NOVEMBER 1975

FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BULLETIN

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CONTENTS

PUBLICATIONS COMMITTEE

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Housing Construction and Residential Mortgage Markets

This article was prepared in the Mortgage and Consumer Finance Section of the Division of Research and Statistics.

Private housing starts continued to advance in early autumn from the very low rate reached last winter. Single-family starts, while still short of earlier peaks, led the rise. Starts of units for rent or sale in multifamily structures, which had experienced by far the sharper decline, have begun to share in the recovery.

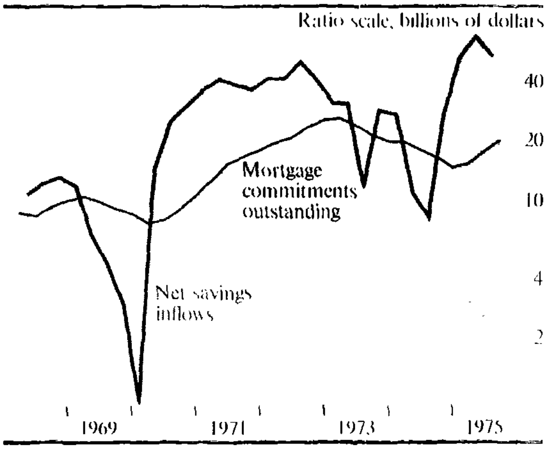
Although flows of consumer-type savings to thrift institutions slowed in the third quarter—reflecting the ending of tax-rebate distributions and the attractive yields on market securities—they were close to the record levels reached during the first half of 1975 (Chart 1). Recently, such flows have stabilized as competitive pressures on thrift institutions have eased. Meanwhile, lenders' liquidity positions, built up in anticipation of some decline in flows, were generally much stronger than they had been at the beginning of the year.

Expansion of mortgage credit has increased appreciably in 1975, due in part to an exceptionally large number of transactions in existing homes and higher prices. Mortgage lenders, still suffering from the excesses of the previous boom, have been extremely cautious in the market for construction loans, but in general they have increased their new and outstanding commitments for residential mortgages to levels well above earlier lows.

To help to sustain the recovery in private housing starts, the Congress in October appropriated half of the $10 billion authorized for use by the Government National Mortgage Association in its tandem program to purchase conventional and/or Government-underwritten residential mortgages at above-market prices.

CHART 1

Savings flows and residential mortgage commitments



"Net savings inflows" are quarterly averages for savings and loan associations and mutual savings banks at seasonally adjusted annual rates. "Mortgage commitments outstanding," which are mainly residential, are seasonally adjusted end of quarter totals for all savings and loan associations and for New York mutual savings banks. *Commitments data include loans in process.* Latest data, Q3, preliminary.

Under terms of the Emergency Housing Act of 1975—passed in July—this appropriation will, at the administration's discretion, supplement the $7.75 billion of mortgage purchasing authority provided under the Emergency Home Purchase Assistance Act of October 1974; the last portion—$2 billion—of that authority had been released for commitment just before mid-year. The GNMA program is designed essentially to provide residential mortgages at below-market interest rates, and the ultimate cost to the Treasury is determined by the loss actually absorbed by GNMA on resale of the mortgages at prevailing market prices.

To provide further assistance, the Secretary of Housing and Urban Development recently announced a revised version of the home mortgage interest rate subsidy program intended specifically for low- and moderate-income households. This program, which in another form had been suspended in early 1973, is expected to be in operation well before spring and to cover up to 250,000 new or substantially rehabilitated dwelling units over the next 2 years.

INSTITUTIONAL AND RELATED ADJUSTMENTS

During the year, a number of additional legislative and other changes have been instituted in an attempt to meet current and ongoing problems in the markets for housing and residential mortgages. Most notably, last March the Congress provided—as part of the Emergency Tax Reduction Act—for tax credits ranging up to $2,000 to eligible new-home buyers. Such credits, which were designed to help reduce the exceptionally large overhang of units still in builders' inventories at the time, are subject to the conditions that the purchases be only for such units, for owner occupancy, and made before the end of the year.

In the Emergency Housing Act of 1975, the Congress also broadened the coverage of loans eligible for the GNMA-tandem purchase program to include conventional mortgages on multifamily rental structures, cooperative apartments, and individual condominiums. Along a similar tack, the Federal National Mortgage Association in early autumn initiated a commitment and purchase program for project mortgages insured under a new section of the National Housing Act as amended in August 1974. This section permits the Federal Housing Administration for the first time to underwrite credit to refinance existing multifamily projects that do not require substantial rehabilitation. Under present circumstances, this section has been interpreted to include multifamily projects started before mid-1974 and completed during 1975.

Further efforts were made during the year to bring regulatory and/or statutory loan ceilings into closer alignment with current market prices for homes. For example, under the Veterans Housing Act passed toward the end of 1974 the loan-guarantee limit was raised to $17,500 from $12,500. This legislation also made all veterans with military service since the beginning of World War II permanently eligible under certain conditions for loans guaranteed by the Veterans Administration. Effective this summer, FNMA raised its maximum loan limits to $42,000 from $40,000 for secondary market purchases of conventional mortgages and to $70,000 for purchases of VA-guaranteed mortgages. Also, in the case of FHA Title I loans for mobile homes, the Congress recently endorsed legislation to raise the ceiling loan amounts to $12,500 from $10,000 for "single-wide" units and to $20,000 from $15,000 for "double-wides."

In the rapidly evolving secondary market for conventional mortgages, a number of other changes of particular significance were instituted during the year. These included the distribution for use by lenders of the first truly uniform set of conventional mortgage documents—standard within each State—under the aegis of FNMA and the Federal Home Loan Mortgage Corporation. Further steps were also taken in the development of mortgage-backed securities by FHLMC and the Federal Home Loan Bank Board.

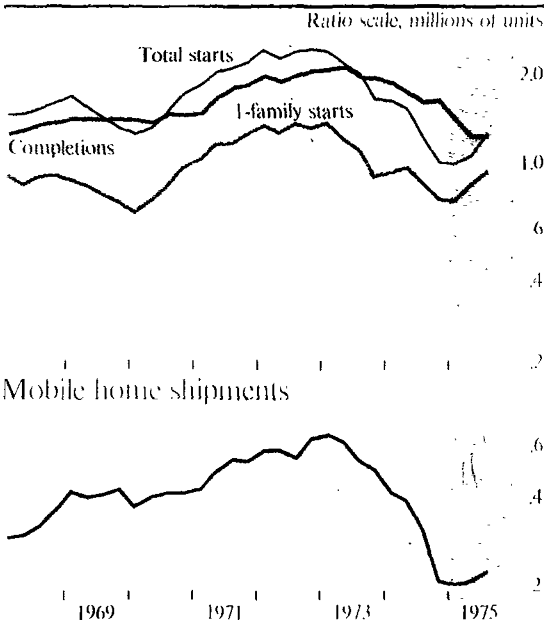
In addition, the Chicago Board of Trade last October instituted the first centralized market for trading in mortgage futures contracts—in units of $100,000 of GNMA-guaranteed certificates based on mortgage pools. This market offers the potential for mortgage originators, investors, and builders to hedge against risks of change in interest rates that they might otherwise have to absorb.

NEW RESIDENTIAL CONSTRUCTION

Early this autumn the seasonally adjusted annual rate of total private housing starts was still quite low, especially by the standards set in other recent years. In fact, it was only slightly above the pace—1.24 million units—that had marked the end of the previous downturn in early 1970 (Chart 2). Even so, the rate in September and for the third quarter as a whole was as much as a fourth above the low reached in the first quarter of the year, and in October the starts rate advanced sharply further.

CHART 2

Private housing starts and completions

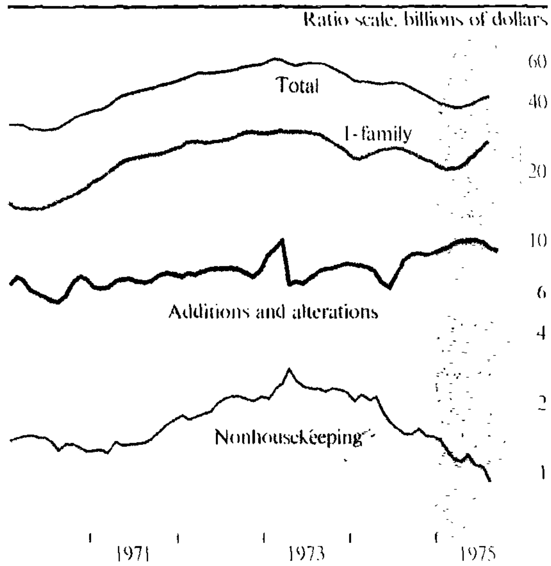


Census data for private housing starts and completions and Mobile Home Manufacturers Association data for domestic shipments of new mobile homes, converted to seasonally adjusted annual rates by Census and to quarterly averages by F.R. "Multifamily" includes 2 or more units. Latest data, Q3, preliminary.

Outlays for new private residential construction, which lag starts, have moved upward in recent months after having leveled off earlier in the year (Chart 3). While the value of work put in place for hotels, motels, and related nonhousekeeping units—which are also included in residential construction—has remained quite low, expenditures for additions and alterations to residential structures have held at an advanced rate. Despite some decline during the third quarter of the year, such expenditures continued to account for more than a fifth of total residential construction outlays.

CHART 3

Value of new residential construction



Census data on value of new construction put in place at seasonally adjusted annual rates. "Additions and alterations" derived by F.R. from other Census series. Recent data, preliminary.

Sectoral Differences in Housing Starts

In marked contrast to multifamily starts, starts of single-family units in the 1973–74 downturn never dropped under their 1970 low (Chart 2). Single-family starts over the first 9 months of 1975 accounted for more than three-fourths of the total, compared with less than 60 per cent during the period from 1968 through 1973.

The greater concentration in single-family starts this year has been due to a number of factors. These have included the broad support from the GNMA-tandem plan and other programs for such housing, and the relatively smaller degree of overbuilding during the earlier boom.

The sluggishness in multifamily starts this year, relative to single-family starts, has also reflected the fact that completed multifamily structures, which require a much longer production period than do single-family units, had until recently continued to reach the market in comparatively large numbers. In addition, interest in apartment building on the part of both potential investors and lenders has been considerably dampened by much weaker demands to purchase condominiums and by difficulties of achieving rent levels sufficient to cover the rising costs of maintenance and other operations, as well as construction.

Concern about the timing and nature of tax revision measures under consideration by the Congress has also had a limiting influence on apartment building, particularly with respect to the continuing ability of investors to use accelerated depreciation on real estate as write-offs against other types of income. Finally, while the demographic potential for new household formation remains quite strong, unemployment, particularly among the young, has thus far been much higher than in any other period since World War II. As a result, growth in single-person households—an important source of rental demand—has apparently been curtailed.

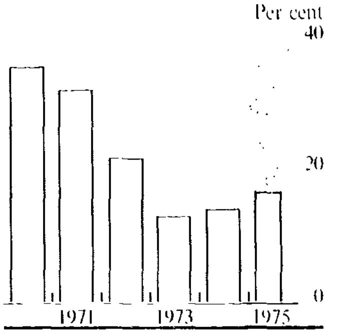
In the market for homeowner properties, as for other types of units, increased attention has been focused on the rehabilitiation of older units in lieu of new construction. Also moratoria on development of sewerage and related services have remained a constrictive influence on new construction of all types. However, with the inflation-hedge potential of homeownership still a strong attraction for families able to meet prevailing interest and other costs, sales of both new and—in particular—existing houses have improved this year. In some cases builders have begun to provide basic houses with fewer rooms and other amenities in an effort to broaden the market for new homes further.

Considered regionally, private housing starts in the third quarter rose in all major sections of the country, including the South where earlier overbuilding had been most pronounced and unsold inventories, particularly of condominiums, still are a problem. In 1972 and 1973 starts in the South had accounted for well over two-fifths of the national total. In the third quarter of 1975 the share was less than two-fifths. For the North Central States the proportion was 26 per cent, and for the West and Northeast, 23 and 13 per cent, respectively.

Owing in part to some strengthening in VA-guaranteed loan activity, starts under all Government-underwritten programs accounted for about a sixth of total private starts in the first 9 months of 1975 (Chart 4). This compared with 13 per cent in all of 1974 and the recent low of 12 per cent in 1973, when the administrative moratorium on subsidized starts under certain of the major FHA-insured programs was instituted.

CHART 4

FHA VA share of total starts



Based on data from Census for private housing starts and from HUD and VA for units started under FHA or VA inspection. First 9 months 1975, preliminary.

MOBILE HOMES

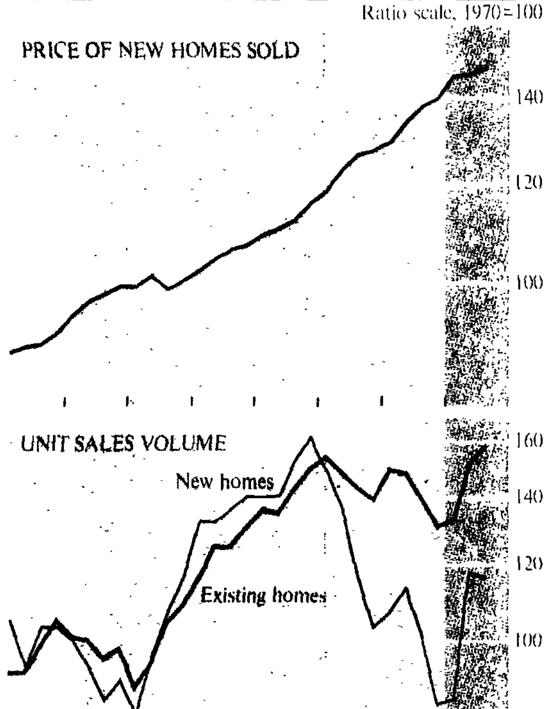
Factory shipments of new mobile homes for domestic use also showed some recovery in the third quarter of this year. But the seasonally adjusted annual rate of such shipments—at only 225,000—remained one of the lowest since the mid-1960's. Prices of new mobile home units, although still not high by conventional housing standards, have advanced further this year owing to such factors as rising costs of materials and labor and increased emphasis on upgraded construction. In addition, availability of sites for mobile home parks has remained a problem, and financing generally has become more expensive, in part because of a high level of repossessions.

CONSTRUCTION COSTS AND HOME PRICES

Residential construction costs have also continued to rise, but at a much more moderate pace than in other recent years. This autumn, according to a widely used index, labor and materials costs to home builders approximated 187 per cent of the 1967 average. On a year-to-year basis, the increase in this cost index exceeded 5 per cent, compared with 8 per cent for 1974 as a whole and as much as 10 per cent in 1972. With unemployment in residential construction particularly high, wage settlements for construction workers have been relatively moderate this year even though monitorship of such increases under the Construction Industry Stabilization Committee had expired in April 1974 with the end of wage and price controls. Land costs generally have continued to rise in 1975, but the uptrend has apparently slowed somewhat. Prices of building materials, which had mounted sharply further in 1974, have also advanced more slowly this year on the average.

CHART 5

Housing market indexes



Price index for new homes is Census quarterly index based on fixed proportions of 8 characteristics of new one-family houses sold by merchant builders. Transactions prices from which the index is derived include value of the developed lot, direct and indirect selling expenses, and profits.

Merchant builders' sales of new homes based on Census monthly data; and existing home sales based on monthly index of the National Association of Realtors, both at seasonally adjusted rates. All series converted to quarterly indexes, 1970 = 100 by F.R. Latest data, Q3, preliminary.

The median price quoted on single-family units sold by merchant builders in September was \$39,400—more than \$3,000 higher than a year earlier. Allowing for changes in the mix of new homes sold in terms of size and other characteristics, unit prices on the average during the third quarter of 1975 were running about 7 per cent above a year earlier—noticeably less than the record annual increases in 1973 and 1974, respectively (Chart 5).

For existing homes the median sales price in September was \$35,760, according to the National Association of Realtors. As in other recent months, such prices, which are not adjusted for compositional changes, were a tenth above a year earlier. This increase was about the same as the average for 1974.

Average rents for all types of residential units have also risen, though by less than the increase in operating costs experienced in recent years. However, with the rate of completions now quite low, median rents asked for new nonsubsidized apartments coming on the market have begun to advance appreciably. Through most of 1974 such rents had remained virtually stable.

Market Absorption Rates

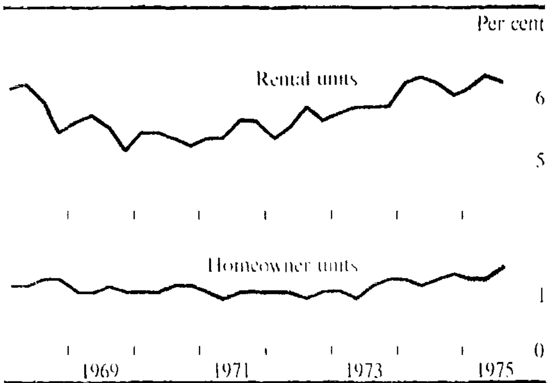
Demand for new apartment units was relatively weak in the second quarter, the latest period for which data are available. Altogether, by the end of that quarter only 61 per cent of new privately financed, nonsubsidized apartment units intended for rental use and completed in the first quarter had been leased. This ratio contrasted with 67 per cent for similar units at the same marketing stage a year earlier and was the lowest absorption ratio for any comparable period since 1972 when the volume of completions had been markedly higher.

On the other hand, for the combined total of all types of both existing and new rental units available for occupancy, vacancy rates this year have remained near the recent highs reached earlier (Chart 6). In part, this has continued to reflect additions to the "for rent" category of condominiums and other units originally intended for owner occupancy. In the third quarter the rental vacancy rate was 6.2 per cent, far below the high of 8.4 per cent reached in the same period of 1964, but still well above the 5.3 per cent rate in the third quarter of 1970.

Average vacancy rates for homeowner properties, which had changed little in the first half of the year, rose in the third quarter—to 1.4 per cent. Even so, the average remained significantly below the record high in the third quarter of 1963, both nationally and for most census regions.

CHART 6

Residential vacancy rates

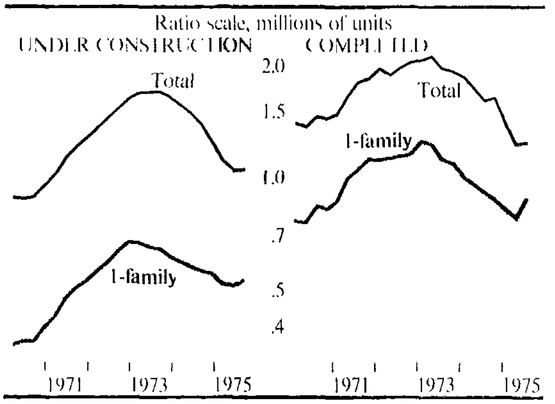


Census quarterly data. Vacancy rates relate to vacant dwellings available for rent or sale. Latest data, Q3.

Meanwhile, the strain on the resources of residential builders has eased somewhat. For example, merchant builders' sales of single-family homes, which exclude most condominiums, were holding only a little below the improved second-quarter rate despite further price increases, the dwindling number of units now eligible for tax rebates, and more competition from record sales of existing homes (Chart 5). By the end of the third quarter, merchant builders' stocks of new homes for sale at all stages of construction were still comparatively high. However, they equaled just over 8 months' supply at current sales rates, compared with nearly 12 months' supply at the end of 1974. The adjustment for multifamily units has been even more striking. By the third quarter, both units under construction and completions in the multifamily sector were running at or below their lows in early 1970 (Chart 7).

CHART 7

Private dwelling units



Census data, with completions at seasonally adjusted annual rates converted to quarterly averages by F.R. Units under construction are end-of-quarter totals seasonally adjusted by F.R. All data exclude mobile homes. Latest data, Q3, preliminary.

RESIDENTIAL MORTGAGE MARKETS

Commitments outstanding at thrift institutions to make or acquire mortgages reached a 2-year high in August and rose further in September. While both short- and long-term interest rates had turned up during the summer, yields on market securities generally have eased during October and early November. As a result, upward pressures on mortgage yields—more than usually sensitive to general market developments in recent years—have also moderated, and secondary market support activity from FNMA, FHLMC, and other nondepositary sources has lessened.

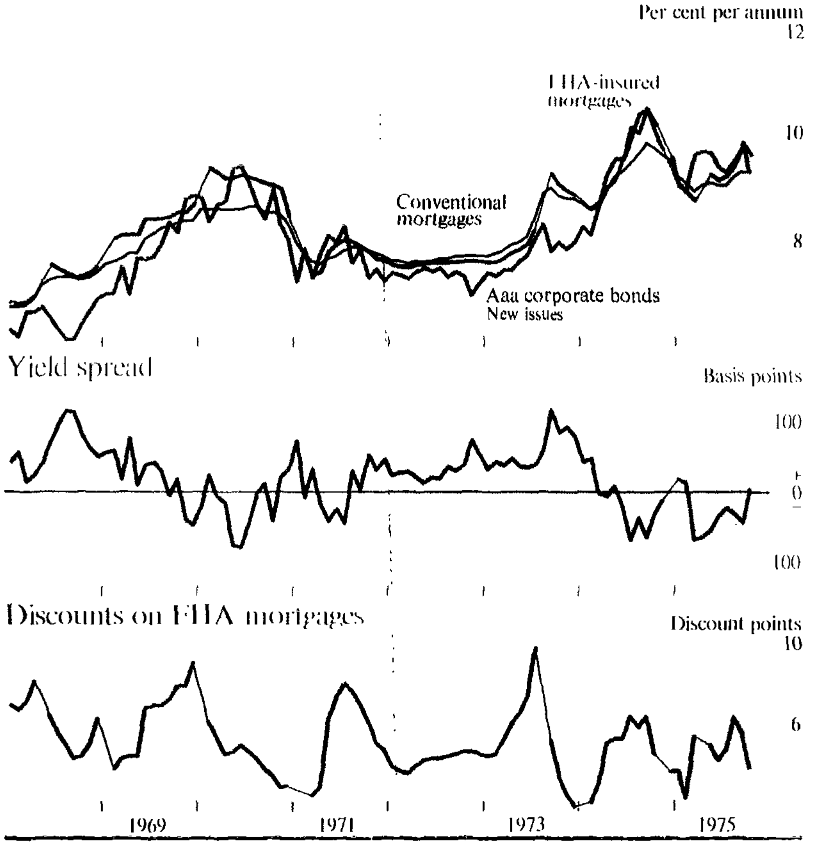
Lenders still hold a large volume of unseasoned mortgages on both single-family and multifamily units, and with unemployment rates still very high, mortgage lending policies have remained quite selective this year. Even so, delinquency rates did not rise during the general recession as much as had been feared. In fact, by the second quarter, seasonally adjusted delinquency rates on permanent home mortgages held by institutions that report to the Mortgage Bankers Association had declined to 4.37 per cent from a recent high of 4.52 per cent in the first quarter and were little changed from the average for April–June 1974. Moreover, due in part to Government requests for forbearance, outright foreclosures remained quite low. Meanwhile, problems involved in working out overdue residential construction loans, particularly by the real estate investment trusts, continued to be a factor limiting further lending in this critical area.

Home Mortgage Terms

Contract interest rates for new commitments on conventional first mortgages on new homes remained at the 9.25 per cent average reached in September. This was about 35 basis points above the low of last March but still some 55 basis points under the record high registered in September 1974 (Chart 8). Interest rates for conventional loans on existing homes tend to exhibit much the same pattern of movement as those for new homes; in October they averaged 9.30 per cent and were also unchanged from September, according to reports from the Department of Housing and Urban Development. With bond yields down sharply in October, the gross yield differential in favor of home mortgages as against corporate bonds turned slightly positive for the first month since last February. The differential, which is influenced in part by relatively low usury ceiling rates in some States and which had been nega-

CHART 8

Yields on home mortgages and bonds



Mortgage data based on HUD (FHA) field-office reports. For "conventional," average interest rates are for first mortgages on new homes. For "FHA-insured," weighted averages of private secondary market bid prices for certain new-home mortgages (shown at a discount from par in the bottom panel) converted to annual yield; thin lines indicate months affected by adjustment in contract interest rate except in some cases where estimates have been provided by F.R. For corporate bonds, average of yields on new issues (Moody's Aaa, Aa, and A adjusted to Aaa utility bonds with 5 year call protection). Yield spread is for conventional mortgages. Latest data, September tive during most of the past 2 years, is an important consideration to diversified lenders especially because of the higher servicing and related costs mortgage investments involve.

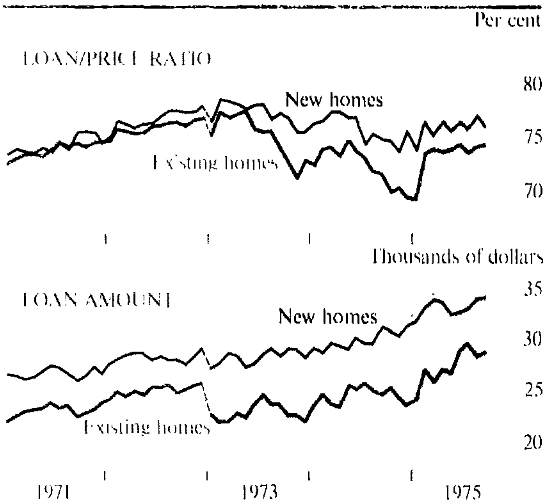
The relatively prompt upturn in home mortgage rates this August and September was partly in response to a long-anticipated slackening that occurred in net savings flows to thrift institutions from the record levels reached earlier in the year. Even so, with the liquidity positions of such institutions greatly improved, outstanding mortgage commitments continued to rise in September. By the end of October, mortgage funds at savings and loans were indicated to be in short supply relative to demand in only a few Federal home loan bank districts.

In the private secondary market for Government-underwritten mortgages, the upturn in yields this summer and early autumn was fairly sharp. In October, however, such yields reversed direction and declined to an average of 9.53 per cent (on 9 per cent mortgages purchased for immediate delivery); this was still considerably below the record high of 10.38 per cent in September 1974—and no more than 47 basis points above the low reached last June (when the regulatory maximum on such mortgages had been 8½ per cent). Discounts on such mortgages averaged 4 points in October, a level more favorable to market participants than in other recent months.

In FNMA's free-market auctions of forward commitments to purchase eligible FHA–VA home mortgages, average yields on bids accepted by FNMA had moved almost to the 10 per cent level by early October (Chart 9). Thereafter, however, they receded appreciably as the volume of offerings to FNMA dwindled to levels well below their earlier accelerated pace. A factor in this development was the more attractive prices recently available in the market for GNMA-guaranteed "pass-through" securities backed by pools of FHA–VA mortgages. By early November in the related auction for commitments to buy conventional mortgages, the average yield on bids accepted by FNMA—9.54 per cent—was also running below the high in early October. So too were yields asked by FHLMC on comparable nonsubsidized mortgage purchases.

CHART 10

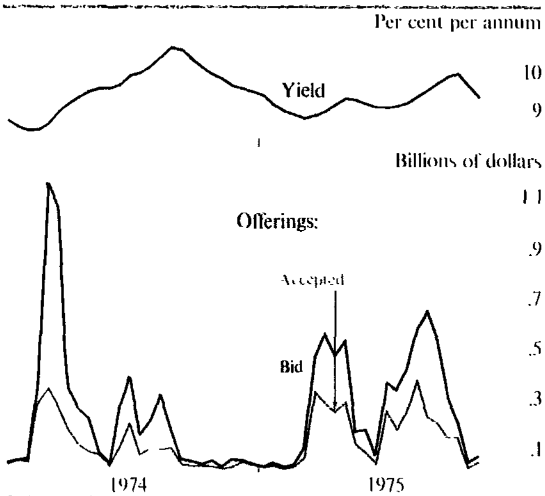
Conventional home mortgage terms



Monthly data from FHLBB, with cooperation of FDIC, are for conventional first mortgages at time of closing by major lender groups on single-family homes for purchase only. Data beginning 1973 are not strictly comparable with those for earlier years because of sampling and other changes. Latest data, September, preliminary.

CHART 9

FNMA purchase auction results: FHA-VA



Data from FNMA based on results of generally biweekly auctions for Government-underwritten mortgages. Yields to FNMA shown are for 4-month forward-purchase commitments (assuming a 12-year prepayment period for certain 30-year Government-underwritten mortgages) and are gross before deduction of mortgage servicing fee, without allowance for commitment fee and required purchase of FNMA stock. Latest data, Nov. 3, 1975, auction.

While loan/price terms on conventional first mortgages closed on single-family homes—under commitments made some months earlier—have remained more stringent than in 1973 (Chart 10), they have generally been liberalized during 1975. Reflecting this shift and the continuing rise in average prices of homes sold, average loan amounts have recently reached new highs. Average maturities associated with such mortgages have also tended to ease, offsetting to some extent the effect of higher contract interest rates on monthly mortgage payments.

DEBT EXPANSION

Seasonally adjusted net acquisition of debt secured by residential properties has expanded further during the third quarter of 1975 from the low reached in the fourth quarter of 1974 (Chart 11). The annual rate of about $44 billion in the third quarter was already only about a tenth below the record pace of net accumulation in 1973. In that year the net increase in total residential mortgage holdings by all lenders had approximated $50 billion as compared with less than $20 billion in all of 1970 and even smaller amounts in most other recent years when home prices had been appreciably lower.

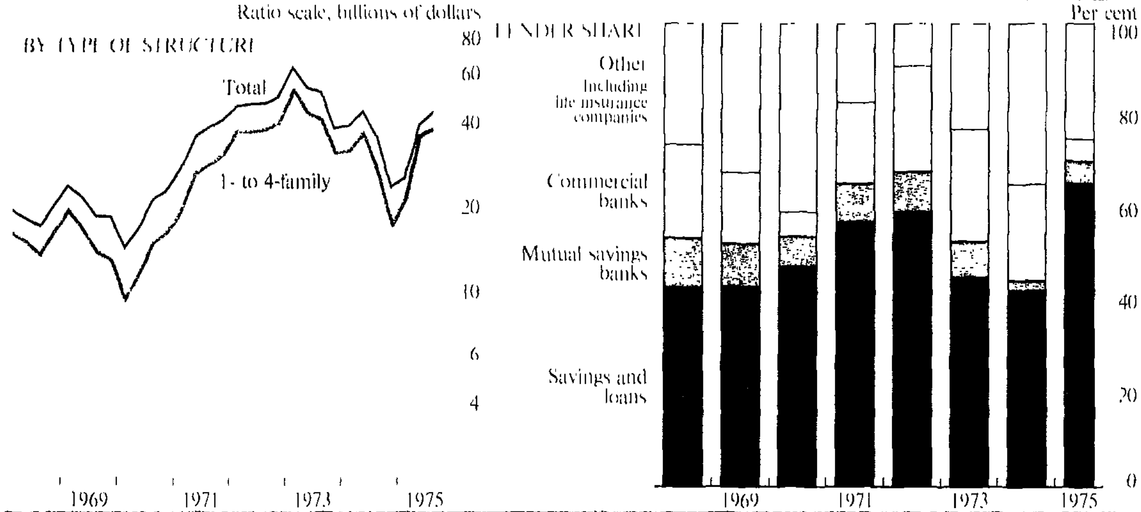
Including the third quarter, as much as seven-eighths of all of the net increase in residential mortgage debt outstanding this year has been on single-family properties. This has reflected in part the sharply reduced level of construction lending on multifamily properties by REIT's and by other lenders specializing in such loans, as well as the dwindling number of completed apartment properties now requiring permanent financing. Also transactions in existing homes this year have been extremely numerous and in most cases they have required larger amounts of financing under prevailing inflationary conditions.

Among the major lender groups, savings and loan associations in the first three quarters of the year accounted for more than three-fifths of the net increase in mortgage debt outstanding on single-family and multifamily properties combined. Even so, savings and loan associations also managed to repay a substantial amount of debt to the Federal home loan banks and to rebuild liquidity during the first half of the year.

In the first three quarters of the year, net

CHART 11

Net change in residential mortgage debt



Quarterly data by type of property estimated and converted to seasonally adjusted annual rates by F.R. as required to supplement reports of Federal agencies and private sources.

Distribution of net changes by type of holder based on annual totals except first three quarters of 1975. Latest data, preliminary.

acquisition of residential mortgage debt by commercial banks, which had already dwindled considerably since 1973, continued to run at the slowest pace since 1970. This development was associated with sluggishness in all forms of bank lending related to real estate, including loans to mortgage companies, and it reflected—particularly in the case of large banks—loans still outstanding to the REIT's. A number of REIT's are still operating under special support arrangements designed to work out problems resulting from earlier excesses. Net mortgage acquisition by mutual savings banks also remained relatively limited, as did that by life insurance companies.

Among other mortgage lenders, net purchases by FNMA and other Federally sponsored mortgage credit agencies moved upward in the third quarter. In addition, the dollar amount of mortgages in the pools backing issues of GNMA-guaranteed "pass-through" securities has continued to grow. By the end of September it exceeded $17 billion, an expansion of $6 billion from a year earlier. □

Staff Economic Study

From time to time the Federal Reserve BULLETIN *publishes in full staff studies that are of general interest to the economics profession and to others.*

As in all staff economic studies, the authors are responsible for the analyses and conclusions set forth, and the views expressed do not necessarily indicate concurrence by the Board of Governors, the Federal Reserve Banks, or members of their staffs.

MINNIE: A Small Version of the MIT–PENN–SSRC Econometric Model

DOUGLAS BATTENBERG, JARED ENZLER, AND ARTHUR HAVENNER Staff, Board of Governors

The optimal size of an econometric model varies with its use. Since simulation with even very large, nonlinear macroeconomic models is inexpensive today, there has been little incentive to keep models small, even if the refinements have only marginal effects. On the other hand, when these models are applied to other purposes, the cost of minor refinements is often excessive and a different trade-off between accuracy and complexity is necessary.

This paper describes MINNIE—a condensed version of the Massachusetts Institute of Technology–University of Pennsylvania–Social Science Research Council (MPS) econometric model.[1] Very early versions of the full MPS model were described several years ago in the Federal Reserve BULLETIN.[2] The model has since undergone substantial changes. Most of the expenditure equations have been made to depend on real interest rates rather than on nominal rates. The labor sector and the calculation of income distribution have been re-specified. A considerably more elaborate description of financial flows including time and savings deposits, mortgage stocks and flows, and the relation of these items to residential construction has been incorporated.

There have, of course, been a number of other, less important changes. MINNIE is a condensation of a recent version of the MPS model and incorporates most of the later developments.[3] MINNIE retains the key structural relations (those determining consumption, durable investment, prices, and so on) in the exact form in which they appear in the MPS model, while it simplifies the relations that introduce a great deal of complexity to achieve only minor gains (the four import functions, the mortgage sector, and so forth). MINNIE has 149 stochastic coefficients and 21 equations—about a third of the number of the large model—while the set of policy instruments and the short-run dynamic responses are nearly the same.

Three basic procedures were used to collapse the large model to MINNIE. First, extreme

[1] This report does not evaluate the MPS model—MINNIE is intended to duplicate the responses of the large model, not to be an alternative to it.

[2] See "The Federal Reserve–MIT Econometric Model" in the BULLETIN, Jan. 1968, p. 11, and "The Channels of Monetary Policy" in the BULLETIN, June 1969, p. 472.

[3] The staff at the Federal Reserve uses a modified version of the MPS model in some of its work. This modified version has somewhat different properties than does either the standard MPS model or MINNIE.

fine-tuning of variables was eliminated. For example, the credit rationing term in the housing equation was changed to eliminate the need for the elaborate time deposit and mortgage sectors of the large model. Second, we have combined some of the variables, which provide interesting detail but are not essential to the functioning of the model, as by the aggregation of the variables for single- and multifamily housing starts. Both of these simplifications have required new estimation of the parameters of these equations.

The third technique for collapsing the large model primarily applies to the tax and income sectors, where the desired long-run properties of the MPS model have resulted in variables that are stable in the short run. For instance, the after-tax cash flow of corporations depends on depreciation of producers' durable equipment and structures—a separate equation for each—the price deflator for housing, the stock of single- and multifamily houses, and assorted minor variables in the large model. In MINNIE, these variables have all been replaced by a varying proportion of gross national product, which is a variable, not a parameter, so the equation is an identity. In the short run this variable changes hardly at all and may justifiably be assumed constant; minor short-term feedbacks have been eliminated.

DIFFERENCES FROM THE MPS MODEL

The theory underlying each sector of the MPS model has been developed in a number of working papers available on request (see list, page 727) and will not be reiterated here; this section is primarily concerned with the differences between the two models. An appendix containing the list of equations and an alphabetical list of variables is available on request in mimeographed form.[4]

[4]Requests should be addressed to: Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

FINAL DEMANDS SECTOR

The first equations determine real consumption expenditures. The per capita consumption equation[5] is the same as that of the large model, while the consumer durable goods investment function required several modifications. In the MPS model it is a stock adjustment equation in which the current period's investment (*ECD*) depends negatively on last period's stock, negatively on the implicit rental rate of consumer durable goods, and positively on current real disposable income (*YD*) and single-family housing starts. MINNIE substitutes total housing starts because they will not be disaggregated in the housing sector and makes a few changes in the rental rate expression: (1) a new construct, *PDOTX*,[6] has been introduced as a price expectations variable; (2) the expectations component of the rental rate operates only after 1966 in the MPS model but over the entire sample in MINNIE; and (3) a relative price term in the large model has been dropped from MINNIE because it introduces a nonlinearity but does not exhibit much short-run variation. The remaining four equations determining consumer goods depreciation, the stock of consumer goods, their net imputed rent, and personal consumption expenditures close the consumption block and are exactly the same as in the MPS model.

A block of three equations[7] in the large model has been aggregated into one equation for State and local government expenditures. Besides the assumptions about constant "mix," this equation also requires that State and local employment be exogenous, since employee compensation is no longer separately available to estimate the number of State and local workers. As State and local employment is extremely insensitive in the short run, it should not be a serious omission.

Four MPS equations disaggregate the quantity of real imports by merchandise and by services

[5]Defined as expenditures on nondurable goods and services plus the value of services from consumer durable goods.

[6]Defined as a distributed lag on nonfarm business product.

[7]Construction expenditures, other goods, and employee compensation.

and by Canada and by the rest of the world. MINNIE replaces these with a functional form similar to that of the MPS equation for merchandise from the world other than Canada, which represents the largest portion of imports.[8]

Three equations determine *investment* in producers' durable equipment. The first, orders, is the key relationship in the producers' durable equipment sector. It is of the form:

$$OPD = VPD \times \Delta XB^e$$

where *VPD* is the equilibrium ratio of producers' durable goods to output, and ΔXB^e is the desired addition to capacity—represented by a distributed lag on business output (*XB*). *VPD*, however, is not observable, and in the large model the equations for *OPD* and *VPD* are jointly estimated as one nonlinear equation [Bischoff, 11], a process that allows the estimation of the relative weights on the corporate bond rate and the dividend/price ratio in the cost of capital. Given these two weights, *VPD* is observable; the procedure followed for MINNIE was to accept these two weights as given and regress the now observable *VPD* on its major determinants. (The resulting equation is not an identity because the functional form of the regression is far simpler than the identities it replaces and because some of the less important determinants of *VPD* have been omitted.) The expenditures, unfilled orders, and production capacity equations that close the sector are identical to their MPS counterparts.

Two producers' structures equations correspond to the first two equations determining investment in producers' durable goods. The first, analogous to the orders equation above, is the important producers' structures expenditure (*EPS*) equation taken exactly from the large model. Similarly, the equilibrium ratio of producers' structures to output (*VPS*) is made observable by assumption so that a regression on business output replaces a number of highly nonlinear identities. The stock of producers' structures (*KPS*) equation is from the large model.

Nonfarm business inventory determination is the same as in the MPS model.

The last category of demand to consider is the housing sector—residential structures. The real value of housing starts (*HS*) depends on the profitability of building houses, and this in turn depends on the ratio of the price of houses (*PH*) to construction costs (*PHC*):

A.1 $HS = f\,(PH/PHC)$

Housing services are assumed to be proportional to the housing stock, and the demand for housing services depends positively on permanent income—represented here by *CON*—and negatively on the price of housing services (*RH*):

A.2 $KH = g\,(CON, RH/PCON)$

Finally, the price of houses (*PH*) is assumed to be equal to the capitalized value of the rental price of housing services.

A.3 $PH = RH/RCH$

where *RCH* is the cost of capital. Solving A.2 for *RH* and substituting into A.3, and substituting the resulting expression into A.1 gives

$$HS = h(CON, KH, RCH, PHC, PCON)$$

which is the basis of the housing stock equation in MINNIE, subject to two modifications. First, the mortgage rate has been replaced by the corporate bond rate in the cost of capital, and second, a credit rationing term has been added. Since changes in deposit flows to thrift institutions do not result in an immediate change in mortgage rates sufficient to clear the market, the MPS model incorporates the rate of change of outstanding mortgage commitments in the housing equations. With the deposit and mortgage sectors omitted from MINNIE, we must use another variable. Mortgage commitments depend on deposit flows, and deposit flows depend on the relationship of market interest rates to rates paid on thrift deposits. We have used as a credit rationing variable the logarithm of the ratio of the Treasury bill rate to the ceiling rate on commercial bank time deposits (*ln RTB/ZCT*).[9] The remaining equations, determining the stock of houses, the cost of capital,

[8] The MINNIE coefficients emphasize permanent income, capacity utilization, and Euro-dollar borrowings at the expense of relative prices when compared to the coefficients in the large model.

[9] This variable actually has a more powerful effect than the MPS credit rationing term, making the MINNIE housing equations more responsive to interest rates.

and housing expenditures replace their disaggregated counterparts[10] in the MPS model.

WAGES, PRICES, AND EMPLOYMENT SECTOR

Seven equations (beginning with the 23rd equation of the model) determining aggregate personhours, hours per person, private domestic nonfarm employment, civilian employment, the unemployment rate, the labor force, and wages are identical to those in the MPS model. The critical price equation, determining the deflator for nonfarm business product (*PXB**), is also identical to the equation in the large model, while nine other equations determine various prices through exogenous ratios to *PXB**. The main departure here is in the method of calculating the GNP deflator. In the large model the national income account product price deflators are calculated through exogenous ratios to *PXB**, and the GNP deflator is calculated as a weighted average of these deflators; in MINNIE, the GNP deflator also is calculated directly through an exogenous price ratio.

DIVIDEND, INCOME, AND TAX SECTOR

Five tax equations are specified as exogenous ratios times endogenous bases. The exogenous ratios are very stable in the short run because the proportions of the components of the endogenous variables that are taxed at different rates exhibit little change. Similarly, the reconciling items that link national income (*YNI$*) and GNP are assumed to be a stable proportion of GNP, as is the effect of accelerated depreciation on corporate cash flow.

The dividend equation was re-estimated by using the price of business output rather than producers' durable goods and equipment deflators in determining the current-dollar investment in producers' capital because these deflators are not generated in MINNIE. In addition, the effect on assets of inflation through corporate debt has been eliminated.

FINANCIAL SECTOR

The MPS financial sector has 31 stochastic equations, whereas MINNIE has only 3.

In its full specification MPS takes nonborrowed reserves and the discount rate as the primary monetary instruments. Given these variables, the quantity of demand deposits that banks are willing to supply—the amount supplied varies with the buying and selling of securities to achieve target levels of free reserves—varies positively with the Treasury bill rate (*RTB*). The quantity of demand deposits that the public is willing to hold (given nominal GNP) varies inversely with the bill rate. Together these two equations determine the bill rate and the stock of demand deposits.

In many cases it is useful to think of the Federal Reserve as following a money stock or Treasury bill rate target and supplying the reserves necessary to achieve the target values. We have followed that strategy here. The money supply equation and associated identities have been dropped, as has the currency equation. As MINNIE is currently specified, the policy variable may be either commercial bank demand deposits or the Treasury bill rate, whichever the user prefers.[11]

If demand deposits are taken as the policy variable, then the money demand equation determines the Treasury bill rate (*RTB*). This equation is similar to the MPS version except that one term in the weighted average of time deposit offering rates at commercial banks, savings and loan associations, and mutual banks is replaced in MINNIE by the ceiling rate on commercial time deposits (*ZCT*) and the dummy variables Q_1 and Q_2. The rate on time deposits at banks is constrained by the Regulation Q ceiling and normally the rates move close together—the dummies represent the only major shift in the relationship between rates at com-

[10] The MPS model disaggregates 1- to 2-family housing and 3-or-more-family housing.

[11] Or M_1 can be made the exogenous policy variable.

mercial banks and at thrift institutions in the post-Korean war period.

The corporate bond rate (*RCB*) is determined by a *term structure* equation relating the bond rate directly to the Treasury bill rate. In the large model the term structure is derived from the commercial paper rate, which in turn is determined through a term structure equation based on the bill rate.[12]

The equation for the common stock dividend/price ratio is exactly the same as that in the MPS model, and the final two equations close the system by calculating net worth. In the first, net worth is defined as last period's net worth plus saving plus the capital gain on equities, consumer durable goods, and housing, while the last equation (63) defines the net worth less equities variable that enters the consumption function.

DYNAMIC RESPONSES

This section compares the short-term (2-year) responses of MINNIE and of the MPS model. Since both models are *nonlinear*, *the multipliers* are not invariant of the time period of measurement. The responses recorded here are based on a $1 billion increase in the policy variable in the first quarter of 1970. The shocks from this increase were not sustained after the first quarter.

GOVERNMENT EXPENDITURES

The choice of the Treasury bill rate or commercial bank demand deposits as the policy variable conditions the Government expenditures multipliers. If the Treasury bill rate is exogenous, then demand deposits are endogenous and affect the expenditures multipliers. The Government expenditures multipliers are different from those that result when interest rates are endogenously determined; that is, when demand deposits are

[12] The MINNIE term structure equation reflects fairly accurately the properties of the combined MPS term structure equation. The steady state reaction of *RCB* to *RTB* is slightly smaller in MINNIE, and the steady state reaction to inflation is slightly larger, but the sum of the two effects is very close to the MPS values.

TABLE 1

Effect of increasing Federal purchases of goods by $1 billion in 1958 dollars for one quarter and then returning purchases to their original level

Quarter	MPS	MINNIE	$\sum$ |Dif|	MPS	MINNIE	$\sum$ |Dif|
	Real GNP			Current GNP		
1	1.0	1.1	1	1.4	1.5	1
2	2	.2	1	4	.4	1
3	1	1	.1	3	3	1
4	1	0	2	2	2	1
5	0	1	3	2	1	2
6	0	1	4	2	0	4
7	1	2	5	2	.1	7
8	1	2	6	2	1	1.0
	Unemployment rate			Nonfarm business deflator		
1	030	030	0	009	009	0
2	.036	034	002	.016	017	.001
3	007	005	004	019	019	.001
4	005	002	007	021	020	.002
5	.004	001	010	.023	.021	004
6	003	001	014	026	.022	008
7	003	003	020	028	023	.013
8	002	005	027	031	024	.020

Non $\sum$ |Dif| is the cumulated absolute values of the MPS MINNIE differences. Real GNP is in terms of 1958 dollars

the monetary instrument. The multipliers in Table 1 correspond to the exogenous demand deposits. With demand deposits unchanging, the initial positive effect of a change in Government expenditures on real GNP - directly, and indirectly through the multiplier and acceleration- -*is rapidly crowded out by the effect of* rising prices and interest rates on investment and consumption. Exogenous interest rates and an endogenous money stock give much longer positive expenditures multipliers.

The short-run responses of the two models are remarkably similar. Table 1 compares the *dynamic multipliers* of MINNIE with the MPS model for four endogenous variables. Note that after eight quarters, the sum of the absolute values of the differences of the real GNP multipliers is only 0.6, with the first-year responses even more similar: the other multipliers are not quite so close, but the conclusion remains that the short-term responses of MINNIE to Gov ernment expenditures are essentially the same as those of the larger model.

DEMAND DEPOSITS

There are three channels of monetary policy in both MINNIE and the MPS model. First, an increase in deposits relative to transactions demands lowers interest rates and stimulates investment. Second, the lower interest rates raise equity prices, causing household net worth to rise, and affecting both consumption and residential construction. Third, increased interest rates result in reduced deposits at thrift institutions and consequently, non-interest-rate rationing of credit.

The multipliers based on an increase in demand deposits of $1 billion in current dollars are given in Table 2. The demand deposit responses are not so close to those of the larger model as are the Government expenditures: MINNIE's first few GNP multipliers slightly exceed the MPS figures, and the second-year unemployment and price multipliers are smaller. Several factors account for the larger GNP multipliers. One is the replacement of the actual time deposit rate with the Regulation Q ceiling in the money demand function. Since deposit rates do occasionally move from ceiling levels, the bill rate is more responsive to deposit changes in MINNIE. Another factor is the substitution of the Treasury bill rate (*RTB*) for the commercial paper rate in the term structure equation determining the corporate bond rate (*RCB*). This substitution slightly shortened the lag from changes in demand deposits to changes in the bond rate. Yet another difference between MINNIE and the MPS model that affects the GNP multipliers is the dismantling of the entire time deposit and mortgage sectors that develop the credit rationing term in the large model. In MINNIE, this term is replaced by the ratio of the bill rate to the Regulation Q ceiling.

The second-year unemployment and price multipliers are smaller in MINNIE since State and local expenditures are exogenous, whereas in the MPS model the increased income from a demand deposit increase leads to slightly higher State and local employment with associated price effects.

Even with these differences, however, the MINNIE multipliers are very close to those of the MPS model. As Table 2 shows, the 2-year cumulative absolute value of the multiplier differences on real GNP is 0.8 on cumulated MINNIE multipliers of 6.5. The other multipliers are also close, with the first three price multipliers exactly the same. Thus, it can be concluded that MINNIE's short-run responses mimic those of the MPS model. □

TABLE 2

Effect of increasing demand deposits by $1 billion in current dollars for one quarter and then returning deposits to their original level

Quarter	MPS	MINNIE	$\sum$ |Dif|	MPS	MINNIE	$\sum$ |Dif|
	Real GNP			Current GNP		
1	.2	.3	.1	.3	.4	.1
2	.5	.6	.2	.7	.8	.2
3	.8	.8	.2	1.1	1.3	.4
4	1.0	1.0	.2	1.6	1.6	.4
5	1.1	1.1	.2	1.8	1.8	.4
6	1.1	1.0	.3	1.9	1.9	.4
7	1.1	.9	.5	2.1	1.8	.7
8	1.1	.8	.8	2.2	1.7	1.2
	Unemployment rate			Nonfarm business deflator		
1	.008	.008	.0	.002	.002	.0
2	.022	.023	.001	.009	.009	.0
3	.037	.037	.001	.018	.018	.0
4	.049	.047	.003	.031	.029	.002
5	.059	.055	.007	.042	.039	.003
6	.064	.056	.015	.055	.049	.006
7	.065	.053	.027	.072	.059	.013
8	.066	.049	.044	.092	.068	.024

NOTE.—$\sum$ |Dif| is the cumulated absolute values of the MPS–MINNIE differences. Real GNP is in terms of 1958 dollars.

LIST OF UNPUBLISHED WORKING PAPERS

1. Ando, Albert. "Consumption and Consumer Expenditures."
2. ———. "Explanation of Dividends."
3. ———. "From Gross National Product to Disposable Personal Income."
4. ———. "Labor Market."
5. ———. "On the Role of Expectation of Price Changes in an Investment Function."
6. ———. "The Basic Price Equation."
7. Ando, Albert, and Modigliani, Franco. "Some Reflections on Describing Structures of Financial Sectors."
8. Ando, Albert; Modigliani, Franco; Rasche, Robert; and Turnovsky, Stephen. "On the Role of Expectation of Price and Technological Change in an Investment Function."
9. Bischoff, Charles W. "A Model Explaining *Non-Residential Construction* * * * Preliminary Results."
10. ———. "A Two Equation Model Explaining Investment In Producers' Durable Equipment * * * Preliminary Results."
11. ———. "Elasticities of Substitution, Capital Malleability, and Distributed Lag Investment Functions."
12. de Menil, George. "The Determinants of the Price Level."
13. de Menil, George, and Enzler, Jared J. "Prices and Wages in the FRB-MIT-PENN Econometric Model."
14. Gramlich, Edward M. "State and Local Government Expenditures."
15. ———. "State and Local Governments and Their Budget Constraint."
16. Jaffee, Dwight. "An Econometric Model of the Mortgage Market: Estimation and Simulation."
17. ———. "The Commercial Loan Market."
18. Kalchbrenner, Jack. "Summary of the Current Financial Intermediary, Mortgage, and Housing Sectors of the SSRC-MIT-PENN Econometric Model."
19. Modigliani, Franco. "The Dynamics of Portfolio Adjustment and the Flow of Savings Through Financial Intermediaries in the F-M-P Model."
20. ———. "The Valuation of Corporate Stock."
21. Modigliani, Franco; Rashe, Robert; and Cooper, J. Philip. "Central Bank Policy, The Money Supply and the Short-Term Rate of Interest."
22. Modigliani, Franco, and Schiller, Robert. "Price Expectations, Taxes, and the Term Structure of Interest Rates."
23. Rasche, Robert H. "Shipments Orders Relationships for Machinery and Equipment."
24. Slovin, Myron B. "Deposit Rate Setting at Financial Institutions."

Statements to Congress

Statement by George W. Mitchell, Vice Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, October 18, 1975.

I am glad to appear before this committee today to discuss the possible implications for the financial system of the New York City financial crisis.

The threat of a New York City default—and of difficulties in the tax-exempt market more generally—has caused concern in some quarters regarding the financial condition of our banking system. This concern stems from the fact that commercial banks long have been important investors in State and local government obligations, including those of New York State and New York City. I am appending to my statement a table showing the aggregate involvement of banks in the tax-exempt market.[1] As of mid-1975, all commercial banks had total investments of $102 billion in such obligations, accounting for 47 per cent of all outstanding State and local indebtedness. This was nearly 15 per cent of all the loans and investments of the banking system.

A key consideration leading banks to acquire these large positions in State and local obligations has been the record of performance of municipals as a high-quality, low-risk investment. There are other reasons banks hold municipals, including their tax-exempt status and their eligibility as collateral that can be pledged against U.S. and State and local government deposits. While such issues do not have the liquidity and marketability features of U.S. Government issues, the soundness of such investments has seldom been questioned. The historical record for ultimate payment of principal and interest, even among governmental units that have defaulted on their obligations, has been remarkably good.

The record is well documented by the experience of the depression years of the 1930's, when close to 4,800 State and local units out of more than 150,000 were reported to have defaulted on their debts, including 48 cities with populations of 25,000 or more. According to a study published by the Advisory Commission on Intergovernmental Relations, the indebtedness of the defaulting units at time of default was $2.7 billion—close to 18 per cent of the total amount of local debt outstanding.[2] Yet, by 1938 all 48 cities were reported out of default, and by 1945 nearly all units of any significant size had settled their default problems. The loss of principal and interest resulting from recorded defaults during the depression period, according to a study by the National Bureau of Economic Research, is estimated to have aggregated only $100 million, or about one-half of 1 per cent of the average amount of State and local debt outstanding in the period.[3]

Experience with municipal debt in the postwar years has reaffirmed the record for high quality established during the depression. Although more than 400 State and local default situations had been reported between 1945 and early 1970, most of these appear to have been temporary or technical in nature and to have involved quite small governmental units. The

[1]Available upon request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

[2]*City Financial Emergencies: The Intergovernmental Dimension* (Washington, D.C.: July 1973).

[3]George H. Hempel, *The Postwar Quality of State and Local Debt* (New York: National Bureau of Economic Research, 1971), p. 24. The loss figures do not include lower-interest payments on refunding issues or accrued interest on unpaid principal or interest.

principal amount of debt reported as in default as to principal or interest from 1945 through early 1970 cumulated to approximately $450 million, or less than one-half of 1 per cent of the total municipal debt outstanding in 1970. And the bulk of this total—$334 million—was accounted for by revenue bonds on three major projects—the West Virginia Turnpike, Calumet Skyway Toll Bridge, and Chesapeake Bay Bridge and Tunnel. An additional $72 million was accounted for by 21 other default situations involving amounts of $1 million or more, of which only two were general obligation bonds.

This experience leads me to believe that the chances of ultimate *significant loss*, especially by investors in general obligation bonds, are relatively small. Even if New York City should default for a time on its obligations, the economic tax base will remain and the city will have to cure the default in one way or another before it can re-enter the credit market. In view of the high probability of ultimate final repayment—which means that the securities will continue to have market value—the Federal bank supervisory agencies have agreed that a reasonable length of time will be permitted, if there is a default, before banks would be required to write down the book value of their holdings to market value. During this interim period of up to 6 months, the default might well be cured and markets return to normal. But even if this does not happen, it is important to recognize that the amount charged off against a bank's capital account would undoubtedly be far less than the book value of the security holdings involved.

We nevertheless have reviewed our most recent examination reports—some of which may date back for a year or so—to determine the extent to which concentrations of holdings of New York City or State securities may exist among our State member banks. I am submitting a staff report summarizing this study for the information of the committee.[1] It shows that only 6 of our roughly 1,100 State member banks held New York City securities amounting to more than 50 per cent of the bank's capital as of the last examination; in some cases, these positions may well have been reduced or eliminated since that time. If holdings of New York State and State agency issues are included as well, the number of banks with such investments aggregating more than 50 per cent of their capital is raised to only 17; most of these are quite small institutions.

It does not appear, therefore, that there is a significant threat of capital impairment, at least among the State member banks. The studies conducted by the Comptroller of the Currency and the Federal Deposit Insurance Corporation, I believe, reach more or less similar conclusions. A more likely possibility is that, in the event of default by the city, some banks will experience a temporary liquidity squeeze—arising, for example, from sudden shifts of deposits from one bank to another, or because banks are faced with unexpected requests for credit accommodation by their municipalities, or by holders of the defaulted bonds, or by dealers in the municipal securities market who for a time may be unable to liquidate their inventories of bonds.

In the event that such a temporary liquidity squeeze should develop, the Federal Reserve has ample power to provide additional funds to its member banks—and to nonmember institutions when other sources of funds are not available—through loans at the Federal Reserve Bank discount windows. The Board has adapted its contingency plans to deal with such an emergency, and I want to assure you, as Chairman Burns has done before other committees, that we are prepared to act promptly and on whatever scale is deemed necessary to assure an orderly financial environment. We recognize that such special extensions of central bank credit might have to be sizable and could risk a substantially larger expansion in money and credit than is desirable over the longer run. Such credit accommodations would therefore have to be of a temporary character and would need to be reversed later on, but they nevertheless would be made readily available in an emergency situation.

[1]Available upon request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

I do not want to suggest that a default by New York City would not be a very serious matter for financial markets as well as for the city. But I do believe that the public need not fear for the stability of our banking system if a default does, in fact, take place. We have ample capability to provide the liquidity that the financial system may need in such a time of crisis—liquidity which, when supplied in timely fashion and adequate amounts, should help confine the damage in the municipal securities markets to only those most directly involved. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, October 20, 1975.

I am pleased to have this opportunity to present the views of the Board of Governors on S. 2285, the "Federal Reserve Act Amendments of 1975."

Let me state emphatically at the outset that while this bill has been characterized as a "reform" measure, it would, if enacted, profoundly alter the premises underlying the Nation's central bank. In the Federal Reserve Act, the Congress took great care to insure that the Federal Reserve would be an independent body insulated from political pressures or control. The foundation of that independence is the System's exclusion from the appropriations process. To make the System now dependent upon annual appropriations by the Congress would materially compromise the independence of the Federal Reserve.

One may differ with the Board's judgments on monetary policy matters, and one may even believe that the Congress erred in conferring such independence upon the Federal Reserve. But there should be no misunderstanding about the implications of this legislation: If the Congress now sees fit, after more than 60 years of experience, to abandon the concept of a truly independent central bank, then the Congress itself must be willing to assume both the burden and the responsibility of formulating monetary policy.

With this preliminary comment, let me now turn to the specific provisions of S. 2285. First, it would subject the expenditures of the Federal Reserve to the congressional appropriations process, with a ceiling to be set on the amounts that could be spent by both the Board and the Federal Reserve Banks. Second, it would require Senate confirmation of the appointments of Federal Reserve Bank presidents. Third, it would require Senate confirmation of the President's appointment of the Chairman of the Board of Governors. Fourth, it would authorize each of the seven members of the Board of Governors to hire a personal staff. Fifth, and finally, it would require that the President's nomination of members of the Board give due regard to a fair representation of labor and consumer interests, in addition to financial, agricultural, industrial, and commercial interests—as presently specified in the Act.

The thrust of S. 2285, taken as a whole, is to bring the Nation's central bank into the arena of intense political scrutiny and pressure. As I have already noted, this is a radical departure from the concept that was envisioned by the 63rd Congress, which established the Federal Reserve System, and by every succeeding Congress since then.

A change in the basic structure of a Government agency is justified when some major defect has been discovered in its structure. Such is not the case with the Federal Reserve. On the contrary, its structure has enabled it to serve the country well through the years, and there is no need to change it at the present time.

To be sure, members of the Congress may, from time to time, be concerned about policy decisions of the Federal Reserve, but this of itself is surely no reason to force a restructuring of the institution itself. Policy judgments concerning money and credit, and their relation to employment and prices, are bound to differ. The Congress has already established a procedure that enables it to review Federal Reserve policies--namely, House Concurrent Resolution 133 adopted earlier this year. This procedure, I believe, is so far working well. I have already testified twice in response to that resolution, and I will be testifying again before this committee later this month.

The Federal Reserve System, as you know, was established more than 60 years ago. If a fresh start were made, the Congress might devise a structure similar to what we now have or perhaps move in a quite different direction. Before I joined the Board of Governors in early 1970, I thought I saw all sorts of opportunities for change in the System. But I soon realized that the structure whose basic shape was devised by Woodrow Wilson, Carter Glass, and Robert Latham Owen worked quite well.

In establishing the Federal Reserve, the Congress deliberately decided that the national interest required that the central bank be insulated from political pressures stemming either from the Congress or the White House. The Congress therefore endowed the Federal Reserve with the capacity to exercise, within reasonable restraints, its best judgment on how to protect the Nation's money and to foster its effective use.

The maintenance of independent judgment by the central bank is essential if monetary policy is to play its proper impartial role in fostering economic growth and maintaining financial stability. The independence of the Federal Reserve neither is—nor should be—absolute. The System is duty-bound to implement the will of the Congress expressed in legislation, and the Federal Reserve has been ever faithful to that duty. It is under the guidance of the principles set forth by the Congress, especially in the Federal Reserve Act and the Employment Act, that the Federal Reserve has formulated and executed monetary policy. In doing so, it has served as a vital nonpolitical entity in a highly political environment.

Since the inception of the Federal Reserve System, the law has provided that the expenses of the Board are to be paid out of semiannual assessments levied upon the 12 Federal Reserve Banks. This and other outlays of the Federal Reserve Banks are paid from earnings derived principally from Federal securities acquired through the System's open market operations. These operations are carried out pursuant to law and with the objective of maintaining sound economic and financial conditions. Spending of the Reserve Banks, in turn, is subject to review and supervision by the Board of Governors.

The operations of the Board and of the Reserve Banks have been conducted in a highly responsible manner. As far as I know, policy decisions have not been influenced in any way or at any time by partisan considerations. Nor have they been influenced by the possibility that the budget of the Board or of the Reserve Banks might be slashed because of congressional displeasure with this or that monetary measure. The Federal Reserve's decisions have thus been governed by the Nation's permanent interest, no matter how unpopular they might be in the short run.

In the Board's judgment, the requirement of S. 2285 that the Congress mandate a ceiling on Federal Reserve expenditures is not aimed at control or reduction of public expenditures. Even the complete elimination of all Federal Reserve expenditures would amount to less than two-tenths of 1 per cent of the Federal Government's budget. The real aim of the proposed expenditure ceiling is to shift control over monetary policy, but not the responsibility for it, away from the Federal Reserve to the Congress or its committees.

It would obviously be impossible for the Congress to determine an expenditure ceiling for the Federal Reserve without first examining individual items of expenditure. The Congress would thus be forced to address itself to such questions as the level of resources needed to formulate and implement monetary policy, the size of the Board's domestic research staff, the size of its international finance section, the scope of its legal and regulatory staffs, and so on. Similarly, the budgets of the individual Reserve Banks would be subject to review and change, with the obvious possibility that some regions would be favored or disciplined more than others. Clearly, political influence could be brought to bear on the System by reducing or threatening to reduce the funds available to it, or by ordering a diversion of funds from one function or Bank to another.

In assuming any such responsibility, the Congress should ask itself whether it is ready and willing to undertake the highly complex and politically perilous task of shaping the course of monetary policy. Much the wiser course for the Congress, I believe, is to confine itself to general oversight of the Federal Reserve—a function that the Congress is already taking quite seriously.

As I suggested earlier in my testimony, the Congress should legislate only when there is a need to correct a defective condition. There is nothing about the Federal Reserve that at the present time requires drastic legislative treatment, such as is proposed in S. 2285. The fact is that the Board and the Federal Reserve Banks have managed their operations in a financially conservative manner, and especially so in recent years. In the relatively few cases where an expense item has seemed questionable to the Board, prompt action has been taken to avoid a recurrence. Any responsible analysis of Federal Reserve expenditures will show that they have been reasonable in light of the System's rapidly growing workload, the increased duties imposed by the Congress, and the rise in the cost of doing everyday business.

While the work of the Federal Reserve in the fields of monetary policy and bank regulation is well known, a large part of System resources is devoted to activities that are of lesser interest to the general public but which are nevertheless essential to assuring a smoothly operating financial system. These services include check clearing, distribution of coin and currency, wire transfer of funds, and processing of savings bonds, besides the huge task of acting as the Federal Government's fiscal agent and banker.

The Federal Reserve's growing expenses in providing these services have been held down by substantial and continuing improvements in productivity. Thus, while the measurable output of the Federal Reserve System has approximately doubled in the past 8 years, this has been accomplished with only a 41 per cent increase in System personnel. Here are some examples of this increased efficiency:

—The Federal Reserve Banks now process more than 46 million checks daily, up from 22 million in 1967. If we operated at the productivity level of 1967, the staff requirement would be 48 per cent (or 3,025 employees) larger than it is now.

—Demand for currency and coin services has increased 36 per cent since 1967, while the number employed in performing this function has grown only 18 per cent—or half as much.

—The number of U.S. Treasury checks processed by the Federal Reserve Banks has increased 109 per cent since 1967. The staff required to handle this job on behalf of the Treasury has increased only 43 per cent in the same period.

—The number of Federal tax deposits handled by the System for the Internal Revenue Service has increased 180 per cent since 1967. Despite this increase, the Federal Reserve Banks have reduced their employment in this area by 5 per cent.

—Similarly, the number of entries in the accounts of member banks handled by the System has increased since 1967 by 106 per cent. Again, despite this increase, productivity improvements have made possible a reduction of our staff in this area by 24 per cent.

The System continually seeks to improve the efficiency of its operations. Significant improvements in productivity are again being achieved this year, and the prospects for 1976 and beyond are excellent. In fact, the total number of individuals employed by the System will be somewhat lower in 1976 than in 1974, despite a projected 10 per cent increase in the measurable volume of our output.

In addition to working on productivity improvements, the System frequently reviews its operations with the aim of eliminating or reducing expenditures without, however, allowing the quality of its services to suffer. The System remains fully attentive to the needs of the public, the financial community, the Treasury and other Government agencies.

The real issue raised by S. 2285, however, is not efficiency or economy of operations. It is demonstrable, as I have indicated, that we are operating both efficiently and economically. The real issue is the independence—within the bounds of national economic goals established by the Congress—of this Nation's central bank, and its ability to formulate judgments that are free from the pressures of the shifting tides of politics that congressional expenditure control could impose.

This committee also has before it a related proposal that would subject the Federal Reserve to an audit by the General Accounting Office. With your permission, I will indicate the Board's thinking in opposition to this proposal by inserting into the record the testimony on a GAO audit presented by Governor Mitchell at a hearing of the House Banking Committee earlier this year. In summary, the Board believes:

First, that an audit by the GAO of the Federal Reserve's accounts and expenditures would be a needless duplication of present efforts and would result in unnecessary additional expenditures.

Second, that to authorize the GAO to audit Federal Reserve policies, including the processes by which those policies are reached, would unwisely inject a third party into the sensitive area of monetary policy.

Third, the passage of House Concurrent Resolution 133 has completely altered the context in which the question of a GAO audit must be considered. This resolution already provides for a review of Federal Reserve policy by the responsible committees of the Congress. An audit such as that provided for in S. 2509 would, to say the least, be literally superfluous.

Before leaving this matter of budget control and a GAO audit, I would like to quote from a report that was issued after extensive study and long deliberation by a congressional committee. That report said in part:

> The independence of the Federal Reserve System is based, not on legal right, but on expediency. Congress, desiring that the claims of restrictive monetary policy should be strongly stated on appropriate occasions, has chosen to endow the System with a considerable degree of independence, both from itself and from the Chief Executive . . . It is naturally limited by the overriding requirement that all of the economic policies of the Government—monetary policy and fiscal policy among them—be coordinated with each other in such a way to make a meaningful whole. The independence of the Federal Reserve System is desirable, not as an end in itself, but as a means of contributing to the formulation of the best over-all economic policy. In our judgment, the present degree of independence of the System is about that best suited for this purpose under present conditions.

That quotation is taken from a report issued in 1952 by a distinguished subcommittee of the Joint Committee on the Economic Report. The statement is just as valid today as when it was written.

Let me now turn briefly to the other parts of S. 2285.

The Board has no objection to the provisions that would subject the President's choice of the Chairman of the Board of Governors to Senate confirmation. As this committee is aware, Board members are appointed for a 14-year term. The term of Chairman is for 4 years, but he may be reappointed. At present, Board members are named, subject to Senate confirmation, only as Board members. The President designates one of the seven members of the Board to be Chairman. This selection is not now subject to Senate confirmation.

In my own case, this committee knew when I appeared before it on December 18, 1969, that I would be designated Chairman of the Board of Governors. In effect, then, the Senate confirmed my nomination both as a Board member and as Chairman. But the Senate did not have the opportunity to intervene when I was redesignated as Chairman in January 1974. I see no difficulty whatever with the suggestion that the Congress should have the right to review the qualifications of the person designated as Chairman each time that designation is made.

Next, the Board would have no objection to broadening of the areas to be considered by the President in the appointment of Board members provided it be clearly understood that, in discharging their responsibilities, Board members continue to represent the public interest as a whole and not a particular constituency. We do not think it wise to emphasize a narrowness of background in the selection process. Board members should be qualified to deal with the many complex and sensitive problems that face the Board. These problems require a good understanding of government finance, money markets, banking operations, and credit problems. Board members must be able to weigh the effects that their decisions may have upon labor, consumers, agriculture, housing, industry, commerce, and all other areas affected by their actions.

Let me turn next to the proposal for Senate confirmation of Federal Reserve presidents. This provision would lessen the interest of some, perhaps many, of the best-qualified persons for these important quasi-governmental positions. At the least, it would represent an unnecessary hurdle in an already thorough selection process. Senate confirmation might also tend to subject the post to political influences. Since these positions are geographically spread around the country, they could become subject to the type of influence that was once exercised when postmaster appointments were subject to Senate confirmation. That, I submit, would contravene the basic purpose of the Federal Reserve Act.

The last provision in the bill to which I wish to address myself would authorize each Board member to hire a personal staff at salaries he deems appropriate, providing the total compensation of his staff did not exceed four times his own annual salary as a Board member. The underlying premise of this provision seems to be that the creation of such personal staffs will enhance the independence of Board members and encourage diversity of opinion.

I am compelled to take issue with this premise. The qualities of independent thought and expression do not depend upon the availability of a personal staff. Rather they are qualities that must inhere in the individual Board member. No amount of staff assistance will convert an unimaginative or compliant Board member into a vigorous, independent advocate of new policies. And a Board member who has the ability and interest to express his own thoughts forcefully will not be less independent or provocative because of the lack of a large personal staff. During my time on the Board, we have been extremely fortunate in having as Board members highly able and thoughtful men who have brought a diversity of experience and viewpoint to the Board. Our deliberations have never lacked the expression of differing points of view.

We are also fortunate in having a highly professional, highly competent staff—men and women who are available to assist all members of the Board. The technical resources of our staff are enormous, and it would be practically impossible—as well as unnecessary—for each Board member to attempt to duplicate these resources within his personal office. To the extent that individual Board members need personal assistants for the performance of their official duties, they already have them. And I might add that the members of the Board's staff are never reluctant to express their own views. Both I and my Board colleagues defend the independence of our staff members as vigorously as we defend the independence of the Federal Reserve itself.

In conclusion, S. 2285, in its key aspects, would weaken the Federal Reserve's ability to reach dispassionate judgments in behalf of our country's betterment. The freedom, within the context of national economic policy laid down by the Congress, to arrive without fear or favor at decisions best calculated to serve the Nation's over-all interest is the Federal Reserve's most precious asset. And it is the Nation's guarantee of an unbiased hand on the monetary rudder.

Consequently, although the Board does not object to every provision of the legislation under discussion, we see no clear need to adopt any of it. Indeed there are strong reasons, as I have indicated, for opposing its key provisions. The world's history is littered with the economic wreckage caused by political domination of the monetary function. Your predecessors in the Congress acted wisely in providing a design for the Federal Reserve that insulated it from politics. The Board urges you not to overturn a structure that has stood so well the test of time and experience. □

Additional statements follow.

Statement by J. Charles Partee, Managing Director for Research and Economic Policy, Board of Governors of the Federal Reserve System, before the Subcommittee on Economic Stabilization of the Committee on Banking, Currency, and Housing, U.S. House of Representatives, October 21, 1975.

I am happy to appear before this committee today to discuss the implications for financial markets of the New York City fiscal crisis. My comments will be confined to its possible effects on the banking system, since Chairman Burns will be covering some of the broader aspects of the problem in his testimony before the committee later this week.

A possible default by New York City on some of its debt obligations—and the recent difficulties of the municipal securities market more generally—has caused concern in some quarters regarding the stability of our banking system. This concern apparently stems from the fact that commercial banks long have been major investors in State and local obligations, including those of New York State and New York City. As of midyear the commercial banks as a group had total investments in tax-exempt securities of $102 billion. These holdings accounted for 47 per cent of all State and local indebtedness, and for 15 per cent of total bank loans and investments. The aggregate investment in this class of securities considerably exceeds the capital and reserves of the banking system, which amount to nearly $75 billion.

Very few of these investments, of course, are in any question. For the most part they represent the securities of highly rated States and localities, the repayment of which rests upon the general power to tax the private economic base of these jurisdictions. Over the years the record of repayment for such bonds has been extraordinarily good. Even when there have been some defaults in payments of interest or principal on these so-called general obligation bonds, as during the depression years of the 1930's, the defaults have almost always subsequently been cured and investors have suffered little if any ultimate loss of principal.

It would be a mistake, therefore, to conclude that a default on a general obligation bond will mean a total, or even partial, loss on the investment. In contrast to a business firm, which may not survive a financial default, a governmental entity will continue in existence, its economic tax base will remain as a source of revenue, and the default will need to be cured in one way or another before the borrower can hope to re-enter the credit markets. Even if New York City should default on some or all of its $12 billion in indebtedness, what this would be likely to mean for the investor would be a temporary loss of liquidity and perhaps some loss of current earnings rather than a permanent loss of face value on the security held.

In view of the high probability of ultimate repayment—which means that the securities should continue to have a substantial market value—the Federal bank supervisory agencies have agreed that a reasonable length of time will be permitted if there is a default by a major municipality before bank examiners will require that banks write down the book value of the defaulted holdings to market value. During this interim period of up to 6 months, the default might well be cured and the markets might return to normal. But even if a full restoration of value does not occur, it is important to recognize that the amount charged off against a bank's capital account is not a projection of ultimate loss but a conservative judgment to assure that the bank's capital is adequate for the other purposes to be served. In any event, such a charge-off would undoubtedly be far less than the book value of the security holdings involved. A review by the Federal Reserve staff of the most recent examination reports of State member banks last summer indicated that very few had such large concentrations of New York City issues that a write-down would threaten impairment of their capital.[1]

A more likely problem for the banking system in the event of a New York City default is the possibility that financial flows could become distorted for a time. Some commercial banks

[1]A summary of that study, which was attached to this statement for the committee's information, is available upon request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

might suffer deposit outflows or have unusual demands for funds to meet their needs and the needs of their customers. In the event that such a temporary liquidity squeeze should develop, the Federal Reserve has ample power to provide additional funds to its member banks—and to nonmember institutions when other sources of funds are not available—through loans at the Federal Reserve Bank discount windows. The Board has adapted its contingency plans to deal with such an eventuality arising from a disturbance in the municipal securities market, and it is prepared to act promptly and on whatever scale is deemed necessary to assure an orderly financial environment.

In conclusion, I firmly believe that there is no need for concern by the public about the viability of our banking system. Some few institutions do appear to have heavy concentrations in investments of New York City relative to their capital, but I doubt that any write-offs that might eventually be required would be too large for the banking system to handle. Liquidity pressures on particular banks and on some of their customers—including municipalities—might develop for a time, but the powers of the Federal Reserve System to liquify both individual banks and the banking system as a whole are ample enough to accommodate such needs. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Economic Stabilization, Committee on Banking, Currency, and Housing, U.S. House of Representatives, October 23, 1975.

I am here to discuss with this committee the financial crisis of New York City.

The difficulties now facing New York stem from the erosion of its financial position over the past decade. During this period the expenditures by the city's government grew rapidly while revenues failed to keep pace. To close the gap between its revenues and expenditures, the city relied increasingly on borrowed funds. Not only capital expenditures but also the mounting deficits on current operations were financed in this fashion. By the end of 1974, New York City's outstanding debt amounted to more than $13 billion, much of which was in the form of short-term notes—that is, obligations maturing in a year or less.

As poor management of New York finances persisted, at first a few, but in time more and more, investors became concerned about the city's financial condition. During the past winter and spring, the city began to experience very serious difficulties in rolling over its debt—to say nothing of adding to its outstanding indebtedness. In the absence of clear-cut remedial measures by the city, the possibility of default on the city's obligations became very real, and it was so portrayed almost daily in our newspapers.

The financial crisis confronting the Nation's largest city prompted the government of New York State to offer financial and managerial assistance. Starting in April the State put at the city's disposal substantial sums that were not scheduled for payment until some months later. Then, around mid-June the State legislature created a new instrumentality—the Municipal Assistance Corporation (MAC). This agency was empowered to sell up to $3 billion of its debt obligations to make the proceeds of its borrowing available to the city, to wring some clarity out of the city's tangled finances, and to help develop a budgetary plan that could lead the city back to a balanced budget.

These measures, however, proved insufficient to restore investor confidence in the city's financial management, and even the new securities issued by MAC soon came under a cloud. To ward off imminent default by the city of New York, the State adopted firmer measures on September 9. These included creation of a State-dominated Emergency Financial Control Board to manage the city's finances, expansion of MAC's authority to issue securities, and a plan to arrange additional financing of $2.3 billion for the city. This financial package was designed to tide the city over until early December. It was hoped that by that time a strong program of budgetary restraints would be in place and that it would enable the city to resume the sale of its securities to the investing public.

But the new financial plan failed to elicit any enthusiasm on the part of investors. The financial community has remained skeptical about the city's ability to avert default and to rebuild its financial strength. Moreover, the intertwining of the State's finances with the city's finances has troubled investors and has damaged the State's credit standing. The concern of market participants was heightened this past week by the extraordinary difficulties encountered in arranging for the city's refunding needs on October 17, and default was averted by only an hour or two. Thus, the stresses and strains that began to develop in the municipal securities market in the summer have become more acute with the passage of time.

Since the summer, and to an increasing degree in recent weeks, the participants in the municipal market—that is, investment bankers, securities dealers, and ultimate investors—have been attempting to reduce their exposure to the risk of loss. This has affected not only securities bearing a New York name but also issues of some other State and local governments. Thus, many securities dealers have sought to cut back on their inventory of municipal securities. Underwriters of municipal issues have generally reduced their participation in new offerings, and some have withdrawn entirely from bidding syndicates. And investors—the ultimate buyers of municipals—have been tending to shift to higher-quality municipal securities or to categories of investment judged to be less hazardous.

Trading in the market for outstanding tax-exempt bonds has therefore slowed appreciably, and the spread between bid and asked quotations has widened. These developments are characteristic of a period when investor confidence has been shaken, and they are indicative of a weakened market.

The behavior of investors and dealers in recent months has resulted in a rise of yields on municipal securities to the highest level ever experienced in the tax-exempt market. Yields for even the highest-rated borrowers have risen conspicuously, but a part of this increase is doubtless due to the enormous volume of municipal securities issued in the third quarter.

In the past 2 to 3 weeks open market interest rates have declined somewhat. The municipal market has benefited from this development, as well as from various indications that the Federal Government is becoming more concerned about New York's financial problems. Nevertheless, investors in municipal securities remain highly selective. The obligations of New York City, New York State, and certain of the State's agencies continue to be shunned by investors. And the effects of investor uncertainty have spilled over to other governmental units as well, some of which have not received any bids for their bonds or have rejected bids because the interest cost was deemed excessive.

If the weakness of the market for municipal securities were to persist and to spread further, many soundly run, creditworthy communities and public agencies could have difficulty—or suffer very heavy costs—in raising needed funds. This would tend to induce cutbacks or stretchouts in local spending programs. In addition, holders of municipal securities, which include many banks and other financial institutions, would to some degree be affected, as might the attitudes of others less directly involved. Hence, if the New York City crisis remains unresolved and if the fate of New York State remains tied to the city's, the process of economic recovery now under way in our Nation could be impaired.

In seeking ways to resolve New York City's crisis, the suggestion has occasionally been advanced that the Federal Reserve might serve as a source of emergency credit. No formal application for such credit has been received by the Board or the Federal Reserve Bank of New York. But I want to explain why we probably would have disapproved such an application had it been made.

As the ultimate source of financial liquidity in the economy, the Federal Reserve has certain powers to extend emergency credit even to institutions that are not members of the System. But the use of that authority is tightly circumscribed. The basic provision—contained in Section 13, paragraph 13, of the Federal Reserve Act—states that emergency loans with maturities no longer than 90 days may be made by the Federal Reserve Banks on the basis of promissory notes backed by Treasury or Federal agency securities. To qualify for credit assistance under this provision of law, a local government would have to possess sizable amounts of unencumbered Federal obligations. This would be an unusual situation for any distressed borrower, and it obviously does not apply to New York City.

The lending authority under paragraph 3 of Section 13 of the Federal Reserve Act is broader, permitting the Board in unusual and exigent circumstances to authorize Reserve Banks to make loans on the kinds of collateral eligible for discount by member banks. Such paper may not have a maturity of more than 90 days and must afford adequate security to the Reserve Bank against the risk of loss. Furthermore, in view of restrictions of law and congressional intent, certain conditions must be met in order to permit the extension of emergency credit under this authority. Among these conditions is a requirement that an applicant has exhausted other sources of funds before coming to the Federal Reserve, that the borrower is basically creditworthy and possesses adequate collateral, and that the borrower's need is solely for short-term accommodation. It does not appear that New York City is now in a position to meet all these requirements. Certainly, its finances would hardly permit early repayment of emergency borrowings.

In addition to the emergency lending provisions in Section 13 of the Federal Reserve Act, the Reserve Banks have authority under Section 14(b) to purchase short-term obligations of State and local governments issued in anticipation of assured revenues, subject to regulations by the Board. Legislative history indicates that this authority was designed to assist the Federal Reserve Banks in meeting their operating expenditures and also to enable them to make the discount rate effective when little borrowing took place at the discount window. There is nothing in the Federal Reserve Act or its legislative history to suggest that Section 14(b) contemplated the purchase of municipal securities as a means of aiding financially distressed communities.

The Congress, of course, could amend the Federal Reserve Act so as to relax the requirements for extending Federal Reserve credit to financially troubled governmental units. But the Board of Governors would have the gravest doubts about any such action. If loans were to be made to State or local governments, the Federal Reserve would have to involve itself in the activities of these governmental units, including particularly their expenditure budgets and the adequacy of their revenues. Moreover, since numerous demands for credit might ensue, the Federal Reserve would have to set standards of eligibility. Being thus placed in the position of having to allocate credit among governmental units, the Nation's central bank would inevitably become subject to intense political pressures, and its ability to function constructively in the monetary area would be undermined.

The Board fully recognizes that the Federal Reserve System has the responsibility, subject only to restrictions under existing law, to serve as the Nation's lender of last resort. Over the years, we have therefore developed contingency plans to deal with possible emergency situations. As I have already indicated in testimony before the Joint Economic Committee, our plans have been adapted recently to cope with the financial strains that might be associated with the default of a major municipality.

In that event, I assure you, the Board is prepared to act promptly. The contingency plan calls for lending to commercial banks through the Federal Reserve discount window beyond the amounts required by normal discounting operations. Credit provided in this manner would assist banks in meeting their temporary liquidity needs. Not only that, the proceeds of the special loans made at the discount window could also be used by the banks to assist municipalities, municipal securities dealers, and other customers who are temporarily short of cash because of unsettled conditions in the securities markets. In addition, the System would, of course, be ready to use its broad power to stabilize markets through open market purchases of Treasury or Federal agency securities.

In the event this contingency plan has to be activated, the Board will make funds available on whatever scale is deemed necessary to assure an orderly financial environment. The Board recognizes that sizable extensions of Federal Reserve credit would run the risk of leading to a substantially larger expansion of bank reserves and the money supply than is consistent with longer-run monetary objectives. Clearly, therefore, any such expansion must be only temporary. In time, any excessive growth in bank reserves would need to be corrected through offsetting open market operations and through repayment of bank borrowing from the System.

There are also certain supervisory and examination questions that may arise with respect to banks in the event of a major municipal default. In this connection the Board and other agencies have plans to revise procedures that apply to the valuation of defaulted securities so that any write-downs may be postponed until the market has had a few months to stabilize and thus provide more reliable indications of the value of such securities.

Even so, a default might ultimately require write-downs that could seriously reduce the capital of some banks. In that event, the Federal Deposit Insurance Corporation has statutory powers to assist Federally insured banks that might find their capital impaired by a decline in the value of securities in their portfolios. I understand that the Corporation is prepared to implement, with appropriate safeguards, its contingency plans for dealing with insured banks that require a temporary infusion of supplemental capital for the above reason.

I think it evident from the scope of our contingency plans that we believe a default on debt obligations by New York City could produce serious strains in securities markets. For a time it could also adversely affect municipalities that need to issue new debt. The like is true of financial institutions that hold such securities in significant volume and also of individual investors who have part of their life savings at risk in these bonds. I still believe that the damage stemming from a default by New York City would probably be shortlived. Indeed, the possibility of such a default has already been discounted to a considerable degree by the market. But I am also aware of the uncertainty that inherently attaches to a judgment on this score; and I recognize that a default, besides being a very serious matter for the city and State of New York, could have troublesome consequences for the Nation at large.

The very fact that this committee and other committees of the Congress are holding hearings on New York City's finances indicates that concern is spreading that a New York default may injure the economic recovery now in process. I have said enough to indicate that I feel this possibility can no longer be dismissed lightly. That, however, does not ease the task that the Congress faces in dealing with the New York problem; for the precise issue is whether Federal financial aid to New York may not cause national problems over the long run that outweigh any temporary national advantage.

As this matter is debated by the Congress, the adverse effects of a New York City default will undoubtedly receive full attention—as they indeed should. I would only urge that the longer-run risks also be considered thoroughly. A program of Federal assistance to the city may well lead to demands for similar assistance to other hard-pressed communities, even though their distress may have been brought on by gross negligence or mismanagement. Substantial Federal aid—whether through insurance, guarantees, or direct loans—would compete directly with the already huge amounts of Federal financing needs. Most important of all, the provision of Federal credit for local governments would necessarily inject a major Federal presence in local spending and taxing decisions.

These longer-run dangers have a vital bearing on our Nation's future; but they can be exaggerated, just as the immediate consequences of a New York default can be—and perhaps are now—being exaggerated. It is entirely clear to me that if the Federal Government had previously yielded to the entreaties for aid that New York officials kept pressing, neither the city nor the State would have gone as far as they now have in restoring some hope for eventual order in the city's finances. Earlier intervention would have been a disservice to the people of New York as well as to the Nation at large. But it also seems to me that the effort thus far made by both the State and the city is still inadequate. And while I take a more serious view of the potential economic consequences of a New York default than I did 3 months ago or even 3 weeks ago, I am not ready to recommend to the Congress that financial assistance to New York is now required in the Nation's interest.

I was asked at a recent hearing what advice I would give if the Congress were inclined to legislate assistance for New York. My reply was that stringent conditions should in that event be laid down so that no municipality would seek Federal financial aid unless such a request became unavoidable. I proceeded to list a half-dozen conditions; and, if I may, I shall now restate them somewhat more fully.

One essential condition prior to receipt of any Federal assistance would be that the municipality has exhausted all other sources of funds. This would require, of course, that the municipality demonstrate that it is unable to obtain credit through the public issuance of securities, or through private placement of securities, or direct loans from banks or other private lenders.

A second condition that seems to me essential is that the State assume control over the finances of the municipality in difficulty. When a local government reaches the point where no source of funds is any longer available, its management of finances can no longer be relied upon. State control would mean that a local government has lost its fiscal authority, and this should serve as a powerful deterrent to other mayors or city councils across the Nation from ever placing their municipality in such a position.

A third essential condition for Federal assistance, I believe, should be that the State levy a special statewide tax, the proceeds of which are pledged to cover one-half of the deficit faced by the municipality. The requirement of such a tax would materially strengthen the State's resolve to put whatever pressure is needed on the troubled municipality to work its way toward a balanced budget. It would thus insure that the State will discharge adequately its own responsibility to enforce fiscal discipline on a troubled municipality. No governor or State legislature will welcome the prospect of levying a special statewide tax for the benefit of a municipality that has mismanaged its affairs. But this very reluctance would provide some assurance that Federal assistance would not be expected until an effective city-State program of remedial action, no matter how politically troublesome this may prove, has been developed.

Fourth, prior to receipt of Federal assistance, a detailed financial plan would need to be presented for approval by the Federal authority charged with administering the assistance program. Criteria for accepting a plan would have to be spelled out—such as the use of standard accounting procedures, unrestricted access by the Federal authority to all local financial records, provision for retiring short-term debt other than that required to handle seasonal discrepancies between expenditures and receipts, and so on. Clearly, the plan should provide for restoration of sound municipal finances within a relatively short period and certainly within two fiscal years.

Fifth, a municipality that obtains a Federal guarantee for the payment of principal and interest on its issuance of new securities should be required to pay an appropriate guarantee fee. The municipal security should be taxable, but tax-exempt bonds might be permitted in special cases—for example, if return to nonguaranteed status were thus eased. In such cases the guarantee fee would naturally have to be much higher than if the security were taxable.

Sixth, and finally, the Federal guarantee program should be of limited scope and duration. The total amount of guaranteed debt should be set at the lowest practical figure. The debt instruments should be of short maturity so that the guarantee may be reconsidered periodically. In order to minimize Federal exposure to risk and to assure compliance with the approved financial plan, the Federal Government should have authority to withhold revenue-sharing funds from a delinquent municipality. At the end of a relatively short period, say 3 years, *all Federally guaranteed debt under the program should have expired.*

If conditions along the several lines I have here suggested were included in a legislative plan for assisting troubled municipalities, the number of applicants that might seek Federal aid would be severely limited. It is highly important to recognize that the issue of assistance to New York City goes to the very heart of our system of separation of powers between the Federal and State governments—a system that, despite enormous economic and social changes, is still honored by our country. If there is to be any legislation on assisting local governments, it should at least be designed so that the longer-run risks to our Federal system of government are kept to a minimum.

Before bringing this testimony to a close, I want briefly to make two additional comments.

First, recent attention to New York City's difficulties has brought to the fore certain shortcomings of our bankruptcy laws. It is highly important that the Congress enact legislation that would enable the judiciary to deal with a municipal default so that reorganization of outstanding debts, service or employee contracts, and other financial obligations may proceed in an orderly and expeditious manner.

Second, the behavior of financial markets has recently been disturbed by the grave uncertainties surrounding New York City finances. A quick but well-considered decision by the Congress to assist or not to assist New York is now urgently needed. Almost any resolution of these uncertainties may be better than prolonged debate and controversy. Financial markets do not thrive in such an environment. □

Statement by Philip E. Coldwell, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Currency, and Housing, U.S. House of Representatives, October 23, 1975.

I am pleased to meet with the committee today to present the views of the Board of Governors on H.R. 7507, a bill that would amend Section 14(b) of the Federal Reserve Act to extend for 2 years the authority of Federal Reserve Banks to purchase U.S. obligations directly from the U.S. Treasury. The current authority expires on the 31st of this month.

Since first authorized by the Congress in 1942, the direct purchase authority of Section 14(b) has been used sparingly from the standpoint of frequency, amount, and duration alike. In fact, since the Congress last extended this authority on October 28, 1974, it has only been used on three occasions. Nonetheless, in such instances, it has proven of great value in facilitating the economic management of the cash and debt positions of the Treasury of the United States.

The authority has been used exclusively at times when the Treasury has been faced with an abrupt temporary depletion of its cash balance, chiefly just prior to the receipt of quarterly tax payments. Rather than issue debt in the market to borrow funds needed for only a few days, the Treasury has sold securities directly to the Federal Reserve Banks under this provision of law. Then, immediately after tax payments were received, these special debt obligations were retired. Timely use of this direct lending authority has thus enabled the Treasury to minimize its public financing activity—thereby avoiding unnecessary strains on financial markets—and to achieve a more efficient management of its cash balance.

In both March and August of the current year, the Treasury found it useful to issue special obligations directly to the Federal Reserve. During the first period, which surrounded the March 15 income tax date, the daily average of System holdings of such obligations amounted to about $750 million, and the largest amount held on any 1 day was a little more than $1.0 billion. In the second period—which encompassed a major Treasury refinancing that also raised some new money—the Federal Reserve Banks held special Treasury debt obligations on most days between August 5 and August 17. The average of holdings on these days was about $520 million, and the highest amount held on any 1 day was $965 million.

In addition to serving as an instrument for achieving short-run cash management objectives, the Board believes that the direct purchase authority of Section 14(b) has provided and will continue to provide the Treasury with a desirable safety valve against an unexpected shortfall in its cash balance. Such a shortfall could develop if estimates of Government receipts and expenditures, which are difficult to project, should suddenly turn out to be materially in error. Also the sheer volatility of the Treasury balance and the unpredictability of some fluctuations constantly threaten shortfalls or an overdraft. If the Treasury is to manage its balances to the minimum needed, then some protection should be provided. Since there is little cost to the direct purchase arrangements and since they have been used quite sparingly, it would seem logical to us that the authority be renewed. Direct purchase authority, moreover, would prove particularly valuable if a period of national emergency were to develop, since it would enable the Treasury to respond immediately to any financial strain that such conditions might create. Unusual strains that might threaten the immediate sale of securities in a disorderly market could also be covered by the special purchase arrangements.

From the standpoint of Federal Reserve operations, the special purchase authority has been only a minor complication. When the direct purchase takes place and the Treasury expends these funds, the Federal Reserve may take some offsetting actions in order to maintain the monetary policy environment deemed desirable for the financial needs of the economy. Thus, to a considerable extent, such special sales to the Federal Reserve are then translated into System sales to the market. Of course, System open market responses to the use of the special purchase arrangements in any given period will depend upon the duration, size, and timing of the Treasury use, and the particular reserve needs of the moment.

In the Board's view, if this special purchase arrangement were not to be extended, then some other emergency device would be needed to enable the Treasury to meet the unexpected. Obviously, if the Treasury were to abuse the special authority or if the program were sharply enlarged, the Board would have some concern. But given the small use and the modest size of the special authority, the Board has no reason for objecting to its use. In summary, it is the Board's view that the Federal Reserve System's authority to purchase obligations directly from the Treasury should be extended. □

Statement by Philip C. Jackson, Jr., Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Housing and Community Development of the Committee on Banking, Currency, and Housing, U.S. House of Representatives, October 28, 1975.

Thank you, Mr. Chairman, for the opportunity to present the views of the Board of Governors of the Federal Reserve System on proposals to amend the Real Estate Settlement Procedures Act (RESPA) of 1975. The Board has interest in this legislation as an agency with responsibilities over creditors and to consumers, as an organization with concerns for monetary conditions in the Nation, and finally, as a regulator under the truth in lending aspects of the real estate settlement procedures required under the Act. It is this final matter—the truth in lending aspects of real estate settlement procedures—on which I would like to concentrate during this testimony.

The RESPA has been in effect only a very short time. The Board does not know if the reports of lenders claiming substantial increases in administrative costs under the required procedures are correct. Nor do we have any factual evidence whether or not RESPA has reduced closing costs to consumers, or whether it is likely to do so in the future.

Implementation of RESPA required coordination between the Department of Housing and Urban Development and the Board of Governors to assure that the basic requirements of the Truth in Lending Act administered under Board supervision would be incorporated into RESPA procedures. The Board and HUD have done so. During the course of this coordination and the early stages of the Act's implementation, the Board has become aware of several instances of needless complexity and procedural problems with the Act.

First, as the committee knows, all consumer credit grantors, including those in the mortgage market, have operated under truth in lending procedures for the past 6 years. Creditors have developed forms that are in almost universal operation to meet the requirements of that Act and to fit the needs of each lender-borrower transaction. RESPA mandated that existing forms on real estate credit transactions be replaced by standard forms. Because of the complexity and variety of real property transactions, it was extremely difficult to develop a standard RESPA form that was easily applicable to all transactions. Standardization required lenders to change procedures and adapt to the new required forms. It required industry personnel to be retrained in new truth in lending procedures. Lenders report that this change has proved costly, without better disclosures on the cost of credit to consumers as a result of the change. Therefore, the Board would recommend that creditors be permitted to use, for such truth in lending disclosures, any form meeting the requirements of the truth in lending statute, or at the creditor's option, the present uniform disclosure statement contained in RESPA forms.

Second, the Board has long supported requirements that a prospective borrower be given proper information in advance on which he can make decisions on his credit and closing costs—especially for such a major undertaking as the purchase of real estate. RESPA requires that truth in lending be disclosed twice: once in advance of settlement and again on the day of settlement. The Board recommends to the Congress that it amend the Real Estate Settlement Procedures Act to require that the truth in lending disclosures be furnished to the borrower only one time, in advance of the date of settlement, and not require that they be duplicated at the time of closing. Truth in lending disclosures received on the day of settlement are too late to serve any shopping function. The Board believes that these minor changes will not adversely affect consumers but will reduce the amount of effort necessary to give consumers adequate disclosure as to the facts concerning their credit transaction, while avoiding unnecessary duplication. Moreover, such disclosures need not be made to the seller, in the Board's opinion.

Finally, the Board urges the Congress to repeal entirely the provisions of Section 409 of P.L. 93-495, which amended the Truth in Lending Act to require advance disclosure of closing costs. The committee will recall that this Act was passed on October 28, 1974, prior to the enactment of the Real Estate Settlement Procedures Act. We feel that the provisions of the Real Estate Settlement Procedures Act supplanted the need for Section 409 disclosure and therefore, Section 409 is no longer necessary.

While there are some transactions that are not covered by the Real Estate Settlement Procedures Act to which Section 409 disclosure of closing costs would be applicable—such as some home improvement transactions—there is real doubt of the value of advance disclosure of closing costs in such situations for several reasons. First, closing costs are usually not a material factor in total consumer costs in such transactions. Second, these transactions are usually subject to the 3-day right of rescission under the Truth in Lending Act because they are secured by real estate that is the primary residence of the borrower. Consequently, if the consumer does not like the credit deal proposed, he can cancel it. Finally, the time framework within which such transactions take place is usually so short that disclosure delays may be detrimental to the consumer's interest.

The Board is currently in the process of implementation of Section 409, having waited until final RESPA procedures were completed in order to avoid public confusion between the two disclosure requirements.

In a broader context, the Board has earlier expressed concern that legislation purporting to assist consumers may actually harm them by imposing burdens on the creation of borrower-lender relationships. Such harm might come from creation of requirements that are so complex as to eliminate some lenders from consumer markets, thus reducing the competition for the consumer's business. More harm could arise from increasing the cost of creating proper borrower-lender relationships. Since lenders must in the final analysis make investments based on net return after administrative costs, any increases in administrative costs of lenders in competitive markets are ultimately passed on to the consumer either directly or indirectly. Reports from others give the Board concern that the Real Estate Settlement Procedures Act may be creating both of the problems that I have described. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, November 4, 1975.

I am pleased to meet with this committee to report once again on the condition of the national economy and the course of monetary policy.

When I submitted to you the Federal Reserve's report on May 1, the American economy was at the trough of the deepest decline in production of the entire postwar period. Since then, a recovery of economic activity has gotten under way. Between April and September industrial production rose almost 6 per cent; each month's increase exceeded that of the month before, and the September increase was the largest in more than a decade. The scope of the recovery has also been broadening. Production of durable goods has advanced strongly of late, and the increase of activity in the nondurable goods sector—which began earlier—has continued. Improvement has spread beyond the Nation's factories, mines, and power plants, and the over-all increase in the physical volume of production during the third quarter turned out to be one of the largest in recent years.

As real output moved upward, the demand for labor kept strengthening. Since March, total employment has risen by more than 1½ million. The average factory workweek has lengthened appreciably. Unemployment has declined from its peak in May despite a sizable increase of the labor force this year. And the increase of employment has become more widely diffused across the economy. Of the 172 nonfarm industries on which the Bureau of Labor Statistics reports, only 17 per cent experienced an increase of employment in February. The corresponding percentage rose with considerable regularity in succeeding months and reached 72 per cent in September.

As we look back, it is clear that the consumer led the way out of recession and into recovery. Early this year, when price concessions became fairly common, consumer purchases began to pick up. Consumer buying was further buttressed over the spring and summer months by tax rebate checks and supplementary social security checks. Retail sales of nondurable goods rose briskly; and as confidence improved, consumers also became more willing to dip into savings or incur new indebtedness in order to purchase big-ticket items. This is clearly evident in the automobile sector, where sales of new cars have been running recently at an annual rate of around 9½ million—a considerable advance from the 7 million rate of last November.

A sharp turnaround in foreign trade also helped to pave the way for economic recovery.

Our trade balance was unfavorable throughout 1974, and the deficit reached an unprecedented $9 billion annual rate in the third quarter of last year. But a deep cutback of imports—especially of fuel and industrial supplies—occurred during the recession, while the demand for our exports held up well. The result was a swing in our trade position to a surplus at an annual rate of more than $13 billion in the second quarter of this year. There has been a significant rise of imports recently, as is to be expected during a cyclical expansion. Nevertheless, our trade surplus is still large, the over-all balance of payments remains favorable, and the dollar is again a highly respected currency around the world.

Sustained buying by foreigners and American consumers enabled business firms to make excellent progress in clearing their shelves of excess inventories. Liquidation of inventories got under way around the beginning of this year, and in the second quarter the rate of decline was larger in relation to the gross national product than in any quarter of the entire postwar period. By early summer stocks were coming into reasonable balance with sales in most consumer lines, and many firms engaged in retail and wholesale trade therefore began to rebuild inventories. Meanwhile, the pace of inventory liquidation slowed considerably in the manufacturing sector. For business firms in the aggregate, inventory liquidation receded from an annual rate of about $30 billion in the second quarter to a rate of $10 billion in the third. This shift in business inventory investment has been a major factor in the recent sharp rise of our Nation's production of goods and services.

The willingness of businessmen to move further in replenishing depleted stockpiles, and thereby provide a continuing thrust to general business activity, will depend heavily on the strength of consumer demand. That in turn will be influenced materially by the real income of consumers, their financial position, and the state of confidence—all of which are linked to inflationary developments and prospects. In the Board's judgment, improvement of the economy is likely to continue at a satisfactory pace only if consumers and businessmen can reasonably look forward to some further abatement of cost and price inflation.

We as a Nation have made notable progress in reducing the rate of inflation that prevailed during 1974. Consumer prices rose over the first three quarters of this year at about half the pace recorded a year earlier. The rise in wholesale prices slowed even more. These improvements resulted mainly from slack demand in product markets and the competitive pressures that forced business managers to watch costs more closely and to enhance efficiency. These efforts have begun to bear fruit; output per manhour turned up in the second quarter—thus registering the first increase in more than 2 years—and rose further in the third.

Of late, however, there has been some worsening in the rate of inflation. Broad measures of price performance indicate a rise in the third quarter at an annual rate of around 7½ or 8 per cent—compared with 5½ per cent in the second quarter. To be sure, special factors—such as the unexpected Russian need for grain and the further rise of energy prices—were partly responsible for this development. But price increases have also occurred in a number of industries—autos, steel, aluminum, and chemicals, among others—where considerable slack still exists. And the increase in the price of imported oil that went into effect on October 1 may well lead to price advances over a wide range of products in the months ahead.

Some step-up in the rate of increase in the general price level was perhaps unavoidable, in view of the vigor of economic recovery and the persistent rise of wages. Nevertheless, the quickening in the pace of inflation during recent months—in the face of high unemployment and widespread excess industrial capacity—is a clear warning that our long-range problem of inflation is unsolved and remains a threat to continuance of economic recovery.

Elimination of the long-run inflationary bias of our economy will require progress on numerous fronts, including a marked strengthening of business expenditures for new plant and equipment. Growth and modernization of the Nation's industrial capacity are essential to avoid a recurrence of capacity shortages in crit ical sectors of the economy, to lay the basis for greater improvements in productivity, and to expand job opportunities for our people.

As often happens in the early months of a cyclical upswing, business spending for fixed capital has lagged behind the recovery in other sectors. The rise that appears to have occurred recently in the production of business equipment is as yet inconclusive. Various indicators suggest, however, that an upturn of business capital investment may not be far away. Contracts for commercial and industrial construction have stabilized during recent months. New orders for nondefense capital goods, though edging off in the past 2 months, are now about 8 per cent above their level in March. Moreover, the rate of formation of new business firms—another advance indicator of business capital investment—is moving up again.

Further improvement in the homebuilding industry is also a vital ingredient of a full-fledged economic recovery. The decline in market rates of interest that began in the summer of 1974 bolstered the flow of savings to mortgage-lending institutions last fall, and a substantial rise in mortgage loan commitments soon followed. Early this year the volume of sales of both new and old dwellings rose, and these sales are continuing to run well above their lows of last winter. With better market conditions, housing starts—especially of single-family dwellings—have been moving up again. The recovery in homebuilding, however, has been weak. Prices of new and existing houses, to say nothing of other costs of homeownership, have risen so drastically that many American families cannot afford to buy a home. Builders, moreover, remain very cautious in view of the overbuilding and financial difficulties of recent years.

Mortgage lenders have also remained cautious, in part because of fears that the enormous financing requirements of the Federal Government would drive up market interest rates and thereby attenuate the flow of funds to thrift institutions. The Federal budgetary deficit during the third quarter was the largest on record. In just 3 months the volume of Treasury bills outstanding rose by $14 billion. Since commercial banks reduced their purchase of government securities as loan demands strengthened, a substantial volume of Treasury bills had to be absorbed by the general public. Borrowings by the Treasury in the 2- to 3-year maturity range were also very heavy. A series of such note issues in August and September drove up interest rates, attracted a sizable number of individual investors, and served to reduce the flow of savings to banks and thrift institutions.

These developments left their mark on the residential mortgage market. Lenders became more hesitant to commit funds, and interest rates on new mortgage loan commitments drifted upward. Nevertheless, mortgage rates remain below their 1974 peaks, and funds remain readily available in nearly all areas of the country where unrealistic interest rate ceilings do not impede the flow of credit.

Increases of interest rates have been particularly prominent in the market for State and local government securities. The financial problems of New York City have had widespread repercussions on the cost and availability of credit to State and local governments. Although yields on high-grade municipal obligations have risen about in line with yields in other long-term markets, increased investor caution has resulted in a marked widening of yield differentials between municipal issues of high quality and those of lower quality. Authorities with relatively low credit ratings have experienced pronounced increases in borrowing costs, and, in some instances, they have been effectively excluded from the public market. Despite these adversities the municipal bond market continued to function well enough to permit a record volume of long-term issues during the third quarter. In the past few weeks, however, the volume of new municipal issues has dropped appreciably.

Of late, the need of business firms to borrow in the long-term capital market has diminished as their liquidity generally improved, and as the downward adjustment of business inventories and better profits generated an enlarged flow of cash. During much of this year, however, the market for long-term funds has been under pressure—first, from corporate security issues, later from heavy Treasury borrowing and an extraordinary volume of new municipal securities. The Federal Reserve has sought to provide some assistance to the long-term market by shifting the emphasis in its open market operations from Treasury bills to longer-term securities. Since the beginning of the year, the System has acquired more than $6 billion of Treasury and agency issues bearing maturities of more than 1 year. Of this total, $2 billion was acquired since midyear.

These purchases have been helpful in steadying the bond market during periods of unusual tension, but they can have only an ephemeral influence on long-term interest rates. The fundamental factor forcing up long-term interest rates in recent years has been the high rate of inflation that persistent deficits in the Federal budget kept fueling. Appreciably lower long-term interest rates would, I believe, contribute powerfully to economic expansion, but they are unlikely to be attained unless significant progress is made in closing the budgetary deficit and in bringing inflation under control.

Exercise of fiscal discipline at all governmental levels is badly needed to ease the tensions and uncertainties that have disturbed financial markets this year. The pressure of Federal financing on interest rates during the third quarter resulted not only from the sheer massiveness of the Federal deficit but also from successive upward revisions in borrowing needs. The sharply higher yields in the market for municipal securities have reflected the heavy borrowings by State and local governments, as well as reduced confidence in the finances of some of these governmental units. The climate for economic expansion would be greatly improved by clear evidence that governmental authorities at all levels are finally willing to live within their means and to get along without financial gimmickry.

We in the Federal Reserve fully recognize that monetary policy has an important role to play in maintaining a financial environment that is favorable to sustained economic expansion. The strength of the economic recovery to date has been heartening, but we are still a long way from reasonably full employment of our labor and capital resources. The reduction in the rate of inflation accomplished this year has also been encouraging, but we are still a long way from re-establishing reasonable stability in the price level. In light of these facts, the only responsible option open to the Federal Reserve is to pursue a course of moderation in monetary policy—a course that will provide expansion in supplies of money and credit adequate to facilitate further good recovery of production and employment, but not so large as to rekindle the fires of inflation.

To implement this course of policy, the Federal Open Market Committee has projected growth ranges of the monetary aggregates that differ little from those announced previously. For M_1, which includes currency and demand deposits, the projected growth range for the coming year is again 5 to 7½ per cent. For M_2, which includes consumer-type time and savings deposits at commercial banks besides the components of M_1, the growth range has been widened by reducing the lower end of the range one percentage point. The growth range for M_3, which includes deposits at thrift institutions besides the components of M_2, has been similarly widened. These adjustments were made in view of recent experience, which suggests that pressures on market interest rates stemming from heavy Treasury borrowing tend to moderate inflows of savings funds to depositary institutions. The growth range projected is thus 7½ to 10½ per cent for M_2 and 9 to 12 per cent for M_3.

These growth ranges now apply to the period extending from the third quarter of 1975 to the third quarter of 1976—rather than from the second quarter of 1975 to the second quarter of 1976. This updating of the base, I should note, implies a slightly higher level of money balances a year from now than would be the case if the second-quarter base were retained.

Since I last reported to this committee on May 1, growth of the monetary aggregates has been broadly in line with the ranges we adopted earlier. However, month-to-month and quarter-to-quarter changes in the aggregates have been very large, reflecting unusual factors influencing the public's demand for money.

The largest short-term variation occurred in M_1, the narrowly defined money stock. Thus,

M_1 grew at an exceptionally high annual rate—11.2 per cent—during the second quarter, as the public's holdings of cash bulged during May and June because of the tax rebates and special social security payments authorized by the Congress. As these excess balances were subsequently drawn down, growth of M_1 slowed to a 2.2 per cent annual rate from July through September. There were similar, though smaller, variations in the growth rates of M_2 and M_3.

Measured on the basis of quarterly averages, the pattern of monetary expansion was much more stable. M_1 increased at an annual rate of 8.6 per cent between the first and second quarters, and 6.9 per cent between the second and third quarters. The comparable figures were 11.2 and 10.4 per cent for M_2 and 13.8 and 13.1 per cent for M_3.

Short-run fluctuations in the rate of monetary growth are practically unavoidable, but they also have little significance for the functioning of the real economy. That is why we use quarterly average levels of money balances as the base for specifying longer-run objectives for monetary expansion. However, we cannot ignore the short-term movements of money balances in the conduct of monetary policy because it is necessary to be alert to any large and protracted departure of monetary growth rates from longer-run objectives.

Around the middle of this year the major monetary aggregates were increasing at rates far above the longer-run ranges that the Federal Reserve was seeking. We therefore set forces in motion that helped to return the pace of monetary expansion to the moderate rate desired. More recently, increases in the monetary aggregates have fallen below our projected ranges. Once again, steps have been taken—including a modest reduction in reserve requirements—to encourage a return to the desired path of long-run monetary expansion.

These corrective actions have had some influence on the level of interest rates—particularly short-term rates—which rose conspicuously in late June and early July, but have recently retreated on a broad front. Temporary fluctuations such as these in short-term market interest rates are an inevitable byproduct of efforts to keep the rate of monetary expansion from straying too far from the desired longer-run path. It is important to recognize that the Federal Reserve's conduct of monetary policy conforms in this respect not only to our best judgment but also to the spirit of House Concurrent Resolution 133.

The longer-range growth rates of the monetary aggregates we are now seeking are, we believe, adequate to finance a vigorous further expansion in real economic activity. Let me stress once again, however, that the relation over time between money balances and the physical volume of economic activity is rather loose because so much depends on the willingness of businessmen and consumers to use their existing money holdings. We know from earlier history that the turnover of the narrowly defined money stock tends to rise faster in the recovery stage of the business cycle than does the monetary stock itself. Recent experience has confirmed this tendency. Thus, between the second and third quarters of this year, M_1 rose—as I noted earlier—at a 6.9 per cent annual rate. But the income velocity of M_1—that is, the ratio of gross national product to M_1—rose during that period at an annual rate of 8.7 per cent.

In deciding on the appropriate target ranges for growth of the monetary aggregates, we at the Federal Reserve must carefully consider the probable movements of income velocity over the course of the business cycle. We must also bear in mind that innovations in financial markets can have large effects on the economy's needs for money and other assets to finance economic expansion and to satisfy the public's liquidity preferences.

We are living in a time of rapid changes in the public's demand for currency, for checking accounts, for savings deposits, and for a host of other liquid assets. Over the past 20 or 30 years, dramatic developments in financial technology have reduced substantially the proportion of spendable funds that is held in the form of currency and demand deposits. More and more corporate treasurers have learned how to get along with a minimum of deposits in their checking accounts. Consumers, too, have learned to keep a larger part of their transactions and precautionary balances in the form of savings deposits at commercial banks, or deposits in savings and loan associations, or certificates of deposit, or Treasury bills, or shares of money market funds, or other income-earning liquid instruments. Of late, telephonic transfer of funds from savings accounts to checking accounts is accelerating the trend toward holding transactions balances in income-earning form.

Furthermore, as a result of recent financial innovations, liquid assets other than currency or checking deposits are being used to an increasing extent directly for transactions purposes. Since 1970 customers of mutual savings banks and savings and loan associations have been able to authorize payment of regularly scheduled household expenditures, such as mortgage payments, directly from their savings accounts. This year authority for such third-party transfers was broadened to include any payment, regardless of purpose, and permission was granted to commercial banks to offer similar services to their customers. And since 1974 commercial banks and thrift institutions in Massachusetts and New Hampshire have been allowed to offer so-called "NOW" accounts to their customers. These accounts pay a rate of interest that practically equals the rate on regular savings accounts, and yet they permit direct transfer of funds through a negotiable instrument comparable to a check.

These changes are having a significant impact on the type of financial assets that the public holds to meet its transactions needs and on the range of financial institutions that are involved in supplying payments services. Savings and loan associations and mutual savings banks, as well as nonmember commercial banks, are now an important part of the Nation's payments mechanism. And yet they are not subject to the reserve requirements imposed by the Federal Reserve on member banks. As a consequence, the scope of monetary control exerted by the Federal Reserve is being eroded.

The financial innovations that I have described so summarily are also increasing the difficulties of determining the growth rates of the monetary aggregates that are appropriate at any given time. Clearly, the Federal Reserve cannot focus attention exclusively on any single measure of money balances. We must be alert to the possibility that our longer-run projected ranges for the monetary aggregates may need to be altered in view of changes in financial technology, as well as more basic economic and financial developments.

Let me remind this committee, finally, that the growth rates of money and credit presently desired by the Federal Reserve cannot be maintained indefinitely without running a serious risk of releasing new inflationary pressures. As the economy returns to higher rates of resource utilization, it will eventually be necessary to reduce the rate of monetary and credit expansion. The Federal Reserve does not believe the time for such a step has yet arrived. But in view of the economic recovery that has been under way since last spring, we are closer to that day now than we were 6 months ago.

Our Nation is confronted today with a serious difficulty in its search for ways to restore full employment. Highly expansionist monetary and fiscal policies might, for a short time, provide some additional thrust to economic activity. But later on the rate of inflation would accelerate sharply--a development that would create even more difficult economic problems than we have yet encountered. This committee's report on monetary policy, issued in June, recognized this basic truth in stating that "if inflation is rekindled, any recovery will be short-lived and will end in another recession, one almost certain to be more virulent than the present one."

Conventional thinking about stabilization policies, as I tried to explain in a recent address at the University of Georgia, is inadequate and out of date. Stimulative financial policies have considerable merit when unemployment is extensive and the price level is stable or declining. But such policies do not work well when the price level keeps on rising while there is considerable slack in the economy. Experience both in our own and other industrial countries suggests that once inflation has come to dominate the thinking of a Nation's businessmen and consumers, highly expansionist monetary and fiscal policies do not have their intended effect.

That is, instead of fostering larger consumer spending and business investment, they may well lead to larger precautionary savings and sluggish consumer buying.

The only sound fiscal and monetary policy today is a policy of prudence and moderation. New ways must be found to bring unemployment down without becoming engulfed in a new wave of inflation. That is why structural policies require far more attention than they are being accorded by academic economists or members of the Congress. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Government Information and Individual Rights Subcommittee of the Committee on Government Operations, U.S. House of Representatives, November 12, 1975.

I welcome the opportunity to convey to this committee the grave concern felt by the Board of Governors of the Federal Reserve System over the application of the Government in the Sunshine Acts, H.R. 9868 and H.R. 10315, to its monetary policy and bank regulatory functions. In appearing before you, I seek exemption of these functions from the coverage of these bills. We are less troubled by, and thus can accept, application of these bills to the Board's consumer affairs functions—an area with which some members of this committee have considerable familiarity.

At the outset I would like to make a few general observations about this legislation. First, let me say that I am well aware of the concerns of public policy that led to these bills. There has unquestionably been an erosion of public confidence in the integrity of government in recent years. People are concerned about secrecy in government, and many have come to be skeptical about the motives of government officials. These are troubling symptoms in a democratic society and must be dealt with.

But the cure is not to require that all government decision-making be carried on in a public forum. The concept of an "open" government does not mean that responsible officials cannot properly deliberate in private. The supporters of this legislation often say that government should conduct the people's business in public. But that is a slogan, not a reasoned argument—and a dangerous slogan at that. There is much of the work of government that should be conducted in private. Indeed, the "Sunshine" bills themselves recognize a number of such areas.

It is particularly important, I believe, that collegial bodies, such as the Board of Governors, be given substantial latitude in determining which of their functions should be carried on in public session. The relationships among members of such bodies are complex; and free discussion, argument, and dissent are essential elements of the decisional process. A fundamental precondition of the free exchange of ideas is an atmosphere in which new or unpopular ideas—or even wrong ideas—can be put forth for discussion without fear of embarrassment or recrimination.

A requirement that decisions be reached in public session, or even a requirement that closed sessions be transcribed for possible disclosure at a later date, would not create this type of atmosphere. On the contrary, I believe such requirements would tend to inhibit free discussion and to make performers out of the participants. It is naive to believe that agency officials will debate publicly with the same candor and sense of mutual purpose with which they will debate in private. With a public audience in attendance, or with the potential for public disclosure of a verbatim transcript, such debate will inevitably become somewhat formalized and the participants will often speak not for the benefit of each other, but for the impact on their public audience or for the record. The result will be to diminish the quality of the decision-making process by inhibiting freedom of discussion or else to force agency members to carry on their real discussion and debate privately and informally. It would be ironic indeed if legislation intended to promote openness in government and to restore confidence in the processes of governmental decision-making actually had the effect of turning public meetings into ceremonial occasions on which decisions previously determined by caucusing were acted out. But this, I submit, is a likely result of the "Sunshine" proposals.

The basic responsibilities of the Federal Reserve involve: first, the formulation and implementation of monetary policy, and second, the supervision and regulation of banking institutions. Each of these major responsibilities involves the Board daily in matters of great sensitivity. At virtually every meeting of the Board—and we meet at least three times a week—the discussion covers such matters as the supply of money and credit, financial market conditions, the relationship of the dollar to other currencies, and the condition of U.S. banks and bank holding companies. At almost every meeting we act on applications from banks and bank holding companies in which one or another of these matters is vitally relevant. Whether we are considering changes in our monetary policy, or revisions in our banking regulations, or the need for supervisory action concerning a problem bank, or the formulation of positions on legislative matters, our deliberations must take account of the impact our decisions will have on the banking system and the health of the economy. I fail to see how the public interest would be served by subjecting these deliberations to the risk of public exposure.

I believe our deliberative process has worked extremely well. Debate is carried on at the Board table freely and in an atmosphere of joint inquiry and mutual respect. Very frequently our consideration of the issues raised by a particular case will prompt far-ranging discussion among Board members on fundamental policy questions. Our meetings thus reflect what I consider to be the great virtue of a collegial body—the free and uninhibited exchange of ideas and information. I cannot be more emphatic when I say that the quality of the work of our Board would be seriously compromised if we were required to carry on our proceedings in public or if our deliberations were recorded verbatim for possible future disclosure. While the exemptions set forth in the bills before the committee recognize several areas in which public meetings are not appropriate, other provisions of the bills—to which I shall refer at a later point—would severely reduce the Board's ability to protect the public interest and to conduct its work efficiently. For these decisive reasons, we have concluded that we must ask the Congress to exclude the Board's monetary policy and bank regulatory activities from the coverage of this legislation.

I realize that in seeking exemption for the Board's monetary policy and bank regulatory functions I am not pursuing a popular course. However, I have not taken an oath of office to be popular; I have sworn to perform in a totally responsible manner the duties of my office. These duties and responsibilities require that I make as clear as possible the need for the exemption the Board seeks with respect to its monetary policy and bank regulatory functions.

H.R. 9868 and H.R. 10315 are substantially identical in their provisions. Each would require a multimember agency to expose to the public such of its deliberations as concern the conduct or disposition of official agency business. The bills seek to guard against the potential havoc of unrestricted public exposure of agency deliberations by providing 10 exemptions from the requirement for open meetings. But I must say that even if the Board conducted all or most of its business in closed session, the requirement of both bills for a verbatim transcript—which could later lead to public disclosure—would, in my judgment, effectively destroy the protection provided by closed meetings.

The Federal Reserve is this Nation's central bank and monetary authority. Responsible exercise of the duties assigned to it by the Congress is essential to the strength and stability of the American economy. The Federal Reserve has the duty of providing for the expansion of money and credit that is needed to promote economic growth and full use of human and capital resources. It has the duty of protecting the integrity of our national currency, of preserving order in financial markets, or promoting improvements in the Nation's payments mechanism, and of assuring the soundness of the commercial banking system. Moreover, it has the duty also of serving as the banker for the Treasury and other Federal agencies.

From the foregoing brief reference to the nature of the Federal Reserve's responsibilities, it should be clear that the Board is virtually unique among Federal agencies. This status, I regret to say, is not recognized in either of the bills before this subcommittee. The requirements of these bills for open meetings and for transcript publication may be appropriate for regulatory agencies involved with freight and passenger rates, safety standards, trade regulations, and the like. But none of these agencies has duties that even remotely resemble those of a central bank—an institution whose deliberations involve highly sensitive and volatile financial matters of national and international scope.

The inclusion of the Federal Reserve's monetary policy and bank regulatory functions under the bills in question would be fraught with no less mischief than the inclusion of meetings of the National Security Council, or meetings of the Secretary of State with his principal aides, or meetings of the Secretary of the Treasury with foreign finance ministers, or meetings *in camera* of the members of a Federal appellate court. Fortunately for the welfare and stability of this Nation, such an absurd result is not contemplated by these bills. However, by virtue of the mere fact that the Board of Governors is a collegial body whose members are appointed to that body by the President, its equally sensitive deliberations are exposed to the full impact of these bills. I can say without fear of contradiction that no central bank in the world functions under the inhibiting, constraining, and potentially destructive conditions that H.R. 9868 and H.R. 10315 would impose.

I am aware of the claim that the exemptions set forth in these bills allow closed meetings under certain circumstances and thus provide protection against the dangers of which I speak. This claim is inaccurate. For even if we interpret these exemptions to encompass the Board's monetary policy and bank regulatory functions, the procedural requirements with respect to closed meetings would still subject deliberations in those meetings to the risk of later exposure, in full or in part.

Thus, even though the public may be excluded from a meeting, the possibility that a verbatim transcript will be released soon after the meeting would have much the same inhibiting effect on the deliberative process as if the public were present at the meeting. Furthermore, the need to give prior public notice of the subject matter of closed meetings would not only focus public attention on sensitive deliberations that should be conducted free from public scrutiny but could encourage market speculation or other undesirable consequences. For example, prior notice that the Board was to take up a controversial holding company application on a particular day could affect the market for the company's securities. Similarly, advance notice that the Board intended to discuss the desirability of a change in bank reserve requirements or in the discount rate could cause market speculation or have other adverse effects.

I am also concerned that the "Sunshine" bills would curtail the free flow of information to the Board. Much of the data we rely upon is furnished in confidence by private sources. Even though Board discussions of such information may ultimately be held exempt from disclosure, the mere possibility of disclosure may well cut off our sources of information. For example, it is my considered judgment that foreign central banks would severely limit their present candid exchanges of views with the Board if the Board were required to give public notice of the subject matter of closed meetings and to record every word spoken at a closed meeting—to say nothing of the fact that a court might later require that the complete recording be released to the public. Such a constriction of international exchanges would damage our foreign relations and destroy economic and financial relationships that have served our country well over the years.

Another area of great concern to the Board is the risk of disclosure of sensitive information about individual banks. Many years have passed since this Nation has been confronted with a major run on commercial banks. This is in large part due to careful bank regulation—a process characterized by extremely guarded release of data about institutions experiencing financial difficulties. Under the public announcement and transcript provisions of the "Sunshine" bills, however, neither the Board of Governors nor any other agency involved in the regulation of financial institutions, such as the Securities and Exchange Commission, could assure protection from unwarranted release of such information in the future. This is particularly troublesome in the case of H.R. 10315; for, while its provisions enable an agency to delete sensitive portions of a transcript, they also require that agency to furnish the public with a summary of the deleted sensitive portion. The effect of this requirement, in my judgment, is to give withholding authority to the agencies with one hand and then, for all practical purposes, to withdraw that authority with the other hand.

An example of this consequence, I believe, may be instructive. If, let us say, the Board were acting on the application of a nationally known bank holding company to acquire a bank and that application raised some troublesome questions about the management or financial condition of either the bank or the holding company, such a meeting could be closed under the bills before us. Assume that after lengthy discussion of the critical management or financial difficulty, the Board denied the application. Under H.R. 10315, the Board would be required to release to the public the transcript of its discussion although the portion dealing with the sensitive factors could be deleted. Since the Board, by statute, has to consider managerial and financial factors in every case, the very deletion from the public transcript of any discussion of one of these factors would at once lead to the inference that it was a problem area. Further, this inference would be confirmed by the required summary or paraphrase of the deleted portion of the transcript. The foregoing is a simple example of literally hundreds of serious problems that would arise year in and year out under this bill. The potential impact on the Nation's financial condition is appalling.

But the opportunity for mischief goes even further, and I therefore must pursue the illusion that the provisions of the bills for closed meetings assure against unwarranted disclosure. If a challenge in the form of a lawsuit were made of the Board's withholding of sensitive material from an otherwise published transcript of a closed meeting, it would indeed be possible for a reviewing court to examine *in camera* the subject matter in question. Up to this point the confidentiality of the material has been protected. However, it is hardly conceivable that pursuit of the processes involved in the judicial review afforded by the bills, including necessary briefs, affidavits, and the like, would not result in harmful speculation about, if not actual disclosure of, part or all of what the closed meeting sought to protect.

Let me now make a final but most essential comment. One of the stated purposes of both bills is to protect the ability of the Government to carry out its responsibilities. In the context of the bills, the responsibilities are those of multimember agencies—agencies that by congressional foresight and intent have been so structured as to encourage and facilitate the free and uninhibited exchange of views among their members. In addition to the full exchange of views among its members, the Board draws on the knowledge and thinking of its experienced staff officials who, in the atmosphere afforded by the present environment, have always felt free to comment upon, question, and even challenge Board member positions, in the interest of hammering out the soundest possible policy or decision.

I submit that if every word spoken by a member of the Board or its staff were recorded, with the potential of eventual release to the public, either pursuant to the provisions of these bills or as a result of judicial determination, some—if not all—of these individuals may quite naturally be diverted from seeking truth to speaking "for the record." In such an environment, there will be less willingness on the part of the Board to be receptive to the direct challenge from members of the staff, and the members of the Board—I dare say—will be less candid with one another, or even with themselves.

I believe we must face the problem before us realistically. Insofar as the Federal Reserve is concerned, I do not believe that we can afford, in the national interest, to circumscribe every action of Board members in an endless array of recording requirements and still expect the quality of thorough analysis and thoughtful care that have marked the Board's actions over the years.

If enacted into law, either H.R. 9868 or H.R. 10315 would place sensitive financial agencies in an almost impossible position. On the one hand, they could operate under the law as enacted with the virtual certainty that some of the destructive consequences I have indicated in my remarks will occur. On the other hand, they could go through the motions of adhering to the law's requirements but, as a practical matter, resort to procedures that minimize the law's adverse impact. Since such action would amount to circumvention of the law or "going underground" in our operations, I must and do reject it as a suitable course for the Federal Reserve. I hope that as your committee ponders this legislation, you will consider carefully my grim assessment. □

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON SEPTEMBER 16, 1975

1. Domestic Policy Directive

The information reviewed at this meeting suggested that output of goods and services—which had turned up in the second quarter—was increasing appreciably in the current quarter and that prices, on the average, were rising at a somewhat faster pace than in the first half of the year. Staff projections suggested that expansion in output would remain strong in the fourth quarter and that the rate of growth would then moderate somewhat in the first half of 1976.

In August the pace of economic recovery appeared to have gained momentum; both industrial production and employment in nonfarm establishments advanced more than in July. The average workweek of production workers in manufacturing industries continued to lengthen, and for the first time since October 1974 it approached 40 hours. The unemployment rate—which had declined from 9.2 per cent in May to 8.4 per cent in July—was unchanged, as the civilian labor force increased about as much as total employment. Retail sales apparently declined slightly in August, following 4 months of large gains in real as well as in dollar-value terms.

The increase in the index of average hourly earnings for private nonfarm production workers was large in August, after having been relatively small in July; over recent months, on the average, the advance has been somewhat less rapid than in 1974 and in the first quarter of 1975. The wholesale price index for industrial commodities rose somewhat more in August than in July, in part because the rise in August reflected earlier increases in gasoline prices; the index for farm and food products declined slightly. In July the rise in the consumer price index had accelerated further, owing chiefly to sizable increases in retail prices of foods, gasoline, fuel oil, and used cars.

Staff projections continued to suggest that nominal GNP would expand rapidly in the second half of 1975 as a result of a vigorous recovery in output and a somewhat faster rise in average prices than in the first half, mainly reflecting increases in prices of foods and energy products. As a month earlier, it was expected that business inventory liquidation would slow sharply from the extraordinary rate in the second quarter; that real consumption expenditures would grow at a substantial pace; that residential construction would pick up; and that business fixed investment outlays would begin to strengthen late in the year. However, it also was anticipated that—in view of the projected strength of the domestic recovery—imports would expand more than exports.

The exchange value of the dollar against leading foreign currencies—which had appreciated considerably from late June to mid-August—rose somewhat further to mid-September, in part because interest rate developments here and abroad continued to favor the dollar. In July U.S. merchandise imports rose sharply, to a considerable extent because of a large increase in imports of fuels from the depressed level in June, and the U.S. foreign trade surplus declined from the very high rates in June and in the second quarter as a whole. Private capital transactions reported by banks shifted to a net inflow in July from net outflows in earlier months. U.S. liabilities to foreign official agencies declined, after having increased earlier, as some countries sold dollars to support their currencies in the foreign exchange markets.

Total loans and investments at U.S. commercial banks continued to expand at a moderate pace in August. Outstanding loans to businesses declined slightly, but banks again added a substantial amount to their holdings of U.S. Government securities. The outstanding volume of commercial paper issued by nonfinancial businesses—which had turned up in July—rose again in August, reflecting a modest strengthening in business demands for short-term credit and a lower cost of funds in the commercial paper market than at banks. In mid-September a number of banks raised the prime rate further, from 7¾ to 8 per cent.

Expansion in M_1 picked up somewhat in August from the low rate in July, when it had been limited to a significant degree by adjustment of money balances after the May–June bulge associated with special disbursements by the Treasury. Growth in M_2 and M_3 slowed further in August, however, as inflows of consumer-type time and savings deposits to banks and to nonbank thrift institutions continued to moderate, in part because of the increased attractiveness of alternative investments. Banks reduced the outstanding volume of large-denomination CD's for the seventh consecutive month, in response to continued growth in other deposits and to weakness in loan demand.

On September 10 the Treasury announced an estimate of its borrowing needs for the rest of 1975, which involved raising $22 billion to $25 billion of new money. For the period through the third week in October, the Treasury's financing plans included auctions of $2 billion of 29-month notes, $6 billion of 2-year notes, and $1.9 billion of 1-year bills. Of the total of $9.9 billion, $7 billion represented new money.

Short-term market interest rates—which had increased appreciably from mid-June to mid-August—subsequently changed relatively little, despite increased Treasury and private demands for funds in the short-term market. On the day before this meeting, the market rate on 3-month Treasury bills was 6.50 per cent, compared with 6.42 per cent on the day before the August meeting.

Yields on longer-term Treasury and corporate securities edged lower over most of the inter-meeting period, in response mainly to the stability in short-term markets and to a substantial decline in offerings of new securities. However, yields adjusted upward after September 10 when the Treasury announced its sizable borrowing requirements over the rest of this year. Yields on State and local government securities rose to new highs in early September because of widespread concern about possible repercussions of New York City's financial crisis; on September 9 a State program to assist the city was enacted. In home mortgage markets, yields advanced throughout the inter-meeting period, as demands for funds expanded while the outlook for their cost and availability became more uncertain.

System open market operations since the August 19 meeting had been guided by the Committee's decision to seek bank reserve and money market conditions consistent with moderate growth in monetary aggregates over the months ahead. It had been expected that the weekly average for the Federal funds rate might vary in an orderly fashion within a range of 5¾ to 7 per cent, with the understanding that operations would not be directed toward moving the rate above or below the 6⅛ to 6¼ per cent area prevailing at that time unless it appeared that in the August–September period growth in the monetary aggregates would be substantially stronger or weaker than expected. Data that became available in early September suggested that in the 2-month period M_1 would grow at a rate in the lower part of the range of tolerance that had been specified by the Committee and that M_2 would grow at a rate slightly below the lower limit of its range. All available members of the Committee concurred in Chairman Burns' recommendation of September 5 that—in view of the likelihood of substantial strengthening in demands for money and credit over coming months and the prospect that a decline in the Federal funds rate might have to be reversed shortly—the Manager be instructed to continue until the next meeting to maintain reserve conditions consistent with a Federal funds rate in the 6⅛ to 6¼ per cent area, while leaning toward the lower figure. On the average, the Federal funds rate remained in that area over the rest of the period until this meeting.

At its July meeting the Committee had agreed that growth in the monetary and credit aggregates on the average over the period from the second quarter of 1975 to the second quarter of 1976 at rates within the following ranges appeared to be consistent with its broad economic aims: M_1, 5 to 7½ per cent; M_2, 8½ to 10½ per cent; M_3, 10 to 12 per cent; and the bank credit proxy, 6½ to 9½ per cent. In its discussion of current policy at this meeting the Committee took note of the indications that economic activity was now on the increase and of the likelihood that expansion in nominal GNP over coming quarters would be associated with considerable strengthening in the demand for money and credit. The continuing unsettlement in financial markets and the successive large-scale Treasury financing operations scheduled for coming weeks were also taken into account.

In view of the economic outlook, none of the members favored operations to ease bank reserve and money market conditions in the period immediately ahead. Some advocated operations to achieve some modest firming, whenever feasible without disrupting markets, in order to help restrain monetary growth later. And others noted that they would be willing to act promptly to seek firmer conditions if and when the rate of growth in the monetary aggregates accelerated substantially, but that they preferred not to base such action on projections that monetary growth would exceed the desired rates over the longer run.

At the conclusion of the discussion the Committee decided to seek bank reserve and money market conditions consistent with moderate growth in the monetary aggregates over the months ahead, while taking account of developments in domestic and international financial markets. Specifically, the members agreed that growth in M_1 and M_2 over the September–October period at annual rates within ranges of tolerance of 5 to 8 per cent and 7 to 9½ per cent, respectively, would be acceptable. It was thought that such growth rates would be likely to involve annual rates of change in reserves available to support private nonbank deposits (RPD's) within a range of 1 to 4 per cent.

The members agreed that in the period until the next meeting the weekly average for the Federal funds rate might be expected to vary in an orderly fashion within a range of 6 to 7 per cent. It was understood, however, that if developments with respect to the aggregates suggested the need to move the Federal funds rate above 6¾ per cent, open market operations toward that end would not be undertaken until after the Chairman had consulted with the Committee.

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

The information reviewed at this meeting suggests that output of goods and services—which had turned up in the second quarter—is increasing appreciably further in the current quarter. In August industrial production and nonfarm payroll employment expanded at a faster pace than in July, and the average workweek in manufacturing continued to lengthen. The unemployment rate remained at 8.4 per cent, as the civilian labor force increased about as much as total employment. Retail sales apparently declined slightly, following 4 months of large gains. The index of wholesale prices of industrial commodities rose somewhat more in August than in July, chiefly because of increases in prices of energy products; prices of farm and food products declined slightly. The advance in average wage rates over recent months has been somewhat less rapid than in 1974 and early 1975.

In recent weeks the exchange value of the dollar against leading foreign currencies has risen somewhat further. In July the U.S. foreign trade surplus declined from the very high second-quarter level, as imports rose sharply. Bank reported capital movements showed a net inflow, in contrast to the net outflows of earlier months, while U.S. liabilities to foreign official agencies, which earlier had been rising, declined.

Expansion in M_1 picked up somewhat in August from the low July rate. Growth in M_2 and M_3 slowed further, however, as inflows of consumer-type time and savings deposits to banks and to nonbank thrift institutions continued to moderate, reflecting in part the increased attractiveness of alternative investments. Interest rates on short-term securities and on longer-term Treasury and corporate securities have shown little net change in recent weeks, except that longer-term yields adjusted upward following the Treasury's September 10 announcement of its sizable borrowing requirements over the rest of this year. Yields on State and local government securities rose to new highs in early September, as a result of widespread concern about possible repercussions of New York City's financial crisis; on September 9 a State program to assist the City was enacted.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to stimulating economic recovery, while resisting inflationary pressures and contributing to a sustainable pattern of international transactions.

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with moderate growth in monetary aggregates over the months ahead.

> Votes for this action: Messrs. Burns, Volcker, Baughman, Bucher, Coldwell, Eastburn, Holland, Jackson, MacLaury, Mayo, Mitchell, and Wallich. Votes against this action: None.

Subsequent to the meeting, on October 2, the available data suggested that in the September–October period both M_1 and M_2 would grow at rates well below the lower limits of the ranges of tolerance that had been specified by the Committee. The Federal funds rate had averaged 6.36 per cent during the statement week ending October 1 and most recently had been about 6¼ per cent. In view of the weakness of the aggregates and of the unsettled market for municipal securities, Chairman Burns recommended that the Manager be instructed to aim at a Federal funds rate of 6⅛ per cent immediately and to aim to reduce the rate to 6 per cent over the next few days. The Chairman also recommended that the lower limit of the funds rate constraint be reduced to 5¾ per cent, in order to provide leeway for further operations in the event that current weakness of the aggregates was confirmed by incoming data in the following week. All available members of the Committee—with the exception of Mr. Bucher—concurred in the Chairman's recommendations. Mr. Bucher, while concurring in the first recommendation, preferred not to reduce the lower limit of the constraint before data on the aggregates became available in the following week.

2. Authorization for Domestic Open Market Operations

On October 3, 1975, Committee members voted to increase from $3 billion to $4 billion the limit on changes between Committee meetings in System Account holdings of U.S. Government and Federal agency securities specified in paragraph 1(a) of the authorization for domestic open market operations, effective immediately, for the period ending with the close of business on October 21, 1975.

> Votes for this action: Messrs. Burns, Volcker, Baughman, Bucher, Coldwell, Eastburn, Jackson, MacLaury, Mayo, Mitchell, and Wallich. Votes against this action: None.
> Absent and not voting: Mr. Holland.

This action was taken on recommendation of the System Account Manager, who had advised that large-scale purchases of Treasury and Federal agency securities since the September meeting of the Committee—required mainly to counter the effect of a rise in Treasury balances at the Reserve Banks—had reduced the leeway available for further purchases to about $300 million. While projections for coming weeks suggested that the System would be in a position to absorb rather than to provide reserves, the Manager believed that in view of the fragile state of confidence in financial markets, especially the municipal market, it would be desirable for the Desk to have additional flexibility to deal with unfolding developments.

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Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's *Annual Report*, are released about 45 days after the meeting and are subsequently published in the BULLETIN.

Law Department

Statutes, regulations, interpretations, and decisions

EQUAL CREDIT OPPORTUNITY

The Board of Governors has issued a new Regulation B.* The Regulation implements the Equal Credit Opportunity Act prohibiting discrimination on the basis of sex or marital status with respect to any aspect of a credit transaction.

REGULATION B

Effective October 28, 1975, Regulation B (Part 202) is added as set forth below:

SECTION 202.1—AUTHORITY AND SCOPE

This Part comprises the regulations issued by the Board of Governors of the Federal Reserve System pursuant to the Equal Credit Opportunity Act (Pub. L. 93-495; 88 Stat. 1521 *et seq.*). This Part applies to all persons who regularly extend, offer to extend, arrange for or offer to arrange for the extension of credit for any purpose whatsoever and in any amount.

SECTION 202.2—GENERAL RULE

A creditor shall not discriminate against any applicant on the basis of sex or marital status with respect to any aspect of a credit transaction.

SECTION 202.3—
DEFINITIONS AND RULES OF CONSTRUCTION**

For purposes of this Part, unless the context indicates otherwise, the following definitions apply:

(a) **Act** means the Equal Credit Opportunity Act (Pub. L. 93-495; 88 Stat. 1521 *et seq.*).

(b) **Account** means an extension of credit; "use of an account" throughout this Part refers only to open end credit.

(c) **Applicant** means any person who applies to a creditor directly for an extension, renewal or continuation of credit, or who applies to a creditor indirectly by use of an existing credit plan for an amount exceeding a previously established credit limit. With respect to any creditor the term also includes any person to whom credit is or has been extended by that creditor.

(d) **Application** means an oral or written request by an applicant for an extension of credit which is made in accordance with procedures established by a creditor for the type of credit requested. The term does not include the use of an existing credit plan to obtain an amount of credit which does not exceed a previously established credit limit.

(e) **Arrange for the extension of credit** means to provide or offer to provide credit which is or will be extended by another person under a business or other relationship pursuant to which the person arranging such credit participates in the decision to extend credit to an applicant. The term does not include participation in a credit transaction which is limited to honoring a credit card.

(f) **Consumer credit** means credit offered or extended to a natural person in which the money, property or service which is the subject of the transaction is primarily for personal, family or household purposes.

(g) **Contractually liable** means expressly obligated to repay all debts arising on an account by reason of having signed an agreement to that effect.

(h) **Credit** means the right granted by a creditor to an applicant to defer payment of a debt, or to incur debt and defer its payment or to purchase property or services and defer payment therefor.

(i) **Credit card** means any card, plate, coupon book or other single credit device existing for the purpose of being used from time to time upon presentation to obtain money, property or services on credit.

(j) **Creditor** means any person who regularly extends credit or arranges for the extension of credit. The term includes assignees, transferees or subrogees of an original creditor if they participate in the decision to extend credit, but does not

*The former Regulation B, Open Market Purchases of Bills of Exchange, Trade Acceptances, Bankers' Acceptances was revoked April 1, 1974

**Note that for some purposes some of the definitions are not identical with those found in 12 CFR 226 (Regulation Z).

include a person whose only participation in a credit transaction is to honor a credit card.

(k) **Credit transaction** means every aspect of an applicant's dealings with a creditor including, but not limited to, solicitation of prospective applicants by advertising or other means; information requirements; investigatory procedures; standards of creditworthiness; terms of credit; furnishing of credit information and collection procedures.

(l) **Discriminate against an applicant on the basis of sex or marital status** means to treat an applicant less favorably than other applicants on the basis of sex or marital status.

(m) **Extension of credit** means the granting of credit in any form and includes, but is not limited to, credit granted in addition to any existing credit or credit limit; credit granted in the form of a credit card, whether or not the card has been used; the refinancing of any credit; the consolidation of two or more obligations; the issuance of a new credit card in place of an expiring credit card or in substitution for an existing credit card; the continuing in force of a previously issued credit card; or the continuance of existing credit without any special effort to collect at or after maturity.

(n) **Marital status** means the state of being unmarried, married, or separated, as defined by applicable State law. For purposes of this Part, the term "unmarried" includes a person who is divorced or widowed.

(o) **Open end credit** means credit extended pursuant to a plan under which the creditor may permit the applicant to make purchases or obtain loans, from time to time, directly from the creditor or indirectly by use of a credit card, check or other device, as the plan may provide. The term does not include negotiated advances under an open end real estate mortgage or a letter of credit.

(p) **Person** means a natural person, a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative or association.

(q) **State** means any State, the District of Columbia, the Commonwealth of Puerto Rico or any territory or possession of the United States.

SECTION 202.4 APPLICATIONS

(a) **Discouraging applications.** A creditor shall not make any statements to applicants or prospective applicants which would, on the basis of sex or marital status, discourage a reasonable person from applying for credit or pursuing an application for credit.

(b) **Separate accounts.** A creditor shall not refuse, on the basis of sex or marital status, to grant a separate account to a creditworthy applicant.

(c) **Inquiries as to marital status.** (1) A creditor shall not ask the applicant's marital status if the applicant applies for an unsecured separate account, except in a community property State or as required to comply with State law governing permissible finance charges or loan ceilings.

(2) If the creditor asks the applicant's marital status, only the terms "married," "unmarried" or "separated" shall be used.

(3) Notwithstanding any other provision of this subsection, a creditor may inquire as to the liability to pay alimony, child support or maintenance. Further, if a creditor first discloses to an applicant that income from alimony, child support or maintenance payments need not be revealed if the applicant does not choose to disclose such income in applying for credit, a creditor may inquire whether any income stated in an application is derived from such a source.

(4) Where an applicant is requested to designate a title (such as Mr., Mrs., Ms. or Miss), the creditor shall state conspicuously that the designation of such title is optional. An application form shall otherwise use only terms that are neutral as to sex unless other terms are required by an enforcement agency to monitor compliance with this Part.

(d) **Equal Credit Opportunity Act notice.** (1) Except where application is made by telephone, or orally for an amount of credit to exceed an existing limit on an applicant's open end account, the creditor shall provide each applicant with the following notice in writing:

> The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of sex or marital status. The Federal agency which administers compliance with this law concerning this (insert appropriate *description bank, store, etc.) is (name and address of the appropriate agency).*

(2) Such notice shall be provided in a form that the applicant may retain, either:

(i) on a copy of the application form; or

(ii) on a separate sheet of paper delivered to the applicant at the time application is made, or delivered or mailed to the applicant as soon as practicable thereafter.

(e) **Designation of name.** A creditor shall not prohibit an applicant from opening or maintaining an account in a birth-given first name and surname or a birth-given first name and a combined surname.

SECTION 202.5—
EVALUATION OF APPLICATIONS

(a) **Continued ability to repay.** Except as otherwise provided in this section, a creditor may request and consider any information concerning the probable continuity of an applicant's ability to repay if such information is requested and considered without regard to sex or marital status.

(b) **Information about a spouse or former spouse.**

(1) A creditor may request and consider any information concerning an applicant's spouse (or former spouse under (iv) below) which may be considered about the applicant if:

(i) the spouse will be permitted to use the account; or

(ii) the spouse will be contractually liable upon the account; or

(iii) the applicant is relying on community property or the spouse's income as a basis for repayment of the credit requested; or

(iv) the applicant is relying on alimony, child support or maintenance payments from a spouse or former spouse as a basis for repayment of the credit requested.

(2) A creditor may request the name in which an account is carried if the applicant discloses the account in applying for credit.

(3) Except as permitted in this subsection, a creditor may not request any information concerning the spouse or former spouse of an applicant.

(c) **Alimony, child support and maintenance obligations.** A creditor may ask and consider whether and to what extent an applicant is obligated to make alimony, child support or maintenance payments.

(d) **Alimony, child support and maintenance income.** (1) If a creditor first discloses to an applicant that income from alimony, child support or maintenance payments need not be revealed if the applicant does not choose to disclose such income in applying for credit, a creditor may inquire whether any income stated in an application is derived from such a source.

(2) Where an applicant chooses to disclose alimony, child support or maintenance payments under section 202.4(c)(3), a creditor shall consider such payments as income to the extent that such payments are likely to be consistently made. Factors which a creditor may consider in determining the likelihood of consistent payments include, but are not limited to, whether the payments are received pursuant to a written agreement or court decree; the length of time the payments have been received; the regularity of receipt; the availability of procedures to compel payment; and the creditworthiness of the payor, including the credit history of the payor where available to the creditor under the Fair Credit Reporting Act or other applicable laws.

(e) **Discounting income.** A creditor shall not discount the income of an applicant or an applicant's spouse on the basis of sex or marital status. A creditor shall not discount income solely because it is derived from part-time employment, but may consider the probable continuity of such income in evaluating the creditworthiness of an applicant.

(f) **Credit scoring.** A creditor shall not take sex or marital status into account in a credit scoring system or other method of evaluating applications.

(g) **Telephone listing in applicant's name.** A creditor shall not take into account the existence of a telephone listing in the name of an applicant in a credit scoring system or other method of evaluating applications. A creditor may take into account the existence of a telephone in the applicant's home.

(h) **Childbearing.** A creditor shall not request information about birth control practices or childbearing intentions or capability. Nor shall a creditor consider in evaluating the creditworthiness of an applicant aggregate statistics or assumptions relating to the likelihood of any group of persons bearing or rearing children, or for that reason receiving diminished or interrupted income in the future.

(i) **Change of name or marital status.** (1) Except as set forth in subsection (2) below, in the absence of evidence of inability or unwillingness to repay, a creditor shall not take any of the following actions with respect to a person who is contractually liable on an existing open end account on the basis of a change of name or marital status:

(i) require a reapplication; or

(ii) require a change in the terms of the account; or

(iii) terminate the account.

(2) Where open end credit has been granted to an applicant based on income which is earned solely by the applicant's spouse, a creditor may require a reapplication on the basis of a change in marital status.

(j) **Credit history.** To the extent that a creditor considers credit history in evaluating applicants of similar qualifications for a similar type and amount of credit, a creditor shall include, in evaluating creditworthiness:

(1) the credit history of accounts designated under the requirements of section 202.6 as accounts which the applicant and a spouse are permitted to use or for which both are contractually liable, and, on the applicant's request, any information the applicant may present tending to indicate that such history does not accurately reflect the applicant's willingness or ability to repay; and

(2) on the applicant's request, the credit history, when available, of any account reported in the name of the applicant's spouse or former spouse which an applicant can demonstrate reflects accurately the applicant's willingness or ability to repay.

(k) **Use and retention of prohibited information.** A creditor may not use any information prohibited by the Act or this Part in evaluating applications. Retention of such information in the creditor's files does not violate the Act or this Part where such information was obtained:

(i) from any source prior to June 30, 1976; or

(ii) at any time from credit reporting agencies; or

(iii) at any time from the applicant or others, without the specific request of the creditor.

(l) **State property laws.** Consideration or application of State property laws directly or indirectly affecting creditworthiness shall not constitute discrimination for purposes of this Part.

(m) **Notification of action taken and reasons for denial.** (1) A creditor shall, within a reasonable time after receiving an application, notify the applicant of action taken upon the application.

(2) A creditor shall provide each applicant who is denied credit or whose account is terminated the reasons for such action, if the applicant so requests.

(3) A creditor may design its own form or methods to satisfy this requirement. An example of a possible form is set forth below.

STATEMENT OF REASONS FOR
DENIAL OR TERMINATION OF CREDIT

1. Credit application:
   - not completed
   - lack of credit references
   - credit reference too new to check
2. Information furnished by:
   XYZ Credit Bureau
   10 Main Street
   Anytown, Anystate 00000
   Phone no. 000-000-0000
3. Employment:
   - unemployed
   - temporary or irregular
   - unable to verify
   - length of employment
4. Income:
   - insufficient
   - unable to confirm
   - information refused
5. Residence:
   - too short a period
   - temporary
6. Other (specify)

SECTION 202.6
FURNISHING OF CREDIT INFORMATION

(a) **Accounts established on or after November 1, 1976.** (1) For every account established on or after November 1, 1976, a creditor shall:

(i) determine whether the account is one which an applicant's spouse, if any, will be permitted to use or upon which both spouses will be contractually liable, if such accounts are offered by the creditor; and

(ii) designate any such account to reflect the fact of participation of both spouses.

(2) When furnishing information to consumer reporting agencies or others concerning an account designated under this section, a creditor shall report the designation and furnish any information concerning the account:

(i) to consumer reporting agencies, in a manner which will enable the agencies to provide access to information about the account in the name of each spouse; and

(ii) to recipients other than such agencies, in the name of each spouse.

(b) **Accounts established prior to November 1, 1976.** (1) With respect to any account established prior to and in existence on November 1, 1976, a creditor shall either:

(i) not later than November 1, 1976, determine whether the account is one which an applicant's spouse, if any, is permitted to use or upon which both spouses are contractually liable; designate any such account to reflect the fact of participation of both spouses; and comply with the requirements of subsection (a)(2) above; or

(ii) mail or deliver to all applicants, or all married applicants, in whose name the account is carried on the creditor's records the notice set forth below. Such notice may be mailed with a statement or other mailing. All such notices shall be mailed by February 1, 1977. With respect to open end accounts, this requirement may be satisfied by mailing a notice to all accounts for which any statement is sent between November 1, 1976 and February 1, 1977. A creditor may supplement the notice as necessary to permit identification of the account.

NOTICE
CREDIT HISTORY FOR MARRIED PERSONS

The Federal Equal Credit Opportunity Act forbids all creditors from discriminating against any applicant on the basis of sex or marital status in any aspect of a credit transaction. Regulations adopted under the Act give married persons the right to have credit information concerning those credit accounts that they hold or use jointly with a spouse reported to consumer reporting agencies and creditors in the names of both the wife and husband. Accounts of married persons opened before November 1976—even those opened in the names of both spouses—are often reported in only the husband's name. This is generally true regardless of who has been paying the bills or whose income was used to obtain the account. As a result, many married women do not have a credit history in their own names, although their husbands do. If a woman ever needs to obtain credit on her own, for example, when divorced or widowed, a credit history is usually necessary.

If your account(s) with us is a joint account which you share with your spouse or an account(s) in the name of one spouse which the other spouse is authorized to use, you have the right to have credit information concerning it reported in both your name and your spouse's name. If you choose to have credit information concerning your account(s) with us reported in both your name and the name of your spouse, please fill in the statement below and return it to us.

Please note that the Federal regulation provides that your signature below will not make either you or your spouse legally liable for any different or greater debts. It will only request that credit information be reported in both your names.

....

When you furnish credit information on this account, please report all information concerning it in both our names as follows:

	(print or type)
Account Number (if any)	(print or type)
	Signature of either spouse

(2) After November 1, 1976, a creditor shall, within 90 days of receipt of a request to change the manner in which information is reported to consumer reporting agencies and others, when furnishing information concerning any such account, designate the account to reflect the fact of participation of both spouses. The creditor shall report the designation and furnish any information concerning the account to any recipient other than a consumer reporting agency in the name of each spouse and, when reporting to consumer reporting agencies, in a manner which will enable such agencies to provide access to information about the account in the name of each spouse.

(3) A spouse's signature on a request to change the manner in which information concerning an account is furnished shall not change the legal liability of either spouse upon the account.

SECTION 202.7—REQUEST FOR SIGNATURE OF SPOUSE OR OTHER PERSON

(a) **General.** Except as provided in subsections (b) and (c) below, a creditor may not require the signature of a spouse or other person on a credit instrument unless such a requirement is imposed without regard to sex or marital status on all similarly qualified applicants who apply for a similar type and amount of credit.

(b) **Unsecured credit in community property States.** Where a married applicant applies for unsecured credit in a community property State, a creditor may request or require the signature of a non-applicant spouse if:

(i) the applicable State law denies the applicant power to manage or control sufficient community property to qualify for the amount of credit requested under the creditor's standards of creditworthiness; and

(ii) the applicant does not have sufficient separate property to qualify for the amount of credit requested without regard to any community property.

(c) **Signatures on certain instruments.** Where a married or separated applicant applies for secured credit, the creditor may require the signature of the applicant's spouse on such instruments as are necessary, under the applicable statutory or decisional law of the State, or are reasonably believed by the creditor to be so necessary, to create a valid lien, pass clear title, waive inchoate rights to property or assign earnings.

Section 202.8 —Separate Accounts in Relation to State Law

(a) **Separate extension of consumer credit.** Any provision of State law which prohibits the separate extension of consumer credit to each spouse shall not apply in any case where each spouse voluntarily applies for separate credit from the same creditor. In any case where such a State law is pre-empted, each spouse shall be solely responsible for the debt so contracted.

(b) **Finance charges and loan ceilings.** When each spouse separately and voluntarily applies for and obtains a separate account with the same creditor, the accounts shall not be aggregated or otherwise combined for purposes of determining permissible finance charges or permissible loan ceilings under the laws of any State or of the United States. Permissible loan ceilings under the laws of any State or of the United States shall be construed to permit each spouse to be separately and individually liable up to the amount of the loan ceiling less the amount for which both spouses are jointly liable. For example, in a State with a permissible loan ceiling of $1,000, if a married couple were jointly liable for $250, each spouse could subsequently become individually liable for $750.

Section 202.9 - Preservation of Records

(a) For a period ending 15 months after the date a creditor gives the applicant notice of action on an application, the creditor shall retain as to each applicant, in original form or a copy thereof:

(1) any application form and all other written or recorded information used in evaluating an application; and

(2) any written statement submitted by the applicant alleging discrimination prohibited by the Act or this Part.

(b) For a period ending 15 months after the date a creditor adversely changes the terms or conditions of credit for an account, the creditor shall retain as to each account, in original form or a copy thereof:

(1) any written or recorded information concerning such change in the terms and conditions; and

(2) any written statement submitted by the applicant alleging discrimination prohibited by the Act or this Part.

(c) Any creditor which has actual notice that it is under investigation for violation of this Part by an enforcement agency charged with monitoring that creditor's compliance with the Act and this Part, or which has been served with notice of an action filed pursuant to Section 202.13 of this Part, shall retain the information required in subsections (a) and (b) above until final disposition of the matter or such earlier time as may be ordered by the agency or court.

Section 202.10- - Certain Specialized Credit

(a) **General.** Each type of credit referred to in subsection (b), (c), (d), and (e) below shall be subject only to section 202.1, the General Rule stated in section 202.2, to sections 202.3, 202.4(a), 202.4(b), 202.4(e), 202.11, 202.12, 202.13 and 202.14, and to the other provisions, if any, specified in the applicable subsections of this section. If a credit falls within more than one subsection of this section, all sections of this Part referred to in any such subsections shall apply unless the credit falls within subsection (d), in which case *only* the provisions specified in that subsection and this subsection (a) shall apply.

(b) **Incidental credit.** Incidental credit shall be subject to the provisions specified in sections 202.10(a) and 202.5(h). As used in this Part, incidental credit is credit which meets all of the following requirements:

(1) the credit is not represented by and does not arise from the use of a credit card; and

(2) no finance charge as defined in section 226.4 of this Title (12 CFR 226.4 of Regulation Z), late payment or other fee is or may be imposed other than statutory interest or other costs recoverable in legal proceedings for the collection of the credit; and

(3) there is no agreement by which the credit may be payable in more than four instalments.

(c) **Business credit.** Business credit shall be subject to the provisions specified in sections 202.10(a), 202.5 and 202.7. Section 202.9 shall only apply in those transactions involving an application for credit in the amount of $100,000 or less where the applicant requests in writing that the creditor retain such records. A creditor shall not, on the basis of sex or marital status, fail to act on, or unreasonably delay a decision on, an application for business credit. As used in this Part, business credit is credit granted for business, commercial or agricultural purposes.

(d) **Securities credit.** Securities credit shall be subject to the provisions specified in section 202.10(a), sections 202.5(a), 202.5(c) through 202.5(h), 202.5(j), 202.5(l), 202.6(a) and 202.9. Section 202.4(e) shall not apply to a securities dealer insofar as the action described is taken to prevent violation of rules regarding an account in which a broker or dealer has an interest, or rules necessitating the aggregating of accounts of spouses for the purpose of determining controlling interests, beneficial ownership or purchase limitations and restrictions. As used in this Part, securities credit is credit subject to regulation under section 7 of the Securities Exchange Act of 1934 or credit extended by a broker or dealer who is subject to regulation as a broker or dealer under the Securities Exchange Act of 1934.

(e) **Public utilities credit.** Public utilities credit shall be subject to the provisions specified in section 202.10(a) and to sections 202.5 and 202.7. As used in this Part, public utilities credit is credit extended pursuant to transactions under public utility tariffs involving services provided through pipe, wire or other connected facilities, if the charges for such public utility services, the charges for delayed payment and any discount allowed for early payment are filed with, reviewed by or regulated by an agency of the Federal Government, a State or a political subdivision thereof.

SECTION 202.11— MISCELLANEOUS PROVISIONS

(a) **Mechanical errors.** If a failure to comply with sections 202.4(d), 202.5(j), 202.5(m) or 202.6 results from a mechanical, electronic or clerical error made in good faith, it shall not be a violation of the section if the creditor shows by a preponderance of the evidence that at the time of the noncompliance the creditor had established and was maintaining suitable procedures to assure compliance with the section.

(b) **Inconsistent State laws.** Except as provided in section 202.8, this Part alters, affects or preempts only those State laws which are inconsistent with this Part, and then only to the extent of the inconsistency. Such a State law is not inconsistent with this Part if the creditor can comply with the State law without violating this Part.

SECTION 202.12— ADMINISTRATIVE ENFORCEMENT

(a) As set forth more fully in Section 704 of the Act, administrative enforcement of the Act and this Part with respect to certain creditors is assigned to the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Board of Directors of the Federal Deposit Insurance Corporation, Federal Home Loan Bank Board acting directly or through the Federal Savings and Loan Insurance Corporation, Administrator of the National Credit Union Administration, Interstate Commerce Commission, Civil Aeronautics Board, Secretary of Agriculture, Farm Credit Administration, Securities and Exchange Commission and the Small Business Administration.

(b) Except to the extent that administrative enforcement is specifically committed to other authorities, Section 704 of the Act assigns enforcement of the Act and this Part to the Federal Trade Commission.

SECTION 202.13— PENALTIES AND LIABILITIES

(a) Sections 706(a) through (e) of the Act provide for civil liability for actual and punitive damages against any creditor who fails to comply with the Act and this Part. Section 706(b) places a $10,000 limitation on the amount of punitive damages an aggrieved applicant may seek in an individual capacity and Section 706(c) limits a creditor's class action liability for punitive damages to the lesser of $100,000 or 1% of the creditor's net worth at the time the action is brought. Section 706(d) provides that an aggrieved applicant may seek equitable relief in the nature of a permanent or temporary injunction, restraining order or other action. Section 706(e) further provides for the awarding of costs and reasonable attorney's fees to an aggrieved applicant who brings a successful action under Sections 706(a) through (d).

(b) Section 706(f) relieves a creditor from civil liability resulting from any act done or omitted in good faith in conformity with any rule, regulation or interpretation by the Board of Governors of the Federal Reserve System notwithstanding that after such act or omission has occurred, such rule, regulation or interpretation is amended, rescinded or otherwise determined to be invalid for any reason.

(c) Without regard to the amount in controversy, any action under this Title may be brought in any United States district court or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

SECTION 202.14—TRANSITION PERIODS

Except as provided in section 202.6 with respect to that section, the provisions of this Part shall take effect as follows:

(a) Sections 202.1, 202.2, 202.3, 202.4(a), 202.5(a), (c), (h), (j), (k), (l), 202.7(c), 202.8, 202.9(c), 202.10, 202.11, 202.12, 202.13 and 202.14 shall take effect on October 28, 1975.

(b) Sections 202.4(b) and (c), 202.5(d), (e), (f) and (g) and 202.9(a) and (b) and 202.14(b) shall take effect on November 30, 1975.

(c) Sections 202.5(i) and (m) and 202.7(a) and (b) shall take effect on January 31, 1976.

(d) Sections 202.4(e) and (d) and 202.5(b) shall take effect on June 30, 1976.

RESERVES OF MEMBER BANKS

The Board of Governors has amended its Regulation D to reduce from three per cent to one per cent the reserve balances member banks are required to maintain on time deposits with an initial maturity of four years or more.

AMENDMENT TO REGULATION D

Effective October 16, 1975, sections 204.5(a)(1)(ii) and 204.5(a)(2)(ii) are amended to read as follows:

SECTION 204.5—RESERVE REQUIREMENTS

(a) ***

(1) If not in a reserve city

* * * * *

(ii) 1 per cent of its time deposits outstanding on or issued after October 16, 1975, that have an initial maturity of 4 years or more; 3 per cent of its time deposits outstanding on or issued after October 16, 1975, that have an initial maturity of 180 days or more but less than 4 years; 3 per cent of its time deposits up to $5 million, outstanding on or issued after October 16, 1975, that have an initial maturity of less than 180 days, plus 6 per cent of such deposits in excess of $5 million. *Provided, however,* that in no event shall the reserves required on its aggregate amount of time and savings deposits be less than 3 per cent.

* * * * *

(2) If in a reserve city (except as to any bank located in such a city that is permitted by the Board of Governors of the Federal Reserve System, pursuant to § 204.2(a)(2), to maintain the reserves specified in subparagraph (1) of this paragraph)

* * * * *

(ii) 1 per cent of its time deposits outstanding on or issued after October 16, 1975, that have an initial maturity of 4 years or more; 3 per cent of its time deposits outstanding on or issued after October 16, 1975, that have an initial maturity of 180 days or more but less than 4 years; 3 per cent of its time deposits up to $5 million, outstanding on or issued after October 16, 1975, that have an initial maturity of less than 180 days, plus 6 per cent of such deposits in excess of $5 million. *Provided, however,* that in no event shall the reserves required on its aggregate amount of time and savings deposits be less than 3 per cent.

* * * * *

RESERVES OF MEMBER BANKS
INTEREST ON DEPOSITS

The Board of Governors has amended its Regulations D and Q to permit member banks to classify funds of business organizations as savings deposits up to a maximum of $150,000 per depositor.

AMENDMENTS TO REGULATIONS D AND Q

Effective November 10, 1975, sections 204.1(e) and 217.1(e) are amended as follows:

SECTION 204.1—DEFINITIONS

* * * * *

(e) **Savings deposits.** The term "savings deposit" means a deposit (1) that consists of funds deposited to the credit of or in which the entire beneficial interest is held by one or more individuals, or of a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes and not operated for profit;[1] or that consists of funds deposited to the credit of or in which the entire beneficial interest is held by the United States, any State of the United States, or any county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or political subdivision thereof; or that consists of funds deposited to the credit of, or in which any beneficial interest is held by a corporation, association, or other organization not qualifying above to the extent such funds do not exceed $150,000 per such depositor at a member bank;[1a] and

* * * * *

[1] Deposits in joint accounts of two or more individuals may be classified as savings deposits if they meet the other requirements of the above definition. Deposits of a partnership operated for profit may also be classified as savings to the extent such deposits do not exceed $150,000 per partnership at a member bank.

[1a] Where a deposit is to the credit of the bank's own trust department and the funds involved are utilized to cover checks, such deposit may not be classified as a savings deposit

SECTION 217.1—DEFINITIONS

* * * * *

(e) **Savings deposits.** The term "savings deposit" means a deposit—(1) that consists of funds deposited to the credit of or in which the entire beneficial interest is held by one or more individuals, or of a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes and not operated for profit;[1] or that consists of funds deposited to the credit of or in which the entire beneficial interest is held by the United States, any State of the United States, or any county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or political subdivision thereof; or that consists of funds deposited to the credit of, or in which any beneficial interest is held by a corporation, association, or other organization not qualifying above to the extent such funds do not exceed $150,000 per such depositor at a member bank; and

* * * * *

[1]Deposits in joint accounts of two or more individuals may be classified as savings deposits if they meet the other requirements of the above definition. Deposits of a partnership operated for profit may also be classified as savings to the extent such deposits do not exceed $150,000 per partnership at a member bank.

SECURITIES OF MEMBER STATE BANKS

The Board of Governors has revised its Regulation F governing Securities of Member State Banks to make it substantially similar to comparable rules and regulations issued by the Securities and Exchange Commission.

REVISED REGULATION F

Effective December 1, 1975, section 206 is revised to read as follows:

SECTION 206.1—SCOPE OF PART*

This Part is issued by the Board of Governors of the Federal Reserve System (the "Board") pursuant to section 12(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78) (the "Act") and applies to all securities subject to registration pursuant to section 12(b) or section 12(g) of the Act by a bank that is organized under State law and is a member of the Federal Reserve System ("bank").

*This text corresponds to the Code of Federal Regulations, Title 12, Chapter II, Part 206, cited as 12 CFR 206. The words "this Part", as used herein, mean Regulation F.

SECTION 206.2—DEFINITIONS

For the purposes of this Part, including all forms and instructions promulgated for use in connection herewith, unless the context otherwise requires:

(a) The terms **"exchange"**, **"director"**, **"person"**, **"security"**, and **"equity security"** have the meanings given them in section 3(a) of the Act.[1]

(b) The term **"affiliate"** (whether referred to as an "affiliate" of, or a person "affiliated" with, a specified person) means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(c) The term **"amount"**, when used with respect to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to shares, and the number of units if relating to any other kind of security.

(d) The term **"associate"**, when used to indicate a relationship with any person, means (1) any corporation or organization (other than the bank or a majority-owned subsidiary of the bank) of which such person is an officer or partner or is, directly or indirectly, either alone or together with one or more members of his immediate family, the beneficial owner of 10 per cent or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person, or who is a director or officer of the bank or any of its parents or subsidiaries.

(e) The term **"charter"** includes articles of incorporation, declarations of trust, articles of association or partnership, or any similar instrument, as amended, effecting (either with or without filing with any governmental agency) the organization or creation of an incorporated or unincorporated person.

[1]See Appendix of Regulation F published by the Board of Governors of the Federal Reserve System.

(f) The term **"control"** (including the terms "controlling", "controlled by", and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(g) The term **"employee"** does not include a director, trustee, or officer.

(h) The term **"equity capital accounts"** means capital stock, surplus, undivided profits, and reserve for contingencies and other capital reserves.

(i) The term **"fiscal year"** means the annual accounting period or, if no closing date has been adopted, the calendar year ending on December 31.

(j) (1) For the purpose of determining whether the registration requirements of section 12(g)(1) of the Act are applicable, securities shall be deemed to be **"held of record"** by each person who is identified as the owner of such securities on records of security holders maintained by or on behalf of the bank, subject to the following:

(i) In any case where the records of security holders have not been maintained in accordance with accepted practice, any additional person who would be identified as such an owner on such records if they had been maintained in accordance with accepted practice shall be included as a holder of record.

(ii) Securities identified as held of record by a corporation, a partnership, a trust, whether or not the trustees are named, or other organization shall be included as so held by one person.

(iii) Securities identified as held of record by one or more persons as trustees, executors, guardians, custodians, or in other fiduciary capacities with respect to a single trust, estate, or account shall be included as held of record by one person.

(iv) Securities held by two or more persons as co-owners shall be included as held by one person.

(v) Each outstanding unregistered or bearer certificate shall be included as held of record by a separate person, except to the extent that the bank can establish that, if such securities were registered, they would be held of record, under the provisions of this paragraph (j), by a lesser number of persons.

(vi) Securities registered in substantially similar names, where the bank has reason to believe because of the address or other indications that such names represent the same person, may be included as held of record by one person.

(2) Notwithstanding subparagraph (1):

(i) Securities held subject to a voting trust, deposit agreement, or similar arrangement shall be included as held of record by the record holders of the voting trust certificates, certificates of deposit, receipts, or similar evidences of interest that the bank may rely in good faith on such information as is received in response to its request from a nonaffiliated issuer of the certificates or interests.

(ii) If the bank knows or has reason to know that the form of holding securities of record is used principally to circumvent the provisions of section 12(g) (1) of the Act, the beneficial owners of such securities shall be deemed to be record owners thereof.

(k) The term **"immediate family"** includes a person's (1) spouse; (2) son, daughter, and descendant of either; (3) father, mother, and ancestor of either; (4) stepson and stepdaughter; and (5) stepfather and stepmother. For the purpose of determining whether any of the foregoing relationships exist, a legally adopted child shall be considered a child by blood.

(*l*) The term **"information statement"** means the statement required by § 206.5(a), whether or not contained in a single document.

(m) The term **"last fiscal year"** of bank means the last fiscal year of bank ending prior to the date of the meeting with respect to which an information statement is required to be distributed.

(n) The term **"listed"** means admitted to full trading privileges upon application by the bank and includes securities for which authority to add to the list on official notice of issuance has been granted.

(o) The term **"majority-owned subsidiary"** means a subsidiary more than 50 per cent of whose outstanding securities representing the right, other than as affected by events of default, to vote for the election of directors, is owned by the subsidiary's parent and/or one or more of the parent's other majority-owned subsidiaries.

(p) The term **"material"**, when used to qualify a requirement for furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before buying or selling the security registered.

(q) The term **"officer"** means a Chairman of the Board of Directors, Vice Chairman of the Board, Chairman of the Executive Committee, President, Vice President (except as indicated in the next sentence), Cashier, Treasurer, Secretary, Comptroller, and any other person who participates in major policymaking functions of the bank. In some banks (particularly banks with officers bearing titles such as Executive Vice President, Senior Vice President, or First Vice President as well as a number of "Vice Presidents"), some or all "Vice Presidents" do not participate in major policymaking functions, and such persons are not officers for the purpose of this Part.

(r) The term **"option"** means any option, warrant, or right other than those issued to security holders on a pro rata basis.

(s) The term **"parent"** of a specified person is a person controlling such person directly, or indirectly through one or more intermediaries.

(t) The term **"plan"** includes all plans, contracts, authorizations, or arrangements, whether or not set forth in any formal document.

(u) The term **"predecessor"** means a person the major portion of the business and assets of which another person acquired in a single succession or in a series of related successions.

(v) The terms **"previously filed"** and **"previously reported"** mean previously filed with, or reported in, a registration statement under section 12, a report under section 13, or a definitive proxy statement or statement where management does not solicit proxies under section 14 of the Act, which statement or report has been filed with the Board, except that information contained in any such document shall be deemed to have been previously filed with or reported to an exchange only if such document is filed with such exchange.

(w) The term **"principal underwriter"** means an underwriter in privity of contract with the bank of the securities as to which he is underwriter.

(x) The term **"promoter"** includes: (1) any person who, acting alone or in conjunction with one or more other persons, directly or indirectly takes initiative in founding and organizing the bank; (2) any person who, in connection with the founding and organizing of the bank, directly or indirectly receives in consideration of services or property or both services and property 10 per cent or more of any class of securities of the bank or 10 per cent or more of the proceeds from the sale of any class of such securities. A person who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not, however, be deemed a promoter if such person does not otherwise take part in founding and organizing the bank.

(y) The term **"proxy"** includes every proxy, consent, or authorization within the meaning of section 14(a) of the Act. The consent or authorization may take the form of failure to object or to dissent.

(z) The term **"proxy statement"** means the statement required by § 206.5 (a), whether or not contained in a single document.

(aa) The terms **"qualified stock option"**, **"restricted stock option"**, and **"employee stock purchase plan"** have the meanings given them in sections 422 through 424 of the Internal Revenue Code of 1954, as amended. For the purposes of this Regulation, an option which meets all of the conditions of section 424(b) of the Internal Revenue Code of 1954, as amended, other than the date of issuance shall be deemed to be a "restricted stock option".

(bb) The term **"registration statement"** or **"statement"**, when used with reference to registration pursuant to § 206.4 of this Part, includes both an application for registration of securities on a national securites exchange pursuant to section 12(b) of the Act and a registration statement filed pursuant to section 12(g) of the Act.

(cc) The term **"share"** means a share of stock in a corporation or unit of interest in an unincorporated person.

(dd) The term **"significant subsidiary"** means a subsidiary meeting any of the following conditions:

(1) The investments in the subsidiary by its parent plus the parent's proportion of the investments in such subsidiary by the parent's other subsidiaries, if any, exceed 5 per cent of the equity capital accounts of the bank. "Investments" refers to the amount carried on the books of the parent and other subsidiaries or the amount equivalent to the parent's proportionate share in the equity capital accounts of the subsidiary, whichever is greater; or

(2) The parent's proportion of the gross operating revenues of the subsidiary exceeds 5 per cent of the gross operating revenues of the parent and its consolidated subsidiaries; or

(3) The parent's proportion of income of the subsidiary before income taxes exceeds 5 per cent or more of the income before income taxes of the parent and its consolidated subsidiaries, provided that if such income of the parent and its consolidated subsidiaries is at least 5 per cent lower than the average of such income for the last five fiscal years such average income may be substituted in the determination.

(See NOTE on following page.)

NOTE The subsidiary may be the parent of one or more subsidiaries and, together with such subsidiaries may, if considered in the aggregate, constitute a significant subsidiary.

(ee) The terms **"solicit"** and **"solicitation"** means (1) any request for a proxy whether or not accompanied by or included in a form of proxy; (2) any request to execute or not to execute, or to revoke, a proxy; or (3) the furnishing of a form of proxy or other communication to security holders under circumstances reasonably calculated to result in the procurement, withholding, or revocation of a proxy. The terms do not apply, however, to the furnishing of a form of proxy to a security holder upon the unsolicited request of such security holder, the performance by the bank of acts required by § 206.5(g), or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

(ff) A **"subsidiary"** of a bank is (1) an affiliate controlled by the bank, directly or indirectly, through one or more intermediaries, except where the control (i) exists by reason of ownership or control of voting securities by the bank in a fiduciary capacity, or (ii) was obtained by the bank in the course of securing or collecting a debt previously contracted in good faith, or (2) a person a majority of whose voting securities are held in trust for the benefit of the holders of a class of stock of the bank pro rata.

(gg) The term **"succession"** means the direct acquisition of the shares or assets comprising a going business, whether by merger, consolidation, purchase, or other direct transfer. The term does not include the acquisition of control of a business unless followed by the direct acquisition of its shares or assets. The term "succeed" and "successor" have meanings correlative to the foregoing.

(hh) The term **"verified"**, when used with respect to financial statements, means either (1) certified by an independent public accountant, or (2) signed in accordance with § 206.7(b) (2) by the person principally responsible for the accounting records of the bank (the "principal accounting officer") and by the person principally responsible for the audit procedures of the bank (the "auditor"); except that the term "verified" shall mean certified by an independent public accountant in any case in which the Board so informs the bank concerned, in writing, at least 90 days prior to the end of the fiscal year to which the financial statements will relate.

(ii) The term **"voting securities"** means securities the holders of which are presently entitled to vote for the election of directors.

(jj) The terms **"beneficial ownership"**, **"beneficially owned"**, and the like, when used with respect to the reporting of ownership of the bank's equity securities in any statement or report required by this Part, shall include, in addition to direct and indirect beneficial ownership by the reporting person, ownership of such securities (1) by the spouse (except where legally separated) and minor children of such reporting person, and (2) by any other relative of the reporting person who has the same home as such person.

SECTION 206.3
INSPECTION AND PUBLICATION
OF INFORMATION FILED UNDER THE ACT

(a) **Filing of material with the Board.** All papers required to be filed with the Board pursuant to the Act or regulations thereunder shall be filed at its office in Washington, D.C. Material may be filed by delivery to the Board, through the mails, or otherwise. The date on which papers are actually received by the Board shall be the date of filing thereof if all of the requirements with respect to the filing have been complied with.

(b) **Inspection.** Except as provided in paragraph (c) of this section, all information filed, other than ownership reports required to be filed pursuant to § 206.6(a), regarding a security registered with the Board will be available for inspection at the Federal Deposit Insurance Corporation, 550 Seventeenth Street, NW, Washington, D.C. In addition, copies of the registration statement and reports required by § 206.4 (exclusive of exhibits), the statements required by § 206.5(a), and the annual reports to security holders required by § 206.5(c), will be available for inspection at the New York, Chicago, and San Francisco Federal Reserve Banks and at the Reserve Bank of the district in which the bank filing the statements or reports is located. The ownership reports required to be filed pursuant to § 206.6(a) will be available for public inspection at the Board's office in Washington, D.C.

(c) **Nondisclosure of certain information filed.** Any person filing any statement, report, or document under the Act may make written objection to the public disclosure of any information contained therein in accordance with the procedure set forth below:

(1) The person shall omit from the statement, report, or document, when it is filed, the portion thereof that it desires to keep undisclosed (hereinafter called the confidential portion). In lieu

thereof, it shall indicate at the appropriate place in the statement, report, or document that the confidential portion has been so omitted and filed separately with the Board.

(2) The person shall file with the copies of the statement, report, or document filed with the Board:

(i) As many copies of the confidential portion, each clearly marked "CONFIDENTIAL TREATMENT", as there are copies of the statement, report, or document filed with the Board and with each exchange, if any. Each copy shall contain the complete text of the item and, notwithstanding that the confidential portion does not constitute the whole of the answer, the entire answer thereto; except that in case the confidential portion is part of a financial statement or schedule, only the particular financial statement or schedule need be included. All copies of the confidential portion shall be in the same form as the remainder of the statement, report, or document.

(ii) An application making objection to the disclosure of the confidential portion. Such application shall be on a sheet or sheets separate from the confidential portion, and shall contain (A) an identification of the portion of the statement, report, or document that has been omitted, (B) a statement of the grounds of objection, and (C) the name of each exchange, if any, with which the statement, report, or document is filed. The copies of the confidential portion and the application filed in accordance with this subparagraph shall be enclosed in a separate envelope marked "CONFIDENTIAL TREATMENT" and addressed to Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

(3) Pending the determination by the Board as to the objection filed in accordance with paragraph (c)(2) of this section, the confidential portion will not be disclosed by the Board.

(4) If the Board determines that the objection shall be sustained, a notation to that effect will be made at the appropriate place in the statement, report, or document.

(5) If the Board shall have determined that disclosure of the confidential portion is in the public interest, a finding and determination to that effect will be entered and notice of the finding and determination will be sent by registered or certified mail to the person.

(6) The confidential portion shall be made available to the public:

(i) upon the lapse of 15 days after the dispatch of notice by registered or certified mail of the finding and determination of the Board described in paragraph (c)(5) of this section, if prior to the lapse of such 15 days the person shall not have filed a written statement that he intends in good faith to seek judicial review of the finding and determination;

(ii) upon the lapse of 60 days after the dispatch of notice by registered or certified mail or the finding and determination of the Board, if the statement described in clause (i) shall have been filed and if a petition for judicial review shall not have been filed within such 60 days; or

(iii) if such petition for judicial review shall have been filed within such 60 days upon final disposition, adverse to the person, of the judicial proceedings.

(7) If the confidential portion is made available to the public, a copy thereof shall be attached to each copy of the statement, report, or document filed with the Board and with each exchange concerned.

Section 206.4—Registration Statements and Reports

(a) **Requirement of registration statement.** Securities of a bank shall be registered under the provisions of either section 12(b) or section 12(g) of the Act by filing a statement in conformity with the requirements of Form F-1, Form F-1B (in the case of registration of securities of a successor bank), or Form F-10 (in the case of registration of an additional class of securities). No registration shall be required under the provisions of section 12(b) or section 12(g) of the Act of any warrant or certificate evidencing a right to subscribe to or otherwise acquire a security of a bank if such warrant or certificate by its terms expires within 90 days after the issuance thereof.

(1) Where in connection with a succession by merger, consolidation, exchange of securities or acquisition of assets, equity securities of a bank, not previously registered pursuant to section 12 of the Act, are issued to the holders of any class of equity securities of another bank which is registered pursuant to section 12(g), the class of securities so issued shall be deemed to be registered pursuant to section 12(g) of the Act unless upon consummation of the succession such class is exempt from such registration or all securities of such class are held of record by less than 300 persons.

(2) Where in connection with a succession by

merger, consolidation, exchange of securities or acquisition of assets, equity securities of a bank, which are not registered pursuant to section 12 of the Act, are issued to the holders of any class of equity securities of another bank which is required to file a registration statement pursuant to section 12(g) but has not yet done so, the duty to file such statement shall be deemed to have been assumed by the bank whose class of securities is so issued and such bank shall file a registration statement pursuant to section 12(g) of the Act with respect to such class within the period of time the predecessor bank would have been required to file such a statement, or within such extended period of time as the Board may authorize upon application pursuant to § 206.4(r), unless upon consummation of the succession such class is exempt from such registration or all securities of the class are held of record by less than 300 persons.

(b) **Registration effective as to class or series.** Depending upon whether the security is to be listed on an exchange, registration shall become effective as provided in section 12(d) or section 12(g) (1) of the Act as to the entire class of such security, then or thereafter authorized. If, however, a class of security is issuable in two or more series with different terms, each such series shall be deemed a separate class for the purposes of this paragraph.

(c) **Acceleration of effectiveness of registration.** A request for acceleration of the effective date of registration shall be made in writing by either the bank, an exchange, or both and shall briefly describe the reasons therefor.

(d) **Exchange certification.** (1) Certification that a security has been approved by an exchange for listing and registration pursuant to section 12(d) of the Act shall be made by the governing committee or other corresponding authority of the exchange.

(2) The certification shall specify (i) the approval of the exchange for listing and registration; (ii) the title of the security so approved; (iii) the date of filing with the exchange of the registration statement and of any amendments thereto; and (iv) any conditions imposed on such certification. The exchange shall promptly notify the Board of the partial or complete satisfaction of any such conditions.

(3) The certification may be made by telegram but in such case shall be confirmed in writing. All certifications in writing and all amendments thereto shall be filed with the Board in duplicate and at least one copy shall be manually signed by the appropriate exchange authority.

(4) The date of receipt by the Board of the certification approving a security for listing and registration shall be the date on which the certification is actually received by the Board or the date on which the registration statement to which the certification relates is actually received by the Board, whichever date is later.

(5) If an amendment to the registration statement is filed with the exchange and with the Board after the receipt by the Board of the certification of the exchange approving the security for listing and registration, the certification, unless withdrawn, shall be deemed made with reference to the statement as amended.

(6) An exchange may, by notice to the Board, withdraw its certification prior to the time that the registration to which it relates first becomes effective pursuant to paragraph (b) of this section.

(7) An exchange may suspend from trading a bank security listed and registered thereon in accordance with its rules. Suspension of trading shall not terminate the registration of any bank security.

(e) **Requirement of annual reports.** (1) Every registrant bank shall file an annual report for each fiscal year after the last full fiscal year for which financial statements were filed with the registration statement. The report, which shall conform to the requirements of Form F-2, shall be filed within 90 days after the close of the fiscal year or within 30 days of the mailing of the bank's annual report to stockholders, whichever occurs first.

(2) Every bank which changes its fiscal closing date after the last fiscal year for which financial statements were filed in a Form F-1 or Form F-2 shall file a report on Form F-2 covering the resulting interim period not more than 120 days after the close of the interim period or after the date of the determination to change the fiscal closing date, whichever is later. A separate report, however, need not be filed for any period of less than three months if the Form F-2 filed for the succeeding full fiscal year covers the interim period as well as the fiscal year. In such case, balance sheets need be furnished only as of the close of the entire period but all other financial statements and schedules shall be filed separately for both periods.

(f) **Annual reports of predecessors.** Every bank having securities registered pursuant to section 12 of the Act on Form F-1 (or Form F-10, in the case of registration of an additional class of securities) shall file an annual report pursuant to paragraph (e) of this section for each of its predecessors which had securities registered pursuant to section 12 covering the last full fiscal year of the predecessor prior to the registrant's succession, unless such report has been filed by the predecessor. Such annual report shall contain the information that would be required if filed by the predecessor.

(g) **Exception from requirement for annual report.** Notwithstanding paragraph (e) of this section, any bank that has filed, within the period prescribed for filing an annual report pursuant to that paragraph, a registration statement that has become effective and is not subject to any proceeding under section 15(c) or section 19(a) of the Act, or to an order thereunder, need not file an annual report if such statement covers the fiscal period that would be covered by such annual report and contains all of the information, including financial statements and exhibits, required for annual reports.

(h) **Current reports.** (1) Every registrant bank shall file a current report in conformity with the requirements of Form F-3 within 10 days after the close of any month during which any of the events specified in that form occurs, unless substantially the same information as required by that form has been previously reported by the bank.

(2) Each bank having securities registered pursuant to section 12(g) of the Act, upon being notified by a national securities association registered pursuant to section 15A of the Act, that a class of the bank's securities is to be quoted on an interdealer quotation system which is sponsored and governed by the rules of such association, shall thereafter notify such association promptly of (i) any increase or decrease in the amounts of securities of such class outstanding which exceeds 5 per cent of the amount of such class last reported to the association and (ii) any change in the name of the bank. The obligation to report pursuant to this paragraph (2) shall continue until notification is received from the association that all classes of securities are no longer quoted on such interdealer quotation system.

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

(ii) Acquisitions of securities by a security holder who, prior to such acquisition, was the beneficial owner of more than 5 per cent of the outstanding securities of the same class as those acquired shall be exempt from the reporting requirements of paragraph (h)(3) (i) of this section if the following conditions are met:

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

(B) the purchaser does not, through the exercise of such preemptive subscription rights, acquire more than his or its pro rata share of the securities offered; and

(C) the acquisition is duly reported pursuant to section 16(a) of the Act and the provisions of § 206.6 promulgated thereunder.

(4) If any material change occurs in the facts set forth in the statement required by paragraph (h)(3) of this section, the person who filed such statement shall promptly file with the Board and send to the bank and the exchange an amendment disclosing such change.

(5) In determining, for the purposes of § 206.4(h) or § 206.5(1), whether a person is directly or indirectly the beneficial owner of securities of any class, such person shall be deemed to be the beneficial owner of securities of such class which such person has the right to acquire through the exercise of presently exercisable options, warrants or rights or through the conversion of presently convertible securities, or otherwise. The securities subject to such options, warrants, rights or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class owned by such person but shall not be deemed to be outstanding for the purpose of computing the percentage of the class owned by any other person.

(i) **Quarterly reports.** Every registrant bank shall file a quarterly report in conformity with the requirements of Form F-4 for each fiscal quarter ending after the close of the latest fiscal year for which financial statements were filed in a registration statement, except that no report need be filed for the fiscal quarter which coincides with the end of the fiscal year of the bank. Such reports shall be filed not later than 30 days after the end of such quarterly period, except that the report for any period ending prior to the date on which a class of securities of the bank first becomes effectively registered may be filed not later than 30 days after the effective date of such registration.

(j) **Additional information.** In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

(k) **Information not available.** Information required need be given only insofar as it is known or reasonably available to the bank. If any required information is unknown and not reasonably available to the bank, either because the obtaining thereof would involve unreasonable effort or expense or because it rests peculiarly within the knowledge of another person not affiliated with the bank, the information may be omitted, subject to the following conditions:

(1) The bank shall give such information on the subject as it possesses or can acquire without unreasonable effort or expense together with the sources thereof, and

(2) The bank shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to such person for the information. No such request need be made, however, to any foreign government, or any agency or instrumentality thereof, if, in the opinion of the bank, such request would be harmful to existing relationships.

(*l*) **Disclaimer of control.** If the existence of control is open to reasonable doubt in any instance, the bank may disclaim the existence of control and any admission thereof; in such case, however, the bank shall state the material facts pertinent to the possible existence of control.

(m) **Incorporation by reference.** (1) Matter contained in any part of a statement or report, other than exhibits, may be incorporated by reference in answer or partial answer to any item of a same statement or report. Matter contained in an exhibit may be so incorporated to the extent permitted in paragraph (n) of this section. A registration statement for an additional class of securities of the bank may incorporate by reference any item contained in a previous registration statement or report.

(2) Material incorporated by reference shall be clearly identified in the reference. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the statement or report where the information is required. Matter shall not be incorporated by reference in any case where such incorporation would render the statement incomplete, unclear, or confusing.

(n) **Summaries or outlines of documents.** Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made, in succinct and condensed form, as to the most important provisions. In addition to such statement, the summary or outline may incorporate by reference particular items, sections, or paragraphs of any exhibit and may be qualified in its entirety by such reference. Matter contained in an exhibit may be incorporated by reference in answer to an item only to the extent permitted by this paragraph (n).

(o) **Omission of substantially identical documents.** In any case where two or more indentures, contracts, franchises, or other documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the date of execution, or other details, the bank need file a copy of only one of such documents, with a schedule identifying the documents omitted and setting forth the material details in which such documents differ from the document of which a copy is filed. The Board may at any time in its discretion require the filing of copies of documents so omitted

(p) **Additional exhibits.** The bank may file such exhibits as it may desire, in addition to those required by the appropriate form. Such exhibits shall be so marked as to indicate clearly the subject matters to which they refer.

(q) **Incorporation of exhibits by reference.** (1) Any document or part thereof previously filed with the Board pursuant to this Part may, subject to the following limitations, be incorporated by reference as an exhibit to any registration statement or report filed with the Board by the same or any other person. Any document or part thereof filed with an exchange pursuant to the Act may be incorporated by reference as an exhibit to any registration statement or report filed with the exchange by the same or any other person.

(2) Any document incorporated by reference pursuant to this paragraph (q) shall be so incorporated only by reference to the specific document and to the prior filing in which it was physically filed, not to another file which incorporates it by reference.

(3) If any modification has occurred in the text of any document incorporated by reference since the filing thereof, the bank shall file with the reference a statement containing the text of any such modification and the date thereof.

(4) No document which has been on file with

the Board pursuant to this Part for a period of more than 10 years may be incorporated by reference. This limitation shall not, however, apply to a corporate charter or by-laws if such document has not been amended more than twice since such filing.

(r) **Extension of time for furnishing information.** If the furnishing of any information, document, or report at the time it is required to be filed is impracticable, the bank may file with the Board as a separate document an application (1) identifying the information, document, or report in question, (2) stating why the filing thereof at the time required is impracticable, and (3) requesting an extension of time for filing the information, document, or report to a specified date not more than 60 days after the date it would otherwise have to be filed. The application shall be deemed granted unless the Board, within 15 days after receipt thereof, shall enter an order denying the application.

(i) If the extension requested pursuant to this paragraph is necessitated by the inability of any person other than the registrant to furnish any required opinion, information, report or verification, the application shall have attached as an exhibit, a statement signed by such person stating the specific reasons why such person is unable to furnish the required opinion, information, report or verification.

(ii) If the application pursuant to this paragraph, or the extension of time granted, relates only to a portion of the required information, document or report, the registrant shall file the remaining portion, and the portion filed shall prominently indicate the nature of the omitted portion.

(s) **Number of copies; signatures; binding.** (1) Except where otherwise provided in a particular form, 8 copies of each registration statement and report (including financial statements) and 4 copies of each exhibit and each other document filed as a part thereof, shall be filed with the Board. At least one complete copy of each statement shall be filed with each exchange, if any, on which the securities covered thereby are being registered. At least one copy of each report shall be filed with each exchange, if any, on which the bank has securities registered.

(2) At least one copy of each statement or report filed with the Board and one copy thereof filed with an exchange shall be manually signed. If the statement or report is typewritten, one of the signed copies filed with the Board shall be an original "ribbon" copy. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power or other authority shall also be filed with the statement or report.

(3) Each copy of a statement or report filed with the Board or with an exchange shall be bound in one or more parts. Copies filed with the Board shall be bound without stiff covers. The statement or report shall be bound on the left side in such a manner as to leave the reading matter legible.

(t) **Requirements as to paper, printing, and language.** (1) Statements and reports shall be filed on good quality, unglazed, white paper 8½ x 13 inches in size, insofar as practicable. Tables, charts, maps, and financial statements may, however, be on larger paper if folded to that size.

(2) The statement or report and, insofar as practicable, all papers and documents filed as a part thereof, shall be printed, lithographed, mimeographed, photocopied, or typewritten. The statement or report or any portion thereof may, however, be prepared by any similar process that, in the opinion of the Board, produces copies suitable for a permanent record. Irrespective of the process used, all copies of any such material shall be clear, easily readable, and suitable for repeated photocopying. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies.

(3) The body of all printed statements and reports shall be in roman type at least as large as 10-point modern type. To the extent necessary for convenient presentation, however, financial statements and other statistical or tabular data and the notes thereto may be in type at least as large as 8-point modern type. All type shall be leaded at least 2 points.

(4) Statements and reports shall be in English. If any exhibit or other paper or document filed with a statement or report is in a foreign language, it shall be accompanied by a translation into English.

(u) **Preparation of statement or report.** Each statement and report shall contain the numbers and captions of all items of the appropriate form, but the text of the items may be omitted provided the answers thereto are so prepared as to indicate to the reader the coverage of the items without the necessity of his referring to the text of the items or instructions thereto. Where any item requires information to be given in tabular form, such information shall be given in substantially the tabular form specified in the item. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable, or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

(v) **Riders; inserts.** Riders shall not be used. If the statement or report is typed on a printed form, and the space provided for the answer to any given item is insufficient, reference shall be made in such space to a full insert page or pages on which the item number and caption and the complete answer are given.

(w) **Amendments.** All amendments shall comply with all pertinent requirements applicable to statements and reports. Amendments shall be filed separately for each separate statement or report amended. Amendments to a statement may be filed either before or after registration becomes effective.

(x) **Title of securities.** Wherever the title of securities is required to be stated, information shall be given that will indicate the type and general character of the securities, including:

(1) In the case of shares, the par or stated value, if any; the rate of dividends, if fixed, and whether cumulative or noncumulative; a brief indication of the preference, if any; and if convertible, a statement to that effect.

(2) In the case of funded debt, the rate of interest; the date of maturity, or if the issue matures serially, a brief indication of the serial maturities, such as "maturing serially from 1970 to 1980"; if payment of principal or interest is contingent, an appropriate indication of such contingency; a brief indication of the priority of the issue; and if convertible, a statement to that effect.

(3) In the case of any other kind of security, appropriate information of comparable character.

(y) **Interpretation of requirements.** Unless the context clearly shows otherwise:

(1) The forms require information only as to the bank.

(2) Whenever any fixed period of time in the past is indicated, such period shall be computed from the date of filing.

(3) Whenever words relate to the future, they have reference solely to present intention.

(4) Any words indicating the holder of a position or office include persons, by whatever titles designated, whose duties are those ordinarily performed by holders of such positions or offices.

(z) **When securities are deemed to be registered.** A class of securities with respect to which a registration statement has been filed pursuant to section 12 of the Act shall be deemed to be registered for the purposes of sections 13, 14, and 16 of the Act and this Part only when such registration statement has become effective as provided in section 12, and securities of said class shall not be subject to sections 13, 14, and 16 of the Act until such registration statement has become effective as provided in section 12.

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

(a) **Requirement of statement.** No solicitation of a proxy with respect to a security of a bank registered pursuant to section 12 of the Act shall be made unless each person solicited is concurrently furnished, or has previously been furnished, with a written proxy statement containing the information required by Form F-5. If the management of any bank having such a security outstanding fails to solicit proxies from the holders of any such security in such a manner as to require the furnishing of such a proxy statement, such bank shall transmit to all holders of record of such security a statement containing the information required by Form F-5. The "information statement" required by the preceding sentence shall be transmitted (1) at least 20 calendar days prior to any annual or other meeting of the holders of such security at which such holders are entitled to vote, or (2) in the case of corporate action taken with the written authorization or consent of security holders, at least 20 days prior to the earliest date on which the corporate action may be taken. A proxy statement or an "information statement" required by this paragraph is hereinafter sometimes referred to as a "Statement".

(b) **Exceptions.** The requirements of the first sentence of paragraph (a) of this section shall not apply to the following:

(1) Any solicitation made otherwise than on behalf of the management of the bank where the total number of persons solicited is not more than 10.

(2) Any solicitation by a person in respect to securities carried in his name or in the name of his nominee (otherwise than as voting trustee) or held in his custody, if such person

(i) receives no commission or remuneration for such solicitation, directly or indirectly, other than reimbursement of reasonable expenses;

(ii) furnishes promptly to the person solicited a copy of all soliciting material with respect to the same subject matter or meeting received from all persons who will furnish copies thereof for such purpose and who will, if requested, defray the reasonable expenses to be incurred in forwarding such material; and

(iii) in addition, does no more than (A) impartially instruct the person solicited to forward a proxy to the person, if any, to whom the person solicited desires to give a proxy, or (B) impartially requests from the person solicited instructions as to the authority to be conferred by the proxy and state that a proxy will be given if no instructions are received by a certain date.

(3) Any solicitation by a person with respect to securities of which he is the beneficial owner.

(4) Any solicitation through the medium of a newspaper advertisement that informs security holders of a source from which they may obtain copies of a proxy statement, form of proxy, and any other soliciting material and does no more than (i) name the bank; (ii) state the reason for the advertisement; and (iii) identify the proposal or proposals to be acted upon by security holders.

(c) **Annual report to security holders to accompany Statements.** (1) Any Statement furnished on behalf of the management of the bank that relates to an annual meeting of security holders at which directors are to be elected shall be accompanied or preceded by an annual report to such security holders containing such financial statements for the last 2 fiscal years as will, in the opinion of the management, adequately reflect the financial position of the bank at the end of each such year and the results of its operations for each such year. The financial statements included in the annual report may omit details or summarize information if such statements, considered as a whole in the light of other information contained in the report and in the light of the financial statements of the bank filed or to be filed with the Board, will not by such procedure omit any material information necessary to a fair presentation or to make the financial statements not misleading under the circumstances. Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management and the information required by paragraphs (c)(1) (i) to (iv) of this paragraph may be presented in an appendix or other separate section of the report, provided that the attention of security holders is called to such presentation.

(i) The report shall include a summary of the bank's operations containing the information required by Item 4 of Form F-2 except for the reconciliations, exhibits and supplemental information thereto.

(ii) The report shall contain a brief description of the operations done by the bank and its subsidiaries during the most recent fiscal year.

(iii) The report shall identify each of the bank's directors and officers, and shall indicate the principal occupation or employment of each such person and the name and principal business of any organization by which such person is so employed.

(iv) The report shall identify the principal market, if any, in which securities of any class entitled to vote at the meeting are traded, and shall state the high and low sales prices for such securities (or, in the absence of such information, the range of bid and asked quotation) and the dividends paid on such securities for each quarterly period during the bank's two most recent fiscal years. If bank securities are inactively traded, the report shall so state and shall indicate the range of sales prices known to management for the periods specified above and the source(s) of such information.

(2) Management's Statement, or the report, shall contain an undertaking in bold face or otherwise reasonably prominent type to provide without charge to each person solicited, on the written request of any such person, a copy of the bank's annual report on Form F-2 including the financial statements and the schedules thereto, required to be filed with the Board pursuant to § 206.4 of this Part for the bank's most recent fiscal year, and shall indicate the name and address of the person to whom such a written request is to be directed. In the discretion of management, a bank need not undertake to furnish without charge copies of all exhibits to its Form F-2 provided that the copy of the annual report on Form F-2 furnished without charge to requesting security holders is accompanied by a list briefly describing all the exhibits not contained therein and indicating that the bank will furnish any exhibit upon the payment of a specified reasonable fee which fee shall be limited to the bank's reasonable expenses in furnishing such exhibit.

NOTE.—Pursuant to the undertaking required by the paragraph (c)(2) of this section, a bank shall furnish a copy of its annual report on Form F-2 to a beneficial owner of its securities upon receipt of a written request from such person. Each request must set forth a good faith representation that, as of the record date for the annual meeting of the bank's security holders, the person making the request was a beneficial owner of securities entitled to vote at such meeting.

(3) *Providing copies of material for certain beneficial owners.* If the bank knows that securities of any class entitled to vote at a meeting are held of record by a broker, dealer, nonmember or member bank or voting trustee, or their nominees, the bank shall inquire of such record holder whether other persons are the beneficial owners of such securities and, if so, the number of copies of the Statement and other soliciting material, if applicable, and in the case of an annual meeting at which directors are to be elected, the number of copies of the annual report to security holders, necessary to supply such material to such beneficial owners. The bank shall supply such record holder with additional copies in such quantities, assembled in such form and at such a place, as the record holder may reasonably request in order to address and send one copy of each to each beneficial owner of securities so held and shall, upon the request of such record holder, pay its reasonable expenses for completing the mailing of such material to security holders to whom the material is sent.

(4) If bank's list of security holders indicates that some of its securities are registered in the name of "Cede & Co.", a nominee for the Depository Trust Company, or in the name of a nominee for any central certificate depository system, bank shall make appropriate inquiry of the central depository system and thereafter of the participants in such a system who may hold on behalf of a beneficial owner, and shall comply with the above paragraph with respect to any such participant.

This paragraph (c) shall not apply, however, to solicitations made on behalf of management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's statement includes an undertaking in bold-face type to furnish such annual report to all persons being solicited at least 20 days before the date of the meeting.

NOTES. 1. To reflect adequately the financial position and results of operations of a bank in its annual report to security holders, the financial presentation shall include, but not necessarily be limited to, the following

(a) Comparative statements of condition at the end of each of the last 2 fiscal years

(b) Comparative statements of income in a form providing for the determination of "net income" for each fiscal year and per share earnings and dividend data.

(c) Comparative statements of changes in capital accounts for each fiscal year similar in form to *Form F 9C*

(d) Comparative statements of changes in financial position for each fiscal year for which a statement of income is furnished.

(e) A comparative reconciliation of the "Allowance for Possible Loan Losses" account similar in form to Schedule VII, Form F-9D, and a comparative loan classification summary similar in form to Schedule III, of Form F-9D

(f) Supplemental notes to financial statements to the extent necessary to furnish a fair financial presentation. Such notes should include the aggregate market value as at the balance sheet date for each category of investment securities reported on the balance sheet, and other information required to be furnished in notes to financial statements included in the bank's Form F 2 Annual Report.

2. The financial statements should be prepared on a consolidated basis to the extent required by § 206 7(d) Any difference from the principles of consolidation or other accounting principles or practices, or methods of applying accounting principles or practices, applicable to the financial statements of the bank filed or to be filed with the Board, which have a material effect on the financial position or results of operations of the bank, shall be noted and the effect thereof reconciled or explained in the financial statements or the notes thereto in the annual report to security holders

3. When financial statements included in the annual report (Form F 2) filed, or proposed to be filed, with the Board are accompanied by an opinion of an independent public accountant, the financial statements in the annual report to security holders should also be accompanied by an opinion of such independent public accountant

4. The requirement for sending an annual report to each person being solicited will be satisfied with respect to persons having the same address by sending at least one report to a holder of record at that address provided (i) that management has reasonable cause to believe that the record holder to whom the report is sent is the "beneficial owner" (see definition in § 206.2(jj)) of securities registered in the name of such person in other capacities or in the name of other persons at such address, or (ii) the security holders at such address consent thereto in writing Nothing herein shall be deemed to relieve any person so consenting of any obligation to obtain or send such annual report to any other person.

(5) Eight copies of each annual report sent to security holders pursuant to this paragraph (c) of this section shall be sent to the Board not later than (i) the date on which such report is first sent or given to security holders, or (ii) the date on which preliminary copies of the management Statement are filed with the Board pursuant to paragraph (f) of this section, whichever date is later. Such annual report is not deemed to be "soliciting material" or to be "filed" with the Board or otherwise subject to this § 206.5 or the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of the proxy soliciting material or incorporates it in the proxy statement by reference.

(d) **Requirements as to proxy.** (1) The form of proxy (i) shall indicate in bold-face type whether or not the proxy is solicited on behalf of the management of the bank, (ii) shall provide a specifically designated blank space for dating the proxy, and (iii) shall identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the management or by security holders. No reference need be made, however, to proposals as to which discretionary authority is conferred pursuant to paragraph (d)(4) of this section.

(2) Means shall be provided in the form of proxy whereby the person solicited is afforded an opportunity to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to therein as intended to be acted upon, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not so specified if the form of proxy states in bold-face type how the shares represented by the proxy are intended to be voted in each such case.

(3) A form of proxy which provides both for the election of directors and for action on other specified matters shall be prepared so as clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for the election of directors. Any such form of proxy which is executed by the security holder in such manner as not to withhold authority to vote for the election of directors shall be deemed to grant such authority, provided the form of proxy so states in bold-face type. This paragraph (3) does not apply (i) in the case of a merger, consolidation, or other plan if the election of directors is an integral part of the plan and is not to be separately voted upon or (ii) if the only matters to be acted upon are the election of directors and the election, selection, or approval of other persons such as clerks or auditors.

(4) A proxy may confer discretionary authority to vote with respect to any of the following matters:

(i) Matters that the persons making the solicitation do not know, within a reasonable time before the solicitation, are to be presented at the meeting, if a specific statement to that effect is made in the proxy statement or form of proxy;

(ii) Approval of the minutes of the prior meeting if such approval does not amount to ratification of the action taken at the meeting;

(iii) The election of any person to any office for which a bona fide nominee is named in the proxy statement and such nominee is unable to serve or for good cause refuses to serve;

(iv) Any proposal omitted from the proxy statement and form of proxy pursuant to § 206.5(k);

(v) Matters incident to the conduct of the meeting.

(5) No proxy shall confer authority (i) to vote for the election of any person to any office for which a bona fide nominee is not named in the proxy statement, or (ii) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders. A person shall not be deemed to be a bona fide nominee and he shall not be named as such unless he has consented to being named in the proxy statement and to serve if elected.

(6) The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the shares represented by the proxy will be voted and that where the person solicited specifies by means of a ballot provided pursuant to paragraph (d)(2) of this section a choice with respect to any matters to be acted upon, the shares will be voted in accordance with the specifications so made.

(e) **Presentation of information in Statement.** (1) The information included in the Statement shall be clearly presented and the statements made shall be divided into groups according to subject matter and the various groups of statements shall be preceded by appropriate headings. The order of items in the form need not be followed. Where practicable and appropriate, the information shall be presented in tabular form. All amounts shall be stated in figures. Information required by more than one applicable item need not be repeated. No statement need be made in response to any item that is inapplicable.

(2) Any information required to be included in the Statement as to terms of securities or other subject matter that from a standpoint of practical necessity must be determined in the future may be stated in terms of present knowledge and intention. To the extent practicable, the authority to be conferred concerning each such matter shall be confined within limits reasonably related to the need for discretionary authority. Subject to the foregoing information that is not known to the persons on whose behalf the solicitation is to be made and is not reasonably within the power of such persons to ascertain or procure may be omitted, if a brief statement of the circumstances rendering such information unavailable is made.

(3) There may be omitted from a proxy statement any information contained in any other proxy soliciting material that has been furnished to each person solicited in connection with the same meeting or subject matter if a clear reference is made to the particular document containing such information.

(4) All printed Statements shall be set in roman type at least as large as 10-point modern type except that, to the extent necessary for convenient

presentation, financial statements and other statistical or tabular matter may be set in roman type at least as large as 8-point modern type. All type shall be leaded at least 2 points.

(5) All proxy statements shall disclose on the first page thereof the complete mailing address, including ZIP code, of the principal executive offices of bank and the approximate date on which the proxy statement and form of proxy are first sent or given to security holders.

(f) **Material required to be filed.** (1) Three preliminary copies of each Statement, form of proxy, and other items of soliciting material to be furnished to security holders concurrently therewith, shall be filed with the Board by management or any other person making a solicitation subject to this § 206.5 at least 10 calendar days (or 15 calendar days in the case of other than routine meetings, as defined below) prior to the date such item is first sent or given to any security holders, or such shorter period prior to that date as may be authorized. For the purposes of this paragraph (f)(1) of this section, a routine meeting means a meeting with respect to which no one is soliciting proxies subject to this § 206.5 other than on behalf of management and at which management intends to present no matters other than the election of directors, election of inspectors of election, and other recurring matters. In the absence of actual knowledge to the contrary, management may assume that no other such solicitation of the bank's security holders is being made. In cases of annual meetings, one additional preliminary copy of the Statement, the form of proxy, and any other soliciting material, marked to show changes from the material sent or given to security holders with respect to the preceding annual meeting shall be filed with the Board.

(2) Three preliminary copies of any additional soliciting material, relating to the same meeting or subject matter, furnished to security holders subsequent to the proxy statement shall be filed with the Board at least two days (exclusive of Saturdays, Sundays, and holidays) prior to the date copies of such material are first sent or given to security holders, or such shorter period prior to such date as may be authorized upon a showing of good cause therefor.

(3) Eight copies of each Statement, form of proxy, and other items of soliciting material, in the form in which such material is furnished to security holders, shall be filed with, or mailed for filing to, the Board not later than the date such material is first sent or given to any security holders. Three copies of such material shall at the same time be filed with, or mailed for filing to, each exchange upon which any security of the bank is listed.

NOTE. The definitive material filed with the Board should be accompanied by a letter over the signature of an officer of bank or its counsel indicating any material changes which have been made therein, other than those made in response to the staff's comments

(4) If the solicitation is to be made in whole or in part by personal solicitation, three copies of all written instructions or other material that discusses or reviews, or comments upon the merits of, any matter to be acted upon, and is furnished to the individuals making the actual solicitation for their use directly or indirectly in connection with the solicitation, shall be filed with the Board by the person on whose behalf the solicitation is made at least five days prior to the date copies of such material are first sent or given to such individuals, or such shorter period prior to that date as may be authorized upon a showing of good cause therefor.

(5) All copies of material filed pursuant to paragraphs (f) (1) and (2) of this section shall be clearly marked "Preliminary Copies" and shall be for the information of the Board only, except that such material may be disclosed to any department or agency of the United States Government and the Board may make such inquiries or investigation with respect to the material as may be necessary for an adequate review thereof. All material filed pursuant to paragraphs (f) (1), (2), or (3) of this section shall be accompanied by a statement of the date upon which copies thereof are intended to be or have been sent or given to security holders. All material filed pursuant to paragraph (f)(4) of this section shall be accompanied by a statement of the date upon which copies thereof are intended to be released to the individuals who will make the actual solicitation.

(6) Copies of replies to inquiries for security holders requesting further information and copies of communications that do no more than request that forms of proxy theretofore solicited be signed, dated, and returned need not be filed pursuant to this paragraph (f).

(7) Notwithstanding the provisions of paragraphs (f)(1), (f)(2), and (i)(5) of this section, copies of soliciting material in the form of speeches, press releases, and radio or television scripts may, but need not, be filed with the Board prior to use or publication. Definitive copies, however, shall be filed with or mailed for filing to the Board as required by paragraph (f)(3) of

this section not later than the date such material is used or published. The provisions of paragraphs (f)(1), (f)(2), and (i)(5) of this section shall apply, however, to any reprints or reproductions of all or any part of such material.

(8) Where any Statement, form of proxy, or other material filed pursuant to this paragraph (f) is revised, two of the copies of such revised material filed pursuant to paragraph (f)(3) of this section shall be marked to indicate clearly the changes. If the revision alters the text of the material, the changes in such text shall be indicated by means of underscoring or in some other appropriate manner.

(9) The date that proxy material is "filed" with the Board for purposes of paragraphs (f) (1), (2), and (4) of this section is the date of receipt of the material by the Board, not the date of mailing to the Board. In computing the advance filing period for preliminary copies of proxy soliciting material referred to in such paragraphs, the filing date of the preliminary material is to be counted as the first day of the period and definitive material should not be planned to be mailed or distributed to security holders until after the expiration of such period. Where additional time is required for final printing after receipt of comments, the preliminary proxy material should be filed as early as possible prior to the intended mailing date.

(10) Where preliminary copies of material are filed with the Board pursuant to this subsection, the printing of definitive copies for distribution to security holders should be deferred until comments of the Board's staff have been received and considered.

(g) **Mailing communications for security holders.** If the management of the bank has made or intends to make any proxy solicitation subject to this § 206.5, the bank shall perform such of the following acts as may be requested in writing with respect to the same subject matter or meeting by any security holder who is entitled to vote on such matter or to vote at such meeting and who shall first defray the reasonable expenses to be incurred by the bank in the performance of the act or acts requested:

(1) The bank shall mail or otherwise furnish to such security holder the following information as promptly as practicable after the receipt of such request:

(i) A statement of the approximate number of holders of record of any class of securities, any of the holders of which have been or are to be solicited on behalf of the management, or any group of such holders that the security holder shall designate,

(ii) If the management of the bank has made or intends to make, through bankers, brokers, or other persons, any solicitation of the beneficial owners of securities of any class, a statement of the approximate number of such beneficial owners, or any group of such owners that the security holder shall designate;

(iii) An estimate of the cost of mailing a specified proxy statement, form of proxy, or other communication to such holders, including insofar as known or reasonably available, the estimated handling and mailing costs of the bankers, brokers, or other persons specified in paragraph (g)(1) (ii) of this section.

(2) (i) Copies of any proxy statement, form of proxy, or other communication furnished by the security holder shall be mailed by the bank to such of the holders of record specified in paragraph (g)(1) (i) of this section as the security holder shall designate. The bank shall also mail to each banker, broker, or other persons specified in paragraph (g)(1) (ii) of this section, a sufficient number of copies of such proxy statement, form of proxy, or other communication as will enable the banker, broker, or other person to furnish a copy thereof to each beneficial owner solicited or to be solicited through him;

(ii) Any such material that is furnished by the security holder shall be mailed with reasonable promptness by the bank after receipt of a tender of the material to be mailed, of envelopes or other containers therefor, of postage or payment for postage, and of evidence that such material has been filed with the Board pursuant to paragraph (f) of this section. The bank need not, however, mail any such material that relates to any matter to be acted upon at an annual meeting of security holders prior to the earlier of (a) a day corresponding to the first date on which management proxy soliciting material was released to security holders in connection with the last annual meeting of security holders, or (b) the first day on which solicitation is made on behalf of management. With respect to any such material that relates to any matter to be acted upon by security holders otherwise than at an annual meeting, such material need not be mailed prior to the first day on which solicitation is made on behalf of management.

(iii) Neither the management nor the bank shall be responsible for such proxy statement, form of proxy, or other communication.

(3) In lieu of performing the acts specified

above, the bank may, at its option, furnish promptly to such security holder a reasonably current list of the names and addresses of such of the holders of record specified in paragraph (g)(1)(i) of this section as the security holder shall designate, and a list of the names and addresses of the bankers, brokers, or other persons specified in paragraph (g)(1)(ii) of this section as the security holder shall designate together with a statement of the approximate number of beneficial owners solicited or to be solicited through each such banker, broker, or other person and a schedule of the handling and mailing costs of each such banker, broker, or other person, if such schedule has been supplied to the management of the bank. The foregoing information shall be furnished promptly upon the request of the security holder or at daily or other reasonable intervals as it becomes available to the management of the bank.

(h) **False or misleading statements.** (1) No solicitation or communication subject to this section shall be made by means of any Statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement that, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or that omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter that has become false or misleading. Depending upon particular circumstances, the following may be misleading within the meaning of this paragraph: predictions as to specific future market values, earnings, or dividends; material that directly or indirectly impugns character, integrity, or personal reputation, or directly or indirectly makes charges concerning improper, illegal, or immoral conduct or associations, without factual foundation; failure to so identify a Statement, form of proxy, and other soliciting material as to clearly distinguish it from the soliciting material of any other person or persons soliciting for the same meeting or subject matter; claims made prior to a meeting regarding the results of a solicitation.

(2) The fact that a proxy statement, form of proxy, or other soliciting material has been filed with or reviewed by the Board or its staff shall not be deemed a finding by the Board that such material is accurate or complete or not false or misleading, or that the Board has passed upon the merits of or approved any statement therein or any matter to be acted upon by security holders. No representation contrary to the foregoing shall be made.

(i) **Special provisions applicable to election contests.**

(1) **Solicitations to which this paragraph applies.** This paragraph (i) applies to any solicitation subject to this § 206.5 by any person or group of persons for the purpose of opposing a solicitation subject to this section by any other person or group of persons with respect to the election or removal of directors at any annual or special meeting of security holders.

(2) **Participant defined.** (i) For purposes of this paragraph (i) the terms "participant" and "participant in a solicitation" include the following:

(A) The bank;

(B) Any director of the bank, and any nominee for whose election as a director proxies are solicited;

(C) Any committee or group that solicits proxies, any member of such committee or group, and any person whether or not named as a member who, acting alone or with one or more other persons, directly or indirectly, takes the initiative in organizing, directing, or financing any such committee or group;

(D) Any person who finances or joins with another to finance the solicitation of proxies, except persons who contribute not more than $500 and who are not otherwise participants;

(E) Any person who lends money or furnishes credit or enters into any other arrangements, pursuant to any contract or understanding with a participant, for the purpose of financing or otherwise inducing the purchase, sale, holding, or voting of securities of the bank by any participant or other person, in support of or in opposition to a participant, except a member or nonmember bank, broker, or dealer who, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities and who is not otherwise a participant;

(F) Any other person who solicits proxies.

(ii) Such terms do not include:

(A) Any person or organization retained or employed by a participant to solicit security holders and whose activities are limited to the performance of his or its duties in the course of such retention or employment, or any person who merely transmits proxy soliciting material or performs ministerial or clerical duties;

(B) Any person employed by a participant in the capacity of attorney, accountant, or advertising, public relations, or financial adviser, and whose activities are limited to the performance of his duties in the course of such employment;

(C) Any person regularly employed as an officer or employee of the bank or any of its subsidiaries who is not otherwise a participant; or

(D) Any officer or director of, or any person regularly employed by, any other participant, if such officer, director, or employee is not otherwise a participant.

(3) **Filing of information required by Form F-6.** (i) No solicitation subject to this paragraph (i) shall be made by any person other than the management of the bank unless at least five business days prior thereto, or such shorter period as the Board may authorize upon a showing of good cause therefor, there has been filed with the Board and with each exchange upon which any security of the bank is listed, by or on behalf of each participant in such solicitation, a statement in duplicate containing the information specified by Form F-6.

(ii) Within five business days after a solicitation subject to this paragraph (i) is made by the management of the bank, or such longer period as the Board may authorize upon a showing of good cause therefor, there shall be filed with the Board and with each exchange upon which any security of the bank is listed, by or on behalf of each participant in such solicitation, other than the bank, a statement in duplicate containing the information specified by Form F-6.

(iii) If any solicitation on behalf of management or any other person has been made, or if proxy material is ready for distribution, prior to a solicitation subject to paragraph (i) (3) (i) of this section in opposition thereto, a statement in duplicate containing the information specified in Form F-6 shall be filed by or on behalf of each participant in such prior solicitation, other than the bank, as soon as reasonably practicable after the commencement of the solicitation in opposition thereto, with the Board and with each exchange on which any security of the bank is listed.

(iv) If, subsequent to the filing of the statements required by paragraphs (i) (3) (i), (ii), and (iii) of this section, additional persons become participants in a solicitation subject to paragraph (i) (3) (i) of this section, there shall be filed, with the Board and each appropriate exchange, by or on behalf of each such person a statement in duplicate containing the information specified by Form F-6, within three business days after such person becomes a participant, or such longer period as the Board may authorize upon a showing of good cause therefor.

(v) If any material change occurs in the facts reported in any statement filed by or on behalf of any participant, an appropriate amendment to such statement shall be filed promptly with the Board and each appropriate exchange.

(vi) Each statement and amendment thereto filed pursuant to this paragraph (i) shall be part of the official public files of the Board and shall be deemed a communication subject to the provisions of paragraph (h) of this section.

(4) **Solicitations prior to furnishing required Statement.** Notwithstanding the provisions of § 206.5(a), a solicitation subject to paragraph (i) of this section may be made prior to furnishing security holders a written Statement containing the information specified in Form F-5 with respect to such solicitation if (i) the statements required by paragraph (3) of this paragraph (i) are filed by or on behalf of each participant in such solicitation; (ii) no form of proxy is furnished to security holders prior to the time the Statement is furnished to security holders, except that paragraph (i) (4) (ii) of this section shall not apply where a Statement then meeting the requirements of Form F-5 has been furnished to security holders by or on behalf of the person making the solicitation; (iii) at least the information specified in Items 1(a) and 3 (a) of the statement required by paragraph (i) (3) of this section to be filed by each participant, or an appropriate summary thereof, is included in each communication sent or given to security holders in connection with the solicitation; and (iv) a written Statement containing the information specified in Form F-5 with respect to a solicitation is sent or given security holders at the earliest practicable date.

(5) **Solicitations prior to furnishing required Statement—filing requirements.** Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the proxy statement required by § 206.5(a) shall be filed with the Board in preliminary form, at least five business days prior to the date copies of such material are first sent or given to security holders, or such shorter period as the Board may authorize upon a showing of good cause therefor.

(6) **Application of this paragraph to annual report.** Notwithstanding the provisions of § 206.5(c), three copies of any portion of the annual report referred to in that paragraph that comments upon or refers to any solicitation subject to this paragraph (i), or to any participant in any such

solicitation, other than the solicitation by the management, shall be filed with the Board as proxy material subject to this section. Such portion of the annual report shall be filed with the Board in preliminary form at least five business days prior to the date copies of the report are first sent or given to security holders.

(7) **Application of paragraph (f).** The provisions of paragraphs (f) (3), (4), (5), (6), and (7) of this section shall apply, to the extent pertinent, to soliciting material subject to subparagraphs (5) and (6) of this paragraph (i).

(8) **Use of reprints or reproductions.** In any solicitations subject to paragraph (i) of this section, soliciting material that includes, in whole or in part, any reprints or reproductions of any previously published material shall:

(i) state the name of the author and publication, the date of prior publication, and identify any person who is quoted without being named in the previously published material.

(ii) except in the case of a public, official document or statement, state whether or not the consent of the author and publisher has been obtained to the use of the previously published material as proxy soliciting material.

(iii) if any participant using the previously published material, or anyone on his behalf, paid, directly or indirectly, for the preparation or prior publication of the previously published material, or has made or proposed to make any payments or given any other consideration in connection with the publication or republication of such material, state the circumstances.

(j) **Prohibition of certain solicitations.** No person making a solicitation that is subject to this § 206.5 shall solicit (1) any undated or postdated proxy; or (2) any proxy that provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder.

(k) **Proposals of security holders.** (1) If any security holder entitled to vote at a meeting of security holders of the bank shall submit to the management of the bank, within the time hereinafter specified, a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting, the management shall set forth the proposal in its Statement. If management issues a proxy statement, it shall identify the proposal in its form of proxy and provide means by which security holders can either approve or disapprove the proposal. If management issues an information statement, it shall identify the proposal and indicate the disposition proposed to be made of the proposal by the management at the meeting. The management of the bank shall not be required by this paragraph to include the proposal in its Statement or form of proxy for an annual meeting unless the proposal is received by the management at the bank's principal executive offices not less than 70 days in advance of a date corresponding to the date set forth on the management's Statement released to security holders in connection with the last annual meeting of security holders. A proposal to be presented at any other meeting shall be received by the management of the bank a reasonable time before the solicitation is made. This paragraph (k) of this section shall not apply, however, to elections of office or to counter proposals to matters to be submitted by the management.

NOTE. In order to curtail controversy as to the date that a security holder's proposal was received by the management, it is suggested that security holders submit their proposals by Certified Mail—Return Receipt Requested.

(2) If the management opposes the proposal, it shall also, at the written request of the security holder, include in its Statement (i) the name and address of the security holder, or a statement that such name and address will be furnished upon request, and (ii) a statement of the security holder (which shall not include such name and address) of not more than 200 words in support of the proposal. Any statements in the text of a proposal, such as a preamble or "whereas" clauses, which are in effect arguments in support of the proposal, shall be deemed part of the supporting statement and subject to the 200-word limitation thereon. The statement and request of the security holder shall be furnished to the management at the same time that the proposal is furnished. Neither the management nor the bank shall be responsible for such statement.

(3) Notwithstanding paragraphs (k) (1) and (2) of this section, the management may omit a proposal and any statement in support thereof from its Statement or form proxy under any of the following circumstances:

(i) if the proposal is impossible to accomplish or, under applicable law, is not a proper subject for action by security holders; or

(ii) if the proposal consists of a recommendation or request that the management take action with respect to a matter relating to the conduct of the ordinary business operations of the bank; or

(iii) if it appears that the proposal is submitted by the security holder principally for the purpose of enforcing a personal claim or redressing a personal grievance against the bank or its management, or consists of a recommendation, request or mandate that action be taken with respect to any matter, including a general economic, political, racial, religious, social, or similar cause that is neither significantly related to the business of the bank nor within the control of the bank; or

(iv) if the management has at the security holder's request included a proposal in its proxy statement and form of proxy relating to either of the two preceding annual meetings of security holders or any special meeting held subsequent to the earlier of such two annual meetings, and such security holder has failed without good cause to present the proposal, in person or by proxy, for action at the meeting; or

(v) if substantially the same proposal has previously been submitted to security holders in the management's proxy statement and form of proxy relating to any meeting of security holders held within the preceding five calendar years, it may be omitted from the proxy statement relating to any meeting of security holders held within the three calendar years after the latest such previous submission; provided, that (a) if the proposal had been submitted at only one meeting during such preceding period, it received less than 3 per cent of the total number of votes cast in regard thereto, or (b) if the proposal had been submitted at only two meetings during such preceding period, it received at the time of its second submission less than 6 per cent of the total number of votes cast in regard thereto, or (c) if the proposal had been submitted at three or more meetings during such period, it received at the time of its latest submission less than 10 per cent of the total number of votes cast in regard thereto; or

(vi) if, prior to the receipt of such proposal, substantially the same proposal has been received by the management from another security holder and is to be included in the bank's proxy soliciting material.

NOTE. Proposals not within the bank's control are those which are beyond its power to effectuate

(4) Whenever the management asserts that a proposal and any statement in support thereof may properly be omitted from its Statement and form of proxy, it shall file with the Board, not later than 30 days prior to the date the preliminary copies of the Statement or form of proxy are filed pursuant to § 206.5(f)(1) or such shorter period prior to such date as the Board may permit, a copy of the proposal and any statement in support thereof as received from the security holder, together with a statement of the reasons why the management deems such omission to be proper in the particular case, and, where such reasons are based on matters of law, a supporting opinion of counsel. The management shall at the same time, if it has not already done so, notify the security holder submitting the proposal of its intention to omit the proposal from its Statement and shall forward to him a copy of the statement of the reasons why the management deems the omission of the proposal to be proper and a copy of such supporting opinion of counsel.

(*l*) **Invitation for tenders.** (1) No person, directly or indirectly, by use of the mails or by any means or instrumentality of interstate commerce or of any facility of a national securities exchange or otherwise, shall make a tender offer for, or a request or invitation for tenders of, any class of any equity security, which is registered pursuant to section 12 of the Act, of a member State bank if, after consummation thereof, such person would, directly or indirectly, be the beneficial owner of more than 5 per cent of such class, unless, at the time copies of the offer or request or invitation are first published or sent or given to security holders, such person has filed with the Board a statement containing the information and exhibits required by Form F-11.

(2) If any material change occurs in the facts set forth in the statement required by paragraph (l) of this section, the person who filed such statement shall promptly file with the Board an amendment disclosing such change.

(3) All tender offers for, or requests or invitations for tenders of, securities published or sent or given to the holders of such securities shall include the following information:

(i) The name of the person making the tender offer, request or invitation;

(ii) The exact dates prior to which, and after which, security holders who deposit their securities will have the right to withdraw their securities pursuant to section 14(d)(5) of the Act, or otherwise;

(iii) If the tender offer or request or invitation for tenders is for less than all of the outstanding securities of the class and the person making the offer, request or invitation is not obligated to purchase all of the securities tendered, the date of expiration of the period during which the securities will be taken up pro rata pursuant to section 14(d)(6) of the Act, or otherwise; and

(iv) The information required by Items 2 (a) and (c), 3, 4, 5 and 6 of Form F-11, or a fair and adequate summary thereof, and shall be filed with the Board as part of the statement required by paragraph (1) of this section.

(4) Any additional material soliciting or requesting such tender offers subsequent to the initial solicitation or request shall contain the name of the persons making such solicitation or request and the information required by Items 2 (a) and (c), 3, 4, 5 and 6 of Form F-11, or a fair and adequate summary thereof; provided, however, that such material may omit any of such information previously furnished to the persons solicited or requested for tender offers. Copies of such additional material soliciting or requesting such tender offers shall be filed with the Board not later than the time copies of the material are first published or sent or given to security holders.

(5) If any securities to be offered in connection with the tender offer for, or request or invitation for tenders of, securities with respect to which a statement is required to be filed pursuant to paragraph (1) of this section, have been or are to be registered under the Securities Act of 1933, a copy of the prospectus containing the information required to be included therein under that Act shall be filed as an exhibit to such statement. Any information contained in the prospectus may be incorporated by reference in such statement.

(6) When a person makes a tender offer for, or request or invitation for tenders of, any class of equity securities of a bank registered pursuant to section 12 of the Act, and such person has filed a statement with the Board pursuant to this section, any other person controlling, controlled by, or under common control ("control person") with the issuing bank, which bank is prohibited by R.S. 5201 (12 U.S.C. § 83) from purchasing, with certain exceptions, shares of its own capital stock, shall not thereafter, during the period such tender offer, request or invitation continues, purchase any class of equity securities of the issuing bank unless:

(i) The control person has filed with the Board a statement containing the information specified below with respect to proposed purchases:

(A) The title and amount of equity securities to be purchased, the names of the persons or classes of persons from whom, and the market in which, the securities are to be purchased, including the name of any exchange on which the purchase is to be made;

(B) The purpose for which the purchase is to be made and any plan or proposal for the disposition of such securities; and

(C) The source and amount of funds or other consideration used or to be used in making the purchases, and if any part of the purchase price or proposed purchase price is represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading the securities, a description of the transaction and the names of the parties thereto.

(ii) The control person has at any time within the past six months sent or given to the equity security holders of the issuing bank the substance of the information contained in the statement required by subparagraph (l)(6) (i) of this section.

(7) Eight copies of the statement required by subparagraph (1) of this paragraph, every amendment to such statement, and all other material required by this section shall be filed with the Board.

(8) Certain communications. The following communications shall not be deemed to be requests or invitations for tenders:

(i) Offers to purchase securities made in connection with a distribution of securities permitted by Rules 10b-6, 10b-7 and 10b-8 under the Act as promulgated by the Securities and Exchange Commission (17 CFR §§ 240.10b-6, 10b-7 and 10b-8).

(ii) The call or redemption of any security in accordance with the terms and conditions of the governing instruments.

(iii) Offers to purchase securities evidenced by a script certificate, order form or similar document which represents a fractional interest in a share of stock or similar security.

(iv) Offers to purchase securities pursuant to a statutory procedure for the purchase of dissenting shareholders' securities.

(v) The furnishing of information and advice regarding a tender offer to customers or clients by attorneys, member or nonmember banks, brokers, fiduciaries or investment advisers, who are not otherwise participating in the tender offer or solicitation, on the unsolicited request of a person or pursuant to a general contract for advice to the person to whom the information or advice is given.

(vi) A communication from a bank to its security holders which does no more than (1) identify a tender offer or request or invitation for tenders made by another person, (2) state that the management of the bank is studying the matter and will, on or before a specified date (which shall be not later than 10 days prior to the date specified in the offer, request or invitation, as the last date on which tenders will be accepted, or such shorter periods as the Board may authorize) advise security holders as to the management's recommendation to accept or reject the offer, request or invitation, and (3) request security holders to defer making a determination as to whether or not they should accept or reject the offer, request or invitation until they have received the management's recommendation with respect thereto.

(m) **Recommendations as to tender offers.**

(1) No solicitation or recommendation to the holders of a security to accept or reject a tender offer or request or invitation for tenders subject to section 14(d) of the Act shall be made unless, at the time copies of the solicitation or recommendation are first published or sent or given to holders of the security, the person making such solicitation or recommendation has filed with the Board a statement containing the information specified by Form F-12; provided, however, that this paragraph does not apply to (i) a person required by § 206.5(l) to file a statement, or (ii) a person, other than the bank or the management of the bank, who makes no written solicitations or recommendations other than solicitations or recommendations copies of which have otherwise been filed with the Board.

(2) If any material change occurs in the facts set forth in the statement required by paragraph (m)(1) of this section, the person who filed such statement shall promptly file with the Board an amendment disclosing such change.

(3) Any written solicitation or recommendation to the holders of a security to accept or reject a tender offer or request or invitation for tenders subject to section 14(d) of the Act shall include the name of the person making such solicitation or recommendation and the information required by Items 1(b) and 2(b) of Form F-12, or a fair and adequate summary thereof; provided, however, that such written solicitation or recommendation may omit any of such information previously furnished to the persons to whom the solicitation or recommendation is made.

(n) Change in majority of directors. If, pursuant to any arrangement or understanding with the person or persons acquiring securities in a transaction subject to section 13(d) or 14(d) of the Act, any persons are to be elected or designated as directors of the bank, otherwise than at a meeting of security holders, and the persons so elected or designated will constitute a majority of the directors of the bank, then, not less than 10 days prior to the date any such person takes office as a director, or such shorter period prior to that date as the Board may authorize upon a showing of good cause therefor, the bank shall file with the Board and transmit to all holders of record of securities of the bank who would be entitled to vote at a meeting for election of directors, information substantially equivalent to the information which would be required by Items 5 (a), (d), (e) and (f), 6 and 7 of Form F-5 to be transmitted if such person or persons were nominees for election as directors at a meeting of such security holders.

(o) **Solicitation prior to furnishing required proxy statement.** (1) Notwithstanding the provisions of § 206.5(a), a solicitation (other than one subject to § 206.5(i)) may be made prior to furnishing security holders a written proxy statement containing the information specified in Form F-5 with respect to such solicitation if--

(i) The solicitation is made in opposition to a prior solicitation or an invitation for tenders or other publicized activity, which if successful, could reasonably have the effect of defeating the action proposed to be taken at the meeting.

(ii) No form of proxy is furnished to security holders prior to the time the written proxy statement required by § 206.5(a) is furnished to security holders; provided, however, that this paragraph (o)(ii) of this section shall not apply where a proxy statement then meeting the requirements of Form F-5 has been furnished to security holders by or on behalf of the person making the solicitation;

(iii) The identity of the person or persons by or on whose behalf the solicitation is made and a description of their interests, direct or indirect, by security holdings or otherwise, are set forth in each communication sent or given to security holders in connection with the solicitation; and

(iv) A written proxy statement meeting the requirements of this section is sent or given to security holders at the earliest practicable date.

(2) Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the written proxy statement required by § 206.5(a) shall be filed with the Board in preliminary form at least 5 business days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period as may be authorized.

SECTION 206.6 "INSIDERS'" SECURITIES TRANSACTIONS AND REPORTS UNDER SECTION 16 OF THE ACT

(a) **Filing of statements by directors, officers and principal stockholders.** (1) Initial statements of beneficial ownership of equity securities of a bank required by section 16(a) of the Act, and statements of changes in such beneficial ownership, shall be prepared and filed in accordance with the requirements of Form F-7 and Form F-8, respectively.

(2) A person who is already filing statements with the Board pursuant to section 16(a) of the Act need file an additional statement on Form F-7 when an additional class of equity securities of the same bank becomes registered or when he assumes another or an additional relationship to the bank; for example, when an officer becomes a director.

(3) Any bank that has equity securities listed on more than one national securities exchange may designate one of them as the only exchange with which reports pursuant to section 16(a) of the Act need be filed. Such designation shall be filed with the Board and with each national securities exchange on which any equity security of the bank is listed. After the filing of such designation the securities of such bank shall be exempted with respect to the filing of statements pursuant to section 16(a) of the Act with any exchange other than the designated exchange.

(4) Any director or officer who is required to file a statement on Form F-8 with respect to any change in his beneficial ownership of equity securities which occurs within six months after he became a director or officer of the bank issuing such securities, or within six months after equity securities of such bank first became registered pursuant to section 12 of the Act, shall include in the first such statement the information called for by Form F-8 with respect to all changes in his beneficial ownership of equity securities of such bank which occurred within 6 months prior to the date of the changes which require the filing of such statement.

(5) Any person who has ceased to be a director or officer of a bank which has equity securities registered pursuant to section 12(g) of the Act, or who is a director or officer of a bank at the time it ceased to have any equity securities so registered, shall file a statement on Form F-8 with respect to any change in his beneficial ownership of equity securities of such bank which shall occur on or after the date on which he ceased to be such director or officer, or the date on which bank ceased to have any equity securities so registered, as the case may be, if such change shall occur within 6 months after any change in his beneficial ownership of such securities prior to such date. The statement on Form F-8 shall be filed within 10 days after the end of the month in which the reported change in beneficial ownership occurs.

(b) **Ownership of more than 10 per cent of a class of equity securities.** (1) In determining for the purpose of section 16(a) of the Act whether a person is the beneficial owner, directly or indirectly, of more than 10 per cent of any class of equity securities, such person shall be deemed to be the beneficial owner of securities of such class which such person has the right to acquire through the exercise of presently exercisable options, warrants or rights or through the conversion of presently convertible securities. The securities subject to such options, warrants, rights or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class owned by such person but shall not be deemed outstanding for the purpose of computing the percentage of the class owned by any other person. This subparagraph shall not be construed to relieve any person of any duty to comply with section 16(a) of the Act with respect to any equity securities consisting of options, warrants, rights or convertible securities which are otherwise subject as a class to section 16(a) of the Act.

(2) For the purpose of this paragraph a person acting in good faith may rely on the information contained in the latest Form F-1, F-1B or F-2 filed with the Board under § 206.4 with respect to the amount of securities of the class outstanding or in the case of voting trust certificates or certificates of deposit the amount thereof issuable.

(3) For the purpose of determining percentage ownership of voting trust certificates or certificates of deposit for equity securities, the class of voting trust certificates or certificates of deposit shall be deemed to consist of the amount of voting trust certificates or certificates of deposits issuable with respect to the total amount of outstanding equity securities of the class which may be deposited under the voting trust agreement or deposit agreement in question, whether or not all of such outstanding securities have been so deposited.

(c) **Disclaimer of beneficial ownership.** Any person filing a statement may expressly declare therein that the filing of such statement shall not be construed as an admission that such person is, for the purpose of section 16 of the Act, the beneficial owner of any equity securities covered by the statement.

(d) **Ownership of securities held in trust.** (1) Beneficial ownership of a bank's securities for the purpose of section 16(a) of the Act shall include:

(i) the ownership of such securities as a trustee where either the trustee or members of his immediate family have a vested interest in the income or corpus of the trust,

(ii) the ownership of vested beneficial interest in a trust, and

(iii) the ownership of such securities as a settlor of a trust in which the settlor has the power to revoke the trust without obtaining the consent of all beneficiaries.

(2) Except as provided in paragraph (d)(3) of this section, beneficial ownership of securities of registrant banks solely as a settlor or beneficiary of a trust shall be exempt from the provisions of section 16(a) of the Act where less than 20 per cent in market value of the securities having a readily ascertainable market value held by such trust (determined as of the end of the preceding fiscal year of the trust) consists of equity securities with respect to which reports are required by section 16(a) of the Act or would be required but for an exemption by the Securities and Exchange Commission, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation similar to the exemption provided for by this sentence. Exemption from section 16(a) of the Act is likewise accorded with respect to any obligation that would otherwise be imposed solely by reason of ownership as settlor or beneficiary of a bank's securities held in trust, where the ownership, acquisition, or disposition of such securities by the trust is made without prior approval by the settlor or beneficiary. No exemption pursuant to this subparagraph shall, however, be acquired or lost solely as a result of changes in the value of the trust assets during any fiscal year or during any time when there is no transaction by the trust in the securities otherwise subject to the reporting requirements of section 16(a) of the Act.

(3) In the event that 10 per cent of any class of any equity security of a bank is held in a trust, that trust and the trustees thereof as such shall be deemed a person required to file the reports specified in section 16(a) of the Act.

(4) Not more than one report need be filed to report any holdings of a bank's securities or with respect to any transaction in such securities held by a trust, regardless of the number of officers, directors, or 10 per cent stockholders who are either trustees, settlors, or beneficiaries of a trust if the report filed discloses the names of all trustees, settlors, or beneficiaries who are officers, directors, or 10 per cent stockholders. A person having an interest only as a beneficiary of a trust shall not be required to file any such report so long as he relies in good faith upon an understanding that the trustee of such trust will file whatever reports might otherwise be required of such beneficiary.

(5) In determining, for the purposes of paragraph (a) of this section, whether a person is the beneficial owner, directly or indirectly, of more than 10 per cent of any class of equity security of a bank, the interest of such person in the remainder of a trust shall be excluded.

(6) No report shall be required by any person, whether or not otherwise subject to the requirement of filing reports under section 16(a) of the Act, with respect to his indirect interest in portfolio securities held by

(i) any holding company registered under the Public Utility Holding Company Act,

(ii) any investment company registered under the Investment Company Act,

(iii) a pension or retirement plan holding securities of a bank whose employees generally are the beneficiaries of the plan,

(iv) a business trust with over 25 beneficiaries.

(e) **Certain transactions subject to section 16(a) of the Act.** (1) The granting, acquisition or disposition of any presently exercisable put, call, option, or other right or obligation to buy securities from, or to sell securities to, another person, or any expiration or cancellation thereof shall be deemed to effect such a change in the beneficial ownership of the bank's security to which the right or obligation relates as to require the filing of a statement reflecting the granting, acquisition or disposition of such right or obligation. Nothing in paragraph (e) of this section, however, shall exempt any person from filing the statements required upon the exercise of such put, call, option or other right or obligation to buy or sell securities.

(i) If any such right or obligation is not initially exercisable, the granting and acquisition thereof shall be reported in a statement filed for the month in which it became exercisable, unless the filing of such statement is otherwise not required.

(ii) The right of a pledgee or borrower of securities to sell the pledge or borrowed securities is not an option or right to sell securities within the meaning of this paragraph. However, the sale of the pledged or borrowed securities by the pledgee or borrower shall be reported by the pledgor or lender.

(iii) The right to acquire securities, or the obligation to dispose of securities, in connection with a merger or consolidation involving the bank issuing the securities is not a right or obligation to buy or sell securities within the meaning of this paragraph.

(2) For the purpose of section 16(a) of the Act both the grantor and the holder of any presently exercisable put, call, option or other right or obligation to buy or sell securities shall be deemed to be beneficial owners of securities subject to such right or obligation until it is exercised or cancelled or expires.

(3) Notwithstanding the foregoing, a statement need not be filed pursuant to section 16(a) of the Act (i) by any person with respect to the acquisition, expiration or cancellation of any nontransferable qualified, restricted or other stock option granted by the bank with respect to securities to which the option relates pursuant to a plan provided for the benefit of the bank's employees or the employees of the bank's affiliates if such plan meets the condition specified in § 206.6(l), or (ii) by any bank with respect to any put, call, option or other right or obligation to buy or sell securities of which it is the issuer.

NOTE. An option, otherwise non transferable, is deemed to be non-transferable even though it may be disposed of by will or by descent and distribution upon the death of the holder.

(f) **Exemption from section 16 of securities purchased or sold by odd-lot dealers.** A bank's securities purchased or sold by an odd-lot dealer (1) in odd-lots so far as reasonably necessary to carry on odd-lot transactions, or (2) in round lots to offset odd-lot transactions previously or simultaneously executed or reasonably anticipated in the usual course of business, shall be exempt from the provisions of section 16 of the Act with respect to participation by such odd-lot dealer in such transactions.

(g) **Exemption of small transactions from *section 16(a) of the Act.*** (1) *Any acquisition of* a bank's securities shall be exempt from section 16(a) of the Act where

(i) the person effecting the acquisition does not within six months thereafter effect any disposition, otherwise than by way of gift of securities of the same class, and

(ii) the person effecting such acquisition does not participate in acquisitions or in dispositions of securities of the same class having a total market value in excess of $3,000 for any six-month period during which the acquisition occurs.

(2) Any acquisition or disposition of a bank's securities by way of gift, where the total amount of such *gifts does not exceed $3,000 in market* value for any six-month period, shall be exempt from section 16(a) of the Act and may be excluded from the computations prescribed in paragraph (g)(1)(ii) of this section.

(3) Any person exempted by paragraphs (g) (1) or (2) of this section shall include in the first report filed by him after a transaction within the exemption a statement showing his acquisitions and dispositions for each six-month period or portion thereof that has elapsed since his last filing.

(h) **Temporary exemption of certain persons from sections 16 (a) and (b) of the Act.** During the period of 12 months following their appointment and qualification, a bank's securities held by the following persons shall be exempt from sections 16(a) and 16(b) of the Act:

(1) Executors or administrators of the estate of a decedent;

(2) Guardians or committees for an incompe*tent; and*

(3) Receivers, trustees in bankruptcy, assignees for the benefit of creditors, conservators, liquidating agents, and similar persons duly authorized by law to administer the estate or assets of other persons. After the 12-month period following their appointment and qualification the foregoing persons shall be required to file reports under section 16(a) with respect to a bank's securities held by the estates that they administer and shall be liable for profits realized from trading in such securities pursuant to section 16(b) only when the estate being administered is a beneficial owner of more than 10 per cent of any class of equity security of the bank.

(i) **Exemption from section 16(b) of transactions that need not be reported under section 16(a).** Any transaction that has been or shall be exempted by the Board from the requirements of section 16(a) shall, insofar as it is otherwise sub*ject to the* provisions of section 16(b), be likewise exempted from section 16(b).

(j) **Exemption from section 16(b) of certain transactions by registered investment companies.** Any transaction of purchase and sale or sale and purchase, of any equity security of a bank shall be exempt from the operation of section 16 (b), as not comprehended within the purpose of that section, if the transaction is effected by an investment company registered under the Investment Company Act of 1940 and both the purchase and sale of such security have been exempted from the provisions of section 17(a) of the Investment Company Act of 1940 by an order of the Securities and Exchange Commission entered pursuant to section 17(b) of that Act.

(k) **Exemption from section 16(b) of certain transactions effected in connection with a distribution.** (1) Any transaction of purchase and sale, or sale and purchase, of an equity security of a bank that is effected in connection with the distribution of a substantial block of such securities shall be exempt from the provisions of section 16(b), to the extent specified in paragraph (k) of this section, as not comprehended within the purpose of said section, upon the following conditions:

(i) The person effecting the transaction is engaged in the business of distributing securities and is participating in good faith, in the ordinary course of such business, in the distribution of such block of securities;

(ii) The security involved in the transaction is (a) a part of such block of securities and is acquired by the person effecting the transaction, with a view to the distribution thereof, from the bank or other person on whose behalf such securities are being distributed or from a person who is participating in good faith in the distribution of such block of securities, or (b) a security purchased in good faith by or for the account of the person effecting the transaction for the purpose of stabilizing the market price of securities of the class being distributed or to cover an overallotment or other short position created in connection with such distribution; and

(iii) Other persons not within the purview of section 16(b) are participating in the distribution of such block of securities on terms at least as favorable as those on which such person is participating and to an extent at least equal to the aggregate participation of all persons exempted from the provisions of section 16(b) by paragraph (k) of this section. However, the performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not preclude an exemption that would otherwise be available under this paragraph.

(2) The exemption of a transaction pursuant to this paragraph (k) with respect to the participation therein of one party thereto shall not render such transaction exempt with respect to participation of any other party therein unless such other party also meets the conditions of this paragraph.

(*l*) **Exemption from section 16(b) of acquisitions of shares of stock and stock options under certain stock bonus, stock option, or similar plans.** Any acquisition of shares of a bank's stock (other than stock acquired upon the exercise of an option, warrant, or right) pursuant to a stock bonus, profit sharing retirement, incentive, thrift, savings, or similar plan, or any acquisition of a qualified or restricted stock option pursuant to a qualified or restricted stock option plan, or of a stock option pursuant to an employee stock purchase plan, by a director or officer of the bank issuing such stock or stock option shall be exempt from the operation of section 16(b) if the plan meets the following conditions:

(1) The plan has been duly approved, directly or indirectly,

(i) by the holders of a majority of the securities of the bank present, or represented, and entitled to vote at the meeting at which it was approved, or by the written consent of the holders of a majority of the securities of the bank entitled to vote, or

(ii) by the holders of a majority of the securities of a predecessor so entitled to vote, if the plan or obligations to participate thereunder were assumed by the bank in connection with the succession. Provided, however, that if such vote or written consent was not solicited substantially in accordance with the requirements, if any, in effect under § 206.5 of this Part at the time of such vote or written consent, the bank shall furnish in writing to the holders of record of the securities entitled to vote for the plan substantially the same information concerning the plan which would be required by the provisions in effect under § 206.5 of this Part at the time such information is furnished, if proxies to be voted with respect to the approval or disapproval of the plan were then being solicited, on or prior to the date of the first annual meeting of security holders held subsequent to the later of (A) the first registration of an equity security under section 12 of the Act, or (B) the acquisition of an equity security for which exemption is claimed. Such written information may be furnished by mail to the last known address of the security holders of record within 30 days prior to the date of mailing. Eight copies of such written information shall be filed with, or mailed for filing to, the Board not later than the date on which it is first sent or given to security holders of the bank.

(2) If the selection of any director or officer of the bank to whom stock may be allocated (or to whom qualified, restricted, or employee stock purchase plan stock options may be granted pursuant to the plan) or the determination of the number or maximum number of shares of stock that may be allocated to any such director or officer (or that may be covered by qualified, restricted, or employee stock purchase plan stock options granted to any such director or officer) is subject to the discretion of any person, then such discretion shall be exercised only as follows:

(i) With respect to the participation of directors (A) by the board of directors of the bank, a majority of which board and a majority of the directors acting in the matter are disinterested persons; (B) by, or only in accordance with the recommendation of, a committee of three or more persons having full authority to act in the matter, all of the members of which committee are disinterested persons; or (C) otherwise in accordance with the plan, if the plan specifies the number or maximum number of shares of stock that directors may acquire (or that may be subject to qualified, restricted, or employee stock purchase plan stock options granted to directors) and the terms upon which and the times at which, or the periods within which, such stock may be acquired (or such options may be acquired and exercised); or sets forth, by formula or otherwise, effective and determinable limitations with respect to the foregoing based upon earnings of the bank, dividends paid, compensation received by participants, option prices, market value of shares, outstanding shares or percentages thereof outstanding from time to time, or similar factors.

(ii) With respect to the participation of officers who are not directors (A) by the board of directors of the bank or a committee of three or more directors; or (B) by, or only in accordance with the recommendations of, a committee of three or more persons having full authority to act in the matter, all of the members of which committee are disinterested persons. For the purposes of paragraph (l)(2) of this section, a director or committee member shall be deemed to be a disinterested person only if such person is not at the time such discretion is exercised eligible and has not at any time within one year prior thereto been eligible for selection as a person to whom stock may be allocated (or to whom qualified, restricted, or employee stock purchase plan stock options may be granted) pursuant to the plan or any other plan of the bank or any of its affiliates entitling the participants therein to acquire stock or qualified, restricted, or employee stock purchase plan stock options of the bank or any of its affiliates.

(3) As to each participant or as to all participants the plan effectively limits the aggregate dollar amount or the aggregate number of shares of stock that may be allocated (or may be subject to qualified, restricted, or employee stock purchase plan stock options granted) pursuant to the plan. The limitations may be established on an annual basis, or for the duration of the plan, whether or not the plan has a fixed termination date. Such limitations may be determined either by fixed or maximum dollar amounts, fixed or maximum numbers of shares, formulas based upon earnings of the bank, dividends paid, compensation received by participants, option prices, market value of shares, outstanding shares or percentages thereof outstanding from time to time, or similar factors that will result in an effective and determinable limitation. Such limitations may be subject to any provisions for adjustment of the plan or of stock allocable (or options outstanding thereunder) to prevent dilution or enlargement of rights.

(4) The term "exercise of an option, warrant or right" contained in the parenthetical clause of the first sentence of § 206.6(1) shall not include (i) the making of any election to receive under any plan compensation in the form of stock or credits therefor; provided that such election is made either prior to the making of the award or prior to the fulfillment of all conditions to the receipt of the compensation and; provided further, that such election is irrevocable until at least six months after termination of employment; (ii) the subsequent crediting of such stock; (iii) the making of any election as to the time for delivery of such stock after termination of employment; provided, that such election is made at least six months prior to any such delivery; (iv) the fulfillment of any condition to the absolute right to receive such stock; or (v) the acceptance of certificates for shares of such stock.

(m) **Exemption from section 16(b) of long-term profits incident to sales within six months of the exercise of an option.** (1) To the extent specified in paragraph (m)(2) of this section, transactions involving the purchase and sale, or sale and purchase, of any equity security of a bank shall be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if such purchase is pursuant to the exercise of an option, warrant, or right either

(i) Acquired more than six months before its exercise, or

(ii) Acquired pursuant to the terms of an employment contract entered into more than six months before its exercise.

(2) With respect to transactions specified in paragraph (m)(1) of this section, the profits inuring to the bank pursuant to section 16(b) shall not exceed the difference between the proceeds of sale and the lowest market price of any security of the same class within six months before or after the date of sale. Nothing in paragraph (m) of this section shall be deemed to enlarge the amount of profit that would inure to the bank in the absence of this paragraph.

(3) The disposition of any equity security of a bank shall also be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if purchased in a transaction specified in paragraph (m) of this section pursuant to a plan or agreement for merger or consolidation, or reclassification of the bank's securities, or for the exchange of its securities for the securities of another person that has acquired its assets, where the terms of such plan or agreement are binding upon all stockholders of the bank except to the extent that dissenting stockholders may be entitled, under statutory provisions or provisions contained in the bank's charter, to receive the appraised or fair value of their holdings.

(4) The exemptions provided by paragraph (m) of this section shall not apply to any transaction made unlawful by section 16(c) or by any regulations thereunder.

(5) The burden of establishing market price of a security for the purpose of paragraph (m) of this section shall rest upon the person claiming the exemption.

(n) **Exemption from section 16(b) of dispositions of equity securities pursuant to certain mergers or consolidations incident to formation of a bank holding company.** (1) There shall be exempt from the provisions of section 16(b), as not comprehended within the purpose of that section, the disposition of any equity security, pursuant to a merger or consolidation, of a bank which, prior to said merger or consolidation, held over 85 per cent of the combined assets of all the companies undergoing merger or consolidation, as determined by reference to their most recent available financial statements for a 12-month period prior to the merger or consolidation, if, in such merger or consolidation, there are issued, in exchange for such equity securities of such bank equity securities of a bank holding company as defined in the Bank Holding Company Act of 1956, as amended, 12 U.S.C. 1841.

(2) Notwithstanding the foregoing, if an officer, director, or stockholder shall make any purchase (other than a purchase exempted by this paragraph or any rule under section 16(b) of the Act) of an equity security of any company involved in the merger or consolidation and any sale (other than a sale exempted by this paragraph or any rule under section 16(b) of the Act) of an equity security in any other company involved in the merger or consolidation within any period of less than six months during which the merger or consolidation took place, the exemption provided by this rule shall be unavailable to such officer, director, or stockholder to the extent of such purchase and sale.

(o) **Exemption from section 16(b) of transactions involving the deposit or withdrawal of equity securities under a voting trust or deposit agreement.** Any acquisition or disposition of an equity security involved in the deposit of such security under, or the withdrawal of such security from, a voting trust or deposit agreement, and the acquisition or disposition in connection therewith of the certificate representing such security, shall be exempt from the operation of section 16(b) of the Act if substantially all of the assets held under the voting trust or deposit agreement immediately after the deposit or immediately prior to the withdrawal, as the case may be, consisted of equity securities of the same class as the security deposited or withdrawn; provided, however, that this rule shall not apply to the extent that there shall have been either (i) a purchase of an equity security of the class deposited and a sale of any certificate representing an equity security of such class, or (ii) a sale of an equity security of the class deposited and a purchase of any certificate representing an equity security of such class (otherwise than in a transaction involved in such deposit or withdrawal or in a transaction exempted by any rule under section 16(b)) within a period of less than six months which includes the date of the deposit or withdrawal.

(p) **Exemption from section 16(b) of transactions involving the conversion of equity securities.** (1) Any acquisition or disposition of an equity security involved in the conversion of an equity security which, by its terms or pursuant to the terms of the bank's corporate charter or other governing instruments, is convertible immediately or after a stated period of time into another equity security of the same bank, shall be exempt from the operation of section 16(b) of the Act; provided, however, that this paragraph shall not apply to the extent that there shall have been either (i) a purchase of any equity security of the class convertible (including any acquisition of or change in a conversion privilege) and a sale of any equity security of the class issuable upon conversion, or (ii) a sale of any equity security of the class convertible and any purchase of any equity security issuable upon conversion (otherwise than in a transaction involved in such conversion or in a transaction exempted by any paragraph under section 16(b)) within a period of less than six months which includes the date of conversion.

(2) For the purpose of this paragraph, an equity security shall not be deemed to be acquired or disposed of upon conversion of an equity security if the terms of the equity security converted require the payment or entail the receipt, in connection with such conversion, of cash or other property (other than equity securities involved in the conversion) equal in value at the time of conversion to more than 15 per cent of the value of the equity security issued upon conversion.

(3) For the purpose of this paragraph, an equity security shall be deemed convertible if it is convertible at the option of the holder or of some other person or by operation of the terms of the security or of the governing instruments.

(q) **Exemption from section 16(b) of certain transactions involving the sale of subscription rights.** (1) Any sale of a subscription right to acquire any subject security of the same bank shall be exempt from the provision of section 16(b) of the Act, to the extent prescribed in this paragraph, as not comprehended within the purpose of said section, if:

(i) Such subscription right is acquired, directly or indirectly, from the bank without the payment of consideration;

(ii) Such subscription right by its terms expires within 45 days after the issuance thereof; and

(iii) Such subscription right by its terms is issued on a pro rata basis to all holders of the beneficiary security of the bank.

(2) When used within this paragraph the following terms shall have the meaning indicated:

(i) The term "subscription right" means any warrant or certificate evidencing a right to subscribe to or otherwise acquire an equity security.

(ii) The term "beneficiary security" means a security registered pursuant to section 12 of the Act to the holders of which a subscription right is granted.

(iii) The term "subject security" means a security which is the subject of a subscription right.

(3) Notwithstanding anything contained herein to the contrary, if a person purchases subscription rights for cash or other consideration, then a sale by such person of subscription rights otherwise exempted by this paragraph will not be so exempted to the extent of such purchases within the 6-month period preceding or following such sale.

(r) **Exemption of certain securities from section 16(c).** Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section the execution by a broker of an order for an account in which he had no direct or indirect interest.

(s) **Exemption from section 16(c) of certain transactions effected in connection with a distribution.** Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section any sale made by or on behalf of a dealer in connection with a distribution of a substantial block of the bank's securities, upon the following conditions:

(1) The sale is made with respect to an overallotment in which the dealer is participating as a member of an underwriting group, or the dealer or a person acting on his behalf intends in good faith to offset such sale with a security to be acquired by or on behalf of the dealer as a participant in an underwriting, selling, or soliciting-dealer group of which the dealer is a member at the time of the sale, whether or not the security to be so acquired is subject to a prior offering to existing security holders or some other class of persons; and

(2) Other persons not within the purview of section 16(c) are participating in the distribution of such block of securities on terms at least as favorable as those on which such dealer is participating and to an extent at least equal to the aggregate participation of all persons exempted from the provisions of section 16(c) by paragraph (s) of this section. The performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not, however, preclude an exemption that would otherwise be available under this paragraph.

(t) **Exemption of sales of securities to be acquired.** (1) Whenever any person is entitled, as an incident to his ownership of an issued equity security of a bank and without the payment of consideration, to receive another security of the bank "when issued" or "when distributed", the security to be acquired shall be exempt from the operation of section 16(c) if:

(i) The sale is made subject to the same conditions as those attaching to the right of acquisition;

(ii) Such person exercises reasonable diligence to deliver such security to the purchaser promptly after his right of acquisition matures; and

(iii) Such person reports the sale on the appropriate form for reporting transactions by persons subject to section 16(a).

(2) This paragraph (t) shall not be construed as exempting transactions involving both a sale of a security "when issued" or "when distributed" and a sale of the security by virtue of which the seller expects to receive the "when-issued" or "when-distributed" security, if the two transactions combined result in a sale of more units than the aggregate of those owned by the seller plus those to be received by him pursuant to his right of acquisition.

(u) **Arbitrage transactions under section 16.** It shall be unlawful for any director or officer of a bank to effect any foreign or domestic arbitrage transaction in any equity security of the bank, unless he shall include such transaction in the statements required by section 16(a) of the Act and § 206.6(a) and shall account to such bank for the profits arising from such transaction, as provided in section 16(b). The provisions of section 16(c) shall not apply to such arbitrage transactions. The provisions of § 206.6(a) and of section 16 shall not apply to any bona fide foreign or domestic arbitrage transaction insofar as it is effected by any person other than such director or officer of the bank issuing such security.

Section 206.7—Form and Content of Financial Statements

(a) **Principles of financing reporting.** Financial statements filed with the Board pursuant to this Part shall be prepared in accordance with generally accepted accounting principles and practices applicable to banks. The Board may from time to time issue releases on accounting principles and practices to be used with respect to specific areas.

(b) **Verification.**

(1) **General.** (i) Every verification with respect to financial statements filed pursuant to this Part shall be dated, shall be signed manually, shall indicate the city and state where issued, and shall identify without detailed enumeration the financial statements covered by the verification.

(ii) If the person or persons making the verification considers that he must take exceptions or express qualifications with respect thereto, each such exception or qualification shall be stated specifically and clearly and, to the extent practicable, shall indicate the effect of the matter on the financial statements to which it relates.

(2) **Opinions to be expressed by principal accounting officer and auditor.** Every verification by a bank's principal accounting officer and auditor shall state:

(i) The opinions of such persons with respect to the financial statements covered by the verification and the accounting principles and practices reflected therein; and

(ii) The opinions of such persons as to any material changes in accounting principles or practices or in the method of applying the accounting principles or practices, or adjustments of the accounts, required to be set forth by paragraph (c)(5) of this section.

(3) **Certification by independent public accountants.** (i) Qualifications of independent public accountants--

(A) The Board will not recognize any person as an independent public accountant who is not registered or licensed to practice as a public accountant by a regulatory authority of a State and in good standing with such authority as such an accountant.

(B) The Board will not recognize any certified public accountant or public accountant as independent who is not in fact independent. For example, an accountant will be considered not independent with respect to any person or any of its parents, its subsidiaries, or other affiliates (1) in which, during the period of his professional engagement to examine the financial statements being reported on or at the date of his report, he or his firm or a member thereof had, or was committed to acquire, any direct financial interest or any material indirect financial interest, or (2) with which, during the period of his professional engagement to examine the financial statements being reported on, at the date of his report or during the period covered by the financial statements, he or his firm or a member thereof was connected as a promoter, underwriter, voting trustee, director, officer, or employee, except that a firm will not be deemed not independent in regard to a particular person if a former officer or employee of such person is employed by the firm and such individual has completely disassociated himself from the person and its affiliates and does not participate in auditing financial statements of the person or its affiliates covering any period of his employment by the person. For the purposes of section 206.7 the term "member" means all partners in the firm and all professional employees participating in the audit or located in an office of the firm participating in a significant portion of the audit.

(C) In determining whether a public accountant is in fact, independent with respect to a particular person, the Board will give appropriate consideration to all relevant circumstances, including evidence bearing on all relationships between the accountant and that person or any affiliate thereof, and will not confine itself to the relationships existing in connection with the filing of reports with the Board.

(ii) Representations as to the audit. The independent public accountant's certificate

(A) shall state whether the audit was made in accordance with generally accepted auditing standards; and

(B) shall designate any auditing procedures generally recognized as normal (or deemed necessary by the accountant under the circumstances of the particular case) that have been omitted, and the reasons for their omission, but no procedure that independent accountants ordinarily employ in the course of an audit made for the purpose of expressing the opinions required by clause (iii) below shall be omitted.

(iii) Opinions to be expressed. The independent public accountant's certificate shall state--

(A) The opinion of the accountant with respect to the financial statements covered by the certificate and the accounting principles and practices reflected therein;

(B) The opinion of the accountant as to any material changes in accounting principles or practices or in the method of applying the accounting principles or practices, or adjustments of the accounts, required to be set forth by paragraph (c)(5) of this section; and

(C) The nature of, and the opinion of the accountant as to, any material differences between the accounting principles and practices reflected in the financial statements and those reflected in the accounts after the entry of adjustments for the period under review.

(iv) Exceptions. If the accountant making the report considers that he must take exceptions or express qualifications with respect thereto, each such exception or qualification shall be stated specifically and clearly and, to the extent practicable, shall indicate the effect of the matter on the financial statements to which it relates.

(v) Certification of financial statements by more than one independent public accountant. If, with respect to the certification of the financial statements of any bank, the principal independent public accountant relies on an examination made by another independent public accountant of certain of the accounts of such bank or its affiliates, the certificate of such other accountant shall be filed (and the provisions of this subparagraph shall be applicable thereto); however, the certificate of such other accountant need not be filed (a) if no reference is made directly or indirectly to such other accountant's examination in the principal accountant's certificate, or (b) if, having referred to such other accountant's examination, the principal accountant states in his certificate that he assumes responsibility for such other accountant's examination in the same manner as if it had been made by him.

(c) **Provisions of general application.**

(1) **Requirements as to form.** Financial statements shall be prepared in accordance with the applicable requirements of Forms 9 A, B, C, and D. All money amounts required to be shown in financial statements may be expressed in even dollars or thousands of dollars. If shown in even thousands, an indication to that effect shall be inserted immediately beneath the caption of the statement or schedule, or at the top of each money column. The individual amounts shown need not be adjusted to the nearest dollar or thousand if the failure of the items to add to the totals shown is stated in a note as due to the dropping of amounts of less than $1 or $1,000, as appropriate.

(2) **Items not material.** If the amount that would otherwise be required to be shown with respect to any item is not material, it need not be separately set forth.

(3) **Inapplicable captions and omission of unrequired or inapplicable financial statements.** No caption need be shown in any financial statement required by the forms set forth in this Part as to which the items and conditions are not present. Financial statements not required or inapplicable because the required matter is not present

need not be filed, but the statements omitted and the reasons for their omission shall be indicated in the list of financial statements required by the applicable form.

(4) **Additional information.** In addition to the information required with respect to any financial statement, such further information shall be furnished as is necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

(5) **Changes in accounting principles and practices and retroactive adjustments of accounts.** Any change in accounting principle or practice, or in the method of applying any accounting principle or practice, made during any period for which financial statements are filed that affects comparability of such financial statements with those of prior or future periods, and the effect thereof upon the net income for each period for which financial statements are filed, shall be disclosed in a note to the appropriate financial statement. Any material retroactive adjustment made during any period for which financial statements are filed, and the effect thereof upon net income of prior periods, shall be disclosed in a note to the appropriate financial statement.

(6) **Summary of accounting principles and practices.** Information required in notes as to accounting principles and practices reflected in the financial statements may be presented in the form of a single statement. In such a case specific references shall be made in the appropriate financial statement to the applicable portion of such single statement.

(7) **Foreign currencies.** The basis of conversion of all items in foreign currencies shall be stated, and the amount and disposition of the resulting unrealized profit or loss shown. Disclosure should be made as to the effect, insofar as this can be reasonably determined, of foreign exchange restrictions upon the consolidated financial position and operating results of the bank and its subsidiaries.

(8) **Commitments.** If material in amount, the pertinent facts relative to firm commitments for the acquisition, directly or indirectly, of fixed assets and for the purchase, repurchase, construction, or rental of assets under long-term leases shall be stated briefly in the balance sheet or in footnotes referred to therein. Where the rentals or obligations under long-term leases are material the following shall be set forth in a note to the appropriate financial statement:

(i) Total rental expense (reduced by rentals from subleases, with disclosure of such amounts) entering into the determination of results of operations for each period for which an income statement is presented shall be disclosed. Rental payments under short-term leases for a month or less which are not expected to be renewed need not be included. Contingent rentals, such as those based upon usage or sales, shall be reported separately from the basic or minimum rentals. Rentals on noncapitalized financing leases shall be shown separately for both categories of rentals reported.

(ii) The minimum rental commitments under all noncancelable leases shall be disclosed, as of the date of the latest balance sheet presented, in the aggregate (with disclosure of the amounts applicable to noncapitalized financing leases) for (A) each of the five succeeding fiscal years; (B) each of the next 3 five-year periods; and (C) the remainder as a single amount. The amounts so determined should be reduced by rentals to be received from existing noncancelable subleases (with disclosure of the amounts of such rentals). For purposes of this rule, a noncancelable lease is defined as one that has an initial or remaining term of more than one year and is noncancelable, or is cancelable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

(iii) Additional disclosures shall be made to report in general terms: (A) the basis for calculating rental payments if dependent upon factors other than the lapse of time; (B) existence and terms of renewal or purchase options, escalation clauses, etc.; (C) the nature and amount of related guarantees made or obligations assumed; (D) restrictions on paying dividends, incurring additional debt, further leasing, etc.; and (E) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and changes in financial position of the lessee.

(9) **General notes to balance sheets.** If present with respect to the person for which the statement is filed, the following shall be set forth in the balance sheet or in referenced notes thereto:

(i) Assets subject to lien. The amounts of assets mortgaged, pledged, or otherwise subject to a lien or security interest shall be designated and the obligation secured thereby, if any, shall be identified briefly.

(ii) Intercompany profits and losses. The effect upon any balance sheet item of profits or losses resulting from transactions with affiliated companies not consolidated shall be stated. If impracticable of accurate determination without unreasonable effort or expense, an estimate or explanation shall be given.

(iii) Preferrred shares. (A) If convertible, the terms of the conversion shall be described briefly; (B) if callable, the date or dates and the amount per share at which such shares are callable shall be stated; (C) arrears in cumulative dividends per share and in total for each class of shares shall be stated; and (D) aggregate preferences on involuntary liquidation, if other than the par or stated value, shall be shown parenthetically in the equity section of the balance sheet. When the excess involved is material, there shall be shown the difference between the aggregate preference on involuntary liquidation and the aggregate par or stated value, a statement that this difference (plus any arrears in dividends) exceeds the sum of the par or stated value of the junior capital shares, surplus, and undivided profits if such is the case, and a statement as to the existence (or absence) of any restrictions upon surplus and/or undivided profits growing out of the fact that upon involuntary liquidation the preference of the preferred stock exceeds its par or stated value.

(iv) Pension and retirement plans. (A) A brief description of the essential provisions of any employee pension or retirement plan shall be given; (B) The estimated annual cost of the plan shall be stated; (C) If a plan has not been funded or otherwise provided for, the estimated amount that would be necessary to fund or otherwise provide for the past-service cost of the plan shall be disclosed; (D) The excess, if any, of the actually computed value of vested benefits over the total of the pension fund and any balance sheet pension accruals, less any pension prepayments or deferred charges, shall be given as the most recent practicable date; and (E) A statement shall be given of the nature and effect of significant matters affecting comparability of pension cost for any periods for which income statements are presented.

(v) Capital stock optioned to officers and employees. (A) A brief description of the terms of each option arrangement shall be given, including the title and amount of securities subject to the option, the year or years during which the options were granted, and the year or years during which the optionees became, or will become, entitled to exercise the options;

(B) There shall be stated the number of shares under option at the balance sheet date, and the option price and the fair value thereof (per share and in total) at the dates the options were granted; the number of shares with respect to which options became exercisable during the period, and the option price and the fair value thereof (per share and in total) at the dates the options became exercisable; the number of shares with respect to which options were exercised during the period, and the option price and the fair value thereof (per share and in total) at the dates the options were exercised; and the number of unoptioned shares available at the beginning and at the close of the latest period presented, for the granting of options under an option plan. A brief description of the terms of each other arrangement covering shares sold or offered for sale to only directors, officers, and key employees shall be given, including the number of shares, and the offered price and the fair value thereof (per share and in total) at the dates of sale or offer to sell, as appropriate. The required information may be summarized as appropriate with respect to each of the categories referred to in this subclause;

(C) The basis of accounting for such option arrangements and the amount of charges, if any, reflected in income with respect thereto shall be stated.

(vi) Restrictions that limit the availability of surplus and/or undivided profits for dividend purposes. Any such restriction, other than as reported in paragraph (c)(9) (iii) of this section shall be described, indicating briefly its source, its pertinent provisions, and, where appropriate and determinable, the amount of the surplus and/or undivided profits so restricted.

(vii) Contingent liabilities. A brief statement as to contingent liabilities not reflected in the balance sheet shall be made.

(viii) Standby letters of credit. State the amount of outstanding "standby letters of credit." For the purpose of this paragraph, "standby letters of credit" include every letter of credit (or similar arrangement however named or designated) which represents an obligation to the beneficiary on the part of the issuing bank (A) to repay money borrowed by or advanced to or for the account of the account party or (B) to make payment on account of any evidence of indebtedness undertaken by the account party, or (C) to make payment on account of any default by the account party in the performance of an obligation,[2] except

See following page for footnote 2.

that, if prior to or at the time of issuance of a standby letter of credit, the issuing bank is paid an amount equal to the bank's maximum liability under the standby letter of credit, or has set aside sufficient funds in a segregated, clearly earmarked deposit account to cover the bank's maximum liability under the standby letter of credit, then the amount of that standby letter or credit need not be stated.

(ix) Defaults. The facts and amounts concerning any default in principal, interest, sinking fund, or redemption provisions with respect to any issue of securities or credit agreements, or any breach of covenant of a related indenture or agreement, which default or breach existed at the date of the most recent balance sheet being filed and which has not been subsequently cured, shall be stated. Notation of such default or breach of covenant shall be made in the financial statements and the entire amount of obligations to which the default or breach relates shall be classified as a current liability if said default or breach accelerates the maturity of the obligations and makes it current under the terms of the related indenture or agreement. Classification as a current obligation is not required if the lender has waived the accelerated due date or otherwise agreed to a due date more than one year from the balance sheet date. If a default or breach exists, but acceleration of the obligation has been waived for a stated period of time beyond the date of the most recent balance sheet being filed, state the amount of the obligation and the period of the waiver.

(x) Significant changes in bonds, mortgages, and similar debt. Any significant changes in the authorized or issued amounts of bonds, mortgages, and similar debt since the date of the latest balance sheet being filed for a particular person or group shall be stated.

(10) **General notes to statements of income.** If present with respect to the person for which the statement is filed, the following shall be set forth in the statement of income or in referenced notes thereto:

(i) Intercompany profits and losses. The amount of any profits or losses resulting from transactions between unconsolidated affiliated companies shall be stated. If impracticable of determination without unreasonable effort and expense, an estimate or explanation shall be given.

(ii) Depreciation and amortization. For the period of which statements of income are filed, there shall be stated the policy followed with respect to:

(A) The provision for depreciation of physical properties or valuation allowances created in lieu thereof, including the methods and, if practicable, the rates used in computing the annual amounts;

(B) The provision for depreciation and amortization of intangibles, or valuation allowances created in lieu thereof, including the methods and, if practicable, the rates used in computing the annual amounts;

(C) The accounting treatment for maintenance, repairs, renewals, and improvements; and

(D) The adjustment of the accumulated valuation allowances for depreciation and amortization at the time the properties were retired or otherwise disposed of, including the disposition made of any profit or loss on sale of such properties.

(iii) Bonus, profit sharing, and other similar plans. Describe the essential provisions of any such plans in which only directors, officers or key employees may participate, and state, for each of the fiscal periods for which income statements are required to be filed, the aggregate amount provided for all plans by charges to expense.

(iv) Income tax expense. (a) Disclosure shall be made, in the income statement or a note thereto, of the components of income tax expense, including: (1) taxes currently payable; (2) the net tax effects, as applicable, of (i) timing differences; (types of timing differences that are individually less than 15 per cent of the deferred tax amount in the income statement may be combined; if no individual type of difference is more than 5 per cent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate and the aggregate amount of timing differences is less than 5 per cent of such computed amount, disclosure of each of the separate types of timing differences may be omitted) and (ii) operating losses; and (3) the net deferred investment tax credits. Amounts applicable to United States Federal income taxes, to foreign income taxes and to other income taxes shall be stated separately for each major component, unless the amounts applicable to foreign and other income taxes do not exceed 5 per cent of the total for the component. (b) Provide a reconciliation between the amount of reported total income tax

[2] As defined, "standby letter of credit" would not include (1) commercial letters of credit and similar instruments where the issuing bank expects the beneficiary to draw upon the issuer and which do not "guaranty" payment of a money obligation or (2) a guaranty or similar obligation issued by a foreign branch in accordance with and subject to the limitations of Regulation M.

expense and the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, showing the estimated dollar amount of each of the underlying causes for the difference. If no individual reconciling item amounts to more than 5 per cent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, and the total difference to be reconciled is less than 5 per cent of such computed amount, no reconciliation need be provided unless it would be significant in appraising the trend of earnings. Reconciling items that are individually less than 5 per cent of the computed amount may be aggregated in the reconciliation. The reconciliation may be presented in percentages rather than in dollar amounts.

(v) Interest capitalized. (a) The amount of interest cost capitalized in each period for which an income statement is presented shall be shown within the income statement. Banks which follow a policy of capitalizing interest cost shall make the following additional disclosures required by items (b) and (c) below. (b) The reason for the policy of interest capitalization and the way in which the amount to be capitalized is determined. (c) The effect on net income for each period for which an income statement is presented of following a policy of capitalizing interest as compared to a policy of charging interest to expense as incurred.

(vi) Disagreements on accounting and financial disclosure matters. If, within the twenty-four months prior to the date of the most recent financial statements, a Form F-3 has been filed reporting a change of accountants and included in such filing there is a reported disagreement on any matter of accounting principles or practices or financial statement disclosure, and if such disagreement, if differently resolved, would have caused the financial statements to differ materially from those filed, state the existence and nature of the disagreement. In addition, if during the fiscal year in which the change in accountants took place or during the subsequent fiscal year there have been any transactions or events similar to those which involved a reported disagreement and if such transactions are material and were accounted for or disclosed in a manner different from that which the former accountants apparently concluded was required, state the effect on the financial statements if the method which the former accountant apparently concluded was required had been followed. The effects on the financial statements need not be disclosed if the method asserted by the former accountant ceases to be generally accepted because of authoritative standards or interpretations subsequently issued.

(d) **Consolidated financial statements.** (1) Consolidated statements generally present more meaningful information to the investor than unconsolidated statements. Except where good reason exists, consolidated statements of the bank and its majority-owned significant subsidiaries should be filed.

(2) Every majority-owned bank-premises subsidiary and every majority-owned subsidiary operating under the provisions of Section 25 or Section 25(a) of the Federal Reserve Act ("Agreement Corporation" and "Edge Act Corporations") shall be consolidated with that of the reporting bank irrespective of whether such subsidiary is a significant subsidiary.

(3) If the financial statements of a subsidiary are as of a date or for periods different from those of the bank, such statements may be used as the basis for consolidation of the subsidiary only if the date of such statements is not more than 93 days from the date of the close of the bank's fiscal year; the closing date of the subsidiary is specified; the necessity for the use of different closing dates is explained briefly; and any changes in the respective fiscal periods of the bank and the subsidiary made during the period of report are indicated clearly.

(4) There shall be set forth in a note to each consolidated balance sheet filed a statement of any difference between the investment in subsidiaries consolidated, as shown by the bank's books, and the bank's equity in the net assets of such subsidiaries as shown by the subsidiaries' books. If any such difference exists, there shall be set forth the amount of the difference and the disposition made thereof in preparing the consolidated statements, naming the balance sheet captions and stating the amount included in each.

(5) There may be filed financial statements in which majority-owned subsidiaries not consolidated with the parent are consolidated or combined in one or more groups, and 50 per cent or less owned persons, the investments in which are accounted for by the equity method are consolidated or combined in one or more groups, pursuant to principles of inclusion or exclusion which will clearly exhibit the financial position and results of operations of the group or groups.

(6) A brief description of the principles followed in consolidating or combining the separate finan-

cial statements, including the principles followed in determining the inclusion or exclusion of (i) subsidiaries in consolidated or combined financial statements and (ii) companies in consolidated or combined financial statements, shall be stated in the notes to the respective financial statements.

(7) As to each consolidated financial statement and as to each combined financial statement, if there has been a change in the persons included or excluded in the corresponding statement for the preceding fiscal period filed with the Board which has a material effect on the financial statements, the persons included and the persons excluded shall be disclosed. If there have been any changes in the respective fiscal periods of the persons included made during the periods of the report which have a material effect on the financial statements, indicate clearly such changes and the manner of treatment.

(e) **Statement of changes in capital accounts.** A statement of changes in capital accounts shall be filed with each statement of income filed pursuant to this Part.

(f) **Statement of changes in financial position.** A statement of changes in financial position shall be filed with each statement of income filed pursuant to this Part.

(g) **Schedules to be filed.** (1) The following schedules shall be filed with each balance sheet filed pursuant to this Part: Schedule I U.S. Treasury Securities, Securities of Other U.S. Government Agencies and Corporations, and Obligations of States and Political Subdivisions; Schedule II—Other Securities; Schedule III—Other Loans; Schedule IV - Bank Premises and Equipment; Schedule V - Investments in, Dividend Income from, and Share in Earnings or Losses of Unconsolidated Subsidiaries; and Schedule VI "Other" Liabilities for Borrowed Money.

(2) The following schedule shall be filed with each statement of income filed pursuant to this Part: Schedule VII Allowance for Possible Loan Losses.

(3) Reference to the schedules referred to in subparagraphs (1) and (2) shall be made against the appropriate captions of the balance sheet or statement of income.

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NOTE. Forms for proxy statements, annual report to shareholders, stock ownership reports of officers and directors, financial statements, and other reports filed under this Regulation are available upon request to any Federal Reserve Bank.

MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

The Board of Governors has amended its Regulation H to require State member banks acting as transfer agents to register with the Board.

AMENDMENT TO REGULATION H

Effective December 1, 1975, paragraph 208.8(f) is added to read as follows:

SECTION 208.8—BANKING PRACTICES

* * * * *

(f) **State member banks as transfer agents.** (1) On or after December 1, 1975, no State member bank or any of its subsidiaries shall act as transfer agent, as defined in Section 3(a)(25) of the Securities Exchange Act of 1934 ("Act"), with respect to any security registered under Section 12 of the Act or which would be required to be registered except for the exemption from registration provided by subsection (g)(2)(B) or (g)(2)(G) of that Section, unless it shall have filed a registration statement with the Board in conformity with the requirements of Form TA-1,[1] which registration statement shall have become effective as hereinafter provided. Any registration statement filed by a State member bank or its subsidiary shall become effective on the thirtieth day after filing with the Board unless the Board takes affirmative action to accelerate, deny or postpone such registration in accordance with the provisions of Section 17A(c) of the Act. Such filings with the Board will constitute filings with the Securities and Exchange Commission for purposes of Section 17(c)(1) of the Act.

(2) If the information contained in Items 1-6 of Form TA-1 becomes inaccurate, misleading or incomplete for any reason, the bank or its subsidiary shall, within twenty-one calendar days thereafter, file an amendment to Form TA-1 correcting the inaccurate, misleading or incomplete information. Within thirty calendar days following the close of any calendar year (beginning with the period from the date as of which the registration statement is prepared to December 31, 1976) during which the information required by Item 7 of

[1] Copies of Form TA-1 are available upon request to any Federal Reserve Bank.

Form TA-1 becomes inaccurate, misleading or incomplete, the bank or its subsidiary shall file an amendment to Form TA-1 correcting the inaccurate, misleading or incomplete information.

(3) Each registration statement on Form TA-1 or amendment thereto shall constitute a "report" or "application" within the meaning of Sections 17, 17A(c) and 32(a) of the Act.

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

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

CITIZENS BANCORPORATION, CHARLES CITY, IOWA

Order Denying Formation of Bank Holding Company

Citizens Bancorporation, Charles City, Iowa, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 80 per cent or more of the voting shares of The Citizens National Bank of Charles City, Charles City, Iowa ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, a non-operating company with no subsidiaries, was organized for the purpose of becoming a bank holding company through the acquisition of Bank ($14.6 million in deposits).[1] Bank is the third largest of five banks operating in the Charles City banking market[2] and controls approximately 19 per cent of the total commercial bank deposits therein. Upon acquisition of Bank, Applicant would control the 215th largest bank in Iowa, holding .14 per cent of total deposits in commercial banks in the State. Since the purpose of the proposed transaction is to effect a transfer of the ownership of Bank from individuals to a corporation owned by the same individuals, consummation of the proposal herein would not eliminate existing or potential competition, nor have an adverse effect on other area banks.

Applicant's principal is also a principal in The Kanabec Credit Company, Mora, Minnesota, a registered one bank holding company, which owns 84 per cent of The Kanabec State Bank, Mora, Minnesota. In addition, this individual and his brother together own 88 per cent of The Sibley County Bank, Henderson, Minnesota. Since both of these banks are located in banking markets separate from the relevant market in this case, and the closest one is approximately 140 miles from Bank, consummation of the proposal would eliminate no existing competition. Therefore, competitive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that it believes that a holding company should provide a source of strength to its subsidiary bank(s) and that every proposed formation and acquisition will be closely examined with this consideration in mind. With respect to the present proposal, Applicant would incur substantial debt which Applicant proposes to service over a 12-year period through dividends from Bank. In the Board's view, the projected earnings of Applicant do not appear to provide Applicant with the necessary financial flexibility to service its debt as well as to serve as a financial source of strength to Bank and to meet unexpected problems. Futhermore, the Board notes with concern the highly leveraged condition of The Kanabec Credit Company as well as the high level of debt incurrred by Applicant's principal in acquiring The Sibley County Bank and Bank. This situation could impair the ability of Applicant's principal to aid Applicant in the event it incurs problems servicing its acquisition debt while at the same time maintaining an adequate captial account at Bank. While the Board recognizes that denial herein cannot affect present relationships, the Board believes that it should not approve a holding company debt structure that could impair the financial condition of Bank, nor

[1] All banking data are as of December 31, 1974.

[2] The Charles City banking market is approximated by Floyd County, except for the town of Nora Springs, and includes the town of Nashua in Chickasaw County.

would the public interest be served by such Board action. Therefore, on the basis of these and other facts of record, the Board has determined that considerations relating to financial factors lend weight toward denial of the application.

Applicant has proposed some changes which could benefit the community, including certain fiduciary services, a strengthened agricultural lending program, and the future use of electronic terminal devices. However, the introduction of these services is not dependent upon formation of Applicant as a bank holding company and, in any event, does not outweigh the aforementioned adverse banking factors connected with this proposal.

On the basis of all of the circumstances concerning this application, the Board concludes that the financial considerations involved in this proposal present adverse circumstances bearing upon the financial condition and prospects of both Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits which would result in 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 record, the application is denied for the reasons summarized above.

By order of the Board of Governors, effective October 24, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Bucher, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governors Holland and Wallich.

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

CITIZENS BANCORP,
MAUD, OKLAHOMA

Order Denying
Formation of Bank Holding Company

Citizens Bancorp, Maud, Oklahoma, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through the acquisition of 80 per cent or more of the voting shares of Citizens State Bank, Maud, Oklahoma ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant is a nonoperating corporation organized under the laws of Oklahoma for the purpose of becoming a bank holding company through the acquisition of Bank. With deposits of \$4.7 million,[1] Bank holds approximately .15 of one per cent of the total deposits held by commercial banks in the Oklahoma City banking market (the relevant banking market),[2] and is one of the smaller organizations competing in that market. Inasmuch as this proposal represents merely a reorganization of existing ownership interests, and since Applicant has no present banking subsidiaries, the acquisition of Bank by Applicant would not have any significant adverse effect upon either actual or potential competition within the relevant market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has previously indicated that it believes that a holding company should be a source of financial and managerial strength to its subsidiary bank(s), and that it will closely examine the condition of the Applicant in each case with this consideration in mind. Applicant will incur a relatively large acquisition debt in connection with this proposal, which it proposes to service over a 12-year period primarily through dividends from Bank. In the Board's view, the projected earnings of Applicant over the debt-retirement period appear to be somewhat optimistic in view of Bank's previous earnings. Furthermore, even if anticipated earnings are actually realized, the debt servicing requirements imposed on Applicant would limit Applicant's ability to meet any unforeseen financial problems that might arise, and thereby impair Bank's overall ability to continue to serve the community as a viable banking organization. Accordingly, the Board views the sizable acquisition debt to be incurred by Applicant as a significantly adverse factor in the consideration of the subject proposal and finds that the financial factors weigh against approval of the application.

[1] All banking data are as of December 31, 1974.

[2] The Oklahoma City banking market is approximated by the Oklahoma City SMSA which is defined to include the counties of Canadian, Cleveland, McClaine, Oklahoma and Pottawatomie.

In its consideration of this proposal, the Board also notes that Applicant's principals acquired their original interest in Bank through a loan obtained from a third party bank. Under this proposal, Applicant would assume the debt resulting from this loan to its principals. Analysis of the history of Bank's deposits kept with the lending bank as well as Bank's previous correspondent balance history leads the Board to the conclusion that the debt being assumed, which is at an annual interest rate of 5.75 per cent, is being financed in part by the maintenance of a large compensating balance by Bank at the lending institution. Further, it appears that the management group has been receiving salaries and retainers from Bank which are considered excessive in relation to services rendered. To the extent that these practices exist they constitute a use of Bank assets to the detriment of the minority shareholders of Bank and therefore reflect adversely on managerial considerations.

As indicated above, the proposed formation essentially involves the reorganization of the ownership interest of Bank without any significant changes in Bank's operations or the services offered to customers of Bank. Consequently, considerations relating to the convenience and needs of the community to be served lend no weight toward approval of the application.

On the basis of all of the circumstances concerning this application, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the financial conditions and managerial resources of both Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits that would result concerning 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 October 6, 1975.

Voting for this action: Governors Bucher, Holland, Wallich, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governor Mitchell.

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

[SEAL]

COMMERCIAL BANKSHARES, INC., GRAND ISLAND, NEBRASKA

Order Approving Formation of Bank Holding Company

Commercial Bankshares, Inc., Grand Island, Nebraska, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 88.9 per cent or more of the voting shares of Commercial National Bank & Trust Company, Grand Island, Nebraska ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant is a corporation organized under the laws of the State of Nebraska for the purpose of becoming a bank holding company through the acquisition of Bank. In the relevant banking market (approximated by Hall County, Nebraska), Bank (deposits of \$47.8 million)[1] is the second largest of seven commercial banks and controls approximately 24.1 per cent of the total deposits held by commercial banks in that market.[2] Through eight other one-bank holding companies, certain principals of Applicant also have interests in six banks in Colorado and two banks in Nebraska. However, none of the other banks in which principals of Applicant are involved compete with Bank to any significant extent. Furthermore, inasmuch as the present proposal involves a transfer of the ownership of Bank from individuals to a corporation controlled essentially by those same individuals, and Applicant has no present banking subsidiaries, it appears that the acquisition of Bank by Applicant would not have any significantly adverse effect upon either existing or potential competition within the relevant market. Accordingly, on the basis of record, the Board concludes that competitive considerations are consistent with approval of the application.

[1]All banking data are as of December 31, 1974, unless otherwise indicated.

[2]Of these seven banks, four (including the market's three largest) are located in the city of Grand Island, Nebraska.

Under the Bank Holding Company Act, the Board is required to consider the financial and managerial resources and future prospects of the bank holding company involved and the bank to be acquired. In the exercise of that responsibility, the Board has previously indicated its concern about the utilization of significant acquisition debt and the effect that such debt may have on the overall financial prospects of the holding company and the bank involved. In acting on one-bank holding company formations, the Board has been somewhat liberal in the financial standards that it has applied in cases where the current or prospective owner-chief executive is establishing a one-bank holding company to hold direct equity interest in his bank. The Board regards such a policy as being in the public interest in order to facilitate management succession on the community level at the Nation's many smaller, independent banks.[3]

However, the Board does not believe as a general matter that such liberality should pertain to situations where individuals are involved in more than one one-bank holding company, such as where individuals are engaged in establishing a series or chain of one-bank holding companies. In such situations, the Board believes it more appropriate to analyze such organizations under the more restrictive financial standards that are normally used in analyzing multi-bank holding companies. Such analysis appears appropriate in such circumstances because of the financial interdependence regularly exhibited by a chain of commonly owned one-bank holding companies and the distinct possibility that the resources of one or more banks in the chain may be used to support the operations of other members of the banking group.

Even applying the more restrictive financial standards normally used in analyzing multi-bank holding companies, the Board finds that financial considerations relating to the present proposal are consistent with approval of the application.

Although Applicant will incur acquisition debt in connection with this proposal, it appears that Applicant will be able to service this debt over a twelve-year period without impairing the financial condition of Bank during that period. In addition, Applicant's principals have demonstrated their ability to service the debt of the eight other one-bank holding companies under their control without impairing the capital of those companies' respective subsidiary banks. In general, it appears that the overall financial condition of Applicant and of the other one-bank holding companies in which principals of Applicant are involved is satisfactory and consistent with approval of the application. With respect to convenience and needs considerations, it appears that there have been numerous improvements in Bank's operations, such as increasing banking hours, new and expanded services, and increased community involvement since the time that Applicant's principals acquired control of Bank. Such considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

Accordingly, on the basis of the above, in addition to other facts of record, the Board concludes that considerations relating to the financial condition, resources, and prospects of Applicant are consistent with approval of the application. The Board also regards managerial considerations and benefits that would result in the convenience and needs of the community to be served as being consistent with approval of the application. It is the Board's judgment that consummation of the holding company formation would be in the public interest and that the application to acquire Bank should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order, or (b) 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 Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective October 17, 1975.

Voting for this action: Chairman Burns and Governors Bucher, Holland, and Jackson. Voting against this action: Governor Mitchell. Absent and not voting: Governors Wallich and Coldwell.

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

SOUTHEASTERN BANCSHARES, INC.,
BROKEN BOW, OKLAHOMA

Order Approving
Formation of Bank Holding Company

Southeastern Bancshares, Inc., Broken Bow, Oklahoma, has applied for the Board's approval

[3]See Board's Order dated January 15, 1974, denying the application for Board approval of the formation of a bank holding company filed under Section 3 of the Act by BHCo., Inc., Hardin, Montana [60 Federal Reserve BULLETIN 123 (1974), 39 Federal Register 2643 (1974)].

under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 100 per cent of the voting shares, less directors' qualifying shares, of 1st Bank & Trust, Broken Bow, Oklahoma ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant is a recently organized corporation formed for the purpose of becoming a bank holding company through the acquisition of Bank. Bank (deposits of $19.8 million)[1] is the second largest of five banks in the McCurtain banking market[2] and controls approximately 27 per cent of the total deposits in commercial banks in the market. Upon acquisition of Bank, Applicant would control 0.2 of one per cent of the total deposits in commercial banks in Oklahoma.

The principal shareholder of Applicant also controls First State Bank of Idabel ("Idabel Bank") Idabel, Oklahoma. Idabel Bank (deposits of $27.0 million) is the largest bank in the McCurtain banking market. Idabel Bank is located in the town of Idabel approximately 12 miles south of Bank, and is separated from Bank by a natural barrier. Although Idabel Bank and Bank are both located in the McCurtain banking market, the Board notes that the principal of Applicant acquired Idabel Bank at a time when that bank was experiencing some financial and managerial problems, and that his subsequent control of Idabel Bank has been beneficial to that bank's overall operations. Accordingly, based on the facts of this case, particularly the fact that the transaction represents merely a reorganization of the existing ownership of Bank, the Board concludes that consummation of the proposal would not have any adverse effect on other banks in the relevant market, and that competitive considerations are consistent with approval of the application.

The future prospects of Applicant are entirely dependent upon the financial resources of Bank. Applicant proposes to service the debt it would assume incident to this proposal over a twelve year period through dividends from Bank. In light of Bank's past earnings and its anticipated growth, the projected earnings of Bank appear reasonable and would provide Applicant with the necessary financial flexibility to meet its annual debt servicing and preferred stock dividend requirements and to maintain an adequate capital position for Bank. Moreover, Applicant intends to inject $300 thousand in additional capital into Bank shortly after consummation of this transaction. The managerial resources of Applicant and Bank are considered satisfactory and the future prospects for each appear favorable.

As noted above, Applicant's principal is also involved with Idabel Bank. A factor lending weight toward approval of the subject application is the fact that permitting the principal of Applicant to place his interest in Bank in a holding company structure will relieve the principal from some additional debt associated with his initial acquisition of Bank. As a result, Applicant's principal will have greater financial flexibility in his efforts to strengthen the overall financial condition of Idabel Bank. Accordingly, on the basis of the foregoing and other facts of record, the Board concludes that, on balance, considerations relating to banking factors are consistent with approval of the subject application.

Although consummation of the proposal would effect no immediate changes in the banking services offered by Bank, considerations relating to the convenience and needs of the community to be served are consistent with approval. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective October 8, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Bucher, Holland, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governor Wallich.

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

[1]All banking data are as of December 31, 1974.

[2]The McCurtain banking market is approximated by McCurtain County, Oklahoma.

CleveTrust Corporation, Cleveland, Ohio

Order Approving Acquisition of Bank

CleveTrust Corporation, Cleveland, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The Northeastern Ohio National Bank, Ashtabula, Ohio.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the largest bank holding company in Ohio, controls three banks with aggregate deposits of approximately $3 billion,[1] representing 10 per cent of the total deposits in commercial banks in the State.[2] Acquisition of Bank would increase Applicant's share of State deposits by two-tenths of one per cent. Consummation of the proposal would not significantly affect State-wide concentration of banking resources in Ohio.

Bank is the second largest of four banking organizations in the Ashtabula banking market[3] and controls approximately 36.7 per cent of total market deposits. On the basis of the record, it appears that some existing competition between Applicant's banking subsidiaries and Bank may be eliminated as a result of the proposal. However, the service areas of Applicant's subsidiaries and Bank do not appear to overlap, and the amount of any such competition that would be eliminated as a result of the proposal does not appear to be significant. Furthmore, it appears unlikely that Applicant would enter the market *de novo*, in view of the fact that the market's population and deposits per banking office ratios are below the respective State averages. Therefore, the Board concludes that consummation of the proposed transaction would not have a significantly adverse effect on existing or potential competition in any relevant area.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as satisfactory and consistent with approval of the application. Affiliation with Applicant will enable Bank to expand a number of its services such as equipment leasing, trust services and international banking services. These expanded services should provide some added convenience to the residents of the area. Therefore, convenience and needs considerations lend weight toward approval of the application. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective October 8, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Bucher, Holland, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governor Wallich.

(Signed) Griffith L. Garwood,
[seal] *Assistant Secretary to the Board.*

[1] Applicant has obtained Board approval to acquire but has not yet acquired The City Bank, Kent, Ohio.

[2] All banking data are as of December 31, 1974, and reflect bank holding company formations and acquisitions approved by the Board through September 9, 1975.

[3] The Ashtabula banking market is approximated by Ashtabula County

First Amtenn Corporation, Nashville, Tennessee

Order Denying Acquisition of Bank

First Amtenn Corporation, Nashville, Tennessee, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of The First National Bank of Sparta, Sparta, Tennessee ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the second largest banking organization in Tennessee, controls eight banks with aggregate deposits of approximately $1.2 billion, representing 9.4 per cent of the total deposits in commercial banks in the State.[1] Acquisition of Bank would increase Applicant's share of State deposits by 0.26 per cent and would not significantly increase the concentration of banking resources in Tennessee.

Bank holds deposits of approximately $32 million, representing 66 per cent of the total deposits in commercial banks in the relevant market,[2] and ranks as the larger of two banks operating in the market. Applicant's subsidiary bank closest to Bank is located 60 miles away in Tullahoma, Tennessee. It does not appear that any meaningful competition presently exists between Applicant's banking subsidiaries and Bank. Furthermore, it does not appear that any significant competition would develop in the foreseeable future between Applicant and Bank in view of the distances involved and Tennessee law, which prohibits Applicant from entering the relevant market *de novo* prior to 1980. Moreover, consummation of the proposed transaction could have a salutory effect on competition by permitting Bank's sole competitor in the market, a branch office of Commerce Union Bank of Nashville, Nashville, Tennessee, to reorganize itself into a bank with branching powers. Therefore, the Board concludes that consummation of the proposal would not have any significantly adverse effects on existing or potential competition in any relevant area, and that the competitive considerations are consistent with approval of the application.

As indicated on previous occasions, the Board believes that a holding company should be a source of financial and managerial strength to its subsidiary bank(s), and that the Board will closely examine the condition of the applicant in each case with this consideration in mind. The subject proposal is not an exchange of shares but contemplates an acquisition debt of more than $6.6 million, including an immediate cash outlay of almost $1 million. The funds required to service this debt would be a significant cash drain on Applicant. In the Board's view, the projected earnings of Applicant do not provide Applicant with the necessary funds to meet this proposed increase in its annual debt servicing requirements while at the same time maintaining and strengthening the capital at its subsidiary banks. Under these circumstances, the Board believes that Applicant should concentrate its financial and managerial resources toward strengthening its existing subsidiaries before seeking further expansion of its banking interests. Accordingly, the Board concludes that considerations relating to the financial and managerial resources and future prospects weigh against approval of the application.

With respect to convenience and needs considerations, Applicant proposes to expand the services presently offered by Bank. While these considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the application, they do not outweigh the adverse findings with respect to the financial factors involved in Applicant's proposal.

Based upon the foregoing and other considerations reflected in the record, the Board concludes that the financial considerations involved in the proposal present adverse factors bearing on the financial condition and future prospects of Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by the benefits which would result in 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, and hereby is, denied.

By order of the Board of Governors, effective October 28, 1975.

Voting for this action: Chairman Burns and Governors Bucher, Holland, Coldwell, and Jackson. Absent and not voting: Governors Mitchell and Wallich.

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

THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, KANSAS CITY, KANSAS

Order Approving Acquisition of Bank Stock

The International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and

[1]All banking data are as of December 31, 1974, and reflect bank holding company formations and acquisitions approved through September 30, 1975.

[2]The relevant market for purposes of analyzing the competitive effects of the subject proposal is approximated by all of White County, Tennessee.

Helpers, Kansas City, Kansas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) for flexible authority to acquire, from time to time, additional voting shares of The Brotherhood State Bank, Kansas City, Kansas ("Bank"), so long as Applicant's interest does not exceed 40 per cent of Bank's outstanding voting shares.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, a fraternal labor organization, is a one-bank holding company that became subject to the Act by virtue of the 1970 Amendments thereto. Applicant presently owns or controls 32.3 per cent of the shares of Bank. With total deposits of $48 million, Bank controls approximately 1.03 per cent of the total deposits in commercial banks in the Kansas City market[1] and is the sixteenth largest bank in that market.[2]

Applicant requests Board approval to acquire, from time to time, up to an additional 7.7 per cent of the voting shares of Bank. Although Applicant does not propose to acquire any additional shares of Bank immediately, the purpose of filing the instant application is to facilitate Applicant's future acquisitions, on an intermittent basis, of additional shares of Bank from shareholders holding nominal amounts of Bank stock. In many cases the shareholders from whom Applicant would purchase shares would be individuals associated with the fraternal organization. Specific examples of such stockholders cited by Applicant in the application include retired persons desiring to transfer their assets to a more income-producing type of asset; widows of deceased stockholders who wish to secure immediate funds; and persons in financial distress. In view of Applicant's status under the Bank Holding Company Act,[3] and the relationship which exists between many of Bank's stockholders and Applicant, a union of which they are members, the Board believes that the unique facts present in this proposal are such that approving Applicant's request would be consistent with the public interest. In this connection, it is noted that no meaningful change in the control of Bank would result from granting Applicant the authority to vary its proportionate interest in Bank within the limits and under the circumstances described herein. Moreover, consummation of the proposal would not have any adverse effect on existing or potential competition, nor would it increase the concentration of banking resources or have an adverse effect on other banks in the area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and Bank are regarded as favorable and consistent with approval of the application. Similarly, considerations relating to convenience and needs of the community to be served are consistent with approval of the application. It is the Board's judgment that approval of the application would be consistent with the public interest and that the application should be approved.

Accordingly, on the basis of the unique facts in the present record, the application is approved for the reasons summarized above. No such acquisition shall be made before the thirtieth calendar day following the effective date of this Order. Furthermore, the authority to purchase additional shares of Bank so long as Applicant's aggregate holdings in Bank do not exceed 40 per cent of the outstanding shares of Bank shall expire on December 31, 1976. Upon request by the Applicant, the Federal Reserve Bank of Kansas City is hereby authorized, pursuant to delegated authority from the Board, to extend the authority granted herein for not more than one year at a time, if in its judgment, the financial and managerial resources of Applicant and Bank are satisfactory and such extensions would not be detrimental to the public interest, but no such extensions granted by the Reserve Bank shall in the aggregate exceed five years. Any request by Applicant for a one-year extension of the authority granted herein shall be submitted in writing to the Reserve Bank no later than October 1 of the year preceding the expiration of such authority and shall include the number of shares of Bank that Applicant has sold or acquired since the date of this

[1] The Kansas City banking market is approximated by Johnson and Wyandotte Counties in Kansas and northern Cass County and Clay, Jackson and Platte Counties in Missouri.

[2] All banking data are as of December 31, 1974.

[3] As a labor organization, Applicant is exempt from the prohibitions in section 4 of the Act, relating to the nonbanking interests of a bank holding company, by virtue of section 4(c)(i) thereof.

Order, the number of voting shares of Bank then outstanding, the number of shares of Bank then held by Applicant, and any other information that the Reserve Bank may deem relevant in acting on such request.

By order of the Board of Governors, effective October 29, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Holland, Wallich, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governor Bucher.

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

OLD KENT FINANCIAL CORPORATION, GRAND RAPIDS, MICHIGAN

Order Approving Acquisition of Banks

Old Kent Financial Corporation, Grand Rapids, Michigan ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent of the voting shares of both Old Kent Bank of Grandville, Grandville, Michigan ("Grandville Bank"), and Old Kent Bank of Wyoming, Wyoming, Michigan ("Wyoming Bank"), both proposed new banks.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the seventh largest banking organization in Michigan, controls four banks with aggregate deposits of approximately $851 million, representing about 3 per cent of the total commercial bank deposits in the State.[1] Since the applications involve the establishment of *de novo* banks, no existing competition between any of Applicant's present subsidiaries and Grandville Bank or Wyoming Bank would be eliminated by the proposals, nor would concentration be increased in any relevant area.

Both Grandville Bank and Wyoming Bank are to be located in the Grand Rapids banking market.[2] Applicant's lead bank, Old Kent Bank & Trust Company ("Old Kent Bank"), which is also located in the Grand Rapids market, controls $764 million in deposits, representing 49 per cent of market deposits, and Applicant ranks thereby as the largest banking organization in the market.[3] The second largest banking organization in the market, which ranks as the eleventh largest in the State, controls 22.8 per cent of market deposits, and the market's third largest banking organization, which ranks second in the State, controls 20.3 per cent of such deposits. In addition to the market's three largest banking organizations, 13 other banking organizations, including the first, fifth, and tenth largest banking organizations in the State, are also represented in the market. Although Applicant is the largest banking organization in the market, it does not appear that consummation of the subject proposal would significantly alter the structure of banking in the market.

As indicated above, both Grandville Bank and Wyoming Bank will be located in the Grand Rapids banking market. The city of Grandville, with a population of 12,000, is located about six miles southwest of Grand Rapids, and the Grandville Bank will primarily serve the southern portion of that city as well as the southwestern portion of the city of Wyoming. Applicant's lead bank operates one branch office in Grandville, and the only other banking office in the city proper, which is also the only organization legally capable of branching in Grandville, is the main office of a subsidiary bank of the State's largest banking organization. It is noted that no new banking office has been established in Grandville within the past few years although the population grew some 35 per cent during the period 1960-1970, which is more than three times the population growth experienced by the overall Grand Rapids market as well as the State as a whole. Based on the past and projected population growth of Grandville, it appears that the area should be able to support an additional banking office without having undue adverse effects on any competing banks.

The city of Wyoming, with a population of 62,000, is located just south of Grand Rapids, and Wyoming Bank will primarily serve the south central portion of Wyoming. In addition to a branch office of Applicant's lead bank, Wyoming

[1] All banking data, unless otherwise indicated, are as of December 31, 1974, and reflect bank holding company formations and acquisitions approved through July 31, 1975.

[2] The Grand Rapids banking market is approximated by the Grand Rapids RMA.

[3] All market data are as of June 30, 1974.

also contains four branch offices of the market's second largest banking organization and four offices of a subsidiary bank of the third largest banking organization in the market, the latter being the only bank that may presently open additional branches in Wyoming under Michigan law. The Wyoming area has also experienced significant population growth in the past, as evidenced by a population growth of about 23 per cent during the period from 1960-1970 (which is approximately twice that for the Grand Rapids market and for the State), and the prospects for continued growth in the area appear favorable. In view of the increasing demand for banking services resulting from such growth, it appears that the establishment of a bank by Applicant in Wyoming would not have any undue adverse effect on any competing banks.

The Board has previously expressed some concern about the competitive effects of expansion within a market by a market's largest banking organization, even where such expansion was through the establishment of a new bank. However, with respect to each of the proposals under consideration, it appears that Applicant is not seeking to preempt a banking site before there is a need for a bank. Moreover, consummation of neither of the proposals should raise significant barriers to entry from organizations without the Grand Rapids market. The Grand Rapids market in general, and the communities of Grandville and Wyoming in particular, should remain attractive for *de novo* entry by others. Accordingly, having considered all the facts of record in connection with each of Applicant's proposals, the Board concludes that the overall effects on competition will be no more than slightly adverse.

The financial condition, managerial resources and prospects of Applicant and its subsidiary banks are satisfactory. Grandville Bank and Wyoming Bank, as proposed new banks, have no operating history, but projected earnings and growth for each of the new banks appear favorable. Thus, banking factors are consistent with approval of the applications.

As indicated above, both Grandville and Wyoming have experienced significant population growth, with an accompanying increased demand for additional banking services. In addition to providing an additional banking office to each of their respective communities, Grandville Bank and Wyoming Bank will each offer a full range of banking services, some of which are not presently available from the banking offices now in Grandville and Wyoming. Some of the services to be offered by each of the proposed banks include special checking, longer banking hours, reduced loan rates, and lower minimum deposits on 90-day certificates of deposits. In the Board's view, these considerations relating to convenience and needs of the communities to be served are consistent with approval of each of the applications and, moreover, outweigh any slightly adverse effects that might result therefrom. It is the Board's judgment that the proposed acquisitions would be in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transactions shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) Old Kent Bank of Grandville, Grandville, Michigan, and Old Kent Bank of Wyoming, Wyoming, Michigan, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be 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 October 2, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Bucher, Wallich, and Jackson. Voting against this action: Governors Holland and Coldwell. Absent and not voting: Chairman Burns.

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

Dissenting Statement of Governors Holland and Coldwell

We dissent from the Board's action approving the establishment of two *de novo* banks in the Grand Rapids market by Old Kent Financial Corporation, the largest banking organization in that market. We believe that the Board's action of this date will further accentuate the concentration of banking resources within this banking market and, in the long run, will result in a less competitive banking environment.

Courts have long recognized that *de novo* activity by the dominant organization in a market may be a means whereby competitors are "excluded" from that market. In *United States v. Alcoa*, 148 F.2d 416, at 431 (2d Cir. 1945), the Court stated:

Nothing compelled it [Alcoa] to keep doubling and redoubling its capacity before others entered the field. It insists that it never excluded competitors; but we can think of no more effective exclusion than progressively to embrace each new opportunity as it opened, and to face every newcomer with new capacity already geared into a great organization, having the advantage of experience, trade connections and the elite of personnel.

In terms of competition in the banking industry, the Board has similarly recognized the adverse competitive consequences that may result from *de novo* expansion if carried too far by a market's dominant organization. Some of the obvious adverse consequences resulting from such expansion include solidifying the organization's dominant position in the market and reducing the likelihood that the market would become less concentrated and thus more competitive.

Turning to the specific facts in this case, we note that Applicant controls 49 per cent of the market's deposits, more than the combined shares of the second and third largest banking organizations in the market, and the market's three largest banking organizations control 92.1 per cent of the deposits. In view of the existing structure of banking in the Grand Rapids market, we believe that any action by the market's dominant organization that would have the effect of lessening the possibility of a deconcentration of the banking resources within the market should be resisted unless other public benefits of such action are overwhelming.

The areas to be served by Grandville Bank and Wyoming Bank have experienced significant population growth and have good prospects for continued growth. We believe attractive locations in such areas should be preserved for entry or expansion by new or existing competitors rather than being used for *additional* sites in those localities by the market's already dominant banking organization. It appears to us that the Board's action will have a discouraging effect upon other would-be competitors, since organizations that might otherwise have been attracted to enter either Grandville or Wyoming will now have to reconsider whether they want to confront the proliferating presence of the market's dominant banking organization in those cities. Consequently, we think the possibility that the market would become less concentrated will be significantly diminished.

In view of our conclusion with respect to the adverse competitive effects of Applicant's proposals, the Bank Holding Company Act requires us to consider whether such adverse effects are clearly outweighed by other public interest considerations reflected in the record. We think they clearly are not. Applicant already serves the communities of Grandville and Wyoming. Applicant operates a branch in the city of Grandville less than two miles north of the site of Grandville Bank and two other branches within 2.5 miles of the site of the Grandville Bank. In regard to Wyoming Bank, Applicant already operates a branch in the city of Wyoming and six branches outside Wyoming but within 1.5 miles of the city. In each instance, Applicant is able to serve the communities of Grandville and Wyoming from its existing branches, as evidenced by the sizable deposits Applicant derives from each of the communities. Therefore, we fail to perceive how the establishment of two new banks by Applicant will benefit the convenience and needs of the communities to be served to any important extent. Accordingly, we find that convenience and needs considerations do not outweigh the adverse competitive effects flowing from Applicant's proposals.

On the basis of the record, it is our judgment that the proposed acquisitions would not be in the public interest and that the applications should be denied.

Third National Corporation, Nashville, Tennessee

Order Denying Application for Acquisition of Bank

Third National Corporation, Nashville, Tennessee, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 50 per cent or more of the voting shares of Bank of Huntingdon, Huntingdon, Tennessee ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 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 § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the third largest banking organization in Tennessee, controls eight banks with aggregate deposits of approximately $1.1 billion, representing approximately 8.8 per cent of the total deposits in commercial banks in the State.[1] Ac-

[1] All banking data are as of December 31, 1974, and reflect holding company formations and acquisitions approved through July 31, 1975.

quisition of Bank would increase Applicant's share of State deposits only slightly and would not alter Applicant's ranking among the other banking organizations in the State. Accordingly, consummation of the proposal would not significantly increase the concentration of banking resources in Tennessee.

Bank holds deposits of approximately $32 million representing approximately 49 per cent of the total deposits in commercial banks in the relevant banking market and is the largest of six commercial banks operating therein.[2] Applicant's banking subsidiary closest to Bank is located 52 miles away in Savannah. It appears that no meaningful competition presently exists between any of Applicant's subsidiary banks and Bank, nor is any competition likely to develop in view of the distances involved. The relevant market is a sparsely populated, rural area, the *per capita* income of which is substantially below the *per capita* income of the State of Tennessee; the market's population and deposit ratios per banking office are also substantially below the State average. The market does not appear attractive for *de novo* entry and accordingly, but for this application, Applicant is not deemed a likely entrant into the market. The Board concludes that consummation of the proposed transaction would not have any significant adverse effects on existing or potential competition in any relevant area and that the competitive considerations are consistent with approval of the application.

The Board has repeatedly indicated that a holding company should provide a source of strength for its subsidiary banks and that the Board examines closely the condition of an applicant in each case with this in mind. With respect to the present proposal, Bank would be acquired through a cash purchase of Bank's stock. Principal and interest payments on the debt incurred by consummation of this proposal would represent a significant cash drain on Applicant and an increase in its already leveraged position. Projected earnings of Applicant, in the Board's view, do not provide Applicant with the necessary financial flexibility to meet this proposed substantial increase in its annual debt servicing requirements as well as any unexpected problems that may arise at any of its subsidiary banks. In addition, Applicant, through its mortgage lending subsidiary, is currently experiencing financial pressures. The Board feels that Applicant should concentrate its financial and managerial resources to strengthen its present subsidiaries before seeking further expansion. Accordingly, on the basis of the record, the Board concludes that the considerations relating to the financial and managerial resources and future prospects of Applicant weigh against approval of the application.

Applicant has proposed to provide Bank with accounting and data processing services and to assist in meeting present and future management requirements. The Board does not consider these convenience and needs considerations sufficient to outweigh adverse financial considerations. 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.

During the course of processing the instant application, it came to the Board's attention that officials of Applicant and of its major subsidiary bank had indirect ownership interests in Bank, that because Applicant intended to pay a significant premium on shares of Bank, these individuals stood to gain a substantial profit as a result of Applicant's proposed acquisition of shares of Bank, and that these facts had not been previously disclosed to the public. Accordingly, the Board referred the matter to the Securities and Exchange Commission for consideration whether Applicant, or any of the individuals involved, had violated the Securities Act of 1933 or the Securities Exchange Act of 1934. The Board deferred determination of the instant application pending such consideration by the Commission. Without admitting or denying any of the Commission's findings, Applicant subsequently consented to the entry of an order by the Commission requiring certain public disclosures relating to the matter referred by the Board. Because the Board is denying this application on financial grounds it has not made independent findings of fact on the matters referred to the Commission, nor has it taken those matters into account in any way in reaching its decision in this case.[3] However, without intending to reflect in any way on the substance of the matters considered by the Commission in this case, the Board believes it would be appropriate to make clear for the future its position with respect to the involvement of bank holding company "insiders" in acquisitions by their companies.

[2] The relevant banking market is approximated by Carroll County.

[3] The Board recognizes that Applicant's consent to the entry of the Commission's order did not constitute an admission of the relevant facts, and that were such matters to be litigated Applicant might put forward defenses and mitigating circumstances.

Arrangements in which bank holding company directors, officers or employees, or their close relatives, have a personal financial interest in an acquisition proposed by the holding company will be closely scrutinized by the Board to ensure both that they do not involve an effort by the company to circumvent the requirement that prior approval of the Board be obtained for such an acquisition, and that they do not present the threat of any adverse effects upon the financial strength and soundness of the holding company or any of its subsidiaries. Further, to the extent a subsidiary bank of a holding company advances funds to such persons, or to third parties, for the purpose of purchasing or holding stock where the ultimate purpose is to enable its parent to become the owner of the stock, an inappropriate use of bank funds may occur. The impropriety of such transactions may have more serious effects where the loans are at preferential rates, or where the ultimate purchase by the holding company involves the payment of substantial premiums to the insiders. Such arrangements do not comport with sound banking practice and are inconsistent with the need to sustain public confidence in the integrity of the banking system.

The Board expects holding companies and their subsidiaries to avoid the conflicts of interest inherent in such self dealing arrangements, and, in its consideration of applications before it, depending on the facts, it may deem the existence of such arrangements to reflect adversely upon the managerial resources of an applicant.

By order of the Board of Governors, effective October 3, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Bucher, Wallich, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governor Holland

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

ORDER UNDER SECTIONS 3 AND 4 OF BANK HOLDING COMPANY ACT

HARLAN NATIONAL COMPANY,
HARLAN, IOWA

Order Denying
Formation of Bank Holding Company

Harlan National Company, Harlan, Iowa, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company through acquisition of 98.2 per cent of the voting shares of The Harlan National Bank, Harlan, Iowa ("Bank"). The factors that are considered in acting on the application are set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant has also applied, pursuant to § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), for permission to acquire voting shares of Bank Insurance Agency, Harlan, Iowa ("Agency"). Applicant would engage thereafter in the activities of acting as agent or broker in the sale of insurance, including credit life, credit accident and health insurance, and casualty insurance which is directly related to an extension of credit or other financial services by Bank and Applicant or is otherwise sold as a matter of convenience to the purchaser pursuant to § 225.4(a)(9)(ii) of Regulation Y. Such activities have been determined by the Board in § 225.4(a)(9)(ii) of Regulation Y as permissible for bank holding companies, subject to Board approval of individual proposals in accordance with the procedures of § 225.4(b).

The financial and managerial resources and prospects of Bank appear generally satisfactory and consistent with approval of the application.

Notice of the applications, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (40 Federal Register 23934). 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 §§ 3(c) and 4(c)(8).

Applicant is a nonoperating corporation organized for the purpose of becoming a bank holding company through acquisition of Bank and of acquiring the insurance agency business of the principal shareholders of Bank. Bank, with deposits of approximately $22 million, representing .2 of 1 per cent of the total commercial bank deposits in Iowa, is the largest of seven commercial banks operating in the Shelby County banking market.[1] Bank holds approximately 30 per cent of the total commercial bank deposits in this market. Inasmuch as the proposal represents merely a restructuring of Bank's ownership, the acquisition of Bank by Applicant would have no adverse effects on competition within the banking market.

[1] All banking data are as of December 31, 1974.

Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

In regard to such considerations as they relate to Applicant, the Board is of the opinion that other commitments by present ownership of Applicant would adversely affect the servicing of the proposed acquisition debt. The owner of Applicant and Bank, Mr. Fred R. Horne, Jr., is also the sole owner of another one-bank holding company, the formation of which was approved by the Board in 1973.[2] Both the proposed formation and the 1973 formation involve a considerable amount of acquisition debt, and it does not appear that Mr. Horne would be financially able, either personally or through the bank holding companies, to service both debts associated with both bank holding company formations without adversely affecting the resources of the subsidiary banks. Furthermore, even if Applicant's projections for the proposed acquisition are realized, the projected earnings of Bank and Agency would not, in the Board's view, provide Applicant with the necessary financial flexibility to meet its annual debt service requirements as well as any unforeseen financial problems that might arise at Bank. Accordingly, on the basis of the facts of record, the Board concludes that considerations relating to the financial aspects of Applicant's proposal lend weight toward denial of the application.

With respect to convenience and needs considerations, Applicant proposes to increase business and instalment loans and to host local seminars for area farmers. These considerations relating to convenience and needs of the community to be served may be attained irrespective of Board approval of the application and, in any event, they do not, in the Board's view, outweigh the adverse findings with respect to the financial factors involved in Applicant's proposal.

On the basis of all of the circumstances of this case and the facts of record, the Board concludes that the acquisition debt involved in this proposal presents adverse circumstances bearing on the financial condition and 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 communities to be served. Accordingly, it is the Board's judgment that approval of the application to become a bank holding company would not be in the public interest and the application should be denied.[3]

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

By order of the Board of Governors, effective October 31, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Holland, Wallich, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governor Bucher.

(Signed) Theodore E. Allison,
[SEAL] *Secretary of the Board.*

[2] First National Company of Missouri Valley, Missouri Valley, Iowa (38 Federal Register 5512, March 1, 1973).

[3] In view of the Board's action with respect to the application to become a bank holding company, consideration of the application to acquire the insurance agency becomes moot.

NOTICE OF PROPOSED RULEMAKING—

The following proposal was issued by the Board of Governors of the Federal Reserve System to consider whether automobile leasing should continue to be a permissible activity for bank holding companies:

In March 1974, the Board issued an amendment to its Regulation Y, 12 CFR 225.4(a)(6)(a), to permit bank holding companies to engage in certain leasing activities with respect to personal property where the lease was on a full payout basis and served as the functional equivalent to an extension of credit. In June 1974, the National Automobile Dealers Association ("NADA") sought judicial review of this leasing regulation insofar as it permitted bank holding companies to engage in automobile leasing. NADA objected, in particular, to the provision in the regulation allowing lessors to deduct 20 per cent of the acquisition cost of the leased property as residual value that need not be recovered by rentals or tax benefits in computing a full payout lease (12 CFR 225.4(a)(6)(a)(iv)(3)) and the provision permitting a lessor to deduct up to 60 per cent of the acquisition cost of the leased property when such amount was guaranteed by a financially qualified lessee, manufacturer or third party (12 CFR 225.4(a)(6)(a)(iv)(4)). In addition, NADA argued that the activity of automobile leasing is not closely related to banking in that it is merchandising and dealing in used cars and does not serve as the "functional equivalent of an extension of credit" as required by the Board's regulation (12 CFR 225.4(a)(6)(a)(i)).

After briefing and oral argument of the case before the U.S. Court of Appeals for the D.C. Circuit, the Board sought and the Court granted a remand of the matter so that the Board might consider these issues raised by NADA and such other issues as are relevant to bank holding companies engaging in automobile leasing. Accordingly, the Board proposes to determine whether automobile leasing ought to continue to be included within the scope of the Board's personal property leasing regulation (12 CFR 225.4(a)(6)(a)) and, if it should be, under what conditions and limitations.

Interested persons are invited to submit relevant data, views, or arguments on this matter. Upon request, interested parties will be afforded an opportunity for an oral presentation of their views. Any such material and requests should be submitted in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, to be received not later than December 22, 1975. Such material will be made available for inspection and copying upon request, except as provided in section 261.6(a) of the Board's Rules Regarding Availability of Information.

(Signed) THEODORE E. ALLISON,

[SEAL] *Secretary of the Board.*

ORDERS APPROVED UNDER THE BANK HOLDING COMPANY ACT—

BY THE BOARD OF GOVERNORS

During October 1975, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SECTION 3

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
Alabama Bancorporation, Birmingham, Alabama	Gadsden Mall Bank, Gadsden, Alabama	10/15/75	40 F.R. 49409 10/22/75
First National Charter Corporation, Kansas City, Missouri	Excelsior Trust Company of Excelsior Springs, Missouri, Excelsior Springs, Missouri	10/6/75	40 F.R. 48177 10/14/75
Stockton Bancorp, Inc., Stockton, Illinois	The First National Bank of Stockton, Stockton, Illinois	10/29/75	40 F.R. 52667 11/11/75

ORDER APPROVED UNDER BANK MERGER ACT

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
Chemical Bank, New York, New York	Chemical Bank of Suffolk, National Association, Smithtown, New York	10/8/75	40 F.R. 49152 10/21/75

BY FEDERAL RESERVE BANKS

During October 1975, applications were approved by the Federal Reserve Banks under delegated authority as listed below. The orders have been published in the Federal Register, and copies are available upon request to the Reserve Bank.

SECTION 3

Applicant	*Bank(s)*	*Reserve Bank*	*Effective date*	*Federal Register citation*
First Financial Corporation, Tampa, Florida	The First American Bank of Pensacola, Pensacola, Florida	Atlanta	10/21/75	40 F.R. 51242 11/4/75
Bancorporation of Montana, Great Falls, Montana	The First State Bank of Thompson Falls, Thompson Falls, Montana	Minneapolis	10/16/75	40 F.R. 51240 11/4/75

PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

Peter E. Blum v. *Morgan Guaranty Trust Co., et al.*, filed October 1975, U.S.D.C. for the Northern District of Georgia.

A.R. Martin-Trigona v. *Board of Governors, et al.*, filed September 1975, U.S.D.C. for the Northern District of Illinois.

A.R. Martin-Trigona v. *Board of Governors, et al.*, filed September 1975, U.S.D.C. for the Northern District of Illinois.

Reserve Enterprises, Inc. v. *Arthur F. Burns, et al.*, filed September 1975, U.S.D.C. for the District of Minnesota

Logan v. *Secretary of State, et al.*, filed September 1975, U.S.D.C. for the District of Columbia.

Ellsworth v. *Burns*, filed September 1975, U.S.D.C. for the District of Arizona.

Florida Association of Insurance Agents, Inc. v *Board of Governors* and *National Association of Insurance Agents, Inc.* v. *Board of Governors*, filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.

Henry M. Smith v. *National State Bank of Boulder, et al.*, filed June 1975, U.S.D.C. for the Northern District of Texas.

Bank of Boulder v. *Board of Governors, et al.*, filed June 1975, U.S.C.A. for the Tenth Circuit.

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

Curvin J. Trone v. *United States*, filed April 1975, U.S. Court of Claims.

Richard S. Kaye v. *Arthur F. Burns, et al.*, filed April 1975, U.S.D.C. for the Southern District of New York.

Louis J. Roussel v. *Board of Governors*, filed April 1975, U.S.D.C. for the Eastern District of Louisiana.

***Cook, et al.* v. *Board of Governors*, filed March 1975, U.S.D.C. for the District of Columbia.

Purolator Courier Corporation v. *Board of Governors*, filed December 1974, U.S.C.A. for the District of Columbia Circuit.

***Tri-State Bancorporation, Inc.* v. *Board of Governors*, filed November 1974, U.S.C.A. for the Seventh Circuit.

Georgia Association of Insurance Agents, et al. v. *Board of Governors*, filed October 1974, U.S.C.A. for the Fifth Circuit.

Alabama Association of Insurance Agents, et al. v. *Board of Governors*, filed July 1974, U.S.C.A. for the Fifth Circuit.

***Investment Company Institute* v. *Board of Governors*, dismissed July 1975, U.S.D.C. for the District of Columbia; appeal pending, U.S.C.A. for the District of Columbia Circuit.

George Brice, Jr., et al. v. *Board of Governors*, filed April 1974, U.S.C.A. for the Ninth Circuit.

***National Automobile Dealers Association, Inc.* v. *Board of Governors*, filed April 1974, U.S.C.A. for the District of Columbia Circuit.

East Lansing State Bank v. *Board of Governors*, filed December 1973, U.S.C.A. for the Sixth Circuit.

***Independent Bankers Association of America, Inc.* v. *Board of Governors* and *National Courier Association, et al.* v. *Board of Governors*, filed December 1973, U.S.C.A. for the District of Columbia Circuit.

***Iowa Independent Bankers* v. *Board of Governors*, filed September 1973, U.S.C.A. for the District of Columbia Circuit, petition for certiorari filed.

***Consumers Union of the United States, Inc., et al.* v. *Board of Governors*, filed September 1973, U.S.D.C. for the District of Columbia.

Bankers Trust New York Corporation v. *Board of Governors*, filed May 1973, U.S.C.A. for the Second Circuit.

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

**Decisions have been handed down in these cases, subject to appeals noted

†The Board of Governors is not named as a party in this action.

Announcements

ASSETS AND LIABILITIES OF OVERSEAS BRANCHES OF MEMBER BANKS

Total assets of the overseas branches of member banks increased by $22.5 billion, or 19 per cent, during 1974 to a total of $141 billion, according to a Federal Reserve announcement that released data showing balance sheet items of overseas branches at the beginning and end of the year. At the end of 1974, 732 branches were in operation in foreign countries and overseas territories, an increase of 38 branches during the year.

The tabulations show as separate items the amounts due from and due to other overseas branches of the same bank. Omitting these off-shore interoffice claims, assets of the branches increased by $18.6 billion, or 17 per cent, during 1974. The respective figures for 1973 were $36.7 billion and 51 per cent. An important factor moderating the growth in branch assets was the shift of foreign lending to U.S. head offices following the termination of the voluntary foreign credit restraint program at the end of January 1974. Forty per cent of the 1974 increase was accounted for by branches in Europe (particularly those in Lon

Assets and liabilities of overseas branches of member banks, end of year, 1973 and 1974

In millions of dollars, unless otherwise indicated

	United Kingdom and Ireland		Continental Europe		Bahama and Cayman Islands		Latin America		Far East		Near East and Africa		U.S. overseas areas and trust territories		Total	
Item	1973	1974	1973	1974	1973	1974	1973	1974	1973	1974	1973	1974	1973	1974	1973	1974
Assets																
Cash	31,311	31,333	9,521	10,983	6,593	6,081	609	729	1,617	2,673	129	157	317	114	50,227	52,070
Loans	19,081	21,227	6,776	8,165	12,493	14,802	3,055	4,107	6,763	10,040	331	598	1,608	2,134	50,110	61,423
Due from head offices and U.S. branches	199	2,007	128	129	737	650	28	33	346	444	10	229	312	138	2,090	3,630
Due from other overseas branches of own banks	5,462	8,118	2,075	3,153	287	275	675	474	636	850	100	146	10	144	9,245	13,160
Other	2,034	2,495	1,397	1,655	640	1,263	503	640	1,700	1,029	23	52	80	119	6,377	10,253
Total	58,490	65,230	19,897	24,385	20,750	23,071	4,870	5,983	11,092	18,036	623	1,182	2,327	2,649	118,049	140,536
Liabilities																
Deposits																
Demand	2,480	3,703	1,768	1,862	139	140	1,407	1,533	1,257	1,710	253	402	562	631	7,866	9,981
Time	53,767	58,608	14,536	18,617	15,977	16,119	1,887	1,590	4,736	6,472	305	431	1,110	1,394	92,348	103,234
Due to head offices and U.S. branches	85	283	107	676	294	1,831	180	328	106	290	7	14	512	560	1,591	3,982
Due from other overseas branches of own banks	609	419	1,132	1,316	3,907	4,343	1,001	1,991	2,106	4,120	10	261	67	5	9,165	12,758
Other	1,549	2,212	1,751	1,913	433	638	392	541	2,887	5,144	18	68	46	59	7,079	10,581
Total	58,490	65,230	19,897	24,385	20,750	23,071	4,870	5,983	11,092	18,036	623	1,182	2,327	2,649	118,049	140,536
Number of branches	56	58	100	108	120	123	236	241	110	125	17	22	55	55	694	732

NOTE. Data are from Board of Governors of the Federal Reserve System.

don) and 36 per cent by branches in the Far East whose assets grew by 64 per cent during the year. The rapid growth rate of branches in the Bahamas and the Cayman Islands in recent years moderated significantly during 1974 to 11 per cent compared with 78 per cent during 1973.

Loans at overseas branches expanded by $11.3 billion, or 23 per cent, during 1974. Cash assets increased by less than 4 per cent, reflecting a stabilization of time placements with other banks in Euro-currency markets.

The data are derived from reports of condition filed at the end of the year with the Comptroller of the Currency and the Federal Reserve System, and differ in certain respects from other statistical reports covering aspects of overseas branch operations. The assets and liabilities shown are payable in U.S. dollars as well as currencies of the countries where the branches are located and in other foreign currencies.

AMENDMENT TO REGULATION H

The Board of Governors of the Federal Reserve System on October 22, 1975, announced adoption of an amendment to its Regulation H providing for registration of State member banks that act as transfer agents.

The action was taken pursuant to the Securities Acts Amendments of 1975. Other bank regulators and the Securities and Exchange Commission are issuing similar rules for institutions under their jurisdiction. Proposed rules were issued for comment by the Board August 28.

The new legislation is designed to foster a national system for prompt and accurate clearance and settlement of securities transactions. The new law requires that after December 1, 1975, banks may not act as transfer agents unless they are registered with their Federal supervisory agency in accordance with regulations issued under the Act, such as the rule published on October 22 by the Federal Reserve for State member banks. The SEC has general rulemaking and policy oversight under the new legislation, but banks acting as transfer agents are regulated primarily by their Federal bank supervisor.

Under the statute, an application for registration of all transfer agents becomes effective 30 days after receipt by the appropriate regulatory agency or within such shorter time as the agency may determine. In view of the short time remaining to the December 1 statutory deadline for registration and the time required for circulating the application form to all potential registrants, the Board announced that it will make effective, as of December 1, 1975, properly completed registrations received by November 17, 1975.

REVISION OF REGULATION F

The Board of Governors on October 23, 1975, announced revision of its Regulation F (Securities of Member State Banks) to conform with rules issued by the Securities and Exchange Commission.

The revision is required by the Depository Institutions Act of 1974, which made it mandatory for the Board to make the provisions of its Regulation F substantially similar to comparable rules issued by the SEC.

Under Regulation F, State member banks with 500 or more stockholders are required to register and to file periodic reports with the Board and comply with the regulation's requirements in connection with the solicitation of proxies from shareholders. In addition, officers, directors, and principal stockholders of such banks are required to file reports as to their stock ownership in the bank. No tender offer may be made for the stock of such a bank unless certain information is concurrently filed with the Board. All reports filed under Regulation F are publicly available. The regulation applies to 60 State member banks.

Major new provisions of the regulation require State member banks with 500 or more stockholders to:

1. Include bank stock market data in annual reports.
2. Furnish to a stockholder or investor, upon request, a copy of the annual report filed with the Board.
3. Disclose additional financial data in the annual report to stockholders.
4. Utilize revised stockholder proposal procedures.
5. Follow certain additional requirements with respect to tender offers for registered bank stock.
6. Use expanded and revised forms and instructions in making "insider" ownership reports.

The revision of Regulation F to conform to SEC rules as required by law was proposed February 25, and time for comment expired June 6, 1975. In these proposals the Board invited comment on the question of whether the regulation shall require certification by independent public accountants of bank financial statements. This was not included in the revision but remains under study by the Board. This revision of Regulation F is distinct from a recent proposal to amend required periodic reports of bank condition and income announced October 1, 1975, and is not connected with a recent SEC proposal concerning disclosure by bank holding companies.

The Comptroller of the Currency and the Federal Deposit Insurance Corporation have issued similar regulatory revisions for banks under their supervision.

AMENDMENT TO REGULATION Z

The Board of Governors of the Federal Reserve System has announced amendment of its Regulation Z - Truth in Lending -to comply with a provision of law requiring disclosure of closing costs in certain real property transactions not covered by the Real Estate Settlement Procedures Act (RESPA).

The new law became effective October 28, 1975. While the implementing regulatory amendment also became effective October 28, 1975, the Board has provided a transition period to January 31, 1976, when major operating provisions of the amendment will go into effect. The transition period takes account of the fact that the Senate has voted to repeal that section of the Act under which Regulation Z was amended and that the question is now under consideration in the House of Representatives.

Section 409 of the Truth in Lending Act, enacted October 28, 1974, and the related amendment of Regulation Z, apply to credit transactions where the lender retains or acquires an interest in the real property involved as collateral, except for mortgages covered by RESPA (which is also under reconsideration in the Congress).

The Board made public on September 16, 1975, a proposed amendment to Regulation Z to implement the new statute. This was adopted without substantive change except for the extension of the transition period to January 31, 1976.

AMENDMENT TO REGULATION T

The Board of Governors announced on November 13, 1975, that it had amended its Regulation T credit extended or arranged by brokers and dealers for securities transactions to assist in the private placement of securities.

The amendment adopted was substantially the same as that proposed for public comment last May 27.

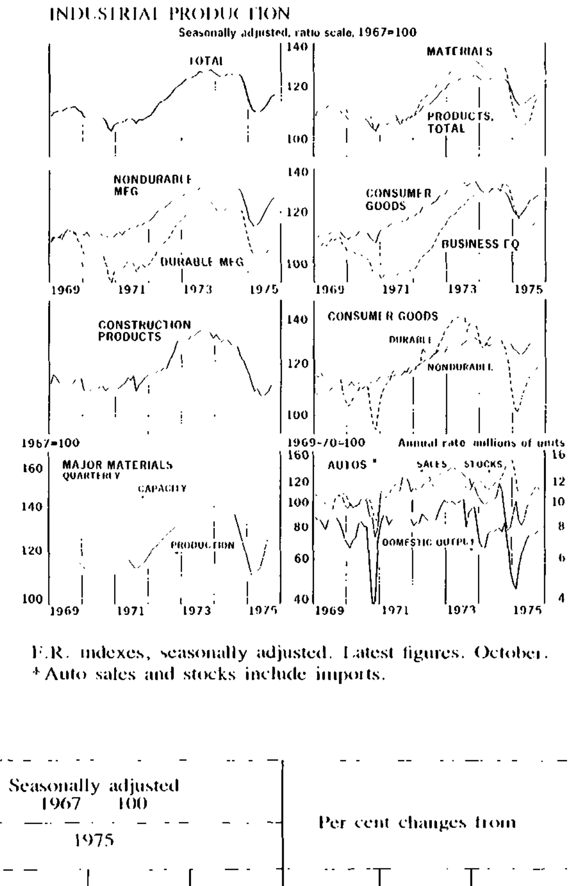
Industrial Production

Released for publication November 14

Industrial production increased by an estimated 0.4 per cent in October, following advances of 1.8 per cent in September and 1.6 per cent in August. At 116.5 per cent of the 1967 average in October, total production was 6 per cent above the April low. The October increase was the sixth straight monthly advance. Increases in output were fairly widespread among consumer goods and nondurable industrial materials, but were generally smaller than in the two preceding months. Production of business equipment was off slightly after having increased in the two previous months.

Output of final products increased slightly further in October as auto assemblies were again raised, by 2.7 per cent, to an annual rate of 7.7 million units. Production of household appliances, other home goods, and nondurable consumer goods continued to advance. The decline in production of business equipment reflected reduced output of trucks. Output of construction products was unchanged, but that of other intermediate products rose further.

Production of durable goods materials was about unchanged in October. Output of iron and steel was off about 1 per cent, following a decline of about one-half of 1 per cent now indicated for September. Output of other metals edged up last month. Production of textiles, paper, and chemical materials continued to increase at a rapid pace, although slower than in the previous few months.



F.R. indexes, seasonally adjusted. Latest figures: October.
*Auto sales and stocks include imports.

Industrial production	Seasonally adjusted 1967=100, 1975: July	Aug.	Sept.^p	Oct.^e	Per cent changes from: Month ago	Year ago	Q2 to Q3
Total	**112.2**	**114.0**	**116.0**	**116.5**	**.4**	**6.7**	**3.4**
Products, total	115.3	115.8	116.8	117.1	.3	4.7	2.2
Final products	115.7	116.0	116.9	117.1	.2	4.3	2.3
Consumer goods	125.5	125.5	126.6	127.4	.6	.6	3.7
Durable goods	115.9	116.1	117.8	119.2	1.2	5.8	5.5
Nondurable goods	129.0	129.2	130.0	130.6	.5	1.3	3.1
Business equipment	113.9	114.8	115.9	115.6	.3	12.4	1
Intermediate products	114.3	115.2	116.7	117.3	.5	6.4	2.2
Construction products	108.0	109.1	111.5	111.5	..	13.0	1.2
Materials	106.8	111.2	114.6	115.2	.5	10.1	5.2

^p Preliminary. ^e Estimated.

Financial and Business Statistics

CONTENTS

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

Period or date	Factors supplying reserve funds									
	Reserve Bank credit outstanding							Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
	U.S. Govt. securities[1]			Loans	Float[3]	Other F.R. assets[4]	Total[5]			
	Total	Bought outright[2]	Held under repurchase agreement							
Averages of daily figures										
1939—Dec.	2,510	2,510	....	8	83	....	2,612	17,518	....	2,956
1941—Dec.	2,219	2,219	....	5	170	....	2,404	22,759	....	3,239
1945—Dec.	23,708	23,708	....	381	652	....	24,744	20,047	....	4,322
1950—Dec.	20,345	20,336	9	142	1,117	....	21,606	22,879	....	4,629
1960—Dec.	27,248	27,170	78	94	1,665	....	29,060	17,954	....	5,396
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367	....	6,841
1970—Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Oct.	83,735	83,303	432	1,793	2,083	2,984	90,971	11,567	400	9,041
Nov.	84,052	83,395	657	1,285	2,409	3,171	91,302	11,567	400	9,113
Dec.	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—Jan.	86,039	85,369	670	390	2,456	3,391	93,002	11,647	400	9,235
Feb.	84,744	83,843	901	147	2,079	3,419	91,168	11,626	400	9,284
Mar.	84,847	84,398	449	106	1,994	3,142	90,819	11,620	400	9,362
Apr.	87,080	86,117	963	110	2,061	3,237	93,214	11,620	400	9,410
May	91,918	89,355	2,563	60	1,877	3,039	97,845	11,620	429	9,464
June	88,912	87,618	1,294	271	2,046	3,098	95,119	11,620	500	9,536
July	88,166	87,882	284	261	1,911	3,100	94,144	11,620	500	9,616
Aug.	86,829	86,348	481	211	1,691	2,953	92,395	11,604	500	9,721
Sept.	89,191	87,531	1,660	396	1,823	3,060	95,277	11,599	500	9,793
Oct.[p]	90,476	89,547	929	192	1,954	3,521	96,941	11,599	500	9,877
Week ending—										
1975—Aug. 6	86,727	86,727	....	180	1,525	3,217	92,328	11,617	500	9,700
13	85,221	85,221	....	179	1,847	3,225	91,135	11,603	500	9,704
20	87,075	86,692	383	204	1,900	2,684	92,538	11,602	500	9,715
27	87,572	86,615	957	272	1,581	2,707	92,885	11,600	500	9,715
Sept. 3	88,224	86,708	1,516	222	1,548	2,973	93,814	11,599	500	9,801
10	86,653	86,653	....	385	2,036	3,000	92,736	11,598	500	9,765
17	87,286	86,466	820	327	1,854	3,097	93,269	11,599	500	9,789
24	90,530	88,373	2,157	395	2,027	3,062	96,874	11,599	500	9,811
Oct. 1	93,192	89,312	3,880	581	1,620	3,145	99,535	11,599	500	[p]9,819
8	90,561	89,392	1,169	239	1,645	3,348	96,657	11,599	500	9,857
15	88,782	88,782	....	172	2,029	3,452	95,144	11,599	500	9,873
22[p]	89,674	88,949	725	233	2,171	3,578	96,407	11,599	500	9,887
29[p]	92,027	90,717	1,310	95	1,823	3,666	98,428	11,599	500	9,893
End of month										
1975—Aug.	88,032	86,677	1,355	231	1,473	3,012	93,588	11,598	500	9,851
Sept.	93,080	89,715	3,365	283	891	3,259	98,461	11,599	500	[p]9,819
Oct.[p]	93,426	90,324	3,102	73	1,339	3,939	99,824	11,599	500	9,906
Wednesday										
1975—Aug. 6	84,871	84,871	....	117	2,576	3,228	91,456	11,608	500	9,689
13	86,227	86,227	....	543	2,194	3,304	92,925	11,602	500	9,710
20	88,832	86,146	2,686	644	2,336	2,604	95,141	11,600	500	9,715
27	86,887	86,887	....	159	1,919	2,846	92,482	11,599	500	9,715
Sept. 3	89,037	86,647	2,390	208	1,732	2,915	94,799	11,599	500	9,738
10	85,234	85,234	....	1,695	2,576	3,123	93,280	11,599	500	9,776
17	85,206	85,206	....	338	2,837	3,075	92,107	11,599	500	9,795
24	93,289	88,656	4,633	1,402	2,406	3,048	101,019	11,599	500	9,819
Oct. 1	92,963	89,660	3,303	615	2,685	3,246	100,446	11,599	500	9,819
8	87,150	87,150	....	156	2,435	3,386	93,830	11,599	500	9,858
15	87,772	87,772	....	481	3,172	3,620	95,743	11,599	500	9,882
22[p]	91,633	89,120	2,513	941	2,421	3,663	99,522	11,599	500	9,893
29[p]	93,366	90,317	3,049	98	1,796	3,675	99,832	11,599	500	9,893

[1] Includes Federal agency issues held under repurchase agreements beginning Dec. 1, 1966, and Federal agency issues bought outright beginning Sept. 29, 1971.

[2] Includes, beginning 1969, securities loaned—fully guaranteed by U.S. Govt. securities pledged with F.R. Banks, and excludes (if any), securities sold and scheduled to be bought back under matched sale–purchase transactions.

[3] Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

[4] Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

[5] Includes industrial loans and acceptances until Aug. 21, 1959, when industrial loan program was discontinued. For holdings of acceptances on Wed. and end-of-month dates, see table on F.R. Banks on p. A-10. See also note 3.

Notes continued on opposite page.

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—*Continued*

(In millions of dollars)

Factors absorbing reserve funds										
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves with F.R. Banks			Other F.R. accounts[4]	Other F.R. liabilities and capital[4]	Member bank reserves			Period or date
		Treasury	Foreign	Other[3,6]			With F.R. Banks	Currency and coin[7]	Total[8]	
										Averages of daily figures
7,609	2,402	616	739		248	....	11,473	....	11,473	1939—Dec.
10,985	2,189	592	1,531		292	....	12,812	....	12,812	1941—Dec.
28,452	2,269	625	1,247		493	....	16,027	....	16,027	1945—Dec.
27,806	1,290	615	920	353	739	....	17,391	....	17,391	1950—Dec.
33,019	408	522	250	495	1,029	....	16,688	2,595	19,283	1960—Dec.
53,591	656	1,194	146	458	....	2,192	23,071	4,960	28,031	1969—Dec.
57,013	427	849	145	735	....	2,265	23,925	5,340	29,265	1970—Dec.
61,060	453	1,926	290	728	....	2,287	25,653	5,676	31,329	1971—Dec.
66,060	350	1,449	272	631	....	2,362	24,830	6,095	31,353	1972—Dec.
71,646	323	1,892	406	717	....	2,942	28,352	6,635	35,068	1973—Dec.
75,654	315	1,601	294	869	....	3,260	29,985	6,811	36,796	1974—Oct.
77,029	302	864	370	770	....	3,149	29,898	6,939	36,837	Nov.
78,951	220	1,741	357	874	....	3,266	29,767	7,174	36,941	Dec.
77,780	221	2,087	336	884	....	3,264	29,713	7,779	37,492	1975—Jan.
76,979	236	2,374	317	711	....	3,358	28,503	7,062	35,565	Feb.
77,692	277	1,887	363	958	....	3,076	27,948	6,831	34,779	Mar.
78,377	309	3,532	307	718	....	3,137	28,264	6,870	35,134	Apr.
79,102	326	8,115	262	746	....	3,231	27,576	6,916	34,492	May
80,607	355	3,353	272	989	....	3,191	28,007	6,969	34,976	June
81,758	358	2,207	269	711	....	3,135	27,442	7,213	34,655	July
81,822	368	818	274	660	....	3,096	27,183	7,299	34,482	Aug.
81,903	361	3,415	308	798	....	3,169	27,215	7,431	34,646	Sept.
82,215	387	4,940	271	632	....	3,208	27,264	7,319	34,583	Oct. p
										Week ending—
81,531	354	1,205	277	662	....	3,108	27,007	7,546	34,553	1975—Aug. 6
82,036	377	209	271	607	....	2,941	26,501	7,662	34,163	13
82,028	366	299	302	583	....	3,060	27,717	6,912	34,629	20
81,615	366	1,178	240	715	....	3,196	27,390	7,080	34,470	27
81,979	363	1,806	300	839	....	3,253	27,173	7,356	34,529	Sept. 3
82,242	359	1,402	351	840	....	2,913	26,493	7,605	34,098	10
82,166	354	1,181	326	946	....	3,069	27,116	7,436	34,552	17
81,688	364	5,032	285	717	....	3,256	27,442	7,175	34,617	24
p 81,395	p 373	7,413	277	650	....	3,463	27,883	7,561	35,444	Oct. 1
81,853	371	5,863	235	570	....	3,044	26,678	7,582	34,260	8
82,561	381	3,091	340	617	....	3,091	27,036	7,618	34,654	15
82,451	382	3,575	245	656	....	3,221	27,864	6,741	34,605	22p
82,116	370	6,148	265	664	....	3,375	27,483	7,246	34,729	29p
										End of month
81,912	364	2,349	342	776	....	3,311	26,484	7,356	33,840	1975—Aug.
p 81,609	p 370	8,075	324	616	....	3,472	25,913	7,561	33,474	Sept.
82,201	370	8,517	297	594	....	3,498	26,352	7,515	33,867	Oct. p
										Wednesday
82,064	351	*	259	665	....	2,895	27,018	7,546	34,564	1975—Aug. 6
82,328	359	*	293	594	....	2,989	28,174	7,662	35,836	13
82,059	342	660	333	554	....	3,148	29,861	6,912	36,773	20
81,881	359	833	232	838	....	3,217	26,937	7,080	34,017	27
82,346	363	804	247	868	....	2,913	29,096	7,356	36,452	Sept. 3
82,490	357	405	295	1,036	....	2,949	27,623	7,605	35,228	10
82,169	346	2,421	242	854	....	3,060	24,908	7,436	32,344	17
81,694	356	7,249	234	660	....	3,381	29,363	7,175	36,538	24
81,671	383	7,637	283	824	....	3,417	28,149	7,561	35,710	Oct. 1
82,425	374	3,691	234	568	....	3,046	25,449	7,582	33,031	8
82,876	384	2,703	877	642	....	3,129	27,114	7,618	34,732	15
82,467	384	6,074	214	817	....	3,317	28,241	6,741	34,982	22p
82,366	370	6,124	236	594	....	3,446	28,688	7,246	35,934	29p

[6] Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with F.R. Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System's program of credit restraint.

As of Dec. 12, 1974, the amount of voluntary nonmember and foreign agency and branch deposits at F.R. Banks that are associated with marginal reserves are no longer reported. However, deposits voluntarily held by agencies and branches of foreign banks operating in the United States as reserves and Euro-dollar liabilities are reported.

[7] Part allowed as reserves Dec. 1, 1959–Nov. 23, 1960; all allowed thereafter. Beginning Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

[8] Beginning with week ending Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. Beginning 1974, Q1, $67 million, Q2, $58 million. Transition period ended after second quarter, 1974.

For other notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks: Reserves: Total held[1]	Required	Excess[1]	Borrowings: Total	Seasonal	Large banks[2]: New York City: Excess	Borrowings	City of Chicago: Excess	Borrowings	Other: Excess	Borrowings	All other banks: Excess	Borrowings
1939—Dec.	11,473	6,462	5,011	3	....	2,611	....	540	....	1,188	....	671	3
1941—Dec.	12,812	9,422	3,390	5	....	989	....	295	....	1,303	1	804	4
1945—Dec.	16,027	14,536	1,491	334	....	48	192	14	....	418	96	1,011	46
1950—Dec.	17,391	16,364	1,027	142	....	125	58	8	5	232	50	663	29
1960—Dec.	19,283	18,527	756	87	....	29	19	4	8	100	20	623	40
1965—Dec.	22,719	22,267	452	454	....	41	111	15	23	67	228	330	92
1967—Dec.	25,260	24,915	345	238	....	18	40	8	13	50	105	267	80
1968—Dec.	27,221	26,766	455	765	....	100	230	15	85	90	270	250	180
1969—Dec.	28,031	27,774	257	1,086	....	56	259	18	27	6	479	177	321
1970—Dec.	29,265	28,993	272	321	....	34	25	7	4	42	264	189	28
1971—Dec.	31,329	31,164	165	107	....	25	35	1	8	−35	22	174	42
1972—Dec.	31,353	31,134	219	1,049	....	−20	301	13	55	−42	429	−160	264
1973—Dec.	35,068	34,806	262	1,298	41	−23	74	43	28	28	761	133	435
1974—Oct.	36,796	36,705	91	1,793	117	−49	502	18	36	36	569	122	686
Nov.	36,837	36,579	258	1,285	67	−8	257	38	14	90	566	138	448
Dec.	36,941	36,602	339	703	32	132	80	5	18	39	323	163	282
1975—Jan.	37,492	37,556	−64	390	13	−119	156	16	16	−91	87	162	131
Feb.	35,565	35,333	232	147	10	31	37	17	10	41	29	143	71
Mar.	34,779	34,513	266	106	7	53	22	20	10	56	28	137	46
Apr.	35,134	35,014	120	110	7	32	25	23	14	−4	38	115	33
May	34,492	34,493	−1	60	9	−28	24	−21	....	−89	13	137	23
June	34,976	34,428	548	271	11	142	90	47	2	217	114	142	65
July	34,655	34,687	32	261	17	22	54	24	23	118	62	132	122
Aug.	34,482	34,265	217	211	38	18	14	5	1	98	51	132	145
Sept.	34,646	34,447	199	396	61	17	68	27	2	23	141	132	185
Oct.p	34,583	34,414	169	192	65	10	31	28	....	40	32	126	129
Week ending—													
1974—Oct. 2	37,533	37,077	456	3,218	143	67	1,756	9	17	222	532	158	913
9	36,601	36,656	55	2,245	132	26	1,245	20	10	127	336	118	654
16	37,415	37,088	327	1,744	121	41	219	27	135	99	784	160	606
23	36,456	36,615	−159	1,322	108	101	148	12	2	122	509	76	663
30	36,819	36,576	243	1,638	105	109	96	9	11	42	730	101	801
1975—Apr. 2	35,087	34,808	279	51	7	−30	....	7	....	99	8	203	43
9	34,663	34,552	111	30	8	62	....	15	....	51	7	85	23
16	35,295	35,076	219	22	6	25	....	−14	....	36	4	172	18
23	35,249	35,179	70	165	6	−3	42	16	25	23	77	80	21
30	35,495	35,306	189	241	7	−11	67	1	37	56	71	143	66
May 7	35,237	34,926	311	34	11	177	....	21	....	5	....	118	34
14	34,517	34,518	−1	17	8	−106	....	26	....	−17	1	148	16
21	34,702	34,631	71	121	7	−33	98	9	....	−34	2	129	21
28	34,209	34,045	164	84	9	53	9	4	....	−5	54	112	21
June 4	34,511	34,177	334	84	9	18	61	19	....	137	....	160	23
11	33,707	33,743	−36	38	11	−76	....	−32	11	−55	2	127	25
18	34,937	34,603	334	77	10	80	49	12	....	69	....	173	28
25	34,706	34,615	91	188	11	19	97	4	....	5	38	71	53
July 2	35,481	35,085	396	871	15	57	189	39	....	117	468	183	214
9	34,612	34,479	133	222	13	18	....	−20	....	−20	90	155	132
16	34,864	34,791	73	202	15	−72	78	2	54	6	16	137	54
23	34,898	34,695	203	382	19	107	151	9	50	13	57	100	124
30	34,999	34,718	281	253	23	82	....	15	....	67	91	117	162
Aug. 6	34,553	34,354	199	180	29	13	....	10	....	31	14	145	166
13	34,163	34,147	16	179	35	−46	47	−22	6	45	18	129	108
20	34,629	34,418	211	204	37	4	....	19	....	73	77	123	127
27	34,470	34,174	296	272	40	127	15	7	....	48	87	128	170
Sept. 3	34,529	34,228	301	222	50	28	....	24	....	81	58	168	164
10	34,098	34,104	6	385	53	45	215	−31	....	66	34	136	136
17	34,552	34,285	267	327	60	79	....	19	11	17	174	152	142
Sept. 24	34,617	34,584	33	395	64	−66	79	2	....	28	115	73	201
Oct. 1	35,444	34,982	462	581	73	149	....	2	....	147	304	164	277
8	34,260	34,284	24	239	74	83	....	16	....	52	51	127	188
15	34,654	34,358	296	172	65	9	39	33	....	94	12	178	121
22p	34,605	34,576	29	233	63	56	97	32	....	44	22	126	114
29p	34,729	34,443	286	95	61	70	....	7	....	9	7	97	88

[1] Beginning with week ending Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. Beginning 1974, Q1, $67 million; Q2, $58 million. Transition period ended after second quarter, 1974. For weeks for which figures are preliminary, figures by class of bank do not add to the total because adjusted data by class are not available.

[2] Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Large" and "All other" parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Monthly and weekly data are averages of daily figures within the month or week, respectively.

Borrowings at F.R. Banks: Based on closing figures.

Effective Apr. 19, 1973, the Board's Regulation A, which governs lending by F.R. Banks, was revised to assist smaller member banks to meet the seasonal borrowing needs of their communities.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves[1]	Less—		Net—		Gross transactions		Total two-way transactions[2]	Net transactions		Loans to dealers[3]	Borrowings from dealers[4]	Net loans
		Borrowings at F.R. Banks	Net interbank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
Total—46 banks													
1975—Sept. 3	222	8	12,357	12,143	78.4	18,973	6,616	5,682	13,291	934	2,027	619	1,408
10	23	240	15,099	15,362	99.2	20,512	5,413	4,697	15,815	716	2,830	340	2,490
17	53	126	13,953	14,026	90.1	18,658	4,705	4,395	14,262	309	3,095	368	2,727
24	13	120	11,476	11,583	74.4	16,937	5,461	4,395	12,542	1,066	2,365	431	1,934
Oct. 1	227	130	9,880	9,783	61.6	16,736	6,856	4,761	11,975	2,094	2,067	456	1,612
8	....	3	12,583	12,586	80.9	18,090	5,508	4,399	13,691	1,109	3,124	430	2,694
15	64	50	13,531	13,517	86.1	19,099	5,568	4,100	14,999	1,468	3,950	332	3,618
22	20	102	11,513	11,635	73.9	17,314	5,802	4,405	12,909	1,397	2,943	363	2,580
29	93	....	9,960	9,867	63.8	15,987	6,027	4,387	11,600	1,640	2,248	402	1,846
8 in New York City													
1975—Sept. 3	130	....	2,874	2,745	43.7	4,796	1,922	1,778	3,019	144	1,046	298	747
10	14	215	4,655	4,884	76.8	5,403	748	729	4,675	19	1,268	241	1,027
17	71	....	4,003	3,932	62.3	4,658	655	656	4,002	....	1,306	211	1,095
24	28	79	3,083	3,190	51.2	4,332	1,249	1,007	3,325	242	1,116	210	906
Oct. 1	122	....	2,697	2,575	40.0	3,946	1,248	1,026	2,919	222	1,062	233	829
8	9	....	2,654	2,662	42.3	3,873	1,219	956	2,917	263	1,472	221	1,251
15	14	39	3,422	3,475	55.1	4,331	910	769	3,562	140	1,923	158	1,765
22	31	95	2,110	2,236	35.0	3,456	1,346	993	2,463	353	1,529	165	1,364
29	69	....	2,274	2,206	35.8	3,487	1,212	975	2,512	238	1,250	186	1,063
38 outside New York City													
1975—Sept. 3	92	8	9,483	9,399	102.1	14,177	4,694	3,905	10,273	789	982	321	661
10	9	26	10,444	10,478	114.7	15,109	4,665	3,968	11,141	697	1,562	99	1,462
17	18	126	9,951	10,094	109.0	14,000	4,049	3,740	10,260	309	1,789	157	1,632
24	41	41	8,393	8,393	89.9	12,605	4,212	3,388	9,217	824	1,249	221	1,028
Oct. 1	106	130	7,183	7,207	76.2	12,790	5,608	3,735	9,055	1,872	1,006	222	783
8	9	3	9,929	9,923	107.1	14,217	4,288	3,443	10,774	845	1,651	208	1,443
15	78	11	10,110	10,042	106.8	14,768	4,658	3,331	11,437	1,328	2,027	174	1,852
22	11	7	9,403	9,399	100.5	13,858	4,456	3,412	10,446	1,044	1,414	198	1,216
29	25	....	7,686	7,661	82.5	12,500	4,815	3,412	9,088	1,402	998	216	783
5 in City of Chicago													
1975—Sept. 3	33	....	3,821	3,788	226.2	5,087	1,266	1,122	3,966	145	315	....	315
10	17	....	4,264	4,281	264.0	5,351	1,088	1,058	4,293	29	403	....	403
17	6	11	3,852	3,858	225.8	4,888	1,036	1,014	3,874	22	421	....	421
24	3	....	2,958	2,955	179.1	4,306	1,348	1,202	3,103	145	321	....	321
Oct. 1	3	....	2,829	2,826	166.9	4,161	1,333	1,162	3,000	171	313	....	313
8	12	....	3,875	3,887	232.0	4,868	993	987	3,881	6	514	....	514
15	15	....	4,437	4,422	256.4	5,281	844	844	4,437	....	631	....	631
22	12	....	4,098	4,109	246.2	5,048	950	933	4,114	17	545	....	545
29	14	....	3,729	3,715	228.8	4,743	1,014	996	3,747	18	496	....	496
33 others													
1975—Sept. 3	60	8	5,662	5,610	74.5	9,090	3,428	2,783	6,307	644	667	321	346
10	8	26	6,181	6,198	82.5	9,758	3,577	2,910	6,848	667	1,159	99	1,059
17	23	115	6,098	6,236	82.6	9,111	3,013	2,726	6,386	287	1,368	157	1,211
24	38	41	5,435	5,438	70.8	8,299	2,864	2,185	6,114	679	928	221	707
Oct. 1	102	130	4,354	4,382	56.4	8,629	4,275	2,574	6,055	1,701	692	222	470
8	21	3	6,054	6,036	79.5	9,349	3,296	2,456	6,894	840	1,138	208	930
15	63	11	5,673	5,620	73.2	9,488	3,815	2,487	7,000	1,328	1,396	174	1,222
22	23	7	5,305	5,286	68.9	8,811	3,506	2,478	6,332	1,027	869	198	671
29	11	....	3,957	3,946	51.5	7,758	3,801	2,417	5,341	1,384	502	216	286

1 Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carryover reserves.

2 Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's weekly average purchases and sales are offsetting.

3 Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases of securities from dealers subject to resale), or other lending arrangements.

4 Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by Govt. or other issues.

NOTE.—Weekly averages of daily figures. For description of series and back data, see Aug. 1964 BULLETIN, pp. 944–74.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks—									Loans to all others under last par. Sec. 13[4]		
	Under Secs. 13 and 13a[1]			Under Sec. 10(b)[2]								
				Regular rate			Special rate[3]					
	Rate on 10/31/75	Effective date	Previous rate	Rate on 10/31/75	Effective date	Previous rate	Rate on 10/31/75	Effective date[3]	Previous rate	Rate on 10/31/75	Effective date	Previous rate
Boston	6	5/16/75	6¼	6½	5/16/75	6¾	7	7/2/75	7½	9	3/10/75	9½
New York	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/24/75	7½	9	3/10/75	9½
Philadelphia	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/10/75	9½
Cleveland	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/10/75	9½
Richmond	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/10/75	9½
Atlanta	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/3/75	7½	9	3/10/75	9½
Chicago	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/14/75	9½
St. Louis	6	5/16/75	6¼	6½	5/16/75	6¾	7	7/15/75	7½	9	3/14/75	9½
Minneapolis	6	5/23/75	6½	6½	5/23/75	6¾	7	6/9/75	7½	9	3/10/75	9½
Kansas City	6	5/16/75	6¼	6½	5/16/75	6¾	7	7/9/75	7½	9	3/10/75	9½
Dallas	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/14/75	9½
San Francisco	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/24/75	7½	9	3/10/75	9½

[1] Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase.

[2] Advances secured to the satisfaction of the F.R. Bank. Advances secured by mortgages on 1- to 4-family residential property are made at the Section 13 rate.

[3] Applicable to special advances described in Section 201.2(e)(2) of Regulation A.

[4] Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof.

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

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, 1955	2½	2½	1964—Nov. 24	3½-4	4	1971—Nov. 11	4¾-5	5
1956—Apr. 13	2½-3	2¾	30	4	4	19	4¾	4¾
20	2¾-3	2¾	1965—Dec. 6	4 -4½	4½	Dec. 13	4½-4¾	4¾
Aug. 24	2¾-3	3	13	4½	4½	17	4½-4¾	4½
31	3	3	1967—Apr. 7	4 -4½	4	24	4½	4½
1957—Aug. 9	3 -3½	3	14	4	4	1973—Jan. 15	5	5
23	3½	3½	Nov. 20	4 -4½	4½	Feb. 26	5 -5½	5½
Nov. 15	3 -3½	3	27	4½	4½	Mar. 2	5½	5½
Dec. 2	3	3	1968—Mar. 15	4½-5	4½	Apr. 23	5½-5¾	5½
1958—Jan. 22	2¾-3	3	22	5	5	May 4	5¾	5¾
24	2¾-3	2¾	Apr. 19	5 -5½	5½	11	5¾-6	6
Mar. 7	2¼-3	2¼	26	5½	5½	18	6	6
13	2¼-2¾	2¼	Aug. 16	5¼-5½	5½	June 11	6 -6½	6½
21	2¼	2¼	30	5¼	5¼	15	6½	6½
Apr. 18	1¾-2¼	1¾	Dec. 18	5¼-5½	5½	July 2	7	7
May 9	1¾	1¾	20	5½	5½	Aug. 14	7 -7½	7½
Aug. 15	1¾-2	1¾	1969—Apr. 4	5½-6	6	23	7½	7½
Sept. 12	1¾-2	2	8	6	6	1974—Apr. 25	7½-8	8
23	2	2	1970—Nov. 11	5¾-6	6	30	8	8
Oct. 24	2 -2½	2	13	5¾-6	5¾	Dec. 9	7¾-8	7¾
Nov. 7	2½	2½	16	5¾	5¾	16	7¾	7¾
1959—Mar. 6	2½-3	3	Dec. 1	5½-5¾	5¾	1975—Jan. 6	7¼-7¾	7¾
16	3	3	4	5½-5¾	5½	10	7¼-7¾	7¼
May 29	3 -3½	3½	11	5½	5½	24	7¼	7¼
June 12	3½	3½	1971—Jan. 8	5¼-5¾	5¾	Feb. 5	6¾-7¼	6¾
Sept. 11	3½-4	4	15	5¼	5¼	7	6¾	6¾
18	4	4	19	5 -5¼	5¼	Mar. 10	6¼-6¾	6¼
1960—June 3	3½-4	4	22	5 -5¼	5	14	6¼	6¼
10	3½-4	3½	29	5	5	May 16	6 -6¼	6
14	3½	3½	Feb. 13	4¾-5	5	23	6	6
Aug. 12	3 -3½	3	19	4¾	4¾	In effect, Oct. 31, 1975	6	6
Sept. 9	3	3	July 16	4¾-5	5			
1963—July 17	3 -3½	3½	23	5	5			
26	3½	3½						

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1956, see *Banking and Monetary Statistics*, 1943, pp. 439-42, and Supplement to Section 12, p. 31.

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

(Deposit intervals are in millions of dollars. Requirements are in per cent of deposits.)

Effective date [1]	Net demand [2]: Reserve city 0–5	Net demand [2]: Reserve city Over 5	Net demand [2]: Other 0–5	Net demand [2]: Other Over 5	Time [3] (all classes of banks): Savings	Time [3]: Other time 0–5	Time [3]: Other time Over 5
In effect Jan. 1, 1963	16½		12			4	
1966 July 14, 21	...	...	...	...	4	4	5
Sept. 8, 15	...	...	...	...	...	...	6
1967 Mar. 2	...	...	...	...	3½	3½	...
Mar. 16	...	...	...	...	3	3	...
1968 Jan. 11, 18	16½	17	12	12½	...	...	...
1969 Apr. 17	17	17½	12½	13	...	...	...
1970 Oct. 1	...	...	...	...	...	...	5

Beginning Nov. 9, 1972

Effective date	Net demand [2,4]: 0–2	Net demand [2,4]: 2–10	Net demand [2,4]: 10–100	Net demand [2,4]: 100–400	Net demand [2,4]: Over 400	Time [5]: Savings	Time [5]: Other time: 0–5, maturing in: Less than 4 years	Time [5]: Other time: 0–5, maturing in: 4 years or more	Time [5]: Other time: Over 5 [5], maturing in: 30–179 days	Time [5]: Other time: Over 5 [5], maturing in: 180 days to 4 years	Time [5]: Other time: Over 5 [5], maturing in: 4 years or more
1972 Nov. 9	8	10	12	[6] 16½	17½	[7] 3	[7] 3		[7] 5		
Nov. 16	...	...	...	13	...	...	...		...		
1973 July 19	...	10½	12½	13½	18	...	...	...	...	...	...
1974 Dec. 12	...	...	...	...	17½	...	...	...	6	3	
1975 Feb. 13	7½	10	12	13	16½	...	...	...	...	...	...
Oct. 30	...	...	...	...	...	...	3	[8] 1	...	3	[8] 1
In effect Oct. 31, 1975	7½	10	12	13	16½	3	3	[8] 1	6	3	[8] 1

Present legal limits:	Minimum	Maximum
Net demand deposits, reserve city banks	10	22
Net demand deposits, other banks	7	14
Time deposits	3	10

[1] When two dates are shown, the first applies to the change at reserve city banks and the second to the change at country banks. For changes prior to 1963 see Board's *Annual Reports*.

[2] (a) Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank.

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Since June 21, 1973, loans aggregating $100,000 or less to any U.S. resident have been excluded from computations, as have total loans of a bank to U.S. residents if not exceeding $1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 4 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, was reduced to 8 per cent effective June 21, 1973, and was reduced to the current 4 per cent effective May 22, 1975. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve free bases were eliminated. For details, see Regulations D and M.

[3] Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits. Beginning Nov. 10, 1975, profitmaking businesses may maintain savings deposits of $150,000 or less at member banks. For details see "Amendments to Regulations D and Q," p. 769; also, "Announcements" in BULLETIN for Oct., p. 708.

Notes 2(b) and 2(c) above are also relevant to time deposits.

[4] Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each member bank will maintain reserves related to the size of its net demand deposits. The new reserve city designations are as follows: A bank having net demand deposits of more than $400 million is considered to have the character of business of a reserve city bank, and the presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of $400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see Regulation D and appropriate supplements and amendments.

[5] A marginal reserve requirement was in effect between June 21, 1973, and Dec. 11, 1974, against increases in the aggregate of the following types of obligations: (a) outstanding time deposits of $100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to existing reserve requirements on time deposits, and (c) beginning July 12, 1973, funds from sales of finance bills. The requirement applied to balances above a specified base, but was not applicable to banks having obligations of these types aggregating less than $10 million. For details, including percentages and maturity classifications, see "Announcements" in BULLETINS for May, July, Sept., and Dec. 1973 and Sept. and Nov. 1974.

[6] The 16½ per cent requirement applied for one week, only to former reserve city banks. For other banks, the 13 per cent requirement was continued in this deposit interval.

[7] See columns above for earliest effective date of this rate.

[8] The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum prescribed by law. For details see "Amendments to Regulation D," p. 769; also, "Announcements" in BULLETIN for Oct., p. 705.

NOTE. Required reserves must be held in the form of deposits with F.R. Banks or vault cash.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966–June 30, 1973

Type and size of deposit	Effective date: July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970
Savings deposits	4	4	4	4½
Other time deposits:[1]				
Multiple maturity:[2]				
30–89 days	4	4	4	4½
90 days to 1 year	5	5	5	5
1–2 years				5½
2 years or more				5¾
Single-maturity:				
Less than $100,000:				
30 days to 1 year	5½	5	5	5
1–2 years				5½
2 years or more				5¾
$100,000 or more:				
30–59 days	5½	5½	5½	(3)
60–89 days			5¾	(3)
90–179 days			6	(3)
180 days to 1 year			6¼	(3)
1 year or more			6¼	(3)

Rates beginning July 1, 1973

Type and size of deposit	Effective date: July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits	5	5	5	5
Other time deposits (multiple- and single-maturity):[1, 2]				
Less than $100,000:				
30–89 days	5	5	5	5
90 days to 1 year	5½	5½	5½	5½
1–2½ years	6	6	6	6
2½ years or more	6½	6½	6½	6½
Minimum denomination of $1,000:				
4–6 years	(4)	7¼	7¼	7¼
6 years or more				7½
Governmental units	(5)	(5)	7½	7¾
$100,000 or more	(3)	(3)	(3)	(3)

[1] For exceptions with respect to certain foreign time deposits, see BULLETIN for Feb. 1968, p. 167.

[2] Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

[3] *Maximum rates on all single-maturity time deposits in denominations* of $100,000 or more have been suspended. Rates that were effective Jan. 21, 1970, and the dates when they were suspended are:

30–59 days	6¼ per cent	June 24, 1970
60–89 days	6½ per cent	
90–179 days	6¾ per cent	May 16, 1973
180 days to 1 year	7 per cent	
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denominations of $100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturity deposits was eliminated.

[4] Between July 1 and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $1,000. The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ per cent ceiling that applies to time de*posits maturing in 2½ years or more.*

Effective Nov. 1, 1973, a ceiling rate of 7¼ per cent was imposed on certificates maturing in 4 years or more with minimum denominations of $1,000. There is no limitation on the amount of these certificates that *banks may issue.*

[5] Prior to Nov. 27, 1974, no distinction was made between the time deposits of governmental units and of other holders, insofar as Regulation Q ceilings on rates payable were concerned. Effective Nov. 27, 1974, governmental units were permitted to hold savings deposits and could receive interest rates on time deposits with denominations under $100,000 irrespective of maturity, as high as the maximum rate permitted on such deposits at any Federally insured depositary institution.

NOTE.– Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

Period: Beginning date	Ending date	For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks): On margin stocks (T, U, G)	On convertible bonds (T, U, G)	On short sales (T)
1937–Nov. 1	1945–Feb. 4	40		50
1945–Feb. 5	July 4	50		50
July 5	1946–Jan. 20	75		75
1946–Jan. 21	1947–Jan. 31	100		100
1947–Feb. 1	1949–Mar. 29	75		75
1949–Mar. 30	1951–Jan. 16	50		50
1951–Jan. 17	1953–Feb. 19	75		75
1953–Feb. 20	1955–Jan. 3	50		50
1955–Jan. 4	Apr. 22	60		60
Apr. 23	1958–Jan. 15	70		70
1958–Jan. 16	Aug. 4	50		50
Aug. 5	Oct. 15	70		70
Oct. 16	1960–July 27	90		90
1960–July 28	1962–July 9	70		70
1962–July 10	1963–Nov. 5	50		50
1963–Nov. 6	1968–Mar. 10	70		70
1968–Mar. 11	June 7	70	50	70
June 8	1970–May 5	80	60	80
1970–May 6	1971–Dec. 3	65	50	65
1971–Dec. 6	1972–Nov. 22	55	50	55
1972–Nov. 24	1974–Jan. 2	65	50	65
Effective Jan. 3, 1974		50	50	50

NOTE. Regulations G, T, and U, 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 per cent) and the maximum loan value. The term margin stocks is defined in the corresponding regulation.

Regulation G and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Period	Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale–purchase transactions): Treasury bills[1] — Gross purchases	Treasury bills[1] — Gross sales	Treasury bills[1] — Redemptions	Others within 1 year[2] — Gross purchases	Others within 1 year[2] — Gross sales	Others within 1 year[2] — Exch., maturity shifts, or redemptions	1–5 years — Gross purchases	1–5 years — Gross sales	1–5 years — Exch. or maturity shifts	5–10 years — Gross purchases	5–10 years — Gross sales	5–10 years — Exch. or maturity shifts	Over 10 years — Gross purchases	Over 10 years — Gross sales	Over 10 years — Exch. or maturity shifts
1970	11,074	5,214	2,160	99	.....	−3,483	848	.....	5,430	249	.....	−1,845	93	.....	−102
1971	8,896	3,642	1,064	1,036	.....	−6,462	1,338	.....	4,672	933	.....	685	311	.....	150
1972	8,522	6,467	2,545	125	.....	2,933	789	.....	−1,405	539	.....	−2,094	167	.....	250
1973	15,517	4,880	3,405	1,396	.....	−140	579	.....	−2,028	500	.....	895	129	.....	87
1974	11,660	5,830	4,550	450	.....	−1,314	797	.....	−697	434	.....	1,675	196	.....	205
1974—Sept.	717	565	786	22	.....	−200	65	.....	200	53	.....	.....	37	.....	.....
Oct.	547	1,110	1,063	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nov.	1,422	273	107	148	.....	1,623	92	.....	1,757	78	.....	465	25	.....	200
Dec.	973	426	6	85	.....	126	123	.....	−126	53	.....	.....	20	.....	.....
1975—Jan.	341	945	600	14	.....	.....	305	.....	.....	61	.....	.....	26	.....	.....
Feb.	357	460	900	.....	.....	2,437	129	.....	2,836	113	.....	249	74	.....	150
Mar.	760	156	487	1,579	.....	1,494	361	.....	194	450	.....	.....	212	.....	.....
Apr.	2,119	318	506	148	.....	.....	485	.....	.....	274	.....	.....	164	.....	.....
May	903	354	407	50	.....	−3,131	.....	.....	6,635	.....	.....	3,801	.....	.....	298
June	421	161	612	20	.....	691	488	.....	−529	180	.....	.....	109	.....	.....
July	.....	1,505	800	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Aug.	312	282	400	2,002	.....	−2,144	150	.....	1,299	64	.....	1,444	47	.....	300
Sept.	2,118	.....	200	.....	.....	278	562	.....	278	137	.....	.....	124	.....	.....

Period	Total outright[1] — Gross purchases	Total outright[1] — Gross sales	Total outright[1] — Redemptions	Matched sale–purchase transactions (U.S. Govt. securities) — Gross sales	Matched sale–purchase transactions — Gross purchases	Repurchase agreements (U.S. Govt. securities) — Gross purchases	Repurchase agreements — Gross sales	Net change in U.S. Govt. securities	Federal agency obligations — Outright — Gross purchases	Federal agency obligations — Outright — Sales or redemptions	Federal agency obligations — Repurchase agreements, net	Bankers acceptances, net — Outright	Bankers acceptances, net — Repurchase agreements	Net change[3]
1970	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988	.....	.....	.....	−6	.....	4,982
1971	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	.....	101	22	181	8,866
1972	10,142	6,467	2,862	23,319	23,319	31,103	32,228	−312	1,197	370	88	−9	−145	272
1973	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	−2	−36	9,227
1974	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	420	6,149
1974—Sept.	893	565	786	9,420	9,782	3,551	3,551	−96	207	16	.....	40	187	322
Oct.	547	1,110	1,063	12,574	12,516	4,618	4,618	−1,684	.....	.....	.....	−100	−185	−1,970
Nov.	1,765	273	238	6,880	6,404	6,990	6,121	1,647	331	.....	369	174	218	2,739
Dec.	1,254	426	6	8,855	7,962	11,470	11,895	498	360	.....	142	188	201	393
1975—Jan.	746	945	600	9,237	10,367	9,260	8,748	844	.....	14	409	103	−136	387
Feb.	673	460	900	7,167	6,634	11,267	10,305	258	376	81	246	12	39	309
Mar.	3,362	156	1,788	15,933	16,763	5,011	6,928	332	210	2	347	5	−323	136
Apr.	3,189	318	506	12,375	12,216	12,774	8,551	6,428	.....	2	883	24	496	7,829
May	953	354	407	2,996	3,044	19,489	21,952	2,224	.....	97	−567	55	375	−3,207
June	1,217	161	450	12,914	13,026	15,219	16,810	−873	.....	6	255	−62	121	1,317
July	.....	1,505	800	15,532	15,139	5,977	6,146	−2,866	.....	2	−61	3	.....	−2,926
Aug.	2,574	282	2,389	14,234	13,730	8,146	6,881	663	153	40	90	1	156	1,222
Sept.	2,940	.....	200	19,931	19,835	16,664	14,857	4,451	394	1	203	14	94	5,155

[1] Before Nov. 1973 BULLETIN, included matched sale–purchase transactions, which are now shown separately.

[2] Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows: June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 131; Mar. 1975, 1,560; Aug. 1975, 1,989.

[3] Net change in U.S. Govt. securities, Federal agency obligations, and bankers' acceptances.

NOTE.—Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings. Details may not add to totals because of rounding.

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975		1974
	Oct. 29	Oct. 22	Oct. 15	Oct. 8	Oct. 1	Oct. 31	Sept. 30	Oct. 31
Assets								
Gold certificate account	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,460
Special Drawing Rights certificate account	500	500	500	500	500	500	500	400
Cash	390	398	396	414	401	398	403	245
Loans:								
Member bank borrowings	98	941	481	156	615	73	283	1,122
Other	.....	.....	.....	.....	.....	.....	.....	.....
Acceptances:								
Bought outright	739	720	698	703	704	747	698	216
Held under repurchase agreements	158	144	.....	.....	233	300	250	2
Federal agency obligations:								
Bought outright	6,073	5,789	5,789	5,789	5,789	6,073	5,789	4,011
Held under repurchase agreements	91	119	.....	.....	295	169	293	.....
U.S. Govt. securities:								
Bought outright:								
Bills	35,740	34,827	33,479	32,857	35,367	35,747	35,422	36,535
Certificates—Special	.....	.....	.....	.....	.....	.....	.....	.....
Other	.....	.....	.....	.....	.....	.....	.....	.....
Notes	43,400	43,400	43,400	43,400	43,400	43,400	43,400	39,719
Bonds	5,104	5,104	5,104	5,104	5,104	5,104	5,104	3,097
Total bought outright	[1] 84,244	[1] 83,331	[1] 81,983	[1] 81,361	[1] 83,871	[1] 84,251	[1] 83,926	[1] 79,351
Held under repurchase agreements	2,958	2,394	.....	.....	3,008	2,933	3,072	.....
Total U.S. Govt. securities	87,202	85,725	81,983	81,361	86,879	87,184	86,998	79,351
Total loans and securities	p 94,361	p 93,438	88,951	88,009	94,515	p 94,546	94,311	84,702
Cash items in process of collection	6,614	7,772	10,278	7,504	8,397	5,807	6,720	7,458
Bank premises	313	311	311	307	308	313	306	254
Operating equipment	8	6	6	4	4	11	4	.....
Other assets:								
Denominated in foreign currencies	413	399	415	337	247	413	247	190
All other	2,941	2,947	2,888	2,738	2,687	3,202	2,702	2,998
Total assets	p 117,139	p 117,370	115,344	111,412	118,658	p 116,789	116,792	107,707
Liabilities								
F.R. notes	73,233	73,356	73,773	73,355	72,636	73,063	72,563	67,207
Deposits:								
Member bank reserves	p 28,688	p 28,241	27,114	25,449	28,149	p 26,352	25,913	29,895
U.S. Treasury—General account	6,124	6,074	2,703	3,691	7,637	8,517	8,075	787
Foreign	236	214	877	234	283	297	324	376
Other:								
All other[2]	594	817	642	568	824	594	616	858
Total deposits	p 35,642	p 35,346	31,336	29,942	36,893	p 35,760	34,928	31,916
Deferred availability cash items	4,818	5,351	7,106	5,069	5,712	4,468	5,829	5,080
Other liabilities and accrued dividends	1,147	1,134	1,055	1,081	1,167	1,163	1,165	1,216
Total liabilities	p 114,840	p 115,187	113,270	109,447	116,408	p 114,454	114,485	105,419
Capital accounts								
Capital paid in	916	915	916	914	914	917	914	891
Surplus	897	897	897	897	897	897	897	844
Other capital accounts	486	371	261	154	439	521	496	553
Total liabilities and capital accounts	p 117,139	p 117,370	115,344	111,412	118,658	p 116,789	116,792	107,707
Contingent liability on acceptances purchased for foreign correspondents	.....	.....	.....	.....	.....	.....	.....	2,037
Marketable U.S. Govt. securities held in custody for foreign and international accounts	42,730	42,443	40,965	41,257	41,672	42,399	41,360	31,763
Federal Reserve Notes—Federal Reserve Agents' Accounts								
F.R. notes outstanding (issued to Bank)	78,654	78,711	78,680	78,520	78,606	78,659	78,643	71,621
Collateral held against notes outstanding:								
Gold certificate account	11,596	11,596	11,596	11,596	11,596	11,596	11,596	2,405
Special Drawing Rights certificate account	302	302	302	302	302	302	302	.....
Acceptances	.....	.....	.....	.....	.....	.....	.....	.....
U.S. Govt. securities	69,410	69,410	69,360	69,330	69,330	69,410	69,330	70,545
Total collateral	81,308	81,308	81,258	81,228	81,228	81,308	81,228	72,950

[1] See note 2 on p. A-2.
[2] See note 6 on p. A-3.

MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975		1974
	Oct. 29	Oct. 22	Oct. 15	Oct. 8	Oct. 1	Oct. 31	Sept. 30	Oct. 31
Loans—Total	98	941	483	155	616	73	283	1,120
Within 15 days	86	935	448	124	579	46	251	1,059
16–90 days	12	6	35	31	37	27	32	61
91 days to 1 year	...	...	...	...	...	...	...	...
Acceptances—Total	897	864	698	703	937	1,047	948	218
Within 15 days	264	317	179	86	336	421	353	57
16–90 days	293	216	225	320	290	294	288	141
91 days to 1 year	340	331	294	297	311	332	307	20
U.S. Govt. securities—Total	87,202	85,725	81,983	81,361	86,879	87,184	86,998	79,351
Within 15 days[1]	7,342	6,014	5,190	3,176	6,969	6,148	5,608	5,408
16–90 days	17,427	17,723	15,855	16,406	18,053	18,235	19,533	18,255
91 days to 1 year	22,774	22,329	21,279	22,120	22,198	23,190	22,198	22,534
1–5 years	30,099	30,099	30,099	30,099	30,099	30,051	30,099	21,289
5–10 years	5,893	5,893	5,893	5,893	5,893	5,891	5,893	9,946
Over 10 years	3,667	3,667	3,667	3,667	3,667	3,667	3,667	1,919
Federal agency obligations—Total	6,164	5,908	5,789	5,789	6,084	6,242	6,082	4,011
Within 15 days[1]	129	156	11	11	295	207	303	8
16–90 days	216	195	194	195	201	216	201	144
91 days to 1 year	657	620	618	618	623	657	613	598
1–5 years	3,282	3,141	3,088	3,073	3,073	3,282	3,073	1,937
5–10 years	1,284	1,214	1,296	1,310	1,310	1,284	1,310	836
Over 10 years	596	582	582	582	582	596	582	488

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

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period		Debits to demand deposit accounts[1] (billions of dollars)					Turnover of demand deposits				
		Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
			N.Y.	6 others[2]				N.Y.	6 others[2]		
1974	Sept.	22,017.5	9,970.8	5,092.1	12,046.7	6,954.7	125.1	310.5	127.5	83.8	66.9
	Oct.	22,348.8	10,271.1	5,084.7	12,077.6	6,993.0	127.0	316.8	127.3	84.1	67.5
	Nov.	22,918.7	10,538.9	5,160.2	12,379.8	7,219.6	131.8	324.6	131.5	87.5	70.6
	Dec.	22,192.4	9,931.8	5,152.7	12,260.6	7,107.9	128.0	312.8	131.8	86.6	69.3
1975	Jan.	21,856.3	10,157.8	4,868.4	11,698.4	6,830.1	r127.3	321.8	125.9	83.4	67.3
	Feb.	22,952.7	10,918.0	4,992.8	12,034.7	7,041.9	133.3	343.2	127.4	85.8	69.6
	Mar.	22,182.9	10,241.1	4,899.9	r11,941.8	r7,041.9	125.1	320.4	118.2	82.2	67.8
	Apr.	r22,707.5	10,810.3	4,770.6	r11,897.2	7,126.9	r127.8	r330.3	r115.5	82.1	68.8
	May	22,739.7	10,826.1	4,852.6	11,913.6	7,016.0	r129.2	r333.9	121.3	83.0	68.2
	June	22,504.2	10,612.2	4,755.2	11,892.0	7,136.9	124.6	328.6	115.5	80.2	66.7
	July	22,830.2	10,709.5	4,841.1	12,120.7	7,279.5	126.4	331.0	116.4	81.7	68.2
	Aug.	r22,268.6	10,628.8	5,125.0	r12,639.7	r7,514.6	130.4	335.0	124.4	86.2	71.3
	Sept.	23,228.2	10,585.0	5,196.7	12,643.2	7,446.5	129.0	330.7	124.8	85.4	70.0

[1] Excludes interbank and U.S. Govt. demand deposit accounts.
[2] Boston, Philadelphia, Chicago, Detroit, San Francisco–Oakland, and Los Angeles–Long Beach.

NOTE.—Total SMSA's include some cities and counties not designated as SMSA's.

For back data see pp. 634–35 of the July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Period	Seasonally adjusted					Not seasonally adjusted				
	M_1	M_2	M_3	M_4	M_5	M_1	M_2	M_3	M_4	M_5
	Composition of measures is described in the NOTE below.									
1972—Dec.	255.8	525.7	844.9	569.7	888.8	263.0	530.7	848.0	574.9	892.2
1973—Dec.	271.5	572.2	919.6	636.0	983.4	279.1	577.3	922.8	641.3	986.8
1974—Sept.	280.7	603.4	965.0	688.2	1,049.9	278.9	600.3	960.8	689.0	1,049.5
Oct.	281.6	607.6	970.7	693.8	1,056.9	281.2	605.7	967.4	694.5	1,056.2
Nov.	283.6	611.6	976.9	697.1	1,062.4	285.1	609.7	972.8	696.8	1,059.9
Dec.	284.4	613.5	981.7	703.7	1,072.0	292.3	618.6	985.0	709.0	1,075.5
1975—Jan.	281.6	614.8	986.3	707.6	1,079.1	288.6	620.7	991.7	712.7	1,083.6
Feb.	282.4	619.1	994.4	711.2	1,086.5	279.4	616.7	992.1	705.9	1,081.4
Mar.	285.0	625.1	1,005.9	714.8	1,095.7	282.2	624.6	1,007.3	712.7	1,095.4
Apr.	285.8	628.9	1,015.7	717.3	1,104.1	287.3	633.3	1,022.4	719.1	1,108.2
May	288.5	635.9	1,028.3	721.5	1,113.9	283.7	634.1	1,028.2	718.2	1,112.3
June	293.0	646.1	1,045.3	730.1	1,129.4	291.1	645.5	1,047.1	727.9	1,129.4
July	293.5	650.5	1,055.9	732.6	1,138.0	293.1	650.1	1,057.5	731.4	1,138.8
Aug.	294.2	653.7	1,064.2	731.7	1,142.2	290.9	650.0	1,060.2	731.1	1,141.3
Sept.^{p}	294.6	656.3	1,070.7	735.4	1,149.8	292.8	652.7	1,066.0	735.4	1,148.7

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

M_1: Averages of daily figures for (1) demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M_2: Averages of daily figures for M_1 plus savings deposits, time deposits open account, and time certificates other than negotiable CD's of $100,000 of large weekly reporting banks.

M_3: M_2 plus mutual savings bank deposits, savings and loan shares, and credit union shares (nonbank thrift).

M_4: M_2 plus large negotiable CD's.

M_5: M_3 plus large negotiable CD's.

For a description of the latest revisions in M_1, M_2, and M_3, see "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817–27 of the Dec. 1974 BULLETIN.

Latest monthly and weekly figures including revisions since Oct. 1974 are available from the Board's Sept. 18, 1975, H.6 release. Back data are available from the Banking Section, Division of Research and Statistics.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Period	Seasonally adjusted						Not seasonally adjusted									
	Currency	Commercial banks				Nonbank thrift institutions[2]	Currency	Commercial banks						Nonbank thrift institutions[2]	U.S. Govt. deposits[3]
		Demand deposits	Time and savings deposits					Demand deposits			Time and savings deposits				
			CD's[1]	Other	Total			Total	Member	Domestic nonmember	CD's[1]	Other	Total		
1972—Dec.	56.9	198.9	43.9	269.9	313.8	319.1	57.9	205.1	152.4	51.4	44.2	267.6	311.8	317.3	7.4
1973—Dec.	61.6	209.9	63.8	300.7	364.5	347.4	62.7	216.4	157.0	56.6	64.0	298.2	362.2	345.6	6.3
1974—Sept.	65.9	214.8	84.8	322.7	407.5	361.7	65.8	213.1	153.3	56.6	88.7	321.3	410.1	360.5	5.5
Oct.	66.5	215.2	86.2	325.9	412.1	363.2	66.4	214.7	154.4	57.1	88.8	324.6	413.3	361.7	3.7
Nov.	67.4	216.2	85.5	328.0	413.5	365.3	67.9	217.3	156.0	57.7	87.1	324.6	411.7	363.0	3.4
Dec.	67.9	216.5	90.3	329.1	419.3	368.2	69.0	223.3	160.4	58.9	90.5	326.3	416.7	366.5	4.9
1975—Jan.	68.2	213.4	92.7	333.2	426.0	371.5	67.8	220.9	158.8	58.5	91.9	332.1	424.0	371.0	4.0
Feb.	68.7	213.7	92.1	336.7	428.8	375.3	67.8	211.6	152.3	56.1	89.2	337.3	426.5	375.4	3.3
Mar.	69.4	215.6	89.8	340.1	429.9	380.8	68.8	213.4	153.9	56.2	88.1	342.4	430.5	382.7	3.8
Apr.	69.5	216.3	88.4	343.1	431.5	386.8	69.1	218.2	157.5	57.7	85.8	345.9	431.8	389.1	4.0
May	70.2	218.3	85.5	347.4	432.9	392.4	70.0	213.7	154.0	56.9	84.1	350.4	434.5	394.1	4.1
June	71.1	221.9	84.1	353.1	437.1	399.2	71.2	219.9	157.7	59.2	82.3	354.4	436.7	401.5	4.1
July	71.4	222.1	82.1	357.0	439.1	405.4	71.9	221.1	158.3	59.8	81.3	357.0	438.3	407.4	3.3
Aug.	71.9	222.3	78.0	359.4	437.4	410.5	72.2	218.7	156.3	59.5	81.1	359.1	440.2	410.2	2.6
Sept.^{p}	72.0	222.7	79.1	361.7	440.7	414.4	71.9	220.9	157.5	60.3	82.7	359.9	442.6	413.3	3.8

[1] Negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.

[2] Average of the beginning and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.

[3] At all commercial banks.

See also NOTE above.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A.[1]				Deposits subject to reserve requirements[3]								Total member bank deposits plus nondeposit items[4]	
					S.A.				N.S.A.					
	Total	Non-borrowed	Required	Available[2]	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	S.A.	N.S.A.
1971—Dec....	31.33	31.20	31.15	29.03	360.3	210.7	143.8	5.8	364.6	209.7	149.2	5.7	365.2	369.5
1972—Dec....	31.46	30.41	31.17	29.09	402.0	242.0	154.5	5.6	406.8	240.7	160.1	6.1	406.4	411.2
1973—Dec....	35.16	33.87	34.86	32.97	442.2	280.0	158.2	3.9	447.5	278.5	164.0	5.0	448.7	454.0
1974—Sept....	37.28	34.00	37.08	35.30	480.6	314.4	159.9	6.3	479.7	317.2	158.3	4.2	489.2	488.2
Oct.....	36.85	35.04	36.73	34.89	480.5	317.2	159.5	3.7	480.5	318.6	159.1	2.7	488.3	488.3
Nov....	36.88	35.62	36.67	34.87	483.6	318.4	160.6	4.6	481.2	317.4	161.4	2.4	491.2	488.8
Dec....	36.91	36.18	36.65	34.64	485.9	323.4	160.7	1.9	491.8	321.7	166.6	3.5	494.3	500.1
1975—Jan.....	36.91	36.51	36.76	34.41	488.2	328.5	159.0	0.7	495.1	327.2	165.0	2.9	495.8	502.6
Feb.....	35.46	35.32	35.27	33.61	489.2	328.9	159.7	0.6	487.0	326.5	158.0	2.4	495.7	493.5
Mar....	34.85	34.74	34.65	33.03	491.6	329.2	161.7	0.7	491.6	328.9	159.8	2.8	498.1	498.1
Apr.....	35.08	34.97	34.93	33.11	493.5	329.7	161.7	2.1	495.4	329.1	163.2	3.1	500.2	502.2
May....	34.63	34.56	34.47	32.80	493.7	329.0	162.6	2.1	491.8	329.8	159.0	3.0	501.2	499.2
June....	34.87	34.65	34.67	33.00	500.5	330.8	165.9	3.8	497.5	330.2	164.2	3.1	507.5	504.5
July....	34.99	34.69	34.80	32.94	498.5	330.8	165.2	2.5	497.2	330.2	164.5	2.5	505.3	504.0
Aug....	34.57	34.36	34.37	32.77	496.0	327.9	165.3	2.9	494.8	330.5	162.3	2.0	503.0	501.8
Sept....	34.68	34.28	34.49	32.79	498.8	330.1	165.6	3.1	499.1	332.2	164.2	2.9	505.8	506.1

[1] Averages of daily figures. Member bank reserve series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Required reserves were increased by $660 million effective Apr. 16, 1969, and $400 million effective Oct. 16, 1969; were reduced by $500 million (net) effective Oct. 1, 1970. Required reserves were reduced by approximately $2.5 billion, effective Nov. 9, 1972; by $1.0 billion, effective Nov. 15; and increased by $300 million effective Nov. 22.

[2] Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private demand deposits, (b) total time and savings deposits, and (c) nondeposit sources subject to reserve requirements, and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Govt. demand deposits.

[3] Averages of daily figures. Deposits subject to reserve requirements include 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. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

[4] "Total member bank deposits" subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE. For description of revised series and for back data, see article "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817–27 of the Dec. 1974 BULLETIN.

Due to changes in Regulations M and D, member bank reserves include reserves held against nondeposit funds beginning Oct. 16, 1969. Back data may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

(In billions of dollars)

Date	Seasonally adjusted							Not seasonally adjusted						
	Total loans and investments[1]	Loans				Securities		Total loans and investments[1]	Loans				Securities	
		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treasury	Other[4]		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treasury	Other[4]
1971—Dec. 31....	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972—Dec. 31....	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973—Dec. 31....	630.3	447.3	451.6	155.8	158.4	52.8	130.2	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974—Oct. 30[5]....	690.8	502.0	507.2	183.2	186.0	49.8	139.0	689.5	500.7	505.9	182.0	184.8	50.7	138.1
Nov. 27[6]....	692.5	503.8	508.7	184.3	187.0	49.1	139.6	692.2	502.0	506.9	183.2	185.9	52.1	138.1
Dec. 31....	687.1	498.2	503.0	182.6	185.3	48.8	140.1	705.6	510.7	515.5	186.8	189.6	54.5	140.5
1975—Jan. 29....	690.0	501.3	505.9	184.1	186.8	48.7	140.0	689.1	496.5	501.1	181.9	184.6	53.5	139.1
Feb. 26....	692.6	498.9	503.4	182.5	185.2	53.2	140.5	686.8	492.8	497.3	180.7	183.4	54.6	139.5
Mar. 26....	697.0	498.3	503.0	180.9	183.7	58.5	140.2	692.5	492.3	496.9	180.5	183.3	59.3	140.9
Apr. 30....	699.1	495.0	499.6	180.5	183.2	64.0	140.1	698.1	493.1	497.7	181.1	183.8	63.3	141.7
May 28....	702.0	492.8	497.5	179.1	181.9	68.2	141.0	698.3	491.6	496.3	178.7	181.5	65.0	141.7
June 30....	705.0	489.9	494.6	176.3	179.2	72.4	142.7	709.3	497.2	501.9	179.0	181.9	68.2	143.9
July 30p....	706.4	489.6	494.1	177.6	180.4	73.4	143.4	704.9	491.7	496.2	177.5	180.3	69.6	143.6
Aug. 27p....	710.4	490.7	495.2	177.5	180.3	75.6	144.1	705.6	489.7	494.2	176.0	178.8	72.1	143.8
Sept. 24p....	711.6	490.4	494.9	176.4	179.2	77.1	144.1	711.5	491.7	496.2	176.8	179.6	75.4	144.3
Oct. 29p....	715.0	494.1	498.8	177.9	180.8	75.1	145.8	713.3	492.4	497.1	176.6	179.5	76.1	144.8

[1] Adjusted to exclude domestic commercial interbank loans.

[2] Loans sold are those sold outright for banks' own foreign branches, nonconsolidated nonbank affiliates of the bank, the banks' holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company. Prior to Aug. 28, 1974, the institutions included had been defined somewhat differently, and the reporting panel of banks was also different. On the new basis, both "Total loans" and "Commercial and industrial loans" were reduced by about $100 million.

[3] Reclassification of loans at one large bank reduced these loans by about $400 million as of June 30, 1972.

[4] Farmers Home Administration insured notes included in "Other securities" rather than in loans beginning June 30, 1971, when such notes totaled about $700 million.

[5] Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about $500 million in loans, $100 million in "Other securities," and $600 million in "Total loans and investments."

[6] As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by $1.5 billion in connection with the liquidation of one large bank. Reductions in other items were: "Total loans," $1.0 billion (of which $0.6 billion was in "Commercial and industrial loans"), and "Other securities," $0.5 billion. In late November "Commercial and industrial loans" were increased by $0.1 billion as a result of loan reclassifications at another large bank.

NOTE.—*Total loans and investments:* For monthly data, Jan. 1959–June 1973, see Nov. 1973 BULLETIN, pp. A-96–A-97, and for 1948–58, Aug. 1968 BULLETIN, pp. A-94–A-97. For a description of the current seasonally adjusted series see the Nov. 1973 BULLETIN, pp. 831–32, and the Dec. 1971 BULLETIN, pp. 971–73. *Commercial and industrial loans:* For monthly data, Jan. 1959–June 1973, see Nov. 1973 BULLETIN, pp. A-96–A-98; for description see July 1972 BULLETIN, p. 683. Data are for last Wednesday of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments: Total	Loans [1]	Securities: U.S. Treasury	Securities: Other [2]	Cash assets [3]	Total assets—Total liabilities and capital accounts [4]	Deposits: Total [3]	Interbank [3]: Demand	Interbank [3]: Time	Other: Demand: U.S. Govt.	Other: Demand: Other	Other: Time [5]	Borrowings	Total capital accounts	Number of banks
Last-Wednesday-of-month series [6]															
All commercial banks:															
1941—Dec. 31...	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982		44,349		15,952	23	7,173	14,278
1947—Dec. 31[7]..	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	240	1,343	94,367	35,360	65	10,059	14,181
1960—Dec. 31...	199,509	117,642	61,003	20,864	52,150	257,552	229,843	17,079	1,799	5,945	133,379	71,641	163	20,986	13,472
1970—Dec. 31[8]..	461,194	313,334	61,742	86,118	93,643	576,242	480,940	30,608	1,975	7,938	209,335	231,084	19,375	42,958	13,686
1971—Dec. 31...	516,564	346,930	64,930	104,704	99,832	640,255	537,946	32,205	2,908	10,169	220,375	272,289	25,912	47,211	13,783
1972—Dec. 31...	598,808	414,696	67,028	117,084	113,128	739,033	616,037	33,854	4,194	10,875	252,223	314,891	38,083	52,658	13,927
1973—Dec. 31...	683,799	494,947	58,277	130,574	118,276	835,224	681,847	36,839	6,773	9,865	263,367	365,002	58,994	58,128	14,171
1974—Oct. 30[9]..	723,330	534,520	50,730	138,080	110,770	880,750	700,420	33,150	10,180	3,080	243,090	410,920	68,350	62,180	14,422
Nov. 27...	729,640	539,400	52,140	138,100	116,220	894,530	708,150	34,230	10,310	3,910	248,730	410,970	71,470	62,210	14,440
Dec. 31...	744,107	549,183	54,451	140,473	128,042	919,552	747,903	43,483	11,496	4,807	267,506	420,611	58,369	63,650	14,465
1975—Jan. 29...	724,820	532,230	53,500	139,090	101,670	875,020	702,170	29,980	11,740	4,520	233,880	422,050	61,460	64,050	14,477
Feb. 26...	725,480	531,390	54,550	139,540	103,880	879,080	702,500	29,930	10,440	2,630	234,610	424,890	64,290	64,540	14,499
Mar. 26...	731,690	531,440	59,330	140,920	105,850	889,370	712,520	30,410	11,680	3,950	236,900	429,580	63,370	65,220	14,525
Apr. 30...	731,100	526,120	63,280	141,700	114,140	899,110	723,060	33,140	11,880	7,910	242,580	427,550	61,340	65,100	14,537
May 28...	733,690	527,030	65,000	141,660	114,400	901,280	725,590	32,510	11,200	2,950	246,410	432,520	61,700	65,080	14,558
June 30...	747,551	535,493	68,191	143,868	128,716	930,719	754,324	42,582	11,209	3,117	264,027	433,389	62,420	66,557	14,573
July 30p..	738,850	525,640	69,620	143,590	106,780	900,210	724,350	33,160	10,830	2,230	243,470	434,660	61,800	66,150	14,583
Aug. 27p..	740,590	524,700	72,060	143,830	104,030	898,940	723,090	31,510	10,570	2,850	242,290	435,870	59,770	66,580	14,595
Sept. 24p..	742,300	522,580	75,440	144,280	105,160	903,440	724,490	31,280	10,990	3,220	240,080	438,920	60,790	66,900	14,612
Oct. 29p..	745,140	524,250	76,050	144,840	109,160	911,900	733,970	31,830	11,210	2,710	247,020	441,200	60,170	67,450	14,612
Members of F.R. System:															
1941—Dec. 31...	43,521	18,021	19,539	5,961	23,113	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886	6,619
1947—Dec. 31...	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	6,923
1960—Dec. 31...	165,619	99,933	49,106	16,579	45,756	216,577	193,029	16,437	1,639	5,287	112,393	57,273	130	17,398	6,174
1970—Dec. 31[8]..	365,940	253,936	45,399	66,604	81,500	465,644	384,596	29,142	1,733	6,460	168,032	179,229	18,578	34,100	5,767
1971—Dec. 31...	405,087	277,717	47,633	79,738	86,189	511,353	425,380	30,612	2,549	8,427	174,385	209,406	25,046	37,279	5,727
1972—Dec. 31...	465,788	329,548	48,715	87,524	96,566	585,125	482,124	31,958	3,561	9,024	197,817	239,763	36,357	41,228	5,704
1973—Dec. 31...	528,124	391,032	41,494	95,598	100,098	655,898	526,837	34,782	5,843	8,273	202,564	275,374	55,611	44,741	5,735
1974—Oct. 30[9]..	548,622	415,941	34,813	97,868	93,674	680,173	535,128	31,043	9,089	2,117	184,573	308,306	60,803	47,131	5,775
Nov. 27...	556,088	421,428	36,394	98,266	98,603	694,743	542,515	32,422	9,222	2,859	189,688	308,324	65,411	47,320	5,774
Dec. 31...	568,532	429,537	38,921	100,073	106,995	715,615	575,563	41,062	10,052	3,183	204,203	317,064	52,850	48,240	5,780
1975—Jan. 29r..	550,220	414,419	37,549	98,252	86,350	676,898	536,256	28,311	10,299	3,247	177,701	316,698	56,105	48,411	5,783
Feb. 26...	549,144	412,076	38,628	98,440	88,430	678,970	535,250	28,157	8,991	1,989	178,596	317,517	58,868	48,741	5,785
Mar. 26...	552,957	411,446	42,544	98,967	89,685	685,906	542,076	28,564	10,231	2,794	180,214	320,273	58,030	49,219	5,785
Apr. 30...	550,756	406,676	45,142	98,938	96,694	692,147	549,824	31,102	10,433	6,212	184,693	317,384	55,738	49,267	5,789
May 28...	551,264	405,803	46,918	98,543	96,455	691,485	549,996	30,191	9,751	2,178	187,439	320,437	56,140	49,188	5,790
June 30...	562,667	412,939	49,610	100,118	107,152	716,364	573,382	39,847	9,576	2,166	201,197	320,596	56,334	50,257	5,794
July 30...	553,545	403,742	50,050	99,753	89,898	688,756	547,222	30,980	9,198	1,541	184,595	320,908	56,094	49,951	5,796
Aug. 27...	554,007	402,281	51,899	99,827	87,208	686,266	545,021	29,335	8,932	2,099	183,283	321,372	54,175	50,281	5,792
Sept. 24...	555,096	400,695	54,355	100,046	88,004	689,717	546,360	29,150	9,360	2,343	181,340	324,167	54,929	50,543	5,792
Oct. 29...	556,379	401,489	54,546	100,344	91,420	695,311	552,791	29,572	9,578	1,960	186,843	324,838	54,167	50,968	5,796
Call date series															
Insured banks:															
Total:															
1941—Dec. 31...	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654		1,762	41,298	15,699	10	6,844	13,426
1947—Dec. 31...	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398
1960—Dec. 31...	198,011	117,092	60,468	20,451	51,836	255,669	228,401	16,921	1,667	5,932	132,533	71,348	149	20,628	13,119
1970—Dec. 31[8]..	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	13,502
1972—Dec. 31...	594,502	411,525	66,679	116,298	111,333	732,519	612,822	33,366	4,113	10,820	250,693	313,830	37,556	52,166	13,721
1973—Dec. 31...	678,113	490,527	57,961	129,625	116,266	827,081	677,358	36,248	6,429	9,856	261,530	363,294	57,531	57,603	13,964
1974—Dec. 31...	734,516	541,111	54,132	139,272	125,375	906,325	741,665	42,587	10,693	4,799	265,444	418,142	55,988	63,039	14,216
1975—Apr. 16...	733,913	529,350	59,540	145,023	110,950	893,141	720,607	31,291	10,845	4,628	249,373	424,470	65,274	64,578	14,274
June 30...	736,164	526,272	67,833	142,060	125,181	914,781	746,348	41,244	10,252	3,106	261,903	416,962	59,310	65,986	14,320
National member:															
1941—Dec. 31...	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786		1,088	23,262	8,322	4	3,640	5,117
1947—Dec. 31...	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	5,005
1960—Dec. 31...	107,546	63,694	32,712	11,140	28,675	139,261	124,911	9,829	611	3,265	71,660	39,546	111	11,098	4,530
1970—Dec. 31[8]..	271,760	187,554	34,203	50,004	56,028	340,764	283,663	18,051	982	4,740	122,298	137,592	13,100	24,868	4,620
1972—Dec. 31...	350,743	247,041	37,185	66,516	67,390	434,810	359,319	19,096	2,155	6,646	146,800	184,622	26,706	30,342	4,612
1973—Dec. 31...	398,236	293,555	30,962	73,718	70,711	489,470	395,767	20,357	3,876	5,955	152,705	212,874	39,696	33,125	4,659
1974—Dec. 31...	428,433	321,466	29,075	77,892	76,523	534,207	431,039	23,497	6,750	2,437	154,397	243,959	39,603	35,815	4,706
1975—Apr. 16...	425,928	312,844	32,503	80,581	66,841	523,006	416,620	17,146	7,157	2,809	144,014	245,494	44,405	36,652	4,720
June 30...	428,167	312,229	37,606	78,331	75,686	536,836	431,646	21,096	6,804	1,723	152,576	242,492	41,954	37,483	4,730

For notes see opposite page.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments: Total	Loans and investments: Loans 1	Securities: U.S. Treasury	Securities: Other 2	Cash assets 3	Total assets—Total liabilities and capital accounts 4	Deposits: Total 3	Interbank 3: Demand	Interbank 3: Time	Other: Demand: U.S. Govt.	Other: Demand: Other	Other: Time 5	Borrowings	Total capital accounts	Number of banks
						Call date series									
Insured banks (cont.):															
State member:															
1941—Dec. 31	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739		621	13,874	4,025	1	2,246	1,502
1947—Dec. 31	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1960—Dec. 31	58,073	36,240	16,394	5,439	17,081	77,316	68,118	6,608	1,028	2,022	40,733	17,727	20	6,299	1,644
1970—Dec. 31[8]	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
1972—Dec. 31	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886	1,092
1973—Dec. 31	130,240	97,828	10,532	21,880	29,387	166,780	131,421	14,425	1,968	2,318	49,859	62,851	15,914	11,617	1,076
1974—Dec. 31	140,373	108,346	9,846	22,181	30,473	181,683	144,799	17,565	3,301	746	49,807	73,380	13,247	12,425	1,074
1975—Apr. 16	136,425	102,992	10,127	23,306	29,358	177,453	135,949	12,984	3,047	735	46,287	72,895	17,988	12,586	1,066
1975 June 30	134,759	100,968	12,004	21,787	31,466	179,787	141,995	18,751	2,771	443	48,621	65,654	14,380	12,773	1,064
Nonmember:															
1941—Dec. 31	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129		53	4,162	3,360	6	959	6,810
1947—Dec. 31	16,444	4,958	10,039	1,448	4,083	20,691	19,342	262	4	149	12,366	6,558	7	1,271	6,478
1960 Dec. 31	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232	6,948
1970 Dec. 31[8]	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735
1972—Dec. 31	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938	8,017
1973—Dec. 31	149,638	99,143	16,467	34,027	16,167	170,831	150,170	1,467	586	1,582	58,966	87,569	1,920	12,862	8,229
1974 Dec. 31	165,709	111,300	15,211	39,199	18,380	190,435	165,827	1,525	642	1,616	61,240	100,804	3,138	14,799	8,436
1975 Apr. 16	171,559	113,513	16,909	41,136	14,750	192,682	168,039	1,161	641	1,084	59,071	106,082	2,881	15,339	8,488
1975 June 30	173,238	113,074	18,223	41,942	18,029	198,157	172,707	1,397	676	940	60,706	108,816	2,976	15,730	8,526
Noninsured nonmember:															
1941—Dec. 31	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1947—Dec. 31[7]	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1960—Dec. 31	1,498	550	535	413	314	1,883	1,443	159	132	13	846	293	14	358	352
1970—Dec. 31[8]	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971—Dec. 31	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
1972—Dec. 31	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206
1973—Dec. 31	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524	207
1974—Dec. 31	9,981	8,461	319	1,201	2,667	13,616	6,627	897	803	8	2,062	2,857	2,382	611	249
1975 June 30	11,725	9,559	358	1,808	3,534	16,277	8,314	1,338	957	11	2,124	3,320	3,110	570	253
Total nonmember:															
1941—Dec. 31	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457		5,504		3,613	18	1,288	7,662
1947—Dec. 31	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261
1960—Dec. 31	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590	7,300
1970—Dec. 31[8]	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
1971—Dec. 31	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932	8,056
1972—Dec. 31	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429	8,223
1973—Dec. 31	155,830	104,070	16,783	34,976	18,177	179,480	155,165	2,057	930	1,592	60,802	89,784	3,383	13,386	8,436
1974—Dec. 31	175,690	119,761	15,530	40,400	21,047	204,051	172,454	2,422	1,445	1,624	63,302	103,661	5,520	15,410	8,685
1975 June 30	184,963	122,633	18,581	43,750	21,563	214,434	181,021	2,735	1,633	951	62,830	112,136	6,086	16,300	8,779

1 Loans to farmers directly guaranteed by CCC were reclassified as securities and Export-Import Bank portfolio fund participations were reclassified from loans to securities effective June 30, 1966. This reduced "Total loans" and increased "Other securities" by about $1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc.," on p. A-16.

Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately $300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

See also table (and notes) at the bottom of p. A-24.

2 See first 2 paragraphs of note 1.

3 Reciprocal balances excluded beginning with 1942.

4 Includes items not shown separately. See also note 1.

5 See third paragraph of note 1 above.

6 For the last-Wednesday-of-the-month series, figures for call dates are shown for June and December as soon as they became available.

7 Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

8 Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

9 Member bank data for Oct. exclude assets of $3.6 billion of one large bank.

NOTE.—Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; and nondeposit trust companies.

Figures for member banks before 1970 include mutual savings banks as follows: 3 before Jan. 1960 and 2 through Dec. 1960. Those banks are not included in insured commercial banks.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, exclude 1 national bank in Puerto Rico.

Beginning Dec. 31, 1973, June 30, 1974, and Dec. 31, 1974, June 30, 1975, respectively, member banks exclude and noninsured nonmember banks include 1, 2, 3, and 4 noninsured trust companies that are members of the Federal Reserve System.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers etc.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870–71.

ASSETS BY CLASS OF BANK, JUNE 30, 1975

(Amounts in millions of dollars)

Account	All commercial banks	Insured commercial banks	Member banks[1]					Nonmember banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Cash bank balances, items in process	128,716	125,181	107,152	29,694	4,419	38,925	34,114	21,564
Currency and coin	10,102	10,079	7,546	569	121	2,520	4,335	2,556
Reserves with F.R. Banks	26,890	26,890	26,890	5,656	1,800	10,084	9,350	....
Demand balances with banks in United States	34,278	31,788	19,722	6,940	165	3,710	8,906	14,556
Other balances with banks in United States	5,727	5,276	3,647	94	115	1,153	2,284	2,080
Balances with banks in foreign countries	2,296	1,833	1,738	438	78	938	285	558
Cash items in process of collection	49,422	49,315	47,610	15,997	2,139	20,518	8,955	1,813
Total securities held—Book value	212,058	209,893	149,728	16,808	5,879	49,992	77,049	62,330
U.S. Treasury	68,191	67,833	49,610	7,368	2,189	17,061	22,992	18,581
Other U.S. Govt. agencies	33,882	33,490	21,213	1,754	570	6,348	12,540	12,669
States and political subdivisions	101,472	101,091	73,762	7,030	2,828	25,087	38,817	27,711
All other securities	8,513	7,479	5,144	657	291	1,496	2,699	3,370
Trade-account securities	6,198	6,188	6,136	2,468	556	2,896	217	62
U.S. Treasury	2,945	2,934	2,909	1,399	344	1,078	88	35
Other U.S. Govt. agencies	941	941	934	239	27	633	35	7
States and political subdivisions	1,907	1,907	1,893	736	117	952	89	14
All other	406	406	400	95	68	233	5	6
Bank investment portfolios	205,860	203,705	143,592	14,340	5,323	47,096	76,832	62,268
U.S. Treasury	65,246	64,899	46,701	5,969	1,845	15,983	22,904	18,545
Other U.S. Govt. agencies	32,941	32,549	20,279	1,515	544	5,715	12,505	12,662
States and political subdivisions	99,566	99,184	71,869	6,294	2,711	24,135	38,729	27,697
All other	8,108	7,073	4,743	562	224	1,264	2,694	3,364
Federal funds sold and securities resale agreements	38,841	37,383	28,951	1,747	1,263	14,807	11,133	9,891
Commercial banks	34,083	32,625	24,296	852	1,041	11,800	10,604	9,787
Brokers and dealers	3,054	3,054	2,977	108	203	2,195	471	77
Others	1,704	1,704	1,677	787	19	812	59	27
Other loans	496,990	488,888	384,247	75,339	22,512	142,424	143,973	112,742
Real estate loans	131,445	131,246	94,442	7,951	1,332	35,526	49,633	37,003
Secured by farmland	6,105	6,090	2,676	5	2	327	2,342	3,428
Secured by residential	81,360	81,233	59,898	4,265	894	23,532	31,207	21,462
1- to 4-family residences	74,612	74,489	54,377	3,150	839	20,932	29,456	20,235
FHA insured	5,626	5,610	4,875	233	55	2,632	1,955	752
VA guaranteed	3,167	3,147	2,713	181	20	1,418	1,094	454
Other	65,818	65,732	46,790	2,736	764	16,882	26,407	19,029
Multifamily	6,748	6,744	5,521	1,115	55	2,600	1,751	1,227
FHA insured	762	761	706	136	25	331	214	56
Other	5,986	5,983	4,815	978	30	2,269	1,537	1,171
Secured by other properties	43,981	43,923	31,868	3,681	436	11,667	16,084	12,113
Loans to domestic and foreign banks	11,155	8,644	8,075	3,543	504	3,252	776	3,080
Loans to other financial institutions	32,413	32,164	30,964	11,756	4,720	12,175	2,314	1,449
Loans on securities to brokers and dealers	5,534	5,447	5,373	3,931	659	649	134	161
Other loans for purch./carry securities	3,836	3,818	3,177	516	277	1,497	887	658
Loans to farmers	19,071	19,054	10,768	88	190	2,554	7,935	8,304
Commercial and industrial loans	178,993	174,436	147,242	39,616	12,517	55,802	39,307	31,751
Loans to individuals	101,816	101,512	72,806	4,942	1,540	25,865	40,458	29,010
Instalment loans	79,246	79,033	56,275	3,062	804	20,229	32,180	22,971
Passenger automobiles	32,128	32,026	21,423	421	151	6,621	14,230	10,706
Residential-repair/modernize	5,627	5,611	4,077	202	49	1,717	2,109	1,550
Credit cards and related plans	10,835	10,835	9,551	1,015	399	5,320	2,818	1,284
Charge-account credit cards	8,240	8,240	7,389	742	369	4,181	2,096	851
Check and revolving credit plans	2,595	2,594	2,162	273	29	1,139	722	433
Other retail consumer goods	15,273	15,242	10,661	160	104	3,765	6,632	4,611
Mobile homes	8,807	8,801	6,340	100	48	2,276	3,916	2,467
Other	6,466	6,441	4,321	60	56	1,489	2,716	2,144
Other instalment loans	15,383	15,318	10,563	1,265	101	2,807	6,390	4,820
Single-payment loans to individuals	22,570	22,479	16,531	1,880	736	5,636	8,278	6,039
All other loans	12,726	12,568	11,400	2,995	773	5,103	2,529	1,326
Total loans and securities	747,889	736,164	562,926	93,894	29,654	207,223	232,155	184,963
Fixed assets—Buildings, furniture, real estate	16,254	16,175	12,183	1,263	500	4,894	5,526	4,071
Investments in subsidiaries not consolidated	1,820	1,798	1,777	797	146	754	81	42
Customer acceptances outstanding	9,462	9,223	8,993	4,795	427	3,438	332	469
Other assets	26,917	26,239	23,592	8,889	1,122	9,756	3,825	3,325
Total assets	931,057	914,781	716,623	139,333	36,268	264,990	276,032	214,434
Number of banks	14,573	14,320	5,794	12	9	155	5,618	8,779

[1] Member banks exclude and nonmember banks include 4 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks *outside* the continental United States.

[2] See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 24.

[3] Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Figures for total loans and for individual categories of securities are reported on a gross basis—that is, before deduction of valuation reserves.

Back data in lesser detail were shown in previous BULLETINS. Beginning with the fall Call Report, data for future spring and fall Call Reports will be available from the Data Production Section of the Division of Data Processing.

Details may not add to totals because of rounding.

LIABILITIES AND CAPITAL BY CLASS OF BANK, DECEMBER 31, 1974

(Amounts in millions of dollars)

Account	All commercial banks	Insured commercial banks	Member banks[1]					Non-member banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Demand deposits	309,726	306,253	243,210	57,475	9,911	85,372	90,453	66,516
Mutual savings banks	1,279	1,151	1,057	483	1	210	362	223
Other individuals, partnerships, and corporations	232,079	231,121	177,344	29,687	7,668	65,847	74,142	54,735
U.S. Government	3,117	3,106	2,166	118	42	725	1,280	951
States and political subdivisions	18,217	18,079	13,074	758	186	3,883	8,247	5,143
Foreign governments, central banks, etc.	1,555	1,310	1,280	1,088	18	167	6	275
Commercial banks in United States	34,345	34,019	32,823	16,986	1,593	10,482	3,762	1,522
Banks in foreign countries	6,957	6,074	5,967	4,662	152	1,058	95	990
Certified and officers' checks, etc.	12,176	11,393	9,499	3,691	250	2,999	2,558	2,677
Time and savings deposits	444,936	440,096	330,431	46,693	16,362	119,708	147,669	114,505
Savings deposits	151,744	151,463	109,037	6,995	2,385	38,455	61,202	42,708
Accumulated for personal loan payments[2]	338	335	259	....	....	74	186	79
Mutual savings banks	648	627	611	287	17	265	42	37
Other individuals, partnerships, and corporations	219,489	216,619	163,751	25,801	10,371	59,106	68,473	55,738
U.S. Government	492	492	360	10	1	184	165	132
States and political subdivisions	48,219	48,052	34,739	1,421	1,324	15,062	16,932	13,480
Foreign governments, central banks, etc.	13,445	12,882	12,710	7,956	1,374	3,337	43	735
Commercial banks in United States	8,449	8,334	7,716	3,205	842	3,048	621	733
Banks in foreign countries	2,111	1,291	1,248	1,018	48	178	5	863
Total deposits	754,662	746,348	573,641	104,167	26,272	205,080	238,122	181,021
Federal funds purchased and securities sold under agreements to repurchase	56,529	54,835	52,184	13,367	5,845	25,865	7,106	4,345
Other liabilities for borrowed money	5,891	4,475	4,150	1,362	26	2,370	392	1,741
Mortgage indebtedness	763	761	550	64	4	313	169	213
Bank acceptances outstanding	10,060	9,814	9,583	5,375	430	3,447	332	477
Other liabilities	27,627	23,645	18,960	3,535	929	7,789	6,706	8,667
Total liabilities	855,533	839,879	659,069	127,870	33,507	244,864	252,827	196,464
Minority interest in consolidated subsidiaries	5	4	1	....	....	....	1	4
Total reserves on loans/securities	8,963	8,912	7,297	1,685	525	2,761	2,325	1,666
Reserves for bad debts (IRS)	8,659	8,614	7,110	1,685	525	2,682	2,218	1,549
Other reserves on loans	121	119	69	....	1	17	50	53
Reserves on securities	182	179	119	....	....	61	57	64
Total capital accounts	66,557	65,986	50,257	9,777	2,236	17,365	20,878	16,300
Capital notes and debentures	4,347	4,287	3,467	782	81	1,656	948	880
Equity capital	62,210	61,699	46,790	8,995	2,155	15,710	19,930	15,421
Preferred stock	50	42	24	....	....	10	13	27
Common stock	15,176	15,077	11,187	2,163	568	3,614	4,842	3,989
Surplus	25,968	25,816	19,500	3,667	1,143	6,976	7,713	6,468
Undivided profits	20,053	19,859	15,441	3,166	399	4,845	7,031	4,613
Other capital reserves	963	905	638	....	44	264	330	324
Total liabilities, reserves, minority interest, capital accounts	931,057	914,781	716,623	139,333	36,268	264,990	276,032	214,434
Demand deposits adjusted[3]	222,842	219,813	160,611	24,373	6,136	53,646	76,456	62,231
Average total deposits (past 15 days)	734,017	726,164	555,860	96,313	25,508	199,612	234,427	178,157
Average total loans (past 15 days)	506,945	497,466	385,936	74,863	22,484	143,273	145,316	121,009
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	13.8	13.7	15.0	21.3	12.2	14.7	12.4	10.1
Total securities held	22.8	22.9	20.9	12.1	16.2	18.9	27.9	29.1
Trading account securities	.7	.7	.9	1.8	1.5	1.1	.1	....
U.S. Treasury	.3	.3	.4	1.0	.9	.4	....	....
States and political subdivisions	.2	.2	.3	.5	.3	.4	....	....
All other trading account securities	.1	.1	.2	.2	.3	.3	....	....
Bank investment portfolios	22.1	22.3	20.0	10.3	14.7	17.8	27.8	29.0
U.S. Treasury	7.0	7.1	6.5	4.3	5.1	6.0	8.3	8.6
States and political subdivisions	10.7	10.8	10.0	4.5	7.5	9.1	14.0	12.9
All other portfolio securities	4.4	4.3	3.5	1.5	2.1	2.6	5.5	7.5
Other loans and Federal funds sold	57.6	57.5	57.7	55.3	65.6	59.3	56.2	57.2
All other assets	5.8	5.8	6.5	11.3	6.1	7.1	3.5	3.7
Total loans and securities	80.3	80.5	78.6	67.4	81.8	78.2	84.1	86.3
Reserves for loans and securities	1.0	1.0	1.0	1.2	1.4	1.0	.8	.8
Equity capital—Total	6.7	6.7	6.5	6.5	5.9	5.9	7.2	7.2
Total capital accounts	7.1	7.2	7.0	7.0	6.2	6.6	7.6	7.6
Number of banks	14,573	14,320	5,794	12	9	155	5,618	8,779

For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and invest-ments	Loans: Federal funds sold, etc.[1]: Total	Federal funds sold, etc.: To com-mer-cial banks	Federal funds sold, etc.: To brokers and dealers involving—: U.S. Treas-ury se-curi-ties	Federal funds sold, etc.: To brokers and dealers involving—: Other se-curi-ties	Federal funds sold, etc.: To others	Other: Total	Other: Com-mer-cial and indus-trial	Other: Agri-cul-tural	For purchasing or carrying securities: To brokers and dealers: U.S. Treas-ury secs.	For purchasing or carrying securities: To brokers and dealers: Other secs.	For purchasing or carrying securities: To others: U.S. Treas-ury secs.	For purchasing or carrying securities: To others: Other secs.	To nonbank financial institutions: Pers. and sales finan. cos., etc.	To nonbank financial institutions: Other	Real estate
Large banks— Total																
1974																
Oct. 2	398,212	16,938	13,834	1,300	889	915	299,353	128,827	3,771	898	3,707	101	2,629	10,217	22,069	59,840
9	401,346	19,550	14,057	3,556	836	1,101	299,397	128,529	3,754	2,500	4,007	91	2,634	9,707	21,888	59,831
16	399,288	18,515	14,723	2,059	773	960	298,201	129,032	3,739	618	3,454	92	2,629	9,992	21,955	59,931
23	394,150	15,493	12,541	1,240	744	968	296,913	128,323	3,751	1,324	3,370	94	2,614	9,684	21,710	60,056
30	394,981	16,243	12,929	1,820	696	798	296,631	128,328	3,759	966	3,735	94	2,613	9,883	21,525	60,056
1975																
Sept. 3	390,590	16,909	14,738	1,187	477	507	279,378	118,983	3,629	696	3,463	99	2,272	9,272	19,867	58,967
10	393,730	18,722	14,964	2,546	619	593	279,356	119,007	3,624	1,118	3,490	96	2,275	9,034	19,761	58,979
17	392,257	16,674	13,041	2,356	671	606	280,042	119,243	3,635	1,602	3,605	94	2,268	9,096	19,523	59,055
24	388,363	14,471	12,152	1,307	392	620	278,711	119,006	3,630	763	3,216	81	2,270	9,019	19,392	59,077
Oct. 1	394,972	17,777	15,030	1,288	632	827	281,571	119,714	3,632	896	3,799	87	2,258	9,567	19,455	59,282
8	394,706	17,985	13,398	2,987	958	642	280,842	119,191	3,619	2,248	3,820	87	2,260	8,718	19,277	59,212
15	396,088	19,671	15,273	2,635	1,057	706	280,758	119,200	3,616	1,499	4,150	81	2,273	8,697	19,168	59,327
22	389,638	15,574	12,898	1,543	533	600	278,168	118,305	3,632	898	3,464	78	2,259	8,628	19,065	59,437
29	389,500	16,412	13,818	1,650	464	480	277,626	118,187	3,597	798	3,677	83	2,262	8,327	18,989	59,499
New York City																
1974																
Oct. 2	92,213	2,101	1,882	140	......	79	75,294	39,104	122	789	2,466	21	545	3,564	8,551	7,274
9	92,752	1,600	1,519	54	......	27	76,138	39,168	117	2,146	2,755	21	544	3,276	8,424	7,270
16	92,838	2,840	2,755	33	......	52	74,785	39,287	119	520	2,304	21	547	3,488	8,529	7,296
23	91,387	2,435	2,291	72	......	72	74,327	38,864	122	1,187	2,289	21	547	3,299	8,429	7,330
30	90,788	1,704	1,569	86	......	49	74,266	38,913	123	826	2,557	21	545	3,515	8,402	7,324
1975																
Sept. 3	87,078	2,540	2,367	27	......	146	68,379	36,104	87	603	2,146	29	412	3,173	7,765	7,489
10	87,129	1,150	943	23	......	184	68,863	36,279	88	1,023	2,213	29	411	3,210	7,684	7,494
17	87,167	1,524	1,276	51	......	197	68,991	36,234	89	1,308	2,278	29	406	3,205	7,623	7,540
24	86,634	2,178	1,883	33	72	190	68,070	36,207	89	707	1,914	15	406	3,193	7,485	7,591
Oct. 1	88,046	2,240	1,902	42	......	296	69,277	36,192	86	845	2,243	15	402	3,503	7,498	7,792
8	87,467	1,186	1,017	46	......	123	69,544	36,061	87	1,935	2,416	15	405	2,928	7,371	7,833
15	88,703	2,590	2,393	15	70	112	69,386	36,102	88	1,214	2,839	15	399	2,890	7,294	7,895
22	86,526	1,998	1,798	47	......	153	67,954	35,849	89	818	2,222	14	402	2,944	7,247	7,917
29	85,858	1,707	1,522	88	......	97	67,885	35,838	90	742	2,379	14	404	2,803	7,212	7,915
Outside New York City																
1974																
Oct. 2	305,999	14,837	11,952	1,160	889	836	224,059	89,723	3,649	109	1,241	80	2,084	6,653	13,518	52,566
9	308,594	17,950	12,538	3,502	836	1,074	223,259	89,361	3,637	354	1,252	70	2,090	6,431	13,464	52,561
16	306,450	15,675	11,968	2,026	773	908	223,416	89,745	3,620	98	1,150	71	2,082	6,504	13,426	52,635
23	302,763	13,058	10,250	1,168	744	896	222,586	89,459	3,629	137	1,081	73	2,067	6,385	13,281	52,726
30	304,193	14,539	11,360	1,734	696	749	222,365	89,415	3,636	140	1,178	73	2,068	6,368	13,123	52,732
1975																
Sept. 3	303,512	14,369	12,371	1,160	477	361	210,999	82,879	3,542	93	1,317	70	1,860	6,099	12,102	51,478
10	306,601	17,572	14,021	2,523	619	409	210,493	82,728	3,536	95	1,277	67	1,864	5,824	12,077	51,485
17	305,090	15,150	11,765	2,305	671	409	211,051	83,009	3,546	294	1,327	65	1,862	5,891	11,900	51,515
24	301,729	12,293	10,269	1,274	320	430	210,641	82,799	3,541	56	1,302	66	1,864	5,826	11,907	51,486
Oct. 1	306,926	15,537	13,128	1,246	632	531	212,294	83,522	3,546	51	1,556	72	1,856	6,064	11,957	51,490
8	307,239	16,799	12,381	2,941	958	519	211,298	83,130	3,532	313	1,404	72	1,855	5,790	11,906	51,379
15	307,385	17,081	12,880	2,620	987	594	211,372	83,098	3,528	285	1,311	66	1,874	5,807	11,874	51,432
22	303,112	13,576	11,100	1,496	533	447	210,214	82,456	3,543	80	1,242	64	1,857	5,684	11,818	51,520
29	303,642	14,705	12,296	1,562	464	383	209,741	82,349	3,507	56	1,298	69	1,858	5,524	11,777	51,584

For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.): Other (cont.): To commercial banks: Domestic	Loans (cont.): Other (cont.): To commercial banks: Foreign	Loans (cont.): Other (cont.): Consumer instalment	Loans (cont.): Other (cont.): Foreign govts.[2]	Loans (cont.): Other (cont.): All other	Investments: U.S. Treasury securities: Total	U.S. Treasury securities: Bills	U.S. Treasury securities: Certificates	U.S. Treasury securities: Notes and bonds maturing: Within 1 yr.	Notes and bonds maturing: 1 to 5 yrs.	Notes and bonds maturing: After 5 yrs.	Other securities: Total	Other securities: Obligations of States and political subdivisions: Tax warrants[3]	Obligations of States and political subdivisions: All other	Other bonds, corp. stocks, and securities: Certif. of participation[4]	Other bonds, corp. stocks, and securities: All other[5]	Wednesday
																Large banks—Total
																1974
3,591	6,343	35,159	1,643	20,558	19,766	1,224	....	3,691	10,939	3,912	62,155	6,899	40,888	2,431	11,937	Oct. 2
3,509	6,338	35,149	1,636	19,824	20,104	1,551	....	3,643	10,927	3,983	62,295	6,963	41,127	2,494	11,711	9
3,362	6,566	35,077	1,611	20,143	20,553	2,032	....	3,624	10,903	3,994	62,019	6,764	41,090	2,447	11,718	16
3,335	6,010	35,037	1,626	19,979	20,373	1,996	....	3,617	10,718	4,042	61,371	6,324	40,818	2,456	11,773	23
3,289	6,068	35,089	1,627	19,599	20,522	2,174	....	3,658	10,684	4,006	61,585	6,254	40,799	2,582	11,950	30
																1975
2,236	5,846	34,341	1,530	18,177	34,288	9,049	....	4,937	17,276	3,026	60,015	6,213	39,904	2,395	11,503	Sept. 3
2,283	5,785	34,361	1,432	18,111	35,243	9,637	....	5,295	17,308	3,003	60,409	6,451	39,944	2,415	11,599	10
2,417	5,713	34,414	1,414	17,963	35,013	9,838	....	5,351	16,959	2,865	60,528	6,503	40,114	2,394	11,517	17
2,368	5,864	34,467	1,452	18,106	35,015	10,069	....	5,319	16,776	2,851	60,166	6,412	39,799	2,368	11,587	24
2,550	5,827	34,561	1,405	18,538	35,316	10,073	....	5,460	16,902	2,881	60,308	6,395	39,895	2,409	11,609	Oct. 1
2,399	5,938	34,530	1,415	18,128	35,604	10,205	....	5,361	17,003	3,035	60,275	6,323	39,814	2,365	11,773	8
2,392	5,926	34,519	1,453	18,457	34,892	9,820	....	5,374	16,819	2,879	60,767	6,709	39,824	2,367	11,867	15
2,422	5,858	34,565	1,477	18,080	35,572	9,552	....	5,396	17,790	2,834	60,324	6,409	39,666	2,328	11,921	22
2,292	5,777	34,652	1,521	17,965	35,032	9,042	....	5,485	17,793	2,712	60,430	6,685	39,805	2,333	11,607	29
																New York City
																1974
1,654	3,032	2,599	871	4,702	3,768	33	....	372	1,970	1,393	11,050	2,370	5,714	473	2,493	Oct. 2
1,552	3,108	2,633	885	4,239	4,097	401	....	336	1,898	1,462	10,917	2,284	5,778	472	2,383	9
1,495	3,345	2,627	874	4,333	4,420	738	....	344	1,893	1,445	10,793	2,276	5,725	427	2,365	16
1,513	2,880	2,615	852	4,379	4,115	472	....	344	1,829	1,470	10,510	2,040	5,614	447	2,409	23
1,521	2,977	2,630	832	4,080	4,322	630	....	361	1,853	1,478	10,496	1,977	5,541	505	2,473	30
																1975
1,032	2,568	2,571	614	3,786	7,163	1,850	....	510	3,981	822	8,996	1,239	5,351	507	1,899	Sept. 3
1,033	2,506	2,578	535	3,780	8,032	2,498	....	515	4,230	789	9,084	1,268	5,398	515	1,903	10
1,063	2,407	2,584	529	3,696	7,351	2,278	....	494	3,913	666	9,301	1,388	5,588	506	1,819	17
1,054	2,536	2,588	530	3,755	7,264	2,225	....	537	3,818	684	9,122	1,356	5,444	496	1,826	24
1,176	2,511	2,588	522	3,904	7,384	2,304	....	665	3,722	693	9,145	1,340	5,459	501	1,845	Oct. 1
988	2,583	2,591	517	3,814	7,763	2,536	....	647	3,742	838	8,974	1,291	5,410	496	1,777	8
993	2,576	2,585	546	3,950	7,645	2,507	....	644	3,791	703	9,082	1,275	5,448	498	1,861	15
976	2,550	2,589	585	3,752	7,587	2,183	....	584	4,191	629	8,987	1,254	5,401	496	1,836	22
905	2,503	2,596	644	3,840	7,276	1,932	....	574	4,199	571	8,990	1,317	5,406	493	1,774	29
																Outside New York City
																1974
1,937	3,311	32,560	772	15,856	15,998	1,191	....	3,319	8,969	2,519	51,105	4,529	35,174	1,958	9,444	Oct. 2
1,957	3,230	32,516	751	15,585	16,007	1,150	....	3,307	9,029	2,521	51,378	4,679	35,349	2,022	9,328	9
1,867	3,221	32,450	737	15,810	16,133	1,294	....	3,280	9,010	2,549	51,226	4,488	35,365	2,020	9,353	16
1,822	3,130	32,422	774	15,600	16,258	1,524	....	3,273	8,889	2,572	50,861	4,284	35,204	2,009	9,364	23
1,768	3,091	32,459	795	15,519	16,200	1,544	....	3,297	8,831	2,528	51,089	4,277	35,258	2,077	9,477	30
																1975
1,204	3,278	31,770	916	14,391	27,125	7,199	....	4,427	13,295	2,204	51,019	4,974	34,553	1,888	9,604	Sept. 3
1,250	3,279	31,783	897	14,331	27,211	7,139	....	4,780	13,078	2,214	51,325	5,183	34,546	1,900	9,696	10
1,354	3,306	31,830	885	14,267	27,662	7,560	....	4,857	13,046	2,199	51,227	5,115	34,526	1,888	9,698	17
1,314	3,328	31,879	922	14,351	27,751	7,844	....	4,782	12,958	2,167	51,044	5,056	34,355	1,872	9,761	24
1,374	3,316	31,973	883	14,634	27,932	7,769	....	4,795	13,180	2,188	51,163	5,055	34,436	1,908	9,764	Oct. 1
1,411	3,355	31,939	898	14,314	27,841	7,669	....	4,714	13,261	2,197	51,301	5,032	34,404	1,869	9,996	8
1,399	3,350	31,934	907	14,507	27,247	7,313	....	4,730	13,028	2,176	51,685	5,434	34,376	1,869	10,006	15
1,446	3,308	31,976	892	14,328	27,985	7,369	....	4,812	13,599	2,205	51,337	5,155	34,265	1,832	10,085	22
1,387	3,274	32,056	877	14,125	27,756	7,110	....	4,911	13,594	2,141	51,440	5,368	34,399	1,840	9,833	29

For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/ total liabilities	Deposits: Demand: Total [6]	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank: Commercial	Domestic interbank: Mutual savings
Large banks—Total													
1974													
Oct. 2	33,872	24,163	4,394	10,485	1,642	30,432	503,200	160,987	115,075	6,164	3,195	22,460	854
9	29,963	20,139	4,448	10,505	1,622	29,964	497,987	154,150	111,950	5,877	1,074	21,739	826
16	42,009	27,592	4,628	11,918	1,585	29,406	516,426	170,097	120,145	5,984	1,850	26,780	773
23	33,616	24,425	4,752	10,703	1,600	29,654	498,900	156,319	113,339	5,568	1,030	24,076	691
30	33,857	23,873	4,865	11,178	1,605	30,543	500,902	159,896	115,026	6,106	1,155	23,832	679
1975													
Sept. 3	36,974	22,651	4,796	11,787	1,752	37,356	505,906	165,445	120,411	6,198	1,243	24,635	781
10	31,764	20,995	4,927	10,760	1,753	38,210	502,139	160,028	118,669	6,088	1,473	21,677	711
17	32,351	18,689	4,964	11,301	1,751	37,740	499,053	161,658	118,337	5,847	2,764	22,175	700
24	28,630	22,378	5,048	11,646	1,747	37,942	495,754	154,453	113,640	6,067	1,442	21,613	649
Oct. 1	36,813	21,410	4,768	13,277	1,794	38,661	511,695	167,744	119,800	6,496	1,070	25,790	912
8	33,427	19,373	4,640	11,965	1,800	37,588	503,499	160,314	117,589	5,731	894	23,048	837
15	41,706	20,764	4,935	14,116	1,801	37,664	517,074	173,414	125,680	6,161	1,635	26,153	832
22	32,611	21,764	5,008	12,469	1,792	37,881	501,163	159,326	115,960	5,817	1,442	23,341	754
29	31,804	22,326	5,150	11,509	1,794	38,013	500,096	159,252	116,161	5,784	1,248	22,099	781
New York City													
1974													
Oct. 2	10,918	6,292	504	4,238	711	10,059	124,935	45,234	26,190	307	485	10,219	511
9	10,195	5,559	523	4,492	709	10,073	124,303	43,499	24,187	406	121	10,648	434
16	15,911	7,252	511	5,358	709	9,539	132,118	50,800	26,442	298	242	13,988	426
23	13,441	5,724	507	5,189	713	9,911	126,872	46,580	25,580	317	109	13,385	383
30	12,442	7,938	524	5,363	724	10,285	128,064	47,182	26,049	366	128	12,088	365
1975													
Sept. 3	11,063	6,252	517	4,648	795	12,595	122,948	44,789	25,673	389	99	10,936	421
10	10,321	6,624	544	4,493	787	13,255	123,153	43,016	25,410	318	206	10,050	372
17	10,518	4,216	518	4,817	788	12,425	120,449	43,976	25,334	337	282	10,635	365
24	9,336	6,028	525	5,405	796	12,617	121,341	42,480	24,126	381	178	10,869	338
Oct. 1	13,607	7,238	508	6,466	802	12,949	129,616	49,039	26,434	418	76	13,276	542
8	12,200	5,623	515	5,372	801	12,918	124,896	45,372	26,226	345	62	10,965	459
15	14,176	6,255	518	6,392	801	12,384	129,229	48,961	27,610	415	223	12,738	454
22	10,743	5,566	525	5,685	801	12,941	122,787	44,208	24,421	310	171	11,754	418
29	11,865	7,283	523	4,993	803	12,439	123,764	45,020	25,321	232	127	10,567	427
Outside New York City													
1974													
Oct. 2	22,954	17,871	3,890	6,247	931	20,373	378,265	115,753	88,885	5,857	2,710	12,241	343
9	19,768	14,580	3,925	6,013	913	19,891	373,684	110,651	87,763	5,471	953	11,091	392
16	26,098	20,340	4,117	6,560	876	19,867	384,308	119,297	93,703	5,686	1,608	12,792	347
23	20,175	18,701	4,245	5,514	887	19,743	372,028	109,739	87,759	5,251	921	10,691	308
30	21,415	15,935	4,341	5,815	881	20,258	372,838	112,714	88,977	5,740	1,027	11,744	314
1975													
Sept. 3	25,911	16,399	4,279	7,139	957	24,761	382,958	120,656	94,738	5,809	1,144	13,699	360
10	21,443	14,371	4,383	6,267	966	24,955	378,986	117,012	93,259	5,770	1,267	11,627	339
17	21,833	14,473	4,446	6,484	963	25,315	378,604	117,682	93,003	5,510	2,482	11,540	335
24	19,294	16,350	4,523	6,241	951	25,325	374,413	111,973	89,514	5,686	1,264	10,744	311
Oct. 1	23,206	14,172	4,260	6,811	992	25,712	382,079	118,705	93,366	6,078	994	12,514	370
8	21,227	13,750	4,125	6,593	999	24,670	378,603	114,942	91,363	5,386	832	12,083	378
15	27,530	14,509	4,417	7,724	1,000	25,280	387,845	124,453	98,070	5,746	1,412	13,415	378
22	21,868	16,198	4,483	6,784	991	24,940	378,376	115,118	91,539	5,507	1,271	11,587	336
29	19,939	15,043	4,627	6,516	991	25,574	376,332	114,232	90,840	5,552	1,121	11,532	354

For notes see page A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits (cont.) — Demand (cont.) — Foreign — Govts., etc.[2]	Demand (cont.) — Foreign — Commercial banks	Demand (cont.) — Certified and officers' checks	Time and savings — Total[6]	Time and savings — IPC — Savings	Time and savings — IPC — Other	Time and savings — States and political subdivisions	Time and savings — Domestic interbank	Time and savings — Foreign govts.[2]	Federal funds purchased, etc.[7]	Borrowings from — F.R. Banks	Borrowings from — Others	Other liabilities, etc.[8]	Wednesday
													Large banks — Total
													1974
1,166	5,199	6,874	221,496	57,220	119,472	24,640	7,620	10,787	50,055	2,183	5,892	23,610	Oct. 2
1,155	5,281	6,248	221,122	57,380	118,792	24,999	7,531	10,659	51,742	311	6,022	25,696	9
1,283	5,601	7,681	221,182	57,436	118,927	24,970	7,460	10,630	53,900	1,278	5,544	25,526	16
1,095	4,961	5,559	221,596	57,462	119,376	24,945	7,259	10,742	48,912	1,907	5,564	25,731	23
1,247	4,635	7,216	219,890	57,408	118,238	24,540	7,217	10,627	49,896	1,285	5,448	25,604	30
													1975
1,215	5,023	5,939	222,765	65,246	114,625	22,366	7,815	11,409	49,020	85	4,036	22,933	Sept. 3
1,144	4,651	5,615	223,268	65,223	115,079	22,096	7,742	11,798	48,006	1,589	4,075	23,545	10
1,297	4,941	5,597	222,937	65,207	114,871	22,027	7,770	11,782	45,170	201	4,013	23,520	17
1,038	5,033	4,971	225,003	65,214	116,251	22,154	7,999	11,985	45,850	1,182	4,023	23,606	24
1,223	5,176	7,277	225,264	65,590	116,180	21,950	7,928	12,241	48,443	393	3,962	23,869	Oct. 1
1,119	4,881	6,215	226,109	65,729	116,309	22,168	8,064	12,508	47,382	38	4,102	23,499	8
1,102	5,042	6,809	224,886	65,767	115,368	22,035	8,053	12,308	47,821	353	4,113	24,543	15
1,081	4,803	6,128	225,568	65,931	115,848	22,089	8,096	12,249	45,350	842	4,195	23,973	22
1,141	4,684	7,354	224,963	65,928	115,440	22,149	8,030	12,071	46,370	3	3,954	23,572	29
													New York City
													1974
937	3,869	2,716	46,753	4,932	27,892	1,892	4,423	6,443	11,848	..	2,371	8,498	Oct. 2
943	3,947	2,813	46,536	4,945	27,712	1,949	4,355	6,384	12,850	..	2,421	8,764	9
1,040	4,289	4,075	46,850	4,964	28,045	1,955	4,299	6,363	12,879	230	2,197	8,928	16
883	3,657	2,266	46,914	4,957	28,155	2,016	4,142	6,360	10,859	1,038	2,262	9,012	23
1,061	3,384	3,741	46,366	4,945	27,846	1,871	4,069	6,309	12,908	370	2,140	8,924	30
													1975
996	3,723	2,552	44,686	5,739	26,429	1,134	3,447	7,110	11,987	..	2,099	8,169	Sept. 3
929	3,348	2,383	44,694	5,729	26,238	1,135	3,303	7,421	12,272	1,502	2,075	8,344	10
1,014	3,618	2,391	44,483	5,720	26,079	1,116	3,201	7,528	10,486	..	2,060	8,238	17
828	3,754	2,006	44,989	5,717	26,320	1,101	3,221	7,674	11,614	550	2,066	8,386	24
986	3,835	3,472	45,156	5,733	26,280	1,124	3,183	7,928	13,078	..	2,001	8,862	Oct. 1
903	3,488	2,924	45,863	5,716	26,731	1,089	3,323	8,146	11,303	..	1,981	8,897	8
860	3,447	3,214	45,405	5,712	26,376	1,052	3,354	8,036	11,277	275	1,995	9,880	15
841	3,500	2,793	45,597	5,727	26,556	1,040	3,416	7,984	9,895	680	2,106	8,895	22
904	3,326	4,116	45,218	5,730	26,335	1,046	3,428	7,827	11,681	..	1,835	8,583	29
													Outside New York City
													1974
229	1,330	4,158	174,743	52,288	91,580	22,748	3,197	4,344	38,207	2,183	3,521	15,112	Oct. 2
212	1,334	3,435	174,586	52,435	91,080	23,050	3,176	4,275	38,892	311	3,601	16,932	9
243	1,312	3,606	174,332	52,472	90,882	23,015	3,161	4,267	41,021	1,048	3,347	16,598	16
212	1,304	3,293	174,682	52,505	91,221	22,929	3,117	4,382	38,053	869	3,302	16,719	23
186	1,251	3,475	173,524	52,463	90,392	22,669	3,148	4,318	36,988	915	3,308	16,680	30
													1975
219	1,300	3,387	178,079	59,507	88,196	21,232	4,368	4,299	37,033	85	1,937	14,764	Sept. 3
215	1,303	3,232	178,574	59,494	88,841	20,961	4,439	4,377	35,734	87	2,000	15,201	10
283	1,323	3,206	178,454	59,487	88,792	20,911	4,569	4,254	34,684	201	1,953	15,282	17
210	1,279	2,965	180,014	59,497	89,931	21,053	4,778	4,311	34,236	632	1,957	15,220	24
237	1,341	3,805	180,108	59,857	89,900	20,826	4,745	4,313	35,365	393	1,961	15,007	Oct. 1
216	1,393	3,291	180,246	60,013	89,578	21,079	4,741	4,362	36,079	38	2,121	14,602	8
242	1,595	3,595	179,481	60,055	88,992	20,983	4,699	4,272	36,544	78	2,118	14,663	15
240	1,303	3,335	179,971	60,204	89,292	21,049	4,680	4,265	35,455	162	2,089	15,078	22
237	1,358	3,238	179,745	60,198	89,105	21,103	4,602	4,244	34,689	3	2,119	14,989	29

For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Reserves for—		Total capital accounts	Memoranda									
	Loans	Securities		Total loans (gross) adjusted[9]	Total loans and investments (gross) adjusted[9]	Demand deposits adjusted[10]	Large negotiable time CD's included in time and savings deposits[11] — Total	Issued to IPC's	Issued to others	All other large time deposits[12] — Total	Issued to IPC's	Issued to others	Gross liabilities of banks to their foreign branches
Large banks—Total													
1974													
Oct. 2	5,173	64	33,740	298,866	380,787	101,460	....	....	....	89,501	61,808	27,693	2,372
9	5,145	64	33,735	301,381	383,780	101,374	....	....	....	88,845	61,173	27,672	2,188
16	5,148	64	33,687	298,631	381,203	99,458	....	....	....	88,671	61,246	27,425	3,140
23	5,143	64	33,664	296,530	378,274	97,597	....	....	....	88,975	61,655	27,320	2,709
30	5,143	64	33,676	296,656	478,763	101,052	....	....	....	87,673	60,619	27,054	2,131
1975													
Sept. 3	5,775	84	35,763	279,313	373,616	102,593	33,277	18,046	15,231	81,814	55,222	26,592	2,327
10	5,797	69	35,762	280,831	376,483	105,114	33,288	18,099	15,189	82,374	55,622	26,752	2,353
17	5,791	70	35,693	281,258	376,799	104,368	33,204	18,182	15,022	82,078	55,332	26,746	2,613
24	5,794	69	35,774	278,662	373,843	102,768	33,216	18,179	15,037	84,180	56,764	27,416	2,304
Oct. 1	5,781	69	36,170	281,768	377,392	104,071	33,019	18,273	14,746	83,996	56,373	27,623	2,723
8	5,800	70	36,185	283,030	378,909	102,945	33,387	18,370	15,017	84,486	56,510	27,976	3,085
15	5,778	75	36,091	282,764	378,423	103,920	33,345	18,341	15,004	83,277	55,622	27,655	4,233
22	5,743	71	36,095	278,422	374,318	101,932	33,395	18,370	15,025	83,714	56,091	27,623	3,232
29	5,756	71	36,155	277,928	373,390	104,101	33,404	18,355	15,049	83,388	56,011	27,377	2,916
New York City													
1974													
Oct. 2	1,418	....	8,813	73,859	88,677	23,612	....	....	....	30,235	20,168	10,067	1,436
9	1,412	....	8,821	74,667	89,681	22,535	....	....	....	30,085	20,049	10,036	1,215
16	1,415	....	8,819	73,375	88,588	20,659	....	....	....	30,149	20,295	9,854	2,179
23	1,415	....	8,792	72,958	87,583	19,645	....	....	....	30,111	20,437	9,674	2,014
30	1,408	....	8,766	72,880	87,698	22,524	....	....	....	29,616	20,039	9,577	1,459
1975													
Sept. 3	1,732	....	9,486	67,520	83,679	22,691	7,722	4,854	2,868	28,812	19,166	9,646	1,528
10	1,741	....	9,509	68,037	85,153	22,439	7,738	4,849	2,889	28,857	19,025	9,832	1,605
17	1,731	....	9,475	68,176	84,828	22,541	7,662	4,819	2,843	28,658	18,855	9,803	1,765
24	1,733	....	9,523	67,311	83,697	22,097	7,536	4,691	2,845	29,333	19,266	10,067	1,482
Oct. 1	1,681	....	9,799	68,439	84,968	22,080	7,522	4,743	2,779	29,427	19,124	10,303	1,923
8	1,672	....	9,808	68,725	85,462	22,145	7,466	4,718	2,748	30,248	19,605	10,643	1,991
15	1,656	1	9,779	68,590	85,317	21,824	7,417	4,717	2,700	29,828	19,237	10,591	3,472
22	1,621	1	9,784	67,178	83,752	21,540	7,368	4,651	2,717	30,066	19,503	10,563	2,077
29	1,641	1	9,785	67,165	83,431	22,461	7,295	4,581	2,714	29,846	19,439	10,407	2,071
Outside New York City													
1974													
Oct. 2	3,755	64	24,927	225,007	292,110	77,848	....	....	....	59,266	41,640	17,626	936
9	3,733	64	24,914	226,714	294,099	78,839	....	....	....	58,760	41,124	17,636	973
16	3,733	64	24,868	225,256	292,615	78,799	....	....	....	58,522	40,951	17,571	961
23	3,728	64	24,872	223,572	290,691	77,952	....	....	....	58,864	41,218	17,646	695
30	3,735	64	24,910	223,776	291,065	78,528	....	....	....	58,057	40,580	17,477	672
1975													
Sept. 3	4,043	84	26,277	211,793	289,937	79,902	25,555	13,192	12,363	53,002	36,056	16,946	799
10	4,056	69	26,253	212,794	291,330	82,675	25,550	13,250	12,300	53,517	36,597	16,920	748
17	4,060	70	26,218	213,082	291,971	81,827	25,542	13,363	12,179	53,420	36,477	16,943	848
24	4,061	69	26,251	211,351	290,146	80,671	25,680	13,488	12,192	54,847	37,498	17,349	822
Oct. 1	4,100	69	26,371	213,329	292,424	81,991	25,497	13,530	11,967	54,569	37,249	17,320	800
8	4,128	70	26,377	214,305	293,447	80,800	25,921	13,652	12,269	54,238	36,905	17,333	1,094
15	4,122	74	26,312	214,174	293,106	82,096	25,928	13,624	12,304	53,449	36,385	17,064	761
22	4,122	70	26,311	211,244	290,566	80,392	26,027	13,719	12,308	53,648	36,588	17,060	1,155
29	4,115	70	26,370	210,763	289,959	81,640	26,109	13,774	12,335	53,542	36,572	16,970	845

[1] Includes securities purchased under agreements to resell.
[2] Includes official institutions and so forth.
[3] Includes short-term notes and bills.
[4] Federal agencies only.
[5] Includes corporate stocks.
[6] Includes U.S. Govt. and foreign bank deposits, not shown separately.
[7] Includes securities sold under agreements to repurchase.
[8] Includes minority interest in consolidated subsidiaries.
[9] Exclusive of loans and Federal funds transactions with domestic commercial banks.
[10] All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.
[11] Certificates of deposit issued in denominations of $100,000 or more.
[12] All other time deposits issued in denominations of $100,000 or more (not included in large negotiable CD's).

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding 1975 Oct. 29	Oct. 22	Oct. 15	Oct. 8	Oct. 1	Net change during 1975 Oct.	Sept.	Aug.	1975 III	II	I	1975 1st half	1974 2nd half
Durable goods manufacturing:													
Primary metals	1,979	1,932	2,001	2,000	1,972	31	24	1	13	23	41	18	140
Machinery	6,066	6,173	6,292	6,328	6,475	- 474	296	244	887	642	672	1,314	222
Transportation equipment	3,155	3,130	3,131	3,164	3,282	157	19	214	198	296	6	302	705
Other fabricated metal products	2,277	2,327	2,375	2,376	2,353	169	6	55	277	211	23	188	75
Other durable goods	3,763	3,830	3,915	3,939	3,947	204	25	83	174	316	402	718	247
Nondurable goods manufacturing:													
Food, liquor, and tobacco	3,375	3,350	3,311	3,315	3,284	50	120	134	13	519	1,090	1,609	984
Textiles, apparel, and leather	2,962	3,035	3,110	3,143	3,150	206	72	16	55	148	139	287	618
Petroleum refining	2,560	2,538	2,558	2,671	2,641	-36	56	17	118	283	- 55	228	967
Chemicals and rubber	2,821	2,826	2,829	2,833	2,808	48	95	79	253	321	61	260	256
Other nondurable goods	1,935	1,960	2,003	1,995	1,998	140	30	120	148	10	293	283	23
Mining, including crude petroleum and natural gas	5,286	5,247	5,245	5,197	5,287	122	153	43	285	109	267	158	846
Trade: Commodity dealers	1,375	1,383	1,292	1,247	1,297	133	114	11	137	328	644	972	508
Other wholesale	5,586	5,571	5,541	5,470	5,525	44	-69	27	78	534	574	1,108	484
Retail	6,365	6,300	6,240	6,124	6,129	366	104	14	310	212	186	398	465
Transportation	5,967	5,955	6,032	6,035	6,071	26	47	-33	122	142	181	323	283
Communication	2,019	2,051	2,177	2,178	2,225	14	72	24	111	17	372	355	2
Other public utilities	6,887	6,979	6,941	7,028	7,050	77	21	148	231	404	1,019	- 1,423	1,697
Construction	5,396	5,452	5,426	5,440	5,500	- 108	28	27	57	77	545	622	36
Services	10,492	10,515	10,482	10,514	10,492	47	3	152	295	388	732	1,120	304
All other domestic loans	9,387	9,409	9,733	9,730	9,799	388	23	71	15	65	307	372	744
Bankers acceptances	2,629	2,311	2,312	2,259	2,227	539	81	278	170	28	571	599	56
Foreign commercial and industrial loans	5,067	5,047	5,079	5,096	5,084	10	153	13	526	233	61	294	447
Total classified loans	97,349	97,321	98,025	98,082	98,596	809	185	1,420	2,285	3,946	6,727	10,673	6,933
Comm. paper included in total classified loans[1]	*216*	......	......	......	......	......	......	......	......	......	......	......	......
Total commercial and industrial loans of large commercial banks	118,187	118,305	119,200	119,191	119,714	819	174	1,779	2,879	3,845	6,236	10,081	8,354

For notes see table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding 1975 Oct. 29	Sept. 24	Aug. 27	July 30	June 25	May 28	Apr. 30	Mar. 26	Feb. 26	Net change during 1975 III	II	I	1974 IV	1975 1st half
Durable goods manufacturing:														
Primary metals	1,320	1,338	1,286	1,269	1,288	1,280	1,323	1,284	1,237	50	4	74	77	78
Machinery	3,538	3,737	3,825	3,864	3,977	4,269	4,302	4,071	4,117	240	94	74	249	168
Transportation equipment	1,624	1,693	1,722	1,725	1,740	1,726	1,705	1,672	1,712	47	68	1	138	67
Other fabricated metal products	1,175	1,268	1,228	1,196	1,222	1,245	1,280	1,312	1,323	46	90	115	131	25
Other durable goods	1,950	2,012	2,042	2,058	2,090	2,122	2,210	2,251	2,256	78	161	140	123	- 301
Nondurable goods manufacturing:														
Food, liquor, and tobacco	1,451	1,471	1,461	1,440	1,514	1,616	1,571	1,561	1,614	43	-47	202	114	249
Textiles, apparel, and leather	1,074	1,103	1,077	1,116	1,095	1,075	1,091	1,158	1,083	8	63	13	6	50
Petroleum refining	1,914	1,967	1,889	1,828	1,709	1,611	1,617	1,483	1,458	258	226	- 35	421	191
Chemicals and rubber	1,605	1,665	1,645	1,678	1,762	1,784	1,814	1,846	1,812	97	84	32	100	116
Other nondurable goods	995	1,056	1,023	1,085	1,143	1,114	1,126	1,130	1,119	87	13	105	31	92
Mining, including crude petroleum and natural gas	3,896	3,847	3,754	3,801	3,734	3,646	3,626	3,537	3,446	113	197	164	362	33
Trade: Commodity dealers	162	150	148	152	148	140	142	150	153	2	2	- 5	16	7
Other wholesale	1,403	1,319	1,371	1,344	1,329	1,344	1,387	1,450	1,420	10	121	42	43	- 163
Retail	2,150	2,153	2,139	2,111	2,136	2,143	2,192	2,283	2,298	17	- 147	311	67	458
Transportation	4,420	4,391	4,405	4,399	4,425	4,424	4,492	4,524	4,505	34	99	26	201	-125
Communication	1,122	1,132	1,149	1,136	1,133	1,159	1,148	1,135	1,125	1	2	53	53	51
Other public utilities	4,027	3,966	3,902	4,018	4,045	4,047	4,017	4,034	3,870	79	11	71	291	82
Construction	2,267	2,359	2,367	2,360	2,314	2,291	2,272	2,197	2,191	45	117	97	22	20
Services	5,097	5,122	5,010	5,155	5,140	5,246	5,352	5,430	5,370	18	290	102	182	392
All other domestic loans	3,054	3,244	3,257	3,232	3,258	3,186	3,210	3,082	3,144	14	176	- 142	102	34
Foreign commercial and industrial loans	2,834	2,763	2,695	2,676	2,594	2,547	2,596	2,528	2,544	169	66	71	56	137
Total loans	47,078	47,756	47,395	47,643	47,796	48,015	48,473	48,118	47,797	- 40	322	-1,081	2,773	- 1,403

[1] New item to be reported as of the last Wednesday of each month.

NOTE. About 160 weekly reporting banks are included in this series; these banks classify by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

Commercial and industrial "term" loans are all outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS[1]

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970—Dec.	17.3	92.7	53.6	1.3	10.3	175.1
1971—Sept.	17.9	91.5	57.5	1.2	9.7	177.9
Dec.	18.5	98.4	58.6	1.3	10.7	187.5
1972—Mar.	20.2	92.6	54.7	1.4	12.3	181.2
June	17.9	97.6	60.5	1.4	11.0	188.4
Sept.	18.0	101.5	63.1	1.4	11.4	195.4
Dec.	18.9	109.9	65.4	1.5	12.3	208.0
1973—Mar.	18.6	102.8	65.1	1.7	11.8	200.0
June	18.6	106.6	67.3	2.0	11.8	206.3
Sept.	18.8	108.3	69.1	2.1	11.9	210.3
Dec.	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.	18.9	108.4	70.6	2.3	11.0	211.2
June	18.2	112.1	71.4	2.2	11.1	215.0
Sept.	17.9	113.9	72.0	2.1	10.9	216.8
Dec.	19.0	118.8	73.3	2.3	11.7	225.0
1975—Mar.	18.6	111.3	73.2	2.3	10.9	216.3
June	19.4	115.1	74.8	2.3	10.6	222.2
Sept.ᵖ	19.0	118.7	76.5	2.2	10.6	227.0
Weekly reporting banks:						
1971—Dec.	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.	14.7	64.4	27.1	1.4	6.6	114.3
1973—Dec.	14.9	66.2	28.0	2.2	6.8	118.1
1974—Sept.	13.9	64.4	28.4	2.0	6.3	115.0
Oct.	14.7	64.4	28.4	2.0	6.4	115.8
Nov.	14.6	65.9	28.7	2.1	6.5	117.7
Dec.	14.8	66.9	29.0	2.2	6.8	119.7
1975—Jan.	14.8	65.6	29.2	2.2	6.6	118.3
Feb.	14.4	63.1	27.9	2.3	6.2	113.9
Mar.	14.1	63.2	28.2	2.2	6.4	114.1
Apr.	15.0	63.3	30.1	2.2	6.5	117.0
May	14.2	63.1	29.2	2.3	6.2	115.0
June	15.1	65.1	29.5	2.2	6.2	118.1
July	15.0	65.3	29.8	2.2	6.5	118.7
Aug.	14.4	64.6	29.1	2.0	5.9	116.1
Sept.ᵖ	14.7	65.5	29.6	2.1	6.2	118.1

[1] Including cash items in process of collection.

NOTE.—Daily-average balances maintained during month as estimated from reports supplied by a sample of commercial banks. For a detailed description of the type of depositor in each category, see June 1971 BULLETIN, p. 466.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1973	Dec. 31, 1974	Apr. 16, 1975	June 30, 1975	Class of bank	Dec. 31, 1973	Dec. 31, 1974	Apr. 16, 1975	June 30, 1975
All commercial	507	389	....	338	All member—Cont.				
Insured	503	387	363	335	Other large banks [1]	58	69	73	74
National member	288	236	224	223	All other member [1]	294	206	188	186
State member	64	39	37	36	All nonmember	155	115	102	79
All member	352	275	261	260	Insured	152	112	102	76
					Noninsured	3	3	....	3

[1] Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for *July 1972, p. 626. Categories shown here as "Other large" and "All other member"* parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and *"Loans" in the monthly (and year-end) series as shown on p. A-14;* from the figures for weekly reporting banks as shown on pp. A-18–A-22 (consumer instalment loans); and from the figures in the table at the bottom of p. A-13. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-14–A-17.

LOANS SOLD OUTRIGHT BY LARGE COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions[1]: Total	By type of loan: Commercial and industrial	Real estate	All other
1975—July 2	4,648	2,907	196	1,545
9	4,599	2,827	192	1,580
16	4,484	2,755	189	1,540
23	4,470	2,734	188	1,548
30	4,500	2,763	186	1,551
Aug. 6	4,470	2,758	195	1,517
13	4,510	2,794	195	1,521
20	4,463	2,764	195	1,504
27	4,479	2,757	198	1,524
Sept. 3	4,420	2,703	198	1,519
10	4,446	2,741	198	1,507
17	4,479	2,775	198	1,506
24	4,498	2,763	199	1,536
Oct. 1	4,541	2,814	198	1,529
8	4,655	2,825	199	1,631
15	4,674	2,867	199	1,608
22	4,730	2,897	198	1,635
29	4,712	2,900	198	1,614

[1] To 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.

NOTE.—Series changed on Aug. 28, 1974. For a comparison of the old and new data for that date, see p. 741 of the Oct. 1974 BULLETIN. Revised figures received since Oct. 1974 that affect that comparison are shown in note 2 to this table in the Dec. 1974 BULLETIN, p. A-27.

COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial paper: All issuers	Financial companies[1]: Dealer-placed[2]	Financial companies[1]: Directly-placed[3]	Nonfinancial companies[4]	Bank-related[5]: Dealer-placed	Bank-related[5]: Directly-placed	Dollar acceptances: Total	Held by—Accepting banks: Total	Accepting banks: Own bills	Accepting banks: Bills bought	F.R. Banks: Own acct.	F.R. Banks: Foreign corr.[6]	Others	Based on—Imports into United States	Exports from United States	All other
1966	13,645	2,332	10,556	757	......	......	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967	17,085	2,790	12,184	2,111	......	......	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968	21,173	4,427	13,972	2,774	......	......	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970	33,071	5,514	20,424	7,133	352	1,997	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
1972	34,721	5,655	22,098	6,968	1,226	1,411	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458
1973	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120
1974—Aug.	r48,041	5,308	r31,848	10,885	r2,352	r6,423	16,167	3,388	2,866	522	277	1,202	11,300	3,585	3,933	8,649
Sept.	r49,166	5,333	r31,174	12,659	r2,107	r6,525	16,035	3,347	2,942	405	504	1,459	10,724	3,526	3,806	8,703
Oct.	r51,490	5,242	r32,245	14,003	r1,970	r6,484	16,882	3,291	2,872	419	218	2,037	11,335	3,793	3,759	9,330
Nov.	r51,954	4,860	r32,562	14,532	r1,875	r6,769	17,553	3,789	3,290	499	611	1,756	11,398	3,810	3,709	10,035
Dec.	r49,144	4,611	r31,839	12,694	r1,800	r6,518	18,484	4,226	4,685	542	999	1,109	12,150	4,023	4,067	10,394
1975—Jan.	r51,675	5,029	r31,998	14,648	r1,799	r6,774	18,602	4,357	3,903	454	966	560	12,718	4,120	4,314	10,168
Feb.	r52,403	5,167	r32,504	14,732	r1,778	r7,305	18,579	4,864	4,370	494	993	325	12,398	3,974	4,210	10,396
Mar.	r50,811	5,342	r31,205	14,264	r1,673	r7,256	18,730	4,773	4,085	688	665	263	13,029	3,845	4,296	10,589
Apr.	r51,605	5,461	r32,126	14,018	r1,601	r6,984	18,727	4,485	3,900	585	1,185	235	13,034	3,690	4,206	10,831
May	r51,297	5,889	r32,801	12,607	r1,529	r7,075	18,108	4,450	3,892	558	865	234	12,559	3,665	4,186	10,257
June	r48,742	5,604	r31,093	12,045	r1,547	r7,207	17,740	4,774	4,224	550	682	319	11,965	3,466	4,080	10,193
July	r49,331	6,018	r31,241	12,072	r1,635	r7,016	16,930	4,778	4,275	503	685	329	11,138	3,474	3,865	9,591
Aug.	49,783	5,645	32,145	11,993	1,493	7,365	16,456	4,546	3,988	558	840	304	10,538	3,305	3,806	9,344

[1] Financial companies are institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

[2] As reported by dealers; includes all financial company paper sold in the open market.

[3] As reported by financial companies that place their paper directly with investors.

[4] Nonfinancial companies include public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

[5] *Included in dealer- and directly-placed financial company columns.* Coverage of bank-related companies was expanded in Aug. 1974. Most of the increase resulting from this expanded coverage occurred in directly-placed paper.

[6] Beginning November 1974, the Board of Governors terminated the System guarantee on acceptances purchased for foreign official accounts.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Monthly average rate	
1974—Apr. 11	10	1975—Jan. 9	10¼	1975—July 18	7¼	1974—Sept.	12.00
19	10¼	15	10	28	7½	Oct.	11.68
25	10½	20	9¾			Nov.	10.83
		28	9½	Aug. 12	7¼	Dec.	10.50
May 2	10¾						
6	11	Feb. 3	9¼	Sept. 15	8	1975—Jan.	10.05
10	11¼	10	9			Feb.	8.96
17	11½	18	8¾	Oct. 27	7¾	Mar.	7.93
		24	8½			Apr.	7.50
June 26	11¾					May	7.40
		Mar. 5	8¼			June	7.07
July 5	12	10	8			July	7.15
		18	7¾			Aug.	7.66
Oct. 7	11¾	24	7½			Sept.	7.88
21	11½					Oct.	7.96
28	11¼	May 20	7¼				
Nov. 4	11	June 9	7				
14	10¾						
25	10½						

NOTE.—Beginning Nov. 1971, several banks adopted a floating prime rate keyed to money market variables. Rate shown is the predominant prime rate quoted by a majority of large "money market" banks to large businesses.

Effective Apr. 16, 1973, with the adoption of a two-tier or "dual prime rate," this table shows only the "large-business prime rate," which is the range of rates charged by commercial banks on short-term loans to large businesses with the highest credit standing.

RATES ON BUSINESS LOANS OF BANKS

Center	All sizes		Size of loan (in thousands of dollars): 1–9		10–99		100–499		500–999		1,000 and over	
	Aug. 1975	May 1975	Aug. 1975	May 1975	Aug. 1975	May 1975	Aug. 1975	May 1975	Aug. 1975	May 1975	Aug. 1975	May 1975
	Short-term											
35 centers	8.22	8.16	9.42	9.57	9.02	9.10	8.48	8.52	8.29	8.18	8.00	7.90
New York City	8.00	7.88	9.28	9.27	8.89	9.02	8.44	8.55	7.93	7.86	7.93	7.76
7 Other Northeast	8.43	8.37	9.83	10.00	9.33	9.34	8.71	8.63	8.67	8.51	8.01	7.95
8 North Central	8.12	8.00	9.01	9.11	8.79	8.82	8.39	8.32	8.25	7.91	7.94	7.82
3 Southeast	8.41	8.70	9.58	9.86	9.21	9.40	8.57	8.97	8.32	8.67	7.94	8.45
8 Southwest	8.28	8.34	9.21	9.35	8.76	8.89	8.27	8.32	8.32	8.24	8.06	8.15
4 West Coast	8.45	8.33	9.67	9.72	9.21	9.23	8.51	8.58	8.28	8.23	8.37	8.18
	Revolving credit											
35 centers	8.17	7.95	9.73	9.59	9.06	8.91	8.45	8.58	8.68	8.23	8.07	7.84
New York City	8.37	7.92	8.91	9.04	8.94	8.94	8.41	8.37	8.30	8.16	8.37	7.88
7 Other Northeast	8.09	7.92	10.11	10.45	9.01	8.66	8.01	8.21	8.78	7.56	7.98	7.91
8 North Central	8.27	8.20	9.70	9.78	9.58	10.01	8.81	9.24	8.56	8.12	8.12	8.03
7 Southeast	7.82	8.41	10.07	9.90	9.47	8.61	8.35	8.68	7.50	7.97	7.50	8.40
8 Southwest	8.41	8.40	9.36	9.44	8.88	8.66	8.46	8.51	8.11	8.47	8.49	8.29
4 West Coast	8.02	7.84	9.27	8.91	8.84	8.54	8.39	8.44	9.10	8.40	7.83	7.69
	Long-term											
35 centers	8.89	8.22	9.45	9.94	9.47	9.36	9.01	8.83	8.54	8.47	8.89	8.05
New York City	8.77	8.38	8.80	9.92	8.53	9.50	8.86	8.69	8.01	9.02	8.80	8.31
7 Other Northeast	8.96	8.53	9.35	9.99	10.09	9.76	9.56	9.41	9.28	7.96	8.60	8.28
8 North Central	9.45	7.22	9.71	9.06	9.24	8.68	8.50	8.64	8.23	8.09	9.81	6.80
7 Southeast	8.91	8.91	8.87	10.94	9.66	9.14	9.54	7.93	8.04	9.47	8.30	9.50
8 Southwest	8.41	8.47	9.69	10.74	9.38	9.86	8.67	8.37	8.62	8.68	8.18	8.28
4 West Coast	8.57	8.71	9.60	9.15	9.24	9.20	9.28	9.06	8.47	8.67	8.47	8.66

MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper[1] 90–119 days	Prime commercial paper[1] 4 to 6 months	Finance co. paper placed directly, 3 to 6 months[2]	Prime bankers' acceptances, 90 days[3]	Federal funds rate[4]	U.S. Government securities[5]: 3-month bills[6] Rate on new issue	3-month bills[6] Market yield	6-month bills[6] Rate on new issue	6-month bills[6] Market yield	9- to 12-month issues 1-year bill (market yield)[6]	9- to 12-month issues Other[7]	3- to 5-year issues[7]
1967	....	5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968	....	5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969	....	7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970	....	7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971	....	5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972	4.66	4.69	4.52	4.47	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973	8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.01	7.30	6.92
1974	10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	7.71	8.25	7.81
1974—Oct.	9.55	9.36	9.03	9.34	10.06	7.244	7.46	7.559	7.74	7.59	8.04	7.98
Nov.	8.95	8.81	8.50	9.03	9.45	7.585	7.47	7.551	7.52	7.29	7.67	7.65
Dec.	9.18	8.98	8.50	9.19	8.53	7.179	7.15	7.091	7.11	6.79	7.33	7.22
1975—Jan.	7.39	7.30	7.31	7.54	7.13	6.493	6.26	6.525	6.36	6.27	6.74	7.29
Feb.	6.36	6.33	6.24	6.35	6.24	5.583	5.50	5.674	5.62	5.56	5.97	6.85
Mar.	6.06	6.06	6.00	6.22	5.54	5.544	5.49	5.635	5.62	5.70	6.10	7.00
Apr.	6.11	6.15	5.97	6.15	5.49	5.694	5.61	6.012	6.00	6.40	6.83	7.76
May	5.70	5.82	5.74	5.76	5.22	5.315	5.23	5.649	5.59	5.91	6.31	7.49
June	5.67	5.79	5.53	5.70	5.55	5.193	5.34	5.463	5.61	5.86	6.26	7.26
July	6.32	6.44	6.01	6.40	6.10	6.164	6.13	6.492	6.50	6.64	7.07	7.72
Aug.	6.59	6.70	6.39	6.74	6.14	6.463	6.44	6.940	6.94	7.16	7.55	8.12
Sept.	6.79	6.86	6.53	6.83	6.24	6.383	6.42	6.870	6.92	7.20	7.54	8.22
Oct.	6.35	6.48	6.43	6.28	5.82	6.081	5.96	6.385	6.25	6.48	6.89	7.80
Week ending—												
1975—July 5	6.25	6.34	5.81	6.19	6.31	6.009	5.98	6.262	6.28	6.47	6.89	7.62
12	6.28	6.45	6.00	6.38	6.06	6.203	6.06	6.510	6.39	6.50	6.91	7.65
19	6.28	6.43	6.00	6.35	5.93	6.045	6.05	6.344	6.41	6.53	6.91	7.67
26	6.38	6.48	6.03	6.52	6.14	6.247	6.27	6.626	6.65	6.82	7.27	7.79
Aug. 2	6.43	6.53	6.18	6.48	6.25	6.318	6.28	6.719	6.69	6.86	7.35	7.86
9	6.50	6.63	6.25	6.66	6.09	6.456	6.42	6.864	6.88	7.11	7.50	8.05
16	6.63	6.68	6.33	6.75	6.08	6.349	6.42	6.809	6.93	7.17	7.58	8.13
23	6.63	6.75	6.50	6.79	6.15	6.452	6.46	7.000	7.00	7.26	7.63	8.20
30	6.63	6.75	6.50	6.83	6.23	6.593	6.49	7.085	6.98	7.16	7.54	8.12
Sept. 6	6.75	6.75	6.50	6.82	6.06	6.381	6.38	6.866	6.89	7.07	7.43	8.07
13	6.75	6.75	6.50	6.85	6.15	6.389	6.43	6.889	6.88	7.14	7.51	8.26
20	6.85	6.93	6.50	6.82	6.28	6.444	6.45	6.901	6.97	7.31	7.64	8.34
27	6.78	6.95	6.58	6.81	6.29	6.316	6.38	6.824	6.90	7.21	7.52	8.18
Oct. 4	6.85	6.93	6.70	6.79	6.36	6.547	6.46	6.980	6.91	7.16	7.61	8.21
11	6.70	6.88	6.75	6.59	6.06	6.239	6.23	6.571	6.53	6.74	7.20	7.97
18	6.44	6.59	6.56	6.38	5.82	6.045	6.01	6.243	6.25	6.51	6.88	7.87
25	6.08	6.23	6.23	6.04	5.73	5.887	5.73	6.156	6.06	6.29	6.66	7.67
Nov. 1	5.88	6.00	6.00	5.83	5.65	5.685	5.58	5.974	5.82	6.02	6.42	7.50

1 Averages of the most representative daily offering rate quoted by dealers.

2 Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90–179 day range.

3 Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

4 Seven-day averages for week ending Wednesday. Beginning with statement week ending July 25, 1973, weekly averages are based on the daily average of the range of rates on a given day weighted by the volume of transactions at these rates. For earlier statement weeks, the averages were based on the daily effective rate—the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

5 Except for new bill issues, yields are averages computed from daily closing bid prices.

6 Bills quoted on bank-discount-rate basis.

7 Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds: United States (long-term)	Government bonds: State and local: Total[1]	Government bonds: State and local: Aaa	Government bonds: State and local: Baa	Corporate bonds: Aaa utility: New issue	Corporate bonds: Aaa utility: Recently offered	Corporate bonds: Total[1] (Seasoned issues)	Corporate bonds: By selected rating: Aaa (Seasoned issues)	Corporate bonds: By selected rating: Baa (Seasoned issues)	Corporate bonds: By group: Industrial (Seasoned issues)	Corporate bonds: By group: Railroad (Seasoned issues)	Corporate bonds: By group: Public utility (Seasoned issues)	Stocks: Dividend/price ratio: Preferred	Stocks: Dividend/price ratio: Common	Stocks: Earnings/price ratio: Common
1970	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	11.60
1974—Oct.	7.22	6.56	6.21	6.99	10.16	10.23	9.80	9.27	10.41	9.53	9.64	10.31	8.78	5.38	....
Nov.	6.93	6.54	6.06	7.01	9.21	9.34	9.60	8.89	10.50	9.30	9.59	10.14	8.60	5.13	....
Dec.	6.78	7.04	6.65	7.50	9.53	9.56	9.56	8.89	10.55	9.23	9.59	10.02	8.78	5.43	12.97
1975—Jan.	6.68	6.89	6.39	7.45	9.36	9.45	9.55	8.83	10.62	9.19	9.52	10.10	8.41	5.07	....
Feb.	6.61	6.40	5.96	7.03	8.97	9.09	9.33	8.62	10.43	9.01	9.32	9.83	8.07	4.61	....
Mar.	6.73	6.70	6.28	7.25	9.35	9.38	9.28	8.67	10.29	9.05	9.25	9.67	8.04	4.42	r10.10
Apr.	7.03	6.95	6.46	7.43	9.67	9.65	9.49	8.95	10.34	9.30	9.39	9.88	8.27	4.34	....
May	6.99	6.95	6.42	7.48	9.63	9.65	9.55	8.90	10.46	9.37	9.49	9.93	8.51	4.08	....
June	6.86	6.96	6.28	7.48	9.25	9.32	9.45	8.77	10.40	9.29	9.40	9.81	8.34	4.02	....
July	6.89	7.07	6.39	7.60	9.41	9.42	9.43	8.84	10.33	9.26	9.37	9.81	8.24	4.02	....
Aug.	7.06	7.12	6.40	7.71	9.46	9.49	9.51	8.95	10.35	9.29	9.41	9.93	8.41	4.36	....
Sept.	7.29	7.40	6.70	7.96	9.68	9.57	9.55	8.95	10.38	9.35	9.42	9.98	8.56	4.39	....
Oct.	7.29	7.40	6.67	8.01	9.45	9.43	9.51	8.86	10.37	9.32	9.40	9.94	8.58	4.22	....
Week ending—															
1975—Sept. 6	7.11	7.29	6.60	7.85	....	9.41	9.53	8.93	10.37	9.32	9.43	9.95	8.48	4.30	....
13	7.25	7.35	6.66	7.91	9.64	9.50	9.54	8.94	10.36	9.34	9.43	9.97	8.53	4.42	....
20	7.34	7.45	6.76	8.01	9.68	9.61	9.56	8.98	10.39	9.36	9.42	9.99	8.61	4.50	....
27	7.35	7.49	6.79	8.06	9.70	9.70	9.55	8.94	10.40	9.36	9.41	10.00	8.61	4.34	....
Oct. 4	7.43	7.62	6.92	8.20	9.72	9.70	9.56	8.96	10.39	9.36	9.41	10.01	8.58	4.48	....
11	7.36	7.52	6.80	8.12	9.60	9.56	9.54	8.93	10.39	9.35	9.41	10.00	8.66	4.22	....
18	7.31	7.32	6.60	7.92	9.53	9.41	9.52	8.86	10.37	9.32	9.40	9.95	8.66	4.15	....
25	7.22	7.18	6.44	7.80	9.32	9.30	9.48	8.81	10.36	9.30	9.39	9.90	8.55	4.09	....
Nov. 1	7.18	7.36	6.60	8.00	9.22	9.33	9.46	8.78	10.36	9.28	9.38	9.86	8.42	4.14	....
Number of issues[2]	15	20	5	5	....	....	121	20	30	41	30	40	14	500	500

[1] Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

[2] *Number of issues varies over time; figures shown reflect most recent count.*

NOTE.—Annual yields are averages of weekly, monthly, or quarterly data.

Bonds: *Monthly and weekly yields are computed as follows:* (1) *U.S. Govt.*, averages of daily figures for bonds maturing or callable in 10 years or more; from Federal Reserve Bank of New York. (2) *State and local govt.*, general obligations only, based on Thurs. figures, from Moody's Investors Service. (3) *Corporate*, rates for "New issue" and "Recently offered" *Aaa utility bonds, weekly averages compiled by the Board of* Governors of the Federal Reserve System; and rates for seasoned issues, averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures. Earnings/price ratios as of end of period. *Preferred stock ratio based on 8 median yields for a sample of non-callable issues*—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

NOTE.—Annual data are averages of daily or weekly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: *U.S. Govt. bonds*, derived from average market yields in table on p. A-28 on basis of an assumed 3 per cent, 20-year bond. *Municipal and corporate bonds*, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. *Common stocks*, derived from component common stock prices. *Average daily volume of trading*, presently conducted 5 days per week for 6 hours per day.

Stock Market Customer Financing:

[1] Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (Dec. 1970 BULLETIN, p. 920). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

[2] 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] Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over the counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

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

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices										Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange									American Stock Exchange total index (Aug. 31, 1973 = 100)		
				Standard and Poor's index (1941–43 = 10)				New York Stock Exchange index (Dec. 31, 1965 = 50)							
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance		NYSE	AMEX
1970	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	96.63	10,532	3,376
1971	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	113.40	15,381	4,234
1972	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447
1973	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,004
1974	57.45	76.3	58.8	82.85	92.91	37.53	38.91	43.84	48.08	31.89	29.82	49.67	79.97	13,883	1,908
1974—Oct.	55.69	72.7	55.9	69.44	77.57	33.70	33.80	36.62	39.81	27.26	26.76	39.28	66.78	16,396	1,880
Nov.	57.80	72.6	56.3	71.74	80.17	35.95	34.45	37.98	41.24	28.40	27.60	41.89	63.72	14,341	1,823
Dec.	58.96	68.6	56.1	67.07	74.80	34.81	32.85	35.41	38.32	26.02	26.18	39.27	59.88	15,007	2,359
1975—Jan.	59.70	70.9	56.4	72.56	80.50	37.31	38.19	38.56	41.29	28.12	29.55	44.85	68.31	19,661	2,117
Feb.	60.27	74.1	56.6	80.10	89.29	37.80	40.37	42.48	46.00	30.21	31.31	47.59	76.08	22,311	2,545
Mar.	59.33	70.9	56.2	83.78	93.90	38.35	39.55	44.35	48.63	31.62	31.04	47.83	79.15	22,680	2,665
Apr.	57.05	69.5	55.8	84.72	95.27	38.55	38.19	44.91	49.74	31.70	30.01	47.35	82.03	20,334	2,302
May	57.40	69.6	56.6	90.10	101.05	38.92	39.69	47.76	53.22	32.28	31.02	49.97	86.94	21,785	2,521
June	58.33	69.8	56.7	92.40	103.68	38.97	43.65	49.21	54.61	30.79	32.78	52.20	90.57	r21,286	2,743
July	58.09	68.5	56.6	92.49	103.84	38.04	43.67	49.54	54.96	32.88	32.98	52.51	93.28	20,076	2,750
Aug.	56.84	68.3	55.6	85.71	96.21	35.13	41.04	45.71	50.71	30.14	31.02	46.55	85.74	13,404	1,476
Sept.	55.23	66.1	55.8	84.62	94.96	34.94	40.53	44.97	50.05	29.46	30.65	43.38	84.26	12,717	1,439
Oct.	55.23	66.1	56.0	88.57	99.29	36.92	42.59	46.87	52.26	30.79	31.87	44.36	83.46	15,893	1,629
Week ending															
1975—Oct. 4	54.25	64.6	55.1	83.77	94.48	35.15	40.71	44.69	49.78	29.41	30.63	41.98	83.00	13,564	1,376
11	54.69	65.2	55.7	87.63	98.31	36.41	41.70	46.36	51.81	30.39	31.17	43.60	83.94	15,890	1,518
18	55.09	66.5	56.2	89.24	100.03	37.21	42.93	47.25	52.66	31.07	31.97	45.41	83.98	16,196	1,516
25	55.71	67.5	56.5	90.43	101.34	37.76	43.61	47.85	53.29	31.48	32.63	45.62	83.43	17,226	1,600
Nov. 1	55.96	66.4	56.6	89.60	100.40	37.39	43.25	47.38	52.80	31.09	32.47	44.34	83.02	15,338	1,484

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks [1]										Free credit balances at brokers [4]	
	Regulated [2]									Unregulated [3]		
	By source			By type								
				Margin stock		Convertible bonds		Subscription issues				
	Total	Brokers	Banks	Brokers	Banks	Brokers	Banks	Brokers	Banks	Nonmargin stock credit at banks	Margin accts.	Cash accts.
1974—Sept.	r5,097	r4,173	924	r4,020	881	148	31	5	12	2,060	437	1,354
Oct.	r5,026	r4,110	916	r3,930	872	145	32	5	12	2,024	431	1,419
Nov.	r4,994	r4,103	891	r3,960	851	139	29	4	11	2,054	410	1,447
Dec.	r4,836	r3,980	856	r3,840	815	137	30	3	11	2,064	411	1,424
1975—Jan.	r4,934	r4,086	848	r3,950	806	134	29	2	13	1,919	410	1,446
Feb.	r5,099	r4,269	830	r4,130	783	136	34	3	13	1,897	478	1,604
Mar.	r5,164	r4,320	844	r4,180	800	134	30	6	14	1,882	515	1,770
Apr.	r5,327	r4,503	824	r4,360	781	138	30	5	13	1,885	505	1,790
May	r5,666	r4,847	819	r4,700	779	140	27	7	13	1,883	520	1,705
June	......	r5,140	......	r4,990	......	146	......	4	......	......	519	1,790
July	......	r5,446	......	r5,300	......	143	......	3	......	......	557	1,710
Aug.	......	5,365	......	5,220	......	142	......	3	......	......	516	1,500
Sept.	......	5,399	......	5,250	......	145	......	4	......	......	472	1,455

For notes see opposite page.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars)[1]	Equity class (per cent)					
		80 or more	70–79	60–69	50–59	40–49	Under 40
1974—Aug.	4,590	3.5	4.0	6.6	11.2	18.4	56.3
Sept.	4,090	3.5	3.9	6.1	10.2	18.0	58.3
Oct.	4,000	4.6	5.5	9.4	16.8	27.3	36.4
Nov.	4,040	4.2	5.1	8.5	14.8	24.4	42.8
Dec.	3,910	4.3	4.6	8.8	13.9	23.0	45.4
1975—Jan.	r3,950	5.6	7.3	13.5	24.6	28.1	21.2
Feb.	r4,130	5.9	7.2	14.6	25.4	28.5	18.4
Mar.	r4,180	6.5	8.0	15.3	27.6	25.8	16.9
Apr.	r4,360	7.1	8.7	16.1	28.7	23.5	15.9
May	r4,700	7.0	9.1	16.7	31.5	21.0	13.4
June	r4,990	7.4	9.9	18.3	32.7	20.4	11.4
July	r5,300	6.0	8.3	13.9	23.6	30.4	17.9
Aug.	5,220	5.5	6.8	11.3	20.7	31.0	24.7
Sept.	5,250	5.1	7.3	10.6	19.6	31.0	26.5

[1] Note 1 appears at the bottom of p. A-28.

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

SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1974—Aug.	39.9	34.0	26.0	6,783
Sept.	40.7	31.2	27.0	7,005
Oct.	40.9	35.1	24.0	7,248
Nov.	40.0	34.6	25.3	6,926
Dec.	41.1	32.4	26.5	7,013
1975—Jan.	41.1	39.3	19.8	7,185
Feb.	42.2	40.1	17.8	7,303
Mar.	44.4	40.1	15.5	7,277
Apr.	45.2	41.1	13.7	7,505
May	44.5	43.2	12.3	7,601
June	45.9	43.1	11.0	7,875
July	45.6	41.1	13.1	7,772
Aug.	43.5	40.6	16.0	7,494
Sept.	45.3	38.9	15.8	7,515

NOTE.—Special miscellaneous accounts contain credit 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.

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans		Securities			Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve accounts	Mortgage loan commitments[2] classified by maturity (in months)				
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other[1]							3 or less	3–6	6–9	Over 9	Total
1971	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972[3]	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1974—Aug.	74,724	4,031	2,604	879	22,292	1,334	2,519	108,383	97,067	3,475	7,841	949	496	417	977	2,839
Sept.	74,790	4,087	2,574	876	22,218	1,303	2,573	108,420	97,425	3,089	7,906	932	382	450	904	2,668
Oct.	74,835	3,981	2,525	870	22,190	1,303	2,608	108,313	97,252	3,158	7,904	775	374	360	792	2,301
Nov.	74,913	4,226	2,553	877	22,201	1,406	2,633	108,809	97,582	3,291	7,936	724	398	317	743	2,182
Dec.	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1975 Jan.	74,957	4,287	2,571	967	22,979	1,706	2,663	110,130	99,211	2,948	7,971	726	400	225	620	1,971
Feb.	75,057	4,658	2,677	1,017	23,402	1,856	2,709	111,376	100,149	3,211	8,016	654	360	217	579	1,810
Mar.	75,127	4,736	2,975	1,095	24,339	2,101	2,672	113,045	102,285	2,712	8,049	824	312	294	564	1,994
Apr.	75,259	4,407	3,419	1,121	24,994	1,841	2,780	113,821	102,902	2,849	8,071	913	335	312	538	2,098
May	75,440	4,593	3,616	1,137	25,579	2,077	2,811	115,252	104,056	3,080	8,116	955	383	300	573	2,211
June	75,763	4,492	3,744	1,240	26,470	2,088	2,954	116,751	105,993	2,594	8,164	973	510	195	565	2,243
July	76,097	4,396	3,965	1,436	26,976	1,835	3,004	117,709	106,533	2,970	8,208	957	463	266	526	2,212
Aug.	76,310	4,405	4,187	1,451	27,104	1,730	3,067	118,254	106,745	3,255	8,254	981	431	237	573	2,222

[1] Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

[2] Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans.

[3] Balance sheet data beginning 1972 are reported on a gross-of-valuation-reserves basis. The data differ somewhat from balance sheet data previously reported by National Assn. of Mutual Savings Bank, which were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSB data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities: Total	Government securities: United States	Government securities: State and local	Government securities: Foreign[1]	Business securities: Total	Business securities: Bonds	Business securities: Stocks	Mort-gages	Real estate	Policy loans	Other assets
1971	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1974	263,817	11,890	4,396	3,653	3,841	119,580	97,430	22,150	86,258	8,249	22,899	14,941
1974—Aug.	258,508	11,789	4,365	3,603	3,821	118,319	96,076	22,243	84,082	8,037	21,867	14,414
Sept.	258,116	11,762	4,316	3,618	3,828	116,884	96,162	20,722	84,427	8,100	22,175	14,768
Oct.	261,183	11,804	4,344	3,620	3,840	119,225	96,815	22,410	85,016	8,140	22,473	14,525
Nov.	262,253	11,871	4,394	3,626	3,851	119,246	97,199	22,047	85,481	8,207	22,676	14,772
Dec.	263,349	11,965	4,437	3,667	3,861	118,572	96,652	21,920	86,234	8,331	22,862	15,385
1975—Jan.	266,823	12,065	4,461	3,669	3,935	121,986	98,876	23,110	86,526	8,313	23,058	14,875
Feb.	269,715	12,161	4,512	3,686	3,960	124,158	99,571	24,587	86,929	8,402	23,224	14,841
Mar.	272,143	12,338	4,581	3,712	4,045	125,512	100,116	25,396	87,187	8,582	23,391	15,133
Apr.	273,523	12,374	4,608	3,719	4,047	126,256	99,725	26,531	87,638	8,782	23,459	15,014
May	275,816	12,464	4,678	3,739	4,047	127,847	100,478	27,369	87,882	8,843	23,570	15,210
June	278,343	12,560	4,738	3,762	4,060	129,838	101,238	28,600	88,035	8,989	23,675	15,246
July	279,354	12,814	4,843	3,902	4,069	130,298	102,675	27,623	88,162	9,058	23,794	15,228
Aug.	280,482	13,022	4,895	4,039	4,088	130,659	103,496	27,163	88,327	9,112	23,919	15,443

[1] Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—Institute of Life Insurance estimates for all life insurance companies in the United States.

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."

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets: Mort-gages	Assets: Invest-ment secur-ities[1]	Assets: Cash	Assets: Other	Total assets—Total liabilities	Liabilities: Savings capital	Liabilities: Net worth[2]	Liabilities: Bor-rowed money[3]	Liabilities: Loans in process	Liabilities: Other	Mortgage loan com-mitments outstanding at end of period[4]
1971	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973[5]	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974[5]	249,293	23,240		22,991	295,524	242,959	18,436	24,780	3,244	6,105	7,454
1974—Sept.	247,612	21,172		22,687	291,471	237,911	18,201	24,104	4,253	7,002	9,126
Oct.	248,177	22,132		22,940	293,249	238,338	18,444	24,508	3,840	8,119	8,127
Nov.	248,699	23,255		23,222	295,176	239,567	18,675	24,510	3,479	8,945	7,723
Dec.	249,293	23,240		22,991	295,524	242,959	18,436	24,780	3,244	6,105	7,454
1975—Jan.	249,719	25,390		23,252	298,361	246,227	18,586	23,355	3,057	7,136	7,887
Feb.	250,828	27,003		23,669	301,500	249,524	18,816	21,895	3,049	8,216	8,787
Mar.	252,442	28,304		24,210	304,956	256,017	18,654	20,373	3,275	6,637	10,050
Apr.	254,727	29,047		24,868	308,642	258,875	18,882	19,845	3,608	7,432	11,653
May	257,911	30,648		25,520	314,079	262,770	19,128	19,317	4,105	8,759	12,557
June	261,336	30,880		25,786	318,003	268,978	18,992	18,881	4,446	6,706	12,363
July	264,458	32,054		26,311	322,823	272,032	19,266	18,765	4,771	7,989	12,611
Aug.	267,717	31,694		27,127	326,538	273,504	19,495	19,237	4,995	9,307	12,673
Sept.ᵖ	270,583	30,809		27,701	329,093	277,194	19,410	20,068	5,109	7,312	12,566

[1] Excludes stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other" assets.

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

[3] Advances from FHLBB and other borrowing.

[4] Data comparable with those shown for mutual savings banks (on opposite page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

[5] Beginning 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration, and certain other Govt.-insured mortgage-type investments, previously included in mortgage loans, are included in other assets. The effect of this change was to reduce the mortgage total by about $0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in "Cash" and "Investment securities" are included in "Other" assets. These amounted to about $2.4 billion at the end of 1972.

NOTE.—FHLBB data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget: Receipts	U.S. budget: Outlays	U.S. budget: Surplus or deficit (−)	Means of financing: Borrowings from the public: Public debt securities	Agency securities	Less: Investments by Govt. accounts [1]: Special issues	Less: Investments by Govt. accounts [1]: Other	Less: Special notes [2]	Equals: Total	Less: Cash and monetary assets: Treasury operating balance	Less: Cash and monetary assets: Other	Other means of financing, net [3]
Fiscal year:												
1972	208,649	231,876	−23,227	29,131	−1,269	6,796	1,623	......	19,442	1,362	1,108	r6,255
1973	232,225	246,526	14,301	30,881	216	11,712	109	......	19,275	2,459	−1,613	−4,129
1974	264,932	268,392	−3,460	16,918	903	13,673	1,140	......	3,009	−3,417	r889	r−2,077
1975	280,997	324,601	−43,604	58,953	−1,069	r8,112	r−1,081	......	50,853	−1,570	1,891	r−6,928
Half year:												
1973—July–Dec.	124,256	130,362	−6,106	11,756	478	5,376	845	......	6,014	2,202	−319	−2,429
1974—Jan.–June	140,676	138,032	2,647	5,162	426	8,297	295	......	−3,004	−1,215	1,089	231
July–Dec.	139,807	153,399	13,591	18,429	−646	2,840	150	......	14,794	−3,228	248	−4,183
1975—Jan.–June	141,190	171,202	−30,012	40,524	423	r5,272	r−1,231	......	36,059	1,658	1,643	r−2,746
Month:												
1974—Sept.	28,377	24,712	3,666	−326	−167	−1,311	250	......	569	3,244	797	−194
Oct.	19,633	26,460	−6,827	−1,242	−242	−2,053	−152	......	721	−6,445	−338	−677
Nov.	22,292	24,965	−2,673	5,139	−17	653	−31	......	4,500	816	96	−915
Dec.	24,946	27,442	−2,496	7,300	−38	2,276	90	......	5,077	2,874	268	561
1975—Jan.	25,020	28,934	−3,914	1,475	23	−2,173	42	......	3,667	58	319	508
Feb.	19,975	26,200	6,225	5,571	−306	1,224	495	......	4,535	−2,359	−132	−801
Mar.	20,134	27,986	7,852	9,949	5	1,216	−79	......	11,249	3,115	285	3
Apr.	31,451	29,601	1,850	7,081	−37	10	−451	......	7,485	7,666	1,847	178
May	12,793	28,186	−15,394	11,418	−6	3,296	440	......	8,556	5,757	732	349
June	31,817	30,296	1,521	5,030	−55	4,131	276	......	567	−949	56	r−2,981
July	20,197	31,249	−11,052	5,051	−23	−2,427	−346	......	7,800	−3,390	−1,373	−1,511
Aug.	23,584	30,634	7,050	9,472	6	2,384	r−94	......	7,189	−630	−263	−1,032
Sept.	28,615	29,044	429	5,935	9	2,151	367	......	8,463	6,961	446	−627

End of period	Selected balances: Treasury operating balance: F.R. Banks	Tax and loan accounts	Other depositaries [4]	Total	Borrowing from the public: Public debt securities	Agency securities	Less: Investments of Govt. accounts [1]: Special issues	Less: Investments of Govt. accounts [1]: Other	Less: Special notes [2]	Equals: Total	Memo: Debt of Govt.-sponsored corps.—Now private [5]
Fiscal year:											
1971	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086
1972	2,344	r7,634	139	10,117	427,260	10,894	89,536	24,023	825	323,770	41,814
1973	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325
1974	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
1975	5,773	1,475	343	7,591	533,188	10,943	123,033	24,192	(6)	396,906	76,092
Calendar year:											
1973	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974	3,113	2,749	70	5,932	492,664	11,367	117,761	25,423	(6)	360,847	....
Month:											
1974—Sept.	3,211	5,384	92	8,687	481,466	11,664	116,885	25,696	....	350,549	73,068
Oct.	789	1,381	71	2,241	480,224	11,422	114,832	25,544	....	351,270	75,343
Nov.	1,494	1,571	....	3,066	485,364	11,404	115,485	25,513	....	355,770	75,706
Dec.	3,113	2,745	70	5,928	492,664	11,367	117,761	25,423	....	360,847	76,459
1975—Jan.	3,541	2,115	220	5,876	494,139	11,343	115,588	25,380	....	364,514	76,921
Feb.	r2,885	410	220	r3,515	499,710	11,037	116,812	23,886	....	369,049	75,964
Mar.	r4,271	r2,142	220	r6,633	509,659	11,042	115,596	24,807	....	380,298	76,392
Apr.	r8,364	r5,415	521	r14,299	516,740	11,004	115,606	24,355	....	387,783	77,124
May	r7,040	r984	521	r8,545	528,158	10,998	118,902	23,915	....	396,339	75,140
June	r5,773	r1,475	343	r7,591	533,188	10,943	123,033	24,192	....	396,906	76,092
July	r2,776	r878	544	r4,098	538,240	10,920	120,606	23,847	....	404,707	77,173
Aug.	r2,349	1,211	9	3,569	547,711	10,926	122,990	23,752	....	411,895	76,659
Sept.	8,075	2,161	294	10,530	553,647	10,935	120,839	23,385	....	420,358	....

[1] With the publication of the Oct. 1974 Federal Reserve BULLETIN, these series have been corrected (beginning in fiscal year 1971) to exclude special issues held by the Federal home loan banks and the General Services Adm. Participation Certificate Trust, which are not Govt. accounts.

[2] Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

[3] Includes net outlays of off-budget Federal agencies, accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.

[4] As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other depositaries" (deposits in certain commercial depositaries that have been converted from a time to a demand basis to permit greater flexibility in Treasury cash management).

[5] Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and Federal intermediate credit banks and banks for cooperatives (both beginning Dec. 1968).

[6] Beginning July 1974, public debt securities excludes $825 million of notes issued to International Monetary Fund to conform with Office of Management and Budget's presentation of the budget.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Budget receipts

Period	Total	Individual income taxes: Withheld	Individual income taxes: Pres. Election Campaign Fund[1]	Individual income taxes: Nonwithheld	Individual income taxes: Refunds	Individual income taxes: Net total	Corporation income taxes: Gross receipts	Corporation income taxes: Refunds	Social insurance taxes and contributions: Employment taxes and contributions[2]: Payroll taxes	Social insurance taxes and contributions: Employment taxes and contributions[2]: Self-empl.	Social insurance taxes and contributions: Unempl. insur.	Social insurance taxes and contributions: Other net receipts[3]	Social insurance taxes and contributions: Net total	Excise taxes	Customs	Estate and gift	Misc. receipts[4]
Fiscal year:																	
1972	208,649	83,200	......	25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633
1973	232,225	98,093	......	27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921
1974	264,932	112,092	28	30,812	23,952	118,952	41,744	3,125	62,878	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,369
1975	280,997	122,071	......	34,328	34,013	122,386	45,747	5,125	71,789	3,417	6,770	4,466	86,441	16,551	3,676	4,611	6,711
Half year:																	
1973 July-Dec.	124,256	52,964	......	6,207	999	58,172	16,589	1,494	29,965	201	2,974	1,967	35,109	8,966	1,611	2,514	2,768
1974 Jan.-June	140,676	59,100	28	24,605	22,953	60,782	25,155	1,631	32,919	2,807	3,862	2,084	41,671	7,878	1,701	2,521	2,601
July-Dec.	139,807	61,377	...	7,099	1,016	67,460	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,341
1975 Jan.-June	141,190	60,694	...	27,198	32,997	54,926	27,500	3,109	37,371	3,163	3,856	2,279	46,667	7,790	1,718	2,327	3,370
Month:																	
1974 Sept.	28,377	9,755	......	4,323	130	13,947	6,082	435	5,428	240	62	389	6,119	1,465	305	[illegible]	543
Oct.	19,633	10,106	......	561	78	10,590	1,717	511	4,558	......	221	363	5,142	1,401	347	370	578
Nov.	22,292	10,638	......	305	111	10,832	1,111	314	6,633	......	762	353	7,748	1,474	319	350	773
Dec.	24,946	10,428	......	461	90	10,799	6,458	190	4,982	14	89	356	5,441	1,489	307	341	301
1975 Jan.	25,020	10,253	1	5,366	132	15,487	1,745	557	4,802	223	245	402	5,673	1,351	307	385	629
Feb.	19,975	10,964	7	1,046	4,264	7,747	1,275	496	7,670	225	732	352	8,979	1,277	260	399	535
Mar.	20,134	9,624	8	2,661	8,152	4,134	7,228	649	6,268	208	21	373	6,870	1,160	295	356	741
Apr.	31,451	9,558	15	12,766	6,258	16,065	5,819	726	5,438	1,743	557	388	8,126	1,166	286	317	399
May	12,793	10,300	......	819	12,749	1,630	1,192	18	7,689	340	2,209	350	10,588	1,373	270	459	559
June	31,817	10,027	......	4,541	1,444	13,123	10,241	664	5,552	373	92	413	6,431	1,464	301	412	508
July	20,197	9,205	......	908	498	9,615	1,838	471	5,309	......	444	374	6,128	1,514	313	503	757
Aug.	23,584	10,246	......	488	331	10,403	1,045	425	8,085	......	1,257	372	9,713	1,394	302	430	733
Sept.	28,615	9,182	......	4,809	382	13,609	6,277	264	5,555	251	75	400	6,280	1,430	312	431	539

Budget outlays[5]

Period	Total	National defense	Intl. affairs	General science, space, and tech.	Agriculture	Natural resources, envir., and energy	Commerce and transp.	Community and region. development	Education, manpower, and social serv.	Health and welfare	Veterans	Interest	General Govt., law enforce., and justice	Revenue sharing and fiscal assistance	Undistrib. off-setting receipts[6]
Fiscal year:															
1973	246,526	75,072	2,956	4,169	4,855	5,461	9,938	5,869	11,874	91,790	12,013	22,813	4,813	7,222	12,318
1974	268,392	78,569	3,593	4,154	2,230	6,390	13,100	4,910	11,600	106,505	13,386	28,072	5,789	6,746	16,652
1975	324,601	88,238	4,198	4,154	1,991	7,921	15,566	4,410	15,110	136,333	16,595	31,019	6,464	6,700	14,098
1976[8]	358,900	94,100	5,500	4,600	2,000	10,300	15,700	6,100	16,800	151,800	17,100	34,400	6,500	7,300	20,000
Month:															
1975 Mar.	27,986	7,435	503	379	347	723	1,415	1,519	1,209	12,154	1,811	2,656	568	3	1,236
Apr.	29,601	7,555	109	368	275	611	1,088	309	1,838	12,379	1,466	2,716	416	1,524	1,053
May	28,186	8,000	408	384	42	679	995	383	1,647	11,968	1,468	2,607	479	......	873
June	30,296	7,854	557	256	179	788	1,289	453	1,684	14,158	1,412	2,521	759	14	1,601
July	31,249	7,307	531	476	270	821	2,256	402	1,237	13,092	1,367	2,637	593	1,625	1,094
Aug.	30,634	8,229	448	402	117	770	2,165	568	1,690	12,431	1,447	2,672	553	213	1,071
Sept.	29,044	6,923	47	398	507	844	1,899	453	1,684	12,738	1,334	2,859	548	4	1,068

[1] Collections of these receipts, totaling $2,427 million for fiscal year 1973, were included as part of nonwithheld income taxes prior to Feb. 1974.

[2] Old-age, disability, and hospital insurance, and Railroad Retirement accounts.

[3] Supplementary medical insurance premiums and Federal employee retirement contributions.

[4] Deposits of earnings by F. R. Banks and other miscellaneous receipts.

[5] Budget outlays reflect the new functional classification of outlays presented in the 1976 Budget. For a description of these functions, see *Budget of the U.S. Government, Fiscal Year 1976*, pp. 64-65.

[6] Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and Govt. contributions for employee retirement.

[7] Contains retroactive payments of $2,617 million for fiscal 1972.

[8] Estimates presented in *Mid-Session Review of the 1976 Budget*, May 30, 1975. Breakdowns do not add to totals because special allowances for contingencies, civilian agency pay raises, and energy tax equalization payments totaling $6,800 million for fiscal 1976 are not included.

NOTE. Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt [1]	Public issues (interest-bearing): Total	Marketable: Total	Marketable: Bills	Marketable: Certificates	Marketable: Notes	Marketable: Bonds [2]	Convertible bonds	Nonmarketable: Total [3]	Nonmarketable: Foreign issues [4]	Nonmarketable: Savings bonds and notes	Special issues [5]
1968—Dec.	358.0	296.0	236.8	75.0	....	76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	....	85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9	....	101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971—Dec.	424.1	336.7	262.0	97.5	....	114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972—Dec.	449.3	351.4	269.5	103.9	....	121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973—Dec.	469.9	360.7	270.2	107.8	....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Oct.	480.2	363.9	273.5	112.1	....	127.7	33.8	2.3	88.1	23.1	63.3	115.3
Nov.	485.4	368.2	277.5	114.6	....	129.6	33.3	2.3	88.4	23.1	63.6	115.9
Dec.	492.7	373.4	282.9	119.7	....	129.8	33.4	2.3	88.2	22.8	63.8	118.2
1975—Jan.	494.1	377.1	286.1	120.0	....	131.8	33.3	2.3	88.8	23.0	64.2	116.0
Feb.	499.7	381.5	289.8	123.0	....	132.7	34.1	2.3	89.4	23.3	64.5	117.2
Mar.	509.7	392.6	300.0	124.0	....	141.9	34.1	2.3	90.4	24.0	64.8	116.0
Apr.	516.7	399.8	307.2	127.0	....	145.0	35.3	2.3	90.3	23.6	65.2	116.0
May	528.2	407.8	314.9	131.5	....	146.5	36.8	2.3	90.6	23.5	65.5	119.2
June	533.2	408.8	315.6	128.6	....	150.3	36.8	2.3	90.9	23.2	65.9	123.3
July	538.2	416.3	323.7	133.4	....	153.6	36.7	2.3	90.4	22.2	66.3	120.9
Aug.	547.7	423.5	331.1	138.1	....	155.2	37.8	2.3	90.1	21.6	66.6	123.3
Sept.	553.6	431.5	338.9	142.8	....	158.5	37.7	2.3	90.3	21.5	66.9	121.1
Oct.	562.0	443.6	350.9	147.1	....	166.3	37.6	2.3	90.5	21.2	67.2	117.4

[1] Includes non-interest-bearing debt (of which $614 million on Oct. 31, 1975, was not subject to statutory debt limitation).

[2] Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

[3] Includes (not shown separately): depositary bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

[4] Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

[5] Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on *Monthly Statement of the Public Debt of the United States*, published by U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—U.S. Govt. agencies and trust funds	Held by—F.R. Banks	Held by private investors: Total	Commercial banks	Mutual savings banks	Insurance companies	Other corporations	State and local govts.	Individuals: Savings bonds	Individuals: Other securities	Foreign and international [1]	Other misc. investors [2]
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973—Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—Aug.	481.8	141.6	81.1	259.0	53.1	2.6	5.7	11.0	29.2	62.3	20.3	56.0	18.9
Sept.	481.5	140.6	81.0	259.8	52.0	2.5	5.7	10.5	29.3	62.5	20.8	56.0	20.6
Oct.	480.2	138.4	79.4	262.5	52.7	2.5	5.9	11.2	28.8	62.8	21.0	56.6	21.1
Nov.	485.4	139.0	81.0	265.3	53.7	2.5	5.9	11.0	28.7	63.2	21.1	58.3	20.8
Dec.	492.7	141.2	80.5	271.0	55.6	2.5	6.1	11.0	29.2	63.4	21.5	58.4	23.2
1975—Jan.	494.1	139.0	81.3	273.8	54.6	2.6	6.2	11.3	30.0	63.7	21.6	61.5	22.3
Feb.	499.7	139.8	81.1	278.9	56.5	2.7	6.2	11.4	30.5	64.0	21.3	64.6	21.6
Mar.	509.7	138.5	81.4	289.8	61.8	2.9	6.6	12.0	29.7	64.4	21.4	65.0	26.1
Apr.	516.7	138.0	87.8	290.9	64.1	3.2	6.7	12.5	29.8	64.7	21.4	64.9	23.6
May	528.2	140.9	85.6	301.7	67.7	3.4	6.9	13.7	29.8	65.1	21.5	66.8	26.8
June	533.2	145.3	84.7	303.2	69.2	3.5	7.1	13.2	29.6	65.5	21.6	66.0	27.4
July	538.2	142.5	81.9	313.8	71.4	3.7	7.3	16.2	31.3	65.9	21.8	66.7	29.5
Aug.p	547.2	144.8	82.5	320.4	75.4	3.9	7.4	16.0	31.2	66.2	22.6	67.3	30.5

[1] Consists of investments of foreign and international accounts in the United States.

[2] Consists of savings and loan assns., nonprofit institutions, corporate pensions trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF ($825 million).

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year: Total	Within 1 year: Bills	Within 1 year: Other	1-5 years	5-10 years	10-20 years	Over 20 years
All holders:								
1972—Dec. 31	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Dec. 31	282,891	148,086	119,747	28,339	85,311	27,897	14,833	6,764
1975—Aug. 31	331,080	175,467	138,086	37,381	106,272	25,443	14,431	9,467
Sept. 30	338,946	180,165	142,803	37,362	109,540	25,436	14,370	9,435
U.S. Govt. agencies and trust funds:								
1972—Dec. 31	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Dec. 31	21,391	2,400	588	1,812	7,823	4,721	4,670	1,777
1975—Aug. 31	20,088	3,106	409	2,697	6,692	4,050	4,233	2,006
Sept. 30	19,702	2,883	241	2,642	6,632	3,951	4,233	2,002
Federal Reserve Banks:								
1972—Dec. 31	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Dec. 31	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
1975—Aug. 31	82,546	42,790	34,085	8,705	30,404	5,782	1,460	2,111
Sept. 30	86,998	46,641	37,559	9,082	30,685	5,971	1,490	2,210
Held by private investors:								
1972—Dec. 31	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Dec. 31	180,999	100,298	82,168	18,130	54,206	13,512	8,710	4,274
1975—Aug. 31	228,446	129,571	103,592	25,979	69,176	15,611	8,738	5,350
Sept. 30	232,246	130,641	105,003	25,638	72,223	15,514	8,647	5,223
Commercial banks:								
1972—Dec. 31	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Dec. 31	42,755	14,873	6,952	7,921	22,717	4,151	733	280
1975—Aug. 31	57,763	22,833	12,166	10,667	29,955	4,077	614	286
Sept. 30	60,459	24,943	14,023	10,920	30,637	3,994	622	263
Mutual savings banks:								
1972—Dec. 31	2,609	590	309	281	1,152	469	274	124
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Dec. 31	1,477	399	207	192	614	174	202	88
1975—Aug. 31	2,771	594	248	346	1,383	448	233	113
Sept. 30	2,882	651	317	334	1,447	437	232	115
Insurance companies:								
1972—Dec. 31	5,220	799	448	351	1,190	976	1,593	661
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Dec. 31	4,741	722	414	308	1,061	1,310	1,297	351
1975—Aug. 31	5,864	912	505	407	1,717	1,716	1,148	371
Sept. 30	6,085	945	529	416	1,836	1,781	1,151	372
Nonfinancial corporations:								
1972—Dec. 31	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Dec. 31	4,246	2,623	1,859	764	1,423	115	26	59
1975—Aug. 31	6,652	4,304	3,521	783	2,034	217	72	25
Sept. 30	5,904	3,799	3,017	782	1,856	160	64	25
Savings and loan associations:								
1972—Dec. 31	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Dec. 31	1,663	350	87	263	835	282	173	23
1975—Aug. 31	2,624	839	536	303	1,392	264	106	23
Sept. 30	2,805	902	578	324	1,509	267	104	23
State and local governments:								
1972—Dec. 31	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Dec. 31	7,864	4,121	3,319	802	1,796	815	800	332
1975—Aug. 31	8,920	5,081	4,347	734	1,716	774	826	523
Sept. 30	9,303	5,426	4,565	861	1,749	765	842	521
All others:								
1972—Dec. 31	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Dec. 31	118,253	77,210	69,330	7,880	25,760	6,664	5,479	3,141
1975—Aug. 31	143,850	95,009	82,270	12,739	30,979	8,114	5,738	4,008
Sept. 30	144,809	93,975	81,974	12,001	33,190	8,110	5,630	3,903

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. 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: (1) 5,552 commercial banks, 473 mutual savings banks, and 732 insurance companies combined, each about 90 per cent; (2) 458 nonfinancial corporations and 487 savings and loan assns., each about 50 per cent; and (3) 501 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities										U.S. Govt. agency securities
	Total	By maturity				By type of customer					
		Within 1 year	1–5 years	5–10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other[1]		
1974—Sept.	4,118	3,327	472	265	50	683	1,351	1,022	1,058		1,228
Oct.	3,543	2,802	498	193	50	607	1,087	928	920		1,150
Nov.	3,977	2,872	635	384	86	560	1,049	1,144	1,224		1,186
Dec.	4,111	3,126	550	369	67	671	1,196	1,120	1,124		1,087
1975—Jan.	5,415	3,495	1,514	303	104	887	1,549	1,503	1,478		1,244
Feb.	5,770	3,353	1,521	711	185	698	2,044	1,511	1,518		1,233
Mar.	4,467	2,812	994	464	197	671	1,183	1,198	1,415		928
Apr.	5,197	3,682	1,096	285	134	704	1,450	1,242	1,801		904
May	6,419	4,181	1,615	466	158	981	1,917	1,454	2,067		1,049
June	5,732	3,745	1,484	372	132	801	1,689	1,336	1,906		1,217
July	4,675	3,301	1,131	172	71	669	1,294	1,100	1,613		778
Aug.	5,183	3,375	1,340	333	134	742	1,405	1,185	1,851		844
Sept.	5,566	4,032	1,315	128	91	931	1,405	1,198	2,033		787
Week ending—											
1975—Sept. 3	5,480	3,885	1,355	151	89	879	1,481	1,217	1,904		893
10	4,864	3,836	858	106	65	774	1,231	1,143	1,716		560
17	5,033	3,400	1,371	135	128	794	1,133	1,097	2,010		577
24	r6,875	r4,912	1,711	144	108	1,167	r1,915	r1,398	2,395		1,129
Oct. 1	5,686	4,086	1,402	130	68	1,025	1,275	1,148	2,238		880
8	7,864	5,539	2,032	172	121	1,162	2,311	1,591	2,799		1,567
15	7,812	5,192	2,355	129	137	1,128	2,463	1,535	2,686		1,150
22	10,407	7,200	2,876	177	154	1,464	3,311	2,275	3,357		1,383
29	7,935	5,569	2,095	168	104	1,244	2,466	1,698	2,528		1,084

1 Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers *reporting to the F.R. Bank of New York.* They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of *trading days in the period.*

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1–5 years	5–10 years	Over 10 years	
1974—Sept.	3,033	2,692	329	328	59	1,190
Oct.	2,837	2,149	420	247	21	1,414
Nov.	4,478	2,998	714	602	163	r1,530
Dec.	4,821	3,100	974	553	175	r1,803
1975—Jan.	4,634	2,689	1,236	600	113	1,578
Feb.	5,588	3,658	1,180	536	213	1,469
Mar.	5,737	3,435	1,486	618	198	1,444
Apr.	4,453	3,123	1,036	218	77	937
May	6,332	4,917	1,094	248	73	896
June	6,768	5,923	748	100	−3	790
July	5,736	4,978	775	47	−64	626
Aug.	5,501	4,491	609	262	138	610
Sept.	5,718	5,214	410	56	39	529
Week ending—						
1975—Aug. 6	6,115	4,552	811	559	192	722
13	5,350	4,575	411	233	130	586
20	5,153	4,409	426	184	134	560
27	5,787	4,682	815	192	97	581
Sept. 3	5,685	4,649	791	183	62	660
10	6,136	5,302	626	149	59	470
17	5,744	5,535	162	13	34	482
24	5,356	5,016	338	20	21	633
Oct. 1	5,196	4,833	326	7	30	450

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations[1]	All other
		New York City	Elsewhere		
1974—Sept.	4,709	1,312	1,247	480	1,671
Oct.	4,621	1,194	1,003	571	1,853
Nov.	5,626	1,466	1,245	561	2,355
Dec.	6,904	2,061	1,619	691	2,534
1975—Jan.	6,185	1,455	1,277	864	2,590
Feb.	6,295	1,672	1,077	714	2,832
Mar.	6,881	1,879	1,650	838	2,513
Apr.	5,696	1,655	1,326	583	2,132
May	6,656	1,684	1,567	452	2,953
June	7,682	1,955	1,979	737	3,012
July	6,594	1,365	1,435	929	2,865
Aug.	6,167	1,009	1,148	1,120	2,890
Sept.	6,576	1,160	1,640	972	2,804
Week ending—					
1975—Aug. 6	6,584	1,318	1,270	934	3,061
13	5,976	1,076	1,201	1,011	2,688
20	6,061	1,110	1,197	1,227	2,527
27	6,229	679	1,021	1,240	3,289
Sept. 3	6,089	963	979	1,175	2,973
10	7,080	1,401	1,847	1,251	2,581
17	7,275	1,247	1,992	1,112	2,925
24	5,738	954	1,519	786	2,480
Oct. 1	6,185	1,051	1,424	566	3,145

1 All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED CREDIT AGENCIES, SEPTEMBER 30, 1975

Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)
Federal home loan banks		
Bonds:		
12/18/70 - 11/25/75	6.50	350
5/25/73 - 11/25/75	7.05	600
5/28/74 - 11/25/75	9.10	700
6/21/74 - 2/25/76	8.70	400
8/25/71 - 2/25/76	7.38	300
8/27/73 - 2/25/76	8.75	300
8/26/74 - 2/25/76	9.20	600
6/22/73 - 5/25/76	7.20	600
11/27/73 - 5/25/76	7.45	300
7/25/73 - 8/25/76	7.80	500
9/25/74 - 8/25/76	9.55	700
10/25/74 - 11/26/76	8.60	600
7/25/74 - 11/26/76	9.55	500
10/25/73 - 2/25/77	7.20	500
11/25/74 - 2/25/77	8.05	500
6/21/74 - 5/25/77	8.70	500
6/25/71 - 5/25/77	6.95	200
4/12/73 - 8/25/77	7.15	300
5/28/74 - 8/25/77	8.80	600
2/26/73 - 11/25/77	6.75	300
11/27/73 - 11/25/77	7.45	300
8/26/74 - 11/25/77	9.15	700
9/25/74 - 2/27/78	9.38	400
9/21/73 - 5/25/78	7.60	500
8/26/74 - 11/27/78	9.10	500
6/21/74 - 2/26/79	8.65	600
9/25/74 - 2/26/79	9.45	600
10/25/74 - 5/25/79	8.65	500
5/28/74 - 5/25/79	8.75	400
7/25/74 - 8/27/79	9.50	500
11/25/74 - 11/26/79	8.15	500
12/23/74 - 11/26/79	7.50	500
3/25/70 - 2/25/80	7.75	350
2/25/74 - 2/25/80	7.05	300
10/15/70 - 10/15/80	7.80	200
10/27/71 - 11/27/81	6.60	200
10/25/74 - 11/25/81	8.65	400
8/25/75 - 2/25/82	8.63	500
4/12/73 - 5/25/83	7.30	183
2/25/75 - 11/25/83	7.38	400
5/28/74 - 5/25/84	8.75	300
10/25/73 - 11/26/93	7.38	400
Federal Home Loan Mortgage Corporation		
Bonds:		
5/29/73 - 8/25/76	7.05	400
5/11/72 - 2/25/77	6.15	350
11/19/70 - 11/27/95	8.60	140
7/15/71 - 8/26/96	7.75	150
5/11/72 - 5/26/97	7.15	150
Certificates:		
2/25/75 - 3/15/05	8.20	300
Federal National Mortgage Association—Secondary market operations		
Discount notes	......	2,438
Capital debentures:		
9/30/71 - 10/1/96	4.38	248
10/2/72 - 10/1/97	7.40	250
Mortgage-backed bonds:		
3/14/73 - 1/15/81	3.58	53
3/14/73 - 1/15/81	5.48	5
6/21/73 - 7/1/82	5.85	71
6/21/73 - 7/1/82	5.92	35
3/1/73 - 8/31/84	5.50	10
3/1/73 - 10/31/85	5.49	21
3/1/73 - 3/1/86	5.74	81
9/29/70 - 10/1/90	8.63	200
Federal National Mortgage Association—Cont.		
Debentures:		
3/10/72 - 12/10/75	5.70	500
9/10/73 - 12/10/75	8.25	300
3/11/71 - 3/10/76	5.65	500
6/12/73 - 3/10/76	7.13	400
6/10/71 - 6/10/76	6.70	250
2/10/72 - 6/10/76	5.85	450
9/10/74 - 6/10/76	10.00	700
11/10/71 - 9/10/76	6.13	300
6/12/72 - 9/10/76	5.85	500
12/10/74 - 9/10/76	7.50	200
7/12/71 - 12/10/76	7.45	300
12/11/72 - 12/10/76	6.25	500
6/10/74 - 12/10/76	8.45	600
3/13/62 - 2/10/77	4.50	198
9/11/72 - 3/10/77	6.30	500
3/11/74 - 3/10/77	7.05	400
9/10/75 - 3/10/77	8.30	450
12/10/70 - 6/10/77	6.38	250
5/10/71 - 6/10/77	6.50	150
12/10/73 - 6/10/77	7.20	500
9/10/71 - 9/12/77	6.88	300
9/10/73 - 9/12/77	7.85	400
7/10/73 - 12/12/77	7.25	500
10/1/73 - 12/12/77	7.55	500
6/10/74 - 3/10/78	8.45	650
3/10/75 - 3/10/78	6.70	350
6/12/73 - 6/12/78	7.15	600
6/10/75 - 6/12/78	7.45	400
3/11/74 - 9/11/78	7.15	550
10/12/71 - 12/11/78	6.75	300
7/10/74 - 12/11/78	8.95	450
12/10/73 - 3/12/79	7.25	500
9/10/73 - 6/11/79	7.85	300
9/10/74 - 6/11/79	9.80	600
6/12/72 - 9/10/79	6.40	300
12/10/74 - 9/10/79	7.80	700
12/10/71 - 12/10/79	6.55	350
6/10/75 - 12/10/79	7.75	650
2/10/72 - 3/10/80	6.88	250
3/10/75 - 3/10/80	7.25	750
4/1/75 - 4/10/80	7.63	300
6/10/74 - 6/10/80	8.50	600
2/16/73 - 7/31/80	5.19	1
2/16/73 - 7/31/80	3.18	9
10/1/73 - 9/10/80	7.50	400
9/10/75 - 9/10/80	8.75	650
1/16/73 - 10/30/80	4.46	5
12/11/72 - 12/10/80	6.60	300
6/29/72 - 1/29/81	6.15	156
3/12/73 - 3/10/81	7.05	350
4/18/73 - 3/10/81	6.59	26
3/21/73 - 5/1/81	4.50	18
3/21/73 - 5/1/81	5.77	2
1/21/71 - 6/10/81	7.25	250
9/10/71 - 9/10/81	7.25	250
9/10/74 - 9/10/81	9.70	300
3/11/74 - 12/10/81	7.30	250
7/10/74 - 3/10/82	8.88	300
6/28/72 - 5/1/82	5.84	58
2/10/71 - 6/10/82	6.65	250
9/11/72 - 9/10/82	6.80	200
12/10/73 - 12/10/82	7.35	300
3/11/71 - 6/10/83	6.75	200
6/12/73 - 6/10/83	7.30	300
11/10/71 - 9/12/83	6.75	250
6/10/75 - 12/12/83	8.00	300
4/12/71 - 6/11/84	6.25	200
7/10/75 - 7/10/84	8.20	300
12/10/74 - 9/10/84	7.95	300
12/10/71 - 12/10/84	6.90	250
3/10/75 - 3/11/85	7.65	500
3/10/72 - 3/10/92	7.00	200
6/12/72 - 6/10/92	7.05	200
12/11/72 - 12/10/97-82	7.10	200
Banks for cooperatives		
Bonds:		
4/1/75 - 10/1/75	5.85	373
5/1/75 - 11/3/75	6.15	374
6/2/75 - 12/1/75	5.80	497
7/1/75 - 1/5/76	5.65	424
8/4/75 - 2/2/76	6.80	535
9/2/75 - 3/1/76	7.40	506
10/1/73 - 4/4/77	7.70	200
12/2/74 - 10/1/79	8.00	201
Federal intermediate credit banks		
Bonds:		
1/2/75 - 10/1/75	7.35	593
2/3/75 - 11/3/75	7.05	824
3/3/75 - 12/1/75	6.15	897
3/1/73 - 1/5/76	6.65	261
4/1/75 - 1/5/76	6.05	1,079
5/1/75 - 2/2/76	6.60	909
6/2/75 - 3/1/76	6.15	840
7/1/75 - 4/1/76	5.80	739
8/4/75 - 5/3/76	7.00	888
9/2/75 - 6/1/76	7.60	725
7/2/73 - 1/3/77	7.10	236
7/1/74 - 4/4/77	8.70	321
1/2/74 - 1/3/78	7.10	406
1/2/75 - 1/2/79	7.40	410
7/1/75 - 1/2/80	7.40	531
Federal land banks		
Bonds:		
7/20/71 - 10/20/75	7.20	300
10/23/73 - 10/20/75	7.40	362
4/20/72 - 1/20/76	6.25	300
7/22/74 - 1/20/76	9.20	650
2/21/66 - 2/24/76	5.00	123
1/22/73 - 4/20/76	6.25	373
4/22/74 - 4/20/76	8.25	400
7/20/66 - 7/20/76	5.38	150
1/21/74 - 7/20/76	7.05	360
4/23/73 - 10/20/76	7.15	450
4/21/75 - 1/20/77	7.45	750
7/21/75 - 10/20/76	7.20	650
4/22/74 - 4/20/77	8.25	565
7/20/73 - 7/20/77	7.50	550
10/20/71 - 10/20/77	6.35	300
10/21/74 - 1/23/78	8.70	546
2/20/63 - 2/20/73-78	4.13	148
5/2/66 - 4/20/78	5.13	150
1/20/75 - 4/20/78	7.60	713
7/20/72 - 7/20/78	6.40	269
7/22/74 - 7/20/78	9.15	350
10/23/73 - 10/19/78	7.35	550
2/20/67 - 1/22/79	5.00	285
1/21/74 - 1/22/79	7.10	300
9/15/72 - 4/23/79	6.85	235
2/20/74 - 7/23/79	7.15	389
10/23/72 - 10/23/79	6.80	400
1/22/73 - 1/21/80	6.70	300
7/20/73 - 7/21/80	7.50	250
10/21/74 - 10/20/80	8.70	400
2/23/71 - 4/20/81	6.70	224
7/22/74 - 7/20/81	9.10	265
1/20/75 - 1/20/82	7.80	400
4/20/72 - 4/20/82	6.90	200
4/21/75 - 4/20/82	8.15	300
4/23/73 - 10/20/82	7.30	239
7/21/75 - 1/20/83	8.20	464
10/23/73 - 10/20/83	7.30	300
6/23/75 - 7/22/85	8.10	391

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table at top of p. A-38.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks: Assets: Advances to members	Federal home loan banks: Assets: Investments	Federal home loan banks: Assets: Cash and deposits	Federal home loan banks: Liabilities and capital: Bonds and notes	Federal home loan banks: Liabilities and capital: Member deposits	Federal home loan banks: Liabilities and capital: Capital stock	Federal National Mortgage Assn. (secondary market operations): Mortgage loans (A)	Federal National Mortgage Assn. (secondary market operations): Debentures and notes (L)	Banks for cooperatives: Loans to cooperatives (A)	Banks for cooperatives: Bonds (L)	Federal intermediate credit banks: Loans and discounts (A)	Federal intermediate credit banks: Bonds (L)	Federal land banks: Mortgage loans (A)	Federal land banks: Bonds (L)
1970	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974—Sept.	20,772	2,681	135	20,647	2,160	2,543	28,641	27,312	3,092	2,835	8,931	8,502	13,185	11,782
Oct.	21,409	3,224	105	22,058	2,129	2,580	29,139	27,543	3,598	2,855	8,838	8,482	13,418	12,427
Nov.	21,502	2,568	106	21,474	2,182	2,603	29,407	28,024	3,573	3,295	8,700	8,441	13,643	12,427
Dec.	21,804	3,094	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427
1975—Jan.	20,728	4,467	113	21,778	2,612	2,699	29,797	28,030	3,910	3,653	8,888	8,419	14,086	13,020
Feb.	19,460	4,838	99	20,822	2,819	2,698	29,846	27,730	3,821	3,592	9,031	8,484	14,326	13,021
Mar.	18,164	6,415	154	20,754	3,025	2,677	29,870	28,420	3,741	3,439	9,303	8,703	14,641	13,021
Apr.	17,528	6,836	98	20,738	2,651	2,660	29,931	28,257	3,650	3,329	9,520	9,061	14,917	13,571
May	17,145	5,745	98	19,463	2,708	2,656	29,977	27,714	3,499	2,982	9,763	9,231	15,180	13,571
June	16,803	6,259	134	19,396	2,831	2,653	30,136	28,237	3,371	2,948	10,031	9,357	15,437	13,961
July	16,685	6,174	119	19,446	2,436	2,656	30,453	28,419	3,520	2,914	10,163	9,556	15,654	14,351
Aug.	16,945	4,680	89	r18,736	2,281	2,660	30,881	28,718	3,738	3,004	10,176	9,715	15,851	14,351
Sept.	17,482	4,247	114	18,720	2,275	2,679	31,157	28,933	3,847	3,109	10,100	9,657	16,044	14,351

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly offered securities (excluding, for FHLB's, bonds held within the FHLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table on preceding page. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding): Total	Type of issue: General obligations	Type of issue: Revenue	Type of issue: HAA[1]	Type of issue: U.S. Govt. loans	Type of issuer: State	Type of issuer: Special district and stat. auth.	Type of issuer: Other[2]	Total amount delivered[3]	Issues for new capital: Total	Use of proceeds: Education	Use of proceeds: Roads and bridges	Use of proceeds: Utilities[4]	Use of proceeds: Housing[5]	Use of proceeds: Veterans' aid	Use of proceeds: Other purposes
1971	24,963	15,220	8,681	1,000	62	5,999	8,714	10,246	....	24,495	5,278	2,642	5,214	2,068	......	9,293
1972	23,653	13,305	9,332	959	57	4,991	9,496	9,165	....	19,959	4,981	1,689	4,638	1,910	......	6,741
1973	23,969	12,257	10,632	1,022	58	4,212	9,505	10,249	....	22,397	4,311	1,458	5,654	2,639	......	8,335
1974	24,315	13,563	10,212	461	79	4,784	8,638	10,817	....	23,508	4,730	768	5,634	1,064	......	11,312
1974—Sept.	1,705	869	832	....	4	448	641	611	....	1,669	251	11	380	21	......	1,006
Oct.	2,865	1,707	1,153	....	5	328	974	1,558	....	2,738	343	110	236	110	......	1,939
Nov.	2,487	1,110	1,374	....	3	689	1,005	789	....	2,403	698	4	866	9	......	826
Dec.	1,500	761	717	....	22	222	558	700	....	1,475	297	64	424	53	......	637
1975—Jan.r	2,367	1,364	997	....	6	372	702	1,293	......	2,332	710	49	644	172	......	757
Feb.r	2,392	1,723	664	....	5	877	629	880	......	2,353	478	209	425	105	......	1,136
Mar.r	2,137	1,284	851	....	2	376	717	1,048	......	2,083	471	94	474	35	......	1,009
Apr.r	2,413	1,501	905	....	7	368	880	1,161	......	2,316	405	61	734	38	......	1,078
Mayr	2,905	1,885	1,015	....	5	811	1,197	889	......	2,784	419	211	559	25	......	1,570
Juner	3,066	1,772	1,292	....	2	938	1,137	989	......	2,840	430	164	821	28	......	1,397
Julyr	3,569	1,354	2,209	....	6	1,577	1,063	924	......	3,538	384	123	879	37	......	2,115
Aug.r	2,784	1,057	1,724	....	3	376	1,664	746	......	2,559	379	55	625	67	......	1,433
Sept.	2,107	866	1,229	....	12	357	1,143	591	......	2,063	268	133	436	28	......	1,198

1 Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.
2 Municipalities, counties, townships, school districts.
3 Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.
4 Water, sewer, and other utilities.
5 Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.
Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues[1] Total	Noncorporate U.S. Govt.[2]	Noncorporate U.S. Govt. agency[3]	Noncorporate State and local (U.S.)[4]	Noncorporate Others[5]	Corporate Total	Corporate Bonds Total	Corporate Bonds Publicly offered	Corporate Bonds Privately placed	Corporate Stock Preferred	Corporate Stock Common
1971	105,233	17,235	16,283	24,370	2,165	44,914	31,999	24,790	7,209	3,679	9,236
1972	96,522	17,080	12,825	23,070	1,589	40,787	27,727	18,347	9,378	3,373	9,689
1973	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1974	...	...	...	...	...	37,837	31,551	25,337	6,214	2,253	4,033
1974—June	...	...	...	...	...	2,981	2,455	1,939	516	113	413
July	...	...	...	...	...	3,257	2,702	2,086	616	228	327
Aug.	...	...	...	...	...	2,668	2,341	2,042	299	107	218
Sept.	...	...	...	...	...	1,617	1,204	897	307	126	287
Oct.	...	...	...	...	...	4,609	3,778	3,423	355	196	635
Nov.	...	...	...	...	...	3,746	3,346	3,016	330	93	307
Dec.	...	...	...	...	...	3,505	3,052	2,172	880	152	301
1975—Jan.	...	...	...	...	...	5,376	4,787	3,635	1,130	235	354
Feb.	...	...	...	...	...	4,526	3,904	3,201	703	173	449
Mar.	...	...	...	...	...	5,368	4,471	3,971	500	253	644
Apr.	...	...	...	...	...	4,439	3,193	2,771	360	347	899
May	...	...	...	...	...	5,646	4,316	3,796	520	346	984
June	...	...	...	...	...	5,570	4,565	3,943	622	230	775

Period	Gross proceeds, major groups of corporate issuers: Manufacturing Bonds	Manufacturing Stocks	Commercial and miscellaneous Bonds	Commercial and miscellaneous Stocks	Transportation Bonds	Transportation Stocks	Public utility Bonds	Public utility Stocks	Communication Bonds	Communication Stocks	Real estate and financial Bonds	Real estate and financial Stocks
1971	9,551	2,102	2,158	2,370	2,006	434	7,576	4,201	4,222	1,596	6,484	2,204
1972	4,796	1,812	2,669	2,878	1,767	187	6,398	4,967	3,680	1,127	8,415	2,096
1973	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1974	9,890	543	1,851	956	983	22	8,872	3,964	3,710	222	6,241	587
1974—June	434	43	303	139	5	15	859	288	355	1	491	39
July	1,051	43	257	93	62	1	318	300	242	53	773	65
Aug.	601	4	38	62	14	...	862	216	364	...	462	44
Sept.	186	2	46	45	40	5	384	296	331	18	217	48
Oct.	725	3	102	29	306	...	1,414	695	439	36	791	69
Nov.	1,697	2	116	100	336	...	739	225	62	31	397	44
Dec.	1,456	196	180	23	14	...	435	194	150	25	817	15
1975—Jan.	1,898	3	179	74	84	...	r761	507	933	5	r931	...
Feb.	1,631	44	65	60	75	...	1,471	486	124	1	539	32
Mar.	2,368	111	271	74	83	...	828	679	317	...	604	34
Apr.	1,498	233	293	211	r97	...	794	584	354	209	156	9
May	2,265	214	241	141	415	1	845	704	153	260	399	10
June	2,180	123	381	194	210	...	838	640	362	...	594	47

1 Gross proceeds are derived by multiplying principal amounts or number of units by offering price.
2 Includes guaranteed issues.
3 Issues not guaranteed.
4 See NOTE to table at bottom of opposite page.
5 Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers[1]								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1971	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1972	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1974	39,334	9,935	29,399	31,554	6,255	25,098	7,980	3,678	4,302
1974—II	9,637	2,048	7,589	7,847	1,584	6,263	1,790	465	1,326
III	8,452	2,985	5,467	6,611	1,225	5,386	1,841	1,759	82
IV	12,272	2,871	9,401	10,086	2,004	8,082	2,186	866	1,319
1975 I	15,211	2,088	13,123	12,759	1,587	11,172	2,452	501	1,951
II	15,602	3,211	12,390	11,460	2,336	9,124	4,142	875	3,266

Period	Type of issues											
	Manufacturing		Commercial and other[2]		Transportation[3]		Public utility		Communication		Real estate and financial[1]	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1971	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1972	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973	801	658	-109	1,411	1,044	-93	4,265	4,509	3,165	1,399	3,523	1,181
1974	7,404	17	1,116	-135	341	-20	7,308	3,834	3,499	398	5,428	207
1974—II	1,921	-12	698	213	-13	12	1,699	1,038	1,080	-7	877	82
III	1,479	-421	189	-664	49	6	1,358	862	1,116	222	1,194	88
IV	3,098	126	240	-47	342	9	2,079	1,107	628	107	1,695	17
1975—I	5,134	262	373	77	1	1	2,653	1,569	1,269	24	1,742	18
II	4,574	500	483	490	429	7	1,977	1,866	810	359	852	43

[1] Excludes investment companies.
[2] Extractive and commercial and miscellaneous companies.
[3] Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on preceding page, new issues exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales[1]	Redemptions	Net sales	Total[2]	Cash position[3]	Other
1963	2,460	1,504	952	25,214	1,341	23,873
1964	3,404	1,875	1,528	29,116	1,329	27,787
1965	4,359	1,962	2,395	35,220	1,803	33,417
1966	4,671	2,005	2,665	34,829	2,971	31,858
1967	4,670	2,745	1,927	44,701	2,566	42,135
1968	6,820	3,841	2,979	52,677	3,187	49,490
1969	6,717	3,661	3,056	48,291	3,846	44,445
1970	4,624	2,987	1,637	47,618	3,649	43,969
1971	5,145	4,751	394	55,045	3,038	52,007
1972	4,892	6,563	-1,671	59,831	3,035	56,796
1973	4,358	5,651	-1,261	46,518	4,002	42,516
1974	5,346	3,937	1,409	35,777	5,637	30,140

Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales[1]	Redemptions	Net sales	Total[2]	Cash position[3]	Other
1974—Sept.	499	292	207	31,985	5,078	26,907
Oct.	816	311	505	37,115	5,652	31,463
Nov.	619	335	284	36,366	5,804	30,562
Dec.	736	411	325	35,777	5,637	30,140
1975—Jan.	1,067	428	639	3,7407	3,889	33,518
Feb.	889	470	419	39,330	4,006	35,324
Mar.	847	623	224	40,449	3,870	36,579
Apr.	808	791	17	42,353	3,841	38,512
May	677	735	-58	43,832	3,879	39,953
June	705	811	-108	45,538	3,640	41,898
July	763	981	239	42,896	3,591	39,305
Aug.	753	788	-35	41,672	3,660	38,012
Sept.	760	874	-114	40,234	3,664	36,570

[1] Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
[2] Market value at end of period less current liabilities.
[3] Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

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.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances[1]	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances[1]
1968	87.6	39.9	47.8	23.6	24.2	46.8	1973 III	122.7	49.9	72.9	29.8	43.1	71.6
1969	84.9	40.1	44.8	24.3	20.5	51.9	IV	122.7	49.5	73.2	30.7	42.5	73.1
1970	74.0	34.8	39.3	24.7	14.6	56.0							
1971	83.6	37.5	46.1	25.0	21.1	60.4	1974 I	135.4	52.2	83.2	31.6	51.6	74.1
1972	99.2	41.5	57.7	27.3	30.3	66.3	II	139.0	55.9	83.1	32.5	50.5	75.7
1973	122.7	49.8	72.9	29.6	43.3	71.2	III	157.0	62.7	94.3	33.2	61.1	77.6
1974	140.7	55.7	85.0	32.7	52.4	76.7	IV	131.5	52.0	79.5	33.3	46.2	79.3
							1975 I	101.2	39.0	62.3	33.8	28.5	81.2
							II	113.3	43.0	70.3	34.0	36.3	83.0

[1] Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							Current liabilities				
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt.[1]	Other				U.S. Govt.[1]	Other		
1970	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971	203.6	529.6	53.3	11.0	3.5	217.6	200.4	43.8	326.0	4.9	215.6	13.1	92.4
1972	221.3	573.5	57.5	9.3	3.4	240.0	215.2	48.1	352.7	4.0	230.4	15.1	102.6
1973—II	235.4	608.2	59.0	10.0	2.9	255.4	230.1	50.8	372.7	4.5	241.7	15.0	111.6
III	239.5	625.3	58.9	9.7	3.0	264.4	238.0	51.3	385.8	4.4	250.2	16.5	114.7
IV	242.3	643.2	61.6	11.0	3.5	266.1	246.7	54.4	401.0	4.3	261.6	18.1	117.0
1974—I	250.1	666.2	59.4	12.1	3.2	276.2	258.4	56.9	416.1	4.5	266.5	20.6	124.5
II	253.9	685.4	58.8	10.7	3.4	289.8	269.2	53.5	431.5	4.7	278.5	19.0	129.1
III	259.5	708.6	60.3	11.0	3.5	295.5	282.1	56.1	449.1	5.1	287.0	22.7	134.3
IV	261.5	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8
1975—I	260.4	698.4	60.6	12.1	3.2	281.9	285.2	55.4	438.0	5.3	271.2	21.8	139.8
II	269.0	703.2	63.7	12.7	3.3	284.8	281.4	57.3	434.2	5.8	270.1	17.7	140.6

[1] Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE.—Based on Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other[1]	Total (S.A. A.R.)
		Durable	Nondurable		Railroad	Air	Other	Electric	Gas and other			
1971	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	....
1972	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	....
1973	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	....
1974	112.40	22.62	23.39	3.18	2.54	2.00	2.12	17.63	2.92	13.96	22.05	....
1973—II	24.73	4.65	4.51	.71	.46	.72	.43	3.91	.68	3.27	5.40	97.76
III	25.04	4.84	4.78	.69	.48	.57	.44	4.04	.77	3.19	5.24	100.90
IV	28.48	5.84	5.59	.71	.56	.60	.47	4.54	.82	3.53	5.83	103.74
1974—I	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
II	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV	31.92	6.64	6.99	.91	.78	.48	.71	4.80	.87	3.78	5.97	116.22
1975—I	25.82	5.10	5.74	.91	.59	.44	.62	3.84	.58	3.11	4.88	114.57
II	28.43	5.59	6.55	.97	.71	.47	.77	4.15	.79	3.22	5.19	112.46
III[2]	28.08	5.36	6.49	.91	.60	.51	.72	4.34	.90	8.24		113.48

[1] Includes trade, service, construction, finance, and insurance.
[2] Anticipated by business.

NOTE.—Dept. of Commerce estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1971	1972	1973	1974			1975	
				II	III	IV	I	II[p]
ALL HOLDERS	499,758	564,825	634,954	664,291	678,681	688,563	695,337	709,170
1- to 4-family	307,200	345,384	386,240	402,131	410,175	414,950	418,663	428,599
Multifamily	67,367	76,496	85,401	88,258	90,269	92,042	92,913	93,844
Commercial	92,333	107,508	123,965	132,121	135,046	137,280	138,278	139,929
Farm	32,858	35,437	39,348	41,781	43,191	44,291	45,483	46,798
PRIVATE FINANCIAL INSTITUTIONS	394,239	450,000	505,400	528,166	537,512	542,576	546,894	558,402
1- to 4-family	253,540	288,053	322,047	335,408	340,848	343,363	346,073	354,471
Multifamily	52,498	59,204	64,730	66,583	67,843	68,520	69,019	69,964
Commercial	78,345	92,222	107,128	114,184	116,509	118,263	119,261	121,210
Farm	9,856	10,521	11,495	11,991	12,312	12,430	12,541	12,757
Commercial banks[1]	*82,515*	*99,314*	*119,068*	*127,320*	*130,582*	*132,105*	*132,105*	*133,305*
1- to 4-family	48,020	57,004	67,998	72,253	73,987	74,758	74,740	75,419
Multifamily	3,984	5,778	6,932	7,313	7,496	7,619	7,614	7,684
Commercial	26,306	31,751	38,696	41,926	43,092	43,679	43,700	44,097
Farm	4,205	4,781	5,442	5,828	6,007	6,049	6,051	6,105
Mutual savings banks	*61,978*	*67,556*	*73,230*	*74,225*	*74,809*	*74,920*	*75,160*	*75,726*
1- to 4-family	38,641	41,650	44,246	44,398	44,604	44,670	44,796	45,133
Multifamily	14,386	15,490	16,843	17,070	17,208	17,234	17,292	17,417
Commercial	8,901	10,354	12,084	12,698	12,938	12,956	12,997	13,100
Farm	50	62	57	59	59	60	75	76
Savings and loan associations	*174,250*	*206,182*	*231,733*	*243,393*	*247,612*	*249,293*	*252,442*	*261,336*
1- to 4-family	142,275	167,049	187,750	197,002	200,343	201,553	204,099	211,290
Multifamily	17,355	20,783	22,524	23,342	23,573	23,683	23,831	24,409
Commercial	14,620	18,350	21,459	23,049	23,696	24,057	24,512	15,637
Life insurance companies	*75,496*	*76,948*	*81,369*	*83,228*	*84,509*	*86,258*	*87,187*	*88,035*
1- to 4-family	24,604	22,350	22,053	21,755	21,914	22,382	22,438	22,629
Multifamily	16,773	17,153	18,431	18,858	19,566	19,984	20,282	20,454
Commercial	28,518	31,767	34,889	36,511	36,783	37,571	38,052	38,376
Farm	5,601	5,678	5,996	6,104	6,246	6,321	6,415	6,576
FEDERAL AND RELATED AGENCIES	39,357	45,790	55,664	62,585	67,829	72,267	75,973	79,696
1- to 4-family	26,453	30,147	35,454	39,784	43,188	45,748	47,751	50,389
Multifamily	4,555	6,086	8,489	9,643	10,644	11,790	12,662	12,898
Commercial	11	....	....	....	....	....	....	....
Farm	8,338	9,557	11,721	13,158	13,997	14,729	15,560	16,409
Government National Mortgage Association	*5,323*	*5,113*	*4,029*	*3,618*	*4,052*	*4,848*	*5,584*	*5,612*
1- to 4-family	2,770	2,490	1,330	1,194	1,337	1,600	1,843	1,852
Multifamily	2,542	2,623	2,699	2,424	2,715	3,248	3,741	3,760
Commercial	11	....	....	....	....	....	....	....
Farmers Home Administration	*819*	*837*	*1,200*	*1,400*	*1,500*	*1,600*	*1,700*	*1,800*
1- to 4-family	398	387	550	642	688	734	780	826
Farm	421	450	650	758	812	866	920	974
Federal Housing and Veterans Administrations	*3,389*	*3,338*	*3,476*	*3,619*	*3,765*	*3,900*	*4,025*	*4,039*
1- to 4-family	2,517	2,199	2,013	1,980	2,037	2,083	2,119	2,044
Multifamily	872	1,139	1,463	1,639	1,728	1,817	1,906	1,995
Federal National Mortgage Association	*17,791*	*19,791*	*24,175*	*26,559*	*28,641*	*29,578*	*29,754*	*30,015*
1- to 4-family	16,681	17,697	20,370	21,691	23,258	23,778	23,743	23,988
Multifamily	1,110	2,094	3,805	4,868	5,383	5,800	6,011	6,027
Federal land banks (farm only)	7,917	9,107	11,071	12,400	13,185	13,863	14,640	15,435
Federal Home Loan Mortgage Corporation	*964*	*1,789*	*2,604*	*3,191*	*3,713*	*4,586*	*4,608*	*4,944*
1- to 4-family	934	1,754	2,446	2,951	3,414	4,217	4,231	4,543
Multifamily	30	35	158	240	299	369	377	401
GNMA Pools	*3,154*	*5,815*	*9,109*	*11,798*	*12,973*	*13,892*	*15,662*	*17,851*
1- to 4-family	3,153	5,620	8,745	11,326	12,454	13,336	15,035	17,136
Multifamily	1	195	364	472	519	556	627	715
INDIVIDUALS AND OTHERS[2]	66,162	69,035	73,890	73,540	73,340	73,720	72,470	71,072
1- to 4-family	27,207	27,184	28,739	26,939	26,139	25,839	24,839	23,739
Multifamily	10,314	11,206	12,182	12,032	11,782	11,732	11,232	10,982
Commercial	13,977	15,286	16,837	17,937	18,537	19,017	19,017	18,719
Farm	14,664	15,359	16,132	16,632	16,882	17,132	17,382	17,632

[1] Includes loans held by nondeposit trust companies but not bank trust departments.

[2] Includes some U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, where not reported directly, and interpolations and extrapolations where required, estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION—SECONDARY MORTGAGE MARKET ACTIVITY

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total[1]	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding	Total	FHA-VA	Conventional	Purchases	Sales	Made during period	Outstanding
1971	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	....	182
1972	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,298	408	1,606	198
1973	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1974—Sept.	28,641	18,758	7,994	760	....	997	9,043	3,713	1,896	1,817	273	....	69	3,278
Oct.	29,139	18,966	8,206	612	....	878	8,987	4,107	1,910	2,197	410	7	30	2,871
Nov.	29,407	19,083	8,291	379	....	201	8,532	4,352	1,908	2,445	270	12	28	2,621
Dec.	29,578	19,189	8,310	278	....	231	7,960	4,586	1,904	2,682	266	16	34	2,390
1975—Jan.	29,670	19,231	8,318	208	....	146	7,285	4,744	1,900	2,845	199	26	26	2,190
Feb.	29,718	19,256	8,313	169	....	137	6,672	4,533	1,893	2,640	113	309	21	2,070
Mar.	29,754	19,277	8,304	150	1	639	6,636	4,608	1,887	2,722	113	19	52	1,040
Apr.	29,815	19,282	8,337	211	....	913	6,890	4,634	1,890	2,744	121	71	297	1,161
May	29,858	19,251	8,395	247	....	621	6,615	4,773	1,920	2,854	203	38	42	969
June	30,015	19,282	8,498	326	....	557	6,549	4,944	1,936	3,008	210	5	28	700
July	30,351	19,385	8,693	538	....	575	6,119	5,015	1,943	3,072	161	63	139	530
Aug.	30,777	19,507	8,942	594	....	814	5,888	4,942	1,863	3,080	98	145	132	509
Sept.	31,055	19,560	9,122	488	....	575	5,399	....	....	....	....	....	....	....

[1] Includes conventional loans not shown separately.

NOTE.—Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include 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 Plan (Program 18).

For FHLMC: Data for 1970 begin with Nov. 26, when the FHLMC became operational. Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guaranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages								FHA-insured loans—Yield in private secondary market[5]
	Terms[1]						Yields (per cent) in primary market		
	Contract rate (per cent)	Fees and charges (per cent)[2]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	FHLBB series[3]	HUD series[4]	
1971	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70
1972	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.53
1973	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	8.19
1974	8.71	1.30	26.3	75.8	40.1	29.8	8.92	9.22	9.55
1974—Sept.	8.97	1.30	26.1	74.8	42.4	31.1	9.19	9.80	10.38
Oct.	8.95	1.37	26.7	74.7	42.3	30.7	9.17	9.70	10.13
Nov.	9.04	1.40	26.2	73.6	41.3	30.2	9.27	9.55	....
Dec.	9.13	1.44	27.5	75.5	42.4	31.3	9.37	9.45	9.51
1975—Jan.	9.09	1.51	26.7	73.8	43.2	31.6	9.33	9.15	8.99
Feb.	8.88	1.44	26.8	76.5	44.4	33.0	9.12	9.05	8.84
Mar.	8.79	1.61	26.5	75.1	45.9	33.7	9.06	8.90	8.69
Apr.	8.71	1.53	26.5	76.4	44.5	33.4	8.96	9.00	....
May	8.63	1.63	27.0	75.5	43.5	32.2	8.90	9.05	9.16
June	8.73	1.42	26.5	76.4	43.1	32.4	8.96	9.00	9.06
July	8.66	1.40	26.0	75.9	44.1	32.9	8.89	9.00	9.13
Aug.	8.63	1.56	26.7	77.0	44.6	33.7	8.89	9.15	9.32
Sept.[p]	8.70	1.46	26.7	76.0	45.3	34.0	8.94	9.25	9.74

[1] Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

[2] Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

[3] Effective rate, reflecting fees and charges as well as contract rates (as shown in first column of this table) and an assumed prepayment at end of 10 years.

[4] Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

[5] Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

NOTE TO TABLE AT BOTTOM OF PAGE A-44:

American Life Insurance Association data for new commitments of $100,000 and over each on mortgages for multifamily and nonresidential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan amortization and prepayment terms. Data for the following are limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant (annual level payment, including principal and interest, per $100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction											
	1975											
	May 19	June 2	June 16	June 30	July 14	July 28	Aug. 11	Aug. 25	Sept. 8	Sept. 22	Oct. 6	Oct. 20
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered [1]	165.6	172.5	73.4	358.7	333.2	415.8	578.7	643.1	530.1	293.6	198.5	43.2
Accepted	115.0	80.4	38.6	246.9	174.9	247.7	365.5	223.0	197.7	142.0	143.0	23.2
Conventional loans												
Offered [1]	46.4	51.2	28.5	67.5	71.4	56.5	96.9	98.5	96.9	68.8	27.5	9.7
Accepted	38.4	27.1	15.7	47.3	35.8	34.5	48.9	31.0	43.9	35.2	23.5	9.2
Average yield (per cent) on short-term commitments [2]												
Govt.-underwritten loans	9.25	9.14	9.06	9.07	9.10	9.17	9.32	9.50	9.70	9.86	9.95	9.65
Conventional loans	9.41	9.26	9.21	9.18	9.20	9.26	9.38	9.55	9.75	9.92	10.02	9.81

[1] Mortgage amounts offered by bidders are total bids received.

[2] Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT

(End of period, in billions of dollars)

Holder	Dec. 31, 1973	Mar. 31, 1974	June 30, 1974	Sept. 30, 1974	Dec. 31, 1974	Mar. 31, 1975	June 30, 1975
All holders	135.0	136.7	137.8	138.6	140.3	142.0	143.0
FHA	85.0	85.0	84.9	84.1	84.1	84.3	85.0
VA	50.0	51.7	52.9	54.5	56.2	57.7	58.0
Commercial banks	11.5	11.1	11.0	10.7	10.4	10.5	10.6
FHA	8.2	7.8	7.6	7.4	7.2	7.2	7.3
VA	3.3	3.3	3.4	3.3	3.2	3.3	3.3
Mutual savings banks	28.4	28.2	27.9	27.8	27.5	27.6	27.8
FHA	15.5	15.3	15.1	15.0	14.8	14.8	14.9
VA	12.9	12.9	12.8	12.8	12.7	12.8	12.9
Savings and loan assns.	....	....	....	....	....	....	....
FHA } VA	29.7	29.8	29.7	29.8	29.8	29.9	30.2
Life insurance cos.	13.6	13.3	13.1	12.9	12.7	12.5	12.2
FHA	9.2	9.0	8.8	8.7	8.6	8.4	8.2
VA	4.4	4.3	4.3	4.2	4.2	4.1	4.0
Others	52.1	54.3	56.1	57.4	59.9	61.6	62.2
FHA	....	....	....	....	....	....	....
VA	....	....	....	....	....	....	....

NOTE.—VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures. Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Averages						
			Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1971	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1974	1,166	2,603.0	2,232	9.47	21/3	74.3	10.1	1.29	10.6
1974—June	147	287.5	1,956	9.35	20/10	75.7	10.1	1.24	10.7
July	121	234.6	1,939	9.60	20/0	74.1	10.1	1.26	10.8
Aug.	105	312.4	2,975	9.80	22/10	74.3	10.2	1.31	10.7
Sept.	95	241.6	2,543	10.04	20/11	74.4	10.3	1.29	11.1
Oct.	57	108.3	1,899	10.29	19/7	74.6	10.6	1.25	11.5
Nov.	47	79.7	1,695	10.37	18/4	74.0	10.7	1.26	11.6
Dec.	37	140.0	3,784	10.28	19/10	74.8	11.0	1.33	11.3
1975—Jan.	31	43.8	1,414	10.44	18/4	71.9	11.0	1.33	11.9
Feb.	46	94.6	2,057	10.08	22/11	74.3	10.9	1.34	11.0
Mar.	46	109.6	2,382	10.37	23/1	74.1	11.3	1.34	11.3
Apr.	32	108.4	3,386	10.02	23/0	75.6	10.8	1.36	10.8
May	73	227.5	3,116	10.23	20/9	74.7	10.8	1.30	11.1
June	61	167.5	2,745	10.11	21/9	73.0	10.5	1.29	11.2

See NOTE on preceding page.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment: Total	Instalment: Automobile paper	Instalment: Other consumer goods paper	Instalment: Home improvement loans[1]	Instalment: Personal loans	Noninstalment: Total	Noninstalment: Single-payment loans	Noninstalment: Charge accounts: Retail outlets	Noninstalment: Charge accounts: Credit cards[2]	Noninstalment: Service credit
1965	89,883	70,893	28,437	18,483	3,736	20,237	18,990	7,671	5,724	706	4,889
1966	96,239	76,245	30,010	20,732	3,841	21,662	19,994	7,972	5,812	874	5,336
1967	100,783	79,428	29,796	22,389	4,008	23,235	21,355	8,558	6,041	1,029	5,727
1968	110,770	87,745	32,948	24,626	4,239	25,932	23,025	9,532	5,966	1,227	6,300
1969	121,146	97,105	35,527	28,313	4,613	28,652	24,041	9,747	5,936	1,437	6,921
1970	127,163	102,064	35,184	31,465	5,070	30,345	25,099	9,675	6,163	1,805	7,456
1971	138,394	111,295	38,664	34,353	5,413	32,865	27,099	10,585	6,397	1,953	8,164
1972	157,564	127,332	44,129	40,080	6,201	36,922	30,232	12,256	7,055	1,947	8,974
1973	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1974—Sept.	187,906	155,139	52,848	49,664	8,252	44,375	32,767	13,131	6,876	2,277	10,483
Oct.	188,023	155,328	52,736	49,986	8,287	44,319	32,695	13,003	7,027	2,156	10,509
Nov.	188,084	155,166	52,325	50,401	8,260	44,180	32,918	12,950	7,174	2,144	10,650
Dec.	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1975 Jan.	187,080	153,952	50,947	51,142	8,048	43,815	33,128	12,675	7,162	2,153	11,138
Feb.	185,381	152,712	50,884	50,136	7,966	43,726	32,669	12,560	6,468	2,074	11,567
Mar.	184,253	151,477	50,452	49,391	7,925	43,709	32,776	12,542	6,452	2,033	11,749
Apr.	184,344	151,271	50,360	49,247	7,880	43,784	33,073	12,526	6,735	2,062	11,750
May	185,010	151,610	50,465	49,329	7,908	43,908	33,400	12,443	7,268	2,073	11,616
June	186,099	152,668	50,927	49,519	7,973	44,249	33,431	12,470	7,361	2,088	11,512
July	187,211	153,930	51,556	49,637	8,040	44,697	33,281	12,282	7,388	2,180	11,431
Aug.	188,821	155,263	52,011	50,061	8,094	45,097	33,558	12,362	7,392	2,247	11,557
Sept.	190,069	156,332	52,308	50,441	8,136	45,447	33,737	12,444	7,424	2,283	11,586

[1] Holdings of financial institutions; holdings of retail outlets are included in "Other consumer goods paper."

[2] Service station and miscellaneous credit-card accounts and home-heating-oil accounts.

NOTE. Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and BULLETINS for Dec. 1968 and Oct. 1972.

CONSUMER CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Instalment: Total	Instalment: Automobile paper: Purchased	Instalment: Automobile paper: Direct	Instalment: Other consumer goods paper: Mobile homes	Instalment: Other consumer goods paper: Credit cards	Instalment: Other consumer goods paper: Other	Instalment: Home improvement loans	Instalment: Personal loans: Check credit	Instalment: Personal loans: Other	Noninstalment: Single-payment loans
1965	35,652	28,962	10,209	5,659		4,166		2,571	6,357		6,690
1966	38,265	31,319	11,024	5,956		4,681		2,647	7,011		6,946
1967	40,630	33,152	10,972	6,232		5,469		2,731	7,748		7,478
1968	46,310	37,936	12,324	7,102	....	1,307	5,387	2,858	798	8,160	8,374
1969	50,974	42,421	13,133	7,791	....	2,639	6,082	2,996	1,081	8,699	8,553
1970	53,867	45,398	12,918	7,888	....	3,792	7,113	3,071	1,336	9,280	8,469
1971	60,556	51,240	13,837	9,277	4,423	4,419	4,501	3,236	1,497	10,050	9,316
1972	70,640	59,783	16,320	10,776	5,786	5,288	5,122	3,544	1,789	11,158	10,857
1973	81,248	69,495	19,038	12,218	7,223	6,649	6,054	3,982	2,144	12,187	11,753
1974	84,010	72,510	18,582	11,787	7,645	8,242	6,414	4,458	2,424	12,958	11,500
1974—Sept.	85,096	73,455	19,389	12,314	7,706	7,638	6,527	4,445	2,348	13,088	11,641
Oct.	84,887	73,372	19,246	12,195	7,709	7,749	6,530	4,480	2,376	13,087	11,515
Nov.	84,360	72,896	18,981	12,031	7,700	7,846	6,469	4,490	2,362	13,017	11,464
Dec.	84,010	72,510	18,582	11,787	7,645	8,242	6,414	4,458	2,424	12,958	11,500
1975—Jan.	82,986	71,776	18,230	11,581	7,587	8,325	6,323	4,399	2,448	12,883	11,210
Feb.	82,229	71,151	18,104	11,497	7,522	8,149	6,272	4,359	2,447	12,801	11,078
Mar.	81,201	70,183	17,754	11,377	7,459	7,890	6,272	4,318	2,403	12,710	11,018
Apr.	81,155	70,134	17,613	11,387	7,417	7,909	6,312	4,318	2,411	12,767	11,021
May	81,066	70,130	17,529	11,417	7,391	7,903	6,373	4,353	2,383	12,781	10,936
June	81,429	70,475	17,560	11,482	7,375	7,977	6,446	4,403	2,375	12,857	10,954
July	81,767	70,996	17,708	11,613	7,351	8,042	6,497	4,463	2,396	12,926	10,771
Aug.	82,305	71,445	17,676	11,712	7,335	8,210	6,524	4,522	2,420	13,046	10,860
Sept.	82,677	71,751	17,639	11,774	7,324	8,363	6,523	4,561	2,448	13,119	10,926

See NOTE to table above.

INSTALMENT CREDIT HELD BY NONBANK LENDERS

(In millions of dollars)

End of period	Finance companies: Total	Finance companies: Automobile paper	Finance companies: Other consumer goods paper: Mobile homes	Finance companies: Other consumer goods paper: Other	Finance companies: Home improvement loans	Finance companies: Personal loans	Other financial lenders: Total	Other financial lenders: Credit unions	Other financial lenders: Miscellaneous lenders[1]	Retail outlets: Total	Retail outlets: Automobile dealers	Retail outlets: Other retail outlets
1965	23,851	9,218	4,343		232	10,058	8,289	7,324	965	9,791	315	9,476
1966	24,796	9,342	4,925		214	10,315	9,315	8,255	1,060	10,815	277	10,538
1967	24,576	8,627	5,069		192	10,688	10,216	9,003	1,213	11,484	287	11,197
1968	26,074	9,003	5,424		166	11,481	11,717	10,300	1,417	12,018	281	11,737
1969	27,846	9,412	5,775		174	12,485	13,722	12,028	1,694	13,116	250	12,866
1970	27,678	9,044	2,464	3,237	199	12,734	15,088	12,986	2,102	13,900	218	13,682
1971	28,883	9,577	2,561	3,052	247	13,446	17,021	14,770	2,251	14,151	226	13,925
1972	32,088	10,174	2,916	3,589	497	14,912	19,511	16,913	2,598	15,950	261	15,689
1973	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1974—Sept.	38,921	12,345	3,573	4,662	1,073	17,268	25,085	21,792	3,293	17,678	298	17,380
Oct.	38,901	12,458	3,597	4,658	1,054	17,134	25,204	21,893	3,311	17,851	296	17,555
Nov.	38,803	12,462	3,603	4,611	1,021	17,106	25,195	21,975	3,220	18,272	292	17,980
Dec.	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1975—Jan.	38,340	12,315	3,559	4,642	967	16,857	25,032	21,966	3,066	18,804	282	18,522
Feb.	38,194	12,406	3,539	4,580	923	16,746	25,213	22,089	3,124	18,154	280	17,874
Mar.	37,910	12,371	3,519	4,427	903	16,690	25,506	22,227	3,279	17,878	276	17,602
Apr.	37,746	12,349	3,513	4,366	867	16,651	25,623	22,415	3,208	17,768	275	17,493
May	37,711	12,406	3,507	4,315	833	16,650	25,917	22,674	3,243	17,852	275	17,577
June	37,828	12,571	3,508	4,288	807	16,654	26,478	23,186	3,292	17,887	276	17,611
July	38,177	12,793	3,503	4,258	778	16,845	26,837	23,507	3,330	17,920	280	17,640
Aug.	38,340	12,982	3,498	4,251	741	16,868	27,348	24,043	3,305	18,130	282	17,848
Sept.	38,375	13,066	3,499	4,246	706	16,858	27,880	24,510	3,370	18,326	283	18,043

[1] Savings and loan associations and mutual savings banks.

See also NOTE to table at top of preceding page.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks: New automobiles (36 mos.)	Commercial banks: Mobile homes (84 mos.)	Commercial banks: Other consumer goods (24 mos.)	Commercial banks: Personal loans (12 mos.)	Commercial banks: Credit-card plans	Finance companies: Automobiles: New	Finance companies: Automobiles: Used	Finance companies: Mobile homes	Finance companies: Other consumer goods	Finance companies: Personal loans
1973—Sept.	10.44	11.06	12.67	12.96	17.23	12.28	16.98	12.90	18.69	20.52
Oct.	10.53	10.98	12.80	13.02	17.23	12.34	17.11	....	....	....
Nov.	10.49	11.19	12.75	12.94	17.23	12.40	17.21	13.12	18.77	20.65
Dec.	10.49	11.07	12.86	13.12	17.24	12.42	17.31	....	....	....
1974—Jan.	10.55	11.09	12.78	12.96	17.25	12.39	16.56	13.24	18.90	20.68
Feb.	10.53	11.25	12.82	13.02	17.24	12.33	16.62	....	....	....
Mar.	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	18.69	20.57
Apr.	10.51	11.07	12.81	13.00	17.25	12.28	16.76	....	....	....
May	10.63	10.96	12.88	13.10	17.25	12.36	16.86	13.07	18.90	20.57
June	10.81	11.21	13.01	13.20	17.23	12.50	17.06	....	....	....
July	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.21	19.24	20.78
Aug.	11.15	11.71	13.10	13.45	17.21	12.67	17.32	....	....	....
Sept.	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.42	19.30	20.93
Oct.	11.53	11.94	13.28	13.60	17.17	12.97	17.78	....	....	....
Nov.	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.16
Dec.	11.62	11.71	13.27	13.60	17.21	13.10	17.89	....	....	....
1975—Jan.	11.61	11.66	13.28	13.60	17.12	13.08	17.27	13.60	19.80	21.09
Feb.	11.51	12.14	13.20	13.44	17.24	13.07	17.39	....	....	....
Mar.	11.46	11.66	13.07	13.40	17.15	13.07	17.52	13.59	20.00	20.86
Apr.	11.44	11.78	13.22	13.55	17.17	13.07	17.58	....	....	....
May	11.39	11.57	13.11	13.41	17.21	13.09	17.65	13.57	19.63	20.75
June	11.26	12.02	13.10	13.40	17.10	13.12	17.67	....	....	....
July	11.30	11.94	13.13	13.49	17.15	13.09	17.69	13.78	19.87	20.97
Aug.	11.31	11.80	13.05	13.37	17.14	13.10	17.70	....	....	....
Sept.	11.33	11.99	13.06	13.41	17.14	13.18	17.73	....	....	....

NOTE.—Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see BULLETIN for Sept. 1973.

INSTALMENT CREDIT EXTENDED AND REPAID

(In millions of dollars)

Period	Total	Type: Automobile paper	Type: Other consumer goods paper	Type: Home improvement loans	Type: Personal loans	Holder: Commercial banks	Holder: Finance companies	Holder: Other financial lenders	Holder: Retail outlets
	Extensions								
1967	87,171	26,320	29,504	2,369	28,978	31,382	26,461	11,238	18,090
1968	99,984	31,083	33,507	2,534	32,860	37,395	30,261	13,206	19,122
1969	109,146	32,553	38,332	2,831	35,430	40,955	32,753	15,198	20,240
1970	112,158	29,794	43,873	2,963	35,528	42,960	31,952	15,720	21,526
1971	124,281	34,873	47,821	3,244	38,343	51,237	32,935	17,966	22,143
1972	142,951	40,194	55,599	4,006	43,152	59,339	38,464	20,607	24,541
1973	165,083	46,453	66,859	4,728	47,043	69,726	43,221	23,414	28,722
1974	166,478	42,756	71,077	4,650	47,995	69,554	41,809	24,510	30,605
1974—Sept.	14,089	3,835	5,935	302	4,017	6,050	3,408	2,079	2,552
Oct.	13,626	3,369	5,948	348	3,961	5,600	3,229	2,160	2,637
Nov.	12,609	3,062	5,700	321	3,526	5,390	2,823	1,863	2,533
Dec.	12,702	3,205	5,798	294	3,405	5,012	3,240	1,901	2,549
1975—Jan.	12,859	3,348	5,430	289	3,792	5,368	3,068	2,048	2,375
Feb.	13,465	3,856	5,561	302	3,746	5,649	3,195	2,104	2,517
Mar.	12,797	3,419	5,535	339	3,504	5,357	2,872	2,044	2,524
Apr.	13,181	3,454	5,584	313	3,830	5,457	3,145	2,142	2,437
May	13,149	3,467	5,757	334	3,591	5,473	2,985	2,032	2,659
June	13,959	3,752	5,976	373	3,858	5,772	3,316	2,141	2,730
July	14,378	4,073	5,927	378	4,000	5,959	3,424	2,361	2,634
Aug.	14,358	3,932	6,077	349	4,000	6,047	3,386	2,178	2,747
Sept.	14,973	4,173	6,342	372	4,086	6,289	3,459	2,367	2,858
	Repayments								
1967	83,988	26,534	27,847	2,202	27,405	29,549	26,681	10,337	17,421
1968	91,667	27,931	31,270	2,303	30,163	32,611	28,763	11,705	18,588
1969	99,786	29,974	34,645	2,457	32,710	36,470	30,981	13,193	19,142
1970	107,199	30,137	40,721	2,506	33,835	40,398	31,705	14,354	20,742
1971	115,050	31,393	44,933	2,901	35,823	45,395	31,730	16,033	21,892
1972	126,914	34,729	49,872	3,218	39,095	50,796	35,259	18,117	22,742
1973	144,978	39,452	59,409	3,577	42,540	60,014	38,066	20,358	26,540
1974	157,791	42,197	66,598	3,840	45,156	66,539	40,127	21,861	29,264
1974—Sept.	13,412	3,604	5,700	279	3,829	5,808	3,371	1,723	2,510
Oct.	13,224	3,470	5,499	321	3,934	5,542	3,250	1,962	2,470
Nov.	13,009	3,423	5,561	325	3,700	5,671	2,981	1,860	2,497
Dec.	13,516	3,668	6,037	341	3,470	5,803	3,308	1,822	2,583
1975—Jan.	13,260	3,534	5,549	336	3,841	5,669	3,331	1,827	2,433
Feb.	13,228	3,605	5,632	350	3,641	5,747	3,134	1,824	2,523
Mar.	13,234	3,772	5,708	357	3,397	5,924	2,971	1,782	2,557
Apr.	13,423	3,719	5,632	369	3,703	5,769	3,263	1,947	2,444
May	13,274	3,625	5,694	349	3,606	5,737	3,169	1,894	2,474
June	13,537	3,728	5,799	358	3,652	5,774	3,307	1,806	2,650
July	13,509	3,690	5,860	348	3,611	5,749	3,227	1,957	2,576
Aug.	13,858	3,820	5,826	358	3,854	5,941	3,366	1,952	2,599
Sept.	13,916	3,727	6,090	350	3,749	5,925	3,363	1,906	2,722
	Net change								
1967	3,183	−214	1,657	167	1,573	1,833	−220	901	669
1968	8,317	3,152	2,237	231	2,697	4,784	1,498	1,501	534
1969	9,360	2,579	3,687	374	2,720	4,485	1,772	2,005	1,098
1970	4,959	−343	3,152	457	1,693	2,977	−168	1,366	784
1971	9,231	3,480	2,888	343	2,520	5,842	1,205	1,933	251
1972	16,037	5,465	5,727	788	4,057	8,543	3,205	2,490	1,799
1973	20,105	7,001	7,450	1,151	4,503	9,712	5,155	3,056	2,182
1974	8,687	559	4,479	810	2,839	3,015	1,682	2,649	1,341
1974—Sept.	677	231	235	23	188	242	37	356	42
Oct.	402	101	449	27	27	58	21	198	167
Nov.	400	361	139	4	174	−281	158	3	36
Dec.	814	−463	239	47	65	791	68	79	34
1975—Jan.	−401	−186	119	−47	49	301	263	221	−58
Feb.	237	251	−71	−48	105	−98	61	280	6
Mar.	−437	353	173	−18	107	567	99	262	−33
Apr.	242	265	48	56	127	312	118	195	−7
May	−125	158	63	15	15	264	184	138	185
June	422	24	177	15	206	−2	9	335	80
July	869	383	67	30	389	210	197	404	58
Aug.	500	112	251	9	146	106	20	226	148
Sept.	1,057	446	252	22	337	364	96	461	136

NOTE.—Monthly estimates are seasonally adjusted and include adjustments for differences in trading days. Annual totals are based on data not seasonally adjusted.

Estimates are based on accounting records and often include finance charges. Renewals and refinancing of loans, purchases and sales of instalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965 and BULLETINS for Dec. 1968 and Oct. 1972.

MARKET GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1974 average	1974			1975									
			Oct.	Nov.	Dec.	Jan.	Feb	Mar.	Apr.	May	June	July[r]	Aug.[r]	Sept.[p]	Oct.[e]
Total index	100.0	124.8	124.8	121.7	117.4	113.7	111.2	110.0	109.9	110.1	111.1	112.2	114.0	116.0	116.5
Products, total	**62.21**	**123.1**	**122.9**	**121.4**	**118.7**	**115.4**	**113.7**	**112.4**	**112.9**	**113.4**	**114.2**	**115.3**	**115.8**	**116.8**	**117.1**
Final products	*48.95*	*121.7*	*122.3*	*120.9*	*118.2*	*114.9*	*113.3*	*112.2*	*112.6*	*113.7*	*114.5*	*115.7*	*116.0*	*116.9*	*117.1*
Consumer goods	28.53	128.8	128.2	126.3	123.4	120.1	118.8	118.2	119.6	121.2	123.3	125.5	125.5	126.6	127.4
Equipment	20.42	111.7	114.0	113.2	110.7	107.8	105.3	103.9	103.0	102.9	102.2	102.2	102.5	103.4	102.8
Intermediate products	13.26	128.3	125.3	123.0	120.5	117.6	115.2	112.7	113.4	112.4	112.8	114.3	115.2	116.7	117.3
Materials	**37.79**	**127.4**	**128.1**	**122.1**	**114.8**	**110.5**	**107.4**	**105.9**	**105.2**	**104.9**	**106.0**	**106.8**	**111.2**	**114.6**	**115.2**
Consumer goods															
Durable consumer goods	*7.86*	*127.9*	*126.5*	*119.7*	*110.1*	*104.0*	*101.0*	*103.1*	*107.8*	*110.5*	*113.2*	*115.9*	*116.1*	*117.8*	*119.2*
Automotive products	2.84	110.0	114.7	102.1	87.5	80.3	78.2	86.8	93.6	97.6	103.4	106.9	105.9	107.3	109.2
Autos	1.87	94.9	108.4	91.0	69.8	62.6	58.9	73.1	82.4	86.3	93.2	97.7	96.8	97.9	100.5
Auto parts and allied goods	.97	139.0	126.9	123.6	121.5	114.4	115.5	113.2	115.2	119.3	122.8	124.8	123.2	125.3	126.0
Home goods	5.02	138.0	133.2	129.7	123.0	117.5	114.0	112.3	115.9	117.8	118.8	121.0	121.9	123.7	124.9
Appliances, TV, and radios	1.41	132.0	120.9	115.3	102.5	94.4	89.0	85.0	96.7	102.4	103.5	104.7	107.3	109.1	110.3
Appliances and A/C	.92	148.8	139.5	131.9	119.8	108.0	104.8	99.1	114.2	118.4	118.3	118.9	123.5	125.1	......
TV and home audio	.49	......	......	......	......	......	......	......	......	......	76.0	......	......	......	......
Carpeting and furniture	1.08	153.5	151.8	144.7	143.8	135.1	132.3	127.9	127.8	128.6	131.1	135.5	136.0	135.8	......
Misc. home goods	2.53	134.7	132.2	131.4	125.5	123.0	120.1	121.0	121.4	121.7	122.1	124.0	124.1	126.8	128.0
Nondurable consumer goods	*20.67*	*129.2*	*128.9*	*128.8*	*128.4*	*126.3*	*125.5*	*124.1*	*124.0*	*125.3*	*127.2*	*129.0*	*129.2*	*130.0*	*130.6*
Clothing	4.32	109.0	104.5	103.1	102.0	95.0	94.5	90.9	89.2	94.4	97.7	101.6	101.6	......	......
Consumer staples	16.34	134.5	135.4	135.6	135.5	134.5	133.6	132.7	133.3	133.5	134.9	136.3	136.5	137.4	138.0
Consumer foods and tobacco	8.37	125.4	125.2	126.2	125.3	123.3	123.2	120.7	122.7	122.4	124.1	125.5	125.7	125.9	126.4
Nonfood staples	7.98	144.0	146.1	145.3	146.2	146.4	144.5	145.3	144.3	145.3	146.4	147.7	147.8	149.6	150.1
Consumer chemical products	2.64	158.4	159.8	155.2	159.1	160.6	157.1	158.2	157.6	158.4	159.2	161.2	160.6	161.5	......
Consumer paper products	1.91	125.2	128.5	127.4	126.7	122.0	121.9	120.9	118.4	122.8	123.3	124.1	126.1	128.6	......
Consumer fuel and lighting	3.43	143.8	145.4	147.9	147.3	149.2	147.2	149.0	148.6	147.8	149.4	150.4	150.2	152.1	......
Residential utilities	2.25	153.7	155.5	159.3	159.0	159.9	159.7	163.1	161.9	160.9	161.3	160.5	161.0	......	......
Equipment															
Business equipment	*12.74*	*129.4*	*132.0*	*131.0*	*127.1*	*122.3*	*119.3*	*117.0*	*115.4*	*115.0*	*113.9*	*113.9*	*114.8*	*115.9*	*115.6*
Industrial equipment	6.77	128.7	130.9	129.3	126.7	122.9	120.4	118.8	116.4	115.3	114.0	113.3	113.5	114.8	114.9
Building and mining equip.	1.45	136.0	141.2	140.1	137.4	138.4	137.0	137.7	132.3	131.7	127.7	126.9	128.3	129.4	131.0
Manufacturing equipment	3.85	121.7	122.5	119.4	116.5	111.8	109.4	106.6	105.6	105.0	104.3	105.5	105.1	105.8	105.2
Power equipment	1.47	139.9	142.8	144.5	142.6	136.6	132.1	131.8	128.9	126.2	125.8	120.3	121.1	123.5	124.4
Commercial, transit, farm equip.	5.97	130.3	133.2	132.9	127.6	121.6	118.0	115.1	114.2	114.7	113.9	114.6	116.3	117.1	116.3
Commercial equipment	3.30	141.1	144.1	143.1	139.3	135.2	130.4	127.8	123.2	121.5	120.7	123.0	123.2	123.7	124.0
Transit equipment	2.00	109.6	111.2	109.8	102.9	91.8	91.5	88.8	92.2	98.6	98.0	98.0	101.5	104.0	100.8
Farm equipment	.67	138.7	145.4	151.9	143.7	143.8	135.9	130.2	135.7	129.0	127.3	122.9	127.0	124.3	......
Defense and space equipment	*7.68*	*82.3*	*84.1*	*83.7*	*83.4*	*83.8*	*82.4*	*82.1*	*82.4*	*82.7*	*82.9*	*82.6*	*82.3*	*82.5*	*81.7*
Military products	5.15	81.2	82.5	81.8	81.3	81.5	80.7	80.3	80.7	82.0	82.0	82.1	81.9	82.1	81.5
Intermediate products															
Construction products	5.93	129.6	123.5	121.3	118.3	115.7	112.1	109.1	110.1	107.6	106.8	108.0	109.1	111.5	111.5
Misc. intermediate products	7.34	127.3	126.8	124.2	122.5	119.2	118.4	115.6	116.1	116.2	117.5	119.3	120.1	121.0	......
Materials															
Durable goods materials	*20.91*	*127.3*	*129.3*	*123.5*	*114.2*	*110.3*	*107.0*	*104.7*	*101.6*	*100.2*	*99.8*	*100.3*	*106.2*	*108.6*	*108.8*
Consumer durable parts	4.75	112.1	115.2	104.1	91.7	83.7	82.1	84.7	86.0	87.7	90.8	92.8	101.7	103.2	103.9
Equipment parts	5.41	123.8	124.0	122.2	118.3	116.9	112.0	108.7	104.6	102.1	97.3	96.8	100.6	101.7	102.0
Durable materials nec	10.75	135.9	138.3	132.7	122.9	118.8	115.4	111.4	106.9	104.7	105.1	105.3	110.9	114.6	114.2
Nondurable goods materials	*13.99*	*128.5*	*126.8*	*122.1*	*116.2*	*109.2*	*105.7*	*105.3*	*107.9*	*109.5*	*112.3*	*114.0*	*117.7*	*122.2*	*124.0*
Textile, paper, and chem. mat.	8.58	139.8	138.1	131.1	122.9	112.9	108.5	106.2	110.4	113.2	117.0	118.9	124.6	131.1	133.4
Nondurable materials n.e.c.	5.41	110.6	108.9	107.8	105.7	103.3	101.1	103.9	104.0	103.7	105.1	106.2	106.8	108.2	109.1
Fuel and power, industrial	2.89	122.6	126.4	112.7	113.0	117.8	118.2	118.0	117.5	118.0	119.5	121.1	117.1	120.9	120.5
Supplementary groups															
Home goods and clothing	9.34	124.6	120.0	117.4	113.2	107.1	105.0	102.3	103.6	106.9	109.1	112.0	112.5	113.6	114.6
Containers	1.82	139.4	131.5	127.6	120.3	126.1	119.9	122.3	124.2	124.3	128.4	132.8	133.3	141.0	......
Gross value of products in market structure															
(In billions of 1963 dollars)															
Products, total	*286.3*	......	*445.7*	*439.0*	*426.7*	*416.4*	*410.1*	*405.1*	*409.6*	*408.6*	*414.5*	*416.1*	*418.7*	*425.5*	*426.3*
Final products	221.4	......	346.5	341.3	331.0	322.3	317.7	315.3	319.0	319.4	325.0	325.2	326.8	332.8	333.3
Consumer goods	156.3	......	233.7	228.9	222.3	216.4	213.7	213.2	217.6	217.8	223.6	224.9	226.1	230.3	231.6
Equipment	65.3	......	112.7	112.4	108.8	105.9	103.9	102.2	101.4	101.5	101.3	100.5	101.0	102.6	101.5
Intermediate products	64.9	......	99.4	97.4	95.8	94.3	92.3	90.0	90.5	89.2	89.6	91.1	91.8	92.8	93.2

For NOTE see opposite page.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 pro-portion	1974 aver-age	1974 Oct.	1974 Nov.	1974 Dec.	1975 Jan.	1975 Feb.	1975 Mar.	1975 Apr.	1975 May	1975 June	1975 July	1975 Aug.	1975 Sept.[p]	1975 Oct.[e]
Manufacturing	88.55	124.4	124.6	120.9	116.1	111.7	109.2	107.7	107.9	108.2	109.5	110.6	112.6	111.[illegible]	111.7
Durable	52.33	120.7	121.6	117.9	112.2	108.2	104.8	103.5	103.3	102.5	103.2	103.5	105.4	106.9	106.7
Nondurable	36.22	129.7	128.9	125.4	121.9	117.0	115.6	113.7	114.8	116.1	118.6	120.8	123.1	124.9	126.3
Mining and utilities	11.45	127.3	128.5	125.9	125.7	127.0	127.3	128.8	128.1	126.5	126.8	127.4	126.9	128.2	128.5
Mining	6.37	109.3	110.5	105.0	104.4	107.0	108.6	108.9	108.5	105.9	106.3	106.4	104.8	106.1	106.3
Utilities	5.08	149.9	151.2	152.3	152.6	153.0	150.9	154.0	153.1	152.3	152.6	153.7	151.5	156.0	156.6
Durable manufactures															
Primary and fabricated metals	12.55	127.5	127.6	124.4	116.0	112.4	107.7	105.1	103.2	99.8	100.8	100.7	104.1	105.0	101.5
Primary metals	6.61	124.1	126.0	121.0	108.6	107.2	102.1	98.1	95.0	89.9	91.8	92.8	96.5	95.8	95.2
Iron and steel, subtotal	4.23	119.9	123.9	117.7	107.9	110.6	105.0	103.1	99.4	90.1	88.7	87.0	90.4	90.0	89.0
Fabricated metal products	5.94	131.4	129.6	128.2	124.1	118.2	113.7	112.9	112.4	100.9	110.9	109.7	112.7	115.3	115.0
Machinery and allied goods	32.44	116.3	118.4	114.9	109.6	105.4	102.4	101.5	101.9	101.7	102.3	102.4	103.9	105.5	105.3
Machinery	17.39	128.1	131.1	128.9	124.8	119.6	115.6	112.2	110.8	109.0	108.2	108.4	110.0	111.5	111.5
Nonelectrical machinery	9.17	133.8	137.4	135.1	132.5	126.7	123.6	119.3	116.9	113.7	112.3	112.9	114.9	116.3	116.5
Electrical machinery	8.22	125.2	124.0	121.7	116.3	111.5	106.6	104.3	104.0	103.8	103.8	103.4	104.5	106.1	106.0
Transportation equipment	9.29	96.9	102.1	93.7	83.6	78.9	77.1	81.0	84.7	87.6	90.5	91.0	92.9	95.4	94.9
Motor vehicles and parts	4.56	113.2	123.0	107.1	86.4	78.2	77.6	85.4	93.1	95.0	100.0	103.2	107.2	111.3	111.3
Aerospace and misc. trans. eq.	4.73	81.1	81.9	80.9	80.9	79.5	76.6	76.7	76.6	80.4	81.3	79.3	79.2	80.1	79.0
Instruments	2.07	143.9	142.0	142.3	139.5	139.1	134.2	130.6	131.1	129.7	130.9	132.4	131.8	133.6	131.1
Ordnance, private and Govt.	3.69	86.1	87.2	86.6	86.6	86.2	86.9	86.7	86.7	86.7	87.7	86.4	86.1	86.2	85.8
Lumber, clay, and glass	4.44	123.6	117.8	113.7	111.0	109.6	104.6	102.6	101.8	105.9	107.0	108.3	109.4	111.6	112.0
Lumber and products	1.65	120.1	109.3	105.2	101.3	99.9	99.6	99.8	104.1	108.0	110.3	112.0	112.0	112.8	.....
Clay, glass, and stone products	2.79	125.7	122.9	118.8	116.9	115.3	107.8	104.2	105.4	104.7	105.1	106.2	107.9	111.0	.....
Furniture and miscellaneous	2.90	136.1	136.7	129.0	128.4	120.0	119.6	115.7	117.6	119.7	120.1	121.2	122.3	123.4	123.1
Furniture and fixtures	1.38	126.9	125.5	120.5	120.4	110.6	110.6	106.7	105.6	109.6	107.9	109.4	109.2	110.2	.....
Miscellaneous manufactures	1.52	144.4	146.9	136.9	135.7	128.9	128.0	129.7	128.5	129.0	131.1	131.8	133.3	135.1	.....
Nondurable manufactures															
Textiles, apparel, and leather	6.90	108.9	105.1	101.9	96.3	88.9	89.6	87.5	90.4	93.2	94.9	97.4	99.1	102.6	101.7
Textile mill products	2.69	122.7	119.1	112.8	102.9	95.6	93.3	96.8	100.4	103.8	106.9	110.7	114.9	119.7	.....
Apparel products	3.33	105.4	102.8	100.1	98.0	94.0	92.6	86.4	88.2	90.9	91.5	92.9	94.0	.....	.....
Leather and products	.88	77.3	70.6	74.7	69.7	66.1	66.7	63.5	68.0	70.0	71.2	73.5	72.5	78.1	.....
Paper and printing	7.92	121.0	120.8	115.7	112.3	108.2	106.6	104.2	102.4	103.9	107.3	107.3	110.6	113.0	114.0
Paper and products	3.18	134.0	133.9	124.3	116.1	114.3	109.5	104.5	105.8	105.8	109.5	111.7	116.4	121.1	.....
Printing and publishing	4.74	112.3	111.9	110.0	109.8	104.1	104.7	104.0	100.2	102.6	105.9	104.4	106.8	107.5	106.8
Chemicals, petroleum, and rubber	11.92	151.7	152.4	146.5	141.6	136.5	132.4	130.2	131.0	132.5	136.2	140.2	143.5	145.5	147.[illegible]
Chemicals and products	7.86	154.3	155.9	148.3	143.1	139.0	134.6	133.6	132.8	135.7	138.2	143.4	146.0	148.7	150.7
Petroleum products	1.80	124.0	125.4	127.0	125.8	126.8	123.7	120.1	120.2	118.5	122.4	124.6	126.5	127.0	127.0
Rubber and plastics products	2.26	164.4	161.8	155.7	148.9	135.4	132.0	126.8	133.5	132.7	140.1	141.6	147.7	149.9	.....
Foods and tobacco	9.48	124.8	123.7	123.8	123.5	120.0	121.3	120.0	122.4	122.4	123.5	124.8	124.9	125.5	126.1
Foods	8.81	126.2	124.8	125.4	125.7	121.2	122.3	121.3	122.9	123.8	125.1	126.3	126.3	126.9	127.6
Tobacco products	.67	106.4	110.3	103.8	96.2	104.7	108.1	102.6	115.9	103.8	102.2	104.8	105.7	.....	.....
Mining															
Metal, stone, and earth minerals	1.26	117.2	121.3	120.7	117.9	119.1	116.2	113.4	113.3	106.2	101.5	105.0	108.4	106.3	106.3
Metal mining	.51	129.2	141.4	136.8	134.7	133.8	131.1	125.4	125.8	114.8	110.6	110.3	122.3	118.9	.....
Stone and earth minerals	.76	109.1	107.5	109.8	106.4	109.0	106.1	105.1	104.7	100.4	95.3	101.4	98.8	97.7	.....
Coal, oil, and gas	5.11	107.3	107.8	101.2	101.1	103.9	106.8	107.7	107.4	105.8	107.6	106.7	103.9	106.0	106.3
Coal	.69	105.1	110.3	67.6	85.3	111.3	117.5	117.4	112.2	113.6	120.4	120.6	101.9	113.6	114.5
Oil and gas extraction	4.42	107.7	107.4	106.4	103.6	102.9	105.0	106.1	106.6	104.5	105.5	104.5	104.2	104.8	105.0
Utilities															
Electric	3.90	159.5	161.2	162.9	163.0	162.5	161.1	165.4	164.1	163.0	163.3	164.7	165.6	.....	.....
Gas	1.17	117.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

NOTE. Data for the complete year of 1972 are available in a pamphlet *Industrial Production Indexes 1972* from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Published groupings include series and subtotals not shown separately. Figures for individual series and subtotals are published in the monthly Industrial Production release.

SELECTED BUSINESS INDEXES

(1967=100, except as noted)

Period	Industrial production: Total	Market: Total	Products, Final: Total	Products, Final: Consumer goods	Products, Final: Equipment	Products: Intermediate	Materials	Industry: Manufacturing	Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Nonagricultural employment—Total[1]	Manufacturing[2]: Employment	Manufacturing[2]: Payrolls	Total retail sales[3]	Prices[4]: Consumer	Prices[4]: Wholesale commodity
1955	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2	90.0	......	76.9	92.9	61.1	59	80.2	87.8
1956	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5	88.2	......	79.6	93.9	64.6	61	81.4	90.7
1957	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2	84.5	......	80.3	92.2	65.4	64	84.3	93.3
1958	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9	75.1	......	78.0	83.9	60.3	64	86.6	94.6
1959	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1	81.4	......	81.0	88.1	67.8	69	87.3	94.8
1960	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4	80.1	......	82.4	88.0	68.8	70	88.7	94.9
1961	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6	77.6	......	82.1	84.5	68.0	70	89.6	94.5
1962	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4	81.4	......	84.4	87.3	73.3	75	90.6	94.8
1963	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8	83.0	86.1	86.1	87.8	76.0	79	91.7	94.5
1964	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2	85.5	89.4	88.6	89.3	80.1	83	92.9	94.7
1965	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	88.1	91	94.5	96.6
1966	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	94.8	97.1	99.9	97.8	97	97.2	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.9	100.0	100.0	100.0	100.0	100	100.0	100.0
1968	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.2	101.4	108.3	109	104.2	102.5
1969	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.9	103.2	116.6	114	109.8	106.5
1970	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.7	98.1	114.1	120	116.3	110.4
1971	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	75.0	145.4	108.1	94.2	116.7	122	121.2	113.9
1972	115.2	113.8	111.9	123.6	95.5	121.1	117.4	114.0	78.6	165.3	111.9	97.6	131.5	142	125.3	119.8
1973	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	181.3	r116.8	r103.2	r149.2	......	133.1	134.7
1974	124.8	123.1	121.7	128.8	111.7	128.3	127.4	124.4	78.9	168.6	r119.1	102.1	r157.1	......	147.7	160.1
1974—Sept.	125.6	123.6	122.6	128.8	113.8	127.6	129.3	125.5	[5]79.4	187.0	119.7	102.4	162.4	176	151.7	167.2
Oct.	124.8	122.9	122.3	128.2	114.0	125.3	128.1	124.6		148.0	119.6	101.4	162.6	175	153.0	170.2
Nov.	121.7	121.4	120.9	126.3	113.2	123.0	122.1	120.9	75.7	154.0	119.0	99.3	157.5	170	154.3	171.9
Dec.	117.3	118.7	118.2	123.4	110.7	120.5	114.8	116.1		176.0	118.0	96.5	153.2	171	155.4	171.5
1975—Jan.	113.7	115.4	114.9	120.1	107.8	117.6	110.5	111.7		135.0	117.4	93.9	149.5	176	156.1	171.8
Feb.	111.2	113.7	113.3	118.8	105.3	115.2	107.4	109.2	68.2	139.0	116.6	91.2	143.5	179	157.2	171.3
Mar.	110.0	112.4	112.2	118.2	103.9	112.7	105.9	107.7		153.0	116.1	90.3	143.3	176	157.8	170.4
Apr.	109.9	112.9	112.6	119.6	103.0	113.4	105.2	107.9		189.0	116.1	89.9	144.7	179	158.6	172.1
May	110.1	113.4	113.7	121.2	102.9	112.4	104.9	108.2	67.0	182.0	116.2	90.1	144.7	184	159.3	173.2
June	111.1	114.2	114.5	123.3	102.2	112.8	106.0	109.5		174.0	115.9	89.8	146.4	186	160.6	173.7
July r	112.2	115.3	115.7	125.5	102.2	114.3	106.8	110.6		165.0	116.4	89.7	148.7	190	162.3	175.7
Aug. r	114.0	115.8	116.0	125.5	102.5	115.2	111.2	112.6	69.0	208.0	116.9	90.9	154.2	191	162.8	176.7
Sept. r	116.0	116.8	116.9	126.6	103.4	116.7	114.6	114.2		157.0	117.3	92.0	157.1	189	163.6	177.7
Oct.	116.5	117.1	117.1	127.4	102.8	117.3	115.2	114.7	......	......	117.7	92.7	159.0	191	......	178.9

1 Employees only; excludes personnel in the Armed Forces.
2 Production workers only. Revised back to 1973.
3 F.R. index based on Census Bureau figures.
4 Prices are not seasonally adjusted. Latest figure is final.
5 Figure is for 3rd quarter 1974.

NOTE.—*All series*: Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Informations Systems Company F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1973	1974	1974: Sept.	Oct.	Nov.	Dec.	1975: Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Total construction contracts [1]	**99,304**	**93,076**	**8,359**	**7,227**	**6,179**	**7,304**	**5,100**	**4,955**	**6,574**	**9,598**	**9,143**	**9,324**	**9,044**	**10,037**	**7,692**
By type of ownership:															
Public	26,563	32,209	3,273	2,720	2,391	2,496	2,254	2,031	2,182	2,768	2,875	3,891	3,784	3,040	2,725
Private [1]	72,741	60,867	5,689	4,508	3,788	4,809	2,846	2,924	4,393	6,830	6,268	5,432	5,260	6,997	4,967
By type of construction:															
Residential building [1]	45,696	34,174	2,503	2,457	1,931	1,715	1,562	1,583	2,316	3,029	3,073	3,116	3,093	2,784	2,966
Nonresidential building	31,534	33,859	3,320	2,710	2,618	2,451	2,233	2,199	2,402	2,987	2,877	3,169	3,165	2,666	2,526
Nonbuilding	22,074	25,042	2,536	2,061	1,630	3,139	1,305	1,172	1,856	3,582	3,193	3,040	2,786	4,587	2,200
Private housing units authorized (In thousands, S.A., A.R.)	1,820	1,074	853	811	770	837	689	701	677	837	912	949	1,042	r995	1,072

1 Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data may differ from annual totals because adjustments are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private								Public [2]				
		Total	Residential	Nonresidential						Total	Military	Highway	Conservation and development	Other
				Total	Buildings			Other						
					Industrial	Commercial	Other buildings [1]							
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685		24,007	727	8,405	2,194	12,681
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293		25,536	695	8,591	2,124	14,126
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292		27,605	808	9,321	1,973	15,503
1969	93,728	65,404	33,200	32,204	6,783	9,401	4,971	11,049		27,964	879	9,250	1,783	16,052
1970	94,167	66,071	31,864	34,207	6,538	9,754	5,125	12,790		28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333		29,871	901	10,658	2,095	16,217
1972	124,077	93,893	54,288	39,605	4,676	13,462	5,898	15,569		30,184	1,087	10,429	2,172	16,496
1973	135,456	102,894	57,623	45,271	6,243	15,453	5,888	17,687		32,562	1,170	10,559	2,313	18,520
1974 r	135,481	97,079	47,044	50,053	7,902	15,945	5,797	20,409		38,402	1,185	12,083	2,782	22,352
1974 Sept.	133,299	94,878	45,903	48,975	7,478	15,890	5,739	19,868		38,421	1,180	12,835	2,880	21,526
Oct.	134,466	95,576	44,182	51,394	8,702	16,372	5,701	20,619		38,890	1,103	12,374	3,029	22,384
Nov.	131,948	93,795	42,503	51,292	8,890	15,939	5,697	20,766		38,153	1,102	11,140	2,999	22,912
Dec.	134,047	92,529	41,060	51,469	9,006	15,842	5,571	21,050		41,518	1,169	11,973	3,358	25,018
1975 Jan.	132,274	91,169	39,556	51,613	8,412	15,646	5,903	21,652		41,105	1,223	12,356	2,842	24,684
Feb.	128,862	89,023	38,523	50,500	8,724	14,971	5,883	20,922		39,839	1,319	11,993	3,329	23,198
Mar.	125,501	85,687	37,999	47,688	7,869	13,032	5,363	21,424		39,814	1,337	11,377	3,024	24,076
Apr.	120,892	84,607	37,894	46,713	7,500	12,765	5,636	20,812		36,285	1,473	10,963	2,769	21,080
May	121,490	84,044	38,844	45,200	8,197	12,109	5,268	19,626		37,446	1,180	12,227	3,132	20,907
June	125,928	84,026	39,834	44,192	7,677	11,756	5,415	19,344		41,902	1,120	12,251	3,529	25,002
July r	126,662	86,029	40,986	45,043	7,714	11,978	5,319	20,032		40,633	1,309	....	....	....
Aug.	125,888	87,740	42,065	45,675	7,621	12,586	5,511	19,957		38,148	1,383	....	....	....
Sept. p	130,186	89,509	43,223	46,286	7,688	12,380	5,732	20,486		40,677	1,662	....	....	....

[1] Includes religious, educational, hospital, institutional, and other buildings.

[2] By type of ownership, State and local accounted for 86 per cent of public construction expenditures in 1974.

NOTE. Census Bureau data; monthly series at seasonally adjusted annual rates.

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home shipments	New 1-family homes sold and for sale [1]			
											Units		*Median prices (in thousands of dollars) of units*	
	Total	1-family	2-or-more family	Total	1-family	2-or-more family	Total	1-family	2-or-more family		*Sold*	*For sale (end of period)*	*Sold*	*For sale*
1966	1,165	779	386	....	....	....	....	....	....	217	461	196	21.4	22.8
1967	1,292	844	448	....	....	....	....	....	....	240	487	190	22.7	23.6
1968	1,508	899	608	1,320	859	461	....	....	....	318	490	218	24.7	24.6
1969	1,467	811	656	1,399	807	591	885	350	r535	413	448	228	25.6	27.0
1970	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972	2,357	1,309	1,047	1,971	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1974	1,337	888	450	1,692	931	760	1,189	516	673	371	501	407	35.9	36.2
1974—Sept.	1,157	845	313	1,562	899	663	1,372	565	807	258	495	414	36.2	35.7
Oct.	1,106	792	314	1,627	908	719	1,322	553	769	227	433	409	37.2	35.9
Nov.	1,017	802	215	1,657	893	763	1,255	541	714	204	435	404	37.3	36.0
Dec.	880	682	198	1,606	852	754	1,229	545	684	195	382	400	37.4	36.2
1975—Jan.	999	739	260	1,535	964	571	1,176	522	654	185	404	404	37.2	36.4
Feb.	1,000	733	267	1,320	770	550	1,156	522	634	219	411	409	37.9	36.6
Mar.	985	775	210	1,305	734	571	1,113	520	593	199	463	396	38.8	36.5
Apr.	980	762	218	1,211	756	455	1,085	515	570	194	570	388	39.2	36.7
May	1,130	887	243	1,276	832	444	1,066	518	548	224	586	r383	r39.5	36.9
June	1,094	884	210	1,165	785	377	1,044	515	529	210	558	377	38.0	37.2
July r	1,235	935	300	1,244	896	348	1,043	521	522	225	536	381	39.2	37.4
Aug.	1,268	986	282	1,190	818	372	1,049	535	514	235	557	377	38.6	37.8
Sept.	1,240	906	334	....	....	....	....	....	....	....	....	....	....	....

[1] Merchant builders only.

NOTE.—All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufacturers' Assn. and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total noninstitutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate[2] (per cent; S.A.)
				Total	Employed[1]			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1969	137,841	53,602	84,240	80,734	77,902	74,296	3,606	2,832	3.5
1970	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1974	150,827	57,587	93,240	91,011	85,935	82,443	3,492	5,076	5.6
1974—Oct.	151,593	57,489	94,057	91,844	86,304	82,864	3,440	5,540	6.0
Nov.	151,812	57,991	93,920	91,708	85,689	82,314	3,375	6,019	6.6
Dec.	152,020	58,482	94,015	91,803	85,202	81,863	3,339	6,601	7.2
1975—Jan.	152,230	58,888	94,284	92,091	84,562	81,179	3,383	7,529	8.2
Feb.	152,445	59,333	93,709	91,511	84,027	80,701	3,326	7,484	8.2
Mar.	152,646	59,053	94,027	91,829	83,849	80,584	3,265	7,980	8.7
Apr.	152,840	59,276	94,457	92,262	84,086	80,848	3,238	8,176	8.9
May	153,051	59,101	95,121	92,940	84,402	80,890	3,512	8,538	9.2
June	153,278	57,087	94,518	92,340	84,444	81,140	3,304	7,896	8.6
July	153,585	56,540	95,102	92,916	85,078	81,628	3,450	7,838	8.4
Aug.	153,824	57,331	95,331	93,146	85,352	81,884	3,468	7,794	8.4
Sept.	154,052	59,087	95,361	93,191	85,418	81,872	3,546	7,773	8.3
Oct.	154,256	58,825	95,607	93,443	85,441	82,019	3,422	8,002	8.6

[1] Includes self-employed, unpaid family, and domestic service workers.
[2] Per cent of civilian labor force.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1969	70,442	20,167	619	3,525	4,435	14,704	3,562	11,228	12,202
1970	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973	76,896	20,068	644	4,015	4,644	16,674	4,091	13,021	13,739
1974	78,413	20,046	694	3,957	4,696	17,017	4,208	13,617	14,177
SEASONALLY ADJUSTED									
1974—Oct.	78,790	19,972	728	3,872	4,686	17,154	4,228	13,797	14,353
Nov.	78,374	19,638	722	3,826	4,683	17,058	4,226	13,822	14,399
Dec.	77,723	19,190	686	3,770	4,659	16,935	4,229	13,833	14,421
1975—Jan.	77,319	18,798	723	3,749	4,603	16,903	4,219	13,857	14,467
Feb.	76,804	18,375	724	3,592	4,565	16,879	4,210	13,865	14,594
Mar.	76,468	18,226	729	3,467	4,506	16,851	4,207	13,864	14,618
Apr.	76,462	18,155	732	3,441	4,508	16,847	4,209	13,878	14,692
May	76,510	18,162	738	3,439	4,491	16,857	4,208	13,889	14,726
June	76,343	18,100	741	3,392	4,469	16,877	4,202	13,871	14,691
July	76,679	18,084	743	3,395	4,464	16,984	4,203	13,990	14,816
Aug.	77,023	18,254	749	3,415	4,466	17,016	4,218	14,054	14,855
Sept.[p]	77,275	18,410	749	3,416	4,466	17,042	4,236	14,126	14,830
Oct.[p]	77,492	18,518	770	3,387	4,474	17,032	4,247	14,174	14,890
NOT SEASONALLY ADJUSTED									
1974—Oct.	79,465	20,174	718	4,120	4,714	17,249	4,220	13,825	14,445
Nov.	79,151	19,799	719	3,952	4,697	17,361	4,213	13,868	14,602
Dec.	78,462	19,209	681	3,695	4,659	17,608	4,208	13,764	14,638
1975—Jan.	76,207	18,573	715	3,348	4,548	16,700	4,177	13,608	14,538
Feb.	75,772	18,165	714	3,208	4,492	16,493	4,172	13,639	14,829
Mar.	75,778	18,037	719	3,197	4,470	16,530	4,178	13,753	14,894
Apr.	76,177	18,000	726	3,310	4,472	16,691	4,192	13,878	14,908
May	76,689	18,071	740	3,439	4,487	16,819	4,208	13,986	14,939
June	77,183	18,255	756	3,555	4,523	16,971	4,248	14,079	14,796
July	76,439	18,007	758	3,605	4,504	16,936	4,266	14,144	14,219
Aug.	76,900	18,450	763	3,688	4,493	16,959	4,273	14,162	14,112
Sept.[p]	77,582	18,691	755	3,651	4,502	17,081	4,240	14,126	14,546
Oct.[p]	78,130	18,449	759	3,604	4,501	17,125	4,239	14,202	14,986

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of Armed Forces are excluded.

Beginning with 1973, series has been adjusted to Mar. 1974 benchmark.

CONSUMER PRICES

(1967 = 100)

Period	All items	Food	Housing: Total	Housing: Rent	Housing: Home-ownership	Housing: Fuel oil and coal	Housing: Gas and electricity	Housing: Furnishings and operation	Apparel and upkeep	Transportation	Health and recreation: Total	Health and recreation: Medical care	Health and recreation: Personal care	Health and recreation: Reading and recreation	Health and recreation: Other goods and services
1929	51.3	48.3	......	76.0	......	......	......	......	48.5	......	......	......	......	......	......
1933	38.8	30.6	......	54.1	......	......	......	......	36.9	......	......	......	......	......	......
1941	44.1	38.4	53.7	57.2	......	40.5	81.4	......	44.8	44.2	......	37.0	41.2	47.7	49.2
1945	53.9	50.7	59.1	58.8	......	48.0	79.6	......	61.5	47.8	......	42.1	55.1	62.4	56.9
1960	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1
1970	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0
1971	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	120.9
1972	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	125.5
1973	133.1	141.4	135.0	124.3	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0
1974	147.7	161.7	150.6	130.2	163.2	214.6	145.8	140.5	136.2	137.7	140.3	150.5	137.3	133.8	137.2
1974—Sept.	151.7	165.0	154.9	131.4	167.9	222.7	150.2	146.6	139.9	142.2	144.0	155.2	141.2	137.0	140.4
Oct.	153.0	166.1	156.7	132.2	170.1	225.5	151.5	149.0	141.1	142.9	145.2	156.3	143.0	137.8	141.4
Nov.	154.3	167.8	158.3	132.8	171.7	229.2	154.0	151.0	142.4	143.4	146.3	157.5	144.2	138.8	142.7
Dec.	155.4	169.7	159.9	133.5	174.0	228.8	156.7	152.3	141.9	143.5	147.5	159.0	145.3	139.8	143.9
1975—Jan.	156.1	170.9	161.2	134.0	175.6	228.9	160.2	153.2	139.4	143.2	148.9	161.0	146.5	141.0	144.8
Feb.	157.2	171.6	162.7	135.1	177.3	229.5	162.7	154.7	140.2	143.5	150.2	163.0	147.8	141.8	145.9
Mar.	157.8	171.3	163.6	135.5	178.2	228.3	164.0	155.6	140.9	144.8	151.1	164.6	148.9	142.0	146.5
Apr.	158.6	171.2	164.7	135.9	179.4	229.0	166.3	156.8	141.3	146.2	152.1	165.8	149.5	143.5	146.8
May	159.3	171.8	165.1	136.4	180.1	230.2	167.3	157.4	141.8	147.4	152.6	166.8	149.9	143.8	147.1
June	160.6	174.4	166.4	136.9	181.4	230.6	169.4	158.1	141.4	149.8	153.2	168.1	150.3	144.1	147.3
July	162.3	178.6	167.1	137.3	182.3	234.1	170.4	158.3	141.1	152.6	154.0	169.8	151.2	144.4	147.6
Aug.	162.8	178.1	167.7	138.0	182.8	235.7	171.2	158.8	142.3	151.6	154.6	170.9	151.4	144.7	148.1
Sept.	163.6	177.8	168.9	138.4	183.9	238.7	174.0	143.5	160.1	155.4	155.4	172.2	152.1	146.0	148.0

NOTE.—Bureau of Labor Statistics index for city wage earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities: Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Nonmetallic minerals	Transportation equipment[1]	Miscellaneous
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2	......	93.0
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5	......	95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4	......	97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	......	100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7	......	102.2
1969	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1971	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.1	119.0	115.5	109.9	122.4	110.3	112.8
1972	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973	134.7	176.3	148.1	125.9	123.8	143.1	134.3	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1974	160.1	187.7	170.9	153.8	139.1	145.1	208.3	146.8	136.2	183.6	151.7	171.9	139.4	127.9	153.2	125.5	133.1
1974—Oct.	170.2	187.5	183.5	164.8	140.5	145.2	228.5	168.5	147.5	169.4	166.0	186.9	150.0	135.5	162.2	134.2	137.1
Nov.	171.9	187.8	189.7	165.8	139.8	144.5	227.4	172.9	148.5	165.8	166.9	186.7	152.7	136.9	163.4	135.1	140.7
Dec.	171.5	183.7	188.2	166.1	138.4	143.2	229.0	174.0	149.4	165.4	167.2	184.6	154.0	137.7	164.3	137.0	142.4
1975—Jan.	171.8	179.7	186.4	167.5	137.5	142.1	232.2	176.0	149.6	164.7	169.8	185.5	156.6	138.8	168.5	137.1	145.5
Feb.	171.3	174.6	182.6	168.4	136.5	141.7	232.3	178.1	150.0	169.3	169.8	186.3	157.7	139.1	170.3	138.2	146.4
Mar.	170.4	171.1	177.3	168.9	134.3	143.2	233.0	181.8	149.7	169.6	170.0	186.1	158.8	138.5	170.8	139.5	146.8
Apr.	172.1	177.7	179.4	169.7	134.4	147.5	236.5	182.4	149.4	174.9	169.7	185.7	159.7	138.5	173.0	139.9	147.3
May	173.2	184.5	179.0	170.3	135.2	147.7	238.8	182.1	148.9	183.0	169.8	185.1	160.4	138.6	173.1	139.9	147.5
June	173.7	186.2	179.7	170.7	135.9	148.7	243.0	181.2	148.6	181.0	169.8	184.5	161.0	139.0	173.3	140.1	147.5
July	175.7	193.7	184.6	171.2	136.8	149.3	246.6	181.4	150.1	179.6	170.0	183.4	161.7	139.2	174.7	140.1	147.7
Aug.	176.7	193.2	186.3	172.2	137.6	149.3	252.4	182.1	150.0	179.7	170.0	184.3	162.2	139.8	175.8	140.5	147.8
Sept.	177.7	197.1	186.1	173.1	138.4	151.3	254.9	182.2	150.8	179.9	170.3	185.5	163.1	140.1	176.1	141.1	148.2
Oct.	178.9	197.3	186.2	174.7	141.3	152.4	256.5	182.3	151.5	179.1	170.9	187.2	164.1	141.1	177.1	146.6	147.6

[1] Dec. 1968 = 100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974 III	1974 IV	1975 I	1975 II	1975 III[p]
Gross national product	**103.1**	**55.6**	**124.5**	**284.8**	**977.1**	**1,054.9**	**1,158.0**	**1,291.9**	**1,397.4**	**1,416.3**	**1,430.9**	**1,416.6**	**1,440.9**	**1,497.8**
Final purchases	*101.4*	*57.2*	*120.1*	*278.0*	*972.6*	*1,048.6*	*1,149.5*	*1,279.6*	*1,383.9*	*1,407.6*	*1,413.1*	*1,435.8*	*1,471.9*	*1,507.3*
Personal consumption expenditures	**77.2**	**45.8**	**80.6**	**191.0**	**617.6**	**667.1**	**729.0**	**805.2**	**876.7**	**901.3**	**895.8**	**913.2**	**938.6**	**970.0**
Durable goods	9.2	3.5	9.6	30.5	91.3	103.9	118.4	130.3	127.5	136.1	120.7	124.9	130.6	139.0
Nondurable goods	37.7	22.3	42.9	98.1	263.8	278.4	299.7	338.0	380.2	389.0	391.7	398.8	410.1	423.8
Services	30.3	20.1	28.1	62.4	262.6	284.8	310.9	336.9	369.0	376.2	383.5	389.5	397.9	407.2
Gross private domestic investment	**16.2**	**1.4**	**17.9**	**54.1**	**136.3**	**153.7**	**179.3**	**209.4**	**209.4**	**205.8**	**209.4**	**163.1**	**148.1**	**174.9**
Fixed investment	*14.5*	*3.0*	*13.4*	*47.3*	*131.7*	*147.4*	*170.8*	*194.0*	*195.2*	*197.1*	*191.6*	*182.2*	*179.1*	*184.4*
Nonresidential	*10.6*	*2.4*	*9.5*	*27.9*	*100.6*	*104.6*	*116.8*	*136.8*	*149.2*	*150.9*	*151.2*	*146.9*	*142.7*	*143.6*
Structures	5.0	.9	2.9	9.2	36.1	37.9	41.1	47.0	52.0	51.0	53.7	52.8	49.1	49.0
Producers' durable equipment	5.6	1.5	6.6	18.7	64.4	66.6	75.7	89.8	97.1	99.9	97.5	94.2	93.6	94.6
Residential structures	4.0	.6	3.9	19.4	31.2	42.8	54.0	57.2	46.0	46.2	40.4	35.3	36.4	40.8
Nonfarm	3.8	.5	3.7	18.6	30.7	42.3	53.4	56.7	45.2	45.4	39.7	34.8	35.6	39.9
Change in business inventories	1.7	1.6	4.5	6.8	4.5	6.3	8.5	15.4	14.2	8.7	17.8	19.2	31.0	9.5
Nonfarm	1.8	1.4	4.0	6.0	4.3	4.9	7.8	11.4	11.9	6.6	17.5	17.8	30.6	-10.6
Net exports of goods and services	**1.1**	**.4**	**1.3**	**1.8**	**3.6**	**.2**	**6.0**	**3.9**	**2.1**	**3.1**	**1.9**	**8.8**	**16.2**	**9.8**
Exports	7.0	2.4	5.9	13.8	62.9	65.4	72.4	100.4	140.2	143.6	147.5	142.2	136.0	140.2
Imports	5.9	2.0	4.6	12.0	59.3	65.6	78.4	96.4	138.1	146.7	145.7	133.4	119.8	130.4
Government purchases of goods and services	**8.5**	**8.0**	**24.8**	**37.9**	**219.5**	**234.2**	**255.7**	**276.4**	**309.2**	**312.3**	**323.8**	**331.6**	**338.1**	**343.1**
Federal	*1.3*	*2.0*	*16.9*	*18.4*	*96.2*	*97.6*	*104.9*	*106.6*	*116.9*	*117.2*	*124.5*	*126.5*	*128.4*	*129.9*
National defense	.....	.....	13.8	14.1	74.6	71.2	74.8	74.4	78.7	78.4	84.0	84.7	84.8	85.6
Other	.....	.....	3.1	4.3	21.6	26.5	30.1	32.2	38.2	38.8	40.6	41.8	43.6	44.3
State local	7.2	6.0	7.9	19.5	123.3	136.6	150.8	169.8	192.3	195.1	199.3	205.1	209.7	213.2
Gross national product in constant (1958) dollars	**203.6**	**141.5**	**263.7**	**355.3**	**722.5**	**746.3**	**792.5**	**839.2**	**821.2**	**823.1**	**804.0**	**780.0**	**783.6**	**804.6**

NOTE. Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business* (generally the July issue) and the Aug. 1966 Supplement to the *Survey*.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974 III	1974 IV	1975 I	1975 II	1975 III[p]
National income	**86.8**	**40.3**	**104.2**	**241.1**	**800.5**	**857.7**	**946.5**	**1,065.6**	**1,112.5**	**1,155.5**	**1,165.4**	**1,150.7**	**1,175.4**	......
Compensation of employees	**51.1**	**29.5**	**64.8**	**154.6**	**603.9**	**643.1**	**707.1**	**786.0**	**855.8**	**868.2**	**877.7**	**875.6**	**885.4**	**906.4**
Wages and salaries	*50.4*	*29.0*	*62.1*	*146.8*	*542.0*	*573.6*	*626.8*	*691.6*	*750.7*	*761.5*	*769.2*	*765.1*	*773.0*	*791.3*
Private	45.5	23.9	51.9	124.4	426.9	449.5	491.4	545.1	592.4	602.5	605.1	597.4	601.9	617.3
Military	.3	.3	1.9	5.0	19.6	19.4	20.5	20.6	21.2	20.8	22.0	22.0	21.9	22.0
Government civilian	4.6	4.9	8.3	17.4	95.5	104.7	114.8	126.0	137.1	138.2	142.1	145.7	149.2	152.0
Supplements to wages and salaries	*.7*	*.5*	*2.7*	*7.8*	*61.9*	*69.5*	*80.3*	*94.4*	*105.1*	*106.7*	*108.6*	*110.5*	*112.4*	*115.2*
Employer contributions for social insurance	.1	.1	2.0	4.0	29.7	33.1	38.6	48.4	53.6	54.5	54.6	55.2	55.7	57.0
Other labor income	.6	.4	.7	3.8	32.2	36.4	41.7	46.0	51.4	52.3	54.0	55.3	56.7	58.2
Proprietors' income	**15.1**	**5.9**	**17.5**	**37.5**	**66.9**	**69.2**	**75.9**	**96.1**	**93.0**	**92.1**	**91.6**	**84.9**	**86.1**	**94.6**
Business and professional	9.0	3.3	11.1	24.0	50.0	52.0	54.9	57.6	61.2	62.3	62.5	62.7	63.4	64.7
Farm	6.2	2.6	6.4	13.5	16.9	17.2	21.0	38.5	31.8	29.8	29.1	22.2	22.7	29.9
Rental income of persons	**5.4**	**2.0**	**3.5**	**9.4**	**23.9**	**25.2**	**25.9**	**26.1**	**26.5**	**26.6**	**26.8**	**27.0**	**27.1**	**27.4**
Corporate profits and inventory valuation adjustment	**10.5**	**1.2**	**15.2**	**37.7**	**69.2**	**78.7**	**92.2**	**105.1**	**105.6**	**105.8**	**103.4**	**94.3**	**104.9**	......
Profits before tax	*10.0*	*1.0*	*17.7*	*42.6*	*74.0*	*83.6*	*99.2*	*122.7*	*140.7*	*157.0*	*131.5*	*101.2*	*113.3*	......
Profits tax liability	1.4	.5	7.6	17.8	34.8	37.5	41.5	49.8	55.7	62.7	52.0	39.0	43.0	......
Profits after tax	*8.6*	*.4*	*10.1*	*24.9*	*39.3*	*46.1*	*57.7*	*72.9*	*85.0*	*94.3*	*79.5*	*62.3*	*70.3*	......
Dividends	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	33.2	33.3	33.8	34.0	34.5
Undistributed profits	2.8	1.6	5.7	16.0	14.6	21.1	30.3	43.3	52.4	61.1	46.2	28.5	36.3	......
Inventory valuation adjustment	.5	2.1	2.5	-5.0	4.8	4.9	7.0	-17.6	35.1	51.2	-28.1	7.0	8.4	-11.5
Net interest	**4.7**	**4.1**	**3.2**	**2.0**	**36.5**	**41.6**	**45.6**	**52.3**	**61.6**	**62.8**	**65.9**	**68.9**	**71.9**	**75.9**

NOTE. Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974 III	1974 IV	1975 I	1975 II	1975 III^p
Gross national product	**103.1**	**55.6**	**124.5**	**284.8**	**977.1**	**1,054.9**	**1,158.0**	**1,291.9**	**1,397.4**	**1,416.3**	**1,430.9**	**1,416.6**	**1,440.9**	**1,497.8**
Less: Capital consumption allowances	7.9	7.0	8.2	18.3	87.3	93.7	102.9	110.8	119.5	120.7	122.9	125.2	127.4	130.0
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	93.5	102.7	110.0	119.2	126.9	129.5	129.8	132.2	135.4	139.8
Business transfer payments	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.3	5.3	5.4	5.5	5.5
Statistical discrepancy	.7	.6	.4	1.5	6.4	2.3	3.8	5.0	.4	3.0	4.8	1.6	4.4	......
Plus: Subsidies less current surplus of government enterprises	-.1	......	.1	.2	1.7	1.1	2.3	.6	2.9	2.4	2.7	1.6	1.6	1.1
Equals: National income	**86.8**	40.3	104.2	241.1	**800.5**	**857.7**	946.5	**1,065.6**	1,142.5	1,155.5	**1,165.4**	1,150.7	1,175.4	......
Less: Corporate profits and inventory valuation adjustment	10.5	1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.6	105.8	103.4	94.3	104.9	......
Contributions for social insurance	.2	.3	2.8	6.9	57.7	63.8	73.0	91.2	101.5	103.0	103.2	104.6	105.4	107.6
Excess of wage accruals over disbursements	......	......	......	......	.0	.6	.0	.1	.5	1.5	.0	.0	.0	.0
Plus: Government transfer payments	.9	1.5	2.6	14.3	75.1	89.0	98.6	113.0	134.6	138.7	145.8	158.7	170.9	172.5
Net interest paid by government and consumers	2.5	1.6	2.2	7.2	31.0	31.2	33.0	38.3	42.3	42.7	43.6	43.7	45.0	45.7
Dividends	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	33.2	33.3	33.8	34.0	34.5
Business transfer payments	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.3	5.3	5.4	5.5	5.5
Equals: Personal income	**85.9**	**47.0**	**96.0**	**227.6**	**808.3**	**864.0**	**944.9**	**1,055.0**	**1,150.5**	**1,168.2**	**1,186.9**	**1,193.4**	**1,220.5**	**1,255.0**
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	116.6	117.6	142.4	151.3	170.8	175.1	178.1	178.0	142.0	175.9
Equals: Disposable personal income	**83.3**	45.5	92.7	206.9	691.7	**746.4**	802.5	903.7	979.7	993.1	1,008.8	1,015.5	1,078.5	1,079.1
Less: Personal outlays	79.1	46.5	81.7	193.9	635.5	685.9	749.9	829.4	902.7	927.6	922.3	939.5	964.7	996.3
Personal consumption expenditures	77.2	45.8	80.6	191.0	617.6	667.1	729.0	805.2	876.7	901.3	895.8	913.2	938.6	970.0
Consumer interest payments	1.5	.5	.9	2.4	16.8	17.7	19.8	22.9	25.0	25.3	25.5	25.4	25.2	25.4
Personal transfer payments to foreigners	.3	.2	.2	.5	1.0	1.1	1.1	1.3	1.0	.9	.9	.9	.9	.8
Equals: Personal saving	4.2	.9	11.0	13.1	56.2	60.5	52.6	74.4	77.0	65.5	86.5	75.9	113.8	82.9
Disposable personal income in constant (1958) dollars	**150.6**	**112.2**	**190.3**	**249.6**	**534.8**	**555.4**	**580.5**	**619.6**	**602.8**	**602.9**	**594.8**	**591.0**	**620.2**	**610.6**

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1973	1974	1974 Sept.	1974 Oct.	1974 Nov.	1974 Dec.	1975 Jan.	1975 Feb.	1975 Mar.	1975 Apr.	1975 May	1975 June	1975 July	1975 Aug.	1975 Sept.^p
Total personal income	**1,055.0**	**1,150.5**	**1,178.0**	**1,185.0**	**1,184.5**	**1,191.0**	**1,191.1**	**1,193.4**	**1,195.7**	**1,203.1**	**1,214.3**	**1,241.1**	**1238.9**	**1,255.9**	**1,270.3**
Wage and salary disbursements	691.7	751.2	767.7	773.0	767.8	766.6	765.7	763.6	766.0	768.0	772.9	778.1	782.2	792.3	799.2
Commodity-producing industries	251.9	270.9	278.3	279.5	272.3	269.3	266.4	260.7	260.5	261.2	262.2	264.6	266.4	271.4	275.6
Manufacturing only	*196.6*	*211.3*	*217.8*	*219.4*	*214.2*	*209.7*	*206.4*	*202.9*	*203.1*	203.8	204.5	*206.7*	*208.4*	*212.9*	*216.3*
Distributive industries	165.1	178.9	183.1	183.8	183.9	183.8	183.2	184.0	183.8	184.3	186.1	187.0	187.8	190.4	190.8
Service industries	128.2	142.6	146.4	146.9	147.4	148.3	149.8	151.2	152.6	152.4	153.5	154.6	155.0	156.7	157.7
Government	146.6	158.8	159.9	162.8	164.2	165.2	166.2	167.6	169.2	170.3	171.1	171.9	173.0	173.8	175.1
Other labor income	46.0	51.4	52.9	53.5	54.0	54.5	54.9	55.3	55.7	56.2	56.7	57.2	57.7	58.2	58.7
Proprietors' income	96.1	93.0	93.2	91.7	91.6	91.5	88.7	85.0	80.9	83.6	86.4	88.4	91.6	94.7	97.5
Business and professional	57.6	61.2	62.5	62.5	62.5	62.5	62.7	62.8	62.5	63.0	63.4	63.9	64.1	64.8	65.2
Farm	38.5	31.8	30.7	29.2	29.1	29.0	26.0	22.2	18.4	20.6	23.0	24.5	27.5	29.9	32.3
Rental income	26.1	26.5	26.6	26.7	26.8	26.9	27.0	27.0	27.0	27.1	27.1	27.2	27.2	27.4	27.7
Dividends	29.6	32.7	33.4	33.5	33.6	32.7	33.9	33.8	33.7	33.9	34.0	34.0	34.2	34.5	34.8
Personal interest income	90.6	103.8	106.9	108.0	109.5	111.1	111.9	112.5	113.3	114.8	116.9	119.0	119.8	121.4	123.6
Transfer payments	117.8	139.8	146.0	147.6	149.8	156.1	158.6	165.5	168.3	168.9	169.9	190.2	176.3	178.0	179.8
Less: Personal contributions for social insurance	42.8	47.9	48.6	48.9	48.5	48.4	49.5	49.2	49.3	49.4	49.7	50.0	50.2	50.7	51.0
Nonagricultural income	**1,008.0**	**1,109.0**	**1,137.4**	**1,145.7**	**1,145.2**	**1,151.4**	**1,154.3**	**1,160.1**	**1,166.2**	**1,171.1**	**1,179.7**	**1,207.9**	**1199.5**	**1,214.0**	**1,225.8**
Agricultural income	**47.0**	**41.5**	**40.6**	**39.3**	**39.3**	**39.5**	**36.8**	**33.3**	**29.6**	**32.1**	**34.6**	**36.2**	**39.4**	**42.0**	**44.5**

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

SUMMARY OF FUNDS RAISED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970	1971	1972	1973	1974	1974		1975	
											H1	H2	H1	
	Credit market funds raised by nonfinancial sectors													
1	**Total funds raised by nonfinancial sectors**	**67.9**	**82.4**	**96.0**	**91.8**	**98.2**	**147.4**	**169.4**	**187.4**	**180.1**	**187.3**	**172.4**	**188.4**	1
2	***Excluding equities***	**66.9**	**80.0**	**96.0**	**87.9**	**92.4**	**135.9**	**158.9**	**180.1**	**176.2**	**181.9**	**170.0**	**179.6**	2
3	U.S. Government	3.6	13.0	13.4	−3.7	12.8	25.5	17.3	9.7	12.0	5.1	18.9	81.4	3
4	Public debt securities	2.3	8.9	10.4	−1.3	12.9	26.0	13.9	7.7	12.0	3.9	20.2	82.6	4
5	Agency issues and mortgages	1.3	4.1	3.1	−2.4	−.1	−.5	3.4	2.0	*	1.2	−1.3	−1.2	5
6	**All other nonfinancial sectors**	**64.3**	**69.4**	**82.6**	**95.5**	**85.4**	**121.9**	**152.1**	**177.7**	**168.1**	**182.2**	**153.4**	**107.0**	6
7	Corporate equities	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	3.8	5.4	2.3	8.8	7
8	*Debt instruments*	*63.3*	*67.0*	*82.6*	*91.6*	*79.7*	*110.4*	*141.6*	*170.4*	*164.2*	*176.8*	*151.1*	*98.2*	8
	Private domestic													
9	***Nonfinancial sectors***	**62.7**	**65.4**	**79.7**	**91.8**	**82.7**	**117.3**	**147.8**	**170.1**	**152.7**	**162.2**	**142.6**	**100.1**	9
10	Corporate equities	1.3	2.4	−.2	3.4	5.7	11.4	10.9	7.4	4.1	5.6	2.6	8.7	10
11	*Debt instruments*	*61.5*	*63.0*	*79.9*	*88.4*	*77.0*	*105.8*	*136.9*	*162.7*	*148.6*	*156.6*	*140.0*	*91.4*	11
12	Debt capital instruments	38.2	44.5	49.5	49.6	56.7	83.2	93.8	96.1	92.9	99.6	86.2	106.9	12
13	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	18.3	16.5	17.4	13
14	Corporate bonds	10.2	14.7	12.9	12.0	19.8	18.8	12.2	9.2	19.7	18.1	21.3	38.2	14
15	*Home mortgages*	*11.7*	*11.5*	*15.1*	*15.7*	*12.8*	*26.1*	*39.6*	*43.3*	*31.7*	*35.8*	*27.6*	*34.3*	15
16	*Multifamily residential mortgages*	*3.1*	*3.6*	*3.4*	*4.7*	*5.8*	*8.8*	*10.3*	*8.4*	*7.8*	*7.3*	*8.2*	*6.2*	16
17	*Commercial mortgages*	*5.7*	*4.7*	*6.4*	*5.3*	*5.3*	*10.0*	*14.8*	*17.0*	*11.5*	*15.7*	*7.2*	*5.7*	17
18	*Farm mortgages*	*1.8*	*2.3*	*2.2*	*1.9*	*1.8*	*2.0*	*2.6*	*4.4*	*4.9*	*4.5*	*5.4*	*5.1*	18
19	Other debt instruments	23.3	18.5	30.4	38.8	20.3	22.6	43.0	66.6	55.6	57.0	53.8	−15.4	19
20	Consumer credit	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	12.7	6.1	−.6	20
21	Bank loans n.e.c.	10.9	9.8	13.6	15.5	6.7	7.8	18.9	35.8	27.3	32.6	21.9	−16.1	21
22	Open-market paper	1.1	1.7	1.8	3.0	3.0	−1.2	−.5	−.4	6.6	5.1	8.2	−1.5	22
23	Other	5.0	2.6	5.0	9.9	4.6	4.8	5.5	8.3	12.1	6.6	17.5	2.8	23
24	By borrowing sector:	62.7	65.4	79.7	91.8	82.7	117.3	147.8	170.1	152.7	162.2	142.6	100.1	24
25	State and local governments	6.3	7.9	9.8	10.7	11.3	17.8	14.2	12.3	16.6	16.4	16.7	14.0	25
26	Households	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	44.0	47.5	40.0	37.5	26
27	Farm	3.1	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.8	7.7	7.9	6.9	27
28	Nonfarm noncorporate	5.4	5.0	5.6	7.4	5.3	8.7	10.4	9.3	7.2	7.1	7.3	3.2	28
29	Corporate	25.3	29.6	31.6	38.9	39.5	46.8	55.3	67.2	77.1	83.5	70.7	38.6	29
30	***Foreign***	**1.5**	**4.0**	**2.8**	**3.7**	**2.7**	**4.6**	**4.3**	**7.5**	**15.4**	**20.0**	**10.9**	**6.9**	30
31	Corporate equities	−.3	.1	.2	.5	.1	*	−.4	−.2	−.3	−.2	−.3	.1	31
32	*Debt instruments*	*1.8*	*4.0*	*2.7*	*3.2*	*2.7*	*4.6*	*4.7*	*7.7*	*15.7*	*20.2*	*11.1*	*6.8*	32
33	Bonds	.7	1.2	1.1	1.0	.9	.9	1.0	1.0	2.2	2.1	2.3	5.0	33
34	Bank loans n.e.c.	−.2	−.3	−.5	−.2	−.3	1.6	2.9	2.8	4.7	9.6	−.2	−.5	34
35	Open-market paper	−.1	.5	−.2	.3	.8	.3	−1.0	2.2	7.1	7.0	7.1	−.4	35
36	U.S. Government loans	1.3	2.6	2.2	2.1	1.3	1.8	1.8	1.7	1.7	1.5	1.8	2.7	36
37	Memo: U.S. Govt. cash balance	−.4	1.2	−1.1	.4	2.8	3.2	−.3	−1.7	−4.6	−2.0	−7.1	3.1	37
	Totals net of changes in U.S. Govt. cash balances—													
38	Total funds raised	68.3	81.3	97.1	91.4	95.5	144.2	169.7	189.0	184.7	189.3	179.5	185.3	38
39	By U.S. Government	4.0	*11.8*	14.6	−4.1	10.0	22.3	17.6	*11.4*	16.6	7.1	26.0	78.2	39
	Credit market funds raised by financial sectors													
1	**Total funds raised by financial sectors**	**11.7**	**2.0**	**18.3**	**33.7**	**12.6**	**16.5**	**28.9**	**52.0**	**38.0**	**40.8**	**35.2**	**4.2**	1
2	Sponsored credit agencies	4.8	−.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	16.8	27.4	8.0	2
3	U.S. Government securities	5.1	−.6	3.2	9.1	8.2	3.8	6.2	19.6	21.4	16.8	26.0	6.9	3
4	Loans from U.S. Government	−.2	−.1	.2	−.3	.....	.....	.....	.....	.7	.....	1.4	1.1	4
5	Private financial sectors	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	15.9	24.1	7.8	−3.8	5
6	Corporate equities	3.7	3.0	6.4	6.1	4.6	3.3	2.4	.8	1.7	.5	3.0	3.8	6
7	*Debt instruments*	*3.2*	*−.4*	*8.5*	*18.8*	*−.3*	*9.3*	*20.3*	*31.6*	*14.2*	*23.6*	*4.8*	*−7.6*	7
8	Corporate bonds	.9	1.3	1.1	1.5	3.1	5.1	7.0	2.3	1.4	2.0	.9	2.3	8
9	Mortgages	−.9	1.0	.4	.2	.7	2.1	1.7	−1.2	−1.3	.1	−2.7	1.7	9
10	Bank loans n.e.c.	−1.0	−2.0	2.5	2.3	−.5	3.0	6.8	13.5	7.5	8.9	6.2	−8.8	10
11	Open-market paper and RP's	3.3	1.9	3.6	10.7	−5.0	1.8	4.9	9.8	−.1	5.8	−6.0	5.3	11
12	Loans from FHLB's	.9	−2.5	.9	4.0	1.3	−2.7	*	7.2	6.7	6.8	6.5	−8.1	12
13	**Total funds raised, by sector**	11.7	2.0	18.3	33.7	12.6	16.5	28.9	52.0	38.0	40.8	35.2	4.2	13
14	Sponsored credit agencies	4.8	−.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	16.8	27.4	8.0	14
15	Private financial sectors	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	15.9	24.1	7.8	−3.8	15
16	Commercial banks	−.1	.1	1.2	1.4	−3.1	2.5	4.0	4.5	−1.9	2.6	−6.4	5.8	16
17	Bank affiliates	.....	.....	.....	4.2	−1.9	−.4	.7	2.2	2.4	4.1	.7	.9	17
18	Foreign banking agencies	.1	*	.1	.2	.1	1.6	.8	5.1	2.9	2.7	3.1	−.9	18
19	Savings and loan associations	.1	−1.7	1.1	4.1	1.8	−.1	2.0	6.0	6.3	8.6	4.0	−8.0	19
20	Other insurance companies	.1	.1	.2	.5	.4	.6	.5	.5	.4	.4	.3	.3	20
21	Finance companies	3.1	1.2	5.7	8.3	1.6	4.2	9.3	9.4	3.9	3.6	4.2	−3.4	21
22	REITS	.....	.....	.7	1.3	2.7	3.0	6.1	6.3	1.0	2.8	−.9	−1.3	22
23	Open-end investment companies	3.7	3.0	5.8	4.8	2.6	1.1	−.7	−1.6	1.0	−.8	2.8	2.9	23
	Total credit market funds raised, all sectors, by type													
1	**Total funds raised**	**79.6**	**84.4**	**114.3**	**125.5**	**110.8**	**163.9**	**198.3**	**239.4**	**218.1**	**228.1**	**207.6**	**192.6**	1
2	Investment company shares	3.7	3.0	5.8	4.8	2.6	1.1	−.7	−1.6	1.0	−.8	2.8	2.9	2
3	Other corporate equities	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.6	6.7	2.5	9.7	3
4	*Debt instruments*	*74.9*	*79.0*	*107.9*	*115.5*	*100.4*	*149.1*	*185.4*	*231.3*	*212.5*	*222.2*	*202.3*	*179.9*	4
5	U.S. Government securities	8.8	12.5	16.7	5.5	21.1	29.4	23.6	29.4	33.5	21.9	45.1	88.2	5
6	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	18.3	16.5	17.4	6
7	Corporate and foreign bonds	11.8	17.2	15.0	14.5	23.8	24.8	20.2	12.5	23.3	22.2	24.5	45.5	7
8	Mortgages	21.3	23.0	27.4	27.8	26.4	48.9	68.8	71.9	54.5	63.4	45.6	52.9	8
9	Consumer credit	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	12.7	6.1	−.6	9
10	Bank loans n.e.c.	9.7	7.5	15.7	17.6	5.8	12.4	28.5	52.1	39.5	51.1	27.9	−25.4	10
11	Open-market paper and RP's	4.4	4.0	5.2	14.1	−1.2	.9	3.3	11.6	13.6	17.8	9.4	3.3	11
12	Other loans	6.9	2.5	8.3	15.8	7.3	4.0	7.4	17.2	21.1	14.9	27.2	−1.5	12

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.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970	1971	1972	1973	1974	1974 H1	1974 H2	1975 H1	
1	**Total funds advanced in credit markets to nonfinancial sectors**	**66.9**	**80.0**	**95.9**	**88.0**	**92.5**	**135.9**	**158.9**	**180.1**	**176.2**	**181.9**	**170.0**	**179.6**	1
	By public agencies and foreign													
2	**Total net advances**	**11.9**	**11.3**	**12.2**	**15.7**	**28.1**	**41.7**	**18.3**	**33.2**	**49.2**	**39.5**	**58.9**	**36.1**	2
3	U.S. Government securities	3.4	6.8	3.4	.7	15.9	33.8	8.4	11.0	8.6	6.9	10.4	27.6	3
4	Residential mortgages	2.8	2.1	2.8	4.6	5.7	5.7	5.2	7.6	13.8	11.7	15.9	16.8	4
5	FHLB advances to S&L's	.9	-2.5	.9	4.0	1.3	2.7	*	7.2	6.7	6.8	6.5	-8.1	5
6	Other loans and securities	4.8	4.9	5.1	6.3	5.2	4.9	4.6	7.5	20.1	14.1	26.1	.3	6
	By agency—													
7	U.S. Government	4.9	4.6	4.9	2.9	2.8	3.2	2.6	3.0	7.4	2.4	12.4	12.3	7
8	Sponsored credit agencies	5.1	-.1	3.2	8.9	10.0	3.2	7.0	20.3	24.1	20.5	27.6	10.1	8
9	Monetary authorities	3.5	4.8	3.7	4.2	5.0	8.9	.3	9.2	6.2	6.1	6.2	6.9	9
10	Foreign	-1.6	2.0	.3	-.3	10.3	26.4	8.4	.7	11.6	10.5	12.6	6.8	10
11	Agency borrowing not included in line 1	4.8	-.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	16.8	27.4	8.0	11
	Private domestic funds advanced													
12	**Total net advances**	**59.8**	**68.1**	**87.2**	**81.1**	**72.6**	**98.1**	**146.7**	**166.5**	**149.1**	**159.2**	**138.5**	**151.5**	12
13	U.S. Government securities	5.4	5.7	13.3	4.8	5.2	4.4	15.2	18.4	24.9	15.0	34.7	60.6	13
14	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	18.3	16.5	17.4	14
15	Corporate and foreign bonds	10.3	16.0	13.8	12.5	20.0	19.5	13.2	10.1	20.6	19.2	21.9	43.1	15
16	Residential mortgages	12.0	13.0	15.5	15.7	12.8	29.1	44.6	44.1	25.6	31.4	19.8	23.6	16
17	Other mortgages and loans	27.4	23.1	35.9	42.2	24.6	33.7	59.5	87.4	67.4	82.1	52.2	1.3	17
18	Less: FHLB advances	.9	-2.5	.9	4.0	1.3	2.7	*	7.2	6.7	6.8	6.5	8.1	18
	Private financial intermediation													
19	***Credit market funds advanced by private financial institutions***	*45.4*	*63.5*	*75.3*	*55.3*	*74.9*	*110.7*	*153.4*	*158.8*	*131.5*	*155.7*	*106.9*	*115.0*	19
20	Commercial banking	17.5	35.9	38.7	18.2	35.1	50.6	70.5	86.6	64.6	87.5	41.3	17.4	20
21	Savings institutions	7.9	15.0	15.6	14.5	16.9	41.4	49.3	35.1	26.9	35.4	18.3	61.6	21
22	Insurance and pension funds	15.5	12.9	14.0	12.7	17.3	13.3	17.7	22.1	34.3	29.1	39.4	34.8	22
23	Other finance	4.5	.3	7.0	9.9	5.7	5.3	15.8	15.0	5.7	3.7	7.9	1.1	23
24	*Sources of funds*	*45.4*	*63.5*	*75.3*	*55.3*	*74.9*	*110.7*	*153.4*	*158.8*	*131.5*	*155.7*	*106.9*	*115.0*	24
25	Private domestic deposits	22.5	50.0	45.9	2.6	63.2	90.3	97.5	84.9	72.5	93.7	51.1	98.6	25
26	Credit market borrowing	3.2	-.4	8.5	18.8	-.3	9.3	20.3	31.6	14.2	23.6	4.8	-7.6	26
27	Other sources	19.8	13.9	21.0	34.0	12.0	11.0	35.5	42.4	44.8	38.4	50.9	24.0	27
28	Foreign funds	3.7	2.3	2.6	9.3	-8.5	-3.2	5.2	6.5	13.6	10.7	16.4	5.4	28
29	Treasury balances	-.5	.2	-.2	*	2.9	2.2	.7	1.0	5.1	2.1	8.1	1.9	29
30	Insurance and pension reserves	13.6	12.0	11.4	10.8	13.1	9.1	13.1	16.7	27.9	22.7	33.2	26.5	30
31	Other, net	3.0	-.6	7.2	13.8	4.4	2.9	16.5	20.2	8.4	7.1	9.4	4.7	31
	Private domestic nonfinancial investors													
32	Direct lending in credit markets	17.6	4.2	20.4	44.5	-2.6	-3.2	13.7	39.3	31.8	27.0	36.4	28.9	32
33	U.S. Government securities	8.4	-1.4	8.1	17.0	-9.0	-14.0	1.6	18.8	18.1	13.7	22.6	5.0	33
34	State and local obligations	2.6	-2.5	-.2	8.7	1.2	.6	2.1	4.4	10.8	8.3	13.3	13.5	34
35	Corporate and foreign bonds	2.0	4.6	4.7	6.6	10.7	9.3	5.2	1.1	1.7	1.4	1.9	14.9	35
36	Commercial paper	2.3	1.9	5.8	10.2	-4.4	.6	4.0	11.3	1.6	4.3	-1.0	2.7	36
37	Other	2.3	1.7	2.1	2.0	1.4	1.5	.8	3.8	2.9	2.2	3.5	2.8	37
38	Deposits and currency	24.4	52.1	48.3	5.4	66.6	93.7	101.9	88.8	78.8	102.3	55.2	105.9	38
39	Time and savings accounts	20.3	39.3	33.9	-2.3	56.1	81.0	85.2	76.3	71.9	89.0	54.8	87.7	39
40	Large negotiable CD's	-.2	4.3	3.5	-13.7	15.0	7.7	8.7	18.5	23.6	30.0	17.2	22.0	40
41	Other at commercial banks	13.3	18.3	17.5	3.4	24.2	32.9	30.6	29.5	26.6	32.4	20.7	39.3	41
42	At savings institutions	7.3	16.7	12.9	8.0	16.9	40.4	45.9	28.2	21.8	26.6	16.9	70.4	42
43	Money	4.1	12.8	14.5	7.7	10.5	12.7	16.7	12.6	6.8	13.3	.4	18.1	43
44	Demand deposits	2.1	10.6	12.1	4.8	7.1	9.3	12.3	8.6	.5	4.8	-3.7	10.9	44
45	Currency	2.0	2.1	2.4	2.8	3.5	3.4	4.4	3.9	6.3	8.5	4.1	7.3	45
46	**Total of credit market instr., deposits, and currency**	**42.0**	**56.3**	**68.7**	**49.9**	**64.1**	90.5	115.7	128.1	110.5	129.3	91.6	**134.8**	46
47	Public support rate (in per cent)	17.9	14.1	12.7	17.8	30.4	30.7	11.5	18.4	27.9	21.7	34.6	20.1	47
48	Private financial intermediation (in per cent)	75.9	93.2	86.4	68.3	103.1	112.8	104.5	95.4	88.2	97.8	77.2	75.9	48
49	**Total foreign funds**	2.1	4.3	2.9	9.1	1.8	23.2	13.6	7.2	25.1	21.2	29.0	1.4	49
		Corporate equities not included above												
1	**Total net issues**	**4.8**	**5.5**	**6.4**	**10.0**	**10.4**	**14.8**	**12.9**	**8.0**	**5.6**	**5.9**	**5.3**	**12.7**	1
2	**Mutual fund shares**	3.7	3.0	5.8	4.8	2.6	1.1	-.7	1.6	1.0	.8	2.8	2.9	2
3	**Other equities**	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.6	6.7	2.5	9.7	3
4	**Acquisitions by financial institutions**	6.0	9.1	10.8	12.2	11.4	19.3	16.0	13.4	6.1	8.5	3.6	11.1	4
5	**Other net purchases**	-1.2	3.6	-4.4	-2.2	1.0	-4.5	-3.1	5.4	-.5	2.7	1.7	1.6	5

Notes
Line
1. Line 2 of p. A-56.
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. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Lines 39 + 44.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.
39 + 44. See line 25.
45. Mainly an offset to line 9.
46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Lines 10 plus 28.

Corporate equities
Line 1 and 3. Includes issues by financial institutions.

1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted *unless shown in italics.*)

Line	Credits (+), debits (−)	1972	1973	1974	1974 II	1974 III	1974 IV	1975 I	1975 II[p]
1	Merchandise trade balance [1]	-6,409	955	5,277	-1,459	2,315	-1,380	1,830	3,345
2	Exports	49,388	71,379	98,309	24,218	25,034	26,593	27,188	25,694
3	Imports	-55,797	-70,424	-103,568	-25,677	-27,349	-27,973	-25,358	22,349
4	Military transactions, net	-3,621	-2,317	2,158	646	513	498	349	-412
5	Travel and transportation, net	-3,024	-2,862	-2,692	-717	721	741	- 572	419
6	Investment income, net [2]	4,321	5,179	10,121	1,964	2,354	2,559	1,176	1,629
7	U.S. direct investments abroad [2]	6,416	8,841	17,679	4,399	4,700	4,080	2,156	2,375
8	Other U.S. investments abroad	3,746	5,157	8,389	2,048	2,354	2,358	2,148	2,070
9	Foreign investments in the United States [2]	-5,841	-8,819	15,946	-4,483	-4,700	-3,879	-3,128	-2,816
10	Other services, net [2]	2,803	3,222	3,830	936	960	1,049	1,093	1,116
11	**Balance on goods and services [3]**	**-5,930**	**4,177**	**3.825**	**78**	**235**	**989**	**3,178**	**5,259**
	Not seasonally adjusted	....	....	....	*73*	*-2,871*	*2,348*	*4,230*	*5,467*
12	Remittances, pensions, and other transfers	-1,606	-1,903	1,721	457	457	-439	448	475
13	**Balance on goods, services, and remittances**	**-7,537**	**2,274**	**2,104**	**-379**	**692**	**550**	**2,730**	**4,784**
	Not seasonally adjusted	....	....	....	*394*	*3,340*	*1,904*	*3,812*	*4,982*
14	U.S. Government grants (excluding military)	-2,173	1,938	[4] 5,461	-1,408	808	-649	727	723
15	**Balance on current account**	**-9,710**	**335**	**[4] 3,357**	**1,787**	**1,500**	**99**	**2,003**	**4,061**
	Not seasonally adjusted	....	....	....	*-1,868*	*-4,104*	*1,289*	*3,075*	*4,191*
16	U.S. Government capital flows excluding nonscheduled repayments, net [5]	-1,706	-2,933	[4]408	273	-195	985	1,015	838
17	Nonscheduled repayments of U.S. Government assets	137	289	1	*	*	*	....	....
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies	234	1,154	710	211	278	125	541	473
19	Long-term private capital flows, net	-69	177	8,447	-999	-2,157	-5,554	-2,202	2,085
20	U.S. direct investments abroad	-3,530	-4,968	7,455	1,572	-1,828	3,310	-1,041	2,001
21	Foreign direct investments in the United States	380	2,656	2,224	1,700	1	653	340	623
22	Foreign securities	-618	759	1,990	313	-304	726	2,021	-1,001
23	U.S. securities other than Treasury issues	4,507	4,055	672	440	204	-663	650	678
24	Other, reported by U.S. banks	-1,158	-706	-1,150	-906	48	269	437	-488
27	Other, reported by U.S. nonbanking concerns	351	-101	748	-348	-276	67	307	104
26	**Balance on current account and long-term capital [5]**	**-11,113**	**-977**	**-10.686**	**2,302**	**3,574**	**6,513**	**673**	**1,611**
	Not seasonally adjusted	....	....	....	*2,441*	*-6,097*	*4,600*	*-137*	*1,670*
27	Nonliquid short-term private capital flows, net	-1,542	-4,238	12,949	5,248	-1,462	-2,331	1,911	-1,036
28	Claims reported by U.S. banks	-1,457	-3,886	12,186	5,319	-1,618	-2,432	1,715	-958
29	Claims reported by U.S nonbanking concerns	-306	-1,183	-2,603	682	276	137	250	-188
30	Liabilities reported by U.S. nonbanking concerns	221	831	1,840	753	432	238	54	110
31	Allocations of Special Drawing Rights (SDR's)	710	....	....	....	....	....	....	....
32	Errors and omissions, net	-1,884	-2,436	4,593	1,332	1,126	1,127	1,870	451
33	**Net liquidity balance**	**-13,829**	**-7,651**	**19,043**	**6,218**	**-3,910**	**7,717**	**3,108**	**1,026**
	Not seasonally adjusted	....	....	....	*6,654*	*-5,551*	*6,594*	*4,253*	*869*
34	Liquid private capital flows, net	3,475	2,343	10,669	2,020	4,028	2,870	6,375	2,642
35	Liquid claims	-1,247	-1,951	6,113	-1,297	-228	-1,968	-4,755	-2,364
36	Reported by U.S. banks	-742	-1,161	5,980	1,306	732	1,599	-5,073	-2,466
37	Reported by U.S. nonbanking concerns	-505	-790	133	9	504	-369	318	102
38	Liquid liabilities	4,722	4,294	16,782	3,317	4,256	4,838	-1,620	-278
39	Foreign commercial banks	3,717	3,028	12,636	2,413	3,150	2,773	2,684	286
40	International and regional organizations	103	377	1,295	298	219	1,308	862	-668
41	Other foreigners	902	889	2,851	606	887	757	202	104
42	**Official reserve transactions balance, financed by changes in-**	**-10,354**	**-5,308**	**8,374**	**4,198**	**118**	**4,847**	**3,267**	**-1,616**
	Not seasonally adjusted	....	....	....	*4,048*	*-1,683*	*4,049*	*2,220*	*-1,203*
43	Liquid liabilities to foreign official agencies	9,734	4,456	8,481	3,930	751	3,864	2,758	1,347
44	Other readily marketable liabilities to foreign official agencies [6]	399	1,118	672	183	135	631	841	321
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt	189	-475	655	443	1	215	6	1
46	U.S. official reserve assets, net	32	209	1,434	358	1,003	137	326	51
47	Gold	547	....	....	....	....	....	....	....
48	SDR's	-703	9	-172	-29	-123	-20	5	38
49	Convertible currencies	35	233	3	-85	152	241	14	6
50	Gold tranche position in IMF	153	-33	1,265	244	728	-84	307	7
	Memoranda:								
51	Transfers under military grant programs (excluded from lines 2, 4, and 14)	4,492	2,809	1,811	564	352	490	787	1,243
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20)	4,521	8,124	....	....	....	....	....	....
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21)	548	945	....	....	....	....	....	....
	Balances excluding allocations of SDR's:								
54	*Net liquidity, not seasonally adjusted*	*-14,539*	*7,651*	*19,043*	*6,654*	*-5,551*	*-6,594*	*4,253*	*869*
55	*Official reserve transactions, N.S.A.*	*-11,064*	*5,308*	*-8,374*	*4,048*	*1,683*	*-4,049*	*2,220*	*-1,203*

For notes see opposite page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports [1]				Imports [2]				Trade balance			
	1972	1973	1974	1975	1972	1973	1974[3]	1975	1972	1973	1974[3]	1975
Month:												
Jan.	4,074	4,955	7,150	9,412	4,436	5,244	6,498	9,622	361	-289	+652	211
Feb.	3,824	5,070	7,549	8,789	4,473	5,483	7,318	7,872	-649	413	+231	+917
Mar.	3,869	5,311	7,625	8,716	4,515	5,414	7,742	7,336	647	-103	117	+1,380
Apr.	3,820	5,494	8,108	8,570	4,417	5,360	8,025	8,013	596	+133	+83	+557
May	3,882	5,561	7,652	8,145	4,486	5,703	8,265	7,093	604	-142	612	+1,052
June	3,971	5,728	8,317	8,692	4,468	5,775	8,577	6,954	497	47	260	+1,737
July	4,074	5,865	8,307	8,885	4,565	5,829	8,922	7,908	491	+37	615	+977
Aug.	4,191	6,042	8,379	8,996	4,726	6,011	9,267	7,961	535	+32	888	+1,035
Sept.	4,176	6,420	8,399	9,165	4,612	5,644	8,696	8,189	436	+776	297	+976
Oct.	4,312	6,585	8,673	....	4,738	5,996	8,773	....	426	+589	100	....
Nov.	4,468	6,879	8,973	....	5,148	6,684	8,973	....	680	+195	....	....
Dec.	4,553	6,949	8,862	....	5,002	6,291	9,257	....	449	+658	395	....
Quarter:												
I	11,767	15,336	22,325	26,917	13,424	16,140	21,558	24,830	1,657	804	+767	+2,087
II	11,673	16,783	24,077	25,406	13,370	16,839	24,867	22,060	1,697	56	790	+3,346
III	12,442	18,327	25,085	27,046	13,903	17,483	26,885	24,057	-1,461	+844	1,800	+2,989
IV	13,333	20,413	26,508	....	14,888	18,972	27,003	....	1,555	+1,441	495	....
Year[4]	49,199	70,823	97,908	....	55,583	69,476	100,251	....	6,384	+1,347	2,343	....

[1] Exports of domestic and foreign merchandise (f.a.s. value basis); excludes Department of Defense shipments under military grant-aid programs.

[2] *General imports*, which includes imports for immediate consumption plus entries into bonded warehouses. See also note 3.

[3] Beginning with 1974 data, imports are reported on an f.a.s. transactions value basis; prior data are reported on a Customs import value basis. For calender year 1974, the f.a.s. import transactions value was $100.3 billion, about 0.7 per cent less than the corresponding Customs import value of $101.0 billion.

[4] Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock [1] Total[2]	Gold stock [1] Treasury	Convertible foreign currencies	Reserve position in IMF	SDR's[3]	End of month	Total	Gold stock Total[2]	Gold stock Treasury	Convertible foreign currencies	Reserve position in IMF	SDR's[3]
1961	18,753	16,947	16,889	116	1,690	....	1974						
1962	17,220	16,057	15,978	99	1,064	....	Oct.	15,890	11,652	11,567	193	1,739	2,306
1963	16,843	15,596	15,513	212	1,035	....	Nov.	15,840	11,652	11,567	43	1,816	2,329
1964	16,672	15,471	15,388	432	769	....	Dec.	15,883	11,652	11,652	5	1,852	2,374
1965	15,450	13,806	13,733	781	863	....	1975						
1966	14,882	13,235	13,159	1,321	326	....	Jan.	15,948	11,635	11,635	2	1,908	2,403
1967	14,830	12,065	11,982	2,345	420	....	Feb.	16,132	11,621	11,621	2	2,065	2,444
1968	15,710	10,892	10,367	3,528	1,290	....	Mar.	16,256	11,620	11,620	19	2,194	2,423
1969	[4]16,964	11,859	10,367	[4]2,781	2,324	....	Apr.	16,183	11,620	11,620	2	2,168	2,393
							May	16,280	11,620	11,620	4	2,218	2,438
1970	14,487	11,072	10,732	629	1,935	851	June	16,242	11,620	11,620	25	2,179	2,418
1971	[5]12,167	10,206	10,132	[5]276	585	1,100	July	16,084	11,618	11,618	2	2,135	2,329
1972[6]	13,151	10,487	10,410	241	465	1,958	Aug.	[6]16,117	11,599	11,599	[6]28	2,169	2,321
1973[7]	14,378	11,652	11,567	8	552	2,166	Sept.	16,291	11,599	11,599	247	2,144	[8]2,301
1974	15,883	11,652	11,652	5	1,852	2,374	Oct.	[8]16,569	11,599	11,599	413	[8]2,192	[8]2,365

[1] Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

[2] Includes gold in Exchange Stabilization Fund.

[3] Includes allocations by the IMF of Special Drawing Rights as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; and $710 million on Jan. 1, 1972; plus net transactions in SDR's.

[4] Includes gain of $67 million resulting from revaluation of the German mark in Oct. 1969, of which $13 million represents gain on mark holdings at time of revaluation.

[5] Includes $28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

[6] Total reserve assets include an increase of $1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which, total gold stock is $828 million (Treasury gold stock $822 million), reserve position in IMF $33 million, and SDR's $155 million.

[7] Total reserve assets include an increase of $1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is $1,165 million (Treas. gold stock $1,157 million) reserve position in IMF $54 million, and SDR's $217 million.

[8] Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = $1.20635) SDR holdings at end of Oct. amounted to $2,427 million reserve position in IMF, $2,233 million, and total U.S. reserve assets, $16,672.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

NOTES TO TABLE 1 ON OPPOSITE PAGE:

[1] Adjusted to balance of payments basis; excludes exports under U.S. military agency sales contracts, and imports of U.S. military agencies.

[2] Fees and royalities from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from investment income and included in "Other services."

[3] Includes special military shipments to Israel that are excluded from the "net exports of goods and services" in the national income and products (GNP) accounts of the United States.

[4] Includes under U.S. Government grants $2 billion equivalent, representing the refinancing of economic assistance loans to India; a corresponding reduction of credits is shown in line 16.

[5] Includes some short-term U.S. Govt. assets.

[6] Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

NOTE.—Data are from U.S. Department of Commerce, Bureau of Economic Analysis. Details may not add to totals because of rounding.

4. GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at $35 per fine ounce through Apr. 1972, at $38 from May 1972–Sept. 1973, and at $42.22 thereafter)

End of period	Estimated total world[1]	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970	41,275	4,339	11,072	25,865	191	140	239	714	1,470	791	82	64	85
1971	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972	44,890	5,830	10,487	28,575	208	152	281	792	1,638	834	87	69	92
1973	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974—Sept.	49,830	6,478	11,652	31,700	231	169	312	882	1,781	927	97	76	103
Oct.	....	6,478	11,652	....	231	169	312	882	1,781	927	97	76	103
Nov.	....	6,478	11,652	....	231	169	312	882	1,781	927	97	76	103
Dec.	49,790	6,478	11,652	31,660	231	169	312	882	1,781	927	97	76	103
1975—Jan.	....	6,478	11,635	....	231	169	312	882	1,781	927	97	76	103
Feb.	....	6,478	11,621	....	231	169	312	882	1,781	927	97	76	103
Mar.	49,760	6,478	11,620	31,660	231	169	312	882	1,781	927	97	76	103
Apr.	....	6,478	11,620	....	231	169	312	882	1,781	927	97	76	103
May	....	6,478	11,620	....	231	169	312	882	1,781	927	97	76	103
June	p49,760	6,478	11,620	p31,660	231	169	312	882	1,781	927	97	76	103
July	....	6,478	11,618	....	231	169	312	882	1,781	927	97	76	103
Aug.	....	6,478	11,599	....	231	....	312	882	1,781	927	97	76	....
Sept.p	....	6,478	11,599	....	231	....	312	882	1,781	927	....	76	....

End of period	France	Germany	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974—Sept.	4,262	4,966	150	293	158	173	3,483	891	130	389	103	154	2,294
Oct.	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Nov.	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Dec.	4,262	4,966	150	293	158	173	3,483	891	148	389	103	154	2,294
1975—Jan.	4,262	4,966	150	293	158	173	3,483	891	140	389	103	154	2,294
Feb.	4,262	4,966	150	293	158	173	3,483	891	140	389	103	154	2,294
Mar.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
Apr.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
May	4,262	4,966	150	293	158	173	3,483	891	175	389	103	154	2,294
June	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
July	4,262	4,966	150	293	158	173	3,483	891	154	389	103	....	2,294
Aug.	4,262	4,966	150	293	158	173	3,483	891	154	389	103	....	2,294
Sept.p	4,262	4,966	150	....	158	....	3,483	891	154	....	103	....	2,294

End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements[2]
1970	54	902	119	666	498	200	2,732	92	126	1,349	162	384	−282
1971	55	921	108	410	498	200	2,909	82	130	775	148	391	310
1972	60	1,021	117	681	541	217	3,158	89	136	800	133	425	218
1973	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974—Sept.	67	1,180	129	778	602	244	3,513	99	151	886	148	472	259
Oct.	67	1,180	129	786	602	244	3,513	99	151	886	148	472	271
Nov.	67	1,180	129	774	602	244	3,513	99	151	886	148	472	251
Dec.	67	1,180	129	771	602	244	3,513	99	151	886	148	472	250
1975—Jan.	67	1,175	129	764	602	244	3,513	99	151	886	148	472	265
Feb.	67	1,175	129	759	602	244	3,513	99	151	886	148	472	272
Mar.	67	1,175	129	755	602	244	3,513	99	151	886	148	472	259
Apr.	67	1,175	129	747	602	244	3,513	99	151	886	148	472	260
May	67	1,175	129	742	602	244	3,513	99	151	886	148	472	239
June	67	1,175	129	734	602	244	3,513	99	151	886	148	472	262
July	67	1,175	129	742	602	244	3,513	99	151	....	148	472	264
Aug.	67	1,175	129	744	602	244	3,513	99	151	....	....	472	264
Sept.p	67	....	129	762	....	244	3,513	99	....	....	....	472	264

[1] Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and People's Republic of China.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

[2] Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

5. U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Total	Liabilities to foreign countries: Liquid liabilities to IMF arising from gold transactions[1]	Official institutions[2]: Total	Official institutions[2]: Short-term liabilities reported by banks in U.S.	Official institutions[2]: Marketable U.S. Treas. bonds and notes[3]	Official institutions[2]: Nonmarketable U.S. Treas. bonds and notes[4]	Official institutions[2]: Other readily marketable liabilities[5]	Liquid liabilities to commercial banks abroad[6]	Liquid liabilities to other foreigners: Total	Liquid liabilities to other foreigners: Short-term liabilities reported by banks in U.S.	Liquid liabilities to other foreigners: Marketable U.S. Treas. bonds and notes[3, 7]	Liquid liabilities to nonmonetary intl. and regional organizations[8]
1963	26,394	800	14,425	12,467	1,183	766	9	5,817	3,387	3,046	341	1,965
1964[9]	29,313	800	15,790	13,224	1,125	1,283	158	7,271	3,730	3,354	376	1,722
	29,364	800	15,786	13,220	1,125	1,283	158	7,303	3,753	3,377	376	1,722
1965	29,568	834	15,825	13,066	1,105	1,534	120	7,419	4,059	3,587	472	1,431
1966[9]	31,144	1,011	14,840	12,484	860	583	913	10,116	4,271	3,743	528	906
	31,019	1,011	14,895	12,539	860	583	913	9,936	4,272	3,744	528	905
1967[9]	35,819	1,033	18,201	14,034	908	1,452	1,807	11,209	4,685	4,127	558	691
	35,667	1,033	18,194	14,027	908	1,452	1,807	11,085	4,678	4,120	558	677
1968[9]	38,687	1,030	17,407	11,318	529	3,219	2,341	14,472	5,053	4,444	609	725
	38,473	1,030	17,340	11,318	462	3,219	2,341	14,472	4,909	4,444	465	722
1969[9]	[10]45,755	1,109	[10]15,975	11,054	346	[10]3,070	1,505	23,638	4,464	3,939	525	659
	45,914	1,019	15,998	11,077	346	3,070	1,505	23,645	4,589	4,064	525	663
1970 Dec.	47,009	566	23,786	19,333	306	3,452	695	17,137	4,676	4,029	647	844
	46,960	566	23,775	19,333	295	3,452	695	17,169	4,604	4,039	565	846
1971 Dec.[11]	67,681	544	51,209	39,679	1,955	9,431	144	10,262	4,138	3,691	447	1,528
	67,808	544	50,651	39,018	1,955	9,534	144	10,949	4,141	3,694	447	1,523
1972 Dec.	82,862	....	61,526	40,000	5,236	15,747	543	14,666	5,043	4,618	425	1,627
1973 Dec.	[12]92,456	....	[12]66,827	[12]43,923	5,701	[12]15,530	1,673	17,694	5,932	5,502	430	2,003
1974 Sept.	110,810	....	72,730	50,149	4,880	15,985	1,716	28,056	8,010	7,617	393	2,014
Oct.	112,137	....	73,836	50,921	4,880	16,196	1,839	28,095	8,058	7,627	439	2,148
Nov.	115,698	....	75,200	51,860	4,906	16,196	2,238	29,782	8,336	7,855	481	2,503
Dec.	119,097	....	76,658	53,057	5,059	16,196	2,346	30,314	8,803	8,305	498	3,322
1975 Jan.	118,189	....	75,960	51,832	5,177	16,324	2,627	29,414	8,629	8,121	508	4,186
Feb.	119,584	....	78,689	54,310	5,279	16,324	2,776	27,629	9,015	8,405	610	4,251
Mar.	120,170	....	79,210	53,696	6,003	16,324	3,187	27,773	9,004	8,368	636	4,183
Apr.	121,163	....	79,081	53,521	5,941	16,365	3,254	29,194	8,809	8,154	655	4,079
May	121,627	....	79,751	52,351	6,064	17,925	3,411	28,588	9,049	8,426	623	4,239
June	121,705	....	80,468	51,814	6,119	19,027	3,508	28,615	9,109	8,455	654	3,513
July	122,592	....	79,705	50,308	6,160	19,474	3,763	29,577	9,032	8,322	710	4,278
Aug.[p]	123,950	....	79,254	49,912	6,276	19,324	3,742	30,786	9,555	8,884	671	4,355
Sept.[p]	123,032	....	77,799	48,063	6,452	19,524	3,760	30,728	9,787	9,086	701	4,718

[1] Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.
[2] Includes BIS and European Fund.
[3] Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1963.
[4] Excludes notes issued to foreign official nonreserve agencies.
[5] Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally-sponsored agencies and U.S. corporations.
[6] Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.
[7] Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.
[8] Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.
[9] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.
[10] Includes $101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.
[11] Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.
[12] Includes $162 million increase in dollar value of foreign currency liabilities revalued to reflect market exchange rates, as follows: short-term liabilities, $15 million, and nonmarketable U.S. Treasury notes, $147 million.

NOTE. Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations, and minor rounding differences. Table excludes IMF holdings of dollars, and holdings of U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe[1]	Canada	Latin American republics	Asia	Africa	Other countries[2]
1971	50,651	30,134	3,980	1,429	13,823	415	870
1972	61,526	34,197	4,279	1,733	17,577	777	2,963
1973	66,827	45,730	3,853	2,544	10,887	788	3,025
1974—Sept.	72,730	42,662	3,819	4,445	16,299	2,850	2,655
Oct.	73,836	43,019	3,805	4,046	17,329	2,947	2,690
Nov.	75,200	43,193	3,705	3,768	18,673	3,204	2,657
Dec.	76,658	44,185	3,662	4,419	18,604	3,161	2,627
1975—Jan.	75,960	43,331	3,621	3,659	19,555	3,232	2,562
Feb.	78,689	44,770	3,616	4,223	20,274	3,356	2,450
Mar.	79,210	45,776	3,546	4,390	19,441	3,433	2,624
Apr.	79,081	45,059	3,251	4,506	20,062	3,493	2,710
May	79,751	45,262	3,101	4,600	20,423	3,448	2,917
June	80,468	45,211	3,008	4,723	20,457	3,800	3,269
July	79,705	44,241	2,966	4,748	21,299	3,319	3,132
Aug.p	79,254	44,063	2,929	4,924	29,972	3,392	2,974
Sept.p	77,799	43,322	3,011	4,830	20,734	3,139	2,763

[1] Includes Bank for International Settlements and European Fund.
[2] Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners: Total[1]	Payable in dollars: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates[3]	Other short-term liab.[4]	Payable in foreign currencies	IMF gold investment[5]	To nonmonetary international and regional organizations[6]: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[7]
1971	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892
1972	60,696	60,200	8,290	5,603	31,850	14,457	496	....	1,412	86	202	326	799
1973	69,074	68,477	11,310	6,882	31,886	18,399	597	....	1,955	101	83	296	1,474
1974—Sept.	87,722	87,026	12,769	9,252	33,467	31,539	696	....	1,900	128	69	75	1,629
Oct.	88,642	87,924	11,228	9,822	34,187	32,686	719	....	2,000	125	92	93	1,690
Nov.	91,835	91,091	12,860	9,567	35,212	33,452	744	....	2,339	128	95	285	1,830
Dec.	94,847	94,081	14,068	10,106	35,662	34,246	766	....	3,171	139	111	497	2,424
1975—Jan.	93,285	92,564	12,288	10,155	38,108	32,013	721	....	3,918	123	111	1,234	2,450
Feb.	94,317	93,584	12,139	10,308	40,428	30,708	733	....	3,973	118	102	1,260	2,492
Mar.	93,322	92,640	12,324	10,143	40,094	30,080	682	....	3,485	189	116	777	2,402
Apr.	94,460	93,719	11,699	10,390	40,424	31,206	742	....	3,592	99	126	781	2,585
May	93,204	92,539	11,925	10,374	40,628	29,612	665	....	3,839	115	133	1,994	1,598
June	92,323	91,739	12,595	10,471	38,265	30,408	584	....	3,439	106	133	996	2,205
July	92,316	91,755	12,215	10,375	38,553	30,612	560	....	4,109	146	134	2,518	1,311
Aug.p	93,836	93,273	12,215	10,809	38,518	31,732	562	....	4,253	110	148	3,156	839
Sept.p	92,508	91,954	13,422	10,491	36,642	31,399	554	....	4,631	107	127	3,008	1,389

For notes see opposite page.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners: Total	Payable in dollars: Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates[3]	Other short-term liab.[4]	Payable in foreign currencies	To official institutions[8]: Total	Payable in dollars: Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates[3]	Other short-term liab.[7]	Payable in foreign currencies
1972	59,284	8,204	5,401	31,523	13,659	496	40,000	1,591	2,880	31,453	3,905	171
1973	67,119	11,209	6,799	31,590	16,925	597	43,923	2,125	3,911	31,511	6,248	127
1974 Sept.	85,822	12,641	9,183	33,392	29,910	696	50,149	2,825	4,282	32,955	9,960	127
Oct.	86,643	11,104	9,730	34,094	30,996	719	50,921	2,168	4,400	33,634	10,591	127
Nov.	89,497	12,732	9,472	34,927	31,622	744	51,860	2,472	4,058	34,467	10,736	127
Dec.	91,676	13,928	9,995	35,165	31,822	766	53,057	2,951	4,257	34,656	11,066	127
1975 Jan.	89,367	12,165	10,044	36,874	29,563	721	51,832	2,185	4,296	36,531	8,821	....
Feb.	90,344	12,021	10,206	39,169	28,216	733	54,310	2,058	4,306	38,840	9,106	....
Mar.	89,837	12,135	10,027	39,316	27,677	682	53,696	2,323	4,303	39,015	8,054	....
Apr.	90,869	11,600	10,264	39,643	28,620	742	53,521	2,147	4,193	39,316	7,864	....
May	89,365	11,811	10,241	38,634	28,015	665	52,351	2,175	4,331	38,372	7,473	....
June	88,884	12,490	10,338	37,269	28,203	584	51,814	2,564	4,256	36,994	8,000	....
July	88,207	12,070	[r]10,241	36,035	[r]29,301	560	50,308	2,492	4,098	35,803	7,915	....
Aug.[p]	89,582	12,104	10,661	35,362	30,893	562	49,912	2,493	4,239	35,055	8,125	....
Sept.[p]	87,877	13,315	10,363	33,634	30,010	554	48,063	2,452	3,987	33,284	8,341	....

End of period	Total	To banks[9]: Payable in dollars: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[4]	To other foreigners: Payable in dollars: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[7]	To banks and other foreigners: Payable in foreign currencies
1972	19,284	14,340	4,658	405	5	9,272	4,618	1,955	2,116	65	481	325
1973	23,196	17,224	6,941	529	11	9,743	5,502	2,143	2,359	68	933	469
1974 Sept.	35,673	27,488	7,096	1,637	258	18,497	7,617	2,721	3,264	179	1,454	568
Oct.	35,722	27,504	6,361	1,908	268	18,967	7,626	2,574	3,422	193	1,438	591
Nov.	37,637	29,166	7,622	1,807	253	19,484	7,855	2,638	3,608	207	1,402	617
Dec.	38,619	29,676	8,248	1,942	232	19,254	8,304	2,729	3,796	277	1,502	639
1975 Jan.	37,534	28,693	7,355	1,989	158	19,192	8,121	2,625	3,760	186	1,550	721
Feb.	36,035	26,896	7,142	2,039	129	17,586	8,405	2,820	3,861	200	1,524	733
Mar.	36,142	27,092	7,072	1,808	101	18,111	8,368	2,740	3,916	200	1,512	682
Apr.	37,348	28,453	6,897	2,102	107	19,347	8,154	2,556	3,969	220	1,409	742
May	37,014	27,923	6,852	1,821	105	19,144	8,426	2,784	4,089	156	1,398	665
June	37,070	28,032	7,067	1,949	99	18,917	8,454	2,859	4,133	176	1,286	584
July	37,899	29,016	6,882	[r]2,036	80	[r]20,018	8,322	2,696	4,107	152	1,367	560
Aug.[p]	39,670	30,224	6,907	1,829	77	21,411	8,884	2,705	4,592	230	1,357	562
Sept.[p]	39,814	30,174	7,983	1,771	78	20,341	9,086	2,881	4,605	272	1,329	554

[1] Data exclude "holdings of dollars" of the IMF.

[2] Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."

[3] Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

[4] Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

[5] U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.

[6] Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

Includes difference between cost value and face value of securities in IMF gold investment account.

[7] Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

[8] Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.

[9] Excludes central banks, which are included in "Official institutions."

NOTE. "Short-term" obligations are those payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude the holdings of dollars of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, noninterest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1973	1974	1975								
	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.p	Sept.p
Europe:											
Austria	161	607	597	624	599	629	627	627	661	667	688
Belgium-Luxembourg	1,483	2,506	2,391	2,647	2,539	2,810	2,875	3,070	2,982	2,890	2,863
Denmark	659	369	369	324	370	340	323	355	325	308	311
Finland	165	266	204	204	202	212	181	365	361	406	391
France	3,483	4,287	4,206	4,035	4,226	4,600	4,982	5,397	5,515	5,493	5,949
Germany	13,227	9,420	9,948	10,801	11,235	10,229	8,203	6,460	5,440	5,277	4,797
Greece	389	248	253	242	192	202	273	254	299	307	361
Italy	1,404	2,617	2,101	2,260	2,449	2,498	2,157	2,298	1,427	1,056	1,426
Netherlands	2,886	3,234	3,208	3,197	3,414	3,302	3,351	3,535	3,539	3,300	3,059
Norway	965	1,040	874	826	843	827	846	945	1,118	1,052	982
Portugal	534	310	310	303	288	247	267	264	280	268	207
Spain	305	382	379	320	358	361	341	362	392	288	459
Sweden	1,885	1,138	1,132	1,215	1,209	1,477	1,697	1,847	2,010	2,203	2,195
Switzerland	3,377	9,986	9,517	9,407	8,802	8,747	8,553	8,458	7,892	8,298	8,066
Turkey	98	152	169	131	243	103	87	124	106	134	116
United Kingdom	6,148	7,559	6,671	6,205	7,025	7,039	6,980	6,403	6,447	8,330	6,247
Yugoslavia	86	183	187	168	158	122	126	83	106	104	128
Other Western Europe[1]	3,352	4,073	3,136	2,934	2,641	2,516	2,467	2,462	2,535	2,261	2,371
U.S.S.R.	22	82	65	59	35	34	61	62	29	50	39
Other Eastern Europe	110	206	172	120	218	123	148	370	181	160	272
Total	40,742	48,667	45,888	46,020	47,045	46,419	44,546	43,743	41,642	42,854	40,929
Canada	3,627	3,517	3,398	3,781	3,448	3,946	3,951	3,617	3,921	3,637	3,944
Latin America:											
Argentina	924	886	900	894	822	886	964	989	1,061	1,054	984
Bahamas	852	1,448	2,155	2,046	1,746	2,446	2,045	2,181	2,471	2,670	1,976
Brazil	860	1,034	859	927	1,065	1,077	984	1,081	853	921	1,016
Chile	158	276	284	281	258	278	260	289	301	280	293
Colombia	247	305	319	317	326	313	307	400	375	367	379
Mexico	1,296	1,770	1,747	1,814	1,668	1,727	1,876	1,819	1,794	1,811	1,861
Panama	282	488	500	476	519	656	514	473	584	575	664
Peru	135	272	256	238	225	217	206	219	228	208	245
Uruguay	120	147	152	164	171	174	168	155	190	153	198
Venezuela	1,468	3,413	2,918	3,351	3,501	3,559	3,866	3,726	3,964	4,242	4,247
Other Latin American republics	884	1,316	1,211	1,263	1,348	1,401	1,353	1,506	1,410	1,366	1,467
Netherlands Antilles and Surinam	71	158	155	133	143	113	123	134	107	108	115
Other Latin America	366	526	905	478	507	761	903	991	1,479	1,494	1,887
Total	7,664	12,038	12,361	12,382	12,300	13,610	13,571	13,964	14,819	15,250	15,329
Asia:											
China, People's Rep. of (China Mainland)	38	50	50	73	62	63	56	65	50	55	94
China, Republic of (Taiwan)	757	818	977	1,015	1,037	1,038	999	1,071	1,015	1,054	1,058
Hong Kong	372	530	558	546	528	543	596	598	540	577	741
India	85	261	179	177	183	127	168	145	133	214	214
Indonesia	133	1,221	1,327	1,083	497	582	279	365	527	289	234
Israel	327	386	417	473	508	490	536	470	369	343	322
Japan	6,967	10,897	10,442	10,909	11,390	10,993	11,109	11,223	11,669	11,218	11,128
Korea	195	384	315	327	311	345	341	361	366	374	342
Philippines	515	747	702	642	745	660	662	697	632	669	604
Thailand	247	333	337	327	455	446	342	370	284	255	207
Middle East oil-exporting countries[2]	648	4,633	4,960	5,213	3,673	3,922	4,315	3,850	4,437	4,819	5,126
Other	1,202	813	1,043	923	978	905	861	906	767	919	970
Total	10,839	21,073	21,307	21,708	20,368	20,112	20,262	20,119	20,790	20,785	21,040
Africa:											
Egypt	35	103	105	106	92	112	113	514	253	295	183
South Africa	114	130	150	188	191	159	179	141	132	147	254
Oil-exporting countries[3]	521	2,814	2,858	2,943	3,041	3,070	3,009	2,965	2,785	2,873	2,649
Other	907	504	551	572	524	526	594	572	558	553	560
Total	1,056	3,551	3,664	3,809	3,848	3,867	3,895	4,192	3,727	3,866	3,646
Other countries:											
Australia	3,131	2,742	2,661	2,568	2,761	2,856	3,069	3,185	3,231	3,114	2,912
All other	59	89	88	76	66	60	71	64	77	75	78
Total	3,190	2,831	2,748	2,644	2,828	2,916	3,140	3,249	3,308	3,189	2,989
Total foreign countries	67,119	91,676	89,367	90,344	89,837	90,869	89,365	88,884	88,207	89,582	87,877
International and regional:											
International[4]	1,627	2,900	3,643	3,683	3,222	3,291	3,600	3,205	3,844	3,950	4,351
Latin American regional	272	202	226	233	218	211	155	141	175	215	186
Other regional[5]	57	69	50	57	44	90	84	94	90	88	94
Total	1,955	3,171	3,918	3,973	3,485	3,592	3,839	3,439	4,109	4,254	4,631
Grand total	69,074	94,847	93,285	94,317	93,322	94,460	93,204	92,323	92,316	93,836	92,508

For notes see opposite page.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data[6]

Area and country	1973 Apr.	1973 Dec.	1974 Apr.	1974 Dec.	1975 Apr.
Other Western Europe:					
Cyprus	9	19	10	7	17
Iceland	12	8	11	21	20
Ireland, Rep. of	22	62	53	29	29
Other Latin American republics:					
Bolivia	65	68	102	96	93
Costa Rica	75	86	88	117	120
Dominican Republic	104	118	137	127	214
Ecuador	109	92	90	122	157
El Salvador	86	90	129	129	144
Guatemala	127	156	245	214	255
Haiti	25	21	28	35	34
Honduras	64	56	71	88	92
Jamaica	32	39	52	69	62
Nicaragua	79	99	119	127	125
Paraguay	26	29	40	46	38
Trinidad and Tobago	17	17	21	107	......
Other Latin America:					
Bermuda	127	242	201	107	100
British West Indies	100	109	354	116	610
Other Asia:					
Afghanistan	19	22	11	18	19
Burma	17	12	42	65	......
Other Asia—Cont.:					
Cambodia	3	2	4	4	.....
Jordan	4	6	6	22	30
Laos	3	3	3	3	5
Lebanon	55	62	68	119	180
Malaysia	59	58	40	63	92
Pakistan	93	105	108	91	118
Singapore	53	141	165	240	215
Sri Lanka (Ceylon)	6	13	13	14	13
Vietnam	98	88	98	126	70
Other Africa:					
Ethiopia (incl. Eritrea)	75	79	118	95	76
Ghana	28	20	22	18	13
Kenya	19	23	20	31	32
Liberia	31	42	29	39	33
Southern Rhodesia	1	2	1	2	3
Sudan	3	3	2	4	14
Tanzania	16	12	12	11	21
Tunisia	11	7	17	19	23
Uganda	19	6	11	13	......
Zambia	37	22	66	22	18
All other:					
New Zealand	34	39	33	47	36

[1] Includes Bank for International Settlements.
[2] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[3] Comprises Algeria, Gabon, Libya, and Nigeria.
[4] Data exclude holdings of dollars of the International Monetary Fund.
[5] Asian, African, and European regional organizations, except BIS, which is included in "Europe."
[6] Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries: Total	Official institutions	Banks[1]	Other foreigners	Country or area: Germany	United Kingdom	Total Europe	Total Latin America	Middle East[2]	Other Asia[3]	All other countries
1972	1,018	580	439	93	259	87	165	63	260	136	....	31	10
1973	1,462	761	700	310	291	100	159	66	470	132	....	83	16
1974 Sept.	1,367	920	447	93	281	73	153	55	240	123	....	71	13
Oct.	1,293	849	445	111	263	71	153	43	228	116	....	88	13
Nov.	1,354	905	449	112	262	75	152	43	227	116	....	89	17
Dec.	1,285	822	464	124	261	79	152	43	227	115	95	7	20
1975—Jan.	1,406	846	560	223	266	71	150	42	218	118	189	12	21
Feb.	1,441	776	666	336	264	66	147	41	211	119	304	10	21
Mar.	1,548	800	748	426	255	67	137	41	202	120	394	10	21
Apr.	1,410	626	784	462	253	68	135	41	201	121	429	11	22
May	1,446	585	861	544	248	69	129	41	197	121	514	7	23
June	1,411	518	893	576	247	70	120	59	198	121	544	7	23
July	1,409	438	970	651	242	77	121	61	201	121	619	7	24
Aug.^{p}	1,352	378	974	651	243	81	120	61	202	123	619	7	23
Sept.^{p}	1,374	401	973	653	241	79	118	61	201	121	621	7	23

[1] Excludes central banks, which are included with "Official institutions."
[2] Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[3] Until Dec. 1974 includes Middle East oil-exporting countries.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

	1974				1975								
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July^p	Aug.^p	Sept.^p
Europe:													
Belgium-Luxembourg	10	10	10	10	11	12	14	14	14	14	14	14	14
Germany	9	9	9	9	9	9	208	209	209	209	209	210	217
Sweden	250	250	276	251	252	252	252	252	251	252	252	278	275
Switzerland	34	30	30	30	31	30	29	32	34	37	37	41	44
United Kingdom	459	485	498	493	529	578	599	611	564	522	536	520	501
Other Western Europe	r87	r93	r89	r88	r80	r74	r79	r95	r97	97	98	102	114
Eastern Europe	5	5	5	5	5	5	5	5	5	5	5	5	5
Total	854	883	917	885	916	959	1,186	1,217	1,174	1,135	1,151	1,169	1,170
Canada	706	707	711	713	697	584	588	460	412	412	408	406	404
Latin America:													
Latin American republics	11	11	11	12	11	11	11	11	11	13	13	13	13
Netherlands Antilles and Surinam	15	23	60	83	82	142	130	125	118	134	178	149	149
Other Latin America	2	2	2	5	6	6	5	4	4	5	5	5	5
Total	28	36	74	100	99	159	147	140	133	152	196	167	168
Asia:													
Japan	3,497	3,497	3,498	3,498	3,498	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,502
Other Asia	12	12	12	212	325	541	1,071	1,121	1,291	1,397	1,418	1,498	1,648
Total	3,509	3,509	3,509	3,709	3,822	4,037	4,567	4,617	4,787	4,893	4,914	4,994	5,149
Africa	151	151	151	151	151	151	151	161	181	181	201	211	261
All other	25	25	25	......	......	......	......	......	......	......	......	......	......
Total foreign countries	5,273	5,311	5,387	5,557	5,685	5,889	6,639	6,596	6,687	6,773	6,870	6,945	7,153
International and regional:													
International	46	97	98	89	207	219	620	411	334	21	121	58	44
Latin American regional	68	52	67	61	61	59	79	77	65	52	48	43	43
Total	114	149	165	150	268	277	699	488	399	74	169	101	87
Grand total	5,387	5,460	5,552	5,708	5,953	6,167	7,337	7,084	7,087	6,847	7,039	7,048	7,240

NOTE. Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year, and are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars								Payable in foreign currencies			
		Total	Loans to-				Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other
			Total	Official institutions	Banks[1]	Others[2]							
1971	13,272	12,377	3,969	231	2,080	1,658	2,475	4,254	1,679	895	548	173	174
1972[3]	15,471	14,625	5,674	163	2,975	2,535	3,269	3,204	2,478	846	441	223	182
	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973	20,723	20,061	7,660	284	4,538	2,838	4,307	4,160	3,935	662	428	119	115
1974—Sept.	34,464	33,546	10,551	528	6,672	3,352	5,245	9,572	8,178	918	468	217	233
Oct.	34,647	33,617	10,033	378	6,317	3,338	5,356	10,072	8,155	1,030	547	243	240
Nov.	36,833	35,805	10,999	446	7,121	3,433	5,345	10,724	8,737	1,028	515	283	229
Dec.	38,913	37,703	11,301	381	7,342	3,579	5,637	11,237	9,527	1,210	668	289	253
1975 Jan.	38,977	37,688	10,195	361	6,281	3,553	5,565	11,062	10,866	1,289	719	351	219
Feb.	39,772	38,582	10,275	379	6,376	3,521	5,346	11,127	11,833	1,190	609	336	244
Mar.	42,186	41,023	9,626	310	5,682	3,633	5,415	11,341	14,641	1,162	626	290	246
Apr.	42,806	41,547	10,658	362	6,518	3,778	5,339	11,441	14,109	1,260	764	241	254
May	45,106	44,038	11,862	366	7,648	3,848	5,546	10,951	15,679	1,068	478	301	290
June	45,705	44,481	11,340	494	6,793	4,053	5,345	10,639	17,157	1,224	591	335	299
July	45,542	44,354	11,700	572	6,833	4,295	5,383	10,204	17,068	1,188	608	296	284
Aug.^p	45,459	44,296	13,081	626	7,959	4,497	5,314	9,990	15,910	1,163	610	240	313
Sept.	45,545	44,418	12,692	572	7,510	4,610	5,314	10,071	16,341	1,127	573	236	319

1 Excludes central banks which are included with "Official institutions."
2 Includes international and regional organizations.
3 Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1973	1974	1975								
	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.p	Sept.p
Europe:											
Austria	11	21	18	38	22	16	19	17	16	28	20
Belgium-Luxembourg	147	384	401	591	550	674	647	600	620	598	536
Denmark	48	46	54	53	41	53	49	64	62	60	46
Finland	108	122	132	136	137	147	137	133	142	143	130
France	621	673	892	893	896	859	723	581	666	740	906
Germany	311	589	390	435	387	399	389	428	482	448	443
Greece	35	64	52	42	46	54	37	37	46	50	54
Italy	316	345	351	277	287	334	329	339	363	336	363
Netherlands	133	348	195	210	187	157	221	219	288	338	313
Norway	72	119	115	106	104	114	126	98	91	106	102
Portugal	23	20	16	39	32	26	25	25	27	22	18
Spain	222	196	184	166	150	234	251	235	257	214	245
Sweden	153	180	128	99	72	101	132	115	155	185	182
Switzerland	176	335	252	267	230	227	277	252	254	290	214
Turkey	10	15	23	17	19	37	30	40	26	43	56
United Kingdom	1,459	2,441	2,700	2,770	2,896	3,174	3,712	3,476	3,458	4,067	3,724
Yugoslavia	10	22	38	18	16	28	39	31	36	40	37
Other Western Europe	25	22	22	27	24	31	25	22	22	62	23
U.S.S.R.	46	46	44	48	34	51	83	77	80	79	106
Other Eastern Europe	44	131	124	100	110	113	117	118	130	110	110
Total	3,970	6,117	6,130	6,331	6,239	6,831	7,370	6,907	7,222	7,959	7,630
Canada	1,955	2,791	2,904	2,643	2,934	2,911	3,096	2,852	2,666	2,355	2,626
Latin America:											
Argentina	499	720	783	808	869	958	1,007	1,111	1,105	1,115	1,219
Bahamas	883	3,398	3,737	4,699	5,926	5,715	6,997	8,658	7,811	6,627	6,467
Brazil	900	1,415	1,264	1,345	1,266	1,299	1,272	1,184	1,390	1,505	1,491
Chile	151	290	303	351	395	433	422	429	472	435	405
Colombia	397	713	706	679	695	710	702	687	666	667	684
Mexico	1,373	1,972	1,898	2,006	2,116	2,236	2,380	2,541	2,669	2,755	2,688
Panama	274	503	604	458	546	531	671	527	581	578	721
Peru	178	518	504	531	555	606	590	623	626	646	624
Uruguay	55	63	75	86	104	116	100	85	90	73	54
Venezuela	518	704	795	747	736	757	745	791	902	956	1,109
Other Latin American republics	505	866	899	920	915	967	973	966	1,056	1,005	1,014
Netherlands Antilles and Surinam	13	62	45	39	39	36	44	83	62	54	57
Other Latin America	154	1,138	1,438	1,535	1,583	1,722	2,219	1,830	1,679	2,091	1,652
Total	5,900	12,362	13,051	14,202	15,747	16,085	18,122	19,514	19,108	18,509	18,184
Asia:											
China, People's Rep. of (China Mainland)	31	4	18	65	19	11	12	9	13	13	11
China, Republic of (Taiwan)	140	500	526	473	500	448	434	479	463	503	600
Hong Kong	147	223	203	184	291	210	288	315	201	190	221
India	16	14	19	22	17	21	17	20	23	38	21
Indonesia	88	157	142	159	145	134	119	115	113	88	91
Israel	155	255	271	284	322	299	287	312	362	358	398
Japan	6,398	12,514	11,821	11,246	11,600	11,028	10,603	10,245	10,308	10,292	10,396
Korea	403	955	1,116	1,286	1,356	1,503	1,415	1,523	1,462	1,502	1,515
Philippines	181	372	302	342	353	398	455	478	480	410	340
Thailand	273	458	391	374	406	413	374	441	461	506	474
Middle East oil-exporting countries[1]	....	330	307	336	369	563	411	418	527	493	624
Other[2]	392	441	436	445	477	444	555	489	541	572	661
Total	8,224	16,222	15,549	15,216	15,855	15,472	14,969	14,844	14,955	14,966	15,353
Africa:											
Egypt	35	111	106	114	122	142	138	149	134	141	125
South Africa	129	329	364	396	413	458	475	498	489	492	504
Oil-exporting countries[3]	....	115	81	108	108	95	128	120	144	134	189
Other[2]	224	300	234	235	232	278	276	302	296	347	344
Total	388	855	785	853	875	973	1,018	1,068	1,064	1,114	1,162
Other countries:											
Australia	243	466	433	431	436	428	440	428	446	466	509
All other	43	99	125	95	99	107	89	81	80	88	80
Total	286	565	558	526	535	535	528	509	526	554	589
Total foreign countries	20,723	38,912	38,976	39,771	42,185	42,805	45,104	45,694	45,541	45,456	45,543
International and regional	1	0	1	1	1	1	2	11	1	3	1
Grand total	20,723	38,913	38,977	39,772	42,186	42,806	45,106	45,705	45,542	45,459	45,545

[1] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[2] Until Dec. 1974 includes oil-exporting countries.
[3] Comprises Algeria, Gabon, Libya, and Nigeria.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type: Payable in dollars: Total	Loans to: Official institutions	Loans to: Banks[1]	Loans to: Other foreigners[2]	Other long-term claims	Payable in foreign currencies	Country or area: Total Europe	Canada	Total Latin America	Japan	Middle East[3]	Other Asia[4]	All other countries[2]
1972	5,063	4,588	844	430	3,314	435	40	853	406	2,020	353	....	918	514
1973	5,996	5,446	1,160	591	3,694	478	72	1,272	490	2,116	251	....	1,331	536
1974– Sept.	6,999	6,386	1,419	853	4,113	542	71	1,801	543	2,479	247	....	1,425	505
Oct.	7,259	6,580	1,451	914	4,215	608	71	2,058	523	2,495	267	....	1,399	517
Nov.	7,260	6,570	1,383	933	4,253	618	72	1,991	506	2,574	260	....	1,395	534
Dec.	7,156	6,482	1,333	931	4,219	609	65	1,907	486	2,602	258	384	977	542
1975 Jan.	7,262	6,624	1,368	968	4,289	583	54	1,992	475	2,603	248	373	1,015	557
Feb.	7,457	6,797	1,378	1,035	4,384	606	54	2,096	485	2,675	348	388	967	598
Mar.	7,554	6,900	1,399	1,063	4,438	598	55	2,126	485	2,695	247	385	1,024	592
Apr.	7,583	6,915	1,239	1,110	4,566	605	63	2,188	490	2,786	242	247	1,002	630
May	7,870	7,194	1,287	1,187	4,720	610	66	2,325	476	2,851	254	242	1,042	679
June	7,915	7,118	1,266	1,204	4,648	719	77	2,304	446	2,841	264	241	1,135	684
July	8,187	7,320	1,280	1,290	4,749	792	75	2,323	456	2,985	270	241	1,204	710
Aug.^{p}	8,251	7,394	1,271	1,336	4,787	787	71	2,390	423	3,006	259	237	1,204	732
Sept.^{p}	8,526	7,625	1,340	1,354	4,931	809	93	2,424	508	3,121	265	237	1,195	775

1 Excludes central banks, which are included with "Official institutions."
2 Includes international and regional organizations.
3 Comprises Middle East oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4 Until Dec. 1974 includes Middle East oil-exporting countries.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes[1]: Net purchases or sales (–): Total	Intl. and regional	Foreign: Total[4]	Foreign: Official	Foreign: Other	U.S. corporate securities[2,3]: Purchases	Sales	Net purchases or sales (–)	Foreign bonds[3]: Purchases	Sales	Net purchases or sales (–)	Foreign stocks[3]: Purchases	Sales	Net purchases or sales (–)
1973	305	165	470	465	6	18,574	13,810	4,764	1,474	2,467	993	1,729	1,554	176
1974	–472	101	–573	–642	69	16,183	14,677	1,506	1,045	3,284	2,240	1,903	1,719	183
1975 Jan.–Sept.^{p}	1,532	63	1,595	1,393	203	14,691	11,607	3,085	1,653	5,596	3,943	1,145	1,380	234
1974–Sept.	–115	–81	–33	60	27	1,478	1,188	291	72	152	80	146	100	47
Oct.	73	35	38	....	38	1,624	1,511	113	86	362	–276	91	152	–62
Nov.	91	16	76	25	50	1,414	1,518	–104	92	170	78	124	102	22
Dec.	156	–15	171	153	17	1,101	1,246	145	101	524	–423	117	87	30
1975– Jan.	245	118	127	118	9	1,229	900	330	131	1,207	–1,076	147	156	–9
Feb.	214	9	205	102	102	1,661	1,403	258	118	554	–436	134	173	–39
Mar.	1,171	421	749	724	25	1,755	1,155	600	197	647	450	148	159	–11
Apr.	–254	–210	43	62	20	1,640	1,397	243	167	341	174	155	141	14
May	3	–89	92	123	–31	1,845	1,679	166	172	345	173	145	157	–12
June	–240	–326	86	56	31	1,754	1,332	422	215	855	640	129	143	–15
July	192	95	96	41	56	2,251	1,278	973	315	1,011	696	109	115	6
Aug.^{p}	9	67	77	117	40	1,421	1,338	82	158	353	195	89	256	167
Sept.^{p}	192	14	206	175	31	1,134	1,124	10	182	284	102	90	79	11

1 Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.
2 Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.
3 Includes transactions of international and regional organizations.
4 Includes transactions *(in millions of dollars)* of oil-exporting countries in Middle East and Africa as shown in the tabulation in the opposite column:

1975	Middle East	Africa
Jan.–Sept.^{p}	1,396	110
Jan.	100	......
Feb.	209	......
Mar.	525	......
Apr.	50	10
May	175	20
June	106	......
July	1	20
Aug.^{p}	80	10
Sept.^{p}	150	50

15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales (–)	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total Latin America	Middle East[1]	Other Asia[2]	Other[3]
1973	12,767	9,978	2,790	139	2	339	686	366	2,104	99	4	.....	577	5
1974	7,634	7,095	540	203	39	330	36	377	281	6	33	.....	288	10
1975 Jan.–Sept.[p]	11,132	8,008	3,124	195	170	283	697	446	1,886	159	1	950	96	27
1974 Sept.	460	445	15	9	17	21	6	38	19	6	4	.....	23	1
Oct.	673	695	22	17	30	9	39	82	115	3	2	.....	95	8
Nov.	604	616	13	5	1	2	35	51	77	2	5	.....	70	1
Dec.	450	429	21	13	13	20	10	76	30	14	10	.....	27	*
1975 Jan.	731	541	190	34	15	8	42	8	107	12	15	86	2	2
Feb.	1,383	849	533	21	25	14	115	147	331	20	18	153	3	15
Mar.	1,148	913	236	12	11	40	39	38	146	15	5	85	5	1
Apr.	1,318	1,058	259	15	23	26	44	54	136	5	2	119	2	3
May	1,527	1,149	378	6	4	27	100	59	193	36	1	113	36	1
June	1,321	1,063	258	32	1	19	71	36	152	21	8	87	9	19
July	1,669	1,080	589	55	31	80	139	74	396	20	13	153	2	5
Aug.[p]	1,153	712	441	52	52	47	83	38	302	21	6	82	27	16
Sept.[p]	882	642	240	10	7	22	64	7	123	20	15	72	32	7

[1] Comprises Middle East oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[2] Until 1975 includes Middle East oil exporting countries.

[3] Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total Latin America	Middle East[1]	Other Asia[2]	Total Africa	Other countries	Intl. and regional
1973	1,948	201	33	19	307	275	1,204	49	44	.....	588	*	10	52
1974	952	96	27	183	96	329	672	50	43	.....	632	8	10	455
1975 Jan.–Sept.[p]	38	39	27	55	88	268	106	85	7	1,013	30	*	1	1,008
1974 Sept.	276	1	1	1	2	64	65	4	2	.....	60	.....	*	145
Oct.	135	10	*	1	13	6	24	18	5	.....	100	*	*	11
Nov.	92	4	2	2	1	9	13	6	1	.....	399	*	*	483
Dec.	166	1	*	4	1	64	66	4	17	.....	93	*	*	337
1975 Jan.	140	2	3	*	6	59	94	14	1	151	1	*	*	120
Feb.	275	4	3	*	3	91	87	16	*	35	1	*	1	241
Mar.	365	1	1	1	10	23	32	4	4	341	19	*	*	10
Apr.	16	1	2	26	35	99	100	5	3	80	1	*	*	6
May	212	3	1	1	7	81	72	7	1	81	11	*	*	6
June	164	9	*	8	5	32	58	4	*	65	1	*	*	218
July	384	27	16	6	35	80	183	33	1	179	4	*	*	17
Aug.[p]	358	13	3	18	6	69	73	6	1	1	1	*	*	292
Sept.[p]	229	13	6	25	7	122	142	5	5	82	7	*	*	162

[1] See note 1 to Table 15.

[2] See note 2 to Table 15.

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1973	-818	139	957	141	-569	120	168	3	37
1974	2,056	60	1,997	546	1,529	93	142	7	22
1975 Jan.–Sept.[p]	4,178	1,341	2,837	144	1,839	274	488	21	113
1974 Sept.	34	12	46	41	37	5	23	1	3
Oct.	338	2	340	-81	244	*	16	1	2
Nov.	56	3	59	21	8	14	21	2	3
Dec.	-393	-95	298	27	190	25	67	12	*
1975 Jan.	1,085	-572	514	41	405	28	60	20	*
Feb.	475	-147	-328	19	159	-97	94	2	*
Mar.	462	106	356	-66	175	3	112	2	1
Apr.	160	57	-103	57	6	17	-59	*	2
May	185	31	-216	39	-168	*	88	-2	2
June	655	*	655	22	478	*	30	2	-127
July	702	475	227	22	116	25	69	*	4
Aug.[p]	362	21	341	24	204	164	1	1	2
Sept.[p]	91	6	97	19	128	25	24	1	1

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1972 Sept.	286	336
Dec.	372	405
1973 Mar.	310	364
June	316	243
Sept.	290	255
Dec.	333	231
1974 Mar.	383	225
June	354	241
Sept.	298	178
Dec.[p]	293	193
1975 Mar.[p]	349	209

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Offi-cial insti-tutions	Non-bank for-eigners	
IN ALL FOREIGN COUNTRIES Total, all currencies	1972—Dec.	78,202	4,678	2,113	2,565	71,304	11,504	35,773	1,594	22,432	2,220
	1973—Dec.	121,866	5,091	1,886	3,205	111,974	19,177	56,368	2,693	33,736	4,802
	1974—Aug.	148,719	9,366	6,868	2,498	133,473	26,428	60,524	3,424	43,098	5,880
	Sept.	147,720	6,267	3,622	2,645	135,272	26,322	61,301	3,721	43,927	6,181
	Oct.	145,906	4,661	2,027	2,634	135,284	26,958	59,617	3,849	44,860	5,962
	Nov.	150,274	7,751	5,159	2,592	136,442	28,366	58,727	4,019	45,330	6,081
	Dec.	151,905	6,898	4,464	2,434	138,713	27,559	60,283	4,077	46,795	6,294
	1975—Jan.	151,140	7,029	4,360	2,669	138,143	27,894	58,863	4,152	47,234	5,968
	Feb.	151,662	5,486	2,882	2,604	140,345	28,969	58,794	4,246	48,335	5,832
	Mar.	155,204	5,326	2,638	2,688	143,750	28,330	61,611	4,407	49,402	6,127
	Apr.	155,616	5,831	3,052	2,779	143,949	29,195	60,292	4,353	50,109	5,836
	May	156,909	7,725	4,889	2,837	143,101	27,581	60,330	4,494	50,697	6,083
	June[r]	162,341	5,538	2,342	3,196	150,516	30,870	63,710	4,836	51,101	6,287
	July	160,701	5,915	2,785	3,129	148,225	30,153	62,438	4,796	50,839	6,561
	Aug.[p]	165,484	8,749	5,696	3,053	150,197	31,278	62,460	4,892	51,567	6,537
Payable in U.S. dollars	1972—Dec.	52,636	4,419	2,091	2,327	47,444	7,869	26,251	1,059	12,264	773
	1973—Dec.	79,445	4,599	1,848	2,751	73,018	12,799	39,527	1,777	18,915	1,828
	1974—Aug.	105,827	9,055	6,816	2,239	93,893	19,694	45,681	2,780	25,738	2,879
	Sept.	104,345	5,990	3,564	2,426	95,304	19,413	46,517	2,873	26,501	3,050
	Oct.	101,977	4,379	1,970	2,409	94,650	19,785	44,832	3,006	27,027	2,948
	Nov.	105,066	7,445	5,105	2,340	94,581	20,623	43,741	3,192	27,026	3,039
	Dec.	105,969	6,602	4,428	2,174	96,210	19,688	45,067	3,289	28,166	3,157
	1975—Jan.	105,776	6,706	4,318	2,387	95,989	20,448	43,151	3,370	29,020	3,082
	Feb.	104,360	5,141	2,839	2,302	96,327	20,827	42,672	3,431	29,397	2,891
	Mar.	107,519	5,012	2,607	2,405	99,637	19,836	46,118	3,604	30,079	2,870
	Apr.	108,399	5,466	3,009	2,456	100,231	20,993	45,172	3,599	30,467	2,702
	May	111,637	7,316	4,824	2,491	101,384	21,281	45,403	3,685	31,016	2,938
	June	117,295	5,111	2,280	2,832	109,181	24,529	49,132	3,949	31,571	3,003
	July	117,265	5,508	2,734	2,774	108,281	24,180	48,572	3,929	31,600	3,476
	Aug.[p]	121,127	8,425	5,642	2,783	109,425	25,071	48,063	4,148	32,143	3,277
IN UNITED KINGDOM Total, all currencies	1972—Dec.	43,467	2,234	1,138	1,096	40,214	5,659	23,842	606	10,106	1,018
	1973—Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974—Aug.	70,382	3,599	2,858	741	64,496	12,790	33,942	666	17,097	2,287
	Sept.	70,965	2,860	2,087	774	65,596	12,436	34,959	829	17,372	2,509
	Oct.	68,123	1,325	502	823	64,462	12,386	33,608	887	17,581	2,336
	Nov.	69,137	3,387	2,568	818	63,571	13,122	32,128	753	17,567	2,179
	Dec.	69,804	3,248	2,472	776	64,111	12,724	32,701	788	17,898	2,445
	1975—Jan.	68,451	2,633	1,902	731	63,527	12,873	32,057	854	17,743	2,291
	Feb.	67,038	1,818	1,023	796	63,250	13,246	31,641	848	17,515	1,970
	Mar.	69,654	1,798	982	817	65,693	12,806	34,260	929	17,699	2,163
	Apr.	69,248	2,017	1,126	891	65,330	13,314	33,079	919	18,018	1,902
	May	68,707	2,535	1,689	845	64,269	12,491	32,443	920	18,415	1,904
	June	70,751	1,834	641	1,192	66,868	13,765	34,634	948	17,522	2,049
	July	70,382	1,904	807	1,097	66,277	14,414	33,431	923	17,509	2,202
	Aug.[p]	72,455	3,795	2,698	1,097	66,428	15,213	32,998	948	17,268	2,232
Payable in U.S. dollars	1972—Dec.	30,257	2,146	1,131	1,015	27,664	4,326	17,331	543	5,464	446
	1973—Dec.	40,323	1,642	730	912	37,816	6,509	23,389	510	7,409	865
	1974—Aug.	49,406	3,507	2,847	660	44,677	10,529	23,948	563	9,637	1,222
	Sept.	50,075	2,774	2,067	708	45,960	10,305	25,044	676	9,937	1,339
	Oct.	47,968	1,235	479	756	45,421	10,234	24,499	734	9,954	1,312
	Nov.	48,710	3,277	2,546	730	44,198	10,796	22,936	615	9,852	1,235
	Dec.	49,211	3,146	2,468	678	44,693	10,265	23,716	610	10,102	1,372
	1975—Jan.	47,769	2,542	1,892	650	43,959	10,421	22,610	661	10,268	1,267
	Feb.	46,019	1,697	1,017	680	43,244	10,615	21,918	657	10,055	1,077
	Mar.	48,939	1,687	974	713	46,039	10,373	24,874	736	10,057	1,212
	Apr.	48,797	1,885	1,109	776	45,923	10,995	23,990	721	10,217	989
	May	48,506	2,404	1,671	733	45,180	10,656	23,320	698	10,506	922
	June	51,365	1,669	623	1,045	48,713	12,054	25,761	721	10,178	983
	July	51,665	1,742	793	949	48,787	12,664	25,143	713	10,267	1,136
	Aug.[p]	53,456	3,661	2,681	980	48,763	13,315	24,540	740	10,168	1,032
IN BAHAMAS AND CAYMANS[1] Total, all currencies	1972—Dec.	12,642	1,486	214	1,272	10,986	725	5,507	431	4,322	170
	1973—Dec.	23,771	2,210	317	1,893	21,041	1,928	9,895	1,151	8,068	520
	1974—Aug.	32,317	4,624	3,153	1,471	26,914	3,056	11,488	1,612	10,757	779
	Sept.	30,080	2,315	750	1,564	26,910	2,770	11,515	1,728	10,896	856
	Oct.	30,071	2,206	711	1,495	27,075	3,178	11,347	1,756	10,795	790
	Nov.	32,313	3,299	1,816	1,484	28,130	3,829	11,371	1,993	10,937	883
	Dec.	31,733	2,463	1,081	1,382	28,455	3,478	11,354	2,022	11,601	815
	1975—Jan.	33,131	3,223	1,594	1,629	29,070	3,644	11,194	2,027	12,206	838
	Feb.	33,534	2,563	1,072	1,491	30,137	3,855	11,474	2,060	12,748	834
	Mar.	33,793	2,405	839	1,567	30,671	3,568	11,634	2,393	13,077	716
	Apr.	35,666	2,587	1,006	1,581	32,359	4,320	12,229	2,419	13,392	720
	May	38,198	4,125	2,468	1,657	33,215	4,270	13,181	2,531	13,233	858
	June	39,645	2,632	987	1,645	36,182	5,831	13,747	2,772	13,832	831
	July	39,611	2,783	1,131	1,652	35,678	5,015	14,065	2,747	13,851	1,150
	Aug.[p]	[2]41,273	3,764	2,228	1,536	36,556	5,222	14,117	2,891	14,326	953

For notes see p. A-74.

19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Total	To U.S.			To foreigners					Other	Month-end	Location and currency form
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Nonbank foreigners			
											IN ALL FOREIGN COUNTRIES
78,203	3,501	997	2,504	72,121	11,121	41,218	8,351	11,432	2,580	1972 Dec.	Total, all currencies
121,866	5,610	1,642	3,968	111,615	18,213	65,389	10,330	17,683	4,641	1973 Dec.	
148,719	9,419	4,123	5,296	132,774	26,007	68,772	16,304	21,690	6,527	1974 Aug.	
147,720	9,981	5,058	4,923	131,016	26,337	66,071	17,488	21,121	6,723	Sept.	
145,906	10,449	5,853	4,596	128,910	26,619	62,606	18,171	21,514	6,548	Oct.	
150,275	11,901	6,249	5,652	131,619	27,717	63,596	19,979	20,327	6,755	Nov.	
151,905	11,982	5,809	6,173	132,990	26,941	65,675	20,185	20,189	6,933	Dec.	
151,140	11,831	6,356	5,476	132,775	27,019	64,147	21,683	19,926	6,533	1975 Jan.	
151,662	12,561	6,607	5,954	132,594	28,185	63,402	21,951	19,057	6,507	Feb.	
155,204	15,407	8,849	6,557	133,540	28,214	63,419	22,577	19,330	6,257	Mar.	
155,617	14,936	8,703	6,233	134,594	29,192	62,287	23,236	19,879	6,088	Apr.	
156,910	16,860	10,366	6,494	133,806	26,725	64,700	22,223	20,158	6,243	May	
162,341	18,617	12,204	6,414	137,189	30,412	64,955	21,106	20,715	6,535	June [r]	
160,701	17,701	11,539	6,162	136,808	30,233	65,956	20,371	20,249	6,191	July [r]	
165,485	16,830	9,670	7,160	142,329	30,582	70,162	21,093	20,492	6,326	Aug. [p]	
54,878	3,050	847	2,202	50,406	7,955	29,229	6,781	6,441	1,422	1972 Dec.	Payable in U.S. dollars
80,374	5,027	1,477	3,550	73,189	12,554	43,641	7,491	9,502	2,158	1973 Dec.	
106,909	8,786	3,932	4,853	94,178	19,456	48,394	13,508	12,821	3,945	1974 Aug.	
106,004	9,294	4,833	4,461	92,630	19,599	46,020	14,533	12,478	4,080	Sept.	
103,934	9,905	5,650	4,255	90,136	19,481	42,690	15,076	12,889	3,893	Oct.	
107,427	11,215	6,023	5,192	92,233	20,242	43,147	16,789	12,054	3,979	Nov.	
107,890	11,437	5,641	5,795	92,503	19,330	43,656	17,444	12,072	3,951	Dec.	
108,190	11,368	6,204	5,164	93,044	19,999	42,854	18,343	11,848	3,778	1975 Jan.	
106,125	12,063	6,460	5,603	90,426	20,109	40,701	18,708	10,907	3,636	Feb.	
109,501	14,795	8,660	6,135	91,338	19,880	41,216	19,303	10,939	3,368	Mar.	
110,405	14,280	8,520	5,760	92,712	20,683	40,996	19,909	11,123	3,414	Apr.	
114,105	16,259	10,192	6,067	94,449	20,521	43,860	18,928	11,139	3,397	May	
119,385	18,000	12,011	5,990	97,825	23,969	44,199	17,968	11,689	3,560	June	
119,316	17,090	11,335	5,755	99,010	24,112	45,894	17,393	11,611	3,216	July [r]	
123,554	16,188	9,492	6,696	103,986	24,435	49,416	18,080	12,055	3,381	Aug. [p]	
											IN UNITED KINGDOM
43,467	1,453	113	1,340	41,020	2,961	24,596	6,433	7,030	994	1972 Dec.	Total, all currencies
61,732	2,431	136	2,295	57,311	3,944	34,979	8,140	10,248	1,990	1973 Dec.	
70,382	3,701	713	2,988	64,309	4,794	33,920	12,737	12,858	2,373	1974 Aug.	
70,965	3,503	635	2,867	64,919	5,428	33,766	13,544	12,181	2,543	Sept.	
68,123	3,227	683	2,544	62,621	5,237	30,621	14,051	12,712	2,275	Oct.	
69,137	4,376	889	3,487	62,397	5,071	30,352	15,454	11,521	2,363	Nov.	
69,804	3,978	510	3,468	63,409	4,762	32,040	15,258	11,349	2,418	Dec.	
68,451	3,804	873	2,931	62,360	4,567	30,266	16,419	11,108	2,287	1975 Jan.	
67,038	4,376	913	3,462	60,546	4,693	29,207	16,517	10,127	2,117	Feb.	
69,654	5,095	1,224	3,871	62,363	4,630	29,990	17,305	10,438	2,196	Mar.	
69,248	4,596	1,342	3,254	62,625	5,394	28,666	17,812	10,753	2,026	Apr.	
68,708	4,772	1,337	3,435	61,772	5,325	28,957	16,726	10,764	2,164	May	
70,751	4,668	1,451	3,217	63,857	7,030	30,030	15,524	11,274	2,226	June	
70,382	4,679	1,718	2,961	63,501	6,475	30,636	15,312	11,077	2,203	July	
72,457	5,251	1,904	3,348	65,012	6,260	32,097	15,617	11,038	2,194	Aug. [p]	
30,810	1,272	72	1,200	29,002	2,008	17,379	5,329	4,287	535	1972 Dec.	Payable in U.S. dollars
39,689	2,173	113	2,060	36,646	2,519	22,051	5,923	6,152	870	1973 Dec.	
49,481	3,448	692	2,756	44,654	3,278	22,558	10,437	8,382	1,380	1974 Aug.	
50,212	3,177	605	2,572	45,550	3,667	22,818	11,035	8,030	1,486	Sept.	
48,314	2,988	651	2,337	44,033	3,690	20,203	11,444	8,696	1,294	Oct.	
49,668	4,037	865	3,172	44,256	3,557	20,200	12,808	7,691	1,375	Nov.	
49,666	3,744	484	3,261	44,594	3,256	20,526	13,225	7,587	1,328	Dec.	
48,490	3,599	854	2,744	43,578	3,172	19,061	13,736	7,609	1,313	1975 Jan.	
46,698	4,164	895	3,269	41,350	3,266	17,673	13,932	6,479	1,184	Feb.	
49,533	4,805	1,189	3,616	43,546	3,072	19,128	14,688	6,658	1,183	Mar.	
49,177	4,297	1,313	2,984	43,758	3,886	17,997	15,158	6,717	1,122	Apr.	
49,479	4,487	1,314	3,173	43,784	4,220	18,640	14,135	6,789	1,208	May	
51,848	4,369	1,412	2,957	46,312	5,962	20,039	13,083	7,228	1,167	June	
51,826	4,421	1,684	2,737	46,217	5,478	20,775	12,915	7,049	1,188	July	
54,017	4,975	1,873	3,103	47,912	5,288	22,087	13,249	7,287	1,129	Aug. [p]	
											IN BAHAMAS AND CAYMANS [1]
12,643	1,220	312	908	11,260	1,818	7,875	230	1,338	163	1972 Dec.	Total, all currencies
23,771	1,573	307	1,266	21,747	5,508	14,071	492	1,676	451	1973 Dec.	
32,317	2,909	1,123	1,786	28,670	8,079	16,688	1,715	2,188	738	1974 Aug.	
30,080	3,721	2,151	1,571	25,626	7,072	14,419	1,840	2,295	733	Sept.	
30,071	4,311	2,706	1,605	24,995	7,211	13,669	1,980	2,135	765	Oct.	
32,313	4,426	2,699	1,727	27,107	8,538	14,132	2,296	2,141	779	Nov.	
31,733	4,815	2,636	2,180	26,140	7,702	14,050	2,377	2,011	778	Dec.	
33,131	5,036	2,926	2,111	27,343	8,269	14,259	2,595	2,220	752	1975 Jan.	
33,534	5,243	3,281	1,962	27,498	8,975	13,550	2,711	2,262	793	Feb.	
33,793	7,228	5,081	2,147	25,875	8,498	12,614	2,520	2,243	690	Mar.	
35,667	7,420	5,083	2,337	27,536	8,756	13,694	2,769	2,318	711	Apr.	
38,198	9,090	6,766	2,324	28,309	6,872	16,018	2,977	2,441	799	May	
39,645	10,866	8,322	2,544	27,987	8,075	14,482	3,036	2,393	793	June	
39,611	9,988	7,404	2,584	28,933	8,401	15,539	2,500	2,492	690	July	
[2]41,273	8,449	5,364	3,085	31,913	9,128	17,317	2,860	2,607	911	Aug. [p]	

For notes see p. A-74.

20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody: U.S. Treas. securities[1]	Assets in custody: Earmarked gold
1972	325	50,934	[2]15,530
1973	251	52,070	[2]17,068
1974	418	55,600	16,838
1974—Oct.	376	54,691	16,875
Nov.	626	55,908	16,865
Dec.	418	55,600	16,838
1975—Jan.	391	58,001	16,837
Feb.	409	60,864	16,818
Mar.	402	60,729	16,818
Apr.	270	60,618	16,818
May	310	61,539	16,818
June	373	61,406	16,803
July	369	60,999	16,803
Aug.	342	60,120	16,803
Sept.	324	58,420	16,795
Oct.	230	60,132	16,751

[1] Marketable U.S. Treasury bills, certificates of indebtedness, 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 Oct. 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.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars: Deposits	Payable in dollars: Short-term investments[1]	Payable in foreign currencies: Deposits	Payable in foreign currencies: Short-term investments[1]	United Kingdom	Canada
1971	1,507	1,078	127	234	68	580	443
1972[2]	1,965	1,446	169	307	42	702	485
	2,374	1,910	55	340	68	911	536
1973	3,162	2,588	37	427	109	1,118	770
1974—Aug.	3,504	2,941	51	369	144	1,436	872
Sept.	3,073	2,491	30	362	189	1,194	864
Oct.	2,698	2,132	25	325	216	1,122	835
Nov.	2,998	2,380	15	326	277	1,285	941
Dec.	3,303	2,582	56	403	261	1,342	951
1975—Jan.r	3,230	2,521	50	314	345	1,136	1,117
Feb.r	3,329	2,515	52	356	406	1,079	1,136
Mar.r	3,238	2,434	67	350	388	1,055	1,134
Apr.r	3,368	2,458	48	314	550	1,065	1,279
May r	3,188	2,220	47	393	527	908	1,240
June r	3,138	2,241	95	369	433	974	1,128
July r	3,221	2,278	118	420	405	904	1,109
Aug.p	3,438	2,334	129	453	522	1,017	1,309

[1] Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

[2] Data on the 2 lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities: Total	Liabilities: Payable in dollars	Liabilities: Payable in foreign currencies	Claims: Total	Claims: Payable in dollars	Claims: Payable in foreign currencies: Deposits with banks abroad in reporter's name	Claims: Payable in foreign currencies: Other
1971—Dec.[1]	2,704	2,229	475	5,185	4,535	318	333
	2,763	2,301	463	5,000	4,467	289	244
1972—Mar.	2,844	2,407	437	5,173	4,557	317	300
June	2,925	2,452	472	5,326	4,685	374	268
Sept.	2,933	2,435	498	5,487	4,833	426	228
Dec.[1]	3,119	2,635	484	5,721	5,074	410	237
	3,399	2,921	478	6,312	5,645	393	274
1973—Mar.	3,307	2,828	478	7,028	6,150	456	422
June	3,286	2,754	532	7,304	6,453	493	358
Sept.	3,574	2,915	659	7,648	6,710	528	411
Dec.	3,962	3,249	713	8,438	7,522	485	431
1974—Mar.	4,382	3,563	819	10,407	9,465	400	542
June	5,133	4,168	965	10,965	10,030	420	516
Sept.	5,600	4,646	954	10,632	9,656	419	558
Dec.	5,766	4,851	915	11,170	10,125	455	590
1975—Mar.	5,732	4,866	866	10,833	9,744	397	692
June p	5,954	4,931	1,023	10,784	9,546	422	816

[1] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1974			1975		1974			1975	
	June	Sept.	Dec.	Mar.	June^p	June	Sept.	Dec.	Mar.	June^p
Europe:										
Austria	12	18	20	26	22	17	15	26	15	13
Belgium-Luxembourg	417	500	515	471	334	139	114	128	102	96
Denmark	18	22	24	23	14	27	25	42	35	22
Finland	9	12	16	16	12	80	91	120	77	87
France	177	164	202	151	138	511	463	431	328	287
Germany	220	246	314	350	466	348	328	339	276	346
Greece	28	28	39	25	27	76	69	65	59	69
Italy	131	137	128	109	110	395	415	397	309	300
Netherlands	104	120	117	121	141	126	144	148	157	135
Norway	8	10	9	9	8	35	32	36	35	41
Portugal	17	20	19	13	13	101	69	81	42	32
Spain	45	48	56	54	59	409	414	369	359	324
Sweden	52	40	38	32	30	106	97	89	66	74
Switzerland	112	106	140	157	170	78	154	136	86	113
Turkey	11	20	8	12	14	28	24	26	33	28
United Kingdom	1,244	1,415	1,216	1,109	1,006	1,871	1,768	1,853	1,633	1,534
Yugoslavia	18	17	40	52	45	23	23	22	33	32
Other Western Europe	6	7	5	5	4	23	20	21	23	16
Eastern Europe	34	80	70	54	49	97	90	142	114	154
Total	2,662	3,010	2,976	2,789	2,664	4,491	4,355	4,471	3,780	3,704
Canada	312	298	298	258	274	1,577	1,570	1,615	1,860	1,950
Latin America:										
Argentina	19	28	36	31	30	53	59	69	76	65
Bahamas	307	325	281	299	279	977	518	594	615	630
Brazil	125	160	118	121	127	523	419	461	376	349
Chile	10	14	22	23	15	64	124	106	69	57
Colombia	22	13	14	11	11	51	49	51	51	47
Cuba	*	*	*	*	*	1	1	1	1	1
Mexico	76	64	63	72	74	263	287	297	325	307
Panama	19	21	28	18	27	84	114	132	110	128
Peru	11	15	14	18	16	60	40	44	46	50
Uruguay	2	2	2	3	3	5	6	5	15	5
Venezuela	43	53	49	39	44	172	190	190	180	166
Other L.A. republics	60	63	83	65	67	172	182	193	195	180
Neth. Antilles and Surinam	7	8	24	48	52	17	14	20	16	13
Other Latin America	59	50	81	114	144	157	169	147	196	159
Total	761	818	816	862	889	2,599	2,169	2,308	2,271	2,155
Asia:										
China, People's Republic of (China Mainland)	39	23	17	8	6	3	8	17	19	32
China, Rep. of (Taiwan)	72	72	93	102	100	118	127	137	121	125
Hong Kong	19	19	19	19	30	68	64	63	83	85
India	13	10	7	10	21	31	37	37	32	39
Indonesia	22	38	60	63	87	67	81	85	110	142
Israel	39	40	50	62	62	37	53	44	46	60
Japan	374	352	348	327	274	957	1,100	1,148	1,307	1,224
Korea	45	66	75	47	43	124	123	201	165	178
Philippines	19	28	25	19	17	86	108	93	82	91
Thailand	7	10	10	9	6	22	23	24	30	25
Other Asia	404	431	536	645	845	314	311	387	398	469
Total	1,054	1,089	1,239	1,312	1,492	1,827	2,034	2,237	2,392	2,471
Africa:										
Egypt	12	6	3	5	34	13	16	15	24	15
South Africa	24	35	43	54	65	85	90	101	104	102
Zaire	15	17	18	17	9	17	13	24	18	17
Other Africa	156	114	129	142	215	199	205	234	242	227
Total	206	172	193	217	323	314	325	374	387	362
Other countries:										
Australia	51	57	56	60	37	117	134	116	97	101
All other	24	32	30	31	18	39	44	49	44	39
Total	74	89	86	91	55	157	178	165	141	141
International and regional	63	125	159	201	257	1	1	*	1	
Grand total	5,133	5,600	5,766	5,732	5,954	10,965	10,632	11,170	10,833	10,784

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims: Total	Country or area: United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1971—June	3,172	2,982	151	687	677	180	63	625	138	312	75	74
Sept.	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec.[1]	3,159	3,118	128	705	761	174	60	652	141	327	86	85
	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972—June	3,300	3,206	108	712	748	188	61	671	161	377	86	93
Sept.	3,448	3,187	128	695	757	177	63	662	132	390	89	96
Dec.[1]	3,540	3,312	163	715	775	184	60	658	156	406	87	109
	3,592	3,284	191	745	759	187	64	703	133	378	86	38
1973—Mar.	3,770	3,421	156	802	775	165	63	796	123	393	105	45
June	3,771	3,472	180	805	782	146	65	825	124	390	108	48
Sept.	3,979	3,632	216	822	800	147	73	832	134	449	108	51
Dec.	3,867	3,695	290	763	854	145	79	824	122	450	115	53
1974—Mar.	3,816	3,813	368	737	888	194	81	800	118	448	119	61
June	3,514	3,809	363	696	907	184	138	742	117	477	122	61
Sept.	3,340	3,932	370	702	943	181	145	776	114	523	118	59
Dec.	3,677	4,112	364	640	975	187	143	1,018	107	505	121	54
1975—Mar.	3,954	4,128	340	652	1,020	182	160	961	102	527	130	54
June[p]	4,072	4,073	299	631	1,029	181	154	939	98	536	138	68

[1] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

25. OPEN MARKET RATES

(Per cent per annum)

Month	Canada: Treasury bills, 3 months[1]	Canada: Day-to-day money[2]	United Kingdom: Prime bank bills, 3 months	United Kingdom: Treasury bills, 3 months	United Kingdom: Day-to-day money	United Kingdom: Clearing banks' deposit rates	France: Day-to-day money[3]	Germany, Fed. Rep. of: Treasury bills, 60–90 days[4]	Germany, Fed. Rep. of: Day-to-day money[5]	Netherlands: Treasury bills, 3 months	Netherlands: Day-to-day money	Switzerland: Private discount rate
1973	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	6.67
1974—Oct.	8.67	8.56	11.95	10.93	10.81	9.50	13.06	5.63	8.88	7.38	7.81	7.00
Nov.	7.84	7.86	12.07	10.98	7.70	9.50	12.40	5.63	7.20	6.72	7.00	7.00
Dec.	7.29	7.44	12.91	10.99	7.23	9.50	11.88	5.13	8.25	6.69	6.96	7.00
1975—Jan.	6.65	6.82	11.93	10.59	8.40	9.30	11.20	5.13	7.54	6.60	6.18	7.00
Feb.	6.34	6.88	11.34	9.88	7.72	9.50	9.91	3.88	4.04	6.56	7.33	7.00
Mar.	6.29	6.73	10.11	9.49	7.53	8.22	9.06	3.38	4.87	5.94	5.87	7.00
Apr.	6.59	6.68	9.41	9.26	7.50	7.09	8.34	3.38	4.62	5.53	4.13	6.50
May	6.89	6.88	10.00	9.47	7.81	6.25	7.56	3.38	5.32	3.82	1.98	6.50
June	6.96	6.88	9.72	9.43	7.00	6.25	7.31	3.38	4.91	2.78	1.37	6.50
July	7.22	7.17	9.86	9.71	7.34	6.25	7.25	3.38	3.98	2.98	1.99	6.50
Aug.	7.72	7.42	10.59	10.43	8.59	6.43	7.16	3.38	1.93	2.90	1.51	6.00
Sept.	8.37	7.74	10.43	10.36	9.40	6.50	6.91	....	4.25	2.60	0.94	5.50
Oct.	....	....	11.38	11.42	9.88	6.93	6.53	....	3.27	....	....	5.50

[1] Based on average yield of weekly tenders during month.
[2] Based on weekly averages of daily closing rates.
[3] Rate shown is on private securities.
[4] Rate in effect at end of month.
[5] Monthly averages based on daily quotations.

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

NOTES TO TABLES 19a AND 19b ON PAGES A-70 AND A-71, RESPECTIVELY:

[1] Cayman Islands included beginning Aug. 1973.
[2] Total assets and total liabilities payable in U.S. dollars amounted to $37,817 million and $38,137 million, respectively, on Aug. 31, 1975.

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

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

26. CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of October 31, 1975 Per cent	Month effective	Country	Rate as of October 31, 1975 Per cent	Month effective
Argentina	18.0	Feb. 1972	Italy	6.0	Sept. 1975
Austria	6.0	Apr. 1975	Japan	6.5	Oct 1975
Belgium	6.0	Aug. 1975	Mexico	4.5	June 1942
Brazil	18.0	Feb. 1972	Netherlands	4.5	Sept. 1975
Canada	9.0	Sept 1975	Norway	5.0	Oct 1975
Denmark	7.5	Aug. 1975	Sweden	6.0	Aug. 1975
France	8.0	Sept. 1975	Switzerland	3.0	Oct. 1975
Germany, Fed. Rep. of	3.5	Sept. 1975	United Kingdom	12.0	Oct 1975
			Venezuela	5.0	Oct. 1970

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. 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. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom—The Bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above;

Venezuela—2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

27. FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1971	113.61	4.0009	2.0598	99.021	13.508	18.148	28.768	13.338	244.42	.16174	.28779
1972	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	.17132	.32995
1973	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	.17192	.36915
1974	143.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	.15372	.34302
1974—Oct.	130.92	5.4068	2.5939	101.727	16.592	21.131	38.571	12.416	233.29	.14992	.33404
Nov.	131.10	5.5511	2.6529	101.280	16.997	21.384	39.836	12.397	232.52	.14996	.33325
Dec.	131.72	5.7176	2.7158	101.192	17.315	22.109	40.816	12.352	232.94	.15179	.33288
1975—Jan.	132.95	5.9477	2.8190	100.526	17.816	22.893	42.292	12.300	236.23	.15504	.33370
Feb.	134.80	6.0400	2.8753	99.957	18.064	23.390	42.981	12.550	239.58	.15678	.34294
Mar.	135.85	6.0648	2.9083	99.954	18.397	23.804	43.120	12.900	241.80	.15842	.34731
Apr.	134.16	5.9355	2.8433	98.913	18.119	23.806	42.092	12.686	237.07	.15767	.34224
May	134.04	6.0033	2.8631	97.222	18.299	24.655	42.546	12.391	232.05	.15937	.34314
June	133.55	6.0338	2.8603	97.426	18.392	24.971	42.726	12.210	228.03	.15982	.34077
July	130.95	5.7223	2.7123	97.004	17.477	23.659	40.469	11.777	218.45	.15387	.33741
Aug.	128.15	5.4991	2.6129	96.581	16.783	22.848	38.857	11.379	211.43	.14963	.33560
Sept.	128.87	5.4029	2.5485	97.437	16.445	22.367	38.191	11.281	208.34	.14740	.33345
Oct.	126.26	5.4586	2.5662	97.557	16.601	22.694	38.737	11.244	205.68	.14745	.33076

Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1971	32.989	8.0056	28.650	113.71	14.205	3.5456	140.29	1.4383	19.592	24.325	244.42
1972	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1974—Oct.	41.560	8.0000	37.639	129.95	18.165	3.9246	142.75	1.7422	22.683	34.528	233.29
Nov.	43.075	8.0000	38.438	130.42	18.404	3.9911	143.88	1.7522	23.175	36.384	232.52
Dec.	42.431	8.0000	39.331	130.56	18.873	4.0400	144.70	1.7716	23.897	38.442	232.94
1975—Jan.	43.359	8.0000	40.715	131.72	19.579	4.0855	145.05	1.7800	24.750	39.571	236.23
Feb.	44.136	8.0000	41.582	133.30	19.977	4.1139	147.16	1.7784	25.149	40.450	239.58
Mar.	44.582	8.0000	42.124	134.31	20.357	4.1276	148.70	1.7907	25.481	40.273	241.80
Apr.	43.797	8.0000	41.291	132.66	20.049	4.0596	147.01	1.7756	25.171	39.080	237.07
May	44.278	8.0000	41.581	131.66	20.198	4.0933	146.69	1.7871	25.422	39.851	232.05
June	43.856	8.0000	41.502	130.86	20.393	4.1124	146.31	1.7922	25.532	40.086	228.03
July	41.442	8.0000	39.154	127.73	19.241	3.9227	139.75	1.7446	24.213	38.272	218.45
Aug.	39.779	8.0000	37.887	111.79	18.304	3.7700	139.72	1.7140	23.174	37.332	211.43
Sept.	38.219	8.0000	37.229	105.50	17.834	3.7048	131.40	1.6914	22.501	36.905	208.35
Oct.	38.931	8.0000	37.658	104.74	18.089	3.7359	114.84	1.6883	22.769	37.555	205.68

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

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Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK, *branch, or facility*	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON[1]	02106	Louis W. Cabot *Robert M. Solow*	Frank E. Morris *James A. McIntosh*	
NEW YORK[1]	10045	Roswell L. Gilpatric Frank R. Milliken	Paul A. Volcker Richard A. Debs	
Buffalo	14240	Donald Nesbitt		Ronald B. Gray
PHILADELPHIA	19105	John R. Coleman Edward J. Dwyer	David P. Eastburn Mark H. Willes	
CLEVELAND[1]	44101	Horace A. Shepard Robert E. Kirby	Willis J. Winn Walter H. MacDonald	
Cincinnati	45201	Phillip R. Shriver		Robert E. Showalter
Pittsburgh	15230	G. Jackson Tankersley		Robert D. Duggan
RICHMOND[1]	23261	Robert W. Lawson, Jr. E. Craig Wall, Sr.	Robert P. Black George C. Rankin	
Baltimore	21203	James G. Harlow		Jimmie R. Monhollon
Charlotte	28230	Charles W. DeBell		Stuart P. Fishburne
Culpeper Communications Center	*22701*			Albert D. Tinkelenberg
ATLANTA	30303	H. G. Pattillo Clifford M. Kirtland, Jr.	Monroe Kimbrel Kyle K. Fossum	
Birmingham	35202	Frank P. Samford, Jr.		Hiram J. Honea
Jacksonville	32203	James E. Lyons		Edward C. Rainey
Miami	33152	Castle W. Jordan		W. M. Davis
Nashville	37203	John C. Tune		Jeffrey J. Wells
New Orleans	70161	Floyd W. Lewis		George C. Guynn
CHICAGO[1]	60690	Peter B. Clark Robert H. Strotz	Robert P. Mayo Daniel M. Doyle	
Detroit	48231	W. M. Defoe		William C. Conrad
ST. LOUIS	63166	Edward J. Schnuck Sam Cooper	Darryl R. Francis Eugene A. Leonard	
Little Rock	72203	Ronald W. Bailey		John F. Breen
Louisville	40201	James H. Davis		Donald L. Henry
Memphis	38101	Jeanne L. Holley		L. Terry Britt
MINNEAPOLIS	55480	Bruce B. Dayton James P. McFarland	Bruce K. MacLaury Clement A. Van Nice	
Helena	59601	William A. Cordingley		John D. Johnson
KANSAS CITY	64198	Robert T. Person Harold W. Andersen	George H. Clay John T. Boysen	
Denver	80217	Maurice B. Mitchell		J. David Hamilton
Oklahoma City	73125	James G. Harlow, Jr.		William G. Evans
Omaha	68102	Durward B. Varner		Robert D. Hamilton
DALLAS	75222	John Lawrence *Charles T. Beaird*	Ernest T. Baughman *T. W. Plant*	
El Paso	79999	Herbert M. Schwartz		Fredric W. Reed
Houston	77001	Thomas J. Barlow		James L. Cauthen
San Antonio	78295	Pete J. Morales, Jr.		Carl H. Moore
SAN FRANCISCO	94120	O. Meredith Wilson Joseph F. Alibrandi	John J. Balles John B. Williams	
Los Angeles	90051	Joseph R. Vaughan		Richard C. Dunn
Portland	97208	Loran L. Stewart		Angelo S. Carella
Salt Lake City	84110	Sam Bennion		A. Grant Holman
Seattle	98124	Malcolm T. Stamper		James J. Curran

[1] Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Columbus, Ohio 43216; Columbia, South Carolina 29210; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

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PUBLISHED INTERPRETATIONS OF THE BOARD OF GOVERNORS, as of June 30, 1975. $2.50.

SUPPLEMENT TO BANKING AND MONETARY STATISTICS. **Sec. 1.** Banks and the Monetary System. 1962. 35 pp. $.35. **Sec. 2.** Member Banks. 1967. 59 pp. $.50. **Sec. 5.** Bank Debits. 1966. 36 pp. $.35. **Sec. 6.** Bank Income. 1966. 29 pp. $.35. **Sec. 9.** Federal Reserve Banks. 1965. 36 pp. $.35. **Sec. 10.** Member Bank Reserves and Related Items. 1962. 64 pp. $.50. **Sec. 11.** Currency. 1963. 11 pp. $.35. **Sec. 12.** Money Rates and Securities Markets. 1966. 182 pp. $.65. **Sec. 14.** Gold. 1962. 24 pp. $.35. **Sec. 15.** International Finance. 1962. 92 pp. $.65. **Sec. 16 (New).** Consumer Credit. 1965. 103 pp. $.65.

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

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[1] Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Republic of Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, El Salvador, Uruguay, and Venezuela.

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OPERATING POLICIES OF BANK HOLDING COMPANIES PART II. NONBANKING SUBSIDIARIES, by Robert J. Lawrence. Mar. 1974. 59 pp.

HOUSEHOLD SECTOR ECONOMIC ACCOUNTS, by David F. Seiders. Jan. 1975. 84 pp.

THE PERFORMANCE OF INDIVIDUAL BANK HOLDING COMPANIES, by Arthur G. Fraas. Aug. 1975. 27 pp.

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Staff Economic Studies shown in list below.

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(Except for Staff Papers, Staff Economic Studies, and some leading articles, most of the articles reprinted do not exceed 12 pages.)

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BANKING AND MONETARY STATISTICS, 1974. Selected series of banking and monetary statistics for 1974 only. 2/75, 3/75, 4/75 and 7/75.

CHANGES IN TIME AND SAVINGS DEPOSITS AT COMMERCIAL BANKS, January-April 1975. 10/75.

RECENT DEVELOPMENTS IN INTERNATIONAL FINANCIAL MARKETS. 10/75.

MINNIE: A SMALL VERSION OF THE MIT-PENN-SSRC ECONOMETRIC MODEL, **Staff Economic Study** by Douglas Battenberg, Jared J. Enzler and Arthur M. Havenner. 11/75.

Index to Statistical Tables

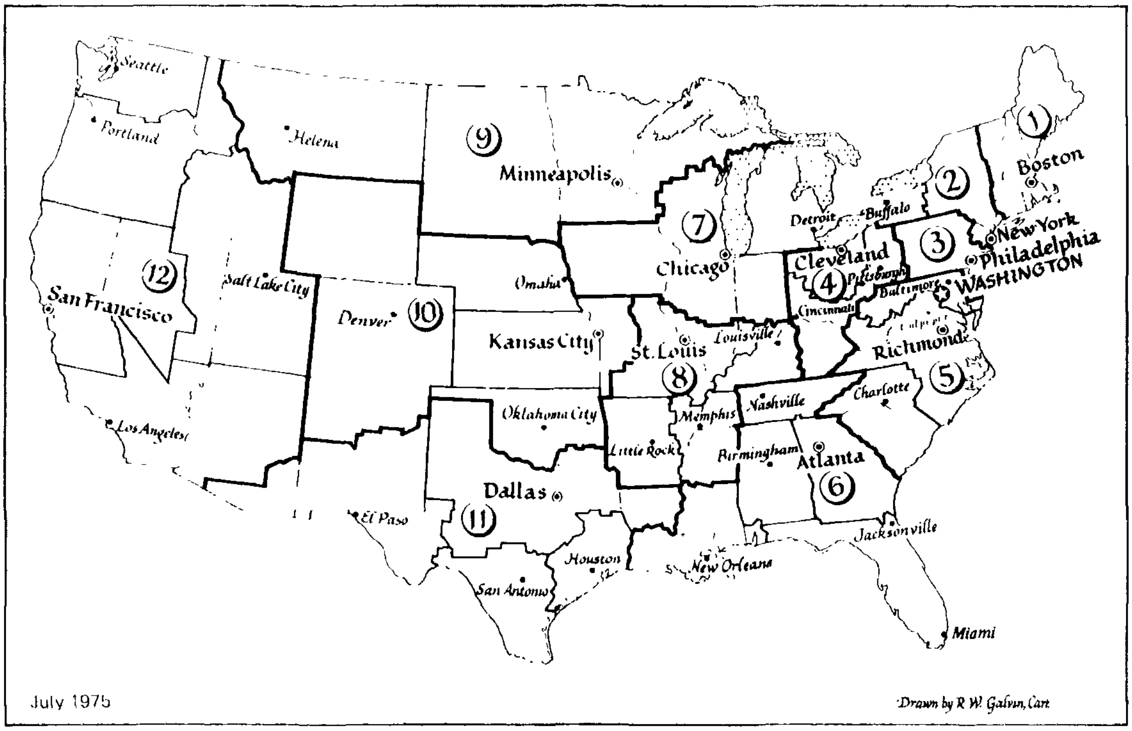
References are to pages A-2 through A-75 although the prefix "A" is omitted in this index

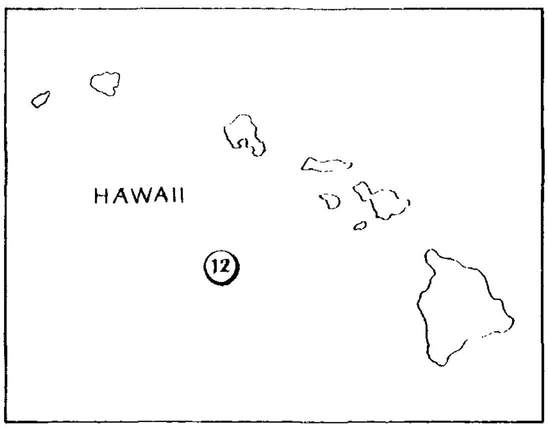
(For list of tables published periodically, but not monthly, see inside back cover)

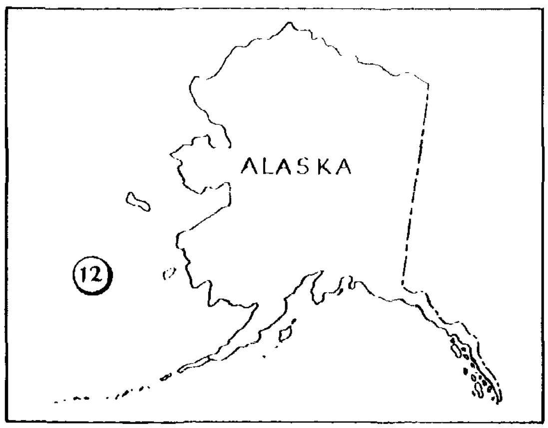
References are to pages A-2 through A-75 although the prefix "A" is omitted in this index

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

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

e	Estimated
c	Corrected
p	Preliminary
r	Revised
rp	Revised preliminary
I, II, III, IV	Quarters
n.e.c.	Not elsewhere classified
A.R.	Annual rate
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation
N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
IPC	Individuals, partnerships, and corporations
SMSA	Standard metropolitan statistical area
A	Assets
L	Liabilities
S	Sources of funds
U	Uses of funds
*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
....	(1) Zero, (2) no figure to be expected, or (3) figure delayed

GENERAL INFORMATION

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

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

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

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

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

TABLES PUBLISHED QUARTERLY, SEMIANNUALLY, OR ANNUALLY, WITH LATEST BULLETIN REFERENCE

Quarterly	*Issue*	*Page*
Sales, revenue, profits, and dividends of large manufacturing corporations	Sept 1975	A-82
Semiannually		
Banking offices:		
Number in the United States	Aug. 1975	A-76
Number of par and nonpar	Aug. 1975	A-77
Annually		
Bank holding companies, Banking offices and deposits of group banks, Dec. 31, 1974	June 1975	A-76–A-79
Banking and monetary statistics, 1974	Feb. 1975	A-84–A-85
	Mar 1975	A-79–A-82
	Apr 1975	A-78–A-85
	May 1975	337
	July 1975	A-77

Annually—Continued	*Issue*	*Page*
Banks and branches, number, by class and State	Apr. 1975	A-76–A-77
Flow of funds:		
Assets and liabilities:		
1962–73	Oct 1974	A-59.14–A-59.28
Flows:		
1965–73	Oct. 1974	A-58–A-59.13
Income and expenses:		
Federal Reserve Banks	Feb 1975	A-80–A-81
Insured commercial banks	June 1975	A-80–A-81
Member banks		
Calendar year	June 1975	A-80–A-89
Income ratios	June 1975	A-90–A-95
Operating ratios	Sept 1975	A-76–A-81
Stock market credit	Feb 1975	A-86–A-87

Statistical Releases

LIST PUBLISHED SEMIANNUALLY, WITH LATEST BULLETIN REFERENCE

	Issue	*Page*
Anticipated schedule of release dates for individual releases	June 1975	A-101