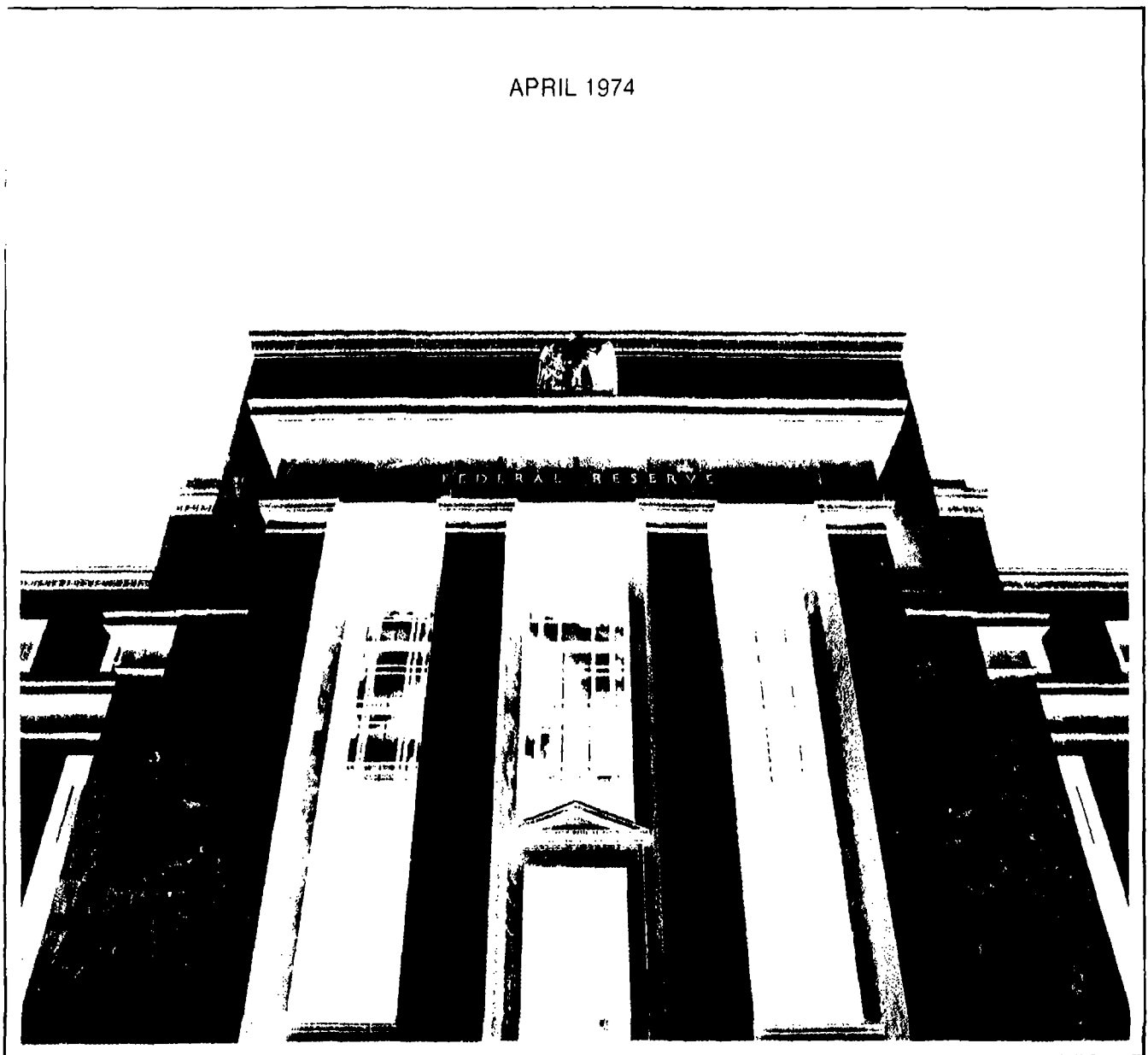


FEDERAL RESERVE BULLETIN

APRIL 1974



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COVER. Photograph of the Constitution Avenue entrance of the Federal Reserve Building in Washington, D.C. The building, completed in 1937, houses the Board of Governors of the Federal Reserve System and its staff. In the two-tone reproduction of the photograph, the gray color is printed as a combined "line conversion" with a light-value halftone and the orange is overprinted with a darker value halftone.

FEDERAL RESERVE BULLETIN

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J. Charles Partee
Ralph C. Bryant
Lyle E. Gramley

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Robert Solomon
Kenneth B. Williams
Elizabeth B. Sette

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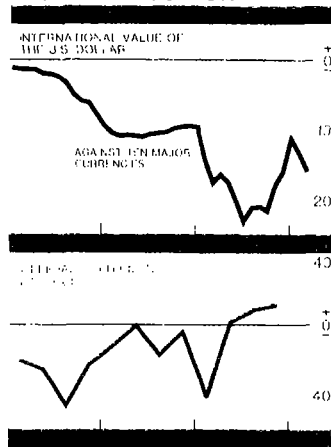
Recent Developments in the U.S. Balance of Payments

1973 was a year of considerable change in the U.S. international economic position. At the beginning of the year the U.S. trade balance was still in large deficit and confidence in the dollar was weak. By the end of the year our position had been completely reversed—the trade balance was then in large surplus and the dollar was appreciating against foreign currencies.

Strong upward movements in world prices during the year, particularly of basic commodities, affected both U.S. trade flows and the domestic economy. The oil crisis had an immediate impact on the balance of payments, and it greatly affected consideration of the near-term evolution of the U.S. payments position.

Under pressures of massive speculative capital flows early in 1973 and continuing uncertainties later, exchange rates evolved toward greater flexibility. With this greater flexibility in exchange rates, the U.S. international position can no longer be assessed in terms of the traditional balance of payments measures alone. Under a regime of fixed rates, the official settlements balance measured external payments pressure by indicating the extent to which central banks needed to buy or sell foreign exchange to keep exchange rates within their fixed relationships. With freely fluctuating exchange rates, changes in exchange rates would be the important indicators of external balance. However, under the mixed regime of managed floating rates in operation now, not only variations in exchange rates but also surpluses or deficits in reserve transactions must be examined in appraising the over-all balance of payments position. (For a more detailed discussion see the October 1973 BULLETIN, pp. 713-23.)

U.S. INTERNATIONAL ECONOMIC POSITION



“Value of U.S. dollar” is based on market exchange rates weighted by country shares in world trade in 1972.
 “Official settlements balance” is Dept. of Commerce data at seasonally adjusted annual rates.

Movements in the foreign exchange value of the dollar and in the official reserve transactions balance need not always be in the same direction, since the official settlements balance depends on the particular balance of payments situations of individual foreign countries and the intervention decisions of their central banks. For example, in the second quarter of 1973 the dollar depreciated sharply, on average, yet the United States had an official settlements surplus. However, the two indicators did move broadly together over the course of 1973. Early in the year, confidence in the dollar plummeted, partly because the U.S. trade balance had continued in heavy deficit throughout 1972. In the face of heavy speculative dollar outflows from the United States, foreign central banks made large-scale dollar purchases in an effort to stabilize exchange rates, as evidenced by the \$10.5 billion deficit in official reserve transactions for the first quarter. An official 10 per cent devaluation of the dollar in February and continued market intervention by foreign authorities failed to stem the speculative flow. In February

U.S. BALANCE OF PAYMENTS, 1971-73

In Billions of dollars, quarterly data at seasonally adjusted annual rates

Item	1971	1972	1973	1973			
				Q1	Q2	Q3	Q4
Exports of goods and services	66.3	73.5	102.7	90.2	97.2	105.0	118.7
Merchandise, excluding military	47.8	58.8	70.3	60.9	66.7	72.6	80.8
Military sales	1.9	1.2	2.4	1.4	1.8	2.1	4.1
Other services	8.7	9.6	13.6	11.1	11.3	11.6	12.2
Investment income	12.9	13.9	18.6	16.7	17.3	18.6	21.5
Imports of goods and services	65.5	78.1	95.8	89.4	94.8	96.4	102.8
Merchandise, excluding military	48.5	55.7	69.6	64.7	68.0	70.1	75.4
Military expenditures	4.8	4.7	5.5	4.7	4.7	4.3	4.4
Other services	10.3	11.6	12.9	12.6	13.2	12.6	13.2
Investment income	1.9	6.1	8.8	7.4	8.8	9.3	9.8
Balance on goods (merchandise)	2.2	6.9	7	3.8	1.3	2.4	5.4
Balance on goods and services	.8	4.6	6.9	.7	2.4	8.6	15.9
Private and U.S. Govt. unilateral transfers, net	3.6	3.7	3.9	3.0	4.3	3.5	4.6
Balance on current account	2.8	8.4	3.0	2.2	1.8	5.0	11.2
U.S. Govt. capital flows, net, outflows ()	2.4	1.3	1.5	1.3	3	1.5	3.4
Long term private capital flows, net, outflows ()	4.4	.2	.4	.1	1.2	6.7	6.9
U.S. direct investment abroad	1.9	3.4	1.9	8.1	3.8	1.9	5.6
Foreign direct investment in U.S.	1	.2	2.1	1.1	2.1	3.0	2.0
U.S. purchases of foreign securities	1.0	.6	.8	.2	.5	.8	2.1
Foreign purchases of U.S. securities	2.3	4.3	4.1	7.0	2.0	4.7	2.7
Other long term capital flows, net	.6	.6	.9	.1	1.0	1.6	3.9
Basic balance [current account and long-term capital]	9.6	9.8	1.2	3.5	2.7	10.2	.9
Short term capital flows, net, outflows ()	10.1	1.9	1.7	22.8	2.2	2.7	11.0
U.S. short term capital	3.4	3.0	6.6	15.5	2.2	2.3	6.5
Foreign short term capital	6.7	4.9	4.9	7.3	4.4	5.0	17.5
Errors and omissions, net	10.8	3.1	4.8	15.6	1.9	4.4	1.1
SDR allocations	7	7	...	...	...	...	...
Balance on official settlements	29.8	10.3	5.3	41.9	1.4	8.5	10.8

several important currencies were allowed to fluctuate and by mid-March most other major foreign countries had ceased holding the rates for their currencies within stated margins of a fixed rate against the dollar. Between January and mid-July 1973, the dollar depreciated by an average of nearly 10 per cent against major foreign currencies. (Developments in foreign exchange markets in 1973 are discussed at length in the September 1973 and March 1974 BULLETINS.)

The situation reversed in the second half of 1973. The dollar exchange rate stabilized in the third quarter with the emergence of a U.S. trade surplus, and rose strongly following the oil crisis in October because of expectations that the payments position of foreign industrial countries would be more adversely affected than that of the United States. Meanwhile, as foreign countries sold dollars to slow the rise in the value of the dollar against their currencies, the official reserve transactions balance showed a large surplus.

A more useful measure of the underlying trends in the balance of payments is the basic balance- the sum of trade and other current-account transactions and long-term capital flows. Early in 1973, the basic balance was in deficit, but it moved into surplus by midyear. For the year as a whole there was a net surplus, of \$1.2 billion, the first surplus since 1957. This large swing from a deficit of \$10 billion in 1972 was the result of a dramatic improvement in the current account, as exports of goods and services exceeded imports by nearly \$7 billion in 1973. Net long-term capital flows were almost the same as in 1972, but there were important changes in the composition of capital flows during 1973.

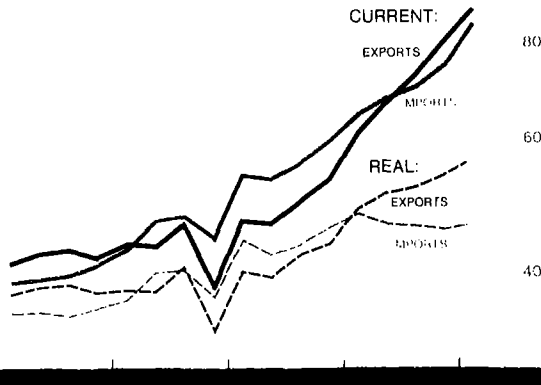
MERCHANDISE TRADE

The U.S. trade balance was in surplus by \$0.7 billion in 1973, after having registered a deficit of nearly \$7 billion in 1972 and of \$2.7 billion in 1971. The trade balance showed a steady improvement throughout 1973, shifting into a surplus after midyear. The largest improvement was with Japan and the six original members of the European Economic Community, the countries against which the dollar had depreciated the most.

The turnaround in the U.S. balance of trade in 1973 was sparked by an increase of 44 per cent in the value of exports, which far exceeded the 25 per cent rise in imports. The exceptional increase in these values reflected largely the sharp advances in prices of both exports and imports. The average price of U.S. exports rose nearly 17 per cent in 1973, about a third of the increase in total value. The rise in import prices was equally large and accounted for the major portion of the increased value of imports.

Three factors that had major effects on both the volumes and the prices of U.S. trade flows in 1973 were the depreciation of

CHART 1 U.S. TRADE BALANCE improves in 1973



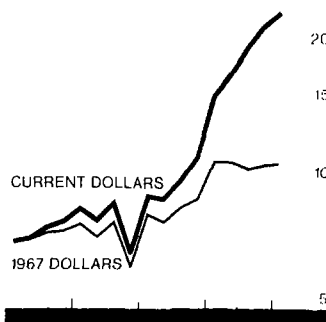
Dept. of Commerce data at seasonally adjusted annual rates, balance of payments basis. "Real" is in terms of 1967 dollars.

the dollar, the sharp acceleration in world economic activity, and poor harvests abroad.

The depreciation of the dollar, which improved the competitive position of the United States, resulted in higher volumes of exports and lower volumes of imports. Because of the lagged response of international trade flows to exchange rate realignments, 1973 was the first year in which significant volume effects were felt from the depreciation that had begun in the second quarter of 1971. Higher dollar prices for both exports and imports have also resulted from the depreciation of the dollar. For basic commodities, which are traded competitively at similar prices throughout the world, dollar prices have risen partly because the depreciation of the dollar has meant that foreign buyers, with the same local currency expenditures, can purchase (and spend) more dollars. For finished goods, which are more heterogeneous, dollar prices have also risen by amounts that reflect producers' judgments about their buyers' sensitivity to price changes. This applies to goods sold by U.S. producers in foreign markets and to goods marketed by foreign suppliers in the United States.

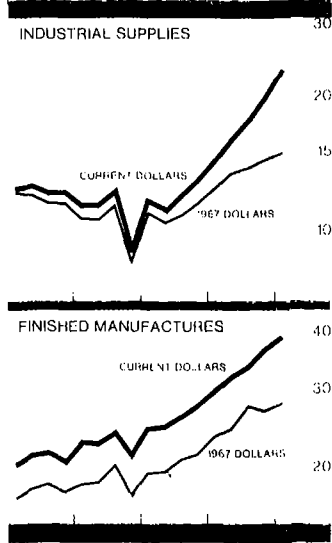
More importantly, the unusual world economic situation --with nearly all industrial countries, including the United States, in an expansionary phase at the same time --led to a sharp increase in both the volume and the value of world trade. This acceleration in world economic activity led to the sharpest increases in basic commodity prices since the Korean war. These increases were attributable, in part, to low inventories of commodities at the beginning of the upswing and, in part, to a rekindling of inflationary expectations, which shifted demand toward goods and away from financial assets.

U.S. AGRICULTURAL EXPORTS



Dept. of Commerce data at seasonally adjusted annual rates, balance of payments basis.

NONAGRICULTURAL EXPORTS



Dept. of Commerce data at seasonally adjusted annual rates, end use commodity categories.

Exports. In 1973 U.S. exports were \$70.3 billion, compared with \$48.8 billion in 1972. Nearly one-half of the increase in total exports last year resulted from a near-doubling in the value of agricultural exports to \$18 billion. Prices of agricultural exports rose by more than 50 per cent and volume by 25 per cent.

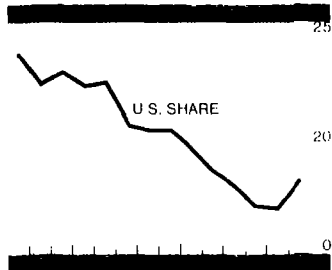
The extraordinary increase in demand for U.S. agricultural products was caused primarily by poor harvests in other major grain-producing countries. In addition to very heavy shipments of U.S. grain to the Soviet Union, large quantities were sold to Japan, India, and Korea. The People's Republic of China, which also became a major buyer of U.S. wheat, was second only to the Soviet Union as a market in 1973.

Rising demand and limited supplies of alternative protein feeds helped increase soybean exports. For example, the revaluation of the yen and uncertainties about future supply availabilities encouraged the Japanese, who rely heavily on imported foodstuffs, to buy large quantities of U.S. soybeans. Because of the sharp increase in soybean exports in the first half of 1973, export controls were temporarily imposed in July to preserve domestic stocks. Cotton was the other major agricultural commodity that showed a large export gain in 1973; these exports increased because of a rising demand for cotton fabrics and a limited supply of man-made fibers.

U.S. exports of nonagricultural goods rose from \$39.3 billion in 1972 to \$52.4 billion in 1973. There were large gains in both industrial materials and finished goods. In addition to the stimulus provided by higher foreign industrial output and the dollar depreciation, the domestic price control program played a role in encouraging exports of industrial materials. Besides such traditional export items as copper and aluminum, there were also shipments of other nonferrous metals, such as lead and zinc, which are not ordinarily exported. Exports of steel scrap rose so rapidly in the first half of 1973 that export controls were imposed to ease the pressures on domestic supply.

In 1973 U.S. exports of both machinery and consumer goods also rose significantly. Most of the increase in exports of these goods was in volume terms, since their prices rose only slightly until the latter part of the year. The upturn in foreign demand accounted in part for these increases in volume. The fact that dollar export prices showed only a moderate increase after the depreciation of the dollar indicates that exports were also helped by a substantial drop in their costs to foreign customers in terms of their own currencies. As a consequence, the U.S. share of world exports of manufactures in real terms increased in 1973 after declining steadily from the mid-1960's to 1972.

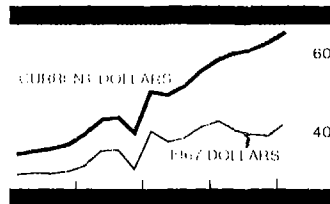
WORLD EXPORTS OF MANUFACTURES



Dept. of Commerce data at seasonally adjusted annual rates.

Imports. In 1973 the value of U.S. imports was \$69.6 billion, nearly \$14 billion higher than in 1972. Fuel imports accounted for \$4 billion of this increase, as both the volume and the value of imported fuels rose. All of the increase in the volume of fuels was in the first three quarters of the year, before the Middle East embargo. During that period, imports of petroleum averaged 6.5 million barrels a day, compared with an average of 5 million barrels a day in 1972. With the embargo, imports dropped, averaging about 6 million barrels a day in both January and February 1974. However, as a result of the increases in prices imposed by the major oil-exporting countries, the average import price of oil rose to \$9.25 a barrel in February 1974, nearly triple the average price in the months preceding the embargo. With the lifting of the embargo at the end of March, the volume of oil imported to the United States is expected to return to close to pre-embargo rates by the middle of 1974.

MERCHANDISE IMPORTS EXCLUDING FUELS



Dept. of Commerce data at seasonally adjusted annual rates.

In 1973 U.S. imports of nonfuel products rose \$10 billion to about \$60.8 billion, as imports of commodities in all major categories—food, industrial supplies, capital goods, and consumer goods—rose in value. However, nearly all of the increase in value represented higher prices. In fact, the volume of total nonfuel imports did not grow after the first quarter of 1973.

Imports of industrial supplies, excluding fuel, were little changed in volume from 1972 despite the strong growth of U.S. output in 1973. Capacity limitations abroad may have restrained the growth of these imports. In addition, U.S. Government sales from stockpiles of such commodities as aluminum may have reduced the need for imports of some industrial materials.

The performance of imports of finished goods gives evidence of the continuing impact of the depreciation of the dollar. After having shown large advances in previous years, the volumes of both imported consumer durable and imported consumer nondurable goods increased only marginally in 1973 or even declined in spite of the rapid growth in the U.S. economy. For example, the quantity of radios and television sets imported in 1973 was only slightly higher than in 1972. Imports of these goods rose from Taiwan, Hong Kong, and Korea—countries that had not allowed the value of their currencies against the dollar to change significantly in the last 2 years. In contrast, imports of these products from Japan, still the major supplier, have fallen sharply since 1971, in part because the depreciation of the dollar encouraged the establishment of production facilities in the United States by Japanese firms. Voluntary export constraints may also have been a factor in reducing imports from Japan.

Imports of cars from Europe and Japan declined in quantity for the second straight year. The realignment of exchange rates proba-

bly encouraged producers in those countries to divert their shipments to non-U.S. markets. However, sales in this country of foreign cars remained strong in 1973, and dealers drew down inventories. The strength in sales of these cars in the first part of the year reflected heavy "bargain buying" out of existing inventories following the U.S. devaluation in February 1973. Toward the end of the year, as a result of the energy crisis, sales were boosted by the shift toward smaller cars.

An exception to the slowdown in the volume of imports of finished goods last year was the continued increase in imports of capital equipment. Imports of agricultural machinery advanced sharply in response to expanded U.S. production of grain, and the rise in imports of other industrial equipment paralleled the expansion in domestic investment.

TRADE IMPACT ON U.S. ECONOMY

The dramatic swing in the trade position in 1973 and the steep rises in prices of exports and imports had pronounced impacts on both prices and output in the United States. Perhaps the largest impact on domestic prices resulted from the very sharp rises in the prices of foodstuffs and basic industrial materials—goods that are marketed competitively at similar dollar prices throughout the world. As foreign buyers sought large quantities of U.S. agricultural goods that were in short supply and that were not subject to domestic price controls, the dollar prices of these commodities rose, both abroad and in the United States.

For those basic commodities that were generally under price controls, the higher export and import prices could not be immediately transmitted to the domestic prices. Consequently, with domestic prices lower than foreign prices, domestic firms were induced to expand exports, and shortages in the United States resulted. For example, as a result of the 35 per cent average spread between export and domestic prices in 1973, U.S. producers of fertilizers exported such a large portion of their output that domestic supplies of some types of fertilizer were actually reduced. In recognition of this type of problem, the planned decontrol of prices was accelerated and the Cost of Living Council removed many commodities from controls after mid-1973. Among those exempted from control were prices of copper scrap in August, fertilizers in October, and many nonferrous metals at the beginning of December.

With the removal of the controls, domestic prices of these commodities moved up sharply toward world price levels. From the fourth quarter of 1972 to the fourth quarter of 1973, U.S. wholesale prices rose by nearly 40 per cent for foodstuffs and by more than 45 per cent for other basic industrial materials. It is estimated that about a third of the 7.2 per cent rise in the GNP

deflator during these four quarters is attributable to the higher prices of these basic commodities.

The domestic price level may also be affected when prices of imported finished goods rise. However, increases in these prices should not have a major direct impact on the U.S. price level, since imports of finished goods account for a relatively small portion of domestic expenditures. More important would be the indirect effect on the U.S. price level that would occur if domestic producers decided to raise their own prices because of reduced competition from abroad.

Pressures on the domestic price level may also have resulted from the increased production needed to supply the larger volume of net exports (exports minus imports) that accompanied the dollar depreciation. As domestic production for both exports and substitutes for imports expanded in 1973, the resultant pressure on capacity may have been sufficient to raise costs and prices, given the existing high rates of capacity utilization.

The metals industry provides an illustration. In 1973, net exports of metals increased, absorbing an additional 4 per cent of industry output. Without such a change, the average capacity utilization rate for the year might have been as much as 3 percentage points lower than it actually was. According to the Federal Reserve series, the capacity utilization rate for metals in 1973 was 91.7 per cent, the highest level since the mid-1950's.

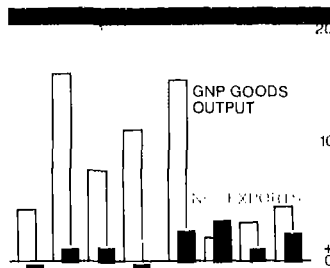
To generalize, the increase in the volume of net exports in 1973 represented about 20 per cent of the increase in the volume of total U.S. goods output, which rose by about 7.5 per cent from 1972 to 1973. As domestic demand began to slow after the first quarter of 1973, the contribution of the increase in net exports to the growth of domestic goods output was even greater. In the fourth quarter the rise in net exports represented nearly one-half the total increase in output of goods.

Thus there are several channels through which the increases in prices of exports or imports have affected domestic prices. One should not conclude, however, that the depreciation of the dollar, which was needed to correct the U.S. balance of payments position, was the major source of inflationary pressure. Rather it was probably the cumulative worldwide demand pressures that provided the mainspring for the current inflationary acceleration.

SERVICE TRANSACTIONS

The expansion in world economic activity, the depreciation of the dollar, and the Middle East crisis significantly affected service transactions. Net investment income increased by more than \$2 billion in 1973. Receipts of income and fees from U.S. direct investments abroad rose by approximately \$3.5 billion, compared with an increase of \$1 billion in 1972 and of \$1.5 billion in 1971.

**Changes in
OUTPUT and NET EXPORTS**



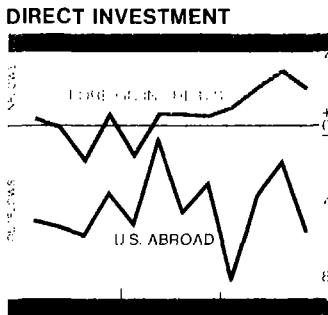
Absolute change in quantity from preceding quarter at seasonally adjusted annual rates.

The large increase in direct investment receipts was mainly the result of a sharp rise in earnings, particularly in the fourth quarter, of petroleum companies abroad. In addition, with higher interest rates abroad, U.S. earnings on other investment assets were nearly \$1 billion higher than they had been in 1972. However, higher interest rates in the United States, combined with an increase in the amount of U.S. liabilities to foreigners, raised income payments to foreigners by more than \$2.5 billion. Net military sales also increased substantially last year as shipments of military equipment rose sharply, particularly to Israel in the fourth quarter. U.S. military expenditures abroad were slightly lower in 1973 than in 1972.

Net payments on travel and transportation were down by nearly \$500 million in 1973, the first decline in such payments since 1968. The depreciation of the dollar encouraged foreigners to travel in the United States and slowed the rate of increase in U.S. travel abroad.

CAPITAL FLOWS

The *balance on private long-term capital* showed a slight deficit—about \$0.4 billion—for the year. An increase of 43 per cent in direct investment outflows, from \$3.4 billion in 1972 to \$4.9 billion in 1973, was offset by a phenomenal increase in foreign direct investment in the United States, from \$0.2 billion to \$2.1 billion, and by a continued high level of foreign purchases of U.S. stocks and bonds.



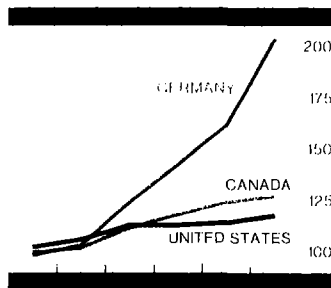
Seasonally adjusted annual rates

Much of the *direct investment outflow* took place in the first quarter, when U.S. corporations probably shifted funds to their foreign affiliates in anticipation of a decline in the foreign exchange value of the dollar. This outflow increased considerably again in the fourth quarter, following the relaxation of controls by the Office of Foreign Direct Investment in November and December. This would seem to indicate that U.S. parent companies were substituting U.S. funds for foreign funds that because of the controls had been used to finance foreign affiliates.

Capital expenditures by the foreign affiliates of petroleum companies were estimated to have the sharpest increases in 1973, especially for the development of new supplies from areas such as the North Sea and Indonesia. The biggest relative increases were in investment outflows to Japan, following the relaxation by that country of foreign investment controls, and to the United Kingdom, with an improved competitive position following successive devaluations of the pound.

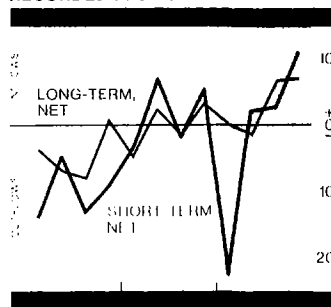
The surge in the *inflow of foreign direct investment* to the United States in 1973 was a much greater departure from earlier experience. This investment was widely distributed among manufacturing, retail, and service industries and included sizable takeovers

COMPARATIVE UNIT LABOR COSTS



Unit labor costs are in U.S. dollars.

PRIVATE CAPITAL RECORDED FLOWS



Seasonally adjusted annual rates.

of existing U.S. concerns as well as investments in new enterprises. Most of the inflow came from the United Kingdom, Japan, and Canada. Probably the most important new stimulus to such an inflow was the improvement that had taken place over the past several years in the U.S. competitive position. Wages and other costs have risen less in the United States than in other industrial countries in recent years, and the dollar depreciation between mid-1970 and mid-1973 reduced the dollar cost of U.S. labor relative to foreign labor by an average of 20 per cent. For example, increases in unit labor costs measured in U.S. dollars were much greater in Japan and Germany than in the United States over the 1970-73 period.

Other long-term capital flows in 1973 were dominated by a continued high level of foreign purchases of U.S. stocks and bonds, though the inflow dipped abruptly in the second quarter, when the dollar was approaching its lowest point, and again in the fourth quarter, when stock prices fell off sharply.

There was a net outflow of *private short-term capital* (excluding errors and omissions) of about \$1.7 billion for the year. This modest annual net flow, however, included huge outflows early in the year and large inflows later. The net outflow for the year may have been related to an expansion of trade credit, associated with the sharp increase in the value of U.S. exports in 1973.

During the first quarter of 1973 the recorded amount of short-term capital outflows exceeded inflows by \$5.7 billion, and another large net outflow was probably included in the errors and omissions figure of \$3.9 billion. A flow of this magnitude would have to be attributed largely to speculation that the dollar would be devalued or other currencies revalued.

In the second and third quarters there were moderate net inflows of short-term capital, after market interest rates in the United States moved up sharply. Then in the fourth quarter, the net inflow rose substantially to nearly \$3.0 billion. This inflow persisted despite a decline in short-term U.S. interest rates relative to those abroad, suggesting that the market anticipated an appreciation of the dollar.

RECENT DEVELOPMENTS AND OUTLOOK

The effects of the energy crisis and the removal of capital controls in January of this year are two reasons why the trends in the balance of payments over the course of 1973 cannot readily be projected into 1974. The trade surplus in January-February declined from the high levels in the fourth quarter of 1973 as a consequence of sharply higher oil prices. Preliminary data show that the official settlements balance shifted into deficit in February as the net short-term private capital inflow of late 1973 was reversed. At the same time, after appreciating by 14 per cent on average from October 1973 to late January 1974, the dollar depreciated by more than 8 per cent from late January to early April.

In the coming months, both higher prices of oil imports and a reduced value of agricultural exports will have negative influences on the trade balance. The continuation of inflation, both here and abroad, is expected to raise the values of other exports and imports in 1974. However, it is difficult to make any assessment of the net effect of these price movements on trade.

The net balance on services this year will be influenced mainly by changes in income flows. Changes in income receipts, as in 1973, will reflect largely the magnitude of the earnings of oil companies operating abroad. Income payments will be affected primarily by interest costs on accumulated liabilities to foreigners.

The outlook for capital flows is even more uncertain than that for trade and service flows. A great deal depends upon the impact of the removal of capital controls, and on the direction of investment in world capital markets of the huge additional revenues being accumulated by the oil-producing countries.

The capital controls that were removed in late January of this year included the interest equalization tax on U.S. purchases of certain foreign securities, Federal Reserve voluntary foreign credit restraint guidelines to limit credit extended to foreigners by U.S. banks and other financial institutions, and Commerce Department limits on the transfers of U.S. funds to foreign affiliates of U.S. corporations. While the impact of the removal of these controls is still unclear, capital will be freer to move into and out of the United States in response to speculative pressures and changes in relative interest rates. A recent Commerce Department survey has indicated that foreign affiliates of U.S. corporations plan another year of large spending for plant and equipment in 1974.

Finally, the growth in international payments to oil-producing countries and the investment of these revenues in the Euro-currency market and national financial markets will have important consequences for the U.S. capital account position. The foreign exchange earnings of major oil-exporting countries in 1974 could amount to more than \$80 billion, up from \$27 billion in 1973. The great bulk of the increased earnings will probably not be spent on imports but rather will be invested in international capital markets. In the past, the greater part of the revenue from oil has been deposited in the Euro-currency market, and that market is probably capable of absorbing a good portion of the increase in oil revenue. The extent to which these additional flows into the Euro-currency market will affect the U.S. capital account depends on the asset preferences of the oil producers, as well as of other market participants, and on relative conditions in various money and capital markets.

Capacity Utilization for Major Materials: Revised Measures

The Board's quarterly measures of output, capacity, and capacity utilization for major materials, published initially in the BULLETIN for August 1973, have been expanded and improved. The important changes encompass (1) the addition of three series for the chemicals industry, (2) a broadened representation of the steel industry, (3) the publication of data for six industrial subgroups, (4) a modified treatment of the data for capacity utilization in the petroleum refining industry, and (5) an improved method of aggregating the capacity utilization series.

According to the revised series, aggregate utilization is generally within 1 to 2 percentage points of the old level, and the quarterly movements are similar to the old series, as shown in Chart 1. The new method of aggregation has eliminated the erratic quarterly movements that had occurred in the old series for aggregate

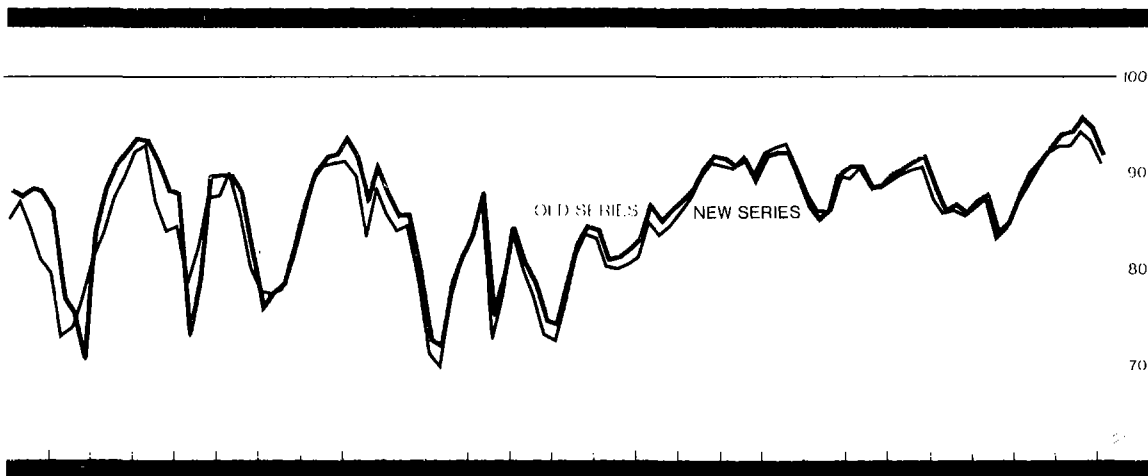
capacity. Methods by which the data are estimated and aggregated are summarized on pages 250 and 251.

NEW SERIES AND WEIGHTS

A notable improvement in the major materials series is the addition of three series in the chemicals industry—plastics materials, synthetic rubber, and basic inorganic chemicals n.e.c.—as represented in the total industrial production (IP) index. Table 1 lists all of the individual materials series represented, together with their relative importance in both the major materials measure and in IP. Prior to the addition of these three series for chemicals, the only chemicals component in the major materials measure had been man-made fibers. As a result of these additions there has been a substantial improvement in the measurement of capacity utilization in the chemicals industry. The introduction of plastics materials is especially important to this series' usefulness as an indicator of capacity utilization conditions for all materials because of the degree of substitutability that

NOTE. This article was prepared by Nathan Edmonson of the Board's Business Conditions Section, Division of Research and Statistics.

CHART 1
CAPACITY UTILIZATION for MAJOR MATERIALS: OLD and NEW



exists among plastics, wood products, metals, and paper in many applications.

Another change that affected both the series for individual output and that for capacity utilization relates to the steel industry. Generally speaking, the underlying capacity data for that industry refer only to the output of raw steel. The value-added weight for raw steel, however,

is smaller relative to the value-added weight of the parts of other industries—for example, paper, pulp, and board—used in the major materials measure than is the weight of the entire steel industry relative to the entirety of these same other industries. Consequently, it was felt that the impact of steel industry events on the economy had been unrealistically understated in the weighting system used previously. In the new aggregation the weight of the steel series has been increased to reflect total basic iron and steel as represented in IP, rather than raw steel only. This change is in keeping with the close technological relation between growth in raw steel capacity and growth in capacity in the broader “basic iron and steel” category, which includes pig iron and coke in addition to raw steel. This change results in steel being shown more realistically in the major materials measure.

Among the individual industries only one change was made—for petroleum refining—to comply with the American Petroleum Institute’s revised method of calculating refinery operating rates. These rates had previously been based on the ratio of crude oil runs to the capacity of crude distillation units. Although other materials—such as unfinished oils and natural gas liquids—have been included with crude oil in increasingly significant volumes for a number of years, these had not been represented in the earlier compilations. The revised data, which recognize these changes in refinery practices, raised the refining utilization rates by about 5 percentage points in 1973.¹ Because the data necessary to carry out this revision prior to 1973 are not available, the amount of the revision change was distributed back to 1964, when inputs other than crude oil were much less significant than they are today.

The proportions shown in Table 1 for the major materials series are based on value-added amounts in 1967, which are used to combine

TABLE 1
CLASSIFICATION AND WEIGHTS OF MAJOR MATERIALS IN INDUSTRIAL PRODUCTION INDEX

Group and series	SIC number	Proportion of value added in 1967	
Total IP		100.00	
Materials in IP		37.79	
Major materials*		8.45	100.00
Durable*		2.27	26.86
Plywood and prefab. products	2432, 3	.29	3.43
Cement	274	.22	3.20
Metals		1.71	20.21
Basic iron and steel	331 part	1.34	15.86
Pig iron		.46	5.41
Raw steel		.72	8.52
Coke and products		.16	1.89
Copper	3331	.10	1.18
Aluminum	3334	.27	3.20
Nondurable*		6.18	73.14
Fabrics		1.05	12.43
Cotton	221, 1	.61	7.22
Man made	222	.30	3.55
Wool	224	.14	1.66
Cotton and man made yarns	2281, 2, 4	.77	9.20
Paper and pulp*		1.40	16.57
Wood pulp	261	.51	6.04
Paper	262	.54	6.39
Paperboard	263	.35	4.14
Chemicals and petroleum		3.46	40.95
Basic inorganic chemicals n e c	2819 part	.55	6.51
Plastics materials	2821	.55	6.51
Synthetic rubber	2822	.13	1.54
Man made fibers	2823, 1	.58	6.86
Petroleum refining	291, 9	1.65	19.53
SUPPLEMENTAL GROUPS			
Textiles*		1.90	22.49
Fabrics and yarns	221, 1, 2281, 2, 4	1.32	15.63
Man made fibers	2823, 1	.58	6.86

* Capacity, output, and utilization data for these series are available separately. Output data for the other series listed are shown separately in IP.

NOTE: Source and description of output series are shown in Table A-2 in *Industrial Production—1971 Edition*. Capacity data are from the same sources except in the following instances: steel (since 1959), various industry sources; copper and aluminum, *American Bureau of Metal Statistics Yearbook*; paper series, *American Paper Institute*; petroleum refining, *Oil & Gas Journal*; and synthetic rubber and basic inorganic chemicals (n e c), Stanford Research Institute *Chemical Economics Handbook*.

¹In addition to the revised measures of refinery input, the American Petroleum Institute has made an allowance in its capacity measures for existing refining capacity that does not meet pollution control standards. Such an allowance is not used for the major materials capacity calculations of refining capacity mainly because it was assumed that pollution control standards would be relaxed somewhat during a shortage of petroleum products.

the series beginning with the first quarter of 1967. As in the IP index, linked weights for initial-year periods—1963, 1958, 1954, and 1947—are used to aggregate the series for the period prior to 1967. Revised historical data for capacity, output, and utilization rates appear in Table 2 below.

NEW INDUSTRY GROUPINGS

The revisions in representation and weights make possible publication of six new industry groupings of the materials series. There is now a division between durable and nondurable products. In addition, separate subtotals are compiled for metals, textiles, paper, and chemicals and petroleum, as shown in Table 1. This table identifies the individual series by classification and relative importance in the total IP measure and by market grouping for materials.

Historical utilization rate data for the six groupings are shown in Table 3.

IMPACT OF THE REVISIONS

As formerly constituted—that is, before both the addition of the chemicals series and the increase in the weight for steel—the major materials group accounted for 6.6 per cent of total IP value added. As a result of the chemicals additions and the steel reweighting, the major materials series represent 8.5 per cent of total IP and 9.5 per cent of value added in manufacturing in 1967. The revision of the petroleum refining series did not affect the weights of the major materials series.

Chart 1 shows the extent to which the revision has changed the historical picture for the old utilization series in terms of levels and cyclical patterns. In the third quarter of 1973 the revised

TABLE 2
OUTPUT, CAPACITY, AND CAPACITY UTILIZATION IN MAJOR MATERIALS
Seasonally adjusted, 1967 output = 100

Year	Output					Capacity					Capacity utilization				
	I	II	III	IV	Avg.	I	II	III	IV	Avg.	I	II	III	IV	Avg.
1948	41.7	43.2	42.4	41.4	42.2	48.9	49.6	50.2	50.9	49.9	85.3	87.1	84.4	81.2	84.5
1949	41.0	37.9	38.8	40.9	39.7	51.5	51.9	52.3	53.8	52.1	79.7	73.1	74.2	77.4	76.1
1950	43.3	45.3	47.7	49.4	46.4	53.3	53.9	54.5	55.1	54.2	81.3	84.0	87.5	89.6	85.6
1951	51.4	52.1	49.2	47.9	50.1	55.6	56.0	56.5	56.9	56.3	92.3	92.9	87.1	84.1	89.1
1952	48.5	45.7	48.5	51.9	48.7	57.4	58.1	58.7	59.4	58.4	84.5	78.7	82.6	87.5	84.3
1953	52.7	54.8	53.0	50.0	52.6	60.1	60.8	61.6	62.3	61.2	87.7	90.0	86.0	80.3	86.0
1954	49.2	49.7	50.8	53.5	50.8	63.2	64.1	65.1	66.0	64.6	77.8	77.5	78.0	81.1	78.6
1955	57.0	60.3	61.8	62.5	60.4	66.8	67.4	68.0	68.6	67.7	85.3	89.4	90.9	91.1	89.2
1956	63.3	63.0	59.4	63.8	62.4	69.4	70.2	71.1	72.1	70.7	91.3	89.7	84.5	88.4	88.3
1957	62.8	62.2	63.6	60.2	62.2	73.0	74.0	75.1	76.2	74.6	85.9	84.1	84.6	78.9	83.4
1958	55.1	54.6	60.7	64.7	58.8	77.2	78.1	79.1	80.1	78.6	71.3	69.9	76.8	80.9	74.7
1959	67.3	71.8	60.5	65.2	66.2	81.1	82.2	83.0	83.9	82.5	83.0	87.4	72.9	77.7	80.2
1960	71.4	68.3	66.1	63.3	67.3	84.7	85.2	85.8	86.4	85.5	84.3	80.1	77.0	73.3	78.7
1961	63.4	67.9	72.6	75.1	69.7	87.2	88.0	88.8	89.7	88.4	72.7	77.1	81.7	84.7	78.8
1962	75.7	73.6	74.0	75.0	74.6	90.8	91.6	92.4	93.1	92.0	83.3	80.4	80.1	80.6	81.1
1963	76.4	80.3	79.7	81.1	79.4	93.8	94.5	95.3	95.9	94.9	81.4	85.0	83.7	84.6	83.7
1964	83.3	85.6	88.9	91.0	87.2	96.9	97.9	99.0	99.9	98.4	86.0	87.5	89.7	91.1	88.6
1965	92.1	92.9	95.5	94.8	93.8	101.3	102.6	104.0	105.5	103.4	90.8	90.5	91.8	89.9	90.8
1966	98.5	100.5	102.4	100.8	100.5	106.9	108.4	110.0	111.3	109.1	92.2	92.7	93.0	90.6	92.1
1967	99.1	97.9	98.8	103.9	99.9	112.7	113.7	114.8	115.8	114.3	87.9	86.1	86.1	89.7	87.4
1968	104.8	107.7	107.3	108.5	107.1	117.2	119.1	120.9	122.5	119.9	89.4	90.5	88.7	88.5	89.3
1969	110.9	112.8	114.6	116.1	113.6	124.3	125.5	126.9	128.1	126.2	89.2	89.9	90.3	90.7	90.0
1970	112.7	111.9	113.3	113.1	112.7	129.0	130.3	131.5	132.2	130.7	87.3	85.9	86.2	85.5	86.2
1971	115.0	117.3	113.1	115.6	115.3	133.1	134.4	135.9	137.2	135.1	86.4	87.3	83.2	84.3	85.3
1972	120.9	124.2	128.1	131.6	126.2	138.8	140.1	141.4	142.9	140.8	87.1	88.7	90.6	92.1	89.6
1973	133.8	135.1	138.4	138.3	136.4	144.2	145.5	146.7	148.0	146.1	92.8	92.8	94.3	93.4	93.3
1974	136.0 ^a					149.2 ^a					91.2 ^a				

NOTE: Calculation of output and capacity rates may differ slightly from the utilization rate shown because of rounding. Sources are listed in note to Table 1.

^a Preliminary.

TABLE 3
CAPACITY UTILIZATION RATES FOR SELECTED INDUSTRY GROUPS OF MAJOR MATERIALS

Seasonally adjusted data in per cent

Year	Durable goods					Metals					Nondurable goods				
	I	II	III	IV	Avg.	I	II	III	IV	Avg.	I	II	III	IV	Avg.
1948	84.4	82.1	87.1	87.4	85.3	88.7	86.6	93.3	93.5	90.5	86.3	89.3	84.4	80.2	85.1
1949	85.3	78.1	73.3	60.7	74.4	91.9	82.7	76.1	56.2	76.7	78.9	72.4	75.1	82.7	77.3
1950	78.9	87.9	91.8	92.8	87.8	81.7	91.3	97.1	96.5	91.7	82.7	83.7	87.2	89.5	85.8
1951	95.5	95.4	91.6	90.1	93.2	98.6	99.3	97.3	96.2	97.8	92.3	93.1	86.7	83.3	88.9
1952	89.8	73.0	76.1	91.3	82.5	94.9	70.8	74.1	94.1	83.5	83.9	81.0	85.1	87.3	84.3
1953	92.5	90.1	87.1	78.2	87.0	95.3	95.8	95.2	85.2	92.9	87.2	90.8	86.5	81.5	86.5
1954	75.9	73.1	73.3	79.0	75.3	73.5	71.0	73.7	76.3	73.6	79.2	80.1	80.6	82.6	80.6
1955	85.0	92.1	96.3	93.5	91.7	83.5	92.8	98.8	95.1	92.6	86.1	89.0	89.3	90.8	88.8
1956	93.5	92.8	75.9	93.6	88.9	94.0	94.3	72.2	97.0	89.3	91.2	89.1	87.4	87.0	88.7
1957	87.4	86.0	91.0	76.7	85.3	90.6	87.7	95.0	77.1	87.6	86.0	83.9	82.7	80.5	83.3
1958	62.2	60.8	72.8	78.1	68.5	58.4	55.4	69.6	76.4	65.0	75.8	74.5	78.8	82.3	77.9
1959	80.9	88.1	48.3	65.2	70.6	79.6	88.5	36.2	59.0	65.8	84.1	87.0	85.5	84.1	85.2
1960	83.1	72.6	68.5	61.7	71.5	84.4	70.1	65.1	57.5	69.3	84.9	83.9	81.4	79.1	82.3
1961	58.7	68.0	79.5	79.5	71.4	52.9	64.5	79.5	79.0	69.0	79.7	81.6	82.8	85.7	82.5
1962	78.2	69.1	69.3	72.2	72.2	79.0	66.1	66.3	70.0	70.3	85.8	85.7	85.2	84.5	85.3
1963	73.4	82.9	77.3	77.8	77.8	71.7	83.8	77.0	77.1	77.4	85.1	85.9	86.6	87.7	86.3
1964	80.9	84.0	89.3	93.2	86.9	80.2	84.4	91.7	97.0	88.3	88.2	89.0	89.9	90.2	89.3
1965	90.5	89.9	91.4	83.3	88.8	94.1	92.0	94.2	81.5	90.4	91.0	90.8	91.9	92.7	91.6
1966	87.1	88.0	90.3	88.0	88.4	87.4	89.8	94.9	93.1	91.3	94.3	94.7	94.2	91.7	93.7
1967	82.6	79.0	80.7	84.4	81.7	85.7	81.2	82.1	86.9	84.0	90.0	89.0	88.3	91.7	89.8
1968	84.0	86.5	81.0	82.9	83.6	85.7	88.7	80.1	81.5	84.0	91.6	92.0	91.7	90.7	91.5
1969	85.9	85.9	87.8	91.0	87.6	86.6	86.8	90.6	93.7	89.4	90.5	91.4	91.3	90.6	90.9
1970	83.7	82.1	84.6	84.1	83.6	85.0	83.1	86.8	85.3	85.1	88.6	87.3	86.7	86.1	87.2
1971	85.5	85.7	69.8	74.0	78.8	85.9	85.3	64.0	69.0	76.1	86.8	87.8	88.1	88.0	87.6
1972	80.3	82.3	86.9	89.1	84.7	76.0	79.8	85.6	89.3	82.7	89.5	90.9	91.8	93.1	91.3
1973	90.0	88.8	94.0	94.3	91.8	88.0	87.4	94.9	96.4	91.7	93.7	94.2	94.4	93.2	93.9
	Textiles					Paper and pulp					Chemicals and petroleum				
1948	80.0	84.2	78.1	71.3	78.4	91.0	93.6	90.0	88.0	90.7	90.0	91.9	89.3	89.6	90.2
1949	70.6	64.2	69.0	78.0	70.4	83.4	75.6	77.6	84.6	80.3	89.2	81.5	80.5	86.1	84.3
1950	76.9	77.1	81.9	83.8	79.9	86.9	89.7	92.1	94.4	90.8	87.5	89.0	88.9	91.2	89.1
1951	86.0	85.9	78.0	73.1	80.7	96.4	100.2	94.4	90.3	95.3	95.0	96.4	92.7	90.7	93.7
1952	74.1	73.8	80.4	80.7	77.3	90.1	85.6	81.2	86.7	85.9	89.6	82.9	87.9	90.3	87.7
1953	79.5	84.5	79.4	72.5	79.0	89.1	90.9	90.7	89.0	89.9	89.9	92.7	85.9	81.3	87.4
1954	70.3	73.5	75.2	78.7	74.4	86.7	86.2	86.2	87.7	86.7	78.6	79.8	79.8	81.5	79.9
1955	82.7	86.2	86.9	88.2	86.0	89.9	92.5	93.1	94.6	92.6	86.0	88.6	88.9	90.2	88.4
1956	89.5	86.0	84.5	86.1	86.5	95.0	94.7	93.2	91.3	93.5	89.9	87.5	85.3	85.0	86.9
1957	84.9	82.1	81.1	78.0	81.5	89.6	86.9	84.2	83.6	86.1	85.9	84.2	83.3	80.7	83.5
1958	72.7	71.1	77.5	81.8	75.8	80.7	78.3	82.2	85.4	81.6	74.4	73.2	77.0	80.6	76.3
1959	85.1	89.4	87.4	83.8	86.4	85.9	89.1	88.8	87.5	87.8	82.4	84.7	82.9	81.7	82.9
1960	85.2	84.2	79.4	76.6	81.4	88.4	87.5	86.2	84.4	86.6	82.2	81.4	79.0	76.5	79.8
1961	77.3	80.7	82.5	86.3	81.7	85.0	87.4	87.6	90.9	87.7	77.5	78.7	79.9	82.4	79.7
1962	88.1	87.3	86.7	86.8	87.2	89.3	89.5	89.5	88.4	89.2	83.2	83.4	82.8	82.5	83.0
1963	85.5	87.1	88.9	90.1	87.9	90.7	89.9	91.3	92.0	91.0	82.9	84.0	84.5	85.7	84.3
1964	90.7	90.2	92.0	93.0	91.5	91.7	93.5	94.2	94.1	93.4	86.5	87.0	87.2	88.2	87.2
1965	94.2	94.2	93.4	93.1	93.7	94.2	92.5	94.7	95.2	94.1	88.8	89.5	91.0	91.2	90.1
1966	94.3	95.7	92.6	87.0	92.4	95.8	95.5	95.7	93.7	95.2	93.3	93.7	93.4	91.2	92.9
1967	83.9	83.7	83.3	90.1	85.2	91.3	89.4	87.7	88.8	89.3	90.8	89.5	89.1	93.1	90.6
1968	91.2	90.3	90.2	89.3	90.2	90.1	91.6	92.4	93.3	91.9	92.2	92.8	92.5	91.0	92.1
1969	88.8	88.3	88.1	86.1	87.8	95.3	95.9	95.9	95.1	95.5	89.7	91.1	90.5	89.0	90.1
1970	84.7	81.7	80.9	81.1	82.1	93.2	91.7	90.3	90.4	91.4	87.6	86.9	85.9	84.9	86.3
1971	82.6	84.9	85.1	84.7	84.3	91.8	91.6	93.0	93.7	92.5	85.4	87.0	87.1	86.7	86.6
1972	86.1	89.2	88.8	91.9	89.0	96.2	96.6	97.1	97.5	96.9	88.2	90.0	91.1	92.0	90.3
1973	94.6	94.6	94.6	94.3	94.5	96.1	95.6	98.0	96.4	96.5	92.9	93.9	93.3	91.9	93.0

NOTE.— See Table 1 for a description of the composition and weights of these groups. See also NOTE to Table 2.

as well as the old series were at their highest levels since the second quarter of 1951. The new utilization rates have been slightly below the old series since 1968—by about 1 percentage point—largely due to the effects of the three added chemicals series.

The slightly larger cyclical variations in the revised capacity utilization series in the 1958-61 period—and especially in late 1959 when there was an extended steel strike—reflect the increased weight given to the steel industry. In all but four quarters of the 1948-74 period the difference between the old and new series is less than 3 percentage points, and in most quarters it is less than 2 percentage points.

Chart 2 shows output and capacity for the major materials group. Of particular interest is the slowdown in capacity growth in 1972 and 1973, which stems largely from the durable goods components of the major materials series.

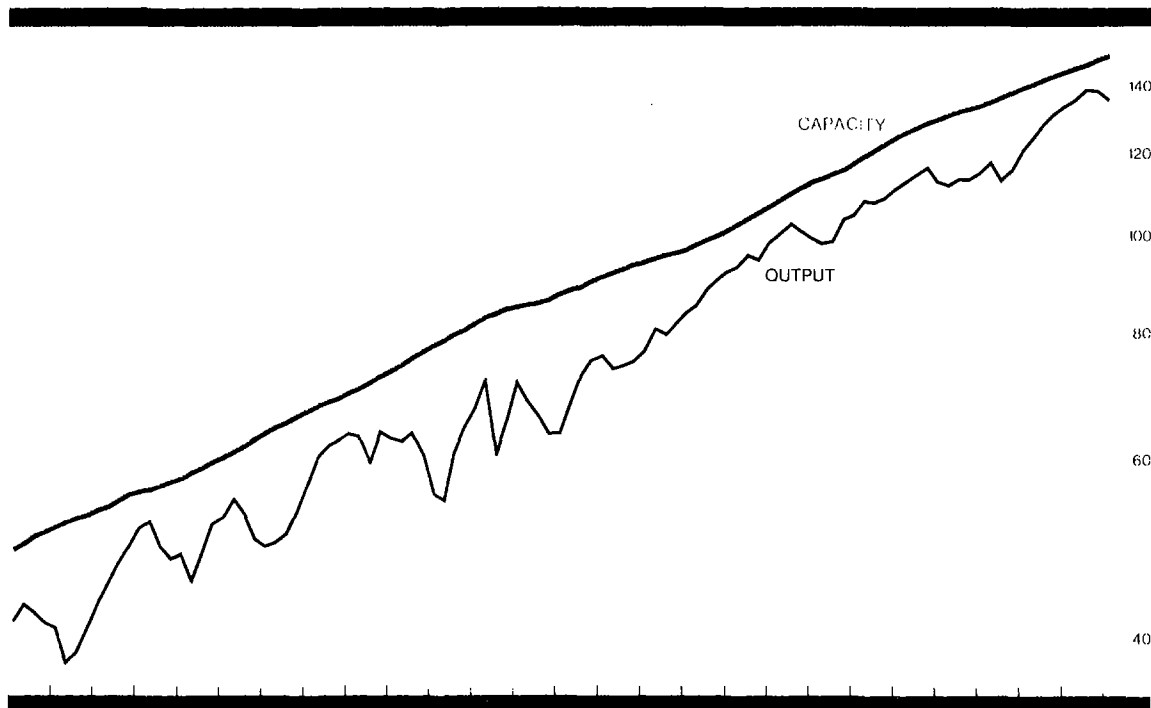
REVISED METHODOLOGY

In general, the capacity utilization rates for individual series are based on estimates of end-

of-year capacity and December output levels (at annual rates) in units appropriate for the individual industry for example, tons. These physical unit data are used to estimate preliminary utilization rates for December. The preliminary rates are then used to derive an index of capacity comparable to the IP series by dividing the preliminary rate into the appropriate December IP series (not seasonally adjusted). This step, which in effect benchmarks the capacity series to the IP series, is necessary because the value-added weighting system of the IP index causes its series in some instances to have a growth pattern different from that of the equivalent physical product series. Quarterly estimates of capacity are derived for most series by interpolating linearly between adjacent pairs of year-end capacity indexes. The quarterly utilization rate for each industry is quarterly average output (seasonally adjusted) divided by average capacity for the quarter.

The procedure by which aggregate figures for capacity utilization for major materials are computed from the individual series has been

CHART 2
OUTPUT and CAPACITY for MAJOR MATERIALS: NEW



revised. Formerly it had been a simple aggregation of the individual industry utilization rates using value-added weights. In that procedure the quarterly output series for the individual industries were aggregated independently of the utilization rate aggregation in such a way that the result was consistent with other published indexes for industrial production. Quarterly capacity was then derived as the ratio of output to utilization. This procedure did not prove to be satisfactory, for the capacity series tended to have erratic quarterly movements not justified by the underlying capacity data, which are available only at annual intervals for most industries. This problem is corrected by the new procedure, in which individual industry capacities and outputs are aggregated by parallel procedures— but still independently —and aggregate utilization is computed as the ratio of output to capacity.

Some industry data required special handling. For example, capacity figures for steel and synthetic rubber have not been available annually since the late 1950's, but they have been available at irregular intervals generally not exceeding 4 years. Interpolation was based on changes in deflated annual investment data between

adjacent pairs of capacity observations. The method has been described in detail elsewhere.²

Another instance that required special handling was the plastics materials industry. In that industry a comprehensive survey of capacity has recently been inaugurated by the Society of the Plastics Industry. Each survey provides capacity data for the end of the most recent calendar year plus a forecast for the end of the current year. 1972 was the first year for which data were reported. Although there are no comparable historical data, the importance of this industry and the assurance of a future source of reliable capacity data strongly indicated that the industry should be included in this revision of the major materials series. A variation of the trend-through-output-peaks method was used to estimate historical capacity, and this estimated series was benchmarked to the 1972 survey observation.

Finally, the capacity series for plywood was compiled on the basis of quarterly data from 1956 to the present. □

²Nathan Edmonson, "Production Relations at High Levels of Capacity Utilization in the Steel Industry," *Papers and Proceedings of the American Statistical Association*, 1973.

Changes in Time and Savings Deposits at Commercial Banks

July–October 1973

Time and savings deposits held by individuals, partnerships, and corporations (IPC) increased less than 2 per cent at insured commercial banks between July 31 and October 31, 1973, according to the latest quarterly survey of time and savings deposits.¹ The slackened pace of such deposit growth continued a slowing trend that had begun early in the year, reflecting in large part the relative attractiveness of high and rising interest rates available on alternative market investments. Although by October most banks had adjusted their deposit rates upward to the new regulatory ceilings instituted in July, the new maximum rates on most types of consumer deposits remained well below rates available on competing market instruments, such as Treasury securities. An exception to this was the 4-year certificate in minimum denomination of \$1,000, which was free of any regulatory ceiling between July 1 and November 1. Commercial banks were successful in promoting the new 4-year certificates, and such deposits accounted for all of the expansion in time deposits, IPC, in denominations of less than \$100,000 at banks in the July–October period. Large-denomination (\$100,000 or more) time deposits expanded by only 6 per cent during the 3 months ending with the October survey date, in sharp contrast to their very rapid growth in the two preceding survey periods.

NOTE: Martha S. Scanlon of the Board's Division of Research and Statistics prepared this article.

¹Previous 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 1966–73, the most recent being October 1973, pp. 724–31.

CONSUMER-TYPE TIME AND SAVINGS ACCOUNTS

Effective July 1, ceiling rates on savings deposits and on small-denomination time deposits at commercial banks were raised, in some instances by $\frac{1}{2}$ percentage point and in others by $\frac{3}{4}$ percentage point, to 5 per cent on passbook savings and up to 6 $\frac{1}{2}$ per cent on time deposits with maturities of 2 $\frac{1}{2}$ to 4 years. As shown in Table 2, by July 31 a substantial majority of banks had moved their offering rates to the new ceiling levels, and other banks adjusted their rates upward between July and October. On October 31 more than 90 per cent of the dollar volume of small-denomination time deposits with maturities of a year or more were again paying maximum rates.

However, a number of large banks (with total deposits of \$100 million and over) continued to pay a 4 $\frac{1}{2}$ per cent rate on passbook savings—they apparently assumed that most interest-sensitive funds had already been shifted to higher earning assets, and they also wished to avoid the substantial increase in cost that an increase of $\frac{1}{2}$ percentage point in the rate on outstanding savings deposits would incur; as a general rule passbook accounts constitute a large proportion of total time and savings deposits. Most of the large banks that maintained the lower (4 $\frac{1}{2}$ per cent) passbook rate were located on the West Coast, but there were a few on the East Coast in Philadelphia and New York. Moreover, although some large banks were paying lower rates on savings deposits, almost all large banks were paying maximum rates on longer-maturity time deposits. This too implies that their strategy was to reduce costs of the less interest-sensitive savings of customers, but at the same time to make available attractive investment instruments to the more interest-sensitive customers.

The average of most common rates paid by all insured banks on savings deposits in October was 4.77 per cent (Table 3), but almost all banks outside metropolitan areas were paying the maximum 5.0 per cent. Nevertheless, growth in savings deposits at all commercial banks between July 31 and October 31 was less than 1 per cent, and for the 12 months ending October 31 such deposits increased less than 3.5 per cent. This was the slowest rate of growth in these deposits since 1969-70, also a period of high interest rates and restrictive monetary policy.

During the July-October period, many savers showed their preference for higher interest rates by shifting funds out of the short-maturity (2½

years or less) time accounts, which were subject to lower ceiling rates, into higher-yielding time accounts or into market securities. As a result there was a sizable decline in time deposits with maturities of less than 1 year and of 1 to 2½ years. At the same time, longer-maturity time accounts—in particular the new 4-year certificates—expanded at a rapid rate.

Immediately following the inception of the ceiling-free 4-year certificates in July, banks began offering these instruments at rates ranging from 6.5 to 9.0 per cent, with the majority offering 7.0 to 7.5 per cent. This same rate structure prevailed in October, with more than 80 per cent of the volume of outstanding 4-year certificates paying 7.0 to 7.5 per cent. Between

TABLE 1

TYPES OF TIME AND SAVINGS DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS HELD BY INSURED COMMERCIAL BANKS ON SURVEY DATES, JAN. 31-OCT. 31, 1973

Type of deposit	Number of issuing banks				Amount (in millions of dollars)				Percentage change in deposits (quarterly rate)	
	1973				1973				Apr. 30-July 31	July 31-Oct. 31
	Jan. 31	Apr. 30	July 31 ^r	Oct. 31	Jan. 31	Apr. 30	July 31 ^r	Oct. 31		
Total time and savings deposits ¹	13,589	13,813	13,811	13,560	275,611	291,216	304,050	308,909	4.4	(1)
Savings.....	13,252	13,508	13,513	13,299	121,453	122,936	123,627	123,876	.6	.2
Time deposits in denominations of less than \$100,000—total.....	13,396	13,571	13,573	13,428	100,280	103,944	104,606	105,773	.6	1.1
Accounts with original maturity of.....										
Less than 1 year.....	12,798	13,044	13,072	12,860	46,693	46,633	43,281	39,189	7.2	-9.5
1 up to 2½ years ²	n.a.	n.a.	13,066	13,158	n.a.	n.a.	48,174	45,700		
2½ up to 4 years ²	n.a.	n.a.	8,068	10,280	n.a.	n.a.	9,267	10,919		
4 years and over: ²										
In denominations of less than \$1,000.....	n.a.	n.a.	340	381	n.a.	n.a.	689	402	7.0	8.6
In denominations of \$1,000 or more.....	n.a.	n.a.	5,225	7,635	n.a.	n.a.	3,181	9,563		
All maturities:.....										
Open accounts.....										
Passbook or statement form ³	3,518	3,626	3,857	3,457	28,637	29,065	30,376	28,501	4.5	-6.2
Time deposits in denominations of \$100,000 or more.....	6,131	6,275	6,627	6,944	48,206	58,212	69,221	73,161	18.9	5.7
Negotiable CD's.....	3,098	3,226	3,233	3,596	35,065	42,511	50,856	52,166	19.6	2.6
Nonnegotiable CD's and open account.....	3,690	3,738	3,874	3,934	13,141	15,701	18,365	20,995	17.0	14.3
Christmas savings and other special funds ¹	8,257	8,606	8,854	7,807	5,672	6,124	6,604	6,099	7.8	(1)

^r Revised.

n.a. Not available.

¹ Prior to Oct. 31, 1973, special funds and total time and savings deposits included deposits accumulated for the payment of personal loans (hypothecated deposits). In the Oct. 31 and future surveys these funds are excluded. Hence, the amounts of special funds and total time and savings deposits reported Oct. 31 and after are not strictly comparable with those in previous surveys. (In October 1973 hypothecated deposits at insured commercial banks amounted to slightly more than \$500 million.)

² Maturity categories were changed from those of previous surveys to conform with the change in Regulation Q that went into effect July 1, 1973.

³ Includes time deposits, open account, issued in passbook, state-

ment, or other forms that are direct alternatives for regular savings accounts. The figures shown on this line are included above in the appropriate maturity category.

NOTE: Data were compiled jointly by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation. For Jan. 31, Apr. 30, and July 31, 1973, the information was reported by a probability sample of all insured commercial banks; for Oct. 31, 1973, 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.

TABLE 2

SMALL-DENOMINATION TIME AND SAVINGS DEPOSITS, IPC, HELD BY INSURED COMMERCIAL BANKS ON JULY 31 AND OCT. 31, 1973, BY TYPE OF DEPOSIT, BY MOST COMMON RATE PAID ON NEW DEPOSITS IN EACH CATEGORY, AND BY SIZE OF BANK

Group	Size of bank (total deposits in millions of dollars)						Size of bank (total deposits in millions of dollars)					
	All banks		Less than 100		100 and over		All banks		Less than 100		100 and over	
	Oct. 31, 1973	July 31, 1973 ^r	Oct. 31, 1973	July 31, 1973 ^r	Oct. 31, 1973	July 31, 1973 ^r	Oct. 31, 1973	July 31, 1973 ^r	Oct. 31, 1973	July 31, 1973 ^r	Oct. 31, 1973	July 31, 1973 ^r
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Savings deposits:												
Issuing banks.....	13,299	13,513	12,577	12,793	723	721	123,876	123,627	50,239	48,729	73,637	74,897
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
3.50 or less.....	3.1	3.6	3.1	3.7	1.5	1.7	1.2	1.4	1.5	1.7	1.1	1.2
3.51-4.00.....	8.5	11.1	8.4	11.0	10.3	11.8	8.3	9.8	6.6	7.7	9.5	11.0
4.01-4.50.....	12.4	21.4	12.1	21.3	17.6	24.0	24.6	33.0	13.9	23.8	31.9	39.0
4.51-5.00.....	76.1	63.9	76.5	64.0	70.6	62.4	65.8	55.9	78.0	66.9	57.6	48.7
Time deposits in denominations of less than \$100,000:												
Maturities less than 1 year:												
Issuing banks.....	12,860	13,072	12,137	12,350	723	722	39,189	43,281	18,849	21,073	20,340	22,208
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less.....	.1	.3	.1	.3	.1	.1	.1	.1	(1)	.1	.1	.1
4.01-4.50.....	.4	.5	.4	.5	.1	.3	.4	.1	.8	(1)	.1	.2
4.51-5.00.....	18.2	31.9	18.4	32.2	15.6	26.7	14.8	27.4	13.1	27.8	16.4	27.1
5.01-5.50.....	81.2	67.3	81.0	66.9	84.1	72.9	84.7	72.4	86.0	72.1	83.4	72.6
Maturities of 1 up to 2½ years:												
Issuing banks.....	13,158	13,067	12,442	12,353	716	714	45,697	48,174	29,954	31,506	15,743	16,669
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less.....	.1	.1	.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
4.51-5.00.....	.9	1.9	.9	2.0	.4	.7	.5	.8	.4	1.1	.6	.2
5.01-5.50.....	6.7	17.7	6.8	18.0	4.6	12.5	4.7	11.2	5.3	13.1	3.6	7.6
5.51-6.00.....	92.3	80.3	92.1	80.0	94.9	86.7	94.8	88.0	94.2	85.8	95.8	92.2
Maturities of 2½ years to 4 years:												
Issuing banks.....	10,280	8,068	9,612	7,440	667	629	10,912	9,267	5,523	4,767	5,389	4,500
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less.....	.3	.3	.4	.1	.2	1.4	(1)	.2	(1)	(1)	(1)	.4
5.01-5.50.....	.1	.5	.1	.5	.2	.6	.1	.4	(1)	.6	.2	.3
5.51-6.00.....	4.1	12.9	4.0	12.8	6.5	13.5	9.3	29.6	5.8	34.4	12.8	24.6
6.01-6.50.....	95.4	86.3	95.6	86.5	93.2	84.4	90.6	69.7	94.1	65.1	87.0	74.7
Maturities of 4 years and over (minimum denomination of \$1,000):												
Issuing banks.....	7,636	5,225	7,018	4,664	618	561	8,872	3,181	3,621	1,241	5,251	1,939
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
6.50 or less.....	5.7	4.4	5.4	3.7	9.9	10.0	6.3	7.2	4.6	6.4	7.5	7.7
6.51-7.00.....	52.4	58.9	53.1	59.8	44.2	51.7	41.1	40.6	42.4	42.0	40.2	39.5
7.01-7.25.....	16.6	10.2	16.4	9.8	19.8	13.2	17.5	10.8	18.2	8.1	17.1	12.5
7.26-7.50.....	20.2	21.1	20.4	21.2	18.1	20.2	23.7	31.4	25.6	30.7	22.5	31.9
7.51-8.00.....	4.1	4.9	4.0	5.0	5.0	3.8	6.3	6.7	7.8	11.9	5.3	3.4
8.01-8.50.....	.4	.4	.3	.3	1.3	1.1	1.0	3.1	.7	.3	1.1	4.9
8.51-9.00.....	.3	.1	.2	.1	.5	.5	1.6	.1	.6	.7	2.2	(1)
9.01-10.00.....	.2		.1		1.1		2.5		.2		4.2	

¹ Less than .05 per cent.
n.a. Not available.
^r Revised.

For NOTE, see p. 257.

July 1 and October 31 outstanding 4-year certificates increased from an estimated level of about \$500 million to over \$9.5 billion. This large increase more than offset the decline of about \$5 billion in other small-denomination time deposits. Thus, the 4-year certificates attracted new deposits into banks as well as funds out of lower-yielding time accounts.

To implement new legislation enacted by the Congress in October, the regulatory authorities established a ceiling rate of 7.25 per cent on

4-year deposits at commercial banks, effective November 1. As of October 31, approximately one-quarter of the banks offering these certificates were still paying rates above 7.25 per cent, and the average of most common rates paid was 7.27 per cent. Although banks with total deposits of more than \$500 million were paying somewhat higher rates on the 4-year certificates than smaller institutions, inflows of such funds were broadly distributed among banks in all size groups and among Federal Reserve districts.

TABLE 3

AVERAGE OF MOST COMMON INTEREST RATES PAID ON VARIOUS CATEGORIES OF TIME AND SAVINGS DEPOSITS, IPC, AT INSURED COMMERCIAL BANKS ON OCT. 31, 1973

Bank location and size of bank (total deposits in millions of dollars)	Savings and small denomination time deposits	Savings	Total	Time deposits in denominations of less than \$100,000				
				Maturing in				
				Less than 1 year	1 up to 2½ years	2½ years up to 4 years	4 years or more (in denominations of less than \$1,000)	4 years or more (in denominations of \$1,000 or more)
All banks:								
All size groups.....	5.30	4.77	5.92	5.42	5.95	6.44	6.35	7.27
Less than 10.....	5.52	4.74	5.90	5.40	5.95	6.45	6.03	7.14
10-50.....	5.41	4.85	5.91	5.42	5.94	6.47	5.78	7.23
50-100.....	5.33	4.84	5.91	5.44	5.95	6.46	6.12	7.27
100-500.....	5.24	4.76	5.91	5.42	5.96	6.41	5.79	7.20
500 and over.....	5.17	4.71	5.94	5.41	5.96	6.41	6.44	7.35
Banks in—								
Selected large SMSA's¹:								
All size groups.....	5.22	4.77	5.93	5.41	5.95	6.41	6.37	7.30
Less than 10.....	5.35	4.82	5.94	5.41	5.94	6.46	6.43	7.52
10-50.....	5.32	4.88	5.94	5.42	5.95	6.46	5.20	7.22
50-100.....	5.29	4.85	5.95	5.45	5.95	6.47	6.06	7.31
100-500.....	5.21	4.78	5.89	5.40	5.94	6.36	5.70	7.14
500 and over.....	5.18	4.73	5.94	5.41	5.95	6.40	6.44	7.37
All other SMSA's:								
All size groups.....	5.25	4.70	5.91	5.43	5.96	6.48	6.34	7.22
Less than 10.....	5.26	4.42	5.91	5.28	5.94	6.48	6.50	7.10
10-50.....	5.31	4.75	5.94	5.44	5.94	6.48	6.46	7.27
50-100.....	5.31	4.80	5.89	5.45	5.95	6.44	6.42	7.20
100-500.....	5.25	4.73	5.92	5.45	5.98	6.48	5.84	7.24
500 and over.....	5.09	4.49	5.88	5.38	5.97	6.49	6.50	7.10
Banks outside SMSA's:								
All size groups.....	5.49	4.86	5.89	5.42	5.95	6.46	5.70	7.24
Less than 10.....	5.58	4.81	5.89	5.42	5.95	6.44	5.90	7.07
10-50.....	5.49	4.88	5.89	5.42	5.94	6.46	5.62	7.23
50-100.....	5.42	4.86	5.88	5.41	5.95	6.48	5.60	7.27
100-500.....	5.32	4.78	5.95	5.42	5.95	6.40	6.03	7.35
500 and over.....	5.54	5.00	6.02	5.50	6.00	6.50	6.50	7.87

¹ 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.

LARGE-DENOMINATION TIME DEPOSITS

During the first 8 months of 1973 commercial banks bid aggressively for funds with which to meet accelerating credit demands through sales of large negotiable certificates of deposit (CD's). Between January 31 and July 31 the outstanding volume of large CD's, IPC, expanded by almost \$16 billion, as the average rate paid on such deposits (measured by the average of most common rates paid) increased from 5.2 per cent to 9.2 per cent. Sales of CD's continued strong through mid-August, but by late September banks had become considerably less aggressive in seeking such funds.

A combination of factors— including a drop-off in business credit demands at banks, which reduced their need for loanable funds— contributed to the slowing in sales of CD's in the fall. In addition, the effective cost of such funds to banks was increased in September when the Board of Governors imposed an additional 3 per cent marginal reserve requirement on these and similar instruments above a specified base level. This raised the reserve requirement on such CD's to 11 per cent from its previous level of 8 per cent. Several months earlier— in May—a marginal reserve requirement of 3 per cent had been imposed on CD's and similar instruments (raising the total requirement from 5 to 8 per cent); this was at the time when interest ceiling restrictions on such deposits were removed. The further increase in reserve requirements in September—bringing total required reserves to 11 per cent—meant that a CD that yielded a rate of 10 per cent would actually cost the issuing bank subject to these requirements more than 11 per cent, since a larger proportion of the funds had to be held as reserves.

As a result of these factors, together with the decline in interest rates generally, offering rates on CD's fell late in the third quarter from their peak August levels, and the average of most common rates reported in the October 31 survey was somewhat below that of the July survey. As the rates on CD's fell, sales dropped in late September and early October, and many banks allowed outstanding CD's to run off. Consequently, outstanding CD's of IPC's in October

were only \$1.3 billion above their level on July 31.

Large-denomination IPC time deposits other than negotiable CD's— nonnegotiable CD's and open account deposits—increased faster than CD's in the 3 months ending in October, but at a slower rate than in earlier quarters. In July more than a third of such deposits at commercial banks were yielding rates of 9.0 per cent or more, whereas by October less than a quarter were yielding rates as high as 9.0 per cent.

Almost 90 per cent of the total amount of large IPC time deposits are held by commercial banks with total deposits of \$100 million or more. In general, these large banks pay considerably higher rates on such deposits than do smaller institutions.

DEPOSITS HELD BY BUSINESSES

In October surveys, member banks are asked to report the percentage of their IPC time deposits held by businesses. In the October 1973 survey, member banks holding more than 60 per cent of total IPC time and savings deposits reported this information, which is summarized in Table 4. As would be expected, businesses account for less than 10 per cent of small-denomination time deposits, but they hold the bulk (over 75 per cent) of large negotiable CD's, IPC. However, they account for only 50 per cent of all other large IPC time deposits in the form of nonnegotiable CD's and open accounts at member banks. This would imply that households and nonprofit institutions hold an equally sizable share of such large-denomination deposits. Moreover, the nonbusiness share appears to have increased since the October 1972 survey, when businesses accounted for 56 per cent of large IPC deposits other than negotiable CD's. In total volume such deposits (held by both businesses and households) amounted to only about \$20 billion in October 1973; this was less than 7 per cent of total IPC time and savings deposits at all insured banks.

Between October 1972 and October 1973 the share of small-denomination time deposits held by businesses at member banks declined from 11.3 to 9.2 per cent, while their holdings of large-denomination IPC deposits dropped from

76 to 71 per cent. However, businesses still held a substantial majority of large-denomination deposits, and the very rapid growth of such deposits over the 12 months ending in October

relative to the slow growth in small-denomination consumer deposits resulted in an increase in the share of business deposits to total IPC time deposits during this period.

TABLE 4
ESTIMATED PERCENTAGE OF TIME DEPOSITS, IPC, HELD BY BUSINESSES AT MEMBER BANKS
ON OCTOBER 31, 1973

Group	All time deposits (excluding passbook savings)	Time deposits in denominations of								
		Total	Less than \$100,000						\$100,000 or more	
			Less than 1 year	1 up to 2½ years	2½ years up to 4 years	4 years or more (in denominations of less than \$1,000)	4 years or more (in denominations of \$1,000 or more)	Negotiable CD's	Nonnegotiable CD's and open accounts	
All banks reporting information	43.4	9.2	11.3	7.0	8.6	9.3	9.0	76.5	50.1	
Size of bank (total deposits in millions of dollars):										
Under 10	12.3	8.1	11.0	6.7	10.2	11.0	9.8	62.5	70.2	
10-50	13.5	7.2	9.1	6.1	5.9	4.6	5.8	53.8	53.1	
50-100	19.7	8.4	10.4	6.9	6.3	5.6	7.5	49.5	54.8	
100-500	33.6	11.4	14.1	9.0	8.0	1.7	8.4	65.7	58.9	
500 and over	54.6	9.4	11.1	6.8	10.6	9.5	10.0	78.9	44.6	
F.R. district:										
Boston	60.6	13.9	15.2	10.8	9.9		5.8	71.6	71.5	
New York	63.2	14.5	15.6	15.6	9.6	2.0	10.6	77.6	54.8	
Philadelphia	31.6	8.0	7.1	6.3	4.6	9.9	17.5	76.5	44.7	
Cleveland	37.3	9.1	12.0	6.8	5.6	6.8	8.3	73.6	62.4	
Richmond	33.2	10.4	12.5	9.1	9.5	12.0	4.9	59.5	68.3	
Atlanta	38.3	10.0	12.3	8.7	7.5	4.0	5.4	75.9	59.9	
Chicago	38.3	6.5	7.1	4.7	11.1	2.6	8.2	83.2	30.5	
St. Louis	32.3	10.9	16.2	7.9	8.2	10.0	5.0	81.4	75.1	
Minneapolis	24.6	6.5	8.0	5.3	8.7	7.0	7.7	76.9	52.1	
Kansas City	31.0	9.0	14.6	6.0	5.6	1.0	5.5	68.2	62.6	
Dallas	38.4	12.7	16.0	9.9	13.1	5.0	12.8	60.3	32.1	
San Francisco	42.1	8.1	10.6	6.0	7.8	4.9	7.4	82.3	42.5	

NOTE.—Data are for member banks of the Federal Reserve System only. No insured nonmember banks reported this information, and there was some nonreporting among member banks. Nevertheless, the member banks that did report accounted for more than

60 per cent of the total deposits of these types in all member banks. Passbook savings and Christmas savings and other special funds are excluded.

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 the 30-day period. If the rate changed during that period, the rate reported was the rate prevailing on the largest dollar volume of inflows from the time of the last rate change to the survey date.

While rate ranges of ¼ or ½ 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. 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.

APPENDIX TABLE 1 SAVINGS DEPOSITS

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)				Total	Most common rate paid (per cent)			
		3.50 or less	4.00	4.50	5.00		3.50 or less	4.00	4.50	5.00
		NUMBER OF BANKS					MILLIONS OF DOLLARS			
July 31, 1973										
All banks	13,513	491	1,493	2,895	8,635	123,627	1,700	12,058	40,770	69,099
Size of bank (total deposits in millions of dollars):										
Less than 10	5,835	360	952	1,154	3,369	6,235	283	852	1,358	3,742
10-50	6,181	105	395	1,413	4,267	30,093	344	1,930	7,279	20,540
50-100	777	14	61	155	547	12,402	181	965	2,942	8,313
100-500	544	8	63	119	354	25,419	236	3,936	6,144	15,103
500 and over	177	4	22	54	97	49,479	656	4,374	23,047	21,402
October 31, 1973										
All banks	13,299	401	1,126	1,648	10,126	123,877	1,509	10,336	30,461	81,571
Size of bank (total deposits in millions of dollars):										
Less than 10	5,518	276	672	547	4,023	5,808	286	591	613	4,319
10-50	6,169	102	322	834	4,912	30,140	329	1,809	4,171	23,831
50-100	890	13	58	140	680	14,292	149	911	2,211	11,020
100-500	556	8	57	85	406	25,975	227	3,499	4,587	17,662
500 and over	167	3	17	42	105	47,662	519	3,526	18,879	24,738

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

Group	Total	Most common rate paid (per cent)			Total	Most common rate paid (per cent)		
		4.50 or less	5.00	5.50		4.50	5.00	5.50
		NUMBER OF BANKS				MILLIONS OF DOLLARS		
July 31, 1973								
All banks	13,072	107	4,171	8,794	43,281	71	11,881	31,329
Size of bank (total deposits in millions of dollars):								
Less than 10	5,642	76	2,122	3,444	3,632	8	1,440	2,184
10-50	5,933	25	1,652	4,256	13,098	6	3,270	9,822
50-100	775	2	205	567	4,343	(2)	(2)	3,197
100-500	545	2	142	401	8,415	(2)	(2)	6,238
500 and over	177	1	51	125	13,793	(2)	(2)	9,888
October 31, 1973								
All banks	12,860	71	2,345	10,444	39,189	199	5,815	33,175
Size of bank (total deposits in millions of dollars):								
Less than 10	5,281	16	1,061	4,204	2,838	2	538	2,298
10-50	5,970	51	1,027	4,893	10,916	158	1,303	9,456
50-100	886	2	145	739	5,095	(2)	(2)	4,464
100-500	556	2	83	471	7,921	(2)	(2)	6,817
500 and over	167		30	137	12,419		2,278	10,141

For notes to Appendix Tables 1-7, see p. 262.

APPENDIX TABLE 3 TIME DEPOSITS, IPC, IN DENOMINATIONS OF LESS THAN \$100,000 MATURING IN 1 UP TO 2½ YEARS

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)			Total	Most common rate paid (per cent)		
		5.00 or less	5.50	6.00		5.00 or less	5.50	6.00
NUMBER OF BANKS				MILLIONS OF DOLLARS				
July 31, 1973								
All banks	13,067	253	2,316	10,498	48,174	381	5,381	42,412
Size of bank (total deposits in millions of dollars):								
Less than 10	5,591	147	1,373	4,071	8,417	179	2,172	6,066
10-50	5,993	98	791	5,103	18,829	163	1,822	16,844
50-100	769	2	61	705	4,260	(2)	(2)	4,140
100-500	540	2	63	475	6,806	(2)	(2)	6,136
500 and over	174	3	27	144	9,863	2	634	9,227
October 31, 1973								
All banks	13,158	131	885	12,142	45,697	231	2,154	43,311
Size of bank (total deposits in millions of dollars):								
Less than 10	5,501	62	366	5,074	7,633	27	515	7,090
10-50	6,056	66	439	5,552	17,408	104	897	16,407
50-100	886	1	48	837	4,914	(2)	(2)	4,731
100-500	550	2	22	525	6,526	(2)	(2)	6,337
500 and over	166	1	11	154	9,216	(2)	(2)	8,747

APPENDIX TABLE 4 TIME DEPOSITS, IPC, IN DENOMINATIONS OF LESS THAN \$100,000 MATURING IN 2½ YEARS OR MORE EXCLUDING DEPOSITS WITH MINIMUM MATURITY OF 4 YEARS IN DENOMINATION OF \$1,000 to \$100,000

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)			Total	Most common rate paid (per cent)		
		5.00 or less	6.00	6.50		5.00 or less	6.00	6.50
NUMBER OF BANKS				MILLIONS OF DOLLARS				
July 31, 1973								
All banks	8,068	65	1,041	6,963	9,267	59	2,747	6,461
Size of bank (total deposits in millions of dollars):								
Less than 10	2,553	24	416	2,113	852	24	389	439
10-50	4,251	16	490	3,744	3,176	1	1,116	2,059
50-100	636	10	50	575	739	2	134	603
100-500	469	7	60	403	1,512	16	546	950
500 and over	160	7	25	128	2,988	16	563	2,410
October 31, 1973								
All banks	10,280	47	424	9,808	10,912	13	1,011	9,888
Size of bank (total deposits in millions of dollars):								
Less than 10	3,809	8	104	3,697	936	(2)	(2)	866
10-50	4,997	38	237	4,722	3,373	3	180	3,190
50-100	806		39	767	1,214		72	1,142
100-500	511		28	484	1,832		262	1,570
500 and over	156	2	16	138	3,557	(2)	(?)	3,119

1 or Notes to Appendix Tables 1-7, see p. 262.

APPENDIX TABLE 5 TIME DEPOSITS, IPC, IN DENOMINATION OF \$1,000 to \$100,000 - MATURING IN 4 YEARS OR MORE

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)							Total	Most common rate paid (per cent)						
		6.00 or less	6.50	7.00	7.25	7.50	8.00	Over 8.00		6.00 or less	6.50	7.00	7.25	7.50	8.00	Over 8.00
JULY 31, 1973																
NUMBER OF BANKS																
All banks	5,225	129	102	3,079	531	1,104	255	25	3,181	149	79	1,290	342	1,000	213	108
MILLIONS OF DOLLARS																
Size of bank (total deposits in millions of dollars):																
Less than 10	1,315	26	10	943	108	205	20	3	109	2	1	59	7	29	(2)	(2)
10-50	2,753	57	42	1,474	300	681	184	15	746	15	37	297	74	223	97	4
50-100	596	20	20	373	48	105	30		386	2	22	165	20	129	49	
100-500	422	18	22	216	53	88	19	5	761	71	16	276	80	186	57	76
500 and over	139	8	8	73	21	25	2	1	1,178	59	4	493	162	433	(2)	(2)

Group	Total	Most common rate paid (per cent)							Total	Most common rate paid (per cent)							
		6.50 or less	7.00	7.25	7.50	8.00	8.50	9.00		Over 9.00	6.50 or less	7.00	7.25	7.50	8.00	8.50	9.00
OCTOBER 31, 1973																	
NUMBER OF BANKS																	
All banks	7,636	444	4,002	1,271	1,545	315	27	19	8,872	558	3,645	1,556	2,106	558	85	139	226
MILLIONS OF DOLLARS																	
Size of bank (total deposits in millions of dollars):																	
Less than 10	2,359	104	1,447	240	499	65	2	3	414	38	234	43	80	10	(2)	(2)	
10-50	3,963	250	1,942	771	795	172	17	12	5,210	111	827	417	560	149	25	13	
50-100	695	29	340	138	139	47		1	1,102	19	472	198	286	123		(2)	
100-500	471	44	209	97	87	23	8	1	2,025	199	716	448	442	155	(2)	(2)	
500 and over	147	17	65	25	25	8		2	3,226	192	1,395	449	738	121		(2)	

For notes to Appendix Tables 1-7, see p. 262.

APPENDIX TABLE 6 NEGOTIABLE CD's, IPC, IN DENOMINATIONS OF \$100,000 OR MORE

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)								Total	Most common rate paid (per cent)								
		6.00 or less	6.50	7.00	7.25	7.50	8.00	8.50	Over 8.50		6.00 or less	6.50	7.00	7.25	7.50	8.00	8.50	Over 8.50	
JULY 31, 1973		NUMBER OF BANKS									MILLIONS OF DOLLARS								
All banks	3,233	478	329	640	110	572	411	219	473	50,841	706	427	1,393	687	1,871	2,315	1,960	41,481	
Size of bank (total deposits in millions of dollars):																			
Less than 10	550	141	98	194		27	58	33		316	30	165	61		7	15	37		
10-50	1,876	283	200	326	91	464	224	99	189	2,093	198	130	585	85	380	252	97	367	
50-100	335	29	23	84	7	32	65	43	52	1,174	112	58	148	14	72	244	154	371	
100-500	310	20	8	26	9	43	54	32	119	5,340	109	(2)	362	(2)	934	787	578	2,419	
500 and over	162	4	1	10	4	6	11	12	113	41,918	257	(2)	237	(2)	478	1,016	1,094	38,324	
OCTOBER 31, 1973		NUMBER OF BANKS									MILLIONS OF DOLLARS								
All banks	3,596	607	468	665	477	312	598	303	166	52,141	346	439	1,323	5,987	6,393	13,243	12,216	12,161	
Size of bank (total deposits in millions of dollars):																			
Less than 10	776	212	173	124	118	32	73	20	24	327	36	165	24	42	13	27	12	8	
10-50	1,935	368	257	442	252	140	261	140	74	2,303	174	171	476	374	218	390	370	130	
50-100	417	15	28	74	65	54	124	42	16	1,814	34	68	240	203	263	670	248	88	
100-500	316	8	9	21	37	62	90	65	23	6,188	(2)	(2)	163	779	952	2,199	1,617	398	
500 and over	152	3	1	4	6	23	50	35	29	41,508	(2)	(2)	420	4,589	4,947	9,958	9,999	11,539	

For notes to Appendix Tables 1-7, see p. 262.

APPENDIX TABLE 7 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

Group	Total	Most common rate paid (per cent)								Total	Most common rate paid (per cent)							
		6.00 or less	6.50	7.00	7.25	7.50	8.00	8.50	Over 8.50		6.00 or less	6.50	7.00	7.25	7.50	8.00	8.50	Over 8.50
JULY 31, 1973																		
NUMBER OF BANKS																		
MILLIONS OF DOLLARS																		
All banks	3,874	1,204	306	497	94	665	415	309	384	18,267	1,679	540	1,204	283	1,607	1,878	1,502	9,574
Size of bank (total deposits in millions of dollars):																		
Less than 10	591	283	45	77	6	78	26	43	34	179	45	12	30	5	21	16	40	10
10-50	2,275	677	213	295	55	442	276	183	134	2,250	443	180	147	46	320	472	272	371
50-100	475	111	28	79	18	97	43	23	75	1,413	146	82	207	24	358	189	66	342
100-500	402	95	16	38	15	42	60	48	89	3,999	284	126	298	208	328	691	627	1,437
500 and over	132	37	4	8		6	11	13	52	10,425	761	140	522		580	510	498	7,415

Group	Total	Most common rate paid (per cent)								Total	Most common rate paid (per cent)							
		6.50 or less	7.00	7.50	8.00	8.50	9.00	9.50	Over 9.50		6.50 or less	7.00	7.50	8.00	8.50	9.00	9.50	Over 9.50
OCTOBER 31, 1973																		
NUMBER OF BANKS																		
MILLIONS OF DOLLARS																		
All banks	3,934	924	498	662	472	428	487	266	196	20,891	1,692	499	1,169	2,155	3,363	7,532	2,414	2,069
Size of bank (total deposits in millions of dollars):																		
Less than 10	486	130	86	101	50	58	37	17	7	149	29	22	28	17	28	13	8	5
10-50	2,411	620	348	441	295	225	223	123	136	2,202	296	226	377	302	334	305	205	157
50-100	512	71	42	73	72	72	96	62	24	1,683	109	90	145	245	245	380	320	150
100-500	401	74	18	37	46	60	98	48	20	4,712	191	95	240	557	961	1,434	888	347
500 and over	124	29	4	11	9	13	33	16	8	12,148	1,067	67	379	1,034	1,796	5,401	994	1,411

For notes to Appendix Tables 1-7, see p. 262.

NOTES TO APPENDIX TABLES 1-7:

1 Less than \$500,000.

2 Omitted to avoid individual bank disclosure.

NOTE.—Data were compiled from information reported by all member banks and by a probability sample of all insured non-member 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 dates, 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 (percent)" the rates shown are those being paid by nearly all 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.

Changes in Bank Lending Practices, 1973

Since 1964 the Federal Reserve has conducted quarterly surveys of changes in bank lending practices among large commercial banks. The surveys, taken in February, May, August, and November of each year, provide information on both price and nonprice terms of lending as well as on changes in recent and prospective demand for business loans. This article, continuing a series of regular annual reviews, summarizes the results at 125 banks surveyed in 1973.

In an environment of growing credit demands, total loans and investments at all commercial banks expanded rapidly in the first three quarters of 1973—led by sharp growth in business loans—and bank liquidity declined. Significant factors in the rapid growth of business loans were the high level of real economic activity and the expanding credit needs of firms. Another reason was the rate advantage of bank loans relative to other sources of short-term credit, particularly the commercial paper market. In the early part of the year, constraints on increases in the bank prime rate stemming from the interest rate program of the Committee on Interest and Dividends (CID) contributed to the lower relative rates at commercial banks.

Almost 80 per cent of the banks surveyed in February reported stronger demands for business loans than 3 months earlier, and they anticipated stronger demands in the months to follow. For the large majority of banks, interest rate policies were firmer, in part reflecting the rise of 25 basis points in the prime rate since the previous survey in November 1972. Non-price terms of lending also became much firmer, especially in regard to compensating balances. New customers and nonlocal businesses faced significantly more restrictive bank lending policies.

NOTE. This article was prepared by Paul W. Boltz of the Board's Division of Research and Statistics.

In the spring, credit demands continued strong, and market interest rates moved up sharply. In the interval between the February and May surveys, banks had turned to sales of large negotiable certificates of deposits (CD's) to finance their lending as their holdings of liquid assets declined.

In the May survey almost 75 per cent of the banks reported stronger current demand for business loans than in February, and nearly as large a proportion anticipated that business loan demand would become stronger in the next quarter. There was a significant tightening of nonprice terms of lending, particularly in compensating balances and in weighing the value of borrowers as depositors. As the liquidity position of banks was diminished by the pressure of heavy loan demand, bankers reported being less willing to make mortgage loans and term loans to business.

In the summer, short-term market interest rates rose to postwar record levels. In mid April the CID had introduced a two-tier prime rate on business loans that freed rates on loans to large businesses to move with market rates and at the same time limited increases in rates charged small businesses. Subsequently, the large-business prime rate moved up rapidly, though remaining appreciably below the commercial paper rate. Banks became aggressive borrowers in the CD market, engaged in substantial liquidation of Treasury securities, and sold a large volume of loans to finance new lending.

At the time of the August survey, 75 per cent of the participants still reported that loan demand from commercial and industrial borrowers was stronger than at the time of the previous survey. In addition almost half of the respondents thought that business loan demand would further intensify in the next 3 months. The survey indicated that interest rate policies were

firmer and that nonprice terms of lending were more restrictive. Banks continued to tighten their requirements for compensating balances of loan applicants, while adopting more stringent policies toward new and nonlocal business customers. As in the previous survey, the respondents were more reluctant to make mortgage loans of any type, to make term loans to business, and to make loans to brokers.

After reaching their peaks in late summer, short-term market rates began to decline rapidly. The prime rate peaked in September at a historic high of 10 per cent and began a slow decline.

As a result of the accompanying narrowing of the rate spread that had encouraged borrowing at commercial banks rather than in the commercial paper market, growth of business loans abruptly dropped below its pace earlier in the year. And in October when the short-term commercial paper rate declined below the prime rate, growth of business loans at all commercial banks, seasonally adjusted, came to a halt. Thus, when the November survey was taken, slightly less than 15 per cent of the bankers expected stronger loan demands in the coming period.

QUARTERLY SURVEY—FEBRUARY 1973

CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS: POLICY ON FEBRUARY 15, 1973, 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
Strength of demand for commercial and industrial loans:¹						
Compared with 3 months earlier.....	125 (100.0)	16 (12.8)	82 (65.6)	26 (20.8)	1 (.8)	
Anticipated in next 3 months.....	125 (100.0)	13 (10.4)	95 (76.0)	17 (13.6)		
	Total	Much firmer policy	Moderately firmer policy	Essentially unchanged	Moderately easier policy	Much easier policy
Loans to nonfinancial businesses:						
Terms and conditions:						
Interest rates charged.....	125 (100.0)	13 (10.4)	86 (68.8)	26 (20.8)		
Compensating or supporting balances.....	125 (100.0)	7 (5.6)	50 (40.0)	67 (53.6)	1 (.8)	
Standards of creditworthiness.....	125 (100.0)	6 (4.8)	25 (20.0)	94 (75.2)		
Maturity of term loans.....	125 (100.0)	1 (.8)	23 (18.4)	96 (76.8)	5 (4.0)	
Practice concerning review of credit lines or loan applications:						
Established customers.....	125 (100.0)	1 (.8)	19 (15.2)	104 (83.2)	1 (.8)	
New customers.....	125 (100.0)	9 (7.2)	44 (35.2)	70 (56.0)	2 (1.6)	
Local service area customers.....	125 (100.0)	1 (.8)	17 (13.6)	104 (83.2)	3 (2.4)	
Nonlocal service area customers.....	125 (100.0)	9 (7.2)	41 (32.8)	73 (58.4)	2 (1.6)	
Factors relating to applicant: ²						
Value as depositor or source of collateral business.....	124 (100.0)	9 (7.3)	50 (40.3)	65 (52.4)		
Intended use of the loan.....	123 (100.0)	2 (1.6)	19 (15.4)	101 (82.2)	1 (.8)	
Loans to independent finance companies:³						
Terms and conditions:						
Interest rates charged.....	125 (100.0)	3 (2.4)	42 (33.6)	80 (64.0)		
Compensating or supporting balances.....	125 (100.0)	2 (1.6)	25 (20.0)	98 (78.4)		
Enforcement of balance requirements.....	125 (100.0)	5 (4.0)	27 (21.6)	93 (74.4)		
Establishing new or larger credit lines.....	125 (100.0)	9 (7.2)	36 (28.8)	78 (62.4)	2 (1.6)	
	Total	Considerably less willing	Moderately less willing	Essentially unchanged	Moderately more willing	Considerably more willing
Willingness to make other types of loans:						
Term loans to businesses.....	125 (100.0)		28 (22.4)	90 (72.0)	7 (5.6)	
Consumer instalment loans.....	124 (100.0)		3 (2.4)	108 (87.1)	11 (8.9)	2 (1.6)
Single-family mortgage loans.....	123 (100.0)	2 (1.6)	9 (7.3)	99 (80.5)	13 (10.6)	
Multifamily mortgage loans.....	122 (100.0)	2 (1.6)	12 (9.8)	103 (84.5)	5 (4.1)	
All other mortgage loans.....	123 (100.0)	2 (1.6)	12 (9.8)	97 (78.8)	12 (9.8)	
Participation loans with correspondent banks.....	124 (100.0)		13 (10.5)	106 (85.5)	5 (4.0)	
Loans to brokers.....	123 (100.0)	3 (2.4)	14 (11.4)	99 (80.5)	6 (4.9)	1 (.8)

¹ After allowance for bank's usual seasonal variation.

² 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.

³ "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.

In November—for the first time in 1973—a significant minority of respondents reported an easing in their policies with regard to interest rates and several other lending terms and practices. Moreover, there was a marked increase in willingness to make certain types of loans, particularly term loans to business and consumer instalment loans. However, in most areas covered by the survey, more banks reported moves

toward increased firmness than toward ease—perhaps reflecting a lagged response to the earlier booming loan demand. The modest indication of a greater willingness to make term loans to business was nearly offset by tightening on the part of other respondents; although some banks reported that they were more willing to make mortgage loans than 3 months earlier, more respondents indicated the opposite. []

QUARTERLY SURVEY—MAY 1973

CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS: POLICY ON MAY 15, 1973, 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
Strength of demand for commercial and industrial loans:¹						
Compared with 3 months earlier.....	125 (100.0)	23 (18.4)	69 (55.2)	30 (24.0)	3 (2.4)	
Anticipated in next 3 months.....	125 (100.0)	13 (10.4)	69 (55.2)	41 (32.8)	2 (1.6)	
	Total	Much firmer policy	Moderately firmer policy	Essentially unchanged	Moderately easier policy	Much easier policy
Loans to nonfinancial businesses:						
Terms and conditions:						
Interest rates charged.....	125 (100.0)	24 (19.2)	76 (60.8)	25 (20.0)		
Compensating or supporting balances.....	125 (100.0)	17 (13.6)	51 (40.8)	57 (45.6)		
Standards of creditworthiness.....	125 (100.0)	13 (10.4)	42 (33.6)	69 (55.2)	1 (.8)	
Maturity of term loans.....	125 (100.0)	7 (5.6)	39 (31.2)	78 (62.4)	1 (.8)	
Practice concerning review of credit lines or loan applications:						
Established customers.....	125 (100.0)	4 (3.2)	37 (29.6)	83 (66.4)	1 (.8)	
New customers.....	125 (100.0)	28 (22.4)	48 (38.4)	48 (38.4)	1 (.8)	
Local service area customers.....	125 (100.0)	4 (3.2)	32 (25.6)	89 (71.2)		
Nonlocal service area customers.....	125 (100.0)	25 (20.0)	42 (33.6)	57 (45.6)	1 (.8)	
Factors relating to applicant:²						
Value as depositor or source of collateral business.....	125 (100.0)	18 (14.4)	58 (46.4)	49 (39.2)		
Intended use of the loan.....	125 (100.0)	13 (10.4)	36 (28.8)	76 (60.8)		
Loans to independent finance companies:³						
Terms and conditions:						
Interest rates charged.....	125 (100.0)	15 (12.0)	51 (40.8)	59 (47.2)		
Compensating or supporting balances.....	125 (100.0)	8 (6.4)	21 (16.8)	95 (76.0)	1 (.8)	
Enforcement of balance requirements.....	125 (100.0)	9 (7.2)	30 (24.0)	86 (68.8)		
Establishing new or larger credit lines.....	125 (100.0)	21 (16.8)	49 (39.2)	55 (44.0)		
	Total	Considerably less willing	Moderately less willing	Essentially unchanged	Moderately more willing	Considerably more willing
Willingness to make other types of loans:						
Term loans to businesses.....	125 (100.0)	13 (10.4)	41 (32.8)	68 (54.4)	3 (2.4)	
Consumer instalment loans.....	124 (100.0)	1 (.8)		111 (89.5)	11 (8.9)	1 (.8)
Single-family mortgage loans.....	123 (100.0)	3 (2.4)	16 (13.0)	100 (81.3)	4 (3.3)	
Multifamily mortgage loans.....	122 (100.0)	6 (4.9)	24 (19.7)	92 (75.4)		
All other mortgage loans.....	124 (100.0)	7 (5.6)	26 (21.0)	88 (71.0)	3 (2.4)	
Participation loans with correspondent banks.....	123 (100.0)	5 (4.1)	17 (13.8)	100 (81.3)	1 (.8)	
Loans to brokers.....	124 (100.0)	11 (8.9)	34 (27.4)	77 (62.1)	2 (1.6)	

¹ After allowance for bank's usual seasonal variation.
² 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.

³ "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—AUGUST 1973

CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS: POLICY ON AUGUST 15, 1973, 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
Strength of demand for commercial and industrial loans:¹						
Compared with 3 months earlier.....	125 (100.0)	24 (19.2)	71 (56.8)	27 (21.6)	3 (2.4)	
Anticipated in next 3 months.....	125 (100.0)	12 (9.6)	48 (38.4)	54 (43.2)	11 (8.8)	
	Total	Much firmer policy	Moderately firmer policy	Essentially unchanged	Moderately easier policy	Much easier policy
Loans to nonfinancial businesses:						
Terms and conditions:						
Interest rates charged.....	125 (100.0)	80 (64.0)	36 (28.8)	9 (7.2)		
Compensating or supporting balances..	125 (100.0)	41 (32.8)	46 (36.8)	38 (30.4)		
Standards of creditworthiness.....	125 (100.0)	27 (21.6)	45 (36.0)	53 (42.4)		
Maturity of term loans.....	125 (100.0)	22 (17.6)	37 (29.6)	65 (52.0)	1 (.8)	
Practice concerning review of credit lines or loan applications:						
Established customers.....	125 (100.0)	13 (10.4)	60 (48.0)	52 (41.6)		
New customers.....	125 (100.0)	72 (57.6)	38 (30.4)	15 (12.0)		
Local service area customers.....	125 (100.0)	12 (9.6)	58 (46.4)	55 (44.0)		
Nonlocal service area customers.....	125 (100.0)	58 (46.4)	45 (36.0)	22 (17.6)		
Factors relating to applicant:²						
Value as depositor or source of collateral business.....	125 (100.0)	49 (39.2)	46 (36.8)	30 (24.0)		
Intended use of the loan.....	125 (100.0)	43 (34.4)	44 (35.2)	38 (30.4)		
Loans to independent finance companies:³						
Terms and conditions:						
Interest rates charged.....	125 (100.0)	41 (32.8)	33 (26.4)	51 (40.8)		
Compensating or supporting balances..	125 (100.0)	15 (12.0)	27 (21.6)	83 (66.4)		
Enforcement of balance requirements..	125 (100.0)	20 (16.0)	45 (36.0)	60 (48.0)		
Establishing new or larger credit lines..	125 (100.0)	65 (52.0)	31 (24.8)	28 (22.4)	1 (.8)	
	Total	Considerably less willing	Moderately less willing	Essentially unchanged	Moderately more willing	Considerably more willing
Willingness to make other types of loans:						
Term loans to businesses.....	125 (100.0)	30 (24.0)	53 (42.4)	41 (32.8)	1 (.8)	
Consumer instalment loans.....	124 (100.0)	3 (2.4)	12 (9.7)	102 (82.3)	6 (4.8)	1 (.8)
Single-family mortgage loans.....	122 (100.0)	25 (20.5)	39 (32.0)	54 (44.2)	4 (3.3)	
Multifamily mortgage loans.....	121 (100.0)	36 (29.8)	43 (35.5)	42 (34.7)		
All other mortgage loans.....	121 (100.0)	33 (27.3)	52 (43.0)	36 (29.7)		
Participation loans with correspondent banks.....	125 (100.0)	10 (8.0)	46 (36.8)	68 (54.4)	1 (.8)	
Loans to brokers.....	124 (100.0)	33 (26.6)	36 (29.0)	55 (44.4)		

¹ After allowance for bank's usual seasonal variation.

² 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.

³ "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 1973

CHANGES IN BANK LENDING PRACTICES AT SELECTED LARGE BANKS: POLICY ON NOVEMBER 15, 1973, 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
Strength of demand for commercial and industrial loans:¹						
Compared with 3 months earlier.....	125 (100.0)	1 (.8)	22 (17.6)	53 (42.4)	50 (40.0)	1 (.8)
Anticipated in next 3 months.....	124 (100.0)		16 (12.9)	69 (55.7)	37 (29.8)	
	Total	Much firmer policy	Moderately firmer	Essentially unchanged	Moderately easier	Much easier
Loans to nonfinancial businesses:						
Terms and conditions:						
Interest rates charged.....	125 (100.0)	9 (7.2)	27 (21.6)	60 (48.0)	29 (23.2)	
Compensating or supporting balances..	124 (100.0)	4 (3.2)	18 (14.5)	98 (79.1)	4 (3.2)	
Standards of creditworthiness.....	124 (100.0)	4 (3.2)	20 (16.1)	98 (79.1)	2 (1.6)	
Maturity of term loans.....	124 (100.0)	1 (.8)	16 (12.9)	99 (79.8)	8 (6.5)	
Practice concerning review of credit lines or loan applications:						
Established customers.....	125 (100.0)	1 (.8)	15 (12.0)	96 (76.8)	13 (10.4)	
New customers.....	125 (100.0)	9 (7.2)	30 (24.0)	65 (52.0)	21 (16.8)	
Local service area customers.....	125 (100.0)	1 (.8)	16 (12.8)	94 (75.2)	14 (11.2)	
Nonlocal service area customers.....	125 (100.0)	10 (8.0)	25 (20.0)	78 (62.4)	12 (9.6)	
Factors relating to applicant:²						
Value as depositor or source of collateral business.....	125 (100.0)	10 (8.0)	22 (17.6)	90 (72.0)	3 (2.4)	
Intended use of the loan.....	125 (100.0)	4 (3.2)	17 (13.6)	96 (76.8)	8 (6.4)	
Loans to independent finance companies:³						
Terms and conditions:						
Interest rates charged.....	125 (100.0)	4 (3.2)	17 (13.6)	88 (70.4)	16 (12.8)	
Compensating or supporting balances..	125 (100.0)	2 (1.6)	8 (6.4)	113 (90.4)	2 (1.6)	
Enforcement of balance requirements..	125 (100.0)	5 (4.0)	17 (13.6)	101 (80.8)	2 (1.6)	
Establishing new or larger credit lines..	125 (100.0)	10 (8.0)	15 (12.0)	88 (70.4)	12 (9.6)	
	Total	Considerably less willing	Moderately less willing	Essentially unchanged	Moderately more willing	Considerably more willing
Willingness to make other types of loans:						
Term loans to businesses.....	125 (100.0)	2 (1.6)	12 (9.6)	92 (73.6)	19 (15.2)	
Consumer instalment loans.....	124 (100.0)		2 (1.6)	105 (84.7)	16 (12.9)	1 (.8)
Single-family mortgage loans.....	122 (100.0)	9 (7.4)	16 (13.1)	83 (68.0)	14 (11.5)	
Multifamily mortgage loans.....	121 (100.0)	14 (11.6)	16 (13.2)	84 (69.4)	7 (5.8)	
All other mortgage loans.....	123 (100.0)	7 (5.7)	17 (13.8)	91 (74.0)	8 (6.5)	
Participation loans with correspondent banks.....	125 (100.0)	1 (.8)	11 (8.8)	99 (79.2)	14 (11.2)	
Loans to brokers.....	125 (100.0)	5 (4.0)	13 (10.4)	102 (81.6)	5 (4.0)	

¹ After allowance for bank's usual seasonal variation.

² 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.

³ "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.

Statement to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on International Finance of the Committee on Banking and Currency, U.S. House of Representatives, April 4, 1974.

I am pleased to meet with this committee once again to discuss with you recent developments in the international economy and in foreign exchange markets. My testimony today will focus on the grave problem of inflation and its implications for the role of the United States in the international economic and financial community.

Inflation is now the dominant economic force in every major nation around the world. Wholesale prices in the principal industrial countries at present are 10 to 35 per cent above their levels of a year ago, while consumer prices have risen from 8 to 25 per cent in the past 12 months. Inflation is raging also in the less developed countries, and apparently also in socialist countries as well as in those practicing free enterprise.

In February wholesale prices in the United States averaged 20 per cent higher, and consumer prices 10 per cent higher, than their level a year earlier. Thus, along with most other nations, we are now either experiencing or are close to the threshold of a two-digit inflation.

The current worldwide inflation has no close parallel in the economic history of the industrialized world. In earlier times inflation in the United States and in other industrial countries was usually associated with wars or, less frequently, with peacetime investment booms. Once those episodes passed the price level typically declined, and many years often elapsed before prices returned to their previous peaks.

Over the past quarter century, a rather different pattern of price behavior has emerged. Prices of some individual commodities still decline when demand weakens. The average level of prices, however, hardly ever declines, even

in periods of rising unemployment. The long-term course of prices, therefore, has been inexorably upward.

If my reading of history is correct, the ability to control inflation has gradually deteriorated since World War II. During the past 10 years, moreover, the pace of inflation appears to have accelerated more in the United States than it has in other major countries.

Since 1970 prices have skyrocketed almost everywhere. For a time—between mid-1971 and the end of 1972—the rate of inflation in our country moderated substantially. Indeed, some 9 or 12 months ago, the average level of consumer prices was rising less rapidly in the United States than in any other industrial country in the world. Of late, however, our Nation has been experiencing a rate of inflation that matches or even exceeds the inflation rate of many other countries.

The implications of these facts have not been lost on the American people. Labor leaders and workers now tend to reason that in order to achieve a gain in real income, they must bargain for wage increases that provide full protection against advances in the price level. Businessmen have come to believe that the trend of production costs will be steadily upward, and their resistance to higher wages or to higher prices for what they buy from others has therefore diminished. Lenders in their turn, expecting to be paid back in cheaper dollars, tend to hold out for higher interest rates. And when individuals and families set aside funds for the future, they realize that some part of their accumulated savings will be eroded by rising prices. A recent survey indicates that three-fourths of the consuming public doubt that the rate of inflation will be reduced at any time in the near future.

These new patterns of thought are an ominous development. When the thinking of a nation—its consumers, its workers, and its businessmen—comes to be dominated by inflationary expectations, productive efficiency is apt to falter, while interest rates rise and social and

political frictions multiply. That is the clear lesson of history both here and abroad. No nation that I know of has been able to maintain prosperous economic conditions for very long once inflationary forces got out of hand.

Last year's experience in the United States provides ample evidence of the troubles wrought by inflation. During 1973, weekly earnings of the average worker rose about 7 per cent, but consumer prices rose even faster. With social security and other taxes also increasing, the real weekly take-home pay of the average worker was about 3 per cent lower at the end of 1973 than a year earlier. Inflation reduced also the real value of savings. Even if we take no account of the decline in the prices of common stocks, the dollar value of the other financial assets held by individuals rose less than consumer prices during 1973; in other words, the real value of these accumulated savings actually declined.

Many consumers have responded to the reduction in their real income and savings by postponing or cancelling plans for buying big-ticket items. Sales of new autos began to slip in the spring of 1973, and so too did sales of furniture and appliances, mobile homes, and new conventional houses. Inflation cut a wide swath through consumer markets last year and thereby checked economic progress. The recent rise of unemployment reflects the weakness engendered by inflation in some consumer markets as well as the obstacles to production originating in shortages of petroleum products.

Thoughtful citizens throughout the country, as the members of this committee well know, are deeply concerned about the erosion of the real value of their earnings and savings. Ironically, the roots of our persisting inflationary problem lie in the rising aspirations of people everywhere for lasting prosperity, job security, and a fair distribution of the fruits of modern science and technology.

Public policies nowadays are expected to maintain production at a high and rising level, to limit such declines in employment as may occasionally occur, to ease the burden of job loss or illness or retirement, to protect business firms from the hardships of economic displacement, to sustain the incomes of farmers and wage earners, to provide special credit

facilities and other assistance to small businesses and homebuilders, and so on. We and other nations have moved a considerable distance toward these objectives. In the process, however, governmental budgets have often gotten out of control, business and consumer credit has frequently expanded too rapidly, wages have become less responsive to market forces, and in not a few of our businesses, price competition has atrophied as a mode of economic behavior.

In view of these institutional changes, general price stability would be difficult to achieve in the contemporary world under the best of circumstances. Of late, however, several factors of an unusual character have imparted a new dimension to the course of inflation in industrialized nations.

A major cause of the stepped-up pace of inflation during 1973 was the coincidence of booming economic activity in the United States and in other countries. Production rose rapidly throughout the industrial world; prices of labor, materials, and end-products were bid up; and inflation accelerated everywhere.

Demand pressures became particularly intense for major industrial materials—that is, for aluminum, steel, cement, synthetic fibers, paper, paperboard, and the like. In some of these industries, productive capacity in the United States had grown little in recent years—a result of the low rates of profitability from 1966 to 1971 and, to some degree also, of the restrictions imposed by environmental controls. Since our industrial plant and that of other nations was incapable of accommodating the upsurge in demand, shortages developed for a wide range of materials and component parts.

To make matters worse, disappointing harvests in 1972—both here and abroad—forced a sharp run-up in food prices during 1973. And the manipulation of petroleum shipments and prices by major oil-exporting countries caused a spectacular advance in the prices of gasoline and heating oil. Rapidly rising prices of food and fuel, in fact, have accounted for much of the recent worldwide inflationary problem.

In the United States, an additional complicating factor during 1973 was the net decline in the value of our currency in foreign exchange markets. This depreciation of the dollar magni-

fied the impact of worldwide inflation on our price level. Higher prices of foreign currencies raised the dollar prices of imported goods, and these price increases were transmitted to domestic substitutes as well as to finished products that were based on imported materials. Moreover, as the dollar became cheaper for foreign buyers, our export trade increased rapidly. While this helped our balance of payments, it reinforced the pressures of demand on domestic resources.

Before commenting further on the relationship between inflation and the international value of the dollar, let me turn to a brief review of recent developments in foreign exchange markets.

As you may recall, those markets were characterized by alternating periods of turbulence and stability during 1973. In mid-February the dollar was devalued for a second time, and the dollar depreciated further in early March as floating became more widespread among major currencies. Then, over a period of 2 months, the dollar stabilized. During that time the average dollar price of ten major currencies (those of Japan, Canada, and eight European nations) was some 20 per cent above the exchange parities that had prevailed in the spring of 1970. But after mid-May the dollar again declined sharply; moreover, fluctuations of exchange rates from day to day became more pronounced. By early July market conditions had become so disorderly that the Federal Reserve decided to intervene by selling European currencies, mainly German marks.

The dollar reached its weakest point on July 6, when the average dollar price of the ten currencies mentioned earlier was 33 per cent higher than in the spring of 1970. In our judgment, as well as that of other students of the exchange market, this depreciation of the dollar was substantially larger than prevailing international price levels or long-term prospects for our balance of payments justified.

After our intervention in July and the release of new and favorable trade and payments figures for the United States, the dollar strengthened by about 3 per cent during the first weeks of August. There was little further net change in the dollar's value until late October, when the dollar began to strengthen in exchange markets.

By the end of January the average dollar price of the same ten major currencies was only 11 per cent above its spring 1970 level—a drop of 22 percentage points from July 1973.

The decisive factor in the appreciation of the dollar from late October through January was the remarkable turnaround in the foreign trade and over-all balance of payments of the United States. Our merchandise exports expanded at extraordinarily high rates during 1973: in the fourth quarter, measured in current dollars, they were 53 per cent above their level in the fourth quarter of 1972. The value of imports also increased substantially, but not nearly so fast as exports. As a result, the trade balance—expressed in annual rates—swung from a deficit of \$7 billion in the fourth quarter of 1972 to a surplus of \$5.5 billion in the fourth quarter of 1973.

An impressive shift occurred also in the balance of payments as a whole. After registering deficits for 14 consecutive quarters, the basic balance—that is, the aggregate of all current international transactions and long-term capital flows—moved into substantial surplus in the third and fourth quarters of 1973.

Although the improvement in our trade and payments position was the fundamental factor strengthening the foreign exchange value of the dollar during the October-January period, the dollar's appreciation was also propelled by market expectations that the energy crisis would have a more severe effect on the balance of payments of European countries and Japan than on our balance of payments. These expectations seem to have weakened during February and March, and the exchange value of the dollar has declined appreciably since the end of January. Last week the average dollar price of the ten major foreign currencies mentioned earlier was about 20 per cent higher than in the spring of 1970—or close to the level at which it temporarily stabilized one year ago.

The most important factor in the recent weakening of the dollar appears to have been the reassessment by market participants of the probable effects of the world energy crisis on the balance of payments of individual countries. Foreign exchange traders have been impressed by the remarkable ability of German business firms to continue augmenting their exports,

while passing on to buyers their sharply higher costs. Traders have also been influenced by the large borrowings in the Euro-currency markets that have recently been negotiated by the Governments of Italy, France, and the United Kingdom for the purpose of financing the trade deficits caused by higher oil prices. These developments in turn have led to some reassessment of the magnitude of the capital flow from the oil-exporting countries that is likely to end up in the United States.

Other factors have also played a part in the recent weakening of the exchange value of the dollar. The termination in late January of our controls over the outflow of capital contributed to market pressures on the dollar in February and March, and so too did the relaxation by some foreign governments of their restraints on capital inflows. There is some evidence, especially in connection with the strengthening of the Canadian dollar in February, that wider interest-rate differentials in favor of foreign-currency assets contributed to the recent dollar depreciation. During March rumors of a revaluation of the German mark caused speculative flurries on several occasions. And the sharp rise in our price level that occurred in January and February has surely not gone unnoticed, and it may well have reduced, in the eyes of some investors, the attractiveness of dollar assets relative to assets denominated in foreign currencies.

The large fluctuations in exchange markets since the beginning of 1973 have reflected speculative trading as well as changes in real circumstances of individual nations such as the improvement in our country's balance of trade and payments during the past 15 months. The magnification of exchange fluctuations through speculative trading is a troublesome feature of a floating system. On the other hand, had it not been for floating exchange rates, the financial world would probably have experienced a major crisis last fall. As things turned out, exchange markets absorbed remarkably well the shock produced by the abrupt and massive manipulation of oil shipments and prices by the major oil-exporting countries.

With many financial, commercial, and political issues still unresolved among the nations of the world, our own and other governments have

no practical choice except to put up with floating exchange rates. But although exchange-rate flexibility is helpful under present circumstances, it is of course no panacea for the international problems facing our Nation or any other nation. Indeed, unless we in the United States proceed with stronger determination than we have yet mustered to restrain inflationary forces, the consequences may be worse than they would have been when exchange rates were held within very narrow margins by official intervention.

Thus, if prices in the United States were to rise at a more rapid rate than abroad, our exports would become less competitive and domestic demand would tend to shift away from goods produced at home to imported products. Formerly, with fixed exchange rates, this lower volume of exports would have eased demand pressures on domestic resources; and the diversion of demand toward imports would also have served to moderate upward pressure on our general price level. With floating exchange rates, however, a more rapid rate of inflation in the United States than abroad would tend to lead to a depreciation of the dollar in exchange markets. Such a depreciation, as noted earlier, results not only in higher dollar prices of imported goods, but also in higher prices of domestic substitutes and of finished products based on imported materials. Speculative anticipations of further weakness in the exchange value of the dollar could intensify this vicious circle of domestic inflation and exchange depreciation.

In short, with exchange rates floating, faster inflation in the United States than abroad would tend to induce a depreciation of the dollar in exchange markets, which in turn would exacerbate our inflation problem. No such intensification can take place under a regime of fixed exchange rates; or more precisely, it cannot take place so long as international reserves remain sufficient to obviate the need for devaluation.

There is another difference between the present system of flexible exchange rates and the former regime of fixed rates that requires attention. Under either regime, changes in interest-rate differentials between the United States and foreign countries will tend to induce international capital flows. When exchange rates were held fixed, such capital outflows from the

United States produced a decline in our net reserve position. Now, with exchange rates floating, capital outflows will tend to cause some depreciation of the dollar in exchange markets, and thus bring into play the unhappy consequences for our price level that I have already recited.

An important conclusion follows from this analysis of the interdependence between domestic inflation and the exchange value of the dollar, namely, that under the present regime of floating exchange rates, it is more necessary than ever to proceed cautiously in executing an expansionary economic policy.

Since the effects of floating exchange rates vary with circumstances, being helpful in certain respects and injurious in others, no responsible government is prepared to allow the international value of its currency to be determined solely by the untrammled play of market forces. That is why the Federal Reserve System and the Treasury have been cooperating with monetary authorities abroad—most recently in February and March—to moderate abrupt movements in exchange rates and to prevent the emergence of disorderly conditions in exchange markets. We in the United States certainly cannot accept with equanimity exchange-rate movements that clearly undervalue the dollar. Nor would our trading partners want us to do that. Cooperation in managing the present exchange-rate arrangements is essential if the nations of the world are to minimize economic and political frictions and to promote orderly expansion of international transactions.

Present uncertainties about the world economic outlook, in particular the consequences of the current energy problem, have increased the need for international cooperation in other areas as well. But effective cooperation requires effective leadership. The United States, being much the strongest economic and financial power in the world, is expected by the international community to provide the leadership without which lasting economic achievement may be impossible. Our Government recognizes this responsibility and exercised it effectively at the Energy Conference held in Washington this February. The nations participating in that Conference agreed, as did also the Committee of Twenty in January, that every country must

scrupulously avoid policies that are harmful to other countries—especially the imposition of restrictions on trade and payments.

The United States in particular needs to ensure that declarations such as these at international meetings are more than fine rhetoric. Constructive steps can be taken in three areas: facilitation of adjustment problems caused by higher oil prices, reduction of trade barriers, and international monetary cooperation.

The higher oil prices will generate an enormous flow of additional revenues to the oil-exporting countries. The capacity of these countries to expand their imports is very limited, however, in the short run. Therefore, even when oil prices decline this year or next, which I believe will happen, the oil-exporting countries will probably still experience huge surpluses in the current account of their balance of payments. On the other hand, we and other countries will probably experience sizable deficits. In principle, the essential means for the financing of these deficits are at hand, since the oil-exporting countries must invest their huge surpluses in some form—in the traditional money and capital markets of other countries, or the Euro-currency market, or through international institutions. Unfortunately, there is no assurance that the distribution of the investments of the oil-exporting countries will match the distribution of the current-account deficits that their manipulation of oil prices has caused.

Many of the oil-importing countries that fail to attract these investments will be able to draw down their foreign-exchange reserves or borrow in the Euro-currency or traditional money and capital markets. But special cooperative measures will be required to assist countries for which these temporary remedies are not sufficiently available. Some countries, particularly among the developing nations, face oil-financing problems that are literally beyond their capacity to manage.

Oil-exporting countries themselves should play a major role in ameliorating the impact on the rest of the world of their sharply higher oil prices—first and foremost, by bringing down these prices to a more reasonable level, and second, by providing massive assistance to the developing countries. Imaginative use can be made of existing financial institutions such as

the World Bank, the International Monetary Fund (IMF), the Bank for International Settlements, and the Asian Development Bank; some progress along these lines is already visible. The Federal Reserve's own network of reciprocal currency arrangements can play a modest role by temporarily financing short-term movements of funds; to this end, the swap lines with the Bank of Italy and the Bank of England have recently been expanded, each by \$1 billion. We should also explore new instrumentalities, such as the multinational joint-venture arrangement mentioned as a possibility by Secretary Shultz at the Washington Energy Conference.

These financial measures can be helpful in the short run while other measures, which will only become fully effective in the longer run, are being taken. The long-run solution of the energy problem is not yet clear beyond the fact that it will require massive programs to conserve energy use, to develop new energy sources, and to accelerate energy research. Project Independence, outlined in the President's Budget Message, is designed to advance these programs in the United States; and the Washington Energy Conference has also agreed to seek methods of international cooperation with regard to such matters as the conservation of energy, the sharing of nuclear and other technologies in the energy area, and research aimed at developing or hastening the exploitation of new energy sources.

Reduction of trade barriers is a second area in which increased international cooperation can play a useful role. The Congress can do its part by speedily enacting the Trade Reform Act. Other countries must also make an earnest effort to move trade negotiations forward. In the meantime, we should insist that the nations of the world bind themselves to avoid bilateral agreements that give support to cartel arrangements. We should also seek agreement—in case of balance of payments difficulties—not to impose new restrictions on imports, or artificially stimulate exports, without IMF approval.

International monetary reform is the third area in which useful cooperative steps can be taken in the months ahead. I see no reason for being discouraged by the progress made to date by the Committee of Twenty. The Committee and

its Deputies have been laboring under difficult circumstances. I have never expected international monetary reform to be blueprinted in advance so that it could be methodically implemented all at once. International monetary reform is bound to be an evolutionary process and to reflect unfolding experience.

I expect the Committee of Twenty to reach agreement this summer on the basic principles and broad features of a reformed international monetary system. This agreement should lay the basis for considerable strengthening of the IMF. Hopefully, a new high-level Council will be created in the IMF; this body will be charged with the responsibility for continuously reviewing the structure and operation of the international monetary system. I also believe that agreement can be reached this summer on several vital monetary arrangements, such as guidelines for floating, the valuation of special drawing rights, and guidelines for an adjustment process to avoid persistent increases or decreases of the international reserves of individual countries.

I am bound to observe, however, that no set of international monetary arrangements can function successfully in an environment of rapid inflation such as we and other countries have recently been experiencing. The paramount task to which economic policy in all countries must be devoted at the present time is firm control over the inflationary forces distorting the world economy. It is particularly important that the United States, to which so many countries look for leadership, bring its own inflation under control. By setting an example for other countries, we will aid them as well as ourselves.

Improvement in price performance during 1974 is essential to our future, and it is also within our means. The rise in consumer prices should moderate later this year as petroleum prices level off or decline in response to increased supplies of gasoline and fuel oil, and as food supplies expand in response to incentives for farmers to increase production. There are other favorable price developments on the horizon. A temporarily slower pace of economic activity, both here and abroad, should cause a decline in the prices of industrial raw materials and in internationally traded commodities. Actually, wholesale prices of farm and food prod-

ucts have declined appreciably in recent weeks, and prices of cotton and some other industrial materials have also edged down from previous peaks.

Realistically, however, we can hardly expect a return to general price stability in the near future. Substantial increases in the prices of numerous commodities and services are practically unavoidable this year because relative prices of many items are now badly out of balance. Moreover, despite the restraint shown in most wage settlements during 1973, increases in wage rates are running well ahead of productivity gains, and unit-labor costs are rising rapidly. If economic activity proceeds rather sluggishly this year, as seems likely, productivity gains will probably be even smaller than they were last year. A rise in wages that is faster than we have recently experienced would therefore put great upward pressure on costs of production and on prices.

Whatever the cause, if rapid inflation continues this year, it may undermine confidence, cause interest rates to move higher, and seriously diminish our chances of regaining a stable and broadly based prosperity. It may also destroy the gains recently made in improving our competitive position in world markets and in strengthening our balance of payments.

Public policy at the present time is confronted with an exceptionally difficult economic situation. Inflation is proceeding at a dangerous pace, economic activity is high but sluggish, and international financial relations are under strain. Our best chance of surmounting these accumulated difficulties is to face up squarely to the gravity of the inflation problem. The pace of inflation needs to be substantially reduced, even if it cannot be halted, this year.

Our chances of bringing inflation under control will be enhanced if our Nation's business and labor leaders exercise restraint in the wage-price area. Governmental programs to improve productivity and to encourage larger output of products in short supply could also be of benefit. But in the end, we will have to rely principally on prudent management of monetary and fiscal

policies. For our part, we at the Federal Reserve are determined to follow a course of monetary policy that will permit only moderate growth of money and credit. Such a policy should make it possible for the fires of inflation to burn themselves out, while at the same time it provides the financial basis for the resumption of orderly economic growth.

In the present economic environment fiscal policy can be used to better advantage than monetary policy in alleviating unemployment. Selective measures such as an expanded public employment program or increased unemployment benefits could cushion the economic adjustments now under way. Also, a selective tax policy of accelerated amortization could stimulate investment in the energy and other basic materials industries, thereby relieving the more critical shortages of capacity that have recently proved so troublesome. I would strongly advise the Congress, however, against adoption, at this time, of broadly stimulative fiscal measures, such as a general tax cut or a new public works program.

In closing, I cannot let this opportunity pass without expressing great satisfaction that a bill reforming congressional budget procedures is now in conference and will soon become law. After long and conscientious study, the Congress has developed systematic procedures for setting an over-all spending limit that will be related rationally to both expected revenues and to economic conditions, and then establishing spending priorities within that limit. These new procedures should end the practice of persistently running budget deficits - deficits which have appeared in good times as well as in bad, and which very frequently were unplanned and unwanted by either the Congress or the administration. This landmark legislation will enable us to avoid excessively stimulative fiscal policy, which has been a major source of the inflation during the past decade. It will enable us at long last to use fiscal policy effectively to restrain demand as well as to stimulate it. Used wisely, this legislation has enormous potential for restoring price stability in the future. []

Record of Policy Actions

of the Federal Open Market Committee

MEETING HELD ON JANUARY 21-22, 1974¹

1. Domestic policy directive

Preliminary estimates of the Commerce Department indicated that growth in real output of goods and services (real gross national product) had slowed to an annual rate of 1.3 per cent in the fourth quarter of 1973— from 3.5 per cent in the third quarter— and that the rise in the GNP implicit deflator had accelerated to an annual rate of about 8 per cent, in part as a result of the impact of the oil shortage. Staff projections suggested that economic activity would weaken further in the first half of 1974 and that prices would rise somewhat more sharply than had been expected 5 weeks earlier.

In December industrial production declined, as output of automobiles fell sharply and residential and commercial use of electricity and gas was substantially reduced; the gain in industrial production from the third to the fourth quarter of 1973 was small. Nonfarm payroll employment— which had grown rapidly in the first 11 months of the year— expanded little in December, when some workers were laid off as a result of the energy situation, and the unemployment rate rose further to 4.9 per cent. Retail sales declined in December and changed little in the fourth quarter as a whole, chiefly because of a drop in demand for the larger automobiles and for some other durable goods.

Wholesale prices of industrial commodities rose sharply further in December; as in the preceding 2 months, increases were large for fuels and were substantial and widespread among other industrial commodities. Wholesale prices of farm and food products, which had declined for 3 months, turned up, reflecting sizable increases in prices of grains, animal feeds, oilseeds, fats and oils,

¹This meeting was held over a 2-day period, beginning on the evening of January 21, 1974, in order to enable the Committee to hear reports from members who had attended international gatherings without infringing on the time available for its deliberations on current monetary policy.

and raw cotton. In the closing months of 1973 the consumer price index continued upward at a rapid rate as a result of the rise in prices of various types of energy and increases in prices of foods and services. The index of average hourly earnings of production workers on private nonfarm payrolls also continued to move up at a fast pace, but real spendable weekly earnings of production workers declined in the fourth quarter of the year as they had over the first three quarters.

Staff projections for the first half of 1974 still suggested that the short-fall in supplies of petroleum products would lead to additional curtailment in expenditures for automobiles and related goods and services. Consequently, real consumption expenditures, which had declined in the fourth quarter of 1973, would remain weak. As before, it was anticipated that the decline in residential construction would be extended but that the expansion in business fixed investment would remain relatively strong and that growth in State and local government purchases of goods and services would continue at a substantial rate. The over-all increase in nominal GNP projected for the first half of the year was now somewhat greater than had been expected 5 weeks earlier, owing to larger increases in prices—mainly in those of petroleum products.

In late December the large price increase for crude oil imposed by producing countries generated new uncertainties and fears about foreign trade prospects for oil-importing countries, about the size and direction of international flows of funds, and about the course of economic activity in major industrial countries. Participants in foreign exchange markets apparently believed that the United States would be the principal recipient of the capital flows arising from the investment of oil producers' receipts; as a result, major foreign currencies depreciated significantly further against the dollar in late December and early January— even while some foreign monetary authorities intervened in the markets, selling large amounts of dollars to limit depreciation of their currencies.

U.S. merchandise imports had risen substantially in November, in part because of earlier sharp increases in prices of petroleum products. Exports also had advanced, but U.S. merchandise trade had been in approximate balance, following 2 months of large surpluses.

Total loans and investments at U.S. commercial banks increased relatively little in December, and growth in bank credit over the fourth quarter was moderate. Expansion in outstanding business loans—which had picked up in November—slowed again in December as some borrowers apparently used proceeds of new bond issues to pay down bank loans. Real estate and consumer loans grew at about the same rates as in November, remaining well below rates earlier in the year. And while banks added to their holdings of State and local government securities, they further reduced their holdings of Treasury issues.

The narrowly defined money stock (M_1)² continued to grow at a rapid pace in December, but growth was somewhat faster over the November–December period than it otherwise would have been because of temporary increases in deposits held by foreign commercial banks; weekly data suggested that on balance M_1 changed little between mid-December and mid-January. In December inflows of time and savings deposits other than large-denomination certificates of deposit (CD's) were still sizable, although somewhat less than in November, and growth in the more broadly defined money stock (M_2)³ remained substantial. The outstanding volume of large-denomination CD's expanded, contributing to a moderate pick-up in growth in the bank credit proxy⁴ from very slow rates in October and November. In late December and early January the outstanding volume of such CD's expanded further, and the credit proxy grew at a faster rate.

Net deposit inflows at nonbank thrift institutions—which had improved significantly in October and November—expanded slightly further in December, reflecting primarily a larger-than-seasonal amount of interest credited to accounts at the month's end; growth in the measure of the money stock that includes such deposits (M_3)⁵—like growth in M_2 —remained substantial. Contract interest rates on conventional mortgages were unchanged in De-

²Private demand deposits plus currency in circulation.

³ M_1 plus commercial bank time and savings deposits other than large-denomination CD's.

⁴Daily-average member bank deposits, adjusted to include funds from nondeposit sources.

⁵ M_2 plus time and savings deposits at mutual savings banks and at savings and loan associations.

ember, after having declined over the two preceding months, but yields in the secondary market for Federally insured mortgages declined for the third consecutive month.

Following the Committee meeting in mid-December, System open market operations had been directed initially toward achieving some easing in bank reserve and money market conditions—in accordance with the Committee's decision to seek such easing, provided that the monetary aggregates did not appear to be growing excessively. As a result the Federal funds rate declined to a level of around $9\frac{3}{4}$ per cent in the early days of January—from around 10% per cent in the two statement weeks before the December meeting—and member bank borrowings declined to an average of about \$1,010 million in the 3 weeks ending January 9 from an average of about \$1,390 million in the preceding 4 weeks.

On January 11, after incoming data had suggested that in the December-January period the annual rate of growth in reserves available to support private nonbank deposits (RPD's) might be close to the upper limit of the specified range and that rates of growth in M_1 and M_2 might exceed acceptable ranges, a majority of the available members concurred in a recommendation by the Chairman that, in view of the sensitive state of financial markets and the general economic situation, the System aim to maintain prevailing money market conditions for the time being. The funds rate remained around $9\frac{3}{4}$ per cent until the last few days before this meeting, when it averaged about 9% per cent; in the statement week ending January 16 member bank borrowings were about \$990 million.

Changes in market interest rates since mid-December had been mixed. Long-term rates in general had risen in response to a relatively heavy volume of capital market financing. The over-all volume of new public offerings of corporate and State and local government bonds—which had expanded in the October-November period—declined less than seasonally in December, and a substantial increase was in prospect for January.

In short-term markets some private rates had declined since mid-December, reflecting the slackening in business demands for short-term credit and the inflow of funds from abroad. However, Treasury bill rates had risen, apparently because money market conditions had eased less than market participants had expected

and because foreign monetary authorities had sold a substantial volume of bills in association with their intervention in foreign exchange markets.

The Treasury was expected to announce on January 30 the terms of its mid-February refunding. Of the maturing issues, \$4.5 billion were held by the public.

A staff analysis suggested that, because of the larger rise in prices and higher projected rate of expansion in nominal GNP, growth in the demand for money over the first half of 1974 was likely to be somewhat greater than had been expected earlier. It appeared likely that if M_1 were to grow at a rate consistent with the Committee's earlier longer-run objectives for the monetary aggregates, money market conditions would tighten somewhat in the period immediately ahead and market interest rates in general would rise. As a result, net inflows of consumer-type time and savings deposits to banks and nonbank thrift institutions might decline appreciably, reducing the rates of growth in both M_2 and M_3 . This analysis implied that a moderately higher rate of growth in M_1 would be associated with little change or possibly some easing in money market conditions; under these conditions net inflows of consumer-type time and savings deposits likely would be maintained or would expand somewhat from recent rates.

According to the staff analysis, expansion in M_1 was likely to be relatively slow on the average in the January–February period following the rapid pace over the preceding 2 months that was attributable in part to the transitory increases in deposits held by foreign commercial banks. However, growth was expected to be faster in the second quarter, reflecting the temporary effects of large refunds of Federal income taxes and initial payments of increased social security benefits. It was also anticipated that growth in bank credit would pick up this winter from the low rate of the fourth quarter of 1973 and that the outstanding volume of large-denomination CD's, which had turned up in mid-December, would expand at a moderate pace.

The Committee agreed that the economic situation and outlook called for moderate growth in monetary aggregates over the longer run, including a slightly higher rate of growth in M_1 than contemplated earlier. Taking account of the staff analysis, the Committee concluded that growth in M_1 and M_2 over the January–February

period at annual rates within ranges of tolerance of 3 to 6 per cent and 6 to 9 per cent, respectively, would be consistent with its longer-run objectives for the monetary aggregates. The members agreed that such growth rates would be likely to involve RPD growth during the January–February period at an annual rate within a $4\frac{3}{4}$ to $7\frac{3}{4}$ per cent range of tolerance, and they decided that in the period until the next meeting the weekly average Federal funds rate might be permitted to vary in an orderly fashion from as low as $8\frac{3}{4}$ per cent to as high as 10 per cent, if necessary, in the course of operations. It was understood that a slight easing in reserve and money market conditions would be sought promptly, provided that the data becoming available later in the week of the meeting did not suggest that the monetary aggregates were growing rapidly.

The members also agreed that, in the conduct of operations, account should be taken of the forthcoming Treasury financing and of international and domestic financial market developments. It was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives and constraints.

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

The information reviewed at this meeting indicates that growth in real output of goods and services was slow in the fourth quarter of 1973, in part because of the fuel situation. Prices continued to rise sharply in December, reflecting additional increases for petroleum products and widespread advances among other goods and services. A further weakening in activity and sharp rise in prices appear to be in prospect for early 1974. In December nonfarm payroll employment changed little, and the unemployment rate increased further. Wage rates have continued to rise substantially in recent months, although not so sharply as prices.

Major foreign currencies have depreciated further against the dollar since mid-December, and some foreign monetary authorities have continued to sell dollars in exchange markets. Steep price increases imposed by oil-producing countries have heightened fears of economic disruption in many countries and of large and erratic international flows of funds.

The narrowly defined money stock increased substantially in the last 2 months of 1973, partly reflecting increased foreign deposits, but it has changed little on balance over recent weeks. Net inflows of consumer-type time deposits remained sizable at both banks and nonbank thrift institutions. Bank credit expansion, which was moderate over the closing months of 1973, has accelerated in recent weeks as banks have stepped up issuance of large-denomination CD's. Since mid-December, interest rate movements have been mixed; yields on most long-term securities and on Treasury bills have risen on balance, while some private short-term rates have declined.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to resisting inflationary pressures, cushioning the effects on production and employment growing out of the oil shortage, and maintaining equilibrium in the country's balance of payments.

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

Votes for this action: Messrs. Burns, Balles, Brimmer, Bucher, Daane, Holland, Mayo, Mitchell, Morris, and Sheehan. Votes against this action: Messrs. Hayes and Francis.

In dissenting, both Mr. Hayes and Mr. Francis indicated that they favored no change in the Committee's longer-run objectives for growth in the monetary aggregates, and Mr. Hayes also was opposed to a range of tolerance for the Federal funds rate that was skewed to the low side of the range that had prevailed in recent days. In Mr. Hayes' view, the probabilities favored a relatively mild business slowdown in 1974 as a whole, and in light of the rapid monetary growth in recent months, the Committee should lean against the strong inflationary pressures that remained the major economic problem. Mr. Francis believed that the actual and prospective slowdown in economic activity resulted wholly from capacity, supply, and price-distorting constraints, rather than from a weakening in demand, and that any easing in monetary policy would increase inflationary pressures without expanding real output or reducing unemployment.

2. Ratification of earlier action

By unanimous vote, the Committee ratified the action for which a majority of the members had voted on January 4, 1974, increasing from \$2 billion to \$3 billion the limit on changes between Committee meetings in System Account holdings of U.S. Government and Federal agency securities specified in paragraph 1(a) of the authorization for domestic open market operations, effective for the period from January 4 through the close of business on January 22, 1974.

The action in question had been taken on recommendation of the System Account Manager. The Manager had advised that a substantial volume of open market purchases of securities had been required in the period since the Committee's meeting on December 18, 1973, in order to offset reserve absorption resulting from market factors and that a near-term need to supply reserves was in prospect; he had further advised that strength of the dollar in foreign exchange markets suggested that foreign official sales of U.S. Treasury bills might be heavy and that the System should be in a position to acquire some of those bills while offsetting any undesired effects on bank reserves by other means.

3. Authorization for foreign currency operations

The Committee approved an increase from \$2 billion to \$3 billion in the System's swap arrangement with the Bank of Italy, and the corresponding amendment to paragraph 2 of the authorization for foreign currency operations, subject to the understanding that the action would become effective upon approval by the Subcommittee (consisting of the Chairman and Vice Chairman of the Committee and the Vice Chairman of the Board of Governors) designated in the Committee's rules of procedure, after consultation with the U.S. Treasury.

Votes for this action: Messrs. Burns, Hayes, Balles, Brimmer, Bucher, Daane, Francis, Holland, Mayo, Mitchell, Morris, and Sheehan. Votes against this action: None.

On January 29, 1974, the Subcommittee approved the indicated increase, effective February 1, 1974. Accordingly, as of the latter date, paragraph 2 of the authorization read as follows:

The Federal Open Market Committee directs the Federal Reserve Bank of New York to maintain reciprocal currency arrangements ("swap" arrangements) for the System Open Market Account for periods up to a maximum of 12 months with the following foreign banks, which are among those designated by the Board of Governors of the Federal Reserve System under Section 214.5 of Regulation N, Relations with Foreign Banks and Bankers, and with the approval of the Committee to renew such arrangements on maturity:

Foreign bank	Amount of arrangement (millions of dollars equivalent)
Austrian National Bank	250
National Bank of Belgium	1,000
Bank of Canada	2,000
National Bank of Denmark	250
Bank of England	2,000
Bank of France	2,000
German Federal Bank	2,000
Bank of Italy	3,000
Bank of Japan	2,000
Bank of Mexico	180
Netherlands Bank	500
Bank of Norway	250
Bank of Sweden	300
Swiss National Bank	1,400
Bank for International Settlements:	
Dollars against Swiss francs	600
Dollars against other European currencies	1,250

This action was taken on the grounds that it would prove helpful in coping with possible exchange market pressures on the lira arising from the oil crisis, and thus would contribute to international monetary stability.

* * * * *

Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's *Annual Report*, are released about 90 days after the meeting and are subsequently published in the BULLETIN.

Law Department

Statutes, regulations, interpretations, and decisions

OPEN MARKET PURCHASES OF BILLS OF EXCHANGE, TRADE ACCEPTANCES, BANKERS ACCEPTANCES

The Board of Governors has revoked, effective April 1, 1974, its Regulation B relating to open market purchases of bills of exchange and bankers' acceptances. After April 1, all provisions relating to such purchases will be included in the Regulation Relating to Open Market Operations of Federal Reserve Banks of the Federal Open Market Committee, and in authorizations and directives issued by the Committee.

ACCEPTANCE BY MEMBER BANKS OF DRAFTS OR BILLS OF EXCHANGE

The Board of Governors has revoked, effective April 1, 1974, its Regulation C dealing with acceptance by member banks of drafts or bills of exchange.

Interpretations of the statutory provisions that have been issued by the Board from time to time remain, for the present, in full force and effect. The Board intends to undertake a general review of its outstanding statutory interpretations with a view to determining whether any modifications should be made in light of current business and banking practices.

OPEN MARKET OPERATIONS OF FEDERAL RESERVE BANKS PURCHASE OF BANKERS' ACCEPTANCES

Beginning April 1, 1974, purchase and sale of bankers' acceptances by Federal Reserve Banks will be conducted pursuant to provisions of paragraphs 1(b) and 1(c) of the Committee's Authorization for Domestic Open Market Operations, as amended effective on that date. The new rules, as set forth in the Authorization, eliminate outdated provisions in the present rules specified in Regulation B and broaden somewhat the scope of bankers' acceptances eligible for purchase by Federal Reserve Banks. The new rules eliminate

the present requirement that banks have in their possession shipping documents conveying or securing title at the time they accept drafts covering the shipment of goods within the United States.

REGULATION RELATING TO OPEN MARKET OPERATIONS

1. Effective April 1, 1974, section 270.4(c)(2) is amended to read as follows:

SECTION 270.4—TRANSACTIONS IN OBLIGATIONS

* * * * *

(c) In accordance with such limitations, terms, and conditions as are prescribed by law and in authorizations and directives issued by the Committee, the Reserve Bank selected by the Committee is authorized and directed-

* * * * *

(2) To buy and sell bankers' acceptances in the open market for its own account;

* * * * *

BANK HOLDING COMPANIES

The Board of Governors has amended its Regulation Y to permit the leasing of both real and personal property. The Board has determined that separate regulations for real and personal property leasing would allow greater flexibility for innovation and the evolution of bank holding company leasing transactions. Accordingly, the Board is adopting separate regulations with substantially the same provisions.

AMENDMENT TO REGULATION Y

1. Effective April 17, 1974, section 225.4(a)(6) is amended to read as follows:

SECTION 225.4—NONBANKING ACTIVITIES

(a) **Activities closely related to banking or managing or controlling banks.** *** The following activities have been determined by the Board

to be so closely related to banking or managing or controlling banks as to be a proper incident thereto:

* * * * *

(6)(a) Leasing personal property or acting as agent, broker or adviser in leasing such property provided:

(i) the lease is to serve as the functional equivalent of an extension of credit to the lessee of the property;

(ii) the property to be leased is acquired specifically for the leasing transaction under consideration or was acquired specifically for an earlier leasing transaction;

(iii) the lease is on a nonoperating basis;

(iv) at the inception of the initial lease the effect of the transaction (and, with respect to governmental entities only, reasonably anticipated future transactions¹) will yield a return that will compensate the lessor for not less than the lessor's full investment in the property plus the estimated total cost of financing the property over the term of the lease,⁵ from: (1) rentals; (2) estimated tax benefits (investment tax credit, net economic gain from tax deferral from accelerated depreciation, and other tax benefits with a substantially similar effect); (3) the estimated residual value of the property at the expiration of the initial term of the lease, which in no case shall exceed 20 per cent of the acquisition cost of the property to the lessor; and (4) in the case of a lease of not more than 7 years in duration, such additional amount, which shall not exceed 60 per cent of the acquisition cost of the property, as may be provided by an unconditional guarantee by a lessee, independent third party or manufacturer, which has been determined by the lessor to have the financial resources to meet such obligation, that will assure the lessor of recovery of its investment and cost of financing;

¹The Board understands that some Federal, State and local governmental entities may not enter into a lease for a period in excess of one year. Such an impediment does not prohibit a company authorized under § 225.4(a) from entering into a lease with such governmental entities if the company reasonably anticipates that such governmental entities will renew the lease annually until such time as the company is fully compensated for its investment in the leased property plus its costs of financing the property. Further a company authorized under § 225.4(a)(6) may also engage in so called "bridge" lease financing of personal property, but not real property, where the lease is short term pending completion of long term financing, by the same or another lender.

²The estimate by the lessor of the total cost of financing the property over the term of the lease should reflect, among other factors, the term of the lease, the modes of financing available to the lessor, the credit rating of the lessor and/or the lessee, if a factor in the financing, and prevailing rates in the money and capital markets.

(v) the maximum lease term during which the lessor must recover the lessor's full investment in the property plus the estimated total cost of financing the property shall be 40 years; and

(vi) at the expiration of the lease (including any renewals or extensions with the same lessee), all interest in the property shall be either liquidated or re-leased on a nonoperating basis as soon as practicable but in no event later than two years from the expiration of the lease,⁶ however, in no case shall the lessor retain any interest in the property beyond 50 years after its acquisition of the property.

(6)(b) Leasing real property or acting as agent, broker or adviser in leasing such property provided:

(i) the lease is to serve as the functional equivalent of an extension of credit to the lessee of the property;

(ii) the property to be leased is acquired specifically for the leasing transaction under consideration or was acquired specifically for an earlier leasing transaction;

(iii) the lease is on a nonoperating basis;

(iv) at the inception of the initial lease the effect of the transaction (and, with respect to governmental entities only, reasonably anticipated future transactions¹) will yield a return that will compensate the lessor for not less than the lessor's full investment in the property plus the estimated total cost of financing the property over the term of the lease,⁵ from: (1) rentals; (2) estimated tax benefits (investment tax credit, net economic gain from tax deferral from accelerated depreciation, and other tax benefits with a substantially similar effect); and (3) the estimated residual value of the property at the expiration of the initial term of the lease, which in no case shall exceed 20 per cent of the acquisition cost of the property to the lessor.

(v) the maximum lease term during which the lessor must recover the lessor's full investment in the property plus the estimated total cost of financing the property shall be 40 years; and

(vi) at the expiration of the lease (including any renewals or extensions with the same lessee), all interest in the property shall be either liquidated or re-leased on a nonoperating basis as soon as practicable but in no event later than two years from the expiration of the lease,⁶ however, in no

⁶In the event of a default on a lease agreement prior to the expiration of the lease term, the lessor shall either re-lease such property, subject to all the conditions of this subsection 6(a), or liquidate such property as soon as practicable but in no event later than two years from the date of default on a lease agreement.

case shall the lessor retain any interest in the property beyond 50 years after its acquisition of the property.

* * * * *

As an incident to this amendment the footnotes in § 225.4(a) which are denoted by asterisks and numbers are hereby redesignated as follows for clarity and ease of reference: the footnote in § 225.4(a)(1) designated as * to footnote 1; footnotes 1 and 2 in § 225.4(a)(5) to footnotes 2 and 3; footnote 3 in § 225.4(a)(10) to footnote 7; footnote 3a in § 225.4(a)(11) to footnote 8; the footnotes in § 225.4(a)(12) designated as * and ** to footnotes 9 and 10; footnote 1 in § 225.4(b)(1) to footnote 11; and footnote 2 in § 225.4(d) to footnote 12.

RULES REGARDING DELEGATION OF AUTHORITY AND BANK HOLDING COMPANIES

The Board of Governors has amended its Rules Regarding Delegation of Authority and its Regulation Y to grant the Federal Reserve Banks authority to approve under delegated authority the retention of bank stock acquired in a fiduciary capacity if a bank holding company undertakes unconditionally to dispose of such shares or the sole discretionary authority to vote such shares within a two year period.

1. Effective March 19, 1974, section 265.2 (f)(29) is added to read as follows:

SECTION 265.2—SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND FEDERAL RESERVE BANKS

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(f) **Each Federal Reserve Bank** is authorized, as to member banks or other indicated organizations headquartered in its district, or under subparagraph (25) of this paragraph as to its officers:

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

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

PEOPLES STATE BANKSHARES, INC.,
ROSSVILLE, KANSAS

ORDER APPROVING FORMATION OF BANK
HOLDING COMPANY

Peoples State Bankshares, Inc., Rossville, Kansas, 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

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(29) Under the provisions of Section 3(a) of the Bank Holding Company Act (12 U.S.C. 1842), to approve by a letter of notification without compliance with section 262.3(h) of the Board's Rules of Procedures, the retention of shares of bank stock acquired in a fiduciary capacity (with sole voting rights) for a two-year period from the date of such acquisition, provided that the Applicant undertakes unconditionally to dispose of such shares or its sole discretionary voting rights with respect to such shares within two years from the date of such acquisition.

2. Effective March 19, 1974, section 225.3 of Regulation Y is amended by adding § 225.3(c) to read as follows:

SECTION 225.3 ACQUISITION OR RETENTION OF BANK SHARES OR ASSETS

* * * * *

(c) **Applications to retain shares acquired in a fiduciary capacity.** Applications under this subsection are processed on the basis of a letter of notification without compliance with section 262.3(h) of the Board's Rules of Procedure. Any application for the Board's approval to retain shares of bank stock acquired in a fiduciary capacity (with sole voting rights), which is accompanied by an unconditional undertaking by the Applicant to dispose of such shares or its sole discretionary voting rights with respect to such shares within two years from the date of such acquisition, shall be deemed to be approved 45 days after the Applicant has been informed by the Reserve Bank that said application has been accepted, unless the Applicant is notified to the contrary within that time or is granted approval at an earlier date.

* * * * *

company through acquisition of 81 per cent or more of the voting shares of Peoples State Bank, Rossville, Kansas ("Bank").

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

Applicant, a recently formed corporation, was organized for the purpose of owning and operating Bank. Bank, with deposits of \$5.7 million,¹ is the only banking institution in the rural town of Rossville (population of 1,000), located 15 miles from Topeka, Kansas. Since Applicant has no present operations or subsidiaries, it appears that consummation of the proposal would not affect existing or potential competition, nor have an adverse effect on other area banks. Competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant depend upon those of Bank. In view of Bank's past record of earnings, it appears that Applicant would be able to finance the debt incurred in acquiring Bank without placing an undue strain on Bank's resources. The financial condition of Bank is considered satisfactory and its management has been strengthened as a result of Bank's new ownership. Prospects for Applicant and Bank are favorable, and it appears that the strengthening of Bank's management would enhance its ability to provide for the community's banking needs. Accordingly, considerations relating to this aspect of the proposal are consistent with approval.

In its consideration of this application, the Board has examined a covenant not to compete contained in an employment agreement which was executed in connection with the proposal. The Board finds that the provisions of this covenant are reasonable in duration, scope, and geographic area and are consistent with the public interest. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective March 29, 1974.

Voting for this action: Chairman Burns and Governors Mitchell, Bucher, and Holland. Voting against this action:

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¹ All banking data are as of June 30, 1973.

Governor Brimmer. Absent and not voting: Governors Sheehan and Wallich

(Signed) CHESTER B. FELDBERG,
Secretary of the Board.

[SEAL]

DISSENTING STATEMENT OF
GOVERNOR BRIMMER

I would deny the application by Peoples State Bankshares, Inc. to acquire Peoples State Bank and thereby become a bank holding company. My decision is based on an examination of a covenant not to compete contained in an employment agreement that is incident to this proposal. The former president and majority shareholder of Bank has entered into a one-year employment contract with Bank. Subsequent to termination of his employment, he is prohibited by the covenant from engaging in the business of banking for five years within a fifteen mile radius of Rossville. In my view, covenants of this type necessarily inhibit competition and should not be sanctioned by the Board.

The purpose of such a covenant is to preclude the restricted individual from offering his support and expertise to a convenient alternative source of commercial banking services in the Rossville area in the near future. For reasons stated more fully in my dissent to the application of First Alabama Bancshares, Inc., to acquire Citizens Bank of Guntersville (59 Federal Reserve BULLETIN 757), such a result is inherently anticompetitive.

In order for this application to be approved, Applicant would have to establish that the anti-competitive effects of such a covenant "are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served." In my view, this has not been established, and the Board's approval of this application cannot be supported.

ATLANTIC BANCORPORATION,
JACKSONVILLE, FLORIDA

ORDER DENYING ACQUISITION OF BANK

Atlantic Bancorporation, Jacksonville, 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 not less than 80 per cent of the voting shares of Bank of New Smyrna, New Smyrna Beach, Florida ("Bank").

By Order of November 22, 1972, the Board of Governors denied the application of Atlantic Bancorporation to acquire Bank (37 Federal Register 25571).¹ On May 24, 1973, the Board granted Applicant's Request for Reconsideration. The Request for Reconsideration, filed pursuant to section 262.3(g)(5) of the Board's Rules of Procedure (12 CFR 262.3(g)(5)), was granted because the request presented relevant facts (concerning the market in which Bank operates) that, for good cause shown, were not previously presented to the Board, and reconsideration otherwise appeared appropriate.

Notice of the Board's Order granting Applicant's Request for Reconsideration of its application to acquire Bank has been given (38 Federal Register 14727) and the time for filing comments and views has expired and none has been timely received. The Board has reconsidered this application and supplemental material received in connection therewith in light of the factors set forth in § 3(c) of the Act.

Atlantic, the sixth largest banking organization and bank holding company in Florida, controls 30 banks with aggregate deposits of approximately \$1.2 billion, representing about 5.1 per cent of deposits in commercial banks in the State.² Acquisition of Bank (\$29.7 million in deposits) would not represent a significant increase in Applicant's share of total deposits in the State.

At the request of the Board, the Federal Reserve Bank of Atlanta conducted a survey in the New Smyrna area and the results of this survey indicate that the two New Smyrna Beach banks, Bank and First National Bank (\$12.7 million in deposits), operate in a local banking market³ which adjoins, but is separate from the Daytona Beach banking market.

Applicant presently operates two banking subsidiaries in the Daytona Beach banking market and is the second largest banking organization in that market with nearly 20 per cent of market deposits. Bank, located in the adjacent New Smyrna Beach market, is the dominant commercial banking institution in New Smyrna Beach, controlling over

70 per cent of market deposits. The other commercial bank in New Smyrna Beach, First National Bank, is less than half the size of Bank.

Bank and Applicant's Daytona Beach banking subsidiaries are in separate banking markets; however, there is some slight competitive overlap between these banks with respect to certain banking services. Nonetheless, in viewing the total product market of commercial banking, the amount of competition eliminated is not significant.

In the Board's view, Applicant is one of the most likely entrants into the New Smyrna Beach banking market in light of the facts of record; namely, its capabilities for entry, the proximity of New Smyrna Beach to an area where Applicant has a significant presence (Daytona Beach), its expansion policy, and its expressed interest in the New Smyrna Beach market. Moreover, the New Smyrna Beach market appears to be capable of supporting new entry. If Applicant entered the New Smyrna Beach banking market *de novo*, or through the acquisition of a smaller bank, the effect would likely be procompetitive and in the public interest. Given the present concentration of the New Smyrna Beach banking market, the adverse effect consummation of this proposal would have upon the prospects for increased competition and deconcentration in the relevant market, the probability of Applicant as a future entrant into that market, and the opportunity for an alternative means of entry into New Smyrna Beach, the Board concludes that consummation of the transaction would have a substantially adverse effect on potential competition.

The financial condition and managerial resources and future prospects of Applicant, its subsidiary banks and Bank are regarded as satisfactory. Thus, banking factors are consistent with approval but provide no significant support for such action. There is no evidence in the record that the banking needs of the residents of the New Smyrna Beach area are not being adequately met at the present time. Moreover, consummation of the proposed transaction would have little impact on the convenience and needs of banking customers in the area since Applicant proposes no meaningful new service not already being offered. Accordingly, the Board finds that the anticompetitive effects inherent in Applicant's proposal are not outweighed by considerations relating to the convenience and needs of the community to be served.

On the basis of the record in this case and for the reasons set forth in this Order, the Board's

¹ Board denial was in part premised on the fact that acquisition of Bank would further increase the concentration of banking resources in the Daytona Beach banking market since the New Smyrna Beach area was considered a part of that market.

² All banking data are as of June 30, 1973, and reflect bank holding company acquisitions and formations approved by the Board through December 31, 1973.

³ The New Smyrna Beach banking market is defined as that portion of Volusia County including New Smyrna Beach south to the county line.

Order of November 22, 1972, is hereby affirmed and the subject application is denied.

By order of the Board of Governors, effective March 18, 1974.

Voting for this action: Chairman Burns and Governors Mitchell, Brimmer, Sheehan, Bucher, and Holland. Absent and not voting: Governor Daane. Board action was taken while Governor Daane was a Board member.

(Signed) THEODORE E. ALLISON,
[SEAL] *Assistant Secretary of the Board.*

BARNETT BANKS OF FLORIDA, INC.,
JACKSONVILLE, FLORIDA

ORDER APPROVING ACQUISITION OF BANKS

Barnett Banks of Florida, Inc., Jacksonville, 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 (1) The Bank of Naples, Naples, Florida ("Naples Bank") and (2) The Collier County Bank, Naples, Florida ("Collier Bank").

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

Applicant controls 49 banks with aggregate deposits of \$1.6 billion, representing about 8 per cent of deposits in commercial banks in Florida.¹ Acquisition of Naples Bank (deposits of \$73.6 million) and of the Collier Bank (deposits of \$9.6 million) would not significantly increase the concentration of banking resources in the State. Moreover, there is no evidence of record to indicate the development of a significant trend toward increased concentration of banking resources in Florida. Nor does Applicant's recent growth through acquisitions present a pattern of acquiring major banks in the primary or secondary SMSA's in the State.

Naples Bank and Collier Bank are both located

in the same banking market and, together, control approximately 39 per cent of the deposits in commercial banks in the market.² The market is neither classified as an SMSA nor viewed as a significant market in terms of either population or deposits. No competition exists between Naples Bank and Collier Bank as both banks are closely affiliated with the leading directors of Naples Bank also being directors of Collier Bank. In addition, three families who control a majority of the shares of Naples Bank have a significantly influential ownership position in the Collier Bank. Moreover, the two banks share many common operating facilities, such as data processing and bookkeeping functions. Based on this and other facts of record, the Board concludes that the probability of disaffiliation occurring between Naples Bank and Collier Bank within the reasonably foreseeable future is slight.

There is little existing competition between any of Applicant's banking subsidiaries and either Naples Bank or Collier Bank. Moreover, it does not appear that future competition between any of Applicant's banking subsidiaries and either Collier Bank or Naples Bank is reasonably probable due to the distances between the banks and Florida's restrictive branching law. Applicant is not a likely *de novo* entrant into the Collier County banking market since the market is relatively unattractive as measured by its deposits and population per banking office ratios compared to Statewide ratios. Moreover, there are no other significantly smaller banks in Naples, the commercial center of Collier County, which Applicant could acquire as an alternative means of entry to that of Naples Bank. Based on these facts and others of record, the Board concludes that competitive considerations are consistent with approval of the applications.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Naples Bank and Collier Bank are regarded as generally satisfactory particularly in light of Applicant's commitment to retire certain capital notes of Naples Bank. Retirement of the notes would improve Naples Bank's capital position and lend support for approval of the application to acquire Naples Bank. Considerations relating to the convenience and needs of the community to

¹All banking data are as of June 30, 1973 and represent bank holding company acquisitions approved by the Board through December 31, 1973.

²The relevant banking market is approximated by Collier County minus the town of Immokalee.

be served provide some support for approval of the applications since affiliation with Applicant should enable Naples Bank and Collier Bank to increase their services particularly in the fields of consumer lending and provision of trust services. The Board concludes that the proposed transactions are in the public interest and should be approved.

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

By order of the Board of Governors, effective March 4, 1974.

Voting for this action: Vice Chairman Mitchell and Governors Brimmer, Sheehan, Bucher, and Holland. Absent and not voting: Chairman Burns and Governor Daane.

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

CONCURRING STATEMENT OF
GOVERNOR BRIMMER

I agree that this application should be approved. Although the Naples Bank must be considered a relatively large bank in Florida and is the largest bank in the Naples banking market, the factors that have led me to vote to deny several recent applications are not present in this case. In the other applications, the holding companies had established a consistent pattern of acquiring the largest banks in important banking markets throughout a State.¹ Such acquisitions by the largest holding companies, if unchecked, would increase the already substantial disparity in size between a State's largest organizations and the smaller holding companies. This is especially true in a State whose holding company movement is in its early stages. The outcome would be a situation in which a few large organizations would control the largest banks in almost every important city in the State. This type of banking structure would foster a high degree of interdependence among the leading firms, thereby stifling competition in banking markets throughout the State.

¹See, for example, Board order at 1974 Federal Reserve Bulletin 43.

In my judgment, this case does not have the anticompetitive aspects noted above. Though Barnett is one of Florida's largest and most aggressive holding companies, it has in many instances expanded *de novo* or through the acquisition of relatively small banks. In Barnett's case, there has certainly been no pattern of entering markets by acquiring the largest banks. Another distinguishing factor in this case is the market itself. The Naples market cannot be regarded as being a major Florida market. The population of the town of Naples is only 12,000, and the entire market (Collier County) has only 43,000 people. Acquisitions in these markets do not have the important implications for competition throughout the State that similar acquisitions in the State's major markets have.

I would concur in the conclusion that the Naples market is not attractive for *de novo* entry. Moreover, the Naples market has no small banks that could be regarded as attractive foothold acquisitions. Therefore, I believe that the elimination of potential competition as it relates to the Naples market itself is not a significant issue in this case.

FIRST INTERNATIONAL BANCSHARES,
INC., DALLAS, TEXAS

ORDER DENYING ACQUISITION OF BANK

First International Bancshares, Inc., Dallas, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of the successor by merger to The First National Bank of Waco, Waco, Texas ("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. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant is the largest banking organization and bank holding company in Texas and controls 15 banks with aggregate deposits of \$2.8 billion,

representing approximately 8 per cent of the total deposits in commercial banks in Texas.¹ The acquisition of Bank (deposits of \$142.3 million) would increase Applicant's control of commercial bank deposits in Texas from 7.98 per cent to 8.39 per cent.

Bank is the largest bank located in the Waco SMSA banking market. Applicant's banking subsidiary closest to Bank is located 35 miles away in Temple. The Board concludes that no existing competition would be eliminated between Bank and any of Applicant's subsidiary banks upon consummation of this proposal. The respective service areas of Bank's data processing subsidiary and Applicant's data processing subsidiary located in Dallas overlap. However, Applicant's data processing subsidiary derives an insignificant amount of its business from the service area of Bank's subsidiary, and Bank's data processing subsidiary derives no business from the service area of Applicant's data processing subsidiary. The Board concludes that no significant existing competition would be eliminated between the two data processing subsidiaries upon consummation of the proposed acquisition.

The Board is concerned, however, about the effect this proposed acquisition would have on potential competition with respect to the Waco SMSA banking market and throughout the State. In a recent Order denying Applicant's application to acquire the largest bank in the Tyler SMSA banking market,² the Board noted an increase in the concentration of the State's commercial bank deposits held by the five largest banking organizations in Texas. The Board expressed concern over the present size disparity among the State's bank holding companies and the likelihood that this disparity may become greater in the future by virtue of Applicant's present acquisition policy, which involves entry into a number of the secondary SMSA banking markets³ in Texas through acquisition of a leading bank in each market it enters. The Board stated that it would guard against the tendency toward undue concentration not only in a local banking market but at the Statewide level as well when viewing the probable effect of an acquisition upon potential competition.

¹ All banking data are as of December 31, 1972, and reflect bank holding company formations and acquisitions approved by the Board through November 15, 1973.

² See Board's Order dated December 28, 1973, denying the application of First International Baneshares, Inc., Dallas, Texas, to acquire Citizens First National Bank of Tyler, Tyler, Texas.

The Waco SMSA banking market is highly concentrated with the two largest of 15 banking organizations controlling 65 per cent of the market's total commercial bank deposits, and about 56 per cent of the market's total IPC deposits in accounts of \$100,000 or less. Bank, the largest of the 15 banks in the market, controls 34.6 per cent of the total commercial bank deposits in the market. The second largest bank controls 30.4 per cent of market deposits, while the third largest controls only 7.3 per cent of such deposits.

It is clear that Applicant possesses the resources for *de novo* entry into the Waco SMSA banking market. There is evidence that suggests that successful *de novo* entry could occur; both deposits per banking office and population per banking office ratios are slightly above comparable State averages. In addition, there appear to be smaller banks in the market available for acquisition. The Board concludes that acquisition of one of the smaller banks in the area or *de novo* entry would be clearly preferable from a competitive standpoint to the proposal herein. As the Board has previously noted, these secondary SMSA banking markets will become less concentrated only if the major holding companies enter *de novo* or via foothold acquisitions, thereby creating additional competition in the markets.

On the basis of the foregoing and all other facts in the record, the Board concludes that this proposal, in light of Applicant's previous acquisition policy, would have significantly adverse effects on potential competition with respect to the Waco SMSA banking market and throughout Texas. Unless such anticompetitive effects are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served, the application must be denied.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are satisfactory and consistent with approval. The financial resources of Bank are regarded as generally satisfactory in view of recent increases in Bank's deposits and capital and the improvement in Bank's earnings since the discontinuation of a large monthly management fee which Bank was paying to an affiliate. Applicant has stated its willingness to strengthen Bank's capital by an

³ A secondary SMSA market in Texas is defined as an SMSA market other than Texas' four largest SMSA markets, i.e., other than the Dallas, Fort Worth, Houston, and San Antonio SMSA markets.

injection of equity capital. The Board believes that affiliation with Applicant is not the only means by which Bank's financial resources could be further strengthened. The acquisition of Bank by a smaller bank holding company would not result in the same anticompetitive effects as the acquisition by Applicant and could effectuate similar assistance. Affiliation with Applicant would provide Bank with access to Applicant's managerial resources and expertise, thereby lending weight toward approval of the application. However, the Board concludes that banking factors do not outweigh the substantially anticompetitive effects the proposal would have upon potential competition.

Although there is no evidence in the record that banking needs of the residents of the Waco area are not presently being met, affiliation with Applicant would enable Bank to expand its services to include factoring, economic forecasts, petroleum engineering consultation and industrial development advice. In addition, by providing Bank with access to its financial and managerial resources and expertise, Applicant would strengthen Bank's ability to provide banking services to the Waco area. However, although considerations relating to the convenience and needs of the communities to be served lend weight toward approval of the application, they do not clearly outweigh the substantially adverse effects this proposed acquisition would have upon competition in the Waco SMSA banking market and throughout Texas. It is the Board's judgment that consummation of the proposed acquisition would not be in the public interest and that the application should be denied.

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

By order of the Board of Governors, effective March 1, 1974.

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

(Signed) CHESTER B. FELDBERG,
Secretary of the Board.

[SEAL]

DISSENTING STATEMENT OF
GOVERNOR MITCHELL.

I would approve this application of First International Bancshares, Inc., to enter the Waco SMSA banking market through acquisition of The First National Bank of Waco. In my view, such anticompetitive effects as would result from the proposed acquisition are outweighed by the public interest considerations involving banking factors.

I joined in the majority's recent action denying

the application of First International to enter the Tyler SMSA banking market through acquisition of the Citizens First National Bank of Tyler on the basis that the acquisition would have adverse effects upon potential competition in the Tyler SMSA banking market and throughout Texas. I agree with the majority that the present proposal by First International would produce similar adverse effects upon potential competition. However, in my opinion, there are other public interest considerations present in this proposal which were lacking in the Tyler situation and which outweigh the anticompetitive effects of the instant proposal.

Bank has experienced financial problems in the areas of earnings, assets and capital. Until recently, Bank's earnings have been hampered by a large monthly management fee which was paid to an affiliate. While the majority notes that Bank's earnings have improved since the discontinuation of the management fee, and that Bank's capital and deposits have increased, I am of the opinion that affiliation with Applicant is desirable to further strengthen Bank's financial condition and policies. Applicant has stated its willingness to inject equity capital into Bank; such an injection would strengthen the capital of Bank and increase its lending capacity. In addition, affiliation with Applicant would guarantee a termination of the relationship between Bank and its holding company parent, thereby insuring that the management fees and earlier policies will not be reinstated. The majority has suggested that the acquisition of Bank by a smaller bank holding company could remedy Bank's financial problems without having the same anticompetitive effect as the instant proposal. In my judgment, affiliation with a significantly smaller holding company would not be effective.

Thus, consummation of the proposed acquisition is needed for the strengthening effect upon the financial and managerial resources of Bank which in turn will enable Bank to best serve the banking public of the Waco area.

DISSENTING STATEMENT OF
GOVERNORS DAANE AND SHEEHAN

We dissent from the majority's action denying the application of First International Bancshares, Inc., to acquire The First National Bank of Waco. The majority has emphasized the similarity of this application with the recent application by International Bancshares to acquire the largest bank in Tyler. We would have approved that application and, for similar reasons, would approve the subject application. In our opinion, the present proposal would have no adverse effects upon competition

in Waco or in Texas, and, in fact, would produce significant benefits to the banking public in Waco, as well as in Texas and the Southwest.

While the proposed acquisition would give Applicant control of the largest bank in the Waco SMSA banking market, the second largest bank in this market is not significantly smaller. Thus, approval would not give Applicant a dominant position in the market nor raise the barriers to entry for bank holding companies now outside this market. Moreover, significant benefits would accrue to the banking public through approval of the application. Bank's lending capacity would be increased by Applicant's proposed injection of equity capital into Bank. In addition, Bank would be able to draw upon Applicant's managerial resources and expertise in dealing with commercial problems peculiar to the area. We conclude that the improvement in Bank's financial and managerial resources resulting from Bank's affiliation with Applicant would strengthen Bank's ability to provide banking services to the community; convenience and needs considerations therefore lend weight toward approval.

The majority has expressed concern that approval of the application would have substantially adverse effects on competition in Texas. As we indicated in our dissent from the majority's action denying the Tyler application, we are not convinced that the acquisition of banks in secondary SMSA's by Applicant and its competitors will adversely affect competition in the State. None of the five largest bank holding companies in Texas has acquired a dominant position in a secondary SMSA, nor have their acquisitions to date foreclosed the opportunity for other Statewide or regional bank holding companies to develop in Texas. Furthermore, we believe approval would tend to foster the economic development of Texas, as well as the Southwest region of the United States, by encouraging the development of local institutions which are capable of serving the growing domestic and international interests of Texas corporations now being served by out-of-State banks. We believe that the continued growth of Texas banking organizations is necessary if they are to effectively compete in Texas, the Southwest and the nation's major money markets.

Finally, we concur as well with the portion of The Dissenting Statement of Governor Mitchell which relates to banking factors.

FROSTBANK CORPORATION,
SAN ANTONIO, TEXAS

ORDER APPROVING ACQUISITION OF BANK

FrostBank Corporation, San Antonio, Texas, 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 Peoples National Bank, San Antonio, Texas ("Bank"), a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the tenth largest banking organization in Texas, presently controls four banks with aggregate deposits of approximately \$542 million, representing 1.6 per cent of the total deposits in commercial banks in Texas.¹ Since Bank is a proposed new bank, consummation of the proposed acquisition would not immediately increase Applicant's share of commercial bank deposits in the State.

Bank is to be located in northern San Antonio, which is part of the San Antonio SMSA banking market. Applicant presently has three subsidiary banks (one of which is a recently acquired *de novo* bank) in the relevant market and controls 24.6 per cent of the total commercial bank deposits in the market. Since Bank is a proposed new bank, Applicant's acquisition of Bank would not have any immediate effect on Applicant's share of commercial bank deposits in the San Antonio SMSA banking market; nor would it have any significant adverse effects on existing or potential competition with respect to the San Antonio SMSA banking market. In reaching this conclusion, the Board recognizes that continual *de novo* expansion by the market's largest banking organization within a particular area of the market could reduce the prospects for market deconcentration by pre-empting viable sites for *de novo* entry by other banking organizations not already repre-

¹All banking data are as of June 30, 1973, and reflect bank holding company acquisitions, approvals, and divestitures through January 31, 1974.

sented in the market. However, with regard to this case, the evidence indicates that the northern San Antonio area is experiencing rapid and substantial growth and can support additional entries by other banking organizations. Accordingly, competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and its subsidiary banks are regarded as satisfactory. Bank, as a proposed new bank, has no financial or operating history; however, its prospects as a subsidiary of Applicant appear favorable. Considerations relating to the banking factors are consistent with approval of the application. The addition of a new banking alternative in the rapidly growing San Antonio market will provide greater convenience to a segment of the population in this market. In addition, Bank's affiliation with Applicant will enable it to provide its customers with access to Applicant's specialized services, expertise, and financial resources. Accordingly, considerations relating to convenience and needs of the community to be served lend some weight toward approval of the application. It is the Board's judgment that the proposed acquisition is in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) Peoples National Bank, San Antonio, Texas, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors, effective March 18, 1974.

Voting for this action: Chairman Burns and Governors Mitchell, Brimmer, Sheehan, Bucher, Holland, and Wallich.

(Signed) THEODORE E. ALLISON,
[SEAL] *Assistant Secretary of the Board.*

MERCANTILE BANCORPORATION, INC.,
ST. LOUIS, MISSOURI

ORDER APPROVING ACQUISITION OF BANK

Mercantile Bancorporation, Inc., St. Louis, Missouri, 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 Mercantile National Bank of Clay County ("Bank"), Kansas City, Missouri, a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those on behalf of North Hills Bank, First National Bank of Gladstone, North Kansas City State Bank, Bank of Riverside, and Metro North State Bank (hereinafter collectively referred to as "Protestants") in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the largest banking organization and bank holding company in Missouri, controls 15 banks with aggregate deposits of approximately \$1.2 billion, which represent 9.2 per cent of total commercial bank deposits in the State.¹ Since Bank is a proposed new bank, its acquisition would neither eliminate any existing competition nor immediately increase Applicant's share of commercial bank deposits.

Bank will be located in a rapidly growing residential area in the northern part of the Kansas City banking market.² It is anticipated that Bank will serve primarily southeast Platte County and southwest Clay County. Due in part to the proximity of the new Kansas City International Airport, it is expected that Bank's proposed service area will continue to experience a steady growth in population with an attendant need for additional sources for banking services.³ While Applicant has three

¹All banking data are as of June 30, 1973, and reflect bank holding company formations and acquisitions approved through February 28, 1974.

²The Kansas City banking market is approximated by the Kansas City SMSA, excluding the southern half of Cass County.

³Between 1960 and 1970 the population in Clay and Platte Counties increased at annual rates of 3.5 and 3.2 per cent, respectively, as compared with a Statewide annual growth rate of 0.8 per cent. The Kansas City SMSA, for the same period, grew at an annual rate of 1.4 per cent.

banking subsidiaries in the market and is the fifth largest banking organization therein. Applicant controls only 3.3 per cent of market deposits. Under such circumstances, the formation of a new bank is viewed as an attempt to provide additional banking services to a growing area and, from the facts of record, is not regarded as an attempt to preempt a market.

Protestants contend generally that approval of this application would have such adverse competitive consequences as to merit denial of the application. In support of their contention, Protestants claim the relevant market for determining the competitive effects of the proposal is a funnel-shaped area, described as an area with the central business district of Kansas City, Missouri, at the neck of the funnel and then widening to include the southern parts of Platte and Clay Counties. Even assuming Protestants' determination of the relevant market were appropriate, the Board's competitive analysis would not be altered, since Applicant is only the fourth largest banking organization in the described area with only 5.5 per cent of the area's deposits. In a related matter, Protestants contend that an investigation is warranted into whether the larger bank holding companies in Missouri have conspired to divide territories and markets and monopolize banking in Missouri. However, in the Board's view, Protestants offer no substantial evidence to support such contentions, nor do the facts of record indicate that Applicant is acting in consort with any other bank holding company in Missouri. On the other hand, it appears that each of the State's five largest bank holding companies is in active competition with one another in the Kansas City banking market and, even in the market delineated by Protestants, three of the State's largest bank holding companies (including Applicant) either have or propose to have subsidiary banks in competition with one another. On this basis, the Board is unable to conclude that such banking organizations have conspired to lessen competition or to monopolize banking in the relevant area.

In the course of its review of this application the Board has also considered the comments from Protestants to the effect that affiliation of Applicant with Bank would be in violation of the Missouri statute prohibiting branch banking. The Board notes that the Comptroller of the Currency has recommended approval of the pending application and that his office has granted preliminary approval for the charter of Bank, apparently concluding that it would not be an illegal branch under applicable

Missouri law. Furthermore, the facts of record indicate that Bank will be a separate corporation, with its own capital stock and a loan limit based on such capital stock; Bank will be managed by its own officers; Bank's board of directors will be generally separate and independent from the boards of Applicant and of Applicant's subsidiaries; and Bank will maintain its own separate books of account, issue its own distinctive checks, and use its own stationery. Applicant states that no officers or employees of its other banking subsidiaries will perform services directly for customers of Bank, nor exercise any managerial supervision over the business of Bank. Applicant represents further that it will purchase Bank's shares through use of its own capital resources. Finally, Applicant states that money deposited at Bank will not be credited to the account of a depositor at any other banking subsidiary of Applicant and, conversely, any money deposited at any other banking subsidiary of Applicant will not be credited to the account of a depositor at Bank. The Board concludes, on the basis of the above and other facts of record, that Applicant is a "traditionally recognized bank holding company which, with its own capital, invests in or buys the stock of banks," *Whitney National Bank v. Bank of New Orleans*, 323 F.2d 290 (D.C. Cir. 1963), rev'd on other grounds, 379 U.S. 411 (1965) and that, upon consummation of the proposed acquisition, a unitary operation will not exist between Bank and any of Applicant's other banking subsidiaries in contravention of Missouri's franchising law.

The financial condition, management, and prospects of Applicant and its subsidiary banks are regarded as satisfactory. As a new bank, Bank has no operating financial history; however, its proposed capitalization, management, and prospects appear satisfactory. The Board concludes that the banking factors are consistent with approval. Considerations relating to the convenience and needs of the community to be served lend some weight toward approval since Bank will provide an additional source of full banking services in a rapidly growing area. 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 made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that

date, and (c) Mercantile National Bank of Clay County, Kansas City, Missouri, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of St. Louis pursuant to delegated authority.

By order of the Board of Governors, effective March 15, 1974.

Voting for this action: Chairman Burns and Governors Brimmer, Sheehan, and Holland. Absent and not voting: Governors Mitchell, Bucher, and Wallich.

(Signed) THEODORE E. ALLISON,
Assistant Secretary of the Board.

[SEAL]

SOUTHEAST BANKING CORPORATION,
MIAMI, FLORIDA

ORDER DENYING ACQUISITION OF BANK

Southeast Banking Corporation, 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 The First National Bank of Homestead, Homestead, Florida ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the largest bank holding company in Florida, controls 29 banks with aggregate deposits of approximately \$1.8 billion, representing 8.6 per cent of total deposits in commercial banks in Florida.¹ Acquisition of Bank would increase Applicant's share of State deposits by 0.16 percentage point and enable Applicant to strengthen its position as the State's largest banking organization.

Bank (\$32.0 million in deposits) ranks 47th out of the 99 commercial banks located in the Greater Miami Banking Market (approximated by Dade County and the southern third of Broward County) and holds approximately 0.62 per cent of the

commercial bank deposits in that market. In that market Applicant is already by far the largest banking organization with seven subsidiary banks controlling 22.87 per cent of the total market deposits. Acquisition of Bank would increase the concentration of banking resources in the relevant market since Applicant's share of market deposits would rise to 23.49 per cent, thereby increasing the size disparity between Applicant and the second largest banking organization within the market which controls less than 9 per cent of total market deposits.

In addition to effects of the proposal on banking concentration in the Miami market, the Acquisition of Bank by Applicant would also eliminate existing competition and foreclose the development of significant potential competition in the relevant market. Bank is located in the southern extremity of Dade County, Florida, in the town of Homestead, approximately 30 miles from downtown Miami. Of its seven subsidiaries in the market, Applicant's closest subsidiary (Southeast Bank of Dadeland) is nineteen miles from Bank, and Bank competes directly in an area served by Applicant's lead bank.² Applicant's banking subsidiaries derive approximately \$1.0 million in deposits and \$3.5 million in loans from the Homestead area; furthermore, Applicant's mortgage subsidiary (Southeast Mortgage Company) has outstanding loans of approximately \$0.8 million in Homestead. Thus, consummation of this transaction would adversely affect existing competition within the market, especially within the Homestead area, and, as noted above, would solidify Applicant's substantial position within the market.

With respect to potential competition, approval of the proposal would remove Bank as a possible entry vehicle for a bank holding company not already represented in the area. Moreover, it appears that Applicant possesses adequate resources for *de novo* expansion in the Greater Miami Banking Market. Per capita deposits, population per banking office and income per banking office are higher than the respective State averages, making the market most attractive for *de novo* entry. Taken as a separate entity, the Homestead area enjoys a rapid growth rate which would make it suitable for such entry. Instead of removing a banking competitor and eliminating direct compe-

¹All banking data are as of June 30, 1973, and reflect bank holding company formations and acquisitions approved through January 31, 1974.

²First National Bank of Miami (the largest single bank within the market) alone has aggregate deposits of approximately \$1 billion, representing 19.27 per cent of the total deposits in commercial banks within the Greater Miami Banking Market.

tion, the alternative of *de novo* entry would have the beneficial effect of increasing banking competition in the Homestead area through the introduction of a new banking alternative.

On the basis of the foregoing and the facts of record, the Board concludes that consummation of the proposal would have significant adverse effects on competition in the relevant market. Accordingly, competitive considerations require denial of this application unless the anticompetitive effects are clearly outweighed by benefits to the public in meeting the convenience and needs of the communities to be served.

The financial and managerial resources and future prospects of Applicant and its present subsidiary banks are regarded as satisfactory, particularly in view of Applicant's commitments to inject equity capital into certain of its subsidiary banks. The financial and managerial condition and future prospects of Bank are satisfactory. Therefore, the financial and managerial resources and future prospects of Applicant and Bank are regarded as being consistent with approval of the application, but do not lend significant weight for approval.

Although there is no evidence in the record that the major banking needs of the community are not adequately being served, Applicant proposes to expand the range of services presently offered by Bank. While such increased services might inure to the benefit of the public, such benefits are not exclusive to Applicant's proposal. The Board is thus unable to conclude that considerations relating to convenience and needs clearly outweigh the adverse competitive considerations inherent in the proposal.

On the basis of all relevant facts in the record, the Board concludes that approval of the proposed acquisition is not in the public interest, and the application is denied for the reasons summarized above.

By order of the Board of Governors, effective March 22, 1974.

Voting for this action: Chairman Burns and Governors Brimmer, Sheehan, Bucher, Holland, and Wallich. Absent and not voting: Governor Mitchell.

(Signed) CHESTER B. FELDBERG,
[SEAL.] *Secretary of the Board.*

VALLEY OF VIRGINIA BANKSHARES, INC.,
HARRISONBURG, VIRGINIA

ORDER APPROVING ACQUISITION OF BANK

Valley of Virginia Bankshares, Inc., Harrisonburg, Virginia, a bank holding company within

the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares of the successor by merger to Western Frederick Bank, Gore, Virginia ("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. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

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

Applicant controls two banks with aggregate deposits of \$108.7 million, representing approximately 1 per cent of the total commercial bank deposits in Virginia, and is the thirteenth largest banking organization in the State. (All banking data are as of June 30, 1973, and reflect holding company formations and acquisitions approved through February 28, 1974.) The acquisition of Bank (deposits of \$3.8 million) would not significantly increase the concentration of banking resources in Virginia.

Bank, which maintains its only office in the town of Gore (population of 200), is the smallest of five banking organizations in the Winchester banking market¹ and holds about 2 per cent of the commercial bank deposits in that market. Bank is located on the extreme western edge of the market and, as a result, a major portion of its service area lies outside the market.² Applicant's smaller subsidiary bank (deposits of \$37 million) is located in the city of Winchester, 14 miles southeast of Gore, and is the third largest banking organization in the Winchester banking market with about 22 per cent of the total market deposits. Upon consummation of the proposal, Applicant's rank in the market would remain unchanged, but its market share would increase to 24 per cent.

¹The Winchester banking market is in the northwestern part of Virginia and consists of the city of Winchester, Frederick County, and Clarke County.

²Applicant estimates that approximately 45 per cent of Bank's total deposits is derived from residents of West Virginia.

the largest banking organization in the market holds about 42 per cent of the deposits in the market. While it appears that there is some slight overlap in the service areas of Bank and Applicant's subsidiary bank in Winchester, the relatively smaller dollar volume of deposits which each obtains from the service area of the other indicates that there is no significant existing competition between them. Furthermore, on the basis of its geographic location in the market as well as its conservative 55-year financial history, it appears that Bank has not been and is not now an aggressive competitor to the other banking organizations in the market. Approval herein will immediately reduce the number of banking alternatives from five to four, but it will not raise significant barriers to entry by other organizations not now in the market, and it appears likely that additional competitors can be expected to enter the market in the near future. Accordingly, from the above facts and others of record, the Board concludes that consummation of the proposed acquisition would not eliminate significant existing competition nor foreclose the development of significant potential competition in any relevant area.

The financial condition and managerial resources of Applicant and its banking subsidiaries are regarded as satisfactory, particularly in view of Applicant's commitment to inject additional equity capital into its two banking subsidiaries. Bank's financial condition is satisfactory. As noted above, Bank has not been an active competitor in the relevant market: for example, its current loan-to-deposit ratio is 32 per cent and 60 per cent of its total assets are comprised of U.S. Treasury securities. Affiliation with Applicant should strengthen Bank's management and should result in Bank becoming a more viable competitor in the market through the introduction of an expanded lending program, thereby benefiting the local residents. Moreover, Applicant will be in a position to assist Bank in establishing and expanding trust, auditing, and computer services. Also, Applicant intends to have Bank establish branches in areas of Frederick County not now served by its Winchester subsidiary and this should be of benefit to the residents of those areas of the County where there are presently no banking offices. Accordingly, considerations relating to the banking factors and the convenience and needs of the communities to be served lend weight for approval of the application. It is the Board's judgment that the proposed acquisition would be in the public

interest and that the application should be approved.

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

By order of the Board of Governors, effective March 25, 1974.

Voting for this action: Chairman Burns and Governors Mitchell, Brimmer, Sheehan, Bucher, Holland, and Wallich.

(Signed) CHESTER B. FELDBERG,
Secretary of the Board.

[SEAL.]

D. H. BALDWIN COMPANY,
CINCINNATI, OHIO

ORDER APPROVING ACQUISITION OF ONE BANK
AND DENYING ACQUISITION OF ANOTHER BANK

D. H. Baldwin Company, Cincinnati, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied, in separate applications, for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire directly a majority of the voting shares of Peoples Bank of Arapahoe County, Aurora, Colorado ("Peoples-Arapahoe"), and to acquire indirectly a majority of the voting shares of Peoples Bank & Trust Company, Aurora, Colorado ("Peoples-Aurora"), through the direct acquisition under § 3(a)(5) of the Act of all the voting shares in Midway Investment Corporation, Aurora, Colorado ("Midway"). Midway is a one bank holding company owning approximately 83 per cent of the voting shares of Peoples-Aurora and also operates a general insurance agency; Midway has agreed to dispose of all its assets except for shares of Peoples-Aurora prior to its acquisition by Applicant.

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

Applicant controls 10 banks with combined deposits of approximately \$530 million, representing 8.7 per cent of the total commercial bank deposits in Colorado, and ranks as the fourth largest banking organization in the State. (Except as otherwise indicated, all banking data are as of June 30, 1973 and reflect formations and acquisitions approved by the Board through December 31, 1973.) The acquisition of Peoples Arapahoe (deposits of \$7.6 million) and Peoples Aurora (deposits of \$34.3 million) ("Subject Banks") would increase Applicant's total deposits to approximately \$572 million, or 9.4 per cent of the total commercial bank deposits in the State, and would not significantly increase the concentration of banking resources in Colorado.

Applicant, through its two subsidiary banks in the Denver banking market,¹ Central Bank and Trust Company, Denver ("Central Bank") (deposits of \$344.1 million), and North Denver Bank, Denver (deposits of \$27 million), is the fourth largest banking organization in the market with aggregate deposits of \$371.1 million, representing 10.2 per cent of the total market deposits. Central Bank and North Denver Bank, combined, control 10.3 per cent of IPC deposits of \$100,000 or less as of December 1972. Applicant's acquisition of subject banks would serve to further concentrate the Denver market by increasing Applicant's share of total market deposits from 10.2 per cent to 11.3 per cent and increase its share of IPC deposits of less than \$100,000 from 10.3 per cent to 11.6 per cent of area deposits.

Subject banks are both located in Aurora, approximately six miles from the central business district of Denver wherein Central Bank is situated. Peoples-Aurora is the second largest of fifteen banks in its primary service area,² controlling approximately 15 per cent of area deposits; Peoples-Arapahoe is the twelfth largest with 3.3 per cent of those deposits. Together, they represent the largest independent group in the local area. Subject banks have an affiliate relationship in that both are commonly owned by an individual who controls more than 75 per cent of the voting shares

of Peoples-Arapahoe and 100 per cent of a one-bank holding company (Midway) which owns approximately 83 per cent of the voting shares of Peoples-Aurora; also, both banks have three directors in common. Because of this affiliate relationship, subject banks do not presently compete with each other.

Central Bank's primary service area overlaps to a significant degree with that of subject banks and it appears that significant competition exists between them for area deposits and loans. Applicant estimates that \$31.2 million of total IPC deposits and \$26.3 million in IPC deposits of less than \$100,000 were derived by Central Bank from the primary service area of subject banks. This represents 15.9 per cent and 13.3 per cent, respectively, of all IPC deposits (\$196 million) held by commercial banks located in subject banks' service area. By comparison, Central Bank's total IPC deposits (\$31.2 million) are almost equal to the combined IPC deposits held by subject banks (\$32 million). In addition, Applicant estimates that \$35.3 million of Central Bank's total loans are derived from the service area of subject banks, representing 30 per cent of the total loans held by all commercial banks in this service area. As the banks proposed to be acquired hold nearly 60 per cent of their loans in commercial and non-residential real estate, it appears that significant direct competition exists between Applicant and subject banks in acquiring such loans in this service area. The elimination of this existing competition constitutes an adverse factor weighing against approval of subject applications.

Furthermore, the Aurora service area appears to be one of the most economically dynamic areas in Denver. The physical development and economic conditions in the area imply strong overall growth. For example, the 1970 population of Aurora was 75,000, an increase of 54 per cent over the 1960 figure. Moreover, present population of the area is estimated at 107,000, representing an additional increase of 43 per cent. It appears likely that Applicant could expand into this area in the reasonably near future absent the subject acquisitions. Given these factors and others of record, the Board concludes that consummation of the proposed acquisitions would eliminate the likelihood of Applicant's *de novo* expansion into the area and constitute an adverse effect on increased future competition.

Applicant's nonbank financial subsidiary, Empire Savings Building and Loan Association ("Empire"), Denver, Colorado (assets of \$305.2

¹The Denver banking market is approximated by Denver, Adams, Arapahoe and Jefferson Counties and a portion of Boulder County including the city of Broomfield.

²The primary service area for Peoples Aurora includes Aurora and a certain portion westerly into Denver County. The primary service area of Peoples Arapahoe lies entirely within the service area of Peoples Aurora except it does not include the area northwest of Peoples Aurora. However, for all practical purposes, the primary service areas of subject banks are considered identical.

million as of December 31, 1972), has nine branch offices in Denver, two of which are located on the boundary of subject bank service area. The record indicates that no significant degree of competition exists between Empire and subject banks in the origination of mortgage loans, and similarly, little significant competition presently exists for time and savings deposits. Applicant must divest its interest in Empire by December 31, 1980 unless the Board approves retention of such interest prior to that date. Thus, it appears unlikely that any significant future competition between them will be eliminated through consummation herein.

As enumerated above, it is the Board's judgment that Applicant's acquisition of subject banks would have an adverse effect on competition and that these competitive considerations require denial of the applications unless the anticompetitive effects of the proposals are clearly outweighed in the public interest by the probable effect of the transactions in meeting the convenience and needs of the community to be served.

The financial condition of Applicant, its subsidiaries and subject banks is satisfactory in view of Applicant's commitment to inject additional equity capital into certain of its banks including Peoples-Arapahoe. Managerial considerations relating to Applicant and its subsidiaries are satisfactory and future prospects for all are favorable. There is no evidence indicating that the major needs of the Aurora service area are not being adequately served by existing organizations. However, although financial and managerial considerations and those considerations relating to the convenience and needs of the community to be served are consistent with approval, they do not outweigh the adverse competitive effects of the proposal as it relates to the acquisition of both subject banks. It is the Board's judgment, therefore, that consummation of the acquisition of both banks would not be in the public interest.

On the other hand, the Board does not regard Applicant's application to acquire Peoples-Arapahoe in a similar light. Based on data heretofore furnished and other facts of record, approval of Applicant's application to acquire Peoples-Arapahoe and denial of Applicant's application to acquire Peoples-Aurora would have a pro-competitive effect in the service area. The existing affiliation between subject banks (the largest independent group in the area) would be terminated; Peoples-Aurora would remain as a strong competitor; and it appears reasonable to anticipate that

Peoples-Arapahoe would become an effective competitor in its service area by utilizing the resources of Applicant. Also, affiliation with Applicant will enable Peoples-Arapahoe to draw upon Applicant's managerial talent and thus strengthen its own management which appears at this time to lack sufficient depth. In addition, Applicant will assist Peoples-Arapahoe in its internal operations and in meeting both its present and future building needs. Accordingly, it is the Board's judgment that with respect to the application to acquire Peoples-Arapahoe, considerations relating to the convenience and needs of the community to be served outweigh any anticompetitive effects of this acquisition and that this proposed transaction would be in the public interest and should be approved.

On the basis of the record, the application to acquire Peoples-Aurora is denied for the reasons summarized above.

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

By order of the Board of Governors, effective March 29, 1974.

Denial of acquisition of Peoples Bank & Trust Company, Aurora, Colorado. Voting for this action: Chairman Burns and Governors Mitchell, Brimmer, Sheehan, Bucher, and Holland. Absent and not voting: Governor Wallich.

Approval of acquisition of Peoples Bank of Arapahoe County, Aurora, Colorado. Voting for this action: Chairman Burns and Governors Mitchell, Sheehan, Bucher, and Holland. Voting against this action: Governor Brimmer. Absent and not voting: Governor Wallich.

(Signed) CHESTER B. FELDBERG,
Secretary of the Board.

[SEAL]

DISSENTING STATEMENT OF GOVERNOR BRIMMER

I would deny the application by D. H. Baldwin Company to acquire Peoples Bank of Arapahoe County, Aurora, Colorado ("Peoples-Arapahoe"). My views with respect to the expansion of D. H. Baldwin Company as a multibank holding company while it remains a manufacturing conglomerate has been set forth in my dissenting

statements to two recent Board Orders¹ and a Board Determination.² I have held consistently, and it bears repeating, that the opportunities for holding companies to engage in nonbanking activities authorized by Congress through the 1970 Amendments to the Bank Holding Company Act do not give Applicant the privilege to expand as a multibank holding company while retaining sizable nonbanking interests. I continue to believe that the history of the Act reflects the intention of Congress to keep the business of banking separate from other commercial endeavors and, accordingly, Applicant should be required to make a decision whether it wants to be a bank holding company or whether it would prefer to be in the manufacturing business. Inasmuch as approval of the Peoples-Arapahoe application permits the further expansion of Applicant as a multibank holding company contrary to Congressional intent, I would deny this application.

OLD KENT FINANCIAL CORPORATION,
GRAND RAPIDS, MICHIGAN

ORDER DENYING MERGER OF BANK HOLDING
COMPANIES

Old Kent Financial Corporation, Grand Rapids, Michigan ("Old Kent"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(5) of the Act (12 U.S.C. 1842(a)(5)) to merge with Century Financial Corporation of Michigan, Saginaw, Michigan ("Century Financial"), under the charter and title of Old Kent.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Old Kent controls four banks with aggregate deposits of \$774.7 million, representing 3 per cent of deposits held by commercial banks in Michigan, and is the sixth largest banking organization in

the State.¹ Century Financial is the sixteenth largest banking organization in the State and controls one bank with deposits of about \$240 million, representing 0.9 per cent of deposits in commercial banks in the State. Upon consummation of the proposed merger, Old Kent would control 3.9 per cent of total commercial bank deposits in the State and would rank as the fifth largest banking organization in Michigan.

Old Kent's lead bank, Old Kent Bank and Trust Company (deposits of \$647.3 million) is the largest banking organization in the Grand Rapids banking market, with 49.3 per cent of total market deposits, and is more than twice the size of the second largest banking organization which controls 22.6 per cent of deposits in that market.² In the past year Old Kent has shown an interest in expanding into other banking markets in the State. In August, Old Kent consummated a proposed acquisition of a bank in Cadillac, Michigan,³ and has recently consummated significant acquisitions in the Holland and Fremont banking markets as well.⁴ It seems likely that this organization, one of the major bank holding companies in Michigan, will continue an aggressive policy of expansion by reason of its capability and incentive to enter those banking markets in Michigan which appear most attractive.

Century Financial's sole subsidiary bank, the Second National Bank of Saginaw ("Bank"),⁵ is the largest of six banking organizations in the Saginaw banking market, with 49.9 per cent of total market deposits. Bank is nearly twice as large as the next largest bank in its market. In terms of IPC demand deposits in accounts under \$20,000

¹State banking data are as of June 30, 1973, and reflect holding company formations and acquisitions approved through December 31, 1973.

²Banking data for the Grand Rapids and Saginaw banking markets are as of June 30, 1972.

³See Board's Order dated June 27, 1973, approving the application of Old Kent Financial Corporation, Grand Rapids, Michigan, to acquire the First National Bank of Cadillac, Cadillac, Michigan.

⁴See Board's Order dated October 12, 1973, approving the application of Old Kent Financial Corporation, Grand Rapids, Michigan, to acquire the successor by merger to The Peoples State Bank of Holland, Holland, Michigan. An application by Old Kent Financial Corporation, Grand Rapids, Michigan, to acquire Fremont Bank and Trust, Fremont, Michigan, was approved by the Reserve Bank of Chicago on September 12, 1973, acting under delegated authority.

⁵Century Financial became a bank holding company on January 22, 1973, through the acquisition of Bank. Century Financial has not engaged in any activities other than the operation and control of Bank; therefore, the significance of this proposed merger is the acquisition of all the voting shares (less directors' qualifying shares) of Bank.

¹Board Order of December 5, 1973 wherein Applicant was permitted to acquire four banks in Colorado (1974 Federal Reserve BULLETIN 40); and Board Order of September 28, 1973 wherein Applicant was permitted to acquire five banks in Colorado (1973 Federal Reserve BULLETIN 752).

²Board Determination of June 14, 1973 wherein all of Applicant's activities relating to the musical instrument business were accorded indefinite grandfather privileges (1973 Federal Reserve BULLETIN 536).

Bank controls 54.1 per cent of market deposits; and in terms of IPC deposits in accounts over \$100,000 Bank controls 61.4 per cent of the market total (see Table following). The market is highly concentrated, with the two largest banking organizations controlling 78.4 per cent of market deposits. The second largest banking organization in the market is currently limited to one office and is prohibited from further branching,⁶ and the remaining four banking organizations control deposits ranging from 2.8 to 8.7 per cent of total market deposits. Acquisition of Bank by Old Kent through the proposed merger would tend to solidify Bank's leading position in the Saginaw banking market. On the other hand, there is a probability that a trend towards deconcentration would result should Old Kent enter the Saginaw area either *de novo* or through the acquisition of a foothold bank. In the Board's judgment, a trend towards deconcentration would be in the public interest by offering the promise of more vigorous competition within the Saginaw market.

Applicant's recent record of expansion indicates that it may be viewed as one of the most likely entrants into the Saginaw banking market, one of the six major banking markets in Michigan.⁷ This market is considered attractive for new entry relative to the other major markets. While the population of the City of Saginaw has decreased, the population of the market area increased approximately 14 per cent for the period 1960-70, relative to a State increase of 13 per cent. The deposits per banking office ratio is \$17.5 million relative to \$15.3 million for the State; and the population per banking office ratio is 7,480 relative to the ratio of 5,340 for the State. Furthermore, there would appear to be a number of smaller banks in the market that may be available for acquisition. On the basis of the facts of record, including the facts that the Saginaw banking market is concentrated, that Applicant is a likely potential entrant into the market, and that opportunities exist for *de novo* or foothold entry, the Board concludes that consummation of the proposed merger would

have a substantially adverse effect on potential competition in the Saginaw banking market.

The Board is also concerned with the effect that consummation of this proposed merger would have in eliminating Century Financial as a large independent which, whenever its management becomes so inclined, would seem capable of anchoring a regional holding company system. As previously discussed, Old Kent is presently the largest banking organization in the Grand Rapids banking market and has control of a significant share of deposits in two other banking markets also located in western Michigan. Thus, in addition to eliminating Old Kent as a potential entrant into the Saginaw banking market, consummation of the proposed merger would present the additional adverse factor of eliminating Century Financial as a possible entrant into those areas in which Old Kent presently competes, or into those areas in which Old Kent is likely to expand in the future. Finally, such a market extension merger, as proposed here, will knit together banking organizations that are each dominant in their own local markets and further solidify each firm's position in a major market in Michigan.

On the basis of the foregoing and all other facts in the record, the Board concludes that consummation of Applicant's proposal would have substantially adverse effects on competition, and unless such anticompetitive effects are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served, the application should be denied.

The financial condition and managerial resources and future prospects of Old Kent and its subsidiary banks appear satisfactory. The financial condition and managerial resources and future prospects of Century Financial and Bank are also considered satisfactory. Thus, banking factors are consistent with approval but provide no significant support for such action.

Old Kent proposes to assist Bank in agricultural lending, minority lending, mortgage lending, international services, computer services and trust services. While these improved services lend some weight toward approval, most of these innovations may be expected to be made by Bank in any event, and the Board does not consider these convenience and needs considerations sufficient to outweigh the anticompetitive effects of the proposed merger. It is the Board's judgment that consummation of the proposed acquisition would not be in the public interest and that the application should be denied.

⁶The Board approved the acquisition of Valley National Bank, Saginaw, Michigan, by Michigan National Corporation, Bloomfield Hills, Michigan, on October 18, 1973. This acquisition would permit Michigan National to expand through *de novo* branching. However, consummation of the acquisition is enjoined pending the outcome of a suit filed by the Department of Justice.

⁷The six major banking markets in Michigan include the Grand Rapids, Saginaw, Detroit, Flint, Kalamazoo, and the Lansing banking markets.

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

By order of the Board of Governors, effective March 5, 1974.

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

(Signed) CHESTER B. FELDBERG,

[SEAL.]

Secretary of the Board.

SAGINAW BANKING MARKET¹

Bank or Market	Banking Organization	Total Deposits		IPC Demand Deposits \$20,000 or less		Total IPC Deposits \$100,000 or over	
		Amount (\$ millions)	Per cent	Amount (\$ millions)	Per cent	Amount (\$ millions)	Per cent
1	Century Financial Corporation, Saginaw	218.5	59.9	28.1	84.1	30.4	61.4
2	Michigan National Corp., Lansing	124.5	28.5	10.4	20.0	16.4	33.1
3	Frankenmuth State Bank, Frankenmuth	37.9	8.7	2.8	8.7	2.2	4.4
4	Valley National Bank, Saginaw	30.4	6.9	2.2	8.1	0.7	0.4
5	First State Bank, Saginaw	14.2	3.3	2.9	5.6	0.3	0.6
6	Community State Bank, St. Charles	12.1	2.8	1.8	3.5	0.0	0.0
TOTAL		337.6	100.0	51.9	100.0	49.5	100.0

¹Summary of Deposits, June 30, 1972.
Total organization deposits \$2.2 billion.

DISSENTING STATEMENT OF
GOVERNOR MITCHELL

This case should have been, in my opinion, another occasion for an expression of Board judgment regarding Michigan banking structure comparable with the pro-competitive posture taken in two earlier cases. The first defined the status of the Michigan National Corporation in several Michigan markets (See the Board's Order approving the application of Michigan National Corporation, Lansing, Michigan, to become a bank holding company through acquisition of the following five Michigan banks: Michigan National Bank, Lansing; Michigan Bank, N.A., Detroit; Livonia National Bank, Livonia; Troy National Bank, Troy; and Oakland National Bank, Southfield. 58 Federal Reserve BULLETIN 804), and the second released restraints against its competitive effectiveness in certain of those markets. (See the Board's Order approving the application of Michigan National Corporation, Bloomfield Hills, Michigan, to acquire First National Bank of East Lansing, East Lansing; Central Bank, National Association, Grand Rapids; Valley National Bank of Saginaw, Saginaw; and First National Bank of Wyoming, Wyoming; all located in Michigan. 59 Federal Reserve BULLETIN 819.)

While the instant case is an outstanding example of the judgmental difficulties involved in weighing the influences of undue concentration against increased competitive effectiveness and responsive-

ness to community needs, it calls for a more positive solution than continuation of the *status quo*. The decision is important not only for customers of Saginaw banks but also for the implication it has involving customers in other similarly situated Michigan SMSA's.

Neither approval nor denial is an optimal solution to the problem—that solution would involve, in my opinion, approval conditioned on a spin-off of some of Second National's facilities. Absent that choice, I believe community needs and banking structure developments would be better served by approval than denial. My reasons have to do with the characteristics of Michigan's banking structure as well as those of the Applicant and Bank.

Michigan is one of our major industrial States, ranking fifth in terms of value added by manufacture. As a banking State it ranks seventh with 4.4 per cent of total U.S. deposits—almost exactly its share of U.S. population. There are 317 (as of September 1973) banking organizations serving the State of Michigan. About half of them are located in 11 SMSA's. Many of those outside of these areas are community banks in towns where the deposit potential will not support more than one bank. Thus, the problem of banking structure in Michigan is that of balancing considerations of competition, concentration and operating competence in these 11 SMSA's.

Michigan has been a limited branching State

since 1945; the present law permits offices to be opened within 25 miles of the home office. Just within the past three years following the clarification of the legal status of holding companies under Michigan statutes, several newly formed bank holding companies have acquired or are in the process of acquiring other banks or organizing *de novo* banks in promising markets (see Attachment A). Thus, Michigan several years after the enactment of the bank holding company legislation is now following the line of development in banking structure which has already taken place or is in process in States like New York, New Jersey, Virginia, Alabama, Florida, Missouri, Texas, Tennessee, Colorado, and several other States in the East, South, and Midwest.

The veto power given by Congress to the Board over the use of the holding company device to further corporate interests by merger or expansion identifies the considerations the Board should take into account in its approval or disapproval of a particular application. These considerations are public interest goals which are presumed to be attained through the promotion of a competitive structure and the avoidance of undue concentration. But the public interest also requires a judgment of the quality of bank managements and ownerships and their capacity and will to compete by enriching services to the public and reducing the cost of such services. Since considerations of scale affect efficiency of banking operations, and letting bank failures weed out incompetents is a whimsical alternative, it follows that every proposal for acquisition must entail a judgment, implied or expressed, as to the ability of specific competitors in a given market to respond to community needs as well as to considerations of safety and soundness.

I believe the evaluation of these considerations in the instant case is far more urgent than my colleagues appear to believe. And this judgment is reinforced by the obvious fact that banking organizations in Michigan have just recently embarked upon a program of expansion via acquisition and *de novo* entry that will significantly modify the banking structure in the industrial portion of the State. This movement holds the promise of providing stronger banks, and banks more responsive to community needs, both because of the efficiencies that can arise out of holding company operations, due to larger scale, and the ability of effective competitors, such as Old Kent, to absorb and infuse a more competitive spirit in less effective institutions.

There is, of course, always the danger that such an expansion can reduce competition because it may increase concentration. The weighing of the pros and cons in specific cases is therefore a difficult judgment.

The portion of Michigan primarily affected by the bank holding company movement is that contained in 11 abutting metropolitan areas stretching out from Detroit west to Muskegon and north to Bay City. It is significant from the standpoint of undue concentration and competitiveness that these SMSA's abut and are closely linked by convenient transport and media, particularly television coverage. In seven instances the distances from central cities in one SMSA to the central city in another is 36 miles or less, in five cases between 36 and 50, and in three cases between 50 and 67 miles.¹ Thus, these markets are closely-linked—not isolated. As a result, the availability of non-local alternatives has greater practicality, and competition in pricing and service standards can spread with minimal friction.

The structure in the Detroit SMSA is a special case and would not likely be affected by any resolution of the instant case. But the other 10 SMSA's are sufficiently similar in banking structure to be influenced by policy implications of this decision.

By the standards of practice prevailing in the nation several Michigan banking markets are too heavily concentrated. The accompanying table (Attachment B) shows market shares as conventionally calculated for the five largest banks in each Michigan SMSA. It needs to be recognized that these shares are based on the assumption that all deposits are indigenous to the SMSA, an assumption that does not apply to the greater part of interbank deposits nor to many large-denomination CD's nor to some part of time deposits of State and local governments. However, the smaller the SMSA and the smaller the bank, the less important these qualifications become.

Bearing in mind these limitations, the concentration ratios for Michigan banks are relatively high. For the lead bank the modal value is about 40 per cent; for two banks about 70; and for three about 85 per cent. As a crude comparative standard, the modal value for lead banks in one-hundred SMSA's in other industrial States in the Midwest, East and South is about 30 per cent.

On the basis of such evidence, I do not take issue with the view of the majority that there is undue concentration in Saginaw—in fact, I would extend that judgment to certain other Michigan

SMSA's. Nonetheless I am concerned with the fragility and subjective character of many judgments on undue concentration.

Economic analysis, so far as I am aware, has yet to demonstrate what level of concentration in a given banking market indicates optimum, maximum or minimum levels so far as the public interest is concerned. Commonly, judgment-conditioning adjectives based on intuitive judgments are used to excite various degrees of public interest approval or disapproval. More objective approaches are possible. For example, I believe it could be readily demonstrated that splintering a market of \$200-300 million of deposits into a dozen equal shares would deprive the community concerned of certain types of banking services that would be available if the largest bank had \$50-100 million of deposits simply because of the difference in service and operating capability between small and medium size banks.

Concentration ratios may also be analyzed in terms of comparative practice, by State and size of SMSA; this approach is hopeful, but clearly affected by historical attitudes toward branching constraints. Where banks have enjoyed home office protection and State laws with respect to expanding outside a given area (city or county), certain banks have tended to become overly dominant at some point in their history simply because entrepreneurs were working off their corporate drive. This seems to have been the case in Michigan where branching limitations have, in fact, fostered the growth of dominant institutions.

I differ with the majority's choice of alternatives for two reasons. As earlier stated, Saginaw is now an isolated area. It is close to Flint and very close to Bay City and thus is exposed to competitive

forces in both areas as well as to Midland. These locational considerations dilute the validity of any conclusions drawn on the assumption that the banking market is completely confined to the Saginaw SMSA.

Secondly, I believe there is a difference in the quality of banking services that Old Kent would offer and those that would be available from Second National. I base that judgment on the recent operating records of the two banks and the fact that the record shows that the Second National owners sought the sale of their property to Old Kent. Moreover, the premium involved in this case is modest, reflecting, among other factors, possibly the owners' appraisal of growth prospects in Saginaw, the problems involved in extending operations into Midland and Bay City and the real possibility of more effective competition from Michigan National.

The record before the Board does not, of course, disclose the views of sellers or buyers except as it can be inferred from the facts of the transaction. To me, these inferences all lead to the conclusion that the competitor who is a buyer is ordinarily better prepared to innovate and extend services than the competitor who is a seller. The users of banking services in Saginaw would gain by approval of the proposal.

The majority asserts that other possibilities exist. There are other possible buyers for Second National but I see no advantage to substituting any of the four multi-billion dollar banks in Detroit nor bank holding companies in near-by Flint which are about the same size as Old Kent. In fact, given the standards the majority has applied to Old Kent, the realistic alternatives for a take-over of Second National probably do not exist.

¹Distances between central cities of abutting SMSA's in Michigan:

Detroit	to Flint	67	miles		
	to Ann Arbor	36	"		
Flint	to "	47	"		
	to Saginaw	32	"		
	to Lansing	45	"	to Bay City	14 miles
Lansing	to Ann Arbor	60	"	to Jackson	39 "
	to Jackson	34	"	to Battle Cr.	30 "
	to Battle Cr	43	"	to Kalamazoo	30 "
Gr. Rapids	to Kalamazoo	50	"		
	to Lansing	65	"		
	to Muskegon	30	"		

The following table indicates that of the nine multi-bank holding companies operating in the State's 11 SMSA's all except two have confined their operations to the areas in which their lead banks are located. Only one of the remaining seven (the Applicant) has an application or has announced plans to expand into another SMSA. Thus, Michigan National, following a long-standing tradition, and Northern States Bancorporation are the only holding companies to establish beachheads or substantial market positions in more than one SMSA.

HOLDING COMPANIES IN MICHIGAN THAT ARE OR HAVE
PROPOSED TO BECOME MULTI-BANK HOLDING COMPANIES

<i>Banking Organization</i>	<i>Location</i>	<i>Aug. 73 Total Deposits</i> (<i>\$ millions</i>)	<i>December 73 Number of Offices</i>
National Detroit Corporation	Detroit	4,569	107
<i>Banking Subsidiaries</i>			
National Bank of Detroit	Detroit	4,569	107
<i>Applications Filed</i>			
National Bank of Dearborn (de novo)	Dearborn	0	0
<i>Announced</i>			
National Bank of Troy (de novo)	Troy	0	1
National Bank of Port Huron (de novo)	Port Huron	0	1
First National Bank of Howell	Howell	22	1
Grand Valley National Bank	Grandville	17	1
Michigan National Corporation	Bloomfield Hills	2,528	113
<i>Banking Subsidiaries</i>			
Michigan National Bank	Lansing	1,294	31
Michigan National of Detroit	Detroit	823	33
Michigan National Oakland	Southfield	104	8
Michigan National Bank West Metro	Livonia	97	8
Michigan National North Metro	Troy	87	9
Valley National Bank ¹	Saginaw	46	6
Central Bank NA ¹	Grand Rapids	32	9
First National Bank of Wyoming ¹	Wyoming	19	4
First National Bank of East Lansing ¹	East Lansing	16	3
Greenfield National Bank (de novo)	Dearborn	0	1
Michigan National Bank Mid-Michigan (de novo)	East	0	1
Western Michigan National Bank (de novo)	Kalamazoo	0	0
<i>Applications Filed</i>			
None			
<i>Announced</i>			
National Bank of Traverse City (de novo)	Traverse City	0	0
Detroit Bank Corporation	Detroit	2,221	84
<i>Banking Subsidiaries</i>			
Detroit Bank & Trust Company	Detroit	2,221	84
<i>Application Filed</i>			
None			
<i>Announced</i>			
Detroit Bank - Livonia (de novo)	Livonia	0	0
Detroit Bank - Troy (de novo)	Troy	0	0
Manufacturer's National Corporation	Detroit	2,194	73
<i>Banking Subsidiaries</i>			
Manufacturer's National Bank	Detroit	2,194	72
Manufacturer's Bank of Livonia (de novo)	Livonia	0	1
<i>Applications Filed</i>			
Saline Savings Bank	Saline	13	2
<i>Announced</i>			
None			
Northern States Bancorporation	Detroit	839	50
<i>Banking Subsidiaries</i>			
City National Bank	Detroit	607	31
Bank of Lansing	Lansing	151	7
Union National Bank & Trust	Marquette	35	1
First National Bank of Lake City	Lake City	20	1
National Bank of Rochester	Rochester	15	2
First Citizens Bank	Troy	11	2
Grand Rapids Bank, NA (de novo)	Grand Rapids	0	0
<i>Applications Filed</i>			
First National Bank of Plymouth (de novo)	Plymouth	0	0

¹Approved by the Board, but challenged by Department of Justice

HOLDING COMPANIES IN MICHIGAN THAT ARE OR HAVE
PROPOSED TO BECOME MULTI-BANK HOLDING COMPANIES - CONT'D

<i>Banking Organization</i>	<i>Location</i>	<i>June 73 Total Deposits (\$ millions)</i>	<i>December 73 Number of Offices</i>
<i>Announced</i>			
<i>None</i>			
Old Kent Financial Corporation	Grand Rapids	775	55
<i>Banking Subsidiaries</i>			
Old Kent Bank & Trust Company	Grand Rapids	688	16
Peoples State Bank	Holland	55	7
First Bank of Cadillac	Cadillac	17	1
Trencoast Bank & Trust Company	Trencoast	15	1
<i>Applications Filed</i>			
Second National Bank of Saginaw	Saginaw	240	16
<i>Announced</i>			
Old Kent Bank of St. Joseph (de novo)	St. Joseph	0	0
Old Kent Bank of Kentwood (de novo)	Kentwood	0	0
Old Kent Bank of Grandville (de novo)	Grandville	0	0
Old Kent Bank of Wyoming (de novo)	Wyoming	0	0
First National Financial Corporation	Kalamazoo	224	43
<i>Banking Subsidiaries</i>			
First National Bank & Trust of Michigan	Kalamazoo	315	29
First National Bank of Holland	Holland	69	2
Merchants & Miners Bank	Cadillac	90	3
Cheyboygan Bank	Cheyboygan	19	3
Commercial Bank of Menominee	Menominee	13	2
Deerfield State Bank	Deerfield	8	1
Commercial Bank of Stambaugh	Stambaugh	6	2
Mohr State Bank	Mohr	4	1
<i>Application Filed</i>			
First National Bank of Sault Ste. Marie	Sault Ste. Marie	21	3
<i>Announced</i>			
<i>None</i>			
American National Holding Company	Kalamazoo	221	26
<i>Banking Subsidiaries</i>			
American National Bank & Trust Company of Michigan	Kalamazoo	297	17
American National Bank in Portage	Portage	9	3
American Bank of Three Rivers, NA	Three Rivers	9	2
Niles National Bank & Trust Company	Niles	6	1
American National Bank (de novo)	Battle Creek	0	1
American National Bank (de novo)	South Haven	0	1
American National Bank of Western Michigan (de novo)	Allegan	0	1
<i>Applications Filed</i>			
<i>None</i>			
<i>Announced</i>			
American National Bank of Norton Shores (de novo)	Muskegon	0	0
American Bank Corporation	Lansing	211	16
<i>Banking Subsidiaries</i>			
American Bank & Trust Company	Lansing	211	15
American Bank of Charlotte (de novo)	Charlotte	0	0
American Bank of Grand Ledge (de novo)	Grand Ledge	0	1
<i>Application Filed</i>			
<i>None</i>			
<i>Announced</i>			
State Bank of Perry	Perry	8	1
Pacesetter Financial Corporation	Grand Haven	147	16
<i>Banking Subsidiaries</i>			
Traverse City State Bank	Traverse City	86	9
Security First Bank & Trust Company	Grand Haven	61	7
<i>Applications Filed</i>			
<i>None</i>			
<i>Announced</i>			
Owosso Savings Bank	Owosso	85	8
West Michigan Financial Corporation	Cadillac	80	10
<i>Banking Subsidiaries</i>			
Cadillac State Bank	Cadillac	80	10
<i>Applications Filed</i>			
First National Bank of Ewart	Ewart	6	1
<i>Announced</i>			
<i>None</i>			

CONCENTRATION RATIOS IN MICHIGAN SMSA'S, JUNE 30, 1973¹

SMSA	Population	Number of banks	Total deposits (mill.)	Market Shares				
				Bk. Org.	Total deposits	Demand IPC	Savings	State & local
Bay City	117	5	256	1st	70	71	74	55
				2	91	94	95	73
				3	96	97	98	88
				5	100	100	100	100
Battle Creek	179	11	401	1st	51	47	49	57
				2	73	71	68	73
				3	80	79	78	77
				5	90	89	89	90
Saginaw	220	8	527	1st	46	48	47	45
				2	70	74	68	74
				3	83	85	83	86
				5	92	90	94	95
Jackson	143	8	333	1st	43	47	40	46
				2	86	89	82	87
				3	92	95	92	94
				5	99	98	97	97
Lansing	536	11	1319	1st	41	40	40	48
				2	74	74	76	76
				3	86	85	85	94
				5	94	94	94	98
Kalamazoo Portage	258	10	612	1st	40	36	43	44
				2	67	71	69	67
				3	84	85	84	87
				5	92	92	95	93
Grand Rapids	539	19	1720	1st	40	39	43	36
				2	60	58	61	54
				3	74	75	70	78
				5	82	83	80	85
Muskegon	175	7	381	1st	38	37	40	31
				2	65	64	64	72
				3	86	85	88	87
				5	96	94	97	98
Lansing	424	19	1095	1st	36	33	32	52
				2	55	66	55	61
				3	69	72	66	74
				5	79	82	77	83
Detroit	4431	63	14947	1st	31	34	22	29
				2	46	49	38	35
				3	60	66	51	45
				5	71	76	64	59
Ann Arbor	234	11	553	1st	30	33	26	34
				2	56	62	54	45
				3	69	75	64	66
				5	87	90	84	95

¹Adapted from *Summary of Deposits in All Commercial and Mutual Savings Banks, June 30, 1973, Federal Deposit Insurance Corporation*

DISSENTING STATEMENT OF
GOVERNOR SHEEHAN

In my opinion, consummation of the proposal would have no adverse effects on potential competition either in the Saginaw banking market or in any other area of the State. Furthermore, significant public benefits would result from the expertise that Applicant would make available to Bank.

While the acquisition might eliminate the *possibility* of competition developing in the future between Old Kent's subsidiaries and Bank, I do not believe the development of such competition in the absence of the acquisition to be at all *probable*. In my opinion, the problems involved in *de novo* entry are sufficiently difficult so as to make it rather unlikely that Old Kent would enter this market in such a manner. This conclusion is bolstered by the fact that Saginaw does not appear to be a particularly attractive market for *de novo* entry due primarily to the declining population of the City of Saginaw over the past decade. The majority, in addition to finding *de novo* entry likely, also finds that there are a number of smaller banks in the market which would be available for acquisition. However, it is apparent that Old Kent would need to enter the market through the City of Saginaw in order to have an effective entry. Of the smaller banks in the market, only one has its offices concentrated in the city. There is no evidence in the record concerning the availability of this bank for acquisition and, inasmuch as the possibilities for an effective entry into Saginaw are limited, I cannot view Old Kent as a likely entrant absent the present proposal.

The majority further concludes that the proposed acquisition would eliminate Century Financial as a large independent which appears capable of anchoring a regional holding company system. However, on the basis of Bank's history, as well as the fact that Century Financial has not used its holding company status to expand either in banking or nonbanking activities, it appears that Century Financial lacks the desire to lead a multi-bank holding company, whether regional or State-wide. On the basis of the above, I conclude that consummation of the proposal would not eliminate potential competition between Century Financial and Old Kent.

While finding no significant anticompetitive effects to the proposal, I believe it would result in significant public benefits. Old Kent is only one-third the size of the State's fourth largest banking organization and if the proposal were approved

would remain much smaller. The proposed acquisition would allow Old Kent to enter another major market and would enable it to compete more effectively against those much larger leading banking organizations in Michigan through the *expansion of its base of operations*. Therefore, the proposed acquisition would have procompetitive effects on a Statewide basis. In addition, affiliation with Old Kent would allow Second National Bank to offer improved services, particularly trust services, minority lending, mortgage lending and commercial credit services.

For the foregoing reasons, I conclude that there are significant benefits to the public to be derived from the proposal and no adverse competitive effects. Accordingly, I would approve this application.

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

THE ADAIR CORPORATION,
ADAIR, IOWA

ORDER DENYING FORMATION OF BANK HOLDING
COMPANY

The Adair Corporation, Adair, Iowa, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through the acquisition of 97 per cent of the voting shares of Exchange State Bank ("Bank"), Adair, Iowa.

At the same time, Applicant has applied for the Board's approval under § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y to continue to engage in insurance agency activities in a community with a population of less than 5,000 persons.

Notice of the applications, affording opportunity for interested persons to submit comments and views, was published on December 17, 1973 (38 Federal Register, 35352, 35353) 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, and the considerations specified in § 4(c)(8) of the Act.

Applicant presently conducts general insurance agency activities in Adair, Iowa, a town of approximately 750 people. Bank has deposits of \$6.6 million,¹ and is the smallest of 7 banks in the

¹Banking data are as of June 30, 1973.

relevant banking market,² controlling 7.4 per cent of the total deposits in commercial banks in the market. The purpose of the proposed transaction is to effect a transfer of the ownership of Bank from individuals to a corporation owned by the same individuals with no change in Bank's management or operations. The principals of Applicant also own shares in several other bank holding companies and banks, including the Anita State Bank, Anita, Iowa ("Anita Bank"), which is located 7 miles from Bank and is Bank's nearest competitor. Anita Bank is the third largest bank in the market controlling about 10 per cent of deposits therein. Consummation of the proposal would have adverse effects on existing and potential competition, to the extent that it would facilitate maintenance of the existing ties between these two banks.

As it has indicated on previous occasions, the Board believes that a holding company should be a source of financial strength for its subsidiary bank(s) and every proposed acquisition or formation is closely examined with this consideration in mind. The future prospects of Applicant are primarily dependent upon the financial resources of Bank. Bank's capital to total assets ratio has declined significantly under current management of Bank. Despite Bank's need for additional capital, principals of Bank, who are also the owners of Applicant, have derived large management fees and cash dividends from Bank. The Iowa State Banking Department, in order to safeguard Bank's resources, has required that any future dividends must first be authorized by it. Obviously, any such limitation on Bank's dividends could impair Applicant's ability to service the debt it would assume incident to the proposed transaction.

The Board has considered Bank's present condition and declining capital position under current ownership. The past policies of principals of Applicant regarding the withdrawal from Bank of large management fees, makes it likely that Applicant would not have the necessary financial flexibility to meet its annual debt servicing requirements without adversely affecting the capital position of Bank. The above factors strongly suggest that the future financial requirements of Applicant could place an undue strain on Bank and thus impair Bank's ability to be a viable banking organization in meeting the banking needs of the

communities which it serves. Such considerations lend weight toward denial of the application.

The Board notes that principals of Applicant already control or have significant interests in several other banks. The principals have received large management and directors' fees and liberal dividends from some of these other banks, resulting in the declining capital condition of such banks. These precedents lend support to the view that the capital position of Bank could be adversely affected upon approval of this proposal.

Under the above circumstances and on the basis of other facts of record, considerations relating to the financial condition, managerial policies and future prospects of Applicant and Bank lend weight for denial of the application. The Board does not sanction the use of a holding company structure to perpetuate management practices that will in due course impair the financial condition of the bank to be acquired. Such action would not be consistent with the standards of § 3(c) of the Act nor would it serve the public interest.

On the basis of all the facts in the record, it is the Board's judgment that the financial condition of Bank and management practices of principals of Applicant would be inconsistent with the standards set forth in § 3(c) of the Act. Accordingly, the Board concludes that consummation of the proposal would not be in the public interest, and that the application should be denied.³

By order of the Board of Governors, effective March 20, 1974.

Voting for this action: Chairman Burns and Governors Mitchell, Sheehan, Bucher, and Holland. Absent and not voting: Governors Brimmer and Wallich.

(Signed) THEODORE E. ALLISON,
Assistant Secretary of the Board.

[SEAL.]

**ORDERS UNDER SECTION 4 OF
BANK HOLDING COMPANY ACT**

COLONIAL BANCORP, INC.,
WATERBURY, CONNECTICUT

ORDER APPROVING ACQUISITION OF
POLICY ADVANCING CORP.

Colonial Bancorp, Inc., Waterbury, Connecticut, a bank holding company within the meaning of the Bank Holding Company Act, has applied

²The market area is approximated by the upper half of Cass County and portions of Audubon, Adair and Guthrie counties.

³Denial of Applicant's § 3(a)(1) application renders moot Board action on the accompanying § 4(c)(8) application.

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 Policy Advancing Corp., Watertown, New York ("Policy"), a company that engages in the activity of making extensions of credit to individuals and corporations to finance the payment of casualty, liability, and other insurance premiums. Such activity has been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (38 Federal Register 35353). The time for filing comments and views has expired, and none has been timely received.

Applicant is the seventh largest banking organization in Connecticut and controls one subsidiary bank with deposits of approximately \$278.6 million,¹ representing approximately 4.4 per cent of total commercial bank deposits in the State. Policy (assets of \$5.9 million, as of June 30, 1973) presently operates in 10 cities² and engages in the financing of casualty, liability, and other insurance premiums for individuals and corporations. Applicant's subsidiary bank is engaged to a very limited extent in insurance premium financing through its Waterbury offices. Policy does not presently derive any business from the Waterbury area. Accordingly, it appears that consummation of the proposal would not eliminate any significant existing competition between Applicant and Policy. Furthermore, it does not appear likely that a significant amount of competition would develop in the future, since Policy's present owners have indicated their intention to discontinue insurance premium financing as engaged in by Policy, and since Applicant's subsidiary bank is only nominally engaged in this activity and is not likely to significantly increase its present volume of business. The Board concludes, therefore, that competitive considerations are consistent with approval of the application.

Applicant has stated its intention to expand the operations of Policy into other geographic areas and thereby provide an additional competitor in these new areas. In addition, Applicant will provide more efficient service to Policy's customers through the introduction of an electronic data processing system. There is no evidence in the record indicating that consummation of the proposed ac-

quisition would result in undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices, or other adverse effects on the public interest. In its consideration of this application, the Board has examined the covenant not to compete which was executed in connection with the proposal. The Board finds that the provisions of this covenant are reasonable in duration, scope, and geographic area and are consistent with the public interest.

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

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

By order of the Board of Governors, effective March 1, 1974.

Voting for this action: Chairman Burns and Governors Mitchell, Daane, Sheehan, Bucher, and Holland. Voting against this action: Governor Brimmer.

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

DISSENTING STATEMENT OF GOVERNOR BRIMMER

I would deny the application by Colonial Bancorp to acquire Policy Advancing Corp. My decision is based upon the existence of a covenant not to compete which was executed between Applicant and the corporation which presently owns Policy. The effect of this covenant is to preclude the possibility of the selling corporation undertaking to provide an alternative source of insurance premium financing in any geographic area in which Policy is presently doing business for a period of three years from the date of consummation of the acquisition. The majority has presented no evidence to show that such covenants are in the public

¹All banking data are as of June 30, 1973.

²The 10 cities are located in four States—New York, Pennsylvania, Ohio, and Connecticut.

interest. For reasons stated more fully in my dissents to the application of Orbanco, Inc., to acquire Far West Security Company (59 Federal Reserve BULLETIN 368-369 (1973)), and the application of CBT Corporation to acquire General Discount Corporation (59 Federal Reserve BULLETIN 471 (1973)), I am convinced that such covenants do not serve to promote competition and should not receive the sanction of the Board. I would deny this application.

DEPOSITORS CORPORATION,
AUGUSTA, MAINE

ORDER APPROVING ACQUISITION OF
FIRESTONE FINANCIAL CORPORATION

Depositors Corporation, Augusta, Maine, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire all of the voting shares of Firestone Financial Corporation ("Firestone"), Chestnut Hill, Massachusetts, a company that engages in the activities of commercial financing and financing second mortgages. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (38 Federal Register 29638). The time for filing comments and views has expired, and none has been timely received.

Applicant, the largest banking organization in Maine, controls six banks with deposits of approximately \$266 million representing 16.2 per cent of the total deposits in commercial banks in that State.¹

Firestone, a Massachusetts corporation with total assets of \$3.5 million as of May 31, 1973, is principally engaged in the financing of restaurant, bakery, laundry, vending, and industrial equipment. As of May 31, 1973, Firestone had outstanding loans of around \$3 million; of that amount, approximately 75 per cent represents commercial loans, with the remainder being second mortgages. Firestone engages in commercial lending primarily in eastern Massachusetts, which encompasses the Boston area, and in which market

it competes with a number of large national commercial finance firms. Neither Applicant nor any of its subsidiaries is engaged in commercial lending in Firestone's market area other than to a very limited degree. Applicant and its subsidiaries do not engage in making second mortgage loans. Accordingly, no significant existing competition would be eliminated in either commercial financing or the origination of second mortgage loans upon consummation of the subject proposal. There are sufficient potential entrants into these product markets so that the elimination of Applicant would not have any adverse effects on future competition upon approval of this application.

In its consideration of this application, the Board has considered a post-employment covenant contained in the employment agreement entered into between Firestone and the two principals and sole stockholders of Firestone. The covenant provides that the principals will not engage or participate in any manner in the financing business of the type engaged in by Firestone for a period of five years after termination of employment. The record indicates that the principals (who are also the founders of Firestone) during their employment term will have complete managerial control and decision-making authority with respect to Firestone's business, and, by the very nature of the business, these principals will have substantial contact with Firestone's customers. Accordingly, the Board finds that the covenant's provisions are reasonable in duration, scope, and geographic area and are consistent with the public interest.

There is no evidence in the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest. Applicant's greater access to financial resources may assure Firestone of more ready access to funds and enable it to become a more effective competitor; thus, competition with affiliates of larger regional and national commercial finance firms is likely to be stimulated.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Firestone is presently holding some realty for sale which the Board regards as an impermissible activity for bank holding companies. Thus, Board approval of the proposal is granted subject to the condition that Applicant divest itself of the tract of land at the

¹All banking data are as of June 30, 1973, and reflect bank holding company formations and acquisitions approved by the Board through December 31, 1973.

earliest practicable time, but in no event later than two years from the date of this Order. Accordingly, Applicant's proposal to acquire Firestone is hereby approved subject to the above condition. The order herein is also subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective March 11, 1974.

Voting for this action, Chairman Burns and Governors Mitchell, Sheehan, Bucher, and Holland. Absent and not voting: Governors Brimmer and Wallach.

(Signed) THEODORE E. ALLISON,

[SEAL] Assistant Secretary of the Board.

FIRST VIRGINIA BANKSHARES CORPORATION,
FALLS CHURCH, VIRGINIA

ORDER APPROVING RETENTION OF ARLINGTON
MORTGAGE COMPANY

First Virginia Bankshares Corporation, Falls Church, Virginia, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to retain all of the voting shares of Arlington Mortgage Company, Falls Church, Virginia ("Company"), a company that engages in the following activities: origination and acquisition of both FHA and VA-insured and conventional real estate loans (including construction loans), and servicing of all types of real estate loans. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1) and (3)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 Federal Register 1487). The time for filing comments and views has expired, and none has been timely received.

Applicant directly acquired Company in 1968 under authority of § 4(c)(5) of the Act.¹ Applicant seeks permission through this application to operate Company under the broader authority contained in § 4(c)(8) of the Act. In considering a proposal for the retention of shares in a non-banking company under § 4(c)(8) of the Act, the Board must find that the proposed retention of the nonbanking company could 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 an undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.

Applicant, the sixth largest banking organization in Virginia, controls 23 banks with aggregate deposits of \$761 million, representing 6.7 per cent of total deposits in commercial banks in Virginia.² Applicant's nonbanking subsidiaries engage in activities including mortgage lending, consumer finance, leasing, advisor to real estate investment trust, the sale of insurance, and holding title to bank premises.

Company (assets of \$16 million as of December 31, 1972) is headquartered in Falls Church, Virginia, a suburb of Washington, D.C., and ranked as the 135th largest mortgage company in the United States based on a mortgage servicing volume of \$212 million as of June 30, 1973.³ The principal competitive effects of Applicant's proposal are limited to the Washington, D.C., SMSA. In 1968, Applicant's lead bank, First Virginia Bank, Falls Church, Virginia ("Bank"), originated a total of approximately \$4.6 million of 1-4 family residential mortgage loans and \$4.7 million

¹Section 4(c)(5) of the Act generally permits a bank holding company to acquire, without Board approval, "shares which are of the kinds and amounts eligible for investment by national banking associations under the provisions of section 5136 of the Revised Statutes."

²All banking data are as of June 30, 1973, adjusted to reflect holding company acquisitions and formations approved through February 28, 1974.

³Since its acquisition by Applicant, Company has established additional offices *de novo* in each of the following: Virginia Beach, Virginia; Orlando, Florida; and Birmingham, Alabama. However, these offices serve only as loan production offices, soliciting loans and preparing credit, appraisal, and feasibility information for the originations at the Company's principal office in Falls Church. The application herein contemplates converting these three offices to full service mortgage lending offices.

of mortgage loans on multi-family and non residential property in the Washington, D.C., SMSA; during the same period and within the same area, Company originated about \$11 million of 1-4 family residential mortgage loans and \$15 million of mortgage loans on multi-family and non-residential property. Comparable figures for 1972 indicate that Bank and Company originated approximately \$18 million and \$13 million of 1-4 family residential mortgage loans, and approximately \$2 million and \$71 million of mortgage loans on multi family and non-residential property, respectively.¹ In view of the large number of mortgage lenders in the relevant market (over 100), the relatively small share of the residential mortgage market that Applicant and Company hold combined (under 2 per cent), and the fact that the mortgage loan market for multi-family and non-residential property is national in scope, it appears that no meaningful existing competition was eliminated, nor was substantial competition foreclosed, in the Washington, D.C. area through Applicant's acquisition of Company.

First Virginia Mortgage Company ("Mortgage"), a subsidiary of Bank, offers FHA and VA-insured mortgage loans and 90-95 per cent residential financing to customers of Applicant's subsidiary banks operating outside the Washington, D.C., SMSA. However, the amount of such loans originated by Mortgage during 1972 amounted to only about \$900,000. First Advisors, Inc. ("First Advisors"), a direct subsidiary of Applicant, acts as advisor to Mortgage and a publicly-owned real estate investment trust. First Advisors also originates, as exclusive agent for the trust, commercial real estate and construction loans and, as a result, there is a slight overlap in this type of loan activity between First Advisors and Company; but the amount of direct competition appears to be insignificant, particularly in view of the fact that the market for such loans is national in scope. On the basis of the foregoing and other facts of record, the Board concludes that the proposal would have no significant adverse effects on existing or potential competition in any relevant area.

There is no evidence in the record to indicate that the proposed retention of Company by Applicant would lead to an undue concentration of

resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects. On the contrary, the affiliation of Company with Applicant has resulted in benefits to the public in the form of expanded services and increased lending capabilities since Applicant has provided Company with substantial capital thereby increasing the volume of Company's loan originations. Moreover, approval herein will enable Company to convert its Virginia Beach, Orlando, and Birmingham loan production offices to full service status, thus resulting in greater convenience to the public and more efficient processing of loan applications. These public benefits lend weight for approval herein.

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

By order of the Board of Governors, effective March 13, 1974.

Voting for this action: Chairman Burns and Governors Mitchell, Brimmer, Sheehan, Bucher, Holland, and Wallich.

(Signed) THEODORE E. ALLISON,
[SEAL] *Assistant Secretary of the Board.*

INDUSTRIAL NATIONAL CORPORATION, PROVIDENCE, RHODE ISLAND

ORDER APPROVING ACQUISITION OF MORTGAGE ASSOCIATES, INC.

Industrial National Corporation, Providence, Rhode Island, a bank holding company within the meaning of the Bank Holding Company Act, 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 acquire the assets of Mortgage Associates, Inc., Milwaukee, Wisconsin ("MAI"), a company that engages in the following activities: (1) origination and sale of residential and commercial mortgages; (2) origination and sale of

¹Applicant has two other subsidiary banks in the Washington, D.C., SMSA (combined deposits of \$46 million), and in 1972 they had in the aggregate about \$6 million of residential mortgage loans in the market area.

loans for the purchase of mobile homes; (3) consumer finance; (4) servicing of mortgage loans and mobile home loans; and (5) operation of an insurance agency with respect to certain types of insurance. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a) (1), (3), and (9)). MAI is also engaged in real estate development and property management activities. The Board has previously determined that such activities are not closely related to banking;¹ and Applicant has committed itself to phasing out these activities, if the proposed acquisition is approved.

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (38 Federal Register 28115). The time for filing comments and views has expired, and the Board has considered all comments received in the light of the public interest factors set forth in section 4(c)(8) of the Act (12 U.S.C. 1843(c)).²

Applicant, a one bank holding company, controls Industrial National Bank of Rhode Island, Providence, Rhode Island ("Bank"), the largest commercial bank in Rhode Island, with deposits of approximately \$1.3 billion, representing about 56 per cent of total deposits in commercial banks in the State.³ Bank engages in both consumer finance and mortgage banking operations. Bank's portfolio of \$288 million in residential mortgages (as of June 30, 1973) is confined to loans on property in Rhode Island, Connecticut, and Massachusetts. Applicant also controls several nonbanking subsidiaries which engage in the following activities: real estate investment and development⁴ mortgage banking, data processing, investment advisor, personal property leasing, factoring, and consumer finance. Applicant's consumer finance subsidiary operates in Georgia, Florida, North Carolina, South Carolina, and Tennessee; and Applicant's mortgage banking subsidiary makes only interim and short-term real estate loans for its own account.

The primary business activity of MAI is mortgage banking. It originates, sells, and services

both residential and commercial mortgages. MAI's residential mortgages are derived from 12 States,⁵ while its commercial mortgages are derived from three States.⁶ Of more than \$219 million in mortgages originated by MAI in fiscal 1973, approximately 71 per cent were residential mortgages, while the remaining 29 per cent were commercial mortgages. Based on a mortgage servicing portfolio of about \$957 million, MAI ranks as the sixteenth largest mortgage banking firm in the United States. MAI is also engaged in consumer finance activities in the States of Wisconsin and Illinois, where it has approximately \$12 million in consumer loans outstanding. In addition, MAI engages in the origination and servicing of loans on mobile homes; and insurance agency activities with regard to certain types of insurance.

As a threshold matter, the Board believes that the acquisition of the 16th largest mortgage banking firm in the United States and the 6th largest independent mortgage banking company, deserves special scrutiny to insure that the proposal does not raise concern with respect to the question of undue concentration of resources. The Board has in the past closely examined acquisitions of such size. In the case at hand Applicant's primary subsidiary, Industrial National Bank of Rhode Island, while having resources of approximately \$1.5 billion, ranked only 63rd among commercial banking organizations in the country (as of June 30, 1973). While Applicant is engaged in a number of nonbanking activities such as leasing, factoring, and consumer finance, Applicant is not a substantial factor nationwide in any of these activities. The Board therefore believes that the question of undue concentration of resources need not be accorded significant weight in the case at hand.

Although MAI and some of Applicant's subsidiaries engage in the same activities, all operate in separate geographic markets and there does not appear to be any significant existing competition between them in either their mortgage banking, consumer finance, or mobile home financing activities. Furthermore, it does not appear likely that any significant competition would develop between these institutions in the future due to the distances which separate their respective markets. Accordingly, it is the Board's judgment that considerations relating to the competitive aspects of

¹See: 1972 BULLETIN 479, and 12 CFR 225.126(d) and (e).

²The National Association of Insurance Agents, Inc., and related parties filed a petition on July 31, 1973, objecting to approval of the application and requesting a hearing be held on this application. Subsequently, the objections and related request for a hearing were withdrawn.

³All banking data are as of June 30, 1973.

⁴Applicant relies upon section 4(c)(12) of the Act to continue to engage in this activity.

⁵Arizona, Florida, Illinois, Indiana, Michigan, Minnesota, Missouri, Nevada, Oklahoma, Ohio, Texas, and Wisconsin.

⁶Illinois, Minnesota, and Wisconsin.

the proposed acquisition are consistent with approval of the application.

Approval of the proposed acquisition would give MAI access to the financial resources of Applicant, and it is anticipated that such increase in the availability of funds will enable MAI to expand the volume of its mortgage banking activities as well as broaden the geographic markets it serves. For example, the volume of MAI's home improvement loans has declined over the past three years from about \$25 million to \$11 million, as the company was unable to obtain funds. Applicant proposes to increase this pool of lendable funds by \$10 million and, in addition, assist MAI in the origination of over \$100 million in loans on mobile homes in the next 15 months. Applicant also proposes to finance MAI's expansion within the next three years into five geographical markets in which it is not presently represented, including parts of the Southeastern section of the country. It is the Board's judgment that consummation of the proposed transaction would bring positive benefits to the public and that such benefits outweigh any possible adverse effects.

There is no evidence in the record indicating that consummation of the proposed transaction would result in undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices, or other adverse effects. Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application is hereby approved subject to the condition that Applicant terminate MAI's real estate development and property management activities at the earliest possible date, but in no event later than one year from the date of consummation of the proposed acquisition. This determination is additionally subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective March 15, 1974.

Voting for this action: Chairman Burns and Governors Brimmer, Sheehan, and Holland. Absent and not voting: Governors Mitchell, Bucher, and Wallich.

(Signed) THEODORE E. ALLISON,
[SEAL] *Assistant Secretary of the Board.*

SOUTHERN BANCORPORATION, INC.,
GREENVILLE, SOUTH CAROLINA

ORDER APPROVING ACQUISITION OF
F&I FINANCE COMPANY

Southern Bancorporation, Inc., Greenville, South Carolina, a bank holding company within the meaning of the Bank Holding Company Act, 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 acquire through its wholly-owned subsidiary, World Acceptance Corporation ("World"), all of the voting shares of F&I Finance Company, Inc., Sherman, Texas ("F&I"),¹ a company that engages in the activity of making extensions of credit of \$100 or less to individuals as a licensed consumer finance lender under the Texas Consumer Credit Code. Such activity has been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (38 Federal Register 34836). The time for filing comments and views has expired, and none has been timely received.

Applicant controls one bank located in Greenville, South Carolina, which holds total deposits of \$118 million. F&I is a consumer finance company operating out of an office in Sherman, Texas, and has total assets of \$44,000 (as of September 30, 1973). F&I's operations are limited to Grayson County, Texas, with 85 per cent of the active accounts of F&I originating within a 10-mile radius of Sherman. World operates consumer finance offices in the States of South Carolina,

¹On December 1, 1973, World acquired all of the assets of F&I relying upon the Federal Reserve Bank of Richmond's authorization, pursuant to § 265.2(f)(20)(i) of the Board's Rules Regarding Delegation of Authority, of the establishment by Applicant of a *de novo* finance company office in Sherman, Texas. When informed that authorization for the acquisition of F&I was not granted, Applicant took immediate steps to divest itself of F&I.

Georgia, and Texas, but does not presently operate in Sherman, Texas. Accordingly, it does not appear that consummation of the proposal would eliminate any significant existing competition between Applicant and F&I. Nor would consummation of the proposal result in the foreclosure of significant potential competition. Further, no significant adverse competitive effects would appear to result from the proposed acquisition in view of the size of F&I. The Board concludes, therefore, that competitive considerations are consistent with approval of the application.

Applicant's greater financial resources and specialized services should enable it to better service the existing customers of F&I and provide them with continued local servicing on their loans. Furthermore, F&I's competitive strength should be increased so that it may be a more viable competitor. There is no evidence in the record indicating that consummation of the proposed acquisition would result in undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has

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

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

By order of the Board of Governors, effective March 25, 1974.

Voting for this action: Chairman Burns and Governors Brimmer, Sheehan, Bucher, Holland, and Wallich. Absent and not voting: Governor Mitchell.

(Signed) CHESTER B. FELDBERG,
Secretary of the Board.

[SEAL.]

ORDERS NOT PRINTED IN THIS ISSUE

During March 1974, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

ORDERS UNDER SECTION 3(a)(1) OF BANK HOLDING COMPANY ACT— APPLICATION FOR FORMATION OF BANK HOLDING COMPANY

<i>Applicant</i>	<i>Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Byers State Bankshares, Inc., Byers, Colorado	Byers State Bank, Byers, Colorado	3/20/74	39 F.R. 71347 3/27/74
Community Bancorporation, Columbus, Ohio	Community National Bank, Mount Gilead, Ohio	3/6/74	39 F.R. 9865 3/14/74
Curry Ban Corporation, Massena, Iowa	Farmers Savings Bank, Massena, Iowa	3/15/74	39 F.R. 11224 3/26/74
S&S Investment Company, Odell, Nebraska	State Bank of Odell, Odell, Nebraska	3/1/74	39 F.R. 9503 3/11/74

**ORDERS UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR ACQUISITION OF BANK**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Alabama Bancorporation, Birmingham, Alabama	The City National Bank of Selma, Selma, Alabama	3/22/74	39 F.R. 12174 4/3/74
American Bancorporation, Inc., and Jacob Schmidt Company, both of St. Paul, Minnesota	First Burnsville State Bank, Burnsville, Minnesota	3/15/74	39 F.R. 10941 3/22/74
Barnett Banks of Florida, Jacksonville, Florida	Barnett Bank of Lake Placid, Lake Placid, Florida	3/11/74	39 F.R. 10187 3/18/74
Barnett Banks of Florida, Inc., Jacksonville, Florida	Barnett Bank of South Orlando, Orlando, Florida	3/13/74	39 F.R. 10493 3/20/74
Baystate Corporation, Boston, Massachusetts	The First National Bank of East- hampton, Easthampton, Massa- chusetts	3/6/74	39 F.R. 9710 3/13/74
Colorado National Bankshares, Inc., Denver, Colorado	Golden State Bank, Golden, Colorado, and First National Bank of Evergreen, Evergreen, Colorado	3/25/74	39 F.R. 12175 4/3/74
Hawkeye Bancorporation, Des Moines, Iowa	American State Bank, Mason City, Iowa	3/22/74	39 F.R. 12176 4/3/74
First Abilene Bankshares, Inc., Abilene, Texas	Bank of Commerce, Abilene, Texas	3/22/74	39 F.R. 12176 4/3/74
First National Charter Corporation, Kansas City, Missouri	Blue Springs Bank, Blue Springs, Missouri	3/29/74	39 F.R. 12386 4/5/74
First Tennessee National Corpora- tion, Memphis, Tennessee	Bank of Mt. Juliet, Mount Juliet, Tennessee	3/25/74	39 F.R. 11950 4/1/74
First United Bancorporation, Inc., Fort Worth, Texas	Great Southwest National Bank of Arlington, Arlington, Texas	3/27/74	39 F.R. 12286 4/4/74
Manufacturers National Corpora- tion, Detroit, Michigan	Saline Savings Bank, Saline, Michigan	3/20/74	39 F.R. 11634 3/29/74
Southeast Banking Corporation, Miami, Florida	City National Bank of Cocoa, Cocoa, Florida	3/5/74	39 F.R. 9712 3/13/74
The Fort Worth National Cor- poration, Fort Worth, Texas	Southern National Corporation, Houston, Texas	3/6/74	39 F.R. 9866 3/14/74
Third National Corporation, Nashville, Tennessee	The Bank of Sevierville, Sevierville, Tennessee	3/15/74	39 F.R. 10943 3/22/74

**ORDERS UNDER SECTION 4(c)(8) OF BANK HOLDING COMPANY ACT—
APPLICATIONS TO ENGAGE IN NONBANKING ACTIVITIES**

<i>Applicant</i>	<i>Nonbanking Company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Bank of Virginia Company, Richmond, Virginia	Cavanagh Leasing Corporation, Richmond, Virginia	3/29/74	39 F.R. 12933 4/9/74
Byers State Bankshares, Inc., Byers, Colorado	Byers State Bank, Byers, Colorado	3/20/74	39 F.R. 11347 3/27/74

**ORDERS UNDER SECTION 4(c)(8) OF BANK HOLDING COMPANY ACT—
APPLICATIONS TO ENGAGE IN NONBANKING ACTIVITIES—Cont.**

<i>Applicant</i>	<i>Nonbanking company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Landmark Banking Corporation of Florida, Fort Lauderdale, Florida	Willoughby Holin, Inc., Fort Lauderdale, Florida	3/27/74	39 F.R. 12178 4/3/74
Prairie Home, Inc., Lincoln, Nebraska	L. A. Westland Agency, Prairie Home, Nebraska	3/8/74	39 F.R. 10190 3/18/74
Southern National Corporation, Lumberton, North Carolina	Marvin Greene Mortgage Cor- poration, Charlotte, North Carolina	3/1/74	39 F.R. 9503 3/11/74

**ORDERS UNDER BANK MERGER ACT—
APPLICATION TO MERGE, CONSOLIDATE, OR ACQUIRE ASSETS**

<i>Applicant</i>	<i>Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Bank of Utah, Ogden, Utah	Bank of Ben Lomond, Ogden, Utah	3/15/74	39 F.R. 11222 3/26/74
Chemung Canal Trust Company, Elmira, New York	Montour National Bank in Montour Falls, Montour Falls, New York	3/20/74	39 F.R. 11632 3/29/74

ORDERS ISSUED BY FEDERAL RESERVE BANKS

During February or March 1974, applications were approved by the Federal Reserve Banks under delegated authority as listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to the Reserve Bank.

**ORDERS UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR ACQUISITION OF BANK**

<i>Applicant</i>	<i>Bank</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Alabama Financial Group, Inc., Birmingham, Alabama	Coosa Valley Bank, Rainbow City, Alabama	Atlanta	3/1/74	39 F.R. 9581 3/12/74
Alabama Financial Group, Inc, Birmingham, Alabama	The Sand Mountain Bank, Boaz, Alabama	Atlanta	3/12/74	39 F.R. 10493 3/20/74
Atlanta Bancorporation, Jacksonville, Florida	Mid-County Commercial Bank, Largo, Florida	Atlanta	2/27/74	39 F.R. 9501 3/11/74
Dominion Bankshares Cor- poration, Roanoke, Virginia	Merchants and Farmers Bank, Portsmouth, Virginia	Richmond	3/19/74	39 F.R. 11533 3/29/74

**ORDERS UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR ACQUISITION OF BANK—Cont.**

<i>Applicant</i>	<i>Bank</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
First National Corporation, Appleton, Wisconsin	The Community Bank, De Pere, Wisconsin	Chicago	3/26/74	39 F.R. 12930 4/9/74
First National Financial Cor- poration, Kalamazoo, Michigan	The First National Bank of Sault Ste. Marie, Sault Ste. Marie, Michigan	Chicago	3/4/74	39 F.R. 10189 3/18/74
First at Orlando Corporation, Orlando, Florida	Citizens National Bank of Naples, Naples, Florida	Atlanta	3/8/74	39 F.R. 10494 3/20/74
First at Orlando Corporation, Orlando, Florida	The First American Bank of Pensacola, Pensacola, Florida	Atlanta	3/12/74	39 F.R. 10494 3/20/74
Hamilton Bancshares, Inc., Chattanooga, Tennessee	Citizens State Bank, McMinnville, Tennessee	Atlanta	3/1/74	39 F.R. 9583 3/12/74
Valley of Virginia Bankshares, Inc., Harrisonburg, Virginia	The Farmers Bank of Edinburg, Incorporated, Edinburg, Virginia	Richmond	3/1/74	39 F.R. 9584 3/12/74

Announcements

CHANGES IN BOARD STAFF

The Board of Governors of the Federal Reserve System has announced the promotion of John S. Rippey to Assistant to the Board to work on congressional matters, effective April 29, 1974. He succeeds Robert L. Cardon, who has retired from the Board's staff.

The Board has also appointed Donald J. Winn, legislative and administrative aide to Representative Fernand J. St Germain of Rhode Island, to succeed Mr. Rippey as Special Assistant to the Board.

Mr. Winn holds bachelor's and master's degrees from Boston College and a bachelor of divinity degree from Weston College, Weston, Massachusetts, and he has studied law at Georgetown University.

RULES RELATING TO BANKERS' ACCEPTANCES

The Federal Reserve announced a realignment and a modernization of its rules relating to open market operations in bankers' acceptances, effective April 1, 1974.

No major change in System operations in bankers' acceptances is expected to result from this action, which eliminates outdated provisions in the rules and broadens somewhat the scope of bankers' acceptances eligible for purchase by the Federal Reserve. Bankers' acceptances are primarily negotiable time drafts drawn to finance the international or domestic shipment or storage of goods and are termed "accepted" when a bank assumes the obligation to make payment at maturity.

In companion actions, the Board of Governors rescinded its Regulation B -- relating to open market purchases of bills of exchange and acceptances -- while the Federal Open Market Committee (FOMC) incorporated the major elements of that regulation, with some technical changes, into its rules on the conduct of open market operations.

The new rules authorize the Federal Reserve Bank of New York to buy (outright or under repurchase agreement) and sell "prime" bankers' acceptances, with maturities of up to 9 months at the time of acceptance, that arise out of:

1. The current shipment of goods between countries or within the United States, or

2. The storage within the United States of goods under contract of sale or expected to move into the channel of trade within a reasonable time and that are secured throughout their life by a warehouse receipt or similar document conveying title to the underlying goods.

The new rules eliminate the present requirement that banks have in their possession shipping documents conveying or securing title at the time they accept drafts covering the shipment of goods within the United States. The removal of this requirement would eliminate a presently existing difference between the documentation required for international and domestic shipment of goods.

The amendments also remove dollar exchange bills from the list of acceptances authorized for System purchase, since these instruments are seldom used; increase from 6 to 9 months the maturity of acceptances eligible for purchase by the Federal Reserve; and broaden the definition of such acceptances to include those that finance the storage of *any* goods rather than "readily marketable staples."

In taking this action, the FOMC also instructed the System's staff to continue its studies to determine whether Federal Reserve open market operations in bankers' acceptances should be expanded to encompass all types of "prime" acceptances, including finance bills. The Board last year applied a reserve requirement to finance bills.

In another action, the Board of Governors announced the revocation of its Regulation C entitled "Acceptances by Member Banks of Drafts or Bills of Exchange." This regulation was outdated and primarily repeated the provisions of the Federal Reserve Act relating to this area.

RULES RELATING TO BANK HOLDING COMPANIES

The Board of Governors has revised its rules under which Federal Reserve Banks can approve, on behalf of the Board, certain bank holding company formations, bank acquisitions, and bank mergers. The revised rules also give the Reserve Banks authority to approve the merger or consolidation of bank holding companies, on the basis of criteria similar to those for bank acquisitions by holding companies.

The Board's rules regarding delegation of authority previously had authorized Reserve Banks to approve on the basis of criteria set forth by the Board the formation of one-bank holding companies, bank acquisitions by existing bank holding companies, and bank mergers. Reserve Banks may now approve bank acquisitions by bank holding companies where revenues of the applicant from nonbank activities are as much as 20 per cent of its total operating income, instead of 10 per cent as previously. Second, Reserve Banks may approve the financing of bank holding company formations and mergers and of bank acquisitions by bank holding companies involving debt, with respect to all the holding company's acquisitions, amounting to as much as 20 per cent of the equity capital accounts of the holding company, instead of 10 per cent as previously.

A new criterion regarding bank holding company formations and mergers, bank acquisitions, and mergers of banks prohibits action under delegated authority on applications involving a covenant not to compete.

INCREASE IN SWAP ARRANGEMENTS

The Federal Reserve announced on March 26, 1974, that its reciprocal currency "swap" arrangement with the Bank of England has been increased by \$1 billion, bringing the total of that arrangement to \$3 billion.

The increase enlarges the System's swap network with 14 central banks and the Bank for International Settlements to \$19.98 billion.

A swap arrangement is a renewable, short-term facility under which a central bank agrees to exchange on request its own currency for the currency of the other party up to a specified amount over a limited period of time. The Federal Reserve swap network was initiated in 1962. In all reciprocal currency arrangements the Federal Reserve Bank of New York acts on behalf of the Federal

Reserve System under the direction of the Federal Open Market Committee.

The Federal Reserve's reciprocal currency arrangements are shown in the table below:

Institution	Millions of dollars
Austrian National Bank	250
National Bank of Belgium	1,000
Bank of Canada.....	2,000
National Bank of Denmark.....	250
Bank of England	3,000
Bank of France	2,000
German Federal Bank	2,000
Bank of Italy	3,000
Bank of Japan	2,000
Bank of Mexico	180
Netherlands Bank	500
Bank of Norway	250
Bank of Sweden	300
Swiss National Bank	1,400
Bank for International Settlements:	
Swiss francs/dollars	600
Other European currencies/dollars	1,250
Total	19,980

ADMISSION OF STATE BANKS TO MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM

The following banks were admitted to membership in the Federal Reserve System during the period March 16, 1974, through April 15, 1974:

Minnesota

Apple Valley First State Bank
of Apple Valley

Montana

Polson First Citizens Bank of Polson

Tennessee

Chattanooga Commerce Union Bank
Chattanooga

Virginia

Brookneal First Virginia Bank –
South Central

Vienna Bank of Vienna

Industrial Production

Released for publication April 15

Industrial production declined an estimated 0.5 per cent in March, following declines of 0.9 and 0.7 per cent in January and February, respectively. The total index at 123.9 per cent of the 1967 average was 0.2 per cent above a year earlier. The decline in March output was centered in nondurable consumer goods, durable goods materials, and construction products. The January and February data were revised downward by 0.2 and 0.3 percentage point, respectively, because of larger declines than previously reported in production of construction products and in the automotive supplying industries.

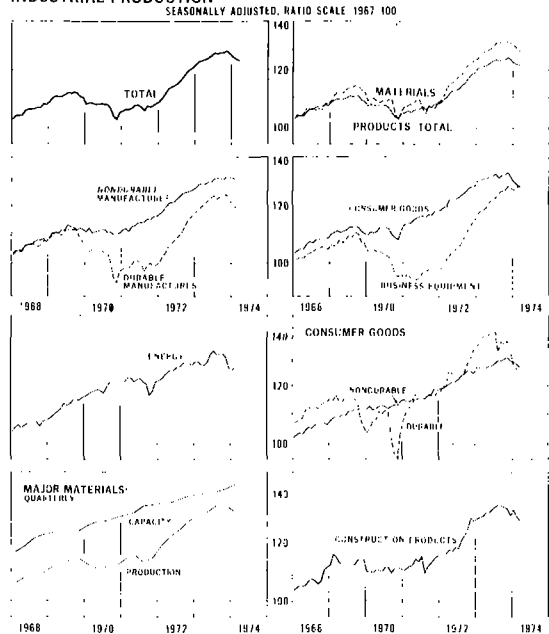
In March, auto assemblies were at an annual rate of 6.6 million units, the same as in February but over one-third below a year earlier. Output of household appliances declined in March, but this was offset by increased production of some other durable consumer goods. Output of nondurable consumer goods declined further.

Production of business equipment was unchanged following a small rise in the revised data for February. March changes in output in the equipment industries were small and offsetting. Production of defense and space equipment continued to show little change.

Output of durable goods materials declined with cutbacks in production of steel, consumer durable

parts, and other durable goods materials. Production of nondurable goods materials rose following a decline in February.

INDUSTRIAL PRODUCTION



F. R. indexes, seasonally adjusted. Latest figures: March

Industrial production	Seasonally adjusted 1967=100			Per cent changes from		Per cent changes, annual rate		
	1974			Month ago	Year ago	1973		1971
	Jan. ¹	Feb. ²	Mar. ³			Q3	Q4	Q1
Total	125.4	124.5	123.9	.5	.2	6.1	.9	7.6
Products, total	122.6	122.1	121.8	.2	.1	3.9	1.3	7.2
Final products	120.9	120.5	120.1	.3	.4	4.3	3.3	8.0
Consumer goods	129.2	128.0	127.3	.5	2.7	1.8	1.2	13.2
Durable goods	128.4	126.7	126.6	1	9.8	8.8	-4.0	28.0
Nondurable goods	129.4	128.6	127.5	.9	.3	6.6	3.1	7.2
Business equipment	126.1	127.2	127.3	1	7.3	11.2	8.0	4
Intermediate products	129.3	128.3	127.8	.4	1.2	4.0	4.8	6.0
Construction products	133.1	130.4	128.8	1.2	1.5	6.9	5.6	6.8
Materials	129.5	128.2	127.2	.8	.2	8.4	.3	8.4

¹Revised.

²Preliminary

³Estimated.

Financial and Business Statistics

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SYMBOLS AND ABBREVIATIONS

e	Estimated	N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
c	Corrected	IPC ¹	Individuals, partnerships, and corporations
p	Preliminary	SMSA	Standard metropolitan statistical area
r	Revised	A	Assets
rp	Revised preliminary	L	Liabilities
I, II,		S	Sources of funds
III, IV	Quarters	U	Uses of funds
n.e.c.	Not elsewhere classified	*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
A.R.	Annual rate	...	(1) Zero, (2) no figure to be expected, or (3) figure delayed
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation		

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 gov't." 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.

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Banking offices: Analysis of changes in number On, and not on, Federal Reserve Par List, number	Feb. 1974	A 98	Flow of funds Assets and liabilities: 1961-72	Sept. 1973	A 71-73 - A 71, 78
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Anticipated schedule of release dates for individual releases	Dec. 1973	A 101

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 ¹			Loans	Float ²	Other F.R. assets ³		Total ⁴		
Total	Bought outright	Held under repurchase agreement								
Averages of daily figures										
1939—Dec.	2,510	2,510		8	83		2,612	17,518		2,956
1941—Dec.	2,219	2,219		5	170		2,404	22,759		3,239
1945—Dec.	23,708	23,708		381	652		24,744	20,047		4,322
1950—Dec.	20,345	20,336	9	142	1,117		21,606	22,879		4,629
1960—Dec.	27,248	27,170	78	94	1,665		29,060	17,954		5,396
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—Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Mar.	74,019	73,624	395	1,858	2,387	839	79,219	10,410	400	8,406
Apr.	75,353	74,914	439	1,721	2,319	1,043	80,542	10,410	400	8,444
May	76,758	76,205	553	1,786	2,247	960	81,889	10,410	400	8,478
June	75,355	75,047	308	1,789	2,369	942	80,546	10,410	400	8,518
July	77,448	76,875	573	2,051	3,113	1,180	83,880	10,410	400	8,538
Aug.	76,653	76,475	178	2,143	2,566	1,018	82,445	10,410	400	8,549
Sept.	76,073	75,712	361	1,861	2,924	889	81,809	10,410	400	8,584
Oct.	78,042	77,500	542	1,467	2,933	1,122	83,643	10,933	400	8,613
Nov.	78,457	77,937	520	1,399	2,763	1,078	83,755	11,567	400	8,642
Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Jan.	80,793	80,608	185	1,044	3,385	1,258	86,568	11,567	400	8,705
Feb.	80,801	80,551	250	1,186	2,300	1,117	85,493	11,567	400	8,747
Mar.	80,686	80,184	502	1,352	1,872	960	84,999	11,567	400	8,767
Week ending—										
1974 Jan. 2.	80,851	80,238	613	1,210	4,073	1,204	87,499	11,567	400	8,682
9.	80,880	80,671	209	776	4,399	1,232	87,377	11,567	400	8,683
16.	80,762	80,690	72	988	3,639	1,211	86,670	11,567	400	8,691
23.	80,309	80,202	107	1,182	3,208	1,271	86,036	11,567	400	8,723
30.	81,088	80,713	375	1,220	2,149	1,329	85,876	11,567	400	8,726
Feb. 6.	80,407	80,213	194	998	2,185	1,362	85,037	11,567	400	8,731
13.	80,678	80,451	227	1,153	2,268	1,462	85,645	11,567	400	8,747
20.	81,535	80,953	582	1,376	2,314	869	86,207	11,567	400	8,750
27.	80,577	80,577		1,251	2,409	828	85,136	11,567	400	8,756
Mar. 6.	80,203	80,203		912	2,010	878	84,072	11,567	400	8,758
13.	80,167	79,767	400	983	2,074	938	84,246	11,567	400	8,762
20.	80,813	80,303	510	1,484	1,872	961	85,245	11,567	400	8,768
27.	80,920	80,302	618	1,713	1,722	1,003	85,502	11,567	400	8,772
End of month										
1974 Jan.	80,167	80,167		961	2,226	1,329	84,751	11,567	400	8,740
Feb.	80,238	80,238		720	2,412	958	84,397	11,567	400	8,775
Mar.	81,791	80,483	1,308	1,821	1,583	1,078	86,569	11,567	400	8,775
Wednesday										
1974—Jan. 2.	82,641	80,667	1,974	990	5,871	1,202	90,974	11,567	400	8,677
9.	79,232	77,312	1,920	2,104	4,788	1,444	87,633	11,567	400	8,685
16.	81,175	80,671	504	1,234	4,402	1,310	88,229	11,567	400	8,720
23.	81,251	80,501	750	2,666	3,133	1,294	88,419	11,567	400	8,723
30.	81,922	80,742	1,180	1,600	2,380	1,373	87,425	11,567	400	8,729
Feb. 6.	79,719	77,830	1,889	856	2,980	1,469	85,093	11,567	400	8,733
13.	82,300	80,712	1,588	2,500	2,016	1,543	88,530	11,567	400	8,749
20.	83,595	81,047	2,548	1,061	2,576	790	88,281	11,567	400	8,753
27.	80,548	80,548		1,189	2,126	847	84,779	11,567	400	8,756
Mar. 6.	80,156	80,156		846	3,673	917	85,657	11,567	400	8,760
13.	81,726	79,696	2,030	1,627	2,509	1,023	87,038	11,567	400	8,764
20.	81,461	80,331	1,130	2,162	2,263	998	87,050	11,567	400	8,769
27.	80,176	79,781	395	2,034	2,123	1,029	85,492	11,567	400	8,773

¹ Includes Federal agency issues held under repurchase agreements as of Dec. 1, 1966, and Federal agency issues bought outright as of Sept. 29, 1971.

² Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

³ 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."

⁴ 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.

⁵ Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with Federal Reserve Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System's program of credit restraint.

Notes continued on opposite page.

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued

(In millions of dollars)

Factors absorbing reserve funds										Period or date
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. accounts ³	Other F.R. liabilities and capital ³	Member bank reserves			
		Treasury	Foreign	Other ^{2, 5}			With F.R. Banks	Currency and coin ⁶	Total ⁷	
Averages of daily figures										
7,609	2,402	616	739		248		11,473		11,473	1939—Dec.
10,985	2,189	592	1,531		292		12,812		12,812	1941—Dec.
28,452	2,269	625	1,247		493		16,027		16,027	1945—Dec.
27,806	1,290	615	920	353	739		17,391		17,391	1950—Dec.
33,019	408	522	250	495	1,029		16,688	2,595	19,283	1960—Dec.
50,609	756	360	225	458	-1,105		22,484	4,737	27,221	1968—Dec.
53,591	656	1,194	146	458		2,192	23,071	4,960	28,031	1969—Dec.
57,013	427	849	145	735		2,265	23,925	5,340	29,265	1970—Dec.
61,060	453	1,926	290	728		2,287	25,653	5,676	31,329	1971—Dec.
66,060	350	1,449	272	631		2,362	24,830	6,095	31,353	1972—Dec.
65,072	384	3,598	338	666		2,530	25,848	5,856	31,973	1973—Mar.
66,068	414	3,471	275	666		2,622	26,281	5,824	32,277	Apr.
66,726	413	4,121	330	652		2,721	26,214	6,007	32,393	May
67,609	386	2,408	266	698		2,732	25,776	6,086	32,028	June
68,382	346	3,375	341	782		2,846	27,156	6,274	33,542	July
68,394	344	1,674	300	838		2,877	27,377	6,296	33,785	Aug.
68,592	349	792	332	781		2,848	27,509	6,402	34,019	Sept.
68,909	622	1,718	266	752		2,866	28,457	6,371	34,912	Oct.
69,927	340	1,772	522	689		2,854	28,260	6,383	34,727	Nov.
71,646	323	1,892	406	717		2,942	28,352	6,635	35,068	Dec.
70,962	349	2,488	427	713		2,904	29,396	7,192	36,655	1974—Jan.
70,411	342	2,972	293	682		2,932	28,574	6,601	35,242	Feb.
71,081	334	1,803	311	699		2,998	28,506	6,460	35,032	Mar. ⁸
Week ending—										
72,470	331	2,254	331	978		2,977	28,808	6,781	35,656	1974 Jan. 2
71,855	329	2,344	544	699		2,776	29,499	6,730	36,296	9
71,214	350	2,170	318	706		2,850	29,719	7,916	37,702	16
70,581	363	2,351	398	709		2,959	29,364	7,179	36,610	23
69,931	359	3,099	494	646		3,059	28,981	7,091	36,139	30
69,935	349	3,084	306	689		2,947	28,424	6,984	35,475	Feb. 6
70,500	343	3,431	256	664		2,806	28,360	6,921	35,348	13
70,686	334	2,844	327	682		2,950	29,102	6,219	35,388	20
70,438	344	2,651	260	690		3,031	28,445	6,339	34,851	27
70,577	334	1,927	328	694		2,942	27,994	6,572	34,633	Mar. 6
71,193	330	1,794	277	714		2,842	27,826	6,855	34,748	13
71,286	337	1,324	300	731		2,994	29,009	6,118	35,194	20 ⁹
71,117	335	2,317	307	669		3,093	28,404	6,276	34,747	27 ⁹
End of month										
69,880	344	2,844	392	657		3,101	28,241	6,984	35,292	1974 Jan. 13
70,493	332	2,016	542	679		3,091	27,989	6,572	34,628	Feb. 13
71,160	342	1,373	366	673		3,262	30,135	6,525	36,718	Mar. ⁸
Wednesday										
72,457	330	1,985	309	713		2,758	33,067	6,781	39,915	1974—Jan. 2
71,679	356	2,880	543	705		2,777	29,344	6,730	36,141	9
71,086	370	1,851	239	650		2,948	31,772	7,916	39,755	16
70,380	368	2,898	713	693		3,001	31,056	7,179	38,302	23
69,977	370	3,013	485	668		3,103	30,505	7,091	37,663	30
70,393	342	3,119	232	740		2,750	28,218	6,984	35,269	Feb. 6
70,810	343	2,987	258	700		2,912	31,236	6,921	38,224	13
70,836	335	2,863	342	655		3,014	30,955	6,219	37,241	20
70,572	352	2,337	273	767		3,057	28,144	6,339	34,550	27
71,060	341	1,528	282	687		2,783	29,703	6,572	36,342	Mar. 6
71,482	336	1,944	274	737		2,945	30,051	6,855	36,973	13
71,343	347	2,079	261	675		3,022	30,059	6,118	36,244	20 ⁹
71,378	338	2,094	355	683		3,073	28,312	6,276	34,655	27 ⁹

⁶ 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.
⁷ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279

million; Q2, \$172 million; Q3, \$112 million; Q4, \$84 million. Beginning 1974 Q1, \$67 million Q2, \$58 million.
⁸ Includes securities loaned fully secured by U.S. Govt. securities pledged with F.R. Banks.
⁹ Includes securities loaned fully secured by U.S. Govt. securities pledged with F.R. Banks. Also reflects securities sold, and scheduled to be bought back, under matched sale/purchase transactions.

For other notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Large banks ²						All other banks		
	Reserves			Borrowings		New York City		City of Chicago		Other		Excess	Borrowings	
	Total held ¹	Re-quired	Excess ¹	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings			
1939--Dec.	11,473	6,462	5,011	3		2,611		540		1,188		671	3	
1941--Dec.	12,812	9,422	3,390	5		989		295		1,303		804	4	
1945--Dec.	16,027	14,536	1,491	334		48	192	14		418	96	1,011	46	
1950--Dec.	17,391	16,364	1,027	142		125	59	8		232	50	663	28	
1960--Dec.	19,283	18,527	756	87		29	19	4	8	100	20	523	40	
1965--Dec.	22,719	22,267	452	454		41	111	15	23	67	228	330	92	
1967--Dec.	25,260	24,915	345	238		18	40	8	13	50	105	267	80	
1968--Dec.	27,221	26,766	455	765		100	230	15	45	90	270	250	180	
1969--Dec.	28,031	27,774	257	1,086		56	259	18	27	6	479	177	321	
1970--Dec.	29,265	28,993	272	321		34	25	7	4	42	264	189	28	
1971--Dec.	31,329	31,164	165	107		25	35	1	8	35	22	174	42	
1972--Dec.	31,353	31,134	219	1,049		-20	301	13	55	-42	429	-160	264	
1973--Mar.	31,969	31,682	287	1,858		72	176	-6	102	4	857	52	723	
Apr.	32,275	32,126	149	1,721	5	146	8	9	112	828	43	738		
May	32,336	32,277	59	1,786	30	35	110	6	12	115	881	31	783	
June	32,029	31,970	59	1,788	77	61	145	5	28	79	904	38	711	
July	33,590	33,199	391	2,050	124	56	135	30	57	2	855	95	993	
Aug.	33,783	33,540	243	2,144	163	34	109	8	53	8	755	97	1,227	
Sept.	34,020	33,775	245	1,861	147	6	115	24	62	40	712	79	972	
Oct.	34,913	34,690	223	1,465	126	11	74	1	54	17	589	110	748	
Nov.	34,725	34,543	182	1,399	84	27	180	24	28	20	593	115	598	
Dec.	35,068	34,806	262	1,298	41	-23	74	43	28	28	761	133	435	
1974--Jan.	36,655	36,419	236	1,044	18	65	135	44	17	8	549	156	343	
Feb.	35,242	35,053	189	1,186	17	51	87	19	08	51	635	141	446	
Mar.	35,032	34,789	243	1,352	33		113	11	64	34	689	132	486	
Week ending														
1973--Mar.	7	32,059	31,723	336	1,685	92	242	43	99	-50	693	28	651	
14	31,558	31,533	25	1,491	48	178	25	113	112	622	69	578		
21	31,972	31,724	248	2,139	56	225	3	104	5	1,076	85	734		
28	31,664	31,576	88	2,011	46	28	1	130	65	951	81	902		
Oct.	3	34,673	34,216	457	1,520	144	89	43	7	41	338	139	973	
10	34,794	34,374	420	1,353	131	72	43	1	9	34	536	129	765	
17	35,019	35,099	80	1,162	120	157	26	9	58	59	520	61	558	
24	35,118	34,711	407	1,915	125	129	185	7	66	61	902	126	762	
31	34,951	34,777	174	1,455	119	69	72	29	81	55	472	75	830	
Nov.	7	34,626	34,369	257	1,171	93	101	192	53	12	7	384	132	583
14	34,871	34,725	146	1,521	80	92	262	2	51	29	716	125	482	
21	35,095	34,726	369	1,568	85	110	224	2	15	66	623	107	706	
28	34,438	34,372	66	1,287	84	56	94	14	28	31	541	83	624	
Dec.	5	34,906	34,468	438	1,478	57	167	15	11	29	889	143	578	
12	34,444	34,472	28	1,303	45	139	102	-23	11	17	769	87	421	
19	35,203	34,892	311	1,488	40	137	163	29	34	837	95	488		
26	35,430	34,958	472	1,039	35	106		30		81	676	171	363	
1974--Jan.	2	35,656	35,268	388	1,210	31	80	140	6	141	24	599	223	330
9	36,296	36,210	86	776	19	2	271	47	44	96	174	160	287	
16	37,702	37,374	328	988	20	59	45	16		27	681	159	262	
23	36,610	36,693	83	1,182	13	114	183	12		110	655	86	344	
30	36,139	35,880	259	1,220	17	104	20	-57		15	733	130	467	
Feb.	6	35,475	35,351	124	998	18	123		14		34	494	132	504
13	35,348	35,054	294	1,153	15	144	92	-23	56	34	585	140	420	
20	35,388	35,274	114	1,376	20	37	257	63		42	711	189	408	
27	34,851	34,645	206	1,251	16	70		17	13	24	780	110	458	
Mar.	6	34,633	34,515	118	912	19	81	123	13	11	1	364	118	414
13	34,748	34,632	116	983	19	41	11	8	66	82	507	98	399	
20	35,194	35,126	68	1,484	34	86	333	1	15	29	689	115	456	
27	34,747	34,600	147	1,713	44	8	32	17	21	17	1,060	88	600	

¹ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279 million; Q2, \$172 million; Q3, \$112 million; Q4 million. Beginning 1974 Q1, \$67 million, Q2, \$88 million.

² Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the *Bulletin for July 1972*, p. 626. Categories shown here as "Large" and "All other"

parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

NOTE. Monthly and weekly data are averages of daily figures within the month or week, respectively. Beginning with Jan. 1964 reserves are estimated except for weekly averages.

Borrowings at F.R. Banks: Based on closing figures.

Effective Apr. 19, 1963, the Board's Regulation A, which governs lending by Federal Reserve Banks, was revised to assist smaller member banks to meet the seasonal borrowing needs of their communities.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending--	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves ¹	Less		Net		Gross transactions		Net transactions			Loans to dealers ³	Borrowings from dealers ⁴	Net loans
		Borrowings at F.R. Banks	Net inter-bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales	Total two-way trans- actions ²	Purchases of net buying banks	Sales of net selling banks			
<i>Total- 46 banks</i>													
Feb. 6.....	57	281	14,210	14,384	93.4	20,196	5,986	5,141	15,055	794	2,293	636	1,657
13.....	58	497	15,936	16,375	105.3	22,068	6,132	4,745	17,323	1,387	2,513	593	1,921
20.....	39	583	16,046	16,589	105.2	22,199	5,153	5,145	17,054	1,009	2,260	583	1,678
27.....	96	487	15,858	16,249	107.1	21,748	5,890	5,332	16,415	558	15,858	2,557	499
Mar. 6.....	25	292	16,140	16,408	108.5	22,757	6,617	5,863	16,895	754	2,514	589	1,925
13.....	18	344	16,712	17,239	112.9	22,605	5,693	5,211	17,394	482	2,186	667	1,519
20.....	13	603	15,129	16,745	100.8	20,675	5,546	5,123	15,552	423	1,811	643	1,168
27.....	31	684	15,047	15,699	104.1	21,321	6,274	5,371	15,951	904	1,575	682	893
<i>8 in New York City</i>													
Feb. 6.....	-85		3,982	4,067	65.5	5,099	1,117	1,117	3,982		1,512	327	1,185
13.....	59	92	5,624	5,656	90.6	6,456	832	832	5,624		1,672	342	1,330
20.....	31	257	5,500	5,726	88.5	6,729	1,229	1,229	5,500		1,376	332	1,043
27.....	104		5,446	5,341	87.9	6,352	906	906	5,446		1,504	317	1,187
Mar. 6.....	18	123	5,771	5,911	97.3	6,850	1,080	1,080	5,771		1,710	304	1,406
13.....	46	11	5,885	5,850	94.6	6,739	854	854	5,885		1,400	289	1,111
20.....	7	330	3,967	4,304	67.7	5,166	1,198	1,136	4,030	62	1,102	321	781
27.....	15	32	4,385	4,402	73.2	5,725	1,339	1,245	4,480	95	828	368	460
<i>38 outside New York City</i>													
Feb. 6.....	29	218	10,228	10,417	112.2	15,097	4,869	4,075	11,022	794	781	309	472
13.....	1	405	10,313	10,719	115.2	15,612	5,300	3,913	11,700	1,387	841	250	591
20.....	8	325	10,546	10,863	116.9	15,470	4,925	3,916	11,555	1,009	885	250	634
27.....	8	487	10,412	10,907	119.9	15,396	4,984	4,426	10,970	558	1,053	182	871
Mar. 6.....	42	170	10,370	10,497	116.1	15,907	5,537	4,783	11,124	754	804	286	518
13.....	28	333	11,027	11,388	125.2	15,866	4,839	4,357	11,509	482	786	378	408
20.....	6	274	11,162	11,441	123.5	15,510	4,348	3,987	11,523	361	709	321	388
27.....	16	652	10,662	11,298	124.5	15,597	4,935	4,126	11,471	809	747	314	433
<i>5 in City of Chicago</i>													
Feb. 6.....	2		4,190	4,189	268.6	4,981	790	790	4,190		374		374
13.....	18	56	4,486	4,524	281.9	5,118	631	631	4,486		376		376
20.....	5		4,289	4,284	270.5	4,946	657	657	4,289		358		358
27.....	4		4,489	4,485	286.2	5,282	792	792	4,489		438		438
Mar. 6.....	7		4,410	4,404	289.7	5,330	920	919	4,411		441		441
13.....	7	52	4,205	4,264	273.7	5,061	856	857	4,205		423		423
20.....	11		4,009	4,320	250.3	4,846	837	837	4,009		414		414
27.....	10		3,877	3,867	247.4	4,691	814	814	3,877		457		457
<i>33 others</i>													
Feb. 6.....	27	218	6,038	6,229	40.7	10,116	4,078	3,284	6,832	794	407	309	97
13.....	-19	350	5,826	-6,195	40.4	10,495	4,668	3,281	7,213	1,387	465	250	215
20.....	3	325	6,257	-6,579	85.3	10,524	4,268	3,259	7,266	1,009	527	250	276
27.....	-13	487	5,923	6,422	85.3	10,114	4,191	3,634	6,480	558	615	182	434
Mar. 5.....	36	170	5,959	6,093	81.0	10,577	4,618	3,864	6,713	754	363	286	77
13.....	21	280	6,822	7,124	94.5	10,805	3,983	3,501	7,304	482	362	378	16
20.....	6	274	7,153	7,421	96.9	10,664	3,510	3,150	7,514	361	295	321	26
27.....	7	652	6,785	7,430	98.9	10,906	4,121	3,312	7,594	809	289	314	25

¹ Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carry-over reserves.

² Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's weekly average purchases and sales are offsetting.

³ Federal funds loaned, net funds supplied to each dealer by clearing

banks, repurchase agreements (purchases of securities from dealers subject to resale), or other lending arrangements.

⁴ Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by Govt. or other issues.

NOTE.—Weekly averages of daily figures. For description of series and back data, see Aug. 1964 BULLETIN, pp. 944-74.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks -						Loans to all others under last par. Sec. 13 ³		
	Under Secs. 13 and 13a ¹			Under Sec. 10(b) ²			Rate on Mar. 31, 1974	Effective date	Previous rate
	Rate on Mar. 31, 1974	Effective date	Previous rate	Rate on Mar. 31, 1974	Effective date	Previous rate			
Boston.....	7½	Aug. 23, 1973	7	8	Aug. 23, 1973	7½	4 9½	Aug. 23, 1973	9
New York.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	9½	Aug. 14, 1973	9
Philadelphia.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	9½	Aug. 14, 1973	9
Cleveland.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	9½	Aug. 14, 1973	9
Richmond.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	4 9½	Aug. 14, 1973	9
Atlanta.....	7½	Aug. 16, 1973	7	8	Aug. 16, 1973	7½	4 9½	Aug. 16, 1973	9
Chicago.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	4 9½	Aug. 14, 1973	9
St. Louis.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	4 9½	Aug. 14, 1973	9
Minneapolis.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	4 9½	Aug. 14, 1973	9
Kansas City.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	4 9½	Aug. 14, 1973	9
Dallas.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	4 9½	Aug. 14, 1973	9
San Francisco.....	7½	Aug. 14, 1973	7	8	Aug. 14, 1973	7½	9½	Aug. 14, 1973	9

¹ Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase. 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.

² Advances secured to the satisfaction of the F.R. Bank. Maximum maturity: 4 months.

³ 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.

⁴ Also effective on the same dates as the other rates shown above for the eight Reserve Banks so designated, a rate of 7½ per cent was approved on advances to nonmember banks, to be applicable in special circumstances resulting from implementation of changes in Regulation J, which became effective on Nov. 9, 1972. See "Announcements" on p. 942 of the Oct. 1972 BULLETIN and p. 994 of the Nov. 1972 BULLETIN.

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	1970- Nov. 11.....	5¼-6	6
1955- Apr. 14.....	1½-1¾	1½	16.....	3	3	13.....	5¼-6	5¾
15.....	1½-1¾	1½	May 29.....	3-3½	3½	16.....	5¼	5¼
May 2.....	1½	1½	June 12.....	3½	3½	Dec. 1.....	5½-5¾	5¼
Aug. 4.....	1¾-2¼	1½	Sept. 11.....	3½-4	4	4.....	5½-5¾	5½
5.....	1¾-2¼	2	18.....	4	4	11.....	5½	5½
12.....	2-2¼	2	1960- June 3.....	3½-4	4	1971- Jan. 8.....	5¼-5½	5¼
Sept. 9.....	2-2¼	2½	10.....	3½-4	3½	15.....	5¼	5¼
13.....	2¼	2½	14.....	3½	3½	19.....	5-5¼	5¼
Nov. 18.....	2¼-2½	2½	Aug. 12.....	3-3½	3	22.....	5-5¼	5
23.....	2½	2½	Sept. 9.....	3	3	1971- Feb. 13.....	4¼-5	5
1956- Apr. 13.....	2½-3	2¾	1963- July 17.....	3-3½	3½	19.....	4¼	4¾
20.....	2¾-3	2¾	26.....	3½	3½	July 16.....	4¼-5	5
Aug. 24.....	2¾-3	3	1964- Nov. 24.....	3½-4	4	23.....	5	5
31.....	3	3	30.....	4	4	Nov. 11.....	4¼-5	5
1957- Aug. 9.....	3-3½	3	1965- Dec. 6.....	4-4½	4½	19.....	4¼	4¾
23.....	3½	3½	13.....	4½	4½	Dec. 13.....	4½-4¾	4¾
Nov. 15.....	3-3½	3	1967- Apr. 7.....	4-4½	4	17.....	4½-4¾	4½
Dec. 2.....	3	3	14.....	4	4	24.....	4½	4½
1958- Jan. 22.....	2¾-3	3	20.....	4-4½	4½	1973- Jan. 15.....	5	5
24.....	2¾-3	2¾	27.....	4½	4½	Feb. 26.....	5-5½	5½
Mar. 7.....	2¾-3	2½	1968- Mar. 15.....	4½-5	4½	Mar. 2.....	5½	5½
13.....	2¾-3	2½	22.....	5	5	Apr. 23.....	5½-5¾	5½
21.....	2¼	2½	Apr. 19.....	5-5½	5½	May 4.....	5¼	5¼
Apr. 18.....	1¾-2¼	1½	26.....	5½	5½	11.....	5¼-6	6
May 9.....	1¾	1½	Aug. 16.....	5¼-5½	5½	18.....	6	6
Aug. 15.....	1¾-2	1½	30.....	5¼	5¼	June 11.....	6-6½	6½
Sept. 12.....	1¾-2	2	Dec. 18.....	5¼-5½	5½	15.....	6½	6½
23.....	2	2	20.....	5½	5½	July 2.....	7	7
Oct. 24.....	2-2½	2	1969- Apr. 4.....	5½-6	6	Aug. 14.....	7-7½	7½
Nov. 7.....	2½	2½	8.....	6	6	23.....	7½	7½
						In effect Mar. 31, 1974.....	7½	7½

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.

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

(Deposit intervals are in millions of dollars. Requirements are in per cent of deposits.)

Effective date ¹	Net demand ²				Time ³ (all classes of banks)		Effective date	Net demand ^{2,4}					Time ³		
	Reserve city		Other		Savings	Other time		0-2	2-10	10-100	100-400	Over 400 ⁵	Savings	Other time	
	0.5	Over 5	0.5	Over 5										0.5	Over 5 ⁶
In effect Jan. 1, 1963.....	16½		12		4		1972- Nov. 9.....	8	10	12	7 16½	17½	8.3	8.3	8.5
1966- July 14, 21.....					4	4	Nov. 16.....				13				
Sept. 8, 15.....					3½	3½	1973- July 19.....	10½	12½	13½	18				
1967- Mar. 2.....					3	3	In effect								
Mar. 16.....							Mar. 31, 1974	8	10½	12½	13½	18	3	3	5
1968- Jan. 11, 18.....	16½	17	12	12½											
1969- Apr. 17.....	17	17½	12½	13											
1970- Oct. 1.....						5									
							Present legal requirement:					Minimum	Maximum		
							Net demand deposits, reserve city banks.....					10	22		
							Net demand deposits, other banks.....					7	14		
							Time deposits.....					3	10		

¹ When two dates are shown, the first applies to the change at reserve city banks and the second to the change at country banks. For changes prior to 1963 see Board's *Annual Reports*.

² (a) Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank.

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 8 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, and was reduced to the current 8 per cent effective June 21, 1973. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve-free bases were eliminated. For details, see Regulations D and M.

³ Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits. For other notes see 2(b) and 2(c) above.

⁴ Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each member bank will maintain reserves related to the size of its net demand deposits. The new reserve city designations are as follows: A bank having net demand deposits of more than \$400 million is considered to have the character of business of a reserve city bank, and the presence of the head office of such a bank constitutes designation of that place as a reserve

city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of \$400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see Regulation D and appropriate supplements and amendments.

⁵ Reserve city banks.

⁶ Except as noted below, effective Dec. 27, 1973, member banks are subject to an 8 per cent marginal reserve requirement against increases in the aggregate of (a) outstanding time deposits of \$100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to the existing reserve requirements on time deposits, and (c) funds from sales of finance bills. The 8 per cent requirement applies to balances above a specified base, but is not applicable to banks that have obligations of these types aggregating less than \$10 million. For the period June 21 to Aug. 30, 1973, (a) included only single-maturity time deposits. Previous requirements have been: 8 per cent for (a) and (b) from June 21 to Sept. 19, 1973, and for (c) from July 12 to Sept. 19, 1973; and 11 per cent from Sept. 20 to Dec. 26, 1973. For details, see Regulation D and appropriate supplements and amendments.

⁷ The 16½ per cent requirement applied for one week, only to former reserve city banks. For other banks, the 13 per cent requirement was continued in this deposit interval.

⁸ 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*.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966 June 30, 1973					Rates beginning July 1, 1973			
Type of deposit	Effective date				Type of deposit	Effective date		
	July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970		July 1, 1973	Nov. 1, 1973	
Savings deposits.....	4	4	4	4½	Savings deposits.....	5	5	
Other time deposits: ¹					Other time deposits (multiple- and single-maturity):			
Multiple maturity: ²					Less than \$100,000:			
30-89 days.....	4	4	4	4½	30-89 days.....	5	5	
90 days to 1 year.....				5	90 days to 1 year.....	5½	5½	
1 year to 2 years.....	5	5	5	5½	1 year to 2½ years.....	6	6	
2 years or more.....				5¾	2½ years or more.....	6½	6½	
Single-maturity:					4 years or more in minimum denomination of \$1,000.....	(4)	7¼	
Less than \$100,000:					\$100,000 or more.....	(3)	(3)	
30 days to 1 year.....				5				
1 year to 2 years.....	5½	5	5	5½				
2 years and over.....				5¾				
\$100,000 or more:								
30-59 days.....			5½	(3)				
60-89 days.....			5¾	(3)				
90-179 days.....	5½	5½	6	(3)				
180 days to 1 year.....			6¼	(3)				
1 year or more.....				(4)				

¹ For exceptions with respect to certain foreign time deposits, see BULLETIN for Feb. 1968, p. 167.

² Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

³ Maximum rates on all single-maturity time deposits in denominations of \$100,000 or more have been suspended. Rates that were effective Jan. 21, 1970, and the dates when they were suspended are:

30-59 days	6½ per cent	
60-89 days	6½ per cent	June 24, 1970
90-179 days	6½ per cent	
180 days to 1 year	7 per cent	May 16, 1973
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denomination of \$100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturity deposits was eliminated.

⁴ Between July 1 and Oct. 31, 1973, there was no ceiling for 4-year

certificates with minimum denomination of \$1,000. The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, a ceiling rate of 7¼ per cent was imposed on certificates maturing in 4 years or more with minimum denomination of \$1,000. There is no limitation on the amount of these certificates that banks may issue.

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, 1976, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

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 (1)
			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
1971 Dec. 6	1972 Nov. 22			55			50		55
1972 Nov. 24	1974 Jan. 2			65			50		65
	Effective Jan. 3, 1974			50			50		50

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

Regulation G and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale-purchase transactions)

Period	Treasury bills ¹			Others within 1 year ²			1-5 years			5-10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970.....	11,074	5,214	2,160	99	.....	3,483	848	.....	5,430	249	.....	1,845	93	.....	102
1971.....	8,896	3,642	1,064	1,036	.....	6,462	1,338	.....	4,672	933	.....	685	311	.....	150
1972.....	8,522	6,467	2,545	125	.....	2,933	789	.....	1,405	539	.....	2,094	167	.....	250
1973.....	15,517	4,880	3,405	1,396	.....	140	579	.....	2,028	500	.....	895	129	.....	87
1973 Feb.....	1,558	695	200	25	.....	1,408	61	.....	3,476	79	.....	2,068	32	.....	.....
Mar.....	1,569	260	200	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Apr.....	1,377	.....	51	50	.....	.....	127	.....	.....	19	.....	.....	11	.....	.....
May.....	717	623	600	.....	.....	3,829	.....	.....	1,316	.....	.....	5,105	.....	.....	640
June.....	1,047	218	163	17	.....	.....	123	.....	.....	37	.....	78	51	.....	78
July.....	1,640	495	60	.....	.....	.....	27	.....	.....	.....	.....	.....	.....	.....	.....
Aug.....	655	945	456	351	.....	4,361	.....	.....	4,812	.....	.....	.....	.....	.....	100
Sept.....	480	401	564	836	.....	813	.....	.....	23	.....	.....	.....	.....	.....	.....
Oct.....	2,117	153	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nov.....	583	489	1,101	41	.....	1,515	125	.....	680	331	.....	2,220	35	.....	25
Dec.....	1,919	70	10	75	.....	34	116	.....	34	35	.....	.....	.....	.....	.....
1974 Jan.....	1,340	335	1,402	9	.....	.....	93	.....	.....	77	.....	.....	.....	.....	.....
Feb.....	768	391	410	.....	.....	687	30	.....	922	.....	.....	200	.....	.....	35

Period	Total outright ¹			Matched sale-purchase transactions (Treasury bills)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations			Bankers' acceptances, net		Net change
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Gross purchases	Sales or redemptions	Repurchase agreements, net	Outright	Repurchase agreements	
1970.....	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988	.....	.....	.....	6	.....	4,982
1971.....	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	101	22	181	.....	8,866
1972.....	10,142	6,467	2,862	23,319	23,319	31,103	32,228	312	1,197	370	88	9	145	272
1973.....	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	2	36	9,227
1973 Feb.....	1,754	695	200	4,521	4,521	2,774	3,034	599	.....	18	28	3	95	644
Mar.....	1,569	260	200	1,941	1,941	6,024	5,478	1,656	.....	14	61	1	66	1,636
Apr.....	1,584	.....	51	2,101	2,101	5,664	5,978	1,218	.....	19	65	7	36	1,106
May.....	717	623	600	1,105	1,105	7,379	8,240	1,367	.....	21	29	1	52	1,470
June.....	1,274	218	163	4,630	4,630	5,621	5,621	893	.....	19	.....	17	.....	1,085
July.....	1,666	495	60	3,405	3,405	7,651	6,686	2,076	174	6	106	12	78	2,416
Aug.....	1,006	945	807	9,632	9,632	2,234	2,492	1,005	.....	20	157	71	41	915
Sept.....	1,316	401	1,400	6,981	6,981	3,309	2,752	72	.....	30	95	9	69	7
Oct.....	2,117	153	.....	4,735	4,735	8,220	7,859	2,325	176	4	20	8	46	2,440
Nov.....	1,116	489	1,101	2,089	2,089	6,637	7,525	1,360	74	3	20	34	34	1,307
Dec.....	2,145	70	10	3,435	3,435	9,523	10,202	1,387	212	84	126	23	26	1,386
1974 Jan.....	1,519	335	1,402	2,590	2,590	4,442	4,500	276	29	39	.....	42	.....	328
Feb.....	798	391	410	2,393	2,393	4,265	4,265	3	120	46	.....	1	.....	72

¹ Before Nov. 1973 borrowings, included matched sale-purchase transactions, which are now shown separately.

² Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows: June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836.

³ Net change in U.S. Govt. securities, Federal agency obligations, and bankers' acceptances.

Note: Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings.

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
1969 Dec.....	1,967	1,575	.....	1	*	.....	199	60	125	1	3	4
1970 Dec.....	257	154	.....	.....	*	.....	.....	98	.....	1	*	4
1971 Dec.....	18	3	.....	3	*	.....	.....	2	.....	1	.....	8
1972 Dec.....	192	*	.....	*	*	.....	.....	164	.....	1	20	6
1973 Jan.....	92	*	.....	*	*	.....	.....	67	.....	1	20	3
Feb.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Mar.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Apr.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
May.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
June.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
July.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Aug.....	5	*	.....	*	*	.....	.....	1	.....	1	.....	3
Sept.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Oct.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Nov.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Dec.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1974					1974		1973
	Mar. 27	Mar. 20	Mar. 13	Mar. 6	Feb. 27	Mar. 31	Feb. 28	Mar. 31
Assets								
Gold certificate account.....	11,460	11,460	11,460	11,460	11,460	11,460	11,460	10,303
Special Drawing Rights certificate account.....	400	400	400	400	400	400	400	400
Cash.....	272	282	290	298	301	280	307	358
Loans:								
Member bank borrowings.....	2,034	2,162	1,627	846	1,189	1,821	720	2,048
Other.....								
Acceptances:								
Bought outright.....	74	74	67	67	69	73	69	77
Held under repurchase agreements.....	56	92	86			223		88
Federal agency obligations:								
Bought outright.....	2,123	1,953	1,953	1,997	2,001	2,123	2,001	1,280
Held under repurchase agreements.....	24	36	128			185		94
U.S. Govt. securities:								
Bought outright:								
Bills.....	35,698	36,418	35,973	36,389	36,777	36,400	36,467	32,761
Certificates—Special.....								
Other.....								
Notes.....	38,956	38,956	38,796	38,796	38,796	38,956	38,796	36,839
Bonds.....	3,004	3,004	2,974	2,974	2,974	3,004	2,974	3,501
Total bought outright.....	1,277,658	78,378	1,77,743	1,78,159	1,278,547	1,78,360	1,78,237	1,73,101
Held under repurchase agreements.....	371	1,094	1,902			1,123		1,175
Total U.S. Govt. securities.....	78,029	79,472	79,645	78,159	78,547	79,483	78,237	74,276
Total loans and securities.....	82,340	83,789	83,506	81,069	81,806	83,908	81,027	77,863
Cash items in process of collection.....	7,342	8,000	8,260	9,611	7,451	6,074	7,333	6,637
Bank premises.....	228	228	227	227	225	227	226	197
Other assets:								
Denominated in foreign currencies.....	6	15	15	15	22	6	32	4
All other.....	795	755	781	673	600	845	700	714
Total assets.....	1,102,843	1,104,929	1,104,939	1,103,753	1,102,265	1,103,200	1,101,485	1,096,476
Liabilities								
F.R. notes.....	63,107	63,096	63,237	62,832	62,362	62,900	62,247	57,419
Deposits:								
Member bank reserves.....	28,312	30,059	30,051	29,703	28,144	30,135	27,989	27,713
U.S. Treasury—General account.....	2,094	2,079	1,944	1,528	2,337	1,373	2,016	2,881
Foreign.....	355	261	274	282	273	366	542	327
Other:								
All other ³	683	675	737	687	767	673	679	696
Total deposits.....	31,444	33,074	33,006	32,200	31,521	32,547	31,226	31,617
Deferred availability cash items.....	5,219	5,737	5,751	5,938	5,325	4,491	4,921	4,792
Other liabilities and accrued dividends.....	987	1,001	1,029	972	966	1,118	988	709
Total liabilities.....	100,757	102,908	103,023	101,942	100,174	101,056	99,382	94,537
Capital accounts								
Capital paid in.....	872	870	871	864	862	872	862	807
Surplus.....	844	844	844	844	844	844	844	793
Other capital accounts.....	370	307	201	103	385	428	397	339
Total liabilities and capital accounts.....	1,102,843	1,104,929	1,104,939	1,103,753	1,102,265	1,103,200	1,101,485	1,096,476
Contingent liability on acceptances purchased for foreign correspondents.....	682	673	657	596	595	684	592	282
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	26,117	26,270	25,825	25,520	25,000	26,635	25,233	31,529
Federal Reserve Notes—Federal Reserve Agents' Accounts								
F.R. notes outstanding (issued to Bank).....	67,062	67,130	67,067	66,884	66,933	67,218	66,921	61,615
Collateral held against notes outstanding:								
Gold certificate account.....	2,305	2,305	2,305	2,255	2,255	2,305	2,255	2,291
U.S. Govt. securities.....	66,820	66,800	66,800	66,600	66,600	66,840	66,600	61,331
Total collateral.....	69,125	69,105	69,105	68,855	68,855	69,145	68,855	63,622

¹ See note 8 on p. A-5.² See note 9 on p. A-5.³ See note 5 on p. A-4.

MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1974					1974		1973
	Mar. 27	Mar. 20	Mar. 13	Mar. 6	Feb. 27	Mar. 31	Feb. 28	Mar. 31
Loans—Total	2,034	2,162	1,628	844	1,195	1,821	721	2,049
Within 15 days.....	2,012	2,140	1,613	832	1,185	1,799	712	2,018
16 days to 90 days.....	22	22	15	12	10	22	9	31
91 days to 1 year.....								
Acceptances—Total	130	166	153	67	69	296	69	165
Within 15 days.....	83	106	96	21	29	253	29	102
16 days to 90 days.....	47	60	57	46	40	43	40	63
91 days to 1 year.....								
U.S. Government securities—Total	78,029	79,472	79,645	78,159	78,547	79,483	78,237	74,276
Within 15 days.....	5,465	6,194	6,976	5,911	5,730	5,298	4,166	5,013
16 days to 90 days.....	18,951	19,555	19,425	19,406	19,026	18,951	18,958	22,524
91 days to 1 year.....	21,611	21,721	21,432	21,030	21,979	23,232	23,301	13,021
Over 1 year to 5 years.....	22,344	22,344	22,235	22,235	22,235	22,344	22,235	28,021
Over 5 years to 10 years.....	7,836	7,836	7,780	7,780	7,780	7,836	7,780	4,119
Over 10 years.....	1,822	1,822	1,797	1,797	1,797	1,822	1,797	1,578
Federal agency obligations—Total	2,147	1,989	2,081	1,997	2,001	2,308	2,001	1,374
Within 15 days.....	24	36	128	44	48	185	48	102
16 days to 90 days.....	135	135	135	63	63	135	63	52
91 days to 1 year.....	275	274	274	248	248	275	248	214
Over 1 year to 5 years.....	821	768	768	846	846	821	846	568
Over 5 years to 10 years.....	608	537	537	557	557	608	557	247
Over 10 years.....	284	239	239	239	239	284	239	191

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

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts ¹ (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others ²				N.Y.	6 others ²		
1973- Feb.....	16,074.6	7,227.0	3,809.9	8,847.5	5,037.6	97.9	238.0	103.3	66.1	52.0
Mar.....	15,989.2	6,844.8	3,873.4	9,114.4	5,241.0	97.1	228.3	104.5	67.8	53.9
Apr.....	15,971.2	6,927.5	3,857.5	9,043.8	5,186.2	95.7	228.9	101.9	66.2	52.5
May.....	16,452.0	7,177.0	3,918.3	9,275.1	5,356.7	97.8	235.1	103.7	67.4	53.6
June.....	16,638.8	7,224.6	4,050.2	9,414.3	5,364.1	99.9	245.0	107.6	68.7	54.0
July.....	17,224.5	7,381.4	4,282.4	9,843.1	5,560.8	102.6	247.5	111.7	71.3	55.8
Aug.....	17,888.9	7,744.6	4,318.2	10,144.3	5,826.0	106.2	252.5	113.6	73.6	58.4
Sept.....	17,918.7	8,025.3	4,195.7	9,893.3	5,697.6	107.4	266.4	111.6	72.4	57.5
Oct.....	18,394.4	8,137.2	4,418.0	10,257.2	5,839.1	109.5	265.3	116.4	74.7	58.8
Nov.....	19,049.5	8,437.9	4,519.8	10,611.6	6,091.7	113.2	274.9	118.6	77.1	61.2
Dec.....	18,641.3	8,097.7	4,462.8	10,543.6	6,080.8	110.2	269.8	115.0	75.8	60.6
1974- Jan.....	18,816.9	8,081.0	4,517.1	10,736.0	6,218.8	111.5	270.3	116.5	77.3	62.2
Feb.....	19,812.5	8,896.2	4,585.0	10,916.3	6,331.3	118.0	294.2	120.2	79.3	63.6

¹ Excludes interbank and U.S. Govt. demand deposit accounts.
² Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland, and Los Angeles-Long Beach.

NOTE.—Total SMSA's includes some cities and counties not designated as SMSA's.
 For back data see pp. 634-35 of July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Month or week	Seasonally adjusted			Not seasonally adjusted		
	M ₁	M ₂	M ₃	M ₁	M ₂	M ₃
Composition of measures is described in the NOTE below.						
1970—Dec.	221.2	425.2	641.2	227.6	429.9	645.5
1971—Dec.	235.2	473.0	726.9	241.9	477.9	731.2
1972—Dec.	255.7	525.5	822.4	263.0	530.6	826.6
1973—Apr.	259.4	538.3	847.7	260.9	542.3	852.6
May	262.4	543.6	855.0	257.9	541.7	853.6
June	265.5	549.4	863.5	263.6	548.8	864.0
July	266.4	552.0	867.9	265.7	551.0	868.0
Aug.	266.2	554.9	870.9	262.9	551.1	867.0
Sept.	265.4	556.6	873.2	263.9	554.2	870.4
Oct.	266.5	561.6	879.8	266.0	559.9	877.5
Nov.	268.8	566.7	886.9	270.5	565.1	884.0
Dec.	270.4	570.7	893.2	278.1	575.8	897.5
1974—Jan.	269.6	573.7	898.4	276.8	579.7	904.6
Feb.	272.5	580.1	906.8	269.7	577.6	904.8
Mar.	274.9	584.3	913.4	272.2	583.8	914.3
Week ending—						
1974—Mar. 6	275.7	584.7		272.8	583.0	
13	274.8	583.9		272.4	583.6	
20	274.4	583.9		272.0	583.7	
27	274.3	583.9		270.0	582.3	
Apr. 3	276.0	586.1		275.5	588.7	

NOTE.—Composition of the money stock measures is as follows:

M₁: Averages of daily figures for (1) demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M₂: Averages of daily figures for M₁ plus savings deposits, time de-

posits open account, and time certificates other than negotiable CD's of \$100,000 of large weekly reporting banks.

M₃: M₂ plus the average of the beginning- and end-of-month figures for deposits of mutual savings banks and for savings capital of savings and loan associations.

For description and back data, see "Revision of the Money Stock Measures and Member Bank Deposits" on pp. 81-95 of the Feb. 1974 BULLETIN.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted						Not seasonally adjusted						U.S. Govt. deposits ³		
	Cur- ren- cy	Commercial banks			Non- bank thrift insti- tutions ²	Cur- ren- cy	Commercial banks			Non- bank thrift insti- tutions ²					
		Demand de- pos- its	Time and savings deposits				Demand deposits	Time and savings deposits							
			CD's ¹	Other				Total	Total		Member	Dom- estic non- member		CD's ¹	Other	Total
1970—Dec.	49.1	172.2	25.3	203.9	229.2	216.1	50.0	177.7	136.9	39.2	25.8	202.3	228.1	215.6	7.3
1971—Dec.	52.6	182.6	33.0	237.9	270.9	253.9	53.5	188.4	142.6	44.1	33.8	236.0	269.8	253.3	6.9
1972—Dec.	56.9	198.7	43.4	269.9	313.3	296.9	57.9	205.1	152.4	51.4	44.3	267.6	311.8	296.0	7.4
1973—Apr.	58.6	200.8	58.4	278.9	337.3	309.4	58.3	202.6	148.9	51.6	56.1	281.4	337.6	310.3	8.3
May	58.9	203.4	61.3	281.3	342.6	311.4	58.7	199.2	145.8	51.1	58.8	283.8	342.6	312.0	8.7
June	59.4	206.2	62.0	283.8	345.8	314.2	59.4	204.1	149.1	52.4	59.3	285.2	344.5	315.3	7.1
July	59.5	207.0	63.9	285.6	349.4	315.9	59.9	205.7	149.7	53.3	62.3	285.3	347.6	317.0	6.5
Aug.	59.8	206.4	66.3	288.7	355.0	315.9	60.0	202.9	147.8	52.7	68.4	288.2	356.6	315.9	4.1
Sept.	60.2	205.2	66.7	291.2	357.9	316.6	60.1	203.8	148.2	53.3	68.8	290.3	359.2	316.1	5.3
Oct.	60.4	206.1	63.8	295.1	358.9	318.3	60.4	205.6	149.7	53.7	66.3	293.9	360.2	317.6	6.0
Nov.	60.9	207.9	62.0	297.8	359.9	320.2	61.4	209.1	151.8	54.9	64.1	294.6	358.7	318.9	4.3
Dec.	61.6	208.8	62.8	300.3	363.1	322.5	62.6	215.5	156.9	56.2	64.1	297.7	361.8	321.7	6.3
1974—Jan.	61.8	207.8	65.5	304.1	369.6	324.7	61.5	215.3	156.3	56.6	66.1	302.9	368.9	325.0	8.0
Feb.	62.6	210.0	66.6	307.6	374.2	326.7	61.8	207.9	151.1	54.5	65.9	307.9	373.8	327.2	6.5
Mar.	63.2	211.7	67.7	309.4	377.1	329.1	62.6	209.5	152.4	54.8	67.0	311.6	378.6	330.6	6.3
Week ending—															
1974—Mar. 6	63.0	212.7	65.9	308.9	374.9		62.4	210.3	153.1	54.8	65.9	310.3	376.1		6.6
13	63.2	211.6	66.8	309.1	375.9		62.9	209.5	152.1	55.2	66.5	311.2	377.7		4.2
20	63.2	211.3	67.1	309.5	376.6		62.6	209.4	152.2	54.8	66.3	311.7	378.0		7.1
27	63.3	211.0	68.8	309.6	378.4		62.3	207.7	151.2	54.2	67.8	312.2	380.0		6.8
Apr. 3	63.4	212.6	71.2	310.1	381.3		62.8	212.7	155.0	55.3	69.3	313.3	382.5		7.1

¹ Negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

² Average of the beginning and end-of-month figures for deposits of mutual savings banks and savings capital at savings and loan associations.

³ At all commercial banks.

See also NOTE above.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A. ¹				Deposits subject to reserve requirements ³							Total member bank deposits plus nondeposit items ⁴		
	Total	Non-borrowed	Re-quired	Avail-able ²	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.
1970 Dec.	29.19	28.86	28.95	27.10	321.3	178.8	136.1	6.5	325.2	178.1	141.1	6.0	332.9	336.8
1971 Dec.	31.30	31.17	31.12	28.96	360.3	210.4	143.8	6.1	364.6	209.7	149.2	5.7	364.3	368.7
1972 Dec.	31.41	30.36	31.13	29.05	402.0	241.4	154.5	6.1	406.8	240.7	160.1	6.1	406.4	411.2
1973 Mar.	31.91	30.08	31.70	29.62	416.3	255.4	153.3	7.6	416.3	256.2	151.6	8.5	421.2	421.2
Apr.	32.30	30.59	32.08	29.87	421.4	260.9	153.4	7.1	422.3	260.5	154.9	6.8	426.6	427.4
May	32.44	30.60	32.29	30.11	425.1	265.1	154.8	5.2	423.0	264.5	151.4	7.0	430.5	428.4
June	32.46	30.61	32.22	30.55	428.9	267.3	156.3	5.3	426.3	265.9	154.8	5.6	434.5	432.0
July	33.58	31.62	33.29	31.36	431.1	270.1	157.1	3.9	429.9	268.5	156.2	5.1	437.6	436.4
Aug.	33.91	31.74	33.73	32.04	436.7	275.0	157.0	4.8	433.7	276.6	154.0	3.1	443.8	440.8
Sept.	34.17	32.32	33.95	32.39	438.6	277.5	156.2	5.0	437.7	279.0	154.7	4.1	445.9	445.0
Oct.	34.94	33.47	34.72	32.84	439.7	277.3	156.4	6.0	439.7	278.8	156.1	4.8	446.5	446.5
Nov.	34.86	33.46	34.62	32.71	440.4	279.1	157.5	5.8	438.2	276.6	158.3	3.2	447.5	445.3
Dec.	35.10	33.81	34.80	32.91	442.2	279.0	158.3	4.9	447.5	278.5	164.0	5.0	449.6	454.9
1974 Jan.	35.85	34.80	35.69	32.80	446.8	283.2	157.4	6.2	453.0	283.1	163.4	6.5	454.3	460.5
Feb.	35.11	33.92	34.92	32.79	447.1	286.1	157.9	3.0	447.1	285.7	156.3	5.1	454.8	454.8
Mar.	34.95	33.64	33.64	33.12	450.7	287.9	159.0	3.7	450.7	288.7	157.1	4.9	459.3	459.3

¹ Averages of daily figures. Member bank reserve series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Required reserves were increased by \$660 million effective Apr. 16, 1969, and \$400 million effective Oct. 16, 1969; were reduced by \$500 million (net) effective Oct. 1, 1970. Required reserves were reduced by approximately \$2.5 billion, effective Nov. 9, 1972; by \$1.0 billion, effective Nov. 15; and increased by \$300 million effective Nov. 22.

² Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private demand deposits, (b) total time and savings deposits, and (c) nondeposit sources subject to reserve requirements, and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Govt. demand deposits.

³ Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits

except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

⁴ Total member bank deposits subject to reserve requirements, plus Euro-dollar borrowings, bank-related commercial paper, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE. For description of revised series and for back data, see article "Revision of the Money Stock Measures and Member Bank Reserves and Deposits" on pp. 61-79 of the Feb. 1973 BULLETIN.

Due to changes in Regulations M and D, member bank reserves include reserves held against nondeposit funds beginning Oct. 16, 1969. Back data may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

(In billions of dollars)

Date	Seasonally adjusted							Not seasonally adjusted						
	Total loans and investments ¹	Loans				Securities		Total loans and investments ¹	Loans				Securities	
		Total ¹	Plus loans sold ²	Commercial and industrial ³		U.S. Treasury	Other ⁴		Total ¹	Plus loans sold ²	Commercial and industrial ³		U.S. Treasury	Other ⁴
				Total	Plus loans sold ²						Total	Plus loans sold ²		
1968 Dec.	390.2	258.2	.....	95.9	.....	60.7	71.3	400.4	264.4	.....	98.4	.....	64.5	71.5
1969 Dec.	401.7	279.1	283.0	105.7	108.3	51.5	71.1	412.1	286.1	290.0	108.4	111.0	54.7	71.3
1970 Dec.	435.5	291.7	294.7	110.0	112.1	57.9	85.9	446.8	299.0	301.9	112.5	114.6	61.7	86.1
1971 Dec.	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972 Dec.	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973 Mar.	583.6	405.8	409.0	141.8	143.8	60.4	117.4	580.6	401.7	404.8	141.7	143.7	61.2	117.7
Apr.	589.6	411.1	414.7	143.9	146.2	61.0	117.5	587.3	408.3	411.9	144.4	146.7	60.4	118.6
May	597.7	417.4	421.1	146.8	149.0	61.0	119.3	594.8	416.6	420.3	146.4	148.6	58.3	119.9
June	602.0	420.3	423.8	148.2	150.4	61.6	120.1	605.6	426.6	430.1	150.4	152.6	57.9	121.1
July	608.2	427.3	431.3	151.4	154.0	59.6	121.3	606.8	429.1	433.1	151.8	154.4	56.4	121.4
Aug.	616.0	435.3	440.0	153.6	156.5	57.7	123.0	612.0	434.6	439.3	152.2	155.1	54.7	122.8
Sept.	618.2	438.1	442.7	154.0	156.9	56.3	123.8	617.9	439.1	443.8	154.1	157.0	54.8	123.9
Oct.	621.7	440.0	444.6	154.0	156.9	54.9	126.8	621.4	439.9	444.5	153.3	156.2	55.6	125.9
Nov.	624.6	443.6	447.9	155.5	158.2	54.5	126.5	624.5	442.1	446.4	154.6	157.3	57.3	125.1
Dec.	625.4	444.5	448.8	156.3	158.9	53.2	127.7	642.3	455.6	459.9	159.9	162.5	58.6	128.1
1974 Jan.	633.6	450.2	454.6	158.5	161.1	53.9	129.5	633.1	446.2	450.7	156.8	159.4	58.1	128.8
Feb.	641.0	454.7	459.7	159.7	162.4	55.7	130.6	635.8	449.1	454.1	158.1	160.8	56.9	129.7
Mar.	650.3	464.0	468.9	165.3	168.1	55.7	130.6	646.8	458.9	463.8	165.1	167.9	56.7	131.2

¹ Adjusted to exclude domestic commercial interbank loans. See also note 3.

² Loans sold are those sold outright by commercial banks to own subsidiaries, foreign branches, holding companies, and other affiliates.

³ Beginning June 30, 1972, commercial and industrial loans were reduced by about \$400 million as a result of loan reclassifications at one large bank.

⁴ Beginning June 30, 1971, Farmers Home Administration insured notes totaling approximately \$700 million are included in "Other securities" rather than in "Loans."

⁵ 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 above table have been revised to include valuation reserves.

NOTE. *Total loans and investments:* For monthly data, Jan. 1959 - June 1973, see Nov. 1973 BULLETIN, pp. A-96 A-97, and for 1948-58, Aug. 1968 BULLETIN, pp. A-94 A-97. For a description of the current seasonally adjusted series see the Nov. 1973 BULLETIN, pp. 831-32, and the Dec. 1971 BULLETIN, pp. 971-73. *Commercial and industrial loans:* For monthly data, Jan. 1959-June 1973, see Nov. 1973 BULLETIN, pp. A-96 A-98; for description see July 1972 BULLETIN, p. 683. Data are for last Wednesday of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments							Total assets	Total liabilities and capital accounts ⁴	Deposits					Borrowings	Total capital accounts	Number of banks
	Total	Loans ¹		Securities		Cash assets ³	Total ³			Interbank ³		Other					
		U.S. Treasury	Other ²	U.S. Govt.	Other					Demand	Time ⁵	Demand					
												U.S. Govt.	Other				
All commercial banks:																	
1941 Dec. 31	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,082	44,349	15,952	23	7,173	14,278				
1947 Dec. 31	116,234	38,057	69,221	9,006	37,502	155,372	144,103	12,792	240	1,343	94,367	35,360	65	10,659	14,181		
1960 Dec. 31	199,509	117,642	61,003	20,864	52,150	257,552	229,843	17,079	1,799	5,945	133,379	71,641	163	20,986	13,986		
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 Dec. 31	516,564	346,930	64,930	104,704	99,832	640,255	537,946	32,205	2,908	10,169	220,375	272,289	25,912	47,211	13,783		
1972 Dec. 31	598,808	414,696	67,028	117,084	113,128	739,033	616,037	33,854	4,194	10,875	252,223	314,891	38,083	52,658	13,927		
1973:																	
Mar. 28	608,320	429,400	61,180	117,740	90,980	729,250	596,690	25,960	4,530	11,390	220,290	334,520	45,420	53,330	13,974		
Apr. 25	616,480	437,520	60,400	118,560	91,580	738,740	604,570	26,220	4,880	10,910	225,170	337,390	45,830	53,750	13,998		
May 30	622,340	444,120	58,330	119,890	95,410	749,470	611,920	27,770	5,250	5,810	229,050	344,040	47,360	54,240	14,018		
June 30	635,756	456,780	57,877	121,099	103,608	769,908	629,215	31,047	5,590	10,434	236,953	345,191	49,299	55,740	14,046		
July 25	634,220	456,480	56,360	121,380	95,880	761,870	618,670	28,710	5,830	6,750	228,310	349,070	52,580	54,900	14,067		
Aug. 29	640,100	462,630	54,720	122,750	92,010	765,200	618,440	26,500	6,620	3,460	234,450	357,410	53,150	55,310	14,081		
Sept. 26	645,150	466,420	54,800	123,930	100,030	778,070	628,700	27,720	7,190	8,210	227,880	357,700	56,180	55,570	14,100		
Oct. 31	652,330	470,780	55,640	125,910	111,720	798,550	643,790	32,830	6,820	5,680	240,390	358,070	60,220	56,440	14,132		
Nov. 28	656,700	474,300	57,300	125,100	104,140	794,420	635,940	30,130	7,010	4,350	237,650	356,800	62,400	56,640	14,161		
Dec. 26	675,820	490,680	58,180	126,960	95,650	806,420	650,290	25,720	6,850	7,950	249,520	360,250	60,290	56,920	14,169		
1974:																	
Jan. 30	670,410	483,420	58,160	128,830	103,410	807,470	648,500	31,630	6,400	9,430	232,540	368,500	65,210	58,240	14,178		
Feb. 27	675,950	489,290	56,950	129,710	102,560	813,130	647,920	31,450	5,990	6,570	232,040	371,870	67,420	58,540	14,178		
Mar. 27																	
Members of F.R. System:																	
1941 Dec. 31	43,521	18,021	19,539	5,961	23,113	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886	6,619		
1947 Dec. 31	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	6,923		
1960 Dec. 31	165,916	99,933	49,106	16,579	45,756	216,577	193,029	16,437	1,639	5,287	112,393	57,273	130	17,398	6,174		
1970 Dec. 31	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 Dec. 31	405,087	277,717	47,633	79,738	86,189	511,353	425,380	30,612	2,549	8,427	174,385	209,406	25,046	37,279	5,727		
1972 Dec. 31	465,788	329,548	48,715	87,524	96,566	585,125	482,124	31,958	3,561	9,024	197,817	239,763	36,357	41,228	5,704		
1973:																	
Mar. 28	470,997	340,665	43,259	87,073	77,719	573,564	462,997	24,505	3,895	9,407	170,540	254,650	42,642	41,533	5,683		
Apr. 25	476,739	346,865	42,517	87,357	78,219	580,412	468,385	24,744	4,242	9,167	173,671	256,561	43,076	41,806	5,695		
May 30	480,394	351,223	41,030	88,141	81,169	587,722	473,623	26,139	4,621	4,511	176,769	261,586	44,214	42,096	5,703		
June 30	490,533	360,908	41,080	88,545	88,227	604,414	486,700	29,311	4,879	8,167	182,436	261,975	46,529	43,098	5,705		
July 25	489,240	360,813	39,331	89,096	82,091	597,607	478,417	27,121	5,121	5,423	175,351	265,401	48,761	42,539	5,706		
Aug. 29	494,200	365,951	38,233	90,016	78,475	600,205	478,273	24,972	5,911	2,701	172,082	272,607	49,283	42,807	5,712		
Sept. 26	498,322	368,842	38,372	91,108	85,802	611,359	486,975	26,182	6,480	6,740	175,016	272,557	52,485	42,972	5,717		
Oct. 31	504,120	371,866	39,375	92,879	96,251	628,710	499,093	31,142	6,112	4,601	185,308	271,930	56,832	43,618	5,722		
Nov. 28	507,176	374,148	40,752	92,276	89,652	624,258	491,405	28,522	6,298	3,359	182,931	270,295	58,865	43,759	5,735		
Dec. 26	524,142	388,327	41,718	94,097	79,946	632,728	502,194	24,000	6,136	6,554	192,431	273,073	57,048	43,983	5,734		
1974:																	
Jan. 30	518,575	381,379	41,700	95,496	88,962	635,223	501,269	30,003	5,690	7,621	178,457	279,498	61,586	44,874	5,743		
Feb. 27	522,817	385,880	40,922	96,015	87,758	639,173	500,113	29,753	5,273	5,084	178,732	281,271	63,862	45,108	5,743		
Mar. 27																	
Insured banks:																	
Total:																	
1941 Dec. 31	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654	1,762	41,298	15,699	10	6,844	13,426			
1947 Dec. 31	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398		
1960 Dec. 31	198,011	117,092	60,468	20,451	51,836	255,669	228,401	16,921	1,667	5,932	132,533	71,348	149	20,628	13,119		
1970 Dec. 31	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	13,502		
1971 Dec. 31	514,097	345,386	64,691	104,020	98,281	635,805	535,703	31,824	2,792	10,150	219,102	271,835	25,629	46,731	13,602		
1972 Dec. 31	594,502	411,525	66,679	116,298	111,333	732,519	612,822	33,366	4,113	10,820	250,693	313,830	37,556	52,166	13,721		
1973:																	
Mar. 28	606,852	428,235	178,617	89,402	724,105	594,805	594,805	25,721	4,339	11,322	219,601	333,821	43,921	53,529	13,766		
June 30	630,379	452,587	57,532	120,261	101,716	762,250	625,316	30,559	5,446	10,408	235,174	343,729	48,413	55,240	13,842		
Oct. 17	647,971	468,000	52,497	127,473	101,205	780,190	633,180	28,443	6,571	5,821	234,549	257,798	55,906	56,727	13,923		
National member:																	
1941 Dec. 31	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786	1,088	23,262	8,322	4	3,640	5,117			
1947 Dec. 31	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	5,005		
1960 Dec. 31	107,546	63,694	32,712	11,140	28,675	139,261	124,911	9,829	611	3,265	71,660	39,546	111	11,091	4,530		
1970 Dec. 31	271,760	187,554	34,203	50,004	56,028	230,764	283,063	18,051	982	4,740	122,298	137,592	13,100	24,668	4,620		
1971 Dec. 31	302,756	206,758	36,386	59,612	59,191	376,318	314,085	17,511	1,828	6,014	128,441	160,291	18,169	27,065	4,599		
1972 Dec. 31	350,743	247,041	37,185	66,516	67,390	434,810	359,319	19,096	2,155	6,646	146,800	184,622	26,706	30,342	4,612		
1973:																	
Mar. 28	354,999	254,447	100,552	53,789	426,035	345,341	345,341	14,134	2,285	6,866	127,001	195,056	30,336	30,924	4,607		
June 30	369,856	270,188	31,651	68,018	61,336	449,772	364,129	16,640	2,874	6,181	137,116	201,318	33,804	31,867	4,629		
Oct. 17	377,246	277,015	27,641	72,590	63,573	460,164	268,351	15,797	3,404	3,369	136,163	209,619	38,819	32,516	4,642		

For notes see p. A-17.

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 accounts ⁴	Total ³	Deposits					Bor- row- ings	Total capital ac- counts	Num- ber of banks
	Total	Loans ¹	Securities		Cash assets ³			Interbank ³	Other		Bor- row- ings	Total capital ac- counts			
			U.S. Treas- ury	Other ²					Demand	Time						Demand	Time
Insured banks (cont.):															
State member:															
1941 Dec. 31....	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739		621	13,874	4,025	1	2,246	1,502
1947 Dec. 31....	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1960 Dec. 31....	58,073	36,240	16,394	5,439	17,081	77,316	68,118	6,608	1,028	2,022	40,733	17,727	20	6,299	1,644
1970 Dec. 31....	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
1971 Dec. 31....	102,813	71,441	11,247	20,125	26,998	135,517	111,777	13,102	721	2,412	45,945	49,597	6,878	10,214	1,128
1972 Dec. 31....	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886	1,092
1973—Mar. 28....	117,745	87,421	30,126		24,248	148,345	117,906	10,511	1,495	2,457	43,377	60,065	12,044	10,973	1,074
June 30....	121,052	91,095	9,429	20,527	26,891	155,017	123,016	12,671	2,005	1,986	45,322	61,042	12,725	11,231	1,076
Oct. 17....	125,715	95,056	30,659		25,491	158,250	123,123	11,505	2,604	1,146	44,735	63,132	15,352	11,432	1,078
Nonmember:															
1941 Dec. 31....	5,776	3,241	1,509	1,025	2,668	8,708	7,702			53	4,162	3,360	6	959	6,810
1947 Dec. 31....	16,444	4,958	10,039	1,448	4,083	20,691	19,342	262	4	149	12,366	6,558	7	1,271	6,478
1960 Dec. 31....	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232	6,948
1970 Dec. 31....	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735
1971 Dec. 31....	108,527	67,188	17,058	24,282	12,092	123,970	109,841	1,212	242	1,723	44,717	61,946	582	9,451	7,875
1972 Dec. 31....	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938	8,017
1973 Mar. 28....	134,306	86,368	47,939		11,365	149,725	131,558	1,076	559	1,999	49,223	78,701	1,541	11,631	8,085
June 30....	139,471	91,304	16,452	31,716	13,490	157,461	138,171	1,248	567	2,241	52,735	81,379	1,884	12,143	8,137
Oct. 17....	145,010	95,929	49,081		12,141	161,783	141,706	1,141	563	1,305	53,650	85,047	1,735	12,778	8,203
Noninsured nonmember:															
1941 Dec. 31....	1,457	455	761	241	763	2,283	1,872			1,291		253	13	329	852
1947 Dec. 31....	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1960 Dec. 31....	1,498	550	535	413	314	1,883	1,443	159	132	13	846	293	14	358	352
1970 Dec. 31....	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971 Dec. 31....	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
1972 Dec. 31....	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206
1973 June 30....	5,915	4,732	345	838	1,892	8,196	4,438	488	145	26	1,779	2,000	885	500	204
Total nonmember:															
1941 Dec. 31....	7,233	3,696	2,270	1,266	3,431	10,992	9,573			457	5,504	3,613	18	1,288	7,662
1947 Dec. 31....	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261
1960 Dec. 31....	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590	7,300
1970 Dec. 31....	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
1971 Dec. 31....	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932	8,056
1972 Dec. 31....	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429	8,223
1973 June 30....	145,386	96,036	16,797	32,554	15,381	165,657	142,608	1,736	712	2,267	54,514	83,379	2,770	12,643	8,341

¹ Loans to farmers directly guaranteed by CCC were reclassified as securities and Export-Import Bank portfolio fund participations were reclassified from loans to securities effective June 30, 1966. This reduced "Total loans" and increased "Other securities" by about \$1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc.," on p. A-18.

Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately \$300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

See also table (and notes) at the bottom of p. A-26.

² See first two paragraphs of note 1.

³ Reciprocal balances excluded beginning with 1942.

⁴ Includes items not shown separately. See also note 1.

⁵ See third paragraph of note 1 above.

⁶ Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

⁷ Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans

and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

NOTE.—Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; and nondeposit trust companies.

Figures for member banks before 1970 include mutual savings banks as follows: three before Jan. 1960 and two through Dec. 1960. Those banks are not included in insured commercial banks.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, excludes one national bank in Puerto Rico.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers etc.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870-71.

RESERVES AND LIABILITIES BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks ⁷	Demand deposits adjusted ⁸	Demand deposits						Time deposits					Borrowings	Capital accounts	
					Interbank		U.S. Govt.	State and local govt.	Certified and other checks, etc.	IPC ¹	Interbank	U.S. Govt. and Postal Savings	State and local govt.	IPC ³				
					Domestic ²	Foreign ⁹												
Total: ¹																		
1947—Dec. 31.....	17,796	2,216	10,216	87,423	11,362	1,430	1,343	6,799	2,581	84,987	240	111	866	34,383	65	10,059		
1972—Dec. 31.....	26,070	8,666	12,185	212,121	29,971	3,883	10,875	18,588	11,685	221,950	4,194	606	37,161	277,683	38,083	52,658		
1973—June 30.....	25,143	7,669	29,842	202,109	26,978	4,069	10,434	18,166	11,162	207,625	5,590	730	40,734	304,265	49,209	55,740		
All insured:																		
1941—Dec. 31.....	12,396	1,358	8,570	37,345	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		
1972—Dec. 31.....	26,070	8,637	30,734	210,287	29,731	3,635	10,820	18,459	11,177	221,057	4,113	606	37,086	276,138	37,556	52,166		
1973—June 30.....	25,143	7,658	28,238	200,083	26,713	3,846	10,408	18,016	10,473	206,685	5,446	730	40,655	302,344	48,413	55,240		
Oct. 17.....	30,998	9,231	23,960	203,931	24,626	3,817	8,821	15,620	9,905	209,023	6,571	580	42,914	314,304	55,906	56,726		
Member Total:																		
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	62,950	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		
1972—Dec. 31.....	26,070	8,582	19,396	158,464	28,521	3,437	9,024	13,544	9,503	174,770	3,562	468	28,553	211,124	36,357	41,228		
1973—June 30.....	25,143	8,254	18,904	148,306	25,684	3,622	9,167	13,251	8,781	160,407	4,879	569	30,812	230,969	46,529	41,098		
Oct. 17.....	30,998	7,018	16,011	150,944	23,667	3,634	4,515	11,213	8,382	161,303	6,008	427	32,398	239,926	54,171	43,948		
New York City: ¹¹																		
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	5,065	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		
1972—Dec. 31.....	5,695	508	4,854	23,271	12,532	2,562	1,418	741	3,592	31,040	1,833	10	2,522	26,196	9,502	8,942		
1973—June 30.....	4,981	467	5,551	20,478	12,679	2,661	1,115	646	3,403	26,558	2,773	20	2,075	30,788	11,397	8,787		
Oct. 17.....	5,972	581	4,567	22,240	10,617	2,656	644	497	3,358	25,615	3,809	31	2,371	31,522	13,200	8,405		
City of Chicago: ¹¹																		
1941—Dec. 31.....	1,021	43	298	2,215	1,027	8	127	233	34	2,152	.....	.....	.....	476	.....	388		
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	1,737	1,196	21	72	285	63	3,853	.....	.....	.....	902	.....	426		
1972—Dec. 31.....	1,496	152	173	5,783	1,516	99	509	223	264	6,899	160	95	847	9,237	3,008	1,891		
1973—June 30.....	1,512	126	138	5,827	1,206	117	299	225	329	6,918	392	224	930	11,357	4,146	1,947		
Oct. 17.....	1,576	124	333	5,136	1,303	137	141	314	206	6,542	459	2	1,360	11,656	5,827	1,988		
Other large banks: ¹¹																		
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.....	5,326	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		
1972—Dec. 31.....	10,085	2,114	4,688	52,813	10,426	707	3,860	3,854	3,075	64,447	1,173	181	11,811	74,449	19,392	14,687		
1973—June 30.....	9,345	1,788	4,099	49,344	8,446	731	2,988	3,954	2,728	58,194	1,371	158	13,145	81,531	24,052	15,260		
Oct. 17.....	13,367	2,234	3,900	49,190	8,408	742	2,768	3,107	2,587	58,604	1,388	233	13,167	86,214	27,830	15,450		
All other member: ¹¹																		
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	4,565	23,595	1,199	8	5,465	2,004	435	21,797	17	52	219	12,224	1	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		
1972—Dec. 31.....	8,794	3,807	9,681	76,597	4,047	70	3,238	8,726	2,571	72,384	395	181	13,373	101,243	4,455	16,608		
1973—June 30.....	9,305	3,373	8,211	72,658	3,353	118	3,766	8,426	2,421	68,737	342	167	14,661	107,293	6,253	17,604		
Oct. 17.....	10,083	4,079	7,211	74,378	3,340	99	1,963	7,295	2,231	70,542	352	161	15,500	110,534	7,254	18,103		
Nonmember: ¹																		
1947—Dec. 31.....	.....	844	3,947	13,595	385	55	167	1,295	180	12,284	190	6	172	6,858	12	1,596		
1972—Dec. 31.....	.....	2,084	12,789	53,658	1,449	446	1,851	5,044	2,182	47,180	633	138	8,608	66,559	1,726	11,429		
1973—June 30.....	.....	1,915	11,838	53,803	1,294	442	2,267	4,915	2,381	47,219	712	162	9,922	73,295	2,770	12,643		

¹ Beginning with 1942, excludes reciprocal bank balances.
² 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.
³ 1 or reclassification of certain deposits in 1961, see note 6, p. 589, May 1964 BULLETIN.
⁴ 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.
⁵ Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Large" and "All other"

parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).
 NOTE.—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 Jan. 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. ¹					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 fin. cos., etc.	Other
<i>Large banks— Total</i>															
<i>1973</i>															
Mar. 7	333,027	15,117	13,177	1,180	528	232	237,082	97,499	3,045	1,083	7,221	265	2,935	7,791	13,448
14	332,045	12,848	11,495	933	322	98	238,619	98,517	3,056	641	7,254	239	2,937	7,874	13,776
21	333,715	12,983	10,681	1,412	796	94	240,045	99,724	3,058	880	6,942	243	2,926	7,714	14,052
28	333,667	12,561	11,436	837	171	117	240,533	99,823	3,073	712	6,793	241	2,926	7,926	14,320
<i>1974</i>															
Feb. 6	371,413	16,030	14,046	1,340	415	229	268,061	110,019	3,747	1,161	5,026	154	2,738	8,103	18,025
13	370,368	16,725	15,093	1,035	394	203	267,646	110,179	3,741	734	4,805	150	2,751	7,909	18,137
20	371,217	16,639	15,069	984	353	233	267,623	110,179	3,740	589	4,987	147	2,747	7,928	18,221
27	372,066	16,394	14,577	1,216	366	235	268,766	110,740	3,752	992	5,272	150	2,756	8,125	18,164
Mar. 6	375,500	16,779	15,067	1,123	342	247	270,387	111,761	3,784	1,061	5,136	147	2,766	8,290	18,137
13	374,820	15,571	13,994	1,050	311	216	270,643	112,740	3,801	595	4,893	144	2,784	8,394	18,363
20	375,547	14,990	13,466	993	303	228	273,387	114,777	3,792	579	4,747	146	2,774	8,452	18,404
27	377,992	15,502	13,668	1,254	294	286	275,500	115,971	3,788	666	4,646	140	2,778	8,668	18,515
<i>New York City</i>															
<i>1973</i>															
Mar. 7	70,302	1,164	1,090	43	31	31	56,098	28,183	55	950	4,395	43	658	2,359	4,041
14	70,230	1,029	905	103	21	21	56,428	28,556	57	498	4,555	42	658	2,371	4,196
21	71,266	1,535	1,459	50	26	26	56,508	28,850	56	714	4,235	43	649	2,196	4,236
28	70,687	1,509	1,433	60	16	16	56,378	28,688	56	589	4,124	45	649	2,397	4,363
<i>1974</i>															
Feb. 6	79,748	1,043	1,012	26	5	5	63,188	31,559	142	1,047	3,120	47	616	2,637	6,217
13	78,743	1,067	1,032	26	9	9	62,572	31,504	138	614	2,861	42	622	2,532	6,219
20	79,370	1,514	1,455	49	10	10	62,218	31,380	135	489	2,939	41	613	2,552	6,269
27	79,661	1,001	999	2	2	2	63,137	31,601	136	887	3,240	40	615	2,714	6,146
Mar. 6	81,270	1,076	986	14	90	90	64,179	31,982	155	965	3,157	39	611	2,819	6,203
13	80,347	1,053	1,031	14	8	8	63,720	32,486	153	527	2,911	39	607	2,948	6,229
20	80,859	1,079	1,070	5	4	4	64,511	33,021	151	472	2,876	38	604	2,889	6,281
27	81,742	1,424	1,356	10	50	50	65,363	33,564	146	564	2,726	37	606	3,024	6,306
<i>Outside New York City</i>															
<i>1973</i>															
Mar. 7	262,725	13,953	12,087	1,137	528	201	180,984	69,316	2,990	133	2,826	222	2,277	5,432	9,407
14	261,815	11,819	10,590	830	322	77	182,191	69,961	2,999	143	2,699	197	2,279	5,503	9,580
21	262,449	11,448	9,222	1,362	796	68	183,537	70,874	3,002	166	2,707	200	2,277	5,518	9,816
28	262,980	11,052	10,003	777	171	101	184,155	71,135	3,017	123	2,669	196	2,277	5,529	9,957
<i>1974</i>															
Feb. 6	291,665	14,987	13,034	1,314	415	224	204,873	78,461	3,605	114	1,906	107	2,122	5,466	11,808
13	291,625	15,658	14,061	1,009	385	203	205,074	78,675	3,603	126	1,944	108	2,129	5,377	11,918
20	291,847	15,125	13,614	935	353	223	205,405	78,799	3,605	106	2,048	106	2,134	5,376	11,952
27	292,405	15,393	13,578	1,216	366	233	205,629	79,139	3,616	105	2,032	110	2,135	5,411	12,018
Mar. 6	294,230	15,703	14,081	1,123	342	157	206,208	79,779	3,629	96	1,979	108	2,149	5,471	11,934
13	294,473	14,518	12,963	1,050	297	208	206,923	80,254	3,648	68	1,987	105	2,177	5,446	12,134
20	294,688	13,911	12,396	993	298	224	208,876	81,756	3,641	107	1,877	102	2,170	5,563	12,123
27	296,250	14,078	12,312	1,244	286	236	210,137	82,407	3,642	96	1,920	103	2,172	5,644	12,209

For notes see p. A-24.

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. ²	All other	Total	Notes and bonds maturing—					
	Domestic	Foreign					Bills	Certificates	Within 1 yr.	1 to 5 yrs.		After 5 yrs.
<i>Large banks-- Total</i>												
1973												
47,085	3,222	4,944	28,467	1,258	18,819	25,346	4,465		3,615	15,065	2,201	Mar. 7
47,269	3,364	5,082	28,535	1,255	18,820	25,178	4,441		3,600	14,963	2,174	14
47,411	3,379	5,268	28,581	1,273	18,594	25,265	4,619		3,771	14,762	2,113	21
47,535	3,358	5,154	28,709	1,283	18,680	25,371	4,911		3,808	14,603	2,049	28
1974												
55,747	3,900	4,843	33,263	1,455	19,880	25,527	5,808		4,679	11,699	3,341	Feb. 6
55,777	3,597	4,807	33,232	1,490	20,337	25,236	5,635		4,721	11,627	3,253	13
55,850	3,647	4,705	33,202	1,380	20,301	25,616	4,936		4,240	12,240	4,200	20
55,794	3,713	4,714	33,229	1,438	19,933	25,328	4,836		4,262	12,112	4,118	27
55,815	3,696	4,975	33,167	1,468	20,190	25,989	5,440		4,338	11,993	4,218	Mar. 6 ^a
55,948	3,618	4,958	33,152	1,466	19,782	25,717	5,277		4,346	11,920	4,174	13 ^a
56,150	3,784	5,496	33,120	1,578	19,594	24,856	4,601		4,387	11,772	4,096	20 ^a
56,203	3,941	5,826	33,181	1,629	19,554	24,953	4,717		4,287	11,782	4,167	27 ^a
<i>New York City</i>												
1973												
5,221	1,195	2,211	2,150	738	3,899	4,032	959		508	2,280	285	Mar. 7
5,169	1,311	2,268	2,155	739	3,853	4,078	1,125		479	2,214	260	14
5,217	1,282	2,398	2,159	739	3,734	4,237	1,275		525	2,242	195	21
5,239	1,299	2,287	2,164	741	3,737	4,204	1,410		560	2,087	147	28
1974												
6,445	1,514	2,263	2,463	689	4,430	5,128	1,821		700	1,545	1,062	Feb. 6
6,460	1,310	2,279	2,483	717	4,791	5,054	1,702		711	1,549	1,092	13
6,445	1,289	2,297	2,476	641	4,652	5,250	1,310		553	1,912	1,475	20
6,380	1,357	2,370	2,478	714	4,459	5,037	1,271		543	1,851	1,372	27
6,412	1,349	2,597	2,470	740	4,680	5,297	1,641		535	1,819	1,302	Mar. 6 ^a
6,406	1,344	2,564	2,470	729	4,307	5,027	1,377		587	1,754	1,309	13 ^a
6,461	1,270	2,874	2,469	788	4,323	4,791	1,239		561	1,701	1,290	20 ^a
6,478	1,370	2,922	2,472	822	4,326	4,819	1,284		519	1,690	1,306	27 ^a
<i>Outside New York City</i>												
1973												
41,864	2,027	2,733	26,317	520	14,920	21,314	3,506		3,107	12,785	1,916	Mar. 7
42,100	2,053	2,814	26,380	516	14,967	21,100	3,316		3,121	12,749	1,914	14
42,194	2,097	2,870	26,422	514	14,860	21,028	3,344		3,246	12,520	1,918	21
42,296	2,059	2,867	26,545	542	14,943	21,167	3,501		3,248	12,516	1,902	28
1974												
49,302	2,386	2,580	30,800	766	15,450	20,399	3,987		3,979	10,154	2,279	Feb. 6
49,317	2,287	2,528	30,749	773	15,546	20,182	3,933		4,010	10,078	2,161	13
49,405	2,358	2,408	30,726	739	15,649	20,366	3,626		3,687	10,328	2,725	20
49,414	2,356	2,344	30,751	724	15,474	20,291	3,565		3,719	10,261	2,746	27
49,403	2,347	2,378	30,697	728	15,510	20,692	3,799		3,803	10,174	2,916	Mar. 6 ^a
49,542	2,274	2,394	30,682	737	15,475	20,690	3,900		3,759	10,166	2,865	13 ^a
49,689	2,514	2,622	30,651	790	15,271	20,065	3,362		3,826	10,071	2,806	20 ^a
49,725	2,571	2,904	30,709	807	15,228	20,134	3,433		3,748	10,092	2,861	27 ^a

For notes see p. A-24.

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 ³	All other	Certif. of participation ⁴	All other ⁵							
<i>Large banks—Total</i>												
1973												
Mar. 7	55,482	8,622	38,193	1,730	6,937	28,430	17,895	3,648	9,287	1,220	18,847	412,354
14	55,400	8,632	38,123	1,765	6,880	29,496	20,192	3,920	9,050	1,232	18,942	414,877
21	55,422	8,516	38,292	1,744	6,870	26,896	19,178	3,926	8,571	1,240	18,517	412,043
28	55,202	8,349	38,317	1,738	6,798	26,884	20,321	4,037	9,260	1,248	18,889	414,306
1974												
Feb. 6	61,795	7,637	40,520	2,454	11,184	31,677	21,644	4,016	11,891	1,429	21,193	463,263
13	60,761	7,192	40,107	2,418	11,044	37,856	24,081	4,366	13,788	1,426	21,359	473,244
20	61,339	7,250	40,356	2,434	11,299	38,013	23,935	4,467	12,924	1,429	21,610	473,595
27	61,578	7,178	40,684	2,417	11,299	31,481	21,251	4,459	11,621	1,429	21,713	464,020
Mar. 6 ^p	62,345	7,530	41,155	2,433	11,227	33,386	21,939	3,966	11,843	1,446	22,018	470,098
13 ^p	62,889	7,823	41,149	2,532	11,385	32,843	23,145	4,341	11,417	1,449	22,275	470,290
20 ^p	62,314	7,600	40,927	2,541	11,246	32,900	22,992	4,300	12,389	1,465	22,362	471,955
27 ^p	62,037	7,393	40,975	2,486	11,183	32,855	20,769	4,421	12,137	1,464	22,575	472,213
<i>New York City</i>												
1973												
Mar. 7	9,008	2,166	5,331	510	1,001	9,367	4,966	451	3,858	609	6,030	95,583
14	8,695	2,052	5,136	525	982	10,341	4,955	483	3,670	611	6,073	96,363
21	8,986	2,060	5,446	510	970	8,810	4,334	466	3,213	609	5,972	94,670
28	8,596	1,927	5,248	510	911	9,824	4,958	478	3,869	611	6,165	96,592
1974												
Feb. 6	10,389	2,230	5,388	590	2,181	11,692	5,815	486	5,792	656	5,941	110,130
13	10,050	2,039	5,286	581	2,144	16,318	7,786	529	7,423	656	5,795	117,250
20	10,388	2,107	5,455	581	2,245	13,391	7,307	511	6,756	660	6,298	114,293
27	10,486	2,130	5,579	572	2,205	11,765	6,021	499	5,512	660	6,224	110,342
Mar. 6 ^p	10,718	2,342	5,740	567	2,069	11,999	6,720	476	5,666	675	6,397	113,203
13 ^p	10,547	2,296	5,566	567	2,118	12,289	6,232	499	5,631	678	6,704	112,380
20 ^p	10,478	2,254	5,556	567	2,092	12,501	6,306	484	6,394	680	6,922	114,146
27 ^p	10,136	2,090	5,423	562	2,061	13,583	4,859	500	6,313	679	6,987	114,663
<i>Outside New York City</i>												
1973												
Mar. 7	46,474	6,456	32,862	1,220	5,936	19,063	12,929	3,197	5,429	611	12,817	316,771
14	46,705	6,580	32,987	1,240	5,898	19,155	15,237	3,437	5,380	621	12,869	318,514
21	46,436	6,456	32,846	1,234	5,900	18,086	14,844	3,460	5,358	631	12,545	317,373
28	46,606	6,422	33,069	1,228	5,887	17,060	15,363	3,559	5,391	637	12,724	317,714
1974												
Feb. 6	51,406	5,407	35,132	1,864	9,003	19,985	15,829	3,530	6,099	773	15,252	353,133
13	50,711	5,153	34,821	1,837	8,900	21,538	16,295	3,837	6,365	770	15,564	355,994
20	50,951	5,143	34,901	1,853	9,054	24,622	16,628	3,956	6,168	769	15,312	359,302
27	51,092	5,048	35,105	1,845	9,094	19,716	15,230	3,960	6,109	769	15,489	353,678
Mar. 6 ^p	51,627	5,188	35,415	1,866	9,158	21,387	15,219	3,490	6,177	771	15,621	356,895
13 ^p	52,342	5,527	35,583	1,965	9,267	20,554	16,913	3,842	5,786	771	15,571	357,910
20 ^p	51,836	5,346	35,371	1,965	9,154	20,399	16,686	3,816	5,955	785	15,440	357,809
27 ^p	51,901	5,303	35,552	1,924	9,122	19,272	15,910	3,921	5,824	785	15,588	357,550

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

		Deposits													
		Demand					Time and savings								
Total	IPC	States and political subdivisions	Domestic interbank		Foreign	Total ⁶	IPC		States and political subdivisions	Domestic interbank	Foreign govts. ²	Total ⁶	Wednesday		
			U.S. Govt.	Commercial			Mutual savings	Savings						Other	Foreign govts. ²	Commercial banks	Certified and officers' checks
<i>Large banks Total</i>															
1973															
150,263	106,539	6,420	6,286	20,240	698	864	3,084	6,132	170,258	58,078	80,035	21,436	2,990	7,076	Mar. 7
150,969	109,812	5,880	4,991	19,733	674	909	2,711	6,259	172,379	58,174	81,782	21,735	2,954	7,109	14
147,837	105,660	6,393	6,961	18,777	679	799	3,061	5,507	173,107	58,297	81,860	21,825	3,175	7,338	21
149,419	105,757	6,582	7,258	19,072	653	857	3,127	6,113	174,299	58,466	82,753	21,789	3,323	7,337	28
1974															
157,344	107,999	6,424	4,704	23,545	769	1,552	4,160	8,191	192,629	56,912	98,499	23,514	5,133	7,988	Feb. 6
163,593	111,106	6,370	3,469	26,603	655	1,139	4,351	9,900	192,604	56,955	98,618	23,356	4,968	8,106	13
162,933	113,258	6,594	2,613	25,572	685	1,313	4,831	8,067	192,453	57,055	98,458	23,343	4,895	8,073	20
155,686	109,162	6,011	3,345	22,786	594	1,224	4,481	8,183	192,830	57,145	99,017	23,464	4,650	7,906	27
157,794	110,728	6,470	2,366	23,742	694	1,102	4,523	8,169	193,068	57,438	98,932	23,509	4,700	7,890	Mar. 6 ^a
156,244	111,911	6,057	1,940	22,313	732	1,059	4,492	7,740	194,081	57,652	99,901	23,328	4,720	7,640	13 ^a
158,291	110,479	6,095	4,044	23,365	584	1,067	4,523	8,134	194,171	57,904	99,788	23,535	4,767	7,541	20 ^a
158,601	111,173	6,514	3,437	22,960	610	1,216	4,679	8,012	195,873	58,270	100,964	23,532	4,885	7,554	27 ^a
<i>New York City</i>															
1973															
39,378	23,000	463	1,203	8,619	360	726	2,139	2,868	30,957	5,497	18,000	2,190	1,622	3,541	Mar. 7
40,104	24,059	338	888	8,814	341	774	1,873	3,017	31,654	5,499	18,637	2,249	1,620	3,543	14
38,291	22,461	468	1,725	8,143	356	656	2,160	2,322	31,551	5,482	18,344	2,298	1,727	3,609	21
40,227	22,941	516	1,726	8,849	346	709	2,245	2,895	31,850	5,494	18,581	2,213	1,869	3,597	28
1974															
46,027	23,287	322	962	11,984	432	1,345	3,078	4,617	35,145	5,010	20,932	1,798	3,255	4,067	Feb. 6
50,829	23,975	345	608	14,909	332	924	3,244	6,492	34,851	5,015	20,800	1,680	3,166	4,099	13
48,138	24,683	386	335	13,047	346	1,079	3,588	4,674	34,561	5,026	20,705	1,590	3,106	4,015	20
45,718	23,782	319	599	11,600	299	995	3,347	4,777	34,437	5,035	20,792	1,648	2,907	3,938	27
45,931	23,924	490	429	11,847	299	872	3,370	4,700	34,633	5,037	20,798	1,746	2,946	3,985	Mar. 6 ^a
45,370	23,929	487	385	11,458	297	839	3,334	4,641	35,085	5,062	21,221	1,808	2,964	3,896	13 ^a
46,713	23,975	440	804	12,239	281	859	3,392	4,723	35,079	5,078	21,155	1,890	3,028	3,786	20 ^a
48,082	25,132	646	695	12,000	311	1,004	3,496	4,798	35,552	5,126	21,453	1,899	3,110	3,815	27 ^a
<i>Outside New York City</i>															
1973															
110,885	83,539	5,957	5,083	11,621	338	138	945	3,264	139,301	52,581	62,935	19,246	1,368	3,535	Mar. 7
110,865	85,753	5,542	4,103	10,919	333	135	838	3,242	140,725	52,675	63,145	19,486	1,334	3,566	14
109,546	83,199	5,925	5,236	10,634	323	143	901	3,185	141,556	52,815	63,516	19,527	1,448	3,729	21
109,192	82,816	6,066	5,532	10,223	307	148	882	3,218	142,449	52,972	64,172	19,576	1,454	3,740	28
1974															
111,317	84,712	6,102	3,742	11,561	337	207	1,082	3,574	157,484	51,902	77,567	21,716	1,878	3,921	Feb. 6
112,764	87,131	6,025	2,861	11,694	323	215	1,107	3,408	157,753	51,940	77,818	21,676	1,802	4,037	13
114,795	88,575	6,208	2,278	12,525	339	234	1,243	3,393	157,892	52,029	77,753	21,753	1,789	4,058	20
109,968	85,380	5,692	2,646	11,186	295	229	1,134	3,406	158,393	52,110	78,225	21,816	1,743	3,968	27
111,863	86,804	5,980	1,937	11,895	395	230	1,153	3,469	158,435	52,381	78,134	21,763	1,754	3,905	Mar. 6 ^a
110,874	87,982	5,570	1,555	10,855	435	220	1,158	3,099	158,995	52,890	78,680	21,720	1,756	3,752	13 ^a
111,578	86,504	5,655	3,240	11,126	303	208	1,131	3,411	159,092	52,826	78,633	21,645	1,739	3,755	20 ^a
110,519	86,041	5,868	2,742	10,960	299	212	1,183	3,214	160,321	53,144	79,511	21,633	1,775	3,739	27 ^a

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Federal funds purchased, etc. ⁷	Borrowings from—			Reserves for —		Total capital accounts	Total loans (gross) adjusted ⁹	Total loans and investments (gross) adjusted	Demand deposits adjusted ¹⁰	Memoranda			Gross liabilities of banks to their foreign branches	
		F.R. Banks	Others	Other liabilities, etc. ⁸	Loans	Securities					Large negotiable time CD's and savings deposits ¹¹	Total	Issued to IPC's		Issued to others
<i>Large banks—Total</i>															
1973															
Mar. 7	37,772	884	2,217	16,495	4,397	63	30,005	235,800	316,628	95,307	51,804	33,756	18,048	1,465	
14	36,816	1,588	2,383	16,335	4,400	63	29,944	236,608	317,186	96,749	51,615	35,196	18,219	1,419	
21	34,674	2,639	2,418	17,006	4,409	63	29,890	238,968	319,655	95,203	53,996	35,394	18,602	1,290	
28	35,693	1,598	2,334	16,594	4,391	63	29,915	238,300	318,873	96,205	54,932	36,205	18,727	1,127	
1974															
Feb. 6	52,448	592	5,519	17,562	4,968	78	32,123	266,145	353,467	97,418	66,202	45,063	21,139	1,659	
13	54,016	2,268	5,360	18,209	4,966	73	32,155	265,681	351,678	95,665	66,157	45,089	21,068	2,218	
20	56,826	840	5,110	18,299	4,964	73	32,097	265,546	352,501	96,735	65,680	44,765	20,915	1,735	
27	53,885	947	5,358	18,211	4,976	78	32,049	266,870	353,776	98,174	65,756	45,069	20,687	1,689	
Mar. 6 ^u	57,583	671	5,403	18,090	5,008	79	32,402	268,403	356,737	98,300	65,877	45,031	20,846	1,610	
13 ^u	56,802	1,362	5,922	18,342	4,982	105	32,450	268,602	357,208	99,148	66,523	45,805	20,718	2,274	
20 ^u	55,240	1,910	6,163	18,708	4,974	99	32,399	271,127	358,297	97,982	66,261	45,469	20,792	2,459	
27 ^u	53,595	1,748	6,301	18,609	4,970	99	32,417	273,393	360,383	99,349	67,785	46,829	20,956	2,947	
<i>New York City</i>															
1973															
Mar. 7	9,002	148	845	6,372	1,264	63	7,617	54,977	68,017	20,189	18,195	12,663	5,532	915	
14	7,820	490	1,003	6,429	1,264	63	7,599	55,241	68,014	20,061	18,880	13,301	5,579	828	
21	7,271	1,080	976	6,651	1,272	63	7,578	55,302	68,525	19,613	18,716	12,997	5,719	996	
28	8,359	906	906	6,433	1,251	63	7,566	55,155	67,955	19,828	19,045	13,210	5,835	728	
1974															
Feb. 6	11,436	642	2,427	5,488	1,360	78	8,247	61,705	77,222	21,389	21,016	14,034	6,982	1,220	
13	12,859	642	2,398	6,055	1,361	73	8,255	61,297	76,401	18,994	20,853	13,985	6,868	1,817	
20	13,957	287	2,172	5,865	1,357	73	8,243	60,988	76,626	21,365	20,541	13,867	6,674	1,419	
27	12,535	287	2,287	5,759	1,370	78	8,236	61,782	77,305	21,754	20,362	13,866	6,496	1,240	
Mar. 6 ^u	14,309	230	2,490	5,819	1,382	79	8,409	62,920	78,935	21,656	20,545	13,942	6,603	1,185	
13 ^u	13,058	80	2,839	6,146	1,386	105	8,415	62,398	77,972	21,238	20,921	14,310	6,611	1,601	
20 ^u	12,297	898	2,837	6,491	1,382	99	8,449	63,250	78,519	21,169	20,829	14,182	6,647	1,750	
27 ^u	11,340	220	2,896	6,746	1,386	99	8,441	64,061	79,016	21,804	21,287	14,539	6,748	1,779	
<i>Outside New York City</i>															
1973															
Mar. 7	28,770	736	1,372	10,123	3,133	63	22,388	180,823	248,611	75,118	33,609	21,093	12,516	550	
14	28,996	1,098	1,380	9,906	3,136	63	22,345	181,367	249,172	76,688	34,735	22,095	12,640	591	
21	27,403	1,559	1,442	10,355	3,137	63	22,312	183,666	251,130	75,590	35,280	22,197	12,883	294	
28	27,334	1,598	1,428	10,161	3,140	63	22,349	183,145	250,918	76,377	35,887	22,995	12,892	399	
1974															
Feb. 6	41,012	592	3,092	12,074	3,608	78	23,876	204,440	276,245	76,029	45,186	31,029	14,157	439	
13	41,157	1,626	2,962	12,154	3,605	73	23,900	204,384	275,277	76,671	45,304	31,104	14,200	401	
20	42,869	840	2,938	12,434	3,607	73	23,854	204,558	275,875	75,370	45,139	30,898	14,241	316	
27	41,350	947	3,071	12,452	3,606	78	23,813	205,088	276,471	76,420	45,394	31,203	14,191	449	
Mar. 6 ^u	43,274	441	2,913	12,271	3,626	79	23,993	205,483	277,802	76,644	45,332	31,089	14,243	425	
13 ^u	43,744	1,282	3,083	12,196	3,596	105	24,035	206,204	279,236	77,910	45,602	31,495	14,107	673	
20 ^u	42,943	1,012	3,326	12,217	3,592	99	23,950	207,877	279,778	76,813	45,432	31,287	14,145	709	
27 ^u	42,255	1,528	3,405	11,863	3,584	99	23,976	209,332	281,367	77,545	46,498	32,290	14,208	1,168	

¹ Includes securities purchased under agreements to resell.

² Includes official institutions and so forth.

³ Includes short-term notes and bills.

⁴ Federal agencies only.

⁵ Includes corporate stock.

⁶ Includes U.S. Govt. and foreign bank deposits, not shown separately.

⁷ Includes securities sold under agreements to repurchase.

⁸ Includes minority interest in consolidated subsidiaries.

⁹ Exclusive of loans and Federal funds transactions with domestic commercial banks.

¹⁰ All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

¹¹ Certificates of deposit issued in denominations of \$100,000 or more.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1974					1974			1973			1973	
	Mar. 27	Mar. 20	Mar. 13	Mar. 6	Feb. 27	Mar.	Feb.	Jan.	I	IV	III	2nd half	1st half
Durable goods manufacturing:													
Primary metals.....	1,886	1,884	1,832	1,813	1,798	95	-69	58	84	-247	18	-229	20
Machinery.....	7,665	7,460	7,186	7,046	6,852	888	128	53	1,069	136	479	615	1,453
Transportation equipment.....	2,846	2,793	2,735	2,688	2,661	217	171	-30	358	90	272	362	64
Other fabricated metal products.....	2,589	2,565	2,448	2,381	2,356	244	12	11	267	15	56	71	503
Other durable goods.....	4,039	3,947	3,887	3,793	3,736	316	115	-82	349	-363	290	73	872
Nondurable goods manufacturing:													
Food, liquor, and tobacco.....	4,285	4,258	4,095	4,059	3,982	299	28	-203	124	340	393	733	-23
Textiles, apparel, and leather.....	3,776	3,750	3,638	3,538	3,444	345	234	9	570	-440	235	-205	730
Petroleum refining.....	1,214	1,215	1,229	1,200	1,203	12	-74	-114	-176	184	19	203	211
Chemicals and rubber.....	2,756	2,705	2,632	2,568	2,499	272	54	71	255	-198	48	-150	809
Other nondurable goods.....	2,263	2,230	2,163	2,133	2,133	128	27	-39	116	-65	156	91	360
Mining, including crude petroleum and natural gas.....	4,121	4,117	4,080	4,094	4,066	50	39	223	312	-233	77	-156	331
Trade: Commodity dealers.....	2,200	2,244	2,230	2,206	2,307	-108	49	416	357	630	-42	588	-540
Other wholesale.....	5,842	5,846	5,656	5,605	5,628	258	178	35	471	151	43	194	567
Retail.....	6,626	6,524	6,337	6,391	6,183	430	375	-265	540	-184	165	19	1,092
Transportation.....	6,063	6,045	5,969	5,986	5,905	164	61	2	105	14	66	80	294
Communication.....	2,175	2,184	2,103	2,099	2,102	73	-40	116	149	-78	-13	-91	258
Other public utilities.....	5,542	5,412	5,360	5,378	5,440	146	-271	-166	-291	596	734	1,330	961
Construction.....	5,563	5,569	5,491	5,453	5,488	94	-8	-57	291	-200	211	11	878
Services.....	11,254	11,233	11,056	11,016	10,934	310	129	-251	188	565	362	927	997
All other domestic loans.....	8,732	8,662	8,578	8,577	8,277	535	-95	101	541	302	380	682	1,754
Bankers' acceptances.....	1,316	1,287	1,348	1,244	1,250	86	1	-25	62	199	-322	-123	-154
Foreign commercial and industrial loans.....	4,188	4,089	4,070	4,086	4,017	181	-142	86	125	23	-384	-361	554
Total classified loans.....	96,981	96,019	94,123	93,254	92,261	5,035	780	-211	5,604	1,237	3,243	4,480	11,991
Total commercial and industrial loans of large commercial banks.....	115,971	114,777	112,740	111,761	110,740	5,231	982	-363	5,850	1,938	3,371	5,309	13,709

See NOTE to table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during—					
	1974			1973						1974			1973		1973
	Mar. 27	Feb. 27	Jan. 30	Dec. 26	Nov. 28	Oct. 31	Sept. 26	Aug. 29	July 25	I	IV	III	II	2nd half	
Durable goods manufacturing:															
Primary metals.....	1,064	1,046	1,092	1,104	1,240	1,259	1,307	1,290	1,292	-40	-203	-21	-7	224	
Machinery.....	3,114	3,037	2,950	2,866	2,726	2,731	2,680	2,642	2,664	248	186	39	328	225	
Transportation equipment.....	1,365	1,367	1,324	1,284	1,257	1,239	1,266	1,231	1,197	81	18	77	15	95	
Other fabricated metal products.....	911	911	938	894	912	901	871	853	867	17	23	2	84	25	
Other durable goods.....	1,915	1,837	1,737	1,772	1,754	1,795	1,788	1,738	1,728	143	-16	98	170	82	
Nondurable goods manufacturing:															
Food, liquor, and tobacco.....	1,529	1,527	1,514	1,491	1,469	1,470	1,477	1,410	1,415	38	14	84	43	98	
Textiles, apparel, and leather.....	1,089	1,043	1,032	1,003	1,036	1,033	1,028	1,023	1,002	86	25	59	77	34	
Petroleum refining.....	945	897	920	933	839	883	920	925	947	12	13	44	34	57	
Chemicals and rubber.....	1,603	1,569	1,570	1,561	1,509	1,534	1,552	1,493	1,485	42	9	71	2	80	
Other nondurable goods.....	1,139	1,080	1,069	1,082	1,077	1,090	1,100	1,080	1,066	57	-18	37	-37	19	
Mining, including crude petroleum and natural gas.....	3,245	3,206	3,153	2,958	2,950	2,958	2,990	2,921	3,022	287	32	144	-26	112	
Trade: Commodity dealers.....	140	129	137	127	135	120	116	115	175	13	11	-7	-27	4	
Other wholesale.....	1,323	1,315	1,265	1,190	1,172	1,223	1,178	1,151	1,118	133	12	112	11	124	
Retail.....	2,480	2,376	2,249	2,206	2,227	2,175	2,147	2,135	2,063	274	59	141	183	200	
Transportation.....	4,417	4,311	4,327	4,320	4,208	4,220	4,279	4,292	4,263	97	41	26	71	15	
Communication.....	966	940	947	860	828	819	858	835	814	106	2	73	39	75	
Other public utilities.....	3,154	3,245	3,298	3,252	3,121	2,857	2,836	2,678	2,548	-98	416	427	175	843	
Construction.....	1,898	1,940	1,943	1,905	1,936	1,954	1,992	2,000	2,010	-7	-87	96	187	9	
Services.....	5,076	5,004	4,937	5,049	4,916	4,777	4,719	4,666	4,578	27	330	157	223	487	
All other domestic loans.....	2,808	2,385	2,692	2,602	2,617	2,552	2,585	2,460	2,390	206	17	384	330	401	
Foreign commercial and industrial loans.....	2,370	2,321	2,469	2,334	2,306	2,308	2,186	2,292	2,497	36	148	399	18	-251	
Total loans.....	42,551	41,486	41,563	40,793	40,235	39,898	39,875	39,230	39,141	1,758	918	1,592	1,893	2,510	

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 CORPORATIONS¹

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC ¹
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All commercial banks:						
1970—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	86.3	54.4	1.4	10.5	170.9
June.....	18.1	89.6	56.2	1.3	10.5	175.8
Sept.....	17.9	91.5	57.5	1.2	9.7	177.9
Dec.....	18.5	98.4	58.6	1.3	10.7	187.5
1972—June.....	17.9	97.6	60.5	1.4	11.0	188.4
Sept.....	18.0	101.5	63.1	1.4	11.4	195.4
Dec.....	18.9	109.9	65.4	1.5	12.3	208.0
1973—Mar.....	18.6	102.8	65.1	1.7	11.8	200.0
June.....	18.6	106.6	67.3	2.0	11.8	206.3
Sept.....	18.8	108.3	69.1	2.1	11.9	210.3
Dec.....	19.1	116.2	70.1	2.4	12.4	220.1
Weekly reporting banks:						
1971—Dec.....	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.....	14.7	64.4	27.1	1.4	6.6	114.3
1973—Feb.....	14.3	60.3	26.3	1.6	6.5	109.0
Mar.....	14.4	59.0	26.5	1.6	6.4	107.9
Apr.....	14.3	59.4	28.6	1.8	6.4	110.4
May.....	13.8	59.1	26.9	1.9	6.4	108.0
June.....	14.2	60.8	27.1	1.9	6.3	110.2
July.....	14.8	61.1	27.3	1.9	6.6	111.7
Aug.....	14.3	59.5	27.3	1.9	6.1	109.1
Sept.....	14.5	60.6	27.2	1.9	6.5	110.8
Oct.....	15.0	61.7	27.3	2.0	6.6	112.5
Nov.....	14.8	62.9	27.5	2.1	6.7	113.9
Dec.....	14.9	66.2	28.0	2.2	6.8	118.1
1974—Jan.....	15.2	63.8	28.4	2.3	6.7	116.5
Feb.....	14.1	62.1	26.9	2.3	6.2	111.6

¹ Including cash items in process of collection.

NOTE.— Daily-average balances maintained during month as estimated

from reports supplied by a sample of commercial banks. For a detailed description of the type of depositor in each category, see June 1971 BULLETIN, p. 466.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1971	Dec. 31, 1972	June 30, 1973	Oct. 17, 1973	Class of bank	Dec. 31, 1971	Dec. 31, 1972	June 30, 1973	Oct. 17, 1973
	All commercial.....	680	559	538		505	All member -Cont.		
Insured.....	677	554	533	505	Other large banks ¹	112	69	63	59
National member.....	387	311	304	281	All other member ¹	371	313	312	291
State member.....	95	71	71	70	All nonmember.....	197	177	163	155
All member.....	482	381	375	350	Insured.....	195	172	158	155
					Noninsured.....	2	5	5	5

¹ Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Other large" and "All other member" parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country" categories, respectively (hence the series are continuous over time).

NOTE.— Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on pp. A-16 and A-17; from the figures for weekly reporting banks as shown on pp. A-20 A-24 (consumer instalment loans); and from the figures in the table at the bottom of p. A-15. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-16 A-19.

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
1973- Dec. 5	4,407	2,669	1,738	1,821	346	1,475
12	4,393	2,620	1,773	1,802	337	1,465
19	4,297	2,580	1,717	1,792	332	1,460
26	4,300	2,603	1,697	1,798	331	1,467
1974- Jan. 2	4,460	2,675	1,785	1,794	327	1,467
9	4,487	2,700	1,787	1,790	325	1,465
16	4,503	2,691	1,812	1,791	332	1,459
23	4,301	2,508	1,793	1,790	340	1,450
30	4,439	2,623	1,816	1,810	343	1,467
Feb. 6	4,605	2,638	1,967	1,780	341	1,439
13	4,729	2,687	2,042	1,389	333	1,056
20	4,933	2,673	2,260	1,342	336	1,006
27	4,992	2,748	2,244	1,414	337	1,077
Mar. 6	4,939	2,754	2,185	1,414	339	1,075
13	4,935	2,768	2,167	1,420	339	1,081
20	4,840	2,787	2,053	1,419	340	1,079
27	4,904	2,834	2,070	1,441	375	1,066

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 ¹	Bank related	Other ²		Accepting banks			F.R. Banks		Others	Imports into United States	Exports from United States	All other
							Total	Own bills	Bills bought	Own acct.	Foreign corr.				
1965	9,300	1,903	7,397	3,392	1,223	1,094	129	187	144	1,837	792	974	1,626		
1966	13,645	3,089	10,556	3,603	1,198	983	215	193	191	2,022	997	829	1,778		
1967	17,085	4,901	12,184	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241		
1968	21,173	7,201	13,972	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053		
1969	32,600	10,601	21,999	7,705	2,451	1,567	318	249	64	3,674	1,889	1,153	2,408		
1970	33,071	12,262	20,809	8,460	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895		
1971	32,126	495	31,631	10,230	2,889	3,480	791	261	254	3,894	2,834	1,546	3,509		
1972	34,721	930	33,791	11,707	3,898	2,706	2,006	700	106	3,907	2,531	1,909	2,458		
1973- Feb.	35,196	956	34,240	12,112	4,734	3,328	1,765	563	233	239	3,934	2,311	2,113	2,310	
Mar.	34,052	993	33,059	12,230	6,859	2,269	1,777	492	165	282	4,143	2,091	2,399	2,368	
Apr.	34,404	1,044	33,360	12,303	6,713	2,068	1,641	427	136	344	4,165	1,996	2,359	2,359	
May	35,672	1,148	34,524	12,314	6,888	1,977	1,763	433	83	384	4,225	2,009	2,509	2,371	
June	35,786	1,173	34,613	12,187	7,237	2,197	1,746	439	66	395	4,591	2,053	2,755	2,428	
July	35,463	1,207	34,256	12,995	7,693	2,254	1,803	452	132	496	4,810	2,222	2,954	2,517	
Aug.	37,149	1,350	35,799	13,365	7,734	1,968	1,598	370	84	522	5,150	2,268	2,945	2,520	
Sept.	37,641	1,353	36,288	13,568	8,170	2,099	1,629	470	145	548	5,379	2,296	3,289	2,585	
Oct.	41,602	1,319	40,283	15,007	8,237	2,042	1,731	311	107	589	5,499	2,345	3,222	2,670	
Nov.	42,945	1,317	41,628	15,149	8,493	2,566	2,129	437	71	604	5,252	2,320	3,340	2,833	
Dec.	41,073	1,311	39,762	14,441	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120	
1974- Jan.	45,491	1,429	44,062	16,000	9,101	2,706	2,251	454	68	589	5,738	2,334	3,492	3,275	
Feb.	47,164	1,449	45,715	16,738	9,364	2,854	2,328	525	69	592	5,850	2,434	3,182	3,748	

¹ As reported by dealers; includes finance company paper as well as other commercial paper sold in the open market.

² As reported by finance companies that place their paper directly with investors.

NOTE:— Back data available from Financial Statistics Division, Federal Reserve Bank of New York.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1972—Jan. 3.....	5-5½-5¼■	1972—Sept. 4.....	5¼-5½■	1973—June 8.....	7½■	1974—Feb. 11.....	9-9¼■ ^{93/10}
17.....	4¾-5-5¼■	5.....	5¼■	19.....	7½■-7¾	19.....	9■-9¼
24.....	4¾-4¾-5■	11.....	5¼■-5½■	25.....	7¾■	25.....	87/10-8¾■-9
31.....	4½-4¾-5■	25.....	5¼■-5¾-5¾	July 2.....	7¾■-8■	26.....	87/10-8¾■
Feb. 28.....	4¾-4½-4¾■	Oct. 2.....	5¼■-5¾	3.....	7¾-8■	Mar. 4.....	8½-87/10-8¾■
Mar. 13.....	4¾-4¾■	4.....	5¼■-5¾■	9.....	8-8¼■	5.....	8½-88/10-8¾■
23.....	4¾■	11.....	5¾■	17.....	8¼■-8½	19.....	8½■-88/10
27.....	4¾■-4¾-5■	16.....	5¾■-5¾■	18.....	8¼■-8½■	22.....	8½/10-9■
Apr. 3.....	4¾■-5■	Nov. 6.....	5¾■	23.....	8½■	26.....	9■-9¼
5.....	5■	20.....	5¾■-5¾■	30.....	8½-8¾■	28.....	9■-9¼
17.....	5■-5¼■	Dec. 26.....	5¾■-6■	Aug. 6.....	8½-9■	29.....	9-9¼■-9½
May 1.....	5■-5¼-5¼	27.....	5¾-6■	7.....	9■		
30.....	5■	1973—Jan. 4.....	6■	13.....	9-9¼■		
June 12.....	5■-5¼■	Feb. 2.....	6■-6¼	21.....	9¼■-9½		
26.....	5-5¼■	14.....	6■	22.....	9½■		
July 3.....	5¼■-5¾■	26.....	6■-6¼	28.....	9½-9¾■		
10.....	5¼■-5¾■-5½	27.....	6¼■	29.....	9¾■		
17.....	5¼■-5½	Mar. 19.....	6¼■-6¾	Sept. 14.....	9¾■-10		
31.....	5¼■-5¾■-5½	26.....	6½■	18.....	10■		
Aug. 11.....	5¼■-5¾■	Apr. 18.....	6½■-6¾■	27.....	9¾-10■		
14.....	5¼■	19.....	6¾■	Oct. 22.....	9½-9¾-10■		
21.....	5¼■-5¾■	May 4.....	6¾■-7■	24.....	9½-9¾■-10		
25.....	5¼■-5¾■-5½	7.....	7■	1974—Jan. 7.....	9½-9¾■-98/10		
29.....	5¼-5¾■-5½■	24.....	7■-7¼	14.....	9½-9¾■-98/10		
		25.....	7-7¼■	29.....	9¼-9½■-97/10		

NOTE.—Beginning Nov. 1971, several banks adopted a floating prime rate keyed to money market variables. ■ denotes the predominate prime rate quoted by commercial banks to large businesses.

Effective Apr. 16, 1973, with the adoption of a two tier or "dual prime rate," this table shows only the "large-business prime rate" which is the range of rates charged by commercial banks on short-term loans to large businesses with the highest credit standing.

RATES ON BUSINESS LOANS OF BANKS

Center	Size of loan (in thousands of dollars)											
	All sizes		1-9		10-99		100-499		500-999		1,000 and over	
	Feb. 1974	Nov. 1973	Feb. 1974	Nov. 1973	Feb. 1974	Nov. 1973	Feb. 1974	Nov. 1973	Feb. 1974	Nov. 1973	Feb. 1974	Nov. 1973
Short-term												
35 centers.....	9.91	10.08	9.86	9.80	10.09	10.14	10.28	10.43	10.06	10.18	9.75	9.95
New York City.....	9.68	9.90	9.93	10.04	10.12	10.28	9.95	10.31	9.78	10.01	9.62	9.83
7 Other Northeast.....	10.28	10.51	10.42	10.34	10.46	10.57	10.71	10.86	10.48	10.58	9.99	10.32
8 North Central.....	9.98	10.02	9.18	9.02	9.98	9.81	10.42	10.38	10.14	10.19	9.82	9.91
7 Southeast.....	9.80	9.96	9.69	9.58	9.81	9.82	10.02	10.16	9.90	9.97	9.60	9.89
8 Southwest.....	9.93	10.08	9.90	9.91	9.98	10.09	10.04	10.28	9.99	10.04	9.82	9.97
4 West Coast.....	9.78	10.04	10.16	10.23	10.08	10.26	10.05	10.28	9.83	10.13	9.68	9.95
Revolving credit												
35 centers.....	9.82	10.13	10.22	10.09	10.09	10.18	10.10	10.20	9.78	10.23	9.79	10.11
New York City.....	9.91	10.30	9.32	9.84	9.60	10.09	9.99	10.33	9.72	10.21	9.92	10.31
7 Other Northeast.....	10.20	10.09	9.82	10.36	10.27	10.69	10.32	10.55	9.65	10.32	10.25	10.00
8 North Central.....	10.00	10.22	11.14	9.96	10.27	10.17	10.17	9.70	10.03	10.55	9.97	10.24
7 Southeast.....	9.96	9.22	9.75	9.11	9.88	9.54	10.09	9.83	9.35	9.75	10.14	10.05
8 Southwest.....	10.34	10.74	10.58	10.46	9.97	10.19	10.32	11.22	10.43	10.72	10.35	10.64
4 West Coast.....	9.58	9.92	10.24	10.09	10.11	10.21	10.04	10.16	9.65	10.04	9.51	9.88
Long-term												
35 centers.....	10.16	10.68	10.74	10.36	10.42	10.45	10.47	10.23	10.24	10.54	10.09	10.78
New York City.....	10.03	11.05	9.69	10.93	10.92	10.92	10.06	10.45	9.95	10.60	10.02	11.12
7 Other Northeast.....	10.48	10.17	10.93	10.80	10.07	10.32	10.19	9.83	10.58	9.94	10.58	10.29
8 North Central.....	10.48	10.92	10.51	10.08	9.69	10.40	10.45	10.12	10.10	10.25	10.57	11.16
7 Southeast.....	10.93	12.33	10.49	9.10	13.59	10.98	12.48	13.07	14.20	15.73	8.90	10.96
8 Southwest.....	9.90	10.28	10.88	10.95	10.23	10.22	10.56	10.15	9.63	10.59	9.79	10.21
4 West Coast.....	9.75	10.18	10.75	9.92	10.21	10.29	10.64	9.80	10.22	10.73	9.55	10.15

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 commercial paper ¹		Finance co. paper placed directly, 3- to 6-months ²	Prime bankers' acceptances, 90 days ¹	Federal funds rate ³	U.S. Government securities ⁴						
	90-119 days	4- to 6-months				3-month bills ⁵		6-month bills ⁵		9- to 12-month issues		3- to 5-year issues ⁶
						Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield) ³	Other ⁶	
1967.....		5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968.....		5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969.....		7.83	7.16	7.61	8.22	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970.....		7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971.....		5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972.....	4.66	4.69	4.52	4.47	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973.....	8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.01	7.30	6.92
1973—Mar.....	6.76	6.85	6.45	6.82	7.09	6.054	6.09	6.430	6.51	6.53	6.81	6.85
Apr.....	7.13	7.14	6.76	6.97	7.12	6.289	6.26	6.525	6.52	6.51	6.79	6.74
May.....	7.26	7.27	6.85	7.15	7.84	6.348	6.36	6.615	6.62	6.63	6.83	6.78
June.....	8.00	7.99	7.45	7.98	8.49	7.188	7.19	7.234	7.23	7.05	7.27	6.76
July.....	9.26	9.18	8.09	9.19	10.40	8.015	8.01	8.081	8.12	7.97	8.37	7.49
Aug.....	10.26	10.21	8.90	10.18	10.50	8.672	8.67	8.700	8.65	8.32	8.82	7.75
Sept.....	10.31	10.23	8.90	10.19	10.78	8.478	8.29	8.537	8.45	8.07	8.44	7.16
Oct.....	9.14	8.92	7.84	9.07	10.01	7.155	7.22	7.259	7.32	7.17	7.42	6.81
Nov.....	9.11	8.94	7.94	8.73	10.03	7.866	7.83	7.823	7.96	7.40	7.66	6.96
Dec.....	9.28	9.08	8.16	8.94	9.95	7.364	7.45	7.444	7.56	7.01	7.38	6.80
1974—Jan.....	8.86	8.66	7.92	8.72	9.65	7.755	7.77	7.627	7.65	7.01	7.46	6.94
Feb.....	8.00	7.82	7.40	7.83	8.97	7.060	7.12	6.874	6.96	6.51	6.93	6.77
Mar.....	8.64	8.42	7.76	8.43	9.35	7.986	7.96	7.829	7.83	7.34	7.86	7.33
Week ending—												
1973—Dec. 1.....	9.25	9.10	8.05	8.75	10.09	7.695	7.52	7.679	7.77	7.29	7.36	6.78
8.....	9.43	9.20	8.25	9.10	10.17	7.358	7.47	7.766	7.94	7.39	7.53	6.89
15.....	9.35	9.10	8.18	9.15	10.04	7.386	7.51	7.530	7.52	7.01	7.37	6.75
22.....	9.15	9.00	8.20	8.75	10.18	7.366	7.35	7.164	7.32	6.75	7.22	6.74
29.....	9.19	9.00	8.00	8.75	9.52	7.346	7.50	7.315	7.46	6.84	7.41	6.83
1974—Jan. 5.....	9.13	8.88	8.00	8.75	9.87	7.406	7.49	7.371	7.48	6.94	7.37	6.83
12.....	8.85	8.65	7.80	8.75	9.76	7.615	7.72	7.560	7.66	7.07	7.41	6.88
19.....	8.95	8.75	7.90	8.75	9.77	7.983	7.89	7.867	7.79	7.04	7.52	6.94
26.....	8.90	8.68	8.00	8.75	9.60	7.995	7.99	7.819	7.81	7.07	7.58	7.06
Feb. 2.....	8.45	8.38	7.93	8.55	9.47	7.778	7.55	7.516	7.31	6.80	7.33	6.94
9.....	8.15	7.93	7.53	7.85	9.13	6.951	7.03	6.747	6.91	6.52	6.87	6.74
16.....	7.94	7.75	7.38	7.75	8.93	7.081	7.06	6.882	6.86	6.41	6.83	6.70
23.....	7.84	7.69	7.31	7.75	9.07	7.018	7.07	6.787	6.87	6.42	6.87	6.76
Mar. 2.....	8.00	7.88	7.30	7.85	8.81	7.188	7.36	7.081	7.27	6.71	7.15	6.93
9.....	8.20	8.00	7.50	8.00	8.98	7.675	7.71	7.566	7.53	6.96	7.34	7.06
16.....	8.43	8.18	7.75	8.08	9.03	7.920	7.82	7.637	7.59	7.06	7.59	7.16
23.....	8.73	8.50	7.85	8.60	9.33	8.047	8.06	7.882	8.02	7.56	8.15	7.48
30.....	9.30	9.10	8.00	9.10	9.61	8.300	8.35	8.231	8.24	7.84	8.49	7.69

¹ Averages of the most representative daily offering rate quoted by dealers.

² Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90-179 day range.

³ Seven-day averages for week ending Wednesday. Beginning with statement week ending July 25, 1973, weekly averages are based on the daily average of the range of rates on a given day weighted by the volume of transactions at these rates. For earlier statement weeks, the averages were based on the daily effective rate—the rate considered most repre-

sentative of the day's transactions, usually the one at which most transactions occurred.

⁴ Except for new bill issues, yields are averages computed from daily closing bid prices.

⁵ Bills quoted on bank-discount-rate basis.

⁶ Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds						Corporate bonds					Stocks			
	United States (long-term)	State and local			Aaa utility		Total ¹	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total ¹	Aaa	Baa	New issue	Recently offered		Aaa	Baa	Industrial	Rail-road	Public utility	Preferred	Common	Common
1963.....	4.00	3.28	3.06	3.58	4.21	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	4.34	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	4.50	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	5.43	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	5.79	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	6.50	6.47	6.51	6.18	6.94	6.41	6.77	5.78	3.07	5.64	
1969.....	6.10	5.73	5.45	6.07	7.71	7.64	7.36	7.03	7.81	7.22	7.46	6.41	3.24	6.08	
1970.....	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	7.22	3.83	6.46	
1971.....	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	3.14	5.41	
1972.....	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	2.84	5.50	
1973.....	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.23	3.06		
1973—Mar.....	6.20	5.30	5.07	5.58	7.49	7.54	7.62	7.29	8.03	7.43	7.94	7.64	7.03	2.83	
Apr.....	6.11	5.17	4.95	5.42	7.46	7.47	7.62	7.26	8.09	7.43	7.98	7.64	7.11	2.90	
May.....	6.22	5.13	4.90	5.41	7.51	7.50	7.62	7.29	8.06	7.41	8.01	7.63	7.13	3.01	
June.....	6.32	5.25	5.05	5.51	7.64	7.64	7.69	7.37	8.13	7.49	8.07	7.69	7.25	3.06	
July.....	6.53	5.44	5.21	5.71	8.01	7.97	7.80	7.45	8.24	7.59	8.17	7.81	7.35	3.04	
Aug.....	6.81	5.51	5.26	5.80	8.36	8.22	8.04	7.68	8.53	7.91	8.32	8.06	7.43	3.16	
Sept.....	6.42	5.13	4.90	5.41	7.88	7.99	7.96	7.63	8.63	7.89	8.37	8.09	7.38	3.13	
Oct.....	6.26	5.03	4.76	5.31	7.90	7.94	7.96	7.60	8.41	7.76	8.24	8.04	7.18	3.05	
Nov.....	6.31	5.21	5.03	5.46	7.90	7.94	8.02	7.67	8.42	7.81	8.28	8.11	7.40	3.36	
Dec.....	6.35	5.14	4.90	5.43	8.00	8.04	8.05	7.68	8.48	7.84	8.28	8.17	7.76	3.70	
1974 Jan.....	6.56	5.23	5.03	5.49	8.21	8.22	8.15	7.83	8.58	7.97	8.34	8.27	7.60	3.64	
Feb.....	6.54	5.25	5.05	5.49	8.12	8.23	8.17	7.85	8.59	8.01	8.27	8.13	7.47	3.81	
Mar.....	6.81	5.44	5.20	5.71	8.46	8.42	8.27	8.01	8.65	8.12	8.35	8.44	7.56	3.65	
Week ending.....															
1974 Feb. 2.....	6.55	5.24	5.05	5.50	8.11	8.20	8.18	7.87	8.58	8.01	8.29	8.33	7.62	3.65	
9.....	6.50	5.18	4.95	5.45	8.13	8.19	8.16	7.82	8.57	7.99	8.28	8.31	7.54	3.81	
16.....	6.50	5.24	5.05	5.45	8.05	8.25	8.17	7.85	8.59	8.00	8.28	8.33	7.49	3.92	
23.....	6.56	5.28	5.10	5.50	8.10	8.24	8.18	7.87	8.61	8.03	8.26	8.34	7.47	3.92	
Mar. 2.....	6.62	5.29	5.10	5.55	8.30	8.29	8.18	7.87	8.59	8.03	8.25	8.35	7.39	3.70	
9.....	6.71	5.31	5.10	5.55	8.37	8.27	8.21	7.92	8.60	8.05	8.28	8.38	7.39	3.64	
16.....	6.75	5.38	5.15	5.65	8.33	8.37	8.25	7.99	8.63	8.08	8.33	8.41	7.50	3.58	
23.....	6.88	5.46	5.20	5.75	8.59	8.52	8.30	8.05	8.67	8.14	8.37	8.46	7.63	3.67	
30.....	6.93	5.61	5.35	5.90	8.64	8.67	8.36	8.11	8.72	8.22	8.39	8.53	7.72	3.71	
Number of issues ²	12	20	5	5		121	20	30	41	30	40	14	500	500	

¹ Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

² Number of issues varies over time; figures shown reflect most recent count.

NOTE.—Annual yields are averages of monthly or quarterly data. Bonds: Monthly and weekly yields are computed as follows: (1) U.S. Govt.: Averages of daily figures for bonds maturing or callable in 10 years or more; from Treasury Dept. (2) State and local govts.: General obligations

only, based on Thurs. figures; from Moody's Investor Service. (3) Corporate: Rates for "New issue" and "Recently offered" Aaa utility bonds are weekly averages compiled by the Board of Governors of the Federal Reserve System. Rates for seasoned issues are averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures; earnings/price ratios 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 2 public utility; common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

¹ Through Aug. 1973 the index is based upon an initial value of 10.90—the average price of a share of stock listed on the American Stock Exchange was \$10.90 on June 30, 1965. As of Sept. 1973, a new market-value index with a starting value of 100.00 replaced the previous series. An index for past periods is being calculated on the new market-value basis and will be published as it becomes available.

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 p. A-30 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. 31–22½; 1970—Jan. 2–May 1, 25.

Terms on Mortgages:

¹ 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 or home-seller. 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 revised beginning Jan. 1973; hence data are not strictly comparable with earlier figures. See also the table on Home-Mortgage Yields, p. A-49.

SECURITY PRICES

Period	Common stock prices														Volume of trading in stocks (thousands of shares)			
	Bond prices (per cent of par)			New York Stock Exchange														
				Standard and Poor's index (1941-43=10)				New York Stock Exchange index (Dec. 31, 1965=50)									American Stock Exchange total index ¹	
				Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance						
1963	86.31	111.3	96.8	69.87	73.39	37.58	64.99									8.52	4,573	1,269
1964	84.46	111.5	95.1	81.37	86.19	45.46	69.91									9.81	4,888	1,570
1965	83.76	110.6	93.9	88.17	93.48	46.78	76.08									12.05	6,174	2,120
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	14.67	7,538	2,752		
1967	76.55	100.5	81.8	91.93	99.18	46.72	68.30	50.77	51.97	53.51	45.43	49.82	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	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	138.96	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	96.63	10,512	3,376			
1971	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	113.40	17,429	4,234			
1972	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447			
1973	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,004			
1973—Mar.	63.59	84.1	65.2	112.42	126.05	39.29	55.94	60.15	66.20	40.92	39.13	72.32	110.24	15,564	2,966			
Apr.	64.39	85.7	64.9	110.27	123.36	35.88	55.34	58.67	64.41	40.57	38.97	69.42	105.32	13,900	2,981			
May	63.43	86.1	64.7	107.22	119.95	36.14	55.43	56.74	62.22	36.66	39.01	65.33	97.11	13,329	3,043			
June	62.61	85.8	64.4	104.75	117.20	34.35	54.37	55.14	60.52	33.72	37.95	63.52	92.60	12,796	2,316			
July	60.87	83.2	63.8	105.83	118.65	35.22	53.31	56.12	61.53	34.22	37.68	68.95	97.67	14,655	2,522			
Aug.	58.71	82.2	61.0	103.80	116.75	33.76	50.14	55.33	61.09	33.48	35.40	68.26	99.23	14,761	1,796			
Sept.	61.81	86.2	61.3	105.61	118.52	35.49	52.31	56.71	62.25	35.82	36.79	72.23	101.88	17,320	2,055			
Oct.	63.13	86.9	62.1	109.84	123.42	38.24	53.22	59.26	65.29	39.03	37.47	74.98	107.97	18,387	3,388			
Nov.	62.71	85.6	62.1	102.03	114.64	39.74	48.30	54.59	60.15	36.31	34.73	67.85	99.91	19,044	3,693			
Dec.	62.37	86.1	62.9	94.78	106.16	41.48	45.73	50.39	55.12	34.69	33.47	62.49	88.39	19,227	3,553			
1974—Jan.	60.66	85.2	62.3	96.11	107.18	44.37	48.60	51.39	55.77	36.85	35.89	64.80	95.32	16,506	2,757			
Feb.	60.83	85.3	62.0	93.45	104.13	41.85	48.13	50.01	54.02	36.26	15.27	62.81	95.11	13,517	2,079			
Mar.	58.70	83.5	61.3	97.44	108.98	42.57	47.90	52.15	56.80	38.39	35.22	64.47	99.10	14,745	2,123			
Week ending																		
1974—Mar. 2	60.19	84.8	61.8	95.84	106.89	43.38	48.56	51.34	55.57	38.25	35.70	63.41	96.89	14,808	2,215			
9	59.47	84.8	61.7	97.11	108.48	43.19	48.39	52.05	56.47	38.73	35.67	65.11	98.44	16,824	2,517			
16	59.17	84.3	61.4	99.34	111.18	43.25	48.49	53.18	57.98	39.14	35.68	65.84	100.96	17,320	2,434			
23	58.18	83.0	61.1	97.49	109.09	42.67	47.65	52.18	56.89	38.35	35.07	64.37	99.90	12,933	1,815			
30	57.79	81.8	61.1	96.20	107.66	41.99	46.94	51.38	56.13	37.39	34.38	62.62	97.49	12,232	1,757			

For notes see opposite page.

TERMS ON CONVENTIONAL FIRST MORTGAGES

Period	New homes						Existing homes					
	Contract rate (per cent)	Fees & charges (per cent) ¹	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) ¹	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
1972	7.45	.88	27.2	76.8	37.3	28.1	7.38	.81	25.7	76.0	33.4	25.0
1973	7.78	1.11	26.3	77.3	37.1	28.1	7.86	.94	23.2	75.2	31.2	22.8
1973—Mar.	7.51	1.09	26.6	78.4	36.7	28.3	7.54	.95	23.3	76.9	29.3	22.0
Apr.	7.53	1.11	26.6	78.2	36.9	28.2	7.55	.96	23.9	77.3	30.1	22.8
May	7.55	1.05	25.9	77.7	35.6	27.2	7.62	.93	23.5	77.5	30.0	22.3
June	7.62	1.08	26.3	78.0	35.8	27.5	7.64	.92	23.4	75.9	31.7	23.5
July	7.69	1.11	26.3	78.1	37.0	28.3	7.70	.91	24.1	75.5	33.3	24.6
Aug.	7.77	1.08	26.7	76.7	38.6	28.9	7.87	.92	23.4	75.6	32.0	23.6
Sept.	7.98	1.19	26.6	77.3	37.2	28.2	8.10	.97	23.1	74.1	32.8	23.5
Oct.	8.12	1.20	26.1	76.9	38.5	29.0	8.35	.92	22.5	72.7	31.8	22.6
Nov.	8.22	1.08	26.0	75.5	38.9	28.8	8.42	.94	22.2	71.2	32.3	22.6
Dec.	8.31	1.12	25.6	75.5	37.7	28.0	8.46	.94	22.1	72.8	30.8	22.0
1974—Jan.	8.33	1.16	26.4	76.3	38.8	28.9	8.47	1.02	22.8	72.4	33.4	23.5
Feb.	8.40	1.33	25.9	76.5	37.8	28.5	8.53	1.02	22.9	73.9	33.7	24.6
Mar.	8.42	1.36	26.5	77.3	39.2	29.6	8.46	1.00	23.5	74.3	32.6	23.9

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks ¹											Free credit balances at brokers ⁴	
	Regulated ²								Unregu- lated ³	Nonmargin stock credit at banks			
	By source			By type									
	Total	Brokers	Banks	Margin stock		Convertible bonds		Subscription issues		Margin accts.	Cash accts.		
			Brokers	Banks	Brokers	Banks	Brokers	Banks					
1973-- Feb.	8,640	7,773	867	7,500	800	248	50	25	17	1,951	431	1,770	
Mar.	8,347	7,468	879	7,200	813	244	48	24	18	1,862	442	1,719	
Apr.	8,165	7,293	872	7,040	804	232	49	21	19	1,952	389	1,536	
May	7,650	6,784	866	6,540	802	224	47	20	18	1,992	413	1,564	
June	7,369	6,416	953	6,180	885	215	53	21	15	1,973	396	1,472	
July	7,299	6,243	1,056	6,010	976	216	64	17	16	1,957	379	1,542	
Aug.	7,081	6,056	1,025	5,830	949	210	61	16	15	1,952	348	1,462	
Sept.	6,954	5,949	1,005	5,730	929	204	60	15	16	1,909	379	1,632	
Oct.	7,093	5,912	1,181	5,690	*1,105	203	59	19	17	1,878	419	1,713	
Nov.	*6,774	5,671	*1,093	5,460	1,027	197	60	14	*16	*1,917	464	1,685	
Dec.	6,382	5,251	1,131	5,050	1,070	189	46	12	15	1,866	454	1,700	
1974 Jan.	6,343	5,323	1,020	5,130	961	182	45	11	14	1,799	442	1,666	
Feb.		5,423		5,230		183		10			420	1,604	

¹ 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 New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

² In addition to assigning a current loan value to margin stock generally,

Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

³ Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of Over the Counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

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

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars) ¹	Equity class (per cent)					
		80 or more	70-79	60-69	50-59	40-49	Under 40
1973--Feb.	7,500	5.3	7.8	14.7	23.9	22.5	25.6
Mar.	7,200	5.7	7.5	15.9	23.1	22.7	25.1
Apr.	7,040	4.8	7.3	13.4	19.8	22.4	32.4
May	6,540	4.9	7.2	12.7	18.7	21.9	34.9
June	6,180	4.9	7.1	13.2	17.5	22.1	35.3
July	6,010	5.8	8.8	17.7	22.7	25.3	19.7
Aug.	5,830	5.0	8.4	16.4	19.6	24.2	26.4
Sept.	5,730	5.0	13.9	18.9	23.9	23.5	16.8
Oct.	5,690	7.2	10.0	19.9	22.6	22.1	18.2
Nov.	5,460	5.4	6.1	12.0	16.9	19.5	40.1
Dec.	5,050	5.8	7.7	14.4	17.4	20.3	34.2
1974--Jan.	5,130	5.5	8.0	14.2	22.6	25.8	24.0
Feb.	5,230	5.4	7.4	13.3	22.6	28.0	23.3

¹ 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	
1973--Feb.	35.8	49.8	14.4	5,770
Mar.	36.3	47.9	15.7	5,790
Apr.	35.3	46.9	18.0	5,660
May	35.8	45.0	19.1	5,670
June	35.8	43.5	20.7	5,750
July	35.9	46.7	17.4	5,740
Aug.	35.9	45.6	18.5	5,650
Sept.	37.4	53.1	9.4	5,740
Oct.	38.5	46.7	14.8	5,860
Nov.	37.5	42.2	20.3	5,882
Dec.	39.4	40.0	20.6	5,935
1974--Jan.	38.3	42.7	18.0	6,596
Feb.	39.4	43.3	24.9	6,740

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

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans		Securities				Cash	Other assets	Total assets— Total liabilities and general reserve accts.	Deposits ²	Other liabilities	General reserve accounts	Mortgage loan commitments ¹ classified by maturity (in months)					
	Mortgage	Other	U.S. Govt.	State and local gov.	Corporate and other ¹	3 or less							3-6	6-9	Over 9	Total		
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				2,523
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.....	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 ⁴	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624			4,539
1973—Jan....	68,021	3,624	3,489	935	22,190	1,319	2,055	101,632	92,398	2,221	7,014	1,569	915	688	1,541			4,712
Feb....	68,352	4,030	3,419	986	22,389	1,331	2,070	102,577	92,949	2,540	7,088	1,729	862	732	1,480			4,803
Mar....	68,920	3,970	3,458	1,028	22,509	1,576	2,058	103,518	94,095	2,285	7,139	1,816	886	826	1,355			4,882
Apr....	69,426	3,831	3,388	1,080	22,598	1,582	2,089	103,994	94,217	2,589	7,189	1,904	888	725	1,395			4,912
May....	69,988	4,099	3,376	1,076	22,615	1,629	2,116	104,899	94,744	2,904	7,251	1,792	913	712	1,406			4,824
June....	70,637	3,959	3,346	1,125	22,562	1,775	2,273	105,677	95,706	2,650	7,321	1,711	1,020	573	1,378			4,683
July....	71,219	3,819	3,190	1,093	22,683	1,555	2,202	105,761	95,355	3,044	7,362	1,626	906	636	1,367			4,535
Aug....	71,713	3,986	3,037	999	22,277	1,551	2,227	105,789	94,882	3,496	7,411	1,302	840	718	1,315			4,174
Sept....	72,034	4,200	2,945	957	21,799	1,491	2,345	105,771	95,183	3,134	7,453	1,411	762	589	1,197			3,959
Oct....	72,367	4,181	3,007	939	21,276	1,501	2,285	105,557	94,944	3,139	7,474	1,318	771	510	1,096			3,695
Nov....	72,760	4,424	2,948	925	21,150	1,519	2,264	105,991	95,259	3,201	7,530	1,272	685	479	1,079			3,515
Dec....	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008			3,261
1974—Jan....	73,440	4,161	2,925	936	21,623	1,686	2,312	107,083	96,792	2,665	7,626	1,171	587	439	998			3,196

¹ Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

² 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-26.

³ 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.

⁴ 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 National Assn. of Mutual Savings Banks which were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSAB data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mortgages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign ¹	Total	Bonds	Stocks				
Statement value:												
1965.....	158,884	11,679	5,119	3,530	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.....	188,636	10,760	4,456	3,206	3,098	79,653	68,731	10,922	70,044	5,575	11,305	11,299
1969.....	197,208	10,914	4,514	3,221	3,179	84,566	70,859	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.....	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972.....	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973—Jan....	241,022	11,191	4,389	3,358	3,444	114,526	88,371	26,155	77,481	7,366	18,080	12,378
Feb....	242,069	11,138	4,371	3,319	3,448	115,386	89,247	26,139	77,510	7,434	18,166	12,435
Mar....	243,078	11,154	4,417	3,400	3,437	115,972	89,881	26,091	77,587	7,449	18,288	12,628
Apr....	242,562	11,455	4,566	3,388	3,501	115,181	89,710	25,471	77,258	7,522	18,420	12,726
May....	243,589	11,434	4,538	3,384	3,512	115,897	90,314	25,583	77,400	7,545	18,533	12,780
June....	244,531	11,359	4,468	3,373	3,518	116,153	90,484	25,669	77,914	7,548	18,673	12,884
July....	247,082	11,427	4,480	3,427	3,520	118,061	91,144	26,917	78,243	7,577	18,841	12,933
Aug....	247,655	11,416	4,462	3,433	3,521	117,842	91,342	26,500	78,657	7,632	19,181	12,927
Sept....	250,203	11,404	4,424	3,439	3,541	119,200	91,480	27,720	79,040	7,677	19,511	13,371
Oct....	251,590	11,402	4,423	3,438	3,541	119,714	91,707	28,007	79,516	7,765	19,768	13,425
Nov....	251,055	11,462	4,471	3,444	3,547	118,016	91,847	26,169	80,191	7,838	19,926	13,622
Dec....	252,071	11,376	4,586	3,449	3,545	117,733	91,452	26,281	81,180	7,769	20,076	13,937

¹ Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—Institute of Life Insurance estimates for all life insurance companies in the United States.

Figures are annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "Other assets."

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets-Total liabilities	Liabilities					Mortgage loan commitments outstanding at end of period ⁵
	Mortgages	Investment securities ¹	Cash	Other ²		Savings capital	Net worth ³	Borrowed money ⁴	Loans in process	Other	
1967.....	121,805	9,180	3,442	7,788	143,534	124,493	9,916	4,775	2,257	2,093	3,042
1968.....	130,802	11,116	2,962	8,010	152,890	131,618	10,691	5,705	2,449	2,427	3,631
1969.....	140,232	10,873	2,438	8,606	162,149	135,538	11,620	9,728	2,455	2,808	2,824
1970.....	150,331	13,020	3,506	9,326	176,183	146,404	12,401	10,911	3,078	3,389	4,452
1971.....	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972.....	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973.....	232,104	21,027		19,227	272,358	227,254	17,108	17,100	4,676	6,220	9,532
1973 - Feb.....	210,054	24,082		16,101	250,237	211,945	15,837	9,351	6,079	7,025	13,471
Mar.....	213,050	23,880		16,989	253,919	215,643	15,737	9,892	6,310	6,337	14,439
Apr.....	216,037	23,803		17,489	257,329	216,474	16,044	11,269	6,532	7,010	14,939
May.....	219,283	23,930		17,873	261,086	218,351	16,415	11,689	6,711	7,920	15,068
June.....	222,580	23,220		17,920	263,720	221,624	16,225	12,698	6,754	6,419	14,705
July.....	225,265	22,628		18,296	266,189	221,399	16,550	14,226	6,686	7,328	13,710
Aug.....	227,778	21,001		18,704	267,483	220,243	16,896	15,634	6,449	8,261	12,249
Sept.....	229,182	20,025		19,008	268,215	222,086	16,782	16,255	6,064	7,028	10,799
Oct.....	230,195	20,618		19,295	270,108	223,033	17,041	16,435	5,535	8,064	9,909
Nov.....	231,089	21,220		19,449	271,758	224,304	17,330	16,312	5,011	8,801	9,717
Dec.....	232,104	21,027		19,227	272,358	227,254	17,108	17,100	4,676	6,220	9,532
1974 - Jan.....	232,980	22,378		19,502	274,860	229,435	17,333	16,663	4,380	7,049	9,788
Feb.....	234,433	23,322		19,899	277,654	231,247	17,650	16,425	4,308	8,024	10,676

¹ Investment securities included 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 govt. securities, time deposits at banks, and miscellaneous securities, except stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other assets."

² 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 notes 1, 5, and 6.

³ Includes net undistributed income, which is accrued by most, but not all, associations.

⁴ Consists of advances from FHLBB and other borrowing.

⁵ Data 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.

⁶ Beginning Jan. 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration and certain other Government-insured mortgage-type investments, previously included in mortgage loans, are included in other assets. The effect of this change was to reduce the mortgage total by about \$0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in cash and investment securities are included in other assets. These amounted to about \$2.4 billion at the end of 1972.

NOTE: FHLBB data; figures are estimates for all savings and loan assets 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)	
	Advances to members	Investments	Cash and deposits	Bonds and notes	Member deposits	Capital stock								
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
1972.....	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973 - Feb.....	7,944	2,421	106	7,220	1,323	1,891	20,181	19,402	2,936	2,188	6,179	5,969	9,387	8,280
Mar.....	8,420	1,938	108	7,220	1,291	1,943	20,571	19,985	2,896	2,188	6,414	6,076	9,591	8,280
Apr.....	9,429	2,087	111	8,415	1,143	1,981	20,791	20,056	2,859	2,465	6,555	6,314	9,767	8,836
May.....	10,155	2,702	95	9,615	1,261	1,991	21,087	20,225	2,765	2,370	6,777	6,460	9,953	8,836
June.....	11,145	2,516	108	10,215	1,453	2,008	21,413	20,364	2,725	2,316	6,958	6,645	10,117	8,836
July.....	12,365	2,126	103	11,213	1,183	2,035	21,772	20,843	2,811	2,365	6,981	6,745	10,256	9,488
Aug.....	13,511	2,016	111	12,562	1,091	2,064	22,319	21,186	2,865	2,310	7,065	6,727	10,441	9,390
Sept.....	14,298	2,908	102	14,062	1,178	2,089	22,826	21,537	2,738	2,560	7,170	6,833	10,592	9,388
Oct.....	14,799	3,498	106	15,362	1,270	2,107	23,348	22,243	2,711	2,728	7,130	6,901	10,781	9,838
Nov.....	14,866	3,649	77	15,362	1,545	2,112	23,912	22,404	2,662	2,704	7,029	6,890	10,926	9,838
Dec.....	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974 - Jan.....	15,188	2,843	121	14,556	1,692	2,246	24,424	23,131	3,123	2,741	7,163	6,956	11,245	10,048
Feb.....	14,904	2,680	116	13,906	1,936	2,294	24,541	23,092	3,211	2,828	7,277	7,029	11,402	10,282

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly

offered securities (excluding, for FHLB's, bonds held within the FHLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table on opposite page. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget					Means of financing								Other means of financing, net ⁴
	Receipt-expenditure account		Net lending	Budget outlays ¹	Budget surplus or deficit (-)	Borrowings from the public ²					Less: Cash and monetary assets			
	Budget receipts	Net expenditures				Public debt securities	Plus: Agency securities	Less: Investments by Govt. accounts		Less: Special notes ³	Equals: Total borrowing	Treasury operating balance	Other	
			Special issues	Other										
Fiscal year:														
1970.....	193,743	194,456	2,131	196,588	-2,845	17,198	-1,739	9,386	676		5,397	2,151	-581	-982
1971.....	188,392	210,318	1,107	211,425	-23,033	27,211	-347	6,616	800		19,448	710	-979	3,586
1972.....	208,649			231,876	-23,227	29,131	-1,269	6,813	1,607		19,442	1,362	1,108	6,255
1973.....	232,225			246,526	-14,301	30,881	216	12,029	207		19,275	2,459	-1,613	-4,128
Half year:														
1972 Jan.-June.....	115,549			120,319	-4,850	3,130	-150	4,010	1,089		-2,114	1,189	2,497	8,377
July-Dec.....	106,062			118,579	-12,517	22,038	876	6,351	823		17,386	956	-1,520	5,434
1973 Jan.-June.....	126,164			127,940	-1,776	8,844	-660	5,790	654		1,889	1,503	-88	1,302
July-Dec.....	124,253			130,360	-6,107	11,756	477	5,396	824		6,013	2,202	-191	-2,299
Month:														
1973—Feb.....	18,172			20,202	-2,031	4,771	-9	780	119		3,863	408	-134	1,558
Mar.....	15,987			20,806	-4,820	3,768	27	584	206		3,005	1,152	-83	2,883
Apr.....	25,860			22,306	3,554	-1,543	-721	56	49		-2,159	1,220	1,164	988
May.....	16,584			20,157	-3,573	273	-43	1,968	234		-1,970	-5,924	-1,141	-1,522
June.....	28,504			20,892	7,612	805	68	3,414	-174		-2,369	4,344	414	-485
July.....	18,121			22,627	-4,486	862	9	1,258	325		713	5,398	544	-743
Aug.....	21,291			22,139	847	2,842	301	3,137	568		563	-4,105	151	2,544
Sept.....	25,007			20,736	4,271	406	40	756	-173		564	5,207	346	718
Oct.....	17,637			23,092	-5,455	1,037	29	-306	-22		1,395	-2,588	-43	1,431
Nov.....	20,208			22,099	-1,891	1,561	273	-3,510	3,141		2,202	-1,010	-48	1,368
Dec.....	21,987			19,686	2,302	5,861	-174	5,574	-3,016		3,128	5,693	-54	209
1974—Jan.....	23,476			23,671	-195	-1,714	12	-984	55		-773	168	554	1,681
Feb.....	20,226			21,030	-804	2,503	-17	2,478	169		-162	-2,877	84	1,995
	Selected balances													
End of period	Treasury operating balance				Federal securities					Less: Special notes ³	Equals: Total held by public	Memo: Debt of Govt.-sponsored corps.—Now private ⁶		
	F.R. Banks	Tax and loan accounts	Other depositaries ⁵	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts							
							Special issues	Other						
Fiscal year:														
1970.....	1,005	6,929	111	8,045	370,919	12,510	76,124	21,599	825	284,880	35,789			
1971.....	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	36,886			
1972.....	2,344	7,934	139	10,117	427,260	10,894	89,539	24,023	825	323,770	41,044			
1973.....	4,038	8,433	106	12,576	458,142	11,109	101,738	24,093	825	343,045	51,325			
Calendar year:														
1972.....	1,856	8,907	310	11,073	449,298	11,770	95,924	23,164	825	341,155	43,459			
1973.....	2,543	7,760	70	10,374	469,898	11,586	107,135	24,467	825	349,058	59,857			
Month:														
1973—Feb.....	2,073	9,401	310	11,784	454,838	11,779	95,826	23,430	825	346,537	45,400			
Mar.....	2,882	9,744	309	12,935	458,606	11,806	96,413	23,632	825	349,542	45,566			
Apr.....	4,162	9,683	311	14,156	457,338	11,084	96,356	23,583	825	347,383	47,905			
May.....	3,242	4,679	311	8,232	457,063	11,041	98,324	23,817	825	345,414	49,731			
June.....	4,038	8,433	106	12,576	458,142	11,109	101,738	24,093	825	343,045	51,325			
July.....	2,867	4,203	108	7,178	459,003	11,118	102,996	23,968	825	342,332	52,780			
Aug.....	847	2,217	8	3,072	461,845	11,419	106,133	24,536	825	341,769	54,409			
Sept.....	1,626	6,582	71	8,279	461,439	11,459	105,378	24,362	825	342,333	56,691			
Oct.....	1,839	3,781	71	5,691	462,476	11,488	105,071	24,341	823	343,727	59,330			
Nov.....	1,945	2,666	70	4,681	464,037	11,760	101,561	27,482	825	345,930	59,317			
Dec.....	2,543	7,760	70	10,374	469,898	11,586	107,135	24,467	825	349,058	59,857			
1974—Jan.....	2,844	7,628	69	10,542	468,184	11,598	106,151	24,521	825	348,285	59,566			
Feb.....	2,017	5,579	69	7,665	470,687	11,581	108,629	24,691	825	348,123	n.a.			

¹ Equals net expenditures plus net lending.
² The decrease in Federal securities resulting from conversion to private ownership of Govt.-sponsored corporations (totaling \$9,853 million) is not included here. In the bottom panel, however, these conversions decrease the outstanding amounts of Federal securities held by the public mainly by reductions in agency securities. The Federal National Mortgage Association (FNMA) was converted to private ownership in Sept. 1968 and the Federal intermediate credit banks (FICB) and banks for cooperatives in Dec. 1968.
³ Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.
⁴ Includes accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.
⁵ As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other depositaries" (deposits in certain commercial depositories that have been converted from a time to a demand basis to permit greater flexibility in Treasury cash management).
⁶ Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and FICB and banks for cooperatives (both beginning Dec. 1968).
NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

		Budget receipts															
Period	Total	Individual income taxes					Corporation income taxes		Social insurance taxes and contributions					Excise taxes	Customs	Estate and gift	Misc. receipts ⁴
		With-held	Pres. Election Campaign Fund ¹	Non-with-held	Re-funds	Net total	Gross receipts	Re-funds	Employment taxes and contributions ²		Un-empl. insur.	Other net receipts ³	Net total				
									Pay-roll taxes	Self-empl.							
Fiscal year:																	
1970	193,743	77,416		26,236	13,240	90,412	35,037	2,208	37,190	1,942	3,465	2,700	45,298	15,705	2,430	3,644	3,424
1971	188,392	76,490		24,262	14,522	86,230	30,320	3,535	39,751	1,948	3,673	3,206	48,578	16,614	2,591	3,735	3,858
1972	208,649	83,200		25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633
1973	232,225	98,093		27,019	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921
Half year:																	
1972- Jan. June	115,469	44,751		20,090	13,569	51,272	21,664	1,312	24,445	1,877	4,736	1,764	30,925	6,516	1,449	3,041	1,915
July Dec.	106,062	46,056		5,784	6,888	51,152	15,315	1,459	22,493	1,65	2,437	1,773	26,867	8,244	1,551	2,333	2,059
1973- Jan. June	126,165	52,034		21,235	21,179	52,091	23,730	1,434	30,013	2,206	3,616	1,841	37,675	8,016	1,637	2,584	1,865
July Dec.	124,253	52,961		6,207	999	58,170	16,589	1,494	29,965	201	2,974	1,967	35,109	8,966	1,633	2,514	2,768
Month:																	
1973- Feb.	18,172	8,506		768	1,104	8,170	865	193	5,900	167	684	279	7,030	1,186	255	568	291
Mar.	15,987	8,748		1,494	6,833	3,409	5,208	342	4,771	186	63	320	5,340	1,244	278	489	360
Apr.	25,860	8,648		9,124	6,185	11,587	5,915	258	4,297	1,316	444	302	6,359	1,318	262	330	348
May	16,584	8,813		1,444	6,433	3,825	1,219	296	6,662	253	2,156	308	9,380	1,446	280	466	264
June	28,537	9,168		3,735	597	12,306	8,983	188	4,548	145	95	293	5,081	1,386	273	335	360
July	18,121	8,487		681	354	8,814	1,552	202	4,608		382	346	5,336	1,538	276	398	409
Aug.	21,291	9,085		451	257	9,279	904	209	7,087		1,357	333	8,778	1,434	303	494	308
Sept.	25,007	7,940		3,903	135	11,707	5,477	230	4,812	177	103	317	5,409	1,436	238	373	517
Oct.	17,637	8,752		550	71	9,230	1,515	462	4,119	24	217	351	4,712	1,459	291	454	437
Nov.	20,209	9,811		261	66	10,006	939	287	5,578		825	321	6,724	1,563	301	462	501
Dec.	21,987	8,887		362	115	9,134	6,201	105	3,760		89	299	4,149	1,536	224	333	515
1974- Jan.	23,476	9,296		5,076	45	14,327	1,722	160	4,439	170	244	378	5,232	1,263	304	455	334
Feb.	20,226	9,505		945	1,851	8,601	1,066	248	7,080	214	761	346	8,400	1,315	239	423	429
Budget outlays																	
Period	Total	National defense	Intl. affairs	Space research	Agriculture	Natural resources	Commer. and transp.	Com. develop. and housing	Education and manpower	Health and welfare	Veterans	Interest	General govt.	General revenue sharing	Intra-govt. transactions ⁵		
Fiscal year:																	
1972	231,876	78,336	3,786	3,422	7,061	3,759	11,197	4,216	10,198	81,536	10,747	20,584	4,889		-7,858		
1973	246,526	76,027	3,182	3,311	6,051	556	12,520	4,162	10,821	91,230	12,004	22,785	5,619	76,636	-8,378		
1974	274,660	80,573	3,886	3,177	4,039	609	13,521	5,450	10,819	108,263	13,285	27,754	6,800	6,147	9,963		
1975 ⁶	304,445	87,729	4,103	3,272	2,729	3,128	13,400	5,667	11,537	126,353	13,612	29,122	6,774	6,174	-10,717		
Half year:																	
1972- Jan. June	120,319	42,583	2,034	1,645	1,062	1,807	5,167	2,035	5,843	43,405	5,744	10,534	2,497		4,036		
July Dec.	118,578	35,229	1,639	1,676	4,616	330	6,199	2,637	5,133	43,212	5,740	10,619	2,869	2,617	4,039		
1973- Jan. June	127,940	40,677	1,542	1,635	1,435	227	6,320	1,525	5,688	48,018	6,264	12,181	2,749	4,019	4,339		
July Dec.	130,360	37,331	1,617	1,501	3,472	763	7,387	3,215	4,772	48,978	6,518	13,440	3,088	3,032	4,753		
Month:																	
1973- Feb.	20,202	6,238	230	241	431	230	557	368	906	7,941	1,046	2,052	350	9	397		
Mar.	20,806	6,963	323	301	-77	310	1,072	270	786	7,565	1,064	2,097	462		-329		
Apr.	22,306	6,417	237	265	368	324	793	243	788	8,058	1,114	2,120	409	1,493	324		
May	20,157	6,401	136	255	-155	298	907	148	1,066	8,124	1,017	2,165	466	3	377		
June	20,814	8,015	486	301	-126	118	1,434	309	1,336	8,234	866	2,004	452		-2,616		
July	22,607	4,878	308	278	2,011	942	2,104	911	777	7,792	1,099	2,184	563	1,495	-850		
Aug.	22,739	6,772	327	262	440	573	1,090	779	954	7,935	1,054	2,159	466	3	670		
Sept.	20,136	6,095	205	246	35	422	957	712	661	8,302	970	2,392	643	16	-849		
Oct.	23,092	6,607	282	248	503	416	1,260	561	955	8,040	1,058	2,135	479	1,494	850		
Nov.	22,099	6,900	276	246	782	424	912	36	805	8,373	1,194	2,401	438	29	-717		
Dec.	19,686	6,079	219	221	-228	130	1,064	316	619	8,534	1,143	2,169	498		-816		
1974- Jan.	23,671	6,793	351	251	756	544	886	331	983	9,067	1,204	2,353	636	1,532	-929		
Feb.	21,030	6,509	224	231	138	58	363	198	932	8,979	1,088	2,466	520	778	-677		

¹ Collections of these receipts, totaling \$2,427 million for fiscal year 1973, were included as part of nonwithheld income taxes prior to Feb. 1974.

² Old-age, disability, and hospital insurance, and Railroad Retirement accounts.

³ Supplementary medical insurance premiums and Federal employee retirement contributions.

⁴ Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

⁵ Consists of Government contributions for employee retirement and of interest received by trust funds.

⁶ Estimates presented in the Jan. 1975 Budget Document. Breakdowns do not add to totals because special allowances for contingencies, Federal pay increase (excluding Department of Defense), and acceleration of energy research and development, totaling \$300 million for fiscal 1974, and \$1,561 million for fiscal 1975, are not included.

⁷ Contains retroactive payments of \$2,617 million for fiscal 1972.

NOTE: Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt ¹	Public issues										Special issues ²	
		Total	Marketable					Con-vertible bonds	Nonmarketable				
			Total	Bills	Certi-ficates	Notes	Bonds ²		Total ³	Foreign issues ⁴	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
1967- Dec.	344.7	284.0	226.5	69.9		61.4	95.2	2.6		54.9	3.1	51.7	57.2
1968- Dec.	358.0	296.0	236.8	75.0		76.5	85.3	2.5		56.7	4.3	52.3	59.1
1969- Dec.	368.2	295.2	235.9	80.6		85.4	69.9	2.4		56.9	3.8	52.2	71.0
1970- Dec.	389.2	309.1	247.7	87.9		101.2	58.6	2.4		59.1	5.7	52.5	78.1
1971- Dec.	424.1	336.7	262.0	97.5		114.0	50.6	2.3		72.3	16.8	54.9	85.7
1972- Dec.	449.3	351.4	269.5	103.9		121.5	44.1	2.3		79.5	20.6	58.1	95.9
1973- Mar.	458.6	360.4	269.8	105.0		120.2	44.6	2.3		88.3	28.1	59.0	96.4
Apr.	457.1	358.9	267.8	103.2		120.2	44.5	2.3		88.7	28.5	59.3	96.4
May	457.3	357.1	265.9	103.0		117.8	45.1	2.3		88.9	28.3	59.7	98.3
June	458.1	354.6	263.0	100.1		117.8	45.1	2.3		89.4	28.5	59.9	101.7
July	459.0	354.2	262.7	99.9		117.8	45.0	2.3		89.2	28.2	60.2	103.0
Aug.	461.8	353.8	262.4	101.8		118.7	42.0	2.3		89.1	27.9	60.3	106.1
Sept.	461.4	354.1	262.4	99.8		120.7	41.9	2.3		89.5	28.2	60.3	105.4
Oct.	462.5	355.5	264.0	101.6		120.7	41.8	2.3		89.2	27.8	60.5	105.1
Nov.	464.0	360.5	270.2	107.7		124.6	37.8	2.3		88.0	26.1	60.8	101.6
Dec.	469.9	360.7	270.2	107.8		124.6	37.8	2.3		88.2	26.0	60.8	107.1
1974- Jan.	468.2	360.1	270.1	107.8		124.6	37.7	2.3		87.7	25.3	61.0	106.2
Feb.	470.7	360.0	269.7	107.9		126.1	35.7	2.3		88.1	25.4	61.3	108.6
Mar.	474.5	364.2	273.6	111.9		126.1	35.6	2.3		88.3	25.2	61.6	108.5

¹ Includes non-interest-bearing debt (of which \$618 million on Mar 31, 1974, was not subject to statutory debt limitation).

² Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

³ Includes (not shown separately): depositary bonds, retirement plan bonds, 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.

⁴ Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign currency series issues.

⁵ Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE: Based on 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 companies	Other corporations	State and local govts.	Individuals		Foreign and inter-national	Other misc. investors ²	
										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		.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		9.3
1967- Dec.	344.7	73.1	49.1	222.4	63.8	4.2	19.0	12.2		24.1	51.2	22.3		19.9
1968- Dec.	358.0	76.6	52.9	228.5	66.0	3.8	18.4	14.2		24.9	51.9	23.3		21.9
1969- Dec.	368.2	89.0	57.2	222.0	56.8	3.1	17.6	10.4		27.2	51.8	29.0		25.0
1970- Dec.	389.2	97.1	62.1	229.9	62.7	3.1	17.4	7.3		27.8	52.1	29.1		19.9
1971- Dec.	424.1	106.0	70.2	247.9	65.3	3.1	17.0	11.4		25.4	54.4	18.8		15.6
1972- Dec.	449.3	116.9	69.9	262.5	67.7	3.4	16.6	9.8		28.9	57.7	16.2		17.0
1973- Mar.	458.6	117.9	74.3	266.4	62.0	3.4	16.5	11.2		29.4	58.6	16.8		15.5
Apr.	457.1	117.9	75.5	263.7	60.5	3.4	16.3	10.0		29.2	58.9	16.6		17.2
May	457.3	120.1	74.1	263.1	58.9	3.3	16.3	10.8		28.6	59.2	16.5		18.4
June	458.1	123.4	75.0	259.7	58.8	3.3	16.3	9.8		28.8	59.5	16.4		16.6
July	459.0	125.0	77.1	256.9	56.5	3.1	16.4	10.3		28.4	59.7	17.0		15.8
Aug.	461.8	128.7	76.1	257.1	55.1	2.9	16.3	11.5		27.7	59.8	17.2		17.3
Sept.	461.4	127.8	76.2	257.4	55.4	2.9	16.3	9.2		29.0	59.8	17.3		18.9
Oct.	462.5	127.4	78.5	256.5	56.3	2.9	16.3	10.2		28.5	60.0	17.0		17.9
Nov.	464.0	127.1	77.1	259.8	58.5	2.9	16.2	11.1		28.9	60.3	16.9		18.9
Dec.	469.9	129.6	78.5	261.7	60.3	2.9	16.4	10.9		29.2	60.3	16.9		19.3
1974- Jan.	468.2	128.7	78.2	261.2	60.2	2.8	16.3	10.7		29.9	60.5	16.9		21.1
Feb.	470.7	131.3	78.2	261.1	58.2	2.8	16.0	10.9		30.7	60.8	17.0		21.2

¹ Consists of investments of foreign and international accounts in the United States.

² 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				
All holders:								
1971—Dec. 31	262,038	119,141	97,505	21,636	93,648	29,321	9,530	10,397
1972—Dec. 31	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Jan. 31	270,131	141,590	107,805	33,785	81,715	25,134	15,596	6,098
Feb. 28	269,650	141,444	107,850	33,594	79,045	26,968	16,128	6,063
U.S. Govt. agencies and trust funds:								
1971—Dec. 31	18,444	1,380	605	775	7,614	4,676	2,319	2,456
1972—Dec. 31	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Jan. 31	21,095	2,334	763	1,571	7,715	4,387	5,039	1,620
Feb. 28	21,234	2,391	694	1,697	7,355	4,603	5,264	1,620
Federal Reserve Banks:								
1971—Dec. 31	70,218	36,032	31,033	4,999	25,299	7,702	584	601
1972—Dec. 31	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Jan. 31	78,240	45,770	36,500	9,270	23,128	7,580	1,577	184
Feb. 28	78,237	46,425	36,467	9,958	22,236	7,780	1,612	184
Held by private investors:								
1971—Dec. 31	173,376	81,729	65,867	15,862	60,735	16,943	6,627	7,340
1972—Dec. 31	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Jan. 31	170,796	93,486	70,542	22,944	50,872	13,164	8,980	4,294
Feb. 28	170,179	92,628	70,689	21,939	49,454	14,585	9,252	4,259
Commercial banks:								
1971—Dec. 31	51,363	14,920	8,287	6,633	28,823	6,847	555	217
1972—Dec. 31	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Jan. 31	45,848	17,657	8,260	9,397	22,960	4,036	921	274
Feb. 28	45,369	16,441	7,336	9,105	22,450	5,142	1,070	265
Mutual savings banks:								
1971—Dec. 31	2,742	416	235	181	1,221	499	281	326
1972—Dec. 31	2,609	590	309	281	1,152	469	274	124
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Jan. 31	1,911	535	229	306	754	212	292	118
Feb. 28	1,834	493	221	272	704	228	291	117
Insurance companies:								
1971—Dec. 31	5,679	720	325	395	1,499	993	1,366	1,102
1972—Dec. 31	5,220	799	448	351	1,190	976	1,593	661
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Jan. 31	4,931	762	314	448	1,085	1,282	1,297	504
Feb. 28	4,858	710	298	412	1,068	1,269	1,276	510
Nonfinancial corporations:								
1971—Dec. 31	6,021	4,191	3,280	911	1,492	301	16	20
1972—Dec. 31	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Jan. 31	4,600	2,958	1,461	1,497	1,326	253	47	16
Feb. 28	4,765	2,877	1,632	1,245	1,386	351	136	15
Savings and loan associations:								
1971—Dec. 31	3,002	629	343	286	1,449	587	162	175
1972—Dec. 31	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Jan. 31	2,179	600	141	459	1,035	324	170	50
Feb. 28	2,116	580	159	421	978	338	169	50
State and local governments:								
1971—Dec. 31	9,823	4,592	3,832	760	2,268	783	918	1,263
1972—Dec. 31	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Jan. 31	10,322	6,096	4,685	1,411	2,036	850	1,002	337
Feb. 28	10,834	7,035	5,604	1,431	1,834	805	836	325
All others:								
1971—Dec. 31	94,746	56,261	49,565	6,696	23,983	6,933	3,329	4,237
1972—Dec. 31	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Jan. 31	101,005	64,878	55,452	9,426	21,676	6,207	5,251	2,995
Feb. 28	100,403	64,492	55,439	9,053	21,034	6,425	5,474	2,977

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting: (1) 5,601 commercial banks, 479 mutual savings

banks, and 737 insurance companies combined, each about 90 per cent; (2) 463 nonfinancial corporations and 485 savings and loan assns., each about 50 per cent; and (3) 505 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other ¹	
1973—Feb.	4,155	2,975	721	370	89	888	808	1,360	1,099	645
Mar.	3,077	2,311	508	201	57	713	585	987	792	664
Apr.	3,185	2,535	440	165	46	709	636	1,075	766	714
May	3,187	2,390	322	323	153	661	543	1,057	927	687
June	2,969	2,335	289	228	118	593	622	975	778	732
July	2,993	2,330	367	226	72	581	632	982	798	700
Aug.	3,366	2,403	706	172	85	566	874	1,044	881	771
Sept.	3,884	3,021	644	158	61	583	1,182	1,142	977	1,048
Oct.	3,384	2,798	374	163	48	568	954	1,073	789	810
Nov.	4,022	3,001	485	447	89	655	1,188	1,173	1,007	810
Dec.	3,889	3,167	348	317	58	675	1,051	1,123	1,040	869
1974—Jan.	3,659	3,074	325	215	45	706	889	1,103	962	695
Feb.	4,229	3,192	402	561	74	795	1,058	1,299	1,077	1,019
Week ending—										
1974—Feb. 6.	6,411	5,030	479	849	53	1,142	1,812	1,910	1,546	1,297
13.	4,095	2,874	558	574	90	811	1,072	1,241	971	847
20.	3,741	2,923	339	390	90	745	833	1,138	1,026	923
27.	3,344	2,522	321	426	74	642	753	1,047	902	981
Mar. 6.	3,125	2,339	358	354	74	667	755	894	810	811
13.	3,673	2,813	437	349	73	713	1,004	1,080	876	671
20.	3,520	2,741	363	367	49	735	822	969	995	542
27.	3,908	2,978	444	426	60	748	884	1,238	1,038	1,011

¹ Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York.

They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1973—Feb.	3,394	3,365	9	-1	39	202
Mar.	2,702	3,130	-274	-143	-11	180
Apr.	2,795	3,105	-159	-143	9	274
May	2,626	2,596	-324	179	175	356
June	2,976	2,818	-165	91	232	744
July	1,901	2,062	-250	-43	131	511
Aug.	1,788	1,977	-94	107	12	273
Sept.	3,201	2,958	316	111	38	799
Oct.	3,073	2,858	93	56	67	904
Nov.	3,618	3,034	95	350	139	1,185
Dec.	4,441	3,697	223	396	124	1,400
1974—Jan.	3,653	3,210	51	262	130	1,324
Feb.	4,081	2,707	537	647	190	1,434
Week ending—						
1974—Jan. 2.	3,778	3,080	220	331	147	1,535
9.	3,702	3,214	61	283	144	1,372
16.	3,659	3,259	47	225	128	1,316
23.	3,801	3,323	80	264	134	1,293
30.	3,519	3,147	7	268	112	1,279
Feb. 6.	3,667	3,024	126	414	102	1,359
13.	5,005	3,179	818	797	212	1,462
20.	4,055	2,388	672	779	216	1,523
27.	3,631	2,271	530	612	217	1,416

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.
Average of daily figures based on number of trading days in the period.

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks			All other
		New York City	Elsewhere	Corporations ¹	
1973—Feb.	3,415	1,063	455	490	1,408
Mar.	2,799	903	292	281	1,323
Apr.	3,032	935	513	311	1,273
May	2,667	674	452	252	1,291
June	3,769	1,242	690	431	1,406
July	2,826	725	544	510	1,047
Aug.	2,318	829	327	386	777
Sept.	4,244	1,620	877	441	1,306
Oct.	3,721	1,253	918	328	1,223
Nov.	4,469	1,809	900	570	1,190
Dec.	5,468	2,322	1,147	671	1,329
1974—Jan.	4,948	1,894	1,253	658	1,143
Feb.	4,996	1,704	1,503	533	1,257
Week ending—					
1974 Jan. 2...	5,214	2,035	1,168	606	1,404
9...	4,940	1,999	1,160	625	1,155
16...	5,063	2,092	1,285	624	1,062
23...	5,072	1,903	1,311	768	1,090
30...	4,778	1,616	1,309	666	1,187
Feb. 6...	4,577	1,698	1,482	413	985
13...	5,121	1,839	1,567	422	1,293
20...	5,301	1,627	1,499	635	1,541
27...	4,922	1,674	1,496	635	1,117

¹ All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE SECURITIES, MARCH 31, 1974

(In millions of dollars)

Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount
Treasury bills		Treasury bills—Cont.		Treasury notes—Cont.		Treasury bonds	
Apr. 4, 1974.....	4,302	Aug. 27, 1974.....	1,805	Aug. 15, 1975.....5%	7,679	May 15, 1974.....4¼	2,847
Apr. 9, 1974.....	1,802	Aug. 29, 1974.....	1,801	Sept. 30, 1975.....8½	2,042	Nov. 15, 1974.....3¾	1,213
Apr. 11, 1974.....	4,308	Sept. 5, 1974.....	1,805	Oct. 1, 1975.....1½	30	May 15, 1975-85...4¼	1,201
Apr. 18, 1974.....	4,304	Sept. 12, 1974.....	1,802	Nov. 15, 1975.....7	3,115	June 15, 1978-83...3¼	1,477
Apr. 19, 1974†.....	4,525	Sept. 19, 1974.....	1,801	Dec. 31, 1975.....7	1,731	Feb. 15, 1980.....4	2,573
Apr. 25, 1974.....	4,307	Sept. 24, 1974.....	1,802	Feb. 15, 1976.....6¼	3,739	Nov. 15, 1980....3½	1,896
May 2, 1974.....	4,308	Sept. 26, 1974.....	1,801	Apr. 1, 1976.....5%	4,945	Aug. 15, 1981.....7	807
May 7, 1974.....	1,800	Oct. 22, 1974.....	1,802	Apr. 1, 1976.....1½	27	Feb. 15, 1982.....6½	2,702
May 9, 1974.....	4,306	Nov. 19, 1974.....	1,801	May 15, 1976.....5¼	2,802	Aug. 15, 1984.....6%	2,353
May 16, 1974.....	4,303	Dec. 17, 1974.....	1,803	May 15, 1976.....6½	2,697	May 15, 1985.....3¼	943
May 23, 1974.....	4,303	Jan. 14, 1975.....	1,802	Aug. 15, 1976.....7½	4,194	Nov. 15, 1986.....6¼	1,216
May 30, 1974.....	4,301	Feb. 11, 1975.....	1,802	Aug. 15, 1976.....6½	3,883	Aug. 15, 1987-92...4¼	3,678
June 4, 1974.....	1,801			Oct. 1, 1976.....1½	11	Feb. 15, 1988-93...4	227
June 6, 1974.....	4,301			Nov. 15, 1976.....6¼	4,325	May 15, 1989-94...4½	1,456
June 13, 1974.....	4,303			Feb. 15, 1977.....8	5,163	Feb. 15, 1990.....3½	3,932
June 20, 1974.....	4,300			Apr. 1, 1977.....1½	5	Feb. 15, 1993.....6½	627
June 21, 1974†.....	4,522			May 15, 1977.....6%	2,565	Aug. 15, 1993.....7½	1,914
June 27, 1974.....	4,303			Aug. 15, 1977.....7¼	4,918	Feb. 15, 1995.....3	827
July 2, 1974.....	1,802			Oct. 1, 1977.....1½	17	May 15, 1993-98...7	692
July 5, 1974.....	1,803			Feb. 15, 1978.....6¼	8,389	Nov. 15, 1998.....3½	3,066
July 11, 1974.....	1,810			Apr. 1, 1978.....1½	15		
July 18, 1974.....	1,811			Oct. 1, 1978.....1½	3		
July 25, 1974.....	1,798			Nov. 15, 1978.....6	8,207		
July 30, 1974.....	1,804			Aug. 15, 1979.....6¼	4,559		
Aug. 1, 1974.....	1,803			Nov. 15, 1979.....6%	1,604		
Aug. 8, 1974.....	1,802			Nov. 15, 1979.....7	2,241		
Aug. 15, 1974.....	1,800			May 15, 1980.....6%	7,265		
Aug. 22, 1974.....	1,797			Feb. 15, 1981.....7	1,842		
		Treasury notes				Convertible bonds	
		Apr. 1, 1974.....1½	34			Investment Series B	
		May 15, 1974.....7¼	4,334			Apr. 1, 1975-80...2¼	
		Aug. 15, 1974.....5%	10,284				
		Sept. 30, 1974.....6	2,060				
		Oct. 1, 1974.....1½	42				
		Nov. 15, 1974.....5½	5,442				
		Dec. 31, 1974.....5%	2,102				
		Feb. 15, 1975.....5½	4,015				
		Apr. 1, 1975.....1½	8				
		May 15, 1975.....5%	1,776				
		May 15, 1975.....6	6,760				

† 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	A1 issues (new capital and refunding)								Issues for new capital							
	Total	Type of issue				Type of issuer			Total amount delivered ³	Total:	Use of proceeds					
		General obligations	Revenue	HAA ¹	U.S. Govt. loans	State	Special district and stat. auth.	Other ²			Education	Roads and bridges	Utilities ⁴	Housing ⁵	Veterans' 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	4,810	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
1972.....	23,652	13,305	9,332	959	57	4,991	9,496	9,165	22,073	22,073	4,981	1,689	4,638	1,910		6,741
1973.....	23,970	12,257	10,632	1,022	58	4,212	9,507	10,249	22,408	22,408	4,311	1,458	5,654	2,639		8,335
1973 ⁶ Jan.....	1,977	1,152	822		3	602	454	921	1,809	1,809	369	215	420	117		688
Feb.....	1,515	782	731		1	47	565	903	1,411	1,411	365	67	416	10		551
Mar.....	2,467	1,228	930	303	6	613	918	936	2,210	2,210	374	153	501	347		833
Apr.....	1,826	870	947		9	159	731	934	1,757	1,757	306	12	452	88		898
May.....	1,939	825	1,106		8	291	945	703	1,775	1,775	299	233	430	224		588
June.....	2,152	1,025	861	261	5	189	1,082	881	2,144	2,144	542	102	643	334		523
July.....	2,028	1,458	564		6	516	363	1,149	2,001	2,001	391	231	366	3		1,009
Aug.....	1,657	1,067	588		2	529	498	630	1,602	1,602	311	30	352	290		618
Sept.....	1,750	721	741	285	2	236	828	675	1,653	1,653	327	66	579	384		298
Oct.....	2,313	1,344	964		6	337	842	1,135	2,163	2,163	299	142	412	251		1,060
Nov.....	2,257	866	1,383		9	243	1,247	766	1,929	1,929	156	42	596	247		687
Dec.....	2,089	919	919	173	1	450	1,022	616	1,954	1,954	372	165	487	344		582
1974 Jan.....	2,183	1,391	790		2	208	823	1,152	2,117	2,117	594	35	374	56		1,059
Feb.....	1,862	1,135	727		1	472	508	883	1,812	1,812	438	53	580	34		707

¹ Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

² Municipalities, counties, townships, school districts.

³ Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

⁴ Water, sewer, and other utilities.

⁵ Includes urban redevelopment loans.

NOTE: Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated. Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues ¹										
	Total	Noncorporate				Total	Corporate				Total
		U.S. Govt. ²	U.S. Govt. agency ³	State and local (U.S.) ⁴	Other ⁵		Bonds	Stock			
						Total	Publicly offered	Privately placed	Preferred	Common	
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
1972.....	96,522	17,080	12,825	23,070	1,589	41,957	28,896	19,434	9,462	3,367	9,694
1972—Dec.....	8,210	2,553	200	1,760	302	3,396	2,625	1,024	1,601	272	498
1973—Jan.....	6,523	1,199	993	1,889	116	2,327	1,276	989	287	137	913
Feb.....	7,325	1,603	2,261	1,445	53	1,962	957	641	316	172	832
Mar.....	9,029	606	1,826	2,304	359	3,933	2,116	1,315	802	833	984
Apr.....	6,567	564	1,640	1,688	178	2,497	1,739	938	801	200	558
May.....	11,225	3,353	3,442	1,870	17	2,543	1,721	1,049	672	187	635
June.....	7,943	559	1,706	2,046	53	3,578	2,757	1,358	1,398	216	606
July.....	7,643	490	2,471	1,992	48	2,631	1,870	857	1,013	226	536
Aug.....	8,019	3,097	1,600	1,414	22	1,806	1,382	792	590	94	330
Sept.....	8,091	2,432	2,100	1,630	15	1,915	1,366	684	682	119	430
Oct.....	8,924	485	2,612	2,232	196	3,398	2,358	1,805	553	355	685
Nov.....	12,553	4,521	2,200	2,224	45	3,563	2,257	1,669	589	637	668
Dec.....	6,635	148	1,032	1,966	251	3,238	2,469	1,552	917	196	573

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
1972.....	4,821	1,809	2,645	2,882	2,862	185	6,392	4,965	3,692	1,125	8,485	2,095
1972—Dec.....	486	103	343	149	214	25	491	370	34	17	1,057	107
1973—Jan.....	113	63	89	105	120	1	529	371	30	3	395	509
Feb.....	178	35	118	111	96	4	319	277	58	117	290	461
Mar.....	772	125	177	327	317	6	1,076	1,351	548	668	1,462	1,397
Apr.....	772	22	237	139	91	1	150	369	258		743	228
May.....	387	12	30	143	236	8	361	410	355		351	231
June.....	703	25	133	89	183		1,099	497	303	29	337	181
July.....	364	169	139	112	250	1	651	269	244	60	323	151
Aug.....	230	49	149	129	83	15	419	90	320	5	182	136
Sept.....	270	78	149	96	140	2	334	252	228	16	244	106
Oct.....	472	52	63	147	114		342	608	633	46	734	193
Nov.....	383	93	61	92	241	4	584	496	296	499	692	122
Dec.....	485	18	145	285	226	6	569	319	350	27	693	115

¹ Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

² Includes guaranteed issues.

³ Issues not guaranteed.

⁴ See NOTE to table at bottom of preceding page.

⁵ Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

NOTE: Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers ¹								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
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	29,495	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
1972.....	42,306	10,234	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973.....	35,058	11,804	23,252	21,501	8,810	12,691	13,554	2,993	10,561
1972—IV.....	10,944	2,932	8,012	6,998	2,207	4,790	3,946	725	3,220
1973—I.....	8,219	2,806	5,412	4,198	1,781	2,417	4,020	1,025	2,995
II.....	9,418	2,470	6,947	5,769	1,664	4,106	3,648	806	2,842
III.....	6,638	2,150	4,488	4,521	1,579	2,941	2,118	571	1,547
IV.....	10,783	4,378	6,405	7,013	3,786	3,227	3,768	591	3,177

Period	Type of issues											
	Manu- facturing		Commercial and other ²		Transporta- tion ³		Public utility		Communi- cation		Real estate and financial ¹	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
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
1972.....	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973.....	801	658	109	1,411	1,044	93	4,265	4,509	3,165	1,389	3,522	3,141
1972—IV.....	116	290	575	479	179	47	1,056	1,735	944	89	1,920	580
1973—I.....	135	63	174	377	127	43	844	1,170	520	185	965	1,244
II.....	632	2	119	327	327	7	1,136	1,276	842	562	1,049	673
III.....	165	450	108	247	414	44	1,217	557	752	77	284	260
IV.....	131	147	162	460	176	13	1,068	1,506	1,051	575	1,224	964

¹ Excludes investment companies.
² Extractive and commercial and miscellaneous companies.
³ 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 ¹	Redemptions	Net sales	Total ²	Cash position ³	Other		Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other
1962.....	2,699	1,123	1,576	21,271	1,315	19,956	1973—Feb...	327	530	-203	54,083	3,375	50,708
1963.....	2,460	1,504	952	25,214	1,341	23,873	Mar...	519	531	-12	53,377	3,774	49,603
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	Apr...	300	452	-120	50,837	3,837	46,464
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	May...	285	446	-161	48,588	4,154	44,434
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	June...	303	349	-46	48,127	4,164	43,963
1967.....	4,670	2,745	1,927	44,701	2,566	42,135	July...	364	357	-7	50,933	4,594	46,339
1968.....	6,820	3,841	2,979	52,677	3,187	49,490	Aug...	239	432	-193	49,553	4,567	44,986
1969.....	6,717	3,661	3,056	48,291	3,846	44,445	Sept...	330	395	-65	52,322	4,641	47,681
1970.....	4,624	2,987	1,637	47,618	3,649	43,969	Oct...	305	559	-254	51,952	4,168	47,784
1971.....	5,145	4,751	774	56,694	3,163	53,531	Nov...	502	542	-40	45,814	4,126	41,688
1972.....	4,892	6,563	1,671	59,831	3,035	56,796	Dec...	349	392	-43	46,518	4,002	42,516
1973.....	4,358	5,651	1,261	46,518	4,002	42,516	1974 Jan...	334	325	9	47,094	4,226	42,863
							Feb...	215	303	88	45,958	4,447	41,511

¹ Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
² Market value at end of period less current liabilities.

³ Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

NOTE.—Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹
1966	84.2	34.3	49.9	20.8	29.1	39.5	1972—I	92.8	40.6	52.2	25.7	26.5	63.4
1967	79.8	33.2	46.6	21.4	25.3	43.0	II	94.8	41.4	53.4	25.9	27.5	66.2
1968	87.6	39.9	47.8	23.6	24.2	46.8	III	98.4	42.9	55.6	26.2	29.4	66.0
1969	84.9	40.1	44.8	24.3	20.5	51.9	IV	106.1	45.9	60.3	26.4	33.9	68.0
1970	74.0	34.8	39.3	24.7	14.6	56.0	1973—I	119.6	52.7	66.9	26.9	40.0	69.3
1971	85.1	37.4	47.6	25.1	22.5	60.4	II	128.9	57.4	71.6	27.3	44.2	70.5
1972	98.0	42.7	55.4	26.0	29.3	65.9	III	129.0	57.6	71.5	28.1	43.4	71.7
1973 ²	126.4	55.9	70.5	27.8	42.7	71.3	IV	128.1	56.0	72.0	29.0	43.0	73.7

¹ Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE: Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets						Current liabilities					
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt. ¹	Other				U.S. Govt. ¹	Other		
1968	182.3	426.5	48.2	11.5	5.1	168.8	166.0	26.9	244.2	6.4	162.4	14.3	61.0
1969	185.7	473.6	47.9	10.6	4.8	192.2	186.4	31.6	287.9	7.3	196.9	12.6	76.0
1970—IV	187.8	490.4	49.7	7.6	4.2	200.6	196.0	32.4	302.6	6.6	200.5	11.8	83.7
1971—I	192.0	494.1	48.5	7.8	4.2	201.3	198.5	33.8	302.1	6.1	195.7	13.7	86.6
II	196.5	498.2	51.1	7.7	3.9	203.3	199.2	33.1	301.7	5.3	195.8	12.4	88.3
III	200.9	507.2	52.4	7.8	3.9	206.5	201.6	34.9	306.3	5.0	197.4	13.8	90.1
IV	204.9	516.7	55.3	10.4	3.5	207.5	203.1	36.8	311.8	4.9	202.8	14.5	89.7
1972—I	209.6	526.0	55.3	9.9	3.4	211.4	207.2	38.9	316.4	4.9	202.5	15.7	93.3
II	215.2	534.3	55.7	8.7	2.8	216.3	210.7	40.1	319.1	4.9	204.0	13.4	96.8
III	219.3	545.5	57.3	7.6	2.9	222.5	215.2	39.8	326.2	4.7	207.6	15.0	98.9
IV	224.3	561.1	60.3	9.7	3.4	228.9	218.2	40.7	336.8	4.0	216.9	16.7	99.2
1973—I	231.4	577.1	61.0	10.4	3.2	234.0	225.9	42.5	345.7	4.1	218.1	18.6	104.9
II	237.8	594.7	62.2	9.4	2.9	243.7	233.5	43.0	356.9	4.5	227.6	16.5	108.3
III	241.8	611.4	62.0	9.2	3.0	252.2	241.5	43.5	369.6	4.4	235.7	18.1	111.4

¹ Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE: Based on Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other ¹	Total (S.A. A.R.)
		Durable	Non-durable		Rail-road	Air	Other	Electric	Gas and other			
1969	75.56	15.96	15.72	1.86	1.86	2.51	1.68	8.94	2.67	8.30	16.05	.....
1970	79.71	15.80	16.15	1.89	1.78	3.03	1.23	10.65	2.49	10.10	16.59	.....
1971	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	.....
1972	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	.....
1973	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.91	2.76	12.85	21.40	.....
1971—IV	22.79	4.12	4.32	.59	.45	.56	.37	3.60	.69	2.84	5.26	83.18
1972—I	19.38	3.29	3.32	.58	.48	.50	.32	3.19	.44	2.72	4.55	86.79
II	22.01	3.71	3.92	.61	.48	.73	.39	3.61	.62	2.95	4.98	87.12
III	21.86	3.86	3.87	.59	.38	.61	.35	3.67	.72	2.84	4.97	87.67
IV	25.20	4.77	4.61	.63	.47	.63	.40	4.01	.73	3.39	5.57	91.94
1973—I	21.50	3.92	3.88	.63	.46	.52	.32	3.45	.50	2.87	4.94	96.19
II	24.73	4.65	4.51	.71	.46	.72	.43	3.91	.68	3.27	5.40	97.76
III	25.04	4.84	4.78	.69	.48	.57	.44	4.04	.77	3.19	5.24	100.90
IV	28.48	5.84	5.59	.71	.56	.60	.47	4.54	.82	3.53	5.83	103.74
1974—12	23.92	4.85	4.54	.75	.50	.48	.39	3.99	.53	7.90	.....	107.18
II ²	27.83	5.54	5.60	.80	.60	.65	.41	4.48	.91	8.83	.....	109.96

¹ Includes trade, service, construction, finance, and insurance.² 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	Other holders ²		All holders	Financial institutions ¹	Other holders ³	All holders	1- to 4-family houses ⁴			Multifamily and commercial properties ⁵			Mortgage type ⁶		
		Financial institutions	U.S. agencies					Individuals and others	Total	Financial institutions ¹	Other holders	Total	Financial institutions ¹	Other holders	FHA-VA-underwritten	Conventional
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.....	425.3	339.1	26.8	59.4	29.5	9.9	19.6	395.9	266.8	223.7	43.2	129.0	105.5	23.5	100.2	295.7
1970.....	451.7	355.9	33.0	62.8	31.2	10.1	21.1	420.5	280.2	231.3	48.9	140.3	114.5	25.8	109.2	311.3
1971.....	499.9	394.4	39.4	66.2	32.9	9.9	23.0	467.0	307.8	254.2	53.7	159.2	130.3	28.9	120.7	346.3
1972.....	565.4	450.6	45.8	69.0	35.4	10.5	24.9	530.0	346.1	288.7	57.4	183.9	151.3	32.6	131.1	398.9
1971—III.....	485.6	383.5	37.4	64.6	32.4	9.8	22.6	453.2	299.7	248.0	51.7	153.5	125.8	27.7	117.5	335.7
1971—IV.....	499.9	394.4	39.4	66.2	32.9	9.9	23.0	467.0	307.8	254.2	53.7	159.2	130.3	28.9	120.7	346.3
1972—I.....	511.7	404.2	41.2	66.4	33.5	9.9	23.6	478.2	314.1	259.6	54.5	164.1	134.6	29.4	123.7	354.5
1972—II.....	529.1	418.9	42.7	67.5	34.4	10.2	24.2	494.8	324.6	268.8	55.8	170.2	140.0	30.3	126.6	368.2
1972—III.....	547.3	434.6	44.3	68.3	35.0	10.3	24.7	512.3	335.8	279.2	56.6	176.5	145.1	31.3	129.0	383.3
1972—IV.....	565.4	450.6	45.8	69.0	35.4	10.5	24.9	530.0	346.1	288.7	57.4	183.9	151.3	32.6	131.1	398.9
1973—I.....	580.1	463.3	47.3	69.5	36.5	10.7	25.8	543.6	353.9	296.3	57.6	189.7	156.4	33.4	132.5	411.1
1973—II.....	600.4	480.5	49.0	71.0	37.7	11.0	26.7	562.7	365.7	306.9	58.8	197.0	162.5	34.5	133.6	429.1
1973—III.....	619.9	494.9	53.0	71.9	38.7	11.4	27.3	581.2	376.6	315.0	61.6	204.5	168.5	36.0	136.0	449.1

¹ Commercial banks (including nondeposit trust companies but not trust depts.), mutual savings banks, life insurance companies, and savings and loan assns.

² U.S. agencies include former Federal National Mortgage Assoc. and, beginning fourth quarter 1968, new Government National Mortgage Assoc. as well as Federal Housing Admin., Veterans Admin., Public Housing Admin., Farmers Home Admin. They also include U.S. sponsored agencies—new FNMA, Federal land banks, GNMA (Pools), and the Federal Home Loan Mortgage Corp. Other U.S. agencies (amounts small or separate data not readily available) included with "individuals and others."

³ Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.

⁴ For multifamily and total residential properties, see tables below.

⁵ Derived figures; includes small amounts of farm loans held by savings and loan assns.

⁶ Data by type of mortgage on nonfarm 1- to 4-family properties alone are shown in table below.

NOTE.—Based on data from Federal Deposit Insurance Corp., Federal Home Loan Bank Board, Institute of Life Insurance, Depts. of Agriculture and Commerce, FNMA, FHA, PHA, VA, GNMA, FHLMC, and Comptroller of the Currency.

Figures for first three quarters of each year are F.R. estimates.

MORTGAGE DEBT OUTSTANDING ON RESIDENTIAL PROPERTIES

(In billions of dollars)

End of period	All residential			Multifamily ¹		
	Total	Financial institutions	Other holders	Total	Financial institutions	Other holders
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.....	280.0	236.6	43.4	43.9	34.7	9.2
1968.....	298.6	250.8	47.8	47.3	37.7	9.7
1969.....	319.0	265.0	54.0	52.2	41.3	10.8
1970.....	338.2	277.1	61.1	58.0	45.8	12.2
1971.....	374.7	306.1	68.5	66.8	52.0	14.9
1972.....	422.5	347.9	74.6	76.4	59.1	17.3
1971—III.....	364.0	298.4	65.6	64.3	50.4	13.9
1971—IV.....	374.7	306.1	68.5	66.8	52.0	14.9
1972—I.....	382.9	312.9	70.0	68.8	53.3	15.4
1972—II.....	395.8	324.1	71.7	71.3	55.3	16.0
1972—III.....	409.3	336.1	73.2	73.5	56.9	16.6
1972—IV.....	422.5	347.9	74.6	76.4	59.1	17.3
1973—I.....	432.8	357.4	75.5	79.0	61.1	17.9
1973—II.....	447.9	370.4	77.5	82.2	63.5	18.7
1973—III.....	461.6	380.0	81.6	85.0	65.0	20.0

¹ Structures of five or more units.

NOTE.—Based on data from same source as for "Mortgage Debt Outstanding" table above.

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 ¹	
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.....	236.1	79.9	47.4	32.5	156.1
1968.....	251.2	84.4	50.6	33.8	166.8
1969.....	266.8	90.2	54.5	35.7	176.6
1970.....	280.2	97.3	59.9	37.3	182.9
1971.....	307.8	105.2	65.7	39.5	202.6
1972.....	346.1	113.0	68.2	44.7	233.1
1971—III.....	299.7	102.9	64.4	38.5	196.8
1971—IV.....	307.8	105.2	65.7	39.5	202.6
1972—I.....	314.1	107.5	66.8	40.7	206.6
1972—II.....	324.6	109.6	67.6	42.0	215.0
1972—III.....	335.8	111.5	68.4	43.1	224.3
1972—IV.....	346.1	113.0	68.2	44.7	233.1
1973—I.....	353.9	113.7	67.9	45.8	204.2
1973—II.....	365.7	114.7	67.5	47.2	251.0
1973—III.....	376.6	117.0	67.5	47.2	251.0

¹ Includes outstanding amount of VA vendee accounts held by private investors under repurchase agreement.

NOTE.—For total debt outstanding, figures are FHLBB and F.R. estimates. For conventional, figures are derived.

Based on data from FHLBB, Federal Housing Admin., and Veterans Admin.

MORTGAGE LOANS HELD BY BANKS

(In millions of dollars)

End of period	Commercial bank holdings ¹						Mutual savings bank holdings							
	Total	Residential			Other non-farm	Farm	Total	Residential			Other non-farm	Farm		
		Total	FHA-insured	VA-guaranteed				Conventional	Total	FHA-insured			VA-guaranteed	Conventional
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
1969.....	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.....	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.....	82,515	52,004	8,310	3,980	40,714	26,306	4,205	61,978	53,027	16,141	12,074	24,812	8,901	50
1972.....	99,314	62,782	8,495	3,203	51,084	31,751	4,781	67,556	57,140	16,013	12,622	28,505	10,354	62
1972—I.....	85,614	53,937	8,360	2,999	42,578	27,353	4,324	62,978	53,733	16,184	12,144	25,405	9,195	50
1972—II.....	90,114	56,782	8,477	3,141	45,163	28,785	4,547	64,404	54,758	16,256	12,325	26,178	9,586	60
1972—III.....	95,048	59,976	8,515	3,118	48,343	30,415	4,657	65,901	55,889	16,130	12,463	27,296	9,951	61
1972—IV.....	99,314	62,782	8,495	3,203	51,084	31,751	4,781	67,556	57,140	16,013	12,622	28,505	10,354	62
1973—I.....	103,548	65,236	.....	.....	.....	33,342	4,970	68,920	58,169	.....	.....	.....	10,683	68
1973—II.....	109,114	68,650	8,482	3,211	56,957	35,224	5,240	70,634	59,397	.....	.....	.....	11,178	59
1973—III.....	114,414	71,852	.....	.....	.....	37,070	5,492	72,034	60,305	.....	.....	.....	11,670	59

¹ Includes loans held by nondeposit trust companies but not bank trust depts.

NOTE.—Second and fourth quarters, FDIC 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.

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 ¹	Total	FHA-insured		VA-guaranteed	Other
1945.....	976	.....	.....	.....	.....	6,637	5,860	1,394	.....	4,466	766	
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	59,169	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	733	346	6,074	772	69,973	64,172	11,961	5,954	46,257	5,801
1969.....	7,531	6,991	594	220	6,177	540	72,027	66,254	11,715	5,701	48,838	5,773
1970.....	7,181	6,867	386	88	6,393	314	74,375	68,726	11,419	5,394	51,913	5,649
1971.....	7,573	7,070	322	101	6,647	503	75,496	69,895	10,767	5,004	54,124	5,601
1972.....	8,696	7,996	331	182	7,483	700	76,948	71,270	9,962	4,660	56,648	5,678
1973.....	11,122	10,109	280	240	9,589	1,013	81,180	75,193	9,212	4,396	61,585	5,987
1973—Jan.....	725	662	17	21	624	63	77,105	71,473	9,930	4,641	56,902	5,632
1973—Feb.....	603	542	27	24	491	61	77,510	71,892	9,806	4,613	57,473	5,618
1973—Mar.....	670	573	37	24	512	97	77,587	71,953	9,735	4,594	57,624	5,634
1973—Apr.....	702	624	20	22	582	78	77,258	71,611	9,708	4,572	57,331	5,647
1973—May.....	774	694	22	21	651	80	77,400	71,721	9,627	4,549	57,545	5,679
1973—June.....	1,101	1,009	24	27	958	92	77,914	72,187	9,544	4,524	58,119	5,727
1973—July.....	933	849	26	19	804	84	78,243	72,474	9,464	4,496	58,514	5,769
1973—Aug.....	1,034	947	11	20	916	87	78,657	72,839	9,388	4,471	58,980	5,818
1973—Sept.....	944	862	23	17	822	82	79,040	73,182	9,330	4,447	59,405	5,858
1973—Oct.....	972	899	13	18	868	73	79,516	73,619	9,270	4,428	59,921	5,897
1973—Nov.....	1,146	1,051	25	15	1,011	95	80,191	74,261	9,233	4,414	60,614	5,930
1973—Dec.....	1,532	1,410	36	13	1,361	122	81,180	75,193	9,212	4,396	61,585	5,987
1974—Jan.....	932	845	8	14	823	87	81,490	75,534	9,150	4,380	62,004	5,956

¹ Includes mortgage loans secured by land on which oil drilling or extracting operations are in process.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Loan amount (thousands of dollars)	Contract interest rate (per cent)	Averages				
					Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1968.....	2,569	3,244.3	1,263	7.66	22/11	73.6	9.0	1.30	9.5
1969.....	1,788	2,920.7	1,633	8.69	21/8	73.3	9.6	1.29	10.2
1970.....	912	2,341.1	2,567	9.93	22/8	74.7	10.8	1.32	11.1
1971.....	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972.....	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1971—Nov.....	136	288.2	2,119	9.01	23/5	75.6	9.9	1.27	10.2
Dec.....	133	290.0	2,181	8.96	23	74.4	9.9	1.30	10.2
1972—Jan.....	107	198.6	1,856	8.78	22/1	73.3	10.0	1.31	10.2
Feb.....	122	423.5	3,471	8.62	22/6	73.3	9.7	1.31	10.0
Mar.....	220	530.4	2,411	8.50	24/2	76.3	9.5	1.29	9.7
Apr.....	200	381.1	1,906	8.44	24/6	76.3	9.5	1.29	9.6
May.....	246	399.6	1,624	8.48	23/4	76.0	9.5	1.26	9.8
June.....	268	683.2	2,549	8.55	23/0	75.4	9.5	1.29	9.8
July.....	170	421.2	2,478	8.56	23/0	74.5	9.5	1.31	9.8
Aug.....	178	515.7	2,897	8.54	23/0	74.9	9.5	1.27	9.9
Sept.....	152	354.1	2,329	8.58	23/4	75.7	9.5	1.28	9.8
Oct.....	159	343.5	2,161	8.65	23/0	75.8	9.6	1.29	9.9
Nov.....	180	371.7	2,065	8.63	23/2	74.7	9.6	1.28	9.9
Dec.....	130	363.9	2,799	8.64	22/8	74.4	9.8	1.37	9.9

NOTE.—American Life Insurance Association data for new commitments of \$100,000 and over each on mortgages for multifamily and non-residential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan amortization and prepayment terms. Data for the following are

limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant (annual level payment, including principal and interest, per \$100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.

MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

Period	Loans made			Loans outstanding (end of period)			
	Total 1	New home construction	Home purchase	Total 2	FHA-insured	VA-guaranteed 3	Conventional
1965.....	24,192	6,013	10,830	110,306	5,145	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.....	21,383	4,150	10,237	150,331	10,178	8,494	131,659
1971.....	39,419	6,824	18,779	174,250	13,675	10,623	149,952
1972.....	51,369	8,548	26,594	206,182	15,400	13,474	177,308
1973.....	49,464	8,423	28,248	232,104	29,713		202,391
1973—Jan.....	3,698	589	1,968	207,926	29,056		178,870
Feb.....	3,706	614	2,017	210,054	29,219		180,835
Mar.....	4,985	886	2,683	213,050	29,505		183,545
Apr.....	4,984	885	2,760	216,037	29,636		186,401
May.....	5,471	930	3,137	219,283	29,742		189,541
June.....	5,732	902	3,465	222,580	29,823		192,757
July.....	5,054	850	3,076	225,265	29,707		195,558
Aug.....	4,966	800	3,056	227,778	29,704		198,074
Sept.....	3,174	571	1,836	229,182	30,066		199,116
Oct.....	2,786	532	1,547	230,195	29,759		200,436
Nov.....	2,379	448	1,365	231,089	29,724		201,365
Dec.....	2,529	425	1,338	232,104	29,713		202,391
1974—Jan.....	2,353	387	1,306	233,027	29,713		203,314

1 Includes loans for repairs, additions and alterations, refinancing, etc., not shown separately.

2 Includes shares pledged against mortgage loans; beginning 1966, also includes junior liens and real estate sold on contract; beginning 1967, also includes downward structural adjustment for change in universe; and beginning 1973, excludes participation certificates guaranteed by the FHLBC and certain other related items.

3 Beginning 1973, data for these groups available only on a combined basis.

FEDERAL HOME LOAN BANKS

(In millions of dollars)

Period	Advances	Repayments	Advances outstanding (end of period)		Members' deposits (end of period)	
			Total	Short-term 1		Long-term 2
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
1972.....	4,790	4,749	7,979	2,961	5,018	2,104
1973.....	10,013	2,845	15,147	4,583	10,564	1,744
1973—Feb.....	415	302	7,944	2,774	5,170	1,321
Mar.....	764	288	8,421	2,975	5,446	1,290
Apr.....	1,187	178	9,429	3,450	5,979	1,142
May.....	916	189	10,156	3,428	6,728	1,261
June.....	1,093	104	11,145	4,016	7,129	1,453
July.....	1,373	153	12,365	4,583	7,782	1,183
Aug.....	1,380	235	13,510	4,737	8,773	1,091
Sept.....	999	212	14,298	4,834	9,464	1,178
Oct.....	728	226	14,799	4,805	9,994	1,264
Nov.....	295	228	14,866	4,669	10,197	1,538
Dec.....	529	248	15,147	4,583	10,564	1,744
1974—Jan.....	426	385	15,188	4,486	10,702	1,602
Feb.....	322	607	14,904	4,304	10,600	1,935

1 Secured or unsecured loans maturing in 1 year or less. 2 Secured loans, amortized quarterly, having maturities of more than 1 year but not more than 10 years.

NOTE.—FHLBB data.

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
1968.....	7,167	5,122	2,046	1,944		2,696	1,287
1969.....	10,945	7,676	3,269	4,120		6,630	3,539
1970.....	15,492	11,063	4,429	5,079	20	8,047	5,203
1971.....	17,791	12,681	5,110	3,574	336	9,828	6,497
1972.....	19,791	14,624	5,112	3,699	211	8,797	8,124
1973.....	24,175	16,852	6,352	6,127	71	8,914	7,889
1973 Feb....	20,181	14,872	5,222	334		478	7,972
Mar....	20,571	15,201	5,259	522		933	8,139
Apr....	20,791	15,190	5,269	355		1,211	8,742
May....	21,087	15,581	5,335	472		1,180	9,312
June....	21,413	15,768	5,411	516	1	1,191	9,778
July....	21,772	15,877	5,574	516		1,102	9,859
Aug....	22,319	16,085	5,761	699		1,019	9,809
Sept....	22,831	16,293	5,937	633		724	9,602
Oct....	23,348	16,510	6,101	659		264	8,918
Nov....	23,912	16,734	6,294	656		200	8,690
Dec....	24,175	16,852	6,352	410	40	158	7,889
1974 Jan....	24,424	17,008	6,348	350		110	6,715
Feb....	24,529	17,050	6,336	242		489	6,768

NOTE.—FNMA data. Total holdings include conventional loans. Data prior to Sept. 1968 relate to secondary market portfolio of former FNMA. Mortgage holdings include loans used to back bond issues guaranteed by GNMA. 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).

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	1,131
1970.....	5,184	4,634	550	621		897	738
1971.....	5,294	4,777	517	393			1,494
1972.....	5,113	4,664	436				
1973.....	4,029	3,642	376				
1973 Feb....	4,984	4,552	420				
Mar....	4,663	4,233	418				
Apr....	4,439	4,010	417				
May....	3,980	3,687	281				
June....	3,908	3,604	292				
July....	4,156	3,753	391				
Aug....	4,455	3,949	495				
Sept....	4,429	3,878	540				
Oct....	4,338	3,843	484				
Nov....	4,172	3,779	382				
Dec....	4,029	3,642	376				
1974 Jan....	3,767	3,505	251				
Feb....	3,798	3,539	249				

NOTE.—GNMA data. Total holdings include a small amount of conventional loans. Data prior to Sept. 1968 relate to Special Assistance and Management and Liquidating portfolios of former FNMA and include mortgages subject to participating pool of Government Mortgage Liquidation Trust, but exclude conventional mortgage loans acquired by former FNMA.

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	In percent	Offered	Accepted	In percent
	In millions of dollars			In millions of dollars		
1973—June 11....	184.5	142.2	8.04	110.1	74.1	8.44
25....	199.3	118.7	8.09	95.0	69.4	8.51
July 9....	539.3	244.8	8.38	108.4	72.5	8.67
23....	351.4	181.4	8.54	119.0	61.7	8.79
Aug. 6....	458.5	201.9	8.71	154.3	77.4	8.98
20....	525.0	223.8	8.95	171.3	77.2	9.27
Sept. 4....	551.0	288.9	9.27	118.6	61.5	9.53
17....	138.1	107.9	9.37	48.6	46.8	9.68
Oct. 1....	32.5	24.1	9.11	9.1	7.1	9.43
15....	24.8	16.6	8.97	18.6	16.2	9.10
29....	28.2	21.6	8.94	17.4	9.4	9.01
Nov. 12....	29.3	23.1	8.87	24.1	16.7	8.94
26....	24.9	20.9	8.81	31.0	22.1	8.90
Dec. 17....	38.6	36.2	8.78	51.4	32.2	8.82
1974—Jan. 14....	40.2	35.6	8.71	48.9	34.5	8.77
Feb. 11....	50.4	49.5	8.53	48.4	48.1	8.69
Feb. 25....	58.0	42.3	8.43	48.0	39.4	8.50
Mar. 11....	351.1	285.3	8.44	74.2	50.1	8.47
25....	1,154.7	332.5	8.62	126.3	34.2	8.64

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. Since Oct. 18, 1971, the maturity on new short-term commitments has been 4 months. Mortgage amounts offered by bidders are total bids received.

GNMA MORTGAGE-BACKED SECURITY PROGRAM

(In millions of dollars)

Period	Pass-through securities		Bonds sold
	Applications received	Securities issued	
1970.....	1,126.2	452.4	1,315.0
1971.....	4,373.6	2,701.9	300.0
1972.....	3,854.5	2,661.7	
1973.....	5,588.0	3,294.4	
1973—Feb....	167.2	216.8	
Mar....	339.4	139.9	
Apr....	467.8	182.1	
May....	563.3	338.8	
June....	243.1	315.3	
July....	215.7	384.7	
Aug....	174.0	191.3	
Sept....	533.8	380.0	
Oct....	825.7	240.8	
Nov....	923.3	210.4	
Dec....	515.2	370.9	
1974—Jan....	816.2	665.5	
Feb....	748.8	463.1	

NOTE.—GNMA data. Under the Mortgage-Backed Security Program, GNMA guarantees the timely payment of principal and interest on both pass-through and bond-type securities, which are backed by a pool of mortgages insured by FHA or Farmers Home Admin. or guaranteed by VA and issued by an approved mortgagee. To date, bond-type securities have been issued only by FNMA and FHLMC.

HOME-MORTGAGE YIELDS

(In per cent)

Period	Primary market (conventional loans)			Secondary market
	FHBB series (effective rate)		HUD series	Yield on FHA-insured new-home loans
	New homes	Existing homes	New homes	
1968	6.97	7.03	7.12	7.21
1969	7.81	7.82	7.99	8.29
1970	8.44	8.35	8.52	9.03
1971	7.74	7.67	7.75	7.70
1972	7.60	7.52	7.64	7.52
1973	7.95	8.01		
1973-Mar.	7.68	7.69	7.80	7.63
Apr.	7.71	7.70	7.90	7.73
May	7.71	7.77	7.95	7.79
June	7.79	7.79	8.05	7.89
July	7.87	7.84	8.40	8.19
Aug.	7.94	8.01	8.85	
Sept.	8.17	8.26	8.95	9.18
Oct.	8.31	8.50	8.80	8.97
Nov.	8.39	8.58	8.75	8.86
Dec.	8.49	8.61	8.75	8.78
1974-Jan.	8.52	8.64	8.65	8.54
Feb.	8.62	8.70	8.55	
Mar.	8.64	8.62		

NOTE.—Annual data are averages of monthly figures. The Housing and Urban Development (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. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates. The HUD (FHA) interest rates on conventional first mortgages in primary markets are unweighted and are rounded to the nearest 5 basis points. The FHBB effective rate series reflects fees and charges as well as contract rates (as shown in the table on conventional first-mortgage terms, p. A-31) and an assumed prepayment at end of 10 years.

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	
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
1970	3.64	2.67	.61	.36	.33
1971	3.93	2.82	.65	.46	.46
1972	4.65	3.42	.78	.45	.48
1971-II	3.27	2.36	.53	.38	.38
III	3.59	2.54	.62	.43	.41
IV	3.93	2.82	.65	.46	.46
1972-I	3.16	2.21	.58	.37	.50
II	3.27	2.38	.53	.36	.48
III	3.82	2.74	.65	.43	.52
IV	4.66	3.41	.79	.46	.50
1973-I	4.65	3.42	.78	.45	.48
1973-I	3.63	2.52	.68	.43	
II	3.84	2.81	.64	.39	
III	4.36	3.10	.78	.48	
IV	4.70	3.42	.79	.49	

¹ First line is old series; second line is new series.

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-UNDERWRITTEN RESIDENTIAL LOANS MADE

(In millions of dollars)

Period	FHA-insured				VA-guaranteed			
	Total	Mortgages		Pro-jects ¹	Prop-erty im-prove-ments ²	Mortgages		
		New homes	Ex-isting homes			Total ³	New homes	Ex-isting homes
1965	8,689	1,705	5,760	591	634	2,652	876	1,776
1966	7,320	1,729	4,366	583	641	2,600	980	1,618
1967	7,150	1,369	4,516	642	623	3,405	1,143	2,259
1968	8,275	1,572	4,924	1,123	656	3,774	1,430	2,343
1969	9,129	1,551	5,570	1,316	693	4,072	1,493	2,579
1970	11,982	2,667	5,447	3,251	617	3,440	1,311	2,129
1971	14,689	3,900	6,475	3,641	674	5,961	1,694	4,267
1972	12,320	3,459	4,608	3,448	805	8,293	2,539	5,754
1973	7,591	1,675	2,798	2,286	832	7,416	2,313	5,103
1973-Feb.	710	162	235	262	52	592	187	405
Mar.	969	195	268	440	65	596	185	411
Apr.	620	151	223	172	74	621	187	434
May	589	158	228	122	81	634	198	436
June	650	153	229	207	61	646	182	464
July	559	143	250	100	66	666	204	462
Aug.	537	100	195	167	75	565	193	372
Sept.	485	90	177	134	84	565	184	381
Oct.	556	113	246	126	72	652	221	431
Nov.	623	100	257	190	76	725	216	509
Dec.	459	56	168	168	66	473	138	335
1974-Jan.	482	73	243	115	52	652	175	477
Feb.	399	54	206	92	46	520	133	387

¹ Monthly figures do not reflect mortgage amendments included in annual totals.

² Not ordinarily secured by mortgages.

³ Includes refinancing loans, mobile home loans and also 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.—FHA and VA 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.

FEDERAL HOME LOAN MORTGAGE CORPORATION ACTIVITY

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total	FHA-VA	Con-ventional	Pur-chases	Sales	Made during period	Out-standing
1970	325	325		325			
1971	968	821	147	778	64		182
1972	1,789	1,503	286	1,298	408	1,606	198
1973	2,604	1,743	861	1,334	409	1,629	186
1973-Jan.	1,761	1,517	244	76	99	142	226
Feb.	1,677	1,535	142	76	150	166	300
Mar.	1,718	1,589	128	119	68	141	295
Apr.	1,784	1,646	138	126	51	193	343
May	1,906	1,695	211	147	17	187	344
June	2,029	1,716	313	154	21	159	316
July	2,158	1,714	444	140		139	278
Aug.	2,307	1,728	579	161		208	288
Sept.	2,423	1,729	694	126		143	218
Oct.	2,527	1,742	785	113		63	218
Nov.	2,565	1,746	819	46		45	207
Dec.	2,604	1,743	861	50	2	43	186
1974-Jan.	2,621	1,736	885	34	8	26	161

NOTE.—FHLMC data. Data for 1970 include only the period beginning Nov. 26 when the FHLMC first became operational. Holdings, purchases, and sales include participations as well as whole loans. Mortgage holdings include loans used to back bond issues guaranteed by GNMA. Commitment data cover the conventional and Govt.-underwritten loan programs.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment			
		Total	Auto- mobile paper	Other consumer goods paper	Home improvement loans ¹	Personal loans	Total	Single- payment loans	Charge accounts	Service credit
1940.....	8,338	5,514	2,071	1,827	371	1,245	2,824	800	1,471	553
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.....	89,883	70,893	28,437	18,483	3,736	20,237	18,990	7,671	6,430	4,889
1966.....	96,239	76,245	30,010	20,732	3,841	21,662	19,994	7,972	6,686	5,336
1967.....	100,783	79,428	29,796	22,389	4,008	21,235	21,355	8,558	7,070	5,727
1968.....	110,770	87,745	32,948	24,626	4,230	25,932	23,025	9,532	7,193	6,300
1969.....	121,146	97,105	35,527	28,313	4,613	28,652	24,041	9,747	7,373	6,921
1970.....	127,163	102,064	35,184	31,465	5,070	30,345	25,099	9,675	7,968	7,456
1971.....	138,394	111,295	38,664	34,353	5,413	32,865	27,099	10,585	8,350	8,164
1972.....	157,564	127,332	44,129	40,080	6,201	36,922	30,232	12,256	9,002	8,974
1973.....	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	9,829	9,979
1973- Feb.....	157,582	127,959	44,817	39,795	6,239	37,108	29,623	12,409	7,646	9,568
Mar.....	159,320	129,375	45,610	39,951	6,328	37,486	29,945	12,540	7,702	9,703
Apr.....	161,491	131,022	46,478	40,441	6,408	37,695	30,469	12,686	8,036	9,747
May.....	164,277	133,531	47,518	41,096	6,541	38,376	30,746	12,817	8,319	9,610
June.....	167,083	136,018	48,549	41,853	6,688	38,928	31,065	12,990	8,555	9,520
July.....	169,148	138,212	49,352	42,575	6,845	39,440	30,936	12,968	8,479	9,489
Aug.....	171,978	140,810	50,232	43,505	7,009	40,064	31,168	13,111	8,605	9,452
Sept.....	173,035	142,093	50,557	44,019	7,120	40,397	30,942	13,088	8,335	9,519
Oct.....	174,840	143,610	51,092	44,632	7,235	40,651	31,230	13,145	8,590	9,495
Nov.....	176,969	145,400	51,371	45,392	7,321	41,116	31,569	13,161	8,785	9,623
Dec.....	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	9,829	9,979
1974- Jan.....	178,686	146,575	50,617	47,303	7,303	41,352	32,111	13,117	8,875	10,119
Feb.....	177,522	145,927	50,386	46,781	7,343	41,417	31,595	13,159	8,018	10,418

¹ Holdings of financial institutions; holdings of retail outlets are included in "Other consumer goods paper."

NOTE.—Consumer credit estimates cover loans to individuals for house-

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 BULLETINS for Dec. 1968 and Oct. 1972.

INSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Financial institutions					Retail outlets		
		Total	Com- mercial banks	Finance compa- nies ¹	Credit unions	Mis- cellaneous lenders ¹	Total	Auto- mobile dealers ²	Other retail outlets
1940.....	5,514	3,918	1,452	2,278	171	17	1,596	167	1,429
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.....	70,893	61,102	28,962	23,851	7,324	965	9,791	315	9,476
1966.....	76,245	65,430	31,319	24,796	8,255	1,060	10,815	277	10,538
1967.....	79,428	67,944	33,152	24,576	9,003	1,213	11,484	287	11,197
1968.....	87,745	75,727	37,936	26,074	10,300	1,417	12,018	281	11,737
1969.....	97,105	83,989	42,421	27,846	12,028	1,694	13,116	250	12,866
1970.....	102,064	88,164	45,394	27,678	12,986	2,102	13,900	218	13,682
1971.....	111,295	97,144	51,240	28,883	14,770	2,251	14,151	226	13,925
1972.....	127,332	111,382	59,783	32,088	16,913	2,598	15,950	261	15,689
1973.....	147,437	129,305	69,495	37,243	19,609	2,958	18,132	299	17,833
1973- Feb.....	127,959	112,630	60,582	32,431	16,973	2,644	15,329	266	15,063
Mar.....	129,375	114,190	61,388	32,750	17,239	2,813	15,185	272	14,913
Apr.....	131,022	115,727	62,459	33,078	17,455	2,735	15,295	278	15,017
May.....	133,531	118,165	63,707	33,859	17,832	2,765	15,366	284	15,082
June.....	136,018	120,450	64,999	34,367	18,269	2,815	15,568	289	15,279
July.....	138,212	122,479	66,065	35,020	18,517	2,877	15,733	293	15,440
Aug.....	140,810	124,823	67,381	35,634	18,961	2,847	15,987	296	15,691
Sept.....	142,093	126,040	67,918	35,993	19,207	2,922	16,053	297	15,756
Oct.....	143,610	127,307	68,627	36,365	19,339	2,976	16,303	300	16,003
Nov.....	145,400	128,553	69,161	36,887	19,517	2,988	16,847	302	16,545
Dec.....	147,437	129,305	69,495	37,243	19,609	2,958	18,132	299	17,833
1974- Jan.....	146,575	128,870	69,429	37,140	19,429	2,872	17,705	296	17,409
Feb.....	145,927	128,807	69,246	37,148	19,430	2,983	17,120	293	16,827

¹ 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.

² Automobile paper only; other instalment credit held by automobile dealers is included with "Other retail outlets."

See also NOTE to table above.

MAJOR HOLDERS OF INSTALMENT CREDIT

(In millions of dollars)

End of period	Commercial banks							Finance companies ¹							
	Total	Automobile paper		Other consumer goods paper			Home improvement loans	Personal loans	Total	Automobile paper		Other consumer goods paper		Home improvement loans	Personal loans
		Purchased	Direct	Mobile homes	Credit cards	Other				Mobile homes	Other				
1940.....	1,452	339	276		232		165	440	2,278	1,253		159		193	673
1950.....	5,798	1,177	1,294		1,456		834	1,037	5,315	3,157		692		80	1,386
1955.....	10,601	3,243	2,062		2,042		1,338	1,916	11,838	7,108		1,448		42	3,240
1960.....	16,672	5,316	2,820		2,759		2,200	3,577	15,435	7,703		2,553		173	5,006
1965.....	28,962	10,209	5,659		4,166		2,571	6,357	23,851	9,218		4,343		232	10,058
1966.....	31,319	11,024	5,956		4,681		2,647	7,011	24,796	9,342		4,925		214	10,315
1967.....	33,152	10,972	6,232		5,469		2,731	7,748	24,576	8,627		5,069		192	10,688
1968.....	37,936	12,324	7,102		1,307	5,387	2,858	8,958	26,074	9,003		5,424		166	11,481
1969.....	42,421	13,133	7,791		2,639	6,082	2,996	9,780	27,846	9,412		5,775		174	12,485
1970.....	45,398	12,918	7,888		3,792	7,113	3,071	10,616	27,678	9,044	2,464	3,237		199	12,734
1971.....	51,240	13,837	9,277	4,423	4,419	4,501	3,236	11,547	28,883	9,577	2,561	3,052		247	13,446
1972.....	59,783	16,320	10,776	5,786	5,288	5,122	3,544	12,947	32,088	10,174	2,916	3,589		497	14,912
1973.....	69,495	19,038	12,218	7,223	6,649	6,054	3,982	14,331	37,243	11,927	3,378	4,434		917	16,587
1973- Feb..	60,582	16,680	10,977	5,932	5,283	5,158	3,515	13,037	32,431	10,267	2,909	3,752		562	14,941
Mar..	61,388	16,951	11,216	6,035	5,243	5,289	3,538	13,116	32,750	10,419	2,943	3,796		581	15,011
Apr..	62,459	17,327	11,436	6,163	5,290	5,401	3,581	13,261	33,078	10,617	2,991	3,831		611	15,028
May..	63,707	17,716	11,680	6,321	5,360	5,538	3,635	13,457	33,859	10,872	3,025	3,985		656	15,321
June..	64,999	18,138	11,866	6,473	5,502	5,688	3,700	13,632	34,367	11,121	3,081	4,002		694	15,469
July..	66,065	18,439	12,023	6,629	5,603	5,815	3,774	13,782	35,020	11,365	3,132	4,103		733	15,687
Aug..	67,381	18,771	12,190	6,825	5,792	5,923	3,863	14,017	35,634	11,583	3,187	4,194		771	15,899
Sept..	67,918	18,886	12,160	6,956	5,909	5,978	3,903	14,126	35,993	11,721	3,235	4,265		809	15,963
Oct..	68,627	19,123	12,262	7,106	5,991	6,012	3,950	14,183	36,365	11,859	3,269	4,316		847	16,074
Nov..	69,161	19,198	12,306	7,208	6,171	6,035	3,979	14,264	36,887	11,949	3,310	4,371		886	16,371
Dec..	69,495	19,038	12,218	7,223	6,649	6,054	3,982	14,331	37,243	11,927	3,378	4,434		917	16,587
1974 Jan..	69,429	18,885	12,113	7,237	6,826	6,041	3,944	14,383	37,140	11,754	3,392	4,460		940	16,594
Feb..	69,246	18,770	12,028	7,285	6,770	6,063	3,937	14,393	37,148	11,710	3,406	4,486		968	16,578

¹ Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies.

See also NOTE to table at top of preceding page.

INSTALMENT CREDIT HELD BY OTHER FINANCIAL LENDERS

(In millions of dollars)

End of period	Total	Automobile paper	Other consumer goods paper	Home improvement loans	Personal loans
1940.....	188	36	7	13	132
1950.....	692	159	40	102	391
1955.....	1,959	560	130	313	956
1960.....	4,566	1,460	297	775	2,034
1965.....	8,289	3,036	498	933	3,822
1966.....	9,315	3,411	588	980	4,336
1967.....	10,216	3,678	654	1,085	4,799
1968.....	11,717	4,238	771	1,215	5,493
1969.....	13,722	4,941	951	1,443	6,387
1970.....	15,088	5,116	1,177	1,800	6,995
1971.....	17,021	5,747	1,472	1,930	7,872
1972.....	19,511	6,598	1,690	2,160	9,063
1973.....	22,567	7,648	1,959	2,453	10,507
1973- Feb..	19,617	6,627	1,698	2,162	9,130
Mar..	20,052	6,752	1,732	2,209	9,359
Apr..	20,190	6,820	1,748	2,216	9,406
May..	20,599	6,966	1,785	2,250	9,598
June..	21,084	7,135	1,828	2,294	9,827
July..	21,394	7,232	1,853	2,338	9,971
Aug..	21,808	7,392	1,893	2,375	10,148
Sept..	22,129	7,493	1,920	2,408	10,308
Oct..	22,315	7,548	1,935	2,438	10,394
Nov..	22,505	7,616	1,952	2,456	10,481
Dec..	22,567	7,648	1,959	2,453	10,507
1974- Jan..	22,301	7,569	1,938	2,419	10,375
Feb..	22,413	7,585	1,944	2,438	10,446

NOTE.—Other financial lenders consist of credit unions and miscellaneous lenders. Miscellaneous lenders include savings and loan associations and mutual savings banks.

NONINSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Single-payment loans		Charge accounts		Service credit
		Commercial banks	Other financial institutions	Retail outlets	Credit cards ¹	
1940.....	2,824	636	164	1,471		553
1950.....	6,768	1,576	245	3,291		1,580
1955.....	9,924	2,635	367	4,579		2,127
1960.....	13,173	3,884	623	4,893		3,337
1965.....	18,990	6,690	981	5,724		4,889
1966.....	19,994	6,946	1,026	5,812		5,336
1967.....	21,355	7,478	1,080	6,041		5,727
1968.....	23,025	8,374	1,158	5,966		6,300
1969.....	24,041	8,553	1,194	5,936		6,921
1970.....	25,099	8,469	1,206	6,163		7,456
1971.....	27,099	9,316	1,269	6,397		8,164
1972.....	30,232	10,857	1,399	7,055		8,974
1973.....	33,049	11,753	1,488	7,783		9,979
1973- Feb..	29,623	10,989	1,420	5,735		9,568
Mar..	29,945	11,074	1,466	5,825		9,703
Apr..	30,469	11,237	1,449	6,129		9,747
May..	30,746	11,359	1,458	6,387		9,610
June..	31,065	11,520	1,470	6,544		9,520
July..	30,936	11,491	1,477	6,424		9,489
Aug..	31,168	11,655	1,456	6,475		9,452
Sept..	30,942	11,608	1,480	6,229		9,519
Oct..	31,230	11,654	1,491	6,554		9,495
Nov..	31,569	11,669	1,492	6,761		9,623
Dec..	33,049	11,753	1,488	7,783		9,979
1974- Jan..	32,111	11,652	1,465	6,894		10,119
Feb..	31,595	11,663	1,496	6,136		10,418

¹ 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 table at top of preceding page.

INSTALMENT CREDIT EXTENDED AND REPAID, BY TYPE OF CREDIT

(In millions of dollars)

Period	Total		Automobile paper		Other consumer goods paper		Home improvement loans		Personal loans	
	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.
Extensions										
1966.....		82,832		27,192		26,329		2,223		27,088
1967.....		87,171		26,320		29,504		2,369		28,978
1968.....		99,984		31,083		33,507		2,534		32,860
1969.....		109,146		32,553		38,332		2,831		35,430
1970.....		112,158		29,794		43,873		2,963		35,528
1971.....		124,281		34,873		47,821		3,244		38,343
1972.....		142,951		40,194		55,599		4,006		43,152
1973.....		165,083		46,453		66,859		4,728		47,043
1973—Feb.....	13,434	11,214	3,972	3,407	5,245	4,252	364	300	3,853	3,255
Mar.....	13,852	13,681	4,001	4,164	5,349	5,169	406	377	4,096	3,971
Apr.....	13,465	13,661	3,822	4,101	5,563	5,378	365	372	3,715	3,810
May.....	13,932	14,792	3,989	4,409	5,504	5,698	374	431	4,065	4,254
June.....	13,646	14,608	3,762	4,313	5,505	5,678	400	450	3,979	4,167
July.....	14,542	14,812	3,930	4,177	5,943	5,753	433	472	4,236	4,410
Aug.....	14,294	15,099	3,968	4,252	5,961	6,065	408	471	3,957	4,311
Sept.....	13,691	12,624	3,939	3,476	5,537	5,217	410	420	3,805	3,511
Oct.....	14,149	14,454	3,912	4,196	5,911	5,894	415	439	3,911	3,925
Nov.....	14,275	14,098	3,819	3,693	5,978	5,980	402	389	4,076	4,036
Dec.....	12,677	14,117	3,315	2,872	5,254	6,826	429	348	3,679	4,071
1974—Jan.....	13,714	12,375	3,492	2,934	5,662	5,471	373	298	4,187	3,672
Feb.....	13,541	11,227	3,389	2,945	5,647	4,525	409	341	4,096	3,416
Repayments										
1966.....		77,480		25,619		24,080		2,118		25,663
1967.....		83,988		26,534		27,847		2,202		27,405
1968.....		91,667		27,931		31,270		2,303		30,163
1969.....		99,786		29,974		34,645		2,457		32,710
1970.....		107,199		30,137		40,721		2,506		33,935
1971.....		115,050		31,393		44,933		2,901		35,823
1972.....		126,914		34,729		49,872		3,218		39,095
1973.....		144,978		39,452		59,409		3,577		42,540
1973—Feb.....	11,437	10,623	3,145	2,943	4,409	4,275	275	254	3,390	3,017
Mar.....	11,808	12,265	3,225	3,371	4,755	5,013	286	288	3,542	3,591
Apr.....	12,061	12,014	3,218	3,233	4,963	4,888	294	292	3,586	3,601
May.....	11,941	12,283	3,261	3,369	4,917	5,043	290	298	3,473	3,573
June.....	12,034	12,121	3,253	3,282	4,955	4,921	300	303	3,526	3,615
July.....	12,544	12,618	3,334	3,374	5,141	5,031	308	315	3,761	3,898
Aug.....	12,399	12,501	3,293	3,372	5,168	5,135	298	307	3,640	3,687
Sept.....	12,332	11,341	3,406	3,151	5,072	4,703	322	309	3,532	3,178
Oct.....	12,449	12,937	3,427	3,661	5,149	5,281	308	324	3,565	3,671
Nov.....	12,549	12,308	3,471	3,414	5,154	5,020	301	303	3,623	3,571
Dec.....	12,267	12,080	3,338	3,113	5,001	4,888	332	317	3,596	3,762
1974—Jan.....	12,797	13,237	3,433	3,447	5,193	5,698	356	347	3,815	3,745
Feb.....	12,870	11,875	3,394	3,176	5,340	5,047	323	301	3,813	3,351
Net change in credit outstanding ²										
1966.....		5,352		1,573		2,249		105		1,425
1967.....		3,183		-214		1,657		167		1,573
1968.....		8,317		3,152		2,237		231		2,697
1969.....		9,360		2,579		3,687		374		2,720
1970.....		4,959		-343		3,152		457		1,693
1971.....		9,231		3,480		2,888		343		2,520
1972.....		16,037		5,465		5,727		788		4,057
1973.....		20,105		7,001		7,450		1,151		4,503
1973—Feb.....	1,997	591	827	464	618	-157	89	46	463	238
Mar.....	2,044	1,416	776	793	594	156	120	89	554	378
Apr.....	1,404	1,647	604	868	600	490	71	80	129	209
May.....	1,991	2,509	728	1,040	587	655	84	133	592	681
June.....	1,612	2,487	509	1,031	550	757	100	147	453	552
July.....	1,998	2,194	596	803	802	722	125	157	475	512
Aug.....	1,895	2,598	675	880	793	930	110	164	317	624
Sept.....	1,359	1,283	533	325	465	514	88	111	273	333
Oct.....	1,700	1,517	485	535	762	613	107	115	346	254
Nov.....	1,726	1,790	348	279	824	960	101	86	453	465
Dec.....	410	2,037	23	-241	253	1,938	97	31	83	309
1974—Jan.....	917	862	59	-513	469	-227	17	-49	372	-73
Feb.....	671	-648	5	231	307	-522	86	40	283	65

¹ Includes adjustments for differences in trading days.² 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 BULLETINS for Dec. 1968 and Oct. 1972.

INSTALMENT CREDIT EXTENDED AND REPAID, BY HOLDER

(In millions of dollars)

Period	Total		Commercial banks		Finance companies		Other financial lenders		Retail outlets	
	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.
Extensions										
1966.....		82,832		30,073		25,897		10,368		16,494
1967.....		87,171		31,382		26,461		11,238		18,090
1968.....		99,984		37,395		30,261		13,206		19,122
1969.....		109,146		40,955		32,753		15,198		20,240
1970.....		112,158		42,960		31,952		15,720		21,526
1971.....		124,281		51,237		32,935		17,966		22,143
1972.....		142,951		59,339		38,464		20,607		24,541
1973.....		165,083		69,726		43,221		23,414		28,722
1973- Feb.....	13,434	11,214	5,664	4,826	3,557	2,972	1,964	1,711	2,249	1,705
Mar.....	13,852	13,681	5,853	5,890	3,654	3,598	2,131	2,083	2,214	2,110
Apr.....	13,465	13,661	5,644	5,973	3,555	3,576	1,792	1,832	2,474	2,280
May.....	13,932	14,792	5,859	6,356	3,820	4,027	1,868	2,060	2,385	2,349
June.....	13,646	14,608	5,684	6,219	3,584	3,817	1,978	2,211	2,400	2,361
July.....	14,542	14,812	5,976	6,232	3,824	3,931	2,110	2,233	2,632	2,416
Aug.....	14,294	15,099	6,195	6,518	3,685	3,877	1,943	2,194	2,471	2,510
Sept.....	13,691	12,624	5,809	5,376	3,602	3,189	2,019	1,912	2,261	2,147
Oct.....	14,149	14,454	6,060	6,169	3,623	3,765	1,951	1,968	2,515	2,552
Nov.....	14,275	14,098	6,222	5,697	3,564	3,722	2,029	1,929	2,460	2,750
Dec.....	12,677	14,117	5,124	5,224	3,279	3,714	1,897	1,772	2,377	3,407
1974- Jan.....	13,714	12,375	5,715	5,345	3,693	3,127	1,911	1,639	2,395	2,264
Feb.....	13,541	11,227	5,794	4,837	3,656	3,056	1,861	1,644	2,230	1,690
Repayments										
1966.....		77,480		27,716		24,952		9,342		15,470
1967.....		83,988		29,549		26,681		10,337		17,421
1968.....		91,667		32,611		28,763		11,705		18,588
1969.....		99,786		36,470		30,981		13,193		19,142
1970.....		107,199		40,398		31,705		14,354		20,742
1971.....		115,050		45,395		31,730		16,033		21,892
1972.....		126,914		50,796		35,259		18,117		22,742
1973.....		144,978		60,014		38,066		20,358		26,540
1973- Feb.....	11,437	10,623	4,684	4,392	3,030	2,718	1,625	1,459	2,098	2,054
Mar.....	11,808	12,265	4,870	5,084	3,141	3,279	1,665	1,648	2,132	2,254
Apr.....	12,061	12,014	4,919	4,902	3,251	3,248	1,693	1,694	2,198	2,170
May.....	11,941	12,283	4,976	5,108	3,100	3,246	1,612	1,651	2,253	2,278
June.....	12,034	12,121	4,890	4,927	3,241	3,309	1,694	1,726	2,209	2,159
July.....	12,544	12,618	5,112	5,166	3,312	3,278	1,771	1,923	2,349	2,251
Aug.....	12,399	12,501	5,146	5,202	3,241	3,263	1,738	1,780	2,274	2,256
Sept.....	12,332	11,341	5,167	4,839	3,144	2,830	1,757	1,591	2,264	2,081
Oct.....	12,449	12,937	5,212	5,460	3,287	3,393	1,703	1,782	2,247	2,302
Nov.....	12,549	12,308	5,345	5,163	3,143	3,200	1,814	1,739	2,247	2,206
Dec.....	12,267	12,080	5,088	4,890	3,151	3,358	1,766	1,710	2,262	2,122
1974- Jan.....	12,797	13,247	5,254	5,411	3,418	3,230	1,823	1,905	2,302	2,691
Feb.....	12,870	11,875	5,430	5,020	3,423	3,048	1,692	1,532	2,325	2,275
Net change in credit outstanding ²										
1966.....		5,352		2,357		945		1,026		1,024
1967.....		3,183		1,833		220		901		669
1968.....		8,317		4,784		1,498		1,501		534
1969.....		9,360		4,485		1,772		2,005		1,098
1970.....		4,959		2,977		168		1,366		784
1971.....		9,231		5,842		1,205		1,933		251
1972.....		16,037		8,543		3,205		2,490		1,799
1973.....		20,105		9,712		5,155		3,056		2,182
1973- Feb.....	1,997	591	980	434	527	254	339	252	151	349
Mar.....	2,044	1,416	983	806	513	319	466	435	82	144
Apr.....	1,404	1,647	725	1,071	304	328	99	138	276	110
May.....	1,991	2,509	883	1,248	720	781	256	409	132	71
June.....	1,612	2,487	794	1,292	343	508	284	485	191	202
July.....	1,998	2,194	864	1,066	512	653	339	310	283	165
Aug.....	1,895	2,598	1,049	1,316	444	614	205	414	197	254
Sept.....	1,359	1,283	642	537	458	359	262	321	-3	66
Oct.....	1,700	1,517	848	709	336	372	248	186	268	250
Nov.....	1,726	1,790	877	534	421	522	215	190	213	544
Dec.....	410	2,037	36	334	128	356	131	62	115	1,285
1974- Jan.....	917	862	461	66	275	-103	88	266	93	-427
Feb.....	671	648	364	-183	233	8	169	112	95	-585

¹ Includes adjustments for differences in trading days.

² 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 footnote 1 at bottom of p. A-50.

MARKET GROUPINGS

(1967 = 100)

Grouping	1967 pro- portion	1973 aver- age ^b	1973										1974		
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^c	Dec. ^c	Jan. ^c	Feb. ^c	Mar. ^c
Total index.....	100.0	125.6	123.7	124.1	124.8	125.6	126.7	126.5	126.8	127.0	127.5	126.5	125.4	124.5	123.9
Products, total.....	62.21	123.4	121.7	122.0	122.9	123.7	124.2	123.7	124.3	124.3	125.3	124.0	122.6	122.1	121.8
Final products.....	48.95	121.3	119.6	120.0	120.8	121.3	122.1	121.4	122.4	122.7	123.7	122.6	120.9	120.5	120.1
Consumer goods.....	28.53	131.7	130.8	130.9	131.8	131.9	132.8	131.2	132.3	132.6	133.5	131.3	129.2	128.0	127.3
Equipment.....	20.42	106.7	104.1	104.7	105.7	106.6	107.3	107.6	108.5	108.9	110.1	110.1	109.1	110.0	110.0
Intermediate products.....	13.26	131.1	129.4	129.3	130.5	132.0	132.5	132.1	131.0	130.6	131.1	129.1	129.3	128.3	127.8
Materials.....	37.79	129.3	127.0	127.7	128.3	129.0	130.9	130.9	131.3	131.1	131.5	130.7	129.5	128.2	127.2
Consumer goods															
Durable consumer goods.....	7.86	139.0	140.4	140.5	141.5	141.8	142.4	134.0	138.2	137.3	138.5	134.6	128.4	126.7	126.6
Automotive products.....	2.84	136.8	144.1	141.7	142.6	142.6	141.7	121.1	129.8	131.4	133.7	120.6	108.1	103.9	103.0
Autos.....	1.87	125.4	130.8	128.1	129.8	132.6	134.0	103.9	118.4	122.5	124.8	106.2	90.0	86.4	86.3
Auto parts and allied goods.....	.97	158.9	169.9	167.5	167.0	161.9	156.7	154.2	151.8	148.4	150.9	147.8	142.8	137.8	135.0
Home goods.....	5.02	140.3	138.3	139.8	140.9	141.3	142.9	141.1	142.9	140.9	141.2	142.5	139.8	139.6	140.0
Appliances, TV, and radios.....	1.41	144.8	143.0	149.7	148.0	147.2	147.8	146.3	149.4	143.4	140.4	147.9	139.1	134.8	.....
Appliances and A/C.....	.92	156.9	156.9	157.6	157.8	154.1	156.0	153.3	159.8	159.3	154.7	172.2	155.0	152.5	.....
TV and home audio.....	.49														
Carpeting and furniture.....	1.08	150.0	145.7	146.7	147.8	148.9	155.4	154.2	153.3	153.9	152.7	150.1	153.5	152.6	.....
Misc. home goods.....	2.53	133.6	132.7	131.4	134.0	134.7	134.7	132.9	134.8	134.1	136.8	136.3	134.4	136.9	137.9
Nondurable consumer goods.....	20.67	129.0	127.1	127.2	128.0	128.1	129.1	130.2	130.1	130.8	131.5	130.2	129.4	128.6	127.5
Clothing.....	4.32	116.0	115.4	114.5	114.2	116.0	116.5	117.0	118.0	116.8	117.3	120.3	116.3	.....	.....
Consumer staples.....	16.34	132.4	130.3	130.6	131.7	131.4	132.5	133.6	133.2	134.5	135.2	132.8	132.7	133.0	131.9
Consumer foods and tobacco.....	8.37	122.2	120.9	121.0	120.9	119.6	121.3	121.9	122.2	123.3	126.5	125.0	126.1	125.3	123.5
Nonfood staples.....	7.98	143.1	140.1	140.7	143.1	143.7	144.1	145.8	144.8	146.2	144.3	141.1	139.6	141.1	140.6
Consumer chemical products.....	2.64	153.3	151.1	151.5	154.9	153.5	153.0	155.6	153.4	156.2	154.9	156.7	157.8	162.7	.....
Consumer paper products.....	1.91	121.3	118.7	119.0	121.7	121.7	122.5	124.1	124.4	122.5	123.6	120.5	119.4	117.2	.....
Consumer fuel and lighting.....	3.43	147.5	143.8	144.4	145.6	148.2	149.2	150.4	149.7	151.9	147.8	140.7	137.0	138.0	.....
Residential utilities.....	2.25	156.8	153.5	152.3	152.1	155.4	157.8	160.0	160.9	161.9	158.0	149.8	145.6	149.6	.....
Equipment															
Business equipment.....	12.74	122.6	118.6	119.6	121.3	122.5	123.0	124.6	125.8	126.2	127.8	126.9	126.1	127.2	127.3
Industrial equipment.....	6.77	120.1	115.6	117.4	119.1	119.8	120.5	122.5	124.1	124.5	125.6	124.9	124.3	125.8	125.5
Building and mining equip.....	1.45	120.4	116.0	118.1	118.8	119.1	119.6	123.0	123.7	124.7	126.0	126.0	127.8	130.5	130.5
Manufacturing equipment.....	3.85	113.0	107.5	109.4	112.0	113.1	113.9	115.1	117.3	117.3	118.2	118.5	117.5	119.5	118.5
Power equipment.....	1.47	138.5	137.1	137.6	138.2	138.3	138.5	141.0	142.3	143.0	144.6	140.3	136.0	138.0	138.9
Commercial, transit, farm eq.....	5.97	125.5	121.9	122.2	123.7	125.4	125.8	127.0	127.7	128.1	130.3	129.2	128.1	128.7	129.1
Commercial equipment.....	3.30	135.0	130.6	131.3	131.6	134.1	135.9	137.0	138.2	140.1	141.3	139.3	139.1	140.0	140.8
Transit equipment.....	2.00	109.8	110.2	107.5	109.8	109.7	109.0	108.4	109.6	109.8	111.4	111.1	109.5	109.4	109.4
Farm equipment.....	.67	125.1	114.6	120.9	126.5	129.3	126.4	132.8	129.4	123.5	132.4	133.4	130.0	130.0	.....
Defense and space equipment.....	7.68	80.2	80.1	80.0	79.7	80.1	81.1	79.7	79.8	80.0	80.9	81.9	81.2	81.3	81.2
Military products.....	5.15	80.3	81.5	81.0	80.1	80.0	81.1	79.0	79.1	79.3	80.0	81.3	80.4	80.7	80.8
Intermediate products															
Construction products.....	5.93	134.2	130.7	132.2	132.2	135.9	134.5	135.3	134.9	134.3	133.7	131.1	133.1	130.4	128.8
Misc. intermediate products.....	7.34	128.6	128.3	127.0	129.2	128.9	132.7	129.6	128.1	127.5	129.0	127.4	126.1	126.5	.....
Materials															
Durable goods materials.....	20.91	130.1	127.6	127.9	128.6	129.2	131.7	131.9	132.3	132.2	133.0	132.7	129.5	127.2	124.5
Consumer durable parts.....	4.75	127.8	125.9	129.0	125.7	128.8	126.9	128.6	129.9	128.2	128.4	121.0	111.9	106.9	103.0
Equipment parts.....	5.41	119.3	114.6	113.8	118.0	118.2	124.5	122.3	122.1	122.7	125.8	125.3	125.0	125.3	121.9
Durable materials nec.....	10.75	136.5	134.9	134.7	135.3	134.9	137.6	138.0	138.7	139.0	138.7	141.6	139.7	137.0	135.4
Nondurable goods materials.....	13.99	129.1	127.1	128.5	128.9	129.4	130.4	130.6	130.3	130.1	130.7	129.2	131.2	130.3	131.8
Textile, paper, and chem. mat.....	8.58	139.8	136.3	138.8	139.4	140.2	142.2	142.4	141.9	141.4	142.4	140.1	142.4	140.6	143.2
Nondurable materials n.e.c.....	5.41	112.2	112.7	112.2	112.3	112.3	112.1	111.7	112.0	112.3	112.1	111.9	113.6	114.1	113.6
Fuel and power, industrial.....	2.89	123.9	122.6	122.1	122.9	125.3	126.9	126.3	128.3	126.9	124.9	123.1	121.1	123.8	123.6
Supplementary groups															
Home goods and clothing.....	9.34	129.0	127.6	128.1	128.6	129.7	130.7	130.0	131.3	129.8	130.2	132.4	128.9	126.9	126.2
Containers.....	1.82	139.9	145.2	139.1	138.0	141.4	135.1	140.5	139.8	141.2	142.3	141.0	148.4	141.5	.....
Gross value of products in market structure (In billions of 1963 dollars)															
Products, total.....			446.9	446.2	449.7	451.8	452.9	446.2	449.8	452.6	456.9	449.1	444.8	441.4	439.4
Final products.....			343.9	343.7	346.6	347.8	347.7	341.9	346.3	349.7	353.3	346.9	341.5	339.4	338.2
Consumer goods.....			239.5	238.9	241.1	241.3	241.0	235.4	239.0	241.7	243.6	237.8	233.2	230.0	229.1
Equipment.....			104.5	104.8	105.6	106.6	106.6	106.6	107.3	108.0	109.5	109.0	108.5	109.1	109.1
Intermediate products.....			102.7	102.3	103.1	104.3	104.8	104.6	103.5	103.1	103.6	102.5	103.2	102.2	101.4

For NOTE see p. A-55.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1973 average ^a	1973												1974	
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^b	Feb. ^b	Mar. ^c	
Manufacturing	88.55	125.2	123.4	123.8	124.9	125.6	126.5	126.4	126.3	126.4	127.4	126.4	125.6	123.9	123.4	
Durable	52.33	122.1	119.9	120.6	121.8	123.0	123.8	122.6	123.3	123.5	124.3	123.1	120.7	119.4	118.6	
Nondurable	36.22	129.6	128.6	128.4	129.3	129.3	130.5	130.9	130.7	130.4	131.3	131.2	131.0	130.3	130.4	
Mining and utilities	11.45	128.9	127.3	126.6	127.0	128.2	130.4	130.7	131.3	131.5	130.6	126.9	125.9	128.0	128.3	
Mining	6.37	110.2	109.5	109.0	109.1	109.5	111.0	111.5	111.8	111.9	111.3	110.4	110.8	111.6	112.8	
Utilities	5.08	152.3	149.6	148.7	149.5	151.5	154.8	154.8	155.8	156.2	154.6	147.6	144.9	148.5	147.8	
Durable manufactures																
Primary and fabricated metals	12.55	128.8	125.8	127.4	128.1	128.7	130.6	129.5	129.5	130.6	131.0	130.5	130.2	128.6	126.5	
Primary metals	6.61	127.1	123.5	125.8	126.1	124.5	128.1	125.6	127.8	128.7	128.9	130.7	129.4	127.0	124.0	
Iron and steel, subtotal	4.23	121.6	117.5	119.7	119.8	119.9	120.9	118.5	122.7	123.6	124.2	127.7	125.4	121.8	116.9	
Fabricated metal products	5.94	130.7	128.4	128.9	130.3	133.4	133.5	133.8	131.5	132.4	133.1	130.0	131.4	130.5	129.3	
Machinery and allied goods	32.44	117.3	115.1	115.7	117.3	118.8	119.3	117.7	118.9	118.9	119.9	118.6	114.7	113.4	112.9	
Machinery	17.39	125.9	121.4	122.6	124.7	126.9	127.6	128.5	130.0	129.2	130.4	130.9	127.9	126.8	125.3	
Nonelectrical machinery	9.17	125.1	119.0	121.5	124.0	126.1	128.9	129.0	129.8	130.0	130.3	130.2	128.3	127.8	126.8	
Electrical machinery	8.22	126.8	123.9	123.8	125.4	127.8	128.0	128.2	129.8	128.5	130.5	131.6	127.5	125.6	123.9	
Transportation equipment	9.29	109.2	110.3	110.0	111.0	112.2	112.1	105.7	107.3	108.8	109.8	103.0	95.7	93.4	93.4	
Motor vehicles and parts	4.56	138.1	141.0	140.1	140.9	143.3	144.1	131.0	133.9	136.4	137.8	124.6	112.7	109.3	110.0	
Aerospace and misc. trans. eq.	4.73	81.4	80.8	81.1	82.2	82.2	81.3	81.3	81.7	82.3	82.9	82.2	79.3	78.2	77.4	
Instruments	2.07	138.4	133.8	134.7	138.9	140.2	140.8	140.9	141.5	141.0	142.6	142.7	141.0	143.2	143.8	
Ordnance, private and Govt.	3.69	85.4	87.1	86.4	85.4	86.7	86.7	83.8	83.7	83.8	84.3	86.1	85.0	85.0	85.2	
Lumber, clay, and glass	4.44	129.5	129.1	129.9	130.3	129.2	129.8	129.2	128.8	129.7	129.3	127.8	129.1	126.2	126.1	
Lumber and products	1.65	128.9	129.5	129.1	127.5	126.6	125.4	128.4	128.9	127.4	127.3	126.3	124.2	124.4	.....
Clay, glass, and stone products	2.79	129.9	128.9	130.4	132.0	130.5	132.3	129.6	128.8	131.2	130.4	128.7	131.9	127.4	.....
Furniture and miscellaneous	2.90	135.2	133.4	133.1	136.0	135.4	135.9	137.5	138.2	136.1	136.4	135.3	133.4	135.8	137.3	
Furniture and fixtures	1.38	126.3	122.8	123.8	126.5	126.5	127.5	129.5	130.4	128.8	127.9	124.9	124.2	125.3	.....
Miscellaneous manufactures	1.52	143.3	143.0	141.6	144.5	143.6	143.5	144.9	145.3	142.9	144.3	144.5	141.8	145.5	.....
Nondurable manufactures																
Textiles, apparel, and leather	6.90	114.7	114.6	114.0	113.3	115.0	114.5	115.4	117.5	116.8	116.7	118.8	116.0	114.2	112.6	
Textile mill products	2.69	127.1	127.1	126.1	127.2	129.2	128.9	129.0	130.2	130.2	129.4	130.9	128.3	125.7	.....
Apparel products	3.33	112.9	112.4	111.7	110.0	111.0	112.1	113.6	115.4	114.9	115.3	118.5	116.4	.....	.....
Leather and products	0.88	83.6	85.0	86.8	83.0	86.6	79.2	81.0	86.4	83.1	82.9	82.9	78.3	80.3	.....
Paper and printing	7.92	122.1	122.4	120.8	122.0	122.8	123.8	124.5	122.1	121.3	121.9	121.2	121.7	120.5	121.7	
Paper and products	3.18	135.4	137.1	133.6	135.1	134.6	135.3	137.0	134.8	135.3	136.2	136.7	138.7	137.2	.....
Printing and publishing	4.74	113.2	112.4	112.2	113.2	114.8	116.0	116.2	113.6	112.1	112.3	110.8	110.4	109.3	109.6	
Chemicals, petroleum, and rubber	11.92	149.3	146.3	147.9	150.2	149.8	151.8	151.0	150.9	151.1	151.6	151.6	150.9	149.7	151.3	
Chemicals and products	7.86	150.1	146.8	147.8	150.2	150.4	152.0	151.4	153.0	152.7	153.0	154.5	154.8	154.4	155.3	
Petroleum products	1.80	127.4	123.5	126.9	128.5	129.7	129.3	128.2	126.0	130.4	129.5	125.5	122.6	119.2	119.4	
Rubber and plastics products	2.26	164.0	163.4	165.1	166.8	163.9	168.8	167.9	163.6	161.9	164.5	162.3	159.8	158.0	.....
Foods and tobacco	9.48	121.9	121.5	120.7	121.5	119.5	121.3	122.0	122.2	121.7	124.7	123.0	124.7	125.5	124.6	
Foods	8.81	122.7	121.8	121.3	122.4	120.3	122.4	122.9	123.2	122.4	125.4	124.5	125.6	126.5	125.4	
Tobacco products	0.67	111.6	118.1	112.9	111.2	108.1	105.3	110.1	109.1	113.7	115.8	104.2	113.3	.....	.....
Mining																
Metal, stone, and earth minerals	1.26	118.1	117.0	116.8	116.2	111.8	116.9	120.6	120.4	120.9	121.3	122.0	119.5	119.5	119.0	
Metal mining	0.51	130.8	127.8	128.5	127.0	121.6	128.4	131.4	136.6	138.3	135.2	135.2	130.7	131.1	.....
Stone and earth minerals	0.75	109.5	109.4	108.8	108.8	105.2	109.1	113.1	109.5	109.2	111.7	113.1	111.9	111.6	.....
Coal, oil, and gas	5.11	108.3	107.6	107.1	107.3	108.9	109.5	109.2	109.5	109.7	108.8	107.5	108.7	109.7	111.3	
Coal	0.69	103.6	105.7	105.9	100.9	108.0	109.0	104.0	109.8	103.0	104.1	110.4	108.7	112.9	114.4	
Oil and gas extraction	4.42	109.0	107.9	108.3	108.4	109.1	109.5	110.0	109.7	110.8	109.6	107.0	108.7	109.3	110.8	
Utilities																
Electric	3.91	160.7	157.4	156.2	156.8	159.7	164.0	163.8	165.1	165.3	163.4	155.6	153.0	.....	.....
Gas	1.17	124.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

NOTE: Data for the complete year of 1972 are available in a pamphlet *Industrial Production Indexes 1972* from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Published groupings include series and subtotals not shown separately. Figures for individual series and subtotals are published in the monthly Business Indexes release.

Indexes without seasonal adjustment are no longer being published in the *Bulletin*, but they are available in the Board's monthly release "Industrial Production (the G.12.3), which is available upon request to Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SELECTED BUSINESS INDEXES

(1967=100, except as noted)

Period	Industrial production										Manu- facturing 2		Prices 4			
	Total	Market						In- dustry	Cap- acity utiliza- tion in mfg. (1967 output = 100)	Con- struc- tion con- tracts	Nonag- ricul- tural em- ploy- ment- Total 1	Em- ploy- ment	Pay- rolls	Total retail sales 3	Con- sumer	Whol- e- sale com- modity
		Products			Inter- mediate	Mate- rials	Manu- factur- ing									
		Total	Con- sumer goods	Equip- ment												
1955	58.8	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	89.3	80.1	83	92.9	94.7	
1965	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	88.1	91	94.5	96.6
1966	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	94.8	97.1	99.9	97.8	97	97.2	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.9	100.0	100.0	100.0	100.0	100	100.0	100.0
1968	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.1	101.4	108.3	109	104.2	102.5
1969	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.7	103.2	116.6	114	109.8	106.5
1970	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.2	98.0	114.1	120	116.3	110.4
1971	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	75.0	145.4	107.5	93.9	116.3	122	121.2	113.9
1972	115.2	113.8	111.9	123.6	95.5	121.1	117.4	114.0	78.6	165.3	110.5	96.7	130.2	142	125.3	119.8
1973 ⁵	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	183.3	114.8	101.9	146.9	173.1	135.5	135.5
1973—Feb.	123.4	121.5	119.3	130.2	104.1	129.5	126.7	122.7	82.8	191.0	113.5	100.7	142.9	158	128.6	126.9
Mar.	123.7	121.7	119.6	130.8	104.1	129.4	127.0	123.4	83.3	193.0	113.8	101.0	142.6	160	129.8	129.7
Apr.	124.1	122.0	120.0	130.9	104.7	129.3	127.7	123.8	83.3	177.0	114.0	101.5	144.8	157	130.7	130.7
May	124.8	122.9	120.8	131.8	105.7	130.5	128.3	124.9	83.3	173.0	114.4	101.7	144.9	159	131.5	133.4
June	125.6	123.7	121.3	131.9	106.6	132.0	129.0	125.6	83.3	183.0	114.7	102.1	145.3	157	132.4	136.7
July	126.7	124.2	122.1	132.8	107.3	132.5	130.9	126.5	83.3	175.0	114.6	101.8	146.3	163	132.7	134.7
Aug.	126.5	123.7	121.4	131.2	107.6	132.1	130.9	126.1	83.3	199.0	115.0	102.1	146.7	162	135.1	142.9
Sept.	126.8	124.3	122.4	132.3	108.5	131.0	131.3	126.3	82.6	182.0	115.3	102.1	149.8	163	135.5	140.2
Oct.	127.0	124.3	122.7	132.6	108.9	130.6	131.1	126.4	82.6	191.0	116.0	102.9	151.7	164	136.6	139.5
Nov.	127.5	125.3	123.7	133.5	110.1	131.1	131.5	127.4	82.6	194.0	116.4	103.3	155.8	164	137.6	141.8
Dec.	126.5	124.0	122.6	131.3	110.1	129.1	130.7	126.4	82.6	161.0	116.4	103.2	153.7	161	138.5	145.3
1974 Jan.	125.4	122.6	120.9	129.2	109.1	129.3	129.5	125.0	80.1	155.0	116.2	102.6	151.6	164	139.7	150.4
Feb.	124.5	122.1	120.5	128.0	110.0	128.3	128.2	123.9	80.1	187.0	116.6	101.7	151.0	164	141.5	152.7
Mar.	123.9	121.8	120.1	127.3	110.0	127.8	127.2	123.4	80.1	166.0	116.4	101.1	149.8	168	141.5	154.5

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. Latest figure is final.
 5 Figure is for first quarter 1973.
 Note.—All series: Data are seasonally adjusted unless otherwise noted.
 Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Informations Systems Company F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; 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.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1972	1973	1974												
			Dec.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Total construction 1	90,979	101,071	6,423	6,839	8,644	8,814	9,428	9,910	9,228	10,303	8,151	8,983	7,905	6,133	5,954
By type of ownership:															
Public	24,043	26,686	1,629	1,717	2,046	2,071	2,359	2,995	2,581	2,968	2,328	2,055	2,140	1,855	2,135
Private 1	66,936	73,385	4,793	5,122	6,599	6,743	7,069	6,916	6,647	7,335	5,822	6,928	5,765	4,277	3,819
By type of construction:															
Residential building 1	44,975	46,246	3,115	3,277	4,643	4,512	4,754	4,612	4,224	4,233	3,638	3,673	3,299	2,341	2,231
Nonresidential building	27,021	31,761	2,189	2,229	2,707	2,634	2,629	2,976	2,991	3,241	2,719	2,758	2,655	2,210	2,307
Nonbuilding	18,983	22,064	1,119	1,333	1,294	1,668	2,045	2,322	2,013	2,828	1,794	2,552	1,951	1,581	1,415
Private housing units authorized, ... (in thousands, S.A., A.R.)	2,219	1,796	2,399	2,209	2,129	1,939	1,838	2,030	1,780	1,750	1,596	1,316	1,314	1,237	1,301

1 Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data exceed annual totals because adjustments—negative—are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems; 1971 data are for 13,000 reporting areas.

NOTE.—Dollar value of construction contracts as reported by the

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Residential	Nonresidential				Total	Military	Highway	Conservation and development	Other ²	
				Buildings			Other						
				Industrial	Commercial	Other buildings ¹							
1962 ³	59,965	42,096	25,150	16,946	2,842	5,144	3,631	5,329	17,869	1,266	6,365	1,523	8,715
1963 ⁴	64,563	45,206	27,874	17,332	2,906	4,995	3,745	5,686	19,357	1,179	7,084	1,694	9,400
1964	67,413	47,030	28,010	19,020	3,565	5,396	3,994	6,065	20,383	910	7,133	1,750	10,590
1965	73,412	51,350	27,934	23,416	5,118	6,739	4,735	6,824	22,062	830	7,550	2,019	11,663
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685	24,007	727	8,405	2,194	12,681
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293	25,536	695	8,591	2,124	14,126
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292	27,605	808	9,321	1,973	15,503
1969	93,368	65,404	33,200	32,204	6,783	9,401	4,971	11,049	27,964	879	9,250	1,783	16,052
1970	94,167	66,071	31,864	34,207	6,538	9,754	5,125	12,790	28,096	718	9,981	1,908	15,489
1971	109,238	79,367	43,268	36,099	5,423	11,619	5,437	13,620	29,871	901	10,658	2,095	16,217
1972	123,836	93,640	54,186	39,454	4,676	13,462	5,898	13,418	30,196	1,080	10,448	2,172	16,496
1973	135,079	102,568	57,720	44,848	6,058	15,569	6,131	17,090	32,511	1,162	11,019	1,924	17,858
1973—Feb.	136,416	104,128	61,487	42,641	5,180	14,873	6,145	16,443	32,288	1,422	11,019	1,989	17,858
Mar.	137,467	103,838	60,747	43,091	5,479	15,071	6,179	16,362	33,629	1,303	10,454	2,825	19,047
Apr.	133,858	101,298	58,111	43,187	5,287	15,473	6,282	16,145	32,560	1,158	9,901	2,062	19,439
May	134,177	101,878	57,490	44,338	5,338	16,118	6,251	16,631	32,349	1,277	9,645	2,569	18,858
June	133,680	102,708	58,083	44,625	5,928	15,704	6,383	16,610	30,972	1,162	10,094	2,235	17,481
July	136,524	105,029	59,007	46,022	6,340	16,110	6,492	17,080	31,495	1,341	10,762	1,977	17,415
Aug.	136,370	105,318	59,233	46,085	6,687	15,800	6,122	17,476	31,052	1,048	10,391	2,196	17,417
Sept.	136,208	103,304	58,505	44,529	6,324	15,111	5,742	17,352	33,174	962	11,210	2,296	18,706
Oct.	135,871	102,388	56,458	45,930	6,573	15,561	5,883	17,913	33,483	1,032	10,391	2,330	18,706
Nov.	134,831	101,922	54,667	47,255	6,742	16,139	6,035	18,339	32,909	1,040	10,391	2,330	18,706
Dec.	133,370	99,611	52,728	46,883	7,057	15,685	6,089	18,052	33,759	1,128	10,391	2,330	18,706
1974—Jan.	132,762	98,391	50,439	47,952	6,899	16,323	6,199	18,531	34,371	1,282	10,391	2,330	18,706
Feb.	133,181	99,227	49,880	49,347	7,938	16,530	6,230	18,649	33,954	1,386	10,391	2,330	18,706

¹ Includes religious, educational, hospital, institutional, and other buildings.
² Sewer and water, formerly shown separately, now included in "Other."
³ Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.

⁴ Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

NOTE.—Census Bureau data; monthly series at seasonally adjusted annual rates.

NEW HOUSING UNITS

(In thousands)

Period	Units started															
	Total	Private (S.A., A.R.)				Private and public (N.S.A.)				Government-underwritten (N.S.A.)			Mobile home shipments (N.S.A.)			
		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	1,603	261	328	591	430	1,012	589	1,615	1,603	32	292	221	71	151		
1964	1,529	254	340	578	357	970	108	1,561	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	206	288	472	198	778	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	618	294	900	81	1,546	1,508	38	283	227	56	318		
1969	1,467	206	349	588	324	814	85	1,500	1,467	33	284	233	51	413		
1970	1,434	218	294	612	310	813	85	1,469	1,434	35	482	421	61	401		
1971	2,052	264	434	869	486	1,151	120	2,084	2,052	32	621	528	93	497		
1972	2,357	330	443	1,057	527	1,309	141	2,379	2,357	22	475	371	104	576		
1973	2,045	277	440	897	428	1,132	118	2,057	2,045	12	247	161	86	580		
1973—Feb.	2,423	373	548	1,070	432	1,363	127	2,493	2,423	2	21	14	7	43		
Mar.	2,283	321	433	1,115	414	1,244	128	2,312	2,283	1	27	19	8	57		
Apr.	2,153	293	397	908	355	1,231	127	2,205	2,153	1	27	18	9	62		
May	2,330	294	531	983	322	1,243	159	2,344	2,330	1	29	18	11	57		
June	2,152	345	485	873	349	1,140	127	2,267	2,152	1	27	17	8	57		
July	2,152	245	475	1,020	412	1,212	144	2,356	2,152	1	20	12	8	50		
Aug.	2,030	255	466	844	465	1,108	107	2,165	2,030	3	23	14	9	54		
Sept.	1,844	281	431	748	384	990	97	1,987	1,844	1	15	10	6	45		
Oct.	1,674	242	383	715	334	957	81	1,737	1,674	2	15	10	6	46		
Nov.	1,675	241	322	750	362	938	84	1,722	1,675	1	16	11	5	40		
Dec.	1,403	192	278	654	279	767	73	1,480	1,403	1	11	7	4	29		
1974—Jan.	1,470	254	331	656	229	794	89	1,559	1,470	2	19	13	7	29		
Feb.	1,800	257	371	841	331	1,041	82	1,923	1,800	1	21	14	7	31		

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 ² (per cent; S.A.)
				Total	Employed ¹			Unemployed	
					Total	In nonagricultural industries	In agriculture		
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
1972.....	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973.....	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1973 -Mar.....	147,541	57,856	90,523	88,162	83,782	80,313	3,469	4,380	5.0
Apr.....	147,729	57,906	90,622	88,272	83,854	80,498	3,356	4,418	5.0
May.....	147,940	58,050	90,597	88,263	83,950	80,630	3,320	4,313	4.9
June.....	148,147	55,417	91,133	88,818	84,518	81,088	3,430	4,300	4.8
July.....	148,361	55,133	91,139	88,828	84,621	81,109	3,512	4,207	4.7
Aug.....	148,565	56,129	91,011	88,704	84,513	81,088	3,425	4,191	4.7
Sept.....	148,782	57,484	91,664	89,373	85,133	81,757	3,376	4,240	4.7
Oct.....	149,001	56,955	92,038	89,749	85,649	82,194	3,455	4,100	4.6
Nov.....	149,208	57,040	92,186	89,903	85,649	82,088	3,561	4,254	4.7
Dec.....	149,436	57,453	92,315	90,033	85,669	82,026	3,643	4,364	4.8
1974 -Jan.....	149,656	58,303	92,801	90,543	85,811	82,017	3,794	4,732	5.2
Feb.....	149,857	58,165	92,814	90,556	85,803	81,951	3,852	4,753	5.2
Mar.....	150,066	58,183	92,747	90,496	85,863	82,164	3,699	4,633	5.1

¹ Includes self-employed, unpaid family, and domestic service workers.
² Per cent of civilian labor force.
 NOTE: Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate

to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation & public utilities	Trade	Finance	Service	Government
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.....	70,593	19,349	623	3,381	4,493	14,914	3,688	11,612	12,535
1971.....	70,645	18,529	602	3,411	4,442	15,142	3,796	11,869	12,856
1972.....	72,764	18,933	607	3,521	4,495	15,683	3,927	12,309	13,290
1973 ^a	75,569	19,820	625	3,647	4,611	16,289	4,053	12,865	13,659
SEASONALLY ADJUSTED									
1973 -Mar.....	74,914	19,643	610	3,604	4,580	16,163	4,024	12,716	13,574
Apr.....	75,105	19,727	608	3,571	4,591	16,217	4,031	12,746	13,614
May.....	75,321	19,782	608	3,620	4,593	16,256	4,044	12,776	13,642
June.....	75,526	19,856	629	3,654	4,597	16,262	4,049	12,820	13,659
July.....	75,493	19,804	631	3,680	4,598	16,294	4,048	12,828	13,610
Aug.....	75,747	19,861	634	3,676	4,617	16,352	4,064	12,906	13,637
Sept.....	75,961	19,882	633	3,700	4,629	16,388	4,078	12,995	13,656
Oct.....	76,363	20,016	639	3,694	4,671	16,465	4,088	13,044	13,746
Nov.....	76,679	20,095	644	3,711	4,654	16,520	4,095	13,122	13,838
Dec.....	76,626	20,090	646	3,732	4,644	16,398	4,101	13,128	13,887
1974 -Jan.....	76,533	20,006	654	3,636	4,684	16,417	4,109	13,136	13,891
Feb.....	76,773	19,892	658	3,744	4,688	16,456	4,126	13,219	13,990
Mar.....	76,648	19,780	653	3,710	4,670	16,467	4,123	13,229	14,016
NOT SEASONALLY ADJUSTED									
1973 -Mar.....	74,255	19,521	598	3,294	4,539	15,880	4,000	12,627	13,796
Apr.....	74,861	19,586	603	3,442	4,559	16,088	4,019	12,771	13,793
May.....	75,404	19,667	608	3,616	4,593	16,200	4,040	12,865	13,815
June.....	76,308	20,002	642	3,837	4,661	16,335	4,089	12,999	13,743
July.....	75,384	19,729	641	3,934	4,653	16,262	4,113	12,982	13,067
Aug.....	75,686	20,018	648	3,981	4,659	16,279	4,121	13,009	12,971
Sept.....	76,238	20,132	641	3,944	4,671	16,367	4,082	12,982	13,419
Oct.....	76,914	20,168	640	3,923	4,680	16,515	4,076	13,057	13,855
Nov.....	77,322	20,202	643	3,822	4,659	16,780	4,079	13,096	14,041
Dec.....	77,391	20,110	642	3,639	4,644	17,113	4,080	13,062	14,101
1974 -Jan.....	75,620	19,818	642	3,280	4,618	16,290	4,072	12,913	13,987
Feb.....	75,754	19,726	641	3,317	4,613	16,112	4,089	13,060	14,194
Mar.....	75,963	19,657	640	3,391	4,628	16,167	4,098	13,136	14,246

NOTE:—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed

persons, domestic servants, unpaid family workers, and members of Armed Forces are excluded.
 Beginning with 1970, series has been adjusted to Mar. 1971 benchmark.

CONSUMER PRICES

(1967 = 100)

Period	All items	Housing							Health and recreation						
		Food	Total	Rent	Home-ownership	Fuel, oil and coal	Gas and electricity	Furnishings and operation	Apparel and upkeep	Transportation	Total	Medical care	Personal care	Reading and recreation	Other goods and services
1929	51.3	48.3		76.0					48.5						
1931	38.8	30.6		54.1					36.9						
1941	44.1	38.4	53.7	57.2		40.5	81.4		44.8	44.2	37.0	41.2	47.7	49.2	
1945	53.9	50.7	59.1	58.8		48.0	79.6		61.5	47.8	42.1	55.1	62.4	56.9	
1960	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	108.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1
1970	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0
1971	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	120.9
1972	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	125.5
1973	133.1	131.4	135.0	124.2	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.7	125.9	129.0
1973—Feb.	128.6	131.1	132.0	122.1	142.9	127.2	134.5	122.6	123.6	121.1	128.1	135.3	122.4	124.3	127.1
Mar.	129.8	134.5	132.3	122.6	143.2	127.8	135.0	123.0	124.8	121.5	128.6	135.8	123.1	124.5	127.6
Apr.	130.7	136.5	132.8	123.0	143.6	128.3	135.5	123.6	125.8	122.6	129.2	136.2	123.8	125.2	128.2
May	131.5	137.9	133.3	123.5	144.2	129.3	135.7	123.9	126.7	123.5	129.6	136.6	124.4	125.6	128.5
June	132.4	139.8	133.9	123.9	145.0	131.6	135.4	124.7	126.8	124.6	130.0	137.0	124.9	125.9	129.0
July	132.7	140.9	134.2	124.3	145.2	131.7	135.5	125.0	125.8	124.8	130.3	137.3	125.3	126.2	129.5
Aug.	138.1	149.4	135.2	125.0	147.0	132.8	135.8	125.3	126.5	124.5	130.5	137.6	125.7	126.1	129.4
Sept.	135.5	148.3	136.6	125.4	149.2	133.6	136.5	126.1	128.3	123.9	131.1	138.3	126.3	126.8	129.9
Oct.	136.6	148.4	138.1	125.9	151.5	141.1	137.4	126.7	129.6	125.0	132.1	140.6	127.3	127.2	130.3
Nov.	137.6	150.0	139.4	126.3	152.6	135.6	139.8	127.5	130.5	125.8	132.6	140.9	128.1	127.5	130.8
Dec.	138.5	151.3	140.6	126.9	153.6	132.8	131.0	128.0	130.5	126.7	133.0	141.4	129.2	127.6	131.3
1974—Jan.	139.7	153.7	142.2	127.3	154.8	134.6	134.3	129.0	128.8	128.1	133.7	142.2	129.8	128.3	131.8
Feb.	141.5	157.6	143.4	128.0	155.8	202.0	137.3	130.1	130.4	129.3	134.5	143.4	130.8	128.9	132.3

NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Industrial commodities															
		Lumber products	Processed foods and feeds	Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Nonferrous metals	Transportation equipment	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
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
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
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
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
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5		95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4		97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7		102.2
1969	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	102.8	113.3	104.5	109.9
1971	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.1	119.0	115.5	109.9	122.4	110.3	112.8
1972	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973	135.5	176.3	148.1	126.9	123.8	143.1	145.5	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1973—Feb.	126.9	150.9	137.0	121.3	117.4	144.9	126.0	105.6	110.1	161.0	116.5	126.9	119.4	113.1	128.4	114.2	117.1
Mar.	129.7	160.9	141.4	122.7	119.0	143.5	126.7	106.7	110.3	173.2	118.3	129.2	120.0	113.5	129.0	114.5	117.9
Apr.	130.7	160.6	139.8	124.4	120.8	145.0	131.8	107.7	110.6	182.0	119.8	130.5	120.8	114.1	130.0	114.9	118.6
May	133.5	170.4	145.0	125.8	122.3	142.2	135.5	109.3	111.5	186.9	120.7	131.7	121.5	115.1	130.5	115.1	119.5
June	136.7	182.3	151.8	126.9	123.7	140.9	142.8	110.4	112.6	183.1	122.0	132.5	121.9	115.2	131.1	115.0	120.2
July	134.9	173.3	146.5	126.9	124.2	141.4	142.8	110.8	112.9	177.8	122.3	132.8	122.0	115.2	130.0	115.0	120.9
Aug.	142.7	213.3	166.2	127.4	125.2	143.0	142.9	111.0	113.1	178.8	123.3	133.7	122.3	115.9	130.0	115.1	121.0
Sept.	140.2	200.4	156.3	128.1	126.8	143.8	144.8	111.5	112.8	181.9	124.4	134.4	122.6	116.0	129.9	114.5	121.1
Oct.	139.5	188.4	153.1	129.6	128.5	143.8	150.5	112.7	114.0	180.3	125.8	135.9	123.1	116.6	130.9	115.9	121.0
Nov.	141.8	184.0	151.9	133.5	130.0	143.0	179.2	113.5	114.8	184.7	127.6	138.5	123.8	117.2	131.5	116.1	121.3
Dec.	145.3	187.2	155.7	137.1	131.4	141.9	201.3	115.6	116.5	186.1	128.7	141.8	124.6	117.5	132.6	117.3	121.6
1974—Jan.	150.4	202.6	162.1	140.5	133.8	142.6	214.6	118.2	117.7	183.7	131.8	145.0	126.0	119.0	138.7	118.6	123.5
Feb.	152.7	205.6	164.7	142.5	135.2	143.4	221.7	120.2	119.8	184.1	132.9	148.0	127.0	120.2	142.1	118.9	124.6
Mar.	154.5	197.0	163.0	146.6	136.1	143.4	232.2	127.3	123.8	191.3	137.2	154.7	129.0	121.3	144.2	119.1	125.8

1 Dec. 1968 = 100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1969	1970	1971	1972	1973	1972				1973			
										IV	I	II	III	IV			
Gross national product.....	103.1	55.6	124.5	284.8	930.3	977.1	1,055.5	1,155.2	1,289.1	1,199.2	1,212.5	1,272.0	1,304.5	1,337.5			
Final purchases.....	101.4	57.2	120.1	278.0	922.5	972.6	1,049.4	1,149.1	1,281.1	1,191.0	1,237.8	1,267.5	1,299.8	1,319.4			
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	579.5	617.6	667.2	726.5	804.0	752.6	779.4	795.6	816.0	825.2			
Durable goods.....	9.2	3.5	9.6	30.5	90.8	91.3	103.6	117.4	130.8	122.9	132.2	132.8	132.8	125.6			
Nondurable goods.....	37.7	22.3	42.9	98.1	245.9	263.8	278.7	299.9	335.9	310.7	322.2	330.3	341.6	349.6			
Services.....	30.3	20.1	28.1	62.4	242.7	262.6	284.9	309.2	337.3	319.0	325.0	332.6	341.6	350.0			
Gross private domestic investment.....	16.2	1.4	17.9	54.1	139.0	136.3	153.2	178.3	202.1	189.4	194.5	198.2	202.0	213.9			
Fixed investment.....	14.5	3.0	13.4	47.3	131.1	131.7	147.1	172.3	194.2	181.2	189.9	193.7	197.3	195.9			
Nonresidential.....	10.6	2.4	9.5	27.9	98.5	100.6	104.4	118.2	136.2	124.3	130.9	134.1	138.0	141.8			
Structures.....	5.0	.9	2.9	9.2	34.2	36.1	37.9	41.7	48.4	43.0	45.3	47.2	49.5	51.7			
Producers' durable equipment.....	5.6	1.5	6.6	18.7	64.3	64.4	66.5	76.5	87.8	81.2	85.5	86.9	88.6	90.1			
Residential structures.....	4.0	.6	3.9	19.4	32.6	31.2	42.7	54.0	58.0	56.9	59.0	59.6	59.2	54.0			
Nonfarm.....	3.8	.5	3.7	18.6	32.0	30.7	42.2	53.5	57.4	56.4	58.4	59.1	58.6	53.4			
Change in business inventories.....	1.7	-1.6	4.5	6.8	7.8	4.5	6.1	6.0	8.0	8.2	4.6	4.5	4.7	18.0			
Nonfarm.....	1.8	-1.4	4.0	6.0	7.7	4.3	4.5	5.6	7.3	7.9	4.4	4.4	3.2	17.3			
Net exports of goods and services.....	1.1	.4	1.3	1.8	1.9	3.6	.8	-4.6	5.8	3.5	.0	2.8	7.6	12.8			
Exports.....	7.0	2.4	5.9	13.8	55.5	62.9	66.3	73.5	102.0	79.7	89.7	97.2	104.5	116.4			
Imports.....	5.9	2.0	4.6	12.0	53.6	59.3	65.5	78.1	96.2	83.2	89.7	94.4	97.0	103.6			
Government purchases of goods and services..	8.5	8.0	24.8	37.9	210.0	219.5	234.3	255.0	277.1	260.7	268.6	275.3	279.0	285.6			
Federal.....	1.3	2.0	16.9	18.4	98.8	96.2	98.1	104.4	106.6	102.7	105.5	107.3	106.8	106.8			
National defense.....			13.8	14.1	78.4	74.6	71.6	74.4	73.9	72.4	74.3	74.2	74.2	73.0			
Other.....			3.1	4.3	20.4	21.6	26.5	30.1	32.7	30.3	31.2	33.1	32.7	33.8			
State and local.....	7.2	6.0	7.9	19.5	111.2	123.3	136.2	150.5	170.5	158.0	163.0	168.0	172.2	178.8			
Gross national product in constant (1958) dollars.....	203.6	141.5	263.7	355.3	725.6	722.5	745.4	790.7	837.4	812.3	829.3	834.3	841.3	844.6			

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business*, (generally the July issue) and the Aug. 1966 Supplement to the *Survey*.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1969	1970	1971	1972	1973 ^a	1972				1973			
										IV	I	II	III	IV ^a			
National income.....	86.8	40.3	104.2	241.1	766.0	800.5	859.4	941.8	1,054.1	978.6	1,015.0	1,038.2	1,067.4	1,095.8			
Compensation of employees.....	51.1	29.5	64.8	154.6	566.0	603.9	644.1	707.1	785.2	731.2	757.4	774.9	794.0	814.7			
Wages and salaries.....	50.4	29.0	62.1	146.8	509.7	542.0	573.8	627.3	691.4	648.7	666.7	682.3	699.3	717.2			
Private.....	45.5	23.9	51.9	124.4	405.6	426.9	449.7	493.3	546.0	510.9	525.1	538.7	553.2	566.9			
Military.....	.3	.3	1.9	5.0	19.0	19.6	19.4	20.3	20.8	20.1	20.9	20.5	20.4	21.3			
Government civilian.....	4.6	4.9	8.3	17.4	85.1	95.5	104.7	113.8	124.6	117.7	120.7	123.1	125.7	129.1			
Supplements to wages and salaries.....	.7	.5	2.7	7.8	56.3	61.9	70.3	79.7	93.9	82.5	90.8	92.6	94.7	97.5			
Employer contributions for social insurance.....	.1	.1	2.0	4.0	27.8	29.7	33.7	39.0	49.0	40.2	47.4	48.3	49.4	50.8			
Other labor income.....	.6	.4	.7	3.8	28.4	32.2	36.6	40.7	44.9	42.3	43.3	44.2	45.3	46.7			
Proprietors' income.....	15.1	5.9	17.5	37.5	67.2	66.9	68.7	74.2	84.2	77.1	80.6	81.5	85.0	89.8			
Business and professional.....	9.0	3.3	11.1	24.0	50.5	50.0	51.9	54.0	57.5	55.3	56.3	57.1	57.9	58.5			
Farm.....	6.2	2.6	6.4	13.5	16.7	16.9	16.8	20.2	26.8	21.8	24.3	24.4	27.1	31.3			
Rental income of persons.....	5.4	2.0	3.5	9.4	22.6	23.9	24.5	24.1	25.1	24.9	24.7	24.6	25.3	25.7			
Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	79.8	69.2	80.1	91.1	109.2	98.8	104.3	107.9	112.0	112.6			
Profits before tax.....	10.0	1.0	17.7	42.6	84.9	74.0	85.1	98.0	126.4	106.1	119.6	128.9	129.0	128.1			
Profits tax liability.....	1.4	.5	7.6	17.8	40.1	34.8	37.4	42.7	55.9	45.9	52.7	57.4	57.6	56.0			
Profits after tax.....	8.6	.4	10.1	24.9	44.8	39.3	47.6	55.4	70.5	60.3	66.9	71.6	71.5	72.0			
Dividends.....	5.8	2.0	4.4	8.8	24.3	24.7	25.1	26.0	27.8	26.4	26.9	27.3	28.1	29.0			
Undistributed profits.....	2.8	-1.6	5.7	16.0	20.5	14.6	22.5	29.3	42.7	33.9	40.0	44.2	43.4	43.0			
Inventory valuation adjustment.....	.5	-2.1	-2.5	-5.0	-5.1	-4.8	-4.9	-6.9	-17.3	-7.3	15.4	21.1	17.0	15.5			
Net interest.....	4.7	4.1	3.2	2.0	30.5	36.5	42.0	45.2	50.4	46.6	47.9	49.4	51.1	53.0			

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	1969	1970	1971	1972	1973 ^a	1972		1973			
										IV	I	II	III	IV ^b	
Gross national product	103.1	55.6	124.5	284.8	930.3	977.1	1,055.5	1,155.2	1,289.1	1,199.2	1,242.5	1,272.0	1,304.5	1,337.5	
Less: Capital consumption allowances	7.9	7.0	8.2	18.3	81.6	87.3	93.8	102.4	109.9	105.1	106.9	109.0	110.5	113.1	
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	85.9	93.5	102.4	109.5	117.8	112.8	115.6	117.2	118.5	119.9	
Business transfer payments	.6	.7	.5	.8	3.8	4.0	4.3	4.6	4.9	4.7	4.8	4.9	5.0	5.1	
Statistical discrepancy	.7	.6	.4	1.5	-6.1	-6.4	-3.4	-1.5	2.8	.2	1.1	3.2	3.7	3.4	
Plus: Subsidies less current surplus of government enterprises	-.1		.1	.2	1.0	1.7	1.2	1.7	.4	2.2	.9	.4	.6	.2	
Equals: National income	86.8	40.3	104.2	241.1	766.0	800.5	859.4	941.8	1,054.1	978.6	1,015.0	1,038.2	1,067.1	1,095.8	
Less: Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	79.8	69.2	80.1	91.1	109.2	98.8	104.3	107.9	112.0	112.6	
Contributions for social insurance	.2	.3	2.8	6.9	54.2	57.7	64.6	73.7	92.1	75.8	89.3	90.9	93.0	95.0	
Excess of wage accruals over disbursements						.0	.6	-.5	.1	.0	.0	.3	.0	.0	
Plus: Government transfer payments	.9	1.5	2.6	14.3	61.9	75.1	88.9	98.3	112.6	107.3	108.8	110.8	113.7	116.9	
Net interest paid by government and consumers	2.5	1.6	2.2	7.2	28.7	31.0	31.0	32.7	37.1	33.7	34.7	36.1	38.0	39.7	
Dividends	5.8	2.0	4.4	8.8	24.3	24.7	25.1	26.0	27.8	26.4	26.9	27.3	28.1	29.0	
Business transfer payments	.6	.7	.5	.8	3.8	4.0	4.3	4.6	4.9	4.7	4.8	4.9	5.0	5.1	
Equals: Personal income	85.9	47.0	96.0	227.6	750.9	808.3	863.5	939.2	1,035.4	976.1	996.6	1,019.0	1,047.1	1,078.9	
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	116.5	116.6	117.5	142.2	152.9	147.4	145.1	149.3	156.0	161.1	
Equals: Disposable personal income	83.3	45.5	92.7	206.9	634.4	691.7	746.0	797.0	882.5	828.7	851.5	869.7	891.1	917.8	
Less: Personal outlays	79.1	46.5	81.7	193.9	596.2	635.5	685.8	747.2	827.8	774.3	801.5	818.7	840.1	850.8	
Personal consumption expenditures	77.2	45.8	80.6	191.0	579.5	617.6	667.2	726.5	804.0	752.6	779.4	795.6	816.0	825.2	
Consumer interest payments	1.5	.5	.9	2.4	15.8	16.8	17.7	19.7	22.5	20.7	21.2	22.0	23.0	23.8	
Personal transfer payments to foreigners	.3	.2	.2	.5	.9	1.0	1.0	1.0	1.2	1.1	.9	1.0	1.1	1.8	
Equals: Personal saving	4.2	-.9	11.0	13.1	38.2	56.2	60.2	49.7	54.8	54.4	50.0	51.0	51.1	67.1	
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	513.6	534.8	554.9	577.9	608.0	595.1	603.9	604.8	609.5	613.2	

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1972	1973		1973								1974			
		Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^a	
Total personal income	939.2	1,035.4	997.4	1,003.3	1,011.6	1,018.7	1,026.6	1,035.6	1,047.3	1,058.5	1,068.5	1,079.4	1,089.0	1,087.0	1,093.6
Wage and salary disbursements	627.8	691.5	667.2	671.1	677.6	682.0	688.2	693.2	698.9	706.0	711.2	717.8	722.6	721.8	725.8
Commodity-producing industries	226.0	251.9	242.2	243.5	245.9	248.3	251.7	253.4	254.8	257.8	259.5	262.5	264.1	261.0	262.2
Manufacturing only	175.9	196.8	189.6	190.6	192.9	194.7	197.0	197.9	198.7	200.8	202.5	204.6	205.1	203.0	203.0
Distributive industries	151.5	165.1	159.3	160.6	162.2	163.2	164.5	165.3	167.1	168.7	169.6	170.8	171.3	171.8	172.5
Service industries	116.1	129.0	124.1	124.9	126.4	126.8	127.7	129.4	130.8	132.5	132.9	134.1	135.9	136.8	138.1
Government	134.2	145.4	141.6	142.2	143.1	143.7	144.4	145.1	146.2	147.0	149.2	150.4	151.3	152.2	153.0
Other labor income	40.7	44.9	43.3	43.6	43.9	44.2	44.5	44.8	45.3	45.8	46.2	46.7	47.1	47.5	47.9
Proprietors' income	74.2	84.2	80.6	81.0	81.0	81.5	81.9	83.7	85.1	86.4	88.4	90.3	91.0	88.2	87.7
Business and professional	54.0	57.5	56.3	56.4	56.8	57.1	57.3	57.8	58.0	58.1	58.5	58.7	58.6	58.6	58.8
Farm	20.2	26.8	24.3	24.6	24.2	24.4	24.6	25.9	27.1	28.3	29.9	31.6	32.4	29.6	28.9
Rental income	24.1	25.1	24.8	24.6	24.3	24.6	24.9	25.0	25.3	25.5	25.6	25.7	25.7	25.8	25.8
Dividends	26.0	27.8	26.9	27.0	27.3	27.3	27.4	27.6	28.2	28.3	28.5	28.7	29.8	29.5	29.4
Personal interest income	78.0	87.5	82.6	83.4	84.5	85.7	86.5	87.8	89.0	90.3	91.5	92.6	94.0	95.3	96.4
Transfer payments	103.0	117.5	113.8	114.5	115.3	115.9	116.0	116.9	119.0	120.2	121.1	121.9	123.0	125.9	127.6
Less: Personal contributions for social insurance	34.7	43.1	41.9	42.0	42.4	42.5	42.8	43.4	43.6	43.9	44.0	44.3	44.3	47.0	47.1
Nonagricultural income	911.5	1,000.5	965.3	970.9	979.5	986.4	994.2	1,001.8	1,012.1	1,021.8	1,030.0	1,039.0	1,047.5	1,048.1	1,055.4
Agricultural income	27.7	34.9	32.1	32.4	32.0	32.2	32.4	33.8	35.2	36.7	38.6	40.4	41.5	38.9	38.2

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

SUMMARY OF FUNDS RAISED AND ADVANCED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1968-1973						1971		1972		1973	
	1968	1969	1970	1971	1972	1973	111	112	111	112	111	112
Funds raised, by type and sector												
1 Total funds raised by nonfinancial sectors.....	94.6	91.4	97.5	146.7	166.1	183.2	134.7	158.7	145.2	187.3	197.4	169.1
2 Excluding equities.....	95.9	88.0	92.6	135.0	156.1	177.7	123.8	146.1	134.7	177.8	192.4	163.1
3 U.S. Government.....	13.4	-3.6	12.8	25.5	17.3	9.7	22.7	28.4	12.4	22.2	17.0	2.5
4 Public debt securities.....	10.3	-1.3	12.9	26.0	13.9	8.3	24.2	27.8	10.5	17.2	15.8	7.4
5 Budget agency issues.....	3.1	-2.4	-1	-5	3.4	1.5	-1.6	.5	1.9	4.9	1.2	1.8
6 All other nonfinancial sectors.....	81.2	95.0	84.7	121.2	148.8	173.5	112.0	130.4	132.8	165.1	180.4	166.7
7 Corporate equities.....	-1.4	3.4	4.9	11.7	10.0	5.5	10.9	12.6	10.4	9.5	5.0	6.1
8 Debt instruments.....	82.6	91.6	79.8	109.5	138.8	168.0	101.1	117.8	122.3	155.6	175.4	160.6
9 Debt capital instruments.....	50.6	50.6	57.7	83.2	92.4	92.8	79.5	86.9	87.3	97.6	91.7	93.9
10 State and local government securities.....	9.5	9.9	11.3	16.6	11.9	8.9	17.9	15.4	12.0	11.9	6.3	11.5
11 Corporate and foreign bonds.....	14.0	13.0	20.6	19.7	13.2	11.8	22.3	17.2	14.4	12.0	10.6	12.9
12 Mortgages.....	27.1	27.7	25.7	46.8	67.3	72.2	39.3	54.3	60.9	73.7	74.9	69.5
13 Home mortgages.....	15.1	15.7	12.8	26.0	39.7	39.0	20.6	31.5	35.6	43.2	41.4	36.7
14 Other residential.....	3.4	4.7	5.8	8.8	10.3	13.0	8.5	9.1	9.1	11.5	14.1	11.9
15 Commercial.....	6.4	5.3	5.3	10.0	14.8	15.9	8.5	11.5	13.5	16.0	15.1	16.8
16 Farm.....	2.2	1.9	1.8	2.0	2.6	4.2	1.7	2.3	2.7	2.5	4.3	4.1
17 Other private credit.....	32.0	41.0	22.1	26.3	46.4	75.2	21.7	30.9	35.0	58.0	83.7	66.7
18 Bank loans n.e.c.....	13.1	15.3	6.4	9.3	21.8	41.3	5.1	13.5	14.5	29.3	54.4	28.2
19 Consumer credit.....	10.0	10.4	6.0	11.2	19.2	22.9	8.9	13.6	15.8	22.5	25.2	20.6
20 Open-market paper.....	1.6	3.3	3.8	-9	1.6	2.5	-1.0	-8	3	2.8	3.4	8.4
21 Other.....	7.2	12.0	5.9	6.6	7.0	8.5	8.7	4.6	5.0	9.0	7.5	9.5
22 By borrowing sector.....	81.2	95.0	84.7	121.2	148.8	173.5	112.0	130.4	132.8	165.1	180.4	166.7
23 Debt instruments.....	82.6	91.6	79.8	109.5	138.8	168.0	101.1	117.8	122.3	155.6	175.4	160.6
24 Foreign.....	2.9	2.9	3.0	5.7	3.8	6.9	5.3	6.1	3.4	4.3	11.1	2.6
25 State and local governments.....	9.8	10.7	11.4	17.0	12.3	8.8	17.9	16.1	11.9	12.7	6.3	11.4
26 Households.....	29.6	32.2	22.9	38.3	63.2	70.9	30.0	46.6	56.2	70.5	72.4	69.4
27 Nonfinancial business.....	40.2	45.9	42.5	48.5	59.5	81.3	47.9	49.0	50.9	68.2	85.6	77.2
28 Farm.....	2.8	3.2	3.2	4.1	4.9	7.6	4.0	4.4	4.4	5.3	7.3	8.0
29 Nonfarm noncorporate.....	5.6	7.4	5.3	8.7	10.4	12.6	9.3	8.1	9.5	11.6	13.7	11.5
30 Corporate.....	31.8	35.4	33.9	35.7	44.2	61.1	34.6	36.8	37.6	51.3	64.5	57.7
31 Corporate equities.....	-1.4	3.4	4.9	11.7	10.0	5.5	10.9	12.6	10.4	9.5	5.0	6.1
32 Foreign.....	2	5	1	*	4	-1	4	-3	2	6	4	1
33 Corporate business.....	-1.5	2.9	4.8	11.7	10.4	5.7	10.5	12.9	10.7	10.1	5.4	6.0
Totals including equities.....												
34 Foreign.....	3.1	3.3	3.0	5.7	3.4	6.7	5.7	5.8	3.2	3.7	10.7	2.7
35 Nonfinancial business.....	38.7	48.8	47.3	60.2	69.9	87.0	58.4	61.9	61.6	78.3	91.0	83.2
36 Corporate.....	30.3	38.3	38.8	47.4	54.6	66.8	45.1	49.7	47.7	61.3	69.9	63.7
37 Memo: U.S. Govt. cash balance.....	-1.1	.4	2.8	3.2	5	1.6	-2	6.6	3.0	4.0	3.6	6.7
Totals net of changes in U.S. Govt. cash balances.....	95.7	91.0	94.7	143.5	165.6	184.8	134.9	152.1	148.1	183.3	193.8	175.9
38 Total funds raised.....	14.5	-4.0	10.0	22.3	16.8	11.3	22.9	21.7	15.4	18.1	13.4	9.2
39 By U.S. Government.....												
Private domestic net investment and borrowing in credit markets												
Total, households and business												
1 Total capital outlays ¹	207.6	226.7	224.2	252.5	291.1	328.0	246.3	258.7	279.9	302.3	323.8	332.3
2 Capital consumption ²	140.4	154.3	166.0	179.0	193.4	209.5	175.8	182.2	190.3	196.6	205.6	213.5
3 Net physical investment.....	67.2	72.4	58.2	73.5	97.7	118.5	70.5	76.6	89.7	105.7	118.2	118.8
4 Net funds raised.....	68.3	81.0	70.2	98.5	133.1	157.9	88.4	108.5	117.7	148.8	163.4	152.6
5 Excess net investment ³	-1.1	-8.6	-12.0	-25.0	-35.4	39.4	-17.9	32.0	28.0	-43.1	45.2	33.8
Total business												
6 Total capital outlays.....	97.9	108.9	108.0	116.6	133.3	150.6	115.8	117.3	127.4	139.3	145.6	155.5
7 Capital consumption.....	63.2	69.5	74.6	80.3	87.6	94.1	78.8	81.7	86.2	88.9	92.7	95.6
8 Net physical investment.....	34.7	39.4	33.5	36.3	45.8	56.4	37.0	35.5	41.2	50.4	52.9	60.0
9 Net debt funds raised.....	40.2	45.9	42.5	48.5	59.5	81.3	47.9	49.0	50.9	68.2	85.6	77.2
10 Corporate equity issues.....	-1.5	2.9	4.8	11.7	10.4	5.7	10.5	12.9	10.7	10.1	5.4	6.0
11 Excess net investment ³	-4.0	-9.4	-13.8	23.9	24.1	30.6	21.4	26.4	20.4	27.9	38.1	23.2
Corporate business												
12 Total capital outlays.....	75.0	83.7	84.0	86.7	100.7	113.7	86.5	87.0	96.0	105.4	108.5	118.8
13 Capital consumption.....	45.1	49.8	53.6	57.7	62.8	67.6	56.7	58.7	61.8	63.8	66.5	68.7
14 Net physical investment.....	29.9	33.9	30.4	29.1	37.8	46.1	29.8	28.3	34.1	41.5	42.0	50.1
15 Net debt funds raised.....	31.8	35.4	33.9	35.7	44.2	61.1	34.6	36.8	37.0	51.2	64.5	57.7
16 Corporate equity issues.....	-1.5	2.9	4.8	11.7	10.4	5.7	10.5	12.9	10.7	10.1	5.4	6.0
17 Excess net investment ³	-4	-4.4	-8.4	18.3	16.8	20.7	-15.3	21.4	13.5	19.8	27.9	13.5
Households												
18 Total capital outlays.....	109.7	117.8	116.2	135.9	157.8	177.5	130.4	141.4	152.6	163.0	178.2	176.8
19 Capital consumption.....	77.2	84.8	91.4	98.7	105.9	115.4	97.0	100.4	104.1	107.7	112.9	118.0
20 Net physical investment.....	32.5	33.0	24.7	37.2	51.9	62.1	33.5	41.0	48.5	55.3	65.3	58.8
21 Net funds raised.....	29.6	32.2	22.9	38.3	63.2	70.9	30.0	46.6	56.2	70.5	72.4	69.4
22 Excess net investment ³	2.9	.8	1.8	-1.1	11.3	8.9	3.5	-5.6	-7.6	15.2	7.1	10.6

¹ Capital outlays are totals for residential and nonresidential fixed capital, net change in inventories, and consumer durables, except outlays by financial business.

² Capital consumption includes amounts for consumer durables and excluded financial business capital consumption.

³ Excess of net investment over net funds raised.

NOTE: Full statements for sectors and transaction types are available on a quarterly basis and annually for flows and for amounts outstanding. Requests for these statements should be addressed to the Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C., 20551.

Funds raised by type and sector. Credit flows included here are the net amounts raised by households, nonfinancial business, governments, and foreigners. All funds raised by financial sectors are excluded. U.S. Government budget issues (line 5) are loan participation certificates issued by CCC, Export-Import Bank, FNMA, and GNMA, together with security issues by FIA, Export-Import Bank, and IVA. Issues by Federally sponsored credit agencies are excluded as borrowing by financial institutions. Such issues are on p. A-63, line 11. Corporate share issues are net cash issues by nonfinancial and foreign corporations. Mortgages exclude loans in process. Open-market paper is commercial paper issued by nonfinancial corporations plus bankers' acceptances.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1968	1969	1970	1971	1972	1973	1971		1972		1973		
							111	112	111	112	111	112	
1 Total funds advanced in credit markets to nonfinancial sectors	95.9	88.0	92.6	135.0	156.1	177.7	123.8	146.1	134.7	177.8	192.4	163.1	1
By public agencies and foreign													
2 Total net advances	12.2	15.8	28.0	41.3	16.9	32.7	38.6	44.0	19.7	14.1	42.5	22.9	2
3 U.S. Government securities	3.4	.9	15.7	33.4	7.3	10.4	32.9	34.0	12.7	2.0	21.4	.6	3
4 Residential mortgages	2.8	4.6	5.7	5.7	5.2	7.5	4.2	7.1	6.2	4.3	4.9	10.2	4
5 FHLB advances to S&I's	.9	4.0	1.3	2.7	*	7.2	5.5	.2	2.4	2.5	7.8	6.6	5
6 Other loans and securities	5.1	6.3	5.2	4.9	4.3	7.6	7.1	2.7	3.2	5.4	8.4	6.7	6
By agency-													
7 U.S. Government	4.9	2.9	2.8	3.2	2.3	1.7	4.3	2.2	1.5	3.1	.3	3.1	7
8 Sponsored credit agencies	3.2	9.0	9.9	2.8	6.0	20.0	-1.4	7.0	7.5	4.5	18.7	21.4	8
9 Monetary authorities	3.7	4.2	5.0	8.8	.2	9.3	8.4	9.3	4.5	-4.1	12.0	6.7	9
10 Foreign	.3	-.3	10.3	26.4	8.4	1.6	27.3	25.5	6.2	10.6	11.5	8.3	10
11 Agency borrowing not included in line 1	3.5	8.8	8.2	4.3	6.2	19.1	.9	7.7	7.4	5.0	17.6	20.7	11
Private domestic funds advanced													
12 Total net advances	87.2	80.9	72.8	98.0	145.4	164.2	86.1	109.9	122.4	168.6	167.5	160.8	12
13 U.S. Government securities	13.3	4.6	5.4	-3.5	16.3	18.5	-9.2	2.1	7.1	25.3	13.3	23.8	13
14 State and local obligations	9.5	9.9	11.3	16.6	11.9	8.9	17.9	15.4	12.0	11.9	6.3	11.5	14
15 Corporate and foreign bonds	13.8	12.5	20.0	19.5	13.2	11.8	22.1	16.8	14.2	12.1	10.3	13.3	15
16 Residential mortgages	15.5	15.7	12.8	29.1	44.6	44.4	24.8	33.4	38.4	50.8	50.5	38.3	16
17 Other mortgages and loans	35.9	42.2	24.6	33.7	59.5	87.7	25.0	42.3	48.3	71.0	95.0	80.4	17
18 Less: FHLB advances	.9	4.0	1.3	-2.7	*	7.2	-5.5	.2	-2.4	2.5	7.8	6.6	18
Private financial intermediation													
19 Credit market funds advanced by private financial institutions	75.3	54.9	74.0	111.4	150.2	159.1	112.2	110.6	130.5	170.1	186.2	132.1	19
20 Commercial banking	38.7	18.2	35.1	50.6	69.7	85.2	53.2	48.0	57.2	82.4	101.3	69.2	20
21 Savings institutions	15.6	14.5	16.9	41.5	48.7	35.2	45.4	37.5	48.4	48.9	49.1	21.7	21
22 Insurance and pension funds	14.0	12.3	17.3	14.1	16.0	24.3	12.5	15.7	14.1	17.8	21.4	26.9	22
23 Other finance	7.0	9.9	5.7	5.3	15.8	14.3	1.2	9.4	10.6	21.0	14.2	14.5	23
24 Sources of funds	75.3	54.9	74.9	111.4	150.2	159.1	112.2	110.6	130.5	170.1	186.2	132.1	24
25 Private domestic deposits	45.9	2.6	63.2	90.8	97.8	86.8	107.7	73.9	97.9	97.9	104.8	68.9	25
26 Credit market borrowing	8.5	19.1	-.4	9.2	20.2	28.8	2.6	15.9	16.4	24.0	34.4	23.2	26
27 Other sources	21.0	33.3	12.1	11.3	32.2	43.5	1.9	20.8	16.2	48.2	47.1	40.0	27
28 Foreign funds	2.6	9.3	-8.5	3.2	5.1	5.7	7.2	8.8	5.5	4.7	5.2	6.1	28
29 Treasury balances	-.2	*	2.9	2.2	.7	-1.0	-.8	5.3	3.6	5.1	1.4	-.6	29
30 Insurance and pension reserves	11.4	10.4	13.1	9.6	11.3	19.0	7.7	11.5	8.4	14.1	16.7	21.3	30
31 Other, net	7.2	13.5	4.5	2.7	15.1	19.8	2.2	3.2	5.9	24.3	26.5	13.2	31
Private domestic nonfinancial investors													
32 Direct lending in credit markets	20.3	45.0	-2.4	-4.2	15.4	33.8	-23.5	15.2	8.3	22.5	15.7	52.0	32
33 U.S. Government securities	8.0	16.8	-8.3	13.0	4.1	19.6	-22.4	3.5	-3.3	11.5	13.0	26.3	33
34 State and local obligations	-.2	8.7	1.1	-.1	2.1	1.2	-2.7	2.6	.9	3.4	.3	2.1	34
35 Corporate and foreign bonds	4.7	7.4	10.1	8.2	4.9	.2	8.6	7.7	4.5	5.2	.6	4.3	35
36 Commercial paper	5.8	10.2	-4.4	-6.3	3.7	8.7	-7.3	6.0	6.7	8.4	4	17.1	36
37 Other	2.1	2.0	1.4	1.3	.6	4.4	.3	2.3	-.4	1.7	2.7	6.1	37
38 Deposits and currency	48.3	5.4	66.6	94.2	102.2	90.6	110.6	77.9	103.3	101.3	110.8	70.4	38
39 Time and savings accounts	33.9	-2.3	56.1	81.2	85.7	76.9	92.6	69.8	88.8	82.6	99.1	54.7	39
40 Large negotiable CDs	3.5	-13.7	15.0	7.7	8.7	18.9	3.4	12.0	2.1	15.3	27.2	10.5	40
41 Other at commercial banks	17.5	3.4	24.2	32.9	31.0	29.6	44.0	21.9	38.9	23.2	34.0	25.2	41
42 At savings institutions	12.9	8.0	16.9	40.6	46.0	28.4	45.3	35.9	47.8	44.1	37.9	19.0	42
43 Money	14.5	7.7	10.5	13.0	16.5	13.7	17.9	8.1	14.5	18.7	11.8	15.7	43
44 Demand deposits	12.1	4.8	7.1	9.6	12.1	9.9	15.1	4.1	9.1	15.3	5.7	14.2	44
45 Currency	2.4	2.8	3.5	3.4	4.4	3.8	2.8	3.9	5.5	3.4	6.0	1.5	45
46 Total of credit market instr., deposits, and currency	68.7	50.5	64.2	90.0	117.7	124.4	87.1	93.0	111.7	123.8	126.5	122.4	46
47 Public support rate (in per cent)	12.7	18.0	30.2	30.6	10.8	18.4	31.2	30.1	14.6	7.9	22.1	14.0	47
48 Private financial intermediation (in per cent)	86.4	67.9	102.8	113.7	103.3	96.9	130.3	100.7	106.6	100.9	111.2	82.1	48
49 Total foreign funds	2.9	9.1	1.8	23.2	13.5	7.3	20.1	26.3	11.6	15.3	16.7	2.2	49
Corporate equities not included above													
1 Total net issues	5.1	9.5	9.5	14.7	12.0	6.3	13.0	16.3	12.4	11.5	5.8	6.8	1
2 Mutual fund shares	5.8	4.8	2.6	1.2	-.6	-1.0	.3	2.1	-.8	-.4	1.7	-.3	2
3 Other equities	-.7	4.7	6.9	13.5	12.6	7.3	12.7	14.2	13.3	12.0	7.4	7.1	3
4 Acquisitions by financial institutions	10.8	12.2	11.4	19.2	15.6	9.7	23.4	15.0	17.6	13.6	12.3	7.1	4
5 Other net purchases	-5.8	-2.7	-1.9	-4.6	-3.6	-3.4	-10.4	1.3	-5.1	2.1	-6.6	-.3	5

Notes

- Line 1. Line 2 of p. A-62.
- 2. Sum of lines 3-6 or 7-10.
- 6. Includes farm and commercial mortgages.
- 11. Credit market funds raised by Federally sponsored credit agencies. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
- 12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
- 17. Includes farm and commercial mortgages.
- 25. Lines 39-44.
- 26. Excludes equity issues and investment company shares. Includes line 18.
- 28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.

- 29. Demand deposits at commercial banks.
 - 30. Excludes net investment of these reserves in corporate equities.
 - 31. Mainly retained earnings and net miscellaneous liabilities.
 - 32. Line 12 less line 19 plus line 26.
 - 33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.
 - 39-44. See line 25.
 - 45. Mainly an offset to line 9.
 - 46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
 - 47. Line 2/line 1.
 - 48. Line 19/line 12.
 - 49. Lines 10 plus 28.
- Corporate equities**
Line 1 and 3. Includes issues by financial institutions.

1. U.S. BALANCE OF PAYMENTS

(In millions of dollars)

Line	Credits+, debits—	1971	1972	1973 ^a	1973				
					IV	I ^b	II ^c	III	IV ^d
Summary—Seasonally adjusted									
1	Merchandise trade balance ¹	-2,698	-6,912	688	-1,745 ^e	945	337	612	1,358
2	Exports.....	42,768	48,769	70,255	13,213	15,229	16,672	18,143	20,211
3	Imports.....	-45,466	-55,681	-69,567	-14,958	-16,174	-17,009	-17,531	-18,853
4	Military transactions, net.....	-2,918	3,558	2,171	864	-825	-730	-541	75
5	Travel and transportation, net.....	2,288	2,853	2,312	730	-608	-703	-476	525
6	Investment income, net ²	7,972	7,863	9,723	2,232	2,330	2,133	2,333	2,927
7	U.S. direct investments abroad.....	9,456	10,433	13,974	2,991	3,177	3,248	3,479	4,070
8	Other U.S. investments abroad.....	3,443	3,492	4,576	875	1,006	1,088	1,182	1,300
9	Foreign investments in the United States.....	-4,927	-6,062	8,827	1,634	-1,853	-2,203	-2,328	-2,443
10	Other services, net.....	739	851	972	237	232	238	221	850
11	Balance on goods and services ³	807	4,610	6,900	-870	184	601	2,149	3,965
12	Remittances, pensions, and other transfers.....	-1,553	-1,570	-1,913	-429	-397	-389	-404	-724
13	Balance on goods, services, and remittances.....	745	6,180	4,987	-1,299	-213	212	1,745	3,241
14	U.S. Government grants (excluding military).....	-2,045	-2,174	1,947	-452	345	652	499	450
15	Balance on current account.....	-2,790	8,353	-3,041	-1,751	-558	-440	1,246	2,791
16	U.S. Government capital flows excluding nonscheduled repayments, net ⁴	-2,117	-1,714	-2,894	-627	-671	583	-572	-1,069
17	Nonscheduled repayments of U.S. Government assets.....	225	137	289	26	111	174	4	*
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	-467	238	1,136	15	224	484	205	223
19	Long-term private capital flows, net.....	-4,401	-152	-357	781	8	-303	1,666	-1,731
20	U.S. direct investments abroad.....	4,943	3,404	4,855	-771	-2,025	-946	-478	-1,407
21	Foreign direct investments in the United States.....	115	160	2,068	160	273	534	753	507
22	Foreign securities.....	966	614	791	40	51	126	204	-512
23	U.S. securities other than Treasury issues.....	2,269	4,335	4,093	1,768	1,745	496	1,187	664
24	Other, reported by U.S. banks.....	-862	-1,120	-596	-442	-110	-238	247	-495
25	Other, reported by U.S. nonbanking concerns.....	216	492	276	106	74	23	161	-488
26	Balance on current account and long-term capital ⁴	9,550	-9,843	1,214	1,556	-886	-668	2,549	214
27	Nonliquid short-term private capital flows, net.....	-2,347	-1,637	4,210	-982	-1,765	-1,426	46	-1,065
28	Claims reported by U.S. banks.....	1,802	1,495	3,953	859	1,804	1,413	217	953
29	Claims reported by U.S. nonbanking concerns.....	530	-315	735	-250	11	-12	-470	242
30	Liabilities reported by U.S. nonbanking concerns.....	-15	173	478	127	50	-1	299	130
31	Allocations of Special Drawing Rights (SDR's).....	717	710	.....	177	.....	.....	.....	.....
32	Errors and omissions, net.....	-10,784	-3,112	-4,793	-1,490	3,898	477	1,097	-275
33	Net liquidity balance.....	-21,965	-13,882	-7,789	-3,851	6,549	1,617	1,498	-1,126
34	Liquid private capital flows, net.....	7,788	3,542	2,503	2,367	3,927	1,972	632	3,826
35	Liquid claims.....	-1,097	-1,234	-1,933	-131	-2,050	869	-323	-429
36	Reported by U.S. banks.....	-566	-742	-1,100	-77	-1,357	939	-303	-379
37	Reported by U.S. nonbanking concerns.....	531	492	833	54	693	-70	-20	-50
38	Liquid liabilities.....	-6,691	4,776	4,436	2,498	-1,877	1,103	955	4,255
39	To foreign commercial banks.....	-6,908	3,862	2,863	1,995	-1,897	709	851	3,200
40	To international and regional organizations.....	682	104	373	181	11	31	-50	381
41	To other foreigners.....	-465	810	1,200	322	9	363	154	674
42	Official reserve transactions balance.....	-29,753	-10,340	-5,286	-1,484	-10,476	355	2,130	2,700
43	Financed by changes in:								
43	Liquid liabilities to foreign official agencies.....	27,615	9,720	4,434	1,645	9,097	-798	-1,676	-2,184
44	Other readily marketable liabilities to foreign official agencies.....	551	399	1,118	117	1,202	259	11	354
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.....	341	189	-475	-167	43	167	452	-147
46	U.S. official reserve assets, net.....	2,348	32	209	-111	220	17	-13	-15
47	Gold.....	866	547	.....	.....	.....	.....	.....	.....
48	SDR's.....	-249	-703	9	-177	.....	9	.....	.....
49	Convertible currencies.....	381	35	233	82	233	.....	.....	.....
50	Gold tranche position in IMF.....	1,350	153	-33	-16	-13	8	-13	-15
Memoranda:									
51	Transfers under military grant programs (excluded from lines 2, 4, and 14).....	3,153	4,200	2,558	949	716	833	521	487
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	3,192	4,521	(^e)	(^e)	(^e)	(^e)	(^e)	(^e)
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	498	548	(^e)	(^e)	(^e)	(^e)	(^e)	(^e)

For notes see end of table.

1. U.S. BALANCE OF PAYMENTS—Continued

(In millions of dollars)

Credits +, debits —	1971	1972	1973 ^a	1972 IV	1973			
					I	II	III	IV ^b
Balances excluding allocations of SDR's — Seasonally adjusted								
Net liquidity balance.....	22,682	14,592	7,789	4,028	6,549	1,617	1,498	1,126
Official reserve transactions balance.....	30,470	11,050	5,286	1,661	10,476	355	2,130	2,700
Balances not seasonally adjusted								
Balance on goods and services.....	807	4,610	6,900	168	807	781	356	4,957
Balance on goods, services, and remittances.....	745	6,180	4,987	263	436	384	62	4,230
Balance on current account.....	2,790	8,353	3,041	698	62	301	516	3,795
Balance on current account and long-term capital ^c	9,550	9,843	1,214	343	850	776	825	2,015
Balances including allocations of SDR's:								
Net liquidity.....	21,965	13,882	7,789	3,197	6,197	2,033	602	161
Official reserve transactions.....	29,753	10,340	5,286	1,503	9,995	769	940	3,000
Balances excluding allocations of SDR's:								
Net liquidity.....	22,682	14,592	7,789	3,197	6,197	2,033	602	161
Official reserve transactions.....	30,470	11,050	5,286	1,503	9,995	769	940	3,000

¹ 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.
² Includes fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States.
³ Equal to net exports of goods and services in national income and product accounts of the United States.

⁴ Includes some short-term U.S. Govt. assets.
⁵ Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.
⁶ Not available.
 NOTE:— Data are from U.S. Department of Commerce, Bureau of Economic Analysis. Details may not add to totals because of rounding.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports ¹				Imports ²				Trade balance			
	1971	1972	1973 ^a	1974	1971	1972	1973 ^a	1974	1971	1972	1973 ^a	1974
Month:												
Jan.....	3,601	4,074	4,955	7,111	3,599	4,436	5,244	6,467	2	361	-289	644
Feb.....	3,695	3,824	5,071	7,606	3,564	4,473	5,482	7,392	130	649	-412	213
Mar.....	3,790	3,869	5,309	.....	3,628	4,515	5,411	.....	160	-647	-102	.....
Apr.....	3,631	3,820	5,492	.....	3,774	4,417	5,356	.....	-143	596	136	.....
May.....	3,746	3,882	5,557	.....	3,908	4,486	5,700	.....	-161	604	-143	.....
June.....	3,672	3,971	5,726	.....	4,037	4,468	5,765	.....	-365	497	-40	.....
July.....	3,573	4,074	5,860	.....	4,032	4,565	5,821	.....	-259	491	39	.....
Aug.....	3,667	4,197	6,044	.....	3,913	4,726	5,991	.....	-247	-530	54	.....
Sept.....	4,487	4,176	6,414	.....	4,179	4,612	5,621	.....	308	-436	792	.....
Oct.....	2,669	4,316	6,584	.....	3,469	4,738	5,969	.....	-800	-421	615	.....
Nov.....	3,196	4,473	6,871	.....	3,456	5,148	6,628	.....	-260	-675	243	.....
Dec.....	3,881	4,558	6,954	.....	4,169	5,002	6,084	.....	-288	-444	870	.....
Quarter:												
I.....	11,086	11,767	15,334	.....	10,792	13,403	16,137	.....	294	-1,657	-803	.....
II.....	11,049	11,673	16,775	.....	11,719	13,370	16,821	.....	-670	-1,697	46	.....
III.....	11,727	12,447	18,318	.....	11,924	13,903	17,434	.....	-197	-1,456	884	.....
IV.....	9,746	13,347	20,408	.....	11,094	14,888	18,680	.....	-1,348	-1,540	1,728	.....
Year³.....	43,549	49,208	70,799	.....	45,563	55,555	69,121	.....	-2,014	-6,347	1,678	.....

¹ Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.
² General imports including imports for immediate consumption plus entries into bonded warehouses.
³ Sum of unadjusted figures.

NOTE:— Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales | | or net acquisitions; in millions of dollars valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972-Sept. 1973, and at \$42.22 thereafter)

Area and country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973						
											I	II	III	IV			
Western Europe:																	
Austria	82	55	100	25													
Belgium		40	83			58	4			110							
France	518	405	884	601		600	325	129	473								
Germany, Fed. Rep. of		225	2				500										
Ireland		1	2					41	2								
Italy		200	80	60	85	209	76										
Netherlands		60	35			19		50	25								
Spain	130	32	180							51							
Switzerland		81	50		30	50	25	50	175								
United Kingdom	329	618	150	80	879	835				200							
Bank for Intl. Settlements										1							
Other	1	6	35	49	16	47	1	29	13								
Total	399	88	1,299	659	980	669	969	204	796								
Canada				200	150	50											
Latin American republics:																	
Argentina	30			39	1	25	25	28									
Brazil	72	54	25	3	1	*	*	23									
Colombia		10	29	7				1									
Venezuela			25														
Other	11	9	13	6	11	40	29	80	5								
Total	32	56	17	41	9	65	54	131	5								
Asia:																	
Iraq			10	4	21	42											
Japan				56				119									
Lebanon		11		11	1	95			35								
Malaysia						34			10								
Philippines	25	20	*	1			40	4									
Saudi Arabia						50											
Singapore						81	11		30								
Other	13	6	14	14	22	75	9	2	91	39							
Total	12	3	24	86	44	366	42	213	38	3							
All other	36	7	16	22	166	3	68	1	81	6							
Total foreign countries	392	36	1,322	608	1,031	1,118	957	631	845	3							
Intl. Monetary Fund¹			⁵ 225	177	22	3	10	156	22	544							
Grand total	392	36	1,547	431	1,009	1,121	967	6	787	867	547						

1 Includes purchase from Denmark of \$25 million.
 2 Includes purchase from Kuwait of \$25 million.
 3 Includes sales to Algeria of \$150 million in 1967 and \$50 million in 1968.
 4 Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 4), and withdrawal of deposits. The first withdrawal (\$17 million) was made in June 1968 and the last withdrawal (\$144 million) was made in Feb. 1972.
 5 IMF sold to the United States a total of \$800 million of gold (\$200 million in 1956, and \$300 million in 1959 and in 1960) with the right of

repurchase; proceeds from these sales invested by IMF in U.S. Treasury securities. IMF repurchased \$400 million in Sept. 1970 and the remaining \$400 million in Feb. 1972.
 6 Payment to the IMF of \$259 million increase in U.S. gold subscription less gold deposits by the IMF.
 7 Includes the U.S. payment of \$385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF totaled \$348 million each.

NOTES TO TABLE 5 ON OPPOSITE PAGE:

1 Represents net IMF sales of gold to acquire U.S. dollars for use in IMF operations. Does not include transactions in gold relating to gold deposit or gold investment (see Table 6).
 2 Positive figures represent purchases from the IMF of currencies of other members for equivalent amounts of dollars; negative figures represent repurchase of dollars, including dollars derived from charges on purchases and from other net dollar income of the IMF. The United States has a commitment to repurchase within 3 to 5 years, but only to the extent that the holdings of dollars of the IMF exceed 75 per cent of the U.S. quota. Purchases of dollars by other countries reduce the U.S. commitment to repurchase by an equivalent amount.
 3 Includes dollars obtained by countries other than the United States from sales of gold to the IMF.
 4 Represents the U.S. gold tranche position in the IMF (the U.S. quota minus the holdings of dollars of the IMF), which is the amount

that the United States could purchase in foreign currencies automatically if needed. Under appropriate conditions, the United States could purchase additional amounts equal to its quota.
 5 Includes \$30 million of Special Drawing Rights.
 6 Represents amount payable in dollars to the IMF to maintain the value of IMF holdings of U.S. dollars.
 NOTE: The initial U.S. quota in the IMF was \$2,750 million. The U.S. quota was increased to \$4,125 million in 1959, to \$5,160 million in Feb. 1966, to \$6,700 million in Dec. 1970, and revalued to \$7,274 million in May 1972 and \$8,083 million in Oct. 1973 as a result of changes in par value of the U.S. dollar. Under the Articles of Agreement subscription payments equal to the quota have been made 25 per cent in gold and 75 per cent in dollars.

4. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock		Convertible foreign currencies	Reserve position in IMF ¹	SDR's ⁴	End of month	Total	Gold stock		Convertible foreign currencies ⁵	Reserve position in IMF ¹	SDR's ⁴
		Total ²	Treasury						Total ²	Treasury			
1960	19,359	17,804	17,767		1,555		1973						
1961	18,753	16,947	16,889	116	1,690		Mar.	12,931	10,487	10,410	8	478	1,958
1962	17,220	16,057	15,978	99	1,064		Apr.	12,904	10,487	10,410	8	460	1,949
1963	16,843	15,596	15,513	212	1,035		May	12,916	10,487	10,410	16	464	1,949
1964	16,672	15,371	15,388	432	769		June	12,914	10,487	10,410	8	470	1,949
1965	15,450	13,806	13,733	781	686		July	12,918	10,487	10,410	8	474	1,949
1966	15,882	13,238	13,159	1,321	376		Aug.	12,923	10,487	10,410	8	479	1,949
1967	12,830	12,068	11,982	2,345	420		Sept.	12,927	10,487	10,410	8	483	1,949
1968	15,710	10,892	10,367	3,528	1,290		Oct.	14,367	11,652	11,567	8	1,954	2,166
1969	7,16,964	11,859	10,367	72,781	2,324		Nov.	14,373	11,652	11,567	8	547	2,166
							Dec.	14,378	11,652	11,567	8	552	2,166
1970	14,487	11,072	10,732	629	1,935	851	1974						
1971	8,12,167	10,206	10,132	8,276	585	1,100	Jan.	14,565	11,652	11,567	59	688	2,166
1972 ⁹	13,151	10,487	10,410	241	465	1,958	Feb.	14,643	11,652	11,567	68	757	2,166
1973	14,378	11,652	11,567	8	552	2,166	Mar.	14,588	11,652	11,567	9	761	2,166

¹ Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 6.

² Includes gold in Exchange Stabilization Fund.

³ 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.

⁴ Includes allocations by the IMF of Special Drawing Rights as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; and \$710 million on Jan. 1, 1972; plus net transactions in SDRs.

⁵ For holdings of F.R. Banks only, see pp. A-12.

⁶ 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.

⁷ 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.

⁸ Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

⁹ Total reserve assets include an increase of \$1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which, total gold stock is \$828 million (Treasury gold stock \$822 million), reserve position in IMF \$33 million, and SDR's \$155 million.

¹⁰ Total reserve assets include an increase of \$1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is \$1,165 million (Treasury gold stock \$1,157 million), reserve position in IMF \$54 million, and SDR's \$217 million.

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) ⁴	
	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 ¹	Transactions in foreign currencies ²	IMF net income in dollars	Purchases of dollars ³	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	3,000	75	1,035	
1964-1966	776		1,640	45	723	6	1,744	4,834	94	336	
1967-1969		22	84	50	2,263	268	1,998	2,836	55	2,324	
1970	1,155	712	150	25	-854	741	1,929	4,765	71	1,938	
1971		*	1,362	28	24	40	1,350	6,115	91	585	
1972	541		200	47			694	6,810	94	465	
1973	754			33			721	7,531	93	552	
1973-Mar.				5			5	6,796	93	478	
Apr.				18			18	6,814	94	460	
May				4			4	6,810	94	464	
June				-6			-6	6,804	94	470	
July				-4			4	6,800	93	474	
Aug.				5			5	6,795	93	479	
Sept.				4			4	6,791	93	483	
Oct.				4			4	7,541	93	541	
Nov.	754			5			5	7,536	93	547	
Dec.				5			5	7,531	93	552	
1974-Jan.			133	4			137	7,394	91	688	
Feb.				4	65		69	7,325	91	757	
Mar.				4			4	7,321	91	761	

¹ For notes see opposite page.

6. U.S. LIQUID AND OTHER LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Liabilities to foreign countries												
	Total	Liquid liabilities to IMF arising from gold transactions ¹	Official institutions ²						Liquid liabilities to other foreigners			Liquid liabilities to non-monetary intl. and regional organizations ⁸	
			Total	Liquid			Other readily marketable liabilities ⁵	Liquid liabilities to commercial banks abroad ⁶	Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ^{3,7}		
				Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ³	Nonmarketable convertible U.S. Treas. bonds and notes ⁴							Nonmarketable nonconvertible U.S. Treas. bonds and notes ⁴
1962	24,268	800	12,914	11,963	751		200		5,346	3,013	2,565	448	2,195
1963 ⁹	26,433 26,394	800 800	14,459 14,425	12,467 12,467	1,217 1,183	703 703	63 63	9 9	5,817 5,817	3,397 3,387	3,046 3,046	351 341	1,960 1,965
1964 ⁹	29,313 29,364	800 800	15,790 15,786	13,224 13,220	1,125 1,125	1,079 1,079	204 204	158 158	7,271 7,303	3,730 3,753	3,354 3,377	376 376	1,722 1,722
1965	29,569	834	15,826	13,066	1,105	1,201	334	120	7,419	4,059	3,587	472	1,431
1966 ⁹	31,145 31,020	1,011 1,011	14,841 14,896	12,484 12,539	860 860	256 256	328 328	913 913	10,116 9,936	4,271 4,272	3,743 3,744	528 528	906 905
1967 ⁹	35,819 35,667	1,033 1,033	18,201 18,194	14,034 14,027	908 908	711 711	741 741	1,807 1,807	11,209 11,085	4,685 4,678	4,127 4,120	558 558	691 677
1968 ⁹	38,687 38,473	1,030 1,030	17,407 17,340	11,318 11,318	529 462	701 701	2,518 2,518	2,341 2,341	14,472 14,472	5,053 4,909	4,444 4,444	609 465	725 722
1969 ⁹	45,755 45,914	1,019 1,019	15,975 15,998	11,054 11,077	346 346	555 555	1,022 1,022	1,505 1,505	23,638 23,645	4,464 4,589	4,064 4,064	525 525	659 663
1970--Dec. ⁹	47,009 46,960	566 566	23,786 23,775	19,333 19,333	306 295	429 429	3,023 3,023	695 695	17,137 17,169	4,676 4,604	4,029 4,039	647 565	844 846
1971--Dec. ¹¹	67,681 67,808	544 544	51,209 50,651	39,679 39,018	1,955 1,955	6,060 6,093	3,371 3,441	144 144	10,262 10,949	4,138 4,141	3,691 3,694	447 447	1,528 1,523
1972--Dec.	82,886		61,524	39,998	5,236	12,108	3,639	543	14,665	5,070	4,645	425	1,627
1973--Feb.	87,856		68,475	45,413	6,377	12,110	3,627	948	12,679	5,082	4,710	372	1,620
Mar.	1290,886		1,335	46,928	6,917	12,128	3,617	1,745	12,769	5,144	4,768	376	1,638
Apr.	1,990,582		70,752	45,953	6,934	12,245	3,631	1,989	12,851	5,348	4,949	399	1,631
May.	92,087		70,919	46,116	6,934	12,245	3,628	1,996	14,058	5,361	4,977	384	1,749
June.	92,188		70,700	45,712	6,934	12,245	3,805	2,004	14,356	5,463	5,080	383	1,669
July.	93,217		71,026	46,136	6,934	12,245	3,705	2,006	15,311	5,363	4,989	374	1,517
Aug.	92,578		70,520	45,721	6,906	12,319	3,555	2,019	15,076	5,450	5,115	335	1,532
Sept.	92,072		69,775	45,172	6,914	12,319	3,555	2,015	15,026	5,652	5,305	347	1,619
Oct.	93,173		69,701	45,211	6,929	12,319	3,233	2,009	15,953	5,699	5,325	374	1,820
Nov.	92,581		67,398	43,789	6,207	12,319	3,234	1,849	17,256	5,917	5,507	410	2,010
Dec.	92,572		66,775	43,899	5,686	12,319	3,210	1,661	17,643	6,151	5,721	430	2,003
1974--Jan. ¹⁰	90,076		63,848	41,547	5,214	12,321	3,210	1,556	18,019	6,284	5,835	449	1,925
Feb. ¹⁰	92,005		64,111	42,018	5,177	12,322	3,210	1,384	19,642	6,456	6,046	410	1,796

¹ Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

² Includes BIS and European Fund.

³ Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated 1962-63.

⁴ Excludes notes issued to foreign official nonreserve agencies.

⁵ Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

⁶ Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to "other foreigners."

⁷ Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

⁸ Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

⁹ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.

¹⁰ Includes \$101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969 as follows: liquid, \$17 million, and other, \$84 million.

¹¹ Data on the second line differ from those on first line because certain accounts previously classified as "official institutions" are included with "banks"; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

¹² Includes \$15 million increase in dollar value of foreign currency liabilities revalued to reflect market exchange rates.

¹³ Includes \$147 million increase in dollar value of foreign currency liabilities to official institutions of foreign countries revalued to reflect market exchange rates as follows: short-term liabilities, \$15 million; nonmarketable convertible U.S. Treasury bonds and notes, \$113 million; and nonmarketable nonconvertible U.S. Treasury bonds and notes, \$19 million.

NOTE: Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations, and minor rounding differences. Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

7. U.S. LIQUID AND OTHER 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.....	18,194	10,321	1,310	1,582	4,428	250	303
1968 3.....	17,407	8,070	1,867	1,865	5,043	259	303
	17,340	8,062	1,866	1,865	4,997	248	302
1969 3.....	15,975	7,074	1,624	1,888	4,552	546	291
	15,998	7,074	1,624	1,911	4,552	546	291
1970 3.....	23,786	13,620	2,951	1,681	4,713	407	414
	23,775	13,615	2,951	1,681	4,708	407	413
1971 5.....	51,209	30,010	3,980	1,414	14,519	415	871
	50,651	30,134	3,980	1,429	13,823	415	870
1972.....	61,524	34,197	4,279	1,731	17,577	777	2,963
1973--Feb.....	68,475	40,773	4,290	1,895	17,907	809	2,801
Mar.....	71,335	45,229	4,221	1,750	16,568	823	2,744
Apr.....	70,752	45,608	4,157	1,915	15,420	839	2,813
May.....	70,919	46,646	4,104	1,903	14,429	940	2,897
June.....	70,700	46,967	4,111	1,998	13,734	992	2,898
July.....	71,026	47,140	4,043	2,073	13,692	928	3,150
Aug.....	70,520	47,260	3,836	2,014	13,637	738	3,035
Sept.....	69,775	47,099	3,759	1,860	13,289	769	2,999
Oct.....	69,701	47,515	3,851	1,937	12,601	735	3,062
Nov.....	67,398	46,002	3,820	2,232	11,474	785	3,085
Dec.....	66,775	45,697	3,838	2,544	10,884	788	3,024
1974--Jan.....	63,848	43,262	3,930	2,446	10,479	838	2,893
Feb.....	64,111	42,411	4,254	2,743	10,878	1,000	2,825

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 9 to Table 6.

4 Includes \$101 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"; a number of reporting banks are included in the series for the first time; and U.S. Treasury liabilities payable in foreign currencies to official institutions of foreign countries have been increased in value by \$110 million to reflect market exchange rates as of Dec. 31, 1971.

6 Includes \$15 million increase in dollar value of foreign currency liabilities revalued to reflect market exchange rates.

7 Includes \$147 million increase in dollar value of foreign currency liabilities revalued to reflect market exchange rates.

NOTE. Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

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 ⁶					
	Total 1	Payable in dollars				Payable in foreign currencies	IMF gold investment ⁵	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁴	
		Total	Deposits		U.S. Treasury bills and certificates ³				Other short-term liab. ⁴	Demand			Time ²
			Demand	Time ²									
1969.....	40,199	39,770	20,460	6,959	5,015	7,336	429	800	613	62	83	244	223
	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 8.....	55,404	55,018	10,399	5,209	33,025	6,385	386	400	1,372	73	192	210	896
	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892
1972.....	60,722	60,225	8,288	5,631	31,850	14,456	496	.....	1,413	86	202	326	800
1973--Feb.....	64,220	63,707	7,786	5,597	36,522	13,801	513	.....	1,418	133	144	287	854
Mar.....	65,891	65,343	7,607	5,613	37,947	14,175	548	.....	1,426	114	134	260	918
Apr.....	65,182	64,598	8,119	5,655	36,440	14,383	584	.....	1,429	119	112	221	976
May.....	66,731	66,159	8,365	5,715	35,965	16,114	572	.....	1,579	141	119	148	1,172
June.....	66,717	66,073	9,114	5,830	34,931	16,198	644	.....	1,569	155	134	169	1,110
July.....	67,924	67,317	8,989	5,879	34,556	17,893	607	.....	1,488	206	116	116	1,049
Aug.....	67,398	66,788	8,436	6,137	34,257	17,958	611	.....	1,487	178	118	61	1,129
Sept.....	67,056	66,395	8,754	6,130	33,702	17,809	660	.....	1,552	80	100	62	1,311
Oct.....	68,256	67,679	9,108	6,772	32,869	18,930	577	.....	1,767	70	93	173	1,430
Nov.....	68,514	67,891	9,849	6,884	31,977	19,182	622	.....	1,962	73	97	373	1,420
Dec.....	69,218	68,622	11,399	6,995	31,866	18,362	597	.....	1,955	101	86	296	1,471
1974--Jan.....	67,257	66,649	10,823	7,146	29,543	19,138	607	.....	1,855	95	94	286	1,380
Feb.....	69,402	68,634	11,478	7,065	30,274	19,817	768	.....	1,696	77	70	232	1,317

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	Total to official, banks and other foreigners						To official institutions ^{1 0}					
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies
		Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴			Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴	
		Demand	Time ²					Demand	Time ²			
1969.....	38,786	20,397	6,876	3,971	7,113	429	11,077	1,930	2,942	3,844	2,159	202
1970 ⁷	40,499	15,716	5,765	13,511	5,138	368	19,333	1,652	2,554	13,367	1,612	148
1971 ⁸	40,541	15,726	5,802	13,511	5,133	368	19,333	1,652	2,554	13,367	1,612	148
1972.....	53,632	10,326	5,017	32,415	5,489	386	39,679	1,620	2,504	32,311	3,086	158
1973.....	53,661	6,386	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,177	165
1974.....	59,308	8,203	5,429	31,523	13,657	496	39,998	1,589	2,880	31,453	3,905	171
1973—Feb.....	62,802	7,653	5,452	36,235	12,948	513	45,413	1,756	2,841	36,147	4,497	172
Mar.....	64,465	7,493	5,479	37,687	13,257	548	46,928	1,543	2,837	37,620	4,757	172
Apr.....	63,753	8,000	5,543	36,219	13,407	584	45,953	1,714	2,920	36,137	4,996	187
May.....	65,151	8,224	5,597	35,817	14,942	572	46,116	1,719	2,949	35,736	5,525	187
June.....	65,148	8,959	5,696	34,762	15,088	644	45,712	1,940	3,124	34,684	5,777	187
July.....	66,436	8,782	5,762	34,440	16,844	607	46,136	1,934	3,192	34,360	6,461	189
Aug.....	65,912	8,258	6,019	34,196	16,829	611	45,721	1,575	3,355	34,118	6,545	127
Sept.....	65,503	8,674	6,030	33,640	16,498	660	45,172	1,631	3,226	33,554	6,634	127
Oct.....	66,489	9,038	6,678	32,696	17,500	577	45,211	1,810	3,846	32,613	6,815	127
Nov.....	66,552	9,776	6,787	31,604	17,762	622	43,799	2,034	3,802	31,529	6,298	127
Dec.....	67,263	11,297	6,909	31,570	16,891	597	43,899	2,125	3,911	31,491	6,245	127
1974—Jan. ⁹	65,401	10,728	7,052	29,257	17,758	607	41,547	2,378	3,712	29,152	6,177	127
Feb. ⁹	67,706	11,400	6,996	30,042	18,500	768	42,018	2,412	3,700	29,917	5,861	127

End of period	To banks ¹¹					To other foreigners					To banks and other foreigners: Payable in foreign currencies	
	Total	Payable in dollars				Total	Payable in dollars					
		Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁴		Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁴		
		Demand	Time ²				Demand	Time ²				
1969.....	27,709	23,419	16,756	1,999	20	4,644	4,064	1,711	1,935	107	312	226
1970 ⁷	21,166	16,917	12,376	1,326	14	3,202	4,029	1,688	1,886	131	325	220
1971 ⁸	21,208	16,949	12,385	1,354	14	3,197	4,039	1,688	1,895	131	325	220
1972.....	13,953	10,034	7,047	850	8	2,130	3,691	1,660	1,663	96	274	228
1973.....	14,643	10,721	3,399	320	8	6,995	3,694	1,660	1,666	96	271	228
1974.....	19,310	14,340	4,659	405	5	9,270	4,645	1,954	2,145	65	481	325
1973—Feb.....	17,388	12,337	4,084	371	5	7,877	4,710	1,813	2,240	83	573	341
Mar.....	17,537	12,393	4,145	331	5	7,912	4,767	1,805	2,312	63	588	376
Apr.....	17,800	12,453	4,336	312	7	7,799	4,949	1,951	2,312	75	611	398
May.....	19,035	13,673	4,646	319	8	8,701	4,977	1,859	2,329	73	716	385
June.....	19,437	13,899	5,054	258	8	8,578	5,081	1,965	2,314	70	732	457
July.....	20,300	14,893	4,958	321	8	9,606	4,989	1,890	2,250	72	776	418
Aug.....	20,191	14,593	4,807	353	10	9,423	5,115	1,876	2,311	68	861	483
Sept.....	20,331	14,493	5,071	430	8	8,983	5,305	1,972	2,374	77	881	533
Oct.....	21,278	15,503	5,251	473	7	9,772	5,325	1,977	2,359	76	912	449
Nov.....	22,762	16,761	5,735	469	7	10,549	5,306	2,007	2,517	67	915	495
Dec.....	23,364	17,174	6,941	512	11	9,710	5,721	2,232	2,486	68	936	469
1974—Jan. ⁹	23,854	17,539	6,330	620	14	10,576	5,835	2,020	2,719	91	1,005	480
Feb. ⁹	25,688	19,001	6,857	521	32	11,592	6,046	2,131	2,775	93	1,047	641

¹ Data exclude "holdings of dollars" of the IMF.
² Excludes negotiable time certificates of deposit, which are included in "Other."
³ Includes nonmarketable certificates of indebtedness issued to official institutions of foreign countries.
⁴ Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit. See also note 8(a).
⁵ U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.
⁶ Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.
⁷ Includes difference between cost value and face value of securities in IMF gold investment account.
⁸ 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.
⁹ 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.
¹⁰ Includes \$15 million increase in foreign currency liabilities revalued to reflect market exchange rates.
¹¹ Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.
¹² 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	1972		1973					1974			
	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ²	Feb. ²
Europe:											
Austria.....	272	301	297	305	302	292	204	166	161	210	279
Belgium-Luxembourg.....	1,092	1,373	1,376	1,456	1,378	1,377	1,410	1,462	1,483	1,593	1,660
Denmark.....	284	502	489	477	437	409	470	527	659	527	456
Finland.....	163	244	194	165	153	145	135	136	165	178	160
France.....	4,441	5,327	5,406	5,452	5,246	5,296	4,143	3,415	3,483	3,241	2,967
Germany.....	5,346	12,161	12,003	12,837	12,912	13,236	14,180	14,227	13,227	12,307	12,357
Greece.....	238	219	219	240	236	215	280	236	389	262	238
Italy.....	1,338	1,171	1,072	870	1,510	1,140	1,095	1,224	1,384	1,196	1,119
Netherlands.....	1,468	2,427	2,369	2,029	1,945	2,022	2,534	2,866	2,886	2,522	2,502
Norway.....	978	1,046	1,049	1,082	1,055	1,024	999	980	965	961	962
Portugal.....	416	511	500	477	472	459	467	470	534	482	486
Spain.....	256	325	334	282	237	259	284	319	305	264	304
Sweden.....	1,184	1,787	1,905	1,951	1,871	1,835	1,787	1,807	1,885	1,975	1,973
Switzerland.....	2,857	3,272	3,268	3,310	3,226	3,309	3,316	3,081	3,374	3,281	3,510
Turkey.....	97	71	75	102	115	72	83	75	102	221	146
United Kingdom.....	5,011	5,899	6,317	6,457	5,943	5,593	6,416	6,482	6,148	6,439	6,184
Yugoslavia.....	117	73	66	66	57	58	61	76	86	78	94
Other Western Europe ¹	1,483	2,164	2,360	2,965	3,015	3,099	3,427	2,926	3,352	3,097	3,009
U.S.S.R.....	11	9	11	18	17	16	40	20	22	26	20
Other Eastern Europe.....	81	66	74	81	90	114	96	101	110	92	95
Total.....	27,134	38,949	39,383	40,621	40,216	39,970	41,425	40,597	40,722	38,953	38,521
Canada.....	3,467	3,796	3,328	3,393	3,787	3,721	3,812	3,967	3,862	4,158	4,431
Latin America:											
Argentina.....	631	730	727	750	800	889	781	766	914	847	895
Bahamas ²	540	503	452	796	564	592	456	806	824	593	1,011
Brazil.....	605	768	770	920	732	700	745	816	860	819	961
Chile.....	137	137	140	134	126	127	137	142	157	178	174
Colombia.....	210	219	200	200	168	167	207	221	247	219	238
Cuba.....	6	7	10	7	7	7	7	6	7	7	8
Mexico.....	831	843	925	919	975	1,044	1,029	1,132	1,284	1,323	1,343
Panama.....	167	192	186	194	217	204	231	282	279	281	326
Peru.....	225	170	180	190	177	178	152	124	135	144	154
Uruguay.....	140	150	180	128	126	114	115	112	120	120	115
Venezuela.....	1,078	968	1,055	1,067	1,079	941	1,130	1,420	1,468	1,460	1,636
Other Latin American republics.....	860	778	783	744	791	791	742	769	880	947	1,028
Netherlands Antilles and Surinam.....	86	64	68	78	61	65	70	63	71	70	61
Other Latin America.....	44	270	649	408	403	463	532	556	361	470	790
Total.....	5,560	5,798	6,325	6,534	6,226	6,283	6,334	7,215	7,608	7,476	8,741
Asia:											
China, People's Rep. of (China Mainland).....	39	44	41	38	43	40	37	40	38	38	39
China, Republic of (Taiwan).....	675	832	846	790	810	802	779	764	757	735	715
Hong Kong.....	318	368	341	289	356	349	363	383	372	389	416
India.....	98	145	110	141	103	99	105	71	85	152	183
Indonesia.....	108	117	155	176	140	254	169	160	133	186	175
Israel.....	177	142	161	159	146	173	279	330	327	337	311
Japan.....	15,843	9,056	8,458	8,126	8,003	7,680	7,061	6,726	6,954	6,418	7,440
Korea.....	192	231	226	219	217	213	198	210	195	222	204
Philippines.....	438	575	544	545	541	482	479	497	515	570	604
Thailand.....	171	177	175	146	140	143	163	180	247	336	471
Other.....	1,071	873	883	958	1,139	1,165	1,139	1,138	1,202	1,306	1,196
Total.....	19,131	12,560	11,940	11,588	11,640	11,401	10,771	10,500	10,826	10,690	11,752
Africa:											
Egypt.....	24	67	29	29	41	34	34	63	35	72	72
Morocco.....	12	8	11	15	10	11	10	14	11	12	12
South Africa.....	115	120	155	169	100	132	103	109	114	101	119
Zaire.....	21	45	17	21	27	19	26	24	87	42	30
Other.....	768	786	904	803	683	765	747	824	808	837	1,044
Total.....	939	1,025	1,118	1,037	862	961	919	1,034	1,056	1,064	1,277
Other countries:											
Australia.....	3,027	2,961	2,985	3,202	3,124	3,106	3,169	3,183	3,131	2,986	2,917
All other.....	51	60	71	61	57	62	59	55	59	74	66
Total.....	3,077	3,022	3,056	3,263	3,181	3,168	3,228	3,238	3,190	3,059	2,984
Total foreign countries.....	59,308	65,151	65,148	66,436	65,912	65,503	66,489	66,552	67,263	65,401	67,706
International and regional:											
International ³	951	1,132	1,149	1,099	1,125	1,183	1,402	1,610	1,628	1,537	1,404
Latin American regional.....	307	345	329	309	289	298	299	290	271	256	228
Other regional ⁴	156	102	89	81	72	70	66	62	57	63	63
Total.....	1,413	1,579	1,569	1,488	1,487	1,552	1,767	1,962	1,955	1,855	1,696
Grand total.....	60,722	66,731	66,717	67,924	67,398	67,056	68,256	68,514	69,218	67,257	69,402

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 ⁵

Area and country	1971		1972		1973		Area and country	1971		1972		1973	
	Dec.	Apr.	Dec.	Apr.	Dec.	Dec.		Apr.	Dec.	Apr.	Dec.		
Other Western Europe:							Other Asia—Cont.:						
Cyprus.....	2	2	3	9	19		Kuwait.....	20	16	39	36	20	
Iceland.....	11	9	9	12	6		Laos.....	3	3	2	3	2	
Ireland, Rep. of.....	16	15	17	22	54		Lebanon.....	46	60	55	55	51	
Other Latin American republics:							Malaysia.....	23	25	54	59	42	
Bolivia.....	55	53	87	65	44		Pakistan.....	33	58	59	93	95	
Costa Rica.....	62	70	92	75	76		Ryukyu Islands (incl. Okinawa) ⁶	29	53				
Dominican Republic.....	123	91	114	104	89		Saudi Arabia.....	79	80	344	236	244	
Ecuador.....	57	62	121	109	51		Singapore.....	35	45	77	53	140	
El Salvador.....	78	83	76	86	77		Sri Lanka (Ceylon).....	4	6	5	6	13	
Guatemala.....	117	123	132	127	145		Syria.....	4	6	4	39	4	
Haiti.....	18	23	27	25	17		Vietnam.....	159	185	135	98	82	
Honduras.....	42	50	58	64	51		Other Africa:						
Jamaica.....	19	32	41	32	30		Algeria.....	23	31	32	51	87	
Nicaragua.....	50	66	61	79	88		Ethiopia (incl. Eritrea).....	11	29	57	75	62	
Paraguay.....	17	17	22	26	18		Ghana.....	8	11	10	28	18	
Trinidad & Tobago.....	10	15	20	17	14		Kenya.....	9	14	23	19	21	
Other Latin America:							Liberia.....	23	25	30	31	34	
Bermuda.....	(2)	(2)	(2)	127	178		Libya.....	274	296	393	312	(7)	
British West Indies.....	32	23	36	100	105		Nigeria.....	46	56	85	140	(7)	
Other Asia:							Southern Rhodesia.....	2	2	2	1	2	
Afghanistan.....	19	17	25	19	9		Sudan.....	1	5	3	3	3	
Bahrain.....	21	18	24	23	(7)		Tanzania.....	6	6	11	16	12	
Burma.....	10	5	2	17	(7)		Tunisia.....	9	7	10	11	4	
Cambodia.....	5	2	3	3	2		Uganda.....	3	10	7	19	6	
Iran.....	59	88	93	114	103		Zambia.....	13	7	28	37	(7)	
Iraq.....	10	9	10	26	(7)		All other:						
Jordan.....	2	2	4	4	5		New Zealand.....	23	27	30	34	37	

¹ Includes Bank for International Settlements and European Fund.² Bermuda included with Bahamas through Dec. 1972.³ Data exclude "holdings of dollars" of the International Monetary Fund but include IMF gold investment until Feb. 1972, when investment was terminated.⁴ Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."⁵ Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").⁶ Included in Japan after Apr. 1972.⁷ 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 ¹	Other foreigners	Germany	United Kingdom	Other Europe	Total Latin America	Japan	Other Asia	All other countries
1970.....	1,703	789	914	695	165	53	110	42	26	152	385	137	62
1971.....	902	446	457	144	257	56	164	52	30	111	3	87	9
1972—Dec. 2.....	11,000	562	439	93	259	87	165	63	32	136	1	32	10
	11,018	580	439	93	259	87	165	63	32	136	1	32	10
1973—Feb.....	1,276	613	663	304	258	100	164	59	233	118	1	71	16
Mar.....	1,406	697	709	328	269	112	164	66	234	133	1	96	16
Apr.....	1,397	684	713	329	274	111	164	68	239	128	1	98	16
May.....	1,379	688	691	313	274	104	164	68	231	115	1	96	16
June.....	1,467	769	697	311	274	113	164	68	233	125	2	94	10
July.....	1,525	768	757	311	305	141	164	68	265	145	2	93	19
Aug.....	1,530	775	755	322	305	127	165	68	265	143	2	95	17
Sept.....	1,502	758	744	318	302	123	165	68	263	145	2	84	18
Oct.....	1,473	735	738	312	305	122	165	68	265	140	2	81	18
Nov.....	1,469	753	717	313	287	117	165	67	246	138	2	80	19
Dec.....	1,487	761	726	310	296	121	165	66	245	151	5	78	18
1974—Jan. 1.....	1,498	801	697	311	275	111	165	65	236	140	2	78	11
Feb. 1.....	1,480	868	612	259	267	86	165	58	231	109	2	35	13

¹ Excludes central banks, which are included with "Official institutions."² 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.

11. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

	1973											1974	
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ¹	Feb. ²
Europe:													
Belgium-Luxembourg.....	6	6	6	6	6	6	6	7	7	7	7	7	7
Sweden.....	135	135	135	135	135	135	135	165	165	165	235	235	260
Switzerland.....	44	43	44	43	43	42	37	37	37	38	34	33	32
United Kingdom.....	276	278	300	281	280	275	236	247	290	400	423	437	450
Other Western Europe.....	79	79	79	85	85	85	85	85	85	85	86	91	91
Eastern Europe.....	5	5	5	5	5	5	5	5	5	5	5	5	5
Total.....	544	546	569	555	554	547	504	546	588	700	789	808	845
Canada.....	559	561	561	560	560	560	560	560	560	567	567	582	817
Latin America:													
Latin American republics.....	1	1	1	1	1	4	8	9	9	11	11	11	11
Other Latin America.....	6	6	6	6	6	3	3	3	3	3	3	3	3
Total.....	7	7	7	7	7	7	11	12	12	14	14	14	14
Asia:													
Japan.....	5,421	5,961	5,978	5,978	5,977	5,977	5,949	5,950	5,950	5,143	4,552	4,066	3,718
Other Asia.....	10	10	10	10	10	9	9	11	11	11	11	11	11
Total.....	5,431	5,971	5,988	5,988	5,988	5,987	5,959	5,961	5,961	5,154	4,563	4,077	3,729
Africa.....	183	183	183	183	183	183	183	158	158	158	158	158	157
All other.....	25	25	25	25	25	25	25	25	25	25	25	25	25
Total foreign countries.....	6,749	7,293	7,333	7,318	7,317	7,308	7,241	7,261	7,303	6,617	6,116	5,663	5,587
International and regional:													
International.....	176	186	176	142	72	1	1	21	6	1	1	20	51
Latin American regional.....	26	26	27	27	27	28	45	45	47	47	48	49	49
Total.....	202	212	202	169	100	29	46	66	53	48	49	69	100
Grand total.....	6,951	7,505	7,535	7,487	7,417	7,337	7,287	7,327	7,356	6,665	6,164	5,732	5,687

NOTE.—Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1

year, and are based on 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)

End of period	Total	Payable in dollars							Payable in foreign currencies		
		Total	Belgium	Canada	China, Rep. of (Taiwan)	Germany	Italy ¹	Korea	Thailand	Total	Germany ²	Switzerland
1970.....	3,563	2,480	32	2,289	20	25	15	100	1,083	542	541
1971.....	19,657	7,829	32	2,640	20	22	15	100	1,827	612	1,215
1972.....	15,872	14,333	20	2,840	20	22	15	100	1,539	306	1,233
1973—Mar.....	415,870	14,464	20	2,840	10	11,471	22	100	41,407	153	1,254
Apr.....	416,015	14,459	20	2,840	5	11,471	22	100	41,556	172	1,384
May.....	16,012	14,456	20	2,840	2	11,471	22	100	1,556	172	1,384
June.....	16,189	14,633	.....	2,840	.....	11,670	22	100	1,556	172	1,384
July.....	16,089	14,533	.....	2,840	.....	11,670	22	.....	1,556	172	1,384
Aug.....	16,015	14,383	.....	2,690	.....	11,670	22	.....	1,631	172	1,458
Sept.....	15,813	14,183	.....	2,490	.....	11,670	22	.....	1,458	172	1,458
Oct.....	15,691	14,233	.....	2,540	.....	11,670	22	.....	1,458	.....	1,458
Nov.....	15,692	14,233	.....	2,540	.....	11,670	22	.....	1,459	.....	1,459
Dec.....	15,669	14,210	.....	2,540	.....	11,670	.....	.....	1,459	.....	1,459
1974—Jan.....	15,671	14,210	.....	2,540	.....	11,670	.....	.....	1,461	.....	1,461
Feb.....	15,672	14,210	.....	2,540	.....	11,670	.....	.....	1,462	.....	1,462
Mar.....	15,680	14,210	.....	2,540	.....	11,670	.....	.....	1,470	.....	1,470

¹ Notes issued to the Government of Italy in connection with military purchases in the United States.² In addition, nonmarketable U.S. Treasury notes amounting to \$125 million equivalent were held by a group of German commercial banks from June 1968 through Nov. 1972. The dollar value of these notes was increased by \$10 million in Oct. 1969 and by \$18 million as of Dec. 31, 1971.³ Includes \$106 million increase in dollar value of foreign currency obligations revalued to reflect market exchange rates as of Dec. 31, 1971.⁴ Includes \$15 million increase in Mar. and \$145 million increase in Apr. in dollar value of foreign currency obligations revalued to reflect market exchange rates.

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	1972				1973				1974		
	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ¹	Feb. ¹
Europe:											
Austria.....	8	9	12	10	18	14	15	14	11	14	36
Belgium-Luxembourg.....	120	73	94	96	107	190	150	145	148	134	143
Denmark.....	59	69	69	56	67	52	50	53	48	50	60
Finland.....	118	140	141	134	125	114	97	89	108	106	93
France.....	330	447	389	434	368	413	461	525	621	649	682
Germany.....	321	356	399	349	281	313	366	392	311	342	381
Greece.....	29	19	19	28	20	16	26	23	35	41	36
Italy.....	255	327	326	278	278	242	282	363	316	313	330
Netherlands.....	108	115	109	101	155	144	132	172	133	139	146
Norway.....	69	67	65	79	75	67	74	82	72	85	91
Portugal.....	19	17	19	18	14	18	23	22	23	25	25
Spain.....	207	360	387	272	251	183	183	189	222	208	151
Sweden.....	164	267	234	224	184	166	155	177	153	135	106
Switzerland.....	125	190	245	208	206	234	242	203	176	240	338
Turkey.....	6	6	9	7	6	6	8	16	10	16	9
United Kingdom.....	997	1,009	1,025	1,077	1,357	1,304	1,216	1,178	1,456	1,490	1,726
Yugoslavia.....	22	13	12	12	10	10	8	19	10	9	15
Other Western Europe.....	20	21	29	20	21	26	24	26	27	19	20
U.S.S.R.....	41	50	56	56	42	46	49	51	46	29	36
Other Eastern Europe.....	49	69	73	84	83	97	87	72	59	64	65
Total.....	3,067	3,624	3,710	3,542	3,664	3,654	3,678	3,811	3,985	4,108	4,519
Canada.....	1,914	2,400	2,034	2,168	2,186	1,909	2,210	1,979	1,960	1,880	2,070
Latin America:											
Argentina.....	379	408	408	431	442	455	469	485	498	520	538
Bahamas.....	515	433	448	518	484	619	698	608	873	578	1,040
Brazil.....	649	851	891	965	915	879	837	826	900	953	958
Chile.....	52	40	43	36	50	40	80	125	151	136	155
Colombia.....	418	398	412	420	422	423	423	413	397	426	428
Cuba.....	13	13	14	13	13	13	15	13	12	11	11
Mexico.....	1,202	1,343	1,406	1,386	1,348	1,329	1,388	1,357	1,370	1,343	1,417
Panama.....	244	190	218	223	262	252	273	266	291	297	262
Peru.....	145	147	169	180	176	178	208	204	178	186	184
Uruguay.....	40	31	34	34	35	39	45	47	55	57	51
Venezuela.....	383	440	454	454	441	430	436	469	517	483	510
Other Latin American republics.....	388	383	380	373	394	409	431	465	490	542	545
Netherlands Antilles and Surinam.....	14	35	38	48	38	31	23	17	13	17	19
Other Latin America.....	36	74	66	71	91	91	137	124	140	356	462
Total.....	4,476	4,786	4,981	5,153	5,111	5,187	5,464	5,417	5,861	5,900	6,616
Asia:											
China, People's Rep. of (China Mainland).....	1	5	3	7	6	7	22	36	31	24	19
China, Republic of (Taiwan).....	194	216	200	198	183	141	128	117	140	119	147
Hong Kong.....	93	132	204	218	116	128	121	124	147	169	189
India.....	14	19	21	18	17	19	14	16	16	16	15
Indonesia.....	87	97	94	91	77	81	89	96	88	105	107
Israel.....	105	116	111	133	133	145	145	155	166	153	140
Japan.....	4,152	5,530	5,751	5,757	5,791	5,801	5,745	6,033	6,400	6,467	6,958
Korea.....	296	338	347	348	336	348	372	368	401	429	477
Philippines.....	149	139	144	134	129	121	105	118	181	189	182
Thailand.....	191	194	173	188	185	179	206	225	273	323	364
Other.....	300	324	354	352	350	361	349	377	394	466	560
Total.....	5,584	7,110	7,401	7,441	7,321	7,330	7,295	7,664	8,237	8,461	9,158
Africa:											
Egypt.....	21	25	34	44	41	43	38	40	35	42	40
Morocco.....	4	4	4	5	5	11	4	7	5	4	4
South Africa.....	143	166	163	150	151	157	150	147	129	133	134
Zaire.....	13	13	42	43	49	48	51	61	60	56	67
Other.....	118	136	145	149	173	146	163	155	159	178	175
Total.....	299	343	388	391	419	405	406	410	388	413	420
Other countries:											
Australia.....	291	232	260	271	230	218	223	251	243	279	268
All other.....	40	47	46	40	41	36	36	36	43	37	49
Total.....	330	280	305	310	271	254	259	287	286	316	317
Total foreign countries.....	15,670	18,544	18,820	19,005	18,973	18,739	19,312	19,569	20,716	21,079	23,100
International and regional.....	3	2	1	2	1	1	1	1	1	1	1
Grand total.....	15,672	18,546	18,821	19,007	18,974	18,739	19,313	19,570	20,717	21,080	23,101

¹ Includes Bermuda through Dec. 1972.

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 out- standing	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other	
			Total	Official institutions	Banks ¹								Others
1970.....	10,802	10,192	3,051	119	1,720	1,212	2,389	3,985	766	610	352	92	166
1971 ²	13,170	12,328	4,503	223	2,613	1,667	2,475	4,243	1,107	842	549	119	174
1971.....	13,272	12,377	3,969	231	2,080	1,658	2,475	4,254	1,679	895	548	173	174
1972 ³	15,471	14,625	5,674	163	2,975	2,535	3,269	3,204	2,478	846	441	223	182
1972.....	15,672	14,826	5,671	163	2,970	2,538	3,276	3,226	2,653	846	441	223	182
1973—Feb.....	18,033	16,962	6,449	162	3,669	2,619	3,589	3,302	3,622	1,071	596	313	162
Mar.....	18,383	17,432	6,517	141	3,677	2,698	3,732	3,482	3,700	951	524	262	165
Apr.....	18,362	17,544	6,826	146	3,928	2,753	3,815	3,483	3,419	819	460	207	152
May.....	18,546	17,692	6,933	163	3,813	2,956	3,824	3,623	3,313	854	499	237	118
June.....	18,821	17,982	7,318	205	4,070	3,043	3,881	3,984	2,800	839	552	140	147
July.....	19,007	18,144	7,024	162	3,926	2,936	3,871	3,922	3,327	863	561	151	151
Aug.....	18,974	18,087	6,973	176	4,029	2,768	3,948	3,716	3,450	887	488	151	248
Sept.....	18,739	17,963	6,829	160	3,917	2,752	4,070	3,718	3,345	777	459	143	175
Oct.....	19,313	18,453	7,003	216	3,989	2,798	4,099	3,774	3,577	861	510	187	163
Nov.....	19,570	18,780	7,090	252	4,084	2,753	4,287	3,788	3,614	790	512	131	148
Dec.....	20,717	20,055	7,718	271	4,589	2,859	4,306	4,155	3,876	662	428	119	115
1974—Jan. ²	21,080	20,277	7,415	303	4,419	2,692	4,388	4,107	4,367	804	504	162	137
Feb. ²	23,101	22,257	8,118	303	5,016	2,799	4,288	4,553	5,298	844	520	122	202

¹ Excludes central banks, which are included with "Official institutions."
² Data on second line differ from those on first line because (a) 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 (b) a number of reporting banks are included in the series for the first time.
³ 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.

**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
		Total	Official institutions	Banks ¹	Other foreigners	Other long-term claims								
1970.....	3,075	2,698	504	236	1,958	352	25	71	411	312	1,325	115	548	292
1971.....	3,667	3,345	575	315	2,455	300	22	130	593	228	1,458	246	583	429
1972.....	4,954	4,539	833	430	3,276	375	40	145	704	406	1,996	319	881	503
1972.....	5,025	4,550	836	430	3,285	435	40	145	701	406	2,012	348	900	514
1973—Feb.....	5,137	4,636	836	477	3,323	449	52	135	763	434	1,993	342	930	540
Mar.....	5,288	4,781	883	496	3,402	460	47	121	854	453	1,985	336	986	552
Apr.....	5,431	4,935	903	544	3,487	447	49	122	907	477	2,007	337	1,030	552
May.....	5,519	5,015	932	545	3,538	455	48	131	923	511	2,006	331	1,058	558
June.....	5,604	5,095	978	550	3,567	464	45	131	980	523	2,002	311	1,096	561
July.....	5,623	5,114	957	554	3,604	455	54	128	1,029	517	1,982	310	1,122	535
Aug.....	5,519	5,007	1,002	514	3,491	466	46	137	1,007	404	1,963	304	1,157	548
Sept.....	5,385	4,859	1,010	507	3,342	456	70	131	975	418	1,921	252	1,186	501
Oct.....	5,567	5,011	1,041	537	3,434	476	80	130	1,011	491	1,960	258	1,203	514
Nov.....	5,763	5,222	1,127	554	3,541	463	78	138	1,058	484	2,068	251	1,246	516
Dec.....	5,856	5,304	1,129	570	3,605	480	72	140	1,098	489	2,072	243	1,282	533
1974—Jan. ²	5,794	5,245	1,115	558	3,572	470	79	135	1,096	484	2,036	249	1,284	509
Feb. ²	5,867	5,264	1,166	580	3,519	524	79	144	1,158	456	2,057	249	1,293	510

¹ Excludes central banks, which are included with "Official institutions."
² 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.

16. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes ¹					U.S. corporate securities ²			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									
1971.....	1,672	130	1,542	1,661	-119	14,573	13,158	1,415	1,687	2,621	-935	1,385	1,439	-57
1972.....	3,316	57	3,258	3,281	-23	19,073	15,015	4,058	1,901	2,961	-1,060	2,532	2,123	409
1973.....	290	165	455	450	6	18,569	13,846	4,723	1,471	2,454	-983	1,729	1,554	176
1974—Jan.—Feb. ^{1/2}	-477	52	-529	-509	-20	2,920	2,668	252	171	509	-338	396	413	-17
1973—Feb.....	515	-12	527	579	-52	1,761	1,045	716	145	144	1	194	145	49
Mar.....	554	10	544	540	3	2,220	1,111	1,109	144	125	19	211	114	97
Apr.....	31	-9	40	16	23	1,566	1,040	525	117	292	-175	121	112	9
May.....	-48	-33	-15	*	-15	1,142	1,101	41	140	150	-10	137	125	12
June.....	-71	-69	-1		-1	1,087	899	188	125	103	22	123	111	12
July.....	-79	-71	-9		-9	1,320	898	422	101	207	-106	108	107	1
Aug.....	-51	17	-68	-28	-39	1,328	864	464	96	157	-61	117	125	-8
Sept.....	40	20	20	8	12	1,174	963	212	67	101	-34	115	105	10
Oct.....	29	-13	42	15	27	1,806	1,736	71	97	336	-238	129	131	-2
Nov.....	-691	-5	-686	-722	36	1,947	1,689	258	103	305	-202	156	178	-22
Dec.....	-501	1	-502	-521	19	1,364	1,384	-19	144	209	-65	159	144	15
1974—Jan. ^{1/2}	-432	20	-452	472	19	1,697	1,455	242	71	364	-292	209	207	-2
Feb. ^{1/2}	-45	31	-76	-37	-39	1,223	1,213	10	100	145	-45	187	205	-18

¹ Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries; see Table 12.
² Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities

sold abroad by U.S. corporations organized to finance direct investments abroad.
 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	Purchases	Sales	Net purchases or sales (-)	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Other.
1971.....	11,626	10,894	731	87	131	219	168	-49	71	627	-93	37	108	52
1972.....	14,361	12,173	2,188	372	-51	297	642	561	137	1,958	-78	-32	256	83
1973.....	12,760	9,961	2,799	439	2	339	685	366	288	2,119	99	-1	577	5
1974—Jan.—Feb. ^{1/2}	1,714	1,384	330	106	8	89	85	21	55	365	-28	-41	24	9
1973—Feb.....	1,282	835	446	25	5	67	150	82	42	371	37	-11	44	5
Mar.....	1,144	793	350	35	8	47	148	21	29	288	25	5	21	11
Apr.....	868	728	141	21	9	-8	53	-14	46	107	34	-10	5	5
May.....	778	898	-120	-2	-43	-14	-22	-38	3	-116	-7	-16	11	9
June.....	766	632	134	2	-23	7	52	15	21	74	8	-2	55	-2
July.....	881	564	316	67	-19	25	80	28	28	210	19	11	71	5
Aug.....	973	631	341	53	1	60	57	40	34	245	10	11	81	-6
Sept.....	948	734	214	63	6	18	54	15	14	169	*	27	21	-3
Oct.....	1,368	1,272	95	6	-7	5	-34	68	24	61	-26	16	41	4
Nov.....	1,481	1,071	409	106	27	54	68	67	21	343	-18	-9	108	-14
Dec.....	873	878	-5	30	9	32	-64	-25	6	-12	-8	-4	34	-16
1974—Jan. ^{1/2}	973	799	174	68	4	37	45	27	22	202	-27	-42	33	9
Feb. ^{1/2}	741	585	156	39	5	52	40	-5	33	163	*	1	9	1

¹ Includes international and regional organizations.

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
1971.....	684	15	35	-1	197	327	39	612	37	19	-2	*	-21	39
1972.....	1,871	336	77	74	135	357	315	1,293	82	22	323	2	*	148
1973.....	1,924	201	-33	19	307	275	475	1,206	49	44	588	*	10	26
1974—Jan.—Feb. #	-78	4	2	*	23	162	-23	167	12	-4	-223	*	*	-29
1973—Feb.....	270	6	4	2	30	46	60	149	36	1	110	*	*	-26
Mar.....	759	45	3	-22	-7	-3	158	174	*	4	623	*	*	-42
Apr.....	385	33	2	*	65	-96	94	98	16	4	199	*	*	68
May.....	161	1	-4	-1	76	120	22	215	7	1	2	*	*	-63
June.....	54	6	-3	*	-3	-19	-2	-20	7	-1	*	*	10	59
July.....	106	*	-57	*	13	-15	7	-52	3	4	1	*	*	150
Aug.....	123	31	1	1	-5	57	10	94	-1	4	2	*	*	24
Sept.....	-2	2	*	*	-1	14	12	26	-1	1	11	*	*	-39
Oct.....	-25	53	*	1	46	-14	1	87	4	1	1	*	*	-118
Nov.....	-151	4	11	-2	28	76	7	124	-21	3	-209	*	*	-48
Dec.....	-15	9	10	4	37	60	32	152	*	16	-183	*	*	1
1974—Jan. #	68	3	2	*	23	117	-8	137	14	1	-104	*	*	20
Feb. #	-146	1	*	*	*	44	-15	30	-2	-5	-119	*	*	-49

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

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
1971.....	-992	310	-682	31	-275	-46	-366	-57	32
1972.....	-651	-90	-561	492	-651	-69	-296	-66	29
1973.....	-807	139	-946	-141	-559	-120	-168	3	37
1974—Jan.—Feb. #	-354	2	-356	-156	-215	-11	28	-5	3
1973—Feb.....	49	-2	51	-3	41	-16	29	*	*
Mar.....	116	23	93	24	34	8	27	*	*
Apr.....	-166	16	-182	22	-193	-6	-5	*	*
May.....	2	11	-9	-21	-13	6	6	-1	14
June.....	34	7	27	10	6	13	13	1	9
July.....	-105	3	-108	-13	-93	-13	9	*	2
Aug.....	-69	5	-75	-21	-44	-4	-1	*	3
Sept.....	-25	4	-28	-28	8	8	-1	*	2
Oct.....	-240	4	-243	-25	-148	-8	-64	1	1
Nov.....	-225	9	-234	-47	-78	-6	-104	*	*
Dec.....	-50	51	-101	-45	-11	-15	34	2	3
1974—Jan. #	-291	-4	-287	-81	-204	-2	-1	-1	2
Feb. #	-63	6	-69	-76	-11	-9	29	-4	1

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)
1970—Dec.....	349	281
1971—Mar.....	511	314
June.....	419	300
Sept.....	333	320
Dec.....	311	314
1972—Mar.....	325	379
June.....	312	339
Sept.....	286	336
Dec.....	372	405
1973—Mar.....	310	364
June.....	316	243
Sept.....	290	255
Dec. #	333	231

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 TABLES 21A AND 21B ON FOLLOWING PAGES:

Total assets and total liabilities payable in U.S. dollars amounted to \$22,291 million and \$22,609 million, respectively, on Jan. 31, 1974.

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 foreigners
IN ALL FOREIGN COUNTRIES											
Total, all currencies.....	1970-Dec.	47,363	9,740	7,248	2,491	36,221	6,887	16,997	695	11,643	1,403
	1971-Dec.	61,334	4,798	2,311	2,486	54,752	11,211	24,550	1,167	17,823	1,785
	1972-Dec.	80,034	4,735	2,124	2,611	73,031	11,717	36,738	1,665	22,910	2,268
	1973-Jan.	81,199	4,926	2,327	2,600	74,006	11,945	36,797	1,621	23,643	2,267
	Feb.	87,901	4,325	1,565	2,760	81,067	12,272	42,203	1,747	24,846	2,509
	Mar.	91,646	4,296	1,988	2,308	84,370	12,458	44,268	1,965	25,679	2,980
	Apr.	90,987	3,917	1,672	2,244	84,091	12,787	42,976	2,081	26,247	2,979
	May	92,994	4,218	1,926	2,292	85,577	13,490	42,746	2,004	27,337	3,199
	June	98,756	4,955	2,333	2,622	90,207	13,528	46,277	1,900	28,501	3,594
	July	103,793	5,404	2,505	2,899	94,583	15,316	47,555	2,035	29,678	3,806
	Aug.	105,194	5,158	2,291	2,868	95,997	15,667	47,414	2,108	30,809	4,039
	Sept.	110,673	4,853	1,917	2,936	101,022	17,194	49,312	2,242	32,274	4,797
	Oct.	114,025	4,847	1,832	3,016	104,464	18,118	51,011	2,336	32,999	4,714
	Nov.	120,600	5,895	2,915	2,980	109,057	18,866	53,813	2,208	34,170	5,648
	Dec.	122,499	4,883	1,887	2,997	112,855	19,133	56,233	2,502	34,986	4,761
	1974-Jan.	123,791	4,605	1,535	3,070	114,597	19,456	56,977	2,732	35,431	4,589
Payable in U.S. dollars.....	1970-Dec.	34,619	9,452	7,233	2,219	24,642	4,213	13,265	362	6,802	525
	1971-Dec.	40,182	4,541	2,305	2,236	35,064	6,659	18,006	864	9,536	577
	1972-Dec.	54,058	4,473	2,102	2,371	48,768	8,083	26,907	1,128	12,651	817
	1973-Jan.	54,196	4,592	2,303	2,289	48,828	8,093	26,764	1,063	12,908	777
	Feb.	57,567	3,985	1,534	2,451	52,692	8,550	29,829	1,097	13,215	891
	Mar.	58,745	3,988	1,957	2,031	53,752	8,438	30,568	1,124	13,622	1,005
	Apr.	57,515	3,589	1,645	1,944	52,871	8,426	29,498	1,108	13,839	1,055
	May	58,019	3,930	1,899	2,031	52,871	8,548	28,677	1,140	14,506	1,218
	June	61,843	4,602	2,285	2,317	55,885	8,493	31,261	1,229	15,003	1,356
	July	64,145	4,799	2,469	2,330	57,866	9,229	31,803	1,220	15,615	1,480
	Aug.	65,478	4,522	2,232	2,290	59,491	10,033	31,390	1,281	16,788	1,464
	Sept.	68,114	4,415	1,866	2,549	62,015	10,718	32,458	1,281	17,558	1,685
	Oct.	70,433	4,382	1,789	2,592	64,394	11,613	33,531	1,319	17,931	1,657
	Nov.	75,934	5,421	2,855	2,566	68,730	12,277	36,092	1,401	18,959	1,783
	Dec.	79,853	4,429	1,849	2,580	73,657	12,755	39,332	1,586	19,984	1,767
	1974-Jan.	81,838	4,166	1,499	2,667	75,942	13,211	39,977	1,847	20,906	1,730
Total, all currencies.....	1970-Dec.	28,451	6,729	5,214	1,515	21,121	3,475	11,095	316	6,235	601
	1971-Dec.	34,552	2,694	1,230	1,464	30,996	5,690	16,211	476	8,619	862
	1972-Dec.	43,684	2,234	1,138	1,096	40,430	5,659	23,983	609	10,179	1,020
	1973-Jan.	44,347	2,585	1,466	1,118	40,796	5,637	24,333	574	10,252	966
	Feb.	48,533	1,945	848	1,097	45,487	5,887	28,473	585	10,542	1,102
	Mar.	49,696	2,052	1,130	922	46,520	5,783	29,148	663	10,926	1,124
	Apr.	49,181	1,662	794	868	46,332	5,437	29,255	651	10,989	1,188
	May	49,080	1,744	910	834	46,001	5,725	28,394	614	11,268	1,336
	June	51,415	1,876	1,012	864	48,031	5,279	30,348	607	11,797	1,508
	July	54,265	2,500	1,492	1,008	50,189	6,274	30,826	649	12,440	1,576
	Aug.	53,153	1,878	937	942	49,692	6,849	29,696	685	12,462	1,583
	Sept.	56,127	1,473	604	870	52,771	8,022	30,967	660	13,123	1,882
	Oct.	57,589	1,853	879	974	53,778	7,970	31,775	695	13,337	1,958
	Nov.	62,294	2,285	1,245	1,040	57,146	8,552	34,059	701	13,834	2,863
	Dec.	62,033	1,789	738	1,051	58,075	8,773	34,620	735	13,946	2,169
	1974-Jan.	63,757	1,484	521	964	60,180	9,123	35,792	907	14,358	2,093
Payable in U.S. dollars.....	1970-Dec.	22,574		6,596		15,655	2,223	9,420		4,012	323
	1971-Dec.	24,428		2,585		21,493	4,135	12,762		4,596	350
	1972-Dec.	30,381		2,146		27,787	4,326	17,976		5,485	447
	1973-Jan.	30,652		2,468		27,778	4,184	18,069		5,526	405
	Feb.	32,746		1,814		30,423	4,568	20,219		5,637	508
	Mar.	32,658		1,953		30,183	4,324	20,033		5,827	522
	Apr.	31,833		1,539		29,778	4,034	20,119		5,625	515
	May	30,906		1,654		28,666	3,943	18,848		5,874	587
	June	32,864		1,784		30,386	3,900	20,413		6,073	694
	July	33,486		2,193		30,569	4,042	20,209		6,319	724
	Aug.	32,935		1,540		30,694	4,887	19,224		6,584	701
	Sept.	34,401		1,348		32,210	5,399	19,873		6,939	842
	Oct.	35,647		1,700		33,176	5,769	20,415		6,993	770
	Nov.	39,321		2,098		36,386	6,273	22,786		7,328	838
	Dec.	40,458		1,642		37,967	6,509	24,009		7,449	849
	1974-Jan.	42,131		1,368		39,932	6,825	25,098		8,010	830
Total, all currencies.....	1970-Dec.	4,815	1,173	455	717	3,583		2,119		1,464	59
	1971-Dec.	8,493	1,282	505	778	7,119		3,798		3,320	92
	1972-Dec.	13,091	1,496	225	1,272	11,419		6,965		4,454	175
	1973-Jan.	13,064	1,387	182	1,206	11,495		6,753		4,742	181
	Feb.	13,559	1,461	83	1,378	11,860		7,189		4,671	238
	Mar.	13,764	1,210	89	1,121	12,284		7,519		4,765	271
	Apr.	13,653	1,407	293	1,113	11,988		6,726		5,262	258
	May	14,730	1,498	272	1,227	12,888		7,242		5,677	343
	June	16,184	1,917	410	1,507	14,002		8,206		5,796	265
	July	17,086	1,929	350	1,579	14,862		8,802		6,060	295
	Aug.	19,968	2,262	579	1,684	17,256		10,182		7,073	450
	Sept.	21,072	2,281	490	1,791	18,281		10,772		7,509	511
	Oct.	21,399	1,976	272	1,704	18,889		11,010		7,879	533
	Nov.	22,243	2,526	824	1,702	19,139		10,801		8,338	579
	Dec.	23,971	1,993	313	1,680	21,511		12,517		8,993	467
	1974-Jan.	124,047	2,011	228	1,793	21,556		12,210		9,347	479

For notes see p. A-77.

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				
IN ALL FOREIGN COUNTRIES												
47,354	2,575	716	1,859	42,812	6,426	24,829	4,180	7,377	1,967	1970	Dec.	Total, all currencies
61,336	3,114	669	2,445	56,124	10,773	31,081	5,513	8,756	2,098	1971	Dec.	
80,035	3,559	1,000	2,559	73,842	11,344	42,531	8,486	11,483	2,634	1972	Dec.	
81,199	3,414	836	2,578	75,272	11,746	42,259	9,236	12,032	2,513	1973	Jan.	
87,901	3,967	1,132	2,835	80,848	11,868	46,370	9,387	13,223	3,086		Feb.	
91,646	4,137	1,218	2,919	84,066	12,219	48,520	9,454	13,873	3,443		Mar.	
90,987	4,095	1,044	3,051	83,345	12,638	47,874	9,538	13,294	3,547		Apr.	
92,994	4,548	1,122	3,426	84,655	13,284	48,536	9,331	13,505	3,792		May	
98,756	4,579	1,009	3,569	90,133	13,315	52,388	9,593	13,837	4,044		June	
103,793	4,491	1,213	3,279	94,940	15,040	55,705	9,676	14,519	4,362		July	
105,193	4,710	1,085	3,625	95,918	16,031	56,152	8,587	15,148	4,565		Aug.	
110,673	4,815	1,178	3,637	100,742	17,017	58,734	8,769	16,221	5,116		Sept.	
114,026	4,762	1,307	3,455	104,342	17,654	61,095	9,220	16,372	4,922		Oct.	
120,600	4,858	1,088	3,771	109,915	18,109	65,526	9,692	16,589	5,827		Nov.	
122,499	5,234	1,181	4,053	112,133	18,454	66,070	10,031	17,578	5,132		Dec.	
123,791	5,311	1,731	3,581	113,709	18,672	67,805	9,455	17,777	4,771	1974	Jan.	
36,086	2,334	657	1,677	32,509	4,079	19,816	3,737	4,877	1,243	1970	Dec.	Payable in U.S. dollars
42,033	2,674	511	2,163	38,083	6,653	22,069	4,433	4,928	1,276	1971	Dec.	
56,375	3,104	848	2,256	51,811	8,178	30,253	6,913	6,467	1,459	1972	Dec.	
56,404	2,995	693	2,302	52,113	8,400	29,233	7,680	6,800	1,297	1973	Jan.	
60,814	3,466	954	2,511	55,780	8,750	32,023	7,808	7,200	1,568		Feb.	
62,430	3,613	1,038	2,575	57,127	8,735	33,131	7,771	7,489	1,691		Mar.	
60,915	3,562	886	2,676	55,604	8,657	31,970	7,743	7,234	1,756		Apr.	
61,427	4,005	955	3,050	55,636	8,810	32,275	7,361	7,190	1,786		May	
64,660	4,035	868	3,167	58,781	8,774	35,470	7,354	7,183	1,844		June	
66,335	3,868	1,046	2,823	60,520	9,626	36,285	7,092	7,517	1,947		July	
67,401	4,158	943	3,215	61,075	10,641	36,616	6,242	7,577	2,167		Aug.	
70,314	4,233	1,022	3,211	63,756	11,036	38,212	6,366	8,142	2,325		Sept.	
72,046	4,213	1,146	3,068	65,537	11,713	38,838	6,475	8,510	2,296		Oct.	
77,951	4,236	897	3,339	70,536	12,261	43,001	6,430	8,844	3,179		Nov.	
80,786	4,650	1,014	3,636	73,545	12,808	44,005	7,258	9,473	2,591		Dec.	
82,141	4,813	1,602	3,211	74,841	12,906	44,961	7,080	9,895	2,487	1974	Jan.	
IN UNITED KINGDOM												
28,451	1,339	116	1,222	26,520	2,320	16,533	3,119	4,548	592	1970	Dec.	Total, all currencies
34,584	1,660	111	1,550	32,128	3,401	19,137	4,464	5,126	763	1971	Dec.	
43,684	1,456	113	1,343	41,232	2,961	24,776	6,453	7,042	997	1972	Dec.	
44,347	1,501	107	1,394	41,933	3,277	23,959	7,285	7,412	913	1973	Jan.	
48,533	1,844	264	1,580	45,628	3,157	27,038	7,517	7,915	1,062		Feb.	
49,696	1,858	235	1,624	46,750	3,164	28,119	7,388	8,078	1,088		Mar.	
49,181	1,970	165	1,805	46,075	3,397	27,796	7,509	7,373	1,136		Apr.	
49,080	2,028	170	1,857	45,792	3,614	27,168	7,324	7,685	1,260		May	
51,415	1,957	122	1,835	48,145	3,321	29,332	7,585	7,907	1,313		June	
54,265	1,875	164	1,711	50,973	3,883	31,029	7,817	8,245	1,418		July	
53,153	2,080	171	1,909	49,562	3,731	30,502	6,753	8,575	1,512		Aug.	
56,127	2,125	161	1,964	52,238	4,118	32,210	6,952	8,957	1,764		Sept.	
57,589	2,031	134	1,897	53,748	4,036	33,531	6,909	9,182	1,809		Oct.	
62,294	2,198	143	2,055	57,434	3,886	36,348	7,700	9,500	2,662		Nov.	
62,033	2,431	136	2,295	57,623	3,994	35,332	8,076	10,272	1,978		Dec.	
63,757	2,429	346	2,083	59,356	4,350	37,003	7,672	10,332	1,971	1974	Jan.	
23,005	1,208	98	1,110	21,495	1,548	13,684	2,859	3,404	302	1970	Dec.	Payable in U.S. dollars
24,845	1,412	23	1,389	23,059	2,164	14,038	3,676	3,181	374	1971	Dec.	
30,933	1,276	72	1,203	29,121	2,008	17,478	5,349	4,287	536	1972	Dec.	
30,926	1,335	72	1,264	29,091	2,234	16,205	6,162	4,490	500	1973	Jan.	
33,966	1,661	226	1,436	31,714	2,188	18,360	6,394	4,771	591		Feb.	
33,929	1,735	195	1,481	31,655	2,128	18,334	6,251	4,942	598		Mar.	
33,050	1,713	119	1,616	30,782	2,318	17,672	6,245	4,546	533		Apr.	
32,148	1,709	138	1,671	29,730	2,225	16,982	5,897	4,626	608		May	
33,584	1,731	102	1,629	31,278	2,234	18,390	5,900	4,663	575		June	
33,901	1,661	148	1,513	31,645	2,316	18,723	5,868	4,739	595		July	
33,077	1,846	148	1,698	30,549	2,213	18,671	5,005	4,660	682		Aug.	
35,017	1,866	137	1,729	32,342	2,245	19,949	5,126	5,022	809		Sept.	
35,469	1,836	108	1,727	32,902	2,515	20,383	4,809	5,194	732		Oct.	
39,703	1,908	87	1,821	36,239	2,468	23,189	4,983	5,598	1,557		Nov.	
39,813	2,173	113	2,061	36,816	2,519	22,289	5,852	6,156	824		Dec.	
41,009	2,200	329	1,871	37,884	2,846	22,978	5,799	6,262	925	1974	Jan.	
IN BAHAMAS AND CAYMANS												
4,815		542		4,183	488		2,872	823	90	1970	Dec.	Total, all currencies
8,495		750		7,557	1,649		4,784	1,124	188	1971	Dec.	
13,091		1,220		11,703	1,964		8,395	1,344	168	1972	Dec.	
13,064		1,137		11,760	1,875		8,502	1,383	167	1973	Jan.	
13,559		1,186		12,144	2,223		8,394	1,527	230		Feb.	
13,765		1,304		12,194	1,830		8,829	1,536	267		Mar.	
13,653		1,126		12,138	1,977		8,505	1,656	389		Apr.	
14,730		1,404		12,981	2,238		9,259	1,483	345		May	
16,184		1,370		14,379	2,579		10,410	1,381	334		June	
17,086		1,480		15,381	3,002		10,762	1,616	331		July	
19,966		1,521		18,026	4,227		11,982	1,817	419		Aug.	
21,072		1,608		18,856	4,639		12,036	2,181	680		Sept.	
21,399		1,667		19,151	4,924		12,249	1,978	581		Oct.	
22,244		1,559		20,089	5,085		13,239	1,765	596		Nov.	
23,971		1,504		22,012	5,526		14,679	1,807	455		Dec.	
24,046		1,848		21,758	5,293		14,547	1,917	441	1974	Jan.	

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 1968			Wednesday 1972			Wednesday 1973			Wednesday 1973		
	Liabilities ¹	Liab. plus sec. ²		Liabilities ¹			Liabilities ¹		Liabilities ¹		
Mar. 27	4,920		Jan. 26	1,419	July 3	1,766	Dec. 5	1,911			
June 26	6,202		Feb. 23	1,068	11	1,664	12	1,938			
Sept. 25	7,104		Mar. 29	1,532	18	2,146	19	2,382			
Dec. 31 (1/1/69)	6,039				25	2,086	26	1,703			
1969			1973			1974					
Mar. 26	9,621		Apr. 26	1,374	Aug. 1	2,226	Jan. 2	1,158			
June 25	13,269		May 31	1,465	8	2,276	9	1,322			
Sept. 24	14,349		June 28	1,443	15	1,900	16	2,040			
Dec. 31	12,805		July 26	1,345	22	2,446	23	2,004			
1970			1973			1974					
Mar. 25	11,885		Aug. 30	1,270	29	2,802	30	1,686			
June 24	12,172		Sept. 27	2,023	5	1,512	6	1,659			
Sept. 30	9,663		Oct. 25	1,415	12	1,942	13	2,218			
Dec. 30	7,676		Nov. 29	1,745	19	1,801	20	1,741			
1971			1973			1974					
Mar. 31	2,858	4,358	Dec. 27	1,406	26	1,731	27	1,689			
June 30	1,492	4,500	Jan. 31	1,413	3	1,695	6	1,610			
Sept. 29	2,475	3,578	Feb. 28	790	10	1,790	13	2,274			
Dec. 29	909		Mar. 28	1,127	17	1,814	20	2,459			
			Apr. 25	1,123	24	1,642	27	2,964			
			May 30	1,351	31	1,768					
			June 27	1,521							

¹ Represents gross liabilities of reporting banks to their branches in foreign countries.

² For period Jan. 27, 1971 through Oct. 20, 1971, includes U.S. Treasury

Certificates Eurodollar Series and special Export-Import Bank securities held by foreign branches. Beginning July 28, 1971, all of the securities held were U.S. Treasury Certificates Eurodollar Series.

23. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities ¹	Earmarked gold
1971	294	43,195	13,815
1972	325	50,934	215,530
1973--Mar.	327	359,389	15,519
Apr.	328	358,255	15,513
May	289	58,015	15,511
June	334	57,545	15,486
July	280	57,054	15,464
Aug.	259	55,855	15,455
Sept.	250	55,407	15,437
Oct.	426	54,766	417,122
Nov.	420	52,998	17,104
Dec.	251	52,070	17,068
1974--Jan.	392	49,582	17,044
Feb.	542	50,255	17,039
Mar.	366	51,342	17,037

¹ Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

² The value of earmarked gold increased because of the change in par value of the U.S. dollar in May 1972.

³ Includes \$15 million increase in Mar. and \$160 million increase in Apr. in dollar value of foreign currency obligations revalued to reflect market exchange rates.

⁴ The value of earmarked gold increased because of the change in par value of the U.S. dollar in Oct. 1973.

NOTE.—Excludes deposits and U.S. Treas. 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.

24. 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 ¹	Deposits	Short-term investments ¹		
1969	1,491	1,062	161	183	86	663	534
1970	1,141	697	150	173	121	372	443
1971--Dec. 2	{ 1,648 1,507	{ 1,092 1,078	{ 203 127	{ 234 234	{ 120 68	{ 577 580	{ 587 443
1972 Dec. 2	{ 1,965 2,255	{ 1,446 1,792	{ 169 55	{ 307 340	{ 42 68	{ 702 872	{ 485 535
1973 Feb.	3,002	2,228	170	380	224	1,017	1,093
Mar.	3,087	2,292	156	414	225	1,105	969
Apr.	3,047	2,278	118	416	234	1,044	887
May	3,194	2,420	130	433	211	1,010	1,011
June	3,209	2,549	74	453	134	1,064	882
July	3,272	2,494	136	475	167	1,070	959
Aug.	3,361	2,585	82	486	209	1,068	940
Sept.	3,224	2,510	78	476	161	1,088	891
Oct.	2,907	2,244	66	449	148	992	881
Nov.	3,152	2,517	64	435	136	1,044	922
Dec.	3,095	2,520	37	425	113	1,050	775
1974 Jan.	2,804	2,234	52	363	154	1,047	770

¹ Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

² Data on the 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 25 and 26.

25. 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			
	1972	1973			1972	1973		
	Dec.	Mar.	June	Sept. ¹	Dec.	Mar.	June	Sept. ¹
Europe:								
Austria.....	2	3	2	2	19	14	17	15
Belgium-Luxembourg.....	83	75	81	129	73	121	109	112
Denmark.....	7	8	19	18	29	26	20	21
Finland.....	4	4	4	7	25	21	19	31
France.....	167	161	165	165	228	288	315	275
Germany, Fed. Rep. of.....	157	147	182	193	195	245	273	265
Greece.....	15	19	24	33	35	36	49	52
Italy.....	121	107	103	108	202	204	201	201
Netherlands.....	109	102	111	113	84	97	96	118
Norway.....	14	14	13	10	16	18	19	21
Portugal.....	4	5	4	12	19	19	25	24
Spain.....	81	82	72	79	157	159	140	169
Sweden.....	13	23	25	32	57	45	49	53
Switzerland.....	112	134	90	148	82	87	90	63
Turkey.....	4	3	3	6	48	23	14	17
United Kingdom.....	1,057	898	746	829	1,182	1,422	1,400	1,482
Yugoslavia.....	7	16	17	22	12	14	18	21
Other Western Europe.....	2	2	3	3	12	9	9	12
Eastern Europe.....	3	6	22	24	42	40	91	73
Total.....	1,961	1,808	1,686	1,933	2,517	2,888	2,949	3,025
Canada.....	213	266	248	236	965	1,360	1,300	1,330
Latin America:								
Argentina.....	29	30	24	24	79	74	60	65
Brazil.....	35	42	47	41	169	172	178	202
Chile.....	18	17	13	13	34	31	29	34
Colombia.....	7	8	7	8	40	40	36	44
Cuba.....	1	*	*	*	1	1	1	1
Mexico.....	27	34	37	36	183	195	204	187
Panama.....	18	17	18	17	74	72	72	91
Peru.....	4	4	6	10	36	33	34	37
Uruguay.....	7	5	3	2	4	5	5	5
Venezuela.....	21	23	23	24	92	106	101	103
Other L.A. republics.....	45	46	47	49	95	96	102	125
Bahamas ¹	381	320	415	349	585	571	766	744
Neth. Antilles and Surinam.....	10	10	11	7	13	12	11	9
Other Latin America.....	4	9	19	20	34	44	90	105
Total.....	605	565	670	602	1,439	1,451	1,688	1,753
Asia:								
China, People's Republic of (China Mainland).....	32	32	31	36	*	1	11	48
China, Rep. of (Taiwan).....	26	33	35	31	65	61	76	77
Hong Kong.....	12	17	13	17	32	31	34	36
India.....	7	7	7	7	34	32	29	32
Indonesia.....	16	16	15	15	34	39	36	41
Israel.....	13	16	9	11	31	34	27	28
Japan.....	189	229	275	328	473	518	506	632
Korea.....	21	19	18	20	63	47	41	48
Philippines.....	16	25	19	16	48	47	47	52
Thailand.....	5	5	6	6	23	25	24	27
Other Asia.....	152	156	140	179	203	191	203	203
Total.....	488	554	567	665	1,007	1,026	1,033	1,224
Africa:								
Egypt.....	32	37	20	11	16	25	23	28
South Africa.....	8	6	6	6	52	56	51	60
Zaire.....	1	12	12	19	8	16	15	19
Other Africa.....	62	67	67	97	88	84	92	90
Total.....	104	121	105	134	164	179	181	197
Other countries:								
Australia.....	46	54	72	94	85	81	75	89
All other.....	13	11	11	9	22	24	26	22
Total.....	59	65	83	103	107	105	101	111
International and regional.....	*	*	*	*	1	1	1	*
Grand total.....	3,430	3,381	3,361	3,671	6,199	7,011	7,254	7,640

¹ Includes Bermuda.
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.

26. 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
1969—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
	2,124	1,654	471	4,159	3,532	244	383
1970—June	2,387	1,843	543	4,457	3,868	234	355
Sept.	2,512	1,956	557	4,361	3,756	301	305
Dec.	2,677	2,281	496	4,160	3,579	234	348
1971—Mar.	2,437	1,975	462	4,515	3,909	232	374
June	2,375	1,937	438	4,708	4,057	303	348
Sept.	2,564	2,109	454	4,894	4,186	383	326
Dec. 1	2,704	2,229	475	5,185	4,535	318	333
	2,763	2,301	463	5,004	4,467	290	247
1972—Mar.	2,844	2,407	437	5,177	4,557	318	302
June	2,925	2,452	472	5,331	4,685	376	270
Sept.	2,933	2,435	498	5,495	4,833	432	230
Dec. 1	3,119	2,635	484	5,723	5,074	411	238
	3,430	2,918	512	6,199	5,523	394	282
1973—Mar.	3,381	2,858	523	7,011	6,112	462	437
June	3,361	2,780	581	7,254	6,392	504	358
Sept.	3,671	2,970	701	7,640	6,690	536	414

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.

27. 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
1969—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
	2,304	2,363	152	442	562	177	77	420	142	271	75	46
1970—Mar.	2,358	2,744	159	735	573	181	74	458	158	288	71	47
June	2,587	2,757	161	712	580	177	65	477	166	288	76	54
Sept.	2,785	2,885	157	720	620	180	63	586	144	284	73	58
Dec.	3,102	2,950	146	708	669	183	60	618	140	292	71	64
1971—Mar.	3,177	2,983	154	688	670	182	63	615	161	302	77	72
June	3,172	2,982	151	687	677	180	63	625	138	312	75	74
Sept.	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec. 1	3,159	3,118	128	705	761	174	60	652	141	327	86	85
	3,138	3,118	128	705	767	174	60	653	136	325	86	84
1972—Mar.	3,093	3,191	129	713	787	175	60	665	137	359	81	85
June	3,300	3,255	108	713	797	188	61	671	161	377	86	93
Sept.	3,448	3,235	128	695	805	177	63	661	132	389	89	96
Dec. 1	3,540	3,370	163	715	833	184	60	659	156	406	87	109
	3,864	3,480	187	758	857	187	64	702	134	399	82	111
1973—Mar.	4,022	3,622	151	816	871	165	63	794	124	413	101	125
June	4,008	3,696	174	823	882	146	65	817	138	416	104	131
Sept.	4,255	3,855	211	840	884	152	71	829	152	475	104	137

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	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	Finland (markka)	France (franc)	Germany (Deutsche mark)
1970.....	111.36	3.8659	2.0139	95.802	13.334	23.742	18.087	27.424
1971.....	113.61	4.0009	2.0598	99.021	13.508	23.758	18.148	28.768
1972.....	119.23	4.3228	2.2716	100.937	14.384	24.022	19.825	31.364
1973.....	141.94	5.1649	2.5761	99.977	16.603	26.165	22.536	37.758
1973—Mar.....	141.29	4.8795	2.5378	100.333	16.275	25.628	22.146	35.548
Apr.....	141.50	4.8330	2.4895	99.928	16.099	25.872	21.959	35.252
May.....	141.50	4.9082	2.5356	99.916	16.241	25.277	22.341	35.841
June.....	141.58	5.2408	2.6643	100.160	17.130	26.731	23.472	38.786
July.....	141.78	5.8124	2.8151	100.049	18.041	27.202	24.655	42.821
Aug.....	141.48	5.5917	2.7035	99.605	17.521	27.314	23.527	41.219
Sept.....	146.83	5.5695	2.7089	99.181	17.480	27.042	23.466	41.246
Oct.....	148.22	5.5871	2.7328	99.891	17.692	27.202	23.718	41.428
Nov.....	148.22	5.2670	2.5882	100.092	16.744	26.894	22.687	38.764
Dec.....	148.33	5.1150	2.4726	100.058	16.089	26.104	21.757	37.629
1974—Jan.....	148.23	4.8318	2.3329	100.859	14.981	25.138	19.905	35.529
Feb.....	148.50	5.0022	2.4358	102.398	15.570	25.568	20.187	36.844
Mar.....	148.55	5.1605	2.5040	102.877	16.031	26.143	20.742	38.211

Period	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)
1970.....	13.233	239.59	15945	27921	32.396	8.0056	27.651	111.48
1971.....	13.338	244.42	16174	28779	32.989	8.0056	28.650	113.71
1972.....	13.246	250.08	17132	32995	35.610	8.0000	31.153	119.35
1973.....	12.071	245.10	17192	36915	40.988	8.0000	35.977	136.04
1973—Mar.....	13.260	247.24	17604	38190	39.922	8.0000	34.834	132.21
Apr.....	13.255	248.37	16971	37666	40.307	8.0000	33.890	132.99
May.....	13.340	253.05	17100	37786	40.333	8.0000	34.488	132.34
June.....	13.753	257.62	16792	37808	40.865	8.0000	36.582	132.40
July.....	13.605	253.75	17200	37801	43.121	8.0000	38.700	135.02
Aug.....	13.220	247.57	17423	37704	43.859	8.0000	37.596	135.33
Sept.....	12.987	241.83	17691	37668	43.361	8.0000	38.542	145.07
Oct.....	12.938	242.92	17656	37547	43.641	8.0000	40.011	148.64
Nov.....	12.767	238.70	16904	35941	41.838	8.0000	37.267	147.74
Dec.....	12.328	231.74	16458	35692	41.405	8.0000	35.615	144.34
1974—Jan.....	11.854	222.40	15433	33559	40.094	8.0000	34.009	139.08
Feb.....	12.131	227.49	15275	34367	40.489	8.0000	35.349	140.31
Mar.....	12.415	234.06	15687	35454	41.152	8.0000	36.354	143.40

Period	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sri Lanka (rupee)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1970.....	13.992	3.4978	139.24	1.4280	16.774	19.282	23.199	239.59
1971.....	14.205	3.5456	140.29	1.4383	16.800	19.592	24.325	244.42
1972.....	15.180	3.7023	129.43	1.5559	16.057	21.022	26.193	250.08
1973.....	17.406	4.1080	143.88	1.7178	15.705	22.970	31.700	245.10
1973—Mar.....	16.954	4.1005	141.43	1.7183	15.774	22.582	31.088	247.24
Apr.....	16.428	3.9563	141.70	1.7217	15.777	22.161	30.821	248.37
May.....	17.196	4.0050	141.65	1.7224	15.883	22.567	31.494	253.05
June.....	18.192	4.2175	148.07	1.7229	16.538	23.746	32.757	257.62
July.....	18.932	4.4624	148.63	1.7385	16.431	24.732	35.428	253.75
Aug.....	18.145	4.3243	148.52	1.7553	15.948	24.070	33.656	247.57
Sept.....	18.048	4.2784	148.50	1.7610	15.768	23.769	33.146	241.83
Oct.....	18.285	4.3014	148.54	1.7576	15.481	23.942	33.019	242.92
Nov.....	17.872	4.1155	148.45	1.7479	15.503	23.019	31.604	238.70
Dec.....	17.651	3.9500	148.66	1.7571	15.044	22.026	31.252	231.74
1974—Jan.....	16.739	3.7195	148.66	1.7205	14.423	20.781	29.727	222.40
Feb.....	17.351	3.8567	148.76	1.6933	14.373	21.373	31.494	227.49
Mar.....	17.734	3.9519	148.88	1.6927	14.636	21.915	32.490	234.06

¹ Ceylon renamed Sri Lanka under new constitution, 1972.

NOTE: Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Mar. 31, 1973		Changes during the last 12 months											Rate as of Mar. 31, 1974			
	Per cent	Month effective	1973										1974				
			Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.		Mar.		
Argentina	18.0	Feb. 1972															18.0
Austria	5.5	Nov. 1972				6.0											6.0
Belgium	5.0	Dec. 1972		5.50		6.0	6.5		7.0	7.75				8.75		8.75	
Brazil	18.0	Feb. 1972															18.0
Canada	4.75	Oct. 1971	5.25	5.75	6.25		6.75							7.25		7.25	
Chile	20.0	Aug. 1972								50.0							50.00
China, Rep. of (Taiwan)	9.25	May 1971				10.5			10.75					14.0			14.0
Colombia	14.0	May 1970															8.0
Costa Rica	5.0	June 1966															5.0
Denmark	9.0	Jan. 1973				8.0							9.00	10.0			10.0
Ecuador	8.0	Jan. 1970															8.0
Egypt	5.0	May 1962															5.0
El Salvador	4.0	Aug. 1964															4.0
Ethiopia	6.50	Aug. 1970															6.50
Finland	7.75	Jan. 1972				9.25											9.25
France	7.5	Nov. 1972				8.50	9.5	11.0									11.0
Germany, Fed. Rep. of	5.0	Jan. 1973		6.0	7.0												7.0
Ghana	8.0	July 1971															8.0
Greece	6.5	Sept. 1969															6.5
Honduras	4.0	Feb. 1966															4.0
Iceland	5.25	Jan. 1966															5.25
India	6.0	Jan. 1971		7.0													7.0
Indonesia	6.0	May 1969															6.0
Iran	7.5	Dec. 1972						9.0									9.0
Ireland	8.75	Jan. 1973						10.5						12.75			12.75
Italy	4.0	Apr. 1972								6.5						9.0	9.0
Jamaica	7.0	Jan. 1973															9.0
Japan	4.25	June 1972	5.0	5.5		6.0	7.0						9.00	9.0			9.00
Korea	11.0	Aug. 1972															11.0
Mexico	4.5	June 1942															4.5
Morocco	3.5	Nov. 1951															3.5
Netherlands	4.0	Nov. 1972			5.0	6.0	6.5		7.0				8.00				8.00
New Zealand	6.0	Mar. 1972															6.0
Nigeria	4.5	June 1968															4.5
Norway	4.5	Sept. 1969														5.5	5.5
Pakistan	6.0	May 1972						8.0									8.0
Peru	9.5	Nov. 1959															9.5
Philippine Republic	10.0	June 1969															10.0
Portugal	5.5	Mar. 1973												5.00			5.00
South Africa	6.0	Aug. 1972												6.5			6.5
Spain	5.0	Oct. 1971				6.0											6.0
Sri Lanka ¹	6.5	Jan. 1970															6.5
Sweden	5.0	Nov. 1971															5.0
Switzerland	4.5	Jan. 1973												5.5			5.5
Thailand	5.0	Oct. 1959															5.0
Tunisia	5.0	Sept. 1966															5.0
Turkey	8.0	Mar. 1973												8.75			8.75
United Kingdom	8.5	Mar. 1973		7.75	7.50	11.50								13.0			† 13.0
Venezuela	5.0	Oct. 1970															5.0
Vietnam	18.0	Sept. 1970															18.0

¹ Ceylon renamed Sri Lanka under new constitution, 1972.

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

[†] *United Kingdom*—On Oct. 9, 1972, the Bank of England announced: "With effect from Friday October 13th the Bank's minimum lending rate will until further notice be the average rate of discount for Treasury bills established at the most recent tender plus one half percent rounded to the nearest one quarter percent above. Although the rate will therefore be automatically determined by this formula it will for convenience be made known each Friday afternoon concurrently with and in the same manner as the results of the Treasury bill tender. The regular weekly bank rate announcement will be discontinued from now on." Therefore, the minimum lending rate as of last Friday of the month will be carried in place of Bank rate.

Venezuela—2 per cent for rediscounts of certain agriculture 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 ¹	Day-to-day money ²	Prime bank bills, 3 months ³	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates ⁴	Day-to-day money ⁵	Treasury bills, 60-90 days ⁶	Day-to-day money ⁷	Treasury bills, 3 months	Day-to-day money	Private discount rate
1972.....	3.55	3.65	6.06	5.02	4.83	3.84	4.95	3.04	4.30	2.15	1.97	4.81
1973.....	5.43	5.27	10.45	9.40	8.27	7.96	8.92	.....	10.18	4.07	4.94	5.09
1973- Mar.....	4.28	4.21	9.76	8.16	7.52	7.50	7.49	5.75	11.37	1.53	.61	5.00
Apr.....	4.73	4.53	8.64	7.87	7.20	7.25	7.46	5.75	14.84	1.22	.77	5.00
May.....	5.08	4.67	8.35	7.45	8.29	7.11	7.71	5.75	7.40	2.89	3.88	5.00
June.....	5.40	5.00	8.14	7.12	6.66	6.55	7.46	7.00	10.90	3.59	4.28	5.00
July.....	5.67	5.28	9.06	8.35	5.89	6.25	7.89	7.00	15.78	5.58	5.65	5.00
Aug.....	6.47	5.87	12.78	10.98	9.70	8.99	8.87	.....	10.63	5.92	7.24	5.00
Sept.....	6.41	6.31	12.12	11.37	9.13	9.50	9.73	.....	9.76	5.67	7.97	5.25
Oct.....	6.56	6.54	11.37	10.75	10.53	9.50	10.99	.....	10.57	5.25	7.93	5.25
Nov.....	6.48	6.56	13.38	11.76	8.80	9.50	10.96	.....	11.30	5.29	7.88	5.25
Dec.....	6.39	6.58	13.74	12.41	9.57	9.46	11.14	.....	11.89	6.41	8.75	5.40
1974- Jan.....	6.31	6.50	13.67	12.09	10.36	9.25	.....	.....	.....	6.50	9.36	6.00
Feb.....	6.10	6.49	13.63	11.94	8.96	9.50	.....	.....	.....	6.50	9.73	.....
Mar.....	6.24	6.50	14.39	11.95	11.31	9.50	.....	.....	.....	.....	.....	.....

¹ Based on average yield of weekly tenders during month.
² Based on weekly averages of daily closing rates.
³ Data for 1968 through Sept. 1971 are for bankers' acceptances, 3 months.
⁴ Data for 1968 through Sept. 1971 are for bankers' allowance on deposits.

⁵ Rate shown is on private securities.
⁶ Rate in effect at end of month.
⁷ Monthly averages based on daily quotations.
 NOTE: For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

ARBITRAGE ON TREASURY BILLS

(Per cent per annum)

Date	United States and United Kingdom					United States and Canada					
	Treasury bill rates				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)	Premium (+) or discount (-) on forward pound		Canada	United States	Spread (favor of Canada)			
					As quoted in Canada	Adj. to U.S. quotation basis					
1973											
Oct. 5.....	10.74	7.36	3.38	3.73	-.35	6.68	6.26	7.36	-1.11	1.41	-.30
12.....	10.67	7.08	3.59	-3.56	-.03	6.51	6.29	7.08	-.79	.46	-.33
19.....	10.56	6.98	3.58	3.68	-.10	6.53	6.30	6.98	-.68	.08	-.60
26.....	10.54	6.99	3.55	4.08	-.53	6.51	6.30	6.99	-.69	-.70	-1.39
Nov. 2.....	10.46	7.39	3.07	-3.79	-.72	6.53	6.30	7.39	-1.09	-.28	-1.37
9.....	10.57	8.01	2.56	-3.54	-.98	6.52	6.33	8.01	-1.68	-.06	-1.74
16.....	12.24	7.51	4.73	-5.11	-.38	6.47	6.25	7.51	-1.26	.18	-1.08
23.....	12.31	7.74	4.57	-5.92	-1.35	6.47	6.23	7.74	-1.51	.22	-1.29
30.....	12.28	7.32	4.76	-5.50	-.54	6.43	6.22	7.32	-1.10	.30	-.80
Dec. 7.....	12.32	7.55	4.77	-5.47	-0.70	6.43	6.23	7.55	-1.32	0.48	-0.84
14.....	12.29	7.49	4.80	-7.62	-2.82	6.38	6.17	7.49	-1.32	0.04	-1.28
21.....	12.29	7.21	5.08	-6.76	-1.68	8.38	6.17	7.21	-1.04	-0.10	-1.14
28.....	12.25	7.36	4.89	-6.65	-1.76	6.36	6.15	7.36	-1.21	-0.24	-1.45
1974											
Jan. 4.....	12.04	7.38	4.66	-7.44	-2.78	6.35	6.13	7.38	-1.25	-.60	-1.85
11.....	12.04	7.75	4.29	-7.30	-3.01	6.32	6.10	7.75	-1.65	-.22	-1.87
18.....	11.88	7.75	4.13	-7.69	-3.56	6.30	6.10	7.75	-1.65	-.18	-1.83
25.....	11.86	7.92	3.94	8.82	-4.88	6.26	6.08	7.92	-1.84	.....	-1.84
Feb. 1.....	11.82	7.42	4.40	-10.00	-5.60	6.00	6.04	7.42	-1.38	-.04	-1.42
8.....	11.80	6.99	4.81	-10.95	-6.14	6.17	5.99	6.99	-1.00	-.20	-1.02
15.....	11.75	7.00	4.75	-10.09	-5.34	6.12	5.95	7.00	-1.05	-.35	-1.40
22.....	11.66	6.94	4.72	-8.54	-3.82	6.12	5.95	6.94	-0.99	-.33	-1.32
Mar. 1.....	11.77	7.51	4.26	12.46	-8.20	6.07	5.92	7.51	-1.59	-.20	-1.79
8.....	11.77	7.66	4.11	9.81	-5.70	6.13	5.97	7.66	-1.69	-.08	-1.77
15.....	11.75	7.74	4.01	-9.64	-5.62	6.19	6.01	7.74	-1.73	.25	-1.48
22.....	11.80	8.02	3.78	8.32	-4.54	6.29	6.17	8.02	-1.85	.49	-1.36
29.....	11.82	8.34	3.48	7.24	-3.76	6.51	6.36	8.34	-1.98	.42	-1.56

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; valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972 Sept. 1973, and at \$42.22 thereafter)

End of period	Estimated total world ¹	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Brazil	Burma	Canada	Chile
1966	43,185	2,652	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	41,160	4,732	10,206	26,220	192	90	259	729	1,544	46	22	792	47
1972	44,890	5,830	10,487	28,575	208	152	281	792	1,638	50	12	834	47
1973—Feb.		5,830	10,487		208	152	281	793	1,603	50	12	834	47
Mar.	44,880	5,830	10,487	28,565	208	152	282	793	1,603	50	12	834	47
Apr.		5,830	10,487		208	152	281	793	1,603	50	12	834	47
May		5,826	10,487		208	152	281	793	1,603	50	12	834	47
June	44,865	5,831	10,487	28,545	208	152	281	793	1,603	50	12	834	47
July		5,826	10,487		208	152	281	793	1,603	50	12	834	47
Aug.		5,826	10,487		208	152	281	793	1,603	50	11	834	47
Sept.	44,880	5,826	10,487	28,565	208	159	282	793	1,603	50	8	834	47
Oct.		6,474	11,652		231	169	312	881	1,781	56	8	927	47
Nov.		6,476	11,652		231	169	312	881	1,781	56	8	927	47
Dec.	44,850	6,478	11,652	31,720	231	169	311	881	1,781	56	8	927	47
1974—Jan.		6,478	11,652		231		312	882	1,781			927	47
Feb.		6,478	11,652		231		312	882	1,781			927	47

End of period	China, Rep. of (Taiwan)	Co-lombia	Denmark	Egypt	Finland	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Ireland	Israel
1966	62	26	108	93	45	5,238	4,292	120	243	130	106	23	46
1967	81	31	107	93	45	5,234	4,228	130	243	144	115	25	46
1968	81	31	114	93	45	3,877	4,539	140	243	158	193	79	46
1969	82	26	89	93	45	3,547	4,079	130	243	158	193	39	46
1970	82	17	64	85	29	3,532	3,980	117	243	131	144	16	43
1971	80	14	64	85	49	3,523	4,077	98	243	131	144	16	43
1972	87	16	69	92	53	3,826	4,459	133	264	142	156	17	43
1973—Feb.	87	16	69	92	53	3,834	4,468	133	264	142	156	17	41
Mar.	87	16	69	92	53	3,834	4,468	133	264	142	156	17	41
Apr.	87	16	69	92	53	3,834	4,468	133	264	142	156	17	41
May	87	16	69	92	53	3,834	4,469	133	264	142	156	17	41
June	87	16	69	92	53	3,841	4,462	133	264	142	156	17	41
July	87	16	69	92	53	3,835	4,469	133	264	142	156	17	41
Aug.	87	16	69	92	53	3,835	4,469	133	264	142	156	17	41
Sept.	87	16	69	92	53	3,835	4,469	133	264	142	156	16	41
Oct.	97	18	77	103	59	4,261	4,966	148	293	158	173	19	41
Nov.	97	18	77	103	42	4,261	4,966	148		158	173	18	41
Dec.	97	18	77		35	4,261	4,966	148		158	173	18	41
1974—Jan.	97	11	77		35	4,262	4,966	148		158	173	18	41
Feb.		18	77		35	4,262	4,966	148		158	173	18	41

End of period	Italy	Japan	Kuwait	Lebanon	Libya	Malaysia	Mexico	Morocco	Netherlands	Norway	Pakistan	Peru	Philippines
1966	2,414	329	67	193	68	1	109	21	1,730	18	53	65	44
1967	2,400	338	136	193	68	31	166	21	1,711	18	53	20	60
1968	2,923	356	122	288	85	66	165	21	1,697	24	54	20	62
1969	2,956	413	86	288	85	63	169	21	1,720	25	54	25	45
1970	2,887	532	86	288	85	48	176	21	1,787	23	54	40	56
1971	2,884	679	87	322	85	58	184	21	1,909	33	55	40	67
1972	3,130	801	94	350	93	63	188	23	2,059	37	60	41	71
1973—Feb.	3,134	801	94	350	93	63	188	23	2,059	37	60	41	71
Mar.	3,134	801	94	350	93	63	188	23	2,059	37	60	41	71
Apr.	3,134	801	94	350	93	63	188	23	2,059	37	60	41	50
May	3,134	802		350	93	63	188	23	2,059	37	60	41	50
June	3,134	802		350	93	63	186	23	2,063	37	60	41	40
July	3,134	802		350	93	63	184	23	2,063	37	60	41	40
Aug.	3,134	802		350	93	63	182	23	2,065	37	60	41	40
Sept.	3,134	802		350	93	63	179	23	2,065	37	60	41	40
Oct.	3,483	891		388	103	70	198	26	2,294	41	67	46	45
Nov.	3,483	891		388	103	71	198	26	2,294	41	67	46	45
Dec.	3,483	891		389	103	71		26	2,294	41	67	46	45
1974—Jan.	3,483	891		389	103				2,294	41	67	46	45
Feb.	3,483	891		389	103				2,294	41	67	46	45

For notes see end of table.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS—Continued

(In millions of dollars; valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972–Sept. 1973, and at \$42.22 thereafter)

End of period	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Yugoslavia	Bank for Intl. Settlements ²
1966.....	643	69	637	785	203	2,842	92	102	1,940	146	401	21	-424
1967.....	699	69	583	785	203	3,089	92	97	1,291	140	401	22	-624
1968.....	856	119	1,243	785	225	2,624	92	97	1,474	133	403	50	-349
1969.....	876	119	1,115	784	226	2,642	92	117	1,471	165	403	51	-480
1970.....	902	119	666	498	200	2,732	92	126	1,349	162	384	52	-282
1971.....	921	108	410	498	200	2,909	82	130	775	148	391	51	310
1972.....	1,021	117	681	541	217	3,158	89	136	800	133	425	56	218
1973—Feb.....	1,022	117	711	542	220	3,162	89	136	810	133	425	56	214
Mar.....	1,022	117	714	542	220	3,162	89	136	810	133	425	56	214
Apr.....	1,022	117	720	542	220	3,162	89	136	810	133	425	56	214
May.....	1,022	117	721	542	220	3,162	89	136	810	133	425	56	199
June.....	1,022	117	724	542	220	3,162	89	136	810	133	425	56	205
July.....	1,022	117	734	542	220	3,162	89	136	810	133	425	56	204
Aug.....	1,035	117	740	542	220	3,162	89	136	797	133	425	56	205
Sept.....	1,036	116	738	542	220	3,162	89	136	797	133	425	56	213
Oct.....	1,154	129	820	602	244	3,512	99	151	886	148	472	61	227
Nov.....	1,159	129	809	602	244	3,513	99	151	886	148	472	61	237
Dec.....	1,163	129	802	602	244	3,513	99	151	886	148	472	62	235
1974—Jan.....		129	793	602	244	3,513	99	151			472	62	271
Feb.....		129	783		244	3,513	99	151			472	62	277

¹ Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and 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.

² 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; valued at \$35 per fine ounce through 1971, at \$38 through Sept. 1973, and at \$42.22 thereafter)

Period	World production ¹	Africa			North and South America				Asia			Other		
		South Africa	Ghana	Zaire	United States	Canada	Mexico	Nicaragua	Colombia	India	Japan	Philippines	Australia	All other ¹
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	24.6	6.2	63.5	84.3	6.9	4.0	7.1	3.7	24.8	21.1	21.7	54.1
1971 ²		1,098.7	24.4	6.0	52.3	79.1	5.3	3.7	6.6	4.1	27.0	22.2	23.5	
1972 ²		1,109.8	27.5	5.3	54.3	77.2	5.6	3.0	7.1	4.0	32.2	23.0	28.7	
1973 ²		1,073.6				75.2								
1973—Jan.....		88.2				6.2	.5		.8	.3			2.4	
Feb.....		86.5				6.1	.4		.5	.3			1.8	
Mar.....		88.5				6.3	.5		.5	.4				
Apr.....		86.6				6.2			.6	.2				
May.....		86.0				6.8			.6	.3				
June.....		87.6				6.4			.6					
July.....		88.3				5.6			.8					
Aug.....		90.2				5.7			.9					
Sept.....		88.2				5.7			.8					
Oct.....		97.5				7.0			.8					
Nov.....		97.2				6.3			.7					
Dec.....		88.8				6.7								
1974—Jan.....						6.1								

¹ Estimated; excludes U.S.S.R., other Eastern European countries, China Mainland, and North Korea.

NUMBER IN OPERATION ON DECEMBER 31, 1973

State	Commercial and mutual savings banks								Number maintaining branches or additional offices ¹								
	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		In-sured			Non-in-sured	National	State	In-sured			Non-in-sured
United States ²	14,653	14,172	4,661	1,076	8,229	206	321	160	5,065	4,724	1,832	480	2,392	20	246	95	
Alabama.....	287	287	91	20	176				109	109	51	5	53				
Alaska.....	12	10	5		5				8	8	5		3				
Arizona.....	22	22	3	1	11	7	2		10	10	2	1	7				
Arkansas.....	258	258	72	11	171	4			109	109	46	8	55				
California.....	185	185	57	8	109	11			129	129	48	8	70	3			
Colorado.....	302	302	126	17	112	47			33	33	15	2	16				
Connecticut.....	136	68	24	2	41	1	68		98	48	18	1	29		50		
Delaware.....	21	19	5		13	1	2		11	9	2		7		2		
District of Columbia.....	15	15	12		2				14	14	11		2				
Florida.....	646	646	262	22	358	4			46	46		1	45				
Georgia.....	436	436	61	11	360	4			177	177	45	9	123				
Hawaii.....	12	12	2		6	4			9	9	1		2				
Idaho.....	24	24	6	4	14				14	14	5	2	7				
Illinois.....	1,172	1,172	417	74	674	7			168	168	88	10	70				
Indiana.....	414	410	122	56	229	3	4		218	217	81	24	112		1		
Iowa.....	670	670	100	48	513	9			239	239	44	21	174				
Kansas.....	612	612	170	26	415	1			79	79	34	6	39				
Kentucky.....	342	342	80	11	250	1			156	156	49	7	100				
Louisiana.....	245	245	51	10	183	1			144	144	39	9	96				
Maine.....	80	48	19	4	21	4	31	1	56	35	16	4	15		21		
Maryland.....	116	112	39	7	66		4		79	75	30	6	39		4		
Massachusetts.....	320	153	79	13	56	5	8	159	228	125	65	13	45	2	8	95	
Michigan.....	340	340	111	95	132	2			229	229	83	67	78	1			
Minnesota.....	741	740	201	25	511	3	1		21	20	7	2	11		1		
Mississippi.....	181	181	41	7	133				128	128	36	6	86				
Missouri.....	687	687	104	67	510	6			183	183	40	21	122				
Montana.....	151	151	54	44	51	2			11	11	3	5	3				
Nebraska.....	449	449	122	9	313	5			50	50	28	1	21				
Nevada.....	8	8	4		3				7	7	3	1	3				
New Hampshire.....	112	82	49	1	30	2	30		51	41	30	1	10		10		
New Jersey.....	242	222	127	27	67	1	20		189	174	105	24	45		15		
New Mexico.....	74	74	34	7	32	1			59	59	29	5	25				
New York.....	421	303	159	71	46	27	118		307	199	108	56	29	6	108		
North Carolina.....	90	90	25	3	61	1			65	65	22		42	1			
North Dakota.....	170	170	43	4	120	3			53	53	12	1	39	1			
Ohio.....	498	498	215	114	167	2			312	312	160	65	87				
Oklahoma.....	452	452	194	15	238	5			86	86	50	3	33				
Oregon.....	47	46	8		36	2	1		31	30	7		23		1		
Pennsylvania.....	430	422	264	16	135	7	8		265	258	157	10	90	1	7		
Rhode Island.....	23	16	5		9	2	7		20	13	5		6	2	7		
South Carolina.....	91	91	19	5	67				63	63	16	3	44				
South Dakota.....	159	159	32	28	99				42	42	10	8	24				
Tennessee.....	321	321	72	10	235	4			184	184	59	6	118	1			
Texas.....	1,266	1,266	550	40	669	7			82	82	2	8	72				
Utah.....	54	54	11	5	37	1			20	20	5	3	12				
Vermont.....	45	39	22		16	1	6		29	26	13		13		3		
Virginia.....	271	271	103	54	114				183	183	85	32	66				
Washington.....	96	88	24	5	56	3	8		58	50	17	3	30		8		
West Virginia.....	210	210	94	30	86				15	15	3	2	10				
Wisconsin.....	624	621	127	34	455	5	3		186	186	41	9	136				
Wyoming.....	71	71	42	13	16				1	1			1				
Puerto Rico.....	1	1	1						1	1	1						
Virgin Islands.....	1	1	1						1	1	1						

For notes see opposite page.

NUMBER IN OPERATION ON DECEMBER 31, 1973—Continued

State	Branches and additional offices ¹													Banking facilities ²
	Total	Class of bank						Location				In head office city	Banking facilities ²	
		Commercial banks				Mutual savings banks		Outside head office city						
		Total	Member		Nonmember		In-sured	Non-insured	In head office county	In contiguous counties	In non-contiguous counties			
	National	State	In-sured	Non-insured	In-sured	Non-insured								
United States ³	27,738	26,246	14,757	4,039	7,404	46	1,241	251	9,561	8,533	4,999	4,645	202	
Alabama	364	364	245	14	105	8			199	136	14	15	5	
Alaska	68	68	60		8				22	5	15	26	5	
Arizona	403	403	253	25	125				129	104	52	118	2	
Arkansas	225	225	116	16	93				136	83	5	1	2	
California	3,358	3,358	2,601	314	437	6			460	469	681	1,748	32	
Colorado	34	34	16	2	16				34				8	
Connecticut	717	518	243	73	202		199		166	345	178	28		
Delaware	137	118	4		114		19		29	62	38	8		
District of Columbia	116	116	78	29	9				116				18	
Florida	49	49		1	48				47	2			1	
Georgia	546	546	283	68	195				280	147	40	79	12	
Hawaii	144	144	10		131	3			52	37	4	51	6	
Idaho	178	178	147	6	25				16	14	32	116	1	
Illinois	168	168	88	10	70				168				7	
Indiana	777	776	407	62	307		1		416	360		1	1	
Iowa	369	369	70	39	260				178	139	52			
Kansas	88	88	40	8	40				88				1	
Kentucky	422	422	176	69	177				253	164	5		2	
Louisiana	488	488	215	37	236				286	189	10	3	2	
Maine	297	259	117	33	109		38		65	128	92	12	2	
Maryland	681	634	302	80	252		47		166	163	217	135	9	
Massachusetts	1,144	851	472	159	216	4	42	251	522	613	8	1	2	
Michigan	1,394	1,394	654	477	261	2			610	524	249	11	4	
Minnesota	25	24	11	2	11		1		25					
Mississippi	446	446	181	18	247				187	126	70	63	3	
Missouri	201	201	45	26	130				168	31	2		2	
Montana	11	11	3	5	3				10		1		1	
Nebraska	55	55	33	1	21				55				1	
Nevada	96	96	68	15	13				26	19	13	38		
New Hampshire	110	90	73	2	15		20		47	51	12			
New Jersey	1,315	1,244	855	207	182		71		305	684	235	91	6	
New Mexico	177	177	96	13	68				111	56	9	1		
New York	3,374	2,872	1,517	1,180	166	9	502		1,494	882	789	209	6	
North Carolina	1,444	1,444	727		708	9			175	131	283	855	1	
North Dakota	72	72	12	2	56				12	37	22	1	2	
Ohio	1,522	1,522	856	418	248				666	820	33	3	3	
Oklahoma	86	86	50	3	33				86				5	
Oregon	405	401	282		119		4		85	58	71	191		
Pennsylvania	2,180	2,052	1,205	263	582	2	128		274	825	1,079	2	4	
Rhode Island	292	206	113		85	8	86		68	115	71	38	1	
South Carolina	544	544	345	7	192				116	71	74	283	4	
South Dakota	108	108	65	11	32				20	30	24	34		
Tennessee	657	657	330	43	283	1			399	242	7	9	1	
Texas	91	91	2	9	80				90	1			18	
Utah	168	168	89	31	48				31	52	24	61	3	
Vermont	114	109	43		66		5		16	43	35	20		
Virginia	1,032	1,032	577	205	250				341	189	298	204	13	
Washington	714	636	495	34	107		78		241	184	108	181	4	
West Virginia	15	15	3	2	10				14	1				
Wisconsin	308	308	76	20	212				57	201	47	3	1	
Wyoming	1	1			1				1				1	
Virgin Islands	8	8	8						3			5		

¹ Excludes banks that have banking facilities only; banking facilities are shown separately; see note 3.

² Banking facilities (other than branches) that are provided at military and other Govt. establishments through arrangements made by the Treasury; they are operated by 135 banks, 46 of which have no other type of branch or additional office.

³ Includes one national bank in Puerto Rico and one in the Virgin Islands, with eight branches, that became members of the F.R. System in 1973 and 1957, respectively.

NOTE.—Each branch and additional office is located in the same State as its parent bank except that 1 national bank in N.J. has 1 branch in Pa., 1 national bank in Calif. has 2 branches in Wash. and 1 in Ore., 1 noninsured (unincorporated) bank in N.Y. has 1 branch in Mass. and 1 in Pa.; 3 insured nonmember banks in Puerto Rico have 18 branches in N.Y. In the table these branches are shown according to their own location rather than that of the parent bank.

SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1969	1970	1971	1972	1971				1972				1973			
					IV	I	II	III	IV	I	II	III				
Total (170 corps.):																
Sales.....	299,533	305,370	334,957	371,946	87,214	88,349	93,853	89,550	100,194	102,932	109,967	108,430				
Total revenue.....	303,257	309,532	339,134	376,604	88,317	89,452	95,271	90,803	101,078	104,139	111,526	109,967				
Profits before taxes.....	34,311	29,266	35,771	41,164	9,709	9,715	10,467	8,978	12,003	12,695	14,009	12,436				
Profits after taxes.....	18,830	16,556	19,146	21,753	5,031	5,212	5,674	4,936	5,931	6,801	7,491	6,778				
Memo: PAT unadj. ¹	18,335	16,436	18,020	21,233	4,373	5,162	5,687	4,490	5,894	6,754	7,385	6,748				
Dividends.....	9,962	10,024	10,104	10,538	2,581	2,538	2,598	2,525	2,877	2,646	2,715	2,767				
Nondurable goods industries (86 corps.):²																
Sales.....	138,621	147,808	160,973	176,329	41,887	42,254	43,395	43,865	46,815	47,519	50,223	53,168				
Total revenue.....	140,837	150,312	163,448	178,915	42,382	42,930	44,273	44,689	47,023	48,259	51,191	54,081				
Profits before taxes.....	17,404	16,935	19,900	21,799	5,438	5,043	4,998	5,278	6,479	6,487	7,129	7,626				
Profits after taxes.....	10,223	9,649	10,490	11,154	2,672	2,673	2,682	2,852	2,946	3,411	3,667	4,034				
Memo: PAT unadj. ¹	9,529	9,591	10,085	10,859	2,409	2,625	2,625	2,574	3,035	3,348	3,597	3,973				
Dividends.....	5,386	5,560	5,664	5,780	1,442	1,447	1,430	1,427	1,476	1,487	1,462	1,527				
Durable goods industries (84 corps.):³																
Sales.....	160,912	157,562	173,985	195,618	45,327	46,095	50,458	45,685	53,379	55,413	59,744	55,262				
Total revenue.....	162,420	159,220	175,686	197,690	45,935	46,522	50,999	46,115	54,055	55,880	60,335	55,886				
Profits before taxes.....	16,907	12,332	15,871	19,365	4,271	4,673	5,469	3,697	5,524	6,208	6,880	4,810				
Profits after taxes.....	8,607	6,908	8,656	10,599	2,359	2,539	2,992	2,083	2,984	3,390	3,824	2,744				
Memo: PAT unadj. ¹	8,806	6,845	7,935	10,374	1,964	2,537	3,062	1,916	2,859	3,406	3,788	2,775				
Dividends.....	4,577	4,464	4,440	4,758	1,139	1,091	1,168	1,097	1,401	1,159	1,253	1,240				
Selected industries:																
Food and kindred prod. (28 corps.):																
Sales.....	28,962	31,966	34,584	37,624	9,073	8,824	9,229	9,531	10,039	9,561	10,183	11,014				
Total revenue.....	29,341	32,393	35,090	38,091	9,206	8,941	9,371	9,665	10,115	9,711	10,348	11,201				
Profits before taxes.....	2,845	3,122	3,372	3,573	863	794	880	940	960	890	962	1,047				
Profits after taxes.....	1,364	1,571	1,714	1,845	446	414	454	486	490	470	499	562				
Memo: PAT unadj. ¹	1,266	1,540	1,644	1,805	386	408	452	492	452	453	501	562				
Dividends.....	764	812	862	893	218	221	222	223	227	237	230	236				
Chemical and allied prod. (22 corps.):																
Sales.....	29,961	31,086	33,005	36,638	8,432	8,779	9,167	9,099	9,593	10,153	10,693	10,828				
Total revenue.....	30,308	31,490	33,388	37,053	8,574	8,868	9,265	9,196	9,723	10,264	10,849	10,968				
Profits before taxes.....	4,123	3,863	4,123	4,853	1,031	1,172	1,184	1,216	1,280	1,487	1,606	1,599				
Profits after taxes.....	2,180	2,111	2,290	2,672	586	652	667	683	669	838	886	901				
Memo: PAT unadj. ¹	2,206	2,137	2,167	2,671	494	649	626	684	712	834	884	871				
Dividends.....	1,262	1,298	1,332	1,395	342	337	341	340	378	346	359	374				
Petroleum refining (15 corps.):																
Sales.....	56,411	61,360	68,534	74,662	18,007	18,269	18,169	18,298	19,925	20,477	21,689	23,586				
Total revenue.....	57,770	62,826	69,903	76,133	18,154	18,695	18,756	18,837	19,845	20,892	22,258	23,998				
Profits before taxes.....	8,490	8,509	10,835	11,461	3,138	2,684	2,433	2,628	3,717	3,514	3,884	4,371				
Profits after taxes.....	5,630	5,158	5,624	5,562	1,418	1,384	1,270	1,398	1,509	1,760	1,899	2,230				
Memo: PAT unadj. ¹	4,987	5,131	5,519	5,325	1,390	1,356	1,273	1,119	1,578	1,737	1,888	2,192				
Dividends.....	2,836	2,917	2,952	2,992	755	763	742	741	746	777	748	789				
Primary metals and prod. (23 corps.):																
Sales.....	30,460	30,769	31,441	34,359	7,335	7,848	8,886	8,525	9,099	9,635	10,784	10,602				
Total revenue.....	30,928	31,288	31,808	34,797	7,445	7,931	8,984	8,629	9,253	9,733	10,891	10,764				
Profits before taxes.....	2,721	2,072	1,517	1,969	254	386	581	413	589	618	885	808				
Profits after taxes.....	1,544	1,316	969	1,195	189	247	372	274	302	383	542	480				
Memo: PAT unadj. ¹	1,731	1,371	561	1,109	213	260	465	128	256	397	538	496				
Dividends.....	890	913	739	653	162	162	161	162	168	200	178	184				
Machinery (27 corps.):																
Sales.....	44,858	46,486	49,206	55,615	13,368	12,939	13,796	13,862	15,018	14,828	16,035	16,306				
Total revenue.....	45,314	47,028	49,846	56,348	13,561	13,102	13,993	14,050	15,203	14,997	16,241	16,519				
Profits before taxes.....	5,281	4,885	5,277	6,358	1,453	1,416	1,550	1,583	1,810	1,705	1,880	1,936				
Profits after taxes.....	2,593	2,566	2,884	3,522	806	781	854	870	1,017	933	1,034	1,069				
Memo: PAT unadj. ¹	2,596	2,477	2,560	3,388	786	774	848	865	902	931	1,020	1,070				
Dividends.....	1,165	1,327	1,450	1,497	366	373	374	375	375	389	401	407				
Motor vehicles and equipment (9 corps.):																
Sales.....	53,996	48,905	61,481	70,653	16,109	17,273	18,953	14,703	19,725	21,616	22,356	18,019				
Total revenue.....	54,248	49,108	61,804	71,139	16,308	17,353	19,105	14,735	19,946	21,710	22,415	18,142				
Profits before taxes.....	5,315	2,153	5,648	6,955	1,598	2,017	2,290	628	2,019	2,716	2,704	729				
Profits after taxes.....	2,644	1,306	2,948	3,626	831	1,037	1,186	343	1,060	1,405	1,446	431				
Memo: PAT unadj. ¹	2,638	1,301	2,952	3,640	849	1,034	1,178	337	1,091	1,429	1,436	450				
Dividends.....	1,750	1,434	1,433	1,762	359	359	439	365	599	369	473	404				

¹ Profits after taxes (PAT) as reported by the individual companies. In contrast to other profits data in the series, these figures reflect company variations in accounting treatment of special charges and credits.

² Includes 21 corporations in groups not shown separately.

³ Includes 25 corporations in groups not shown separately.

NOTE: Data are obtained from published reports of companies and reports made to the Securities and Exchange Commission. Sales are net

of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes, (not shown) include Federal, State and local government, and foreign.

Previous series last published in June 1972 BULLETIN, p. A-50.

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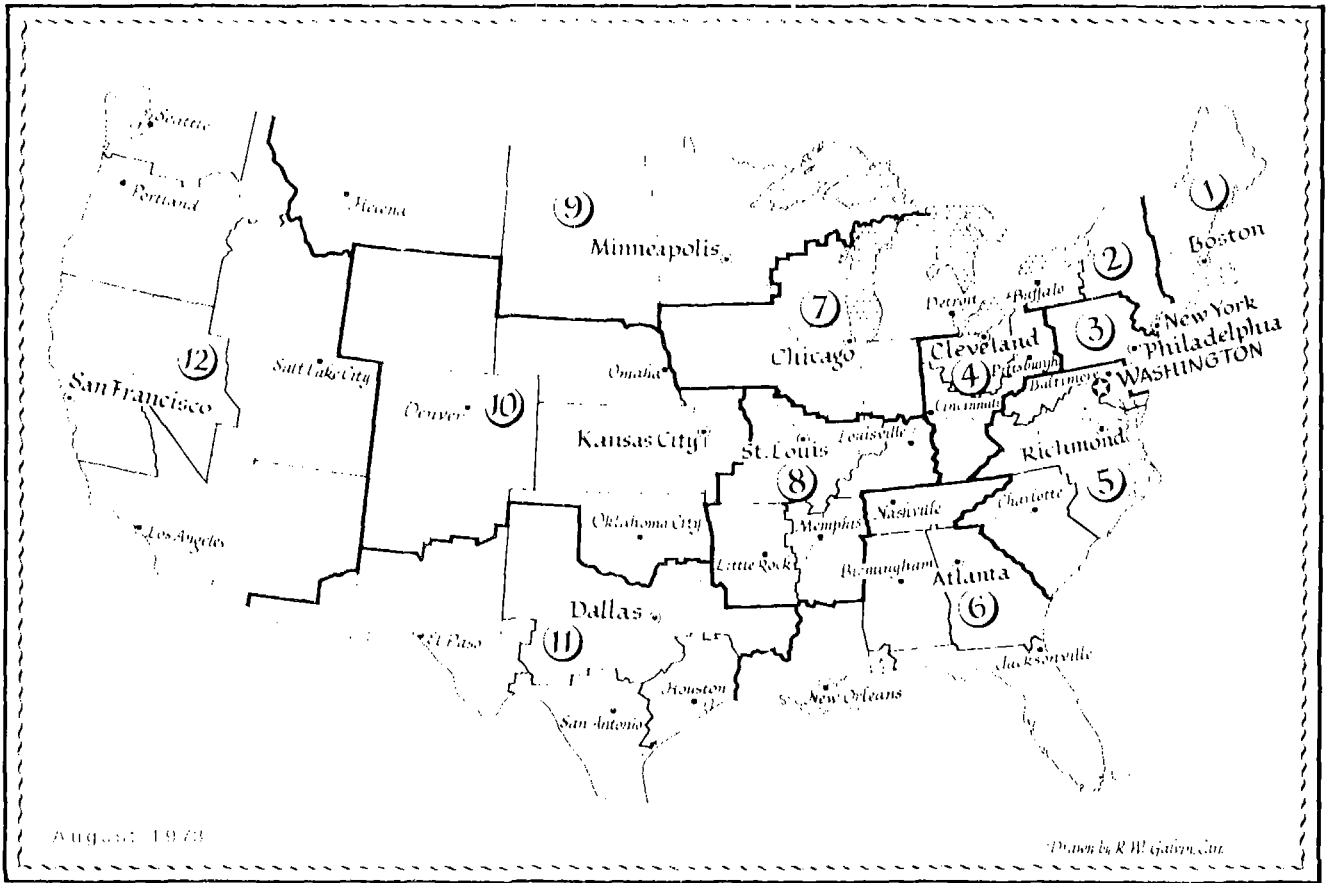
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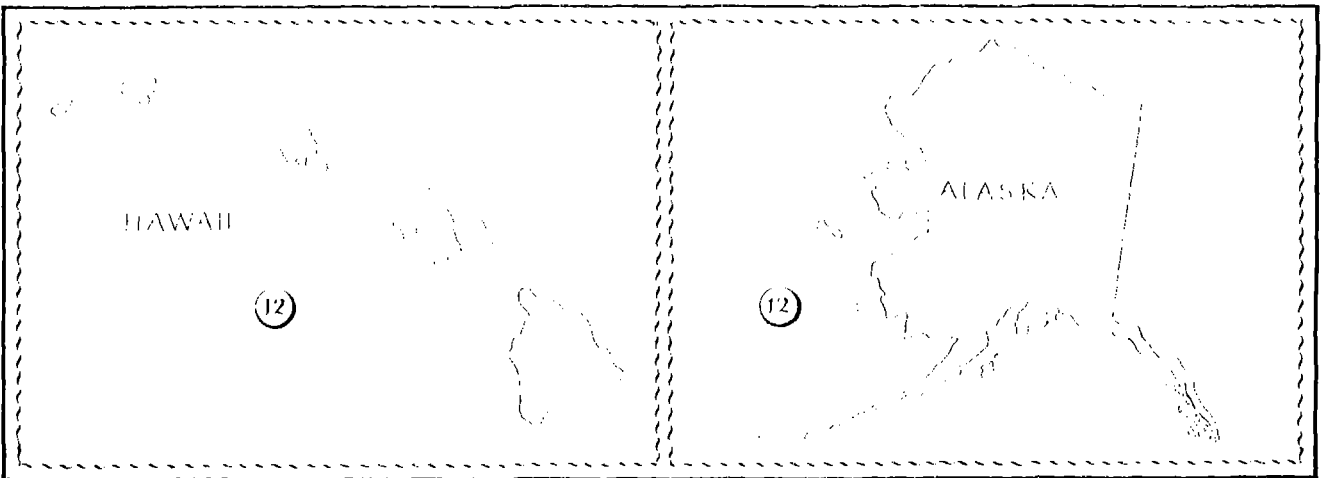
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BOUNDARIES OF FEDERAL RESERVE DISTRICTS AND THEIR BRANCH TERRITORIES



★ (C) THE FEDERAL RESERVE SYSTEM (C) ★



Legend

- Boundaries of Federal Reserve Districts — Boundaries of Federal Reserve Branch Territories
- ⊕ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities • Federal Reserve Branch Cities
- Federal Reserve Bank Facilities