ACCEPTANCES | | | | | | | | | | |
| 36 | Outright transactions, net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | Repurchase agreements, net | −366 | 116 | 73 | 0 | 0 | 453 | −453 | 0 | 0 | 744 |
| 38 | Net change in bankers acceptances | −366 | 116 | 73 | 0 | 0 | 453 | −453 | 0 | 0 | 744 |
| 39 | **Total net change in System Open Market Account** | **6,951** | **7,693** | **4,497** | **−1,376** | **1,680** | **3,968** | **536** | **−225** | **−1,340** | **5,080** |

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 1981 | | | | | End of month 1981 | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. 2 | Dec. 9 | Dec. 16 | Dec. 23 | Dec. 30 | Oct. | Nov. | Dec. |
| | Consolidated condition statement | | | | | | | |
| **Assets** | | | | | | | | |
| 1 Gold certificate account | 11,152 | 11,152 | 11,152 | 11,152 | 11,151 | 11,152 | 11,152 | 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 | 387 | 386 | 388 | 382 | 375 | 418 | 400 | 377 |
| Loans | | | | | | | | |
| 4 To depository institutions | 396 | 3,213 | 505 | 1,290 | 1,237 | 924 | 232 | 1,601 |
| 5 Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acceptances | | | | | | | | |
| 6 Held under repurchase agreements | 778 | 0 | 0 | 787 | 624 | 0 | 744 | 195 |
| Federal agency obligations | | | | | | | | |
| 7 Bought outright | 9,129 | 9,129 | 9,125 | 9,125 | 9,125 | 8,646 | 9,129 | 9,125 |
| 8 Held under repurchase agreements | 383 | 0 | 0 | 479 | 437 | 0 | 319 | 269 |
| U.S. government securities | | | | | | | | |
| Bought outright | | | | | | | | |
| 9 Bills | 47,825 | 49,679 | 50,341 | 48,868 | 49,611 | 45,605 | 47,243 | 49,359 |
| 10 Notes | 59,207 | 59,207 | 59,828 | 59,978 | 59,978 | 59,429 | 59,207 | 59,978 |
| 11 Bonds | 18,293 | 18,293 | 18,401 | 18,401 | 18,401 | 17,971 | 18,293 | 18,401 |
| 12 Total[1] | 125,325 | 127,179 | 128,570 | 127,247 | 127,990 | 123,005 | 124,743 | 127,738 |
| 13 Held under repurchase agreements | 2,228 | 0 | 0 | 4,013 | 3,503 | 0 | 1,796 | 3,216 |
| 14 Total U.S. government securities | 127,553 | 127,179 | 128,570 | 131,260 | 131,493 | 123,005 | 126,539 | 130,954 |
| 15 **Total loans and securities** | **138,239** | **139,521** | **138,200** | **142,941** | **142,916** | **132,575** | **136,963** | **142,144** |
| 16 Cash items in process of collection | 11,060 | 10,220 | 13,185 | 13,543 | 10,996 | 7,954 | 7,485 | 8,557 |
| 17 Bank premises | 480 | 480 | 480 | 481 | 503 | 491 | 497 | 503 |
| Other assets | | | | | | | | |
| 18 Denominated in foreign currencies[2] | 5,987 | 6,013 | 5,122 | 5,124 | 5,128 | 5,717 | 5,998 | 5,129 |
| 19 All other[3] | 3,682 | 3,730 | 3,631 | 3,623 | 3,837 | 3,444 | 3,629 | 3,598 |
| 20 **Total assets** | **174,305** | **174,820** | **175,476** | **180,564** | **178,224** | **165,069** | **169,442** | **174,777** |
| **Liabilities** | | | | | | | | |
| 21 Federal Reserve notes | 129,597 | 130,483 | 131,036 | 132,169 | 132,647 | 125,351 | 129,086 | 131,906 |
| Deposits | | | | | | | | |
| 22 Depository institutions | 27,546 | 29,303 | 26,928 | 32,514 | 29,083 | 23,672 | 24,312 | 25,228 |
| 23 U.S. Treasury—General account | 3,702 | 2,543 | 3,352 | 2,282 | 3,402 | 3,550 | 3,475 | 4,301 |
| 24 Foreign—Official accounts | 303 | 327 | 264 | 333 | 319 | 547 | 535 | 505 |
| 25 Other | 661 | 543 | 579 | 614 | 600 | 573 | 715 | 781 |
| 26 **Total deposits** | **32,212** | **32,716** | **31,123** | **35,743** | **33,404** | **28,342** | **29,037** | **30,815** |
| 27 Deferred availability cash items | 6,690 | 5,928 | 7,503 | 7,360 | 6,828 | 6,264 | 5,308 | 6,795 |
| 28 Other liabilities and accrued dividends[4] | 2,831 | 2,851 | 2,975 | 2,436 | 2,480 | 2,114 | 2,846 | 2,705 |
| 29 **Total liabilities** | **171,330** | **171,978** | **172,637** | **177,708** | **175,359** | **162,071** | **166,277** | **172,221** |
| **Capital Accounts** | | | | | | | | |
| 30 Capital paid in | 1,270 | 1,271 | 1,273 | 1,278 | 1,278 | 1,268 | 1,270 | 1,278 |
| 31 Surplus | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,278 |
| 32 Other capital accounts | 502 | 368 | 363 | 375 | 384 | 527 | 692 | 0 |
| 33 **Total liabilities and capital accounts** | **174,305** | **174,820** | **175,476** | **180,564** | **178,224** | **165,069** | **169,442** | **174,777** |
| 34 Memo: Marketable U.S. government securities held in custody for foreign and international account | 96,054 | 95,756 | 94,596 | 96,347 | 95,122 | 90,857 | 91,787 | 95,220 |
| | Federal Reserve note statement | | | | | | | |
| 35 Federal Reserve notes outstanding (issued to bank) | 151,144 | 151,602 | 151,734 | 151,432 | 151,126 | 150,552 | 150,955 | 151,033 |
| 36 Less: Held by bank[5] | 21,547 | 21,119 | 20,698 | 19,263 | 18,479 | 25,201 | 21,869 | 19,127 |
| 37 Federal Reserve notes, net | 129,597 | 130,483 | 131,036 | 132,169 | 132,647 | 125,351 | 129,086 | 131,906 |
| *Collateral for Federal Reserve notes* | | | | | | | | |
| 38 Gold certificate account | 11,152 | 11,152 | 11,152 | 11,152 | 11,151 | 11,152 | 11,152 | 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 | 64 | 55 | 45 | 107 | 22 | 0 | 57 | 0 |
| 41 U.S. government and agency securities | 115,063 | 115,958 | 116,521 | 117,592 | 118,156 | 110,881 | 114,559 | 117,437 |
| 42 **Total collateral** | **129,597** | **130,483** | **131,036** | **132,169** | **132,647** | **125,351** | **129,086** | **131,906** |

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.

## 1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

| Type and maturity groupings | Wednesday 1981 | | | | | End of month 1981 | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. 2 | Dec. 9 | Dec. 16 | Dec. 23 | Dec. 30 | Oct. 30 | Nov. 30 | Dec. 31 |
| 1 Loans—Total | 396 | 3,213 | 505 | 1,290 | 1,237 | 924 | 232 | 1,601 |
| 2 Within 15 days | 376 | 3,187 | 492 | 1,269 | 1,218 | 843 | 214 | 1,576 |
| 3 16 days to 90 days | 20 | 26 | 13 | 21 | 19 | 81 | 18 | 25 |
| 4 91 days to 1 year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 Acceptances—Total | 778 | 0 | 0 | 787 | 624 | 0 | 744 | 195 |
| 6 Within 15 days | 778 | 0 | 0 | 787 | 624 | 0 | 744 | 195 |
| 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 | 127,553 | 127,179 | 128,570 | 131,260 | 131,493 | 123,005 | 126,539 | 130,954 |
| 10 Within 15 days[1] | 7,052 | 5,545 | 7,314 | 9,017 | 8,514 | 2,692 | 5,190 | 3,936 |
| 11 16 days to 90 days | 23,638 | 23,400 | 22,061 | 22,802 | 24,302 | 26,464 | 25,503 | 25,190 |
| 12 91 days to 1 year | 33,118 | 34,489 | 34,720 | 34,896 | 34,132 | 31,438 | 32,101 | 37,417 |
| 13 Over 1 year to 5 years | 35,632 | 35,632 | 36,089 | 36,159 | 36,159 | 34,689 | 35,632 | 36,025 |
| 14 Over 5 years to 10 years | 11,587 | 11,587 | 11,752 | 11,752 | 11,752 | 11,519 | 11,587 | 11,752 |
| 15 Over 10 years | 16,526 | 16,526 | 16,634 | 16,634 | 16,634 | 16,203 | 16,526 | 16,634 |
| 16 Federal agency obligations—Total | 9,512 | 9,129 | 9,125 | 9,604 | 9,562 | 8,646 | 9,448 | 9,394 |
| 17 Within 15 days[1] | 477 | 93 | 0 | 639 | 697 | 71 | 518 | 529 |
| 18 16 days to 90 days | 779 | 779 | 891 | 731 | 631 | 741 | 719 | 631 |
| 19 91 days to 1 year | 1,443 | 1,444 | 1,396 | 1,396 | 1,443 | 1,465 | 1,394 | 1,443 |
| 20 Over 1 year to 5 years | 5,236 | 5,236 | 5,303 | 5,303 | 5,256 | 4,781 | 5,237 | 5,256 |
| 21 Over 5 years to 10 years | 1,004 | 1,004 | 962 | 962 | 962 | 1,015 | 1,007 | 962 |
| 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 | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | July | Aug. | Sept. | Oct. | Nov. |
| | Debits to demand deposits[1] (seasonally adjusted) | | | | | | | |
| 1 All commercial banks | 40,297.8 | 49,775.0 | 63,013.4 | 83,356.8 | 89,723.4 | 85,571.0 | 85,705.8 | 76,946.6 |
| 2 Major New York City banks | 15,008.7 | 18,512.7 | 25,192.5 | 37,282.6 | 41,877.2 | 37,477.2 | 37,144.3 | 29,184.0 |
| 3 Other banks | 25,289.1 | 31,262.3 | 37,820.9 | 46,074.2 | 47,846.3 | 48,093.8 | 48,561.5 | 47,762.6 |
| | Debits to savings deposits[2] (not seasonally adjusted) | | | | | | | |
| 4 ATS/NOW[3] | 17.1 | 83.3 | 158.4 | 798.2 | 745.0 | 820.2 | 833.4 | 753.3 |
| 5 Business[4] | 56.7 | 77.3 | 93.4 | 120.6 | 118.1 | 122.0 | 117.2 | 96.3 |
| 6 Others[5] | 359.7 | 515.2 | 605.3 | 605.5 | 595.5 | 577.0 | 581.6 | 539.7 |
| 7 All accounts | 432.9 | 675.8 | 857.2 | 1,524.3 | 1,458.6 | 1,519.2 | 1,532.2 | 1,389.2 |
| | Demand deposit turnover[1] (seasonally adjusted) | | | | | | | |
| 8 All commercial banks | 139.4 | 163.5 | 201.6 | 296.1 | 316.8 | 303.3 | 303.4 | 274.0 |
| 9 Major New York City banks | 541.9 | 646.2 | 813.7 | 1,288.6 | 1,338.1 | 1,204.4 | 1,174.1 | 961.7 |
| 10 Other banks | 96.8 | 113.3 | 134.3 | 182.4 | 189.9 | 191.6 | 193.6 | 190.7 |
| | Savings deposit turnover[2] (not seasonally adjusted) | | | | | | | |
| 11 ATS/NOW[3] | 7.0 | 7.8 | 9.7 | 14.7 | 13.5 | 14.5 | 14.6 | 12.8 |
| 12 Business[4] | 5.1 | 7.2 | 9.3 | 13.2 | 13.5 | 14.3 | 14.1 | 11.7 |
| 13 Others[5] | 1.7 | 2.7 | 3.4 | 3.9 | 3.9 | 3.9 | 3.9 | 3.6 |
| 14 All accounts | 1.9 | 3.1 | 4.2 | 6.9 | 6.7 | 7.1 | 7.2 | 6.4 |

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 | 1977 Dec. | 1978 Dec. | 1979 Dec. | 1980 Dec. | 1981 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | July | Aug. | Sept. | Oct. | Nov. |
| | Seasonally adjusted | | | | | | | | |
| MEASURES[1] | | | | | | | | | |
| 1 M1 | 336.4 | 364.2 | 390.5 | 415.6 | 430.1 | 432.8 | 431.8 | 433.0 | 437.9 |
| 2 M2 | 1,296.4 | 1,404.2 | 1,525.2 | 1,669.4 | 1,760.1 | 1,777.2 | 1,786.8 | 1,798.9r | 1,824.7 |
| 3 M3 | 1,462.5 | 1,625.9 | 1,775.6 | 1,965.1 | 2,094.0 | 2,117.5 | 2,133.7 | 2,144.2 | 2,168.4 |
| 4 L[2] | 1,722.7 | 1,936.8 | 2,151.7 | 2,378.4 | 2,519.4 | 2,550.8r | 2,574.4 | n.a. | n.a. |
| COMPONENTS | | | | | | | | | |
| 5 Currency | 88.6 | 97.4 | 106.1 | 116.1 | 120.8 | 121.2 | 121.1 | 121.4 | 122.1 |
| 6 Traveler's checks[3] | 3.1 | 3.5 | 3.8 | 4.2 | 4.1 | 4.4 | 4.5 | 4.5 | 4.6 |
| 7 Demand deposits | 239.7 | 253.9 | 262.8 | 267.4 | 236.4 | 236.7 | 234.4 | 234.7 | 235.9 |
| 8 Other checkable deposits[7] | 5.0 | 9.4 | 17.8 | 28.1 | 69.0 | 70.8 | 72.2 | 72.8 | 75.6 |
| 9 Savings deposits[4] | 486.5 | 475.5 | 416.5 | 393.0 | 349.1 | 340.7 | 334.5 | 329.6r | 331.2 |
| 10 Small-denomination time deposits[5] | 453.8 | 533.3 | 652.7 | 756.8 | 811.3 | 821.9 | 830.7 | 841.1 | 849.4 |
| 11 Large-denomination time deposits[6] | 145.1 | 194.0 | 219.7 | 256.8 | 290.3 | 296.6 | 299.9 | 298.9r | 295.9 |
| | Not seasonally adjusted | | | | | | | | |
| MEASURES[1] | | | | | | | | | |
| 12 M1 | 345.1 | 373.6 | 400.6 | 425.9 | 432.9 | 431.3 | 432.3 | 435.2r | 440.5 |
| 13 M2 | 1,299.0 | 1,409.0 | 1,531.3 | 1,675.2 | 1,765.0 | 1,773.5 | 1,783.5 | 1,800.8r | 1,822.4 |
| 14 M3 | 1,467.7 | 1,634.8 | 1,786.0 | 1,975.6 | 2,094.6 | 2,110.8 | 2,128.1 | 2,145.4 | 2,169.5 |
| 15 L[2] | 1,726.7 | 1,943.9 | 2,159.4 | 2,385.0 | 2,518.3 | 2,542.4r | 2,567.7 | n.a. | n.a. |
| COMPONENTS | | | | | | | | | |
| 16 Currency | 90.3 | 99.4 | 108.3 | 118.4 | 121.4 | 121.4 | 121.0 | 121.4 | 123.1 |
| 17 Traveler's checks[3] | 2.9 | 3.3 | 3.5 | 3.9 | 4.7 | 4.8 | 4.7 | 4.5 | 4.3 |
| 18 Demand deposits | 247.0 | 261.5 | 270.8 | 275.4 | 237.4 | 234.5 | 234.4 | 236.1 | 237.4 |
| 19 Other checkable deposits[7] | 5.0 | 9.4 | 18.2 | 28.3 | 69.7 | 70.8 | 72.6 | 73.6r | 76.1 |
| 20 Overnight RPs and Eurodollars[8] | 18.6 | 23.9 | 25.4 | 32.4 | 39.2 | 40.2 | 36.7 | 32.8r | 33.6 |
| 21 Money market mutual funds | 3.8 | 10.3 | 43.6 | 75.8 | 134.3 | 145.4 | 157.0 | 166.4 | 176.6 |
| 22 Savings deposits[4] | 483.1 | 472.6 | 413.9 | 390.2 | 352.9 | 343.7 | 337.3 | 332.9r | 330.2 |
| 23 Small-denomination time deposits[5] | 451.3 | 531.7 | 651.4 | 755.2 | 809.6 | 816.8 | 824.2 | 837.6 | 845.4 |
| 24 Large-denomination time deposits[6] | 147.7 | 198.1 | 223.9 | 261.4 | 286.0 | 293.6 | 297.6 | 298.2r | 299.3 |

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.
2. 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.

## 1.22 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE[1]

Billions of dollars, averages of daily figures

| Item | 1978 Dec. | 1979 Dec. | 1980 Dec. | 1981 Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally Adjusted | | | | | | | | | | | |
| ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2] | | | | | | | | | | | | |
| 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 Banks[1]

Billions of dollars; averages of Wednesday figures

| Category | 1978 Dec. | 1979 Dec. | 1980 Dec. | 1981 Oct | 1981 Nov. | 1978 Dec. | 1979 Dec. | 1980 Dec. | 1981 Oct. | 1981 Nov. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | Not seasonally adjusted | | | | |
| 1 **Total loans and securities[2]** | **1,013.4[3]** | **1,134.6[4]** | **1,237.0[5]** | **1,326.9** | **1,330.4** | **1,022.5[3]** | **1,145.0[4]** | **1,248.7[5]** | **1,328.9** | **1,332.7** |
| 2 U.S. Treasury securities | 93.3 | 93.8 | 110.6 | 117.1 | 113.3 | 94.5 | 95.0 | 112.1 | 114.4 | 112.1 |
| 3 Other securities | 173.2[3] | 191.8 | 213.9 | 227.1 | 230.3 | 173.9[3] | 192.6 | 214.8 | 227.3 | 230.5 |
| 4 Total loans and leases[2] | 746.9[3] | 848.9[4] | 912.5[5] | 982.7 | 986.8 | 754.2[3] | 857.4[4] | 921.8[5] | 987.1 | 990.0 |
| 5 Commercial and industrial loans | 246.1[6] | 291.1[4] | 324.9[5] | 361.7 | 362.4 | 47.7[6] | 293.0[4] | 327.1[5] | 361.4 | 362.3 |
| 6 Real estate loans | 210.5 | 241.3[4] | 260.6[5] | 278.9 | 280.2 | 210.9 | 241.8[4] | 261.1[5] | 280.3 | 281.6 |
| 7 Loans to individuals | 164.7 | 184.9 | 175.2 | 174.2 | n.a. | 165.6 | 186.0 | 176.2 | 176.1 | 175.4 |
| 8 Security loans | 19.3 | 18.6 | 17.6 | 18.7 | 20.3 | 20.6 | 19.8 | 18.8 | 18.9 | 20.8 |
| 9 Loans to nonbank financial institutions | 27.1[8] | 28.8[4] | 28.7[5] | 29.2 | 29.3 | 27.6[8] | 29.3[4] | 29.2[5] | 29.3 | 29.4 |
| 10 Agricultural loans | 28.2 | 31.1 | 31.6 | 33.0 | 33.1 | 28.1 | 30.9 | 31.4 | 33.4 | 33.2 |
| 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[3] | 44.0 | 63.0 | 74.5 | 74.8 | 46.2[3] | 47.3 | 67.1 | 75.1 | 74.6 |
| MEMO: | | | | | | | | | | |
| 13 **Total loans and securities plus loans sold[2,9]** | **1,017.1[3]** | **1,137.6[4,10]** | **1,239.8[5]** | **1,329.6** | **1,333.1** | **1,026.2[3]** | **1,148.0[4,10]** | **1,251.4[5]** | **1,331.6** | **1,335.4** |
| 14 Total loans plus loans sold[2,9] | 750.6[3] | 851.9[4,10] | 915.2[5] | 985.4 | 989.5 | 757.9[3] | 860.4[4,10] | 924.5[5] | 989.8 | 992.8 |
| 15 Total loans sold to affiliates[9] | 3.7 | 3.0[8,10] | 2.7 | 2.7 | 2.7 | 3.7 | 3.0[8,10] | 2.7 | 2.7 | 2.7 |
| 16 Commercial and industrial loans plus loans sold[9] | 248.0[6,11] | 293.1[4,10] | 326.7[5] | 363.7 | 364.5 | 249.6[6,11] | 295.0[4,10] | 328.9[5] | 363.5 | 364.5 |
| 17 Commercial and industrial loans sold[9] | 1.9[11] | 2.0[10] | 1.8 | 2.0 | 2.1 | 1.9[11] | 2.0[10] | 1.8 | 2.0 | 2.1 |
| 18 Acceptances held | 6.6 | 8.2 | 8.2 | 9.4 | 9.0 | 7.3 | 9.1 | 8.8 | 9.2 | 9.2 |
| 19 Other commercial and industrial loans | 239.5 | 282.9 | 316.8 | 352.3 | 353.4 | 240.4 | 283.9 | 318.3 | 352.2 | 353.2 |
| 20 To U.S. addressees[12] | 226.0 | 264.1 | 295.2 | 325.2 | 327.1 | 225.9 | 264.1 | 295.2 | 325.5 | 326.6 |
| 21 To non-U.S. addressees | 13.5 | 18.8 | 21.6 | 27.1 | 26.3 | 14.5 | 19.8 | 23.1 | 26.8 | 26.6 |
| 22 Loans to foreign banks | 21.5 | 18.5 | 23.2 | 24.2 | 23.4 | 23.2 | 20.0 | 24.9 | 23.7 | 22.9 |

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. Excludes loans to commercial banks in the United States.
3. As of Dec. 31, 1978, total loans and securities were reduced by $0.1 billion. "Other securities" were increased by $1.5 billion and total loans were reduced by $1.6 billion largely as the result of reclassifications of certain tax-exempt obligations. Most of the loan reduction was in "all other loans."
4. As of Jan. 3, 1979, as the result of reclassifications, total loans and securities and total loans were increased by $0.6 billion. Business loans were increased by $0.4 billion and real estate loans by $0.5 billion. Nonbank financial loans were reduced by $0.3 billion.
5. 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.
6. As of Dec. 31, 1978, commercial and industrial loans were reduced $0.1 billion as a result of reclassifications.
7. An accounting procedure change by one bank reduced commercial and industrial loans by $0.1 billion as of Apr. 1, 1981.
8. As of Dec. 1, 1978, nonbank financial loans were reduced $0.1 billion as the result of reclassification.
9. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
10. As of Dec. 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.
11. 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.
12. 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.

## 1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

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 | 119.0r | 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 | 119.9r | 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 | 112.1r | 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 | 112.9r | 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 | 4.3r | 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 | 69.3r | 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 | 69.1r | 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 | 12.2r | 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 | 13.4r | 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 | 323.5r | 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 | 322.2r | 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.$^r$ | Mar.$^r$ | Apr.$^r$ | May$^r$ | June$^r$ | July$^r$ | Aug.$^r$ | Sept.$^r$ | Oct.$^r$ | Nov.$^r$ | Dec. |
| DOMESTICALLY CHARTERED COMMERCIAL BANKS[1] | | | | | | | | | | | |
| 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 | 18.3 | 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 INSTITUTIONS[3] | | | | | | | | | | | |
| 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 | 233.7 | 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 nonmember 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 quarter-end 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.

## 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 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 4 | Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2[p] | Dec. 9[p] | Dec. 16[p] | Dec. 23[p] | Dec. 30[p] |
| 1 Cash items in process of collection | 54,236 | 52,394 | 52,228 | 53,083 | 56,168 | 45,952 | 54,982 | 57,555 | 54,959 |
| 2 Demand deposits due from banks in the United States | 7,378 | 7,096 | 7,089 | 6,458 | 8,037 | 6,710 | 7,646 | 8,052 | 8,262 |
| 3 All other cash and due from depository institutions | 35,249 | 32,342 | 33,845 | 33,164 | 35,271 | 36,706 | 35,588 | 39,147 | 36,171 |
| **4 Total loans and securities** | **595,347** | **595,550** | **597,360** | **598,042** | **606,494** | **599,886** | **606,994** | **603,250** | **608,740** |
| *Securities* | | | | | | | | | |
| 5 U.S. Treasury securities | 37,523 | 36,620 | 36,912 | 36,605 | 37,617 | 38,109 | 37,846 | 36,729 | 36,929 |
| 6 Trading account | 6,291 | 5,797 | 6,312 | 6,232 | 6,819 | 7,431 | 6,852 | 5,925 | 5,947 |
| 7 Investment account, by maturity | 31,232 | 30,824 | 30,600 | 30,373 | 30,798 | 30,678 | 30,994 | 30,804 | 30,982 |
| 8 One year or less | 9,654 | 9,495 | 9,208 | 9,028 | 9,184 | 9,384 | 9,638 | 9,599 | 9,966 |
| 9 Over one through five years | 18,026 | 17,846 | 18,096 | 18,134 | 18,413 | 18,141 | 18,205 | 18,062 | 17,884 |
| 10 Over five years | 3,552 | 3,482 | 3,295 | 3,211 | 3,201 | 3,153 | 3,151 | 3,142 | 3,133 |
| 11 Other securities | 80,802 | 79,355 | 79,402 | 79,392 | 81,699 | 79,973 | 80,221 | 80,195 | 80,214 |
| 12 Trading account | 4,746 | 3,052 | 3,107 | 2,983 | 5,356 | 3,636 | 3,903 | 3,742 | 3,879 |
| 13 Investment account | 76,056 | 76,302 | 76,295 | 76,409 | 76,343 | 76,337 | 76,318 | 76,453 | 76,334 |
| 14 U.S. government agencies | 16,184 | 16,273 | 16,435 | 16,468 | 16,467 | 16,500 | 16,435 | 16,367 | 16,370 |
| 15 States and political subdivisions, by maturity | 56,999 | 57,095 | 56,963 | 57,041 | 56,944 | 56,907 | 56,953 | 57,171 | 57,062 |
| 16 One year or less | 8,306 | 8,345 | 8,328 | 8,290 | 8,321 | 8,236 | 8,238 | 8,249 | 8,132 |
| 17 Over one year | 48,694 | 48,750 | 48,635 | 48,751 | 48,622 | 48,672 | 48,715 | 48,922 | 48,930 |
| 18 Other bonds, corporate stocks and securities | 2,873 | 2,935 | 2,897 | 2,899 | 2,933 | 2,929 | 2,930 | 2,916 | 2,903 |
| *Loans* | | | | | | | | | |
| 19 Federal funds sold[1] | 30,700 | 34,266 | 34,280 | 32,541 | 33,692 | 33,140 | 35,555 | 32,819 | 35,565 |
| 20 To commercial banks | 22,358 | 25,435 | 25,252 | 23,233 | 23,496 | 22,675 | 24,619 | 22,582 | 25,693 |
| 21 To nonbank brokers and dealers in securities | 6,026 | 6,584 | 7,370 | 7,375 | 8,241 | 8,134 | 8,299 | 7,727 | 7,589 |
| 22 To others | 2,315 | 2,247 | 1,657 | 1,933 | 1,955 | 2,330 | 2,637 | 2,510 | 2,283 |
| 23 Other loans, gross | 458,747 | 457,744 | 459,227 | 461,983 | 465,990 | 461,216 | 465,903 | 466,019 | 468,431 |
| 24 Commercial and industrial | 189,692 | 188,755 | 189,537 | 189,923 | 191,881 | 191,900 | 193,579 | 192,807 | 195,535 |
| 25 Bankers acceptances and commercial paper | 3,942 | 3,779 | 3,499 | 3,674 | 4,760 | 4,761 | 4,992 | 4,540 | 4,298 |
| 26 All other | 185,750 | 184,976 | 186,037 | 186,248 | 187,121 | 187,139 | 188,587 | 188,267 | 191,238 |
| 27 U.S. addressees | 178,473 | 177,749 | 178,837 | 178,887 | 179,739 | 180,195 | 181,693 | 181,324 | 184,484 |
| 28 Non-U.S. addressees | 7,277 | 7,227 | 7,200 | 7,362 | 7,382 | 6,944 | 6,894 | 6,943 | 6,754 |
| 29 Real estate | 122,767 | 123,137 | 123,565 | 123,742 | 123,760 | 123,801 | 124,408 | 124,399 | 124,573 |
| 30 To individuals for personal expenditures | 73,212 | 73,239 | 73,292 | 73,577 | 73,805 | 73,898 | 74,207 | 74,770 | 75,213 |
| To financial institutions | | | | | | | | | |
| 31 Commercial banks in the United States | 7,005 | 6,833 | 7,141 | 7,177 | 7,721 | 6,991 | 7,302 | 7,248 | 7,069 |
| 32 Banks in foreign countries | 8,909 | 9,065 | 9,134 | 9,273 | 9,743 | 8,569 | 9,103 | 8,710 | 8,034 |
| 33 Sales finance, personal finance companies, etc | 10,233 | 10,018 | 10,053 | 10,102 | 10,506 | 10,370 | 10,303 | 10,114 | 10,809 |
| 34 Other financial institutions | 15,796 | 16,050 | 15,970 | 15,903 | 15,880 | 15,746 | 15,923 | 16,067 | 16,041 |
| 35 To nonbank brokers and dealers in securities | 6,945 | 6,987 | 6,434 | 8,000 | 8,047 | 7,246 | 7,649 | 8,328 | 7,946 |
| 36 To others for purchasing and carrying securities[2] | 2,610 | 2,645 | 2,625 | 2,624 | 2,626 | 2,670 | 2,696 | 2,666 | 2,811 |
| 37 To finance agricultural production | 5,877 | 5,863 | 5,847 | 5,781 | 5,762 | 5,733 | 5,699 | 5,871 | 5,716 |
| 38 All other | 15,702 | 15,151 | 15,628 | 15,880 | 16,258 | 14,290 | 15,033 | 15,040 | 14,684 |
| 39 LESS: Unearned income | 5,905 | 5,894 | 5,904 | 5,911 | 5,878 | 5,886 | 5,893 | 5,911 | 5,836 |
| 40 Loan loss reserve | 6,520 | 6,542 | 6,556 | 6,568 | 6,626 | 6,665 | 6,638 | 6,601 | 6,562 |
| 41 Other loans, net | 446,322 | 445,309 | 446,766 | 449,504 | 453,485 | 448,664 | 453,372 | 453,507 | 456,032 |
| 42 Lease financing receivables | 10,642 | 10,632 | 10,680 | 10,678 | 10,683 | 10,683 | 10,692 | 10,705 | 10,781 |
| 43 All other assets | 102,483 | 99,252 | 99,886 | 99,180 | 105,449 | 105,009 | 107,558 | 108,208 | 108,321 |
| **44 Total assets** | **805,337** | **797,267** | **801,089** | **800,605** | **822,102** | **804,946** | **823,460** | **826,917** | **827,234** |
| *Deposits* | | | | | | | | | |
| 45 Demand deposits | 181,962 | 171,489 | 173,498 | 172,367 | 186,250 | 168,467 | 183,259 | 186,179 | 187,694 |
| 46 Mutual savings banks | 816 | 631 | 599 | 529 | 647 | 559 | 572 | 505 | 556 |
| 47 Individuals, partnerships, and corporations | 135,051 | 128,730 | 128,903 | 129,427 | 137,902 | 127,439 | 135,408 | 138,738 | 140,532 |
| 48 States and political subdivisions | 4,734 | 4,215 | 4,462 | 4,835 | 5,002 | 4,277 | 5,191 | 5,219 | 5,252 |
| 49 U.S. government | 3,022 | 1,236 | 2,801 | 1,836 | 1,114 | 1,319 | 2,706 | 2,191 | 2,147 |
| 50 Commercial banks in the United States | 21,386 | 20,438 | 19,061 | 19,704 | 22,158 | 18,324 | 21,586 | 21,295 | 21,896 |
| 51 Banks in foreign countries | 8,379 | 7,404 | 8,093 | 8,013 | 9,349 | 8,271 | 8,666 | 8,535 | 8,206 |
| 52 Foreign governments and official institutions | 1,152 | 1,561 | 1,026 | 875 | 933 | 1,597 | 1,272 | 1,125 | 1,211 |
| 53 Certified and officers' checks | 7,422 | 7,274 | 8,554 | 7,148 | 9,144 | 6,682 | 7,858 | 8,570 | 7,895 |
| 54 Time and savings deposits | 351,082 | 351,989 | 354,118 | 357,585 | 357,550 | 359,404 | 360,797 | 362,688 | 363,093 |
| 55 Savings | 75,987 | 75,902 | 75,974 | 75,729 | 76,950 | 77,050 | 77,146 | 76,958 | 77,196 |
| 56 Individuals and nonprofit organizations | 72,484 | 72,334 | 72,319 | 72,054 | 73,275 | 73,434 | 73,541 | 73,420 | 73,654 |
| 57 Partnerships and corporations operated for profit | 2,955 | 2,985 | 2,957 | 3,011 | 3,056 | 3,071 | 3,028 | 2,977 | 2,986 |
| 58 Domestic governmental units | 523 | 558 | 675 | 634 | 589 | 517 | 550 | 534 | 532 |
| 59 All other | 25 | 24 | 24 | 30 | 29 | 27 | 26 | 26 | 24 |
| 60 Time | 275,096 | 276,087 | 278,143 | 281,856 | 280,600 | 282,354 | 283,651 | 285,730 | 285,897 |
| 61 Individuals, partnerships, and corporations | 241,910 | 242,490 | 244,073 | 246,811 | 246,067 | 247,819 | 248,901 | 250,533 | 250,863 |
| 62 States and political subdivisions | 19,490 | 19,694 | 19,947 | 20,302 | 19,827 | 19,798 | 19,803 | 19,921 | 19,869 |
| 63 U.S. government | 233 | 272 | 270 | 267 | 263 | 249 | 233 | 240 | 239 |
| 64 Commercial banks in the United States | 8,585 | 8,765 | 8,869 | 9,419 | 9,520 | 9,638 | 9,737 | 9,984 | 9,852 |
| 65 Foreign governments, official institutions, and banks | 4,878 | 4,865 | 4,983 | 5,056 | 4,923 | 4,849 | 4,977 | 5,052 | 5,073 |
| Liabilities for borrowed money | | | | | | | | | |
| 66 Borrowings from Federal Reserve Banks | 1,385 | 1,890 | 1,027 | 446 | 200 | 2,960 | 98 | 660 | 436 |
| 67 Treasury tax-and-loan notes | 4,581 | 3,417 | 3,139 | 3,108 | 5,118 | 1,294 | 6,351 | 9,096 | 10,016 |
| 68 All other liabilities for borrowed money[3] | 135,941 | 141,940 | 139,666 | 136,662 | 141,447 | 142,256 | 141,133 | 138,691 | 139,229 |
| 69 Other liabilities and subordinated notes and debentures | 76,482 | 72,576 | 75,908 | 76,859 | 77,444 | 76,438 | 77,925 | 75,827 | 73,296 |
| **70 Total liabilities** | **751,433** | **743,302** | **747,357** | **747,027** | **768,009** | **750,819** | **769,563** | **773,141** | **773,765** |
| 71 Residual (total assets minus total liabilities)[4] | 53,903 | 53,965 | 53,732 | 53,578 | 54,093 | 54,127 | 53,896 | 53,776 | 53,469 |

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.

# 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 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 4 | Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2^p | Dec. 9^p | Dec. 16^p | Dec. 23^p | Dec. 30^p |
| 1 Cash items in process of collection | 51,061 | 49,330 | 49,448 | 49,938 | 52,999 | 43,366 | 51,874 | 54,274 | 51,632 |
| 2 Demand deposits due from banks in the United States | 6,585 | 6,415 | 6,455 | 5,883 | 7,387 | 6,132 | 6,981 | 7,372 | 7,623 |
| 3 All other cash and due from depository institutions | 33,288 | 30,361 | 31,728 | 30,918 | 33,103 | 34,592 | 33,334 | 36,581 | 33,663 |
| 4 **Total loans and securities** | **555,596** | **555,890** | **557,526** | **558,149** | **566,141** | **559,691** | **566,514** | **562,934** | **568,189** |
| *Securities* | | | | | | | | | |
| 5 U.S. Treasury securities | 34,117 | 33,176 | 33,532 | 33,269 | 34,315 | 34,825 | 34,544 | 33,439 | 33,643 |
| 6 Trading account | 6,194 | 5,690 | 6,193 | 6,099 | 6,701 | 7,319 | 6,741 | 5,828 | 5,887 |
| 7 Investment account, by maturity | 27,924 | 27,486 | 27,340 | 27,171 | 27,614 | 27,506 | 27,804 | 27,611 | 27,756 |
| 8 One year or less | 8,723 | 8,531 | 8,268 | 8,092 | 8,223 | 8,394 | 8,642 | 8,594 | 8,916 |
| 9 Over one through five years | 15,960 | 15,785 | 16,084 | 16,168 | 16,478 | 16,252 | 16,304 | 16,169 | 16,000 |
| 10 Over five years | 3,240 | 3,170 | 2,987 | 2,910 | 2,912 | 2,859 | 2,857 | 2,847 | 2,840 |
| 11 Other securities | 74,410 | 72,937 | 72,951 | 72,916 | 75,230 | 73,542 | 73,794 | 73,776 | 73,778 |
| 12 Trading account | 4,660 | 2,946 | 2,998 | 2,858 | 5,228 | 3,542 | 3,801 | 3,643 | 3,762 |
| 13 Investment account | 69,750 | 69,990 | 69,952 | 70,058 | 70,003 | 69,999 | 69,993 | 70,133 | 70,015 |
| 14 U.S. government agencies | 14,990 | 15,063 | 15,198 | 15,236 | 15,244 | 15,274 | 15,230 | 15,163 | 15,162 |
| 15 States and political subdivision, by maturity | 52,060 | 52,170 | 52,035 | 52,100 | 52,005 | 51,975 | 52,013 | 52,234 | 52,131 |
| 16 One year or less | 7,493 | 7,536 | 7,512 | 7,476 | 7,502 | 7,378 | 7,374 | 7,406 | 7,297 |
| 17 Over one year | 44,567 | 44,633 | 44,523 | 44,624 | 44,503 | 44,597 | 44,639 | 44,828 | 44,834 |
| 18 Other bonds, corporate stocks and securities | 2,700 | 2,758 | 2,720 | 2,722 | 2,754 | 2,751 | 2,750 | 2,736 | 2,723 |
| *Loans* | | | | | | | | | |
| 19 Federal funds sold[1] | 26,809 | 30,428 | 30,353 | 28,577 | 29,377 | 28,913 | 31,303 | 28,940 | 31,709 |
| 20 To commercial banks | 19,130 | 22,190 | 21,997 | 19,925 | 19,681 | 19,049 | 20,940 | 19,273 | 22,441 |
| 21 To nonbank brokers and dealers in securities | 5,393 | 6,024 | 6,734 | 6,774 | 7,791 | 7,567 | 7,765 | 7,230 | 7,028 |
| 22 To others | 2,285 | 2,214 | 1,622 | 1,878 | 1,905 | 2,296 | 2,598 | 2,436 | 2,239 |
| 23 Other loans, gross | 431,656 | 430,756 | 432,120 | 434,834 | 438,694 | 433,930 | 438,370 | 438,264 | 440,435 |
| 24 Commercial and industrial | 180,428 | 179,540 | 180,258 | 180,590 | 182,543 | 182,553 | 184,118 | 183,229 | 185,789 |
| 25 Bankers acceptances and commercial paper | 3,843 | 3,678 | 3,378 | 3,567 | 4,640 | 4,642 | 4,869 | 4,396 | 4,147 |
| 26 All other | 176,586 | 175,862 | 176,880 | 177,023 | 177,902 | 177,911 | 179,249 | 178,833 | 181,642 |
| 27 U.S. addressees | 169,390 | 168,713 | 169,762 | 169,735 | 170,601 | 171,045 | 172,438 | 171,974 | 174,966 |
| 28 Non-U.S. addressees | 7,196 | 7,150 | 7,118 | 7,288 | 7,302 | 6,866 | 6,811 | 6,858 | 6,676 |
| 29 Real estate | 116,017 | 116,381 | 116,784 | 116,957 | 116,953 | 116,992 | 117,555 | 117,577 | 117,757 |
| 30 To individuals for personal expenditures | 64,134 | 64,164 | 64,207 | 64,462 | 64,608 | 64,676 | 64,938 | 65,440 | 65,813 |
| To financial institutions | | | | | | | | | |
| 31 Commercial banks in the United States | 6,805 | 6,673 | 6,982 | 7,030 | 7,564 | 6,834 | 7,142 | 7,060 | 6,861 |
| 32 Banks in foreign countries | 8,840 | 9,000 | 9,060 | 9,196 | 9,652 | 8,501 | 9,038 | 8,627 | 7,955 |
| 33 Sales finance, personal finance companies, etc | 10,096 | 9,880 | 9,913 | 9,962 | 10,367 | 10,232 | 10,154 | 9,962 | 10,669 |
| 34 Other financial institutions | 15,374 | 15,624 | 15,555 | 15,528 | 15,480 | 15,343 | 15,502 | 15,654 | 15,659 |
| 35 To nonbank brokers and dealers in securities | 6,888 | 6,933 | 6,374 | 7,953 | 7,995 | 7,196 | 7,597 | 8,276 | 7,886 |
| 36 To others for purchasing and carrying securities[2] | 2,365 | 2,396 | 2,372 | 2,370 | 2,378 | 2,419 | 2,446 | 2,416 | 2,559 |
| 37 To finance agricultural production | 5,730 | 5,715 | 5,700 | 5,638 | 5,624 | 5,596 | 5,566 | 5,736 | 5,583 |
| 38 All other | 14,978 | 14,450 | 14,914 | 15,147 | 15,531 | 13,588 | 14,314 | 14,288 | 13,902 |
| 39 LESS: Unearned income | 5,262 | 5,250 | 5,259 | 5,266 | 5,242 | 5,247 | 5,253 | 5,271 | 5,198 |
| 40 Loan loss reserve | 6,135 | 6,156 | 6,170 | 6,182 | 6,234 | 6,271 | 6,244 | 6,213 | 6,178 |
| 41 Other loans, net | 420,259 | 419,350 | 420,690 | 423,386 | 427,218 | 422,412 | 426,873 | 426,780 | 429,059 |
| 42 Lease financing receivables | 10,338 | 10,322 | 10,370 | 10,368 | 10,372 | 10,373 | 10,376 | 10,382 | 10,442 |
| 43 All other assets | 99,651 | 96,436 | 97,021 | 96,398 | 102,539 | 102,060 | 104,496 | 105,028 | 105,082 |
| 44 **Total assets** | **756,518** | **748,755** | **752,548** | **751,654** | **772,540** | **756,213** | **773,576** | **776,571** | **776,632** |
| *Deposits* | | | | | | | | | |
| 45 Demand deposits | 169,824 | 159,896 | 161,780 | 160,398 | 173,653 | 156,899 | 170,547 | 173,438 | 174,582 |
| 46 Mutual savings banks | 780 | 601 | 577 | 512 | 627 | 539 | 550 | 486 | 543 |
| 47 Individuals, partnerships, and corporations | 125,682 | 119,595 | 119,751 | 120,026 | 127,980 | 118,204 | 125,620 | 128,940 | 130,346 |
| 48 States and political subdivisions | 4,222 | 3,754 | 3,929 | 4,231 | 4,446 | 3,814 | 4,526 | 4,500 | 4,611 |
| 49 U.S. government | 2,760 | 1,145 | 2,573 | 1,686 | 984 | 1,216 | 2,427 | 1,974 | 1,944 |
| 50 Commercial banks in the United States | 19,830 | 18,920 | 17,653 | 18,251 | 20,576 | 16,908 | 20,050 | 19,720 | 20,308 |
| 51 Banks in foreign countries | 8,294 | 7,332 | 8,016 | 7,947 | 9,271 | 8,201 | 8,592 | 8,446 | 8,074 |
| 52 Foreign governments and official institutions | 1,151 | 1,560 | 1,024 | 874 | 931 | 1,596 | 1,265 | 1,113 | 1,209 |
| 53 Certified and officers' checks | 7,105 | 6,989 | 8,257 | 6,870 | 8,837 | 6,421 | 7,518 | 8,258 | 7,546 |
| 54 Time and savings deposits | 328,325 | 329,017 | 331,163 | 334,485 | 334,458 | 336,173 | 337,586 | 339,459 | 339,879 |
| 55 Savings | 70,218 | 70,185 | 70,242 | 69,996 | 71,132 | 71,204 | 71,297 | 71,141 | 71,328 |
| 56 Individuals and nonprofit organizations | 66,977 | 66,880 | 66,848 | 66,582 | 67,722 | 67,854 | 67,956 | 67,858 | 68,050 |
| 57 Partnerships and corporations operated for profit | 2,728 | 2,757 | 2,732 | 2,782 | 2,828 | 2,840 | 2,798 | 2,752 | 2,761 |
| 58 Domestic governmental units | 488 | 524 | 638 | 602 | 553 | 482 | 516 | 504 | 493 |
| 59 All other | 25 | 24 | 24 | 30 | 29 | 27 | 26 | 26 | 24 |
| 60 Time | 258,107 | 258,833 | 260,922 | 264,489 | 263,326 | 264,970 | 266,289 | 268,318 | 268,551 |
| 61 Individuals, partnerships, and corporations | 226,977 | 227,376 | 228,984 | 231,581 | 230,971 | 232,597 | 233,670 | 235,280 | 235,650 |
| 62 States and political subdivisions | 17,799 | 17,942 | 18,198 | 18,544 | 18,028 | 18,012 | 18,044 | 18,184 | 18,156 |
| 63 U.S. government | 223 | 262 | 260 | 257 | 253 | 240 | 223 | 230 | 229 |
| 64 Commercial banks in the United States | 8,230 | 8,388 | 8,496 | 9,050 | 9,151 | 9,272 | 9,374 | 9,571 | 9,443 |
| 65 Foreign governments, official institutions, and banks | 4,878 | 4,865 | 4,983 | 5,056 | 4,923 | 4,849 | 4,977 | 5,052 | 5,073 |
| Liabilities for borrowed money | | | | | | | | | |
| 66 Borrowings from Federal Reserve Banks | 1,385 | 1,788 | 1,027 | 408 | 200 | 2,960 | 98 | 645 | 436 |
| 67 Treasury tax-and-loan notes | 4,192 | 3,177 | 2,836 | 2,834 | 4,744 | 1,182 | 5,893 | 8,376 | 9,211 |
| 68 All other liabilities for borrowed money[3] | 127,529 | 133,572 | 131,285 | 128,447 | 133,345 | 133,828 | 132,936 | 130,458 | 131,192 |
| 69 Other liabilities and subordinated notes and debentures | 74,802 | 70,830 | 74,191 | 74,982 | 75,544 | 74,524 | 76,088 | 73,890 | 71,386 |
| 70 **Total liabilities** | **706,056** | **698,280** | **702,282** | **701,555** | **721,944** | **705,566** | **723,148** | **726,267** | **726,687** |
| 71 Residual (total assets minus total liabilities)[4] | 50,462 | 50,476 | 50,266 | 50,099 | 50,597 | 50,647 | 50,428 | 50,305 | 49,945 |

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 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 4 | Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2p | Dec. 9p | Dec. 16p | Dec. 23p | Dec. 30p |
| 1 Cash items in process of collection | 16,826 | 15,389 | 16,432 | 15,516 | 17,378 | 14,053 | 16,463 | 17,836 | 17,269 |
| 2 Demand deposits due from banks in the United States | 1,135 | 943 | 1,230 | 1,141 | 1,641 | 1,337 | 1,356 | 1,279 | 1,361 |
| 3 All other cash and due from depository institutions | 8,788 | 8,324 | 7,839 | 7,413 | 8,566 | 9,364 | 9,660 | 10,444 | 9,812 |
| **4 Total loans and securities[1]** | **134,365** | **134,818** | **134,876** | **137,820** | **137,739** | **133,801** | **136,911** | **134,866** | **135,997** |
| *Securities* | | | | | | | | | |
| 5 U.S. Treasury securities[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 6 Trading account[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 7 Investment account, by maturity | 7,945 | 7,747 | 7,629 | 7,230 | 7,321 | 7,001 | 7,054 | 7,013 | 6,907 |
| 8 One year or less | 1,882 | 1,848 | 1,608 | 1,268 | 1,240 | 1,225 | 1,218 | 1,218 | 1,213 |
| 9 Over one through five years | 5,186 | 5,077 | 5,323 | 5,287 | 5,402 | 5,145 | 5,236 | 5,194 | 5,093 |
| 10 Over five years | 877 | 822 | 698 | 675 | 679 | 631 | 601 | 601 | 601 |
| 11 Other securities[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 12 Trading account[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 13 Investment account | 14,709 | 14,757 | 14,758 | 14,801 | 14,816 | 14,739 | 14,786 | 14,862 | 14,750 |
| 14 U.S. government agencies | 2,298 | 2,313 | 2,370 | 2,367 | 2,360 | 2,360 | 2,354 | 2,352 | 2,353 |
| 15 States and political subdivision, by maturity | 11,630 | 11,626 | 11,598 | 11,640 | 11,646 | 11,573 | 11,598 | 11,675 | 11,552 |
| 16 One year or less | 1,953 | 1,941 | 1,941 | 1,934 | 1,983 | 1,907 | 1,933 | 2,020 | 1,964 |
| 17 Over one year | 9,677 | 9,685 | 9,656 | 9,706 | 9,663 | 9,666 | 9,665 | 9,654 | 9,589 |
| 18 Other bonds, corporate stocks and securities | 781 | 818 | 790 | 794 | 810 | 806 | 835 | 834 | 844 |
| *Loans* | | | | | | | | | |
| 19 Federal funds sold[3] | 7,025 | 8,117 | 8,463 | 9,514 | 8,461 | 7,796 | 9,944 | 8,038 | 8,215 |
| 20 To commercial banks | 3,432 | 4,045 | 4,668 | 5,440 | 3,452 | 2,943 | 4,861 | 3,252 | 3,825 |
| 21 To nonbank brokers and dealers in securities | 2,405 | 2,928 | 3,045 | 3,214 | 4,011 | 3,565 | 3,591 | 3,456 | 3,289 |
| 22 To others | 1,187 | 1,144 | 750 | 860 | 998 | 1,288 | 1,492 | 1,329 | 1,101 |
| 23 Other loans, gross | 108,086 | 107,602 | 107,438 | 109,710 | 110,592 | 107,741 | 108,609 | 108,417 | 109,585 |
| 24 Commercial and industrial | 55,118 | 54,848 | 54,966 | 55,032 | 55,670 | 55,126 | 55,086 | 54,994 | 56,225 |
| 25 Bankers acceptances and commercial paper | 1,190 | 1,082 | 996 | 1,116 | 1,453 | 1,408 | 1,411 | 1,292 | 1,265 |
| 26 All other | 53,928 | 53,766 | 53,971 | 53,916 | 54,217 | 53,718 | 53,675 | 53,701 | 54,960 |
| 27 U.S. addressees | 51,567 | 51,445 | 51,712 | 51,637 | 51,936 | 51,862 | 51,964 | 52,090 | 53,446 |
| 28 Non-U.S. addressees | 2,362 | 2,321 | 2,259 | 2,279 | 2,280 | 1,856 | 1,711 | 1,611 | 1,514 |
| 29 Real estate | 17,259 | 17,393 | 17,403 | 17,412 | 17,411 | 17,362 | 17,561 | 17,512 | 17,528 |
| 30 *To individuals for personal expenditures* | *10,744* | *10,781* | *10,793* | *10,838* | *10,884* | *10,950* | *11,012* | *11,096* | *11,150* |
| 31 To financial institutions Commercial banks in the United States | 2,144 | 1,860 | 1,988 | 1,954 | 2,258 | 2,113 | 2,157 | 1,995 | 2,001 |
| 32 Banks in foreign countries | 4,266 | 4,500 | 4,380 | 4,505 | 4,754 | 3,735 | 4,256 | 3,632 | 3,467 |
| 33 Sales finance, personal finance companies, etc. | 4,261 | 4,062 | 4,081 | 4,121 | 4,352 | 4,249 | 4,179 | 3,948 | 4,443 |
| 34 Other financial institutions | 4,573 | 4,679 | 4,578 | 4,652 | 4,495 | 4,602 | 4,562 | 4,612 | 4,595 |
| 35 To nonbank brokers and dealers in securities | 3,867 | 4,116 | 3,706 | 5,321 | 4,904 | 4,329 | 4,640 | 5,240 | 5,090 |
| 36 To others for purchasing and carrying securities[4] | 614 | 604 | 567 | 580 | 595 | 597 | 616 | 612 | 724 |
| 37 To finance agricultural production | 321 | 316 | 318 | 313 | 317 | 322 | 325 | 481 | 277 |
| 38 All other | 4,917 | 4,443 | 4,657 | 4,982 | 4,953 | 4,355 | 4,213 | 4,295 | 4,087 |
| 39 LESS: Unearned income | 1,339 | 1,335 | 1,336 | 1,350 | 1,340 | 1,348 | 1,364 | 1,370 | 1,374 |
| 40 Loan loss reserve | 2,061 | 2,070 | 2,076 | 2,085 | 2,112 | 2,127 | 2,118 | 2,092 | 2,086 |
| 41 Other loans, net | 104,686 | 104,197 | 104,026 | 106,275 | 107,140 | 104,266 | 105,126 | 104,954 | 106,126 |
| 42 Lease financing receivables | 2,264 | 2,249 | 2,260 | 2,260 | 2,254 | 2,251 | 2,252 | 2,250 | 2,258 |
| 43 All other assets[5] | 44,491 | 40,653 | 41,490 | 38,732 | 45,660 | 42,457 | 42,852 | 43,354 | 43,264 |
| **44 Total assets** | **207,869** | **202,377** | **204,128** | **202,883** | **213,238** | **203,263** | **209,495** | **210,029** | **209,961** |
| *Deposits* | | | | | | | | | |
| 45 *Demand deposits* | 52,864 | 47,556 | 49,338 | 48,174 | 53,959 | 45,717 | 51,352 | 53,401 | 52,326 |
| 46 Mutual savings banks | 377 | 300 | 279 | 246 | 318 | 277 | 265 | 215 | 268 |
| 47 Individuals, partnerships, and corporations | 34,936 | 31,202 | 31,922 | 31,742 | 34,980 | 29,751 | 32,972 | 35,143 | 34,733 |
| 48 States and political subdivisions | 353 | 366 | 363 | 410 | 598 | 424 | 587 | 494 | 424 |
| 49 U.S. government | 543 | 327 | 695 | 474 | 152 | 379 | 680 | 507 | 500 |
| 50 Commercial banks in the United States | 5,861 | 4,990 | 4,297 | 4,879 | 5,391 | 4,044 | 5,309 | 4,824 | 5,434 |
| 51 Banks in foreign countries | 6,698 | 5,733 | 6,398 | 6,356 | 7,549 | 6,626 | 6,840 | 6,790 | 6,387 |
| 52 Foreign governments and official institutions | 916 | 1,294 | 757 | 693 | 714 | 1,334 | 1,011 | 848 | 919 |
| 53 Certified and officers' checks | 3,180 | 3,342 | 4,626 | 3,374 | 4,257 | 2,883 | 3,688 | 4,581 | 3,661 |
| 54 Time and savings deposits | 63,839 | 63,538 | 64,060 | 66,004 | 66,995 | 67,033 | 67,278 | 67,310 | 66,460 |
| 55 Savings | 9,143 | 9,200 | 9,261 | 9,224 | 9,278 | 9,263 | 9,346 | 9,260 | 9,323 |
| 56 Individuals and nonprofit organizations | 8,785 | 8,814 | 8,818 | 8,801 | 8,905 | 8,896 | 8,984 | 8,910 | 8,970 |
| 57 Partnerships and corporations operated for profit | 245 | 249 | 251 | 252 | 256 | 259 | 255 | 249 | 256 |
| 58 Domestic governmental units | 111 | 135 | 190 | 168 | 114 | 105 | 104 | 99 | 94 |
| 59 All other | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 2 |
| 60 Time | 54,696 | 54,338 | 54,798 | 56,780 | 57,717 | 57,771 | 57,932 | 58,050 | 57,137 |
| 61 Individuals, partnerships, and corporations | 47,523 | 47,179 | 47,532 | 48,974 | 49,862 | 49,753 | 49,810 | 49,848 | 49,051 |
| 62 States and political subdivisions | 2,101 | 2,053 | 2,029 | 2,178 | 2,141 | 2,135 | 2,139 | 2,098 | 2,073 |
| 63 U.S. government | 37 | 38 | 26 | 19 | 18 | 18 | 21 | 25 | 25 |
| 64 Commercial banks in the United States | 2,606 | 2,646 | 2,762 | 3,157 | 3,303 | 3,460 | 3,487 | 3,573 | 3,504 |
| 65 Foreign governments, official institutions, and banks | 2,429 | 2,422 | 2,449 | 2,451 | 2,393 | 2,404 | 2,476 | 2,506 | 2,484 |
| Liabilities for borrowed money | | | | | | | | | |
| 66 Borrowings from Federal Reserve Banks | 1,175 | ........ | 950 | 170 | 200 | 2,145 | ........ | ........ | ........ |
| 67 Treasury tax-and-loan notes | 1,038 | 913 | 696 | 852 | 1,338 | 229 | 1,810 | 2,654 | 2,856 |
| 68 All other liabilities for borrowed money[6] | 41,418 | 45,684 | 42,523 | 40,183 | 41,705 | 41,551 | 40,981 | 39,469 | 42,004 |
| 69 Other liabilities and subordinated notes and debentures | 30,615 | 27,731 | 29,817 | 30,810 | 32,097 | 29,473 | 31,088 | 30,241 | 29,678 |
| **70 Total liabilities** | **190,948** | **185,422** | **187,385** | **186,192** | **196,295** | **186,148** | **192,509** | **193,076** | **193,323** |
| 71 Residual (total assets minus total liabilities)[7] | 16,921 | 16,956 | 16,743 | 16,691 | 16,943 | 17,115 | 16,986 | 16,953 | 16,638 |

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 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov. 4 | Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2p | Dec. 9p | Dec. 16p | Dec. 23p | Dec. 30p |
| **Banks with Assets of $750 Million or More** | | | | | | | | | |
| 1 Total loans (gross) and securities adjusted[1] | 578,410 | 575,717 | 577,427 | 580,111 | 587,782 | 582,771 | 587,604 | 585,932 | 588,376 |
| 2 Total loans (gross) adjusted[1] | 460,084 | 459,742 | 461,113 | 464,114 | 468,465 | 464,689 | 469,537 | 469,008 | 471,234 |
| 3 Demand deposits adjusted[2] | 103,317 | 97,420 | 99,408 | 97,743 | 106,810 | 102,873 | 103,984 | 105,137 | 108,693 |
| 4 Time deposits in accounts of $100,000 or more | 178,331 | 179,062 | 180,806 | 184,236 | 182,731 | 184,355 | 185,678 | 187,870 | 187,988 |
| 5 Negotiable CDs | 128,105 | 128,021 | 129,344 | 132,638 | 131,760 | 133,362 | 134,955 | 137,033 | 137,514 |
| 6 Other time deposits | 50,226 | 51,041 | 51,462 | 51,598 | 50,972 | 50,993 | 50,722 | 50,838 | 50,474 |
| 7 Loans sold outright to affiliates[3] | 2,703 | 2,756 | 2,712 | 2,749 | 2,786 | 2,742 | 2,848 | 2,824 | 2,848 |
| 8 Commercial and industrial | 2,059 | 2,136 | 2,089 | 2,124 | 2,145 | 2,095 | 2,196 | 2,175 | 2,210 |
| 9 Other | 644 | 620 | 623 | 624 | 641 | 647 | 652 | 649 | 638 |
| **Banks with Assets of $1 Billion or More** | | | | | | | | | |
| 10 Total loans (gross) and securities adjusted[1] | 541,057 | 538,433 | 539,976 | 542,642 | 550,372 | 545,326 | 549,929 | 548,085 | 550,262 |
| 11 Total loans (gross) adjusted[1] | 432,529 | 432,321 | 433,493 | 436,456 | 440,827 | 436,960 | 441,590 | 440,870 | 442,842 |
| 12 Demand deposits adjusted[2] | 96,173 | 90,501 | 92,106 | 90,523 | 99,094 | 95,408 | 96,196 | 97,470 | 100,698 |
| 13 Time deposits in accounts of $100,000 or more | 168,932 | 169,450 | 171,213 | 174,514 | 173,114 | 174,657 | 175,993 | 178,134 | 178,308 |
| 14 Negotiable CDs | 121,716 | 121,468 | 122,847 | 126,063 | 125,307 | 126,842 | 128,458 | 130,485 | 130,964 |
| 15 Other time deposits | 47,216 | 47,982 | 48,366 | 48,452 | 47,807 | 47,815 | 47,534 | 47,648 | 47,344 |
| 16 Loans sold outright to affiliates[3] | 2,618 | 2,672 | 2,626 | 2,659 | 2,704 | 2,661 | 2,775 | 2,747 | 2,771 |
| 17 Commercial and industrial | 1,991 | 2,069 | 2,021 | 2,052 | 2,080 | 2,031 | 2,140 | 2,114 | 2,150 |
| 18 Other | 627 | 603 | 605 | 607 | 623 | 630 | 635 | 633 | 621 |
| **Banks in New York City** | | | | | | | | | |
| 19 Total loans (gross) and securities adjusted[1,4] | 132,188 | 132,318 | 131,632 | 133,862 | 135,481 | 132,220 | 133,376 | 133,082 | 133,630 |
| 20 Total loans (gross) adjusted[1] | 109,534 | 109,814 | 109,245 | 111,830 | 113,343 | 110,481 | 111,535 | 111,207 | 111,973 |
| 21 Demand deposits adjusted[2] | 29,634 | 26,849 | 27,914 | 27,304 | 31,038 | 27,242 | 28,899 | 30,234 | 29,122 |
| 22 Time deposits in accounts of $100,000 or more | 42,651 | 42,189 | 42,537 | 44,467 | 45,341 | 45,324 | 45,504 | 45,636 | 44,768 |
| 23 Negotiable CDs | 31,577 | 30,972 | 31,169 | 33,134 | 34,226 | 34,249 | 34,577 | 34,835 | 34,028 |
| 24 Other time deposits | 11,074 | 11,217 | 11,368 | 11,333 | 11,115 | 11,075 | 10,927 | 10,801 | 10,740 |

1. Exclusive of loans and federal funds transactions with domestic commercial banks.
2. All demand deposits except U.S. government and domestic banks less cash items in process of collection.
3. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
4. Excludes trading account securities.

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

Millions of dollars, Wednesday figures

| Account | Nov. 4 | Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2p | Dec. 9p | Dec. 16p | Dec. 23p | Dec. 30p |
|---|---|---|---|---|---|---|---|---|---|
| 1 Cash and due from depository institutions | 7,078 | 7,142 | 7,316 | 7,774 | 8,046 | 6,587 | 7,285 | 6,772 | 6,545 |
| 2 Total loans and securities | 62,529 | 63,397 | 64,513 | 64,773 | 65,226 | 52,756 | 51,311 | 50,832 | 51,154 |
| 3 U.S. Treasury securities | 1,467 | 1,581 | 1,471 | 1,639 | 1,856 | 1,965 | 1,833 | 2,223 | 2,196 |
| 4 Other securities | 1,039 | 1,048 | 1,022 | 1,051 | 1,045 | 871 | 863 | 828 | 801 |
| 5 Federal funds sold[1] | 4,368 | 4,516 | 4,291 | 4,606 | 4,857 | 4,082 | 4,032 | 4,844 | 5,070 |
| 6 To commercial banks in U.S. | 3,831 | 3,916 | 3,868 | 4,220 | 4,364 | 3,631 | 3,615 | 4,474 | 4,442 |
| 7 To others | 536 | 600 | 422 | 387 | 494 | 450 | 418 | 370 | 628 |
| 8 Other loans, gross | 55,656 | 56,252 | 57,729 | 57,477 | 57,468 | 45,837 | 44,583 | 42,936 | 43,087 |
| 9 Commercial and industrial | 26,892 | 27,322 | 27,472 | 27,287 | 27,906 | 21,632 | 21,454 | 20,444 | 20,439 |
| 10 Bankers acceptances and commercial paper | 3,703 | 3,622 | 3,589 | 3,518 | 3,593 | 3,586 | 3,798 | 3,681 | 3,791 |
| 11 All other | 23,188 | 23,699 | 23,883 | 23,769 | 24,313 | 18,047 | 17,656 | 16,763 | 16,648 |
| 12 U.S. addressees | 13,362 | 13,787 | 13,837 | 13,726 | 14,205 | 13,848 | 14,075 | 13,683 | 13,947 |
| 13 Non-U.S. addressees | 9,827 | 9,913 | 10,046 | 10,044 | 10,108 | 4,199 | 3,581 | 3,080 | 2,701 |
| 14 To financial institutions | 20,260 | 20,570 | 21,640 | 21,526 | 20,992 | 18,121 | 17,469 | 17,462 | 17,504 |
| 15 Commercial banks in U.S. | 12,862 | 13,320 | 14,179 | 13,958 | 13,358 | 13,610 | 13,334 | 13,613 | 13,683 |
| 16 Banks in foreign countries | 7,061 | 6,921 | 7,136 | 7,226 | 7,296 | 4,171 | 3,796 | 3,506 | 3,452 |
| 17 Nonbank financial institutions | 337 | 330 | 325 | 341 | 339 | 340 | 339 | 343 | 370 |
| 18 For purchasing and carrying securities | 766 | 824 | 723 | 676 | 683 | 631 | 637 | 629 | 687 |
| 19 All other | 7,737 | 7,535 | 7,894 | 7,988 | 7,886 | 5,452 | 5,023 | 4,400 | 4,456 |
| 20 Other assets (claims on nonrelated parties) | 11,407 | 11,564 | 11,971 | 11,956 | 12,091 | 12,128 | 12,134 | 12,268 | 12,202 |
| 21 Net due from related institutions | 9,584 | 9,748 | 9,979 | 9,792 | 9,770 | 11,914 | 11,872 | 12,124 | 12,639 |
| 22 Total assets | 90,598 | 91,851 | 93,779 | 94,295 | 95,133 | 83,385 | 82,603 | 81,995 | 82,540 |
| 23 Deposits or credit balances[2] | 24,260 | 25,412 | 24,968 | 25,616 | 25,297 | 24,358 | 24,486 | 25,085 | 25,302 |
| 24 Credit balances | 295 | 323 | 467 | 382 | 348 | 305 | 372 | 337 | 320 |
| 25 Demand deposits | 2,256 | 2,366 | 2,488 | 2,504 | 2,501 | 2,490 | 2,415 | 2,628 | 2,379 |
| 26 Individuals, partnerships, and corporations | 855 | 792 | 892 | 887 | 873 | 860 | 886 | 883 | 895 |
| 27 Other | 1,401 | 1,573 | 1,596 | 1,617 | 1,628 | 1,630 | 1,530 | 1,745 | 1,484 |
| 28 *Total time and savings* | 21,708 | 22,724 | 22,013 | 22,730 | 22,447 | 21,562 | 21,698 | 22,120 | 22,603 |
| 29 Individuals, partnerships, and corporations | 18,198 | 18,809 | 18,013 | 18,618 | 18,312 | 18,003 | 18,082 | 18,450 | 18,876 |
| 30 Other | 3,510 | 3,914 | 4,000 | 4,112 | 4,135 | 3,559 | 3,616 | 3,670 | 3,727 |
| 31 Borrowings[3] | 32,158 | 32,922 | 34,617 | 34,171 | 34,900 | 32,623 | 31,864 | 31,351 | 31,573 |
| 32 Federal funds purchased[4] | 5,980 | 6,056 | 7,136 | 6,261 | 7,856 | 6,534 | 6,603 | 5,923 | 5,666 |
| 33 From commercial banks in U.S. | 5,221 | 4,920 | 6,071 | 5,356 | 6,872 | 5,729 | 5,746 | 4,922 | 4,568 |
| 34 From others | 758 | 1,135 | 1,065 | 905 | 984 | 805 | 857 | 1,001 | 1,097 |
| 35 Other liabilities for borrowed money | 26,178 | 26,866 | 27,481 | 27,910 | 27,044 | 26,089 | 25,260 | 25,428 | 25,907 |
| 36 To commercial banks in U.S. | 22,072 | 22,608 | 23,129 | 23,409 | 22,741 | 23,138 | 22,743 | 22,756 | 23,242 |
| 37 To others | 4,106 | 4,258 | 4,352 | 4,501 | 4,303 | 2,951 | 2,517 | 2,672 | 2,665 |
| 38 Other liabilities to nonrelated parties | 11,481 | 11,744 | 12,176 | 12,242 | 12,395 | 12,172 | 12,090 | 12,331 | 12,296 |
| 39 Net due to related institutions | 22,698 | 21,773 | 22,019 | 22,265 | 22,541 | 14,231 | 14,163 | 13,228 | 13,369 |
| 40 Total liabilities | 90,598 | 91,851 | 93,779 | 94,295 | 95,133 | 83,385 | 82,603 | 81,995 | 82,540 |
| MEMO | | | | | | | | | |
| 41 Total loans (gross) and securities adjusted[5] | 45,835 | 46,161 | 46,466 | 46,595 | 47,505 | 35,514 | 34,363 | 32,744 | 33,030 |
| 42 Total loans (gross) adjusted[5] | 43,330 | 43,532 | 43,973 | 43,905 | 44,604 | 32,678 | 31,666 | 29,693 | 30,032 |

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.

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

Millions of dollars

| Industry classification | Outstanding | | | | | Net change during | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1981 | | | | | 1981 | | 1981 | | |
| | Aug. 26 | Sept. 30 | Oct. 28 | Nov. 25 | Dec. 30p | Q3 | Q4p | Oct. | Nov. | Dec.p |
| 1 Durable goods manufacturing | 25,629 | 26,111 | 25,910 | 25,570 | 26,867 | 837 | 756 | 201 | 339 | 1,297 |
| 2 Nondurable goods manufacturing | 22,478 | 23,400 | 22,060 | 22,190 | 21,725 | 2,782 | 1,675 | -1,340 | 130 | -464 |
| 3 Food, liquor, and tobacco | 4,392 | 4,431 | 4,310 | 4,282 | 4,190 | 26 | 241 | -120 | 29 | -92 |
| 4 Textiles, apparel, and leather | 5,068 | 5,076 | 4,859 | 4,652 | 4,166 | 156 | 910 | -217 | -208 | -485 |
| 5 Petroleum refining | 3,587 | 3,955 | 3,722 | 4,769 | 4,836 | 543 | 881 | -234 | 1,048 | 67 |
| 6 Chemicals and rubber | 5,500 | 5,749 | 5,056 | 4,624 | 4,341 | 1,700 | -1,408 | -693 | -431 | -283 |
| 7 Other nondurable goods | 3,931 | 4,189 | 4,113 | 3,863 | 4,192 | 356 | 3 | -76 | -250 | 329 |
| 8 Mining (including crude petroleum and natural gas) | 20,019 | 21,283 | 21,729 | 22,940 | 24,371 | 3,088 | 3,089 | 446 | 1,121 | 1,431 |
| 9 Trade | 26,406 | 27,004 | 27,486 | 28,180 | 28,010 | 897 | 1,006 | 482 | 694 | -170 |
| 10 Commodity dealers | 1,659 | 1,657 | 1,666 | 1,901 | 2,292 | 158 | 634 | 8 | 235 | 390 |
| 11 Other wholesale | 12,377 | 12,634 | 12,636 | 12,791 | 12,919 | 546 | 285 | 2 | 155 | 128 |
| 12 Retail | 12,370 | 12,713 | 13,184 | 13,488 | 12,800 | 193 | 86 | 471 | 304 | -688 |
| 13 Transportation, communication, and other public utilities | 21,418 | 21,866 | 21,723 | 22,025 | 23,190 | 1,042 | 1,324 | -143 | 302 | 1,165 |
| 14 Transportation | 8,283 | 8,465 | 8,416 | 8,288 | 8,625 | 269 | 160 | 49 | -128 | 338 |
| 15 Communication | 3,580 | 3,534 | 3,573 | 3,701 | 3,954 | 7 | 419 | 38 | 128 | 253 |
| 16 Other public utilities | 9,555 | 9,866 | 9,734 | 10,037 | 10,611 | 780 | 745 | 133 | 303 | 574 |
| 17 Construction | 7,132 | 7,248 | 7,164 | 7,138 | 7,194 | 264 | 53 | 84 | -26 | 56 |
| 18 Services | 24,774 | 25,340 | 25,426 | 25,600 | 26,484 | 794 | 1,145 | 86 | 174 | 884 |
| 19 All other[2] | 15,562 | 15,818 | 15,962 | 16,091 | 17,122 | 641 | 1,304 | 144 | 129 | 1,031 |
| 20 **Total domestic loans** | **163,418** | **168,069** | **167,460** | **169,735** | **174,966** | **10,345** | **6,896** | **-610** | **2,275** | **5,231** |
| 21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans | 86,147 | 86,137 | 84,630 | 83,834 | 84,973 | 2,734 | 1,164 | -1,507 | -796 | 1,139 |

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 Corporations[1]

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] | Sept. |
| 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 | n.a. | 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 |

| Type of holder | Weekly reporting banks | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1977 Dec. | 1978 Dec. | 1979[5] Dec. | 1980 | | | | 1981 | | |
| | | | | Mar. | June | Sept. | Dec. | Mar.[3] | June[4] | Sept. |
| 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 | n.a. | 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 May | 1981 June | 1981 July | 1981 Aug. | 1981 Sept. | 1981 Oct. | 1981 Nov. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Commercial paper (seasonally adjusted) | | | | | | | | | | |
| 1 **All issuers** | **65,051** | **83,438** | **112,087** | **123,597** | **139,228** | **145,737** | **151,013** | **157,121** | **165,379** | **164,026** | **164,349** |
| Financial companies[2] | | | | | | | | | | | |
| *Dealer-placed paper*[3] | | | | | | | | | | | |
| 2 Total | 8,796 | 12,181 | 17,161 | 19,236 | 24,144 | 25,933 | 26,006 | 27,813 | 30,213 | 28,909 | 28,745 |
| 3 Bank-related | 2,132 | 3,521 | 2,874 | 3,561 | 4,800 | 4,750 | 5,267 | 6,037 | 6,161 | 5,626 | 5,725 |
| *Directly placed paper*[4] | | | | | | | | | | | |
| 4 Total | 40,574 | 51,647 | 64,748 | 67,888 | 71,842 | 74,952 | 79,571 | 80,769 | 83,311 | 83,053 | 82,290 |
| 5 Bank-related | 7,102 | 12,314 | 17,598 | 22,382 | 23,880 | 24,107 | 26,104 | 25,153 | 26,426 | 25,397 | 26,224 |
| 6 Nonfinancial companies[5] | 15,681 | 19,610 | 30,178 | 36,473 | 43,242 | 44,852 | 45,436 | 48,539 | 51,855 | 52,064 | 53,314 |
| | Bankers dollar acceptances (not seasonally adjusted) | | | | | | | | | | |
| 7 **Total** | **25,450** | **33,700** | **45,321** | **54,744** | **60,551** | **63,427** | **63,721** | **64,577** | **65,048** | **66,072** | |
| *Holder* | | | | | | | | | | | |
| 8 Accepting banks | 10,434 | 8,579 | 9,865 | 10,564 | 10,132 | 11,595 | 10,505 | 9,959 | 10,022r | 10,511 | |
| 9 Own bills | 8,915 | 7,653 | 8,327 | 8,963 | 9,049 | 10,207 | 9,437 | 9,214 | 9,040r | 9,522 | |
| 10 Bills bought | 1,519 | 927 | 1,538 | 1,601 | 1,082 | 1,389 | 1,068 | 745 | 982 | 989 | |
| Federal Reserve Banks | | | | | | | | | | | |
| 11 Own account | 954 | 1 | 704 | 776 | 0 | 0 | 453 | 0 | 0 | 0 | n.a. |
| 12 Foreign correspondents | 362 | 664 | 1,382 | 1,791 | 1,255 | 1,272 | 1,459 | 1,451 | 1,243r | 1,428 | |
| 13 Others | 13,700 | 24,456 | 33,370 | 41,614 | 49,164 | 50,560 | 51,303 | 53,167 | 53,783 | 54,133 | |
| *Basis* | | | | | | | | | | | |
| 14 Imports into United States | 6,378 | 8,574 | 10,270 | 11,776 | 12,775 | 12,996 | 13,059 | 13,313 | 37,542r | 37,391 | |
| 15 Exports from United States | 5,863 | 7,586 | 9,640 | 12,712 | 13,057 | 13,388 | 13,296 | 13,774 | 13,514r | 13,981 | |
| 16 All other | 13,209 | 17,540 | 25,411 | 30,257 | 34,768 | 37,043 | 37,365 | 37,490 | 37,542 | 37,391 | |

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 4 | 19.00 | 1981—Oct. 5 | 19.00 | 1980—July | 11.48 | 1981—Apr. | 17.15 |
| 11 | 19.50 | 13 | 18.00 | Aug. | 11.12 | May | 19.61 |
| 19 | 20.00 | Nov. 3 | 17.50 | Sept. | 12.23 | June | 20.03 |
| 22 | 20.50 | 9 | 16.50 | Oct. | 13.79 | July | 20.39 |
| June 3 | 20.00 | | 17.00 | Nov. | 16.06 | Aug. | 20.50 |
| July 8 | 20.50 | 17 | 17.00 | Dec. | 20.35 | Sept. | 20.08 |
| Sept. 15 | 20.00 | 20 | 16.50 | | 20.16 | Oct. | 18.45 |
| 22 | 19.50 | 24 | 16.00 | 1981—Jan. | 19.43 | Nov. | 16.84 |
| | | Dec. 1 | 15.75 | Feb. | 18.05 | Dec. | 15.75 |
| | | | | Mar. | | | |

## 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 | $317,491 | | | $688,950 | $205,534 | $1,226,234 |
| 10 Number of loans | 27,160 | 23,639 | | | 2,811 | 319 | 391 |
| 11 Weighted-average maturity (months) | 37.6 | 29.4 | | | 34.0 | 37.1 | 41.8 |
| 12 Weighted-average interest rate (percent per annum) | 18.94 | 19.60 | | | 21.22 | 18.52 | 17.55 |
| 13 Interquartile range[1] | 17.50–19.56 | 18.00–20.50 | | | 18.00–20.50 | 17.50–19.75 | 16.72–18.90 |
| *Percentage of amount of loans* | | | | | | | |
| 14 With floating rate | 56.3 | 48.0 | | | 33.1 | 85.6 | 66.6 |
| 15 Made under commitment | 54.1 | 36.3 | | | 27.2 | 69.5 | 71.2 |
| **CONSTRUCTION AND LAND DEVELOPMENT LOANS** | | | | | | | |
| 16 Amount of loans (thousands of dollars) | $1,420,394 | $155,847 | $192,683 | $187,702 | $425,106 | $459,056 | |
| 17 Number of loans | 23,437 | 12,668 | 5,497 | 2,616 | 2,406 | 250 | |
| 18 Weighted-average maturity (months) | 9.9 | 7.6 | 9.9 | 5.7 | 11.5 | 11.1 | |
| 19 Weighted-average interest rate (percent per annum) | 19.46 | 19.86 | 19.60 | 20.43 | 20.03 | 18.34 | |
| 20 Interquartile range[1] | 18.54–20.75 | 19.00–21.00 | 18.77–19.90 | 18.50–21.74 | 19.56–20.82 | 17.12–19.90 | |
| *Percentage of amount of loans* | | | | | | | |
| 21 With floating rate | 55.3 | 17.6 | 21.2 | 45.2 | 48.5 | 92.8 | |
| 22 Secured by real estate | 82.4 | 95.9 | 98.5 | 98.9 | 78.9 | 67.5 | |
| 23 Made under commitment | 38.5 | 16.4 | 11.6 | 16.8 | 28.2 | 75.6 | |
| 24 With no stated maturity | 10.2 | 3.6 | 2.3 | 4.3 | 4.3 | 23.7 | |
| *Type of construction* | | | | | | | |
| 25 1- to 4-family | 45.8 | 79.6 | 55.2 | 63.4 | 57.3 | 12.6 | |
| 26 Multifamily | 5.0 | 1.2 | 1.6 | 2.8 | 3.7 | 9.8 | |
| 27 Nonresidential | 49.2 | 19.1 | 43.2 | 33.8 | 39.0 | 77.7 | |
| **LOANS TO FARMERS** | All sizes | 1–9 | 10–24 | 25–49 | 50–99 | 100–249 | 250 and over |
| 28 Amount of loans (thousands of dollars) | $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 | | | | 1981 and 1982, week ending | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Dec. 4 | Dec. 11 | Dec. 18 | Dec. 25 | Jan. 1 |
| MONEY MARKET RATES | | | | | | | | | | | | |
| 1 Federal funds[1,2] | 11.19 | 13.36 | 16.38 | 15.87 | 15.08 | 13.31 | 12.37 | 12.48 | 12.04 | 12.26 | 12.43 | 12.54 |
| Commercial paper[3,4] | | | | | | | | | | | | |
| 2 1-month | 10.86 | 12.76 | 15.69 | 15.95 | 14.80 | 12.35 | 12.16 | 11.48 | 11.70 | 12.39 | 12.64 | 12.59 |
| 3 3-month | 10.97 | 12.66 | 15.32 | 16.09 | 14.85 | 12.16 | 12.12 | 11.38 | 11.61 | 12.33 | 12.65 | 12.66 |
| 4 6-month | 10.91 | 12.29 | 14.76 | 15.93 | 14.72 | 11.96 | 12.14 | 11.30 | 11.60 | 12.34 | 12.71 | 12.78 |
| Finance paper, directly placed[3,4] | | | | | | | | | | | | |
| 5 1-month | 10.78 | 12.44 | 15.30 | 15.68 | 14.63 | 12.13 | 11.89 | 11.09 | 11.49 | 12.15 | 12.51 | 12.22 |
| 6 3-month | 10.47 | 11.49 | 14.08 | 15.24 | 14.04 | 11.80 | 11.31 | 10.86 | 10.80 | 11.29 | 11.76 | 12.00 |
| 7 6-month | 10.25 | 11.28 | 13.73 | 15.01 | 13.96 | 11.72 | 11.24 | 10.84 | 10.81 | 11.26 | 11.56 | 11.82 |
| Bankers acceptances[4,5] | | | | | | | | | | | | |
| 8 3-month | 11.04 | 12.78 | 15.32 | 16.11 | 14.78 | 12.00 | 12.13 | 11.31 | 11.66 | 12.26 | 12.80 | 12.63 |
| 9 6-month | n.a. | n.a. | 14.66 | 15.80 | 14.62 | 11.84 | 12.27 | 11.47 | 11.78 | 12.30 | 12.91 | 12.90 |
| Certificates of deposit, secondary market[6] | | | | | | | | | | | | |
| 10 1-month | 11.03 | 12.91 | 15.91 | 16.31 | 14.97 | 12.45 | 12.27 | 11.55 | 11.82 | 12.49 | 12.80 | 12.64 |
| 11 3-month | 11.22 | 13.07 | 15.91 | 16.84 | 15.39 | 12.48 | 12.49 | 11.62 | 11.96 | 12.68 | 13.16 | 13.03 |
| 12 6-month | 11.44 | 12.99 | 15.77 | 17.19 | 15.71 | 12.65 | 13.07 | 12.13 | 12.46 | 13.15 | 13.83 | 13.80 |
| 13 Eurodollar deposits, 3-month[2] | 11.96 | 14.00 | 16.79 | 17.80 | 16.34 | 13.33 | 13.24 | 12.16 | 12.48 | 13.38 | 13.65 | 13.14 |
| U.S. Treasury bills[4] | | | | | | | | | | | | |
| Secondary market[7] | | | | | | | | | | | | |
| 14 3-month | 10.07 | 11.43 | 14.03 | 14.70 | 13.54 | 10.86 | 10.85 | 10.39 | 10.47 | 10.94 | 11.14 | 11.35 |
| 15 6-month | 10.06 | 11.37 | 13.80 | 14.92 | 13.82 | 11.30 | 11.52 | 10.83 | 11.06 | 11.51 | 12.03 | 12.25 |
| 16 1-year | 9.75 | 10.89 | 13.14 | 14.53 | 13.62 | 11.20 | 11.57 | 10.85 | 11.13 | 11.53 | 12.16 | 12.23 |
| Auction average[8] | | | | | | | | | | | | |
| 17 3-month | 10.041 | 11.506 | 14.077 | 14.951 | 13.873 | 11.269 | 10.926 | 10.400 | 10.404 | 11.101 | 11.037 | 11.690 |
| 18 6-month | 10.017 | 11.374 | 13.811 | 15.057 | 14.013 | 11.530 | 11.471 | 10.701 | 10.772 | 11.595 | 11.838 | 12.448 |
| 19 1-year | 9.817 | 10.748 | 13.159 | 15.056 | 14.580 | 14.077 | 11.504 | 10.506 | ....... | ....... | ....... | 12.501 |
| CAPITAL MARKET RATES | | | | | | | | | | | | |
| U.S. Treasury notes and bonds[9] | | | | | | | | | | | | |
| Constant maturities[10] | | | | | | | | | | | | |
| 20 1-year | 10.67 | 12.05 | 14.78 | 16.52 | 15.38 | 12.41 | 12.85 | 12.00 | 12.32 | 12.79 | 13.56 | 13.68 |
| 21 2-year | 10.12 | 11.77 | 14.56 | 16.46 | 15.54 | 12.88 | 13.29 | 12.61 | 12.92 | 13.22 | 13.86 | 13.88 |
| 22 2-1/2-year[11] | ...... | ....... | ....... | ....... | ....... | ....... | ........ | 12.95 | ........ | 13.45 | ....... | 14.00 |
| 23 3-year | 9.71 | 11.55 | 14.44 | 16.22 | 15.50 | 13.11 | 13.66 | 13.06 | 13.46 | 13.56 | 14.15 | 14.09 |
| 24 5-year | 9.52 | 11.48 | 14.24 | 15.93 | 15.41 | 13.38 | 13.60 | 13.03 | 13.47 | 13.44 | 14.03 | 14.04 |
| 25 7-year | 9.48 | 11.43 | 14.06 | 15.65 | 15.33 | 13.42 | 13.62 | 13.10 | 13.51 | 13.47 | 13.99 | 14.04 |
| 26 10-year | 9.44 | 11.46 | 13.91 | 15.32 | 15.15 | 13.39 | 13.72 | 13.32 | 13.66 | 13.58 | 14.00 | 14.07 |
| 27 20-year | 9.33 | 11.39 | 13.72 | 15.07 | 15.13 | 13.56 | 13.73 | 13.32 | 13.66 | 13.58 | 14.00 | 14.11 |
| 28 30-year | 9.29 | 11.30 | 13.44 | 14.67 | 14.68 | 13.35 | 13.45 | 13.05 | 13.40 | 13.35 | 13.70 | 13.78 |
| Composite[12] | | | | | | | | | | | | |
| 29 Over 10 years (long-term) | 8.74 | 10.81 | 12.87 | 14.14 | 14.13 | 12.68 | 12.88 | 12.41 | 12.81 | 12.78 | 13.12 | 13.26 |
| State and local notes and bonds | | | | | | | | | | | | |
| Moody's series[13] | | | | | | | | | | | | |
| 30 Aaa | 5.92 | 7.85 | 10.43 | 11.55 | 12.05 | 10.98r | 11.70 | 10.70 | 11.95 | 11.95 | 11.95 | 11.95 |
| 31 Baa | 6.73 | 9.01 | 11.76 | 13.60 | 13.34 | 12.69r | 13.30 | 12.50 | 13.00 | 13.50 | 13.50 | 14.00 |
| 32 *Bond Buyer* series[14] | 6.52 | 8.59 | 11.33 | 12.92 | 12.83 | 11.89 | 12.90 | 12.18 | 12.89 | 13.00 | 13.17 | 13.30 |
| Corporate bonds | | | | | | | | | | | | |
| Seasoned issues[15] | | | | | | | | | | | | |
| 33 All industries | 10.12 | 12.75 | 15.06 | 16.16 | 16.20 | 15.35 | 15.38 | 15.05 | 15.25 | 15.37 | 15.56 | 15.69 |
| 34 Aaa | 9.63 | 11.94 | 14.17 | 15.49 | 15.40 | 14.22 | 14.23 | 13.99 | 14.16 | 14.11 | 14.36 | 14.50 |
| 35 Aa | 9.94 | 12.50 | 14.75 | 15.95 | 15.82 | 14.97 | 15.00 | 14.57 | 14.78 | 15.05 | 15.26 | 15.38 |
| 36 A | 10.20 | 12.89 | 15.29 | 16.36 | 16.47 | 15.82 | 15.75 | 15.50 | 15.65 | 15.75 | 15.86 | 16.00 |
| 37 Baa | 10.69 | 13.67 | 16.04 | 16.92 | 17.11 | 16.39 | 16.55 | 16.15 | 16.42 | 16.55 | 16.75 | 16.86 |
| Aaa utility bonds[16] | | | | | | | | | | | | |
| 38 New issue | 10.03 | 12.74 | 15.56 | 17.21 | 16.94 | 15.56 | 15.20 | 14.98 | 15.44 | ....... | ....... | ........ |
| 39 Recently offered issues | 10.02 | 12.70 | 15.56 | 17.33 | 17.24 | 15.49 | 15.18 | 14.80 | 15.18 | 15.26 | 15.49 | 15.65 |
| MEMO: Dividend/price ratio[17] | | | | | | | | | | | | |
| 40 Preferred stocks | 9.07 | 10.57 | n.a. | 13.01 | 13.09 | 12.76 | 12.83 | 12.71 | 12.43 | 12.60 | 13.13 | 13.30 |
| 41 Common stocks | 5.46 | 5.25 | n.a. | 5.69 | 5.65 | 5.54 | 5.57 | 5.47 | 5.45 | 5.62 | 5.64 | 5.65 |

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 May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 76.28 | 76.80 | 74.98 | 75.24 | 68.37 | 69.40 | 71.49 | 71.81 |
| 2 Industrial | 61.82 | 78.64 | 85.44 | 88.78 | 88.63 | 86.64 | 86.72 | 78.07 | 78.94 | 80.86 | 81.70 |
| 3 Transportation | 45.20 | 60.52 | 72.61 | 76.78 | 76.71 | 74.42 | 73.27 | 63.67 | 65.65 | 67.68 | 68.27 |
| 4 Utility | 36.46 | 37.35 | 38.90 | 38.27 | 39.23 | 38.90 | 40.22 | 38.17 | 38.87 | 40.73 | 40.22 |
| 5 Finance | 58.65 | 64.28 | 73.52 | 74.65 | 79.79 | 74.97 | 73.76 | 69.38 | 72.58 | 76.47 | 74.74 |
| 6 Standard & Poor's Corporation (1941-43 = 10)[1] | 107.94 | 118.71 | 128.05 | 131.73 | 132.28 | 129.13 | 129.63 | 118.27 | 119.84 | 122.92 | 123.79 |
| 7 American Stock Exchange (Aug. 31, 1973 = 100) | 186.56 | 300.94 | 343.58 | 365.52 | 369.64 | 364.33 | 364.60 | 313.60 | 308.81 | 321.01 | 321.84 |
| *Volume of trading (thousands of shares)* | | | | | | | | | | | |
| 8 New York Stock Exchange | 32,233 | 44,867 | 47,237 | 45,272 | 50,517 | 43,930 | 44,489 | 46,042 | 46,233 | 50,791 | 43,596 |
| 9 American Stock Exchange | 4,182 | 6,377 | 5,346 | 5,650 | 6,096 | 4,374 | 5,137 | 5,556 | 4,233 | 5,257 | 4,992 |
| | Customer financing (end-of-period balances, in millions of dollars) | | | | | | | | | | |
| 10 **Regulated margin credit at brokers-dealers**[2] | **11,619** | **14,721** | n.a. | **14,951** | **15,126** | **15,134** | **14,545** | **13,973** | **13,866** | **14,044** | n.a. |
| 11 Margin stock[3] | 11,450 | 14,500 | n.a. | 14,700 | 14,870 | 14,870 | 14,270 | 13,710 | 13,600 | 13,780 | n.a. |
| 12 Convertible bonds | 167 | 219 | n.a. | 251 | 254 | 263 | 274 | 263 | 263 | 261 | n.a. |
| 13 Subscription issues | 2 | 2 | n.a. | 1 | 2 | 1 | 1 | ....... | 3 | 3 | n.a. |
| *Free credit balances at brokers*[4] | | | | | | | | | | | |
| 14 Margin-account | 1,105 | 2,105 | n.a. | 2,345 | 2,350 | 2,670 | 2,645 | 2,940 | 2,990 | 3,290 | n.a. |
| 15 Cash-account | 4,060 | 6,070 | n.a. | 6,150 | 6,650 | 6,470 | 6,640 | 6,555 | 6,100 | 6,865 | n.a. |
| | Margin-account debt at brokers (percentage distribution, end of period) | | | | | | | | | | |
| 16 **Total** | **100.0** | **100.0** | n.a. | **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 | n.a. | 21.3 | 25.0 | 25.0 | 38.5 | 47.0 | 32.0 | 30.0 | n.a. |
| 18 40-49 | 29.0 | 30.0 | n.a. | 25.3 | 29.0 | 29.0 | 24.0 | 22.0 | 28.0 | 25.0 | n.a. |
| 19 50-59 | 27.0 | 25.0 | n.a. | 25.3 | 21.0 | 22.0 | 15.0 | 13.0 | 18.0 | 21.0 | n.a. |
| 20 60-69 | 14.0 | 14.0 | n.a. | 12.7 | 11.0 | 11.0 | 10.0 | 8.0 | 10.0 | 11.0 | n.a. |
| 21 70-79 | 8.0 | 9.0 | n.a. | 8.0 | 7.0 | 7.0 | 6.0 | 5.0 | 6.0 | 6.0 | n.a. |
| 22 80 or more | 7.0 | 8.0 | n.a. | 8.0 | 7.0 | 6.0 | 6.0 | 5.0 | 6.0 | 7.0 | n.a. |
| | Special miscellaneous-account balances at brokers (end of period) | | | | | | | | | | |
| 23 **Total balances (millions of dollars)**[6] | **16,150** | **21,690** | n.a. | **23,457** | **23,700** | **24,460** | **24,760** | **25,234** | **24,962** | **25,409** | n.a. |
| *Distribution by equity status (percent)* | | | | | | | | | | | |
| 24 Net credit status | 44.2 | 47.8 | n.a. | 50.2 | 53.2 | 53.8 | 53.5 | 55.0 | 55.0 | 57.0 | n.a. |
| Debt status, equity of | | | | | | | | | | | |
| 25 60 percent or more | 47.0 | 44.4 | n.a. | 41.0 | 38.4 | 37.9 | 37.0 | 33.0 | 35.0 | 33.0 | n.a. |
| 26 Less than 60 percent | 8.8 | 7.7 | n.a. | 8.8 | 8.4 | 8.3 | 9.5 | 12.0 | 10.0 | 10.0 | n.a. |

Margin requirements (percent of market value and effective date)[7]

| Indicator | Mar. 11, 1968 | June 8, 1968 | May 6, 1970 | Dec. 6, 1971 | Nov. 24, 1972 | Jan. 3, 1974 |
|---|---|---|---|---|---|---|
| 27 Margin stocks | 70 | 80 | 65 | 55 | 65 | 50 |
| 28 Convertible bonds | 50 | 60 | 50 | 50 | 50 | 50 |
| 29 Short sales | 70 | 80 | 65 | 55 | 65 | 50 |

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exchange.
In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.
3. A distribution of this total by equity class is shown on lines 17-22.
4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.
6. Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.
7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act 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 Feb. | Mar. | Apr. | May | June | July r | Aug. r | Sept. | Oct. | Nov. p |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Savings and loan associations | | | | | | | | | | | |
| 1 **Assets** | **578,962** | **629,829** | **634,405** | **636,859** | **639,827** | **644,603** | **646,704** | **648,793** | **651,986** | **654,605** | **657,997** | **659,162** |
| 2 Mortgages | 475,688 | 502,812 | 505,309 | 507,152 | 509,525 | 511,754 | 514,803 | 516,527 | 517,701 | 518,379 | 518,780 | 518,600 |
| 3 Cash and investment securities[1] | 46,341 | 57,572 | 58,401 | 58,461 | 56,886 | 59,045 | 57,616 | 57,453 | 58,558 | 59,161 | 61,125 | 61,026 |
| 4 Other | 56,933 | 69,445 | 70,695 | 71,246 | 72,416 | 73,804 | 74,285 | 74,813 | 75,727 | 77,065 | 78,092 | 79,536 |
| 5 **Liabilities and net worth** | **578,962** | **629,829** | **634,405** | **636,859** | **639,827** | **644,603** | **646,704** | **648,793** | **651,986** | **654,605** | **657,997** | **659,162** |
| 6 Savings capital | 470,004 | 510,959 | 515,250 | 518,990 | 516,071 | 517,628 | 517,632 | 514,103 | 512,745 | 514,941 | 518,556 | 518,961 |
| 7 Borrowed money | 55,232 | 64,491 | 62,270 | 64,197 | 67,704 | 70,025 | 74,756 | 79,554 | 83,287 | 87,296 | 85,926 | 86,088 |
| 8 FHLBB | 40,441 | 47,045 | 46,360 | 47,310 | 49,607 | 51,064 | 53,836 | 57,188 | 60,025 | 61,857 | 62,000 | 61,880 |
| 9 Other | 14,791 | 16,309 | 16,887 | 18,097 | 18,097 | 18,961 | 20,920 | 22,366 | 23,262 | 25,439 | 23,926 | 24,208 |
| 10 Loans in process | 9,582 | 8,120 | 7,756 | 7,840 | 7,840 | 7,997 | 8,008 | 7,766 | 7,382 | 7,073 | 6,790 | 6,506 |
| 11 Other | 11,506 | 12,227 | 16,071 | 13,271 | 14,946 | 17,089 | 14,756 | 16,365 | 18,067 | 15,097 | 17,298 | 18,823 |
| 12 Net worth[2] | 32,638 | 33,319 | 32,981 | 32,645 | 32,266 | 31,864 | 31,552 | 31,005 | 30,505 | 30,198 | 29,427 | 28,784 |
| 13 MEMO: Mortgage loan commitments outstanding[3] | 16,007 | 16,102 | 16,279 | 17,374 | 18,552 | 18,740 | 18,020 | 17,224 | 16,681 | 16,015 | 15,731 | 15,750 |
| | Mutual savings banks[4] | | | | | | | | | | | |
| 14 **Assets** | **163,405** | **171,564** | **172,349** | **173,232** | **172,837** | **173,776** | **174,387** | **174,578** | **174,761** | **175,234** | **175,693** | |
| Loans | | | | | | | | | | | | |
| 15 Mortgage | 98,908 | 99,865 | 99,739 | 99,719 | 99,798 | 99,790 | 99,993 | 100,095 | 99,987 | 99,944 | 99,903 | |
| 16 Other | 9,253 | 11,733 | 12,598 | 13,248 | 12,756 | 13,375 | 14,403 | 14,359 | 14,560 | 14,868 | 14,725 | |
| Securities | | | | | | | | | | | | |
| 17 U.S. government[5] | 7,658 | 8,949 | 9,032 | 9,203 | 9,262 | 9,296 | 9,230 | 9,361 | 9,369 | 9,594 | 9,765 | |
| 18 State and local government | 2,930 | 2,390 | 2,376 | 2,359 | 2,314 | 2,328 | 2,337 | 2,291 | 2,326 | 2,323 | 2,394 | |
| 19 Corporate and other[6] | 37,086 | 39,282 | 39,223 | 39,236 | 39,247 | 39,111 | 38,418 | 38,374 | 38,180 | 38,118 | 38,108 | |
| 20 Cash | 3,156 | 4,334 | 4,205 | 4,238 | 4,172 | 4,513 | 4,473 | 4,629 | 4,791 | 4,810 | 5,118 | |
| 21 Other assets | 4,412 | 5,011 | 5,177 | 5,231 | 5,288 | 5,364 | 5,534 | 5,469 | 5,547 | 5,577 | 5,681 | n.a. |
| 22 **Liabilities** | **163,405** | **171,564** | **172,349** | **173,232** | **172,837** | **173,776** | **174,387** | **174,578** | **174,761** | **175,234** | **175,693** | |
| 23 Deposits | 146,006 | 153,501 | 53,332 | 154,805 | 153,692 | 153,891 | 154,926 | 153,757 | 153,120 | 153,412 | 154,066 | |
| 24 Regular[7] | 144,070 | 151,416 | 151,346 | 152,630 | 151,429 | 151,658 | 152,603 | 151,394 | 150,753 | 151,072 | 151,975 | |
| 25 Ordinary savings | 61,123 | 53,971 | 52,035 | 53,049 | 52,331 | 51,212 | 51,594 | 50,593 | 49,003 | 49,254 | 48,238 | |
| 26 Time and other | 82,947 | 97,445 | 99,311 | 99,581 | 99,098 | 100,447 | 101,009 | 100,800 | 101,750 | 101,818 | 103,737 | |
| 27 Other | 1,936 | 2,086 | 1,986 | 2,174 | 2,264 | 2,232 | 2,323 | 28,494 | 27,073 | 25,769 | 24,806 | |
| 28 Other liabilities | 5,873 | 6,695 | 7,753 | 7,265 | 8,103 | 8,922 | 8,634 | 10,156 | 11,125 | 11,458 | 11,513 | |
| 29 General reserve accounts | 11,525 | 11,368 | 13,412 | 11,163 | 11,042 | 10,923 | 10,827 | 10,665 | 10,516 | 10,364 | 10,114 | |
| 30 MEMO: Mortgage loan commitments outstanding[8] | 3,182 | 1,476 | 1,331 | 1,379 | 1,614 | 1,709 | 1,577 | 1,401 | 1,333 | 1,218 | 1,140 | |
| | Life insurance companies | | | | | | | | | | | |
| 31 **Assets** | **432,282** | **479,210r** | **485,033** | **490,149** | **493,185** | **497,276** | **500,316** | **503,994** | **506,585** | **509,478** | **515,079** | |
| Securities | | | | | | | | | | | | |
| 32 Government | 0,338 | 21,378r | 22,669 | 22,775 | 22,603 | 22,948 | 23,415 | 23,691 | 23,949 | 24,280 | 24,621 | |
| 33 United States[9] | 4,888 | 5,345r | 6,774 | 6,807 | 6,502 | 6,787 | 7,119 | 7,359 | 7,544 | 7,670 | 7,846 | |
| 34 State and local | 6,428 | 6,701r | 6,145 | 6,199 | 6,809 | 6,815 | 6,876 | 6,865 | 6,904 | 7,033 | 7,129 | |
| 35 Foreign[10] | 9,022 | 9,332r | 9,250 | 9,269 | 9,292 | 9,346 | 9,420 | 9,467 | 9,501 | 9,577 | 9,646 | |
| 36 Business | 222,332 | 238,113r | 241,675 | 243,996 | 245,841 | 247,437 | 248,737 | 250,186 | 250,371 | 250,315 | 253,976 | n.a. |
| 37 Bonds | 178,371 | 190,747r | 195,251 | 196,514 | 198,397 | 199,818 | 201,402 | 203,016 | 204,501 | 205,908 | 208,004 | |
| 38 Stocks | 39,757 | 47,366r | 46,424 | 47,482 | 47,444 | 47,619 | 47,335 | 41,170 | 45,870 | 44,407 | 45,972 | |
| 39 Mortgages | 118,421 | 131,080r | 132,567 | 133,230 | 133,896 | 134,492 | 135,318 | 135,928 | 136,516 | 136,982 | 137,736 | |
| 40 Real estate | 13,007 | 15,033r | 15,869 | 16,244 | 16,464 | 16,738 | 16,966 | 17,429 | 17,626 | 17,801 | 18,382 | |
| 41 Policy loans | 34,825 | 41,411r | 42,574 | 43,231 | 43,772 | 44,292 | 44,970 | 45,591 | 46,252 | 47,042 | 47,731 | |
| 42 Other assets | 27,563 | 31,702r | 29,679 | 30,673 | 30,609 | 31,369 | 30,910 | 31,169 | 31,971 | 33,058 | 32,633 | |
| | Credit unions | | | | | | | | | | | |
| 43 **Total assets/liabilities and capital** | **65,854** | **71,709** | **71,446** | **73,214** | **72,783** | **73,565** | **74,041** | **73,616** | **73,240** | **73,719** | **73,715** | **74,402** |
| 44 Federal | 35,934 | 39,801 | 39,636 | 40,624 | 40,207 | 40,648 | 40,948 | 40,510 | 40,233 | 40,513 | 40,555 | 40,843 |
| 45 State | 29,920 | 31,908 | 31,810 | 32,590 | 32,576 | 32,917 | 33,093 | 33,106 | 33,007 | 33,206 | 23,160 | 33,559 |
| 46 Loans outstanding | 53,125 | 47,774 | 47,451 | 47,815 | 47,994 | 48,499 | 49,064 | 49,507 | 49,976 | 50,169 | 49,799 | 49,410 |
| 47 Federal | 28,698 | 25,627 | 25,376 | 25,618 | 25,707 | 26,038 | 26,422 | 26,661 | 26,974 | 27,137 | 26,956 | 26,783 |
| 48 State | 24,426 | 22,147 | 22,075 | 22,197 | 22,287 | 22,461 | 22,642 | 22,846 | 23,002 | 23,032 | 22,843 | 22,627 |
| 49 Savings | 56,232 | 64,399 | 64,357 | 65,744 | 65,495 | 65,988 | 66,472 | 65,854 | 65,138 | 65,686 | 65,797 | 66,141 |
| 50 Federal (shares) | 35,530 | 36,348 | 36,236 | 36,898 | 36,684 | 36,967 | 37,260 | 36,819 | 36,373 | 36,584 | 36,671 | 36,910 |
| 51 State (shares and deposits) | 25,702 | 28,051 | 28,121 | 28,846 | 28,811 | 29,021 | 29,212 | 29,035 | 28,765 | 29,102 | 29,126 | 29,231 |

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 1980r | Fiscal year 1981 | Calendar year 1980 H1 | 1980 H2 | 1981 H1 | 1981 Sept. | 1981 Oct. | 1981 Nov. |
|---|---|---|---|---|---|---|---|---|---|
| *U.S. budget* | | | | | | | | | |
| 1 Receipts[1] | 465,940 | 520,056 | 602,612 | 270,864 | 262,152 | 318,899 | 60,594 | 45,467 | 44,317 |
| 2 Outlays[1,2] | 493,635 | 579,603 | 660,544 | 289,905 | 310,972 | 334,710 | 53,698 | 63,573 | 54,959 |
| 3 Surplus, or deficit (−) | −27,694 | −59,547 | −57,932 | −19,041 | −48,821 | −15,811 | 6,897 | −18,106 | −10,642 |
| 4 Trust funds | 18,335 | 8,791 | 7,168 | 4,383 | −2,551 | 5,797 | 9,408 | −4,269 | −2,352 |
| 5 Federal funds[3] | −46,069 | −67,752 | −65,099 | −23,418 | −46,306 | −21,608 | −2,511 | −13,837 | −8,290 |
| *Off-budget entities (surplus, or deficit (−))* | | | | | | | | | |
| 6 Federal Financing Bank outlays | −13,261 | 14,549 | −20,769 | −7,735 | −7,552 | −11,046 | −3,129 | −638 | −1,189 |
| 7 Other[4] | 793 | 303 | −236 | −522 | 376 | −900 | 30 | −5 | −691 |
| *U.S. budget plus off-budget, including Federal Financing Bank* | | | | | | | | | |
| 8 *Surplus, or deficit (−)* | −40,162 | −73,792 | −78,937 | −27,298 | −55,998 | −27,757 | 3,798 | −18,749 | −12,522 |
| Source or financing | | | | | | | | | |
| 9 Borrowing from the public | 33,641 | 70,515 | 79,329 | 24,435 | 54,764 | 33,213 | 8,577 | 10,374 | 10,972 |
| 10 Cash and monetary assets (decrease, or increase (−))[5] | −408 | −355 | −1,878 | −3,482 | −6,730 | 2,873 | −13,731 | 1,483 | 8,129 |
| 11 Other[6] | 6,929 | 3,632 | 1,485 | 6,345 | 7,964 | −8,328 | 1,356 | 6,892 | −6,579 |
| MEMO: | | | | | | | | | |
| 12 Treasury operating balance (level, end of period) | 24,176 | 20,990 | 18,670 | 14,092 | 12,305 | 16,389 | 18,670 | 16,335 | 7,796 |
| 13 Federal Reserve Banks | 6,489 | 4,102 | 3,520 | 3,199 | 3,062 | 2,923 | 3,520 | 3,550 | 3,475 |
| 14 Tax and loan accounts | 17,687 | 16,888 | 15,150 | 10,893 | 9,243 | 13,466 | 15,150 | 12,785 | 4,321 |

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.
2. 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. 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.
6. 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 1982*.

NOTES TO TABLE 1.37

1. Holdings of stock of the Federal Home Loan Banks are included in "other assets."
2. Includes net undistributed income, which is accrued by most, but not all, associations.
3. Excludes figures for loans in process, which are shown as a liability.
4. The NAMSB reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. Beginning April 1979, data are reported on a net-of-valuation-reserves basis. Prior to that date, data were reported on a gross-of-valuation-reserves basis.
5. Beginning April 1979, includes obligations of U.S. government agencies. Before that date, this item was included in "Corporate and other."
6. Includes securities of foreign governments and international organizations and, prior to April 1979, nonguaranteed issues of U.S. government agencies.
7. Excludes checking, club, and school accounts.
8. Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Association of the state of New York.
9. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.
10. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE. *Savings and loan associations:* Estimates by the FHLBB for all associations in the United States. Data are based on monthly reports of federally insured associations and annual reports of other associations. Even when revised, data for current and preceding year are subject to further revision.

*Mutual savings banks:* Estimates of National Association of Mutual Savings Banks for all savings banks in the United States.

*Life insurance companies:* Estimates of the American Council of Life Insurance for all life insurance companies in the United States. Annual figures are annual-statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "other assets."

*Credit unions:* Estimates by the National Credit Union Administration for a group of federal and state-chartered credit unions that account for about 30 percent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

## 1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

| Source or type | Fiscal year 1979 | Fiscal year 1980[r] | Fiscal year 1981 | Calendar year | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 1980 | | 1981 | 1981 | | |
| | | | | H1 | H2 | H1 | Sept. | Oct. | Nov. |
| RECEIPTS | | | | | | | | | |
| 1 **All sources**[1] | **465,955** | **520,056** | **602,612** | **270,864** | **262,152** | **318,899** | **60,594** | **45,467** | **44,317** |
| 2 Individual income taxes, net | 217,841 | 244,069 | 285,551 | 119,988 | 131,962 | 142,889 | 30,882 | 22,555 | 21,775 |
| 3 Withheld | 195,295 | 223,763 | 255,966 | 110,394 | 120,924 | 126,101 | 21,291 | 21,817 | 21,387 |
| 4 Presidential Election Campaign Fund | 36 | 39 | 41 | 34 | 4 | 36 | 0 | 0 | 0 |
| 5 Nonwithheld | 56,215 | 63,746 | 76,844 | 49,707 | 14,592 | 59,907 | 10,155 | 1,283 | 846 |
| 6 Refunds[1] | 33,705 | 43,479 | 47,299 | 40,147 | 3,559 | 43,155 | 564 | 545 | 458 |
| Corporation income taxes | | | | | | | | | |
| 7 Gross receipts | 71,448 | 72,380 | 73,733 | 43,434 | 28,579 | 44,048 | 10,040 | 2,934 | 1,877 |
| 8 Refunds | 5,771 | 7,780 | 12,596 | 4,064 | 4,518 | 6,565 | 1,381 | 1,669 | 1,133 |
| 9 Social insurance taxes and contributions, net | 141,591 | 160,747 | 186,426 | 86,597 | 77,262 | 102,911 | 14,516 | 15,369 | 15,795 |
| 10 Payroll employment taxes and contributions[2] | 115,041 | 133,042 | 156,953 | 69,077 | 66,831 | 83,851 | 13,136 | 13,872 | 13,610 |
| 11 Self-employment taxes and contributions[3] | 5,034 | 5,723 | 6,041 | 5,535 | 188 | 6,240 | 524 | 443 | 0 |
| 12 Unemployment insurance | 15,387 | 15,336 | 16,129 | 8,690 | 6,742 | 9,205 | 193 | 439 | 1,563 |
| 13 Other net receipts[4] | 6,130 | 6,646 | 7,304 | 3,294 | 3,502 | 3,615 | 663 | 616 | 622 |
| 14 Excise taxes | 18,745 | 24,329 | 40,839 | 11,383 | 15,332 | 21,945 | 3,597 | 3,486 | 3,334 |
| 15 Customs deposits | 7,439 | 7,174 | 8,083 | 3,443 | 3,717 | 3,926 | 771 | 784 | 729 |
| 16 Estate and gift taxes | 5,411 | 6,389 | 6,787 | 3,091 | 3,499 | 3,259 | 699 | 643 | 598 |
| 17 Miscellaneous receipts[5] | 9,252 | 12,748 | 13,790 | 6,993 | 6,318 | 6,487 | 1500 | 1,365 | 1,341 |
| OUTLAYS | | | | | | | | | |
| 18 **All types**[1,6] | **493,635** | **579,603** | **660,544** | **289,905** | **310,972** | **334,710** | **53,698** | **64,216** | **54,959** |
| 19 National defense | 117,681 | 135,880 | 159,699 | 69,132 | 72,457 | 80,005 | 14,022 | 14,722 | 14,205 |
| 20 International affairs | 6,091 | 10,472 | 11,051 | 4,602 | 5,430 | 5,999 | 982 | 1,019 | 745 |
| 21 General science, space, and technology | 5,041 | 5,999 | 6,422 | 3,150 | 3,205 | 3,314 | 347 | 830 | 592 |
| 22 Energy | 6,856 | 6,623 | 10,642 | 3,126 | 3,997 | 5,677 | 1,018 | 1,276 | 173 |
| 23 Natural resources and environment | 12,091 | 14,130 | 13,783 | 6,668 | 7,722 | 6,476 | 1,131 | 1,562 | 955 |
| 24 Agriculture | 6,238 | 4,951 | 5,598 | 3,193 | 1,892 | 3,101 | −407 | 820 | 1,637 |
| 25 Commerce and housing credit | 2,565 | 7,795 | 3,995 | 3,878 | 3,163 | 1,940 | −639 | 1,154 | −243 |
| 26 Transportation | 17,459 | 20,840 | 23,312 | 9,582 | 11,547 | 11,991 | 1,881 | 1,727 | 1,559 |
| 27 Community and regional development | 9,482 | 9,917 | 9,265 | 5,302 | 5,370 | 4,621 | 641 | 990 | 707 |
| 28 Education, training, employment, social services | 29,685 | 31,399 | 30,563 | 16,686 | 15,221 | 15,928 | 1,954 | 2,655 | 2,274 |
| 29 Health | 49,614 | 58,165 | 69,324 | 29,299 | 31,263 | 34,708 | 6,599 | 6,276 | 6,173 |
| 30 Income security[1,6] | 160,159 | 192,133 | 225,599 | 94,605 | 107,912 | 113,490 | 19,094 | 20,847 | 18,462 |
| 31 Veterans benefits and services | 19,928 | 21,167 | 22,937 | 9,758 | 11,731 | 10,531 | 2,011 | 3,013 | 854 |
| 32 Administration of justice | 4,153 | 4,554 | 4,721 | 2,291 | 2,299 | 2,344 | 397 | 387 | 371 |
| 33 General government | 4,153 | 4,641 | 4,730 | 2,422 | 2,432 | 2,692 | 266 | 508 | 339 |
| 34 General-purpose fiscal assistance | 8,372 | 8,306 | 6,621 | 3,940 | 4,191 | 3,015 | 179 | 1,314 | 259 |
| 35 Interest[7] | 52,556 | 64,564 | 82,590 | 32,658 | 35,909 | 41,178 | 6,436 | 6,157 | 7,869 |
| 36 Undistributed offsetting receipts[7,8] | −18,489 | −21,933 | −30,306 | −10,387 | −14,769 | −12,432 | −2,216 | −1,039 | −1,973 |

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, were classified as outlays retroactive to January 1976.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance.
4. Supplementary medical insurance premiums, federal employee retirement contributions, and Civil Service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Effective 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.
7. Effective September 1976, "Interest" and "Undistributed offsetting receipts" reflect the accounting conversion from an accrual basis to a cash basis for the interest on special issues for U.S. government accounts.
8. 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 1982.*

## 1.40 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 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Aug. | Sept. | Oct. | Nov. | Dec. |
| 1 ***Total gross public debt*** | **718.9** | **789.2** | **845.1** | **930.2** | **980.2** | **997.9** | **1,005.0** | **1,013.3** | **1,028.7** |
| *By type* | | | | | | | | | |
| 2 Interest-bearing debt | 715.2 | 782.4 | 844.0 | 928.9 | 978.9 | 996.5 | 999.5 | 1,011.9 | 1,027.3 |
| 3 Marketable | 459.9 | 487.5 | 530.7 | 623.2 | 673.8 | 683.2 | 689.6 | 704.8 | 720.3 |
| 4 Bills | 161.1 | 161.7 | 172.6 | 216.1 | 219.9 | 223.4 | 229.1 | 233.9 | 245.0 |
| 5 Notes | 251.8 | 265.8 | 283.4 | 321.6 | 357.6 | 363.6 | 362.6 | 370.8 | 375.3 |
| 6 Bonds | 47.0 | 60.0 | 74.7 | 85.4 | 96.3 | 96.2 | 97.9 | 100.1 | 99.9 |
| 7 Nonmarketable[1] | 255.3 | 294.8 | 313.2 | 305.7 | 305.2 | 313.3 | 309.9 | 307.1 | 307.0 |
| 8 Convertible bonds[2] | 2.2 | 2.2 | 2.2 | ........ | ........ | ........ | ........ | ........ | ........ |
| 9 State and local government series | 13.9 | 24.3 | 24.6 | 23.8 | 22.8 | 23.2 | 23.1 | 23.0 | 23.0 |
| 10 Foreign issues[3] | 22.2 | 29.6 | 28.8 | 24.0 | 21.4 | 20.5 | 20.5 | 20.3 | 19.0 |
| 11 Government | 21.0 | 28.0 | 23.6 | 17.6 | 15.7 | 15.5 | 15.5 | 15.3 | 14.9 |
| 12 Public | 1.2 | 1.6 | 5.3 | 6.4 | 5.7 | 5.0 | 5.0 | 5.0 | 4.1 |
| 13 Savings bonds and notes | 77.0 | 80.9 | 79.9 | 72.5 | 68.6 | 68.3 | 68.0 | 68.0 | 68.1 |
| 14 Government account series[4] | 139.8 | 157.5 | 177.5 | 185.1 | 192.1 | 201.1 | 198.1 | 195.5 | 196.7 |
| 15 Non-interest-bearing debt | 3.7 | 6.8 | 1.2 | 1.3 | 1.3 | 1.4 | 5.6 | 1.4 | 1.4 |
| *By holder*[5] | | | | | | | | | |
| 16 U.S. government agencies and trust funds | 154.8 | 170.0 | 187.1 | 192.5 | 199.0 | 208.1 | 204.9 | | |
| 17 Federal Reserve Banks | 102.8 | 109.6 | 117.5 | 121.3 | 124.5 | 124.3 | 122.4 | | |
| 18 Private investors | 461.3 | 508.6 | 540.5 | 616.4 | 656.7 | 665.4 | 677.2 | | |
| 19 Commercial banks | 101.4 | 93.2 | 96.4 | 116.0 | 115.0 | 112.2 | 111.3 | | |
| 20 Mutual savings banks | 5.9 | 5.0 | 4.7 | 5.4 | 5.5 | 5.5 | 5.5 | | |
| 21 Insurance companies | 15.1 | 15.7 | 16.7 | 20.1 | 20.6 | 20.7 | 19.2 | n.a. | n.a. |
| 22 *Other companies* | 20.5 | 19.6 | 22.9 | 25.7 | 38.0 | 37.8 | 38.6 | | |
| 23 State and local governments | 55.2 | 64.4 | 69.9 | 78.8 | 86.2 | 86.2 | 88.3 | | |
| *Individuals* | | | | | | | | | |
| 24 Savings bonds | 76.7 | 80.7 | 79.9 | 72.5 | 68.7 | 68.3 | 68.0 | | |
| 25 Other securities | 28.6 | 30.3 | 36.2 | 56.7 | 71.5 | 72.0 | 73.0 | | |
| 26 Foreign and international[6] | 109.6 | 137.8 | 124.4 | 127.7 | 137.0 | 135.5 | 135.5 | | |
| 27 Other miscellaneous investors[7] | 49.7 | 58.9 | 90.1 | 106.9 | 114.2 | 127.2 | 137.8 | | |

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 | |
|---|---|---|---|---|---|---|---|---|
| | | | Sept. | Oct. | | | Sept. | Oct. |
| | All maturities | | | | 1 to 5 years | | | |
| 1 **All holders** | **530,731** | **623,186** | **683,209** | **689,578** | **164,198** | **197,409** | **218,310** | **213,462** |
| 2 U.S. government agencies and trust funds | 11,047 | 9,564 | 9,015 | 9,009 | 2,555 | 1,990 | 1,368 | 1,352 |
| 3 Federal Reserve Banks | 117,458 | 121,328 | 124,330 | 122,399 | 8,469 | 35,835 | 34,689 | 34,264 |
| 4 Private investors | 402,226 | 492,294 | 549,863 | 558,169 | 133,173 | 159,585 | 182,253 | 177,846 |
| 5 Commercial banks | 69,076 | 77,868 | 77,015 | 76,348 | 38,346 | 44,482 | 40,551 | 39,676 |
| 6 Mutual savings banks | 3,204 | 3,917 | 4,101 | 4,101 | 1,668 | 1,925 | 1,991 | 1,897 |
| 7 Insurance companies | 11,496 | 11,930 | 13,297 | 12,462 | 4,518 | 4,504 | 5,415 | 5,302 |
| 8 Nonfinancial corporations | 8,433 | 7,758 | 5,278 | 5,610 | 2,844 | 2,203 | 1,065 | 1,128 |
| 9 Savings and loan associations | 3,209 | 4,225 | 4,253 | 4,030 | 1,763 | 2,289 | 2,354 | 2,251 |
| 10 State and local governments | 15,735 | 21,058 | 23,757 | 24,513 | 3,487 | 4,595 | 4,995 | 4,567 |
| 11 All others | 291,072 | 365,539 | 422,162 | 431,104 | 80,546 | 99,577 | 125,881 | 123,024 |
| | Total, within 1 year | | | | 5 to 10 years | | | |
| 12 **All holders** | **255,252** | **297,385** | **318,998** | **325,037** | **50,440** | **56,037** | **61,660** | **65,118** |
| 13 U.S. government agencies and trust funds | 1,629 | 830 | 909 | 919 | 871 | 1,404 | 1,398 | 1,398 |
| 14 Federal Reserve Banks | 63,219 | 56,858 | 61,919 | 60,413 | 12,977 | 13,458 | 11,519 | 11,519 |
| 15 Private investors | 190,403 | 239,697 | 256,170 | 263,705 | 36,592 | 41,175 | 48,743 | 52,201 |
| 16 Commercial banks | 20,171 | 25,197 | 28,793 | 28,531 | 8,086 | 5,793 | 4,466 | 4,823 |
| 17 Mutual savings banks | 836 | 1,246 | 1,463 | 1,577 | 459 | 455 | 272 | 253 |
| 18 Insurance companies | 2,016 | 1,940 | 2,104 | 2,010 | 2,815 | 3,037 | 2,851 | 2,724 |
| 19 Nonfinancial corporations | 4,933 | 4,281 | 2,543 | 2,775 | 308 | 357 | 335 | 316 |
| 20 Savings and loan associations | 1,301 | 1,646 | 1,723 | 1,628 | 69 | 216 | 102 | 77 |
| 21 State and local governments | 5,607 | 7,750 | 8,545 | 9,083 | 1,540 | 2,030 | 2,395 | 2,805 |
| 22 All others | 155,539 | 197,636 | 211,000 | 218,100 | 24,314 | 29,287 | 38,324 | 41,203 |
| | Bills, within 1 year | | | | 10 to 20 years | | | |
| 23 **All holders** | **172,644** | **216,104** | **223,388** | **229,061** | **27,588** | **36,854** | **41,378** | **43,098** |
| 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 | 46,931 | 45,605 | 3,272 | 5,919 | 6,491 | 6,535 |
| 26 Private investors | 127,306 | 172,132 | 176,456 | 183,454 | 19,796 | 27,250 | 30,860 | 32,536 |
| 27 Commercial banks | 5,938 | 9,856 | 8,688 | 8,057 | 993 | 1,071 | 1,265 | 1,278 |
| 28 Mutual savings banks | 262 | 394 | 360 | 398 | 127 | 181 | 197 | 202 |
| 29 Insurance companies | 473 | 672 | 575 | 669 | 1,305 | 1,718 | 2,106 | 1,564 |
| 30 Nonfinancial corporations | 2,793 | 2,363 | 1,021 | 1,206 | 218 | 431 | 775 | 856 |
| 31 Savings and loan associations | 219 | 818 | 385 | 265 | 58 | 52 | 38 | 39 |
| 32 State and local governments | 3,100 | 5,413 | 5,862 | 6,455 | 1,762 | 3,597 | 4,390 | 4,666 |
| 33 All others | 114,522 | 152,616 | 159,565 | 166,404 | 15,332 | 20,200 | 22,089 | 23,931 |
| | Other, within 1 year | | | | Over 20 years | | | |
| 34 **All holders** | **82,608** | **81,281** | **95,610** | **95,976** | **33,254** | **35,500** | **42,863** | **42,863** |
| 35 U.S. government agencies and trust funds | 1,629 | 829 | 907 | 917 | 1,472 | 1,656 | 1,313 | 1,313 |
| 36 Federal Reserve Banks | 17,882 | 12,888 | 14,988 | 14,847 | 9,520 | 9,258 | 9,713 | 9,669 |
| 37 Private investors | 63,097 | 67,565 | 79,715 | 80,251 | 22,262 | 24,587 | 31,837 | 31,881 |
| 38 Commercial banks | 14,233 | 15,341 | 20,104 | 20,474 | 1,470 | 1,325 | 1,941 | 2,041 |
| 39 Mutual savings banks | 574 | 852 | 1,103 | 1,179 | 113 | 110 | 178 | 171 |
| 40 Insurance companies | 1,543 | 1,268 | 1,529 | 1,341 | 842 | 730 | 821 | 862 |
| 41 Nonfinancial corporations | 2,140 | 1,918 | 1,523 | 1,569 | 130 | 476 | 559 | 533 |
| 42 Savings and loan associations | 1,081 | 828 | 1,338 | 1,363 | 19 | 21 | 36 | 35 |
| 43 State and local governments | 2,508 | 2,337 | 2,683 | 2,828 | 3,339 | 3,086 | 3,433 | 3,392 |
| 44 All others | 41,017 | 45,020 | 51,435 | 51,696 | 16,340 | 18,838 | 24,869 | 24,847 |

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 Oct. 31, 1981: (1) 5,324 commercial banks, 455 mutual savings banks, and 725 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.

## 1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

| | Item | 1978 | 1979 | 1980 | 1981 Sept. | 1981 Oct. | 1981 Nov. | 1981, week ending Wednesday Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2 | Dec. 9 | Dec. 16 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Immediate delivery[1] | | | | | | | | | | | | |
| 1 | U.S. government securities | 10,285 | 13,183 | 18,331 | 24,881 | 27,905 | 35,034 | 40,026 | 35,180 | 31,434 | 29,891 | 30,915 | 27,660 |
| | *By maturity* | | | | | | | | | | | | |
| 2 | Bills | 6,173 | 7,915 | 11,413 | 14,980 | 17,241 | 18,862 | 21,388 | 18,701 | 15,039 | 16,535 | 18,298 | 16,080 |
| 3 | Other within 1 year | 392 | 454 | 421 | 794 | 768 | 1,137 | 857 | 1,424 | 1,031 | 1,124 | 877 | 1,439 |
| 4 | 1–5 years | 1,889 | 2,417 | 3,330 | 4,238 | 4,408 | 7,713 | 8,847 | 7,192 | 8,517 | 5,881 | 5,774 | 4,883 |
| 5 | 5–10 years | 965 | 1,121 | 1,464 | 2,688 | 2,903 | 3,534 | 3,237 | 3,386 | 4,031 | 4,038 | 3,281 | 2,611 |
| 6 | Over 10 years | 867 | 1,276 | 1,704 | 2,181 | 2,587 | 3,789 | 5,698 | 4,477 | 2,817 | 2,314 | 2,685 | 2,647 |
| | *By type of customer* | | | | | | | | | | | | |
| 7 | U.S. government securities dealers | 1,135 | 1,448 | 1,484 | 1,810 | 2,138 | 2,040 | 2,120 | 1,936 | 1,793 | 1,578 | 2,255 | 2,439 |
| 8 | U.S. government securities brokers | 3,838 | 5,170 | 7,610 | 11,922 | 13,499 | 16,519 | 18,771 | 16,742 | 15,155 | 13,631 | 14,715 | 13,422 |
| 9 | All others[2] | 5,312 | 6,564 | 9,237 | 11,149 | 12,269 | 16,475 | 19,135 | 16,502 | 14,486 | 14,682 | 13,946 | 11,799 |
| 10 | Federal agency securities | 1,894 | 2,723 | 3,258 | 2,786 | 3,559 | 4,383 | 4,646 | 4,383 | 4,632 | 3,555 | 3,097 | 3,320 |
| 11 | Certificates of deposit | 1,292 | 1,764 | 2,472 | 5,337 | 5,370 | 6,380 | 6,890 | 6,773 | 5,893 | 4,752 | 5,937 | 5,281 |
| 12 | Bankers acceptances | | | | 1,844 | 2,087 | 2,643 | 2,829 | 2,656 | 2,442 | 2,509 | 2,607 | 2,153 |
| 13 | Commercial paper | ↑ | ↑ | ↑ | 6,622 | 6,989 | 7,512 | 7,306 | 7,902 | 7,317 | 7,125 | 6,713 | 7,190 |
| | Futures transactions[3] | | | | | | | | | | | | |
| 14 | Treasury bills | | | | 3,764 | 3,825 | 4,905 | 4,638 | 5,461 | 4,522 | 4,679 | 5,084 | 6,917 |
| 15 | Treasury coupons | | | | 1,840 | 1,499 | 2,629 | 2,255 | 3,077 | 3,333 | 2,449 | 1,768 | 1,818 |
| 16 | Federal agency securities | n.a. | n.a. | n.a. | 169 | 195 | 260 | 276 | 360 | 218 | 162 | 301 | 310 |
| | Forward transactions[4] | | | | | | | | | | | | |
| 17 | U.S. government securities | | | | 359 | 303 | 569 | 700 | 233 | 745 | 491 | 461 | 343 |
| 18 | Federal agency securities | ↓ | ↓ | ↓ | 1,269 | 1,437 | 1,921 | 2,116 | 2,154 | 1,415 | 1,911 | 1,442 | 1,608 |

1. Before 1981, data for immediate transactions include forward transactions.
2. 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.
3. 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.
4. 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 Sept. | 1981 Oct. | 1981 Nov. | 1981, week ending Wednesday Oct. 28 | Nov. 4 | Nov. 11 | Nov. 18 | Nov. 25 | Dec. 2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Positions | | | | | | | | | | | |
| | Net immediate[1] | | | | | | | | | | | | |
| 1 | U.S. government securities | 2,656 | 3,223 | 4,306 | 6,148 | 6,384 | 8,592 | 5,945 | 7,569 | 9,621 | 7,963 | 9,076 | 8,175 |
| 2 | Bills | 2.452 | 3.813 | 4,103 | 5,543 | 4,781 | 4,920 | 4,056 | 5,103 | 5,908 | 4,705 | 4,349 | 4,489 |
| 3 | Other within 1 year | 260 | −325 | −1,062 | −2,613 | 3,235 | −3,611 | −3,435 | −3,532 | −3,553 | −3,434 | −3,538 | −4,107 |
| 4 | 1–5 years | −92 | −455 | 434 | 2,180 | 1,901 | 3,779 | 2,766 | 3,229 | 3,483 | 3,266 | 4,852 | 3,851 |
| 5 | 5–10 years | 40 | 160 | 166 | 31 | −12 | 241 | −15 | −57 | 114 | −47 | 346 | 911 |
| 6 | Over 10 years | −4 | 30 | 665 | 2,081 | 2,947 | 3,264 | 2,573 | 2,825 | 3,668 | 3,474 | 3,067 | 3,032 |
| 7 | Federal agency securities | 606 | 1,471 | 797 | 2,341 | 2,059 | 2,809 | 2,397 | 2,630 | 2,717 | 2,979 | 2,694 | 3,001 |
| 8 | Certificates of deposit | 2,775 | 2,794 | 3,115 | 3,341 | 4,209 | 4,396 | 4,045 | 4,412 | 4,131 | 4,567 | 4,513 | 4,353 |
| 9 | Bankers acceptances | | | | 1,440 | 2,133 | 2,211 | 2,110 | 2,239 | 1,987 | 2,227 | 2,183 | 2,516 |
| 10 | Commercial paper | ↑ | ↑ | ↑ | 2,337 | 2,635 | 3,273 | 2,259 | 2,880 | 3,188 | 3,497 | 3,245 | 3,430 |
| | Future positions | | | | | | | | | | | | |
| 11 | Treasury bills | | | | −9,786 | −8,568 | −7,318 | 8,022 | −10,225 | −8,544 | −6,330 | −6,014 | −6,483 |
| 12 | Treasury coupons | n.a. | n.a. | n.a. | −2,363 | −3,146 | −3,872 | −2,988 | −3,405 | −3,910 | −3,861 | −3,909 | −4,157 |
| 13 | Federal agency securities | | | | −661 | −363 | −197 | −145 | −80 | −125 | −187 | −290 | −278 |
| | Forwards positions | | | | | | | | | | | | |
| 14 | U.S. government securities | | | | −565 | −560 | −443 | −538 | −500 | −503 | −435 | −366 | −435 |
| 15 | Federal agency securities | ↓ | ↓ | ↓ | −254 | −362 | −1,045 | −451 | −688 | −807 | −1,169 | −1,231 | −1,231 |
| | | Financing[2] | | | | | | | | | | | |
| | Reverse repurchase agreements[3] | | | | | | | | | | | | |
| 16 | Overnight and continuing | ↑ | ↑ | ↑ | 17,052 | 19,848 | 20,711 | 19,832 | 20,080 | 19,783 | 20,761 | 19,474 | 23,456 |
| 17 | Term agreements | | | | 30,889 | 37,492 | 44,981 | 39,901 | 39,553 | 43,591 | 44,220 | 49,663 | 47,876 |
| | Repurchase agreements[4] | n.a. | n.a. | n.a. | | | | | | | | | |
| 18 | Overnight and continuing | | | | 35,814 | 41,347 | 43,324 | 42,401 | 44,375 | 38,954 | 48,164 | 34,654 | 50,471 |
| 19 | Term agreements | ↓ | ↓ | ↓ | 29,521 | 32,892 | 41,525 | 33,860 | 33,875 | 44,199 | 37,895 | 53,156 | 38,498 |

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 May | 1981 June | 1981 July | 1981 Aug. | 1981 Sept. | 1981 Oct. |
|---|---|---|---|---|---|---|---|---|---|
| 1 **Federal and federally sponsored agencies**[1] | **137,063** | **163,290** | **193,229** | **205,020** | **208,961** | **213,690** | **218,362** | **223,393** | **226,010** |
| 2 Federal agencies | 23,488 | 24,715 | 28,606 | 29,311 | 29,945 | 29,978 | 30,088 | 30,870 | 31,069 |
| 3 Defense Department[2] | 968 | 738 | 610 | 556 | 546 | 536 | 526 | 516 | 514 |
| 4 Export-Import Bank[3,4] | 8,711 | 9,191 | 11,250 | 11,850 | 12,423 | 12,401 | 12,385 | 12,855 | 12,845 |
| 5 Federal Housing Administration[5] | 588 | 537 | 477 | 449 | 448 | 443 | 449 | 432 | 427 |
| 6 Government National Mortgage Association participation certificates[6] | 3,141 | 2,979 | 2,817 | 2,775 | 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 | 11,930 | 12,060 | 12,130 | 12,260 | 12,599 | 12,830 |
| 9 United States Railway Association[7] | 356 | 436 | 492 | 213 | 215 | 215 | 215 | 215 | 200 |
| 10 Federally sponsored agencies[1] | 113,575 | 138,575 | 164,623 | 175,709 | 179,016 | 183,712 | 188,274 | 192,523 | 194,941 |
| 11 Federal Home Loan Banks | 27,563 | 33,330 | 41,258 | 47,121 | 49,425 | 52,431 | 55,161 | 58,276 | 57,990 |
| 12 Federal Home Loan Mortgage Corporation | 2,262 | 2,771 | 2,536 | 2,409 | 2,409 | 2,408 | 2,408 | 2,308 | 2,308 |
| 13 Federal National Mortgage Association | 41,080 | 48,486 | 55,185 | 54,430 | 54,657 | 55,362 | 56,372 | 56,688 | 57,805 |
| 14 Federal Land Banks | 20,360 | 16,006 | 12,365 | 10,583 | 10,583 | 10,317 | 10,317 | 10,317 | 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 | 56,061 | 56,932 | 57,784 | 58,306 | 59,024 | 60,911 |
| 18 Student Loan Marketing Association[8] | 915 | 1,505 | 2,720 | 3,495 | 3,400 | 3,800 | 4,100 | 4,300 | 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** | **98,297** | **100,333** | **102,853** | **103,597** | **107,309** | **108,171** |
| *Lending to federal and federally sponsored agencies* | | | | | | | | | |
| 21 Export-Import Bank[4] | 6,898 | 8,353 | 10,654 | 11,346 | 11,933 | 11,933 | 11,933 | 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 | 3,495 | 3,400 | 3,800 | 4,100 | 4,300 | 4,600 |
| 24 Tennessee Valley Authority | 5,635 | 7,272 | 9,465 | 10,205 | 10,335 | 10,405 | 10,535 | 10,874 | 11,105 |
| 25 United States Railway Association[7] | 356 | 436 | 492 | 213 | 215 | 215 | 215 | 215 | 200 |
| *Other Lending*[10] | | | | | | | | | |
| 26 Farmers Home Administration | 23,825 | 32,050 | 39,431 | 44,746 | 45,691 | 47,396 | 47,171 | 48,821 | 48,571 |
| 27 Rural Electrification Administration | 4,604 | 6,484 | 9,196 | 10,988 | 11,346 | 11,604 | 11,861 | 12,343 | 12,674 |
| 28 Other | 6,951 | 9,696 | 13,982 | 16,016 | 16,125 | 16,212 | 16,494 | 17,059 | 17,324 |

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.

## 1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

| Type of issue or issuer, or use | 1978 | 1979 | 1980 | 1981 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | May | June | July | Aug. | Sept. | Oct. |
| 1 **All issues, new and refunding**[1] | **48,607** | **43,490** | **48,462** | **3,476** | **4,862** | **3,180** | **3,066** | **3,769** | **3,712** |
| *Type of issue* | | | | | | | | | |
| 2 General obligation | 17,854 | 12,109 | 14,100 | 1,321 | 1,387 | 1,064 | 954 | 530 | 739 |
| 3 Revenue | 30,658 | 31,256 | 34,267 | 2,145 | 3,470 | 2,111 | 2,100 | 3,228 | 2,973 |
| 4 Housing Assistance Administration[2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 5 U.S. government loans | 95 | 125 | 95 | 10 | 5 | 5 | 12 | 11 | 0 |
| *Type of issuer* | | | | | | | | | |
| 6 State | 6,632 | 4,314 | 5,304 | 639 | 585 | 353 | 446 | 92 | 439 |
| 7 Special district and statutory authority | 24,156 | 23,434 | 26,972 | 1,667 | 2,706 | 1,724 | 1,682 | 2,667 | 2,138 |
| 8 Municipalities, counties, townships, school districts | 17,718 | 15,617 | 16,090 | 1,160 | 1,566 | 1,099 | 927 | 1,000 | 1,134 |
| 9 **Issues for new capital, total** | **37,629** | **41,505** | **46,736** | **3,463** | **4,781** | **3,167** | **2,408** | **3,752** | **3,617** |
| *Use of proceeds* | | | | | | | | | |
| 10 Education | 5,003 | 5,130 | 4,572 | 231 | 641 | 255 | 267 | 136 | 198 |
| 11 Transportation | 3,460 | 2,441 | 2,621 | 427 | 160 | 537 | 110 | 206 | 496 |
| 12 Utilities and conservation | 9,026 | 8,594 | 8,149 | 664 | 760 | 881 | 541 | 1,626 | 640 |
| 13 Social welfare | 10,494 | 15,968 | 19,958 | 1,029 | 1,371 | 712 | 825 | 459 | 950 |
| 14 Industrial aid | 3,526 | 3,836 | 3,974 | 459 | 747 | 358 | 266 | 823 | 701 |
| 15 Other purposes | 6,120 | 5,536 | 7,462 | 653 | 1,102 | 424 | 399 | 502 | 632 |

1. Par amounts of long-term issues based on date of sale.
2. Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

SOURCE. Public Securities Association.

## 1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

| Type of issue or issuer, or use | 1978 | 1979 | 1980 | 1981 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. |
| 1 **All issues**[1] | **47,230** | **51,533** | **73,688** | **6,835** | **5,457** | **9,536** | **4,133** | **3,062** | **4,637** | **4,345** |
| 2 **Bonds** | **36,872** | **40,208** | **53,199** | **4,597** | **3,080** | **5,601** | **2,376** | **1,616** | **2,797** | **2,848** |
| *Type of offering* | | | | | | | | | | |
| 3 Public | 19,815 | 25,814 | 41,587 | 3,668 | 2,520 | 4,603 | 1,925 | 905 | 2,198 | 2,582 |
| 4 Private placement | 17,057 | 14,394 | 11,612 | 929 | 560 | 998 | 451 | 711 | 599 | 266 |
| *Industry group* | | | | | | | | | | |
| 5 Manufacturing | 9,572 | 9,678 | 15,409 | 1,459 | 1,269 | 1,313 | 600 | 308 | 452 | 21 |
| 6 Commercial and miscellaneous | 5,246 | 3,948 | 6,688 | 342 | 138 | 566 | 206 | 390 | 201 | 617 |
| 7 Transportation | 2,007 | 3,119 | 3,329 | 142 | 49 | 584 | 133 | 95 | 64 | 54 |
| 8 Public utility | 7,092 | 8,153 | 9,556 | 904 | 1,063 | 996 | 383 | 360 | 1,012 | 1,008 |
| 9 Communication | 3,373 | 4,219 | 6,683 | 554 | 56 | 470 | 767 | 115 | 471 | 83 |
| 10 Real estate and financial | 9,586 | 11,094 | 11,534 | 1,197 | 506 | 1,672 | 287 | 348 | 598 | 1,065 |
| 11 **Stocks** | **10,358** | **11,325** | **20,490** | **2,238** | **2,377** | **3,935** | **1,757** | **1,446** | **1,840** | **1,497** |
| *Type* | | | | | | | | | | |
| 12 Preferred | 2,832 | 3,574 | 3,632 | 85 | 164 | 188 | 67 | 14 | 156 | 141 |
| 13 Common | 7,526 | 7,751 | 16,858 | 2,153 | 2,213 | 3,747 | 1,690 | 1,432 | 1,684 | 1,356 |
| *Industry group* | | | | | | | | | | |
| 14 Manufacturing | 1,241 | 1,679 | 4,839 | 531 | 903 | 382 | 335 | 160 | 117 | 193 |
| 15 Commercial and miscellaneous | 1,816 | 2,623 | 5,245 | 477 | 958 | 1,024 | 437 | 626 | 457 | 433 |
| 16 Transportation | 263 | 255 | 549 | 146 | 47 | 18 | 29 | 91 | 87 | 14 |
| 17 Public utility | 5,140 | 5,171 | 6,230 | 717 | 173 | 843 | 308 | 248 | 484 | 438 |
| 18 Communication | 264 | 303 | 567 | 56 | ........ | 1,036 | 73 | 12 | 369 | 7 |
| 19 Real estate and financial | 1,631 | 12,931 | 3,059 | 310 | 296 | 632 | 574 | 310 | 325 | 412 |

1. Figures, which represent gross proceeds of issues maturing in more than one year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than $100,000, secondary offerings, undefined or exempted issues as defined in the Securities Act of 1933, employee stock plans, investment companies other than closed-end, intracorporate transactions, and sales to foreigners.

SOURCE. Securities and Exchange Commission.

## 1.48 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

| Item | 1979 | 1980 | 1981 Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. |
|---|---|---|---|---|---|---|---|---|---|---|
| INVESTMENT COMPANIES[1] | | | | | | | | | | |
| 1 Sales of own shares[2] | 7,495 | 15,266 | 2,000 | 1,785 | 1,910 | 1,639 | 1,457 | 1,449 | 1,768 | 1,729 |
| 2 Redemptions of own shares[3] | 8,393 | 12,012 | 1,594 | 1,250 | 1,512 | 1,297 | 1,422 | 1,457 | 593 | 1,125 |
| 3 Net sales | −898 | 3,254 | 406 | 535 | 398 | 342 | 35 | −8 | 1,175 | 604 |
| 4 Assets[4] | 49,277 | 58,400 | 58,531 | 60,081 | 58,887 | 57,494 | 54,221 | 51,659 | 54,335 | 57,408 |
| 5 Cash position[5] | 4,983 | 5,321 | 5,099 | 5,448 | 5,199 | 5,109 | 5,058 | 5,409 | 5,799 | 6,269 |
| 6 Other | 44,294 | 53,079 | 53,432 | 54,633 | 53,688 | 52,385 | 49,163 | 46,250 | 48,536 | 51,139 |

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 Q1 | 1980 Q2 | 1980 Q3 | 1980 Q4 | 1981 Q1 | 1981 Q2 | 1981 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 | 169.2 | 152.7 | 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 | 109.6 | 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Q2 | Q3 | Q4 | Q1 | Q2 |
| 1 **Current assets** | **759.0** | **826.8** | **902.1** | **1,030.0** | **1,200.9** | **1,232.2** | **1,254.9** | **1,281.6** | **1,321.2** | **1,317.7** |
| 2 Cash | 82.1 | 88.2 | 95.8 | 104.5 | 116.1 | 111.5 | 113.4 | 121.0 | 120.5 | 118.5 |
| 3 U.S. government securities | 19.0 | 23.4 | 17.6 | 16.3 | 15.6 | 14.0 | 16.4 | 17.3 | 17.0 | 18.3 |
| 4 Notes and accounts receivable | 272.1 | 292.8 | 324.7 | 383.8 | 456.8 | 463.4 | 478.7 | 491.2 | 507.3 | 507.1 |
| 5 Inventories | 315.9 | 342.4 | 374.8 | 426.9 | 501.7 | 525.0 | 524.5 | 525.4 | 542.8 | 540.0 |
| 6 Other | 69.9 | 80.1 | 89.2 | 98.5 | 110.8 | 118.3 | 121.9 | 126.7 | 133.6 | 133.7 |
| 7 **Current liabilities** | **451.6** | **494.7** | **549.4** | **665.5** | **809.1** | **826.0** | **850.5** | **877.2** | **910.9** | **908.1** |
| 8 Notes and accounts payable | 264.2 | 281.9 | 313.2 | 373.7 | 456.3 | 462.8 | 477.0 | 498.3 | 504.0 | 500.8 |
| 9 Other | 187.4 | 212.8 | 236.2 | 291.7 | 352.8 | 363.2 | 373.5 | 378.9 | 406.9 | 407.2 |
| 10 **Net working capital** | **307.4** | **332.2** | **352.7** | **364.6** | **391.8** | **406.2** | **404.3** | **404.4** | **410.3** | **409.6** |
| 11 MEMO: Current ratio [1] | 1.681 | 1.672 | 1.642 | 1.548 | 1.484 | 1.492 | 1.475 | 1.461 | 1.450 | 1.451 |

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** |
| *Manufacturing* | | | | | | | | | | |
| 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 |
| *Nonmanufacturing* | | | | | | | | | | |
| 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 Oct. 30, 1981[1] | Changes in accounts receivable | | | Extensions | | | Repayments | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1981 | | | 1981 | | | 1981 | | |
| | | Aug. | Sept. | Oct. | Aug. | Sept. | Oct. | Aug. | Sept. | Oct. |
| 1 **Total** | **78,505** | **430** | **−619** | **418** | **20,356** | **18,852** | **17,393** | **19,926** | **19,471** | **16,975** |
| 2 Retail automotive (commercial vehicles) | 11,226 | 63 | 99 | −41 | 988 | 1,022 | 877 | 925 | 923 | 918 |
| 3 Wholesale automotive | 11,986 | −62 | −1,216 | 184 | 5,905 | 5,203 | 4,804 | 5,967 | 6,419 | 4,620 |
| 4 Retail paper on business, industrial and farm equipment | 27,017 | −73 | 307 | 76 | 1,701 | 1,446 | 1,352 | 1,774 | 1,139 | 1,276 |
| 5 Loans on commercial accounts receivable and factored commercial accounts receivable | 8,569 | 519 | −352 | −21 | 9,459 | 8,721 | 8,061 | 8,940 | 9,073 | 8,082 |
| 6 All other business credit | 19,707 | −17 | 543 | 220 | 2,303 | 2,460 | 2,299 | 2,320 | 1,917 | 2,079 |

1. Not seasonally adjusted.

## 1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

| Item | 1978 | 1979 | 1980 | 1981 May | June | July | Aug. | Sept. | Oct. | Nov. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Terms and yields in primary and secondary markets | | | | | | | | | |
| PRIMARY MARKETS | | | | | | | | | | |
| **Conventional mortgages on new homes** | | | | | | | | | | |
| *Terms*[1] | | | | | | | | | | |
| 1 Purchase price (thousands of dollars) | 62.6 | 74.4 | 83.4 | 88.9 | 94.1 | 95.2 | 98.1 | 89.1 | 89.2 | 84.5 |
| 2 Amount of loan (thousands of dollars) | 45.9 | 53.3 | 59.2 | 65.5 | 66.8 | 67.7 | 70.3 | 64.8 | 63.5 | 62.7 |
| 3 Loan/price ratio (percent) | 75.3 | 73.9 | 73.2 | 76.7 | 72.6 | 73.9 | 74.7 | 74.1 | 73.0 | 77.3 |
| 4 Maturity (years) | 28.0 | 28.5 | 28.2 | 28.5 | 27.5 | 28.3 | 27.2 | 26.6 | 27.4 | 23.4 |
| 5 Fees and charges (percent of loan amount)[2] | 1.39 | 1.66 | 2.09 | 2.60 | 2.50 | 2.73 | 2.98 | 2.75 | 2.86 | 2.52 |
| 6 Contract rate (percent per annum) | 9.30 | 10.48 | 12.25 | 13.56 | 14.12 | 14.13 | 14.60 | 14.69 | 15.04 | 15.68 |
| *Yield (percent per annum)* | | | | | | | | | | |
| 7 FHLBB series[3] | 9.54 | 10.77 | 12.65 | 14.10 | 14.67 | 14.72 | 15.27 | 15.29 | 15.65 | 16.38 |
| 8 HUD series[4] | 9.68 | 11.15 | 13.95 | 16.35 | 16.40 | 16.70 | 17.50 | 18.30 | 18.05 | 16.95 |
| SECONDARY MARKETS | | | | | | | | | | |
| *Yield (percent per annum)* | | | | | | | | | | |
| 9 FHA mortgages (HUD series)[5] | 9.70 | 10.87 | 13.42 | 16.03 | 16.31 | 16.76 | 17.96 | 18.55 | 17.43 | 15.98 |
| 10 GNMA securities[6] | 8.98 | 10.22 | 12.55 | 15.31 | 15.02 | 15.76 | 16.67 | 17.06 | 16.54 | 15.10 |
| FNMA auctions[7] | | | | | | | | | | |
| 11 Government-underwritten loans | 9.77 | 11.17 | 14.11 | 16.93 | 16.17 | 16.65 | 17.63 | 18.99 | 18.13 | 16.64 |
| 12 Conventional loans | 10.01 | 11.77 | 14.43 | 16.44 | 16.30 | 16.44 | 17.59 | 19.14 | 18.61 | 17.20 |
| | Activity in secondary markets | | | | | | | | | |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION | | | | | | | | | | |
| *Mortgage holdings (end of period)* | | | | | | | | | | |
| 13 Total | 39,032 | 46,050 | 55,104 | 57,586 | 57,657 | 57,979 | 58,722 | 59,682 | 60,489 | 60,949 |
| 14 FHA/VA-insured | 29,941 | 33,673 | 37,364 | 39,030 | 38,988 | 39,108 | 39,368 | 39,792 | 40,043 | 40,056 |
| 15 Conventional | 9,091 | 14,377 | 17,724 | 18,557 | 18,669 | 18,870 | 19,354 | 19,890 | 20,445r | 20,885 |
| *Mortgage transactions (during period)* | | | | | | | | | | |
| 16 Purchases | 12,301 | 10,812 | 8,099 | 283 | 247 | 627 | 944 | 1,125 | 1,000r | 594 |
| 17 Sales | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Mortgage commitments*[8] | | | | | | | | | | |
| 18 Contracted (during period) | 18,959 | 10,179 | 8,083 | 802 | 1,110 | 1,662 | 1,394 | 811 | 533 | 560 |
| 19 Outstanding (end of period) | 9,185 | 6,409 | 3,278 | 2,328 | 3,103 | 4,039 | 4,399 | 3,997 | 3,447 | 3,354 |
| *Auction of 4-month commitments to buy Government-underwritten loans* | | | | | | | | | | |
| 20 Offered | 12,978.1 | 8,860.4 | 8,605.4 | 204.8 | 237.6 | 331.9 | 689.5 | 145.9 | 66.3 | 79.0 |
| 21 Accepted | 6,747.2 | 3,920.9 | 4,002.0 | 179.1 | 127.1 | 290.4 | 336.6 | 64.1 | 37.3 | 34.4 |
| Conventional loans | | | | | | | | | | |
| 22 Offered | 9,933.0 | 4,495.3 | 3,639.2 | 281.3 | 307.1 | 306.6 | 862.2 | 120.7 | 43.2 | 147.7 |
| 23 Accepted | 5,110.9 | 2,343.6 | 1,748.5 | 155.9 | 224.0 | 238.2 | 304.3 | 67.9 | 27.5 | 63.1 |
| FEDERAL HOME LOAN MORTGAGE CORPORATION | | | | | | | | | | |
| *Mortgage holdings (end of period)*[9] | | | | | | | | | | |
| 24 Total | 2,810 | 3,543 | 4,362 | 5,223 | 5,257 | 5,250 | 5,294 | 5,431 | 5,469 | 5,283 |
| 25 FHA/VA | 1,847 | 1,995 | 2,116 | 2,235 | 2,241 | 2,233 | 2,238 | 2,264 | 2,267 | 2,232 |
| 26 Conventional | 963 | 1,549 | 2,246 | 2,988 | 3,016 | 3,017 | 3,056 | 3,167 | 3,202 | 3,051 |
| *Mortgage transactions (during period)* | | | | | | | | | | |
| 27 Purchases | 6,525 | 5,717 | 3,723 | 480 | 139 | 242 | 101 | 337 | 290 | 416 |
| 28 Sales | 6,211 | 4,544 | 2,527 | 422 | 94 | 238 | 44 | 249 | 244 | 596 |
| *Mortgage commitments*[10] | | | | | | | | | | |
| 29 Contracted (during period) | 7,451 | 5,542 | 3,859 | 130 | 293 | 866 | 386 | 365 | 1,834 | 2,011 |
| 30 Outstanding (end of period) | 1,410 | 797 | 447 | 322 | 1,018 | 824 | 1,028 | 982 | 2,863 | 4,451 |

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 | 1978 | 1979 | 1980 | 1980 | | 1981 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 |
| 1 **All holders** | **1,169,412** | **1,326,750** | **1,451,840** | **1,414,881** | **1,451,841** | **1,468,594[r]** | **1,498,021[r]** | **1,525,101** |
| 2 1- to 4-family | 765,217 | 878,931 | 960,422 | 935,393 | 960,408 | 973,460 | 992,497 | 1,010,241 |
| 3 Multifamily | 121,138 | 128,852 | 136,580 | 134,193 | 136,601 | 137,750 | 138,947 | 140,253 |
| 4 Commercial | 211,851 | 236,451 | 258,338 | 251,651 | 258,332 | 262,459 | 268,261 | 272,884 |
| 5 Farm | 71,206 | 82,516 | 96,500 | 93,644 | 96,500 | 94,925[r] | 98,316[r] | 101,723 |
| 6 Major financial institutions | 848,177 | 938,567 | 998,386 | 977,281 | 998,372 | 1,008,204 | 1,024,618 | 1,037,853 |
| 7 Commercial banks[1] | 214,045 | 245,187 | 264,602 | 258,003 | 264,602 | 268,102 | 274,503 | 282,404 |
| 8 1- to 4-family | 129,167 | 149,460 | 160,746 | 156,737 | 160,746 | 162,872 | 166,761 | 171,560 |
| 9 Multifamily | 10,266 | 11,180 | 12,304 | 11,997 | 12,304 | 12,467 | 12,764 | 13,132 |
| 10 Commercial | 66,115 | 75,957 | 82,688 | 80,626 | 82,688 | 83,782 | 85,782 | 88,251 |
| 11 Farm | 8,497 | 8,590 | 8,864 | 8,643 | 8,864 | 8,981 | 9,196 | 9,461 |
| 12 Mutual savings banks | 95,157 | 98,908 | 99,827 | 99,8306 | 99,813 | 99,719 | 99,993 | 100,200 |
| 13 1- to 4-family | 62,252 | 64,706 | 65,307 | 64,966 | 65,297 | 65,236 | 65,415 | 65,551 |
| 14 Multifamily | 16,529 | 17,340 | 17,180 | 17,249 | 17,338 | 17,321 | 17,369 | 17,405 |
| 15 Commercial | 16,319 | 16,963 | 17,120 | 17,031 | 17,118 | 17,102 | 17,149 | 17,184 |
| 16 Farm | 57 | 59 | 60 | 60 | 60 | 60 | 60 | 60 |
| 17 Savings and loan associations | 432,808 | 475,688 | 502,812 | 491,895 | 502,812 | 507,152 | 514,803 | 518,132 |
| 18 1- to 4-family | 356,114 | 394,345 | 419,446 | 409,896 | 419,446 | 423,269 | 430,324 | 433,107 |
| 19 Multifamily | 36,053 | 37,579 | 38,113 | 37,728 | 38,113 | 38,189 | 38,044 | 38,290 |
| 20 Commercial | 40,461 | 43,764 | 45,253 | 44,271 | 45,253 | 45,694 | 46,435 | 46,735 |
| 21 Life insurance companies | 106,167 | 118,784 | 131,145 | 128,077 | 131,145 | 133,231 | 135,319 | 131,117 |
| 22 1- to 4-family | 14,436 | 16,193 | 17,911 | 17,996 | 17,911 | 17,847 | 17,646 | 17,889 |
| 23 Multifamily | 19,000 | 19,274 | 19,614 | 19,357 | 19,614 | 19,579 | 19,603 | 19,872 |
| 24 Commercial | 62,232 | 71,137 | 80,776 | 77,995 | 80,776 | 82,839 | 85,038 | 86,207 |
| 25 Farm | 10,499 | 12,180 | 12,844 | 12,729 | 12,844 | 12,966 | 13,032 | 13,149 |
| 26 Federal and related agencies | 81,739 | 97,084 | 114,300 | 110,526 | 114,300 | 116,243 | 120,040 | 124,511 |
| 27 Government National Mortgage Association | 3,509 | 3,852 | 4,642 | 4,389 | 4,642 | 4,826 | 4,955 | 4,380 |
| 28 1- to 4-family | 877 | 763 | 704 | 719 | 704 | 696 | 699 | 690 |
| 29 Multifamily | 2,632 | 3,089 | 3,938 | 3,730 | 3,938 | 4,130 | 4,256 | 3,690 |
| 30 Farmers Home Administration | 926 | 1,274 | 3,492 | 3,525 | 3,492 | 2,837 | 3,595 | 4,295 |
| 31 1- to 4-family | 288 | 417 | 916 | 978 | 916 | 1,321 | 1,565 | 1,765 |
| 32 Multifamily | 320 | 71 | 610 | 774 | 610 | 528 | 489 | 564 |
| 33 Commercial | 101 | 174 | 411 | 370 | 411 | 479 | 576 | 651 |
| 34 Farm | 217 | 612 | 1,555 | 1,403 | 1,555 | 509 | 965 | 1,315 |
| 35 Federal Housing and Veterans Administration | 5,305 | 5,555 | 5,640 | 5,600 | 5,640 | 5,799 | 5,895[r] | 6,014 |
| 36 1- to 4-family | 1,673 | 1,955 | 2,051 | 1,986 | 2,051 | 2,135 | 2,172 | 2,224 |
| 37 Multifamily | 3,632 | 3,600 | 3,589 | 3,614 | 3,589 | 3,664 | 3,723 | 3,790 |
| 38 Federal National Mortgage Association | 43,311 | 51,091 | 57,327 | 55,632 | 57,327 | 57,362 | 57,657 | 59,682 |
| 39 1- to 4-family | 37,579 | 45,488 | 51,775 | 50,071 | 51,775 | 51,842 | 52,181 | 54,227 |
| 40 Multifamily | 5,732 | 5,603 | 5,552 | 5,561 | 5,552 | 5,520 | 5,476 | 5,455 |
| 41 Federal Land Banks | 25,624 | 31,277 | 38,131 | 36,837 | 38,131 | 40,258 | 42,681 | 44,708 |
| 42 1- to 4-family | 927 | 1,552 | 2,099 | 1,985 | 2,099 | 2,228 | 2,401 | 2,605 |
| 43 Farm | 24,697 | 29,725 | 36,032 | 34,852 | 36,032 | 38,030 | 40,280 | 42,103 |
| 44 Federal Home Loan Mortgage Corporation | 3,064 | 4,035 | 5,068 | 4,543 | 5,068 | 5,161 | 5,257 | 5,432 |
| 45 1- to 4-family | 2,407 | 3,059 | 3,873 | 3,459 | 3,873 | 3,953 | 4,025 | 4,166 |
| 46 Multifamily | 657 | 976 | 1,195 | 1,084 | 1,195 | 1,208 | 1,232 | 1,266 |
| 47 Mortgage pools or trusts[2] | 88,633 | 119,278 | 142,258 | 136,583 | 142,258 | 147,246 | 151,374 | 155,487 |
| 48 Government National Mortgage Association | 54,347 | 76,401 | 93,874 | 89,452 | 93,874 | 97,184 | 100,558 | 103,750 |
| 49 1- to 4-family | 52,732 | 74,546 | 91,602 | 87,276 | 91,602 | 94,810 | 98,057 | 101,068 |
| 50 Multifamily | 1,615 | 1,855 | 2,272 | 2,176 | 2,272 | 2,374 | 2,501 | 2,682 |
| 51 Federal Home Loan Mortgage Corporation | 11,892 | 15,180 | 16,854 | 16,659 | 16,854 | 17,067 | 17,565 | 17,936 |
| 52 1- to 4-family | 9,657 | 12,149 | 13,471 | 13,318 | 13,471 | 13,641 | 14,115 | 14,401 |
| 53 Multifamily | 2,235 | 3,031 | 3,383 | 3,341 | 3,383 | 3,426 | 3,450 | 3,535 |
| 54 Farmers Home Administration | 22,394 | 27,697 | 31,530 | 30,472 | 31,530 | 32,995 | 33,251 | 33,801 |
| 55 1- to 4-family | 13,400 | 14,884 | 16,683 | 16,226 | 16,683 | 16,640 | 16,750 | 16,900 |
| 56 Multifamily | 1,116 | 2,163 | 2,612 | 2,235 | 2,612 | 2,853 | 3,072 | 3,172 |
| 57 Commercial | 3,560 | 4,328 | 5,271 | 5,059 | 5,271 | 5,382 | 5,531 | 5,631 |
| 58 Farm | 4,318 | 6,322 | 6,964 | 6,952 | 6,964 | 8,120 | 7,898 | 8,098 |
| 59 Individual and others[3] | 150,863 | 171,821 | 196,896 | 190,491 | 196,911 | 196,901[r] | 201,989[r] | 207,250 |
| 60 1- to 4-family | 83,708 | 99,414 | 113,838 | 109,780 | 113,834 | 116,970 | 120,386 | 124,088 |
| 61 Multifamily | 21,351 | 23,251 | 26,058 | 25,407 | 26,081 | 26,491 | 26,968 | 27,400 |
| 62 Commercial | 22,883 | 24,128 | 26,819 | 26,299 | 26,815 | 27,181 | 27,750 | 28,225 |
| 63 Farm | 22,921 | 25,028 | 30,181 | 29,005 | 30,181 | 26,259[r] | 26,885[r] | 27,537 |

1. Includes loans held by nondeposit trust companies but not bank trust departments.
2. Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.
3. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

NOTE. Based on data from various institutional and governmental sources, with some quarters estimated in part by the Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Department of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations when required, are estimated mainly by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

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

Millions of dollars

| Holder, and type of credit | 1978 | 1979 | 1980 | 1981 May | June | July | Aug. | Sept. | Oct. | Nov. |
|---|---|---|---|---|---|---|---|---|---|---|
| | *Amounts outstanding (end of period)* | | | | | | | | | |
| 1 **Total** | **273,645** | **312,024** | **313,435** | **315,465** | **318,459** | **320,886** | **324,653** | **328,296** | **328,826** | **328,944** |
| *By major holder* | | | | | | | | | | |
| 2 Commercial banks | 136,016 | 154,177 | 145,765 | 142,143 | 143,310 | 144,020 | 144,769 | 145,287 | 145,090 | 144,560 |
| 3 Finance companies | 54,298 | 68,318 | 76,756 | 81,794 | 82,723 | 83,924 | 86,152 | 88,698 | 89,583 | 89,956 |
| 4 Credit unions | 44,334 | 46,517 | 44,041 | 45,055 | 45,686 | 46,096 | 46,605 | 46,791 | 46,416 | 46,092 |
| 5 Retailers[2] | 25,987 | 28,119 | 29,410 | 27,319 | 27,412 | 27,469 | 27,494 | 27,712 | 28,046 | 28,563 |
| 6 Savings and loans | 7,097 | 8,424 | 9,911 | 11,148 | 11,115 | 10,959 | 11,125 | 11,236 | 11,348 | 11,529 |
| 7 Gasoline companies | 3,220 | 3,729 | 4,717 | 5,157 | 5,364 | 5,597 | 5,716 | 5,771 | 5,562 | 5,452 |
| 8 Mutual savings banks | 2,693 | 2,740 | 2,835 | 2,849 | 2,849 | 2,821 | 2,792 | 2,801 | 2,781 | 2,792 |
| *By major type of credit* | | | | | | | | | | |
| 9 Automobile | 101,647 | 116,362 | 116,327 | 118,932 | 119,685 | 121,002 | 123,219 | 125,646 | 126,235 | 125,929 |
| 10 Commercial banks | 60,510 | 67,367 | 61,025 | 59,169 | 59,192 | 59,434 | 59,485 | 59,394 | 59,133 | 58,669 |
| 11 Indirect paper | 33,850 | 38,338 | 34,857 | 33,913 | 33,996 | 34,270 | 34,501 | 34,656 | 34,638 | 34,421 |
| 12 Direct loans | 26,660 | 29,029 | 26,168 | 25,256 | 25,196 | 25,164 | 24,984 | 24,738 | 24,495 | 24,248 |
| 13 Credit unions | 21,200 | 22,244 | 21,060 | 21,545 | 21,847 | 22,044 | 22,286 | 22,375 | 22,196 | 22,041 |
| 14 Finance companies | 19,937 | 26,751 | 34,242 | 38,218 | 38,646 | 39,525 | 41,448 | 43,877 | 44,906 | 45,219 |
| 15 Revolving | 48,309 | 56,937 | 59,862 | 57,524 | 58,470 | 58,976 | 59,745 | 60,415 | 60,651 | 61,166 |
| 16 Commercial banks | 24,341 | 29,862 | 30,001 | 29,096 | 29,722 | 29,923 | 30,530 | 30,921 | 31,012 | 31,125 |
| 17 Retailers | 20,748 | 23,346 | 25,144 | 23,271 | 23,384 | 23,456 | 23,499 | 23,723 | 24,077 | 24,589 |
| 18 Gasoline companies | 3,220 | 3,729 | 4,717 | 5,157 | 5,364 | 5,597 | 5,716 | 5,771 | 5,562 | 5,452 |
| 19 Mobile home | 15,235 | 16,838 | 17,327 | 17,626 | 17,724 | 17,784 | 17,988 | 18,157 | 18,329 | 18,385 |
| 20 Commercial banks | 9,545 | 10,647 | 10,376 | 10,159 | 10,179 | 10,192 | 10,242 | 10,274 | 10,317 | 10,272 |
| 21 Finance companies | 3,152 | 3,390 | 3,745 | 3,909 | 3,990 | 4,076 | 4,178 | 4,282 | 4,384 | 4,439 |
| 22 Savings and loans | 2,067 | 2,307 | 2,737 | 3,079 | 3,069 | 3,026 | 3,072 | 3,103 | 3,134 | 3,184 |
| 23 Credit unions | 471 | 494 | 469 | 479 | 486 | 490 | 496 | 498 | 494 | 490 |
| 24 Other | 108,454 | 121,887 | 119,919 | 121,383 | 122,580 | 123,124 | 123,701 | 124,078 | 123,611 | 123,464 |
| 25 Commercial banks | 41,620 | 46,301 | 44,363 | 43,719 | 44,217 | 44,471 | 44,512 | 44,698 | 44,628 | 44,494 |
| 26 Finance companies | 31,209 | 38,177 | 38,769 | 39,667 | 40,087 | 40,323 | 40,526 | 40,539 | 40,293 | 40,298 |
| 27 Credit unions | 22,663 | 23,779 | 22,512 | 23,031 | 23,353 | 23,563 | 23,823 | 23,918 | 23,726 | 23,561 |
| 28 Retailers | 5,239 | 4,773 | 4,266 | 4,048 | 4,028 | 4,013 | 3,995 | 3,989 | 3,969 | 3,974 |
| 29 Savings and loans | 5,030 | 6,117 | 7,174 | 8,069 | 8,046 | 7,933 | 8,053 | 8,133 | 8,214 | 8,345 |
| 30 Mutual savings banks | 2,693 | 2,740 | 2,835 | 2,849 | 2,849 | 2,821 | 2,792 | 2,801 | 2,781 | 2,792 |
| | Net change (during period)[3] | | | | | | | | | |
| 31 **Total** | **43,079** | **38,381** | **1,410** | **1,346** | **1,930** | **1,954** | **2,859** | **2,819** | **1,014** | **342** |
| *By major holder* | | | | | | | | | | |
| 32 Commercial banks | 23,641 | 18,161 | -8,412 | -14 | 614 | 432 | 185 | 123 | -175 | 121 |
| 33 Finance companies | 9,430 | 14,020 | 8,438 | 409 | 570 | 948 | 2,383 | 2,682 | 1,204 | 462 |
| 34 Credit unions | 6,729 | 2,185 | -2,475 | 391 | 219 | 532 | 245 | 134 | -209 | -224 |
| 35 Retailers[2] | 2,497 | 2,132 | 1,291 | -3 | 416 | 265 | -13 | 117 | 101 | -214 |
| 36 Savings and loans | 7 | 1,327 | 1,485 | 519 | 45 | -175 | 42 | 71 | 32 | 121 |
| 37 Gasoline companies | 257 | 509 | 988 | 67 | 78 | 4 | 33 | -20 | 72 | 61 |
| 38 Mutual savings banks | 518 | 47 | 95 | 23 | -12 | 52 | -16 | 20 | -11 | 15 |
| *By major type of credit* | | | | | | | | | | |
| 39 Automobile | 18,736 | 14,715 | -35 | -195 | 57 | 1,208 | 2,115 | 2,282 | 962 | 274 |
| 40 Commercial banks | 10,933 | 6,857 | -6,342 | -208 | -214 | 199 | -91 | -201 | -288 | -70 |
| 41 Indirect paper | 6,471 | 4,488 | -3,481 | -83 | -44 | 274 | 159 | 63 | -44 | 60 |
| 42 Direct loans | 4,462 | 2,369 | -2,861 | -125 | -170 | -75 | -250 | -264 | -244 | -130 |
| 43 Credit unions | 3,101 | 1,044 | -1,184 | 160 | 106 | 263 | 106 | 82 | -98 | -77 |
| 44 Finance companies | 4,702 | 6,814 | 7,491 | -147 | 165 | 746 | 2,100 | 2,565 | 1,348 | 421 |
| 45 Revolving | 9,035 | 8,628 | 2,925 | 350 | 1,018 | 477 | 491 | 293 | 390 | 53 |
| 46 Commercial banks | 5,967 | 5,521 | 139 | 230 | 580 | 156 | 440 | 171 | 138 | 178 |
| 47 Retailers | 2,811 | 2,598 | 1,798 | 53 | 360 | 317 | 18 | 142 | 180 | -186 |
| 48 Gasoline companies | 257 | 509 | 988 | 67 | 78 | 4 | 33 | -20 | 72 | 61 |
| 49 Mobile home | 286 | 1,603 | 488 | 243 | 89 | 67 | 176 | 175 | 135 | 58 |
| 50 Commercial banks | 419 | 1,102 | -271 | 7 | -12 | 20 | 44 | 48 | 41 | -26 |
| 51 Finance companies | 74 | 238 | 355 | 78 | 85 | 81 | 93 | 102 | 74 | 42 |
| 52 Savings and loans | 276 | 240 | 430 | 152 | 14 | 44 | 37 | 26 | 23 | 45 |
| 53 Credit unions | 69 | 23 | 25 | 6 | 2 | 10 | 2 | -1 | -3 | -3 |
| 54 Other | 15,022 | 13,435 | -1,968 | 948 | 766 | 202 | 77 | 69 | -473 | -43 |
| 55 Commercial banks | 6,322 | 4,681 | -1,938 | -43 | 260 | 57 | -208 | 105 | 66 | 39 |
| 56 Finance companies | 4,654 | 6,968 | 592 | 478 | 320 | 121 | 190 | 15 | -218 | -1 |
| 57 Credit unions | 3,559 | 1,118 | -1,266 | 225 | 111 | 259 | 137 | -51 | -108 | -144 |
| 58 Retailers | 314 | -466 | -507 | 56 | 56 | -52 | -31 | -25 | -79 | -28 |
| 59 Savings and loans | 283 | 1,087 | 1,056 | 367 | 31 | -131 | 5 | 45 | 9 | 76 |
| 60 Mutual savings banks | 518 | 47 | 95 | -23 | -12 | -52 | -16 | -20 | -11 | 15 |

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 \$64.3 billion at the end of 1978, \$71.3 billion at the end of 1979, and \$72.2 billion at the end of 1980.

## 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 May | June | July | Aug. | Sept. | Oct. | Nov. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Extensions | | | | | | | | | |
| 1 **Total** | **297,668** | **324,777** | **305,887** | **28,149** | **29,005** | **28,750** | **28,899** | **29,428** | **26,952** | **27,499** |
| *By major holder* | | | | | | | | | | |
| 2 Commercial banks | 142,433 | 154,733 | 133,605 | 12,055 | 12,483 | 12,433 | 12,034 | 12,036 | 11,244 | 12,043 |
| 3 Finance companies | 50,505 | 61,518 | 60,801 | 4,937 | 5,251 | 5,439 | 6,385 | 7,158 | 5,327 | 5,287 |
| 4 Credit unions | 38,111 | 34,926 | 29,594 | 3,212 | 3,137 | 3,299 | 2,913 | 2,558 | 2,621 | 2,571 |
| 5 Retailers[1] | 44,571 | 47,676 | 50,959 | 4,486 | 5,018 | 4,826 | 4,616 | 4,727 | 4,729 | 4,405 |
| 6 Savings and loans | 3,724 | 5,901 | 6,621 | 1,068 | 649 | 383 | 537 | 573 | 553 | 668 |
| 7 Gasoline companies | 16,017 | 18,005 | 22,402 | 2,243 | 2,296 | 2,252 | 2,284 | 2,246 | 2,333 | 2,353 |
| 8 Mutual savings banks | 2,307 | 2,018 | 1,905 | 148 | 171 | 118 | 130 | 130 | 145 | 172 |
| *By major type of credit* | | | | | | | | | | |
| 9 Automobile | 87,981 | 93,901 | 83,002 | 7,320 | 7,442 | 8,178 | 8,573 | 9,176 | 7,139 | 7,748 |
| 10 Commercial banks | 52,969 | 53,554 | 40,657 | 3,627 | 3,652 | 3,874 | 3,457 | 3,394 | 2,912 | 3,654 |
| 11 Indirect paper | 29,342 | 29,623 | 22,269 | 2,071 | 2,126 | 2,349 | 2,084 | 2,075 | 1,627 | 2,189 |
| 12 Direct loans | 23,627 | 23,931 | 18,388 | 1,556 | 1,526 | 1,525 | 1,373 | 1,319 | 1,285 | 1,465 |
| 13 Credit unions | 18,539 | 17,397 | 15,294 | 1,608 | 1,553 | 1,663 | 1,537 | 1,337 | 1,308 | 1,342 |
| 14 Finance companies | 16,473 | 22,950 | 27,051 | 2,085 | 2,237 | 2,641 | 3,579 | 4,445 | 2,919 | 2,752 |
| 15 Revolving | 105,125 | 120,174 | 129,580 | 11,904 | 12,668 | 12,190 | 11,964 | 12,335 | 12,208 | 11,861 |
| 16 Commercial banks | 51,333 | 61,048 | 61,847 | 5,613 | 5,905 | 5,557 | 5,528 | 5,831 | 5,555 | 5,555 |
| 17 Retailers | 37,775 | 41,121 | 45,331 | 4,048 | 4,467 | 4,381 | 4,152 | 4,258 | 4,320 | 3,953 |
| 18 Gasoline companies | 16,017 | 18,005 | 22,402 | 2,243 | 2,296 | 2,252 | 2,284 | 2,246 | 2,333 | 2,353 |
| 19 Mobile home | 5,412 | 6,471 | 5,098 | 609 | 488 | 451 | 536 | 543 | 487 | 498 |
| 20 Commercial banks | 3,697 | 4,542 | 2,942 | 250 | 259 | 282 | 297 | 302 | 266 | 254 |
| 21 Finance companies | 886 | 797 | 898 | 112 | 122 | 116 | 120 | 134 | 123 | 108 |
| 22 Savings and loans | 609 | 948 | 1,146 | 230 | 93 | 30 | 105 | 95 | 89 | 127 |
| 23 Credit unions | 220 | 184 | 113 | 17 | 14 | 23 | 14 | 12 | 9 | 9 |
| 24 Other | 99,150 | 104,231 | 88,207 | 8,316 | 8,407 | 7,931 | 7,826 | 7,374 | 7,118 | 7,392 |
| 25 Commercial banks | 34,434 | 35,589 | 28,159 | 2,565 | 2,667 | 2,720 | 2,752 | 2,509 | 2,511 | 2,580 |
| 26 Finance companies | 33,146 | 37,771 | 32,852 | 2,740 | 2,892 | 2,682 | 2,686 | 2,579 | 2,285 | 2,427 |
| 27 Credit unions | 19,352 | 17,345 | 14,187 | 1,587 | 1,570 | 1,613 | 1,362 | 1,209 | 1,304 | 1,220 |
| 28 Retailers | 6,796 | 6,555 | 5,628 | 438 | 551 | 445 | 464 | 469 | 409 | 452 |
| 29 Savings and loans | 3,115 | 4,953 | 5,476 | 838 | 556 | 353 | 432 | 478 | 464 | 541 |
| 30 Mutual savings banks | 2,307 | 2,018 | 1,905 | 148 | 171 | 118 | 130 | 130 | 145 | 172 |
| | Liquidations | | | | | | | | | |
| 31 **Total** | **254,589** | **286,396** | **304,477** | **26,803** | **27,075** | **26,796** | **26,040** | **26,609** | **25,938** | **27,157** |
| *By major holder* | | | | | | | | | | |
| 32 Commercial banks | 118,792 | 136,572 | 142,017 | 12,069 | 11,869 | 12,001 | 11,849 | 11,913 | 11,419 | 11,922 |
| 33 Finance companies | 41,075 | 47,498 | 52,363 | 4,528 | 4,681 | 4,491 | 4,002 | 4,476 | 4,123 | 4,825 |
| 34 Credit unions | 31,382 | 32,741 | 32,069 | 2,821 | 2,918 | 2767 | 2,668 | 2,692 | 2,830 | 2,795 |
| 35 Retailers[1] | 42,074 | 45,544 | 49,668 | 4,489 | 4,602 | 4561 | 4,629 | 4,610 | 4,628 | 4,619 |
| 36 Savings and loans | 3,717 | 4,574 | 5,136 | 549 | 604 | 558 | 495 | 502 | 521 | 547 |
| 37 Gasoline companies | 15,760 | 17,496 | 21,414 | 2,176 | 2,218 | 2,248 | 2,251 | 2,266 | 2,261 | 2,292 |
| 38 Mutual savings banks | 1,789 | 1,971 | 1,810 | 171 | 183 | 170 | 146 | 150 | 156 | 157 |
| *By major type of credit* | | | | | | | | | | |
| 39 Automobile | 69,245 | 79,186 | 83,037 | 7,515 | 7,385 | 6,970 | 6,458 | 6,894 | 6,177 | 7,474 |
| 40 Commercial banks | 42,036 | 46,697 | 46,999 | 3,835 | 3,866 | 3,675 | 3,548 | 3,595 | 3,200 | 3,724 |
| 41 Indirect paper | 22,871 | 25,135 | 25,750 | 2,154 | 2,170 | 2,075 | 1,925 | 2,012 | 1,671 | 2,129 |
| 42 Direct loans | 19,165 | 21,562 | 21,249 | 1,681 | 1,696 | 1,600 | 1,623 | 1,583 | 1,529 | 1,595 |
| 43 Credit unions | 15,438 | 16,353 | 16,478 | 1,448 | 1,447 | 1,400 | 1,431 | 1,419 | 1,406 | 1,419 |
| 44 Finance companies | 11,771 | 16,136 | 19,560 | 2,232 | 2,072 | 1,895 | 1,479 | 1,880 | 1,571 | 2,331 |
| 45 Revolving | 96,090 | 111,546 | 126,655 | 11,554 | 11,650 | 11,713 | 11,473 | 12,042 | 11,818 | 11,808 |
| 46 Commercial banks | 45,366 | 55,527 | 61,708 | 5,383 | 5,325 | 5,401 | 5,088 | 5,660 | 5,417 | 5,377 |
| 47 Retailers | 34,964 | 38,523 | 43,533 | 3,995 | 4,107 | 4,064 | 4,134 | 4,116 | 4,140 | 4,139 |
| 48 Gasoline companies | 15,760 | 17,496 | 21,414 | 2,176 | 2,218 | 2,248 | 2,251 | 2,266 | 2,261 | 2,292 |
| 49 Mobile home | 5,126 | 4,868 | 4,610 | 366 | 399 | 384 | 360 | 368 | 352 | 440 |
| 50 Commercial banks | 3,278 | 3,440 | 3,213 | 243 | 271 | 262 | 253 | 254 | 225 | 280 |
| 51 Finance companies | 812 | 559 | 543 | 34 | 37 | 35 | 27 | 32 | 49 | 66 |
| 52 Savings and loans | 885 | 708 | 716 | 78 | 79 | 74 | 68 | 69 | 66 | 82 |
| 53 Credit unions | 151 | 161 | 138 | 11 | 12 | 13 | 12 | 13 | 12 | 12 |
| 54 Other | 84,128 | 90,796 | 90,175 | 7,368 | 7,641 | 7,729 | 7,749 | 7,305 | 7,591 | 7,435 |
| 55 Commercial banks | 28,112 | 30,908 | 30,097 | 2,608 | 2,407 | 2,663 | 2,960 | 2,404 | 2,577 | 2,541 |
| 56 Finance companies | 28,492 | 30,803 | 32,260 | 2,262 | 2,572 | 2,561 | 2,496 | 2,564 | 2,503 | 2,428 |
| 57 Credit unions | 15,793 | 16,227 | 15,453 | 1,362 | 1,459 | 1,354 | 1,225 | 1,260 | 1,412 | 1,364 |
| 58 Retailers | 7,110 | 7,021 | 6,135 | 494 | 495 | 497 | 495 | 494 | 488 | 480 |
| 59 Savings and loans | 2,832 | 3,866 | 4,420 | 471 | 525 | 484 | 427 | 433 | 455 | 465 |
| 60 Mutual savings banks | 1,789 | 1,971 | 1,810 | 171 | 183 | 170 | 146 | 150 | 156 | 157 |

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 H2 | 1979 H1 | 1979 H2 | 1980 H1 | 1980 H2 | 1981 H1r |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 |
| Mortgages | | | | | | | | | | | | |
| 15 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 |
| 16 Multifamily residential | * | 3.9 | 7.4 | 9.4 | 7.8 | 8.5 | 8.5 | 8.0 | 7.6 | 8.2 | 8.8 | 5.4 |
| 17 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 |
| 18 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 |
| 19 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 |
| 20 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 |
| 21 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 |
| 22 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 |
| 23 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 |
| 24 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 |
| 25 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 |
| 26 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 |
| 27 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 |
| 28 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 |
| 29 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 |
| 30 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 |
| 31 Corporate equities | .2 | .3 | .4 | -.5 | .8 | 2.1 | -.3 | -.2 | 1.7 | 1.9 | 2.2 | .6 |
| 32 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 |
| 33 Bonds | 6.2 | 8.6 | 5.1 | 4.2 | 3.9 | .8 | 3.1 | 2.8 | 4.9 | 2.0 | -.4 | 3.3 |
| 34 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 |
| 35 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 |
| 36 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | H2 | H1 | H2 | H1 | H2 | H1[r] |
| 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** |
| *By public agencies and foreign* | | | | | | | | | | | | |
| 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 |
| *Total advanced, by sector* | | | | | | | | | | | | |
| 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 | -3.1 | -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 |
| *Private domestic funds advanced* | | | | | | | | | | | | |
| 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 |
| *Private financial intermediation* | | | | | | | | | | | | |
| 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 | 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 |
| *Private domestic nonfinancial investors* | | | | | | | | | | | | |
| 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 |
| Memo: Corporate equities not included above | | | | | | | | | | | | |
| 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.

## 2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

| Measure | 1978 | 1979 | 1980 | 1981 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Mar. | Apr. | May | June | July | Aug. | Sept.r | Oct.r | Nov.r | Dec. |
| 1 **Industrial production**[1] | **146.1** | **152.5** | **147.0** | **152.1** | **151.9** | **152.7** | **152.9** | **153.9** | **153.6** | **151.6** | **149.2** | **146.4** | **143.3** |
| *Market groupings* | | | | | | | | | | | | | |
| 2 Products, total | 144.8 | 150.0 | 146.7 | 150.7 | 151.3 | 152.3 | 152.7 | 153.0 | 152.6 | 151.0 | 149.6 | 147.8 | 145.8 |
| 3 Final, total | 135.9 | 147.2 | 145.3 | 149.0 | 149.9 | 151.3 | 151.4 | 152.1 | 151.5 | 150.0 | 149.1 | 147.5 | 145.5 |
| 4 Consumer goods | 149.1 | 150.8 | 145.4 | 148.3 | 148.9 | 150.7 | 150.3 | 150.7 | 149.6 | 147.8 | 146.9 | 145.0 | 142.3 |
| 5 Equipment | 132.8 | 142.2 | 145.2 | 150.0 | 151.4 | 152.1 | 153.0 | 154.1 | 154.0 | 152.9 | 152.2 | 151.0 | 149.9 |
| 6 Intermediate | 154.1 | 160.5 | 151.9 | 157.1 | 156.3 | 156.1 | 154.9 | 156.2 | 156.8 | 154.6 | 151.4 | 149.2 | 147.0 |
| 7 Materials | 148.3 | 156.4 | 147.6 | 154.4 | 152.9 | 153.4 | 154.0 | 155.3 | 155.2 | 152.5 | 148.5 | 144.1 | 139.5 |
| *Industry groupings* | | | | | | | | | | | | | |
| 8 Manufacturing | 146.7 | 153.6 | 146.7 | 151.6 | 152.0 | 152.8 | 152.4 | 153.2 | 153.2 | 151.1 | 148.2 | 145.1 | 141.7 |
| Capacity utilization (percent)[1,2] | | | | | | | | | | | | | |
| 9 Manufacturing | 84.4 | 85.7 | 79.1 | 79.8 | 79.8 | 80.0 | 79.6 | 79.8 | 79.6 | 78.3 | 76.6 | 74.8 | 72.9 |
| 10 Industrial materials industries | 85.6 | 87.4 | 80.0 | 82.1 | 81.1 | 81.2 | 81.3 | 81.9 | 81.7 | 80.0 | 77.8 | 75.3 | 72.7 |
| 11 Construction contracts (1972 = 100)[3] | 174.1 | 185.6 | 161.8 | 183.0 | 172.0 | 160.0 | 170.0 | 153.0 | 156.0 | 159.0 | 157.0 | 142.0 | n.a. |
| 12 Nonagricultural employment, total[4] | 131.8 | 136.5 | 137.6 | 138.8 | 139.0 | 139.1 | 139.2 | 139.6 | 139.7 | 139.9 | 139.6 | 139.1 | 138.6 |
| 13 Goods-producing, total | 109.8 | 113.5 | 110.3 | 110.3 | 110.3 | 110.3 | 110.8 | 111.3 | 111.3 | 111.2 | 110.1 | 109.0 | 107.9 |
| 14 Manufacturing, total | 105.4 | 108.2 | 104.4 | 103.8 | 104.6 | 105.0 | 105.0 | 105.6 | 105.4 | 105.4 | 104.1 | 102.9 | 101.7 |
| 15 Manufacturing, production-worker | 103.0 | 105.3 | 99.4 | 98.4 | 99.2 | 99.6 | 99.6 | 100.1 | 99.9 | 99.8 | 98.1 | 96.4 | 95.0 |
| 16 Service-producing | 143.8 | 149.1 | 152.6 | 154.5 | 154.7 | 155.0 | 154.8 | 155.2 | 155.2 | 155.6 | 155.7 | 155.5 | 155.4 |
| 17 Personal income, total | 273.3 | 308.5 | 342.9 | 371.5 | 373.6 | 375.8 | 378.5 | 384.0r | 387.8r | 390.9 | 392.8 | 395.1 | n.a. |
| 18 Wages and salary disbursements | 258.8 | 289.5 | 314.7 | 340.2 | 341.8 | 343.6 | 345.2 | 347.8 | 351.4 | 353.2 | 355.2 | 357.6 | n.a. |
| 19 Manufacturing | 223.1 | 248.6 | 261.5 | 282.9 | 286.1 | 289.2 | 289.9 | 292.1 | 294.3 | 294.9 | 292.9 | 291.8 | n.a. |
| 20 Disposable personal income[5] | 267.0 | 299.6 | 332.5 | 358.7 | 360.1 | 362.3 | 364.4r | 369.7r | 372.9r | 374.5 | 378.6 | 381.4 | n.a. |
| 21 Retail sales[6] | 253.8 | 281.6 | 303.8 | 334.8 | 328.1 | 326.7 | 333.9 | 333.8 | 338.5 | 338.9 | 331.1 | 333.3 | 334.5 |
| Prices[7] | | | | | | | | | | | | | |
| 22 Consumer | 195.4 | 217.4 | 246.8 | 265.1 | 266.8 | 269.0 | 271.3 | 274.4 | 276.5 | 279.3 | 279.9 | 280.7 | n.a. |
| 23 Producer finished goods | 194.6 | 216.1 | 246.9 | 266.0 | 268.5 | 269.6 | 270.5 | 271.8 | 271.2 | 271.1 | 274.0 | 274.5 | 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 | 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** | **145.0** | **189.4** | **190.9** | **192.4** | **193.9** | **79.9** | **79.8** | **79.3** | **74.8** |
| 2 Primary processing | 157.5 | 156.5 | 155.8r | 143.8 | 193.8 | 195.0 | 196.3 | 197.5 | 81.3 | 80.3 | 79.4 | 72.8 |
| 3 Advanced processing | 148.1 | 150.2 | 150.7r | 145.6 | 187.1 | 188.7 | 190.4 | 192.0 | 79.1 | 79.6 | 79.2 | 75.8 |
| 4 **Materials** | **154.2** | **153.4** | **154.3** | **144.0** | **187.6** | **188.9** | **190.1** | **191.3** | **82.2** | **81.2** | **81.2** | **75.3** |
| 5 Durable goods | 150.9 | 152.3 | 152.8r | 140.3 | 191.8 | 192.9 | 194.0 | 195.1 | 78.7 | 79.0 | 78.7 | 71.9 |
| 6 Metal materials | 117.5 | 112.8 | 114.2 | 99.0 | 141.5 | 141.7 | 141.9 | 142.1 | 83.0 | 79.6 | 80.5 | 69.6 |
| 7 Nondurable goods | 179.2 | 178.4 | 175.8 | 164.5 | 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 | 108.2 | 140.1 | 140.6 | 141.0 | 141.6 | 81.9 | 81.4 | 81.8 | 76.4 |
| 10 Paper | 151.4 | 151.0 | 152.2 | 149.4 | 159.7 | 160.7 | 161.9 | 162.8 | 94.8 | 93.9 | 94.1 | 91.8 |
| 11 Chemical | 232.7 | 231.6 | 224.9 | 204.1 | 274.1 | 277.5 | 281.0 | 284.4 | 84.9 | 83.5 | 80.0r | 71.8 |
| 12 Energy materials | 130.9 | 125.1 | 131.6 | 127.7 | 153.5 | 154.2 | 155.0 | 155.6 | 85.3 | 81.1 | 84.9r | 82.1 |

## 2.11 Continued

| Series | Previous cycle[1] | | Latest cycle[2] | | 1980 | 1981 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | High | Low | High | Low | Nov. | Apr. | May | June | July | Aug. | Sept. | Oct.[r] | Nov. |
| | Capacity utilization rate (percent) | | | | | | | | | | | | |
| 13 Manufacturing | 88.0 | 69.0 | 87.2 | 74.9 | n.a. | 79.8 | 80.0 | 79.6 | 79.8 | 79.6 | 78.4 | 76.9 | n.a. |
| 14 Primary processing | 93.8 | 68.2 | 90.1 | 71.0 | n.a. | 80.7 | 80.6 | 79.5 | 80.1 | 79.9 | 78.1 | 75.6 | n.a. |
| 15 Advanced processing | 85.5 | 69.4 | 86.2 | 77.2 | n.a. | 79.4 | 79.8 | 79.7 | 79.8 | 79.4 | 78.5 | 77.5 | n.a. |
| 16 Materials | 92.6 | 69.4 | 88.8 | 73.8 | 80.5 | 81.1 | 81.2 | 81.3 | 81.9 | 81.7 | 80.0 | 77.8 | 75.3 |
| 17 Durable goods | 91.5 | 63.6 | 88.4 | 68.2 | 76.6 | 78.8 | 79.2 | 78.9 | 79.3 | 79.5 | 77.4[r] | 74.8 | 72.0 |
| 18 Metal materials | 98.3 | 68.6 | 96.0 | 59.6 | 81.4 | 79.9 | 80.3 | 78.7 | 79.5 | 83.0 | 79.1[r] | 73.9 | 70.3 |
| 19 Nondurable goods | 94.5 | 67.2 | 91.6 | 77.5 | 85.3 | 85.9 | 85.6 | 84.3 | 83.9 | 83.0 | 82.9 | 80.4 | 77.1 |
| 20 Textile, paper, and chemical | 95.1 | 65.3 | 92.2 | 75.3 | 84.9 | 85.5 | 85.4 | 83.5 | 83.2 | 82.3 | 82.1 | 79.1 | 75.6 |
| 21 Textile | 92.6 | 57.9 | 90.6 | 80.9 | 81.4 | 81.9 | 81.7 | 80.5 | 82.0 | 82.3 | 81.3 | 78.8 | 76.2 |
| 22 Paper | 99.4 | 72.4 | 97.7 | 89.3 | 94.4 | 94.9 | 93.9 | 93.0 | 92.9[r] | 93.6 | 95.7 | 92.0 | 91.6 |
| 23 Chemical | 95.5 | 64.2 | 91.3 | 70.7 | 83.3 | 84.1 | 84.3 | 82.0 | 81.2 | 79.7 | 79.2[r] | 76.2 | 71.9 |
| 24 Energy materials | 94.6 | 84.8 | 88.3 | 82.7 | 84.4 | 79.9 | 79.8 | 83.7 | 86.2 | 85.6 | 83.0[r] | 82.6 | 82.1 |

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 | 1978 | 1979 | 1980 | 1981 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
| HOUSEHOLD SURVEY DATA | | | | | | | | | | |
| 1 **Noninstitutional population[1]** | **161,058** | **163,620** | **166,246** | **168,480** | **168,685** | **168,855** | **169,049** | **169,252** | **169,435** | **169,605** |
| 2 Labor force (including Armed Forces)[1] | 102,537 | 104,996 | 106,821 | 108,307 | 108,603 | 108,762 | 108,401 | 108,894 | 109,187 | 108,814 |
| 3 Civilian labor force | 100,420 | 102,908 | 104,719 | 106,176 | 106,464 | 106,602 | 106,236 | 106,736 | 107,029 | 106,650 |
| *Employment* | | | | | | | | | | |
| 4 Nonagricultural industries[2] | 91,031 | 93,648 | 93,960 | 95,127 | 95,704 | 95,574 | 94,959 | 94,880 | 94,662 | 94,072 |
| 5 Agriculture | 3,342 | 3,297 | 3,310 | 3,265 | 3,258 | 3,370 | 3,310 | 3,337 | 33,663 | 3,115 |
| *Unemployment* | | | | | | | | | | |
| 6 Number | 6,047 | 5,963 | 7,448 | 7,784 | 7,502 | 7,657 | 7,966 | 8,520 | 9,004 | 9,462 |
| 7 Rate (percent of civilian labor force) | 6.0 | 5.8 | 7.1 | 7.3 | 7.0 | 7.2 | 7.5 | 8.0 | 8.4 | 8.9 |
| 8 Not in labor force | 58,521 | 58,623 | 59,425 | 60,173 | 60,082 | 60,093 | 60,648 | 60,359 | 60,248 | 60,791 |
| ESTABLISHMENT SURVEY DATA | | | | | | | | | | |
| 9 **Nonagricultural payroll employment[3]** | **86,697** | **89,823** | **90,564** | **91,615** | **91,880** | **91,901** | **92,033** | **91,832[r]** | **91,499[r]** | **91,206** |
| 10 Manufacturing | 20,505 | 21,040 | 20,300 | 20,424 | 20,535 | 20,505 | 20,496 | 20,241[r] | 20,008[r] | 19,785 |
| 11 Mining | 851 | 958 | 1,020 | 1,110 | 1,132 | 1,151 | 1,162 | 1,162[r] | 1,175[r] | 1,172 |
| 12 Contract construction | 4,229 | 4,463 | 4,399 | 4,284 | 4,272 | 4,275 | 4,272 | 4,259[r] | 4,228[r] | 4,194 |
| 13 Transportation and public utilities | 4,923 | 5,136 | 5,143 | 5,149 | 5,167 | 5,170 | 5,186 | 5,168[r] | 5,146[r] | 5,136 |
| 14 Trade | 19,542 | 20,192 | 20,386 | 20,717 | 20,796 | 20,862 | 20,872 | 20,916[r] | 20,821[r] | 20,726 |
| 15 Finance | 4,724 | 4,975 | 5,168 | 5,331 | 5,344 | 5,354 | 5,366 | 5,360[r] | 5,356[r] | 5,361 |
| 16 Service | 16,252 | 17,112 | 17,901 | 18,560 | 18,642 | 18,667 | 18,774 | 18,788[r] | 18,832[r] | 18,865 |
| 17 Government | 15,672 | 15,947 | 16,249 | 16,040 | 15,992 | 15,917 | 15,905 | 15,938[r] | 15,933[r] | 15,967 |

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 proportion | 1980 average | 1980 Dec. | 1981 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov.^p | Dec.^e |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Index (1967 = 100) | | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | | |
| 1 **Total index** | **100.00** | **147.0** | **150.4** | **151.4** | **151.8** | **152.1** | **151.9** | **152.7** | **152.9** | **153.9** | **153.6** | **151.6** | **149.2** | **146.4** | **143.3** |
| 2 Products | 60.71 | 146.7 | 149.4 | 149.9 | 150.2 | 150.7 | 151.3 | 152.3 | 152.2 | 153.0 | 152.6 | 151.0 | 149.6 | 147.8 | 145.8 |
| 3 Final products | 47.82 | 145.3 | 147.8 | 147.8 | 148.2 | 149.0 | 149.9 | 151.3 | 151.4 | 152.1 | 151.5 | 150.0 | 149.1 | 147.5 | 145.5 |
| 4 Consumer goods | 27.68 | 145.4 | 147.1 | 146.9 | 147.8 | 148.3 | 148.9 | 150.7 | 150.3 | 150.7 | 149.6 | 147.8 | 146.9 | 145.0 | 142.3 |
| 5 Equipment | 20.14 | 145.2 | 148.8 | 149.1 | 148.7 | 150.0 | 151.4 | 152.1 | 153.0 | 154.1 | 154.0 | 152.9 | 152.2 | 151.0 | 149.9 |
| 6 Intermediate products | 12.89 | 151.9 | 155.4 | 157.5 | 157.7 | 157.1 | 156.3 | 156.1 | 154.9 | 156.2 | 156.8 | 154.6 | 151.4 | 149.2 | 147.0 |
| 7 Materials | 39.29 | 147.6 | 152.2 | 153.8 | 154.3 | 154.4 | 152.9 | 153.4 | 154.0 | 155.3 | 155.2 | 152.5 | 148.5 | 144.1 | 139.5 |
| *Consumer goods* | | | | | | | | | | | | | | | |
| 8 Durable consumer goods | 7.89 | 136.7 | 141.3 | 140.1 | 141.2 | 143.6 | 144.3 | 147.3 | 147.9 | 146.5 | 142.5 | 140.4 | 136.3 | 129.8 | 124.4 |
| 9 Automotive products | 2.83 | 132.8 | 146.1 | 130.4 | 133.9 | 139.2 | 142.9 | 151.8 | 153.1 | 147.6 | 137.6 | 139.1 | 132.8 | 122.4 | 120.4 |
| 10 Autos and utility vehicles | 2.03 | 110.1 | 116.2 | 102.7 | 108.5 | 116.1 | 120.2 | 129.1 | 131.4 | 123.0 | 107.8 | 110.0 | 101.7 | 89.2 | 87.0 |
| 11 Autos | 1.90 | 103.6 | 105.9 | 93.3 | 101.1 | 107.8 | 113.2 | 120.0 | 122.2 | 118.1 | 104.0 | 103.3 | 92.5 | 81.1 | 78.1 |
| 12 Auto parts and allied goods | 80 | 190.4 | 197.0 | 200.8 | 198.4 | 197.5 | 200.8 | 209.5 | 208.0 | 210.0 | 213.1 | 212.9 | 211.8 | 206.5 | 205.0 |
| 13 Home goods | 5.06 | 138.9 | 142.6 | 145.6 | 145.2 | 146.1 | 145.0 | 144.8 | 145.0 | 145.8 | 145.3 | 141.1 | 138.2 | 133.9 | 126.7 |
| 14 Appliances, A/C, and TV | 1.40 | 117.3 | 126.4 | 132.2 | 125.8 | 129.1 | 121.2 | 121.4 | 120.0 | 123.6 | 126.8 | 119.0 | 116.7 | 106.2 | 89.5 |
| 15 Appliances and TV | 1.33 | 119.5 | 128.7 | 134.1 | 128.2 | 131.2 | 122.6 | 122.3 | 121.4 | 124.8 | 128.9 | 121.4 | 118.7 | 107.2 | ...... |
| 16 Carpeting and furniture | 1.07 | 155.2 | 157.3 | 156.2 | 160.4 | 160.2 | 165.2 | 163.1 | 166.3 | 163.2 | 160.1 | 158.6 | 152.6 | 148.9 | ...... |
| 17 Miscellaneous home goods | 2.59 | 143.8 | 145.4 | 148.4 | 149.5 | 149.4 | 149.7 | 149.9 | 149.8 | 150.7 | 149.2 | 145.8 | 143.9 | 142.8 | 140.8 |
| 18 Nondurable consumer goods | 19.79 | 148.9 | 149.3 | 149.6 | 150.5 | 150.1 | 150.7 | 152.1 | 151.2 | 152.3 | 152.5 | 150.8 | 151.2 | 151.0 | 149.4 |
| 19 Clothing | 4.29 | 126.0 | 121.0 | 121.2 | 120.9 | 118.9 | 120.6 | 122.1 | 120.9 | 122.8 | 121.9 | 119.3 | 119.3 | ...... | ...... |
| 20 Consumer staples | 15.50 | 155.2 | 157.2 | 157.5 | 158.6 | 158.8 | 159.0 | 160.3 | 159.6 | 160.5 | 161.0 | 159.5 | 160.0 | 159.8 | 158.6 |
| 21 Consumer foods and tobacco | 8.33 | 147.4 | 149.0 | 149.3 | 150.5 | 150.5 | 150.2 | 151.3 | 149.6 | 150.5 | 150.6 | 149.5 | 150.8 | 151.0 | ...... |
| 22 Nonfood staples | 7.17 | 164.3 | 166.6 | 167.0 | 168.1 | 168.4 | 169.3 | 170.8 | 171.3 | 172.2 | 173.0 | 171.1 | 171.7 | 170.0 | 168.7 |
| 23 Consumer chemical products | 2.63 | 208.9 | 213.8 | 213.0 | 219.3 | 220.0 | 224.1 | 225.1 | 224.4 | 226.8 | 227.7 | 227.5 | 224.1 | 221.3 | ...... |
| 24 Consumer paper products | 1.92 | 123.1 | 127.7 | 127.9 | 129.0 | 128.7 | 127.4 | 127.7 | 129.2 | 127.6 | 128.9 | 127.7 | 127.7 | 128.0 | ...... |
| 25 Consumer energy products | 2.62 | 149.8 | 147.8 | 149.4 | 145.4 | 143.7 | 144.9 | 147.9 | 148.9 | 150.0 | 150.4 | 146.4 | 148.7 | 149.4 | ...... |
| 26 Residential utilities | 1.45 | 167.9 | 166.2 | 167.5 | 161.3 | 161.1 | 162.9 | 168.9 | 170.4 | 172.6 | 169.7 | 162.8 | 167.1 | ...... | ...... |
| *Equipment* | | | | | | | | | | | | | | | |
| 27 Business | 12.63 | 173.2 | 177.1 | 177.7 | 177.5 | 179.3 | 181.0 | 182.0 | 183.6 | 184.8 | 184.8 | 182.7 | 180.5 | 178.4 | 176.3 |
| 28 Industrial | 6.77 | 156.5 | 159.1 | 161.5 | 163.4 | 164.6 | 165.9 | 167.0 | 169.0 | 169.4 | 170.2 | 168.9 | 166.9 | 164.9 | 162.9 |
| 29 Building and mining | 1.44 | 242.8 | 253.3 | 264.0 | 270.4 | 276.6 | 281.7 | 286.4 | 289.7 | 290.3 | 293.0 | 293.6 | 295.6 | 293.3 | 292.0 |
| 30 Manufacturing | 3.85 | 128.2 | 128.5 | 127.7 | 128.4 | 128.6 | 128.5 | 128.4 | 130.6 | 130.8 | 130.8 | 129.3 | 125.7 | 123.4 | 121.0 |
| 31 Power | 1.47 | 148.9 | 146.5 | 149.1 | 149.9 | 149.3 | 149.9 | 150.8 | 151.2 | 151.6 | 152.7 | 150.4 | 148.4 | 147.6 | 146.0 |
| 32 Commercial transit, farm | 5.86 | 192.4 | 198.0 | 196.6 | 193.7 | 196.2 | 198.6 | 199.4 | 200.4 | 202.5 | 200.9 | 198.5 | 196.2 | 194.0 | 191.8 |
| 33 Commercial | 3.26 | 237.8 | 248.5 | 249.3 | 250.4 | 252.7 | 254.5 | 258.0 | 259.9 | 263.7 | 264.3 | 264.2 | 259.8 | 258.3 | 256.2 |
| 34 Transit | 1.93 | 139.9 | 139.0 | 133.1 | 124.8 | 127.8 | 131.5 | 130.0 | 129.7 | 128.4 | 124.6 | 121.0 | 120.6 | 116.5 | 116.0 |
| 35 Farm | 67 | 123.1 | 122.4 | 122.9 | 116.4 | 118.5 | 119.7 | 113.9 | 114.9 | 118.0 | 111.8 | 102.1 | 104.6 | 103.9 | ...... |
| 36 Defense and space | 7.51 | 98.2 | 101.0 | 100.9 | 100.5 | 100.7 | 101.5 | 102.0 | 101.7 | 102.6 | 102.8 | 103.0 | 104.5 | 104.9 | 105.4 |
| *Intermediate products* | | | | | | | | | | | | | | | |
| 37 Construction supplies | 6.42 | 140.9 | 145.2 | 148.4 | 148.9 | 149.0 | 147.9 | 146.5 | 143.4 | 144.3 | 144.0 | 139.7 | 135.3 | 132.1 | 129.2 |
| 38 Business supplies | 6.47 | 162.8 | 165.5 | 166.6 | 166.4 | 165.1 | 164.7 | 165.6 | 166.2 | 168.0 | 169.5 | 169.4 | 167.5 | 166.2 | ...... |
| 39 Commercial energy products | 1.14 | 172.3 | 175.4 | 175.5 | 174.0 | 174.7 | 175.2 | 179.0 | 177.7 | 180.0 | 176.6 | 174.2 | 174.2 | 174.7 | ...... |
| *Materials* | | | | | | | | | | | | | | | |
| 40 Durable goods materials | 20.35 | 143.0 | 147.4 | 150.0 | 150.6 | 152.2 | 151.8 | 152.8 | 152.4 | 153.6 | 154.3 | 150.4 | 145.6 | 140.4 | 134.9 |
| 41 Durable consumer parts | 4.58 | 107.8 | 113.8 | 114.7 | 114.3 | 118.4 | 119.7 | 121.1 | 123.1 | 123.2 | 121.8 | 114.5 | 107.4 | 100.2 | 93.2 |
| 42 Equipment parts | 5.44 | 187.2 | 186.1 | 189.7 | 188.9 | 191.1 | 192.8 | 194.0 | 193.2 | 193.8 | 194.7 | 192.7 | 190.3 | 187.1 | 185.1 |
| 43 Durable materials n.e.c. | 10.34 | 135.3 | 142.0 | 144.7 | 146.6 | 146.7 | 144.3 | 145.1 | 143.9 | 145.9 | 147.4 | 144.1 | 138.9 | 133.7 | 127.0 |
| 44 Basic metal materials | 5.57 | 105.3 | 114.3 | 116.6 | 118.6 | 118.3 | 113.8 | 114.3 | 112.8 | 114.5 | 117.4 | 113.1 | 106.4 | 100.9 | ...... |
| 45 Nondurable goods materials | 10.47 | 171.5 | 179.6 | 180.2 | 179.9 | 177.5 | 179.3 | 179.0 | 176.9 | 176.5 | 175.4 | 175.5 | 170.6 | 164.4 | 158.5 |
| 46 Textile, paper, and chemical materials | 7.62 | 177.7 | 187.6 | 187.6 | 187.3 | 185.1 | 186.8 | 187.3 | 183.7 | 183.5 | 182.4 | 182.5 | 176.3 | 169.3 | 161.8 |
| 47 Textile materials | 1.85 | 117.4 | 112.2 | 114.8 | 115.1 | 114.4 | 115.1 | 114.9 | 113.4 | 115.5 | 116.0 | 114.9 | 111.5 | 107.9 | ...... |
| 48 Paper materials | 1.62 | 145.6 | 151.1 | 150.5 | 151.0 | 152.6 | 152.2 | 150.9 | 149.8 | 150.0 | 151.5 | 155.1 | 149.6 | 149.2 | ...... |
| 49 Chemical materials | 4.15 | 217.2 | 235.9 | 234.7 | 233.8 | 229.5 | 232.4 | 233.9 | 228.4 | 227.1 | 224.1 | 223.4 | 215.7 | 204.5 | ...... |
| 50 Containers, nondurable | 1.70 | 165.9 | 169.9 | 173.0 | 172.3 | 168.7 | 172.0 | 167.8 | 171.4 | 171.7 | 169.4 | 170.9 | 166.7 | 163,7 | ...... |
| 51 Nondurable materials n.e.c. | 1.14 | 138.2 | 139.7 | 141.0 | 141.8 | 139.6 | 139.7 | 140.5 | 139.6 | 136.6 | 137.8 | 136.2 | 138.3 | 132.5 | ...... |
| 52 Energy materials | 8.48 | 129.3 | 129.6 | 130.2 | 131.6 | 130.9 | 123.1 | 123.0 | 129.3 | 133.3 | 132.6 | 128.9 | 128.3 | 127.8 | 127.1 |
| 53 Primary energy | 4.65 | 115.2 | 116.0 | 115.8 | 118.2 | 116.9 | 104.2 | 104.4 | 113.7 | 120.3 | 120.9 | 117.4 | 116.7 | 115.7 | ...... |
| 54 Converted fuel materials | 3.82 | 146.5 | 146.1 | 147.8 | 148.0 | 148.1 | 146.1 | 145.5 | 148.2 | 149.2 | 146.9 | 142.9 | 142.4 | 142.4 | ...... |
| *Supplementary groups* | | | | | | | | | | | | | | | |
| 55 Home goods and clothing | 9.35 | 133.0 | 132.7 | 134.4 | 134.1 | 133.6 | 133.8 | 134.4 | 133.9 | 135.2 | 134.5 | 131.1 | 129.5 | 127.2 | 121.8 |
| 56 Energy, total | 12.23 | 137.7 | 137.7 | 138.5 | 138.5 | 137.7 | 132.6 | 133.5 | 138.0 | 141.2 | 140.5 | 136.8 | 136.9 | 136.8 | 136.3 |
| 57 Products | 3.76 | 156.6 | 156.1 | 157.3 | 154.0 | 153.1 | 154.1 | 157.3 | 157.6 | 159.1 | 158.4 | 154.8 | 156.4 | 157.1 | ...... |
| 58 Materials | 8.48 | 129.3 | 129.6 | 130.2 | 131.6 | 130.9 | 123.1 | 123.0 | 129.3 | 133.3 | 132.6 | 128.9 | 128.3 | 127.8 | 127.1 |

## 2.13 Continued

| Grouping | SIC code | 1967 proportion | 1980 avg. | 1980 Dec. | 1981 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept.[r] | Oct. | Nov.[p] | Dec.[e] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Index (1967 = 100) | | | | | | | | | | | | |
| MAJOR INDUSTRY | | | | | | | | | | | | | | | | |
| 1 Mining and utilities | ...... | 12.05 | 149.5 | 152.4 | 153.3 | 154.1 | 154.8 | 150.5 | 152.1 | 156.3 | 159.1 | 158.2 | 155.8 | 156.4 | 155.3 | 154.7 |
| 2 Mining | ...... | 6.36 | 132.7 | 138.6 | 140.4 | 143.1 | 143.2 | 135.2 | 135.4 | 141.7 | 146.5 | 146.0 | 145.0 | 145.7 | 144.0 | 143.8 |
| 3 Utilities | ...... | 5.69 | 168.3 | 167.9 | 167.6 | 166.4 | 167.8 | 167.6 | 170.7 | 172.7 | 173.1 | 171.9 | 167.8 | 168.4 | 167.9 | 167.0 |
| 4 Electric | ...... | 3.88 | 189.7 | 189.5 | 189.3 | 187.1 | 188.9 | 188.6 | 192.9 | 195.6 | 196.2 | 194.2 | 188.3 | 189.3 | 189.0 | 188.0 |
| 5 Manufacturing | ...... | 87.95 | 146.7 | 150.4 | 151.1 | 151.2 | 151.6 | 152.0 | 152.8 | 152.4 | 153.2 | 153.2 | 151.1 | 148.2 | 145.1 | 141.7 |
| 6 Nondurable | ...... | 35.97 | 161.2 | 165.0 | 165.6 | 166.2 | 165.3 | 165.9 | 166.4 | 165.8 | 167.1 | 167.3 | 165.9 | 163.2 | 160.5 | 157.2 |
| 7 Durable | ...... | 51.98 | 136.7 | 140.3 | 141.0 | 140.8 | 142.1 | 142.5 | 143.5 | 143.2 | 143.6 | 143.4 | 140.9 | 137.9 | 134.4 | 131.0 |
| *Mining* | | | | | | | | | | | | | | | | |
| 8 Metal | 10 | .51 | 109.2 | 122.2 | 125.5 | 134.1 | 131.1 | 123.1 | 125.0 | 123.5 | 123.6 | 124.1 | 121.5 | 119.3 | 108.3 | ...... |
| 9 Coal | 11.12 | .69 | 146.7 | 153.5 | 147.5 | 159.0 | 151.2 | 75.9 | 77.0 | 122.9 | 170.0 | 167.4 | 161.9 | 166.9 | 160.8 | 158.8 |
| 10 Oil and gas extraction | 13 | 4.40 | 133.3 | 138.4 | 141.4 | 142.2 | 144.1 | 146.1 | 146.2 | 148.2 | 147.7 | 148.2 | 148.8 | 149.2 | 148.9 | 149.3 |
| 11 Stone and earth minerals | 14 | .75 | 132.8 | 137.4 | 138.4 | 140.0 | 138.8 | 133.7 | 132.2 | 132.7 | 133.3 | 128.2 | 123.4 | 124.0 | 124.2 | ...... |
| *Nondurable manufactures* | | | | | | | | | | | | | | | | |
| 12 Foods | 20 | 8.75 | 149.6 | 151.0 | 151.9 | 152.5 | 152.4 | 151.9 | 152.2 | 151.3 | 151.6 | 151.9 | 150.7 | 151.6 | 152.4 | ...... |
| 13 Tobacco products | 21 | .67 | 119.9 | 118.8 | 123.5 | 125.4 | 125.7 | 122.2 | 122.3 | 120.9 | 121.3 | 123.8 | 122.4 | 122.0 | ...... | ...... |
| 14 Textile mill products | 22 | 2.68 | 138.6 | 135.6 | 138.4 | 139.3 | 136.2 | 138.9 | 138.8 | 138.3 | 139.4 | 140.7 | 136.3 | 132.4 | 127.9 | ...... |
| 15 Apparel products | 23 | 3.31 | 127.0 | 122.7 | 123.8 | 121.6 | 120.2 | 121.6 | 122.6 | 121.1 | 122.6 | 122.6 | 122.5 | 118.4 | ...... | ...... |
| 16 Paper and products | 26 | 3.21 | 151.1 | 157.0 | 156.5 | 156.0 | 157.6 | 157.0 | 155.9 | 153.4 | 154.9 | 156.7 | 158.6 | 153.3 | 152.3 | 152.8 |
| 17 Printing and publishing | 27 | 4.72 | 139.6 | 143.0 | 143.9 | 144.8 | 142.7 | 141.6 | 141.3 | 143.1 | 144.4 | 146.1 | 145.9 | 145.9 | 143.5 | 144.0 |
| 18 Chemicals and products | 28 | 7.74 | 207.1 | 220.5 | 218.9 | 219.8 | 218.5 | 219.8 | 220.6 | 218.4 | 221.5 | 219.2 | 216.3 | 209.7 | 203.7 | ...... |
| 19 Petroleum products | 29 | 1.79 | 132.9 | 131.3 | 133.1 | 131.5 | 130.3 | 130.0 | 129.8 | 129.3 | 128.7 | 130.4 | 129.1 | 128.3 | 128.4 | 129.1 |
| 20 Rubber and plastic products | 30 | 2.24 | 235.7 | 262.3 | 264.0 | 270.2 | 269.5 | 275.2 | 280.3 | 285.1 | 285.3 | 286.7 | 282.2 | 276.3 | 267.5 | ...... |
| 21 Leather and products | 31 | .86 | 70.1 | 67.9 | 68.9 | 68.3 | 68.8 | 68.9 | 69.8 | 68.4 | 70.1 | 69.6 | 69.7 | 71.2 | 69.7 | ...... |
| *Durable manufactures* | | | | | | | | | | | | | | | | |
| 22 Ordnance, private and government | 19.91 | 3.64 | 78.5 | 79.6 | 78.6 | 78.4 | 78.5 | 79.8 | 80.9 | 80.9 | 80.6 | 81.8 | 82.3 | 82.6 | 83.9 | 84.2 |
| 23 Lumber and products | 24 | 1.64 | 119.3 | 123.6 | 127.4 | 126.2 | 125.6 | 126.3 | 126.2 | 122.5 | 122.9 | 119.1 | 113.2 | 109.6 | 106.2 | ...... |
| 24 Furniture and fixtures | 25 | 1.37 | 150.0 | 148.6 | 150.0 | 154.3 | 155.6 | 158.7 | 158.9 | 162.4 | 164.9 | 163.3 | 159.9 | 157.2 | 154.5 | ...... |
| 25 Clay, glass, stone products | 32 | 2.74 | 147.5 | 153.0 | 156.8 | 156.4 | 154.6 | 154.3 | 151.7 | 148.1 | 148.7 | 148.2 | 147.3 | 143.5 | 139.5 | ...... |
| 26 Primary metals | 33 | 6.57 | 102.3 | 111.5 | 114.1 | 114.5 | 114.9 | 110.6 | 111.9 | 107.4 | 109.4 | 113.1 | 108.6 | 102.0 | 96.3 | 89.9 |
| 27 Iron and steel | 331.2 | 4.21 | 92.4 | 103.0 | 108.7 | 108.4 | 108.0 | 103.4 | 105.6 | 98.5 | 99.7 | 105.1 | 99.2 | 91.8 | 86.8 | ...... |
| 28 Fabricated metal products | 34 | 5.93 | 134.1 | 135.7 | 135.8 | 137.6 | 139.2 | 139.5 | 138.4 | 139.3 | 140.1 | 140.0 | 136.8 | 133.7 | 129.0 | 125.1 |
| 29 Nonelectrical machinery | 35 | 9.15 | 162.8 | 166.9 | 167.3 | 168.3 | 169.2 | 169.7 | 172.1 | 174.1 | 176.7 | 176.4 | 173.9 | 170.2 | 168.1 | 164.3 |
| 30 Electrical machinery | 36 | 8.05 | 172.8 | 175.1 | 177.6 | 174.9 | 177.4 | 178.8 | 179.9 | 180.1 | 180.9 | 182.6 | 180.0 | 179.6 | 175.7 | 170.2 |
| 31 Transportation equipment | 37 | 9.27 | 116.9 | 120.4 | 117.4 | 116.1 | 119.5 | 121.3 | 123.7 | 123.4 | 119.8 | 115.4 | 114.2 | 110.6 | 105.4 | 103.9 |
| 32 Motor vehicles and parts | 371 | 4.50 | 119.0 | 125.7 | 120.0 | 119.9 | 127.1 | 130.7 | 136.4 | 137.5 | 130.5 | 123.1 | 120.4 | 113.8 | 104.3 | 100.9 |
| 33 Aerospace and miscellaneous transportation equipment | 372-9 | 4.77 | 114.9 | 115.4 | 114.9 | 112.6 | 112.3 | 112.4 | 111.8 | 110.2 | 109.7 | 108.2 | 108.5 | 107.5 | 106.4 | 106.7 |
| 34 Instruments | 38 | 2.11 | 171.1 | 171.9 | 173.9 | 171.1 | 170.0 | 170.0 | 170.6 | 171.3 | 172.1 | 172.3 | 169.7 | 168.6 | 167.0 | 165.0 |
| 35 Miscellaneous manufactures | 39 | 1.51 | 148.3 | 151.0 | 152.9 | 154.9 | 155.4 | 157.3 | 157.0 | 158.8 | 159.4 | 158.6 | 154.2 | 152.5 | 154.3 | 153.0 |
| | | Gross value (billions of 1972 dollars, annual rates) | | | | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | | | |
| **36 Products, total** | ...... | **507.4**[1] | **601.9** | **612.4** | **612.9** | **614.5** | **618.0** | **616.2** | **622.2** | **619.2** | **621.4** | **616.5** | **611.5** | **606.2** | **598.9** | **591.5** |
| 37 Final | ...... | 390.9[1] | 465.2 | 472.6 | 471.6 | 472.8 | 476.4 | 476.3 | 482.4 | 480.5 | 481.9 | 476.4 | 473.0 | 471.2 | 465.8 | 459.7 |
| 38 Consumer goods | ...... | 277.5[1] | 313.3 | 317.7 | 316.8 | 318.8 | 320.5 | 320.0 | 324.3 | 322.1 | 324.0 | 319.3 | 317.7 | 315.4 | 311.9 | 307.3 |
| 39 Equipment | ...... | 113.4[1] | 152.0 | 154.9 | 154.8 | 154.0 | 155.9 | 156.3 | 158.1 | 158.5 | 157.9 | 157.1 | 155.3 | 155.9 | 154.0 | 152.5 |
| 40 Intermediate | ...... | 116.6[1] | 136.7 | 139.8 | 141.2 | 141.7 | 141.7 | 139.9 | 139.8 | 138.7 | 139.5 | 140.1 | 138.4 | 134.9 | 133.1 | 131.8 |

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 | 1978 | 1979 | 1980 | 1981 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Apr. | May | June | July | Aug.ʳ | Sept.ʳ | Oct.ʳ | Nov. |
| | Private residential real estate activity (thousands of units) | | | | | | | | | | |
| NEW UNITS | | | | | | | | | | | |
| 1 Permits authorized | 1,801 | 1,552 | 1,191 | 1,186 | 1,167 | 963 | 913 | 865 | 850 | 722 | 718 |
| 2 1-family | 1,183 | 981 | 710 | 689 | 654 | 567 | 528 | 494 | 453 | 398 | 396 |
| 3 2-or-more-family | 618 | 571 | 481 | 497 | 513 | 396 | 385 | 371 | 397 | 324 | 322 |
| 4 Started | 2,020 | 1,745 | 1,292 | 1,332 | 1,158 | 1,039 | 1,047 | 941 | 916 | 864 | 871 |
| 5 1-family | 1,433 | 1,194 | 852 | 897 | 764 | 688 | 704 | 606 | 645 | 508 | 560 |
| 6 2-or-more-family | 587 | 551 | 440 | 435 | 394 | 351 | 343 | 335 | 271 | 356 | 311 |
| 7 Under construction, end of period[1] | 1,310 | 1,140 | 896 | 913 | 894 | 853 | 822 | 788 | 765 | 733 | n.a. |
| 8 1-family | 765 | 639 | 515 | 526 | 506 | 482 | 462 | 438 | 425 | 411 | n.a. |
| 9 2-or-more-family | 546 | 501 | 382 | 388 | 388 | 371 | 361 | 349 | 340 | 323 | n.a. |
| 10 Completed | 1,868 | 1,855 | 1,502 | 1,519 | 1,273 | 1,377 | 1,324 | 1,226 | 1,180 | 1,261 | n.a. |
| 11 1-family | 1,369 | 1,286 | 957 | 964 | 875 | 877 | 864 | 804 | 772 | 706 | n.a. |
| 12 2-or-more-family | 498 | 569 | 545 | 555 | 398 | 500 | 460 | 422 | 408 | 555 | n.a. |
| 13 Mobile homes shipped | 276 | 277 | 222 | 265 | 255 | 246 | 268 | 230 | 235 | 207 | n.a. |
| *Merchant builder activity in 1-family units* | | | | | | | | | | | |
| 14 Number sold | 818 | 709 | 530 | 451 | 478 | 402 | 408 | 349 | 318 | 362 | 403 |
| 15 Number for sale, end of period[1] | 419 | 402 | 340 | 327 | 322 | 310 | 303 | 300 | 295 | 283 | 275 |
| *Price (thousands of dollars)*[2] | | | | | | | | | | | |
| Median | | | | | | | | | | | |
| 16 Units sold | 55.8 | 62.7 | 64.9 | 68.4 | 71.2 | 68.7 | 69.6 | 72.8 | 66.6 | 69.7 | 72.3 |
| Average | | | | | | | | | | | |
| 17 Units sold | 62.7 | 71.9 | 76.6 | 82.9 | 83.7 | 84.7 | 82.7 | 87.3 | 82.7 | 82.7 | 86.3 |
| EXISTING UNITS (1-family) | | | | | | | | | | | |
| 18 Number sold | 3,863 | 3,701 | 2,881 | 2,610 | 2,500 | 2,660 | 2,520 | 2,260 | 2,050 | 1,970 | 1,950 |
| *Price of units sold (thous. of dollars)*[2] | | | | | | | | | | | |
| 19 Median | 48.7 | 55.5 | 62.1 | 65.3 | 66.3 | 67.7 | 67.5 | 68.1 | 67.1 | 66.0 | 66.2 |
| 20 Average | 55.1 | 64.0 | 72.7 | 77.3 | 78.6 | 79.9 | 79.6 | 80.5 | 79.0 | 76.6 | 78.0 |
| | Value of new construction[3] (millions of dollars) | | | | | | | | | | |
| CONSTRUCTION | | | | | | | | | | | |
| 21 **Total put in place** | **205,559** | **230,781** | **230,273** | **246,542** | **235,907** | **233,998** | **233,862**ʳ | **229,844** | **230,892** | **229,806** | **230,253** |
| 22 Private | 159,664 | 181,690 | 174,896 | 189,921 | 184,077 | 181,811 | 182,288ʳ | 180,576 | 178,649 | 178,194 | 177,147 |
| 23 Residential | 93,423 | 99,032 | 87,260 | 95,206 | 89,719 | 85,971 | 82,916ʳ | 80,535 | 78,503 | 78,151 | 77,606 |
| 24 Nonresidential, total | 66,241 | 82,658 | 87,636 | 94,715 | 94,358 | 95,840 | 99,372ʳ | 100,041 | 100,146 | 100,043 | 99,541 |
| Buildings | | | | | | | | | | | |
| 25 Industrial | 10,993 | 14,953 | 13,839 | 15,504 | 15,503 | 16,243 | 17,182 | 18,295 | 18,344 | 18,558 | 18,267 |
| 26 Commercial | 18,561 | 24,919 | 29,940 | 33,395 | 32,391 | 32,442 | 34,028 | 33,721 | 33,412 | 33,046 | 33,622 |
| 27 Other | 6,739 | 7,427 | 8,654 | 9,196 | 8,903 | 9,735 | 9,241 | 9,367 | 9,402 | 9,553 | 9,081 |
| 28 Public utilities and other | 29,948 | 35,359 | 35,203 | 36,620 | 37,561 | 37,420 | 38,921ʳ | 38,658 | 38,988 | 38,886 | 38,571 |
| 29 Public | 45,896 | 49,088 | 55,371 | 56,620 | 51,830 | 52,186 | 51,574ʳ | 49,268 | 52,243 | 51,611 | 53,106 |
| 30 Military | 1,501 | 1,648 | 1,880 | 2,105 | 2,065 | 2,254 | 2,091ʳ | 2,105 | 2,065 | 2,254 | 2,091 |
| 31 Highway | 10,708 | 11,998 | 13,784 | 15,099 | 12,419 | 13,338 | 13,203ʳ | 12,227 | 12,537 | 11,277 | n.a. |
| 32 Conservation and development | 4,457 | 4,586 | 5,089 | 5,681 | 4,894 | 4,912 | 5,226 | 4,711 | 4,904 | 6,523 | n.a. |
| 33 Other | 29,230 | 30,856 | 34,618 | 33,735 | 32,452 | 31,682 | 31,054ʳ | 30,225 | 32,737 | 31,557 | n.a. |

1. Not at annual rates.
2. Not seasonally adjusted.
3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

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 Nov. 1981 (1967 = 100)[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1980 Nov. | 1981 Nov. | 1980 Dec. | 1981 Mar. | 1981 June | 1981 Sept. | 1981 July | 1981 Aug. | 1981 Sept. | 1981 Oct. | 1981 Nov. | |
| CONSUMER PRICES[2] | | | | | | | | | | | | |
| 1 **All items** | **12.6** | **9.6** | **13.2** | **9.6** | **7.4** | **13.5** | **1.2** | **.8** | **1.2** | **.4** | **.5** | **280.7** |
| 2 Commodities | 11.5 | 6.4 | 11.0 | 8.9 | 2.1 | 9.2 | .8 | .6 | .9 | .4 | .2 | 258.0 |
| 3 Food | 10.6 | 4.8 | 13.1 | 2.1 | .1 | 10.9 | .8 | .8 | 1.0 | .3 | .2 | 277.1 |
| 4 Commodities less food | 12.0 | 7.0 | 9.9 | 12.3 | 3.1 | 8.6 | .7 | .5 | .8 | .4 | .2 | 246.2 |
| 5 Durable | 11.2 | 5.7 | 11.8 | -.7 | 9.0 | 12.4 | 1.2 | 1.0 | .7 | .0 | .3 | 233.2 |
| 6 Nondurable | 13.0 | 8.6 | 6.2 | 29.8 | -2.0 | 3.6 | .1 | .3 | .5 | .3 | .2 | 261.1 |
| 7 Services | 14.1 | 14.1 | 16.8 | 10.3 | 15.1 | 19.5 | 1.8 | 1.2 | 1.5 | .4 | .8 | 320.6 |
| 8 Rent | 8.9 | 8.4 | 9.6 | 7.0 | 7.7 | 10.2 | .5 | .8 | 2.5 | .8 | .7 | 215.0 |
| 9 Services less rent | 14.8 | 15.0 | 17.8 | 10.9 | 16.1 | 20.9 | 2.0 | 1.2 | 1.6 | .4 | .9 | 340.8 |
| *Other groupings* | | | | | | | | | | | | |
| 10 All items less food | 13.0 | 6.8 | 13.2 | 11.7 | 9.0 | 14.1 | 1.3 | .8 | 1.2 | .4 | -2.8 | 270.4 |
| 11 All items less food and energy | 12.2 | 10.2 | 14.4 | 5.8 | 11.8 | 15.2 | 1.4 | .9 | 1.2 | .4 | .5 | 267.2 |
| 12 Homeownership | 16.6 | 11.5 | 23.1 | 3.1 | 16.9 | 21.3 | 2.1 | 1.1 | .6 | -.3 | .2 | 367.2 |
| PRODUCER PRICES | | | | | | | | | | | | |
| 13 Finished goods | 12.4 | 7.1 | 8.3 | 13.3 | 6.8 | 2.8 | .4 | .1 | .2 | .6 | .5 | 274.5 |
| 14 Consumer | 12.6 | 6.6 | 7.4 | 13.6 | 6.1 | 2.1 | .3 | .0 | .2 | .4 | .5 | 274.9 |
| 15 Foods | 8.1 | 1.5 | 4.3 | 1.6 | 1.8 | 5.6 | 1.4 | .0 | .0 | -.2 | -.5 | 252.7 |
| 16 Excluding foods | 14.8 | 8.7 | 8.9 | 18.6 | 7.9 | .7 | .1 | .0 | .3 | .7 | .8 | 282.0 |
| 17 Capital equipment | 11.8 | 9.1 | 11.8 | 12.0 | 9.8 | 5.7 | .7 | .7 | .0 | .9 | .8 | 272.9 |
| 18 Intermediate materials[3] | 11.7 | 8.6 | 12.9 | 14.3 | 7.7 | 4.3 | .4 | .4 | .3 | .0 | .4 | 314.3 |
| Crude materials | | | | | | | | | | | | |
| 19 Nonfood | 19.5 | 12.2 | 27.5 | 39.7 | 9.5 | 2.1 | .7 | -.7 | .6 | -.8 | -.6 | 476.9 |
| 20 Food | 12.5 | -14.1 | -4.0 | -23.1 | 8.6 | 12.1 | .3 | 1.0 | 2.5 | -2.5 | 2.1 | 238.3 |

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 | 1978 | 1979 | 1980 | 1980 Q3 | 1980 Q4 | 1981 Q1 | 1981 Q2 | 1981 Q3r |
|---|---|---|---|---|---|---|---|---|
| GROSS NATIONAL PRODUCT | | | | | | | | |
| 1 **Total** | **2,156.1** | **2,413.9** | **2,626.1** | **2,637.3** | **2,730.6** | **2,853.0** | **2,885.8** | **2,965.0** |
| *By source* | | | | | | | | |
| 2 Personal consumption expenditures | 1,348.7 | 1,510.9 | 1,672.8 | 1,682.2 | 1,751.0 | 1,810.1 | 1,829.1 | 1,883.9 |
| 3 Durable goods | 199.3 | 212.3 | 211.9 | 208.8 | 223.3 | 238.3 | 227.3 | 236.2 |
| 4 Nondurable goods | 529.8 | 602.2 | 675.7 | 674.2 | 703.5 | 726.0 | 735.3 | 751.3 |
| 5 Services | 619.6 | 696.3 | 785.2 | 799.2 | 824.2 | 845.8 | 866.5 | 896.4 |
| 6 Gross private domestic investment | 375.3 | 415.8 | 395.3 | 377.1 | 397.7 | 437.1 | 458.6 | 463.0 |
| 7 Fixed investment | 353.2 | 398.3 | 401.2 | 393.2 | 415.1 | 432.7 | 435.3 | 435.6 |
| 8 Nonresidential | 242.0 | 279.7 | 296.0 | 294.0 | 302.1 | 315.9 | 324.6 | 335.1 |
| 9 Structures | 78.7 | 96.3 | 108.8 | 107.3 | 111.5 | 117.2 | 123.1 | 128.3 |
| 10 Producers' durable equipment | 163.3 | 183.4 | 187.1 | 186.8 | 190.7 | 198.7 | 201.5 | 206.8 |
| 11 Residential structures | 111.2 | 118.6 | 105.3 | 99.2 | 113.0 | 116.7 | 110.7 | 100.5 |
| 12 Nonfarm | 106.9 | 113.9 | 100.3 | 94.5 | 107.6 | 111.4 | 105.4 | 94.9 |
| 13 Change in business inventories | 22.2 | 17.5 | -5.9 | -16.0 | -17.4 | 4.5 | 23.3 | 27.5 |
| 14 Nonfarm | 21.8 | 13.4 | -4.7 | -12.3 | -14.0 | 6.8 | 21.5 | 23.1 |
| 15 Net exports of goods and services | -0.6 | 13.4 | 23.3 | 44.5 | 23.3 | 29.2 | 20.8 | 29.3 |
| 16 Exports | 219.8 | 281.3 | 339.8 | 342.4 | 346.1 | 367.4 | 368.2 | 368.0 |
| 17 Imports | 220.4 | 267.9 | 316.5 | 297.9 | 322.7 | 338.2 | 347.5 | 338.7 |
| 18 Government purchases of goods and services | 432.6 | 473.8 | 534.7 | 533.5 | 558.6 | 576.5 | 577.4 | 588.9 |
| 19 Federal | 153.4 | 167.9 | 198.9 | 194.9 | 212.0 | 221.6 | 219.5 | 226.4 |
| 20 State and local | 279.2 | 305.9 | 335.8 | 338.6 | 346.6 | 354.9 | 357.9 | 362.5 |
| *By major type of product* | | | | | | | | |
| 21 Final sales, total | 2,133.9 | 2,396.4 | 2,632.0 | 2,653.4 | 2,748.0 | 2,848.5 | 2,862.5 | 2,937.6 |
| 22 Goods | 946.6 | 1,055.9 | 1,130.4 | 1,129.4 | 1,169.0 | 1,247.5 | 1,257.0 | 1,298.3 |
| 23 Durable | 409.8 | 451.2 | 458.6 | 456.5 | 476.7 | 501.4 | 516.9 | 525.2 |
| 24 Nondurable | 536.8 | 604.7 | 671.9 | 672.9 | 692.2 | 746.1 | 740.1 | 773.0 |
| 25 Services | 976.3 | 1,097.2 | 1,229.6 | 1,249.0 | 1,285.3 | 1,317.1 | 1,344.7 | 1,390.5 |
| 26 Structures | 233.2 | 260.8 | 266.0 | 258.9 | 276.4 | 288.4 | 284.1 | 276.3 |
| 27 Change in business inventories | 22.2 | 17.5 | -5.9 | -16.0 | -17.4 | 4.5 | 23.3 | 27.5 |
| 28 Durable goods | 17.8 | 11.5 | -4.0 | -8.4 | .7 | -4.2 | 18.5 | 18.6 |
| 29 Nondurable goods | 4.4 | 6.0 | -1.8 | -7.7 | -18.1 | 8.6 | 4.8 | 8.9 |
| 30 MEMO: **Total GNP in 1972 dollars** | **1,436.9** | **1,483.0** | **1,480.7** | **1,471.9** | **1,485.6** | **1,516.4** | **1,510.4** | **1,515.8** |
| NATIONAL INCOME | | | | | | | | |
| 31 **Total** | **1,745.4** | **1,963.3** | **2,121.4** | **2,122.4** | **2,204.8** | **2,291.1** | **2,320.9** | **2,377.6** |
| 32 Compensation of employees | 1,299.7 | 1,460.9 | 1,596.5 | 1,597.4 | 1,661.8 | 1,722.4 | 1,752.0 | 1,790.7 |
| 33 Wages and salaries | 1,105.4 | 1,235.9 | 1,343.6 | 1,342.3 | 1,397.3 | 1,442.9 | 1,467.0 | 1,498.7 |
| 34 Government and government enterprises | 219.6 | 235.9 | 253.6 | 253.9 | 263.3 | 267.1 | 270.5 | 274.7 |
| 35 Other | 885.7 | 1,000.0 | 1,090.0 | 1,088.4 | 1,134.0 | 1,175.7 | 1,196.4 | 1,224.0 |
| 36 Supplement to wages and salaries | 194.3 | 225.0 | 252.9 | 255.0 | 264.5 | 279.5 | 285.1 | 292.0 |
| 37 Employer contributions for social insurance | 92.1 | 106.4 | 115.8 | 116.0 | 121.0 | 131.5 | 133.2 | 135.6 |
| 38 Other labor income | 102.2 | 118.6 | 137.1 | 139.1 | 143.5 | 148.0 | 151.8 | 156.3 |
| 39 Proprietors' income[1] | 117.1 | 131.6 | 130.6 | 129.7 | 134.0 | 132.1 | 134.1 | 137.1 |
| 40 Business and professional[1] | 91.0 | 100.7 | 107.2 | 107.6 | 111.6 | 113.2 | 112.5 | 112.4 |
| 41 Farm[1] | 26.1 | 30.8 | 23.4 | 22.1 | 22.5 | 18.9 | 21.7 | 24.7 |
| 42 Rental income of persons[2] | 27.4 | 30.5 | 31.8 | 32.0 | 32.4 | 32.7 | 33.3 | 33.9 |
| 43 Corporate profits[1] | 199.0 | 196.8 | 182.7 | 177.9 | 183.3 | 203.0 | 190.3 | 195.7 |
| 44 Profits before tax[3] | 223.3 | 255.4 | 245.5 | 237.6 | 249.5 | 257.0 | 229.0 | 234.4 |
| 45 Inventory valuation adjustment | -24.3 | -42.6 | -45.7 | -41.7 | -48.4 | -39.2 | -24.0 | -25.3 |
| 46 Capital consumption adjustment | -13.5 | -15.9 | -17.2 | -17.9 | -17.8 | -14.7 | -14.7 | -13.4 |
| 47 Net interest | 115.8 | 143.4 | 179.8 | 185.3 | 193.3 | 200.8 | 211.0 | 220.2 |

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 | 1978 | 1979 | 1980 | 1980 | | 1981 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3[r] |
| PERSONAL INCOME AND SAVING | | | | | | | | |
| 1 **Total personal income** | **1,721.8** | **1,943.8** | **2,160.2** | **2,182.1** | **2,256.2** | **2,319.8** | **2,368.5** | **2,441.7** |
| 2 Wage and salary disbursements | 1,105.2 | 1,236.1 | 1,343.7 | 1,341.8 | 1,397.8 | 1,442.9 | 1,467.0 | 1,498.5 |
| 3 Commodity-producing industries | 389.1 | 437.9 | 465.4 | 460.1 | 484.0 | 501.3 | 508.1 | 520.2 |
| 4 Manufacturing | 299.2 | 333.4 | 350.7 | 346.7 | 364.0 | 377.4 | 386.7 | 393.9 |
| 5 Distributive industries | 270.5 | 303.0 | 328.9 | 329.2 | 340.6 | 351.9 | 357.8 | 365.3 |
| 6 Service industries | 226.1 | 259.2 | 295.7 | 298.7 | 310.0 | 322.5 | 330.5 | 338.5 |
| 7 Government and government enterprises | 219.4 | 236.1 | 253.6 | 253.9 | 263.3 | 267.1 | 270.5 | 274.5 |
| 8 Other labor income | 102.2 | 118.6 | 137.1 | 139.1 | 143.5 | 148.0 | 151.8 | 156.3 |
| 9 Proprietors' income[1] | 117.2 | 131.6 | 130.6 | 129.7 | 134.0 | 132.1 | 134.1 | 137.1 |
| 10 Business and professional[1] | 91.0 | 100.8 | 107.2 | 107.6 | 111.6 | 113.2 | 112.5 | 112.4 |
| 11 Farm[1] | 26.1 | 30.8 | 23.4 | 22.1 | 22.5 | 18.9 | 21.7 | 24.7 |
| 12 Rental income of persons[2] | 27.4 | 30.5 | 31.8 | 32.0 | 32.4 | 32.7 | 33.3 | 33.9 |
| 13 Dividends | 43.1 | 48.6 | 54.4 | 55.1 | 56.1 | 58.0 | 60.2 | 63.0 |
| 14 Personal interest income | 173.2 | 209.6 | 256.3 | 261.8 | 269.7 | 288.7 | 300.9 | 315.7 |
| 15 Transfer payments | 223.3 | 249.4 | 294.2 | 310.7 | 313.9 | 319.6 | 324.2 | 342.2 |
| 16 Old-age survivors, disability, and health insurance benefits | 116.2 | 131.8 | 153.8 | 163.2 | 165.3 | 169.8 | 172.0 | 188.5 |
| 17 LESS: Personal contributions for social insurance | 69.6 | 80.6 | 87.9 | 88.1 | 91.2 | 102.3 | 103.1 | 105.0 |
| 18 EQUALS: Personal income | 1,721.8 | 1,943.8 | 2,160.2 | 2,182.1 | 2,256.2 | 2,319.8 | 2,368.5 | 2,441.7 |
| 19 LESS: Personal tax and nontax payments | 258.8 | 302.0 | 338.5 | 341.5 | 359.2 | 372.0 | 382.9 | 399.8 |
| 20 EQUALS: Disposable personal income | 1,462.9 | 1,641.7 | 1,821.7 | 1,840.6 | 1,897.0 | 1,947.8 | 1,985.6 | 2,042.0 |
| 21 LESS: Personal outlays | 1,386.6 | 1,555.5 | 1,720.4 | 1,729.2 | 1,799.4 | 1,858.9 | 1,879.0 | 1,935.1 |
| 22 EQUALS: Personal saving | 76.3 | 86.2 | 101.3 | 111.4 | 97.6 | 88.9 | 106.6 | 106.9 |
| MEMO: Per capita (1972 dollars) | | | | | | | | |
| 23 Gross national product | 6,426 | 6,588 | 6,503 | 6,456 | 6,499 | 6,619 | 6,581 | 6,585 |
| 24 Personal consumption expenditures | 4,046 | 4,135 | 4,108 | 4,082 | 4,142 | 4,191 | 4,162 | 4,184 |
| 25 Disposable personal income | 4,389 | 4,493 | 4,473 | 4,468 | 4,488 | 4,511 | 4,517 | 4,535 |
| 26 Saving rate (percent) | 5.2 | 5.2 | 5.6 | 6.1 | 5.1 | 4.6 | 5.4 | 5.2 |
| GROSS SAVING | | | | | | | | |
| 27 **Gross saving** | **355.2** | **412.0** | **401.9** | **402.0** | **406.7** | **442.6** | **465.3** | **469.4** |
| 28 Gross private saving | 355.4 | 398.9 | 432.9 | 446.5 | 436.4 | 451.1 | 475.3 | 486.2 |
| 29 Personal saving | 76.3 | 86.2 | 101.3 | 111.4 | 97.6 | 88.9 | 106.6 | 106.9 |
| 30 Undistributed corporate profits[1] | 57.9 | 59.1 | 44.3 | 42.8 | 40.4 | 55.7 | 52.0 | 52.8 |
| 31 Corporate inventory valuation adjustment | -24.3 | -42.6 | -45.7 | -41.7 | -48.4 | -39.2 | -24.0 | -25.3 |
| *Capital consumption allowances* | | | | | | | | |
| 32 Corporate | 136.4 | 155.4 | 175.4 | 178.4 | 183.2 | 187.5 | 194.6 | 201.1 |
| 33 Noncorporate | 84.8 | 98.2 | 111.8 | 113.4 | 115.8 | 119.0 | 122.1 | 125.4 |
| 34 Wage accruals less disbursements | .0 | .0 | .0 | .5 | -.5 | .0 | 0 | .0 |
| 35 Government surplus, or deficit (-), national income and product accounts | -0.2 | 11.9 | -32.1 | -45.6 | -30.8 | -9.7 | -11.2 | -17.9 |
| 36 Federal | -29.2 | -14.8 | -61.2 | 74.2 | -67.9 | -46.6 | -47.2 | -55.7 |
| 37 State and local | 29.0 | 26.7 | 29.1 | 28.6 | 37.1 | 36.9 | 36.1 | 37.8 |
| 38 Capital grants received by the United States, net | .0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| 39 **Gross investment** | **361.6** | **414.1** | **401.2** | **405.0** | **400.1** | **446.0** | **458.3** | **469.6** |
| 40 Gross private domestic | 375.3 | 415.8 | 395.3 | 377.1 | 397.7 | 437.1 | 458.6 | 463.0 |
| 41 Net foreign | -13.8 | -1.7 | 5.9 | 27.8 | 2.3 | 8.8 | -.2 | 6.5 |
| 42 **Statistical discrepancy** | **6.4** | **2.2** | **-.7** | **3.0** | **-6.6** | **3.4** | **-6.9** | **.2** |

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 Q3 | 1980 Q4 | 1981 Q1 | 1981 Q2[r] | 1981 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: | | | | | | | | |
| Changes in official assets | | | | | | | | |
| 38 U.S. official reserve assets (increase, −) | 732 | −1,132 | −8,155 | −1,109 | −4,279 | −4,529 | −905 | −4 |
| 39 Foreign official assets in the United States (increase, +) | 31,202 | −13,624 | 14,856 | 7,606 | 7,507 | 5,615 | −2,956 | −5,685 |
| 40 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 |
| 41 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 | 1978 | 1979 | 1980 | 1981 May | June | July | Aug. | Sept. | Oct. | Nov. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments | 143,682 | 181,860 | 220,626 | 18,869 | 19,870 | 19,264 | 19,050 | 19,655 | 19,044 | 19,118 |
| 2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses | 174,759 | 209,458 | 244,871 | 21,310 | 21,975 | 19,807 | 23,528 | 21,229 | 23,234 | 22,522 |
| 3 **Trade balance** | **−31,075** | **−27,598** | **−24,245** | **−2,441** | **−2,105** | **−542** | **−4,478** | **−1,574** | **−4,190** | **−3,404** |

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. FT900 "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 June | July | Aug. | Sept. | Oct. | Nov.$^p$ | Dec.$^p$ |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total**[1] | **18,650** | **18,956** | **26,756** | **29,582** | **28,870** | **29,265** | **29,716** | **30,248** | **31,002** | **30,032** |
| 2 Gold stock, including Exchange Stabilization Fund[1] | 11,671 | 11,172 | 11,160 | 11,154 | 11,154 | 11,154 | 11,152 | 11,152 | 11,152 | 11,152 |
| 3 Special drawing rights[2,3] | 1,558 | 2,724 | 2,610 | 3,689 | 3,717 | 3,739 | 3,896 | 3,949 | 4,109 | 4,095 |
| 4 Reserve position in International Monetary Fund[2] | 1,047 | 1,253 | 2,852 | 3,988 | 4,157 | 4,341 | 4,618 | 4,736 | 5,009 | 5,012 |
| 5 Foreign currencies[4,5] | 4,374 | 3,807 | 10,134 | 10,751 | 9,842 | 10,031 | 10,050 | 10,411 | 10,732 | 9,774 |

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 Apr. | May | June | July | Aug. | Sept.[r] | Oct.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | All foreign countries | | | | |
| 1 **Total, all currencies** | **306,795** | **364,409[r]** | **401,135[r]** | **413,747[r]** | **417,187** | **422,946** | **433,238** | **433,242** | **450,234** | **444,658** |
| 2 Claims on United States | 17,340 | 32,302 | 28,460 | 34,519 | 38,645 | 35,217[r] | 43,074[r] | 41,533 | 46,327 | 41,629 |
| 3 Parent bank | 12,811 | 25,929 | 20,202 | 23,086 | 28,012 | 24,311 | 30,994 | 29,782 | 32,250 | 26,946 |
| 4 Other | 4,529 | 6,373 | 8,258 | 11,433 | 10,633 | 10,906[r] | 12,080 | 11,751 | 14,077 | 14,683 |
| 5 Claims on foreigners | 278,135 | 317,330[r] | 354,960[r] | 360,720[r] | 359,531 | 368,644[r] | 370,938 | 372,378 | 384,449 | 383,500 |
| 6 Other branches of parent bank | 70,338 | 79,662[r] | 77,019[r] | 76,918[r] | 76,224 | 79,814 | 82,128 | 83,171 | 84,409 | 83,742 |
| 7 Banks | 103,111 | 123,420[r] | 146,448[r] | 149,588[r] | 148,988[r] | 154,682[r] | 154,760[r] | 152,286 | 159,897 | 156,745 |
| 8 Public borrowers[2] | 23,737 | 26,097[r] | 28,033[r] | 28,377[r] | 27,806[r] | 27,872[r] | 28,728[r] | 29,270 | 29,891 | 30,165 |
| 9 Nonbank foreigners | 80,949 | 88,151[r] | 103,460[r] | 105,837[r] | 106,513 | 106,276[r] | 105,322 | 107,651 | 110,252 | 112,848 |
| 10 Other assets | 11,320 | 14,777[r] | 17,715[r] | 18,508[r] | 19,011 | 19,085[r] | 19,226 | 19,331 | 19,458 | 19,529 |
| 11 ***Total payable in U.S. dollars*** | **224,940** | **267,713[r]** | **291,798[r]** | **308,374[r]** | **312,683** | **320,308** | **330,758** | **328,784** | **343,067** | **336,872** |
| 12 Claims on United States | 16,382 | 31,171 | 27,191 | 33,306 | 37,403 | 33,963[r] | 41,873 | 40,250 | 45,073 | 40,414 |
| 13 Parent bank | 12,625 | 25,632 | 19,896 | 22,839 | 27,709 | 24,041 | 30,742 | 29,490 | 31,991 | 26,733 |
| 14 Other | 3,757 | 5,539 | 7,295 | 10,467 | 9,694 | 9,922[r] | 11,131 | 10,760 | 13,082 | 13,681 |
| 15 Claims on foreigners | 203,498 | 229,120[r] | 255,391[r] | 264,538[r] | 264,263 | 275,185[r] | 277,354 | 276,935 | 286,410 | 284,662 |
| 16 Other branches of parent bank | 55,408 | 61,525 | 58,541[r] | 59,590 | 58,711 | 62,696 | 64,725 | 65,477 | 66,082 | 65,999 |
| 17 Banks | 78,686 | 96,261 | 117,342[r] | 121,610[r] | 121,858[r] | 128,048[r] | 127,469[r] | 124,504 | 131,764 | 127,896 |
| 18 Public borrowers[2] | 19,567 | 21,629 | 23,491 | 23,865[r] | 23,273[r] | 23,554[r] | 24,333[r] | 24,410 | 24,709 | 25,189 |
| 19 Nonbank foreigners | 49,837 | 49,705[r] | 56,017[r] | 59,473[r] | 60,421 | 60,887[r] | 60,827 | 62,544 | 63,855 | 65,578 |
| 20 Other assets | 5,060 | 7,422 | 9,216[r] | 10,530 | 11,017 | 11,160[r] | 11,531 | 11,599 | 11,584 | 11,796 |
| | | | | | | United Kingdom | | | | |
| 21 **Total, all currencies** | **106,593** | **130,873** | **144,717** | ***144,577*** | ***146,640*** | ***149,704*** | ***148,774*** | ***150,161*** | ***154,096*** | ***153,619*** |
| 22 Claims on United States | 5,370 | 11,117 | 7,509 | 8,518 | 10,382 | 9,650[r] | 9,130 | 9,995 | 11,167 | 9,562 |
| 23 Parent bank | 4,448 | 9,338 | 5,275 | 5,766 | 7,666 | 7,098 | 6,167 | 7,189 | 7,842 | 6,168 |
| 24 Other | 922 | 1,779 | 2,234 | 2,752 | 2,716 | 2,552[r] | 2,963 | 2,806 | 3,325 | 3,394 |
| 25 Claims on foreigners | 98,137 | 115,123 | 131,142 | 130,062 | 130,200 | 134,092[r] | 133,626 | 134,034 | 137,056 | 137,979 |
| 26 Other branches of parent bank | 27,830 | 34,291 | 34,760 | 34,704 | 34,834 | 35,914 | 37,035 | 38,035 | 38,899 | 38,997 |
| 27 Banks | 45,013 | 51,343 | 58,741 | 57,934 | 57,611 | 60,261 | 59,639 | 58,362 | 59,204 | 59,219 |
| 28 Public borrowers[2] | 4,522 | 4,919 | 6,688 | 6,848 | 6,720 | 6,811 | 6,822 | 6,665 | 7,112 | 7,295 |
| 29 Nonbank foreigners | 20,772 | 24,570 | 30,953 | 30,576 | 31,035 | 31,106[r] | 30,130 | 30,972 | 31,841 | 32,468 |
| 30 Other assets | 3,086 | 4,633 | 6,066 | 5,997 | 6,058 | 5,962 | 6,018 | 6,132 | 5,873 | 6,078 |
| 31 **Total payable in U.S. dollars** | ***75,860*** | ***94,287*** | ***99,699*** | ***102,336*** | ***104,959*** | ***108,854*** | ***107,961*** | ***109,008*** | **113,014** | **112,068** |
| 32 Claims on United States | 5,113 | 10,746 | 7,116 | 8,080 | 9,932 | 9,160[r] | 8,628 | 9,552 | 10,703 | 9,064 |
| 33 Parent bank | 4,386 | 9,297 | 5,229 | 5,715 | 7,611 | 7,059 | 6,110 | 7,128 | 7,779 | 6,110 |
| 34 Other | 727 | 1,449 | 1,887 | 2,365 | 2,321 | 2,101[r] | 2,518 | 2,424 | 2,924 | 2,954 |
| 35 Claims on foreigners | 69,416 | 81,294 | 89,723 | 91,018 | 91,632 | 96,230[r] | 95,832 | 95,887 | 98,611 | 99,065 |
| 36 Other branches of parent bank | 22,838 | 28,928 | 28,268 | 28,466 | 28,527 | 29,725 | 30,789 | 31,710 | 32,648 | 32,887 |
| 37 Banks | 31,482 | 36,760 | 42,073 | 42,467 | 42,786 | 45,631 | 44,488 | 42,957 | 43,802 | 43,297 |
| 38 Public borrowers[2] | 3,317 | 3,319 | 4,911 | 5,096 | 4,967 | 5,123 | 5,176 | 5,006 | 5,281 | 5,475 |
| 39 Nonbank foreigners | 11,779 | 12,287 | 14,471 | 14,989 | 15,352 | 15,751[r] | 15,379 | 16,214 | 16,880 | 17,406 |
| 40 Other assets | 1,331 | 2,247 | 2,860 | 3,238 | 3,395 | 3,464 | 3,501 | 3,569 | 3,700 | 3,939 |
| | | | | | | Bahamas and Caymans | | | | |
| 41 **Total, all currencies** | **91,735** | **108,977** | **123,837** | **132,145** | **133,594** | **135,081** | **145,290** | **142,087** | **147,904** | **142,687** |
| 42 Claims on United States | 9,635 | 19,124 | 17,751 | 22,473 | 24,531 | 21,812 | 29,808 | 27,131 | 29,853 | 26,827 |
| 43 Parent bank | 6,429 | 15,196 | 12,631 | 14,908 | 17,511 | 14,477 | 21,654 | 19,303 | 20,372 | 16,918 |
| 44 Other | 3,206 | 3,928 | 5,120 | 7,565 | 7,020 | 7,335 | 8,154 | 7,828 | 9,481 | 9,909 |
| 45 Claims on foreigners | 79,774 | 86,718 | 101,926 | 105,081 | 104,197 | 108,477 | 110,584 | 109,888 | 113,091 | 110,771 |
| 46 Other branches of parent bank | 12,904 | 9,689 | 13,342 | 13,107 | 12,235 | 13,569 | 13,788 | 13,909 | 13,174 | 13,066 |
| 47 Banks | 33,677 | 43,189 | 54,861 | 57,405 | 57,073 | 59,705 | 60,748 | 59,316 | 62,989 | 60,220 |
| 48 Public borrowers[2] | 11,514 | 12,905 | 12,577 | 12,205 | 12,169 | 12,038 | 12,471 | 12,610 | 12,431 | 12,637 |
| 49 Nonbank foreigners | 21,679 | 20,935 | 21,146 | 22,364 | 22,720 | 23,165 | 23,577 | 24,053 | 24,497 | 24,848 |
| 50 Other assets | 2,326 | 3,135 | 4,160 | 4,591 | 4,866 | 4,792 | 4,898 | 5,068 | 4,960 | 5,089 |
| 51 **Total payable in U.S. dollars** | **85,417** | **102,368** | **117,654** | **126,429** | **127,969** | **129,438** | **139,514** | **136,054** | **142,053** | **136,854** |

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

2. In May 1978 a broader category of claims on foreign public borrowers, including corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

3.13 Continued

| Liability account | 1978[1] | 1979 | 1980 | 1981 Apr. | 1981 May | 1981 June | 1981 July | 1981 Aug. | 1981 Sept.[r] | 1981 Oct.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| | All foreign countries | | | | | | | | | |
| 52 **Total, all currencies** | **306,795** | **364,409[r]** | **401,135[r]** | **413,747[r]** | **417,187** | **422,946** | **433,238** | **433,242** | **450,234** | **444,658** |
| 53 To United States | 58,012 | 66,689[r] | 91,079[r] | 105,672[r] | 105,343 | 109,322 | 118,093 | 116,190 | 124,045 | 120,156 |
| 54 Parent bank | 28,654 | 24,533[r] | 39,286[r] | 45,325[r] | 41,039 | 44,327 | 43,069 | 44,010 | 48,591 | 46,026 |
| 55 Other banks in United States | 12,169 | 13,968 | 14,473 | 15,551 | 16,301 | 16,136 | 17,578 | 15,686 | 17,866 | 16,411 |
| 56 Nonbanks | 17,189 | 28,188 | 37,275 | 44,796 | 48,003 | 48,859 | 57,446 | 56,494 | 57,588 | 57,719 |
| 57 To foreigners | 238,912 | 283,510[r] | 295,411[r] | 293,160[r] | 296,462 | 298,169 | 299,240 | 300,081 | 306,836 | 304,811 |
| 58 Other branches of parent bank | 67,496 | 77,640[r] | 75,773[r] | 76,150[r] | 75,815 | 79,033 | 81,387 | 80,991 | 83,387 | 82,027 |
| 59 Banks | 97,711 | 122,922[r] | 132,116[r] | 129,700[r] | 133,707[r] | 131,854 | 129,290 | 125,563 | 127,582 | 128,464 |
| 60 Official institutions | 31,936 | 35,668[r] | 32,473[r] | 28,050[r] | 27,479 | 26,316 | 25,682 | 28,209 | 28,927 | 27,535 |
| 61 Nonbank foreigners | 41,769 | 47,280[r] | 55,049[r] | 59,260[r] | 59,461[r] | 60,966 | 62,881 | 65,318 | 66,940 | 66,785 |
| 62 Other liabilities | 9,871 | 14,210[r] | 14,690[r] | 14,915[r] | 15,382 | 15,455 | 15,905 | 16,971 | 19,353 | 19,691 |
| 63 **Total payable in U.S. dollars** | **230,810** | **273,857[r]** | **303,281[r]** | **320,315[r]** | **324,479** | **332,284** | **343,947** | **341,596** | **355,010** | **349,614** |
| 64 To United States | 55,811 | 64,530 | 88,157[r] | 103,208[r] | 102,971 | 106,740 | 115,481 | 113,526 | 121,080 | 117,387 |
| 65 Parent bank | 27,519 | 23,403 | 37,528[r] | 43,830[r] | 39,604 | 42,822 | 41,620 | 42,481 | 46,766 | 44,199 |
| 66 Other banks in United States | 11,915 | 13,771 | 14,203 | 15,381 | 16,175 | 15,945 | 17,391 | 15,529 | 17,686 | 16,260 |
| 67 Nonbanks | 16,377 | 27,356 | 36,426 | 43,997 | 47,192 | 47,973 | 56,470 | 55,516 | 56,628 | 56,928 |
| 68 To foreigners | 169,927 | 201,514[r] | 206,883[r] | 207,510[r] | 211,915 | 215,931 | 218,178 | 217,239 | 221,120 | 219,617 |
| 69 Other branches of parent bank | 53,396 | 60,551[r] | 58,172[r] | 59,268[r] | 59,108 | 62,292 | 64,884 | 64,338 | 66,286 | 65,150 |
| 70 Banks | 63,000 | 80,691 | 87,497[r] | 86,490 | 89,875[r] | 89,909 | 88,554 | 83,842 | 84,568 | 84,507 |
| 71 Official institutions | 26,404 | 29,048 | 24,697 | 21,453 | 21,355[r] | 20,853 | 20,108 | 22,056 | 22,938 | 21,798 |
| 72 Nonbank foreigners | 27,127 | 31,224 | 36,517 | 40,299 | 41,577 | 42,877 | 44,632 | 47,003 | 47,328 | 48,162 |
| 73 Other liabilities | 5,072 | 7,813 | 8,241[r] | 9,597 | 9,593 | 9,613 | 10,288 | 10,831 | 12,810 | 12,610 |
| | United Kingdom | | | | | | | | | |
| 74 **Total, all currencies** | **106,593** | **130,873** | **144,717** | **144,577** | **146,640** | **149,704** | **148,774** | **150,161** | **154,096** | **153,619** |
| 75 To United States | 9,730 | 20,986 | 21,785 | 25,843 | 26,688 | 29,598 | 30,383 | 31,408 | 34,093 | 32,981 |
| 76 Parent bank | 1,887 | 3,104 | 4,225 | 4,543 | 4,376 | 4,371 | 4,138 | 4,189 | 5,370 | 3,563 |
| 77 Other banks in United States | 4,189 | 7,693 | 5,716 | 5,928 | 5,973 | 6,172 | 5,864 | 5,646 | 6,376 | 6,029 |
| 78 Nonbanks | 3,654 | 10,189 | 11,844 | 15,372 | 16,339 | 19,055 | 20,381 | 21,573 | 22,347 | 23,389 |
| 79 To foreigners | 93,202 | 104,032 | 117,438 | 113,634 | 114,655 | 115,099 | 113,560 | 113,191 | 113,912 | 114,394 |
| 80 Other branches of parent bank | 12,786 | 12,567 | 15,384 | 15,095 | 14,169 | 14,996 | 15,103 | 15,255 | 15,177 | 15,544 |
| 81 Banks | 39,917 | 47,620 | 56,262 | 53,842 | 56,209 | 55,923 | 54,351 | 51,532 | 51,830 | 53,562 |
| 82 Official institutions | 20,963 | 24,202 | 21,412 | 18,390 | 18,508 | 17,197 | 16,352 | 17,866 | 18,687 | 17,292 |
| 83 Nonbank foreigners | 19,536 | 19,643 | 24,380 | 26,307 | 25,769 | 26,983 | 27,754 | 28,538 | 28,224 | 27,996 |
| 84 Other liabilities | 3,661 | 5,855 | 5,494 | 5,100 | 5,297 | 5,007 | 4,831 | 5,562 | 6,091 | 6,244 |
| 85 **Total payable in U.S. dollars** | **77,030** | **95,449** | **103,440** | **107,139** | **109,209** | **113,427** | **113,247** | **114,191** | **117,920** | **117,349** |
| 86 To United States | 9,328 | 20,552 | 21,080 | 25,333 | 26,221 | 28,858 | 29,606 | 30,661 | 33,414 | 32,425 |
| 87 Parent bank | 1,836 | 3,054 | 4,078 | 4,448 | 4,306 | 4,277 | 4,054 | 4,132 | 5,309 | 3,505 |
| 88 Other banks in United States | 4,101 | 7,651 | 5,626 | 5,854 | 5,919 | 6,094 | 5,768 | 5,594 | 6,297 | 5,951 |
| 89 Nonbanks | 3,391 | 9,847 | 11,376 | 15,031 | 15,996 | 18,487 | 19,784 | 20,935 | 21,808 | 22,969 |
| 90 To foreigners | 66,216 | 72,397 | 79,636 | 78,668 | 79,713 | 81,544 | 80,400 | 79,988 | 80,688 | 81,242 |
| 91 Other branches of parent bank | 9,635 | 8,446 | 10,474 | 10,282 | 9,327 | 10,289 | 10,566 | 10,943 | 10,797 | 11,121 |
| 92 Banks | 25,287 | 29,424 | 35,388 | 34,209 | 35,870 | 36,701 | 35,789 | 32,914 | 33,010 | 34,258 |
| 93 Official institutions | 17,091 | 20,192 | 17,024 | 14,478 | 14,851 | 14,000 | 13,133 | 14,244 | 15,514 | 14,265 |
| 94 Nonbank foreigners | 14,203 | 14,335 | 16,750 | 19,699 | 19,665 | 20,554 | 20,912 | 21,887 | 21,367 | 21,598 |
| 95 Other liabilities | 1,486 | 2,500 | 2,724 | 3,138 | 3,275 | 3,025 | 3,241 | 3,542 | 3,818 | 3,682 |
| | Bahamas and Caymans | | | | | | | | | |
| 96 **Total, all currencies** | **91,735** | **108,977** | **123,837** | **132,145** | **133,594** | **135,081** | **145,290** | **142,087** | **147,904** | **142,687** |
| 97 To United States | 39,431 | 37,719 | 59,666 | 69,478 | 69,048 | 69,407 | 77,197 | 73,924 | 77,533 | 75,991 |
| 98 Parent bank | 20,482 | 15,267 | 28,181 | 32,925 | 29,583 | 32,160 | 31,034 | 31,265 | 33,282 | 33,387 |
| 99 Other banks in United States | 6,073 | 5,204 | 7,379 | 8,618 | 9,279 | 8,822 | 10,517 | 8,938 | 10,191 | 9,321 |
| 100 Nonbanks | 12,876 | 17,248 | 24,106 | 27,935 | 30,168 | 28,425 | 35,646 | 33,721 | 34,060 | 33,283 |
| 101 To foreigners | 50,447 | 68,598 | 61,218 | 59,424 | 61,170 | 62,470 | 64,491 | 64,565 | 66,627 | 62,795 |
| 102 Other branches of parent bank | 16,094 | 20,875 | 17,040 | 17,788 | 17,950 | 19,484 | 20,989 | 20,315 | 22,393 | 20,521 |
| 103 Banks | 23,104 | 33,631 | 29,895 | 27,213 | 28,846 | 28,326 | 28,056 | 27,538 | 27,983 | 25,396 |
| 104 Official institutions | 4,208 | 4,866 | 4,361 | 4,079 | 3,666 | 3,685 | 3,934 | 4,605 | 4,028 | 4,078 |
| 105 Nonbank foreigners | 7,041 | 9,226 | 9,922 | 10,344 | 10,708 | 10,975 | 11,512 | 12,107 | 12,223 | 12,800 |
| 106 Other liabilities | 1,857 | 2,660 | 2,953 | 3,243 | 3,376 | 3,204 | 3,602 | 3,598 | 3,744 | 3,901 |
| 107 **Total payable in U.S. dollars** | **87,014** | **103,460** | **119,657** | **128,235** | **129,811** | **131,120** | **141,241** | **137,754** | **143,507** | **138,103** |

## 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** | **216,113r** | **197,963** | **206,908** |
| 2 Banks' own liabilities | 78,661 | 117,196 | 124,789 | 132,167 | 127,947 | 131,903 | 130,980 | 142,213r | 123,507 | 131,206 |
| 3 Demand deposits | 19,218 | 23,303 | 23,462 | 22,193 | 23,174 | 21,401 | 22,072 | 23,592r | 19,061 | 21,118 |
| 4 Time deposits[1] | 12,427 | 13,623 | 15,076 | 16,059 | 16,641 | 16,457 | 17,250 | 17,313r | 17,465 | 18,135 |
| 5 Other[2] | 9,705 | 16,453 | 17,581 | 12,359 | 14,090 | 13,327 | 11,242 | 13,608r | 11,225 | 14,051 |
| 6 Own foreign offices[3] | 37,311 | 63,817 | 68,670 | 81,556 | 74,042 | 80,717 | 80,416 | 87,699r | 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** | **117,630r** | **102,232** | **107,273** |
| 30 Banks' own liabilities | 52,626 | 83,299 | 90,456 | 100,442 | 93,250 | 98,886 | 98,350 | 108,618r | 92,032 | 96,442 |
| 31 Unaffiliated foreign banks | 15,315 | 19,482 | 21,786 | 18,886 | 19,208 | 18,168 | 17,933 | 20,919r | 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 | 3,840r | 3,298 | 3,676 |
| 35 Own foreign offices[3] | 37,311 | 63,817 | 68,670 | 81,556 | 74,042 | 80,717 | 80,416 | 87,699r | 75,757 | 77,901 |
| 36 Banks' custody liabilities[4] | 4,797 | 5,017 | 5,959 | 8,100 | 8,214 | 8,921 | 9,099 | 9,012 30 | 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** | **23,613r** | **23,955** | **24,485** |
| 41 Banks' own liabilities | 12,964 | 14,891 | 16,065 | 17,737 | 18,525 | 18,195 | 18,712 | 19,246r | 19,303 | 20,231 |
| 42 Demand deposits | 4,242 | 5,087 | 5,356 | 5,209 | 5,346 | 5,116 | 4,871 | 5,447r | 4,862 | 5,361 |
| 43 Time deposits | 8,353 | 8,755 | 9,676 | 10,995 | 12,275 | 12,719 | 13,483 | 13,393r | 14,084 | 14,252 |
| 44 Other[2] | 368 | 1,048 | 1,033 | 889 | 903 | 360 | 358 | 406r | 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 | 9,459r | 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** | **216,113r** | **197,963** | **206,908** |
| 2 **Foreign countries** | **164,235** | **185,164** | **202,953** | **211,674** | **207,022** | **211,880** | **206,394** | **214,287r** | **195,983** | **204,591** |
| 3 Europe | 85,172 | 90,952 | 90,897 | 87,209 | 86,789 | 85,418 | 81,547 | 85,087r | 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 | 6,264r | 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 | 26,335r | 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 | 66,363r | 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 | 1,301r | 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 | 6,021r | 5,717 | 6,031 |
| 38 Netherlands Antilles | 308 | 499 | 413 | 438 | 495 | 487 | 692 | 697r | 2,771 | 2,896 |
| 39 Panama | 2,967 | 4,483 | 4,718 | 4,847 | 4,615 | 5,004 | 4,619 | 4,964r | 4,599 | 4,904 |
| 40 Peru | 363 | 383 | 403 | 334 | 450 | 363 | 398 | 380r | 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 | 48,722r | 46,844 | 48,631 |
| China | | | | | | | | | | |
| 45 Mainland | 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 | 4,062r | 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 | 412r | 418 | 475 |
| 51 Japan | 21,927 | 8,907 | 16,281 | 19,803 | 19,563 | 19,475 | 19,757 | 20,747r | 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 | 13,293r | 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 | 1,434r | 1,423 | 1,291 |
| 65 Australia | 838 | 684 | 950 | 2,276 | 2,398 | 1,770 | 1,568 | 1,174r | 1,212 | 1,065 |
| 66 All other | 239 | 220 | 297 | 201 | 285 | 217 | 224 | 260 | 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[r]** | **196,428** | **207,909** |
| 2 **Foreign countries** | **115,488** | **133,906** | **172,514** | **187,092** | **197,264** | **196,800** | **198,827** | **210,031[r]** | **196,385** | **207,869** |
| 3 Europe | 24,201 | 28,388 | 32,108 | 34,463 | 37,338 | 35,198 | 35,065 | 40,876[r] | 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[r] | 186 | 207 |
| 7 Finland | 305 | 202 | 460 | 299 | 365 | 343 | 352 | 346[r] | 397 | 516 |
| 8 France | 3,735 | 3,322 | 2,958 | 3,164 | 3,209 | 2,861 | 3,074 | 3,351[r] | 2,563 | 3,252 |
| 9 Germany | 845 | 1,179 | 948 | 1,140 | 1,099 | 1,259 | 1,144 | 1,267[r] | 841 | 969 |
| 10 Greece | 164 | 154 | 256 | 242 | 249 | 292 | 214 | 287[r] | 235 | 255 |
| 11 Italy | 1,523 | 1,631 | 3,364 | 2,981 | 3,879 | 3,923 | 3,997 | 4,016[r] | 4,322 | 4,559 |
| 12 Netherlands | 677 | 514 | 575 | 604 | 627 | 497 | 581 | 569[r] | 564 | 567 |
| 13 Norway | 299 | 276 | 227 | 173 | 172 | 167 | 249 | 300[r] | 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[r] | 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[r] | 15,638 | 17,855 |
| 20 Yugoslavia | 363 | 611 | 853 | 904 | 988 | 992 | 948 | 932[r] | 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[r] | 203 | 248 |
| 23 Other Eastern Europe[2] | 657 | 1,254 | 1,410 | 1,539 | 1,752 | 1,776 | 1,809 | 1,733[r] | 1,608 | 1,606 |
| 24 Canada | 5,152 | 4,143 | 4,810 | 6,068 | 7,024 | 7,661 | 6,353 | 7,962[r] | 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[r] | 107,799 | 112,865 |
| 26 Argentina | 2,281 | 4,389 | 5,689 | 5,659 | 5,822 | 5,742 | 5,702 | 5,771[r] | 5,885 | 6,044 |
| 27 Bahamas | 21,555 | 18,918 | 29,419 | 33,285 | 34,753 | 35,552 | 36,684 | 38,023[r] | 36,626 | 39,386 |
| 28 Bermuda | 184 | 496 | 218 | 481 | 404 | 411 | 340 | 490[r] | 335 | 255 |
| 29 Brazil | 6,251 | 7,713 | 10,496 | 9,927 | 10,014 | 9,781 | 10,214 | 9,861[r] | 10,374 | 10,823 |
| 30 British West Indies | 9,694 | 9,818 | 15,663 | 17,312 | 18,313 | 18,001 | 17,846 | 19,006[r] | 17,086 | 17,745 |
| 31 Chile | 970 | 1,441 | 1,951 | 2,019 | 2,074 | 2,203 | 2,321 | 2,514[r] | 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[r] | 4 | 6 |
| 34 Ecuador | 705 | 1,025 | 1,190 | 1,239 | 1,285 | 1,307 | 1,318 | 1,298[r] | 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[r] | 17,148 | 18,498 |
| 38 Netherlands Antilles | 273 | 248 | 821 | 756 | 874 | 933 | 894 | 869[r] | 928 | 946 |
| 39 Panama | 3,098 | 6,041 | 4,974 | 6,054 | 6,210 | 6,029 | 6,167 | 6,667[r] | 5,791 | 5,645 |
| 40 Peru | 918 | 652 | 890 | 871 | 818 | 803 | 796 | 788[r] | 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[r] | 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[r] | 43,134 | 44,912 |
| China | | | | | | | | | | |
| 45 Mainland | 4 | 35 | 195 | 204 | 205 | 188 | 186 | 153 | 148 | 210 |
| 46 Taiwan | 1,499 | 1,821 | 2,469 | 2,414 | 2,471 | 2,380 | 2,543 | 2,476 | 2,359 | 2,262 |
| 47 Hong Kong | 1,479 | 1,804 | 2,247 | 2,898 | 3,328 | 3,208 | 3,347 | 3,716 | 3,775 | 3,921 |
| 48 India | 54 | 92 | 142 | 170 | 132 | 106 | 135 | 144 | 176 | 179 |
| 49 Indonesia | 143 | 131 | 245 | 268 | 257 | 271 | 254 | 363 | 267 | 329 |
| 50 Israel | 888 | 990 | 1,172 | 1,186 | 1,309 | 1,178 | 1,108 | 1,086 | 1,200 | 1,325 |
| 51 Japan | 12,646 | 16,911 | 21,361 | 24,195 | 25,995 | 25,954 | 25,352 | 25,300[r] | 22,746 | 23,785 |
| 52 Korea | 2,282 | 3,793 | 5,697 | 6,023 | 6,678 | 6,426 | 6,479 | 6,486 | 6,555 | 6,671 |
| 53 Philippines | 680 | 737 | 989 | 1,024 | 1,192 | 1,194 | 1,402 | 1,530 | 1,448 | 1,621 |
| 54 Thailand | 758 | 933 | 876 | 698 | 661 | 546 | 527 | 549[r] | 559 | 546 |
| 55 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 |
| 56 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[r] | 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[r] | 896 | 888 |
| 64 Other countries | 988 | 855 | 1,150 | 1,040 | 1,078 | 1,121 | 1,054 | 1,110[r] | 1,059 | 1,114 |
| 65 Australia | 877 | 673 | 859 | 898 | 939 | 988 | 952 | 959[r] | 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** | ........ | ........ | **245,642r** | ........ | ........ |
| 2 Banks' own claims on foreigners | 115,545 | 133,943 | 172,592 | 187,139 | 197,312 | 196,860 | 198,878 | 210,086r | 196,428 | 207,909 |
| 3 Foreign public borrowers | 10,346 | 15,937 | 20,882 | 21,541 | 22,825 | 24,020 | 24,414 | 25,021r | 25,435 | 26,313 |
| 4 *Own foreign offices*[1] | 41,605 | 47,428 | 65,084 | 75,441 | 80,228 | 80,673 | 80,373 | 88,214r | 78,855 | 84,835 |
| 5 Unaffiliated foreign banks | 40,483 | 40,927 | 50,168 | 52,236 | 55,212 | 54,204 | 55,364 | 58,469r | 54,749 | 57,605 |
| 6 Deposits | 5,428 | 6,274 | 8,254 | 10,743 | 11,342 | 11,278 | 11,678 | 12,685r | 12,273 | 12,783 |
| 7 Other | 35,054 | 34,654 | 41,914 | 41,493 | 43,870 | 42,926 | 43,686 | 45,784r | 42,477 | 44,822 |
| 8 All other foreigners | 23,111 | 29,650 | 36,459 | 37,921 | 39,047 | 37,963 | 38,727 | 38,382r | 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 nonbanking 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** |
| *By borrower* | | | | | | | |
| 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 |
| *By area* | | | | | | | |
| Maturity of 1 year or less[1] | | | | | | | |
| 8 Europe | 15,169 | 15,235 | 16,940 | 18,762 | 18,681 | 20,718 | 22,749 |
| 9 Canada | 2,670 | 1,777 | 2,166 | 2,723 | 2,743 | 3,196 | 3,799 |
| 10 Latin America and Caribbean | 20,895 | 24,928 | 28,097 | 32,034 | 31,329 | 32,911 | 35,509 |
| 11 Asia | 17,545 | 21,641 | 26,876 | 26,748 | 28,363 | 31,448 | 29,448 |
| 12 Africa | 1,496 | 1,077 | 1,401 | 1,757 | 1,624 | 1,770 | 2,324 |
| 13 All other[2] | 569 | 493 | 751 | 640 | 730 | 776 | 774 |
| Maturity of over 1 year[1] | | | | | | | |
| 14 Europe | 3,142 | 4,160 | 4,705 | 5,118 | 5,585 | 6,277 | 6,403 |
| 15 Canada | 1,426 | 1,317 | 1,188 | 1,448 | 1,180 | 1,316 | 1,347 |
| 16 Latin America and Caribbean | 8,464 | 12,814 | 14,187 | 15,075 | 14,841 | 15,448 | 17,423 |
| 17 Asia | 1,407 | 1,911 | 2,014 | 1,865 | 1,530 | 1,680 | 1,571 |
| 18 Africa | 637 | 655 | 567 | 507 | 531 | 551 | 548 |
| 19 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 Banks[1]

*Billions of dollars, end of period*

| | Area or country | 1977 | 1978[2] | 1979 | | 1980 | | | | 1981 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept.[p] |
| 1 | **Total** | **240.0** | **266.2** | **294.0** | **303.8** | **308.5** | **328.7[r]** | **339.1[r]** | **351.9[r]** | **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[r] | 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[r] | 66.7[r] | 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[r] | 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[r] | 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[r] | 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[r] | 4.8 | 5.1 | 5.6 |
| 46 | Thailand | 1.1 | 1.2 | 1.6 | 1.5 | 1.4 | 1.5 | 1.5 | 1.6[r] | 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[r] | .6[r] | .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[r] | 2.1[r] | 2.1[r] | 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[r] | 47.0[r] | 53.1 | 59.0 | 60.9 |
| 57 | Bahamas | 9.9 | 10.4 | 13.0 | 13.7 | 13.9 | 13.7 | 13.2[r] | 13.7[r] | 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 Jan.-Nov.p | 1981 May | June | July | Aug. | Sept. | Oct. | Nov.p |
|---|---|---|---|---|---|---|---|---|---|---|
| | Holdings (end of period)[1] | | | | | | | | | |
| 1 **Estimated total[2]** | **51,484** | **57,549** | ........ | **62,967** | **64,263** | **64,668** | **66,468** | **67,039r** | **68,519** | **70,543** |
| 2 Foreign countries[2] | 46,055 | 52,961 | ........ | 58,168 | 59,289 | 59,658 | 61,579 | 62,369r | 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 | 35,506r | 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 | ........ | 1,140r | 1,139r | 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 | 4,670r | 4,452 | 4.508 |
| 22 International | 5,388 | 4,548 | ........ | 4,791 | 4,966 | 5,008 | 4,887 | 4,667r | 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** | **571r** | **1,480** | **2,024** |
| 25 Foreign countries[2] | 6,238 | 6,906 | 13,073 | 694 | 1,121 | 369 | 1,920 | 791r | 1,698 | 1,968 |
| 26 Official institutions | 1,697 | 3,865 | 12,611 | 321 | 980 | 798 | 1,532 | 1,376r | 1,633 | 2123 |
| 27 Other foreign[2] | 4,543 | 3,040 | 462 | 373 | 141 | −429 | 388 | −585r | 65 | −155 |
| 28 Nonmonetary international and regional organizations | 300 | −843 | −78 | 26 | 176 | 36 | −120 | −220 | −217 | 56 |
| MEMO: Oil-exporting countries | | | | | | | | | | |
| 29 Middle East[3] | −1,014 | 7,672 | 11,139 | 841 | 565 | 659 | 1,204 | 1,354r | 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.p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 Deposits | 367 | 429 | 411 | 338 | 285 | 255 | 419 | 547 | 534 | 505 |
| *Assets held in custody* | | | | | | | | | | |
| 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 Jan.-Nov. | 1981 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 | 2,847r | 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** | **531r** | **53** | **206** |
| 5 Europe | 237 | 3,110 | 3,381 | 764 | 508 | 119 | 74 | 38r | 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 | 132r | 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 | 1,306r | 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** | **255r** | **−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** | **12r** | **−10** | **9** |
| | | | | | Foreign securities | | | | | |
| 35 Stocks, net purchases, or sales (−) | −817 | −2,139 | −63 | 32 | −114 | 108 | 51 | 191r | −30 | 70 |
| 36 Foreign purchases | 4,617 | 7,887 | 8,499 | 853 | 891 | 891 | 835 | 794r | 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 | −258r | −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 | 1,281r | 1,706 | 4,316 |
| **41 Net purchases, or sales (−), of stocks and bonds** | **−4,729** | **−3,152** | **−4,563** | **−162** | **−592** | **−309** | **19** | **−67r** | **−183** | **−2,093** |
| **42 Foreign countries** | **−3,979** | **−4,029** | **−4,527** | **−162** | **−592** | **−619** | **62** | **−81r** | **−356** | **−1,505** |
| 43 Europe | −1,698 | −1,105 | 809 | 75 | −41 | 147 | −55 | 76r | −45 | −504 |
| 44 Canada | −2,601 | −1,959 | 3,606 | −385 | −507 | −858 | 74 | −326r | −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 | 177r | 113 | 148 |
| 47 Africa | 63 | 24 | 60 | 3 | 6 | −2 | −3 | −6 | 1 | 1 |
| 48 Other countries | 25 | 78 | 84 | 29 | 75 | −23 | 1 | −3r | 0 | 57 |
| **49 Nonmonetary international and regional organizations** | **−750** | **876** | **−36** | **0** | **0** | **311** | **−43** | **14r** | **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 States[1]

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

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.
2. Before December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.
3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4. Comprises Algeria, Gabon, Libya, and Nigeria.
5. Includes nonmonetary international and regional organizations.

## 3.25 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

| | Type, and area or country | 1978 | 1979 | 1980 | 1980 June | 1980 Sept. | 1980 Dec. | 1981 Mar. | 1981 June |
|---|---|---|---|---|---|---|---|---|---|
| 1 | **Total** | **28,004r** | **31,286r** | **34,489r** | **32,449r** | **32,048r** | **34,489r** | **37,661r** | **35,186r** |
| 2 | Payable in dollars | 25,001r | 28,094r | 31,563r | 29,329r | 28,712r | 31,563r | 34,663r | 32,307r |
| 3 | Payable in foreign currencies[2] | 3,003r | 3,193r | 2,926r | 3,119r | 3,336r | 2,926r | 2,999r | 2,879 |
| | *By type* | | | | | | | | |
| 4 | Financial claims | 16,644r | 18,431r | 19,812r | 18,932r | 18,633r | 19,812r | 22,203r | 20,133r |
| 5 | Deposits | 11,201r | 12,797r | 13,978r | 13,096r | 12,574r | 13,978r | 16,474r | 14,487r |
| 6 | Payable in dollars | 10,133r | 11,881r | 13,203r | 12,192r | 11,361r | 13,203r | 15,679r | 13,761r |
| 7 | Payable in foreign currencies | 1,068 | 916 | 775 | 904 | 1,213 | 775 | 795 | 725 |
| 8 | *Other financial claims* | 5,443 | 5,634r | 5,834r | 5,836r | 6,059r | 5,834r | 5,729r | 5,646r |
| 9 | Payable in dollars | 3,874 | 3,808r | 4,152r | 4,108r | 4,404r | 4,152r | 4,082r | 3,992r |
| 10 | Payable in foreign currencies | 1,569 | 1,826 | 1,683 | 1,728 | 1,655 | 1,683 | 1,646 | 1,655 |
| 11 | Commercial claims | 11,360r | 12,855r | 14,677r | 13,517r | 13,415r | 14,677r | 15,458r | 15,053 |
| 12 | Trade receivables | 10,802r | 12,161r | 13,957r | 12,795r | 12,714r | 13,957r | 14,657r | 14,222 |
| 13 | *Advance payments and other claims* | 559 | 694r | 720r | 722r | 702r | 720r | 801 | 830 |
| 14 | Payable in dollars | 10,994r | 12,405r | 14,208r | 13,209r | 12,947r | 14,208r | 14,901 | 14,554 |
| 15 | Payable in foreign currencies | 366r | 450r | 468r | 488r | 469r | 468r | 557r | 499 |
| | *By area or country* | | | | | | | | |
| | *Financial claims* | | | | | | | | |
| 16 | Europe | 5,225r | 6,163 | 6,094 | 5,899r | 5,692r | 6,094 | 6,098 | 5,212r |
| 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 | 4,031r | 5,107 | 4,967 | 4,926r | 4,646r | 4,967 | 4,900 | 4,046 |
| 23 | Canada | 4,549r | 4,984r | 5,057r | 4,968r | 4,948r | 5,057r | 6,611r | 6,168r |
| 24 | Latin America and Caribbean | 5,714 | 6,282r | 7,682r | 6,962r | 6,812r | 7,682r | 8,552r | 7,882r |
| 25 | Bahamas | 3,001 | 2,757 | 3,424r | 3,098 | 2,845 | 3,424r | 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 | 2,007r | 2,681r | 2,414r | 2,342r | 2,681r | 3,398r | 3,396r |
| 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 |
| | Commercial claims | | | | | | | | |
| 37 | Europe | 3,983r | 4,909r | 5,511r | 4,880r | 4,709r | 5,511r | 5,822 | 5,449 |
| 38 | Belgium-Luxembourg | 144 | 202 | 233r | 259r | 230 | 233r | 277 | 235 |
| 39 | France | 609 | 727 | 1,129r | 666r | 710r | 1,129r | 918 | 782 |
| 40 | Germany | 399r | 589 | 591r | 514r | 571r | 591r | 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 | 932r | 909r | 994r | 932r | 1,187 | 1,067 |
| 44 | Canada | 1,094 | 849r | 899r | 904r | 934r | 899r | 1,037 | 987 |
| 45 | Latin America and Caribbean | 2,546 | 2,853 | 3,791r | 3,291 | 3,389 | 3,791r | 3,832 | 3,786 |
| 46 | Bahamas | 109 | 21 | 21 | 19 | 53 | 21r | 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 | 3,112r | 3,450r | 3,507r | 3,627r | 3,443r | 3,507r | 3,763r | 3,721 |
| 53 | Japan | 1,006r | 1,175r | 1,045r | 1,191r | 1,135r | 1,045r | 1,294r | 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 | 318r | 249 | 272r | 318r | 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 Dec. 31, 1981 | | Country | Rate on Dec. 31, 1981 | | Country | Rate on Dec. 31, 1981 | |
|---|---|---|---|---|---|---|---|---|
| | Per-cent | Month effective | | Per-cent | Month effective | | Per-cent | Month effective |
| Argentina | 165.3 | Dec. 1981 | 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 | 15.0 | Dec. 1981 | Italy | 19.0 | Mar. 1981 | United Kingdom[2] | ........ | ............ |
| Brazil | 49.0 | Mar. 1981 | Japan | 6.25 | Mar. 1981 | Venezuela | 14.0 | Aug. 1981 |
| Canada | 14.66 | Dec. 1981 | Netherlands | 9.0 | Mar. 1981 | | | |
| 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 June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 Eurodollars | 11.96 | 14.00 | 16.79 | 17.86 | 18.50 | 18.79 | 17.80 | 16.34 | 13.33 | 13.24 |
| 2 United Kingdom | 13.60 | 16.59 | 13.86 | 12.61 | 13.63 | 14.02 | 14.60 | 16.27 | 15.03 | 15.31 |
| 3 Canada | 11.91 | 13.12 | 18.34 | 19.28 | 19.67 | 21.84 | 20.42 | 18.84 | 16.53 | 15.97 |
| 4 Germany | 6.64 | 9.45 | 12.05 | 13.05 | 12.92 | 12.87 | 12.48 | 11.72 | 11.05 | 10.72 |
| 5 Switzerland | 2.04 | 5.79 | 9.15 | 10.02 | 9.76 | 9.05 | 10.56 | 10.85 | 9.88 | 9.76 |
| 6 Netherlands | 9.33 | 10.60 | 11.52 | 11.81 | 12.38 | 13.54 | 12.96 | 12.57 | 11.70 | 11.03 |
| 7 France | 9.44 | 12.18 | 15.28 | 18.84 | 17.34 | 17.40 | 17.65 | 16.47 | 15.35 | 15.30 |
| 8 Italy | 11.85 | 17.50 | 19.98 | 20.49 | 20.78 | 20.94 | 21.07 | 21.00 | 21.12 | 21.24 |
| 9 Belgium | 10.48 | 14.06 | 15.28 | 15.58 | 16.16 | 16.00 | 16.00 | 15.83 | 15.28 | 15.48 |
| 10 Japan | 6.10 | 11.45 | 7.58 | 7.41 | 7.16 | 7.22 | 7.26 | 7.13 | 7.15 | 6.75 |

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 June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 Australia/dollar | 111.77 | 114.00 | 114.95 | 114.07 | 114.27 | 113.99 | 114.86 | 114.32 | 114.55 | 113.39 |
| 2 Austria/schilling | 7.4799 | 7.7349 | 6.2936 | 5.9502 | 5.8225 | 5.6968 | 6.0554 | 6.3356 | 6.4022 | 6.3088 |
| 3 Belgium/franc | 3.4098 | 3.4247 | 2.7007 | 2.5734 | 2.5027 | 2.4466 | 2.5978 | 2.6557 | 2.6724 | 2.6115 |
| 4 Canada/dollar | 85.386 | 85.530 | 83.408 | 83.050 | 82.601 | 81.766 | 83.275 | 83.136 | 84.235 | 84.382 |
| 5 Denmark/krone | 19.010 | 17.766 | 14.080 | 13.384 | 13.074 | 12.732 | 13.552 | 13.825 | 13.944 | 13.661 |
| 6 Finland/markka | 27.732 | 26.892 | 23.159 | 22.511 | 22.045 | 21.607 | 22.225 | 22.601 | 23.020 | 22.902 |
| 7 France/franc | 23.504 | 23.694 | 18.489 | 17.679 | 17.253 | 16.720 | 17.769 | 17.762 | 17.782 | 17.502 |
| 8 Germany/deutsche mark | 54.561 | 55.089 | 44.362 | 42.054 | 40.977 | 39.988 | 42.545 | 44.370 | 44.862 | 44.293 |
| 9 India/rupee | 12.265 | 12.686 | 11.548 | 11.688 | 11.229 | 11.038 | 10.971 | 10.948 | 10.947 | 10.952 |
| 10 Ireland/pound | 204.65 | 205.77 | 161.32 | 153.61 | 149.40 | 146.04 | 155.04 | 157.50 | 158.95 | 157.30 |
| 11 Italy/lira | .12035 | .11694 | .08842 | .08436 | .08233 | .08038 | .08424 | .08374 | .08392 | .08290 |
| 12 Japan/yen | .45834 | .44311 | .45432 | .44621 | .43055 | .42881 | .43582 | .43198 | .44843 | .45675 |
| 13 Malaysia/ringgit | 45.720 | 45.967 | 43.406 | 42.720 | 42.519 | 42.119 | 42.527 | 43.500 | 44.323 | 44.489 |
| 14 Mexico/peso | 4.3826 | 4.3535 | 4.0785 | 4.1066 | 4.0650 | 4.0301 | 3.9859 | 3.9371 | 3.8878 | 3.8358 |
| 15 Netherlands/guilder | 49.843 | 50.369 | 40.191 | 37.816 | 36.833 | 36.009 | 38.329 | 40.151 | 40.915 | 40.435 |
| 16 New Zealand/dollar | 102.23 | 97.337 | 86.848 | 85.823 | 83.771 | 82.331 | 82.644 | 82.355 | 83.104 | 82.784 |
| 17 Norway/krone | 19.747 | 20.261 | 17.459 | 16.907 | 16.387 | 16.177 | 16.779 | 16.897 | 17.194 | 17.302 |
| 18 Portugal/escudo | 2.0437 | 1.9980 | 1.6275 | 1.5899 | 1.5429 | 1.4999 | 1.5268 | 1.5458 | 1.5534 | 1.5304 |
| 19 South Africa/rand | 118.72 | 128.54 | 114.77 | 115.18 | 108.46 | 105.27 | 105.56 | 104.61 | 103.82 | 103.10 |
| 20 Spain/peseta | 1.4896 | 1.3958 | 1.0869 | 1.0565 | 1.0248 | .99864 | 1.0407 | 1.0416 | 1.0483 | 1.0313 |
| 21 Sri Lanka/rupee | 6.4226 | 6.1947 | 5.2928 | 5.3970 | 5.3491 | 5.1932 | 5.0056 | 4.8372 | 4.8020 | 4.9362 |
| 22 Sweden/krona | 23.323 | 23.647 | 19.860 | 19.802 | 19.293 | 18.870 | 18.435 | 18.023 | 18.217 | 18.049 |
| 23 Switzerland/franc | 60.121 | 59.697 | 51.025 | 48.226 | 47.667 | 46.091 | 49.511 | 53.080 | 56.000 | 55.098 |
| 24 United Kingdom/pound | 212.24 | 232.58 | 202.43 | 197.38 | 187.37 | 182.03 | 181.46 | 184.07 | 190.25 | 190.33 |
| MEMO: | | | | | | | | | | |
| 25 United States/dollar[1] | 88.09 | 87.39 | 102.94 | 106.86 | 109.87 | 112.29 | 107.98 | 106.34 | 104.53 | 105.21 |

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 |
| e | Estimated |
| p | Preliminary |
| r | Revised (Notation appears on column heading when more than half of figures in that column are changed.) |
| * | Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions) |
| 0 | Calculated to be zero |
| n.a. | Not available |
| n.e.c. | Not elsewhere classified |
| IPCs | Individuals, partnerships, and corporations |
| REITs | Real estate investment trusts |
| RPs | Repurchase agreements |
| SMSAs | Standard metropolitan statistical areas |
| ...... | Cell not applicable |

### *General Information*

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

## *STATISTICAL RELEASES*

### *List Published Semiannually, with Latest Bulletin Reference*



## *SPECIAL TABLES*

### *Published Irregularly, with Latest Bulletin Reference*



*Special tables begin on following page.*

## 4.20 DOMESTIC AND FOREIGN OFFICES, Commercial Banks with Assets of $100 Million or over[1p] Consolidated Report of Condition; Sept. 30, 1981

Millions of dollars

| Item | Insured | Banks with foreign offices[2] | | | Banks without foreign offices |
|---|---|---|---|---|---|
| | | Total | Foreign offices[3] | Domestic offices | |
| 1 **Total assets** | **1,563,643** | **1,171,903** | **386,353** | **815,573** | **391,739** |
| 2 Cash and due from depository institutions | 300,901 | 255,788 | 137,197 | 118,591 | 45,113 |
| 3 Currency and coin (U.S. and foreign) | 14,000 | 8,137 | 274 | 7,863 | 5,863 |
| 4 Balances with Federal Reserve Banks | 25,121 | 19,265 | 465 | 18,800 | 5,856 |
| 5 Balances with other central banks | 3,443 | 3,443 | 3,335 | 108 | N.A. |
| 6 Demand balances with commercial banks in United States | 39,806 | 29,840 | 4,178 | 25,662 | 9,966 |
| 7 All other balances with depository institutions in United States and with banks in foreign countries | 144,855 | 132,176 | 126,417 | 5,758 | 12,679 |
| 8 Time and savings balances with commercial banks in United States | 9,503 | 2,686 | 1,451 | 1,235 | 6,817 |
| 9 Balances with other depository institutions in United States | 320 | 136 | 83 | 53 | 184 |
| 10 Balances with banks in foreign countries | 135,031 | 129,354 | 124,884 | 4,470 | 5,678 |
| 11 Foreign branches of other U.S. banks | N.A. | 24,503 | 22,728 | 1,775 | N.A. |
| 12 Other banks in foreign countries | N.A. | 104,851 | 102,155 | 2,695 | N.A. |
| 13 Cash items in process of collection | 73,676 | 62,927 | 2,527 | 60,399 | 10,749 |
| 14 **Total securities, loans, and lease financing receivables** | **1,145,685** | **816,594** | **217,906** | **598,688** | **329,091** |
| 15 Total securities, book value | 225,820 | 125,404 | 9,841 | 115,564 | 100,416 |
| 16 U.S. Treasury | 63,522 | 31,104 | 305 | 30,799 | 32,418 |
| 17 Obligations of other U.S. government agencies and corporations | 36,029 | 16,225 | 49 | 16,176 | 19,804 |
| 18 Obligations of states and political subdivisions in United States | 101,963 | 56,839 | 660 | 56,179 | 45,124 |
| 19 All other securities | 24,306 | 21,236 | 8,826 | 12,410 | 3,070 |
| 20 Other bonds, notes, and debentures | 10,646 | 8,569 | 7,144 | 1,425 | 2,077 |
| 21 Federal Reserve and corporate stock | 1,841 | 1,384 | 199 | 1,184 | 457 |
| 22 Trading account securities | 11,820 | 11,283 | 1,483 | 9,800 | 537 |
| 23 Federal funds sold and securities purchased under agreements to resell | 51,947 | 32,282 | 427 | 31,856 | 19,665 |
| 24 Total loans, gross | 876,030 | 659,903 | 207,208 | 452,696 | 216,127 |
| 25 LESS: Unearned income on loans | 13,904 | 7,393 | 1,813 | 5,580 | 6,511 |
| 26 Allowance for possible loan loss | 8,970 | 6,572 | 264 | 6,308 | 2,397 |
| 27 EQUALS: Loans, net | 853,156 | 645,938 | 205,130 | 440,808 | 207,218 |
| *Total loans, gross, by category* | | | | | |
| 28 Real estate loans | 207,421 | 127,424 | 7,962 | 119,462 | 79,996 |
| 29 Construction and land development | N.A. | N.A. | N.A. | 27,675 | 9,566 |
| 30 Secured by farmland | N.A. | N.A. | N.A. | 850 | 1,267 |
| 31 Secured by residential properties | N.A. | N.A. | N.A. | 67,578 | 44,896 |
| 32 1- to 4-family | N.A. | N.A. | N.A. | 64,096 | 42,796 |
| 33 FHA-insured or VA-guaranteed | N.A. | N.A. | N.A. | 3,783 | 2,003 |
| 34 Conventional | N.A. | N.A. | N.A. | 60,313 | 40,793 |
| 35 Multifamily | N.A. | N.A. | N.A. | 3,482 | 2,100 |
| 36 FHA-insured | N.A. | N.A. | N.A. | 222 | 76 |
| 37 Conventional | N.A. | N.A. | N.A. | 3,260 | 2,024 |
| 38 Secured by nonfarm nonresidential properties | N.A. | N.A. | N.A. | 23,359 | 24,267 |
| 39 Loans to financial institutions | 88,141 | 83,298 | 39,271 | 44,027 | 4,843 |
| 40 REITs and mortgage companies in United States | 5,210 | 4,524 | 157 | 4,367 | 686 |
| 41 Commercial banks in United States | 10,726 | 8,475 | 583 | 7,892 | 2,251 |
| 42 U.S. branches and agencies of foreign banks | N.A. | 3,938 | 422 | 3,516 | N.A. |
| 43 Other commercial banks | N.A. | 4,537 | 161 | 4,376 | N.A. |
| 44 Banks in foreign countries | 41,609 | 41,136 | 30,993 | 10,143 | 473 |
| 45 Foreign branches of other U.S. banks | N.A. | 700 | 363 | 338 | N.A. |
| 46 Other | N.A. | 40,436 | 30,630 | 9,806 | N.A. |
| 47 Finance companies in United States | 10,982 | 10,541 | 287 | 10,254 | 441 |
| 48 Other financial institutions | 19,614 | 18,622 | 7,251 | 11,371 | 992 |
| 49 Loans for purchasing or carrying securities | 13,674 | 11,924 | 1,415 | 10,508 | 1,750 |
| 50 Brokers and dealers in securities | 9,231 | 8,840 | 1,058 | 7,781 | 391 |
| 51 Other | 4,443 | 3,084 | 357 | 2,727 | 1,359 |
| 52 Loans to finance agricultural production and other loans to farmers | 10,769 | 6,423 | 735 | 5,688 | 4,346 |
| 53 Commercial and industrial loans | 376,933 | 311,962 | 123,215 | 188,746 | 64,971 |
| 54 U.S. addressees (domicile) | N.A. | 192,085 | 11,981 | 180,104 | N.A. |
| 55 Non-U.S. addressees (domicile) | N.A. | 119,877 | 111,234 | 8,643 | N.A. |
| 56 Loans to individuals for household, family, and other personal expenditures | 130,964 | 74,341 | 6,301 | 68,040 | 56,623 |
| 57 Installment loans | N.A. | N.A. | N.A. | 56,260 | 46,473 |
| 58 Passenger automobiles | N.A. | N.A. | N.A. | 16,763 | 20,264 |
| 59 Credit cards and related plans | N.A. | N.A. | N.A. | 19,990 | 7,421 |
| 60 Retail (charge account) credit card | N.A. | N.A. | N.A. | 15,947 | 6,104 |
| 61 Check and revolving credit | N.A. | N.A. | N.A. | 4,044 | 1,318 |
| 62 Mobile homes | N.A. | N.A. | N.A. | 3,361 | 3,408 |
| 63 Other installment loans | N.A. | N.A. | N.A. | 16,146 | 15,379 |
| 64 Other retail consumer goods | N.A. | N.A. | N.A. | 4,392 | 3,394 |
| 65 Residential property repair and modernization | N.A. | N.A. | N.A. | 3,663 | 3,972 |
| 66 Other installment loans for household, family, and other personal expenditures | N.A. | N.A. | N.A. | 8,091 | 8,014 |
| 67 Single-payment loans | N.A. | N.A. | N.A. | 11,779 | 10,151 |
| 68 All other loans | 48,129 | 44,532 | 28,308 | 16,224 | 3,597 |
| 69 Loans to foreign governments and official institutions | N.A. | 28,767 | 25,770 | 2,997 | N.A. |
| 70 Other | N.A. | 15,765 | 2,538 | 13,227 | N.A. |
| 71 Lease financing receivables | 14,762 | 12,970 | 2,509 | 10,461 | 1,792 |
| 72 Bank premises, furniture and fixtures, and other assets representing bank premises | 21,090 | 12,929 | 1,365 | 11,565 | 8,160 |
| 73 Real estate owned other than bank premises | 1,713 | 1,096 | 107 | 989 | 617 |
| 74 All other assets | 94,254 | 85,496 | 29,778 | 85,741 | 8,758 |
| 75 Investment in unconsolidated subsidiaries and associated companies | 1,375 | 1,320 | 992 | 328 | 55 |
| 76 Customers' liability on acceptances outstanding | 49,384 | 49,019 | 11,013 | 38,006 | 365 |
| 77 U.S. addressees (domicile) | N.A. | 16,040 | N.A. | N.A. | N.A. |
| 78 Non-U.S. addressees (domicile) | N.A. | 32,980 | N.A. | N.A. | N.A. |
| 79 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries | N.A. | N.A. | 4,461 | 25,562 | N.A. |
| 80 Other | 43,495 | 35,156 | 13,312 | 21,844 | 8,338 |

4.20 Continued

| Item | Insured | Banks with foreign offices[2] | | | Banks without foreign offices |
|---|---|---|---|---|---|
| | | Total | Foreign offices[3] | Domestic offices | |
| 81 **Total liabilities and equity capital[4]** | **1,563,643** | **1,171,903** | **N.A.** | **N.A.** | **391,739** |
| 82 **Total liabilities excluding subordinated debt** | **1,476,729** | **1,115,083** | **386,087** | **759,019** | **361,646** |
| 83 Total deposits | 1,193,990 | 873,887 | 321,448 | 552,440 | 320,103 |
| 84 Individuals, partnerships, and corporations | 868,755 | 586,648 | 141,267 | 445,381 | 282,107 |
| 85 U.S. government | 4,002 | 2,725 | 335 | 2,390 | 1,277 |
| 86 States and political subdivisions in United States | 50,325 | 25,082 | 572 | 24,510 | 25,243 |
| 87 All other | 257,195 | 248,977 | 177,719 | 71,258 | 8,218 |
| 88 Foreign governments and official institutions | 36,060 | 35,910 | 29,901 | 6,009 | 150 |
| 89 Commercial banks in United States | 82,193 | 74,467 | 21,523 | 52,944 | 7,727 |
| 90 U.S. branches and agencies of foreign banks | N.A. | 9,822 | 3,528 | 6,294 | N.A. |
| 91 Other commercial banks in United States | N.A. | 64,645 | 17,995 | 46,650 | N.A. |
| 92 Banks in foreign countries | 138,942 | 138,601 | 126,295 | 12,305 | 342 |
| 93 Foreign branches of other U.S. banks | N.A. | 23,574 | 23,528 | 46 | N.A. |
| 94 Other banks in foreign countries | N.A. | 115,026 | 102,768 | 12,259 | N.A. |
| 95 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 13,713 | 10,455 | 1,555 | 8,900 | 3,258 |
| 96 Federal funds purchased and securities sold under agreements to repurchase in domestic offices and Edge and agreement subsidiaries | 137,705 | 108,967 | 327 | 108,640 | 28,738 |
| 97 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money | 50,658 | 45,744 | 17,211 | 28,533 | 4,914 |
| 98 Interest-bearing demand notes (note balances) issued to U.S. Treasury | 15,163 | 11,996 | N.A. | 11,996 | 3,167 |
| 99 Other liabilities for borrowed money | 35,495 | 33,748 | 17,211 | 16,537 | 1,747 |
| 100 Mortgage indebtedness and liability for capitalized leases | 1,976 | 1,288 | 12 | 1,276 | 688 |
| 101 All other liabilities | 92,400 | 85,196 | 47,089 | 68,130 | 7,204 |
| 102 Acceptances executed and outstanding | 49,601 | 49,236 | 9,384 | 39,853 | 365 |
| 103 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries | N.A. | N.A. | 25,562 | 4,461 | N.A. |
| 104 Other | 42,799 | 35,960 | 12,143 | 23,816 | 6,839 |
| 105 Subordinated notes and debentures | 5,622 | 3,979 | 266 | 3,712 | 1,643 |
| 106 Total equity capital[4] | 81,292 | 52.842 | N.A. | N.A. | 28,450 |
| 107 Preferred stock | 126 | 29 | N.A. | N.A. | 97 |
| 108 Common stock | 15,883 | 10.423 | N.A. | N.A. | 5,460 |
| 109 Surplus | 27,570 | 16.993 | N.A. | N.A. | 10,577 |
| 110 Undivided profits and reserve for contingencies and other capital reserves | 37,713 | 25.397 | N.A. | N.A. | 12,316 |
| 111 Undivided profits | 36,866 | 24.996 | N.A. | N.A. | 11,869 |
| 112 Reserve for contingencies and other capital reserves | 847 | 400 | N.A. | N.A. | 447 |
| MEMO | | | | | |
| *Deposits in domestic offices* | | | | | |
| 113 Total demand | 296,237 | 207.954 | 0 | 207,954 | 88,283 |
| 114 Total savings | 141,657 | 73.186 | 0 | 73,186 | 68,471 |
| 115 Total time | 434,649 | 271.299 | 0 | 271,299 | 163,349 |
| 116 Time deposits of $100,000 or more | 243,162 | 181.467 | 0 | 181,467 | 61,695 |
| 117 Certificates of deposit (CDs) in denominations of $100,000 or more | 226,619 | 168.453 | 0 | 168,453 | 58,166 |
| 118 Other | 16,543 | 13.014 | 0 | 13,014 | 3,529 |
| 119 Savings deposits authorized for automatic transfer and NOW accounts | 35,939 | 18.715 | 0 | 18,715 | 17,224 |
| 120 Money market time certificates of $10,000 and less than $100,000 with original maturities of 26 weeks | 130,147 | 62.354 | 0 | 62,354 | 67,793 |
| 121 Demand deposits adjusted[5] | 172,200 | 101.652 | 0 | 101,652 | 70,548 |
| 122 Standby letters of credit, total | 60,046 | 55.874 | 11,780 | 44,094 | 4,172 |
| 123 U.S. addressees (domicile) | N.A. | 39.570 | N.A. | N.A. | N.A. |
| 124 Non-U.S. addressees (domicile) | N.A. | 16.305 | N.A. | N.A. | N.A. |
| 125 *Standby letters of credit conveyed to others through participations (included in total standby letters of credit)* | 3,643 | 3.387 | 717 | 2,670 | 256 |
| 126 Holdings of commercial paper included in total gross loans | N.A. | N.A. | N.A. | 196 | 576 |
| *Average for 30 calendar days (or calendar month) ending with report date* | | | | | |
| 127 Total assets | 1,532,096 | 1,142,303 | 351,685 | 790,618 | 389,793 |
| 128 Cash and due from depository institutions | 285,733 | 242,483 | 132,656 | 109,827 | 43,250 |
| 129 Federal funds sold and securities purchased under agreements to resell | 51,936 | 30,457 | 822 | 29,636 | 21,479 |
| 130 Total loans | 849,340 | 640,992 | 201,237 | 439,755 | 208,348 |
| 131 Total deposits | 1,166,680 | 847,536 | 312,325 | 535,211 | 319,144 |
| 132 Time CDs in denominations of $100,000 or more in domestic offices | 231,611 | N.A. | N.A. | 173,542 | 58,069 |
| 133 Federal funds purchased and securities sold under agreements to repurchase | 142,167 | 113,024 | 4,611 | 108,413 | 29,142 |
| 134 Other liabilities for borrowed money | 34,256 | 32,705 | 16,640 | 16,065 | 1,550 |
| 135 Number of banks | 1,533 | 188 | 188 | 188 | 1,345 |

For notes see page A75.

## 4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of $100 Million or over[1,6p] Consolidated Report of Condition; Sept. 30, 1981

Millions of dollars

| Item | Insured | Member banks | | | Non-member insured |
|---|---|---|---|---|---|
| | | Total | National | State | |
| 1 **Total assets** | **1,207,312** | **1,027,710** | **771,117** | **256,593** | **179,602** |
| 2 Cash and due from depository institutions | 163,704 | 146,911 | 98,167 | 48,745 | 16,792 |
| 3 Currency and coin (U.S. and foreign) | 13,726 | 11,704 | 9,171 | 2,533 | 2,022 |
| 4 Balances with Federal Reserve Banks | 24,656 | 24,036 | 17,790 | 6,245 | 621 |
| 5 Balances with other central banks | 108 | 108 | 105 | 3 | 0 |
| 6 Demand balances with commercial banks in United States | 35,628 | 29,880 | 16,167 | 13,713 | 5,748 |
| 7 All other balances with depository institutions in United States and with banks in foreign countries | 18,437 | 12,496 | 10,220 | 2,275 | 5,941 |
| 8 Time and savings balances with commercial banks in United States | 8,052 | 4,878 | 4,146 | 732 | 3,175 |
| 9 Balances with other depository institutions in United States | 237 | 122 | 44 | 79 | 115 |
| 10 Balances with banks in foreign countries | 10,148 | 7,496 | 6,031 | 1,465 | 2,652 |
| 11 Cash items in process of collection | 71,149 | 68,689 | 44,714 | 23,975 | 2,460 |
| 12 **Total securities, loans, and lease financing receivables** | **927,779** | **774,871** | **594,034** | **180,837** | **152,908** |
| 13 Total securities, book value | 215,979 | 171,470 | 129,624 | 41,847 | 44,509 |
| 14 U.S. Treasury | 63,217 | 48,354 | 35,915 | 12,438 | 14,863 |
| 15 Obligations of other U.S. government agencies and corporations | 35,980 | 26,893 | 21,559 | 5,334 | 9,086 |
| 16 Obligations of states and political subdivisions in United States | 101,303 | 82,477 | 62,389 | 20,088 | 18,826 |
| 17 All other securities | 15,480 | 13,747 | 9,760 | 3,986 | 1,733 |
| 18 Other bonds, notes, and debentures | 3,502 | 2,086 | 1,500 | 586 | 1,416 |
| 19 Federal Reserve and corporate stock | 1,641 | 1,465 | 1,096 | 369 | 177 |
| 20 Trading account securities | 10,377 | 10,196 | 7,165 | 3,031 | 141 |
| 21 Federal funds sold and securities purchased under agreements to resell | 51,520 | 44,347 | 34,906 | 9,441 | 7,173 |
| 22 Total loans, gross | 668,823 | 564,619 | 434,002 | 130,617 | 104,203 |
| 23 LESS: Unearned income on loans | 12,092 | 9,234 | 7,021 | 2,213 | 2,858 |
| 24 Allowance for possible loan loss | 8,705 | 7,603 | 5,680 | 1,923 | 1,102 |
| 25 EQUALS: Loans, net | 648,026 | 547,783 | 421,301 | 126,481 | 100,243 |
| *Total loans, gross, by category* | | | | | |
| 26 Real estate loans | 199,458 | 159,680 | 131,004 | 28,677 | 39,778 |
| 27 Construction and land development | 37,241 | 31,522 | 24,451 | 7,071 | 5,719 |
| 28 Secured by farmland | 2,118 | 1,576 | 1,442 | 134 | 541 |
| 29 Secured by residential properties | 112,473 | 90,667 | 75,832 | 14,835 | 21,806 |
| 30 1- to 4-family | 106,892 | 86,153 | 72,235 | 13,918 | 20,739 |
| 31 FHA-insured or VA-guaranteed | 5,785 | 5,114 | 4,234 | 879 | 672 |
| 32 Conventional | 101,106 | 81,039 | 68,001 | 13,039 | 20,067 |
| 33 Multifamily | 5,582 | 4,514 | 3,597 | 917 | 1,067 |
| 34 FHA-insured | 298 | 230 | 129 | 101 | 67 |
| 35 Conventional | 5,284 | 4,284 | 3,468 | 816 | 1,000 |
| 36 Secured by nonfarm nonresidential properties | 47,626 | 35,915 | 29,278 | 6,636 | 11,711 |
| 37 Loans to financial institutions | 48,871 | 45,003 | 28,632 | 16,371 | 3,868 |
| 38 REITs and mortgage companies in United States | 5,053 | 4,759 | 3,621 | 1,139 | 293 |
| 39 Commercial banks in United States | 10,143 | 7,641 | 5,006 | 2,634 | 2,503 |
| 40 Banks in foreign countries | 10,616 | 10,275 | 5,763 | 4,512 | 341 |
| 41 Finance companies in United States | 10,695 | 10,476 | 6,298 | 4,178 | 220 |
| 42 Other financial institutions | 12,363 | 11,852 | 7,943 | 3,909 | 511 |
| 43 Loans for purchasing or carrying securities | 12,258 | 11,675 | 5,850 | 5,825 | 584 |
| 44 Brokers and dealers in securities | 8,172 | 7,900 | 2,994 | 4,906 | 272 |
| 45 Other | 4,086 | 3,774 | 2,855 | 919 | 312 |
| 46 Loans to finance agricultural production and other loans to farmers | 10,034 | 8,980 | 8,356 | 624 | 1,054 |
| 47 Commercial and industrial loans | 253,718 | 221,757 | 167,206 | 54,551 | 31,960 |
| 48 Loans to individuals for household, family, and other personal expenditures | 124,663 | 99,427 | 80,650 | 18,777 | 25,236 |
| 49 Installment loans | 102,733 | 81,572 | 66,549 | 15,023 | 21,161 |
| 50 Passenger automobiles | 37,027 | 28,009 | 22,876 | 5,134 | 9,017 |
| 51 Credit cards and related plans | 27,412 | 24,372 | 19,493 | 4,879 | 3,040 |
| 52 Retail (charge account) credit card | 22,050 | 19,732 | 15,879 | 3,835 | 2,318 |
| 53 Check and revolving credit | 5,361 | 4,639 | 3,596 | 1,044 | 722 |
| 54 Mobile homes | 6,769 | 5,432 | 4,952 | 479 | 1,337 |
| 55 Other installment loans | 31,526 | 23,759 | 19,228 | 4,531 | 7,766 |
| 56 Other retail consumer goods | 7,786 | 6,220 | 5,246 | 974 | 1,566 |
| 57 Residential property repair and modernization | 7,635 | 5,486 | 4,464 | 1,022 | 2,150 |
| 58 Other installment loans for household, family, and other personal expenditures | 16,105 | 12,054 | 9,518 | 2,535 | 4,051 |
| 59 Single-payment loans | 21,930 | 17,855 | 14,101 | 3,754 | 4,075 |
| 60 All other loans | 19,821 | 18,097 | 12,304 | 5,793 | 1,725 |
| 61 Lease financing receivables | 12,254 | 11,271 | 8,203 | 3,068 | 983 |
| 62 Bank premises, furniture and fixtures, and other assets representing bank premises | 19,725 | 16,006 | 13,064 | 2,942 | 3,719 |
| 63 Real estate owned other than bank premises | 1,605 | 1,335 | 1,072 | 263 | 270 |
| 64 All other assets | 94,499 | 88,587 | 64,781 | 23,806 | 5,912 |
| 65 Investment in unconsolidated subsidiaries and associated companies | 383 | 352 | 328 | 24 | 31 |
| 66 Customers' liability on acceptances outstanding | 38,371 | 37,592 | 27,049 | 10,542 | 780 |
| 67 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries | 25,562 | 24,413 | 19,186 | 5,227 | 1,148 |
| 68 Other | 30,183 | 26,230 | 18,218 | 8,013 | 3,953 |

4.21 Continued

| Item | Insured | Member banks | | | Non-member insured |
|---|---|---|---|---|---|
| | | Total | National | State | |
| 69 **Total liabilities and equity capital[7]** | **1,207,312** | **1,027,710** | **771,117** | **256,593** | **179,602** |
| 70 **Total liabilities excluding subordinated debt** | **1,120,665** | **954,691** | **715,647** | **239,044** | **165,974** |
| 71 Total deposits | 872,542 | 723,304 | 548,939 | 174,364 | 149,239 |
| 72 Individuals, partnerships, and corporations | 727,488 | 595,322 | 467,437 | 127,885 | 132,166 |
| 73 U.S. government | 3,667 | 3,199 | 2,494 | 705 | 468 |
| 74 States and political subdivisions in United States | 49,753 | 37,612 | 30,812 | 6,800 | 12,141 |
| 75 All other | 79,476 | 76,777 | 42,473 | 34,304 | 2,699 |
| 76 Foreign governments and official institutions | 6,159 | 5,898 | 3,822 | 2,076 | 261 |
| 77 *Commercial banks in United States* | 60,671 | 58,638 | 32,787 | 25,851 | 2,033 |
| 78 Banks in foreign countries | 12,647 | 12,242 | 5,864 | 6,378 | 405 |
| 79 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 12,158 | 10,394 | 5,724 | 4,669 | 1,764 |
| 80 Demand deposits | 296,237 | 257,722 | 176,580 | 81,142 | 38,515 |
| 81 Mutual savings banks | 985 | 829 | 438 | 391 | 156 |
| 82 Other individuals, partnerships, and corporations | 207,256 | 174,399 | 130,241 | 44,158 | 32,857 |
| 83 U.S. government | 3,194 | 2,823 | 2,176 | 647 | 372 |
| 84 States and political subdivisions in United States | 9,931 | 8,015 | 6,417 | 1,598 | 1,915 |
| 85 All other | 62,713 | 61,262 | 31,584 | 29,678 | 1,451 |
| 86 Foreign governments and official institutions | 1,677 | 1,635 | 860 | 775 | 42 |
| 87 Commercial banks in United States | 49,694 | 48,490 | 25,583 | 22,908 | 1,204 |
| 88 Banks in foreign countries | 11,342 | 11,137 | 5,142 | 5,995 | 206 |
| 89 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 12,158 | 10,394 | 5,724 | 4,669 | 1,764 |
| 90 Time deposits | 434,649 | 354,136 | 282,343 | 71,793 | 80,513 |
| 91 Mutual savings banks | 537 | 398 | 271 | 127 | 139 |
| 92 Other individuals, partnerships, and corporations | 378,595 | 309,450 | 247,367 | 62,083 | 69,146 |
| 93 U.S. government | 437 | 345 | 290 | 56 | 91 |
| 94 States and political subdivisions in United States | 38,341 | 28,452 | 23,547 | 4,904 | 9,889 |
| 95 All other | 16,739 | 15,492 | 10,868 | 4,624 | 1,247 |
| 96 Foreign governments and official institutions | 4,463 | 4,244 | 2,945 | 1,299 | 218 |
| 97 Commercial banks in United States | 10,972 | 10,143 | 7,200 | 2,942 | 829 |
| 98 Banks in foreign countries | 1,304 | 1,104 | 722 | 382 | 200 |
| 99 Savings deposits | 141,657 | 111,445 | 90,017 | 21,429 | 30,212 |
| 100 Mutual savings banks | 1 | 1 | 1 | * | 0 |
| 101 Other individuals, partnerships, and corporations | 140,115 | 110,246 | 89,120 | 21,126 | 29,868 |
| 102 *Individuals and nonprofit organizations* | 134,249 | 106,034 | 85,723 | 20,310 | 28,216 |
| 103 Corporations and other profit organizations | 5,865 | 4,213 | 3,397 | 816 | 1,653 |
| 104 U.S. government | 36 | 31 | 28 | 2 | 6 |
| 105 States and political subdivisions in United States | 1,481 | 1,145 | 847 | 298 | 337 |
| 106 All other | 24 | 23 | 21 | 3 | 1 |
| 107 Foreign governments and official institutions | 19 | 18 | 16 | 2 | 1 |
| 108 Commercial banks in United States | 5 | 4 | 4 | * | * |
| 109 Banks in foreign countries | * | * | * | * | * |
| 110 Federal funds purchased and securities sold under agreements to repurchase | 137,377 | 127,163 | 92,372 | 34,791 | 10,215 |
| 111 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money | 33,447 | 31,458 | 20,288 | 11,170 | 1,989 |
| 112 Interest-bearing demand notes (note balances) issued to U.S. Treasury | 15,163 | 14,038 | 10,326 | 3,712 | 1,125 |
| 113 Other liabilities for borrowed money | 18,284 | 17,420 | 9,962 | 7,458 | 864 |
| 114 *Mortgage indebtedness and liability for capitalized* leases | 1,964 | 1,621 | 1,352 | 269 | 343 |
| 115 All other liabilities | 75,334 | 71,146 | 52,696 | 18,450 | 4,188 |
| 116 Acceptances executed and outstanding | 40,217 | 39,438 | 28,869 | 10,569 | 780 |
| 117 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries | 4,461 | 4,252 | 3,605 | 647 | 209 |
| 118 Other | 30,655 | 27,456 | 20,222 | 7,234 | 3,200 |
| 119 Subordinated notes and debentures | 5,356 | 4,220 | 3,030 | 1,189 | 1,136 |
| 120 **Total equity capital[7]** | **81,292** | **68,799** | **52,439** | **16,360** | **12,493** |
| MEMO | | | | | |
| 121 Time deposits of $100,000 or more | 243,162 | 206,532 | 159,696 | 46,836 | 36,630 |
| 122 Certificates of deposit (CDs) in denominations of $100,000 or more | 226,619 | 191,490 | 148,121 | 43,369 | 35,129 |
| 123 *Other* | 16,543 | 15,042 | 11,575 | 3,467 | 1,501 |
| 124 Savings deposits authorized for automatic transfer and NOW accounts | 35,939 | 28,433 | 23,646 | 4,787 | 7,506 |
| 125 Money market time certificates of $10,000 and less than $100,000 with original maturities of 26 weeks | 130,147 | 100,848 | 84,604 | 16,243 | 29,300 |
| 126 Demand deposits adjusted[5] | 172,200 | 137,721 | 104,107 | 33,613 | 34,479 |
| 127 Total standby letters of credit | 48,266 | 45,969 | 32,154 | 13,815 | 2,297 |
| 128 Conveyed to others through participation (included in standby letters of credit) | 2,925 | 2,825 | 2,184 | 640 | 101 |
| 129 Holdings of commercial paper included in total gross loans | 771 | 502 | 352 | 149 | 270 |
| *Average for 30 calendar days (or calendar month) ending with report date* | | | | | |
| 130 Total assets | 1,180,411 | 1,002,279 | 755,810 | 246,470 | 178,131 |
| 131 Cash and due from depository institutions | 153,077 | 137,014 | 94,116 | 42,898 | 16,063 |
| 132 Federal funds sold and securities purchased under agreements to resell | 51,115 | 43,365 | 34,175 | 9,190 | 7,750 |
| 133 *Total loans* | 648,103 | 547,386 | 422,791 | 124,596 | 100,717 |
| 134 Total deposits | 854,355 | 705,870 | 541,051 | 164,819 | 148,485 |
| 135 Time CDs in denominations of $100,000 or more in domestic offices | 231,611 | 196,734 | 147,393 | 49,341 | 34,877 |
| 136 Federal funds purchased and securities sold under agreements to repurchase | 137,556 | 127,646 | 97,078 | 30,568 | 9,910 |
| 137 Other liabilities for borrowed money | 17,616 | 16,660 | 9,410 | 7,250 | 956 |
| 138 Number of banks | 1,533 | 977 | 811 | 166 | 556 |

For notes see page A75.

## 4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities[1]/ Consolidated Report of Condition; Sept. 30, 1981

Millions of dollars

| Item | Insured | Member banks | | | Non-member insured |
|---|---|---|---|---|---|
| | | Total | National | State | |
| 1 **Total assets** | **1,603,331** | **1,193,773** | **911,358** | **282,415** | **409,558** |
| 2 Cash and due from depository institutions | 196,301 | 162,374 | 111,338 | 51,036 | 33,927 |
| 3 Currency and coin (U.S. and foreign) | 19,183 | 14,210 | 11,293 | 2,918 | 4,973 |
| 4 Balances with Federal Reserve Banks | 27,508 | 26,795 | 20,117 | 6,678 | 713 |
| 5 Balances with other central banks | 108 | 108 | 105 | 3 | 0 |
| 6 Demand balances with commercial banks in United States | 48,535 | 34,190 | 19,898 | 14,293 | 14,344 |
| 7 All other balances with depository institutions in United States and banks in foreign countries | 27,166 | 16,652 | 13,800 | 2,852 | 10,515 |
| 8 Cash items in process of collection | 73,801 | 70,419 | 46,126 | 24,293 | 3,382 |
| 9 **Total securities, loans, and lease financing receivables** | **1,274,658** | **918,643** | **715,318** | **203,325** | **356,015** |
| 10 Total securities, book value | 333,714 | 219,949 | 170,522 | 49,427 | 113,765 |
| 11 U.S. *Treasury* | 102,174 | 64,118 | 49,036 | 15,083 | 38,056 |
| 12 Obligations of other U.S. government agencies and corporations | 66,871 | 39,129 | 31,844 | 7,285 | 27,741 |
| 13 Obligations of states and political subdivisions in United States | 147,200 | 102,087 | 79,163 | 22,924 | 45,113 |
| 14 All other securities | 17,469 | 14,614 | 10,479 | 4,135 | 2,855 |
| 15 Federal funds sold and securities purchased under agreements to resell | 71,984 | 53,158 | 42,395 | 10,763 | 18,826 |
| 16 Total loans, gross | 886,419 | 654,855 | 510,059 | 144,795 | 231,564 |
| 17 LESS: Unearned income on loans | 19,275 | 12,261 | 9,570 | 2,691 | 7,014 |
| 18 Allowance for possible loan loss | 10,791 | 8,518 | 6,468 | 2,050 | 2,274 |
| 19 EQUALS: Loans, net | 856,353 | 634,076 | 494,021 | 140,055 | 222,277 |
| *Total loans, gross, by category* | | | | | |
| 20 Real estate loans | 277,249 | 191,513 | 157,336 | 34,177 | 85,736 |
| 21 Construction and land development | 42,624 | 33,428 | 26,127 | 7,300 | 9,197 |
| 22 Secured by farmland | 8,411 | 3,702 | 3,116 | 586 | 4,709 |
| 23 Secured by residential properties | 159,554 | 110,822 | 92,369 | 18,453 | 48,733 |
| 24 1- to 4-family | 152,696 | 105,815 | 88,363 | 17,452 | 46,881 |
| 25 Multifamily | 6,858 | 5,007 | 4,006 | 1,001 | 1,851 |
| 26 Secured by nonfarm nonresidential properties | 66,659 | 43,561 | 35,724 | 7,838 | 23,098 |
| 27 Loans to financial institutions | 51,380 | 46,182 | 29,667 | 16,515 | 5,198 |
| 28 Loans for purchasing or carrying securities | 12,870 | 11,897 | 6,042 | 5,885 | 973 |
| 29 Loans to finance agricultural production and other loans to farmers | 33,553 | 17,946 | 15,685 | 2,262 | 15,606 |
| 30 Commercial and industrial loans | 305,231 | 242,853 | 185,274 | 57,579 | 62,378 |
| 31 Loans to individuals for household, family, and other personal expenditures | 182,732 | 124,867 | 102,505 | 22,362 | 57,865 |
| 32 Installment loans | 147,057 | 101,481 | 83,768 | 17,713 | 45,576 |
| 33 Passenger automobiles | 59,453 | 37,484 | 30,931 | 6,552 | 21,969 |
| 34 Credit cards and related plans | 30,687 | 27,010 | 22,066 | 4,944 | 3,677 |
| 35 Mobile homes | 10,241 | 7,006 | 6,303 | 703 | 3,236 |
| 36 All other installment loans for household, family, and other personal expenditures | 46,676 | 29,982 | 24,467 | 5,515 | 16,694 |
| 37 Single-payment loans | 35,675 | 23,386 | 18,738 | 4,648 | 12,289 |
| 38 All other loans | 23,404 | 19,597 | 13,550 | 6,046 | 3,807 |
| 39 Lease financing receivables | 12,607 | 11,460 | 8,379 | 3,081 | 1,147 |
| 40 Bank premises, furniture and fixtures, and other assets representing bank premises | 27,737 | 19,313 | 15,860 | 3,453 | 8,424 |
| 41 Real estate owned other than bank premises | 2,299 | 1,588 | 1,277 | 311 | 711 |
| 42 All other assets | 102,336 | 91,856 | 67,566 | 24,290 | 10,481 |

4.22 Continued

| Item | Insured | Member banks: Total | Member banks: National | Member banks: State | Non-member insured |
|---|---|---|---|---|---|
| 43 **Total liabilities and equity capital[7]** | **1,603,331** | **1,193,773** | **911,358** | **282,415** | **409,558** |
| 44 **Total liabilities excluding subordinated debt** | **1,481,073** | **1,106,012** | **843,479** | **262,533** | **375,060** |
| 45 Total deposits | 1,217,267 | 867,158 | 670,340 | 196,818 | 350,109 |
| 46 Individuals, partnerships, and corporations | 1,039,278 | 726,088 | 577,652 | 148,436 | 313,191 |
| 47 U.S. government | 4,603 | 3,621 | 2,856 | 766 | 982 |
| 48 States and political subdivisions in United States | 77,577 | 48,366 | 39,960 | 8,406 | 29,211 |
| 49 All other | 80,676 | 77,454 | 43,082 | 34,372 | 3,222 |
| 50 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 15,133 | 11,630 | 6,791 | 4,838 | 3,504 |
| 51 Demand deposits | 375,652 | 291,382 | 205,270 | 86,112 | 84,269 |
| 52 Individuals, partnerships, and corporations | 277,837 | 204,515 | 155,617 | 48,898 | 73,321 |
| 53 U.S. government | 3,937 | 3,171 | 2,483 | 688 | 766 |
| 54 States and political subdivisions in United States | 15,300 | 10,344 | 8,386 | 1,958 | 4,956 |
| 55 All other | 63,445 | 61,722 | 31,993 | 29,730 | 1,723 |
| 56 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 15,133 | 11,630 | 6,791 | 4,838 | 3,504 |
| 57 Time deposits | 627,079 | 433,050 | 348,820 | 84,230 | 194,029 |
| 58 Other individuals, partnerships, and corporations | 550,343 | 380,846 | 307,373 | 73,474 | 169,496 |
| 59 U.S. government | 617 | 412 | 338 | 74 | 205 |
| 60 States and political subdivisions in United States | 58,964 | 36,111 | 30,068 | 6,043 | 22,852 |
| 61 All other | 17,156 | 15,680 | 11,042 | 4,639 | 1,476 |
| 62 Savings deposits | 214,537 | 142,726 | 116,250 | 26,476 | 71,811 |
| 63 Corporations and other profit organizations | 8,435 | 5,251 | 4,274 | 977 | 3,184 |
| 64 Other individuals, partnerships, and corporations | 202,664 | 135,475 | 110,387 | 25,088 | 67,189 |
| 65 U.S. government | 50 | 38 | 35 | 3 | 11 |
| 66 States and political subdivisions in United States | 3,313 | 1,910 | 1,506 | 405 | 1,403 |
| 67 All other | 75 | 51 | 48 | 4 | 24 |
| 68 Federal funds purchased and securities sold under agreements to repurchase | 145,284 | 131,261 | 95,930 | 35,331 | 14,023 |
| 69 Interest-bearing demand notes (note balances) issued to U.S. Treasury and other liabilities for borrowed money | 34,658 | 32,108 | 20,843 | 11,265 | 2,550 |
| 70 Mortgage indebtedness and liability for capitalized leases | 2,358 | 1,759 | 1,461 | 298 | 599 |
| 71 All other liabilities | 81,506 | 73,726 | 54,905 | 18,822 | 7,780 |
| 72 Subordinated notes and debentures | 6,068 | 4,500 | 3,279 | 1,222 | 1,568 |
| 73 **Total equity capital[7]** | **116,190** | **83,261** | **64,600** | **18,661** | **32,929** |
| MEMO | | | | | |
| 74 Time deposits of $100,000 or more | 287,937 | 224,687 | 175,542 | 49,145 | 63,251 |
| 75 Certificates of deposit (CDs) in denominations of $100,000 or more | 268,164 | 208,382 | 162,867 | 45,515 | 59,782 |
| 76 Other | 19,773 | 16,305 | 12,675 | 3,630 | 3,469 |
| 77 Savings deposits authorized for automatic transfer and NOW accounts | 56,379 | 37,168 | 31,125 | 6,043 | 19,210 |
| 78 Money market time certificates of $10,000 and less than $100,000 with original maturities of 26 weeks | 227,40 | 140,915 | 118,182 | 22,733 | 86,485 |
| 79 Demand deposits adjusted[5] | 247,492 | 168,843 | 130,671 | 38,172 | 78,649 |
| 80 Total standby letters of credit | 49,662 | 46,513 | 32,608 | 13,904 | 3,149 |
| *Average for 30 calendar days (or calendar month) ending with report date* | | | | | |
| 81 Total deposits | 1,199,324 | 849,860 | 662,328 | 187,532 | 349,464 |
| 82 Number of banks | 14,437 | 5,479 | 4,462 | 1,017 | 8,958 |

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

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

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

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

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

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

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

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

## 4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 1981[1]

*Millions of dollars*

| Item | All states[2] | | | New York | | California, total[3] | Illinois, branches | Other states[2] | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Branches | Agencies | Branches | Agencies | | | Branches | Agencies |
| 1 **Total assets[4]** | **182,316** | **127,155** | **55,161** | **111,820** | **17,326** | **34,865** | **7,110** | **7,967** | **3,227** |
| 2 Cash and due from depository institutions | 37,012 | 33,181 | 3,831 | 32,444 | 3,499 | 297 | 524 | 165 | 82 |
| 3 Currency and coin (U.S. and foreign) | 20 | 17 | 3 | 14 | 1 | 2 | 1 | 2 | 0 |
| 4 Balances with Federal Reserve Banks | 1,146 | 1,051 | 94 | 940 | 49 | 33 | 25 | 81 | 18 |
| 5 Balances with other central banks | 14 | 14 | 0 | 14 | 0 | 0 | 0 | 0 | 0 |
| 6 Demand balances with commercial banks in United States | 23,475 | 20,291 | 3,184 | 20,193 | 3,066 | 137 | 50 | 22 | 6 |
| 7 All other balances with depository institutions in United States and with banks in foreign countries | 9,387 | 9,132 | 255 | 8,612 | 90 | 124 | 445 | 59 | 57 |
| 8 Time and savings balances with commercial banks in United States | 4,815 | 4,694 | 120 | 4,433 | 35 | 82 | 188 | 58 | 20 |
| 9 Balances with other depository institutions in United States | 969 | 968 | 1 | 968 | 1 | 1 | 0 | 0 | 0 |
| 10 Balances with banks in foreign countries | 3,603 | 3,470 | 133 | 3,212 | 54 | 41 | 257 | 1 | 38 |
| 11 Foreign branches of U.S. banks | 1,055 | 1,024 | 31 | 977 | 20 | 5 | 47 | 0 | 6 |
| 12 Other banks in foreign countries | 2,548 | 2,446 | 102 | 2,234 | 34 | 36 | 210 | 1 | 32 |
| 13 *Cash items in process of collection* | 2,971 | 2,676 | 296 | 2,671 | 294 | 1 | 3 | 1 | 1 |
| 14 **Total securities, loans, and lease financing receivables** | **104,597** | **74,469** | **30,128** | **64,347** | **9,969** | **17,385** | **6,071** | **3,863** | **2,962** |
| 15 Total securities, book value | 3,818 | 2,560 | 1,257 | 2,322 | 1,129 | 130 | 206 | 30 | 0 |
| 16 U.S. Treasury | 2,253 | 1,557 | 695 | 1,465 | 649 | 48 | 66 | 25 | 0 |
| 17 Obligations of other U.S. government agencies and corporations | 549 | 176 | 373 | 165 | 357 | 17 | 7 | 3 | 0 |
| 18 Obligations of states and political subdivisions in United States | 163 | 162 | 1 | 143 | 1 | 1 | 16 | 2 | 0 |
| 19 Other bonds, notes, debentures, and corporate stock | 853 | 666 | 188 | 550 | 123 | 65 | 116 | 0 | 0 |
| 20 Federal funds sold and securities purchased under agreements to resell | 7,292 | 5,357 | 1,935 | 5,109 | 1,414 | 520 | 166 | 76 | 7 |
| *By holder* | | | | | | | | | |
| 21 Commercial banks in United States | 6,381 | 4,755 | 1,626 | 4,561 | 1,183 | 442 | 116 | 72 | 7 |
| 22 Others | 911 | 602 | 309 | 548 | 231 | 78 | 50 | 4 | 0 |
| *By type* | | | | | | | | | |
| 23 One-day maturity or continuing contract | 7,275 | 5,340 | 1,935 | 5,096 | 1,414 | 518 | 164 | 76 | 7 |
| 24 Securities purchased under agreements to resell | 218 | 190 | 28 | 123 | 27 | 2 | 0 | 65 | 0 |
| 25 Other | 7,057 | 5,150 | 1,907 | 4,973 | 1,387 | 516 | 164 | 11 | 7 |
| 26 Other securities purchased under agreements to resell | 17 | 17 | 0 | 13 | 0 | 2 | 2 | 0 | 0 |
| 27 Total loans, gross | 100,939 | 72,007 | 28,932 | 62,114 | 8,852 | 17,302 | 5,871 | 3,834 | 2,965 |
| 28 LESS: *Unearned income on loans* | 161 | 100 | 61 | 91 | 12 | 47 | 6 | 2 | 3 |
| 29 EQUALS: Loans, net | 100,778 | 71,907 | 28,871 | 62,023 | 8,840 | 17,255 | 5,865 | 3,833 | 2,962 |
| *Total loans, gross, by category* | | | | | | | | | |
| 30 Real estate loans | 3,498 | 1,166 | 2,332 | 760 | 410 | 1,250 | 26 | 336 | 716 |
| 31 Loans to financial institutions | 34,393 | 27,776 | 6,618 | 24,924 | 1,708 | 4,568 | 2,504 | 347 | 343 |
| 32 Commercial banks in United States | 21,419 | 17,278 | 4,140 | 15,050 | 641 | 3,465 | 1,889 | 339 | 35 |
| 33 *U.S. branches and agencies of other foreign banks* | 19,915 | 15,888 | 4,027 | 13,804 | 600 | 3,393 | 1,887 | 198 | 34 |
| 34 Other commercial banks | 1,504 | 1,390 | 114 | 1,246 | 41 | 73 | 3 | 141 | 0 |
| 35 Banks in foreign countries | 11,965 | 9,634 | 2,330 | 9,181 | 957 | 1,077 | 451 | 2 | 297 |
| 36 Foreign branches of U.S. banks | 840 | 675 | 166 | 635 | 119 | 30 | 39 | 0 | 16 |
| 37 Other | 11,125 | 8,960 | 2,165 | 8,545 | 838 | 1,047 | 412 | 2 | 281 |
| 38 Other financial institutions | 1,010 | 863 | 147 | 693 | 110 | 25 | 163 | 7 | 12 |
| 39 Loans for purchasing or carrying securities | 993 | 805 | 189 | 748 | 167 | 51 | 25 | 2 | 0 |
| 40 Commercial and industrial loans | 52,049 | 34,124 | 17,925 | 27,949 | 5,854 | 10,368 | 2,990 | 3,098 | 1,791 |
| 41 U.S. addressees (domicile) | 32,113 | 20,727 | 11,386 | 15,800 | 2,861 | 7,061 | 2,645 | 2,232 | 1,515 |
| 42 Non-U.S. addressees (domicile) | 19,936 | 13,397 | 6,539 | 12,149 | 2,994 | 3,307 | 345 | 866 | 276 |
| 43 Loans to individuals for household, family, and other personal expenditures | 169 | 108 | 60 | 73 | 18 | 48 | 9 | 18 | 2 |
| 44 All other loans | 9,837 | 8,029 | 1,808 | 7,661 | 695 | 1,017 | 318 | 32 | 113 |
| 45 Loans to foreign governments and official institutions | 8,089 | 6,363 | 1,726 | 6,050 | 643 | 984 | 293 | 20 | 99 |
| 46 Other | 1,748 | 1,665 | 82 | 1,611 | 53 | 33 | 25 | 12 | 14 |
| 47 Lease financing receivables | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| 48 All other assets | 33,414 | 14,148 | 19,266 | 9,920 | 2,443 | 16,662 | 350 | 3,864 | 175 |
| 49 Customers' liability on acceptances outstanding | 9,190 | 5,599 | 3,591 | 5,294 | 1,895 | 1,651 | 130 | 175 | 45 |
| 50 U.S. addressees (domicile) | 4,526 | 2,839 | 1,686 | 2,724 | 240 | 1,430 | 104 | 11 | 16 |
| 51 Non-U.S. addressees (domicile) | 4,664 | 2,759 | 1,905 | 2,570 | 1,655 | 221 | 25 | 163 | 29 |
| 52 Net due from related banking institutions[5] | 17,992 | 3,857 | 14,135 | 295 | 30 | 14,050 | 0 | 3,561 | 54 |
| 53 Other | 6,233 | 4,693 | 1,541 | 4,331 | 518 | 960 | 220 | 127 | 76 |

4.30 Continued

| Item | All states[2] | | | New York | | California, total[3] | Illinois, branches | Other states[2] | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Branches | Agencies | Branches | Agencies | | | Branches | Agencies |
| 54 **Total liabilities[4]** | **182,316** | **127,155** | **55,161** | **111,820** | **17,326** | **34,865** | **7,110** | **7,967** | **3,227** |
| 55 Total deposits and credit balances | 62,659 | 57,953 | 4,706 | 50,873 | 3,540 | 875 | 1,169 | 5,862 | 340 |
| 56 Individuals, partnerships, and corporations | 30,299 | 29,303 | 996 | 22,596 | 177 | 609 | 976 | 5,686 | 256 |
| 57 U.S. addressees (domicile) | 27,019 | 26,915 | 104 | 20,423 | 62 | 42 | 832 | 5,645 | 15 |
| 58 Non-U.S. addressees (domicile) | 3,280 | 2,388 | 893 | 2,173 | 115 | 567 | 144 | 41 | 241 |
| 59 U.S. government, states, and political subdivisions in United States | 140 | 139 | 0 | 46 | 0 | 0 | 1 | 93 | 0 |
| 60 All other | 32,220 | 28,511 | 3,710 | 28,231 | 3,363 | 266 | 193 | 83 | 85 |
| 61 Foreign governments and official institutions | 2,254 | 2,018 | 237 | 1,961 | 44 | 168 | 33 | 24 | 26 |
| 62 Commercial banks in United States | 21,043 | 18,271 | 2,773 | 18,119 | 2,766 | 8 | 125 | 26 | 0 |
| 63 U.S. branches and agencies of other foreign banks | 1,885 | 1,421 | 464 | 1,316 | 459 | 5 | 93 | 12 | 0 |
| 64 Other commercial banks in United States | 19,159 | 16,850 | 2,309 | 16,803 | 2,307 | 3 | 32 | 14 | 0 |
| 65 Banks in foreign countries | 2,410 | 2,134 | 276 | 2,106 | 215 | 60 | 6 | 21 | 4 |
| 66 Foreign branches of U.S. banks | 171 | 153 | 18 | 151 | 18 | 2 | 0 | 0 | 0 |
| 67 Other banks in foreign countries | 2,240 | 1,981 | 258 | 1,955 | 197 | 58 | 6 | 21 | 4 |
| 68 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 6,512 | 6,088 | 424 | 6,046 | 338 | 31 | 29 | 12 | 55 |
| 69 Demand deposits | 25,238 | 24,711 | 527 | 24,483 | 339 | 86 | 125 | 98 | 107 |
| 70 Individuals, partnerships, and corporations | 1,589 | 1,541 | 48 | 1,379 | 0 | 28 | 90 | 69 | 23 |
| 71 U.S. addressees (domicile) | 949 | 949 | 0 | 807 | 0 | 3 | 74 | 65 | 0 |
| 72 Non-U.S. addressees (domicile) | 640 | 592 | 48 | 571 | 0 | 25 | 16 | 4 | 23 |
| 73 U.S. government, states, and political subdivisions in United States | 28 | 28 | 0 | 28 | 0 | 0 | 0 | 1 | 0 |
| 74 All other | 23,620 | 23,142 | 479 | 23,077 | 338 | 58 | 35 | 28 | 84 |
| 75 Foreign governments and official institutions | 338 | 292 | 45 | 288 | 0 | 20 | 2 | 3 | 25 |
| 76 Commercial banks in United States | 15,847 | 15,846 | 1 | 15,831 | 0 | 2 | 1 | 13 | 0 |
| 77 U.S. branches and agencies of other foreign banks | 610 | 610 | 0 | 609 | 0 | 0 | 0 | 0 | 0 |
| 78 Other commercial banks in United States | 15,237 | 15,237 | 1 | 15,222 | 0 | 2 | 1 | 13 | 0 |
| 79 Banks in foreign countries | 924 | 915 | 9 | 911 | 0 | 5 | 3 | 0 | 4 |
| 80 Certified and officers' checks, travelers checks, and letters of credit sold for cash | 6,512 | 6,088 | 424 | 6,046 | 338 | 31 | 29 | 12 | 55 |
| 81 Time deposits | 33,545 | 32,637 | 908 | 25,833 | 11 | 724 | 1,025 | 5,738 | 213 |
| 82 Individuals, partnerships, and corporations | 28,180 | 27,473 | 707 | 20,977 | 1 | 531 | 867 | 5,591 | 213 |
| 83 U.S. addressees (domicile) | 25,746 | 25,746 | 0 | 19,440 | 0 | 10 | 740 | 5,556 | 0 |
| 84 Non-U.S. addressees (domicile) | 2,434 | 1,727 | 707 | 1,537 | 1 | 522 | 127 | 35 | 213 |
| 85 U.S. government, states, and political subdivisions in United States | 111 | 111 | 0 | 18 | 0 | 0 | 1 | 92 | 0 |
| 86 All other | 5,254 | 5,054 | 201 | 4,839 | 10 | 193 | 158 | 55 | 0 |
| 87 Foreign governments and official institutions | 1,867 | 1,723 | 144 | 1,671 | 0 | 144 | 32 | 21 | 0 |
| 88 Commercial banks in United States | 2,175 | 2,175 | 0 | 2,037 | 0 | 0 | 124 | 13 | 0 |
| 89 U.S. branches and agencies of other foreign banks | 811 | 811 | 0 | 707 | 0 | 0 | 93 | 12 | 0 |
| 90 Other commercial banks in United States | 1,364 | 1,364 | 0 | 1,331 | 0 | 0 | 31 | 2 | 0 |
| 91 Banks in foreign countries | 1,212 | 1,156 | 56 | 1,131 | 10 | 48 | 2 | 21 | 0 |
| 92 Savings deposits | 263 | 241 | 22 | 193 | 0 | 21 | 19 | 26 | 4 |
| 93 Individuals, partnerships, and corporations | 262 | 240 | 22 | 191 | 0 | 21 | 19 | 26 | 4 |
| 94 U.S. addressees (domicile) | 189 | 189 | 0 | 145 | 0 | 3 | 17 | 24 | 0 |
| 95 Non-U.S. addressees (domicile) | 73 | 51 | 22 | 47 | 0 | 18 | 1 | 2 | 4 |
| 96 U.S. government, states, and political subdivisions in United States | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 97 All other | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| 98 Credit balances | 3,613 | 364 | 3,250 | 363 | 3,190 | 45 | 0 | 0 | 15 |
| 99 Individuals, partnerships, and corporations | 269 | 49 | 220 | 49 | 176 | 29 | 0 | 0 | 15 |
| 100 U.S. addressees (domicile) | 136 | 32 | 105 | 32 | 62 | 28 | 0 | 0 | 15 |
| 101 Non-U.S. addressees (domicile) | 133 | 18 | 115 | 18 | 114 | 1 | 0 | 0 | 0 |
| 102 U.S. government, states, and political subdivisions in United States | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 103 All other | 3,344 | 314 | 3,030 | 314 | 3,014 | 16 | 0 | 0 | 0 |
| 104 Foreign governments and official institutions | 49 | 2 | 47 | 2 | 44 | 4 | 0 | 0 | 0 |
| 105 Commercial banks in United States | 3,020 | 249 | 2,772 | 249 | 2,766 | 6 | 0 | 0 | 0 |
| 106 U.S. branches and agencies of other foreign banks | 464 | 0 | 464 | 0 | 459 | 5 | 0 | 0 | 0 |
| 107 Other commercial banks in United States | 2,556 | 248 | 2,308 | 248 | 2,307 | 1 | 0 | 0 | 0 |
| 108 Banks in foreign countries | 275 | 64 | 211 | 64 | 205 | 6 | 0 | 0 | 0 |

For notes see page A79.

4.30 Continued

| Item | All states[2] | | | New York | | California, total[3] | Illinois, branches | Other states[2] | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Branches | Agencies | Branches | Agencies | | | Branches | Agencies |
| 109 Federal funds purchased and sold under agreement to repurchase | 11,842 | 7,028 | 4,813 | 6,223 | 1,330 | 3,014 | 599 | 188 | 487 |
| *By holder* | | | | | | | | | |
| 110 Commercial banks in United States | 10,133 | 5,966 | 4,166 | 5,214 | 1,042 | 2,937 | 552 | 182 | 205 |
| 111 Others | 1,709 | 1,602 | 647 | 1,009 | 289 | 77 | 47 | 6 | 282 |
| *By type* | | | | | | | | | |
| 112 One-day maturity or continuing contract | 11,283 | 6,515 | 4,768 | 5,774 | 1,329 | 2,952 | 553 | 188 | 487 |
| 113 Securities sold under agreements to repurchase | 971 | 876 | 95 | 825 | 36 | 58 | 0 | 51 | 0 |
| 114 Other | 10,312 | 5,639 | 4,673 | 4,949 | 1,293 | 2,894 | 552 | 137 | 487 |
| 115 Other securities sold under agreements to repurchase | 559 | 513 | 45 | 449 | 1 | 61 | 47 | 0 | 0 |
| 116 Other liabilities for borrowed money | 52,034 | 23,462 | 28,572 | 21,619 | 2,883 | 25,373 | 1,191 | 625 | 342 |
| 117 Owed to banks | 49,166 | 21,640 | 27,527 | 19,932 | 2,778 | 24,448 | 1,139 | 542 | 328 |
| 118 U.S. addressees (domicile) | 45,593 | 18,748 | 26,846 | 17,285 | 2,429 | 24,215 | 938 | 518 | 208 |
| 119 Non-U.S. addressees (domicile) | 3,573 | 2,892 | 681 | 2,647 | 349 | 233 | 201 | 24 | 120 |
| 120 Owed to others | 2,867 | 1,823 | 1,045 | 1,687 | 106 | 925 | 53 | 83 | 14 |
| 121 U.S. addressees (domicile) | 2,026 | 1,290 | 736 | 1,164 | 60 | 675 | 44 | 83 | 0 |
| 122 Non-U.S. addressees (domicile) | 841 | 532 | 309 | 523 | 45 | 250 | 9 | 0 | 14 |
| 123 All other liabilities | 55,781 | 38,711 | 17,070 | 33,106 | 9,573 | 5,603 | 4,150 | 1,292 | 2,057 |
| 124 Acceptances executed and outstanding | 10,633 | 6,450 | 4,183 | 6,146 | 1,960 | 2,175 | 129 | 175 | 49 |
| 125 Net due to related banking institutions[5] | 40,951 | 29,019 | 11,932 | 24,049 | 7,339 | 2,791 | 3,849 | 961 | 1,961 |
| 126 Other | 4,197 | 3,243 | 954 | 2,910 | 274 | 637 | 172 | 157 | 47 |
| MEMO | | | | | | | | | |
| 127 Time deposits of $100,000 or more | 32,305 | 31,423 | 882 | 24,691 | 1 | 715 | 1,000 | 5,693 | 206 |
| 128 Certificates of deposit (CDs) in denominations of $100,000 or more | 28,429 | 27,664 | 765 | 21,208 | 0 | 588 | 780 | 5,653 | 200 |
| 129 Other | 3,876 | 3,759 | 117 | 3,483 | 1 | 127 | 220 | 40 | 6 |
| 130 Savings deposits authorized for automatic transfer and NOW accounts | 21 | 13 | 8 | 4 | 0 | 5 | 3 | 5 | 4 |
| 131 Money market time certificates of $10,000 and less than $100,000 with original maturities of 26 weeks | 146 | 133 | 12 | 87 | 0 | 7 | 20 | 26 | 6 |
| 132 Time certificates of deposit in denominations of $100,000 or more with remaining maturity of more than 12 months | 1,479 | 1,394 | 85 | 1,170 | 0 | 100 | 27 | 181 | 1 |
| 133 Acceptances refinanced with a U.S.-chartered bank | 4,569 | 3,037 | 1,532 | 2,702 | 56 | 1,471 | 2 | 332 | 6 |
| 134 Statutory or regulatory asset pledge requirement | 67,764 | 59,424 | 8,340 | 53,807 | 8,292 | 66 | 5,568 | 31 | 0 |
| 135 Statutory or regulatory asset maintenance requirement | 10,919 | 10,248 | 670 | 6,905 | 91 | 3 | 194 | 3,149 | 577 |
| 136 Commercial letters of credit | 9,040 | 5,726 | 3,314 | 5,172 | 753 | 2,491 | 336 | 211 | 76 |
| 137 Standby letters of credit, total | 8,575 | 6,684 | 1,891 | 5,963 | 412 | 813 | 421 | 276 | 689 |
| 138 U.S. addressees (domicile) | 6,502 | 4,947 | 1,554 | 4,485 | 277 | 689 | 243 | 197 | 611 |
| 139 Non-U.S. addressees (domicile) | 2,073 | 1,736 | 336 | 1,478 | 135 | 124 | 178 | 79 | 78 |
| 140 Standby letters of credit conveyed to others through participations (included in total standby letters of credit) | 1,903 | 1,823 | 80 | 1,798 | 30 | 50 | 16 | 10 | 0 |
| 141 Holdings of commercial paper included in total gross loans | 649 | 570 | 79 | 560 | 37 | 41 | 11 | 0 | 0 |
| 142 Holdings of acceptances included in total commercial and industrial loans | 5,260 | 3,511 | 1,749 | 3,471 | 484 | 1,246 | 24 | 16 | 18 |
| 143 Immediately available funds with a maturity greater than one day (included in other liabilities for borrowed money) | 33,844 | 13,088 | 20,757 | 11,830 | 2,354 | 18,143 | 971 | 275 | 272 |
| 144 Gross due from related banking institutions[5] | 64,132 | 33,768 | 30,363 | 27,798 | 11,680 | 18,446 | 1,705 | 4,230 | 272 |
| 145 U.S. addressees (domicile) | 22,798 | 7,805 | 14,993 | 3,582 | 1,791 | 13,095 | 164 | 4,023 | 142 |
| 146 Branches and agencies in United States | 22,493 | 7,572 | 14,921 | 3,363 | 1,789 | 13,025 | 151 | 4,023 | 142 |
| 147 In the same state as reporter | 516 | 85 | 431 | 52 | 0 | 419 | 0 | 33 | 12 |
| 148 In other states | 21,978 | 7,487 | 14,490 | 3,311 | 1,789 | 12,606 | 151 | 3,990 | 130 |
| 149 U.S. banking subsidiaries[6] | 305 | 233 | 72 | 220 | 1 | 70 | 13 | 0 | 0 |
| 150 Non-U.S. addressees (domicile) | 41,333 | 25,963 | 15,370 | 24,215 | 9,889 | 5,351 | 1,541 | 206 | 130 |
| 151 Head office and non-U.S. branches and agencies | 39,126 | 23,968 | 15,157 | 22,226 | 9,759 | 5,286 | 1,537 | 206 | 113 |
| 152 Non-U.S. banking companies and offices | 2,208 | 1,995 | 213 | 1,990 | 130 | 66 | 4 | 1 | 17 |
| 153 Gross due to related banking institutions[5] | 87,091 | 58,930 | 28,161 | 51,552 | 18,989 | 7,187 | 5,554 | 1,629 | 2,179 |
| 154 U.S. addressees (domicile) | 21,999 | 14,018 | 7,981 | 10,131 | 4,023 | 3,071 | 2,718 | 1,162 | 894 |
| 155 Branches and agencies in United States | 21,832 | 13,902 | 7,930 | 10,026 | 4,006 | 3,057 | 2,710 | 1,160 | 872 |
| 156 In the same state as reporter | 226 | 89 | 137 | 58 | 0 | 137 | 0 | 31 | 0 |
| 157 In other states | 21,606 | 13,813 | 7,792 | 9,969 | 4,006 | 2,921 | 2,710 | 1,128 | 872 |
| 158 U.S. banking subsidiaries[6] | 167 | 116 | 51 | 104 | 16 | 13 | 8 | 3 | 22 |
| 159 Non-U.S. addressees (domicile) | 65,092 | 44,912 | 20,180 | 41,421 | 14,966 | 4,116 | 2,836 | 467 | 1,285 |
| 160 Head office and non-U.S. branches and agencies | 62,973 | 42,971 | 20,002 | 39,550 | 14,874 | 4,044 | 2,797 | 467 | 1,241 |
| 161 Non-U.S. banking companies and offices | 2,119 | 1,941 | 179 | 1,871 | 92 | 73 | 39 | 0 | 45 |

4.30 Continued

| Item | All states[2] Total | All states[2] Branches | All states[2] Agencies | New York Branches | New York Agencies | California, total[3] | Illinois, branches | Other states[3] Branches | Other states[3] Agencies |
|---|---|---|---|---|---|---|---|---|---|
| *Average for 30 calendar days (or calendar month) ending with report date* | | | | | | | | | |
| 162 Total assets | 178,223 | 123,107 | 55,116 | 108,142 | 18,456 | 33,729 | 7,049 | 7,670 | 3,178 |
| 163 Cash and due from depository institutions | 30,212 | 26,981 | 3,231 | 26,276 | 2,907 | 258 | 524 | 153 | 95 |
| 164 Federal funds sold and securities purchased under agreements to resell | 6,135 | 4,325 | 1,810 | 4,107 | 1,374 | 430 | 170 | 43 | 12 |
| 165 Total loans | 96,620 | 69,567 | 27,053 | 60,142 | 8,411 | 15,939 | 5,629 | 3,612 | 2,888 |
| 166 Loans to banks in foreign countries | 11,456 | 9,341 | 2,115 | 8,887 | 797 | 1,093 | 424 | 28 | 226 |
| 167 Total deposits and credit balances | 57,433 | 53,389 | 4,044 | 46,619 | 2,853 | 904 | 1,102 | 5,624 | 330 |
| 168 Time CDs in denominations of $100,000 or more | 27,888 | 27,113 | 775 | 20,931 | 0 | 591 | 745 | 5,417 | 204 |
| 169 Federal funds purchased and securities sold under agreements to repurchase | 11,252 | 6,977 | 4,275 | 6,131 | 1,033 | 2,797 | 692 | 143 | 455 |
| 170 Other liabilities for borrowed money | 49,958 | 22,863 | 27,095 | 21,089 | 2,658 | 24,186 | 1,174 | 574 | 277 |
| 171 Number of reports filed[7] | 353 | 174 | 179 | 106 | 53 | 99 | 34 | 29 | 32 |

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." This form was first used for reporting data as of June 30, 1980. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Agencies account for virtually all of the assets and liabilities reported in California.

4. Total assets and total liabilities include *net* balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 5). On the former monthly branch and agency report, available through the G.11 statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly). Gross amounts due from and due to related banking institutions are shown as memo items.

6. "U.S. banking subsidiaries" refers to U.S. banking subsidiaries majority-owned by the foreign bank and by related foreign banks and includes U.S. offices of U.S.-chartered commercial banks, of Edge Act and Agreement corporations, and of New York State (Article XII) investment companies.

7. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

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## *REPRINTS*

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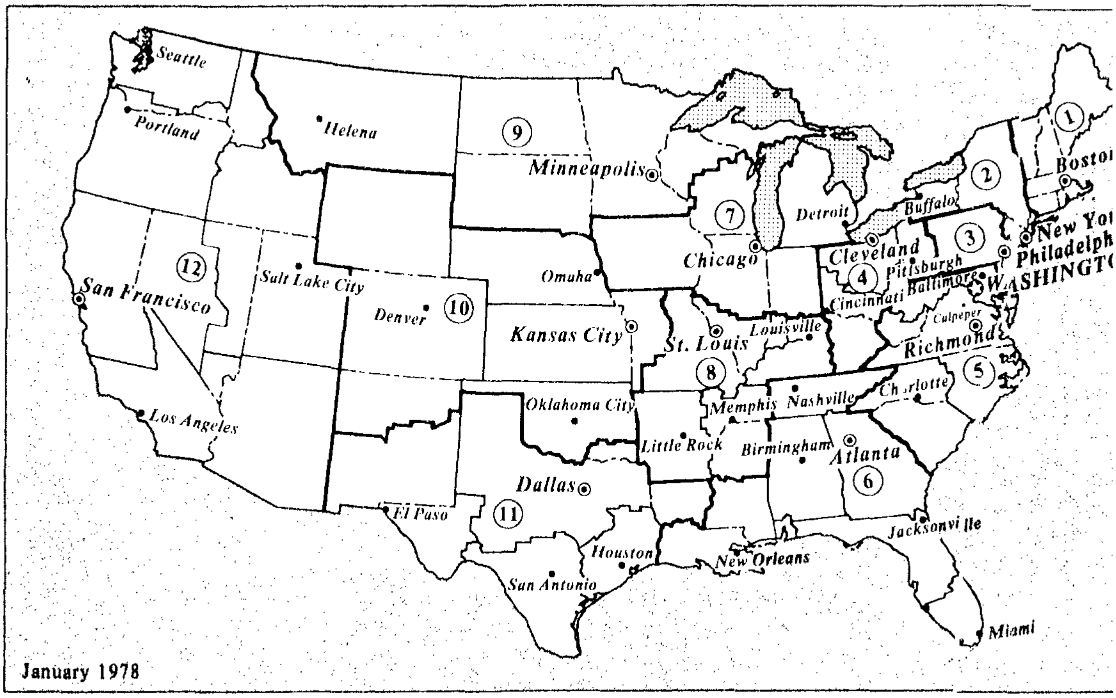
Bank Lending in Developing Countries. 9/81.

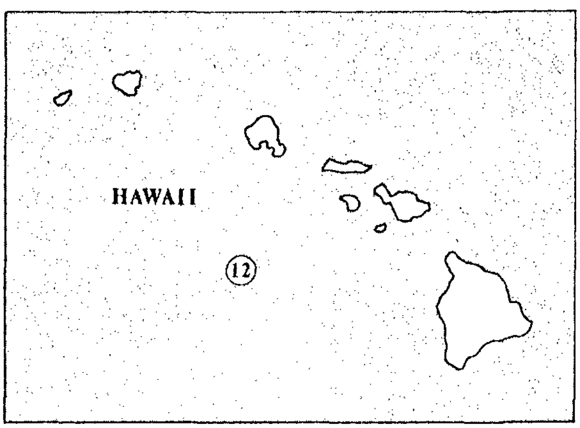
# Index to Statistical Tables

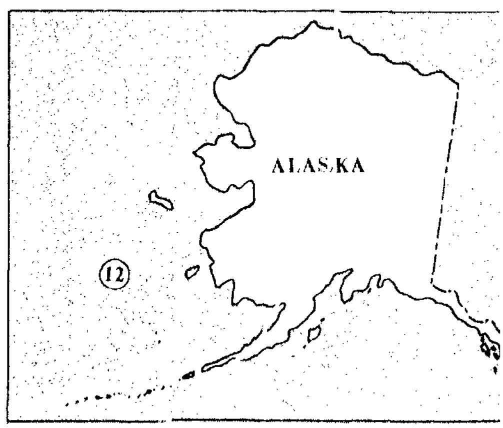
*References are to pages A3 through A79 although the prefix "A" is omitted in this index*

# The Federal Reserve System

## Boundaries of Federal Reserve Districts and Their Branch Terri ories




*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