

# Federal Reserve Bulletin

APRIL 1972



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# FEDERAL RESERVE BULLETIN

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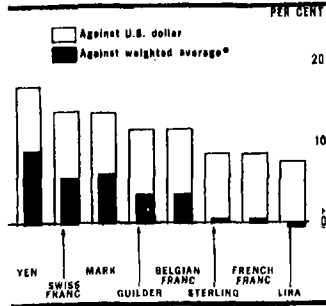
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# U.S. Balance of Payments and Investment Position

**THE EXTENT** of the fundamental disequilibrium in the U.S. balance of payments was dramatically exposed last year when the trade balance worsened abruptly. At the same time the outflow of private capital increased to mammoth proportions. Although over-all deficits had persisted for many years, the official settlements balance had been held within a relatively narrow band in the 1960's. In the early years of the decade, a strong trade balance served to offset growing outflows of capital. After the mid-1960's official restrictions on outflows of U.S. private capital, together with large inflows of foreign private long-term and liquid capital, masked the effects of a declining trade surplus and even produced official settlements surpluses in 1968 and 1969.

Increasing stresses became evident in 1970, when the easing of monetary policy in the United States, to cope with a deepening recession, led to massive repayments by U.S. banks of their borrowings in the Euro-dollar market—with an adverse effect on the official settlements balance far exceeding the beneficial effects of a temporarily improved trade balance. Before many months of 1971 had gone by, market participants recognized that an impasse had been reached and that there would almost certainly have to be a decisive change in the exchange rates of the dollar against foreign currencies. The vast speculative flows that ensued brought matters to a head, triggering the actions that the President took on August 15.

## REVALUATIONS OF MAJOR CURRENCIES

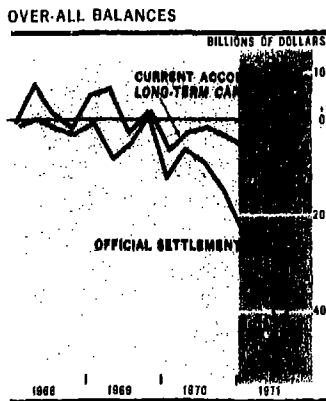


Revaluations are calculated from new central rates and parities in effect on May 1, 1971.

\*For weighted averages, weights are 1970 shares of each country in total trade of Group-of-Ten countries (includes U.S.) plus Switzerland.

A detailed review of the hectic exchange market activity last year was published in the article on foreign exchange operations in the March BULLETIN. It is important to note that one result of the suspension of the convertibility of the dollar in August was a general recognition that fundamental improvement of the U.S. balance of payments could not be secured by a few *ad hoc* adjustments of the exchange rates of those countries most obviously in surplus, or by a uniform devaluation of the dollar against all currencies. What was needed was a coordinated multilateral move that would take into account the differing balance of payments situations of different countries, some in fundamental surplus to a greater or lesser degree, and some in basic deficit. Successful negotiation of such a realignment in the Smithsonian meeting of December 17 and 18, 1971, was a remarkable achievement, and the eventual effects on trading positions of the relative changes arrived at (see accompanying chart) should go a long way toward restoring equilibrium in world trade and payments.

## DEVELOPMENTS IN 1971



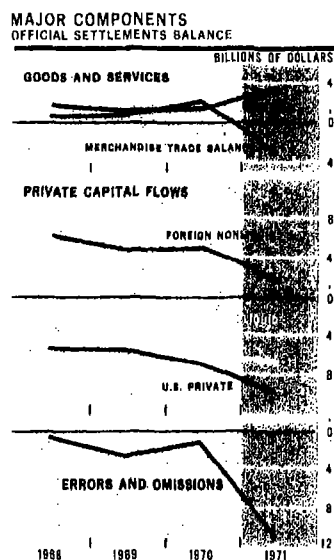
<sup>1</sup>Excludes SDR allocations.

Quarterly data at seasonally adjusted annual rates.

On any basis of measurement the U.S. balance of payments deficit was extraordinarily large in 1971. The surplus on transactions in goods and services dropped to less than \$1 billion while the identified outflow for remittances and pensions, U.S. Government grants and capital, and private long-term capital rose to a record \$10 billion. Thus, the deficit on current account and long-term capital exceeded \$9 billion, after having averaged less than \$2.5 billion since 1965 and less than \$1 billion in the early 1960's. In addition, recorded outflows of short-term capital of more than \$10 billion and unrecorded net payments approaching \$11 billion raised the official settlements deficit (before crediting the Special Drawing Rights allocation of \$0.7 billion) to \$30.5 billion.

A part of this deficit was financed by the use of U.S. international reserves, which were drawn down by \$3.1 billion; this reduced U.S. reserve assets to \$12.1 billion by the end of the year. By far the greater part of the deficit was financed by increases in foreign official reserve holders' claims against the United States. These grew by \$27.4 billion in the year and totaled nearly \$52 billion by year-end.

An extraordinary outpouring of capital from the United States dominated the balance of payments last year. Aggregate net outflows of private capital, both those recorded and those believed to be reflected in the residual errors and



omissions in the accounts, exceeded \$24 billion, compared with about \$8 billion in 1970. Recorded outflows of U.S. private capital exceeded \$9.5 billion, reaching a peak in the period of heightened speculation in the third quarter. This was an increase of about \$2.5 billion over the preceding year. Inflows of foreign capital adding to nonliquid foreign private assets in the United States shrank to under \$2 billion, less than half the inflow of the previous year. As in 1970, there was a large outflow of foreign liquid funds—nearly \$7 billion—reducing U.S. liquid liabilities to private foreigners, especially in the form of U.S. banks' borrowings from the Euro-dollar market. Finally, a major adverse flow of capital was represented in the errors and omissions item—which may have included as much as \$10 billion of various types of flows responding to interest rate differentials or stimulated

**TABLE 1**  
U.S. BALANCE OF PAYMENTS, 1960-71

In billions of dollars

Line	Item	1960-64 average	1965-69 average	1970	1971
1	Exports of goods and services <sup>1</sup>	31.3	47.0	62.9	65.9
	Merchandise, excluding military	21.7	31.3	42.0	42.8
	Military sales	.6	1.1	1.5	1.9
	Investment income <sup>2</sup>	5.1	8.6	11.4	12.7
	Other services	4.0	6.0	8.0	8.5
2	Imports of goods and services <sup>1</sup>	-25.4	42.6	59.3	65.2
	Merchandise, excluding military	-16.2	28.5	39.9	45.6
	Military expenditures	-3.0	-4.1	-4.9	-4.8
	Investment income <sup>2</sup>	-1.2	-2.8	-5.2	-4.8
	Other services	5.0	7.2	9.4	10.0
3	Balance on goods and services <sup>1</sup>	5.9	4.4	3.6	.7
	Merchandise, excluding military	5.4	2.8	2.1	-2.9
	Military sales and expenditures	-2.4	-2.9	-3.4	-2.9
	Investment income <sup>2</sup>	3.9	5.7	6.2	7.9
	Other services	-1.0	-1.2	1.4	-1.5
4	Remittances and pensions, net	.7	-1.1	-1.4	-1.5
5	U.S. Govt. grants and capital <sup>3</sup> , net	2.9	-3.7	-3.8	-4.4
6	Long-term private capital, net	-2.9	-1.8	-1.5	-4.1
7	Balance on current account and long-term capital (lines 3 through 6)	-7	-2.2	-3.0	-9.3
8	Nonliquid short-term private capital, net	-1.1	.2	.5	-2.5
9	Errors and omissions	-1.0	1.0	1.1	-10.9
10	Net liquidity balance (excluding SDR allocations) (lines 7 through 9)	-2.8	-3.4	-4.7	-22.7
11	Liquid private capital, net	.6	3.4	-6.0	-7.8
12	Official settlements balance (excluding SDR allocations) (lines 10 and 11)	-2.2	.0	-10.7	-30.5
	Financed by change in:				
	U.S. official reserve assets (excluding SDR allocations), decrease (-)	1.0	-.0	3.3	3.1
	U.S. liabilities to foreign official agencies, increase (+)	1.2	.1	7.3	27.4
<b>MEMO:</b>					
	SDR allocations			.9	.7
	Balance including SDR allocations				
	Net liquidity balance			-3.8	-22.0
	Official settlements balance			-9.8	-29.8

<sup>1</sup> Excluding transfers under military grants.

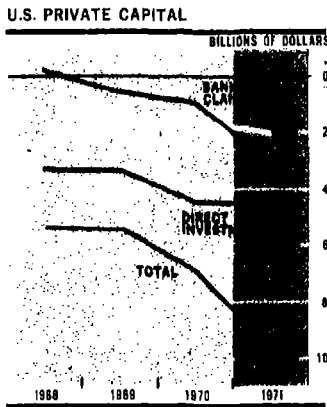
<sup>2</sup> Excluding undistributed earnings of subsidiaries.

<sup>3</sup> Includes nonliquid liabilities to other than official reserve holders.

NOTE: -Details may not add to totals because of rounding. Data are from U.S. Dept. of Commerce, Bureau of Economic Analysis.

by expectations of exchange rate changes; among such flows would be unreported shifts in accounts receivable or payable due to leads and lags in payments for goods and services.

### CAPITAL FLOWS



The increase in recorded outflows of U.S. private capital last year resulted primarily from stronger foreign demand for credit from U.S. banks and from shifts in short-term assets and liabilities of U.S. corporations. In both cases, expectations of exchange rate changes played a role. On the other hand, U.S. purchases of foreign securities were smaller than in many earlier years, and over the year as a whole the net flow of direct-investment capital from U.S. corporations to their foreign affiliates was not much greater than in 1970.

Return flows of direct-investment funds in the last days of the year offset the sharply higher rates of outflow in the first three quarters of 1971, which also had probably been influenced by exchange market uncertainties. Companies apparently did not make great use of the 2-month extension of the legal deadline for compliance with limits on annual outflows.

**TABLE 2**  
PRIVATE CAPITAL FLOWS, RECORDED

In millions of dollars; outflows from U.S. (-)

Line	Item	1969	1970	1971	1971			
					I	II	III	IV
					(seasonally adjusted)			
1	U.S. and foreign private capital.....	8,134	-7,999	-14,450	-4,415	-2,149	-5,687	-2,199
2	U.S. private capital.....	-5,424	-6,915	-9,585	-2,235	-2,201	-3,455	-1,694
3	Direct investment.....	-3,254	-4,446	-4,525	-1,370	-1,393	-1,404	-358
4	Net purchases of foreign securities.....	-1,494	-942	-910	-353	-388	-248	79
5	Claims reported by U.S. banks.....	-550	-951	-2,969	-130	-328	-1,578	-933
6	Short-term assets related to direct investments <sup>1</sup> .....	-187	-84	-195	-109	-34	-4	-48
7	Other.....	61	-492	-986	-273	-58	-221	-434
8	Nonliquid foreign private assets in U.S.....	4,896	5,158	1,840	535	85	93	1,127
9	Related to U.S. direct investments abroad <sup>2</sup> .....	1,730	1,975	1,278	539	314	102	323
10	U.S. corporate stocks <sup>3</sup> .....	1,565	697	836	79	-3	231	529
11	Other corporate securities (excluding Treasury issues) <sup>4</sup> .....	518	671	278	163	-64	151	28
12	Foreign direct investment in U.S.....	832	969	-192	92	-16	-388	120
13	Other nonliquid assets in U.S. <sup>4</sup> .....	251	846	-360	-338	-146	-3	127
14	Liquid foreign private assets in U.S.....	8,662	-6,242	-6,705	-2,715	-33	-2,325	-1,632
15	Of foreign commercial banks.....	9,166	-6,507	-6,902	-3,067	-84	-2,113	-1,638
16	Of other private foreigners.....	-441	86	-478	72	-147	-368	-35
17	Of international and regional organizations.....	-63	179	675	280	198	156	41
MEMO: Capital transactions related to U.S. direct investments abroad (lines 3, 6, and 9).....		-1,711	-2,555	-3,442	-940	-1,113	-1,306	-83

<sup>1</sup> Unexpended proceeds of the new issues included in line 9, held abroad.

<sup>2</sup> Includes new security issues sold abroad for the purpose of financing direct investments plus other long-term borrowing abroad by U.S. corporations, including some borrowing for other purposes.

<sup>3</sup> Excludes transactions included in line 9.

<sup>4</sup> Includes transactions of international and regional institutions other than the IMF.

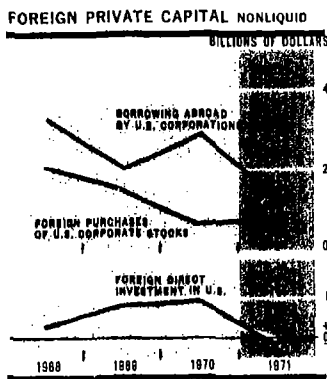
NOTE.—Data are from the U.S. Dept. of Commerce, Bureau of Economic Analysis.

Recent estimates of foreign plant and equipment expenditures by U.S. direct-investment affiliates show an increase of 9 per cent from 1970 to 1971, following a record rise of 21 per cent the year before; a further slowdown to a 7 per cent rise is projected by the companies for this year. This tapering off in fixed capital outlays seems to be primarily a reaction to the general slowing in expansion of activity in foreign countries and would reduce the demand for financing from U.S. sources. Retained earnings and other sources of financing abroad cover a substantial part of these outlays.

Companies—foreign-owned as well as U.S.-owned—operating in the United States reversed the normal growth in their short-term debt to foreigners in 1971, and added to their short-term claims on foreigners. The net shift from 1970 to 1971 in reported short-term corporate capital flows was over \$2 billion, and there was also probably a large unreported outflow.

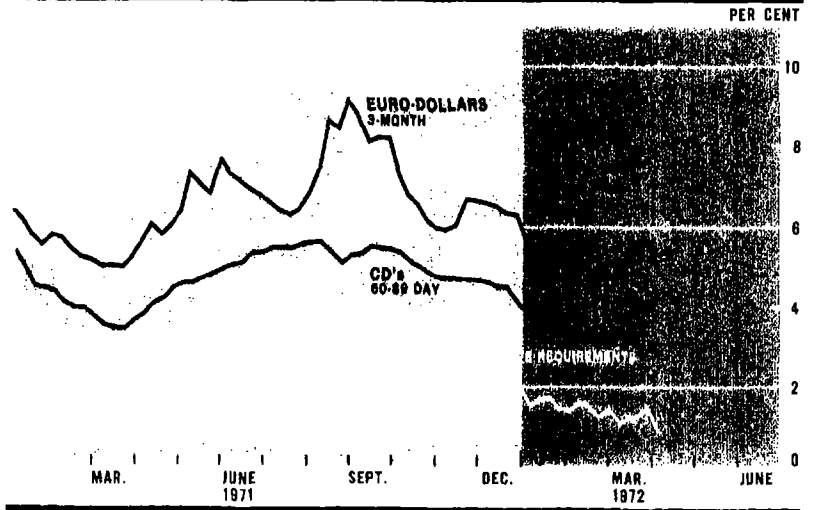
Foreign assets of U.S. banks (including U.S. agencies and branches of foreign banks), together with customers' funds placed abroad reported by these banks, increased about \$3 billion in 1971. Some of the bank credit outflow was facilitated by the statutorily required exemption in November of export credits from the ceilings on foreign assets established under the Federal Reserve's voluntary foreign credit restraint program. Japan and the United Kingdom each received about \$500 million of the bank-reported outflow; \$400 million went to Canada, which is exempt from the ceilings; and smaller increases were reported for many other countries.

While a variety of influences operated to enlarge capital outflows in 1971, the continued large outflow of funds that reduced U.S. liquid liabilities to private foreigners was primarily a function of the relationships among interest rates. As had occurred in 1970, interest rates in the Euro-dollar market were sufficiently above comparable rates in the United States to cause U.S. banks to run down their borrowings—built up sharply in 1968–69—from their branches abroad. In 1971 these borrowings were reduced by \$4.9 billion, following a reduction of \$6.3 billion the year before; the outstanding balances, as accounted for in the balance of payments, were thus cut to only \$1.2 billion. Other foreign commercial banks drew down their U.S. working balances by more than \$2 billion.





1 | INTEREST RATES compared



Euro-dollar rates are weekly averages of noon bid rates in the London market. CD rates are median offer rates posted by New York City banks, as of each Wednesday. The differential is calculated after adjusting the CD rate for the 5 per cent reserve requirement on time deposits at U.S. banks.

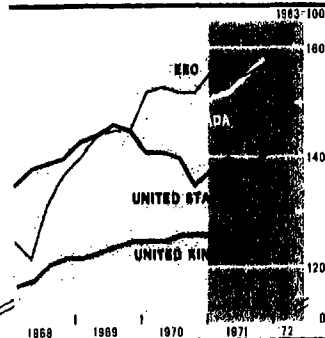
CURRENT TRANSACTIONS

The surplus on transactions in goods and services in 1971 was only \$0.7 billion, a drop of nearly \$3 billion from 1970 and far below the average surplus of \$6 billion recorded in the 1960-64 period. The balance on goods (excluding military) was a deficit of \$3 billion in 1971—the first trade deficit since 1935 and the result of a \$5 billion net deterioration from 1970. This worsening was offset, in part, by a \$2 billion improvement in the surplus on service items, principally because of higher net income receipts and a reduction in net military expenditures abroad.

**Merchandise trade.** The shift in the trade account in 1971 stemmed from only a slight growth in exports and a very sharp advance in imports; exports in 1971 were only about 2 per cent higher than in 1970 while imports rose by nearly 15 per cent—much faster than the rise in gross national product in current prices. Because the average price of exports, measured by unit values, rose by 3 per cent, there was some reduction in the volume of exports last year. The prices (unit values) of imports in 1971 rose faster than those of exports—more than 5 per cent—but the volume of imports rose by about 9 per cent.

The general weakening of business activity in Europe and Japan that became evident in 1970, and the moderate recovery in 1971 in the U.S. economy, were the leading factors in the change in our trade balance last year. Anticipated or actual do-

INDUSTRIAL PRODUCTION



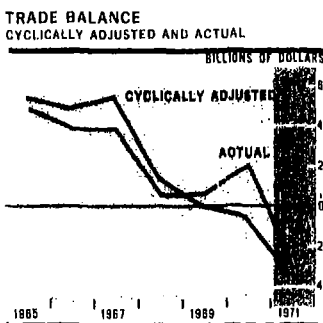
Seasonally adjusted OECD quarterly data.

mestic strikes—in particular those affecting the docks, railroads, steel, aluminum, and coal—while causing erratic monthly movements in exports and imports, were responsible only in small part for the pronounced worsening in the trade balance for the year as a whole. Strikes probably depressed the level of exports somewhat more than that of imports. Other factors affecting trade movements in 1971 were anticipation of the imposition of “voluntary” controls by foreign governments on some exports to the United States and the increasing possibility—confirmed by events—of changes in exchange rates.

In an effort to determine how much of the deterioration in the trade balance in 1971 reflected longer-run forces, an extremely rough adjustment to eliminate the effects of strikes and cyclical conditions here and abroad and of some other special factors has been made. On this “adjusted” basis it appears that there has been a steady deterioration in the U.S. trade balance since 1967. In each of the years 1965, 1966, and 1967 the adjusted average trade balance was a surplus of about \$5 billion. (Some investigators, however, find that there was already an underlying downtrend in that period.) This adjusted balance shrank to a surplus of about \$1.5 billion in 1968, became negligible in 1969, and turned to a deficit of about \$1 billion in 1970. Last year the deficit on this basis is estimated to have been more than \$3 billion. Thus, the worsening in the actual balance in 1971 reflected not only a strong shift in the cyclical position and other transitory factors but also a continuation of the trend rate of decline that started in the mid-1960’s.

The U.S. share of world exports to non-U.S. markets fell markedly in 1971—to about 16.5 per cent—compared with 20.5 per cent in 1960 and about 19 per cent in the mid-1960’s. Exports of industrial supplies and materials—especially those of metals—declined sharply, largely offsetting the rise in the value of exports of agricultural commodities, of commercial aircraft, and of automotive equipment to Canada.

The rate of growth in economic activity in most foreign industrial countries flattened out last year. In Japan industrial production expanded by less than 5 per cent from 1970 to 1971 compared with 16 per cent from 1969 to 1970 and an equally high rate during most of the decade of the 1960’s. The increase in industrial output in Germany in 1971 was only about one-third as much as the increase from 1969 to 1970. Canadian economic activity was more vigorous last year than in 1970, when the bottom of the recession was reached,



The actual trade balance is on a balance of payments basis. The cyclically adjusted balance (Federal Reserve estimate) is based on an assumption of full employment in the U.S. and abroad; estimated effects of strikes and the Suez Crisis in 1967 are eliminated.

TABLE 3

## TOTAL PRODUCTION AND EXPORTS OF SELECTED COMMODITIES IN JAPAN AND GERMANY

Based on quantity data

Country and commodity	Annual average rate of change (in per cent)						1970 exports, selected commodities	
	1965-69			1970-71 <sup>1</sup>			As per cent of production	To U.S. as per cent of total exports
	Total production	Exports	Production for domestic use	Total production	Exports	Production for domestic use		
<b>JAPAN</b>								
Television receivers.....	31.9	33.7	30.9	-5.2	18.5	-20.3	38.8	63.1
Cameras.....	5.2	15.6	-4.4	-8.5	14.6	-30.1	48.4	29.0
Passenger cars.....	39.2	49.4	36.8	11.4	67.3	-7.1	22.4	44.8
Trucks.....	14.9	31.3	13.6	-9	50.9	-7.1	10.8	31.7
Motorcycles.....	3.9	9.5	2	14.9	23.7	3.8	55.6	63.2
Steel.....	18.8	13.2	20.6	-5.0	35.8	-14.5	18.9	23.9
<b>GERMANY</b>								
Passenger cars.....	5.8	7.3	4.6	4.8	9.0	.8	48.4	35.1
Steel.....	5.3	7.5	4.5	-10.4	10.0	-17.9	26.7	11.5

<sup>1</sup> 1971 data partly estimated.

but use of resources was still much below capacity. As domestic demand weakened in most foreign countries, foreign producers depended increasingly on selling their output abroad. For example, while domestic sales of cars, TV receivers, cameras, and motorcycles in Japan fell sharply from 1970 to 1971, producers in that country were able to resist production cutbacks and even to expand output by exporting increased amounts of these goods. This was also true for German exports of steel and cars.

The advance in U.S. imports last year was broadly based, as all major categories of goods—foods, industrial materials, capital equipment, automobiles, and other consumer goods—increased over 1970 levels. The greatest increase was in cars, particularly from Japan. The physical volume of imports of industrial materials rose by nearly 10 per cent even though the rise in U.S. industrial production during the year was modest. The rise in imports of materials was concentrated in steel, petroleum, and lumber. The increase in steel reflected heavy purchases in anticipation of a possible domestic steel strike and the greater availability of steel from abroad as foreign demand slackened. The higher import value for petroleum stemmed from both increased oil quotas and higher prices, whereas the large increase in lumber imports was associated with the strong rise in domestic residential construction.

Most of the deterioration in our trade balance from 1970 to 1971 was with the industrial countries, particularly with



Half years at seasonally adjusted annual rates, balance of payments basis.

Western Europe and Japan. Our trade deficit with Japan rose to \$3.2 billion in 1971, about 2½ times as large as in 1970; exports declined as a result of the depressed level of economic activity in that country while our imports from Japan rose sharply. Our customary trade surplus with the West European countries fell to less than \$1 billion last year compared with nearly \$3 billion in the preceding year.

**Services.** The surplus on services reached a record \$3.5 billion in 1971 compared with \$1.5 billion in 1970. The previous high was \$2.2 billion, in 1965. The principal element in the 1971 improvement was the large increase in income receipts from U.S. direct investment abroad, including in particular a large increase in receipts from petroleum companies. As a result of the realignment of exchange rates, local currency earnings of many foreign affiliates became larger in terms of dollars, and preliminary reports indicate stepped-up remittances to U.S. parent companies at the end of 1971. Consequently, income receipts from U.S. direct investments abroad in the fourth quarter of last year were a record-breaking \$2.2 billion, nearly 50 per cent higher than in the fourth quarter of 1970.

Income payments to foreigners on their investments and liquid asset holdings in the United States declined by about \$0.5 billion in 1971, as the effect of the decline in average interest rates on foreign assets held here more than offset the effect of the increase in volume of such assets.

A reduction in net military expenditures abroad by \$0.5 billion in 1971 was the result of exceptionally high receipts from military agency sales. Gross military expenditures abroad in 1971 were virtually unchanged from 1969 and 1970. Savings in expenditures from the large withdrawals of troops from Vietnam and from other countries in Southeast Asia were largely offset by increased costs in other countries; such costs more recently have been raised further, in dollar terms, by the dollar's depreciation against foreign currencies.

#### **EFFECTS OF REALIGNMENT**

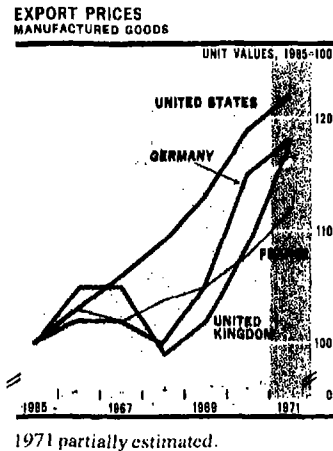
Although it is generally agreed that the realignment of exchange rates last December should eventually produce a major shift in the U.S. trade balance—on the order of \$7 billion to \$8 billion—it is also well known that the initial effects of a devaluation are normally adverse for the balance of trade. In the U.S. case, the usual immediate difficulties are likely to be magnified by cyclical demand factors here and abroad.

Immediate adverse effects from a devaluation occur in large part because the volume of trade does not respond immediately to price changes. If U.S. exporters maintain their dollar prices, the lower cost to foreign customers in terms of their own currencies should stimulate buying and in time raise the volume of exports enough to produce some increase in export values in terms of foreign currencies, and a considerable increase in terms of dollars. On the import side, if foreign exporters hold their export prices in their currencies unchanged, the dollar cost to the U.S. consumer rises; eventually the lowering of the volume of purchases will reduce aggregate dollar expenditures on imports. Initially, however, the increase in the aggregate dollar value of imports is likely to outweigh any favorable impact on exports.

To the extent that import prices in terms of dollars do not rise because of long-run contractual arrangements, or because foreign exporters adjust their profit margins rather than raising their prices by the full amount of the exchange rate changes, the full impact of the realignment on the volume of imports will be delayed. Also, imports of the United States, unlike those of most other countries, are normally invoiced in our own currency so that a rise in import prices requires some action by foreign sellers, in contrast to the automatic price increase that occurs in devaluing countries whose imports are invoiced in currencies other than their own.

The actual outcome for U.S. trade this year will depend heavily on conditions of over-all demand here and abroad. If, as expected, demand conditions in principal foreign markets improve only slowly, local producers will resist competition from the United States in their home markets and will tend to absorb some of the revaluation in order to hold down prices of exports to the U.S. market. This would occur especially in cases where the revaluation has been large and a sizable portion of the output of an industry is geared to export markets.

While it is easy enough to identify factors that will retard improvement in the U.S. trade balance in the short run, there are other factors that could be advantageous to the U.S. trade position and should reinforce the effects of the realignment over a somewhat longer time horizon. The principal potentially helpful factor is the trend in wages and prices. For some time before the revaluations, costs and prices in manufacturing abroad were rising faster than in the United States. The effects



of these changes in prices here and abroad did not show up until fairly recently in export prices, but a combination of such on-going increases in foreign costs with the revaluation effect on the foreign prices of U.S. goods should act powerfully to bring the needed changes in various countries' trade balances, especially when renewed growth of demand abroad puts greater pressures on local supplies. Of course, these changes will also require active policies in the United States to limit price increases and promote exports. Other countries with large persistent surpluses will need to consider steps to reinforce the effects of revaluation—in particular, steps that would lower barriers to their imports and facilitate a redirection of their industry from concentration on exports toward providing more goods and services to the domestic market.

The realignment of exchange rates will have several diverse effects on the dollar value of service transactions—travel, transportation, military expenditures, and investment income returns. About one-third of U.S. travel expenditures abroad are in European countries where sizable revaluations have occurred; U.S. travel to those countries may drop off, though some will only be diverted to non-revaluing countries. Foreign travel to the United States will be encouraged, but the amount involved is not likely to be great. Net dollar payments for freight on U.S. imports will probably rise somewhat to cover foreign currency expenses. As noted earlier, military expenditures abroad, especially those in Germany and Japan, were already increased in dollar terms in 1971 by the revaluation of foreign currencies, and they will rise further on that account this year, as well as because of rising prices abroad. Last year's revaluations will tend to raise income receipts this year as the local currency earnings of U.S. affiliates in many countries will rise in terms of dollars. On balance, however, the likely favorable effects of the realignment on income receipts and foreign travel expenditures may be offset, in part, by the increased costs of maintaining Armed Forces overseas.

The effects of the currency realignment on capital flows between the United States and foreign countries are especially conjectural in the period ahead. Short-term capital is ordinarily influenced by relative interest costs and yields, but flows related to precautionary motives are unpredictable. In the period ahead, the direction of these flows will be influenced by developments in the current account, as well as by evidence of the policies adopted by national authori-

ties. Flows of longer-term capital into portfolio securities or direct investments will probably continue to be influenced mainly by considerations of longer-term economic trends, although there are also important short-term speculative influences. A successful realignment and a strong U.S. growth rate will certainly help to sustain a large continuing inflow of foreign capital to purchase U.S. securities and expand direct investments. Some countries have recently eased their restrictions on capital outflows and this also should support an investment flow to the United States.

U.S. investments abroad are limited by restrictions instituted in the 1960's; so market forces are not fully operative. In the past few years the evident undervaluation of some currencies has no doubt encouraged U.S. investments abroad, either because the cost of acquiring assets in such countries was low or because undervaluation made a foreign country's industry more competitive worldwide. The realignment should take the edge off this incentive for investment, though U.S. investors are likely to continue to have a very active interest in expanding their foreign assets as business activity abroad recovers.

#### **INTERNATIONAL INVESTMENT POSITION**

The outcome of the U.S. balance of payments is mirrored in the changes in international assets and liabilities of the United States, although these assets and liabilities are affected by such additional factors as retained earnings of direct investments, changes in market valuations of securities, and other valuation changes.

At the end of 1970 the excess of U.S.-owned assets in foreign countries over foreign-owned assets in the United States amounted to about \$70 billion. By the end of 1971 this excess was reduced to less than \$60 billion. Of course, the net payments of almost \$11 billion that went unrecorded in the balance of payments accounts last year probably consisted primarily of additions to U.S. assets abroad, and these are also omitted from the statement of the investment balance.

The value of U.S. privately held assets abroad rose about \$15 billion in 1971. Of this amount, \$9.6 billion resulted from net capital outflows recorded in the balance of payments accounts, more than \$3 billion reflects a rough estimate for reinvested earnings of foreign affiliates of U.S. companies, and nearly \$2 billion resulted from increases in market values of portfolio holdings of foreign securities. By far the largest class of U.S.

**TABLE 4**  
INTERNATIONAL INVESTMENT POSITION OF THE UNITED STATES

In billions of dollars

Item	1950	1960	1969	1970	1971 <sup>c</sup>
<b>U.S. assets and investments abroad</b> .....	<b>54.4</b>	<b>85.6</b>	<b>158.1</b>	<b>166.6</b>	<b>181.0</b>
U.S. private investments.....	19.0	49.3	110.4	119.9	134.9
<i>Long-term, total</i> .....	<i>17.5</i>	<i>44.5</i>	<i>96.3</i>	<i>104.7</i>	<i>116.0</i>
Direct investments.....	11.8	31.9	71.0	78.1	86.0
Foreign securities.....	4.3	9.6	18.7	19.6	22.3
Banking claims and other.....	1.4	3.1	6.6	7.0	7.6
<i>Short-term, total</i> .....	<i>1.5</i>	<i>4.8</i>	<i>14.1</i>	<i>15.2</i>	<i>18.9</i>
Reported by banks.....	.9	3.6	9.7	10.8	13.4
Other.....	.6	1.2	4.4	4.4	5.5
U.S. Govt. credits and claims <sup>1</sup> .....	11.1	16.9	30.7	32.2	34.0
U.S. monetary reserve assets.....	24.3	19.4	17.0	14.5	12.1
<i>Monetary gold</i> .....	<i>22.8</i>	<i>17.8</i>	<i>11.9</i>	<i>11.1</i>	<i>10.2</i>
Other.....	1.4	1.6	5.1	3.4	1.9
<b>Foreign assets and investments in U.S.</b> .....	<b>17.6</b>	<b>40.9</b>	<b>90.8</b>	<b>97.5</b>	<b>122.5</b>
U.S. liabilities to private foreigners.....	12.9	28.2	71.4	71.1	69.2
<i>Nonliquid</i> .....	<i>8.7</i>	<i>19.0</i>	<i>42.5</i>	<i>48.5</i>	<i>53.3</i>
Direct investments in U.S.....	3.4	6.9	11.8	13.2	13.4
U.S. corporate securities.....	3.1	10.0	22.9	25.6	30.4
Corporate and other bonds.....	.2	.6	4.8	6.9	8.6
Corporate stocks.....	2.9	9.3	18.1	18.7	21.8
Other long-term liabilities.....	1.5	1.6	4.8	6.0	5.9
Short-term reported by nonbanks.....	.7	.6	2.9	3.7	3.6
<i>Liquid</i> .....	<i>4.2</i>	<i>9.1</i>	<i>28.9</i>	<i>22.6</i>	<i>15.9</i>
To foreign banks (incl. U.S. bank branches).....	2.1	4.8	23.6	17.1	10.3
To others.....	2.1	4.3	5.3	5.5	5.6
U.S. liabilities to foreign official accounts.....	4.7	12.7	19.5	26.4	53.2
<i>Reserve liabilities</i> .....	<i>4.6</i>	<i>11.9</i>	<i>17.1</i>	<i>24.4</i>	<i>51.8</i>
Of U.S. banks.....	2.4	4.0	8.5	6.5	7.4
Of U.S. Govt.....	2.2	7.9	8.5	17.9	44.4
<i>Nonreserve liabilities of U.S. Govt.</i> <sup>2</sup> .....	<i>.1</i>	<i>.8</i>	<i>2.4</i>	<i>2.0</i>	<i>1.4</i>

<sup>1</sup> Other than U.S. monetary reserve assets.

<sup>2</sup> Includes small amounts of liabilities to private foreigners.

<sup>c</sup> Estimated.

NOTE.—Data for 1950, 1960, 1969, and 1970 are as published by the Bureau of Economic Analysis, U.S. Dept. of Commerce; data for 1971 are estimates based on capital flows as reported by the BFA plus rough allowances for reinvested earnings, and changes in market valuations. The basis of valuation is as follows: direct investments at book values as appearing, in principle, on the books of the affiliates rather than the head offices; securities at market values; other assets and liabilities at stated values in the accounts of banks and other debtors or creditors. For more detailed data see *Survey of Current Business*, U.S. Dept. of Commerce, Oct. 1971. Details may not add to totals because of rounding.

foreign assets is direct investments, which had a book value of some \$86 billion at the end of 1971, an increase of about \$8 billion for the year.

Foreign assets and investments in the United States jumped by \$25 billion last year to a total of \$122 billion. The major increase was in liabilities to foreign official accounts (\$27 billion), reflecting the financing of the over-all deficit. Other major changes included a decline of \$6.7 billion in private foreign liquid assets in the United States and an increase of about \$5 billion in nonliquid private assets in the United States. About half of the increase in the value of private nonliquid assets resulted from rising market values of securities, another \$1.8 billion resulted from net capital inflows, and a



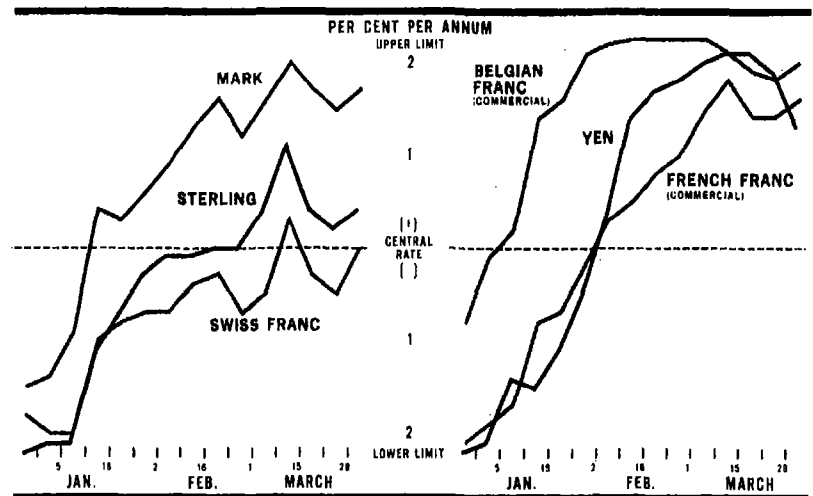
small amount was derived from reinvested profits of foreign direct investments in the United States.

As a result of the financing of the heavy U.S. deficit last year, the disparity between the composition of U.S. foreign assets and liabilities widened further. On the asset side, long-term private assets and the foreign credits of the U.S. Government predominate, accounting for 80 per cent of the total, whereas on the liability side, liquid private claims on the United States plus liabilities to foreign official accounts (mainly liquid) account for 57 per cent of the total. The largest category of private foreign investment here is portfolio holdings of U.S. corporate stocks with an estimated market value of nearly \$22 billion at the end of 1971.

## RECENT DEVELOPMENTS

After the Smithsonian agreement of December 18 the exchange rates of most other countries moved up through the new wider band around parity to quotations at or near the upper limit of the band, and then eased downward in late March. A few countries have added further substantial amounts to their holdings of dollars in the United States. A number of countries have taken additional steps to reduce incentives for capital inflows, ranging from a ban on interest payments on nonresident deposits to a cash-deposit requirement on certain borrowings from nonresidents, as in Germany. Part of the weakness of the dollar stemmed from large trade deficits—as trade was probably still being adversely affected by threatened dock

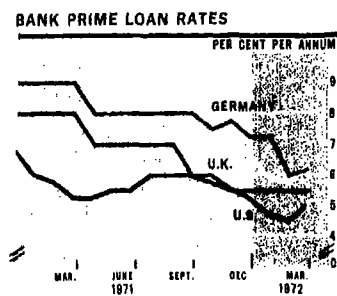
### 2 | EXCHANGE RATE MOVEMENTS IN 1972: percentage above or below central rates



Average for weeks ending Wednesdays. Dashed line indicates central rates.

strikes as well as by some increase in import prices. However, prior to mid-March there were also occasional bursts of speculation as the volatile market reacted to developments or statements that seemed to threaten the viability of the new exchange rates.

Several factors have had a calming influence since mid-March. Especially important has been some firming of U.S. short-term interest rates relative to those in other major countries. This tendency toward a convergence of short-term interest rates has exerted a stabilizing influence partly by lessening the incentive for U.S. funds to move abroad, and also as a portent of further movement in an equilibrating direction. Also, the passage and signing of the bill changing the par value of the dollar, and new U.S. initiatives toward establishing a basis for negotiations to improve international economic relationships, begun at the Smithsonian meeting, tended to establish a less volatile market atmosphere. □



Data from Morgan Guaranty Trust Co.

# Open Market Operations and the Monetary and Credit Aggregates—1971

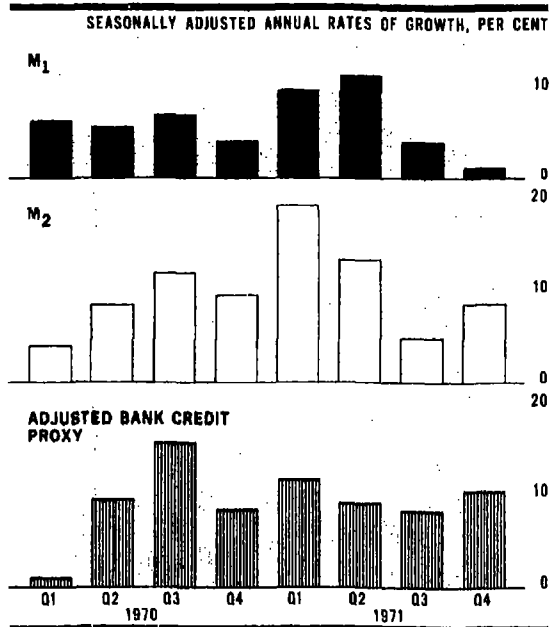
*This article is adapted from a report submitted to the Federal Open Market Committee by Alan R. Holmes, Manager of the System Open Market Account and Senior Vice President of the Federal Reserve Bank of New York.*

System open market operations encountered new difficulties in 1971 in pursuing a monetary policy appropriate to a sluggish economy still troubled by inflation and a deep balance of payments deficit. The operational instruction of the Federal Open Market Committee (FOMC) to the Trading Desk at the Federal Reserve Bank of New York gave important emphasis, as in 1970, to achieving desired growth in the monetary and credit aggregates, with due attention to interest rate developments. In 1970, it will be recalled,  $M_1$ —currency plus adjusted demand deposits held by the public—had expanded at a reasonably steady 6 per cent rate over the first three quarters, and the fourth-quarter slowdown to a 3.4 per cent annual rate was plausibly attributed to the effects of the automobile strike. But in 1971 growth in  $M_1$  varied considerably, although the Committee was willing to countenance considerable variation in interest rates.

The problem of obtaining a prompt response in  $M_1$  became apparent early in 1971. Through January and most of February the money supply failed to expand as rapidly as was required if the Committee's desire to make up the fourth-quarter shortfall was to be realized. Having already lowered the Federal funds rate from 6½

per cent to 4¾ per cent over the fourth quarter, the Desk pressed nonborrowed reserves on the banking system until the rate fell to 3½ per cent in the second half of February. At this point, the money supply began to grow rapidly. In early April the Committee called for a firming of the money market to help curb this expansion. Growth in  $M_1$  continued rapid into the summer, even though the Desk's reluctant provision of reserves led to an increase in the Federal funds rate to 5½ per cent by August. The President's new economic program, announced on August 15, reduced inflationary expectations, and growth in the money supply slowed markedly over the remainder of the year.

## 1 MONEY SUPPLY AND ADJUSTED BANK CREDIT PROXY



Again, the System stepped up its provision of nonborrowed reserves, in the process reducing the Federal funds rate to 3¾ per cent by the year-end. Nonetheless,  $M_1$  did not respond quickly to changes in open market operations (Chart 1).

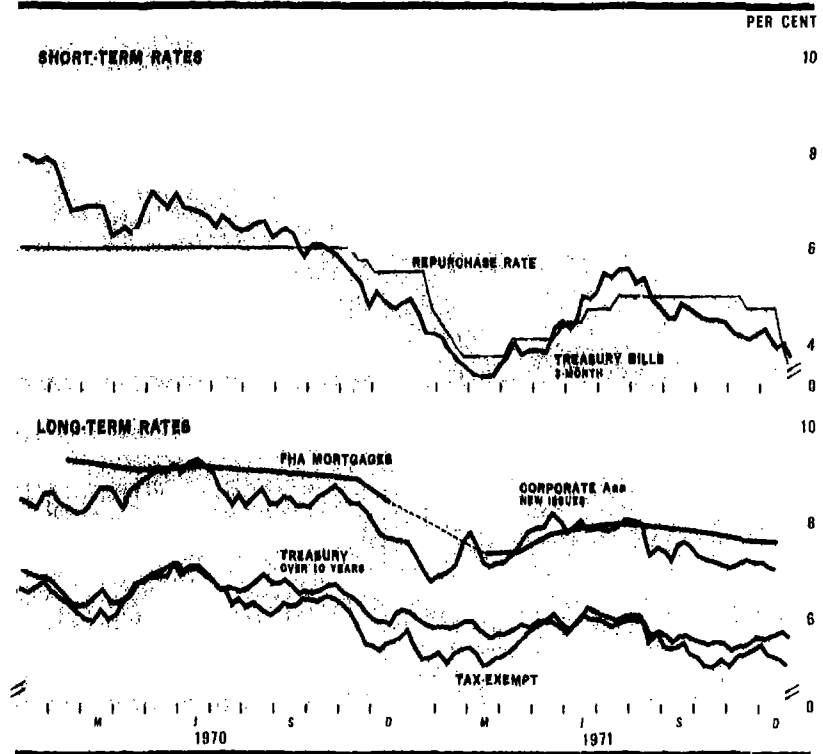
The lagged response of  $M_1$  to open market operations in late 1970 and throughout 1971 underscored once again the complexity of the linkages between the Desk's operations, on the one hand, and bank behavior, interest rates, financial flows, and the asset choices of the public, on the other. An unusual opportunity for the study of these linkages was provided, however, by the changes in thrust of open market operations during the year. This report uses the background of the year's developments to present a view of the process by which open market

operations affect reserves, interest rates, and the monetary and credit aggregates.

System open market operations have a direct and immediate effect on the non-borrowed reserves of the banking system. The response of the banks quickly affects the Federal funds rate, as well as the level of member bank borrowings at the Reserve Banks, especially when the funds rate is at or above the Federal Reserve discount rate. The change in the Federal funds rate produces a closely related change in other short-term interest rates in reasonably quick order.

Two channels carry this impetus forward, exerting a pervasive influence on other interest rates and financial flows and ultimately on economic activity. First, operations affect the interest rate expectations and investment decisions of banks

## 2 | SELECTED INTEREST RATES



Federal funds, weekly average effective rate; Treasury bills, weekly average issuing rate; FHA mortgages, secondary market rate, tax-exempt, "Bond Buyer" 20-year index.

and other investors. The actions of these participants in the credit markets help shape interest rate developments and influence the rate of growth of bank credit. Second, short-term interest rates affect the public's portfolio choices between market instruments and deposits at banks and other institutions. (The main changes in interest rates in 1970 and 1971 are shown in Chart 2.)

System open market operations thus set in motion a complex portfolio adjustment process. While the direction of influence is clear, the timing and extent of the effects generated depend importantly on market expectations of the future and the feedback of influence from the economy itself. In 1971, both the broader money supply ( $M_2$ ) and the credit proxy<sup>1</sup> appeared to respond more quickly than  $M_1$  to System-initiated changes in the supply of nonborrowed reserves and the Federal funds rate. Moreover, there were apparently significant shifts in the public's demand for  $M_1$  in the course of the year, making it most difficult, and probably inappropriate, to achieve a steady quarterly growth rate in  $M_1$ .

The Committee from time to time took account of both capital market conditions and the behavior of the aggregates—chiefly  $M_1$ —in its directives to the Desk. When  $M_1$  grew rapidly in the second quarter, concern about the capital markets moderated the speed and intensity with which the Desk exerted upward pressure on interest rates in the process of restraining rapid monetary expansion.

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<sup>1</sup> $M_2$  includes  $M_1$  plus commercial bank savings and time deposits other than large negotiable certificates of deposit. The adjusted bank credit proxy consists of total member bank deposits subject to reserve requirements plus nondeposit sources of funds, such as Euro-dollar borrowings and the proceeds of commercial paper issued by bank holding companies or other affiliates.

## THE TRANSMISSION OF MONETARY POLICY

The execution of System open market policy in 1971 involved both a day-to-day target for open market operations and a procedure for modifying that target between meetings in accordance with the Committee's intermediate-term objectives. In 1971 the Committee continued to specify a desired range for the Federal funds rate as the most important component of the money market conditions to be achieved by the Desk. Over the interval between meetings, the FOMC provided guidance as to the appropriate Desk response to the behavior of the monetary and credit aggregates and of interest rates in the capital markets. The Committee's trade-offs between these objectives varied over the year, but on balance the Committee's primary concern was with  $M_1$ .

**The Federal funds rate as a target.** The Committee's use of the Federal funds rate gave the Manager an objective that he could usually hold within reasonable limits during the statement week. The Federal funds rate also is highly visible to member banks and the financial community. The rate directly affects the profit calculus of member banks, as it is the opportunity cost of marginal reserves. To others, changes in the Federal funds rate serve as an early indicator of changes in the Federal Reserve's willingness to supply nonborrowed reserves to the banking system. Thus, the banks and the financial markets quickly become aware of changes in the thrust of central bank operations.

In shaping weekly money market strategy, the Manager used two sets of forecasts—being fully aware of the confidence limits that attach to each. First, there was the forecast of the likely level of excess reserves in the banking system, allowing for carryover excesses and deficiencies

and discernible historical patterns. The Desk's experience with such forecasts since mid-1971 suggests that average excess reserves can usually be projected within \$50 million to \$100 million for the current statement week, although there are significant aberrations from time to time. With required reserves pre-established under lagged reserve accounting, realized total reserves will thus generally fall within \$50 million to \$100 million of the projected number. The second set of weekly reserve projections involved the factors affecting nonborrowed reserves—notably, Federal Reserve float, currency in circulation, Treasury and international balances at the Reserve Banks, and the like. The projection errors here are quite large—principally because of unexpected swings in Federal Reserve float. In 1971 the average difference between the projections of all such factors made at the New York Bank on the first day of the statement week and the final outcome was \$275 million.

Faced with this degree of uncertainty, the Manager of the Open Market Account must make a daily judgment of the probability that attaches to his forecasts. Then, he must take action that will fit into an orderly program of supplying, or absorbing, nonborrowed reserves. There are often market limitations on the volume of operations that can be conducted on a single day. To the extent possible, the Manager also seeks to avoid frequent reversals of outright market transactions in the interest of maintaining a smoothly functioning Government securities market. Repurchase agreements and matched sale/purchase transactions help to effect large temporary changes in nonborrowed reserves without exerting much influence on prices of securities.<sup>2</sup>

<sup>2</sup>For note, see opposite column.

A stream of information flows to the Trading Desk each day, including data each morning on the reserve positions and discount window borrowings of all member banks for the previous day and on the Federal funds and dealer lending operations of 46 major money market banks. This new information enables the statistician to adjust his projections for a deviation in reserves from his projected path. It also gives the Desk insight into the reserve management strategies of major groups of member banks as revealed by their cumulative excess or deficit reserve positions. But the Federal funds market is the chief source of current information to the Desk on the behavior of nonborrowed reserves during the day. The supply/demand balance in that market shifts as member banks react to incoming information on their reserve positions or as their willingness to hold excess reserves changes. Based on its expectations of likely levels of excess reserves, and on projections of various reserve factors, the Desk can make reasonable judgments about how the money market should behave. Current information from the Federal funds market during the day then suggests whether nonborrowed reserves are, in fact, behaving as expected.

One can gain more appreciation of the Desk's need for a current indicator of nonborrowed reserves by examining the behavior of nonborrowed reserves on Fridays during 1971. Friday is a key day for the Desk since the reserve levels on that day carry over Saturday and Sunday as

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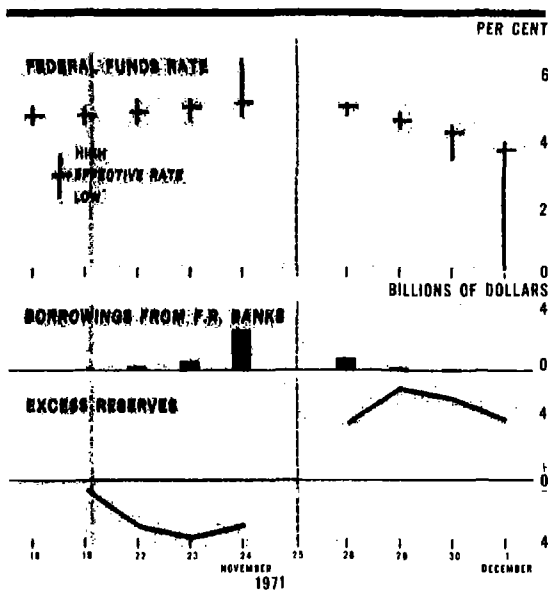
<sup>2</sup>Repurchase agreements involve the System purchase of eligible securities or bankers' acceptances from nonbank dealers under contracts that provide for their resale from 1 to 15 days later. Matched sale/purchase transactions involve a System sale of eligible securities that is matched by a contract to repurchase them, usually a few days later. Such transactions are conducted with both bank and nonbank dealers in Government securities.

well, thereby accounting for three-sevenths of the weekly average. During 1971 the average absolute change in nonborrowed reserves on Fridays, exclusive of System open market operations, was \$434 million, but it required a band of  $\pm$ \$959 million to include 90 per cent of the actual changes. The Federal Reserve Bank of New York's projections of nonborrowed reserves anticipated a considerable part of this variation, but unexpected variations remained quite large. A band of  $\pm$ \$585 million was required to include 90 per cent of the deviations of actual nonborrowed reserves (exclusive of System operations) from projected levels. The average absolute "miss" was \$292 million.

The Desk can anticipate member bank reserve strategy to some degree, but by no means perfectly. In 1971 there continued to be a strong tendency for a tight Federal funds market at the end of a statement week to increase the demand for excess reserves by major banks in the following week, especially over the weekend. Conversely, an easy Federal funds market at the end of the week tended to be followed by a more relaxed attitude on the part of money market banks toward the accumulation of reserve deficiencies over the following weekend. The resultant variations in excess reserves were a major factor in an average week-to-week swing in excess reserves of \$187 million.

The Desk was generally able to anticipate a major part of such swings in 1971, but the extent of the change was sometimes surprising. For example, in the November 24 statement week (in which nonborrowed reserves were overstated by \$400 million through a clerical error), the 46 major money market banks were willing to accumulate a reserve deficiency of \$3.0 billion over the weekend (Chart 3). The Federal funds rate gave little sign of a \$540

### 3 | RESERVE MANAGEMENT BY MAJOR MONEY MARKET BANKS



Excess reserves are cumulative for 46 banks through previous day for current statement week. Dashed line indicates Thanksgiving.

million reserve shortfall on Friday or of the large net reserve deficiency building up in the banking system. The Desk's injection of \$2 billion of nonborrowed reserves in 3 days—the maximum attainable in the circumstances—was not sufficient to prevent the Federal funds rate from rising well above the  $4\frac{3}{4}$  per cent desired. Member bank borrowings at the discount window also bulged to almost \$2.4 billion on the statement date, which preceded Thanksgiving. Predictably, the 46 money market banks hoarded excess reserves over the following weekend, accumulating \$5.4 billion in excess reserves by Monday morning. In consequence, the Federal funds rate broke to as low as  $\frac{1}{4}$  per cent by the end of the week. The Desk's willingness to interpose only token resistance to this decline meant that the seesaw management of reserve positions by the banks proved expensive to them. Such experiences tend to moderate the swings in bank behavior.

There is still another dimension of the Desk's weekly strategy that relates directly to the Committee's use of the Federal funds rate as an important short-run target. When the FOMC's directive calls for a Federal funds rate below the discount rate, the Desk supplies nonborrowed reserves abundantly and is quite tolerant of an easy money market toward the end of the statement week. This was notably the case in the January–March interval and again in November and December. However, when the FOMC's policy stance calls for increasing the pressure on member banks as in the April–August interval, the Desk typically allows the demand for reserves to push up the Federal funds rate before it supplies nonborrowed reserves. In such periods, it is also quick to mop up reserve excesses when the Federal funds rate begins to slip below the desired range. In this way, the daily conduct of open market operations underscores the Committee's policy stance, and is one of the ways that the System communicates its current policy intent to the banking system and financial markets.

**The pursuit of the Committee's intermediate objectives over the interval between meetings.** In 1971 the FOMC continued to be concerned both with the growth rates to be achieved in the monetary and credit aggregates and with the behavior of interest rates. Through the March 9 meeting, the Committee's directives to the Desk called for pursuing desired growth in the aggregates and for accommodating downward movements in long-term interest rates. After a transitional directive in April, the primary emphasis was placed on moderating the growth of the aggregates, but capital market developments remained an important conditioning element in the Desk's instructions as interest rates rose. After the announcement of the President's new

economic program on August 15, the principal focus continued to be the aggregates, but the Committee made clear its expectation that lower interest rates would follow. In its August 24 meeting the Committee also authorized outright transactions in Federal agency securities to widen the base of operations and add breadth to the market for such securities. By late in the year, strong emphasis was placed on a resumption of growth in  $M_1$ .

The Committee's decision at each meeting regarding acceptable behavior of the aggregates was embodied in a tracking path of weekly values for each of three aggregates over the interval until the next Committee meeting and a path of monthly values over the quarter. The Committee's instructions to the Desk focused chiefly on  $M_1$ , currency plus demand deposits in the hands of the public. Some weight was also given to the behavior of  $M_2$  and the adjusted credit proxy. The FOMC typically indicated to the Desk whether it was more concerned with upside or downside deviations. And it provided guidance on occasion about the rapidity with which the Desk should respond.

For the Manager the pursuit of the Committee's intermediate objectives involved two types of decisions. First, there was the decision each week as to whether the targeted range of the Federal funds rate was to be changed in response to developments in the aggregates or in capital markets. Second, there was an ongoing choice of the channels to be used in affecting nonborrowed reserves. For example, the Desk often employed purchases of Treasury coupon securities as a means of both supplying reserves and contributing, at least marginally, to the accommodative capital market environment desired by the FOMC. Beginning in September the System began buying Federal agency securities from time to time in the normal course of operations.



Each week the Manager decided on the approximate setting of the Federal funds rate range for that week. These decisions were largely geared to the recent behavior of  $M_1$  and the other aggregates in relation to the weekly tracking paths. Each Friday morning the Manager had before him a preliminary estimate of  $M_1$ ,  $M_2$ , and the adjusted credit proxy for the preceding statement week and a revised report of each of the three for the week before that. There were also two sets of revised projections of all three for the current month and calendar quarter—one by the Federal Reserve Board staff and one by the New York Bank staff. The Manager and his associates at the Trading Desk gave less weight to the projections of behavior over the remainder of the quarter since a sizable margin of error attached to them.

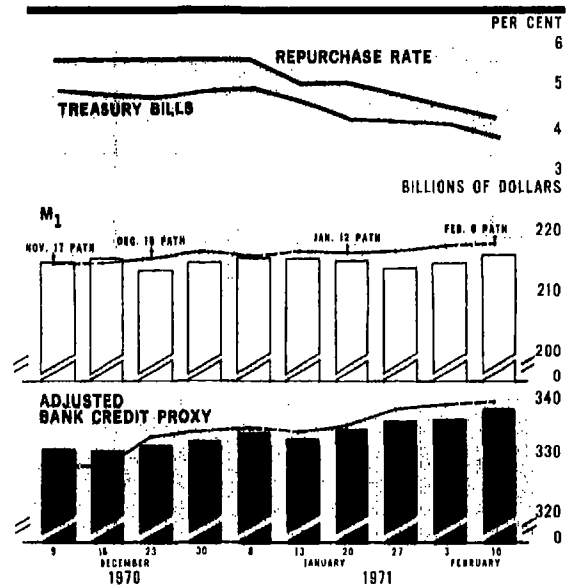
The Desk's response to a significant deviation in  $M_1$  rested on a number of considerations. Under the FOMC's instructions the Desk was likely to move its weekly Federal funds rate objective more quickly, and to a greater extent, if the latest deviation continued a cumulative departure from a path that had been under way for some time and seemed likely to persist. Second, the Desk might give some weight to the behavior of  $M_2$  and the credit proxy. Finally, the Manager had to fold in the capital market element of his instructions, weighing the impact of the projected changes in the Federal funds rate on his ability to achieve expressed Committee desires regarding long-term interest rates.

The experience after the meeting of the FOMC on January 12, 1971, illustrates the factors typically encountered in setting weekly targets.  $M_1$  had grown at about a 3.5 per cent annual rate in the fourth quarter of 1970, compared with the 5 per cent rate expected at the December 15 meeting of the Committee. The Desk had responded to the shortfall by lowering the Federal funds rate to around 4½ per cent from

the 5 per cent level prevailing before the December meeting. The Federal Reserve discount rate had been lowered from 5½ per cent to 5¼ per cent effective January 8. At the January 12 meeting, the Committee agreed to promote accommodative conditions and to moderate expansion in the monetary and credit aggregates and called for some easing of money market conditions soon. There was also agreement that conditions would be eased further if it appeared that the aggregates were expanding at rates below those needed to make up the fourth-quarter shortfall in  $M_1$ .

Following the meeting, the Desk aimed for a Federal funds rate around 4¼ per cent. In the January 13 week, the aggregates appeared to be close to their respective tracking paths (Chart 4). Then,  $M_1$  fell far short of its path in both the January 20 and the January 27 weeks. In contrast, the credit proxy continued relatively strong, growing at an annual rate of 10 per cent in January.

**4 | SELECTED MONEY MARKET RATES and MONETARY AND CREDIT AGGREGATES**



Treasury bills, average issuing rates; Federal funds, average effective rate. Aggregates are seasonally adjusted.

In the credit markets, expectations of a decline in interest rates had been reinforced by a  $\frac{1}{4}$  percentage point cut in the Federal Reserve discount rate to 5 per cent beginning on January 19. Working in the same direction was the Trading Desk's negotiation of repurchase agreements with non-bank dealers at a rate below the discount rate for the first time in 6 years and two  $\frac{1}{4}$  percentage point cuts in the commercial bank prime lending rate. The capital markets were experiencing a dramatic rally. Corporate bond yields fell by about  $\frac{1}{2}$  of a percentage point between mid-December and late January. The Treasury's announcement of a refinancing of nine outstanding issues (of which \$19.5 billion was held by the public) was greeted with such enthusiasm that unprecedented first-day premiums of 29/32 (bid) emerged for the two new issues being offered in the exchange.

Against the background of the Committee's strong desire to get  $M_1$  moving, the Desk shifted its Federal funds rate objective down by  $\frac{1}{2}$  of a percentage point by the time the Committee next met on February 9. The rate on 3-month Treasury bills fell by about 85 basis points over the interval between meetings to 3.82 per cent. One could describe the Desk's response to the  $M_1$  shortfall in terms of nonborrowed reserves equally well. To keep the Federal funds rate well below the discount rate involved supplying nonborrowed reserves plentifully in relation to required reserves. Member bank borrowings at Federal Reserve Banks, aside from special problem borrowing, declined to a negligible \$5 million in the statement week that ended February 10. Required reserves reflected the shortfall in the private demand deposit component of  $M_1$  in the January 20 and 27 weeks 2 weeks later—that is, in the February 3 and 10 statement weeks. In pursuit of a lower Federal funds rate, the Desk pressed nonborrowed reserves on

the banking system. With the willingness of the money market banks to accumulate excess reserves limited to the amount that could be carried forward into the subsequent statement week, the Federal funds rate responded quickly to the Desk's action. The average effective Federal funds rate for the February 10 week fell to 3.59 per cent from more than 4 per cent the week before.

**The impact of System policy shifts on the short-term market in 1971.** The System's management of nonborrowed reserves has its initial impact in the market for bank reserves and the Federal funds market and spreads quickly to the rest of the short-term market. A key linkage in this process is provided by the borrowing of dealers in Government securities to carry their inventories, which ranged between \$2.5 billion and \$7.3 billion, of Treasury and Federal agency securities during 1971. The bank dealers are affected quite directly by the Federal funds rate since most bank dealer departments are charged at this rate for the funds employed in their operations. The nonbank dealers seek out repurchase agreements from corporations, State and local governments, and Federal agencies as the least costly means of financing their positions, but usually they must rely on the banks as well.

The sensitivity of dealer loan rates to the Federal funds rate assures that System open market operations have a rapid, and roughly commensurate, impact on the financing costs of the dealers in Government securities. This, in turn, affects the interest rates at which dealers are willing to hold Treasury bills and other short-term market instruments. To be sure, other factors also affect the dealers' willingness to position bills—notably the current and prospective demand for bills, the Treasury's bill financings, and expectations of future interest rates. These keep the linkage between the Federal funds rate

and Treasury bill rates from being a simple mechanical one. Still, changes in dealer financing costs exert such a strong and pervasive influence on Treasury bill rates—both directly and through their impact on dealer expectations—that other factors may modify but can seldom offset it over a period of weeks. The response of lenders and borrowers to changes in the Federal funds and Treasury bill rates assures a rapid, if sometimes uneven, response of other short-term rates to the changing management of nonborrowed reserves. (The transmission of effects to the market for longer-term securities is treated later in this article.)

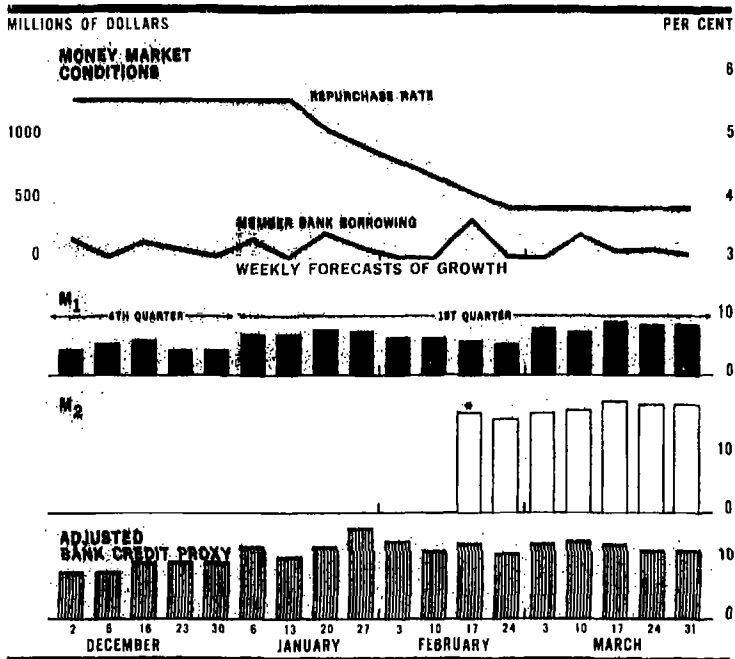
As noted earlier, the System's management of reserves during 1971 can be divided into three phases. During the first 3 months, the System was pressing nonborrowed reserves on the banking system to increase the growth in  $M_1$  while accom-

modating a decline in long-term interest rates. Then, from April through mid-August, the emphasis shifted to resisting the rapid growth of  $M_1$  then underway within the constraints imposed by continuing concern about the capital markets. Finally, with the President's new economic program enhancing prospects for a higher rate of real economic growth and reduced inflationary pressures, the System stepped up the provision of nonborrowed reserves as  $M_1$  slowed down. It thereby fostered a climate of credit availability and lower interest rates that was largely free of fears that excessive demand and inflationary pressures would soon revive.

*January through March.* In the first quarter of the year, the Committee sought to make up the shortfall of  $M_1$  in the fourth quarter of 1970 when it was believed to have grown at a 3.4 per cent annual rate,<sup>3</sup> com-

<sup>3</sup> Revised in November 1971 to 3.8 per cent.

**5 MONEY MARKET CONDITIONS and weekly forecasts of quarterly GROWTH OF THE AGGREGATES, December 1970-March 1971**



\*First week projected.  
Forecasts at seasonally adjusted annual rates.

pared with about 6 per cent in the first three quarters of 1970. The FOMC also called for accommodating the fall in long-term interest rates through open market operations.

The Trading Desk experienced little conflict in pursuing the FOMC's dual objectives during the first quarter, although  $M_1$  continued weaker than desired in January. After the January 12 FOMC meeting, the Desk's initial target range for the Federal funds rate centered on  $4\frac{1}{4}$  per cent. As noted earlier,  $M_1$  began in late January to fall short of the Committee's tracking path. This led the Board staff to revise downward its *projection* of the growth likely to be achieved over the quarter (Chart 5). The Desk responded to the shortfall by lowering its Federal funds rate objective to around  $3\frac{3}{4}$  per cent by the time of the February 9 meeting. The Committee's next directive called for a prompt response to any further shortfall, and the Desk lowered the center of the desired range to  $3\frac{1}{2}$  per cent on February 12, when incoming data suggested such a result. By the Committee meeting on March 9,  $M_1$  was showing a bit more strength, suggesting that the fourth-quarter shortfall might well be made up. Soon afterward, both  $M_1$  and  $M_2$  began to show somewhat more rapid growth than desired. Accordingly, the Desk sought to foster a shade less accommodative money market conditions—a Federal funds rate centering on  $3\frac{1}{2}$  to  $3\frac{3}{4}$  per cent. In the event, however, the Federal funds market became tighter than desired in spite of Desk action, with the rate rising to 4 per cent or above on a number of days in mid-March and again around the end of the month.

As the Federal funds rate was reduced in the first quarter, dealers were able to borrow at rapidly declining rates—especially from nonbank sources. As a result,

the Desk found it increasingly difficult to make repurchase agreements with nonbank dealers at the discount rate. Accordingly, the Desk lowered the rate on repurchase agreements to 5 per cent on January 20 in order to be able to continue using this valuable means for injecting reserves for short periods. This cut in the repurchase rate brought it below the discount rate for the first time in 6 years, and gave rise to market expectations of a further cut in the discount rate. Subsequent reductions brought the rate on repurchase agreements to  $4\frac{1}{4}$  per cent in early February and to  $3\frac{3}{4}$  per cent on February 18. (The discount rate was cut to  $4\frac{3}{4}$  per cent, effective February 13.) Market observers soon recognized that the rate was being adjusted lower routinely to keep it competitive with lower market rates, but bullish sentiment tended to be encouraged nonetheless.

The decline in the Federal funds rate brought dealer lending rates in the New York City banks down from around  $5\frac{1}{4}$  per cent in early January to about  $3\frac{3}{4}$  per cent in early March. The downward pressure this exerted on Treasury bill rates was augmented by strong demand from foreign central banks and the Federal home loan banks in February and early March. At this point, many market participants also strongly expected interest rates to continue to decline. In this environment the Treasury's offering of a strip of \$1.2 billion of weekly maturities was snapped up without any lasting effect on rates. The 3-month bill rate fluctuated narrowly around  $3\frac{3}{8}$  per cent through most of March, compared with the  $4\frac{7}{8}$  per cent rate prevailing in December. Over the January–March interval, rates on 60- to 89-day CD's, 30- to 89-day finance company paper, and 90-day Euro-dollars fell generally by about  $1\frac{3}{4}$  percentage points to the vicinity of  $3\frac{3}{4}$  per cent,  $3\frac{1}{2}$  per cent, and  $5\frac{1}{2}$  per cent, respectively.

The low level of short-term rates led to official concern about short-term money outflows to the rest of the world. On March 16 the Treasury announced that it would add \$5 billion in three segments to the supply of bills outstanding. Undesired firmness in the Federal funds market contributed to a rise in rates that carried the 3-month rate to 3.70 per cent just before the FOMC's April 6 meeting. The rise was cushioned, however, because Government securities dealers increased their bill positions by \$2.6 billion in the 2 weeks ended April 7.

Yields in the long-term capital markets moved briskly lower in the opening weeks of the year. New Aaa-rated corporate bonds declined to around 6¾ per cent by late January, down almost a full percentage point for the month. Municipal bond yields declined by about ½ of a percentage point. The decline in yields brought an influx of new issues to the corporate bond market, however, with the 4-week visible supply rising from \$1.5 billion to over \$3 billion between mid-January and mid-February. Yields on new corporate issues rose appreciably in February (Chart 2), while municipal bond yields retraced only a part of their earlier declines. Long-term Government yields rose in February in sympathy with the competitive corporate market, but intermediate-term yields continued to decline as the System supplied nonborrowed reserves freely and short-term rates fell.

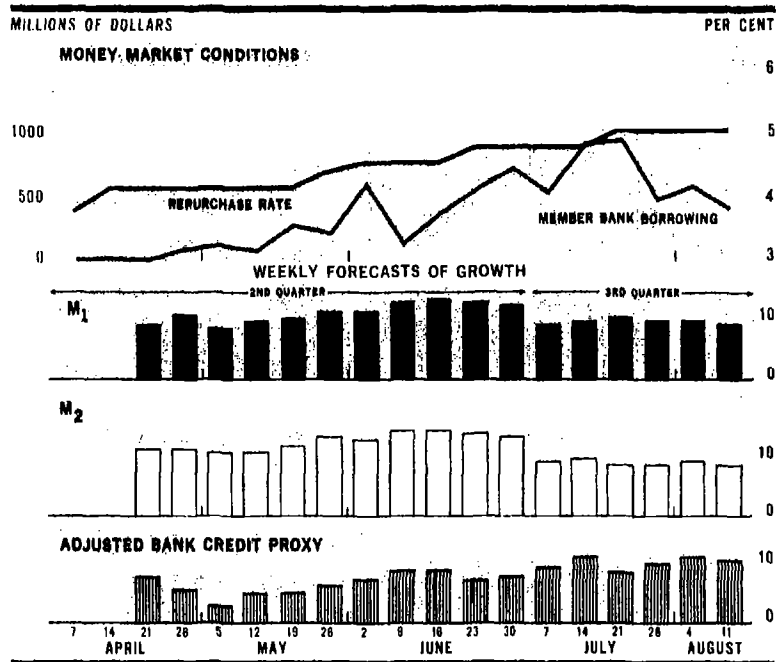
Against this background and under the Committee's instruction to accommodate declining long-term interest rates, the Desk supplied the major part of its long-term provision of reserves during the first quarter through the purchase of Treasury coupon issues. The strong demand pressures evident in the bill market provided still another week-to-week reason for buying coupon issues. The Desk added

\$1,027 million of such securities to the System's portfolio in the 7 weeks that ended March 31, including \$195 million of issues maturing in over 10 years. The System's repeated entry into this market, at a time when it was also supplying nonborrowed reserves at a pace that pushed short-term rates down, contributed to the ability of the corporate bond market to distribute an unprecedented volume of offerings in March at declining rates. By the end of March, yields in all sectors of the bond markets were again at or close to their lows for the year.

*April through mid-August.* At the FOMC meeting on April 6, staff analysis suggested that if prevailing money market conditions were maintained,  $M_1$  would grow somewhat faster over the second quarter than the 8 per cent rate then estimated for the first quarter. The staff expected a moderation of the rapid growth rates of  $M_2$  and the credit proxy recorded in the first quarter—17.5 per cent and 11 per cent, respectively. The Committee decided that some minor firming of money market conditions was in order. Some members favored this to help achieve less-rapid growth in the monetary aggregates; others placed the emphasis on narrowing the interest rate differential between this country and abroad. The directive called for continuing the purchase of coupon issues in the interest of promoting accommodative conditions in long-term credit markets.

System open market operations initially sought to establish the Federal funds rate in the upper part of a 3¾ to 4¼ per cent range. Incoming data soon showed that both  $M_1$  and  $M_2$  were \$2 billion in excess of their tracking paths and subsequent data confirmed the strength, especially for  $M_1$ . Accordingly, the Desk raised the center of its Federal funds rate range to about 4¼ per cent. The pattern of April

**6** MONEY MARKET CONDITIONS and weekly forecasts of quarterly GROWTH OF THE AGGREGATES, April-August 1971



Forecasts at seasonally adjusted annual rates.

persisted through May and June. Despite a successive rise in the targeted range of the Federal funds rate, staff projections of the second-quarter growth in  $M_1$  (Chart 6) continued to exceed the FOMC's objectives. And as  $M_1$  continued to come in higher week by week than its tracking path, the Desk kept raising its sights for the Federal funds rate. By the end of June the rate was back to 5 per cent, around the level of late December. But  $M_1$  grew at a 10.6 per cent annual rate in the quarter, compared with 9.1 per cent in the first quarter. In contrast, both  $M_2$  and the credit proxy grew more moderately—at rates of 12.4 per cent and 8.4 per cent, respectively, compared with rates of 18.1 per cent and 10.9 per cent in the first quarter.

The System's reponse to the overruns in  $M_1$  in the second quarter was conditioned by the Committee's concern for the long-term credit markets. But the Desk could not avoid spillover effects on interest rates.

It could only try to foster an orderly adjustment in the credit markets to a number of disturbing influences. The shift in the System's money market targets dashed existing expectations that still lower interest rates lay immediately ahead. The rapid growth of  $M_1$  and the continuation of price increases in a sluggish economy raised fears that inflation would remain a major economic problem with adverse consequences for the bond market. Market participants were deeply disturbed by the lack of Government action to deal with persistent inflation. And finally the massive speculative flow into Germany in early May before the mark was allowed to float suggested to many that higher interest rates would be required in the United States for defense of the dollar.

The reaction in the credit markets was sharp. Yields on new Aaa-rated corporate bonds rose by about 1 percentage point to over 8 per cent in the 6 weeks that ended

in mid-May. *The Weekly Bond Buyer's* 20-bond index of 20-year municipal bonds rose a like amount to around 6 per cent. Both series retreated to the levels of November 1970. In the Treasury market, long-term yields rose by  $\frac{1}{2}$  of a percentage point to around  $6\frac{1}{4}$  per cent under the special pressure of the Treasury's May financing and the liquidation of short-term positions by dealers and trading banks. (A fuller discussion of the mechanism through which monetary policy is transmitted to the credit markets is given later.) In contrast, the implicit yield on Government-underwritten mortgages in the Federal National Mortgage Association's (FNMA) biweekly auction of purchase commitments rose by only about  $\frac{1}{4}$  of a percentage point, remaining about  $1\frac{1}{4}$  percentage points below the November 1970 level.

Against this background the Desk's shift in its target for the Federal funds rate was gradual—from about  $4\frac{1}{8}$  per cent after the FOMC's April meeting to  $4\frac{1}{2}$  per cent by mid-May. The Manager's reports to the Committee at the time indicated that market conditions were limiting his response to the overrun in  $M_1$ . This meant that nonborrowed reserves were growing faster than an unconstrained  $M_1$  target would have called for. But the turmoil in the credit markets—notably, in the Government securities market—pointed to a much more fundamental change in the portfolio strategy of banks and other investors than the modest change in money market rates might suggest. The Federal funds rate at such turning points hardly reflects the full effects on the banking system of a shift in central bank direction.

Short-term interest rates reflected the changes in the Federal funds rate. The rate on 3-month Treasury bills rose to around  $4\frac{3}{8}$  per cent in the second half of May,

after having been held down earlier in May by concentrated foreign central bank buying as a result of the flow of funds to Germany. By comparison with this  $\frac{3}{4}$  of a percentage point rise in 3-month bill rates over 8 weeks, rates on 60- to 89-day CD's advanced by just over 1 percentage point and those on 30- to 89-day finance company paper by  $1\frac{1}{4}$  percentage points. Reflecting borrowing for exchange speculation, rates on 3-month Euro-dollars rose sharply during early May, subsided, and then rose again at the month-end to  $7\frac{1}{2}$  per cent, more than 2 percentage points above their end-of-March level.

As the Federal funds rate was pushed up to around the  $4\frac{3}{4}$  per cent discount rate in the second half of May, it became a less-reliable indicator for a time of the degree of adjustment pressure being exerted on the banking system by open market operations. With the Desk holding back on the provision of nonborrowed reserves to nudge the Federal funds rate still higher, member banks responded by turning to the Federal Reserve discount window. Such borrowings (exclusive of problem borrowing) had remained at a very low level, while the Federal funds rate was raised from  $3\frac{1}{2}$  per cent to  $4\frac{1}{2}$  per cent. But they rose to an average of \$242 million in the last two statement weeks in May and then to \$627 million in the last 2 weeks of June. Nonborrowed reserves actually declined in June, while the Federal funds rate moved only  $\frac{3}{8}$  of a percentage point higher. In turning to a privileged source of reserves, banks did not exert as much pressure on the Federal funds rate as in the preceding 2 months, but the impact on bank attitudes may well have been as great, perhaps greater.

Dealer financing costs rose modestly in June in tandem with the Federal funds rate, but Treasury bill rates rose rather rapidly. The 3-month rate rose by  $\frac{7}{8}$  of a

percentage point to around 5¼ per cent, while the 1-year rate rose more than a full percentage point to 5.84 per cent. Concern over progressive System firming was augmented by fears of heavy Treasury financing. There were also bill sales by the German central bank at the time. While other short-term rates rose considerably less, yields on Treasury coupon issues maturing in 3 to 5 years rose by about ½ of a percentage point as banks and dealers continued apprehensive about the outlook for interest rates. In the longer-term markets, corporate bonds moved narrowly after mid-May as the forward calendar began to recede. Municipal bonds worked a bit higher in yield as bank buying declined, and implicit mortgage yields moved up by ½ of a percentage point in the FNMA auctions between mid-May and mid-June.

When the FOMC met on June 29, the staff projected that  $M_1$  and  $M_2$  would expand at annual rates of 9 per cent over the third quarter, even if money market conditions were somewhat firmer. The staff felt, however, that growth in these aggregates would recede to quite modest proportions late in the year. Committee members were concerned about both the rapid growth in the monetary aggregates and the recent upward pressure on interest rates, in view of the dependence of the recovery on such interest-sensitive sectors as housing. While there was agreement that an unduly sharp firming should be avoided because of the risk to market interest rates, the Committee decided that open market operations should be directed at achieving more moderate growth in the monetary aggregates over the months ahead.

The Desk once again found  $M_1$  moving above its tracking path and responded by pushing the Federal funds rate up to around 5½ per cent after mid-July and a shade

higher in August. Member bank borrowings from the Reserve Banks rose somewhat further on average, but the Federal funds rate became more responsive to Desk action than in June. (The Federal Reserve discount rate was increased from 4¾ per cent to 5 per cent, beginning July 16.) After mid-July the Board staff began to revise downward its projections of  $M_1$  growth in the third quarter on the basis of incoming data. Even so, the projection of 8.5 per cent growth on August 12 remained appreciably faster than the Committee desired, and it continued to maintain its higher Federal funds rate objective. Most short-term rates rose in July and held steady in August, while long-term yields continued to edge higher. Treasury bill rates began to come under strong downward pressure in August, when foreign central banks sought to invest the rising tide of funds flowing to them as speculation against the dollar mounted to massive proportions in the exchange markets.

*August 15 through December.* The President's new economic program altered fundamentally most forecasts of the economic outlook and the expectations of investors about the future course of interest rates. At home the institution of a wage-price freeze and the promise of an incomes policy encouraged economists to believe that the tax stimuli of the program would both increase real growth and reduce the rate of advance in prices. The suspension of dollar convertibility and the imposition of the temporary 10 per cent import surcharge marked new initiatives that raised hopes of progress on the Nation's long-standing balance of payments problem. On both domestic and international grounds, market observers quickly concluded that the monetary authorities would have considerably greater freedom to pursue a more stimulative



monetary policy over the next year or so. Long-term interest rates declined sharply as market participants scrambled to re-establish the speculative positions liquidated earlier. Short-term interest rates declined to a lesser degree with the exception of Treasury bill rates, which had already been moving lower on heavy foreign central bank demand. When the FOMC met on August 24, the 3-month bill rate was 4¾ per cent, 40 basis points lower than on August 13 and 71 basis points lower than on the eve of the Committee's previous meeting.

The Committee's staff tentatively concluded that the new economic program would raise real growth and dampen inflation in the rest of 1971. The staff also felt that the maintenance of existing money market conditions would moderate the growth in  $M_1$  to an 8 per cent rate in the third quarter and substantially less in the fourth quarter.  $M_2$  was expected to grow more slowly in the last half of the year than in the second quarter, while the credit proxy was expected to grow somewhat faster than the 6.5 per cent second-quarter rate. The Committee felt that the ultimate consequences of the new program for monetary policy could not yet be assessed with assurance and that any marked change in policy would be premature. There was particular concern that any easing of money market conditions be in response to clear public evidence that the monetary aggregates were, in fact, slowing down.

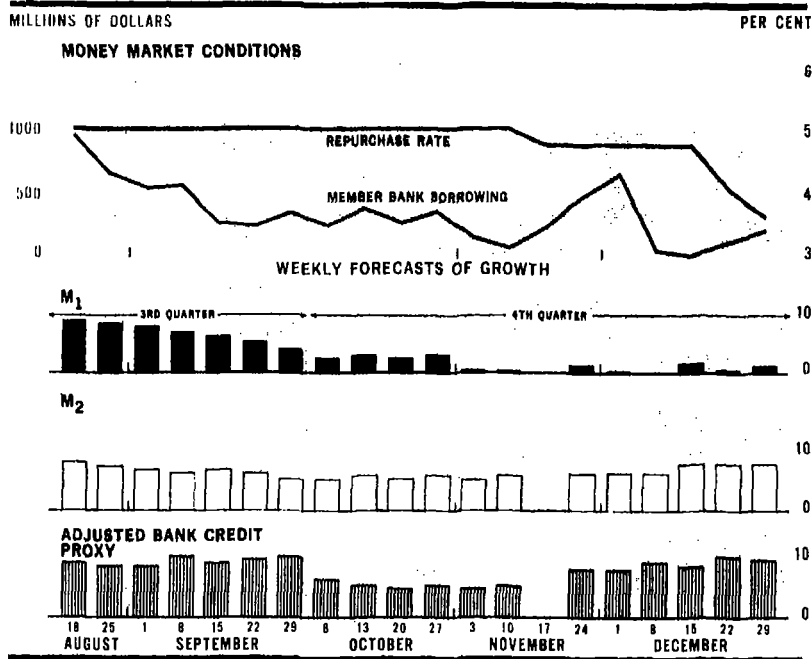
The Desk sought to maintain the Federal funds rate in its recent range after the meeting, but unusual reserve pressures around the Labor Day holiday led to persistent trading at 5¾ per cent, somewhat firmer than desired. Treasury bill rates rebounded somewhat around mid-September from the artificially low levels to

which foreign demand had pushed them, partly because of fears that foreign central banks might become sellers in the future. There was also a temporary rise in bond yields. By mid-September the weakening in  $M_1$  that had begun developing in late August began to become visible to the general public. With the staff's projection for the quarter down to 5 per cent, the Trading Desk shifted the center of the Federal funds rate range down to 5¼ to 5½ per cent on the eve of the Committee's September 21 meeting. The more generous provision of non-borrowed reserves led to a prompt decline in member bank borrowings at the discount window, even before there was much effect on the funds rate.

Over the last quarter of the year the Committee was increasingly concerned with the persistent sluggishness in  $M_1$ . As new data came in week by week, projections of its growth were revised irregularly downward (Chart 7). The Desk responded to the shortfalls in  $M_1$  below successive paths by reducing the center of its Federal funds rate range repeatedly, to about 3¾ per cent by late December from 5½ per cent in mid-September. (The Federal Reserve discount rate was reduced by ¼ of a percentage point, first on November 11 and then again on December 13, bringing it to 4½ per cent.) The fourth-quarter growth in  $M_1$  turned out to be 1.1 per cent at an annual rate, bringing growth over the year to a 6.2 per cent rate.  $M_2$  and the credit proxy closed with quarterly growth rates of 8.0 per cent and 9.7 per cent, respectively, and annual growth rates of 11.1 per cent and 9.5 per cent, respectively.

The decline in the Federal funds rate over the last quarter was accompanied by a further decline in member bank borrowings at the Reserve Banks—aside

**7 MONEY MARKET CONDITIONS and weekly forecasts of quarterly GROWTH OF AGGREGATES, August-December 1971**



Forecasts at seasonally adjusted annual rates.

from some unusual stresses that developed around the Thanksgiving Day holiday and on some other isolated occasions. By early December, member bank borrowings were again close to a frictional minimum as open market operations pushed the Federal funds rate below the discount rate. As usual, dealer lending rates at the New York City banks followed the Federal funds rate down, but most other short-term rates tended to anticipate the System's actions. With business loan demand notably slack, commercial banks cut their prime lending rate from 6 per cent in late September to 5½ per cent at the year-end, and a number of banks began experimenting with a floating prime rate related to open market rates on commercial paper. The rate on 90- to 119-day prime paper declined by 1¼ percentage points over the quarter to 4¾ per cent at the year-end, and the rate on 60- to 89-day

CD's declined by 1½ percentage points to about 4 per cent.

Treasury bill rates continued to be depressed relative to other short-term rates by persistent demand for bills from foreign countries trying to retard the appreciation of their currencies against the dollar. In the intermediate Treasury market, yields dropped from 6 per cent in late September to 5¾ per cent in early November, and banks and Government securities dealers built up massive positions during the Treasury's November refunding. In this situation, the Desk resorted to heavy purchases of Treasury coupon issues, and moderate purchases of Federal agency issues, in supplying seasonal reserve needs in late November and early December. These purchases helped cushion the upward pressure on interest rates of the overhang of undistributed Treasury securities and avoided adding to the down-

ward pressure on bill rates from foreign buying. Over the quarter, purchases of Treasury coupon issues amounted to \$858 million while \$389 million of Federal agency purchases brought that portfolio up to \$485 million at the year-end.

Long-term interest rates worked generally lower over the final quarter. The corporate bond market successfully worked through a heavy November calendar with some rise in yields. But by the year-end the yield on Aaa-rated issues was about 7¼ per cent, down about 88 basis points from mid-August and 35 basis points on the year. Municipal bonds moved to new low yields for the year in October, but gave up about half of the post-August improvement before yields turned down again in December. At the year-end, the *Bond Buyer's* index of 20 municipal bonds stood at 5.02 per cent, down 101 basis points from mid-August and 56 basis points from a year earlier. Implicit mortgage yields in the FNMA auction of 4-month purchase commitments declined gradually to 7.63 per cent in mid-December, compared with rates of 8.07 per cent on 3-month commitments auctioned in late July and 8.51 per cent in mid-December 1970.

**The transmission of monetary policy to bank behavior and interest rates.**

In contrast to the close relationship between the Desk's provision of nonborrowed reserves and the rates on Federal funds and various short-term instruments, the linkages between System open market operations, bank behavior, and long-term interest rates are more complex and the reaction time may either be quite short or extend over several months. One can hypothesize an orderly process in which banks project deposit growth and loan demands, based on a particular economic and financial outlook, with portfolio strategy emerging largely as a re-

sidual. While many banks probably employ this general approach, a large number of sophisticated banks recognize that they have considerable leeway to manage their liabilities so that their lending and investment decisions need not be constrained by near-term deposit flows. The aggressive bank can readily increase its liabilities, and assets, within limits by recourse to the Federal funds, CD, and Euro-dollar markets if loan and investment opportunities offer profitable prospects. To some degree, these banks in the aggregate can also fall back on borrowings from the discount window if the Desk provides nonborrowed reserves sparingly.

What the Desk's operations do affect is the opportunity cost of reserves to all banks—through either Federal funds or close alternatives. As these effects feed back over subsequent weeks and months to affect bank decision-making and the loan demands and asset preferences of bank customers, aggregate bank credit and the various measures of the money supply begin to be affected. Even then, such external forces as shifts in business demands for loans and for demand deposits can exert powerful influences tending to delay or speed up the response of the banking system to System-engineered changes in the marginal cost of reserves.

In 1971 a major part of the System's impact on bank credit and interest rates in the capital markets came through the changes it set in motion in the investment strategies of major banks, Government securities dealers, and others. Business demand for bank loans was notably quiescent during the year in contrast to the dynamic strength of some earlier years, which had had such a strong impact on bank behavior and bank balance sheets. An increasing number of banks turned to aggressive portfolio management as well as to increased mortgage and consumer

lending in their efforts to maintain or boost earnings in an environment of generally lower interest rates. Expanded short-term trading in Government, Federal agency, and municipal issues had already been spurred by the 1969 revisions in the tax laws, which essentially removed the favorable treatment formerly given long-term capital gains. Since that time, securities trading has been much less inhibited by tax considerations than previously, when the alternation of profit and loss years often dominated bank portfolio activities.

*The short-term nature of securities speculation.* In moving to a more aggressive portfolio strategy, the trading banks markedly shortened their time horizons for trading. In 1970 and 1971 many banks set up securities trading operations, which were often separate from their normal investment activities. The trading accounts sought to profit from price swings over a few weeks or even days, as well as by taking speculative positions when interest rates were expected to move lower over the next 2 or 3 months. In effect, these banks joined the professional underwriters of Treasury, Federal agency, and municipal debt issues in trying to anticipate the course of interest rates in order to make short-term profits.

The investment strategy of trading banks, Government securities dealers, and other short-term holders depends upon the expectations of these groups concerning the behavior of interest rates over the next several months. These professional investors are keenly sensitive to any suggestion from their analyses pointing toward changes in monetary or fiscal policy, or any other factors that might affect the interest rate outlook. Their common objective is to anticipate the movement of rates before the general body of bank and nonbank investors. Most of these

professionals probably have a profit horizon no longer than 2 to 4 months in taking major positions in intermediate- or longer-term debt securities.

Adding to the extreme sensitivity of participants in the market is the highly leveraged nature of their operations. Nonbank dealers in Government securities often hold securities equal to 15 or 20 times net worth, so that a 2 per cent fall, or rise, in the market value of their assets would lower, or raise, their net worth by one-third. Accordingly, these firms are likely to react quickly to protect their capital if interest rates rise contrary to their expectations. Their capital can be seriously impaired if they misjudge the direction or even the timing of changes in rates. Conversely, the successful anticipation of a decline in interest rates offers the prospect of substantial capital gains. Bank dealers in Government securities undertake similar risks—comparable in kind, if not generally in degree, to that taken by the nonbank firms.

*The System's influence on securities trading.* The System exerts its impact on the interest rate expectations and portfolio commitments of dealers, trading banks, and others through the policy actions, speeches, testimony, and informal contacts of System officials with the financial community and through the conduct of open market operations under the FOMC's directives. Market participants analyze Desk actions to gain an idea of the desired Federal funds rate range or other FOMC objectives. The rate serves as an indicator of the System's desired throttle setting for the provision of nonborrowed reserves to the banks. The Desk's purchases of coupon issues, while accepted as a normal instrument of open market operations, at times tend to be regarded in the market as efforts to re-

lieve supply pressures and hence serve to encourage rate declines or discourage increases. In the past 2 years, market participants have followed closely the behavior of  $M_1$  as likely to foreshadow changes in the System's weekly targets. The importance attached to this indicator reflects the increased significance given to it by the FOMC.

The System's changing policy thrust in 1971 was clearly reflected in the way in which Government securities dealers and weekly reporting banks managed their holdings of Government securities maturing in over 1 year. And the shifts in these holdings gave major impetus to changes in interest rates on intermediate-term Government securities during the past 15 months.

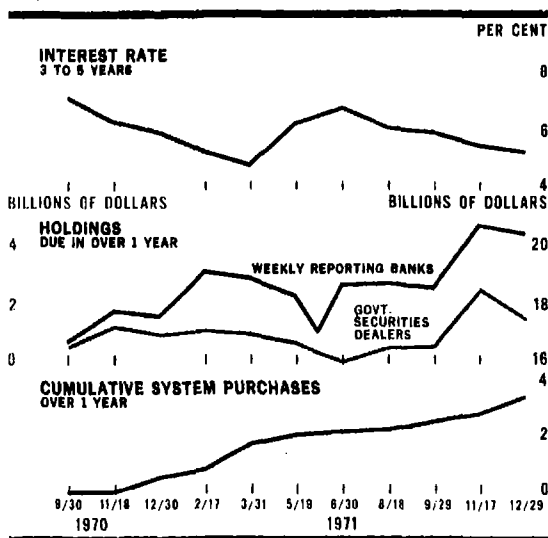
In the fourth quarter of 1970 the non-bank dealers and the weekly reporting banks used the Treasury's November financing (announced on October 27) as the occasion to add heavily to their position in over-1-year securities (Chart 8). Yields on 3- to 5-year Government issues dropped by  $\frac{1}{2}$  of a percentage point by mid-November as these two groups

emerged with almost \$1.9 billion more over-1-year securities than they held on September 30. (The net positions of other holders declined by a like amount.) In the final 6 weeks of the year, yields declined another  $\frac{5}{8}$  of a percentage point to around 6 per cent as the Trading Desk purchased \$536 million of over-1-year securities—essentially from the positions of the dealers and weekly reporting banks.

After the turn of the year, market expectations of a further decline in interest rates were still strong. The Trading Desk was aggressively pushing the Federal funds rate lower and the sluggish behavior of  $M_1$  in the fourth quarter encouraged professional investors to expect continuing ease. As interest rates fell further, dealers built up their positions in over-1-year issues by about \$1 billion to a record \$2 billion near the end of January and then distributed most of the increase at rising prices to banks and others over the next 3 weeks. Thus, they accounted for little of the \$4.1 billion net rise in such debt outstanding in public hands after the year-end as a result of the financing. Weekly reporting banks increased their holdings of over-1-year issues by over \$1.5 billion while other public holders, which had reduced such holdings by \$1.3 billion in the fourth quarter, added \$2.6 billion of these issues. After mid-February, interest rates tumbled still further. Desk purchases of \$687 million of over-1-year securities contributed to a further steep decline in interest rates, which carried the 3- to 5-year rate down to  $4\frac{1}{2}$  per cent by mid-March.

The Committee's decision on April 6 to move toward firmer money market conditions, and the Desk's response to continuing overruns in  $M_1$  during April, led to a drastic revision in interest rate expectations. System purchases of \$196 million of over-1-year issues in the April

## 8 U.S. GOVERNMENT SECURITIES— INTEREST RATES, HOLDINGS, AND SYSTEM PURCHASES



14 statement week took a portion of the securities being pressed for sale. But the yield on 3- to 5-year issues rose in almost a straight line to 6¼ per cent by mid-May as the dealers and weekly reporting banks together reduced their positions by about \$700 million. The rise of 1½ percentage points in yield was more than double the increase in the Federal funds rate over the interval. Concern over the rapid growth of  $M_1$ , the persistence of inflation and discouragement over Government leadership in this area, and the international monetary situation reinforced expectations of higher rates.

At the higher interest rates, other investors were willing to absorb still another \$800 million of over-1-year issues from these two groups over the next 3 weeks. At the end of the second quarter, the Government securities dealers had almost eliminated their inventories of over-1-year issues while the weekly reporting banks held \$200 million less than 3 months earlier despite a build-up of over \$1 billion in late June by virtue of a Treasury note financing. In the 6 weeks that preceded the President's mid-August program, the weekly reporting banks (exclusive of the bank dealers) again turned to cutting their inventories as  $M_1$  continued to grow and the Desk continued to resist by pushing up the Federal funds rate. However, by the time of the Treasury financing in late July, both the dealers and the weekly reporting banks appeared ready to assume some underwriting risk at the higher yields.

The dealers responded to the President's program by bidding up prices actively in the course of rebuilding their speculative positions by \$600 million in over-1-year issues in the 4 weeks ended September 8. System open market purchases of \$346 million in late August and September helped first to foster the decline in rates

and then to relieve positions when market uncertainties about Phase II developed in September. Most of the strong impetus to lower interest rates came, however, from strong expectations about what future System policy would be rather than from observed open market operations. There was also renewed hope that the new incomes policy would dampen inflation.

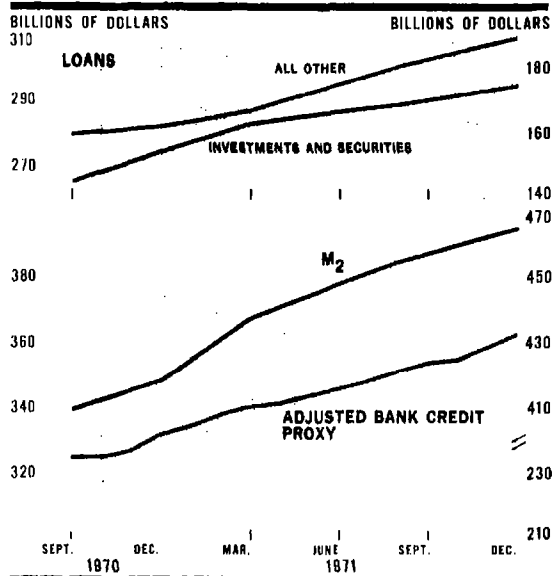
As October progressed, market participants saw the Desk move the Federal funds rate downward successively, in line with their expectations. The sluggish behavior of  $M_1$  and lackluster business news reinforced expectations that a still more expansive System policy would be forthcoming. The weekly reporting banks joined the Government securities dealers in adding to positions in October, pushing yields on 3- to 5-year issues down about ½ of a percentage point in the process. At the lower yields, tremendous enthusiasm developed among all investors in the Treasury's pre-refunding in late October. Accordingly, the over-1-year positions of dealers were \$2.1 billion higher on November 17 than at the end of September, and the weekly reporting banks showed a similar increase. Other public holders, which had been selling earlier, also subscribed heavily so that their positions rose by \$5.6 billion. Not surprisingly, this enormous overhang of new securities exerted some upward pressure on yields, despite the continued easing of money market conditions by open market operations and two cuts in the Federal Reserve discount rate. However, System purchases of \$824 million of over-1-year Treasury coupon issues during the last 7 weeks of the year largely contained the upward pressure. There was also relief at the absence of foreign selling of Treasury bills, and yields were again tending lower at the year-end.

*The effect of bank investment strategy on bank credit.* The shifts in bank and dealer behavior triggered by monetary policy left an important trace on bank credit as well as on interest rates. First, the loan demands of Government securities dealers and other underwriters provided an exogenous credit demand. Then there was the aggressive pursuit of short-term gains by banks—in tax-exempt and Federal agency as well as Government issues. In this way, a major part of the outpouring of new securities by these issuers was underwritten by the dealers and trading banks and more solidly placed over time with the banking system. The major banks financed the dealers and their own positions in part through the issuance of CD's and other short-term liabilities. The System's pursuit of aggressive ease early in the year also provided a sharp rise in bank time deposits as individuals switched from the Treasury bill market. When the dealers and trading banks sharply reduced their underwriting positions in the April–August period, there was corresponding pressure on the growth in bank liabilities—through a reduction in their financing needs and reduced switching of savings from the markets to the banks.

The three main phases of System policy stand out clearly in Chart 9. In the fourth quarter of 1970, in which  $M_1$  was growing slowly, bank portfolios and dealer loans were growing rapidly. The pace of portfolio growth accelerated in the first quarter of 1971 to an annual rate of 14 per cent, more than compensating for some decline in dealer lending. Loan growth was comparatively sluggish. In the 5 months that ended in August, there was a marked decline in the growth of bank investments while dealer lending fell still further. Loan growth picked up in this period—chiefly because of the growth in consumer and mortgage loans, although business

loans also spurred in August as corporations moved funds abroad. With the swing in expectations brought by the President's program, bank investments in municipal and Federal agency issues spurred over the last 4 months, and lending to securities dealers also rose substantially. However, the banks' net acquisition of short-dated Treasury issues was less than seasonal as foreign central banks financed most of the Treasury's seasonal need. Mortgage and consumer loans continued to grow at a good pace, but business loans relapsed into quiescence.

### 9 | BANK CREDIT, MONEY SUPPLY, AND BANK CREDIT PROXY



Loans are at all commercial banks.

The System-induced swings in investment strategy and in bank intermediation were also reflected in the behavior of total liabilities during the year. As the System pushed short-term rates lower in the fourth quarter of 1970, the adjusted credit proxy rose at a 7.8 per cent annual rate in that quarter and  $M_2$  at an 8.8 per cent rate, while  $M_1$  grew at a 3.8 per cent rate. In the first quarter of 1971,  $M_2$  grew at an

18.1 per cent rate while the proxy rose at a 10.9 per cent rate, as banks used the System-induced inflow of time deposits to replace Euro-dollar and other high-cost liabilities.  $M_1$  grew at a 9.1 per cent rate in the first quarter. In the 5 months ended in August, the proxy slowed down to about an 8 per cent growth rate, reflecting the System's posture of increasing restraint on reserves with its associated change in the banking system's cost/profit calculus. The System-induced rise in short-term interest rates also cut back on the switching of funds from marketable securities to the banks and  $M_2$  growth slowed to a 9.6 per cent annual rate. The growth in  $M_1$  continued strong at 9.1 per cent. Finally, in the last 4 months of the year, as the System pressed short-term rates lower, time deposit growth speeded up sharply. The bank credit proxy grew at a 9.3 per cent rate over the interval, and  $M_2$  at a 6.7 per cent rate.  $M_1$ , however, slowed to a 0.3 per cent growth rate.

#### **SOME LESSONS OF THE 1970-71 EXPERIENCE**

The divergent behavior of the monetary and credit aggregates during the recent past provides additional evidence on the Committee's continuing problem of specifying the intermediate-term objectives of open market operations. The fluctuating behavior of  $M_1$  made it a peculiarly elusive target in the particular economic environment prevailing during this period.  $M_1$  did not respond quickly to the changing impact of open market operations on reserves and interest rates. At the same time,  $M_1$  did respond to variations in the public's demand for it for precautionary and other reasons that are imperfectly understood. In particular, precautionary balances apparently were built up in the second quarter, when concern with infla-

tion and unemployment was high, and reduced later in the year after the President's new economic program raised hopes of progress on both these fronts.

Recent experience suggests that  $M_1$  responds only slowly to the changes in non-borrowed reserves and the Federal funds rate initiated by System open market operations. To be sure, the decline in the Federal funds rate from October 1970 to February 1971 was followed by a more rapid growth of  $M_1$  beginning in February. And the rise in the Federal funds rate from March to August was followed by a retardation of growth in  $M_1$  in August. But the lag in the response of  $M_1$  appears rather long, perhaps on the order of 4 to 6 months, although independent shifts in the public's demand schedule for  $M_1$  during the period may well have distorted  $M_1$ 's actual response to System operations.

On the other hand, both  $M_2$  and the credit proxy were reasonably sensitive to the System's influence, exerted through short-term interest rates. The time and savings deposits included in  $M_2$  responded to System-initiated changes in the attractiveness of such deposits relative to short-term marketable securities. The adjusted bank credit proxy—which includes CD's, Euro-dollars, and Treasury deposits—incorporated the member bank response both to these savings inflows and to the changing interest rate outlook as it affected bank portfolios. Both  $M_2$  and the credit proxy responded to shifts in open market operations within 1 to 3 months—with the credit proxy the more stable of the two series.

The Committee, of course, did not concentrate solely on monetary aggregates during 1971. In the second quarter, in particular, it was very much concerned that a substantial rise in long-term interest rates might undermine the economic recovery



then under way. The System's moves toward restraint were accordingly more gradual than they would have been had  $M_1$  been the sole guide.  $M_2$  and the bank credit proxy did reflect fairly promptly the Committee's shift in direction. Their behavior, in combination with the movement in interest rates, suggests that open market operations were exerting a drag on bank credit creation during the summer even though  $M_1$  was growing rapidly.

The Committee's formulation of its quantitative policy strategy depends upon the kind of relationships it perceives between the aggregates and economic activity, and upon the protection that a given strategy offers against major error. This report has not focused on the larger

policy issue of which measures of monetary expansion and credit conditions most accurately indicate the degree of financial stimulation or restraint appropriate to the particular needs of the economy. From the Desk's vantage point, however, the 1970-71 experience suggests that the Committee is better served by an examination of the full range of information provided by the three aggregates and interest rates than by preoccupation with any single measure. In terms of operating instructions, the Committee may find it desirable to use all three aggregates as a protection against unforeseen, and often temporary, demand shifts affecting a particular aggregate. □

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# Changes in Time and Savings Deposits at Commercial Banks

October 1971–January 1972

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In the 3 months ending January 31, 1972, interest rates offered on negotiable certificates of deposit in denominations of \$100,000 or more moved steadily lower at most large commercial banks, along with other open market interest rates. In the area of consumer time deposits, where rates in general respond more slowly to changes in market interest rates, most commercial banks continued to pay depositors the maximum rates permitted by supervisory authorities. Nevertheless, a relatively small number, but an appreciable proportion of all large banks, lowered offering rates on small-denomination time deposits other than passbook savings accounts.

Lower rates were in prospect on savings deposits—at least temporarily—at a sizable number of banks. Some of the largest banks that hold substantial amounts of these deposits announced early in 1972 that they would lower the offering rate on regular savings from  $4\frac{1}{2}$  to 4 per cent on February 1, and in some cases on March 1. That these rate reductions may be temporary was indicated by one large bank that reduced its rate on savings deposits by  $\frac{1}{2}$  of a percentage point on February 1

of this year but announced in March its intention to return to the  $4\frac{1}{2}$  per cent ceiling on April 1.

These developments reflect changes in market rates of interest. In the period covered by this survey,<sup>1</sup> short-term open market rates declined almost steadily, after having risen substantially over the spring and early summer of 1971. By the end of January 1972 the rate on 3-month Treasury bills, for example, was near the low point reached in March 1971. Long-term rates also fell but by more modest amounts than short-term rates. In this period the prime loan rate was lowered from  $5\frac{3}{4}$  to  $4\frac{1}{2}$ – $4\frac{3}{4}$  per cent, and the Federal Reserve discount rate was reduced from 5 to  $4\frac{1}{2}$  per cent.

With inflows into consumer-type time deposits large, and with loan demand sluggish, banks were less interested in inflows of large-denomination time deposits in the October–January period than they had been in earlier quarters. Offering rates on short-term large negotiable CD's were cut sharply at most banks in the 3 months ending January 31 in order to keep these rates in line with market yields on competing instruments. Growth in large negotiable CD's virtually ceased, and the rate of increase in other large-denomination time deposits slackened. On the other hand, offering rates were maintained at ceiling levels by most banks on passbook savings and, with the exceptions noted earlier, on other consumer-type time deposits—probably in part because competing savings institutions had not lowered rates. As a result, many small depositors

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NOTE.—Caroline H. Cagle of the Board's Division of Research and Statistics prepared this article.

<sup>1</sup>Previous surveys of time and savings deposits at all member banks were conducted by the Board of Governors in late 1965, in early 1966, and quarterly beginning in 1967. Beginning in 1968 the surveys were expanded to provide figures for all insured commercial banks and were conducted jointly by the Board of Governors and the Federal Deposit Insurance Corporation. The results of earlier surveys have appeared in BULLETINS for 1966–71, the most recent being Jan. 1972, pp. 17–30.

Appendix tables for this article appear on pp. 369–73.

found bank offering rates attractive, and inflows into savings and other small-denomination time deposits were substantially larger than they had been in the preceding quarter.

### NET CHANGES IN DEPOSITS

Total time and savings deposits held by individuals, partnerships, and corporations (IPC) at insured commercial banks amounted to \$242.3 billion on January 31, 1972—about \$7.5 billion (3 per cent) greater than 3 months earlier (Table 1). This increase was nearly one-third more than the growth in the preceding quarter.

Depositors added \$3.4 billion to their holdings of regular savings deposits in the October–January period; this was twice the growth in the preceding quarter. The decline in market interest rates and the uncertainty concerning future interest rate

movements made the 4½ per cent rate paid by most banks attractive, along with such advantages as ready accessibility of funds and, in some banks, interest from day of deposit to day of withdrawal.

Many small depositors were clearly seeking the highest bank rate available. Small-denomination CD's and open account time deposits with maturities of 2 years or more—on which a majority of the banks were offering the highest permissible rate (5¾ per cent)—expanded by \$2.1 billion (9 per cent) in the most recent quarter. This was almost twice the increase in the preceding quarter, when the spread between the highest bank rate on these deposits and the market yield on Treasury bills, for example, had been much narrower. Growth in these long-maturity, high-yield deposits was greater than the combined increase in all other

**TABLE 1**

TYPES OF TIME AND SAVINGS DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS HELD BY INSURED COMMERCIAL BANKS ON SURVEY DATES, APRIL 1971–JANUARY 1972

Type of deposit	Number of issuing banks				Amount (in millions of dollars)				Percentage change in deposits (quarterly rate)	
	1971		1972		1971			1972	July 31— Oct. 31, 1971	Oct. 31, 1971— Jan. 31, 1972
	Apr. 30	July 31	Oct. 31	Jan. 31	Apr. 30	July 31	Oct. 31	Jan. 31		
Total time and savings deposits.....	13,413	13,438	13,452	13,440	222,255	229,062	234,786	242,296	2.5	3.2
Savings.....	12,960	12,958	12,993	13,030	104,249	105,940	107,514	110,931	1.5	3.2
Time deposits in denominations of less than \$100,000—Total..	13,142	13,128	13,248	13,175	81,297	83,427	84,990	89,124	1.9	4.9
Accounts with original maturity of—										
Less than 1 year.....	12,157	12,242	12,332	12,318	42,863	43,646	43,909	45,300	.6	3.2
1 up to 2 years.....	12,305	12,224	12,455	12,382	18,893	18,976	19,058	19,725	.4	3.5
2 years or more.....	10,350	10,521	10,653	10,789	19,541	20,804	22,024	24,099	5.9	9.4
All maturities:										
Open accounts—										
Passbook or statement form <sup>1</sup> .....	3,225	3,233	3,297	3,440	(21,258)	(22,068)	(23,307)	(24,865)	(5.6)	(6.7)
Time deposits in denominations of \$100,000 or more.....	5,838	5,816	5,894	6,004	30,744	33,490	36,009	36,792	7.5	2.2
Negotiable CD's.....	3,087	3,067	2,972	3,224	21,418	23,525	25,435	25,591	8.1	.6
Nonnegotiable CD's and open account.....	3,397	3,388	3,492	3,359	9,325	9,965	10,574	11,201	6.1	5.9
Christmas savings and other special funds.....	8,274	8,324	8,048	8,151	5,964	6,205	6,272	5,450	1.1	-13.1

<sup>1</sup> Includes time deposits, open account, issued in passbook, statement, or other forms that are direct alternatives for regular savings accounts. Most of these are believed to be in accounts totaling less than \$100,000.

NOTE.—Data were compiled jointly by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation. For Apr. 30 and July 31, 1971, and Jan. 31, 1972, the

information was reported by a probability sample of all insured commercial banks; for Oct. 31, 1971, the data for member banks were reported by virtually all such banks and for insured nonmember banks by the same sample of these banks reporting in earlier surveys.

Some deposit categories include a small amount of deposits outstanding in a relatively few banks that no longer issue these types of deposits and are not included in the number of issuing banks. Dollar amounts may not add to totals because of rounding.

small-denomination, short-maturity time deposits on which ceiling rates were lower.

Bank holdings of time deposits in denominations of \$100,000 or more increased only \$780 million (2 per cent) in the October–January period. Four-fifths of this growth was in nonnegotiable CD's and open account time deposits, which are held to a considerable extent by consumers, as contrasted with negotiable CD's which are held mainly by businesses. The greater growth in nonnegotiable CD's probably reflects the fact that many banks were offering somewhat higher rates on nonnegotiable than on negotiable CD's on January 31.

Time deposits in special fund accounts declined by \$820 million in the latest survey period, reflecting in large part a seasonal movement. Christmas club accounts, which are an important part of this total, are built up over the year to a peak in the autumn and are paid out in November. The decline in these deposits in the 3 months ending January 31 amounted to 13 per cent—about the same as the reduction in the comparable period of last year.

Both small and large banks experienced an expansion in their holdings of time and savings deposits in the most recent period, amounting to about 3.5 per cent for large banks (total deposits of \$100 million and over) and to about 5 per cent for smaller banks. At large banks one-half of the growth was in passbook savings whereas at smaller banks such deposits accounted for only one-fourth of the increase. The greater growth in passbook savings deposits at large banks may reflect in part a tendency to discourage expansion in deposits carrying rates of interest greater than 5 per cent by lowering the offering rate or by other means. On the other hand, most small banks continued to offer the ceiling rates on consumer-type time deposits.

#### RATE CHANGES AND RATE STRUCTURE

On small-denomination time deposits (other than savings) about 9 out of 10 of the issuing banks—holding more than four-fifths of the deposits—were offering depositors the ceiling rate on January 31, 1972 (Table 2). Nevertheless, this proportion was somewhat lower than it had been 3 months earlier. Among large banks about 20 per cent of the banks reduced their offering rate on consumer-type time deposits (other than savings) in the most recent period (Appendix Table 7). Most of these reductions were to 5 per cent on deposit instruments with maturities of 1 year and over and to 4½ per cent on shorter maturities. The proportion of big banks, for example, that were paying the 5¾ per cent rate on maturities of 2 years and over dropped from 85 to 74 per cent; and for maturities of 1 to 2 years the proportion paying 5½ per cent declined from 83 to 69 per cent from the end of October to the end of January. Some large banks with sizable amounts of these deposits outstanding on January 31 reported in the survey that they no longer issued these high-interest-rate deposits, and it has been reported elsewhere that some large banks, although continuing to offer the ceiling rates on these deposits, were tightening other terms, such as raising the minimum deposit required and/or lengthening the maturity of the instrument.

By contrast, at small banks interest rates on consumer-type time deposits responded less rapidly than at large banks to changes in open market interest rates, as had been true in earlier surveys. As of January 31 about nine-tenths of the small banks continued to offer the ceiling rates on small CD's and open account time deposits, a proportion only slightly lower than a year earlier. The few banks of this size that lowered their rates during the most recent survey period were about matched by

TABLE 2

TIME AND SAVINGS DEPOSITS, IPC, HELD BY INSURED COMMERCIAL BANKS ON OCTOBER 31, 1971, AND JANUARY 31, 1972, BY TYPE OF DEPOSIT, BY MOST COMMON RATE PAID ON NEW DEPOSITS IN EACH CATEGORY, AND BY SIZE OF BANK

Group	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	Jan. 31	Oct. 31	Jan. 31	Oct. 31	Jan. 31	Oct. 31	Jan. 31	Oct. 31	Jan. 31	Oct. 31	Jan. 31	Oct. 31
	Number of banks, or percentage distribution						Amounts of deposits (in millions of dollars), or percentage distribution					
<b>Savings deposits:</b>												
Issuing banks.....	13,030	12,993	12,408	12,405	622	588	110,931	107,514	42,656	42,552	68,275	64,962
Percentage distribution by most common rate paid on new deposits:												
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
3.50 or less.....	6.5	7.0	6.8	7.2	1.9	2.4	2.2	2.2	3.7	3.5	1.2	1.3
3.51-4.00.....	18.4	17.2	18.3	17.2	19.8	17.0	19.1	16.1	13.9	13.6	22.3	17.8
4.01-4.50.....	75.1	75.8	74.9	75.6	78.3	80.6	78.7	81.7	82.4	82.9	76.5	80.9
<b>Time deposits in denominations of less than \$100,000:</b>												
<b>Maturities of less than 1 year:</b>												
Issuing banks.....	12,318	12,332	11,698	11,748	620	584	45,299	43,888	21,506	20,646	23,793	23,242
Percentage distribution by most common rate paid on new deposits:												
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.50 or less.....	5.5	3.9	4.8	3.5	19.0	4.1	11.5	3.7	1.9	1.3	20.1	2.8
4.51-5.00.....	94.5	96.1	95.2	96.5	81.0	95.9	88.5	96.3	98.1	98.7	79.9	97.2
<b>Maturities of 1 up to 2 years:</b>												
Issuing banks.....	12,382	12,455	11,782	11,889	600	566	19,690	19,025	14,620	14,284	5,069	4,741
Percentage distribution by most common rate paid on new deposits:												
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.50 or less.....	1.4	.9	1.2	.9	7.8	1.3	1.7	.3	1.2	.4	3.1	.4
4.51-5.00.....	10.2	9.8	9.7	9.6	20.0	12.2	12.4	11.1	9.5	11.2	20.9	10.7
5.01-5.25.....	.8	1.1	.6	1.0	3.5	3.5	1.1	1.4	.9	1.0	1.6	2.6
5.26-5.50.....	87.6	88.2	88.5	88.5	68.7	83.0	84.8	87.2	88.4	87.4	74.4	86.3
<b>Maturities of 2 years and over:</b>												
Issuing banks.....	10,789	10,653	10,215	10,102	574	551	23,564	21,827	13,035	12,022	10,528	9,805
Percentage distribution by most common rate paid on new deposits:												
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.50 or less.....	1.3	.9	1.1	.9	5.4	1.5	.8	.6	.4	.8	1.3	.5
4.51-5.00.....	4.5	2.8	4.0	2.5	13.3	7.6	6.8	4.0	2.1	1.2	12.5	7.3
5.01-5.25.....	.3	.4	.2	.4	2.4	1.2	1.4	.6	1.1	.4	3.1	.8
5.26-5.50.....	3.8	3.4	3.7	3.4	4.5	4.4	2.3	1.9	2.2	1.2	2.3	2.7
5.51-5.75.....	90.1	92.5	91.0	92.8	74.4	85.3	88.7	92.9	95.2	96.4	80.8	88.7
<b>Negotiable CD's in denominations of \$100,000 or more:</b>												
Issuing banks.....	3,224	2,972	2,827	2,589	397	383	25,586	25,434	2,792	2,614	22,793	22,820
Percentage distribution by most common rate paid on new deposits:												
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4.50 or less.....	15.0	2.0	9.8	1.8	51.4	3.3	66.2	6.9	15.5	1.0	72.4	7.6
4.51-5.00.....	27.7	20.5	27.4	19.0	30.5	30.5	20.8	35.9	26.6	13.2	20.1	38.5
5.01-5.50.....	19.4	23.4	20.8	20.1	10.1	46.2	7.1	37.2	19.6	25.3	5.6	38.6
5.51-6.00.....	23.2	35.4	25.4	37.9	7.0	18.0	4.0	17.4	23.8	42.1	1.6	14.6
6.01-6.50.....	6.4	7.6	7.4	8.6	.....	.....	.....	1.1	3.8	6.8	.....	.....
6.51-7.00.....	5.3	6.9	5.9	7.9	.....	.....	.....	1.2	1.0	8.9	.....	.....
7.01-7.50.....	2.9	4.1	3.2	4.6	.....	.....	.....	1.3	1.8	3.2	.....	.....
7.51 and over.....	.1	.1	.1	.1	.....	.....	(1)	.5	(1)	.1	.....	.....

<sup>1</sup> Less than 0.05 per cent.

For Note, see p. 374.

banks that raised their rates to the ceiling level.

Few banks made any change in the rate they paid on regular passbook savings in the 3 months ending January 31. Three-fourths of insured commercial banks holding nearly four-fifths of all passbook savings deposits were paying the 4½ per cent maximum rate on January 31, 1972. Nevertheless, as indicated earlier, a number of rate reductions were in prospect at large banks beginning in February.

Although small banks do not often change offering rates on deposits, in recent years large banks have been adjusting more promptly their rates on savings and other consumer-type time deposits in accordance with changes in market interest rates. In the past year, for example, many of the largest banks lowered their rate on savings deposits by ½ of a percentage point to 4 per cent on April 1, 1971, moved it back to the 4½ per cent ceiling on August 1, and announced plans to lower it again by ½ of a percentage point on February 1 of this year. Adjustments of this kind were also announced by these banks in the offering rates on new issues of the longer maturities of small-denomination CD's and open account time deposits. With rates of return on earnings assets declining in the early months of 1971 and again in early 1972, and with interest on time and savings deposits the largest single item of bank expenses, large banks have been anxious to maintain a close relationship between the rate of return on earnings assets and the costs of time deposits; this is true particularly for passbook savings, where any change in rate affects all of the deposits of this type outstanding. Rate changes on other small-denomination time deposits affect for the most part new deposits and therefore have a smaller impact on bank expenses.

Nearly four-fifths of the large banks,

which account for the bulk of all large negotiable CD's, lowered their most common offering rate on these deposits between October and January. As of January 31, half of these banks reported that the most common rate on such deposits was 4½ per cent or less. A majority had been paying between 5 and 6 per cent 3 months earlier.

On other large-denomination time deposits—nonnegotiable CD's and open account deposits—about half of the large banks reduced their most common rate in the October–January period, a smaller proportion than for large negotiable CD's. The offering rate on these deposits as of January 31 for a majority of big banks was 5 per cent or more.

#### AVERAGE INTEREST RATES

The weighted average interest rate paid on all forms of time and savings deposits, IPC, at insured commercial banks on January 31, 1972, was 4.70 per cent—down from 4.85 per cent 3 months earlier (Table 3). The major factor in the decline was the sharp reduction in rates on large-denomination deposits.

On negotiable CD's in denominations of \$100,000 or more, the average rate at all insured commercial banks on January 31 was 4.37 per cent and on other large-denomination time deposits, 4.70 per cent. These rates represented declines of 86 and 68 basis points, respectively, in the 3 months ending January 31.

Reflecting a relatively few recent rate reductions on small-denomination time deposits (other than savings), the average interest rate on January 31 was 5.66 per cent on such deposits with maturities of 2 years and over, 5.39 per cent on deposits with maturities of 1 up to 2 years, and 4.90 per cent on maturities of less than 1 year—down by 2, 4, and 8 basis points, respectively. By contrast, on regular savings

deposits, the average rate was down by only 1 basis point—to 4.38 per cent.

The sharpest decline in rates during the most recent quarter occurred at money market banks—with total deposits of \$500 million and over, located in Standard Metropolitan Statistical Areas (SMSA's)—as might be expected in view of the heavy concentration in negotiable CD's

and other interest-sensitive deposits at such banks. The average rate on all forms of time and savings deposits at these banks was 4.51 per cent—down 31 basis points from 3 months earlier. For banks located in small towns and rural areas (outside SMSA's) the average rate on all forms of time and savings deposits was unchanged at 4.96 per cent. □

TABLE 3

AVERAGE OF MOST COMMON INTEREST RATES PAID ON VARIOUS CATEGORIES OF TIME AND SAVINGS DEPOSITS, IPC, AT INSURED COMMERCIAL BANKS ON JANUARY 31, 1972

Per cent per annum

Bank location and size of bank (total deposits in millions of dollars)	All time and savings deposits	Savings and small-de- noma- tion time deposits	Savings	Time deposits in denominations of—					
				Less than \$100,000			\$100,000 or more		
				Total	Maturing in—			Negotiable CD's	All other
					Less than 1 year	1 up to 2 years	2 years or more		
<b>All banks:</b>									
All size groups . . . . .	4.70	4.75	4.38	5.21	4.90	5.39	5.66	4.37	4.70
Less than 10 . . . . .	4.99	4.98	4.31	5.33	4.98	5.37	5.69	5.54	5.71
10-50 . . . . .	4.92	4.89	4.40	5.31	4.99	5.45	5.73	5.60	5.50
50-100 . . . . .	4.80	4.75	4.38	5.25	4.96	5.38	5.70	5.05	5.35
100-500 . . . . .	4.68	4.69	4.38	5.16	4.91	5.33	5.62	4.62	4.67
500 and over . . . . .	4.51	4.62	4.37	5.07	4.79	5.35	5.59	4.17	4.39
<b>Banks in—</b>									
<b>Selected large SMSA's:<sup>1</sup></b>									
All size groups . . . . .	4.59	4.66	4.40	5.12	4.84	5.35	5.62	4.26	4.48
Less than 10 . . . . .	4.85	4.83	4.38	5.34	4.99	5.44	5.72	5.08	5.42
10-50 . . . . .	4.81	4.76	4.42	5.26	4.95	5.41	5.68	5.53	5.33
50-100 . . . . .	4.73	4.70	4.40	5.22	4.97	5.34	5.68	5.11	4.94
100-500 . . . . .	4.65	4.67	4.40	5.14	4.88	5.28	5.62	4.53	4.50
500 and over . . . . .	4.51	4.62	4.39	5.06	4.78	5.36	5.59	4.15	4.36
<b>All other SMSA's:</b>									
All size groups . . . . .	4.76	4.74	4.31	5.24	4.94	5.40	5.67	4.92	5.15
Less than 10 . . . . .	4.88	4.83	4.21	5.34	4.99	5.39	5.66	5.65	6.08
10-50 . . . . .	4.90	4.87	4.40	5.35	5.00	5.45	5.75	5.47	5.78
50-100 . . . . .	4.84	4.80	4.36	5.26	4.92	5.45	5.73	4.92	5.34
100-500 . . . . .	4.73	4.71	4.34	5.18	4.95	5.35	5.61	4.87	4.91
500 and over . . . . .	4.53	4.50	4.11	5.08	4.87	5.29	5.56	4.69	4.98
<b>Banks outside SMSA's:</b>									
All size groups . . . . .	4.96	4.94	4.37	5.31	4.99	5.41	5.71	5.52	5.54
Less than 10 . . . . .	5.03	5.02	4.31	5.33	4.98	5.36	5.69	5.66	5.51
10-50 . . . . .	4.98	4.95	4.39	5.32	5.00	5.46	5.74	5.72	5.57
50-100 . . . . .	4.88	4.80	4.34	5.27	4.99	5.35	5.70	5.06	5.77
100-500 . . . . .	4.74	4.72	4.38	5.20	4.89	5.40	5.60	4.62	5.12
500 and over . . . . .	4.91	4.80	4.29	5.29	5.00	5.50	5.75	6.75	4.64

<sup>1</sup> The selected large Standard Metropolitan Statistical Areas, as defined by the Office of Management and Budget and arranged by size of population in the 1970 census, are as follows:

New York City	Minneapolis-St. Paul	San Jose	Albany-Schenectady-Troy	Richmond
Los Angeles-Long Beach	Seattle-Everett	New Orleans	Akron	Jacksonville
Chicago	Milwaukee	Tampa-St. Petersburg	Hartford	Flint
Philadelphia	Atlanta	Portland	Norfolk-Portsmouth	Tulsa
Detroit	Cincinnati	Phoenix	Syracuse	Orlando
San Francisco-Oakland	Paterson-Clifton-Passaic	Columbus	Gary-Hammond-E. Chicago	Charlotte
Washington, D. C.	Dallas	Rochester	Oklahoma City	Wichita
Boston	Buffalo	San Antonio	Honolulu	West Palm Beach
Pittsburgh	San Diego	Dayton	Ft. Lauderdale-Hollywood	Des Moines
St. Louis	Miami	Louisville	Jersey City	Ft. Wayne
Baltimore	Kansas City	Sacramento	Salt Lake City	Baton Rouge
Cleveland	Denver	Memphis	Omaha	Rockford
Houston	San Bernadino-Riverside	Ft. Worth	Nashville-Davidson	Jackson, Miss.
Newark	Indianapolis	Birmingham	Youngstown-Warren	

NOTE.—The average rates were calculated by weighting the most common rate reported on each type of deposit at each bank by the amount of that type of deposit outstanding. Christmas savings and other special funds, for which no rate information was collected, were excluded.

## APPENDIX TABLE 1—SAVINGS DEPOSITS

Most common interest rates paid by insured commercial banks on new deposits on January 31, 1972

Group	Total	Most common rate paid (per cent)			Total	Most common rate paid (per cent)		
		3.50 or less	4.00	4.50		3.50 or less	4.00	4.50
		NUMBER OF BANKS			MILLIONS OF DOLLARS			
All banks.....	13,030	858	2,392	9,780	110,931	2,409	21,188	87,334
Size of bank (total deposits in millions of dollars):								
Less than 10.....	6,448	599	1,468	4,381	6,234	343	1,336	4,556
10-50.....	5,242	212	724	4,306	24,621	623	3,157	20,841
50-100.....	718	35	76	607	11,801	613	1,445	9,743
100-500.....	472	8	83	381	22,210	292	4,662	17,256
500 and over.....	150	4	41	105	46,065	538	10,589	34,938
Federal Reserve district:								
Boston.....	336	2	60	274	4,487	(2)	1,179	3,291
New York.....	453	6	59	388	18,079	318	3,272	14,490
Philadelphia.....	441	41	187	213	7,241	533	3,304	3,405
Cleveland.....	759	72	137	550	10,409	441	2,856	7,112
Richmond.....	737	8	96	633	7,699	13	1,427	6,259
Atlanta.....	1,654	79	305	1,270	8,006	221	1,421	6,364
Chicago.....	2,572	264	480	1,828	19,804	462	4,654	14,688
St. Louis.....	1,326	70	289	967	3,850	122	692	3,036
Minneapolis.....	1,364	218	511	635	2,680	202	572	1,906
Kansas City.....	1,773	93	212	1,468	4,241	54	167	4,020
Dallas.....	1,229	4	51	1,174	3,745	15	54	3,677
San Francisco.....	386	1	5	380	20,689	(2)	1,591	19,085

## APPENDIX TABLE 2—TIME DEPOSITS, IPC, IN DENOMINATIONS OF LESS THAN \$100,000—MATURING IN LESS THAN 1 YEAR

Most common interest rates paid by insured commercial banks on new deposits on January 31, 1972

Group	Total	Most common rate paid (per cent)			Total	Most common rate paid (per cent)		
		4.50 or less	4.75	5.00		4.50 or less	4.75	5.00
		NUMBER OF BANKS			MILLIONS OF DOLLARS			
All banks.....	12,318	675	54	11,589	45,299	5,189	558	39,552
Size of bank (total deposits in millions of dollars):								
Less than 10.....	6,056	274	2	5,780	3,797	65	(2)	3,732
10-50.....	4,934	243	25	4,666	12,862	185	21	12,655
50-100.....	708	40	8	660	4,848	161	32	4,654
100-500.....	470	76	16	378	8,482	864	187	7,431
500 and over.....	150	42	3	105	15,311	3,914	317	11,080
Federal Reserve district:								
Boston.....	302	29		273	1,594	60		1,534
New York.....	448	85	15	348	4,223	555	361	3,308
Philadelphia.....	315	50	1	264	2,442	326	(2)	2,114
Cleveland.....	679	28	5	646	3,094	181	50	2,863
Richmond.....	630	50	4	576	2,843	284	2	2,557
Atlanta.....	1,572	150	7	1,415	4,390	242	58	4,090
Chicago.....	2,375	104	8	2,263	10,381	916	5	9,460
St. Louis.....	1,276	9		1,267	2,593	192		2,401
Minneapolis.....	1,194	48		1,146	2,523	4		2,520
Kansas City.....	1,854	44	5	1,805	2,539	97	29	2,414
Dallas.....	1,310	53	3	1,254	2,532	241	14	2,277
San Francisco.....	363	25	6	332	6,145	2,092	38	4,015

For notes to Appendix Tables 1-6, see p. 374.



**APPENDIX TABLE 3—TIME DEPOSITS, IPC, IN DENOMINATIONS OF LESS THAN \$100,000—MATURING IN 1 UP TO 2 YEARS**

Most common interest rates paid by insured commercial banks on new deposits on January 31, 1972

Group	Total	Most common rate paid (per cent)				Total	Most common rate paid (per cent)			
		4.50 or less	5.00	5.25	5.50		4.50 or less	5.00	5.25	5.50
NUMBER OF BANKS						MILLIONS OF DOLLARS				
All banks.....	12,382	188	1,260	93	10,841	19,690	335	2,443	211	16,701
Size of bank (total deposits in millions of dollars):										
Less than 10.....	6,185	59	524	11	5,591	5,431	98	475	6	4,852
10-50.....	4,900	49	526	45	4,280	7,560	21	669	79	6,791
50-100.....	697	33	91	15	558	1,629	58	243	43	1,286
100-500.....	459	32	83	21	323	2,403	69	514	81	1,738
500 and over.....	141	15	36	1	89	2,667	89	542	(2)	2,033
Federal Reserve district:										
Boston.....	220	12	22	6	180	121	12	12	2	95
New York.....	398	35	88	15	260	751	33	243	20	454
Philadelphia.....	362	6	79	1	276	1,169	16	252	(2)	899
Cleveland.....	697	21	141	7	528	1,186	54	247	16	868
Richmond.....	679	10	111	2	556	841	58	139	(2)	632
Atlanta.....	1,464	31	203	6	1,224	1,834	23	265	22	1,523
Chicago.....	2,428	25	131	17	2,255	4,427	22	326	27	4,053
St. Louis.....	1,426	1	179	1	1,245	2,642	(2)	379	(2)	2,259
Minneapolis.....	1,314	25	55	.....	1,234	1,828	74	72	.....	1,682
Kansas City.....	1,827	1	89	26	1,711	2,023	(2)	114	70	1,835
Dallas.....	1,207	20	115	7	1,065	1,356	38	122	22	1,174
San Francisco.....	360	1	47	5	307	1,514	(2)	273	13	1,227

**APPENDIX TABLE 4—TIME DEPOSITS, IPC, IN DENOMINATIONS OF LESS THAN \$100,000—MATURING IN 2 YEARS OR MORE**

Most common interest rates paid by insured commercial banks on new deposits on January 31, 1972

Group	Total	Most common rate paid (per cent)					Total	Most common rate paid (per cent)				
		4.50 or less	5.00	5.25	5.50	5.75		4.50 or less	5.00	5.25	5.50	5.75
NUMBER OF BANKS						MILLIONS OF DOLLARS						
All banks.....	10,789	146	487	34	404	9,718	23,564	191	1,590	342	536	20,905
Size of bank (total deposits in millions of dollars):												
Less than 10.....	5,130	67	203	.....	211	4,649	3,005	29	40	.....	63	2,872
10-50.....	4,441	33	170	14	127	4,097	7,454	15	130	5	106	7,199
50-100.....	644	15	38	6	40	545	2,577	7	101	12	124	2,333
100-500.....	434	22	44	9	24	335	3,813	77	283	36	216	3,201
500 and over.....	140	9	32	5	2	92	6,715	63	1,035	289	(2)	5,300
Federal Reserve district:												
Boston.....	198	9	13	6	12	158	280	4	24	1	3	247
New York.....	374	47	30	10	7	280	1,683	49	441	30	49	1,114
Philadelphia.....	285	4	6	.....	14	261	1,562	65	61	.....	85	1,351
Cleveland.....	567	2	31	4	18	512	1,883	(2)	37	27	58	1,752
Richmond.....	618	5	59	2	8	544	1,681	12	77	(2)	(1)	1,538
Atlanta.....	1,298	23	77	.....	75	1,123	2,123	21	161	.....	118	1,823
Chicago.....	2,223	25	46	5	58	2,089	5,180	15	263	7	40	4,856
St. Louis.....	1,105	.....	6	1	50	1,048	1,714	.....	10	(2)	60	1,643
Minneapolis.....	1,084	25	3	.....	50	1,006	1,687	8	2	.....	17	1,661
Kansas City.....	1,604	1	23	2	53	1,525	1,357	(2)	34	(2)	74	1,245
Dallas.....	1,079	4	156	1	51	867	1,265	4	205	(2)	20	1,020
San Francisco.....	354	1	37	3	8	305	3,149	(2)	276	204	12	2,654

For notes to Appendix Tables 1-6, see p. 374.

**APPENDIX TABLE 5—NEGOTIABLE CD's, IPC, IN DENOMINATIONS OF \$100,000 OR MORE**  
 Most common interest rates paid by insured commercial banks on new deposits on January 31, 1972

Group	Most common rate paid (per cent)										Most common rate paid (per cent)									
	Total	4.00 or less	4.50	5.00	5.50	6.00	6.50	7.00	7.50 and over	Total	4.00 or less	4.50	5.00	5.50	6.00	6.50	7.00	7.50 and over		
	NUMBER OF BANKS										MILLIONS OF DOLLARS									
All banks	3,224	265	218	894	627	747	208	170	95	25,586	11,037	5,892	5,326	1,826	1,028	107	290	80		
<b>Size of bank (total deposits in millions of dollars):</b>																				
Less than 10	714	11	7	194	153	140	132	73	4	172	3	7	51	47	29	23	10	1		
10-50	1,783	78	87	479	357	532	71	94	85	1,719	60	146	433	240	488	76	238	38		
50-100	330	42	54	100	77	47	5	2	3	902	121	95	259	258	148	8	(2)	11		
100-500	266	70	49	93	31	21			2	3,575	784	898	1,387	328	156		(2)	(2)		
500 and over	131	64	21	28	9	7		1	1	19,218	10,090	4,746	3,197	952	206		(2)	(2)		
<b>Federal Reserve district:</b>																				
Boston	150	52	11	19	23	43	2			1,165	826	151	64	94	28	(2)				
New York	204	48	30	78	8	31		9		8,975	3,236	3,797	1,780	30	74		57			
Philadelphia	85	7	3	22	16	33		3	1	1,127	223	75	171	641	9		(1)	(2)		
Cleveland	170	25	24	55	27	29	3	3	4	1,163	648	284	208	4	13	4	1	1		
Richmond	156	11	36	48	14	46		1		730	195	111	315	36	33		(2)			
Atlanta	515	12	17	103	111	161	54	22	35	1,269	290	44	441	200	210	37	20	26		
Chicago	521	54	30	180	84	97	44	31	1	2,666	1,937	73	348	114	182	8	4	(2)		
St. Louis	207	5	8	92	71	8	1	21	1	531	216	12	110	172	4	(2)	3	(2)		
Minneapolis	126	9	9	16	35	38	1	9	9	511	25	28	391	31	30	(2)	2	2		
Kansas City	351	15	12	80	100	87	20	32	5	903	231	49	381	132	92	2	14	1		
Dallas	568	9	26	138	103	140	82	33	37	2,681	789	587	438	319	327	50	142	29		
San Francisco	171	18	12	63	35	34	1	6	2	3,864	2,419	682	679	52	26	(2)	5	(2)		

**APPENDIX TABLE 6—NONNEGOTIABLE CD's AND OPEN ACCOUNT DEPOSITS, IPC, IN DENOMINATIONS OF \$100,000 OR MORE**

Most common interest rates paid by insured commercial banks on new deposits on January 31, 1972

Group	Most common rate paid (per cent)										Most common rate paid (per cent)									
	Total	4.00 or less	4.50	5.00	5.50	6.00	6.50	7.00	7.50 and over	Total	4.00 or less	4.50	5.00	5.50	6.00	6.50	7.00	7.50 and over		
	NUMBER OF BANKS										MILLIONS OF DOLLARS									
All banks	3,359	261	280	1,054	581	688	158	154	183	11,192	3,877	1,377	3,402	902	1,224	170	105	135		
<b>Size of bank (total deposits in millions of dollars):</b>																				
Less than 10	602	17	54	128	186	148	13	33	23	152	5	4	36	34	43	2	25	4		
10-50	1,840	67	119	573	275	405	135	114	152	1,086	35	81	362	216	209	49	61	72		
50-100	455	49	40	191	75	90	4	2	4	1,360	110	76	372	239	545	4	(2)	5		
100-500	352	91	51	121	39	39	5	3	3	2,681	882	343	782	305	286	64	1	18		
500 and over	110	37	16	41	6	6	1	2	1	5,912	2,847	873	1,849	107	141	(2)	(2)	(2)		
<b>Federal Reserve district:</b>																				
Boston	124	23	17	41	8	10	1	24		235	70	100	25	16	13	(2)	11			
New York	192	43	25	93	8	12	1	8	2	3,035	1,276	606	982	30	113	(2)	8	(2)		
Philadelphia	141	19	22	44	13	30	1		12	404	118	11	107	88	21	(2)		44		
Cleveland	298	28	7	120	107	11	1	3	21	538	225	22	158	49	73	(2)	4	5		
Richmond	288	14	14	120	38	63	27	3	9	958	184	38	186	49	427	55	9	11		
Atlanta	508	22	36	141	105	97	39	19	49	1,051	239	86	304	212	124	42	16	28		
Chicago	511	41	84	135	68	117	11	54	1	1,410	156	149	838	99	118	4	37	(2)		
St. Louis	373	35	47	84	48	76	22	28	33	381	139	51	83	23	52	8	9	15		
Minneapolis	134		1	38	51	17	20	7		91		(2)	42	14	15	13	2			
Kansas City	282	10	11	95	56	95	3	5	7	333	101	29	94	40	53	1	6	10		
Dallas	397	6	8	104	61	154	17		47	760	13	37	220	264	213	6		6		
San Francisco	111	20	8	39	18	6	15	3	2	1,996	1,357	244	362	18	2	11	2	(2)		

For notes to Appendix Tables 1-6, see p. 374.



CHANGES IN TIME AND SAVINGS DEPOSITS

Banks reducing rate.....	2.1	2.1	3.4	3.2	2.3	19.9	5.0	4.1	21.2	5.0	4.2	17.6	35.4	29.3	79.0	32.5	28.8	55.2
New most common rate <sup>1</sup> (per cent)																		
3.50 or less.....	.2	.2	.2	.6	.5	2.3	.5	.4	1.2	.6	.5	1.2	1.3	.7	5.8	1.5	.9	5.4
3.51-4.00.....	1.9	1.9	3.2	.8	.5	5.3	.2	.1	1.7	.1	(2)	1.9	5.8	2.8	27.8	4.6	2.1	20.2
4.01-4.50.....				1.5	1.0	9.9	.6	.5	4.0	.3	.3	1.0	5.4	3.8	17.2	5.1	4.1	11.1
4.51-5.00.....				.3	.2	2.4	3.1	2.6	12.5	2.6	2.3	8.4	14.1	12.9	22.7	10.4	9.9	14.1
5.01-5.25.....							.6	.5	1.8	.2	.1	1.9	1.9	1.9	1.5	1.3	1.3	1.1
5.26-5.50.....										1.1	1.0	3.1	2.7	2.9	1.3	2.6	2.7	1.5
5.51-5.75.....													1.1	1.2	.3	2.4	2.7	1.1
5.76-6.00.....													1.4	1.2	2.5	2.7	3.1	.2
6.01-6.25.....													.1	.1		.1	.2	
6.26-6.50.....													1.6	1.8		1.0	1.1	
6.51-6.75.....																.7	.8	.2
6.76-7.00.....													.1	.1		(2)		.2
7.01-7.50.....																		
7.51-8.00.....																		
8.01-8.50.....																		
Banks introducing new instrument.....	.4	.4		1.0	1.0	.5	.9	.9	.8	3.2	3.2	1.9	18.6	21.0	1.8	15.7	17.2	6.7
Most common rate <sup>1</sup> (per cent)																		
4.00 or less.....				(2)	(2)		(2)	(2)	.2	(2)	(2)	.2	1.0	1.1	.3	.5	.5	.7
4.01-4.50.....	.4	.4		.1	.1		(2)	(2)	.2	(2)	(2)	.5	.6	.7		1.8	1.9	1.3
4.51-5.00.....				.9	.9	.5			.2	.2	.2	.5	7.5	8.4	.8	7.0	7.4	4.1
5.01-5.25.....									.6	.6	.5		.8	.8	.3	.1	.1	.2
5.26-5.50.....									.5	.5	.2	.2	1.4	1.5	.3	2.4	2.7	.2
5.51-5.75.....										2.5	2.6	1.0	2.8	3.2		.3	.3	
5.76-6.00.....													2.4	2.7	.3	2.4	2.8	
6.01-6.25.....													.4	.5		(2)	.7	
6.26-6.50.....													.3	.4			.8	
6.51-6.75.....																	.1	
6.76-7.00.....													1.2	1.4			.3	
7.01-7.50.....													.2	.2			.1	.2
7.51-8.00.....																	.1	
8.01-8.50.....																	.1	

\* Shaded areas indicate that rates shown in the stub are higher than the maximum permissible rate on the various instruments.  
<sup>1</sup> For description of most common rate, see NOTE to Table 2, p. 374.

<sup>2</sup> Less than 0.05 per cent.  
 NOTE.—This table was compiled by comparing rates as reported by the sample banks that had these types of deposits outstanding on Jan. 31, 1972, with the rates reported by the same banks

on Oct. 31, 1971. The table excludes banks that issued these types of deposits on Oct. 31, but no longer had these types of deposits outstanding on Jan. 31. Percentages may not add to totals because of rounding.

**NOTE TO TABLE 2:**

NOTE.—The most common interest rate for each instrument refers to the basic stated rate per annum (before compounding) in effect on the survey date that was generating the largest dollar volume of deposit inflows. If the posted rates were unchanged during the 30-day period just preceding the survey date, the rate reported as the most common rate was the rate in effect on the largest dollar volume of deposit inflows during that 30-day period. If the rate changed during that period, the rate reported was the rate prevailing on the survey date on the largest dollar volume of deposit inflows.

While rate ranges of  $\frac{1}{4}$  or  $\frac{1}{2}$  of a percentage point are shown in this and other tables, the most common rate reported by most banks was the top rate in the range; for example, 4.00, 4.50, etc. On negotiable CD's in denominations of \$100,000 and over, however, some large banks have rates at intervals of  $\frac{1}{4}$  of a percentage point. Some deposit categories exclude a small amount of deposits outstanding in a relatively few banks that no longer issue these types of deposits and are not included in the number of issuing banks.

Figures may not add to totals because of rounding.

**NOTES TO APPENDIX TABLES 1-6:**

<sup>1</sup> Less than \$500,000.

<sup>2</sup> Omitted to avoid individual bank disclosure.

NOTE.—Data were compiled from information reported by a probability sample of all insured commercial banks. The latter were expanded to provide universe estimates.

Figures exclude banks that reported no interest rate paid and that held no deposits on the survey date, and they also exclude a few banks that had discontinued issuing these instruments but still had

some deposits outstanding on the survey date. Time deposits, open account, exclude Christmas savings and other special accounts. Dollar amounts may not add to totals because of rounding.

In the headings of these tables under "Most common rate paid (per cent)" the rates shown are those being paid by most reporting banks. However, for the relatively few banks that reported a rate in between those shown, the bank was included in the next higher rate.

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# Changes in Bank Lending Practices, 1971

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Since late 1964, the Federal Reserve has conducted quarterly surveys of changes in bank lending practices among large commercial banks to obtain information on nonprice lending terms and on bankers' appraisals of current and anticipated demands for business loans. The results of the four surveys in 1971—in February, May, August, and November—are summarized in this article.

Lower interest rates and increased deposit and credit flows generally characterized financial markets in the first part of 1971. During the first quarter of that year, the money stock increased at a rate twice as fast as it had in the three final months of 1970. Moreover, this growth was coupled with a surge in time and savings deposits at commercial banks. As other short-term interest rates declined during the quarter, the discount rate was reduced  $\frac{1}{2}$  of a percentage point, and the prime rate was reduced by  $1\frac{1}{4}$  percentage points.

In line with these reductions, most bankers in the February 1971 survey reported an easing in interest rate policies as weakness in demand for loans persisted. Since few bankers expected any significant improvement in business loan demand in the upcoming quarter, there was a vigorous search for new borrowers, even outside local service areas. Bankers also sought to supplement the smaller growth in business loans, with other types of

credits, especially from single-family mortgages and consumer instalment loans.

From March until mid-1971, however, short-term interest rates rose sharply. The prime rate fluctuated during this period but at the end of the quarter was  $\frac{1}{4}$  of a percentage point below its level 3 months earlier.

During the second quarter business loans still showed only sluggish growth. This reflected, in part, the economy's fragile recovery and, in part, heavy use by businesses of bonds and stocks to raise funds. Firms seeking to repay short-term debt and restore liquidity flooded the capital market with record amounts of new issues during this period. Meanwhile, the comfortable liquidity position afforded most banks by a sustained influx of deposits promoted more flexibility in lending policies.

Bankers' interest in all types of loans, as indicated in the May 1971 survey, was strong, although the rate advantage to banks on consumer and term loans was particularly attractive. Because the prime rate seesawed in the interval between the February and May surveys, respondents reported mixed reactions regarding interest rate policies. Similarly, there was no consensus about the strength of future loan demands.

At midyear, however, inflationary pressures were still strong, while unemployment remained a chronic problem. On the international front, a monetary crisis seemed imminent. The August survey was taken against a backdrop of uncertainties

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NOTE:—This article was prepared by Marilyn Barron of the Division of Research and Statistics of the Board of Governors.

regarding the strength of the current economic recovery, the continuation of inflation, and the imposition of tighter monetary conditions. Bankers' responses reflected a "wait and see" attitude. There were few dramatic changes in lending terms, although interest rates had risen at most banks and compensating balance requirements had stiffened somewhat.

Just 2 days after the August 1971 survey, the President announced a new economic policy that froze wages and prices

for 90 days. During the 90-day period the general business outlook, along with consumer spending, showed some improvement.

By the time of the November survey, however, business loan demand, which had spurted in mid-August, in part due to speculation over possible foreign exchange realignments, had weakened. Bank officers reported continued interest in expanding consumer instalment loans and real estate mortgages—both of which

#### QUARTERLY SURVEY—FEBRUARY 1971

#### CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS: POLICY ON FEBRUARY 15, 1971, COMPARED WITH POLICY 3 MONTHS EARLIER

Number of banks; figures in parentheses indicate percentage distribution of total banks reporting

Item	Total	Much stronger	Moderately stronger	Essentially unchanged	Moderately weaker	Much weaker
<b>Strength of demand for commercial and industrial loans:<sup>1</sup></b>						
Compared with 3 months earlier.....	125 (100.0)	1 (.8)	12 (9.6)	31 (24.8)	72 (57.6)	9 (7.2)
Anticipated in next 3 months.....	125 (100.0)	2 (1.6)	21 (16.8)	62 (49.6)	39 (31.2)	1 (0.8)
	Total	Much firmer policy	Moderately firmer policy	Essentially unchanged	Moderately easier policy	Much easier policy
<b>Loans to nonfinancial businesses:</b>						
<b>Terms and conditions:</b>						
Interest rates charged.....	124 (100.0)			18 (14.5)	61 (49.2)	45 (36.3)
Compensating or supporting balances..	124 (100.0)		2 (1.6)	91 (73.4)	31 (25.0)	
Standards of creditworthiness.....	124 (100.0)	1 (.8)	6 (4.8)	111 (89.6)	6 (4.8)	
Maturity of term loans.....	124 (100.0)		1 (.8)	91 (73.4)	30 (24.2)	2 (1.6)
<b>Practice concerning review of credit lines or loan applications:</b>						
Established customers.....	125 (100.0)		1 (.8)	68 (54.4)	49 (39.2)	7 (5.6)
New customers.....	125 (100.0)		3 (2.4)	48 (38.4)	64 (51.2)	10 (8.0)
Local service area customers.....	125 (100.0)		1 (.8)	66 (52.8)	52 (41.6)	6 (4.8)
Nonlocal service area customers.....	125 (100.0)	1 (.8)	4 (3.2)	71 (56.8)	46 (36.8)	3 (2.4)
<b>Factors relating to applicant:<sup>2</sup></b>						
Value as depositor or source of collateral business.....	124 (100.0)		6 (4.8)	94 (75.9)	23 (18.5)	1 (.8)
Intended use of the loan.....	125 (100.0)		3 (2.4)	89 (71.2)	31 (24.8)	2 (1.6)
<b>Loans to independent finance companies:<sup>3</sup></b>						
<b>Terms and conditions:</b>						
Interest rate charged.....	124 (100.0)			57 (45.9)	41 (33.1)	26 (21.0)
Compensating or supporting balances..	124 (100.0)		1 (.8)	117 (94.4)	6 (4.8)	
Enforcement of balance requirements..	124 (100.0)		5 (4.0)	109 (87.9)	10 (8.1)	
Establishing new or larger credit lines..	124 (100.0)	2 (1.6)	1 (.8)	70 (56.5)	49 (39.5)	2 (1.6)
	Total	Considerably less willing	Moderately less willing	Essentially unchanged	Moderately more willing	Considerably more willing
<b>Willingness to make other types of loans:</b>						
Term loans to businesses.....	125 (100.0)		1 (.8)	55 (44.0)	66 (52.8)	3 (2.4)
Consumer instalment loans.....	124 (100.0)			57 (45.9)	56 (45.2)	11 (8.9)
Single-family mortgage loans.....	121 (100.0)	1 (.8)		52 (43.0)	53 (43.8)	15 (12.4)
Multi-family mortgage loans.....	120 (100.0)	1 (.8)		89 (74.2)	27 (22.5)	3 (2.5)
All other mortgage loans.....	122 (100.0)	1 (.8)		82 (67.2)	35 (28.7)	4 (3.3)
Participation loans with correspondent banks.....	125 (100.0)	1 (.8)		74 (59.2)	47 (37.6)	3 (2.4)
Loans to brokers.....	122 (100.0)			88 (72.1)	31 (25.4)	3 (2.5)

<sup>1</sup> After allowance for bank's usual seasonal variation.

<sup>2</sup> For these factors, firmer means the factors were considered to be more important in making decisions for approving credit requests, and easier means they were considered to be less important.

<sup>3</sup> "Independent," or "noncaptive," finance companies are finance companies other than those organized by a parent company mainly for the purpose of financing dealer inventory and carrying instalment loans generated through the sale of the parent company's products.

had been major sources of strength throughout the year. To encourage business borrowing, the prime rate had been reduced as other short-term interest rates had receded from their August highs. Furthermore, some banks adopted a more flexible policy in setting rates on business loans; they instituted what is now referred to as a floating prime rate, one that varies with open market rates such as the commercial paper rate.

Although bankers had an ample sup-

ply of lendable funds and were faced with limited demands for business loans, they repeatedly stressed in the November survey in particular, that they were attempting to maintain and improve credit standards. The vivid memories of the commercial paper crisis and adverse loss experiences of the previous year were still quite evident. Thus, while banks sought new customers aggressively, they placed a greater emphasis on loan quality. □

**QUARTERLY SURVEY—MAY 1971**

**CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS: POLICY ON MAY 15, 1971, COMPARED WITH POLICY 3 MONTHS EARLIER**

Number of banks; figures in parentheses indicate percentage distribution of total banks reporting

Item	Total	Much stronger	Moderately stronger	Essentially unchanged	Moderately weaker	Much weaker
<b>Strength of demand for commercial and industrial loans:<sup>1</sup></b>						
Compared with 3 months earlier.....	125 (100.0)	1 (.8)	49 (39.2)	57 (45.6)	18 (14.4)	.....
Anticipated in next 3 months.....	125 (100.0)	.....	75 (60.0)	49 (39.2)	1 (.8)	.....
Item	Total	Much firmer policy	Moderately firmer policy	Essentially unchanged	Moderately easier policy	Much easier policy
<b>Loans to nonfinancial businesses:</b>						
<b>Terms and conditions:</b>						
Interest rates charged.....	124 (100.0)	.....	53 (42.7)	44 (35.5)	24 (19.4)	3 (2.4)
Compensating or supporting balances.....	125 (100.0)	.....	9 (7.2)	111 (88.8)	5 (4.0)	.....
Standards of creditworthiness.....	125 (100.0)	.....	9 (7.2)	115 (92.0)	1 (.8)	.....
Maturity of term loans.....	125 (100.0)	1 (.8)	6 (4.8)	107 (85.6)	11 (8.8)	.....
<b>Practice concerning review of credit lines or loan applications:</b>						
Established customers.....	125 (100.0)	.....	4 (3.2)	108 (86.4)	10 (8.0)	3 (2.4)
New customers.....	125 (100.0)	1 (.8)	7 (5.6)	91 (72.8)	24 (19.2)	2 (1.6)
Local service area customers.....	123 (100.0)	.....	3 (2.4)	107 (87.1)	10 (8.1)	3 (2.4)
Nonlocal service area customers.....	122 (100.0)	1 (.8)	12 (9.8)	94 (77.1)	13 (10.7)	2 (1.6)
<b>Factors relating to applicant:<sup>2</sup></b>						
Value as depositor or source of collateral business.....	124 (100.0)	.....	10 (8.1)	109 (87.9)	5 (4.0)	.....
Intended use of the loan.....	125 (100.0)	.....	3 (2.4)	113 (90.4)	9 (7.2)	.....
<b>Loans to independent finance companies:<sup>3</sup></b>						
<b>Terms and conditions:</b>						
Interest rate charged.....	125 (100.0)	.....	22 (17.6)	88 (70.4)	14 (11.2)	1 (.8)
Compensating or supporting balances.....	125 (100.0)	.....	5 (4.0)	119 (95.2)	1 (.8)	.....
Enforcement of balance requirements.....	125 (100.0)	.....	11 (8.8)	112 (89.6)	2 (1.6)	.....
Establishing new or larger credit lines.....	125 (100.0)	2 (1.6)	8 (6.4)	79 (63.2)	35 (28.0)	1 (.8)
Item	Total	Considerably less willing	Moderately less willing	Essentially unchanged	Moderately more willing	Considerably more willing
<b>Willingness to make other types of loans:</b>						
Term loans to businesses.....	125 (100.0)	.....	4 (3.2)	88 (70.4)	33 (26.4)	.....
Consumer instalment loans.....	124 (100.0)	.....	1 (.8)	79 (63.7)	35 (28.2)	9 (7.3)
Single-family mortgage loans.....	122 (100.0)	1 (.8)	2 (1.6)	71 (58.3)	42 (34.4)	6 (4.9)
Multifamily mortgage loans.....	122 (100.0)	1 (.8)	3 (2.5)	104 (85.2)	14 (11.5)	.....
All other mortgage loans.....	123 (100.0)	1 (.8)	4 (3.3)	91 (73.9)	27 (22.0)	.....
Participation loans with correspondent banks.....	124 (100.0)	.....	4 (3.2)	99 (79.9)	19 (15.3)	2 (1.6)
Loans to brokers.....	122 (100.0)	.....	2 (1.6)	110 (90.2)	8 (6.6)	2 (1.6)

<sup>1</sup> After allowance for bank's usual seasonal variation.

<sup>2</sup> For these factors, firmer means the factors were considered to be more important in making decisions for approving credit requests, and easier means they were considered to be less important.

<sup>3</sup> "Independent," or "nonaptive," finance companies are finance companies other than those organized by a parent company mainly for the purpose of financing dealer inventory and carrying instalment loans generated through the sale of the parent company's products.



## QUARTERLY SURVEY—AUGUST 1971

## CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS: POLICY ON AUGUST 13, 1971, COMPARED WITH POLICY 3 MONTHS EARLIER

Number of banks; figures in parentheses indicate percentage distribution of total banks reporting

Item	Total	Much stronger	Moderately stronger	Essentially unchanged	Moderately weaker	Much weaker
<b>Strength of demand for commercial and industrial loans:<sup>1</sup></b>						
Compared with 3 months earlier.....	125 (100.0)	1 (.8)	38 (30.4)	69 (55.2)	16 (12.8)	1 (.8)
Anticipated in next 3 months.....	125 (100.0)	1 (.8)	65 (52.0)	58 (46.4)	1 (.8)	
	Total	Much firmer policy	Moderately firmer policy	Essentially unchanged	Moderately easier policy	Much easier policy
<b>Loans to nonfinancial businesses:</b>						
<b>Terms and conditions:</b>						
Interest rates charged.....	125 (100.0)	3 (2.4)	79 (63.2)	42 (33.6)	1 (.8)	
Compensating or supporting balances.....	125 (100.0)		28 (22.4)	95 (76.0)	2 (1.6)	
Standards of creditworthiness.....	125 (100.0)	2 (1.6)	12 (9.6)	111 (88.8)		
Maturity of term loans.....	125 (100.0)		8 (6.4)	110 (88.0)	7 (5.6)	
<b>Practice concerning review of credit lines or loan applications:</b>						
Established customers.....	125 (100.0)		6 (4.8)	113 (90.4)	6 (4.8)	
New customers.....	125 (100.0)	2 (1.6)	12 (9.6)	99 (79.2)	12 (9.6)	
Local service area customers.....	124 (100.0)		6 (4.8)	112 (90.4)	6 (4.8)	
Nonlocal service area customers.....	123 (100.0)	2 (1.6)	14 (11.4)	100 (81.3)	7 (5.7)	
<b>Factors relating to applicant:<sup>2</sup></b>						
Value as depositor or source of collateral business.....	124 (100.0)	1 (.8)	20 (16.1)	99 (79.9)	4 (3.2)	
Intended use of the loan.....	125 (100.0)		10 (8.0)	111 (88.8)	4 (3.2)	
<b>Loans to independent finance companies:<sup>3</sup></b>						
<b>Terms and conditions:</b>						
Interest rate charged.....	125 (100.0)	2 (1.6)	39 (31.2)	83 (66.4)	1 (.8)	
Compensating or supporting balances.....	125 (100.0)	1 (.8)	11 (8.8)	112 (89.6)	1 (.8)	
Enforcement of balance requirements.....	125 (100.0)	1 (.8)	15 (12.0)	107 (85.6)	2 (1.6)	
Establishing new or larger credit lines.....	125 (100.0)	3 (2.4)	18 (14.4)	89 (71.2)	15 (12.0)	
	Total	Considerably less willing	Moderately less willing	Essentially unchanged	Moderately more willing	Considerably more willing
<b>Willingness to make other types of loans:</b>						
Term loans to businesses.....	124 (100.0)		8 (6.5)	99 (79.8)	17 (13.7)	
Consumer instalment loans.....	123 (100.0)		2 (1.6)	91 (74.0)	26 (21.1)	4 (3.3)
Single-family mortgage loans.....	122 (100.0)		8 (6.6)	91 (74.6)	22 (18.0)	1 (.8)
Multifamily mortgage loans.....	121 (100.0)	1 (.8)	6 (5.0)	106 (87.6)	7 (5.8)	1 (.8)
All other mortgage loans.....	122 (100.0)		9 (7.4)	103 (84.4)	9 (7.4)	1 (.8)
Participation loans with correspondent banks.....	122 (100.0)		5 (4.1)	107 (87.7)	10 (8.2)	
Loans to brokers.....	121 (100.0)		6 (5.0)	106 (87.6)	9 (7.4)	

<sup>1</sup> After allowance for bank's usual seasonal variation.<sup>2</sup> For these factors, firmer means the factors were considered to be more important in making decisions for approving credit requests, and easier means they were considered to be less important.<sup>3</sup> "Independent," or "noncaptive," finance companies are finance companies other than those organized by a parent company mainly for the purpose of financing dealer inventory and carrying instalment loans generated through the sale of the parent company's products.

**QUARTERLY SURVEY—NOVEMBER 1971**

**CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS: POLICY ON NOVEMBER 15, 1971, COMPARED WITH POLICY 3 MONTHS EARLIER**

Number of banks; figures in parentheses indicate percentage distribution of total banks reporting

Item	Total	Much stronger	Moderately stronger	Essentially unchanged	Moderately weaker	Much weaker
<b>Strength of demand for commercial and industrial loans:<sup>1</sup></b>						
Compared with 3 months earlier.....	125 (100.0)	1 (.8)	23 (18.4)	52 (41.6)	48 (38.4)	1 (.8)
Anticipated in next 3 months.....	124 (100.0)	1 (.8)	37 (29.8)	75 (60.5)	11 (8.9)	
	<b>Total</b>	<b>Much firmer policy</b>	<b>Moderately firmer</b>	<b>Essentially unchanged</b>	<b>Moderately easier</b>	<b>Much easier</b>
<b>Loans to nonfinancial businesses:</b>						
<b>Terms and conditions:</b>						
Interest rates charged.....	125 (100.0)			39 (31.2)	81 (64.8)	5 (4.0)
Compensating or supporting balances.....	125 (100.0)		2 (1.6)	107 (85.6)	16 (12.8)	
Standards of creditworthiness.....	125 (100.0)		7 (5.6)	114 (91.2)	4 (3.2)	
Maturity of term loans.....	124 (100.0)		2 (1.6)	108 (87.1)	14 (11.3)	
<b>Practice concerning review of credit lines or loan applications:</b>						
Established customers.....	125 (100.0)			105 (84.0)	20 (16.0)	
New customers.....	124 (100.0)		8 (6.5)	89 (71.7)	27 (21.8)	
Local service area customers.....	124 (100.0)			104 (83.9)	20 (16.1)	
Nonlocal service area customers.....	123 (100.0)	1 (.8)	7 (5.7)	96 (78.1)	19 (15.4)	
<b>Factors relating to applicant:<sup>2</sup></b>						
Value as depositor or source of collateral business.....	123 (100.0)	1 (.8)	7 (5.7)	102 (82.9)	13 (10.6)	
Intended use of the loan.....	125 (100.0)	1 (.8)	3 (2.4)	116 (92.8)	5 (4.0)	
<b>Loans to independent finance companies:<sup>3</sup></b>						
<b>Terms and conditions:</b>						
Interest rate charged.....	125 (100.0)		1 (.8)	74 (59.2)	47 (37.6)	3 (2.4)
Compensating or supporting balances.....	125 (100.0)		2 (1.6)	119 (95.2)	4 (3.2)	
Enforcement of balance requirements.....	125 (100.0)		3 (2.4)	120 (96.0)	2 (1.6)	
Establishing new or larger credit lines.....	125 (100.0)	1 (.8)	3 (2.4)	96 (76.8)	25 (20.0)	
	<b>Total</b>	<b>Considerably less willing</b>	<b>Moderately less willing</b>	<b>Essentially unchanged</b>	<b>Moderately more willing</b>	<b>Considerably more willing</b>
<b>Willingness to make other types of loans:</b>						
Term loans to businesses.....	125 (100.0)		3 (2.4)	100 (80.0)	22 (17.6)	
Consumer instalment loans.....	124 (100.0)		1 (.8)	86 (69.4)	33 (26.6)	4 (3.2)
Single-family mortgage loans.....	122 (100.0)	2 (1.6)	4 (3.3)	88 (72.2)	27 (22.1)	1 (.8)
Multifamily mortgage loans.....	121 (100.0)	1 (.8)	5 (4.1)	110 (91.0)	5 (4.1)	
All other mortgage loans.....	123 (100.0)		3 (2.4)	104 (84.6)	16 (13.0)	
Participation loans with correspondent banks.....	125 (100.0)		2 (1.6)	104 (83.2)	19 (15.2)	
Loans to brokers.....	123 (100.0)			110 (89.4)	12 (9.8)	1 (.8)

<sup>1</sup> After allowance for bank's usual seasonal variation.

<sup>2</sup> For these factors, firmer means the factors were considered to be more important in making decisions for approving credit requests, and easier means they were considered to be less important.

<sup>3</sup> "Independent," or "noncaptive," finance companies are finance companies other than those organized by a parent company mainly for the purpose of financing dealer inventory and carrying instalment loans generated through the sale of the parent company's products.

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# Statement to Congress

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*Statement of J. L. Robertson, Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs of the Committee on Banking and Currency, House of Representatives, on the Truth in Lending Act and Federal Reserve Regulation Z, March 22, 1972.*

Madam Chairman, it is a pleasure to appear before the Subcommittee on Consumer Affairs. I have with me Frederic Solomon, Director of our Division of Supervision and Regulation, Griffith L. Garwood, Chief of the Truth in Lending Section, and Jerauld C. Kluckman, Accountant-Analyst with that section.

Today I intend to discuss four major topics relating to Truth in Lending. These can be identified as the Board's administrative experience, creditor compliance, recommendations for legislative changes, and areas for further study.

## **ADMINISTRATIVE EXPERIENCE**

While the Act delegates rule-making authority to implement its provisions solely to the Board of Governors of the Federal Reserve System, actual enforcement of these rules (Regulation Z) is delegated to nine separate Federal agencies, including the Board. For the most part, Federal agencies with general supervisory authority over a particular group of creditors were also given Truth in Lending enforcement responsibility over those creditors. Enforcement for all remaining creditors, except in those States that have an exemption from the Act, is the responsibility of the Federal Trade Commission.

While some doubt was expressed before the Act was passed whether this multiple-agency structure would be workable, our experience to date has been favorable. We believe Truth in Lending is being enforced evenhandedly and vigorously by all of the enforcement agencies in conformance with Regulation Z and the Board's interpretations of it. The predicted interagency conflicts in interpreting the law, with corresponding confusion and inequitable enforcement, have simply not materialized. This has been due in large part to the cooperative attitude of the various agencies involved. We are anxious to acknowledge the considerable contribution of these agencies to the general success of the administration of Regulation Z, which has extended beyond their enforcement efforts with respect to their particular class of creditors. This is particularly true of the Federal Trade Commission, which has had the task of carrying the bulk of the enforcement responsibility under a regulation drafted and administered by another agency.

With this as background I would like to summarize what the Board has done to administer its functions under the Act since I appeared before this subcommittee on March 6, 1969. At that time, you may recall, the final version of Regulation Z had been approved by the Board and published, but the effective date, July 1, 1969, still lay ahead. Since that time, there have been necessary adjustments, interpretations, and explanations of the regulation to maintain it as a workable and useful tool in implementing the Truth in Lending Act.

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The Board has found it necessary to amend Regulation Z 11 times. In addition, the Board has issued 49 formal interpretations of Regulation Z that are intended to clarify or further explain certain provisions of the regulation. These amendments and interpretations (which are listed in Appendix A)<sup>1</sup> have been required from time to time to solve specific problems that arose as we attempted to apply the concept of Truth in Lending to the complex and changing pattern of consumer credit.

**Amendments to Regulation Z.** At an early date, the Board became aware that, without some adjustments in the regulatory requirements, the application of Truth in Lending to agricultural credit was overly burdensome to creditors and of little or no real benefit to agricultural consumers. Consequently, it rewrote the section of Regulation Z (§ 226.8(o)) dealing with discounts for prompt payment, modified the rescission requirements as they applied to agricultural credit (§ 226.9(c) and (g)), and added a section (§ 226.8(p)) to cover credit with indefinite advances and payments, common in agricultural credit transactions. These amendments were accompanied by Board interpretations (§ 226.301 and § 226.812 of Title 12, Code of Federal Regulations) that also sought to clarify and improve the application of Truth in Lending to the unique characteristics of agricultural credit. While these adjustments have gone a long way toward solving the agricultural credit problem, the Board believes that additional relief is needed, as I will discuss later.

It also became evident that the regulation's prior disclosure requirements in open-end credit (§ 226.7(c)) could impede

<sup>1</sup>Copies of appendices referred to herein are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

changes by creditors in their open-end credit plans that were beneficial to customers. In response to this problem, the Board adopted relaxing amendments.

Likewise, it became evident that the requirements regarding advertising mortgage credit, as they applied to so-called "Section 235 FHA programs" (designed to provide home ownership for lower-income families), were actually inhibiting the informative advertising of properties to which this financial assistance relates. The Board added a section (§ 226.10(e)) to the regulation to resolve this problem. Similar adjustments were made with respect to the application of the right of rescission to the sale of vacant lots expected to be used as the customer's principal residence (§ 226.9(b)), the effect of the new Federal holiday schedule on the rescission period (§ 226.9(a)), the effect of leap year on preprinted disclosures (§226.6(l)), and the continued applicability of the Federal civil liability provisions after the issuance of a State exemption (§ 226.12).

**Interpretations.** A number of Board interpretations of Regulation Z have been necessitated by the existence of specialized credit practices to which the regulation had to be matched—for example, certain layaway plans, vendor's single-interest insurance, seller's points, assumptions of existing loans, variable-rate obligations, renewals of notes, multiple-advance loans, and demand loans.

The point I want to make is that the regulation, to a certain extent, is a fluid document that the Board has found necessary to adjust from time to time in the light of specialized creditor practices of which we became aware and in response to new developments in the methods of extending credit. Where requirements have been overly burdensome or where disclosures have proven misleading or con-

fusing to customers, the Board has attempted to adjust the regulation's requirements to make them as workable as possible. We have been assisted in this task by the fine help of our public-spirited Advisory Committee on Truth in Lending, composed of 20 individuals whom we consider to be knowledgeable, nationwide representatives of the public—both creditors and consumers. We have relied heavily on the members of the committee in coping with difficult problems, and their advice has been sound and helpful. Appendix B lists the committee members, both former and current.

**Staff letters.** In addition to preparing amendments and interpretations of the regulation for the Board, our staff has responded to an enormous volume of written and telephone inquiries. We have not kept count of all of the correspondence we have written relating to Truth in Lending, but to give you some idea of the volume, we responded to approximately 1,000 letter inquiries during 1971. Many of the staff's letters have been given wide distribution by commercial publishers.

In an effort to maintain uniformity of view among the various enforcement agencies, indexed copies of our staff letters treating new or unusual subjects have been provided to the 12 Federal Reserve Banks, the eight other Federal enforcement agencies, and the four States that have received an exemption from the Federal Act on the basis of substantially similar State law.

**Education.** We have devoted considerable effort to educational programs for both consumers and creditors.

Our first creditor-oriented educational tool was the pamphlet, *What You Ought to Know About Truth in Lending*. This pamphlet contains the text of the Act and the regulation, questions and answers about Truth in Lending, and sample dis-

closure forms. Nearly one and one-half million of these pamphlets have been distributed to creditors and other interested persons. A filmstrip designed to explain Truth in Lending from a creditor's point of view was prepared and distributed. These filmstrips (there are 650 of them) can be purchased or borrowed free of charge. The staffs of the Board, the Federal Reserve Banks, and the other enforcement agencies have participated in numerous meetings and seminars regarding Truth in Lending. Much of the creditor education program took place during the initial implementation of the regulation, when the thirst for information on how to comply was almost insatiable. The demand for creditor education subsided as time passed and creditors gained more experience under the regulation.

I should not conclude my discussion of the creditor educational program without mentioning the admirable work of many trade associations in providing information to their members.

At the outset, the Board emphasized information for creditors, since the success of Truth in Lending depends upon their understanding of the requirements. However, if the purposes of the Act are to be fully achieved, the consumer must be able to utilize effectively the information provided to him. Consequently, the Board has developed several consumer-oriented educational tools.

The first is a filmstrip that explains Truth in Lending from the consumer point of view. Over 1,200 filmstrips have been distributed. They may be purchased or borrowed. We are pleased to note that many of the users have been school systems.

The second major consumer tool is a leaflet entitled *What Truth in Lending Means to You*. This leaflet explains in simple terms the basic facts about Truth

in Lending. Many methods and sources have been used to distribute, free, more than two and one-half million copies of this leaflet.

The Board's most recent consumer-oriented educational release also looks as if it will be a best seller. This is a Spanish translation of the leaflet, *What Truth in Lending Means to You*.

**State exemptions.** Pursuant to the provisions of the statute (§ 123), the Board has granted exemptions from the disclosure and rescission provisions of the Federal Act to the States of Connecticut, Maine, Massachusetts, and Oklahoma. The exemptions granted generally pertain to all consumer credit transactions within the exempt State, except for those transactions in which a federally chartered institution is a creditor. An exemption can be granted to any State that has law substantially similar to the Federal Truth in Lending Act (including implementing regulations) and adequate provision for enforcement.

The Board maintains close liaison with each exempt State. We believe that each of them is conscientiously implementing its own Truth in Lending law in a manner consistent with the Federal Act.

Preliminary applications for exemptions have also been received from the States of Kansas and Wyoming. These are currently being reviewed to assure their completeness prior to publishing official notice of their receipt in the Federal Register.

**Litigation.** In its annual report on Truth in Lending for 1971, the Board indicated that it was aware of 71 civil actions that have been brought under § 130 of the Act. It is likely that additional suits have been instituted. I will not discuss these suits, except to mention that they cover the waterfront—disclosures under open-end credit as well as other

credit plans, the right of rescission, and even advertising.

### COMPLIANCE

With respect to creditor compliance with the Truth in Lending Act, let me say that the Federal agencies with general supervisory authority over their creditor groups, such as the Board, the Comptroller of the Currency, the Federal Home Loan Bank Board, and the National Credit Union Administration, seem to have experienced no significant problems in the enforcement of Regulation Z. These agencies inform us that the level of compliance is high, and that the errors that are found usually result from misunderstanding or clerical error, rather than an attempt to evade the Act. For the most part, compliance is determined by these agencies during the regular periodic examinations of the institutions.

The Federal Trade Commission has conducted two surveys in an attempt to determine the extent of compliance by creditors under its jurisdiction, such as finance companies, automobile dealers, and jewelry stores—creditors that are not regularly supervised by a Federal agency. The results of these two surveys were reported by the Commission in an April 1971 release entitled "Federal Trade Commission Report on Surveys of Creditor Compliance with the Truth in Lending Act." The release revealed that 86 per cent of all creditors surveyed were using contracts that were in either total or substantial compliance. Also, a vast majority of the larger creditors—those whose sales volumes are \$1 million or more—were in total or substantial compliance. The results indicate that not only are most creditors under the Commission's jurisdiction in total or substantial compliance, but also most disclosures made to consumers were in total or substantial compliance. These

surveys identified for the Commission the types of creditors and the geographic areas to which its enforcement efforts should be principally directed. The results were of assistance to the Commission in planning its enforcement program.

It also appears that substantial compliance by creditors under their jurisdiction is being achieved by each of the four exempt States.

Based upon the reports of all enforcement agencies, including the exempt States, it is the Board's belief that substantial compliance with Truth in Lending is being achieved.

#### **RECOMMENDATIONS FOR LEGISLATIVE CHANGES**

The Board's most recent recommendations for legislative changes have been presented as part of its annual report on Truth in Lending for 1971. Since then the Chairman of the Subcommittee on Financial Institutions of the Senate Committee on Banking, Housing and Urban Affairs has asked the Board to provide drafts of legislation to implement the recommendations, and the Board has done so by letter dated February 28, 1972 (Appendix C).

**Civil liability.** One area in which legislative changes are needed relates to civil liability under the Act. Many creditors have been extremely concerned over their possible exposure to class action suits and the possible ruinous liability that might result. Their concern was prompted largely by *Ratner v. Chemical Bank New York Trust Company*, a case in which a U.S. District Court held the bank in violation of the Act for failure to disclose the nominal annual percentage rate on open-end-credit billing statements that showed an outstanding balance but no finance charge yet incurred. The reported

\$13 million potential liability of the bank in the *Ratner* case led many creditors to fear that similar suits filed against them could seriously threaten their solvency. The court ultimately held in *Ratner* that a class action was not sustainable, but other class action cases relating to alleged Truth in Lending violations are still pending.

I believe that this almost unlimited class action exposure may be detrimental to consumer interests and, in fact, may be an impediment to effective private enforcement of Truth in Lending through class actions. By this I mean that the courts, which are given a good deal of discretion in determining whether or not to allow class actions, may be inclined to disallow them simply because of the seemingly unreasonable magnitude of the class action recovery. Consequently I believe it is important to suitably limit this exposure while at the same time maintaining class actions as a viable remedy for violations of the Act and Regulation Z. Others more qualified than I may suggest specific solutions to the problem, but I would hope class actions would not be prohibited or unduly limited because they provide the most effective sanction by which compliance is achieved.

At least one step in solving this problem may be the insertion of a "good faith" provision in the statute. The Act's civil liability section does not necessarily preclude liability even when a creditor has acted in "good faith" reliance on Regulation Z or the Board's interpretations thereof. The Board has recommended inserting in the Act a "good faith" provision, such as that in the Securities Exchange Act of 1934, that would apply to both the Board's Regulation Z and its interpretations of it. The following wording was furnished to the Senate subcommittee

for insertion in the civil liability provisions:

No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation or interpretation thereof by the Board, notwithstanding that such rule, regulation or interpretation may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

Another problem relates to the minimum recovery provision of the statute. Section 130 of the Act makes a creditor liable for a minimum of \$100 for failure to make proper disclosure "in connection with any consumer credit transaction." There is some uncertainty as to the meaning of the word "transaction" when applying § 130 to multiple errors—for example, to an error on a periodic statement, which is sent repeatedly in connection with an open-end account. It might be contended that each separate purchase for which a credit card is used constitutes a separate "transaction" for purposes of § 130, or that each periodic statement is a separate transaction. In our view, the opening and use of the account should be considered as a single transaction. We believe that Congress should clarify the meaning of the very important term "transaction" and have suggested the following:

The multiple failure to disclose to any person any information required under this chapter to be disclosed in connection with a single account under an open end consumer credit plan, other single consumer credit sale, consumer loan or other extension of consumer credit, shall entitle the person to a single recovery under this section.

The new provision is designed to make certain that although there may have been multiple failures to disclose required information on an account or in connection with a single credit transaction, for example, where an omission occurs in a series of periodic billing statements, the minimum recovery to a

consumer would be a single \$100, not a multiple of that amount.

**Rescission.** The right of rescission is another area that the Board believes merits legislative changes.

Section 125 of the Act, implemented by Regulation Z (§ 226.9), provides that in certain credit transactions in which a security interest in the customer's residence is involved, the customer has three business days in which to rescind the transaction. The creditor must notify the customer of this right and provide a form that may be used to exercise that right. The law does not limit the period for which the right continues where the creditor has failed to notify the customer of his right—the 3-day period never begins to run. Also, even though the required notice is given, there is a question as to whether the rescission period also continues indefinitely if other required disclosures have not been made. The titles to many residential properties might become clouded by uncertainty arising from these rights of rescission. The Board recommends that Congress amend the Act to provide a 3-year limit on the time the right of rescission may run, where the creditor has failed to give proper disclosures.

An additional recommendation results from two legal actions that have been brought against the Board by home improvement contractors alleging that the Board exceeded its authority by providing in Regulation Z (§ 226.2(z) and § 226.9(a)) that the right of rescission applies to consumer credit contracts secured by a mechanic's or materialman's lien on the customer's home, even though no mortgage or deed of trust is executed by the customer. In one case, summary judgment was granted in favor of the Board. In the other, the court held that the provision (§ 226.9(a)) was null and void



as it relates to liens that may come into existence by operation of law. Appeals have been filed in both cases.

The right of rescission was designed to allow home owners a "cooling-off" period before being irrevocably bound by credit transactions involving security interests in their homes, and to reduce the danger of homeowners being overreached by unscrupulous home improvement contractors. The Board believes that accomplishment of this goal necessitates the coverage under the right of rescission of all consumer credit transactions in which a customer's home may be lost through foreclosure, whether by mortgage, deed of trust, or other lien rights. The Board recommended that Congress amend the Act to remove any doubt as to the coverage of these transactions under Section 125 by adding wording that specifically includes security interests that arise by operation of law under that section.

**More-than-four-instalments rule.** Our annual report also recommends that Congress expressly declare that the Act covers transactions involving more than four instalments without an identifiable finance charge. By providing in Regulation Z that Truth in Lending encompasses transactions payable in more than four instalments, the Board gave notice to vendors who may have considered concealing finance charges in the price of goods to evade the Act's requirements (as well as the so-called "no-charge-for-credit" sellers already operating in low income markets) that the Board considered them subject to the Act's requirements. The Board did this to insure that they would make certain important disclosures required by Truth in Lending, even when no finance charge or annual percentage rate was disclosed.

The Board's more-than-four-instalments rule was based on the economic

fact that instalment contracts of more than four instalments typically include some component to compensate the creditor for the cost involved in allowing deferred payment, even though that cost may not be separately identified as a finance charge. The Board believes the rule is both within the scope of its authority and necessary to prevent evasion of the Act.

However, in *Mourning v. Family Publications Service, Inc.*, the court declared the rule invalid, although the rule has been upheld in other courts. Should the adverse decision be allowed to stand, many creditors would not only escape the requirement of making important Truth in Lending disclosures prior to consummation of their contracts, such as the number, amount, and due dates of payments and the total amount of the consumer's obligation, but would also be free of the Act's prohibitions against "bait" credit advertising. Since creditors would not be subject to the advertising requirements, they would be able to advertise "no downpayment" or the amount of the payments without further information, which is prohibited for creditors subject to the Act.

In addition, home improvement contractors might avoid giving customers the right of rescission, even where they obtained a second mortgage on the customer's home, simply by "burying" the finance charges in the price.

In short, the Board is convinced that invalidation of its "more-than-four-instalments" regulation could seriously impair the effectiveness of the legislation. We believe that Congress should amend the Act to remove any possible doubt about its coverage of transactions payable in more than four instalments and has suggested language for such legislation.

**Agricultural credit.** The inclusion of agricultural credit under the coverage of the Act has stirred a great deal of controversy, and has created numerous problems, as I mentioned earlier.

Some creditors have argued that the very nature of many agricultural credit transactions (which frequently involve advances and payments for which both time and amount are unknown at the time of consummation of the transaction) makes them unsuited for meaningful disclosure. Furthermore, it has frequently been argued that since agriculture is a business, it should be exempt from coverage of the Act, just as other business credit is exempt. In spite of the amendments to Regulation Z designed to make disclosures easier for agricultural creditors and more meaningful for farmers, the problems have not been completely solved.

Knowing the general view of creditors that credit for agricultural purposes should be exempt, the Board's staff contacted a number of agricultural associations in an effort to determine the views of the persons who actually use agricultural credit. While the majority of the associations that responded indicated that agriculture should be exempt, two of the largest representing general agricultural interests (the Farmers Union and the National Grange) supported continued coverage. In addition, a poll of a number of agricultural economists indicated a 3 to 1 response in favor of continuing coverage. In a poll of directors of farmer cooperatives, which has been reported to the Board, 55 per cent said that Truth in Lending disclosures assisted them in determining credit costs, while 42 per cent indicated that the disclosures were of no assistance. Furthermore, 45 per cent indicated that Truth in Lending made little change in their credit-buying habits.

All of this suggests that a strong case

cannot be made for either complete coverage or complete exemption of agricultural credit under Truth in Lending. However, it tends to reinforce the reasons for the Board's continuing to recommend that credit primarily for agricultural purposes in excess of an appropriate amount (we have suggested \$25,000) be exempted from the provisions of the Act, whether or not secured by real property. This action by Congress would remove from coverage the larger credits that are generally extended to more sophisticated borrowers who are less in need of the disclosures, while still providing the benefits of disclosure to the smaller borrowers. Such an amendment would benefit creditors by eliminating the need for disclosures in some large and complex credit situations.

**Administrative enforcement.** Finally, the Board has recommended that the enforcement responsibility relating to Federal land banks, Federal land bank associations, Federal intermediate credit banks, and production credit associations be transferred from the Federal Trade Commission to the Farm Credit Administration, the agency with general supervisory authority over those creditors. Both agencies concur in this suggestion.

#### **AREAS FOR FURTHER STUDY**

There are some remaining areas for further study in Truth in Lending that concern the Board. We are studying these areas to determine whether there is a need for further action either by the Board or by the Congress.

**Discounts.** One area of study relates to discounts. The initial disclosure requirements relating to discounts for prompt payment posed serious compliance problems. The apparent effect of treating the offering of discounts as involving finance charges has caused some discon-

tinuance of the discount practice, to the detriment of those consumers who pay early. An August 1969 amendment to Regulation Z alleviated but did not entirely solve the problem. We are giving the problem further study.

**Disclosures in foreign language.** Another area of inquiry involves the desirability of requiring disclosures in foreign languages. In order to provide uniformity in disclosure of credit terms, Regulation Z requires certain English terminology to be used. However, such disclosures may be of little value to consumers who do not understand English. Although disclosures must be given before consummation of a credit transaction and, theoretically, a consumer can obtain an explanation or a translation of the disclosures before committing himself, this is not likely to happen in actual practice. A number of possible solutions to this problem have been considered, but none that we have explored appear feasible. As I have mentioned, the Board has taken a step toward alleviation of the problem by publishing a Spanish version of the consumer leaflet, *What Truth in Lending Means to You*. The initial demand for this leaflet has been encouraging.

**Advertising.** A third area of study relates to the lack of advertising of specific credit terms. The inclusion of specific credit terms in credit advertising appears to be continuing at a level substantially lower than desirable to enable consumers to use advertising effectively as a means to shop for the best credit terms available. However, there are indications of increased use of more specific advertising. Creditor complaints against the advertising restrictions have diminished. We are reviewing this area to determine whether changes can be made in the regulation or the Act to encourage greater inclusion

of specific credit terms in credit advertising.

**Complexity.** Regulation Z is complex. Truth in Lending disclosures are complex. A goal to which we are continually working is simplification of both the regulation and the disclosures. Unfortunately, given the complexity of credit transactions, much of it the product of complex State legislation, there seems to be little hope of significantly reducing the intricacy of Truth in Lending. Nevertheless, that is our goal and we will continue to adjust the requirements of Regulation Z as best we can to meet this goal.

By mentioning these problem areas, I do not suggest that no other provisions of the Act and Regulation Z raise difficult questions. Such questions seem to arise every day. Fortunately, we have been able to resolve most of them. We believe, despite all the problems, Truth in Lending is serving the public well.

#### CONCLUSION

The real test of the worth of this law is whether it is achieving its purpose, which as stated in the Act is "to assure a meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available to him and thereby avoid the uninformed use of credit." To obtain some indications, the Board has conducted two surveys of consumer awareness of finance charges and interest rates.

The first survey was conducted in June 1969, and was designed to serve as a benchmark of consumer awareness prior to the advent of Federal Truth in Lending. The second took place during September and October 1970. The results were compared with the first survey's results to determine changes in consumer knowledge since Federal Truth in Lending became operative.

The surveys yielded these three major findings:

1. The proportion of consumer-borrowers with no knowledge of the annual percentage rates they were paying has declined substantially.

2. A greater proportion of those borrowers who believe they know the annual percentage rates they are paying reported rates in line with prevailing rates for the types of credit involved.

3. In spite of the general improvement in consumer awareness, there remains a large proportion of consumer-borrowers who are not aware of the annual percentage rate they are paying.

The results, then, are mixed but encouraging. The problems have not been insoluble, as claimed by some of Truth in Lending's early opponents, but neither has the public's confusion over credit costs been completely eradicated, as hoped for by some supporters of the Act.

In summary, the public is better informed than before enactment of Truth in Lending, the major problems in implementation have been solved, and with continued education the benefits to the public will increase.

I appreciate having had the opportunity to appear before this subcommittee. □

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# Record of Policy Actions

## of the Federal Open Market Committee

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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 approximately 90 days following the date of the meeting and are subsequently published in the Federal Reserve BULLETIN.

The record for each meeting includes the votes on the policy decisions made at the meeting as well as a résumé of the basis for the decisions. The summary descriptions of economic and financial conditions are based on the information that was available to the Committee at the time of the meeting, rather than on data as they may have been revised since then.

Policy directives of the Federal Open Market Committee are issued to the Federal Reserve Bank of New York—the Bank selected by the Committee to execute transactions for the System Open Market Account.

Records of policy actions have been published regularly in the BULLETIN beginning with the July 1967 issue, and such records have continued to be published in the Board's Annual Reports.

The record for the meeting held on January 11, 1972, follows:

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## MEETING HELD ON JANUARY 11, 1972

### 1. Current Economic Policy Directive.

The information reviewed at this meeting suggested that the rate of growth in real output of goods and services (real gross national product) had stepped up in the fourth quarter of 1971 and that prices, which had been subject to Government controls since mid-August, had risen relatively little from the third to the fourth quarter. Staff projections suggested that the faster pace of growth in real GNP would continue in the first half of 1972.

In December nonfarm payroll employment and industrial production rose further, although to a large extent the gains were attributable to post-strike recovery in coal mining. The unemployment rate edged up to 6.1 from 6.0 per cent in November. Retail sales fell in December, according to the advance report, in part because sales of new cars dropped from the high rates prevailing during the first phase of the new economic program.

The rates of increase in prices and wages, which had slowed sharply during the freeze in effect from mid-August to mid-November, picked up afterward. Under the post-freeze program, some increases in wages—both previously scheduled and newly negotiated—were allowed to go into effect, some of the many pending applications for price increases were approved, and a general increase in residential rents was authorized.

The latest staff projections for the first half of 1972 were similar to those of 4 weeks earlier, although the expansion now expected in consumer spending was not so rapid. Also, the projected rise in Federal outlays in the first quarter had been increased as a consequence of a recently enacted Government pay raise effective in early January. It was still anticipated that business capital outlays, residential construction, and State and local government expenditures would grow at substantial rates and that business inventory investment would increase further.

The Finance Ministers and central bank Governors of the Group of Ten, meeting at the Smithsonian Institution in Washington, reached agreement on December 18 regarding revaluations of foreign

currencies against the dollar and a widening of permissible margins for exchange rate fluctuations. Following announcement of the agreement, market exchange rates for major foreign currencies against the dollar generally moved up to levels a little above their new lower limits. Outflows of short-term capital from the United States—which had been very large during much of 1971—came to a halt, and some funds flowed back before the year-end. However, the U.S. basic balance of payments remained in deficit and foreign official reserves declined only a little.

Demands for business loans at commercial banks remained weak in December, and most large banks reduced their prime rates around the end of that month. Real estate and consumer loans continued to expand at a rapid pace in December and banks sharply increased their holdings of securities.

The narrowly defined money stock (private demand deposits plus currency in circulation, or  $M_1$ ), which had not grown on balance from August to November, rose somewhat from November to December. Over the fourth quarter  $M_1$  increased at an annual rate of about 1 per cent, after rising at rates of about 3.5 per cent over the third quarter and 10 per cent over the first half of 1971.<sup>1</sup> Inflows of savings to commercial banks increased in December and the money stock more broadly defined ( $M_1$  plus commercial bank time deposits other than large-denomination CD's, or  $M_2$ ) rose at a substantial rate. Growth in the bank credit proxy—daily-average member bank deposits, adjusted to include funds from nondeposit sources—also was substantial as the average volume of both large-denomination CD's outstanding and U.S. Government deposits expanded. At the same time, banks reduced their outstanding borrowings of Euro-dollars by large amounts. Over the fourth quarter  $M_2$  and the proxy series increased at annual rates of about 8 and 9.5 per cent, respectively.

System open market operations in the period since the last meeting of the Committee had been complicated by year-end churning in the money market and by uncertainties regarding the likely volume of reflows of short-term capital following the Smith-

<sup>1</sup>Growth rates cited are calculated on the basis of the daily-average level in the last month of the period relative to that of the preceding period.

sonian Agreement. It was expected that if the reflows were large they would be accompanied by heavy foreign central bank sales of Treasury securities. In order to leave scope for future outright purchases of securities to moderate the market impact of such sales, the System made extensive use of repurchase agreements in the latter part of December to supply reserves on a temporary basis. In fact, however, reflows during the period were of quite modest dimensions.

Over the period as a whole System operations had been directed at fostering a substantial easing in money market conditions, against the background of the behavior of the monetary aggregates—particularly the continuing sluggishness of  $M_1$ . The Federal funds rate was about 3½ per cent at the time of this meeting, down from the level of about 4¾ per cent prevailing at the time of the preceding meeting. In the 4 weeks ending January 5, member bank borrowings averaged \$110 million compared with \$395 million in the preceding 4 weeks.

At the time of this meeting interest rates on most types of market securities were lower than they had been in mid-December. Short-term rates had fallen, in part because of the easing of money market conditions associated with the System's reserve-supplying operations and because of anticipations on the part of market participants of still greater ease. Even with the auction on December 22 of \$2.5 billion of tax-anticipation bills, Treasury bill rates had come under strong downward pressure as the reflow of short-term capital from abroad—and the consequent sales of bills by foreign central banks—proved to be far less than the market had expected. On the day before this meeting of the Committee, the market rate on 3-month bills was about 3.00 per cent compared with 3.95 per cent 4 weeks earlier.

Declines in rates for long-term securities were much more moderate. Early in the period capital markets were still under the influence of the Treasury's November financing, and later they were affected by discussion of the possibility that the February financing—the terms of which were expected to be announced near the end of January—would include an advance refunding. Public offerings of new corporate bonds were light, as is usual in December, but offerings of new State and local government bonds

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were contraseasonally large. It was expected that the volume of corporate issues would rebound in January but that issues of State and local governments would taper off.

Yields in the secondary market for federally insured mortgages declined slightly further in December. Inflows of savings to nonbank thrift institutions, which had slowed in November, increased in December as the relative attractiveness of savings shares and deposits was enhanced by the further declines in market interest rates.

In the Committee's discussion considerable concern was expressed about the persistent sluggishness of key monetary aggregates, and a number of members advocated action to provide sufficient reserves to support the faster monetary growth that they believed was required by the economic situation and outlook. It was noted in this connection that the level of member bank reserves, as well as that of  $M_1$ , had changed little during the fourth quarter despite a progressive easing of money market conditions. In the interest of assuring the provision of reserves needed for adequate growth in monetary aggregates, the Committee decided that in the period until its next meeting open market operations, while continuing to take appropriate account of conditions in the money market, should be guided more by the course of total reserves than had been customary in the past.

The members also agreed that in the course of operations account should be taken of international developments and, beginning late in the month, of the forthcoming Treasury financing.

In placing greater emphasis on total reserves, the Committee took note of a staff analysis suggesting that moderate rates of growth in  $M_1$  and  $M_2$  in January and February were likely to be associated with a large increase in total reserves from December to January and then a decline in February—mainly as a consequence of recent and anticipated changes in U.S. Government deposits, and allowing for the 2-week lag between member bank deposits and required reserves. Against the background of this analysis, a majority agreed that an annual rate of growth in total reserves of roughly 20 to 25 per cent from December to January would be satisfactory, provided that it could be attained without undue easing of money market conditions.

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

The information reviewed at this meeting suggests that real output of goods and services increased more rapidly in the fourth quarter than it had in the third quarter, but the unemployment rate remained high. In recent weeks wage and price developments have reflected some increases that had been deferred under the 90-day freeze. The narrowly defined money stock, which had not grown on balance from August to November, rose somewhat in December, while both the broadly defined money stock and the bank credit proxy increased substantially. Market interest rates, particularly short-term rates, have declined in recent weeks. After international agreement was reached in December on new central exchange rates and on wider margins of permissible variation, market exchange rates for major foreign currencies against the dollar initially moved to levels a little above their new lower limits. The volume of capital reflows to the United States has been modest, however, and the underlying U.S. balance of payments remains in deficit. In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions consistent with the aims of the new governmental program, including sustainable real economic growth and increased employment, abatement of inflationary pressures, and attainment of reasonable equilibrium in the country's balance of payments.

To implement this policy, while taking account of international developments and the forthcoming Treasury financing, the Committee seeks to promote the degree of ease in bank reserve and money market conditions essential to greater growth in monetary aggregates over the months ahead.

Votes for this action: Messrs. Burns, Clay, Daane, Maisel, Mayo, Mitchell, Morris, Robertson, and Sheehan. Votes against this action: Messrs. Hayes, Brimmer, and Kimbrel.

Messrs. Hayes, Brimmer, and Kimbrel differed somewhat in their reasons for dissenting from this action. Mr. Hayes considered the emphasis placed on total reserves as an operating target to be an undesirable step; in his judgment, reserves were much less meaningful than other measures, such as the monetary and

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credit aggregates and interest rates, as an instrument for working toward the Committee's basic economic objectives. Also, he was reluctant to issue a directive that might involve a substantial further easing of money market conditions, since the Committee had already moved rapidly in that direction and since it appeared to him that the economic outlook had improved somewhat in recent months. He was concerned about the risk that a further sharp decline in short-term interest rates might subject financial markets to unnecessary whipsawing and might tend to rekindle inflationary expectations.

Mr. Brimmer shared the majority's views concerning broad objectives of policy at this time, and he indicated that he would have voted favorably on the directive were it not for the decision to give special emphasis to total reserves as an operating target during coming weeks. In his judgment the Committee should have had more discussion of the implications of that decision, and in any case it should have postponed the decision until after it had held a contemplated meeting to be devoted primarily to discussion of its general procedures with respect to operating targets.

Mr. Kimbrel favored supplying reserves at a rate that would accommodate orderly economic expansion. He voted against the directive because he thought it involved risks of depressing short-term interest rates to unsustainably low levels and of producing excessive rates of growth in the monetary aggregates in the future.

## **2. Ratification of earlier actions.**

Earlier in the course of this meeting the Committee, by unanimous vote, ratified the action taken by the members on December 20, 1971, adding the clause "while taking account of international developments" at the end of the final sentence of the current economic policy directive then in effect.

Also, with Mr. Robertson dissenting, the Committee ratified the action taken by vote of a majority on December 23, 1971, to suspend, until close of business on the day of the next meeting, the lower limit (specified in paragraph 1(c) of the continuing authority directive with respect to domestic open market operations) on interest rates on repurchase agreements arranged by the

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Federal Reserve Bank of New York with nonbank dealers. The suspended provision specified that such repurchase agreements were to be made "at rates not less than (1) the discount rate of the Federal Reserve Bank of New York at the time such agreement is entered into, or (2) the average issuing rate on the most recent issue of 3-month Treasury bills, whichever is the lower."

The two actions in question had been taken for reasons set forth in the policy record for the meeting held on December 14, 1971. Mr. Robertson dissented from ratification of the second action for the same reasons that had led him to dissent from the action itself, as described in that policy record.

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# Law Department

Statutes, regulations, interpretations, and decisions

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## INTERPRETATIONS OF REGULATION T

### INSTALMENT SALE OF TAX-SHELTER PROGRAMS AS "ARRANGING" FOR CREDIT

The Board has been asked whether the sale by brokers and dealers of tax-shelter programs containing a provision that payment for the program may be made in instalments would constitute "arranging" for credit in violation of Part 220 (Regulation T). For the purposes of this interpretation, the term "tax-shelter program" means a program which is required to be registered pursuant to section 5 of the Securities Act of 1933 (15 U.S.C. § 77e), in which tax benefits, such as the ability to deduct substantial amounts of depreciation or oil exploration expenses, are made available to a person investing in the program. The programs may take various legal forms and can relate to a variety of industries including, but not limited to, oil and gas exploration programs, real estate syndications (except real estate investment trusts), citrus grove developments and cattle programs.

The most common type of tax-shelter program takes the form of a limited partnership. In the case of the programs under consideration, the investor would commit himself to purchase and the partnership would commit itself to sell the interests. The investor would be entitled to the benefits, and become subject to the risks of ownership at the time the contract is made, although the full purchase price is not then required to be paid. The balance of the purchase price after the down payment usually is payable in instalments which range from one to ten years depending on the program. Thus, the partnership would be extending credit to the purchaser until the time when the latter's contractual obligation has been fulfilled and the final payment made.

With an exception not applicable here, § 220.7 (a) of Regulation T provides that:

"A creditor [broker or dealer] may arrange for the extension or maintenance of credit to or for any customer of such creditor by any person upon the

same terms and conditions as those upon which the creditor, under the provisions of this part, may himself extend or maintain such credit to such customer, but *only* upon such terms and conditions, . . ." (Emphasis supplied.)

In the case of credit for the purpose of purchasing or carrying securities (purpose credit), § 220.8 of the regulation (the Supplement to Regulation T) does not permit any loan value to be given securities that are not registered on a national securities exchange, included on the Board's OTC Margin List, or exempted by statute from the regulation.

The courts have consistently held investment programs such as those described above to be "securities" for purpose of both the Securities Act of 1933 and the Securities Exchange Act of 1934. The courts have also held that the two statutes are to be construed together. Tax-shelter programs, accordingly, are securities for purposes of Regulation T. They also are not registered on a national securities exchange, included on the Board's OTC Margin List, or exempted by statute from the regulation.

Accordingly, the Board concludes that the sale by a broker/dealer of tax-shelter programs containing a provision that payment for the program may be made in instalments would constitute "arranging" for the extension of credit to purchase or carry securities in violation of the prohibitions of §§ 220.7(a) and 220.8 of Regulation T.

### CREDIT ON MUTUAL FUND SHARES

The Board of Governors has been asked whether a broker or dealer may extend, maintain, or arrange for credit in a special bond account subject to § 220.4(i) of Regulation T on collateral consisting of shares of registered open-end investment companies whose portfolios are made up entirely or in part of exempted securities.

The term "exempted securities" is defined in section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(12)) and generally includes Federal, State, and municipal securities. Such securities are eligible as collateral for extensions of credit in § 220.4(i) and are entitled to good

faith loan value in an account carried pursuant to that section, under § 220.8(b).

Part 220 (Regulation T) provides that brokers and dealers may not extend, maintain, or arrange for credit to purchase any securities unless the collateral for such credit consists of exempted securities or securities that are registered on a national securities exchange or appear on the Board's OTC Margin List. Shares in registered open-end investment companies are not "exempted" securities, irrespective of the composition of the portfolio of the company, nor are they registered on national securities exchanges, or included on the OTC Margin List. Accordingly, such shares do not have loan value for purposes of Part 220 (Regulation T), nor may brokers or dealers extend credit against such shares to purchase or carry any securities under § 220.4(i) of such part.

The above-stated opinion is in conformity with the Board's views expressed previously in its interpretations announced in 1952 BULLETIN 1105 (12 CFR 220.109) and 1955 BULLETIN 267 (12 CFR 220.112) to the effect that brokers or dealers are prohibited from arranging credit to purchase unlisted shares issued by open-end investment companies.

#### ORDERS UNDER BANK MERGER ACT

#### UNION COUNTY TRUST COMPANY, ELIZABETH, NEW JERSEY

#### ORDER APPROVING APPLICATION FOR MERGER OF BANKS

Union County Trust Company, Elizabeth, New Jersey ("Union Trust"), a member State bank of the Federal Reserve System, has applied for the Board's approval pursuant to the Bank Merger Act (12 U.S.C. 1828(c)) of the merger of that bank with Keansburg-Middletown National Bank, Middletown, New Jersey ("Keansburg Bank"), under the charter of Union Trust and title of United Counties Trust Company. As an incident to the merger, the present offices of Keansburg Bank would become branches of the resulting bank.

As required by the Act, notice of the proposed merger, in form approved by the Board, has been published, and the Board has requested reports on competitive factors from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

The Board has considered the application and all comments and reports received in the light of

the factors set forth in the Act, and finds that:

Union Trust (\$213 million deposits),<sup>1</sup> located in the Second Banking District of New Jersey, serves primarily the Greater Newark Market. It controls 5 per cent of the Market's deposits and is the sixth largest of 45 banks located there. Union Trust operates 18 branch offices, 16 in Union County, and one branch each in Somerset and Monmouth Counties.

Keansburg Bank (\$67 million deposits) serves primarily the northern section of Monmouth County that includes the Township of Middletown wherein its main office and four of its five branches are located, and the town of Keansburg where the remaining branch is located. The home office protection feature of State law which prohibits *de novo* branching into Middletown will not be removed if the present proposal is consummated.

The relevant market within which the competitive effects of the merger are to be assessed is the Asbury Park Market, which consists of all of Monmouth County with the exception of the communities of Millstone, Roosevelt, Upper Freehold and Allentown (all located in the western portion of Monmouth County) and which Market includes the economically significant seashore communities located in a 25-mile sector of the eastern portion of Monmouth County. There are 12 banks operating 92 offices in the Asbury Park Market,<sup>2</sup> the four largest of which hold 78.8 per cent of total deposits. Keansburg Bank ranks fifth with 6.7 per cent of such deposits. Union Trust's branch office in Monmouth County is located in Eatontown, which is within the Asbury Park Market. However, Union Trust's Eatontown branch office holds only a negligible percentage of the market's deposits. Consummation of the proposed transaction would not significantly increase the concentration of banking deposits in any area.

Union Trust's Eatontown branch is the closest office to a Keansburg Bank office. They are located five miles apart. However, the service areas of the two branch offices do not overlap, and there is no significant present competition between the two banking offices or any other offices of each bank. Whereas there is some likelihood that consummation of the proposal may eliminate some degree of potential competition between Applicant and Keansburg Bank, it appears that the merger

<sup>1</sup>Total deposit data are as of June 30, 1971. Data regarding market deposit rank and market shares are as of June 30, 1970.

<sup>2</sup>Office data are as of December 29, 1971.

will stimulate competition by increasing Keansburg Bank's ability to compete in the Asbury Park Market with the four larger banks and with the two smaller local banks that have recently become affiliated with two First Banking District holding companies, each of which holds approximately \$1 billion in deposits. At the present time Keansburg Bank holds less than half the deposits of the fourth largest bank in the Asbury Park Market.

The financial and managerial resources of Applicant are satisfactory; the same is true of Keansburg Bank with the exception of needed improvement in its capital position which would be resolved by consummation of this proposal. Therefore, the prospects for the resulting bank would be favorable, and banking factors lend some support for approval of the application. Consummation of the proposal would improve the present banking services available to customers of Keansburg Bank in the rapidly developing Monmouth County, particularly in expanded consumer credit, trust and fiduciary services and enlarged lending limits for commercial and industrial loans. Convenience and needs considerations, therefore, are consistent with approval of the application. It is the Board's judgment that consummation of the proposal would be in the public interest, and that the application should be approved.

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

By order of the Board of Governors, March 3, 1972.

Voting for this action: Vice Chairman Robertson and Governors Daane, Brimmer, and Sheehan. Absent and not voting: Chairman Burns and Governors Mitchell and Maisel.

[SEAL]

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

THE ASHLAND STATE BANK OF  
ASHLAND, ASHLAND, OHIO  
ORDER APPROVING APPLICATION FOR  
MERGER OF BANKS

The Ashland State Bank of Ashland, Ashland, Ohio, a nonoperating proposed member State bank of the Federal Reserve System, has applied for the Board's approval pursuant to the Bank Merger Act (12 U.S.C. 1828(c)) of the merger of that bank with The Ashland Bank & Savings Company, Ashland, Ohio ("Bank"), under the charter of the former and the name of the latter. As an incident to the merger, the present branch of The Ashland Bank & Savings Company will continue as a branch of the resulting bank. The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank by First Banc Group of Ohio, Inc., Columbus, Ohio.

As required by the Act, notice of the proposed merger, in form approved by the Board, has been published, and the Board has requested reports on competitive factors from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The Board has considered all material contained in the record in the light of the factors set forth in the Act.

On the basis of the record, the application is approved for the reasons summarized in the Board's Order of January 25, 1972, approving the application of First Banc Group of Ohio, Inc., to acquire 100 per cent of the voting shares of the successor by merger to The Ashland Bank & Savings Company, Ashland, Ohio, provided that said merger shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the 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, March 23, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, Maisel, Brimmer, and Sheehan. Absent and not voting: Governor Mitchell.

[SEAL]

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

**ORDERS UNDER SECTION 3 OF BANK  
HOLDING COMPANY ACT**

FIRST NATIONAL CITY CORPORATION,  
NEW YORK, NEW YORK

ORDER APPROVING ACQUISITION OF BANK

First National City Corporation, New York, New York, 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 Silver Creek National Bank, Silver Creek, New York ("Bank").

The bank into which Bank is to be merged has no significance except as a means of acquiring the voting shares of Bank. Accordingly, the proposed acquisition of the shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant controls two banks with total deposits of 13.4 billion, representing 14.1 per cent of the total deposits in commercial banks in New York, and is the State's second largest banking organization. (Unless otherwise noted, banking data are as of June 30, 1971, adjusted to reflect holding company formations and acquisitions through December 31, 1971.) Consummation of the proposal would not change Applicant's present ranking nor significantly increase its share of State deposits.

Bank (deposits of \$11.2 million) is the smallest of five banks in the Dunkirk-Fredonia banking market, controlling 7.3 per cent<sup>1</sup> of the deposits in that market. The nearest office of Applicant's subsidiary bank is 420 miles from Bank and there is no significant existing competition between this or any other of Applicant's subsidiaries. Bank is the only bank available for acquisition in its market; Applicant's only alternative for entering Bank's market would be through establishing a *de novo* bank. The economic characteristics of the Dunkirk-Fredonia banking market make *de novo* entry very unlikely. Consummation of the

<sup>1</sup> Banking data related to market share are as of June 30, 1970.

proposal would foreclose no existing or potential competition.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks and Bank are satisfactory and consistent with approval. The banking needs of the communities involved are being adequately met at present. However, Applicant proposes to provide, through Bank, an alternative source of specialized banking needs. Therefore, considerations relating to convenience and needs lend some weight toward approval. 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 consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, March 3, 1972.

Voting for this action: Vice Chairman Robertson and Governors Daane, Brimmer, and Sheehan. Absent and not voting: Chairman Burns and Governors Mitchell and Muisel.

(Signed) TYNAN SMITH,  
Secretary of the Board.

[SEAL]

FIRST AMERICAN NATIONAL  
CORPORATION, NASHVILLE, TENNESSEE

ORDER APPROVING ACQUISITION OF BANKS

First American National Corporation, Nashville, Tennessee, has filed separate applications for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 80 per cent or more of the voting shares of (1) Farmers Exchange Bank, Union City, Tennessee ("Farmers Bank"), and (2) Union-Peoples Bank, Clinton, Tennessee ("Peoples Bank").

Notice of receipt of the applications has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. 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)).

On the basis of the record, the applications are approved for the reasons set forth in the Board's Statement of this date. The transactions shall



not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, March 3, 1972.

Voting for this action: Vice Chairman Robertson and Governors Daane, Brimmer, and Sheehan. Absent and not voting: Chairman Burns and Governors Mitchell and Maisel.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL]

#### STATEMENT

First American 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 80 per cent or more of the voting shares of (1) Farmers Exchange Bank, Union City, Tennessee ("Farmers Bank") and, (2) Union-Peoples Bank, Clinton, Tennessee ("Peoples Bank").

Notice of receipt of the applications has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the applications and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant, a registered one bank holding company by virtue of its ownership of First American National Bank of Nashville, Nashville, Tennessee (\$631.2 million in deposits), representing 8.1 per cent of total commercial bank deposits in the State, is the third largest banking organization in Tennessee. (All banking data are as of June 30, 1971, and reflect holding company formations and acquisitions approved through January 31, 1972.) Acquisition of Peoples Bank (deposits of \$28.8 million) and Farmers Bank (deposits of \$13.6 million) would increase Applicant's share of deposits in the State by approximately .6 percentage points and its present ranking would remain unchanged. Consummation of the proposed transactions would have no significant effect upon concentration of banking resources in the State.

Peoples Bank is the ninth largest of twelve banks in the Knoxville banking market controlling 3.8 per cent of commercial bank deposits in that market. Farmers Bank is the second largest of ten banks in the Union City banking

market controlling 17.2 per cent of commercial bank deposits in that market. Applicant's only banking subsidiary is located in Nashville, approximately 160 miles west of Peoples Bank and 155 miles southeast of Farmers Bank. No competition exists between Peoples Bank and Farmers Bank and between either of these banks and Applicant's present banking subsidiary. Thus, consummation of the proposed acquisitions would have no adverse effects on existing competition. Furthermore, in view of the distances separating these banks, the presence of numerous intervening banks, and the State's restrictive branching law, it appears unlikely that any competition would develop in the future.

The present financial and managerial resources and prospects of Applicant, its subsidiary bank and both Peoples and Farmers banks are regarded as satisfactory and consistent with approval. Although there is no evidence that significant banking needs of the communities involved are going unserved, consummation of the proposed acquisitions will enable both Peoples and Farmers banks to draw upon the added financial, managerial and technical resources of Applicant in order to expand existing services and initiate new services to meet the future needs of their respective communities. Convenience and needs considerations are therefore consistent with approval. It is the Board's judgment that the proposed transactions would be in the public interest and that the applications should be approved.

#### AMERICAN BANCORPORATION, COLUMBUS, OHIO

#### ORDER APPROVING ACQUISITION OF BANK

American Bancorporation, Columbus, 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 up to 100 per cent (less directors' qualifying shares) of the voting shares of The Dime Bank, Marietta, Ohio ("Bank"), the successor by acquisition of assets and assumption of liabilities to The Dime Savings Society of Marietta, Marietta, Ohio.

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant, the smallest multi-bank holding company in Ohio, controls three banks with aggregate deposits of \$11.4 million, representing .05 per cent of Ohio's commercial bank deposits. Applicant's acquisition of Bank, with deposits of \$4.8 million, representing .02 per cent of total State deposits, would not change its present rank or increase significantly the concentration of banking resources in any area. (All banking data are as of June 30, 1971, and reflect formations and acquisitions approved through January 31, 1972.)

The nearest subsidiary of Applicant and Bank are 68 miles apart and two counties separate them. There is no present competition between any of Applicant's subsidiaries and Bank, and it appears that future competition is not likely to develop between them due to the distances involved, the location of numerous banking offices of other banks in the intervening area, and Ohio's restrictive branching laws. Bank would rank as the smallest of the four commercial banks headquartered in Marietta and rank fifteenth among the 17 banks operating in its market area. One result of the proposed transaction will be to introduce an additional commercial bank to that area which could serve to stimulate competition in Marietta and its surroundings. The proposed transaction should have no adverse effect on competing banks.

The financial and managerial resources of Applicant are generally satisfactory and prospects for the group appear favorable. Prospects for Bank also appear favorable since Applicant proposes to supply needed capital and management to it. Banking factors, therefore, lend weight toward approval of the application. Although the major banking needs of the residents of the Marietta-Parkersburg area are being met at present, the establishment of Bank will enable Applicant to offer a wider range of services to banking customers of its predecessor. Considerations relating to the convenience and needs of the area, therefore, lend weight to approval of the application. It is the Board's judgment that consummation of 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 consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the 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, March 3, 1972.

Voting for this action: Vice Chairman Robertson and Governors Daane, Brimmer, and Sheehan. Absent and not voting: Chairman Burns and Governors Mitchell and Maisel.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL]

THE BANK OF NEW YORK COMPANY, INC.,  
NEW YORK, NEW YORK

#### ORDER APPROVING ACQUISITION OF BANK

The Bank of New York Company, Inc., New York, New York, 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 the successor to Valley National Bank of Long Island, Valley Stream, New York ("Bank").

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant, the seventh largest bank holding company and the tenth largest banking organization in New York, has seven subsidiary banks with total deposits of \$2.5 billion, representing approximately 2.7 per cent of the total commercial bank deposits in the State. (Unless otherwise noted, all banking data are as of June 30, 1971, adjusted to reflect holding company formations approved by the Board through October 29, 1971.) Acquisition of Bank (\$158.7 million in deposits) would increase Applicant's share of deposits in the State by less than 0.1 per cent.

Bank is the third largest of eight banks headquartered in Nassau County, which is part of the Metropolitan New York banking market, and operates ten offices in that area. Bank also operates twelve offices in Suffolk County. Bank holds \$84 million in deposits in the New York banking market where it is the 34th largest of 74 banking organizations, controlling 0.1 per cent of market deposits.<sup>1</sup>

Applicant's nearest banking subsidiary is 16 miles from the closest branch of Bank. Neither

<sup>1</sup>Market data are as of June 30, 1970.

Applicant's subsidiary banks, nor Bank derive a significant amount of business from each other's service area. Accordingly, consummation of this proposal would not adversely affect existing competition.

Some potential competition between Applicant and Bank might be foreclosed upon consummation of the proposal, since Applicant could enter Bank's service area by expanding *de novo* or through acquisition of a smaller bank. *De novo* entry seems undesirable since State law limits a *de novo* expansion bank to two branches per year (beginning one year from the date of charter) until 1976 when State-wide branching becomes effective. It also appears unlikely that acquisition of a smaller bank would be attractive to Applicant. Three of the State's largest banking organizations are already represented in Bank's service areas and Applicant has not attained a significant competitive position with respect to these larger banking organizations in other banking districts in the State. Applicant seeks to acquire Bank in order to rapidly become an effective competitor of the larger banking organizations in Bank's service areas. Although consummation of this proposal may have a slightly adverse effect on potential competition, it will be offset by the increased competition among the large banking organizations present in Bank's service areas.

The financial and managerial resources of Applicant, its subsidiary banks and Bank are satisfactory and consistent with approval. While it appears that the communities involved in this proposal presently have reasonable access to alternative sources of banking services, Applicant's entry will afford an additional competing source of such services. Through Bank, Applicant proposes to offer lower rates on certain consumer loans, data processing facilities for customers and expanded trust services. Considerations related to convenience and needs, therefore, lend weight toward 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 consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, March 7, 1972.

Voting for this action: Governors Mitchell, Daane, Maisel, and Sheehan. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Chairman Burns.

(Signed) TYNAN SMITH,  
Secretary of the Board.

[SEAL.]

DISSENTING STATEMENT  
OF

GOVERNORS ROBERTSON AND BRIMMER

We would deny this application because its anti-competitive effects are not affirmatively outweighed by other public interest considerations.

Applicant appears to be a likely entrant into the Nassau-Suffolk County area, and its entry could be accomplished in a more competitive manner. Applicant could enter *de novo* or through acquisition of one of the fourteen banks in the area smaller than Valley National Bank. Approval of this application would result in New York City-based holding companies controlling ten of the fourteen area banks with deposits over \$150 million, and only three independent banks of this deposit size would remain in the area. As we have indicated previously, acquisition of a major bank in this area by a major New York City-based holding company eliminates such bank as a vehicle for entry by a newer and smaller New York holding company (e.g., In the Matter of the Application of Chemical New York Corporation to acquire Eastern National Bank of Long Island). We also pointed out in that case that *de novo* entry to the area was feasible for large New York holding companies as the two largest New York City-based holding companies had recently employed that method. Therefore, approval of this application will have serious adverse effects on potential competition.

The Bank Holding Company Act requires the Board to deny holding company acquisitions that are anticompetitive in nature unless there are positive benefits to the public that outweigh the adverse factor.

Applicant proposes to make additional services available through Bank. However, the record indicates that the banking needs of the communities involved are already being adequately served by the banking institutions in the area. Moreover, the proposed benefits could be provided in a more competitive fashion. Therefore, the benefits advanced by Applicant do not overcome the anti-competitive effects of the acquisition.

We would deny the application.

COUNTY NATIONAL BANCORPORATION,  
CLAYTON, MISSOURI

ORDER APPROVING ACQUISITION OF BANK

County National Bancorporation, Clayton, Missouri, has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire not less than 90 per cent of the voting shares of Big Bend Bank, Webster Groves, Missouri ("Bank").

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

On the basis of the record, the application is approved for the reasons set forth in the Board's Statement of this date, provided that the transaction shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of St. Louis pursuant to delegated authority, and provided further that upon consummation of the proposed transaction, Applicant shall not retain or acquire any nonbank shares or engage in any nonbanking activities to a greater extent or for a longer period than would apply in the case of a bank holding company which became such on the date of such consummation, except to the extent otherwise permitted in any regulation of the Board hereafter adopted specifically relating to the effect of the acquisition of an additional bank on the status of nonbank shares and activities of a one-bank holding company formed prior to 1971, or unless the Board fails to adopt any such regulation before the expiration of two years after the consummation of the proposed acquisition.

By order of the Board of Governors, March 9, 1972.

Voting for this action: Chairman Burns and Governors Mitchell, Daane, and Maisel. Voting against this action: Governors Robertson, Brimmer, and Sheehan.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

STATEMENT

*Nature of transaction.* County National Bancorporation, Clayton, Missouri, a registered bank holding company, has applied to the Board of

Governors, pursuant to § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)), for prior approval of the acquisition of at least 90 per cent of the voting shares of Big Bend Bank, Webster Groves, Missouri ("Bank").

*Statutory considerations.* Applicant's one subsidiary bank, St. Louis County National Bank (\$229.6 million deposits), which is located in Clayton, is the largest bank in St. Louis County and the fourth largest bank in the St. Louis banking market with about 4 per cent of market deposits. Upon consummation of the proposal herein, Applicant's share of commercial bank deposits in the State would be increased insignificantly by .1 per cent to 2.1 per cent, while its ranking as the State's eight largest banking organization would remain the same. (All banking data are as of December 31, 1970.)

Bank (\$20.6 million deposits) is located in Webster Groves in St. Louis County, approximately 5.5 miles south of Applicant's lead bank, and is the 52nd largest of the banking organizations operating in the St. Louis banking market. Within Bank's primary service area (approximated by the communities of Brentwood, Crestwood, Kirkwood, Maplewood, Affton, and Webster Groves), Bank ranks as the smallest of seven banks in the area, three of which are subsidiaries of multibank holding companies significantly larger than Applicant. Bank holds about 10 per cent of the commercial bank deposits in its service area.

In connection with its review of the proposal, the Board has considered comments filed by the Department of Justice indicating that the overall effect of the proposal on competition would be significantly adverse. The Department indicates that significant existing competition between Applicant's present subsidiary and Bank would be eliminated by the proposal; that the acquisition would further raise the concentration of deposits in an already concentrated area; and that the acquisition would have an adverse effect on potential competition by removing Applicant as a *de novo* entrant into the Webster Groves area and by eliminating Bank as a vehicle for entry by other holding companies not already operating in the area.

The Board does not consider the elimination of the competition existing between Applicant's present subsidiary bank and Bank to be such as to warrant denial of the proposal. While there is some competitive overlap between the two banks, the banks are not, in fact, significant competitors.

Bank is primarily retail oriented, serving principally as a savings institution with emphasis on consumer and installment type loans. St. Louis County National is primarily commercial oriented, with emphasis on commercial loans and business accounts. Although there is some existing competition between the banks arising from the proximity of their locations, because of the nature of the institutions and type of customers each serves, the Board does not consider the anticompetitive effects to be substantial. Furthermore, when viewed in the context of the St. Louis banking market, the quantum of existing competition which would be eliminated by the proposed transaction is not significant.

Bank presently competes with banks which include subsidiaries of holding companies which are the third, fourth, and fifth largest banking organizations in the State, holding, respectively, approximately 8, 4.5, and 4 per cent of the commercial bank deposits in the State. Even after this acquisition, Applicant would control only slightly more than 2 per cent of the deposits in the State. In the St. Louis banking market, Applicant's present subsidiary holds 4.0 per cent of the deposits, and Bank holds .4 per cent of such deposits. Thus consummation of the proposed acquisition would not eliminate a significant degree of competition in the relevant market, and viewed in the context of the impact on competition in the market, the elimination of any future competition between Applicant's subsidiary and Bank is not regarded as substantial. On the contrary, consummation of the proposed transaction should enable Bank to compete more effectively in the relevant market and result in a salutary effect on competition.

On the basis of the foregoing, the Board concludes that the competitive effects of the proposal are not inconsistent with approval of the application, and for the reasons discussed hereinafter, any elimination of existing competition that may result is more than outweighed by the benefits that would result from the proposal.

The financial condition and management of the Applicant and its subsidiary are regarded as satisfactory and consistent with approval. Bank has experienced some losses in its installment loan operations and does have a management succession problem. Applicant plans to supply additional capital to Bank and to provide Bank with management personnel. As a subsidiary of Applicant, therefore, Bank's prospects appear to be favorable, and considerations relating to bank-

ing factors lend weight toward approval of the application.

The present banking needs of the Webster Groves area are being met by the existing institutions. However, the area is experiencing growth, and Bank's ability to offer a broader range of service as a subsidiary of Applicant should benefit the convenience and needs of the residents of Bank's service area. Applicant intends to assist Banking in developing commercial and industrial business, processing mortgage loans, and providing data processing services. As a subsidiary of Applicant, Bank should be able to compete more effectively with the other larger banks which are already offering these services either independently or as a subsidiary of a holding company. These considerations lend strong weight toward approval of the application.

*Summary and conclusion.* On the basis of all relevant facts contained in the record and in light of the factors set forth in § 3(c) of the Act, it is the Board's judgment that the proposed transaction is in the public interest and that the application should be approved.

DISSENTING STATEMENT OF GOVERNORS  
ROBERTSON, BRIMMER, AND SHEEHAN

We disagree with the conclusion of the majority that the proposal would produce benefits to the communities to be served that outweigh the adverse effects the proposal would have on competition. We agree with the conclusion expressed by the Department of Justice, that consummation of the proposal would have a "significantly adverse" effect on competition, and therefore, we would deny the application.

Applicant's present subsidiary is the fourth largest banking organization and the most significant competitive force in St. Louis County, one of the fastest growing areas in Missouri. Bank is located only 5.5 miles to the south of Applicant's subsidiary. This geographical proximity, coupled with the interdependence of the communities in the area, leads to the conclusion that the two banks are competitors. This conclusion is supported by the facts of record which reveal that each bank draws substantial deposit and loan business from the immediate area of the other. On the basis of dollar amounts, Applicant derives almost as much in deposits (83.9 per cent) and about twice as much in loans (200.5 per cent) as Bank itself derives from its own service area. This, in our view, is substantial competition.

Furthermore, the banks offer a similar range of services and are alternative sources of banking facilities for banking customers in the area. This competition would be foreclosed by consummation of the proposed transaction.

Because of its size and its location in the commercial, financial, and political center of St. Louis County, Applicant's present subsidiary is one of the area's dominant banking organizations. As the Department of Justice noted, Applicant already controls approximately 32 per cent of the deposits in east central St. Louis County, and the present proposal would increase that concentration to about 35 per cent of such deposits. In concluding that the competitive effects of the proposed transaction should be assessed in the east central St. Louis County area, rather than in the entire St. Louis metropolitan area, as has the majority, we have been guided by recent decisions of the Supreme Court. In *U.S. v. Philadelphia Nat. Bank*, 374 U.S. 321, 357, in arriving at a determination of the proper relevant market in that case, the court stated:

The proper question to be asked in this case is not where the parties do business or even where they compete, but where, within the area of competitive overlap, the effect of the merger on competition will be direct and immediate. . . . This depends upon "the geographic structure of supplier-customer relations." . . . In banking, as in most service industries, convenience of location is essential to effective competition. Individuals and corporations typically confer the bulk of their patronage on banks in their local community; they find it impractical to conduct their banking business at a distance. . . .

More recently in *U.S. v. Phillipsburg National Bank*, 399 U.S. 350, 362, the court stated, in discussing the relevant market question, that:

Commercial realities in the banking industry make clear that banks generally have a very localized business. We observed in *Philadelphia Bank*, *supra*, at 358, that "[i]n banking, as in most service industries, convenience of location is essential to effective competition. Individuals and corporations typically confer the bulk of their patronage on banks in their local communities; they find it impractical to conduct their banking business at a distance. . . . The factor of inconvenience localizes banking competition as effectively as high transportation costs in other industries." In locating "the market area in which the seller operates," it is important to consider the places from which it draws its business, the location of its offices, and where it seeks business.

The already high level of concentration of banking resources in east St. Louis County would be further enhanced by the proposed acquisition. This is a matter of significant concern to us.

Of equal concern is Applicant's effort to expand its influence in a portion of St. Louis County in which it already competes. In light of the comments noted above, we believe it would be preferable for Applicant to expand in east St. Louis County either *de novo* or by acquiring a

bank in an area in which Applicant is not already dominant. There is no doubt that Bank's service area would support another new bank; it is also clear that Applicant possesses the financial resources for meaningful *de novo* entry. From a competitive standpoint, either of these alternatives is clearly preferable to the proposal herein. Furthermore, *de novo* entry would have the added beneficial effect of providing an additional source of banking services rather than removing Bank as an alternative source for such services for the residents of Bank's service area.

On the basis of the record, we would conclude that Applicant's proposal would have a significantly adverse effect on existing and potential competition. In light of this situation, the Bank Holding Company Act specifically requires that the Board deny the application unless it finds benefits in terms of convenience and needs that outweigh the significantly adverse effects on competition. The majority points to no new services which Applicant is not already offering in Bank's service area. The alleged benefits that the majority indicates would flow from the proposal are not such as would outweigh the significantly adverse effects on competition. Accordingly, the statutory requirement of a clear outweighing of anticompetitive effects is not fulfilled.

We would, therefore, deny the application.

FIRST AT ORLANDO CORPORATION,  
ORLANDO, FLA.

ORDER APPROVING ACQUISITION OF BANKS

First at Orlando Corporation, Orlando, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has filed separate applications for the Board's approval, under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)), to acquire 90 per cent or more of the voting shares of each of the following banks in Florida: Riverside Bank, Miami; Midtown Bank of Miami, Miami ("Midtown Bank"); and Bank of Coral Gables, Incorporated, Coral Gables ("Coral Gables Bank").

Notices of receipt of the applications have been given in accordance with § 3(b) of the Act, and the times for filing comments and views have expired. The Board has considered the applications and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant controls 22 banks with aggregate deposits of approximately \$693 million, representing 4.7 per cent of the total commercial bank

deposits in the State and is the fifth largest banking organization and bank holding company in Florida. (All banking data are as of June 30, 1971, and represent all holding company formations and acquisitions approved through February 29, 1972.) The acquisition of Riverside Bank (\$57.4 million in deposits), Midtown Bank (\$16.9 million in deposits), and Coral Gables Bank (\$9.5 million in deposits) would increase Applicant's share of commercial bank deposits in Florida by 0.6 percentage points, and Applicant would become the fourth largest banking organization in the State.

Riverside Bank, Midtown Bank, and Coral Gables Bank serve the Miami banking market which is defined by the boundaries of Dade County. Consummation of the subject proposal would represent Applicant's first entry into the Miami banking market which has 70 competing banks, with aggregate deposits of \$3.4 billion, representing 41 banking organizations. The largest bank holding company in the State holds over 27 per cent of the total deposits in the Miami banking market, whereas the three subject banks collectively hold 2.5 per cent of total commercial bank deposits in that market and represent the market's tenth largest banking organization. It appears that the affiliation of subject banks with Applicant would increase their ability to compete in the highly competitive Miami banking market without adversely affecting any of the competing banks.

Riverside Bank's officers and directors organized Midtown Bank in 1963 and Coral Gables in 1969. The percentage of common ownership among the three banks is slightly higher at the present time than at the times the banks were organized; 77 per cent of the shareholders of Riverside Bank own 82 per cent of the stock of Midtown Bank; and 75 per cent of the shareholders of Riverside Bank own 70 per cent of the stock of Coral Gables Bank. The banks are also closely associated through their officers and directors, and their personnel have been interchanged from time to time. It appears that the close management and shareholder affiliations have resulted in an absence of any significant present competition between or among the three proposed subsidiaries in spite of an overlap of the banks' service areas. Disaffiliation of the three banks is considered unlikely, and it appears that no significant potential competition between or among them would be foreclosed by the proposed acquisitions.

Applicant's subsidiary bank closest to Dade County is located 120 miles to the north, and Applicant's main offices in Orlando are located 230

miles north of Dade County. It appears that there is no meaningful present competition by any of the banks in Applicant's group with any of the three proposed subsidiary banks; and that, on the facts of record, particularly in view of the distances separating the banks, no significant amount of potential competition between any subsidiary of Applicant and any one of the proposed subsidiaries would be eliminated by consummation of the proposal. On the basis of the record before it, the Board concludes that consummation of the proposed acquisitions would not have a significantly adverse effect on competition in any relevant area.

Applicant, its subsidiary banks, and the three banks Applicant proposes to acquire are considered to be in satisfactory financial condition, their managements are deemed to be capable, and their prospects appear favorable. Banking factors are regarded as consistent with approval of the applications.

It appears that the banking needs of the relevant areas are being adequately served by present banking facilities operating in the Miami banking market. However, Applicant states that it plans to provide new services for each of the three subject banks which will include trust, international, and credit card services. The provision of additional sources for such services should be of benefit to the community involved. Considerations under convenience and needs aspects of the proposal are consistent with approval and lend some slight weight thereto. It is the Board's judgment that consummation of the proposed acquisitions would be in the public interest and that the applications should be approved.

On the basis of the record, each of the three subject applications is approved for the reasons summarized above. None of said transactions shall be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, March 16, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, and Brimmer. Absent and not voting: Governors Maisel and Sheehan.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

ORDER APPROVING ACQUISITION OF BANK  
First at Orlando Corporation, Orlando, Florida,  
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 First National Bank of Palm Bay, Palm Bay, Florida ("Bank"), a proposed new bank.

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant, the fifth largest bank holding company in Florida on the basis of deposits, controls 23 banks with aggregate deposits of approximately \$711 million, representing 4.8 per cent of the total commercial bank deposits in the State. (Banking data are as of June 30, 1971, and reflect holding company formations and acquisitions approved through February 29, 1972.) Applicant's acquisition of Bank, a proposed new bank, would not increase the concentration of banking resources nor have any significant adverse effect on any competing bank, in any relevant area.

Applicant's office closest to Bank's proposed site in Palm Bay is the Melbourne subsidiary located 3.2 miles to the north of the site. Each of Applicant's other subsidiaries is located at least 24 miles from Bank and derives little if any business from Bank's proposed service area. The relevant market, which is the southern portion of Brevard County, encompasses Melbourne, a portion of West Melbourne, all of the City of Palm Bay, and the communities of Grant, Valkaria and Micco, as well as other unincorporated areas of South Brevard County. Applicant's Melbourne subsidiary is the second largest bank in this market, and controls approximately 16 per cent of the total commercial bank deposits in that market. The market's largest bank holds approximately 31 per cent of total deposits in the area and is located between Bank and Applicant's Melbourne subsidiary. No present competition exists between Bank, a proposed new bank, and any of Applicant's subsidiaries; and it appears that Applicant's acquisition of Bank would not substantially lessen future competition in the market area nor raise any significant barrier to entry by others into the area.

The financial and managerial resources of Applicant and its subsidiary banks are regarded as satisfactory and prospects for the group appear favorable. Bank has no financial or operating history. However, as a subsidiary of Applicant,

Bank's prospects appear favorable. Banking factors are consistent with approval of the application. The major banking needs of the area appear to be presently satisfied by existing banking facilities. However, Bank will provide a convenient alternative source of banking to the area. Considerations relating to the convenience and needs of the community are consistent with approval of the application and lend some weight thereto. It is the Board's judgment that consummation of 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 consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order; and (c) First National Bank of Palm Bay, Palm Bay, Florida, shall be opened for business not later than six months after the 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 Atlanta pursuant to delegated authority.

By order of the Board of Governors, March 16, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, and Brimmer. Absent and not voting: Governors Maisel and Sheehan.

[SEAL.] (Signed) TYNAN SMITH,  
Secretary of the Board.

MIDLANTIC BANKS INC.,  
NEWARK, NEW JERSEY

ORDER APPROVING ACQUISITION OF BANK

Midlantic Banks Inc., Newark, New Jersey, has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent (less directors' qualifying shares) of the voting shares of Midlantic National Bank, Parsippany-Troy Hills, New Jersey ("Bank"), a proposed new bank.

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant controls five banks with aggregate deposits of about \$783 million, representing 5 per cent of the commercial bank deposits in New



Jersey and is the third largest banking organization in the State.<sup>1</sup> Since bank is a proposed new bank, no existing competition would be eliminated, nor would concentration be increased in any relevant area. Applicant presently operates two banks in the Greater Newark Market, which includes Parsippany-Troy Hills, which together control about 16.2 per cent of area deposits.<sup>2</sup> However, neither of these banks draws a significant amount of deposits or loans from the proposed service area of Bank. Moreover, there are two larger organizations in the Greater Newark Market than Applicant so that Applicant does not dominate the area. Additionally, approval of this application should have procompetitive consequences since Parsippany-Troy Hills is presently closed to branching because of the home office provisions of New Jersey law. The establishment of a *de novo* institution such as Bank is an effective way of providing competition in such closed areas. For these reasons and other facts of record, the Board concludes that consummation of the transaction will not adversely affect competition in any relevant area.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Bank are generally satisfactory and consistent with approval of the application. Considerations relating to the convenience of the community to be served lend some weight to approval of the application since the service area of Bank appears to be relatively underbanked and would benefit from an additional source of services. The Board finds that the proposed application is in the public interest and should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order; and (c) Midlantic National Bank, Parsippany-Troy Hills, New Jersey, shall be opened for business not later than six months after the 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 New York pursuant to delegated authority.

By order of the Board of Governors, March 16, 1972.

<sup>1</sup>Banking data are as of June 30, 1971, and reflect holding company formations and acquisitions approved by the Board through February 29, 1972.

<sup>2</sup>The Greater Newark Market consists of all of Essex County and parts of Union, Hudson, and Morris Counties.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, and Brimmer. Absent and not voting: Governors Maisel and Sheehan.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL]

FLORIDA COMMERCIAL BANKS, INC.,  
MIAMI, FLORIDA

ORDER APPROVING ACQUISITION OF BANK

Florida Commercial Banks, Inc., Miami, Florida, 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 80 per cent or more of the voting shares of Florida Commercial Bank of Hollywood, Hollywood, Florida ("Bank"), a proposed new bank.

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant controls five banks with aggregate deposits of approximately \$188 million, representing 1.3 per cent of the commercial bank deposits in Florida, and is the sixteenth largest banking organization and bank holding company in the State. (All banking data are as of June 30, 1971, and reflect holding company formations and acquisitions through February 29, 1972.) Acquisition of Bank will not increase the percentage of deposits held by Applicant since Bank is a proposed new bank. The proposal would not eliminate existing competition nor significantly increase the concentration of banking resources in any relevant area.

The proposed site of Bank is in the western section of the City of Hollywood. The relevant banking market is the Hollywood metropolitan area. Bank would compete in this market with 12 banks, six of which are subsidiaries of three multi-bank holding companies, controlling approximately 47 per cent of the total commercial bank deposits in that market. Each of Applicant's five subsidiary banks is located outside the Hollywood metropolitan area, and the subsidiary nearest to Bank's proposed site is located in Miami, approximately 14 miles south of Bank's site. On the facts of record and particularly in view of the density of population and the number of banking offices located in the intervening areas, it appears that consumma-

tion of the proposal would not foreclose any significant amount of future competition between Bank and any of Applicant's present subsidiaries. On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not have a significant adverse effect on competition in any relevant area, nor have a significant adverse effect on any of the area's competing banks.

The financial and managerial resources of Applicant and its subsidiary banks are deemed satisfactory, and projected growth and earnings for the group appear favorable. Bank, as a proposed new bank, has no financial or operating history; however, its prospects under Applicant's management appear favorable. Banking factors as they concern Applicant's group and the proposed new bank are consistent with approval of the application. It appears that the major banking needs of the area are being adequately served at the present time. However, Bank would provide an additional source of convenient banking services to the area. Considerations under convenience and needs aspects of the proposal are consistent with approval and lend some weight thereto. It is the Board's judgment that consummation of 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 consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order; and (c) Florida Commercial Bank of Hollywood, Hollywood, Florida, shall be opened for business not later than six months after the 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 Atlanta pursuant to delegated authority.

By order of the Board of Governors, March 16, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, and Brimmer. Absent and not voting: Governors Maisel and Sheehan.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

BELLEVILLE BANCSHARES, INC.,  
BELLEVILLE, ILLINOIS

ORDER APPROVING FORMATION OF BANK  
HOLDING COMPANY

Belleville Banshares, Inc., Belleville, Illinois,  
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 51 per cent of the voting shares of Bank of Belleville, Belleville, Illinois ("Bank").

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Bank (\$20.7 million in deposits) is the fourth largest of six banks competing in the Belleville market area and holds 8.1 per cent of the deposits in commercial banks in the area.<sup>1</sup> Applicant is a newly organized corporation formed by members of a family for the purpose of effecting a reorganization of their individual ownership of Bank's shares. Members of this family also control the smallest bank in the area (\$7.9 million in deposits) and consummation of the proposal would tend to perpetuate the family's control of two banks and 11.2 per cent of area deposits. This would be an adverse circumstance were it not for the fact that Bank was acquired in early 1971 at a time when it was in very serious financial condition, and under the family's management it has shown a marked improvement, as discussed below. Under these circumstances, the Board does not believe that the anticompetitive effects of the proposal are significant.

As noted above, Bank's financial condition was marginal when the family acquired Bank. Since that time, Bank's capital position has been significantly improved, loan losses have been minimized, and qualified management has been brought into the Bank. Since the present proposal will continue this support for Bank, considerations relating to the financial and managerial resources and prospects of Bank lend weight toward approval of the application. Consummation of the proposal would have no immediate effect on the convenience and needs of the community involved; however, the original acquisition of the Bank, at a time when it was experiencing financial difficulties, was instrumental in the continuation of Bank as a viable competitive force in the area and, as a subsidiary of Applicant, Bank should be able to continue to offer a wide range of banking services. Thus, considerations relating to the convenience and needs lend weight toward approval. It is the Board's

<sup>1</sup>All banking data are as of June 30, 1971.

judgment that consummation of the proposal would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, March 16, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, and Brimmer. Absent and not voting: Governors Maisel and Sheehan.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

PALMER BANK CORPORATION,  
SARASOTA, FLORIDA

ORDER APPROVING ACQUISITION OF BANK

Palmer Bank Corporation, Sarasota, Florida, 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 (less directors' qualifying shares) of the voting shares of Village Plaza Palmer National Bank, Sarasota County, Florida ("Bank").

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant has three subsidiary banks, all located in the Sarasota area, with aggregate deposits of \$113.5 million representing .1 per cent of total commercial bank deposits within the State. (Banking data are as of June 30, 1971, and reflect holding company formations and acquisitions approved through January 31, 1972.) Acquisition of Bank which opened on September 29, 1971, would not significantly increase Applicant's share of total deposits within the State.

Applicant is the second largest of seven banking organizations in the relevant banking market which is approximated by Sarasota and surrounding areas with 34.6 per cent of market deposits.

Because Bank had not been chartered at the time of Palmer Bank Corporation's application to become a bank holding company it was not included within that application. Nevertheless, Bank was organized by principals of Applicant with the intention of including it in the holding company. (It should be noted, however, that Applicant does not directly or indirectly own any shares of Bank.) As such, this application essentially involves the establishment of a *de novo* institution by Applicant. In the light of the above facts, although all of Applicant's subsidiary banks are located within seven miles of Bank, it does not appear that there is any actual or potential competition between Applicant and Bank. Neither does it appear that consummation of the proposal would confer a position of market dominance to Applicant to the detriment of competing banks. Competitive considerations are, thus, regarded as consistent with approval.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Bank, appear to be generally satisfactory and are consistent with approval. However, Bank has been and will continue to be dependent upon Applicant for support. Bank is located in a growing suburban area two miles from the nearest banking office and 5.5 miles from Applicant's lead bank and closest subsidiary. Bank is providing area residents with a convenient source of full-service banking. Direct affiliation with Applicant assures Bank of Applicant's continuing support. Thus, considerations related to financial and managerial resources and the needs of the community involved lend some weight toward approval. It is the Board's judgment that the transaction would be in the public interest, and that the application should be approved.

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

By order of the Board of Governors, March 16, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, and Brimmer. Absent and not voting: Governors Maisel and Sheehan.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

COLORADO NATIONAL BANKSHARES,  
INC., DENVER, COLORADO

ORDER APPROVING ACQUISITION OF BANK

Colorado National Bankshares, Inc., Denver, Colorado, 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 80 per cent or more of the voting shares of Boulevard National Bank, Denver, Colorado ("Bank").

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant has seven subsidiary banks controlling aggregate deposits of \$335 million and is the third largest banking organization in Colorado controlling 7.2 per cent of deposits in commercial banks in the State.<sup>1</sup> Acquisition of Bank (\$13 million in deposits) by Applicant would not increase the percentage share of deposits held by Applicant to a significant extent and would not alter its Statewide ranking.

Bank is located about four miles from downtown Denver near the largest medical complex in the Rocky Mountain region and the largest suburban office building and retail shopping complex in the Denver area. Bank, controlling .5 per cent of market deposits, does primarily a local, consumer oriented business with the majority of its accounts being individual accounts of employees of the medical complex. Applicant presently has five banking subsidiaries in the Denver area. Four of these are small suburban banks whose service areas do not overlap to any significant extent with that of Bank. However, Applicant's lead bank, Colorado National Bank (\$290 million in deposits), is located in downtown Denver and serves the entire Denver area. Despite these overlapping service areas, consummation of the proposal would eliminate little competition between the institutions involved. Colorado National Bank specializes in providing corporate banking services and Bank does not participate in this market to any significant extent (it has none of the institutional accounts from the medical center). It does not appear likely that Bank would develop into

a competitor for Colorado National in this area.

Acquisition of Bank would add only one-half percentage point to Applicant's share of deposits in the Denver banking market. The two larger organizations' share of market deposits would be respectively 7.5 and 10 percentage points larger. Additionally there would be 45 banking organizations remaining in the market, of which 26 are larger than Bank. Consummation of the proposal would have only a slightly adverse effect on present and potential competition.

Considerations relating to the financial condition, managerial resources and prospects of Applicant and its subsidiary banks are satisfactory and consistent with approval. Bank's growth since its establishment in 1963 has continually placed it in the position of seeking capital funds to support this growth. Affiliation with Applicant would likely provide a source of capital to support continued growth of Bank. This consideration lends some weight toward approval of the application. It appears that the area served by Bank has reasonable access to most banking services. However, affiliation with Applicant will allow Bank to make larger loans through a more ready access to participations and will provide a more convenient source for more specialized banking needs. These considerations lend weight toward approval of the application. It is the Board's judgment that consummation of 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 consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the 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, March 16, 1972.

Voting for this action: Chairman Burns and Governors Mitchell, Daane, and Sheehan. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Governor Maisel.

[SEAL.]

(Signed) TYNAN SMITH,  
Secretary of the Board.

DISSENTING STATEMENT OF  
GOVERNORS ROBERTSON AND BRIMMER

The majority's approval of this application permits the third largest banking organization in

<sup>1</sup>Banking data are as of June 30, 1971, and reflect all holding company formations and acquisitions approved by the Board through January 31, 1972.

the Denver area to acquire a direct competitor in that area. Applicant's lead bank, Colorado National, and Bank have overlapping service areas, while two other subsidiaries of Applicant have offices within five miles of Bank. Colorado National alone derives 3 per cent of its demand deposits and 10 per cent of its time and savings deposits from Bank's service area. Such figures are, respectively, 67 per cent and 333 per cent of the amount derived by Bank from the area. Consummation of the proposal would eliminate existing direct competition between the two institutions and would have adverse effects. Additionally, Applicant would have six banking subsidiaries in the Denver area, two more than any other banking organization.

Against these actual substantial anticompetitive effects, the majority weighs the probability that affiliation with Applicant will give Bank a more ready access to capital funds and thus enable it to make larger loans. The majority asserts that affiliation with Applicant will enable Bank to service large commercial accounts. There is no showing in the record that any such accounts are going unserved in the Denver area. Furthermore, whatever need the Bank has for more capital funds has arisen from Bank's growth and the rapid expansion of its deposits. Such growth in deposits makes it likely that Applicant's subsidiaries and Bank would be even more substantial competitors in the future, absent the proposal. Consummation of the proposal would therefore have an adverse effect on potential competition.

The record in this case establishes beyond any doubt that:

1. The proposed acquisition would have an adverse effect on competition in the Denver metropolitan area.

2. The acquisition would eliminate present competition, and some possibly greater competition in the future between Colorado National and Bank.

3. The Applicant would acquire an additional bank in a market area in which it controls more banking subsidiaries than any other holding company.

4. Consummation of the proposal would foreclose an opportunity for possible entry into the Denver banking market by other bank holding companies or individuals.

5. The proposed acquisition would result in only a slight improvement in convenience and services—a convenience too slight to outweigh the adverse effects on competition.

On the basis of this record, we think that, at a

minimum, the majority should have required at least some evidence that Bank's capital problem (which we think has been exaggerated) could not be solved by some less anticompetitive alternative means. We find none. For ourselves, we would be reluctant to permit any bank which had real capital problems to be acquired by a holding company whose own capital structure includes a debt to equity ratio of 78 per cent.

In the absence of any showing on the record of public benefits which would outweigh the adverse competitive effect of consummation of the proposal, we believe the provisions of the Bank Holding Company Act direct the Board to deny the application, and hence we dissent from the action taken.

### WYOMING BANCORPORATION, CHEYENNE, WYOMING

#### ORDER APPROVING ACQUISITION OF BANKS

Wyoming Bancorporation, Cheyenne, Wyoming, has applied for Board approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 59.5 per cent or more of the voting shares of The First National Bank of Rawlins ("Rawlins Bank"), Rawlins, Wyoming, 58.4 per cent or more of the voting shares of The First National Bank of Lander ("Lander Bank"), Lander, Wyoming, and 84 per cent or more of the voting shares of Stockmans National Bank of Lusk ("Lusk Bank"), Lusk, Wyoming.

Notice of receipt of the applications has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the applications and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant, the third largest banking organization in Wyoming, controls five banks with aggregate deposits of \$45.4 million, representing 5.4 per cent of commercial bank deposits in the State. (All banking data are as of June 30, 1971, and reflect holding company formations and acquisitions approved through February 29, 1972.) The largest and second largest banking organizations in Wyoming control 15 per cent and 8.9 per cent, respectively, of the State's total commercial bank deposits. However, Applicant is the only multi-bank holding company, at present, which is allowed by law to acquire additional banking subsidiaries in Wyoming. Rawlins Bank, Lander Bank, and

Lusk Bank control, respectively, \$16.9, \$12.4, and \$6.6 million of deposits. Upon consummation of the proposal, Applicant would become the second largest banking organization in the State, holding 9.7 per cent of total deposits in Wyoming.

Rawlins Bank is the largest of the three banks located in its service area, which is approximated by Carbon County and a portion of Sweetwater County, and holds 47.5 per cent of the total deposits in commercial banks in that area. Lander Bank is the second largest of the five banks located in its service area, approximated by Fremont County. Lander Bank holds 24.5 per cent of the total deposits in commercial banks in that area. Lusk Bank is the fourth largest of the eight banks located in its service area, holding 12.2 per cent of the total deposits in commercial banks in that area which is approximated by Niobrara County and portions of Converse, Goshen, and Platte Counties in Wyoming, and a portion of Sioux County in Nebraska.

No proposed subsidiary bank is closer than 126 miles to any other proposed subsidiary bank, and none is closer than 90 miles to any of Applicant's present subsidiaries. There is no meaningful existing competition between the proposed subsidiary banks, nor between any of Applicant's present subsidiaries and the proposed subsidiaries. It also appears unlikely that consummation of this proposal would preclude potential competition because of the distances involved, the number of intervening banks, and Wyoming's prohibition against branch banking. Based on the foregoing, and the record before it, the Board concludes that consummation of the proposed transactions would not have an adverse effect on competition in any relevant market.

In 1970, Applicant acquired indirect control of the three proposed subsidiary banks through Enterprises Limited, a partnership comprised of certain of Applicant's officers, directors, and shareholders. Applicant has indicated that should any of these applications be denied, the partnership would sell the respective bank to independent parties. However, strong competition exists in each banking market of the proposed subsidiaries. No significant adverse competitive effects would result from consummation of the proposal. Approval of the application would formalize the present relationship and perpetuate Applicant's assistance to the banks. Both Rawlins Bank and Lander Bank have been assisted by Applicant in resolving management and capital adequacy problems; approval of the application will enable Appli-

cant to give continued needed support to each Bank.

Considerations relating to the financial and managerial resources and future prospects of Applicant and Lusk Bank are satisfactory. The future prospects of Lander Bank and Rawlins Bank are considered satisfactory. Convenience and needs considerations lend support to approval in that Applicant plans to initiate trust services at Lusk Bank and Lander Bank and increase the trust services at Rawlins Bank. In addition Applicant intends to supply an overline source for large agricultural transactions. These factors lend some weight toward approval of the applications. It is the Board's judgment that consummation of the proposed transactions would be in the public interest, and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transactions shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the 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, March 23, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, Maisel, Brimmer, and Sheehan. Absent and not voting: Governor Mitchell.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

**BANCOHIO CORPORATION,  
COLUMBUS, OHIO**

**ORDER APPROVING ACQUISITION OF BANK**

BancOhio Corporation, Columbus, 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 (less directors' qualifying shares) of the voting shares of the successor by merger to The Central National Bank at Cambridge, Cambridge, Ohio ("Bank").

The bank into which Bank is to be merged has no significance except as a means of acquiring the voting shares of Bank. Accordingly, the proposed acquisition of the shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the

time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant, the largest bank holding company and second largest banking organization in Ohio, has 31 subsidiary banks controlling deposits in excess of \$1.6 billion, representing 7.4 per cent of the total commercial bank deposits in the State. (All banking data are as of June 30, 1971, and reflect holding company formations and acquisitions approved through February 29, 1972.) Consummation of the proposal herein would increase the percentage of total State deposits controlled by Applicant slightly to 7.5 per cent and Applicant would remain the State's second largest banking organization.

Bank, with deposits of \$26.7 million, holds 41.9 per cent of deposits within Guernsey County which approximates the relevant market within which the competitive aspects of the proposal are to be considered. Bank is the second largest of three banks within the market; the largest bank is affiliated with the fifth largest bank holding company in the State, while the smallest bank, located 19 miles from Cambridge, is unaffiliated. The acquisition should intensify competition between the two Cambridge banks which are comparable in size without adversely affecting the smallest bank which has shown itself to be an aggressive competitor. Although Applicant has subsidiary banks in four of the six counties adjacent to Guernsey County, the nearest office of a subsidiary to an office of Bank is 20 miles away and there is no significant competition between Bank and any subsidiary of Applicant. Because of the distances involved, Ohio's restrictive branching laws, and other facts of record, it is considered unlikely that meaningful future competition will develop between Bank and Applicant's subsidiaries. Therefore, it would appear that approval of the application would not eliminate significant present competition or potential competition. Accordingly, the Board concludes that competitive considerations are consistent with approval.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as satisfactory. The latest examination of Bank indicates that it is in sound condition, but the application indicates that a management succession problem exists. Since Applicant could readily resolve such a problem, banking factors lend some weight toward approval.

Applicant, through its lead bank, would make available international banking services and FHA mortgage loans, neither of which is presently available locally. The affiliation would also facilitate larger loans by the Bank through participations and would increase access to computer services. Thus, considerations related to the convenience and needs of the communities involved also lend some weight toward approval. It is the Board's judgment that the transaction would be in the public interest, and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (a) before the *thirtieth calendar day following the date of this Order* or (b) later than three months after the 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, March 23, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, Maisel, Brimmer, and Sheehan. Absent and not voting: Governor Mitchell.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

FIRST FINANCIAL GROUP, INC.,  
JANESVILLE, WISCONSIN

ORDER APPROVING FORMATION OF BANK  
HOLDING COMPANY

First Financial Group, Inc., Janesville, Wisconsin, 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 First National Bank ("First Bank") and Peoples State Bank ("Peoples Bank"), both of Janesville, Wisconsin.

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant is a newly-formed organization and has no operating history. Upon acquisition of First Bank (\$36 million in deposits) and Peoples Bank

(\$3 million in deposits). Applicant would become the 19th largest bank holding company and the 20th largest banking organization in the State and would control about 0.4 per cent of the commercial bank deposits in the State. (All banking data are as of June 30, 1971, and reflect holding company formations and acquisitions approved through February 29, 1972.)

Both of the proposed subsidiary banks are located in Janesville, a city of 46,000 in Rock County, Wisconsin. There are six banks in Janesville representing three banking groups, each of which has two closely related banks. Applicant's group is the second largest as the two other groups have deposits of \$56 million and \$29 million, respectively. First Bank, Applicant's lead bank, is located in the downtown business section of the city. Peoples Bank is located in a shopping center in the western part of Janesville, approximately 1.3 miles from First Bank. The area served by First Bank includes practically the entire city of Janesville, and encompasses the service area of Peoples Bank. First Bank and Peoples Bank are, respectively, the second largest and smallest of the six Janesville banks and the fourth and sixteenth largest of 18 banks in Rock County, the relevant market.

The two proposed subsidiary banks have been closely associated since Peoples Bank was organized by the principal officers and directors of First Bank in 1969. First Bank has assisted Peoples Bank during the entire period of Peoples Bank's operations. Presently, shareholders common to both banks control 54 per cent of First Bank and 66 per cent of Peoples Bank. Additionally, there are eight common directors, representing more than a majority of either bank's board of directors. Because of this close relationship, no meaningful competition exists between the subject banks, and it appears likely that such relationships will continue regardless of the Board's action on the present application. On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not have a significantly adverse effect on competition in any relevant area. Nor is consummation likely to have any significant adverse effects on Bank's competitors.

Applicant proposes to assist Peoples Bank, through its lead bank, in the technical aspects of lending, data processing, trust services, marketing, accounting, and auditing. While some of these services are already being furnished, approval of this formation would assure the continuation of present services and the addition of improved and

expanded services in the future. Considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of the application.

Considerations relating to financial and managerial resources and future prospects as they relate to Applicant and its proposed subsidiaries are regarded as generally satisfactory and consistent with approval. Banking factors 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 consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors, March 23, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, Maisel, Brimmer, and Sheehan. Absent and not voting: Governor Mitchell.

(Signed) TYNAN SMITH,  
Secretary of the Board.

[SEAL.]

#### ORDER UNDER SECTIONS 3 AND 4 OF BANK HOLDING COMPANY ACT

OLD COLONY CO-OPERATIVE BANK,  
PROVIDENCE, RHODE ISLAND

ORDER APPROVING RETENTION OF BANK AND  
CONTINUATION OF THE ACTIVITIES OF A  
THRIFT INSTITUTION

Old Colony Co-operative Bank, Providence, Rhode Island, has applied for the Board's approval under § 3(a)(1) and § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1) and 1843(c)(8)) to retain 87.15 per cent or more of the voting shares of The Newport National Bank, Newport, Rhode Island, and to continue to engage in the activities of a thrift institution.

Pursuant to § 3(b) of the Act, the Board gave written notice of receipt of the application to retain voting shares of a bank to the Comptroller of the Currency and requested his views and recommendation; the Comptroller recommended approval. Additionally, the Bank Commissioner and



the Director of the Department of Business Regulation for the State of Rhode Island recommended that the applications be approved.

Notices regarding the receipt of the applications and the Board's decision to conduct a hearing with respect to the applications were published in the Federal Register on November 12, 1971 (36 Federal Register 21708, 21710). The hearing was held before available members of the Board on November 29, 1971. All persons desiring to give testimony, present evidence or otherwise participate in the hearing were permitted to do so. Time for filing additional comments and views has expired; all those received and the entire record of the hearing have been considered by the Board.

On the basis of the record and other relevant material, the applications are approved for the reasons set forth in the Board's Statement of this date.

By order of the Board of Governors, March 9, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, Brimmer, and Sheehan.

(Signed) TYNAN SMITH,  
Secretary of the Board.

[SEAL]

#### STATEMENT

Applicant is a State-chartered building and loan association<sup>1</sup> that became a bank holding company by its acquisition of shares in The Newport National Bank, Newport, Rhode Island, in January of 1971 apparently without knowledge that such acquisition required Board approval under the Bank Holding Company Act.<sup>2</sup> Subsequently, pursuant to contracts entered into in January and February of 1971 and decisions handed down by the United States District Court for the District of Rhode Island, Applicant purchased additional shares of Bank. The present applications are for the Board's permission to retain all shares acquired and to continue the activities of a thrift institution.

In view of the issues raised by these applications and a proposal involving another Rhode Island thrift institution, the Board published notice

<sup>1</sup>The Rhode Island Legislature, in 1970, specifically authorized an association such as Applicant to establish *de novo* a bank or trust company or to hold a majority of the issued and outstanding stock of a bank or trust company.

<sup>2</sup>On June 22, 1971, the Board ordered that any company which acquired a bank between December 31, 1970, and June 22, 1971, without first securing prior Board approval because of lack of knowledge of that requirement might file for such approval by August 31, 1971. Applicant filed its application with the Federal Reserve Bank of Boston on August 30, 1971.

of its decision to hold a hearing regarding Rhode Island thrift institutions investments in commercial banks. Applicant participated in the hearing by presenting testimony bearing on the questions before the Board. The Board has considered the applications, the comments received, and the evidence offered at the hearing, including testimony presented by representatives of the Federal Home Loan Bank Board expressing opposition to the proposal.

Applicant is the largest thrift institution and fifth largest financial organization in Rhode Island. It is headquartered in Providence and operates 13 branches in the Providence banking market and one branch 25 miles south of Providence. Applicant presently holds \$308.9 million in deposits, which represent 8.9 per cent of the total deposits held by all the financial organizations in Rhode Island. Because of its inability to offer checking account services, Applicant is at a distinct competitive disadvantage in relation to the 11 commercial banks, 6 mutual savings banks, and 8 credit unions in the Providence market which presently accept demand deposits or are authorized to do so.<sup>3</sup>

Newport Bank (\$28.1 million deposits) is the second largest of nine financial organizations operating in the Newport market and holds about 19 per cent of the total deposits derived from the area. There is little meaningful competition between Applicant and Bank at the present time, and it is unlikely that such competition would develop in the future. Each serves different and distinct markets and their nearest offices are separated by a distance of 14 miles and a toll bridge costing \$2.00 per round trip. Furthermore, it is unlikely that either Applicant or Bank would independently branch into the area served by the other. It appears, therefore, that no meaningful competition would be eliminated, nor significant potential competition foreclosed, by the approval of Applicant's proposal.

On the contrary, as a result of approval of Applicant's proposal, competition should be increased in each of the markets served by Applicant and Bank. Applicant proposes establishing an office of Bank in each of its existing offices, thereby enabling Applicant to offer checking account services, and a branch of Applicant in each of Bank's offices. The effect would be to add an additional source of commercial banking services to

<sup>3</sup>Each mutual savings bank in Rhode Island owns a commercial bank subsidiary through which it offers checking account services. In 1971, the Rhode Island Legislature authorized State-chartered credit unions with shares over \$1 million to accept demand deposits.

the Providence market and an additional source of thrift institution services to the Newport market.

The financial and managerial resources of Applicant are regarded as satisfactory and consistent with approval of the proposal, and its prospects upon approval of the proposal appear favorable. Bank is somewhat undercapitalized and needs management personnel. Applicant intends to assist Bank in remedying these deficiencies; it possesses both the resources and expertise to do so. Prospects of Bank as a subsidiary of Applicant appear favorable. The major banking needs of the Providence and Newport areas are presently being met by the existing institutions, and approval of this proposal would result in no new services. In the Board's judgment, the balance of the banking factors the Board is required to consider under section 3(c) of the Act favors approval.

In considering Applicant's request to continue the activities of a thrift institution, the Board has determined that, in view of the history of affiliation of mutual thrift institutions and commercial banks in Rhode Island, Applicant's continuing to engage in the activities of a thrift institution is so clearly related to Rhode Island banking as to be a proper incident thereto. As the Board noted in the recent case involving another Rhode Island thrift institution, the Board believes that the situation in Rhode Island may and should be treated separately from the question whether the operation of a savings and loan association by a bank holding company is so closely related to banking that it can be a permissible activity within the meaning of section 4(c)(8) of the Act.

Approval of the applications would permit Applicant to compete more effectively with the other Rhode Island financial organizations in which a thrift institution owns a commercial bank. This should produce benefits to the public of greater convenience and increased competition without any significant adverse effects. Therefore, the considerations affecting the competitive factors under section 3(c) of the Act and the balance of the public interest factors the Board must consider under section 4(c)(8) of the Act in permitting a holding company to engage in an activity on the basis that it is closely related to banking both favor approval.

*Conclusion.* On the basis of all the relevant facts before it, including the record of the hearing relating to this matter, the Board concludes that the proposal would be in the public interest and that the applications should be approved.

#### ORDERS UNDER SECTION 4(c)(8) OF BANK HOLDING COMPANY ACT

CROCKER NATIONAL CORPORATION,  
SAN FRANCISCO, CALIFORNIA

ORDER DENYING DETERMINATION UNDER  
§ 4(c)(8) OF BANK HOLDING COMPANY ACT

Crocker National Corporation, San Francisco, California, a bank holding company within the meaning of the Bank Holding Company Act of 1956, has applied for the Board's approval under section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y to acquire all of the voting shares of Ralph C. Sutro Co. ("Sutro"), Los Angeles, California. Notice of the application affording opportunity for interested persons to submit comments and views was duly published. The time for filing comments and views has expired and all received have been considered, including those presented orally and in writing in connection with a Board hearing on November 8, 1971, pertaining to mortgage banking in general, and this application in particular.

Applicant owns the Crocker National Bank ("Bank"), San Francisco, the twelfth largest bank in the country and the fourth largest in California. Bank's total deposits of \$4.4 billion represent 8.5 per cent of all commercial bank deposits in the State. Bank operates 283 branches which are located throughout the State of California with the principal exceptions of San Diego and Imperial Counties. Through Bank, Applicant originates mortgages for its own account and services its own mortgage loan portfolio, which exceeds \$300 million.

Sutro is active in the origination of mortgage loans in most of the major markets in California, and is in direct competition with Bank for originations in many of these markets. Headquartered in Los Angeles, Sutro operates branch offices in Orange County, San Diego, and San Francisco. Sutro is the 29th largest mortgage banking firm in the country, based on its mortgage servicing portfolio of \$560.2 million.<sup>1</sup> Of real estate mortgages recorded in the Los Angeles area<sup>2</sup> during 1970, Bank originated approximately \$35 million mortgage loans, representing 0.5 per cent of all originations in that market. Sutro originated approximately \$45 million mortgage loans in the Los Angeles area, or 0.7 per cent in the same market. In the six-county San Francisco market,<sup>3</sup> Bank's

<sup>1</sup>Mortgage servicing data as of June 30, 1971.

<sup>2</sup>Los Angeles, Ventura, Orange and Santa Barbara Counties.

<sup>3</sup>Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara Counties.

mortgage loan originations represented a market share of 2.4 per cent, while those of Sutro represented 0.1 per cent. Consummation of the proposed transaction would foreclose this existing competition.

Both Applicant and Sutro have the capability and appear to have the incentive to enter geographic markets in which neither has offices. In view of the size, resources, experience, and expertise of both parties and the structural conditions of the California mortgage market, the Board believes that the likelihood for competition between Applicant and Sutro in new markets is substantial and that the Applicant should enter those markets either by the establishment of new offices or, perhaps, through the acquisition of a small going concern.

The Board also views unfavorably the concentration of economic resources that would result from the proposed acquisition.<sup>4</sup> The proposal would combine one of the largest commercial banks in California and the nation with a mortgage company that itself is on major significance in its field. The consolidated assets of the two financial institutions would exceed \$6 billion; their combined mortgage servicing portfolio would approximate \$877 million.

Applicant states that California mortgage companies find it essential to look to markets outside California to satisfy the demands of their institutional investors, because California is shifting from a capital deficit state to a capital surplus state. On the other hand, no significant public benefit to California borrowers would derive from the proposed acquisition either by way of greater convenience or of gains in efficiencies. In these circumstances, the Board finds that any public benefits to be derived from consummation of the proposed acquisition do not outweigh the probable adverse competitive effects.

<sup>4</sup>With respect to an undue concentration of resources, the Conference Report accompanying the 1970 Amendments to the Bank Holding Company Act states: "The danger of undue concentration of economic resources and power is one of the factors which led to the enactment of this legislation, and constitutes a significant threat to the continued healthy evolution of our free economy. American trade has always operated on the principle that relationships between businessmen, large and small, should be founded on economic merit rather than monopoly power. Our national policies of limited governmental regulation and interference in trade and commerce, however, do make it possible for undue concentrations of resources and economic power to override fundamental fairness and economic merit when responding to the profit motive. This possibility is enhanced when concentrations of power are centered about money, credit and other financial areas, the common denominators of the economy. . . . It should be clear that this legislation directs the Board to consider all reasonable ramifications of the concentration of resources in fulfilling its responsibilities under Section 4." Report No. 91-1747, p. 17.

In enacting the 1970 Amendments to the Act, Congress specified in § 4(c)(8) that the Board shall consider whether the performance of a particular activity by an affiliate of a holding company "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices". On the record of this case, the evidence of adverse effects that would flow from approval of Applicant's proposal has not been outweighed by evidence of likely benefits to the public.<sup>5</sup>

Accordingly, based upon the foregoing and other considerations reflected in the record, the application is denied.

By order of the Board of Governors, March 9, 1972, released on March 16, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Maisel, and Brimmer. Voting against this action: Governors Mitchell, Daane, and Sheehan.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

#### CONCURRING STATEMENT OF CHAIRMAN BURNS

Approval of Crocker National Corporation's application to acquire Ralph C. Sutro Co. would lead to elimination of existing competition between the two firms in the origination of mortgage loans. However, the extent of this existing competition is relatively insignificant. I voted to deny the application principally because approval would foreclose future competition between the two organizations in a number of mortgage banking markets in California.

In my judgment, Crocker's size alone does not preclude it from making a procompetitive entry into mortgage banking through acquisition of a going concern. However, being a strong and progressive banking organization, Crocker has the capacity to become a significant competitor in mortgage banking without acquiring a large California firm such as Sutro.

Acquisition by Crocker of either a small mortgage company in California, or of a large mortgage

<sup>5</sup>The House Conference Report (91-1747) states at page 19:

"In connection with the overall application of the public benefits test, it is important to emphasize that the bank holding company making application under section 4(c)(8) must bear the burden of proof in showing that its carrying on of a particular nonbank activity would produce benefits to the public that outweigh any adverse effects."

company whose present activities are carried on primarily or solely outside the State, should have a more beneficial effect on future competition than would result from acquisition of Sutro. Approval of Crocker's proposal would reduce the potential for significant new competition in California mortgage banking. In view of the concentration of California banking in a few State-wide firms, it is important to assure that smaller California organizations as well as organizations presently located in other States have the opportunity to enter the market as strong competitors. Acquisition of a sizable concern such as Sutro may well be the best way for one or the other type of organization to enter the market effectively. I am satisfied that the potential for such entry is a real and practical alternative in this case.

DISSENTING STATEMENT  
OF

GOVERNORS MITCHELL, DAANE, AND SHEEHAN

Crocker National Corporation's banking subsidiary, Crocker National Bank ("Crocker"), is the fourth largest bank in California with 8.5 per cent of the State's commercial bank deposits. Nonbanking subsidiaries of Applicant include a Small Business Investment Company, as well as companies engaged in the leasing of equipment and machinery, automobiles and trucks. None of Crocker's nonbanking assets is employed in the mortgage banking field.

All of California's top 10 commercial banks are actively engaged in making real estate loans of one type or another. Crocker is especially active in conventional residential mortgages and in the nonfarm nonresidential category.<sup>1</sup> Six of the

State's top 10 commercial banks (excluding Crocker) service mortgages for others in addition to those for their own account.

Inasmuch as the majority of commercial banks in California originate mortgages for institutional investors, there is direct competition between commercial banks and mortgage banks in both the origination and servicing of mortgage loans. Up to now, Crocker has not been engaged in this competition.

Residential mortgage credit in California is dominated by the role of savings and loan associations. Their portfolios of conventional mortgages are 5 times as large as those of commercial banks. Crocker's share of the combined total of bank and savings and loan outstandings on residential mortgages of all kinds in California is 1.8 per cent.<sup>2</sup> The amount of insurance company and other investor holdings of California residential mortgages is unknown but they are the major buyers of mortgages generated by mortgage banking companies. As of September 1971, HUD estimates that for the entire country mutual savings banks, life insurance companies and four other institutional holders had in their portfolios \$128 billion of residential mortgages compared to \$147 billion held by savings and loan associations and \$45 billion held by commercial banks.

Ralph C. Sutro Co. ("Sutro"), Los Angeles, California, is engaged in the general mortgage banking business in California. However, it not only competes with commercial banks and other

<sup>1</sup>According to the June 30, 1971 Report of Condition, the Crocker Citizens National Bank held the following portfolio of real estate loans:

Type of R.E. loan	Outstandings				
	Crocker-Citizens (millions)	Share of Bank Outs	All Calif. Banks (millions)	Crocker 1971 Activity	
				Added	Paid
Secured by farm land	\$ 18.6	8.7%	\$ 213.9	\$ 2.5	\$ 4.9
Secured by 1-4 fam. res.					
Insured FHA	140.6	6.2	2,262.1	12.7	14.6
Guaranteed by VA	31.6	5.7	549.9	3.0	2.6
Conventionally fin.	505.3	12.4	4,080.7	193.9	79.3
Sec. by 5 or more res. prop.					
Insured by FHA	1.0	2.0	49.7		.1
Conventionally fin.	70.2	11.1	630.9	8.9	12.7
Nonfarm nonres.	248.8	10.7	2,315.1	58.0	54.7
<b>Total</b>	<b>\$1,016.1</b>	<b>10.0</b>	<b>\$10,102.3</b>	<b>\$279.0</b>	<b>\$168.9</b>

	Outstandings (millions)				Crocker Per cent of Total
	Dec. 31, 1971	June 30, 1971			
	Savings & Loans	Banks	Banks & S & Ls.	Crocker	
<b>California</b>					
FHA	\$ 1,215	\$2,312	\$ 3,527	\$142	4.0
VA	1,536	550	2,086	32	1.5
Conventional	29,152	6,396	35,548	575	1.6
<b>Total</b>	<b>\$31,903</b>	<b>\$9,258</b>	<b>\$41,161</b>	<b>\$749</b>	<b>1.8</b>
<b>San Francisco SMSA</b>					
FHA	\$ 183				
VA	144				
Conventional	5,860				
	<b>\$ 6,187</b>				
<b>Los Angeles SMSA</b>					
FHA	\$ 744				
VA	1,159				
Conventional	17,162				
<b>Total</b>	<b>\$19,065</b>				

mortgage bankers headquartered in California, but with mortgage bankers from outside the State as well. National mortgage banking firms, with offices in Los Angeles and San Francisco, include subsidiaries of First National City Corporation, Philadelphia National Bank, and Pittsburgh National Corporation. Lomas & Nettleton, the nation's largest mortgage banking firm, has four offices in Los Angeles and three offices in San Francisco alone. The number of firms competing in the mortgage markets in California, as well as the size of the firms, give some measure of the intense competition prevailing in these markets.

Compared to Crocker's mortgage business, Sutro is a small operation. Overall, its originations in 1971 were about one-fourth those of Crocker. However, in Southern California it did twice as much business as Crocker. And in the VA market it outdid Crocker 10 to 1 and in the FHA market nearly 2 to 1. Its originations of conventional mortgages on the other hand were 1 per cent of Crocker's.<sup>3</sup>

These data on the geographical and product markets of Crocker and Sutro attest to the minimal competition existing between them. Whatever adverse effects on existing competition that may result from the proposed acquisition can only be described as minute.

The majority apprehension on potential competition is, in our opinion, not supported by inferences from known facts. For all practical purposes, Sutro and Crocker do not compete now and have not in the past. What is the evidence they would compete in the future? They are and have been active in different geographical and product markets. Combined, their range of operation would expand product-wise and geographically. Combined, they would be a more diversified and knowledgeable lender than either is now.

Concentration apprehensions appropriate to the giant California mortgage market must be geared

to billions of dollars and not to the range of tens and hundreds of millions.

Our fears of concentration arise from the preponderant role of California savings and loan associations in the California housing market. Those institutions would become more competitive and the market more stable if the role of banks and other institutional investors were larger.

We do not visualize Sutro as continuing an independent existence in light of the housing record. The majority conceives a more productive union with an out-of-State institution or a smaller California bank. It is possible that this could take place. It is also possible that with some out-of-State or smaller California affiliation Sutro's position could be eroded and it could disintegrate even as a minor competitive influence in the huge California market.

The concept of *de novo* entry, as espoused by the majority, is inappropriate where, as here, Applicant would find substantial difficulty in becoming a significant competitive threat to the leading firms already engaged in mortgage banking. A *de novo* entry by Crocker will require many years, if the experience of other bank holding companies who entered mortgage banking in this manner is any indication, before even a modest market share is obtained. Acquisition of Sutro, on the other hand, would be procompetitive, as it would enable Crocker to compete in each separate product market of mortgage banking with the industry leaders. Thus, entry through acquisition would enhance competition, not hinder it, within each of the local mortgage markets in the State.

In our view, the clear public benefits to be derived from this particular acquisition more than outweigh the conjectural, and in our judgment unrealistic, possibility of greater public benefits from a different affiliation with an unknown and uncertain partner. Therefore, applying the statutory standards of § 4(c)(8) to the facts of record, we would approve the application.

Crocker & Sutro originations in 1971  
(millions of dollars)

Type of Real Estate Loan	Crocker Amount	Sutro Amount
Farm land	\$ 2.5	..
Residential		
FHA	12.7	\$21.5
VA	3.0	31.9
Conventional	202.8	2.1
Nonfarm--Nonresidential	58.0	17.7
Construction	NA	.8
Total	\$279.0	\$74.0
Northern California		
Southern California	\$246.4	\$ 4.5
	32.5	69.6

COLORADO NATIONAL BANKSHARES,  
INC., DENVER, COLORADO

DOCKET NO. BHC-110

DETERMINATION REGARDING PLANNED  
ACTIVITIES OF NONBANKING SUBSIDIARY  
UNDER BANK HOLDING COMPANY ACT

In the matter of the application of Colorado National Bankshares, Inc., for a determination under § 4(c)(8) of the Bank Holding Company

Act of 1956, respecting the planned activities of B-G Service Corp. and Aspen Industrial Bank, proposed subsidiaries.

Applicant, Colorado National Bankshares, Inc., Denver, Colorado, a bank holding company within the meaning of the Bank Holding Company Act of 1956, had filed a request for a determination by the Board of Governors that the planned activities of its proposed subsidiaries, B-G Service Corp. and Aspen Industrial Bank, are of the kind described in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) so as to make it unnecessary for the prohibitions of § 4 of the Act with regard to the acquisition or retention of shares in nonbanking organizations to apply in order to carry out the purposes of the Act.

The application was filed prior to the passage of the Bank Holding Company Act Amendments of 1970. In accordance with applicable provisions of the Act prior to the passage of the 1970 Amendments, a hearing was held on this matter on December 1, 1970, pursuant to an Order of the Board of Governors, before a hearing examiner selected by the Civil Service Commission pursuant to § 3344 of Title 5 of the United States Code. The record made at said hearing was duly filed with the Board. Inasmuch as § 4(c)(8) of the Act, as amended, is controlling with respect to the issues to be determined in this matter, on April 29, 1971, the Board issued a notice of opportunity for hearing in this matter pursuant to § 4(c)(8), as amended. Requests for hearing were made by letters dated May 18, 1971, by the National Association of Insurance Agents, Inc., and the National Association of Mutual Insurance Agents. By letter dated November 2, 1971, Applicant moved to amend its original application, stating that B-G Service Corp. will cease doing business and be liquidated upon its acquisition and that Applicant sought only a determination by the Board that the activities of Aspen Industrial Bank are of the kind described in § 4(c)(8) of the Act. By letters dated November 9 and November 13, 1971, respectively, the proposed intervenors withdrew their request for a further hearing. On December 16, 1971, Hearing Examiner Poindexter filed his recommended decision, a copy of which is annexed hereto, wherein he recommended that the Board make the requested determination. The time for filing exceptions to the recommended decision has expired and none have been filed. The findings of fact, conclusions of law, and recommendations of the Hearing Examiner are adopted, and, on the basis of the entire record, *It is hereby ordered:*

That the planned activities of the proposed subsidiary, Aspen Industrial Bank, are determined to be so closely related to banking or managing or controlling banks as to be a proper incident thereto.

By order of the Board of Governors, March 23, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, Maisel, Brimmer, and Sheehan. Absent and not voting: Governor Mitchell.

(Signed) TYNNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

RECOMMENDED DECISION, FINDINGS  
OF FACT, AND CONCLUSIONS OF LAW

*Preliminary Statement*

Pursuant to the order of the Board of Governors of the Federal Reserve System, dated October 15, 1970, a hearing was held before the undersigned hearing examiner on December 1, 1970, at the Denver branch of the Federal Reserve Bank of Kansas City, pursuant to Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843 (c)(8)), upon the application in the form of a letter, dated June 17, 1970, from Colorado CNB Bankshares, Inc., Denver, Colorado, whose name has since been changed to Colorado National Bankshares, Inc., a bank holding company, for a determination that the activities of its proposed subsidiaries, B-G Service Corp. and Aspen Industrial Bank, are each of an insurance, fiduciary or financial nature, and so closely related to the business of banking or managing or controlling banks as to be a proper incident thereto, and make it unnecessary for the prohibitions of Section 4 of the Bank Holding Company Act of 1956, as amended, to apply to the acquisition by Colorado CNB Bankshares, Inc., now Colorado National Bankshares, Inc., of the controlling shares of B-G Service Corp. and its subsidiary, Aspen Industrial Bank, in order to carry out the purposes of the Bank Holding Company Act of 1956, as amended. The record made at said hearing has been filed with the Board.

Subsequent to the date of the hearing held on December 1, 1970, the Congress, on or about December 30, 1970 (Public Law 91-607), amended the Bank Holding Company Act of 1956 and, among other things, changed the language of Section 4(c)(8) from the language which existed therein at the time of the hearing.

After the 1970 amendments of the Bank Holding Company Act above referred to, Colorado

National Bankshares, Inc. amended its application, and again requested a determination by the Board pursuant to Section 4(c)(8) of the said Act as amended on December 30, 1970, that the activities of B-G Service Corp. and Aspen Industrial Bank are each so closely related to banking or managing or controlling banks as to be a proper incident thereto.

Accordingly, since the Board has found that Section 4(c)(8) of the Act, as amended on December 30, 1970, is controlling with respect to the issues to be determined in this proceeding, the Board of Governors of the Federal Reserve System, by order dated April 29, 1971, issued a second Notice of Opportunity for Hearing so as to give any person an opportunity to file a written request for further hearings in this matter under the provisions of the Act as amended on December 30, 1970.

By separate letters dated May 18, 1971, counsel for the National Association of Insurance Agents, Inc. and National Association of Mutual Insurance Agents, respectively, requested, among other things, a hearing on the issues raised in the Application, and for permission to intervene in this proceeding. Following informal discussions between counsel for the Applicant, proposed intervenors and counsel for the Board, the Applicant agreed that, after Applicant acquires the capital stock of B-G Service Corp., B-G Service Corp. will be liquidated and its assets, including 100% of the shares of stock of Aspen Industrial Bank, and its shares of stock of Colorado National Bankshares, Inc., will be distributed in liquidation to the Applicant, Colorado National Bankshares, Inc. Applicant further agreed to amend its Application accordingly, and omit therefrom any request for a determination pursuant to Section 4(c)(8) of the Amended Act concerning the activities of B-G Service Corp.

In furtherance of its agreement, and with a covering letter addressed to the Board, dated November 2, 1971, counsel for the Applicant enclosed therewith for filing an original and two copies of an undated "Motion to Amend Application". This is the second motion to amend its original application filed by Applicant. In this latest motion to amend its original application, Applicant has abandoned the request made in its original application for a determination pursuant to Section 4(c)(8) of the Act, as amended, concerning the activities of both B-G Service Corp. and Aspen Industrial Bank, and now seeks a determination by the Board that the activities of Aspen Industrial Bank only are so closely related

to banking or managing or controlling banks as to be a proper incident thereto. In other words, Applicant, Colorado National Bankshares, Inc., does not now apply for a determination pursuant to Section 4(c)(8) concerning the activities of B-G Service Corp. In said motion to amend, Applicant states that, if it acquires the shares of B-G Service Corp., B-G Service Corp. will cease doing business, be liquidated, and Applicant will acquire the assets of B-G Service Corp., including all of the capital stock of Aspen Industrial Bank.

The motion to amend further states that the Board of Governors of the Federal Reserve System has amended Regulation Y, Part 222, Title 12, Code of Federal Regulations, to provide by Section 222.4(a) thereof that the Board has determined that operating as an industrial bank in the manner authorized by state law, so long as the institution does not both accept demand deposits and make commercial loans, is an activity so closely related to banking or managing or controlling banks as to be a proper incident thereto.

The motion to amend also requests that the original Application to the Board, dated June 17, 1970, relating to the insurance activities of Aspen Industrial Bank set out on page 5 thereof be amended as follows:

It also writes insurance upon property mortgaged to it and a life and accident and health insurance policy upon borrowers in connection with the making of a loan, as it is permitted to do under existing Colorado law, and charges commissions for such services. It does not propose to write insurance which it is not permitted to write under existing Colorado law.

The motion to amend further states, among other things, that, on March 23, 1971, the name of Colorado CNB Bankshares, Inc. was changed to Colorado National Bankshares, Inc., and requests that the name, Colorado National Bankshares, Inc., be substituted for the name, Colorado CNB Bankshares, Inc., in the caption, body, and signature on the Application.

Along with the motion to amend application, counsel submitted the affidavit of Mr. Charles A. Baer, Executive Vice President of Colorado National Bankshares, Inc., which affidavit contains additional factual information concerning matters which have occurred since the hearing was closed. Pursuant to the request of counsel, the name, Colorado National Bankshares, Inc., has been substituted for the name, Colorado CNB Bankshares, Inc., in the caption hereof, and Mr. Baer's affidavit accepted and considered as a part of the record in this matter.

By letters to the Board, dated November 9 and 19, 1971, respectively, the proposed intervenors

withdrew their requests to intervene and for a further hearing herein. Therefore, the matter is now ready for a recommended decision under Section 4(c)(8) of the Amended Act upon the basis of the latest Motion to Amend Application which accompanied the letter, dated November 2, 1971, from counsel for the Applicant to the Board, "Attention: Mr. Charles L. Marinaccio Attorney", above referred to, the affidavit of Mr. Baer, and the record made at the hearing.

Proposed findings of fact, conclusions of law, and brief have been submitted by counsel for Colorado National Bankshares, Inc., the applicant herein. These have been considered. All proposed findings and conclusions not found or concluded herein are rejected. Upon the basis of the entire record, the undersigned hearing examiner makes the following findings of fact and conclusions of law, and issues the following recommended decision:

#### FINDINGS OF FACT

1. The Applicant, Colorado National Bankshares, Inc., formerly known as Colorado CNB Bankshares, Inc., is a corporation organized under the laws of the State of Colorado, with its principal place of business located at 17th and Champa Streets, Denver, Colorado. Colorado National Bankshares, Inc. is a registered bank holding company under the Bank Holding Company Act of 1956, as amended (Application dated June 17, 1970) and, by action of its shareholders on March 23, 1971, the name of the Applicant was changed from Colorado CNB Bankshares, Inc. to Colorado National Bankshares, Inc. (Baer Affidavit dated May 13, 1971).

2. The Applicant, Colorado National Bankshares, Inc., controls five banks located in the Denver Metropolitan Area, as follows: The Colorado National Bank of Denver, Northeast Colorado National Bank, South Colorado National Bank, Lakewood Colorado National Bank, and Arapahoe Colorado National Bank. Each bank is engaged in the general banking business. On March 18, 1971, Applicant acquired in exchange for its stock all of the shares of Bank of Glenwood, a Colorado State Chartered Bank engaged in the general banking business in Glenwood Springs, Colorado.

3. All banks do a substantial amount of installment lending and in connection therewith write or arrange for the writing of credit life, accident and health insurance. In addition, the banks require hazard insurance of various types, such as fire, extended coverage, collision, and liability

insurance, with reference to chattel property or real estate which may be pledged or mortgaged to one or more of the banks to secure the payment of monies borrowed from such banks. In addition, Applicant and the subsidiary banks require a banker's blanket bond and fire, extended coverage and liability policies on all properties owned by Applicant and by each of its subsidiary banks. No application is currently being made for approval of these activities.

4. B-G Service Corp. is a Colorado corporation which was incorporated in 1968 for the purpose of writing insurance, primarily accident, health and credit life insurance and some casualty insurance, for customers of Bank of Glenwood. All shareholders of B-G Service Corp. were also shareholders of Bank of Glenwood until they exchanged their shares of Bank of Glenwood stock for stock of the Applicant on March 18, 1971, and now all shareholders of B-G Service Corp. are shareholders of Applicant. The office of B-G Service Corp. is at Bank of Glenwood, and it has only one part-time employee who is also a full-time employee of Bank of Glenwood. B-G Service Corp. will be acquired and liquidated and conduct no further activities.

5. B-G Service Corp. holds 100% of the stock of Aspen Industrial Bank, and 1,901 shares of Applicant's stock which it acquired on March 18, 1971 in exchange for 667 shares out of 20,000 shares outstanding of Bank of Glenwood, and 667 shares out of 20,000 shares outstanding of Glenwood Bank Building Corporation. The shares of Aspen Industrial Bank and of Applicant will be acquired by applicant on liquidation of B-G Service Corp.

6. Aspen Industrial Bank is an industrial bank chartered under Article 17 of Chapter 14, Colorado Revised Statutes Annotated 1963. As an industrial bank, it is permitted by the Colorado Statutes and does engage in the business of loaning money on a secured or unsecured basis (with certain limitations with respect to interest it may charge), accepts savings deposits and pays interest thereon, issues investment certificates on savings deposits, such certificates having a maturity of not less than one year, and it writes insurance upon property mortgaged to it and a life, accident and health insurance policy upon borrowers in connection with making loans to its borrowers, and performs other banking services.

7. The Colorado Statutes specifically prohibit industrial banks from carrying any demand or commercial bank deposits or to accept trusts, and



Aspen Industrial Bank complies. All savings account passbooks issued by Aspen Industrial Bank to its depositors specifically provide that Aspen Industrial Bank may defer the repayment of the deposit for up to sixty (60) days following demand therefor by the depositor, and following that 60-day period may then pay out the deposit in increments of 10% per month over a ten month period. Aspen Industrial Bank depositors do not have a legal right to withdraw their savings deposits on demand, and Aspen Industrial Bank is not a "bank" as that term is defined in the Bank Holding Company Act of 1956.

8. The insurance activities of Aspen Industrial Bank are confined to writing insurance (as found in paragraph 6 hereof) for borrowers of Aspen Industrial Bank in connection with loans made to those borrowers from Aspen Industrial Bank and it does not intend to write insurance which it is not permitted to write under the present Colorado Statutes if its Application herein is granted. It has no plans to offer insurance to other than borrowers of Aspen Industrial Bank, and while it urges its borrowers to obtain insurance in connection with such loans, the obtaining of insurance, either written by Aspen Industrial Bank or by an outside insurance agency, is not a condition of obtaining a loan.

9. Aspen Industrial Bank commenced operation in July 1970. It was organized by officers and directors of B-G Service Corp. in order to service the needs of the residents of Aspen, Colorado, and the outlying areas near Aspen, which were considered to be somewhat different than those of customers of commercial banks. Aspen has a permanent population of approximately 2,350. However, Aspen and the neighboring community of Snowmass-at-Aspen are each predominantly recreational and tourist areas, with a large temporary population of persons engaging in temporary employment who present greater credit risks, and Aspen Industrial Bank therefore can, and does, loan money at generally higher rates than commercial banks in the area, and makes loans not usually available from commercial banks because of the risk involved.

10. If Applicant, Colorado National Bankshares, Inc., acquires control of Aspen Industrial Bank, it will be in a position to assist Aspen Industrial Bank through loans and furnishing technical advice, and thus Aspen Industrial Bank should become a stronger competitor of the two other banks in Aspen for the types of loans which an industrial bank is able to handle, and for sav-

ings deposits. The availability of advice to Aspen Industrial Bank from the Applicant with its experience and the experience of its various banks, should make the operations of Aspen Industrial Bank more efficient and thus benefit the public in the area it serves. Colorado National Bankshares, Inc. has been of assistance to Aspen Industrial Bank in training its Chief Executive Officer, Richard W. Ducic, providing Aspen Industrial Bank with a line of credit in the amount of \$50,000, making available to it personnel for public relations purposes when Aspen Industrial Bank was opening, making available to it assistance in designing forms in working out procedures for the operations of Aspen Industrial Bank. All such services have been helpful to Aspen Industrial Bank. The continued assistance and availability of Applicant to Aspen Industrial Bank would be of assistance to Aspen Industrial Bank in conducting its business. This continued assistance by Applicant cannot be assured if the proposed acquisition of Aspen Industrial Bank by Applicant does not take place.

11. The greater convenience of the community of Aspen would be served by having a strong viable industrial bank located there able to furnish the services mentioned above, and to make available lending services to relatively high-risk borrowers who might find serious difficulty in obtaining loans upon satisfactory terms from the existing commercial banks in Aspen.

12. At the present time there are two commercial banks in Aspen:

Bank of Aspen, which had deposits as of December 31, 1970, of \$13,247,445, and First National Bank of Aspen, which had deposits on the same date of \$3,174,640.

13. All activities of Aspen Industrial Bank listed herein are so closely related to banking or managing or controlling banks as to be a proper incident thereto. If Applicant acquires B-G Service Corp., it plans to acquire direct ownership of B-G Service Corp.'s Aspen Industrial Bank stock by liquidation of B-G Service Corp. as indicated.

14. For the foregoing reasons, it is found that all of the activities of Aspen Industrial Bank are so closely related to banking and managing or controlling banks as to be a proper incident thereto, and the acquisition of Aspen Industrial Bank under the conditions set forth herein by Applicant may be authorized under Section 4(c)(8) of the Bank Holding Company Act of 1956, as amended.

15. Performance by Aspen Industrial Bank of

its activities as an affiliate of Applicant can be expected to produce benefits to the public in the form of greater convenience, increased competition, and gains in efficiency. Such benefits outweigh any possible adverse effect which might result from such acquisition, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices, but there is no evidence of any such possible adverse effect.

16. Upon the basis of the evidence, it is found that the activities of Aspen Industrial Bank are so closely related to banking and managing or controlling banks as to be a proper incident thereto, and the acquisition of Aspen Industrial Bank by Colorado National Bankshares, Inc. should be authorized under Section 4(c)(8) of the Bank Holding Company Act of 1956, as amended.

#### *Conclusions*

Performance by Aspen Industrial Bank of its activities as an affiliate of Colorado National Bankshares, Inc. can be expected to produce benefits to the public in the form of greater convenience, increased competition, and gains in efficiency.

Accordingly, it is recommended that the Application of Colorado National Bankshares, Inc. be granted.

(Signed) JOHN B. POINDEXTER,  
*Hearing Examiner.*

#### BOATMEN'S BANCSHARES, INC., ST. LOUIS, MISSOURI

#### ORDER APPROVING ACQUISITION OF WILLIAMS, KURRUS AND CO.

Boatmen's Baneshares, Inc., St. Louis, Missouri, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended, has applied for the Board's approval, under section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire all of the voting shares of Williams, Kurrus and Co. ("Company"), St. Louis Missouri. Notice of the application affording opportunity for interested persons to submit comments and views has expired and all received have been considered, including those presented orally and in writing in connection with a Board hearing on November 8, 1971, pertaining to mortgage banking in general, and this application in particular.

The operation by a bank holding company of a

mortgage company is an activity that the Board has previously determined to be closely related to the business of banking (12 CFR 225.4(a)(1)). A bank holding company may acquire a company engaged in this activity in accordance with the procedures the Board has established pursuant to § 4(c)(8) of the Act.

Applicant is the sixth largest bank holding company in Missouri. Applicant's principal subsidiary, Boatmen's National Bank of St. Louis (deposits of \$295.3 million),<sup>1</sup> is the sixth largest bank in Missouri and is the third largest bank in the St. Louis Standard Metropolitan Statistical Area ("SMSA") where the bank holds 4.9 per cent of deposits. In the St. Louis SMSA Applicant also controls three other banks with combined deposits of \$54 million. Applicant's commercial bank subsidiaries originate and service a limited number of long-term mortgage loans and interim construction loans exclusively for their own accounts. During 1970, Applicant's banks originated 20 loans on income producing properties which totalled \$3.8 million. None of Applicant's banks service mortgage portfolios for institutional investors.

Company is a mortgage banking firm specializing in the origination and servicing of commercial and industrial mortgage loans for the accounts of long-term investors. It does no mortgage financing on new one-four family residences, nor does it normally warehouse loans. On the basis of its mortgage servicing portfolio of \$106 million,<sup>2</sup> Company ranks fifth among mortgage companies located in the St. Louis area, and 192nd in the nation. Five mortgage loans (totaling \$16.2 million) on income producing property were originated by Company during its last fiscal year ending March 1971. The record herein evidences that neither Applicant nor Company have a significant share of the market in mortgage lending on income producing properties—the only product market in which they compete. On this basis, consummation of the proposed acquisition would have only a slightly adverse effect on existing competition. Company's limited capital resources limit its potential as a competitor to Applicant in either the construction loan market or the market for permanent loans on one-four family residences.

It is anticipated that Company's affiliation with Applicant will enable Company to compete more effectively with the two largest mortgage banking

<sup>1</sup>Deposit data as of June 1971.

<sup>2</sup>Data as of June 30, 1971.

firms in the St. Louis SMSA, both of which are affiliated with banks. Company will also be able to broaden the range of its mortgage banking services through access to the resources of Applicant, and thus offer better services to the public. On balance, the Board concludes that the public benefits factors the Board is required to consider under section 4(c)(8) outweigh any possible adverse effects that might result from the proposed acquisition.

In addition to its mortgage loan and servicing activity, Company is engaged and proposes to continue to engage in real estate brokerage. Real estate brokerage is not an activity that the Board has determined to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. Nor has Applicant demonstrated to the Board's satisfaction that Applicant's activities in the real estate brokerage field are so closely related to banking or managing or controlling banks as to be a proper incident thereto. Accordingly, in the Board's judgment, approval of the application herein is appropriate only on condition that Company terminates its real estate brokerage activities.

Based on the record herein, the application is approved on condition that Company terminates its real estate brokerage activities. This approval is subject further to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, March 23, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, Maisel, Brimmer, and Sheehan. Absent and not voting: Governor Mitchell.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL]

UB FINANCIAL CORP.,  
PHOENIX, ARIZONA

ORDER APPROVING RETENTION OF H. S.  
PICKRELL COMPANY

UB Financial Corp., Phoenix, Arizona, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended, has applied for the Board's approval under § 4(c)(8)

of the Act and § 225.4(b)(2) of the Board's Regulation Y to retain all of the voting shares of H. S. Pickrell Company, Phoenix, Arizona. Said shares were purchased by Applicant in May 1970, and under the provisions of § 4(a)(2) of the Act may not be retained beyond December 31, 1980, without prior Board approval. Notice of the application affording opportunity for interested persons to submit comments and views was duly published. Time for filing comments and views has expired and none have been received.

Applicant owns the United Bank of Arizona ("Bank"), Phoenix, the sixth largest bank in Arizona. Bank's total deposits of \$130.6 million represent 3.4 per cent of all commercial bank deposits in the State.<sup>1</sup> Bank is engaged in the business of originating mortgage loans for its own account, consisting primarily of conventional residential mortgages and shorter-term commercial mortgages. In 1970, Bank originated \$231 thousand in conventional single family residential loans, and \$3.7 million in commercial real estate loans. Its mortgages servicing portfolio of \$12.7 million represented the total volume of real estate loans serviced for its own account. Bank does not service loans for others.

H. S. Pickrell Company is engaged in the business of originating and servicing mortgage loans through its head office in Phoenix and one branch located in Tucson, Arizona. In 1969, its last full year of operation as an independent mortgage company, it originated \$10.5 million in residential mortgages (all FHA or VA loans). In 1970, this volume increased to \$14.6 million. Its commercial loan originations have fluctuated between \$8.1 million in 1968; \$3.6 million in 1969; and \$17 million in 1970. H. S. Pickrell Company's total mortgage originations in the Phoenix area in 1970 accounted for 3.2 per cent of all mortgages recorded in the Phoenix market, while those of Applicant accounted for less than 0.4 per cent. Based upon a mortgage servicing portfolio of \$125 million,<sup>2</sup> H. S. Pickrell Company ranks as the 167th largest mortgage banking company in the country.

The Board concludes that Applicant's proposed retention of H. S. Pickrell Company would have no adverse effects on competition, as neither institution has more than a minor share of the mortgage banking business in any local market in

<sup>1</sup> Deposit data as of June 30, 1971.

<sup>2</sup> Servicing portfolio as of June 30, 1971.

Arizona, or in the State as a whole. Nor is there anything in the record to indicate that the proposed retention would lead to an undue concentration of resources, conflicts of interests, or unsound banking practices. To the contrary, it appears that the public would benefit from the strengthening of H. S. Pickrell Company through the continuance of its enhanced ability to offer larger lines of credit to its customers, and to compete more effectively with the larger financial institutions in the State. These public benefits clearly outweigh any possible adverse effects on competition.

In addition to engaging in the activity of mortgage banking, Applicant seeks permission to retain H. S. Pickrell Company for the purpose of: (1) engaging in the purchase and sale of land, and (2) acting as a joint venturer in real estate development. It appears that H. S. Pickrell is not currently engaged in any real estate joint ventures but in June 1971, it purchased 19 acres of land, which it subsequently subdivided and improved and has contracted to sell to an independent builder. Such land development activity was not then and is not now permissible for bank holding companies. The Board is of the opinion that the activities of purchasing and selling of land or participating as a joint venturer in real estate development are not so closely related to banking as to be a proper incident thereto, and that insofar as the application pertains to these activities, it should be denied.

Based upon the foregoing and other considerations reflected in the record, the application is approved provided that H. S. Pickrell Company shall not engage in the activities of purchasing and selling land or participating in real estate joint ventures. This approval is subject further to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, March 28, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, and Sheehan. Absent and not voting: Governors Daane and Maisel.

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

[SEAL.]

**ORDER UNDER SECTION 4(d) OF BANK HOLDING  
COMPANY ACT**

CPC INTERNATIONAL, INC.,  
ENGLEWOOD CLIFFS, NEW JERSEY

**ORDER APPROVING EXEMPTION OF NONBANKING  
ACTIVITIES OF BANK HOLDING COMPANY**

CPC International, Inc., Englewood Cliffs, New Jersey, a bank holding company within the meaning of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), by virtue of ownership of more than 90 per cent of the voting shares of Argo State Bank, Summit, Illinois ("Bank"), has applied to the Board of Governors, pursuant to § 4(d) of the Act, for an exemption from the prohibitions of § 4 (relating to nonbanking activities and acquisitions).

Notice of receipt of the application was published in the Federal Register on January 5, 1972 (37 Federal Register 117). Time for filing comments and views has expired.

Section 4(d) of the Act provides that to the extent such action would not be substantially at variance with the purposes of the Act and subject to such conditions as the Board considers necessary to protect the public interest, the Board may grant an exemption from the provisions of § 4 of the Act to certain one-bank holding companies in order (1) to avoid disrupting business relationships that have existed over a long period of years without adversely affecting the banks or communities involved, or (2) to avoid forced sales of small locally owned banks to purchasers not similarly representative of community interests, or (3) to allow retention of banks that are so small in relation to the holding company's total interests and so small in relation to the banking market to be served as to minimize the likelihood that the bank's powers to grant or deny credit may be influenced by a desire to further the holding company's other interests.

The Board has considered the application and all comments received in the light of the factors set forth in § 4(d) of the Act and finds that:

CPC International is a diversified multinational manufacturing company with assets in excess of \$1 billion. Applicant's largest plant, currently employing 2,800 people, has been located in Bedford Park, a community adjoining Summit, Illinois, since the beginning of the century. The record shows that predecessors of Applicant began acquiring shares of Bank's common stock, and below standard investments from Bank's

portfolio in 1931, in a successful effort to prevent Bank from failing; at that time, Bank was the only Banking organization in Summit and, apparently because over 1,000 employees of Applicant were depositors of Bank, Applicant decided to assist Bank in overcoming its problems. Continued purchases resulted in Applicant's becoming the majority shareholder shortly thereafter. An ownership interest in excess of 90 per cent was attained by 1936 and has been maintained to the present date. It appears that Bank is well managed and in sound financial condition and the record contains nothing to suggest that Applicant has abused its relationship with Bank or misused Bank's services for the benefit of Applicant's other interests. There is no reason to believe that permitting this relationship to continue indefinitely will adversely affect the Bank or the communities involved.

Bank's total assets (\$30 million) at year-end 1970 were about 3 per cent of Applicant's consolidated assets and Bank's earnings represent less than 1 per cent of Applicant's 1970 net income. It appears that CPC has never borrowed from Bank and there has been no preferential treatment of CPC's suppliers; and the small size of Bank in relation to the credit needs of CPC makes it unlikely that CPC would use Bank unfairly to further other interests of CPC. Summit is economi-

cally a part of the Chicago metropolitan area. Bank competes with the many other banks in the Chicago banking market and controls 0.1 per cent of the total deposits in that market as of June 30, 1971.

Based on the foregoing and other considerations reflected in the record, the Board has concluded, pursuant to § 4(d)(1), that an exemption is warranted to avoid disrupting a business relationship that has existed over a long period of years without adversely affecting the banks or communities involved; and pursuant to § 4(d)(3), that Bank is so small in relation to the total interests of Applicant and so small in relation to the banking market served by Bank as to minimize the likelihood that Bank's powers to grant or deny credit may be influenced by a desire to further CPC's other interests. Accordingly, an exemption is granted; provided, however, that this determination is subject to revocation if the facts upon which it is based change in any material respect.

By order of the Board of Governors, March 23, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, Maisel, Brimmer, and Sheehan. Absent and not voting: Governor Mitchell.

[SEAL.]

(Signed) TYNAN SMITH,  
*Secretary of the Board.*

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# Announcements

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## **CHANGE IN BOARD STAFF**

Charles L. Marinaccio has been appointed an Adviser in the Division of Supervision and Regulation effective April 3, 1972. A graduate with honors of the George Washington University Law School, Mr. Marinaccio was with the U.S. Department of Justice before joining the Board's staff in 1969.

## **RESIGNATION OF DIRECTOR**

D. Ben Kleinpeter, who had served since January 1, 1970, as a Board-appointed director of the New Orleans Branch of the Federal Reserve Bank of Atlanta, resigned on April 1, 1972.

## **CRITERIA FOR OTC MARGIN STOCKS**

The Board of Governors, on April 11, 1972, issued the criteria that over-the-counter (OTC) stocks must continue to meet in order to remain on its List of OTC Margin Stocks. The approximately 430 stocks now on the list are subject to margin requirements.

The Board's action, effective May 15, means that margin stocks failing to meet the criteria will be removed from the list and will not be subject to the Board's margin requirements.

Federal Reserve margin requirements set the minimum down payment that must be made to purchase margin securities. Under the present 55 per cent requirement, a purchaser is required to pay 55 per cent of the purchase price of a margin security and may obtain credit for the remaining 45 per cent.

Margin regulations apply to extensions of credit by brokers and dealers (Regulation T) and loans by banks and other lenders (Regulations U and G, respectively) for the purpose of purchasing or carrying stocks registered on a national stock exchange or named in the Board's List of OTC Margin Stocks. Stocks appearing on the list have not been approved, in any way, by the Board and representation by any person that their appearance on the list indicates approval by the Board or is based on approval by any Government agency is unlawful.

The criteria employed in selecting OTC stocks for inclusion on the list were announced on July 9, 1969. The delisting criteria are substantially the same as those proposed by the Board on February 28, 1972.

## **PUBLICATION OF ANNUAL REPORT**

The Fifty-Eighth Annual Report of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1971, is available for distribution. Copies may be obtained upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## **ADMISSION OF STATE BANK TO MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM**

The following bank was admitted to membership in the Federal Reserve System during the period March 16, 1972, through April 15, 1972:

*Montana*

Malta .....First Security Bank of Malta

# National Summary of Business Conditions

Released for publication April 14

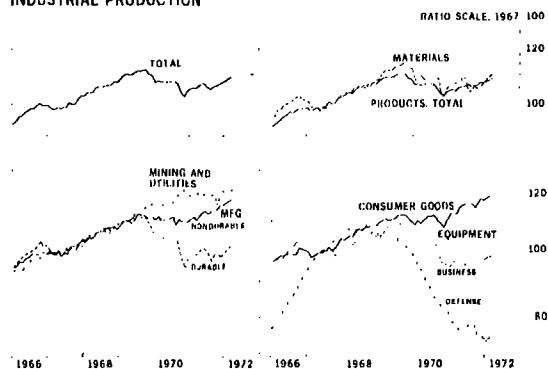
Industrial production expanded further in March. Nonfarm payroll employment and retail sales also increased but the unemployment rate was higher as the labor force increased sharply. Wholesale prices were little changed on average. Commercial bank credit, the money stock, and time and savings deposits rose. Between mid-March and mid-April, yields declined on short-term U.S. Government securities but moved up in most other security markets.

## INDUSTRIAL PRODUCTION

Industrial production at 109.6 per cent (1967=100) in March was 0.6 per cent above the February index of 108.9 per cent. The March index was 4 per cent above a year earlier but still 2 per cent below the 1969 high. Gains were moderate in consumer goods and fairly rapid in business equipment and materials.

Among consumer goods, output of carpeting, household furniture, and consumer staples increased further while production of household appliances was off slightly from the advanced February level and auto assemblies declined a little in March to an annual rate of 8.3 million units. In the materials group, production of steel, textiles, and paper increased. Output of construction products also rose.

## INDUSTRIAL PRODUCTION



F.R. indexes, seasonally adjusted. Latest figures: March.

## EMPLOYMENT

Nonfarm payroll employment increased substantially in March with gains widespread among major industry groups. The average workweek of manufacturing production workers was little changed at close to the highest level in over 2 years. The unemployment rate rose to 5.9 per cent from 5.7 in February, as large employment gains were exceeded by an unusually sharp rise in the civilian labor force.

## RETAIL SALES

The value of retail sales in March rose 2.5 per cent from the upward revised February level and was about 8 per cent above a year earlier, according to the advance report. Sales at durable goods stores increased 4.5 per cent from February and sales at nondurable goods stores were up 1.5 per cent.

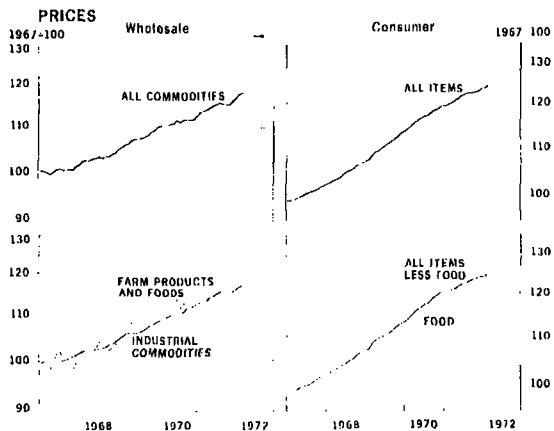
## WHOLESALE AND CONSUMER PRICES

The wholesale price index, seasonally adjusted, rose 0.1 per cent between February and March. Industrial commodities increased 0.3 per cent, in large part as a result of higher prices for metals, hides, lumber and plywood, and paper products. Prices of farm and food products fell 0.3 per cent as marked declines were reported for livestock, meat, and fresh vegetables.

## BANK CREDIT, DEPOSITS, AND RESERVES

Commercial bank credit, adjusted for transfers of loans between banks and their affiliates, increased substantially further in March—rising at an annual rate of about 18 per cent, somewhat more rapidly than in February. Loan expansion was substantial in March with business loans increasing at about the strengthened rate of a month earlier. Holdings of both U.S. Treasury securities and municipal issues also expanded sharply with most of the growth in the short-term area.

The narrowly-defined money stock increased at an annual rate of 12.5 per cent in March, the same as the rapid February rate and well above the



Bureau of Labor Statistics. "Farm products and foods" is BLS "Farm products, and processed foods and feeds." Latest figures: Consumer, Feb.; Wholesale, Mar.

slow pace of January and the second half of 1971. Total time and savings deposits increased at an annual rate of about 8 per cent, considerably less rapidly than in February. Expansion in consumer-type time and savings deposits slowed further and large negotiable CD's outstanding declined.

Free reserves of member banks averaged about \$75 million over the 5 weeks ending March 29 compared with \$160 million in February. Member bank borrowings increased and excess reserves declined somewhat.

### SECURITY MARKETS

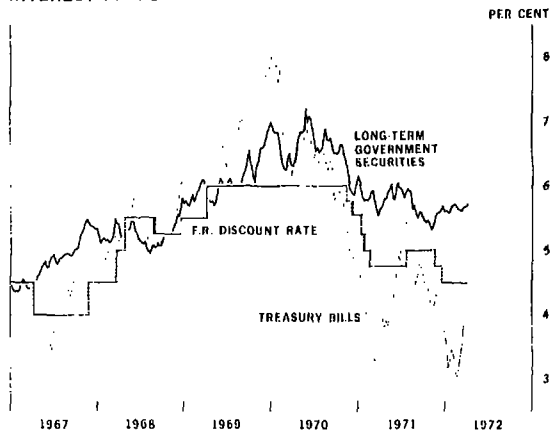
Treasury bill rates in mid-April averaged from about 10 basis points lower to 25 basis points

higher than in mid-March, with the increases on the longer maturities. The 3-month bill was bid at about 3.85 per cent in the middle of April, compared with around 3.90 per cent a month earlier. Yields on U.S. Government notes and bonds rose by some 10 to 30 basis points over the same period.

From mid-March to early April yields on new corporate securities increased, while yields on seasoned securities remained steady on balance. During the same period, interest rates on tax-exempt securities also rose.

Common stock prices rose over the period on active trading.

### INTEREST RATES



Discount rate, range or level for all F.R. Banks. Weekly average market yields for U.S. Govt. bonds maturing in 10 years or more and for 90-day Treasury bills. Latest figures: week ending Apr. 8.



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# Financial and Business Statistics

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## Guide to Tabular Presentation

### SYMBOLS AND ABBREVIATIONS

e	Estimated	N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
c	Corrected	IPC	Individuals, partnerships, and corporations
p	Preliminary	SMSA	Standard metropolitan statistical area
r	Revised	A	Assets
rp	Revised preliminary	L	Liabilities
I, II, III, IV	Quarters	S	Sources of funds
n.e.c.	Not elsewhere classified	U	Uses of funds
A.R.	Annual rate	*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation	....	(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

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# BANK RESERVES AND RELATED ITEMS n APRIL 1972

## MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

Period or date	Factors supplying reserve funds								Special Drawing Rights certificate account	Treasury currency outstanding
	Reserve Bank credit outstanding						Gold stock			
	U.S. Govt. securities <sup>1</sup>		Loans	Float <sup>2</sup>	Other F.R. assets <sup>3</sup>	Total <sup>4</sup>				
Total	Bought outright	Held under repurchase agreement								
<b>Averages of daily figures</b>										
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
1965—Dec.	40,885	40,772	113	490	2,349		43,853	13,799		5,565
1967—Dec.	48,891	48,810	81	238	2,030		51,268	12,436		6,777
1968—Dec.	52,529	52,454	75	765	3,251		56,610	10,367		6,810
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—Mar.	62,719	62,381	338	319	2,671	896	66,691	10,732	400	7,235
Apr.	63,371	63,153	218	148	3,047	1,103	67,747	10,732	400	7,291
May	64,714	64,368	346	330	2,704	1,076	68,926	10,448	400	7,357
June	64,642	64,574	68	453	2,690	979	68,834	10,332	400	7,419
July	66,001	65,652	349	820	3,001	1,150	71,052	10,332	400	7,437
Aug.	66,324	66,143	181	804	2,572	991	70,749	10,184	400	7,460
Sept.	67,106	66,794	312	501	2,974	900	71,568	10,132	400	7,523
Oct.	67,690	67,488	202	360	3,122	1,105	72,349	10,132	400	7,545
Nov.	68,052	67,655	397	407	3,129	1,013	72,694	10,132	400	7,573
Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Jan.	70,687	70,300	387	20	3,405	1,177	75,415	10,132	400	7,656
Feb.	69,966	69,862	104	33	2,959	957	73,994	9,851	400	7,795
Mar. <sup>a</sup>	69,273	69,133	140	99	2,966	780	73,199	9,588	400	7,859
<b>Week ending—</b>										
1971—Dec.										
1.	68,970	68,481	489	705	3,027	859	73,669	10,132	400	7,586
8.	68,941	68,822	119	59	3,090	893	73,047	10,132	400	7,594
15.	68,761	68,761		25	3,473	927	73,245	10,132	400	7,602
22.	68,958	68,863	95	141	4,444	988	74,621	10,132	400	7,615
29.	69,514	68,938	576	216	4,644	1,096	75,627	10,132	400	7,634
1972—Jan.										
5.	70,658	69,517	1,141	57	4,260	1,078	76,258	10,132	400	7,626
12.	70,712	70,211	501	17	3,594	1,125	75,592	10,132	400	7,634
19.	71,130	70,560	570	14	3,353	1,181	75,833	10,132	400	7,649
26.	70,561	70,561		12	3,024	1,228	74,902	10,132	400	7,658
Feb.										
2.	70,364	70,364		16	2,791	1,279	74,526	10,132	400	7,712
9.	70,002	70,002		42	2,759	1,307	74,180	10,132	400	7,771
16.	70,692	70,261	431	18	2,693	1,150	74,667	9,977	400	7,793
23.	70,326	70,326		14	3,020	574	74,000	9,588	400	7,811
Mar.										
1.	68,622	68,622		67	3,447	662	72,863	9,588	400	7,818
8.	68,772	68,772		103	2,885	707	72,532	9,588	400	7,834
15.	69,110	68,813	297	13	2,932	749	72,901	9,588	400	7,848
22 <sup>a</sup>	69,095	69,095		115	3,274	797	73,348	9,588	400	7,868
29 <sup>a</sup>	69,744	69,615	129	155	2,728	850	73,560	9,588	400	7,882
<b>End of month</b>										
1972—Jan.	70,202	70,202		15	1,884	1,280	73,456	10,132	400	7,759
Feb.	68,425	68,425		6	2,715	656	71,865	9,588	400	7,824
Mar. <sup>a</sup>	70,754	70,065	689	255	3,094	878	75,124	9,588	400	7,889
<b>Wednesday</b>										
1972—Jan.										
5.	70,275	69,689	586	44	4,254	1,099	75,791	10,132	400	7,627
12.	70,518	70,361	157	17	3,103	1,179	74,951	10,132	400	7,644
19.	71,451	70,561	890	24	3,156	1,223	75,995	10,132	400	7,653
26.	70,561	70,561		18	2,843	1,261	74,760	10,132	400	7,673
Feb.										
2.	70,195	70,195		25	2,749	1,311	74,353	10,132	400	7,765
9.	69,995	69,995		176	2,528	1,357	74,124	10,132	400	7,788
16.	71,928	70,623	1,305	28	2,953	611	75,663	9,588	400	7,802
23.	69,619	69,619		18	2,610	641	72,951	9,588	400	7,813
Mar.										
1 <sup>a</sup>	68,872	68,872		59	2,794	707	72,495	9,588	400	7,820
8 <sup>a</sup>	68,772	68,772		703	2,718	749	73,005	9,588	400	7,842
15 <sup>a</sup>	68,802	68,802		28	3,626	790	73,313	9,588	400	7,855
22 <sup>a</sup>	69,395	69,395		732	3,047	843	74,086	9,588	400	7,877
29 <sup>a</sup>	70,689	69,785	904	1,030	2,620	897	75,405	9,588	400	7,889

For notes see opposite page.

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued

(In millions of dollars)

Currency in circulation	Treasury cash holdings	Factors absorbing reserve funds						Member bank reserves	Period or date
		Deposits, other than member bank reserves, with F.R. Banks			Other F.R. accounts <sup>1</sup>	Other F.R. liabilities and capital <sup>3</sup>	Total		
		Treasury	Foreign	Other <sup>2</sup>					
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	739	17,391	17,391	1950—Dec.		
33,019	408	522	250	1,029	16,688	2,595	1960—Dec.		
42,206	808	683	154	389	18,747	3,972	1965—Dec.		
47,000	1,428	902	150	204	20,753	4,507	1967—Dec.		
50,609	756	360	225	458	22,484	4,737	1968—Dec.		
53,591	656	1,194	146	458	23,071	4,960	1969—Dec.		
57,013	427	849	145	735	23,925	5,340	1970—Dec.		
56,123	467	783	139	718	2,227	24,601	5,085	1971—Mar.	
56,716	499	1,047	148	752	2,194	24,814	5,071	Apr.	
57,155	506	1,112	173	690	2,244	25,251	5,168	May	
57,969	491	652	155	698	2,227	24,793	5,230	June	
58,847	471	1,546	161	714	2,251	25,231	5,316	July	
58,906	477	1,121	181	712	2,298	25,098	5,357	Aug.	
59,012	466	1,621	151	712	2,296	25,365	5,437	Sept.	
59,185	464	2,100	152	736	2,327	25,463	5,397	Oct.	
59,939	470	1,723	133	714	2,320	25,500	5,453	Nov.	
61,060	453	1,926	290	728	2,287	25,653	5,676	Dec.	
60,201	487	2,821	181	750	2,208	26,955	5,910	1972—Jan.	
59,681	436	2,421	172	683	2,273	26,374	5,548	Feb.	
60,137	388	933	170	597	2,247	26,573	5,365	Mar. <sup>4</sup>	
Week ending—									
60,424	457	1,894	169	732	2,328	25,783	5,492	1971—Dec. 1	
60,568	456	1,749	133	717	2,398	25,151	5,592	8	
61,040	457	1,563	143	710	2,219	25,246	5,907	15	
61,242	450	1,895	426	736	2,234	25,785	5,366	22	
61,448	448	2,336	471	708	2,301	26,081	5,843	29	
61,026	462	2,548	298	862	2,152	27,068	5,746	1972—Jan. 5	
60,689	473	2,760	171	727	2,155	26,784	6,009	12	
60,225	486	2,515	148	737	2,210	27,694	5,971	19	
59,663	508	3,084	160	724	2,259	26,695	5,897	26	
59,395	508	3,053	166	755	2,318	26,576	5,859	Feb. 2	
59,577	502	3,072	156	764	2,382	26,030	5,862	9	
59,774	472	2,915	142	733	2,209	26,593	5,664	16	
59,736	372	2,015	167	592	2,216	26,702	5,121	23	
59,696	369	1,339	219	590	2,269	26,187	5,427	Mar. 1	
59,871	376	1,031	139	587	2,337	26,012	5,453	8	
60,222	377	754	171	596	2,169	26,448	5,660	15	
60,257	391	978	189	617	2,191	26,581	5,021	22 <sup>5</sup>	
60,175	406	886	178	576	2,263	26,947	5,306	29 <sup>6</sup>	
End of month									
59,429	505	2,860	147	814	2,344	25,650	5,860	1972—Jan.	
59,795	370	884	137	677	2,294	25,525	5,427	Feb.	
60,368	417	1,293	191	647	2,339	27,746	5,397	Mar. <sup>4</sup>	
Wednesday									
60,992	469	3,071	302	729	2,108	26,279	5,743	1972—Jan. 5	
60,656	479	2,108	146	707	2,173	26,858	6,076	12	
60,053	506	2,491	127	778	2,234	27,992	5,974	19	
59,602	512	2,862	146	716	2,279	26,848	5,895	26	
59,554	505	3,173	172	779	2,351	26,116	5,860	Feb. 2	
59,838	513	2,781	145	739	2,405	26,022	5,865	9	
59,848	374	2,531	145	612	2,198	27,745	5,669	16	
59,905	373	1,139	178	590	2,236	26,331	5,122	23	
59,794	374	1,128	137	575	2,299	25,996	5,419	Mar. 1 <sup>7</sup>	
60,215	382	1,081	150	548	2,360	26,099	5,441	8 <sup>8</sup>	
60,392	382	851	184	620	2,146	26,581	5,663	15 <sup>9</sup>	
60,321	406	1,314	175	608	2,215	26,912	5,021	22 <sup>5</sup>	
60,438	413	917	205	589	2,302	28,418	5,306	29 <sup>6</sup>	

<sup>1</sup> Includes Federal Agency issues held under repurchase agreements as of Dec. 1, 1966 and Federal Agency issues bought outright as of Sept. 29, 1971.

<sup>2</sup> Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

<sup>3</sup> 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."

<sup>4</sup> 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 tables on F.R. Banks on following pages. See also note 2.

<sup>5</sup> Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning with 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.

<sup>6</sup> Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks.

<sup>7</sup> Reflects securities sold, and scheduled to be bought back, under matched sale/purchase transactions.

A 6 BANK RESERVES AND RELATED ITEMS □ APRIL 1972

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					New York City					Reserve city banks					City of Chicago					
	Total held	Re-quired	Excess	Bor-rows F.R. Banks	Free re-serves	Total held	Re-quired	Excess	Bor-rows F.R. Banks	Free re-serves	Total held	Re-quired	Excess	Bor-rows F.R. Banks	Free re-serves	Total held	Re-quired	Excess	Bor-rows F.R. Banks	Free re-serves	
1972—Dec.....	11,473	6,462	5,011	3	5,008	5,623	3,012	2,611	2,611	2,611	1,141	601	540	16	540	1,141	601	540	16	540	293
1971—Dec.....	12,812	9,422	3,390	334	3,185	4,142	2,153	998	998	998	1,141	848	295	8	295	1,141	848	295	8	295	14
1965—Dec.....	16,027	14,516	1,511	142	1,511	4,070	4,070	162	162	162	958	624	334	5	334	958	624	334	5	334	3
1950—Dec.....	17,391	16,364	1,027	142	885	4,742	4,616	125	125	125	1,199	1,191	8	8	8	1,199	1,191	8	8	11	4
1960—Dec.....	19,283	18,527	756	87	669	3,687	3,658	29	19	10	958	953	4	4	4	1,329	1,322	7	7	7	3
1965—Dec.....	22,719	23,267	432	454	42	4,201	3,260	941	111	70	1,142	1,126	16	8	16	1,426	1,384	42	16	42	4
1967—Dec.....	25,260	24,915	345	238	107	5,052	4,034	1018	40	12	1,425	1,417	8	23	8	1,425	1,421	4	13	4	3
1968—Dec.....	27,221	25,766	452	452	110	5,137	3,037	100	230	10	1,192	1,184	8	13	8	1,192	1,184	8	13	8	2
1969—Dec.....	28,021	27,704	422	1,086	829	5,491	3,385	50	259	203	1,408	1,408	0	15	15	1,408	1,408	0	15	15	2
1970—Dec.....	29,263	28,993	272	321	49	5,623	3,589	34	25	10	1,426	1,425	1	22	1	1,426	1,425	1	22	1	14
1971—Mar.....	29,688	29,487	199	319	120	5,664	3,703	39	51	00	1,375	1,384	9	16	9	1,375	1,384	9	16	9	25
Apr.....	29,863	29,745	140	346	18	5,690	3,696	6	13	67	1,392	1,385	7	7	7	1,446	1,442	4	4	4	15
May.....	30,419	30,102	317	340	18	5,712	3,791	46	15	13	1,416	1,416	0	11	0	1,416	1,416	0	11	0	4
June.....	30,942	29,892	1,050	312	837	5,037	3,037	46	90	127	1,436	1,421	15	13	15	1,436	1,421	15	13	15	3
July.....	30,542	30,885	1,311	430	122	4,927	3,674	37	90	111	1,387	1,405	18	21	18	1,387	1,405	18	21	18	2
Aug.....	30,453	30,237	198	804	606	5,093	3,640	25	164	111	1,402	1,408	7	28	7	1,402	1,408	7	28	7	29
Sept.....	30,802	30,596	206	804	606	5,093	3,640	33	164	111	1,412	1,410	2	2	2	1,412	1,410	2	2	2	14
Oct.....	30,860	30,653	207	804	606	5,093	3,640	9	164	38	1,417	1,423	6	4	6	1,417	1,423	6	4	6	10
Nov.....	30,933	30,690	243	407	153	5,078	3,607	11	67	56	1,425	1,408	17	17	17	1,425	1,408	17	17	17	2
Dec.....	31,329	31,090	239	407	153	5,078	3,607	36	107	10	1,426	1,425	1	8	1	1,426	1,425	1	8	1	14
1972—Jan.....	32,865	32,692	173	20	153	6,006	6,038	8	35	10	1,503	1,512	9	8	9	1,503	1,512	9	8	9	9
Feb.....	31,922	31,798	124	33	91	5,775	3,807	32	5	13	1,446	1,442	4	4	4	1,446	1,442	4	4	4	4
Mar.....	31,938	31,689	249	99	150	5,819	3,761	58	71	13	1,432	1,443	11	4	11	1,432	1,443	11	4	11	15
Week ending—																					
1971—Mar.....	29,542	29,372	170	238	88	5,583	3,508	15	15	15	1,387	1,402	15	15	15	1,387	1,402	15	15	15	15
Apr.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
May.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
June.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
July.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
Aug.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
Sept.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
Oct.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
Nov.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
Dec.....	29,494	29,122	372	412	129	5,625	3,637	62	120	182	1,355	1,367	12	44	12	1,355	1,367	12	44	12	56
1972—Jan.....	30,993	30,739	254	309	302	5,679	3,561	118	116	2	1,398	1,399	1	1	1	1,398	1,399	1	1	1	2
Feb.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
Mar.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
Apr.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
May.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
June.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
July.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
Aug.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
Sept.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
Oct.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
Nov.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
Dec.....	30,703	30,653	49	449	400	5,608	3,693	72	100	23	1,428	1,428	0	4	0	1,428	1,428	0	4	0	10
1972—Jan.....	32,814	32,502	312	57	255	6,200	6,120	80	222	80	1,520	1,526	6	6	6	1,520	1,526	6	6	6	6
Feb.....	32,703	32,488	215	14	188	6,128	6,141	10	130	102	1,509	1,549	20	20	20	1,509	1,549	20	20	20	20
Mar.....	32,663	32,449	214	14	188	6,128	6,141	10	130	102	1,509	1,549	20	20	20	1,509	1,549	20	20	20	20
Apr.....	32,592	32,400	192	12	180	5,766	5,848	82	76	82	1,459	1,459	0	16	16	1,459	1,459	0	16	16	16
May.....	32,435	32,190	245	16	229	5,936	5,800	56	76	82	1,466	1,451	9	9	9	1,466	1,451	9	9	9	9
June.....	32,302	31,942	360	42	203	5,723	5,883	92	22	114	1,439	1,445	6	6	6	1,439	1,445	6	6	6	6
July.....	32,237	31,646	591	14	110	5,078	5,185	187	99	183	1,450	1,466	16	16	16	1,450	1,466	16	16	16	16
Aug.....	31,983	31,693	290	14	110	5,078	5,185	187	99	183	1,450	1,466	16	16	16	1,450	1,466	16	16	16	16
Sept.....	31,924	31,610	314	14	110	5,078	5,185	187	99	183	1,450	1,466	16	16	16	1,450	1,466	16	16	16	16
Oct.....	31,924	31,610	314	14	110	5,078	5,185	187	99	183	1,450	1,466	16	16	16	1,450	1,466	16	16	16	16
Nov.....	31,924	31,610	314	14	110	5,078	5,185	187	99	183	1,450	1,466	16	16	16	1,450	1,466	16	16	16	16

RESERVES AND BORROWINGS OF MEMBER BANKS—Continued

(In millions of dollars)

Other reserve city banks					Country banks					Period
Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves	
Total held	Required <sup>1</sup>	Excess			Total held	Required <sup>1</sup>	Excess			
3,140	1,953	1,188	.....	1,188	1,568	897	671	3	668	1939—Dec.
4,317	3,014	1,303	.....	1,302	2,210	1,406	804	4	800	1941—Dec.
6,394	5,976	418	96	322	4,576	3,566	1,011	46	965	1945—Dec.
6,689	6,458	232	50	182	4,761	4,099	663	29	634	1950—Dec.
7,950	7,851	100	20	80	6,689	6,066	623	40	583	1960—Dec.
9,056	8,989	67	228	-161	8,219	7,889	330	92	238	1965—Dec.
10,081	10,031	50	105	-55	8,901	8,634	267	80	187	1967—Dec.
10,990	10,900	90	270	-180	9,875	9,625	250	180	70	1968—Dec.
10,970	10,964	6	479	-473	10,335	10,158	177	321	-144	1969—Dec.
11,548	11,506	42	264	-222	10,765	10,576	189	28	161	1970—Dec.
11,732	11,651	81	236	-155	10,915	10,749	166	16	150	1971—Mar.
11,754	11,789	-35	119	-154	11,049	10,875	174	10	164	Apr.
11,923	11,832	91	136	-45	11,223	11,063	160	68	92	May
11,743	11,735	8	181	-173	11,256	11,078	178	161	17	June
11,939	11,929	10	441	-431	11,472	11,294	178	265	-87	July
11,871	11,883	-12	425	-437	11,474	11,324	150	208	58	Aug.
12,115	12,077	38	318	-280	11,587	11,422	165	141	24	Sept.
12,069	12,050	19	163	-144	11,688	11,528	160	115	45	Oct.
12,106	12,041	65	177	-112	11,795	11,641	154	101	53	Nov.
12,198	12,233	-35	22	-57	11,931	11,757	174	42	132	Dec.
12,954	12,941	13	.....	13	12,342	12,181	161	20	141	1972—Jan.
12,578	12,573	5	12	-7	12,123	11,976	147	16	131	Feb.
12,584	12,534	50	9	41	12,104	11,951	153	15	138	Mar. <sup>2</sup>
Week ending:										
11,633	11,655	-22	242	-264	10,939	10,747	192	16	176	1971—Mar. 3
11,537	11,572	-35	244	-279	10,917	10,726	191	13	178	10
11,774	11,724	50	231	-181	10,881	10,717	164	13	151	17
11,567	11,613	-46	245	-291	10,897	10,767	130	15	115	24
11,752	11,694	58	221	-163	10,951	10,777	174	22	152	31
12,094	11,973	121	429	-308	11,572	11,376	196	292	-96	Aug. 4
11,856	11,898	-42	375	-417	11,430	11,275	155	218	-63	11
11,883	11,901	-18	545	-563	11,490	11,320	170	261	-91	18
11,798	11,788	10	372	-362	11,470	11,327	143	132	11	25
11,935	11,896	39	404	-365	11,507	11,339	168	185	-17	Sept. 1
12,182	12,138	44	588	-544	11,526	11,330	196	173	23	8
12,140	12,098	42	324	-282	11,508	11,368	140	130	10	15
11,937	12,013	76	146	-222	11,544	11,417	127	88	39	22
12,135	12,080	55	231	-176	11,703	11,549	154	157	-3	29
12,165	12,117	48	118	-70	11,743	11,569	174	162	12	Oct. 6
12,011	12,092	-81	234	-315	11,610	11,436	174	108	66	13
12,183	12,110	73	194	-121	11,651	11,512	139	99	40	20
11,876	11,933	57	129	-186	11,682	11,568	114	97	17	27
12,073	11,976	97	105	-8	11,772	11,563	209	111	98	Nov. 3
11,967	12,050	-83	47	-130	11,648	11,517	131	54	77	10
12,172	12,139	33	174	-141	11,848	11,651	197	49	148	17
11,967	11,973	-6	201	-207	11,802	11,705	97	140	-43	24
12,181	12,025	156	282	-126	11,955	11,736	219	154	65	Dec. 1
11,932	11,992	-60	15	-75	11,784	11,638	146	44	102	8
12,156	12,099	57	57	-57	11,819	11,642	177	25	152	15
12,180	12,254	-74	24	-98	11,853	11,748	105	24	81	22
12,521	12,453	68	58	10	12,099	11,913	186	61	125	29
12,871	12,819	52	.....	52	12,223	12,037	186	57	129	1972 Jan. 5
12,898	12,927	-29	.....	-29	12,271	12,071	200	17	183	12
13,309	13,327	-18	.....	-18	12,461	12,290	171	14	157	19
12,932	12,837	95	.....	95	12,419	12,256	163	12	151	26
12,686	12,688	-2	.....	-2	12,353	12,171	182	16	166	Feb. 2
12,577	12,567	10	.....	10	12,143	12,005	138	17	118	9
12,602	12,636	-34	1	-35	12,127	11,949	178	17	161	16
12,583	12,537	46	.....	46	12,101	11,940	161	14	147	23
12,464	12,492	-28	57	-85	12,096	11,936	160	10	150	Mar. 1
12,396	12,384	12	.....	12	11,985	11,828	157	4	153	8
12,605	12,554	51	2	49	12,048	11,886	162	11	151	15
12,524	12,539	-15	9	-24	12,069	11,980	89	7	82	22 <sup>2</sup>
12,690	12,611	79	21	58	12,215	12,067	148	26	122	29 <sup>2</sup>

<sup>1</sup> Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

NOTE.—Averages of daily figures. Monthly data are averages of daily figures within the calendar month; they are not averages of the 4 or 5 weeks ending on Wed. that fall within the month. Beginning with Jan. 1964, reserves are estimated except for weekly averages.

Total reserves held: Based on figures at close of business through Nov. 1959; thereafter on closing figures for balances with F.R. Banks and opening figures for allowable cash; see also note 3 to preceding table.

Required reserves: Based on deposits as of opening of business each day.

Borrowings at F.R. Banks: Based on closing figures.

A 8 MAJOR RESERVE CITY BANKS □ APRIL 1972

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 <sup>1</sup>	Less--		Net--		Gross transactions		Net transactions		Loans to dealers <sup>3</sup>	Borrowings from dealers <sup>4</sup>	Net loans
		Borrowings at F.R. Banks	Net inter-bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Pur-chases	Sales	Total two-way trans- actions <sup>2</sup>	Pur- chases of net buying banks			
<i>Total--46 banks</i>												
1972--Feb. 2.....	100	5,897	-5,797	42.8	10,686	4,788	4,108	6,578	681	1,844	73	1,771
9.....	-23	6,885	-6,930	51.6	11,669	4,784	4,102	7,567	683	1,639	121	1,518
16.....	89	6,341	-6,253	46.1	11,845	5,504	3,983	7,862	1,521	1,443	303	1,140
23.....	48	5,569	-5,521	41.4	11,458	5,889	4,193	7,265	1,696	1,787	210	1,576
Mar. 1.....	-11	6,335	-6,352	48.1	11,347	5,012	3,966	7,381	1,047	2,515	212	2,303
8.....	-1	7,282	-7,377	56.0	11,925	4,644	4,003	7,922	7,282	1,897	200	1,697
15.....	227	7,162	-6,935	51.6	12,237	5,075	4,370	7,867	705	1,809	259	1,550
22.....	-55	6,959	-7,113	53.5	12,050	5,091	4,162	7,888	929	1,995	197	1,799
29.....	67	5,722	-5,772	42.9	11,049	5,327	4,032	7,017	1,295	1,676	363	1,314
<i>8 in New York City</i>												
1972--Feb. 2.....	53	2,214	-2,160	40.6	3,148	934	934	2,214	.....	1,397	30	1,366
9.....	47	3,066	-3,135	59.4	3,851	785	785	3,066	.....	1,332	56	1,276
16.....	124	3,552	-3,427	63.9	4,350	798	798	3,552	.....	1,252	60	1,191
23.....	-3	2,980	-2,984	56.7	3,789	809	809	2,980	.....	1,467	52	1,415
Mar. 1.....	-32	3,510	-3,543	69.0	3,916	406	406	3,510	.....	1,714	47	1,668
8.....	-10	3,472	-3,577	69.4	4,058	586	586	3,472	3,472	1,431	40	1,391
15.....	167	3,279	-3,112	59.0	4,137	858	857	3,279	.....	1,400	74	1,326
22.....	-32	3,279	-3,403	65.4	4,037	737	737	3,279	.....	1,575	46	1,529
29.....	54	2,588	-2,625	49.5	3,365	777	777	2,588	.....	1,279	84	1,194
<i>38 outside New York City</i>												
1972--Feb. 2.....	47	3,683	-3,637	44.3	7,538	3,854	3,174	4,364	681	448	43	405
9.....	24	3,818	-3,795	46.6	7,818	3,999	3,317	4,501	683	307	65	242
16.....	-35	2,790	-2,826	34.5	7,496	4,706	3,185	4,310	1,521	191	242	-52
23.....	51	2,589	-2,537	31.4	7,669	5,081	3,385	4,284	1,696	320	158	162
Mar. 1.....	21	2,825	-2,810	34.8	7,431	4,606	3,560	3,871	1,047	800	165	636
8.....	9	3,810	-3,800	47.4	7,868	4,058	3,417	4,450	3,809	466	160	-306
15.....	60	3,883	-3,823	46.7	8,101	4,218	3,513	4,588	705	409	186	224
22.....	-22	3,680	-3,710	45.9	8,014	4,334	3,405	4,609	929	420	151	270
29.....	14	3,133	-3,147	38.7	7,684	4,550	3,255	4,428	1,295	398	278	120
<i>5 in City of Chicago</i>												
1972--Feb. 2.....	14	1,300	-1,376	104.3	2,078	688	638	1,441	51	110	.....	110
9.....	9	1,510	-1,508	114.8	2,132	622	585	1,547	37	95	.....	95
16.....	-9	1,406	-1,415	106.1	2,107	700	598	1,509	103	89	.....	89
23.....	18	1,288	-1,270	97.9	2,096	808	703	1,393	105	136	.....	136
Mar. 1.....	-10	1,386	-1,396	107.7	2,167	781	645	1,523	137	240	.....	240
8.....	8	1,693	-1,684	130.6	2,384	692	642	1,742	1,692	274	.....	274
15.....	6	1,712	-1,706	126.5	2,357	645	590	1,767	55	250	.....	250
22.....	-5	1,666	-1,674	128.5	2,380	715	638	1,742	76	228	.....	228
29.....	5	1,623	-1,642	125.8	2,359	736	616	1,744	120	220	.....	220
<i>33 others</i>												
1972--Feb. 2.....	32	2,293	-2,261	32.8	5,459	3,166	2,536	2,924	631	337	43	294
9.....	23	2,309	-2,286	33.5	5,686	3,377	2,732	2,955	646	213	65	148
16.....	-27	1,383	-1,411	20.5	5,389	4,006	2,588	2,801	1,418	102	242	-140
23.....	33	1,301	-1,268	18.7	5,573	4,273	2,682	2,892	1,591	184	158	26
Mar. 1.....	31	1,439	-1,414	20.9	5,263	3,825	2,915	2,348	910	560	165	395
8.....	1	2,117	-2,116	31.4	5,484	3,366	2,775	2,708	2,117	192	160	-32
15.....	54	2,171	-2,118	31.0	5,744	3,573	2,923	2,821	650	159	186	-27
22.....	-18	2,014	-2,036	30.0	5,633	3,619	2,767	2,867	852	192	151	41
29.....	18	1,510	-1,504	22.0	5,324	3,814	2,640	2,685	1,175	178	278	-100

<sup>1</sup> 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 carry-over reserves.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 <sup>3</sup>		
	Under Secs. 13 and 13a <sup>1</sup>			Under Sec. 10(b) <sup>2</sup>			Rate on Mar. 31, 1972	Effective date	Previous rate
	Rate on Mar. 31, 1972	Effective date	Previous rate	Rate on Mar. 31, 1972	Effective date	Previous rate			
Boston.....	4½	Dec. 13, 1971	4¾	5	Dec. 13, 1971	5¼	6½	Dec. 13, 1971	6¾
New York.....	4½	Dec. 17, 1971	4¾	5	Dec. 17, 1971	5¼	6½	Dec. 17, 1971	6¾
Philadelphia.....	4½	Dec. 17, 1971	4¾	5	Dec. 17, 1971	5¼	6½	Dec. 17, 1971	6¾
Cleveland.....	4½	Dec. 17, 1971	4¾	5	Dec. 17, 1971	5¼	6½	Dec. 17, 1971	6¾
Richmond.....	4½	Dec. 24, 1971	4¾	5	Dec. 24, 1971	5¼	6½	Dec. 24, 1971	6¾
Atlanta.....	4½	Dec. 23, 1971	4¾	5	Dec. 23, 1971	5¼	6½	Dec. 23, 1971	6¾
Chicago.....	4½	Dec. 17, 1971	4¾	5	Dec. 17, 1971	5¼	6½	Dec. 17, 1971	6¾
St. Louis.....	4½	Dec. 13, 1971	4¾	5	Dec. 13, 1971	5¼	6½	Dec. 13, 1971	6¾
Minneapolis.....	4½	Dec. 23, 1971	4¾	5	Dec. 23, 1971	5¼	6½	Dec. 23, 1971	6¾
Kansas City.....	4½	Dec. 13, 1971	4¾	5	Dec. 13, 1971	5¼	6½	Dec. 13, 1971	6¾
Dallas.....	4½	Dec. 24, 1971	4¾	5	Dec. 24, 1971	5¼	6½	Dec. 24, 1971	6¾
San Francisco.....	4½	Dec. 13, 1971	4¾	5	Dec. 13, 1971	5¼	6½	Dec. 13, 1971	6¾

<sup>1</sup> 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. Maximum maturity: 90 days except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not over 6 months and 9 months, respectively.

<sup>2</sup> Advances secured to the satisfaction of the F.R. Bank. Maximum maturity: 4 months.

<sup>3</sup> 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. Maximum maturity: 90 days.

**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, 1954.....	1½	1½	1959- Mar. 6.....	2½-3	3	1969- Apr. 4.....	5½-6	6
1955- Apr. 14.....	1½-1¾	1½	16.....	3	3	8.....	6	6
15.....	1½-1¾	1½	May 29.....	3	3½			
May 2.....	1¾	1¾	June 12.....	3½	3½			
Aug. 4.....	1¾-2¼	1¾	Sept. 11.....	3½-4	4	1970- Nov. 11.....	5½-6	6
5.....	1¾-2¼	2	18.....	4	4	13.....	5½-6	5½
12.....	2-2¼	2				16.....	5½	5½
Sept. 9.....	2-2¼	2¼	1960- June 3.....	3½-4	4			
13.....	2¼	2¼	10.....	3½-4	3½	Dec. 1.....	5½-5¾	5½
Nov. 18.....	2¼-2½	2½	14.....	3½	3½	4.....	5½-5¾	5½
23.....	2½	2½	Aug. 12.....	3	3½	11.....	5½	5½
			Sept. 9.....	3	3			
1956- Apr. 13.....	2½-3	2½	1963- July 17.....	3-3½	3½	1971- Jan. 8.....	5½-5½	5½
20.....	2½-3	2½	26.....	3½	3½	15.....	5½	5½
Aug. 24.....	2½-3	3				19.....	5-5¼	5½
31.....	3	3	1964- Nov. 24.....	3½-4	4	22.....	5-5¼	5
			30.....	4	4	29.....	5	5
1957- Aug. 9.....	3-3½	3						
23.....	3½	3½	1965- Dec. 6.....	4-4½	4½	Feb. 13.....	4½-5	5
Nov. 15.....	3-3½	3	13.....	4½	4½	19.....	4½	4½
Dec. 2.....	3	3				July 16.....	4½-5	5
			1967- Apr. 7.....	4-4½	4	23.....	5	5
1958- Jan. 22.....	2½-3	3	14.....	4	4			
24.....	2½-3	2½	Nov. 20.....	4-4½	4½	Nov. 11.....	4½-5	5
Mar. 7.....	2½-3	2½	27.....	4½	4½	19.....	4½	4½
13.....	2½-2¾	2½				Dec. 13.....	4½-4¾	4¾
21.....	2½	2½	1968- Mar. 15.....	4½-5	4½	24.....	4½	4½
Apr. 18.....	1¾-2¼	1¾	22.....	5	5			
May 9.....	1¾	1¾	Apr. 19.....	5-5½	5½	In effect Mar. 31, 1972.....	4½	4½
Aug. 15.....	1¾-2	1¾	26.....	5½	5½			
Sept. 12.....	1¾-2	2	Aug. 16.....	5½-5½	5½			
23.....	2	2	30.....	5½	5½			
Oct. 24.....	2-2½	2	Dec. 18.....	5½-5½	5½			
Nov. 7.....	2½	2½	20.....	5½	5½			

NOTE: Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1955, see *Banking and Monetary Statistics*, 1943, pp. 439-42 and Supplement to Section 12, p. 31.  
The rate charged by the F.R. Bank of N.Y. on repurchase contracts against U.S. Govt. obligations was the same as its rate on loans to member banks under Secs. 13 and 13a, except in the following periods (rates in percentages): 1955- May 4-6, 1.65; Aug. 4, 1.85; Sept. 1-2, 2.10; Sept. 8, 2.15; Nov. 10, 2.375; 1956- Aug. 24-29, 2.75; 1957- Aug. 22, 3.50; 1960- Oct. 31- Nov. 17, Dec. 28-29, 2.75; 1961- Jan. 9, Feb. 6-7, 2.75; Apr. 3-4, 2.50; June 29, 2.75; July 20, 31, Aug. 1-3, 2.50; Sept. 28-29,

2.75; Oct. 5, 2.50; Oct. 23, Nov. 3, 2.75; 1962- Mar. 20-21, 2.75; 1964- Dec. 10, 3.85; Dec. 15, 17, 22, 24, 28, 30, 31, 3.875; 1965- Jan. 4-8, 3.875; 1968- Apr. 4, 5, 11, 15, 16, 5.125; Apr. 30, 5.75; May 1-3, 6, 9, 13-16, 5.75; June 7, 11-13, 19, 21, 24, 5.75; July 5, 16, 5.625; Aug. 16, 19, 5.25; 1971- Jan. 21, 27, 4.75; Feb. 1-2, 4.50; 4, 11, 4.25; 16-17, 4.00; 18-19, 3.75; Mar. 1-2, 10, 12, 15-18, 24, 29, 31, 3.75; Apr. 1-2, 5-6, 3.75; 13, 15, 21, 28, 4.125; May 3-6, 17, 4.125; 18-20, 4.375; 26-27, 4.50; June 1, 4.50; Nov. 15-18, 4.75; Dec. 17, 4.125; 22, 4.05; 23, 3.75; 27, 3.75; 28-29, 3.625; 30, 3.625 and 3.75. 1972- Jan. 3, 5, 7, 3.75; 10, 3.625; 11, 13-14, 18-19, 3.50; Feb. 11, 14-16, 3.25; Mar. 10, 3.50; Mar. 14, 3.75; Mar. 29, 4.00.

RESERVE REQUIREMENTS OF MEMBER BANKS

(Per cent of deposits)

Dec. 31, 1949, through July 13, 1966					Beginning July 14, 1966							
Effective date <sup>1</sup>	Net demand deposits <sup>2</sup>			Time deposits (all classes of banks)	Effective date <sup>1</sup>	Net demand deposits <sup>2, 4</sup>				Time deposits <sup>4, 5</sup> (all classes of banks)		
	Central reserve city banks	Reserve city banks	Country banks			Reserve city banks	Country banks	Savings deposits	Other time deposits			
					Under \$5 million	Over \$5 million	Under \$5 million		Over \$5 million	Under \$5 million	Over \$5 million	
In effect Dec. 31, 1949.....	22	18	12	5	1966—July 14, 21, Sept. 8, 15.....	6 16½		6 12		6 4	6 4	5 6
1951—Jan. 11, 16.....	23	19	13	6	1967—Mar. 2, Mar. 16.....					3½ 3	3½ 3	
1953—Jan. 25, Feb. 1.....	24	20	14		1968—Jan. 11, 18.....	16½	17	12	12½			
1953—July 9, 1.....	22	19	13		1969—Apr. 17.....	17	17½	12½	13			
1954—June 24, 16.....	21			5	1970—Oct. 1.....							5
1958—July 29, Aug. 1.....	20	18	12		In effect Mar. 31, 1972.....	17	17½	12½	13	3	3	5
1958—Feb. 27, Mar. 1.....	19½	17½	11½		Present legal requirement:							
Mar. 20, Apr. 1.....	19	17	11		Minimum.....	10		7		3	3	3
Apr. 17.....	18½				Maximum.....	22		14		10	10	10
Apr. 24.....	18	16½										
1960—Sept. 1.....	17½											
Nov. 24.....			12									
Dec. 1.....	16½											
1962—July 28.....	(3)											
Oct. 25, Nov. 1.....				4								

<sup>1</sup> When two dates are shown, the first applies to the change at central reserve or reserve city banks and the second to the change at country banks. For changes prior to 1950 see Board's Annual Reports.

<sup>2</sup> Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

<sup>3</sup> Authority of the Board of Governors to classify or reclassify cities as central reserve cities was terminated effective July 28, 1962.

<sup>4</sup> Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against balances above a specified base due from domestic offices to their foreign branches. Effective Jan. 7, 1971, the applicable reserve percentage was increased from the original 10 per cent to 20 per cent. Regulation D imposes a similar reserve requirement on bor-

rowings above a specified base from foreign banks by domestic offices of a member bank. For details concerning these requirements, see Regulations D and M and appropriate supplements and amendments thereto.

<sup>5</sup> Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits.

<sup>6</sup> See preceding columns for earliest effective date of this rate.

NOTE.—All required reserves were held on deposit with F.R. Banks June 21, 1917, until Dec. 1959. From Dec. 1959 to Nov. 1960, member banks were allowed to count part of their currency and coin as reserves; effective Nov. 24, 1960, they were allowed to count all as reserves. For further details, see Board's Annual Reports.

MARGIN REQUIREMENTS

(Per cent of market value)

Beginning date	Period	Ending date	For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks)								
			On margin stocks			On convertible bonds			On short sales (T)		
			T	U	G	T	U	G			
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	
Effective Dec. 6, 1971			55				50			55	

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.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates Jan. 1, 1962—July 19, 1966					Rates beginning July 20, 1966							
Type of deposit	Effective date				Type of deposit	Effective date						
	Jan. 1, 1962	July 17, 1963	Nov. 24, 1964	Dec. 6, 1965		July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970			
Savings deposits: 1					Savings deposits.....	4	4	4	4½			
12 months or more.....	4	4	4	4	Other time deposits: 2							
Less than 12 months.....	3½	3½				Multiple maturity: 3						
					30-89 days.....	4	4	4	4½			
					90 days-1 year.....	5	5	5	5			
					1 year to 2 years.....				5½	5	5	5½
					2 years and over.....							5¾
Other time deposits: 2					Single-maturity:							
12 months or more.....	4	4	4½	5½	Less than \$100,000:				5			
6 months to 12 months.....	3½						30 days to 1 year.....	5½	5	5	5½	
90 days to 6 months.....	2½				1 year to 2 years.....				5¾			
Less than 90 days.....	1	1	4		2 years and over.....				5¾			
(30-89 days)					\$100,000 and over:							
					30-59 days.....	5½	5½	5½	5			
					60-89 days.....				5¾	6	7	
					90-179 days.....						6¾	
					180 days to 1 year.....						7	
					1 year or more.....				7½			

1 Closing date for the Postal Savings System was Mar. 28, 1966. Maximum rates on postal savings accounts coincided with those on savings deposits.

2 For exceptions with respect to certain foreign time deposits, see BULLETINS for Oct. 1962, p. 1279; Aug. 1965, p. 1084; and Feb. 1968, p. 167.

3 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.

4 The rates in effect beginning Jan. 21 through June 23, 1970, were 6¼ per cent on maturities of 30-59 days and 6½ per cent on maturities of

60-89 days. Effective June 24, 1970, maximum interest rates on these maturities were suspended until further notice.

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.

DEPOSITS, CASH, AND RESERVES OF MEMBER BANKS

(In millions of dollars)

Item	All member banks	Reserve city banks			Country banks	Item	All member banks	Reserve city banks			Country banks
		New York City	City of Chicago	Other				New York City	City of Chicago	Other	
						Four weeks ending January 26, 1972					
Gross demand—Total...	203,930	44,766	8,246	72,179	78,739	Gross demand—Total...	196,827	44,590	7,969	68,843	75,425
Interbank.....	27,971	12,937	1,516	10,121	3,396	Interbank.....	28,058	14,048	1,451	9,430	3,130
U.S. Govt.....	5,904	984	250	2,287	2,383	U.S. Govt.....	6,373	1,055	290	2,535	2,493
Other.....	170,055	30,845	6,479	59,772	72,960	Other.....	162,396	29,487	6,228	56,878	69,803
Net demand 1.....	154,107	27,350	6,488	54,685	65,584	Net demand 1.....	147,940	26,204	6,235	52,589	62,912
Time.....	213,086	25,514	7,658	78,360	101,555	Time.....	215,386	25,404	7,654	78,950	103,378
Demand balances due from domestic banks...	11,994	1,553	148	2,803	7,491	Demand balances due from domestic banks...	12,502	2,635	160	2,587	7,121
Currency and coin.....	5,906	480	129	1,875	3,422	Currency and coin.....	5,627	454	105	1,758	3,310
Balances with F.R.:						Balances with F.R.:					
Banks.....	27,060	5,618	1,394	11,128	8,922	Banks.....	26,475	5,404	1,346	10,854	8,871
Total reserves held.....	32,966	6,098	1,523	13,003	12,344	Total reserves held.....	32,102	5,858	1,451	12,612	12,181
Required.....	32,759	6,094	1,524	12,978	12,164	Required.....	31,918	5,847	1,447	12,607	12,016
Excess.....	207	4	-1	25	180	Excess.....	184	11	4	5	165

1 Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

NOTE.—Averages of daily figures, close of business.

## CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1972					1972		1971
	Mar. 29	Mar. 22	Mar. 15	Mar. 8	Mar. 1	Mar. 31	Feb. 29	Mar. 31
<b>Assets</b>								
Gold certificate account.....	9,475	9,475	9,475	9,475	9,475	9,475	9,475	10,464
Special Drawing Rights certificate account.....	400	400	400	400	400	400	400	400
Cash.....	323	324	322	322	325	327	326	268
Loans: †								
Member bank borrowings.....	1,030	732	28	703	59	255	6	391
Other.....								
Acceptances:								
Bought outright.....	79	69	67	63	63	82	63	53
Held under repurchase agreements.....	90					61		85
Federal agency obligations:								
Bought outright.....	810	810	810	727	727	810	727	
Held under repurchase agreements.....	8					16		185
U.S. Govt. securities:								
Bought outright:								
Bills.....	29,396	29,006	28,517	28,646	28,746	29,676	28,299	25,638
Certificates—Other.....								
Notes.....	36,147	36,147	36,076	36,034	36,034	36,147	36,034	34,031
Bonds.....	3,432	3,432	3,399	3,363	3,363	3,432	3,363	3,172
Total bought outright.....	1 68,975	1 68,585	1 67,992	1 68,045	1 68,145	1 69,255	1 267,698	1 62,841
Held under repurchase agreements.....	896					673		1,319
Total U.S. Govt. securities.....	69,871	68,585	67,992	68,045	68,145	69,928	67,698	64,160
Total loans and securities.....	71,888	70,196	68,897	69,538	68,994	71,152	68,494	64,874
Cash items in process of collection.....	" 10,134	" 11,310	" 12,685	" 10,716	" 11,204	" 9,905	10,431	9,892
Bank premises.....	159	159	159	157	154	159	154	134
Other assets:								
Denominated in foreign currencies.....	17	17	17	17	17	17	17	33
IMF gold deposited †.....								159
All other.....	721	667	614	575	536	702	485	671
Total assets.....	" 93,117	" 92,548	" 92,569	" 91,200	" 91,105	" 92,137	89,782	86,895
<b>Liabilities</b>								
F.R. notes.....	53,172	53,061	53,128	52,964	52,560	53,110	52,549	49,513
Deposits:								
Member bank reserves.....	" 28,418	" 26,912	" 26,581	" 26,099	" 25,996	" 27,746	25,525	25,932
U.S. Treasurer—General account.....	917	1,314	851	1,081	1,128	1,293	884	858
Foreign.....	205	175	184	150	137	191	137	201
Other:								
IMF gold deposited †.....								159
All other.....	589	608	620	548	575	715	677	635
Total deposits.....	" 30,129	" 29,009	" 28,236	" 27,878	" 27,836	" 29,945	27,223	27,785
Deferred availability cash items.....	7,514	8,263	9,059	7,998	8,410	6,743	7,716	7,342
Other liabilities and accrued dividends.....	534	513	505	524	525	555	521	546
Total liabilities.....	" 91,349	" 90,846	" 90,928	" 89,364	" 89,331	" 90,353	88,009	85,186
<b>Capital accounts</b>								
Capital paid in.....	761	756	756	756	755	761	753	717
Surplus.....	742	742	742	742	742	742	742	702
Other capital accounts.....	265	204	143	338	277	281	278	290
Total liabilities and capital accounts.....	" 93,117	" 92,548	" 92,569	" 91,200	" 91,105	" 92,137	89,782	86,895
Contingent liability on acceptances purchased for foreign correspondents.....	264	262	263	263	266	263	267	255
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	30,763	30,796	30,742	29,532	29,336	30,758	29,317	15,130
<b>Federal Reserve Notes—Federal Reserve Agents' Accounts</b>								
F.R. notes outstanding (issued to Bank).....	56,934	56,944	56,889	56,794	56,774	57,027	56,759	52,996
Collateral held against notes outstanding:								
Gold certificate account.....	2,445	2,445	2,445	2,445	2,445	2,445	2,445	3,220
U.S. Govt. securities.....	56,075	56,075	56,025	56,025	56,025	56,075	56,025	51,665
Total collateral.....	58,520	58,520	58,470	58,470	58,470	58,520	58,470	54,885

† See note 6 on p. A-5.

‡ See note 7 on p. A-5.

§ See note 1(b) to table at top of p. A-77.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON MARCH 31, 1972

(In millions of dollars)

Item	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
<b>Assets</b>													
Gold certificate account	9,475	534	1,139	489	880	917	499	1,514	410	160	362	441	2,130
Special Drawing Rights certifi. acct.	400	23	93	23	33	36	22	70	15	7	15	14	49
F.R. notes of other banks	1,230	146	260	114	67	85	265	59	23	18	35	51	107
Other cash	327	10	25	10	40	40	36	46	20	10	34	15	41
<b>Loans:</b>													
Secured by U.S. Govt. and agency obligations	51		48			*					4	1	
Other	202		200				2						
<b>Acceptances:</b>													
Bought outright	82		82										
Held under repurchase agreements	61		61										
<b>Federal agency obligations:</b>													
Bought outright	810	37	208	42	62	61	43	133	30	16	32	37	109
Held under repurchase agreements	16		16										
<b>U.S. Govt. securities:</b>													
Bought outright	169,255	3,207	17,745	3,620	5,286	5,190	3,656	11,390	2,552	1,365	2,781	3,165	9,298
Held under repurchase agreements	673		673										
<b>Total loans and securities</b>	<b>71,152</b>	<b>3,244</b>	<b>19,033</b>	<b>3,662</b>	<b>5,348</b>	<b>5,251</b>	<b>3,701</b>	<b>11,523</b>	<b>2,582</b>	<b>1,381</b>	<b>2,817</b>	<b>3,203</b>	<b>9,407</b>
Cash items in process of collection	13,264	679	2,534	653	883	931	1,497	2,143	734	503	849	861	997
Bank premises	159	2	8	3	26	13	16	17	15	22	17	12	8
<b>Other assets:</b>													
Denominated in foreign currencies	17	1	25	1	1	1	1	2	1	*	1	1	2
All other	702	57	173	40	49	50	34	107	23	16	27	30	96
<b>Total assets</b>	<b>96,726</b>	<b>4,696</b>	<b>23,270</b>	<b>4,995</b>	<b>7,327</b>	<b>7,324</b>	<b>6,071</b>	<b>15,481</b>	<b>3,823</b>	<b>2,117</b>	<b>4,157</b>	<b>4,628</b>	<b>12,837</b>
<b>Liabilities</b>													
F.R. notes	54,340	2,882	13,357	3,177	4,384	4,838	2,721	9,405	2,123	925	2,048	2,097	6,383
<b>Deposits:</b>													
Member bank reserves	27,746	994	6,800	1,163	1,807	1,447	1,805	3,839	974	684	1,222	1,727	5,284
U.S. Treasurer—General account	1,293	75	353	26	94	138	123	61	44	56	78	66	179
Foreign	191	8	65	9	15	9	12	25	6	4	7	9	22
<b>Other:</b>													
All other	1,174	40	647	2	62	61	54	71	44	40	54	41	58
<b>Total deposits</b>	<b>30,404</b>	<b>1,117</b>	<b>7,865</b>	<b>1,200</b>	<b>1,978</b>	<b>1,655</b>	<b>1,994</b>	<b>3,996</b>	<b>1,068</b>	<b>784</b>	<b>1,361</b>	<b>1,843</b>	<b>5,543</b>
Deferred availability cash items	9,643	592	1,439	498	762	691	1,209	1,720	553	356	651	568	604
Other liabilities and accrued dividends	555	27	150	28	43	41	31	82	20	13	22	25	73
<b>Total liabilities</b>	<b>94,942</b>	<b>4,618</b>	<b>22,811</b>	<b>4,903</b>	<b>7,167</b>	<b>7,225</b>	<b>5,955</b>	<b>15,203</b>	<b>3,764</b>	<b>2,078</b>	<b>4,082</b>	<b>4,533</b>	<b>12,603</b>
<b>Capital accounts</b>													
Capital paid in	761	33	196	39	69	40	52	118	25	17	32	42	98
Surplus	742	34	193	38	68	38	50	111	25	17	32	41	95
Other capital accounts	281	11	70	15	23	21	14	49	9	5	11	12	41
<b>Total liabilities and capital accounts</b>	<b>96,726</b>	<b>4,696</b>	<b>23,270</b>	<b>4,995</b>	<b>7,327</b>	<b>7,324</b>	<b>6,071</b>	<b>15,481</b>	<b>3,823</b>	<b>2,117</b>	<b>4,157</b>	<b>4,628</b>	<b>12,837</b>
Contingent liability on acceptances purchased for foreign correspondents	263	12	68	14	24	14	18	39	9	6	11	14	34

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank)	57,027	3,056	14,158	3,294	4,601	4,985	2,980	9,695	2,195	955	2,115	2,248	6,745
Collateral held against notes outstanding:													
Gold certificate account	2,445	150	500	300	350	285		700	155			5	
U.S. Govt. securities	56,075	3,000	13,800	3,150	4,400	4,720	3,100	9,300	2,130	970	2,175	2,330	7,000
<b>Total collateral</b>	<b>58,520</b>	<b>3,150</b>	<b>14,300</b>	<b>3,450</b>	<b>4,750</b>	<b>5,005</b>	<b>3,100</b>	<b>10,000</b>	<b>2,285</b>	<b>970</b>	<b>2,175</b>	<b>2,335</b>	<b>7,000</b>

<sup>1</sup> See note 6 on page A-5.

<sup>2</sup> After deducting \$12 million participations of other Federal Reserve Banks.

<sup>3</sup> After deducting \$126 million participations of other Federal Reserve Banks.

<sup>4</sup> After deducting \$195 million participations of other Federal Reserve Banks.

NOTE.—Some figures for cash items in process of collection and for member bank reserves are preliminary.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Outright transactions in U.S. Govt. securities, by maturity

Month	Total			Treasury bills			Others within 1 year			1-5 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts
1971—Feb.	5,832	5,153		5,347	5,153				-3,732	174		4,092
Mar.	3,142	2,523	240	2,600	2,523	240				263		
Apr.	2,229	1,298	50	2,033	1,298	50			2	119		-2
May	1,291	248		1,163	248				464	46		-136
June	1,955	1,165	37	1,893	1,165	37			82	38		-82
July	2,067	1,617	127	2,067	1,617	127						
Aug.	1,818	1,024		1,709	1,024				991	84		-444
Sept.	2,102	1,088	83	1,818	1,088	83	46		104	189		-104
Oct.	772	1,133		772	1,133							
Nov.	1,883	1,070	200	1,129	1,070	200	24		-3,548	406		1,478
Dec.	3,160	1,981		3,055	1,981		11		130	21		-130
1972—Jan.	915	248	110	499	248	110	16			187		
Feb.	2,036	3,481	410	1,894	3,481	410	10		1,301	73		959

Outright transactions in U.S. Govt. securities—Continued

Month	5-10 years			Over 10 years			Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations (net)		Bankers' acceptances		Net change <sup>1</sup>
	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales		Outright	Repurchase agreements	Outright, net	Under repurchase agreements, net	
1971—Feb.	189		-360	121			4,183	4,183	679		-5		673	
Mar.	205			74			6,561	5,242	1,698	186	*	85	1,968	
Apr.	62			16			5,085	6,404	-439	-186	3	-85	-707	
May	82		-327				4,076	4,076	1,043		8	48	1,099	
June	11			14			1,165	1,165	754		-1	-48	705	
July							3,044	3,044	323		-7		316	
Aug.	16		-547	8			2,184	1,951	1,027	69	-3	55	1,148	
Sept.	34			14			3,697	3,930	698	31	-69	-55	634	
Oct.							2,616	2,616	-361	61	1		-326	
Nov.	267		1,920	58		150	5,003	5,003	613	244	6		862	
Dec.	67			6			4,830	3,607	2,401	145	22	181	2,850	
1972—Jan.	191			23			4,722	5,945	-666	165	-4	-181	-787	
Feb.	52		-2,260	8			1,694	1,694	-1,854	77	-12		-1,789	

<sup>1</sup> 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.

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Austrian schillings	Belgian francs	Canadian dollars	Danish kroner	French francs	German marks	Italian lire	Japanese yen	Netherlands guilders	Swiss francs
1968—Dec.	2,061	1,444		8	3		433	165	1	1	4	3
1969—Dec.	1,967	1,575		1	*		199	60	125	1	3	4
1970—Dec.	257	154		*	*			98		1	*	4
1971—Jan.	186	80		1	*			99		1		5
Feb.	107	*		1	*			100		1		5
Mar.	34	*		1	*			27		1		5
Apr.	34	*		1	*			27		1		5
May	94	*		1	*			87		1		5
June	96	*		2	*			87		1		6
July	23	*		2	*			12		1		8
Aug.	23	*		2	*			12		1		8
Sept.	23	*		2	*			12		1		8
Oct.	30	*		9	*			12		1		8
Nov.	15	*		4	*			2		1		8
Dec.	18	3		3	*			2		1		8

**MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS**

(In millions of dollars)

Item	Wednesday					End of month		
	1972					1972		1971
	Mar. 29	Mar. 22	Mar. 15	Mar. 8	Mar. 1	Mar. 31	Feb. 29	Mar. 31
Loans—Total.....	1,030	732	28	703	59	255	6	391
Within 15 days.....	1,028	730	26	702	58	254	5	389
16 days to 90 days.....	2	2	2	1	1	1	1	2
91 days to 1 year.....								
Acceptances—Total.....	169	69	67	63	63	143	63	138
Within 15 days.....	100	10	16	22	22	70	20	98
16 days to 90 days.....	69	59	51	41	41	73	43	40
91 days to 1 year.....								
U.S. Government securities—Total.....	69,871	68,585	67,992	68,045	68,145	69,928	67,698	64,160
Within 15 days <sup>1</sup> .....	5,361	4,357	3,492	3,484	3,501	3,296	2,320	4,249
16 days to 90 days.....	16,757	16,610	17,208	17,099	16,434	18,119	17,134	14,414
91 days to 1 year.....	14,458	14,323	14,092	14,337	15,085	15,218	15,119	14,934
Over 1 year to 5 years.....	26,410	26,410	26,354	26,318	26,318	26,410	26,318	23,619
Over 5 years to 10 years.....	5,678	5,678	5,652	5,647	5,647	5,678	5,647	6,080
Over 10 years.....	1,207	1,207	1,194	1,160	1,160	1,207	1,160	864
Federal agency obligations—Total.....	818	810	810	727	727	826	727	185
Within 15 days <sup>1</sup> .....	8					16		185
16 days to 90 days.....	43	43	43	42	6	55	6	
91 days to 1 year.....	170	170	170	150	186	158	186	
Over 1 year to 5 years.....	397	397	397	366	366	397	366	
Over 5 years to 10 years.....	116	116	116	99	99	116	99	
Over 10 years.....	84	84	84	70	70	84	70	

<sup>1</sup> 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 <sup>1</sup> (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 <sup>2</sup>				N.Y.	6 others <sup>2</sup>		
1970—Dec.....	10,896.5	5,016.1	2,480.1	5,880.3	3,400.2	77.0	170.6	76.7	52.4	42.6
1971—Jan.....	10,688.4	4,825.9	2,453.5	5,862.5	3,408.9	76.3	168.3	76.8	52.6	42.9
Feb.....	11,508.9	5,477.4	2,524.1	6,031.5	3,507.4	82.0	191.3	79.5	54.0	43.9
Mar.....	11,425.9	5,309.7	2,505.3	6,116.2	3,610.9	79.5	183.5	76.5	53.3	44.1
Apr.....	11,658.7	5,356.8	2,597.1	6,301.9	3,704.8	80.5	185.6	78.7	54.4	44.7
May.....	11,119.2	4,903.9	2,573.9	6,215.3	3,641.4	76.6	171.2	77.9	53.4	43.7
June.....	11,815.7	5,202.8	2,765.2	6,612.9	3,847.7	80.1	179.3	82.4	55.8	45.3
July.....	11,770.0	5,147.4	2,773.9	6,622.6	3,848.8	79.8	179.3	82.7	55.8	45.2
Aug.....	12,369.5	5,704.9	2,795.7	6,664.7	3,869.0	83.7	198.7	83.4	56.0	45.3
Sept.....	12,310.5	5,613.7	2,815.3	6,696.8	3,881.4	83.0	191.7	84.0	56.3	45.4
Oct.....	12,270.1	5,776.2	2,710.9	6,493.9	3,783.1	83.3	201.5	81.1	54.7	44.4
Nov.....	12,896.2	6,057.5	2,857.1	6,838.6	3,981.6	87.0	211.0	85.2	57.3	46.4
Dec.....	12,328.4	5,555.5	2,813.1	6,772.8	3,959.7	83.1	195.6	83.5	56.5	45.9

▶ Revised data will be published in the BULLETIN for May.

<sup>1</sup> Excludes interbank and U.S. Govt. demand deposit accounts.

<sup>2</sup> Boston, Philadelphia, Chicago, Detroit, San Francisco—Oakland, and Los Angeles—Long Beach.

For description of series, see Mar. 1965 BULLETIN, p. 390.

The data shown here differ from those shown in the Mar. 1965 BULLETIN because they have been revised, as described in the Mar. 1967 BULLETIN, p. 389.

NOTE.—Total SMSA's includes some cities and counties not designated as SMSA's.

**DENOMINATIONS IN CIRCULATION**

(In millions of dollars)

End of period	Total in circulation <sup>1</sup>	Coin and small denomination currency							Large denomination currency						
		Total	Coin	\$1 <sup>2</sup>	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000
1939	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32
1941	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46
1945	28,515	20,683	1,274	1,039	73	2,313	6,782	9,201	7,834	2,327	4,220	454	801	7	24
1947	28,868	20,020	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17
1950	27,741	19,305	1,554	1,113	64	2,049	5,998	8,529	8,438	2,422	5,043	368	588	4	12
1955	31,158	22,021	1,927	1,312	75	2,151	6,617	9,940	9,136	2,736	5,641	307	438	3	12
1959	32,591	23,264	2,304	1,511	85	2,216	6,672	10,476	9,326	2,803	5,913	261	341	3	5
1960	32,869	23,521	2,427	1,533	88	2,246	6,691	10,536	9,348	2,815	5,954	249	316	3	10
1961	33,918	24,388	2,582	1,588	92	2,313	6,878	10,935	9,531	2,869	6,106	242	300	3	10
1962	35,338	25,356	2,782	1,636	97	2,375	7,071	11,395	9,983	2,990	6,448	240	293	3	10
1963	37,692	26,807	3,030	1,722	103	2,469	7,373	12,109	10,885	3,221	7,110	249	298	3	4
1964	39,619	28,100	3,405	1,806	111	2,517	7,543	12,717	11,519	3,381	7,590	248	293	2	4
1965	42,056	29,842	4,027	1,908	127	2,618	7,794	13,369	12,214	3,540	8,135	245	288	3	4
1966	44,663	31,695	4,480	2,051	137	2,756	8,070	14,201	12,969	3,700	8,735	241	286	3	4
1967	47,226	33,468	4,918	2,035	136	2,850	8,366	15,162	13,758	3,915	9,311	240	285	3	4
1968	50,961	36,163	5,691	2,049	136	2,993	8,786	16,508	14,798	4,186	10,068	244	292	3	4
1969	53,950	37,917	6,021	2,213	136	3,092	8,989	17,466	16,033	4,499	11,016	234	276	3	5
1970	57,093	39,639	6,281	2,310	136	3,161	9,170	18,581	17,454	4,896	12,084	215	252	3	4
1971—Feb.	55,611	38,298	6,266	2,178	136	2,972	8,753	17,994	17,313	4,822	12,022	213	249	3	4
Mar.	56,304	38,785	6,303	2,200	136	3,011	8,835	18,300	17,519	4,892	12,160	212	248	3	4
Apr.	56,592	38,917	6,360	2,206	136	3,001	8,826	18,388	17,675	4,917	12,294	210	246	3	4
May	57,403	39,509	6,410	2,245	136	3,048	8,960	18,711	17,894	4,994	12,438	210	245	3	4
June	58,393	40,263	6,472	2,277	136	3,099	9,137	19,144	18,130	5,075	12,596	209	243	3	4
July	58,558	40,238	6,493	2,260	136	3,068	9,031	19,251	18,321	5,129	12,735	208	242	3	4
Aug.	58,904	40,442	6,537	2,267	136	3,058	9,045	19,398	18,462	5,162	12,845	207	241	2	4
Sept.	58,797	40,284	6,536	2,273	135	3,053	8,987	19,279	18,514	5,155	12,906	206	240	2	4
Oct.	59,216	40,559	6,589	2,302	135	3,071	9,054	19,408	18,657	5,183	13,024	205	239	2	4
Nov.	60,636	41,699	6,714	2,360	135	3,186	9,329	19,975	18,936	5,272	13,216	204	237	2	4
Dec.	61,068	41,831	6,775	2,408	135	3,273	9,348	19,893	19,237	5,377	13,414	203	237	2	4
1972—Jan.	59,429	40,388	6,774	2,281	135	3,083	8,900	19,215	19,042	5,261	13,337	202	235	2	4
Feb.	59,795	40,725	6,812	2,275	135	3,087	9,010	19,405	19,070	5,257	13,371	201	234	2	4

<sup>1</sup> Outside Treasury and F.R. Banks. Before 1955 details are slightly overstated because they include small amounts of paper currency held by the Treasury and the F.R. Banks for which a denominational breakdown is not available.

<sup>2</sup> Paper currency only; \$1 silver coins reported under coin.

NOTE.—Condensed from Statement of United States Currency and Coin, issued by the Treasury.

**KINDS OF UNITED STATES CURRENCY OUTSTANDING AND IN CIRCULATION**

(Condensed from Circulation Statement of United States Money, issued by Treasury Department. In millions of dollars)

Kind of currency	Total outstanding, Feb. 29, 1972	Held in the Treasury			Currency in circulation <sup>1</sup>		
		As security against gold and silver certificates	Treasury cash	For F.R. Banks and Agents	1972		1971
					Feb. 29	Jan. 31	Feb. 28
Gold	9,588	(9,475)	113				
Gold certificates	(9,475)			29,474			
Federal Reserve notes	56,759		184		4,206	52,369	52,041
Treasury currency—Total	7,824		72		325	7,426	7,389
Dollars	651		17		36	598	581
Fractional coin	6,556		54		289	6,214	6,193
United States notes	323		2			321	321
In process of retirement <sup>3</sup>	294					293	294
Total—Feb. 29, 1972	474,171	(9,475)	370	9,474	4,533	59,795	
Jan. 31, 1972	474,855	(9,875)	505	9,874	5,046		59,429
Feb. 28, 1971	470,736	(10,464)	471	10,463	4,191		55,611

<sup>1</sup> Outside Treasury and F.R. Banks. Includes any paper currency held outside the United States and currency and coin held by banks. Estimated totals for Wed. dates shown in table on p. A-5.

<sup>2</sup> Consists of credits payable in gold certificates, the Gold Certificate Fund—Board of Governors, F.R.S.

<sup>3</sup> Redeemable from the general fund of the Treasury.

<sup>4</sup> Does not include all items shown, as gold certificates are secured by gold. Duplications are shown in parentheses.

NOTE.—Prepared from Statement of United States Currency and Coin and other data furnished by the Treasury. For explanation of currency reserves and security features, see the Circulation Statement or the Aug. 1961 BULLETIN, p. 936.



MEASURES OF THE MONEY STOCK

(In billions of dollars)

Month or week	Seasonally adjusted*			Not seasonally adjusted*		
	M <sub>1</sub> (Currency plus demand deposits)	M <sub>2</sub> (M <sub>1</sub> plus time deposits at coml. banks other than large time CD's) <sup>1</sup>	M <sub>3</sub> (M <sub>2</sub> plus deposits at nonbank thrift institutions) <sup>2</sup>	M <sub>1</sub> (Currency plus demand deposits)	M <sub>2</sub> (M <sub>1</sub> plus time deposits at coml. banks other than large time CD's) <sup>1</sup>	M <sub>3</sub> (M <sub>2</sub> plus deposits at nonbank thrift institutions) <sup>2</sup>
1968—Dec.....	197.4	378.0	572.6	203.4	383.0	577.5
1969—Dec.....	203.7	386.8	588.3	209.8	392.0	593.4
1970—Dec.....	214.8	418.2	634.0	221.2	423.5	637.2
1971—Mar.....	219.7	437.1	663.9	217.5	435.7	662.9
Apr.....	221.2	441.5	672.5	222.3	443.7	675.2
May.....	223.8	446.6	681.0	219.9	443.7	678.2
June.....	225.5	450.6	687.8	223.7	449.1	687.1
July.....	227.4	453.4	693.8	226.0	452.0	693.0
Aug.....	228.0	454.5	697.6	224.9	451.7	694.5
Sept.....	227.6	455.6	701.2	226.2	454.3	699.5
Oct.....	227.7	458.3	706.5	227.5	458.0	705.9
Nov.....	227.7	460.8	711.6	229.6	461.4	711.4
Dec.....	228.2	464.7	718.1	235.1	470.2	723.4
1972—Jan.....	228.8	469.9	727.3	235.3	475.3	732.8
Feb.....	231.2	475.5	737.4	229.0	472.7	734.1
Mar. <sup>P</sup> .....	233.6	480.1	746.0	231.3	478.7	744.9
Week ending—						
Mar. 1.....	231.4	477.3	.....	228.2	473.7	.....
8.....	232.5	478.1	.....	230.4	476.4	.....
15.....	233.9	480.7	.....	232.1	480.2	.....
22.....	233.8	480.1	.....	231.0	478.4	.....
29 <sup>P</sup> .....	233.4	479.9	.....	230.4	478.5	.....

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted						Not seasonally adjusted						U.S. Govt. deposits <sup>5</sup>
	Cur- rency	De- mand depos- its	Commercial banks			Non- bank thrift insti- tutions <sup>4</sup>	Cur- rency	De- mand depos- its	Commercial banks			Non- bank thrift insti- tutions <sup>4</sup>	
			Time and savings deposits						Time and savings deposits				
			CD's <sup>3</sup>	Other	Total				CD's <sup>3</sup>	Other	Total		
1968—Dec.....	43.4	154.0	23.6	180.6	204.2	194.6	44.3	159.1	23.6	179.6	203.2	194.6	5.0
1969—Dec.....	46.0	157.7	11.0	183.2	194.1	201.5	46.9	162.9	11.1	182.1	193.2	201.4	5.6
1970—Dec.....	49.0	165.8	25.5	203.4	228.9	215.8	50.0	171.3	25.8	202.3	228.1	213.6	7.3
1971—Mar.....	50.0	169.7	28.1	217.4	245.4	226.8	49.5	168.0	28.0	218.2	246.2	227.2	5.5
Apr.....	50.5	170.7	27.8	220.3	248.1	231.0	50.1	172.3	27.1	221.4	248.5	231.5	5.5
May.....	50.8	173.0	28.5	222.8	251.3	234.4	50.5	169.4	27.6	223.8	251.4	234.5	7.8
June.....	51.1	174.5	29.4	225.0	254.4	237.2	51.0	172.7	28.4	225.4	253.8	238.0	5.3
July.....	51.6	175.8	30.4	225.9	256.4	240.4	51.9	174.1	29.5	226.0	255.5	241.1	6.8
Aug.....	51.7	176.3	30.8	226.5	257.3	243.1	51.9	173.0	31.2	226.9	258.1	242.8	6.8
Sept.....	51.9	175.7	31.6	228.0	259.6	245.6	51.9	174.3	32.1	228.1	260.3	245.2	7.5
Oct.....	52.2	175.5	32.7	230.6	263.3	248.3	52.2	175.3	33.6	230.5	264.1	247.9	5.3
Nov.....	52.2	175.5	32.2	233.1	265.3	250.8	52.8	176.9	33.7	231.8	265.5	250.0	3.9
Dec.....	52.5	175.7	33.4	236.4	269.9	253.4	53.5	181.5	33.9	235.1	269.0	253.2	6.7
1972—Jan.....	52.8	176.0	33.2	241.2	274.4	257.4	52.6	182.7	33.7	240.0	273.7	257.5	7.2
Feb.....	53.2	178.0	33.8	244.3	278.1	261.9	52.6	176.4	33.6	243.7	277.3	261.4	7.2
Mar. <sup>P</sup> .....	53.7	179.9	33.4	246.5	279.9	265.9	53.2	178.1	33.3	247.4	280.7	266.1	7.7
Week ending—													
Mar. 1.....	53.2	178.2	33.8	245.9	279.7	.....	52.3	175.9	33.8	245.5	279.3	.....	7.1
8.....	53.5	179.0	33.7	245.7	279.4	.....	53.4	177.0	34.0	246.0	280.0	.....	6.5
15.....	53.7	180.2	33.0	246.8	279.8	.....	53.3	178.8	32.8	248.1	280.9	.....	6.5
22.....	53.7	180.1	33.1	246.4	279.5	.....	53.2	177.7	33.0	247.4	280.4	.....	9.1
29 <sup>P</sup> .....	53.9	179.5	33.7	246.5	280.2	.....	52.9	177.5	33.5	248.0	281.5	.....	9.0

<sup>1</sup> Includes, in addition to currency and demand deposits, savings deposits, time deposits open account, and time certificates of deposits other than negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

<sup>2</sup> Includes M<sub>2</sub>, plus the average of the beginning and end of month deposits of mutual savings banks and savings and loan shares.

<sup>3</sup> Negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

<sup>4</sup> Average of the beginning and end-of-month deposits of mutual savings banks and savings and loan shares.

<sup>5</sup> At all commercial banks.

NOTE.—For description of revised series and for back data, see pp. 880-93 of the November BULLETIN.

Average of daily figures. Money stock consists of (1) demand deposits at all commercial banks other than those due to domestic commercial banks and the 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 all commercial banks. Time deposits adjusted are time deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt.

**AGGREGATE RESERVES AND MEMBER BANK DEPOSITS**

(In billions of dollars)

Period	Member bank reserves, S.A. <sup>1</sup>			Deposits subject to reserve requirements <sup>2</sup>								Total member bank deposits plus nondeposit items <sup>3</sup>	
	Total	Non-borrowed	Required	S.A.				N.S.A.				S.A.	N.S.A.
				Total	Time and savings	Demand		Total	Time and savings	Demand			
						Private	U.S. Govt.			Private	U.S. Govt.		
1968—Dec.....	27.25	26.47	26.89	297.6	164.2	128.3	5.1	301.2	163.8	133.3	4.1	304.6	308.1
1969—Dec.....	27.98	26.83	27.74	285.4	150.3	129.8	5.3	288.8	149.7	134.6	4.6	305.4	308.8
1970—Dec.....	29.13	28.76	28.92	319.0	178.8	133.8	6.4	322.8	178.2	138.7	6.0	330.6	334.4
1971—Mar.....	29.78	29.45	29.59	332.5	191.7	136.8	4.0	332.2	192.3	135.4	4.5	339.6	339.2
Apr.....	29.99	29.86	29.79	336.9	193.6	137.7	5.6	337.3	193.6	139.0	4.7	342.0	342.4
May.....	30.33	30.11	30.12	340.4	196.0	139.0	5.4	338.4	195.8	135.9	6.7	344.5	342.5
June.....	30.53	30.11	30.33	342.3	198.2	139.8	4.3	340.2	197.6	138.2	4.4	346.7	344.7
July.....	30.64	29.91	30.47	345.5	199.8	140.6	5.1	344.1	198.9	139.4	5.7	349.8	348.4
Aug.....	30.74	29.98	30.57	347.1	200.3	141.0	5.7	344.6	200.8	138.1	5.8	351.0	348.6
Sept.....	31.07	30.56	30.91	349.2	202.1	140.5	6.6	348.2	202.7	139.2	6.3	353.3	352.2
Oct.....	30.88	30.48	30.69	349.8	205.2	139.9	4.7	350.2	205.9	139.9	4.3	354.7	355.0
Nov.....	30.97	30.54	30.75	352.7	206.4	140.9	5.4	351.6	206.9	141.6	3.2	358.0	357.0
Dec.....	31.25	31.08	31.10	357.9	210.2	141.5	6.2	362.2	209.7	146.7	5.7	361.9	366.2
1972—Jan.....	31.77	31.68	31.56	360.9	213.7	141.0	6.3	366.3	213.4	146.9	6.0	364.9	370.3
Feb.....	31.62	31.58	31.47	363.1	216.4	142.9	3.7	363.4	215.9	141.5	6.1	366.7	367.1
Mar. <sup>p</sup> .....	32.04	31.94	31.83	368.4	217.4	144.9	6.1	368.0	218.1	143.4	6.6	372.2	371.8

<sup>1</sup> 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. Required reserves were reduced by \$500 million (net) effective Oct. 1, 1970.

<sup>2</sup> 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. Data for

1968 are not comparable with later data due to the withdrawal from the System on Jan. 2, 1969, of a large member bank.

<sup>3</sup> Total member bank deposits subject to reserve requirements, plus Euro-dollar borrowings, bank-related commercial paper, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE.—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.

**GROSS LOANS AND INVESTMENTS**

(In billions of dollars)

Date	Seasonally adjusted				Not seasonally adjusted				Loans <sup>1</sup> plus loans sold to bank affiliates <sup>3</sup>	
	Total <sup>1,2</sup>	Loans <sup>1,2</sup>	Securities		Total <sup>1,2</sup>	Loans <sup>1,2</sup>	Securities		S.A.	N.S.A.
			U.S. Govt.	Other <sup>2</sup>			U.S. Govt.	Other <sup>2</sup>		
1965—Dec. 31.....	300.1	198.2	57.1	44.8	307.6	203.2	59.5	44.9		
1966—Dec. 31.....	316.1	213.9	53.5	48.7	324.0	219.0	56.2	48.8		
1967—Dec. 30.....	352.0	231.3	59.3	61.4	360.8	236.8	62.5	61.5		
1968—Dec. 31.....	390.6	258.2	61.0	71.4	400.4	264.4	64.5	71.5		
1969—Dec. 31 <sup>4</sup> .....	402.1	279.4	51.5	71.2	412.1	286.1	54.7	71.3	283.3	290.0
1970—Dec. 31.....	435.9	292.0	58.0	85.9	446.8	299.0	61.7	86.1	294.9	301.9
1971—Mar. 31.....	449.5	296.5	61.1	91.9	447.7	294.6	61.6	91.5	299.3	297.5
Apr. 28.....	452.5	298.2	60.7	93.5	450.9	296.7	60.0	94.2	300.9	299.4
May 26.....	456.1	300.7	60.4	95.1	453.6	300.0	58.8	94.9	303.5	302.8
June 30.....	461.1	301.7	62.8	96.6	464.8	307.1	60.3	97.4	304.8	310.2
July 28.....	463.7	304.1	61.6	98.0	463.0	305.6	59.3	98.2	307.0	308.4
Aug. 25.....	468.4	309.7	60.9	97.8	466.1	309.3	58.7	98.1	312.4	312.0
Sept. 29 <sup>p</sup> .....	472.4	313.0	59.9	99.5	472.0	313.4	58.7	99.9	316.0	316.4
Oct. 27 <sup>p</sup> .....	476.5	316.4	59.1	101.0	475.8	314.5	60.0	101.3	319.3	317.4
Nov. 24 <sup>p</sup> .....	478.4	317.5	58.9	102.0	478.5	316.0	61.1	101.4	320.3	318.8
Dec. 31 <sup>p</sup> .....	482.9	318.6	60.3	103.9	494.9	326.3	64.6	104.1	321.5	329.2
1972—Jan. 26 <sup>p</sup> .....	489.8	324.3	59.8	105.7	488.5	321.2	62.8	104.5	327.3	324.2
Feb. 23 <sup>p</sup> .....	495.0	327.1	61.1	106.8	490.8	322.9	62.0	105.9	330.0	325.8
Mar. 29 <sup>p</sup> .....	502.6	331.9	62.3	108.4	499.1	328.5	62.5	108.1	334.7	331.3

<sup>1</sup> Adjusted to exclude domestic commercial interbank loans.  
<sup>2</sup> Beginning June 9, 1966, about \$1.1 billion of balances accumulated for payment of personal loans were deducted as a result of a change in Federal Reserve regulations.  
 Beginning June 30, 1966, CCC certificates of interest and Export-Import Bank portfolio fund participation certificates totaling an estimated \$1 billion are included in "Other securities" rather than "Loans."  
<sup>3</sup> Includes loans sold outright by commercial banks to own subsidiaries, foreign branches, holding companies, and other affiliates.  
<sup>4</sup> Beginning June 30, 1969, data revised to include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only. Also, loans and investments are now reported gross, without valuation reserves deducted, rather than

net of valuation reserves as was done previously. For a description of the revision, see Aug. 1969 BULLETIN, pp. 642-46. Data shown in this table beginning January 1959 have been revised to include valuation reserves.  
<sup>5</sup> Beginning June 30, 1971, Farmers Home Administration insured notes totaling approximately \$700 million are included in "Other securities" rather than in "Loans."  
 NOTE.—Series revised. For monthly data 1959-70, see Dec. 1971 BULLETIN, pp. 974-75. For monthly data, 1948-58, see Aug. 1968 BULLETIN, pp. A-94-A-97. For a description of the seasonally adjusted series see the following Bulletins: July 1962, pp. 797-802; July 1966, pp. 950-55; Sept. 1967, pp. 1311-17; and Dec. 1971, pp. 971-73. Data are for last Wed. 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.

CONSOLIDATED CONDITION STATEMENT

(In millions of dollars)

Date	Assets									Total assets, net—Total liabilities and capital, net	Liabilities and capital	
	Gold stock and SDR certificates <sup>1</sup>	Treasury currency outstanding	Bank credit						Other securities <sup>4</sup>		Total deposits and currency	Capital and misc. accounts, net
			Total	Loans net <sup>2</sup>	U.S. Treasury securities							
					Total	Com. and savings banks	Federal Reserve Banks	Other <sup>3</sup>				
1947—Dec. 31	22,754	4,562	160,832	43,023	107,086	81,199	22,559	3,328	10,723	188,148	175,348	12,800
1950—Dec. 30	22,706	4,636	171,667	60,366	96,560	72,894	20,778	2,888	14,741	199,008	184,384	14,624
1967—Dec. 30	11,982	6,784	468,943	282,040	117,064	66,752	49,112	1,200	69,839	487,709	444,043	43,670
1968—Dec. 31	10,367	6,795	514,427	311,334	121,273	68,285	52,937	51	81,820	511,589	484,212	47,379
1969—Dec. 31 <sup>5</sup>	10,367	6,849	532,663	335,127	115,129	57,952	57,154	23	82,407	549,879	485,545	64,337
1970—Dec. 31	11,132	7,149	580,899	354,447	127,207	64,814	62,142	251	99,245	599,180	535,157	64,020
1971—Mar. 31	11,100	7,300	586,700	350,100	129,900	65,000	64,200	800	106,600	605,100	539,100	66,000
Apr. 28	11,100	7,300	589,300	351,100	128,300	63,400	64,000	900	110,000	607,800	544,300	63,400
May 26	10,700	7,400	594,700	355,300	128,100	62,200	64,900	900	111,300	612,800	550,400	62,300
June 30	10,732	7,420	608,204	363,301	130,479	63,565	65,518	1,396	114,424	626,356	560,032	66,324
July 28	10,700	7,400	605,300	360,100	129,700	62,800	65,800	1,100	115,400	623,000	559,500	64,000
Aug. 25	10,500	7,500	611,300	365,700	130,000	62,200	66,400	1,400	115,600	629,300	563,500	65,800
Sept. 29 <sup>6</sup>	10,500	7,500	617,000	368,100	131,300	62,200	67,600	1,600	117,500	635,000	567,500	67,600
Oct. 27 <sup>6</sup>	10,500	7,600	621,500	368,800	133,700	63,400	67,800	2,500	119,000	639,600	570,800	68,800
Nov. 24 <sup>6</sup>	10,500	7,600	625,200	369,500	136,500	64,500	69,500	2,500	119,200	643,300	574,300	69,100
Dec. 29 <sup>6</sup>	10,500	7,600	642,900	379,600	141,600	67,900	71,200	2,500	121,700	661,000	598,100	62,900
1972—Jan. 26 <sup>6</sup>	10,500	7,700	639,900	378,300	138,700	66,200	69,900	2,500	123,000	658,100	590,100	68,000
Feb. 23 <sup>6</sup>	10,000	7,800	639,800	378,900	136,800	65,300	68,900	2,500	124,200	657,600	589,200	68,400
Mar. 29 <sup>6</sup>	10,000	7,900	650,000	384,500	138,200	65,800	69,900	2,500	127,300	667,800	602,800	65,100

DETAILS OF DEPOSITS AND CURRENCY

Date	Seasonally adjusted <sup>6</sup>						Not seasonally adjusted						Related deposits (not seasonally adjusted)			
	Total	Currency outside banks	Demand deposits adjusted <sup>7</sup>	Total	Currency outside banks	Demand deposits adjusted <sup>7</sup>	Time				Foreign, net <sup>10</sup>	U.S. Government				
							Total	Commercial banks <sup>8</sup>	Mutual savings banks <sup>9</sup>	Postal Savings System <sup>3</sup>		Treasury cash holdings	At com. and savings banks	At F.R. Banks		
1947—Dec. 31	110,500	26,100	84,400	113,597	26,476	87,121	56,411	35,249	17,746	3,416	1,682	1,336	1,452	870		
1950—Dec. 30	114,600	24,600	90,000	117,670	25,398	92,272	59,246	36,314	20,009	2,923	2,518	1,293	2,989	668		
1967—Dec. 30	181,500	39,600	141,900	191,232	41,071	150,161	242,657	182,243	60,414	2,179	1,344	5,508	1,123	703		
1968—Dec. 31	199,600	42,600	157,000	207,347	43,527	163,820	267,627	202,786	64,841	2,455	695	5,385	5,273	1,312		
1969—Dec. 31 <sup>5</sup>	206,800	45,400	161,400	214,689	46,358	168,331	260,992	193,533	67,459	2,683	596	5,273	1,312	1,156		
1970—Dec. 31	209,400	47,800	161,600	219,422	49,779	169,643	302,591	230,622	71,969	3,148	431	8,409	1,156	900		
1971—Mar. 31	214,100	49,300	164,800	208,200	48,800	159,400	322,100	247,000	75,100	2,500	500	5,000	1,400	900		
Apr. 28	207,200	48,900	158,300	207,400	48,500	158,900	324,200	248,300	75,900	2,300	500	8,600	1,400	900		
May 26	212,400	49,500	162,900	209,900	49,400	160,500	328,400	251,700	76,800	2,300	500	8,500	1,400	900		
June 30	217,900	50,000	167,900	215,010	50,491	164,519	331,873	253,651	78,222	2,482	454	8,939	1,274	900		
July 28	213,900	50,400	163,500	213,700	50,500	163,200	334,000	255,800	78,200	2,500	500	7,400	1,400	900		
Aug. 25	214,700	50,300	164,400	213,000	50,600	162,300	336,300	257,700	78,600	2,500	500	10,000	1,400	900		
Sept. 29 <sup>6</sup>	213,800	50,400	163,400	212,400	50,500	161,900	340,700	261,400	79,400	2,400	500	9,500	2,000	900		
Oct. 27 <sup>6</sup>	215,400	51,000	164,400	216,300	50,900	165,400	343,400	263,600	79,800	2,500	500	6,500	1,700	900		
Nov. 24 <sup>6</sup>	215,800	51,100	164,700	219,200	52,500	166,700	345,800	265,500	80,300	2,600	500	4,700	1,400	900		
Dec. 29 <sup>6</sup>	223,200	51,100	172,100	230,100	52,200	177,800	351,500	270,000	81,600	2,500	500	11,600	2,000	900		
1972—Jan. 26 <sup>6</sup>	216,100	51,800	164,300	218,900	51,100	167,800	355,600	273,900	81,700	2,400	500	9,800	2,900	900		
Feb. 23 <sup>6</sup>	219,100	52,200	166,900	218,000	51,600	166,400	359,400	277,400	82,100	2,600	400	7,800	1,100	900		
Mar. 29 <sup>6</sup>	229,000	52,700	176,300	225,700	52,200	173,500	364,000	280,700	83,300	2,500	400	9,200	900	900		

<sup>1</sup> Includes Special Drawing Rights certificates beginning January 1970.  
<sup>2</sup> Beginning with data for June 30, 1966, about \$1.1 billion in "Deposits accumulated for payment of personal loans" were excluded from "Time deposits" and deducted from "Loans" at all commercial banks. These changes resulted from a change in Federal Reserve regulations. See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. A-32. See footnote 1 on p. A-23.  
<sup>3</sup> After June 30, 1967, Postal Savings System accounts were eliminated from this Statement.  
<sup>4</sup> See second paragraph of note 2.  
<sup>5</sup> Figures for this and later dates take into account the following changes (beginning June 30, 1969) for commercial banks: (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. See also note 1.  
<sup>6</sup> Series began in 1946; data are available only for last Wed. of month.  
<sup>7</sup> Other than interbank and U.S. Govt., less cash items in process of collection.

<sup>8</sup> See first paragraph of note 2.  
<sup>9</sup> Includes relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.  
<sup>10</sup> Reclassification of deposits of foreign central banks in May 1961 reduced this item by \$1,900 million (\$1,500 million to time deposits and \$400 million to demand deposits).

NOTE.—For back figures and descriptions of the consolidated condition statement and the seasonally adjusted series on currency outside banks and demand deposits adjusted, see "Banks and the Monetary System," Section 1 of *Supplement to Banking and Monetary Statistics, 1962*, and BULLETINS for Jan. 1948 and Feb. 1960. Except on call dates, figures are partly estimated and are rounded to the nearest \$100 million.  
 For description of substantive changes in official call reports of condition beginning June 1969, see BULLETIN for Aug. 1969, pp. 642-46.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Class of bank and date	Loans and investments					Total assets <sup>3</sup>	Total liabilities and capital accounts <sup>4</sup>	Deposits						Borrowings	Total capital accounts	Number of banks			
	Total	Loans <sup>1</sup>	Securities		Cash assets <sup>3</sup>			Total <sup>3</sup>	Interbank <sup>3</sup>		Other		U.S. Govt.				Time <sup>5</sup>	U.S. Govt.	Time <sup>5</sup>
			U.S. Treasury	Other <sup>2</sup>					Demand	Time	U.S. Govt.	Time <sup>5</sup>							
<b>All commercial banks:</b>																			
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						
1945—Dec. 31...	124,019	26,083	90,606	7,331	34,806	160,312	150,227	14,065	103,921	30,241	219	8,950	14,011						
1947—Dec. 31...	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	1,343	94,367	35,260	65	10,059	14,181					
1966—Dec. 31...	322,661	217,726	56,163	48,772	69,119	403,368	352,287	19,770	967	4,992	167,751	158,806	4,859	32,034	13,767				
1967—Dec. 30...	359,903	235,954	62,473	61,477	77,928	451,012	395,008	21,883	1,314	5,234	184,066	182,511	5,777	34,384	13,722				
1968—Dec. 31...	401,262	265,259	64,466	71,537	83,752	500,657	434,023	24,747	1,211	5,010	199,901	203,154	8,899	37,006	13,679				
1969—Dec. 31...	421,597	295,547	54,709	71,341	89,984	530,665	435,577	27,174	735	5,054	208,870	193,744	18,360	39,978	13,661				
1970—Dec. 31...	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—Mar. 31...	463,500	310,380	61,620	91,500	94,350	580,930	483,470	30,640	1,990	4,520	198,860	247,460	22,130	43,530	13,713				
Apr. 28...	467,030	312,840	60,030	94,160	88,680	578,200	479,640	26,430	2,020	8,150	194,310	248,730	24,070	43,740	13,717				
May 26...	469,010	315,380	58,770	94,860	84,530	576,610	478,570	24,400	2,080	7,900	191,930	252,260	23,390	43,910	13,720				
June 30...	480,524	322,886	60,254	97,383	96,141	599,429	503,018	31,313	2,207	8,412	206,918	254,168	22,547	45,311	13,729				
July 28...	478,300	320,870	59,280	98,150	85,880	587,470	489,140	26,650	2,030	6,790	197,310	256,360	24,050	44,800	13,734				
Aug. 25...	482,230	325,450	58,720	98,060	85,300	591,080	491,180	26,380	2,110	9,390	195,020	258,280	24,620	44,980	13,739				
Sept. 29...	489,640	331,000	58,740	99,900	88,180	602,070	497,530	27,050	2,500	8,920	197,180	261,880	26,850	45,110	13,753				
Oct. 27...	491,270	329,910	60,020	101,340	95,590	610,880	505,960	28,950	2,610	5,940	204,350	264,110	27,240	45,530	13,768				
Nov. 24...	495,560	333,400	61,140	101,380	95,350	614,570	504,830	28,250	2,600	4,200	203,760	266,020	30,870	45,710	13,776				
Dec. 29...	511,670	343,530	64,550	103,590	95,830	632,780	524,890	27,020	2,650	11,120	213,610	270,490	30,960	46,080	13,784				
1972—Jan. 26...	506,410	339,100	62,810	104,500	91,860	622,090	519,020	28,550	2,820	9,240	203,950	274,460	26,510	46,560	13,787				
Feb. 23...	509,540	341,650	61,980	105,910	95,060	628,400	521,730	31,130	2,850	7,240	202,620	277,890	29,330	47,000	13,790				
Mar. 29...	520,000	349,450	62,490	108,060	90,350	635,300	522,990	26,500	2,820	8,710	203,800	281,160	32,970	47,400	13,799				
<b>Member of F.R. System:</b>																			
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				
1945—Dec. 31...	107,183	22,775	78,338	6,070	29,845	138,304	129,670	13,576	64	22,179	69,640	24,210	208	7,589	6,884				
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				
1966—Dec. 31...	263,687	182,802	41,924	38,960	60,738	334,559	291,063	18,788	794	4,432	138,218	128,831	4,618	26,278	6,150				
1967—Dec. 30...	293,120	196,849	46,956	49,315	68,946	373,584	326,033	20,811	1,169	4,631	151,980	147,442	5,370	28,098	6,071				
1968—Dec. 31...	325,086	220,285	47,881	56,920	73,756	412,541	355,414	23,519	1,061	4,309	163,920	162,605	8,458	30,060	5,978				
1969—Dec. 31...	336,738	242,119	39,833	54,785	79,034	432,270	349,883	25,841	609	4,114	169,750	149,569	17,959	32,047	5,869				
1970—Dec. 31...	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	5,766				
1971—Mar. 31...	366,723	250,777	45,193	70,753	83,092	469,355	386,692	29,399	1,749	3,726	159,983	191,835	21,107	34,658	5,751				
Apr. 28...	368,539	252,040	43,704	72,795	78,152	465,677	382,149	25,278	1,776	6,957	155,728	192,410	22,983	34,799	5,747				
May 26...	369,182	253,513	42,601	73,068	73,902	462,599	379,887	23,243	1,838	6,663	153,227	194,916	22,377	34,944	5,742				
June 30...	378,233	259,530	44,038	74,665	84,743	482,225	400,973	29,965	1,980	6,984	165,827	196,218	21,700	35,822	5,736				
July 28...	376,133	257,988	42,844	75,301	75,342	471,089	388,088	25,436	1,804	5,496	157,436	197,916	23,311	35,555	5,730				
Aug. 25...	379,269	261,993	42,337	74,939	74,807	473,923	398,558	25,169	1,883	7,907	155,336	199,263	23,749	35,723	5,730				
Sept. 29...	385,391	266,575	42,369	76,447	77,361	483,064	394,598	25,829	2,274	7,369	157,000	202,126	25,843	35,827	5,724				
Oct. 27...	386,028	264,847	43,586	77,595	83,963	490,047	401,167	27,616	2,385	4,840	162,600	203,726	26,203	36,179	5,725				
Nov. 24...	389,468	267,887	44,630	77,551	83,788	492,995	399,678	26,941	2,372	3,317	161,905	205,143	29,776	36,303	5,729				
Dec. 29...	402,687	276,319	47,130	79,238	84,104	507,884	416,570	25,656	2,418	9,399	170,172	208,925	29,856	36,562	5,728				
1972—Jan. 26...	397,951	272,452	45,723	79,776	80,580	498,591	411,462	27,230	2,596	7,643	162,307	211,686	25,429	37,028	5,718				
Feb. 23...	400,338	274,508	45,102	80,728	83,258	503,720	413,339	29,738	2,627	5,931	161,031	214,012	28,227	37,340	5,720				
Mar. 29...	409,024	281,182	45,486	82,356	78,710	508,747	413,132	25,154	2,590	7,216	161,976	216,196	31,792	37,683	5,720				
<b>Reserve city member: New York City:<sup>8</sup></b>																			
1941—Dec. 31...	12,896	4,072	7,265	1,559	6,637	19,862	17,932	4,202	6	866	12,051	807	1,648	36					
1945—Dec. 31...	26,143	7,334	17,574	1,235	6,439	32,887	30,121	4,640	17	6,940	17,287	1,236	195	2,120	37				
1947—Dec. 31...	20,393	7,179	11,972	1,242	7,261	27,982	25,216	4,453	12	267	19,040	1,445	30	2,259	37				
1966—Dec. 31...	46,536	35,941	4,920	5,674	14,869	64,424	51,837	6,370	467	1,016	26,535	17,449	1,874	5,298	12				
1967—Dec. 30...	52,141	39,059	6,027	7,055	18,797	74,609	60,407	7,238	741	1,084	31,282	20,062	1,880	5,715	12				
1968—Dec. 31...	57,047	42,968	5,984	8,094	19,948	81,364	63,900	8,964	622	888	33,351	20,076	2,733	6,137	12				
1969—Dec. 31...	60,333	48,305	5,048	6,980	22,349	87,753	62,381	10,349	268	694	36,126	14,944	4,405	6,301	12				
1970—Dec. 31...	62,347	47,161	6,009	9,177	21,715	89,384	67,186	12,508	956	1,039	32,235	20,448	4,500	6,486	12				
1971—Mar. 31...	59,912	45,457	5,683	8,772	27,111	93,161	71,345	14,672	846	573	33,114	22,140	5,741	6,723	12				
Apr. 28...	60,115	45,741	5,316	9,058	23,718	89,486	67,750	12,261	920	1,392	30,793	22,384	6,285	6,743	12				
May 26...	59,029	45,441	5,007	8,581	19,816	84,885	63,973	10,254	846	1,388	28,552	22,933	6,072	6,797	12				
June 30...	61,059	47,243	5,116	8,700	26,200	92,767	73,710	15,221	937	1,199	32,816	23,536	4,531	6,860	12				
July 28...	59,988	46,382	4,837	8,769	22,281	88,057	67,319	12,062	835	939	29,379	24,104	5,954	7,009	12				
Aug. 25...	60,886	47,659	4,793	8,434	21,431	88,217	67,392	11,918	939	1,564	28,578	24,393	6,201	7,078	12				
Sept. 29...	61,997	48,700	4,713	8,584	23,254	90,982	68,633	12,471	1,013	1,283	29,229	24,637	6,818	7,061	12				
Oct. 27...	61,734	47,971	5,088	8,675	24,405	91,671	68,923	13,005	1,086	710	29,561	24,561	6,748	7,207	12				
Nov. 24...	61,776	47,626	5,582	8,568	23,026	90,662	67,792	12,988	1,196	392	28,785	24,431	6,954	7,257	12				
Dec. 29...	63,429	49,219	5,231	8,979	23,043	92,432	70,247	11,618	1,117										

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Class of bank and date	Loans and investments					Total assets—Total liabilities and capital accounts <sup>4</sup>	Deposits							Total capital accounts	Number of banks
	Total	Loans <sup>1</sup>	Securities		Cash assets <sup>3</sup>		Interbank <sup>5</sup>		Other			Borrowings			
			U.S. Treasury	Other <sup>2</sup>			Demand	Time	Demand		Time <sup>6</sup>				
								U.S. Govt.	Other						
<b>Reserve city member (cont.):</b>															
<b>City of Chicago: 4, 9</b>															
1941—Dec. 31	2,760	954	1,430	376	1,566	4,363	4,057	1,035	127	2,419	476	288	13		
1945—Dec. 31	5,931	1,333	4,213	385	1,489	7,459	7,046	1,312	1,552	3,462	719	377	12		
1947—Dec. 31	5,088	1,801	2,890	397	1,739	6,866	6,402	1,217	72	4,201	913	426	14		
1966—Dec. 31	11,802	8,756	1,545	1,502	2,638	14,935	12,673	1,433	25	310	6,008	4,898	484	1,199	11
1967—Dec. 30	12,744	9,223	1,574	1,947	2,947	16,296	13,985	1,434	21	267	6,250	6,013	383	1,346	10
1968—Dec. 31	14,274	10,286	1,863	2,125	3,008	18,099	14,526	1,535	21	257	6,542	6,171	682	1,433	9
1969—Dec. 31	14,365	10,771	1,564	2,030	2,802	17,927	13,264	1,677	15	175	6,770	6,626	1,290	1,517	9
1970—Dec. 31	15,745	11,214	2,105	2,427	3,074	19,892	15,041	1,930	49	282	6,663	6,117	1,851	1,586	9
1971—Mar. 31	16,056	11,345	2,179	2,532	2,695	19,609	14,665	2,074	130	168	5,598	6,695	1,961	1,635	9
Apr. 28	15,726	11,051	1,940	2,735	3,159	19,874	15,048	1,326	123	414	6,415	6,770	2,304	1,622	9
May 26	15,853	11,293	1,677	2,883	3,011	19,741	14,951	1,300	143	419	6,181	6,908	2,180	1,616	9
June 30	16,477	11,777	1,736	2,964	3,080	20,477	15,636	1,489	85	317	6,648	7,097	2,359	1,637	9
July 28	16,128	11,724	1,565	2,839	3,199	20,233	15,413	1,448	150	277	6,389	7,149	2,489	1,634	9
Aug. 25	16,346	12,113	1,528	2,705	3,089	20,364	15,234	1,365	142	380	5,997	7,350	2,447	1,638	9
Sept. 29	16,704	12,273	1,671	2,760	2,756	20,438	15,571	1,339	191	374	6,028	7,639	1,952	1,649	9
Oct. 27	16,526	11,938	1,732	2,856	3,576	21,049	15,933	1,553	228	240	6,386	7,526	2,462	1,669	9
Nov. 24	16,651	11,945	1,780	2,926	3,856	21,333	15,364	1,431	219	102	6,097	7,515	2,712	1,649	9
Dec. 29	17,032	12,203	1,772	3,057	3,601	21,646	16,340	1,403	226	463	6,706	7,542	2,838	1,661	9
1972—Jan. 26	16,614	11,901	1,657	3,056	3,488	21,059	15,730	1,460	213	378	6,243	7,436	2,673	1,781	9
Feb. 23	17,214	12,505	1,576	3,153	3,311	21,489	15,791	1,509	207	267	6,305	7,503	2,935	1,796	9
Mar. 29	17,668	12,898	1,582	3,188	3,204	21,806	15,912	1,398	191	341	6,462	7,520	3,180	1,820	9
<b>Other reserve city: 4, 9</b>															
1941—Dec. 31	15,347	7,105	6,467	1,776	8,518	24,430	22,313	4,356	104	491	12,557	4,806	1,967	351	
1945—Dec. 31	40,108	8,514	29,552	2,042	11,286	51,898	49,085	6,418	30	8,221	24,655	9,760	2	2,366	
1947—Dec. 31	36,040	13,449	20,196	2,396	13,066	49,659	46,467	5,627	22	405	28,990	11,423	1	2,844	
1966—Dec. 31	95,831	69,464	13,040	13,326	24,228	123,863	108,804	8,593	233	1,633	49,004	49,341	1,952	9,471	169
1967—Dec. 30	105,724	73,571	14,667	17,487	26,867	136,626	120,485	9,374	310	1,715	53,288	55,798	2,555	10,037	163
1968—Dec. 31	119,006	83,614	15,036	20,337	28,136	151,957	132,305	10,181	307	1,884	57,449	62,484	4,239	10,684	161
1969—Dec. 31	121,324	90,896	11,944	18,484	29,954	157,512	126,232	10,663	242	1,575	58,923	64,829	9,881	11,464	157
1970—Dec. 31	133,718	96,158	14,700	22,860	31,263	171,733	140,518	11,317	592	2,547	59,328	66,734	10,391	12,221	156
1971—Mar. 31	134,204	94,302	14,636	25,266	29,361	171,513	138,409	9,791	692	1,592	55,594	70,740	11,044	12,474	156
Apr. 28	134,119	94,416	13,830	25,873	28,581	169,509	136,752	9,036	652	3,066	53,562	70,436	11,889	12,502	156
May 26	134,244	95,022	13,409	25,813	28,191	169,420	137,136	9,009	714	2,671	53,519	71,223	11,325	12,561	156
June 30	137,326	97,061	14,552	25,713	30,901	175,607	142,776	10,166	735	2,954	57,622	71,299	12,153	12,826	156
July 28	136,792	97,128	13,487	26,177	26,803	170,828	138,268	9,150	684	1,999	54,884	71,551	11,822	12,785	156
Aug. 25	137,513	98,538	13,132	25,843	27,341	172,142	138,865	9,111	667	3,366	54,235	71,486	12,375	12,854	156
Sept. 29	140,060	100,339	13,121	26,600	27,832	175,407	140,334	9,237	846	2,982	54,557	72,712	13,927	12,922	156
Oct. 27	139,515	98,621	13,810	27,084	30,995	177,945	143,113	10,006	847	1,263	56,832	73,465	13,732	13,012	156
Nov. 24	141,421	100,284	14,203	26,934	32,048	180,956	142,826	9,537	733	1,264	57,068	74,218	16,692	13,012	156
Dec. 29	148,089	105,081	15,800	27,208	32,244	187,971	151,249	9,524	851	3,255	60,082	76,857	15,647	13,164	156
1972—Jan. 26	145,436	103,311	14,796	27,329	29,154	182,373	147,352	9,306	901	3,057	56,144	77,944	13,528	13,427	156
Feb. 23	146,609	104,067	14,768	27,774	30,945	185,420	148,824	9,901	938	2,492	57,121	78,372	14,927	13,463	156
Mar. 29	149,384	106,665	14,583	28,136	29,082	186,613	147,937	9,004	944	2,889	57,001	78,099	16,508	13,657	156
<b>Country member: 8, 9</b>															
1941—Dec. 31	12,518	5,890	4,377	2,250	6,402	19,466	17,415	792	30	225	10,109	6,258	4	1,982	6,219
1945—Dec. 31	35,002	5,596	26,999	2,408	10,632	46,059	43,418	1,207	17	5,465	24,235	12,494	11	2,525	6,476
1947—Dec. 31	36,324	10,199	22,857	3,268	10,778	47,553	44,443	1,056	17	432	28,378	14,560	23	2,934	6,519
1966—Dec. 31	109,518	68,641	22,419	18,458	19,004	131,338	117,749	2,392	69	1,474	56,672	57,144	308	10,309	5,958
1967—Dec. 30	122,511	74,995	24,689	22,826	20,334	146,052	131,156	2,766	96	1,564	61,161	65,569	552	11,005	5,886
1968—Dec. 31	134,759	83,397	24,998	26,364	22,664	161,122	144,682	2,839	111	1,281	66,578	73,873	804	11,807	5,796
1969—Dec. 31	140,715	92,147	21,278	27,291	23,928	169,078	148,007	3,152	84	1,671	67,930	75,170	1,820	12,766	5,691
1970—Dec. 31	154,130	99,404	22,586	32,140	25,448	184,635	161,850	3,387	135	2,592	69,806	85,930	1,836	13,807	5,589
1971—Mar. 31	156,551	99,673	22,695	34,183	23,925	186,072	162,273	2,862	81	1,393	65,677	92,260	2,361	13,826	5,574
Apr. 28	158,579	100,832	22,618	35,129	22,694	186,808	162,599	2,655	81	2,085	64,958	92,820	2,505	13,922	5,370
May 26	160,056	101,757	22,508	35,791	22,882	188,553	163,827	2,680	135	2,185	64,975	93,852	2,660	13,970	5,365
June 30	163,371	103,449	22,634	37,289	24,563	193,374	168,852	3,087	224	2,512	68,742	94,286	2,656	14,499	5,359
July 28	163,225	102,754	22,955	37,516	23,059	191,971	167,088	2,776	135	2,281	66,784	95,112	2,866	14,128	5,353
Aug. 25	164,524	103,683	22,884	37,957	22,946	193,200	168,067	2,775	135	2,597	66,526	96,034	2,726	14,153	5,353
Sept. 29	166,630	105,263	22,864	38,503	23,519	196,237	170,060	2,782	224	2,730	67,186	97,138	3,146	14,195	5,347
Oct. 27	168,253	106,317	22,956	38,980	24,987	199,382	173,198	3,052	224	1,927	69,821	98,174	3,261	14,291	5,348
Nov. 24	169,620	107,432	23,063	39,123	24,858	200,544	173,702	2,985	224	1,559	69,955	98,979	3,418	14,385	5,352
Dec. 29	174,137	109,816	24,327	39,994	25,216	205,835	178,734	3,111	224	2,324	72,278	100,097	3,462	14,557	5,351
1972—Jan. 26	173,362	108,903	23,865	40,594	24,254	203,438	177,363	3,021	224	2,813	69,260	102,045	3,374	14,567	5,541
Feb. 23	174,639	109,715	23,568	41,356	25,387	205,717	179,050	3,176	224	2,294	69,521	103,835	3,459	14,775	5,543
Mar. 29	177,522	111,536	23,754												

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 assets— Total liabilities and capital accounts <sup>4</sup>	Deposits							Bor- rowings	Total capital accounts	Number of banks
	Total	Loans <sup>1</sup>	Securities		Cash assets <sup>3</sup>		Total <sup>3</sup>	Interbank <sup>3</sup>		Other						
			U.S. Treas- ury	Other <sup>2</sup>				De- mand	Time	Demand		Time <sup>5</sup>				
										U.S. Govt.	Other					
<b>Insured banks:</b>																
<b>Total:</b>																
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		
1945—Dec. 31..	121,809	25,765	88,912	7,131	34,292	157,544	147,775	13,883	23,740	80,276	29,876	215	8,671	13,297		
1947—Dec. 31..	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	1,325	92,975	34,882	61	9,734	13,398		
1963—Dec. 20..	252,579	155,261	62,723	34,594	50,337	310,730	273,657	15,077	443	6,712	140,702	110,723	3,571	25,277		
1964—Dec. 31..	275,053	174,234	62,499	38,320	59,911	343,876	305,113	17,664	733	6,487	154,043	126,185	2,580	27,377		
1965—Dec. 31..	303,593	200,109	59,120	44,364	60,327	374,051	330,323	18,149	923	5,508	159,659	146,084	4,325	29,827		
1966—Dec. 31..	321,473	217,379	55,788	48,307	68,515	401,409	351,438	19,497	881	4,975	166,689	159,396	4,717	31,609		
1967—Dec. 30..	358,536	235,502	62,094	60,941	77,348	448,878	394,118	21,598	1,258	5,219	182,984	183,060	5,531	33,916		
1968—Dec. 31..	399,566	264,600	64,028	70,938	83,063	498,071	432,719	24,427	1,155	5,000	198,535	203,602	8,675	36,530		
1969—June 30 <sup>7</sup>	408,620	283,199	53,723	71,697	87,311	513,960	423,957	24,889	800	5,624	192,357	200,287	14,450	38,321		
Dec. 31..	419,746	294,638	54,399	70,709	89,090	527,598	434,138	26,858	695	5,038	207,311	194,237	18,024	39,450		
1970—June 30..	421,141	294,963	51,248	74,929	84,885	526,484	431,094	26,017	829	8,040	191,752	204,456	18,215	41,159		
Dec. 31..	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		
1971—June 30..	478,302	321,575	59,991	96,735	95,181	595,819	501,283	30,953	2,166	8,391	205,736	254,036	22,297	44,816		
<b>National member:</b>																
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		
1945—Dec. 31..	69,312	13,925	51,250	4,137	20,144	90,220	84,939	9,229	14,013	45,473	16,224	78	4,644	5,017		
1947—Dec. 31..	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	795	53,541	19,278	45	5,409	5,005		
1963—Dec. 20..	137,447	84,845	33,384	19,218	28,635	170,233	150,823	8,863	146	3,691	76,836	61,288	1,704	13,548		
1964—Dec. 31..	151,406	96,688	33,405	21,312	34,064	190,289	169,615	10,521	211	3,604	84,534	70,746	1,109	15,048		
1965—Dec. 31..	176,605	118,537	32,347	25,720	36,880	219,744	193,860	12,064	458	3,284	92,533	85,522	2,627	17,434		
1966—Dec. 31..	187,251	129,182	30,355	27,713	41,690	235,996	206,456	12,588	437	3,035	96,755	93,642	3,120	18,459		
1967—Dec. 30..	208,971	139,315	34,308	35,148	46,634	263,375	231,374	13,877	652	3,142	106,019	107,684	3,478	19,730		
1968—Dec. 31..	236,130	159,257	35,300	41,572	50,953	296,594	257,884	15,117	657	3,090	116,422	122,597	5,923	21,524		
1969—June 30 <sup>7</sup>	242,241	170,834	29,481	41,927	52,271	305,800	251,489	14,324	437	3,534	113,134	120,060	9,895	22,628		
Dec. 31..	247,526	177,435	29,574	40,514	54,721	313,927	256,314	16,299	361	3,049	121,719	114,885	12,279	23,248		
1970—June 30..	247,862	176,376	28,191	43,295	51,942	312,480	253,261	14,947	393	5,066	113,296	120,559	13,051	24,106		
Dec. 31..	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		
1971—June 30..	281,830	192,339	33,759	55,732	57,244	352,807	294,025	16,575	1,441	5,118	121,096	149,795	15,629	25,999		
<b>State member:</b>																
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		
1945—Dec. 31..	37,871	8,850	27,089	1,933	9,731	48,084	44,730	4,411	8,166	24,168	7,986	130	2,945	1,867		
1947—Dec. 31..	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	381	27,068	9,062	9	3,055	1,918		
1963—Dec. 20..	72,680	46,866	15,958	9,855	15,760	91,235	78,553	5,655	236	2,295	40,725	29,642	1,795	7,506		
1964—Dec. 31..	77,091	51,002	15,312	10,777	18,673	98,852	86,108	6,486	453	2,234	44,005	32,931	1,372	7,853		
1965—Dec. 31..	74,972	51,262	12,645	11,065	15,934	93,640	81,657	5,390	382	1,606	39,598	34,680	1,607	7,492		
1966—Dec. 31..	77,377	54,560	11,569	11,247	19,049	99,504	85,547	6,200	357	1,397	41,464	36,129	1,498	7,819		
1967—Dec. 30..	85,128	58,513	12,649	13,966	22,312	111,188	95,637	6,934	516	1,489	45,961	40,736	1,892	8,368		
1968—Dec. 31..	89,894	61,965	12,581	15,348	22,803	116,885	98,467	8,402	404	1,219	47,498	40,945	2,535	8,536		
1969—June 30 <sup>7</sup>	88,346	64,007	9,902	14,437	26,344	119,358	93,858	9,773	285	1,341	45,152	37,307	4,104	8,689		
Dec. 31..	90,088	65,560	10,257	14,271	24,313	119,219	94,445	9,541	1,065	48,030	35,560	5,116	8,800			
1970—June 30..	88,404	64,439	9,133	14,832	23,598	117,209	91,967	10,175	299	1,891	42,620	36,983	4,457	9,078		
Dec. 31..	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		
1971—June 30..	96,939	67,726	10,279	18,934	27,499	129,955	107,484	13,389	539	1,865	44,731	46,959	6,071	9,823		
<b>Nonmember:</b>																
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		
1945—Dec. 31..	14,639	2,992	10,584	1,063	4,448	19,256	18,119	244	1,560	10,635	5,680	7	1,083	6,416		
1947—Dec. 31..	16,444	4,958	10,039	1,448	4,083	20,691	19,340	262	149	12,366	6,558	7	1,271	6,478		
1963—Dec. 20..	42,464	23,550	13,391	5,523	5,942	49,275	44,280	559	61	726	23,140	19,793	72	4,234		
1964—Dec. 31..	46,567	26,544	13,790	6,233	7,174	54,747	49,389	658	70	649	25,504	22,509	99	4,488		
1965—Dec. 31..	52,028	30,310	14,137	7,581	7,513	60,679	54,806	695	83	618	27,528	25,882	91	4,912		
1966—Dec. 31..	56,857	33,636	13,873	9,349	7,777	65,921	59,434	709	87	543	28,471	29,625	99	5,342		
1967—Dec. 30..	64,449	37,675	15,146	11,629	8,403	74,328	67,107	786	89	588	31,004	34,640	162	5,830		
1968—Dec. 31..	73,553	43,378	16,155	14,020	9,305	84,605	76,368	908	94	691	34,615	40,060	217	6,482		
1969—June 30 <sup>7</sup>	78,032	48,358	14,341	15,333	8,696	88,802	78,610	791	78	749	34,070	42,921	451	7,004		
Dec. 31..	82,133	51,643	14,565	15,925	10,056	94,453	83,380	1,017	85	924	37,561	43,792	629	7,403		
1970—June 30..	84,875	54,149	13,924	16,802	9,346	96,794	84,865	894	137	1,083	35,837	46,913	708	7,975		
Dec. 31..	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		
1971—June 30..	99,532	61,509	15,953	22,070	10,439	113,058	99,774	989	186	1,409	39,908	57,283	597	8,993		

For notes see p. A-23.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Classification by F.R.S. membership and FDIC insurance	Loans and investments					Total assets— Total liabilities and capital ac- counts <sup>4</sup>	Deposits					Bor- row- ings	Total capital ac- counts	Num- ber of banks	
	Total	Loans <sup>1</sup>	Securities		Cash assets <sup>3</sup>		Total <sup>3</sup>	Interbank <sup>3</sup>		Other					Time <sup>5</sup>
			U.S. Treasury	Other <sup>2</sup>				Demand	Time	Demand	Time				
							De- mand	Time	U.S. Govt.	Other					
<b>Noninsured nonmember:</b>															
1941—Dec. 31	1,457	455	761	241	763	2,283	1,872	329	1,291	253	13	329	852		
1945—Dec. 31	2,211	318	1,693	200	514	2,768	2,452	181	1,905	365	4	279	714		
1947—Dec. 31 <sup>6</sup>	2,009	474	1,280	255	576	2,643	2,251	177	18	1,392	478	4	325	783	
1963—Dec. 20	1,571	745	463	362	374	2,029	1,463	190	17	832	341	93	389	285	
1964—Dec. 31	2,312	1,355	483	474	578	3,033	2,057	273	23	1,141	534	99	406	274	
1965—Dec. 31	2,455	1,549	418	489	572	3,200	2,113	277	17	1,121	612	147	434	263	
1967—Dec. 30	2,638	1,735	370	533	579	3,404	2,172	285	15	1,081	733	246	457	211	
1968—Dec. 31	2,901	1,875	429	597	691	3,789	2,519	319	10	1,366	767	224	464	197	
1969—June 30 <sup>7</sup>	2,809	1,800	321	688	898	3,942	2,556	298	15	1,430	731	290	502	209	
Dec. 31	2,982	2,041	310	632	895	4,198	2,570	316	16	1,559	638	336	528	197	
1970—June 30	3,043	2,073	321	650	746	4,140	2,280	321	36	1,247	606	331	549	193	
Dec. 31	3,079	2,132	304	642	934	4,365	2,570	375	40	1,298	756	226	532	184	
1971—June 30	2,968	2,057	263	648	960	4,356	2,480	360	20	1,182	877	250	495	182	
<b>Total nonmember:</b>															
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		
1945—Dec. 31	16,849	3,310	12,277	1,262	4,962	22,024	20,571	425	14,101	6,045	11	1,362	7,130		
1947—Dec. 31	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	167	13,758	7,036	12	1,596	7,261	
1963—Dec. 20	44,035	24,295	13,854	5,885	6,316	51,304	45,743	749	743	23,972	20,134	165	4,623	7,458	
1964—Dec. 31	48,879	27,899	14,273	6,707	7,752	57,780	51,447	931	672	26,645	23,043	198	4,894	7,536	
1965—Dec. 31	54,483	31,858	14,555	8,070	8,085	63,879	56,919	972	635	28,649	26,495	238	5,345	7,583	
1967—Dec. 30	67,087	39,409	15,516	12,162	8,983	77,732	69,279	1,071	603	32,085	35,372	408	6,286	7,651	
1968—Dec. 31	76,454	45,253	16,585	14,617	9,997	88,394	78,887	1,227	701	35,981	40,827	441	6,945	7,701	
1969—June 30 <sup>7</sup>	80,841	50,159	14,662	16,021	9,594	92,743	81,166	1,090	765	35,500	43,652	741	7,506	7,737	
Dec. 31	85,115	53,683	14,875	16,556	10,950	98,651	85,949	1,333	940	39,120	44,430	965	7,931	7,792	
1970—June 30	87,919	56,222	14,245	17,452	10,092	100,934	87,145	1,215	1,119	37,084	47,520	1,038	8,523	7,868	
Dec. 31	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	1,478	41,303	52,078	796	8,858	7,919	
1971—June 30	102,500	63,566	16,216	22,718	11,398	117,414	102,254	1,348	1,429	41,091	58,160	847	9,489	7,993	

<sup>1</sup> Beginning June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as securities, and Export-Import Bank portfolio fund participations were reclassified from loans to securities. 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-24.

Beginning June 30, 1971, Farmers Home Administration notes are classified as "Other securities" rather than "Loans." As a result of this change, approximately \$700 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

<sup>2</sup> See first two paragraphs of note 1.  
<sup>3</sup> Reciprocal balances excluded beginning with 1942.  
<sup>4</sup> Includes items not shown separately. See also note 1.  
<sup>5</sup> See last paragraph of note 1.  
<sup>6</sup> Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 387, May 1964 BULLETIN.

<sup>7</sup> Figure takes into account the following changes beginning 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.

<sup>8</sup> Regarding reclassification as a reserve city, see Aug. 1962 BULLETIN, p. 993. For various changes between reserve city and country status in 1960-63, see note 6, p. 587, May 1964 BULLETIN.

<sup>9</sup> Beginning Jan. 4, 1968, a country bank with deposits of \$321 million was reclassified as a reserve city bank. Beginning Feb. 29, 1968, a reserve city bank in Chicago with total deposits of \$190 million was reclassified as a country 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.

For the period June 1941-June 1962 member banks include mutual savings banks as follows: three before Jan. 1960, two through Dec. 1960, and one through June 1962. Those banks are not included in insured commercial banks.

Beginning 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.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

Data for national banks for Dec. 31, 1965, have been adjusted to make them comparable with State bank data.

Figures are partly estimated except on call dates.  
For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870-71.





RESERVES AND LIABILITIES BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Re-serves with F.R. Banks	Cur-rency and coin	Bal-ances with do-mestic banks <sup>7</sup>	De-mand de-posits ad-justed <sup>8</sup>	Demand deposits						Time deposits			Bor-rowings	Cap-ital ac-counts	
					Interbank		U.S. Govt.	State and local govt.	Cer-tified and offi-cers' checks, etc.	IPC	Inter-bank	U.S. Govt. and Postal Sav-ings	State and local govt.			IPC <sup>3</sup>
					Do-mestic <sup>7</sup>	For-ign <sup>9</sup>										
<b>Total:</b> <sup>3</sup>																
1947—Dec. 31....	17,796	2,216	10,216	87,123	11,362	1,430	1,343	6,799	2,581	84,987	240	111	866	34,383	65	10,059
1969—Dec. 31 <sup>10</sup> ...	21,449	7,320	20,314	172,079	24,553	2,620	5,054	17,558	11,899	179,413	735	211	13,221	181,443	18,300	39,978
1970—Dec. 31....	23,319	7,046	23,136	173,912	27,442	3,166	7,938	17,763	8,540	183,032	1,975	463	23,225	208,201	10,375	42,958
1971—June 30....	24,066	7,634	21,546	168,263	28,699	2,614	8,412	17,276	11,949	177,692	2,207	517	26,221	228,176	22,847	45,311
<b>All insured:</b>																
1941—Dec. 31....	12,396	1,358	8,570	37,845	9,823	673	1,762	3,677	1,077	36,544	158	59	492	15,146	10	6,844
1945—Dec. 31....	15,810	1,829	11,075	74,722	12,566	1,248	23,740	5,098	2,585	72,593	70	103	496	29,277	215	8,671
1947—Dec. 31....	17,796	2,145	9,736	85,751	11,236	1,379	1,325	6,692	2,559	83,723	54	111	826	33,946	61	9,734
1969—Dec. 31 <sup>10</sup> ...	21,449	7,292	19,528	170,280	24,386	2,471	5,038	17,434	11,476	178,401	695	211	13,166	180,860	18,024	39,450
1970—Dec. 31....	23,319	7,028	22,332	172,351	27,235	2,998	7,898	17,636	8,352	182,048	1,874	462	23,150	207,519	10,149	42,427
1971—June 30....	24,066	7,610	20,748	168,860	28,519	2,434	8,392	17,185	11,736	176,815	2,166	517	26,132	227,387	22,297	44,816
<b>Member—Total:</b>																
1941—Dec. 31....	12,396	1,087	6,246	33,754	9,714	671	1,709	3,066	1,009	33,061	140	50	418	11,878	4	5,886
1945—Dec. 31....	15,811	1,438	7,117	64,184	12,333	1,243	22,179	4,240	2,450	62,930	64	99	399	23,712	208	7,589
1947—Dec. 31....	17,797	1,672	6,270	73,528	10,978	1,375	1,176	5,504	2,401	72,704	50	105	693	27,542	54	8,464
1969—Dec. 31 <sup>10</sup> ...	21,449	5,676	11,931	133,435	23,441	2,399	4,114	13,274	10,483	145,992	609	186	9,951	160,308	17,305	32,047
1970—Dec. 31....	23,319	5,445	13,744	133,169	26,260	2,882	6,460	13,250	7,309	147,473	1,733	406	18,406	160,998	18,578	34,100
1971—June 30....	24,066	5,870	12,971	127,670	27,605	2,360	6,983	12,933	10,654	142,220	1,980	462	20,534	175,757	21,700	35,822
<b>New York City:</b>																
1941—Dec. 31....	5,105	93	141	10,761	3,595	607	866	319	450	11,282	6	.....	29	778	.....	1,648
1945—Dec. 31....	4,015	111	78	15,065	3,535	1,105	6,940	237	1,338	15,712	17	10	20	1,206	195	2,120
1947—Dec. 31....	4,639	151	70	16,653	3,236	1,217	267	290	1,105	17,646	12	12	14	1,418	30	2,259
1969—Dec. 31 <sup>10</sup> ...	4,358	463	455	21,316	8,708	1,641	694	1,168	6,605	28,354	268	45	207	14,692	4,405	6,301
1970—Dec. 31....	4,683	436	1,308	19,770	10,283	2,225	1,039	1,171	3,286	27,779	956	71	1,464	18,913	4,500	6,486
1971—June 30....	4,716	466	1,193	15,264	13,504	1,717	1,199	789	6,032	25,994	937	68	1,896	21,572	4,531	6,860
<b>City of Chicago:</b>																
1941—Dec. 31....	1,021	43	298	2,215	1,027	8	127	233	34	2,152	.....	.....	.....	476	.....	288
1945—Dec. 31....	942	36	200	3,153	1,292	20	1,552	237	66	3,160	.....	.....	.....	719	.....	377
1947—Dec. 31....	1,070	30	175	3,737	1,196	21	72	285	63	3,853	.....	.....	.....	902	.....	426
1969—Dec. 31 <sup>10</sup> ...	869	123	150	5,221	1,581	96	175	268	229	6,273	15	1	216	4,409	1,290	1,517
1970—Dec. 31....	1,148	126	160	5,120	1,853	77	282	240	210	6,213	49	.....	568	5,549	1,851	1,586
1971—June 30....	991	126	247	5,044	1,439	51	318	352	211	6,084	85	3	741	6,353	2,359	1,636
<b>Other reserve city:</b>																
1941—Dec. 31....	4,060	425	2,590	11,117	4,302	54	491	1,144	286	11,127	104	20	243	4,542	.....	1,967
1945—Dec. 31....	6,326	494	2,174	22,372	6,307	110	8,221	1,763	611	22,281	30	38	160	9,563	2	2,566
1947—Dec. 31....	7,095	562	2,125	25,714	5,497	131	405	2,282	705	26,003	22	45	332	11,045	1	2,844
1969—Dec. 31 <sup>10</sup> ...	9,044	1,787	3,456	44,169	10,072	590	1,575	3,934	1,928	53,062	242	86	4,609	50,439	9,881	11,464
1970—Dec. 31....	9,710	1,748	3,731	44,093	10,805	512	2,547	3,793	2,035	53,499	592	222	8,489	58,165	10,391	12,221
1971—June 30....	10,394	1,822	4,069	43,872	9,631	535	2,954	3,716	2,455	51,451	735	249	8,863	62,312	12,153	12,826
<b>Country:</b>																
1941—Dec. 31....	2,210	526	3,216	9,661	790	2	225	1,370	239	8,500	30	31	146	6,082	4	1,982
1945—Dec. 31....	4,527	796	4,665	21,595	1,199	8	5,465	2,004	435	21,797	17	52	219	12,224	11	2,525
1947—Dec. 31....	4,993	929	3,900	27,424	1,049	7	432	2,647	528	25,203	17	45	337	14,177	23	2,934
1969—Dec. 31 <sup>10</sup> ...	7,179	3,302	7,870	62,729	3,080	72	1,671	7,905	1,721	58,304	84	54	4,920	70,768	1,820	12,766
1970—Dec. 31....	7,778	3,135	8,544	64,185	3,319	68	2,592	8,045	1,779	59,982	135	112	7,885	78,370	1,836	13,807
1971—June 30....	7,964	3,455	7,461	63,490	3,031	56	2,313	8,095	1,956	58,691	223	143	9,033	85,521	2,656	14,499
<b>Nonmember:</b> <sup>3</sup>																
1947—Dec. 31....	.....	544	3,947	13,595	385	55	167	1,295	180	12,284	190	6	172	6,858	12	1,596
1969—Dec. 31 <sup>10</sup> ...	.....	1,644	8,383	38,644	1,112	222	940	4,284	1,416	33,420	126	25	3,269	41,135	965	7,931
1970—Dec. 31....	.....	1,602	9,392	40,743	1,182	284	1,478	4,513	1,230	35,560	243	57	4,819	47,200	796	8,858
1971—June 30....	.....	1,765	8,576	40,593	1,094	254	1,429	4,323	1,295	35,472	227	55	5,688	52,419	847	9,489

<sup>7</sup> Beginning with 1942, excludes reciprocal bank balances.  
<sup>8</sup> Through 1960 demand deposits other than interbank and U.S. Govt., less cash items in process of collection; beginning with 1961, demand deposits other than domestic commercial interbank and U.S. Govt., less cash items in process of collection.  
<sup>9</sup> For reclassification of certain deposits in 1961, see note 6, p. 589, May 1964 BULLETIN.  
<sup>10</sup> Beginning June 30, 1969, reflects (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. See also notes 1 and 6.

NOTE.—Data are for all commercial banks in the United States; member banks in U.S. possessions were included through 1968 and then excluded.  
 For the period June 1941—June 1962 member banks include mutual savings banks as follows: three before Jun. 1960, two through Dec. 1960, and one through June 1962. Those banks are not included in all insured or total banks.  
 A small noninsured member bank engaged exclusively in trust business is treated as a noninsured bank and not as a member bank for the period June 30, 1969—June 30, 1970.  
 Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.  
 For other notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments	Loans													
		Federal funds sold, etc. <sup>1</sup>					Other								
		Total	To commercial banks	To brokers and dealers involving—		To others	Total	Commercial and industrial	Agricultural	For purchasing or carrying securities				To nonbank financial institutions	
				U.S. Treasury securities	Other securities					U.S. Treasury secs.	Other secs.	U.S. Treasury secs.	Other secs.	Pers. and sales finan. cos., etc.	Other
<i>Large banks—Total</i>															
<i>1971</i>															
Mar. 3	259,537	9,022	7,825	822	335	40	175,775	81,068	2,035	1,284	3,694	132	2,345	6,781	5,990
10	258,016	7,787	6,459	907	326	95	175,175	81,188	2,028	788	3,754	107	2,359	6,588	6,007
17	259,619	8,278	7,323	495	360	100	176,146	81,794	2,033	822	3,676	126	2,354	6,746	6,148
24	257,906	7,440	6,539	537	290	74	175,778	81,419	2,038	872	3,515	106	2,347	6,721	6,159
31	260,047	8,287	6,884	880	390	133	176,251	81,162	2,048	854	3,970	93	2,339	7,009	6,261
<i>1972</i>															
Feb. 2	281,037	10,718	9,633	723	227	135	189,771	82,047	2,315	1,106	5,093	161	2,484	6,035	7,809
9	280,464	10,958	10,128	515	207	108	189,478	82,082	2,320	964	4,926	163	2,495	6,135	7,862
16	281,544	11,625	10,995	386	177	67	190,115	82,581	2,316	624	5,225	179	2,510	6,184	7,929
23	281,250	10,496	9,568	582	238	108	190,667	82,490	2,332	771	5,388	182	2,499	6,196	7,967
Mar. 1 <sup>a</sup>	283,969	10,755	9,694	650	220	191	192,213	82,597	2,350	1,031	6,026	190	2,518	6,336	8,061
8 <sup>a</sup>	283,777	9,919	8,932	734	172	81	191,742	82,702	2,364	900	5,802	175	2,542	6,090	8,039
15 <sup>a</sup>	288,182	11,531	10,445	725	272	89	194,387	83,517	2,372	1,118	6,270	186	2,555	6,533	8,212
22 <sup>a</sup>	287,254	11,475	10,350	670	228	227	193,952	83,462	2,393	869	6,141	174	2,543	6,350	8,291
29 <sup>a</sup>	288,161	11,892	10,988	490	240	174	194,777	83,795	2,396	683	6,152	169	2,522	6,412	8,361
<i>New York City</i>															
<i>1971</i>															
Mar. 3	57,412	1,467	1,395	57	.....	15	42,975	25,734	17	1,059	2,391	17	615	2,176	1,459
10	56,197	551	456	46	.....	49	42,390	25,746	17	614	2,480	18	618	1,973	1,464
17	56,974	1,367	1,291	61	.....	15	42,613	23,823	17	647	2,412	20	617	2,094	1,478
24	55,849	646	610	26	.....	10	42,334	23,716	17	695	2,247	22	613	2,067	1,456
31	56,048	390	363	2	14	11	42,419	25,591	17	601	2,702	22	601	2,190	1,463
<i>1972</i>															
Feb. 2	59,227	1,340	1,319	.....	.....	21	44,309	25,067	28	923	3,382	48	607	1,698	1,779
9	58,440	980	936	.....	.....	44	44,155	25,158	26	800	3,266	49	608	1,779	1,803
16	58,493	1,492	1,437	48	.....	7	44,311	25,324	26	490	3,431	49	619	1,819	1,850
23	58,202	669	638	.....	.....	31	44,610	25,107	26	650	3,575	52	611	1,923	1,892
Mar. 1 <sup>a</sup>	59,878	933	891	.....	.....	42	45,498	25,044	27	834	4,116	54	610	2,042	1,922
8 <sup>a</sup>	59,406	615	567	29	.....	19	44,856	25,076	27	736	3,846	48	616	1,809	1,941
15 <sup>a</sup>	61,465	1,396	1,339	23	.....	32	46,320	25,458	27	930	4,094	51	628	2,176	2,007
22 <sup>a</sup>	60,959	1,456	1,326	.....	.....	130	45,578	25,337	28	709	4,005	49	629	2,012	1,979
29 <sup>a</sup>	60,867	1,173	995	55	4	119	46,002	25,460	28	570	4,152	48	621	2,075	2,045
<i>Outside New York City</i>															
<i>1971</i>															
Mar. 3	202,125	7,555	6,430	765	335	25	132,800	55,334	2,018	225	1,303	115	1,730	4,605	4,531
10	201,819	7,236	6,003	861	326	46	132,785	55,442	2,011	174	1,274	89	1,741	4,615	4,543
17	202,645	6,911	6,032	434	360	85	133,533	55,969	2,016	175	1,264	106	1,737	4,652	4,670
24	202,057	6,794	5,929	511	290	64	133,444	55,703	2,021	177	1,268	84	1,734	4,654	4,703
31	203,999	7,897	6,521	878	376	122	133,832	55,571	2,031	253	1,268	71	1,738	4,819	4,798
<i>1972</i>															
Feb. 2	221,810	9,378	8,314	723	227	114	145,462	56,980	2,287	183	1,711	113	1,877	4,337	6,030
9	222,024	9,978	9,192	515	207	64	145,323	56,924	2,294	164	1,660	114	1,887	4,356	6,059
16	223,051	10,133	9,558	338	177	60	145,804	57,257	2,290	134	1,794	130	1,891	4,365	6,079
23	223,048	9,827	8,930	582	238	77	146,057	57,383	2,306	121	1,813	130	1,888	4,273	6,075
Mar. 1 <sup>a</sup>	224,091	9,822	8,803	650	220	149	146,715	57,553	2,323	197	1,910	136	1,908	4,294	6,139
8 <sup>a</sup>	224,371	9,304	8,365	705	172	62	146,886	57,626	2,337	164	1,956	127	1,926	4,281	6,098
15 <sup>a</sup>	226,717	10,135	9,106	700	272	57	148,067	58,059	2,345	188	2,176	135	1,927	4,357	6,205
22 <sup>a</sup>	226,295	10,019	9,024	670	228	97	148,374	58,125	2,363	160	2,136	125	1,914	4,338	6,312
29 <sup>a</sup>	227,294	10,719	9,993	435	236	55	148,775	58,335	2,368	113	2,000	121	1,901	4,337	6,316

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)					Investments					Wednesday	
Other (cont.)					U.S. Treasury securities						
Real estate	To commercial banks		Consumer instalment	Foreign govts. <sup>2</sup>	All other	Total	Bills	Certificates	Notes and bonds maturing—		
	Domestic	Foreign							Within 1 yr.	1 to 5 yrs.	After 5 yrs.
<i>Large banks—</i>											
<i>Total</i>											
<i>1971</i>											
34,408	418	1,508	21,545	758	13,809	28,222	5,949	3,032	15,207	4,034	Mar. 3
34,489	427	1,510	21,499	760	13,671	28,123	5,862	3,056	15,264	3,941	10
34,483	470	1,453	21,511	755	13,775	27,709	5,467	3,045	15,193	4,004	17
34,533	483	1,399	21,539	787	13,860	27,046	4,706	3,123	15,164	4,053	24
34,560	454	1,342	21,591	781	13,787	28,060	5,676	3,141	15,186	4,057	31
<i>1972</i>											
38,887	816	2,611	24,181	910	15,316	27,881	3,909	4,005	16,218	3,749	Feb. 2
38,945	845	2,656	24,123	905	15,057	27,497	3,473	4,026	16,218	3,780	9
39,056	837	2,529	24,084	886	15,175	27,156	3,222	4,547	15,658	3,729	16
39,135	785	2,598	24,072	910	15,342	27,455	3,597	4,605	15,554	3,699	23
39,178	957	2,487	24,099	919	15,464	27,927	4,145	4,755	15,486	3,541	Mar. 1 <sup>p</sup>
39,300	975	2,497	24,084	889	15,383	28,862	5,173	4,820	15,394	3,475	8 <sup>p</sup>
39,448	1,029	2,559	24,098	908	15,582	28,431	4,842	4,832	15,252	3,505	15 <sup>p</sup>
39,557	1,068	2,538	24,100	912	15,554	27,989	4,567	4,820	15,228	3,374	22 <sup>p</sup>
39,709	1,143	2,672	24,208	943	15,612	27,749	4,468	4,797	15,209	3,275	29 <sup>p</sup>
<i>New York City</i>											
<i>1971</i>											
3,559	148	870	1,845	480	2,605	5,030	1,283	386	2,867	494	Mar. 3
3,591	136	873	1,839	485	2,536	5,238	1,430	409	2,860	539	10
3,592	172	839	1,835	482	2,583	5,052	1,223	401	2,855	573	17
3,617	169	783	1,841	501	2,590	4,826	964	421	2,870	571	24
3,607	142	723	1,823	481	2,456	5,384	1,459	429	2,875	621	31
<i>1972</i>											
4,126	286	1,085	1,940	542	2,798	5,285	955	855	3,045	430	Feb. 2
4,130	318	1,144	1,943	549	2,582	5,097	711	839	3,073	474	9
4,156	330	1,066	1,926	544	2,681	4,731	621	969	2,683	458	16
4,167	234	1,125	1,928	579	2,741	5,012	893	990	2,708	421	23
4,182	269	1,054	1,919	549	2,876	5,333	1,218	970	2,703	442	Mar. 1 <sup>p</sup>
4,195	307	1,101	1,918	548	2,688	5,850	1,806	1,039	2,615	390	8 <sup>p</sup>
4,196	299	1,163	1,916	560	2,815	5,679	1,646	1,057	2,545	431	15 <sup>p</sup>
4,213	312	1,124	1,911	563	2,707	5,521	1,582	1,029	2,559	351	22 <sup>p</sup>
4,229	341	1,201	1,913	571	2,748	5,376	1,543	1,031	2,493	309	29 <sup>p</sup>
<i>Outside New York City</i>											
<i>1971</i>											
30,849	270	638	19,700	278	11,204	23,192	4,666	2,646	12,340	3,540	Mar. 3
30,898	291	637	19,660	275	11,135	22,885	4,432	2,647	12,404	3,402	10
30,891	298	614	19,676	273	11,192	22,657	4,244	2,644	12,338	3,431	17
30,916	314	616	19,698	286	11,270	22,220	3,742	2,702	12,294	3,482	24
30,953	312	619	19,768	300	11,311	22,676	4,217	2,712	12,311	3,436	31
<i>1972</i>											
34,761	530	1,526	22,241	368	12,518	22,596	2,954	3,150	13,173	3,319	Feb. 2
34,815	527	1,512	22,180	356	12,475	22,400	2,762	3,187	13,145	3,306	9
34,900	507	1,463	22,158	342	12,494	22,425	2,601	3,578	12,975	3,271	16
34,968	551	1,473	22,144	331	12,601	22,443	2,704	3,615	12,846	3,278	23
34,996	688	1,433	22,180	370	12,588	22,594	2,927	3,785	12,781	3,099	Mar. 1 <sup>p</sup>
35,105	668	1,396	22,166	341	12,695	23,012	3,367	3,781	12,779	3,085	8 <sup>p</sup>
35,252	730	1,396	22,182	348	12,767	22,752	3,196	3,775	12,707	3,074	15 <sup>p</sup>
35,344	756	1,414	22,189	349	12,847	22,468	2,985	3,791	12,669	3,023	22 <sup>p</sup>
35,480	802	1,471	22,295	372	12,864	22,373	2,925	3,766	12,716	2,966	29 <sup>p</sup>

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Investments (cont.)					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
	Other securities											
	Total	Obligations of State and political subdivisions		Other bonds, corp. stock, and securities								
		Tax warrants <sup>3</sup>	All other	Certif. of participation <sup>4</sup>	All other <sup>5</sup>							
<i>Large banks—</i>												
<i>Total</i>												
<i>1971</i>												
Mar. 3	46,518	6,808	33,347	1,170	5,193	33,232	18,471	3,159	6,662	738	15,018	336,817
10	46,931	7,088	33,510	1,149	5,184	30,671	18,625	3,307	6,558	737	14,765	332,679
17	47,486	7,203	33,748	1,185	5,350	33,724	19,508	3,373	6,723	738	14,719	338,404
24	47,642	7,041	34,036	1,205	5,360	29,639	18,167	3,431	6,368	738	15,314	331,563
31	47,449	6,898	33,831	1,184	5,536	36,285	19,482	3,327	7,495	738	15,482	342,856
<i>1972</i>												
Feb. 2	52,667	8,489	36,837	1,533	5,808	32,493	19,477	3,488	7,043	937	16,294	360,769
9	52,531	8,438	36,703	1,546	5,844	29,959	19,413	3,488	8,862	933	16,021	359,140
16	52,648	8,408	36,706	1,542	5,922	33,385	21,013	3,519	8,658	933	15,786	364,838
23	52,632	8,412	36,667	1,516	6,037	32,783	19,509	3,742	9,399	933	15,881	363,497
Mar. 1 <sup>u</sup>	53,074	8,523	36,801	1,549	6,201	35,276	19,403	3,429	10,403	934	16,409	369,823
8 <sup>u</sup>	53,254	8,648	36,927	1,552	6,127	31,469	19,727	3,377	9,351	919	16,225	364,845
15 <sup>u</sup>	53,833	9,031	37,046	1,549	6,207	33,101	19,781	3,475	9,521	920	16,724	371,704
22 <sup>u</sup>	53,838	9,251	36,902	1,521	6,164	28,400	20,044	3,612	8,597	920	16,493	365,320
29 <sup>u</sup>	53,743	9,144	36,946	1,567	6,086	27,114	21,729	3,664	8,790	922	16,632	367,012
<i>New York City</i>												
<i>1971</i>												
Mar. 3	7,940	1,348	5,348	94	1,150	15,357	3,786	408	1,206	346	5,423	83,938
10	8,018	1,518	5,292	94	1,114	15,075	5,131	428	1,211	346	5,271	83,659
17	7,942	1,498	5,225	100	1,119	16,261	4,531	436	1,293	346	5,230	85,071
24	8,043	1,329	5,444	91	1,179	14,463	5,081	423	1,110	346	5,734	83,006
31	7,855	1,326	5,181	93	1,255	18,904	5,153	412	1,904	346	5,767	88,534
<i>1972</i>												
Feb. 2	8,293	1,659	5,412	285	937	14,133	4,926	433	1,384	425	5,114	85,642
9	8,208	1,602	5,407	296	903	13,812	4,969	428	3,543	425	5,077	86,694
16	7,959	1,572	5,248	278	861	14,426	5,534	426	3,193	424	4,972	87,468
23	7,911	1,619	5,164	262	866	14,008	4,867	435	3,652	424	5,092	86,680
Mar. 1 <sup>u</sup>	8,114	1,726	5,207	266	915	15,999	4,896	412	4,274	426	5,085	90,970
8 <sup>u</sup>	8,085	1,739	5,175	272	899	14,361	5,259	415	4,101	426	5,059	89,027
15 <sup>u</sup>	8,070	1,744	5,167	265	894	13,295	4,779	429	3,642	426	5,332	89,368
22 <sup>u</sup>	8,404	2,047	5,231	250	876	10,949	4,550	426	3,475	425	5,217	86,001
29 <sup>u</sup>	8,316	1,985	5,230	261	840	10,527	6,111	435	3,662	426	5,289	87,317
<i>Outside New York City</i>												
<i>1971</i>												
Mar. 3	38,578	5,460	27,999	1,076	4,043	17,875	14,685	2,751	5,456	392	9,595	252,879
10	38,913	5,570	28,218	1,055	4,070	15,596	13,494	2,879	5,347	391	9,494	249,020
17	39,544	5,705	28,523	1,085	4,231	17,463	14,977	2,937	5,430	392	9,489	253,333
24	39,599	5,712	28,592	1,114	4,181	15,176	13,086	3,008	5,258	392	9,580	248,557
31	39,594	5,572	28,650	1,091	4,281	17,381	14,329	2,915	5,591	392	9,715	254,322
<i>1972</i>												
Feb. 2	44,374	6,830	31,425	1,248	4,871	18,360	14,551	3,055	5,659	512	11,180	275,127
9	44,323	6,836	31,296	1,250	4,941	16,147	14,444	3,060	5,319	508	10,944	272,446
16	44,689	6,836	31,458	1,264	5,131	18,959	15,479	3,093	5,465	509	10,814	277,370
23	44,721	6,793	31,503	1,254	5,171	18,775	14,642	3,307	5,747	509	10,789	276,817
Mar. 1 <sup>u</sup>	44,960	6,797	31,594	1,283	5,286	19,277	14,507	3,017	6,129	508	11,324	278,853
8 <sup>u</sup>	45,169	6,909	31,752	1,280	5,228	17,108	14,468	2,962	5,250	493	11,166	275,818
15 <sup>u</sup>	45,763	7,287	31,879	1,284	5,313	19,806	15,002	3,046	5,879	494	11,392	282,336
22 <sup>u</sup>	45,434	7,204	31,671	1,271	5,288	17,451	15,494	3,186	5,122	495	11,276	279,319
29 <sup>u</sup>	45,427	7,159	31,716	1,306	5,246	16,587	15,618	3,229	5,128	496	11,343	279,695

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits															Wednesday
Demand										Time and savings					
Total	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank		Foreign		Certified and officers' checks	Total <sup>6</sup>	IPC		States and political subdivisions	Domestic interbank	Foreign govts. <sup>2</sup>	
				Commer-	Mutual sav-	Govts., etc. <sup>2</sup>	Commer-			Sav-	Other				
<i>Large banks-- Total</i>															
1971															
141,127	96,043	6,693	4,944	22,253	639	770	2,229	7,556	127,043	51,023	55,385	14,685	1,581	3,859	..... Mar. 3
136,350	95,173	6,264	3,080	20,814	616	742	2,360	7,301	128,105	51,544	55,947	14,666	1,586	3,823	..... 10
140,449	97,508	6,181	3,950	21,309	644	734	2,380	7,743	128,975	52,025	56,008	14,659	1,569	4,166	..... 17
134,078	95,117	6,469	2,144	19,647	594	740	2,243	7,124	129,029	52,379	55,842	14,608	1,579	4,110	..... 24
146,456	99,253	6,957	2,889	24,703	785	805	2,271	8,793	129,128	52,973	55,514	14,498	1,545	4,079	..... 31
1972															
146,564	99,963	7,714	4,531	22,211	739	716	2,488	8,202	142,532	55,869	61,371	17,528	2,262	4,993	..... Feb. 2
143,520	97,979	6,436	4,765	23,783	687	666	2,414	6,790	142,934	56,032	61,450	17,600	2,328	5,038	..... 9
145,910	101,714	6,403	3,193	23,677	686	690	2,325	7,222	143,205	56,218	61,578	17,536	2,318	5,060	..... 16
146,174	100,311	6,323	4,471	24,809	643	753	2,527	6,337	144,122	56,422	62,052	17,709	2,313	5,131	..... 23
151,788	102,735	7,311	3,518	26,500	683	687	2,586	7,768	144,286	56,578	62,085	17,679	2,310	5,151	..... Mar. 1 <sup>P</sup>
144,988	99,467	6,209	3,895	24,357	665	654	2,504	7,237	144,740	56,879	62,269	17,636	2,291	5,194	..... 8 <sup>P</sup>
152,257	105,657	6,205	6,122	22,597	669	778	2,618	7,611	143,659	57,103	61,217	17,475	2,253	5,151	..... 15 <sup>P</sup>
144,487	100,854	6,593	6,291	20,953	625	667	2,555	5,949	144,026	57,382	61,535	17,283	2,251	5,151	..... 22 <sup>P</sup>
143,920	100,628	6,575	5,579	20,190	653	822	2,627	6,846	144,863	57,616	61,931	17,473	2,270	5,133	..... 29 <sup>P</sup>
<i>New York City</i>															
1971															
42,397	22,716	508	1,392	10,282	328	620	1,590	4,961	20,697	4,886	11,620	1,142	836	2,086	..... Mar. 3
40,916	22,632	483	707	9,621	309	595	1,741	4,828	20,988	4,962	11,885	1,131	821	2,060	..... 10
42,567	23,383	549	857	9,883	342	573	1,698	5,282	21,125	5,032	11,855	1,090	784	2,235	..... 17
39,994	22,610	653	307	9,138	309	582	1,609	4,786	21,092	5,088	11,775	1,117	803	2,176	..... 24
46,755	24,452	664	551	12,543	424	650	1,605	5,866	21,074	5,182	11,633	1,170	786	2,170	..... 31
1972															
41,383	21,811	1,173	823	9,880	399	567	1,764	4,966	23,499	5,502	12,333	1,679	1,178	2,695	..... Feb. 2
42,170	21,995	386	1,007	12,236	370	526	1,695	3,955	23,528	5,532	12,273	1,709	1,209	2,713	..... 9
42,512	23,153	405	548	11,723	358	538	1,625	4,162	23,524	5,562	12,283	1,650	1,196	2,736	..... 16
42,538	22,237	388	843	12,957	332	605	1,736	3,440	23,780	5,600	12,443	1,674	1,194	2,772	..... 23
45,780	23,405	470	661	14,157	353	512	1,810	4,412	23,928	5,615	12,555	1,675	1,189	2,795	..... Mar. 1 <sup>P</sup>
42,637	21,969	398	925	12,676	329	491	1,722	4,127	24,219	5,649	12,714	1,713	1,191	2,851	..... 8 <sup>P</sup>
44,041	23,890	347	1,815	10,786	346	628	1,844	4,385	23,559	5,685	12,079	1,696	1,168	2,830	..... 15 <sup>P</sup>
40,232	22,416	511	1,780	9,831	313	515	1,795	3,071	23,892	5,723	12,344	1,717	1,162	2,846	..... 22 <sup>P</sup>
40,212	22,302	478	1,326	9,354	347	659	1,851	3,895	24,537	5,753	12,756	1,936	1,163	2,827	..... 29 <sup>P</sup>
<i>Outside New York City</i>															
1971															
98,730	73,327	6,185	3,552	11,971	311	150	639	2,595	106,346	46,137	43,765	13,543	745	1,773	..... Mar. 3
95,434	72,541	5,781	2,373	11,193	307	147	619	2,473	107,117	46,582	44,062	13,535	765	1,763	..... 10
97,882	74,125	5,632	3,093	11,426	302	161	682	2,461	107,850	46,993	44,153	13,569	785	1,931	..... 17
94,084	72,507	5,816	1,837	10,509	285	158	634	2,338	107,937	47,291	44,067	13,491	776	1,934	..... 24
99,701	74,801	6,293	2,338	12,160	361	155	666	2,927	108,054	47,791	43,881	13,328	759	1,909	..... 31
1972															
105,181	78,152	6,541	3,708	12,331	340	149	724	3,236	119,033	50,367	49,038	15,849	1,084	2,298	..... Feb. 2
101,350	75,984	6,050	3,758	11,547	317	140	719	2,835	119,406	50,500	49,177	15,891	1,119	2,325	..... 9
103,398	78,561	5,998	2,645	11,954	328	152	700	3,060	119,681	50,656	49,295	15,886	1,122	2,324	..... 16
103,636	78,074	5,935	3,628	11,852	311	148	791	2,897	120,342	50,822	49,609	16,035	1,119	2,359	..... 23
106,008	79,330	6,841	2,857	12,343	330	175	776	3,356	120,358	50,963	49,530	16,004	1,121	2,356	..... Mar. 1 <sup>P</sup>
102,351	77,498	5,811	2,970	11,681	336	163	782	3,110	120,521	51,230	49,555	15,923	1,100	2,343	..... 8 <sup>P</sup>
108,216	81,767	5,858	4,307	11,811	323	150	774	3,226	120,100	51,418	49,138	15,779	1,085	2,321	..... 15 <sup>P</sup>
104,255	78,438	6,082	4,511	11,122	312	152	760	2,878	120,134	51,659	49,191	15,566	1,089	2,305	..... 22 <sup>P</sup>
103,708	78,326	6,097	4,253	10,836	306	163	776	2,951	120,326	51,863	49,175	15,537	1,107	2,306	..... 29 <sup>P</sup>

For notes see p. A-30.

A 30. WEEKLY REPORTING BANKS □ APRIL 1972

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Federal funds purchased, etc. <sup>7</sup>	Borrowings from—		Other liabilities etc. <sup>4</sup>	Reserves for—		Total capital accounts	Memoranda						
		F.R. Banks	Others		Loans	Securities		Total loans and investments (gross) adjusted <sup>9</sup>	Demand deposits adjusted <sup>10</sup>	Large negotiable time CD's included in time and savings deposits <sup>11</sup>			Gross liabilities of banks to their foreign branches	
										Total	Issued to IPC's	Issued to others		
<i>Large banks—Total</i>														
1971														
Mar. 3	19,176	245	887	19,158	4,077	81	25,023	176,554	251,294	80,698	27,748	18,108	9,640	5,018
10	17,882	1,503	829	18,740	4,078	80	25,112	176,076	251,130	81,785	28,100	18,487	9,613	4,807
17	19,692	551	828	18,676	4,076	80	25,077	176,631	251,826	81,466	28,315	18,400	9,915	4,177
24	18,482	795	865	19,074	4,078	80	25,082	176,196	250,884	82,648	28,058	18,173	9,885	4,329
31	18,854	377	828	17,772	4,059	79	25,303	177,200	252,709	82,579	27,458	17,623	9,835	2,858
1972														
Feb. 2	23,653	2	1,062	15,399	4,106	85	27,366	190,040	270,588	87,329	33,356	20,576	12,780	1,301
9	24,856	155	1,087	15,098	4,119	76	27,385	189,463	269,491	85,013	33,463	20,505	12,595	1,062
16	27,302	8	1,088	15,781	4,120	76	27,348	189,908	269,712	85,655	33,436	20,524	12,912	1,006
23	25,483		1,095	15,061	4,122	76	27,364	190,810	270,897	84,111	34,012	20,859	13,152	1,068
Mar. 1 <sup>u</sup>	25,358	52	1,214	15,323	4,138	77	27,587	192,317	273,318	86,494	33,765	20,556	13,208	951
8 <sup>u</sup>	25,710	695	1,321	15,555	4,139	77	27,620	191,754	273,870	85,267	33,989	20,684	13,305	1,164
15 <sup>u</sup>	26,609	15	1,367	16,039	4,135	77	27,546	194,444	276,708	90,437	32,813	19,657	13,158	1,263
22 <sup>u</sup>	26,699	721	1,417	16,197	4,134	77	27,562	194,009	275,836	88,843	33,015	19,910	13,105	1,339
29 <sup>u</sup>	28,237	991	1,116	16,010	4,148	71	27,636	194,538	276,030	91,037	33,480	20,155	13,325	1,525
<i>New York City</i>														
1971														
Mar. 3	4,681		82	8,606	1,216		6,259	42,899	55,869	15,366	8,731	6,472	2,259	3,059
10	4,783	800	82	8,539	1,216		6,335	42,349	55,605	15,513	8,954	6,741	2,213	3,096
17	5,171	320	72	8,254	1,219		6,343	42,517	55,511	15,566	9,018	6,663	2,355	2,550
24	5,233	393	72	8,676	1,219		6,327	42,201	55,070	16,086	8,995	6,615	2,380	2,712
31	5,337		71	7,686	1,200		6,411	42,304	55,543	14,757	8,820	6,381	2,439	1,646
1972														
Feb. 2	6,283		169	6,130	1,199		6,979	44,044	57,622	16,547	11,066	7,164	3,902	947
9	6,564	155	220	5,881	1,202		6,974	43,881	57,186	15,115	11,100	7,098	4,002	739
16	7,161		245	5,857	1,201		6,968	44,036	56,726	15,815	11,178	7,186	3,992	616
23	6,197		280	5,722	1,204		6,959	44,407	57,330	14,730	11,374	7,337	4,037	702
Mar. 1 <sup>u</sup>	6,984		305	5,726	1,210		7,037	45,271	58,718	14,963	11,323	7,287	4,036	686
8 <sup>u</sup>	6,811	662	382	6,071	1,210		7,035	44,597	58,532	14,675	11,573	7,460	4,115	884
15 <sup>u</sup>	6,929		463	6,137	1,209		7,030	46,078	59,827	18,145	10,965	6,901	4,064	946
22 <sup>u</sup>	6,364	640	474	6,185	1,210		7,004	45,396	59,321	17,672	11,252	7,161	4,091	968
29 <sup>u</sup>	7,103	655	184	6,414	1,218		6,994	45,839	59,531	19,005	11,812	7,506	4,306	1,191
<i>Outside New York City</i>														
1971														
Mar. 3	14,495	245	805	10,552	2,861	81	18,764	133,655	195,425	65,332	19,017	11,636	7,381	1,959
10	13,099	703	747	10,201	2,862	80	18,777	133,727	195,525	66,272	19,146	11,746	7,400	1,711
17	14,521	231	756	10,422	2,857	80	18,734	134,114	196,315	65,900	19,297	11,737	7,560	1,627
24	13,249	402	793	10,398	2,859	80	18,755	133,995	195,814	66,562	19,063	11,558	7,505	1,617
31	13,517	377	757	10,086	2,859	79	18,892	134,896	197,166	67,822	18,638	11,242	7,396	1,212
1972														
Feb. 2	17,370	2	893	9,269	2,907	85	20,387	145,996	212,966	70,782	22,290	13,412	8,878	354
9	18,292		867	9,127	2,917	76	20,411	145,582	212,305	69,898	22,365	13,407	8,957	323
16	20,141	8	843	9,924	2,919	76	20,380	145,872	212,986	69,840	22,258	13,338	8,920	390
23	19,286		815	9,339	2,918	76	20,405	146,403	213,567	69,381	22,638	13,522	9,115	366
Mar. 1 <sup>u</sup>	18,374	52	909	9,597	2,928	77	20,550	147,046	214,600	71,531	22,442	13,269	9,172	265
8 <sup>u</sup>	18,899	33	939	9,484	2,929	77	20,585	147,157	215,338	70,592	22,414	13,224	9,190	280
15 <sup>u</sup>	19,680	15	904	9,902	2,926	77	20,516	148,366	216,881	72,292	21,850	12,756	9,094	317
22 <sup>u</sup>	20,335	81	943	10,012	2,924	77	20,538	148,613	216,515	71,171	21,763	12,749	9,014	371
29 <sup>u</sup>	21,134	336	932	9,596	2,930	71	20,662	148,699	216,499	72,032	21,668	12,649	9,019	334

<sup>1</sup> Includes securities purchased under agreements to resell.

<sup>2</sup> Includes official institutions and so forth.

<sup>3</sup> Includes short-term notes and bills.

<sup>4</sup> Federal agencies only.

<sup>5</sup> Includes corporate stock.

<sup>6</sup> Includes U.S. Govt. and foreign bank deposits, not shown separately.

<sup>7</sup> Includes securities sold under agreements to repurchase.

<sup>8</sup> Includes minority interest in consolidated subsidiaries.

<sup>9</sup> Exclusive of loans and Federal funds transactions with domestic commercial banks.

<sup>10</sup> All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

<sup>11</sup> Certificates of deposit issued in denominations of \$100,000 or more.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1972					1972		1972		1971		1971	
	Mar. 29	Mar. 22	Mar. 15	Mar. 8	Mar. 1	Mar.	Feb.	Jan.	I	IV	III	2nd half	1st half
Durable goods manufacturing:													
Primary metals.....	2,063	2,076	2,077	2,043	2,046	36	32	-14	54	-162	-120	-282	145
Machinery.....	4,289	4,253	4,239	4,101	4,075	185	-78	-198	-91	-600	-231	-831	-218
Transportation equipment.....	2,676	2,651	2,654	2,608	2,632	-19	129	-96	14	-101	24	-77	-190
Other fabricated metal products.....	1,733	1,709	1,723	1,672	1,676	93	25	-101	17	-259	-130	-389	197
Other durable goods.....	2,641	2,630	2,603	2,562	2,517	121	77	-52	146	-328	11	-317	258
Nondurable goods manufacturing:													
Food, liquor, and tobacco.....	2,666	2,691	2,733	2,772	2,774	-139	12	-100	-227	205	293	498	-709
Textiles, apparel, and leather.....	2,574	2,537	2,527	2,382	2,320	253	140	-112	281	-273	-31	-304	279
Petroleum refining.....	1,077	1,047	1,070	1,107	1,127	-58	6	-45	-97	56	-4	52	-404
Chemicals and rubber.....	2,151	2,156	2,146	2,130	2,157	5	55	-163	-103	-437	-155	-592	66
Other nondurable goods.....	1,747	1,750	1,754	1,748	1,728	53	-4	-124	-75	-96	60	-36	-140
Mining, including crude petroleum and natural gas.....	3,670	3,675	3,657	3,642	3,642	66	-66	-137	-137	-17	204	187	-383
Trade: Commodity dealers.....	1,482	1,507	1,508	1,484	1,468	6	-154	-46	-194	46	72	532	-235
Other wholesale.....	4,381	4,381	4,326	4,295	4,313	66	-57	-61	-52	132	392	524	208
Retail.....	4,381	4,204	4,265	4,199	4,187	219	85	-45	259	-340	81	-259	336
Transportation.....	5,613	5,619	5,578	5,592	5,579	40	15	-88	-33	-78	-246	-324	-30
Communication.....	1,240	1,257	1,222	1,245	1,251	-101	15	12	-74	-249	24	-225	231
Other public utilities.....	2,452	2,500	2,538	2,593	2,630	-184	7	-97	-274	176	349	525	-147
Construction.....	3,973	3,982	4,029	3,943	3,905	38	194	-76	156	77	106	183	182
Services.....	8,240	8,205	8,153	8,076	8,041	218	111	37	366	276	13	289	187
All other domestic loans.....	5,918	5,952	5,915	5,824	5,844	186	118	-40	264	305	305	610	118
Bankers' acceptances.....	1,741	1,700	1,881	1,890	1,908	-146	-41	-366	-553	696	462	1,158	-555
Foreign commercial and industrial loans.....	3,314	3,254	3,285	3,241	3,234	127	-28	-10	89	254	324	578	238
Total classified loans.....	70,022	69,736	69,883	69,149	69,054	1,065	593	-1,922	-264	-303	1,803	1,500	-566
Total commercial and industrial loans.....	83,795	83,462	83,517	82,702	82,597	1,305	730	-2,010	25	335	1,279	1,614	463

See NOTE to table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding								Net change during--					
	1972				1971				1972		1971		1971	
	Mar. 29	Feb. 23	Jan. 26	Dec. 29	Nov. 24	Oct. 27	Sept. 29	Aug. 25	July 28	I	IV	III	II	2nd half
Durable goods manufacturing:														
Primary metals.....	1,342	1,330	1,315	1,362	1,406	1,495	1,524	1,481	1,534	-20	-162	-62	-43	-224
Machinery.....	2,072	2,001	2,179	2,285	2,396	2,476	2,479	2,505	2,511	-213	-194	-57	-52	-251
Transportation equipment.....	1,493	1,553	1,605	1,620	1,592	1,626	1,689	1,582	1,552	-127	-69	130	-54	61
Other fabricated metal products.....	688	683	699	713	707	743	775	804	802	-25	-62	-39	82	-101
Other durable goods.....	1,145	1,118	1,117	1,135	1,162	1,204	1,214	1,269	1,239	10	-79	-19	16	-98
Nondurable goods manufacturing:														
Food, liquor, and tobacco.....	912	937	987	1,021	1,010	971	985	938	946	-109	36	17	-2	53
Textiles, apparel, and leather.....	653	580	567	576	577	585	607	609	597	77	-31	10	-20	-21
Petroleum refining.....	737	818	848	892	867	900	857	841	901	-135	35	-34	-23	1
Chemicals and rubber.....	1,226	1,315	1,330	1,441	1,528	1,654	1,785	1,809	1,821	-215	-344	-32	-26	-376
Other nondurable goods.....	977	973	1,010	1,024	1,018	1,047	1,018	1,006	1,008	-47	6	-2	-79	4
Mining, including crude petroleum and natural gas.....	2,872	2,891	2,927	3,039	2,998	3,021	2,934	3,000	3,017	-167	105	-56	-130	49
Trade: Commodity dealers.....	125	132	119	115	104	116	109	117	101	10	6	12	17	18
Other wholesale.....	927	883	915	893	860	862	847	834	845	34	46	11	60	57
Retail.....	1,340	1,352	1,349	1,383	1,429	1,475	1,471	1,450	1,416	-43	-88	57	3	-31
Transportation.....	4,383	4,314	4,397	4,440	4,448	4,444	4,571	4,471	4,596	-57	-11	-26	-253	-157
Communication.....	440	417	432	427	427	418	420	422	471	13	-7	-48	66	-41
Other public utilities.....	1,160	1,191	1,305	1,316	1,292	1,304	1,272	1,180	1,141	-156	44	178	122	222
Construction.....	1,417	1,327	1,257	1,244	1,255	1,240	1,192	1,202	1,225	173	52	5	107	57
Services.....	3,653	3,542	3,539	3,488	3,438	3,397	3,347	3,311	3,237	165	141	89	124	230
All other domestic loans.....	1,728	1,627	1,570	1,431	1,413	1,390	1,390	1,362	1,311	297	41	141	-21	182
Foreign commercial and industrial loans.....	1,939	1,898	1,995	2,076	1,956	1,940	1,892	1,950	1,908	-137	184	.....	100	184
Total loans.....	31,249	30,882	31,462	31,921	31,883	32,308	32,378	32,143	32,179	-672	-457	275	-6	-182

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<sup>1</sup>**

(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	
<b>All commercial banks:</b>						
1970—June.....	17.1	85.3	49.0	1.6	9.6	162.5
Sept.....	17.0	88.0	51.4	1.4	10.0	167.9
Dec.....	17.3	92.7	53.6	1.3	10.3	175.1
1971—Mar.....	18.3	86.1	54.1	1.4	10.4	170.3
June.....	17.9	89.9	56.0	1.3	10.7	175.8
Sept.....	17.9	91.5	57.5	1.2	9.7	177.9
Dec.....	18.5	98.0	58.6	1.3	10.7	187.0
<b>Weekly reporting banks:</b>						
1970—Dec.....	13.5	56.1	23.3	1.2	5.6	99.7
1971—Feb.....	13.9	52.2	23.1	1.2	5.5	95.8
Mar.....	14.1	52.4	23.9	1.3	5.7	97.3
Apr.....	14.1	53.4	25.3	1.3	5.7	99.8
May.....	13.7	52.9	24.1	1.2	5.5	97.4
June.....	14.0	54.2	24.4	1.2	6.0	99.8
July.....	14.1	54.7	24.8	1.2	5.4	100.3
Aug.....	13.5	53.4	24.1	1.2	5.1	97.2
Sept.....	13.8	54.6	24.5	1.2	5.5	99.6
Oct.....	13.9	55.5	24.5	1.1	5.4	100.4
Nov.....	13.7	55.8	24.6	1.1	5.4	100.7
Dec.....	14.3	58.6	24.9	1.2	5.9	104.9
1972—Jan.....	14.4	56.8	25.4	1.1	6.0	103.7
Feb.....	13.7	55.4	24.5	1.1	5.9	100.5

<sup>1</sup> 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, 1968	Dec. 31, 1969	Dec. 31, 1970	June 30, 1971	Class of bank	Dec. 31, 1968	Dec. 31, 1969	Dec. 31, 1970	June 30, 1971
Insured.....	1,216	1,129	803	745	Other reserve city.....	332	304	143	125
National member.....	730	688	433	407	Country.....	605	571	437	411
State member.....	207	188	147	129	All nonmember.....	278	255	224	210
All member.....	937	876	580	536	Insured.....	278	253	223	209
					Noninsured.....		2	1	1

NOTE.—These hypothecated deposits are excluded from Time deposits and Loans at all commercial banks beginning with June 30, 1966, as shown in the tables on pp. A-20, A-21, and A-26—A-30 (consumer installment loans), and in the table at the bottom of p. A-18. These changes

resulted from a change in Federal Reserve regulations. See June 1966 BULLETIN, p. 808.

These deposits have not been deducted from Time deposits and Loans for commercial banks as shown on pp. A-22 and A-23 and on pp. A-24 and A-25 (IPC only for time deposits).



**LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS**

(Amounts outstanding; in millions of dollars)

Date	To own subsidiaries, foreign branches, holding companies, and other affiliates			To all others except banks		
	Total	By type of loan		Total	By type of loan	
		Commercial and industrial	All other		Commercial and industrial	All other
1971—Dec. 1	2,934	1,723	1,211	1,592	400	1,192
8	2,852	1,675	1,177	1,634	398	1,236
15	2,744	1,619	1,125	1,635	395	1,240
22	2,841	1,655	1,186	1,620	387	1,233
29	2,840	1,632	1,208	1,661	378	1,283
1972—Jan. 5	2,827	1,596	1,231	1,654	371	1,283
12	2,795	1,603	1,192	1,629	365	1,267
19	2,741	1,583	1,158	1,622	362	1,260
26	2,965	1,729	1,236	1,602	351	1,251
Feb. 2	2,969	1,731	1,238	1,615	345	1,270
9	2,911	1,749	1,162	1,604	345	1,259
16	2,837	1,735	1,102	1,624	347	1,277
23	2,873	1,718	1,155	1,640	340	1,300
Mar. 1	2,936	1,711	1,225	1,647	353	1,294
8	2,890	1,735	1,155	1,665	369	1,296
15	2,801	1,703	1,098	1,664	366	1,298
22	2,795	1,711	1,084	1,629	364	1,265
29	2,772	1,785	987	1,622	367	1,255

Note.—Amounts sold under repurchase agreement are excluded. Figures include small amounts sold by banks other than large weekly reporting banks.

**COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS' ACCEPTANCES OUTSTANDING**

(In millions of dollars)

End of period	Commercial and finance company paper				Dollar acceptances										
	Total	Placed through dealers		Placed directly		Total	Held by—					Based on—			
		Bank related	Other <sup>1</sup>	Bank related	Other <sup>2</sup>		Accepting banks			F.R. Banks		Others	Im-ports into United States	Ex-ports from United States	All other
							Total	Own bills	Bills bought	Own acct.	For-ign corr.				
1965	9,058	1,903	7,155	3,392	1,223	1,094	129	187	144	1,837	792	974	1,626		
1966	13,279	3,089	10,190	3,603	1,198	983	215	193	191	2,022	997	829	1,778		
1967	16,535	4,901	11,634	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241		
1968	20,497	7,201	13,296	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053		
1969	31,709	1,216	10,601	3,078	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408		
1970	31,765	409	12,262	1,940	1,715	1,960	735	57	250	4,057	2,601	1,561	2,895		
1971—Feb.	32,506	383	13,538	1,518	1,707	2,306	784	54	266	3,575	2,618	1,520	2,847		
Mar.	31,223	355	13,215	1,337	1,714	2,276	678	138	255	3,827	2,681	1,519	2,974		
Apr.	31,367	431	13,058	1,363	1,615	2,320	573	56	236	4,115	2,748	1,510	3,043		
May	31,115	392	12,608	1,356	1,759	2,382	545	112	253	4,203	2,889	1,479	3,126		
June	29,472	448	11,288	1,285	1,651	2,355	451	62	230	4,546	3,028	1,467	3,150		
July	29,746	469	11,001	1,339	1,693	2,168	426	55	228	4,577	3,118	1,388	2,948		
Aug.	30,057	454	11,494	1,338	1,671	2,131	481	107	245	5,413	3,405	1,505	3,467		
Sept.	29,946	395	11,909	1,505	1,637	2,227	575	51	259	5,036	3,286	1,470	3,391		
Oct.	31,205	454	11,897	1,527	1,737	2,350	650	52	261	4,499	3,148	1,366	3,296		
Nov.	31,164	406	11,825	1,624	1,709	2,204	648	58	258	4,312	2,848	1,392	3,239		
Dec.	29,934	495	10,923	1,478	1,703	2,689	791	261	254	3,894	2,834	1,546	3,509		
► Dec.	30,824	495	10,923	1,478	1,792										
1972—Jan.	31,857	505	11,922	1,582	1,748	2,917	2,157	761	75	253	4,356	2,558	1,584	3,458	
Feb.	32,247	525	12,262	1,624	1,836	7,935	3,123	2,408	715	63	267	4,482	2,589	1,717	3,629

► Data for commercial and finance company paper on new basis beginning December 1971. The new series reflects inclusion of paper issued directly by real estate investment trusts and several additional finance companies.

<sup>1</sup> As reported by dealers; includes finance company paper as well as other commercial paper sold in the open market.

<sup>2</sup> As reported by finance companies that place their paper directly with investors.

**PRIME RATE CHARGED BY BANKS**

(Per cent per annum)

In effect during—	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1929.....	5½-6	1954—Mar. 17.....	3	1967—Jan. 26-27... 5½-5¾		1971—Apr. 23.....	5¼-5½
1930.....	3½-6	1955—Aug. 4.....	3½	Mar. 27.....	5½	May 11.....	5¼
1931.....	2¾-5	Oct. 14.....	3½	Nov. 20.....	6	July 6.....	5½-6
1932.....	3¼-4	1956—Apr. 13.....	3¾	1968—Apr. 19.....	6½	7.....	6
1933.....	1½-4	Aug. 21.....	4	Sept. 25.....	6-6¾	Oct. 20.....	5¾
1934—		1957—Aug. 6.....	4½	Nov. 13.....	6½	Nov. 1.....	5¾-5¾
1947 (Nov.).....	1½	1958—Jan. 22.....	4	Dec. 2.....	6½	4.....	5¼-5¾
		Apr. 21.....	3½	18.....	6¾	8.....	5¼
		Sept. 11.....	4	1969—Jan. 7.....	7	22.....	5¼-5½
		1959—May 18.....	4½	Mar. 17.....	7½	Dec. 6.....	5¼-5½
		Sept. 1.....	5	June 9.....	8½	31.....	5¼
		1960—Aug. 23.....	4½	1970—Mar. 25.....	8	1972—Jan. 3.....	5-5¼
		1965—Dec. 6.....	5	Sept. 21.....	7½	17.....	5¼
		1966—Mar. 10.....	5½	Nov. 12.....	7¼	24.....	4¾-5¼
		June 29.....	5¾	23.....	7	31.....	4½-5
		Aug. 16.....	6	Dec. 22.....	6¾	Feb. 28.....	4¾-4½
				1971—Jan. 6.....	6½	13.....	4¾
				15.....	6¾	23.....	4¾
				18.....	6	Mar. 13.....	4½-4¾
				Feb. 16.....	5¾	23.....	4¾
				Mar. 11.....	5¼-5½	27.....	4½-4¾
				19.....	5¼		5

1 Date of change not available.

**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	
	Feb. 1972	Nov. 1971	Feb. 1972	Nov. 1971	Feb. 1972	Nov. 1971	Feb. 1972	Nov. 1971	Feb. 1972	Nov. 1971	Feb. 1972	Nov. 1971
	<b>Short-term</b>											
35 centers.....	5.52	6.18	7.08	7.51	6.44	7.05	5.76	6.51	5.44	6.26	5.31	5.93
New York City.....	5.35	5.86	6.47	7.33	5.92	6.79	5.27	6.17	4.97	5.99	5.38	5.78
7 other Northeast.....	5.72	6.40	7.20	7.75	6.58	7.31	5.91	6.73	5.54	6.46	5.45	6.00
8 North Central.....	5.37	6.13	6.72	7.13	6.21	6.89	5.60	6.45	5.46	6.13	5.17	5.95
7 Southeast.....	5.87	6.47	7.39	7.72	6.73	7.16	6.11	6.65	5.76	6.39	5.29	6.01
8 Southwest.....	5.79	6.43	7.05	7.38	6.43	6.83	5.81	6.44	5.60	6.27	5.58	6.31
4 West Coast.....	5.39	6.21	7.41	7.93	6.69	7.29	6.08	6.64	5.46	6.65	5.07	5.92
	<b>Revolving credit</b>											
35 centers.....	5.24	5.98	6.60	7.24	6.16	6.74	5.60	6.16	5.31	6.01	5.18	5.94
New York City.....	5.07	5.94	6.06	6.78	5.51	6.52	5.34	6.02	5.22	5.85	5.05	5.94
7 other Northeast.....	5.41	6.16	7.37	8.17	6.56	7.20	5.44	6.15	5.28	6.30	5.38	6.11
8 North Central.....	5.67	6.10	7.14	7.21	5.95	6.79	5.55	6.22	5.32	5.93	5.73	6.09
7 Southeast.....	5.76	6.04	6.03	6.52	6.13	6.56	5.56	6.30	5.86	6.25	5.74	5.81
8 Southwest.....	5.91	6.70	6.65	7.54	5.94	6.72	5.69	6.57	6.44	6.63	5.73	6.77
4 West Coast.....	5.13	5.88	6.67	7.65	6.36	6.69	5.72	6.10	5.10	5.94	5.04	5.84
	<b>Long-term</b>											
35 centers.....	5.64	6.44	6.98	7.55	6.85	6.95	6.19	6.79	6.13	6.57	5.44	6.35
New York City.....	5.35	6.36	5.75	6.39	5.77	6.24	5.83	6.40	5.62	6.50	5.29	6.35
7 other Northeast.....	5.99	6.64	7.59	8.36	7.07	7.00	6.51	7.08	6.88	7.50	5.52	6.27
8 North Central.....	5.42	6.58	6.39	7.69	6.75	7.38	6.08	6.79	6.04	6.32	5.17	6.53
7 Southeast.....	7.07	7.28	7.81	6.97	9.03	6.29	6.78	7.78	9.53	7.78	5.50	7.05
8 Southwest.....	6.16	6.44	6.57	6.85	6.67	6.93	6.42	6.63	6.68	6.11	5.87	6.46
4 West Coast.....	5.80	6.20	7.55	8.16	6.24	7.19	6.02	6.64	5.04	6.16	5.87	6.12

NOTE.—Beginning Feb. 1971 the Quarterly Survey of Interest Rates on Business Loans was revised. For description of revised series see pp. 468-77 of the June 1971 BULLETIN.

MONEY MARKET RATES

(Per cent per annum)

Period	Prime coml. paper 4- to 6-months <sup>1</sup>	Finance co. paper placed directly, 3- to 6-months <sup>2</sup>	Prime bankers' acceptances, 90 days <sup>1</sup>	Federal funds rate <sup>3</sup>	U.S. Government securities (taxable) <sup>4</sup>						
					3-month bills <sup>5</sup>		6-month bills <sup>5</sup>		9- to 12-month issues		3- to 5-year issues <sup>7</sup>
					Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield) <sup>5</sup>	Others <sup>6</sup>	
1964.....	3.97	3.83	3.77	3.50	3.549	3.54	3.686	3.68	3.74	3.76	4.06
1965.....	4.34	4.27	4.22	4.07	3.954	3.95	4.055	4.05	4.06	4.09	4.22
1966.....	5.55	5.42	5.36	5.11	4.881	4.85	5.082	5.06	5.07	5.17	5.16
1967.....	5.10	4.89	4.75	4.22	4.321	4.30	4.630	4.61	4.71	4.84	5.07
1968.....	5.90	5.69	5.75	5.66	5.339	5.33	5.470	5.48	5.45	5.62	5.59
1969.....	7.83	7.16	7.61	8.22	6.677	6.64	6.853	6.84	6.77	7.06	6.85
1970.....	7.72	7.23	7.31	7.17	6.458	6.42	6.562	6.55	6.53	6.90	7.37
1971.....	5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.51	4.67	4.75	5.77
1971—Mar.....	4.19	4.05	3.80	3.71	3.323	3.38	3.431	3.50	3.61	3.66	4.74
Apr.....	4.57	4.27	4.36	4.15	3.780	3.85	3.927	4.03	4.09	4.21	5.42
May.....	5.10	4.69	4.91	4.63	4.139	4.13	4.367	4.34	4.64	4.93	6.02
June.....	5.45	5.24	5.33	4.91	4.699	4.74	4.890	4.95	5.32	5.57	6.36
July.....	5.75	5.54	5.60	5.31	5.405	5.39	5.586	5.62	5.73	5.89	6.77
Aug.....	5.73	5.57	5.57	5.57	5.078	4.93	5.365	5.22	5.52	5.67	6.39
Sept.....	5.75	5.44	5.49	5.55	4.668	4.69	4.934	4.97	5.20	5.31	5.96
Oct.....	5.54	5.30	5.05	5.20	4.489	4.46	4.626	4.60	4.75	4.74	5.68
Nov.....	4.92	4.81	4.78	4.91	4.191	4.22	4.338	4.38	4.49	4.50	5.50
Dec.....	4.74	4.60	4.45	4.14	4.023	4.01	4.199	4.23	4.40	4.38	5.42
1972—Jan.....	4.08	3.95	3.92	3.50	3.403	3.38	3.656	3.66	3.78	3.99	5.33
Feb.....	3.93	3.78	3.52	3.29	3.180	3.18	3.594	3.63	4.05	4.07	5.51
Mar.....	4.17	4.03	3.95	3.83	3.723	3.72	4.086	4.12	4.42	4.54	5.74
Week ending—											
1971—Dec. 4.....	4.88	4.73	4.75	4.68	4.324	4.28	4.431	4.42	4.60	4.63	5.52
11.....	4.88	4.70	4.58	4.59	4.091	4.11	4.207	4.28	4.53	4.54	5.48
18.....	4.75	4.63	4.50	4.20	3.944	4.04	4.144	4.27	4.50	4.40	5.45
25.....	4.75	4.50	4.40	3.89	4.023	4.02	4.263	4.25	4.38	4.30	5.43
1972—Jan. 1.....	4.50	4.50	4.18	4.05	3.731	3.73	3.952	4.03	4.09	4.15	5.27
8.....	4.38	4.20	4.10	3.57	3.735	3.59	4.043	3.92	4.03	4.11	5.31
15.....	4.10	3.98	3.88	3.71	3.109	3.16	3.375	3.43	3.65	3.92	5.20
22.....	3.98	3.85	3.88	3.54	3.276	3.31	3.452	3.58	3.64	3.94	5.32
29.....	3.88	3.80	3.85	3.43	3.493	3.46	3.754	3.71	3.79	4.00	5.47
Feb. 5.....	3.98	3.88	3.75	3.23	3.367	3.35	3.733	3.78	4.05	4.05	5.55
12.....	4.00	3.78	3.50	3.25	3.141	3.09	3.594	3.56	4.00	3.92	5.51
19.....	3.93	3.75	3.45	3.43	3.066	3.04	3.537	3.50	3.95	4.04	5.47
26.....	3.88	3.75	3.43	3.34	3.145	3.22	3.513	3.64	4.11	4.21	5.50
Mar. 4.....	3.90	3.80	3.60	3.18	3.446	3.44	3.762	3.78	4.17	4.19	5.50
11.....	4.00	3.88	3.73	3.43	3.553	3.56	3.796	3.86	4.21	4.22	5.57
18.....	4.20	4.03	4.03	3.88	3.845	3.85	4.195	4.25	4.51	4.64	5.65
25.....	4.30	4.13	4.13	3.91	3.920	3.81	4.322	4.27	4.50	4.72	5.83
Apr. 1.....	4.33	4.20	4.13	4.09	3.849	3.82	4.354	4.36	4.67	4.89	5.92

<sup>1</sup> Averages of daily offering rates of dealers.  
<sup>2</sup> Averages of daily rates, published by finance companies, for varying maturities in the 90-179 day range.  
<sup>3</sup> Seven-day average for week ending Wednesday.  
<sup>4</sup> Except for new bill issues, yields are averages computed from daily closing bid prices.  
<sup>5</sup> Bills quoted on bank discount rate basis.  
<sup>6</sup> Certificates and selected note and bond issues.  
<sup>7</sup> Selected note and bond issues.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds					Corporate bonds					Stocks		
	United States (long-term)	State and local			Total <sup>1</sup>	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total <sup>1</sup>	Aaa	Baa		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
1962	3.95	3.30	3.03	3.67	4.62	4.33	5.02	4.47	4.86	4.51	4.50	3.37	6.06
1963	4.00	3.28	3.06	3.58	4.50	4.26	4.86	4.42	4.65	4.41	4.30	3.17	5.68
1964	4.15	3.28	3.09	3.54	4.57	4.40	4.83	4.52	4.67	4.53	4.32	3.01	5.54
1965	4.21	3.34	3.16	3.57	4.64	4.49	4.87	4.61	4.72	4.60	4.33	3.00	5.87
1966	4.66	3.90	3.67	4.21	5.34	5.13	5.67	5.30	5.37	5.36	4.97	3.40	6.72
1967	4.85	3.99	3.74	4.30	5.82	5.51	6.23	5.74	5.89	5.81	5.34	3.20	5.71
1968	5.25	4.48	4.20	4.88	6.51	6.18	6.94	6.41	6.77	6.49	5.78	3.07	5.84
1969	6.10	5.73	5.45	6.07	7.36	7.03	7.81	7.22	7.46	7.49	6.41	3.24	6.05
1970	6.59	6.42	6.12	6.75	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.28
1971	5.74	5.62	5.22	5.89	7.94	7.39	8.56	7.57	8.38	8.13	6.69	3.14	
1971—Mar.	5.71	5.26	5.00	5.56	7.84	7.21	8.46	7.36	8.39	8.08	6.48	3.10	5.52
Apr.	5.75	5.49	5.22	5.85	7.86	7.25	8.45	7.43	8.37	8.05	6.59	2.99	
May	5.96	5.99	5.71	6.36	8.03	7.53	8.62	7.68	8.40	8.23	6.82	3.04	
June	5.94	5.98	5.65	6.36	8.14	7.64	8.75	7.80	8.43	8.39	6.99	3.10	5.74
July	5.91	6.12	5.75	6.58	8.14	7.64	8.76	7.85	8.46	8.34	7.03	3.13	
Aug.	5.78	5.84	5.56	6.21	8.12	7.59	8.76	7.80	8.48	8.30	7.04	3.18	
Sept.	5.56	5.45	5.09	5.86	7.97	7.44	8.59	7.64	8.39	8.12	6.90	3.09	5.65
Oct.	5.46	5.05	4.75	5.38	7.88	7.39	8.48	7.58	8.25	8.04	6.75	3.16	
Nov.	5.44	5.20	4.94	5.53	7.77	7.26	8.38	7.46	8.13	7.96	6.78	3.31	
Dec.	5.62	5.24	4.99	5.55	7.75	7.25	8.38	7.42	8.12	7.92	6.81	3.10	
1972—Jan.	5.62	5.13	4.84	5.49	7.66	7.19	8.23	7.34	7.98	7.85	6.57	2.96	
Feb.	5.67	5.29	5.01	5.63	7.68	7.27	8.23	7.39	8.00	7.84	6.67	2.92	
Mar.	5.66	5.31	4.99	5.61	7.66	7.24	8.24	7.35	8.03	7.81	6.76	2.86	
Week ending—													
1972—Jan. 1	5.60	5.04	4.75	5.40	7.70	7.22	8.31	7.37	8.06	7.88	6.79	2.99	
8	5.61	5.05	4.75	5.40	7.67	7.19	8.27	7.36	8.02	7.86	6.68	2.97	
15	5.57	5.00	4.65	5.40	7.65	7.17	8.21	7.33	8.00	7.84	6.52	2.95	
22	5.61	5.16	4.90	5.50	7.63	7.16	8.18	7.31	7.95	7.82	6.49	2.94	
29	5.67	5.31	5.05	5.65	7.67	7.22	8.24	7.36	7.95	7.87	6.57	2.99	
Feb. 5	5.70	5.36	5.10	5.70	7.68	7.25	8.26	7.39	7.99	7.85	6.62	2.93	
12	5.71	5.26	5.00	5.60	7.70	7.29	8.25	7.42	8.00	7.84	6.71	2.91	
19	5.65	5.26	5.00	5.60	7.68	7.28	8.23	7.39	8.01	7.83	6.64	2.91	
26	5.63	5.29	4.95	5.60	7.67	7.26	8.21	7.35	8.01	7.83	6.71	2.92	
Mar. 4	5.62	5.31	5.00	5.60	7.67	7.25	8.21	7.35	8.03	7.82	6.74	2.86	
11	5.62	5.18	4.90	5.50	7.66	7.24	8.22	7.34	8.02	7.81	6.80	2.82	
18	5.67	5.30	5.00	5.60	7.66	7.22	8.24	7.34	8.02	7.81	6.78	2.85	
25	5.68	5.35	5.00	5.65	7.67	7.24	8.26	7.36	8.04	7.82	6.71	2.87	
Apr. 1	5.69	5.40	5.05	5.70	7.67	7.24	8.25	7.37	8.04	7.82	6.75	2.89	
Number of issues <sup>2</sup>	8	20	5	5	119	20	30	40	29	40	14	500	500

<sup>1</sup> 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, Aaa-rated railroad bonds are no longer a component of the railroad average or the Aaa composite series.

<sup>2</sup> Number of issues varies over time; figures shown reflect most recent count.

Note.—Annual yields are averages of 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. (2) State and local govt.: General obligations only, based on Thurs. figures. (3) Corporate: Averages of daily figures. (2) and (3) are from Moody's Investors Service series.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures; earnings/price ratios are as of end of period. Preferred stock ratio is based on eight median yields for a sample of non-callable issues—12 industrial and two 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:

<sup>1</sup> Begins June 30, 1965, at 10.90. On that day the average price of a share of stock listed on the American Stock Exchange was \$10.90.

Note.—Annual data are averages of monthly 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 preceding page 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, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours: 1967—Aug. 8–20, 20; 1968—Jan. 22–Mar. 1, 20; June 30–Dec. 31, 22; 1969—Jan. 3–July 3, 20; July 7–Dec. 31–22.5; 1970—Jan. 2–May 1, 25.

Terms on Mortgages:

<sup>1</sup> Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, which provide added income to the lender and are paid by the borrower. They exclude any closing costs related solely to transfer of property ownership.

Note.—Compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are 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. Data exclude loans for refinancing, reconditioning, or modernization; construction loans to homebuilders; and permanent loans that are coupled with construction loans to owner-builders. Series beginning 1963, not strictly comparable with earlier data. See also the table on Home-Mortgage Yields, p. A-53.

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices											Volume of trading in stocks (thousands of shares)		
	U.S. Govt. (long-term)	State and local	Corporate AAA	New York Stock Exchange								American Stock Exchange total index <sup>1</sup>	NYSE	AMEX			
				Standard and Poor's index (1941-43=10)				New York Stock Exchange index (Dec. 31, 1965=50)									
				Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility				Finance		
1962.....	86.94	112.0	96.2	62.38	65.54	30.56	59.16									3,820	1,225
1963.....	86.31	111.3	96.8	69.87	73.39	37.38	64.99									8.52	4,573
1964.....	84.46	111.5	95.1	81.37	86.19	45.46	69.91									9.81	4,888
1965.....	83.76	110.6	93.9	88.17	93.48	46.78	76.08									12.05	6,174
1966.....	78.63	102.6	86.1	85.26	91.09	46.34	68.21	44.16	43.79	48.23	44.77	44.43	44.67	44.67	14.67	7,538	
1967.....	76.55	100.5	81.8	91.93	99.18	46.72	68.10	50.77	51.97	53.51	45.43	49.82	19.67	19.67	10,143	4,508	
1968.....	72.33	93.5	76.4	98.70	107.49	48.84	66.42	55.37	58.00	50.58	44.19	65.85	27.72	27.72	12,971	6,353	
1969.....	64.49	79.0	68.5	97.84	107.13	45.95	62.64	54.67	57.45	46.96	42.80	70.49	28.73	28.73	11,403	5,001	
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	22.59	22.59	10,532	3,376	
1971.....	68.80	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	25.22	25.22	17,429	4,234	
1971—Mar.....	67.94	82.8	65.8	99.60	109.59	39.70	62.42	54.89	58.43	41.71	41.60	70.66	25.88	25.88	16,955	5,570	
Apr.....	67.57	80.4	65.1	103.04	113.68	42.29	62.06	56.81	60.65	45.35	41.73	73.91	26.43	26.43	19,126	5,685	
May.....	65.72	75.6	63.7	101.64	112.41	42.05	59.20	56.00	60.21	45.48	39.70	70.89	26.03	26.03	15,157	4,157	
June.....	65.84	74.8	63.5	99.72	110.26	42.12	57.90	55.06	59.25	44.90	38.71	70.01	25.61	25.61	13,802	3,488	
July.....	66.16	74.0	63.2	99.00	109.09	42.05	60.08	54.83	58.70	44.02	39.72	70.42	25.46	25.46	12,634	3,080	
Aug.....	67.33	77.4	63.4	97.24	107.26	43.55	57.51	53.73	57.62	44.83	38.17	69.41	24.84	24.84	14,574	3,473	
Sept.....	69.35	81.7	64.2	99.40	109.85	47.18	56.48	54.95	59.13	48.09	37.53	72.14	25.47	25.47	12,038	3,259	
Oct.....	70.33	84.7	65.2	97.29	107.28	44.58	57.41	53.76	57.52	47.02	37.93	71.24	25.24	25.24	13,340	3,622	
Nov.....	70.47	84.1	66.4	92.78	102.21	41.19	55.86	51.17	54.50	44.29	36.87	68.98	24.10	24.10	13,163	3,234	
Dec.....	68.80	83.5	66.5	99.17	109.67	43.17	57.07	54.76	58.85	48.34	37.52	72.28	25.04	25.04	17,171	4,777	
1972—Jan.....	68.79	84.6	67.1	103.30	114.12	45.16	60.19	57.19	61.33	50.56	40.02	74.24	26.46	26.46	18,072	5,516	
Feb.....	68.32	83.8	66.7	105.24	116.86	45.66	57.41	58.45	63.36	52.80	38.56	73.74	27.52	27.52	18,817	6,328	
Mar.....	68.43	84.1	66.2	107.69	119.73	46.48	57.73	59.96	65.18	53.71	38.56	77.15	28.03	28.03	18,351	5,680	
Week ending --																	
Mar. 4.....	68.75	84.0	66.6	107.07	119.08	45.61	57.37	59.55	64.85	53.52	38.31	74.58	27.95	27.95	20,964	7,021	
11.....	68.77	85.3	66.3	108.78	120.99	46.61	58.11	60.59	65.91	54.60	38.98	76.89	28.31	28.31	21,220	7,431	
18.....	68.32	84.3	66.0	107.62	119.57	47.15	58.11	59.97	65.12	53.88	38.87	76.88	28.14	28.14	18,260	5,139	
25.....	68.21	83.7	66.1	107.28	119.23	46.44	57.81	59.70	64.80	53.02	38.50	78.06	27.79	27.79	16,844	4,762	
Apr. 1.....	68.14	83.3	66.0	107.04	119.08	46.19	56.95	59.60	64.79	53.21	37.92	78.26	27.82	27.82	13,951	3,795	

For notes see opposite page.

TERMS ON CONVENTIONAL FIRST MORTGAGES

Period	New homes						Existing homes					
	Contract rate (per cent)	Fees & charges (per cent) <sup>1</sup>	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	Contract rate (per cent)	Fees & charges (per cent) <sup>1</sup>	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)
1965.....	5.74	.49	25.0	73.9	25.1	18.3	5.87	.55	21.8	72.7	21.6	15.6
1966.....	6.14	.71	24.7	73.0	26.6	19.2	6.30	.72	21.7	72.0	22.2	15.9
1967.....	6.33	.81	25.2	73.6	28.0	20.4	6.40	.76	22.5	72.7	24.1	17.4
1968.....	6.83	.89	25.5	73.9	30.7	22.4	6.90	.83	22.7	73.0	25.6	18.5
1969.....	7.66	.91	25.5	72.8	34.1	24.5	7.68	.88	22.7	71.5	28.3	19.9
1970.....	8.27	1.03	25.1	71.7	35.5	25.2	8.20	.92	22.8	71.1	30.0	21.0
1971.....	7.60	.87	26.2	74.3	36.3	26.5	7.54	.77	24.2	73.9	31.7	23.1
1971—Feb.....	7.74	1.00	26.2	73.9	37.0	26.2	7.67	.79	24.0	71.1	31.1	22.5
Mar.....	7.52	.83	25.9	73.7	35.9	26.0	7.47	.77	24.1	73.5	31.7	23.0
Apr.....	7.37	.73	26.3	73.6	36.0	26.2	7.34	.75	24.2	73.6	31.8	23.1
May.....	7.36	.71	26.1	74.0	36.7	26.7	7.33	.71	24.0	73.2	32.3	23.3
June.....	7.38	.74	26.3	73.7	37.5	27.3	7.38	.74	24.3	73.9	32.9	23.9
July.....	7.51	.90	26.3	74.5	36.8	27.1	7.50	.75	24.2	74.5	31.6	23.2
Aug.....	7.60	.84	26.2	73.9	36.5	26.5	7.58	.76	24.5	74.2	31.9	23.5
Sept.....	7.67	.97	25.8	75.3	35.1	25.9	7.63	.79	24.2	74.5	30.7	22.5
Oct.....	7.68	.97	26.4	75.5	35.2	26.3	7.62	.79	24.1	74.2	31.2	22.9
Nov.....	7.65	.87	26.7	75.4	36.7	27.3	7.56	.79	24.3	74.6	31.6	23.2
Dec.....	7.62	.93	26.6	74.5	36.4	26.5	7.51	.80	24.6	74.6	32.5	23.9
1972—Jan.....	7.62	.95	26.5	75.0	37.3	27.6	7.45	.82	24.9	74.7	32.5	24.1
Feb.....	7.43	1.01	27.0	76.4	37.1	27.8	7.37	.75	25.0	75.5	32.8	24.3

For notes see opposite page.

**STOCK MARKET CUSTOMER FINANCING**

(In millions of dollars)

End of period	Margin credit at brokers and banks <sup>1</sup>										Other security credit at banks <sup>4</sup>	Free credit balances at brokers <sup>5</sup>	
	Regulated <sup>2</sup>								Unregulated <sup>3*</sup>				
	By source			By type					Nonmargin stock credit at banks				
	Total	Brokers	Banks	Margin stock		Convertible bonds		Subscription issues					
Brokers				Banks	Brokers	Banks	Brokers	Banks	Margin accts.	Cash accts.			
1971—Feb.....	5,174	4,311	863	4,090	776	186	70	35	17	1,121	1,205	484	2,259
Mar.....	5,392	4,531	861	4,300	772	193	72	38	18	1,137	1,183	465	2,333
Apr.....	5,598	4,776	822	4,530	739	206	67	40	16	1,122	1,206	445	2,216
May.....	5,701	4,874	827	4,620	754	213	57	41	16	1,122	1,235	431	2,084
June.....	5,783	4,976	807	4,720	733	213	58	43	16	1,228	1,263	415	2,023
July.....	5,860	5,050	810	4,790	737	215	56	45	17	1,091	1,183	410	1,841
Aug.....	5,917	5,121	796	4,850	723	227	58	44	15	1,208	1,206	405	1,838
Sept.....	5,990	5,208	782	4,930	713	230	54	48	15	1,182	1,237	364	1,734
Oct.....	6,016	5,238	778	4,950	711	239	53	49	14	1,194	1,204	393	1,765
Nov.....	5,995	5,198	797	4,910	731	242	51	46	15	1,193	1,209	412	1,758
Dec.....	6,835	5,700	835	5,400	764	258	57	42	14	1,197	1,298	387	1,837
1972—Jan.....	6,850	5,989	861	5,700	789	252	56	37	16	1,182	1,313	448	2,040
Feb.....	7,427	6,477	950	6,180	877	256	56	41	17	1,170	1,327	434	2,108

<sup>1</sup> Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (see Dec. 1970 BULLETIN). Credit extended by brokers is end-of-month data for member firms of the NYSE. 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.  
<sup>2</sup> 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.

<sup>3</sup> Nonmargin stocks are those not listed on a national securities exchange and not included on the Board of Governors of the Federal Reserve System's list of OTC margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

<sup>4</sup> Includes loans to purchase or carry margin stock if these are unsecured or secured entirely by unrestricted collateral (see Dec. 1970 BULLETIN).

<sup>5</sup> Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

**EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS**

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars) <sup>1</sup>	Equity class (per cent)					
		80 or more	70-79	60-69	50-59	40-49	Under 40
1971—Feb.....	4,090	11.4	19.5	31.1	16.3	9.3	12.3
Mar.....	4,300	11.8	20.0	33.0	16.2	7.2	11.8
Apr.....	4,530	11.8	20.3	35.0	15.0	6.2	11.7
May.....	4,620	10.6	15.7	36.7	18.0	7.4	11.6
June.....	4,720	9.6	14.4	34.9	20.1	8.6	12.2
July.....	4,790	8.3	12.2	29.1	25.2	11.0	14.1
Aug.....	4,850	9.3	14.4	35.4	19.6	8.9	12.6
Sept.....	4,930	8.7	13.1	34.3	20.7	9.9	13.3
Oct.....	4,950	7.5	10.9	28.7	24.4	12.1	16.3
Nov.....	4,910	7.3	10.7	25.9	26.2	13.1	16.8
Dec.....	5,400	8.6	12.7	27.1	29.9	10.2	11.5
1972—Jan.....	5,700	8.7	13.5	27.1	32.6	8.5	9.6
Feb.....	6,180	8.4	12.4	25.9	35.1	8.5	9.7

<sup>1</sup> See note 1 to table above.

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	
1971—Feb.....	49.1	44.2	6.7	4,380
Mar.....	48.6	45.5	5.9	4,400
Apr.....	46.8	48.1	5.1	4,500
May.....	46.5	47.1	6.4	4,360
June.....	45.1	47.8	7.0	4,250
July.....	45.2	46.7	8.1	4,190
Aug.....	44.6	48.0	7.4	4,230
Sept.....	44.2	47.0	8.8	4,160
Oct.....	45.3	45.2	9.3	4,060
Nov.....	44.6	45.1	10.2	4,000
Dec.....	35.0	55.7	9.4	7,300
1972—Jan.....	36.8	55.9	7.3	5,780
Feb.....	35.1	57.0	7.9	5,910

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 liabilities— Total liabilities and general reserve accts.	Deposits <sup>2</sup>	Other liabilities	General reserve accounts	Mortgage loan commitments <sup>3</sup> (classified by maturity in months)					
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other <sup>1</sup>							3 or less	3-6	6-9	Over 9	Total	
1963	36,007	607	5,863	440	5,074	912	799	49,702	44,606	943	4,153						2,549
1964	40,328	739	5,791	391	5,099	1,004	886	54,238	48,849	989	4,400						2,820
1965	44,433	862	5,485	320	5,170	1,017	944	58,232	52,443	1,124	4,665						2,697
1966	47,193	1,078	4,764	251	5,719	953	1,024	60,982	55,006	1,114	4,863						2,010
1967	50,311	1,203	4,319	219	8,183	993	1,138	66,365	60,121	1,260	4,984	742		982		799	3,523
1968	53,286	1,407	3,834	194	10,180	996	1,256	71,152	64,507	1,372	5,273	811		1,034		1,166	3,011
1969	55,781	1,824	3,296	200	10,824	912	1,307	74,144	67,026	1,588	5,530	584		485	452	946	2,467
1970	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619		322	302	688	1,931
1971—Jan.	58,014	2,365	3,196	206	13,457	1,129	1,564	79,930	72,441	1,739	5,750	638		322	285	705	1,950
Feb.	58,194	2,592	3,328	222	13,919	1,270	1,575	81,100	73,366	1,926	5,809	723		352	283	790	2,148
Mar.	58,540	2,636	3,356	246	14,882	1,287	1,635	82,581	75,002	1,746	5,832	840		413	322	864	2,439
Apr.	58,796	2,727	3,340	278	15,519	1,254	1,656	83,570	75,824	1,882	5,863	993		445	360	1,005	2,804
May	59,111	2,813	3,441	330	16,070	1,261	1,659	84,686	76,656	2,116	5,914	1,132		470	385	1,171	3,178
June	59,546	2,696	3,409	319	16,649	1,281	1,665	85,565	77,683	1,956	5,926	1,118		517	343	1,244	3,222
July	59,935	2,545	3,558	326	16,969	1,198	1,750	86,282	78,130	2,198	5,924	1,015		582	347	1,260	3,204
Aug.	60,350	2,685	3,517	338	17,159	1,151	1,692	86,892	78,437	2,423	6,045	978		557	374	1,246	3,155
Sept.	60,622	2,782	3,467	339	17,282	1,177	1,742	87,410	79,236	2,129	6,045	1,086		509	422	1,196	3,213
Oct.	61,036	2,840	3,382	343	17,292	1,250	1,712	87,856	79,648	2,150	6,059	1,125		415	484	1,230	3,253
Nov.	61,473	2,891	3,346	357	17,452	1,280	1,695	88,495	80,165	2,218	6,112	1,129		554	461	1,231	3,375
Dec.	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—Jan.	62,258	3,225	3,261	433	18,417	1,246	1,801	90,641	82,326	1,962	6,352	1,045		676	409	1,442	3,572

<sup>1</sup> Also includes securities of foreign governments and international organizations and non-guaranteed issues of U.S. Govt. agencies.

<sup>2</sup> See note 8, p. A-19.

<sup>3</sup> 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 beginning with Aug. 1967.

<sup>4</sup> Balance sheet data beginning Jan. 1972 are reported on a gross of valuation reserves basis. The data differ somewhat from balance sheet

data previously reported by NAMSIB which were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—National Assn. of Mutual Savings Banks 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 data 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			Business securities		Mortgages	Real estate	Policy loans	Other assets		
		Total	United States	State and local	Foreign	Total					Bonds	Stocks
Statement value:												
1963	141,121	12,438	5,813	3,852	2,773	60,780	53,645	7,135	50,544	4,319	6,655	6,385
1964	149,470	12,322	5,774	3,774	2,954	63,579	55,641	7,938	55,152	4,528	7,140	6,749
1965	158,884	11,679	5,594	3,774	3,030	67,599	58,473	9,126	60,013	4,681	7,678	7,234
1966	167,022	10,837	4,823	3,114	2,900	69,816	61,061	8,755	64,609	4,883	9,117	7,760
1967	177,832	10,573	4,683	3,145	2,754	76,070	65,193	10,877	67,516	5,187	10,059	8,427
1968	188,636	10,509	4,456	3,194	2,859	82,127	68,897	13,230	69,973	5,571	11,306	9,150
Book value:												
1966	167,022	10,864	4,824	3,131	2,909	68,677	61,141	7,536	64,661	4,888	9,911	8,801
1967	177,361	10,530	4,587	2,993	2,950	73,997	65,015	8,982	67,575	5,188	10,060	11,011
1968	187,695	10,483	4,365	3,036	3,082	79,403	68,575	10,828	70,071	5,573	11,284	10,881
1969	197,208	10,914	4,514	3,221	3,179	84,566	70,459	13,707	72,027	5,912	13,825	9,964
1970	207,254	11,068	4,574	3,306	3,188	88,518	73,098	15,420	74,375	6,320	16,064	10,909
1971—Jan.	208,863	11,097	4,604	3,308	3,185	90,298	74,331	15,967	74,421	6,372	16,144	10,531
Feb.	209,885	11,126	4,632	3,319	3,175	91,038	74,696	16,342	74,437	6,453	16,220	10,611
Mar.	211,500	11,023	4,540	3,335	3,148	92,629	75,192	17,437	74,516	6,485	16,293	10,554
Apr.	212,698	10,946	4,454	3,375	3,117	93,756	75,604	18,152	74,536	6,535	16,370	10,555
May	213,414	10,954	4,433	3,403	3,118	94,197	76,096	18,101	74,552	6,591	16,433	10,687
June	214,279	10,786	4,242	3,412	3,132	95,031	76,644	18,387	74,535	6,644	16,516	10,767
July	215,284	11,031	4,466	3,430	3,135	95,683	77,333	18,350	74,583	6,729	16,590	10,668
Aug.	216,436	11,076	4,475	3,452	3,149	96,429	77,581	18,848	74,707	6,749	16,679	10,796
Sept.	217,489	11,000	4,345	3,484	3,171	97,199	78,121	19,078	74,799	6,811	16,782	10,898
Oct.	218,257	11,016	4,331	3,485	3,200	97,778	78,890	18,888	74,864	6,876	16,850	10,873
Nov.	219,353	11,150	4,473	3,484	3,193	98,443	79,384	19,059	74,903	6,949	16,948	10,960
Dec.	221,573	11,129	4,427	3,518	3,184	99,430	78,912	20,518	75,596	7,097	17,027	11,294
1972—Jan.	223,312	11,325	4,594	3,535	3,196	101,350	80,087	21,263	75,517	7,097	17,074	10,949

<sup>1</sup> Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—Institute of Life Insurance data; figures are estimates for all life insurance companies in the United States.

Year-end figures: Annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Month-end figures: Book value of ledger assets. 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				Total assets— Total liabilities	Liabilities					Mortgage loan commitments <sup>4</sup>	
	Mortgages	Investment securities <sup>1</sup>	Cash	Other <sup>2</sup>		Savings capital	Reserves and undivided profits	Borrowed money <sup>3</sup>	Loans in process	Other	Made during period	Outstanding at end of period
1961.....	68,834	5,211	3,315	4,775	82,135	70,885	5,708	2,856	1,550	1,136	.....	1,872
1962.....	78,770	5,563	3,926	5,346	93,605	80,236	6,520	3,629	1,999	1,221	.....	2,193
1963.....	90,944	6,445	3,979	6,191	107,559	91,308	7,209	5,015	2,528	1,499	.....	2,572
1964.....	101,333	6,966	4,015	7,041	119,355	101,887	7,899	5,601	2,239	1,729	.....	2,549
1965.....	110,306	7,414	3,900	7,960	129,580	110,385	8,704	6,444	2,198	1,849	.....	2,707
1966.....	114,427	7,762	3,366	8,378	133,933	113,969	9,096	7,462	1,270	2,136	.....	1,482
1967.....	121,805	9,180	3,442	9,107	143,534	124,531	9,546	4,738	2,257	2,462	.....	3,004
1968.....	130,802	11,116	2,962	9,571	152,890	131,618	10,315	5,705	2,449	2,803	.....	3,584
1969 <sup>5</sup> .....	140,232	10,873	2,438	8,606	162,149	135,538	11,228	9,728	2,455	3,200	807	2,812
1970 <sup>5</sup> .....	150,331	13,020	3,506	9,326	176,183	146,404	11,991	10,911	3,078	3,799	1,602	4,393
1971—Feb.....	152,434	16,767	3,235	9,416	181,852	151,402	12,041	10,068	3,152	5,189	2,069	5,225
Mar.....	154,199	18,297	3,362	9,360	185,418	155,510	12,023	9,809	3,491	4,585	3,130	6,445
Apr.....	156,343	18,264	3,132	9,723	187,462	157,721	12,010	8,602	3,868	5,261	3,370	7,359
May.....	158,516	18,615	2,986	9,976	190,093	159,881	12,027	7,745	4,327	6,113	3,505	8,300
June.....	161,209	18,571	2,769	10,002	192,551	162,986	12,336	7,874	4,725	4,630	3,537	8,545
July.....	163,720	19,281	2,139	10,084	195,224	164,524	12,337	8,011	4,944	5,408	3,144	8,555
Aug.....	166,111	18,972	2,077	10,312	197,472	165,633	12,329	8,203	5,023	6,284	2,880	8,311
Sept.....	168,233	18,663	2,056	10,474	199,426	168,303	12,339	8,388	4,996	5,400	2,639	8,004
Oct.....	170,106	18,971	2,166	10,603	201,846	169,796	12,327	8,353	5,001	6,369	2,537	7,806
Nov.....	172,047	19,096	2,284	10,811	204,238	171,358	12,325	8,439	4,960	7,156	2,511	7,759
Dec.....	174,385	18,293	2,783	10,842	206,303	174,472	13,187	9,048	5,072	4,524	2,345	7,237
1972—Jan.....	175,838	19,691	2,785	10,926	209,240	177,738	13,250	8,053	4,874	5,325	2,508	7,510
Feb.....	177,575	20,687	2,826	11,147	212,235	180,538	13,254	7,274	4,850	6,319	3,326	8,666

<sup>1</sup> U.S. Govt. securities only through 1967. Beginning 1968 the total reflects liquid assets and other investment securities. Included are U.S. Govt. obligations, Federal agency securities, State and local gov. securities, time deposits at banks, and miscellaneous securities, except FHLBB stock. Compensating changes have been made in "Other assets."

<sup>2</sup> Includes other loans, stock in the Federal home loan banks, other investments, real estate owned and sold on contract, and office buildings and fixtures. See also note 1.

<sup>3</sup> Consists of advances from FHLBB and other borrowing.

<sup>4</sup> Insured savings and loan assns. only. Data on outstanding commit-

ments are comparable with those shown for mutual savings banks (on preceding page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

<sup>5</sup> Balance sheet data for all operating savings and loan associations were revised by the Federal Home Loan Bank Board for 1969 and 1970.

NOTE.—Federal Home Loan Bank Board 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.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital			Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Debentures (L)	Loans and discounts (A)	Debentures (L)	Mortgage loans (A)	Bonds (L)
1967.....	4,386	2,598	127	4,060	1,432	1,395	5,348	4,919	1,506	1,253	3,411	3,214	5,609	4,904
1968.....	5,259	2,375	126	4,701	1,383	1,402	6,872	6,376	1,577	1,334	3,654	3,570	6,126	5,399
1969.....	9,289	1,862	124	8,422	1,041	1,478	10,541	10,511	1,732	1,473	4,275	4,116	6,714	5,949
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
1971—Feb.....	9,926	4,187	105	9,182	3,094	1,619	15,448	15,111	2,164	1,819	5,177	4,959	7,258	6,645
Mar.....	9,689	4,322	116	8,756	3,425	1,628	15,420	15,122	2,153	1,819	5,380	5,077	7,347	6,645
Apr.....	8,269	4,235	192	7,876	2,828	1,627	15,308	15,477	2,113	1,900	5,568	5,336	7,426	6,700
May.....	7,268	4,400	96	7,419	2,379	1,620	15,242	15,142	2,056	1,830	5,729	5,468	7,502	6,640
June.....	7,241	3,718	132	7,329	2,112	1,602	15,363	14,795	2,041	1,770	5,909	5,639	7,579	6,640
July.....	7,338	3,211	85	7,297	1,699	1,600	15,674	15,638	1,997	1,726	5,905	5,712	7,650	6,884
Aug.....	7,513	2,744	86	7,218	1,532	1,603	16,304	15,260	1,942	1,791	5,866	5,742	7,709	6,884
Sept.....	7,337	2,584	117	7,190	1,522	1,600	16,732	16,241	1,942	1,791	5,841	5,713	7,767	6,884
Oct.....	7,640	2,740	99	7,390	1,450	1,603	17,202	16,984	2,030	1,745	5,763	5,680	7,826	7,063
Nov.....	7,708	2,545	101	7,139	1,548	1,607	17,535	17,138	2,076	1,763	5,633	5,606	7,870	7,063
Dec.....	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—Jan.....	7,238	3,412	156	7,139	1,949	1,647	17,977	17,442	2,098	1,867	5,785	5,537	7,970	7,063
Feb.....	6,515	3,805	115	6,731	2,014	1,696	18,220	17,814	2,149	1,840	5,720	5,591	8,039	7,186

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 below. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.









GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt <sup>1</sup>	Public issues									Special issues <sup>4</sup>
		Total	Marketable					Con-vertible bonds	Nonmarketable		
			Total	Bills	Certifi-cates	Notes	Bonds <sup>2</sup>		Total <sup>3</sup>	Sav-ings bonds & notes	
1941—Dec.	57.9	50.5	41.6	2.0	.....	6.0	33.6	.....	8.9	6.1	7.0
1946—Dec.	259.1	233.1	176.6	17.0	30.0	10.1	119.5	.....	56.5	49.8	24.6
1965—Dec.	320.9	270.3	214.6	60.2	.....	50.2	104.2	2.8	52.9	50.3	46.3
1966—Dec.	329.3	273.0	218.0	64.7	5.9	48.3	99.2	2.7	52.3	50.8	52.0
1967—Dec.	344.7	284.0	226.5	69.9	.....	61.4	95.2	2.6	54.9	51.7	57.2
1968—Dec.	358.0	296.0	236.8	75.0	.....	76.5	85.3	2.5	56.7	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	.....	85.4	69.9	2.4	56.9	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9	.....	101.2	58.6	2.4	59.1	52.5	78.1
1971—Mar.	391.7	309.7	247.5	89.0	.....	104.3	54.2	2.4	59.9	53.0	80.0
Apr.	391.9	310.4	245.9	87.5	.....	104.3	54.1	2.4	62.1	53.2	79.7
May	396.8	313.2	245.6	89.1	.....	102.5	54.0	2.3	65.2	53.4	81.7
June	398.1	313.5	245.5	86.7	.....	104.8	54.0	2.3	65.7	53.6	82.8
July	405.3	318.9	247.6	88.9	.....	104.8	53.9	2.3	68.9	53.8	84.7
Aug.	414.6	325.8	249.7	89.6	.....	108.2	51.9	2.3	73.8	54.0	87.0
Sept.	412.3	324.5	249.9	88.6	.....	109.5	51.8	2.3	72.2	54.2	86.0
Oct.	411.9	325.8	252.2	89.0	.....	111.5	51.8	2.3	71.3	54.4	84.3
Nov.	414.6	328.4	254.5	89.8	.....	114.0	50.7	2.3	71.6	54.7	84.4
Dec.	424.1	336.7	262.0	97.5	.....	114.0	50.6	2.3	72.3	54.9	85.7
1972—Jan.	422.9	336.9	261.9	97.5	.....	114.0	50.4	2.3	72.7	55.1	84.2
Feb.	424.0	336.5	261.2	98.1	.....	112.9	50.2	2.3	73.0	55.3	85.6
Mar.	427.3	340.6	265.4	102.4	.....	112.9	50.1	2.3	72.9	55.6	84.9

<sup>1</sup> Includes non-interest-bearing debt (of which \$624 million on Mar. 31, 1972, was not subject to statutory debt limitation).

<sup>2</sup> Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

<sup>3</sup> Includes (not shown separately): depository bonds, retirement plan bonds, foreign currency series, foreign series, and Rural Electrification Administration bonds; before 1954, Armed Forces leave bonds; before

1956, tax and savings notes; and before Oct. 1965, Series A investment bonds.

<sup>4</sup> Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on Daily Statement of 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—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Com-mercial banks	Mutual savings banks	Insur-ance com-panies	Other cor-porations	State and local govts.	Individuals		Foreign and inter-national <sup>1</sup>	Other misc. investors <sup>2</sup>
										Savings bonds	Other securities		
1939—Dec.	41.9	6.1	2.5	33.4	12.7	2.7	5.7	2.0	.4	1.9	7.5	.2	.3
1946—Dec.	259.1	27.4	23.4	208.3	74.5	11.8	24.9	15.3	6.3	44.2	20.0	2.1	9.3
1965—Dec.	320.9	59.7	40.8	220.5	60.7	5.3	10.3	15.8	22.9	49.7	22.4	16.7	16.7
1966—Dec.	329.3	65.9	44.3	219.2	57.4	4.6	9.5	14.9	24.3	50.3	24.3	14.5	19.4
1967—Dec.	344.7	73.1	49.1	222.4	63.8	4.1	8.6	12.2	24.1	51.2	22.8	15.8	19.9
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.6	8.0	14.2	24.4	51.9	23.9	14.3	22.4
1969—Dec.	368.2	89.0	57.2	222.0	56.8	2.9	7.1	13.3	25.4	51.8	29.1	11.4	24.1
1970—Dec.	389.2	97.1	62.1	229.9	62.7	2.8	7.0	10.5	23.1	52.1	29.8	20.6	21.4
1971—Feb.	390.7	98.0	62.5	230.2	61.3	2.8	7.2	10.2	24.0	52.3	28.3	22.9	21.1
Mar.	391.7	98.8	64.2	228.7	61.8	2.8	6.8	10.7	22.8	52.5	26.9	25.4	18.9
Apr.	391.9	99.1	63.7	229.1	60.5	2.8	6.8	9.9	21.8	52.8	26.2	29.2	19.1
May	396.8	101.8	64.8	230.2	59.4	2.9	6.8	9.6	21.8	53.0	25.0	33.8	18.1
June	398.1	102.9	65.5	229.7	61.0	2.9	6.6	10.1	21.4	53.2	24.8	32.7	17.2
July	405.3	104.9	65.8	234.6	60.5	2.9	6.7	11.6	21.9	53.4	24.8	35.4	17.3
Aug.	414.6	107.3	66.9	240.4	59.5	2.8	6.7	10.9	21.1	53.6	24.5	42.7	18.6
Sept.	412.3	106.5	67.6	238.2	60.0	2.8	6.5	10.0	21.0	53.7	24.1	42.4	17.7
Oct.	411.9	104.7	67.2	240.0	60.9	2.8	6.5	11.1	20.8	54.0	23.7	42.8	17.4
Nov.	414.6	104.7	67.8	242.1	61.5	2.7	6.5	12.0	20.6	54.2	23.4	44.1	17.1
Dec.	424.1	106.0	70.2	247.9	65.3	2.7	6.6	12.6	20.4	54.4	23.0	46.9	16.0
1972—Jan.	422.9	104.4	69.6	248.9	62.8	2.7	6.5	12.2	21.1	54.6	22.8	48.2	18.0
Feb.	424.0	106.2	67.7	250.2	62.1	2.7	6.5	12.5	22.0	54.9	22.4	48.9	18.2

<sup>1</sup> Consists of investments of foreign and international accounts in the United States.

<sup>2</sup> Consists of savings and loan assns., nonprofit institutions, corporate pension 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.

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1-5 years	5-10 years	10-20 years	Over 20 years
		Total	Bills	Other				
<b>All holders:</b>								
1969—Dec. 31	235,863	118,124	80,571	37,553	73,301	20,026	8,358	16,054
1970—Dec. 31	247,713	123,423	87,923	35,500	82,318	22,554	8,556	10,863
1971—Dec. 31	262,038	119,141	97,505	21,636	93,648	29,321	9,530	10,397
1972—Jan. 31	261,918	119,152	97,517	21,635	93,645	29,318	9,484	10,317
Feb. 29	261,215	122,067	98,122	23,945	93,089	26,347	9,459	10,253
<b>U.S. Govt. agencies and trust funds:</b>								
1969—Dec. 31	16,295	2,321	812	1,509	6,006	2,472	2,059	3,437
1970—Dec. 31	17,092	3,005	708	2,297	6,075	3,877	1,748	2,387
1971—Dec. 31	18,444	1,380	605	775	7,614	4,676	2,319	2,456
1972—Jan. 31	18,355	1,235	565	670	7,674	4,667	2,323	2,456
Feb. 29	18,621	1,324	639	685	7,810	4,708	2,323	2,456
<b>Federal Reserve Banks:</b>								
1969—Dec. 31	57,154	36,023	22,265	13,758	12,810	7,642	224	453
1970—Dec. 31	62,142	36,338	25,965	10,373	19,089	6,046	229	440
1971—Dec. 31	70,218	36,032	31,033	4,999	25,299	7,702	584	601
1972—Jan. 31	69,552	35,259	30,296	4,963	25,287	7,855	559	593
Feb. 29	67,698	34,574	28,300	6,274	26,318	5,647	566	594
<b>Held by private investors:</b>								
1969—Dec. 31	162,414	79,780	57,494	22,286	54,485	9,912	6,075	12,164
1970—Dec. 31	168,479	84,080	61,250	22,830	57,154	12,631	6,579	8,036
1971—Dec. 31	173,376	81,729	65,867	15,862	60,735	16,943	6,627	7,340
1972—Jan. 31	174,011	82,658	66,656	16,002	60,684	16,796	6,602	7,268
Feb. 29	174,896	86,169	69,183	16,986	58,961	15,992	6,570	7,203
<b>Commercial banks:</b>								
1969—Dec. 31	45,173	15,104	6,727	8,377	24,692	4,399	564	414
1970—Dec. 31	50,917	19,208	10,314	8,894	26,609	4,474	367	260
1971—Dec. 31	51,363	14,920	8,287	6,633	28,823	6,847	555	217
1972—Jan. 31	49,517	13,531	7,007	6,524	28,716	6,537	533	201
Feb. 29	48,971	14,868	6,928	7,940	27,384	6,035	490	195
<b>Mutual savings banks:</b>								
1969—Dec. 31	2,931	501	149	352	1,251	263	203	715
1970—Dec. 31	2,745	525	171	354	1,168	339	329	385
1971—Dec. 31	2,742	416	235	181	1,221	499	281	326
1972—Jan. 31	2,700	352	188	164	1,217	508	298	325
Feb. 29	2,683	377	180	197	1,223	483	299	301
<b>Insurance companies:</b>								
1969—Dec. 31	6,152	868	419	449	1,808	253	1,197	2,028
1970—Dec. 31	6,066	893	456	437	1,723	849	1,369	1,231
1971—Dec. 31	5,679	720	325	395	1,499	993	1,366	1,102
1972—Jan. 31	5,605	656	289	367	1,482	1,005	1,371	1,091
Feb. 29	5,575	659	309	350	1,441	1,024	1,369	1,082
<b>Nonfinancial corporations:</b>								
1969—Dec. 31	5,007	3,157	2,082	1,075	1,766	63	12	8
1970—Dec. 31	3,057	1,547	1,194	353	1,260	242	2	6
1971—Dec. 31	6,021	4,191	3,280	911	1,492	301	16	20
1972—Jan. 31	5,654	3,954	3,206	748	1,339	315	20	26
Feb. 29	5,830	4,411	3,217	1,194	1,119	258	16	27
<b>Savings and loan associations:</b>								
1969—Dec. 31	3,851	808	269	539	1,916	357	329	441
1970—Dec. 31	3,263	583	220	363	1,899	281	243	258
1971—Dec. 31	3,002	629	343	286	1,449	587	162	175
1972—Jan. 31	3,129	713	416	297	1,443	646	148	180
Feb. 29	3,125	835	481	354	1,330	631	149	180
<b>State and local governments:</b>								
1969—Dec. 31	13,909	6,416	5,200	1,216	2,853	524	1,225	2,893
1970—Dec. 31	11,204	5,184	3,803	1,381	2,458	774	1,191	1,598
1971—Dec. 31	9,823	4,592	3,832	760	2,268	783	918	1,263
1972—Jan. 31	10,231	5,123	4,398	725	2,095	793	910	1,310
Feb. 29	10,895	5,816	4,989	827	2,099	771	882	1,327
<b>All others:</b>								
1969—Dec. 31	85,391	52,926	42,648	10,278	20,199	4,053	2,545	5,665
1970—Dec. 31	91,227	56,140	45,092	11,048	22,037	5,672	3,078	4,298
1971—Dec. 31	94,746	56,261	49,565	6,696	23,983	6,933	3,329	4,237
1972—Jan. 31	97,175	58,329	51,152	7,177	24,392	6,992	3,322	4,135
Feb. 29	97,817	59,203	53,079	6,124	24,365	6,790	3,365	4,091

Note.—Direct public issues only. Based on Treasury Survey of Ownership.

Beginning with Dec. 1968, certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts have been removed from U.S. Govt. agencies and trust funds and added to "All others." Comparable data are not available for earlier periods.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks but for other groups are based on Treasury Survey data. Of total mar-

ketable issues held by groups, the proportion held on latest date by those reporting in the Survey and the number of owners surveyed were: (1) about 90 per cent by the 5,653 commercial banks, 486 mutual savings banks, and 738 insurance companies combined; (2) about 50 per cent by the 465 nonfinancial corporations and 487 savings and loan assns.; and (3) about 70 per cent by 502 State and local govts.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

**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	Dealers and brokers		Com-mercial banks	All other	
					U.S. Govt. securities	Other				
1971—Feb.	3,316	2,291	579	397	49	1,178	145	1,232	760	679
Mar.	3,072	2,122	506	388	57	1,036	143	1,204	688	567
Apr.	2,458	1,881	328	216	33	828	116	878	636	516
May	2,322	1,695	406	192	29	837	100	742	643	480
June	2,195	1,802	273	92	28	727	110	687	672	418
July	2,484	2,103	280	74	28	814	131	837	702	471
Aug.	2,482	1,848	512	97	25	859	129	855	640	462
Sept.	2,115	1,598	271	219	26	759	99	725	532	482
Oct.	2,646	1,905	438	268	36	988	117	906	634	659
Nov.	2,691	1,668	523	418	81	906	157	940	687	547
Dec.	3,139	2,317	497	266	58	1,006	214	1,190	730	569
1972—Jan.	3,191	2,268	571	309	44	879	391	1,120	801	623
Feb.	3,260	2,339	652	242	27	913	363	1,170	815	611
Week ending—										
1972—Feb. 2	3,789	2,389	934	439	27	994	549	1,307	939	609
9	3,067	2,198	638	205	26	941	368	1,018	741	515
16	3,603	2,456	806	310	31	1,114	337	1,251	901	735
23	3,008	2,133	626	219	31	829	333	1,043	804	631
Mar. 1	2,969	2,483	354	105	28	677	342	1,198	753	571
8	3,127	2,548	342	197	40	729	294	1,212	892	389
15	2,951	2,200	435	296	19	731	464	968	788	417
22	3,215	2,418	502	259	37	912	493	1,029	781	630
29	3,324	2,560	556	179	21	852	490	1,012	970	404

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.

**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	
1971—Feb.	4,655	3,320	569	691	75	946
Mar.	4,421	3,511	437	404	70	981
Apr.	4,870	4,019	415	416	20	1,118
May	2,646	2,115	189	331	11	818
June	2,735	2,477	116	130	12	776
July	3,011	3,018	-23	26	-11	771
Aug.	2,897	2,473	344	70	11	698
Sept.	3,856	3,089	355	377	36	926
Oct.	4,353	3,612	394	310	37	903
Nov.	5,846	3,725	914	943	265	1,063
Dec.	5,335	3,877	626	600	232	1,101
1972—Jan.	5,561	4,665	437	365	94	847
Feb.	4,960	4,094	479	304	83	554
Week ending—						
1972—Jan. 5	5,567	4,312	513	573	169	1,042
12	5,189	4,134	477	467	110	779
19	5,708	4,807	432	397	72	743
26	5,721	4,933	443	268	77	960
Feb. 2	5,683	5,017	424	164	78	712
9	5,088	3,885	761	361	81	493
16	4,299	3,364	508	340	87	508
23	4,827	4,144	321	282	80	664

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.

**DEALER FINANCING**

(In millions of dollars)

Period	All sources	Commercial banks		Corpora-tions <sup>1</sup>	All other
		New York City	Else-where		
1971—Feb.	5,684	1,673	1,318	369	2,324
Mar.	4,543	1,356	926	399	1,862
Apr.	5,700	1,739	1,415	724	1,802
May	3,389	1,095	475	517	1,301
June	3,163	1,061	523	435	1,145
July	3,516	1,151	391	721	1,254
Aug.	3,071	894	390	821	967
Sept.	4,146	1,049	856	811	1,430
Oct.	4,511	1,188	704	921	1,699
Nov.	6,455	1,877	932	1,564	2,082
Dec.	5,517	1,375	912	1,659	1,571
1972—Jan.	5,714	1,296	904	1,750	1,763
Feb.	5,205	1,456	719	1,344	1,686
Week ending—					
1972—Jan. 5	5,984	1,512	806	1,759	1,907
12	5,276	979	709	1,729	1,860
19	5,881	1,173	874	1,791	2,043
26	5,846	1,494	1,070	1,781	1,501
Feb. 2	5,732	1,501	1,021	1,625	1,584
9	5,811	1,556	865	1,539	1,852
16	4,993	1,072	555	1,286	2,080
23	4,583	1,387	580	1,271	1,345

<sup>1</sup> 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.

U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE SECURITIES, MARCH 31, 1972

(In millions of dollars)

Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount
<b>Treasury bills</b>		<b>Treasury bills—Cont.</b>		<b>Treasury notes—Cont.</b>		<b>Treasury bonds</b>	
Apr. 6, 1972.....	3,901	Sept. 7, 1972.....	1,800	Aug. 15, 1973..... 8½	1,839	June 15, 1967-72... 2½	1,227
Apr. 13, 1972.....	3,903	Sept. 14, 1972.....	1,801	Oct. 1, 1973..... 1½	30	Sept. 15, 1967-72... 2½	1,931
Apr. 20, 1972.....	3,901	Sept. 21, 1972.....	1,801	Feb. 15, 1974..... 7½	2,960	Dec. 15, 1967-72... 2½	2,550
Apr. 27, 1972†.....	4,033	Sept. 28, 1972.....	1,805	Apr. 1, 1974..... 7½	34	Aug. 15, 1972..... 4	1,453
Apr. 27, 1972.....	3,902	Sept. 30, 1972.....	1,702	May 15, 1974..... 7½	4,334	Aug. 15, 1973..... 4	3,894
Apr. 30, 1972.....	1,702	Oct. 31, 1972.....	1,700	Aug. 15, 1974..... 5½	10,284	Nov. 15, 1973..... 4½	4,340
May 4, 1972.....	3,902	Nov. 30, 1972.....	1,701	Oct. 1, 1974..... 1½	42	Feb. 15, 1974..... 4½	2,468
May 11, 1972.....	3,901	Dec. 31, 1972.....	1,701	Nov. 15, 1974..... 5½	7,212	May 15, 1974..... 4½	2,854
May 18, 1972.....	4,007	Jan. 31, 1973.....	1,200	Feb. 15, 1975..... 5½	5,148	Nov. 15, 1974..... 3½	2,237
May 25, 1972.....	4,001	Feb. 28, 1973.....	1,200	Feb. 15, 1975..... 5½	2,045	May 15, 1975-85... 4½	1,209
May 31, 1972.....	1,701	Mar. 31, 1973.....	1,201	Apr. 1, 1975..... 1½	8	June 15, 1978-83... 3½	1,521
June 1, 1972.....	4,001	Apr. 6 to July 6, 1972, strip.....	2,860	May 15, 1975..... 6	6,760	Feb. 15, 1980..... 4	2,585
June 8, 1972.....	4,002			Aug. 15, 1975..... 5½	7,679	Nov. 15, 1980..... 3½	1,901
June 15, 1972.....	4,002			Oct. 1, 1975..... 1½	30	Aug. 15, 1981..... 7	807
June 21, 1972†.....	3,026			Nov. 15, 1975..... 7	3,115	Feb. 15, 1982..... 6½	2,197
June 22, 1972.....	4,002			Feb. 15, 1976..... 6½	3,739	May 15, 1985..... 3½	1,025
June 29, 1972.....	3,902			Apr. 1, 1976..... 1½	27	Nov. 15, 1986..... 6½	1,216
June 30, 1972.....	1,701	<b>Treasury notes</b>		May 15, 1976..... 5½	2,804	Aug. 15, 1987-92... 4½	3,787
July 6, 1972.....	1,601	Apr. 1, 1972..... 1¼	34	May 15, 1976..... 6½	2,697	Feb. 15, 1988-93... 4	244
July 13, 1972.....	1,600	May 15, 1972..... 4½	3,676	Aug. 15, 1976..... 7½	4,194	May 15, 1989-94... 4½	1,536
July 20, 1972.....	1,601	May 15, 1972..... 6½	1,377	Oct. 1, 1976..... 1½	9	Feb. 15, 1990..... 3½	4,449
July 27, 1972.....	1,601	Aug. 15, 1972..... 5	2,574	Nov. 15, 1976..... 6½	1,283	Feb. 15, 1995..... 3	1,053
July 31, 1972.....	1,703	Oct. 1, 1972..... 1½	33	Feb. 15, 1977..... 8	5,163	Nov. 15, 1998..... 3½	3,571
Aug. 3, 1972.....	1,600	Nov. 15, 1972..... 6	2,285	Aug. 15, 1977..... 7½	2,264		
Aug. 10, 1972.....	1,600	Feb. 15, 1973..... 6½	2,514	Feb. 15, 1978..... 6½	8,389	<b>Convertible bonds</b>	
Aug. 17, 1972.....	1,801	Feb. 15, 1973..... 4½	4,268	Nov. 15, 1978..... 6	8,207	<b>Investment Series B</b>	
Aug. 24, 1972.....	1,803	Apr. 1, 1973..... 1½	34			Apr. 1, 1975-80... 2½	2,314
Aug. 31, 1972.....	3,496	May 15, 1973..... 7½	5,844				

† Tax-anticipation series.

NOTE.—Direct public issues only. Based on Daily Statement of U.S. Treasury.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Total amount delivered <sup>3</sup>	Issues for new capital						
	Total	Type of issue				Type of issuer				Total	Use of proceeds					
		General obligations	Revenue	HAA <sup>1</sup>	U.S. Govt. loans	State	Special district and stat. auth.	Other <sup>2</sup>			Edu- cation	Roads and bridges	Util- ities <sup>4</sup>	Hous- ing <sup>5</sup>	Veter- ans' aid	Other purposes
1964.....	10,847	6,417	3,585	637	208	1,628	3,812	5,407	10,069	10,201	3,392	688	2,437	727	120	2,838
1965.....	11,329	7,177	3,517	464	170	2,401	3,784	5,144	11,538	10,471	3,619	900	1,965	626	50	3,311
1966.....	11,405	6,804	3,955	325	312	2,590	4,110	4,695	11,303	11,303	3,738	1,476	1,880	533		3,667
1967.....	14,766	8,985	5,013	477	334	2,842	4,100	7,115	14,643	14,643	4,473	1,254	2,404	645		5,867
1968.....	16,596	9,269	6,517	528	282	2,774	5,946	7,884	16,489	16,489	4,820	1,526	2,833	787		6,523
1969.....	11,881	7,725	3,556	402	197	3,359	3,596	4,926	11,838	11,838	3,252	1,432	1,734	543		4,884
1970.....	18,164	11,850	6,082	131	103	4,174	5,595	8,399	18,110	18,110	5,062	1,532	3,525	466		7,526
1971.....	24,962	15,220	8,681	1,000	62	5,999	8,714	10,246	24,495	24,495	5,278	2,642	5,214	2,068		9,293
1971—Feb....	1,851	1,225	619		7	585	627	639	1,835	1,835	520	133	315	123		743
Mar....	2,258	1,309	949		1	447	660	1,152	2,244	2,244	570	183	702	28		762
Apr....	1,891	1,305	581		5	430	510	952	1,841	1,841	491	66	471	19		795
May....	2,167	1,091	869	197	10	486	1,095	585	2,159	2,159	625	448	433	222		430
June....	2,013	1,320	684		8	779	337	896	2,004	2,004	385	394	699	14		512
July....	1,989	1,306	506	171	5	477	606	905	1,942	1,942	301	120	231	219		1,071
Aug....	1,903	1,141	754		9	459	735	707	1,894	1,894	352	158	377	159		846
Sept....	2,098	1,313	523	258	3	348	706	1,044	2,053	2,053	463	65	458	271		796
Oct....	1,728	836	890		3	341	840	548	1,626	1,626	291	210	353	96		678
Nov....	2,264	1,394	869		1	629	874	761	2,134	2,134	418	338	500	246		631
Dec....	2,068	1,367	440	253	8	441	568	1,058	2,042	2,042	353	137	239	298		1,016
1972—Jan....	1,762	1,116	644		2	639	543	578	1,690	1,690	383	146	437	56		668
Feb....	1,953	1,021	928		4	354	173	1,425	1,895	1,895	521	78	426	29		843

<sup>1</sup> 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.

<sup>2</sup> Municipalities, counties, townships, school districts.

<sup>3</sup> Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

<sup>4</sup> Water, sewer, and other utilities.

<sup>5</sup> Includes urban redevelopment loans.

NOTE.—The figures in the first column differ from those shown on the following page, which are based on *Bond Buyer* data. The principal difference is in the treatment of U.S. Govt. loans.

Investment Bankers 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 <sup>1</sup>										
	Total	Noncorporate				Total	Corporate				
		U.S. Govt. <sup>2</sup>	U.S. Govt. agency <sup>3</sup>	State and local (U.S.) <sup>4</sup>	Other <sup>5</sup>		Total	Bonds	Stock	Preferred	Common
							Publicly offered	Privately placed			
1964.....	37,122	10,656	1,205	10,544	760	13,957	10,865	3,623	7,243	412	2,679
1965.....	40,108	9,348	2,731	11,148	889	15,992	13,720	5,570	8,150	725	1,547
1966.....	45,015	8,231	6,806	11,089	815	18,074	15,561	8,018	7,542	574	1,939
1967.....	68,514	19,431	8,180	14,288	1,817	24,798	21,954	14,990	6,964	885	1,959
1968.....	65,562	18,025	7,666	16,374	1,531	21,966	17,383	10,732	6,651	637	3,946
1969.....	52,496	4,765	8,617	11,460	961	26,744	18,347	12,734	5,613	682	7,714
1970.....	88,666	14,831	16,181	17,762	949	38,945	30,315	25,384	4,931	1,390	7,240
1971.....	105,233	17,325	16,283	24,370	2,165	45,090	32,123	24,775	7,354	3,670	9,291
1971—Jan.....	7,438	436	1,050	2,614	223	3,115	2,627	2,033	594	76	413
Feb.....	6,522	431	1,224	1,823	44	3,000	2,476	2,201	275	100	424
Mar.....	11,069	517	1,300	2,104	1,073	6,075	4,782	4,135	647	311	982
Apr.....	7,244	467	700	1,859	177	4,042	2,623	2,116	507	537	882
May.....	6,969	466	1,000	2,114	118	3,271	2,638	2,148	491	54	579
June.....	10,994	2,779	1,812	1,988	40	4,375	3,042	2,283	760	104	1,228
July.....	9,316	1,153	2,049	1,951	17	4,147	1,951	1,331	619	1,527	669
Aug.....	9,346	3,228	1,500	1,850	237	2,532	1,844	1,428	416	270	418
Sept.....	9,445	1,698	1,774	2,044	161	3,768	2,573	1,966	607	165	1,031
Oct.....	8,353	412	2,169	1,882	113	3,777	2,694	2,390	304	180	903
Nov.....	9,040	2,414	750	1,684	10	4,182	3,283	3,000	283	124	774
Dec.....	7,651	402	924	2,245	100	3,980	3,270	2,436	834	168	541
1972—Jan.....	7,115	529	1,401	1,737	297	3,151	2,319	1,767	552	303	529

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1964.....	2,819	228	902	220	944	38	2,139	620	669	1,520	3,391	466
1965.....	4,712	704	1,153	251	953	60	2,332	604	808	139	3,762	514
1966.....	5,861	1,208	1,166	257	1,856	116	3,117	549	1,814	189	1,747	193
1967.....	9,894	1,164	1,950	117	1,859	466	4,217	718	1,786	193	2,247	186
1968.....	5,668	1,311	1,759	116	1,665	1,579	4,407	873	1,724	43	2,159	662
1969.....	4,448	1,904	1,888	3,022	1,899	247	5,409	1,326	1,963	225	2,739	1,671
1970.....	9,192	1,320	1,963	2,540	2,213	47	8,016	3,001	5,053	83	3,878	1,638
1971.....	9,426	2,152	2,272	2,390	1,998	420	7,605	4,195	4,227	1,592	6,601	2,212
1971—Jan.....	647	69	259	239	167	.....	608	68	391	.....	555	112
Feb.....	644	17	72	112	89	.....	752	317	672	11	248	66
Mar.....	2,123	294	289	186	160	1	895	557	481	52	834	204
Apr.....	819	316	198	243	268	67	607	660	247	26	484	107
May.....	631	158	143	131	250	89	447	141	403	2	763	113
June.....	1,031	175	497	290	182	115	616	439	204	14	513	300
July.....	383	200	159	188	157	62	520	212	232	1,390	500	144
Aug.....	262	212	76	175	76	12	687	162	359	.....	385	126
Sept.....	991	154	123	295	120	29	578	492	235	46	525	179
Oct.....	571	91	150	172	185	5	703	230	432	.....	624	224
Nov.....	637	174	61	232	145	6	672	545	261	9	660	303
Dec.....	687	293	246	127	199	33	520	371	311	42	510	335
1972—Jan.....	307	71	169	138	254	14	416	113	456	294	717	203

<sup>1</sup> Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

<sup>2</sup> Includes guaranteed issues.

<sup>3</sup> Issues not guaranteed.

<sup>4</sup> See note to table at bottom of preceding page.

<sup>5</sup> 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 <sup>1</sup>								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1967	25,964	7,735	18,229	21,299	5,340	15,960	4,664	2,397	2,267
1968	25,439	12,377	13,062	19,381	5,418	13,962	6,057	6,959	-900
1969	28,841	10,813	18,027	19,523	5,767	13,755	9,318	5,045	4,272
1970	38,707	9,079	29,628	29,493	6,667	22,825	9,213	2,411	6,801
1971	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1970-IV	11,936	2,577	9,359	9,034	2,069	6,964	2,902	508	2,394
1971-I	11,241	2,015	9,226	8,765	1,776	6,989	2,476	239	2,237
II	13,212	2,979	10,233	8,974	2,681	6,294	4,238	299	3,939
III	10,746	1,992	8,754	6,159	1,649	4,510	4,586	343	4,244
IV	11,488	2,521	8,967	8,019	2,084	5,935	3,469	437	3,032

Period	Type of issuer											
	Manu- facturing		Commercial and other <sup>2</sup>		Transpor- tation <sup>3</sup>		Public utility		Communi- cation		Real estate and financial <sup>1</sup>	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
1967	7,237	832	1,104	282	1,158	165	3,444	652	1,716	467	1,302	-130
1968	4,418	-1,842	2,242	821	987	-149	3,669	892	1,579	120	1,069	-741
1969	3,747	69	1,075	1,558	946	186	4,464	1,353	1,834	241	1,687	866
1970	6,641	870	853	1,778	1,104	36	6,861	2,917	4,806	94	2,564	1,107
1971	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1970-IV	2,054	374	407	404	428	58	1,777	1,189	1,135	51	1,165	318
1971-I	2,076	520	201	416	271	33	1,897	948	1,194	66	1,349	255
II	2,296	885	446	757	461	374	1,347	1,261	919	38	825	624
III	852	676	-10	678	195	230	1,493	814	832	1,442	1,148	404
IV	1,361	45	190	445	-27	163	1,749	1,183	980	54	1,683	734

<sup>1</sup> Excludes investment companies.  
<sup>2</sup> Extractive and commercial and miscellaneous companies.  
<sup>3</sup> Railroad and other transportation companies.

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.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on opposite page, new issues

**OPEN-END INVESTMENT COMPANIES**

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales <sup>1</sup>	Redemptions	Net sales	Total <sup>2</sup>	Cash position <sup>3</sup>	Other		Sales <sup>1</sup>	Redemptions	Net sales	Total <sup>2</sup>	Cash position <sup>3</sup>	Other
1960	2,097	842	1,255	17,026	973	16,053	1971-Feb...	349	322	27	51,300	3,600	47,700
1961	2,951	1,160	1,791	22,789	980	21,809	Mar...	468	425	43	53,618	3,328	50,290
1962	2,699	1,123	1,576	21,271	1,315	19,956	Apr...	547	394	153	55,883	3,046	52,837
1963	2,460	1,504	952	25,214	1,341	23,873	May...	307	428	-121	53,610	2,607	51,003
1964	3,404	1,875	1,528	29,116	1,329	27,787	June...	434	467	-33	53,560	2,830	50,730
1965	4,359	1,962	2,395	35,220	1,803	33,417	July...	371	444	-73	51,424	2,856	48,568
1966	4,671	2,005	2,665	34,829	2,971	31,858	Aug...	432	394	38	53,798	3,016	50,782
1967	4,670	2,745	1,927	44,701	2,566	42,135	Sept...	304	471	-167	53,291	2,511	50,780
1968	6,820	3,841	2,979	52,677	3,187	49,490	Oct...	596	419	177	51,160	2,885	48,275
1969	6,717	3,661	3,056	48,291	3,846	44,445	Nov...	397	334	63	50,958	3,172	47,786
1970	4,624	2,987	1,637	47,618	3,649	43,969	Dec...	453	411	42	55,045	3,038	52,007
1971	5,145	4,751	774	56,694	3,163	53,531	1972-Jan...	521	475	46	56,694	3,163	53,531
							Feb...	404	514	-110	58,536	3,478	55,058

<sup>1</sup> 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.  
<sup>2</sup> Market value at end of period less current liabilities.

<sup>3</sup> 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

## SALES, PROFITS, AND DIVIDENDS OF LARGE CORPORATIONS

(In millions of dollars)

Industry	1965	1966	1967	1968	1969	1968				1969 <sup>1</sup>			
						I	II	III	IV	I	II	III	IV
<b>Manufacturing</b>													
Total (177 corps.):													
Sales	177,237	195,738	201,399	225,740	243,449	53,633	57,732	53,987	60,388	57,613	61,392	61,061	63,383
Profits before taxes	22,046	23,487	20,898	25,375	25,622	5,985	6,878	5,580	6,932	6,565	6,887	5,851	6,319
Profits after taxes	12,461	13,307	12,664	13,787	14,090	3,298	3,609	3,030	3,830	3,579	3,750	3,244	3,517
Dividends	6,527	6,920	6,989	7,271	7,757	1,716	1,731	1,746	2,078	1,838	1,916	1,885	2,118
Nonurable goods industries (78 corps.): <sup>2</sup>													
Sales	64,897	73,643	77,969	84,861	92,033	20,156	21,025	21,551	22,129	21,764	23,198	23,445	23,626
Profits before taxes	7,846	9,181	9,039	9,866	10,333	2,387	2,492	2,545	2,442	2,524	2,664	2,641	2,504
Profits after taxes	4,786	5,473	5,379	5,799	6,103	1,428	1,411	1,471	1,489	1,492	1,559	1,529	1,523
Dividends	2,527	2,729	3,027	3,082	3,289	743	751	763	825	812	808	820	849
Durable goods industries (99 corps.): <sup>3</sup>													
Sales	112,341	122,094	123,429	140,879	151,416	33,477	36,707	32,435	38,259	35,849	38,195	37,616	39,756
Profits before taxes	14,200	14,307	11,822	15,510	15,290	3,598	4,386	3,036	4,490	4,041	4,224	3,210	3,815
Profits after taxes	7,675	7,834	6,352	7,989	7,989	1,871	2,198	1,559	2,361	2,087	2,190	1,715	1,997
Dividends	4,000	4,191	3,964	4,189	4,469	972	981	983	1,253	1,026	1,108	1,065	1,270
<b>Selected industries:</b>													
<b>Foods and kindred products (25 corps.):</b>													
Sales	16,427	19,038	20,134	22,109	24,593	5,184	5,389	5,737	5,799	5,714	5,923	6,631	6,325
Profits before taxes	1,710	1,916	1,967	2,227	2,425	498	563	590	576	534	581	666	644
Profits after taxes	896	1,008	1,041	1,093	1,171	255	260	285	293	261	275	314	321
Dividends	509	564	583	616	661	150	155	155	156	162	165	164	170
<b>Chemical and allied products (20 corps.):</b>													
Sales	18,158	20,007	20,561	22,808	24,494	5,436	5,697	5,782	5,893	5,845	6,230	6,236	6,183
Profits before taxes	2,891	3,073	2,731	3,117	3,258	760	807	806	744	844	875	818	721
Profits after taxes	1,630	1,737	1,579	1,618	1,773	390	419	412	398	448	473	441	411
Dividends	926	948	960	1,002	1,031	236	236	243	287	252	251	254	274
<b>Petroleum refining (16 corps.):</b>													
Sales	17,828	20,887	23,258	24,218	25,586	5,890	6,013	6,100	6,214	6,107	6,610	6,264	6,605
Profits before taxes	1,962	2,681	3,004	2,866	2,941	767	692	740	667	726	728	750	737
Profits after taxes	1,541	1,898	2,038	2,206	2,224	592	520	561	534	562	558	554	550
Dividends	737	817	1,079	1,039	1,123	253	255	258	273	282	273	282	286
<b>Primary metals and products (34 corps.):</b>													
Sales	26,548	28,558	26,532	30,171	33,674	7,150	8,427	7,461	7,133	7,671	8,612	8,448	8,943
Profits before taxes	2,931	3,277	2,487	2,921	3,052	669	915	601	735	691	828	715	818
Profits after taxes	1,689	1,903	1,506	1,750	1,912	376	550	343	482	431	504	435	542
Dividends	818	924	892	952	987	224	230	233	264	242	245	247	253
<b>Machinery (24 corps.):</b>													
Sales	25,364	29,512	32,721	35,660	38,719	8,371	8,864	8,907	9,517	8,957	9,757	10,542	9,463
Profits before taxes	3,107	3,612	3,482	4,134	4,377	936	1,008	1,112	1,079	1,071	1,167	1,141	998
Profits after taxes	1,626	1,875	1,789	2,014	2,147	448	499	537	531	526	576	568	477
Dividends	774	912	921	992	1,128	247	248	248	249	270	271	293	294
<b>Automobiles and equipment (14 corps.):</b>													
Sales	42,712	43,641	42,306	50,526	52,290	12,343	13,545	9,872	14,767	13,328	13,638	11,300	14,024
Profits before taxes	6,253	5,274	3,906	5,916	5,268	1,507	1,851	640	1,918	1,663	1,542	652	1,411
Profits after taxes	3,294	2,877	1,999	2,903	2,604	783	847	330	943	806	750	342	706
Dividends	1,890	1,775	1,567	1,642	1,723	364	364	364	550	365	436	366	556
<b>Public utility</b>													
<b>Railroad:</b>													
Operating revenue	10,208	10,661	10,377	10,859	11,451	2,611	2,758	2,708	2,782	2,741	2,916	2,836	2,958
Profits before taxes	979	1,094	385	678	683	127	206	149	196	128	220	149	186
Profits after taxes	815	906	319	565	461	112	174	110	169	98	173	98	92
Dividends	468	502	538	515	488	117	132	100	166	116	136	100	136
<b>Electric power:</b>													
Operating revenue	15,816	16,959	17,954	19,421	21,075	5,106	4,553	4,869	4,892	5,480	4,913	5,370	5,312
Profits before taxes	4,213	4,414	4,547	4,789	4,938	1,351	1,040	1,271	1,125	1,384	1,065	1,366	1,123
Profits after taxes	2,586	2,749	2,908	3,002	3,186	863	641	764	733	873	707	827	779
Dividends	1,838	1,938	2,066	2,201	2,299	539	555	543	565	580	577	561	581
<b>Telephone:</b>													
Operating revenue	11,320	12,420	13,311	14,430	16,057	3,486	3,544	3,629	3,771	3,853	3,975	4,044	4,185
Profits before taxes	3,185	3,537	3,694	3,951	4,098	971	989	990	1,001	1,070	1,043	979	1,006
Profits after taxes	1,718	1,903	1,997	1,961	2,080	525	441	493	502	540	523	497	520
Dividends	1,153	1,248	1,363	1,428	1,493	351	318	396	363	368	371	373	381

<sup>1</sup>Manufacturing figures reflect changes by a number of companies in accounting methods and other reporting procedures.

<sup>2</sup>Includes 17 corporations in groups not shown separately.

<sup>3</sup>Includes 27 corporations in groups not shown separately.

**Note.**—*Manufacturing corporations:* Data are obtained primarily from published reports of companies.

*Railroad:* Interstate Commerce Commission data for Class I line-haul railroads.

*Electric power:* Federal Power Commission data for Class A and B electric utilities, except that quarterly figures on operating revenue and

profits before taxes are partly estimated by the Federal Reserve to include affiliated nonelectric operations.

*Telephone:* Data obtained from Federal Communications Commission on revenues and profits for telephone operations of the Bell System Consolidated (including the 20 operating subsidiaries and the Long Lines and General Depts. of American Telephone and Telegraph Co.) and for two affiliated telephone companies. Dividends are for the 20 operating subsidiaries and the two affiliates.

*All series:* Profits before taxes are income after all charges and before Federal income taxes and dividends.

Back data available from the Division of Research and Statistics.

Series have been temporarily discontinued.

**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 <sup>1</sup>	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances <sup>1</sup>
1966	84.2	34.3	49.9	20.8	29.1	39.5	1970—I	75.6	34.1	41.5	25.0	16.6	54.4
1967	79.8	33.2	46.6	21.4	25.3	43.0	II	75.8	34.5	41.3	24.9	16.4	55.7
1968	87.6	39.9	47.8	23.6	24.2	46.8	III	78.5	35.6	42.9	25.2	17.7	56.7
1969	84.2	39.7	44.5	24.4	20.0	51.3	IV	71.6	32.3	39.2	25.0	14.3	58.0
1970	75.4	34.1	41.2	25.0	16.2	56.2	1971—I	83.0	38.3	44.8	25.6	19.2	59.4
1971 <sup>a</sup>	85.5	37.8	47.6	25.5	22.1	61.9	II	86.9	39.1	47.8	25.4	22.4	61.0
							III	85.8	37.5	48.2	25.7	22.5	62.7
							IV	86.2	36.4	49.8	25.3	24.5	64.4

<sup>1</sup> 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 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. <sup>1</sup>	Other				U.S. Govt. <sup>1</sup>	Other		
1966	188.2	442.6	49.3	15.4	4.5	205.2	143.1	25.1	254.4	4.4	179.0	18.3	52.8
1967	198.9	470.4	54.1	12.7	5.1	216.0	153.4	29.0	271.4	5.8	190.6	14.1	60.8
1968	212.0	513.8	58.0	14.2	5.1	237.1	165.8	33.6	301.8	6.4	209.8	16.4	69.1
1969	213.2	555.9	54.9	12.7	4.8	261.0	184.8	37.8	342.7	7.3	238.1	16.6	80.6
1970—I	213.3	561.0	52.9	12.5	4.7	264.5	188.0	38.5	347.7	7.2	238.4	18.0	84.2
II	213.6	566.3	52.5	10.7	4.4	268.7	190.2	39.9	352.7	7.0	244.1	14.6	87.1
III	214.0	567.6	53.7	9.3	4.2	270.0	191.8	38.5	353.6	6.8	243.0	15.4	88.3
IV	217.0	572.1	56.9	9.7	4.2	268.1	194.4	38.8	355.2	6.6	244.5	15.9	88.1
1971—I	220.4	576.9	55.8	10.1	4.2	269.8	196.8	40.1	356.5	6.1	240.3	18.6	91.4
II	226.3	582.6	58.6	10.3	3.9	273.2	197.4	39.3	356.3	5.3	241.2	16.8	93.0
III	231.3	591.9	59.8	10.6	3.9	276.9	199.5	41.2	360.6	5.2	242.2	18.7	94.7
IV	235.7	601.8	63.0	13.0	3.5	277.9	201.3	43.0	366.1	4.9	247.4	19.5	94.4
▶ III	231.2	592.2	59.8	10.6	4.3	276.8	200.6	40.2	361.0	3.6	241.9	18.7	96.8
▶ IV	235.6	601.9	63.0	13.0	3.8	278.0	202.0	42.0	366.3	3.5	247.4	19.5	95.9

▶ Change in series (in manufacturing sector), to be consistent with the change in the FTC Quarterly Financial Report series.  
<sup>1</sup> Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE.—Securities and Exchange Commission estimates; excludes banks, savings and loan assns., insurance companies, and investment companies.

**BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT**

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other <sup>1</sup>	Total (S.A. A.R.)
		Durable	Non-durable		Railroad	Air	Other	Electric	Gas and other			
1966	63.51	14.06	14.14	1.62	2.37	1.74	1.64	5.38	2.05	6.02	14.48	63.51
1967	65.47	14.06	14.45	1.65	1.86	2.29	1.48	6.75	2.00	6.34	14.59	65.47
1968	67.76	14.12	14.25	1.63	1.45	2.56	1.59	7.66	2.54	6.83	15.14	67.76
1969	75.56	15.96	15.72	1.86	1.86	2.51	1.68	8.94	2.67	8.30	16.05	75.56
1970	79.71	15.80	16.15	1.89	1.78	3.03	1.23	10.65	2.49	10.10	16.59	79.71
1971	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	81.21
1972 <sup>2</sup>	89.77	16.11	16.50	2.20	1.75	2.42	1.55	14.58	2.86	12.30	19.51	89.77
1970—IV	21.66	4.26	4.40	.50	.43	.76	.33	3.12	.63	2.81	4.42	21.66
1971—I	17.68	3.11	3.58	.49	.34	.34	.28	2.70	.41	2.50	3.94	17.68
II	20.60	3.52	4.03	.54	.47	.60	.36	3.20	.63	2.81	4.44	20.60
III	20.14	3.40	3.91	.55	.42	.39	.37	3.35	.71	2.62	4.42	20.14
IV	22.79	4.12	4.32	.59	.45	.56	.37	3.60	.69	2.84	5.26	22.79
1972—I <sup>2</sup>	19.56	3.43	3.60	.53	.45	.52	.35	3.15	.45	7.08	87.54	19.56
II <sup>2</sup>	22.49	4.01	4.15	.54	.42	.78	.35	3.60	.72	7.92	89.09	22.49

<sup>1</sup> Includes trade, service, construction, finance, and insurance.

<sup>2</sup> Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

**MORTGAGE DEBT OUTSTANDING**

(In billions of dollars)

End of period	All properties				Farm			Nonfarm								
	All holders	Financial institutions <sup>1</sup>	Other holders <sup>2</sup>		All holders	Financial institutions <sup>1</sup>	Other holders <sup>3</sup>	All holders	1- to 4-family houses <sup>4</sup>			Multifamily and commercial properties <sup>5</sup>			Mortgage type <sup>6</sup>	
			U.S. agencies	Individuals and others					Total	Finan. institutions <sup>1</sup>	Other holders	Total	Finan. institutions <sup>1</sup>	Other holders	FHA-VA-underwritten	Conventional
1941.....	37.6	20.7	4.7	12.2	6.4	1.5	4.9	31.2	18.4	11.2	7.2	12.9	8.1	4.8	3.0	28.2
1945.....	35.5	21.0	2.4	12.1	4.8	1.3	3.4	30.8	18.6	12.2	6.4	12.2	7.4	4.7	4.3	26.5
1964.....	300.1	241.0	11.4	47.7	18.9	7.0	11.9	281.2	197.6	170.3	27.3	83.6	63.7	19.9	77.2	204.0
1965.....	325.8	264.6	12.4	48.7	21.2	7.8	13.4	304.6	212.9	184.3	28.7	91.6	72.5	19.1	81.2	223.4
1966.....	347.4	280.8	15.8	50.9	23.3	8.4	14.9	324.1	223.6	192.1	31.5	100.5	80.2	20.3	84.1	240.0
1967.....	370.2	298.8	18.4	53.0	25.5	9.1	16.3	344.8	236.1	201.8	34.2	108.7	87.9	20.9	88.2	256.6
1968.....	397.5	319.9	21.7	55.8	27.5	9.7	17.8	370.0	251.2	213.1	38.1	118.7	97.1	21.6	93.4	276.6
1969—I....	403.7	324.7	22.6	56.4	28.1	9.8	18.3	375.7	254.8	216.0	38.8	120.9	98.9	21.9	94.5	281.2
II....	411.7	331.0	23.4	57.1	28.8	10.1	18.7	382.9	259.5	219.9	39.5	123.4	101.0	22.4	96.6	286.2
III....	418.7	335.7	24.9	58.1	29.2	10.1	19.1	389.5	263.4	222.5	40.9	126.0	103.1	22.9	98.5	291.0
IV....	425.3	339.1	26.8	59.4	29.5	9.9	19.6	395.9	266.8	223.6	43.2	129.0	105.5	23.5	100.2	295.7
1970—I....	429.4	340.7	28.6	60.1	29.8	9.8	20.0	399.6	268.5	223.8	44.7	131.1	107.1	23.9	101.9	297.6
II....	435.6	344.5	30.0	61.1	30.3	9.8	20.5	405.2	271.7	225.7	46.0	133.5	109.1	24.5	103.2	302.0
III....	443.4	349.7	31.7	61.9	30.8	10.0	20.8	412.5	276.0	228.5	47.5	136.5	111.4	25.1	106.8	305.7
IV....	451.7	355.9	33.0	62.8	31.2	10.1	21.1	420.5	280.2	231.4	48.8	140.3	114.6	25.7	109.2	311.3
1971—I....	459.0	361.8	33.6	63.6	31.8	10.1	21.7	427.2	283.6	234.5	49.4	143.6	117.5	26.1	111.0	316.2
II....	471.1	372.0	35.2	63.9	31.9	9.7	22.2	439.3	290.8	240.7	49.5	148.5	121.9	26.6	114.4	324.9

<sup>1</sup> Commercial banks (including nondeposit trust companies but not trust depts.), mutual savings banks, life insurance companies, and savings and loan assns.

<sup>2</sup> U.S. agencies include former FNMA and, beginning fourth quarter 1968, new GNMA as well as FHA, VA, PHA, Farmers Home Admin., and in earlier years, RHC, IOLC, and FPMC. They also include U.S. sponsored agencies—new FNMA, Federal land banks, GNMA (Pools), and the FHLBC. Other U.S. agencies (amounts small or separate data not readily available) included with "individuals and others."

<sup>3</sup> Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.

<sup>4</sup> For multifamily and total residential properties, see p. A-54.

<sup>5</sup> Derived figures; includes small amounts of farm loans held by savings and loan assns.

<sup>6</sup> Data by type of mortgage on nonfarm 1- to 4-family properties alone are shown on p. A-54.

NOTE.—Based on data from Federal Deposit Insurance Corp., Federal Home Loan Bank Board, Institute of Life Insurance, Depts. of Agriculture and Commerce, Federal National Mortgage Assn., Federal Housing Admin., Public Housing Admin., Veterans Admin., Government National Mortgage Assoc., Federal Home Loan Mortgage Corp., and Comptroller of the Currency.

Figures for first three quarters of each year are F.R. estimates.

**MORTGAGE LOANS HELD BY BANKS**

(In millions of dollars)

End of period	Commercial bank holdings <sup>1</sup>						Mutual savings bank holdings <sup>2</sup>							
	Total	Residential			Other non-farm	Farm	Total	Residential			Other non-farm	Farm		
		Total	FHA-insured	VA-guaranteed				Conventional	Total	FHA-insured			VA-guaranteed	Conventional
1941.....	4,906	3,292			1,048	566	4,812	3,884			900	28		
1945.....	4,772	3,395			856	521	4,208	3,387			797	24		
1964.....	43,976	28,933	7,315	2,742	18,876	12,405	2,638	40,556	36,487	12,287	11,121	13,079	4,016	53
1965.....	49,675	32,387	7,702	2,688	21,997	14,377	2,911	44,617	40,096	13,791	11,408	14,897	4,469	52
1966.....	54,380	34,876	7,544	2,599	24,733	16,366	3,138	47,337	42,242	14,500	11,471	16,272	5,041	53
1967.....	59,019	37,642	7,709	2,696	27,237	17,931	3,446	50,490	44,641	15,074	11,795	17,772	5,732	117
1968.....	65,696	41,433	7,926	2,708	30,800	20,505	3,758	53,456	46,748	15,569	12,033	19,146	6,592	117
1968—III....	63,779	40,251	7,768	2,657	29,826	19,771	3,757	52,496	46,051	15,367	11,945	18,739	6,329	116
IV....	65,696	41,433	7,926	2,708	30,800	20,505	3,758	53,456	46,748	15,569	12,033	19,146	6,592	117
1969—I....	67,146	42,302	7,953	2,711	31,638	20,950	3,894	54,178	47,305	15,678	12,097	19,530	6,756	117
II....	69,079	43,532	8,060	2,743	32,729	21,459	4,088	54,844	47,818	15,769	12,151	19,898	6,908	117
III....	70,336	44,331	8,065	2,793	33,470	21,924	4,081	55,359	48,189	15,813	12,169	20,207	7,053	117
IV....	70,705	44,573	7,960	2,663	33,950	22,113	4,019	56,138	48,682	15,862	12,166	20,654	7,342	114
1970—I....	70,854	44,568	7,888	2,496	34,184	22,248	4,038	56,394	48,874	15,865	12,105	20,904	7,413	107
II....	71,291	44,845	7,800	2,575	34,469	22,392	4,054	56,880	49,260	15,931	12,092	21,237	7,519	101
III....	72,393	45,318	7,885	2,583	34,850	22,825	4,250	57,402	49,628	16,017	12,127	21,654	7,671	103
IV....	73,275	45,640	7,919	2,589	35,131	23,284	4,351	57,948	49,937	16,087	12,008	21,842	7,893	119
1971—I....	74,424	46,343	7,971	2,595	35,777	23,595	4,486	58,680	50,553	16,157	12,010	22,386	8,014	113
II....	76,639	48,163	8,146	2,636	37,381	24,477	3,999	59,643	51,362	16,281	12,011	23,069	8,174	107

<sup>1</sup> Includes loans held by nondeposit trust companies, but not bank trust depts.

<sup>2</sup> Data for 1941 and 1945, except for totals, are special F.R. estimates.

NOTE.—Second and fourth quarters, Federal Deposit Insurance Corporation series for all commercial and mutual savings banks in the United States and possessions. First and third quarters, estimates based on special F.R. interpolations after 1963 or beginning 1964. For earlier years, the basis for first- and third-quarter estimates included F.R. commercial bank call report data and data from the National Assn. of Mutual Savings Banks.

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**MORTGAGE ACTIVITY OF LIFE INSURANCE COMPANIES**

(In millions of dollars)

Period	Loans acquired						Loans outstanding (end of period)					
	Total	Nonfarm			Farm	Total	Nonfarm			Farm		
		Total	FHA-insured	VA-guaranteed			Other <sup>1</sup>	Total	FHA-insured		VA-guaranteed	Other
1945.....	976					6,637	5,860	1,394		4,466	766	
1963.....	9,172	8,306	1,598	678	6,030	866	50,544	46,752	10,756	6,401	29,595	3,792
1964.....	10,433	9,386	1,812	674	6,900	1,047	55,152	50,848	11,484	6,403	32,961	4,304
1965.....	11,137	9,988	1,738	553	7,697	1,149	60,013	55,190	12,068	6,286	36,836	4,823
1966.....	10,217	9,223	1,300	467	7,456	994	64,609	59,369	12,351	6,201	40,817	5,240
1967.....	8,470	7,633	757	444	6,432	837	67,516	61,947	12,161	6,122	43,664	5,569
1968.....	7,925	7,153	755	346	6,052	722	69,973	64,172	12,469	5,954	45,749	5,801
1969.....	7,531	6,943	663	220	6,108	537	72,027	66,254	12,271	5,701	48,282	5,773
1970.....	7,127	6,763	401	82	6,280	314	74,345	68,693	11,325	5,390	51,978	5,652
1971—Jan.....	448	451	17	7	399	25	74,370	68,779	11,383	5,368	52,028	5,591
Feb.....	449	425	17	5	407	24	74,437	68,871	11,338	5,346	52,187	5,566
Mar.....	623	579	33	5	541	44	74,516	68,973	11,302	5,316	52,353	5,543
Apr.....	578	533	18	8	507	45	74,536	68,993	11,237	5,284	52,472	5,543
May.....	491	442	24	8	410	49	74,552	68,425	11,186	5,254	51,985	5,554
June.....	537	494	29	9	456	42	74,535	68,973	11,123	5,219	52,631	5,562
July.....	590	551	20	8	523	39	74,583	69,017	11,048	5,180	52,789	5,566
Aug.....	735	684	23	8	601	51	74,707	69,121	10,975	5,142	52,438	5,586
Sept.....	672	636	73	10	515	36	74,799	69,209	10,950	5,104	52,590	5,590
Oct.....	607	568	28	11	487	39	74,864	69,270	10,884	5,071	52,749	5,594
Nov.....	607	565	20	9	492	42	74,903	69,302	10,843	5,047	52,854	5,596
Dec.....	1,346	1,285	18	10	1,252	61	75,596	69,995	10,760	5,001	53,660	5,601
1972—Jan.....	503	475	37	16	393	28	81,056	75,517	10,722	4,986	53,704	5,539

<sup>1</sup> Includes mortgage loans secured by land on which oil drilling or extracting operations are in process.

NOTE.—Institute of Life Insurance data. For loans acquired, the monthly figures may not add to annual totals; and for loans outstanding

the end-of-Dec. figures may differ from end-of-year figures because (1) monthly figures represent book value of ledger assets, whereas year-end figures represent annual statement asset values, and (2) data for year-end adjustments are more complete. Beginning 1970 monthly and year-earlier data are on a statement balance basis.

**MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS**

(In millions of dollars)

Period	Loans made			Loans outstanding (end of period)			
	Total <sup>1</sup>	New home construction	Home purchase	Total <sup>2</sup>	FHA-insured	VA-guaranteed	Conventional
1945.....	1,913	181	1,358	5,376			
1963.....	25,173	7,185	10,055	90,944	4,696	6,960	79,288
1964.....	24,913	6,638	10,538	101,333	4,894	6,683	89,756
1965.....	24,192	6,013	10,830	110,306	5,143	6,398	98,763
1966.....	16,924	3,653	7,828	114,427	5,269	6,157	103,001
1967.....	20,122	4,243	9,604	121,805	5,791	6,351	109,663
1968.....	21,983	4,916	11,215	130,802	6,658	7,012	117,132
1969.....	21,847	4,757	11,254	140,347	7,917	7,658	124,772
1970.....	21,387	4,150	10,239	150,562	10,195	8,507	131,860
1971—Feb.....	1,887	346	818	152,665	10,810	8,766	133,089
Mar.....	2,795	521	1,143	154,430	12,123	8,922	134,320
Apr.....	3,168	597	1,306	156,574	11,560	9,128	135,886
May.....	3,438	620	1,451	158,747	11,885	9,299	137,563
June.....	4,301	718	2,109	161,440	12,273	9,580	139,587
July.....	4,151	686	2,087	163,951	12,592	9,784	141,575
Aug.....	4,111	641	2,225	166,342	12,852	10,034	143,456
Sept.....	3,672	628	1,951	168,464	13,130	10,232	145,102
Oct.....	3,405	609	1,717	170,106	13,278	10,374	146,454
Nov.....	3,298	589	1,661	172,047	13,321	10,582	147,944
Dec.....	3,592	573	1,590	174,385	13,798	10,848	149,739
1972—Jan.....	2,632	481	1,253	175,838	13,976	11,613	150,849
Feb.....	2,834	514	1,400	177,575	14,143	11,240	152,192

<sup>1</sup> Includes loans for repairs, additions and alterations, refinancing, etc. not shown separately.

<sup>2</sup> Beginning with 1958, includes shares pledged against mortgage loans; beginning with 1966, includes junior liens and real estate sold on contract; and beginning with 1967, includes downward structural adjustment for change in universe.

NOTE.—Federal Home Loan Bank Board data.

**FEDERAL HOME LOAN BANKS**

(In millions of dollars)

Period	Advances	Repayments	Advances outstanding (end of period)			Members' deposits (end of period)
			Total	Short-term <sup>1</sup>	Long-term <sup>2</sup>	
1945.....	278	213	195	176	19	46
1964.....	5,565	5,025	5,325	2,846	2,479	1,199
1965.....	5,007	4,335	5,997	3,074	2,923	1,043
1966.....	3,804	2,866	6,935	5,006	1,929	1,036
1967.....	1,527	4,076	4,386	3,985	401	1,432
1968.....	2,734	1,861	5,259	4,867	392	1,382
1969.....	5,531	1,500	9,289	8,434	855	1,041
1970.....	3,256	1,929	10,615	3,081	7,534	2,331
1971.....	2,714	5,392	7,936	3,002	4,934	1,789
1971—Feb.....	27	428	9,926	2,697	7,230	3,093
Apr.....	71	1,492	8,269	2,226	6,043	2,828
May.....	151	1,151	7,267	2,322	4,945	2,376
June.....	238	264	7,241	2,397	4,844	2,111
July.....	309	213	7,338	2,544	4,794	1,696
Aug.....	358	183	7,514	2,812	4,702	1,528
Sept.....	327	203	7,637	2,844	4,793	1,522
Oct.....	306	303	7,640	2,874	4,766	1,450
Nov.....	364	296	7,709	2,829	4,880	1,549
Dec.....	490	262	7,936	3,002	4,934	1,789
1972—Jan.....	186	885	7,238	2,569	4,669	1,948
Feb.....	148	871	6,515	2,342	4,173	2,014

<sup>1</sup> Secured or unsecured loans maturing in 1 year or less.

<sup>2</sup> Secured loans, amortized quarterly, having maturities of more than 1 year but not more than 10 years.

NOTE.—Federal Home Loan Bank Board data.

**MORTGAGE DEBT OUTSTANDING ON RESIDENTIAL PROPERTIES**

(In billions of dollars)

End of period	All residential			Multifamily <sup>1</sup>		
	Total	Financial institutions	Other holders	Total	Financial institutions	Other holders
1941.....	24.2	14.9	9.4	5.9	3.6	2.2
1945.....	24.3	15.7	8.6	5.7	3.5	2.2
1963.....	211.2	176.7	34.5	29.0	20.7	8.3
1964.....	231.1	195.4	35.7	33.6	25.1	8.5
1965.....	250.1	213.2	36.9	37.2	29.0	8.2
1966.....	264.0	223.7	40.3	40.3	31.5	8.8
1967 <sup>a</sup> .....	280.0	236.6	43.4	43.9	34.7	9.2
1968 <sup>a</sup> .....	298.6	250.8	47.8	47.3	37.7	9.6
1969—III.....	314.1	262.7	51.4	50.6	40.2	10.4
IV.....	319.0	265.0	54.0	52.2	41.3	10.9
1970—I.....	321.7	265.9	55.8	53.2	42.9	10.3
II.....	326.3	268.9	57.4	54.5	43.2	11.3
III.....	332.2	272.8	59.4	56.1	44.3	11.8
IV.....	338.2	277.2	61.0	58.0	45.8	12.2
1971—I.....	343.3	281.6	61.7	59.7	47.2	12.5
II.....	353.1	290.1	63.0	62.3	49.4	12.9

<sup>1</sup> Structures of five or more units.

NOTE.—Based on data from same source as for "Mortgage Debt Outstanding" table (second preceding page).

**MORTGAGE DEBT OUTSTANDING ON NONFARM 1- to 4-FAMILY PROPERTIES**

(In billions of dollars)

End of period	Total	Government-underwritten			Conventional
		Total	FHA-insured	VA-guaranteed <sup>1</sup>	
1954.....	18.6	4.3	4.1	.2	14.3
1963.....	182.2	65.9	35.0	30.9	116.3
1964.....	197.6	69.2	38.3	30.9	128.3
1965.....	212.9	73.1	42.0	31.1	139.8
1966.....	223.6	76.1	44.8	31.3	147.6
1967 <sup>a</sup> .....	236.1	79.9	47.4	32.5	156.1
1968 <sup>a</sup> .....	251.2	84.4	50.6	33.8	166.8
1969—I.....	254.8	85.3	51.4	33.9	169.6
II.....	259.5	87.1	52.2	34.9	172.3
III.....	263.5	88.8	53.4	35.5	174.6
IV.....	266.8	90.2	54.5	35.7	176.6
1970—I.....	268.5	91.6	55.6	36.0	176.9
II.....	271.7	92.2	56.1	36.0	179.6
III.....	276.0	95.1	58.1	37.0	181.0
IV.....	280.2	97.3	59.9	37.3	182.9
1971—I.....	283.6	98.2	61.0	37.3	185.3
II.....	290.9	100.4	62.8	37.6	190.5

<sup>1</sup> Includes outstanding amount of VA vendee accounts held by private investors under repurchase agreement.

NOTE.—For total debt outstanding, figures are FH.LBB and F.R. estimates. For conventional, figures are derived. Based on data from F.H.LBB, Federal Housing Admin., and Veterans Admin.

**GOVERNMENT-UNDERWRITTEN RESIDENTIAL LOANS MADE**

(In millions of dollars)

Period	FHA-insured				VA-guaranteed			
	Total	New homes	Existing homes	Projects <sup>1</sup>	Property improvements <sup>2</sup>	Total <sup>3</sup>	New homes	Existing homes
1945.....	665	257	217	20	171	192	876	1,774
1964.....	8,130	1,608	4,965	895	663	2,846	1,023	1,821
1965.....	8,689	1,705	5,760	591	634	2,652	980	1,618
1966.....	7,320	1,729	4,366	583	641	2,600	1,143	2,259
1967.....	7,150	1,369	4,516	642	623	3,405	1,430	2,343
1968.....	8,275	1,572	4,924	1,123	656	3,774	1,493	2,579
1969.....	9,129	1,551	5,570	1,316	693	4,072	1,311	2,131
1970.....	11,981	2,667	5,447	3,250	617	3,442	1,311	2,131
1970—Dec.	1,351	280	472	549	50	316	109	207
1971—Jan.	999	295	476	187	41	297	102	195
Feb.	951	284	450	185	32	256	90	166
Mar.	1,097	318	531	202	46	303	98	205
Apr.	1,136	293	467	330	46	350	98	252
May	1,203	290	504	354	55	417	111	306
June	1,372	322	629	399	21	519	127	392
July	1,340	338	646	304	53	561	135	426
Aug.	1,393	407	710	216	60	577	146	431
Sept.	1,242	320	543	290	89	693	188	506
Oct.	1,202	318	504	276	105	.....	.....	.....
Nov.	1,220	358	511	273	77	757	226	526
Dec.	1,598	358	502	691	47	685	220	465

<sup>1</sup> Monthly figures do not reflect mortgage amendments included in annual totals.

<sup>2</sup> Not ordinarily secured by mortgages.

<sup>3</sup> Includes a small amount of alteration and repair loans, not shown separately; only such loans in amounts of more than \$1,000 need be secured.

NOTE.—Federal Housing Admin. and Veterans Admin. data. FHA-insured loans represent gross amount of insurance written; VA-guaranteed loans, gross amounts of loans closed. Figures do not take into account principal repayments on previously insured or guaranteed loans. For VA-guaranteed loans, amounts by type are derived from data on number and average amount of loans closed.

**DELINQUENCY RATES ON HOME MORTGAGES**

(Per 100 mortgages held or serviced)

End of period	Loans not in foreclosure but delinquent for—				Loans in foreclosure
	Total	30 days	60 days	90 days or more	
1963.....	3.30	2.32	.60	.38	.34
1964.....	3.21	2.35	.55	.31	.38
1965.....	3.29	2.40	.55	.34	.40
1966.....	3.40	2.54	.54	.32	.36
1967.....	3.47	2.66	.54	.27	.32
1968.....	3.17	2.43	.51	.23	.26
1969.....	3.22	2.43	.52	.27	.27
1967—I.....	3.04	2.17	.56	.31	.38
II.....	2.85	2.14	.45	.26	.34
III.....	3.15	2.36	.52	.27	.31
IV.....	3.47	2.66	.54	.27	.32
1968—I.....	2.84	2.11	.49	.24	.32
II.....	2.89	2.23	.44	.22	.28
III.....	2.93	2.23	.48	.22	.26
IV.....	3.17	2.43	.51	.23	.26
1969—I.....	2.77	2.04	.49	.24	.26
II.....	2.68	2.06	.41	.21	.25
III.....	2.91	2.18	.47	.26	.25
IV.....	3.22	2.43	.52	.27	.27
1970—I.....	2.96	2.14	.52	.30	.31
II.....	2.83	2.10	.45	.28	.31
III.....	3.10	2.26	.53	.31	.25
IV.....	3.64	2.67	.61	.36	.33
1971—I.....	3.21	2.26	.56	.39	.40
II.....	3.27	2.36	.53	.38	.38

NOTE.—Mortgage Bankers Association of America data from reports on 1- to 4-family FHA-insured, VA-guaranteed, and conventional mortgages held by more than 400 respondents, including mortgage bankers (chiefly), commercial banks, savings banks, and savings and loan associations.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION ACTIVITY**

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding
1967.....	3,348	2,756	592	860	.....	1,045	1,171
1968.....	4,220	3,569	651	1,089	1	867	1,266
1969.....	4,820	4,220	600	827	.....	615	1,130
1970.....	5,184	4,634	550	621	.....	897	738
1971-Jan....	5,188	4,641	546	35	.....	27	705
Feb....	5,213	4,670	543	38	.....	21	682
Mar....	5,241	4,703	538	56	.....	100	707
Apr....	5,244	4,710	534	39	.....	120	786
May....	5,261	4,731	530	40	.....	171	906
June....	5,275	4,751	524	43	43	424	1,247
July....	5,282	4,761	520	25	25	487	1,586
Aug....	5,279	.....	.....	.....	.....	.....	.....
Sept....	5,259	4,749	510	.....	.....	.....	.....
Oct....	5,245	.....	.....	.....	.....	.....	.....
Nov....	5,260	.....	.....	24	.....	.....	.....
Dec....	5,294	.....	.....	32	.....	.....	.....
1972-Jan....	5,287	.....	.....	.....	.....	.....	.....
Feb....	.....	.....	.....	.....	.....	.....	.....

NOTE.—Government National Mortgage Assn. data. Data prior to Sept. 1968 relate to Special Assistance and Management and Liquidating portfolios of former FNMA and include mortgages subject to participation pool of Government Mortgage Liquidation Trust, but exclude conventional mortgage loans acquired by former FNMA from the RFC Mortgage Co., the Defense Homes Corp., the Public Housing Admin., and Community Facilities Admin.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY**

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding
1967.....	5,522	4,048	1,474	1,400	12	1,736	501
1968.....	7,167	5,121	2,046	1,944	.....	2,697	1,287
1969.....	10,950	7,680	3,270	4,121	.....	6,630	3,539
1970.....	15,502	11,071	4,431	5,078	.....	8,047	5,203
1971-Jan....	15,520	11,092	4,428	75	4	139	5,092
Feb....	15,448	11,061	4,391	60	72	80	4,865
Mar....	15,420	11,012	4,408	76	46	33	4,380
Apr....	15,308	10,933	4,375	58	105	457	4,381
May....	15,242	10,893	4,349	91	92	871	4,926
June....	15,363	10,970	4,393	239	10	1,294	5,750
July....	15,674	11,184	4,490	407	.....	576	5,709
Aug....	16,304	11,662	4,642	659	.....	1,219	5,146
Sept....	16,732	.....	.....	635	.....	572	5,327
Oct....	17,202	.....	.....	.....	.....	655	5,208
Nov....	17,535	.....	.....	406	.....	893	5,466
Dec....	17,791	.....	.....	350	5	1,014	5,694
1972-Jan....	17,977	.....	.....	281	7	574	5,558
Feb....	18,220	.....	.....	324	.....	578	5,696

NOTE.—Federal National Mortgage Assn. data. Total holdings include conventional loans. Data prior to Sept. 1968 relate to secondary market portfolio of former FNMA. Mortgage commitments made during the period 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).

**HOME-MORTGAGE YIELDS**

(In per cent)

Period	Primary market (conventional loans)			Secondary market
	FHLBB series (effective rate)		FHIA series	
	New homes	Existing homes	New homes	Yield on FHA-insured new home loans
1968.....	6.97	7.03	7.12	7.21
1969.....	7.81	7.82	7.99	8.26
1970.....	8.44	8.35	8.52	9.05
1971.....	7.60	7.54	7.75	7.70
1971-Feb....	7.91	7.80	7.75	.....
Mar....	7.66	7.60	7.60	7.32
Apr....	7.49	7.47	7.55	7.37
May....	7.47	7.45	7.65	7.75
June....	7.50	7.50	7.70	7.89
July....	7.66	7.63	7.80	7.97
Aug....	7.74	7.71	7.85	7.92
Sept....	7.83	7.76	7.85	7.84
Oct....	7.84	7.75	7.80	7.75
Nov....	7.79	7.69	7.75	7.62
Dec....	7.77	7.64	7.70	7.59
1972-Jan....	7.78	7.58	7.60	7.49
Feb....	7.60	7.49	7.60	7.46

NOTE.—Annual data are averages of monthly figures. The FHA data are based on opinion reports submitted by field offices on prevailing local conditions as of the first of the succeeding month. Yields on FHA-insured mortgages 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. Gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates. The FHA series on average contract interest rates on conventional first mortgages in primary markets are unweighted and are rounded to the nearest 5 basis points. The FHLBB effective rate series reflects fees and charges as well as contract rates (as shown in the table on conventional first-mortgage terms, p. A-37) and an assumed prepayment at end of 10 years.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS**

Date of auction	Government-underwritten home loans			Conventional home loans		
	Mortgage amounts		Average yield (short-term commitments)	Mortgage amounts		Average yield (short-term commitments)
	Offered	Accepted		Offered	Accepted	
	In millions of dollars		In per cent	In millions of dollars		In per cent
1971--Sept. 20.....	437.5	193.0	7.89	.....	.....	.....
Oct. 4.....	365.1	194.8	7.89	.....	.....	.....
18.....	219.8	103.6	7.85	.....	.....	.....
Nov. 1.....	126.0	56.4	7.79	.....	.....	.....
15.....	145.2	102.0	7.71	.....	.....	.....
29.....	210.6	101.1	7.67	.....	.....	.....
Dec. 12.....	232.5	70.2	7.63	.....	.....	.....
27.....	222.7	148.1	7.63	.....	.....	.....
1972--Jan. 10.....	136.9	72.9	7.62	.....	.....	.....
24.....	103.6	54.9	7.61	.....	.....	.....
Feb. 7.....	88.7	63.9	7.61	62.4	34.9	7.74
22.....	68.6	44.8	7.61	21.1	11.5	7.64
Mar. 6.....	86.9	50.6	7.56	10.1	5.5	7.64
20.....	202.9	86.2	7.54	.....	.....	7.61

NOTE.—Average secondary market yields are gross before deduction of .38 basis-point fee paid for mortgage servicing. They reflect the average accepted bid yield 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. Beginning Oct. 18, 1971, the maturity on new short-term commitments was extended from 3 to 4 months. Mortgage amounts offered by bidders are total eligible bids received.

**TOTAL CREDIT**

(In millions of dollars)

End of period	Total	Instalment					Noninstalment			
		Total	Auto-mobile paper	Other consumer goods paper	Repair and modernization loans <sup>1</sup>	Personal loans	Total	Single-payment loans	Charge accounts	Service credit
1939.....	7,222	4,503	1,497	1,620	298	1,088	2,719	787	1,414	518
1941.....	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
1945.....	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
1950.....	21,471	14,703	6,074	4,799	1,016	2,814	6,768	1,821	3,367	1,580
1955.....	38,830	28,906	13,460	7,641	1,693	6,112	9,924	3,002	4,795	2,127
1960.....	56,141	42,968	17,658	11,545	3,148	10,617	13,173	4,507	5,329	3,337
1965.....	90,314	71,324	28,619	18,565	3,728	20,412	18,990	7,671	6,430	4,889
1966.....	97,543	77,539	30,556	20,978	3,818	22,187	20,004	7,972	6,686	5,346
1967.....	102,132	80,926	30,724	22,395	3,789	24,018	21,206	8,428	6,968	5,810
1968.....	113,191	89,890	34,130	24,899	3,925	26,936	23,301	9,138	7,755	6,408
1969.....	122,469	98,169	36,602	27,609	4,040	29,918	24,300	9,096	8,234	6,970
1970.....	126,802	101,161	35,490	29,949	4,110	31,612	25,641	9,484	8,850	7,307
1971.....	137,237	109,545	38,310	32,447	4,356	34,432	27,692	10,300	9,818	7,574
1971—Feb.....	123,815	99,244	34,869	28,928	4,051	31,396	24,571	9,506	7,353	7,712
Mar.....	123,604	99,168	35,028	28,591	4,045	31,504	24,436	9,557	7,207	7,672
Apr.....	125,047	100,028	35,496	28,682	4,077	31,773	25,019	9,676	7,689	7,654
May.....	126,025	100,692	35,819	28,706	4,126	32,041	25,333	9,765	8,004	7,564
June.....	127,388	101,862	36,349	28,976	4,186	32,351	25,526	9,862	8,214	7,450
July.....	128,354	102,848	36,763	29,165	4,240	32,680	25,506	9,854	8,271	7,381
Aug.....	129,704	104,060	37,154	29,477	4,295	33,134	25,644	9,997	8,305	7,342
Sept.....	130,644	104,973	37,383	29,840	4,330	33,420	25,671	10,061	8,305	7,305
Oct.....	131,606	105,763	37,759	30,072	4,357	33,575	25,843	10,097	8,435	7,311
Nov.....	133,263	107,097	38,164	30,586	4,370	33,977	26,166	10,182	8,634	7,350
Dec.....	137,237	109,545	38,310	32,447	4,356	34,432	27,692	10,300	9,818	7,574
1972—Jan.....	135,830	108,826	38,111	32,096	4,319	34,300	27,004	10,324	8,929	7,751
Feb.....	135,253	108,634	38,239	31,615	4,332	34,448	26,619	10,433	8,141	8,045

<sup>1</sup> Holdings of financial institutions; holdings of retail outlets are included in "other consumer goods paper."

hold, 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 pp. 983-1003 of the BULLETIN for Dec. 1968.

NOTE.—Consumer credit estimates cover loans to individuals for house-

**INSTALMENT CREDIT**

(In millions of dollars)

End of period	Total	Financial institutions					Retail outlets		
		Total	Com-mercial banks	Finance cos. <sup>1</sup>	Credit unions	Mis-cellaneous lenders <sup>1</sup>	Total	Auto-mobile dealers <sup>2</sup>	Other retail outlets
1939.....	4,503	3,065	1,079	1,836	132	18	1,438	123	1,315
1941.....	6,085	4,480	1,726	2,541	198	15	1,605	188	1,417
1945.....	2,462	1,776	745	910	102	19	686	28	658
1950.....	14,703	11,805	5,798	5,315	590	102	2,898	287	2,611
1955.....	28,906	24,398	10,601	11,838	1,678	281	4,508	487	4,021
1960.....	42,968	36,673	16,672	15,435	3,923	643	6,295	359	5,936
1965.....	71,324	61,533	28,962	24,282	7,324	965	9,791	315	9,476
1966.....	77,539	66,724	31,319	26,091	8,255	1,059	10,815	277	10,538
1967.....	80,926	69,490	32,700	26,734	8,972	1,084	11,436	285	11,151
1968.....	89,890	77,457	36,952	29,098	10,178	1,229	12,433	320	12,113
1969.....	98,169	84,982	40,305	31,734	11,594	1,349	13,187	336	12,851
1970.....	101,161	87,064	41,895	31,123	12,500	1,546	14,097	327	13,770
1971.....	109,545	94,086	45,976	32,140	14,191	1,779	15,459	360	15,099
1971—Feb.....	99,244	85,910	41,446	30,511	12,351	1,602	13,334	323	13,011
Mar.....	99,168	86,015	41,563	30,326	12,509	1,617	13,153	325	12,828
Apr.....	100,028	86,805	42,094	30,369	12,686	1,656	13,223	330	12,893
May.....	100,692	87,491	42,482	30,441	12,874	1,694	13,201	334	12,867
June.....	101,862	88,544	43,011	30,609	13,206	1,718	13,318	339	12,979
July.....	102,848	89,458	43,509	30,906	13,296	1,747	13,390	344	13,046
Aug.....	104,060	90,536	44,112	31,098	13,570	1,756	13,524	347	13,177
Sept.....	104,973	91,279	44,603	31,133	13,780	1,763	13,694	349	13,345
Oct.....	105,763	91,943	44,947	31,331	13,875	1,790	13,820	354	13,466
Nov.....	107,097	92,901	45,396	31,643	14,052	1,810	14,196	359	13,837
Dec.....	109,545	94,086	45,976	32,140	14,191	1,779	15,459	360	15,099
1972—Jan.....	108,826	93,668	45,878	31,948	14,062	1,780	15,158	359	14,799
Feb.....	108,634	93,955	45,963	31,979	14,126	1,887	14,679	360	14,319

<sup>1</sup> Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies. Miscellaneous lenders include savings and loan associations and mutual savings banks.

<sup>2</sup> Automobile paper only; other instalment credit held by automobile dealers is included with "other retail outlets." See also NOTE to table above.



**INSTALMENT CREDIT HELD BY COMMERCIAL BANKS**

(In millions of dollars)

End of period	Total	Automobile paper		Other consumer goods paper	Repair and modernization loans	Personal loans
		Purchased	Direct			
1939.....	1,079	237	178	166	135	363
1941.....	1,726	447	338	309	161	471
1945.....	745	66	143	114	110	312
1950.....	5,798	1,177	1,294	1,456	834	1,037
1955.....	10,601	3,243	2,062	2,042	1,338	1,916
1960.....	16,672	5,316	2,820	2,759	2,200	3,577
1965.....	28,962	10,209	5,659	4,166	2,571	6,357
1966.....	31,319	11,024	5,956	4,681	2,647	7,011
1967.....	32,700	10,927	6,267	5,126	2,629	7,751
1968.....	36,952	12,213	7,105	6,060	2,719	8,855
1969.....	40,305	12,784	7,620	7,415	2,751	9,735
1970.....	41,895	12,433	7,587	8,633	2,760	10,482
1971.....	45,976	13,003	8,752	9,805	2,864	11,552
1971—Feb....	41,446	12,165	7,561	8,535	2,704	10,481
Mar.....	41,563	12,147	7,667	8,499	2,692	10,558
Apr.....	42,094	12,268	7,825	8,595	2,702	10,704
May.....	42,482	12,361	7,942	8,676	2,729	10,774
June.....	43,011	12,484	8,098	8,821	2,765	10,843
July.....	43,509	12,614	8,220	8,931	2,803	10,941
Aug.....	44,112	12,753	8,318	9,074	2,838	11,129
Sept.....	44,603	12,831	8,380	9,235	2,860	11,297
Oct.....	44,947	12,932	8,509	9,301	2,874	11,331
Nov.....	45,396	13,015	8,680	9,412	2,875	11,414
Dec.....	45,976	13,003	8,752	9,805	2,864	11,552
1972—Jan....	45,878	12,957	8,734	9,783	2,835	11,569
Feb.....	45,963	13,007	8,763	9,769	2,824	11,600

See NOTE to first table on preceding page.

**INSTALMENT CREDIT HELD BY FINANCE COMPANIES**

(In millions of dollars)

End of period	Total	Automobile paper	Other consumer goods paper	Repair and modernization loans	Personal loans
1941.....	2,541	1,438	194	204	705
1945.....	910	202	40	62	606
1950.....	5,315	3,157	692	80	1,386
1955.....	11,838	7,108	1,448	42	3,240
1960.....	15,435	7,703	2,553	173	5,006
1965.....	24,282	9,400	4,425	224	10,233
1966.....	26,091	9,889	5,171	191	10,840
1967.....	26,734	9,538	5,479	154	11,563
1968.....	29,098	10,279	5,999	113	12,707
1969.....	31,734	11,053	6,514	106	14,061
1970.....	31,123	9,941	6,648	94	14,440
1971.....	32,140	10,279	6,521	107	15,233
1971—Feb....	30,511	9,672	6,493	93	14,253
Mar.....	30,326	9,674	6,363	93	14,196
Apr.....	30,369	9,781	6,280	98	14,210
May.....	30,441	9,810	6,236	100	14,295
June.....	30,609	9,918	6,224	101	14,366
July.....	30,906	10,037	6,230	101	14,538
Aug.....	31,098	10,077	6,249	103	14,669
Sept.....	31,133	10,077	6,268	104	14,684
Oct.....	31,331	10,177	6,306	105	14,743
Nov.....	31,643	10,248	6,325	106	14,964
Dec.....	32,140	10,279	6,521	107	15,233
1972—Jan....	31,948	10,197	6,501	108	15,142
Feb.....	31,979	10,207	6,508	107	15,157

NOTE.—Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies.

**INSTALMENT CREDIT HELD BY OTHER FINANCIAL LENDERS**

(In millions of dollars)

End of period	Total	Auto-mob-ile paper	Other con-sum-er goods paper	Repair and modern-ization loans	Per-sonal loans
1941.....	213	47	9	11	146
1945.....	121	16	4	10	91
1950.....	692	159	40	102	391
1955.....	1,939	560	130	313	956
1960.....	4,566	1,460	297	775	2,034
1965.....	8,289	3,036	498	933	3,822
1966.....	9,314	3,410	588	980	4,336
1967.....	10,056	3,707	639	1,006	4,704
1968.....	11,407	4,213	727	1,093	5,374
1969.....	12,943	4,809	829	1,183	6,122
1970.....	14,046	5,202	898	1,256	6,690
1971.....	15,970	5,916	1,022	1,385	7,647
1971—Feb....	13,953	5,148	889	1,254	6,662
Mar.....	14,126	5,215	901	1,260	6,750
Apr.....	14,342	5,292	914	1,277	6,859
May.....	14,568	5,372	927	1,297	6,972
June.....	14,924	5,510	952	1,320	7,142
July.....	15,043	5,548	958	1,336	7,201
Aug.....	15,326	5,659	977	1,354	7,336
Sept.....	15,543	5,746	992	1,366	7,439
Oct.....	15,665	5,787	999	1,378	7,501
Nov.....	15,862	5,862	1,012	1,389	7,599
Dec.....	15,970	5,916	1,022	1,385	7,647
1972—Jan....	15,842	5,864	1,013	1,376	7,589
Feb.....	16,013	5,902	1,019	1,401	7,691

NOTE.—Other financial lenders consist of credit unions and miscellaneous lenders.

**NONINSTALMENT CREDIT**

(In millions of dollars)

End of period	Total	Single-payment loans		Charge accounts		Service credit
		Com-mer-cial banks	Other finan-cial insti-tutions	Retail outlets	Credit cards <sup>1</sup>	
1939.....	2,719	625	162	1,414	.....	518
1941.....	3,087	693	152	1,645	.....	597
1945.....	3,203	674	72	1,612	.....	845
1950.....	6,768	1,576	245	3,291	76	1,580
1955.....	20,004	2,635	367	4,579	216	2,127
1960.....	13,173	3,884	623	4,893	436	3,337
1965.....	18,990	6,690	981	5,724	706	4,889
1966.....	20,004	6,946	1,026	5,812	874	5,346
1967.....	21,206	7,340	1,088	5,939	1,029	5,810
1968.....	23,301	7,975	1,163	6,450	1,305	6,408
1969.....	24,300	7,900	1,196	6,650	1,584	6,970
1970.....	25,641	8,205	1,279	6,932	1,918	7,307
1971.....	27,692	8,916	1,384	7,597	2,221	7,574
1971—Feb....	24,571	8,205	1,301	5,435	1,918	7,712
Mar.....	24,436	8,249	1,308	5,316	1,891	7,672
Apr.....	25,019	8,350	1,326	5,774	1,915	7,654
May.....	25,333	8,425	1,340	6,046	1,958	7,564
June.....	25,526	8,512	1,350	6,199	2,015	7,450
July.....	25,506	8,498	1,356	6,173	2,098	7,381
Aug.....	25,644	8,633	1,364	6,120	2,185	7,342
Sept.....	25,671	8,694	1,367	6,101	2,204	7,305
Oct.....	25,843	8,722	1,375	6,269	2,166	7,311
Nov.....	26,166	8,795	1,387	6,482	2,152	7,350
Dec.....	27,692	8,916	1,384	7,597	2,221	7,574
1972—Jan....	27,004	8,937	1,387	6,719	2,210	7,751
Feb.....	26,619	9,008	1,425	6,008	2,133	8,045

<sup>1</sup> Service station and miscellaneous credit-card accounts and home-heating-oil accounts. Bank credit card accounts outstanding are included in estimates of instalment credit outstanding.

See also NOTE to first table on preceding page.

INSTALMENT CREDIT EXTENDED AND REPAID, BY TYPE OF CREDIT

(In millions of dollars)

Period	Total		Automobile paper		Other consumer goods paper		Repair and modernization loans		Personal loans	
	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.
Extensions										
1965		78,586		27,227		22,750		2,266		26,343
1966		82,335		27,341		25,591		2,200		27,203
1967		84,693		26,667		26,952		2,113		28,961
1968		97,053		31,424		30,593		2,268		32,768
1969		102,888		32,354		33,079		2,278		35,177
1970		104,130		29,831		36,781		2,145		35,373
1971		117,638		34,638		40,979		2,550		39,471
1971—Feb.	9,081	7,489	2,687	2,336	3,204	2,431	197	155	2,993	2,567
Mar.	9,533	9,575	2,897	3,074	3,210	3,076	209	197	3,217	3,228
Apr.	9,751	10,079	2,872	3,100	3,415	3,363	205	212	3,259	3,397
May	9,690	9,562	2,756	2,883	3,295	3,148	200	235	3,439	3,296
June	9,715	10,667	2,838	3,301	3,433	3,538	224	263	3,220	3,565
July	9,675	10,098	2,773	3,032	3,399	3,415	218	248	3,285	3,403
Aug.	10,049	10,300	3,004	3,066	3,465	3,465	222	227	3,358	3,516
Sept.	10,156	9,849	3,147	2,927	3,462	3,454	227	237	3,320	3,231
Oct.	10,031	9,797	2,992	3,037	3,467	3,423	229	225	3,343	3,112
Nov.	10,572	10,711	3,162	3,105	3,595	3,737	214	215	3,601	3,654
Dec.	10,130	11,966	2,973	2,780	3,604	5,061	217	181	3,336	3,944
1972—Jan.	10,184	8,766	2,978	2,470	3,706	3,297	221	156	3,279	2,843
Feb.	10,339	8,902	3,046	2,762	3,698	2,926	243	202	3,352	3,012
Repayments										
1965		69,957		23,543		20,518		2,116		23,780
1966		76,120		25,404		23,178		2,110		25,428
1967		81,306		26,499		25,535		2,142		27,130
1968		88,089		28,018		28,089		2,132		29,850
1969		94,609		29,882		30,369		2,163		32,195
1970		101,138		30,943		34,441		2,075		33,679
1971		109,254		31,818		38,481		2,304		36,651
1971—Feb.	8,979	8,346	2,636	2,471	3,212	3,078	188	171	2,943	2,626
Mar.	9,038	9,651	2,696	2,915	3,164	3,413	196	203	2,982	3,120
Apr.	9,088	9,219	2,566	2,632	3,249	3,272	184	187	3,089	3,128
May	9,197	8,898	2,640	2,560	3,211	3,124	188	186	3,158	3,028
June	9,190	9,497	2,678	2,771	3,233	3,268	192	203	3,087	3,255
July	8,914	9,112	2,565	2,618	3,203	3,226	188	194	2,958	3,074
Aug.	9,222	9,088	2,697	2,675	3,262	3,153	196	198	3,067	3,062
Sept.	9,157	8,936	2,732	2,698	3,172	3,091	199	202	3,054	2,945
Oct.	9,107	9,007	2,634	2,661	3,219	3,191	197	198	3,057	2,957
Nov.	9,306	9,377	2,662	2,700	3,254	3,223	199	202	3,191	3,252
Dec.	9,230	9,518	2,696	2,634	3,188	3,200	198	195	3,148	3,489
1972—Jan.	9,547	9,485	2,761	2,669	3,501	3,648	201	193	3,084	2,975
Feb.	9,373	9,094	2,693	2,634	3,408	3,407	200	189	3,072	2,864
Net change in credit outstanding <sup>2</sup>										
1965		8,629		3,684		2,232		150		2,563
1966		6,215		1,937		2,413		90		1,775
1967		3,387		168		1,417		-29		1,831
1968		8,964		3,406		2,504		136		2,918
1969		8,279		2,472		2,710		115		2,982
1970		2,992		-1,112		2,340		70		1,694
1971		8,384		2,820		2,498		246		2,820
1971—Feb.	102	-857	51	-135	-8	-647	9	-16	50	-59
Mar.	495	-76	201	159	46	-337	13	-6	235	108
Apr.	663	860	306	468	166	91	21	32	170	269
May	493	664	116	323	84	24	12	49	281	268
June	525	1,170	160	530	200	270	32	60	133	310
July	761	986	208	414	196	189	30	34	327	329
Aug.	827	1,212	307	391	203	312	26	55	291	454
Sept.	999	913	415	229	290	363	28	35	266	286
Oct.	924	790	358	376	248	232	32	27	286	155
Nov.	1,266	1,334	500	405	341	514	15	13	410	402
Dec.	900	2,448	277	146	416	1,861	19	-14	188	455
1972—Jan.	637	-719	217	-199	205	-351	20	-37	195	-132
Feb.	966	-192	353	128	290	-481	43	13	280	148

<sup>1</sup> Includes adjustments for differences in trading days.

<sup>2</sup> Net changes in credit outstanding are equal to extensions less repayments.

NOTE.—Estimates are based on accounting records and often include financing 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 pp. 983-1003 of the BULLETIN for Dec. 1968.

INSTALMENT CREDIT EXTENDED AND REPAID, BY HOLDER

(In millions of dollars)

Period	Total		Commercial banks		Finance companies		Other financial lenders		Retail outlets	
	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.	S.A. <sup>1</sup>	N.S.A.
Extensions										
1965	78,586			29,528		25,192		9,436		14,430
1966	82,335			30,073		25,406		10,362		16,494
1967	84,693			30,850		25,496		10,911		17,436
1968	97,053			36,332		28,836		12,850		19,035
1969	102,888			38,533		30,854		14,245		19,256
1970	104,130			39,136		29,662		14,619		20,713
1971	117,638			45,099		32,036		17,312		23,191
1971—Feb.	9,081	7,489	3,478	2,988	2,513	2,121	1,282	1,117	1,808	1,263
Mar.	9,533	9,575	3,646	3,783	2,681	2,686	1,394	1,418	1,812	1,688
Apr.	9,751	10,079	3,676	3,948	2,624	2,672	1,475	1,552	1,976	1,907
May	9,690	9,562	3,600	3,671	2,798	2,655	1,441	1,493	1,851	1,743
June	9,715	10,667	3,806	4,207	2,490	2,832	1,513	1,724	1,906	1,904
July	9,675	10,098	3,644	3,917	2,676	2,791	1,423	1,506	1,932	1,884
Aug.	10,049	10,300	3,919	4,062	2,699	2,729	1,452	1,582	1,979	1,927
Sept.	10,156	9,849	3,989	3,932	2,718	2,549	1,488	1,439	1,961	1,929
Oct.	10,031	9,797	3,832	3,752	2,733	2,655	1,490	1,414	1,976	1,976
Nov.	10,572	10,711	4,140	3,931	2,853	3,015	1,564	1,535	2,015	2,230
Dec.	10,130	11,966	3,939	4,023	2,760	3,370	1,454	1,477	1,977	3,096
1972—Jan.	10,184	8,766	3,826	3,366	2,695	2,247	1,482	1,244	2,181	1,909
Feb.	10,339	8,902	3,947	3,539	2,666	2,354	1,602	1,465	2,124	1,544
Repayments										
1965	69,957			25,663		22,551		8,310		13,433
1966	76,120			27,716		23,597		9,337		15,470
1967	81,306			29,469		24,853		10,169		16,815
1968	88,089			32,080		26,472		11,499		18,038
1969	94,609			35,180		28,218		12,709		18,502
1970	101,138			37,961		29,858		13,516		19,803
1971	109,254			41,018		31,019		15,388		21,829
1971—Feb.	8,979	8,346	3,369	3,153	2,656	2,401	1,186	1,070	1,768	1,722
Mar.	9,038	9,651	3,387	3,666	2,674	2,871	1,207	1,245	1,770	1,869
Apr.	9,088	9,219	3,332	3,417	2,580	2,629	1,315	1,336	1,861	1,837
May	9,197	8,898	3,375	3,283	2,698	2,583	1,323	1,267	1,801	1,765
June	9,190	9,497	3,541	3,678	2,550	2,664	1,299	1,368	1,800	1,787
July	8,914	9,112	3,351	3,419	2,485	2,494	1,293	1,387	1,785	1,812
Aug.	9,222	9,088	3,456	3,459	2,590	2,537	1,288	1,299	1,888	1,793
Sept.	9,157	8,936	3,460	3,441	2,614	2,514	1,266	1,222	1,817	1,759
Oct.	9,107	9,007	3,439	3,408	2,495	2,457	1,319	1,292	1,854	1,850
Nov.	9,306	9,377	3,470	3,482	2,579	2,703	1,360	1,338	1,897	1,854
Dec.	9,230	9,518	3,451	3,443	2,596	2,873	1,324	1,369	1,859	1,833
1972—Jan.	9,547	9,485	3,620	3,464	2,586	2,439	1,346	1,372	1,995	2,210
Feb.	9,373	9,094	3,538	3,454	2,463	2,323	1,377	1,294	1,995	2,023
Net change in credit outstanding <sup>2</sup>										
1965	8,629			3,865		2,641		1,126		997
1966	6,215			2,357		1,809		1,025		1,024
1967	3,387			1,381		643		742		621
1968	8,964			4,252		2,364		1,351		997
1969	8,279			3,353		2,636		1,536		754
1970	2,992			1,590		-611		1,103		910
1971	8,384			4,081		1,017		1,924		1,362
1971—Feb.	102	-857	109	-165	-143	-280	96	47	40	-459
Mar.	495	-76	259	117	7	-185	187	173	42	-181
Apr.	663	860	344	531	44	43	160	216	115	70
May	493	664	225	388	100	72	118	226	50	-22
June	525	1,170	265	529	-60	168	214	356	106	117
July	761	986	293	498	191	297	130	119	147	72
Aug.	827	1,212	463	603	109	192	164	283	91	134
Sept.	999	913	529	491	104	35	222	217	144	170
Oct.	924	790	393	344	238	198	171	122	122	126
Nov.	1,266	1,334	670	449	274	312	204	197	118	376
Dec.	900	2,448	488	580	164	497	130	108	118	1,263
1972—Jan.	637	-719	206	-98	109	-192	136	-128	186	-301
Feb.	966	-192	409	85	203	31	225	171	129	-479

<sup>1</sup> Includes adjustments for differences in trading days.

<sup>2</sup> Net changes in credit outstanding are equal to extensions less repayments, except in certain months when data for extensions and repayments have been adjusted to eliminate duplication resulting from large transfers of paper. In those months the differences between extensions and repayments for some particular holders do not equal the

changes in their outstanding credit. Such transfers do not affect total instalment credit extended, repaid, or outstanding.

NOTE: "Other financial lenders" include credit unions and miscellaneous lenders. See also NOTE to preceding table and Note 1 at bottom of p. A-56.

MARKET GROUPINGS

(1967 = 100)

Grouping	1967 pro- por- tion	1971 aver- age*	1971										1972		
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. <sup>1</sup>
<b>Total Index</b> .....	100.00	106.4	105.7	105.5	106.2	107.0	107.2	106.1	105.3	106.2	106.4	107.0	107.6	108.2	108.9
<b>Products, total</b> .....	62.21	106.2	105.0	104.5	105.5	105.9	106.1	106.8	106.2	106.2	106.9	107.6	107.5	108.1	108.5
<i>Final products</i> .....	48.95	104.4	103.0	102.5	103.6	103.9	104.5	104.9	105.0	104.6	105.3	105.9	105.6	106.2	106.7
Consumer goods.....	28.53	115.5	112.9	112.7	114.6	115.7	116.1	116.0	116.0	115.0	116.9	118.2	117.9	118.5	119.3
Equipment.....	20.42	88.9	89.3	88.4	88.1	87.8	88.2	89.3	89.6	90.2	89.0	88.8	88.5	88.7	89.1
Intermediate products.....	13.26	112.8	112.5	112.0	112.4	113.5	112.4	113.8	110.7	112.5	113.0	114.0	114.7	115.0	115.3
Materials.....	37.79	106.8	106.8	107.1	107.5	108.9	109.0	105.3	104.0	106.2	105.6	106.0	107.6	108.4	109.4
<b>Consumer goods</b>															
<b>Durable consumer goods</b> .....	7.86	114.3	110.6	111.6	112.2	117.2	116.7	115.8	115.8	113.6	115.3	115.5	116.4	116.8	118.2
Automotive products.....	2.84	119.4	117.8	117.8	113.7	123.1	121.2	120.1	121.1	118.0	119.6	119.6	119.8	116.5	117.5
Autos.....	1.87	108.3	112.8	112.2	103.2	108.3	107.9	107.9	108.5	108.0	107.8	109.2	109.4	102.8	106.4
Auto parts and allied goods.....	.97	140.8	127.4	128.6	133.9	151.4	146.8	143.6	145.2	153.4	142.2	139.7	139.6	143.0	138.4
Home goods.....	5.02	111.5	106.5	108.2	111.4	113.9	113.3	113.5	112.9	111.1	112.9	113.4	114.7	117.0	118.5
Appliances, TV, and radios.....	1.41	111.2	102.5	107.9	116.4	120.7	116.9	115.0	112.1	105.7	110.7	113.4	116.0	123.1	121.9
Appliances and A/C.....	.92	127.2	117.6	124.9	126.0	132.1	129.3	126.0	128.0	121.7	131.1	135.5	134.5	142.3	145.3
TV and home audio.....	.49	81.4	74.0	76.1	98.6	99.4	93.9	94.5	82.4	75.6	72.6	71.8	81.3	87.1	78.3
Carpeting and furniture.....	1.08	112.9	110.1	108.3	110.7	111.7	113.6	114.8	114.7	116.1	115.3	117.3	116.0	117.8	118.4
Misc. home goods.....	2.53	111.0	107.5	108.1	109.0	111.1	111.2	112.0	112.5	112.1	113.1	111.7	113.4	113.1	116.7
<b>Non-durable consumer goods</b> .....	20.67	116.0	113.8	113.1	115.5	115.1	116.1	116.1	116.1	115.6	117.5	119.3	118.5	119.2	119.7
Clothing.....	4.32	101.4	97.3	96.9	101.0	102.6	101.9	102.4	100.3	102.5	103.5	103.6	104.9	105.5	.....
Consumer staples.....	16.34	119.8	118.1	117.4	119.4	118.5	119.9	119.8	120.2	119.1	121.2	123.5	122.1	122.9	123.5
Consumer foods and tobacco.....	8.37	113.2	112.6	111.8	112.7	113.2	113.5	112.0	112.6	110.4	113.9	112.2	114.6	115.6	115.5
Nonfood staples.....	7.98	126.8	123.9	123.2	126.4	124.2	126.5	128.0	128.4	128.2	128.9	130.1	130.0	130.5	131.8
Consumer chemical products.....	2.64	133.2	131.8	131.6	134.0	133.2	130.9	133.1	133.1	133.5	131.7	136.9	134.0	136.5	138.8
Consumer paper products.....	1.91	107.8	104.6	103.0	108.2	105.0	109.9	106.9	106.9	109.2	110.3	111.5	114.8	115.6	116.9
Consumer fuel and lighting.....	3.43	132.4	128.9	127.9	130.5	128.0	132.5	135.9	137.2	134.7	137.1	135.2	135.7	134.3	134.6
Residential utilities.....	2.25	140.1	135.2	133.2	136.4	135.1	140.6	145.1	146.2	144.2	147.0	144.5	144.5	141.8	142.0
<b>Equipment</b>															
<b>Business equipment</b> .....	12.74	96.0	96.0	95.0	95.1	94.4	95.0	96.3	96.8	97.8	97.4	97.0	96.6	97.5	97.6
Industrial equipment.....	6.77	92.3	93.4	92.4	92.4	90.9	90.9	91.8	92.0	92.4	92.6	93.2	92.8	93.1	93.5
Building and mining equip.....	1.45	92.9	94.3	92.4	91.2	91.5	88.8	88.9	96.4	96.6	95.5	95.2	94.0	97.7	99.4
Manufacturing equipment.....	3.85	81.4	82.2	81.3	82.1	79.5	80.1	81.1	79.9	80.5	81.1	81.3	81.0	80.3	80.2
Power equipment.....	1.47	120.5	121.7	121.5	120.5	120.2	121.3	122.7	119.7	119.5	119.7	122.2	121.9	122.5	
Commercial, transit, farm eq*.....	5.97	100.1	99.0	98.0	98.2	98.4	99.6	101.5	102.2	103.8	102.8	101.3	100.8	102.6	102.2
Commercial equipment.....	3.30	108.4	107.0	106.6	107.1	107.6	107.6	109.9	109.9	112.0	111.0	109.1	106.9	108.6	109.6
Transit equipment.....	2.00	89.0	89.1	87.2	87.3	87.3	90.5	88.4	90.2	90.2	90.4	88.6	92.1	94.1	92.0
Farm equipment.....	.67	92.8	88.8	88.0	86.6	86.6	87.7	99.9	100.0	103.9	99.5	101.1	96.1	98.0	96.4
<b>Defense and space equipment</b> .....	7.68	77.1	78.1	77.5	76.5	76.9	77.1	77.7	77.9	77.7	75.1	75.3	74.9	74.1	74.9
Military products.....	5.15	80.4	80.4	79.8	79.1	79.5	80.5	81.4	82.2	82.3	79.0	78.7	78.2	77.5	78.1
<b>Intermediate products</b>															
Construction products.....	5.93	113.0	111.9	112.6	113.4	115.5	113.5	115.3	109.4	111.3	112.7	112.9	115.1	115.6	115.1
Misc. intermediate products.....	7.34	112.5	113.1	111.4	111.6	111.9	111.6	112.7	111.7	113.4	113.4	114.9	114.4	114.7	115.4
<b>Materials</b>															
<b>Durable goods materials</b> .....	20.91	100.8	101.6	101.9	102.2	104.8	103.0	98.7	94.9	98.7	100.4	99.5	100.1	102.5	104.2
Consumer durable parts.....	4.75	101.4	101.4	103.2	102.8	105.1	104.8	98.8	100.4	100.7	101.8	99.4	99.2	102.7	105.2
Equipment parts.....	5.41	86.6	87.6	86.4	86.0	88.9	87.1	87.0	82.1	86.0	86.9	86.0	87.6	88.6	90.0
Durable materials nec.....	10.75	107.8	108.8	109.2	110.2	112.8	110.2	104.6	99.0	104.1	106.6	106.4	106.8	109.5	110.8
<b>Non-durable goods materials</b> .....	13.99	113.8	112.1	112.0	112.7	112.8	115.5	112.3	114.8	114.7	114.6	116.0	116.6	115.5	115.7
Textile, paper, and chem. mat.....	8.58	116.1	111.7	111.9	113.2	113.7	117.5	113.4	117.8	118.8	118.8	121.7	122.9	120.5	120.1
Non-durable materials n.e.c.....	5.41	110.3	112.7	112.3	111.9	111.3	112.0	110.5	109.9	108.2	108.3	107.1	106.7	107.6	108.6
Fuel and power, industrial.....	2.89	116.2	118.6	121.1	121.0	119.7	121.1	119.7	117.2	119.3	99.4	105.0	117.6	116.9	117.1
<b>Supplementary groups</b>															
Home goods and clothing.....	9.34	106.8	102.3	102.9	106.6	108.7	108.0	108.3	107.1	107.1	108.5	108.9	110.1	111.6	112.5
Containers.....	1.82	116.7	119.6	108.1	113.5	117.8	115.5	118.2	117.2	115.0	116.8	119.1	120.8	118.4	118.7
<b>Gross value of products in market structure</b>															
(In billions of 1963 dollars)															
<b>Products, total</b> .....		392.0	388.6	385.9	390.2	391.6	392.6	395.2	393.0	392.8	395.3	396.1	394.6	397.6	398.6
Final products.....		302.3	298.5	297.4	300.4	301.3	303.2	304.6	305.4	302.9	305.2	305.9	303.4	306.3	307.0
Consumer goods.....		213.6	209.5	209.6	212.6	213.4	214.8	216.4	215.5	212.1	215.7	217.1	215.9	217.1	217.8
Equipment.....		88.8	89.2	87.9	87.9	87.6	88.5	88.1	90.1	90.7	89.4	88.8	87.7	89.2	89.2
Intermediate products.....		89.6	89.9	88.5	89.3	90.2	89.6	90.8	87.7	89.7	90.1	90.2	91.0	91.4	91.6

For NOTE see p. A-63.

\* Referred to as "nonindustrial equipment" in the article published in the July 1971 BULLETIN, pp. 551-76.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1971 average <sup>a</sup>	1971												1972	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. <sup>a</sup>	
<b>Manufacturing</b> .....	88.55	104.8	103.9	103.2	104.4	105.7	105.6	104.9	103.6	104.9	105.4	105.3	105.4	105.4	106.5	107.4
Durable.....	52.33	98.8	98.6	98.3	99.1	100.5	100.1	99.4	96.6	98.5	99.1	98.0	98.2	99.6	100.5	
Nondurable.....	36.22	113.3	111.7	110.4	112.1	113.3	113.7	113.0	113.8	114.2	114.6	115.9	115.9	116.5	117.4	
Mining and utilities.....	11.45	119.6	119.9	120.2	120.6	119.0	120.7	120.3	120.0	120.3	116.1	118.7	121.4	120.5	120.5	
Mining.....	6.37	107.0	110.1	111.4	110.4	108.6	108.9	105.7	106.5	106.0	97.7	102.3	107.8	107.2	106.4	
Utilities.....	5.08	135.3	132.2	131.5	133.2	132.1	135.6	138.7	137.0	138.4	139.3	139.6	138.3	137.4	138.2	
<b>Durable manufactures</b>																
<b>Primary and fabricated metals</b> .....	12.55	103.9	106.0	105.8	108.6	111.5	108.3	104.2	93.8	99.5	100.9	98.7	100.0	104.1	103.5	
Primary metals.....	6.61	100.9	105.5	106.6	108.7	114.3	108.1	98.2	81.0	93.9	95.7	91.4	93.6	102.5	100.4	
Iron and steel, subtotal.....	4.23	96.5	104.8	105.2	109.1	112.9	105.3	99.0	66.2	85.9	88.7	81.9	85.5	95.2	94.6	
Fabricated metal products.....	5.94	107.3	106.6	104.9	108.5	108.5	108.5	110.8	108.0	105.7	106.9	106.9	107.1	105.8	106.9	
<b>Machinery and allied goods</b> .....	32.44	94.2	93.5	93.0	92.7	93.8	94.4	94.7	94.5	95.2	95.3	94.6	94.1	94.7	95.8	
Machinery.....	17.39	95.5	94.2	94.0	94.2	95.3	95.2	97.4	95.6	96.3	97.0	96.3	96.6	97.6	98.4	
Nonelectrical machinery.....	9.17	92.9	92.3	91.1	91.4	90.9	91.6	94.9	94.1	95.0	95.3	93.3	92.5	93.6	94.5	
Electrical machinery.....	8.22	98.4	96.3	97.1	97.4	100.2	99.2	100.2	97.3	97.8	98.9	99.6	101.2	102.1	102.7	
Transportation equipment.....	9.29	91.3	92.6	91.3	89.5	90.9	91.7	88.5	91.1	91.7	92.4	91.6	89.8	90.0	91.6	
Motor vehicles and parts.....	4.56	111.6	113.0	112.2	108.4	110.2	111.7	106.7	111.6	111.8	112.9	113.4	111.7	111.6	115.0	
Aerospace and misc. trans. eq.....	4.73	71.8	72.9	71.2	71.4	72.3	72.4	71.0	71.5	72.4	72.6	70.7	68.7	69.3	69.0	
Instruments.....	2.07	108.5	105.3	105.5	106.7	108.0	108.5	110.9	109.1	110.5	111.2	110.4	109.3	111.7	114.3	
Ordnance, private and Govt.....	3.69	87.0	85.5	85.7	85.2	86.0	88.8	88.8	90.0	90.2	85.6	85.1	84.8	83.5	84.2	
<b>Lumber, clay, and glass</b> .....	4.44	111.3	109.8	110.8	113.0	112.3	111.0	111.2	110.4	111.1	112.7	113.0	114.3	115.1	117.3	
Lumber and products.....	1.65	113.4	110.8	110.3	112.5	110.0	111.0	115.4	113.1	113.9	117.3	117.9	120.7	120.6	121.0	
Clay, glass, and stone products.....	2.79	110.1	109.2	111.1	113.3	113.7	111.1	108.7	108.8	109.4	109.9	110.1	110.5	112.1	115.0	
<b>Furniture and miscellaneous</b> .....	2.90	110.1	107.1	105.6	109.5	109.9	111.3	113.5	111.3	112.0	112.1	111.5	112.7	112.7	114.8	
Furniture and fixtures.....	1.38	98.7	96.0	95.0	98.7	97.6	100.9	99.9	99.6	100.8	100.3	101.6	100.4	100.9	101.9	
Miscellaneous manufactures.....	1.52	120.5	117.2	115.4	119.3	121.2	120.7	126.1	122.0	122.2	122.6	120.5	123.9	123.7	126.4	
<b>Nondurable manufactures</b>																
<b>Textiles, apparel, and leather</b> .....	6.90	100.7	98.0	97.3	99.8	101.5	102.4	100.2	100.1	102.5	102.2	101.6	102.8	101.9	103.7	
Textile mill products.....	2.69	108.5	105.4	105.3	106.3	107.5	109.1	108.5	110.5	111.0	110.1	110.2	112.0	108.2	.....	
Apparel products.....	3.23	97.9	94.5	94.0	97.3	99.7	97.1	97.0	96.0	99.5	100.0	99.5	99.7	100.0	.....	
Leather and products.....	.88	87.3	89.0	85.4	89.9	89.8	89.3	86.7	84.1	87.6	87.2	82.9	86.8	89.4	86.1	
<b>Paper and printing</b> .....	7.92	107.8	108.1	104.6	106.9	106.9	106.0	106.8	108.2	108.3	109.0	110.6	110.8	112.2	112.3	
Paper and products.....	3.18	116.0	116.0	111.0	114.4	115.1	113.4	115.5	117.8	116.4	116.1	119.5	120.0	122.1	121.2	
Printing and publishing.....	4.74	102.2	102.8	100.2	101.8	101.4	101.0	101.0	101.7	102.9	104.3	104.5	104.7	105.6	106.3	
<b>Chemicals, petroleum, and rubber</b> .....	11.92	124.3	120.9	120.5	122.4	124.2	125.3	124.0	126.2	127.3	126.5	127.8	127.8	128.5	130.1	
Chemicals and products.....	7.86	125.8	121.7	121.0	123.4	123.7	126.8	125.0	127.6	129.7	128.2	130.7	130.3	130.7	133.2	
Petroleum products.....	1.80	115.7	117.1	116.3	115.8	112.7	115.0	114.8	115.8	113.7	115.7	116.0	118.3	118.4	118.9	
Rubber and plastics products.....	2.26	125.9	120.6	122.7	124.5	127.2	129.1	128.0	129.9	129.6	129.0	127.6	126.6	128.6	127.8	
<b>Food and tobacco</b> .....	9.48	113.3	113.1	112.2	112.9	113.6	113.7	113.8	112.8	111.1	113.2	115.6	114.3	115.7	115.6	
Foods.....	8.81	114.5	114.1	113.8	114.1	114.6	115.4	115.2	114.0	111.9	114.3	117.0	115.8	116.6	116.5	
Tobacco products.....	.67	97.7	100.1	90.3	96.9	100.3	92.1	96.6	98.2	100.3	98.5	98.2	93.8	103.8	.....	
<b>Mining</b>																
<b>Metal, stone, and earth minerals</b> .....	1.26	104.6	113.6	111.6	106.5	104.6	104.9	91.6	96.8	98.1	102.0	110.9	111.1	108.3	105.8	
Metal mining.....	.51	121.4	139.0	135.1	124.7	122.6	117.3	93.5	104.8	109.7	117.1	136.7	137.7	129.1	127.6	
Stone and earth minerals.....	.75	93.2	96.3	95.6	94.2	92.4	96.4	90.2	91.4	90.1	91.7	93.4	92.7	94.3	90.9	
<b>Coal, oil, and gas</b> .....	5.11	107.5	109.3	111.4	111.4	109.6	109.9	109.2	108.9	108.0	96.7	100.2	107.0	106.9	106.6	
Coal.....	.69	99.0	108.8	116.2	115.5	110.2	109.4	109.4	109.4	109.7	29.1	55.7	112.4	104.8	99.6	
Oil and gas extraction.....	4.42	108.9	109.3	110.6	114.3	109.6	110.0	109.2	108.8	107.7	107.3	107.2	106.1	107.2	107.7	
<b>Utilities</b>																
<b>Electric</b> .....	3.91	138.0	134.9	133.6	135.5	133.8	138.3	142.0	139.7	141.5	142.3	142.3	141.9	141.2	142.7	
<b>Gas</b> .....	1.17	126.5	123.6	124.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	

For Note see p. A-63.

MARKET GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1971 average <sup>b</sup>	1971										1972		
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. <sup>a</sup>
Total index . . . . .	100.00	106.4	106.1	106.0	106.5	107.3	109.7	102.1	105.5	109.8	109.8	107.2	103.9	106.1	108.9
<b>Products, total . . . . .</b>	<b>62.21</b>	<b>106.2</b>	<b>104.7</b>	<b>104.5</b>	<b>105.0</b>	<b>105.1</b>	<b>109.0</b>	<b>103.9</b>	<b>107.5</b>	<b>111.7</b>	<b>111.2</b>	<b>107.4</b>	<b>102.6</b>	<b>105.1</b>	<b>107.8</b>
Final products . . . . .	48.95	104.4	101.4	103.0	102.9	102.7	107.2	101.2	105.6	110.0	109.3	105.6	100.7	104.1	106.7
Consumer goods . . . . .	28.53	115.5	113.2	112.9	113.6	113.5	119.3	111.9	118.4	123.1	122.9	117.3	109.9	115.7	118.9
Equipment . . . . .	20.42	88.9	89.6	89.1	88.0	87.6	90.4	87.1	87.6	91.8	90.3	89.2	87.8	87.8	89.5
Intermediate products . . . . .	13.26	112.8	109.5	110.2	112.6	113.8	115.5	112.4	114.5	118.1	118.1	114.1	109.7	108.6	112.1
Materials . . . . .	37.79	106.8	108.3	108.4	109.0	110.8	110.9	99.2	102.3	106.8	107.6	107.0	106.0	107.7	110.6
<b>Consumer goods</b>															
Durable consumer goods . . . . .	7.86	114.3	113.8	114.8	114.7	117.3	120.5	101.9	108.6	121.5	125.7	118.9	106.9	116.4	120.7
Automotive products . . . . .	2.84	119.4	125.1	125.3	121.9	127.2	130.5	94.9	102.0	128.6	135.8	123.7	102.4	120.6	124.5
Autos . . . . .	1.87	108.3	124.1	123.4	112.5	120.2	120.8	69.4	76.5	112.0	124.0	115.6	87.5	112.0	117.0
Auto parts and allied goods . . . . .	.97	140.8	127.0	128.9	139.9	140.8	149.0	144.0	151.0	160.5	158.6	139.4	130.9	137.1	138.7
Home goods . . . . .	5.02	111.5	107.4	108.8	110.7	111.7	114.9	105.8	112.4	117.5	120.0	116.2	109.4	114.0	118.6
Appliances, TV, and radios . . . . .	1.41	111.2	108.9	113.6	116.1	117.1	117.3	102.5	104.1	113.4	125.3	116.2	97.9	122.5	126.2
Appliances and A/C . . . . .	.92	127.2	124.7	133.6	133.1	132.2	136.1	122.3	114.4	128.0	142.8	131.6	107.5	142.8	148.8
TV and home audio . . . . .	.49	81.4	79.3	76.2	84.3	88.8	81.9	65.4	84.8	86.2	92.5	87.4	80.1	84.3	83.9
Carpeting and furniture . . . . .	1.08	112.9	114.7	111.4	111.1	108.6	112.6	97.9	114.9	119.5	116.6	120.5	118.6	119.6	123.4
Misc. home goods . . . . .	2.53	111.0	103.4	105.1	107.5	110.0	114.4	111.0	116.0	118.9	118.5	114.4	112.0	106.8	112.3
Nondurable consumer goods . . . . .	20.67	116.0	113.0	112.2	113.2	112.1	118.8	115.7	122.1	123.7	121.8	116.7	111.0	115.4	118.3
Clothing . . . . .	4.32	101.4	102.0	102.5	102.6	101.4	105.5	93.6	105.6	107.0	110.7	100.5	90.5	100.5	105.5
Consumer staples . . . . .	16.34	119.8	115.9	114.8	116.0	114.9	122.3	121.6	126.5	128.1	124.7	121.0	116.4	119.3	120.6
Consumer foods and tobacco . . . . .	8.37	113.2	108.5	108.7	110.0	110.8	116.6	112.6	118.6	120.0	120.5	115.7	108.1	109.4	110.9
Nonfood staples . . . . .	7.98	126.8	123.7	121.2	122.3	119.1	128.3	131.2	134.7	136.5	129.2	126.5	125.1	129.7	130.7
Consumer chemical products . . . . .	2.64	133.2	125.7	125.7	131.2	132.4	142.2	131.8	139.4	145.2	139.1	136.8	124.6	128.3	132.4
Consumer paper products . . . . .	1.91	107.8	101.8	100.1	107.1	102.0	110.2	109.6	113.9	116.0	113.9	110.7	108.9	110.3	113.7
Consumer fuel and lighting . . . . .	3.43	132.4	134.3	129.6	123.8	118.4	127.6	142.7	142.6	141.2	130.0	127.4	134.6	141.5	138.9
Residential utilities . . . . .	2.25	140.1	143.0	137.1	129.2	122.3	132.4	154.4	153.2	153.0	136.6	132.5	141.0	152.3	148.1
<b>Equipment</b>															
Business equipment . . . . .	12.74	96.0	96.6	96.0	95.3	94.2	98.0	93.3	93.9	100.3	99.4	97.2	95.0	95.7	98.3
Industrial equipment . . . . .	6.77	92.3	93.9	92.8	92.4	90.3	92.6	90.4	90.1	94.9	94.3	93.6	92.0	92.0	94.2
Building and mining equip. . . . .	1.45	92.9	93.3	90.3	91.7	90.9	91.6	87.0	90.5	98.2	97.0	99.0	95.7	96.8	99.3
Manufacturing equipment . . . . .	3.85	81.4	84.3	82.9	82.0	79.1	81.5	79.3	78.5	83.3	81.9	81.1	80.4	79.3	82.3
Power equipment . . . . .	1.47	120.5	119.6	120.9	120.3	119.2	122.6	122.7	119.8	122.0	124.0	120.9	118.7	120.2	120.4
Commercial, transit, farm eq.* . . . . .	5.97	100.1	99.7	99.7	98.5	98.6	104.2	96.6	98.3	106.5	105.2	101.3	98.3	100.0	102.9
Commercial equipment . . . . .	3.30	108.4	105.3	104.7	105.3	106.0	112.4	112.6	110.7	115.6	112.0	109.4	105.0	104.8	107.8
Transit equipment . . . . .	2.00	89.0	91.5	91.0	88.9	89.0	93.8	75.1	82.6	92.3	95.3	91.0	89.8	92.5	94.5
Farm equipment . . . . .	.67	92.8	96.7	100.9	93.7	90.9	94.3	81.7	83.8	103.7	101.2	92.1	90.6	98.5	103.4
Defense and space equipment . . . . .	7.68	77.1	78.1	77.7	76.0	76.7	77.8	76.7	77.1	77.8	75.2	75.8	75.9	74.6	74.9
Military products . . . . .	5.15	80.4	80.3	80.1	78.9	79.7	81.8	80.8	81.6	82.2	78.7	78.9	78.7	77.7	78.0
<b>Intermediate products</b>															
Construction products . . . . .	5.93	113.0	109.9	111.6	115.8	118.0	118.6	112.3	111.9	115.9	117.5	112.6	109.0	107.5	113.0
Misc. intermediate products . . . . .	7.34	112.5	109.1	109.1	110.0	110.4	113.0	112.4	116.6	119.8	118.6	115.4	110.3	109.5	111.4
<b>Materials</b>															
Durable goods materials . . . . .	20.91	100.8	103.2	104.2	104.1	102.2	106.3	92.1	92.0	99.9	102.3	100.2	98.6	101.5	105.3
Consumer durable parts . . . . .	4.75	101.4	104.6	104.5	102.0	106.4	104.5	88.3	92.0	100.1	104.2	103.8	104.0	106.3	108.6
Equipment parts . . . . .	5.41	86.6	88.9	89.0	87.0	89.4	89.4	81.7	80.1	86.9	86.6	85.2	86.8	88.9	91.4
Durable materials n.e.c. . . . .	10.75	107.8	109.8	111.8	113.7	116.6	115.6	99.1	98.0	106.3	109.4	106.2	102.1	105.8	110.8
Nondurable goods materials . . . . .	13.99	113.8	113.3	112.0	113.7	114.3	115.8	107.2	114.5	114.8	117.4	117.5	114.3	114.7	116.9
Textile, paper, and chem. mat. . . . .	8.58	116.1	114.3	112.8	115.6	116.0	118.0	106.5	116.9	118.7	121.3	123.0	119.1	119.7	122.9
Nondurable materials n.e.c. . . . .	5.41	110.3	111.6	110.8	110.8	111.6	112.4	108.2	110.6	108.6	111.2	108.9	106.7	106.7	107.5
Fuel and power, industrial . . . . .	2.89	116.2	120.5	121.9	121.4	119.5	120.4	111.4	117.7	118.3	98.5	105.7	119.2	118.9	118.9
<b>Supplementary groups</b>															
Home goods and clothing . . . . .	9.34	106.8	104.9	105.9	106.9	106.9	110.6	100.2	109.3	112.6	115.7	108.9	100.7	107.8	114.4
Containers . . . . .	1.82	116.7	119.2	108.1	113.8	119.6	119.1	113.0	121.2	120.1	123.5	118.0	111.7	111.9	118.3

FOR NOTE SEE p. A-63.

\* Referred to as "Nonindustrial equipment" in the article published in the July 1971 BULLETIN, pp. 551-76.

## INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 pro- por- tion	1971 aver- age <sup>a</sup>	1971												1972	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. <sup>b</sup>	
<b>Manufacturing, total</b> .....	88.55	104.8	104.3	104.4	105.0	105.0	108.3	99.7	103.1	108.1	109.2	106.2	101.9	104.1	107.5	
Durable.....	52.33	98.8	100.2	100.6	100.4	101.7	102.7	93.2	93.6	100.6	101.6	98.9	95.8	98.4	101.9	
Nondurable.....	36.22	113.3	110.2	109.8	111.7	112.1	116.3	109.2	116.8	119.0	120.1	116.8	110.6	112.3	115.6	
Mining and utilities.....	11.45	119.6	119.7	119.4	117.9	117.0	120.7	121.9	124.2	123.8	114.9	115.3	119.2	120.9	119.9	
Mining.....	6.37	107.0	108.6	109.7	110.4	110.9	111.0	103.0	107.7	106.4	98.0	101.8	107.5	104.6	104.8	
Utilities.....	5.08	135.3	133.7	131.5	127.3	124.6	132.8	145.7	144.9	145.7	136.1	132.3	133.9	141.5	138.8	
<b>Durable manufactures</b>																
<b>Primary and fabricated metals</b> .....	12.55	103.9	110.0	111.0	112.0	114.6	111.1	95.8	90.0	99.0	101.5	98.9	97.4	102.7	107.3	
Primary metals.....	6.61	100.9	111.6	115.2	115.8	119.8	112.6	87.9	76.2	91.1	94.5	90.3	88.8	101.0	106.2	
Iron and steel, subtotal.....	4.23	96.5	110.7	114.3	117.1	119.1	109.0	90.4	62.4	81.9	86.2	80.7	81.3	93.7	99.9	
Fabricated metal products.....	5.94	107.3	108.2	106.3	107.7	108.8	109.5	104.7	105.3	107.9	109.3	108.4	107.1	104.6	108.5	
<b>Machinery and allied goods</b> .....	32.44	94.2	95.1	94.9	93.4	94.4	96.7	88.8	90.3	97.6	98.1	95.5	92.2	94.8	97.3	
Machinery.....	17.39	95.5	96.0	95.8	94.9	94.8	97.0	92.2	92.6	99.5	99.4	96.8	94.3	96.9	100.0	
Nonelectrical machinery.....	9.17	92.9	94.3	93.6	92.5	91.4	94.2	91.8	90.6	97.2	95.5	93.4	91.4	92.4	96.6	
Electrical machinery.....	8.22	98.4	97.8	98.3	97.5	98.6	100.2	92.6	94.9	102.0	103.8	100.6	97.6	101.9	103.8	
Transportation equipment.....	9.29	91.3	95.4	94.6	91.6	94.2	96.1	77.8	81.7	93.2	97.2	93.6	87.2	92.0	94.4	
Motor vehicles and parts.....	4.56	111.6	118.9	117.7	112.0	116.9	120.5	86.1	93.5	114.4	122.4	117.5	105.9	116.6	120.8	
Aerospace and misc. trans. eq.....	4.73	71.8	72.8	72.3	72.0	72.4	72.6	69.7	70.4	72.8	73.0	70.6	69.2	68.3	68.9	
Instruments.....	2.07	108.5	102.2	103.7	103.4	106.9	110.8	110.9	111.4	114.9	114.4	111.0	109.2	108.5	111.0	
Ordnance, private and Govt.....	3.69	87.0	86.3	86.2	85.2	86.2	89.2	88.1	88.9	89.8	85.0	85.2	85.2	84.0	84.5	
<b>Lumber, clay, and glass</b> .....	4.44	111.3	104.5	108.7	113.2	114.5	116.6	110.4	116.0	116.5	118.1	113.0	106.6	105.7	111.8	
Lumber and products.....	1.65	113.4	110.6	112.1	114.5	112.5	117.5	112.2	117.6	119.5	121.6	115.3	108.4	109.9	120.8	
Clay, glass, and stone products.....	2.79	110.1	100.9	106.7	112.5	115.7	116.1	109.4	115.1	114.7	116.1	111.6	105.6	103.2	106.4	
<b>Furniture and miscellaneous</b> .....	2.90	110.1	107.4	106.6	108.7	107.6	112.3	104.2	112.0	115.9	115.3	115.6	113.5	109.7	115.1	
Furniture and fixtures.....	1.38	98.7	100.7	98.5	98.6	95.8	99.3	86.8	98.0	101.8	100.6	104.6	103.4	103.0	106.9	
Miscellaneous manufactures.....	1.52	120.5	113.6	114.0	117.9	118.4	124.1	120.0	124.8	128.8	128.7	125.6	122.7	115.9	122.5	
<b>Nondurable manufactures</b>																
<b>Textiles, apparel, and leather</b> .....	6.90	100.7	101.8	101.7	101.6	101.3	104.6	90.8	104.4	104.9	107.8	101.3	92.4	100.2	106.6	
Textile mill products.....	2.69	108.5	107.6	108.2	108.5	110.4	114.0	96.9	114.5	113.6	113.8	111.0	101.4	105.9	.....	
Apparel products.....	3.33	97.9	99.4	99.4	99.3	97.4	100.8	89.9	100.4	102.4	107.3	98.1	87.7	98.6	.....	
Leather and products.....	.88	87.3	92.7	90.4	88.8	87.9	89.8	75.2	88.7	88.0	91.3	83.5	82.7	88.7	89.7	
<b>Paper and printing</b> .....	7.92	107.8	105.4	103.2	107.4	106.8	108.5	103.5	111.6	113.4	114.8	112.1	105.0	106.1	109.6	
Paper and products.....	3.18	116.0	118.9	113.6	117.8	116.2	116.6	105.7	117.6	116.1	122.1	120.5	111.0	120.6	124.2	
Printing and publishing.....	4.74	102.2	96.4	96.2	100.4	100.5	103.1	102.1	107.5	111.5	109.9	106.5	100.9	96.3	99.7	
<b>Chemicals, petroleum, and rubber</b> .....	11.92	124.3	119.4	119.7	122.2	123.2	128.6	121.6	126.7	130.7	129.9	129.0	125.8	124.6	128.5	
Chemicals and products.....	7.86	125.8	118.9	119.5	124.3	125.3	131.1	124.2	128.6	133.1	130.8	131.2	127.6	126.1	130.1	
Petroleum products.....	1.80	115.7	113.5	112.0	110.9	111.7	119.1	118.9	120.9	118.9	117.8	115.2	116.5	113.5	115.2	
Rubber and plastics products.....	2.26	125.9	125.8	126.4	124.0	125.0	127.7	114.8	124.7	131.9	136.6	132.2	126.9	128.3	133.3	
<b>Foods and tobacco</b> .....	9.48	113.3	108.8	108.8	109.6	110.5	115.9	112.0	117.7	119.4	121.2	116.8	109.5	110.8	111.0	
Foods.....	8.81	114.5	109.2	110.2	110.9	111.4	117.2	114.0	118.6	120.4	122.3	118.2	111.9	111.4	111.3	
Tobacco products.....	.67	97.7	103.0	90.5	92.7	99.3	98.5	86.2	105.7	106.5	106.1	99.0	78.7	103.6	.....	
<b>Mining</b>																
<b>Metal, stone, and earth minerals</b> .....	1.26	104.6	98.7	101.0	107.2	116.9	118.3	97.3	104.1	104.1	105.8	103.9	100.5	93.5	91.9	
Metal mining.....	.51	121.4	118.3	117.9	126.1	145.7	147.7	106.8	116.9	118.7	117.9	114.8	111.3	106.0	108.6	
Stone and earth minerals.....	.75	93.2	85.3	89.5	94.4	97.4	98.3	90.9	95.4	94.2	97.6	96.6	93.1	84.9	80.5	
<b>Coal, oil, and gas</b> .....	5.11	107.5	111.0	111.8	111.2	109.4	109.2	104.4	108.6	107.0	96.0	101.3	109.2	107.4	108.0	
Coal.....	.69	99.0	109.1	114.7	117.6	112.4	111.6	82.7	116.5	112.6	31.1	56.9	111.7	103.6	99.9	
Oil and gas extraction.....	4.42	108.9	111.3	111.3	114.1	108.9	108.8	107.8	107.4	106.1	106.2	108.2	108.8	108.0	109.3	
<b>Utilities</b>																
Electric.....	3.91	138.0	136.7	133.6	128.0	124.2	134.6	151.3	150.0	150.8	138.0	132.8	136.2	146.6	143.3	
Gas.....	1.17	126.5	123.6	124.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	

NOTE.—Published groupings include some series and subtotals not shown separately. A description and historical data will be available at

a later date. Figures for individual series and subtotals are published in the monthly Business Indexes release.

SELECTED BUSINESS INDEXES

(1967=100, except as noted)

Period	Industrial production										Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Nonagricultural employment—Total <sup>1</sup>		Manufacturing <sup>2</sup>		Prices <sup>4</sup>	
	Total	Market					Industry	Manufacturing	Employment	Payrolls			Total retail sales <sup>3</sup>	Consumer	Wholesale commodity			
		Products																
		Total	Consumer goods	Equipment	Intermediate products	Materials												
1952																		
1953																		
1954	51.9	51.8	50.8	53.3	47.9	55.1	52.0	51.5	92.8	74.1	93.4	54.5	52	79.5	88.6			
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	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	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	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	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	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	103.1	101.4	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	106.7	103.2	114	109.8	106.5			
1970	106.7	106.0	104.4	110.3	96.1	111.9	107.8	105.2	78.2	107.3	98.1	114.2	120	116.3	110.4			
1971	106.5	106.2	104.5	115.6	88.9	112.8	106.8	104.8	74.4	132.0	107.4	116.9	122	121.3	113.9			
1971—Feb.	105.7	105.0	103.0	112.9	89.3	112.5	106.8	103.9	74.7	126.0	106.9	94.4	115.0	126	119.4	112.8		
Mar.	105.5	104.5	102.5	112.7	88.4	112.0	107.1	103.2		141.0	107.0	94.0	114.7	127	119.8	113.0		
Apr.	106.2	105.5	103.6	114.6	88.1	112.4	107.5	104.4		161.0	107.2	94.4	115.4	128	120.2	113.3		
May	107.0	105.9	103.9	115.7	87.8	113.5	108.9	105.7	75.4	141.0	107.5	94.8	117.6	128	120.8	113.8		
June	107.2	106.1	104.5	116.1	88.2	112.4	109.0	105.6		147.0	107.3	94.3	117.7	129	121.5	114.3		
July	106.1	106.8	104.9	116.0	89.3	113.8	105.3	104.9	73.9	151.0	107.1	93.9	116.8	129	121.8	114.6		
Aug.	105.3	106.2	105.0	116.0	89.6	110.7	104.0	103.6		153.0	107.1	93.5	116.5	133	122.1	114.9		
Sept.	106.2	106.2	104.6	115.0	89.0	112.5	106.2	104.9		156.0	107.6	94.5	117.0	135	122.2	114.5		
Oct.	106.4	106.9	105.3	116.9	89.0	113.0	105.6	105.4		137.0	107.6	94.1	117.8	134	122.4	114.4		
Nov.	107.0	107.6	105.9	118.2	88.8	114.0	106.0	105.3	73.8	155.0	107.9	94.4	118.4	136	122.6	114.5		
Dec.	107.6	107.5	105.6	117.9	88.5	114.7	107.6	105.4		160.0	108.1	94.2	121.1	133	123.1	115.4		
1972—Jan.	108.2	108.1	106.2	118.5	88.7	115.0	108.4	106.5		165.0	108.7	94.5	122.2	133	123.2	116.3		
Feb.	108.9	108.5	106.7	119.3	89.1	115.3	109.4	107.4	74.5	155.0	108.9	94.9	124.6	134	123.8	117.3		
Mar.	109.6	108.9	107.0	119.5	89.6	116.1	110.6	108.0		109.3	95.5	125.4			117.4			

1 Employees only; excludes personnel in the Armed Forces.

2 Production workers only.

3 F.R. index based on Census Bureau figures.

4 Prices are not seasonally adjusted.

5 Figure is for first quarter 1971.

Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

Construction contracts: F. W. Dodge Co. monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.

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.

Note.—All series: Data are seasonally adjusted unless otherwise noted.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1970	1971	1971										1972		
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Total construction <sup>1</sup>	67,097	78,878	4,993	6,386	7,743	7,555	8,077	7,670	7,712	6,814	6,568	6,405	6,286	6,234	5,607
By type of ownership:															
Public	23,362	24,183	1,578	1,722	2,074	2,065	2,795	2,683	2,299	2,010	1,837	1,960	1,696	2,137	1,634
Private	45,058	56,408	3,415	4,663	5,669	5,489	5,489	4,987	5,413	4,804	4,731	4,445	4,590	4,097	3,973
By type of construction:															
Residential building	24,910	35,226	1,819	2,729	3,168	3,310	3,485	3,357	3,255	3,196	3,170	3,001	2,997	2,667	
Nonresidential building	24,180	26,577	1,654	2,199	2,080	2,264	2,800	2,621	2,120	2,246	2,064	2,128	1,959	1,728	
Nonbuilding	18,489	20,509	1,520	1,458	2,495	1,981	1,792	1,691	2,337	1,371	1,332	1,274	1,959	1,840	
Private housing units authorized (In thousands, S.A., A.R.)	1,324	1,885	1,563	1,627	1,638	1,927	1,849	2,052	2,006	1,900	2,173	1,961	2,292	2,105	2,112

<sup>1</sup> Because of improved collection procedures, data for 1-family homes beginning Jan. 1968 are not strictly comparable with those for earlier periods. 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 F. W. Dodge Co. does not include data for Alaska or Hawaii. Totals of monthly data exceed annual totals because adjustments—negative—are made into accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 13,000 reporting areas with local building permit systems.



VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Residential	Nonresidential				Total	Military	Highway	Conservation & development	Other <sup>2</sup>	
				Total	Buildings								Other
					Industrial	Commercial	Other buildings <sup>1</sup>						
1962 <sup>3</sup>	59,965	42,096	25,150	16,946	2,842	5,144	3,631	5,329	17,869	1,266	6,365		
1963 <sup>4</sup>	64,563	45,206	27,874	17,332	2,906	4,995	3,745	5,686	19,357	1,179	7,084		
1964	67,413	47,030	28,010	19,020	3,565	5,396	3,994	6,065	20,383	910	7,133		
1965	73,412	51,350	27,934	23,416	5,118	6,739	4,735	6,824	22,062	830	7,550		
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685	24,007	727	8,405		
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293	25,536	695	8,591		
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292	27,605	808	9,321		
1969	93,347	65,384	33,200	32,184	6,783	9,401	4,971	11,029	27,963	879	9,252		
1970	94,265	66,147	31,748	34,399	6,538	9,754	5,125	12,982	28,118	719	9,986		
1971	108,968	79,080	42,379	36,701	5,423	11,619	5,437	14,222					
1971—Feb.	102,340	70,743	36,509	34,234	6,258	10,106	5,009	12,861	31,597	812		1,566	
Mar.	103,027	72,961	37,678	35,283	6,072	10,734	5,099	13,378	30,066	863		1,676	
Apr.	105,875	76,263	39,589	36,674	6,110	11,262	5,355	13,947	29,612	824		1,756	
May	107,591	77,880	41,500	36,389	5,766	11,038	5,289	14,287	29,711	848		1,702	
June	109,210	79,941	42,326	37,615	5,508	11,795	5,815	14,497	29,269	865		1,614	
July	109,801	80,328	42,333	37,795	5,428	12,690	5,499	14,178	29,473	1,142		2,150	
Aug.	111,778	81,939	43,793	38,144	4,852	13,069	5,482	14,741	29,839	900		1,609	
Sept.	110,319	81,730	45,027	36,703	4,897	11,702	5,591	14,813	28,573	786		1,570	
Oct.	114,748	82,905	46,135	36,770	4,993	11,510	5,372	14,895	31,843	881		1,540	
Nov.	115,186	84,764	46,841	37,923	4,885	12,188	5,670	15,180	30,422	938		1,697	
Dec.	117,017	85,989	47,741	38,248	4,914	12,391	5,770	15,173	31,028	918		1,454	
1972—Jan.	120,213	88,220	49,725	38,495	4,864	13,366	5,698	14,567	31,993	1,015		1,914	
Feb.	120,340	88,996	51,690	37,306	4,748	13,124	5,621	13,813	31,344	998		1,769	

<sup>1</sup> Includes religious, educational, hospital, institutional, and other buildings.

<sup>4</sup> Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

<sup>2</sup> Sewer and water, formerly shown separately, now included in "Other."  
<sup>3</sup> Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.

NOTE.—Census Bureau data, monthly series at seasonally adjusted annual rates.

NEW HOUSING UNITS

(In thousands)

Period	Units started															Mobile home shipments (N.S.A.)
	Private (S.A., A.R.)							Private and public (N.S.A.)					Government underwritten (N.S.A.)			
	Total	Region				Type of structure			Total	Private	Public	Total	FHA	VA		
		North-east	North Central	South	West	1-family	2- to 4-family	5- or more-family								
1963	1,610	261	328	591	431	1,021	589	1,642	1,610	32	292	221	71	151		
1964	1,529	253	339	582	355	972	108	1,562	1,529	32	264	205	59	191		
1965	1,473	270	362	575	266	964	87	1,510	1,473	37	246	197	49	216		
1966	1,165	207	288	473	198	779	61	1,196	1,165	31	195	158	37	217		
1967	1,292	215	337	520	220	844	72	1,322	1,292	30	232	180	53	240		
1968	1,508	227	369	619	294	900	81	1,548	1,508	40	283	227	56	318		
1969	1,467	206	349	588	323	810	87	1,500	1,467	33	288	237	51	413		
1970	1,434	218	294	612	310	813	85	1,467	1,434	33	479	418	61	401		
1971	2,051	263	434	869	485	1,151	120	1,467	1,434	33	479	418	61	401		
1971—Feb.	1,794	231	337	762	463	1,005	112	677	105	102	32	27	5	28		
Mar.	1,938	233	413	821	471	1,080	117	741	169	168	1	40	33	7		
Apr.	1,951	224	435	841	450	1,122	120	709	204	201	3	53	45	8		
May	2,046	257	412	860	517	1,152	115	779	204	199	5	49	41	8		
June	2,008	250	396	864	498	1,150	127	731	197	194	3	55	46	9		
July	2,091	271	436	849	535	1,162	131	798	197	194	3	52	43	9		
Aug.	2,219	279	493	941	505	1,198	143	878	206	205	2	55	46	9		
Sept.	2,029	249	454	876	449	1,172	137	720	176	174	2	38	30	9		
Oct.	2,038	242	435	895	465	1,155	108	774	182	180	2	47	39	8		
Nov.	2,228	305	483	950	489	1,242	102	883	179	176	3	57	48	9		
Dec.	2,457	437	508	995	518	1,347	121	989	155	152	3	92	85	7		
1972—Jan.	2,471	430	430	984	628	1,410	174	888	150	148	2	44	36	8		
Feb.	2,678	279	570	1,215	614	1,315	216	1,147	153	152	1	28	28	33		

NOTE.—Starts are Census Bureau series (including farm starts) except for Govt.-underwritten, which are from Federal Housing Admin. and Veterans Admin. and represent units started, including rehabilitation

units under FHA, based on field office reports of first compliance inspections. Data may not add to totals because of rounding. Mobile home shipments are as reported by Mobile Homes Manufacturers Assn.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total non-institutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate <sup>2</sup> (per cent; S.A.)
				Total	Employed <sup>1</sup>			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1966.....	131,180	52,288	78,893	75,770	72,895	68,915	3,979	2,875	3.8
1967 J.....	133,319	52,527	80,793	77,347	74,372	70,527	3,844	2,975	3.8
1968.....	135,562	53,291	82,272	78,737	75,920	72,103	3,817	2,817	3.6
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
1971—Mar.....	141,885	56,286	86,385	83,455	78,446	75,059	3,387	5,009	6.0
Apr.....	142,088	56,308	86,670	83,788	78,732	75,192	3,540	5,056	6.0
May.....	142,285	56,331	86,836	83,986	78,830	75,418	3,412	5,156	6.1
June.....	142,482	54,698	86,217	83,401	78,600	75,299	3,301	4,801	5.8
July.....	142,685	53,877	86,727	83,930	79,014	75,640	3,374	4,916	5.9
Aug.....	142,886	54,433	87,088	84,313	79,199	75,792	3,407	5,114	6.0
Sept.....	143,104	56,220	87,240	84,491	79,451	76,088	3,363	5,040	6.1
Oct.....	143,321	55,968	87,467	84,750	79,832	76,416	3,416	4,918	5.8
Nov.....	143,517	55,802	87,812	85,116	80,020	76,601	3,419	5,096	6.0
Dec.....	143,723	56,181	87,883	85,225	80,098	76,698	3,400	5,127	6.0
1972—Jan.....	144,697	57,550	88,301	85,707	80,636	77,243	3,393	5,071	5.9
Feb.....	144,895	57,577	88,075	85,535	80,623	77,266	3,357	4,912	5.7
Mar.....	145,077	57,163	88,817	86,313	81,241	77,759	3,482	5,072	5.9

<sup>1</sup> Includes self-employed, unpaid family, and domestic service workers.  
<sup>2</sup> Per cent of civilian labor force.  
<sup>3</sup> Beginning 1967, data not strictly comparable with previous data. Description of changes available from Bureau of Labor Statistics.

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.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation & public utilities	Trade	Finance	Service	Government
1966.....	63,955	19,214	627	3,275	4,151	13,245	3,100	9,551	10,792
1967.....	65,857	19,447	613	3,208	4,261	13,606	3,225	10,099	11,398
1968.....	67,915	19,781	606	3,285	4,310	14,084	3,382	10,623	11,845
1969.....	70,284	20,167	619	3,435	4,429	14,639	3,564	11,229	12,202
1970.....	70,616	19,369	622	3,345	4,504	14,922	3,690	11,630	12,535
1971.....	70,699	18,610	601	3,259	4,481	15,174	3,800	11,917	12,858
SEASONALLY ADJUSTED									
1971—Mar.....	70,480	18,609	622	3,264	4,520	15,074	3,758	11,841	12,792
Apr.....	70,599	18,639	623	3,282	4,505	15,107	3,769	11,843	12,831
May.....	70,769	18,702	622	3,275	4,518	15,148	3,788	11,858	12,858
June.....	70,657	18,608	619	3,255	4,500	15,135	3,807	11,895	12,838
July.....	70,531	18,533	597	3,228	4,476	15,158	3,806	11,921	12,812
Aug.....	70,529	18,457	609	3,219	4,428	15,223	3,804	11,946	12,843
Sept.....	70,853	18,616	616	3,250	4,460	15,273	3,821	11,962	12,855
Oct.....	70,848	18,560	521	3,290	4,442	15,270	3,834	11,996	12,935
Nov.....	71,042	18,603	525	3,320	4,434	15,278	3,851	12,044	12,987
Dec.....	71,185	18,566	607	3,245	4,465	15,315	3,860	12,089	13,038
1972—Jan.....	71,584	18,609	616	3,320	4,502	15,447	3,872	12,120	13,098
Feb.....	71,702	18,676	611	3,239	4,483	15,491	3,878	12,164	13,160
Mar.....	71,978	18,766	613	3,257	4,528	15,529	3,887	12,198	13,200
NOT SEASONALLY ADJUSTED									
1971—Mar.....	69,782	18,488	608	2,967	4,466	14,789	3,735	11,758	12,971
Apr.....	70,309	18,482	617	3,164	4,469	14,974	3,758	11,867	12,978
May.....	70,738	18,554	622	3,265	4,500	15,071	3,780	11,953	12,993
June.....	71,355	18,746	634	3,414	4,549	15,192	3,837	12,050	12,933
July.....	70,452	18,448	613	3,480	4,534	15,132	3,867	12,040	12,338
Aug.....	70,542	18,651	625	3,509	4,486	15,151	3,865	11,994	12,261
Sept.....	71,184	18,840	623	3,471	4,509	15,242	3,829	11,986	12,684
Oct.....	71,379	18,709	522	3,478	4,455	15,327	3,826	12,020	13,042
Nov.....	71,638	18,693	524	3,410	4,447	15,537	3,836	12,032	13,159
Dec.....	72,034	18,595	605	3,177	4,469	16,089	3,841	12,029	13,229
1972—Jan.....	70,643	18,440	602	2,965	4,430	15,266	3,833	11,926	13,181
Feb.....	70,749	18,523	595	2,883	4,411	15,143	3,843	12,018	13,333
Mar.....	71,328	18,645	599	2,961	4,474	15,285	3,864	12,113	13,387

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 the Armed Forces are excluded. Beginning with 1969, series has been adjusted to Mar. 1970 benchmark.

PRODUCTION WORKER EMPLOYMENT IN MANUFACTURING INDUSTRIES

(In thousands of persons)

Industry group	Seasonally adjusted <sup>1</sup>				Not seasonally adjusted <sup>1</sup>			
	1971	1972			1971	1972		
	Mar.	Jan.	Feb. <sup>2</sup>	Mar. <sup>2</sup>	Mar.	Jan.	Feb. <sup>2</sup>	Mar. <sup>2</sup>
<b>Total</b> .....	<b>13,448</b>	<b>13,527</b>	<b>13,581</b>	<b>13,662</b>	<b>13,345</b>	<b>13,373</b>	<b>13,448</b>	<b>13,557</b>
<b>Durable goods</b> .....	<b>7,569</b>	<b>7,629</b>	<b>7,668</b>	<b>7,728</b>	<b>7,552</b>	<b>7,581</b>	<b>7,630</b>	<b>7,710</b>
Ordnance and accessories.....	99	90	89	89	99	90	90	89
Lumber and wood products.....	487	520	517	523	476	501	502	511
Furniture and fixtures.....	370	395	397	398	367	395	395	396
Stone, clay, and glass products.....	492	510	510	512	480	491	492	499
Primary metal industries.....	1,002	934	934	954	1,004	929	935	956
Fabricated metal products.....	980	1,016	1,025	1,035	974	1,014	1,020	1,029
Machinery.....	1,172	1,168	1,177	1,179	1,187	1,168	1,186	1,195
Electrical equipment and supplies.....	1,173	1,192	1,205	1,219	1,168	1,194	1,203	1,214
Transportation equipment.....	1,225	1,219	1,223	1,225	1,237	1,232	1,232	1,237
Instruments and related products.....	255	260	262	263	254	260	262	264
Miscellaneous manufacturing industries.....	316	325	329	331	305	307	314	320
<b>Nondurable goods</b> .....	<b>5,879</b>	<b>5,898</b>	<b>5,913</b>	<b>5,934</b>	<b>5,793</b>	<b>5,792</b>	<b>5,818</b>	<b>5,847</b>
Food and kindred products.....	1,184	1,183	1,177	1,180	1,180	1,120	1,102	1,104
Tobacco manufactures.....	64	58	58	61	57	58	56	55
Textile-mill products.....	839	862	862	869	836	855	857	866
Apparel and related products.....	1,197	1,180	1,189	1,189	1,205	1,164	1,191	1,196
Paper and allied products.....	526	528	529	531	522	524	524	526
Printing, publishing, and allied industries.....	668	666	668	669	669	662	666	669
Chemicals and allied products.....	583	581	578	576	585	575	576	578
Petroleum refining and related industries.....	116	114	119	116	113	110	113	113
Rubber and misc. plastic products.....	440	464	467	474	437	462	467	471
Leather and leather products.....	262	262	266	269	261	261	266	267

<sup>1</sup> Data adjusted to 1970 benchmark.

NOTE.—Bureau of Labor Statistics; data cover production and related workers only (full- and part-time) who worked during, or received pay for, the pay period that includes the 12th of the month.

HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES

Industry group	Average hours worked <sup>1</sup> (per week; S.A.)				Average weekly earnings <sup>1</sup> (dollars per week; N.S.A.)				Average hourly earnings <sup>1</sup> (dollars per hour; N.S.A.)			
	1971	1972			1971	1972			1971	1972		
	Mar.	Jan.	Feb. <sup>2</sup>	Mar. <sup>2</sup>	Mar.	Jan.	Feb. <sup>2</sup>	Mar. <sup>2</sup>	Mar.	Jan.	Feb. <sup>2</sup>	Mar. <sup>2</sup>
<b>Total</b> .....	<b>39.8</b>	<b>40.0</b>	<b>40.5</b>	<b>40.4</b>	<b>139.74</b>	<b>147.66</b>	<b>149.17</b>	<b>150.72</b>	<b>3.52</b>	<b>3.71</b>	<b>3.72</b>	<b>3.74</b>
<b>Durable goods</b> .....	<b>40.4</b>	<b>40.6</b>	<b>41.1</b>	<b>41.0</b>	<b>151.50</b>	<b>159.58</b>	<b>161.17</b>	<b>163.59</b>	<b>3.75</b>	<b>3.95</b>	<b>3.96</b>	<b>3.99</b>
Ordnance and accessories.....	41.9	41.2	42.5	42.1	157.59	165.97	170.89	168.42	3.77	3.98	4.04	4.01
Lumber and wood products.....	39.9	40.9	40.8	40.9	121.70	128.40	128.96	132.93	3.05	3.21	3.20	3.25
Furniture and fixtures.....	39.7	40.3	40.8	40.5	112.29	118.31	118.90	120.60	2.85	2.98	2.98	3.00
Stone, clay, and glass products.....	41.7	41.8	42.1	42.2	147.44	153.78	156.11	158.84	3.57	3.76	3.78	3.80
Primary metal industries.....	40.8	40.6	41.1	41.0	168.10	184.78	186.10	187.83	4.12	4.54	4.55	4.57
Fabricated metal products.....	40.3	40.4	41.0	40.8	146.77	155.59	157.16	159.15	3.66	3.88	3.89	3.92
Machinery.....	40.2	41.0	41.3	41.4	159.57	170.56	172.63	175.97	3.94	4.16	4.18	4.22
Electrical equipment and supplies.....	39.7	40.1	40.6	40.2	137.36	144.00	145.16	146.73	3.46	3.60	3.62	3.65
Transportation equipment.....	41.7	40.7	41.9	42.0	182.55	186.76	191.58	193.86	4.42	4.60	4.65	4.66
Instruments and related products.....	39.7	40.3	40.7	40.3	138.55	147.17	148.30	149.51	3.49	3.67	3.68	3.71
Miscellaneous manufacturing industries.....	38.8	39.0	39.5	39.3	113.68	118.81	120.04	120.65	2.93	3.07	3.07	3.07
<b>Nondurable goods</b> .....	<b>39.1</b>	<b>39.4</b>	<b>39.7</b>	<b>39.5</b>	<b>124.87</b>	<b>132.16</b>	<b>133.23</b>	<b>133.62</b>	<b>3.21</b>	<b>3.38</b>	<b>3.39</b>	<b>3.40</b>
Food and kindred products.....	40.5	40.1	40.0	40.1	133.27	140.10	139.79	142.04	3.34	3.52	3.53	3.56
Tobacco manufactures.....	38.0	34.8	34.0	35.0	114.45	113.21	113.57	114.92	3.11	3.32	3.39	3.39
Textile-mill products.....	40.3	41.3	41.2	41.2	102.51	109.75	111.11	111.38	2.55	2.69	2.71	2.71
Apparel and related products.....	35.2	35.7	36.3	35.7	87.44	90.37	92.52	92.26	2.47	2.56	2.57	2.57
Paper and allied products.....	41.9	42.1	42.7	42.6	149.76	159.64	162.01	162.01	3.60	3.81	3.83	3.83
Printing, publishing, and allied industries.....	37.5	37.5	37.5	37.7	153.38	161.39	162.19	165.88	4.09	4.35	4.36	4.40
Chemicals and allied products.....	41.4	41.8	41.9	41.7	158.98	170.56	171.39	170.97	3.84	4.10	4.11	4.10
Petroleum refining and related industries.....	41.9	42.2	42.0	41.7	188.10	201.83	202.03	202.59	4.50	4.84	4.88	4.87
Rubber and misc. plastic products.....	40.3	40.8	41.0	40.9	132.47	143.72	144.08	142.56	3.32	3.54	3.54	3.52
Leather and leather products.....	37.4	38.0	38.5	38.1	96.09	101.99	103.95	101.68	2.59	2.67	2.70	2.69

<sup>1</sup> Data adjusted to 1970 benchmark.

NOTE.—Bureau of Labor Statistics; data are for production and related workers only.

CONSUMER PRICES

(1967 = 100)

Period	All items	Food	Housing						Apparel and upkeep	Transportation	Health and recreation					
			Total	Rent	Home-ownership	Fuel oil and coal	Gas and electricity	Furnishings and operation			Total	Medical care	Personal care	Reading 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	
1961	89.6	89.1	90.9	92.9	86.9	91.0	99.4	93.7	90.4	90.6	86.7	81.4	90.6	89.3	88.5	
1962	90.6	89.9	91.7	94.0	87.9	91.5	99.4	93.8	90.9	92.5	88.4	83.5	92.2	91.3	89.1	
1963	91.7	91.2	92.7	95.0	89.0	93.2	99.4	94.6	91.9	93.0	90.0	85.6	93.4	92.8	90.6	
1964	92.9	92.4	93.8	95.9	90.8	92.7	99.4	95.0	92.7	94.3	91.8	87.3	94.5	95.0	92.0	
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	
1971—Feb.	119.4	115.9	122.6	113.6	132.3	117.2	112.8	115.9	118.1	117.5	120.2	125.8	115.4	117.5	119.1	
Mar.	119.8	117.0	122.4	113.9	131.2	117.4	113.3	116.4	118.6	117.8	120.6	126.8	115.8	117.7	119.4	
Apr.	120.2	117.8	122.5	114.4	130.9	117.3	113.9	117.0	119.1	118.1	121.2	127.5	116.3	118.4	119.7	
May	120.8	118.2	123.2	114.7	131.6	117.2	114.4	118.1	120.2	118.8	121.6	128.1	116.5	118.9	119.9	
June	121.5	119.2	124.0	115.2	133.0	117.4	114.6	118.7	120.1	119.6	122.1	128.6	116.8	119.3	120.3	
July	121.8	119.8	124.5	115.4	133.5	117.5	114.7	118.9	119.3	119.5	122.6	129.3	117.1	119.6	121.2	
Aug.	122.1	120.0	125.1	115.8	134.4	117.8	115.7	119.1	119.0	119.3	123.1	130.0	117.5	119.7	121.8	
Sept.	122.2	119.1	125.5	116.1	135.1	117.8	115.7	119.4	120.6	118.6	123.6	130.4	117.6	120.5	122.4	
Oct.	122.4	118.9	125.9	116.4	135.7	117.8	115.7	119.5	121.6	119.3	123.5	129.6	117.9	120.5	122.6	
Nov.	122.6	119.0	126.4	116.6	136.7	118.1	116.2	119.5	121.9	118.8	123.7	129.7	117.9	120.8	122.8	
Dec.	123.1	120.3	126.8	116.9	137.0	118.1	118.2	119.6	121.8	118.6	123.9	130.1	117.9	121.1	123.0	
1972—Jan.	123.2	120.3	127.3	117.1	137.8	118.7	119.0	119.3	120.2	119.0	124.3	130.5	118.1	121.4	123.5	
Feb.	123.8	122.2	127.6	117.5	138.0	118.7	119.4	119.6	120.7	118.3	124.7	131.0	118.4	121.5	124.3	

NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.  
 † Reflects effect of refund of Federal excise tax on new cars.

WHOLESALE PRICES: SUMMARY

(1967 = 100)

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.	Non-metallic minerals	Transportation equipment <sup>1</sup>	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	93.0
1961	94.5	96.3	91.0	94.8	97.7	91.7	97.2	100.7	99.2	91.0	95.2	91.9	91.9	98.4	97.6	93.3	93.3
1962	94.8	98.0	91.9	94.8	98.6	92.7	96.7	99.1	96.3	91.6	96.3	91.2	92.0	97.7	97.6	93.7	93.7
1963	94.5	96.0	92.5	94.7	98.5	90.0	96.3	97.9	96.8	93.5	95.6	91.3	92.2	97.0	97.1	94.5	94.5
1964	94.7	94.6	92.3	95.2	99.2	90.3	93.7	98.3	95.5	95.4	95.4	93.8	92.8	97.4	97.3	95.2	95.2
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	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	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	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	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
1971—Feb.	112.8	113.9	113.3	112.5	106.7	112.4	113.0	104.2	109.1	117.5	109.3	116.4	114.6	109.7	119.0	109.7	112.6
Mar.	113.0	113.0	113.7	112.8	106.9	112.5	112.8	104.5	109.1	123.4	109.3	116.5	114.9	109.6	120.9	109.5	112.8
Apr.	113.3	113.0	113.5	113.3	107.5	114.0	113.0	104.5	109.0	124.6	109.6	117.8	115.0	109.7	121.6	109.7	112.7
May	113.8	114.0	114.5	113.7	107.8	114.4	114.2	104.3	108.7	124.9	109.9	118.5	115.3	109.9	121.8	109.8	112.5
June	114.3	116.0	114.9	113.9	108.5	114.2	114.4	104.4	108.7	126.1	110.2	118.5	115.5	109.8	122.2	110.0	112.6
July	114.6	113.4	116.0	114.5	109.2	114.2	114.4	104.4	109.7	130.6	110.5	119.4	115.7	110.0	123.3	110.3	112.8
Aug.	114.9	113.2	115.4	115.1	109.7	114.4	114.8	104.3	109.8	134.6	110.6	121.1	116.1	110.2	124.2	110.5	113.0
Sept.	114.5	110.5	114.6	115.0	109.7	114.7	115.3	104.3	109.7	134.3	110.6	121.1	116.0	110.2	124.2	109.6	113.0
Oct.	114.4	111.3	114.1	115.0	109.6	114.7	114.8	104.2	109.5	131.8	110.6	121.0	116.0	110.2	124.1	110.7	113.0
Nov.	114.5	112.2	114.4	114.9	109.8	115.1	114.7	103.8	109.5	131.3	110.6	120.9	115.9	110.2	124.0	110.8	113.1
Dec.	115.4	115.8	115.9	115.3	110.6	116.2	115.0	103.4	109.4	132.7	110.7	120.8	116.2	110.2	124.2	112.9	113.2
1972—Jan.	116.3	117.8	117.2	115.9	111.3	117.8	116.0	103.4	109.5	134.9	110.8	121.4	116.5	110.2	124.3	113.4	113.7
Feb.	117.3	120.7	118.8	116.5	112.0	119.1	116.1	103.5	109.2	137.7	111.6	122.6	117.1	110.8	124.6	113.6	114.0

<sup>1</sup> For transportation equipment, Dec. 1968=100.

WHOLESALE PRICES: DETAIL

(1967 = 100)

Group	1971		1972		Group	1971		1972	
	Feb.	Dec.	Jan.	Feb.		Feb.	Dec.	Jan.	Feb.
<b>Farm products:</b>					<b>Pulp, paper, and allied products:</b>				
Fresh and dried produce.....	118.3	126.3	124.9	127.5	Pulp, paper and products, excluding building paper and board.....	109.6	111.0	111.1	111.9
Grains.....	111.7	95.3	94.1	93.0	Woodpulp.....	112.2	111.5	111.5	111.5
Livestock.....	118.9	124.7	132.2	139.6	Waste paper.....	105.0	124.6	124.9	126.6
Live poultry.....	100.0	87.2	94.3	105.4	Paper.....	112.7	114.7	114.9	115.3
Plant and animal fibers.....	88.0	102.5	109.5	113.2	Paperboard.....	101.3	102.7	102.7	103.5
Fluid milk.....	117.7	119.0	120.5	120.5	Converted paper and paperboard.....	109.4	110.1	110.3	111.4
Eggs.....	97.6	114.4	92.6	91.9	Building paper and board.....	100.4	104.6	104.7	104.7
Hay and seeds.....	108.6	109.2	108.7	110.2	<b>Metals and metal products:</b>				
Other farm products.....	119.5	117.3	118.0	116.8	Iron and steel.....	118.0	125.3	126.8	128.2
<b>Processed foods and feeds:</b>					Steelmill products.....	117.0	128.2	129.6	131.0
Cereal and bakery products.....	111.1	111.6	112.2	112.4	Nonferrous metals.....	114.2	114.9	114.4	115.0
Meat, poultry, and fish.....	115.2	120.4	125.4	130.5	Metal containers.....	115.8	124.2	124.2	127.1
Dairy products.....	112.3	117.4	117.3	117.5	Hardware.....	115.5	117.7	118.4	119.0
Processed fruits and vegetables.....	111.5	115.8	116.0	116.1	Plumbing equipment.....	113.2	118.4	118.2	118.6
Sugar and confectionery.....	118.3	120.2	120.1	121.1	Heating equipment.....	114.1	116.3	115.9	116.2
Beverages and beverage materials.....	115.2	116.4	116.4	116.8	Fabricated structural metal products.....	115.7	120.4	121.6	122.0
Animal fats and oils.....	122.6	122.3	121.4	133.5	Miscellaneous metal products.....	117.7	120.9	121.3	123.2
Crude vegetable oils.....	127.6	118.2	114.2	116.8	<b>Machinery and equipment:</b>				
Refined vegetable oils.....	147.7	122.7	121.0	120.1	Agricultural machinery and equip... ..	116.8	118.6	119.9	121.5
Vegetable oil end products.....	119.4	122.0	121.7	121.1	Construction machinery and equip... ..	120.5	123.2	124.3	124.7
Miscellaneous processed foods.....	111.9	113.1	113.6	113.8	Metalworking machinery and equip... ..	116.0	118.4	118.5	118.9
Manufactured animal feeds.....	104.9	104.5	103.8	103.7	General purpose machinery and equipment.....	117.3	120.5	120.8	121.2
<b>Textile products and apparel:</b>					Special industry machinery and equipment.....	119.4	122.1	122.6	123.1
Cotton products.....	107.5	113.6	116.7	118.0	Electrical machinery and equip... ..	109.3	109.3	109.5	110.0
Wool products.....	95.4	91.5	92.0	92.2	Miscellaneous machinery.....	115.9	117.9	118.3	118.8
Manmade fiber textile products.....	97.4	104.3	105.4	105.9	<b>Furniture and household durables:</b>				
Apparel.....	112.0	113.8	113.8	114.0	Household furniture.....	113.9	115.5	116.0	116.7
Textile housefurnishings.....	103.4	106.1	106.2	108.5	Commercial furniture.....	118.2	118.2	118.3	118.3
Miscellaneous textile products.....	107.3	136.2	137.4	141.6	Floor coverings.....	100.6	97.9	98.1	98.2
<b>Hides, skins, leather, and products:</b>					Household appliances.....	107.1	107.4	106.9	107.5
Hides and skins.....	105.3	128.6	136.0	148.9	Home electronic equipment.....	94.2	93.4	93.3	92.9
Leather.....	108.7	117.0	120.0	120.6	Other household durable goods.....	119.8	122.1	122.3	124.1
Footwear.....	116.3	117.1	118.1	118.5	<b>Nonmetallic mineral products:</b>				
Other leather products.....	107.6	109.8	110.6	111.2	Flat glass.....	123.1	123.6	123.6	123.6
<b>Fuels and related products, and power:</b>					Concrete ingredients.....	117.3	124.2	124.4	124.6
Coal.....	176.0	190.2	192.7	192.6	Concrete products.....	117.6	122.9	123.4	123.8
Coke.....	145.9	150.5	150.5	155.0	Structural clay products excluding refractories.....	112.7	114.9	114.8	116.1
Gas fuels.....	108.1	107.9	110.0	110.2	Refractories.....	126.7	127.1	127.1	127.1
Electric power.....	110.2	116.3	118.9	120.0	Asphalt roofing.....	108.8	131.2	131.2	131.2
Crude petroleum.....	113.2	113.2	113.2	113.2	Gypsum products.....	97.9	114.1	113.4	112.8
Petroleum products, refined.....	106.9	106.1	106.1	105.5	Glass containers.....	131.9	131.5	131.5	131.5
<b>Chemicals and allied products:</b>					Other nonmetallic minerals.....	121.0	125.6	125.7	125.9
Industrial chemicals.....	101.9	101.1	101.4	101.4	<b>Transportation equipment:</b>				
Prepared paint.....	114.5	115.9	116.2	117.3	Motor vehicles and equipment.....	114.1	117.5	117.9	118.1
Paint materials.....	103.6	101.9	102.7	102.7	Railroad equipment.....	119.0	122.6	123.7	123.9
Drugs and pharmaceuticals.....	102.4	102.5	102.3	102.2	<b>Miscellaneous products:</b>				
Fats and oils, inedible.....	142.6	115.9	111.3	110.7	Toys, sporting goods, small arms, ammunition.....	112.3	113.1	113.5	114.0
Agricultural chemicals and products.....	92.6	90.3	90.3	90.2	Tobacco products.....	116.9	116.7	117.4	117.4
Plastic resins and materials.....	89.8	89.0	88.6	89.3	Notions.....	111.3	111.7	111.7	111.7
Other chemicals and products.....	111.2	112.4	112.4	112.5	Photographic equipment and supplies.....	105.6	106.5	106.4	106.7
<b>Rubber and plastic products:</b>					Other miscellaneous products.....	111.7	113.0	113.9	114.4
Crude rubber.....	99.1	98.5	99.2	98.8	<b>Lumber and wood products:</b>				
Tires and tubes.....	107.5	110.8	110.3	108.4	Lumber.....	120.3	143.8	146.9	150.4
Miscellaneous rubber products.....	117.0	119.2	119.7	120.4	Millwork.....	115.2	124.3	124.9	125.5
Plastic construction products (Dec. 1969 = 100).....	95.8	93.8	93.7	93.8	Plywood.....	112.8	117.8	120.2	125.1
Unsupported plastic film and sheeting (Dec. 1970 = 100).....	102.9	100.0	100.0	99.9	Other wood products.....	118.1	119.1	119.6	119.9
Laminated sheets, high pressure (Dec. 1970 = 100).....	99.9	97.9	98.2	98.6	<b>NOTE.—Bureau of Labor Statistics indexes.</b>				

**GROSS NATIONAL PRODUCT**

(In billions of dollars)

Item	1929	1933	1941	1950	1967	1968	1969	1970	1971	1970				
										IV	I	II	III	IV
Gross national product	103.1	55.6	124.5	284.8	793.9	864.2	929.1	974.1	1,046.8	988.4	1,020.8	1,040.0	1,053.4	1,072.9
Final purchases	101.4	57.2	120.1	278.0	785.7	857.1	921.7	971.3	1,044.3	984.7	1,017.7	1,035.4	1,054.6	1,070.4
Personal consumption expenditures	77.2	45.8	80.6	191.0	492.1	536.2	579.6	615.8	662.1	624.7	644.9	657.4	668.8	677.2
Durable goods	9.2	3.5	9.6	30.5	73.1	84.0	89.9	88.6	100.5	84.9	96.6	99.1	102.8	103.6
Nondurable goods	37.7	22.3	42.9	98.1	215.0	230.8	247.6	264.7	278.6	270.9	273.2	277.8	280.2	283.3
Services	30.3	20.1	28.1	62.4	204.0	221.3	242.1	262.5	282.9	268.9	275.0	280.5	285.8	290.3
Gross private domestic investment	16.2	1.4	17.9	54.1	116.6	126.0	137.8	135.3	151.6	137.3	143.3	152.9	150.8	159.4
Fixed investment	14.5	3.0	13.4	47.3	108.4	118.9	130.4	132.5	149.3	133.6	140.2	148.3	152.0	157.0
Nonresidential	10.6	2.4	9.5	27.9	83.3	88.8	98.6	102.1	108.7	100.8	104.7	108.3	109.3	112.6
Structures	5.0	.9	2.9	9.2	28.0	30.3	34.5	36.8	38.2	37.1	36.7	38.5	38.7	39.0
Producers' durable equipment	5.6	1.5	6.6	18.7	55.3	58.5	64.1	65.4	70.5	63.7	68.1	69.8	70.6	73.6
Residential structures	4.0	.6	3.9	19.4	25.1	30.1	31.8	30.4	40.6	32.8	35.4	40.0	42.7	44.4
Nonfarm	3.8	.5	3.7	18.6	24.5	29.5	31.2	29.7	40.1	32.2	35.0	39.5	42.1	43.8
Change in business inventories	1.7	-1.6	4.5	6.8	8.2	7.1	7.4	2.8	2.2	3.7	3.1	4.6	-1.2	2.4
Nonfarm	1.8	-1.4	4.0	6.0	7.5	6.9	7.3	2.5	1.7	3.3	2.9	4.1	-2.0	2.0
Net exports of goods and services	1.1	.4	1.3	1.8	5.2	2.5	2.0	3.6	.....	2.7	4.7	.1	.....	-4.6
Exports	7.0	2.4	5.9	13.8	46.2	50.6	55.6	62.9	65.3	63.2	66.2	66.5	68.2	60.4
Imports	5.9	2.0	4.6	12.0	41.0	48.1	53.6	59.3	65.3	60.5	61.5	66.4	68.2	65.0
Government purchases of goods and services	8.5	8.0	24.8	37.9	180.1	199.6	209.7	219.4	233.0	223.7	227.9	229.6	233.8	240.8
Federal	1.3	2.0	16.9	18.4	90.7	98.8	99.2	97.2	97.6	95.9	96.4	96.0	97.6	100.3
National defense	.....	.....	13.8	14.1	72.4	78.3	78.4	75.4	71.4	73.2	72.6	71.4	70.2	71.4
Other	.....	.....	3.1	4.3	18.4	20.5	20.7	21.9	26.2	22.7	23.7	24.6	27.4	28.9
State and local	7.2	6.0	7.9	19.5	89.4	100.8	110.6	122.2	135.5	127.9	131.6	133.6	136.2	140.5
Gross national product in constant (1958) dollars	203.6	141.5	263.7	355.3	675.2	706.6	724.7	720.0	739.4	715.9	729.7	735.8	740.7	751.3

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*, July 1968, July 1969, July 1970, July 1971, and Supplement, Aug. 1966.

**NATIONAL INCOME**

(In billions of dollars)

Item	1929	1933	1941	1950	1967	1968	1969	1970	1971 <sup>a</sup>	1970				
										IV	I	II	III	IV <sup>b</sup>
National income	86.8	40.3	104.2	241.1	653.6	711.1	763.7	795.9	851.1	802.1	831.7	847.3	855.2	870.3
Compensation of employees	51.1	29.5	64.8	154.6	467.2	514.6	565.5	601.9	641.9	609.3	627.3	638.0	645.6	656.6
Wages and salaries	50.4	29.0	62.1	146.8	423.1	464.9	509.6	541.4	574.2	547.2	561.4	571.0	577.3	587.0
Private	45.5	23.9	51.9	124.4	337.3	369.2	405.5	426.6	450.4	429.9	440.3	444.4	452.3	460.3
Military	.3	.3	1.9	5.0	16.2	17.9	19.0	19.4	18.6	18.6	19.2	18.6	18.0	18.6
Government civilian	4.6	4.9	8.3	17.4	69.5	77.8	85.1	95.5	105.2	98.6	101.8	104.0	106.9	108.1
Supplements to wages and salaries	.7	.5	2.7	7.8	44.2	49.7	56.0	60.5	67.7	62.1	65.9	67.0	68.3	69.6
Employer contributions for social insurance	.1	.1	2.0	4.0	21.9	24.3	27.8	29.6	34.0	30.1	33.3	33.6	34.2	35.0
Other labor income	.6	.4	.7	3.8	22.3	25.4	28.2	30.8	33.7	32.0	32.6	33.4	34.1	34.6
Proprietors' income	15.1	5.9	17.5	37.5	62.1	64.2	67.0	66.9	68.3	65.9	66.4	67.2	69.2	70.5
Business and professional	9.0	3.3	11.1	24.0	47.3	49.5	50.3	51.0	52.1	51.5	51.6	51.9	52.3	52.5
Farm	6.2	2.6	6.4	13.5	14.8	14.7	16.8	15.8	16.3	14.4	14.8	15.2	17.0	18.1
Rental income of persons	5.4	2.0	3.5	9.4	21.1	21.2	22.6	23.3	24.3	23.7	23.8	24.2	24.5	24.6
Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	78.7	84.3	78.6	70.8	81.0	69.0	79.5	82.5	80.0	82.2
Profits before tax	10.0	1.0	17.7	42.6	79.8	87.6	84.2	75.4	85.5	71.6	83.0	86.9	85.8	86.2
Profits tax liability	1.4	.5	7.6	17.8	33.2	39.9	39.7	34.1	37.8	32.3	38.3	39.1	37.5	36.4
Profits after tax	8.6	.4	10.1	24.9	46.6	47.8	44.5	41.2	47.6	39.2	44.8	47.8	48.2	49.8
Dividends	5.8	2.0	4.4	8.8	21.4	23.6	24.4	25.0	25.5	25.0	25.6	25.4	25.7	25.3
Undistributed profits	2.8	-1.6	5.7	16.0	25.3	24.2	20.0	16.2	22.1	14.3	19.2	22.4	22.5	24.5
Inventory valuation adjustment	.5	-2.1	-2.5	-5.0	-1.1	-3.3	-3.5	-4.5	-4.4	-2.6	-3.5	-4.4	-5.8	-4.0
Net interest	4.7	4.1	3.2	2.0	24.4	26.9	29.9	33.0	35.6	34.2	34.8	35.4	35.9	36.4

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	1967	1968	1969	1970	1971 <sup>a</sup>	1970				
										IV	I	II	III	IV <sup>b</sup>
Gross national product	103.1	55.6	124.5	284.8	793.9	864.2	929.1	974.1	1,046.8	988.4	1,020.8	1,040.0	1,053.4	1,072.9
Less: Capital consumption allowances	7.9	7.0	8.2	18.3	68.9	74.5	81.1	87.6	95.2	89.8	92.0	93.9	96.2	98.7
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	70.4	78.6	85.7	92.9	102.1	95.8	99.0	100.2	103.0	106.2
Business transfer payments	.6	.7	.5	.8	3.1	3.4	3.7	3.9	4.3	4.1	4.2	4.2	4.3	4.4
Statistical discrepancy	.7	.6	.4	1.5	-1.7	-2.7	-4.1	-4.5	-5.0	-1.6	-4.3	-4.9	-4.7	-6.0
Plus: Subsidies less current surplus of government enterprises	-1.1		.1	.2	1.4	.7	1.1	1.7	1.0	1.7	1.8	.7	.7	.7
Equals: National income	86.8	40.3	104.2	241.1	653.6	711.1	763.7	795.9	851.1	802.1	831.7	847.3	855.2	870.3
Less: Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	78.7	84.3	78.6	70.8	81.0	69.0	79.5	82.5	80.0	82.2
Contributions for social insurance	.2	.3	2.8	6.9	42.4	47.1	54.0	57.6	65.2	58.5	64.0	64.6	65.4	66.6
Excess of wage accruals over disbursements														
Plus: Government transfer payments	.9	1.5	2.6	14.3	48.7	56.1	62.2	75.6	90.4	80.7	83.7	92.2	92.5	93.3
Net interest paid by government and consumers	2.5	1.6	2.2	7.2	23.6	26.1	29.0	31.7	31.9	32.4	31.8	31.4	32.2	32.2
Dividends	5.8	2.0	4.4	8.8	21.4	23.6	24.4	25.0	25.5	25.0	25.6	25.4	25.7	25.3
Business transfer payments	.6	.7	.5	.8	3.1	3.4	3.7	3.9	4.3	4.1	4.2	4.2	4.3	4.4
Equals: Personal income	85.9	47.0	96.0	227.6	629.3	688.9	750.3	803.6	857.0	816.7	833.5	853.4	864.6	876.7
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	83.0	97.9	116.2	115.9	115.8	115.2	111.6	113.8	116.0	121.7
Equals: Disposable personal income	83.3	45.5	92.7	206.9	546.3	591.0	634.2	687.8	741.3	701.5	722.0	739.6	748.5	755.0
Less: Personal outlays	79.1	46.5	81.7	193.9	506.0	551.2	596.3	633.7	680.7	643.0	663.3	676.0	687.6	696.0
Personal consumption expenditures	77.2	45.8	80.6	191.0	492.1	536.2	579.6	615.8	662.1	624.7	644.9	657.4	668.8	677.2
Consumer interest payments	1.5	.5	.9	2.4	13.2	14.3	15.8	16.9	17.7	17.4	17.6	17.7	17.8	17.9
Personal transfer payments to foreigners	.3	.2	.2	.5	.7	.8	.9	.9	.9	.9	.9	.9	1.0	.9
Equals: Personal saving	4.2	-.9	11.0	13.1	40.4	39.8	37.9	54.1	60.5	58.5	58.6	63.6	61.0	59.0
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	477.5	499.0	513.5	531.5	550.6	532.5	542.7	550.5	553.2	556.1

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

PERSONAL INCOME

(In billions of dollars)

Item	1970	1971	1971										1972		
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. <sup>a</sup>
Total personal income	803.6	857.0	832.4	838.3	843.0	848.6	868.6	857.7	866.1	869.9	871.2	874.9	883.9	892.0	896.9
Wage and salary disbursements	541.4	574.2	560.6	564.8	567.7	572.0	573.2	572.9	579.2	579.8	581.3	584.8	594.8	602.1	605.8
Commodity-producing industries	200.7	205.7	201.8	203.3	204.4	206.1	206.4	205.0	205.3	206.7	207.4	208.1	211.4	213.2	214.4
Manufacturing only	158.3	160.8	158.5	159.2	159.6	161.1	161.4	160.2	160.2	161.1	162.0	163.2	165.3	165.8	167.5
Distributive industries	129.1	138.8	135.2	136.5	137.2	138.3	138.1	138.0	140.0	140.7	140.9	141.6	144.7	146.3	147.5
Service industries	96.7	105.9	102.4	103.3	103.9	105.0	105.7	106.3	107.4	107.7	108.1	108.7	109.9	111.4	112.1
Government	114.8	123.8	121.2	121.6	122.1	122.6	123.0	123.6	126.6	124.7	124.9	126.4	128.8	131.2	131.8
Other labor income	30.8	33.7	32.6	32.8	33.1	33.4	33.7	33.9	34.1	34.3	34.4	34.6	34.8	35.0	35.2
Proprietors' income	66.8	68.4	66.3	66.6	66.9	67.1	67.4	68.3	69.3	70.1	70.4	70.6	70.7	70.8	71.1
Business and professional	51.0	52.1	51.5	51.7	51.8	51.9	52.1	52.2	52.3	52.3	52.4	52.5	52.6	52.5	52.6
Farm	15.8	16.3	14.8	14.9	15.1	15.2	15.3	16.1	17.0	17.8	18.0	18.1	18.1	18.3	18.5
Rental income	23.3	24.3	23.5	24.0	24.1	24.2	24.3	24.4	24.5	24.5	24.5	24.6	24.6	24.7	24.8
Dividends	25.0	25.5	25.7	25.5	25.5	25.6	25.2	25.6	25.7	25.7	25.7	25.7	24.3	25.8	25.9
Personal interest income	64.7	67.5	66.6	66.4	66.6	66.7	66.9	67.4	68.1	68.8	68.7	68.6	68.4	68.7	68.9
Transfer payments	79.6	94.7	87.8	89.1	89.8	90.5	109.0	96.2	96.5	97.9	97.4	97.6	98.2	98.7	99.2
Less: Personal contributions for social insurance	28.0	31.2	30.7	30.9	30.9	31.0	31.1	31.1	31.4	31.4	31.4	31.6	32.0	33.9	34.0
Nonagricultural income	781.4	834.0	810.8	816.6	821.1	826.5	846.5	834.8	842.4	845.3	846.4	850.1	859.2	867.1	871.7
Agricultural income	22.2	23.0	21.5	21.7	21.9	22.1	22.2	22.9	23.7	24.6	24.7	24.7	24.8	24.9	25.2

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

## SUMMARY OF FUNDS RAISED AND ADVANCED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1966	1967	1968	1969	1970	1969		1970				1971			
						III	IV	I	II	III	IV	I	II	III	
<b>Funds raised, by type and sector</b>															
1 Total funds raised by nonfinancial sectors	68.5	83.5	96.9	90.4	97.5	88.4	86.8	81.4	103.7	94.6	110.6	112.8	173.7	167.5	1
2 U.S. Government	3.5	13.0	13.4	-3.6	12.8	-7	1.2	3.0	16.0	12.2	20.0	-7	45.6	24.6	2
3 Public debt securities	2.3	8.9	10.3	1.3	12.9	4.9	4.9	3.5	18.1	11.4	18.5	2.2	45.8	24.7	3
4 Budget agency issues	1.2	4.1	3.1	-2.4	-1	-5.6	-3.7	-5	-2.0	8	1.5	-2.9	-2	*	4
5 All other nonfinancial sectors	64.9	70.5	83.5	94.1	84.7	89.1	85.7	78.3	87.7	82.4	90.6	113.5	128.1	142.9	5
6 Corporate equity shares	9	2.4	-7	4.8	6.8	6.0	9.2	5.9	6.0	5.4	9.9	9.2	15.3	17.0	6
7 Debt instruments	64.0	68.1	84.2	89.3	77.9	83.2	76.4	72.4	81.7	77.1	80.7	104.2	112.9	125.9	7
8 Debt capital instruments	39.0	46.6	50.9	49.1	58.8	45.2	42.5	45.6	54.6	60.0	74.7	82.0	85.7	84.4	8
9 State and local govt. secs.	5.7	8.7	9.6	8.1	11.8	5.6	4.7	8.9	10.2	8.9	19.3	25.3	16.6	18.0	9
10 Corporate and fgn. bonds	11.0	15.9	14.0	13.1	21.1	12.1	11.1	15.0	22.4	22.2	24.8	25.0	24.1	14.1	10
11 Mortgages	22.3	22.0	27.3	27.9	25.8	27.5	26.7	21.7	22.0	28.9	30.7	31.7	45.1	52.3	11
12 Home mortgages	11.4	11.6	15.2	15.7	12.8	15.7	13.9	10.7	11.1	15.2	14.2	14.9	25.2	28.8	12
13 Other residential	3.1	3.6	3.5	4.8	5.9	4.8	5.6	4.6	5.4	6.5	6.9	7.1	9.8	10.2	13
14 Commercial	5.7	4.7	6.6	5.5	5.4	5.3	5.8	4.8	4.2	5.2	7.5	7.5	8.8	11.0	14
15 Farm	2.1	2.1	2.1	1.9	1.8	1.8	1.5	1.5	1.4	2.1	2.1	2.2	1.2	2.3	15
16 Other private credit	25.0	21.6	33.3	40.2	19.2	38.0	33.9	26.7	27.0	17.0	6.0	22.2	27.2	41.5	16
17 Bank loans n.e.c.	10.3	9.6	13.4	15.7	2.7	11.7	14.2	7.6	9.0	1.9	-7.6	4.2	13.4	22.6	17
18 Consumer credit	7.2	4.6	11.1	9.3	4.3	8.9	7.5	4.8	6.1	6.2	2	2.1	9.2	13.9	18
19 Open market paper	1.0	2.1	1.6	3.3	3.8	2.7	1.0	5.0	2.2	5	7.5	2.9	-3.7	2.7	19
20 Other	6.4	5.2	7.3	11.8	8.4	14.6	11.2	9.4	9.8	8.4	5.9	10.9	8.3	2.3	20
21 By borrowing sector	64.9	70.5	83.5	94.1	84.7	89.1	85.7	78.3	87.7	82.4	90.6	113.5	128.1	142.9	21
22 Foreign	1.5	4.1	3.0	3.7	2.6	2.3	2.4	2.6	1.7	2.2	4.0	4.3	6.7	7.2	22
23 State and local governments	6.4	8.8	9.9	8.5	12.2	5.8	5.1	9.4	10.4	9.7	19.5	25.7	16.7	18.1	23
24 Households	23.2	19.7	31.8	32.2	21.6	31.5	28.2	22.8	21.5	24.8	17.2	23.3	40.8	41.2	24
25 Nonfinancial business	33.8	37.9	38.8	49.7	48.3	49.4	49.9	43.4	54.2	45.7	50.0	60.2	63.9	76.3	25
26 Corporate	24.9	29.3	30.3	39.1	38.8	37.4	41.0	36.9	45.2	33.6	39.2	47.2	49.9	59.4	26
27 Nonfarm noncorporate	5.5	5.0	5.8	7.4	6.3	8.7	6.4	3.5	5.2	8.7	7.7	8.2	9.4	12.7	27
28 Farm	3.5	3.5	2.7	3.2	3.2	3.3	2.5	3.0	3.8	3.3	3.1	4.8	4.6	4.2	28
<b>Funds advanced directly in credit markets</b>															
1 Total funds raised	68.5	83.5	96.9	90.4	97.5	88.4	86.8	81.4	103.7	94.6	110.6	112.8	173.7	167.5	1
2 Advanced directly by—															
3 U.S. Government	4.9	4.6	4.9	2.5	3.2	3.7	2.3	3.9	3.6	3.5	1.8	4.3	4.3	2.3	2
4 U.S. Govt. credit agencies, net	3	5	-2	2	1.2	-1	1.5	-7	1.6	9	3.0	2.4	-6.3	-1.5	3
5 Funds advanced	5.1	-1	3.2	9.0	9.9	10.5	14.1	13.7	7.1	8.7	10.1	3	5.7	6.5	4
6 Less funds raised in cr. mkt.	4.8	6	3.5	8.8	8.7	10.6	12.5	14.4	5.5	7.8	7.0	-2.0	6	7.9	5
7 Federal Reserve System	3.5	4.8	3.7	4.2	5.0	5.5	9.3	1.2	5.5	7.7	5.5	16.1	1.4	7.6	6
8 Commercial banks, net	16.7	36.6	39.5	12.2	31.3	-9	12.1	1.0	23.3	63.6	37.3	37.6	59.2	44.0	7
9 Funds advanced	16.8	36.9	39.7	16.5	29.5	4.2	18.9	10.1	27.4	52.1	28.4	35.9	59.8	44.9	8
10 Less funds raised	1	2	2	4.3	-1.8	5.0	6.8	9.1	4.1	-11.6	-8.9	-1.7	6	9	9
11 Private nonbank finance	25.9	34.4	34.2	30.1	38.9	25.6	24.4	25.3	42.4	42.0	45.8	71.3	81.9	59.8	10
12 Savings institutions, net	7.8	16.8	14.6	10.4	14.7	6.8	5.6	4.7	15.3	18.0	20.7	45.5	49.9	35.1	11
13 Insurance	19.3	18.7	22.0	21.8	24.9	20.6	19.5	23.2	27.1	24.1	25.3	29.9	33.9	27.2	12
14 Finance n.e.c., net	-1.3	-1.1	-2.5	-2.1	-7	-1.8	-7	-2.6	*	*	-3.1	-4.0	-1.9	-2.6	13
15 Foreign	-1.8	2.8	2.5	1.3	10.9	5.1	-1.1	9.4	9.5	4.9	19.6	27.5	30.1	32.1	14
16 Private domestic nonfinancial	19.1	-2	12.3	39.8	7.1	55.5	38.4	41.2	17.9	-27.9	-2.5	-46.4	3.1	23.3	15
17 Business	3.6	-2	7.4	13.8	-1.0	18.1	7.0	15.1	12.3	-28.5	-2.9	-1.8	9.7	10.2	16
18 State and local governments	3.4	2.1	4	6.1	-3.8	7.7	5.6	-2.5	-5.3	-7.8	4	1.8	3.0	2.9	17
19 Households	11.9	4	5.8	18.3	10.6	26.4	25.3	24.8	8.8	8.1	5	-46.3	-5.2	14.6	18
20 Less: Net security credit	-2	2.2	1.4	-1.6	-1.4	-3.2	-4	-3.8	-2.1	-2	6	1	4.5	4.4	19
<b>Sources of funds supplied to credit markets</b>															
1 Total borrowing by nonfinancial sectors	68.5	83.5	96.9	90.4	97.5	88.4	86.8	81.4	103.7	94.6	110.6	112.8	173.7	167.5	1
2 Supplied directly and indirectly by pvt. domestic nonfin. sectors:															
3 Total	42.8	51.3	60.8	44.5	68.2	47.6	44.3	55.1	72.0	69.2	76.6	81.5	94.5	93.6	2
4 Deposits	23.7	51.5	48.5	4.7	61.1	-7.9	5.9	13.9	54.1	97.1	79.2	127.9	91.4	70.2	3
5 Demand dep. and currency	4.0	12.4	14.8	7.1	6.1	7.6	8.2	2.0	7.0	7.3	8.3	15.5	23.1	4.6	4
6 Time and svgs. accounts	19.7	39.1	33.7	-2.4	54.9	-15.5	-2.3	11.9	47.1	89.9	70.8	112.4	68.3	65.6	5
7 At commercial banks	12.5	22.5	20.8	-10.5	38.4	-21.3	-6.4	7.4	31.9	68.2	46.3	61.9	26.5	31.5	6
8 At savings institutions	7.2	16.6	12.9	8.1	16.5	5.8	4.2	4.4	15.2	21.7	24.5	50.4	41.9	34.1	7
9 Credit market instr., net	19.1	-2	12.3	39.8	7.1	55.5	38.4	41.2	17.9	-27.9	-2.5	-46.4	3.1	23.3	8
10 U.S. Govt. securities	8.5	-1.7	7.7	15.0	-6.9	23.2	14.1	6.5	-8.0	-6.8	-19.2	-49.5	8	4.7	9
11 Pvt. credit market instr.	11.4	7.8	13.4	27.0	15.2	29.6	27.5	37.6	23.9	-22.1	21.5	15.4	11.6	22.7	10
12 Corporate equities	-1.0	4.1	-7.4	-3.8	-2.6	-6	-3.7	-6.7	-1.7	7	-4.3	-12.3	-4.9	4	11
13 Less security debt	-2	2.2	1.4	-1.6	-1.4	-3.2	-4	-3.8	-2.1	-2	6	1	4.5	4.4	12
14 Other sources:															
15 Foreign funds	7	4.6	4.3	9.6	2.4	10.4	-6	10.8	2.7	-4.5	7	9.7	27.1	37.4	13
16 At banks	2.5	1.7	1.8	8.3	-8.4	5.3	5	1.3	-6.8	-9.4	-18.9	-17.8	-3.0	5.3	14
17 Direct	-1.8	2.8	2.5	1.3	10.9	5.1	-1.1	9.4	9.5	4.9	19.6	27.5	30.1	32.1	15
18 Chg. in U.S. Govt. cash balance	4	1.2	-1.1	4	2.6	1.6	3.9	1.0	2.1	1.4	6.1	-18.8	17.4	6	16
19 U.S. Government loans	4.9	4.6	4.9	2.5	3.2	3.7	2.3	3.9	3.6	3.5	1.8	4.3	4.3	2.3	17
20 Pvt. insur. and pension reserves	16.7	17.5	18.5	18.7	21.0	18.7	18.9	18.7	22.7	19.8	22.8	25.3	24.2	19.7	18
21 Sources n.e.c.	3.8	4.3	9.5	14.7	1	6.4	18.1	-8.1	7	5.3	2.5	10.7	6.1	13.9	19



**PRINCIPAL FINANCIAL TRANSACTIONS**

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1966	1967	1968	1969	1970	1969		1970				1971			
						III	IV	I	II	III	IV	I	II	III	
<b>Demand deposits and currency</b>															
1 Net incr. in banking system liability...	2.6	14.8	14.8	8.5	10.1	11.0	13.2	5.1	9.8	8.9	16.9	-1.9	39.9	6.2	1
2 U.S. Government deposits.....	-4	1.1	-1.2	.6	2.5	1.9	4.2	1.1	2.0	.7	6.0	-19.2	17.3	.6	2
3 Money supply.....	3.0	13.7	16.0	7.9	7.7	9.1	9.0	4.0	7.8	8.2	10.8	17.3	22.6	5.6	3
4 Domestic sectors.....	3.9	13.4	15.7	7.6	7.4	8.5	9.0	2.6	8.2	8.6	10.3	17.5	22.8	5.7	4
5 Households.....	3.1	9.4	11.1	5.9	4.7	9.5	5.1	5.4	7.4	5.0	1.0	7.3	16.2	10.0	5
6 Nonfinancial business.....	.7	.8	1.8	-.8	-.9	-4.3	3.0	-2.3	-2.7	.7	.9	-1.2	2.9	-1.7	6
7 State and local governments.....	-.1	-1.0	.7	3.2	1.2	3.9	2.9	-.3	1.0	1.1	3.1	2.5	1.1	1.1	7
8 Financial sectors.....	-.1	1.0	.9	.5	1.3	.9	.8	.5	1.2	1.4	2.0	1.9	-.3	1.1	8
9 Mail float.....	.3	3.2	1.2	-.2	1.1	-1.5	-2.8	-.7	1.3	.5	3.3	6.9	2.9	-4.8	9
10 Rest of the world.....	-1.0	.3	.3	1.3	.3	.6	*	1.4	-.4	-.5	.5	-.1	-.2	-.2	10
<b>Time and savings accounts</b>															
1 Net increase—Total.....	20.2	40.8	33.3	-1.6	53.9	-15.4	3.4	16.8	44.3	87.5	67.1	113.3	72.9	68.0	1
2 At commercial banks—Total.....	13.3	23.8	20.6	-9.7	36.7	-21.2	-1.1	11.6	28.5	65.6	41.3	61.1	29.5	33.1	2
3 Corporate business.....	-.7	2.9	1.9	-9.8	12.8	-11.0	-4.2	.5	6.1	32.3	12.2	9.0	1.5	1.1	3
4 State and local governments.....	1.3	2.4	3.2	5.9	9.9	-10.3	-4.6	6.4	10.3	13.4	9.6	12.1	3.5	11.9	4
5 Foreign.....	.8	1.2	-.3	1.0	-1.9	.4	5.7	4.3	-3.5	-3.2	-5.1	-1.4	2.6	1.6	5
6 Households.....	11.9	17.1	15.7	5.2	15.8	4.8	2.4	.5	15.5	22.5	24.5	40.8	21.5	18.4	6
7 At savings institutions.....	7.0	17.0	12.8	8.1	17.2	5.7	4.5	5.2	15.8	21.9	25.8	52.2	43.4	34.9	7
8 Liabilities.....															
9 Savings and loan assns.....	3.6	10.6	7.5	4.1	11.1	2.9	.7	2.0	9.8	15.6	16.9	36.7	28.6	25.3	8
10 Mutual savings banks.....	2.6	5.1	4.2	2.6	4.4	1.5	2.2	1.6	4.4	4.7	7.0	12.4	11.6	6.6	9
11 Credit unions.....	.8	1.2	1.1	1.4	1.7	1.3	1.5	1.6	1.7	1.5	1.9	3.1	3.1	3.0	10
12 Assets.....															
13 Households.....	7.2	16.6	12.9	8.1	16.5	5.8	4.2	4.4	15.2	21.7	24.5	50.4	41.9	34.1	11
14 Cr. union depts. at S & L's.....	-.2	.3	-.1	*	.7	-.1	.3	.8	.6	.2	1.3	1.8	1.5	.8	12
<b>U.S. Government securities</b>															
1 Total net issues.....	8.7	12.5	16.7	5.5	21.6	10.0	13.8	17.5	21.6	20.1	27.0	-2.6	46.3	32.7	1
2 Household savings bonds.....	.6	1.0	.4	-.4	.3	-.8	.1	-.9	-.2	.5	1.7	1.9	2.7	2.4	2
3 Direct excluding savings bonds.....	1.8	7.9	9.9	-.9	12.6	5.6	4.8	4.4	18.3	10.9	16.8	.3	43.1	22.2	3
4 Budget agency issues.....	*	.1	1.5	-.4	1.3	-.8	-.2	2.1	.2	1.0	1.7	.8	.4	*	4
5 Sponsored agency issues.....	5.1	-.6	3.2	9.1	8.7	10.6	12.5	14.4	5.5	7.8	7.0	-2.0	.6	7.9	5
6 Loan participations.....	1.3	4.0	1.7	-1.9	-1.3	-4.8	-3.3	-2.6	-2.2	-.1	-.2	-3.6	-.5	1.1	6
7 Net acquisitions, by sector.....	8.7	12.5	16.7	5.5	21.6	10.0	13.8	17.5	21.6	20.1	27.0	-2.6	46.3	32.7	7
8 U.S. Government (agency sec.).....	1.3	-.1	-.1	-1.3	-.1	-.8	-.1	-.1	*	*	-.6	*	*	*	8
9 Sponsored credit agencies.....	1.0	*	-.1	-.2	1.7	-.5	1.2	2.0	-.5	1.0	4.4	-1.8	-2.7	-2.8	9
10 Direct marketable.....	.3	.9	-.1	-.5	1.9	-.8	.4	2.8	-.8	1.2	4.3	-3.9	-.2	-2.8	10
11 FHLB special issue.....	.6	-.9	-.3	-.3	-.2	.3	.8	-.8	-.2	-.2	.1	2.0	-2.6	1.1	11
12 Federal Reserve System.....	3.5	4.8	3.8	4.2	5.0	-.4	9.2	1.1	5.4	7.9	5.6	15.8	1.7	7.6	12
13 Foreign.....	-.2	2.1	-.5	-1.8	9.1	2.7	-3.7	8.0	8.2	4.7	15.5	26.3	28.7	29.0	13
14 Commercial banks.....	-.3	9.3	3.4	-9.5	9.0	-9.5	-5.2	.5	6.8	11.0	17.6	2.2	14.7	-5.2	14
15 Direct.....	-.3	6.3	2.2	-9.3	5.8	-7.6	-6.2	-.7	6.8	8.9	8.0	2.1	11.3	-8.2	15
16 Agency issues.....	-.2	3.0	1.3	-.3	3.2	-1.9	1.0	1.3	*	2.1	9.6	2.1	3.4	3.0	16
17 Nonbank finance.....	-.4	-1.9	2.2	-.8	3.7	-4.7	-.8	-.7	9.8	2.2	3.7	4.4	3.1	-.6	17
18 Direct.....	-.2	-2.2	.4	-2.4	1.5	-7.3	-.6	-3.2	7.6	-.7	2.5	-7.3	2.5	-3.7	18
19 Agency issues.....	.5	.3	1.8	1.6	2.2	2.6	-.2	2.6	2.2	2.9	1.2	11.8	.6	3.1	19
20 Pvt. domestic nonfinancial.....	8.5	-1.7	7.7	15.0	-6.9	23.2	14.1	6.5	-8.0	-6.8	-19.2	-49.5	1.8	4.7	20
21 Savings bonds—Households.....	.6	1.0	.4	-.4	.3	-.8	.1	-.9	-.2	.5	1.7	1.9	2.7	2.4	21
22 Direct excl. savings bonds.....	3.3	-3.0	4.1	8.7	10.5	18.8	5.0	-2.7	-9.2	-10.8	-19.2	-32.7	1.7	-.4	22
23 Agency issues.....	4.7	.4	3.2	6.7	3.4	5.2	9.1	10.1	1.4	3.5	-1.7	-18.7	-3.6	1.8	23
<b>Private securities</b>															
1 Total net issues, by sector.....	18.5	28.2	23.9	27.7	42.3	25.1	26.3	31.3	41.0	39.3	57.7	65.0	58.8	53.0	1
2 State and local governments.....	5.7	8.7	9.6	8.1	11.8	5.6	4.7	8.9	10.2	8.9	19.3	25.3	16.6	18.0	2
3 Nonfinancial corporations.....	11.4	17.0	12.1	16.4	27.0	16.1	19.8	20.2	28.9	25.7	33.4	32.8	37.8	30.2	3
4 Finance companies.....	.8	1.0	.8	1.6	2.5	1.4	1.3	1.3	2.3	2.8	3.8	4.5	2.5	3.7	4
5 Commercial banks.....	.1	-.2	.2	.1	.1	*	-.1	.2	*	*	*	.9	.4	.2	5
6 Rest of the world.....	.5	1.3	1.3	1.5	.9	2.0	.5	.7	-.4	2.0	1.3	1.4	1.6	.9	6
7 Net purchases.....	18.5	28.2	23.9	27.7	42.3	25.1	26.3	31.3	41.0	39.3	57.7	65.0	58.8	53.0	7
8 Households.....	3.2	-1.8	-1.2	3.0	8.1	5.2	5.3	6.9	9.8	2.5	13.3	-3.3	4.2	13.0	8
9 Nonfinancial corporations.....	1.0	-.2	-1.1	5.1	1.4	5.5	5.0	.6	2.0	1.6	1.2	6.1	3.2	.7	9
10 State and local governments.....	1.1	1.9	-.4	2.6	.2	.9	1.4	.4	.7	-.8	.6	2.8	2.7	2.6	10
11 Commercial banks.....	1.9	9.8	8.9	3.3	10.8	-1.1	-1.7	5.0	8.9	14.5	14.7	20.1	14.9	7.8	11
12 Mutual savings banks.....	.3	2.3	1.6	.6	1.7	*	.2	1.2	2.0	1.2	2.5	8.3	6.7	1.5	12
13 Insurance and pension funds.....	12.9	16.6	17.6	16.8	18.7	15.0	15.4	17.0	20.6	13.9	23.2	26.7	33.0	25.5	13
14 Finance n.e.c.....	-.2	-.9	-3.6	-2.8	.1	-1.1	-2.2	-.3	-3.5	4.3	-.1	3.3	-.5	.4	14
15 Security brokers and dealers.....	.1	.2	-.9	.2	.7	2.3	-2.6	*	.2	5.2	-2.7	1.4	-6.1	-.7	15
16 Investment companies, net.....	-2.4	-1.1	-2.8	-3.0	-.6	-3.4	.3	-.3	-3.7	-1.0	2.5	1.9	.6	1.1	16
17 Portfolio purchases.....	1.4	1.5	1.9	2.7	1.8	2.7	4.6	1.3	-1.0	2.4	4.5	2.1	.4	.9	17
18 Net issues of own shares.....	3.7	2.6	4.7	5.7	2.4	6.1	4.2	1.6	2.7	3.4	2.1	.2	-.2	-.1	18
19 Rest of the world.....	.3	.6	2.3	2.1	1.4	.7	2.9	.6	.5	2.1	2.3	1.0	-.5	1.5	19
<b>Bank loans n.e.c.</b>															
1 Total net borrowing.....	9.0	7.5	15.7	17.8	2.1	11.1	17.6	5.2	10.3	5.0	-11.8	11.1	15.6	20.0	1
2 Households.....	.4	2.1	3.1	2.4	.8	.9	1.5	2.3	-1.1	1.2	1.0	2.7	5.4	-1.4	2
3 Nonfinancial business.....	10.1	7.7	10.6	13.5	2.3	12.3	12.8	4.6	10.4	.9	-6.7	1.8	5.4	18.8	3
4 Rest of the world.....	-.2	-.2	-.3	-.2	-.4	-1.5	-.1	.6	-.3	-.2	-1.9	-.2	2.7	5.2	4
5 Financial sectors.....	-1.3	-2.1	2.3	2.1	-.5	-.6	3.4	-2.3	1.2	3.0	-4.1	6.9	2.1	-2.7	5

## 1. U.S. BALANCE OF PAYMENTS

(In millions of dollars)

Line	Credits+, debits-	1969	1970	1971 <sup>a</sup>	1970		1971		
					IV	I <sup>r</sup>	II <sup>r</sup>	III	IV <sup>b</sup>
Summary—Seasonally adjusted									
1	Merchandise trade balance <sup>1</sup> .....	660	2,110	-2,879	142	248	-1,061	-540	-1,526
2	Exports.....	36,490	41,980	42,769	10,461	11,016	10,706	11,475	9,572
3	Imports.....	-35,830	-39,870	-45,648	-10,319	-10,768	-11,767	-12,015	-11,098
4	Military transactions, net.....	-3,341	-3,371	-2,854	-770	-664	-667	-722	-801
5	Travel and transportation, net.....	-1,780	-1,979	-2,246	-478	-434	-617	-559	-636
6	Investment income, net <sup>2</sup> .....	5,975	6,242	7,950	1,626	1,789	2,176	1,702	2,281
7	U.S. direct investments abroad.....	7,340	7,906	9,297	1,988	2,040	2,416	2,133	2,708
8	Other U.S. investments abroad.....	3,199	3,503	3,414	851	864	832	842	876
9	Foreign investments in the United States.....	-4,564	-5,167	-4,761	-1,213	-1,115	-1,072	-1,273	-1,303
10	Other services, net.....	497	588	728	150	211	175	175	168
11	Balance on goods and services <sup>3</sup> .....	2,011	3,592	699	670	1,150	6	56	-514
12	Remittances, pensions, and other transfers.....	-1,266	-1,410	-1,459	-351	-342	-355	-385	-377
13	Balance on goods, services, and remittances.....	745	2,182	-760	319	808	-349	-329	-891
14	U.S. Government grants (excluding military).....	-1,644	-1,739	-2,014	-485	-428	-483	-542	-562
15	Balance on current account.....	-899	444	-2,774	-166	380	-832	-871	-1,453
16	U.S. Government capital flows excluding nonscheduled repayments, net <sup>4</sup> .....	-2,106	-1,837	-2,071	-450	-602	-679	-421	-369
17	Nonscheduled repayments of U.S. Government assets.....	-87	244	225	40	4	102	72	48
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	263	-436	-536	-263	-85	-55	-174	-221
19	Long-term private capital flows, net.....	-50	-1,453	-4,128	7	-1,009	-1,793	-1,797	472
20	U.S. direct investments abroad.....	-3,254	-4,445	-4,526	-934	-1,370	-1,393	-1,404	-358
21	Foreign direct investments in the United States.....	832	969	-192	160	92	-16	-388	120
22	Foreign securities.....	-1,494	-942	-910	-337	-353	-388	-248	79
23	U.S. securities other than Treasury issues.....	3,112	2,190	2,251	792	559	196	582	914
24	Other, reported by U.S. banks.....	477	199	-796	56	-127	-234	-295	-140
25	Other, reported by U.S. nonbanking concerns.....	277	576	45	270	190	42	-44	-143
26	Balance on current account and long-term capital <sup>4</sup> .....	-2,879	-3,038	-9,284	-832	-1,312	-3,257	-3,191	-1,523
27	Nonliquid short-term private capital flows, net.....	-602	-545	-2,529	-175	-381	-409	-1,008	-731
28	Claims reported by U.S. banks.....	-658	-1,015	-1,848	-396	-70	-186	-954	-638
29	Claims reported by U.S. nonbanking concerns.....	-35	-360	-576	-171	-125	-138	-129	-184
30	Liabilities reported by U.S. nonbanking concerns.....	91	830	-105	392	-186	-85	75	91
31	Allocations of special drawing rights (SDR's).....		867	717	216	180	179	179	179
32	Errors and omissions, net.....	-2,603	-1,104	-10,878	-233	-1,012	-2,313	-5,283	-2,270
33	Net liquidity balance.....	-6,084	-3,821	-21,973	-1,024	-2,525	-5,800	-9,303	-4,345
34	Liquid private capital flows, net.....	8,786	-6,000	-7,794	-2,454	-3,025	53	-2,882	-1,940
35	Liquid claims.....	124	242	-1,089	157	-310	86	-557	-308
36	Reported by U.S. banks.....	-209	-119	-580	-79	-85	31	-407	-119
37	Reported by U.S. nonbanking concerns.....	333	361	-509	236	-225	55	-150	-189
38	Liquid liabilities.....	8,662	-6,242	-6,705	-2,611	-2,715	-33	-2,325	-1,632
39	To foreign commercial banks.....	9,166	-6,507	-6,902	-2,888	-3,067	-85	-2,112	-1,638
40	To international and regional organizations.....	-63	179	675	79	280	198	156	41
41	To other foreigners.....	-441	86	-478	198	72	-146	-369	-35
42	Official reserve transactions balance.....	2,702	-9,821	-29,767	-3,478	-5,550	-5,747	-12,185	-6,285
	Financed by changes in—								
43	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Government.....	-162	535	341	77	-8	-8	-9	366
44	Nonliquid liabilities to foreign official agencies reported by U.S. banks.....	-836	-810	-539	-188	-201	-160	-173	-5
45	Liquid liabilities to foreign official agencies.....	-517	7,619	27,617	2,765	5,077	5,256	11,173	6,111
46	U.S. official reserve assets, net.....	-1,187	2,477	2,348	824	682	659	1,194	-187
47	Gold.....	-967	787	866	422	109	456	300	1
48	SDR's.....		-851	-249	-76	-55	17	-29	-182
49	Convertible currencies.....	814	2,152	381	469	373	-66	72	2
50	Gold tranche position in IMF.....	-1,034	389	1,350	9	255	252	851	-8
Memoranda:									
51	Transfers under military grant programs (excluded from lines 2, 4, and 14).....	756	613	729	169	188	159	253	129
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	2,532	2,885	(5)	(5)	(5)	(5)	(5)	(5)
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	431	434	(5)	(5)	(5)	(5)	(5)	(5)

For notes see end of table.

1. U.S. BALANCE OF PAYMENTS—Continued

(In millions of dollars)

Credits +, debits -	1969	1970	1971 <sup>1</sup>	1971				
				IV	I <sup>2</sup>	II <sup>2</sup>	III	IV <sup>2</sup>
Balances excluding allocations of SDR's—Seasonally adjusted								
Net liquidity balance.....	-6,084	-4,688	-22,690	-1,240	-2,705	-5,979	-9,482	-4,524
Official reserve transactions balance.....	2,702	-10,688	-30,484	-3,694	-5,730	-5,926	-12,364	-6,464
Balances not seasonally adjusted								
Balance on goods and services (line 11).....	2,011	3,592	699	1,349	1,513	228	-1,291	250
Balance on goods, services, and remittances (line 13).....	745	2,182	-760	1,002	1,188	-140	-1,683	-124
Balance on current account (line 15).....	-899	444	-2,774	552	732	-670	-2,184	-651
Balance on current account and long-term capital <sup>4</sup> (line 26).....	-2,879	-3,038	-9,284	706	-1,262	-3,613	-4,468	61
Balances including allocations of SDR's:								
Net liquidity (line 33).....	-6,084	-3,821	-21,973	-152	-1,847	-6,598	-10,083	-3,445
Official reserve transactions (line 42).....	2,702	-9,821	-29,767	-3,174	-4,718	-6,462	-12,704	-5,883
Balances excluding allocations of SDR's:								
Net liquidity.....	-6,084	-4,688	-22,690	-152	-2,564	-6,598	-10,083	-3,445
Official reserve transactions.....	2,702	-10,688	-30,484	-3,174	-5,435	-6,462	-12,704	-5,883

<sup>1</sup> Adjusted to balance of payments basis; excludes transfers under military grants, exports under U.S. military agency sales contracts and imports of U.S. military agencies.  
<sup>2</sup> Includes fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States.

<sup>3</sup> Equal to net exports of goods and services in national income and product accounts of the United States.  
<sup>4</sup> Includes some short-term U.S. Govt. assets.  
<sup>5</sup> Not available.  
 NOTE.—Data are from U.S. Department of Commerce, Office of Business Economics. Details may not add to totals because of rounding.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

Period	Exports <sup>1</sup>				Imports <sup>2</sup>				Trade balance			
	1969	1970	1971	1972	1969	1970	1971	1972	1969	1970	1971	1972
Month:												
Jan.....	2,161	3,406	3,733	4,221	2,002	3,223	3,683	4,540	159	183	50	-319
Feb.....	2,266	3,547	3,691	3,806	2,672	3,278	3,550	4,403	-406	269	141	-598
Mar.....	3,188	3,376	3,815	.....	2,982	3,218	3,565	.....	206	158	250	.....
Apr.....	3,318	3,409	3,521	.....	3,183	3,263	3,754	.....	135	146	-232	.....
May.....	3,268	3,661	3,783	.....	3,257	3,338	3,983	.....	11	323	-201	.....
June.....	3,179	3,730	3,661	.....	3,152	3,266	4,019	.....	27	465	-358	.....
July.....	3,182	3,699	3,493	.....	3,074	3,255	3,790	.....	108	444	-297	.....
Aug.....	3,366	3,592	3,678	.....	3,163	3,346	3,934	.....	203	246	-256	.....
Sept.....	3,341	3,553	4,511	.....	3,078	3,428	4,245	.....	263	125	265	.....
Oct.....	3,342	3,689	2,710	.....	3,192	3,501	3,531	.....	150	188	-821	.....
Nov.....	3,398	3,499	3,160	.....	3,180	3,428	3,387	.....	218	71	-227	.....
Dec.....	3,280	3,570	3,859	.....	3,078	3,404	4,132	.....	202	166	-274	.....
Quarter:												
I.....	7,615	10,328	11,239	.....	7,655	9,719	10,798	.....	-40	609	441	.....
II.....	9,765	10,800	10,965	.....	9,591	9,867	11,755	.....	174	933	-790	.....
III.....	9,889	10,845	11,681	.....	9,315	10,029	11,969	.....	574	816	-288	.....
IV.....	10,020	10,758	9,728	.....	9,450	10,333	11,051	.....	570	425	-1,323	.....
Year <sup>4</sup> .....	37,332	42,662	43,555	.....	36,043	39,963	45,602	.....	1,289	2,699	-2,047	.....

<sup>1</sup> Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.  
<sup>2</sup> General imports including imports for immediate consumption plus entries into bonded warehouses.

<sup>3</sup> Significantly affected by strikes.  
<sup>4</sup> Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.



4. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock <sup>1</sup>		Convertible foreign currencies	Reserve position in IMF <sup>3</sup>	SDR's <sup>4</sup>	End of month	Total	Gold stock <sup>1</sup>		Convertible foreign currencies <sup>5</sup>	Reserve position in IMF <sup>3</sup>	SDR's <sup>4</sup>
		Total <sup>2</sup>	Treasury						Total <sup>2</sup>	Treasury			
1958...	22,540	20,582	20,534	.....	1,958	.....	1971	.....	.....	.....	.....	.....	.....
1959...	21,504	19,507	19,456	.....	1,997	.....	Mar...	14,342	10,963	10,732	256	1,680	1,443
1960...	19,359	17,804	17,767	.....	1,555	.....	Apr...	14,307	10,925	10,732	257	1,682	1,443
1961...	18,753	16,947	16,889	116	1,690	.....	May...	13,811	10,568	10,332	318	1,678	1,247
1962...	17,220	16,057	15,978	99	1,064	.....	June...	13,504	10,507	10,332	322	1,428	1,247
1963...	16,843	15,596	15,513	212	1,035	.....	July...	13,283	10,453	10,332	250	1,433	1,147
1964...	16,672	15,471	15,388	432	769	.....	Aug...	12,128	10,209	10,132	248	574	1,097
1965...	15,450	13,806	13,733	781	686	.....	Sept...	12,131	10,207	10,132	250	577	1,097
1966...	14,882	13,235	13,159	1,321	326	.....	Oct...	12,146	10,207	10,132	259	580	1,100
1967...	14,830	12,065	11,982	2,345	420	.....	Nov...	12,131	10,206	10,132	243	582	1,100
1968...	15,710	10,892	10,367	3,528	1,290	.....	Dec...	12,167	10,206	10,132	276	585	1,100
1969...	716,964	11,859	10,367	72,781	2,324	.....	1972	.....	.....	.....	.....	.....	.....
1970...	14,487	11,072	10,732	629	1,935	851	Jan...	12,879	10,206	10,132	276	587	1,810
1971...	12,167	10,206	10,132	276	585	1,100	Feb...	12,330	9,662	9,588	276	582	1,810
							Mar...	12,270	9,662	9,588	212	586	1,810

<sup>1</sup> Includes (a) gold sold to the United States by the International Monetary Fund 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 6.

<sup>2</sup> Includes gold in Exchange Stabilization Fund.

<sup>3</sup> The United States has the right to purchase foreign currencies equivalent to its reserve position in the IMF automatically if needed. Under appropriate conditions the United States could purchase additional amounts equal to the U.S. quota. See Table 5.

<sup>4</sup> Includes allocations by the IMF of Special Drawing Rights as follows: (in millions of dollars) 867 on Jan. 1, 1970; 717 on Jan. 1, 1971; and 710 on Jan. 1, 1972; plus net transactions in SDRs.

<sup>5</sup> For holdings of F.R. Banks only, see pp. A-12 and A-13.

<sup>6</sup> Reserve position includes, and gold stock excludes, \$259 million gold subscription to the IMF in June 1965 for a U.S. quota increase which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

<sup>7</sup> 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.

<sup>8</sup> Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

NOTE.—See Table 23 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.

5. U.S. POSITION IN THE INTERNATIONAL MONETARY FUND

(In millions of dollars)

Period	Transactions affecting IMF holdings of dollars (during period)						IMF holdings of dollars (end of period)		U.S. reserve position in IMF (end of period) <sup>4</sup>	
	U.S. transactions with IMF				Transactions by other countries with IMF		Total change	Amount		Per cent of U.S. quota
	Payments of subscriptions in dollars	Net gold sales by IMF <sup>1</sup>	Transactions in foreign currencies <sup>2</sup>	IMF net income in dollars	Purchases of dollars <sup>3</sup>	Re-purchases in dollars				
1946-1957.....	2,063	600	.....	-45	-2,670	827	775	775	28	1,975
1958-1963.....	1,031	150	.....	60	-1,666	2,740	2,315	3,090	75	1,035
1964-1966.....	776	.....	1,640	45	-723	6	1,744	4,834	94	3326
1967.....	.....	.....	.....	20	-114	.....	-94	4,740	92	420
1968.....	.....	.....	.....	20	-806	.....	-870	3,870	75	1,290
1969.....	.....	22	.....	19	-1,343	268	-1,014	2,836	55	2,324
1970.....	1,155	6712*	150	25	-854	741	1,929	4,765	71	1,935
1971.....	.....	*	1,362	-28	24	40	1,350	6,115	91	585
1971-Mar.....	.....	.....	.....	*	.....	20	20	5,020	75	1,680
Apr.....	.....	.....	.....	-3	.....	1	-2	5,018	75	1,682
May.....	.....	.....	.....	-2	.....	7	4	5,022	75	1,678
June.....	.....	.....	250	-1	.....	1	250	5,272	79	1,428
July.....	.....	.....	.....	-5	.....	.....	-5	5,267	79	1,433
Aug.....	.....	.....	862	-3	.....	.....	859	6,126	91	574
Sept.....	.....	.....	.....	-3	.....	.....	-3	6,123	91	577
Oct.....	.....	.....	.....	-3	.....	.....	-3	6,120	91	580
Nov.....	.....	.....	.....	-2	.....	.....	-2	6,118	91	582
Dec.....	.....	.....	.....	-3	.....	.....	-3	6,115	91	585
1972-Jan.....	.....	.....	.....	-2	.....	.....	-2	6,113	91	587
Feb.....	.....	.....	.....	5	.....	.....	5	6,118	91	582
Mar.....	.....	.....	.....	-4	.....	.....	-4	6,114	91	586

For notes see opposite page.

## 6. U.S. LIQUID LIABILITIES TO FOREIGNERS

(In millions of dollars)

End of period	Total	Liabilities to Intl. Monetary Fund arising from gold transactions		Liabilities to foreign countries						Liabilities to non-monetary intl. and regional organizations <sup>5</sup>					
		Total	Gold deposit <sup>1</sup>	Gold investment <sup>2</sup>	Official institutions <sup>3</sup>			Banks and other foreigners			Total	Short-term liabilities reported by banks in U.S. <sup>6</sup>	Marketable U.S. Govt. bonds and notes <sup>4</sup>		
					Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Govt. bonds and notes <sup>4</sup>	Non-marketable convertible U.S. Treasury bonds and notes	Total	Short-term liabilities reported by banks in U.S.				Marketable U.S. Govt. bonds and notes <sup>4</sup>	
1957	7 15,825	200		200	7,917					5,724			542		
1958	7 16,845	200		200	8,665					5,950			552		
1959	19,428	500		500	10,120		966		7,618	7,077	541	1,190	530	660	
1960 <sup>a</sup>	20,994	800		800	11,078	10,212	866		7,591	7,048	543	1,525	750	775	
	21,027	800		800	11,088	10,212	876		7,598	7,048	550	1,541	750	791	
1961 <sup>a</sup>	22,853	800		800	11,830	10,940	890		8,275	7,759	516	1,948	703	1,245	
	22,936	800		800	11,830	10,940	890		8,357	7,841	516	1,949	704	1,245	
1962 <sup>a</sup>	24,068	800		800	12,748	11,997	751		8,359	7,911	448	2,161	1,250	911	
	24,068	800		800	12,714	11,963	751		8,359	7,911	448	2,195	1,284	911	
1963 <sup>a</sup>	26,361	800		800	14,387	12,467	1,217	703	9,214	8,863	351	1,960	808	1,152	
	26,322	800		800	14,353	12,467	1,183	703	9,204	8,863	341	1,965	808	1,157	
1964 <sup>a</sup>	28,951	800		800	15,428	13,224	1,125	1,079	11,001	10,625	376	1,722	818	904	
	29,002	800		800	15,424	13,220	1,125	1,079	11,056	10,680	376	1,722	818	904	
1965	29,115	834	34	800	15,372	13,066	1,105	1,201	11,478	11,006	472	1,431	679	752	
1966 <sup>a</sup>	29,904	1,011	211	800	13,600	12,484	860	256	14,387	13,859	528	906	581	325	
	29,779	1,011	211	800	13,655	12,539	860	256	14,208	13,680	528	905	580	325	
1967 <sup>a</sup>	33,271	1,033	233	800	15,653	14,034	908	711	15,894	15,336	558	691	487	204	
	33,119	1,033	233	800	15,646	14,027	908	711	15,763	15,205	558	677	473	204	
1968 <sup>a</sup>	33,828	1,030	230	800	12,548	11,318	529	701	19,525	18,916	609	725	683	42	
	33,614	1,030	230	800	12,481	11,318	462	701	19,381	18,916	465	722	683	39	
1969 <sup>a</sup>	41,735	1,019	219	800	11,955	11,054	346	<sup>9</sup> 555	28,102	27,577	525	659	609	50	
	41,894	1,019	219	800	11,978	11,077	346	<sup>9</sup> 555	28,234	27,709	525	663	613	50	
1970--Dec. <sup>a</sup>	43,291	566	166	400	20,068	19,333	306	429	21,813	21,166	647	844	820	24	
	43,242	566	166	400	20,057	19,333	295	429	21,773	21,208	565	846	820	26	
1971--Jan.	43,666	559	159	400	20,491	19,775	287	429	21,548	20,936	612	1,068	1,043	25	
Feb.	44,063	559	159	400	22,320	21,599	292	429	20,191	19,582	609	993	951	42	
Mar.	45,483	559	159	400	24,840	24,119	292	429	18,958	18,360	598	1,126	985	141	
Apr.	47,676	548	148	400	27,252	26,531	292	429	18,587	17,984	603	1,289	1,148	141	
May	51,820	548	148	400	32,090	31,346	292	452	17,845	17,276	569	1,337	1,195	142	
June	51,401	548	148	400	30,639	26,808	379	3,452	18,890	18,317	573	1,324	1,181	143	
July	53,295	544	144	400	32,952	26,868	632	5,452	18,409	17,830	579	1,390	1,247	143	
Aug.	59,914	544	144	400	40,671	34,016	870	5,785	17,202	16,659	543	1,497	1,343	154	
Sept.	60,770	544	144	400	42,150	35,081	1,015	6,054	16,596	16,081	515	1,480	1,325	155	
Oct.	62,089	544	144	400	43,390	36,063	1,272	6,055	16,722	16,212	510	1,433	1,278	155	
Nov.	62,483	544	144	400	45,068	37,266	1,747	6,055	15,406	14,925	481	1,465	1,310	155	
Dec. <sup>10</sup>	64,166	544	144	400	47,694	39,679	1,955	6,060	14,400	13,953	447	1,528	1,372	156	
	64,212	544	144	400	47,049	39,001	1,955	6,093	15,091	14,644	447	1,528	1,372	156	
1972--Jan. <sup>a</sup>	65,471	544	144	400	47,920	39,566	2,260	6,094	15,327	14,937	390	1,680	1,523	157	

<sup>1</sup> Represents liability on gold deposited by the International Monetary Fund 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.

<sup>2</sup> U.S. Govt. 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. Upon termination of investment, the same quantity of gold can be reacquired by the IMF.

<sup>3</sup> Includes Bank for International Settlements and European Fund.

<sup>4</sup> Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1960-63. Includes securities issued by corporations and other agencies of the U.S. Govt. that are guaranteed by the United States.

<sup>5</sup> Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

<sup>6</sup> Includes difference between cost value and face value of securities in IMF gold investment account. Liabilities data reported to the Treasury include the face value of these securities, but in this table the cost value of the securities is included under "Gold investment." The difference, which amounted to \$14 million at the end of 1971, is included in this column.

<sup>7</sup> Includes total foreign holdings of U.S. Govt. bonds and notes, for which breakdown by type of holder is not available.

<sup>8</sup> Data on the two 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.

<sup>9</sup> Includes \$17 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

<sup>10</sup> Data on second line differ from those on first line because certain accounts previously classified as "Official institutions" are included in "Banks" and a number of reporting banks are included in the series for the first time.

NOTE: Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond to statistics following in this section, except for minor rounding differences. Table excludes IMF: "holdings of dollars," and holdings of U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special United States notes held by other international and regional organizations.

## 7. U.S. LIQUID 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
1967.....	15,646	9,872	996	1,131	3,145	249	253
1968 <sup>3</sup> .....	12,548	7,009	533	1,354	3,168	259	225
	12,481	7,001	532	1,354	3,122	248	224
1969 <sup>3</sup> .....	411,955	5,823	495	1,679	3,190	546	222
	411,978	5,823	495	1,702	3,190	546	222
1970 <sup>3</sup> .....	20,068	13,021	662	1,562	4,060	407	356
	20,057	13,016	662	1,562	4,055	407	355
1971--Jan.....	20,491	13,680	678	1,388	4,041	381	323
Feb.....	22,320	15,374	727	1,389	4,162	325	343
Mar.....	24,840	17,151	801	1,236	4,997	242	413
Apr.....	27,252	19,119	818	1,244	5,285	257	529
May.....	32,090	22,720	865	1,213	6,395	286	611
June.....	30,639	20,676	843	1,262	6,895	271	692
July.....	32,952	22,447	921	1,286	7,252	285	761
Aug.....	40,671	25,460	1,185	1,348	11,545	312	821
Sept.....	42,150	26,035	1,173	1,229	12,631	296	786
Oct.....	43,390	26,550	1,241	1,298	13,235	276	790
Nov.....	45,068	27,554	1,345	1,275	13,776	248	870
Dec. <sup>5</sup> .....	47,694	29,412	1,340	1,361	14,300	415	866
	47,049	29,451	1,340	1,376	13,602	415	865
1972--Jan. <sup>6</sup> .....	47,920	29,552	1,334	1,351	14,219	426	1,038

1 Includes Bank for International Settlements and European Fund.

2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

3 See note 8 to Table 6.

4 Includes \$17 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

5 Data on second line differ from those on the first line because certain

accounts previously classified as "Official institutions" are included in "Banks" and a number of reporting banks are included in the series for the first time.

NOTE.—Data represent short-term liabilities to the official institutions of foreign countries, as reported by banks in the United States, and foreign official holdings of marketable and convertible nonmarketable U.S. Govt. securities with an original maturity of more than 1 year.

## 8. 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							To nonmonetary international and regional organizations <sup>6</sup>					
	Total <sup>1</sup>	Payable in dollars				Payable in foreign currencies	IMF gold investment <sup>5</sup>	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. <sup>4</sup>	
		Total	Demand	Time <sup>2</sup>	U.S. Treasury bills and certificates <sup>3</sup>				Demand	Time <sup>2</sup>			
1969.....	40,199	39,770	20,460	6,959	5,015	7,336	429	800	613	62	83	244	223
1970 <sup>7</sup> .....	41,719	41,351	15,785	5,924	14,123	5,519	368	400	820	69	159	211	381
	41,761	41,393	15,795	5,961	14,123	5,514	368	400	820	69	159	211	381
1971--Jan.....	42,154	41,776	14,769	5,673	14,453	6,881	378	400	1,043	115	155	273	499
Feb.....	42,532	42,122	13,520	5,473	16,390	6,739	410	400	951	64	149	279	459
Mar.....	43,864	43,212	11,854	5,158	18,703	7,497	652	400	985	73	166	242	503
Apr.....	46,063	45,426	10,466	4,952	22,356	7,652	637	400	1,148	62	202	206	678
May.....	50,217	49,598	10,002	4,900	26,961	7,735	619	400	1,195	49	221	209	716
June.....	46,706	46,046	10,869	4,968	22,763	7,446	660	400	1,181	60	232	164	724
July.....	46,345	45,693	10,274	4,955	23,439	7,025	652	400	1,247	79	224	170	774
Aug.....	52,418	51,768	9,294	5,026	30,198	7,250	650	400	1,343	61	202	269	810
Sept.....	52,887	52,490	10,605	5,054	29,772	7,059	397	400	1,325	92	212	146	875
Oct.....	53,953	53,573	11,860	5,101	29,758	6,854	380	400	1,278	78	175	168	856
Nov.....	53,901	53,531	10,883	5,257	30,723	6,668	370	400	1,310	69	202	157	882
Dec. <sup>8</sup> .....	55,404	55,018	10,399	5,209	33,025	6,385	386	400	1,372	73	192	210	896
	55,417	55,025	6,460	4,255	33,025	11,285	392	400	1,372	73	192	210	896
1972--Jan. <sup>6</sup> .....	56,426	56,994	6,157	4,275	33,906	11,656	432	400	1,523	86	200	338	898
Feb. <sup>6</sup> .....	57,324	56,851	6,024	4,367	34,494	11,966	473	.....	1,460	85	164	295	916

For notes see the following page.

**8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued**

(Amounts outstanding; in millions of dollars)

End of period	To residents of foreign countries						To official institutions <sup>9</sup>					
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies
		Deposits		U.S. Treasury bills and certificates <sup>3</sup>	Other short-term liab. <sup>4</sup>			Deposits		U.S. Treasury bills and certificates <sup>3</sup>	Other short-term liab. <sup>4</sup>	
		Demand	Time <sup>2</sup>					Demand	Time <sup>2</sup>			
1969.....	38,786	20,397	6,876	3,971	7,113	429	11,077	1,930	2,942	3,844	2,159	202
1970 <sup>7</sup> .....	{40,499	15,716	5,765	13,511	5,138	368	19,333	1,652	2,554	13,367	1,612	148
	{40,541	15,726	5,802	13,511	5,133	368	19,333	1,652	2,554	13,367	1,612	148
1971—Feb.....	41,181	13,456	5,324	15,711	6,280	410	21,599	1,688	2,433	15,550	1,778	150
Mar.....	42,479	11,781	4,991	18,061	6,993	652	24,119	1,579	2,243	17,916	1,981	400
Apr.....	44,515	10,404	4,750	21,750	6,973	637	26,531	1,628	2,204	20,119	2,180	400
May.....	48,622	9,953	4,679	26,352	7,019	619	31,346	1,643	2,204	24,702	2,377	10 420
June.....	45,125	10,809	4,736	22,199	6,722	660	26,808	1,463	2,251	20,097	2,577	420
July.....	44,698	10,195	4,732	22,869	6,249	652	26,868	1,469	2,307	19,605	3,067	420
Aug.....	50,675	9,233	4,823	29,529	6,439	650	34,016	1,264	2,371	26,674	3,286	421
Sept.....	51,162	10,513	4,843	29,226	6,183	397	35,081	1,450	2,392	27,855	3,226	158
Oct.....	52,275	11,781	4,926	29,190	5,997	380	36,063	1,231	2,480	28,982	3,212	158
Nov.....	52,191	10,814	5,054	30,166	5,786	370	37,266	1,263	2,505	30,071	3,269	158
Dec.....	{53,632	10,326	5,017	32,415	5,489	386	39,679	1,620	2,504	32,311	3,086	158
	{53,645	6,387	4,063	32,415	10,388	392	39,001	1,327	2,076	32,311	3,122	165
1972—Jan. <sup>8</sup> .....	54,503	6,071	4,074	33,168	10,757	432	39,566	1,185	2,077	33,049	3,089	166
Feb. <sup>8</sup> .....	55,864	5,939	4,203	34,199	11,050	473	40,686	1,099	2,161	34,096	3,163	167

End of period	To banks <sup>11</sup>					To other foreigners					To banks and other foreigners: payable in foreign currencies		
	Total	Payable in dollars				Total	Payable in dollars						
		Total	Deposits		U.S. Treasury bills and certificates		Other short-term liab. <sup>4</sup>	Total	Deposits			U.S. Treasury bills and certificates	Other short-term liab. <sup>4</sup>
			Demand	Time <sup>2</sup>					Demand	Time <sup>2</sup>			
1969.....	27,709	23,419	16,756	1,999	20	4,644	4,064	1,711	1,935	107	312	226	
1970 <sup>7</sup> .....	{21,166	16,917	12,376	1,326	14	3,202	4,029	1,688	1,886	131	325	220	
	{21,208	16,949	12,385	1,354	14	3,197	4,039	1,688	1,895	131	325	220	
1971—Feb.....	19,582	15,219	10,041	1,016	12	4,150	4,103	1,727	1,875	148	353	260	
Mar.....	18,360	14,029	8,476	879	10	4,665	4,078	1,726	1,870	135	347	253	
Apr.....	17,984	13,617	6,970	654	1,516	4,477	4,129	1,805	1,892	116	315	238	
May.....	17,276	13,036	6,573	590	1,518	4,354	4,041	1,737	1,885	131	287	199	
June.....	18,317	14,121	7,586	649	2,016	3,869	3,956	1,760	1,835	86	276	240	
July.....	17,830	13,704	7,030	600	3,168	2,905	3,894	1,696	1,825	96	277	232	
Aug.....	16,659	12,590	6,284	665	2,769	2,872	3,839	1,684	1,787	87	280	230	
Sept.....	16,081	12,196	7,486	739	1,286	2,686	3,646	1,577	1,712	85	272	239	
Oct.....	16,212	12,256	8,845	786	1,120	2,504	3,734	1,705	1,660	89	281	222	
Nov.....	14,925	10,982	7,871	879	9	2,223	3,732	1,680	1,670	87	296	211	
Dec. <sup>8</sup> .....	{13,953	10,034	7,047	850	8	2,130	3,691	1,660	1,663	96	274	228	
	{14,644	10,722	3,400	320	8	6,995	3,694	1,660	1,666	96	271	228	
1972—Jan. <sup>8</sup> .....	14,937	10,899	3,183	330	4	7,382	3,770	1,703	1,667	115	285	267	
Feb. <sup>8</sup> .....	15,178	11,063	3,127	344	4	7,587	3,810	1,714	1,698	99	299	306	

<sup>1</sup> Data exclude "holdings of dollars" of the International Monetary Fund.  
<sup>2</sup> Excludes negotiable time certificates of deposit, which are included in "Other."  
<sup>3</sup> Includes nonmarketable certificates of indebtedness issued to official institutions of foreign countries.  
<sup>4</sup> Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit. See also note 8(a).  
<sup>5</sup> 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 can be re-acquired by the IMF.  
<sup>6</sup> Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.  
<sup>7</sup> Includes difference between cost value and face value of securities in IMF gold investment account.  
<sup>8</sup> Data on the two 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.  
<sup>9</sup> Data on second line differ from those on first line because (a) those

liabilities of U.S. banks to their foreign branches and those liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches which were previously reported as deposits are included in "Other short-term liabilities"; (b) certain accounts previously classified as "Official institutions" are included in "Banks"; and (c) a number of reporting banks are included in the series for the first time.  
<sup>9</sup> Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.  
<sup>10</sup> Increase in valuation resulting from revaluation of Swiss franc.  
<sup>11</sup> Excludes central banks, which are included in "Official institutions."  
 NOTE.—"Short-term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 10. 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 non-negotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.



9. 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	1970	1971							1972		
	Dec.	June	July	Aug.	Sept.	Oct.	Nov.	Dec. <sup>1</sup>	Jan. <sup>2</sup>	Feb. <sup>2</sup>	
<b>Europe:</b>											
Austria.....	185	203	274	244	244	255	246	254	254	261	252
Belgium-Luxembourg.....	597	761	781	916	901	875	736	701	701	735	779
Denmark.....	189	175	201	164	173	171	168	168	168	177	179
Finland.....	117	110	131	116	116	136	134	160	160	156	150
France.....	2,267	2,467	3,242	3,663	3,302	2,842	2,858	3,150	3,150	3,234	3,311
Germany.....	7,520	7,268	5,446	5,082	5,339	5,606	5,733	6,596	6,596	6,972	7,724
Greece.....	184	152	159	160	179	184	170	170	170	167	164
Italy.....	1,330	1,760	1,777	2,032	2,286	2,231	1,953	1,888	1,888	1,704	1,697
Netherlands.....	762	609	461	283	302	315	289	271	270	306	419
Norway.....	324	506	574	649	655	658	714	685	685	702	680
Portugal.....	274	270	271	295	314	307	308	303	303	299	282
Spain.....	198	200	208	204	185	202	185	203	203	187	177
Sweden.....	503	681	718	723	729	729	757	791	792	803	871
Switzerland.....	1,948	2,093	1,914	3,355	3,268	3,306	3,265	3,248	3,249	3,266	3,114
Turkey.....	46	21	27	26	27	48	67	68	68	36	34
United Kingdom.....	5,504	6,121	6,209	6,124	6,342	7,223	7,711	7,374	7,379	7,892	7,600
Yugoslavia.....	37	33	39	31	41	34	40	34	34	35	40
Other Western Europe <sup>3</sup> .....	594	1,000	1,417	1,517	1,446	1,404	1,396	1,369	1,376	1,307	1,410
U.S.S.R.....	15	9	10	10	11	12	8	14	14	28	11
Other Eastern Europe.....	54	66	61	45	61	56	67	53	53	84	46
<b>Total.....</b>	<b>22,648</b>	<b>24,506</b>	<b>23,921</b>	<b>25,639</b>	<b>25,921</b>	<b>26,594</b>	<b>26,809</b>	<b>27,503</b>	<b>27,515</b>	<b>28,352</b>	<b>28,942</b>
<b>Canada.....</b>	<b>4,056</b>	<b>3,292</b>	<b>3,250</b>	<b>3,316</b>	<b>3,472</b>	<b>3,803</b>	<b>3,590</b>	<b>3,441</b>	<b>3,441</b>	<b>3,593</b>	<b>3,575</b>
<b>Latin America:</b>											
Argentina.....	539	447	501	499	419	415	437	441	441	435	420
Brazil.....	346	361	428	418	358	360	383	342	342	376	423
Chile.....	266	257	235	252	247	211	189	191	191	180	146
Colombia.....	247	183	178	168	178	181	179	188	188	185	176
Cuba.....	7	6	7	7	6	6	6	6	6	6	6
Mexico.....	821	790	705	728	672	680	706	709	715	757	747
Panama.....	147	166	147	149	127	150	150	154	154	158	156
Peru.....	225	200	162	146	162	163	163	164	164	164	160
Uruguay.....	118	116	116	127	117	116	108	108	108	108	110
Venezuela.....	735	786	782	787	806	915	874	963	963	870	843
Other Latin American republics.....	620	582	624	623	597	608	615	656	655	645	683
Bahamas and Bermuda.....	745	960	1,074	885	661	346	376	657	656	313	277
Netherlands Antilles and Surinam.....	98	101	97	101	87	94	85	87	87	97	90
Other Latin America.....	39	46	46	49	44	42	46	36	37	43	47
<b>Total.....</b>	<b>4,952</b>	<b>5,002</b>	<b>5,100</b>	<b>4,940</b>	<b>4,482</b>	<b>4,285</b>	<b>4,317</b>	<b>4,702</b>	<b>4,708</b>	<b>4,336</b>	<b>4,286</b>
<b>Asia:</b>											
China Mainland.....	33	35	35	34	34	34	34	39	39	39	38
Hong Kong.....	258	306	301	311	296	316	336	312	312	304	335
India.....	302	255	222	193	150	154	142	89	89	114	118
Indonesia.....	73	71	67	59	57	69	65	63	63	54	71
Israel.....	135	132	128	115	108	130	133	150	150	133	143
Japan.....	5,150	8,673	8,691	13,136	13,793	14,014	13,919	14,294	14,295	14,179	14,950
Korea.....	199	201	187	185	195	201	189	216	196	224	220
Philippines.....	285	321	333	328	322	294	304	304	304	269	264
Taiwan.....	275	291	300	281	268	294	248	258	258	280	291
Thailand.....	508	281	237	183	144	131	107	126	126	121	116
Other.....	717	571	634	551	568	631	579	595	595	774	708
<b>Total.....</b>	<b>7,936</b>	<b>11,137</b>	<b>11,135</b>	<b>15,376</b>	<b>15,936</b>	<b>16,255</b>	<b>16,082</b>	<b>16,432</b>	<b>16,427</b>	<b>16,493</b>	<b>17,254</b>
<b>Africa:</b>											
Congo (Kinshasa).....	14	16	19	44	25	16	12	12	12	12	13
Morocco.....	11	9	7	10	11	8	9	9	9	10	9
South Africa.....	83	61	71	74	81	74	74	78	78	53	73
U.A.R. (Egypt).....	17	15	19	13	25	16	13	24	24	14	13
Other.....	395	285	299	303	321	331	314	474	474	510	538
<b>Total.....</b>	<b>521</b>	<b>385</b>	<b>415</b>	<b>444</b>	<b>463</b>	<b>445</b>	<b>422</b>	<b>597</b>	<b>597</b>	<b>599</b>	<b>646</b>
<b>Other countries:</b>											
Australia.....	389	757	830	914	854	854	919	916	916	1,087	1,121
All other.....	39	46	47	46	34	39	51	42	42	42	41
<b>Total.....</b>	<b>428</b>	<b>803</b>	<b>877</b>	<b>960</b>	<b>888</b>	<b>893</b>	<b>970</b>	<b>957</b>	<b>957</b>	<b>1,129</b>	<b>1,162</b>
<b>Total foreign countries.....</b>	<b>40,541</b>	<b>45,125</b>	<b>44,698</b>	<b>50,675</b>	<b>51,162</b>	<b>52,275</b>	<b>52,191</b>	<b>53,632</b>	<b>53,645</b>	<b>54,503</b>	<b>55,864</b>
<b>International and regional:</b>											
International <sup>5</sup> .....	975	1,230	1,242	1,342	1,309	1,276	1,278	1,332	1,332	1,475	995
Latin American regional.....	131	210	237	262	279	266	287	298	298	306	321
Other regional <sup>4</sup> .....	114	141	168	139	137	136	145	142	142	142	145
<b>Total.....</b>	<b>1,220</b>	<b>1,581</b>	<b>1,647</b>	<b>1,743</b>	<b>1,725</b>	<b>1,678</b>	<b>1,710</b>	<b>1,772</b>	<b>1,772</b>	<b>1,923</b>	<b>1,460</b>
<b>Grand total.....</b>	<b>41,761</b>	<b>46,706</b>	<b>46,345</b>	<b>52,418</b>	<b>52,887</b>	<b>53,953</b>	<b>53,901</b>	<b>55,404</b>	<b>55,417</b>	<b>56,426</b>	<b>57,324</b>

For notes see the following page.

9. 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 <sup>5</sup>

Area or country	1969	1970		1971		Area or country	1969	1970		1971	
	Dec.	Apr.	Dec.	Apr.	Dec.		Dec.	Apr.	Dec.	Apr.	Dec.
Other Western Europe:						Other Asia—Cont.:					
Cyprus.....	11	15	10	7	2	Jordan.....	17	30	14	3	2
Costa Rica.....	9	10	10	10	11	Kuwait.....	46	66	54	36	20
Iceland.....	38	32	41	29	16	Laos.....	3	4	5	2	3
Ireland, Rep. of.....						Lebanon.....	83	82	54	60	46
Other Latin American republics:						Malaysia.....	30	48	22	29	23
Bolivia.....	68	76	69	59	55	Pakistan.....	35	34	38	27	33
Costa Rica.....	52	43	41	43	62	Ryukyu Islands (incl. Okinawa).....	25	26	18	39	29
Dominican Republic.....	78	96	99	90	123	Saudi Arabia.....	106	166	106	41	79
Ecuador.....	76	72	79	72	57	Singapore.....	17	25	57	43	35
El Salvador.....	69	79	75	80	78	Syria.....	4	6	7	3	4
Guatemala.....	84	110	100	97	117	Vietnam.....	94	91	179	161	159
Haiti.....	17	19	16	19	18	Other Africa:					
Honduras.....	29	29	34	44	42	Algeria.....	14	13	17	13	23
Jamaica.....	17	17	19	19	50	Ethiopia (incl. Eritrea).....	20	33	19	12	11
Nicaragua.....	63	76	59	47	50	Ghana.....	10	7	8	6	8
Paraguay.....	13	17	16	15	17	Kenya.....	43	47	38	13	9
Trinidad & Tobago.....	8	11	10	14	10	Liberia.....	23	41	22	21	23
Other Latin America:						Libya.....	288	430	195	91	( <sup>6</sup> )
British West Indies.....	30	38	33	38	( <sup>6</sup> )	Nigeria.....	11	11	17	25	( <sup>6</sup> )
Other Asia:						Southern Rhodesia.....	2	2	1	2	2
Afghanistan.....	16	15	26	15	19	Sudan.....	3	1	1	1	1
Burma.....	2	5	4	3	10	Tanzania.....	10	18	9	10	6
Cambodia.....	1	1	2	2	5	Tunisia.....	6	7	7	6	9
Ceylon.....	3	4	4	4	4	Uganda.....	5	7	8	5	3
Iran.....	35	41	32	50	59	Zambia.....	20	38	10	14	( <sup>6</sup> )
Iraq.....	26	6	11	7	( <sup>6</sup> )	All other:					
						New Zealand.....	16	18	25	22	23

<sup>1</sup> Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

<sup>2</sup> Includes Bank for International Settlements and European Fund.

<sup>3</sup> Data exclude "holdings of dollars" of the International Monetary Fund but include IMF gold investment.

<sup>4</sup> Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."

<sup>5</sup> Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").

<sup>6</sup> Not available.

10. 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				Country or area						
			Total	Official institutions	Banks <sup>1</sup>	Other foreigners	Argentina	Other Latin America	Israel	Japan	Thailand	Other Asia	All other countries
1968.....	3,166	777	2,389	2,341	8	40	284	257	241	658	201	651	97
1969.....	2,490	889	1,601	1,505	55	41	64	175	41	655	70	472	124
1970.....	1,703	789	914	695	166	54	13	138	6	385	8	122	240
1971—Feb.....	1,470	687	784	574	160	50	13	109	6	317	1	102	235
Mar.....	1,350	630	720	494	167	59	13	91	6	262	1	96	251
Apr.....	1,187	377	611	407	147	57	13	92	7	186	1	85	225
May.....	1,142	548	594	393	144	57	13	94	8	182	1	83	213
June.....	1,129	557	572	334	189	48	13	87	8	130	1	80	252
July.....	1,024	501	524	284	189	51	13	88	8	83	1	91	239
Aug.....	895	480	415	172	190	53	13	66	8	12	1	92	223
Sept.....	878	473	405	161	189	55	15	62	8	12	1	90	217
Oct.....	935	483	452	159	236	57	15	84	8	12	1	92	240
Nov.....	911	446	465	170	237	59	15	101	7	8	*	89	245
Dec.....	915	446	469	156	257	56	2	109	6	3	*	83	265
1972—Jan. <sup>1</sup> .....	1,009	546	462	150	254	58	2	105	6	1	*	80	268
Feb. <sup>2</sup> .....	1,062	565	497	165	253	79	2	107	6	*	*	79	303

<sup>1</sup> Excludes central banks, which are included with "Official institutions."

11. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. GOVERNMENT BONDS AND NOTES

(End of period; in millions of dollars)

	1971												1972	
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. <sup>a</sup>	Feb. <sup>a</sup>	
Europe:														
Belgium-Luxembourg.....	6	6	6	6	6	6	6	6	6	6	6	6	6	
Switzerland.....	34	34	31	30	29	29	29	29	29	60	60	53	53	
United Kingdom.....	518	510	519	485	490	496	460	432	427	362	323	279	283	
Other Western Europe.....	24	25	25	25	25	25	25	49	71	82	85	95	95	
Eastern Europe.....	6	6	6	6	6	6	6	5	5	5	5	5	5	
Total.....	589	582	587	552	557	562	525	521	538	516	480	438	441	
Canada.....	177	174	173	175	174	175	175	175	175	179	181	179	179	
Latin America:														
Latin American republics.....	2	1	1	1	1	1	1	1	1	1	1	1	1	
Other Latin America.....	6	6	6	6	6	6	6	6	6	6	6	6	6	
Total.....	8	7	7	7	7	7	7	7	7	7	7	7	7	
Asia:														
India.....	20	20	20	20	20	20	20	20	20	20	20	2,007	2,146	
Japan.....	55	55	55	55	142	395	633	755	1,009	1,488	1,717	10	10	
Other Asia.....	10	10	10	10	10	10	10	10	10	10	10	10	10	
Total.....	85	85	85	85	172	425	663	784	1,038	1,518	1,727	2,017	2,156	
Africa.....	43	43	43	43	43	43	43	43	25	8	8	8	8	
All other.....	*	*	*	*	*	*	*	*	*	*	*	*	*	
Total foreign countries.....	901	890	895	861	952	1,211	1,413	1,530	1,782	2,228	2,402	2,650	2,791	
International and regional:														
International.....	17	115	115	115	115	115	126	126	126	126	126	126	126	
Latin American regional.....	25	26	26	27	27	28	28	29	29	30	30	31	31	
Total.....	42	141	141	142	142	143	154	155	155	156	156	157	157	
Grand total.....	943	1,031	1,036	1,003	1,095	1,354	1,567	1,685	1,937	2,383	2,558	2,807	2,948	

NOTE.—Data represent estimated official and private holdings of marketable U.S. Govt. securities with an original maturity of more than 1 year, and are based on benchmark surveys of holdings and regular monthly reports of securities transactions (see Table 16).

12. NONMARKETABLE U.S. TREASURY BONDS AND NOTES ISSUED TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES

(In millions of dollars or dollar equivalent)<sup>1</sup>

End of period	Total	Payable in dollars								Payable in foreign currencies			
		Total	Belgium	Canada <sup>1</sup>	Germany	Italy <sup>2</sup>	Korea	Taiwan	Thailand	Total	Germany <sup>3</sup>	Italy	Switzerland
1969.....	43,181	1,431	32	1,129	.....	135	15	20	100	4 1,750	4 1,084	125	541
1970.....	3,563	2,480	32	2,289	.....	25	15	20	100	1,083	542	.....	541
1971—Mar.....	3,563	2,480	32	2,289	.....	25	15	20	100	1,083	542	.....	541
Apr.....	3,563	2,480	32	2,289	.....	25	15	20	100	1,083	542	.....	541
May.....	3,592	2,480	32	2,289	.....	25	15	20	100	5 1,111	542	.....	569
June.....	6,592	5,480	32	2,289	3,000	25	15	20	100	1,111	542	.....	569
July.....	8,592	7,480	32	2,289	5,000	25	15	20	100	1,111	542	.....	569
Aug.....	8,924	7,479	32	2,289	5,000	23	15	20	100	1,444	542	.....	902
Sept.....	9,193	7,479	32	2,289	5,000	23	15	20	100	1,714	542	.....	1,172
Oct.....	9,195	7,479	32	2,289	5,000	23	15	20	100	1,716	542	.....	1,174
Nov.....	9,271	7,554	32	2,365	5,000	22	15	20	100	1,716	542	.....	1,174
Dec.....	9,657	7,829	32	2,640	5,000	22	15	20	100	6 1,827	612	.....	1,215
1972—Jan.....	9,658	7,829	32	2,640	5,000	22	15	20	100	1,828	612	.....	1,216
Feb.....	9,658	7,829	32	2,640	5,000	22	15	20	100	1,828	612	.....	1,216
Mar.....	9,940	8,188	32	2,840	5,158	22	15	20	100	1,752	536	.....	1,216

<sup>1</sup> Includes bonds issued in 1964 to the Government of Canada in connection with transactions under the Columbia River treaty. Amounts outstanding end of 1967 through Oct. 1968, \$114 million; Nov. 1968 through Sept. 1969, \$84 million; Oct. 1969 through Sept. 1970, \$54 million; and Oct. 1970 through Oct. 1971, \$24 million.

<sup>2</sup> Bonds issued to the Government of Italy in connection with military purchases in the United States.

<sup>3</sup> In addition, nonmarketable U.S. Treasury notes amounting to \$125 million equivalent were issued to a group of German commercial banks in June 1968. The dollar value of these notes was increased by \$10 million in Oct. 1969 and by \$18 million as of Dec. 31, 1971.

<sup>4</sup> Includes an increase in dollar value of \$84 million resulting from revaluation of the German mark in Oct. 1969.

<sup>5</sup> Increase in valuation resulted from redemption of outstanding Swiss franc securities at old exchange rate and reissue of securities at new exchange rate with same maturity dates, at time of revaluation of Swiss franc. The new issues include some certificates of indebtedness issued to replace notes which were within a year of maturity.

<sup>6</sup> Includes \$106 million increase in dollar value of foreign currency obligations revalued to reflect market exchange rates as of Dec. 31, 1971. Dollar costs of repayment will be subject to negotiation as to settlement terms after prospective action on devaluation of the dollar.

13. 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	1970	1971							1972		
	Dec.	June	July	Aug.	Sept.	Oct.	Nov.	Dec. <sup>1</sup>	Jan. <sup>2</sup>	Feb. <sup>2</sup>	
<b>Europe:</b>											
Austria.....	6	5	5	8	5	4	10	11	11	8	11
Belgium-Luxembourg.....	50	58	48	95	60	53	63	57	57	71	102
Denmark.....	40	51	46	47	47	50	48	49	49	50	54
Finland.....	66	133	129	117	114	113	116	135	135	137	139
France.....	113	106	124	155	148	132	179	267	268	311	345
Germany.....	186	250	231	259	252	197	227	235	235	202	253
Greece.....	26	22	21	22	21	24	23	30	30	30	25
Italy.....	101	120	133	140	130	114	139	159	161	166	182
Netherlands.....	61	87	84	92	82	70	90	105	105	92	102
Norway.....	54	67	61	71	68	66	66	67	67	72	71
Portugal.....	11	18	13	11	12	10	12	12	12	14	14
Spain.....	52	61	64	66	62	58	68	70	70	83	88
Sweden.....	97	135	138	117	116	113	120	118	118	125	125
Switzerland.....	100	148	162	253	145	136	143	145	145	147	181
Turkey.....	9	14	11	26	20	4	3	3	3	4	8
United Kingdom.....	379	550	499	804	454	409	535	564	564	527	564
Yugoslavia.....	35	37	38	37	29	27	22	19	19	20	15
Other Western Europe.....	13	17	18	16	16	16	11	12	12	13	16
U.S.S.R.....	3	2	2	2	2	4	10	28	28	33	37
Other Eastern Europe.....	45	44	48	37	39	33	33	37	37	44	48
<b>Total.....</b>	<b>1,449</b>	<b>1,927</b>	<b>1,876</b>	<b>2,375</b>	<b>1,821</b>	<b>1,634</b>	<b>1,918</b>	<b>2,123</b>	<b>2,125</b>	<b>2,148</b>	<b>2,377</b>
<b>Canada.....</b>	<b>1,085</b>	<b>1,003</b>	<b>980</b>	<b>994</b>	<b>1,128</b>	<b>1,165</b>	<b>1,171</b>	<b>1,581</b>	<b>1,581</b>	<b>1,507</b>	<b>1,649</b>
<b>Latin America:</b>											
Argentina.....	326	316	334	329	337	327	316	305	305	310	306
Brazil.....	325	424	417	436	412	418	410	434	440	452	472
Chile.....	200	155	156	151	143	138	142	139	139	126	122
Colombia.....	284	299	315	335	353	353	378	380	380	375	390
Cuba.....	13	13	13	13	13	13	13	13	13	13	13
Mexico.....	909	879	943	977	901	808	839	936	936	1,004	974
Panama.....	95	109	99	113	97	95	109	125	125	110	106
Peru.....	147	156	173	169	190	198	201	176	176	163	159
Uruguay.....	63	43	44	41	31	32	39	41	41	41	41
Venezuela.....	283	230	239	249	243	251	249	268	268	271	269
Other Latin American republics.....	342	314	309	303	319	326	337	374	374	366	364
Bahamas and Bermuda.....	196	238	286	271	265	242	264	262	262	253	288
Netherlands Antilles and Surinam.....	19	19	18	15	17	21	20	18	18	20	23
Other Latin America.....	22	27	31	36	27	32	23	25	26	23	21
<b>Total.....</b>	<b>3,222</b>	<b>3,222</b>	<b>3,377</b>	<b>3,437</b>	<b>3,347</b>	<b>3,253</b>	<b>3,340</b>	<b>3,495</b>	<b>3,502</b>	<b>3,527</b>	<b>3,549</b>
<b>Asia:</b>											
China Mainland.....	2	1	1	1	1	1	1	1	1	1	1
Hong Kong.....	39	60	69	71	78	77	71	68	70	61	81
India.....	13	19	18	18	20	22	17	21	21	22	20
Indonesia.....	56	30	63	60	57	39	40	41	41	37	35
Israel.....	120	117	123	116	125	103	132	129	129	124	103
Japan.....	3,890	3,502	3,224	4,085	4,047	3,738	3,888	4,279	4,296	4,149	4,080
Korea.....	178	259	252	252	217	286	329	348	348	330	394
Philippines.....	137	125	126	119	110	111	129	136	147	150	153
Taiwan.....	95	130	127	123	113	105	94	109	109	123	154
Thailand.....	109	116	123	127	147	145	148	164	173	175	198
Other.....	167	200	203	239	249	235	226	252	252	237	213
<b>Total.....</b>	<b>4,807</b>	<b>4,559</b>	<b>4,329</b>	<b>5,211</b>	<b>5,163</b>	<b>4,862</b>	<b>5,074</b>	<b>5,548</b>	<b>5,586</b>	<b>5,407</b>	<b>5,432</b>
<b>Africa:</b>											
Congo (Kinshasa).....	4	6	18	22	21	22	21	21	21	21	14
Morocco.....	6	5	6	6	5	5	4	4	4	4	4
South Africa.....	77	98	131	137	144	146	152	156	158	163	167
U.A.R. (Egypt).....	13	14	12	11	12	11	9	10	10	11	13
Other.....	79	111	109	111	110	105	94	103	103	91	101
<b>Total.....</b>	<b>180</b>	<b>235</b>	<b>276</b>	<b>288</b>	<b>291</b>	<b>289</b>	<b>281</b>	<b>295</b>	<b>296</b>	<b>290</b>	<b>300</b>
<b>Other countries:</b>											
Australia.....	64	94	105	118	134	140	140	159	159	162	158
All other.....	16	20	21	22	23	22	24	27	27	31	29
<b>Total.....</b>	<b>80</b>	<b>114</b>	<b>126</b>	<b>140</b>	<b>158</b>	<b>162</b>	<b>164</b>	<b>186</b>	<b>186</b>	<b>193</b>	<b>187</b>
<b>Total foreign countries.....</b>	<b>10,823</b>	<b>11,059</b>	<b>10,963</b>	<b>12,445</b>	<b>11,909</b>	<b>11,365</b>	<b>11,948</b>	<b>13,229</b>	<b>13,276</b>	<b>13,071</b>	<b>13,495</b>
<b>International and regional.....</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>5</b>
<b>Grand total.....</b>	<b>10,826</b>	<b>11,062</b>	<b>10,966</b>	<b>12,447</b>	<b>11,912</b>	<b>11,368</b>	<b>11,952</b>	<b>13,232</b>	<b>13,279</b>	<b>13,075</b>	<b>13,500</b>

<sup>1</sup> Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

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.

**14. 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 <sup>1</sup>								Others
1969.....	9,667	9,151	3,278	262	1,943	1,073	2,015	3,202	656	516	352	89	74
1970.....	10,826	10,175	3,051	119	1,720	1,212	2,389	3,985	750	651	393	92	166
1971—Feb.....	10,576	10,040	2,949	88	1,594	1,267	2,353	3,990	749	535	334	111	90
Mar.....	10,706	10,142	3,002	100	1,598	1,304	2,335	4,053	752	564	365	102	96
Apr.....	10,768	10,234	3,110	107	1,754	1,250	2,279	4,127	718	534	339	92	103
May.....	11,613	10,977	3,377	156	1,920	1,293	2,349	4,177	1,074	636	449	78	109
June.....	11,062	10,497	3,405	147	1,969	1,288	2,378	3,993	721	565	374	102	89
July.....	10,966	10,427	3,563	200	2,051	1,312	2,364	3,682	818	539	382	62	94
Aug.....	12,447	11,814	4,294	191	2,682	1,421	2,357	4,162	1,001	633	497	46	90
Sept.....	11,912	11,230	3,835	188	2,236	1,410	2,372	4,052	972	682	481	104	97
Oct.....	11,368	10,672	3,520	135	2,056	1,339	2,307	3,877	969	696	473	111	112
Nov.....	11,932	11,280	4,028	167	2,431	1,430	2,306	3,901	1,046	671	484	89	99
Dec. 2.....	13,232	12,346	4,531	221	2,431	1,430	2,306	3,901	1,046	671	484	89	99
Dec. 2.....	13,279	12,394	3,998	222	2,097	1,680	2,475	4,243	1,097	886	593	119	174
Dec. 2.....	13,279	12,394	3,998	222	2,097	1,679	2,475	4,270	1,651	885	592	119	174
1972—Jan. #.....	13,075	12,330	3,882	206	2,061	1,614	2,473	4,251	1,724	744	501	139	104
Feb. #.....	13,500	12,705	4,030	196	2,053	1,781	2,430	4,413	1,832	795	569	127	99

<sup>1</sup> Excludes central banks which are included with "Official institutions."  
<sup>2</sup> Data on second line differ from those on first line because <sup>(a)</sup> those claims of U.S. banks on their foreign branches and those claims of U.S. agencies and branches of foreign banks on their head offices and foreign

branches which were previously reported as "Loans" are included in "Other short-term claims"; and <sup>(b)</sup> a number of reporting banks are included in the series for the first time.

**15. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS  
IN THE UNITED STATES**

(Amounts outstanding; in millions of dollars)

End of period	Total	Type					Country or area							
		Payable in dollars					Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries
		Loans to—				Other long-term claims								
Total	Official institutions	Banks <sup>1</sup>	Other foreigners	Other long-term claims	United Kingdom		Other Europe	Canada	Latin America	Japan	Other Asia	All other countries		
1969.....	3,250	2,806	502	209	2,096	426	18	67	411	408	1,329	88	568	378
1970.....	3,075	2,698	504	236	1,958	352	25	71	411	312	1,325	115	548	292
1971—Feb.....	2,964	2,649	484	213	1,952	289	26	77	420	266	1,264	121	521	295
Mar.....	3,050	2,744	501	226	2,017	277	30	111	424	268	1,277	125	548	297
Apr.....	3,088	2,783	504	227	2,053	271	33	117	439	275	1,279	120	534	304
May.....	3,252	2,940	523	251	2,167	279	32	107	498	277	1,269	208	548	343
June.....	3,223	2,919	475	241	2,203	278	26	112	519	266	1,234	225	514	353
July.....	3,294	2,992	489	253	2,250	282	20	118	530	266	1,277	219	515	370
Aug.....	3,393	3,090	513	265	2,311	276	28	120	546	259	1,337	221	539	371
Sept.....	3,440	3,121	514	269	2,338	291	28	126	570	264	1,351	225	536	366
Oct.....	3,494	3,181	533	266	2,382	286	26	127	580	261	1,323	240	565	397
Nov.....	3,537	3,237	555	282	2,401	276	23	138	586	244	1,357	240	564	407
Dec.....	3,621	3,320	563	309	2,448	278	22	130	592	219	1,435	246	571	426
1972—Jan. #.....	3,657	3,360	563	307	2,490	273	24	132	581	256	1,436	241	583	427
Feb. #.....	3,706	3,412	577	319	2,516	271	24	124	592	254	1,453	241	613	430

<sup>1</sup> Excludes central banks, which are included with "Official institutions."

## 16. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Govt. bonds and notes <sup>1</sup>					U.S. corporate securities <sup>2</sup>			Foreign bonds			Foreign stocks		
	Net purchases or sales					Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
	Total	Intl. and regional	Foreign											
			Total	Official	Other									
1970.....	56	-25	82	-41	123	11,426	9,844	1,582	1,490	2,441	-951	1,033	998	35
1971.....	1,672	130	1,542	1,661	-119	14,531	13,139	1,392	1,687	2,368	-880	1,387	1,432	-44
1972—Jan.—Feb. <sup>p</sup> .....	389	1	388	443	-55	3,185	2,585	601	287	660	-373	390	368	22
1971—Feb.....	19	17	2	5	-3	1,516	1,411	105	126	107	19	68	111	-44
Mar.....	88	99	-11	.....	-11	1,411	1,314	97	176	190	-14	85	121	-36
Apr.....	5	.....	5	.....	4	1,383	1,412	-29	174	234	-60	117	179	-63
May.....	-33	1	-33	.....	-33	1,163	1,126	37	118	218	-100	94	120	-26
June.....	92	.....	91	87	4	1,004	1,019	-15	139	239	-100	98	130	-31
July.....	260	1	259	253	6	1,038	1,002	36	112	137	-26	102	144	-42
Aug.....	212	11	202	238	-36	1,152	1,013	139	110	313	-203	124	102	22
Sept.....	118	1	117	145	-28	1,043	795	249	131	138	-7	118	96	22
Oct.....	252	.....	252	257	-5	965	972	-7	163	257	-95	157	104	52
Nov.....	446	1	445	474	-29	940	845	94	138	135	3	137	76	61
Dec.....	175	1	175	209	-34	1,673	1,207	465	186	175	11	195	151	43
1972—Jan. <sup>p</sup> .....	248	1	247	305	-57	1,580	1,277	302	127	419	-292	191	170	21
Feb. <sup>p</sup> .....	141	.....	141	138	3	1,606	1,307	299	160	241	-81	200	199	1

<sup>1</sup> Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries; see Table 12.

<sup>2</sup> Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States.

Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

NOTE.—Statistics include transactions of international and regional organizations.

## 17. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. & regional
1970.....	626	58	195	128	110	-33	24	482	-9	47	85	-1	1	22
1971.....	733	86	131	219	168	-49	72	627	-92	39	108	*	-2	54
1972—Jan.—Feb. <sup>p</sup> .....	422	49	33	97	153	37	-2	367	-31	21	47	*	*	17
1971—Feb.....	-32	-23	28	9	-6	-23	21	7	-34	-5	*	*	*	*
Mar.....	-26	-26	11	2	-27	-11	-8	-59	1	18	9	*	*	6
Apr.....	-5	8	-10	8	-4	-18	-8	-24	-7	11	11	*	-1	6
May.....	10	9	.....	13	10	-6	-3	24	-17	-4	1	-1	*	7
June.....	-11	3	3	12	9	-19	-24	-17	-11	-4	7	*	*	14
July.....	-4	12	-6	15	-10	6	-13	4	-24	2	15	*	*	-2
Aug.....	79	10	7	38	24	-33	-7	38	11	13	16	1	*	*
Sept.....	155	24	33	9	38	11	17	132	10	7	4	*	*	2
Oct.....	-47	8	-4	2	4	-30	*	-21	-21	-17	5	*	-1	7
Nov.....	.....	9	-9	22	1	-1	20	42	-14	-38	6	*	*	4
Dec.....	483	66	51	76	102	68	32	394	2	49	39	*	*	-2
1972—Jan. <sup>p</sup> .....	269	36	29	60	98	2	-7	218	1	11	27	*	*	12
Feb. <sup>p</sup> .....	153	13	4	37	55	36	5	149	-32	10	20	-1	*	6

18. 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	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1970.....	956	35	48	37	134	118	91	464	128	25	28	1	-12	324
1971.....	658	15	35	-1	171	327	39	586	37	19	-2	*	-21	39
1972—Jan.—Feb. <sup>p</sup>	179	2	1	*	-34	122	27	116	21	-15	54	*	*	3
1971—Feb.....	137	4	3	2	16	21	39	85	-4	1	1	*	-12	65
Mar.....	123	10	14	-1	32	32	5	92	11	6	3	*	*	11
Apr.....	-23	3	-3	*	7	7	5	19	-2	4	-6	*	*	-39
May.....	27	-1	27	*	-5	19	-6	33	*	3	-1	*	-2	-6
June.....	-4	-1	-1	*	-2	-4	*	-8	11	2	-3	*	*	-3
July.....	40	-2	-1	1	3	20	1	22	-10	3	*	*	*	24
Aug.....	60	-3	-1	-1	*	49	-3	42	*	1	1	*	*	17
Sept.....	94	*	-1	*	21	69	-3	86	16	5	*	*	*	-14
Oct.....	40	5	*	*	53	24	2	83	-8	-2	-1	*	*	-33
Nov.....	94	*	4	-1	42	70	6	122	7	-1	2	*	-5	-31
Dec.....	-18	-1	-1	-2	-12	18	-6	-3	-13	*	1	*	*	-3
1972—Jan. <sup>p</sup> .....	33	3	2	1	-14	20	38	49	10	-2	3	*	*	-27
Feb. <sup>p</sup> .....	146	-1	-1	-1	-20	102	-11	67	11	-13	51	*	*	29

Note.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

19. 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
1970.....	-915	-254	-662	50	-586	-11	-129	-6	20
1971.....	-925	-310	-615	34	-285	-53	-345	3	32
1972—Jan.—Feb. <sup>p</sup> .....	-351	-254	-96	42	-97	-25	-19	-2	4
1971—Feb.....	-24	-4	-20	-24	27	4	-29	*	1
Mar.....	-50	11	-61	6	-34	11	-44	-1	1
Apr.....	-122	-46	-77	-34	29	5	-79	*	1
May.....	-126	4	-130	-4	-62	-13	-52	*	2
June.....	-132	13	-145	-3	-93	5	-72	6	14
July.....	-67	7	-74	-16	-6	-2	-53	*	2
Aug.....	-180	-152	-29	23	-23	-16	-14	1	1
Sept.....	15	8	6	1	7	3	8	*	1
Oct.....	-43	32	-75	22	-111	-11	24	1	2
Nov.....	64	11	53	37	32	-28	8	1	3
Dec.....	55	2	53	23	53	-10	-11	-4	2
1972—Jan. <sup>p</sup> .....	-271	-242	-29	11	-24	-26	6	*	3
Feb. <sup>p</sup> .....	-80	-12	-67	32	-73	1	-25	-2	*

20. 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)
1969—Mar.....	553	393
June.....	566	397
Sept.....	467	297
Dec.....	434	278
1970—Mar.....	368	220
June.....	334	182
Sept.....	291	203
Dec.....	349	281
1971—Mar.....	511	314
June.....	419	300
Sept.....	333	320
Dec. <sup>p</sup> .....	311	312

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.

Notes to Table 21a. on following page:

Revised figures for Sept. and Oct. will appear in the May BULLETIN.  
 † Total assets and total liabilities payable in dollars were \$6,485 and \$6,669 million, respectively.

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.

## 21a. 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	Official institutions	Non-bank for-eigners		
<b>IN ALL FOREIGN COUNTRIES</b>												
Total, all currencies	1969—Dec.	36,468	15,380	13,660	1,720	20,145	3,524	9,756	537	6,327	944	
	1970—Oct.	44,099	11,467	9,274	2,193	31,337	6,048	14,538	544	10,217	1,295	
	Nov.	45,011	10,344	8,003	2,340	33,278	6,372	15,419	692	10,794	1,390	
	Dec.	47,279	9,686	7,248	2,438	36,192	6,881	16,979	695	11,636	1,402	
	1971—Jan.	47,131	8,794	6,125	2,670	36,035	7,308	16,368	641	11,717	2,302	
	Feb.	47,211	7,863	5,131	2,731	36,847	7,687	16,715	673	12,314	2,501	
	Mar.	48,263	6,769	4,055	2,714	38,623	7,888	17,284	744	12,757	2,871	
	Apr.	49,419	5,047	2,511	2,536	39,902	8,468	17,387	746	13,301	4,471	
	May	50,542	4,398	2,191	2,207	41,543	8,317	18,100	797	14,329	4,600	
	June	52,705	4,833	2,661	2,191	43,266	8,924	19,042	849	14,431	4,587	
	July	52,714	4,833	2,619	2,214	43,063	8,788	18,455	1,005	14,815	4,817	
	Aug.	54,828	4,092	2,036	2,056	46,348	9,126	20,733	1,128	15,360	4,388	
	Sept.	56,930	5,067	2,970	2,097	48,771	9,706	22,262	1,128	15,676	3,091	
	Oct.	57,444	5,834	3,649	2,204	49,526	10,153	21,885	1,158	16,331	2,064	
	Nov.	58,632	5,662	3,341	2,320	51,016	10,416	22,613	1,195	16,793	1,954	
Payable in U.S. dollars	1969—Dec.	29,099	15,130	13,642	1,489	13,622	1,994	8,074	349	3,205	346	
	1970—Oct.	32,699	11,193	9,252	1,941	21,027	3,737	11,222	334	5,735	479	
	Nov.	32,991	10,073	7,987	2,086	22,405	4,009	11,876	434	6,086	513	
	Dec.	34,537	9,400	7,233	2,167	24,163	4,208	13,248	362	6,795	524	
	1971—Jan.	34,221	8,346	6,112	2,434	24,260	4,504	12,553	370	6,833	1,414	
	Feb.	33,842	7,637	5,118	2,538	24,606	4,716	12,214	423	7,253	1,579	
	Mar.	34,960	6,560	4,043	2,516	26,409	5,070	13,307	453	7,580	1,990	
	Apr.	35,717	4,856	2,501	2,356	27,337	5,654	13,209	529	7,944	3,525	
	May	36,037	4,193	2,172	2,020	28,264	5,354	13,815	552	8,542	3,581	
	June	37,622	4,648	2,651	1,998	29,412	5,609	14,625	586	8,593	3,562	
	July	37,092	4,613	2,610	2,003	28,693	5,648	13,780	713	8,552	3,787	
	Aug.	37,801	3,875	2,025	1,851	30,658	5,791	15,427	865	8,576	3,268	
	Sept.	38,698	4,828	2,950	1,877	32,039	6,028	16,407	831	8,774	1,811	
	Oct.	38,541	5,610	3,633	1,977	32,525	6,093	16,277	873	8,981	705	
	Nov.	39,132	5,380	3,319	2,061	33,068	6,436	16,642	910	9,080	684	
<b>IN UNITED KINGDOM</b>												
Total, all currencies	1969—Dec.	24,130	11,311	10,043	1,267	12,417	1,702	6,953	289	3,473	403	
	1970—Oct.	26,806	8,403	6,925	1,478	17,923	2,802	9,451	257	5,413	479	
	Nov.	27,082	7,276	5,735	1,541	19,244	2,957	10,147	390	5,750	562	
	Dec.	28,451	6,729	5,214	1,515	21,121	3,475	11,095	316	6,235	601	
	1971—Jan.	28,478	6,064	4,380	1,684	21,330	3,700	10,898	300	6,432	1,084	
	Feb.	28,115	5,194	3,487	1,706	21,663	3,915	10,760	338	6,650	1,258	
	Mar.	28,711	4,658	2,897	1,761	22,539	3,890	11,419	355	6,875	1,514	
	Apr.	29,082	3,143	1,598	1,545	23,414	4,307	11,584	412	7,111	2,524	
	May	29,952	2,746	1,401	1,345	24,627	4,218	11,957	433	8,020	2,579	
	June	31,276	3,188	1,827	1,361	25,545	4,393	12,632	418	8,101	2,542	
	July	30,710	3,098	1,700	1,398	25,140	4,448	11,953	520	8,218	2,473	
	Aug.	32,119	2,608	1,340	1,268	27,249	4,462	13,744	558	8,486	2,262	
	Sept.	33,280	3,390	2,143	1,247	28,464	4,882	14,683	512	8,387	1,426	
	Oct.	33,408	4,116	2,772	1,344	28,458	5,189	14,536	524	8,210	834	
	Nov.	33,945	3,845	2,529	1,316	29,203	5,483	15,040	527	8,153	896	
Payable in U.S. dollars	1969—Dec.	20,641		11,230		9,201	955	6,265		1,982	209	
	1970—Oct.	21,702		8,290		13,136	1,841	7,951		3,344	276	
	Nov.	21,549		7,153		14,067	1,920	8,635		3,512	328	
	Dec.	22,574		6,596		15,655	2,223	9,420		4,012	323	
	1971—Jan.	22,478		5,950		15,770	2,483	9,129		4,099	818	
	Feb.	21,924		5,102		15,849	2,541	9,043		4,266	972	
	Mar.	22,576		4,566		16,791	2,657	9,750		4,384	1,219	
	Apr.	22,786		3,057		17,534	3,133	9,861		4,541	2,194	
	May	23,028		2,651		18,156	3,030	10,128		4,999	2,221	
	June	24,228		3,098		18,918	3,231	10,674		5,013	2,211	
	July	23,282		3,010		18,155	3,219	10,031		4,906	2,116	
	Aug.	23,848		2,528		19,451	3,245	11,336		4,870	1,868	
	Sept.	24,418		3,289		20,123	3,369	11,883		4,871	1,066	
	Oct.	24,481		4,012		20,069	3,440	11,859		4,771	399	
	Nov.	24,561		3,717		20,445	3,918	12,090		4,438	398	
<b>IN THE BAHAMAS</b>												
Total, all currencies	1969—Dec.	3,044	1,538	1,293	244	1,478		951		527	28	
	1970—Oct.	4,194	990	500	491	3,141		1,972		1,168	63	
	Nov.	4,200	1,056	493	563	3,084		1,813		1,271	60	
	Dec.	4,731	1,119	455	664	3,554		2,096		1,458	58	
	1971—Jan.	4,663	1,135	396	739	3,224		1,916		1,408	205	
	Feb.	4,561	1,072	283	789	3,286		1,721		1,565	203	
	Mar.	4,755	879	162	718	3,605		1,994		1,611	271	
	Apr.	5,245	935	169	766	3,641		1,918		1,723	669	
	May	5,347	773	113	660	3,880		2,038		1,843	694	
	June	5,733	839	203	635	4,212		2,317		1,895	683	
	July	6,022	890	267	623	4,403		2,337		2,066	729	
	Aug.	5,925	728	139	589	4,573		2,564		2,009	624	
	Sept.	6,213	855	219	636	5,010		2,906		2,104	348	
	Oct.	6,386	897	246	651	5,580		2,996		2,584	109	
	Nov.	7,267	1,037	227	810	6,088		3,155		2,934	141	

For notes see p. 87.



21b. 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	Non-bank foreigners			
<b>IN ALL FOREIGN COUNTRIES</b>											
36,468	2,615	719	1,896	32,316	3,354	20,491	1,856	6,614	1,537	1969—Dec.	Total, all currencies
44,103	2,661	682	1,979	39,964	5,571	23,695	3,335	7,363	1,477	1970—Oct.	
45,017	2,478	656	1,822	40,824	5,960	23,724	3,429	7,711	1,715	Nov.	
47,270	2,575	716	1,859	42,746	6,372	24,820	4,180	7,374	1,949	Dec.	
47,131	2,508	662	1,845	42,981	6,839	24,840	4,258	7,044	1,642	1971—Jan.	
47,210	2,376	544	1,833	43,196	7,444	23,710	4,764	7,278	1,638	Feb.	
48,265	2,640	559	2,080	44,069	7,507	24,175	5,006	7,381	1,556	Mar.	
49,419	2,529	547	1,982	45,066	8,078	24,118	5,554	7,316	1,824	Apr.	
50,542	2,848	726	2,122	45,891	8,134	25,039	5,216	7,502	1,802	May	
52,705	2,565	528	2,038	48,342	8,553	26,729	5,339	7,721	1,798	June	
52,711	3,061	477	2,584	47,934	8,345	26,545	5,373	7,670	1,716	July	
54,828	3,349	763	2,586	49,622	8,792	27,178	5,450	8,203	1,857	Aug.	
56,932	3,046	510	2,537	51,838	9,463	28,507	5,469	8,400	2,047	Sept.	
57,444	2,943	482	2,461	52,432	9,739	28,529	5,574	8,590	2,069	Oct.	
58,632	2,892	475	2,417	53,673	10,038	29,354	5,749	8,531	2,066	Nov.	
29,750	2,392	606	1,786	26,341	2,130	17,793	1,566	4,851	1,017	1969—Dec.	Payable in U.S. dollars
33,759	2,391	580	1,811	30,480	3,597	19,147	2,892	4,843	888	1970—Oct.	
34,356	2,205	556	1,649	31,092	3,910	19,010	2,995	5,177	1,058	Nov.	
36,004	2,334	657	1,677	32,446	4,028	19,807	3,737	4,874	1,223	Dec.	
35,470	2,277	603	1,674	32,216	4,356	19,522	3,818	4,513	976	Jan.	
35,137	2,120	474	1,647	32,073	4,874	18,243	4,206	4,749	944	Feb.	
36,213	2,413	501	1,912	32,891	5,052	18,722	4,323	4,794	909	Mar.	
36,973	2,284	491	1,794	33,717	5,644	18,717	4,743	4,612	972	Apr.	
37,284	2,582	643	1,939	33,638	5,469	19,120	4,419	4,630	1,063	May	
39,116	2,293	432	1,861	35,782	5,793	20,610	4,604	4,775	1,041	June	
38,297	2,762	393	2,368	34,571	5,433	20,192	4,416	4,530	965	July	
39,449	2,939	643	2,296	35,406	5,735	20,340	4,375	4,956	1,104	Aug.	
40,182	2,669	389	2,280	36,340	6,203	20,990	4,407	4,741	1,173	Sept.	
40,701	2,578	361	2,218	36,287	6,113	20,805	4,502	4,867	1,136	Oct.	
40,896	2,546	375	2,170	37,176	6,479	21,124	4,662	4,910	1,175	Nov.	
<b>IN UNITED KINGDOM</b>											
24,130	1,571	82	1,489	21,920	1,222	14,954	1,235	4,510	639	1969—Dec.	Total, all currencies
26,805	1,531	91	1,440	24,759	2,021	15,818	2,454	4,515	516	1970—Oct.	
27,082	1,406	101	1,305	25,072	2,166	15,737	2,574	4,646	604	Nov.	
28,451	1,339	116	1,222	26,520	2,320	16,533	3,119	4,548	592	Dec.	
28,478	1,384	77	1,307	26,542	2,358	16,817	3,067	4,300	522	1971—Jan.	
28,115	1,423	103	1,320	26,103	2,641	15,588	3,337	4,538	589	Feb.	
28,711	1,533	103	1,430	26,597	2,586	15,942	3,615	4,454	581	Mar.	
29,082	1,492	186	1,306	26,989	2,699	15,698	4,067	4,525	601	Apr.	
29,952	1,591	301	1,291	27,667	2,843	16,387	3,873	4,565	694	May	
31,276	1,565	147	1,419	29,021	2,931	17,578	3,967	4,545	690	June	
30,710	1,773	126	1,647	28,264	2,762	16,843	4,034	4,625	674	July	
32,119	2,000	300	1,700	29,429	3,069	17,310	4,268	4,782	691	Aug.	
33,280	1,658	117	1,541	30,877	3,344	18,431	4,318	4,785	745	Sept.	
33,408	1,628	104	1,523	31,009	3,250	18,535	4,447	4,777	772	Oct.	
33,945	1,618	77	1,541	31,513	3,106	18,901	4,622	4,885	814	Nov.	
20,820	1,492	60	1,432	18,916	868	13,302	1,073	3,673	411	1969—Dec.	Payable in U.S. dollars
21,849	1,404	68	1,337	20,185	1,375	13,251	2,198	3,361	260	1970—Oct.	
21,894	1,279	78	1,200	20,305	1,455	13,044	2,295	3,510	311	Nov.	
23,005	1,208	98	1,110	21,495	1,548	13,684	2,859	3,404	302	Dec.	
22,705	1,266	66	1,199	21,156	1,540	13,718	2,816	3,081	283	1971—Jan.	
22,118	1,291	84	1,207	20,539	1,707	12,531	3,001	3,301	287	Feb.	
22,654	1,411	90	1,321	20,954	1,759	12,754	3,207	3,233	289	Mar.	
22,907	1,358	173	1,185	21,249	1,900	12,640	3,588	3,121	299	Apr.	
23,198	1,455	266	1,189	21,378	1,902	12,967	3,368	3,142	365	May	
24,474	1,432	96	1,336	22,682	2,053	14,071	3,493	3,065	361	June	
23,400	1,610	89	1,521	21,428	1,819	13,198	3,382	3,029	361	July	
24,263	1,790	238	1,552	22,095	1,900	13,445	3,501	3,249	377	Aug.	
24,742	1,460	59	1,401	22,882	2,126	14,160	3,555	3,041	400	Sept.	
24,727	1,435	49	1,387	22,875	2,095	14,079	3,660	3,041	417	Oct.	
25,044	1,452	36	1,416	23,166	2,028	14,185	3,813	3,140	426	Nov.	
<b>IN THE BAHAMAS</b>											
1,044		293		2,718	124	1,957		637	33	1969—Dec.	Total, all currencies
4,199		432		3,705	212	2,706		786	62	1970—Oct.	
4,204		357		3,782	278	2,543		960	65	Nov.	
4,731		542		4,117	435	2,863		819	72	Dec.	
4,664		491		4,114	705	2,568		841	59	1971—Jan.	
4,561		382		4,121	840	2,452		830	58	Feb.	
4,756		534		4,171	681	2,575		915	51	Mar.	
5,245		503		4,681	1,087	2,706		888	62	Apr.	
5,348		646		4,633	991	2,744		898	68	May	
5,734		446		5,221	1,013	3,095		1,113	67	June	
6,020		753		5,197	1,125	3,139		933	69	July	
5,925		696		5,155	1,005	3,029		1,121	74	Aug.	
6,216		742		5,384	931	3,385		1,069	90	Sept.	
6,587		648		5,830	1,083	3,555		1,191	109	Oct.	
7,267	622	6,537	1,446	3,947	1,144	109				Nov.	

For notes see p. 87.

**22. LIABILITIES OF U.S. BANKS TO THEIR FOREIGN BRANCHES AND FOREIGN BRANCH HOLDINGS OF SPECIAL U.S. GOVERNMENT SECURITIES**

(Amounts outstanding; in millions of dollars)

Wednesday	Liabilities <sup>1</sup>	Wednesday	Liabilities <sup>1</sup>	Liab. plus sec. <sup>2</sup>	Wednesday	Liabilities <sup>1</sup>	Liab. plus sec. <sup>2</sup>
1966		1970			1971—Cont.		
Mar. 30.....	1,879	Mar. 25....	11,885		Oct. 6....	2,222	3,325
June 29.....	1,951	June 24....	12,172		13....	2,723	3,275
Sept. 27.....	3,472	Sept. 30....	9,663		20....	2,601	3,153
Dec. 28.....	4,036	Dec. 30....	7,676		27....	2,917	2,917
1967		1971			Nov. 3....	2,467	2,467
Mar. 29.....	3,412	Jan. 27....	6,536	7,536	10....	2,964	2,964
June 28.....	3,166	Feb. 24....	5,666	6,666	17....	3,358	3,358
Sept. 27.....	4,059	Mar. 31....	2,858	4,338	24....	3,342	3,342
Dec. 27.....	4,241	Apr. 28....	2,158	5,166	Dec. 1....	2,408	2,408
1968		May 26....	1,579	4,587	8....	1,867	1,867
Mar. 27.....	4,920	June 30....	1,492	4,300	15....	1,386	1,386
June 26.....	6,202	July 28....	1,495	4,645	22....	1,544	1,544
Sept. 25.....	7,104	Aug. 4....	1,905	5,055	29....	909	909
Dec. 31 (1/1/69)	6,039	11....	1,110	4,296	1972		
1969		18....	1,376	4,562	Jan. 5....	1,208	1,208
Mar. 26.....	9,621	25....	1,405	4,075	12....	1,721	1,721
June 25.....	13,269	Sept. 1....	1,233	3,403	19....	1,568	1,568
Sept. 24.....	14,349	8....	1,239	3,409	26....	1,419	1,419
Dec. 31.....	12,805	15....	1,701	3,355	Feb. 2....	1,301	1,301
		22....	2,153	3,807	9....	1,062	1,062
		29....	2,475	3,578	16....	1,006	1,006
					23....	1,068	1,068
					Mar. 1....	954	954
					8....	1,164	1,164
					15....	1,263	1,263
					22....	1,346	1,346
					29....	1,526	1,526

<sup>1</sup> Represents gross liabilities of reporting banks to their branches in foreign countries.  
<sup>2</sup> For period Jan. 27, 1971 through Oct. 20, 1971, includes U.S. Treasury Certificates Euro-dollar Series and special Export-Import Bank securities held by foreign branches. Beginning July 28, 1971, all of the securities held are U.S. Treasury Certificates Eurodollar Series.

**23. MATURITY OF EURO-DOLLAR DEPOSITS IN FOREIGN BRANCHES OF U.S. BANKS**

(End of month; in billions of dollars)

Maturity of liability	1971		1972
	Nov.	Dec.	Jan.
Overnight.....	1.49	1.86	1.48
Call.....	1.73	1.52	2.02
Other liabilities, maturing in following calendar months after report date:			
1st.....	9.33	11.20	8.35
2nd.....	6.26	4.75	5.28
3rd.....	3.67	3.85	4.53
4th.....	1.94	2.15	2.55
5th.....	2.00	2.15	2.04
6th.....	1.96	1.71	2.17
7th.....	.30	.46	.31
8th.....	.44	.27	.30
9th.....	.24	.29	.35
10th.....	.25	.29	.26
11th.....	.29	.24	.36
12th.....	.21	.25	.39
Maturities of more than 1 year.....	.87	.82	.92
<b>Total.....</b>	<b>30.99</b>	<b>31.80</b>	<b>31.32</b>

NOTE.—Includes interest-bearing U.S. dollar deposits and direct borrowings of all branches in the Bahamas and of all other foreign branches for which such deposits and direct borrowings amount to \$50 million or more.  
 Details may not add to totals due to rounding.

**24. DEPOSITS, U.S. GOVT. 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. Govt. securities <sup>1</sup>	Earmarked gold
1969.....	134	7,030	12,311
1970.....	148	16,226	12,926
1971—Mar....	201	20,534	13,057
Apr....	162	22,879	13,095
May....	208	28,126	13,447
June....	199	26,544	13,509
July....	162	28,574	13,559
Aug....	122	35,914	13,821
Sept....	166	36,921	13,819
Oct....	135	38,207	13,819
Nov....	177	39,980	13,820
Dec....	294	43,195	13,815
1972—Jan....	147	44,359	13,815
Feb....	137	45,699	14,359
Mar....	191	46,837	14,321

<sup>1</sup> Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

NOTE.—Excludes deposits and U.S. Govt. 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.

**SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS**

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments <sup>1</sup>	Deposits	Short-term investments <sup>1</sup>		
1968.....	1,638	1,219	87	272	60	979	280
1969 <sup>2</sup> .....	{ 1,319	952	116	174	76	610	469
1970.....	{ 1,491	1,062	161	183	86	663	534
	{ 1,141	697	150	173	121	372	436
1971—Jan....	1,299	861	144	177	116	520	381
Feb....	1,356	849	173	190	144	548	418
Mar....	1,469	983	165	175	145	706	383
Apr....	1,488	972	178	200	138	687	397
May....	1,551	938	160	293	161	622	430
June....	1,470	932	176	240	122	634	365
July....	1,478	949	189	238	101	579	395
Aug....	1,661	1,085	201	246	128	639	480
Sept....	1,579	989	198	285	107	519	489
Oct....	1,604	1,015	206	277	106	540	331
Nov....	1,622	1,029	205	246	143	612	317
Dec....	1,597	1,026	219	233	120	560	364
1972—Jan....	1,703	1,046	252	242	163	589	665

<sup>1</sup> 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.

<sup>2</sup> Data on the two 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 Tables 26 and 27.

26. 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				
	1970		1971			1970		1971		
	Sept.	Dec.	Mar.	June	Sept. <sup>a</sup>	Sept.	Dec.	Mar.	June	Sept. <sup>a</sup>
<b>Europe:</b>										
Austria.....	6	8	11	12	10	9	10	10	10	13
Belgium-Luxembourg.....	66	46	47	58	60	54	47	49	61	59
Denmark.....	3	2	9	3	3	16	17	16	17	14
Finland.....	1	2	2	2	2	13	11	8	15	16
France.....	141	126	112	117	142	154	150	159	181	182
Germany, Fed. Rep. of.....	166	139	122	105	126	192	209	191	228	209
Greece.....	3	7	4	5	6	28	28	34	27	40
Italy.....	69	77	71	69	74	161	163	175	172	177
Netherlands.....	124	128	115	102	85	62	62	65	74	66
Norway.....	6	5	4	5	5	13	16	15	14	17
Portugal.....	10	13	14	18	18	14	15	13	20	11
Spain.....	48	24	27	35	37	73	81	93	91	92
Sweden.....	35	34	28	31	28	25	40	53	40	37
Switzerland.....	185	159	122	85	100	45	47	38	62	95
Turkey.....	3	4	3	5	3	13	8	17	9	11
United Kingdom.....	667	842	723	647	662	1,055	698	1,020	961	840
Yugoslavia.....	1	2	1	1	1	17	17	16	16	21
Other Western Europe.....	21	11	1	2	2	9	9	12	11	14
Eastern Europe.....	5	4	4	3	3	24	24	16	16	16
<b>Total.....</b>	<b>1,556</b>	<b>1,628</b>	<b>1,422</b>	<b>1,304</b>	<b>1,366</b>	<b>1,977</b>	<b>1,652</b>	<b>1,997</b>	<b>2,027</b>	<b>1,928</b>
<b>Canada.....</b>	<b>215</b>	<b>221</b>	<b>206</b>	<b>193</b>	<b>178</b>	<b>703</b>	<b>751</b>	<b>715</b>	<b>708</b>	<b>783</b>
<b>Latin America:</b>										
Argentina.....	10	11	14	17	19	61	61	65	66	66
Brazil.....	17	19	15	17	13	107	120	105	118	129
Chile.....	11	11	13	8	14	42	48	40	44	48
Colombia.....	6	6	6	6	6	37	37	36	31	40
Cuba.....	*	*	*	*	*	1	1	1	1	1
Mexico.....	28	22	20	20	21	149	156	143	151	146
Panama.....	5	5	6	6	6	18	18	21	17	20
Peru.....	6	4	4	4	5	29	36	35	36	34
Uruguay.....	5	4	4	4	4	5	6	7	6	6
Venezuela.....	14	18	17	17	14	68	67	69	69	73
Other L.A. republics.....	35	37	29	29	33	97	99	95	96	104
Bahamas and Bermuda.....	94	154	158	152	228	153	160	210	263	340
Neth. Antilles and Surinam.....	24	23	5	7	4	10	9	8	9	9
Other Latin America.....	5	6	5	6	8	23	29	21	25	22
<b>Total.....</b>	<b>260</b>	<b>320</b>	<b>296</b>	<b>293</b>	<b>376</b>	<b>799</b>	<b>846</b>	<b>855</b>	<b>931</b>	<b>1,036</b>
<b>Asia:</b>										
Hong Kong.....	8	9	8	8	9	19	17	19	25	25
India.....	41	38	25	22	26	42	34	39	39	36
Indonesia.....	7	9	5	6	11	14	21	20	21	24
Israel.....	21	24	28	19	21	21	23	24	25	21
Japan.....	135	144	165	158	177	314	323	349	372	411
Korea.....	1	1	7	10	10	29	42	50	54	52
Philippines.....	7	7	7	7	6	32	30	31	56	43
Taiwan.....	8	9	10	11	17	27	33	32	38	43
Thailand.....	4	4	4	3	4	13	11	12	13	16
Other Asia.....	47	50	59	122	140	145	145	155	159	201
<b>Total.....</b>	<b>281</b>	<b>296</b>	<b>322</b>	<b>366</b>	<b>420</b>	<b>657</b>	<b>678</b>	<b>730</b>	<b>802</b>	<b>872</b>
<b>Africa:</b>										
Congo (Kinshasa).....	15	2	2	2	2	4	3	5	6	4
South Africa.....	24	34	31	45	45	29	30	32	38	38
U.A.R. (Egypt).....	2	1	2	1	1	11	9	10	9	9
Other Africa.....	51	41	19	33	32	48	50	53	67	70
<b>Total.....</b>	<b>90</b>	<b>78</b>	<b>54</b>	<b>82</b>	<b>80</b>	<b>92</b>	<b>92</b>	<b>100</b>	<b>120</b>	<b>122</b>
<b>Other countries:</b>										
Australia.....	74	75	81	81	68	70	80	86	82	85
All other.....	5	7	8	8	9	15	15	13	17	24
<b>Total.....</b>	<b>79</b>	<b>82</b>	<b>89</b>	<b>89</b>	<b>77</b>	<b>84</b>	<b>94</b>	<b>99</b>	<b>99</b>	<b>109</b>
<b>International and regional.....</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>4</b>
<b>Grand total.....</b>	<b>2,482</b>	<b>2,626</b>	<b>2,389</b>	<b>2,327</b>	<b>2,498</b>	<b>4,314</b>	<b>4,114</b>	<b>4,499</b>	<b>4,692</b>	<b>4,854</b>

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.

**27. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE**

(Amounts outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1967—Sept. ....	1,333	1,029	324	2,555	2,116	192	246
Dec. 1 .....	1,371	1,027	343	2,946	2,529	201	216
	1,386	1,039	347	3,011	2,599	203	209
1968—Mar. ....	1,358	991	367	3,369	2,936	211	222
June. ....	1,473	1,056	417	3,855	3,415	210	229
Sept. ....	1,678	1,271	407	3,907	3,292	422	193
Dec. 1 .....	1,608	1,225	382	3,783	3,173	368	241
1969—Mar. ....	1,576	1,185	391	4,014	3,329	358	327
June. ....	1,613	1,263	350	4,023	3,316	429	278
Sept. ....	1,797	1,450	346	3,874	3,222	386	267
Dec. 1 .....	1,786	1,399	387	3,710	3,124	221	365
	2,095	1,654	441	4,124	3,495	244	385
1970—Mar. ....	2,204	1,724	480	4,238	3,699	219	320
June. ....	2,357	1,843	513	4,417	3,825	234	358
Sept. ....	2,482	1,956	526	4,314	3,708	301	306
Dec. 1 .....	2,626	2,159	467	4,114	3,532	234	349
1971—Mar. ....	2,389	1,957	432	4,499	3,890	232	377
June. ....	2,327	1,919	408	4,692	4,037	303	352
Sept. 1 .....	2,498	2,082	416	4,854	4,146	377	332

1 Data on the two 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.

**28. 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
1967—Sept. ....	411	1,452	40	212	309	212	84	283	109	103	87	13
Dec. 1 .....	414	1,537	43	257	311	212	85	278	128	117	89	16
	428	1,570	43	263	322	212	91	274	128	132	89	16
1968—Mar. ....	582	1,536	41	265	330	206	61	256	128	145	84	21
June. ....	747	1,568	32	288	345	205	67	251	129	134	83	33
Sept. ....	767	1,625	43	313	376	198	62	251	126	142	82	32
Dec. 1 .....	1,129	1,790	147	306	419	194	73	230	128	171	83	38
1969—Mar. ....	1,285	1,872	175	342	432	194	75	222	126	191	72	43
June. ....	1,325	1,952	168	368	447	195	76	216	142	229	72	40
Sept. ....	1,418	1,965	167	369	465	179	70	213	143	246	71	42
Dec. 1 .....	1,725	2,215	152	433	496	172	73	388	141	249	69	42
	2,331	2,360	152	442	562	177	77	416	142	271	75	46
1970—Mar. ....	2,385	2,741	159	735	573	181	74	454	158	288	71	47
June. ....	2,613	2,753	161	712	580	177	65	474	166	288	76	54
Sept. ....	2,813	2,882	157	720	620	180	63	583	144	284	73	58
Dec. 1 .....	3,129	2,946	146	708	669	183	60	614	140	292	71	64
1971—Mar. ....	3,196	2,979	154	688	670	182	63	611	161	302	77	72
June. ....	3,190	2,990	151	692	677	180	64	625	138	313	75	76
Sept. 1 .....	2,922	2,899	135	675	666	175	63	583	133	319	76	74

1 Data on the two 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.

FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Argentina (peso)	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Ceylon (rupee)	Denmark (krone)	Finland (markka)	France (franc)
1968.....	28473	111.25	3.8675	2.0026	92.801	16.678	13.362	23.761	20.191
1969.....	28492	111.10	3.8654	1.9942	92.855	16.741	13.299	23.774	19.302
1970.....	26.589	111.36	3.8659	2.0139	95.802	16.774	13.334	23.742	18.087
1971.....	22.502	113.61	4.0009	2.0598	99.021	16.800	13.508	23.758	18.148
1971—Feb.....	24.831	112.38	3.8651	2.0148	99.261	16.792	13.359	23.722	18.122
Mar.....	24.835	112.42	3.8670	2.0145	99.367	16.792	13.368	23.722	18.129
Apr.....	24.673	112.38	3.8696	2.0144	99.237	16.792	13.353	23.727	18.126
May.....	24.156	112.42	3.9676	2.0164	99.138	16.792	13.334	23.735	18.094
June.....	23.602	112.43	4.0021	2.0109	97.913	16.792	13.342	23.735	18.092
July.....	22.642	112.42	4.0040	2.0133	97.912	16.792	13.334	23.735	18.136
Aug.....	20.757	113.17	4.0264	2.0351	98.670	16.792	13.435	23.735	18.130
Sept.....	19.919	114.78	4.0844	2.0921	98.717	16.839	13.672	23.830	18.112
Oct.....	19.923	115.76	4.1261	2.1353	99.537	16.820	13.768	23.800	18.073
Nov.....	19.925	115.89	4.1280	2.1572	99.607	16.806	13.773	23.773	18.096
Dec.....	19.928	117.48	4.2041	2.1986	100.067	16.797	13.994	23.852	18.549
1972—Jan.....	19.960	119.10	4.2516	2.2514	99.411	16.653	14.219	24.077	19.329
Feb.....	119.960	119.10	4.3108	2.2810	99.528	16.650	14.306	24.099	19.650
Mar.....		119.10	4.3342	2.2757	100.152	16.650	14.361	24.121	19.835

Period	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)
1968.....	25.048	13.269	239.35	16042	27735	32.591	8.0056	27.626
1969.....	25.491	13.230	239.01	15940	27903	32.623	8.0056	27.592
1970.....	27.424	13.233	239.59	15945	27921	32.396	8.0056	27.651
1971.....	28.768	13.338	244.42	16174	28779	32.989	8.0056	28.650
1971—Feb.....	27.594	13.311	241.78	16036	27969	32.615	8.0056	27.814
Mar.....	27.538	13.304	241.87	16063	27971	32.616	8.0056	27.816
Apr.....	27.516	13.315	241.79	16070	27972	32.604	8.0056	27.776
May.....	28.144	13.330	241.87	16059	27979	32.642	8.0056	28.135
June.....	28.474	13.346	241.87	16009	27979	32.720	8.0056	28.065
July.....	28.728	13.347	241.85	16048	27980	32.733	8.0056	28.097
Aug.....	29.277	13.345	243.46	16157	28113	32.737	8.0056	28.693
Sept.....	29.794	13.401	246.94	16292	29583	33.354	8.0056	29.308
Oct.....	30.065	13.349	249.06	16312	30202	33.573	8.0056	29.772
Nov.....	30.005	13.353	249.33	16324	30418	33.627	8.0056	30.006
Dec.....	30.593	13.388	252.66	16652	31249	34.135	8.0056	30.503
1972—Jan.....	30.956	13.415	257.05	16923	31978	34.737	8.0002	31.072
Feb.....	31.390	13.638	260.37	17036	32769	35.080	8.0000	31.468
Mar.....	31.545	13.716	261.81	17161	33054	35.409	8.0000	31.384

Period	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1968.....	111.37	14.000	3.4864	139.10	1.4272	19.349	23.169	239.35
1969.....	111.21	13.997	3.5013	138.90	1.4266	19.342	23.186	239.01
1970.....	111.48	13.992	3.4978	139.24	1.4280	19.282	23.199	239.59
1971.....	113.71	14.205	3.5456	140.29	1.4383	19.592	24.325	244.42
1971—Feb.....	112.50	14.001	3.5031	140.51	1.4290	19.332	23.266	241.78
Mar.....	112.54	14.010	3.5019	140.56	1.4290	19.369	23.254	241.87
Apr.....	112.50	14.028	3.5000	140.51	1.4291	19.368	23.263	241.79
May.....	112.54	13.556	3.5013	140.56	1.4291	19.357	24.253	241.87
June.....	112.55	14.062	3.5027	140.57	1.4290	19.370	24.409	241.87
July.....	112.53	14.073	3.5016	140.55	1.4292	19.371	24.423	241.85
Aug.....	113.28	14.244	3.5289	141.46	1.4335	19.502	24.813	243.46
Sept.....	114.95	14.494	3.5970	140.88	1.4415	19.732	25.118	246.94
Oct.....	115.88	14.599	3.6275	140.43	1.4457	19.914	25.157	249.06
Nov.....	116.01	14.578	3.6342	140.40	1.4533	19.989	25.104	249.33
Dec.....	117.31	14.816	3.6494	137.22	1.4822	20.434	25.615	252.66
1972—Jan.....	119.36	14.913	3.6474	131.27	1.5162	20.731	25.693	257.09
Feb.....	119.39	15.029	3.6690	132.98	1.5170	20.858	25.890	260.37
Mar.....	119.29	15.161	3.6930	133.77	1.5369	20.956	25.974	261.81

<sup>1</sup> A new Argentine peso, equal to 100 old pesos, was introduced on Jan. 1, 1970. Since Apr. 6, 1971, the official exchange rate is set daily by the Government of Argentina. Average for Feb. 1-27, 1972.

<sup>2</sup> On June 1, 1970, the Canadian Government announced that, for the time being, Canada will not maintain the exchange rate of the Canadian dollar within the margins required by IMF rules.

<sup>3</sup> Effective May 9, 1971, the Austrian schilling was revalued to 24.75 per U.S. dollar.

<sup>4</sup> Effective Aug. 10, 1969, the French franc was devalued from 4.94 to 5.55 francs per U.S. dollar.

<sup>5</sup> Effective Oct. 26, 1969, the new par value of the German mark was set at 3.66 per U.S. dollar.

<sup>6</sup> Effective May 10, 1971, the German mark and Netherlands guilder have been floated.

<sup>7</sup> Effective May 10, 1971, the Swiss franc was revalued to 4.08 per U.S. dollar.

<sup>8</sup> Effective Oct. 20, 1971, the Spanish peseta was revalued to 68.455 per U.S. dollar.

NOTE.—Effective Aug. 16, 1971, the U.S. dollar convertibility to gold was suspended; as from that day foreign central banks did not have to support the dollar rate in order to keep it within IMF limits.

During December 1971, certain countries established central rates against the U.S. dollar in place of former IMF parities.

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.

## CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Jan. 31, 1971		Changes during the last 12 months											Rate as of Mar. 31, 1972			
	Per cent	Month effective	1971									1972					
			Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.		Mar.		
Argentina	6.0	Dec. 1957															18.0
Austria	5.0	Jan. 1970															5.0
Belgium	6.0	Mar. 1971								5.5					5.0	4.5	4.0
Brazil	20.0	July 1969															20.0
Canada	5.25	Feb. 1971									4.75						4.75
Ceylon	6.5	Jan. 1970															6.5
Chile	14.0	July 1969					8.0								7.0		7.0
Colombia	8.0	May 1963															8.0
Costa Rica	4.0	June 1966															4.0
Denmark	8.0	Jan. 1971	7.5												7.0		7.0
Ecuador	8.0	Jan. 1970															8.0
Egypt, Arab Rep. of	5.0	May 1962															5.0
El Salvador	4.0	Aug. 1964															4.0
Ethiopia	6.50	Aug. 1970															6.50
Finland	7.0	Apr. 1962				8.50									7.75		7.75
France	6.5	Jan. 1971															6.0
Germany, Fed. Rep. of	6.0	Dec. 1970	5.0	6.75													3.0
Ghana	5.5	Mar. 1968															8.0
Greece	6.5	Sept. 1969					8.0										6.5
Honduras	4.0	Feb. 1966															4.0
Iceland	5.25	Jan. 1966															5.25
India	6.0	Jan. 1971															6.0
Indonesia	6.0	May 1969															6.0
Iran	8.0	Aug. 1969															7.0
Ireland	7.25	Jan. 1971	6.19	6.06	6.00	5.94	6.12	5.12									4.81
Italy	5.5	Mar. 1970	5.0														4.5
Jamaica	6.0	May 1969	5.5														5.0
Japan	5.75	Jan. 1971		5.5		5.25											4.75
Korea	19.0	Dec. 1970			16.0												13.0
Mexico	4.5	June 1942															4.5
Morocco	3.50	Nov. 1951															3.50
Netherlands	6.0	Aug. 1969	5.5							5.0							4.0
New Zealand	7.0	Mar. 1961															7.0
Nigeria	4.50	June 1968															4.50
Norway	4.5	Sept. 1969															4.5
Pakistan	5.0	June 1965															5.0
Peru	9.5	Nov. 1959															9.5
Philippine Republic	10.0	June 1969															10.0
Portugal	3.75	Feb. 1971															3.75
South Africa	6.5	Mar. 1971															6.5
Spain	6.25	Jan. 1971	6.0														5.0
Sweden	6.5	Mar. 1971	6.0														5.0
Switzerland	3.75	Sept. 1969								5.5	5.0						3.75
Taiwan	9.8	Dec. 1970			9.25												9.25
Thailand	5.0	Oct. 1959															5.0
Tunisia	5.0	Sept. 1966															5.0
Turkey	9.0	Sept. 1970															9.0
United Kingdom	7.0	Apr. 1970	6.0								5.0						5.0
Venezuela	5.0	Oct. 1970															5.0
Vietnam	18.0	Sept. 1970															18.0

**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;

**Chile**—Various rates ranging from 1 per cent to 17 per cent; 20 per cent for loans to make up reserve deficiencies.

**Colombia**—5 per cent for warehouse receipts covering approved lists of products, 6 and 7 per cent for agricultural bonds, and 12 and 18 per cent for rediscounts in excess of an individual bank's quota;

**Costa Rica**—5 per cent for paper related to commercial transactions (rate shown is for agricultural and industrial paper);

**Ecuador**—5 per cent for special advances and for bank acceptances for agricultural purposes, 7 per cent for bank acceptances for industrial purposes, and 10 per cent for advances to cover shortages in legal reserves;

**Ethiopia**—5 per cent for export paper and 6 per cent for Treasury bills.

**Honduras**—Rate shown is for advances only.

**Indonesia**—Various rates depending on type of paper, collateral, commodity involved, etc.;

**Japan**—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

**Morocco**—Various rates from 3 per cent to 4.6 per cent depending on type of paper, maturity, collateral, guarantee, etc.

**Peru**—3.5, 5, and 7 per cent for small credits to agricultural or fish production, import substitution industries and manufacture of exports; 8 per cent for other agricultural, industrial and mining paper;

**Philippines**—6 per cent for financing the production, importation, and distribution of rice and corn and 7.75 per cent for credits to enterprises engaged in export activities. Preferential rates are also granted on credits to rural banks; and

**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.

**Vietnam**—10 per cent for export paper; treasury bonds are rediscounted at a rate 4 percentage points above the rate carried by the bond; and there is a penalty rate of 24 per cent for banks whose loans exceed quantitative ceilings.

OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months <sup>1</sup>	Day-to-day money <sup>2</sup>	Prime bank bills, 3 months <sup>3</sup>	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates <sup>4</sup>	Day-to-day money <sup>5</sup>	Treasury bills, 60-90 days <sup>6</sup>	Day-to-day money <sup>7</sup>	Treasury bills, 3 months	Day-to-day money	Private discount rate
1970.....	6.12	6.22	8.26	6.70	5.73	5.23	8.67	6.54	8.67	5.97	6.47	5.14
1971.....	3.62	3.76	6.41	5.57	4.93	3.84	.....	4.54	6.10	4.34	3.76	5.24
1971—Mar.....	3.30	3.48	8.06	6.66	6.12	5.00	5.77	5.75	7.36	4.49	3.27	5.25
Apr.....	3.04	2.65	7.06	5.75	5.15	4.00	5.53	4.75	4.23	3.59	1.13	5.25
May.....	3.06	2.76	7.06	5.65	5.36	4.00	5.84	4.75	2.31	3.88	1.84	5.25
June.....	3.15	3.01	6.74	5.60	4.71	4.00	6.45	4.25	6.95	4.39	2.91	5.25
July.....	3.58	3.64	6.42	5.57	5.00	4.00	5.62	4.25	6.33	4.03	2.69	5.25
Aug.....	3.88	3.94	5.99	5.75	5.05	4.00	5.69	4.25	6.18	4.24	5.53	5.25
Sept.....	3.93	4.16	5.42	4.83	4.39	4.00	5.99	4.25	7.01	4.34	3.80	5.25
Oct.....	3.79	4.16	4.90	4.63	4.29	2.88	5.95	3.75	7.50	4.47	5.35	5.25
Nov.....	3.31	3.60	4.74	4.48	3.75	2.70	5.51	3.75	4.58	4.06	3.79	5.25
Dec.....	3.25	3.63	4.42	4.36	3.46	2.50	5.28	3.25	5.78	3.90	4.91	5.12
1972—Jan.....	3.29	3.71	4.48	4.36	3.94	2.50	5.31	3.25	4.20	3.61	4.44	5.00
Feb.....	3.48	3.79	4.85	4.37	4.43	2.50	.....	2.75	4.15	3.19	3.38	5.00
Mar.....	3.51	3.70	4.77	4.34	4.58	2.50	.....	.....	.....	2.26	0.98	.....

<sup>1</sup> Based on average yield of weekly tenders during month.  
<sup>2</sup> Based on weekly averages of daily closing rates.  
<sup>3</sup> Data for 1968 through Sept. 1971 are for bankers' acceptances, 3 months.  
<sup>4</sup> Data for 1968 through Sept. 1971 are for bankers' allowance on deposits.

<sup>5</sup> Rate shown is on private securities.  
<sup>6</sup> Rate in effect at end of month.  
<sup>7</sup> Monthly averages based on daily quotations.  
<sup>8</sup> Bill rates in table are buying rates for prime paper.  
 Note.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics, 1962*.

ARBITRAGE ON TREASURY BILLS

(Per cent per annum)

Date	United States and United Kingdom					United States and Canada					
	Treasury bill rates			Premium (+) or discount (-) on forward pound	Net incentive (favor of London)	Treasury bill rates				Premium (+) or discount (-) on forward Canadian dollars	Net incentive (favor of Canada)
	United Kingdom (adj. to U.S. quotation basis)	United States	Spread (favor of London)			Canada		United States	Spread (favor of Canada)		
					As quoted in Canada	Adj. to U.S. quotation basis					
1971											
Oct. 1.....	4.77	4.52	.25	1.88	2.13	4.05	3.95	4.52	-.57	.75	.18
8.....	4.73	4.45	.28	1.97	2.25	4.00	3.81	4.45	-.54	.42	-.12
15.....	4.63	4.35	.28	1.93	2.21	3.92	3.83	4.35	-.52	.26	-.26
22.....	5.53	4.38	1.15	.44	1.59	3.71	3.63	4.38	-.75	.04	-.71
29.....	4.53	4.30	.23	-.66	-.43	3.47	3.39	4.30	-.91	.04	-.87
Nov. 5.....	4.51	4.06	.45	.26	.71	3.35	3.28	4.06	-.78	.12	-.66
12.....	4.51	4.11	.40	.48	.88	3.31	3.24	4.11	-.87	.24	-.63
19.....	4.49	4.06	.43	1.09	1.52	3.33	3.26	4.06	-.80	.44	-.36
26.....	4.47	4.36	.11	2.13	2.24	3.30	3.23	4.36	-1.13	.60	-.59
Dec. 3.....	4.29	4.21	.08	2.56	2.64	3.40	3.33	4.21	-.88	.58	-.30
10.....	4.19	4.01	.18	1.75	1.93	3.30	3.23	4.01	-.78	.62	-.16
17.....	4.35	3.98	.37	2.37	2.74	3.17	3.10	3.98	-.88	.64	-.24
24.....	4.41	3.78	.63	1.10	1.73	3.18	3.09	3.78	-.69	.56	-.13
31.....	4.41	3.70	.71	.81	1.52	3.20	3.14	3.70	-.56	.72	.16
1972											
Jan. 7.....	4.32	3.45	.87	.93	1.80	3.33	3.26	3.45	-.19	.52	.33
14.....	4.29	3.09	1.20	1.76	2.96	3.24	3.17	3.09	-.08	.40	.48
21.....	4.31	3.29	1.02	.61	1.63	3.24	3.17	3.29	-.12	.32	.20
28.....	4.29	3.34	.95	-.06	-.89	3.38	3.31	3.34	-.03	.20	.17
Feb. 4.....	4.29	3.24	1.05	-.13	-.92	3.55	3.46	3.24	.22	-.08	.14
11.....	4.32	2.89	1.43	-.28	-1.15	3.43	3.35	2.89	.46	-.48	-.02
18.....	4.32	2.97	1.35	-.44	-.91	3.48	3.40	2.97	.43	-.92	-.49
25.....	4.31	3.22	1.09	-.37	-.72	3.47	3.39	3.22	.17	-1.00	-.83
Mar. 3.....	4.30	3.40	.90	.40	.50	3.41	3.38	3.40	-.02	-1.08	-1.10
10.....	4.29	3.53	.76	.15	.91	3.40	3.33	3.53	-.20	-1.28	-1.48
17.....	4.29	3.78	.51	.07	.58	3.56	3.48	3.78	-.30	-.76	-1.06
24.....	4.27	3.69	.58	.12	.70	3.61	3.53	3.69	-.16	-.76	-.92
31.....	4.26	3.80	.46	-.11	-.35	3.55	3.47	3.80	-.33	-.76	-1.09

NOTE.—Treasury bills: All rates are on the latest issue of 91-day bills. U.S. and Canadian rates are market offer rates 11 a.m. Friday; U.K. rates are Friday opening market offer rates in London.  
 Premium or discount on forward pound and on forward Canadian dollar: Rates per annum computed on basis of midpoint quotations (between bid and offer) at 11 a.m. Friday in New York for both spot and forward pound sterling and for both spot and forward Canadian dollars.

All series: Based on quotations reported to F.R. Bank of New York by market sources.  
 For description of series and for back figures, see Oct. 1964 BULLETIN, pp. 1241-60. For description of adjustments to U.K. and Canadian Treasury bill rates, see notes to Table 1, p. 1257, and to Table 2, p. 1260, Oct. 1964 BULLETIN.

## GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars)

End of period	Estimated total world <sup>1</sup>	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Brazil	Burma	Canada	Chile
1965	243,230	31,869	13,806	27,285	6	66	223	700	1,558	63	84	1,151	44
1966	43,185	2,632	13,235	27,300	6	84	224	701	1,525	45	84	1,046	45
1967	41,600	2,682	12,065	26,855	155	84	231	701	1,480	45	84	1,015	45
1968	40,905	2,288	10,892	27,725	205	109	257	714	1,524	45	84	863	46
1969	41,015	2,310	11,859	26,845	205	135	263	715	1,520	45	84	872	47
1970	41,275	4,339	11,072	25,865	191	140	239	714	1,470	45	63	791	47
1971—Feb.	4,400	4,400	11,039	25,875	191	140	240	714	1,468	45	42	791	47
Mar.	4,240	4,404	10,963	25,875	191	140	239	714	1,466	45	42	791	47
Apr.	4,338	4,338	10,925	25,875	191	140	253	728	1,502	46	42	791	47
May	4,448	4,448	10,368	25,875	191	140	254	747	1,592	46	22	792	47
June	41,250	4,523	10,507	26,220	191	140	254	747	1,584	46	22	792	47
July	4,479	4,479	10,453	26,220	192	140	259	746	1,600	46	22	792	47
Aug.	4,695	4,695	10,209	26,220	192	140	259	752	1,584	46	22	792	47
Sept.	41,210	4,722	10,207	26,280	192	140	259	722	1,572	46	22	792	47
Oct.	4,724	4,724	10,207	26,280	192	140	259	722	1,564	46	22	792	47
Nov.	4,726	4,726	10,206	26,280	192	140	259	722	1,564	46	22	792	47
Dec.	41,210	4,732	10,206	26,270	192	90	259	729	1,544	46	22	792	47
1972—Jan.	4,732	4,732	10,206	26,270	192	90	260	729	1,544	46	22	792	47
Feb. <sup>2</sup>	5,303	5,303	9,662	26,270	192	90	260	729	1,544	46	21	792	47

End of period	Colombia	Denmark	Finland	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Ireland	Israel	Italy	Japan
1965	35	97	84	4,706	4,410	78	281	146	110	21	56	2,404	328
1966	26	108	45	5,238	4,292	120	243	130	106	23	46	2,414	329
1967	31	107	45	5,234	4,228	130	243	144	115	25	46	2,400	338
1968	31	114	45	3,877	4,539	140	243	158	193	79	46	2,923	356
1969	26	89	45	3,547	4,079	130	243	158	193	39	46	2,956	413
1970	17	64	29	3,532	3,980	117	243	131	144	16	43	2,887	532
1971—Feb.	17	64	29	3,531	3,978	99	243	131	144	16	43	2,885	534
Mar.	16	64	29	3,527	3,977	99	243	131	144	16	43	2,884	539
Apr.	16	64	29	3,527	4,029	99	243	131	143	16	43	2,884	636
May	16	64	29	3,523	4,035	99	243	130	143	16	43	2,884	641
June	16	64	29	3,523	4,046	99	243	131	143	16	43	2,884	641
July	16	64	29	3,523	4,077	99	243	131	143	16	43	2,884	670
Aug.	14	64	49	3,523	4,076	99	243	131	143	16	43	2,884	679
Sept.	14	64	49	3,523	4,077	98	243	131	143	16	43	2,884	679
Oct.	14	64	49	3,523	4,077	98	243	131	143	16	43	2,884	679
Nov.	14	64	49	3,523	4,077	98	243	131	143	16	43	2,884	679
Dec.	14	64	49	3,523	4,077	98	243	131	144	16	43	2,884	679
1972—Jan.	14	64	49	3,523	4,077	98	243	131	144	16	43	2,884	679
Feb. <sup>2</sup>	14	64	49	3,523	4,077	99	243	131	144	16	43	2,884	711

End of period	Kuwait	Lebanon	Libya	Malaysia	Mexico	Morocco	Netherlands	Norway	Pakistan	Peru	Philippines	Portugal	Saudi Arabia
1965	52	182	68	2	158	21	1,756	31	53	67	38	576	73
1966	67	193	68	1	109	21	1,730	18	53	65	44	643	69
1967	136	193	68	31	166	21	1,711	18	53	20	60	699	69
1968	122	288	85	66	165	21	1,697	24	54	20	62	856	119
1969	86	288	85	63	169	21	1,720	25	54	25	45	876	119
1970	86	288	85	48	176	21	1,787	23	54	40	56	902	119
1971—Feb.	86	322	85	48	176	21	1,812	23	54	40	59	902	119
Mar.	86	322	85	48	176	21	1,812	23	54	40	60	902	119
Apr.	86	322	85	48	182	21	1,863	31	54	40	61	902	119
May	87	322	85	53	182	21	1,867	32	54	40	62	902	119
June	87	322	85	58	182	21	1,867	32	55	40	63	902	119
July	87	322	85	58	184	21	1,888	34	55	40	64	895	119
Aug.	87	322	85	58	184	21	1,889	34	55	40	65	907	127
Sept.	87	322	85	58	184	21	1,889	34	55	40	66	911	127
Oct.	87	322	85	58	184	21	1,889	34	55	40	67	911	127
Nov.	87	322	85	58	184	21	1,889	34	55	40	67	918	128
Dec.	87	322	85	58	184	21	1,909	33	55	40	67	921	128
1972—Jan.	87	322	85	58	184	21	1,908	33	55	40	68	921	128
Feb. <sup>2</sup>	87	322	86	58	184	21	1,908	33	55	40	68	921	127

For notes see end of table.



GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS—Continued

(In millions of dollars)

End of period	South Africa	Spain	Sweden	Switzerland	Taiwan	Thailand	Turkey	U.A.R. (Egypt)	United Kingdom	Uruguay	Venezuela	Yugoslavia	Bank for Intl. Settlements <sup>4</sup>
1965.....	425	810	202	3,042	55	96	116	139	2,265	155	401	19	-558
1966.....	637	785	203	2,842	62	92	102	93	1,940	146	401	21	-424
1967.....	383	785	203	3,089	81	92	97	93	1,291	140	401	22	-624
1968.....	1,243	785	225	2,624	81	92	97	93	1,474	133	403	50	-349
1969.....	1,115	784	226	2,642	82	92	117	93	1,471	165	403	51	-480
1970.....	666	498	200	2,732	82	92	126	85	1,349	162	384	52	-282
1971—Feb.....	632	498	200	2,731	82	82	126	85	1,224	162	384	32	-173
Mar.....	634	498	200	2,806	82	82	127	85	1,123	162	384	32	-73
Apr.....	630	498	200	2,806	84	81	127	85	1,022	152	389	52	13
May.....	630	498	200	2,807	82	81	127	85	905	152	389	52	118
June.....	551	498	200	2,857	82	81	127	85	804	151	389	52	213
July.....	481	498	200	2,909	82	81	127	85	803	148	391	52	225
Aug.....	486	498	200	2,909	81	81	127	85	778	148	391	52	210
Sept.....	479	498	200	2,909	81	82	127	85	778	148	391	52	215
Oct.....	460	498	200	2,909	80	82	127	85	778	148	391	52	227
Nov.....	443	498	200	2,909	80	82	122	85	778	148	391	51	249
Dec.....	410	498	200	2,909	80	82	130	85	775	148	391	51	310
1972—Jan.....	403	498	200	2,909	80	82	130	85	.....	.....	391	.....	332
Feb.....	405	498	200	2,909	80	82	130	.....	.....	.....	391	.....	333

<sup>1</sup> 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 China Mainland.

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.

<sup>2</sup> Adjusted to include gold subscription payments to the IMF made by

some member countries in anticipation of increase in Fund quotas, except those matched by gold mitigation deposits with the United States and United Kingdom; adjustment is \$270 million.

<sup>3</sup> Excludes gold subscription payments made by some member countries in anticipation of increase in Fund quotas; for most of these countries the increased quotas became effective in Feb. 1966.

<sup>4</sup> Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

NOTE.—For back figures and description of the data in this and the following tables on gold (except production), see "Gold," Section 14 of *Supplement to Banking and Monetary Statistics, 1962*.

GOLD PRODUCTION

(In millions of dollars at \$35 per fine troy ounce)

Period	World production <sup>1</sup>	Africa			North and South America					Asia			Other	
		South Africa	Ghana	Congo (Kinshasa)	United States	Canada	Mexico	Nicaragua	Colombia	India	Japan	Philippines	Australia	All other
1965.....	1,440.0	1,069.4	26.4	2.3	58.6	125.6	7.6	5.4	11.2	4.6	18.1	15.3	30.7	64.8
1966.....	1,445.0	1,080.8	24.0	5.6	63.1	114.6	7.5	5.2	9.8	4.2	19.4	15.8	32.1	62.9
1967.....	1,410.0	1,068.7	26.7	5.4	53.4	103.7	5.8	5.2	9.0	3.4	23.7	17.2	28.4	59.4
1968.....	1,420.0	1,088.0	25.4	5.9	53.9	94.1	6.2	4.9	8.4	4.0	21.5	18.5	27.6	61.6
1969.....	1,420.0	1,090.7	24.8	6.0	60.1	89.1	6.3	3.7	7.7	3.4	23.7	20.0	24.5	60.0
1970.....	1,450.0	1,128.0	24.8	6.2	63.5	84.3	6.9	3.8	7.1	3.7	24.8	21.1	21.7	54.1
1971—Jan.....	.....	91.3	.....	.....	.....	7.0	.....	.....	.....	.....	2.2	.....	1.6	.....
Feb.....	.....	89.6	.....	.....	.....	6.6	.....	.....	.....	.....	2.3	.....	1.5	.....
Mar.....	.....	94.3	.....	.....	.....	6.7	.....	.....	.....	.....	2.4	.....	2.6	.....
Apr.....	.....	91.9	.....	.....	.....	6.5	.....	.....	.....	.....	2.2	.....	1.8	.....
May.....	.....	91.5	.....	.....	.....	6.7	.....	.....	.....	.....	1.6	.....	1.7	.....
June.....	.....	92.0	.....	.....	.....	6.7	.....	.....	.....	.....	2.4	.....	1.8	.....
July.....	.....	93.4	.....	.....	.....	5.8	.....	.....	.....	.....	2.4	.....	2.1	.....
Aug.....	.....	92.3	.....	.....	.....	6.3	.....	.....	.....	.....	2.4	.....	.....	.....
Sept.....	.....	91.3	.....	.....	.....	6.1	.....	.....	.....	.....	2.4	.....	.....	.....
Oct.....	.....	93.4	.....	.....	.....	6.3	.....	.....	.....	.....	2.1	.....	.....	.....
Nov.....	.....	91.7	.....	.....	.....	6.6	.....	.....	.....	.....	.....	.....	.....	.....
Dec.....	.....	85.7	.....	.....	.....	5.9	.....	.....	.....	.....	.....	.....	.....	.....
1972—Jan.....	.....	87.8	.....	.....	.....	6.0	.....	.....	.....	.....	.....	.....	.....	.....

<sup>1</sup> Estimated; excludes U.S.S.R., other Eastern European countries, China Mainland, and North Korea.

NUMBER IN OPERATION ON DECEMBER 31, 1971

State	Commercial and mutual savings banks								Number maintaining branches or additional offices <sup>1</sup>							
	Total	Commercial				Mutual savings			Total	Commercial				Mutual savings		
		Total	Member		Nonmember		In-sured	Non-in-sured		Total	Member		Nonmember		In-sured	Non-in-sured
			National	State	In-sured	Non-in-sured					National	State	In-sured	Non-in-sured		
United States <sup>2</sup> .....	14,273	13,784	4,600	1,128	7,875	181	326	163	4,444	4,132	1,688	454	1,971	19	224	88
Alabama.....	273	273	88	20	165	1	.....	.....	95	95	48	5	42	.....	.....	.....
Alaska.....	13	11	5	.....	5	.....	.....	.....	7	7	5	.....	2	.....	.....	.....
Arizona.....	13	13	3	.....	9	.....	.....	.....	10	10	2	.....	1	.....	.....	.....
Arkansas.....	253	253	69	12	170	2	.....	.....	89	89	36	7	46	.....	.....	.....
California.....	152	152	57	9	78	8	.....	.....	118	118	50	9	57	2	.....	.....
Colorado.....	278	278	122	18	95	43	.....	.....	20	20	13	.....	7	.....	.....	.....
Connecticut.....	131	63	26	3	33	1	68	.....	93	46	22	3	21	.....	47	2
Delaware.....	20	18	5	2	11	.....	.....	.....	11	9	2	2	5	.....	.....	.....
District of Columbia.....	14	14	11	1	2	.....	.....	.....	13	13	10	1	2	.....	.....	.....
Florida.....	540	540	230	10	295	5	.....	.....	1	1	.....	.....	1	.....	.....	.....
Georgia.....	434	434	60	10	358	6	.....	.....	135	135	36	8	91	.....	.....	.....
Hawaii.....	10	10	1	.....	6	3	.....	.....	8	8	1	.....	6	1	.....	.....
Idaho.....	24	24	7	.....	11	.....	.....	.....	14	14	5	3	2	.....	.....	.....
Illinois.....	1,134	1,134	415	78	638	3	.....	.....	116	116	66	9	41	.....	.....	.....
Indiana.....	412	408	122	61	222	3	4	.....	200	200	74	23	102	.....	1	.....
Iowa.....	666	666	99	49	510	8	.....	.....	219	219	42	16	161	.....	.....	.....
Kansas.....	603	603	171	28	403	1	.....	.....	71	71	33	7	31	.....	.....	.....
Kentucky.....	343	343	80	14	245	4	.....	.....	143	143	45	8	90	.....	.....	.....
Louisiana.....	235	235	49	10	175	1	.....	.....	136	136	38	9	89	.....	.....	.....
Maine.....	76	44	19	6	15	4	31	1	51	33	16	.....	.....	.....	18	.....
Maryland.....	117	112	39	7	66	.....	5	.....	76	71	28	6	37	.....	5	.....
Massachusetts.....	328	158	84	14	56	4	8	162	217	122	64	14	43	1	7	88
Michigan.....	331	331	104	101	124	2	.....	.....	197	197	73	65	68	.....	.....	.....
Minnesota.....	732	731	198	25	505	3	1	.....	13	13	3	1	7	.....	.....	.....
Mississippi.....	183	183	38	.....	138	.....	.....	.....	115	115	33	5	99	.....	.....	.....
Missouri.....	672	672	98	71	497	6	.....	.....	96	96	24	15	57	.....	.....	.....
Montana.....	144	144	52	40	51	1	.....	.....	9	9	4	.....	2	.....	.....	.....
Nebraska.....	443	443	125	10	303	5	.....	.....	43	43	25	1	17	.....	.....	.....
Nevada.....	8	8	4	1	3	.....	.....	.....	6	6	3	1	2	.....	.....	.....
New Hampshire.....	104	74	48	.....	23	2	30	.....	41	32	24	1	7	.....	9	.....
New Jersey.....	231	211	120	33	56	2	20	.....	180	168	103	28	37	.....	12	.....
New Mexico.....	68	68	33	7	28	.....	.....	.....	52	52	26	5	21	.....	.....	.....
New York.....	431	311	166	73	46	26	120	.....	290	191	104	53	26	8	99	.....
North Carolina.....	95	95	23	1	70	1	.....	.....	65	65	20	.....	44	.....	.....	.....
North Dakota.....	169	169	42	4	120	3	.....	.....	52	52	11	1	39	1	.....	.....
Ohio.....	515	514	218	118	176	2	1	.....	291	291	152	59	80	.....	.....	.....
Oklahoma.....	437	437	197	16	222	2	.....	.....	66	66	43	.....	.....	.....	.....	.....
Oregon.....	47	46	8	.....	36	2	1	.....	32	31	7	.....	24	.....	1	.....
Pennsylvania.....	462	454	286	23	138	7	8	.....	258	251	158	15	77	1	7	.....
Rhode Island.....	20	13	5	.....	6	2	7	.....	20	13	5	.....	6	2	7	.....
South Carolina.....	99	99	19	6	74	.....	.....	.....	65	65	15	4	46	.....	.....	.....
South Dakota.....	159	159	32	25	102	.....	.....	.....	39	39	10	3	26	.....	.....	.....
Tennessee.....	310	310	77	14	216	3	.....	.....	251	251	60	6	84	1	.....	.....
Texas.....	1,215	1,215	530	49	628	8	.....	.....	63	63	8	8	55	.....	.....	.....
Utah.....	50	50	9	6	35	.....	.....	.....	21	21	4	3	14	.....	.....	.....
Vermont.....	48	42	26	.....	15	1	6	.....	27	25	15	.....	10	.....	2	.....
Virginia.....	245	245	101	45	99	.....	.....	.....	158	158	75	24	59	.....	.....	.....
Washington.....	101	92	24	7	59	2	9	.....	57	50	18	4	28	.....	7	.....
West Virginia.....	199	199	86	33	80	.....	.....	.....	6	6	1	4	.....	.....	.....	.....
Wisconsin.....	614	611	126	40	441	4	3	1	173	173	36	8	129	.....	.....	.....
Wyoming.....	71	71	42	13	16	.....	.....	.....	1	1	.....	.....	1	.....	.....	.....
Virgin Islands.....	1	1	1	.....	.....	.....	.....	.....	1	1	1	.....	.....	.....	.....	.....

For notes see opposite page.

NUMBER IN OPERATION ON DECEMBER 31, 1971—Continued

State	Branches and additional offices <sup>1</sup>												Banking facilities <sup>3</sup>
	Total	Class of bank						Location					
		Commercial banks				Mutual savings banks		In head office city	Outside head office city				
		Total	Member		Nonmember		In-sured		Non-in-sured	In head office county	In contiguous counties	In non-contiguous counties	
	National	State	In-sured	Non-in-sured	In-sured	Non-in-sured							
United States <sup>2</sup> .....	24,083	22,888	13,104	3,800	5,944	40	983	212	8,475	7,446	4,116	4,046	216
Alabama.....	298	298	209	12	77				166	106	12	14	5
Alaska.....	60	60	53		7				19	5	14	22	5
Arizona.....	343	343	224	20	99				110	86	82	65	4
Arkansas.....	173	173	83	20	70				102	64	6	1	2
California.....	3,138	3,138	2,469	304	360	5			440	441	647	1,610	35
Colorado.....	20	20	14		6				20				8
Connecticut.....	629	469	250	113	106		160		148	305	156	20	
Delaware.....	112	99	4	43	52		13		17	55	33		7
District of Columbia.....	107	107	71	29	7				107				1
Florida.....	22	22		1	21				21	1			19
Georgia.....	401	401	221	53	127				244	66	28	63	11
Hawaii.....	139	139	9		128	2			52	36	2	49	4
Idaho.....	164	164	113	30	21				14	14	30	106	1
Illinois.....	115	115	65	9	41				115				7
Indiana.....	671	670	359	60	251		1		353	318			1
Iowa.....	328	328	61	30	237				138	141	49		
Kansas.....	71	71	33	7	31				71				2
Kentucky.....	359	359	150	60	149				221	133	5		2
Louisiana.....	412	412	185	36	191				245	156	8	3	2
Maine.....	265	236	108	64	64		29		60	109	84	12	2
Maryland.....	602	558	268	75	215		44		157	144	185	116	10
Massachusetts.....	1,028	779	440	163	174	2	37	212	477	542	8	1	2
Michigan.....	1,250	1,250	581	444	223				557	460	222	11	4
Minnesota.....	17	17	7	1	9				17				
Mississippi.....	366	366	145	13	208				157	106	58	45	3
Missouri.....	97	97	24	15	58				97				2
Montana.....	9	9	3	4	2				8		1		1
Nebraska.....	44	44	26	1	17				44				1
Nevada.....	89	89	64	14	11				21	18	13	37	
New Hampshire.....	84	68	54	2	12		16		35	42	7		1
New Jersey.....	1,143	1,089	741	201	147		54		284	643	167	49	6
New Mexico.....	139	139	79	9	51				82	48	8	1	1
New York.....	2,932	2,549	1,336	1,060	144	9	383		1,399	773	576	184	6
North Carolina.....	1,220	1,220	609		604	7			165	110	246	699	2
North Dakota.....	70	70	10	2	56	2			11	36	22		2
Ohio.....	1,365	1,365	773	374	218				614	728	19	4	3
Oklahoma.....	66	66	43	3	20				66				5
Oregon.....	361	359	260		99		2		77	45	65	174	
Pennsylvania.....	1,926	1,820	1,088	259	471	2	106		318	762	844	2	5
Rhode Island.....	253	178	96		74	8	75		65	102	47	39	1
South Carolina.....	453	453	250	7	196				110	63	61	219	4
South Dakota.....	100	100	62	4	34				16	29	21	34	
Tennessee.....	526	526	294	37	194	1			330	182	7	7	1
Texas.....	66	66		9	57				66				20
Utah.....	144	144	75	29	40				27	46	21	50	4
Vermont.....	93	89	50		39		4		13	37	30	13	
Virginia.....	869	869	505	126	238				310	142	192	225	16
Washington.....	645	586	462	37	87		59		228	163	97	157	3
West Virginia.....	6	6	1	1	4				6				
Wisconsin.....	284	284	69	19	196				51	189	43	1	1
Wyoming.....	1	1			1				1				1
Virgin Islands.....	8	8	8						3			5	

<sup>1</sup> Excludes banks that have banking facilities only; banking facilities are shown separately; see note 3.

<sup>2</sup> Includes one national bank in the Virgin Islands, with eight branches, that became a member of the F. R. System in 1957.

<sup>3</sup> Banking facilities (other than branches) that are provided at military and other Govt. establishments through arrangements made by the Treasury; they are operated by 148 banks, 71 of which have no other type of branch or additional office.

NOTE.—Each branch and additional office is located in the same State as its parent bank except that one national bank in N.J. has one branch in Pa., one national bank in Calif. has two branches in Wash. and one in Ore., one noninsured (unincorporated) bank in N.Y. has one branch in Mass. and one in Pa.; three insured nonmember banks in Puerto Rico have 15 branches in N.Y. In the table these branches are shown according to their own location rather than that of the parent bank.

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