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# FEDERAL RESERVE BULLETIN

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# The Recent Inflation Experience

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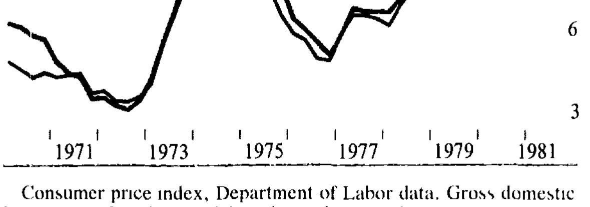
The continued rapid rise in prices over 1978–80 marks those years as one of the worst periods of inflation in the postwar era. By most aggregate measures, the rate of price increase about doubled between 1976 and 1979; and increases continued at or close to double-digit rates in 1980 (chart 1).

A number of factors combined to produce the rapid inflation of the past three years. As the economy recovered from the deep 1973–75 recession, labor and product markets reflected the stronger demand, and by 1978 wages and prices began to accelerate measurably. Although the pace of economic activity, on balance, then began to taper off, the momentum of wage and price increases persisted as the expectations of both workers and firms quickly responded to the inflationary environment. Workers' attempts to achieve gains in real income that exceeded growth in productivity aggravated cost pressures. A sequence of supply disturbances, including weather-related agricultural losses and the second major petroleum-price shock of the decade, lent further strong impetus to wage and price inflation. Finally, increases in the costs of government regulation and sharp declines in the value of the dollar over much of the last three years added to price pressures.

1. Acceleration of prices




Consumer price index, Department of Labor data. Gross domestic business product fixed-weight index and personal consumption expenditures fixed-weight index, Department of Commerce data. In all charts, except when otherwise indicated, "percentage change" is from four quarters earlier.

There were signs that the rate of price increase had moderated slightly in early 1981. In particular, the rate of increase in food prices slackened in response to improved supplies, and energy prices eased following the surge that accompanied deregulation of domestic crude oil.

The outlook for energy prices also appears somewhat more favorable now than in the recent past. Domestic consumption of energy has been cut sharply, and such cuts may have a damping effect on any future shocks to petroleum prices. In addition, the recent appreciation of the dollar has partially reversed earlier declines and could, if sustained, provide further relief. Upward pressure from wages and labor costs remains intense. But the impact of a continued restrictive monetary policy, accompanied by fiscal austerity, should ease demand pressures on wages and prices and help deflate inflation expectations.

## SURVEY OF RECENT PRICE DEVELOPMENTS

The rapid inflation of the past three years has been pervasive. Consumer prices, which had dipped to a 5 percent rate of increase in 1976 after the 1973–75 recession, accelerated sharply in 1978 and reached double-digit rates in 1979 and 1980 (see the table). The acceleration in prices at the producer level was even more pronounced: the rate of price increases for finished goods more than doubled between 1976 and 1978 to 8¾ percent and then jumped to 12½ percent on average in 1979 and 1980.

Consumer and producer prices

Percentage change from fourth quarter to fourth quarter, except as noted

| Item | 1976 | 1977 | 1978 | 1979 | 1980 | 1981:Q1[1] |
|---|---|---|---|---|---|---|
| CPI, all items | 5.0 | 6.6 | 9.0 | 12.7 | 12.6 | 11.2 |
| Food | .9 | 7.7 | 11.5 | 9.9 | 10.3 | 10.3 |
| Energy | 6.2 | 8.2 | 7.5 | 36.5 | 18.9 | 16.0 |
| Homeownership | 4.5 | 8.5 | 12.7 | 18.3 | 16.7 | 13.2 |
| Other | 7.0 | 5.5 | 6.9 | 7.3 | 9.9 | 9.4 |
| Commodities[2] | 4.5 | 4.6 | 5.2 | 6.4 | 8.4 | 7.3 |
| Used cars | 16.8 | −2.5 | 11.5 | 2.1 | 15.3 | 19.7 |
| Services | 8.5 | 7.0 | 7.6 | 8.6 | 10.4 | 10.0 |
| PPI, finished goods | 3.3 | 7.1 | 8.7 | 12.7 | 12.4 | 10.6 |
| Capital equipment | 6.4 | 7.3 | 7.8 | 8.8 | 11.7 | 11.0 |

1. Change from 1980:Q1.
2. Excluding used cars.
SOURCE. Bureau of Labor Statistics.

In the consumer sector, month-to-month movements in prices often were dominated by developments in food and energy markets and in the costs of homeownership. On balance, prices for these items have increased more rapidly than the overall rate of inflation since 1977. Price increases for most other items, particularly consumer goods such as clothing and autos, moved up less rapidly than the overall consumer price index.

Food prices, which trended up more rapidly than most other prices earlier in the 1970s, slowed in 1975 and 1976, but accelerated again by the end of 1977. The run-up in food prices was particularly intense in 1978 and early 1979 because a cyclical decline in cattle inventories led to a sharp drop in beef production. Food prices then slowed somewhat until mid-1980, when pork and poultry production turned down and a severe drought damaged agricultural output and prospects across the country. Still, since mid-1979 total food prices have risen at a rate below the overall inflation rate.

Energy prices exploded in early 1979 after a general price acceleration was already under way, and ended a four-year respite in which energy costs rose no faster than the overall pace of inflation. The acceleration was led by a surge in prices of imported crude oil and by the initiation of price decontrol for domestic crude oil. The effort to bring the price of domestic crude oil in line with world prices began in the spring of 1979, when the Carter administration adopted a deregulation schedule. The average price paid by refiners for crude petroleum jumped from less than $14 per barrel in early 1979 to more than $30 per barrel at the end of 1980. Generally, prices for other energy items also rose rapidly during this period, and the CPI for these items climbed at an average annual rate of 27 percent over the 1979–80 period.

The CPI measure of homeownership costs has outpaced the overall inflation rate in every year since 1977, reflecting sharp increases both in home prices and in mortgage interest rates. Between 1977 and 1980, home prices in the CPI rose at an average annual pace of 13 percent, although very recently they have declined in response to weak sales. Over the 1978–79 period, the index of mortgage rates rose fairly steadily, also at a 13 percent annual rate. Despite a sharp dip in the summer of last year, the index for mortgage rates in the CPI has continued to rise at about the same rate since early 1980.

The exceptionally rapid increases in prices for food, energy, and homeownership contrasted sharply with the slower, though steady, acceleration in prices for other consumer goods and services. Prices for consumer commodities other than food, energy, and homes accelerated to an 8½ percent rate last year. Price increases for consumer services other than energy and home financing costs moved up from 7½ percent during 1978 to 10½ percent in 1980. The rise included large increases for rents, medical care, and public transportation in the second half of 1979, increases that in part may have reflected the spillover of sharply higher energy costs.

In the business sector, prices for capital equipment rose at a much slower pace than the overall rate of inflation until 1980, when they accelerated to double-digit rates. The recent acceleration in prices for capital equipment was widespread. It was in part the result of strong demand in the defense and petroleum sectors as well as in the automobile industry, which underwent a major retooling to produce smaller, more fuel-efficient models.

## *PERSPECTIVES ON RECENT PRICE BEHAVIOR*

### *Aggregate Demand*

The economy quickly regained the ground lost during the 1973–75 recession, and the expansion remained fairly robust until 1979. Real gross national product advanced at an average annual rate of 3 percent from the peak in activity during 1973 to the end of 1979. In the aggregate, this pace was very near the estimate by the Council of Economic Advisers of a 3½ percent annual rate of growth in potential GNP (chart 2).

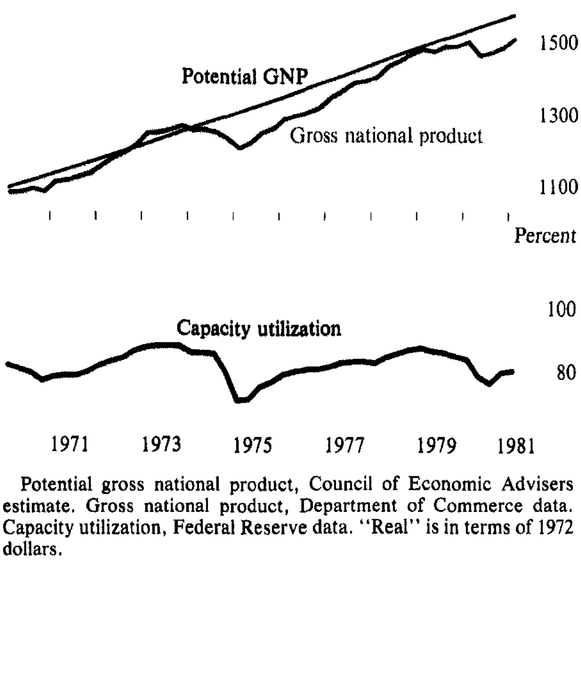
As the slack in economic utilization was taken up, signs appeared that price pressure was building in labor and product markets. In 1979, the unemployment rate averaged 5¾ percent, down from 8½ percent four years earlier. While jobless rates for less experienced workers remained high in 1979, the labor market for skilled workers, among whom shortages usually appear first, approached the taut conditions of earlier periods and encouraged a bidding up of wages.

At the same time, capacity utilization in manufacturing reached about 86 percent, just below the 1973 average. The expansion in activity brought a sharp jump in prices for demand-sensitive industrial materials. Producer prices for crude nonfood materials excluding energy increased at an average annual rate of more than 20 percent during 1978 and 1979.

Monetary and fiscal policies were an important influence on aggregate demand both during the expansion and later, when the economy was hit by a series of supply disturbances. The high-employment budget deficit, which measures the impact of discretionary fiscal policy, indicates that tax and spending policies were expansionary in 1977 and 1978. By 1979, however, changes in the high-employment budget suggested that fiscal policy generally was providing less thrust to economic activity.

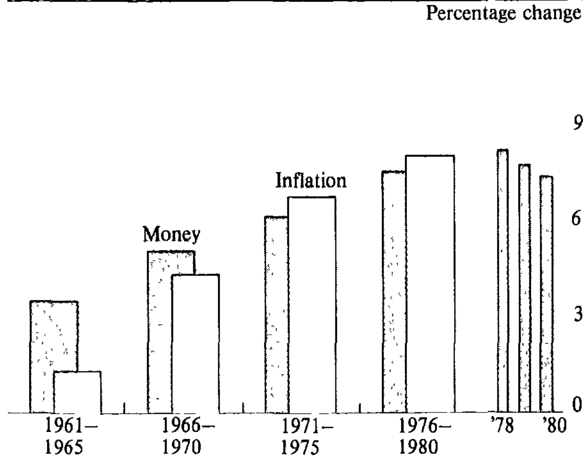
As for monetary expansion, the rate of money growth, measured by M-1B, accelerated between the end of 1975 and the end of 1978. Since 1979, money growth has been slowing and, along with a significant drain on real income resulting from sharply higher prices of imported petroleum, has acted to reduce growth in aggregate demand.

2. Real aggregate activity




Potential gross national product, Council of Economic Advisers estimate. Gross national product, Department of Commerce data. Capacity utilization, Federal Reserve data. "Real" is in terms of 1972 dollars.

3. Money growth and inflation




Money supply (M-1B), Federal Reserve data. Gross national product fixed-weight index, Department of Commerce data. Changes are average annual rates for period indicated.

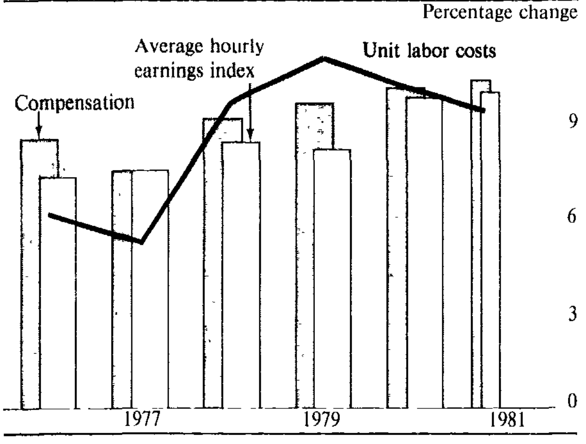
As chart 3 shows, there has been a broad consistency in the movements of money and prices, with a general acceleration since the mid-1960s. Nevertheless, short-run movements in prices often bear only a loose relation, if any, to variations in monetary expansion. In particular, price disturbances arising from supply shocks, such as those that hit the food and energy sectors in recent years, are one source of divergence between money growth and inflation. These supply disruptions also can generate pressures for monetary and fiscal accommodation; otherwise, inertia in wages and prices causes financial tensions and imposes the risk of extensive layoffs and production losses. In this way, disturbances originating in the "real" sector can spur inflationary monetary growth.

*Labor Costs*

Beginning in 1975, the recovery in aggregate demand buttressed efforts by workers to secure real wage gains; even when demand slackened, the upward momentum of wages persisted. The index of average hourly earnings, which measures trends in wage rates for production workers, rose at a 7½ percent annual rate throughout the 1975–77 period, moved up at an 8½ percent average rate over the next two years, and rose 9¾ percent in 1980. Hourly compensation, which includes fringe benefits and payroll taxes, traced a similar pattern of acceleration during the period. These increases in wages were not matched by growth in productivity, and labor costs, a major factor determining price trends, accelerated steadily (chart 4). Measures of labor costs, adjusted for the trend in productivity growth, accelerated from an annual rate of increase of 7 percent in 1975 to 9½ percent in 1980.

Upward pressure on nominal wages came from several sources. When workers perceived a general erosion in their purchasing power, they attempted to adjust their nominal wage rate upward for several reasons: (1) to make up their losses to inflation; (2) perhaps to incorporate expectations of future price increases into their nominal wage adjustments; and (3) in some cases, to secure the real wage increases to which they had become accustomed. In general, wage demands were reinforced by labor market conditions that led firms to compete for a relatively scarce supply of desirable workers; where the job outlook was not favorable, wage demands may have been damped.

4. Worker compensation and unit labor costs




Bureau of Labor Statistics data.

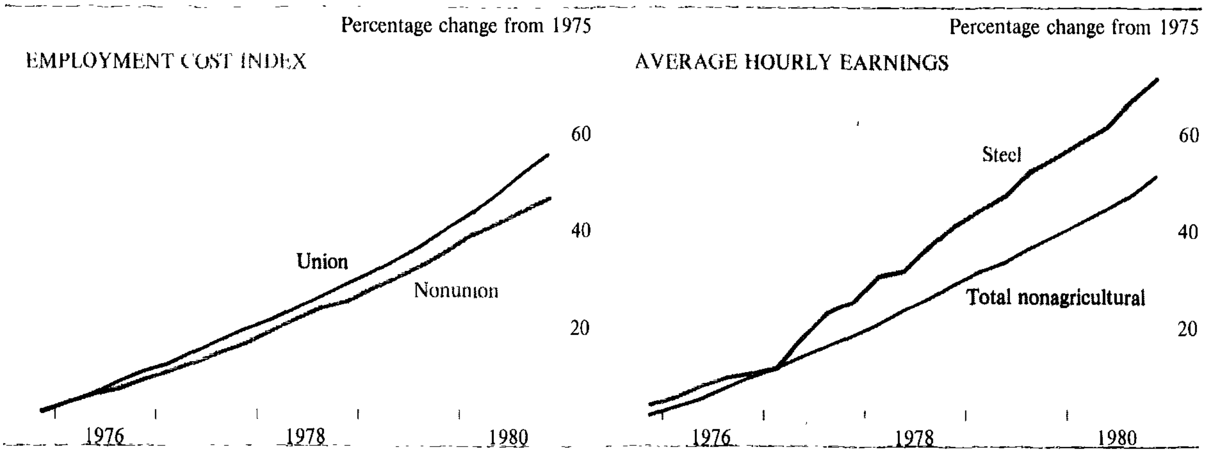
Employers attempted to keep actual wages in line with their workers' aspirations not only to remain competitive for labor but also to maintain high levels of work performance, to avoid costly work stoppages, and to minimize the costs of hiring and training new workers. When increases in wages were not matched by increases in productivity, labor costs rose; as long as demand in general was sufficient, employers passed cost increases along in the form of higher prices.

Wages have responded to prices largely through informal wage-setting practices; but formal collective bargaining, though it covers only one-fifth of the workforce, provides a visible example of the wage–price interaction. Wage and benefit settlements in major collective bargaining units, in particular, have not been influenced strongly by current labor market conditions, but, rather, have tended to reflect wage adjustments that have assured workers their traditional standards of real wage improvement. Moreover, cost-of-living adjustment clauses (COLAs), which are included in many major collective bargaining contracts, have offered an explicit guarantee that negotiated nominal wages would recover part of their losses to inflation. While COLAs have reduced the costs of renegotiation and of uncertainty for both the employer and the employee, they also have contributed to a relatively quick passthrough of prices into wages.

Increases in the wages of union workers, as measured by the employment cost index, remained at an annual rate of about 8 percent between 1976 and 1978, when labor markets were tightening and the wages of nonunionized workers were beginning to accelerate (chart 5). Wage rates rose more rapidly for both groups in 1979. The next year, when demand slackened, nonunion rates eased off a bit to 8 percent while union rates accelerated further to almost 11 percent.

Factors outside of the wage determination process also exerted pressure on payroll costs. Government programs such as social security, unemployment compensation, and the minimum wage may have been principal contributors. Al-

5. Relative wages

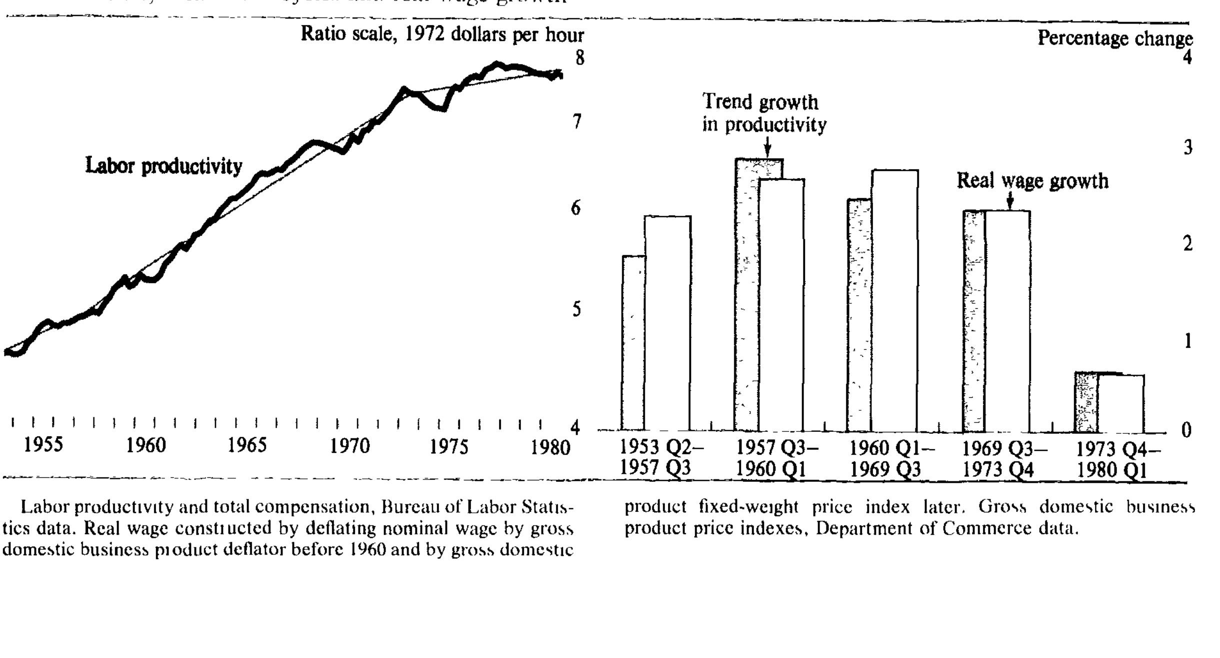



Bureau of Labor Statistics data. Percentage change is cumulative, beginning in 1975 Q4 Auto wages based on SIC 3711, steel wages on SIC 3312.

though, in the aggregate, the impact of these programs on annual increases in labor costs appears to have been relatively small, they had a differentially large impact on some sectors of the economy. Increases in the social security tax and in contributions for unemployment compensation have tended to boost relatively the labor costs of firms employing low-income workers. Changes in the minimum wage rate have had the greatest impact on sectors, such as retail trade, with a large concentration of workers earning at or close to that rate.

A lower trend of productivity growth in recent years resulted in nominal wage increases putting more upward pressure on labor costs and in turn on prices than they did earlier in the postwar period. The long-run deterioration in the growth of output per hour can be observed by comparing the average rates of productivity growth between business cycle peaks. Between 1960 and 1969, output per hour grew at about 2½ percent per year, but since early 1974 the trend growth in productivity apparently has dropped dramatically, to less than 1 percent annually. Reflecting the

6. Productivity trends and cycles and real wage growth




Labor productivity and total compensation, Bureau of Labor Statistics data. Real wage constructed by deflating nominal wage by gross domestic business product deflator before 1960 and by gross domestic product fixed-weight price index later. Gross domestic business product price indexes, Department of Commerce data.

declining trend in productivity advances, growth in real wages slowed from 2¾ percent in the 1960s to 2¼ percent in the early 1970s, and then to less than 1 percent in the most recent business cycle (chart 6).

### *Energy Prices*

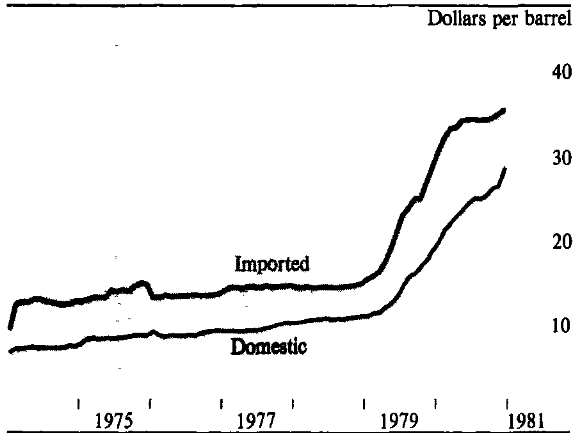
Increases in energy prices, which were relatively moderate between 1976 and the end of 1978, became a significant factor in the inflation process during the past two years (chart 7). Political upheaval in Iran during the winter of 1978–79 led to a sharp reduction in oil shipments, and spot market prices began to rise well above long-term contract rates. In response to these conditions, the members of the Organization of Petroleum Exporting Countries increased their prices. The price of imported crude oil rose steadily from less than $15 per barrel in late 1978 to $25 per barrel by the fall of 1979. By the summer of 1980, the price had stabilized at about $34 per barrel, as demand weakened and inventories rose. The large stocks helped to cushion the impact of sharp curtailments in production by Iraq and Iran during the autumn, but by year-end the world price of petroleum stood at $36 per barrel.

Along with OPEC price increases, the phased deregulation of prices for domestic crude petroleum that ended in January 1981 exacerbated the rise in energy costs. Moreover, the rise in petroleum product prices led to increased pressures for competing fuels. Overall, consumer energy prices rose at an average annual rate of nearly 30 percent in the 1979–80 period.

Although prices of imported crude oil rose more rapidly in 1973–74 than in 1979–80, the recent episode probably had a greater impact on the overall inflation rate. Sharply increasing prices, matched with relatively inelastic demand, gave petroleum greater importance in total expenditures. Expenditures for oil, which includes petroleum consumed directly and petroleum used in the production of goods and services by business, increased from 3½ percent of nominal GNP in 1974 to 6 percent in 1980 as a result of the recent price explosion. Lately, however, indications are that the share of energy in total expenditures is receding slowly. This development reflects increasing efficiency in the use of energy.

The inflationary effect of the energy price eruption percolated through all sectors of the economy. The most immediate effect surfaced at the retail level in items purchased directly by consumers. Gasoline and fuel oil prices rose at an average annual rate of 35 percent during 1979 and 1980. Increases in prices of natural gas and electricity were not far behind, as utilities passed on their higher costs. Moreover, a wide variety of indirect effects followed as petroleum costs spilled over into other sectors, raising both energy costs and prices for petroleum-based feedstocks. For example, while price increases for energy products consumed directly by individuals peaked early in 1980, their effect lingered as they were passed on into other prices, such as those for industrial materials and public transportation.

7. Refiners' acquisition cost of crude petroleum

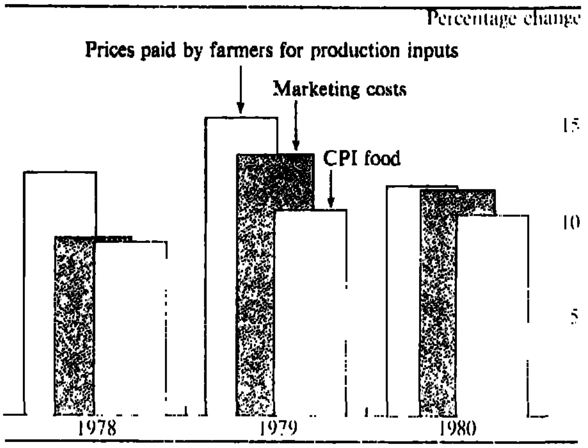



Department of Energy data.

### *Food Prices*

To a considerable extent price developments in the food sector have reflected the steady, systematic influence of inflationary processes similar to those in other sectors of the economy. Production costs rose rapidly, productivity lagged, and producers sought special arrangements to protect incomes against the deleterious effects of inflation (chart 8). At the farm level, the prices farmers paid for production inputs rose at a 13 percent rate during the three years beginning in 1978; the sharpest increase occurred in 1979, when these prices were boosted by the

8. Food production costs




Prices paid by farmers for production inputs and food marketing cost index, Department of Agriculture. CPI food excludes meats, fish, poultry, eggs, and fruits and vegetables; calculated by the Federal Reserve using Bureau of Labor Statistics data.

soaring costs of petroleum-based production inputs. Similarly, food marketing costs, which account for roughly two-thirds of retail food costs, rose at an annual rate of 11½ percent over the three-year period; the largest increases occurred in 1979 and 1980. These cost increases were aggravated by slower productivity growth in recent years following an era in which technology improved rapidly. A variety of government price supports and financing programs designed to protect the incomes of farmers limited the downward flexibility of prices in the traditionally price-flexible farm sector.

Against a backdrop of inflationary pressures in food markets, special developments, including weather-related disruptions and biological constraints on livestock production, have resulted in volatile short-run price movements that often have obscured more fundamental influences. Increased susceptibility to disruptions in agricultural supply characterized the 1970s. In earlier decades, large grain inventories and idle agricultural capacity helped mitigate the effects of such disruptions. In the 1970s, by contrast, world demand for U.S. grain soared, idle acreage was returned to production, and grain inventories relative to consumption were lower on average than in earlier decades. Hence farm prices were highly sensitive to changes in crop conditions here and abroad.

Disruptions in crop supply in the 1978–80 period, while generally not so severe as those of 1973–74, nevertheless significantly affected farm and food prices. For example, in 1978, heavy rains in California affected production of lettuce and other items. In 1980, a severe drought in the Midwest and South reduced supplies of agricultural products and pushed up prices for a number of farm products; increases in prices for crops and some fruits and vegetables were especially large. Freeze damage to Florida crops in early 1981 caused a sharp upturn in the prices of orange juice and fresh vegetables. Generally, price increases for fruits and vegetables soon were reversed partially or fully so that, over the 1978–80 period as a whole, prices for these items increased less rapidly than overall prices.

When supply disruptions in the farm sector cannot be offset quickly they can have significant bearing on the price performance of the total economy. Because of the long biological lags in the livestock sector, for example, even brief disruptions in feed supplies can affect food prices over long periods of time. For instance, the severity of the drawdown in cattle inventories in the late 1970s stemmed in part from the poor harvests and high crop prices of the 1973–75 period. For a time in the late 1970s this drawdown in inventories dominated other developments in food prices. In 1978 in particular, with beef production falling, the CPI for meats, poultry, fish, and eggs increased more than 20 percent, far more than the general inflation rate. Record levels of pork production in 1979 and 1980 helped offset reduced levels of beef production; but over the three years as a whole, the CPI for meats and related items still rose at an average annual rate of more than 12 percent.

## *Government Regulations*

Certain government activities intensified cost pressures in the recent period, either directly or by increasing business operating costs. Price supports, trigger-price mechanisms, and import taxes led directly to price increases. Regulations aimed at improving the environment and protecting worker health and welfare generally raised costs, which in turn put upward pressure on prices. While these programs added to cost pressures mostly over a short span, they contributed indirectly to inflationary trends as subsequent adjustments in the prices of products and services were absorbed in the economy.

The number of regulations issued by such agencies as the Environmental Protection Agency and the Occupational Health and Safety Administration has increased dramatically in the last five years. Research on the impact of these regulations has indicated that their costs are high. For example, the Council on Environmental Quality estimated that in 1979 about $37 billion, or 1.5 percent of GNP, was spent to comply with EPA requirements; another study, by Resources for the Future, suggests that pollution control efforts in the 1973–75 period may have been responsible for 5 to 15 percent of the measured slowdown in labor productivity during those years.

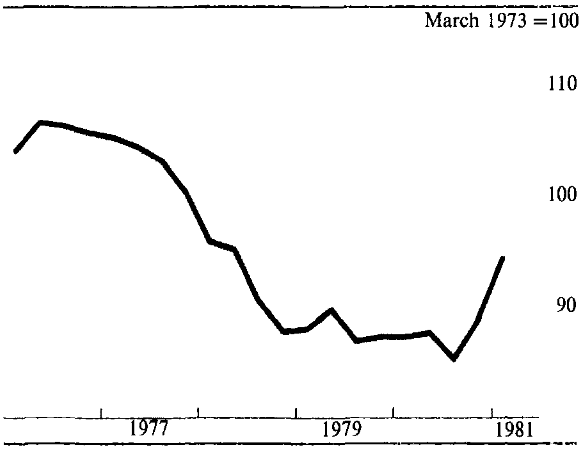
Unfortunately, a good deal of judgment enters into any estimate of the inflationary impact of regulations. Measuring the costs of regulatory activities is fairly straightforward, but evaluating the benefits to society of cleaner air, purer water, and safer work places is not easy. A particularly difficult issue is whether quality changes are appropriately considered in inflation measures. For example, in constructing its measure of new car prices, the Bureau of Labor Statistics does not include price increases resulting from added costs of safety or pollution control equipment; in effect it assumes that the benefits of the devices are equal to their costs. On the other hand, increases in the costs of clean-air devices for factories are measured as price increases once these costs are passed on into higher prices.

Price supports, import taxes, and trigger-price mechanisms may have added directly to price pressures by increasing product prices above the levels that would have been determined in an unrestricted market. For example, steel trigger prices, which determine the level below which imported steel may not be sold in the United States without initiating "dumping" investigations, may have impaired domestic price competition.

### *Exchange Rates*

The sharp depreciation of the dollar between mid-1976 and mid-1980 may have raised domestic prices. Exchange rate developments are transmitted to the domestic price level through several channels. First, prices of imported goods and services consumed directly tend to rise with a depreciation of the dollar. Second, price changes for these products affect the prices of domestically produced products that compete with imports. Third, exchange rate developments influence the costs of producing domestic goods and services that use imported materials as inputs. A Federal Reserve study has estimated that, with everything else equal, the 20 percent decline in the weighted-average exchange rate for the dollar over the four years ending in mid-1980 may have boosted the CPI index ¾ of a percentage point on average in each year of the 1976–80 period. If the recent appreciation of the dollar is sustained, more than half of those price increases will be reversed (chart 9).

9. Trade-weighted exchange value of the dollar




Exchange value of the U.S. dollar is the index of weighted-average exchange value of the U.S. dollar against currencies of other Group of Ten countries plus Switzerland using 1972–76 total trade weights.

Taking a broader perspective, however, the depreciation of the dollar may have been a symptom of a more general set of factors that also led to domestic price inflation. To the extent that the depreciation was the result of a relatively more rapid rate of money growth at home than abroad, it would be difficult to argue that the subsequent increase in domestic prices was the result of the depreciation. In such a framework the role of the exchange rate as a causal factor in domestic inflation becomes less clear.

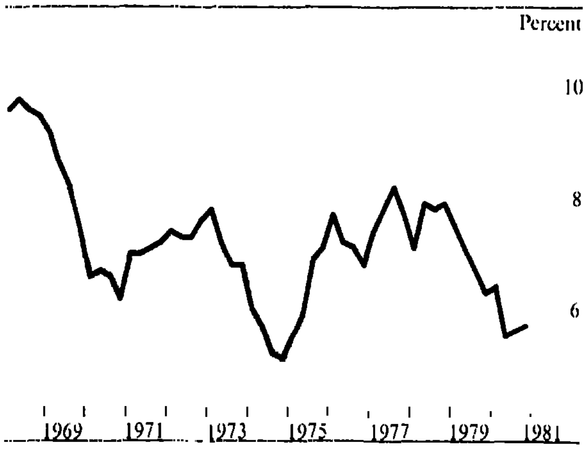
*OUTLOOK*

Looking ahead, several developments suggest some improvement in the rate of inflation. First, although increased pressures from food prices again are in prospect and depend critically on uncertain agricultural supply conditions, oil price developments are not likely to play as significant a role in the near term as in 1979 and 1980. Substantial world inventories of crude petroleum are likely to frustrate further efforts by exporting nations to raise petroleum prices by very much in the near term. Second, current efforts to ease regulatory burdens, coupled with smaller legislated increases in social security payroll taxes over the next four years, should help reduce upward cost pressures. Third, the recent significant improvement in the value of the dollar, if sustained, could ease price pressures. Finally, monetary policy is on a course of restraining the expansion of money and credit; the resulting moderation in the growth of aggregate demand and the impact on expectations should have a damping effect on wages and prices.

Current price behavior indicates that the recent austere policies may have begun to have some effects. The most immediate effect of the slackening in aggregate demand on price behavior has been a squeeze on profit margins, which have dropped well below historical levels (chart 10). However, the slower growth in aggregate demand and the concomitant rise in unemployment have not as yet resulted in an observable slowing of wage increases. Evidence suggests that reductions in demand do in general tend to moderate the size of wage increases, but achieving a rapid response would likely be associated with large costs in terms of lost jobs and reduced output. Significant progress without incurring such heavy costs requires an adjustment in workers' expectations of inflation.

Scattered signs suggest that wage demands may be beginning to respond to the changing economic environment. Wage concessions, such as those recently negotiated at Chrysler, while not widespread or likely to spill over into nonrelated industries, may be signaling an underlying responsiveness of wages to profit margins. In addition, as slack demand continues to characterize the labor market and as workers recognize it as more than a transitory phenomenon, competitive forces may restrain wage rates and labor costs.

10. Profit share, nonfinancial corporations




Department of Commerce data. Profit share is calculated as a fraction of gross domestic business product. Shaded areas represent periods of business recession as designated by the National Bureau of Economic Research.

Improvement in the trend growth of productivity also would help alleviate labor cost pressures, but a significant brightening of the labor cost picture at the current pace of wage increases would require an improvement in productivity to rates not experienced for more than a decade. Because labor productivity depends importantly on additions to the nation's capital stock, such a sharp turnaround is not likely to occur soon.

# Survey of Finance Companies, 1980

*This article was prepared by Evelyn M. Hurley of the Board's Division of Research and Statistics.*

Every five years since June 1955 the Federal Reserve System has conducted a survey of the assets and liabilities of finance companies that supply specialized short- and intermediate-term financing to consumers and businesses. This article summarizes the results of the most recent survey, which covered the entire industry, almost 2,800 companies.[1]

The surveys are designed primarily to establish benchmark data for series that are published regularly on short- and intermediate-term consumer and business credit outstanding at and extended by finance companies. In addition, because detailed balance-sheet data are collected, the surveys have provided information on the changing composition of loan portfolios of finance companies as well as on the companies' major sources of funds. Because the data are collected as of a single day—June 30—they provide only a limited perspective on industry behavior during the period between surveys.[2]

Several developments undoubtedly reduced the volume of credit outstanding on June 30. First, the most recent survey was taken at a time when economic conditions were especially unsettled. The midyear survey date marked the close of a quarter in which real gross national product posted its largest single-quarter decline of the postwar period. Second, in conjunction with a broad anti-inflation program set forth by the administration, the Board on March 14 had announced a credit restraint program aimed at curbing excessive growth in money and credit. Both consumer and business credit at finance companies were covered under this program.[3]

Whatever the influence of these developments, the dominant characteristic of the 1980 survey appears to be the high rate of growth in receivables held by finance companies over the 1975–80 interval compared with the 1970–75 period. A number of factors can account for this acceleration. The mid-1975 survey had been taken shortly after the trough of a severe and prolonged recession that had greatly depressed demands for both consumer and business credit and thus limited the expansion in finance company activities relative to the levels reported in the June 1970 survey. By comparison, a sustained growth in aggregate demand characterized virtually the entire period between mid-1975 and mid-1980, and in the latter part of the period unusually rapid and persistent inflation further boosted demands for credit in nominal terms. At the end of June 1980 total gross receivables outstanding at finance companies were 113 percent larger

NOTE. Erling Thoresen, Samuel Slowinski, Linda Gunter, Edith Collis, Rena Carlton, and other members of the Divisions of Research and Statistics and of Data Processing helped with the survey and preparation of the report. In addition, the survey was conducted with the cooperation and assistance of the Federal Reserve Banks and of industry trade associations.

1. Previous Federal Reserve surveys of finance companies were made on June 30 of 1955, 1960, 1965, 1970, and 1975; articles describing these surveys were published in the FEDERAL RESERVE BULLETIN for April 1957, October 1961, April 1967, November 1972, and March 1976 respectively. The 1980 survey consisted of a presurvey questionnaire mailed to about 5,850 companies and a survey form mailed to a sample of 749 companies. See the technical note at the end of the article for detail on the coverage of the survey.

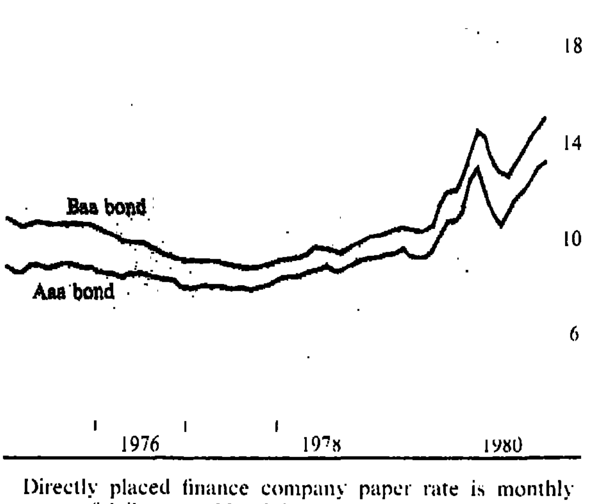
2. Moreover, because the surveys are conducted as of June 30, the results may be biased by the temporary adjustments to the balance sheet that usually occur at the close of an accounting period.

3. Consumer lending was restrained through a special non-interest-bearing deposit requirement tied to increases above a base amount in certain types of consumer receivables. These included revolving credit balances, unsecured personal cash loans, and loans collateralized by goods not purchased with the loan proceeds. All creditors with more than $2 million of such credit outstanding were subject to the program. Guidelines were separately established for overall credit growth, including business loans at commercial banks and finance companies. Each institution was to contain its expansion of total lending to a rate consistent with the Federal Reserve's monetary growth targets, of about 6 to 9 percent annually. Creditors were asked especially to curtail financing of corporate takeovers and speculative holdings of commodities.

than five years earlier, whereas in the preceding half decade they had expanded only 51 percent.

Against a background of restrictive state lending laws, heavy demands for credit and high rates of interest also may have spurred finance companies to extend their lending operations more rapidly into new areas of financing than they had done in the previous five-year interval. These newer techniques tended to lengthen the average maturity of loan portfolios. On the other hand, the proportions of funds raised by finance companies through long- and short-term sources remained relatively unchanged between the two surveys. This latter phenomenon probably reflected special circumstances in credit markets preceding each survey date as well as the lengthening of maturities on the asset side of the balance sheet. In late 1974 and early 1975 finance companies, like many other enterprises, engaged in a major restructuring of their balance sheets, issuing unprecedented amounts of long-term debt to rebuild liquidity and to refund heavy short-term borrowing during the tight-money period of 1973–74. More recently, as demands for short- and intermediate-term consumer and business credit dropped sharply in the second quarter of 1980, in response to the recession and to credit restraints, finance companies found little need to seek short-term funds. At the same time, long-term interest rates fell appreciably, after two quarters of historical highs, encouraging finance companies once again to issue record amounts of long-term debt (see chart).

Selected interest rates
January 1975 - December 1980




Directly placed finance company paper rate is monthly average of daily rates. Moody's corporate bonds are monthly averages of weekly figures.

## *DIVERSIFICATION OF FINANCE COMPANY ACTIVITIES*

Between 1975 and 1980 finance companies accelerated their lending activities in relatively new areas, such as revolving credit, loans secured by junior liens on real estate, and leasing. One major effect of this diversification was that real estate credit, mainly loans secured by second mortgages, exhibited the greatest relative growth in finance company portfolios.[4] This growth came largely at the expense of traditional forms of consumer credit, whose declining relative importance reinforced a trend that had emerged before 1975. In contrast, the proportion of total receivables held in business credit rose only fractionally, but for the first time this class of assets accounted for a larger portion of finance company receivables than consumer credit.

Although real estate loans were still a relatively minor item in the portfolios of finance companies in 1980, the share of total lending by these institutions almost tripled in the intersurvey period, from $2\frac{1}{4}$ percent in 1975 to $6\frac{1}{2}$ percent in 1980 (table 1). Nearly all of this increase was attributable to cash loans secured by junior liens on real estate, which rose from $1.9 billion, or 2 percent, of finance company business in the earlier survey, to $10.5 billion, or 6 percent, more recently (table 1). One reason for the growing popularity of second mortgage loans may have been that consumers were able through these secured loans to borrow larger sums of money than most state laws governing traditional forms of consumer credit permit; moreover, the secured nature of these loans generally permit them to bear lower interest rates. As a consequence, second mortgage loans, which in the survey are classified as real estate rather than consumer credit, displaced personal cash lending to some extent, and thus probably

4. These loans have been included in the Board's consumer credit statistics.

accounted for a significant part of the concomitant drop in the importance of non-real-estate credit to consumers in finance company business.

With the growth of lending secured by second mortgages, traditional types of personal cash lending declined in importance, from 36 percent of the consumer credit outstanding at finance companies in June 1975 to 28 percent in June 1980 (table 1). In the 1980 survey, retail auto credit surfaced as the most important type of consumer credit, regaining the prominence that had been evident in the 1950s and early 1960s. In the intervening period, banks and credit unions had aggressively competed with finance companies in the auto financing market, and the share of finance companies in that market had declined. Before the 1980 survey, however, many banks deemphasized their auto lending programs, in part in reaction to the restrictions placed on growth of bank lending in the credit restraint program and in part because of state usury laws that limited the amount of interest charged on such loans. Finance company subsidiaries of auto manufacturers, seeking to bolster auto sales for parent companies, were less concerned with interest rate spreads and acquired much of the auto lending relinquished by the banks.

Nonautomotive retail credit also increased its share in the consumer lending of finance companies in the 1975–80 period, and by the end of this interval was rivaling personal cash loans as the second most important consumer receivable. This type of credit rose from 17 percent of finance company consumer receivables in June 1975 to 29 percent in the 1980 survey, as a result of growth in revolving credit (table 1). One

1. Gross receivables at finance companies[1]

| Type | Amount (billions of dollars) | | Percentage change between surveys | | Share of total (percent) | |
|---|---|---|---|---|---|---|
| | Mid-1975 | Mid-1980 | 1970–75 | 1975–80 | Mid-1975 | Mid-1980 |
| | Gross receivables | | | | | |
| Consumer | 40.8 | 77 3 | 28.5 | 89.3 | 47.5 | 42.1 |
| Business | 39.3 | 86.1 | 70.8 | 119.1 | 45.7 | 46.9 |
| Real estate | 1.9[2] | 11.8 | n.a. | n.a. | 2.3 | 6.5 |
| Other | 3.9 | 8.2 | 68.6 | 107.3 | 4.6 | 4.5 |
| **Total** | **86.0** | **183.3** | **50.6** | **113.2** | **100.0** | **100.0** |
| | Consumer receivables | | | | | |
| Retail passenger cars | 9.9 | 27.1 | 7.4 | 172.9 | 24.3 | 35.1 |
| Mobile homes | 3.5 | 4.8 | 48.7 | 39.6 | 8.5 | 6.3 |
| Revolving credit | 5.8 | 16.8 | n.a. | 191.2 | 14.1 | 21.7 |
| In personal cash loans | n.a | 6 | n.a | n.a. | n.a. | .8 |
| In other consumer goods | n.a. | 16.2 | n.a. | n.a. | n.a. | 20.9 |
| Other personal cash loans | 14.8[3] | 22.0 | 19.3 | 49 1 | 36.2 | 28.5 |
| All other consumer loans | 6.9 | 6.5 | −11.8 | −5.1 | 16.9 | 8.5 |
| **Total** | **40.8** | **77.3** | **28.5** | **89.3** | **100.0** | **100.0** |
| | Business receivables | | | | | |
| Wholesale | 10.9 | 21.7 | 46.6 | 98.6 | 27.9 | 25.3 |
| Retail | 11.1 | 26.3 | 68.6 | 137.8 | 28.2 | 30.6 |
| Leasing | 8.1 | 23.3 | 112.1 | 188.4 | 20.5 | 27.0 |
| Other business credit | 9.2 | 14.7 | 78.2 | 60.2 | 23.4 | 17.1 |
| **Total** | **39.3** | **86.1** | **70.8** | **119.1** | **100.0** | **100.0** |
| | Real estate receivables | | | | | |
| Secured by first liens | n.a | 1 4 | n.a. | n.a. | n.a. | 11.7 |
| Secured by junior liens | 1 9 | 10.5 | n.a. | 437.1 | n.a. | 88.3 |
| **Total** | n.a | **11.8** | n.a. | n.a. | n.a. | **100.0** |

1. For this and all other tables, details may not add to totals due to rounding.
2. Includes only amount secured by junior liens; amount secured by first liens not available.
3. May include small amounts of revolving credit outstanding.
n.a. Not available.

reason for the growing popularity of revolving credit over the 1975–80 period may have been the extension of the payment period and consequent reduction in the monthly repayment of debt that it allows.

In the 1980 survey, lending to business accounted for 47 percent of gross finance company receivables, 1 percent higher than the proportion reported in the 1975 survey (table 1). There were several similarities between business lending in the 1975 and 1980 surveys. First, paper secured by durable goods, both wholesale and retail, remained the dominant type.[5] Second, the percentage of business credit represented by wholesale auto paper continued to drop as automobile dealers attempted to keep auto inventories low during a prolonged period of depressed sales and high interest rates. Third, lease paper continued to grow significantly in importance. That growth was probably the result of a longstanding effort by businesses to reduce commitment of their own resources, to limit the expansion of balance-sheet debt, and to benefit from the tax incentive to the lender.

## *Sources of Financing in Mid-1980*

Finance companies traditionally operate on a relatively narrow capital base. In mid-1980, stockholders' equity represented about one-seventh of total liabilities and capital of finance companies, about the same as in 1975 (table A5).

Although finance companies traditionally have obtained most of their funds through short-term borrowing, that kind of debt has accounted for only slightly more than half of total debt in the last two surveys (table 2). Both surveys revealed that almost three-fourths of the short-term debt was in the form of commercial paper. Commercial paper—unsecured short-term promissory notes—has been the dominant short-term liability of finance companies since the 1960s. The most rapid growth in commercial paper as a source of funds for finance companies came after the tight-money period of 1966, when many companies entered the market for the first time to hedge against a curtailment in bank credit lines. By mid-1975, investors had developed serious concerns over the quality of paper because of business conditions; consequently, the number of finance companies that reported outstanding commercial paper dropped to 128 in that year from 138 in 1970 (table 3). By mid-1980, however, the number had risen to 179 companies with $52.3 billion of paper outstanding.

Because commercial paper is unsecured, only large, well-known firms can sell these notes readily in the open market. As a result, 95 firms, each reporting receivables of $100 million or more, accounted for 97 percent of the finance company paper outstanding at the end of June 1980. The bulk of this paper—83 percent in mid-1980—is sold directly by the issuing company to the lender, usually at a cost lower than that for bank credit. The direct selling of paper, however, requires a company to set up and maintain a

5. Includes transactions between manufacturers and dealers secured by passenger cars and commercial vehicles, mobile homes, passenger car trailers, motor homes, boats, airplanes, helicopters, business, industrial, and farm equipment; other wholesale operations not elsewhere classified; and retail credit arising from the sale (or purchase) of business, industrial, and farm equipment, and commercial vehicles (including fleet sales).

2. Finance company debt, midyear 1975 and 1980

| Type of debt | Debt outstanding (billions of dollars) | | Percentage change between surveys | | Share of total debt (percent) | |
|---|---|---|---|---|---|---|
| | Mid-1975 | Mid-1980 | 1970–75 | 1975–80 | Mid-1975 | Mid-1980 |
| Long-term | 29.7 | 60.5 | 80.5 | 103.4 | 44.8 | 46.1 |
| Short-term[1] | 36.6 | 70.8 | 23.6 | 93.4 | 55.2 | 54.0 |
| Bank | 7.9 | 7.9 | 20.0 | .2 | 11.9 | 6.0 |
| Commercial paper | 25.9 | 52.3 | 17.4 | 102.0 | 39.0 | 39.9 |
| Directly placed | 23.7 | 43.2 | 23.1 | 82.5 | 35.7 | 32.9 |
| Dealer placed | 2.2 | 9.1 | 21.5 | 310.1 | 3.3 | 6.9 |
| **Total** | **66.4** | **131.3** | **43.9** | **97.9** | **100.0** | **100.0** |

1. Includes short-term debt not elsewhere classified and not shown separately.

well-trained marketing department. Indirect sales through dealers are used mostly by issuers whose needs are only seasonal, or that are not known well enough to sell directly. In general, such paper carries a somewhat higher interest yield than paper placed directly; and the issuer always pays a service fee of up to $^1/_8$ of a percentage point to the dealer.

3. Finance companies reporting commercial paper liabilities, midyears 1975 and 1980

| Size of company, by consumer and business loans outstanding, in thousands of dollars | Number of companies | | | |
|---|---|---|---|---|
| | Issuing commercial paper | | In size category | |
| | 1975 | 1980 | 1975 | 1980 |
| 100,000 and over | 67 | 95 | 88 | 148 |
| 25,000–99,999 | 34 | 46 | 102 | 156 |
| 5,000–24,999 | 19 | 30 | 204 | 239 |
| 1,000–4,999 | 8 | 10 | 500 | 484 |
| Under 1,000 | .. | . | 2,482 | 1,749 |
| **Total number** | **128** | **179** | **3,376** | **2,775** |

In part the shift in the patterns of borrowing by finance companies in credit markets toward longer-term debt appears to be the result of conditions that had prevailed in the months immediately before the survey dates. In 1974 and 1975, finance companies undertook a major restructuring of debt as long-term rates declined following a period of stringent credit conditions. More recently, the recession and the credit restraint program in early 1980 had a similar effect on the borrowing patterns of finance companies. Also, newer lending techniques such as second mortgage lending and leasing tended to lengthen the average maturity of finance company lending, perhaps inducing finance companies to rely more heavily on long-term debt.

### *Concentration of Receivables, Debt, and Equity*

Like surveys in previous years, the 1980 survey revealed a highly concentrated industry. Finance companies with $25 million or more in receivables made up only 11 percent of all finance companies; yet these firms held 97 percent of the value of all consumer receivables and 98 percent of the value of business receivables (table A6). In contrast, companies with less than $5 million in receivables accounted for 80 percent of the companies in the current survey, but held only 2 percent of the value of consumer receivables and less than 1 percent of the value of business receivables.

In the recent survey, the larger companies continued to diversify their portfolios of receivables, a trend first noted in 1970. In contrast, the smaller companies remained highly concentrated in consumer receivables, especially personal cash loans. Neither the larger companies nor the smaller firms had changed significantly the maturity distribution of their debt since the 1975 survey (table A7). The larger companies continued to have a larger percentage of their liabilities in long-term debt than did the smaller companies. These smaller companies are less well known and do not have the ready access to long-term capital markets that larger, nationally based companies enjoy. With a smaller degree of diversification and a smaller portion of their liabilities in long-term debt, the smaller companies remained less highly leveraged than the larger ones. Equity accounted for about half the liabilities of the smaller companies in the 1980 survey whereas it was only about one-seventh of the liabilities of the larger companies. □

## *Technical Note*

The 1980 Survey of Finance Companies was designed to collect data on the major assets and liabilities of the universe of finance companies engaged in making short- and intermediate-term installment loans to consumers or businesses. This survey differed from previous surveys in that a statistical sample was selected from the list of companies that submitted presurvey questionnaires.

In the survey, a finance company was defined as a company (including Morris Plan companies but excluding banks, credit unions, savings and loan associations, banks for cooperatives, and mutual savings banks) the largest portion of whose assets is in one or more of the following kinds of receivables:

1. *Sales finance receivables.* Installment paper arising from retail sales of passenger cars and mobile homes, and of other consumer goods, such as general merchandise, apparel, furniture and household appliances, or from outlays for home improvement loans not secured by real estate.

2. *Personal cash loans to individuals and families.* Unsecured cash loans (including loans to pay for insurance policies) or cash loans secured by insurance policies, autos already paid for, and other collateral.

3. *Short- and intermediate-term business receivables.* Loans on commercial accounts receivable, inventory loans, factoring, lease financing, retail installment sales (or purchases) of commercial, industrial, and farm equipment and commercial vehicles, and wholesale financing of consumer and business goods.

4. *Junior liens on real estate.* Loans, whatever the purpose, secured by junior liens (for example, equity loans, second mortgages) on real estate as evidenced by junior mortgages, deeds of trust, land contracts, or other instruments.

Presurvey questionnaires were mailed to 5,851 names appearing on the mailing list.[6] The number of presurvey forms mailed and the major categories into which the responses fell are shown in the accompanying table. Information

| Disposition of forms | Number of companies | Percent of forms mailed |
|---|---|---|
| Total mailed | 5,851 | 100.0 |
| Returned | 4,534 | 77 5 |
| Usable | 2,377 | 40.6 |
| Not usable | 2,157 | 36 9 |
| Postal return | 991 | 16.9 |
| Inactive | 93 | 1 6 |
| Out of business | 474 | 8.1 |
| Sold to another firm | 282 | 4 8 |
| Out of scope | 317 | 5.4 |
| Not returned | 1,317 | 22.5 |

was gathered on the size of the company, measured by total receivables and the primary type of activity—that is, sales receivables, personal cash loans, and so on. Companies that responded to the questionnaire with information that showed that they were out of business or were not a finance company or a subsidiary of a finance company were removed from the list.

From the 2,377 usable responses, a stratified random sample of 749 companies was selected for the 1980 survey. The stratification was based on size of total receivables (seven groups) and primary activity type (five groups) to yield 35 strata. All finance companies with more than $25 million in total receivables were included in the sample. Proportional allocation was used to obtain sample sizes in the remaining strata with some judgmental adjustments to ensure that all types and sizes were represented.

The following table summarizes the response from the sample.

| Disposition of forms | Number of companies | Percent of forms mailed |
|---|---|---|
| Total mailed | 749 | 100.0 |
| Returned | 523 | 69.8 |
| Usable | 469 | 62.6 |
| Not usable | 46 | 6 1 |
| Out of business | 6 | .8 |
| Subsidiaries of other finance companies | 13 | 1.7 |
| Subsidiaries of banks | 10 | 1.3 |
| Out of scope | 17 | 2 3 |
| Refusals to answer | 8 | 1 1 |
| Not returned | 226 | 30.2 |

In order to obtain estimates of assets and liabilities for the approximately 1,300 companies that did not return presurvey forms, a stratified random sample of 165 nonrespondents was selected. It was decided to spread out the collection process somewhat uniformly across Federal Reserve Districts, but giving those districts with greater nonresponse slightly larger sample sizes. The results of the sample were 48 that were usable, 97 that did not belong in the finance company universe, and 20 in existence that refused to supply information. Estimates of the number of nonrespondents in existence as well as their sizes were generated from these results.

Final universe estimates of assets and liabilities were derived by expanding the data reported by the stratified sample of 469. The heavy concentration of receivables in a few large companies, all of which are included in the sample, makes the dollar aggregates reasonably accurate estimates of the amount and type of financing extended by the industry.

6. The mailing list for the 1980 presurvey questionnaire was derived from the 1975 survey mailing list, trade association rosters, trade journals, and newspapers.

## A1. Assets and liabilities outstanding at finance companies by size of receivables, June 30, 1980

Millions of dollars

| Balance sheet item | All finance companies | Size of company (in millions of dollars of short- and intermediate-term loans outstanding) | | | | | |
|---|---|---|---|---|---|---|---|
| | | 500 and over | 100–499 | 25–99 | 5–24 | 1–4 | Under 1 |
| ASSETS | | | | | | | |
| Consumer receivables | 77,260 | 65,128 | 7,310 | 2,671 | 1,029 | 687 | 436 |
| Retail passenger car paper | 27,118 | 25,948 | 324 | 427 | 208 | 175 | 36 |
| Mobile homes | 4,832 | 4,363 | 248 | 153 | 56 | 10 | 2 |
| Retail consumer goods | 22,702 | 18,978 | 3,054 | 306 | 240 | 69 | 56 |
| Revolving credit | 16,161 | 13,766 | 2,257 | 3 | 135 | 0 | 0 |
| Other retail consumer goods paper | 6,541 | 5,212 | 797 | 303 | 105 | 69 | 56 |
| Personal cash loans | 22,609 | 15,838 | 3,684 | 1,784 | 525 | 434 | 343 |
| Revolving credit | 589 | 382 | 16 | 118 | 68 | 3 | 3 |
| Other personal cash loans | 22,021 | 15,457 | 3,668 | 1,667 | 457 | 432 | 340 |
| Business receivables | 86,067 | 65,157 | 14,743 | 4,620 | 1,211 | 264 | 71 |
| Wholesale paper | 21,741 | 18,952 | 2,036 | 674 | 28 | 44 | 7 |
| Automobiles | 12,373 | 12,226 | 118 | 6 | 8 | 15 | 0 |
| Business, industrial, and farm equipment | 5,072 | 3,983 | 585 | 495 | 4 | 5 | 0 |
| All other | 4,296 | 2,743 | 1,333 | 173 | 17 | 24 | 7 |
| Retail paper | 26,318 | 22,348 | 3,179 | 712 | 28 | 49 | 2 |
| Commercial vehicles | 10,088 | 9,241 | 780 | 49 | 2 | 14 | 2 |
| Business, industrial, and farm equipment | 16,230 | 13,107 | 2,399 | 663 | 26 | 35 | 0 |
| Lease paper | 23,261 | 14,916 | 5,277 | 2,042 | 949 | 62 | 16 |
| Auto paper | 6,194 | 5,858 | 151 | 17 | 161 | 5 | 3 |
| Business, industrial, and farm equipment | 16,937 | 9,058 | 5,064 | 2,001 | 744 | 56 | 13 |
| All other | 130 | 0 | 62 | 24 | 44 | 0 | 0 |
| Other business credit | 14,747 | 8,941 | 4,252 | 1,192 | 206 | 110 | 46 |
| Short-term | 8,325 | 3,614 | 3,550 | 931 | 146 | 54 | 31 |
| Intermediate-term | 6,422 | 5,328 | 702 | 262 | 61 | 55 | 15 |
| Real estate loans | 11,831 | 9,144 | 1,357 | 739 | 455 | 105 | 31 |
| Secured by first liens | 1,380 | 915 | 289 | 116 | 39 | 8 | 13 |
| Secured by junior liens | 10,451 | 8,229 | 1,068 | 623 | 415 | 97 | 19 |
| Other accounts and notes receivable | 8,183 | 7,590 | 313 | 216 | 25 | 16 | 23 |
| Total receivables, gross | 183,341 | 147,019 | 23,722 | 8,246 | 2,719 | 1,072 | 561 |
| Less reserves for unearned income | 21,251 | 16,404 | 3,122 | 1,096 | 470 | 111 | 49 |
| Less reserves for losses | 2,981 | 2,303 | 418 | 160 | 51 | 30 | 20 |
| Total receivables, net | 159,108 | 128,311 | 20,183 | 6,991 | 2,198 | 932 | 492 |
| All other assets | 15,917 | 11,636 | 2,535 | 954 | 329 | 147 | 316 |
| **Total assets, net** | **175,025** | **139,947** | **22,718** | **7,944** | **2,527** | **1,079** | **809** |
| LIABILITIES AND CAPITAL | | | | | | | |
| Loans and notes payable to banks | 15,458 | 7,677 | 4,018 | 2,439 | 969 | 272 | 83 |
| Short-term | 7,885 | 4,036 | 1,691 | 1,456 | 477 | 168 | 58 |
| Long-term | 7,573 | 3,641 | 2,327 | 983 | 492 | 104 | 25 |
| Commercial paper | 52,328 | 45,662 | 5,277 | 1,227 | 143 | 14 | 4 |
| Directly placed | 43,232 | 41,537 | 1,320 | 262 | 95 | 14 | 4 |
| Dealer placed | 9,095 | 4,125 | 3,957 | 965 | 49 | 0 | 0 |
| Other short-term debt | 10,627 | 6,747 | 2,250 | 1,136 | 257 | 156 | 81 |
| Other long-term debt | 52,898 | 46,367 | 4,702 | 1,186 | 400 | 156 | 87 |
| All other liabilities | 18,363 | 14,574 | 2,615 | 719 | 283 | 136 | 36 |
| Capital, surplus, and undivided profits | 25,350 | 18,919 | 3,856 | 1,238 | 475 | 345 | 517 |
| **Total liabilities, capital, and surplus** | **175,025** | **139,947** | **22,718** | **7,944** | **2,527** | **1,079** | **809** |
| MEMO: | | | | | | | |
| Short-term debt | 70,840 | 56,445 | 9,218 | 3,818 | 877 | 338 | 143 |
| Long-term debt | 60,471 | 50,008 | 7,029 | 2,169 | 892 | 260 | 112 |
| Number of companies | 2,775 | 48 | 100 | 156 | 239 | 484 | 1,749 |

For definitions see pages 408–09.

## A2. Direct loans made and paper purchased by finance companies during June 1980

millions of dollars

| Type of loan | All finance companies | Size of company (in millions of dollars of short- and intermediate-term loans outstanding) | | | | | |
|---|---|---|---|---|---|---|---|
| | | 500 and over | 100–499 | 25–99 | 5–24 | 1–4 | Under 1 |
| Consumer receivables | 5,675 | 4,538 | 651 | 272 | 96 | 65 | 53 |
| Retail passenger car paper | 1,800 | 1,723 | 12 | 35 | 15 | 11 | 3 |
| Mobile homes | 103 | 87 | 9 | 5 | 2 | 0 | 0 |
| Retail consumer goods | 2,224 | 1,784 | 358 | 30 | 34 | 9 | 9 |
| Revolving credit | 1,621 | 1,315 | 282 | 0 | 25 | 0 | 0 |
| Other retail consumer goods paper | 603 | 469 | 76 | 30 | 9 | 9 | 9 |
| Personal cash loans | 1,547 | 944 | 271 | 201 | 45 | 44 | 41 |
| Revolving credit | 41 | 12 | 0 | 23 | 6 | 0 | 0 |
| Other personal cash loans | 1,507 | 932 | 271 | 178 | 40 | 44 | 41 |
| Business receivables | 15,306 | 11,564 | 2,717 | 695 | 170 | 140 | 19 |
| Wholesale paper | 6,169 | 5,595 | 349 | 200 | 2 | 20 | 2 |
| Automobiles | 4,577 | 4,534 | 37 | 1 | 2 | 3 | 0 |
| Business, industrial, and farm equipment | 754 | 512 | 71 | 168 | 0 | 2 | 0 |
| All other | 838 | 549 | 240 | 31 | 1 | 15 | 2 |
| Retail paper | 1,577 | 1,361 | 170 | 41 | 3 | 2 | 1 |
| Commercial vehicles | 529 | 489 | 35 | 2 | 0 | 1 | 1 |
| Business, industrial, and farm equipment | 1,048 | 871 | 135 | 39 | 3 | 1 | 0 |
| Lease paper | 970 | 546 | 180 | 66 | 87 | 91 | 0 |
| Auto paper | 272 | 257 | 4 | 2 | 9 | 1 | 0 |
| Business, industrial, and farm equipment | 691 | 289 | 174 | 63 | 75 | 90 | 0 |
| All other | 7 | 0 | 2 | 1 | 3 | 0 | 0 |
| Other business credit | 6,590 | 4,062 | 2,019 | 389 | 78 | 27 | 15 |
| Short-term | 5,617 | 3,167 | 1,978 | 360 | 73 | 24 | 14 |
| Intermediate-term | 973 | 895 | 41 | 28 | 5 | 3 | 1 |
| Real estate loans | 530 | 378 | 60 | 53 | 26 | 11 | 1 |
| Secured by first liens | 92 | 64 | 13 | 11 | 2 | 1 | 0 |
| Secured by junior liens | 438 | 314 | 47 | 42 | 24 | 11 | 1 |
| Other accounts and notes receivable | 1,068 | 1,013 | 43 | 11 | 1 | 0 | 0 |
| **Total receivables, gross** | **22,578** | **17,493** | **3,472** | **1,030** | **293** | **216** | **74** |

For definitions see pages 408–09.

## A3. Consumer receivables outstanding at finance companies, midyears 1970, 1975, and 1980

| Type of consumer receivable | Amount outstanding | | | | | Percentage of consumer receivables | |
|---|---|---|---|---|---|---|---|
| | Millions of dollars | | | Percentage change | | | |
| | Mid-1970 | Mid-1975 | Mid-1980 | 1970–75 | 1975–80 | Mid-1975 | Mid-1980 |
| Retail passenger cars | 9,250 | 9,938 | 27,118 | 7.4 | 172.9 | 24.3 | 35.1 |
| Mobile homes | 2,327 | 3,461 | 4,832 | 48.7 | 39.6 | 8.5 | 6.3 |
| Revolving credit | n.a. | 5,752 | 16,750 | n.a. | 191.2 | 14.1 | 21.7 |
| In personal cash loans | n.a. | n.a. | 589 | n.a. | n.a. | n.a. | .8 |
| In other consumer goods | n.a. | n.a. | 16,161 | n.a. | n.a. | n.a. | 20.9 |
| Other personal cash loans | 12,380[1] | 14,769[2] | 22,021 | 19.3 | 49.1 | 36.2 | 28.5 |
| All other consumer loans | 7,816[2] | 6,895 | 6,541 | −11.8 | 5.1 | 16.9 | 8.5 |
| **Total consumer credit** | **31,773** | **40,814** | **77,260** | **28.5** | **89.3** | **100.0** | **100.0** |

1. May include small amounts of real estate receivables secured by junior liens.
2. May include small amounts of revolving credit outstanding.

n.a. Not available.
For definitions see pages 408–09.

A4. Business receivables outstanding at finance companies, midyears 1970, 1975, and 1980

| Type of business receivable | Amount outstanding | | | | | Percent of total business receivables | |
|---|---|---|---|---|---|---|---|
| | Millions of dollars | | | Percentage change | | | |
| | Mid-1970 | Mid-1975 | Mid-1980 | 1970–75 | 1975–80 | Mid-1975 | Mid-1980 |
| Wholesale paper | 7,468 | 10,945 | 21,741 | 46.6 | 98.6 | 27.9 | 25.3 |
| Automobiles | 5,053 | 7,713 | 12,373 | 52.6 | 60.4 | 19.6 | 14.4 |
| Business, industrial, and farm equipment | 1,739 | 1,960 | 5,072 | 12.7 | 158.8 | 5.0 | 5.9 |
| All other | 676 | 1,273 | 4,296 | 88.3 | 237.5 | 3.2 | 5.0 |
| Retail paper | 6,563 | 11,067 | 26,318 | 68.6 | 137.8 | 28.2 | 30.6 |
| Commercial vehicles | 3,090 | 5,012 | 10,088 | 62.2 | 101.3 | 12.8 | 11.7 |
| Business, industrial, and farm equipment | 3,473 | 6,055 | 16,230 | 74.3 | 168.0 | 15.4 | 18.9 |
| Lease paper | 3,802 | 8,065 | 23,261 | 112.1 | 188.4 | 20.5 | 27.0 |
| Automobiles | 1,403 | 2,343 | 6,194 | 67.0 | 164.4 | 6.0 | 7.2 |
| Business, industrial, and farm equipment | 2,299 | 3,950 | 16,937 | 71.8 | 328.8 | 10.1 | 19.7 |
| All other | 99 | 1,772 | 130 | 1,689.9 | −92.7 | 4.5 | .2 |
| Other business credit | 5,166 | 9,208 | 14,747 | 78.2 | 60.2 | 23.4 | 17.1 |
| Short-term | 2,974 | 4,991 | 8,325 | 67.8 | 66.8 | 12.7 | 9.7 |
| Intermediate-term | 2,192 | 4,218 | 6,422 | 92.4 | 52.2 | 10.7 | 7.5 |
| **Total business receivables** | **22,999** | **39,286** | **86,067** | **70.8** | **119.1** | **100.0** | **100.0** |

For definitions see pages 408–09.

A5. Liabilities and capital outstanding at finance companies, midyears 1970, 1975, and 1980

| Type of liability | Amount outstanding | | | | | Percentage of total liabilities and capital | |
|---|---|---|---|---|---|---|---|
| | Millions of dollars | | | Percentage change | | | |
| | Mid-1970 | Mid-1975 | Mid-1980 | 1970–75 | 1975–80 | Mid-1975 | Mid-1980 |
| Bank loans | 7,551 | 8,617 | 15,458 | 14.1 | 79.4 | 9.7 | 8.8 |
| Short-term | 6,581 | 7,900 | 7,885 | 20.0 | −0.2 | 8.9 | 4.5 |
| Long-term | 969 | 718 | 7,573 | −25.9 | 954.7 | 0.8 | 4.3 |
| Commercial paper | 22,073 | 25,905 | 52,328 | 17.4 | 102.0 | 29.2 | 29.9 |
| Directly placed | 19,247 | 23,686 | 43,232 | 23.1 | 82.5 | 26.7 | 24.7 |
| Dealer placed | 2,826 | 2,218 | 9,095 | −21.5 | 310.1 | 2.5 | 5.2 |
| Other short-term debt | 975 | 2,815 | 10,627 | 188.7 | 277.5 | 3.2 | 6.1 |
| Other long-term debt | 15,501 | 29,013 | 52,898 | 87.2 | 82.3 | 32.7 | 30.2 |
| All other liabilities | 4,531 | 8,416 | 18,363 | 85.7 | 118.2 | 9.5 | 10.5 |
| Capital and surplus | 9,947 | 13,951 | 25,350 | 40.3 | 81.7 | 15.7 | 14.5 |
| **Total liabilities and capital** | **60,577** | **88,716** | **175,025** | **46.5** | **97.3** | **100.0** | **100.0** |
| MEMO: | | | | | | | |
| Short-term debt | 29,629 | 36,620 | 70,840 | 23.6 | 93.4 | 41.3 | 40.5 |
| Long-term debt | 16,470 | 29,730 | 60,471 | 80.5 | 103.4 | 33.5 | 34.5 |
| **Total debt** | **46,100** | **66,350** | **131,311** | **43.9** | **97.9** | **74.8** | **75.0** |

For definitions see pages 408–09

## A6. Receivables outstanding at finance companies, midyears 1975 and 1980

Amount outstanding, millions of dollars

| Type of receivable | Size of company (gross receivables outstanding, millions of dollars) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | All companies | | 25 and over | | 5 to 25 | | Under 5 | |
| | 1975 | 1980 | 1975 | 1980 | 1975 | 1980 | 1975 | 1980 |
| Consumer receivables | 40,814 | 77,260 | 38,577 | 75,109 | 989 | 1,029 | 1,248 | 1,123 |
| Retail passenger car paper | 9,938 | 27,118 | 9,641 | 26,699 | 91 | 208 | 205 | 211 |
| Mobile homes | 3,461 | 4,832 | 3,417 | 4,764 | 30 | 56 | 14 | 12 |
| Revolving consumer installment credit | 5,752 | 16,750 | 5,699 | 16,542 | 36 | 203 | 16 | 6 |
| In personal cash loans | n.a. | 589 | n.a. | 516 | n.a. | 68 | n.a. | 6 |
| In other consumer goods | n.a. | 16,161 | n.a. | 16,026 | n.a. | 135 | n.a. | ... |
| Other personal cash loans | 14,769 | 22,021 | 13,271 | 20,792 | 631 | 457 | 867 | 772 |
| All other consumer installment loans | 6,895 | 6,541 | 6,550 | 6,312 | 200 | 105 | 145 | 125 |
| Business credit | 39,286 | 86,067 | 38,078 | 84,520 | 904 | 1,211 | 304 | 335 |
| Wholesale paper | 10,945 | 21,741 | 10,829 | 21,662 | 60 | 28 | 57 | 51 |
| Automobiles | 7,713 | 12,373 | 7,690 | 12,350 | 13 | 8 | 10 | 15 |
| Business, industrial, and farm equipment | 1,960 | 5,072 | 1,914 | 5,063 | 21 | 4 | 25 | 5 |
| All other | 1,273 | 4,296 | 1,224 | 4,249 | 26 | 17 | 22 | 31 |
| Retail paper | 11,067 | 26,318 | 10,898 | 26,239 | 122 | 28 | 47 | 51 |
| Commercial vehicles | 5,012 | 10,088 | 4,971 | 10,070 | 22 | 2 | 18 | 16 |
| Business, industrial, and farm equipment | 6,055 | 16,230 | 5,927 | 16,169 | 100 | 26 | 28 | 35 |
| Lease paper | 8,065 | 23,261 | 7,868 | 22,235 | 151 | 949 | 46 | 78 |
| Automobile | 2,343 | 6,194 | 2,320 | 6,026 | 18 | 161 | 4 | 8 |
| Business, industrial, and farm equipment | 3,950 | 16,937 | 3,805 | 16,123 | 106 | 744 | 38 | 69 |
| All other | 1,772 | 130 | 1,742 | 86 | 28 | 44 | 3 | |
| Other business credit | 9,208 | 14,742 | 8,483 | 14,385 | 572 | 206 | 155 | 156 |
| Short-term | 4,991 | 8,325 | 4,533 | 8,095 | 333 | 146 | 125 | 85 |
| Intermediate-term | 4,218 | 6,422 | 3,950 | 6,292 | 239 | 61 | 29 | 70 |
| Real estate receivables | 1,946 | 11,831 | 1,513 | 11,240 | 264 | 455 | 169 | 136 |
| Secured by first liens | ... | 1,380 | ... | 1,320 | ... | 39 | ... | 21 |
| Secured by second liens | 1,946 | 10,451 | 1,513 | 9,920 | 264 | 415 | 169 | 116 |
| Other receivables | 3,948 | 8,183 | 3,875 | 8,119 | 37 | 25 | 36 | 39 |
| **Total receivables, gross** | **85,994** | **183,341** | **82,042** | **178,987** | **2,195** | **2,719** | **1,758** | **1,633** |
| Number of companies | 3,376 | 2,775 | 190 | 304 | 204 | 239 | 2,982 | 2,233 |

For definitions see pages 408–09.

## A7. Liabilities and capital outstanding at finance companies, midyears 1975 and 1980

Amount outstanding, millions of dollars

| Type of liability | Size of company (gross receivables outstanding, millions of dollars) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | All companies | | 25 and over | | 5 to 25 | | Under 5 | |
| | 1975 | 1980 | 1975 | 1980 | 1975 | 1980 | 1975 | 1980 |
| Loans and notes payable to banks | 8,617 | 15,458 | 7,314 | 14,134 | 783 | 969 | 519 | 355 |
| Short-term | 7,900 | 7,885 | 6,869 | 7,183 | 654 | 477 | 377 | 226 |
| Long-term | 718 | 7,573 | 446 | 6,951 | 130 | 492 | 141 | 129 |
| Commercial paper | 25,905 | 52,328 | 25,799 | 52,166 | 85 | 143 | 20 | 18 |
| Directly placed | 23,686 | 43,232 | 23,607 | 43,119 | 59 | 95 | 20 | 18 |
| Dealer placed | 2,218 | 9,095 | 2,192 | 9,047 | 26 | 49 | * | * |
| Other short-term debt | 2,815 | 10,627 | 2,288 | 10,133 | 351 | 257 | 176 | 237 |
| Other long-term debt | 29,013 | 52,898 | 28,429 | 52,255 | 292 | 400 | 291 | 243 |
| All other liabilities | 8,416 | 18,363 | 7,867 | 17,908 | 257 | 283 | 291 | 172 |
| Capital and surplus | 13,951 | 25,350 | 12,911 | 24,013 | 423 | 475 | 618 | 862 |
| **Total liabilities and surplus** | **88,716** | **175,025** | **84,609** | **170,609** | **2,193** | **2,527** | **1,915** | **1,888** |
| MEMO: | | | | | | | | |
| Short-term debt | 36,620 | 70,840 | 34,955 | 69,481 | 1,090 | 877 | 576 | 481 |
| Long-term debt | 29,730 | 60,471 | 28,875 | 59,206 | 422 | 892 | 433 | 372 |
| **Total debt** | **66,350** | **131,311** | **63,831** | **128,687** | **1,512** | **1,769** | **1,009** | **853** |

For definitions see pages 408–09.

*Less than $500,000.

# DEFINITIONS

1. *Receivables* include direct loans and paper purchased from manufacturers, wholesalers, and retailers before deduction of reserves for unearned income and losses. They include bulk purchases of paper from vendors.

2. *Retail passenger car paper* consists of credit arising from retail sales of passenger cars to consumers. It excludes lease paper, fleet sales, personal cash loans secured by automobiles already paid for, and loans to finance the purchase of commercial vehicles and farm equipment.

3. *Mobile homes credit* consists of paper arising from the retail sale of complete dwelling units built on a chassis and capable at time of initial purchase of being towed over the highway by truck but not by car. It excludes paper secured by real estate, lease paper, and paper arising from retail sale of travel trailers.

4. *Retail consumer goods* consist of credit arising from retail sales of consumer goods other than passenger cars and mobile homes. Such goods include general merchandise, apparel, furniture, household appliances, and so forth. They also include campers and trailers not usable as homes as well as motorcycles, airplanes, helicopters, and boats purchased for personal use as well as revolving credit retail paper and automobile repair paper. Also included in this paper is credit to finance alterations or improvements in existing residential properties occupied by the borrower. Wholesale financing and lease financing as well as loans secured by real estate are excluded.

a. *Revolving credit* consists of retail credit that is extended on a credit-line basis and that arises from the sale of consumer goods other than passenger cars and mobile homes. A single contract governs multiple use of the account and purchases may be made with a credit card. Generally, credit extensions can be made at the consumer's discretion, provided that they do not cause the outstanding balance of the account to exceed a prearranged "credit limit."

b. *Other retail consumer goods* consist of all credit arising from retail sales of consumer goods other than passenger cars and mobile homes that is not extended on a revolving credit line basis.

5. *Personal cash loans to individuals and families* are secured and unsecured loans made directly to the borrower for household, family, or other personal expenses. They include unsecured loans to purchase auto insurance policies as well as loans secured by insurance policies, automobiles already paid for, and other collateral. They exclude loans for business purposes, rediscounted loans, and loans secured by real estate.

a. *Revolving credit* is cash loans extended on a credit-line basis and perhaps with the use of a credit card. Generally, credit extensions can be made at the consumer's discretion, provided that they do not cause the outstanding balance of the account to exceed a prearranged "credit limit."

b. *Other personal cash loans* consist of all secured and unsecured loans made directly to the borrower for household, family, or other personal expenses that are not extended on a revolving credit line basis.

6. *Wholesale financing*

a. *Autos* are credit arising from transactions between manufacturers and dealers or other "floor plan" loans secured by passenger cars and commercial land vehicles. It excludes paper secured by mobile homes, passenger car trailers, boats, airplanes, and helicopters, and business, industrial, and farm equipment.

b. *Business, industrial, and farm equipment* consists of credit arising from transactions between manufacturers and dealers or other "floor plan" loans secured by business, industrial, and farm equipment. It includes all "off-the-road" equipment for which motor vehicle licensing is not required. It also includes airplanes, helicopters, and boats.

c. *All other* includes all other wholesale financing including "floor planning" transactions between manufacturers and dealers with mobile homes, campers, and travel trailers as security.

7. *Retail paper.*

a. *Commercial vehicles* consists of credit arising from retail sales of commercial land vehicles to business. It includes trucks, buses, taxicabs, truck-trailers, and other "on-the-road" vehicles for which motor vehicle licensing is required. It also includes fleet sales of passenger cars. It excludes lease financing and paper on business, industrial, and farm equipment.

b. *Business, industrial, and farm equipment* includes credit arising from the retail sale to business of (or from the purchase of) business, industrial, and farm equipment. It includes all "off-the-road" equipment for which motor vehicle licensing is not required. It also includes airplanes, helicopters, and boats purchased for business use. Loans may be secured by chattel mortgages or conditional sales contracts (purchased money security agreements) on the machinery or equipment. It excludes loans to purchase commercial land vehicles for which motor vehicle licensing is required and loans secured by real estate. It also excludes lease financing.

8. *Lease paper.*

a. *Autos* consist of credit arising from leasing of passenger cars and commercial land vehicles. It excludes leasing of mobile homes, campers, motor trailers, boats, airplanes, helicopters, and business, industrial, and farm equipment.

b. *Business, industrial, and farm equipment* consists of credit arising from the leasing of business, industrial, and farm equipment. It includes lease financing of all "off-the-road" equipment for which motor vehicle licensing is not required. It also includes lease financing of airplanes, helicopters, and boats leased for business use. It excludes lease financing of airplanes, helicopters, and boats leased for personal or family use.

c. *All other* is all other lease financing including credit arising from the leasing of mobile homes, campers, and travel trailers.

9. *Other business credit.*

a. *Other short-term business credit* includes business credit with original maturities of less than one year. It includes loans secured by commercial accounts receivable less the balances withheld from customers pending collection of receivables. It also includes commercial accounts receivable purchased from factored clients less any amount due and payable to factored clients. It includes secured and unsecured advances of funds to factored clients.

b. *Other intermediate-term business credit* consists of business credit with original maturities of 1 to 15 years. It includes dealer capital loans, small loans used primarily for business or farm purposes, multi-collateral loans, rediscounted receivables of other finance companies less balances withheld, and all other business loans not elsewhere classified. It excludes loans secured by real estate unless included as part of a multicollateral loan.

10. *Loans secured by real estate* includes all loans secured by junior liens on real estate as well as any first mortgage loans secured by real estate.

a. *Secured by first liens* includes all loans, whatever the purpose, secured by first liens on real estate as evidenced by first mortgages, deeds of trust, land contracts, or other instruments.

b. *Secured by junior liens* includes all loans, whatever the purpose, secured by junior liens (for example, "equity loans," or "second mortgages") on real estate as evidenced by junior mortgages, deeds of trust, land contracts, or other instruments.

11. *Other accounts and notes receivable* consist of all other receivables not directly connected with domestic credit operations of the consolidated finance companies.

12. *Amount of unearned income included above* includes unearned discounts and service charges on the above receivables.

13. *Allowance for losses* consists of allowances for bad debts, unallocated charge-offs, and any other valuation allowances except the amount of unearned income applicable to the receivables included above.

14. *All other assets* include all assets not already included above such as consolidated companies' investments in nonconsolidated foreign and domestic subsidiaries and affiliates. Nonconsolidated subsidiary and affiliate company claims on consolidated companies should be netted against the consolidated companies' investment. Overdrafts are excluded.

15. *Bank loans* consist of short- and long-term loans and notes payable to banks. They include overdrafts, but exclude commercial paper and bank portions of participation loans.

16. *Directly placed commercial paper* includes negotiable promissory notes of large denominations sold directly to the investor and issued for not longer than 270 days. It includes short-term "master" notes.

17. *Dealer placed commercial paper* consists of negotiable promis-

sory notes sold to or through commercial paper dealers and issued for not longer than 270 days. It includes documented discount notes, that is, commercial paper accompanied by an irrevocable letter of credit issued by a bank.

18. *Short-term debt not elsewhere classified* includes all other short-term notes and loans payable (Debt with an original maturity of less than one year is classified as short-term). It excludes maturities of long-term debt due in less than one year.

19. *Other long-term debt* consists of senior and subordinated long-term loans, notes, certificates, negotiable paper, or other indebtedness not elsewhere classified, including that portion maturing in less than one year Debt with original maturity of one year or more is classified as long-term debt even if the time remaining to maturity is less than one year.

20. *All other liabilities* are all liabilities not already reported above or netted against assets. They include dealer reserves, all tax accruals, short-term certificates of thrift or investment, and deposit liabilities (other than those not withdrawable during term of loan) and all other liabilities. They exclude liabilities of consolidated companies to nonconsolidated subsidiary and affiliated companies They exclude borrower repayment deposits accumulated but not credited against indebtedness until repayment is made in full Such deposits should be netted against appropriate receivables in the assets section.

21. *Capital, surplus, and undivided profits* consist of all common and preferred stock and other capital or surplus accounts, including undivided profits.

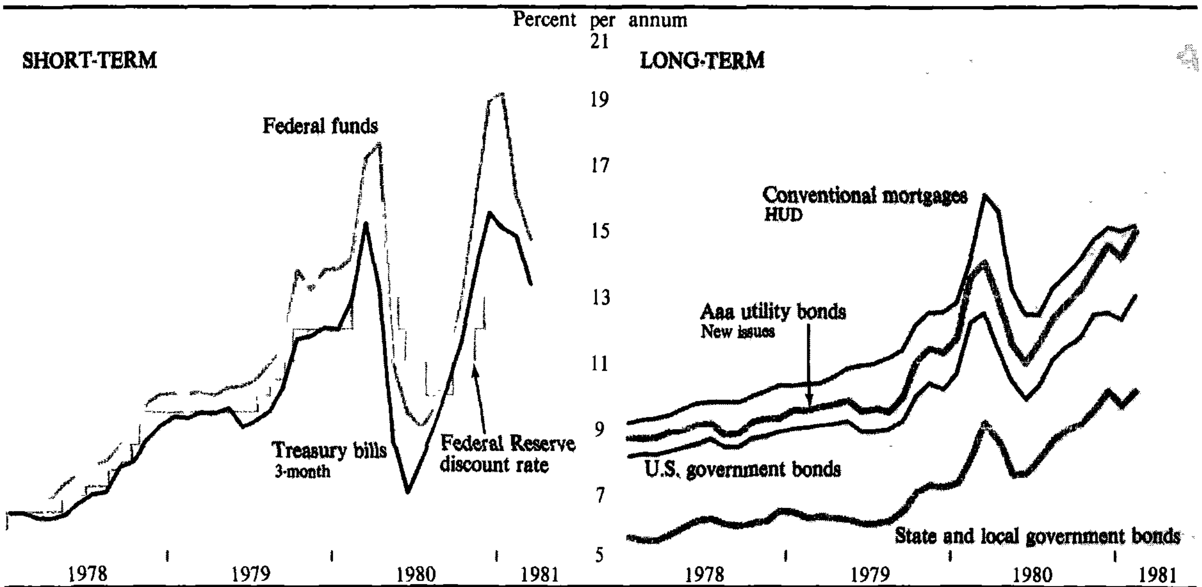
# Domestic Financial Developments in the First Quarter of 1981

*This report, which was sent to the Joint Economic Committee of the U.S. Congress on May 12, 1981, highlights the important developments in domestic financial markets during the winter and early spring.*

The expansion of money moderated in the first quarter despite a further pickup in economic activity and continued rapid inflation. The narrowly defined monetary aggregates, M-1A and M-1B, were affected substantially by movements of funds to negotiable order of withdrawal (NOW) accounts, authorized nationwide at the start of the year under the Monetary Control Act of 1980. Adjusted for such shifting of balances, average first-quarter levels of the narrow aggregates were little changed from the previous quarter and below the ranges set by the Federal Open Market Committee for growth from the fourth quarter of 1980 to the fourth quarter of 1981. The rate of expansion of M-2 rose a bit in the first quarter, as growth in its nontransaction component remained comparatively strong. The average level of M-2 for the quarter was near the midpoint of its annual growth range.

During the first quarter, the credit demands of the U.S. Treasury surged above the already elevated level of the fourth quarter, but borrowing by other domestic sectors was generally at or slightly below the pace of late last year. Nonfinancial businesses markedly increased their issuance of bonds and reduced the growth of short-

Interest rates




Monthly averages except for Federal Reserve discount rate and conventional mortgages (based on quotations for one day each month). Yields: U.S. Treasury bills, market yields on three-month issues; prime commercial paper, dealer offering rates, conventional mortgages, rates on first mortgages in primary markets, unweighted and rounded to nearest 5 basis points, from U.S. Department of Housing and Urban Development; Aaa utility bonds, weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to Aaa basis; U.S. government bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; state and local government bonds (20 issues, mixed quality), *Bond Buyer*.

Changes in reserves and monetary aggregates

Based on seasonally adjusted data unless otherwise noted, in percent[1]

| Item | 1978 | 1979 | 1980 | 1980 Q1 | 1980 Q2 | 1980 Q3 | 1980 Q4 | 1981 Q1 |
|---|---|---|---|---|---|---|---|---|
| Member bank reserves[2] | | | | | | | | |
| Total | 6.2 | 2.6 | 6.8 | 4.1 | -.5 | 9.1 | 13.8 | 0 |
| Nonborrowed | 6.3 | 3 | 7.3 | 3.3 | 11.7 | 10.3 | 3.3 | 5.5 |
| Required | 6.3 | 2.4 | 6.5 | 4.9 | -2 | 8.2 | 12.5 | .5 |
| Monetary base[3] | 9.1 | 7.8 | 8.7 | 8.3 | 5.3 | 10.1 | 9.9 | 5.0 |
| Concepts of money[4] | | | | | | | | |
| M-1A | 7.4 | 5.0 | 5.0 | 5.2 | -4.8 | 11.5 | 8.0 | -18.6 |
| Adjusted[5] | ... | ... | ... | ... | ... | ... | ... | .3 |
| M-1B | 8.1 | 7.6 | 7.3 | 6.8 | -2.9 | 13.9 | 10.9 | 6.6 |
| Adjusted[5] | ... | ... | ... | ... | ... | ... | ... | 1.1 |
| M-2 | 8.3 | 8.9 | 9.9 | 8.9 | 5.4 | 15.7 | 8.1 | 8.2 |
| M-3 | 11.2 | 9.7 | 10.0 | 9.1 | 6.0 | 13.1 | 10.3 | 11.9 |
| Nontransaction components of M-2 | | | | | | | | |
| Total (M-2 minus M-1B) | 8.3 | 9.4 | 10.7 | 9.7 | 8.1 | 16.4 | 7.2 | 8.7 |
| Small time deposits | 16.1 | 23.0 | 15.4 | 17.9 | 23.4 | 3.4 | 13.8 | 23.2 |
| Savings deposits | -.7 | -12.0 | -4.6 | -16.4 | -23.1 | 22.7 | -5 | 31.0 |
| *Money market mutual fund* shares (n.s.a.) | 163.9 | 324.2 | 90.3 | 151.9 | 82.7 | 75.7 | -15.5 | 84.5 |
| Overnight RPs and overnight Eurodollar deposits (n.s.a.) | 25.4 | 17.2 | 21.8 | 9.0 | -57.4 | 135.6 | 15.4 | -12.3 |
| MEMO (change in billions of dollars) | | | | | | | | |
| Managed liabilities at commercial banks | 77.6 | 57.5 | 15.3 | 10.3 | -2.2 | -10.2 | 17.4 | 25.7 |
| Large time deposits, gross | 50.2 | 19.4 | 21.8 | 5.3 | 7.3 | -2.0 | 11.2 | 21.3 |
| Nondeposit funds | 27.4 | 38.1 | -6.5 | 5.0 | -9.5 | -8.2 | 6.2 | 4.4 |
| Net due to foreign related institutions | 6.9 | 25.1 | -22.9 | -2.3 | -8.6 | -11.5 | -.5 | -2.6 |
| Other[6] | 20.5 | 13.0 | 16.4 | 7.3 | -.9 | 3.2 | 6.8 | 7.0 |
| U.S. government deposits at commercial banks | 3.6 | 1.1 | 6 | 1.8 | -1.4 | 1.8 | -1.6 | -.5 |

1. Changes are calculated from the average amounts outstanding in each quarter.

2. Annual rates of change in reserve measures have been adjusted for regulatory changes in reserve requirements and, in 1980 and 1981, for distorting effects of changes in the level of weekend Eurodollar transactions.

3. Consists of total reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier), currency in circulation (currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of commercial banks), and vault cash of nonmember banks.

4. M-1A is currency plus private demand deposits net of deposits due to foreign commercial banks and official institutions. M-1B is M-1A plus other checkable deposits (negotiable order of withdrawal accounts, accounts subject to automatic transfer service, credit union share draft balances, and demand deposits at mutual savings banks). M-2 is M-1B plus overnight repurchase agreements (RPs) issued by commercial banks, overnight Eurodollar deposits held by U.S. nonbank residents at Caribbean branches of U.S. banks, money market mutual fund shares, and savings and small time deposits at all depository institutions. M-3 is M-2 plus large time deposits at all depository institutions and term RPs issued by commercial banks and savings and loan associations.

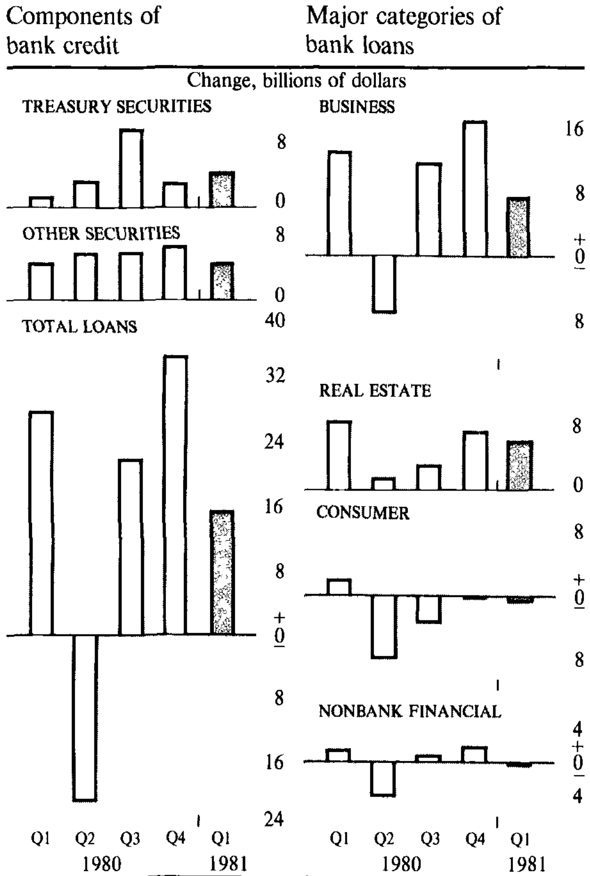
5. The observed data for M-1A and M-1B in the first quarter were affected by shifts of funds to NOW accounts, introduced nationwide at the start of the year. The observed series must be adjusted to measure the underlying behavior of the narrow money supply, abstracting from such shifts. Information currently available suggests that, on average in the first quarter, roughly three-fourths of the increase in other checkable deposits in excess of "trend" came from demand deposits and the remainder came from savings accounts and other sources. These estimates of shift-adjusted M-1A and M-1B growth are subject to revision as more information becomes available.

6. Consists of borrowings from other than commercial banks through federal funds purchased and securities sold under repurchase agreements plus loans sold to affiliates, loans sold under repurchase agreements, and other borrowings. Changes after October 1980 estimated using partial data.

n.s.a. Not seasonally adjusted

term debt—borrowing in total about as much as in the preceding quarter. The shift toward long-term borrowing by business firms apparently reflected the desire to strengthen balance sheets, with the cost of long-term borrowing remaining high through the quarter. In light of prevailing interest rate relationships, demand for short-term business credit moved to the commerical paper market, and business lending at U.S. banks decelerated sharply. Borrowing by households diminished over the quarter; a drop-off in residential mortgage flows more than offset an increase in the growth of consumer installment credit. Despite a sharp curtailment of offerings of mortgage revenue bonds, total borrowing by state and local governments declined only slightly.

Given the behavior of the money stock—and particularly of reservable deposits—expansion of nonborrowed reserves outpaced bank demands for reserves through most of the quarter. Consequently, discount-window advances fell considerably, and the federal funds rate declined from more than 20 percent in early January to less than 13½ percent in late March before returning to the area of 15 to 16 percent in early April. Other short-term market rates fell 4 to 7 percentage points by late March and then rose moderately. Intermediate- and long-term interest rates posted comparatively small movements over the quarter, despite the large declines in short-term interest rates. Many bond yields reached all-time highs in early April, reflecting investor concern about inflation, uncertainty about the features of the economic policies of the new administration, and the heavy long-term credit demands of both private and public borrowers. In mortgage markets, interest rates on funds committed to conventional loans moved up about ½ percentage point to 15½ percent in early April.




Seasonally adjusted. Total loans and business loans are adjusted for transfers between banks and their holding companies, affiliates, subsidiaries, or foreign branches.

## *Monetary Aggregates and Bank Credit*

The massive shifts of funds to NOW accounts in the first quarter caused a sharp divergence in the growth rates of M-1A, which does not include NOW accounts, and M-1B, which does. Survey data from depository institutions and households suggest that roughly three-fourths of the spurt of growth in NOW balances came from funds previously held in demand deposits, thus severely depressing the observed growth of M-1A. When adjustment is made for this effect, the average level of M-1A is about unchanged from the preceding quarter. A similar adjustment can be made to the level of M-1B to deduct balances that would have been held in savings deposits and other assets had NOWs not become available nationwide. So adjusted, M-1B also would have been about unchanged from its fourth-quarter level.

The weakness in the narrow monetary aggregates, so adjusted, occurred during a period of rapid increase in nominal spending—indeed, the rise in the velocity of the M-1 measures (that is, GNP divided by adjusted M-1A or M-1B) was the largest in 30 years. In part, this behavior may have reflected an ordinary lagged response to the rise in interest rates late in 1980. However, the adjusted narrow monetary measures in the first quarter were much weaker than would have been expected on the basis of historical relationships among money, interest rates, and income. The advent of NOW accounts and record interest rates quite conceivably stimulated some reassessment by the public of its cash management practices, similar to that following the introduction in late 1978 of automatic transfers from savings accounts (ATS).

M-2 in the first quarter grew slightly more rapidly than in the preceding quarter due to higher growth in the nontransaction component of this measure. Savings deposits, little changed in the fourth quarter, fell sharply, but on a quarterly average basis, growth of small-denomination time deposits accelerated owing to large inflows early in the quarter. As market interest rates declined, however, inflows to small time deposits—including those with market-linked yields—dropped off at both banks and thrift institutions. With growth of total savings and small time deposits slower than in the fourth quarter, expansion in the nontransaction component of M-2 was largely sustained by the resumption of growth in shares of money market mutual funds. Such shares accounted for about three-quarters of the growth of M-2 between December and March.

M-3 expanded in the first quarter somewhat above the strong pace of the previous quarter, as banks stepped up issuance of large-denomination time deposits to finance credit expansion in the face of weakness in consumer-type deposits. However, when demand for bank loans weakened through the quarter, banks reduced their issuance of large time deposits and by March were paying down some of these deposits as they matured.

On a quarterly average basis, total reserves available to banks and thrift institutions did not increase during the first three months of the year, reflecting weakening demands for reserves as growth in deposits slowed and excess reserves returned to more normal levels. Holdings of excess reserves had risen in late 1980, apparently in association with implementation in November of the reserve aspects of the Monetary Control Act. The System provided nonborrowed reserves in the first quarter at a slightly greater pace than that of the preceding quarter. Thus, with demands for reserves by depository institutions declining over the quarter, borrowing at the Federal Reserve discount window fell from about $1.7 billion in December to less than $1 billion by mid-March.

Growth in bank credit slowed in the first quarter to about half its rapid fourth-quarter pace; indeed, a small contraction occurred in March. The weakness in bank credit largely reflected a sharp deceleration in growth of business loans from domestic offices of U.S. banks. Real estate lending slowed only slightly in the first quarter, while consumer lending contracted as it had during most of 1980. Bank acquisitions of U.S. Treasury obligations rose a bit in the quarter, in part reflecting a substantial buildup in January and February of holdings in trading accounts at dealer banks. Bank purchases of other securities declined during the quarter.

## *BUSINESS FINANCE*

Gross public offerings of corporate notes and bonds totaled $45 billion at a seasonally adjusted annual rate in the first quarter, substantially higher than the fourth-quarter pace. Nonfinancial businesses, principally industrial concerns, accounted for all of the increase, roughly matching the decline in their borrowing in short- and intermediate-term markets. The issuance of bonds was heavy throughout the quarter despite the high levels of bond yields, suggesting that corporations either did not expect a substantial near-term decline in rates or were unable to delay such borrowing. Some funding of short-term debt with capital market offerings was accomplished during the brief downturn in economic activity in 1980, but the volume of bond offerings then was insufficient to alter appreciably corporate reliance on short-term obligations. Many corporate borrowers adjusted the terms of their debt offerings in the first quarter to try to limit their costs of funds. The adjustments included a shortening in maturities, an increased volume of convertible debentures, and the use of deeply discounted bonds.[1]

Gross offerings of new security issues

Seasonally adjusted annual rates, in billions of dollars

| Type of security | 1980 | | | | 1981 |
|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1[e] |
| Domestic corporate | 65 | 82 | 76 | 61 | 71 |
| Publicly offered bonds | 29 | 56 | 44 | 28 | 45 |
| Nonfinancial | 25 | 41 | 36 | 18 | 37 |
| Financial | 4 | 15 | 8 | 10 | 8 |
| Privately offered bonds | 18 | 9 | 10 | 8 | 6 |
| Stocks | 18 | 17 | 22 | 25 | 20 |
| Foreign | 2 | 6 | 3 | 3 | 2 |
| State and local government bonds | 32 | 58 | 57 | 43 | 36 |

e. Estimated.

In contrast to publicly offered debt securities, private placements of corporate bonds are estimated to have remained sluggish in the opening quarter of the year, as life insurance compa-

1. "Deep discount" or "original issue discount" bonds are attractive to some investors because the discount implicitly provides substantial call protection and the below-market coupon reduces reinvestment risk.

Business loans and short- and intermediate-term business credit

Seasonally adjusted annual rates of change, in percent[1]

| Period | Business loans at banks[2] | Short- and intermediate-term business credit[3] |
|---|---|---|
| 1974 | 19.3 | 23.5 |
| 1975 | −3.8 | −4.0 |
| 1976 | 1.2 | 4.5 |
| 1977 | 10.5 | 13.6 |
| 1978 | 16.0 | 18.3 |
| 1979 | 18.1 | 20.5 |
| 1980 | 11.4 | 12.4 |
| 1979-Q1 | 21.0 | 21.1 |
| Q2 | 18.1 | 19.8 |
| Q3 | 20.4 | 26.5 |
| Q4 | 8.6 | 8.9 |
| 1980-Q1 | 17.5 | 22.2 |
| Q2 | −9.3 | .9 |
| Q3 | 15.3 | 9.3 |
| Q4 | 21.1 | 15.5 |
| 1981-Q1 | 8.1 | 13.1 |

1. Growth rates calculated between last months of period.

2. Based on monthly averages of Wednesday data for domestically chartered banks and an average of current and previous month-end data for foreign-related institutions. Adjusted for outstanding amounts of loans sold to affiliates. Includes holdings of bankers acceptances.

3. Short- and intermediate-term business credit is business loans of commercial banks plus nonfinancial commercial paper plus finance company loans to businesses and bankers acceptances outstanding outside banks. Commercial paper is prorated average of Wednesday data. Finance company loans and bankers acceptances outstanding are averages of current and previous month-end data.

nies—the principal suppliers of private placement financing—continued to experience liquidity pressures. A continuing high level of policy loans, together with uncertainty regarding future rate movements, has made insurers reluctant to acquire long-term fixed-rate assets. At the beginning of this year, the amount of outstanding insurance company commitments to buy bonds was less than half its level at the beginning of 1980.

Following a dip early in the quarter, stock prices moved sharply higher in March; the major indexes finished the quarter 1 to 4 percentage points above year-end levels. In this environment, corporations continued to issue large amounts of equity shares in the first quarter—$20 billion at a seasonally adjusted annual rate—with industrial firms accounting for roughly half of the total.

In short-term markets, businesses found borrowing through the issuance of commercial paper increasingly attractive during the first quarter as the spread widened between the slowly declining prime rate and rapidly falling paper rates. Outstanding commercial paper rose in the first quarter after having contracted in the preceding two quarters when the spread of the prime rate over the commercial paper rate was exceptionally narrow.

As demands for business loans softened, some large banks eased their compensating balance requirements and in some cases reduced markups over the prime rate, according to the senior loan officer opinion survey on bank lending practices taken in mid-February. To a small extent, banks also met the competition from the commercial paper market more directly by increasing their below-prime lending, according to the quarterly survey of terms of bank lending. Such loans typically are large, short-term credits—often overnight—to firms that have access to the commercial paper market. Nonetheless, business loans at large banks contracted in the first quarter. Some of the decline in lending booked domestically was offset by increased loans to U.S.-domiciled business firms by foreign branches of U.S. banks, as firms took advantage of relatively attractive Eurodollar rates that, like commercial paper rates, fell more quickly than the prime rate in the first quarter.

## *GOVERNMENT FINANCE*

The gross volume of bonds issued by state and local governments fell about 15 percent in the first three months of this year, with the weakness concentrated in housing-related issues. The volume of mortgage revenue bonds brought to market fell from an average of $3.2 billion per quarter last year to $700 million in the first quarter, as statutory restrictions on these offerings took effect on January 1, 1981.[2] The volume of nonhousing issues increased in the first quarter with the sale of a number of issues that had been

2. The restrictions establish several criteria that must be met if interest paid on a mortgage revenue bond is to remain exempt from the federal income tax. The criteria include limitations on the volume of mortgage revenue bonds issued by governmental units, restrictions on the spread between mortgage rates and the original cost of borrowing, and various other limitations on eligibility with respect to the value and location of homes and the types of homebuyers.

deferred from the fourth quarter when housing-related issues dominated municipal market activity and municipal bond rates reached record levels. Yields on municipal bonds fell sharply in late December and early January, but throughout the rest of the quarter the yields retraced much of that decline.

In the first quarter, the combined federal budget deficit exceeded $38 billion, and the Treasury's financing needs were augmented $2 billion by redemptions of savings bonds. The Treasury raised about $38 billion by selling marketable securities in the first three months of the year, meeting the rest of its requirements with a further rundown in its cash balance. The net increase in marketable debt was about evenly divided between coupon and bill issues; about half of the bills were scheduled to mature in the second quarter with the seasonal rise in Treasury tax receipts.

Federally sponsored credit agencies borrowed $2.6 billion (not seasonally adjusted) in the first quarter, less than half of the average for the first quarter in the past few years. The slowing in agency borrowing was substantial at the Federal Farm Credit Banks and the Federal National Mortgage Association (FNMA). Cutting its borrowing almost $1 billion, FNMA made virtually no net mortgage purchases in the first quarter. This reflected both low levels of outstanding commitments by FNMA and rates on these commitments at or above market rates on mortgages. Borrowing by the Federal Home Loan Banks, about $1.5 billion, was at the same first-quarter pace as in recent years. The Federal Home Loan Banks used this borrowing to rebuild liquidity and to finance advances of about $200 million over the quarter. (The increase in advances outstanding was quite sizable on a seasonally adjusted basis, reflecting the weakness of deposit flows at thrift institutions.)

### *Mortgage and Consumer Finance*

Net mortgage formation dropped sharply in the first quarter. Much of this reduction reflected cutbacks in lending by thrift institutions, which in the aggregate experienced net outflows of deposits before crediting interest to deposits and a further erosion of earnings positions. Commercial banks reduced their net mortgage lending about one-third, after a strong pickup in the fourth quarter.

The higher cost and relative scarcity of mortgage credit have encouraged the use of a number of "creative" financing techniques. Arrangements whereby individual home sellers "take back" a second mortgage in order to facilitate the assumption of low-rate first trusts have become increasingly widespread. In addition, lending institutions have used "wraparound" agree-

Federal government borrowing and cash balance

Not seasonally adjusted, in billions of dollars

| Item | 1979 | 1980 | | | | 1981 |
|---|---|---|---|---|---|---|
| | Q1 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Treasury financings | | | | | | |
| Budget surplus, or deficit (−) | −20.4 | −27.1 | 8.1 | −15.4 | −33.6 | −32.1 |
| Off-budget deficit[1] | −3 0 | −3.8 | −4.4 | −4 9 | −2 2 | −6 4 |
| Combined deficit | −23.4 | −30.9 | 3.7 | −20.3 | −35.8 | −38.5 |
| New cash borrowings, or repayments (−) | 10.6[2] | −19.1 | 5.4 | 27.1 | 27 7 | 35.8 |
| Other means of financing[3] | 4.2 | 4.1 | −3.2 | .1 | − 6 | 1.1 |
| Change in cash balance | −8.6 | −7.7 | 5.9 | 6.9 | −8 7 | −1.6 |
| Federally sponsored credit agencies, net cash borrowings[4] | 6.3 | 8 6 | 5.1 | 2.2 | 8.9 | 2.6[e] |

1. Includes outlays of the Pension Benefit Guaranty Corporation, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, Housing for the Elderly or Handicapped Fund, and Federal Financing Bank. All data have been adjusted to reflect the return of the Export-Import Bank to the unified budget.

2. Includes $2.6 billion of borrowing from the Federal Reserve on March 31, which was repaid April 4 after enactment of a new debt-ceiling bill.

3 Checks issued less checks paid, accrued items, and other transactions.

4. Includes debt of the Federal Home Loan Mortgage Corporation, Federal Home Loan Banks, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, and Federal National Mortgage Association.

e. Estimated.

ments that combine existing first mortgages with new second mortgages at higher interest rates to achieve overall financing packages below current rates on new mortgages. However, the use of assumptions and other creative financing techniques that allow low-rate loans to remain outstanding has been limited in some states by lender enforcement of "due-on-sale" clauses in first mortgages that terminate the mortgage agreement on sale of the property used in securing the loan.

New mortgage lending commitments by depository institutions also were down substantially from the fourth-quarter pace. The volume of new commitments at savings and loan associations in March was only about half the September 1980 peak. By early April, the average interest rate on new commitments for conventional, fixed-rate home mortgages had risen to 15½ percent, and the ceiling rate for level-payment mortgages underwritten by the Federal Housing Administration and the Veterans Administration was raised from 13½ percent in March and to 14½ percent in April.

Consumer installment credit outstanding expanded at about a 6 percent annual rate in the first quarter, extending the slow recovery in consumer credit into its third consecutive quarter. Finance companies, led by subsidiaries of automobile manufacturers, paced the growth,

Net change in mortgage debt outstanding

Seasonally adjusted annual rates, in billions of dollars

| Mortgage debt | 1980 | | | | 1981 |
|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1[e] |
| *By type of debt* | | | | | |
| Total | 151 | 74 | 123 | 152 | 128 |
| Residential | 104 | 44 | 95 | 116 | 94 |
| Other[1] | 47 | 30 | 28 | 36 | 34 |
| *By type of holder* | | | | | |
| Commercial banks | 32 | 5 | 12 | 29 | 20 |
| Savings and loans | 26 | * | 39 | 45 | 33 |
| Mutual savings banks | 2 | * | −1 | 1 | 1 |
| Life insurance companies | 16 | 13 | 11 | 10 | 10 |
| FNMA and GNMA | 12 | 8 | * | 9 | 4 |
| GNMA mortgage pools | 18 | 17 | 19 | 16 | 14 |
| FHLMC and FHLMC pools | 3 | 3 | 5 | 1 | 2 |
| Other[2] | 42 | 28 | 38 | 41 | 44 |

1. Includes commercial and other nonresidential as well as farm properties.

2. Includes mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, Farmers Home Administration and Farmers Home Administration pools, Federal Land Banks, Federal Housing Administration, Veterans Administration, and individuals.

e. Partially estimated.

* Between $0.5 billion and $−0.5 billion

posting a 21 percent rate of increase. At commercial banks, consumer lending contracted again as bank rates for installment loans—especially for automobile financing—rose sharply during the first quarter to about the record level of last spring. Loan rates at automotive finance companies increased less, probably because of efforts to bolster car sales by the parent firms. □

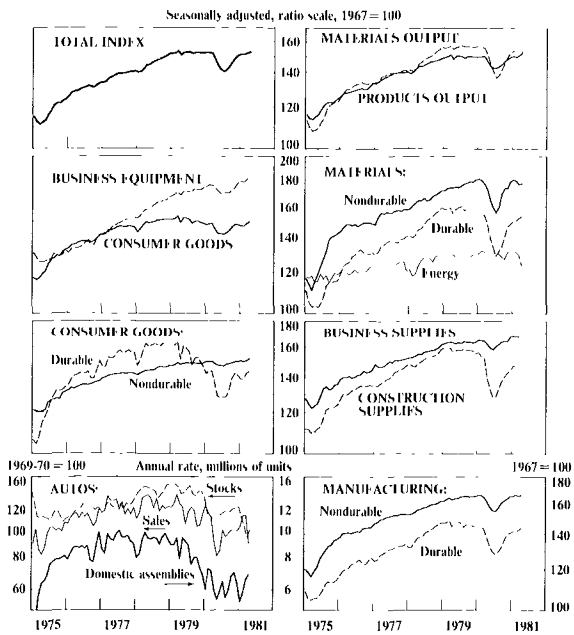
# Industrial Production

*Released for publication May 15*

Industrial production increased an estimated 0.4 percent in April, after upward revised changes in February and March of −0.1 and 0.5 percent respectively. In April, increases in output were widespread among most market groupings, but the coal strike reduced the growth in the total index about 0.3 percentage point. At 152.8 percent of the 1967 average, the April index was 3.0 percent above its level a year earlier and 0.5 percent below its prerecession peak in March 1979.

In market groupings, output of consumer goods rose 0.8 percent in April, as auto assemblies increased about 5 percent to an annual rate of 6.8 million units. Production of home goods, such as appliances, edged off, but output of consumer nondurable goods advanced further. Production of business equipment, particularly manufacturing, commercial, and building and mining equipment, increased sharply in both March and April. The rise in defense equipment also was large in April. Output of construction supplies was little changed for the third successive month; production of these supplies was about 8 percent below the level in March 1979.

Production of total materials declined 0.3 percent in April, reflecting a drop of 50 percent in coal output. Output of durable goods materials rose nearly 1 percent in April; this advance, reflecting gains in the output of parts for consumer durables and for equipment, was not quite so large as that in March. Production of nondurable goods materials, such as paper and textiles, increased slightly in April, after declines in the




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

| Grouping | 1967 = 100 | | Percentage change from preceding month | | | | | Percentage change, Apr. 1980 to Apr. 1981 |
|---|---|---|---|---|---|---|---|---|
| | 1981 | | 1980 | 1981 | | | | |
| | Mar.[p] | Apr.[e] | Dec. | Jan. | Feb. | Mar. | Apr. | |
| **Total industrial production** . . . | **152.2** | **152.8** | **1.1** | **.5** | **−.1** | **.5** | **.4** | **3.0** |
| Products, total | 151.2 | 152.4 | .8 | .3 | −.2 | .8 | .8 | 4.0 |
| Final products | 149.4 | 150.9 | .5 | .0 | −.3 | 1.0 | 1.0 | 3.8 |
| Consumer goods | 148.5 | 149.7 | −.2 | −.3 | −.1 | 1.0 | .8 | 3.0 |
| Durable | 142.8 | 143.8 | −1.1 | −1.8 | .1 | 2.7 | .7 | 5.5 |
| Nondurable | 150.8 | 152.0 | .1 | .2 | −.2 | .4 | .8 | 2.2 |
| Business equipment | 180.4 | 182.6 | 1.9 | .6 | −.4 | 1.2 | 1.2 | 4.8 |
| Defense and space | 100.8 | 102.0 | .9 | .3 | −.6 | .4 | 1.2 | 4.5 |
| Intermediate products | 157.7 | 158.1 | 1.7 | 1.0 | −.1 | .1 | .3 | 4.8 |
| Construction supplies | 147.6 | 147.5 | 1.3 | 1.9 | −.1 | .2 | −.1 | 5.8 |
| Materials | 153.9 | 153.4 | 1.4 | .8 | .1 | −.1 | −.3 | 1.6 |

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

Major market groupings

| Grouping | 1967 = 100 | | Percentage change from preceding month | | | | | Percentage change, Apr. 1980 to Apr. 1981 |
|---|---|---|---|---|---|---|---|---|
| | 1981 | | 1980 | 1981 | | | | |
| | Mar.p | Apr.e | Dec. | Jan. | Feb. | Mar. | Apr. | |
| Manufacturing | 151.9 | 152.8 | 1.0 | .3 | .0 | .5 | .6 | 3.3 |
| Durable | 142.4 | 143.6 | .9 | .6 | −.6 | 1.3 | .8 | 3.8 |
| Nondurable | 165.6 | 166.2 | 1.0 | .1 | .7 | −.4 | .4 | 2.8 |
| Mining | 142.9 | 135.9 | 2.4 | 1.3 | 1.1 | .1 | −4.9 | 2.1 |
| Utilities | 169.3 | 170.2 | −.7 | .4 | −1.7 | .7 | .5 | .7 |

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

two preceding months. Output of energy materials excluding coal was about unchanged; including coal, it declined 4.5 percent.

In industry groupings, manufacturing output increased 0.6 percent in April, after a similar rise in March. Durable goods manufacturing advanced 0.8 percent in April, reflecting rises in production of machinery, fabricated metals, and autos and related parts. Production by nondurable goods industries increased 0.4 percent, after a decline of that magnitude in March. Mining output fell almost 5 percent because of the coal strike. Output of utilities increased 0.5 percent in April.

# Statements to Congress

*Statement by Frederick H. Schultz, Vice Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, April 28, 1981.*

It is a pleasure to appear before this committee to discuss briefly the condition of the banking system, to make some general remarks about the regulation of banking, and to present the Federal Reserve Board's views concerning recently enacted statutes affecting the banking industry.

As you know, quite a number of major pieces of banking legislation have been enacted into law over the past several years. Some of these new laws are already having a far-reaching effect on financial institutions and will cause even greater changes in the years ahead. Others will have less dramatic impact on the structure of our financial system, but will affect, on an ongoing basis, the day-to-day conduct of business. It is, of course, not possible to assess fully the impact of these laws at this early date. However, we can provide some general thoughts on our experience and can identify some areas where adjustments may be needed. This discussion appears in the appendix.[1] I will confine my remarks to the condition of the banking system and the general—and very difficult—issue of the appropriate extent of government regulation of banking.

## *Condition of the Banking System*

During the past year or so, commercial banks have had to operate in a particularly difficult economic and financial environment. In the spring of last year, the economy was subjected to an unusually sharp recession and a rapid rise in unemployment. While this economic downturn fortunately proved to be short lived, it still left banks with some problem credits. This past year banks also have had to contend with unusually volatile interest rates. These volatile rates have severely tested the ability of bank management to maintain interest margins through a careful balancing of rate-sensitive assets and rate-sensitive liabilities. Banks also have had to cope with the nationwide introduction of interest-bearing negotiable order of withdrawal (NOW) accounts, as well as a continuing shift from low-cost savings deposits to much higher-cost money market certificates. Finally, banks have encountered sharply increased competition from money market mutual funds, foreign banks, thrift institutions, and the commercial paper market. This increased competition has tended to put downward pressure on bank profit margins.

Overall, commercial banks appear to have come through these difficult times quite well. The number of bank failures last year was below the level experienced in the mid-1970s, and continues to be well within the acceptable range. Moreover, our examinations of state member banks last year revealed that these banks were in generally good financial condition, with only 2 percent receiving an unsatisfactory overall examination rating. Also, even in the face of the considerable adversity that banks experienced this past year, bank earnings in 1980 reached an all-time high of $14 billion, up 9 percent over 1979.

Amid these generally favorable results, however, several recent unfavorable developments have occurred that should not be ignored. First, evidence exists of some deterioration in the quality of bank loan portfolios. This deterioration was reflected in a 40 percent increase in banks' net loan charge-offs last year. Major factors contributing to higher charge-offs were sizable write-downs of several large corporate credits and a sharp rise in consumer loan defaults. Problems in the consumer credit area are due partly to higher unemployment and heavier

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

debt service burdens, and partly to the recently liberalized personal bankruptcy laws. Some concern has been expressed about the continuing large balance of payments deficits and financing needs of some countries that are already heavily indebted to U.S. or to other banks. Over the near term, loans to several of these countries may have to be rescheduled. However, it should be noted that U.S. bank loan losses in the international area have been relatively low in recent years, and that the exposure of U.S. banks to developing countries that are not members of the Organization of Petroleum Exporting Countries, relative to their capital, has not increased significantly in the last several years. All in all, given the continuing high level of consumer bankruptcies and the financial problems experienced by some relatively large as well as small businesses, it seems possible that loan losses this year may well equal or exceed the 1980 experience.

A second area of concern is the continuing attrition in the capital ratios of many of our largest banks. This downtrend, while apparently slowing, has continued with little interruption for the last decade or so. Though earnings capacity provides the first line of defense against unexpected asset problems, shrinking capital ratios also mean that a smaller cushion exists to absorb large losses and protect those who have supplied funds—many in amounts well above insurance protection by the Federal Deposit Insurance Corporation—to these large banks. Given the difficult economic and financial environment, the Board believes that further declines in the already low capital ratios of large banks generally must be resisted as a matter of regulatory policy. Indeed, we should strive for some improvement over the next few years.

It is, of course, difficult for many banking organizations to go to the equity capital markets in view of the depressed stock prices relative to book value. However, these banks have a number of ways to improve their capital ratios—including slowing down their rate of growth. This deceleration not only would improve capital ratios but also would tend to dissuade banks from extending credit to more marginal borrowers at questionable spreads. I might also add that a deceleration in asset expansion by the large banks would be consistent with the national goal of getting our inflation under control.

### *Thrift Industry Problems*

Your letter of invitation also requested information on the problems currently faced by thrift institutions. The Federal Reserve's primary supervisory responsibility, of course, is with commercial banks, and I am sure that the other regulators here today will provide much information on the current and prospective state of the thrift institutions. I would note only that the high level of interest rates induced by inflation in combination with large amounts of low-rate, long-term assets on the books of many of these institutions has brought deteriorating earnings for thrift institutions in 1980 and so far in 1981. As market interest rates have risen, virtually all of the deposit growth at these institutions has been in the form of instruments whose rates are tied to market rates. Deposit costs have consequently risen sharply, leading first to reduced earnings and, most recently, to outright operating losses for a good many institutions. In the meantime, thrift institutions, in the aggregate, have maintained relatively strong liquid asset holdings, in part to minimize operating losses given downward sloping yield curves, and in particular to bolster liquidity in the event that deposit outflows were to occur.

Thus, although deposit inflows to the thrift institutions have slowed in recent months, the basic problem facing the industry is still earnings rather than liquidity. This earnings pressure primarily reflects the mismatch in the asset liability structure of thrift institutions, and the pressure will be lessened only by slowing inflation or by a basic restructuring of thrift institution asset portfolios, both of which will take some time. The Federal Reserve, the other regulatory agencies, and the administration have been discussing ways of dealing with any particular problems that may arise during the period ahead, including legislative changes that may be necessary to assure that the appropriate regulatory agencies have fully adequate power.

### *The Problem of Banking Regulation*

A general perception exists, which I share to a considerable degree, that the regulation of financial institutions has become too pervasive and that the cumulative effect of the numerous specific laws and regulations—each well intentioned—has become so burdensome as to raise questions as to whether the effects on competition and efficiency are not counterproductive. Some danger exists that worst-case effects may be cited from time to time as justification for elimination of regulation that truly fulfills a legitimate purpose. Nevertheless, I am concerned that we may have gone too far in certain areas, and have not adequately focused on the full extent of the government regulations that apply to an individual institution. We also may need to appraise realistically the new competitive forces arising in the marketplace and consider whether some of the historic restrictions on banking activity are still justified.

Even a small bank, for example, is covered not only by rules of the banking agencies, but it would also be subject to regulations issued by the Treasury Department, the Labor Department, the Department of Housing and Urban Development, the Department of Health and Human Services, the Securities and Exchange Commission, and at least 10 other federal agencies. It may also be subject to various state and local ordinances.

Of course, the bank is only theoretically subject to some of these rules because it may not be engaging in all the particular practices that they address. But even if a particular rule has little relevance to the bank's operations, someone must determine this and in some cases must monitor the bank to insure that some change in its operations does not subject it to the rule. Even if the bank's operations do not change, the federal rules are very likely to. Most federal regulations are amended from time to time—and some quite often. By our count, a small national bank received more than 100 pieces of proposed or final regulatory material last year from the banking agencies alone. In summary, we have probably placed burdens on some institutions—particularly small ones—that they cannot adequately shoulder.

The regulatory problem probably begins with our fundamental approach to new rules. In general, we tend to focus on each one in isolation. When new laws are considered, the burden of each statute is evaluated—often quite thoroughly, but nearly always separately rather than in the total context of existing government requirements. Each of these laws, taken on its own, has seemed reasonable, responsive to a general problem, and not overly costly. But the effects have been cumulative, and adding one seemingly manageable burden on top of another has created a regulatory burden that may, in the aggregate, not be manageable, particularly for smaller and medium-sized institutions.

The problem is the same one that for years plagued the budget process when each appropriation was considered separately. In calling for individual appropriations of business resources to government regulations, we have not been mindful enough of the limits on the total available resource budget. In the future, we will need to make sure that we examine new proposals in the total context of the aggregate regulatory burden now being carried—and we must be certain that in attacking one admitted problem, or in responding to the concerns of one constituency, we are not imposing across-the-board burdens at a cost that outweighs the benefits of the rule.

### *Possible New Approaches*

We will also need to search more diligently for new ideas for the administration of regulations and be prepared to rely on alternatives—most fundamentally the competition that often can provide the needed discipline now provided by government rules. Without necessarily endorsing them, let me mention a few ideas that the committee might wish to explore as a legislative response to the problem.

The fact that no orderly process exists to review and evaluate periodically the current body of banking law surely contributes to the regulatory problem. One possible approach would be to set a firm schedule for reviewing—statute by statute—the entire body of banking law. Specific expiration dates might even be attached to some, but certainly not all, provisions. Although the Board has serious reservations about any across-the-board sunset provisions that would create uncertainty in the implementation of monetary policy, oversight of the Federal Reserve Banks, or supervision of member banks or bank holding companies, even these laws could benefit from reexamination according to a set schedule.

The designated review might be coupled with the call for a regulatory impact study before the review date—a time, in fact, more appropriate than the current timing of such studies, which is generally before enactment of the implementing regulation and therefore usually before the availability of any real data on operational costs.

Another technique that might be considered would be to have the Congress attach a specific authorization to certain provisions of law giving the rulewriting agency the power to suspend the provision on an experimental basis. The agency could act if it believed that the congressional purpose behind the statute was likely to be generally met without continuing a particular government requirement. Such an authorization might be attached to existing legislation when the Congress thought that it would be premature, and perhaps unwise, to totally repeal legislation but when there were some doubts about its necessity. Acting under such authority, the agency might suspend particular provisions long enough to see whether the "right" behavior would continue without the cost and rigidity of the governmental mandate. Should this not be the case, the provision could then be reimposed.

Since the burden of regulation falls most heavily on small institutions, special attention needs to be given to this area. The Congress probably should consider authorizing special treatment—or even exemptions—more frequently for small institutions in connection with new legislation. Existing statutes should also be reviewed to explore the possibility of adding such provisions. Not all legislation, by any means, will lend itself to such an approach, but certainly there are possibilities. We have identified one with regard to the Monetary Control Act—a small-institution exemption. We previously have suggested to this committee that a small-business exemption be provided in the Home Mortgage Disclosure Act by refocusing the current $10 million exemption from a *total asset* test to a *mortgage portfolio* test (coupled with provisions to require reporting by large institutions—say, more than $100 million in assets—regardless of the size of the portfolio).

Finally, one of the continuing problems—particularly in consumer legislation—is the overlap of state and federal law that covers the same subject. The Board is well aware that a bolder approach to federal preemption in the consumer credit field runs counter to some of the current sentiment for less federal involvement in local matters. One response, of course, would be for federal authorities to refrain from legislating in certain areas, or to withdraw from some areas in which it has legislated, leaving consumer regulation solely to the states. The defect in this approach is the damage it would do to the nationwide comparability of credit terms, and the increased compliance burdens this might place, in some cases, on interstate business. While the issue is certainly a complex one, and would require careful study, the Board believes that it may be time to consider a more sweeping preemption of state consumer laws in the areas in which the Congress has chosen to regulate.

Any rethinking of the proper approach to regulation must take account of the increased competition we now see developing among banks, between banks and other financial institutions, and between banks and nonbanks that are offering expanded financial services. The Depository Institutions Deregulation and Monetary Control Act has radically changed the possibility for "regulation" through the pressures of a competitive marketplace rather than government action. It allows both banks and thrift institutions to offer checkable interest-bearing accounts to consumers; it broadens the range of permissible lending activities for thrift institutions; and it provides for the dismantling of interest-rate ceilings. It has increased the number of institutions offering bank-like services to consumers from about 14,000 to about 40,000. In doing so it has raised new questions about whether all the historic limits on branching by banks and thrift institutions, the chartering of new depository institutions, and mergers and acquisitions are appropriate, and whether they too should be reexamined with an eye to further intensifying the competitive environment.

Competition to attract deposits, to make loans, and to provide other financial products will encourage the provision of services and information that many bank customers need and are willing to pay for. Competition will not insure perfect results, as measured relative to some ideal, but neither does regulation. Competition itself may offer results that are acceptable when measured against the cost and imperfect success of government-regulated behavior, particularly when the benefits from freedom-induced innovation over time are taken into account. If enough customers of all types are willing to pay for a service or disclosure, some institution will probably try to enhance its competitive position by offering such a service. This has been the case, for example, with the provision of credit documents in "plain English," which in several localities preceded the mandatory introduction of the requirement.

### *The Proper Role of Regulation*

Although we have reached a point where we must be rigorous in examining the need for all the various regulations—and must explore the possibility of less costly alternatives—we must not lose sight of the important objectives that prompted many of the rules under which financial institutions operate. Many regulations serve legitimate—even vital—functions that the Congress has decided could not be served in any other way. These laws and regulations create rights and provide protections that we cannot otherwise be assured of having. Our banking regulations, like all regulations, set a minimum standard of conduct that we expect of our depository institutions. It may be that good business practice, or a sense of fairness, would induce the same behavior on the part of the vast majority of institutions without the burdensome costs of some of these rules. Much of the debate about deregulation will undoubtedly be spent speculating about whether government rules are truly needed. But none of us can say for sure that "fairness" or "common sense" or "good business"—or even more vigorous competition—will give us the benefits that regulation, for all its burdens, now insures for us. There is no question that financial institutions are carrying a heavy load of regulations, but we must not be too quick to assume that because the burden at times is heavy, all of it is necessarily uncalled for.

Banking has been a highly regulated industry because of the unique role banks play in the economy. The structure of that regulation has been evolving for more than 100 years. Because they have been directed to quite different objectives, the statutory and regulatory constraints have taken a variety of forms. They can be broken down roughly into four categories.

First are the limits on market entry, and product and geographic diversification, which have long been a part of the banking landscape. These restrictions were designed to implement the historic separation of banking and commerce (and of banking and investment banking), which has been the cornerstone of our approach to banking in this country. In addition, these restrictions have sought to protect local markets and local institutions from competition, which was perceived to be adverse; they are found in the National Bank, Glass-Steagall, and Bank Holding Company Acts—most recently in the International Banking Act—and in other bedrock pieces of banking legislation. Regulation Q restraints, which were extended to protect thrift institutions and to promote the flow of funds to housing at low rates in the mid-1960s, might also be considered to be in this category. The Depository Institutions Deregulation Act has, of course, set in motion a gradual phaseout of this last deposit regulation.

Although the Board does not foresee any need to question the underlying premise that banking and true commerce should be separated, certain events—like the phenomenal growth of money market funds and the recent large, hybrid financial marriages—compel a reexamination of some of our traditional notions of what constraints should be placed on the banking industry's ability to offer a broad array of financial services. In addition, it is time to give serious consideration to whether all the geographic restrictions on the banking industry, which were enacted in a far different economic environment, are still suitable today—particularly given the nationwide presence of some nonbank competitors.

The second general category of banking regulation might be termed the "prudential" regulations. These laws are designed to insure the safety and soundness of financial institutions. They include many of the restrictions found in the National Bank Act, the Federal Reserve Act, and the Federal Deposit Insurance Act. The provisions in the Financial Institutions Regulatory and Interest Rate Control Act (FIRA) dealing with such matters as insider loans, overdrafts, and the misuse of correspondent relationships also fall within this category. In general, we do not foresee the need for a major overhaul of the safety and soundness requirements, although we have identified some of the more technical changes that could improve some titles of FIRA.

The third category of regulation includes the legislation imposing reserve requirements and related restrictions to facilitate the conduct of monetary policy. Our most recent embodiment of this is, of course, the Monetary Control Act, which has considerably expanded the relationship between the Federal Reserve and the nation's financial institutions. In the rapidly changing environment we are in, we will need to observe developments very closely to determine if any changes should be made to this legislation, other than possibly an exemption of small institutions from reserve requirements.

Fourth is the large body of consumer protection legislation of the past decade, which was passed to insure important consumer rights and to deal with the perceived inequities in the provision of financial services to women, minorities, and low- and moderate-income individuals. We have recently concluded a major revision of the Truth in Lending regulations, pursuant to the Truth in Lending Simplification and Reform Act, which we believe will improve substantially one of the major categories of consumer regulations. Some other possibilities for change may also be worth exploring—for example, in the Electronic Fund Transfer Act.

This has been, of course, the briefest overview. All of the possible changes I have touched on would need to be examined in some detail, and we would, of course, be pleased to participate in that effort. In the appendix we have focused more specifically on our experience with recent legislation. In some cases, we have made specific suggestions for improvement. We would welcome the committee's guidance on its priorities for legislative review, and I can assure you of our full cooperation in that process. □

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*Statement by Nancy H. Teeters, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, April 30, 1981.*

It is a pleasure to be here to present the Federal Reserve Board's view on the budgeting and control of federally assisted credit. This is a particularly propitious time to consider such programs. Given the serious inflation problem currently plaguing our nation, it is imperative that growth in money and credit be held to a moderate pace. And thus, within this context, every effort must be made to insure that federal credit as well as federal spending is carefully evaluated and appropriately constrained in order to avoid creating serious dislocations in financial markets.

Wide public recognition now exists of the need to impose effective discipline over the budget. This is reflected in the strong support that has been given to the President's proposed spending cuts. The need to impose tighter controls on federal credit programs, on the other hand, has attracted less public attention. Two basic reasons for this lack of attention exist, I believe. First, the economic impacts of federal credit programs are not generally well understood. Second, even though a credit control system and a credit budget are now published in the budget documents and reviewed by the Congress, they still receive relatively little publicity compared with that given to unified budget outlays. As a result, the public is not so acutely aware of the recent rapid growth of such programs.

## *Growth of Federal Credit Programs*

As you know, Mr. Chairman, federal credit programs have expanded enormously, both in amount and in scope in recent years. Direct loans and loan guarantees outstanding, for example, are projected to total more than \$540 billion in the fiscal year ending this September. This amount is nearly triple the \$190 billion level reached just 10 years ago. In addition, loans held by government-sponsored agencies now are projected to run about \$170 billion at the end of fiscal year 1981, up $20 billion from last year and more than four times the level of 10 years earlier. Federal credit activities, moreover, are projected to continue growing rapidly in the years ahead. The January budget projected that net credit advanced under federal auspices—direct, guaranteed, and sponsored—would total more than $100 billion during fiscal year 1982. The new administration has announced its intention to reduce this growth. Even so, if total credit flows in the coming years were to roughly match those of the past year, funds obtained under federal credit assistance will account for more than one-fourth of the total net funds raised by nonfinancial borrowers.

The widening range of economic activities assisted by federal programs is also noteworthy. In the late 1950s, the home mortgage guarantee programs of the Federal Housing Administration (FHA) and the Veterans Administration (VA) accounted for 90 percent of the total volume outstanding of guaranteed and insured loans. This proportion has since trended down and is expected to reach about 73 percent at the end of the fiscal year, mainly because of an expansion of loan guarantees into new areas—such as military sales and student loans.

The provision of federal credit assistance through direct loans and loan guarantees to achieve particular social and economic objectives has been widely recognized as a legitimate and valuable activity. Many credit programs originally were established to correct imperfections in capital markets that denied credit to some groups or made its cost prohibitive. For example, the FHA-insured loan programs were devised during the Great Depression to reduce the risks perceived by lenders. By pooling risks across a large number of loans issued in a standard fashion, the government program encouraged private lenders to advance credit at a lower cost to borrowers and on less restrictive terms than would otherwise have been possible. Over time, these more liberal terms gained general acceptance among all types of private lenders.

Many other federal credit assistance programs have been introduced over subsequent years to foster social objectives. Increasingly, these programs have involved substantial interest subsidies. According to estimates by the Office of Management and Budget, the present value of the interest subsidy on new direct loan obligations and commitments to guarantee loans in the current fiscal year will amount to almost $27 billion. In contrast to the home mortgage area, moreover, the default rate in some of these programs—such as student loans and assistance for low-income housing—has been comparatively high. Thus, the government has had to absorb sizable default losses in addition to providing a very large interest rate subsidy to borrowers. In the past few years, the federal government has also guaranteed sizable loans—that carry a large potential for default—to corporate and municipal borrowers.

### *Impacts of Federal Credit Programs*

Since the general purpose of federal credit programs, obviously, is to enable individual borrowers or groups of borrowers to obtain credit that would otherwise be unavailable to them or only available at a higher cost, it follows that these programs will generally tend to increase credit use by program beneficiaries and to reduce the availability of credit to others. The extent to which "crowding out" takes place, however, depends importantly on the state of conditions in the economy and financial markets. During recessionary periods when credit supplies are readily available, credit assistance may work mainly to enable borrowers to obtain additional funds that can be used to increase demands for goods or services.

Thus, in these periods the net result of such programs may, to a great extent, promote a more intense use of resources and an expansion in economic activity rather than a transfer of credit (and resulting effective demand) from one borrower to another. In times when less slack exists in resource utilization and credit market conditions are relatively tight, however, a much greater tendency exists for credit extended under federal auspices to channel loanable funds, and therefore command over real resources, toward assisted borrowers and away from others. In other words, just as private borrowers can, at times, be crowded out of credit markets when federal outlays are financed through the issuance of Treasury debt, so can they when selected borrowers obtain loans with the assistance of the federal government.

That last comparison is worth further consideration because it demonstrates that federal credit assistance, in some cases, serves as a close substitute for debt-financed federal spending. Consider, for example, a situation in which the Congress was contemplating expanding the program in which the federal government guarantees debt issued by state and local authorities who then use the proceeds to provide low-cost housing to the poor. Many of the end results of such an expansion would be quite similar to those that would be observed if the federal government were, alternatively, to increase its direct spending to undertake the construction of the rental units and were then to rent space on a subsidized basis. Note that under either approach construction funds would be provided by private investors either through the acquisition of federally guaranteed securities or by acquiring more Treasury securities than otherwise; the same essential type and volume of productive resources would be used to construct the rental units; and low-income families would be provided with better housing than they are otherwise able to obtain. While stressing basic similarities, however, I should also note some important differences. The most important is that loans must be paid back. In addition, responsibility for construction of the rental units and for the subsequent supervision of their operation is vested with state and local governments under the credit programs and thus important advantages, gained by familiarity with local conditions, are probably obtained. On the other hand, interest paid on the debt instruments issued by states and localities under the program is not subject to federal tax as it would be on a direct debt issue of the federal government, so that net tax revenues are reduced.

Of course, other credit programs have much less similarity to noncredit federal spending. For example, homebuyers who take out mortgages under federal guarantees could, in most instances, obtain private credit without the guarantee, albeit at a slightly higher rate. Providing roughly equivalent assistance through direct federal spending in this case would require the federal government to give homebuyers only a modest interest subsidy. The small size of this subsidy indicates that net demands on real resources and credit markets are relatively little affected by the guarantee program. Many cases obviously fall somewhere between these two extremes. Compare the effects of direct federal loans and outright grants-in-aid. In both cases beneficiaries gain immediate command over goods and services. But the major difference between the two approaches—that in the case of the loan the government obtains a claim on the beneficiary while it does not with the grant—is an important distinction. It is, of course, a distinction without substance in those cases when the borrower defaults.

In general, those credit programs that, when carefully analyzed, have characteristics most closely analogous with those produced by federal outlays will also tend to have similar impacts on total spending in the economy and on credit market pressures in the short run. The closeness of the analogy, moreover, appears to depend less on whether the aid in question is provided through direct loans or loan guarantees than on such things as creditworthiness of beneficiaries, the size and riskiness of the undertaking, and the relative ability of the beneficiaries to tap private credit sources on their own.

Nevertheless, it should be clear that *all* credit programs, to a greater or lesser degree, have the potential to affect the size and composition of demands for goods and services in the economy, to realign the flow of credit funds in the economy, and to add to strains on credit markets. Accordingly, these programs should be given the same careful attention that the Congress devotes to on-budget federal spending.

## *Budgetary Control of Federal Credit Activities*

As you know, Mr. Chairman, congressional review and control of federal credit activities have been evolving over time. The utilization of the "unified budget" concept, beginning with the 1969 budget, is one notable watershed. At that time, the government adopted for *control* purposes a budget framework that was, in most respects, a cash accounting system. In making this choice, it decided (after considerable debate) to include the net outlays of all direct lending programs on the budget. This new approach, however, was uncomfortably silent on how federal loan guarantees were to be treated. In the early 1970s, moreover, there was some backsliding from the comprehensive coverage of the unified budget, as a number of agencies were removed from the budget and newly established agencies were accorded off-budget status.

In 1974, largely because of the trend to move agencies off the budget, the Federal Financing Bank (FFB) was established to help rationalize the procedures used by federal agencies in raising funds to finance their activities. Before this innovation, various agencies of the federal government had been issuing their own securities. This activity created problems for the Treasury in monitoring and controlling the timing of federal borrowing and tended at times to generate congestion in the market for federally related securities. Moreover, the multiplicity of agency issues created problems for the investing public in interpreting the status and creditworthiness of the various securities. These problems thus tended to raise interest costs for borrowing agencies and possibly also for the Treasury.

The advantage gained through creation of the FFB, however, had an unfortunate side effect. Since the FFB's activities have been off-budget from the outset, its acquisition of loans is not reflected on the budget. Accordingly, the budgetary scrutiny intended to apply to direct loan programs as a result of the comprehensive coverage of the unified budget tended to be eroded. Furthermore, agencies that made direct, on-budget loans to the public were able to sell these loans to the FFB and thereby were able to extend new loans without constraint.

In the past five years, a number of important steps have been taken to make coverage of the unified budget more comprehensive and to improve controls of credit programs. Some agencies previously removed from the budget have been returned. And payments to some off-budget federal enterprises (for example, the U.S. Railway Association and the Synthetic Fuels Corporation) have been reflected in the unified budget.

In addition to these incremental improvements in budget coverage, major strides have also been taken in the development of a separate credit budget process to parallel the unified budget. In the past two years, totals have been calculated and presented in the budget for gross new direct loan obligations and new loan guarantee commitments. Also components of the credit budget total have been shown in respective budget functions and have been subdivided by agency and program in the special analysis accompanying the budget and in the budget appendix. One result of this innovation is that loan guarantee programs, even though they involve no immediate direct cash outlays, are now given much more detailed attention, and all direct loan programs are more carefully reviewed regardless of on-budget or off-budget status. Also, the outlays of the FFB (direct loans and loan-asset purchases) are now attributed to the originating agency, which in my view eliminates the tendency for the operation of the agency to obscure the nature of credit programs.

Moreover, the Congress, in addition to focusing on net changes in federally assisted credit, now gives much greater attention to the gross volume of new loan extensions and guarantee commitments, and this gives a clearer picture of the magnitude of these programs. A final important step taken by the Congress last year was to have the budget resolutions include target ceilings for total new obligations and total new guarantee commitments and to distribute these totals by budget function.

Both the past and the current administrations have also proposed that a substantial proportion of the credit budget totals be made subject to annual appropriations limitations. The January budget proposed that 63.8 percent of the credit budget for fiscal year 1982 be so limited. Those programs exempted are limited to the following: unambiguous entitlements that cannot be effectively limited by appropriations; programs that provide for unforeseeable contingencies, such as deposit insurance; guarantees of certificates of beneficial ownership that are sold by the Farmers Home Administration and Rural Electrification Administration; and a catchall of programs, such as export promotion loans by the Commodity Credit Corporation, that the last administration believed inappropriate for curtailment due to economic circumstances. That final area of exemption, in particular, deserves careful evaluation by the Congress.

Broadening the coverage of the unified budget and the formulation of a separate but parallel credit budget set the stage for a number of further steps in implementing an effective process to bring credit programs under systematic review and control. As you noted in your letter to me, Mr. Chairman, legislation has been proposed by Congressmen Mineta and Bethune to formalize the credit budget process implemented on an experimental basis last year. This bill would amend the Budget Act to apply to the credit budget the same enforcement procedures and legislative timetables that apply to the rest of the budget. The Board of Governors, in general, enthusiastically endorses the establishment of these formal procedures. The Board's view, however, is that the section of this bill pertaining to appropriations limitations should be modified. Limitations are, of course, central to the budgetary control process proposed by the previous administration and endorsed by the present administration. However, exemption of at least some emergency assistance and entitlement programs appears warranted, and the Board suggests that all such programs continue to be exempted from appropriations limitations at least until more experience is gained with the new budget process.

*OTHER ISSUES*

While much progress has been made recently in developing effective procedures for review and control of federally assisted credit, many issues remain. Although the magnitude of all credit activities should be made explicit in the credit budget, the issue remains as to whether or to what extent these activities should also be reflected in the unified budget. As discussed earlier, some direct loans have characteristics similar to government purchases and, accordingly, might logically be included in the unified budget. Also, some loans for which repayment is far from certain, such as for foreign security assistance, might be treated as direct grants.

Because all direct loans involve an outlay of cash, it could be argued that they should be placed uniformly on the unified budget. For many programs, however, such as those that channel funds to students, veterans, and housing, an estimate of the implicit and explicit interest subsidy provided by the program might serve better in the unified budget. If most loan programs are of this latter type, placing all direct loan programs only in the separate credit budget might be preferable. I have no fixed view on this question. I do feel strongly, however, that as a practical matter the current haphazard treatment of direct loans, with some reflected on the unified budget and others not, should be ended. Either all direct loans of federal agencies should be included in the unified budget or none should be so included. In the latter case a comprehensive and enforceable credit budget would be even more important.

The same set of considerations also applies to federal loan guarantees. Many of these programs are not operated on an actuarially sound basis and involve an element of subsidy (because the premiums charged by the government for insuring the loans are set below the levels required to cover operating costs and expected losses). Moreover, some guarantee programs charge no insurance premiums at all. For all of these programs, it would be appropriate to include an estimate of the potential subsidy or expected future outlay in the unified budget. In the case of other programs, however, which are run on an actuarially sound basis, such as FHA insurance or VA loan guarantees, no entry at all need be made on the unified budget. The appropriate classification of guarantee programs needs to be carefully studied and resolved.

With regard to your proposal to put the Federal Financing Bank on the budget, Mr. Chairman, the Board does not see any compelling arguments for such treatment. In essence, the function of the FFB is to serve as an intermediary to assist other credit programs that are responsible for effects on the economy. Resolution of the other on-budget–off-budget issues that I have just discussed and a tight credit budget procedure should achieve many of the objectives that I expect you intended to accomplish. The Board's view is further based on the recognition that current budget procedures require that all loans acquired by the bank be attributed back to the agency originating the transaction and the supposition that these procedures will be continued. Since these procedures eliminate the problem of not giving proper accountability to federal credit programs, leaving the FFB itself off the budget seems appropriate.

Another thorny issue related to budgetary control of federal credit programs is the treatment of transactions that have substantial credit elements such as lease or price guarantees. Price guarantees, for example, involve a contingent liability on the part of the federal government and very likely affect the terms on which a private beneficiary can obtain credit. Thus, they are very similar to loan guarantees, and further analysis should be directed to the subject of their treatment in regard to the credit budget.

Further work also needs to be done to determine the best approach for achieving certain desired objectives. That is, whether direct spending (grants) or direct loans, or loan guarantees or beneficial tax treatment (tax expenditures), can most effectively achieve a particular program objective. The congressional budget process that has been developing since the Budget Act of 1974 and that is now being augmented by the credit budget has the great advantage of distributing by budget function all of these types of federal activities. Thus, this type of comparison is encouraged and it should be actively pursued.

In addition, two other lines of inquiry seem important. First, by how much does the enhanced availability of credit and the implicit or explicit subsidy associated with a given credit program actually increase private sector spending? Analyses of this question have been undertaken in some areas but not in others, and little comprehensive literature and professional consensus on these issues are available. Putting precise quantitative dimensions on these effects may not be possible, but comparison of the impact of federal credit activities with income maintenance and other "transfer payments" or with federal purchases depends on answers to this question.

Finally, a complex question remains concerning the extent to which funds raised by the federal government and lent directly by the government to the private sector or funds raised directly by the private sector under the auspices of federal guarantees reduce the credit that can be obtained by other borrowers. The answer to this question is important for assessing such allocational issues as whether, for example, federal credit programs supporting housing or agriculture reduce the availability of credit for business capital investment. And ultimately, the effect of federal credit programs, in the aggregate, on total spending in the economy depends on the answer.

When I appeared before the Senate Committee on Banking, Housing, and Urban Affairs a little over two years ago, I concluded my remarks by calling for the establishment of a new budget commission that would be charged with the responsibility of carefully analyzing and, it is hoped, effectively resolving all of the unanswered questions pertaining to proper accounting and control of federal credit programs. In my view the passage of time has not reduced the advisability of establishing such a commission. Fully unambiguous answers to some of these questions may not be possible, but a systematic analysis would clarify many confusions and would provide some guidance on reasonable courses to pursue in dealing with credit programs. □

# Announcements

## *Change in Discount Rate*

The Federal Reserve Board announced, effective May 5, 1981, an increase in the basic discount rate from 13 percent to 14 percent and raised the surcharge that applies to large, frequent borrowers from 3 to 4 percentage points.

These actions were taken in light of the current levels in short-term market interest rates and the need to maintain restraint in the monetary and credit aggregates.

In approving the increases, the Board acted on requests from the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco, and effective May 8, 1981, Chicago. The discount rate is the interest rate that is charged for borrowings from the district Federal Reserve Banks. The surcharge applies only to borrowings for short-term adjustment credit by institutions with deposits of $500 million or more. It is charged when discount borrowing occurs in two or more successive weeks in a calendar quarter or when borrowing takes place in more than four weeks in a calendar quarter.

## *Regulation D: Amendment*

The Federal Reserve Board has amended its Regulation D (Reserve Requirements of Depository Institutions) to exempt from reserve requirements certain kinds of time deposits representing funds of deferred compensation plans, effective April 30, 1981. Deferred compensation plans allow delayed receipt of presently earned income to a future time, and thus the Board's action is expected to result in more even application of reserve requirements to time deposits representing retirement income.

The exemption is for nontransferable time deposits held by an employer as part of an unfunded deferred compensation plan established in conformity with subtitle D of the Internal Revenue Act of 1978. Under the Board's ruling, such time deposits will be regarded as personal time deposits and consequently will be free of reserve requirements. Previously, time deposits representing unfunded deferred compensation plans had been regarded as nonpersonal time deposits subject to reserve requirements. An unfunded deferred compensation plan is one in which the deposits are held by the employer rather than being placed in a trust or being similarly "funded."

## *Deferral of Reserve Requirements*

The Federal Reserve Board has extended for six months the deferral of reserve requirements for nonmember depository institutions with total deposits of less than $2 million.

The Monetary Control Act of 1980 made certain deposits of nonmember as well as member depository institutions subject to federal reserve requirements. To lessen the burden for very small institutions and in view of operational considerations, the Board deferred until May 1981, and now until November 1981, reserve requirements for institutions with less than $2 million total deposits, as of December 31, 1979. The Board extended the deferral period to provide the Reserve Banks with additional time for implementation of the Monetary Control Act.

Institutions now deferred whose deposits grew by the end of 1980 to $15 million or more must begin to report deposits for the seven-day reserve computation period beginning May 21, 1981, and maintain reserves during the seven-day period beginning June 4, 1981.

The deferral affects nearly 18,000 depository institutions, including about 17,000 credit unions. These institutions are estimated to hold ½ to 1 percent of all deposits. Those offering transaction accounts or nonpersonal time deposits are subject to reserve requirements.

The Board indicated that it likely will seek, in the near future, authorization from the Congress to establish a permanent exemption from reserve requirements for smaller depository institutions.

### *Proposed Actions*

The Federal Reserve Board has proposed an interpretation of its rules to clarify which depositors are eligible to hold interest-bearing checking accounts at member banks. The Board asked for comment by June 15, 1981.

The Federal Reserve Board has proposed four amendments of its Regulation J (Collection of Checks and Other Items and Transfers of Funds) to implement portions of the Monetary Control Act of 1980 and to make certain technical changes. The Board requested comment by June 19, 1981.

### *Quarterly Release on Agricultural Finance*

The *Agricultural Finance Databook—Quarterly Series* is now available for general distribution. Designated statistical release E.15 (125), it will be dated January, April, July, and October, and issued in the following month. The *Databook* presents national data on outstanding farm debt; the farm lending operations and experience of the production credit associations, federal land banks, and life insurance companies; interest rates and other terms of bank lending to farmers; and farm income and expenses. In addition, it includes data from the regional quarterly surveys of agricultural credit conditions made by the Federal Reserve Banks of Richmond, Chicago, Minneapolis, Kansas City, and Dallas.

The *Databook* is designed to facilitate analysis of current developments in agricultural finance. Historical data are provided for up to 20 years, if available, permitting ready comparison of current cyclical or other developments with those of past periods. Numerous quarterly and annual changes, percentage distributions, moving averages, and analytical ratios are included. Some series are also shown on a seasonally adjusted basis.

Individuals and organizations that have already been receiving the *Databook*, or that received the April 1981 issue, will remain on the new distribution list. Others may obtain the April issue or may be added to the distribution list by contacting Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

### *Policy Statement on Income from Sale of Credit Life Insurance*

The Federal Reserve Board has adopted a policy statement generally prohibiting employees, officers, directors, or others associated with a state member bank from profiting personally from the sale of life insurance in connection with loans made by the bank.

The policy adopted by the Board, effective May 1, 1981, calls for such income to be credited to the bank, or alternatively to a bank holding company or other affiliate of the bank so long as the bank receives reasonable compensation for its role in selling the insurance.

The policy permits state member banks to allow their employees and officers to participate in the income under a bonus or incentive plan not to exceed more than 5 percent of the recipient's annual salary. The policy statement calls for compliance within two years unless there is a further delay for clearly demonstrated hardship.

The policy statement, which was recommended to the Board and to the other federal regulators of financial institutions represented on the Council by the Federal Financial Institutions Examination Council, follows:

> For the purposes of helping to preserve the safety and soundness of financial institutions, the Board of Governors of the Federal Reserve System establishes the policies set forth below on the disposition of income[1] from the sale of credit life, health and accident, and mortgage life insurance (credit life insurance) related to loans made by state member banks.
>
> 1. Individual employees, officers, directors, and principal shareholders of a state member bank should not personally profit by retaining commissions or other income from the sale of credit life insurance to the institution's loan customers. However, employees and officers may participate in a bonus or incentive

1. "Income" includes commissions and experience-rating credits; it does not refer to that portion of the premium required to cover the underwriting risk.

plan under which payments based in whole or in part on credit life insurance sales are made in cash or in kind out of the state member bank's funds in an amount not exceeding in any one year 5 percent of the recipient's annual salary. Such payments may not be made to employees and officers more often than quarterly.

2. As an accounting and operations matter, income derived from credit life insurance sales to loan customers should be credited to the income accounts of the state member bank and not to the state member bank's individual employees, officers, directors, or principal shareholders, to their interests, or to other affiliates. However, such income may be credited to an affiliate operating under the Bank Holding Company Act or, in the case of an individual shareholder, to a trust for the benefit of all shareholders, provided that the state member bank receives reasonable compensation in recognition of the role played by its personnel, premises, and good will in credit life insurance sales.[2]

3. When state insurance laws or other legal considerations preclude a financial institution from using a particular procedure for selling credit life insurance or from disposing of the income in a particular manner, a state member bank that wishes to provide this service to its loan customers shall seek and utilize an alternative method that complies with paragraphs 1 and 2 above.

4. The proper method for the distribution to shareholders of income derived from credit life insurance is through a declaration of dividends in conformity with law, rule, regulation, and prudent financial practices.

5. State member banks should be in compliance with paragraphs 1 and 2 above within two years following publication in the *Federal Register* of this policy statement. Modifications beyond that time will be granted only when a clear hardship exists and satisfactory assurance is provided that compliance with paragraphs 1 and 2 will be achieved within an appropriate time period.

## *CHANGES IN BOARD STAFF*

The Board of Governors has announced the following changes in its official staff.

*Division of Federal Reserve Bank Operations, effective April 15, 1981.*

Richard B. Green appointed Assistant Director. Formerly the President and Chief Executive Officer of Farmers and Merchants State Bank in Fredericksburg, Virginia, and a consultant to financial institutions, Mr. Green holds a B.A. from Virginia Polytechnic Institute and State University and an M.B.A. from the University of Richmond.

Elliott C. McEntee appointed Assistant Director. Mr. McEntee, who joined the Board's staff in 1973 from the Federal Reserve Bank of New York, holds a B.S. from San Jose State College.

Lorin S. Meeder from Assistant Director to Associate Director.

Raymond L. Teed from Assistant Director to Associate Director.

P. Donald Ring from Assistant Director to Adviser.

*Division of Data Processing*, effective April 27, 1981.

Neal H. Hillerman appointed Assistant Director. Mr. Hillerman, who joined the Board's staff in April 1972, holds a B.S. from the University of Michigan, an M.S. from the University of Maryland, and a Ph.D. from American University.

C. William Schleicher, Jr., appointed Assistant Director. Mr. Schleicher came to the Board in November 1969 from the Federal Reserve Bank of Atlanta; he holds a B.B.A. and an M.B.A. from Ohio University and is a graduate of the Stonier School of Banking.

Bruce M. Beardsley from Associate Director to Deputy Director.

Uyless D. Black from Assistant Director to Associate Director.

## *MONEY STOCK SEASONAL FACTORS*

On May 1, 1981, the Board published updated seasonal adjustment factors for the monetary aggregates. It also revised seasonally adjusted M-1B and the broader monetary aggregates to include other checkable deposits (negotiable order of withdrawal and similar accounts) on a seasonally adjusted rather than a not seasonally adjusted basis. (A description of the revisions appears in the Board's monetary aggregates press release, H.6 (508), dated May 1, 1981.)

Monthly seasonal factors for currency and for deposit components of the monetary aggregates

2. As a general rule, "reasonable compensation" means an amount equivalent to at least 20 percent of the affiliate's net income attributable to the financial institution's credit life insurance sales.

at commercial banks and thrift institutions are shown for 1981 in an accompanying table. In addition, weekly seasonal factors for currency and commercial bank components are shown.

The revised seasonally adjusted data are available on request from the Banking Section, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Money stock seasonal factors, 1981

| Month | Currency | Demand deposit (M1-A component) | Demand and OCD coming from demand | Commercial banks | | | Mutual savings banks | | Savings and loan associations | | | Credit unions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Savings deposits | Small-denomination time deposits | Large-denomination time deposits | Savings deposits | Small-denomination time deposits | Savings deposits | Small-denomination time deposits | Large-denomination time deposits | Net savings deposits |
| Jan. | 9930 | 1 0190 | 1 0190 | 9950 | 9980 | 1 0150 | 9924 | 1 0059 | 9894 | 1 0035 | 9866 | 9918 |
| Feb | 9880 | 9720 | .9720 | 9890 | 1 0060 | 1 0140 | 9861 | 1 0078 | 9810 | 1 0050 | 9820 | 9858 |
| Mar. | .9910 | 9770 | 9770 | 9940 | 1 0060 | 1 0150 | 9938 | 1.0095 | 9896 | 1 0073 | 9855 | 9953 |
| Apr. | 9960 | 1.0150 | 1.0130 | 1.0010 | 1 0040 | 9970 | 9975 | 1.0084 | 9938 | 1 0088 | 9871 | 9989 |
| May | 9960 | 9800 | .9780 | 9970 | 1.0060 | 9960 | 9970 | 1 0019 | 9944 | 1 0013 | .9988 | 9964 |
| June | 1 0000 | .9960 | 9980 | 1.0020 | 1 0050 | 9750 | 1 0050 | .9993 | 1 0048 | 9990 | 1 0070 | 1.0089 |
| July | 1.0050 | 1 0040 | 1 0050 | 1 0090 | 9990 | 9790 | 1 0093 | 9970 | 1 0151 | 9970 | 1 0178 | 1 0133 |
| Aug | 1.0020 | 9910 | 9920 | 1 0080 | 9950 | 9840 | 1 0090 | 9909 | 1 0118 | 9929 | 1 0218 | 1 0049 |
| Sept | .9990 | 1 0000 | 1 0010 | 1 0050 | 9940 | 9870 | 1 0107 | 9873 | 1 0141 | 9911 | 1 0218 | 1 0057 |
| Oct. | 1 0000 | 1.0060 | 1.0070 | 1.0100 | .9970 | 9950 | 1 0072 | 9917 | 1 0135 | 9956 | 1.0110 | 1 0042 |
| Nov. | 1 0080 | 1.0060 | 1 0070 | 9960 | 9930 | 1 0150 | 9962 | 9969 | 1 0001 | 9967 | 9941 | 9976 |
| Dec | 1.0200 | 1.0290 | 1 0290 | 9920 | 9940 | 1 0250 | 9947 | 1 0014 | 9914 | 1 0001 | 9841 | 9966 |

| Week | Currency | Demand deposit (M1-A component) | Demand and OCD coming from demand | Commercial banks | | |
|---|---|---|---|---|---|---|
| | | | | Savings deposits | Small-denomination time deposits | Large-denomination time deposits |
| Jan. 7 | 1 0080 | 1 0620 | 1 0620 | 9988 | 9971 | 1 0134 |
| 14 | 9985 | 1 0400 | 1 0390 | 9981 | 9967 | 1 0143 |
| 21 | 9895 | 1 0130 | 1 0130 | 9949 | 9980 | 1 0160 |
| 28 | 9790 | 9750 | 9760 | 9906 | 9990 | 1 0165 |
| Feb 4 | 9850 | 9870 | 9880 | 9884 | 1 0019 | 1 0140 |
| 11 | 9960 | 9810 | 9810 | 9886 | 1 0049 | 1 0125 |
| 18 | 9920 | 9750 | 9760 | 9890 | 1 0060 | 1 0120 |
| 25 | 9780 | 9520 | .9500 | 9894 | 1 0057 | 1 0127 |
| Mar 4 | .9870 | 9730 | 9730 | 9902 | 1.0050 | 1 0161 |
| 11 | 9990 | 9820 | 9840 | 9925 | 1 0071 | 1 0167 |
| 18 | 9940 | 9840 | 9820 | 9939 | 1 0070 | 1 0136 |
| 25 | 9880 | .9650 | 9650 | 9962 | 1 0055 | 1 0134 |
| Apr 1 | .9860 | 9790 | 9820 | 1 0015 | 1 0041 | 1 0099 |
| 8 | 1 0060 | 1 0130 | 1 0130 | 1 0089 | 1 0032 | 1 0010 |
| 15 | 1 0040 | 1 0310 | 1 0300 | 1 0063 | 1 0030 | 9957 |
| 22 | 9930 | 1 0280 | 1 0250 | 9988 | 1 0047 | 9915 |
| 29 | 9830 | 9940 | 9910 | 9946 | 1 0053 | 9943 |
| May 6 | 1 0000 | .9920 | 9900 | 9949 | 1 0062 | 9947 |
| 13 | 1 0010 | 9830 | 9820 | 9972 | 1 0063 | 9964 |
| 20 | 9950 | 9790 | 9770 | 9992 | 1 0057 | 9979 |
| 27 | .9900 | 9620 | 9600 | 9990 | 1.0056 | 9988 |
| June 3 | 9980 | 9880 | 9890 | 1 0005 | 1 0061 | 9880 |
| 10 | 1 0100 | 1 0010 | 1.0010 | 1 0037 | 1 0062 | 9787 |
| 17 | 1.0020 | 1 0080 | 1 0090 | 1 0033 | 1 0056 | 9737 |
| 24 | .9960 | .9840 | 9860 | 1 0022 | 1 0044 | 9715 |
| July 1 | 9940 | .9970 | 9970 | 1 0041 | 1 0031 | 9761 |
| 8 | 1 0190 | 1 0150 | 1 0150 | 1 0098 | 1 0009 | 9780 |
| 15 | 1 0100 | 1 0190 | 1.0200 | 1 0107 | 9991 | 9764 |
| 22 | 1 0020 | 1.0030 | 1 0030 | 1 0094 | 9984 | .9793 |
| 29 | 9920 | .9810 | 9830 | 1.0072 | 9976 | 9817 |
| Aug. 5 | 1.0040 | 9970 | 9990 | 1 0076 | 9964 | 9799 |
| 12 | 1.0120 | 9980 | 1 0000 | 1 0082 | .9951 | 9837 |
| 19 | 1.0050 | 9950 | 9950 | 1.0070 | 9952 | 9857 |
| 26 | 9940 | .9750 | 9750 | 1.0064 | 9944 | 9876 |
| Sept 2 | .9950 | .9910 | 9920 | 1.0057 | 9942 | 9875 |
| 9 | 1 0120 | 1 0090 | 1 0100 | 1 0071 | 9944 | 9865 |
| 16 | 1 0010 | 1 0200 | 1.0200 | 1.0050 | 9943 | .9854 |
| 23 | .9950 | .9920 | 9920 | 1.0028 | 9953 | 9875 |
| 30 | 9870 | 9810 | 9820 | 1 0050 | 9962 | 9929 |
| Oct 7 | 1.0070 | 1.0160 | 1 0170 | 1.0137 | 9980 | 9942 |
| 14 | 1 0060 | 1.0160 | 1 0180 | 1 0135 | 9996 | 9947 |
| 21 | 9980 | 1 0020 | 1 0030 | 1 0101 | 9978 | 9941 |
| 28 | .9890 | .9880 | 9880 | 1 0059 | 9971 | 9984 |
| Nov 4 | 9990 | 1 0140 | 1 0160 | 1 0007 | 9957 | 1 0029 |
| 11 | 1.0150 | 1 0130 | 1 0140 | 9973 | 9942 | 1 0084 |
| 18 | 1.0090 | 1 0100 | 1 0110 | 9945 | 9927 | 1 0147 |
| 25 | 1.0070 | 9900 | .9890 | 9949 | 9913 | 1.0209 |
| Dec. 2 | 1 0090 | 1 0100 | 1.0120 | 9956 | 9927 | 1.0194 |
| 9 | 1 0230 | 1.0220 | 1 0220 | 9971 | 9926 | 1 0216 |
| 16 | 1.0190 | 1.0310 | 1 0300 | 9951 | 9920 | 1 0236 |
| 23 | 1 0250 | 1 0280 | 1.0290 | 9877 | 9955 | 1.0296 |
| 30 | 1.0160 | 1.0360 | 1 0360 | 9876 | 9960 | 1.0265 |

OCD. Other checkable deposits.

# Legal Developments

*AMENDMENT TO REGULATION D*

*Part 204—Reserve Requirements of Depository Institutions*

## Time Deposits of Deferred Compensation Plans

The Board of Governors of the Federal Reserve System has amended its Regulation D—Reserve Requirements of Depository Institutions (12 CFR Part 204), which imposes federal reserve requirements on depository institutions that maintain transaction accounts or nonpersonal time deposits. Under the amendment, nontransferable time deposits representing funds of deferred compensation plans established pursuant to subtitle D of the Revenue Act of 1978, Pub. L. No. 95-600, 92 Stat. 2763 (1978), will be regarded as personal time deposits, and thus will not be subject to reserve requirements.

Effective April 30, 1981, Section 204.2(f), subparagraph (2) of Regulation D is amended to read as follows:

## Section 204.2—Definitions

* * * * *

(f) * * *

(2) "Nonpersonal time deposit" does not include nontransferable time deposits to the credit of or in which the entire beneficial interest is held by an individual pursuant to an Individual Retirement Account or Keogh (H.R. 10) Plan under 26 U.S.C. (I.R.C. 1954) §§ 408, 401, or nontransferable time deposits held by an employer as part of an unfunded defered compensation plan established pursuant to subtitle D of the Revenue Act of 1978 (Pub. L. No. 95-600, 92 Stat. 2763).

* * * * *

*BANK HOLDING COMPANY AND BANK MERGER ORDERS ISSUED BY THE BOARD OF GOVERNORS*

*Orders Under Section 3 of Bank Holding Company Act*

## Dakota County Bancshares, Inc., Mendota Heights, Minnesota

*Order Denying Formation of a Bank Holding Company*

Dakota County Bancshares, Inc., Mendota Heights, Minnesota, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 100 percent of the voting shares of Dakota County State Bank, Mendota Heights, Minnesota ("Bank").

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

Applicant, a nonoperating Minnesota corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $16.1 million.[1] Upon acquisition of Bank, Applicant would control the 197th largest bank in Minnesota and would hold approximately 0.07 percent of the total deposits in commercial banks in the state.

Bank is the 61st largest of 117 banking organizations in the relevant banking market and holds approximately 0.15 percent of the total deposits in commercial banks in the market.[2] One principal of Applicant and Bank holds a small ownership interest in a one bank holding company located in Illinois, outside Bank's banking market. Another principal of Applicant and Bank holds a small ownership interest in a multibank holding company within Bank's market area. However, this principal's ownership interest amounts to less than five percent of the outstanding shares of the multibank holding company, he holds no management position with that company, the combined market

1. All banking data are as of December 31, 1979, unless otherwise indicated.
2. The relevant banking market is approximated by the Minneapolis/St. Paul RMA, adjusted to include all of Carver County, Minnesota. Market data are as of September 30, 1979.

share of Bank and the banks controlled by that company is relatively small, and there are a large number of banking alternatives within the market. It appears from these facts and other facts of record that consummation of the proposal would not result in any adverse effects upon competition or increase the concentration of banking resources in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

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

With regard to Applicant's and Bank's financial resources and future prospects, the Board notes that Applicant would incur a sizeable debt in connection with this proposal. Applicant proposes to service this debt through dividends to be declared by Bank and tax benefits to be derived from filing consolidated tax returns. While Bank has experienced recent improvements in earnings, nevertheless, in light of current economic conditions, the amount of debt involved in the proposal, and the Bank's historical earnings and growth performance, the Board believes that Applicant would lack sufficient flexibility to service its debt, maintain adequate capital in Bank, and meet any unforeseen problems that might arise at Bank. Accordingly, the Board concludes that considerations relating to the financial resources and future prospects of Applicant and Bank weigh against approval of the application.

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

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

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

By order of the Board of Governors, effective April 8, 1981.

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

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

## El Pueblo Bancorporation
## Espanola, New Mexico

*Order Denying Formation of Bank Holding Company*

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

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

Applicant is a nonoperating company organized for the purpose of becoming a bank holding company by acquiring Bank. Bank, the sixty-fifth largest bank in New Mexico, has total deposits of $18.5 million, representing approximately 0.4 percent of the total deposits in commercial banks in the state.[1] Bank is the smallest of three banking organizations in the relevant banking market,[2] and holds 25.5 percent of total deposits in commercial banks in that market. None of Applicant's principals is associated with any other banking organization, and it appears from the facts of record that consummation of the proposal would not have any adverse effects on existing or potential competition, or on the concentration of banking resources, in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that a holding company should serve as a source of financial and managerial strength to its subsidiary bank(s), and that the Board would closely examine the condi-

1. All banking data are as of December 31, 1979
2. The relevant banking market is approximated by Rio Arriba County, New Mexico

tion of an applicant in each case with this consideration in mind. Comments were received noting that approval of the application would result in benefits to Bank and its community. While the Board recognizes that some benefits would result from the proposal, these benefits must be viewed in the context of other factors, such as the level of debt to be serviced, and reasonable projections of the capital-to-asset ratio of Bank. In this case the Board concludes that considerations relating to the financial resources and future prospects of Applicant and Bank warrant denial of the application.

With respect to Applicant's and Bank's financial considerations and future prospects, the Board notes that although Bank's condition is generally satisfactory, Applicant would incur a sizeable debt. Applicant proposes to service the debt through dividends to be declared by Bank and tax benefits to be derived from filing consolidated tax returns. Applicant has also proposed a capital injection for Bank. Although the funds used to provide this capital injection will also be borrowed, Applicant anticipates that this capital injection and projected improvements in Bank's condition will allow Applicant to service all of its indebtedness while maintaining an adequate capital level in Bank. Thus, Applicant projects reaching a debt-to-equity ratio of less than 30 percent within 9 years while maintaining Bank's capital. However, in light of the recent performance of Bank and the historical performance of the banks in the area, Applicant's earnings and growth projections for Bank appear to be unrealistic. In particular, Applicant's projections of Bank's earnings are overly optimistic, while its growth projections, in light of all the facts of record including future growth prospects of Rio Arriba County, are low. Thus, based upon the record in this case, it is the Board's view that Bank is unlikely to generate sufficient earnings to enable Applicant to service its debt while maintaining adequate capital in Bank, as well as affording Applicant the flexibility to meet any unforeseen circumstances that might arise at Bank. Accordingly, the Board concludes that considerations relating to the financial resources and future prospects of Applicant and Bank lend significant weight toward denial of this application.

The managerial resources of Applicant and Bank are satisfactory and consistent with, but lend no weight toward, approval of this application. Applicant proposes to open a new branch office of Bank as well as offer a number of new services if this proposal is approved. Accordingly, factors associated with convenience and needs of the community to be served lend some weight to approval of this proposal. However, the Board does not view such considerations as being significant when compared to the adverse financial factors associated with this proposal, since the benefits associated with the new branch and new services will be offset by the adverse financial factors mentioned above. Indeed, the proposed new branch can reasonably be expected to further increase Bank's deposit growth, thereby placing additional strain on Bank's capital.

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

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

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

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

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

## Independent Bank Corporation, Ionia, Michigan

*Order Denying Acquisition of Bank*

Independent Bank Corporation, Ionia, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares of the successor by consolidation to The Old State Bank of Fremont, Fremont, Michigan ("Bank"). The bank to be created and the entity with which Bank is to be consolidated has no significance except as a means of facilitating the acquisition of the voting shares of Bank. Accordingly, the proposed transaction is treated in this Order as a 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. 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)).[1]

The Board has previously considered a proposal by Applicant to acquire Bank. By Order dated September 21, 1979 ("September 21 Order"), the Board denied Applicant's proposed acquisition of Bank based upon its determination that the bank to be acquired operated in the same banking market as two of Applicant's existing subsidiary banks and that the elimination of substantial existing competition between Applicant's subsidiaries and the bank to be acquired was a substantially adverse factor that was not outweighed by convenience and needs considerations. In its September 21 Order, the Board determined that the relevant banking market was the Fremont-Newaygo banking market, approximated by the southern two-thirds of Newaygo County. The Board noted that this view was consistent with the Board's and Applicant's assessment of the relevant market in connection with a prior proposal by Applicant to acquire its subsidiary, Western State Bank.[2]

In its September 21 Order the Board stated that Bank (deposits of $23.8 million) was the largest banking organization in the Fremont-Newaygo banking market, controlling 27.6 percent of that market's deposits in commercial banks.[3] The record indicated also that Applicant, through its control of The First State Bank of Newaygo, Newaygo, Michigan ("Newaygo Bank"), and the branch of Western State Bank, Howard City, Michigan, located in Croton Township ("Western State Branch"), was the third largest banking organization in the Fremont-Newaygo market, controlling 16.8 percent of total commercial bank deposits in the market. The Board found that consummation of the transaction would increase Applicant's share of total market deposits in commercial banks to 44.4 percent and that Applicant would become the largest banking organization in the market. In addition, as a result of consummation, Bank would be eliminated as an independent banking organization, thereby reducing the number of independent banking organizations in the market from six to five.

The record before the Board at this time indicates that Applicant is the 33rd largest banking organization in Michigan, controlling six banks with aggregate deposits of $148.2 million, representing 0.37 percent of the total deposits in commercial banks in the state.[4] Bank (deposits of $25.2 million) is the 227th largest bank in Michigan, representing 0.06 percent of total deposits in commercial banks in the state. Upon consummation of the proposed transaction, Applicant would become the 31st largest commercial banking organization in Michigan and its share of statewide commercial bank deposits would increase to 0.43 percent.

Applicant continues to urge the Board to re-evaluate its earlier determination concerning the relevant geographic banking market in which to consider the competitive effects of this proposal. In support of its position Applicant makes a number of arguments.[5] Applicant asserts that since there is little service area overlap between Bank and Newaygo Bank, consummation of this proposal would have no anticompetitive effect. Applicant claims also that the "competitive effect of this transaction must be measured in some other geographic market"—namely a larger, regional market comprised of Kent, Muskegon, Ottawa and Newaygo Counties.[6]

The Supreme Court has articulated a number of factors to be considered in determining a geographic banking market. See, *United States* v. *Philadelphia National Bank*, 374 U.S. 321 (1963); *United States* v. *Phillipsburg National Bank & Trust Co.*, 399 U.S. 350 (1970); See also *Mid-Nebraska Bancshares* v. *Board of Governors*, 627 F.2d 266 (D.C. Cir. 1980). These cases indicate that the competitive effects of a proposed merger or acquisition should be judged on a localized market in which banks offer their services and to which local customers can practicably turn for alternatives. The Supreme Court has stated in this regard that "the proper question is not where the parties to the merger do business or even where they compete, but where, within the area of competitive overlap, the effect of the merger on competition will be direct and immediate." *United States* v. *Philadelphia National Bank*, supra at 357. In determining what this area is, the Supreme Court sought "to delineate the areas in which bank customers that are neither very large or very small find it practical to do their banking

1. Applicant has requested the opportunity to present oral argument to the Board. The Board has reviewed the record in this case and concludes that Applicant has been provided numerous opportunities to present its views and that an oral presentation would serve no purpose. Accordingly, Applicant's request is hereby denied.

2. *Independent Bank Corporation* (63 FEDERAL RESERVE BULLETIN 153 (1977)).

3. The banking data relied on by the Board in its September 21 Order were as of June 30, 1978.

4. All banking data are as of December 31, 1979, unless otherwise indicated, and reflect approval of Applicant's application to acquire Peoples Bank of Leslie, Leslie, Michigan, on January 16, 1981.

5. During the processing of this application, Applicant has had numerous discussions concerning these very issues with the staffs of the Federal Reserve Bank of Chicago ("Reserve Bank") and the Board, including a meeting on February 26, 1981, between Applicant's representatives and members of the staffs of the Reserve Bank and Board.

6. While Applicant points out that in other cases the Board has defined markets to include more than one county or to include rural areas as part of contiguous urban markets, in every case the Board looks at the relevant empirical data and determines the appropriate geographic market based on such data.

business, . . ." *United States* v. *Philadelphia National Bank*, supra at 359.

A number of these factors indicate that the southern two-thirds of Newaygo County is the relevant geographic market within which to consider the competitive effects of this proposal. The record indicates that Bank and Newaygo Bank are only 13 miles apart and are directly connected by a highway, making these two organizations practical alternatives to customers in either town. In contrast, the other metropolitan areas to which customers might turn are significantly farther away; Fremont is approximately 30 miles from Muskegon and 50 miles from Grand Rapids, while Newaygo is approximately 37 miles from Grand Rapids and 43 miles from Muskegon. The close proximity of Newaygo and Fremont is consistent with Applicant's submission showing that residents of Fremont are customers of Newaygo Bank and that residents of Newaygo are customers of Bank.[7] Other evidence in the record indicates that Fremont is the economic and trade center of Newaygo County; Gerber Products Company, the principal employer in the county, is located in Fremont and residents from other parts of Newaygo County commute to Fremont;[8] the principal newspaper in Newaygo county is published in Fremont and the only radio station in the county is also located in Fremont; finally, Fremont is the largest town in Newaygo County and the only one with two banks.[9]

Other evidence in the record, including the perceptions of bank presidents in Newaygo County, support the Board's market definition. In response to a Reserve Bank survey, the president of the only other commercial bank in Fremont stated that his primary competitors were banks in Fremont, Newaygo, and White Cloud, and that he did not view Muskegon and Grand Rapids banks as his competitors. Bank presidents in Newaygo, White Cloud and Hesperia all indicated that their primary competitors were other Newaygo County banks.[10] On balance, the Board believes that despite the influence of banks located outside of Newaygo County, the evidence shows that the banks in Newaygo County view each other as their principal competitors.

The Board has considered also the area from which Newaygo County banks seek and derive their business. A Reserve Bank survey indicates that only Newaygo County banks advertise on a regular basis in the Fremont newspaper and that these banks advertise very little in newspapers outside of Newaygo County. The Board notes that the circulation area of the Fremont newspaper approximates Newaygo County, supporting the view that Newaygo County banks seek business primarily within Newaygo County. Moreover, the application shows that the deposit and loan business of Bank and Newaygo Bank is confined to Newaygo County. A Reserve Bank survey indicates that this is also true of other Newaygo County banks.[11] The Board concludes that the actual business transacted by Newaygo County banks is largely within Newaygo County.

Finally, in response to a Reserve Bank survey, several bankers in Muskegon and Grand Rapids indicated that their primary competitors are located in their own counties, that they do not derive significant mortgage loan business from Newaygo County, and that they are not influenced by the Newaygo County banks.[12] The evidence also shows that banks outside

7. For example, data submitted by Applicant show that Bank derives some $715 thousand in deposits and 13 percent of its installment loans from the service area of Newaygo Bank. Bank also draws $999 thousand in loans, representing 10 percent of Newaygo Bank's loan portfolio, from Newaygo Bank's service area (as defined by Applicant). The Board believes these figures show that for a significant number of Newaygo residents, Bank is a practical alternative to Newaygo Bank.

8. Although the data Applicant has submitted indicates that some Newaygo County residents work outside the county in various adjoining and contiguous counties, this data does not include the substantial number of Newaygo County residents employed in agriculture or domestic work; nor does it include those who are self-employed and, therefore, significantly overstates the percentage of the county's residents who are employed outside of Newaygo County. Taking into account all employed Newaygo County residents, the record shows that well over 70 percent of Newaygo County residents work in Newaygo County. Applicant has also submitted data reflecting its survey of the banking and shopping patterns of a small number of Newaygo County residents. In view of all the facts of record, the limited number of persons surveyed cannot be regarded as determinative on this issue.

9. Applicant's earlier application to acquire Bank revealed that Fremont offers professional and retail services not to be found in Newaygo and that there is a substantial amount of daily traffic between Fremont and Newaygo.

10. Applicant has provided letters from the presidents of both the Newaygo and White Cloud banks stating that advertising in the Grand Rapids media did exert some influence over their services. In addition, Applicant has submitted a letter from the president of the bank in Grant (the town closest to the Newaygo/Kent County border), stating that in addition to competing with other banks in Newaygo County, he viewed some banks outside Newaygo County as his competitors. The Board does not believe these submissions are inconsistent with its view that banks in Newaygo County compete primarily with each other. Geographic banking markets are not usually totally devoid of some influence from adjacent markets.

11. Applicant has offered a number of calculations in support of its contention that Newaygo County residents deposit substantial sums at banks outside Newaygo County. These calculations do not represent a tested methodology for estimating deposit outflows, and the Board believes that reliance upon the results of such calculations is not warranted. In any event, even if the Board shaded the geographic market to take into account such deposits, the application shows that Bank and Applicant's combined share of the resulting market would still be substantial.

12. Applicant does provide evidence showing that the three largest banks in the four-county market hold several million dollars in individual, partnership and corporate deposits with addresses in Newaygo County. The Board recognizes that some customers located in one geographic market will bank outside of that market, since large customers are not locally constrained and certain individuals may

Newaygo County do not regularly advertise in the Fremont newspaper.

Based upon the foregoing, and all the evidence of record, the Board is persuaded that the effect of this transaction on competition would be direct and immediate in the Fremont-Newaygo banking market as previously defined.

Under section 3(c) of the Bank Holding Company Act, the Board is precluded from approving any proposed acquisition of a bank that in any part of the country may substantially lessen competition or tend to create a monopoly or be in restraint of trade in any banking market, unless the Board finds that such anticompetitive effects are clearly outweighed by the convenience and needs of the community to be served. Bank (with deposits of $25.2 million) is the largest banking organization in the Newaygo County banking market as defined herein, controlling 26.8 percent of the market's commercial bank deposits. Applicant, through its control of Newaygo Bank and Western State Branch (combined deposits of $15.0 million) is the third largest banking organization in the relevant banking market, controlling 15.9 percent of total commercial bank deposits in the Newaygo County banking market. In view of the definition of the relevant banking market adopted herein, upon consummation of the proposed transaction Applicant would become the largest banking organization in the Fremont-Newaygo banking market, controlling four of the nine banking offices in that market, representing 42.7 percent of the market's commercial bank deposits. Thus, the Board concludes based upon the above analysis and all the facts of record that the effects of this proposal on competition in this market would be substantially adverse.[13]

Applicant contends that thrift institutions should be included by the Board in assessing the competitive effects of this proposal. The Board concludes that there is no evidence that thrifts in Michigan currently compete actively with commercial banks over a sufficient range of financial services to such a degree that they should be included in an analysis of the relevant product market. Moreover, even if thrifts were included in the analysis, upon consummation of the transaction Applicant would control 35.3 percent of the deposits in commercial banks and thrifts in the relevant market, thereby eliminating substantial existing competition. Accordingly, the Board concludes that even if thrifts were included in an analysis of the product market, denial of the proposal would be warranted.

The financial and managerial resources and future prospects of Applicant and its banking subsidiaries and Bank are regarded as satisfactory. Accordingly, considerations relating to banking factors are consistent with, but lend no weight toward approval of the application. While Applicant proposes to assist Bank in offering additional services there is no indication that the needs of Bank's customers are not currently being met. Accordingly, the Board finds that considerations relating to the convenience and needs of the community to be served do not outweigh the substantially adverse competitive effects that would result from Applicant's acquisition of Bank.

On the basis of the foregoing and other considerations reflected in the record, it is the Board's judgment that consummation of the proposed transaction would not be in the public interest, and the application is hereby denied.

By Order of the Board of Governors, effective April 14, 1981.

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

(Signed) D. MICHAEL MANIES,
[SEAL] *Assistant Secretary of the Board.*

*Dissenting Statement of Governor Wallich*

I dissented from the Board's denial of Applicant's prior proposal to acquire Bank because in my view, a simple comparison of market shares among commercial banking organizations in the southern two-thirds of Newaygo County failed to consider adequately the geographic, functional, and organizational characteristics of this portion of western Michigan. I believe that the Board's continued adherence to its original analysis of this case fails to account adequately for economic reality.

With respect to the delineation of an appropriate geographic market, I believe there is some merit to each of the various alternatives presented by Applicant. Moreover, Applicant's inability to establish conclusively one alternative market definition is not due to a lack of evidence, but rather is a function of the difficulty of measuring precisely economic activity in rural areas located on the outskirts of larger urban areas. In my earlier dissent, I described at length the

choose to bank with a particular institution based on personal relationships with the organization. On balance, the Board does not believe that the existence of these accounts outweighs the evidence in support of the Board's definition of the relevant banking market being approximated by the southern two-thirds of Newaygo County.

13. With regard to the meaning of the phrase "substantially adverse", the Board uses this phrase to indicate a violation of the antitrust laws would result. See, e.g., 12 C.F.R. § 250.182 (1980).

factors which I believe weigh in favor of an alternative to the Board's view of the relevant geographic market.[1] In connection with this application, Applicant has submitted demographic data suggesting that the connectors between Newaygo County and the adjacent areas have continued to increase.[2] Moreover, Applicant's evidence indicates that Old Kent Financial Corporation, a statewide banking organization, has a significant presence throughout the four-county market suggested by Applicant. In addition, recent legislation has increased the powers of thrifts, thereby expanding the area of functional overlap between the various kinds of depository institutions and I believe that the presence of thrifts in Newaygo County mitigates the Board's finding of substantially adverse competitive effects.

On balance, I continue to believe the competitive effects resulting from consummation of this proposal would be only slightly adverse and that the new services Applicant proposes to introduce at Bank outweigh such anticompetitive effects. For these reasons, I would approve this application.

April 14, 1981

1. See 65 FEDERAL RESERVE BULLETIN 869 (1979).

2. In particular, Applicant has submitted data indicating that employment opportunities continue to grow outside Newaygo County and that these opportunities serve as a draw on Newaygo County residents. In addition, highway patterns suggest that commuting from Newaygo County to adjacent areas for employment and other purposes is substantial.

## National Detroit Corporation, Detroit, Michigan

*Order Approving Acquisition of a Bank Holding Company*

National Detroit Corporation, Detroit, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 80 percent or more of the voting shares of the successor by merger to National Ann Arbor Corporation, Ann Arbor, Michigan ("NAAC"), thereby indirectly acquiring 100 percent of the voting shares, less directors' qualifying shares, of National Bank and Trust Company of Ann Arbor, Ann Arbor, Michigan ("National Bank"), and Monroe County Bank, Dundee, Michigan ("Monroe Bank").

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

Applicant, the largest banking organization in Michigan, controls 12 banks with aggregate deposits of $6.3 billion, representing 15.7 percent of total deposits in commercial banks in the state.[1] Acquisition of NAAC, the 23d largest banking organization in the state with two subsidiary banks having combined aggregate deposits of $223.8 million, would increase Applicant's share of total deposits in commercial banks in Michigan by 0.6 percent. Given the structure of banking in Michigan, it does not appear that approval of this application would have any significantly adverse effects upon the concentration of banking resources in the state.

None of Applicant's banking subsidiaries is located in banking markets where NAAC's two banking subsidiaries are located.[2] Accordingly, the Board concludes that no significant existing competition would be eliminated upon consummation of the proposal.

The Board has also examined the effects of the proposal on potential competition with respect to markets where NAAC's subsidiary banks are located, the Ann Arbor and Monroe banking markets.[3] National Bank holds commercial banking deposits of $203.1 million, representing 20.5 percent of deposits in the Ann Arbor banking market and is the second largest of 15 banking organizations in the market. However, the Board notes that the market does not appear to be highly concentrated and is only mildly attractive for de novo entry. Moreover, the possible adverse effects of the proposal on potential competition are mitigated by the presence of a large number of sizable commercial banking competitors in the market. Monroe Bank holds commercial banking deposits of $15.2 million, representing 5.2 percent of deposits in the Monroe banking market, and is the fourth largest of six banking organizations in the market. With the two largest banking organizations in the market holding a combined share of market deposits of almost 75 percent, the Monroe market appears to be highly concentrated. In view of the relative and absolute size of Monroe Bank in the market, the Board regards Applicant's

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

2. Applicant has subsidiary banks located in the Detroit, Cadillac, Big Rapids, Grand Rapids, Kalamazoo-Battle Creek, Benton Harbor, Lansing, Port Huron, Bay City-Saginaw, and Alpena banking markets. NAAC, on the other hand, has subsidiary banks in the Ann Arbor and Monroe banking markets.

3. The Ann Arbor banking market is approximated by Washtenaw County, Michigan (minus Salem township) and Putnam, Hamburg and Green Oak townships in Livingston County. The Monroe banking market is approximated by all of Monroe County except for Whiteford, Bedford, Erie, Ida, Ash, and Berlin townships.

entry into the Monroe market as having a positive effect on competition in that market. In view of all the facts of record, including the structure of the Ann Arbor and Monroe banking markets, the Board concludes that consummation of the proposal would have no significantly adverse effects upon potential competition in these markets.

The financial and managerial resources of Applicant, its subsidiaries and NAAC are regarded as satisfactory and the future prospects of Applicant and its subsidiaries appear favorable. Following consummation of this proposal, Applicant proposes to expand the services of NAAC's banking subsidiaries by offering continuous interest compounding on time certificates, making available limited-term rollover mortgages, installing ATMs at Monroe Bank's location, and making available to NAAC specialized financial services provided by Applicant and its nonbank subsidiaries. Thus, the Board concludes that considerations relating to the convenience and needs of the community to be served lend sufficient weight toward approval to outweigh any adverse competitive effects associated with this proposal.

Based upon the foregoing and other considerations reflected in the record, it is the Board's judgment that the proposed acquisition is in the public interest and 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 Chicago pursuant to delegated authority.

By order of the Board of Governors, effective April 20, 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.*

## Texas Commerce Bancshares, Inc., Houston, Texas

*Order Regarding Proposed Acquisition of Banks*

Texas Commerce Bancshares, Inc., Houston, Texas ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act, 12 U.S.C. § 1842(a)(3), to acquire 100 percent of the voting shares, less directors' qualifying shares, of the successor by merger to Gulfway National Bank of Corpus Christi, Corpus Christi, Texas ("Gulfway"). Applicant has also applied for approval under section 3(a)(3) to acquire 100 percent of the voting shares, less directors' qualifying shares, of the successor by merger to The Mercantile National Bank of Corpus Christi, Corpus Christi, Texas ("Mercantile"). In each application the bank into which Bank would be merged has no significance except as a means to facilitate the acquisition of Bank's voting shares.

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

Applicant is the third largest banking organization in Texas controlling 41 banks with aggregate deposits of $6.3 billion, which represents 8.2 percent of deposits in the state.[1] Gulfway, with 0.04 percent of statewide deposits ($27.3 million), is the 417th largest banking organization in the state. Mercantile is the 196th largest banking organization in Texas, with 0.06 percent of statewide deposits ($47.0 million). Upon consummation of both of these proposals, Applicant would continue to rank third among Texas banking organizations, controlling 8.3 percent of the state's deposits. Therefore, acquisition of both banks by Applicant would not materially alter statewide deposit concentration or the structure of the banking system in Texas.

Both banks are located in the Corpus Christi banking market.[2] Gulfway is the 13th largest of 15 banking organizations in the market with two percent of its deposits; Mercantile is seventh largest with 3.5 percent of market deposits. Although both Banks operate in the same market, the Board notes that they share a long history of common ownership: Gulfway was established by Mercantile's major shareowners; currently, the same shareholders own 65.6 percent of Mercantile and 71.8 percent of Gulfway; senior management at both Banks is similar; and four persons hold directorship at both Banks. Because of these relationships, it appears that no meaningful competition currently exists between Mercantile and Gulfway

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

2. The Corpus Christi banking market is approximated by the Corpus Christi Standard Metropolitan Statistical Area, which consists of Nueces and San Patricio counties in Texas.

and, accordingly, acquisition of both by a bank holding company would not eliminate any significant existing competition between them.

Applicant is represented in the market by its subsidiary, Guaranty National Bank and Trust, Corpus Christi, Texas ("Guaranty"), which is the fourth largest banking organization in the market, with $89.7 million in deposits, representing 6.7 percent of the deposits in the market.

Viewed as a single banking organization because of common control, Mercantile and Gulfway control 5.5 percent of market deposits. Acquisition of both banks by Applicant would increase Applicant's market share to 12.2 percent, making it the third largest banking organization in the market and increase the market share of the four largest firms in the market from 58.0 percent to 63.5 percent, an increase that would represent a reversal of recent trends toward deconcentration in the market. The Board notes that such an increase would also exceed the limits specified in the Department of Justice's merger guidelines. Acquisition of both banks would eliminate a significant amount of existing competition between Applicant on the one hand and banks on the other. Guaranty and Mercantile are located three miles apart, and an analysis of loan and deposit figures reveals that Mercantile and Gulfway obtain a substantial amount of their deposits and loans from Guaranty's service area and Guaranty receives a significant portion of deposits and loans from the service areas of Mercantile and Gulfway. While the Board recognizes that a service area overlap analysis represents at best an imprecise measure of competition within a geographical market, the figures noted above demonstrate that each of the three banks does a significant amount of business throughout the Corpus Christi market.

In view of these facts, the Board regards the competitive effects of Applicant's acquisition of both Banks as substantially adverse.[3] These effects require denial of the applications unless they are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

Acquisition of Gulfway alone, however, would lead to only slightly adverse competitive effects. In such a case, Applicant would still move from fourth to third place among banking organizations in the market, but its market share would increase by only two percent. The four-firm concentration ratio would also grow, but only to 60 percent. Further, Applicant's purchase of Gulfway would require bank's disaffiliation from Mercantile,[4] leaving the market with the same number of competitors, and leaving Mercantile as a potential entry vehicle for other Texas bank holding companies not yet represented in the market.

Acquisition of both Banks by Applicant would provide the acquirees with investment assistance from Applicant, expanded lending capabilities resulting from ability to arrange loan participations, and access to specialized services and personnel of the holding company, all of which would enable Banks to serve their customers more effectively. Furthermore, Applicant plans to expand Gulfway Bank's existing facilities. However, it appears that these benefits are already being provided in the market by Applicant, and there is no evidence that the anticipated improvements at Banks could not be obtained by their acquisition by another bank holding company not currently represented in the market, or through internal growth and expansion. On balance, therefore, the Board finds that these considerations relating to the convenience and needs of the community to be served lend weight toward approval that is sufficient to outweigh the slightly adverse effects associated with the acquisition of Gulfway, but not sufficient to outweigh the substantially adverse effects which would result from acquisition of both Banks.

The financial and managerial sources and future prospects of Applicant, its subsidiaries, and Banks are regarded as generally satisfactory, and the Board finds that banking factors are consistent with approval.

Based on the foregoing and other considerations reflected in the record, it is the Board's judgment that the proposed acquisition of Mercantile and Gulfway, when viewed as a unit because of common control is not in the public interest and should be denied. Also on the basis of the facts recited above and other considerations reflected in the record, the proposed acquisition of Gulfway is in the public interest and should be, and hereby is, approved. The proposed acquisition of Mercantile is denied. The acquisition of Gulfway shall not be made before the 30th calendar day following the effective date of this Order or later than three months after that date, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Dallas, pursuant to delegated authority.

3. In consideration of the competitive effects of the proposals, the Board also considered competition provided by thrift institutions in the Corpus Christi banking market. A field investigation by the staff of the Federal Reserve Bank of Dallas revealed that while all savings and loan associations in the market would begin offering NOW accounts and some were prepared to offer consumer loans, none were prepared to offer commercial loans, and only one of the larger associations was prepared to offer other services allowed by recent legislation. Because of these factors, the Board concludes that thrift institutions in the Corpus Christi market do not provide sufficient competition to alter the Board's conclusions regarding the competitive effects of these proposals in any significant way.

4. See 12 C.F.R. § 212.6.

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

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

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

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

### Citicorp, New York, New York

*Order Granting Determination Under the Bank Holding Company Act*

On May 25, 1979, the Board approved the application of Citicorp, New York, New York ("Citicorp"), filed pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) (the "Act"), and section 225.4(b)(1) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(1)), to engage de novo through its indirect subsidiary, Citicorp Person-to-Person Financial Center of Connecticut, Inc., in Westport, Connecticut ("Person-to-Person"), in second-mortgage lending and in credit-related insurance agency activities. The application had been protested by the Connecticut Bankers Association and The Connecticut Bank and Trust Company, both of Hartford, Connecticut (together, "Protestants"), who subsequently petitioned for judicial review of the Board's Order.

On February 7, 1980, the United States Court of Appeals for the District of Columbia Circuit affirmed in substantial part the Board's Order.[1] However, the Court found the administrative record did not contain sufficient evidence to support the Board's finding that Citicorp would not engage in unfair competitive practices in its promotion of the Westport office of Person-to-Person. Accordingly, the Court instructed the Board to supplement the record on this question and to determine whether there were any material disputed factual issues concerning unfair competitive practices by Citicorp requiring an evidentiary hearing. Specifically, the Court ordered a limited remand of the administrative record of the case to the Board, directing the Board to explore the manner in which this de novo subsidiary would be promoted and represented to the public, and to determine what effect, if any, such findings would have on the question of unfair competition generally, and voluntary tie-ins in particular, and ultimately, on the net public benefits determination under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).[2] In response to the Court's remand, the Board directed Citicorp to supplement the record on these issues and at the same time afforded Protestants an opportunity to comment on these issues and on Citicorp's submissions. The Board has re-examined the record as supplemented, and, based on that review, makes the following findings as to facts, and conclusions drawn therefrom.

*Background*

On September 26, 1978, Citicorp filed with the Federal Reserve Bank of New York notice of its proposal to establish a de novo office of its indirect subsidiary Person-to-Person,[3] and thereby engage in consumer, mortgage and business lending in a five-county area in Connecticut.[4] Protestants submitted comments in opposition to Citicorp's proposal based on the following: (1) the structural, managerial, and operational interrelationship among Citicorp, Citibank, N.A. (a wholly-owned subsidiary of Citicorp), Nationwide, and Person-to-Person indicated that the operation of the Westport office of Person-to-Person would constitute a unitary operation and, therefore, branch banking in violation of Connecticut and federal law and, (2) approval of the proposal would result in undue concentration of economic resources, diminution of competition, and potential unfair competition against Connecticut banks, and that these adverse effects were not outweighed by the public benefits.

On May 25, 1979, the Board denied Protestants' request for a hearing and approved Citicorp's application. The Board rejected Protestants' contention that operation of Person-to-Person would constitute branch banking and found that approval of the application would result in net public benefits.

In response to the Board's approval, on May 30, 1979, Protestants filed a petition for judicial review of the Board's Order in the United States Court of Appeals for the District of Columbia Circuit, alleging that the Board erroneously deprived them of their statutory right to an evidentiary hearing. On February 7, 1980, the Court issued an opinion ordering a

1. The Court did not vacate the Board's Order and Person-to-Person has commenced operations.

2. *Connecticut Bankers Association and The Connecticut Bank and Trust Company* v. *Board of Governors of the Federal Reserve System*, 627 F.2d 245 (D.C. Cir. 1980).

3. Person-to-Person is a direct subsidiary of Citicorp Person-to-Person Financial Center, Inc., St. Louis, Missouri, originally Nationwide Financial Services, Inc., also of St. Louis, Missouri.

4. Subsequently Citicorp amended its proposal to include only second-mortgage lending and credit-related insurance agency activities.

limited remand of the administrative record in this matter to the Board to further explore the manner in which this office would be promoted and represented to the public and how this would affect the net public benefits question.

With respect to the branch banking question, the Court concluded that the Board properly denied Protestants' request for a hearing. The Court found that Protestants had not submitted any evidence that would indicate Person-to-Person would be engaged in the banking business or be a branch of Citibank.

The Court also considered the Board's determination whether the public benefits of the proposed activity were reasonably likely to outweigh its adverse effects. Initially, the Court noted that the Board's reasoned determination that second-mortgage lending and the sale of credit-related insurance would result generally in net public benefits was entitled to a presumption of validity. Moreover, the Court agreed with the Board's conclusion that the fact this proposal represented de novo entry by Citicorp constituted a public benefit within the meaning of section 4(c)(8). However, with respect to the possibility of adverse effects the Court found that Protestants had "produced some evidence as to the size of Citicorp, the proliferation of its lending subsidiaries, and the precarious, competitive position of the Connecticut banking industry." Despite the evidence submitted by Protestants, the Court concluded the Board properly denied a hearing on this issue since the record did not show that a hearing would produce any additional meaningful facts. The Court also agreed with the Board that a hearing concerning potential undue concentration of resources was not warranted and that the Board's finding that the proposal "shall have a salutary effect on competition" was proper.

Lastly, the Court considered whether the Board adequately addressed the issue of Citicorp's potential unfair competitive practices. With respect to this issue the Court found that while the merits of the question were for the Board to resolve, the record did not disclose that the Board had a sufficient basis upon which to conclude that Citicorp would not engage in unfair competitive practices. In particular, the Court noted that Citicorp might exploit the "Citicorp" or "Citibank" name in connection with its promotion of the Westport office of Person-to-Person, and that operation of that office raised the question of the possibility of "voluntary tying" of services offered by Person-to-Person and Citibank. Accordingly, the Court remanded the administrative record to the Board with the direction to supplement the record concerning Citicorp's proposed promotional efforts. In so doing, the Court observed that the legislative concern for the misuse of bank holding company power should be considered by the Board in connection with its determination of the net public benefits question. In addition, the Court instructed the Board to consider the impact of the uniqueness of this Citicorp proposal since the office "would be located in a 'bedroom community' of New York City, the home of Citicorp and Citibank."

*Possibility of Unfair Competitive Practices*

In response to the Court's remand, the Board requested Citicorp to submit information concerning its promotional efforts on behalf of the Westport office of Person-to-Person, as well as information relating to its promotional efforts on behalf of other Person-to-Person offices. The Board also requested Citicorp to describe whether the operation of Person-to-Person would result in voluntary tie-ins in light of the geographic proximity of Westport to Citibank's offices in New York City. The Board also asked Citicorp whether Person-to-Person, or its employees, would be compensated if one of its customers subsequently became a customer of Citibank, or whether Citibank would be provided in mailing list of customers of Person-to-Person. Lastly, the Board inquired what action Citicorp would be willing to take in the event the Board determined voluntary tie-ins might result from this proposal.

Citicorp has submitted detailed responses to each of the Board's inquiries concerning its promotional efforts on behalf of Person-to-Person. Citicorp has stipulated that Person-to-Person would be operated independently of Citibank and that it would be contrary to general corporate policy to compensate Person-to-Person or its employees in the event a customer subsequently utilized the services of Citibank. In addition, Citicorp has provided advertising copy to be used in promoting the Westport and other Person-to-Person offices. Moreover, Citicorp has committed that Person-to-Person will insert the following language as part of the documentation of every loan transaction:

> Customers of Citicorp Person-to-Person Financial Center, Inc. are not obliged to take services from Citibank, and the fact that you may or may not have a relationship with Citibank will have absolutely no bearing on the granting of a loan to you by Citicorp Person-to-Person Financial Center of Connecticut, Inc.

In considering applications filed pursuant to section 4(c)(8) of the Act, one of the factors the Board must consider is whether the public benefits of the proposed activity are reasonably likely to outweigh its possible adverse effects such as the undue concentration of resources, decreased competition and unfair competitive practices. The Court upheld the Board's conclusions that operation of Person-to-Person would not result in undue concentration of resources, or decreased competition while remanding the case to the Board solely with respect to potential unfair competitive practices by Citicorp in connection with its promotional efforts on behalf of Person-to-Person. In so doing, the Court instructed the Board to investigate whether Citicorp will make excessive use of the Citicorp or Citibank name in promoting the office and whether this has the potential to result in voluntary tie-ins between Person-to-Person and Citibank and if so, how these factors would affect the Board's determination of net public benefits.

In order to investigate these matters the Board has considered the language of section 4(c)(8) of the Act, its legislative history, the results of the Board's experience in administering section 4(c)(8) of the Act, and the administrative record in this matter. While the statute does not expressly mention the potential for "voluntary tie-ins" as a factor affecting the net public benefits calculus, the legislative history indicates Congress intended the Board to consider whether such a finding would affect this determination. Specifically, Congress was concerned that a customer's realization that he stands a better chance of securing a rare and important commodity (such as credit) by "volunteering" to accept other products or services would induce the customer to purchase other services as well. Congress' intent in this regard was to insure that a customer did not purchase a product unless he voluntarily chose to do so. The legislative history to section 4(c)(8) indicates that Congress viewed the potential for "voluntary tie-ins" as "basically structural", i.e. inherent in the market structure for a particular product, and in the nature of a multiproduct organization. Congress noted also that banks have the unique ability to extend commercial credit.[5]

The Board has reviewed the promotional materials relating to the Westport office of Person-to-Person as well as those relating to other offices of Person-to-Person. These materials reflect the type of services being offered by Person-to-Person and do not indicate what other additional services are available from Citibank or any other affiliate of Citicorp. Moreover, the materials do not reference the geographic proximity of Person-to-Person to Citibank.[6] The Board notes also that since Person-to-Person has commenced operations, there is no evidence indicating that Applicant has promoted Person-to-Person by unfair means. Accordingly, the Board concludes that the products being offered by Person-to-Person are being marketed independently of the products offered by Citibank. In addition, the Board finds that the promotional materials relating to Person-to-Person cannot be construed as promoting the services offered by Citibank or any other Citicorp affiliate.

The Board has examined the promotional materials submitted by Citicorp with respect to other potential unfair competitive practices, particularly the potential exploitation or excessive use of the Citicorp name. Some of these materials do reference the fact that Person-to-Person is a subsidiary of Citicorp; however, the size of typeset used and its placement indicate relatively little emphasis on the "Citicorp" logo. Moreover, the main thrust of these materials is "Person-to-Person" and little or no mention is made of the fact that the company's name is "Citicorp Person-to-Person Financial Center of Connecticut, Inc." Accordingly, the Board concludes that there is no evidence in the record indicating Citicorp intends to engage in any unfair competitive practices in connection with its promotion of Person-to-Person. Moreover, the language made a part of the documentation of every loan transaction clearly informs the borrower that the likelihood of his receiving a loan from Person-to-Person is in no way dependent on a relationship with Citibank. The Board finds that the promotional activities of Person-to-Person do not significantly link Person-to-Person with Citibank. Thus, the Board concludes that the Person-to-Person proposal has not resulted in, and for this reason is not likely to result in, voluntary tie-ins or any other adverse effect. Even apart from possible misuse of the promotional materials the Board finds the possibility of voluntary tie-ins unlikely in this case.

The Board notes that Congress did not prohibit all bank holding company expansion into nonbank activities, but rather directed the Board to evaluate the public benefits associated with such expansion. Moreover, Congress did not determine that a finding of voluntary tie-ins would require denial of a particular

5. H.R. Rep. No. 1747, 91st Cong. 2nd Sess. (1970), *Congressional Record* S6909 (May 11, 1970) (remarks of Sen. Brooke). While the potential for "voluntary tying" is not limited to bank credit, the legislative history to section 4(c)(8) indicates Congress was particularly concerned that bank holding companies could induce bank customers to accept other products or services from non-bank affiliates based on the unique ability of banks to extend commercial credit. To the extent recent legislation has expanded the powers of other financial institutions to extend commercial credit, this "unique ability" has been reduced. Moreover, this is an application to engage in second-mortgage lending, a consumer-finance product offered by various financial institutions.

6. In its response to Citicorp's submission Protestants do not show how these materials or any actions on the part of Person-to-Person employees are intended to induce customers to purchase products from Citibank and, in fact, acknowledge there is no evidence of such conduct. Moreover, since the Court's remand of this matter to the Board, Protestants have not provided the Board any evidence or example of a voluntary tie-in that has occurred in connection with the operation of the Westport office of Person-to-Person.

proposal, merely that such arrangements were a factor for the Board to consider in making its "public benefits" determination. The Board is of the view that the potential for "voluntary tying" is structural; that is, based upon the nature of competition in the relevant market areas, and that voluntary tying is not a problem in competitive markets.[7] Moreover, the fact that individuals purchase more than one product from a firm is not necessarily evidence of "voluntary" tying. In *Alabama Association of Insurance Agents* v. *Board of Governors of the Federal Reserve System* 533 F2 224 (5th Cir. 1976) the Court noted that a borrower's purchase of insurance from his lender may be the result of "greater convenience, a strong personal relationship with the lender or better price or service" and not necessarily the result of "voluntary tie-ins". Second mortgage loans are a kind of consumer finance product offered by various financial institutions, including Protestants, and there is little likelihood that the Westport office of Person-to-Person would be in a position to encourage its customers to utilize the services of Citibank. The Board has determined previously there are no significant adverse effects such as voluntary tying, inherent in the performance of a nonbanking activity by a bank holding company on a de novo basis. In a market where a number of alternative sources for a product are available, the possibility of voluntary tying is most unlikely.

The Board has thoroughly considered the issues that formed the basis of the Court's remand, Protestants' claims and submissions, and all other evidence of record. Based upon this review the Board concludes that the manner in which Citicorp will promote Person-to-Person does not involve excessive use of the Citicorp name and that there is no evidence of voluntary tie-ins between Person-to-Person and Citibank. The Board further concludes, based on all the facts of record including the fact there is no evidence Citicorp has engaged in unfair competitive practices in operating its other nonbanking subsidiaries that engage in the same or similar activities as Person-to-Person, that there is no evidence Citicorp will engage in other unfair competitive practices in connection with its promotion of this office. Public benefits continue to outweigh any potential adverse effects.

*Need for a Hearing*

Under section 4(c)(8) of the Act, the Board is only required to hold a hearing when the record indicates there are issues of fact that are material to the Board's decision and that are disputed by the relevant parties.[8] While a hearing request may not be lightly denied, ". . . an agency is not required to hold an evidentiary hearing when it can serve absolutely no purpose".[9] In this regard, the Court in *Connecticut Bankers* held that under section 4(c)(8) "a Protestant does not become entitled to an evidentiary hearing merely on request, or on a bald or conclusory allegation that such a dispute exists". In response to the Board's concerns regarding the potential for adverse effects associated with Citicorp's promotional efforts on behalf of the Westport office of Person-to-Person, Citicorp has committed to insert a written statement in each loan document closed by Person-to-Person, disclaiming any connection between the granting of the loan and any services the customer may choose to take from Citibank. Moreover, Citicorp has stated that this office will be operated as an independent entity and that it will not provide Citibank with any information concerning its customers. Protestants have not provided any evidence indicating that Citicorp will conduct the office of Person-to-Person in a contrary manner. Nor have Protestants provided any evidence that Citicorp's promotional efforts on behalf of Person-to-Person might result in any adverse effects warranting further investigation by the Board. Protestants do not dispute the evidence Citicorp has submitted concerning its promotional efforts on behalf of Person-to-Person and indicate as much in their response to Citicorp's submission. The objections Protestants raise at this time have no relevance to the issues raised by the Court's remand.[10]

Lastly, Protestants assert that the record is inadequate at this time and that there are a number of questions still unresolved. With this contention the Board is unable to agree. The unresolved questions raised by Protestants at this time are not relevant to the issues raised by the Court's remand or the requirements of section 4(c)(8) of the Act. Nor do Protestants' conclusions concerning the potential for voluntary tie-

7. For example, see Staff Study 101, *Tie-Ins Between the Granting of Credit and Sale of Insurance by Bank Holding Companies and Other Lenders* by Robert A. Eisenbeis and Paul R Schweitzer, Board of Governors of the Federal Reserve System, 1979.

8. *Connecticut Bankers Association*, supra.

9. *Independent Bankers Association* v. *Board of Governors* 516 F2d 1206, (D.C. Cir. 1975).

10. Specifically, Protestants raise the following questions concerning the operation of Person-to-Person. (1) the size of Citicorp and the impact this would have on the perceptions of potential customers of Person-to-Person, (2) the reference to Citicorp in the advertisements promoting Person-to-Person, particularly the statement that Citicorp is a banking organization; and (3) the failure to specify in certain advertisements that Person-to-Person would engage only in second-mortgage lending. Lastly, Protestants contend that the answers provided by Citicorp "address only one-half of the equation of unfair competitive practices [and that the Board should consider] activities by Citicorp Person-to-Person which would promote the business of Citibank". Accordingly, the Board should inquire into "the extent to which activities by Citibank, directly or indirectly, may be used to unfairly promote the business of Citicorp Person-to-Person in Connecticut " Thus, Protestants conclude the Board should order an evidentiary hearing on these questions.

ins or other unfair competitive practices by Citicorp warrant an adjudicatory hearing inasmuch as these are matters Congress has indicated are for the Board's judgment.[11] Accordingly, the Board is of the view that a hearing on this application would serve no purpose and is not warranted.

Review of the record at this time indicates that there are no material issues in dispute concerning the manner in which this office will be promoted and represented to the public. Moreover, the Board concludes that the record at this time contains sufficient facts for the Board to reach these conclusions.[12]

Accordingly, on the basis of the entire record in this matter, including the record and findings made with respect to the Board's May 25, 1979 Order, it is the Board's judgment that Citicorp's application continues to warrant approval. This determination is subject to the conditions set forth in section 225.4(c) of the Board's Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations issued thereunder, or to prevent evasion thereof. The application of Citicorp is again approved.

By Order of the Board of Governors, effective April 16, 1981.

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

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

## The Conifer Group, Inc., Worcester, Massachusetts

*Order Approving Data Processing Activities*

The Conifer Group, Inc., Worcester, Massachusetts ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied pursuant to section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(1) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(1)), for permission to engage in data processing activities through its wholly-owned subsidiary, Conifer Computer Services, Inc., Worcester, Massachusetts ("CCS"). The Board has determined that data processing activities are closely related to banking and therefore permissible for bank holding companies (12 C.F.R. § 225.4(a)(8)).

Notice of the application, affording opportunity for interested persons to submit comments on the public interest factors, has been duly published.[1] (45 *Federal Register* 31,202 (1980)). Comments were received from Applied Data Incorporated, North Haven, Connecticut ("Applied Data"), the Association of Data Processing Service Organizations, Arlington, Virginia ("ADAPSO"), and Information Systems Incorporated, Pawtucket, Rhode Island (collectively, "Protestants"). The time for filing comments has expired, and the Board has considered all of the comments received in light of the considerations specified in section 4(c)(8) of the Act.

Applicant, which controls three subsidiary banks with aggregate deposits of $443.1 million and is the ninth largest commercial banking organization in Massachusetts,[2] proposes that CCS will provide data processing services for the holding company, its subsidiaries, certain customers of its banking subsidiaries, and other commercial and savings banks. These services are currently being provided to the holding company and its subsidiaries through two of Applicant's subsidiary banks: Guaranty Bank and Trust Company, Worcester, Massachusetts, and Berkshire Bank and Trust Company, Pittsfield, Massachusetts. This application is therefore partially a reorganization of existing operations. However, Applicant also proposes that CCS will directly market its services to the general public. CCS will have offices in Worcester and Pittsfield, Massachusetts, and serve the state of Massachusetts.[3]

Section 4(c)(8) of the Act provides that the Board may approve a bank holding company's application to

11. Protestants question also whether Citibank would engage in unfair competitive practices on behalf of Person-to-Person in Westport. There is no evidence in the record that would indicate undertaking such an investigation at this time is warranted.

12. The Court's opinion states: "In making its net public benefits determination, the Board's reasoned judgments are entitled to some deference in view of its considerable expertise and experience in administering the Bank Holding Company Act. In addition, although the Board's inquiry must proceed with rigor, we cannot require it to investigate every potential adverse contingency which a protestant hypothesizes." *Connecticut Bankers* supra at 254. See also *Alabama Association of Insurance Agents*, supra at 251.

1. This application was initially being processed under the procedures set forth in section 225.4(b)(1) of Regulation Y (12 C.F.R. § 225.4(b)(1)) as a proposal to engage de novo in activities determined by the Board to be closely related to banking. Because of the nature of the protests filed, it was determined that the application should be processed by the Board.

2. Banking data are as of March 31, 1980.

3. The application states that Applicant plans expansion into other New England states and New York. However, as Applicant has informed the Board that such expansion is being considered only for the distant future, this Order relates only to Applicant's activities in Massachusetts. Further expansion by Applicant must receive additional approval by the Board.

engage in nonbanking activity only after the Board has determined that the proposed activity is closely related to banking and that the performance of the proposed activities by a nonbanking subsidiary of a bank holding company can reasonably be expected to provide 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.

Protestants have generally alleged that the activities Applicant proposes to engage in are not permissible for bank holding companies, that Applicant will possibly be able to compete unfairly with independent data processing service companies, and that there are no public benefits which attend this proposal to outweigh the asserted possible adverse effects. Discussion of these issues follows.

*Permissibility*

Applicant has requested permission to engage in the following activities: payroll processing, accounts receivable processing, accounts payable processing, automated lock box activities, item processing, and the provision of automated accounting services. Applicant is presently offering these services through its subsidiary banks. Applicant proposes to continue to offer them in the same manner, but to transfer the personnel and equipment now providing these services to CCS. Applicant's banking subsidiaries will continue to offer these services to their customers as part of a total package of banking services. CCS will provide the necessary computer services to the banks. To the extent that CCS's proposed activities amount to nothing more than a reorganization of existing operations so that the new subsidiary will merely be providing services for Applicant and its subsidiary banks, the proposal is permissible under section 4(c)(1)(C) of the Act and therefore requires no Board permission.

However, Applicant also proposes that CCS take advantage of selected opportunities to provide data processing services to the general public, an activity which would require Board approval under section 4(c)(8). With respect to those activities for which 4(c)(8) approval is sought, the Board has determined by regulation that "storing and processing other banking, financial, or related economic data, such as performing payroll, accounts receivable or payable, or billing services" are permissible nonbank activities, (12 C.F.R. § 225.4(a)(8)). This provision of Regulation Y was adopted to enable bank holding companies to process the kinds of data that banks have traditionally processed in conducting their internal operations and accommodating their customers. (12 C.F.R. § 225.123). The activities contemplated by this application fall squarely within the language of Regulation Y and are clearly permissible for bank holding companies. Protestants have not provided any evidence that Applicant will go beyond the bounds of the Board's data processing regulation.[4]

*Absence of Adverse Effects*

Protestants assert that approval of this application will result in giving Applicant an unfair advantage over independent data processing service providers because the proposal gives rise to the likelihood of "voluntary tying" and "cross subsidization."

"Voluntary tying" could result if Applicant's customers believed that they could increase the likelihood of being granted credit or some other service that is in short supply, by purchasing other services from the holding company. It is quite difficult to determine whether voluntary tying actually occurs in a given transaction. Indeed, Protestants have submitted no evidence to demonstrate that any voluntary tying has in fact been associated with Applicant's operations in the past. However, Applicant has volunteered to make a number of commitments with respect to the activities CCS will engage in on its own account, which are designed to eliminate the possibility that voluntary tying might be associated with this proposal.

Protestants also fear that Applicant will be able to offer its data processing services at less than market rates because these operations will be financially supported by Applicant's banking subsidiaries. Again, Applicant has indicated its willingness to make certain commitments which will eliminate the possibility that it will be able to compete unfairly because of such "cross subsidization."[5] The Board regards Applicant's commitments regarding voluntary tying and

4. ADAPSO has sought to raise, with regard to this application, many of the same concerns regarding permissibility that it raised regarding the pending application of Citicorp to engage in data processing activities through a subsidiary to be known Citishare Corporation. *Citicorp*, 66 FEDERAL RESERVE BULLETIN 585 (1980) (hearing order). However, these applications are not comparable. Citicorp proposed a range of data processing activities broader than those contemplated by Conifer.

The Citicorp proceeding also involves the issue of the permissible scope of data processing activities for bank holding companies. To the extent that the Board should determine, as a result of that proceeding, to modify its data processing regulation, the Board is empowered to require Applicant to conform its activities to the amended regulation

5. Cross subsidization is a somewhat amorphous concept. The ability to offer services at lower rates could be attributable to a number of factors, including economies of scale. Furthermore, it is not clear that Protestant's assertions would represent an adverse effect even if true. See, e.g., *Automobile Leasing as an Activity for Bank Holding Companies*, 62 FEDERAL RESERVE BULLETIN 930, 939 (1976)

cross subsidization as significant, and has relied on them in acting upon this application. On the basis of these commitments, the Board concludes that voluntary tying and cross subsidization are unlikely to be associated with this proposal.

*Reasonably Expected Public Benefits*

Approval of this application would allow Applicant to create an entity within its organization which would specialize in providing computer services to the holding company, its subsidiaries, and the public; it also would permit expansion of computer activities through CCS's own resources so that Applicant's computer operations would not be dependent on the resources and budgetary restrictions of the affiliated banks which have been providing data processing services. CCS should be able to enhance its future prospects through increased marketing of its services as a specialized computer firm and be in a better position to expand and provide additional services to the public.

Applicant proposes that CCS begin operations de novo and take on activities started by its other subsidiaries de novo. In the absence of evidence to the contrary, the Board regards de novo expansion as being procompetitive because it provides the market with an additional source of competition.[6] Furthermore, Congress has authorized the Board to differentiate between nonbank activities commenced de novo and activities commenced by the acquisition, in whole or in part, of a going concern because Congress regarded de novo entry as having beneficial effects on competition.[7] The Board thus concludes, based on economic theory, congressional instruction, and its own experience in administering the Act, that the de novo character of the proposal represents a clear public benefit.[8] The Board further finds that the public benefits outlined above are sufficient to outweigh the speculative adverse effects alleged by Protestants, adverse effects that the Board has found are not likely to occur. Indeed, the de novo nature of this proposal is alone sufficient to outweigh the speculative adverse effects that Protestants have alleged.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application 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 bank holding company as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective April 2, 1981.

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

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

## Deutsche Bank AG, Frankfurt, Germany

*Order Approving Proposed Bookkeeping and Data Processing Activities and Denying Proposed Finance, Loan Servicing, Leasing and Insurance Activities*

Deutsche Bank AG, Frankfurt, Federal Republic of Germany, a foreign bank subject to certain provisions of the Bank Holding Company Act of 1956 ("Act"),[1] has applied for the Board's approval, pursuant to section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)) to expand de novo the activities of Applicant's indirect subsidiary, Fiat Credit Corporation ("Corporation"), Bannockburn, Illinois. Corporation is the wholly-owned subsidiary of Fiat

6. E.g., *Virginia National Bankshares*, 66 FEDERAL RESERVE BULLETIN 668, 671 (1980).

7. See S. Rep. No. 91-1084, 91st Cong., 2d Sess. 15, 16 (1970).

8. ADAPSO has pointed out, citing *Independent Bankers Ass'n of Georgia* v. *Board of Governors of the Federal Reserve System*, 170 U.S. App. D.C. 278, 516 F.2d 1206, 1226 n. 86 (1975), that the procompetitive nature of de novo entry may be contradicted by evidence that the proposal will decrease competition, result in undue concentration of resources, or cause other anticompetitive effects. No evidence has been submitted to establish that approval of this application will decrease competition or result in undue concentration of resources. Protestants have asserted that the possibility of voluntary tying and cross subsidization may lead to unfair competition. These assertions have been discussed above and do not undermine the procompetitive nature of this proposal.

1. Applicant, a foreign bank operating a branch in New York, New York, is subject to certain provisions of the Act by operation of section 8(a) of the International Banking Act of 1978, (12 U S C. § 3106 (1978)).

Credit Services, Inc. ("Services"), Deerfield, Illinois. Applicant, through its subsidiary, Deutsche Bank Compagnie Financiere Luxembourg, Luxembourg, owns 50 percent of the voting shares of Services, while the remaining shares are held by a subsidiary of Fiat S.p.A. ("Fiat"), Turin, Italy. Corporation would engage de novo in providing bookkeeping, data processing and other services related to the administration of receivables financed by Corporation for the subsidiaries of Fiat in the United States. In addition, Corporation would engage de novo in a broad range of financing activities; act as agent or broker for life, accident and health and physical damage insurance related to its extensions of credit; service loans and other extensions of credit; and engage in personal and real property leasing activities. These proposed activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(1), (3), (6), (8) and (9).

Notice of the application, affording opportunity for interested persons to submit comments and views, has been duly published (45 *Federal Register* 66,208 (1980)). The time for filing comments and views 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 is the largest bank in Germany and the third largest in the free world, with consolidated assets equivalent to approximately $91.7 billion.[2] Fiat is a major diversified industrial corporation based in Italy, with consolidated assets equivalent to approximately $8.1 billion.[3] Fiat manufactures automobiles, trucks, tractors, agricultural equipment, aircraft parts, and construction machinery; it also operates in other industries, including steel and energy production, construction of civil engineering projects, and the provision of tourist services. Fiat's affiliates include Fiat Motors of North America, Inc., Fiat-Allis Construction Machinery, Inc., Hesston Corporation, and Iveco Trucks of North America, Incorporated.

Applicant now engages, through Corporation, in dealer inventory financing for dealers of affiliates of Fiat in the United States, retail financing for purchasers and lessees of products from such dealers,[4] and acts as insurance agent or broker for credit life, and credit accident and health insurance, and physical damage insurance related to such financing. Corporation engages in these finance and insurance activities from its head office in Bannockburn, Illinois, and regional offices located in Pittsburgh, Pennsylvania; Dallas, Texas; Atlanta, Georgia; Walnut Creek, California; and Libertyville, Illinois. Since this application represents de novo entry, no existing competition would be eliminated between Corporation and the subsidiaries of either Applicant or Fiat.[5]

Applicant's proposed de novo data processing and bookkeeping services for Fiat dealers would involve an expansion of the joint venture's current activities. By engaging in these additional activities, Corporation would provide to existing customers an incidental additional service that would most likely not be provided independently by Applicant or Fiat. Therefore, the Board finds that consummation of that portion of the proposal concerning data processing and bookkeeping services would result in some public benefits. Applicant's proposed data processing and bookkeeping activities would provide dealers in Fiat products in the United States with the capability to develop and maintain detailed dealer and inventory data. These data could be used to provide Fiat's affiliates with statistical and financial information for improved operational efficiency and better customer service. Furthermore, there is no evidence in the record indicating that consummation of the proposal regarding these activities would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices or other adverse effects.

Applicant's proposed diversified finance company activities, including financing, insurance, loan servicing and leasing activities to be offered to the general public, represent, however, a departure from the narrow scope of the joint venture's current activities. Applicant believes that expanding Corporation's financing activities from those of a captive finance company for Fiat dealers and their customers to those of a diversified finance company offering its services to the general public would enable Corporation to achieve economies of scale and gains in efficiency; to borrow money at more favorable rates; to compete on

2. Unless otherwise indicated, all banking data are as of December 31, 1979.

3. Data as of December 31, 1978.

4. The Board approved the Applicant's acquisition of 50 percent of Corporation and the financing activities related to the lease and sale of Fiat products in 1979 *Deutsche Bank AG*, 65 FEDERAL RESERVE BULLETIN 436 (1979).

5. Applicant's New York branch is engaged primarily in wholesale banking and is not engaged in the proposed activities with the exception of certain types of commercial lending. Applicant owns indirectly through its subsidiary, German American Capital Corporation, 20.1 percent of the shares of European-American Bancorp, which controls European-American Bank and Trust Company ("EAB&T"), both of New York, New York. The Board noted in its Order approving the acquisition of EAB&T (*European-American Bancorp*, 63 FEDERAL RESERVE BULLETIN 595 (1977)) that Applicant was not a bank holding company with respect to EAB&T. EAB&T engages in commercial lending, personal property leasing, limited loan servicing, and wholesale and retail sales financing in the New York metropolitan banking market (which consists of New York City, Nassau, Westchester, Putnam, and Rockland Counties and western Suffolk County in New York; the northern two-thirds of Bergen County and eastern Hudson County in New Jersey, and southwestern Fairfield County in Connecticut).

a more equal footing with general finance companies; and to become more financially sound.

While the introduction of services de novo by a joint venture generally has pro-competitive effects where both joint venturers are not likely entrants into the market, the Board is concerned where a large banking and a large commercial organization propose to engage jointly in the provision of a wide range of activities. In this respect, the Board believes that approval of Applicant's proposed financing activities would represent a significant departure from past Board decisions involving joint ventures. The Board has in the past expressed its concern[6] over the possible undesirable effects associated with joint venture proposals,[7] and has generally approved joint venture applications only if the joint venture involved a small co-venturer on a narrowly construed activity, or both. In a substantial number of cases the co-venturers were not likely to engage in the activity. In the latter two respects, Applicant's original formation of Corporation is consistent with the Board's former decisions regarding joint ventures. However, the proposal to engage in a broad range of activities such as general financing, insurance, loan servicing, and leasing activities is beyond the scope of the joint venture activities previously approved by the Board. Furthermore, the Board has also found that close working relationships between large U.S. banking and non-banking organizations could lead to an undue concentration of economic resources, and that such possible adverse effects would not be consistent with the purposes of the Bank Holding Company Act, or in the public interest.[8] The Board believes that a joint venture involving large banking and commercial organizations engaged in a broad range of financial activities in the United States is similarly inconsistent with the purposes of the Bank Holding Company Act.

In this instance, the record suggests that Applicant, which is engaged in diversified finance company activities in several countries, has ample financial resources and technical expertise to engage in these activities and achieve on its own the benefits of de novo entry into financing activities in the United States. Moreover, it appears that Fiat's contribution to the proposed financing, insurance, loan servicing and leasing activities would not be substantial. Accordingly, the Board's examination of Applicant's proposal finds that the benefits to be gained by the proposed joint venture could be achieved, with the exception of the data processing and bookkeeping activities discussed above, without expansion of the joint venture. Since the Board is of the opinion that the proposed expansion of the joint venture between these co-venturers would have adverse effects and believes that the same result can be achieved absent this expansion, the Board finds no tangible net public benefits associated with the proposed transaction and concludes that the proposed expanded financing, insurance, loan servicing and leasing activities should not be approved.

Based upon the foregoing and the other facts of record it is the Board's judgment that concerning Applicant's proposed data processing and bookkeeping activities the balance of the public interest factors the Board is required to consider under section 4(c)(8) of the Act is favorable. Accordingly, this portion of the application is 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 such activities as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof. The Board concludes that approval of the balance of the application would not be in the public interest and that portion of the application concerning expanded finance activities, insurance, loan servicing and leasing activities should be, and hereby is, denied.

The activities approved by the Board shall be commenced 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 April 29, 1981.

Voting for these actions: Governors Schultz, Partee, Teeters, Rice, and Gramley. Voting for approval of the entire application: Chairman Volcker and Governor Wallich, except that Governor Wallich abstained from voting on the credit life insurance and data processing activities.

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

[SEAL]

6. *Maryland National Corporation* (GECC and MN Leasing Corporation), 65 FEDERAL RESERVE BULLETIN 271 (1979), *Bankshares of Nebraska, Inc.*, 64 FEDERAL RESERVE BULLETIN (1978); and *The Fort Worth National Corporation and Shawmut Association, Inc*, 60 FEDERAL RESERVE BULLETIN 382 (1974).

7 The undesirable long term effects that may flow from joint ventures in general include the possibility that potential competition may be eliminated; that a banking organization might favor its co-venturer and discriminate against a co-venturer's rivals and other applicants for credit; that cooperation between the joint venturers may lead to adverse competitive effects in other markets, and that the firm resulting from such a joint venture might be unduly strengthened relative to its competitors

8. *Bank America Corporation* (Allstate International, S.A.), 60 FEDERAL RESERVE BULLETIN 517, 519 (1974); *First National City Overseas Investment Corporation* (Companhia de Seguros Argos Fluminense, S.A ), 60 FEDERAL RESERVE BULLETIN 521, 522 (1974).

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

Kellett, N.V.,
Curacao, Netherlands Antilles

HSBC Holdings, B.V.,
Amsterdam, The Netherlands

Marine Midland Banks, Inc.,
Buffalo, New York

*Order Approving Acquisition of Marmid Life Insurance Company*

The Hongkong and Shanghai Banking Corporation, Hong Kong, B.C.C. ("HSBC"); Kellett, N.V., Curacao, Netherlands Antilles; HSBC Holdings, B.V., Amsterdam, The Netherlands ("Holdings"); and Marine Midland Banks, Inc., Buffalo, New York ("Marine") (collectively, the "Applicants"), bank holding companies within the meaning of the Bank Holding Company Act, have applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 225.4(b)(2)) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)) to acquire all of the voting shares of Marmid Life Insurance Company, Phoenix, Arizona ("Marmid"), a proposed de novo company, and thereby to engage in underwriting, as reinsurer, credit life and credit accident and health insurance directly related to extensions of credit by Applicants' subsidiary, Marine Midland Bank, N.A., Buffalo, New York ("Bank"), in New York state, and credit life insurance related to extensions of credit by Bank in Pennsylvania. Such activity has been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(10)).

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* 11601). The time for filing comments and views has expired and the Board has considered all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

HSBC, the largest bank incorporated in Hong Kong and the 41st largest banking organization in the world, with consolidated assets of approximately $37.2 billion (as of December 31, 1979), engages worldwide in an extensive range of banking and financially related services. Kellett and Holdings are intermediate shell companies formed to facilitate the acquisition by HSBC of shares of Marine.[1] Marine, which does not engage directly in any activity except holding shares of its subsidiaries, is the 12th largest commercial banking organization in the United States. Bank is the eighth largest commercial banking organization in New York state with consolidated deposits of $14.2 billion, as of December 31, 1980.

Marmid will engage in the activity of underwriting, as reinsurer, credit life and credit accident and health insurance directly related to extensions of credit by Bank. Applicants do not currently engage in insurance underwriting activities in the United States, and the proposed affiliation between Applicants and Marmid, a de novo company, would have no adverse effects on competition in any relevant area.

In adding credit insurance underwriting to the list of permissible activities for bank holding companies, the Board stated that, "To assure that engaging in the underwriting of credit life and credit accident and health insurance can reasonably be expected to be in the public interest, the Board will only approve applications in which an applicant demonstrates that approval will benefit the consumer or result in other public benefits. Normally such a showing would be made by a projected reduction in rates or an increase in policy benefits due to bank holding company performance of this service." (12 C.F.R. § 225.4(a)(10) fn. 8). With respect to credit life insurance, Applicant has stated that the proposed reinsurance subsidiary and the direct insurer, which issues the credit life and credit accident and health insurance policies made available by Bank, will reduce credit life insurance premium rates by 1.3 percent below the state prima facie rates in New York and Pennsylvania. These reductions appear to be sufficient to assure public benefits that would warrant approval of the applications.

With respect to reinsurance of credit accident and health insurance, which will be offered only in New York, Applicants have committed to provide a 2.5 percent reduction from the New York prima facie rate. In the past, the Board generally has determined that, in order to provide meaningful benefits to the public, and in the absence of other increases in policy benefits, a bank holding company should commit to reduce its premium rate for credit accident and health insurance by five percent below a state's prima facie rate. At the time the Board added the activity of underwriting credit-related insurance to the list of permissible activities and for some time thereafter, most states had

1. By Order dated March 16, 1979, the Board approved the applications of HSBC, Kellett and Holdings to become bank holding companies through acquisition of Marine.

established a premium rate structure based on a benchmark loss ratio of 50 percent, (that is, 50 percent of earned premiums paid out in claims), and it is in light of such a rate structure that bank holding companies generally have offered a five percent rate reduction on credit disability premiums. However, in 1980, New York established new credit insurance rates that set benchmark loss ratios of between 73 and 78 percent for credit accident and health insurance premiums. Thus, a bank holding company that underwrites credit disability insurance in New York, experiences a greater reduction in its margin of premiums over claims than if it reinsured the same insurance in another state. The subject proposal, accordingly, would result in the same percentage reduction in margin to the holding company as would a larger rate reduction in a state with a lower benchmark loss ratio. In light of these facts, the Board is of the view that approval of proposals permitting a reduction of 2.5 percent below the prima facie rate in New York will enable bank holding companies to continue to offer reinsurance services in New York for credit disability insurance at a rate below that which would ordinarily be charged to the customer. Thus, the Board finds that the proposal to underwrite credit accident and health insurance in New York will produce public benefits that would be consistent with approval of the application.

It is the Board's judgment that the provision of credit life and credit accident and health insurance at reduced premiums is in the public interest. There is no evidence in the record indicating that consummation of the proposal would result in any undue concentration of resources, adverse effects on competition, conflicts of interests, unsound banking practices, or other effects that would be adverse to the public interest.

Based upon the foregoing and other considerations reflected in the record, including Applicant's commitment to maintain on a continuing basis the public benefits that the Board has found to be reasonably expected to result from this proposal, and upon which the approval of this proposal is based, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective April 27, 1981.

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

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

## Societe Generale, Paris, France

*Order Approving Finance and Leasing Activities*

Societe Generale, Paris, France, a foreign bank subject to certain provisions of the Bank Holding Company Act (the "Act"),[1] 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 engage de novo through its subsidiary, Sogelease Corp. ("Sogelease"), New York, New York, in commercial finance and leasing activities. Such activities include making and acquiring, for its own account or for the account of others, commercial loans and other extensions of credit; making leases of real and personal property, where such leasing is in accordance with section 225.4(a)(6) of Regulation Y (12 C.F.R. § 225.4(a)(6)); and acting as agent, broker, or adviser with respect to such extensions of credit and leasing. These activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(1) and (6)).

Notice of the application, affording opportunity for interested persons to submit comments, has been duly published (46 *Federal Register* 11707 (1981)). The time for filing comments has expired, and the Board has considered the application and all comments in light of the public interest factors set forth in section 4(c)(8) of the Act.

The majority of the outstanding voting shares of Societe Generale are owned by the French government. Societe Generale is the fourth largest bank in France, with consolidated assets of approximately $84 billion.[2] Societe Generale engages in general securities

1. Societe Generale, a foreign bank operating a branch in New York, New York, is subject to certain provisions of the Act by operation of section 8(a) of the International Banking Act of 1978 (12 U.S.C. § 3106(a)) (the "IBA").

2. Banking data are as of December 31, 1979.

activities in the United States through its subsidiary, Hudson Securities, Inc., New York, New York.[3] Sogelease would provide its services throughout the world, and would become part of Societe Generale's worldwide leasing network.

To approve this application, the Board must find that Societe Generale's performance of the activities through Sogelease "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices." The Board views de novo entry as procompetitive and a positive public benefit since such entry provides an additional source of competition in a market.[4] Accordingly, the Board views the entry of Sogelease as a competitor into the commercial finance and leasing markets it would serve as a public benefit.

Societe Generale's initial investment in Sogelease ($5.0 million) represents a minimal percentage of Societe Generale's consolidated assets, and it appears that the proposal would have no significant effect upon its financial condition. There is no evidence that the conduct of these activities 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.

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

The activities shall be commenced 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 April 28, 1981.

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

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

## *FEDERAL RESERVE ACT ORDER ISSUED BY THE BOARD OF GOVERNORS*

### *Order Under Section 25(a) of Federal Reserve Act*

### Republic International Bank of New York (California), Los Angeles, California

*Order Denying Additional Activities Under Section 25(a) of the Federal Reserve Act*

Republic International Bank of New York (California) ("RIBNY"), Los Angeles, California, has applied for the Board's consent under section 25(a) of the Federal Reserve Act (12 U.S.C. § 616) (the "Edge Act") and section 211.4(e)(5) of the Board's Regulation K (12 C.F.R. § 211.4(e)(5)) to engage in the activities of (1) maintaining an inventory of gold coin and bullion for its parent, Republic National Bank of New York ("Bank"), New York, New York, and receiving and making deliveries of gold coin and bullion upon the instruction of Bank; and (2) buying and selling gold and silver coin and bullion on a spot, forward, and futures basis.

RIBNY is a corporation organized under section 25(a) of the Federal Reserve Act (an "Edge Corporation") and is a wholly-owned subsidiary of Bank. Bank, a wholly-owned subsidiary of Republic New York Corporation, New York, New York, had assets on December 31, 1980, of $6.2 billion.

Edge Corporations are organized for the purpose of engaging in international or foreign banking or other international or foreign financial operations. The Edge Act (12 U.S.C § 616) provides that an Edge Corporation may engage in the United States only in those activities that the Board determines are incidental to the Edge Corporation's international or foreign business. In amending its Regulation K in June 1979, the Board included a list of general activities that it determined to be incidental to an Edge Corporation's international or foreign business. The Board's regulation provides, however, that an Edge Corporation that

3. A foreign bank is required to cease impermissible nonbanking activities in the United States within two years after establishing a U.S. branch, agency, or commercial lending company. The Board has advised Societe Generale that, in the Board's view, Societe Generale must divest Hudson Securities, Inc., but has extended the time for divestiture from January 2, 1981, until January 2, 1982.

4. E.g. *Virginia National Bancshares, Inc.*, 66 FEDERAL RESERVE BULLETIN 668, 671 (1980). The United States Court of Appeals for the District of Columbia Circuit affirmed the Board's conclusions regarding the procompetitive nature of de novo entry in *Connecticut Bankers Ass'n v. Board of Governors*, No. 79-1554 (D.C. Cir. Feb. 7, 1980).

is of the opinion that other activities in the United States would be incidental to its international or foreign business may apply to the Board for such a determination. As in the case of an application by a bank holding company to engage in a new activity under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)), the Board may either deny the application or, if it determines to approve the application, may do so by issuing an order permitting the specific proposal or by undertaking to revise its regulation to indicate the general permissibility of the activity in the United States.

RIBNY asserts that approval of its request for permission to maintain inventories of gold for Bank would not be inconsistent with the policy of preventing Edge Corporations from competing with U.S. banks for domestic banking business. It appears, however, that RIBNY would be instrumental in furthering Bank's domestic gold business in California. The Board finds that the activity has no relationship to RIBNY's international or foreign business, and that the request should be denied with respect to this activity.

In contending that it should be permitted to buy and sell gold coin and bullion in the United States, RIBNY notes that the Edge Act (12 U.S.C. § 615(a)) provides that an Edge Corporation has the power, subject to such rules and regulations as the Board may prescribe, to exercise various banking powers, including purchasing and selling "coin, bullion, and exchange." RIBNY relies on this language in support of its contention that it may engage in the proposed activities in the United States.

The Board believes, however, that the banking powers authorized for Edge Corporations are governed by the provision of the Edge Act limiting an Edge Corporation's U.S. activities to those incidental to its international or foreign business. The Board has previously considered the matter of an Edge Corporation buying and selling gold in the United States, and in that instance indicated that such activity must be incidental to an Edge Corporation's international or foreign business.[1] Since RIBNY proposes to purchase gold in foreign and domestic markets and to sell gold primarily to domestic customers, the Board does not regard this proposed activity as incidental to any international or foreign business of RIBNY.

RIBNY contends that purchasing and selling gold and silver should be regarded as incidental to international or foreign business. It asserts that these activities are functionally similar to the activities of buying and selling foreign exchange, which the Board has determined are incidental to international or foreign business in section 211.4(e)(4) (xiii) of Regulation K (12 C.F.R. § 211.4(e) (4) (xiii).) RIBNY also contends that the activities of Republic New York Corporation, Bank, and RIBNY in gold and silver coin and bullion are unique among U.S. banking organizations, and, that the organization's expertise in these activities is incidental to RIBNY's international and foreign business.[2] These views assume, however, that gold and silver activities are inherently international in character. The Board does not believe that purchases and sales of gold and silver are sufficiently different from other commodities transactions to warrant such a conclusion.

Based upon the foregoing and other considerations reflected in the record, the Board concludes that the proposed activities would not be incidental to RIBNY's international or foreign business, and would not be consistent with the purposes of the Federal Reserve Act; therefore, the application is denied.

By order of the Board of Governors, effective April 27, 1981.

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

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

1. See Board letter of December 2, 1968, to American International Bank, New York, New York. The Board ruled that American International Bank could purchase gold for resale to domestic users so long as no more than 15 percent of its gold purchases would be from domestic sources. That ruling was limited to the specific facts in that case, and did not authorize Edge Corporations generally to engage in the activities in the United States.

2. The Board recognized the experience and competence of Republic New York Corporation in the coin and bullion field when it approved the application under section 4(c)(8) of the Bank Holding Company Act of Republic New York Corporation to engage through a subsidiary in the activity of acting as a futures commision merchant to execute futures contracts covering gold and silver coin and bullion. *Republic New York Corporation*, 63 FEDERAL RESERVE BULLETIN 951, 953 (1977). The Board's action on this application has no effect on the approval previously granted under the Bank Holding Company Act.

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

### *By the Board of Governors*

During April 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 International Bancshares, Inc., Dallas, Texas | Greenspoint Bank, Houston, Texas | April 14, 1981 |
| The Fischer Corporation, Lewiston, Minnesota | First State Bank of Wykoff, Wykoff, Minnesota | April 14, 1981 |
| Griswold State Bancshares, Inc., Griswold, Iowa | Lary Insurance Agency, Griswold, Iowa | April 21, 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 |
|---|---|---|---|
| Alsip Bancorporation, Inc., Alsip, Illinois | Alsip Bank and Trust, Alsip, Illinois | Chicago | April 22, 1981 |
| B & M Bancshares, Inc., Fairmont, Minnesota | State Bank of Fairmont, Fairmont, Minnesota | Minneapolis | April 14, 1981 |
| Brighton Bancshares Corporation, Brighton, Tennessee | Brighton Bank, Brighton, Tennessee | St. Louis | April 23, 1981 |
| Cardinal Bancorp, South Sioux City, Nebraska | Dakota County State Bank, South Sioux City, Nebraska | Kansas City | April 10, 1981 |
| Centinel Bank Shares, Inc., Taos, New Mexico | Centinel Bank of Taos, Taos, New Mexico | Kansas City | March 26, 1981 |
| Chisholm Trail Financial Corp., Wichita, Kansas | Chisholm Trail State Bank, Wichita, Kansas | Kansas City | March 26, 1981 |
| Colbert Bancshares, Inc. Colbert, Oklahoma | The First Nation Bank of Colbert Colbert, Oklahoma | Dallas | April 17, 1981 |
| Colonial Bancorporation, Inc., Thiensville, Wisconsin | Colonial Bank, Thiensville, Wisconsin<br>Richfield State Bank, Richfield, Wisconsin | Chicago | April 22, 1981 |
| Commerce BancShares of Wyoming, Inc., Sheridan, Wyoming | Security Bank of Gillette, Gillette, Wyoming | Kansas City | April 10, 1981 |

Section 3—Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|---|---|
| Commercial Bancshares, Inc. Champaign, Illinois | The Commercial Bank of Champaign, Champaign, Illinois | Chicago | April 10, 1981 |
| De Witt Bancorp, Inc., De Witt, Iowa | De Witt Bank & Trust Co., De Witt, Iowa | Chicago | April 17, 1981 |
| Faribault Bankshares, Inc., Faribault, Minnesota | The State Bank of Faribault, Faribault, Minnesota | Minneapolis | April 23, 1981 |
| First American Bancshares, Inc., Kingston, Missouri | American Bank of Union Star, Union Star, Missouri | Kansas City | April 10, 1981 |
| First Bancorp of N.H., Inc., Manchester, New Hampshire | White Mountain National Bank, North Conway, New Hampshire | Boston | April 22, 1981 |
| First Bancshares of Louisiana, Inc., Baton Rouge, Louisiana | Louisiana National Bank of Baton Rouge, Baton Route, Louisiana | Atlanta | April 9, 1981 |
| First Banc of Indiana Holding Company, Inc., Madison, Indiana | The First Bank of Madison, Madison, Indiana | St. Louis | April 9, 1981 |
| First Bellevue Bancshares Co., Bellevue, Nebraska | First National Bank of Bellevue, Bellevue, Nebraska | Kansas City | April 10, 1981 |
| First City Holding Corporation, Oklahoma City, Oklahoma | City National Bank and Trust Company, Oklahoma City, Oklahoma | Kansas City | March 27, 1981 |
| First Jersey National Corporation, Jersey City, New Jersey | Perth Amboy National Bank, Perth Amboy, New Jersey | New York | April 2, 1981 |
| First Marlow Bancshares, Inc., Marlow, Oklahoma | The First National Bank in Marlow, Marlow, Oklahoma | Kansas City | April 10, 1981 |
| First Nocona Bancshares, Inc., Nocona, Texas | First National Bank of Nocona, Nocona, Texas | Dallas | April 1, 1981 |
| Freeport Bancshares, Inc., Freeport, Illinois | Midwest Bank of Freeport Freeport, Illinois | Chicago | April 21, 1981 |
| Gebsco, Inc., Cochrane, Wisconsin | Cochrane State Bank, Cochrane, Wisconsin | Minneapolis | April 10, 1981 |
| Guthrie County Investment Co., Guthrie Center, Iowa | Guthrie County State Bank, Guthrie Center, Iowa | Chicago | April 10, 1981 |
| Hull State Bancshares, Inc., Hull, Texas | Hull State Bank, Hull, Texas | Dallas | April 9, 1981 |
| Intercounty Bancshares, Inc., Wilmington, Ohio | Clinton County National Bank and Trust Company, Wilmington, Ohio | Cleveland | April 17, 1981 |
| Live Oak Bancshares Corporation, George West, Texas | First National Bank in George West, George West, Texas | Dallas | April 21, 1981 |
| McCamey Bancshares, Inc., McCamey, Texas | Security State Bank, McCamey, Texas | Dallas | April 10, 1981 |
| Madison Lake Bancorporation, Inc., Madison Lake, Minnesota | Peoples State Bank of Madison Lake, Madison Lake, Minnesota | Minneapolis | April 9, 1981 |

Section 3—Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|---|---|
| Mark Twain Bancshares, Inc., St. Louis, Missouri | Mid-Continent Bank of Kansas City, Kansas City, Missouri | St. Louis | April 14, 1981 |
| Montgomery County Financial Corporation, Independence, Kansas | The Independence State Bank of Independence, Kansas, Independence, Kansas | Kansas City | April 10, 1981 |
| Oak Hill Financial, Inc., Oak Hill, Ohio | The Oak Hill Savings Bank Company, Oak Hill, Ohio | Cleveland | April 17, 1981 |
| Ohio Citizens Bancorp, Inc., Toledo, Ohio | The Farmers & Merchants Deposit Company, Swanton, Ohio | Cleveland | April 23, 1981 |
| Old Kent Financial Corporation, Grand Rapids, Michigan | Gaylord State Bank, Gaylord, Michigan | Chicago | March 27, 1981 |
| Pawnee Bancshares, Inc., Pawnee, Oklahoma | Pawnee National Bank, Pawnee, Oklahoma | Kansas City | March 27, 1981 |
| Pedernales Investment Corporation, Dallas, Texas | Pedernales-Blanco Corporation, Dallas, Texas | Dallas | April 23, 1981 |
| Persons Banking Company, Inc., Forsyth, Georgia | The Bank of Perry, Perry, Georgia | Atlanta | April 17, 1981 |
| Pikes Peak National Company, Colorado Springs, Colorado | The Pikes Peak National Bank of Colorado Springs, Colorado Springs, Colorado | Kansas City | April 3, 1981 |
| Southern Bancshares, Inc., Douglas, Georgia | The Farmers Bank, Douglas, Georgia. The Farmers Bank, Locust Grove, Georgia | Atlanta | March 31, 1981 |
| South First National Corporation, Ocean Springs, Mississippi | First National Bank of the South, Ocean Springs, Mississippi | Atlanta | March 30, 1981 |
| South Texas Bancshares, Inc., Beeville, Texas | The Commercial National Bank of Beeville, Beeville, Texas; First State Bank of Mathis, Mathis, Texas | Dallas | April 24, 1981 |
| Welcome Bancshar[redacted] Inc., Welcome, Minnesota | Welcome State Bank, Welcome, Minnesota | Minneapolis | April 6, 1981 |

Sections 3 and 4

| Applicant | Bank(s) | Nonbanking company (or activity) | Reserve Bank | Effective date |
|---|---|---|---|---|
| Delhi Bancshares, Inc., Delhi, Iowa | Delhi Savings Bank, Delhi, Iowa; Delhi Insurance Agency, Delhi, Iowa | to engage in general insurance activities | Chicago | April 21, 1981 |

Sections 3 and 4—Continued

| Applicant | Bank(s) | | Reserve Bank | Effective date |
|---|---|---|---|---|
| Valley National Corporation, Phoenix, Arizona | The Valley National Bank of Arizona, Phoenix, Arizona<br>Concho Investment Corporation Phoenix, Arizona | to engage in the sale of credit life insurance and credit accident and health insurance directly related to extensions of credit. | San Francisco | April 1, 1981 |

Section 4

| Applicant | Nonbanking company (or activity) | Effective date |
|---|---|---|
| Irwin Union Corporation, Columbus, Indiana | Inland Mortgage Company, Inc., Indianapolis, Indiana | April 17, 1981 |

## *ORDERS APPROVED UNDER BANK MERGER ACT*

*By the Board of Governors*

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|---|---|
| First Virginia Bank-Colonial, Richmond, Virginia | The Peoples Bank of Hanover County, Mechanicsville, Virginia | Richmond | April 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.*

*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 Wom*[redacted]*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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Financial and Business Statistics

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### INTEREST AND EXCHANGE RATES

## 1.10 MONETARY AGGREGATES AND INTEREST RATES▲

| Item | 1980 | | | 1981 | 1980 | | 1981 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1 | Nov | Dec | Jan | Feb | Mar |
| | Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1] | | | | | | | | |
| *Reserves of depository institutions* | | | | | | | | | |
| 1 Total | 4 | 6.7 | 16.5 | 2.0 | 35.9 | 1.6 | 1.0 | −14.6 | 11.9 |
| 2 Required | 7 | 5.8 | 15.2 | 2.5 | 27.0 | 0.1 | −0.7 | 3.9 | 5.9 |
| 3 Nonborrowed | 7.4 | 12.4 | 7.2 | 6.8 | 13.2 | 13.4 | 8.2 | 12.4 | 21.9 |
| 4 Monetary base[2] | 5.6 | 9.5 | 10.6 | 5.6 | 15.0 | 4.9 | 4.4 | 2.3 | 7.3 |
| *Concepts of money and liquid assets*[3] | | | | | | | | | |
| 5 M-1A | 4.8 | 11.5 | 8.0 | −18.6 | 5.6 | −11.7r | 34.7r | 21.5 | 5.2 |
| 6 M-1B | −2.9 | 13.9 | 10.9 | 6.6 | 9.0 | 9.8 | 13.7 | 8.7 | 11.2 |
| 7 M-2 | 5.4 | 15.7 | 8.1 | 8.4 | 9.8 | 1.2 | 9.3 | 9.8 | 15.2 |
| 8 M-3 | 6.0 | 13.1 | 10.3 | 12.0r | 13.1 | 6.9 | 16.2 | 10.8 | 9.3 |
| 9 L | 6.8 | 9.9 | 10.7 | n.a. | 15.4 | 9.5 | 16.7 | 11.5 | n.a. |
| *Time and savings deposits* | | | | | | | | | |
| Commercial banks | | | | | | | | | |
| 10 Total | 10.8 | 5.8 | 12.9 | 15.4 | 20.7 | 18.9 | 21.0 | 7.7 | 0.6 |
| 11 Savings[4] | −21.4 | 22.9 | 1.7 | −31.2 | 5.0 | 38.8 | 53.0 | −23.0 | 9.7 |
| 12 Small-denomination time[5] | 33.2 | 2.9 | 15.4 | 30.0 | 24.5 | 35.4 | 41.4 | 14.2 | 16.0 |
| 13 Large-denomination time[6] | 12.6 | 3.3 | 18.8 | 34.2 | 28.8 | 44.6 | 51.4 | 20.1 | 10.1 |
| 14 Thrift institutions[7] | 4.7 | 10.1 | 9.7 | 5.0 | 9.9 | 10.0 | 3.9 | 1.3 | 8 |
| 15 Total loans and securities at commercial banks[8] | 0r | 6.7 | 14.7 | 11.8 | 17.6r | 12.8r | 15.7r | 8.1 | −6 |

| Item | 1980 | | | 1981 | 1980 | 1981 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1 | Dec | Jan | Feb | Mar | Apr |
| | Interest rates (levels, percent per annum) | | | | | | | | |
| *Short-term rates* | | | | | | | | | |
| 16 Federal funds[9] | 12.69 | 9.83 | 15.85 | 16.57 | 18.90 | 19.08 | 15.93 | 14.70 | 15.72 |
| 17 Discount window borrowing[10] | 12.45 | 10.35 | 11.78 | 13.00 | 12.87 | 13.00 | 13.00 | 13.00 | 13.00 |
| 18 Treasury bills (3-month market yield)[11] | 9.62 | 9.15 | 13.61 | 14.39 | 15.49 | 15.02 | 14.79 | 13.36 | 13.69 |
| 19 Commercial paper (3-month)[11,12] | 11.18 | 9.65 | 15.26 | 15.34 | 18.07 | 16.58 | 15.49 | 13.94 | 14.56 |
| *Long-term rates* | | | | | | | | | |
| Bonds | | | | | | | | | |
| 20 U.S. government[13] | 10.58 | 10.95 | 12.23 | 12.74 | 12.49 | 12.29 | 12.98 | 12.94 | 13.46 |
| 21 State and local government[14] | 7.95 | 8.58 | 9.59 | 9.97 | 10.11 | 9.66 | 10.10 | 10.16 | 10.62 |
| 22 Aaa utility (new issue)[15] | 11.77 | 12.20 | 13.49 | 14.45 | 14.51 | 14.12 | 14.90 | 14.71 | 15.68 |
| 23 Conventional mortgages[16] | 12.70 | 13.12 | 14.62 | n.a. | 15.05 | 14.95 | 15.10 | 15.25 | 15.70 |

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter. Growth rates for member bank reserves are adjusted for discontinuities in series that result from changes in Regulations D and M.

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

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

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

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

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

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

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

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

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

8. Changes calculated from figures shown in table 1.23.

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

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

11. Quoted on a bank-discount basis.

12. 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.

▲The monetary aggregates and their components have been revised due to new seasonal adjustment factors.

## 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 | | | | | | |
| | Feb | Mar | Apr | Mar 18 | Mar 25 | Apr 1 | Apr 8 | Apr 15 | Apr 22 | Apr. 29 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 **Reserve Bank credit outstanding** | **140,373** | **140,919** | **143,592** | **141,557** | **141,445** | **141,741** | **140,957** | **143,214** | **145,885** | **144,630** |
| 2 U S government securities[1] | 116,509 | 118,098 | 120,008 | 118,711 | 118,667 | 118,546 | 118,396 | 119,785 | 122,542 | 119,678 |
| 3 Bought outright | 116,509 | 118,033 | 119,468 | 118,711 | 118,515 | 118,381 | 118,396 | 119,785 | 120,841 | 119,095 |
| 4 Held under repurchase agreements | | 65 | 540 | | 152 | 165 | | | 1,701 | 583 |
| 5 Federal agency securities | 8,739 | 8,751 | 8,775 | 8,733 | 8,793 | 8,753 | 8,722 | 8,720 | 8,839 | 8,835 |
| 6 Bought outright | 8,739 | 8,734 | 8,720 | 8,733 | 8,733 | 8,730 | 8,722 | 8,720 | 8,720 | 8,720 |
| 7 Held under repurchase agreements | | 17 | 55 | | 60 | 23 | | | 119 | 115 |
| 8 Acceptances | | 35 | 69 | | 38 | 143 | | | 156 | 112 |
| 9 Loans | 1,278 | 1,004 | 1,343 | 774 | 888 | 1,464 | 887 | 1,142 | 864 | 2,278 |
| 10 Float | 3,755 | 2,925 | 3,139 | 3,262 | 2,836 | 2,536 | 2,852 | 3,419 | 3,201 | 3,244 |
| 11 Other Federal Reserve assets | 10,092 | 10,106 | 10,258 | 10,077 | 10,223 | 10,298 | 10,100 | 10,147 | 10,283 | 10,483 |
| 12 Gold stock | 11,159 | 11,156 | 11,154 | 11,156 | 11,155 | 11,155 | 11,154 | 11,154 | 11,154 | 11,154 |
| 13 Special drawing rights certificate account | 2,518 | 2,653 | 2,818 | 2,647 | 2,732 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 |
| 14 Treasury currency outstanding | 13,498 | 13,506 | 13,521 | 13,489 | 13,493 | 13,575 | 13,512 | 13,516 | 13,524 | 13,530 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 15 Currency in circulation | 131,879 | 132,553 | 134,536 | 132,765 | 132,630 | 133,023 | 133,905 | 134,983 | 135,045 | 134,344 |
| 16 Treasury cash holdings | 451 | 472 | 498 | 472 | 477 | 483 | 492 | 496 | 500 | 503 |
| Deposits, other than member bank reserves, with Federal Reserve Banks | | | | | | | | | | |
| 17 Treasury | 3,297 | 3,045 | 3,353 | 3,131 | 3,242 | 2,887 | 2,863 | 3,033 | 3,969 | 3,536 |
| 18 Foreign | 319 | 319 | 411 | 391 | 272 | 334 | 329 | 347 | 393 | 580 |
| 19 Other | 401 | 342 | 295 | 352 | 328 | 322 | 255 | 285 | 320 | 301 |
| 20 Other Federal Reserve liabilities and capital | 4,609 | 4,782 | 4,875 | 4,774 | 4,719 | 4,832 | 4,854 | 4,893 | 4,897 | 4,927 |
| 21 Reserve accounts[2] | 26,591 | 26,722 | 27,117 | 26,963 | 27,158 | 27,409 | 25,743 | 26,665 | 28,258 | 27,940 |
| | End-of-month figures | | | Wednesday figures | | | | | | |
| | 1981 | | | 1981 | | | | | | |
| | Feb | Mar | Apr | Mar 18 | Mar 25 | Apr 1 | Apr 8 | Apr 15 | Apr 22 | Apr 29 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 22 **Reserve bank credit outstanding** | **139,199** | **141,272** | **143,452** | **143,791** | **145,343** | **141,787** | **142,810** | **146,497** | **150,722** | **156,848** |
| 23 U S government securities[1] | 117,621 | 118,043 | 119,687 | 119,561 | 119,606 | 117,750 | 119,495 | 120,036 | 126,168 | 122,897 |
| 24 Bought outright | 117,621 | 117,666 | 119,687 | 119,561 | 118,541 | 117,533 | 119,495 | 120,036 | 120,465 | 120,037 |
| 25 Held under repurchase agreements | | 377 | | | 1,065 | 217 | | | 5,703 | 2,860 |
| 26 Federal agency securities | 8,737 | 8,779 | 8,720 | 8,733 | 9,151 | 8,752 | 8,722 | 8,720 | 9,152 | 9,286 |
| 27 Bought outright | 8,737 | 8,722 | 8,720 | 8,733 | 8,733 | 8,722 | 8,722 | 8,720 | 8,720 | 8,720 |
| 28 Held under repurchase agreements | | 57 | | | 418 | 30 | | | 432 | 566 |
| 29 Acceptances | | 298 | | | 267 | 191 | | | 446 | 549 |
| 30 Loans | 1,249 | 656 | 2,333 | 1,912 | 3,229 | 1,758 | 467 | 3,208 | 1,306 | 8,572 |
| 31 Float | 1,545 | 3,261 | 2,156 | 3,350 | 2,743 | 3,035 | 4,031 | 4,205 | 3,160 | 4,926 |
| 32 Other Federal Reserve assets | 10,047 | 10,235 | 10,556 | 10,235 | 10,347 | 10,301 | 10,095 | 10,328 | 10,490 | 10,618 |
| 33 Gold stock | 11,156 | 11,154 | 11,154 | 11,156 | 11,155 | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 |
| 34 Special drawing rights certificate account | 2,518 | 2,818 | 2,818 | 2,668 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 |
| 35 Treasury currency outstanding | 13,939 | 14,002 | 13,534 | 13,489 | 13,502 | 13,509 | 13,516 | 13,516 | 13,529 | 13,534 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 36 Currency in circulation | 131,833 | 133,915 | 134,465 | 132,994 | 133,031 | 133,612 | 134,836 | 135,496 | 135,078 | 134,701 |
| 37 Treasury cash holdings | 464 | 494 | 508 | 474 | 476 | 483 | 494 | 497 | 498 | 508 |
| Deposits, other than member bank reserves, with Federal Reserve Banks | | | | | | | | | | |
| 38 Treasury | 2,284 | 3,032 | 4,460 | 2,858 | 2,609 | 2,305 | 2,406 | 2,296 | 3,089 | 5,737 |
| 39 Foreign | 422 | 474 | 476 | 261 | 244 | 320 | 292 | 388 | 319 | 326 |
| 40 Other | 337 | 313 | 311 | 392 | 369 | 407 | 284 | 341 | 316 | 266 |
| 41 Other Federal Reserve liabilities and capital | 4,737 | 4,855 | 4,674 | 4,621 | 4,670 | 4,614 | 4,769 | 4,650 | 4,965 | 5,002 |
| 42 Reserve accounts[2] | 26,734 | 26,164 | 26 063 | 29,504 | 31,419 | 27,527 | 27,217 | 30,317 | 33,957 | 37,813 |

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 reserve balances of all depository institutions

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 | 1979 | 1980 | | | | | 1981 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Monthly averages of daily figures | | | | | | | | | |
| | Dec | Aug | Sept | Oct | Nov | Dec | Jan *p* | Feb *p* | Mar *p* | Apr *p* |
| 1 Reserve balances with Reserve Banks[1] | 32,473 | 28,923 | 29,164 | 29,976 | 29,215 | 26,664 | 27,114 | 26,591 | 26,722 | 27,117 |
| 2 Total vault cash (estimated) | .. | .. | | | 15,311 | 18,149 | 19,293 | 17,824 | 17,327 | 17,189 |
| 3 Vault cash at institutions with required reserve balances[2] | 11,344 | 11,262 | 11,811 | 11,678 | 11,876 | 12,602 | 13,587 | 12,187 | 11,687 | 11,687 |
| 4 Vault cash equal to required reserves at other institutions | n.a. | n.a. | n.a. | n.a. | 439 | 704 | 700 | 763 | 1,237 | 1,204 |
| 5 Surplus vault cash at other institutions[3] | n.a. | n.a. | n.a. | n.a. | 2,996 | 4,843 | 5,006 | 4,874 | 4,403 | 4,298 |
| 6 Reserve balances + total vault cash[4] | 43,972 | 40,373 | 41,164 | 41,815 | 44,674 | 44,940 | 46,520 | 44,524 | 44,155 | 44,395 |
| 7 Reserve balances + total vault cash used to satisfy reserve requirements[4,5] | n.a. | n.a. | n.a. | n.a. | 41,678 | 40,097 | 41,514 | 39,650 | 39,752 | 40,097 |
| 8 Required reserves (estimated) | 43,578 | 40,071 | 40,908 | 41,498 | 40,723 | 40,067 | 41,025 | 39,448 | 39,372 | 40,071 |
| 9 Excess reserve balances at Reserve Banks[4,6] | 394 | 302 | 256 | 317 | 955 | 30 | 489 | 202 | 380 | 26 |
| 10 Total borrowings at Reserve Banks | 1,473 | 659 | 1,311 | 1,335 | 2,156 | 1,617 | 1,405 | 1,278 | 1,004 | 1,343 |
| 11 Seasonal borrowings at Reserve Banks | 82 | 10 | 26 | 67 | 99 | 116 | 120 | 148 | 197 | 161 |
| *Large commercial banks* | | | | | | | | | | |
| 12 Reserves held | | | | | | 24,940 | 26,267 | 24,874 | 24,772 | 24,894 |
| 13 Required | | | | | | 25,819 | 26,605 | 25,328 | 25,145 | 25,519 |
| 14 Excess | | | | | | −879 | 338 | 454 | −373 | −625 |
| *Small commercial banks* | | | | | | | | | | |
| 15 Reserves held | | | | | | 13,719 | 13,935 | 13,305 | 13,386 | 13,628 |
| 16 Required | | | | | | 13,523 | 13,690 | 13,235 | 13,229 | 13,558 |
| 17 Excess | n.a. | n.a. | n.a. | n.a. | n.a. | 196 | 245 | 70 | 157 | 70 |
| *U.S. agencies and branches* | | | | | | | | | | |
| 18 Reserves held | | | | | | 260 | 253 | 388 | 461 | 444 |
| 19 Required | | | | | | 230 | 228 | 366 | 450 | 432 |
| 20 Excess | | | | | | 30 | 25 | 22 | 11 | 12 |
| *All other institutions* | | | | | | | | | | |
| 21 Reserves held | | | | | | 494 | 513 | 502 | 605 | 611 |
| 22 Required | | | | | | 495 | 502 | 519 | 548 | 562 |
| 23 Excess | | | | | | −1 | 11 | 17 | 57 | 49 |

| Reserve classification | Weekly averages of daily figures for week ending | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Feb. 25*p* | Mar. 4*p* | Mar. 11*p* | Mar. 18*p* | Mar. 25*p* | Apr. 1*p* | Apr. 8*p* | Apr. 15*p* | Apr. 22*p* | Apr. 29*p* |
| 24 Reserve balances with Reserve Banks[1] | 26,765 | 27,122 | 25,217 | 26,963 | 27,158 | 27,409 | 25,743 | 26,665 | 28,258 | 27,940 |
| 25 Total vault cash (estimated) | 16,820 | 17,415 | 18,457 | 17,144 | 16,496 | 17,135 | 17,467 | 17,681 | 16,155 | 17,353 |
| 26 Vault cash at institutions with required reserve balances[2] | 11,464 | 11,640 | 12,506 | 11,538 | 11,152 | 11,560 | 11,873 | 11,991 | 10,971 | 11,845 |
| 27 Vault cash equal to required reserves at other institutions | 700 | 1,285 | 1,269 | 1,226 | 1,208 | 1,217 | 1,184 | 1,194 | 1,186 | 1,238 |
| 28 Surplus vault cash at other institutions[3] | 4,656 | 4,490 | 4,682 | 4,380 | 4,136 | 4,358 | 4,410 | 4,496 | 3,998 | 4,270 |
| 29 Reserve balances + total vault cash[4] | 43,693 | 44,644 | 43,780 | 44,214 | 43,760 | 44,650 | 43,298 | 44,434 | 44,503 | 45,379 |
| 30 Reserve balances + total vault cash used to satisfy reserve requirements[4,5] | 39,037 | 40,154 | 39,098 | 39,834 | 39,624 | 40,292 | 38,888 | 39,938 | 40,505 | 41,109 |
| 31 Required reserves (estimated) | 39,202 | 39,479 | 38,868 | 39,491 | 39,464 | 39,642 | 38,837 | 39,620 | 40,739 | 41,004 |
| 32 Excess reserve balances at Reserve Banks[4,6] | −165 | 675 | 230 | 343 | 160 | 650 | 51 | 318 | 234 | 105 |
| 33 Total borrowings at Reserve Banks | 1,713 | 1,299 | 768 | 774 | 888 | 1,464 | 887 | 1,142 | 864 | 2,278 |
| 34 Seasonal borrowings at Reserve Banks | 160 | 176 | 185 | 193 | 200 | 220 | 162 | 149 | 149 | 175 |
| *Large commercial banks* | | | | | | | | | | |
| 35 Reserves held | 23,669 | 24,946 | 24,595 | 24,583 | 24,348 | 25,592 | 24,263 | 24,949 | 24,806 | 25,501 |
| 36 Required | 25,041 | 25,283 | 24,831 | 25,302 | 25,066 | 25,324 | 24,701 | 25,344 | 25,935 | 26,031 |
| 37 Excess | −1,372 | −337 | −236 | −719 | −718 | 268 | 438 | −395 | 1,129 | −530 |
| *Small commercial banks* | | | | | | | | | | |
| 38 Reserves held | 13,180 | 13,376 | 13,224 | 13,315 | 13,492 | 13,584 | 13,267 | 13,363 | 13,696 | 14,131 |
| 39 Required | 13,226 | 13,206 | 13,027 | 13,191 | 13,387 | 13,340 | 13,163 | 13,269 | 13,787 | 13,990 |
| 40 Excess | −46 | 170 | 197 | 124 | 105 | 244 | 104 | 94 | −91 | 141 |
| *U.S. agencies and branches* | | | | | | | | | | |
| 41 Reserves held | 482 | 490 | 470 | 470 | 444 | 440 | 446 | 455 | 436 | 435 |
| 42 Required | 440 | 463 | 455 | 446 | 460 | 431 | 437 | 443 | 430 | 422 |
| 43 Excess | 42 | 27 | 15 | 24 | −16 | 9 | 9 | 12 | 6 | 13 |
| *All other institutions* | | | | | | | | | | |
| 44 Reserves held | 485 | 625 | 587 | 589 | 626 | 570 | 583 | 624 | 611 | 630 |
| 45 Required | 495 | 527 | 555 | 552 | 551 | 547 | 536 | 564 | 587 | 561 |
| 46 Excess | 10 | 98 | 32 | 37 | 75 | 23 | 47 | 60 | 24 | 69 |

1. Includes all reserve balances of 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 plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.
6. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves. (This measure of excess reserves is comparable to the old excess reserve concept published historically.)

## 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 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar 4 | Mar 11 | Mar 18 | Mar 25r | Apr 1 | Apr 8 | Apr 15 | Apr 22 | Apr 29 |
| *One day and continuing contract* | | | | | | | | | |
| 1 Commercial banks in United States | 49,384 | 53,647 | 49,104 | 47,575 | 48,803 | 57,586 | 56,645 | 53,824 | 49,944 |
| 2 Other depository institutions, foreign banks and foreign official institutions, and U S government agencies | 14,060 | 15,595 | 15,548 | 15,698 | 14,932 | 14,318 | 13,549 | 12,735 | 13,021 |
| 3 Nonbank securities dealers | 2,759 | 2,887 | 2,179 | 2,104 | 2,832 | 2,778 | 2,582 | 2,206 | 3,162 |
| 4 All other | 20,076 | 19,514 | 19,180 | 18,753 | 19,608 | 19,050 | 19,324 | 16,284 | 20,205 |
| *All other maturities* | | | | | | | | | |
| 5 Commercial banks in United States | 3,669 | 3,475 | 3,531 | 3,629 | 3,475 | 3,210 | 3,481 | 4,749 | 3,608 |
| 6 Other depository institutions, foreign banks and foreign official institutions, and U S government agencies | 7,430 | 7,552 | 7,664 | 7,972 | 7,327 | 7,159 | 7,229 | 7,864 | 7,678 |
| 7 Nonbank securities dealers | 4,146 | 4,314 | 4,144 | 4,556 | 5,013 | 4,474 | 4,371 | 4,340 | 4,464 |
| 8 All other | 10,681 | 10,938 | 10,581 | 10,238 | 10,414 | 9,961 | 10,077 | 13,363 | 10,329 |
| MEMO: Federal funds and resale agreement loans in maturities of one day or continuing contract | | | | | | | | | |
| 9 Commercial banks in United States | 15,554 | 15,117 | 17,058 | 15,983 | 15,985 | 17,068 | 14,963 | 16,101 | 14,351 |
| 10 Nonbank securities dealers | 2,719 | 2,651 | 3,258 | 3,065 | 3,066 | 3,364 | 2,947 | 2,984 | 2,988 |

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

## 1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

| Federal Reserve Bank | Short-term adjustment credit[1] | | | Extended credit | | | | | | Emergency credit to all others under section 13[3] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Seasonal credit | | | Special circumstances[2] | | | | | |
| | Rate on 4/30/81 | Effective date | Previous rate | Rate on 4/30/81 | Effective date | Previous rate | Rate on 4/30/81 | Effective date | Previous rate | Rate on 4/30/81 | Effective date | Previous rate |
| Boston | 13 | 12/8/80 | 12 | 13 | 12/8/80 | 12 | 14 | 12/8/80 | 13 | 16 | 12/8/80 | 15 |
| New York | 13 | 12/5/80 | 12 | 13 | 12/5/80 | 12 | 14 | 12/5/80 | 13 | 16 | 12/5/80 | 15 |
| Philadelphia | 13 | 12/8/80 | 12 | 13 | 12/8/80 | 12 | 14 | 12/8/80 | 13 | 16 | 12/8/80 | 15 |
| Cleveland | 13 | 12/5/80 | 12 | 13 | 12/5/80 | 12 | 14 | 12/5/80 | 13 | 16 | 12/5/80 | 15 |
| Richmond | 13 | 12/5/80 | 12 | 13 | 12/5/80 | 12 | 14 | 12/5/80 | 13 | 16 | 12/5/80 | 15 |
| Atlanta | 13 | 12/5/80 | 12 | 13 | 12/5/80 | 12 | 14 | 12/5/80 | 13 | 16 | 12/5/80 | 15 |
| | | | | | | | | | | | | |
| Chicago | 13 | 12/8/80 | 12 | 13 | 12/8/80 | 12 | 14 | 12/8/80 | 13 | 16 | 12/8/80 | 15 |
| St Louis | 13 | 12/5/80 | 12 | 13 | 12/5/80 | 12 | 14 | 12/5/80 | 13 | 16 | 12/5/80 | 15 |
| Minneapolis | 13 | 12/5/80 | 12 | 13 | 12/5/80 | 12 | 14 | 12/5/80 | 13 | 16 | 12/5/80 | 15 |
| Kansas City | 13 | 12/5/80 | 12 | 13 | 12/5/80 | 12 | 14 | 12/5/80 | 13 | 16 | 12/5/80 | 15 |
| Dallas | 13 | 12/8/80 | 12 | 13 | 12/8/80 | 12 | 14 | 12/8/80 | 13 | 16 | 12/8/80 | 15 |
| San Francisco | 13 | 12/5/80 | 12 | 13 | 12/5/80 | 12 | 14 | 12/5/80 | 13 | 16 | 12/5/80 | 15 |

Range of rates in recent years[4,5]

| Effective date | Range (or level)—All F.R. Banks | F R Bank of N Y | Effective date | Range (or level)-All F R Banks | F R Bank of N Y | Effective date | Range (or level)—All F R Banks | F R Bank of N Y |
|---|---|---|---|---|---|---|---|---|
| In effect Dec 31, 1970 | 5½ | 5½ | 1974 Apr 25 | 7½ 8 | 8 | 1978 - July 10 | 7¼ | 7¼ |
| 1971— Jan 8 | 5¼–5½ | 5¼ | 30 | 8 | 8 | Aug 21 | 7¾ | 7¾ |
| 15 | 5¼ | 5¼ | Dec 9 | 7¾-8 | 7¾ | Sept 22 | 8 | 8 |
| 19 | 5–5¼ | 5¼ | 16 | 7¾ | 7¾ | Oct 16 | 8–8½ | 8½ |
| 22 | 5–5¼ | 5 | | | | 20 | 8½ | 8½ |
| 29 | 5 | 5 | 1975 Jan 6 | 7¼ | 7¼ | Nov 1 | 8½ 9½ | 9½ |
| Feb 13 | 4¾-5 | 5 | 10 | 7¼ | 7¼ | 3 | 9½ | 9½ |
| 19 | 4¾ | 4¾ | 24 | 7¼ | 7¼ | | | |
| July 16 | 4¾-5 | 5 | Feb 5 | 6¾–7¼ | 6¾ | 1979 July 20 | 10 | 10 |
| 23 | 5 | 5 | 7 | 6¾ | 6¾ | Aug 17 | 10 10½ | 10½ |
| Nov 11 | 4¾ 5 | 5 | Mar 10 | 6¼–6¾ | 6¼ | 20 | 10½ | 10½ |
| 19 | 4¾ | 4¾ | 14 | 6¼ | 6¼ | Sept 19 | 10½–11 | 11 |
| Dec 13 | 4½–4¾ | 4¾ | May 16 | 6 6¼ | 6 | 21 | 11 | 11 |
| 17 | 4½–4¾ | 4½ | | | | Oct 8 | 11-12 | 12 |
| 24 | 4½ | 4½ | 1976— Jan 19 | 5½-6 | 5½ | 10 | 12 | 12 |
| | | | 23 | 5½ | 5½ | | | |
| 1973— Jan 15 | 5 | 5 | Nov 22 | 5¼–5½ | 5¼ | 1980 Feb 15 | 12–13 | 13 |
| Feb 26 | 5–5½ | 5½ | 26 | 5¼ | 5¼ | 19 | 13 | 13 |
| Mar. 2 | 5½ | 5½ | | | | May 29 | 12–13 | 13 |
| Apr 23 | 5½–5¾ | 5½ | 1977– Aug 30 | 5¼-5¾ | 5¼ | 30 | 12 | 12 |
| May 4 | 5¾ | 5¾ | 31 | 5¼–5¾ | 5¾ | June 13 | 11–12 | 11 |
| 11 | 5¾-6 | 6 | Sept 2 | 5¾ | 5¾ | 16 | 11 | 11 |
| 18 | 6 | 6 | Oct 26 | 6 | 6 | July 28 | 10 11 | 10 |
| June 11 | 6-6½ | 6½ | | | | 29 | 10 | 10 |
| 15 | 6½ | 6½ | 1978 - Jan 9 | 6-6½ | 6½ | Sept 26 | 11 | 11 |
| July 2 | 7 | 7 | 20 | 6½ | 6½ | Nov 17 | 12 | 12 |
| Aug 14 | 7–7½ | 7½ | May 11 | 6½-7 | 7 | Dec 5 | 12–13 | 13 |
| 23 | 7½ | 7½ | 12 | 7 | 7 | 8 | 13 | 13 |
| | | | July 3 | 7–7¼ | 7¼ | In effect Apr 30, 1981 | 13 | 13 |

1. Effective Dec 5, 1980, a 3 percent surcharge was applied to short-term adjustment credit borrowings by institutions with deposits of $500 million or more who borrowed in successive weeks or in more than 4 weeks in a calendar quarter

2 Applicable to advances when exceptional circumstances or practices involve only a particular depository institution as described in section 201 3(b) (2) of Regulation A

3. Applicable to emergency advances to individuals, partnerships, and corporations as described in section 201 3(c) of Regulation A

4 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*

5 Twice in 1980, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of $500 million or more who 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 which was subsequently raised to 3 percent on Dec 5, 1980

## 1.15 DEPOSITORY INSTITUTIONS RESERVE REQUIREMENTS[1]

Percent of deposits

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

1 For changes in reserve requirements beginning 1963, see Board's *Annual Statistical Digest, 1971–1975* and for prior changes, see Board's *Annual Report* for 1976, table 13 Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations

2 (a) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank. Demand deposits subject to reserve requirements 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 April 3, 1980, was decreased to 5 percent beginning June 12, 1980, and was reduced to zero beginning July 24, 1980. Managed liabilities are defined as large time deposits, Eurodollar borrowings, repurchase agreements against U.S government and federal agency securities, federal funds borrowings from nonmember institutions, and certain other obligations. In general, the base for the marginal reserve requirement was originally the greater of (a) $100 million or (b) the average amount of the managed liabilities held by a member bank, Edge corporation, or family of U S. branches and agencies of a foreign bank for the two statement weeks ending Sept 26, 1979 For the computation period beginning Mar 20, 1980, the base was lowered by (a) 7 percent or (b) the decrease in an institution's U S office gross loans to foreigners and gross balances due from foreign offices of other institutions between the base period (Sept. 13–26, 1979) and the week ending Mar 12, 1980, whichever was greater. For the computation period beginning May 29, 1980, the base was increased by 7½ percent above the base used to calculate the marginal reserve in the statement week of May 14–21, 1980 In addition, beginning Mar 19, 1980, the base was reduced to the extent that foreign loans and balances declined

5 For existing nonmember banks and thrift institutions 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 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

## 1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions

Percent per annum

| Type and maturity of deposit | Commercial banks | | | | Savings and loan associations and mutual savings banks | | | |
|---|---|---|---|---|---|---|---|---|
| | In effect Apr 30, 1981 | | Previous maximum | | In effect Apr 30, 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 2½ years or more | (14) | (14) | (15) | (15) | (14) | (14) | (15) | (15) |

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

2 For authorized states only, federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan 1, 1974 Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb 27, 1976, and in New York State on Nov 10, 1978, and in New Jersey on Dec. 28, 1979 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 FEDERAL RESERVE 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 loan associations in excess of $100,000 was decreased to 14 days. Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 days to 14 days for mutual savings banks

5 Effective Oct 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 days 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, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $1,000, however, the amount of such certificates that an institution could issue was limited to 5 percent of its total time and savings deposits Sales in excess of that amount, as well as certificates of less than $1,000, were limited to the 6½ percent ceiling on time deposits maturing in 2½ years or more

Effective Nov 1, 1973, ceilings were reimposed on certificates maturing in 4 years or more with minimum denomination of $1,000 There is no limitation on the amount of these certificates that banks can issue

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

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

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

13 Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978 The ceiling rate for commercial banks on money market time deposits entered into before June 5, 1980, is the discount rate (auction average) on most recently issued six-month U S Treasury bills Until Mar 15, 1979, the ceiling rate for savings and loan associations and mutual savings banks was ¼ percentage point higher than the rate for commercial banks Beginning March 15, 1979, the ¼-percentage-point interest differential is removed when the six-month Treasury bill rate is 9 percent or more The full differential is in effect when the six-month bill rate is 8¾ percent or less Thrift institutions may pay a maximum 9 percent when the six-month bill rate is between 8¼ and 9 percent Also effective March 15, 1979, interest compounding was prohibited on six-month money market time deposits at all offering institutions. The maximum allowable rates in April for commercial banks and thrift institutions were as follows Apr 2, 12 328, Apr 7, 14 033, Apr 14, 13 896, Apr 21, 13 871; Apr 28, 14 292 Effective for all six-month money market certificates issued beginning June 5, 1980, the interest rate ceilings will be determined by the discount rate (auction average) of most recently issued six-month U S Treasury bills as follows

| *Bill rate* | *Commercial bank ceiling* | *Thrift ceiling* |
|---|---|---|
| 8 75 and above | bill rate + ¼ percent | bill rate + ¼ percent |
| 8 50 to 8 75 | bill rate + ¼ percent | 9 00 |
| 7 50 to 8 50 | bill rate + ¼ percent | bill rate + ½ percent |
| 7 25 to 7 50 | 7 75 | bill rate + ½ percent |
| Below 7 25 | 7.75 | 7 75 |

The prohibition against compounding interest in these certificates continues

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

| *Treasury yield* | *Commercial bank ceiling* | *Thrift ceiling* |
|---|---|---|
| 12 00 and above | 11 75 | 12 00 |
| 9 50 to 12 00 | Treasury yield – ¼ percent | Treasury yield |
| Below 9 50 | 9 25 | 9 50 |

Interest may be compounded on these time deposits The ceiling rates of interest at which these accounts may be offered vary biweekly The maximum allowable rates in April for commercial banks were as follows: Apr 2, 11 75; Apr 14, 11 75, Apr 28, 11 75 The maximum allowable rates in April for thrift institutions were as follows Apr 2, 12 10, Apr 14, 12 00, Apr. 28, 12.00

15 Between July 1, 1979, and Dec. 31, 1979, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 4 years or more. The maximum rate for commercial banks was 1¼ percentage points below the yield on 4-year U.S. Treasury securities; the ceiling rate for thrift institutions was ¼ percentage point higher than that for commercial banks.

NOTE Before Mar 31, 1980, the maximum rates that could be paid by federally insured commercial banks, mutual savings banks, and savings and loan associations were established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217, 329, and 526, respectively Title II of the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L 96–221) transferred the authority of the agencies to establish maximum rates of interest payable on deposits to the Depository Institutions Deregulation Committee The maximum rates on time deposits in denominations of $100,000 or more with maturities of 30–89 days were suspended in June 1970, such deposits maturing in 90 days or more were suspended in May 1973 For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the FEDERAL RESERVE BULLETIN, the *Federal Home Loan Bank Board Journal*, and the *Annual Report of the Federal Deposit Insurance Corporation*

## 1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

| Type of transaction | 1978 | 1979 | 1980 | 1980 | | | | 1981 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
| U.S. GOVERNMENT SECURITIES | | | | | | | | | | |
| Outright transactions (excluding matched sale-purchase transactions) | | | | | | | | | | |
| *Treasury bills* | | | | | | | | | | |
| 1 Gross purchases | 16 628 | 15 998 | 7 668 | 200 | 991 | 0 | 1 331 | 1 100 | 0 | 1,607 |
| 2 Gross sales | 13 725 | 6 855 | 7 331 | 237 | 531 | 600 | 0 | 3,865 | 357 | 0 |
| 3 Exchange | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 Redemptions | 2 033 | 2 900 | 3 389 | 0 | 700 | 500 | 49 | 1 000 | 0 | 0 |
| *Others within 1 year*[1] | | | | | | | | | | |
| 5 Gross purchases | 1 184 | 3 203 | 912 | 0 | 0 | 0 | 100 | 0 | 0 | 0 |
| 6 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23 | 0 |
| 7 Maturity shift | 5 170 | 17 339 | 12 427 | 589 | 596 | 2 368 | 754 | 462 | 990 | 878 |
| 8 Exchange | 0 | 11 308 | - 18 251 | 1 459 | 420 | 879 | −967 | 0 | - 1,936 | −1 385 |
| 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 | 0 | 0 | 0 | 0 | 0 |
| 11 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Maturity shift | 178 | - 12 693 | 8 909 | - 589 | 596 | −2 368 | 754 | 462 | - 990 | - 878 |
| 13 Exchange | | 7 508 | 13 412 | 1 459 | 420 | 500 | 967 | 0 | 1 211 | 1 385 |
| *5 to 10 years* | | | | | | | | | | |
| 14 Gross purchases | 1 526 | 523 | 703 | 0 | 0 | 0 | 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 Exchange | | 2 181 | 2 970 | 0 | 0 | 220 | 0 | 0 | 400 | 0 |
| *Over 10 years* | | | | | | | | | | |
| 18 Gross purchases | 1 063 | 454 | 811 | 0 | 0 | 0 | 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 | 0 | 0 | 159 | 0 | 0 | 325 | 0 |
| *All maturities*[1] | | | | | | | | | | |
| 22 Gross purchases | 24 591 | 22 325 | 12 232 | 200 | 991 | 0 | 1 431 | 1 100 | 0 | 1 607 |
| 23 Gross sales | 13 725 | 6 855 | 7 331 | 237 | 531 | 600 | 0 | 3 865 | 380 | 0 |
| 24 Redemptions | 2 033 | 5 500 | 3 389 | 0 | 700 | 500 | 49 | 1 000 | 0 | 0 |
| Matched transactions | | | | | | | | | | |
| 25 Gross sales | 511 126 | 627 350 | 674 000 | 55 766 | 55 787 | 40 944 | 79 754 | 61,427 | 30 819 | 32,003 |
| 26 Gross purchases | 510 854 | 624 192 | 675 496 | 56,207 | 56 462 | 41 129 | 78 734 | 63,062 | 31 651 | 30,441 |
| Repurchase agreements | | | | | | | | | | |
| 27 Gross purchases | 151 618 | 107 051 | 113 902 | 3 203 | 20 145 | 24 169 | 11 534 | 6 108 | 0 | 1,623 |
| 28 Gross sales | 152 436 | 106,968 | 113 040 | 2 743 | 19 808 | 23,924 | 11 381 | 8 137 | 0 | 1 246 |
| 29 Net change in U.S. government securities | 7 743 | 6 896 | 3,869 | 863 | 771 | 670 | 516 | 4 159 | 452 | 422 |
| FEDERAL AGENCY OBLIGATIONS | | | | | | | | | | |
| Outright transactions | | | | | | | | | | |
| 30 Gross purchases | 301 | 853 | 668 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 Gross sales | 173 | 399 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 Redemptions | 235 | 134 | 145 | 91 | 21 | 0 | 22 | 0 | 3 | 15 |
| Repurchase agreements | | | | | | | | | | |
| 33 Gross purchases | 40 567 | 37 321 | 28 895 | 977 | 5 922 | 4 825 | 1 889 | 652 | 0 | 494 |
| 34 Gross sales | 40 885 | 36 960 | 28 863 | 1 188 | 5 734 | 4 880 | 1 767 | 1 177 | 0 | 437 |
| 35 Net change in federal agency obligations | 426 | 681 | 555 | - 302 | 167 | - 55 | 99 | - 525 | 3 | 42 |
| BANKERS ACCEPTANCES | | | | | | | | | | |
| 36 *Outright transactions, net* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 Repurchase agreements, net | 366 | 116 | 73 | 222 | 67 | 43 | 253 | 776 | 0 | 298 |
| 38 Net change in bankers acceptances | 366 | 116 | 73 | 222 | 67 | - 43 | 253 | - 776 | 0 | 298 |
| **39 Total net change in System Open Market Account** | **6,951** | **7,693** | **4,497** | **784** | **1,005** | **−768** | **868** | **−5,460** | **450** | **762** |

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 | | |
|---|---|---|---|---|---|---|---|---|
| | Apr. 1 | Apr. 8 | Apr 15 | Apr 22 | Apr 29 | Feb | Mar | Apr |
| | Consolidated condition statement | | | | | | | |
| ASSETS | | | | | | | | |
| 1 Gold certificate account | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,156 | 11,154 | 11,154 |
| 2 Special drawing rights certificate account | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,518 | 2,818 | 2,818 |
| 3 Coin | 467 | 460 | 445 | 429 | 412 | 495 | 468 | 412 |
| Loans | | | | | | | | |
| 4 To depository institutions | 1,758 | 467 | 3,208 | 1,306 | 8,572 | 1,249 | 656 | 2,333 |
| 5 Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acceptances | | | | | | | | |
| 6 Held under repurchase agreements | 191 | 0 | 0 | 446 | 549 | 0 | 298 | 0 |
| Federal agency obligations | | | | | | | | |
| 7 Bought outright | 8,722 | 8,722 | 8,720 | 8,720 | 8,720 | 8,737 | 8,722 | 8,720 |
| 8 Held under repurchase agreements | 30 | 0 | 0 | 432 | 566 | 0 | 57 | 0 |
| U.S. government securities | | | | | | | | |
| Bought outright | | | | | | | | |
| 9 Bills | 41,945 | 43,907 | 43,612 | 44,041 | 43,613 | 42,033 | 42,078 | 43,263 |
| 10 Notes | 58,370 | 58,370 | 59,118 | 59,118 | 59,118 | 58,370 | 58,370 | 59,118 |
| 11 Bonds | 17,218 | 17,218 | 17,306 | 17,306 | 17,306 | 17,218 | 17,218 | 17,306 |
| 12 Total[1] | 117,533 | 119,495 | 120,036 | 120,465 | 120,037 | 117,621 | 117,666 | 119,687 |
| 13 Held under repurchase agreements | 217 | 0 | 0 | 5,703 | 2,860 | 0 | 377 | 0 |
| 14 Total U S government securities | 117,750 | 119,495 | 120,036 | 126,168 | 122,897 | 117,621 | 118,043 | 119,687 |
| 15 **Total loans and securities** | **128,451** | **128,684** | **131,964** | **137,072** | **141,304** | **127,607** | **127,776** | **130,740** |
| 16 Cash items in process of collection | 9,544 | 10,197 | 11,662 | 10,307 | 11,946 | 7,473 | 11,107 | 9,224 |
| 17 Bank premises | 465 | 466 | 466 | 468 | 469 | 461 | 465 | 467 |
| Other assets | | | | | | | | |
| 18 Denominated in foreign currencies[2] | 7,038 | 6,849 | 6,849 | 6,846 | 6,848 | 7,086 | 7,060 | 6,768 |
| 19 All other | 2,798 | 2,780 | 3,013 | 3,176 | 3,301 | 2,500 | 2,710 | 3,321 |
| 20 **Total assets** | **162,735** | **163,408** | **168,371** | **172,270** | **178,252** | **159,296** | **163,558** | **164,904** |
| LIABILITIES | | | | | | | | |
| 21 Federal Reserve notes | 121,053 | 122,274 | 122,922 | 122,477 | 122,088 | 118,854 | 120,874 | 121,852 |
| Deposits | | | | | | | | |
| 22 Depository institutions | 27,527 | 27,217 | 30,317 | 33,957 | 37,813 | 26,734 | 26,164 | 26,063 |
| 23 U.S. Treasury—General account | 2,305 | 2,406 | 2,296 | 3,089 | 5,737 | 2,284 | 3,032 | 4,460 |
| 24 Foreign—Official accounts | 320 | 292 | 388 | 319 | 326 | 422 | 474 | 476 |
| 25 Other | 407 | 284 | 341 | 316 | 266 | 337 | 313 | 311 |
| 26 **Total deposits** | **30,559** | **30,199** | **33,342** | **37,681** | **44,142** | **29,777** | **29,983** | **31,310** |
| 27 Deferred availability cash items | 6,509 | 6,166 | 7,457 | 7,147 | 7,020 | 5,928 | 7,846 | 7,068 |
| 28 Other liabilities and accrued dividends[3] | 1,943 | 2,055 | 1,923 | 2,252 | 2,273 | 1,958 | 1,952 | 1,971 |
| 29 **Total liabilities** | **160,064** | **160,694** | **165,644** | **169,557** | **175,523** | **156,517** | **160,655** | **162,201** |
| CAPITAL ACCOUNTS | | | | | | | | |
| 30 Capital paid in | 1,227 | 1,229 | 1,230 | 1,232 | 1,233 | 1,222 | 1,227 | 1,233 |
| 31 Surplus | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 |
| 32 Other capital accounts | 241 | 282 | 294 | 278 | 293 | 354 | 473 | 267 |
| 33 **Total liabilities and capital accounts** | **162,735** | **163,408** | **168,371** | **172,270** | **178,252** | **159,296** | **163,558** | **164,904** |
| 34 MEMO: Marketable U.S. government securities held in custody for foreign and international account | 100,720 | 100 038 | 100,171 | 100,591 | 101,725 | 94,658 | 101,214 | 100,546 |
| | Federal Reserve note statement | | | | | | | |
| 35 Federal Reserve notes outstanding (issued to bank) | 142,265 | 142,587 | 143,023 | 143,324 | 143,634 | 141,297 | 142,182 | 143,716 |
| 36 Less-held by bank[4] | 21,212 | 20,313 | 20,101 | 20,847 | 21,546 | 22,443 | 21,308 | 21,864 |
| 37 Federal Reserve notes, net | 121,053 | 122,274 | 122,922 | 122,477 | 122,088 | 118,854 | 120,874 | 121,852 |
| *Collateral for Federal Reserve notes* | | | | | | | | |
| 38 Gold certificate account | 11,154 | 11,154 | 11,154 | 11,154 | 11,154 | 11,156 | 11,154 | 11,154 |
| 39 Special drawing rights certificate account | 2,818 | 2,818 | 2,818 | 2,818 | 2,818 | 2,518 | 2,818 | 2,818 |
| 40 Other eligible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 41 U S. government and agency securities | 107,081 | 108,302 | 108,950 | 108,505 | 108,116 | 105,180 | 106,902 | 107,880 |
| 42 **Total collateral** | **121,053** | **122,274** | **122,922** | **122,477** | **122,088** | **118,854** | **120,874** | **121,852** |

1 *Includes* securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and *excludes* (if any) securities sold and scheduled to be bought back under matched sale-purchase transactions

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

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

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

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

Millions of dollars

| Type and maturity groupings | Wednesday | | | | | End of month | | |
|---|---|---|---|---|---|---|---|---|
| | 1981 | | | | | 1981 | | |
| | Apr. 1 | Apr. 8 | Apr. 15 | Apr. 22 | Apr. 29 | Feb. 28 | Mar. 31 | Apr. 30 |
| 1 Loans—Total | 1,758 | 467 | 3,208 | 1,306 | 8,572 | 1,249 | 656 | 2,333 |
| 2 Within 15 days | 1,700 | 392 | 3,121 | 1,290 | 8,558 | 1,199 | 616 | 1,905 |
| 3 16 days to 90 days | 58 | 75 | 80 | 16 | 14 | 50 | 40 | 428 |
| 4 91 days to 1 year | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 0 |
| 5 Acceptances—Total | 191 | 0 | 0 | 446 | 549 | 0 | 298 | 0 |
| 6 Within 15 days | 191 | 0 | 0 | 446 | 549 | 0 | 298 | 0 |
| 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 | 117,750 | 119,495 | 120,036 | 126,168 | 122,897 | 117,621 | 118,043 | 119,687 |
| 10 Within 15 days[1] | 2,943 | 4,971 | 4,634 | 9,559 | 5,771 | 3,101 | 2,265 | 2,098 |
| 11 16 days to 90 days | 22,345 | 21,849 | 21,917 | 23,097 | 22,573 | 23,245 | 22,904 | 21,291 |
| 12 91 days to 1 year | 28,608 | 28,821 | 28,911 | 28,937 | 29,978 | 27,385 | 29,020 | 31,983 |
| 13 Over 1 year to 5 years | 34,772 | 34,772 | 35,241 | 35,241 | 35,241 | 34,809 | 34,772 | 34,981 |
| 14 Over 5 years to 10 years | 13,755 | 13,755 | 13,918 | 13,918 | 13,918 | 13,754 | 13,755 | 13,918 |
| 15 Over 10 years | 15,327 | 15,327 | 15,415 | 15,416 | 15,416 | 15,327 | 15,327 | 15,416 |
| 16 Federal agency obligations—Total | 8,752 | 8,722 | 8,720 | 9,152 | 9,286 | 8,737 | 8,779 | 8,720 |
| 17 Within 15 days[1] | 51 | 40 | 19 | 501 | 635 | 128 | 266 | 69 |
| 18 16 days to 90 days | 410 | 595 | 598 | 575 | 615 | 439 | 397 | 615 |
| 19 91 days to 1 year | 1,962 | 1,758 | 1,824 | 1,792 | 1,752 | 1,843 | 1,834 | 1,752 |
| 20 Over 1 year to 5 years | 4,690 | 4,690 | 4,658 | 4,658 | 4,658 | 4,621 | 4,613 | 4,658 |
| 21 Over 5 years to 10 years | 954 | 954 | 936 | 982 | 982 | 1,030 | 975 | 982 |
| 22 Over 10 years | 685 | 685 | 685 | 644 | 644 | 685 | 685 | 644 |

1. Holdings under repurchase agreements are classified as maturing within 15 days in accordance with maximum maturity of the agreements.

## 1.20 BANK DEBITS AND DEPOSIT TURNOVER

Debits are shown in billions of dollars, turnover as ratio of debits to deposit. Monthly data are at annual rates.

| Bank group, or type of customer | 1977 | 1978 | 1979r | 1980 | | 1981 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Nov. | Dec. | Jan. | Feb. | Mar. |
| | Debits to demand deposits[1] (seasonally adjusted) | | | | | | | |
| 1 All commercial banks | 34,322.8 | 40,297.8 | 49,775.0 | 67,621.4 | 69,950.2 | 72,402.3 | 73,174.6 | 75,487.3 |
| 2 Major New York City banks | 13,860.6 | 15,008.7 | 18,512.7 | 26,821.8 | 27,352.2 | 29,656.0 | 29,752.0 | 30,276.0 |
| 3 Other banks | 20,462.2 | 25,289.1 | 31,262.3 | 40,799.6 | 42,598.0 | 42,746.3 | 43,422.5 | 45,211.3 |
| | Debits to savings deposits[2] (not seasonally adjusted) | | | | | | | |
| 4 ATS/NOW[3] | 5.5 | 17.1 | 83.3 | 173.4 | 218.3 | 529.3 | 526.6 | 668.7 |
| 5 Business[4] | 21.7 | 56.7 | 77.3 | 95.6 | 119.2 | 108.2 | 93.4 | 112.8 |
| 6 Others[5] | 152.3 | 359.7 | 515.2 | 573.7 | 704.2 | 685.7 | 553.1 | 556.8 |
| 7 All accounts | 179.5 | 432.9 | 675.8 | 842.8 | 1,041.6 | 1,323.2 | 1,173.1 | 1,338.3 |
| | Demand deposit turnover[1] (seasonally adjusted) | | | | | | | |
| 8 All commercial banks | 129.2 | 139.4 | 163.5 | 211.6 | 222.7 | 244.6 | 253.6 | 262.9 |
| 9 Major New York City banks | 503.0 | 541.9 | 646.2 | 842.2 | 865.8 | 956.2 | 952.6 | 959.5 |
| 10 Other banks | 85.9 | 96.8 | 113.3 | 141.8 | 150.8 | 161.3 | 168.7 | 176.9 |
| | Savings deposit turnover[2] (not seasonally adjusted) | | | | | | | |
| 11 ATS/NOW[3] | 6.5 | 7.0 | 7.8 | 8.4 | 10.4 | 15.1 | 12.5 | 14.2 |
| 12 Business[4] | 4.1 | 5.1 | 7.2 | 8.5 | 11.3 | 10.9 | 9.8 | 11.3 |
| 13 Others[5] | 1.5 | 1.7 | 2.7 | 3.2 | 4.1 | 4.1 | 3.4 | 3.5 |
| 14 All accounts | 1.7 | 1.9 | 3.1 | 4.0 | 5.1 | 6.3 | 5.5 | 6.1 |

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 r | 1980r Oct | 1980r Nov. | 1980r Dec | 1981 Jan r | 1981 Feb r | 1981 Mar |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Seasonally adjusted** | | | | | | | | | |
| **Measures[1]** | | | | | | | | | | |
| 1 M-1A | 328.4 | 351.6 | 369.8 | 384.4 | 386.4 | 388.2 | 384.4 | 373.3 | 366.6 | 365.0 |
| 2 M-1B | 332.6 | 360.1 | 386.9 | 411.3 | 411.6 | 414.7 | 411.3 | 416.0 | 419.0 | 422.9 |
| 3 M-2 | 1,294.1 | 1,401.5 | 1,526.0 | 1,668.7 | 1,653.6 | 1,667.1 | 1,668.7 | 1,681.7 | 1,695.4 | 1,713.8 |
| 4 M-3 | 1,460.3 | 1,623.6 | 1,775.5 | 1,952.2 | 1,920.0 | 1,941.0 | 1,952.2 | 1,978.6 | 1,996.4 | 2,011.6 |
| 5 L[2] | 1,720.2 | 1,934.9 | 2,151.8 | 2,365.3 | 2,317.0 | 2,346.7 | 2,365.3 | 2,398.2 | 2,421.2 | n.a. |
| **Components** | | | | | | | | | | |
| 6 Currency | 88.7 | 97.6 | 106.3 | 116.2 | 114.9 | 115.6 | 116.2 | 116.6 | 117.3 | 117.9 |
| 7 Demand deposits | 239.7 | 253.9 | 263.5 | 268.2 | 271.5 | 272.6 | 268.2 | 256.7 | 249.3 | 247.1 |
| 8 Savings deposits | 486.4 | 475.8 | 417.0 | 393.8 | 408.8 | 406.8 | 393.8 | 377.7 | 370.5 | 367.5 |
| 9 Small-denomination time deposits[3] | 454.9 | 533.8 | 656.2 | 759.0 | 726.5 | 739.3 | 759.0 | 777.9 | 785.1 | 791.2 |
| 10 Large-denomination time deposits[4] | 145.2 | 194.7 | 219.0 | 247.0 | 231.0 | 237.4 | 247.0 | 258.1 | 263.1 | 262.1 |
| | **Not seasonally adjusted** | | | | | | | | | |
| **Measures[1]** | | | | | | | | | | |
| 11 M-1A | 337.2 | 360.9 | 379.4 | 394.7 | 388.0 | 391.1 | 394.7 | 377.3 | 358.2 | 358.3 |
| 12 M-1B | 341.4 | 369.5 | 396.4 | 421.8 | 413.7 | 417.7 | 421.8 | 420.6 | 409.4 | 415.1 |
| 13 M-2 | 1,295.9 | 1,403.6 | 1,527.7 | 1,674.7 | 1,656.9 | 1,665.7 | 1,674.7 | 1,684.7 | 1,685.0 | 1,708.8 |
| 14 M-3 | 1,464.5 | 1,629.2 | 1,780.8 | 1,962.8 | 1,923.1 | 1,942.1 | 1,962.8 | 1,984.3 | 1,988.3 | 2,009.3 |
| 15 L[2] | 1,723.2 | 1,938.3 | 2,154.3 | 2,372.0 | 2,318.0 | 2,344.7 | 2,372.0 | 2,401.2 | 2,414.4 | n.a. |
| **Components** | | | | | | | | | | |
| 16 Currency | 90.3 | 99.4 | 108.3 | 118.5 | 114.9 | 116.6 | 118.5 | 115.8 | 115.9 | 116.8 |
| 17 Demand deposits | 247.0 | 261.5 | 271.2 | 276.2 | 273.1 | 274.5 | 276.2 | 261.5 | 242.3 | 241.4 |
| 18 Other checkable deposits[5] | 4.2 | 8.6 | 17.0 | 27.1 | 25.7 | 26.6 | 27.1 | 43.3 | 51.2 | 56.8 |
| 19 Overnight RPs and Eurodollars[6] | 18.6 | 23.9 | 25.3 | 32.2 | 32.5 | 32.6 | 32.2 | 32.5 | 31.6 | 29.8 |
| 20 Money market mutual funds | 3.8 | 10.3 | 43.6 | 75.8 | 77.4 | 77.0 | 75.8 | 80.7 | 92.4 | 105.6 |
| 21 Savings deposits | 483.1 | 472.6 | 414.1 | 390.9 | 412.9 | 405.8 | 390.9 | 374.9 | 365.3 | 364.9 |
| 22 Small-denomination time deposits[3] | 451.3 | 529.8 | 651.2 | 757.4 | 723.7 | 735.9 | 757.4 | 779.1 | 789.5 | 796.6 |
| 23 Large-denomination time deposits[4] | 147.7 | 198.2 | 222.6 | 251.5 | 230.7 | 240.0 | 251.5 | 260.7 | 265.4 | 264.7 |

1 Composition of the money stock measures is as follows.

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

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

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

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

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

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

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

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

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

NOTE. Latest monthly and weekly figures are available from the Board's H.6(508) release. Back data are available from the Banking Section, Division of Research and Statistics. The monetary aggregates and their components have been revised due to new seasonal adjustment factors.

## 1.22 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS[1] AND MEMBER BANK DEPOSITS

Billions of dollars, averages of daily figures

| Item | 1978 Dec | 1979 Dec | 1980 Dec. | 1980 Sept | 1980 Oct | 1980 Nov.[2] | 1980 Dec | 1981 Jan. | 1981 Feb. | 1981 Mar |
|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | | |
| 1 **Total reserves[3]** | **41.16** | **43.46** | **40.13** | **41.52** | **41.73** | **41.23** | **40.13** | **40.10** | **39.76** | **40.25** |
| 2 Nonborrowed reserves | 40.29 | 41.98 | 38.44 | 40.21 | 40.42 | 39.17 | 38.44 | 38.70 | 38.45 | 39.25 |
| 3 Required reserves | 40.93 | 43.13 | 39.58 | 41.26 | 41.52 | 40.73 | 39.58 | 39.56 | 39.58 | 39.87 |
| 4 Monetary base[4] | 142.2 | 153.7 | 159.8 | 159.5 | 160.9 | 160.7 | 159.8 | 160.1 | 160.6 | 161.3 |
| 5 **Member bank deposits subject to reserve requirements[5]** | **616.1** | **644.5** | **701.8** | **678.2** | **684.7** | **694.3** | **701.8** | **703.8** | **704.3** | **703.6** |
| 6 Time and savings | 428.7 | 451.2 | 485.6 | 482.0 | 485.5 | 475.4 | 485.6 | 517.4 | 523.3 | 524.7 |
| Demand | | | | | | | | | | |
| 7 Private | 185.1 | 191.5 | 196.0 | 194.5 | 195.6 | 198.1 | 196.0 | 184.1 | 178.9 | 176.8 |
| 8 U.S. government | 2.2 | 1.8 | 1.9 | 1.8 | 2.4 | 2.2 | 1.9 | 2.3 | 2.1 | 2.0 |
| | Not seasonally adjusted | | | | | | | | | |
| 9 Monetary base[4] | 144.6 | 156.2 | 162.5 | 58.0 | 159.0 | 160.6 | 161.5 | 162.5 | 158.9 | 159.6 |
| 10 **Member bank deposits subject to reserve requirements[5]** | **624.0** | **652.7** | **710.3** | **675.6** | **684.2** | **694.6** | **710.3** | **712.6** | **701.5** | **703.1** |
| 11 Time and savings | 429.6 | 452.1 | 486.5 | 479.6 | 485.7r | 493.0r | 505.0r | 520.5r | 524.8r | 527.9 |
| Demand | | | | | | | | | | |
| 12 Private | 191.9 | 198.6 | 203.2 | 193.9 | 196.4 | 199.6 | 203.2 | 189.9 | 174.6 | 173.2 |
| 13 U.S. government | 2.5 | 2.0 | 2.1 | 2.1 | 2.1 | 1.9 | 2.1 | 2.1 | 2.0 | 2.1 |

1 Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Before Nov. 13, 1980, the date of implementation of the Monetary Control Act, only the reserves of commercial banks that were members of the Federal Reserve System were included in the series. Since that date the series include the reserves of all depository institutions. In conjunction with the implementation of the act, required reserves of member banks were reduced about $4.3 billion and required reserves of other depository institutions were increased about $1.4 billion. Effective Oct. 11, 1979, an 8 percentage point marginal reserve requirement was imposed on "Managed Liabilities." This action raised required reserves about $320 million. Effective Mar. 12, 1980, the 8 percentage point marginal reserve requirement was raised to 10 percentage points. In addition the base upon which the marginal reserve requirement was calculated was reduced. This action increased required reserves about $1.7 million in the week ending Apr. 2, 1980. Effective May 29, 1980, the marginal reserve requirement was reduced from 10 to 5 percentage points and the base upon which the marginal reserve requirement was calculated was raised. This action reduced required reserves about $980 million in the week ending June 18, 1980. Effective July 24, 1980, the 5 percent marginal reserve requirement on managed liabilities and the 2 percent supplementary reserve requirement against large time deposits were removed. These actions reduced required reserves about $3.2 billion.

2 Reserve measures for November reflect increases in required reserves associated with the reduction of weekend avoidance activities of a few large banks. The reduction in these activities lead to essentially a one-time increase in the average level of required reserves that need to be held for a given level of deposits entering the money supply. In November, this increase in required reserves is estimated at $550 to $600 million.

3 Reserve balances with Federal Reserve Banks plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

4 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.

5 Includes total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. government, less cash items in process of collection and demand balances due from domestic commercial banks.

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

## 1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

| Category | 1978 Dec | 1979 Dec | 1980 Dec | 1981 Feb | 1981 Mar | 1978 Dec | 1979 Dec | 1980 Dec | 1981 Feb. | 1981 Mar |
|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | Not seasonally adjusted | | | | |
| 1 **Total loans and securities[2]** | **1,013.4[3]** | **1,134.6[4]** | **1,237.3** | **1,262.9[5]** | **1,262.1** | **1,022.5[3]** | **1,145.0[4]** | **1,248.9** | **1,250.9[5]** | **1,255.9** |
| 2 U.S. Treasury securities | 93.3 | 93.8 | 110.7 | 115.3 | 114.9 | 94.5 | 95.0 | 112.1 | 116.1 | 117.1 |
| 3 Other securities | 173.2[3] | 191.8 | 213.9 | 217.2 | 218.2 | 173.9[3] | 192.6 | 214.8 | 216.1 | 217.5 |
| 4 Total loans and leases[2] | 746.9[3] | 848.9[4] | 912.7 | 930.3[5] | 929.0 | 754.2[3] | 857.4[4] | 922.1 | 918.7[5] | 921.2 |
| 5 Commercial and industrial loans | 246.1[6] | 291.1[4] | 324.9 | 331.5[5] | 332.3 | 247.7[6] | 293.0[4] | 327.0 | 327.8[5] | 330.4 |
| 6 Real estate loans | 210.5 | 241.3[4] | 260.6 | 264.7[5] | 266.6 | 210.9 | 241.8[4] | 261.1 | 263.6[5] | 265.0 |
| 7 Loans to individuals | 164.7 | 184.9 | 175.2 | 174.3 | 174.6 | 165.6 | 186.0 | 176.2 | 172.7 | 172.0 |
| 8 Security loans | 19.3 | 18.6 | 17.6 | 18.2 | 18.6 | 20.6 | 19.8 | 18.8 | 17.8 | 18.5 |
| 9 Loans to nonbank financial institutions | 27.1[7] | 28.8[4] | 28.7 | 28.9[5] | 28.7 | 27.6[7] | 29.3[4] | 29.2 | 28.3[5] | 28.1 |
| 10 Agricultural loans | 28.2 | 31.1 | 31.6 | 32.2 | 32.6 | 28.1 | 30.9 | 31.4 | 31.6 | 32.0 |
| 11 Lease financing receivables | 7.5 | 9.3 | 10.9 | 11.9 | 11.9 | 7.5 | 9.3 | 10.9 | 11.9 | 11.9 |
| 12 All other loans | 43.6[3] | 44.0 | 63.4 | 68.8 | 63.7 | 46.2[3] | 47.3 | 67.5 | 65.1 | 63.3 |
| MEMO: | | | | | | | | | | |
| 13 **Total loans and securities plus loans sold[2,9]** | **1,017.1[3]** | **1,137.6[4,8]** | **1,240.0** | **1,265.7[5]** | **1,264.8** | **1,026.2[3]** | **1,148.0[4,8]** | **1,251.6** | **1,253.7[5]** | **1,258.6** |
| 14 Total loans plus loans sold[2,9] | 750.6[3] | 851.9[4,8] | 915.5 | 933.1[5] | 931.7 | 757.9[3] | 860.4[4,8] | 924.8 | 921.5[5] | 924.0 |
| 15 Total loans sold to affiliates[9] | 3.7 | 3.0[8] | 2.7 | 2.8 | 2.8 | 3.7 | 3.0[8] | 2.7 | 2.8 | 2.8 |
| 16 Commercial and industrial loans plus loans sold[9] | 248.0[6,10] | 293.1[4,8] | 326.6 | 333.4[5] | 334.1 | 249.6[6,10] | 295.0[4,8] | 328.8 | 329.7[5] | 332.2 |
| 17 Commercial and industrial loans sold[9] | 1.9[10] | 2.0[8] | 1.8 | 1.9 | 1.9 | 1.9[10] | 2.0[8] | 1.8 | 1.9 | 1.9 |
| 18 Acceptances held | 6.6 | 8.2 | 8.1 | 9.0 | 8.8 | 7.3 | 9.1 | 8.8 | 8.9 | 8.8 |
| 19 Other commercial and industrial loans | 239.5 | 282.9 | 316.7 | 322.5 | 323.5 | 240.4 | 283.9 | 318.2 | 319.0 | 321.5 |
| 20 To U.S. addressees[11] | 226.0 | 264.1 | 295.2 | 297.6 | 297.9 | 225.9 | 264.1 | 295.2 | 294.1 | 296.3 |
| 21 To non-U.S. addressees | 13.5 | 18.8 | 21.5 | 24.9 | 25.6 | 14.5 | 19.8 | 23.0 | 24.9 | 25.2 |
| 22 Loans to foreign banks | 21.5 | 18.5 | 23.2 | 24.6 | 22.8 | 23.2 | 20.0 | 24.9 | 23.1 | 22.2 |

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. As of Dec 31, 1978, nonbank financial loans were reduced $0.1 billion as the result of reclassification.
8. As of Dec 1, 1979, loans sold to affiliates were reduced $800 million and commercial and industrial loans sold were reduced $700 million due to corrections of two banks in New York City.
9. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
10. As of Dec 31, 1978, commercial and industrial loans sold outright were increased $0.7 billion as the result of reclassifications, but $0.1 billion of this amount was offset by a balance sheet reduction of $0.1 billion as noted above.
11. United States includes the 50 states and the District of Columbia.

NOTE. Data are prorated averages of Wednesday 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 1980 and 1981 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1977 | 1978 | 1979 | July | Aug. | Sept. | Oct. | Nov | Dec | Jan | Feb. | Mar. |
| Total nondeposit funds | | | | | | | | | | | | |
| 1 Seasonally adjusted[2] | 61.5 | 91.2 | 121.1 | 114.6 | 109.4 | 114.0 | 119.9 | 116.4 | 120.3 | 125.8 | 124.3 | 119.8 |
| 2 Not seasonally adjusted | 60.1 | 90.2 | 119.8 | 118.6 | 112.3 | 114.5 | 120.8 | 119.6 | 119.8 | 123.3 | 123.5 | 119.5 |
| Federal funds, RPs, and other borrowings from non-banks[3] | | | | | | | | | | | | |
| 3 Seasonally adjusted | 58.4 | 80.7 | 90.0 | 100.9 | 96.2 | 102.2 | 105.7 | 104.9 | 109.4 | 114.7 | 113.1 | 113.2 |
| 4 Not seasonally adjusted | 57.0 | 79.7 | 88.7 | 104.9 | 99.1 | 102.7 | 106.6 | 108.1 | 108.9 | 112.2 | 112.3 | 112.9 |
| 5 Net balances due to foreign-related institutions, not seasonally adjusted | −1.5 | 6.8 | 28.1 | 10.9 | 10.3 | 8.9 | 11.4 | 8.9 r | 8.2 r | 8.3 | 8.4 r | 3.8 |
| 6 Loans sold to affiliates, not seasonally adjusted[4,5] | 4.7 | 3.7 | 3.0 | 2.8 | 2.9 | 2.9 | 2.8 | 2.6 | 2.7 | 2.8 | 2.8 | 2.8 |
| MEMO | | | | | | | | | | | | |
| 7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted[6] | −12.5 | −10.2 | 6.5 | −8.4 | −10.3 | −14.5 | −12.9 | −14.2 | −14.7 | −16.2 | −14.8 | −17.0 |
| 8 Gross due from balances | 21.1 | 24.9 | 22.8 | 32.7 | 35.8 | 38.2 | 38.3 | 37.2 | 37.5 | 37.4 | 36.4 | 39.0 |
| 9 Gross due to balances | 8.6 | 14.7 | 29.3 | 24.3 | 25.5 | 23.7 | 25.5 | 23.0 | 22.7 | 21.2 | 21.6 | 21.9 |
| 10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted[7] | 10.9 | 17.0 | 21.6 | 19.3 | 20.6 | 23.3 | 24.3 | 23.1 r | 22.9 r | 24.5 | 23.1 | 20.9 |
| 11 Gross due from balances | 10.7 | 14.3 | 28.9 | 30.8 | 30.9 | 30.3 | 30.8 | 31.0 r | 32.5 r | 31.4 | 31.7 | 31.7 |
| 12 Gross due to balances | 21.7 | 31.3 | 50.5 | 50.1 | 51.6 | 53.6 | 55.2 | 54.1 r | 55.4 | 55.9 | 54.8 | 52.6 |
| Security RP borrowings | | | | | | | | | | | | |
| 13 Seasonally adjusted[8] | 36.0 | 44.8 | 49.2 | 55.0 | 57.5 | 56.2 | 59.7 | 58.8 | 63.4 | 68.7 | 67.0 | 67.1 |
| 14 Not seasonally adjusted | 35.1 | 43.6 | 47.9 | 54.7 | 59.1 | 58.7 | 59.5 | 60.9 | 61.7 | 65.0 | 65.2 | 65.8 |
| U.S. Treasury demand balances[9] | | | | | | | | | | | | |
| 15 Seasonally adjusted | 4.4 | 8.7 | 8.9 r | 10.4 r | 11.3 r | 11.3 r | 11.7 r | 8.1 r | 8.3 r | 6.9 r | 8.1 r | 11.6 |
| 16 Not seasonally adjusted | 5.1 | 10.3 | 9.7 | 9.3 | 9.3 | 14.2 | 12.7 | 6.6 | 9.0 | 7.9 | 8.1 | 10.2 |
| Time deposits, $100,000 or more[10] | | | | | | | | | | | | |
| 17 Seasonally adjusted | 162.0 | 213.0 | 227.1 r | 235.7 r | 237.1 r | 240.3 r | 242.0 r | 247.8 r | 257.0 r | 268.0 r | 272.5 r | 270.2 |
| 18 Not seasonally adjusted | 165.4 | 217.9 | 232.8 | 230.0 | 232.1 | 236.7 | 241.1 | 250.8 | 263.4 | 272.8 | 276.8 | 274.8 |

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.
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.

NOTE. Movement of federal funds, RPs, and other borrowings from nonbanks, (lines 3 and 4) is based on fluctuations in security RP borrowings (lines 13 and 14). In addition, lines 15 and 17 have been revised because of new seasonal factors.

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

Billions of dollars except for number of banks

| Account | 1980 June | 1980 July | 1980 Aug | 1980 Sept. | 1980 Oct | 1980 Nov | 1980 Dec | 1981 Jan. | 1981 Feb | 1981 Mar | 1981 Apr. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DOMESTICALLY CHARTERED COMMERCIAL BANKS[1] | | | | | | | | | | | |
| 1 Loans and investments, excluding interbank | 1,090.5 | 1,095.3 | 1,108.5 | 1,117.9 | 1,134.8 | 1,150.8 | 1,177.1 | 1,166.0 | 1,167.0 | 1,169.7 | 1,187.8 |
| 2 Loans, excluding interbank | 793.2 | 793.4 | 801.9 | 809.1 | 821.6 | 832.8 | 851.4 | 840.2 | 839.0 | 840.8 | 855.4 |
| 3 Commercial and industrial | 256.9 | 257.1 | 259.5 | 263.9 | 269.0 | 275.7 | 281.5 | 277.6 | 276.3 | 277.7 | 285.4 |
| 4 Other | 536.4 | 536.3 | 542.4 | 545.2 | 552.6 | 557.1 | 569.9 | 562.6 | 562.7 | 563.1 | 570.1 |
| 5 U.S. Treasury securities | 96.2 | 98.7 | 101.4 | 103.2 | 104.4 | 107.1 | 111.2 | 112.0 | 113.7 | 112.8 | 115.8 |
| 6 Other securities | 201.1 | 203.3 | 205.2 | 205.6 | 208.9 | 210.9 | 214.6 | 213.8 | 214.3 | 216.2 | 216.6 |
| 7 Cash assets, total | 150.6 | 154.3 | 148.8 | 156.6 | 155.9 | 175.6 | 194.2 | 159.3 | 165.9 | 166.4 | 181.8 |
| 8 Currency and coin | 17.3 | 17.5 | 18.2 | 17.8 | 18.3 | 16.9 | 19.9 | 18.7 | 18.6 | 17.8 | 18.8 |
| 9 Reserves with Federal Reserve Banks | 29.5 | 32.2 | 29.0 | 31.1 | 31.7 | 30.4 | 28.2 | 25.2 | 30.4 | 31.7 | 38.3 |
| 10 Balances with depository institutions | 45.8 | 45.0 | 45.9 | 46.8 | 47.2 | 56.1 | 63.0 | 54.9 | 54.6 | 53.6 | 57.3 |
| 11 Cash items in process of collection | 58.1 | 59.6 | 55.8 | 60.9 | 58.8 | 72.2 | 83.0 | 60.5 | 62.3 | 63.3 | 67.4 |
| 12 Other assets[2] | 143.8 | 143.5 | 150.3 | 154.4 | 151.3 | 151.3 | 165.6 | 155.8 | 160.1 | 164.9 | 167.7 |
| **13 Total assets/total liabilities and capital** | **1,384.9** | **1393.1** | **1,407.7** | **1,428.9** | **1,442.1** | **1,477.7** | **1,537.0** | **1,481.0** | **1,493.0** | **1,501.1** | **1,537.3** |
| 14 Deposits | 1,048.1 | 1,053.1 | 1,062.8 | 1,077.2 | 1,092.9 | 1,126.2 | 1,187.4 | 1,128.7 | 1,132.0 | 1,136.7 | 1,151.7 |
| 15 Demand | 358.1 | 363.5 | 363.4 | 369.7 | 375.7 | 393.0 | 432.2 | 351.1 | 345.5 | 345.4 | 356.8 |
| 16 Savings | 197.7 | 205.5 | 208.5 | 209.1 | 210.9 | 209.5 | 201.3 | 211.9 | 214.3 | 220.6 | 222.7 |
| 17 Time | 492.4 | 484.2 | 490.9 | 498.5 | 506.2 | 523.7 | 553.8 | 565.7 | 572.3 | 570.7 | 572.2 |
| 18 Borrowings | 151.0 | 157.0 | 158.5 | 163.7 | 161.7 | 157.3 | 156.4 | 156.4 | 163.2 | 163.7 | 179.5 |
| 19 Other liabilities | 75.9 | 74.0 | 75.4 | 75.6 | 74.7 | 78.1 | 79.0 | 76.7 | 80.3 | 80.7 | 81.8 |
| 20 Residual (assets less liabilities) | 109.8 | 109.0 | 111.0 | 112.3 | 112.7 | 116.1 | 114.2 | 119.3 | 117.5 | 120.0 | 124.3 |
| MEMO: | | | | | | | | | | | |
| 21 U.S. Treasury note balances included in borrowing | 13.3 | 7.6 | 8.7 | 15.7 | 11.5 | 4.4 | 10.2 | 9.5 | 8.5 | 10.2 | 16.9 |
| 22 Number of banks | 14,646 | 14,658 | 14,666 | 14,678 | 14,760 | 14,692 | 14,693 | 14,689 | 14,696 | 14,701 | 14,713 |
| ALL COMMERCIAL BANKING INSTITUTIONS[3] | | | | | | | | | | | |
| 23 Loans and investments, excluding interbank | 1,161.0r | ↑ | ↑ | 1,194.3r | ↑ | ↑ | 1,262.4r | ↑ | ↑ | ↑ | ↑ |
| 24 Loans, excluding interbank | 860.2 | | | 881.5r | | | 932.5 | | | | |
| 25 Commercial and industrial | 297.8r | | | 308.1 | | | 330.6 | | | | |
| 26 Other | 562.4r | | | 573.4r | | | 601.9 | | | | |
| 27 U.S. Treasury securities | 98.3 | | | 105.6 | | | 113.6r | | | | |
| 28 Other securities | 202.5 | | | 207.2 | | | 216.3 | | | | |
| 29 Cash assets, total | 172.2 | | | 178.2r | | | 218.6 | | | | |
| 30 Currency and coin | 17.3 | | | 17.8 | | | 20.0r | | | | |
| 31 Reserves with Federal Reserve Banks | 30.3 | | | 31.6r | | | 29.0r | | | | |
| 32 Balances with depository institutions | 64.9r | n.a. | n.a. | 66.4r | n.a. | n.a. | 85.0r | n.a. | n.a. | n.a. | n.a. |
| 33 Cash items in process of collection | 59.7 | | | 62.4r | | | 84.7 | | | | |
| 34 Other assets[2] | 191.0 | | | 204.3r | | | 222.7r | | | | |
| **35 Total assets/total liabilities and capital** | **1,524.3r** | | | **1,576.8r** | | | **1,703.7r** | | | | |
| 36 Deposits | 1,091.6r | | | 1,122.1r | | | 1,239.9 | | | | |
| 37 Demand | 378.9r | | | 388.8r | | | 453.6 | | | | |
| 38 Savings | 198.1 | | | 209.5 | | | 201.6 | | | | |
| 39 Time | 514.7r | | | 523.9r | | | 584.7 | | | | |
| 40 Borrowings | 197.6 | | | 211.0 | | | 210.4r | | | | |
| 41 Other liabilities | 123.6r | | | 129.7r | | | 135.5 | | | | |
| 42 Residual (assets less liabilities) | 111.4 | | | 113.9 | | | 117.9r | | | | |
| MEMO: | | | | | | | | | | | |
| 43 U.S. Treasury note balances included in borrowing | 13.3 | | | 15.7 | | | 9.5r | | | | |
| 44 Number of banks | 15,037r | ↓ | ↓ | 15,084r | ↓ | ↓ | 15,120r | ↓ | ↓ | ↓ | ↓ |

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 last Wednesday except at end of quarter, when they are for the last day of the month

## 1.26 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $750 Million or More on December 31, 1977, Assets and Liabilities

Millions of dollars, Wednesday figures

| Account | 1981 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar. 4 | Mar. 11 | Mar 18 | Mar. 25 | Apr. 1p | Apr. 8p | Apr 15p | Apr. 22p | Apr. 29p |
| 1 Cash items in process of collection | 57,382 | 53,553 | 55,438 | 52,064 | 60,595 | 53,422 | 62,801 | 55,985 | 55,513 |
| 2 Demand deposits due from banks in the United States | 20,717 | 19,908 | 21,720 | 19,620 | 21,632 | 19,832 | 21,235 | 18,794 | 19,503 |
| 3 All other cash and due from depository institutions | 30,543 | 30,776 | 33,998 | 35,225 | 31,893 | 31,794 | 35,502 | 38,058 | 42,589 |
| **4 Total loans and securities** | **558,629** | **553,421** | **555,505** | **551,056** | **564,930** | **559,173** | **563,475** | **559,650** | **558,811** |
| *Securities* | | | | | | | | | |
| 5 U.S. Treasury securities | 42,629 | 41,986 | 41,233 | 39,577 | 41,764 | 41,786 | 41,021 | 40,718 | 39,720 |
| 6 Trading account | 8,557 | 7,843 | 7,429 | 6,017 | 7,865 | 7,247 | 6,300 | 6,023 | 5,440 |
| 7 Investment account, by maturity | 34,072 | 34,143 | 33,804 | 33,561 | 33,898 | 34,539 | 34,720 | 34,695 | 34,280 |
| 8 One year or less | 9,051 | 9,254 | 9,178 | 9,074 | 9,650 | 10,094 | 10,143 | 10,078 | 9,997 |
| 9 Over one through five years | 21,359 | 21,236 | 21,012 | 20,855 | 20,677 | 20,520 | 20,651 | 20,666 | 20,447 |
| 10 Over five years | 3,662 | 3,654 | 3,614 | 3,631 | 3,571 | 3,926 | 3,926 | 3,951 | 3,836 |
| 11 Other securities | 78,043 | 77,462 | 77,417 | 77,360 | 78,383 | 77,697 | 77,418 | 77,555 | 77,514 |
| 12 Trading account | 3,389 | 2,860 | 2,882 | 2,735 | 3,637 | 2,976 | 2,747 | 2,768 | 2,671 |
| 13 Investment account | 74,654 | 74,601 | 74,535 | 74,626 | 74,745 | 74,720 | 74,670 | 74,787 | 74,843 |
| 14 U.S. government agencies | 16,167 | 16,109 | 16,072 | 16,104 | 16,513 | 16,506 | 16,356 | 16,369 | 16,395 |
| 15 States and political subdivision, by maturity | 55,690 | 55,731 | 55,670 | 55,711 | 55,394 | 55,397 | 55,472 | 55,546 | 55,558 |
| 16 One year or less | 7,130 | 7,208 | 7,160 | 7,229 | 7,048 | 7,122 | 7,172 | 7,208 | 7,243 |
| 17 Over one year | 48,560 | 48,522 | 48,510 | 48,482 | 48,346 | 48,275 | 48,299 | 48,338 | 48,315 |
| 18 Other bonds, corporate stocks and securities | 2,797 | 2,761 | 2,793 | 2,810 | 2,838 | 2,817 | 2,843 | 2,872 | 2,890 |
| *Loans* | | | | | | | | | |
| 19 Federal funds sold[1] | 28,511 | 28,561 | 29,965 | 27,592 | 30,531 | 30,268 | 32,661 | 29,867 | 26,696 |
| 20 To commercial banks | 20,516 | 21,096 | 21,504 | 19,916 | 21,216 | 21,700 | 23,696 | 21,014 | 17,853 |
| 21 To nonbank brokers and dealers in securities | 6,224 | 5,643 | 6,487 | 5,947 | 7,552 | 6,660 | 7,087 | 6,792 | 6,605 |
| 22 To others | 1,771 | 1,822 | 1,973 | 1,729 | 1,762 | 1,907 | 1,877 | 2,062 | 2,238 |
| 23 Other loans, gross | 422,059 | 418,085 | 419,606 | 419,184 | 425,893 | 421,179 | 424,138 | 423,316 | 426,707 |
| 24 Commercial and industrial | 169,929 | 168,912 | 169,582 | 169,682 | 172,830 | 171,252 | 171,090 | 172,365 | 174,661 |
| 25 Bankers acceptances and commercial paper | 3,865 | 3,658 | 3,544 | 3,668 | 4,570 | 4,267 | 4,184 | 4,388 | 4,550 |
| 26 All other | 166,064 | 165,255 | 166,037 | 166,014 | 168,260 | 166,985 | 166,907 | 167,977 | 170,111 |
| 27 U.S addressees | 159,067 | 158,294 | 158,972 | 158,873 | 160,780 | 159,817 | 159,829 | 160,929 | 162,925 |
| 28 Non-U.S. addressees | 6,997 | 6,960 | 7,066 | 7,141 | 7,480 | 7,168 | 7,077 | 7,048 | 7,186 |
| 29 Real estate | 113,733 | 113,946 | 114,165 | 114,249 | 114,471 | 114,552 | 114,784 | 115,076 | 115,358 |
| 30 To individuals for personal expenditures | 71,062 | 70,848 | 70,788 | 70,774 | 70,216 | 70,058 | 70,229 | 70,493 | 70,607 |
| To financial institutions | | | | | | | | | |
| 31 Commercial banks in the United States | 4,634 | 4,502 | 4,664 | 4,461 | 4,932 | 4,881 | 5,114 | 4,688 | 4,907 |
| 32 Banks in foreign countries | 8,637 | 8,554 | 8,396 | 8,529 | 8,557 | 8,647 | 8,395 | 8,283 | 8,056 |
| 33 Sales finance, personal finance companies, etc | 9,675 | 9,414 | 9,530 | 9,588 | 9,525 | 9,650 | 9,663 | 9,674 | 10,095 |
| 34 Other financial institutions | 15,178 | 14,959 | 14,930 | 14,998 | 15,227 | 15,061 | 15,255 | 14,963 | 15,243 |
| 35 To nonbank brokers and dealers in securities | 6,385 | 5,341 | 5,972 | 5,123 | 7,803 | 5,664 | 6,814 | 6,107 | 6,351 |
| 36 To others for purchasing and carrying securities[2] | 2,247 | 2,269 | 2,257 | 2,252 | 2,351 | 2,365 | 2,374 | 2,369 | 2,339 |
| 37 To finance agricultural | 5,432 | 5,426 | 5,431 | 5,401 | 5,498 | 5,502 | 5,567 | 5,561 | 5,589 |
| 38 All other | 15,145 | 13,912 | 13,891 | 14,125 | 14,481 | 13,546 | 14,852 | 13,735 | 13,499 |
| 39 LESS: Unearned income | 6,589 | 6,626 | 6,656 | 6,681 | 5,733 | 5,810 | 5,809 | 5,833 | 5,840 |
| 40 Loan loss reserve | 6,024 | 6,046 | 6,059 | 5,977 | 5,907 | 5,946 | 5,953 | 5,973 | 5,986 |
| 41 Other loans, net | 409,446 | 405,412 | 406,890 | 406,526 | 414,253 | 409,423 | 412,376 | 411,509 | 414,881 |
| 42 Lease financing receivables | 10,025 | 10,033 | 10,032 | 10,040 | 10,120 | 10,130 | 10,112 | 10,145 | 10,154 |
| 43 All other assets | 88,167 | 89,840 | 85,389 | 87,652 | 93,605 | 91,970 | 91,003 | 92,756 | 91,531 |
| **44 Total assets** | **765,464** | **757,531** | **762,083** | **755,657** | **782,776** | **766,322** | **784,128** | **775,387** | **778,102** |
| *Deposits* | | | | | | | | | |
| 45 Demand deposits | 195,703 | 191,191 | 191,786 | 182,968 | 206,625 | 192,308 | 213,752 | 191,894 | 189,015 |
| 46 Mutual savings banks | 645 | 658 | 595 | 549 | 774 | 737 | 731 | 581 | 599 |
| 47 Individuals, partnerships, and corporations | 132,047 | 131,054 | 129,448 | 125,203 | 139,814 | 131,582 | 140,674 | 131,652 | 128,838 |
| 48 States and political subdivisions | 4,708 | 4,173 | 4,748 | 4,479 | 4,946 | 4,235 | 5,428 | 4,539 | 4,456 |
| 49 U.S. government | 3,266 | 2,109 | 3,122 | 1,662 | 1,005 | 1,986 | 7,846 | 2,864 | 2,881 |
| 50 Commercial banks in the United States | 38,359 | 36,361 | 37,389 | 34,794 | 38,663 | 36,020 | 39,412 | 34,011 | 33,028 |
| 51 Banks in foreign countries | 7,150 | 8,245 | 7,616 | 7,841 | 8,797 | 7,650 | 8,802 | 8,306 | 8,561 |
| 52 Foreign governments and official institutions | 1,930 | 1,614 | 1,632 | 1,287 | 1,940 | 1,944 | 2,043 | 1,966 | 1,987 |
| 53 Certified and officers' checks | 7,597 | 6,978 | 7,234 | 7,151 | 10,686 | 8,153 | 8,814 | 7,975 | 8,664 |
| 54 Time and savings deposits | 319,484 | 320,514 | 322,278 | 321,059 | 321,801 | 321,934 | 322,957 | 323,343 | 322,986 |
| 55 Savings | 76,702 | 76,718 | 77,001 | 77,415 | 79,344 | 80,846 | 81,139 | 79,891 | 77,893 |
| 56 Individuals and nonprofit organizations | 72,654 | 72,715 | 73,052 | 73,410 | 75,245 | 76,733 | 77,063 | 75,904 | 73,883 |
| 57 Partnerships and corporations operated for profit | 3,396 | 3,412 | 3,353 | 3,414 | 3,450 | 3,486 | 3,400 | 3,379 | 3,396 |
| 58 Domestic governmental units | 635 | 573 | 576 | 572 | 631 | 607 | 661 | 590 | 597 |
| 59 All other | 17 | 18 | 21 | 19 | 18 | 20 | 16 | 18 | 17 |
| 60 Time | 242,782 | 243,796 | 245,277 | 243,644 | 242,457 | 241,088 | 241,818 | 243,452 | 245,092 |
| 61 Individuals, partnerships, and corporations | 207,722 | 208,737 | 210,207 | 208,647 | 208,370 | 207,317 | 208,237 | 209,625 | 211,051 |
| 62 States and political subdivisions | 20,692 | 20,641 | 20,394 | 20,286 | 19,672 | 19,656 | 19,590 | 19,752 | 19,924 |
| 63 U.S. government | 299 | 296 | 276 | 282 | 282 | 283 | 264 | 228 | 228 |
| 64 Commercial banks in the United States | 8,014 | 8,058 | 8,182 | 8,119 | 7,849 | 7,741 | 7,730 | 7,835 | 7,833 |
| 65 Foreign governments, official institutions, and banks | 6,055 | 6,064 | 6,218 | 6,310 | 6,283 | 6,090 | 5,996 | 6,011 | 6,057 |
| Liabilities for borrowed money | | | | | | | | | |
| 66 Borrowings from Federal Reserve Banks | 1,276 | 92 | 1,482 | 2,504 | 1,122 | 138 | 2,739 | 741 | 7,478 |
| 67 Treasury tax-and-loan notes | 2,457 | 1,718 | 6,989 | 7,716 | 8,901 | 1,871 | 660 | 11,468 | 12,449 |
| 68 All other liabilities for borrowed money[3] | 131,759 | 129,673 | 125,642 | 125,194 | 128,985 | 136,349 | 130,642 | 131,347 | 128,742 |
| 69 Other liabilities and subordinated notes and debentures | 63,601 | 63,237 | 62,873 | 65,138 | 63,839 | 62,213 | 62,056 | 65,377 | 66,309 |
| **70 Total liabilities** | **714,280** | **706,425** | **711,052** | **704,579** | **731,273** | **714,812** | **732,806** | **724,168** | **726,979** |
| 71 Residual (total assets minus total liabilities)[4] | 51,184 | 51,105 | 51,031 | 51,078 | 51,503 | 51,510 | 51,322 | 51,219 | 51,123 |

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers
3. Includes federal funds purchased and securities sold under agreements to repurchase; for information on these liabilities at banks with assets of $1 billion or more on Dec 31, 1977, see table 1 13

4 This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

## 1.27 LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $1 Billion or More on December 31, 1977, Assets and Liabilities

Millions of dollars, Wednesday figures

| Account | 1981 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar 4 | Mar 11 | Mar. 18 | Mar 25 | Apr 1p | Apr 8p | Apr 15p | Apr 22p | Apr. 29p |
| 1 Cash items in process of collection | 54,290 | 50,696 | 52,735 | 49,358 | 57,592 | 50,624 | 59,301 | 52,571 | 52,330 |
| 2 Demand deposits due from banks in the United States | 19,971 | 19,224 | 20,996 | 19,002 | 20,841 | 19,151 | 20,468 | 18,054 | 18,854 |
| 3 All other cash and due from depository institutions | 28,620 | 28,706 | 31,782 | 32,847 | 29,704 | 29,842 | 33,478 | 35,443 | 39,933 |
| 4 **Total loans and securities** | **521,375** | **516,001** | **518,109** | **514,143** | **527,294** | **521,346** | **525,504** | **522,122** | **521,872** |
| *Securities* | | | | | | | | | |
| 5 U S. Treasury securities | 39,636 | 38,984 | 38,160 | 36,393 | 38,420 | 38,386 | 37,622 | 37,276 | 36,264 |
| 6 Trading account | 8,473 | 7,787 | 7,348 | 5,922 | 7,748 | 7,150 | 6,204 | 5,933 | 5,370 |
| 7 Investment account, by maturity | 31,163 | 31,197 | 30,812 | 30,471 | 30,672 | 31,235 | 31,418 | 31,342 | 30,894 |
| 8 One year or less | 8,306 | 8,523 | 8,461 | 8,376 | 8,958 | 9,393 | 9,439 | 9,299 | 9,183 |
| 9 Over one through five years | 19,554 | 19,384 | 19,108 | 18,838 | 18,518 | 18,297 | 18,428 | 18,467 | 18,250 |
| 10 Over five years | 3,302 | 3,290 | 3,243 | 3,257 | 3,196 | 3,545 | 3,552 | 3,577 | 3,461 |
| 11 Other securities | 71,579 | 70,983 | 70,956 | 70,902 | 72,011 | 71,353 | 71,152 | 71,281 | 71,251 |
| 12 Trading account | 3,326 | 2,792 | 2,821 | 2,668 | 3,553 | 2,900 | 2,679 | 2,699 | 2,583 |
| 13 Investment account | 68,252 | 68,192 | 68,134 | 68,234 | 68,458 | 68,454 | 68,473 | 68,582 | 68,668 |
| 14 U.S. government agencies | 14,907 | 14,851 | 14,821 | 14,881 | 15,238 | 15,227 | 15,142 | 15,159 | 15,199 |
| 15 States and political subdivision, by maturity | 50,717 | 50,748 | 50,690 | 50,714 | 50,553 | 50,580 | 50,659 | 50,722 | 50,750 |
| 16 One year or less | 6,323 | 6,396 | 6,338 | 6,398 | 6,358 | 6,443 | 6,489 | 6,516 | 6,541 |
| 17 Over one year | 44,395 | 44,352 | 44,351 | 44,316 | 44,195 | 44,136 | 44,170 | 44,207 | 44,209 |
| 18 Other bonds, corporate stocks and securities | 2,628 | 2,592 | 2,623 | 2,639 | 2,667 | 2,647 | 2,672 | 2,701 | 2,218 |
| *Loans* | | | | | | | | | |
| 19 Federal funds sold[1] | 25,152 | 24,977 | 26,502 | 24,732 | 27,189 | 26,734 | 28,956 | 26,767 | 24,144 |
| 20 To commercial banks | 17,652 | 18,041 | 18,514 | 17,550 | 18,366 | 18,632 | 20,523 | 18,448 | 15,779 |
| 21 To nonbank brokers and dealers in securities | 5,748 | 5,134 | 6,032 | 5,479 | 7,081 | 6,214 | 6,580 | 6,281 | 6,145 |
| 22 To others | 1,751 | 1,801 | 1,956 | 1,703 | 1,742 | 1,888 | 1,854 | 2,039 | 2,220 |
| 23 Other loans, gross | 396,646 | 392,751 | 394,226 | 393,798 | 400,339 | 395,652 | 398,554 | 397,619 | 401,059 |
| 24 Commercial and industrial | 161,260 | 160,230 | 160,849 | 160,940 | 164,019 | 164,474 | 162,304 | 163,477 | 165,792 |
| 25 Bankers acceptances and commercial paper | 3,683 | 3,489 | 3,377 | 3,485 | 4,392 | 4,080 | 4,010 | 4,213 | 4,367 |
| 26 All other | 157,576 | 156,741 | 157,472 | 157,455 | 159,627 | 158,395 | 158,294 | 159,264 | 161,425 |
| 27 U S. addressees | 150,656 | 149,858 | 150,483 | 150,388 | 152,220 | 151,302 | 151,286 | 152,284 | 154,306 |
| 28 Non-U.S. addressees | 6,921 | 6,884 | 6,989 | 7,067 | 7,406 | 7,093 | 7,008 | 6,980 | 7,119 |
| 29 Real estate | 107,303 | 107,505 | 107,707 | 107,796 | 108,006 | 108,046 | 108,245 | 108,523 | 108,825 |
| 30 To individuals for personal expenditures | 62,620 | 62,452 | 62,390 | 62,368 | 61,794 | 61,650 | 61,819 | 62,046 | 62,124 |
| To financial institutions | | | | | | | | | |
| 31 Commercial banks in the United States | 4,514 | 4,394 | 4,561 | 4,352 | 4,819 | 4,774 | 5,008 | 4,579 | 4,807 |
| 32 Banks in foreign countries | 8,569 | 8,489 | 8,316 | 8,464 | 8,495 | 8,582 | 8,308 | 8,177 | 8,006 |
| 33 Sales finance, personal finance companies, etc | 9,536 | 9,273 | 9,386 | 9,445 | 9,364 | 9,492 | 9,511 | 9,524 | 9,952 |
| 34 Other financial institutions | 14,808 | 14,603 | 14,576 | 14,648 | 14,866 | 14,713 | 14,903 | 14,603 | 14,885 |
| 35 To nonbank brokers and dealers in securities | 6,309 | 5,251 | 5,888 | 5,045 | 7,719 | 5,574 | 6,721 | 6,020 | 6,250 |
| 36 To others for purchasing and carrying securities[2] | 2,030 | 2,046 | 2,038 | 2,033 | 2,138 | 2,154 | 2,170 | 2,164 | 2,134 |
| 37 To finance agricultural production | 5,294 | 5,285 | 5,290 | 5,264 | 5,361 | 5,365 | 5,429 | 5,422 | 5,449 |
| 38 All other | 14,403 | 13,222 | 13,226 | 13,442 | 13,757 | 12,828 | 14,136 | 13,084 | 12,834 |
| 39 LESS. Unearned income | 5,963 | 5,997 | 6,026 | 6,052 | 5,106 | 5,180 | 5,176 | 5,197 | 5,210 |
| 40 Loan loss reserve | 5,674 | 5,696 | 5,709 | 5,631 | 5,560 | 5,599 | 5,604 | 5,625 | 5,637 |
| 41 Other loans, net | 385,008 | 381,057 | 382,491 | 382,115 | 389,673 | 384,873 | 387,774 | 386,798 | 390,213 |
| 42 Lease financing receivables | 9,749 | 9,757 | 9,756 | 9,766 | 9,838 | 9,848 | 9,822 | 9,855 | 9,864 |
| 43 All other assets | 85,598 | 87,398 | 82,905 | 85,158 | 90,806 | 89,299 | 88,401 | 90,091 | 88,702 |
| 44 **Total assets** | **719,603** | **711,782** | **716,284** | **710,273** | **736,076** | **720,110** | **736,974** | **728,138** | **731,556** |
| *Deposits* | | | | | | | | | |
| 45 Demand deposits | 183,753 | 179,510 | 180,095 | 171,825 | 194,252 | 180,475 | 200,639 | 179,220 | 176,954 |
| 46 Mutual savings banks | 616 | 632 | 572 | 529 | 744 | 707 | 697 | 554 | 577 |
| 47 Individuals, partnerships, and corporations | 122,896 | 121,827 | 120,513 | 116,459 | 130,291 | 122,332 | 130,869 | 122,198 | 119,698 |
| 48 States and political subdivisions | 4,194 | 3,708 | 3,976 | 3,908 | 4,354 | 3,724 | 4,862 | 3,936 | 3,901 |
| 49 U.S. government | 2,963 | 1,834 | 2,844 | 1,486 | 865 | 1,709 | 7,078 | 2,106 | 2,221 |
| 50 Commercial banks in the United States | 36,808 | 35,023 | 36,060 | 33,504 | 37,030 | 34,643 | 37,923 | 32,555 | 31,742 |
| 51 Banks in foreign countries | 7,081 | 8,180 | 7,554 | 7,774 | 8,717 | 7,576 | 8,725 | 8,234 | 8,484 |
| 52 Foreign governments and official institutions | 1,887 | 1,612 | 1,622 | 1,285 | 1,924 | 1,942 | 2,042 | 1,964 | 1,983 |
| 53 Certified and officers' checks | 7,308 | 6,695 | 6,956 | 6,880 | 10,327 | 7,842 | 8,442 | 7,673 | 8,348 |
| 54 Time and savings deposits | 297,736 | 298,784 | 300,437 | 299,339 | 300,238 | 300,368 | 301,572 | 302,062 | 301,825 |
| 55 Savings | 70,820 | 70,847 | 71,105 | 71,491 | 73,286 | 74,629 | 74,813 | 73,715 | 71,903 |
| 56 Individuals and nonprofit organizations | 67,100 | 67,161 | 67,472 | 67,802 | 69,512 | 70,848 | 71,115 | 70,045 | 68,217 |
| 57 Partnerships and corporations operated for profit | 3,130 | 3,150 | 3,088 | 3,144 | 3,178 | 3,216 | 3,133 | 3,115 | 3,128 |
| 58 Domestic governmental units | 573 | 518 | 524 | 526 | 577 | 546 | 550 | 536 | 540 |
| 59 All other | 17 | 18 | 21 | 19 | 18 | 20 | 16 | 18 | 17 |
| 60 Time | 226,916 | 227,937 | 229,332 | 227,848 | 226,952 | 225,739 | 226,758 | 228,348 | 229,922 |
| 61 Individuals, partnerships, and corporations | 194,191 | 195,192 | 196,644 | 195,189 | 195,061 | 194,113 | 195,242 | 196,585 | 197,998 |
| 62 States and political subdivisions | 18,716 | 18,682 | 18,394 | 18,314 | 17,828 | 17,856 | 17,865 | 18,023 | 18,154 |
| 63 U.S. government | 283 | 280 | 257 | 263 | 264 | 264 | 246 | 209 | 207 |
| 64 Commercial banks in the United States | 7,672 | 7,718 | 7,819 | 7,771 | 7,516 | 7,416 | 7,408 | 7,519 | 7,506 |
| 65 Foreign governments, official institutions, and banks | 6,055 | 6,064 | 6,218 | 6,310 | 6,283 | 6,090 | 5,996 | 6,011 | 6,057 |
| Liabilities for borrowed money | | | | | | | | | |
| 66 Borrowings from Federal Reserve Banks | 1,244 | 92 | 1,364 | 2,407 | 1,083 | 133 | 2,679 | 711 | 7,176 |
| 67 Treasury tax-and-loan notes | 2,285 | 1,614 | 6,545 | 7,222 | 8,335 | 1,716 | 586 | 10,710 | 11,576 |
| 68 All other liabilities for borrowed money[3] | 124,585 | 122,198 | 118,747 | 118,050 | 121,744 | 128,471 | 122,854 | 123,643 | 121,432 |
| 69 Other liabilities and subordinated notes and debentures | 62,129 | 61,783 | 61,374 | 63,692 | 62,315 | 60,784 | 60,682 | 63,937 | 64,876 |
| 70 **Total liabilities** | **671,732** | **663,980** | **668,562** | **662,534** | **687,966** | **671,947** | **689,013** | **680,284** | **683,839** |
| 71 Residual (total assets minus total liabilities)[4] | 47,871 | 47,802 | 47,721 | 47,740 | 48,109 | 48,163 | 47,961 | 47,853 | 47,717 |

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers
3. Includes federal funds purchased and securities sold under agreement to repurchase; for information on these liabilities at banks with assets of $1 billion or more on Dec 31, 1977, see table 1 13
4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses

## 1.28 LARGE WEEKLY REPORTING COMMERCIAL BANKS IN NEW YORK CITY Assets and Liabilities

Millions of dollars, Wednesday figures

| | Account | 1981 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Mar 4 | Mar 11 | Mar. 18 | Mar 25 | Apr 1p | Apr 8p | Apr 15p | Apr. 22p | Apr 29p |
| 1 | Cash items in process of collection | 20,929 | 20,711 | 21,220 | 20,624 | 24,500 | 20,788 | 24,272 | 20,915 | 21,805 |
| 2 | Demand deposits due from banks in the United States | 14,156 | 14,577 | 15,771 | 14,037 | 15,457 | 13,946 | 14,942 | 12,757 | 13,486 |
| 3 | All other cash and due from depository institutions | 6,970 | 8,860 | 8,240 | 7,800 | 8,016 | 7,980 | 9,634 | 8,114 | 9,721 |
| 4 | **Total loans and securities[1]** | **123,903** | **121,570** | **124,784** | **124,270** | **127,325** | **123,605** | **127,576** | **126,513** | **126,707** |
| | *Securities* | | | | | | | | | |
| 5 | U S Treasury securities[2] | | | | | | | | | |
| 6 | Trading account[2] | | | | | | | | | |
| 7 | Investment account, by maturity | 8,517 | 8,345 | 8,000 | 7,864 | 8,385 | 8,753 | 8,935 | 8,937 | 8,735 |
| 8 | One year or less | 1,590 | 1,590 | 1,427 | 1,470 | 1,735 | 2,036 | 2,115 | 2,100 | 2,079 |
| 9 | Over one through five years | 6,268 | 6,070 | 5,947 | 5,759 | 6,082 | 5,849 | 5,941 | 5,933 | 5,831 |
| 10 | Over five years | 658 | 685 | 626 | 635 | 568 | 867 | 879 | 904 | 824 |
| 11 | Other securities[2] | | | | | | | | | |
| 12 | Trading account[2] | | | | | | | | | |
| 13 | Investment account | 13,629 | 13,589 | 13,564 | 13,510 | 13,851 | 13,916 | 14,001 | 14,028 | 14,031 |
| 14 | U.S. government agencies | 2,353 | 2,345 | 2,329 | 2,320 | 2,635 | 2,634 | 2,637 | 2,648 | 2,637 |
| 15 | States and political subdivision, by maturity | 10,671 | 10,646 | 10,617 | 10,552 | 10,596 | 10,645 | 10,722 | 10,736 | 10,756 |
| 16 | One year or less | 1,400 | 1,409 | 1,400 | 1,347 | 1,362 | 1,412 | 1,437 | 1,460 | 1,484 |
| 17 | Over one year | 9,271 | 9,237 | 9,217 | 9,205 | 9,234 | 9,232 | 9,285 | 9,276 | 9,272 |
| 18 | Other bonds, corporate stocks and securities | 606 | 598 | 617 | 638 | 621 | 638 | 642 | 643 | 638 |
| | *Loans* | | | | | | | | | |
| 19 | Federal funds sold[3] | 6,672 | 6,228 | 9,332 | 9,410 | 7,793 | 6,547 | 8,638 | 8,764 | 8,034 |
| 20 | To commercial banks | 3,030 | 3,217 | 5,312 | 6,048 | 3,569 | 2,829 | 4,636 | 4,707 | 3,751 |
| 21 | To nonbank brokers and dealers in securities | 3,065 | 2,393 | 3,428 | 2,843 | 3,678 | 3,079 | 3,276 | 3,270 | 3,323 |
| 22 | To others | 577 | 618 | 591 | 519 | 545 | 640 | 726 | 787 | 960 |
| 23 | Other loans, gross | 98,124 | 96,494 | 97,002 | 96,549 | 100,319 | 97,462 | 99,083 | 97,880 | 99,025 |
| 24 | Commercial and industrial | 49,550 | 49,419 | 49,674 | 49,666 | 51,025 | 50,323 | 50,124 | 50,642 | 51,431 |
| 25 | Bankers acceptances and commercial paper | 932 | 989 | 862 | 1,018 | 1,494 | 1,240 | 1,068 | 1,156 | 1,248 |
| 26 | All other | 48,617 | 48,430 | 48,812 | 48,648 | 49,532 | 49,083 | 49,055 | 49,485 | 50,183 |
| 27 | U S addressees | 46,105 | 45,961 | 46,339 | 46,178 | 46,942 | 46,562 | 46,623 | 47,058 | 47,661 |
| 28 | Non-U S addressees | 2,512 | 2,469 | 2,472 | 2,470 | 2,590 | 2,521 | 2,432 | 2,427 | 2,522 |
| 29 | Real estate | 15,254 | 15,274 | 15,345 | 15,368 | 15,432 | 15,448 | 15,469 | 15,502 | 15,571 |
| 30 | To individuals for personal expenditures | 9,440 | 9,453 | 9,481 | 9,518 | 9,550 | 9,548 | 9,566 | 9,699 | 9,700 |
| 31 | To financial institutions Commercial banks in the United States | 1,451 | 1,386 | 1,484 | 1,345 | 1,205 | 1,274 | 1,459 | 1,355 | 1,373 |
| 32 | Banks in foreign countries | 4,008 | 4,314 | 4,203 | 4,370 | 4,251 | 4,409 | 4,077 | 4,073 | 3,804 |
| 33 | Sales finance, personal finance companies, etc | 4,142 | 4,050 | 4,066 | 4,050 | 3,954 | 4,081 | 4,079 | 3,894 | 4,174 |
| 34 | Other financial institutions | 4,452 | 4,298 | 4,278 | 4,391 | 4,399 | 4,221 | 4,231 | 4,167 | 4,203 |
| 35 | To nonbank brokers and dealers in securities | 4,126 | 3,099 | 3,646 | 3,003 | 5,370 | 3,359 | 4,512 | 3,743 | 3,780 |
| 36 | To others for purchasing and carrying securities[4] | 487 | 498 | 500 | 492 | 497 | 483 | 489 | 482 | 468 |
| 37 | To finance agricultural production | 437 | 440 | 443 | 427 | 458 | 442 | 448 | 434 | 434 |
| 38 | All other | 4,776 | 4,263 | 3,881 | 3,921 | 4,178 | 3,874 | 4,628 | 3,889 | 4,088 |
| 39 | LESS: Unearned income | 1,147 | 1,182 | 1,197 | 1,213 | 1,171 | 1,217 | 1,210 | 1,222 | 1,238 |
| 40 | Loan loss reserve | 1,892 | 1,903 | 1,917 | 1,850 | 1,852 | 1,856 | 1,871 | 1,873 | 1,880 |
| 41 | Other loans, net | 95,084 | 93,408 | 93,888 | 93,486 | 97,296 | 94,389 | 96,001 | 94,784 | 95,908 |
| 42 | Lease financing receivables | 2,252 | 2,259 | 2,261 | 2,261 | 2,251 | 2,253 | 2,252 | 2,254 | 2,255 |
| 43 | All other assets[5] | 38,782 | 40,299 | 35,792 | 35,423 | 41,025 | 39,285 | 35,721 | 37,588 | 36,528 |
| 44 | **Total assets** | **206,991** | **208,277** | **208,068** | **204,415** | **218,575** | **207,858** | **214,397** | **208,141** | **210,502** |
| | *Deposits* | | | | | | | | | |
| 45 | Demand deposits | 67,443 | 67,983 | 67,646 | 64,180 | 74,168 | 65,830 | 75,578 | 64,805 | 64,988 |
| 46 | Mutual savings banks | 297 | 323 | 288 | 272 | 398 | 391 | 376 | 277 | 295 |
| 47 | Individuals, partnerships, and corporations | 32,383 | 33,387 | 32,786 | 31,255 | 36,998 | 32,272 | 34,904 | 31,816 | 31,422 |
| 48 | States and political subdivisions | 461 | 363 | 390 | 425 | 470 | 379 | 908 | 362 | 368 |
| 49 | U.S. government | 799 | 496 | 872 | 435 | 155 | 373 | 2,539 | 744 | 605 |
| 50 | Commercial banks in the United States | 23,017 | 22,426 | 23,061 | 21,619 | 22,134 | 21,264 | 24,035 | 19,791 | 19,540 |
| 51 | Banks in foreign countries | 5,376 | 6,471 | 5,874 | 6,055 | 6,945 | 5,959 | 6,962 | 6,381 | 6,748 |
| 52 | Foreign governments and official institutions | 1,617 | 1,348 | 1,106 | 993 | 1,633 | 1,546 | 1,736 | 1,629 | 1,626 |
| 53 | Certified and officers' checks | 3,494 | 3,169 | 3,268 | 3,125 | 5,434 | 3,646 | 4,118 | 3,805 | 4,383 |
| 54 | Time and savings deposits | 55,976 | 56,230 | 56,970 | 57,081 | 56,985 | 57,220 | 58,003 | 57,831 | 57,480 |
| 55 | Savings | 9,243 | 9,227 | 9,239 | 9,270 | 9,560 | 9,811 | 9,908 | 9,760 | 9,427 |
| 56 | Individuals and nonprofit organizations | 8,833 | 8,832 | 8,851 | 8,887 | 9,171 | 9,414 | 9,511 | 9,374 | 9,044 |
| 57 | Partnerships and corporations operated for profit | 285 | 285 | 274 | 275 | 279 | 278 | 278 | 277 | 272 |
| 58 | Domestic governmental units | 122 | 107 | 108 | 105 | 108 | 114 | 116 | 106 | 107 |
| 59 | All other | 3 | 3 | 5 | 3 | 2 | 4 | 2 | 3 | 2 |
| 60 | Time | 46,732 | 47,003 | 47,731 | 47,811 | 47,424 | 47,409 | 48,096 | 48,070 | 48,053 |
| 61 | Individuals, partnerships, and corporations | 39,785 | 40,015 | 40,727 | 40,650 | 40,423 | 40,438 | 41,061 | 40,975 | 40,791 |
| 62 | States and political subdivisions | 1,770 | 1,721 | 1,689 | 1,684 | 1,606 | 1,598 | 1,636 | 1,685 | 1,797 |
| 63 | U.S government | 36 | 48 | 44 | 44 | 37 | 37 | 33 | 33 | 38 |
| 64 | Commercial banks in the United States | 2,386 | 2,440 | 2,434 | 2,520 | 2,481 | 2,498 | 2,538 | 2,540 | 2,568 |
| 65 | Foreign governments, official institutions, and banks | 2,755 | 2,779 | 2,837 | 2,912 | 2,876 | 2,838 | 2,827 | 2,837 | 2,859 |
| | Liabilities for borrowed money | | | | | | | | | |
| 66 | Borrowings from Federal Reserve Banks | | | 1,103 | 780 | | | 1,860 | 315 | 3,162 |
| 67 | Treasury tax-and-loan notes | 581 | 550 | 2,032 | 2,201 | 2,249 | 473 | 149 | 2,983 | 3,019 |
| 68 | All other liabilities for borrowed money[6] | 42,433 | 43,512 | 40,088 | 38,766 | 44,770 | 44,674 | 38,925 | 39,540 | 39,973 |
| 69 | Other liabilities and subordinated notes and debentures | 24,533 | 24,090 | 24,349 | 25,623 | 24,307 | 23,576 | 23,900 | 26,775 | 26,150 |
| 70 | **Total liabilities** | **190,966** | **192,365** | **192,188** | **188,632** | **202,479** | **191,774** | **198,417** | **192,249** | **194,772** |
| 71 | Residual (total assets minus total liabilities)[4] | 16,025 | 15,912 | 15,880 | 15,784 | 16,096 | 16,084 | 15,980 | 15,892 | 15,730 |

1 Excludes trading account securities
2 Not available due to confidentiality
3 Includes securities purchased under agreements to resell
4. Other than financial institutions and brokers and dealers.
5 Includes trading account securities
6 Includes federal funds purchased and securities sold under agreements to repurchase
7 This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

## 1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

| Account | 1981 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar 4 | Mar 11 | Mar 18 | Mar 25 | Apr. 1p | Apr 8p | Apr 15p | Apr 22p | Apr. 29p |
| BANKS WITH ASSETS OF $750 MILLION OR MORE | | | | | | | | | |
| 1 Total loans (gross) and securities adjusted[1] | 546,093 | 540,495 | 542,053 | 539,337 | 550,422 | 544,348 | 546,427 | 545,754 | 547,877 |
| 2 Total loans (gross) adjusted[1] | 425,420 | 421,047 | 423,402 | 422,399 | 430,275 | 424,865 | 427,989 | 427,481 | 430,643 |
| 3 Demand deposits adjusted[2] | 96,695 | 99,168 | 95,836 | 94,447 | 106,362 | 100,880 | 103,692 | 99,034 | 97,593 |
| 4 Time deposits in accounts of $100,000 or more | 157,040 | 157,408 | 158,716 | 157,529 | 156,180 | 155,340 | 155,604 | 157,290 | 158,944 |
| 5 Negotiable CDs | 111,804 | 112,208 | 113,452 | 112,612 | 111,542 | 110,971 | 111,658 | 113,056 | 114,178 |
| 6 Other time deposits | 45,235 | 45,200 | 45,265 | 44,918 | 44,638 | 44,370 | 43,945 | 44,234 | 44,766 |
| 7 Loans sold outright to affiliates[3] | 2,740 | 2,783 | 2,788 | 2,746 | 2,730 | 2,710 | 2,716 | 2,691 | 2,748 |
| 8 Commercial and industrial | 1,835 | 1,864 | 1,888 | 1,855 | 1,842 | 1,849 | 1,846 | 1,854 | 1,880 |
| 9 Other | 905 | 919 | 900 | 891 | 889 | 861 | 870 | 838 | 868 |
| BANKS WITH ASSETS OF $1 BILLION OR MORE | | | | | | | | | |
| 10 Total loans (gross) and securities adjusted[1] | 510,846 | 505,260 | 506,769 | 503,924 | 514,775 | 508,720 | 510,754 | 509,917 | 512,132 |
| 11 Total loans (gross) adjusted[1] | 399,631 | 395,292 | 397,653 | 396,628 | 404,343 | 398,981 | 401,980 | 401,360 | 404,617 |
| 12 Demand deposits adjusted[2] | 89,692 | 91,957 | 88,456 | 87,476 | 98,764 | 93,498 | 96,337 | 91,989 | 90,660 |
| 13 Time deposits in accounts of $100,000 or more | 147,930 | 148,356 | 149,598 | 148,536 | 147,506 | 146,789 | 147,370 | 149,037 | 150,616 |
| 14 Negotiable CDs | 105,435 | 105,900 | 107,116 | 106,362 | 105,534 | 105,054 | 106,026 | 107,379 | 108,474 |
| 15 Other time deposits | 42,495 | 42,457 | 42,482 | 42,174 | 41,973 | 41,735 | 41,344 | 41,658 | 42,142 |
| 16 Loans sold outright to affiliates[3] | 2,705 | 2,746 | 2,750 | 2,710 | 2,692 | 2,675 | 2,680 | 2,647 | 2,692 |
| 17 Commercial and industrial | 1,807 | 1,834 | 1,857 | 1,827 | 1,813 | 1,822 | 1,819 | 1,823 | 1,842 |
| 18 Other | 897 | 912 | 893 | 883 | 880 | 852 | 862 | 824 | 850 |
| BANKS IN NEW YORK CITY | | | | | | | | | |
| 19 Total loans (gross) and securities adjusted[1,4] | 122,461 | 120,053 | 121,101 | 119,939 | 125,575 | 122,576 | 124,562 | 123,547 | 124,700 |
| 20 Total loans (gross) adjusted[1] | 100,315 | 98,119 | 99,537 | 98,566 | 103,338 | 99,907 | 101,626 | 100,582 | 101,935 |
| 21 Demand deposits adjusted[2] | 22,699 | 24,350 | 22,493 | 21,502 | 27,379 | 23,406 | 24,733 | 23,355 | 23,038 |
| 22 Time deposits in accounts of $100,000 or more | 36,296 | 36,466 | 37,119 | 37,301 | 36,907 | 36,950 | 37,688 | 37,763 | 37,775 |
| 23 Negotiable CDs | 26,714 | 26,952 | 27,581 | 27,888 | 27,358 | 27,416 | 28,194 | 28,301 | 28,308 |
| 24 Other time deposits | 9,582 | 9,514 | 9,538 | 9,413 | 9,548 | 9,533 | 9,494 | 9,463 | 9,467 |

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

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

Millions of dollars

| Industry classification | Outstanding | | | | | Net change during | | | | | Adjustment bank[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1980 | 1981 | | | | 1980 | 1981 | 1981 | | | |
| | Dec. 31 | Jan 28 | Feb 25 | Mar 25p | Apr. 29p | Q4 | Q1 | Feb. | Mar. | Apr.p | |
| 1 Durable goods manufacturing | 24,676 | 24,383 | 24,472 | 24,640 | 24,588 | 1,165 | −39 | 88 | 168 | −52 | 2 |
| 2 Nondurable goods manufacturing | 20,506 | 19,359 | 18,937 | 19,401 | 19,882 | 972 | −1,103 | −422 | 464 | 480 | −1 |
| 3 Food, liquor, and tobacco | 5,391 | 4,915 | 4,529 | 4,580 | 4,414 | 1,040 | −807 | −386 | 52 | −166 | −3 |
| 4 Textiles, apparel, and leather | 4,150 | 4,096 | 4,364 | 4,351 | 4,482 | −1,054 | 200 | 268 | −13 | 131 | ...... |
| 5 Petroleum refining | 3,635 | 3,185 | 2,929 | 2,982 | 3,300 | 949 | −654 | −256 | 53 | 319 | ... |
| 6 Chemicals and rubber | 3,917 | 3,782 | 3,673 | 3,838 | 4,039 | 184 | −80 | −109 | 165 | 201 | ...... |
| 7 Other nondurable goods | 3,412 | 3,381 | 3,442 | 3,650 | 3,646 | −147 | 237 | 61 | 208 | −4 | 2 |
| 8 Mining (including crude petroleum and natural gas) | 16,427 | 16,251 | 15,935 | 15,750 | 16,747 | 2,470 | −678 | −316 | −185 | 998 | ...... |
| 9 Trade | 26,239 | 25,550r | 25,242 | 25,617 | 26,777 | 1,290 | −622r | −307 | 375 | 1,160 | ..... |
| 10 Commodity dealers | 2,563 | 2,116 | 1,874 | 1,950 | 2,337 | 444 | −613 | −242 | 76 | 387 | ...... |
| 11 Other wholesale | 12,293 | 12,055r | 11,704r | 11,875r | 12,242 | 707 | −417 | −350 | 170 | 367 | ....... |
| 12 Retail | 11,384 | 11,378 | 11,663 | 11,792 | 12,197 | 138 | 409 | 285 | 129 | 406 | ...... |
| 13 Transportation, communication, and other public utilities | 21,304 | 20,741 | 20,270 | 19,971 | 20,354 | 2,081 | −1,332 | −472 | −299 | 383 | −2 |
| 14 Transportation | 8,374 | 8,254 | 8,139 | 8,106 | 8,163 | 639 | −266 | −114 | −34 | 57 | −2 |
| 15 Communication | 3,319 | 3,184 | 3,097 | 3,160 | 3,276 | 326 | −160 | −87 | 62 | 116 | ....... |
| 16 Other public utilities | 9,611 | 9,303 | 9,033 | 8,705 | 8,914 | 1,116 | −906 | −270 | −328 | 209 | ..... |
| 17 Construction | 5,994 | 5,950 | 6,109 | 6,225 | 6,469 | −36 | 233 | 159 | 116 | 244 | −2 |
| 18 Services | 22,857 | 23,242 | 23,528 | 23,603 | 24,069 | 1,546 | 746 | 286 | 75 | 465 | ........ |
| 19 All other[2] | 16,554 | 15,775 | 15,817 | 15,181 | 15,421 | 1,152 | −1,714 | 42 | −636 | 240 | 341 |
| 20 **Total domestic loans** | **154,557** | **151,252r** | **150,310r** | **150,388r** | **154,306** | **10,640** | **−4,508r** | **−942** | **78** | **3,918** | **339** |
| 21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans | 81,768 | 81,794 | 80,147 | 79,298 | 80,403 | 5,232 | −2,467 | −1,647 | −849 | 1,105 | −3 |

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 December 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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1975 Dec | 1976 Dec | 1977 Dec | 1978 Dec | 1979[2] | | 1980 | | | |
| | | | | | Sept | Dec | Mar | June | Sept | Dec |
| 1 **All holders—Individuals, partnerships, and corporations** | **236.9** | **250.1** | **274.4** | **294.6** | **292.4** | **302.2** | **288.4** | **288.6** | **302.0** | **316.8** |
| 2 Financial business | 20 1 | 22 3 | 25 0 | 27 8 | 26.7 | 27 1 | 28 4 | 27 7 | 29 6 | 29 8 |
| 3 Nonfinancial business | 125 1 | 130 2 | 142 9 | 152 7 | 148 8 | 157 7 | 144 9 | 145 3 | 151 9 | 162 3 |
| 4 Consumer | 78 0 | 82.6 | 91 0 | 97 4 | 99 2 | 99.2 | 97 6 | 97 9 | 101 8 | 104 0 |
| 5 Foreign | 2 4 | 2 7 | 2 5 | 2 7 | 2 8 | 3 1 | 3 1 | 3 3 | 3 2 | 3 3 |
| 6 Other | 11 3 | 12 4 | 12 9 | 14 1 | 14 9 | 15 1 | 14 4 | 14 4 | 15 5 | 17 4 |
| | Weekly reporting banks | | | | | | | | | |
| | 1975 Dec | 1976 Dec | 1977 Dec | 1978 Dec | 1979[3] | | 1980 | | | |
| | | | | | Sept | Dec | Mar | June | Sept | Dec |
| 7 **All holders—Individuals, partnerships, and corporations** | **124.4** | **128.5** | **139.1** | **147.0** | **132.7** | **139.3** | **133.6** | **133.9** | **140.6** | **147.4** |
| 8 Financial business | 15.6 | 17 5 | 18 5 | 19 8 | 19.7 | 20 1 | 20 1 | 20 2 | 21 2 | 21 6 |
| 9 Nonfinancial business | 69 9 | 69 7 | 76 3 | 79 0 | 69 1 | 74 1 | 69 1 | 69 2 | 72 4 | 77 7 |
| 10 Consumer | 29 9 | 31 7 | 34 6 | 38 2 | 33.7 | 34 3 | 34.2 | 33 9 | 36 0 | 36 3 |
| 11 Foreign | 2 3 | 2 6 | 2.4 | 2 5 | 2 8 | 3 0 | 3 0 | 3 1 | 3 1 | 3 1 |
| 12 Other | 6 6 | 7 1 | 7 4 | 7 5 | 7 4 | 7 8 | 7 2 | 7 5 | 7 9 | 8 7 |

1 Figures include cash items in process of collection Estimates of gross deposits are based on reports supplied by a sample of commercial banks. Types of depositors in each category are described in the June 1971 BULLETIN, p 466

2 Beginning with the March 1979 survey, the demand deposit ownership survey sample was reduced to 232 banks from 349 banks, and the estimation procedure was modified slightly To aid in comparing estimates based on the old and new reporting sample, the following estimates in billions of dollars for December 1978 have been constructed using the new smaller sample; financial business, 27 0, nonfinancial business, 146 9, consumer, 98 3, foreign, 2 8, and other, 15 1

3 After the end of 1978 the large weekly reporting bank panel was changed to 170 large commercial banks, each of which had total assets in domestic offices exceeding $750 million as of Dec 31, 1977. See "Announcements," p 408 in the May 1978 BULLETIN Beginning in March 1979, demand deposit ownership estimates for these large banks are constructed quarterly on the basis of 97 sample banks and are not comparable with earlier data. The following estimates in billions of dollars for December 1978 have been constructed for the new large-bank panel, financial business, 18 2; nonfinancial business, 67 2, consumer, 32 8; foreign, 2 5, other, 6 8

## 1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

| Instrument | 1977 Dec | 1978 Dec | 1979[1] Dec | 1980 Dec | 1980 | | | | 1981 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Sept. | Oct | Nov | Dec | Jan | Feb | Mar. |
| | Commercial paper (seasonally adjusted) | | | | | | | | | | |
| 1 **All issuers** | **65,051** | **83,438** | **112,809** | **125,148** | **123,706** | **123,009** | **124,606** | **125,148** | **128,656r** | **130,306r** | **132,702** |
| Financial companies[2] | | | | | | | | | | | |
| *Dealer-placed paper*[3] | | | | | | | | | | | |
| 2 Total | 8,796 | 12,181 | 17,377 | 19,631 | 19,477 | 19,062 | 19,591 | 19,631 | 19,886 | 20,859 | 22,643 |
| 3 Bank-related | 2,132 | 3,521 | 2,874 | 3,561 | 3,370 | 3,442 | 3,436 | 3,561 | 3,670 | 3,742r | 4,163 |
| *Directly placed paper*[4] | | | | | | | | | | | |
| 4 Total | 40,574 | 51,647 | 64,748 | 67,888 | 65,618 | 66,612 | 67,340 | 67,888 | 68,956r | 68,936r | 69,461 |
| 5 Bank-related | 7,102 | 12,314 | 17,598 | 22,382 | 19,692 | 21,146 | 21,939 | 22,382 | 22,570 | 22,331 | 21,604 |
| 6 Nonfinancial companies[5] | 15,681 | 19,610 | 30,684 | 37,629 | 38,611 | 37,335 | 37,675 | 37,629 | 39,814 | 40,511 | 40,598 |
| | Bankers dollar acceptances (not seasonally adjusted) | | | | | | | | | | |
| 7 **Total** | **25,450** | **33,700** | **45,321** | **54,744** | **55,774** | **56,610** | **55,226** | **54,744** | **54,465** | **58,084** | **60,089** |
| *Holder* | | | | | | | | | | | |
| 8 Accepting banks | 10,434 | 8,579 | 9,865 | 10,564 | 10,275 | 11,317 | 10,236 | 10,564 | 9,371 | 9,911 | 10,117 |
| 9 Own bills | 8,915 | 7,653 | 8,327 | 8,963 | 9,004 | 9,808 | 8,837 | 8,963 | 7,951 | 8,770 | 8,735 |
| 10 Bills bought | 1,519 | 927 | 1,538 | 1,601 | 1,270 | 1,509 | 1,399 | 1,601 | 1,420 | 1,141 | 1,382 |
| Federal Reserve Banks | | | | | | | | | | | |
| 11 Own account | 954 | 1 | 704 | 776 | 499 | 566 | 523 | 776 | 0 | 0 | 298 |
| 12 Foreign correspondents | 362 | 664 | 1,382 | 1,791 | 1,820 | 1,915 | 1,852 | 1,791 | 1,771 | 1,399 | 1,372 |
| 13 Others | 13,700 | 24,456 | 33,370 | 41,614 | 43,179 | 42,813 | 42,616 | 41,614 | 43,323 | 46,779 | 48,303 |
| *Basis* | | | | | | | | | | | |
| 14 Imports into United States | 6,378 | 8,574 | 10,270 | 11,776 | 11,731 | 12,254 | 11,774 | 11,776 | 11,903 | 12,976 | 13,292 |
| 15 Exports from United States | 5,863 | 7,586 | 9,640 | 12,712 | 12,991 | 13,445 | 13,670 | 12,712 | 12,816 | 12,979 | 13,451 |
| 16 All other | 13,209 | 17,540 | 25,411 | 30,257 | 31,052 | 30,911 | 29,782 | 30,257 | 29,746 | 32,129 | 33,347 |

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 |
|---|---|---|---|---|---|---|---|
| 1980—Nov. 6 | 15.50 | 1981—Jan 2 | 20 50 | 1980—Jan. | 15 25 | 1980—Oct | 13 79 |
| 17 | 16 25 | 9 | 20 00 | Feb | 15 63 | Nov. | 16 06 |
| 21 | 17 00 | Feb. 3 | 19 50 | Mar | 18 31 | Dec. | 20 35 |
| 26 | 17 75 | 23 | 19 00 | Apr | 19 77 | | |
| Dec 2 | 18.50 | Mar. 10 | 18 00 | May | 16.57 | 1981—Jan | 20.16 |
| 5 | 19.00 | 17. | 17 50 | June | 12 63 | Feb. | 19 43 |
| 10 | 20.00 | Apr 2 | 17 00 | July | 11.48 | Mar. | 18 05 |
| 16 | 21 00 | 24 | 17 50 | Aug | 11 12 | Apr. | 17.15 |
| 19 | 21 50 | 30 | 18.00 | Sept | 12 23 | | |

## 1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 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) | 16,985,777 | 817,631 | 521,319 | 918,372 | 2,501,018 | 751,196 | 11,476,241 |
| 2 Number of loans | 158,959 | 111,775 | 15,982 | 14,711 | 13,165 | 1,192 | 2,135 |
| 3 Weighted-average maturity (months) | 1 9 | 3 3 | 3 7 | 4 2 | 3.6 | 3 8 | 1.1 |
| 4 Weighted-average interest rate (percent per annum) | 19 91 | 19 59 | 19 53 | 19.77 | 20 18 | 20.87 | 19.83 |
| 5 Interquartile range[1] | 19 12–21.25 | 17.23–21.94 | 18 00–21 84 | 18.77–22 13 | 19 28–22 51 | 20.00–21 94 | 19 18–20 32 |
| *Percentage of amount of loans* | | | | | | | |
| 6 With floating rate | 38 7 | 31 0 | 29 4 | 42.9 | 55 6 | 77 6 | 33.1 |
| 7 Made under commitment | 43 0 | 23 9 | 22 1 | 37.6 | 39 7 | 65.8 | 44.9 |
| 8 With no stated maturity | 18 1 | 10.2 | 11 7 | 24 6 | 18.0 | 36 9 | 17.2 |
| LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS | | | | | | | |
| 9 Amount of loans (thousands of dollars) | 2,106,841 | | 238,914 | | 297 407 | 161,491 | 1,409,030 |
| 10 Number of loans | 19,309 | | 17,320 | | 1,355 | 245 | 389 |
| 11 Weighted-average maturity (months) | 47 8 | | 33 4 | | 61.8 | 40 1 | 48 2 |
| 12 Weighted-average interest rate (percent per annum) | 19 26 | | 19 06 | | 19 31 | 20 48 | 19.14 |
| 13 Interquartile range[1] | 17 92–21 00 | | 17 00–21 00 | | 16 25–21 00 | 20.00–21 86 | 18.28–20.75 |
| *Percentage of amount of loans* | | | | | | | |
| 14 With floating rate | 73 8 | | 39.4 | | 88 1 | 85.0 | 75 4 |
| 15 Made under commitment | 76 9 | | 33 5 | | 49.7 | 77 7 | 89.9 |
| CONSTRUCTION AND LAND DEVELOPMENT LOANS | | | | | | | |
| 16 Amount of loans (thousands of dollars) | 584,021 | 55,418 | 124,270 | 68,475 | 133,859 | 201,999 | |
| 17 Number of loans | 12,681 | 7,442 | 3,324 | 1,107 | 648 | 160 | |
| 18 Weighted-average maturity (months) | 10.4 | 6 3 | 9 9 | 6 7 | 11.4 | 12.4 | |
| 19 Weighted-average interest rate (percent per annum) | 19 40 | 18 76 | 17 40 | 17.92 | 20 20 | 20.77 | |
| 20 Interquartile range[1] | 16.00–22 19 | 16 64–21 50 | 13 65–22 04 | 13.28–21.94 | 20.00–22 50 | 20.50–22.19 | |
| *Percentage of amount of loans* | | | | | | | |
| 21 With floating rate | 63 9 | 36.0 | 31 2 | 42 1 | 70.5 | 94 8 | |
| 22 Secured by real estate | 89.1 | 91 9 | 87.9 | 94.3 | 79 7 | 93.6 | |
| 23 Made under commitment | 74 5 | 57 7 | 84.4 | 77 0 | 73 8 | 72 7 | |
| 24 With no stated maturity | 10 7 | 28.6 | 3 8 | 6 2 | 14.0 | 9 5 | |
| *Type of construction* | | | | | | | |
| 25 1- to 4-family | 40.3 | 77 4 | 54 2 | 63 7 | 25 4 | 23.4 | |
| 26 Multifamily | 15 1 | 4 7 | 2 1 | 9 3 | 15 0 | 27 9 | |
| 27 Nonresidential | 44 7 | 18.0 | 43 7 | 27 0 | 59.6 | 48.7 | |
| 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) | 1,083,356 | 147,558 | 166,464 | 200,977 | 153,148 | 204,451 | 210,756 |
| 29 Number of loans | 60,769 | 39,249 | 11,339 | 5,871 | 2,456 | 1,457 | 398 |
| 30 Weighted-average maturity (months) | 6 2 | 6 4 | 6 2 | 5 9 | 6.8 | 4 8 | 7.5 |
| 31 Weighted-average interest rate (percent per annum) | 17 92 | 17.36 | 17 71 | 17.52 | 17 85 | 17.92 | 18 94 |
| 32 Interquartile range[1] | 16 21–19 25 | 16.10–18 27 | 16 21–18 81 | 16 10–18 50 | 16.46–19 25 | 16 61–18 81 | 15.69–20 84 |
| *By purpose of loan* | | | | | | | |
| 33 Feeder livestock | 17 79 | 17.54 | 17 87 | 18 14 | 17 37 | 16.81 | 18 55 |
| 34 Other livestock | 17 45 | 16.34 | 18 06 | 17 20 | 17 85 | (2) | (2) |
| 35 Other current operating expenses | 17 91 | 17 42 | 17.72 | 17 36 | 17.53 | 18.01 | 18 95 |
| 36 Farm machinery and equipment | 17 37 | 17 52 | 17 16 | 17.58 | 17 66 | (2) | (2) |
| 37 Other | 18 31 | 17 63 | 17 85 | 17 22 | 18.84 | 18.06 | 20 52 |

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 | 1978 | 1979 | 1980 | 1981 Jan | 1981 Feb. | 1981 Mar. | 1981 Apr | 1981, week ending Apr. 3 | Apr 10 | Apr 17 | Apr. 24 | May 1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MONEY MARKET RATES | | | | | | | | | | | | |
| 1 Federal funds[1,2] | 7.93 | 11.19 | 13.36 | 19 08 | 15 93 | 14 70 | 15 72 | 14 93 | 15.43 | 15 33 | 15 55 | 16.28 |
| Commercial paper[3,4] | | | | | | | | | | | | |
| 2 1-month | 7 76 | 10.86 | 12.76 | 17.73 | 15 81 | 14.15 | 14.79 | 13 82 | 14.68 | 14.92 | 14 97 | 15.70 |
| 3 3-month | 7.94 | 10.97 | 12 66 | 16 58 | 15 49 | 13.94 | 14 56 | 13 32 | 14.39 | 14 81 | 14 85 | 15.39 |
| 4 6-month | 7 99 | 10.91 | 12.29 | 15 10 | 14 87 | 13 59 | 14.17 | 12 93 | 13.95 | 14.44 | 14 50 | 14.94 |
| Finance paper, directly placed[3,4] | | | | | | | | | | | | |
| 5 1-month | 7.73 | 10.78 | 12 44 | 16 97 | 15 52 | 13.78 | 14 24 | 13.39 | 14.01 | 14 44 | 14.53 | 15.06 |
| 6 3-month | 7 80 | 10 47 | 11.49 | 14.49 | 14.45 | 13 08 | 13.28 | 12.50 | 12 83 | 13 45 | 13 63 | 13 89 |
| 7 6-month | 7.78 | 10.25 | 11 28 | 14 09 | 14 05 | 12 89 | 12 94 | 12 25 | 12.56 | 13 05 | 13 13 | 13.63 |
| Bankers acceptances[4,5] | | | | | | | | | | | | |
| 8 3-month | 8 11 | 11.04 | 12 78 | 16 62 | 15.54 | 13.88 | 14.65 | 13 26 | 14.52 | 14 83 | 14.84 | 15.49 |
| 9 6-month | n a | n a | n.a. | 14.88 | 14.89 | 13 49 | 14.19 | 12.84 | 13 99 | 14.35 | 14 48 | 14 93 |
| Certificates of deposit, secondary market[6] | | | | | | | | | | | | |
| 10 1-month | 7 88 | 11.03 | 12.91 | 17 99 | 16 11 | 14.33 | 14.92 | 13 74 | 14.80 | 15.15 | 15 19 | 15 73 |
| 11 3-month | 8 22 | 11.22 | 13.07 | 17 19 | 16 14 | 14.43 | 15 08 | 13 65 | 14 89 | 15 38 | 15 37 | 15.95 |
| 12 6-month | 8.61 | 11.44 | 12 99 | 15 92 | 16 00 | 14.48 | 15 12 | 13 61 | 14.86 | 15 39 | 15.50 | 16.03 |
| 13 Eurodollar deposits, 3-month[2] | 8.78 | 11 96 | 14 00 | 18 07 | 17.18 | 15.36 | 15 95 | 14.78 | 14.96 | 16 16 | 16.44 | 16 38 |
| U.S Treasury bills[4] | | | | | | | | | | | | |
| Secondary market[7] | | | | | | | | | | | | |
| 14 3-month | 7.19 | 10 07 | 11 43 | 15 02 | 14.79 | 13.36 | 13 69 | 12 60 | 13.67 | 13 66 | 13.74 | 14 52 |
| 15 6-month | 7 58 | 10 06 | 11.37 | 14.08 | 14.05 | 12 81 | 13.45 | 12.18 | 13.36 | 13.50 | 13.72 | 14 09 |
| 16 1-year | 7 74 | 9 75 | 10 89 | 12 62 | 12 99 | 12 28 | 12 79 | 11.86 | 12 53 | 12 80 | 13.05 | 13 41 |
| Auction average[8] | | | | | | | | | | | | |
| 17 3-month | 7 221 | 10 041 | 11 506 | 14 724 | 14 905 | 13 478 | 13 635 | 12.501 | 14 147 | 13 783 | 13.553 | 14 190 |
| 18 6-month | 7 572 | 10.017 | 11.374 | 13 883 | 14 134 | 12 983 | 13 434 | 12 078 | 13 783 | 13.646 | 13 621 | 14.042 |
| 19 1-year | 7.678 | 9 817 | 10 748 | 12 554 | 12.801 | 11.481 | 12 991 | ... | | | 12.991 | . |
| CAPITAL MARKET RATES | | | | | | | | | | | | |
| U.S. Treasury notes and bonds[9] | | | | | | | | | | | | |
| Constant maturities[10] | | | | | | | | | | | | |
| 20 1-year | 8.34 | 10.67 | 12 05 | 14 08 | 14.57 | 13.71 | 14 32 | 13.20 | 13.98 | 14 27 | 14.70 | 15.11 |
| 21 2-year | 8 34 | 10 12 | 11 77 | 13.26 | 13.92 | 13 57 | 14.15 | 13.33 | 13 90 | 14.10 | 14.45 | 14 72 |
| 22 2-½-year[11] | | | ... | ... | ... | ... | ... | ... | 13 90 | ... | 14.45 | . |
| 23 3-year | 8 29 | 9 71 | 11 55 | 13 01 | 13 65 | 13.51 | 14 09 | 13 40 | 13 89 | 14 07 | 14 33 | 14.57 |
| 24 5-year | 8 32 | 9 52 | 11 48 | 12.77 | 13.41 | 13.41 | 13 99 | 13.46 | 13 84 | 14 01 | 14.14 | 14 36 |
| 25 7-year | 8 36 | 9 48 | 11.43 | 12.66 | 13.28 | 13 24 | 13.85 | 13.36 | 13 73 | 13.89 | 13 96 | 14 17 |
| 26 10-year | 8 41 | 9 44 | 11 46 | 12.57 | 13.19 | 13.12 | 13.68 | 13.23 | 13 56 | 13 70 | 13.78 | 14 01 |
| 27 20-year | 8.48 | 9 33 | 11.39 | 12 29 | 12.98 | 12 94 | 13.46 | 13.05 | 13.38 | 13.52 | 13 51 | 13.75 |
| 28 30-year | 8.49 | 9 29 | 11 30 | 12 14 | 12 80 | 12 69 | 13 20 | 12 77 | 13.12 | 13 24 | 13 25 | 13.50 |
| Composite[12] | | | | | | | | | | | | |
| 29 Over 10 years (long-term) | 7.89 | 8 74 | 10 81 | 11.65 | 12.23 | 12.15 | 12.62 | 12.25 | 12.56 | 12 66 | 12.65 | 12.89 |
| State and local notes and bonds | | | | | | | | | | | | |
| Moody's series[13] | | | | | | | | | | | | |
| 30 Aaa | 5 52 | 5 92 | 7.85 | 8.98 | 9.46 | 9 50 | 9.78 | 9.50 | 9 80 | 9.80 | 10.00 | 10 00 |
| 31 Baa | 6 27 | 6 73 | 9 01 | 9 90 | 10 15 | 10.40 | 10 85 | 10 60 | 10.80 | 10 80 | 11 20 | 11.40 |
| 32 *Bond Buyer* series[14] | 6 03 | 6.52 | 8.59 | 9 66 | 10 10 | 10.16 | 10 62 | 10 21 | 10.45 | 10 70 | 10.80 | 10.94 |
| Corporate bonds | | | | | | | | | | | | |
| Seasoned issues[15] | | | | | | | | | | | | |
| 33 All industries | 9 07 | 10.12 | 12 75 | 13 80 | 14 22 | 14 26 | 14 66 | 14 29 | 14.50 | 14 67 | 14 81 | 14.99 |
| 34 Aaa | 8 73 | 9.63 | 11.94 | 12.81 | 13 35 | 13 33 | 13.88 | 13.41 | 13.72 | 13.89 | 14.02 | 14.26 |
| 35 Aa | 8 92 | 9.94 | 12.50 | 13 52 | 13 89 | 13 90 | 14.39 | 13 90 | 14 22 | 14 38 | 14 59 | 14 79 |
| 36 A | 9.12 | 10.20 | 12.89 | 13.83 | 14.27 | 14.47 | 14.82 | 14 58 | 14.65 | 14 82 | 14 94 | 15.08 |
| 37 Baa | 9 45 | 10.69 | 13.67 | 15 03 | 15 37 | 15 34 | 15.56 | 15 25 | 15 42 | 15 61 | 15 71 | 15.80 |
| Aaa utility bonds[16] | | | | | | | | | | | | |
| 38 New issue | 8 96 | 10 03 | 12 74 | 14.12 | 14.90 | 14 71 | 15 68 | 14.87 | ... | ... | 15.85 | 16 12 |
| 39 Recently offered issues | 8 97 | 10.02 | 12 70 | 14 17 | 14 58 | 14 41 | 15.48 | 14 89 | 15 19 | 15 36 | 15 78 | 16 26 |
| MEMO: Dividend/price ratio[17] | | | | | | | | | | | | |
| 40 Preferred stocks | 8.25 | 9 07 | 10 57 | 11 64 | 11 83 | 11.81 | 11.80 | 11 78 | 11.90 | 11 69 | 11 82 | 11.88 |
| 41 Common stocks | 5.28 | 5.46 | 5 25 | 4 76 | 5 00 | 4 88 | 4.84 | 4 77 | 4 86 | 4.86 | 4 87 | 4 92 |

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 (not compounded) 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 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 | 1978 | 1979 | 1980 | 1980 Oct | 1980 Nov | 1980 Dec | 1981 Jan | 1981 Feb. | 1981 Mar. | 1981 Apr. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Prices and trading (averages of daily figures) | | | | | | | | | |
| *Common stock prices* | | | | | | | | | | |
| 1 New York Stock Exchange (Dec 31, 1965 = 50) | 53.76 | 55.67 | 68.06 | 75.17 | 78.15 | 76.69 | 76.24 | 73.52 | 76.46 | 77.60 |
| 2 Industrial | 58.30 | 61.82 | 78.64 | 88.00 | 92.32 | 90.37 | 89.23 | 85.74 | 89.39 | 90.57 |
| 3 Transportation | 43.25 | 45.20 | 60.52 | 70.76 | 77.22 | 75.74 | 74.43 | 72.76 | 77.09 | 80.63 |
| 4 Utility | 39.23 | 36.46 | 37.35 | 38.44 | 38.35 | 37.84 | 38.53 | 37.59 | 37.78 | 38.34 |
| 5 Finance | 56.74 | 58.65 | 64.28 | 68.29 | 67.21 | 67.46 | 70.04 | 68.48 | 72.82 | 74.59 |
| 6 Standard & Poor's Corporation (1941–43 = 10)[1] | 96.11 | 107.94 | 118.71 | 130.22 | 135.65 | 133.48 | 132.97 | 128.40 | 133.19 | 134.43 |
| 7 American Stock Exchange (Aug 31, 1973 = 100) | 144.56 | 186.56 | 300.94 | 350.08 | 349.97 | 347.56 | 344.21 | 338.28 | 347.07 | 363.09 |
| *Volume of trading (thousands of shares)* | | | | | | | | | | |
| 8 New York Stock Exchange | 28,591 | 32,233 | 44,867 | 44,860 | 54,895 | 46,620 | 45,500 | 42,963 | 53,387 | 54,124 |
| 9 American Stock Exchange | 3,622 | 4,182 | 6,377 | 7,087 | 7,852 | 6,410 | 6,024 | 4,816 | 5,682 | 6,339 |
| | Customer financing (end-of-period balances, in millions of dollars) | | | | | | | | | |
| 10 **Regulated margin credit at brokers/dealers[2]** | **11,035** | **11,619** | **14,721** | **13,293** | **14,363** | **14,721** | **14,242** | **14,171** | **14,243** | n.a |
| 11 Margin stock[3] | 10,830 | 11,450 | 14,500 | 13,080 | 14,140 | 14,500 | 14,020 | 13,950 | 14,020 | n.a |
| 12 Convertible bonds | 205 | 167 | 219 | 211 | 220 | 219 | 221 | 220 | 222 | n.a |
| 13 Subscription issues | 1 | 2 | 2 | 2 | 3 | 2 | 1 | 1 | 1 | n.a |
| *Free credit balances at brokers[4]* | | | | | | | | | | |
| 14 Margin-account | 835 | 1,105 | 2,105 | 1,950 | 2,120 | 2,105 | 2,065 | 2,225 | 2,340 | n.a |
| 15 Cash-account | 2,510 | 4,060 | 6,070 | 5,500 | 5,590 | 6,070 | 5,655 | 5,700 | 6,530 | n.a |
| | Margin-account debt at brokers (percentage distribution, end of period) | | | | | | | | | |
| 16 **Total** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | n a |
| *By equity class (in percent)[5]* | | | | | | | | | | |
| 17 Under 40 | 33.0 | 16.0 | 14.0 | 13.0 | 13.0 | 14.0 | 20.0 | 20.0 | 16.0 | n a |
| 18 40–49 | 28.0 | 29.0 | 30.0 | 29.0 | 18.0 | 30.0 | 30.0 | 31.0 | 28.0 | n a |
| 19 50–59 | 18.0 | 27.0 | 25.0 | 25.0 | 31.0 | 25.0 | 22.0 | 21.0 | 26.0 | n a |
| 20 60–69 | 10.0 | 14.0 | 14.0 | 15.0 | 18.0 | 14.0 | 13.0 | 13.0 | 14.0 | n a |
| 21 70–79 | 6.0 | 8.0 | 9.0 | 10.0 | 11.0 | 9.0 | 8.0 | 8.0 | 9.0 | n a |
| 22 80 or more | 5.0 | 7.0 | 8.0 | 8.0 | 9.0 | 8.0 | 7.0 | 7.0 | 8.0 | n a |
| | Special miscellaneous-account balances at brokers (end of period) | | | | | | | | | |
| 23 **Total balances (millions of dollars)[6]** | **13,092** | **16,150** | **21,690** | **19,929** | **21,600** | **21,690** | **21,686** | **21,861** | **22,548** | n a |
| *Distribution by equity status (percent)* | | | | | | | | | | |
| 24 Net credit status | 41.3 | 44.2 | 47.8 | 46.8 | 46.5 | 47.8 | 47.0 | 48.6 | 50.9 | n a |
| Debt status, equity of | | | | | | | | | | |
| 25 60 percent or more | 45.1 | 47.0 | 44.4 | 46.2 | 46.8 | 44.4 | 43.9 | 43.1 | 41.5 | n a |
| 26 Less than 60 percent | 13.6 | 8.8 | 7.7 | 7.0 | 6.7 | 7.7 | 9.1 | 8.3 | 7.6 | n a |

| | Margin requirements (percent of market value and effective date)[7] | | | | | |
|---|---|---|---|---|---|---|
| | Mar 11, 1968 | June 8, 1968 | May 6, 1970 | Dec 6, 1971 | Nov. 24, 1972 | Jan 3, 1974 |
| 27 Margin stocks | 70 | 80 | 65 | 55 | 65 | 50 |
| 28 Convertible bonds | 50 | 60 | 50 | 50 | 50 | 50 |
| 29 Short sales | 70 | 80 | 65 | 55 | 65 | 50 |

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

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

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

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

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

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

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

7 Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value The term "margin stocks" is defined in the corresponding regulation

## 1.37 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

| Account | 1978 | 1979 | 1980 June | July | Aug | Sept | Oct | Nov | Dec | 1981 Jan | Feb | Mar p |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Savings and loan associations | | | | | | |
| 1 **Assets** | **523,542** | **578,962** | **594,397** | **596,620** | **603,295** | **609,320** | **617,773** | **623,939** | **629,829** | **631,228** | **634,405** | **636,636** |
| 2 Mortgages | 432,808 | 475,688 | 481,042 | 482,839 | 487,036 | 491,895 | 496,495 | 499,973 | 502,812 | 504,068 | 505,309 | 507,030 |
| 3 Cash and investment securities[1] | 44,884 | 46,341 | 52,408 | 52,165 | 53,336 | 53,435 | 56,146 | 57,302 | 57,572 | 57,460 | 58,401 | 58,410 |
| 4 Other | 45,850 | 56,933 | 60,947 | 61,616 | 62,923 | 63,990 | 65,132 | 66,664 | 69,445 | 69,700 | 70,695 | 71,196 |
| 5 **Liabilities and net worth** | **523,542** | **578,962** | **594,397** | **596,620** | **603,295** | **609,320** | **617,773** | **623,939** | **629,829** | **631,228** | **634,405** | **636,636** |
| 6 Savings capital | 430,953 | 470,004 | 486,680 | 488,896 | 497,403 | 496,991 | 500,861 | 503,365 | 510,959 | 512,946 | 515,250 | 518,873 |
| 7 Borrowed money | 42,907 | 55,232 | 54,796 | 41,239 | 55,396 | 58,418 | 60,727 | 62,067 | 64,491 | 62,938 | 62,270 | 64,088 |
| 8 FHLBB | 31,990 | 40,441 | 40,613 | 39,882 | 41,005 | 42,547 | 44,325 | 45,505 | 47,045 | 46,629 | 46,360 | 47,292 |
| 9 Other | 10,917 | 14,791 | 14,183 | 13,579 | 14,391 | 15,871 | 16,402 | 16,562 | 17,446 | 16,309 | 15,910 | 16,796 |
| 10 Loans in process | 10,721 | 9,582 | 7,031 | 7,112 | 7,540 | 8,243 | 8,654 | 8,853 | 8,783 | 8,120 | 7,833 | 7,711 |
| 11 Other | 9,904 | 11,506 | 12,966 | 14,364 | 16,190 | 12,776 | 14,502 | 16,433 | 12,227 | 14,104 | 16,071 | 13,334 |
| 12 Net worth[2] | 29,057 | 32,638 | 32,924 | 32,787 | 32,766 | 32,892 | 33,029 | 33,221 | 33,319 | 33,120 | 32,981 | 32,630 |
| 13 MEMO: Mortgage loan commitments outstanding[3] | 18,911 | 16,007 | 15,368 | 18,020 | 20,278 | 20,311 | 19,077 | 17,979 | 16,102 | 15,972 | 16,279 | 17,288 |
| | | | | | | Mutual savings banks[4] | | | | | | |
| 14 **Assets** | **158,174** | **163,405** | **166,982** | **167,959** | **168,752** | **169,409** | **170,432** | **171,126** | **171,495r** | **171,891r** | **172,349** | |
| Loans | | | | | | | | | | | | |
| 15 Mortgage | 95,157 | 98,908 | 99,176 | 99,301 | 99,289 | 99,306 | 99,523 | 99,677 | 99,813r | 99,816r | 99,739 | |
| 16 Other | 7,195 | 9,253 | 11,148 | 11,390 | 11,122 | 11,415 | 11,382 | 11,477 | 11,730r | 12,199r | 12,598 | |
| Securities | | | | | | | | | | | | |
| 17 U.S. government[5] | 4,959 | 7,658 | 7,483 | 7,796 | 8,079 | 8,434 | 8,622 | 8,715 | 8,947r | 9,000r | 9,032 | |
| 18 State and local government | 3,333 | 2,930 | 2,706 | 2,702 | 2,709 | 2,728 | 2,754 | 2,736 | 2,390r | 2,378r | 2,376 | |
| 19 Corporate and other[6] | 39,732 | 37,086 | 38,276 | 38,863 | 39,327 | 39,609 | 39,720 | 39,888 | 39,274r | 39,256r | 39,223 | |
| 20 Cash | 3,665 | 3,156 | 3,561 | 3,260 | 3,456 | 3,153 | 3,592 | 3,717 | 4,333r | 4,133r | 4,205 | |
| 21 Other assets | 4,131 | 4,412 | 4,631 | 4,648 | 4,770 | 4,764 | 4,839 | 4,916 | 5,009r | 5,107r | 5,177 | n.a. |
| 22 **Liabilities** | **158,174** | **163,405** | **166,982** | **167,959** | **168,752** | **169,409** | **170,432** | **171,126** | **171,495r** | **171,891r** | **172,3491** | |
| 23 Deposits | 142,701 | 146,006 | 148,606 | 149,580 | 150,187 | 151,765 | 151,998 | 152,133 | 153,439r | 153,143r | 153,332 | |
| 24 Regular[7] | 141,170 | 144,070 | 146,416 | 147,408 | 148,018 | 149,395 | 149,797 | 150,109 | 151,355r | 151,051r | 151,346 | |
| 25 Ordinary savings | 71,816 | 61,123 | 56,388 | 57,737 | 58,191 | 58,658 | 57,651 | 56,256 | 53,942r | 52,737r | 52,035 | |
| 26 Time and other | 69,354 | 82,947 | 90,028 | 89,671 | 89,827 | 90,736 | 92,146 | 93,853 | 97,413r | 98,314r | 99,311 | |
| 27 Other | 1,531 | 1,936 | 2,190 | 2,172 | 2,169 | 2,370 | 2,200 | 2,042 | 2,084r | 2,092r | 1,986 | |
| 28 Other liabilities | 4,565 | 5,873 | 6,898 | 6,964 | 7,211 | 6,299 | 7,117 | 7,644 | 6,692r | 7,426r | 7,753 | |
| 29 General reserve accounts | 10,907 | 11,525 | 11,478 | 11,416 | 11,353 | 11,344 | 11,317 | 11,349 | 12,967r | 12,957r | 13,412 | |
| 30 MEMO: Mortgage loan commitments outstanding[8] | 4,400 | 3,182 | 1,898 | 1,939 | 1,849 | 1,883 | 1,817 | 1,682 | 1,476 | 1,316 | 1,331 | |
| | | | | | | Life insurance companies | | | | | | |
| 31 **Assets** | **389,924** | **432,282** | **450,858** | **455,759** | **459,362** | **464,483** | **468,057** | **473,529** | **476,190** | **463,150** | **482,264** | |
| Securities | | | | | | | | | | | | |
| 32 Government | 20,009 | 0,338 | 20,395 | 20,736 | 20,833 | 20,853 | 20,942 | 21,204 | 21,453 | 21,891 | 22,092 | |
| 33 United States[9] | 4,822 | 4,888 | 4,990 | 5,325 | 5,386 | 5,361 | 5,390 | 5,568 | 5,753 | 6,016 | 6,066 | |
| 34 State and local | 6,402 | 6,428 | 6,349 | 6,361 | 6,421 | 6,474 | 6,484 | 6,568 | 6,682 | 6,831 | 6,900 | |
| 35 Foreign[10] | 8,785 | 9,022 | 9,056 | 9,050 | 9,026 | 9,018 | 9,068 | 9,068 | 9,018 | 9,044 | 9,126 | |
| 36 Business | 198,105 | 222,332 | 224,874 | 228,645 | 230,477 | 233,652 | 236,115 | 239,150 | 238,048 | 240,630 | 241,600 | n.a. |
| 37 Bonds | 162,587 | 178,371 | 184,329 | 186,385 | 187,839 | 189,586 | 191,229 | 191,753 | 191,090 | 194,889 | 195,521 | |
| 38 Stocks | 35,518 | 39,757 | 40,545 | 42,260 | 42,638 | 44,066 | 44,886 | 47,397 | 46,958 | 45,741 | 46,079 | |
| 39 Mortgages | 106,167 | 118,421 | 125,455 | 126,461 | 127,357 | 128,089 | 128,977 | 129,878 | 131,145 | 131,710 | 132,445 | |
| 40 Real estate | 11,764 | 13,007 | 14,085 | 14,164 | 14,184 | 14,460 | 14,702 | 15,183 | 15,247 | 15,235 | 16,026 | |
| 41 Policy loans | 30,146 | 34,825 | 39,354 | 39,649 | 39,925 | 40,258 | 40,548 | 40,878 | 41,411 | 42,032 | 42,604 | |
| 42 Other assets | 23,733 | 27,563 | 26,695 | 26,104 | 26,586 | 27,171 | 26,765 | 27,236 | 28,836 | 26,983 | 27,497 | |
| | | | | | | Credit unions | | | | | | |
| 43 **Total assets/liabilities and capital** | **62,348** | **65,854** | **68,102** | **68,429** | **69,553** | **70,515** | **70,702** | **71,335** | **71,709** | **70,754** | **71,446** | **73,214** |
| 44 Federal | 34,760 | 35,934 | 37,555 | 37,573 | 38,168 | 39,219 | 39,155 | 39,428 | 39,801 | 39,142 | 39,636 | 40,624 |
| 45 State | 27,588 | 29,920 | 30,547 | 30,856 | 31,385 | 31,296 | 31,547 | 31,907 | 31,908 | 31,612 | 31,810 | 32,590 |
| 46 Loans outstanding | 50,269 | 53,125 | 48,172 | 47,829 | 47,884 | 47,211 | 47,221 | 47,299 | 47,774 | 47,309 | 47,451 | 47,815 |
| 47 Federal | 27,687 | 28,698 | 25,773 | 25,435 | 25,401 | 25,381 | 25,288 | 25,273 | 25,627 | 25,272 | 25,376 | 25,618 |
| 48 State | 22,582 | 24,426 | 22,399 | 22,394 | 22,483 | 21,830 | 21,933 | 22,026 | 22,147 | 22,037 | 22,075 | 22,197 |
| 49 Savings | 53,517 | 56,232 | 59,310 | 60,574 | 61,403 | 63,728 | 63,957 | 64,304 | 64,399 | 63,874 | 64,357 | 65,744 |
| 50 Federal (shares) | 29,802 | 35,530 | 32,764 | 33,472 | 33,964 | 35,961 | 36,030 | 36,183 | 36,348 | 35,915 | 36,236 | 36,898 |
| 51 State (shares and deposits) | 23,715 | 25,702 | 26,546 | 27,102 | 27,439 | 27,767 | 27,927 | 28,121 | 28,051 | 27,959 | 28,121 | 28,846 |

For notes see bottom of page A28

## 1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

| Type of account or operation | Fiscal year 1978 | Fiscal year 1979 | Fiscal year 1980 | Calendar year 1979 H2 | 1980 H1 | 1980 H2 | 1981 Jan | 1981 Feb | 1981 Mar |
|---|---|---|---|---|---|---|---|---|---|
| *U.S. budget* | | | | | | | | | |
| 1 Receipts[1] | 401,997 | 465,940 | 520,050 | 233,952 | 270,864 | 262,152 | 52,214 | 38,394 | 44,623 |
| 2 Outlays[1,2] | 450,804 | 493,635 | 579,613 | 263,004 | 289,905 | 310,972 | 59,099 | 53,969 | 54,217 |
| 3 Surplus, or deficit(−) | −48,807 | −27,694 | −59,563 | −29,052 | −19,041 | −48,821 | −6,884 | −15,575 | −9,593 |
| 4 Trust funds | 12,693 | 18,335 | 8,791 | 9,679 | 4,383 | −2,551 | −3,434 | 1,243 | −601 |
| 5 Federal funds[3] | −61,532 | −46,069 | −67,752 | −38,773 | −23,418 | −46,306 | −3,451 | −16,819 | −8,992 |
| *Off-budget entities (surplus, or deficit (−))* | | | | | | | | | |
| 6 Federal Financing Bank outlays | −10,661 | −13,261 | 14,549 | −5,909 | −7,735 | −7,552 | −960 | −1,340 | −3,420 |
| 7 Other[4] | 302 | 793 | 303 | 765 | −522 | 376 | · 494 | −148 | −35 |
| *U.S. budget plus off-budget, including Federal Financing Bank* | | | | | | | | | |
| 8 Surplus, or deficit (−) | −59,166 | −40,162 | −73,808 | −34,197 | −27,298 | −55,998 | −8,339 | −17,063 | −13,048 |
| Source or financing | | | | | | | | | |
| 9 Borrowing from the public | 59,106 | 33,641 | 70,515 | 31,320 | 24,435 | 54,764 | 6,772 | 13,916 | 15,138 |
| 10 Cash and monetary assets (decrease, or increase (−))[5] | −3,023 | −408 | −355 | 3,059 | −3,482 | −6,730 | 2,252 | 3,909 | −5,852 |
| 11 Other[6] | 3,083 | 6,929 | 3,648 | −182 | 6,345 | 7,964 | −685 | 762 | 3,762 |
| MEMO | | | | | | | | | |
| 12 Treasury operating balance (level, end of period) | 22,444 | 24,176 | 20,990 | 15,924 | 14,092 | 12,305 | 13 917 | 10,106 | 10,717 |
| 13 Federal Reserve Banks | 16,647 | 6,489 | 4,102 | 4,075 | 3,199 | 3,062 | 3,038 | 2,284 | 3,032 |
| 14 Tax and loan accounts | 5,797 | 17,687 | 16,888 | 11,849 | 10,893 | 9,243 | 10 879 | 7,822 | 7,685 |

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, seignorage, increment on gold, net gain/loss for U S. currency valuation adjustment, net gain/loss for IMF valuation adjustment; and profit on the sale of gold

SOURCE "Monthly Treasury Statement of Receipts and Outlays of the U S Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1981*

NOTES TO TABLE 1 37

1. Holdings of stock of the Federal Home Loan Banks are included in "other assets "

2 Includes net undistributed income, which is accrued by most, but not all, associations

3 Excludes figures for loans in process, which are shown as a liability

4 The NAMSB reports that, effective April 1979, balance sheet data are not strictly comparable with previous months Beginning April 1979, data are reported on a net-of-valuation-reserves basis. Prior to that date, data were reported on a gross-of-valuation-reserves basis

5 Beginning April 1979, includes obligations of U S government agencies Before that date, this item was included in "Corporate and other "

6 Includes securities of foreign governments and international organizations and, prior to April 1979, nonguaranteed issues of U S government agencies

7. Excludes checking, club, and school accounts.

8 Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Association of the state of New York

9 Direct and guaranteed obligations Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities

10 Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development

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

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

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

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

## 1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

| Source or type | Fiscal year 1978 | Fiscal year 1979 | Fiscal year 1980 | Calendar year | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 1979 | 1980 | | 1981 | | |
| | | | | H2 | H1 | H2 | Jan | Feb | Mar |
| RECEIPTS | | | | | | | | | |
| 1 **All sources**[1] | **401,997** | **465,955** | **520,050** | **233,952** | **270,864** | **262,152** | **52,214** | **38,394** | **44,623** |
| 2 Individual income taxes, net | 180,988 | 217,841 | 244,069 | 115,488 | 119,988 | 131,962 | 30,964 | 15,348 | 13,693 |
| 3 Withheld | 165,215 | 195,295 | 223,763 | 105,764 | 110,394 | 120,924 | 20,896 | 19,076 | 22,337 |
| 4 Presidential Election Campaign Fund | 39 | 36 | 39 | 3 | 34 | 4 | 1 | 4 | 11 |
| 5 Nonwithheld | 47,804 | 56,215 | 63,746 | 12,355 | 49,707 | 14,592 | 10,121 | 1,134 | 3,754 |
| 6 Refunds[1] | 32,070 | 33,705 | 43,479 | 2,634 | 40,147 | 3,559 | 54 | 4,867 | 12,410 |
| *Corporation income taxes* | | | | | | | | | |
| 7 Gross receipts | 65,380 | 71,448 | 72,380 | 29,169 | 43,434 | 28,579 | 2 826 | 1,816 | 10 203 |
| 8 Refunds | 5,428 | 5,771 | 7,780 | 3,306 | 4,064 | 4,518 | 667 | 1,252 | 1,617 |
| 9 Social insurance taxes and contributions, net | 123,410 | 141,591 | 160,747 | 71,031 | 86,597 | 77,262 | 14,363 | 17,211 | 15,784 |
| 10 Payroll employment taxes and contributions[2] | 99,626 | 115,041 | 133,042 | 60,562 | 69,077 | 66,831 | 12,533 | 14,562 | 14,579 |
| 11 Self-employment taxes and contributions[3] | 4,267 | 5,034 | 5,723 | 417 | 5,535 | 188 | 426 | 495 | 419 |
| 12 Unemployment insurance | 13,850 | 15,387 | 15,336 | 6,899 | 8,690 | 6,742 | 773 | 1,563 | 174 |
| 13 Other net receipts[4] | 5,668 | 6,130 | 6,646 | 3,149 | 3,294 | 3,502 | 631 | 591 | 613 |
| 14 Excise taxes | 18,376 | 18,745 | 24,329 | 9,675 | 11,383 | 15,332 | 2,523 | 3,273 | 4,210 |
| 15 Customs deposits | 6,573 | 7,439 | 7,174 | 3,741 | 3,443 | 3,717 | 635 | 558 | 661 |
| 16 Estate and gift taxes | 5,285 | 5,411 | 6,389 | 2,900 | 3,091 | 3,499 | 535 | 489 | 572 |
| 17 Miscellaneous receipts[5] | 7,413 | 9,252 | 12,741 | 5,254 | 6,993 | 6,318 | 1 035 | 951 | 1,117 |
| OUTLAYS | | | | | | | | | |
| 18 **All types**[1,6] | **450,804** | **493,635** | **579,613** | **263,004** | **289,905** | **310,972** | **59,099** | **53,969** | **54,217** |
| 19 National defense | 105,186 | 117,681 | 135,856 | 62,002 | 69,132 | 72,457 | 12,682 | 12,841 | 13,560 |
| 20 International affairs | 5,922 | 6,091 | 10,733 | 4,617 | 4,602 | 5,430 | 396 | 1,005 | 808 |
| 21 General science, space, and technology | 4,742 | 5 041 | 5,722 | 3,299 | 3,150 | 3,205 | 440 | 531 | 692 |
| 22 Energy | 5,861 | 6,856 | 6,313 | 3,281 | 3,126 | 3,997 | 915 | 826 | 475 |
| 23 Natural resources and environment | 10,925 | 12,091 | 13,812 | 7,350 | 6,668 | 7,722 | 1,134 | 1,016 | 1 093 |
| 24 Agriculture | 7,731 | 6,238 | 4,762 | 1,709 | 3,193 | 1,892 | 2,984 | 352 | 54 |
| 25 Commerce and housing credit | 3,324 | 2,565 | 7 782 | 3,002 | 3,878 | 3,163 | 988 | -204 | 377 |
| 26 Transportation | 15,445 | 17,459 | 21,120 | 10,298 | 9,582 | 11,547 | 3 810 | 1 468 | 1,605 |
| 27 Community and regional development | 11,039 | 9,482 | 10,068 | 4,855 | 5,302 | 5,370 | 867 | 620 | 782 |
| 28 Education, training, employment, social services | 26,463 | 29,685 | 30,767 | 14,579 | 16,686 | 15,221 | 3,029 | 2,862 | 2,666 |
| 29 Health | 43,676 | 49,614 | 58,165 | 26,492 | 29,299 | 31,263 | 5,510 | 5,414 | 5,757 |
| 30 Income security[1,6] | 146,180 | 160,159 | 193,100 | 85,967 | 94 605 | 107,912 | 19,299 | 18,795 | 19,242 |
| 31 Veterans benefits and services | 18,974 | 19,928 | 21,183 | 10,113 | 9,758 | 11,731 | 1,923 | 1,955 | 1,028 |
| 32 Administration of justice | 3,802 | 4,153 | 4,570 | 2,174 | 2,291 | 2,299 | 383 | 389 | 377 |
| 33 General government | 3,737 | 4,153 | 4,505 | 2,103 | 2,422 | 2,432 | 356 | 425 | 749 |
| 34 General-purpose fiscal assistance | 9,601 | 8,372 | 8,584 | 4,286 | 3,940 | 4,191 | 1,293 | 113 | 98 |
| 35 Interest[7] | 43,966 | 52,556 | 64,504 | 29 045 | 32,658 | 35,909 | 3,822 | 6,400 | 5,835 |
| 36 Undistributed offsetting receipts[7,8] | 15,772 | 18,489 | 21,933 | 12,164 | 10,387 | 14,769 | 732 | 838 | 875 |

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

2 Old-age, disability, and hospital insurance, and railroad retirement accounts

3. Old-age, disability, and hospital insurance

4 Supplementary medical insurance premiums, federal employee retirement contributions, and Civil Service retirement and disability fund

5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts

6 Effective 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 1981*

## 1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

| Item | 1978 | 1979 | | | | 1980 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Dec 31 | Mar 31 | June 30 | Sept. 30 | Dec. 31 | Mar 31 | June 30 | Sept. 30 | Dec. 31 |
| 1 **Federal debt outstanding** | **797.7** | **804.6** | **812.2** | **833.8** | **852.2** | **870.4** | **884.4** | **914.3** | **936.7** |
| 2 Public debt securities | 789.2 | 796.8 | 804.9 | 826.5 | 845.1 | 863.5 | 877.6 | 907.7 | 930.2 |
| 3 Held by public | 619.2 | 630.5 | 626.4 | 638.8 | 658.0 | 677.1 | 682.7 | 710.0 | 737.7 |
| 4 Held by agencies | 170.0 | 166.3 | 178.5 | 187.7 | 187.1 | 186.3 | 194.9 | 197.7 | 192.5 |
| 5 Agency securities | 8.5 | 7.8 | 7.3 | 7.2 | 7.1 | 7.0 | 6.8 | 6.6 | 6.5 |
| 6 Held by public | 7.0 | 6.3 | 5.9 | 5.8 | 5.6 | 5.5 | 5.3 | 5.1 | 5.0 |
| 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** | **790.3** | **797.9** | **806.0** | **827.6** | **846.2** | **864.5** | **878.7** | **908.7** | **931.2** |
| 9 Public debt securities | 788.6 | 796.2 | 804.3 | 825.9 | 844.5 | 862.8 | 877.0 | 907.1 | 929.6 |
| 10 Other debt[1] | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.6 | 1.6 |
| 11 MEMO Statutory debt limit | 798.0 | 798.0 | 830.0 | 830.0 | 879.0 | 879.0 | 925.0 | 925.0 | 935.1 |

1. Includes guaranteed debt of government agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds

NOTE Data from *Treasury Bulletin* (U.S. Treasury Department)

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

Billions of dollars, end of period

| Type and holder | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Dec | Jan | Feb | Mar. | Apr |
| 1 **Total gross public debt** | **653.5** | **718.9** | **789.2** | **845.1** | **930.2** | **934.1** | **950.5** | **964.5** | **964.0** |
| *By type* | | | | | | | | | |
| 2 Interest-bearing debt | 652.5 | 715.2 | 782.4 | 844.0 | 928.9 | 929.8 | 946.5 | 963.2 | 962.8 |
| 3 Marketable | 421.3 | 459.9 | 487.5 | 530.7 | 623.2 | 628.5 | 642.9 | 661.1 | 657.9 |
| 4 Bills | 164.0 | 161.1 | 161.7 | 172.6 | 216.1 | 220.4 | 229.0 | 235.3 | 225.8 |
| 5 Notes | 216.7 | 251.8 | 265.8 | 283.4 | 321.6 | 321.2 | 324.5 | 336.5 | 341.1 |
| 6 Bonds | 40.6 | 47.0 | 60.0 | 74.7 | 85.4 | 86.9 | 89.4 | 89.3 | 91.0 |
| 7 Nonmarketable[1] | 231.2 | 255.3 | 294.8 | 313.2 | 305.7 | 301.3 | 303.5 | 302.1 | 304.9 |
| 8 Convertible bonds[2] | 2.3 | 2.2 | 2.2 | 2.2 | ... | ... | ... | ... | ... |
| 9 State and local government series | 4.5 | 13.9 | 24.3 | 24.6 | 23.8 | 23.7 | 23.6 | 23.5 | 23.4 |
| 10 Foreign issues[3] | 22.3 | 22.2 | 29.6 | 28.8 | 24.0 | 23.8 | 24.0 | 24.2 | 24.4 |
| 11 Government | 20.8 | 21.0 | 28.0 | 23.6 | 17.6 | 17.4 | 17.5 | 17.7 | 18.0 |
| 12 Public | 1.5 | 1.2 | 1.6 | 5.3 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 |
| 13 Savings bonds and notes | 72.3 | 77.0 | 80.9 | 79.9 | 72.5 | 71.4 | 70.7 | 70.3 | 69.8 |
| 14 Government account series[4] | 129.7 | 139.8 | 157.5 | 177.5 | 185.1 | 182.2 | 185.0 | 183.8 | 187.0 |
| 15 Non-interest-bearing debt | 1.1 | 3.7 | 6.8 | 1.2 | 1.3 | 4.2 | 4.0 | 1.3 | 1.2 |
| *By holder*[5] | | | | | | | | | |
| 16 U.S. government agencies and trust funds | 147.1 | 154.8 | 170.0 | 187.1 | 192.5 | 189.5 | 192.0 | | |
| 17 Federal Reserve Banks | 97.0 | 102.8 | 109.6 | 117.5 | 121.3 | 116.7 | 118.4 | | |
| 18 Private investors | 409.5 | 461.3 | 508.6 | 540.5 | 616.4 | 627.4 | 639.6 | | |
| 19 Commercial banks | 103.8 | 101.4 | 93.1 | 91.5 | 104.7 | 108.1 | 107.4 | | |
| 20 Mutual savings banks | 5.9 | 5.9 | 5.0 | 4.7 | 5.8 | 5.8 | 5.8 | | |
| 21 Insurance companies | 12.7 | 15.1 | 14.9 | 14.8 | 15.2 | 15.3 | 15.0 | | |
| 22 Other companies | 27.7 | 22.7 | 21.2 | 25.0 | 24.6 | 22.8 | 22.4 | n.a. | n.a. |
| 23 State and local governments | 41.6 | 55.2 | 64.4 | 67.4 | 74.7 | 73.0 | 76.0 | | |
| Individuals | | | | | | | | | |
| 24 Savings bonds | 72.0 | 76.7 | 80.7 | 79.9 | 72.2 | 71.4 | 70.7 | | |
| 25 Other securities | 28.8 | 28.6 | 30.3 | 36.2 | 56.7 | 62.8 | 65.5 | | |
| 26 Foreign and international[6] | 78.1 | 109.6 | 137.8 | 123.8 | 134.3 | 133.9 | 136.7 | | |
| 27 Other miscellaneous investors[7] | 38.9 | 46.1 | 58.2 | 97.4 | 127.9 | 134.3 | 140.0 | | |

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. Beginning with July 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund

7. Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit accounts, and government sponsored agencies

NOTE Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues

Data by type of security from *Monthly Statement of the Public Debt of the United States* (U S Treasury Department), data by holder from *Treasury Bulletin*.

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

Par value; millions of dollars, end of period

| Type of holder | 1979 | 1980 | 1981 | | 1979 | 1980 | 1981 | |
|---|---|---|---|---|---|---|---|---|
| | | | Jan | Feb | | | Jan | Feb. |
| | All maturities | | | | 1 to 5 years | | | |
| 1 **All holders** | **530,731** | **623,186** | **628,482** | **642,905** | **164,198** | **197,409** | **192,893** | **196,029** |
| 2 U S government agencies and trust funds | 11,047 | 9,564 | 9,527 | 9,293 | 2,555 | 1,990 | 1,990 | 1,360 |
| 3 Federal Reserve Banks | 117,458 | 121,328 | 116,708 | 118,435 | 28,469 | 35,835 | 34,043 | 34,492 |
| 4 Private investors | 402,226 | 492,294 | 502,248 | 515,178 | 133,173 | 159,585 | 156,860 | 160,177 |
| 5 Commercial banks | 69,076 | 77,868 | 80,451 | 79,931 | 38,346 | 44,482 | 43,436 | 42,253 |
| 6 Mutual savings banks | 3,204 | 3,917 | 3,950 | 3,930 | 1,668 | 1,925 | 1,904 | 1,853 |
| 7 Insurance companies | 11,496 | 11,930 | 11,992 | 11,838 | 4,518 | 4,504 | 4,445 | 4,148 |
| 8 Nonfinancial corporations | 8,433 | 7,758 | 6,954 | 7,600 | 2,844 | 2,213 | 2,203 | 1,841 |
| 9 Savings and loan associations | 3,209 | 4,225 | 3,837 | 4,103 | 1,763 | 2,289 | 2,380 | 2,496 |
| 10 State and local governments | 15,735 | 21,058 | 20,500 | 21,646 | 3,487 | 4,595 | 4,553 | 4,711 |
| 11 All others | 291,072 | 365,539 | 374,563 | 386,130 | 80,546 | 99,577 | 97,941 | 102,875 |
| | Total, within 1 year | | | | 5 to 10 years | | | |
| 12 **All holders** | **255,252** | **297,385** | **303,043** | **311,965** | **50,440** | **56,037** | **58,727** | **58,556** |
| 13 U S government agencies and trust funds | 1,629 | 830 | 792 | 1 188 | 871 | 1,404 | 1,404 | 1,404 |
| 14 Federal Reserve Banks | 63,219 | 56,858 | 54,308 | 54 785 | 12,977 | 13,458 | 13,354 | 13,770 |
| 15 Private investors | 190,403 | 239,697 | 247,943 | 255,992 | 36,592 | 41,175 | 43,969 | 43,382 |
| 16 Commercial banks | 20,171 | 25,197 | 28,049 | 28,949 | 8,086 | 5,793 | 6,367 | 6,054 |
| 17 Mutual savings banks | 836 | 1,246 | 1,283 | 1 289 | 459 | 455 | 466 | 481 |
| 18 Insurance companies | 2,016 | 1,940 | 1,977 | 2 250 | 2,815 | 3,037 | 3,090 | 3,000 |
| 19 Nonfinancial corporations | 4,933 | 4,281 | 3,476 | 4,337 | 308 | 357 | 392 | 393 |
| 20 Savings and loan associations | 1,301 | 1,646 | 1,236 | 1,453 | 69 | 216 | 159 | 88 |
| 21 State and local governments | 5,607 | 7,750 | 7,248 | 7,974 | 1,540 | 2,030 | 2,047 | 2,092 |
| 22 All others | 155,539 | 197,636 | 204,674 | 209,740 | 23,314 | 29,287 | 31,448 | 31,275 |
| | *Bills, within 1 year* | | | | *10 to 20 years* | | | |
| 23 **All holders** | **172,644** | **216,104** | **220,423** | **228,972** | **27,588** | **36,854** | **36,817** | **38,278** |
| 24 U S government agencies and trust funds | 0 | 1 | * | 1 | 4,520 | 3,686 | 3,686 | 3,686 |
| 25 Federal Reserve Banks | 45,337 | 43,971 | 41,558 | 42,781 | 3,272 | 5,919 | 5,891 | 5,903 |
| 26 Private investors | 127,306 | 172,132 | 178,864 | 186,190 | 19,796 | 27,250 | 27,241 | 28,690 |
| 27 Commercial banks | 5,938 | 9,856 | 11,868 | 12,803 | 993 | 1,071 | 1,115 | 1,174 |
| 28 Mutual savings banks | 262 | 394 | 410 | 410 | 127 | 181 | 181 | 184 |
| 29 Insurance companies | 473 | 672 | 685 | 854 | 1,305 | 1,718 | 1,758 | 1,664 |
| 30 Nonfinancial corporations | 2,793 | 2,363 | 1,717 | 2,212 | 218 | 431 | 440 | 436 |
| 31 Savings and loan associations | 219 | 818 | 403 | 510 | 58 | 52 | 42 | 44 |
| 32 State and local governments | 3,100 | 5,413 | 4,932 | 5,154 | 1,762 | 3,597 | 3,629 | 3,822 |
| 33 All others | 114,522 | 152,616 | 158,848 | 164,246 | 15,332 | 20,200 | 20,075 | 21,365 |
| | Other, within 1 year | | | | Over 20 years | | | |
| 34 **All holders** | **82,608** | **81,281** | **82,620** | **82,993** | **33,254** | **35,500** | **37,002** | **38,076** |
| 35 U.S. government agencies and trust funds | 1,629 | 829 | 791 | 1,187 | 1,472 | 1,656 | 1,656 | 1,656 |
| 36 Federal Reserve Banks | 17,882 | 12,888 | 12,750 | 12,004 | 9,520 | 9,258 | 10,767 | 9,484 |
| 37 Private investors | 63,097 | 67,565 | 69,079 | 69,802 | 22,262 | 24,587 | 26,235 | 26,936 |
| 38 Commercial banks | 14,233 | 15,341 | 16,181 | 16,146 | 1,470 | 1,325 | 1,484 | 1,501 |
| 39 Mutual savings banks | 574 | 852 | 873 | 879 | 113 | 110 | 116 | 123 |
| 40 Insurance companies | 1,543 | 1,268 | 1,291 | 1,396 | 842 | 730 | 722 | 776 |
| 41 Nonfinancial corporations | 2,140 | 1,918 | 1,759 | 2,124 | 130 | 476 | 443 | 593 |
| 42 Savings and loan associations | 1,081 | 828 | 833 | 943 | 19 | 21 | 21 | 22 |
| 43 State and local governments | 2,508 | 2,337 | 2,316 | 2,820 | 3,339 | 3,086 | 3,023 | 3,047 |
| 44 All others | 41,017 | 45,020 | 45,826 | 45,493 | 16,340 | 18,838 | 20,425 | 20,875 |

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 Feb 28, 1981: (1) 5,347 commercial banks, 459 mutual savings banks, and 724 insurance companies, each about 80 percent, (2) 411 nonfinancial corporations and 476 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 | 1977 | 1978 | 1979 | 1980 | 1981 | | 1980 and 1981, week ending Wednesday | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Dec | Jan. | Feb | Dec 10 | Dec 17 | Dec 24 | Dec 31 | Jan 7 | Jan. 14 |
| 1 **U.S. government securities** | **10,838** | **10,285** | **13,183** | **21,576** | n.a. | n.a. | **19,794** | **21,449** | **23,656** | **21,858** | n.a. | n.a. |
| *By maturity* | | | | | | | | | | | | |
| 2 Bills | 6,746 | 6,173 | 7,915 | 13,840 | n.a. | n.a. | 12,124 | 13,559 | 13,781 | 16,183 | n.a. | n.a. |
| 3 Other within 1 year | 237 | 392 | 454 | 464 | n.a. | n.a. | 397 | 577 | 347 | 638 | n.a. | n.a. |
| 4 1–5 years | 2,320 | 1,889 | 2,417 | 3,461 | n.a. | n.a. | 2,257 | 3,492 | 5,409 | 2,384 | n.a. | n.a. |
| 5 5–10 years | 1,148 | 965 | 1,121 | 1,806 | n.a. | n.a. | 2,840 | 1,706 | 1,800 | 1,275 | n.a. | n.a. |
| 6 Over 10 years | 388 | 867 | 1,276 | 2,005 | n.a. | n.a. | 2,175 | 2,115 | 2,320 | 1,378 | n.a. | n.a. |
| *By type of customer* | | | | | | | | | | | | |
| 7 U S government securities dealers | 1,268 | 1,135 | 1,448 | 1,807 | n.a. | n.a. | 1,172 | 1,712 | 2,098 | 2,408 | n.a. | n.a. |
| 8 U S government securities brokers | 3,709 | 3,838 | 5,170 | 8,382 | n.a. | n.a. | 8,835 | 8,851 | 9,060 | 5,723 | n.a. | n.a. |
| 9 Commercial banks | 2,294 | 1,804 | 1,904 | 2,661 | n.a. | n.a. | 2,496 | 2,613 | 3,129 | 2,565 | n.a. | n.a. |
| 10 All others[1] | 3,567 | 3,508 | 4,660 | 8,726 | n.a. | n.a. | 7,290 | 8,273 | 9,369 | 11,163 | n.a. | n.a. |
| 11 **Federal agency securities** | **1,729** | **1,894** | **2,723** | **2,789** | n.a. | n.a. | **2,667** | **3,058** | **3,281** | **2,230** | n.a. | n.a. |

1 Includes, among others, all other dealers and brokers in commodities and securities, foreign banking agencies, and the Federal Reserve System

NOTE Averages for transactions are based on number of trading days in the period

Transactions are market purchases and sales of U S government securities dealers reporting to the Federal Reserve Bank of New York The figures exclude allotments of, and exchanges for, new U S government securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase, reverse repurchase (resale) or similar contracts

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

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

| Item | 1977 | 1978 | 1979 | 1980 | 1981 | | 1980 week ending Wednesday | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Dec | Jan | Feb | Nov 19 | Nov 26 | Dec 3 | Dec 10 | Dec 17 | Dec 24 |
| | Positions[1] | | | | | | | | | | | |
| 1 **U.S. government securities** | **5,172** | **2,656** | **3,223** | **4,042** | n.a. | n.a. | **4,055** | **1,910** | **3,539** | **4,266** | **2,927** | **4,432** |
| 2 Bills | 4,772 | 2,452 | 3,813 | 4 081 | n.a. | n.a. | 3,874 | 2 310 | 3,526 | 4 066 | 3,935 | 4,146 |
| 3 Other within 1 year | 99 | 260 | −325 | 1 394 | n.a. | n.a. | −844 | −924 | −920 | −920 | −1 652 | −1,751 |
| 4 1–5 years | 60 | −92 | −455 | 43 | n.a. | n.a. | 195 | 791 | −415 | −716 | −683 | 913 |
| 5 5–10 years | 92 | 40 | 160 | 104 | n.a. | n.a. | 74 | 50 | 30 | 431 | 3 | −198 |
| 6 Over 10 years | 149 | −4 | 30 | 1 294 | n.a. | n.a. | 1 146 | 1 267 | 1 318 | 1,405 | 1 324 | 1,323 |
| 7 **Federal agency securities** | **693** | **606** | **1,471** | **643** | n.a. | n.a. | **78** | **314** | **591** | **542** | **406** | **668** |
| | Financing[2] | | | | | | | | | | | |
| Reverse repurchase agreements[3] | | | | | | | | | | | | |
| 8 Overnight and continuing | n.a. | n.a. | n.a. | 12 074 | 11 762 | 8 232 | 9 768 | 8 381 | 10,503 | 12,925 | 11,091 | 10,697 |
| 9 Term agreements | n.a. | n.a. | n.a. | 34 249 | 25 750 | 25 008 | 29,050 | 31,980 | 30 993 | 32,422 | 33 633 | 38,899 |
| Repurchase agreements[4] | | | | | | | | | | | | |
| 10 Overnight and continuing | n.a. | n.a. | n.a. | 25 303 | 31 613 | 28 523 | 26,210 | 19,884 | 26,340 | 27,642 | 29,500 | 20,095 |
| 11 Term agreements | n.a. | n.a. | n.a. | 29 426 | 22 289 | 26 256 | 24 536 | 31 815 | 24 986 | 27,262 | 25,495 | 38,515 |

1 Net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is trade-date basis, including any such securities that have been sold under agreements to repurchase The maturities of some repurchase agreements are sufficiently long however, to suggest that the securities involved are not available for trading purposes Securities owned, and hence dealer positions, do not include securities purchased under agreement to resell

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

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

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

NOTE Data for positions are averages of daily figures, based on the number of trading days in the period Data for financing are based only on Wednesday figures

## 1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt outstanding

Millions of dollars, end of period

| Agency | 1976 | 1977 | 1978 | 1980 | | | | 1981 | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept | Oct | Nov | Dec | Jan | Feb |
| 1 **Federal and federally sponsored agencies[1]** | **103,848** | **112,472** | **137,063** | **182,713** | **188,076** | **188,743** | **193,229** | **195,056** | **194,926** |
| 2 Federal agencies | 22,419 | 22,760 | 23,488 | 27,618 | 27,797 | 27,941 | 28,606 | 28,769 | 28,596 |
| 3 Defense Department[2] | 1,113 | 983 | 968 | 641 | 636 | 631 | 610 | 600 | 591 |
| 4 Export-Import Bank[3,4] | 8,574 | 8,671 | 8,711 | 10,728 | 10,715 | 10,696 | 11,250 | 11,239 | 11,201 |
| 5 Federal Housing Administration[5] | 575 | 581 | 588 | 495 | 490 | 486 | 477 | 476 | 468 |
| 6 Government National Mortgage Association participation certificates[6] | 4,120 | 3,743 | 3,141 | 2,842 | 2,842 | 2,842 | 2,817 | 2,817 | 2,817 |
| 7 Postal Service[7] | 2,998 | 2,431 | 2,364 | 1,770 | 1,770 | 1,770 | 1,770 | 1,770 | 1,770 |
| 8 Tennessee Valley Authority | 4,935 | 6,015 | 7,460 | 10,660 | 10,835 | 11,010 | 11,190 | 11,375 | 11,550 |
| 9 United States Railway Association[7] | 104 | 336 | 356 | 482 | 509 | 506 | 492 | 492 | 199 |
| 10 Federally sponsored agencies[1] | 81,429 | 89,712 | 113,575 | 155,095 | 160,279 | 160,802 | 164,623 | 166,287 | 166,330 |
| 11 Federal Home Loan Banks | 16,811 | 18,345 | 27,563 | 36,710 | 38,819 | 39,380 | 41,258 | 41,819 | 42,275 |
| 12 Federal Home Loan Mortgage Corporation | 1,690 | 1,686 | 2,262 | 2,537 | 2,537 | 2,537 | 2,536 | 2,518 | 2,514 |
| 13 Federal National Mortgage Association | 30,565 | 31,890 | 41,080 | 52,382 | 53,889 | 53,643 | 55,185 | 54,605 | 54,110 |
| 14 Federal Land Banks | 17,127 | 19,118 | 20,360 | 12,765 | 12,365 | 12,365 | 12,365 | 11,507 | 11,507 |
| 15 Federal Intermediate Credit Banks | 10,494 | 11,174 | 11,469 | 1,821 | 1,821 | 1,821 | 1,821 | 1,388 | 1,388 |
| 16 Banks for Cooperatives | 4,330 | 4,434 | 4,843 | 584 | 584 | 584 | 584 | 584 | 584 |
| 17 Farm Credit Banks[1] | | 2,548 | 5,081 | 45,950 | 47,888 | 48,021 | 48,153 | 50,645 | 50,675 |
| 18 Student Loan Marketing Association[8] | 410 | 515 | 915 | 2,345 | 2,375 | 2,450 | 2,720 | 3,220 | 3,275 |
| 19 Other | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 2 |
| MEMO: | | | | | | | | | |
| 20 **Federal Financing Bank debt[7,9]** | **28,711** | **38,580** | **51,298** | **82,559** | **83,903** | **85,440** | **87,460** | **88,420** | **89,444** |
| *Lending to federal and federally sponsored agencies* | | | | | | | | | |
| 21 Export-Import Bank[3] | 5,208 | 5,834 | 6,898 | 10,067 | 10,067 | 10,067 | 10,654 | 10,654 | 10,654 |
| 22 Postal Service[7] | 2,748 | 2,181 | 2,114 | 1,520 | 1,520 | 1,520 | 1,520 | 1,520 | 1,520 |
| 23 Student Loan Marketing Association[8] | 410 | 515 | 915 | 2,345 | 2,375 | 2,450 | 2,720 | 3,220 | 3,275 |
| 24 Tennessee Valley Authority | 3,110 | 4,190 | 5,635 | 8,935 | 9,110 | 9,285 | 9,465 | 9,650 | 9,825 |
| 25 United States Railway Association[7] | 104 | 336 | 356 | 482 | 509 | 506 | 492 | 492 | 199 |
| *Other Lending[10]* | | | | | | | | | |
| 26 Farmers Home Administration | 10,750 | 16,095 | 23,825 | 37,961 | 38,466 | 39,431 | 39,431 | 39,271 | 39,851 |
| 27 Rural Electrification Administration | 1,415 | 2,647 | 4,604 | 8,425 | 8,646 | 8,760 | 9,196 | 9,471 | 10,212 |
| 28 Other | 4,966 | 6,782 | 6,951 | 12,824 | 13,210 | 13,421 | 13,982 | 14,142 | 13,908 |

1 In September 1977 the Farm Credit Banks issued their first consolidated bonds, and in January 1979 they began issuing these bonds on a regular basis to replace the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Line 17 represents those consolidated bonds outstanding, as well as any discount notes that have been issued. Lines 1 and 10 reflect the addition of this item.

2 Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

3 Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

4 Off-budget Aug. 17, 1974, through Sept. 30, 1976, on-budget thereafter.

5 Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

6 Certificates of participation issued prior to fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration, Department of Health, Education, and Welfare, Department of Housing and Urban Development, Small Business Administration, and the Veterans Administration.

7 Off-budget.

8 Unlike other federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.

9 The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

10 Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

## 1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

| Type of issue or issuer or use | 1978 | 1979 | 1980 | 1980 Aug | Sept | Oct | Nov | Dec | 1981 Jan |
|---|---|---|---|---|---|---|---|---|---|
| 1 **All issues, new and refunding**[1] | **48,607** | **43,490** | **48,462** | **3,957** | **4,532** | **4,496** | **2,928** | **3,859** | **2,587** |
| *Type of issue* | | | | | | | | | |
| 2 General obligation | 17,854 | 12,109 | 14,100 | 849 | 1,363 | 1,056 | 734 | 558 | 710 |
| 3 Revenue | 30,658 | 31,256 | 34,267 | 3,097 | 3,160 | 3,419 | 2,183 | 3,297 | 1,865 |
| 4 Housing Assistance Administration[2] | | | | | | | | | |
| 5 U.S. government loans | 95 | 125 | 95 | 11 | 9 | 21 | 11 | 4 | 12 |
| *Type of issuer* | | | | | | | | | |
| 6 State | 6,632 | 4,314 | 5,304 | 303 | 643 | 195 | 323 | 127 | 478 |
| 7 Special district and statutory authority | 24,156 | 23,434 | 26,972 | 2,282 | 2,792 | 2,863 | 1,638 | 2,332 | 1,383 |
| 8 Municipalities, counties, townships, school districts | 17,718 | 15,617 | 16,090 | 1,361 | 1,088 | 1,416 | 955 | 1,395 | 714 |
| 9 **Issues for new capital, total** | **37,629** | **41,505** | **46,736** | **3,929** | **3,894** | **4,472** | **2,715** | **3,760** | **2,573** |
| *Use of proceeds* | | | | | | | | | |
| 10 Education | 5,003 | 5,130 | 4,572 | 274 | 433 | 470 | 211 | 198 | 323 |
| 11 Transportation | 3,460 | 2,441 | 2,621 | 99 | 425 | 282 | 256 | 53 | 146 |
| 12 Utilities and conservation | 9,026 | 8,594 | 8,149 | 1,186 | 737 | 903 | 369 | 408 | 625 |
| 13 Social welfare | 10,494 | 15,968 | 19,958 | 1,485 | 1,385 | 1,403 | 1,076 | 2,465 | 770 |
| 14 Industrial aid | 3,526 | 3,836 | 3,974 | 393 | 375 | 595 | 412 | 295 | 316 |
| 15 Other purposes | 6,120 | 5,536 | 7,462 | 492 | 539 | 819 | 391 | 341 | 393 |

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 | 1980 Aug | Sept | Oct | Nov | Dec | 1981 Jan | Feb |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **All issues**[1] | **47,230** | **51,533** | **72,886** | **5,437** | **5,025** | **5,728** | **3,827** | **5,376** | **5,573** | **4,157** |
| 2 **Bonds** | **36,872** | **40,208** | **52,523** | **4,213** | **2,916** | **3,275** | **2,055** | **2,528** | **3,373** | **2,834** |
| *Type of offering* | | | | | | | | | | |
| 3 Public | 19,815 | 25,814 | 41,545 | 3,843 | 2,421 | 2,756 | 1,405 | 1,719 | 2,928 | 2,408 |
| 4 Private placement | 17,057 | 14,394 | 10,978 | 370 | 495 | 519 | 650 | 809 | 445 | 426 |
| *Industry group* | | | | | | | | | | |
| 5 Manufacturing | 9,572 | 9,678 | 15,217 | 1,545 | 553 | 614 | 88 | 470 | 1,635 | 1,140 |
| 6 Commercial and miscellaneous | 5,246 | 3,948 | 6,463 | 206 | 390 | 312 | 432 | 302 | 231 | 356 |
| 7 Transportation | 2,007 | 3,119 | 3,217 | 346 | 409 | 236 | 86 | 110 | 353 | 45 |
| 8 Public utility | 7,092 | 8,153 | 9,504 | 971 | 569 | 754 | 565 | 277 | 800 | 593 |
| 9 Communication | 3,373 | 4,219 | 6,658 | 580 | 517 | 791 | 163 | 584 | 48 | 272 |
| 10 Real estate and financial | 9,586 | 11,094 | 11,464 | 565 | 477 | 568 | 722 | 784 | 306 | 430 |
| 11 **Stocks** | **10,358** | **11,325** | **20,363** | **1,224** | **2,109** | **2,453** | **1,772** | **2,848** | **2,200** | **1,323** |
| *Type* | | | | | | | | | | |
| 12 Preferred | 2,832 | 3,574 | 3,624 | 101 | 392 | 535 | 256 | 241 | 369 | 149 |
| 13 Common | 7,526 | 7,751 | 16,739 | 1,123 | 1,717 | 1,918 | 1,516 | 2,607 | 1,831 | 1,174 |
| *Industry group* | | | | | | | | | | |
| 14 Manufacturing | 1,241 | 1,679 | 4,831 | 293 | 502 | 848 | 418 | 839 | 614 | 204 |
| 15 Commercial and miscellaneous | 1,816 | 2,623 | 5,166 | 238 | 569 | 321 | 509 | 904 | 603 | 589 |
| 16 Transportation | 263 | 255 | 472 | 32 | 54 | 117 | 53 | 18 | 124 | 81 |
| 17 Public utility | 5,140 | 5,171 | 6,230 | 463 | 633 | 526 | 227 | 669 | 562 | 260 |
| 18 Communication | 264 | 303 | 567 | 46 | 6 | 67 | 113 | 65 | 14 | 31 |
| 19 Real estate and financial | 1,631 | 12,931 | 3,095 | 152 | 345 | 574 | 452 | 348 | 284 | 159 |

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 | 1980 Aug. | Sept. | Oct. | Nov | Dec. | 1981 Jan | Feb. | Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| INVESTMENT COMPANIES[1] | | | | | | | | | | |
| 1 Sales of own shares[2] | 7,495 | 15,266 | 1,507 | 1,405 | 1,523 | 1,289 | 1,242 | 1,676 | 1,347 | 1,696 |
| 2 Redemptions of own shares[3] | 8,393 | 12,012 | 1,019 | 1,228 | 1,362 | 1,086 | 1,720 | 1,193 | 960 | 1,112 |
| 3 Net sales | −898 | 3,254 | 488 | 177 | 161 | 203 | −478 | 483 | 387 | 584 |
| 4 Assets[4] | 49,277 | 58,400 | 54,941 | 55,779 | 56,156 | 60,329 | 58,400 | 56,160 | 56,452r | 59,146 |
| 5 Cash position[5] | 4,983 | 5,321 | 5,619 | 5,481 | 5,460 | 5,467 | 5,321 | 4,636 | 4,882 | 4,971 |
| 6 Other | 44,294 | 53,079 | 49,322 | 50,298 | 50,696 | 54,862 | 53,079 | 51,524 | 51,570r | 54,175 |

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 | 1979 Q2 | Q3 | Q4 | 1980 Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Profits before tax** | **223.3** | **255.4** | **245.5** | **250.9** | **262.0** | **255.4** | **277.1** | **217.9** | **237.6** | **249.2** |
| 2 Profits tax liability | 83.0 | 87.6 | 82.3 | 86.4 | 88.4 | 87.2 | 94.2 | 71.5 | 78.5 | 85.1 |
| 3 Profits after tax | 140.3 | 167.7 | 163.1 | 164.5 | 173.6 | 168.2 | 182.9 | 146.4 | 159.1 | 164.1 |
| 4 Dividends | 44.6r | 50.2r | 56.0 | 49.8r | 50.2r | 51.6r | 53.9r | 55.7r | 56.7r | 57.7 |
| 5 Undistributed profits | 95.7r | 117.6r | 107.1 | 114.7r | 123.4r | 116.6r | 129.0r | 90.7r | 102.4r | 106.4 |
| 6 Capital consumption allowances | 122.9 | 139.5 | 158.3 | 137.2 | 142.6 | 146.4 | 151.7 | 155.4 | 160.5 | 165.4 |
| 7 Net cash flow | 218.6r | 257.1r | 265.4 | 251.9r | 266.0r | 263.0r | 280.7r | 246.1r | 267.9r | 271.8 |

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 Q3 | 1979 Q4 | 1980 Q1 | 1980 Q2 | 1980 Q3 | 1980 Q4 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Current assets** | **759.0** | **826.8** | **902.1** | **1,030.0** | **1,169.5** | **1,200.9** | **1,235.2** | **1,233.8** | **1,255.8** | **1,279.9** |
| 2 Cash | 82.1 | 88.2 | 95.8 | 104.5 | 103.7 | 116.1 | 110.2 | 111.5 | 113.2 | 120.8 |
| 3 U.S. government securities | 19.0 | 23.4 | 17.6 | 16.3 | 15.8 | 15.6 | 15.1 | 13.8 | 16.3 | 17.0 |
| 4 Notes and accounts receivable | 272.1 | 292.8 | 324.7 | 383.8 | 453.0 | 456.8 | 471.2 | 464.2 | 479.2 | 491.1 |
| 5 Inventories | 315.9 | 342.4 | 374.8 | 426.9 | 489.4 | 501.7 | 519.5 | 525.7 | 525.1 | 525.1 |
| 6 Other | 69.9 | 80.1 | 89.2 | 98.5 | 107.7 | 110.8 | 119.3 | 118.7 | 122.0 | 125.9 |
| 7 **Current liabilities** | **451.6** | **494.7** | **549.4** | **665.5** | **777.8** | **809.1** | **838.3** | **828.1** | **852.1** | **877.2** |
| 8 Notes and accounts payable | 264.2 | 281.9 | 313.2 | 373.7 | 438.8 | 456.3 | 467.9 | 463.1 | 477.3 | 498.2 |
| 9 Other | 187.4 | 212.8 | 236.2 | 291.7 | 339.0 | 352.8 | 370.4 | 364.9 | 374.8 | 379.0 |
| 10 **Net working capital** | **307.4** | **332.2** | **352.7** | **364.6** | **391.7** | **391.8** | **397.0** | **405.7** | **403.7** | **402.7** |
| 11 MEMO Current ratio[1] | 1.681 | 1.672 | 1.642 | 1.548 | 1.504 | 1.484 | 1.474 | 1.490 | 1.474 | 1.459 |

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] | 1979 Q4 | 1980 Q1 | 1980 Q2 | 1980 Q3 | 1980 Q4 | 1981 Q1[2] | 1981 Q2[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total nonfarm business** | **270.46** | **295.63** | **325.72** | **284.30** | **291.89** | **294.36** | **296.23** | **299.58** | **310.10** | **317.29** |
| *Manufacturing* | | | | | | | | | | |
| 2 Durable goods industries | 51.07 | 58.91 | 66.47 | 55.03 | 58.28 | 59.38 | 58.19 | 59.77 | 61.67 | 63.84 |
| 3 Nondurable goods industries | 47.61 | 56.90 | 63.38 | 51.55 | 53.49 | 56.32 | 58.21 | 58.86 | 59.51 | 62.84 |
| *Nonmanufacturing* | | | | | | | | | | |
| 4 Mining | 11.38 | 13.51 | 15.87 | 11.86 | 11.89 | 12.81 | 13.86 | 15.28 | 15.36 | 15.57 |
| Transportation | | | | | | | | | | |
| 5 Railroad | 4.03 | 4.25 | 4.40 | 4.24 | 4.46 | 4.06 | 3.98 | 4.54 | 3.87 | 4.46 |
| 6 Air | 4.01 | 4.01 | 4.11 | 4.55 | 3.90 | 4.27 | 4.06 | 3.77 | 4.07 | 3.32 |
| 7 Other | 4.31 | 3.82 | 4.36 | 4.41 | 4.11 | 3.76 | 4.18 | 3.39 | 4.06 | 4.05 |
| Public utilities | | | | | | | | | | |
| 8 Electric | 27.65 | 28.12 | 30.24 | 27.16 | 28.98 | 27.91 | 28.14 | 27.54 | 28.90 | 29.26 |
| 9 Gas and other | 6.31 | 7.32 | 8.03 | 6.92 | 7.28 | 7.12 | 7.44 | 7.41 | 7.99 | 8.39 |
| 10 Trade and services | 79.26 | 81.79 | 86.93 | 82.69 | 82.17 | 81.07 | 81.19 | 82.91 | 84.33 | 84.17 |
| 11 Communication and other[2] | 34.83 | 36.99 | 41.93 | 35.90 | 37.34 | 37.66 | 36.97 | 36.11 | 40.34 | 41.39 |

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 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 Q1 | 1980 Q2 | 1980 Q3 | 1980 Q4 |
|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | | |
| Accounts receivable, gross | | | | | | | | | | |
| 1 Consumer | 36.1 | 36.0 | 38.6 | 44.0 | 52.6 | 65.7 | 67.7 | 70.2 | 71.7 | 73.6 |
| 2 Business | 37.2 | 39.3 | 44.7 | 55.2 | 63.3 | 70.3 | 70.6 | 70.3 | 66.9 | 72.3 |
| 3 Total | 73.3 | 75.3 | 83.4 | 99.2 | 116.0 | 136.0 | 138.4 | 140.4 | 138.6 | 145.9 |
| 4 LESS Reserves for unearned income and losses | 9.0 | 9.4 | 10.5 | 12.7 | 15.6 | 20.0 | 20.4 | 21.4 | 22.3 | 23.3 |
| 5 Accounts receivable, net | 64.2 | 65.9 | 72.9 | 86.5 | 100.4 | 116.0 | 118.0 | 119.0 | 116.3 | 122.6 |
| 6 Cash and bank deposits | 3.0 | 2.9 | 2.6 | 2.6 | 3.5 | | | | | |
| 7 Securities | .4 | 1.0 | 1.1 | .9 | 1.3 | 24.9[1] | 23.7 | 26.1 | 28.3 | 27.5 |
| 8 All other | 12.0 | 11.8 | 12.6 | 14.3 | 17.3 | | | | | |
| 9 **Total assets** | **79.6** | **81.6** | **89.2** | **104.3** | **122.4** | **140.9** | **141.7** | **145.1** | **144.7** | **150.1** |
| LIABILITIES | | | | | | | | | | |
| 10 Bank loans | 9.7 | 8.0 | 6.3 | 5.9 | 6.5 | 8.5 | 9.7 | 10.1 | 10.1 | 13.2 |
| 11 Commercial paper | 20.7 | 22.2 | 23.7 | 29.6 | 34.5 | 43.3 | 40.8 | 40.7 | 40.5 | 43.4 |
| Debt | | | | | | | | | | |
| 12 Short-term, n.e.c. | 4.9 | 4.5 | 5.4 | 6.2 | 8.1 | 8.2 | 7.4 | 7.9 | 7.7 | 7.5 |
| 13 Long-term n.e.c. | 26.5 | 27.6 | 32.3 | 36.0 | 43.6 | 46.7 | 48.9 | 50.5 | 52.0 | 52.4 |
| 14 Other | 5.5 | 6.8 | 8.1 | 11.5 | 12.6 | 14.2 | 15.7 | 16.0 | 14.6 | 14.3 |
| 15 Capital, surplus, and undivided profits | 12.4 | 12.5 | 13.4 | 15.1 | 17.2 | 19.9 | 19.2 | 19.9 | 19.8 | 19.4 |
| 16 **Total liabilities and capital** | **79.6** | **81.6** | **89.2** | **104.3** | **122.4** | **140.9** | **141.7** | **145.1** | **144.7** | **150.1** |

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 Feb 28, 1981[1] | Changes in accounts receivable | | | Extensions | | | Repayments | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1980 | 1981 | | 1980 | 1981 | | 1980 | 1981 | |
| | | Dec | Jan | Feb | Dec | Jan | Feb | Dec | Jan | Feb |
| 1 **Total** | **72,932** | **1,982** | **702** | **280** | **18,308** | **16,811** | **18,207** | **16,326** | **16,109** | **17,927** |
| 2 Retail automotive (commercial vehicles) | 11,968 | -151 | 126 | 160 | 923 | 921 | 885 | 1,074 | 1,047 | 1,045 |
| 3 Wholesale automotive | 11,691 | 434 | -310 | -494 | 5,564 | 5,554 | 5,351 | 5,130 | 5,864 | 5,845 |
| 4 Retail paper on business, industrial and farm equipment | 23,657 | 876 | 458 | 591 | 1,562 | 1,564 | 1,800 | 686 | 1,106 | 1,209 |
| 5 Loans on commercial accounts receivable and factored commercial accounts receivable | 7,650 | 1,195 | 519 | -262 | 7,827 | 6,362 | 7,792 | 6,632 | 5,843 | 8,054 |
| 6 All other business credit | 17,966 | -372 | 161 | 605 | 2,432 | 2,410 | 2,379 | 2,804 | 2,249 | 1,774 |

1 Not seasonally adjusted

## 1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

| Item | 1978 | 1979 | 1980 | 1980 Sept | 1980 Oct. | 1980 Nov. | 1980 Dec | 1981 Jan | 1981 Feb | 1981 Mar |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 83.5 | 83.7 | 84.0 | 77.1 | 90.1[r] | 87.0[r] | 90.3 | 90.6 |
| 2 Amount of loan (thousands of dollars) | 45.9 | 53.3 | 59.3 | 58.7 | 61.3 | 56.1 | 63.0 | 63.0[r] | 65.6 | 64.4 |
| 3 Loan/price ratio (percent) | 75.3 | 73.9 | 73.3 | 72.2 | 75.0 | 75.2 | 72.9 | 75.6 | 75.6 | 74.0 |
| 4 Maturity (years) | 28.0 | 28.5 | 28.2 | 27.6 | 28.2 | 27.6 | 28.2 | 29.1[r] | 29.0 | 28.7 |
| 5 Fees and charges (percent of loan amount)[2] | 1.39 | 1.66 | 2.10 | 2.10 | 2.16 | 2.15 | 2.40 | 2.40[r] | 2.59 | 2.64 |
| 6 Contract rate (percent per annum) | 9.30 | 10.48 | 12.25 | 11.95 | 12.20 | 12.62 | 12.80 | 12.80[r] | 13.02 | 13.48 |
| *Yield (percent per annum)* | | | | | | | | | | |
| 7 FHLBB series[3] | 9.54 | 10.77 | 12.65 | 12.35 | 12.60 | 13.04 | 13.28[r] | 13.26[r] | 13.54 | 14.02 |
| 8 HUD series[4] | 9.68 | 11.15 | 13.95 | 13.70 | 14.10 | 14.70 | 15.05 | 14.95 | 15.10 | 15.25 |
| SECONDARY MARKETS | | | | | | | | | | |
| *Yield (percent per annum)* | | | | | | | | | | |
| 9 FHA mortgages (HUD series)[5] | 9.70 | 10.87 | 13.42 | 14.26 | 14.38 | 14.47 | 14.08 | 14.23 | 14.79 | 15.04 |
| 10 GNMA securities[6] | 8.98 | 10.22 | 12.55 | 12.84 | 12.91 | 13.55 | 13.62 | 13.50 | 14.13 | 14.22 |
| FNMA auctions[7] | | | | | | | | | | |
| 11 Government-underwritten loans | 9.77 | 11.17 | 14.11 | 14.77 | 14.94 | 15.53 | 15.21 | 14.87[r] | 15.24 | 15.67 |
| 12 Conventional loans | 10.01 | 11.77 | 14.43 | 14.45 | 14.70 | 15.30 | 15.54 | 14.95 | 15.05 | 15.33 |
| | Activity in secondary markets | | | | | | | | | |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION | | | | | | | | | | |
| *Mortgage holdings (end of period)* | | | | | | | | | | |
| 13 Total | 43,311 | 51,091 | 57,327[c] | 55,632 | 56,188 | 56,619 | 57,327 | 57,390 | 57,434 | 57,362 |
| 14 FHA-insured | 21,243[c] | 24,489[c] | 38,969[8,c] | 37,558[c] | 38,040[c] | 38,381[c] | 38,969[c] | 38,955[c] | 38,972[c] | 38,878 |
| 15 VA-guaranteed | 10,544 | 10,496 | | | | | | | | |
| 16 Conventional | 11,524 | 16,106 | 18,358 | 18,074 | 18,148 | 18,238[c] | 18,358 | 18,435 | 18,462 | 18,484 |
| *Mortgage transactions (during period)* | | | | | | | | | | |
| 17 Purchases | 12,303 | 10,805 | 8,100 | 500 | 771 | 579 | 855 | 185 | 161 | 87 |
| 18 Sales | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Mortgage commitments*[9] | | | | | | | | | | |
| 19 Contracted (during period) | 18,959 | 10,179 | 8,044 | 1,070 | 514 | 472 | 403 | 241 | 244 | 320 |
| 20 Outstanding (end of period) | 9,185 | 6,409 | 3,278 | 4,789 | 4,399 | 3,963 | 3,278 | 3,063 | 2,683 | 2,173 |
| *Auction of 4-month commitments to buy* | | | | | | | | | | |
| Government-underwritten loans | | | | | | | | | | |
| 21 Offered | 12,978 | 8,860 | 8,605 | 907.0 | 427.8 | 252.0 | 242.1 | 210.7 | 155.3 | 139.1 |
| 22 Accepted | 6,747.2 | 3,921 | 4,002 | 538.0 | 257.7 | 135.6 | 110.8 | 93.0 | 104.7 | 114.5 |
| Conventional loans | | | | | | | | | | |
| 23 Offered | 9,933.0 | 4,495 | 3,639 | 347.7 | 107.6 | 81.6 | 84.8 | 32.0 | 149.2 | 126.9 |
| 24 Accepted | 5,111 | 2,344 | 1,749 | 209.8 | 93.9 | 68.8 | 54.1 | 30.3 | 97.6 | 92.0 |
| FEDERAL HOME LOAN MORTGAGE CORPORATION | | | | | | | | | | |
| *Mortgage holdings (end of period)*[10] | | | | | | | | | | |
| 25 Total | 3,064 | 4,035 | 5,067 | 4,543 | 4,727 | 4,843 | 5,067 | 5,039 | 5,107 | 5,161 |
| 26 FHA/VA | 1,243 | 1,102 | 1,033 | 1,050 | 1,044 | 1,038 | 1,033 | 1,029 | 1,025 | 1,021 |
| 27 Conventional | 1,165 | 1,957 | 2,830 | 3,492 | 3,629 | 3,715 | 2,830 | 2,825 | 2,883 | 2,931 |
| *Mortgage transactions (during period)* | | | | | | | | | | |
| 28 Purchases | 6,525 | 5,717 | 3,722 | 521 | 398 | 231 | 285 | 152 | 174 | 148 |
| 29 Sales | 6,211 | 4,544 | 2,526 | 275 | 187 | 94 | 48 | 168 | 94 | 127 |
| *Mortgage commitments*[11] | | | | | | | | | | |
| 30 Contracted (during period) | 7,451 | 5,542 | 3,859 | 218 | 222 | 180 | 126 | 203 | 294 | 768 |
| 31 Outstanding (end of period) | 1,410 | 797 | 447 | 934 | 726 | 653 | 447 | 487 | 394 | 699 |

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. Beginning March 1980, FHA-insured and VA-guaranteed mortgage holdings in lines 14 and 15 are combined.
9. 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.
10. Includes participation as well as whole loans.
11. Includes conventional and government-underwritten loans.

## 1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

| | Type of holder, and type of property | 1978 | 1979 | 1980r | 1980 Q1 | 1980 Q2 | 1980 Q3 | 1980 Q4r | 1981 Q1 |
|---|---|---|---|---|---|---|---|---|---|
| 1 | **All holders** | **1,169,412r** | **1,326,750r** | **1,451,840** | **1,357,660r** | **1,380,928r** | **1,414,881r** | **1,451,840** | **1,473,919** |
| 2 | 1- to 4-family | 765,217r | 878,931r | 960,422 | 897,608r | 910,286r | 935,393r | 960,422 | 972,687 |
| 3 | Multifamily | 121,138r | 128,852r | 136,580 | 130,363r | 132,194r | 134,193r | 136,580 | 139,048 |
| 4 | Commercial | 211,851r | 236,451r | 258,338 | 242,776r | 247,444r | 251,651r | 258,338 | 261,943 |
| 5 | Farm | 71,206 | 82,516 | 96,500 | 86,913 | 91,004 | 93,644 | 96,500 | 100,241 |
| 6 | Major financial institutions | 848,177 | 938,567r | 998,386 | 951,276r | 958,750r | 977,281r | 998,386 | 1,007,266 |
| 7 | Commercial banks[1] | 214,045 | 245,187 | 264,602 | 250,702 | 253,103 | 258,003 | 264,602 | 267,103 |
| 8 | 1- to 4-family | 129,167 | 149,460 | 160,746 | 152,553 | 153,753 | 156,737 | 160,746 | 161,873 |
| 9 | Multifamily | 10,266 | 11,180 | 12,304 | 11,557 | 11,764 | 11,997 | 12,304 | 12,467 |
| 10 | Commercial | 66,115 | 75,957 | 82,688 | 77,993 | 79,110 | 80,626 | 82,688 | 83,782 |
| 11 | Farm | 8,497 | 8,590 | 8,864 | 8,599 | 8,476 | 8,643 | 8,864 | 8,981 |
| 12 | Mutual savings banks | 95,157 | 98,908 | 99,827 | 99,151 | 99,150 | 99,306 | 99,827 | 99,840 |
| 13 | 1- to 4-family | 62,252 | 64,706 | 65,307 | 64,865 | 64,864 | 64,966 | 65,307 | 65,316 |
| 14 | Multifamily | 16,529 | 17,340 | 17,180 | 17,223 | 17,223 | 17,249 | 17,340 | 17,342 |
| 15 | Commercial | 16,319 | 16,963 | 17,120 | 17,004 | 17,004 | 17,031 | 17,120 | 17,122 |
| 16 | Farm | 57 | 59 | 60 | 59 | 59 | 60 | 60 | 60 |
| 17 | Savings and loan associations | 432,808 | 475,688r | 502,812 | 478,952r | 481,042r | 491,895r | 502,812 | 507,040 |
| 18 | 1- to 4-family | 356,114 | 394,345r | 419,446 | 398,009r | 399,746r | 409,896r | 419,446 | 422,964 |
| 19 | Multifamily | 36,053 | 37,579r | 38,113 | 37,215r | 37,329r | 37,728r | 38,113 | 38,443 |
| 20 | Commercial | 40,461 | 43,764r | 45,253 | 43,728r | 43,967r | 44,271r | 45,253 | 45,633 |
| 21 | Life insurance companies | 106,167 | 118,784 | 131,145 | 122,471 | 125,455 | 128,077 | 131,145 | 133,283 |
| 22 | 1- to 4-family | 14,436 | 16,193 | 17,911 | 16,850 | 17,796 | 17,996 | 17,911 | 18,203 |
| 23 | Multifamily | 19,000 | 19,274 | 19,614 | 19,590 | 19,284 | 19,357 | 19,614 | 19,934 |
| 24 | Commercial | 62,232 | 71,137 | 80,776 | 73,618 | 75,693 | 77,995 | 80,776 | 82,093 |
| 25 | Farm | 10,499 | 12,180 | 12,844 | 12,413 | 12,682 | 12,729 | 12,844 | 13,053 |
| 26 | Federal and related agencies | 81,739r | 97,084r | 114,300 | 103,921r | 108,539r | 110,526r | 114,300 | 117,011 |
| 27 | Government National Mortgage Association | 3,509 | 3,852 | 4,642 | 3,919r | 4,466r | 4,389r | 4,642 | 4,966 |
| 28 | 1- to 4-family | 877 | 763 | 704 | 749r | 736r | 719r | 704 | 730 |
| 29 | Multifamily | 2,632 | 3,089 | 3,938 | 3,170r | 3,730r | 3,670 | 3,938 | 4,236 |
| 30 | Farmers Home Administration | 926 | 1,274 | 3,492 | 2,845r | 3,375r | 3,525r | 3,492 | 3,542 |
| 31 | 1- to 4-family | 288 | 417 | 916 | 1,139r | 1,383r | 978r | 916 | 926 |
| 32 | Multifamily | 320 | 71 | 610 | 408r | 636r | 774r | 610 | 620 |
| 33 | Commercial | 101 | 174 | 411 | 409r | 402r | 370r | 411 | 426 |
| 34 | Farm | 217 | 612 | 1,555 | 889r | 954r | 1,403r | 1,555 | 1,570 |
| 35 | Federal Housing and Veterans Administration | 5,305r | 5,555r | 5,640 | 5,621r | 5,691r | 5,600r | 5,640 | 5,723 |
| 36 | 1- to 4-family | 1,673r | 1,955r | 2,051 | 2,022r | 2,085r | 1,986r | 2,051 | 2,098 |
| 37 | Multifamily | 3,632r | 3,600r | 3,589 | 3,599r | 3,606r | 3,614r | 3,589 | 3,625 |
| 38 | Federal National Mortgage Association | 43,311 | 51,091r | 57,327 | 53,990 | 55,419 | 55,632 | 57,327 | 57,362 |
| 39 | 1- to 4-family | 37,579 | 45,488r | 51,775 | 48,394 | 49,837 | 50,071 | 51,775 | 51,842 |
| 40 | Multifamily | 5,732 | 5,603r | 5,552 | 5,596 | 5,582 | 5,561 | 5,552 | 5,520 |
| 41 | Federal Land Banks | 25,624 | 31,277 | 38,131 | 33,311 | 35,574 | 36,837 | 38,131 | 40,258 |
| 42 | 1- to 4-family | 927 | 1,552 | 2,099 | 1,708 | 1,893 | 1,985 | 2,099 | 2,228 |
| 43 | Farm | 24,697 | 29,725 | 36,032 | 31,603 | 33,681 | 34,852 | 36,032 | 38,030 |
| 44 | Federal Home Loan Mortgage Corporation | 3,064 | 4,035 | 5,068 | 4,235 | 4,014 | 4,543 | 5,068 | 5,160 |
| 45 | 1- to 4-family | 2,407 | 3,059 | 3,873 | 3,210 | 3,037 | 3,459 | 3,873 | 3,952 |
| 46 | Multifamily | 657 | 976 | 1,195 | 1,025 | 977 | 1,084 | 1,195 | 1,208 |
| 47 | Mortgage pools or trusts[2] | 88,633 | 119,278 | 142,258 | 124,632 | 129,647 | 136,583 | 142,258 | 146,814 |
| 48 | Government National Mortgage Association | 54,347 | 76,401 | 93,874 | 80,843 | 84,282 | 89,452 | 93,874 | 97,184 |
| 49 | 1- to 4-family | 52,732 | 74,546 | 91,602 | 78,872 | 82,208 | 87,276 | 91,602 | 94,810 |
| 50 | Multifamily | 1,615 | 1,855 | 2,272 | 1,971 | 2,074 | 2,176 | 2,272 | 2,374 |
| 51 | Federal Home Loan Mortgage Corporation | 11,892 | 15,180 | 16,854 | 15,454 | 16,120 | 16,659 | 16,854 | 17,100 |
| 52 | 1- to 4-family | 9,657 | 12,149 | 13,471 | 12,359 | 12,886 | 13,318 | 13,471 | 13,680 |
| 53 | Multifamily | 2,235 | 3,031 | 3,383 | 3,095 | 3,234 | 3,341 | 3,383 | 3,420 |
| 54 | Farmers Home Administration | 22,394 | 27,697 | 31,530 | 28,335 | 29,245 | 30,472 | 31,530 | 32,530 |
| 55 | 1- to 4-family | 13,400 | 14,884 | 16,683 | 14,926 | 15,224 | 16,226 | 16,683 | 17,212 |
| 56 | Multifamily | 1,116 | 2,163 | 2,612 | 2,159 | 2,159 | 2,235 | 2,612 | 2,695 |
| 57 | Commercial | 3,560 | 4,328 | 5,271 | 4,495 | 4,763 | 5,059 | 5,271 | 5,438 |
| 58 | Farm | 4,318 | 6,322 | 6,964 | 6,755 | 7,099 | 6,952 | 6,964 | 7,185 |
| 59 | Individual and others[3] | 150,863r | 171,821r | 196,896 | 177,831r | 183,992r | 190,491r | 196,896 | 202,828 |
| 60 | 1- to 4-family | 83,708r | 99,414r | 113,838 | 101,952r | 104,838r | 109,780r | 113,838 | 116,853 |
| 61 | Multifamily | 21,351r | 23,251r | 26,058 | 23,755r | 24,596r | 25,407r | 26,058 | 27,164 |
| 62 | Commercial | 22,883r | 24,128r | 26,819 | 25,529r | 26,505r | 26,299r | 26,819 | 27,449 |
| 63 | Farm | 22,921 | 25,028 | 30,181 | 26,595 | 28,053 | 29,005 | 30,181 | 31,362 |

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

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

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

Millions of dollars

| Holder, and type of credit | 1977 | 1978 | 1979 | 1980 Sept. | 1980 Oct. | 1980 Nov | 1980 Dec | 1981 Jan | 1981 Feb | 1981 Mar |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amounts outstanding (end of period) | | | | | | | | | |
| 1 **Total** | **230,564** | **273,645** | **312,024** | **306,926** | **307,222** | **308,051** | **313,435** | **310,554** | **309,188** | **310,766** |
| *By major holder* | | | | | | | | | | |
| 2 Commercial banks | 112,373 | 136,016 | 154,177 | 146,362 | 145,895 | 145,147 | 145,765 | 143,749 | 142,030 | 141,897 |
| 3 Finance companies | 44,868 | 54,298 | 68,318 | 74,823 | 74,985 | 75,690 | 76,756 | 77,131 | 78,090 | 79,490 |
| 4 Credit unions | 37,605 | 44,334 | 46,517 | 43,562 | 43,518 | 43,606 | 44,041 | 43,601 | 43,776 | 44,212 |
| 5 Retailers[2] | 23,490 | 25,987 | 28,119 | 25,301 | 25,703 | 26,469 | 29,410 | 28,300 | 27,329 | 26,965 |
| 6 Savings and loans | 7,089 | 7,097 | 8,424 | 9,266 | 9,611 | 9,687 | 9,911 | 10,023 | 10,173 | 10,458 |
| 7 Gasoline companies | 2,963 | 3,220 | 3,729 | 4,872 | 4,736 | 4,662 | 4,717 | 4,929 | 4,958 | 4,898 |
| 8 Mutual savings banks | 2,176 | 2,693 | 2,740 | 2,740 | 2,774 | 2,790 | 2,835 | 2,821 | 2,832 | 2,846 |
| *By major type of credit* | | | | | | | | | | |
| 9 Automobile | 82,911 | 101,647 | 116,362 | 116,781 | 116,657 | 116,517 | 116,327 | 115,262 | 115,677 | 117,517 |
| 10 Commercial banks | 49,577 | 60,510 | 67,367 | 62,734 | 62,350 | 61,848 | 61,025 | 59,608 | 59,061 | 59,378 |
| 11 Indirect paper | 27,379 | 33,850 | 38,338 | 35,768 | 35,572 | 35,284 | 34,857 | 33,947 | 33,667 | 34,016 |
| 12 Direct loans | 22,198 | 26,660 | 29,029 | 26,966 | 26,778 | 26,564 | 26,168 | 25,661 | 25,394 | 25,362 |
| 13 Credit unions | 18,099 | 21,200 | 22,244 | 20,831 | 20,810 | 20,852 | 21,060 | 20,850 | 20,933 | 21,142 |
| 14 Finance companies | 15,235 | 19,937 | 26,751 | 33,216 | 33,497 | 33,817 | 34,242 | 34,804 | 35,683 | 36,997 |
| 15 Revolving | 39,274 | 48,309 | 56,937 | 54,406 | 54,598 | 55,304 | 59,862 | 58,985 | 57,566 | 56,831 |
| 16 Commercial banks | 18,374 | 24,341 | 29,862 | 28,403 | 28,331 | 28,360 | 30,001 | 29,952 | 29,412 | 29,051 |
| 17 Retailers | 17,937 | 20,748 | 23,346 | 21,131 | 21,531 | 22,282 | 25,144 | 24,104 | 23,196 | 22,882 |
| 18 Gasoline companies | 2,963 | 3,220 | 3,729 | 4,872 | 4,736 | 4,662 | 4,717 | 4,929 | 4,958 | 4,898 |
| 19 Mobile home | 14,945 | 15,235 | 16,838 | 17,113 | 17,276 | 17,293 | 17,327 | 17,244 | 17,189 | 17,273 |
| 20 Commercial banks | 9,124 | 9,545 | 10,647 | 10,538 | 10,502 | 10,452 | 10,376 | 10,271 | 10,174 | 10,153 |
| 21 Finance companies | 3,077 | 3,152 | 3,390 | 3,601 | 3,657 | 3,702 | 3,745 | 3,741 | 3,740 | 3,762 |
| 22 Savings and loans | 2,342 | 2,067 | 2,307 | 2,511 | 2,654 | 2,675 | 2,737 | 2,768 | 2,809 | 2,888 |
| 23 Credit unions | 402 | 471 | 494 | 463 | 463 | 464 | 469 | 464 | 466 | 470 |
| 24 Other | 93,434 | 108,454 | 121,887 | 118,626 | 118,691 | 118,937 | 119,919 | 119,063 | 118,756 | 119,145 |
| 25 Commercial banks | 35,298 | 41,620 | 46,301 | 44,687 | 44,712 | 44,487 | 44,363 | 43,918 | 43,383 | 43,315 |
| 26 Finance companies | 26,556 | 31,209 | 38,177 | 38,006 | 37,831 | 38,171 | 38,769 | 38,586 | 38,667 | 38,731 |
| 27 Credit unions | 19,104 | 22,663 | 23,779 | 22,268 | 22,245 | 22,290 | 22,512 | 22,287 | 22,377 | 22,600 |
| 28 Retailers | 5,553 | 5,239 | 4,773 | 4,170 | 4,172 | 4,187 | 4,266 | 4,196 | 4,133 | 4,083 |
| 29 Savings and loans | 4,747 | 5,030 | 6,117 | 6,755 | 6,957 | 7,012 | 7,174 | 7,255 | 7,364 | 7,570 |
| 30 Mutual savings banks | 2,176 | 2,693 | 2,740 | 2,740 | 2,774 | 2,790 | 2,835 | 2,821 | 2,832 | 2,846 |
| | Net change (during period)[3] | | | | | | | | | |
| 31 **Total** | **35,462** | **43,079** | **38,381** | **1,055** | **702** | **839** | **1,619** | **869** | **1,996** | **3,108** |
| *By major holder* | | | | | | | | | | |
| 32 Commercial banks | 18,645 | 23,641 | 18,161 | −265 | −336 | −120 | −276 | −1,357 | −544 | 612 |
| 33 Finance companies | 5,949 | 9,430 | 14,020 | 613 | 454 | 594 | 860 | 1,113 | 1,530 | 1,539 |
| 34 Credit unions | 6,436 | 6,729 | 2,185 | 36 | 63 | 218 | 378 | 288 | 444 | 287 |
| 35 Retailers[2] | 2,654 | 2,497 | 2,132 | 456 | 134 | 52 | 316 | 409 | 103 | 253 |
| 36 Savings and loans | 1,309 | 7 | 1,327 | 93 | 246 | −14 | 190 | 232 | 254 | 418 |
| 37 Gasoline companies | 132 | 257 | 509 | 90 | 98 | 72 | 83 | 106 | 209 | −6 |
| 38 Mutual savings banks | 337 | 518 | 47 | 32 | 43 | 37 | 68 | 78 | 0 | 5 |
| *By major type of credit* | | | | | | | | | | |
| 39 Automobile | 15,204 | 18,736 | 14,715 | 84 | 201 | 245 | 302 | −63 | 979 | 1,682 |
| 40 Commercial banks | 9,956 | 10,933 | 6,857 | −362 | −348 | −138 | −491 | −1,253 | −346 | 229 |
| 41 Indirect paper | 5,307 | 6,471 | 4,488 | −282 | −170 | −44 | −181 | −839 | −229 | 268 |
| 42 Direct loans | 4,649 | 4,462 | 2,369 | −80 | −178 | −94 | −310 | −414 | −117 | −39 |
| 43 Credit unions | 2,861 | 3,101 | 1,044 | 10 | 18 | 101 | 174 | 206 | 211 | 132 |
| 44 Finance companies | 2,387 | 4,702 | 6,814 | 436 | 531 | 282 | 619 | 984 | 1,114 | 1,321 |
| 45 Revolving | 6,248 | 9,035 | 8,628 | 478 | 273 | 265 | 616 | 557 | 441 | 587 |
| 46 Commercial banks | 4,015 | 5,967 | 5,521 | −81 | −19 | 121 | 211 | 59 | 166 | 346 |
| 47 Retailers | 2,101 | 2,811 | 2,598 | 469 | 194 | 72 | 322 | 392 | 66 | 247 |
| 48 Gasoline companies | 132 | 257 | 509 | 90 | 98 | 72 | 83 | 106 | 209 | −6 |
| 49 Mobile home | 371 | 286 | 1,603 | 43 | 141 | 24 | 66 | −24 | −47 | 88 |
| 50 Commercial banks | 387 | 419 | 1,102 | −22 | −21 | −33 | −34 | −85 | −102 | −35 |
| 51 Finance companies | −187 | 74 | 238 | 30 | 42 | 44 | 48 | 15 | 18 | 25 |
| 52 Savings and loans | 101 | −276 | 240 | 35 | 120 | 11 | 47 | 46 | 31 | 97 |
| 53 Credit unions | 70 | 69 | 23 | 0 | 0 | 2 | 5 | 0 | 6 | 1 |
| 54 Other | 13,639 | 15,022 | 13,435 | 450 | 87 | 305 | 635 | 399 | 623 | 751 |
| 55 Commercial banks | 4,287 | 6,322 | 4,681 | 200 | 52 | −70 | 38 | −78 | −262 | 72 |
| 56 Finance companies | 3,749 | 4,654 | 6,968 | 147 | −119 | 268 | 193 | 114 | 398 | 193 |
| 57 Credit unions | 3,505 | 3,559 | 1,118 | 26 | 45 | 115 | 199 | 82 | 227 | 154 |
| 58 Retailers | 553 | −314 | −466 | −13 | −60 | −20 | −6 | 17 | 37 | 6 |
| 59 Savings and loans | 1,208 | 283 | 1,087 | 58 | 126 | −25 | 143 | 186 | 223 | 321 |
| 60 Mutual savings banks | 337 | 518 | 47 | 32 | 43 | 37 | 68 | 78 | 0 | 5 |

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

## 1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted

| Holder, and type of credit | 1977 | 1978 | 1979 | 1980 | | | | 1981 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct | Nov | Dec | Jan | Feb | Mar |
| | Extensions | | | | | | | | | |
| 1 **Total** | **257,600** | **297,668** | **324,777** | **27,064** | **27,365** | **25,991** | **27,149** | **27,059** | **28,706** | **29,822** |
| *By major holder* | | | | | | | | | | |
| 2 Commercial banks | 117,896 | 142,433 | 154,733 | 11,671 | 11,977 | 11,432 | 11,484 | 10,397 | 11,648 | 12,676 |
| 3 Finance companies | 41,989 | 50,505 | 61,518 | 5,355 | 5,323 | 4,852 | 5,185 | 5,904 | 6,193 | 5,911 |
| 4 Credit unions | 34,028 | 38,111 | 34,926 | 2,752 | 2,872 | 2,795 | 3,035 | 2,994 | 3,167 | 3,153 |
| 5 Retailers[1] | 42,183 | 44,571 | 47 676 | 4,596 | 4,291 | 4,250 | 4,497 | 4,673 | 4,500 | 4,685 |
| 6 Savings and loans | 4,978 | 3,724 | 5 901 | 539 | 695 | 444 | 658 | 715 | 751 | 1,038 |
| 7 Gasoline companies | 14,617 | 16,017 | 18,005 | 1,965 | 2,009 | 2,024 | 2,061 | 2,130 | 2,284 | 2,180 |
| 8 Mutual savings banks | 1,909 | 2,307 | 2,018 | 186 | 198 | 194 | 229 | 246 | 163 | 179 |
| *By major type of credit* | | | | | | | | | | |
| 9 Automobile | 75,641 | 87,981 | 93,901 | 7,518 | 7,544 | 7,117 | 7,234 | 7,237 | 8,333 | 8,700 |
| 10 Commercial banks | 46,363 | 52,969 | 53 554 | 3,713 | 3,791 | 3,552 | 3,271 | 2,598 | 3,560 | 4,117 |
| 11 Indirect paper | 25,149 | 29,342 | 29 623 | 2,035 | 2,135 | 1,962 | 1,857 | 1,230 | 1,944 | 2,365 |
| 12 Direct loans | 21,214 | 23,627 | 23 931 | 1,678 | 1,656 | 1 590 | 1,414 | 1,368 | 1,616 | 1,752 |
| 13 Credit unions | 16,616 | 18,539 | 17,397 | 1,455 | 1,457 | 1,402 | 1,538 | 1,592 | 1,613 | 1,586 |
| 14 Finance companies | 12,662 | 16,473 | 22,950 | 2 350 | 2,296 | 2 163 | 2,425 | 3,047 | 3,160 | 2,997 |
| 15 Revolving | 87,596 | 105,125 | 120,174 | 11,143 | 11,124 | 10,953 | 11 614 | 11,483 | 11,867 | 12,071 |
| 16 Commercial banks | 38,256 | 51,333 | 61,048 | 5,067 | 5,264 | 5 155 | 5,554 | 5,185 | 5,602 | 5,695 |
| 17 Retailers | 34,723 | 37,775 | 41 121 | 4,111 | 3,851 | 3 774 | 3,999 | 4,168 | 3,981 | 4,196 |
| 18 Gasoline companies | 14,617 | 16,017 | 18,005 | 1,965 | 2,009 | 2 024 | 2,061 | 2,130 | 2,284 | 2,180 |
| 19 Mobile home | 5,712 | 5,412 | 6,471 | 442 | 513 | 424 | 479 | 383 | 409 | 641 |
| 20 Commercial banks | 3,466 | 3,697 | 4 542 | 250 | 257 | 243 | 254 | 171 | 185 | 259 |
| 21 Finance companies | 644 | 886 | 797 | 84 | 89 | 93 | 89 | 81 | 88 | 88 |
| 22 Savings and loans | 1 406 | 609 | 948 | 95 | 159 | 74 | 119 | 119 | 118 | 269 |
| 23 Credit unions | 196 | 220 | 184 | 13 | 8 | 14 | 17 | 12 | 18 | 25 |
| 24 Other | 88,651 | 99,150 | 104,231 | 7,961 | 8,184 | 7,497 | 7,822 | 7,956 | 8,097 | 8,410 |
| 25 Commercial banks | 29,811 | 34,434 | 35,589 | 2,641 | 2,665 | 2,482 | 2,405 | 2,443 | 2,301 | 2,605 |
| 26 *Finance companies* | 28,683 | 33,146 | 37,771 | 2,921 | 2,938 | 2,596 | 2,671 | 2,776 | 2,945 | 2,826 |
| 27 Credit unions | 17,216 | 19,352 | 17,345 | 1,284 | 1,407 | 1,379 | 1,480 | 1,390 | 1,536 | 1,542 |
| 28 Retailers | 7,460 | 6,796 | 6 555 | 485 | 440 | 476 | 498 | 505 | 519 | 489 |
| 29 Savings and loans | 3,572 | 3,115 | 4 953 | 444 | 536 | 370 | 539 | 596 | 633 | 769 |
| 30 Mutual savings banks | 1,909 | 2,307 | 2,018 | 186 | 198 | 194 | 229 | 246 | 163 | 179 |
| | Liquidations | | | | | | | | | |
| 31 **Total** | **222,138** | **254,589** | **286,396** | **26,009** | **26,663** | **25,152** | **25,530** | **26,190** | **26,710** | **26,714** |
| *By major holder* | | | | | | | | | | |
| 32 Commercial banks | 99,251 | 118,792 | 136,572 | 11,936 | 12,313 | 11,552 | 11,760 | 11,754 | 12,192 | 12,064 |
| 33 Finance companies | 36,040 | 41,075 | 47,498 | 4,742 | 4,869 | 4 258 | 4,325 | 4,791 | 4,663 | 4,372 |
| 34 Credit unions | 27,592 | 31,382 | 32,741 | 2,716 | 2,809 | 2,577 | 2,657 | 2,706 | 2,723 | 2,866 |
| 35 Retailers[1] | 39,529 | 42,074 | 45,544 | 4,140 | 4,157 | 4,198 | 4,181 | 4,264 | 4,397 | 4,432 |
| 36 Savings and loans | 3,669 | 3,717 | 4,574 | 446 | 449 | 458 | 468 | 483 | 497 | 620 |
| 37 Gasoline companies | 14,485 | 15,760 | 17,496 | 1 875 | 1,911 | 1,952 | 1,978 | 2,024 | 2,075 | 2,186 |
| 38 Mutual savings banks | 1,572 | 1,789 | 1,971 | 154 | 155 | 157 | 161 | 168 | 163 | 174 |
| *By major type of credit* | | | | | | | | | | |
| 39 Automobile | 60,437 | 69,245 | 79,186 | 7,434 | 7,343 | 6,872 | 6,932 | 7 300 | 7,354 | 7,018 |
| 40 Commercial banks | 36,407 | 42,036 | 46 697 | 4,075 | 4,139 | 3,690 | 3,762 | 3,851 | 3,906 | 3,888 |
| 41 Indirect paper | 19,842 | 22,871 | 25,135 | 2,317 | 2,305 | 2,006 | 2,038 | 2,069 | 2,173 | 2,097 |
| 42 Direct loans | 16,565 | 19,165 | 21 562 | 1,758 | 1,834 | 1,684 | 1,724 | 1,782 | 1,733 | 1,791 |
| 43 Credit unions | 13,755 | 15,438 | 16,353 | 1,445 | 1,439 | 1,301 | 1,364 | 1,386 | 1,402 | 1,454 |
| 44 Finance companies | 10,275 | 11,771 | 16,136 | 1,914 | 1,765 | 1,881 | 1,806 | 2,063 | 2,046 | 1,676 |
| 45 Revolving | 81,348 | 96,090 | 111,546 | 10,665 | 10,851 | 10,688 | 10,998 | 10,926 | 11,426 | 11,484 |
| 46 Commercial banks | 34,241 | 45,366 | 55,527 | 5,148 | 5,283 | 5,034 | 5,343 | 5,126 | 5,436 | 5,349 |
| 47 Retailers | 32,622 | 34,964 | 38,523 | 3,642 | 3,657 | 3,702 | 3,677 | 3,776 | 3,915 | 3,949 |
| 48 Gasoline companies | 14,485 | 15,760 | 17,496 | 1,875 | 1,911 | 1,952 | 1,978 | 2,024 | 2,075 | 2,186 |
| 49 Mobile home | 5,341 | 5,126 | 4,868 | 399 | 372 | 400 | 413 | 407 | 456 | 553 |
| 50 Commercial banks | 3,079 | 3,278 | 3 440 | 272 | 278 | 276 | 288 | 256 | 287 | 294 |
| 51 Finance companies | 831 | 812 | 559 | 54 | 47 | 49 | 41 | 66 | 70 | 63 |
| 52 Savings and loans | 1,305 | 885 | 708 | 60 | 39 | 63 | 72 | 73 | 87 | 172 |
| 53 Credit unions | 126 | 151 | 161 | 13 | 8 | 12 | 12 | 12 | 12 | 24 |
| 54 Other | 75,012 | 84,128 | 90,796 | 7,511 | 8,097 | 7,192 | 7,187 | 7,557 | 7,474 | 7,659 |
| 55 Commercial banks | 25,524 | 28,112 | 30,908 | 2,441 | 2,613 | 2,552 | 2,367 | 2,521 | 2,563 | 2,533 |
| 56 Finance companies | 24,934 | 28,492 | 30,803 | 2,774 | 3,057 | 2,328 | 2,478 | 2,662 | 2,547 | 2,633 |
| 57 Credit unions | 13,711 | 15,793 | 16,227 | 1,258 | 1,362 | 1,264 | 1,281 | 1,308 | 1,309 | 1,388 |
| 58 Retailers | 6,907 | 7,110 | 7 021 | 498 | 500 | 496 | 504 | 488 | 482 | 483 |
| 59 Savings and loans | 2,364 | 2,832 | 3 866 | 386 | 410 | 395 | 396 | 410 | 410 | 448 |
| 60 Mutual savings banks | 1,572 | 1,789 | 1 971 | 154 | 155 | 157 | 161 | 168 | 163 | 174 |

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 H1 | 1978 H2 | 1979 H1 | 1979 H2 | 1980 H1 | 1980 H2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Nonfinancial sectors | | | | | | |
| 1 **Total funds raised** | **210.8** | **271.9** | **338.5** | **400.4** | **394.9** | **363.3** | **384.8** | **416.0** | **380.5** | **408.2** | **321.1** | **405.6** |
| 2 Excluding equities | 200 7 | 261.0 | 335.3 | 398.3 | 390.6 | 349.8 | 387 4 | 409 2 | 377.7 | 402.3 | 313.0 | 386.5 |
| *By sector and instrument* | | | | | | | | | | | | |
| 3 U.S. government | 85.4 | 69.0 | 56.8 | 53.7 | 37.4 | 79.2 | 61.4 | 46 0 | 28.6 | 46.1 | 64.5 | 93 8 |
| 4 Treasury securities | 85 8 | 69.1 | 57.6 | 55.1 | 38.8 | 79.8 | 62 3 | 47 9 | 30 9 | 46.6 | 65.2 | 94.4 |
| 5 Agency issues and mortgages | −.4 | −.1 | −.9 | −1.4 | −1.4 | −.6 | −.9 | −1 9 | −2.3 | −.5 | −.6 | −6 |
| 6 All other nonfinancial sectors | 125.4 | 202 8 | 281 7 | 346.7 | 357.6 | 284 1 | 323.4 | 370.0 | 351.9 | 362 1 | 256 5 | 311.7 |
| 7 Corporate equities | 10.1 | 10 8 | 3.1 | 2 1 | 4 3 | 13.6 | −2.6 | 6 8 | 2 8 | 5 9 | 8.0 | 19.1 |
| 8 Debt instruments | 115 3 | 192 0 | 278.6 | 344 6 | 353.2 | 270.6 | 326 0 | 363 2 | 349 1 | 356.2 | 248.5 | 292.7 |
| 9 Private domestic nonfinancial sectors | 112 1 | 182.0 | 267.8 | 314 4 | 336 4 | 254.2 | 302.8 | 326 1 | 338 6 | 333.0 | 227.0 | 281 5 |
| 10 Corporate equities | 9 9 | 10.5 | 2.7 | 2.6 | 3.5 | 11.4 | −1.8 | 7.0 | 2.8 | 4.1 | 6.0 | 16.8 |
| 11 Debt instruments | 102.2 | 171 5 | 265.1 | 311.8 | 333 0 | 242.8 | 304.6 | 319.1 | 335 8 | 328 9 | 221.0 | 264.7 |
| 12 Debt capital instruments | 98.4 | 123 5 | 175.6 | 196.6 | 199.9 | 175.6 | 188.3 | 205.0 | 198 8 | 201.1 | 169.1 | 182.1 |
| 13 State and local obligations | 16.1 | 15.7 | 23 7 | 28.3 | 18.9 | 22 2 | 27 8 | 28.7 | 16.0 | 21 8 | 18.0 | 26.4 |
| 14 Corporate bonds | 27.2 | 22.8 | 21 0 | 20.1 | 21.2 | 27.6 | 20 6 | 19.6 | 22.4 | 19.9 | 33 4 | 21.9 |
| Mortgages | | | | | | | | | | | | |
| 15 Home | 39.5 | 63 6 | 96.3 | 104.6 | 109.1 | 81.5 | 100.1 | 109.1 | 109 8 | 108.5 | 73.6 | 89.3 |
| 16 *Multifamily residential* | * | 1.8 | 7 4 | 10.2 | 8.9 | 8 7 | 9 3 | 11.2 | 8.1 | 9.7 | 6.5 | 11.0 |
| 17 Commercial | 11.0 | 13 4 | 18.4 | 23.3 | 25 7 | 21.6 | 21.2 | 25.4 | 26 0 | 25.4 | 22.1 | 21.1 |
| 18 Farm | 4.6 | 6.1 | 8 8 | 10.2 | 16.2 | 14.0 | 9.3 | 11.1 | 16.6 | 15.9 | 15.5 | 12.4 |
| 19 Other debt instruments | 3 8 | 48.0 | 89 5 | 115.2 | 133.0 | 67.2 | 116.3 | 114 1 | 137.0 | 127.8 | 51.9 | 82 5 |
| 20 Consumer credit | 9 7 | 25.6 | 40.6 | 50 6 | 44.2 | 3.1 | 50.1 | 51.0 | 48.3 | 39.0 | −6.4 | 12.5 |
| 21 Bank loans n e c | −12 3 | 4 0 | 27.0 | 37 3 | 50 6 | 37.9 | 43.1 | 31.4 | 48.2 | 52.9 | 9.6 | 66.1 |
| 22 Open market paper | −2.6 | 4 0 | 2.9 | 5.2 | 10.9 | 5.8 | 5.3 | 5.1 | 12 0 | 9.7 | 29.7 | −18.1 |
| 23 Other | 9 0 | 14.4 | 19.0 | 22.2 | 27.3 | 20.4 | 17.8 | 26 5 | 28.4 | 26.2 | 18 9 | 22.0 |
| 24 By borrowing sector | 112.1 | 182.0 | 267 8 | 314.4 | 336.4 | 254 2 | 302.8 | 326.1 | 338.6 | 333.0 | 227 0 | 281.5 |
| 25 State and local governments | 13 7 | 15.2 | 20.4 | 23.6 | 15.5 | 20.7 | 21.0 | 26 1 | 13.0 | 18.0 | 16 2 | 25.3 |
| 26 Households | 49 7 | 90.5 | 139.9 | 162.6 | 164.9 | 100.8 | 156.1 | 169.1 | 167.6 | 161.2 | 89 8 | 111.9 |
| 27 Farm | 8 8 | 10 9 | 14.7 | 18 1 | 25 8 | 19.0 | 15.3 | 20.8 | 23 5 | 28.1 | 21.1 | 16 9 |
| 28 Nonfarm noncorporate | 2.0 | 4.7 | 12 9 | 15.4 | 15.9 | 12 5 | 16 4 | 14.4 | 15.5 | 15.9 | 9 0 | 16.0 |
| 29 Corporate | 37.9 | 60 7 | 79.9 | 94 8 | 114.3 | 101.1 | 93.9 | 95.7 | 118 9 | 109.7 | 90 9 | 111 3 |
| 30 Foreign | 13 3 | 20.8 | 13 9 | 32.3 | 21.2 | 29.9 | 20 6 | 43 9 | 13.3 | 29.1 | 29 5 | 30.3 |
| 31 Corporate equities | 2 | .3 | 4 | −.5 | .9 | 2.2 | −8 | −2 | * | 1.7 | 2 1 | 2.3 |
| 32 Debt instruments | 13 2 | 20 5 | 13.5 | 32 8 | 20.3 | 27.7 | 21.4 | 44.1 | 13 3 | 27.3 | 27.5 | 28.0 |
| 33 Bonds | 6 2 | 8.6 | 5.1 | 4.0 | 3.9 | .8 | 5.0 | 3.0 | 3 0 | 4.7 | 2.0 | −.4 |
| 34 Bank loans n e c | 3 9 | 6.8 | 3.1 | 18.3 | 2.3 | 11.8 | 9.3 | 27 3 | 1 0 | 3.5 | 4.4 | 19.3 |
| 35 Open market paper | 3 | 1 9 | 2.4 | 6 6 | 11.2 | 10.1 | 3.6 | 9 6 | 6 1 | 16.3 | 15.7 | 4.5 |
| 36 U.S. government loans | 2 8 | 3 3 | 3.0 | 3.9 | 3 0 | 5 0 | 3.6 | 4.2 | 3.1 | 2 8 | 5.4 | 4.6 |
| | | | | | | Financial sectors | | | | | | |
| 37 **Total funds raised** | **12.7** | **24.1** | **54.0** | **81.4** | **88.5** | **70.8** | **80.7** | **82.1** | **86.3** | **90.7** | **54.0** | **87.6** |
| *By instrument* | | | | | | | | | | | | |
| 38 U.S. government related | 13.5 | 18.6 | 26.3 | 41.4 | 52.4 | 47.5 | 38.5 | 44.3 | 45.8 | 59.0 | 45.8 | 49.2 |
| 39 Sponsored credit agency securities | 2 3 | 3.3 | 7.0 | 23 1 | 24.3 | 24.3 | 21.9 | 24.3 | 21 5 | 27.0 | 25.1 | 23.5 |
| 40 Mortgage pool securities | 10 3 | 15.7 | 20.5 | 18 3 | 28.1 | 23.2 | 16 6 | 20.1 | 24.2 | 32.0 | 20.7 | 25.7 |
| 41 Loans from U S government | 9 | −.4 | −1.2 | - | - | - | - | - | - | - | - | - |
| 42 Private financial sectors | −8 | 5 5 | 27.7 | 40 0 | 36 1 | 23 3 | 42.2 | 37.8 | 40 5 | 31 7 | 8.1 | 38.4 |
| 43 Corporate equities | .6 | 1.0 | 9 | 1.7 | 2.3 | 3.4 | 2 2 | 1 1 | 2.0 | 2.5 | 3.1 | 3.8 |
| 44 Debt instruments | −1.4 | 4.4 | 26.9 | 38.3 | 33 8 | 19.8 | 40.0 | 36 7 | 38 4 | 29.2 | 5.1 | 34 6 |
| 45 Corporate bonds | 2.9 | 5.8 | 10 1 | 7.5 | 7.8 | 7.2 | 8.5 | 6.4 | 8.7 | 7.0 | 10.3 | 4.0 |
| 46 Mortgages | 2.3 | 2.1 | 3 1 | 9 | −1.2 | −.9 | 2 1 | −3 | −5 | −1.9 | −6.8 | 5.0 |
| 47 Bank loans n.e c | −3.7 | −3 7 | −.3 | 2.8 | −4 | 1.0 | 2.5 | 3.1 | −7 | −2 | 1.1 | 1.0 |
| 48 Open market paper and ~~repurchase agreements~~ RPs | 1.1 | 2 2 | 9.6 | 14.6 | 18 4 | 5.4 | 13.5 | 15.7 | 23.0 | 13 8 | −3 6 | 14.4 |
| 49 Loans from Federal Home Loan Banks | −4.0 | −2 0 | 4.3 | 12.5 | 9 2 | 7 1 | 13.2 | 11.8 | 7.8 | 10.5 | 4 1 | 10.2 |
| *By sector* | | | | | | | | | | | | |
| 50 Sponsored credit agencies | 3 2 | 2.9 | 5.8 | 23 1 | 24.3 | 24.3 | 21 9 | 24.3 | 21 5 | 27.0 | 25.1 | 23 5 |
| 51 Mortgage pools | 10 3 | 15 7 | 20 5 | 18 3 | 28 1 | 23 2 | 16 6 | 20.1 | 24.2 | 32.0 | 20 7 | 25.7 |
| 52 Private financial sectors | −8 | 5.5 | 27.7 | 40.0 | 36.1 | 23.3 | 42 2 | 37.8 | 40.5 | 31.7 | 8.1 | 38.4 |
| 53 Commercial banks | 1 2 | 2 3 | 1 1 | 1.3 | 1.6 | .6 | 1 5 | 1 1 | 1.3 | 1.8 | .8 | 3 |
| 54 Bank affiliates | 3 | −.8 | 1.3 | 6.7 | 4.5 | 5.6 | 5.8 | 7.6 | 6.2 | 2.9 | 4.5 | 6.6 |
| 55 Savings and loan associations | −2 3 | 1 | 9.9 | 14 3 | 11 4 | 6 4 | 16.4 | 12.2 | 9 9 | 12 9 | −4 7 | 17.6 |
| 56 Other insurance companies | 1 0 | .9 | 9 | 1 1 | 1.0 | 8 | 1 0 | 1.1 | 1 0 | .9 | .8 | 7 |
| 57 Finance companies | 5 | 6.4 | 17.6 | 18 6 | 18 9 | 8 8 | 18.9 | 18.2 | 23 5 | 14.3 | 6.8 | 10.8 |
| 58 REITs | −1 4 | −2.4 | −2.2 | −1.0 | −.4 | −.9 | −1.0 | −1.0 | −.6 | −.1 | −1.4 | −3 |
| 59 Open-end investment companies | −1 | −1 0 | −9 | −1.0 | −1 0 | 2 0 | −.5 | −1.5 | −1.0 | −.9 | 1.4 | 2.7 |
| | | | | | | All sectors | | | | | | |
| 60 **Total funds raised, by instrument** | **223.6** | **295.9** | **392.5** | **481.8** | **483.4** | **434.1** | **465.5** | **498.1** | **466.7** | **498.9** | **375.0** | **493.2** |
| 61 Investment company shares | −.1 | −1 0 | −9 | −1.0 | −1 0 | 2 0 | −5 | −1 5 | −1.0 | −9 | 1.4 | 2 7 |
| 62 Other corporate equities | 10.8 | 12.9 | 4.9 | 4 7 | 7.6 | 15.0 | .1 | 9.4 | 5 8 | 9.3 | 9.8 | 20.2 |
| 63 Debt instruments | 212.9 | 284 1 | 388.5 | 478.1 | 476.8 | 417.1 | 465 9 | 490 2 | 461.9 | 490.5 | 363.9 | 470.4 |
| 64 U S government securities | 98 2 | 88.1 | 84.3 | 95 2 | 89 9 | 126.8 | 100.0 | 90.4 | 74 5 | 105 2 | 110.5 | 143.2 |
| 65 State and local obligations | 16 1 | 15 7 | 23 7 | 28.3 | 18 9 | 22 2 | 27.8 | 28.7 | 16.0 | 21 8 | 18 0 | 26.4 |
| 66 Corporate and foreign bonds | 36.4 | 37.2 | 36.1 | 31.6 | 32.9 | 35 6 | 34.2 | 29.1 | 34.1 | 31.5 | 45 7 | 25.5 |
| 67 Mortgages | 57.2 | 87 0 | 133 9 | 149.1 | 158.6 | 124.8 | 141 9 | 156 3 | 159.8 | 157.4 | 110.8 | 138 8 |
| 68 Consumer credit | 9.7 | 25.6 | 40 6 | 50.6 | 44.2 | 3.1 | 50.1 | 51 0 | 48.3 | 39.0 | −6.4 | 12.5 |
| 69 Bank loans n e c | −12 2 | 7 0 | 29.8 | 58.4 | 52 5 | 50.7 | 54.9 | 61.8 | 48.6 | 56 2 | 15 0 | 86.4 |
| 70 Open market paper and RPs | −1.2 | 8.1 | 15 0 | 26.4 | 40.5 | 21 4 | 22 4 | 30 4 | 41.1 | 39.8 | 41 9 | .9 |
| 71 Other loans | 8 7 | 15 3 | 25 2 | 38.6 | 39 5 | 32 6 | 34 6 | 42.5 | 39.4 | 39.5 | 28.3 | 36.8 |

## 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 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | H1 | H2 | H1 | H2 | H1 | H2 |
| 1 **Total funds advanced in credit markets to nonfinancial sectors** | **200.7** | **261.0** | **335.3** | **398.3** | **390.6** | **349.8** | **387.4** | **409.2** | **377.7** | **402.3** | **313.0** | **386.5** |
| *By public agencies and foreign* | | | | | | | | | | | | |
| 2 Total net advances | 44.6 | 54.3 | 85.1 | 109.7 | 80.1 | 95.8 | 102.8 | 116.6 | 47.6 | 112.5 | 101.7 | 89.9 |
| 3 U.S. government securities | 22.5 | 26.8 | 40.2 | 43.9 | 2.0 | 22.3 | 43.7 | 44.0 | -22.1 | 26.2 | 24.9 | 19.7 |
| 4 Residential mortgages | 16.2 | 12.8 | 20.4 | 26.5 | 36.1 | 32.0 | 22.2 | 30.7 | 32.6 | 39.6 | 33.5 | 30.4 |
| 5 FHLB advances to savings and loans | -4.0 | -2.0 | 4.3 | 12.5 | 9.2 | 7.1 | 13.2 | 11.8 | 7.8 | 10.5 | 4.1 | 10.2 |
| 6 Other loans and securities | 9.8 | 16.6 | 20.2 | 26.9 | 32.8 | 34.5 | 23.7 | 30.1 | 29.2 | 36.3 | 39.3 | 29.6 |
| *Total advanced, by sector* | | | | | | | | | | | | |
| 7 U.S. government | 15.1 | 8.9 | 11.8 | 20.4 | 22.5 | 26.0 | 19.4 | 21.4 | 23.8 | 21.3 | 29.6 | 22.5 |
| 8 Sponsored credit agencies | 14.8 | 20.3 | 26.8 | 44.6 | 57.5 | 48.6 | 39.4 | 49.8 | 49.9 | 65.2 | 43.6 | 53.6 |
| 9 Monetary authorities | 8.5 | 9.8 | 7.1 | 7.0 | 7.7 | 4.5 | 13.4 | .5 | .9 | 14.5 | 14.6 | -5.6 |
| 10 Foreign | 6.1 | 15.2 | 39.4 | 37.7 | -7.7 | 16.7 | 30.6 | 44.9 | -27.0 | 11.7 | 13.9 | 19.5 |
| 11 Agency borrowing not included in line 1 | 13.5 | 18.6 | 26.3 | 41.4 | 52.4 | 47.5 | 38.5 | 44.3 | 45.8 | 59.0 | 45.8 | 49.2 |
| *Private domestic funds advanced* | | | | | | | | | | | | |
| 12 Total net advances | 169.7 | 225.4 | 276.5 | 330.0 | 362.9 | 301.5 | 323.2 | 336.9 | 375.9 | 348.8 | 257.1 | 345.8 |
| 13 U.S. government securities | 75.7 | 61.3 | 44.1 | 51.3 | 87.9 | 104.6 | 56.3 | 46.4 | 96.6 | 79.1 | 85.6 | 123.5 |
| 14 State and local obligations | 16.1 | 15.7 | 23.7 | 28.3 | 18.9 | 22.2 | 27.8 | 28.7 | 16.0 | 21.8 | 18.0 | 26.4 |
| 15 Corporate and foreign bonds | 32.8 | 30.5 | 22.5 | 22.5 | 25.6 | 25.5 | 24.1 | 20.9 | 26.9 | 24.3 | 32.4 | 18.7 |
| 16 Residential mortgages | 23.2 | 52.6 | 83.3 | 88.2 | 81.8 | 58.1 | 87.1 | 89.5 | 85.1 | 78.5 | 46.5 | 69.8 |
| 17 Other mortgages and loans | 17.9 | 63.3 | 107.3 | 152.2 | 157.9 | 98.2 | 141.1 | 163.3 | 159.1 | 155.6 | 78.6 | 117.7 |
| 18 LESS: Federal Home Loan Bank advances | -4.0 | -2.0 | 4.3 | 12.5 | 9.2 | 7.1 | 13.2 | 11.8 | 7.8 | 10.5 | 4.1 | 10.2 |
| *Private financial intermediation* | | | | | | | | | | | | |
| 19 Credit market funds advanced by private financial institutions | 122.5 | 190.1 | 257.0 | 296.9 | 292.5 | 265.6 | 301.7 | 292.0 | 307.5 | 277.4 | 229.6 | 301.8 |
| 20 Commercial banking | 29.4 | 59.6 | 87.6 | 128.7 | 121.1 | 103.5 | 132.5 | 125.0 | 124.6 | 117.6 | 57.2 | 149.9 |
| 21 Savings institutions | 53.5 | 70.8 | 82.0 | 75.9 | 56.3 | 57.6 | 75.8 | 75.9 | 57.7 | 54.9 | 31.4 | 83.8 |
| 22 Insurance and pension funds | 40.6 | 49.9 | 67.9 | 73.5 | 70.4 | 76.4 | 76.9 | 70.2 | 75.4 | 65.5 | 84.6 | 68.2 |
| 23 Other finance | -1.0 | 9.8 | 19.6 | 18.7 | 44.7 | 28.1 | 16.6 | 20.9 | 49.8 | 39.6 | 56.3 | -.1 |
| 24 Sources of funds | 122.5 | 190.1 | 257.0 | 296.9 | 292.5 | 265.6 | 301.7 | 292.0 | 307.5 | 277.4 | 229.6 | 301.8 |
| 25 Private domestic deposits | 92.0 | 124.6 | 141.2 | 142.5 | 136.7 | 163.9 | 138.3 | 146.7 | 121.7 | 151.6 | 147.7 | 180.1 |
| 26 Credit market borrowing | -1.4 | 4.4 | 26.9 | 38.3 | 33.8 | 19.8 | 40.0 | 36.7 | 38.4 | 29.2 | 5.1 | 34.6 |
| 27 Other sources | 32.0 | 61.0 | 89.0 | 116.0 | 122.0 | 81.9 | 123.5 | 108.6 | 147.3 | 96.6 | 76.8 | 87.1 |
| 28 Foreign funds | -8.7 | -4.6 | 1.2 | 6.3 | 26.3 | -20.0 | 5.7 | 6.9 | 49.4 | 3.2 | -18.1 | -21.8 |
| 29 Treasury balances | -1.7 | -.1 | 4.3 | 6.8 | .4 | -2.0 | 1.9 | 11.6 | 5.1 | -4.3 | -2.5 | -1.5 |
| 30 Insurance and pension reserves | 29.7 | 34.5 | 49.4 | 62.7 | 49.0 | 58.5 | 66.2 | 59.2 | 53.9 | 44.0 | 59.6 | 57.4 |
| 31 Other, net | 12.7 | 31.2 | 34.1 | 40.3 | 46.3 | 45.4 | 49.6 | 31.0 | 38.9 | 53.7 | 37.9 | 53.1 |
| *Private domestic nonfinancial investors* | | | | | | | | | | | | |
| 32 Direct lending in credit markets | 45.8 | 39.7 | 46.3 | 71.5 | 104.2 | 55.7 | 61.4 | 81.6 | 106.8 | 100.5 | 32.6 | 78.7 |
| 33 U.S. government securities | 24.1 | 16.1 | 23.0 | 33.2 | 57.8 | 30.7 | 32.1 | 34.4 | 64.1 | 51.5 | 13.2 | 48.2 |
| 34 State and local obligations | 8.4 | 3.8 | 2.6 | 4.5 | -2.5 | -1.8 | 7.0 | 2.0 | -2.3 | -2.7 | -2.9 | -.8 |
| 35 Corporate and foreign bonds | 8.4 | 5.8 | -3.3 | -1.4 | 11.1 | 5.4 | -3.7 | 1.0 | 7.8 | 14.2 | 8.3 | 2.4 |
| 36 Commercial paper | -1.3 | 1.9 | 9.5 | 16.3 | 10.7 | -2.4 | 8.2 | 24.4 | 12.5 | 9.0 | -6.2 | 1.3 |
| 37 Other | 6.2 | 12.0 | 14.5 | 18.8 | 27.1 | 23.9 | 17.8 | 19.8 | 24.7 | 28.5 | 20.2 | 27.6 |
| 38 Deposits and currency | 98.1 | 131.9 | 149.5 | 151.8 | 144.7 | 173.5 | 148.7 | 154.8 | 131.1 | 158.1 | 156.7 | 190.1 |
| 39 Security RPs | .2 | 2.3 | 2.2 | 7.5 | 6.6 | 4.7 | 9.8 | 5.1 | 18.5 | -5.3 | 5.3 | 4.0 |
| 40 Money market fund shares | 1.3 | * | .2 | 6.9 | 34.4 | 29.2 | 6.1 | 7.7 | 30.2 | 38.6 | 61.9 | -3.4 |
| 41 Time and savings accounts | 84.0 | 113.5 | 121.0 | 115.2 | 84.7 | 131.8 | 110.7 | 119.8 | 71.4 | 97.9 | 91.9 | 171.7 |
| 42 Large at commercial banks | -15.8 | -13.2 | 23.0 | 45.9 | .4 | 12.7 | 33.9 | 57.9 | -25.3 | 26.0 | -12.0 | 37.4 |
| 43 Other at commercial banks | 40.3 | 57.6 | 29.0 | 8.2 | 39.3 | 62.9 | 18.4 | -1.9 | 41.3 | 37.3 | 60.6 | 65.2 |
| 44 At savings institutions | 59.4 | 69.1 | 69.0 | 61.1 | 45.1 | 56.2 | 58.5 | 63.8 | 55.4 | 34.7 | 43.4 | 69.1 |
| 45 Money | 12.6 | 16.1 | 26.1 | 22.2 | 18.9 | 7.8 | 22.1 | 22.3 | 10.9 | 26.8 | -2.4 | 17.9 |
| 46 Demand deposits | 6.4 | 8.8 | 17.8 | 12.9 | 11.0 | -1.8 | 11.6 | 14.2 | 1.6 | 20.3 | -11.4 | 7.8 |
| 47 Currency | 6.2 | 7.3 | 8.3 | 9.3 | 7.9 | 9.6 | 10.5 | 8.1 | 9.3 | 6.5 | 9.0 | 10.1 |
| 48 **Total of credit market instruments, deposits and currency** | **143.9** | **171.6** | **195.8** | **223.3** | **248.9** | **229.1** | **210.1** | **236.4** | **237.9** | **258.7** | **189.3** | **268.8** |
| 49 Public support rate (in percent) | 22.2 | 20.8 | 25.4 | 27.5 | 20.5 | 27.4 | 26.5 | 28.5 | 12.6 | 28.0 | 32.5 | 23.3 |
| 50 Private financial intermediation (in percent) | 72.2 | 84.3 | 93.0 | 90.0 | 80.6 | 88.1 | 93.4 | 86.7 | 81.8 | 79.5 | 89.3 | 87.3 |
| 51 Total foreign funds | -2.6 | 10.6 | 40.5 | 44.0 | 18.6 | -3.3 | 36.3 | 51.8 | 22.4 | 14.9 | -4.2 | -2.3 |
| MEMO: Corporate equities not included above | | | | | | | | | | | | |
| 52 **Total net issues** | **10.7** | **11.9** | **4.0** | **3.7** | **6.6** | **17.0** | **-.4** | **7.9** | **4.8** | **8.4** | **11.1** | **22.8** |
| 53 Mutual fund shares | -.1 | -1.0 | -.9 | -1.0 | -1.0 | -2.0 | -.5 | -1.5 | -1.0 | -.9 | 1.4 | 2.7 |
| 54 Other equities | 10.8 | 12.9 | 4.9 | 4.7 | 7.6 | 15.0 | .1 | 9.4 | 5.8 | 9.3 | 9.8 | 20.2 |
| 55 Acquisitions by financial institutions | 9.6 | 12.3 | 7.4 | 7.6 | 15.7 | 18.7 | .4 | 14.7 | 12.5 | 18.9 | 16.7 | 20.7 |
| 56 Other net purchases | 1.1 | -.4 | -3.4 | -3.8 | -9.1 | -1.7 | -.8 | -6.8 | -7.7 | -10.5 | -5.6 | 2.1 |

NOTES BY LINE NUMBER
1. Line 2 of p. A42.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities. Included below in lines 3, 13, and 33.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, 40, 41, and 46.
17. Includes farm and commercial mortgages.
25. Sum of lines 39, 40, 41, and 46.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.
47. Mainly an offset to line 9.
48. Lines 32 plus 38, or line 12 less line 27 plus 45.
49. Line 2/line 1.
50. Line 19/line 12.
51. Sum of lines 10 and 28.
52, 54. Includes issues by financial institutions.

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

## 2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

| Measure | 1978 | 1979 | 1980 | 1980 | | | | | 1981 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. r | Mar. r | Apr. |
| 1 **Industrial production**[1] | **146.1** | **152.5** | **147.1** | **141.8** | **144.1** | **146.9** | **149.4** | **151.0** | **151.7** | **151.5** | **152.2** | **152.8** |
| *Market groupings* | | | | | | | | | | | | |
| 2 Products, total | 144.8 | 150.0 | 146.8 | 143.8 | 145.3 | 147.2 | 148.7 | 149.9 | 150.3r | 150.0 | 151.2 | 152.4 |
| 3 Final, total | 135.9 | 147.2 | 145.4 | 142.8 | 143.9 | 145.8 | 147.5 | 148.3 | 148.3r | 147.9 | 149.4 | 150.9 |
| 4 Consumer goods | 149.1 | 150.8 | 145.5 | 142.7 | 144.3 | 146.6 | 148.0 | 147.7 | 147.2 | 147.0 | 148.5 | 149.7 |
| 5 Equipment | 132.8 | 142.2 | 145.1 | 142.9 | 143.2 | 144.8 | 146.7 | 149.1 | 149.8r | 149.2 | 150.7 | 152.5 |
| 6 Intermediate | 154.1 | 160.5 | 151.9 | 147.6 | 150.6 | 152.4 | 153.5 | 156.1 | 157.7r | 157.5 | 157.7 | 158.1 |
| 7 Materials | 148.3 | 156.4 | 147.7 | 138.6 | 142.4 | 146.4 | 150.5 | 152.6 | 153.8r | 154.0 | 153.9 | 153.4 |
| *Industry groupings* | | | | | | | | | | | | |
| 8 Manufacturing | 146.8 | 153.6 | 146.6 | 140.6 | 143.4 | 146.4 | 149.1 | 150.6 | 151.1 | 151.1 | 151.9 | 152.8 |
| Capacity utilization (percent)[1,2] | | | | | | | | | | | | |
| 9 Manufacturing | 84.4 | 85.7 | 79.0 | 75.5 | 76.7 | 78.2 | 79.4 | 79.9 | 80.0 | 79.8 | 80.0 | 80.3 |
| 10 Industrial materials industries | 85.6 | 87.4 | 79.8 | 74.6 | 76.4 | 78.4 | 80.4 | 81.3 | 81.7r | 81.6 | 81.4 | 81.0 |
| 11 Construction contracts (1972 = 100)[3] | 174.1 | 185.6 | 161.8 | 192.0 | 163.0 | 167.0 | 210.0 | 193.0 | 185.0 | 177.0 | 183.0 | n.a |
| 12 Nonagricultural employment, total[4] | 131.8 | 136.6 | 137.8 | 137.0 | 137.4 | 137.9 | 138.2 | 138.5 | 139.0 | 139.3 | 139.4 | 139.0 |
| 13 Goods-producing, total | 109.8 | 113.7 | 110.9 | 108.6 | 109.3 | 110.0 | 110.7 | 111.1 | 111.7 | 111.5 | 111.6 | 110.8 |
| 14 Manufacturing, total | 105.4 | 108.3 | 104.7 | 102.5 | 103.1 | 103.7 | 104.3 | 104.4 | 104.6 | 104.8 | 104.9 | 105.2 |
| 15 Manufacturing, production-worker | 103.0 | 105.4 | 99.8 | 97.0 | 97.7 | 100.7 | 99.1 | 99.2 | 99.4 | 99.5 | 99.7 | 100.0 |
| 16 Service-producing | 143.8 | 149.2 | 152.5 | 152.6 | 152.7 | 153.1 | 153.3 | 153.5 | 154.0 | 154.5 | 154.6 | 154.5 |
| 17 Personal income, total | 273.3 | 308.5 | 342.9 | 345.9 | 350.1 | 354.7 | 358.3 | 361.4 | 365.2r | 367.8 | 370.6 | n.a. |
| 18 Wages and salary disbursements | 258.8 | 289.5 | 314.7 | 314.4 | 317.8 | 323.6 | 328.0 | 330.5 | 335.6r | 337.7 | 340.1 | n.a. |
| 19 Manufacturing | 223.1 | 248.6 | 261.5 | 258.5 | 262.9 | 267.6 | 273.1 | 275.8 | 280.1r | 281.1 | 282.3 | n.a. |
| 20 Disposable personal income[5] | 268.7 | 301.5 | 334.5 | 338.0 | ....... | ....... | 348.4 | ....... | ....... | 357.3 | ....... | ....... |
| 21 Retail sales[6] | 253.8 | 281.6 | 300.0 | 300.0 | 306.0 | 308.0 | 313.8 | 315.8 | 326.6 | 331.7 | 333.1 | 329.8 |
| Prices[7] | | | | | | | | | | | | |
| 22 Consumer | 195.4 | 217.4 | 246.8 | 249.4 | 251.7 | 253.9 | 256.2 | 258.4 | 260.5 | 263.2 | 265.1 | n.a. |
| 23 Producer finished goods | 194.6 | 216.1 | 246.9 | 251.4 | 251.4 | 255.4 | 255.6 | 256.9 | 259.8 | 262.4 | 265.3 | 267.7 |

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). Series for disposable income is quarterly.
6. Based on Bureau of Census data published in *Survey of Current Business*.
7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE. Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business*.

Figures for industrial production for the last two months are preliminary and estimated, respectively.

## 2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

| Series | 1980 | | | 1981 | 1980 | | | 1981 | 1980 | | | 1981 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1r | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1r |
| | Output (1967 = 100) | | | | Capacity (percent of 1967 output) | | | | Utilization rate (percent) | | | |
| 1 **Manufacturing** | **143.9** | **141.0** | **148.7** | **151.4** | **184.8** | **186.3** | **187.8** | **189.3** | **77.9** | **75.7** | **79.2** | **79.9** |
| 2 Primary processing | 145.0 | 139.6 | 153.1 | 157.0 | 190.0 | 191.5 | 193.0 | 194.3 | 76.3 | 72.9 | 79.4 | 80.8 |
| 3 Advanced processing | 143.3 | 141.8 | 146.4 | 148.4 | 182.0 | 183.5 | 185.0 | 186.6 | 78.7 | 77.3 | 79.1 | 79.5 |
| 4 **Materials** | **145.1** | **139.2** | **149.8** | **153.9** | **184.3** | **185.8** | **187.2** | **188.7** | **78.7** | **74.9** | **80.0** | **81.6** |
| 5 Durable goods | 140.6 | 131.5 | 145.1 | 150.9 | 188.6 | 190.0 | 191.5 | 192.8 | 74.6 | 69.2 | 75.8 | 78.3 |
| 6 Metal materials | 100.6 | 86.6 | 109.9 | 117.2 | 140.8 | 140.9 | 141.0 | 141.1 | 71.4 | 61.5 | 78.0 | 83.1 |
| 7 Nondurable goods | 166.0 | 161.9 | 175.5 | 178.9 | 202.0 | 204.3 | 206.5 | 208.5 | 82.2 | 79.2 | 85.0 | 85.8 |
| 8 Textile, paper, and chemical | 171.9 | 165.6 | 182.7 | 186.6 | 211.0 | 213.7 | 216.2 | 218.5 | 81.5 | 77.5 | 84.5 | 85.4 |
| 9 Textile | 116.4 | 113.4 | 113.2 | 111.2 | 139.2 | 139.6 | 140.0 | 140.3 | 83.7 | 81.2 | 80.9 | 79.2 |
| 10 Paper | 142.1 | 142.9 | 148.9 | 151.1 | 156.0 | 157.4 | 158.8 | 160.0 | 91.0 | 90.7 | 93.8 | 94.5 |
| 11 Chemical | 208.3 | 197.9 | 226.9 | 234.1 | 264.6 | 268.7 | 272.9 | 276.4 | 78.7 | 73.6 | 83.2 | 84.7 |
| 12 Energy materials | 130.0 | 129.6 | 129.5 | 130.3 | 151.8 | 152.6 | 153.1 | 154.1 | 85.6 | 85.0 | 84.6 | 84.6 |

## 2.11 Continued

| Series | Previous cycle[1] | | Latest cycle[2] | | 1980 | 1980 | | | 1981 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | High | Low | High | Low | April | Oct. | Nov. | Dec. | Jan. r | Feb. r | Mar. r | Apr. |
| | Capacity utilization rate (percent) | | | | | | | | | | | |
| 13 Manufacturing | 88.0 | 69.0 | 87.2 | 74.9 | 80.3 | 78.2 | 79.4 | 79.9 | 80.0 | 79.8 | 80.0 | 80.3 |
| 14 Primary processing | 93.8 | 68.2 | 90.1 | 70.9 | 80.5 | 77.6 | 79.6 | 80.8 | 81.2 | 81.1 | 80.2 | 80.5 |
| 15 Advanced processing | 85.5 | 69.4 | 86.2 | 77.1 | 80.1 | 78.5 | 79.2 | 79.6 | 79.5 | 79.2 | 79.9 | 80.2 |
| 16 Materials | 92.6 | 69.4 | 88.8 | 73.7 | 82.1 | 78.4 | 80.4 | 81.3 | 81.7 | 81.6 | 81.4 | 81.0 |
| 17 Durable goods | 91.5 | 63.6 | 88.4 | 68.0 | 78.8 | 73.5 | 76.5 | 77.3 | 78.0 | 78.0 | 78.8 | 79.2 |
| 18 Metal materials | 98.3 | 68.6 | 96.0 | 58.4 | 77.2 | 71.5 | 81.4 | 81.0 | 82.0 | 83.0 | 84.2 | 83.8 |
| 19 Nondurable goods | 94.5 | 67.2 | 90.9 | 76.8 | 86.1 | 84.4 | 84.3 | 86.3 | 86.7 | 86.1 | 84.6 | 84.6 |
| 20 Textile, paper, and chemical | 95.1 | 65.3 | 91.4 | 74.5 | 86.0 | 83.8 | 83.7 | 85.9 | 86.2 | 85.8 | 84.2 | 84.0 |
| 21 Textile | 92.6 | 57.9 | 90.1 | 79.5 | 84.6 | 82.1 | 80.7 | 79.8 | 79.8 | 79.2 | 78.6 | 79.2 |
| 22 Paper | 99.4 | 72.4 | 97.6 | 88.1 | 90.7 | 93.0 | 94.1 | 94.2 | 93.7 | 94.8 | 94.8 | 95.4 |
| 23 Chemical | 95.5 | 64.2 | 91.2 | 69.6 | 85.2 | 82.1 | 82.0 | 85.4 | 85.9 | 85.2 | 83.1 | 82.5 |
| 24 Energy materials | 94.6 | 84.8 | 88.3 | 83.1 | 85.8 | 83.1 | 85.5 | 85.0 | 84.6 | 85.1 | 84.0 | 80.1 |

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 | 1980 | | | 1981 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. r | Mar. r | Apr. |
| HOUSEHOLD SURVEY DATA | | | | | | | | | | |
| **1 Noninstitutional population[1]** | **161,058** | **163,620** | **166,246** | **167,005** | **167,201** | **167,396** | **167,585** | **167,747** | **167,902** | **168,071** |
| 2 Labor force (including Armed Forces)[1] | 102,537 | 104,996 | 106,821 | 107,288 | 107,404 | 107,191 | 107,668 | 107,802 | 108,305 | 108,851 |
| 3 Civilian labor force | 100,420 | 102,908 | 104,719 | 105,167 | 105,285 | 105,067 | 105,543 | 105,681 | 106,177 | 106,722 |
| *Employment* | | | | | | | | | | |
| 4 Nonagricultural industries[2] | 91,031 | 93,648 | 93,960 | 93,887 | 93,999 | 93,888 | 94,294 | 94,646 | 95,136 | 95,513 |
| 5 Agriculture | 3,342 | 3,297 | 3,310 | 3,319 | 3,340 | 3,394 | 3,403 | 3,281 | 3,276 | 3,463 |
| *Unemployment* | | | | | | | | | | |
| 6 Number | 6,047 | 5,963 | 7,448 | 7,961 | 7,946 | 7,785 | 7,847 | 7,754 | 7,764 | 7,746 |
| 7 Rate (percent of civilian labor force) | 6.0 | 5.8 | 7.1 | 7.6 | 7.5 | 7.4 | 7.4 | 7.3 | 7.3 | 7.3 |
| 8 Not in labor force | 58,521 | 58,623 | 59,425 | 59,717 | 59,797 | 60,205 | 59,917 | 59,946 | 59,598 | 59,219 |
| ESTABLISHMENT SURVEY DATA | | | | | | | | | | |
| **9 Nonagricultural payroll employment[3]** | **86,697** | **89,886** | **90,652** | **90,710** | **90,961** | **91,125** | **91,481** | **91,652** | **91,714** | **91,494** |
| 10 Manufacturing | 20,505 | 21,062 | 20,365 | 20,157 | 20,282 | 20,312 | 20,345 | 20,374 | 20,400 | 20,455 |
| 11 Mining | 851 | 960 | 1,025 | 1,037 | 1,054 | 1,072 | 1,086 | 1,095 | 1,102 | 950 |
| 12 Contract construction | 4,229 | 4,483 | 4,468 | 4,442 | 4,475 | 4,508 | 4,610 | 4,518 | 4,508 | 4,426 |
| 13 Transportation and public utilities | 4,923 | 5,141 | 5,155 | 5,147 | 5,132 | 5,137 | 5,142 | 5,156 | 5,158 | 5,145 |
| 14 Trade | 19,542 | 20,269 | 20,571 | 20,641 | 20,660 | 20,638 | 20,762 | 20,885 | 20,932 | 20,808 |
| 15 Finance | 4,724 | 4,974 | 5,162 | 5,214 | 5,225 | 5,245 | 5,268 | 5,277 | 5,285 | 5,300 |
| 16 Service | 16,252 | 17,078 | 17,736 | 17,913 | 17,969 | 18,068 | 18,133 | 18,181 | 18,216 | 18,278 |
| 17 Government | 15,672 | 15,920 | 16,171 | 16,159 | 16,164 | 16,145 | 16,135 | 13,372 | 13,324 | 13,345 |

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 Apr | May | June | July | Aug | Sept | Oct. | Nov. | Dec | 1981 Jan | Feb | Mar. | Apr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Index (1967 = 100) | | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | | |
| 1 **Total index** | **100.00** | **147.1** | **148.3** | **144.0** | **141.5** | **140.4** | **141.8** | **144.1** | **146.9** | **149.4** | **151.0** | **151.7** | **151.5** | **152.2** | **152.8** |
| 2 Products | 60.71 | 146.8 | 146.6 | 143 7 | 142 5 | 142 8 | 143 8 | 145 3 | 147.2 | 148.7 | 149.9 | 150 3 | 150 0 | 151 2 | 152 4 |
| 3 Final products. | 47 82 | 145.4 | 145 4 | 143.1 | 142.3 | 142.4 | 142.8 | 143 9 | 145 8 | 147 5 | 148.3 | 148 3 | 147 9 | 149 4 | 150 9 |
| 4 Consumer goods | 27.68 | 145.5 | 145.3 | 142.4 | 142.1 | 142.0 | 142 7 | 144 3 | 146 6 | 148.0 | 147.7 | 147 2 | 147 0 | 148.5 | 149 7 |
| 5 Equipment | 20.14 | 145.1 | 145.6 | 144.0 | 142.6 | 142.9 | 142 9 | 143 2 | 144 8 | 146.7 | 149.1 | 149 8 | 149.2 | 150 7 | 152 5 |
| 6 Intermediate products | 12 89 | 151 9 | 150 8 | 146.2 | 143.5 | 144 5 | 147.6 | 150.6 | 152 4 | 153 5 | 156 1 | 157.7 | 157.5 | 157.7 | 158.1 |
| 7 Materials | 39 29 | 147 7 | 151 0 | 144.3 | 140.0 | 136.5 | 138.6 | 142 4 | 146 4 | 150 5 | 152 6 | 153.8 | 154.0 | 153.9 | 153 4 |
| *Consumer goods* | | | | | | | | | | | | | | | |
| 8 Durable consumer goods | 7 89 | 136.5 | 136.3 | 128.8 | 128.2 | 128.3 | 128 6 | 132 7 | 139 6 | 142 9 | 141 3 | 138 8 | 139.0 | 142 8 | 143 8 |
| 9 Automotive products | 2 83 | 132.7 | 126.3 | 118.5 | 121 6 | 129.2 | 121 5 | 130 6 | 141 8 | 145.3 | 139.1 | 127.1 | 129 2 | 138 0 | 141 3 |
| 10 Autos and utility vehicles | 2 03 | 109.9 | 102.3 | 92 6 | 97.1 | 106.4 | 94 1 | 105 5 | 120 2 | 124.3 | 115.9 | 99.8 | 103 7 | 116 6 | 120 2 |
| 11 Autos | 1.90 | 103.4 | 97 1 | 88 4 | 95 7 | 105 2 | 91.3 | 98.0 | 110 7 | 114.3 | 105 3 | 90 0 | 96.0 | 108.3 | 113.2 |
| 12 Auto parts and allied goods | 80 | 190 4 | 187 2 | 184.0 | 183.7 | 186.9 | 191.1 | 194 2 | 196 8 | 198 6 | 198 0 | 196 6 | 193.9 | 192 2 | 194 7 |
| 13 Home goods | 5 06 | 138 7 | 142 0 | 134 6 | 132.0 | 127.7 | 132.6 | 134 0 | 138 3 | 141 5 | 142 6 | 145.4 | 144.4 | 145.5 | 145.3 |
| 14 Appliances, A/C, and TV | 1 40 | 117.1 | 122.1 | 102 8 | 105.6 | 102.3 | 114 2 | 116 3 | 123 5 | 128 4 | 126.8 | 131 2 | 124.2 | 127 2 | 124 3 |
| 15 Appliances and TV | 1.33 | 119.5 | 117 5 | 106 0 | 108 5 | 103 4 | 114 2 | 117.6 | 125 6 | 131 0 | 129 2 | 132.7 | 126.7 | 129.2 | . . . . |
| 16 Carpeting and furniture | 1 07 | 155.0 | 165.8 | 154.2 | 146 7 | 136.1 | 141 1 | 146 1 | 150 2 | 154.9 | 156.3 | 156.8 | 159 9 | 161 0 | |
| 17 Miscellaneous home goods | 2 59 | 143 6 | 146 8 | 143.8 | 140.2 | 138.1 | 139.1 | 138 6 | 141 5 | 143 0 | 145.4 | 148.4 | 149.0 | 149 0 | 149.5 |
| 18 Nondurable consumer goods | 19.79 | 149.1 | 148.8 | 147 7 | 147 6 | 147 4 | 148 3 | 148 9 | 149.4 | 150.1 | 150.2 | 150 5 | 150.2 | 150.8 | 152.0 |
| 19 Clothing | 4 29 | 126 8 | 128 7 | 127 9 | 126 7 | 122 5 | 123 6 | 122.1 | 125 1 | 127 3 | 123 7 | 122.3 | 120.8 | ..... | . |
| 20 Consumer staples | 15 50 | 155.3 | 154.5 | 153.2 | 153.4 | 154.3 | 155 1 | 156 3 | 156.1 | 156.4 | 157.5 | 158 3 | 158 4 | 159 0 | 160 2 |
| 21 Consumer foods and tobacco | 8 33 | 147 0 | 146 2 | 146.1 | 146.2 | 146 4 | 146.0 | 147.0 | 147 7 | 148 0 | 148 9 | 148.7 | 149.0 | 149.6 | . . |
| 22 Nonfood staples | 7 17 | 165 0 | 164 0 | 161.5 | 161.7 | 163.6 | 165.7 | 167 1 | 165 9 | 166 2 | 167 6 | 169 5 | 169 2 | 170 0 | 171 3 |
| 23 Consumer chemical products | 2.63 | 208 7 | 206 9 | 203 0 | 202 6 | 204 3 | 209 3 | 213 0 | 210.2 | 210.0 | 212 5 | 214 7 | 217 6 | 220.0 | ... |
| 24 Consumer paper products | 1 92 | 122 9 | 120 4 | 120 2 | 120 6 | 121 5 | 122.0 | 122.3 | 124 8 | 127 3 | 127 0 | 127 6 | 129.5 | 130 0 | |
| 25 Consumer energy products | 2.62 | 151.9 | 152.8 | 150.1 | 150 9 | 153.5 | 153 9 | 154.0 | 151.5 | 150.8 | 152 3 | 154 8 | 149.7 | 149.2 | ...... |
| 26 Residential utilities | 1.45 | 171 2 | 172 5 | 169 8 | 170.1 | 176 5 | 178.6 | 178.3 | 175 0 | 171 8 | 171 2 | 174 4 | 167.0 | . | |
| *Equipment* | | | | | | | | | | | | | | | |
| 27 Business | 12 63 | 173.3 | 174.2 | 171.9 | 169.8 | 170.1 | 170 3 | 170 5 | 172 3 | 174.5 | 177.8 | 178.9 | 178 2 | 180 4 | 182 6 |
| 28 Industrial | 6 77 | 157 0 | 159 3 | 157 8 | 155.2 | 154.8 | 154 5 | 154.2 | 154 4 | 157 1 | 160 7 | 163.8 | 165.1 | 167 2 | 169 1 |
| 29 Building and mining | 1 44 | 241 3 | 239 5 | 242.2 | 241.0 | 244.4 | 243.6 | 243.4 | 244 3 | 250 1 | 255.7 | 265.9 | 272.2 | 279 9 | 285.1 |
| 30 Manufacturing | 3 85 | 128 5 | 131 9 | 129.5 | 126.1 | 126.0 | 124 4 | 123 9 | 123 9 | 126 4 | 130 6 | 131 1 | 130 8 | 131 5 | 132 6 |
| 31 Power | 1.47 | 149 0 | 152 3 | 149 1 | 147.1 | 142 0 | 145.9 | 146.1 | 146 1 | 146 0 | 146 1 | 149.1 | 149.9 | 149 9 | 150 7 |
| 32 Commercial transit, farm | 5 86 | 192.1 | 191 5 | 188.2 | 186 7 | 187 8 | 188 4 | 189 4 | 192.8 | 194.7 | 197 6 | 196 3 | 193.4 | 195.6 | 198.3 |
| 33 Commercial. | 3.26 | 237.5 | 235.6 | 232 0 | 228 8 | 229 0 | 233 6 | 237 2 | 242.0 | 244.0 | 248.3 | 249 6 | 250 9 | 252 2 | 254.4 |
| 34 Transit | 1.93 | 139.4 | 143 0 | 136 3 | 138.0 | 140 9 | 138 4 | 133.8 | 135.0 | 136 6 | 137 9 | 131.7 | 123.1 | 127 6 | 130.9 |
| 35 Farm | 67 | 123.2 | 116.4 | 124 6 | 121 6 | 122 5 | 112 7 | 116 8 | 120.2 | 121.9 | 123.1 | 122 9 | 116.4 | 116.3 | ...... |
| 36 Defense and space | 7.51 | 97.8 | 97 6 | 97 2 | 96 8 | 97 2 | 96 9 | 97 4 | 98.5 | 99.8 | 100.7 | 101 0 | 100 4 | 100.8 | 102.0 |
| *Intermediate products* | | | | | | | | | | | | | | | |
| 37 Construction supplies | 6.42 | 140.7 | 139 4 | 133 0 | 128 5 | 128 6 | 133 1 | 137.4 | 140.5 | 142.8 | 144 6 | 147 4 | 147.3 | 147.6 | 147 5 |
| 38 Business supplies | 6.47 | 162.9 | 162 0 | 159 4 | 158 4 | 160 4 | 161 9 | 163 6 | 164 3 | 164 2 | 167 5 | 168.0 | 167.7 | 167 7 | |
| 39 Commercial energy products | 1 14 | 173 6 | 174 8 | 172 0 | 168 7 | 172.1 | 173.7 | 175.2 | 174 6 | 174 0 | 179 4 | 178.3 | 175 5 | 176 6 | |
| *Materials* | | | | | | | | | | | | | | | |
| 40 Durable goods materials | 20 35 | 143 1 | 148 2 | 139 8 | 133.8 | 129.0 | 131 3 | 134 2 | 140.4 | 146 6 | 148.4 | 150 2 | 150 4 | 152.2 | 153.5 |
| 41 Durable consumer parts | 4 58 | 109 0 | 110.6 | 100.1 | 96.0 | 93.9 | 98.1 | 104 2 | 110.8 | 115.5 | 116.3 | 116 2 | 114.8 | 119.0 | 121.9 |
| 42 Equipment parts | 5 44 | 187 3 | 195.8 | 190.8 | 182.5 | 177.6 | 176 3 | 176 0 | 178 5 | 184.0 | 185.8 | 189 2 | 188.9 | 191.5 | 193.4 |
| 43 Durable materials n e c | 10 34 | 135 0 | 139 8 | 130.5 | 125.0 | 118.9 | 122 4 | 125 4 | 133 4 | 140.6 | 142 9 | 144 6 | 145 8 | 146.1 | 146.5 |
| 44 Basic metal materials | 5 57 | 104.6 | 109.3 | 100.0 | 95 9 | 84.7 | 89 4 | 91 7 | 102.0 | 114.4 | 115.0 | 116.3 | 117.8 | 118.3 | |
| 45 Nondurable goods materials | 10.47 | 170.7 | 173 2 | 165 2 | 159 6 | 156 2 | 159.8 | 169.7 | 173 7 | 174 1 | 178 8 | 180.2 | 179 5 | 176 9 | 177.3 |
| 46 Textile, paper, and chemical materials | 7.62 | 177.0 | 180.7 | 171.5 | 163 4 | 158.5 | 163 2 | 175.1 | 180.5 | 181 0 | 186 5 | 187.7 | 187 4 | 184 6 | 184.7 |
| 47 Textile materials | 1 85 | 116 0 | 117 7 | 117 6 | 114 0 | 114 4 | 111 0 | 114 7 | 114 9 | 113 0 | 111 8 | 111 9 | 111 1 | 110 5 | |
| 48 Paper materials | 1 62 | 145 1 | 141 2 | 141.7 | 143.4 | 138.4 | 142 0 | 148 2 | 147 3 | 149.5 | 150.0 | 149 6 | 151.7 | 152.1 | . . |
| 49 Chemical materials | 4 15 | 216 7 | 224 3 | 207.3 | 193.3 | 186 1 | 194 9 | 212 6 | 222 9 | 223.8 | 234 1 | 236 4 | 235.5 | 230.5 | . |
| 50 Containers, nondurable | 1 70 | 165 1 | 166 8 | 155 8 | 157 7 | 159 0 | 158 8 | 167.2 | 168 6 | 166 6 | 169.7 | 172 1 | 171 0 | 167.8 | . |
| 51 Nondurable materials n e.c | 1.14 | 137.3 | 133.0 | 136.4 | 136.8 | 136 6 | 137 9 | 137 2 | 135 7 | 139.1 | 141 1 | 142.0 | 139.0 | 138 8 | ...... |
| 52 Energy materials | 8.48 | 130.0 | 130 1 | 129 6 | 130 4 | 130 4 | 130 0 | 128.4 | 127 2 | 130 9 | 130 5 | 130.2 | 131 1 | 129.6 | 123.8 |
| 53 Primary energy | 4.65 | 115 1 | 116 4 | 116 2 | 117 3 | 115.6 | 114.0 | 114 3 | 113 7 | 114 5 | 115.0 | 114 4 | 117 6 | 116.9 | ...... |
| 54 Converted fuel materials | 3 82 | 148 2 | 146 9 | 145.8 | 146.4 | 148.4 | 149 4 | 145 4 | 143.6 | 150.9 | 149.4 | 149.4 | 147.6 | 145.1 | . |
| *Supplementary groups* | | | | | | | | | | | | | | | |
| 55 Home goods and clothing | 9 35 | 133.2 | 135 9 | 131.5 | 129.5 | 125 3 | 128 5 | 128 5 | 132.2 | 135.0 | 133 9 | 134 8 | 133.6 | 134.3 | 134 8 |
| 56 Energy, total | 12.23 | 138.8 | 139.1 | 137.9 | 138.4 | 139 2 | 139 2 | 138.2 | 136.8 | 139.2 | 139.7 | 139.9 | 139 2 | 138.2 | 134.4 |
| 57 Products | 3.76 | 158 5 | 159 5 | 156 7 | 156 3 | 159 1 | 159.9 | 160.5 | 158 5 | 157 9 | 160.5 | 161 9 | 157 5 | 157.5 | ...... |
| 58 Materials | 8.48 | 130 0 | 130 1 | 129 6 | 130 4 | 130.4 | 130.0 | 128 4 | 127 2 | 130.9 | 130.5 | 130 2 | 131.1 | 129.6 | 123.8 |

## 2.13 Continued

| Grouping | SIC code | 1967 pro-por-tion | 1980 Avg | 1980 Apr | 1980 May | 1980 June | 1980 July | 1980 Aug | 1980 Sept | 1980 Oct | 1980 Nov | 1980 Dec | 1981 Jan | 1981 Feb | 1981 Mar | 1981 Apr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Index (1967 = 100) | | | | | | | | | | | | |
| MAJOR INDUSTRY | | | | | | | | | | | | | | | | |
| 1 Mining and utilities | | 12.05 | 150.4 | 150.1 | 149.6 | 150.1 | 150.1 | 150.5 | 150.5 | 150.2 | 152.8 | 154.0 | 155.2 | 154.7 | 155.4 | 152.1 |
| 2 Mining .. | .. | 6.36 | 132.9 | 133.1 | 133.4 | 132.9 | 130.6 | 129.6 | 130.5 | 132.1 | 136.0 | 139.3 | 141.1 | 142.7 | 142.9 | 135.9 |
| 3 Utilities | | 5.69 | 169.9 | 169.1 | 167.7 | 169.3 | 171.8 | 173.8 | 172.7 | 170.4 | 171.5 | 170.3 | 171.0 | 168.1 | 169.3 | 170.2 |
| 4 Electric .. | | 3.88 | 189.7 | 187.9 | 186.0 | 188.7 | 192.4 | 195.4 | 193.9 | 190.3 | 191.5 | 190.3 | 191.1 | 186.8 | 188.6 | 189.7 |
| 5 Manufacturing . | | 87.95 | 146.6 | 147.9 | 143.4 | 140.3 | 139.1 | 140.6 | 143.4 | 146.4 | 149.1 | 150.6 | 151.1 | 151.1 | 151.9 | 152.8 |
| 6 Nondurable .. | | 35.97 | 161.1 | 161.6 | 158.0 | 155.3 | 154.7 | 156.9 | 160.3 | 161.8 | 163.3 | 165.0 | 165.2 | 166.3 | 165.6 | 166.2 |
| 7 Durable | | 51.98 | 136.6 | 138.4 | 133.3 | 129.9 | 128.3 | 129.4 | 131.7 | 135.8 | 139.3 | 140.6 | 141.4 | 140.6 | 142.4 | 143.6 |
| *Mining* | | | | | | | | | | | | | | | | |
| 8 Metal | 10 | .51 | 109.1 | 123.5 | 120.8 | 120.0 | 83.1 | 71.2 | 73.1 | 90.8 | 107.2 | 122.2 | 126.3 | 128.0 | 127.5 | |
| 9 Coal | 11,12 | .69 | 146.7 | 143.4 | 145.0 | 150.0 | 149.8 | 154.9 | 148.9 | 145.7 | 151.6 | 155.3 | 150.3 | 158.9 | 151.1 | 74.0 |
| 10 Oil and gas extraction | 13 | 4.40 | 133.8 | 132.5 | 133.9 | 133.2 | 134.3 | 133.6 | 134.7 | 135.4 | 137.4 | 139.1 | 141.5 | 142.6 | 144.3 | 146.5 |
| 11 Stone and earth minerals | 14 | .75 | 131.7 | 133.1 | 128.1 | 123.9 | 123.7 | 123.5 | 128.2 | 129.0 | 133.0 | 137.8 | 140.0 | 138.8 | 137.9 | |
| *Nondurable manufactures* | | | | | | | | | | | | | | | | |
| 12 Foods. | 20 | 8.75 | 149.2 | 147.8 | 149.5 | 149.0 | 148.9 | 148.3 | 148.6 | 149.4 | 150.5 | 150.7 | 150.0 | 151.2 | 151.8 | |
| 13 Tobacco products | 21 | .67 | 119.8 | 121.9 | 116.2 | 113.9 | 119.6 | 117.4 | 119.1 | 123.1 | 125.1 | 118.8 | 122.9 | 125.1 | | |
| 14 Textile mill products | 22 | 2.68 | 136.8 | 139.9 | 137.1 | 133.6 | 132.5 | 132.6 | 133.0 | 133.8 | 135.0 | 133.9 | 133.8 | 135.1 | 134.5 | |
| 15 Apparel products | 23 | 3.31 | 128.6 | 131.3 | 128.6 | 127.2 | 121.5 | 123.8 | 126.7 | 127.5 | 128.0 | 125.1 | 125.9 | 125.9 | | |
| 16 Paper and products | 26 | 3.21 | 151.0 | 148.2 | 145.7 | 146.2 | 143.6 | 147.1 | 152.3 | 153.0 | 154.4 | 156.8 | 157.2 | 156.7 | 156.0 | 157.7 |
| 17 Printing and publishing | 27 | 4.72 | 139.6 | 136.5 | 135.5 | 135.4 | 138.6 | 140.3 | 140.3 | 141.5 | 142.7 | 144.9 | 145.5 | 146.7 | 147.1 | 147.8 |
| 18 Chemicals and products | 28 | 7.74 | 206.7 | 209.1 | 199.2 | 191.1 | 190.3 | 197.8 | 206.8 | 209.1 | 212.0 | 218.8 | 219.2 | 220.9 | 217.9 | |
| 19 Petroleum products | 29 | 1.79 | 134.9 | 137.4 | 133.0 | 131.3 | 130.5 | 126.7 | 130.5 | 130.1 | 131.2 | 137.5 | 137.3 | 135.9 | 132.9 | 132.1 |
| 20 Rubber and plastic products | 30 | 2.24 | 255.8 | 261.8 | 248.1 | 242.9 | 242.5 | 245.9 | 253.1 | 259.2 | 259.6 | 259.2 | 258.2 | 262.5 | 263.7 | |
| 21 Leather and products | 31 | .86 | 70.1 | 69.9 | 70.1 | 68.5 | 67.8 | 67.7 | 67.2 | 70.2 | 71.2 | 67.8 | 68.9 | 69.4 | 69.3 | |
| *Durable manufactures* | | | | | | | | | | | | | | | | |
| 22 Ordnance, private and government | 19.91 | 3.64 | 77.9 | 77.5 | 77.9 | 77.5 | 77.1 | 77.2 | 77.1 | 79.1 | 79.6 | 79.5 | 78.9 | 78.6 | 78.9 | 79.9 |
| 23 Lumber and products. | 24 | 1.64 | 119.3 | 105.2 | 104.5 | 109.7 | 112.8 | 121.7 | 122.6 | 122.2 | 124.9 | 122.0 | 126.3 | 126.3 | 124.8 | |
| 24 Furniture and fixtures | 25 | 1.37 | 150.0 | 157.1 | 149.5 | 143.1 | 138.6 | 141.1 | 144.8 | 147.2 | 147.2 | 149.0 | 150.5 | 153.0 | 155.1 | |
| 25 Clay, glass, stone products | 32 | 2.74 | 146.5 | 148.8 | 140.8 | 134.5 | 134.2 | 135.7 | 141.4 | 145.2 | 147.8 | 151.4 | 154.9 | 154.0 | 151.9 | |
| 26 Primary metals | 33 | 6.57 | 101.6 | 106.4 | 96.1 | 90.4 | 81.7 | 86.0 | 90.1 | 100.6 | 113.4 | 112.1 | 113.9 | 114.3 | 114.8 | 115.3 |
| 27 Iron and steel. . | 331.2 | 4.21 | 91.7 | 97.4 | 84.4 | 75.4 | 68.1 | 75.3 | 79.8 | 93.3 | 107.4 | 103.5 | 108.0 | 107.8 | 107.4 | |
| 28 Fabricated metal products | 34 | 5.93 | 135.0 | 141.4 | 133.2 | 126.1 | 123.8 | 125.8 | 129.0 | 132.8 | 134.1 | 137.4 | 137.6 | 139.1 | 140.8 | 142.6 |
| 29 Nonelectrical machinery | 35 | 9.15 | 162.8 | 163.2 | 162.1 | 158.3 | 158.5 | 158.8 | 159.1 | 161.1 | 163.4 | 167.5 | 168.9 | 169.0 | 170.5 | 171.7 |
| 30 Electrical machinery .. | 36 | 8.05 | 172.7 | 177.0 | 171.4 | 166.6 | 165.0 | 166.7 | 167.5 | 170.0 | 173.0 | 174.9 | 177.9 | 174.6 | 177.3 | 178.6 |
| 31 Transportation equipment | 37 | 9.27 | 116.8 | 115.1 | 109.8 | 110.0 | 110.7 | 108.3 | 112.9 | 118.8 | 121.7 | 120.6 | 117.3 | 115.0 | 119.9 | 121.8 |
| 32 Motor vehicles and parts | 371 | 4.50 | 118.8 | 114.7 | 105.9 | 106.7 | 107.9 | 104.4 | 113.4 | 124.2 | 129.0 | 126.3 | 119.2 | 117.5 | 127.6 | 130.4 |
| 33 Aerospace and miscellaneous transportation equipment | 372–9 | 4.77 | 114.9 | 115.5 | 113.5 | 113.1 | 113.4 | 111.9 | 112.3 | 113.6 | 114.8 | 115.2 | 115.5 | 112.5 | 112.7 | 113.7 |
| 34 Instruments | 38 | 2.11 | 171.0 | 173.8 | 171.0 | 169.2 | 167.5 | 167.6 | 167.4 | 169.6 | 169.9 | 172.1 | 174.0 | 171.3 | 170.4 | 170.4 |
| 35 Miscellaneous manufactures | 39 | 1.51 | 147.8 | 151.2 | 147.3 | 43.7 | 144.7 | 144.2 | 142.8 | 145.0 | 147.5 | 149.5 | 151.8 | 152.6 | 153.1 | 155.0 |
| | | Gross value (billions of 1972 dollars, annual rates) | | | | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | | | |
| 36 **Products, total** | ...... | **507.4** | **602.1** | **599.5** | **588.6** | **585.0** | **586.7** | **585.9** | **593.3** | **604.7** | **610.9** | **615.5** | **614.0** | **611.3** | **618.7** | **623.1** |
| 37 Final | | 390.9 | 465.4 | 464.5 | 457.3 | 455.6 | 456.9 | 453.0 | 458.0 | 467.7 | 473.0 | 475.5 | 472.6 | 469.9 | 477.0 | 481.2 |
| 38 Consumer goods . | | 277.5 | 313.5 | 312.5 | 306.3 | 305.8 | 307.7 | 305.1 | 309.0 | 316.6 | 320.0 | 320.3 | 317.2 | 316.2 | 320.9 | 323.3 |
| 39 Equipment . | | 113.4 | 151.9 | 152.0 | 151.0 | 149.8 | 149.2 | 147.9 | 149.0 | 151.1 | 153.0 | 155.2 | 155.4 | 153.6 | 156.1 | 157.9 |
| 40 Intermediate | | 116.6 | 136.7 | 135.0 | 131.3 | 129.4 | 129.9 | 132.9 | 135.3 | 137.1 | 137.9 | 140.0 | 141.5 | 141.5 | 141.7 | 141.9 |

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 | 1980r | 1980 Aug | 1980 Sept | 1980 Oct | 1980 Nov | 1980 Dec | 1981 Jan r | 1981 Feb r | 1981 Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Private residential real estate activity (thousands of units) | | | | | | | | | | |
| **NEW UNITS** | | | | | | | | | | | |
| 1 Permits authorized | 1,801 | 1,552 | 1,171 | 1,361 | 1,564 | 1,333 | 1,355 | 1,235 | 1,228 | 1,165 | 1,128 |
| 2 1-family | 1,183 | 981 | 704 | 857 | 914 | 819 | 812 | 743 | 715 | 665 | 653 |
| 3 2-or-more-family | 618 | 570 | 467 | 504 | 650 | 514 | 543 | 492 | 513 | 500 | 475 |
| 4 Started | 2,020 | 1,745 | 1,292 | 1,411 | 1,482 | 1,519 | 1,550 | 1,535 | 1,660 | 1,214 | 1,284 |
| 5 1-family | 1,433 | 1,194 | 852 | 971 | 1,032 | 1,009 | 1,019 | 974 | 993 | 793 | 817 |
| 6 2-or-more-family | 587 | 551 | 440 | 440 | 450 | 510 | 531 | 561 | 667 | 421 | 467 |
| 7 Under construction, end of period[1] | 1,310 | 1,140 | 898 | 844 | 864 | 886 | 905 | 915r | 941 | 944 | |
| 8 1-family | 765 | 639 | 515 | 474 | 495 | 514 | 529 | 535r | 544 | 543 | |
| 9 2-or-more-family | 546 | 501 | 383 | 370 | 369 | 372 | 376 | 380r | 397 | 401 | |
| 10 Completed | 1,868 | 1,855 | 1,501 | 1,429 | 1,254 | 1,287 | 1,274 | 1,373r | 1,249 | 1,373 | n.a. |
| 11 1-family | 1,369 | 1,286 | 956 | 924 | 763 | 823 | 819 | 895r | 901 | 959 | |
| 12 2-or-more-family | 499 | 570 | 545 | 505 | 491 | 464 | 455 | 478r | 348 | 414 | |
| 13 Mobile homes shipped | 276 | 277 | 222 | 208 | 239 | 236 | 239 | 261 | 233 | 256 | |
| *Merchant builder activity in 1-family units* | | | | | | | | | | | |
| 14 Number sold | 818 | 709 | 530 | 616 | 563 | 549 | 560 | 514r | 525 | 508 | 511 |
| 15 Number for sale, end of period[1] | 419 | 402 | 341 | 331 | 335 | 334 | 337 | 336 | 332 | 337 | 326 |
| *Price (thousands of dollars)*[2] | | | | | | | | | | | |
| Median | | | | | | | | | | | |
| 16 Units sold | 55.8 | 62.7 | 64.9 | 63.2 | 68.5 | 66.1 | 67.1 | 67.2r | 67.5 | 65.4 | 66.7 |
| Average | | | | | | | | | | | |
| 17 Units sold | 62.7 | 71.9 | 76.6 | 76.5 | 80.3 | 77.7 | 82.2 | 81.5r | 79.9 | 79.6 | 80.2 |
| **EXISTING UNITS (1-family)** | | | | | | | | | | | |
| 18 Number sold | 3,863r | 3,701r | 2,881 | 2,970 | 3,280 | 3,120 | 2,960 | 2,910 | 2,580 | 2,560 | 2,520 |
| *Price of units sold (thous. of dollars)*[2] | | | | | | | | | | | |
| 19 Median | 48.7 | 55.5 | 62.1 | 64.9 | 64.2 | 62.7 | 64.3 | 63.0 | 64.5 | 64.1 | 64.5 |
| 20 Average | 55.1 | 64.0 | 72.7 | 76.2 | 75.5 | 73.4 | 74.9 | 74.0 | 76.1 | 75.7 | 75.5 |
| | Value of new construction[3] (millions of dollars) | | | | | | | | | | |
| **CONSTRUCTION** | | | | | | | | | | | |
| **21 Total put in place** | **205,457** | **228,948** | **228,705** | **215,149** | **223,660** | **228,831** | **235,784** | **247,403** | **261,916** | **253,990** | **247,988** |
| 22 Private | 159,555 | 179,948 | 173,578 | 162,057 | 167,882 | 173,833 | 182,182 | 189,153 | 196,400 | 193,423 | 189,763 |
| 23 Residential | 93,423 | 99,029 | 86,903 | 78,632 | 84,378 | 89,207 | 97,007 | 100,216 | 103,154 | 100,653 | 97,013 |
| 24 Nonresidential, total | 66,132 | 80,919 | 86,675 | 83,425 | 83,504 | 84,626 | 85,175 | 88,937 | 93,246 | 92,770 | 92,750 |
| Buildings | | | | | | | | | | | |
| 25 Industrial | 10,993 | 14,953 | 14,021 | 13,046 | 13,102 | 12,996 | 13,392 | 15,079 | 15,127 | 15,239 | 15,746 |
| 26 Commercial | 18,568 | 24,924 | 29,344 | 27,993 | 27,425 | 28,417 | 28,888 | 30,392 | 33,605 | 33,071 | 32,754 |
| 27 Other | 6,739 | 7,427 | 8,533 | 8,095 | 8,447 | 8,760 | 8,799 | 9,086 | 9,931 | 9,640 | 9,649 |
| 28 Public utilities and other | 29,832 | 33,615 | 34,777 | 34,291 | 34,530 | 34,453 | 34,096 | 34,380 | 34,583 | 34,820 | 34,601 |
| 29 Public | 45,901 | 49,001 | 55,128 | 53,092 | 55,778 | 54,998 | 53,602 | 58,250 | 65,516 | 60,567 | 58,225 |
| 30 Military | 1,501 | 1,641 | 1,853 | 2,315 | 1,717 | 2,069 | 1,765 | 1,705 | 2,063 | 1,980 | 1,974 |
| 31 Highway | 10,713 | 11,915 | 13,473 | 11,334 | 13,804 | 13,550 | 12,427 | 13,742 | 19,882 | 17,812 | 15,121 |
| 32 Conservation and development | 4,457 | 4,586 | 5,083 | 4,353 | 5,091 | 4,763 | 5,109 | 5,626 | 6,242 | 6,197 | 5,977 |
| 33 Other | 29,230 | 30,859 | 34,719 | 35,090 | 35,166 | 34,616 | 34,301 | 37,177 | 37,329 | 34,578 | 35,153 |

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 Mar 1981 (1967 = 100)[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1980 Mar | 1981 Mar | 1980 | | | 1981 | 1980 | | 1981 | | | |
| | | | June | Sept | Dec. | Mar | Nov | Dec | Jan | Feb | Mar. | |
| CONSUMER PRICES[2] | | | | | | | | | | | | |
| 1 **All items** | **14.7** | **10.6** | **11.4** | **7.8** | **13.2** | **9.6** | **1.1** | **1.0** | **.7** | **1.0** | **.6** | **265.1** |
| 2 Commodities | 13.7 | 9.6 | 5.4 | 13.2 | 11.0 | 8.6 | 1.0 | .7 | .6 | 1.1 | .5 | 249.8 |
| 3 Food | 7.3 | 10.1 | 5.8 | 19.7 | 13.1 | 2.1 | 1.2 | 1.0 | -.1 | .3 | .4 | 272.2 |
| 4 Commodities less food | 16.6 | 9.4 | 5.2 | 10.6 | 9.9 | 12.3 | .9 | .6 | 1.0 | 1.4 | .5 | 237.0 |
| 5 Durable | 9.8 | 8.3 | 7.5 | 15.2 | 11.8 | -.7 | 1.3 | .4 | .3 | -.3 | -.1 | 219.8 |
| 6 Nondurable | 25.3 | 10.7 | 3.8 | 5.0 | 6.2 | 29.8 | .5 | .7 | 2.1 | 3.2 | 1.3 | 257.5 |
| 7 Services | 16.1 | 11.9 | 20.5 | .7 | 16.8 | 10.3 | 1.3 | 1.4 | .9 | .8 | .8 | 292.5 |
| 8 Rent | 8.9 | 8.8 | 10.0 | 8.6 | 9.6 | 7.0 | .6 | .7 | .7 | .5 | .5 | 203.0 |
| 9 Services less rent | 17.2 | 12.4 | 22.1 | -.3 | 17.8 | 10.9 | 1.4 | 1.5 | .9 | .9 | .8 | 309.5 |
| *Other groupings* | | | | | | | | | | | | |
| 10 All items less food | 16.3 | 10.6 | 12.7 | 5.7 | 13.2 | 11.7 | 1.1 | 1.0 | 1.0 | 1.1 | .7 | 262.3 |
| 11 All items less food and energy | 12.6 | 9.9 | 14.0 | 5.8 | 14.4 | 5.8 | 1.1 | 1.1 | .6 | .4 | .4 | 248.1 |
| 12 Homeownership | 21.7 | 11.5 | 26.4 | -3.5 | 23.1 | 3.1 | 1.7 | 1.5 | .5 | .0 | .3 | 336.8 |
| PRODUCER PRICES | | | | | | | | | | | | |
| 13 Finished goods | 13.9 | 10.5 | 8.4 | 13.5 | 8.3r | 12.0 | .7r | .4r | .7r | .8 | 1.3 | 265.3 |
| 14 Consumer | 15.2 | 10.4 | 7.6 | 14.5 | 7.4r | 12.1 | .7r | .3r | .7r | .8 | 1.4 | 267.3 |
| 15 Foods | 3.3 | 7.8 | -1.4 | 31.0 | 4.3r | .3 | .3r | 0.0r | -.1r | -.6 | .8 | 251.8 |
| 16 Excluding foods | 21.7 | 11.4 | 12.2r | 7.5r | 8.9r | 17.4 | .9r | .4r | 1.1r | 1.3 | 1.6 | 271.8 |
| 17 Capital equipment | 9.8 | 11.0 | 10.9 | 9.9 | 11.8r | 11.5 | .6r | .4r | .9r | 1.1 | .7 | 257.8 |
| 18 Intermediate materials[3] | 19.2 | 10.0 | 6.2 | 7.8 | 12.9 | 13.2 | .9r | 1.6r | 1.2r | .6 | 1.3 | 304.7 |
| Crude materials | | | | | | | | | | | | |
| 19 Nonfood | 24.7 | 23.1 | .2 | 32.3 | 27.5r | 35.7 | 2.4r | 1.8r | -2.8r | 11.5 | -.4 | 484.8 |
| 20 Food | -1.2 | 6.3 | -.3 | 73.9 | -4.0r | -23.1 | .2 | -2.6 | -1.1 | -3.3 | -2.0 | 262.0 |

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 Q1 | 1980 Q2 | 1980 Q3 | 1980 Q4 | 1981 Q1 |
|---|---|---|---|---|---|---|---|---|
| GROSS NATIONAL PRODUCT | | | | | | | | |
| 1 **Total** | **2,156.1** | **2,413.9** | **2,626.1** | **2,571.7** | **2,564.8** | **2,637.3** | **2,730.6** | **2,826.8** |
| *By source* | | | | | | | | |
| 2 Personal consumption expenditures | 1,348.7 | 1,510.9 | 1,672.8 | 1,631.0 | 1,626.8 | 1,682.2 | 1,751.0 | 1,805.4 |
| 3 Durable goods | 199.3 | 212.3 | 211.9 | 220.9 | 194.4 | 208.8 | 223.3 | 238.1 |
| 4 Nondurable goods | 529.8 | 602.2 | 675.7 | 661.1 | 664.0 | 674.2 | 703.5 | 724.4 |
| 5 Services | 619.6 | 696.3 | 785.2 | 749.0 | 768.4 | 799.2 | 824.2 | 842.8 |
| 6 Gross private domestic investment | 375.3 | 415.8 | 395.3 | 415.6 | 390.9 | 377.1 | 397.7 | 423.1 |
| 7 Fixed investment | 353.2 | 398.3 | 401.2 | 413.1 | 383.5 | 393.2 | 415.1 | 431.0 |
| 8 Nonresidential | 242.0 | 279.7 | 296.0 | 297.8 | 289.8 | 294.0 | 302.1 | 314.7 |
| 9 Structures | 78.7 | 96.3 | 108.8 | 108.2 | 108.4 | 107.3 | 111.5 | 116.2 |
| 10 Producers' durable equipment | 163.3 | 183.4 | 187.1 | 189.7 | 181.4 | 186.8 | 190.7 | 198.5 |
| 11 Residential structures | 111.2 | 118.6 | 105.3 | 115.2 | 93.6 | 99.2 | 113.0 | 116.3 |
| 12 Nonfarm | 106.9 | 113.9 | 100.3 | 110.1 | 88.9 | 94.5 | 107.6 | 110.9 |
| 13 Change in business inventories | 22.2 | 17.5 | −5.9 | 2.5 | 7.4 | 16.0 | −17.4 | −7.9 |
| 14 Nonfarm | 21.8 | 13.4 | −4.7 | 1.5 | 6.1 | 12.3 | −14.0 | −5.9 |
| 15 Net exports of goods and services | −.6 | 13.4 | 23.3 | 8.2 | 17.1 | 44.5 | 23.3 | 24.3 |
| 16 Exports | 219.8 | 281.3 | 339.8 | 337.3 | 333.3 | 342.4 | 346.1 | 371.5 |
| 17 Imports | 220.4 | 267.9 | 316.5 | 329.1 | 316.2 | 297.9 | 322.7 | 347.2 |
| 18 Government purchases of goods and services | 432.6 | 473.8 | 534.7 | 516.8 | 530.0 | 533.5 | 558.6 | 574.1 |
| 19 Federal | 153.4 | 167.9 | 198.9 | 190.0 | 198.7 | 194.9 | 212.0 | 219.6 |
| 20 State and local | 279.2 | 305.9 | 335.8 | 326.8 | 331.3 | 338.6 | 346.6 | 354.5 |
| *By major type of product* | | | | | | | | |
| 21 Final sales, total | 2,133.9 | 2,396.4 | 2,632.0 | 2,569.1 | 2,557.4 | 2,653.4 | 2,748.0 | 2,834.7 |
| 22 Goods | 946.6 | 1,055.9 | 1,130.4 | 1,116.9 | 1,106.4 | 1,129.4 | 1,169.0 | 1,225.2 |
| 23 Durable | 409.8 | 451.2 | 458.6 | 456.4 | 444.6 | 456.5 | 476.7 | 489.7 |
| 24 Nondurable | 536.8 | 604.7 | 671.9 | 660.5 | 661.8 | 672.9 | 698.2 | 735.5 |
| 25 Services | 976.3 | 1,097.2 | 1,229.6 | 1,178.6 | 1,205.6 | 1,249.0 | 1,285.3 | 1,314.7 |
| 26 Structures | 233.2 | 260.8 | 266.0 | 276.2 | 252.8 | 258.9 | 276.4 | 287.0 |
| 27 Change in business inventories | 22.2 | 17.5 | −5.9 | 2.5 | 7.4 | 16.0 | −17.4 | 7.9 |
| 28 Durable goods | 17.8 | 11.5 | −4.0 | −11.8 | 3.3 | −8.4 | .7 | −14.2 |
| 29 Nondurable goods | 4.4 | 6.0 | −1.8 | 14.3 | 4.1 | 7.7 | −18.1 | 6.3 |
| 30 MEMO: **Total GNP in 1972 dollars** | **1,436.9** | **1,483.0** | **1,480.7** | **1,501.9** | **1,463.3** | **1,471.9** | **1,485.6** | **1,509.2** |
| NATIONAL INCOME | | | | | | | | |
| 31 **Total** | **1,745.4** | **1,963.3** | **2,121.4** | **2,088.5** | **2,070.0** | **2,122.4** | **2,204.8** | **n.a.** |
| 32 Compensation of employees | 1,299.7 | 1,460.9 | 1,596.5 | 1,558.0 | 1,569.0 | 1,597.4 | 1,661.8 | 1,721.8 |
| 33 Wages and salaries | 1,105.4 | 1,235.9 | 1,343.6[r] | 1,314.5 | 1,320.4 | 1,342.3 | 1,387.3 | 1,442.3 |
| 34 Government and government enterprises | 219.6 | 235.9 | 253.6[r] | 243.3 | 250.5 | 253.9 | 263.3 | 267.0 |
| 35 Other | 885.7 | 1,000.0 | 1,090.0 | 1,067.9 | 1,069.9 | 1,088.4 | 1,134.0 | 1,175.3 |
| 36 Supplement to wages and salaries | 194.3 | 225.0 | 252.9 | 243.5 | 248.6 | 255.0 | 264.5 | 279.5 |
| 37 Employer contributions for social insurance | 92.1 | 106.4 | 115.8 | 112.6 | 113.6 | 116.0 | 121.0 | 131.5 |
| 38 Other labor income | 102.2 | 118.6 | 137.1 | 130.9 | 135.1 | 139.1 | 143.5 | 148.0 |
| 39 Proprietors' income[1] | 117.1 | 131.6 | 130.6 | 133.7 | 124.9 | 129.7 | 134.0 | 131.4 |
| 40 Business and professional[1] | 91.0 | 100.7 | 107.2 | 107.9 | 101.6 | 107.6 | 111.6 | 112.4 |
| 41 Farm[1] | 26.1 | 30.8 | 23.4 | 25.7 | 23.3 | 22.1 | 22.5 | 19.0 |
| 42 Rental income of persons[2] | 27.4 | 30.5 | 31.8 | 31.2 | 31.5 | 32.0 | 32.4 | 32.7 |
| 43 Corporate profits[1] | 199.0 | 196.8 | 182.7[r] | 200.2 | 169.3 | 177.9 | 183.3[r] | n.a. |
| 44 Profits before tax[3] | 223.3 | 255.4 | 245.5 | 277.1 | 217.9 | 237.6 | 249.5[r] | n.a. |
| 45 Inventory valuation adjustment | −24.3 | −42.6 | −45.7 | 61.4 | −31.1 | −41.7 | −48.4 | −38.4 |
| 46 Capital consumption adjustment | 13.5 | −15.9 | −17.2 | 15.4 | −17.6 | −17.9 | −17.8 | −16.9 |
| 47 Net interest | 115.8 | 143.4 | 179.8 | 165.4 | 175.3 | 185.3 | 193.3 | 200.9 |

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 Q1 | 1980 Q2 | 1980 Q3 | 1980 Q4r | 1981 Q1 |
|---|---|---|---|---|---|---|---|---|
| PERSONAL INCOME AND SAVING | | | | | | | | |
| 1 **Total personal income** | **1,721.8** | **1,943.8** | **2,160.2** | **2,088.2** | **2,114.5** | **2,182.1** | **2,256.2** | **2,317.7** |
| 2 Wage and salary disbursements | 1,105.2 | 1,236.1 | 1,343.7 | 1,314.7 | 1,320.4 | 1,341.8 | 1,397.8 | 1,442.3 |
| 3 Commodity-producing industries | 389.1 | 437.9 | 465.4 | 461.7 | 456.0 | 460.1 | 484.0 | 501.1 |
| 4 Manufacturing | 299.2 | 333.4 | 350.7 | 347.9 | 343.2 | 346.7 | 364.0 | 377.0 |
| 5 Distributive industries | 270.5 | 303.0 | 328.9 | 322.6 | 323.2 | 329.2 | 340.6 | 351.4 |
| 6 Service industries | 226.1 | 259.2 | 295.7 | 283.6 | 290.8 | 298.7 | 310.0 | 322.8 |
| 7 Government and government enterprises | 219.4 | 236.1 | 253.6 | 246.8 | 250.5 | 253.9 | 263.3 | 267.0 |
| 8 Other labor income | 102.2 | 118.6 | 137.1 | 130.9 | 135.1 | 139.1 | 143.5 | 148.0 |
| 9 Proprietors' income[1] | 117.2 | 131.6 | 130.6 | 133.7 | 124.9 | 129.7 | 134.0 | 131.4 |
| 10 Business and professional[1] | 91.0 | 100.8 | 107.2 | 107.9 | 101.6 | 107.6 | 111.6 | 112.4 |
| 11 Farm[1] | 26.1 | 30.8 | 23.4 | 25.7 | 23.3 | 22.1 | 22.5 | 19.0 |
| 12 Rental income of persons[2] | 27.4 | 30.5 | 31.8 | 31.2 | 31.5 | 32.0 | 32.4 | 32.7 |
| 13 Dividends | 43.1 | 48.6 | 54.4 | 52.4 | 54.2 | 55.1 | 56.1 | 58.0 |
| 14 Personal interest income | 173.2 | 209.6 | 256.3 | 239.9 | 253.6 | 261.8 | 269.7 | 288.4 |
| 15 Transfer payments | 223.3 | 249.4 | 294.2 | 271.7 | 280.7 | 310.7 | 313.9 | 319.1 |
| 16 Old-age survivors, disability, and health insurance benefits | 116.2 | 131.8 | 153.8 | 142.0 | 144.7 | 163.2 | 165.3 | 169.2 |
| 17 LESS: Personal contributions for social insurance | 69.6 | 80.6 | 87.9 | 86.2 | 85.9 | 88.1 | 91.2 | 102.2 |
| 18 EQUALS: Personal income | 1,721.8 | 1,943.8 | 2,160.2 | 2,088.2 | 2,114.5 | 2,182.1 | 2,256.2 | 2,317.7 |
| 19 LESS: Personal tax and nontax payments | 258.8 | 302.0 | 338.5 | 323.1 | 330.3 | 341.5 | 359.2 | 372.2 |
| 20 EQUALS: Disposable personal income | 1,462.9 | 1,641.7 | 1,821.7 | 1,765.1 | 1,784.1 | 1,840.6 | 1,897.0 | 1,945.5 |
| 21 LESS: Personal outlays | 1,386.6 | 1,555.5 | 1,720.4 | 1,678.7 | 1,674.1 | 1,729.2 | 1,799.4 | 1,854.2 |
| 22 EQUALS: Personal saving | 76.3 | 86.2 | 101.3 | 86.4 | 110.0 | 111.4 | 97.6 | 91.3 |
| MEMO | | | | | | | | |
| Per capita (1972 dollars) | | | | | | | | |
| 23 Gross national product | 6,568 | 6,721 | 6,646 | 6,768 | 6,580 | 6,597 | 6,641 | 6,731 |
| 24 Personal consumption expenditures | 4,136 | 4,219 | 4,196 | 4,251 | 4,134 | 4,172 | 4,232 | 4,272 |
| 25 Disposable personal income | 4,487 | 4,584 | 4,571 | 4,600 | 4,532 | 4,565 | 4,585 | 4,604 |
| 26 Saving rate (percent) | 5.2 | 5.2 | 5.6 | 4.9 | 6.2 | 6.1 | 5.1 | 4.7 |
| GROSS SAVING | | | | | | | | |
| 27 **Gross saving** | **355.2** | **412.0** | **401.9r** | **404.5** | **394.5** | **402.0** | **406.7** | **n.a.** |
| 28 Gross private saving | 355.4 | 398.9 | 432.9 | 413.0 | 435.9 | 446.5 | 436.4 | n.a. |
| 29 Personal saving | 76.3 | 86.2 | 101.3 | 86.4 | 110.0 | 111.4 | 97.6 | 91.3 |
| 30 Undistributed corporate profits[1] | 57.9 | 59.1 | 44.3 | 52.1 | 42.1 | 42.8 | 40.4 | n.a. |
| 31 Corporate inventory valuation adjustment | -24.3 | -42.6 | 45.7 | -61.4 | -31.1 | -41.7 | -48.4 | -38.4 |
| *Capital consumption allowances* | | | | | | | | |
| 32 Corporate | 136.4 | 155.4 | 175.4 | 167.1 | 173.0 | 178.4 | 183.2 | 187.5 |
| 33 Noncorporate | 84.8 | 98.2 | 111.8 | 107.4 | 110.7 | 113.4 | 115.8 | 119.0 |
| 34 Wage accruals less disbursements | 0 | 0 | 0 | 0 | 0 | .5 | -.5 | 0 |
| 35 Government surplus, or deficit (–), national income and product accounts | -0.2 | 11.9 | -32.1r | 1.7 | -29.6 | -45.6 | -30.8 | n.a. |
| 36 Federal | -29.2 | -14.8 | -61.2 | 36.3 | -66.5 | 74.2 | -67.9 | n.a. |
| 37 State and local | 29.0 | 26.7 | 29.1 | 26.6 | 23.9 | 28.6 | 37.1 | n.a. |
| 38 Capital grants received by the United States, net | 0 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 |
| 39 **Gross investment** | **361.6** | **414.1** | **401.2** | **407.3** | **392.5** | **405.0** | **400.1** | **426.6** |
| 40 Gross private domestic | 375.3 | 415.8 | 395.3 | 415.6 | 390.9 | 377.1 | 397.7 | 423.1 |
| 41 Net foreign | -13.8 | -1.7 | 5.9 | -8.3 | 1.7 | 27.8 | 2.3 | 3.5 |
| 42 **Statistical discrepancy** | **6.4** | **2.2** | **-.7r** | **2.8** | **-1.9** | **3.0** | **-6.6** | **n.a.** |

1. With inventory valuation and capital consumption adjustments
2. With capital consumption adjustment

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

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars, quarterly data are seasonally adjusted except as noted [1]

| Item credits or debits | 1978 | 1979 | 1980p | 1979 | 1980 | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4p |
| 1 Balance on current account | 14,259 | 705 | 118 | 1,735 | -2,621 | -2,441 | 4,493 | 687 |
| 2 Not seasonally adjusted | | | | 553 | -2,426 | -681 | 102 | 3,123 |
| 3 Merchandise trade balance[2] | -33,759 | -29,386 | -27,354 | -9,158 | 10,848 | 7,503 | 2,858 | -6,145 |
| 4 Merchandise exports | 142,054 | 182,068 | 221,781 | 50,239 | 54,604 | 54,605 | 56,181 | 56,391 |
| 5 Merchandise imports | -175,813 | -211,454 | -249,135 | 59,397 | 65,452 | 62,108 | -59,039 | -62,536 |
| 6 Military transactions, net | 886 | -1,274 | -3,309 | -700 | -922 | -994 | -636 | -758 |
| 7 Investment income, net[3] | 20,899 | 32,509 | 32,534 | 8,833 | 10,062 | 6,102 | 8,056 | 8,316 |
| 8 Other service transactions, net | 2,769 | 3,112 | 5,206 | 792 | 899 | 1,280 | 1,458 | 1,570 |
| 9 Remittances, pensions, and other transfers | -1,884 | 2,142 | -2,452 | -665 | -565 | -564 | -578 | -747 |
| 10 U S government grants (excluding military) | -3 171 | -3,524 | -4,506 | 887 | -1,247 | -762 | -949 | -1,549 |
| 11 Change in U S government assets, other than official reserve assets, net (increase, -) | -4,644 | 3,783 | -5,111 | -925 | -1,467 | -1 191 | -1,374 | -1,079 |
| 12 Change in U S official reserve assets (increase, -) | 732 | 1,132 | 8,155 | 649 | -3,268 | 502 | -1,109 | -4,279 |
| 13 Gold | -65 | -65 | 0 | 65 | 0 | 0 | 0 | 0 |
| 14 Special drawing rights (SDRs) | 1,269 | -1,136 | -16 | 0 | -1,152 | 112 | -261 | 1,285 |
| 15 Reserve position in International Monetary Fund | 4,231 | 189 | 1 667 | 27 | 34 | 99 | -294 | -1,240 |
| 16 Foreign currencies | 4,683 | 257 | -6 472 | 611 | 2,082 | 489 | -554 | 4,324 |
| 17 Change in U S private assets abroad (increase, -)[3] | -57,279 | -56,858 | -71,236 | -11,918 | 7,971 | -25,019 | -16,652 | 21,409 |
| 18 Bank-reported claims | -33,631 | 25,868 | -46,608 | 7 213 | -274 | 21,051 | 12,268 | -13,015 |
| 19 Nonbank-reported claims | 3,853 | -2,029 | n a | 410 | -1,474 | 147 | 479 | n a |
| 20 U S purchase of foreign securities, net | -3,450 | -4,643 | 3,188 | -986 | -765 | -1,246 | -805 | -371 |
| 21 U S direct investments abroad, net[3] | 16,345 | 24,318 | -20,592 | -4 129 | -5,458 | -2,869 | -4,058 | -8,207 |
| 22 Change in foreign official assets in the United States (increase, +) | 33 292 | -14,270 | 16,179 | 1 221 | 7,215 | 7,775 | 7,991 | 7,628 |
| 23 U S Treasury securities | 23,523 | -22 356 | 9,640 | 5 769 | 5,357 | 4,314 | 3,769 | 6,914 |
| 24 Other U S. government obligations | 666 | 465 | 2,187 | 41 | 801 | 250 | 549 | 587 |
| 25 Other U S government liabilities[4] | 2,220 | 714 | 1,375 | -924 | 181 | 737 | 242 | 215 |
| 26 Other U S liabilities reported by U S banks | 5,488 | 7,219 | -84 | 4 881 | -3,185 | 1,652 | 2,006 | -557 |
| 27 Other foreign official assets[5] | 1 395 | 1 116 | 3,061 | 550 | 345 | 822 | 1,425 | 469 |
| 28 Change in foreign private assets in the United States (increase, +)[3] | 30,804 | 51,845 | 31 446 | 5 246 | 14,409 | 174 | 3,772 | 13,092 |
| 29 U S bank-reported liabilities | 16,259 | 32,668 | 10,687 | 400 | 6,355 | -4,208 | 194 | 8,346 |
| 30 U S nonbank-reported liabilities | 1,640 | 1,692 | n a | 1 050 | 683 | 1,331 | 405 | n a |
| 31 Foreign private purchases of U S Treasury securities, net | 2,197 | 4,830 | 2,693 | 920 | 3 278 | -1,225 | 254 | 894 |
| 32 Foreign purchases of other U S securities, net | 2,811 | 2,942 | 7 443 | 313 | 2 427 | 1,194 | 990 | 2,832 |
| 33 Foreign direct investments in the United States, net[3] | 7,896 | 9,713 | 8,204 | 2,563 | 1,666 | 3,082 | 2,437 | 1,020 |
| 34 Allocation of SDRs | 0 | 1,139 | 1,152 | 0 | 1,152 | 0 | 0 | 0 |
| 35 Discrepancy | 11,354 | 23,765 | 35,605 | 11,202 | 6,981 | 20,200 | 2,879 | 5,544 |
| 36 Owing to seasonal adjustments | | | | 2,400 | -93 | 1,465 | -4,032 | 2,658 |
| 37 Statistical discrepancy in recorded data before seasonal adjustment | 11,354 | 23,765 | 35,605 | 8,802 | 7,074 | 18,735 | 6,911 | 2,886 |
| MEMO | | | | | | | | |
| Changes in official assets | | | | | | | | |
| 38 U S official reserve assets (increase, -) | 732 | -1,132 | 8,155 | -649 | -3 268 | 502 | 1,109 | -4,279 |
| 39 Foreign official assets in the United States (increase, +) | 31,072 | 13,556 | 14,804 | 297 | -7,396 | 7,038 | 7,749 | 7,415 |
| 40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above) | -1,137 | 5,558 | 12,985 | 5,005 | 2,955 | 4,749 | 4,391 | 890 |
| 41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above) | 236 | 305 | 635 | 139 | 144 | 155 | 125 | 211 |

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 | 1980 Sept | Oct | Nov | Dec | 1981 Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments | 143,682 | 181,860 | 220,684 | 18,828 | 19,214 | 18,715 | 19,251 | 18,825 | 19,764 | 21,434 |
| 2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses | 174,759 | 209,458 | 245,010 | 19,940 | 20,347 | 19,860 | 21,436 | 23,194 | 21,922 | 20,949 |
| 3 **Trade balance** | **−31,075** | **−27,598** | **−24,326** | **−1,112** | **−1,134** | **−1,145** | **−2,185** | **−4,369** | **−2,158** | **485** |

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 | 1980 Oct | Nov | Dec | 1981 Jan | Feb | Mar | Apr p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total**[1] | **18,650** | **18,956** | **26,756** | **23,967** | **25,673** | **26,756** | **28,316** | **29,682** | **30,414** | **29,698** |
| 2 Gold stock, including Exchange Stabilization Fund[1] | 11,671 | 11,172 | 11,160 | 11,163 | 11,162 | 11,160 | 11,159 | 11,156 | 11,154 | 11,154 |
| 3 Special drawing rights[2,3] | 1,558 | 2,724 | 2,610 | 3,939 | 3,954 | 2,610 | 3,628 | 3,633 | 3,913 | 3,712 |
| 4 Reserve position in International Monetary Fund[2] | 1,047 | 1,253 | 2,852 | 1,671 | 1,822 | 2,852 | 2,867 | 3,114r | 3,452 | 3,581 |
| 5 Foreign currencies[4,5] | 4,374 | 3,807 | 10,134 | 7,194 | 8,735 | 10,134 | 10,662 | 11,783 | 11,895 | 11,251 |

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 Monetry 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 | 1977 | 1978[1] | 1979 | 1980 | | | | | 1981 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Aug. | Sept | Oct | Nov | Dec | Jan | Feb.p |
| | All foreign countries | | | | | | | | | |
| 1 **Total, all currencies** | **258,897** | **306,795** | **364,233** | **386,467** | **385,884** | **383,178** | **389,011** | **396,939** | **394,263** | **398,168** |
| 2 Claims on United States | 11,623 | 17,340 | 32,302 | 36,864 | 29,341 | 30,476 | 30,617 | 28,442r | 29,506 | 31,984 |
| 3 Parent bank | 7,806 | 12,811 | 25,929 | 26,711 | 19,685 | 21,440 | 22,254 | 20,719 | 20,630 | 21,396 |
| 4 Other | 3,817 | 4,529 | 6,373 | 10,153 | 9,656 | 9,036 | 8,363 | 7,723r | 8,876 | 10,588 |
| 5 Claims on foreigners | 238,848 | 278,135 | 317,175 | 332,531 | 339,204 | 335,463 | 340,690 | 350,784r | 347,153 | 348,103 |
| 6 Other branches of parent bank | 55,772 | 70,338 | 79,661 | 72,558 | 73,856 | 72,441r | 74,026r | 76,542r | 75,300 | 75,238 |
| 7 Banks | 91,883 | 103,111 | 123,413 | 136,590 | 139,902 | 138,276r | 139,952r | 144,600r | 143,950 | 145,282 |
| 8 Public borrowers[2] | 14,634 | 23,737 | 26,072 | 26,113 | 26,740 | 26,548 | 26,935 | 27,594 | 27,428 | 27,757 |
| 9 Nonbank foreigners | 76,560 | 80,949 | 88,029 | 97,270 | 98,706 | 98,198 | 99,777 | 102,048r | 100,475 | 99,826 |
| 10 Other assets | 8,425 | 11,320r | 14,756r | 17,072r | 17,339r | 17,239r | 17,704r | 17,713r | 17,604 | 18,081 |
| 11 **Total payable in U.S. dollars** | **193,764** | **224,940** | **267,711** | **283,974** | **282,171** | **279,689** | **284,269** | **289,717** | **290,844** | **295,156** |
| 12 Claims on United States | 11,049 | 16,382 | 31,171 | 35,551 | 28,138 | 29,059 | 29,173 | 27,173r | 28,250 | 30,730 |
| 13 Parent bank | 7,692 | 12,625 | 25,632 | 26,390 | 19,414 | 21,043 | 21,853 | 20,368 | 20,338 | 21,143 |
| 14 Other | 3,357 | 3,757 | 5,539 | 9,161 | 8,724 | 8,016 | 7,320 | 6,805r | 7,912 | 9,587 |
| 15 Claims on foreigners | 178,896 | 203,498 | 229,118 | 239,561 | 245,588 | 242,018 | 246,238 | 253,391r | 253,098 | 254,583 |
| 16 Other branches of parent bank | 44,256 | 55,408 | 61,525 | 55,106 | 56,603 | 55,213r | 57,202r | 58,263r | 58,544 | 57,691 |
| 17 Banks | 70,786 | 78,686 | 96,261 | 108,073 | 111,878 | 109,428r | 110,779r | 115,963r | 116,163 | 117,637 |
| 18 Public borrowers[2] | 12,632 | 19,567 | 21,629 | 21,786 | 22,305 | 22,578 | 22,846 | 23,391r | 23,035 | 23,297 |
| 19 Nonbank foreigners | 51,222 | 49,837 | 49,703 | 54,596 | 54,802 | 54,799 | 55,411 | 55,774r | 55,356 | 55,958 |
| 20 Other assets | 3,820 | 5,060r | 7,422r | 8,862 | 8,445 | 8,612 | 8,858 | 9,153r | 9,496 | 9,843 |
| | United Kingdom | | | | | | | | | |
| 21 **Total, all currencies** | **90,933** | **106,593** | **130,873** | **136,467** | **137,447** | **138,158** | **140,715** | **142,781** | **142,716** | **143,818** |
| 22 Claims on United States | 4,341 | 5,370 | 11,117 | 8,465 | 8,022 | 8,216 | 8,771 | 7,491 | 7,716 | 9,200 |
| 23 Parent bank | 3,518 | 4,448 | 9,338 | 6,023 | 5,788 | 5,969 | 6,552 | 5,792 | 5,278 | 6,471 |
| 24 Other | 823 | 922 | 1,779 | 2,442 | 2,234 | 2,247 | 2,219 | 1,699 | 2,438 | 2,729 |
| 25 Claims on foreigners | 84,016 | 98,137 | 115,123 | 121,805 | 123,369 | 123,854 | 125,859 | 129,249 | 129,107 | 128,457 |
| 26 Other branches of parent bank | 22,017 | 27,830 | 34,291 | 31,607 | 30,858 | 31,431 | 32,267 | 34,538 | 35,127 | 35,376 |
| 27 Banks | 39,899 | 45,013 | 51,343 | 55,530 | 57,066 | 56,723 | 57,423 | 57,658 | 57,975 | 58,011 |
| 28 Public borrowers[2] | 2,206 | 4,522 | 4,919 | 5,865 | 6,251 | 6,113 | 6,405 | 6,684 | 6,465 | 6,445 |
| 29 Nonbank foreigners | 19,895 | 20,772 | 24,570 | 28,803 | 29,194 | 29,587 | 29,764 | 30,369 | 29,540 | 28,625 |
| 30 Other assets | 2,576 | 3,086 | 4,633 | 6,197 | 6,056 | 6,088 | 6,085 | 6,041 | 5,893 | 6,161 |
| 31 **Total payable in U.S. dollars** | **66,635** | **75,860** | **94,287** | **93,720** | **94,784** | **95,287** | **97,246** | **98,913** | **99,930** | **101,865** |
| 32 Claims on United States | 4,100 | 5,113 | 10,746 | 7,954 | 7,656 | 7,647 | 8,233 | 7,098 | 7,293 | 8,754 |
| 33 Parent bank | 3,431 | 4,386 | 9,297 | 5,960 | 5,744 | 5,817 | 6,410 | 5,701 | 5,221 | 6,418 |
| 34 Other | 669 | 727 | 1,449 | 1,994 | 1,912 | 1,830 | 1,823 | 1,397 | 2,072 | 2,336 |
| 35 Claims on foreigners | 61,408 | 69,416 | 81,294 | 82,705 | 84,355 | 84,849 | 86,246 | 88,967 | 89,615 | 90,083 |
| 36 Other branches of parent bank | 18,947 | 22,838 | 28,928 | 25,565 | 24,913 | 25,593 | 26,710 | 28,231 | 28,759 | 28,937 |
| 37 Banks | 28,530 | 31,482 | 36,760 | 39,070 | 40,917 | 40,312 | 40,542 | 41,373 | 42,373 | 42,207 |
| 38 Public borrowers[2] | 1,669 | 3,317 | 3,319 | 4,327 | 4,663 | 4,551 | 4,706 | 4,909 | 4,661 | 4,748 |
| 39 Nonbank foreigners | 12,263 | 11,779 | 12,287 | 13,743 | 13,862 | 14,393 | 14,288 | 14,454 | 13,822 | 14,191 |
| 40 Other assets | 1,126 | 1,331r | 2,247r | 3,061 | 2,773 | 2,791 | 2,767 | 2,848 | 3,022 | 3,028 |
| | Bahamas and Caymans | | | | | | | | | |
| 41 **Total, all currencies** | **79,052** | **91,735** | **108,977** | **128,515** | **123,179** | **119,524** | **119,367** | **123,754** | **123,460** | **124,809** |
| 42 Claims on United States | 5,782 | 9,635 | 19,124 | 25,882 | 18,305 | 19,656 | 18,325 | 17,751 | 18,370 | 19,150 |
| 43 Parent bank | 3,051 | 6,429 | 15,196 | 19,149 | 11,839 | 13,837 | 13,071 | 12,631 | 12,814 | 12,371 |
| 44 Other | 2,731 | 3,206 | 3,928 | 6,733 | 6,466 | 5,819 | 5,254 | 5,120 | 5,556 | 6,779 |
| 45 Claims on foreigners | 71,671 | 79,774 | 86,718 | 98,496 | 100,905 | 95,959 | 96,800 | 101,903 | 100,792 | 101,199 |
| 46 Other branches of parent bank | 11,120 | 12,904 | 9,689 | 13,160 | 14,724 | 13,076r | 13,118r | 13,315r | 12,956 | 11,998 |
| 47 Banks | 27,939 | 33,677 | 43,189 | 51,809 | 52,749 | 49,900r | 50,626r | 54,885r | 54,252 | 55,280 |
| 48 Public borrowers[2] | 9,109 | 11,514 | 12,905 | 12,055 | 12,078 | 12,441 | 12,213 | 12,574 | 12,558 | 12,605 |
| 49 Nonbank foreigners | 23,503 | 21,679 | 20,935 | 21,472 | 21,354 | 20,542 | 20,843 | 21,129 | 21,026 | 21,316 |
| 50 Other assets | 1,599 | 2,326 | 3,135 | 4,137 | 3,969 | 3,909 | 4,242 | 4,100 | 4,298 | 4,460 |
| 51 **Total payable in U.S. dollars** | **73,987** | **85,417** | **102,368** | **122,667** | **117,245** | **113,683** | **113,560** | **117,571** | **117,549** | **119,007** |

For notes see opposite page.

3.13 Continued

| Liability account | 1977 | 1978[1] | 1979 | 1980 Aug. | 1980 Sept. | 1980 Oct. | 1980 Nov. | 1980 Dec | 1981 Jan. | 1981 Feb.$^p$ |
|---|---|---|---|---|---|---|---|---|---|---|
| | All foreign countries | | | | | | | | | |
| 52 **Total, all currencies** | **258,897** | **306,795** | **364,233** | **386,467** | **385,884** | **383,178** | **389,011** | **396,939** | **394,263** | **398,168** |
| 53 To United States | 44,154 | 58,012 | 66,686 | 87,606 | 84,068 | 84,152 | 86,580 | 90,874 | 92,143 | 90,346 |
| 54 Parent bank | 24,542 | 28,654 | 24,530 | 37,466 | 38,490 | 37,187 | 36,957 | 39,058 | 38,431 | 36,164 |
| 55 Other banks in United States | 19,613 | 12,169 | 13,968 | 14,725 | 12,635 | 12,860 | 13,410 | 14,485$^r$ | 13,594 | 13,951 |
| 56 Nonbanks | | 17,189 | 28,188 | 35,415 | 32,943 | 34,105 | 36,213 | 37,286$^r$ | 40,118 | 40,231 |
| 57 To foreigners | 206,579 | 238,912 | 283,344 | 284,141 | 287,810 | 285,198 | 288,225 | 291,571 | 287,769 | 293,672 |
| 58 Other branches of parent bank | 53,244 | 67,496 | 77,601 | 69,178 | 70,689 | 69,691 | 71,498 | 73,913 | 72,594 | 72,946 |
| 59 Banks | 94,140 | 97,711 | 122,849 | 130,360 | 131,022 | 132,142 | 132,237 | 130,421 | 131,633 | 133,707 |
| 60 Official institutions | 28,110 | 31,936 | 35,664 | 33,080 | 33,086 | 30,713 | 31,115 | 32,438 | 28,870 | 28,529 |
| 61 Nonbank foreigners | 31,085 | 41,769 | 47,230 | 51,523 | 53,013 | 52,652 | 53,375 | 54,799 | 54,672 | 58,490 |
| 62 Other liabilities | 8,163 | 9,871 | 14,203 | 14,720 | 14,006 | 13,828 | 14,206 | 14,539 | 14,351 | 14,150 |
| 63 **Total payable in U.S. dollars** | **198,572** | **230,810** | **273,819** | **291,873** | **289,163** | **287,177** | **292,425** | **300,850** | **301,335** | **305,649** |
| 64 To United States | 42,881 | 55,811 | 64,530 | 84,698 | 81,125 | 81,255 | 83,764 | 88,054 | 89,597 | 88,016 |
| 65 Parent bank | 24,213 | 27,519 | 23,403 | 35,906 | 36,825 | 35,431 | 35,243 | 37,418 | 36,856 | 34,746 |
| 66 Other banks in United States | 18,669 | 11,915 | 13,771 | 14,419 | 12,410 | 12,581 | 13,114 | 14,215$^r$ | 13,420 | 13,749 |
| 67 Nonbanks | | 16,377 | 27,356 | 34,373 | 31,890 | 33,243 | 35,407 | 36,421$^r$ | 39,321 | 39,521 |
| 68 To foreigners | 151,363 | 169,927 | 201,476 | 198,971 | 200,281 | 198,541 | 200,814 | 204,630 | 203,549 | 209,129 |
| 69 Other branches of parent bank | 43,268 | 53,396 | 60,513 | 53,355 | 55,146 | 53,695 | 55,543 | 56,941 | 56,494 | 56,372 |
| 70 Banks | 64,872 | 63,000 | 80,691 | 86,420 | 85,387 | 86,961 | 86,525 | 86,491 | 88,213 | 90,590 |
| 71 Official institutions | 23,972 | 26,404 | 29,048 | 26,165 | 25,659 | 23,364 | 23,840 | 24,689 | 21,842 | 21,894 |
| 72 Nonbank foreigners | 19,251 | 27,127 | 31,224 | 33,031 | 34,089 | 34,521 | 34,906 | 36,509 | 37,000 | 40,273 |
| 73 Other liabilities | 4,328 | 5,072 | 7,813 | 8,204 | 7,757 | 7,381 | 7,847 | 8,166 | 8,189 | 8,504 |
| | United Kingdom | | | | | | | | | |
| 74 **Total, all currencies** | **90,933** | **106,593** | **130,873** | **136,467** | **137,447** | **138,158** | **140,715** | **142,781** | **142,716** | **143,818** |
| 75 To United States | 7,753 | 9,730 | 20,986 | 20,608 | 19,343 | 19,157 | 20,594 | 21,735 | 23,183 | 22,697 |
| 76 Parent bank | 1,451 | 1,887 | 3,104 | 2,542 | 2,951 | 2,712 | 3,198 | 4,176 | 4,228 | 3,189 |
| 77 Other banks in United States | 6,302 | 4,189 | 7,693 | 5,910 | 5,361 | 5,800 | 5,732 | 5,716 | 5,393 | 5,785 |
| 78 Nonbanks | | 3,654 | 10,189 | 12,156 | 11,031 | 10,645 | 11,664 | 11,843 | 13,562 | 13,723 |
| 79 To foreigners | 80,736 | 93,202 | 104,032 | 109,604 | 112,412 | 113,539 | 114,813 | 115,582 | 114,208 | 115,696 |
| 80 Other branches of parent bank | 9,376 | 12,786 | 12,567 | 13,343 | 13,706 | 13,940 | 13,951 | 13,933 | 13,599 | 12,934 |
| 81 Banks | 37,893 | 39,917 | 47,620 | 51,452 | 53,776 | 56,772 | 58,127 | 55,848 | 56,487 | 56,681 |
| 82 Official institutions | 18,318 | 20,963 | 24,202 | 22,600 | 22,444 | 19,807 | 20,437 | 21,412 | 19,199 | 19,607 |
| 83 Nonbank foreigners | 15,149 | 19,536 | 19,643 | 22,209 | 22,486 | 23,020 | 22,298 | 24,389 | 24,923 | 26,474 |
| 84 Other liabilities | 2,445 | 3,661 | 5,855 | 6,255 | 5,692 | 5,462 | 5,308 | 5,464 | 5,325 | 5,425 |
| 85 **Total payable in U.S. dollars** | **67,573** | **77,030** | **95,449** | **96,453** | **96,832** | **97,055** | **99,135** | **102,300** | **103,015** | **105,265** |
| 86 To United States | 7,480 | 9,328 | 20,552 | 20,007 | 18,687 | 18,551 | 19,978 | 21,080 | 22,554 | 22,189 |
| 87 Parent bank | 1,416 | 1,836 | 3,054 | 2,496 | 2,892 | 2,634 | 3,101 | 4,078 | 4,126 | 3,131 |
| 88 Other banks in United States | 6,064 | 4,101 | 7,651 | 5,809 | 5,259 | 5,714 | 5,616 | 5,626 | 5,300 | 5,702 |
| 89 Nonbanks | | 3,391 | 9,847 | 11,702 | 10,536 | 10,203 | 11,261 | 11,376 | 13,128 | 13,356 |
| 90 To foreigners | 58,977 | 66,216 | 72,397 | 73,431 | 75,422 | 76,114 | 76,696 | 78,512 | 77,742 | 80,007 |
| 91 Other branches of parent bank | 7,505 | 9,635 | 8,446 | 9,128 | 9,588 | 9,891 | 9,770 | 9,600 | 9,456 | 8,922 |
| 92 Banks | 25,608 | 25,287 | 29,424 | 31,726 | 32,891 | 35,495 | 35,998 | 35,097 | 35,581 | 36,192 |
| 93 Official institutions | 15,482 | 17,091 | 20,192 | 18,253 | 18,046 | 15,338 | 15,989 | 17,024 | 14,941 | 15,420 |
| 94 Nonbank foreigners | 10,382 | 14,203 | 14,335 | 14,324 | 14,897 | 15,390 | 14,939 | 16,791 | 17,764 | 19,473 |
| 95 Other liabilities | 1,116 | 1,486 | 2,500 | 3,015 | 2,723 | 2,390 | 2,461 | 2,708 | 2,719 | 3,069 |
| | Bahamas and Caymans | | | | | | | | | |
| 96 **Total, all currencies** | **79,052** | **91,735** | **108,977** | **128,515** | **123,179** | **119,524** | **119,367** | **123,754** | **123,460** | **124,809** |
| 97 To United States | 32,176 | 39,431 | 37,719 | 58,925 | 56,317 | 56,123 | 56,860 | 59,599 | 58,928 | 58,515 |
| 98 Parent bank | 20,956 | 20,482 | 15,267 | 29,189 | 29,355 | 27,678 | 26,871 | 28,105 | 26,516 | 26,175 |
| 99 Other banks in United States | 11,220 | 6,073 | 5,204 | 7,460 | 6,075 | 5,945 | 6,518 | 7,391$^r$ | 7,173 | 7,212 |
| 100 Nonbanks | | 12,876 | 17,248 | 22,276 | 20,887 | 22,500 | 23,471 | 24,103$^r$ | 25,239 | 25,128 |
| 101 To foreigners | 45,292 | 50,447 | 68,598 | 66,630 | 63,966 | 60,593 | 59,492 | 61,203 | 61,597 | 63,415 |
| 102 Other branches of parent bank | 12,816 | 16,094 | 20,875 | 18,081 | 17,079 | 16,720 | 15,878 | 17,040 | 17,819 | 18,781 |
| 103 Banks | 24,717 | 23,104 | 33,631 | 34,100 | 32,185 | 29,202 | 28,933 | 29,893 | 30,050 | 30,289 |
| 104 Official institutions | 3,000 | 4,208 | 4,866 | 4,119 | 4,250 | 4,610 | 4,368 | 4,361 | 4,204 | 3,663 |
| 105 Nonbank foreigners | 4,759 | 7,041 | 9,226 | 10,330 | 10,452 | 10 061 | 10,313 | 9,909 | 9,524 | 10,682 |
| 106 Other liabilities | 1,584 | 1,857 | 2,660 | 2,960 | 2,896 | 2,808 | 3,015 | 2,952 | 2,935 | 2,879 |
| 107 **Total payable in U.S. dollars** | **74,463** | **87,014** | **103,460** | **124,103** | **118,576** | **115,166** | **115,121** | **119,574** | **119,214** | **120,714** |

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

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

## 3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

| Item | 1978r | 1979r | 1980 | 1980 Sept.r | 1980 Oct r | 1980 Nov r | 1980 Dec.r | 1981 Jan | 1981 Feb p | 1981 Mar.p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total**[1] | **162,625** | **149,546** | **164,402** | **156,894** | **157,376** | **163,212** | **164,402** | **162,778** | **162,298** | **169,687** |
| *By type* | | | | | | | | | | |
| 2 Liabilities reported by banks in the United States[2] | 23,326 | 30,540 | 30,381 | 30,841 | 28,734 | 29,546 | 30,381 | 27,008 | 24,778 | 27,330 |
| 3 U.S. Treasury bills and certificates[3] | 67,671 | 47,666 | 56,243 | 49,361 | 50,392 | 55,104 | 56,243 | 56,522 | 56,829 | 60,306 |
| U S Treasury bonds and notes | | | | | | | | | | |
| 4 Marketable | 35,894 | 37,590 | 41,431 | 40,801 | 41,465 | 41,765 | 41,431 | 42,295 | 43,699 | 44,784 |
| 5 Nonmarketable[4] | 20,970 | 17,387 | 14,654 | 15,254 | 15,254 | 15,254 | 14,654 | 14,654 | 14,494 | 14,294 |
| 6 U S securities other than U.S. Treasury securities[5] | 14,764 | 16,363 | 21,693 | 20,637 | 21,531 | 21,543 | 21,693 | 22,299 | 22,498 | 22,973 |
| *By area* | | | | | | | | | | |
| 7 Western Europe[1] | 93,089 | 85,633 | 81,592 | 76,967 | 75,989 | 80,884 | 81,592 | 80,434 | 78,334 | 79,974 |
| 8 Canada | 2,486 | 1,898 | 1,562 | 1,901 | 1,670 | 1,393 | 1,562 | 1,174 | 1,089 | 1,437 |
| 9 Latin America and Caribbean | 5,046 | 6,291 | 5,688 | 6,606 | 6,008 | 5,722 | 5,688 | 5,456 | 5,242 | 6,367 |
| 10 Asia | 58,854 | 52,827 | 70,608 | 67,671 | 69,114 | 70,097 | 70,608 | 70,557 | 72,582 | 76,669 |
| 11 Africa | 2,408 | 2,412 | 4,123 | 3,232 | 3,520 | 3,866 | 4,123 | 3,973 | 3,948 | 4,089 |
| 12 Other countries[6] | 742 | 485 | 829 | 517 | 1,077 | 1,250 | 829 | 1,184 | 1,103 | 1,151 |

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 Dec | 1980 Mar | 1980 June r | 1980 Sept r | 1980 Dec r |
|---|---|---|---|---|---|---|---|
| 1 Banks' own liabilities | 925 | 2,406r | 1,918r | 2,403r | 2,739 | 2,754 | 3,748 |
| 2 Banks' own claims[1] | 2,356 | 3,671 | 2,419 | 2,772 | 2,874 | 3,203 | 4,206 |
| 3 Deposits | 941 | 1,795 | 994 | 1,212 | 1,090 | 1,169 | 2,507 |
| 4 Other claims | 1,415 | 1,876 | 1,425 | 1,560 | 1,784 | 2,035 | 1,699 |
| 5 Claims of banks' domestic customers[2] | | 358 | 580 | 1,058 | 798 | 595 | 962 |

1. Includes claims of banks' domestic customers through March 1978
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers

NOTE. Data on claims exclude foreign currencies held by U.S monetary authorities

## 3.16 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars

Millions of dollars, end of period

| Holder and type of liability | 1977 | 1978 | 1979 | 1980 | | | | 1981 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept | Oct | Nov | Dec | Jan | Feb | Mar p |
| 1 **All foreigners** | **126,168** | **166,842r** | **187,521r** | **191,149r** | **196,030r** | **204,792r** | **205,295** | **202,359r** | **201,174** | **203,557** |
| 2 Banks' own liabilities | | 78,661r | 117,196r | 119,117r | 121,437r | 125,048r | 124,789 | 122,857r | 121,504 | 120,293 |
| 3 Demand deposits | 18,996 | 19,218 | 23,303r | 22,344r | 22,460r | 22,847 | 23,462 | 22,149 | 23,301 | 21,333 |
| 4 Time deposits[1] | 11,521 | 12,427r | 13,623r | 14,104r | 14,113r | 14,647r | 15,076 | 15,898r | 15,762 | 16,230 |
| 5 Other[2] | | 9,705r | 16,453r | 18,112r | 17,181r | 17,097r | 17,581 | 14,685r | 13,493 | 16,128 |
| 6 Own foreign offices[3] | | 37,311r | 63,817r | 64,557r | 67,683r | 70,458r | 68,670 | 70,125r | 68,949 | 66,602 |
| 7 Banks' custody liabilities[4] | | 88,181r | 70,325 | 73,032r | 74,594r | 79,743 | 80,506 | 79,501r | 79,669 | 83,263 |
| 8 U.S. Treasury bills and certificates[5] | 48,906 | 68,202 | 48,573 | 50,731 | 51,990 | 56,484 | 57,595 | 57,673r | 58,442 | 62,074 |
| 9 Other negotiable and readily transferable instruments[6] | | 17,472r | 19,396r | 19,783r | 20,002r | 20,624 | 20,079 | 19,050r | 18,269 | 18,259 |
| 10 Other | | 2,507r | 2,356r | 2,517r | 2,601r | 2,635 | 2,832 | 2,778r | 2,959 | 2,930 |
| 11 **Nonmonetary international and regional organizations[7]** | **3,274** | **2,607** | **2,356** | **2,549** | **2,734** | **2,476** | **2,342** | **1,961** | **2,003** | **1,859** |
| 12 Banks' own liabilities | | 906 | 714 | 476 | 352 | 383 | 442 | 419 | 317 | 293 |
| 13 Demand deposits | 231 | 330 | 260 | 141 | 115 | 187 | 146 | 212 | 186 | 126 |
| 14 Time deposits[1] | 139 | 84 | 151 | 100 | 95 | 92 | 85 | 71 | 76 | 67 |
| 15 Other[2] | | 492 | 303 | 235 | 143 | 104 | 211 | 137 | 54 | 100 |
| 16 Banks' custody liabilities[4] | | 1,701 | 1,643 | 2,073 | 2,382 | 2,093 | 1,900 | 1,542 | 1,687 | 1,566 |
| 17 U.S. Treasury bills and certificates | 706 | 201 | 102 | 316 | 581 | 337 | 254 | 88 | 368 | 333 |
| 18 Other negotiable and readily transferable instruments[6] | | 1,499 | 1,538 | 1,757 | 1,800 | 1,756 | 1,646 | 1,453 | 1,319 | 1233 |
| 19 Other | | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 **Official institutions[8]** | **65,822** | **90,742r** | **78,206r** | **80,203r** | **79,127r** | **84,650r** | **86,624** | **83,530r** | **81,607** | **87,636** |
| 21 Banks' own liabilities | | 12,165r | 18,292r | 18,466r | 16,101r | 16,842r | 17,826 | 15,222 | 13,932 | 16,196 |
| 22 Demand deposits | 3,528 | 3,390 | 4,671r | 4,229r | 3,406 | 3,553 | 3,771 | 3,869 | 3,579 | 3,339 |
| 23 Time deposits[1] | 1,797 | 2,560r | 3,050r | 3,576r | 3,355r | 3,588r | 3,612 | 3,343 | 2,992 | 2,920 |
| 24 Other[2] | | 6,215r | 10,571r | 10,661r | 9,341r | 9,700r | 10,443 | 8,010 | 7,361 | 9,937 |
| 25 Banks' custody liabilities[4] | | 78,577 | 59,914 | 61,736r | 63,025 | 67,808 | 68,798 | 68,308r | 67,674 | 71,440 |
| 26 U.S. Treasury bills and certificates[5] | 47,820 | 67,415 | 47,666 | 49,361 | 50,392 | 55,104 | 56,243 | 56,522 | 56,829 | 60,306 |
| 27 Other negotiable and readily transferable instruments[6] | | 10,992 | 12,196 | 12,312r | 12,577r | 12,648 | 12,501 | 11,756r | 10,813 | 10,962 |
| 28 Other | | 170 | 52 | 63 | 55r | 56 | 54 | 30 | 32 | 173 |
| 29 **Banks[9]** | **42,335** | **57,423r** | **88,316r** | **90,341r** | **95,296r** | **97,812r** | **96,415** | **96,659r** | **96,694** | **92,956** |
| 30 Banks' own liabilities | | 52,626r | 83,299r | 85,093r | 89,931r | 91,932r | 90,456 | 90,594r | 90,302 | 86,564 |
| 31 Unaffiliated foreign banks | | 15,315r | 19,482r | 20,536r | 22,248r | 21,474r | 21,786 | 20,469 | 21,354 | 19,961 |
| 32 Demand deposits | 10,933 | 11,257 | 13,285r | 12,989r | 13,843 | 13,714 | 14,188 | 12,889 | 14,289 | 12,606 |
| 33 Time deposits[1] | 2,040 | 1,429r | 1,667r | 1,408r | 1,718r | 1,782r | 1,703 | 1,857 | 1,818 | 2,324 |
| 34 Other[2] | | 2,629 | 4,530r | 6,139r | 6,686r | 5,978 | 5,895 | 5,723 | 5,247 | 5,032 |
| 35 Own foreign offices[3] | | 37,311r | 63,817r | 64,557r | 67,683r | 70,458r | 68,670 | 70,125r | 68,949 | 66,602 |
| 36 Banks' custody liabilities[4] | | 4,797r | 5,017r | 5,248r | 5,365 | 5,880 | 5,959 | 6,065r | 6,392 | 6,392 |
| 37 U.S. Treasury bills and certificates | 141 | 300 | 422 | 361 | 515 | 529 | 623 | 631r | 795 | 826 |
| 38 Other negotiable and readily transferable instruments[6] | | 2,425 | 2,415r | 2,533 | 2,417 | 2,883 | 2,748 | 2,856 | 2,850 | 2,918 |
| 39 Other | | 2,072r | 2,179r | 2,354r | 2,434 | 2,467 | 2,588 | 2,578 | 2,747 | 2,648 |
| 40 **Other foreigners** | **14,736** | **16,070** | **18,642** | **19,056r** | **18,874** | **19,854r** | **19,914** | **20,209r** | **20,869** | **21,106** |
| 41 Banks' own liabilities | | 12,964r | 14,891r | 15,081r | 15,052 | 15,892r | 16,065 | 16,623 | 16,952 | 17,240 |
| 42 Demand deposits | 4,304 | 4,242 | 5,087 | 4,986r | 5,096 | 5,393 | 5,356 | 5,179 | 5,246 | 5,263 |
| 43 Time deposits | 7,546 | 8,353 | 8,755 | 9,020r | 8,945 | 9,184r | 9,676 | 10,628r | 10,875 | 10,919 |
| 44 Other[2] | | 368r | 1,048r | 1,076r | 1,011 | 1,315 | 1,033 | 815r | 831 | 1,058 |
| 45 Banks' custody liabilities[4] | | 3,106r | 3,751r | 3,975 | 3,822 | 3,962 | 3,849 | 3,586 | 3,917 | 3,865 |
| 46 U.S. Treasury bills and certificates | 240 | 285 | 382 | 693 | 502 | 513 | 474 | 432 | 451 | 609 |
| 47 Other negotiable and readily transferable instruments[6] | | 2,557r | 3,247r | 3,181 | 3,208 | 3,337 | 3,185 | 2,985 | 3,287 | 3,146 |
| 48 Other | | 264 | 123 | 100 | 112 | 112 | 190 | 170 | 180 | 110 |
| 49 MEMO: Negotiable time certificates of deposit in custody for foreigners | | 11,007 | 10,984r | 10,729r | 10,799 | 10,553 | 10,745 | 10,267 | 9,868 | 9,801 |

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 | 1977 | 1978 | 1979 | 1980 Sept | 1980 Oct | 1980 Nov. | 1980 Dec | 1981 Jan | 1981 Feb. | 1981 Mar.p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total** | **126,168** | **166,842r** | **187,521r** | **192,149r** | **196,030r** | **204,792r** | **205,295** | **202,359r** | **201,174** | **203,557** |
| 2 **Foreign countries** | **122,893** | **164,235r** | **185,164r** | **189,600r** | **193,296r** | **202,315r** | **202,953** | **200,398r** | **199,170** | **201,697** |
| 3 Europe | 60,295 | 85,172r | 90,952r | 83,513r | 83,970r | 90,682r | 90,897 | 89,701r | 89,216 | 91,399 |
| 4 Austria | 318 | 513 | 413 | 432 | 460 | 511r | 523 | 554 | 551 | 522 |
| 5 Belgium-Luxembourg | 2,531 | 2,550 | 2,375 | 3,696 | 3,322 | 3,696 | 4,019 | 4,062 | 4,783 | 4,729 |
| 6 Denmark | 770 | 1,946 | 1,092 | 528 | 493 | 586 | 497 | 420 | 432 | 463 |
| 7 Finland | 323 | 346 | 398 | 311 | 307 | 363 | 455 | 264 | 355 | 332 |
| 8 France | 5,269 | 9,214 | 10,433 | 12,332 | 11,654 | 12,374r | 12,125 | 12,168r | 12,496 | 12,972 |
| 9 Germany | 7,239 | 17,283r | 12,935 | 7,854 | 7,557 | 9,168r | 9,973 | 10,336 | 9,297 | 12,320 |
| 10 Greece | 603 | 826 | 635 | 591 | 643 | 711 | 670 | 524 | 562 | 593 |
| 11 Italy | 6,857 | 7,739 | 7,782 | 5,969 | 6,796 | 7,308 | 7,572 | 6,743 | 5,988 | 3,456 |
| 12 Netherlands | 2,869 | 2,402 | 2,337 | 2,540 | 2,555 | 2,783r | 2,441 | 2,568 | 2,541 | 2,323 |
| 13 Norway | 944 | 1,271 | 1,267 | 1,074 | 1,381 | 1,444 | 1,344 | 899 | 1,037 | 1,575 |
| 14 Portugal | 273 | 330 | 557 | 571 | 491 | 437 | 374 | 370 | 358 | 356 |
| 15 Spain | 619 | 870 | 1,259 | 1,321 | 1,520 | 1,379 | 1,500 | 1,416 | 1,388 | 1,631 |
| 16 Sweden | 2,712 | 3,121 | 2,005 | 1,826 | 1,813 | 1,807r | 1,737 | 1,365 | 2,078 | 2,406 |
| 17 Switzerland | 12,343 | 18,225 | 17,954 | 13,524 | 13,695 | 16,574 | 16,689 | 16,631r | 16,636 | 16,940 |
| 18 Turkey | 130 | 157 | 120 | 237 | 171 | 257 | 242 | 203 | 231 | 235 |
| 19 United Kingdom | 14,125 | 14,272r | 24,700r | 22,830r | 23,791r | 24,439r | 22,680 | 24,209r | 24,382 | 24,666 |
| 20 Yugoslavia | 232 | 254 | 266 | 169 | 203 | 225 | 681 | 296 | 269 | 202 |
| 21 Other Western Europe[1] | 1,804 | 3,440 | 4,070 | 7,275r | 6,865r | 6,140r | 6,939 | 6,225 | 5,385 | 5,280 |
| 22 U.S.S.R. | 98 | 82 | 52 | 39 | 33 | 64 | 68 | 46 | 84 | 47 |
| 23 Other Eastern Europe[2] | 236 | 330 | 302 | 392 | 220 | 416 | 370 | 401 | 364 | 352 |
| 24 Canada | 4,607 | 6,969 | 7,379 | 10,337r | 10,039r | 9,856r | 10,031 | 9,802 | 9,131 | 8,624 |
| 25 Latin America and Caribbean | 23,670 | 31,638r | 49,686r | 48,945r | 52,501 | 53,308r | 53,170 | 53,229r | 52,215 | 50,853 |
| 26 Argentina | 1,416 | 1,484 | 1,582 | 1,875 | 1,996 | 1,996 | 2,132 | 1,857 | 1,998 | 1,917 |
| 27 Bahamas | 3,596 | 6,752 | 15,255 | 14,096r | 17,567 | 16,803 | 16,381r | 16,164 | 15,645 | 14,039 |
| 28 Bermuda | 321 | 428 | 430 | 677 | 595 | 555 | 670 | 475 | 804 | 921 |
| 29 Brazil | 1,396 | 1,125 | 1,005 | 1,222r | 1,342 | 1,248 | 1,216 | 1,339 | 1,266 | 1,149 |
| 30 British West Indies | 3,998 | 5,974r | 11,138r | 11,392r | 12,058r | 12,637r | 12,766 | 12,798r | 12,144 | 11,576 |
| 31 Chile | 360 | 398 | 468 | 431 | 448 | 456 | 460 | 501 | 431 | 549 |
| 32 Colombia | 1,221 | 1,756 | 2,617 | 2,916 | 3,037 | 2,962 | 3,077 | 3,085r | 3,087 | 2,973 |
| 33 Cuba | 6 | 13 | 13 | 5 | 5 | 6 | 6 | 6 | 7 | 6 |
| 34 Ecuador | 330 | 322 | 425 | 381 | 387 | 437 | 371 | 389 | 449 | 516 |
| 35 Guatemala[3] | .... | 416 | 414 | 373 | 365 | 359 | 367 | 428 | 461 | 446 |
| 36 Jamaica[3] | .... | 52 | 76 | 101 | 85 | 78r | 97 | 112 | 101 | 94 |
| 37 Mexico | 2,876 | 3,467 | 4,185 | 4,226 | 4,575 | 4,580r | 4,547 | 4,595r | 4,601 | 4,908 |
| 38 Netherlands Antilles | 196 | 308 | 499 | 360 | 393 | 568 | 413 | 599 | 523 | 436 |
| 39 Panama | 2,331 | 2,967 | 4,483 | 3,894 | 3,595 | 4,575 | 4,718 | 4,460 | 4,194 | 4,295 |
| 40 Peru | 287 | 363 | 383 | 355 | 380 | 345 | 403 | 401 | 447 | 344 |
| 41 Uruguay | 243 | 231 | 202 | 199 | 220 | 244 | 254 | 290 | 266 | 306 |
| 42 Venezuela | 2,929 | 3,821 | 4,192 | 4,405 | 3,659 | 3,662r | 3,170 | 3,794 | 3,925 | 4,220 |
| 43 Other Latin America and Caribbean | 2,167 | 1,760 | 2,318 | 2,035r | 1,793r | 1,796r | 2,123 | 1,936 | 1,869 | 2,159 |
| 44 Asia | 30,488 | 36,492 | 33,005r | 42,009r | 41,056r | 41,999 | 42,420 | 41,649 | 42,724 | 44,742 |
| China | | | | | | | | | | |
| 45 Mainland | 53 | 67 | 49 | 38 | 46 | 62 | 49 | 55 | 55 | 60 |
| 46 Taiwan | 1,013 | 502 | 1,393 | 1,595 | 1,610 | 1,636 | 1,662 | 1,821 | 1,733 | 1,821 |
| 47 Hong Kong | 1,094 | 1,256 | 1,672 | 2,347r | 2,304r | 2,410 | 2,548 | 2,764 | 3,054 | 2,421 |
| 48 India | 961 | 790 | 527 | 529 | 485 | 438 | 416 | 437 | 604 | 576 |
| 49 Indonesia | 410 | 449 | 504 | 827 | 811 | 715 | 730 | 1,170 | 678 | 1,063 |
| 50 Israel | 559 | 688 | 707 | 534 | 530 | 548 | 883 | 523 | 557 | 584 |
| 51 Japan | 14,616 | 21,927 | 8,907 | 15,434r | 15,372r | 15,720 | 16,281 | 17,701 | 17,992 | 19,367 |
| 52 Korea | 602 | 795 | 993 | 1,994 | 1,809 | 1,764 | 1,528 | 1,498 | 1,485 | 1,382 |
| 53 Philippines | 687 | 644 | 795 | 817r | 842r | 803 | 919 | 849 | 1,057 | 1,110 |
| 54 Thailand | 264 | 427 | 277 | 517 | 403 | 440 | 464 | 367 | 404 | 250 |
| 55 Middle-East oil-exporting countries[4] | 8,979 | 7,534 | 15,300r | 15,409 | 14,611 | 15,214 | 14,453 | 12,216 | 12,695 | 13,963 |
| 56 Other Asia | 1,250 | 1,414 | 1,879 | 1,968r | 2,232 | 2,250 | 2,487 | 2,249 | 2,409 | 2,143 |
| 57 Africa | 2,535 | 2,886 | 3,239 | 3,902 | 4,246 | 4,718r | 5,187 | 4,358 | 4,371 | 4,553 |
| 58 Egypt | 404 | 404 | 475 | 322 | 269 | 374 | 485 | 313 | 496 | 333 |
| 59 Morocco | 66 | 32 | 33 | 32 | 57 | 38 | 33 | 42 | 30 | 33 |
| 60 South Africa | 174 | 168 | 184 | 354 | 288 | 326r | 288 | 327 | 258 | 322 |
| 61 Zaire | 39 | 43 | 110 | 42 | 36 | 34 | 57 | 48 | 58 | 28 |
| 62 Oil-exporting countries[5] | 1,155 | 1,525 | 1,635 | 2,459 | 2,911 | 3,211 | 3,540 | 2,921 | 2,833 | 3,084 |
| 63 Other Africa | 698 | 715 | 804 | 694 | 685 | 735 | 783 | 707 | 697 | 753 |
| 64 Other countries | 1,297 | 1,076 | 904 | 894 | 1,484 | 1,752 | 1,247 | 1,658 | 1,513 | 1,526 |
| 65 Australia | 1,140 | 838 | 684 | 613 | 1,190 | 1,419 | 950 | 1,304 | 1,205 | 1,287 |
| 66 All other | 158 | 239 | 220 | 281 | 294 | 333 | 297 | 354 | 307 | 240 |
| 67 Nonmonetary international and regional organizations | 3,274 | 2,607 | 2,356 | 2,549 | 2,734 | 2,476 | 2,342 | 1,961 | 2,003 | 1,859 |
| 68 International | 2,752 | 1,485 | 1,238 | 1,389 | 1,586 | 1,366 | 1,156 | 913 | 995 | 754 |
| 69 Latin American regional | 278 | 808 | 806 | 837 | 841 | 801 | 890 | 769 | 745 | 768 |
| 70 Other regional[6] | 245 | 314 | 313 | 323 | 307 | 309 | 296 | 279 | 263 | 338 |

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

## 3.17 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

| Area and country | 1977 | 1978 | 1979 | 1980 | | | | 1981 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept | Oct | Nov. | Dec | Jan | Feb. | Mar p |
| 1 **Total** | **90,206** | **115,545r** | **133,943r** | **161,548r** | **163,189r** | **167,525r** | **172,702** | **167,338r** | **167,677** | **178,769** |
| 2 **Foreign countries** | **90,163** | **115,488r** | **133,906r** | **161,510r** | **163,144r** | **167,487r** | **172,624** | **167,266r** | **167,597** | **178,695** |
| 3 Europe | 18,114 | 24,201r | 28,388r | 29,667r | 29,306r | 32,654r | 32,155 | 30,657 | 30,843 | 34,010 |
| 4 Austria | 65 | 140 | 284 | 264 | 196 | 250 | 236 | 249 | 191 | 174 |
| 5 Belgium-Luxembourg | 561 | 1,200 | 1,339 | 1,954 | 1,680 | 1,946 | 1,621 | 1,739 | 2,140 | 2,568 |
| 6 Denmark | 173 | 254 | 147 | 180 | 132 | 165 | 127 | 129 | 172 | 119 |
| 7 Finland | 172 | 305 | 202 | 184 | 253 | 248 | 460 | 322 | 337 | 316 |
| 8 France | 2,082 | 3,735 | 3,322 | 3,232 | 2,551 | 3,506 | 2,958 | 2,716 | 3,115 | 3,834 |
| 9 Germany | 644 | 845 | 1,179 | 1,018 | 987 | 1,506 | 948 | 985 | 1,047 | 1,074 |
| 10 Greece | 206 | 164 | 154 | 221 | 278 | 265 | 256 | 264 | 248 | 217 |
| 11 Italy | 1,334 | 1,523 | 1,631 | 2,560 | 2,842 | 3,063 | 3,364 | 3,168 | 3,107 | 2,982 |
| 12 Netherlands | 338 | 677 | 514 | 546 | 557 | 749 | 575 | 642 | 523 | 548 |
| 13 Norway | 162 | 299 | 276 | 248 | 335 | 138 | 227 | 294 | 224 | 216 |
| 14 Portugal | 175 | 171 | 330 | 330 | 341 | 393 | 331 | 299 | 240 | 247 |
| 15 Spain | 722 | 1,120 | 1,051 | 1,106 | 1,113 | 1,111 | 993 | 1,131 | 1,160 | 1,377 |
| 16 Sweden | 218 | 537 | 542 | 716 | 763 | 633 | 783 | 688 | 733 | 868 |
| 17 Switzerland | 564 | 1,283 | 1,165 | 1,337 | 1,564 | 1,932 | 1,446 | 1,753 | 1,729 | 1,310 |
| 18 Turkey | 360 | 300 | 149 | 144 | 123 | 149 | 145 | 146 | 155 | 235 |
| 19 United Kingdom | 8,964 | 10,147r | 13,795r | 13,015r | 12,981r | 13,995r | 14,917 | 13,175 | 12,944 | 14,994 |
| 20 Yugoslavia | 311 | 363 | 611 | 682 | 684 | 689 | 853 | 863 | 859 | 871 |
| 21 Other Western Europe[1] | 86 | 122 | 175 | 245 | 226 | 234 | 179 | 347 | 177 | 176 |
| 22 U.S.S.R. | 413 | 360r | 268r | 241 | 257 | 271 | 281 | 249 | 249 | 266 |
| 23 Other Eastern Europe[2] | 566 | 657 | 1,254 | 1,444r | 1,443r | 1,413r | 1,457 | 1,490r | 1,494 | 1,620 |
| 24 Canada | 3,355 | 5,152 | 4,143 | 5,072r | 4,614 | 4,542 | 4,810 | 4,221 | 4,874 | 5,131 |
| 25 Latin America and Caribbean | 45,850 | 57,565r | 67,993r | 85,935r | 87,986r | 89,259r | 92,992 | 90,792r | 89,523 | 95,433 |
| 26 Argentina | 1,478 | 2,281 | 4,389 | 5,629 | 5,898 | 6,270 | 5,689 | 5,642r | 5,637 | 5,674 |
| 27 Bahamas | 19,858 | 21,555 | 18,918 | 30,440r | 30,275 | 29,679 | 29,419 | 28,358 | 28,642 | 33,370 |
| 28 Bermuda | 232 | 184 | 496 | 216 | 399 | 260 | 218 | 267 | 364 | 347 |
| 29 Brazil | 4,629 | 6,251 | 7,713r | 9,635r | 10,131r | 9,996r | 10,496 | 10,260 | 9,810 | 10,201 |
| 30 British West Indies | 6,481 | 9,694r | 9,818r | 12,019r | 12,948r | 13,674 | 15,663r | 14,546 | 14,333 | 14,147 |
| 31 Chile | 675 | 970 | 1,441 | 1,627 | 1,721 | 1,730 | 1,951 | 1,862 | 1,850 | 1,878 |
| 32 Colombia | 671 | 1,012 | 1,614 | 1,493 | 1,575 | 1,582 | 1,752 | 1,665 | 1,435 | 1,469 |
| 33 Cuba | 10 | 0 | 4 | 6 | 3 | 3 | 3 | 4 | 3 | 3 |
| 34 Ecuador | 517 | 705 | 1,025 | 1,111 | 1,157 | 1,157 | 1,190 | 1,222 | 1,179 | 1,253 |
| 35 Guatemala[3] | ...... | 94 | 134 | 105 | 112 | 114 | 137 | 114 | 113 | 208 |
| 36 Jamaica[3] | | 40 | 47 | 33 | 35 | 40 | 36 | 33 | 41 | 77 |
| 37 Mexico | 4,909 | 5,479 | 9,099 | 11,120r | 11,745 | 12,014 | 12,595 | 12,687 | 12,463 | 12,436 |
| 38 Netherlands Antilles | 224 | 273 | 248 | 710 | 799 | 816 | 821 | 835 | 655 | 807 |
| 39 Panama | 1,410 | 3,098 | 6,041r | 4,461 | 3,972 | 4,367 | 4,974 | 5,033 | 4,858 | 5,522 |
| 40 Peru | 962 | 918 | 652 | 671 | 719 | 749 | 890 | 912 | 877 | 784 |
| 41 Uruguay | 80 | 52 | 105 | 100 | 100 | 105 | 137 | 111 | 107 | 103 |
| 42 Venezuela | 2,318 | 3,474 | 4,657r | 4,879 | 4,710 | 5,113 | 5,438 | 5,515 | 5,514 | 5,400 |
| 43 Other Latin America and Caribbean | 1,394 | 1,485r | 1,593r | 1,681r | 1,689r | 1,591 | 1,583r | 1,728 | 1,653 | 1,756 |
| 44 Asia | 19,236 | 25,362r | 30,730r | 37,716r | 37,964r | 37,956r | 39,140r | 38,564r | 39,127 | 40,590 |
| China | | | | | | | | | | |
| 45 Mainland | 10 | 4 | 35 | 117 | 126 | 187 | 195 | 225 | 186 | 201 |
| 46 Taiwan | 1,719 | 1,499 | 1,821 | 2,492 | 2,332 | 2,382 | 2,469 | 2,415 | 2,282 | 2,402 |
| 47 Hong Kong | 543 | 1,479 | 1,804 | 2,243r | 2,133r | 2,094 | 2,247 | 2,250 | 2,212 | 2,320 |
| 48 India | 53 | 54 | 92 | 84 | 103 | 125 | 142 | 110 | 142 | 127 |
| 49 Indonesia | 232 | 143 | 131 | 208 | 214 | 248 | 245 | 280 | 306 | 288 |
| 50 Israel | 584 | 888 | 990 | 916r | 1,055 | 1,125 | 1,172 | 1,081 | 829 | 944 |
| 51 Japan | 9,839 | 12,646r | 16,911r | 20,666r | 20,614r | 20,323 | 21,361 | 21,187 | 22,314 | 23,715 |
| 52 Korea | 2,336 | 2,282 | 3,793r | 5,565r | 5,880r | 5,839r | 5,697 | 5,904r | 5,936 | 5,830 |
| 53 Philippines | 594 | 680 | 737 | 1,171r | 1,084r | 1,122 | 989 | 840 | 745 | 605 |
| 54 Thailand | 633 | 758 | 933r | 947 | 925 | 974 | 876 | 810 | 808 | 835 |
| 55 Middle East oil-exporting countries[4] | 1,746 | 3,125 | 1,548 | 1,429r | 1,258 | 1,538 | 1,494 | 1,435 | 1,443 | 1,486 |
| 56 Other Asia | 947 | 1,804 | 1,934r | 1,876 | 2,240 | 1,999 | 2,252r | 2,026 | 1,923 | 1,837 |
| 57 Africa | 2,518 | 2,221 | 1,797 | 2,029 | 2,090 | 1,933 | 2,377 | 1,910 | 1,981 | 2,496 |
| 58 Egypt | 119 | 107 | 114 | 123 | 159 | 165 | 151 | 175 | 152 | 137 |
| 59 Morocco | 43 | 82 | 103 | 166 | 119 | 146 | 223 | 186 | 115 | 153 |
| 60 South Africa | 1,066 | 860 | 445 | 535 | 440 | 375 | 370 | 337 | 421 | 534 |
| 61 Zaire | 98 | 164 | 144 | 101 | 123 | 98 | 94 | 96 | 94 | 336 |
| 62 Oil-exporting countries[5] | 510 | 452 | 391 | 374 | 469 | 402 | 805 | 410 | 425 | 589 |
| 63 Other | 682 | 556 | 600 | 729 | 780 | 747 | 734 | 707 | 773 | 746 |
| 64 Other countries | 1,090 | 988 | 855 | 1,091 | 1,185 | 1,143 | 1,150r | 1,122 | 1,250 | 1,035 |
| 65 Australia | 905 | 877 | 673 | 879 | 942 | 915 | 859 | 827 | 868 | 870 |
| 66 All other | 186 | 111 | 182r | 213 | 243 | 228 | 290r | 295 | 381 | 164 |
| 67 Nonmonetary international and regional organizations[6] | 43 | 56 | 36r | 39r | 44r | 38r | 78 | 72r | 79 | 74 |

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe "

NOTE Data for period prior to April 1978 include claims of banks' domestic customers on foreigners

## 3.18 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

| Type of claim | 1977 | 1978r | 1979r | 1980 | | | | 1981 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept | Oct.r | Nov.r | Dec | Jan r | Feb r | Mar p |
| 1 **Total** | **90,206** | **126,787** | **154,030** | **187,038r** | ........ | ........ | **198,807** | ........ | ........ | ........ |
| 2 Banks' own claims on foreigners | | 115,545 | 133,943 | 161,548r | 163,189 | 167,525 | 172,702 | 167,338 | 167,677 | 178,769 |
| 3 Foreign public borrowers | | 10,346 | 15,937 | 19,311r | 19,478 | 21,158 | 20,944 | 20,969 | 20,130 | 20,785 |
| 4 Own foreign offices[1] | | 41,605 | 47,428 | 61,880r | 62,087 | 62,507 | 65,084 | 64,002 | 64,785 | 73,716 |
| 5 Unaffiliated foreign banks | | 40,483 | 40,927 | 45,963r | 46,576 | 49,066 | 50,215 | 46,350 | 46,025 | 46,650 |
| 6 Deposits | | 5,428 | 6,274 | 7,211r | 7,116 | 7,579 | 8,254 | 7,261 | 7,238 | 7,295 |
| 7 Other | | 35,054 | 34,654 | 38,752r | 39,460 | 41,488 | 41,962 | 39,089 | 38,788 | 39,355 |
| 8 All other foreigners | | 23,111 | 29,650 | 34,395r | 35,048 | 34,794 | 36,459r | 36,017 | 36,737 | 37 |
| 9 Claims of banks' domestic customers[2] | ... | 11,243 | 20,088 | 25,490 | | | 26,106 | | | |
| 10 Deposits | | 480 | 955 | 1,081 | | | 885 | ... | | ...... |
| 11 Negotiable and readily transferable instruments[3] | ..... | 5,396 | 13,100 | 15,260 | .... | | 15,574 | .... | | .... |
| 12 Outstanding collections and other claims[4] | 6,176 | 5,366 | 6,032 | 9,148 | | | 9,648 | | | ...... |
| 13 MEMO Customer liability on acceptances | | 15,030 | 18,021 | 23,433r | | | 22,714r | | | .... |
| Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5] | | 13,162 | 21,578 | 22,075 | 22,696 | 24,516 | 21,396 | 25,407 | 30,585 | n.a |

1. *U.S banks* includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies *Agencies, branches, and majority-owned subsidiaries of foreign banks* principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

2 Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers

3 Principally negotiable time certificates of deposit and bankers acceptances.

4 Data for March 1978 and for period prior to that are outstanding collections only

5 Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p 550

NOTE Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only

## 3.19 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

| Maturity, by borrower and area | 1978 | 1979 | | 1980 | | | |
|---|---|---|---|---|---|---|---|
| | Dec. | Sept | Dec | Mar | June | Sept | Dec |
| 1 **Total** | **73,635r** | **87,538r** | **86,181r** | **85,452r** | **93,260r** | **99,022r** | **106,857r** |
| *By borrower* | | | | | | | |
| 2 Maturity of 1 year or less[1] | 58,345r | 68,362r | 65,152r | 64,109r | 71,938r | 76,231r | 82,665r |
| 3 Foreign public borrowers | 4,633 | 6,159r | 7,233r | 6,812r | 7,227r | 8,935r | 10,036r |
| 4 All other foreigners | 53,712r | 62,203r | 57,919r | 57,297r | 64,711r | 67,296r | 72,628r |
| 5 Maturity of over 1 year[1] | 15,289 | 19,176r | 21,030r | 21,343r | 21,322r | 22,791r | 24,193r |
| 6 Foreign public borrowers | 5,395r | 7,787r | 8,371r | 8,593r | 8,673r | 9,722r | 10,152r |
| 7 All other foreigners | 9,894r | 11,388r | 12,659r | 12,750r | 12,649r | 13,069r | 14,041r |
| *By area* | | | | | | | |
| Maturity of 1 year or less[1] | | | | | | | |
| 8 Europe | 15,169r | 16,802r | 15,235r | 13,848r | 17,215r | 16,940r | 18,762r |
| 9 Canada | 2,670 | 2,471 | 1,777 | 1,812r | 2,047r | 2,166 | 2,723r |
| 10 Latin America and Caribbean | 20,895r | 25,686r | 24,928r | 23,042r | 24,460r | 28,097r | 32,034r |
| 11 Asia | 17,545r | 21,478r | 21,641r | 23,737r | 26,162r | 26,876r | 26,748r |
| 12 Africa | 1,496 | 1,401 | 1,077r | 1,043 | 1,330 | 1,401 | 1,757r |
| 13 All other[2] | 569 | 524 | 493 | 627 | 724 | 751 | 640r |
| Maturity of over 1 year[1] | | | | | | | |
| 14 Europe | 3,142 | 3,653 | 4,160r | 4,236r | 4,033 | 4,705r | 5,118r |
| 15 Canada | 1,426 | 1,364 | 1,317 | 1,214 | 1,199 | 1,188 | 1,448r |
| 16 Latin America and Caribbean | 8,464 | 11,769r | 12,814r | 13,388r | 13,887r | 14,187r | 15,075r |
| 17 Asia | 1,407 | 1,578 | 1,911 | 1,728 | 1,477r | 2,014r | 1,865r |
| 18 Africa | 637 | 625r | 655r | 620 | 576 | 567 | 507r |
| 19 All other[2] | 214 | 188 | 173r | 157r | 150r | 130r | 179r |

1. Remaining time to maturity.

2 Includes nonmonetary international and regional organizations

## 3.20 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

| Area or country | 1976 | 1977 | 1978[2] | 1979 Mar | 1979 June | 1979 Sept | 1979 Dec | 1980 Mar | 1980 June | 1980 Sept | 1980 Dec *p* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total** | **206.8** | **240.0** | **266.2** | **263.9** | **275.6** | **293.9** | **303.8** | **308.0** | **328.2** | **338.6** | **352.1** |
| 2 G-10 countries and Switzerland | 100.3 | 116.4 | 124.7 | 119.0 | 125.3 | 135.7 | 138.4 | 140.8 | 154.3 | 158.9 | 161.7 |
| 3 Belgium-Luxembourg | 6.1 | 8.4 | 9.0 | 9.4 | 9.7 | 10.7 | 11.1 | 10.8 | 13.1 | 13.5 | 12.9 |
| 4 France | 10.0 | 11.0 | 12.2 | 11.7 | 12.7 | 12.0 | 11.7 | 12.0 | 14.0 | 13.9 | 14.0 |
| 5 Germany | 8.7 | 9.6 | 11.3 | 10.5 | 10.8 | 12.8 | 12.2 | 11.4 | 12.7 | 12.9 | 11.5 |
| 6 Italy | 5.8 | 6.5 | 6.7 | 5.7 | 6.1 | 6.1 | 6.4 | 6.2 | 6.9 | 7.2 | 8.2 |
| 7 Netherlands | 2.8 | 3.5 | 4.4 | 3.9 | 4.0 | 4.7 | 4.8 | 4.3 | 4.5 | 4.4 | 4.4 |
| 8 Sweden | 1.2 | 1.9 | 2.1 | 2.0 | 2.0 | 2.3 | 2.4 | 2.4 | 2.7 | 2.8 | 2.9 |
| 9 Switzerland | 3.0 | 3.6 | 5.3 | 4.5 | 4.7 | 5.0 | 4.7 | 4.3 | 3.3 | 3.4 | 4.0 |
| 10 United Kingdom | 41.7 | 46.5 | 47.3 | 46.4 | 50.3 | 53.7 | 56.4 | 57.6 | 64.4 | 66.7 | 68.5 |
| 11 Canada | 5.1 | 6.4 | 6.0 | 5.9 | 5.5 | 6.0 | 6.3 | 6.8 | 7.2 | 7.9 | 8.4 |
| 12 Japan | 15.9 | 18.8 | 20.6 | 19.0 | 19.5 | 22.3 | 22.4 | 25.1 | 25.5 | 26.1 | 26.8 |
| 13 Other developed countries | 15.0 | 18.6 | 19.4 | 18.2 | 18.2 | 19.7 | 19.9 | 18.8 | 20.3 | 20.6 | 21.2 |
| 14 Austria | 1.2 | 1.3 | 1.7 | 1.7 | 1.8 | 2.0 | 2.0 | 1.7 | 1.8 | 1.8 | 1.9 |
| 15 Denmark | 1.0 | 1.6 | 2.0 | 2.0 | 1.9 | 2.0 | 2.2 | 2.1 | 2.2 | 2.2 | 2.2 |
| 16 Finland | 1.1 | 1.2 | 1.2 | 1.2 | 1.1 | 1.2 | 1.2 | 1.1 | 1.3 | 1.2 | 1.4 |
| 17 Greece | 1.7 | 2.2 | 2.3 | 2.3 | 2.2 | 2.3 | 2.4 | 2.4 | 2.5 | 2.6 | 2.8 |
| 18 Norway | 1.5 | 1.9 | 2.1 | 2.1 | 2.1 | 2.3 | 2.3 | 2.4 | 2.4 | 2.4 | 2.6 |
| 19 Portugal | .4 | .6 | .6 | .6 | .5 | .7 | .7 | .6 | .6 | .7 | .6 |
| 20 Spain | 2.8 | 3.6 | 3.5 | 3.0 | 3.0 | 3.3 | 3.5 | 3.5 | 3.9 | 4.2 | 4.0 |
| 21 Turkey | 1.3 | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.5 |
| 22 Other Western Europe | .7 | .9 | 1.3 | 1.1 | .9 | 1.5 | 1.4 | 1.4 | 1.6 | 1.7 | 1.8 |
| 23 South Africa | 2.2 | 2.4 | 2.0 | 1.7 | 1.8 | 1.7 | 1.3 | 1.1 | 1.5 | 1.2 | 1.1 |
| 24 Australia | 1.2 | 1.4 | 1.4 | 1.3 | 1.4 | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | 1.3 |
| 25 OPEC countries[3] | 12.6 | 17.6 | 22.7 | 22.6 | 22.7 | 23.4 | 22.9 | 21.8 | 20.9 | 21.4 | 22.8 |
| 26 Ecuador | .7 | 1.1 | 1.6 | 1.5 | 1.6 | 1.6 | 1.7 | 1.8 | 1.8 | 1.9 | 2.1 |
| 27 Venezuela | 4.1 | 5.5 | 7.2 | 7.2 | 7.6 | 7.9 | 8.7 | 7.9 | 7.9 | 8.5 | 9.1 |
| 28 Indonesia | 2.2 | 2.2 | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.8 |
| 29 Middle East countries | 4.2 | 6.9 | 9.5 | 9.4 | 9.0 | 9.2 | 8.0 | 7.8 | 6.9 | 6.7 | 7.0 |
| 30 African countries | 1.4 | 1.9 | 2.5 | 2.6 | 2.6 | 2.8 | 2.6 | 2.5 | 2.5 | 2.4 | 2.8 |
| 31 Non-OPEC developing countries | 44.2 | 48.7 | 52.6 | 53.9 | 55.9 | 58.8 | 62.8 | 63.7 | 67.4 | 72.8 | 76.9 |
| *Latin America* | | | | | | | | | | | |
| 32 Argentina | 1.9 | 2.9 | 3.0 | 3.1 | 3.5 | 4.1 | 5.0 | 5.5 | 5.6 | 7.6 | 7.9 |
| 33 Brazil | 11.1 | 12.7 | 14.9 | 14.9 | 15.1 | 15.1 | 15.2 | 15.0 | 15.3 | 15.8 | 16.2 |
| 34 Chile | .8 | .9 | 1.6 | 1.7 | 1.8 | 2.2 | 2.5 | 2.5 | 2.7 | 3.2 | 3.5 |
| 35 Colombia | 1.3 | 1.3 | 1.4 | 1.5 | 1.5 | 1.7 | 2.2 | 2.1 | 2.2 | 2.4 | 2.7 |
| 36 Mexico | 11.7 | 11.9 | 10.8 | 10.9 | 10.7 | 11.4 | 12.0 | 12.1 | 13.6 | 14.4 | 15.9 |
| 37 Peru | 1.8 | 1.9 | 1.7 | 1.6 | 1.4 | 1.4 | 1.5 | 1.3 | 1.4 | 1.5 | 1.8 |
| 38 Other Latin America | 2.8 | 2.6 | 3.6 | 3.5 | 3.3 | 3.6 | 3.7 | 3.6 | 3.6 | 3.9 | 3.9 |
| *Asia* | | | | | | | | | | | |
| China | | | | | | | | | | | |
| 39 Mainland | 0 | 0 | 0 | .1 | .1 | .1 | .1 | .1 | .1 | .1 | .2 |
| 40 Taiwan | 2.4 | 3.1 | 2.9 | 3.1 | 3.3 | 3.5 | 3.4 | 3.6 | 3.8 | 4.1 | 4.2 |
| 41 India | .2 | .3 | .2 | .2 | .2 | .2 | .2 | .2 | .2 | .2 | .3 |
| 42 Israel | 1.0 | .9 | 1.0 | 1.0 | .9 | 1.0 | 1.3 | .9 | 1.2 | 1.1 | 1.5 |
| 43 Korea (South) | 3.1 | 3.9 | 3.9 | 4.2 | 5.0 | 5.3 | 5.5 | 6.5 | 7.1 | 7.3 | 7.1 |
| 44 Malaysia[4] | .5 | .7 | .6 | .6 | .7 | .7 | .9 | .8 | .9 | .9 | 1.0 |
| 45 Philippines | 2.2 | 2.5 | 2.8 | 3.2 | 3.7 | 3.7 | 4.2 | 4.4 | 4.6 | 4.8 | 5.0 |
| 46 Thailand | .7 | 1.1 | 1.2 | 1.2 | 1.4 | 1.6 | 1.6 | 1.4 | 1.5 | 1.5 | 1.4 |
| 47 Other Asia | .5 | .4 | .2 | .3 | .4 | .3 | .4 | .4 | .5 | .5 | .6 |
| *Africa* | | | | | | | | | | | |
| 48 Egypt | .4 | .3 | .4 | .5 | .7 | .6 | .6 | .7 | .7 | .7 | .8 |
| 49 Morocco | .3 | .5 | .6 | .6 | .5 | .5 | .6 | .5 | .5 | .6 | .7 |
| 50 Zaire | .2 | .3 | .2 | .2 | .2 | .2 | .2 | .2 | .2 | .2 | .2 |
| 51 Other Africa[5] | 1.2 | .7 | 1.4 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.8 | 2.0 | 2.0 |
| 52 Eastern Europe | 5.2 | 6.3 | 6.9 | 6.7 | 6.7 | 7.2 | 7.3 | 7.3 | 7.2 | 7.3 | 7.5 |
| 53 U.S.S.R. | 1.5 | 1.6 | 1.3 | 1.1 | .9 | .9 | .7 | .6 | .5 | .5 | .4 |
| 54 Yugoslavia | .8 | 1.1 | 1.5 | 1.6 | 1.7 | 1.8 | 1.8 | 1.9 | 2.1 | 2.1 | 2.3 |
| 55 Other | 2.9 | 3.7 | 4.1 | 4.0 | 4.1 | 4.6 | 4.8 | 4.9 | 4.5 | 4.7 | 4.7 |
| 56 Offshore banking centers | 24.7 | 26.1 | 30.9 | 33.7 | 37.0 | 38.6 | 40.4 | 42.6 | 43.9 | 44.1 | 47.1 |
| 57 Bahamas | 10.1 | 9.9 | 10.4 | 12.3 | 14.4 | 13.0 | 13.7 | 14.0 | 13.6 | 12.9 | 13.3 |
| 58 Bermuda | .5 | .6 | .7 | .6 | .7 | .7 | .8 | .6 | .6 | .6 | .6 |
| 59 Cayman Islands and other British West Indies | 3.8 | 3.7 | 7.4 | 7.1 | 7.4 | 9.5 | 9.4 | 11.3 | 9.5 | 10.0 | 10.3 |
| 60 Netherlands Antilles | .6 | .7 | .8 | .8 | 1.0 | 1.1 | 1.2 | .9 | 1.2 | 1.3 | 2.0 |
| 61 Panama[6] | 3.0 | 3.1 | 3.0 | 3.4 | 3.8 | 3.4 | 4.3 | 4.9 | 5.6 | 5.6 | 6.3 |
| 62 Lebanon | .1 | .2 | .1 | .1 | .1 | .2 | .2 | .2 | .2 | .2 | .2 |
| 63 Hong Kong | 2.2 | 3.7 | 4.2 | 4.8 | 4.9 | 5.5 | 6.0 | 5.7 | 6.9 | 7.4 | 8.1 |
| 64 Singapore | 4.4 | 3.7 | 3.9 | 4.2 | 4.2 | 4.9 | 4.5 | 4.7 | 5.9 | 5.6 | 5.9 |
| 65 Others[7] | 0 | .5 | .5 | .4 | .4 | .4 | .4 | .4 | .4 | .4 | .3 |
| 66 Miscellaneous and unallocated[8] | 5.0 | 5.3 | 9.1 | 9.5 | 9.9 | 10.6 | 11.7 | 13.1 | 14.3 | 13.7 | 15.1 |

1 The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.17 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2 Beginning with data for June 1978, the claims of the U.S. offices in this table include only banks' own claims payable in dollars. For earlier dates the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to $10 billion).

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

4 Foreign branch claims only through December 1976.

5 Excludes Liberia.

6 Includes Canal Zone beginning December 1979.

7 Foreign branch claims only.

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

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

Millions of dollars

| Country or area | 1979 | 1980 | 1981 Jan – Mar. p | 1980 Sept | 1980 Oct | 1980 Nov. | 1980 Dec | 1981 Jan | 1981 Feb. | 1981 Mar p |
|---|---|---|---|---|---|---|---|---|---|---|
| | Holdings (end of period)[1] | | | | | | | | | |
| 1 **Estimated total**[2] | **51,344** | **57,418**r | ... | **55,874**r | **56,558**r | **57,222**r | **57,418**r | **58,453**r | **60,277** | **61,760** |
| 2 Foreign countries[2] | 45,915 | 52,831r | ... | 51,178r | 52,081r | 52,872r | 52,831r | 53,919r | 55,655 | 56,840 |
| 3 Europe[2] | 24,824 | 24,337r | | 25,019r | 24,786r | 24,711r | 24,337r | 25,176r | 25,466 | 25,235 |
| 4 Belgium-Luxembourg | 60 | 77 | | 91 | 78 | 74 | 77 | 80 | 88 | 106 |
| 5 Germany[2] | 14,056 | 12,335 | | 13,110 | 12,823 | 12,758 | 12,335 | 12,791 | 12,915 | 12,340 |
| 6 Netherlands | 1,466 | 1,884 | | 1,640 | 1,658 | 1,777 | 1,884 | 1,954 | 1,944 | 1,965 |
| 7 Sweden | 647 | 595 | | 611 | 607 | 614 | 595 | 555 | 535 | 566 |
| 8 Switzerland[2] | 1,868 | 1,485 | | 1,566 | 1,517 | 1,489 | 1,485 | 1,561 | 1,524 | 1,527 |
| 9 United Kingdom | 6,236 | 7,183r | | 7,459r | 7,541r | 7,414r | 7,183r | 7,438r | 7,745 | 7,892 |
| 10 Other Western Europe | 491 | 777 | | 542 | 562 | 584 | 777 | 796 | 714 | 839 |
| 11 Eastern Europe | 0 | 0 | | 0 | 0 | 0 | 0 | . | 0 | 0 |
| 12 Canada | 232 | 449 | | 480 | 503 | 532 | 449 | 458 | 490 | 478 |
| 13 Latin America and Caribbean | 466 | 999 | | 768 | 768 | 942 | 999 | 998 | 1,074 | 1,151 |
| 14 Venezuela | 103 | 292 | | 302 | 292 | 292 | 292 | 292 | 292 | 292 |
| 15 Other Latin America and Caribbean | 200 | 285 | | 241 | 255 | 278 | 285 | 281 | 341 | 339 |
| 16 Netherlands Antilles | 163 | 421 | | 225 | 221 | 372 | 421 | 425 | 441 | 519 |
| 17 Asia | 19,805 | 26,112r | | 24,294r | 25,333r | 25,968r | 26,112r | 26,303r | 27,467 | 28,827 |
| 18 Japan | 11,175 | 9,479 | | 9,444 | 9,503 | 9,547 | 9,479r | 9,519 | 9,543 | 9,543 |
| 19 Africa | 591 | 920 | | 617 | 685 | 715 | 920 | 970r | 1,139 | 1,140 |
| 20 All other | −3 | 14 | | 0 | 5 | 4 | 14 | 14 | 18 | 9 |
| 21 Nonmonetary international and regional organizations | 5,429 | 4,587r | | 4,696 | 4,477r | 4,350 | 4,587r | 4,534r | 4,622 | 4,920 |
| 22 International | 5,388 | 4,548 | | 4,632 | 4,430 | 4,302 | 4,548 | 4,505 | 4,586 | 4,878 |
| 23 Latin American regional | 37 | 36 | | 65 | 44 | 44 | 36 | 26 | 36 | 36 |
| | Transactions (net purchases, or sales (−) during period) | | | | | | | | | |
| 24 **Total**[2] | **6,397** | **6,075**r | **4,341** | **1,752** | **681** | **664**r | **196** | **1,035** | **1,827** | **1,480** |
| 25 Foreign countries[2] | 6,099 | 6,916r | 4,009 | 1,181 | 903 | 791r | −41 | 1,088 | 1,736 | 1,185 |
| 26 Official institutions | 1,697 | 3,840r | 3,354 | 998 | 664 | 301r | −336 | 865 | 1,404 | 1,084 |
| 27 Other foreign[2] | 4,403 | 3,076r | 655 | 183 | 240 | 490 | 295 | 223 | 332 | 100 |
| 28 Nonmonetary international and regional organizations | 301 | −843r | 333 | 571 | −222 | −126r | 237 | −53 | 91 | 295 |
| MEMO: Oil-exporting countries | | | | | | | | | | |
| 29 Middle East[3] | −1,014 | 7,672 | 2,762 | 601 | 990 | 561 | 358 | 300 | 1,139 | 1,322 |
| 30 Africa[4] | −100 | 328 | 220 | 25 | 68 | 29r | 205 | 51 | 169 | 0 |

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 | 1980 Oct | 1980 Nov | 1980 Dec | 1981 Jan | 1981 Feb | 1981 Mar | 1981 Apr p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 Deposits | 367 | 429 | 411 | 368 | 368 | 411 | 573 | 422 | 474 | 475 |
| *Assets held in custody* | | | | | | | | | | |
| 2 U S Treasury securities[1] | 117,126 | 95,075 | 102,417 | 98,121 | 102,786 | 102,417 | 104,490 | 106,389 | 111,859 | 113,746 |
| 3 Earmarked gold[2] | 15,463 | 15,169 | 14,965 | 14,986 | 14,968 | 14,965 | 14,893 | 14,892 | 14,883 | 14,886 |

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 | 1980r | 1981 Jan.–Mar.p | 1980 Sept | 1980 Oct | 1980 Nov | 1980 Dec | 1981 Jan. | 1981 Feb | 1981 Mar.p |
|---|---|---|---|---|---|---|---|---|---|---|
| | U S corporate securities | | | | | | | | | |
| STOCKS | | | | | | | | | | |
| 1 Foreign purchases | 22,781 | 40,320 | 10,085 | 3,569 | 4,438 | 4,457 | 4,345 | 3,422 | 2,718 | 3,945 |
| 2 Foreign sales | 21,123 | 34,962 | 8,420 | 3,329 | 3,920 | 3,588 | 3,701r | 2,798 | 2,312 | 3,310 |
| **3 Net purchases, or sales (−)** | **1,658** | **5,358** | **1,665** | **241** | **519** | **869** | **644r** | **624** | **406** | **636** |
| **4 Foreign countries** | **1,642** | **5,340** | **1,643** | **246** | **524** | **867** | **623r** | **612** | **403** | **628** |
| 5 Europe | 217 | 3,069 | 1,302 | −83 | 300 | 633 | 254r | 438 | 257 | 607 |
| 6 France | 122 | 482 | 210 | 33 | 53 | 109 | 60r | 62 | 41 | 107 |
| 7 Germany | −221 | 186 | 73 | −18 | 35 | 121 | 8r | 24 | 18 | 31 |
| 8 Netherlands | −71 | −328 | 56 | −38 | −29 | −58 | −17 | 43 | 2 | 12 |
| 9 Switzerland | −519 | 308 | 226 | −122 | 83 | 265 | −88 | 105 | −24 | 146 |
| 10 United Kingdom | 964 | 2,503 | 707 | 153 | 172 | 251 | 300r | 178 | 220 | 309 |
| 11 Canada | 552 | 865 | 220 | −22 | −66 | 263 | 247r | 26 | 91 | 103 |
| 12 Latin America and Caribbean | −19 | 148 | 92 | −83 | 132 | 57 | −8r | 101 | −22 | 14 |
| 13 Middle East[1] | 688 | 1,206 | 42 | 410 | 126 | −109 | 177 | 63 | 74 | −95 |
| 14 Other Asia | 211 | 16 | −16 | 19 | 33 | 18 | −49r | −14 | −2 | 0 |
| 15 Africa | −14 | −1 | 2 | 2 | 2 | 0 | −2 | 2 | 0 | −1 |
| 16 Other countries | 7 | 38 | 2 | 4 | −3 | 5 | 2r | −5 | 7 | 0 |
| **17 Nonmonetary international and regional organizations** | **17** | **18** | **22** | **−5** | **−6** | **2** | **22** | **12** | **2** | **8** |
| BONDS[2] | | | | | | | | | | |
| 18 Foreign purchases | 8,835 | 15,425 | 4,992 | 645 | 1,591r | 1,193r | 946 | 1,549 | 1,402r | 2,041 |
| 19 Foreign sales | 7,602 | 9,976 | 2,918 | 481 | 739 | 902 | 826 | 817 | 863r | 1,239 |
| **20 Net purchases, or sales (−)** | **1,233** | **5,449** | **2,074** | **165** | **852r** | **291r** | **121** | **733** | **539** | **802** |
| **21 Foreign countries** | **1,330** | **5,514** | **2,061** | **214** | **897r** | **295r** | **107** | **706** | **552** | **803** |
| 22 Europe | 626 | 1,576 | 657 | −23 | 263r | 163r | −26 | 214 | 311 | 132 |
| 23 France | 11 | 129 | −29 | −2 | 2r | 12 | 12 | 4 | −42 | 9 |
| 24 Germany | 58 | 213 | 258 | 4 | 30 | 13 | 22 | 49 | 112 | 97 |
| 25 Netherlands | −202 | −65 | 32 | 7 | 8 | −7 | 17 | 6 | 12 | 14 |
| 26 Switzerland | −118 | 54 | 37 | 0 | 1 | 8 | 14 | 22 | 12 | 4 |
| 27 United Kingdom | 814 | 1,257 | 309 | −5 | 228r | 166r | −113 | 124 | 207 | −22 |
| 28 Canada | 80 | 135 | 24 | 12 | 9 | 21 | −7 | 7 | −2 | 19 |
| 29 Latin America and Caribbean | 109 | 185 | 52 | 18 | 7 | 11 | −5 | −3 | 26 | 28 |
| 30 Middle East[1] | 424 | 3,486 | 1,415 | 194 | 594 | 105 | 113 | 492 | 201 | 723 |
| 31 Other Asia | 88 | 117 | −83 | 14 | 24 | −3 | 32 | −1 | 17 | −99 |
| 32 Africa | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 Other countries | 1 | 10 | −4 | −2 | 0 | −1 | 0 | −4 | 0 | 0 |
| **34 Nonmonetary international and regional organizations** | **−96** | **−65** | **13** | **−49** | **−45** | **−4** | **14** | **27** | **−13** | **−1** |
| | Foreign securities | | | | | | | | | |
| 35 Stocks, net purchases, or sales (−) | −786 | −2,084 | −140 | −558 | −341r | 129 | −68 | 35r | 13r | −187 |
| 36 Foreign purchases | 4,615 | 7,885 | 2,168 | 694 | 795r | 927 | 721 | 696r | 709r | 763 |
| 37 Foreign sales | 5,401 | 9,968 | 2,308 | 1,253 | 1,136r | 798 | 788 | 661r | 697r | 950 |
| 38 Bonds, net purchases, or sales (−) | −3,855 | −846 | −337 | −84 | −206 | 92r | 274 | −237r | 29r | −130 |
| 39 Foreign purchases | 12,672 | 17,069 | 4,431 | 1,231 | 1,651 | 1,254r | 1,786 | 1,142 | 1,296r | 1,992 |
| 40 Foreign sales | 16,527 | 17,915 | 4,768 | 1,316 | 1,857 | 1,161 | 1,512 | 1,379r | 1,267r | 2,122 |
| **41 Net purchases, or sales (−), of stocks and bonds** | **−4,641** | **−2,929** | **−477** | **−643** | **−547r** | **221r** | **206** | **−202r** | **42r** | **−317** |
| **42 Foreign countries** | **−3,891** | **−3,806** | **−582** | **−680** | **−563r** | **198r** | **−177** | **−261r** | **24r** | **−345** |
| 43 Europe | −1,646 | −957 | −197 | −110 | 126r | −30 | −86 | −116 | 80r | −161 |
| 44 Canada | −2,601 | −1,948 | −29 | −344 | −651 | 329r | 24 | −4 | 76r | −101 |
| 45 Latin America and Caribbean | 347 | 126 | 35 | 7 | −35 | −24 | −11 | 51 | 52r | −68 |
| 46 Asia | 44 | −1,131 | −343 | −223 | −16 | −73 | −84 | −177r | −169r | 3 |
| 47 Africa | −61 | 24 | −35 | −4 | 29 | −1 | −13 | −10 | −8 | −17 |
| 48 Other countries | 25 | 80 | −13 | −6 | −16 | −3 | −7 | | | |
| **49 Nonmonetary international and regional organizations** | **−750** | **876** | **105** | **37** | **15** | **23** | **383** | **59** | **17** | **29** |

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

## 3.24 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

| Type, and area or country | 1978 | 1979 | 1979 June | 1979 Sept | 1979 Dec | 1980 Mar | 1980 June | 1980 Sept r |
|---|---|---|---|---|---|---|---|---|
| 1 **Total** | **14,869** | **16,940r** | **15,510** | **15,700** | **16,940r** | **17,352r** | **18,446r** | **18,454** |
| 2 Payable in dollars | 11,506 | 13,922r | 12,623 | 12,692 | 13,922r | 14,417r | 15,080r | 15,214 |
| 3 Payable in foreign currencies[2] | 3,363 | 3,018 | 2,888 | 3,008 | 3,018 | 2,936r | 3,366 | 3,239 |
| *By type* | | | | | | | | |
| 4 Financial liabilities | 6,295 | 7,302r | 6,041 | 6,131 | 7,302r | 7,781r | 8,281r | 8,125 |
| 5 Payable in dollars | 3,831 | 5,092r | 3,867 | 3,877 | 5,092r | 5,597r | 5,725r | 5,707 |
| 6 Payable in foreign currencies | 2,464 | 2,210 | 2,173 | 2,254 | 2,210 | 2,184 | 2,556 | 2,418 |
| 7 Commercial liabilities | 8,574 | 9,639 | 9,470 | 9,568 | 9,639 | 9,571 | 10,165 | 10,328 |
| 8 Trade payables | 4,008 | 4,380 | 4,302 | 4,051 | 4,380 | 4,138 | 4,265 | 4,369 |
| 9 Advance receipts and other liabilities | 4,566 | 5,258 | 5,168 | 5,518 | 5,258 | 5,433 | 5,899 | 5,960 |
| 10 Payable in dollars | 7,675 | 8,830 | 8,755 | 8,815 | 8,830 | 8,819 | 9,355 | 9,507 |
| 11 Payable in foreign currencies | 899 | 808 | 715 | 754 | 808 | 752 | 810 | 821 |
| *By area or country* | | | | | | | | |
| Financial liabilities | | | | | | | | |
| 12 Europe | 3,903 | 4,574 | 3,582 | 3,713 | 4,574 | 4,808 | 5,392r | 5,214 |
| 13 Belgium-Luxembourg | 289 | 345 | 355 | 317 | 345 | 360 | 422 | 404 |
| 14 France | 167 | 168 | 134 | 126 | 168 | 188 | 341 | 327 |
| 15 Germany | 366 | 497 | 283 | 381 | 497 | 520 | 657 | 557 |
| 16 Netherlands | 390 | 828 | 401 | 542 | 828 | 795 | 783 | 766 |
| 17 Switzerland | 248 | 170 | 235 | 190 | 170 | 174 | 238r | 224 |
| 18 United Kingdom | 2,110 | 2,372 | 1,955 | 1,957 | 2,372 | 2,568 | 2,783 | 2,761 |
| 19 Canada | 244 | 445r | 290 | 304 | 445r | 383r | 482 | 456 |
| 20 Latin America and Caribbean | 1,357 | 1,483 | 1,395 | 1,347 | 1,483 | 1,764 | 1,633 | 1,718 |
| 21 Bahamas | 478 | 375 | 477 | 390 | 375 | 459 | 434 | 412 |
| 22 Bermuda | 4 | 81 | 2 | 2 | 81 | 83 | 2 | 1 |
| 23 Brazil | 10 | 18 | 19 | 14 | 18 | 22 | 25 | 20 |
| 24 British West Indies | 194 | 514 | 189 | 198 | 514 | 694 | 700 | 685 |
| 25 Mexico | 102 | 121 | 131 | 122 | 121 | 101 | 101 | 108 |
| 26 Venezuela | 49 | 72 | 68 | 71 | 72 | 70 | 72 | 74 |
| 27 Asia | 780 | 790 | 764 | 757 | 790 | 805 | 750 | 705 |
| 28 Japan | 714 | 723 | 706 | 700 | 723 | 737 | 680 | 615 |
| 29 Middle East oil-exporting countries[3] | 32 | 31 | 25 | 19 | 31 | 26 | 31 | 37 |
| 30 Africa | 5 | 4 | 6 | 5 | 4 | 11 | 10 | 11 |
| 31 Oil-exporting countries[4] | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| 32 All other[5] | 5 | 4 | 5 | 5 | 4 | 10 | 15 | 21 |
| Commercial liabilities | | | | | | | | |
| 33 Europe | 3,033 | 3,621 | 3,303 | 3,393 | 3,621 | 3,682 | 4,008 | 4,066 |
| 34 Belgium-Luxembourg | 75 | 137 | 81 | 103 | 137 | 117 | 132 | 109 |
| 35 France | 321 | 467 | 353 | 394 | 467 | 503 | 485 | 501 |
| 36 Germany | 529 | 534 | 471 | 539 | 534 | 533 | 714 | 693 |
| 37 Netherlands | 246 | 227 | 230 | 206 | 227 | 288 | 245 | 276 |
| 38 Switzerland | 302 | 310 | 439 | 348 | 310 | 382 | 462 | 452 |
| 39 United Kingdom | 824 | 1,073 | 997 | 1,015 | 1,073 | 994 | 1,120 | 1,033 |
| 40 Canada | 667 | 868 | 663 | 717 | 868 | 720 | 591 | 590 |
| 41 Latin America | 997 | 1,323 | 1,335 | 1,401 | 1,323 | 1,253 | 1,271 | 1,361 |
| 42 Bahamas | 25 | 69 | 65 | 89 | 69 | 4 | 26 | 8 |
| 43 Bermuda | 97 | 32 | 82 | 48 | 32 | 47 | 107 | 114 |
| 44 Brazil | 74 | 203 | 165 | 186 | 203 | 228 | 151 | 156 |
| 45 British West Indies | 53 | 21 | 121 | 21 | 21 | 20 | 37 | 12 |
| 46 Mexico | 106 | 257 | 216 | 270 | 257 | 235 | 272 | 324 |
| 47 Venezuela | 303 | 301 | 323 | 359 | 301 | 211 | 210 | 293 |
| 48 Asia | 2,932 | 2,865 | 3,034 | 2,996 | 2,865 | 2,912 | 3,053 | 2,909 |
| 49 Japan | 448 | 488 | 516 | 517 | 488 | 578 | 411 | 502 |
| 50 Middle East oil-exporting countries[3] | 1,523 | 1,017 | 1,225 | 1,070 | 1,017 | 901 | 1,019 | 944 |
| 51 Africa | 743 | 728 | 891 | 775 | 728 | 742 | 875 | 1,006 |
| 52 Oil-exporting countries[4] | 312 | 384 | 410 | 370 | 384 | 382 | 498 | 633 |
| 53 All other[5] | 203 | 233 | 243 | 287 | 233 | 263 | 367 | 396 |

1 For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p 550

2. Before December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.

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

4. Comprises Algeria, Gabon, Libya, and Nigeria

5. Includes nonmonetary international and regional organizations.

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

Millions of dollars, end of period

| Type, and area or country | 1978 | 1979 | 1979 | | | 1980 | | |
|---|---|---|---|---|---|---|---|---|
| | | | June | Sept | Dec | Mar | June | Sept r |
| 1 **Total** | **27,864** | **30,899** | **30,318** | **30,949** | **30,899** | **31,984** | **31,894** | **31,458** |
| 2 Payable in dollars | 24,881 | 27,734 | 27,418 | 28,280 | 27,734 | 28,984 | 28,852 | 28,280 |
| 3 Payable in foreign currencies[2] | 2,984 | 3,165 | 2,900 | 2,668 | 3,165 | 3,000 | 3,042 | 3,178 |
| *By type* | | | | | | | | |
| 4 Financial claims | 16,528 | 18,139 | 19,321 | 19,176 | 18,139 | 19,260 | 18,543 | 18,164 |
| 5 Deposits | 11,069 | 12,493 | 13,661 | 13,730 | 12,493 | 13,586 | 12,702 | 12,099 |
| 6 Payable in dollars | 10,000 | 11,584 | 12,706 | 12,830 | 11,584 | 12,612 | 11,822 | 11,018 |
| 7 Payable in foreign currencies | 1,068 | 909 | 956 | 901 | 909 | 974 | 879 | 1,081 |
| 8 Other financial claims | 5,459 | 5,646 | 5,660 | 5,446 | 5,646 | 5,673 | 5,841 | 6,065 |
| 9 Payable in dollars | 3,874 | 3,803 | 4,079 | 4,030 | 3,803 | 4,055 | 4,103 | 4,395 |
| 10 Payable in foreign currencies | 1,584 | 1,843 | 1,581 | 1,416 | 1,843 | 1,619 | 1,737 | 1,670 |
| 11 Commercial claims | 11,337 | 12,760 | 10,997 | 11,773 | 12,760 | 12,724 | 13,352 | 13,294 |
| 12 Trade receivables | 10,778 | 12,072 | 10,368 | 11,061 | 12,072 | 12,079 | 12,656 | 12,605 |
| 13 Advance payments and other claims | 559 | 688 | 628 | 712 | 688 | 645 | 695 | 688 |
| 14 Payable in dollars | 11,006 | 12,347 | 10,633 | 11,421 | 12,347 | 12,317 | 12,926 | 12,867 |
| 15 Payable in foreign currencies | 331 | 413 | 363 | 352 | 413 | 407 | 425 | 427 |
| *By area or country* | | | | | | | | |
| Financial claims | | | | | | | | |
| 16 Europe | 5,218 | 6,129 | 5,640 | 6,562 | 6,129 | 5,840 | 5,835 | 5,576 |
| 17 Belgium-Luxembourg | 48 | 32 | 54 | 33 | 32 | 19 | 23 | 14 |
| 18 France | 178 | 177 | 183 | 191 | 177 | 290 | 307 | 381 |
| 19 Germany | 510 | 409 | 363 | 393 | 409 | 300 | 190 | 168 |
| 20 Netherlands | 103 | 53 | 62 | 51 | 53 | 39 | 37 | 30 |
| 21 Switzerland | 98 | 73 | 81 | 85 | 73 | 89 | 96 | 41 |
| 22 United Kingdom | 4,023 | 5,064 | 4,650 | 5,522 | 5,064 | 4,790 | 4,855 | 4,546 |
| 23 Canada | 4,482 | 4,812 | 5,146 | 4,767 | 4,812 | 4,882 | 4,778 | 4,798 |
| 24 Latin America and Caribbean | 5,672 | 6,204 | 7,448 | 6,682 | 6,204 | 7,516 | 6,851 | 6,671 |
| 25 Bahamas | 2,959 | 2,684 | 3,648 | 3,284 | 2,684 | 3,450 | 3,007 | 2,757 |
| 26 Bermuda | 80 | 30 | 57 | 31 | 30 | 34 | 25 | 65 |
| 27 Brazil | 151 | 163 | 141 | 133 | 163 | 128 | 120 | 116 |
| 28 British West Indies | 1,288 | 2,001 | 2,407 | 1,838 | 2,001 | 2,591 | 2,393 | 2,283 |
| 29 Mexico | 163 | 158 | 159 | 156 | 158 | 169 | 178 | 192 |
| 30 Venezuela | 157 | 143 | 155 | 139 | 143 | 134 | 139 | 128 |
| 31 Asia | 920 | 697 | 800 | 818 | 697 | 713 | 758 | 792 |
| 32 Japan | 305 | 190 | 217 | 222 | 190 | 226 | 253 | 269 |
| 33 Middle East oil-exporting countries[3] | 18 | 16 | 17 | 21 | 16 | 18 | 16 | 20 |
| 34 Africa | 181 | 253 | 227 | 277 | 253 | 265 | 256 | 260 |
| 35 Oil-exporting countries[4] | 10 | 49 | 23 | 41 | 49 | 40 | 35 | 29 |
| 36 All other[5] | 55 | 44 | 61 | 69 | 44 | 43 | 65 | 68 |
| Commercial claims | | | | | | | | |
| 37 Europe | 3,985 | 4,901 | 3,833 | 4,127 | 4,901 | 4,756 | 4,820 | 4,655 |
| 38 Belgium-Luxembourg | 144 | 203 | 170 | 179 | 203 | 208 | 255 | 230 |
| 39 France | 609 | 727 | 470 | 518 | 727 | 703 | 662 | 707 |
| 40 Germany | 399 | 584 | 421 | 448 | 584 | 515 | 504 | 569 |
| 41 Netherlands | 267 | 298 | 307 | 262 | 298 | 347 | 297 | 289 |
| 42 Switzerland | 198 | 269 | 232 | 224 | 269 | 349 | 429 | 333 |
| 43 United Kingdom | 827 | 905 | 731 | 818 | 905 | 924 | 908 | 988 |
| 44 Canada | 1,096 | 843 | 1,106 | 1,164 | 843 | 862 | 895 | 929 |
| 45 Latin America and Caribbean | 2,547 | 2,855 | 2,410 | 2,595 | 2,855 | 2,992 | 3,281 | 3,375 |
| 46 Bahamas | 109 | 21 | 98 | 16 | 21 | 19 | 19 | 53 |
| 47 Bermuda | 215 | 197 | 118 | 154 | 197 | 135 | 133 | 81 |
| 48 Brazil | 629 | 647 | 503 | 568 | 647 | 656 | 697 | 710 |
| 49 British West Indies | 9 | 16 | 25 | 13 | 16 | 11 | 9 | 17 |
| 50 Mexico | 506 | 700 | 588 | 648 | 700 | 835 | 921 | 981 |
| 51 Venezuela | 292 | 342 | 296 | 346 | 342 | 349 | 394 | 388 |
| 52 Asia | 3,082 | 3,365 | 2,967 | 3,116 | 3,365 | 3,370 | 3,540 | 3,395 |
| 53 Japan | 976 | 1,127 | 1,005 | 1,128 | 1,127 | 1,209 | 1,130 | 1,094 |
| 54 Middle East oil-exporting countries[3] | 717 | 766 | 685 | 701 | 766 | 718 | 829 | 837 |
| 55 Africa | 447 | 556 | 487 | 549 | 556 | 518 | 567 | 669 |
| 56 Oil-exporting countries[4] | 136 | 133 | 139 | 140 | 133 | 114 | 115 | 135 |
| 57 All other[5] | 179 | 240 | 194 | 220 | 240 | 225 | 249 | 270 |

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 Apr 30, 1981 | | Country | Rate on Apr 30, 1981 | | Country | Rate on Apr. 30, 1981 | |
|---|---|---|---|---|---|---|---|---|
| | Per-cent | Month effective | | Per-cent | Month effective | | Per-cent | Month effective |
| Argentina | 182 47 | Apr 1981 | France[1] | 12 5 | Mar 1981 | Sweden | 12.0 | Jan 1981 |
| Austria | 6 75 | Mar 1980 | Germany, Fed Rep of | 7 5 | May 1980 | Switzerland | 4 0 | Feb 1981 |
| Belgium | 14 0 | Apr 1981 | Italy | 19 0 | Mar 1981 | United Kingdom | 12.0 | Mar 1981 |
| Brazil | 40 0 | June 1980 | Japan | 6 25 | Mar 1981 | Venezuela | 10 0 | July 1980 |
| Canada | 17 40 | Apr 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

NOTE Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government securities for commercial banks or brokers For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations

## 3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

| Country, or type | 1978 | 1979 | 1980 | 1980 | | | 1981 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Oct | Nov | Dec | Jan | Feb | Mar. | Apr |
| 1 Eurodollars | 8 74 | 11 96 | 14 00 | 13 55 | 16 46 | 19 47 | 18 07 | 17 18 | 15 36 | 15 95 |
| 2 United Kingdom | 9 18 | 13 60 | 16 59 | 15 87 | 15 84 | 14 64 | 14 20 | 13 12 | 12 58 | 12 26 |
| 3 Canada | 8 52 | 11 91 | 13 12 | 11 71 | 12 96 | 16 83 | 16 98 | 17 28 | 16 85 | 17 35 |
| 4 Germany | 3 67 | 6 64 | 9 45 | 8 99 | 9 37 | 10 11 | 9 41 | 10 74 | 13 44 | 13 12 |
| 5 Switzerland | 0 74 | 2 04 | 5 79 | 5 40 | 5 53 | 6 61 | 5 68 | 7 09 | 8 33 | 8 67 |
| 6 Netherlands | 6 53 | 9 33 | 10 60 | 9 63 | 9 59 | 9 69 | 9 36 | 9 78 | 10 61 | 10.41 |
| 7 France | 8 10 | 9 44 | 12 18 | 11 69 | 11 26 | 11 52 | 11 38 | 11 87 | 12 56 | 13.00 |
| 8 Italy | 11 40 | 11 85 | 17 50 | 18 16 | 17 51 | 17.47 | 17 34 | 17 50 | 18 22 | 19.92 |
| 9 Belgium | 7 14 | 10 48 | 14 06 | 12 24 | 12 40 | 12 75 | 12 41 | 12 52 | 13 93 | 17.16 |
| 10 Japan | 4 75 | 6 10 | 11 45 | 10 98 | 9 74 | 9 60 | 9 00 | 8 52 | 7 87 | 6.83 |

NOTE Rates are for 3-month interbank loans except for the following 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 | 1978 | 1979 | 1980 | 1980 | | | 1981 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
| 1 Australia/dollar | 114 41 | 111 77 | 114 00 | 117 43 | 116 75 | 116 86 | 118.19 | 116 26 | 116.29 | 115 32 |
| 2 Austria/schilling | 6 8958 | 7 4799 | 7 7349 | 7 6714 | 7 3433 | 7 1549 | 7 0297 | 6 6033 | 6.6959 | 6 5355 |
| 3 Belgium/franc | 3 1809 | 3 4098 | 3 4247 | 3 3875 | 3 2457 | 3 1543 | 3 0962 | 2 8972 | 2 8966 | 2 8220 |
| 4 Canada/dollar | 87 729 | 85 386 | 85.530 | 85 538 | 84 286 | 83 560 | 83 974 | 83.442 | 83 936 | 83 966 |
| 5 Denmark/krone | 18 156 | 19 010 | 17 766 | 17 639 | 16 962 | 16 573 | 16.181 | 15 152 | 15 109 | 14.683 |
| 6 Finland/markka | 24 337 | 27 732 | 26 892 | 27 122 | 26 452 | 25 903 | 25 752 | 24 656 | 24.612 | 23 059 |
| 7 France/franc | 22 218 | 23 504 | 23 694 | 23 489 | 22 515 | 21 925 | 21 539 | 20 142 | 20 147 | 19 548 |
| 8 Germany/deutsche mark | 49 867 | 54 561 | 55 089 | 54.280 | 52 113 | 50 769 | 49 771 | 46 757 | 47 498 | 46 219 |
| 9 India/rupee | 12 207 | 12 265 | 12 686 | 12 932 | 12 868 | 12 608 | 12 567 | 12 164 | 12 131 | 12.060 |
| 10 Ireland/pound | 191 84 | 204 65 | 205 77 | 203 88 | 194 59 | 189 01 | 185 54 | 173 31 | 173.25 | 168 46 |
| 11 Italy/lira | 11782 | 12035 | 11694 | 11441 | 11000 | 10704 | 10478 | 09807 | 09699 | 09280 |
| 12 Japan/yen | 47981 | 45834 | 44311 | 47777 | 46928 | 47747 | .49419 | 48615 | 47897 | .46520 |
| 13 Malaysia/ringgit | 43 210 | 45 720 | 45 967 | 46 902 | 46 187 | 45 406 | 44.994 | 44 196 | 43 830 | 43.182 |
| 14 Mexico/peso | 4 3896 | 4 3826 | 4 3535 | 4 3324 | 4 3166 | 4 3071 | 4 2792 | 4 2544 | 4 2238 | 4 1880 |
| 15 Netherlands/guilder | 46 284 | 49 843 | 50 369 | 50 052 | 48 102 | 46 730 | 45 810 | 42 870 | 42 912 | 41.660 |
| 16 New Zealand/dollar | 103 64 | 102 23 | 97 337 | 98 069 | 96 770 | 95 404 | 96 137 | 93 414 | 91 999 | 90 273 |
| 17 Norway/krone | 19 079 | 19 747 | 20 261 | 20 421 | 19 938 | 19.370 | 19 087 | 18 485 | 18 540 | 18.271 |
| 18 Portugal/escudo | 2 2782 | 2 0437 | 1 9980 | 1 9756 | 1 9178 | 1 8773 | 1 8591 | 1 7722 | 1 7621 | 1 7178 |
| 19 South Africa/rand | 115 01 | 118 72 | 128 54 | 133 13 | 133 20 | 132 83 | 133 69 | 129 27 | 126 50 | 123 32 |
| 20 Spain/peseta | 1 3073 | 1 4896 | 1 3958 | 1 3423 | 1 3085 | 1 2653 | 1 2409 | 1 1686 | 1.1672 | 1 1395 |
| 21 Sri Lanka/rupee | 6 3834 | 6 4226 | 6 1947 | 5 9707 | 5 8139 | 5.7379 | 5 9525 | 5 5975 | 5 5527 | 5.4185 |
| 22 Sweden/krona | 22 139 | 23 323 | 23 647 | 23 845 | 23 240 | 22 722 | 22 490 | 21 734 | 21 704 | 21 309 |
| 23 Switzerland/franc | 56 283 | 60 121 | 59 697 | 60 185 | 57 942 | 56 022 | 54 907 | 51 502 | 52 043 | 50.664 |
| 24 United Kingdom/pound | 191 84 | 212 24 | 232 58 | 241 64 | 239 41 | 234 59 | 240 29 | 229 41 | 223 19 | 217 53 |
| MEMO | | | | | | | | | | |
| 25 United States/dollar[1] | 92 39 | 88 09 | 87 39 | 86 59 | 89 31 | 90 99 | 91.38 | 96 02 | 96 22 | 98.80 |

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



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The Equal Credit Opportunity Act and . . . Doctors, Lawyers, Small Retailers, and Others Who May Provide Incidental Credit
The Equal Credit Opportunity Act and . . . Women
Fair Credit Billing
The Federal Open Market Committee
Federal Reserve Bank Board of Directors
Federal Reserve Banks
Federal Reserve Glossary
How to File A Consumer Credit Complaint
If You Borrow To Buy Stock
If You Use A Credit Card
Truth in Leasing
U.S. Currency
What Truth in Lending Means to You

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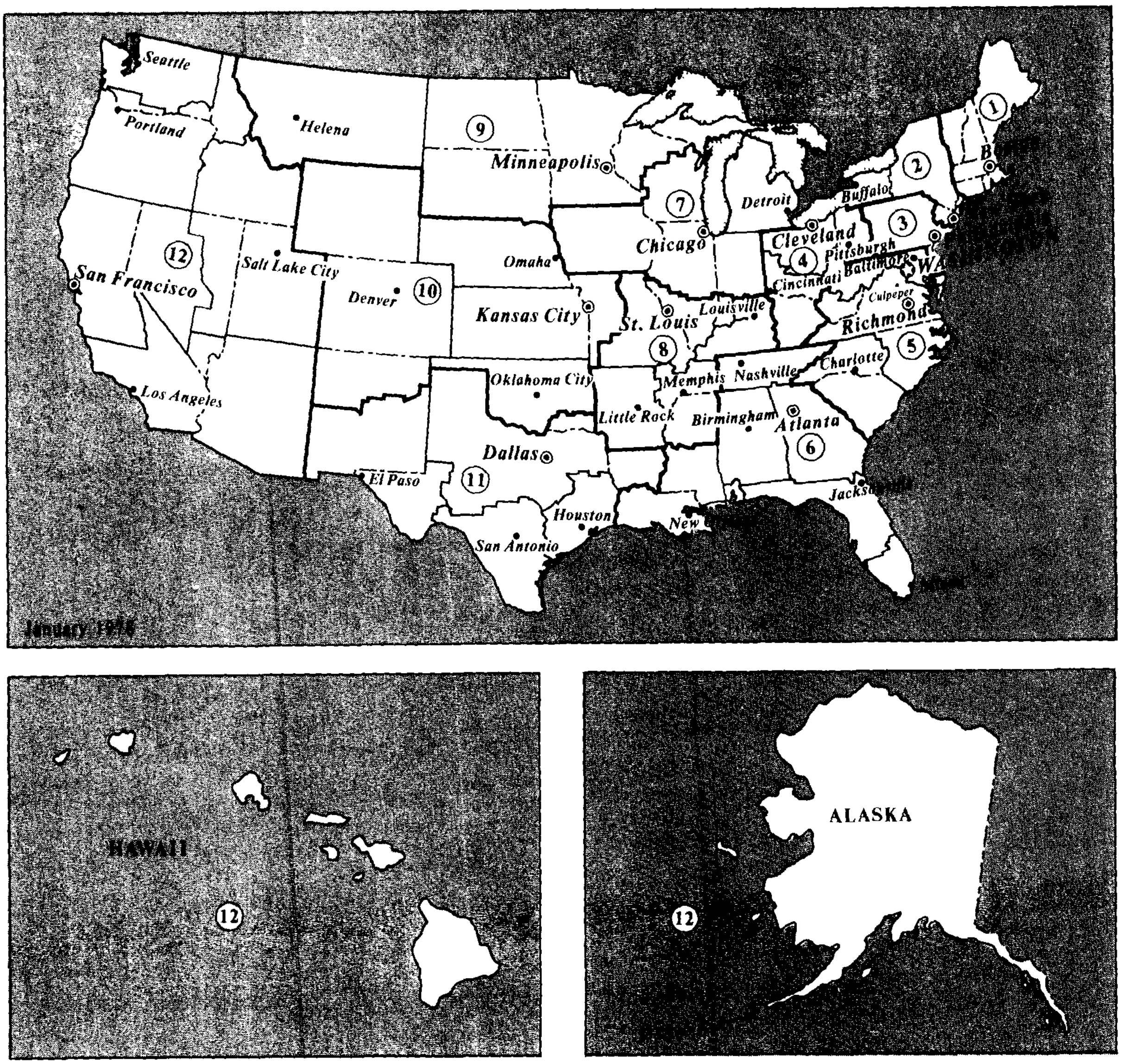
# Index to Statistical Tables

*References are to pages A-3 through A-66 although the prefix "A" is omitted in this index*

# The Federal Reserve System

## Boundaries of Federal Reserve Districts and Their Branch Territories




*LEGEND*

— Boundaries of Federal Reserve Districts

— Boundaries of Federal Reserve Branch Territories

✪ Board of Governors of the Federal Reserve System

◉ Federal Reserve Bank Cities

• Federal Reserve Branch Cities

· Federal Reserve Bank Facility