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At its meeting on February 8–9, 1983, the Committee established the following ranges for growth of the monetary aggregates: for the period from February–March of 1983 to the fourth quarter of 1983, 7 to 10 percent at an annual rate for M2, taking into account the probability of some residual shifting into that aggregate from non-M2 sources; and for the period from the fourth quarter of 1982 to the fourth quarter of 1983, 6½ to 9½ percent for M3, which appeared to be less

distorted by shifts associated with new deposit accounts. For the same period, a tentative range of 4 to 8 percent was established for M1, assuming that Super NOW accounts would draw only modest amounts of funds from sources outside M1 and that the authority to pay interest on transaction accounts was not extended beyond currently eligible accounts. An associated range of growth for total domestic nonfinancial debt was estimated at 8½ to 11½ percent.

The Committee agreed that the near-term outlook for growth in the monetary aggregates remained subject to unusual uncertainties and that an appropriate assessment of such growth would need to take account of the distortions that might continue to be created by the introduction of new deposit accounts. Consequently, the Committee decided that for the more immediate future, open market operations should be directed toward maintaining the existing degree of restraint on reserve positions. It was agreed that lesser restraint would be acceptable in the context of appreciable slowing of growth in the monetary aggregates to or below the paths implied by the long-term ranges. The intermeeting range for the federal funds rate, which provides a mechanism for initiating consultation of the Committee, was set at 6 to 10 percent.

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U.S. International Transactions in 1982

Thomas C. Glaessner of the Board's Division of International Finance prepared this article.

U.S. international transactions in 1982 reflected the impact of the longest worldwide recession in more than a generation. During 1982, average growth rates of real gross national product were negative in the United States and other industrial countries, and economic growth in developing countries as a group slowed to near zero by the fourth quarter. The U.S. current account balance moved from surplus into deficit during the year, marking the first deficit recorded since 1979.

Two international developments especially affected U.S. international transactions during 1982. First, several Latin American countries experienced severe problems in servicing the debt that they had amassed in their attempts, largely during the 1970s, to finance rapid economic growth. Much of this debt was in the form of loans from foreign commercial banks that carried floating interest rates; thus difficulties arose when dollar interest rates increased sharply and the worldwide recession reduced the volume and prices of exports from these countries. U.S. banks accordingly faced the need to adjust the repayment terms on loans to some of these countries, as they did on some domestic credits. These same debt-servicing problems also tended to reduce the volume of U.S. exports.

Second, the continuing appreciation of the dollar through November 1982, which brought the increase in its value over 2½ years to 45 percent, greatly reduced the price competitiveness of U.S. exports in foreign markets and encouraged U.S. residents to substitute imports for domestically produced goods. These relative-price effects, coupled with the decline in the demand for U.S. exports owing to the worldwide recession, caused the merchandise trade deficit to grow, particularly during the second half of 1982. The decline in real U.S. exports of goods and services last year accounted for more than a third of the total measured decline in U.S. real GNP for the year.

The strong appreciation of the dollar induced monetary authorities in some foreign industrial countries to undertake sizable net intervention sales of dollars at times during the year. Nevertheless, foreign official reserve assets held in the United States rose slightly in 1982 because intervention sales were financed chiefly by liquidation of reserve assets held outside the United States and by borrowings in the Eurocurrency market. The rise was also the result of the addition by some members of the Organization of Petroleum Exporting Countries (OPEC) and by other developing countries to their reserves in the United States, though at a markedly reduced pace. At the same time, U.S. official reserve assets rose during the year, primarily because the U.S. position in the International Monetary Fund (IMF) increased as foreign countries drew dollars to help meet external payments difficulties. Another factor was U.S. participation in bridging loans for Brazil and Mexico, which led to an increase in U.S. holdings of foreign currencies.

Private capital flows in 1982 continued to reflect the growing integration of international financial markets. Private foreigners made large net purchases of U.S. Treasury securities and U.S. corporate bonds, the latter issued primarily in the offshore Eurobond market. Meanwhile, U.S. nonbank residents continued to increase their deposits with offshore banking institutions; but the pace was not so strong as it was in 1981, and it slackened beginning in the second half of 1982. The financial difficulties of some non-OPEC developing countries and the worldwide recession also affected U.S. bank lending in 1982: in the second half outstanding gross claims by banks on the Group of Ten (G-10) countries and offshore banking centers actually fell, while growth in such claims on developing countries other than OPEC almost came to a halt.

1. U.S. international transactions
Billions of dollars, capital inflow (+)

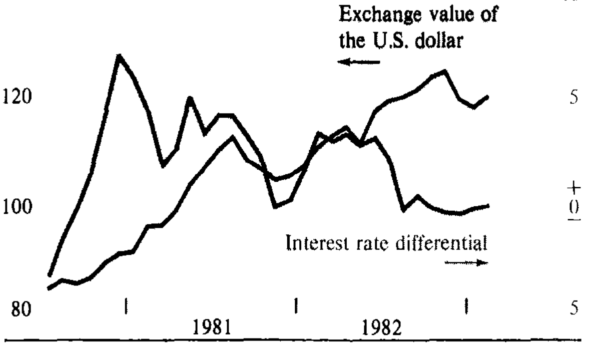
Item	1980	1981	1982	1982 Q1	1982 Q2	1982 Q3	1982 Q4
U.S. current account balance[1]	1.5	4.5	-8.1	1.0	2.2	-5.2	-6.1
Trade balance	-25.3	-27.9	-36.3	-5.9	-5.8	-12.5	-12.1
Other, net	26.9	32.4	28.2	7.0	8.0	7.3	6.0
Foreign official assets in the United States, net (increase, +)	15.4	4.8	3.0	-3.1	2.0	2.5	1.6
Industrial countries	1.0	-12.2	-6.5	-6.8	-1.9	1.9	.3
OPEC	12.8	13.3	7.2	5.0	3.1	.3	-1.2
Other countries	1.8	3.7	2.3	-1.3	.9	.2	2.6
U.S. government reserve assets, net (increase, −)	-8.2	-5.2	-5.0	-1.1	-1.1	-.8	-2.0
U.S. government credits, net (increase, −)[1]	-5.1	-5.1	-5.8	-.9	-1.5	-2.5	-.8
Private capital flows, net	-33.7	-25.8	-26.1	-1.1	-7.5	-8.1	-9.3
Allocation of special drawing rights	1.2	1.1	...	...	...	...	...
Statistical discrepancy[2]	28.9	25.8	41.9	5.1	6.0	14.1	16.5

1. Seasonally adjusted.
2. Includes seasonal adjustment.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis.

For the past three years, errors and omissions in the reporting system have limited the usefulness of balance of payments data for analyzing private capital flows and current account transactions. The positive statistical discrepancy (net inflow) arising from these errors and omissions was more than $40 billion in 1982 (table 1). The size of this discrepancy during the past four years most likely reflects greater use of nontraditional channels of financial intermediation, particularly those that bypass U.S. banks and in principle should be reported by nonbanks, and possibly growing inadequacies in the reporting of current account transactions.

1. Interest rate differential and the weighted average value of the dollar

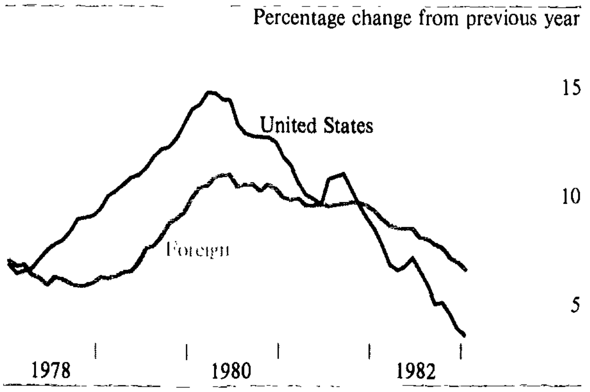


Exchange value of the U.S. dollar is the index of weighted average exchange value of the U.S. dollar against currencies of other G-10 countries plus Switzerland using 1972–76 total trade weights. Interest rate differential is the interest rate on three-month U.S. CDs minus a weighted average of three-month interest rates in other G-10 countries and Switzerland using 1972–76 total trade weights.

EXCHANGE RATE DEVELOPMENTS

The weighted average foreign exchange value of the dollar rose 16 percent from the fourth quarter of 1981 to the fourth quarter of 1982. (Unless otherwise noted, this is the period for which comparisons are made in this article.) Thus the cumulative rise in the dollar from the summer of 1980 to its peak in November 1982 reached nearly 45 percent (chart 1). The dollar's appreciation during 1982 occurred in the face of both a steady decline in the differential between U.S. and foreign nominal interest rates and a worsening U.S. current account position. One of the factors strengthening the dollar over the past two years has been the reduction in inflation brought about by restraint on the growth of money and credit. The result has been a decline in the U.S. rate of inflation, from its peak in March 1980 to December 1982, of 10 percentage points on the consumer price index and 5¾ percentage points on the fixed-weight price index for personal consumption expenditure (chart 2). In contrast, consumer price inflation in other major industrial countries (on a trade-weighted average basis) declined less than 4 percentage points over the same period.

2 Consumer price index



Foreign is multilaterally weighted average of the G-10 countries plus Switzerland using 1972–76 total trade weights. Data for the United States are from the U.S. Department of Commerce.

The uncertainty surrounding major debt restructurings and political events abroad also contributed to the appreciation of the dollar. In that environment many investors have increased the proportion of assets denominated in dollars they wish to hold in their portfolios. This market view has reflected U.S. progress in reducing inflation and the expectation that economic and political conditions will be more stable in the United States than in other major financial centers. Accordingly, dollar assets, particularly those held within the United States, have become a "safe haven" for internationally mobile funds.

The rise in the exchange value of the dollar provided important channels through which U.S. macroeconomic policies affected the domestic economy. The higher exchange value of the dollar contributed directly to the drop in U.S. inflation by lowering prices of imported goods. In addition, the appreciation of the dollar indirectly damped domestic inflation as lower prices of imported goods intensified competitive pressures on U.S. producers and reduced the cost-of-living adjustments in wage contracts. The decline in the price competitiveness of U.S. goods and the subsequent drop in net exports also contributed to the decline in real GNP in 1982. Moreover, to the extent that the movements in the exchange value of the dollar reflected financial difficulties in various countries that were independent of U.S. macroeconomic policies, the appreciation of the dollar contributed in and of itself to the drop in U.S. consumer price inflation while damping the growth of U.S. real GNP.

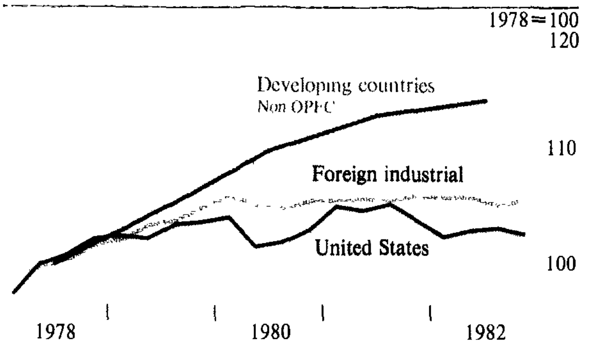
Simulations performed with the Federal Reserve's Multicountry Model suggest that the appreciation of the dollar over the 2½ years between mid-1980 and the end of 1982 may have acted to reduce the annual rate of consumer price inflation by about 1½ percentage points in both 1981 and 1982. The simulations also indicate that U.S. real GNP in 1982 was about 1½ percent below the level it would have attained in the absence of the appreciation.

MERCHANDISE TRADE

The U.S. merchandise trade deficit increased by nearly a third in 1982 to $36 billion (table 2). A distinct shift took place in the trade balance at midyear: in the first half the deficit was about $25 billion at an annual rate, but by the third quarter it was $50 billion. The primary causes of the increase were the weakness of economic activity abroad and the decline in the price competitiveness of U.S. goods on world markets owing to the cumulative appreciation of the dollar.

Economic activity in 1982, as in the previous two years, continued to be weak in industrial countries and in the developing countries outside OPEC (chart 3). Average growth of real GNP in foreign industrial countries, as in the United States, was negative during 1982. Growth of

3 Real GNP in the United States and abroad



The index for developing countries other than OPEC is based on arithmetic averages of the annual growth rates of individual countries weighted by their average share over the previous three years of total GNP (in dollars) of all those countries. The foreign industrial real GNP index is the weighted average of the G-10 countries plus Switzerland using 1972–76 total trade weights. Data for the United States are from the U.S. Department of Commerce.

2. U.S. merchandise trade, international transaction basis
Billions of dollars, seasonally adjusted annual rate

Item	1981	1982	1981 Q4	1982 Q1	1982 Q2	1982 Q3	1982 Q4
	Value						
Exports	236.3	211.0	230.4	222.4	220.0	209.3	192.3
Agricultural	44.3	37.4	42.4	41.6	42.3	33.6	32.3
Nonagricultural	192.0	173.6	188.0	180.8	177.7	175.8	160.0
Imports	264.1	247.3	267.1	246.2	243.1	259.3	240.8
Petroleum	77.6	61.2	72.4	62.6	53.6	65.8	62.8
Nonpetroleum	186.6	186.1	194.7	183.6	189.4	193.5	178.0
Trade balance	−27.9	−36.3	−36.7	−23.8	−23.0	−50.0	−48.5
	Volume (1972 dollars)						
Agricultural exports	18.1	17.2	18.6	18.3	19.1	15.8	15.6
Nonagricultural exports	70.5	60.8	66.5	62.7	62.1	62.0	56.1
Petroleum imports	5.9	5.0	5.8	5.0	4.5	5.5	5.2
Nonpetroleum imports	72.1	71.9	76.3	69.6	72.6	75.4	69.9

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, and Bureau of the Census.

production in developing countries decreased sharply during the year to an average of 1 percent (year over year), much less than half the rate during the 1970s. Many of these countries needed to restrain growth in aggregate demand to more sustainable rates and to curtail imports in order to help meet the large payments due on external debts.

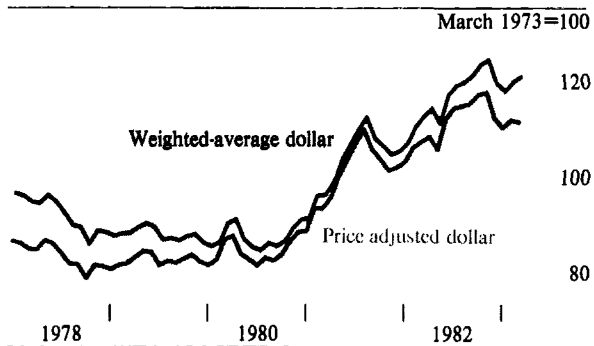
The competitiveness of U.S. goods on world markets was eroded between the summer of 1980 and November 1982. This loss is measured by the rise of roughly 40 percent in the price-adjusted value of the dollar over this period (chart 4). Such a rise indicates broadly that the relative price of U.S. exports to foreigners rose while the relative price of U.S. imports fell. Estimates made by the Federal Reserve Board staff using econometric models suggest that, with everything else equal, each 1 percent appreciation of the dollar depresses the U.S. merchandise trade balance $2 billion (annual rate) after two years; most of the effect is felt in the second year. According to these estimates, the appreciation of the dollar in the second half of 1980 and 1981 contributed substantially to the sharp rise in the U.S. trade deficit in the latter half of 1982.

The value of exports declined steadily during 1982, falling more than 16 percent (table 2). In contrast, the value of imports held up during the first three quarters of the year and dropped sharply only in the fourth quarter. Prices of both exports and imports fell during most of the year, but it was the shifts in volume that accounted for most of the change in the trade balance.

The volume of nonagricultural exports fell 16 percent during 1982, primarily because of a decline in their price competitiveness. The fall in volume was distributed fairly evenly among major commodity groups: half was with the major industrial countries, particularly Canada and Western Europe, and the other half was with Latin American countries, especially Mexico.

The volume of agricultural exports fell 16 percent during the year, the sharpest drop since 1974. Steep declines for wheat, corn, and soybeans accounted for most of the decrease. Good crops worldwide, the sluggish world economy, and the appreciation of the dollar were partly

4. Average exchange value of the U.S. dollar



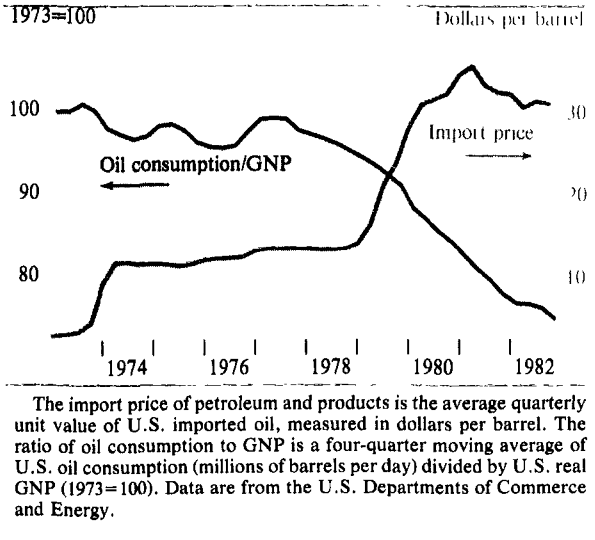
Price-adjusted dollar is the weighted average dollar multiplied by relative consumer prices (U.S. divided by foreign consumer prices).

responsible for the large declines in both the volume and the prices of agricultural exports. These factors accounted for accumulation of grain inventories in the United States by year-end that were 12 percent of total world grain production, compared with 8.5 percent at the end of 1981. Inventories of grain, corn, and other agricultural commodities increased more in the United States than in other major exporting countries, partly because the United States and the European Community use different types of subsidies to support the prices of such goods. In the United States, large crop loans by the Commodity Credit Corporation and other price supports encourage farmers to hold larger inventories. By contrast, the European Community subsidizes the exports of agricultural commodities.

The volume of oil imports declined 10 percent during 1982. The main cause was a decline in oil consumption due partly to the U.S. recession. Other factors were conservation and the substitution of other energy sources for oil in the wake of the oil price shocks of 1973–74 and 1979–80, both illustrated by the decrease in the ratio of oil consumption to GNP (chart 5). Also contributing were the large inventory drawdowns of petroleum and petroleum products by U.S. oil companies, particularly in the first half of 1982. Average prices of imported oil fell from a peak of $36 per barrel in early 1981 to $31 per barrel at the end of 1982. The decline reflected the accumulation of a large surplus on world oil markets after the price hikes imposed by OPEC in the seventies and the weakening of world demand. The extent of that weakness was suggested by the widening gap between the Rotterdam spot price and the official posted price for Mideast light crude, which indicated discounting by oil producers both within and outside OPEC (table 3). In fact, OPEC initiated a round of official price cuts in early 1983.

The volume of non-oil imports rose gradually during the first three quarters of last year despite sluggish activity in the United States. That rise was partly in response to the relative decline in prices of such imports caused by the appreciation of the dollar. In the fourth quarter the volume of non-oil imports fell sharply, accounting for most of the total 8 percent drop over the year. The decline was spread among all major commodities; it was concentrated in imports from the major industrial countries, and may

5. Oil consumption/GNP index and oil import price



The import price of petroleum and products is the average quarterly unit value of U.S. imported oil, measured in dollars per barrel. The ratio of oil consumption to GNP is a four-quarter moving average of U.S. oil consumption (millions of barrels per day) divided by U.S. real GNP (1973=100). Data are from the U.S. Departments of Commerce and Energy.

3. OPEC official price and Rotterdam spot market price of crude oil

Dollars per barrel

Year or quarter	Price of Mideast light oil: Rotterdam spot price[1]	Price of Mideast light oil: OPEC official price[2]	Price of Mideast light oil: Difference, (1) − (2)	OPEC official price (average for all crude oil)[3]
	(1)	(2)	(3)	(4)
1973 ...	2.81	2.64	.17	3.39
1974 ...	10.98	9.56	1.42	11.29
1975 ...	10.43	10.46	−.03	11.02
1976 ...	11.63	11.51	.12	11.77
1977 ...	12.57	12.40	.17	12.88
1978 ...	12.91	12.70	.21	12.93
1979 ...	29.19	17.84	11.35	18.67
1980 ...	35.85	29.38	6.47	30.87
1981 ...	34.29	33.16	1.13	34.50
1982 ...	31.76	33.51	−1.75	33.63
1981				
Q1...	37.73	32.50	5.23	34.84
Q2...	33.70	33.00	.70	34.64
Q3...	32.06	33.05	−.99	34.06
Q4...	33.68	34.10	−.42	34.48
1982				
Q1...	31.00	33.80	−2.80	34.05
Q2...	32.29	33.43	−1.14	33.37
Q3...	31.98	33.57	−1.59	33.57
Q4...	31.75	33.23	−1.48	33.53

1. Composed mainly of spot prices for Arabian light, with a small adjustment for spot prices of Dubai light.
2. Composed of the official prices for Arabian, Iranian, and Dubai light, and Iraq Basrah and Iraq Kirkuk crudes, weighted by exports.
3. Composed of the official prices for crudes from all 13 OPEC countries, weighted by their exports.

SOURCES. *Petroleum Intelligence Weekly*, and other published data.

have been related to the sharp liquidation of U.S. business inventories toward the end of the year.

Among non-oil commodities, the volume of steel and car imports declined. Steel imports fell steadily throughout 1982, largely because of weakening U.S. economic activity; but consumption of domestic steel declined even more rapidly, and imports therefore accounted for a record 22 percent of steel consumption. Only a small part of the decline in imports appears to be related to uncertainty about the outcome of what turned out to be a ten-month dispute over steel trade between the United States and the European Community. That dispute ended in October with an agreement limiting European exports of carbon and alloy steel to the United States. Weak demand in the U.S. market and the agreement with Japan that limits annual Japanese car exports to this country to 1.68 million units reduced the number of passenger car imports from 1981 levels. Japanese cars accounted for 23 percent of new car sales in 1982, about the same as in 1981. These and other moves toward protectionism in the United States and other countries threatened the open trading system that has contributed to growth in the U.S. economy in the postwar era.

Nontrade Current Account Transactions

The U.S. current account was in deficit by $8 billion in 1982, the first recorded deficit in three years (table 4). The rising merchandise trade deficit caused most of the movement; but a reduction in the surplus in nontrade items was responsible for about a fourth of the swing.

Much of the $4 billion drop in the nontrade current account surplus in 1982 stemmed from a loss in net receipts of direct investment. Gross receipts fell 25 percent to $24 billion in 1982, after a 15 percent drop in 1981. The major cause was the reduction in overseas earnings of U.S. business brought about by the worldwide recession and the appreciation of the dollar. The overseas profits of oil companies were particularly depressed. Direct investment payments also fell, more than 25 percent to $5.5 billion, as the recession adversely affected the profits of businesses in the United States; however, the drop was not enough to offset the fall in receipts. U.S. net portfolio income continued to increase in the first half of the year—a result of rising net recorded U.S. claims on foreigners and high dollar interest rates. However, the decline in those rates in the second half of 1982 contributed to a fall in net portfolio income, particularly in the fourth quarter.

4. U.S. current account

Billions of dollars, seasonally adjusted annual rate

Item	1981	1982	1982 Q1	1982 Q2	1982 Q3	1982 Q4
U.S. current account balance	4.5	−8.1	4.1	8.8	−20.9	−24.4
Merchandise trade, net	−27.9	−36.3	−23.8	−23.0	−50.0	−48.5
Investment income, net	33.0	28.7	27.5	30.8	28.3	28.3
Direct, net	24.1	18.1	17.3	17.8	17.0	20.1
Portfolio, net	9.0	10.7	10.2	13.0	11.3	8.2
Other services, net	6.0	7.3	8.6	8.0	7.4	5.6
Unilateral transfers	−6.6	−7.9	−8.2	−7.0	−6.6	−9.7

Source. U.S. Department of Commerce, Bureau of Economic Analysis.

The persistence of large net unrecorded inflows (which have shown up as large positive statistical discrepancies in the past four years) has made it increasingly difficult to assess the accuracy of the measured current account. If the cumulated statistical discrepancies of the past four years were interpreted entirely as net capital inflows, the stock of debt to foreigners, interest payments to foreigners, and the current account deficit would be substantially understated. Alternatively, if the entire $42 billion statistical discrepancy for 1982 were interpreted as unreported trade or service receipts, the current account would have been in surplus last year. Knowing the cause of the statistical discrepancy is important: if the cause is unreported receipts of goods or services, the implication is a continuing strong current account position, whereas this may not be the case if the errors and omissions represent capital flows, which can be quickly reversed.

Official Capital Flows

Foreign official reserve assets held in the United States increased about $3 billion in 1982, somewhat less than they did the year before (table 1). Reserve inflows from members of OPEC declined markedly from 1981 because OPEC had a combined current account deficit estimated at $10 billion, the first such deficit in the past four years. Drawdowns of reserves in the United States by foreign industrial countries were smaller in 1982, in spite of a step-up in intervention sales of dollars associated with the sharp appreciation of the dollar and exchange market pressures for some of the countries in the European Monetary System. Net intervention sales of $40 billion apparently were financed chiefly by liquidation of reserve assets held outside the United States and by borrowing from the Euromarket and other sources.

U.S. official reserve assets expanded $5 billion in 1982 (table 1). One-fifth of this expansion was attributable to a rise in holdings of foreign currency. That rise in turn stemmed from acquisitions of foreign currencies in connection with $2.1 billion in U.S. official credits extended to Brazil and Mexico, which were partly offset by a $1.1 billion drop in holdings of the currencies of the G-10 countries and Switzerland. The credits to Brazil and Mexico were made by the Treasury's Exchange Stabilization Fund, which provided dollars to those two countries in exchange for their own currencies, and by the Federal Reserve, under the Mexican swap arrangement. When the credits mature and are repaid, the transfers will be reversed at the same rate of exchange. By the end of last year, some of these credits had already been repaid. U.S. holdings of currencies of foreign industrial countries (G-10 and Switzerland) rose $0.7 billion equivalent of interest earnings, but fell on balance as $1.8 billion equivalent was used to repay Treasury debt denominated in foreign currencies (Carter notes) that came due during the year. The U.S. reserve position in the IMF also increased $2.6 billion equivalent during the year, while holdings of special drawing rights increased $1.3 billion equivalent. Both changes were the result of use of the fund's facilities by countries in financial difficulties.

PRIVATE CAPITAL FLOWS

Net recorded outflows of private capital increased slightly to about $26 billion in 1982 (table 5). If the errors and omissions are assumed to be unrecorded private capital inflows and are added to the recorded outflow, there would have been a combined net capital inflow last year. Within the recorded total were small rises in net outflows reported by banks (excluding their custody accounts) and in reported transactions in private securities with foreigners.

Net direct investments (U.S. direct investment abroad and foreign direct investment in the United States) registered a net inflow of about $12 billion, a slight decrease from the unusually large amount recorded in 1981 (table 6). In the past year, however, striking changes occurred within the category. Foreign direct investment in the United States totaled about $9 billion, a steep

5. Private capital flows, net
Billions of dollars, capital inflow (+)

Item	1980	1981	1982	1982 Q1	1982 Q2	1982 Q3	1982 Q4
Private capital flows, net	**−33.7**	**−25.8**	**−26.1**	**−1.1**	**−7.5**	**−8.1**	**−9.3**
Bank-reported capital, net	−36.1	−43.3	−43.8	−7.3	−14.4	−9.7	−12.4
Own accounts	−30.1	−33.1	−39.6	−1.4	−14.9	−12.9	−10.4
Custody accounts	−6.0	−10.2	−4.3	−5.9	3.6	3.2	−2.1
U.S. net purchases of foreign securities (increase, −)	−3.5	−5.4	−7.8	−.5	−.4	−3.3	−3.5
Foreign net purchases of U.S. securities (increase, +)	8.1	10.0	12.9	2.6	4.6	1.5	4.2
U.S. Treasury securities	2.6	2.9	6.9	1.3	2.1	1.3	2.3
Other U.S. securities	5.5	7.1	6.0	1.3	2.5	.2	1.9
Direct investments, net[1]	−5.6	12.6	11.6	1.0	5.3	2.9	2.4
Other corporate capital, net	3.4	.2	1.0	3.1	−2.6	.5	n.a.

1. Includes reinvested earnings.
n.a. Not available.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis.

6. Direct investment components of private capital flows

Billions of dollars; capital inflow (+)

Item	1979	1980	1981	1982
Direct investments, net	**−13.3**	**−5.5**	**12.6**	**11.6**
Foreign direct investment in the United States......	11.9	13.7	21.3	9.4
U.S. direct investment abroad................	−25.2	−19.2	−8.7	2.2
Netherlands Antilles finance subsidiaries equity and intercompany accounts.......	1.3	2.7	3.6	9.7
Other U.S. direct investment abroad	−26.5	−21.9	−12.3	−7.5

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis.

decline from the peak net inflow in 1981, which had reflected two large corporate takeovers involving foreign investors.

In 1982, for the first time, a small net inflow was recorded for U.S. direct investment abroad; 1981 had seen a net outflow of $8.7 billion. This reversal was attributable primarily to the rapid growth in U.S. corporate borrowings in the Eurobond market. Such offerings rose from about $3 billion in 1979 to roughly $14 billion in 1982 (table 7). Nearly all of these issues were sold by financial affiliates of U.S. companies in the Netherlands Antilles, which forward the proceeds to their parent companies. The growth of Eurobond issuance by U.S. corporate borrowers, from 8 percent of total domestic and international bond issuance in 1979 to 20 percent in 1982, reflected a major shift in U.S. corporate funding practices. The number of U.S. corporations using the Eurobond market has grown rapidly (chart 6), and the strongest U.S. firms have dominated this market. Roughly 80 percent of all U.S. corporations issuing Eurobonds during 1982 had Standard and Poor's corporate bond ratings of A or better, a somewhat larger percentage than in previous years. U.S. financial institutions, utilities, oil refiners, chemical producers, and machinery and equipment manufacturers were the major U.S. borrowers in 1982.

Two factors contributed to this change in corporate funding practices. First, in light of the historically high levels of long-term interest rates in the first half of 1982, U.S. corporations were more willing to tailor their issues to the traditional medium-term maturities in the Eurobond market. Second, U.S. corporate borrowers took greater advantage of certain provisions of the tax treaty between the United States and the Netherlands Antilles. Under that treaty, a parent company need not collect U.S. withholding taxes on the interest paid on loans from its own financing affiliate in the Netherlands Antilles. The implication is that a foreign investor who purchases a Eurobond issued by such a financing affiliate receives interest without a deduction for U.S. withholding tax. That provision often makes borrowing by U.S. corporations through their financing affiliates in the Netherlands Antilles less costly than in the United States itself.

During 1982, foreign residents were again active in U.S. financial markets. On net, they purchased $6 billion of U.S. corporate securities and nearly $7 billion of U.S. Treasury securities (table 5). This overall rise in foreign demand for dollar-denominated assets was attributable, among other things, to the actual and expected strong appreciation of the dollar, to relatively

7. Domestic and international bond issuance by U.S. corporate borrowers

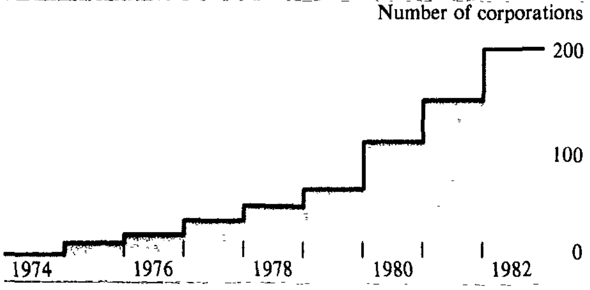
Dollar amounts in billions

Place of issuance	1979	1980	1981	1982	1982 Q1	1982 Q2	1982 Q3	1982 Q4
Domestic	40.2	53.2	44.6	53.2	8.4	10.4	16.2	18.2
Percent of total....	92	92	87	80	66	69	85	91
International[1]	3.4	4.4	6.7	13.6	4.3	4.6	2.8	1.9
Percent of total....	8	8	13	20	34	31	15	9
Total	**43.6**	**57.6**	**51.3**	**66.8**	**12.7**	**15.0**	**19.0**	**20.1**

1. International amounts based on net proceeds, which differs from face value because of the issuance of zero-coupon and partial-payment bonds.

SOURCES. Securities and Exchange Commission registrations; Morgan Guaranty, *World Financial Markets; Agefi;* Salomon Brothers, *International Bond Market Roundup; Wall Street Journal;* and *New York Times.*

6. U.S corporate borrowers in the Eurobond market



The height of each step equals the number of U.S. firms in any year issuing Eurobonds for the first time.

high real U.S. interest rates, and to financial and political instabilities abroad. Foreign residents also made greater use of U.S. financial markets as a source of credit. Foreign bond issues in the United States totaled about $6 billion in 1982, marking a continuation of the growth in 1981. Many of these bond issues were floated in the latter half of the year as long-term interest rates declined from their peak in June 1982. Foreign entities issued more commercial paper in the United States, particularly in the first half. About $13 billion of foreign commercial paper was outstanding at year-end, an increase of about $2 billion from the end of 1981. Foreign banking institutions accounted for roughly 75 percent of the increase. As these foreign institutions have become more familiar to U.S. investors, the yields on their issues have approached those on high-quality domestic commercial paper. During the first half of last year, these rates were also below the rates that these institutions had to pay for Eurodollars so that foreign institutions had a further inducement to issue commercial paper in the U.S. market.

Private U.S. residents other than banks added to their deposits in offshore banking offices at about half the pace of 1981. After accelerating in the first half of 1982, total holdings of Eurodollars by U.S. nonbank investors declined in the second half; and this decline has continued into early 1983 (table 8). Partial data from the foreign branches of U.S. banks indicate that term Eurodollars held by U.S. nonbank residents declined about $3 billion in January, bringing the cumulative fall since the end of November to about $6 billion. Over those two months, holdings by money market mutual funds (MMMFs) of overnight Eurodollar deposits and London certificates of deposit (CDs) fell about $2.4 billion and $3 billion respectively. The decline in holdings of MMMFs was a by-product of reductions in their total assets as investors shifted their accounts at those funds to the initially higher-yielding, insured money market deposit accounts (MMDAs) introduced in December 1982.

Net outflows from banks (excluding bank custody accounts) totaled about $40 billion in 1982, a slight increase over previous years (table 5). The net positions of U.S.-chartered banks with their foreign offices have changed little since the large net borrowing from foreign offices in December 1981 and January 1982 associated with the shifts of assets from foreign branches to international banking facilities (IBFs) (table 9). Small regional banks made net advances of $8.5 billion to their foreign offices during the year (table 9, line 3), the bulk of which was placed with foreign offices of foreign banks in the Eurocurrency interbank market.

The pronounced outflow of funds from U.S.-chartered banks of all sizes (including IBFs) to

8. Eurodollar holdings of U.S. nonbank residents

Billions of dollars, end of period

Type of holding	1980	1981	1982				1983
			Q1	Q2	Q3	Q4	Jan.
Total holdings	60.8	93.6	104.2	116.0	111.5	110.3	107.2[1]
London CDs	18.0	33.2	40.6	46.9	48.4	47.0	n.a.
Time deposits	42.8	60.4	63.6	69.1	63.1	63.3	n.a.
MEMO: Holdings of London CDs by money funds	5.7	16.8	19.8	19.7	20.4	21.1	19.0

1. Estimate based on information from foreign branches of U.S. banks outside the United Kingdom.

n.a. Not available.

SOURCE. Data on total Eurodollar holdings are obtained from member banks, the Bank of England, and the Bank of Canada. Data on Eurodollar holdings of money market mutual funds are obtained from the Investment Company Institute.

9. Positions of U.S.-chartered banks with own foreign offices, by institutions ranked according to size[1]

Billions of dollars, net due to own foreign offices (+)

Rank	1981	1982					1983		
	Dec.	Jan.	Mar.	June	Sept.	Dec.	Jan.	Feb.	Mar.
All banks ..	**−9.0**	**−3.2**	**−2.7**	**2.6**	**−4.6**	**−3.2**	**−13.5**	**−14.2**	**−17.2**
Top 9	−.6	2.8	6.0	12.9	7.5	9.9	4.1	4.8	2.9
Next 15....	3.0	4.7	3.3	4.9	4.5	6.1	3.8	3.3	3.2
All other...	−11.5	−10.7	−12.1	−15.2	−16.7	−19.2	−21.5	−22.3	−23.2

1. Average of Wednesday data. Institutions are ranked by total assets. International banking facilities are included as domestic offices.

SOURCE. Data on international banking facility accounts, FR 2072; and data on Eurocurrency transactions, FR 2950.

their own foreign offices at the end of last year and in early 1983 was indicative of changing patterns in bank funding. The changes came in response to the large expansion in U.S. bank deposit bases brought about through the introduction of MMDAs and Super NOW accounts. Thus U.S. banks as a group began to rely less heavily on the London dollar CD market as a source of funds: Eurodollar CDs outstanding at their London branches dropped $5 billion between December 1982 and mid-February 1983. This drop was mirrored in the domestic CD market as banks also issued fewer CDs there.

Data on the combined operations of U.S. and foreign offices of U.S.-chartered banks (not part of the balance of payments accounts) reveal a slowdown in lending by those banks to developing countries other than OPEC and the G-10 countries. Gross claims on those developing countries increased only $3 billion in the second half of 1982; those on Latin American countries rose only $1 billion, less than half as much as in the previous six months. Gross claims on the G-10 countries and offshore banking centers actually declined in the second half, suggesting that the decline in the growth of lending from the first to the second half of 1982 was worldwide.

Two factors contributed to this decline in worldwide lending. First, banks became more cautious about lending to developing countries outside OPEC after the Mexican crisis in the spring and summer. This caution had an impact beyond direct lending to those countries. It may also have led to a slowing of lending to banks in the G-10 countries and offshore banking centers, which use funds borrowed from U.S.-chartered banks to lend to other countries. Second, the worldwide recession may have also slowed the demands for credit from U.S. banks.

OUTLOOK

In the first quarter of 1983, the weighted average value of the dollar rose slightly, reversing some of the depreciation of the last few months of 1982 (chart 1). The recent appreciation took place in the context of market uncertainty about the worsening debt situation of various developing countries. Late in the quarter, some firming in U.S. short-term interest rates and declines in interest rates in several European countries also helped to strengthen the dollar.

Data on foreign industrial production for the first few months of 1983 suggest that a recovery is finally under way in several major foreign countries. As in the United States, the rate of inflation continued to drop in most foreign industrial countries and unemployment rates remained very high. The recovery is expected to be somewhat stronger in the United States than in other industrial countries, while developing countries are likely to grow quite slowly.

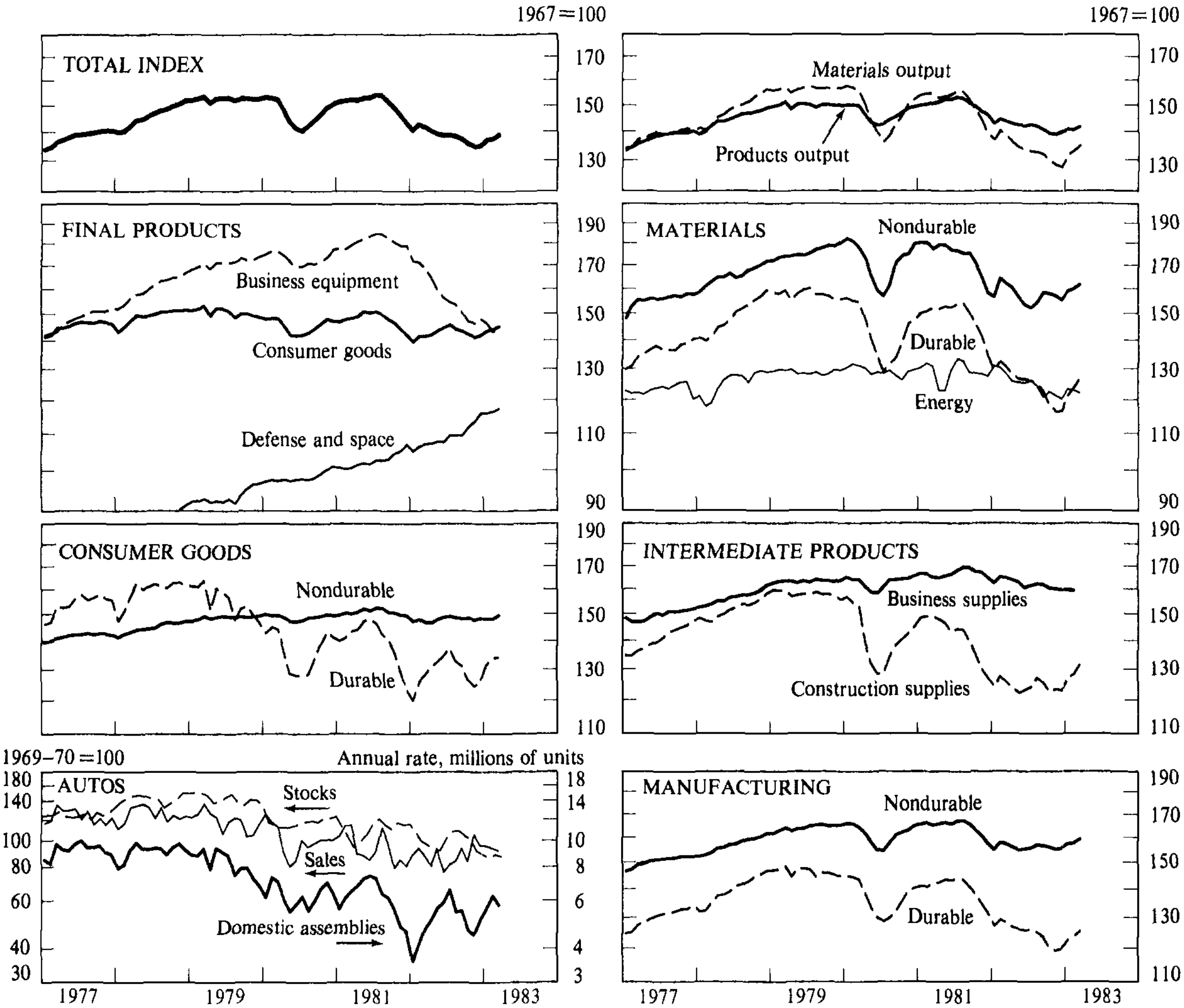
The outlook for the U.S. current account in 1983 is dominated by the lagged effects of the dollar's appreciation during recent years. U.S. exports are likely to be damped by the relatively high exchange value of the dollar despite the recovery expected in the economies of our trading partners. U.S. imports may be raised by the moderate recovery of the domestic economy that seems to be in prospect. On the other hand, the effects on the current account of these factors will be partly mitigated by a lower bill for imported oil primarily due to recent reductions in OPEC oil prices. On balance, the lagged effects of the dollar's appreciation and the impact of relatively strong U.S. demand are likely to dominate, and the current account deficit of 1982 is likely to widen in the second half of 1983. □

Industrial Production

Released for publication April 15

Industrial production increased 1.1 percent in March after rising 0.3 percent in February and 1.5 percent (revised upward) in January. In March, large gains occurred in the output of construction supplies, durable and nondurable materials, and consumer goods other than autos and appliances. At 139.1 percent of the 1967 average, industrial production in March had risen more than 3 percent from its November low, reflecting significant gains in the output of automotive products, construction supplies, and durable materials, especially steel.

In market groupings, production of consumer goods in March rose 0.8 percent—the fourth successive monthly gain—despite a decline in auto assemblies to an annual rate of 5.8 million



All series are seasonally adjusted and are plotted on a ratio scale. Auto sales and stocks include imports. Latest figures: March.

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, Mar. 1982 to Mar. 1983
	1983		1982		1983			
	Feb.p	Mar.e	Nov.	Dec.	Jan.	Feb.	Mar.	
	Major market groupings							
Total industrial production	**137.6**	**139.1**	**-.6**	**.2**	**1.5**	**.3**	**1.1**	**-1.8**
Products, total	140.5	141.7	-.2	.6	.6	-.1	.9	-1.4
Final products	139.6	140.5	-.3	.9	.4	-.3	.6	-2.0
Consumer goods	144.2	145.3	-.6	.5	1.1	.4	.8	2.7
Durable	134.0	134.3	-1.5	1.0	4.5	1.8	.2	4.8
Nondurable	148.3	149.6	-.4	.3	-.1	.0	.9	1.9
Business equipment	143.3	143.9	-.5	1.2	-1.1	-2.2	.4	-14.9
Defense and space	116.5	117.4	1.5	2.0	.2	.3	.8	9.7
Intermediate products	143.9	146.2	.1	-.2	1.3	.4	1.6	.7
Construction supplies	128.2	131.5	.7	-.3	3.3	.9	2.6	4.7
Materials	133.2	135.0	-1.2	-.5	3.1	1.1	1.4	-2.5
	Major industry groupings							
Manufacturing	137.4	139.2	-.7	.4	1.6	.6	1.3	-.6
Durable	123.5	125.3	-.8	.5	2.0	1.0	1.5	-2.3
Nondurable	157.5	159.2	-.6	.2	1.1	.1	1.1	1.2
Mining	115.8	113.6	.8	1.4	2.5	-4.6	-1.9	-17.7
Utilities	164.1	165.9	-.7	-1.5	-.7	.6	1.1	-2.4

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

units from 6.3 million in February. However, output of trucks for consumer use increased sharply again. Production of home goods rose 1.6 percent, primarily reflecting gains in output of carpeting and furniture while production of appliances changed little. Gains in output of nondurable consumer goods were widespread, with a particularly large rise in gasoline production. Output of business equipment increased 0.4 percent in March as manufacturing, power, and transit equipment advanced, but mining equipment declined further. Production of defense and space equipment continued to increase and was almost 10 percent more than a year earlier. Output of construction supplies rose sharply, especially items used in the housing industry.

Output of materials, which rose more strongly than final products, increased 1.4 percent in March. Production of durable materials rose significantly, with gains widespread. Among nondurable materials, textiles and chemicals advanced sharply. Output of total energy materials declined.

In industry groupings, manufacturing output increased 1.3 percent in March, but was still 9 percent lower than its previous high in July 1981. Output of durables, most notably steel, furniture, and lumber, advanced sharply again in March. Production of nondurables rose about 1 percent, with most industries registering gains. However, output of mining fell almost 2 percent as coal production and activity in oil and gas well drilling were curtailed further. The output of electric and gas utilities rose 1.1 percent.

Statements to Congress

Statement by Preston Martin, Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, March 17, 1983.

I appreciate the opportunity to appear before this subcommittee on behalf of the Federal Reserve to discuss consumer interest rates. I feel that the subcommittee has adopted a very appropriate focus on consumer finance at this early stage in what is expected to be a "consumer-led" recovery. Increased purchases by households of homes, autos, durables, and other goods and services, if sustained, will tend to induce merchants and manufacturers to restock inventories, increase production, and eventually hire or rehire those who are suffering unemployment and underemployment.

Interest rates are important to the consumer. Various public opinion polls have indicated that shoppers consider interest rates to be quite high and that postponement of purchases often is attributed to rates that exceed what the consumer thinks is acceptable. Recent surveys of consumer attitudes indicate that many shoppers for credit are willing to pay around 11 percent to finance purchases. At the same time, as you are well aware, the merchant or lender generally requires rates of 14 percent or more.

Of course, interest rates are not the only constraint on increased spending by households. Unemployment is very high and the pronounced slowing of inflation has removed much of the motivation for "hedge buying." House prices in some areas have declined and mortgage refinancing may be costly. Saving looks more attractive via the higher returns offered through new money market deposit accounts and the tax advantage offered by more liberal provisions of individual retirement accounts (IRAs) and Keogh accounts.

Given the present environment of a modest and uncertain recovery, consumer interest rates could play a major role in ensuring that the recovery will be a sustainable one. Interest rates on most forms of credit used by consumers have been coming down recently, and further declines apparently are in train for some types of loans. The dimensions of the declines we can look forward to differ for various types of loans—partly because of the characteristics of particular markets, differences in administrative costs, and the extent to which the earlier upward rate movements had been constrained by usury ceilings. Because of the nature of the markets involved, consumer loan rates have typically fluctuated less widely than other rates in response to changes in cyclical movements of the economy, and I believe there is nothing particularly unusual in the recent patterns of interest rate movements. Some say that the pricing of consumer and other loans by certain institutions may reflect caution with respect to potential loan losses in foreign, agricultural, and energy-related credit. However, our experience has been that present-day credit markets generally are too competitive and too fluid for lending institutions to extract excessive profits in any given market over any significant period of time.

Nevertheless, it is true that on some kinds of consumer credit rates have come down less than rates on business loans or on Treasury bills. Short-term market rates generally are 9 to 10 percentage points below their earlier peaks; long-term market rates are 4 to 5 percentage points lower. Mortgage rates are the exception among consumer credit, rates have come down less than Mortgage Corporation quotation of 12.79 percent on conventional home loans last week was nearly 6 percentage points below the peak in 1981.

Mortgage rates, of course, are a good deal more closely tied to market rates than are other types of consumer credit, because of the increasing use of mortgage-backed securities and the secondary mortgage market. Those who originate mortgages more and more are a different group from those who invest in them. Installment loans, revolving credit, and other consumer credit forms generally have no true secondary market, and thus rates tend to be "sticky" relative to open market and mortgage rates. Some loan originators sell the consumer "paper" they originate, but these transactions tend to be bulk sales to a commercial bank or some other buyer, not to capital market investors. Thus the majority of installment and revolving loans are held in the portfolios of the originators. The very marketability of the mortgage loan may result in a lower rate compared with a largely nonmarketable consumer credit contract.

An additional factor is that mortgage loans are much larger, on average, than other types of consumer credit. Data of the Federal Home Loan Bank Board for February indicated conventional (75 percent of value) loans ranging from about $42,000 in Pittsburgh to around $108,000 in the San Francisco area. Other than chattel mortgages for mobile homes, most consumer loans are for amounts ranging from a few hundred dollars to something like $10,000. Thus the mortgage lender can spread his costs of loan origination, servicing, and collection over a larger base. Faced with somewhat similar administrative costs and higher collection or servicing outlays, the supplier of consumer credit tends to need a higher percentage rate of interest.

Recent Behavior of Consumer Interest Rates

What factors explain the relative insensitivity of consumer rates to the dramatic decline in other rates in recent months? Households borrow funds primarily in three forms that are, to some extent, substitutes for each other. These forms are consumer installment loans, open-end or "revolving" credit card plans, and mortgage loans collateralized by homes. Movements in interest rates on these types of borrowing have differed considerably in recent periods. Changes among the various rates paid by households and movements in consumer rates relative to other rates have largely reflected two factors: the degree of credit market segmentation and the impact of artificial constraints on rate movements in the consumer-oriented market sectors.

As mentioned, home mortgage rates have come down about in line with other long-term market yields. Federal Reserve data on consumer finance rates, however, show a mixed pattern. In early February, average consumer finance rates (APR) at reporting banks were down from peak levels, as follows: new auto loans, down 2.55 percentage points (maturity of 36 months); mobile home loans, down 1.70 (maturity of 84 months); other consumer goods and personal expenditures, down 1.62 points (maturity of 24 months). Average rates on bank credit card plans rose in February 1983 to a level of 0.75 percentage point above those in February 1982.

Consumer Installment Loans

The reductions in rates on consumer installment loans, to be sure, have been modest when compared with other types of interest rates. Spreads between installment loan rates and the bank prime lending rate have risen since the middle of last year, and much the same pattern is evident when comparisons are made with rates on certificates of deposit at banks or with yields on Treasury securities having maturities comparable with those for consumer loans. However, these various yield spreads—while relatively large—are not out of line with spreads that emerged during the 1970s.

It should be stressed that the recent increases in spreads between installment loan rates and other yields followed substantial reductions in spreads that occurred as market interest rates climbed during the 1977–81 period. This pattern, also evident during earlier interest rate cycles, suggests that recent movements have mainly reflected fundamental market mechanisms.

There are several reasons why rates on consumer installment loans tend to lag movements in open-market rates of comparable term and tend to move over a narrower range during the cycle. As interest rates peak, state usury ceilings may limit upward movements in consumer loan rates, encouraging lenders to tighten nonrate loan terms and lending standards. Subsequently, when market yields decline, lending terms and standards tend to ease first, followed by downward adjustments in consumer loan rates. Clearly, interest rate ceilings in various states constrained upward movements in installment loan rates to some extent in 1981–82, even though many states adjusted their statutes and federal law enacted early in 1980 provided a limited preemption of state limits for all federally insured depository institutions.

In addition, the sluggish movement of consumer loan rates also is attributable to the imperfections in the linkages between consumer credit markets and other components of our credit system—as I noted earlier. Imperfect linkages to the general capital markets, of course, do not imply that individual lenders can maintain consumer loan rates far out of line from those prevailing at other institutions in their local markets. Although households may not shop as intensively for rates on short-term consumer loans as they do for rates on large and long-term home mortgage loans, competition in the primary markets for consumer loans is increasing.

In support of that thesis, there is evidence that savings and loan associations, a relatively new entrant in many of these functions, are currently expanding their nonmortgage portfolios to put the dollars from money market deposit accounts and Super NOW accounts to work. These institutions are fast becoming a factor in the growth of consumer installment credit. In January of this year, savings and loans increased their participation in the consumer installment credit market at an annual rate of nearly $5 billion, and they increased their credit outstanding 22 percent over the 12 months ending in January.

Bank Credit Cards

Although rates on closed-end consumer installment loans have been declining, albeit sluggishly, average interest rates on bank credit card plans actually have continued to rise. The behavior of average rates on credit card plans has been strongly influenced by state-imposed ceilings on the rates that banks may charge cardholders on outstanding balances.

While rates on closed-end installment credit at banks climbed about 6 percentage points during the 1978–81 period and those on open-market investments rose still more, average rates charged consumers on bank credit card plans rose only about 1 percentage point as most states maintained interest rate ceilings of 18 percent or less. Under these conditions, of course, banks resorted to other ways of passing on the rising cost of their card plans as the profitability of this function plummeted. Many institutions imposed annual fees on their credit cards and also raised their merchant discounts; that is, the percentage deducted by the bank from the face amount of receivables purchased from retailers.

Increases in average bank credit card rates during the past year reflect upward adjustments to rate ceilings by some states, and shifts of credit card operations by some banks to states with higher ceilings or with no ceilings at all. States like South Dakota and Delaware became the haven for the credit card operations of a number of large banks located in states with more restrictive interest rate limitations.

Outlook for Consumer Loan Rates

Further movements in interest rates on home mortgages will depend primarily on developments in the markets for longer-term debt instruments. Average rates on credit card accounts may continue to be influenced, at least in the short run, by changes in usury statutes and by interstate shifts of credit card operations by banks seeking to bolster the profitability of their plans; increases in rates associated with these factors, of course, may be accompanied by downward adjustments in annual card fees and merchant discounts. With respect to closed-end consumer installment loans, average interest rates could fall somewhat further in the near future. If so, this development would reflect the usual lagged adjustment of these loan rates behind movements in yields on market instruments. In this regard, it is noteworthy that nearly half the banks routinely surveyed by the Federal Reserve last month indicated greater willingness to make consumer installment loans than three months earlier.

Further reductions in the entire structure of interest rates in the economy will depend critically on progress against inflation and positive developments on budget deficits. Remarkable progress against inflation has been made during the past year, and favorable conditions in markets for oil and basic food commodities bode well for the near future. As inflation has come down, so have market interest rates. However, interest rates across all markets remain high relative to the current rate of price inflation, particularly on longer-term instruments. This suggests that expected rates of future price inflation, which profoundly affect nominal interest rates, remain well above current actual inflation rates.

Such skepticism is understandable. A year or two of progress, following more than a decade of rapid inflation, is not enough to quell fears that prices will accelerate again as the economic recovery proceeds. And it is widely anticipated that we will see a return to aggressive wage bargaining and price setting if it appears that inflation is being permitted to accelerate once again. The current situation is fragile, and clearly the major test of the sustainability of our anti-inflation effort lies ahead.

The Federal Reserve remains committed to policies that will permit the economy to expand without regenerating inflationary pressures, and adherence to this course should lead to lower interest rates over time. There are, however, some obstacles along this path. In particular, the prospect of huge federal deficits looms ahead even as the economy expands; that is, the "structural" deficit promises to remain very large even as the "cyclical" deficit declines. That expectation is widely held in the financial markets and by the public at large, and the prospect of intensified public sector "crowding out" of private demands for the available supply of credit appears at least partly responsible for the maintenance of high "real" interest rates on longer-term instruments. Fears abound that the large deficits will not only place heavy demands on the credit markets but that they will thereby create pressures for excessive monetary expansion, causing the battle against inflation to become considerably more difficult.

Clearly, the fundamental outlook for interest rates does not lie, primarily, in the hands of the Federal Reserve alone. Market confidence in the success of monetary policy must be supported by the continued commitments and decisions in both the Congress and the administration to reduce the large structural federal deficits that threaten to place heavy pressure on our financial resources as the economy picks up speed. Complementary monetary and fiscal policies will foster the easing of inflationary expectations essential to sustained reductions in rates on consumer loans and other types of credit. Then the recovery can be sustained on a basis of the growth of household purchasing power in real terms, in concert with increasing strength in other sectors.

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Trade, Investment and Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, April 7, 1983.

I am pleased to appear today before this subcommittee to discuss the proposed expansion of resources for the International Monetary Fund. I will also review the IMF's role in helping to resolve serious international financial problems such as those that have recently arisen for many countries and some of the regulatory proposals relating to U.S. banks' participation in international lending activities in the future.

The Federal Reserve Board strongly supports participation by the United States in the proposal to expand IMF resources that is before this subcommittee. That expansion would involve a global increase in the IMF's basic resources in the form of quota subscriptions from about $65 billion to about $97 billion, with the United States providing about $5.7 billion of that increase. In addition, the United States and ten other industrial countries have agreed, subject to legislative action, to expand from about $7 billion to more than $18 billion their credit lines to the IMF under the General Arrangements to Borrow; the increase in the U.S. commitment is about $2.6 billion.

This legislation is the result of the Eighth General Review of IMF quotas mandated by the IMF's Articles of Agreement. In this sense, this legislation was already in the pipeline. However, in view of the IMF's declining liquidity, the increased needs for temporary balance of payments assistance by a large number of member countries, and the associated threats to the stability of the world monetary system, we and other IMF members are seeking to complete this expansion in IMF resources before the end of 1983. Given the U.S. leadership role in the IMF and especially in negotiating this package, prompt completion of congressional action on this request is highly desirable.

U.S. INTERESTS IN THE IMF

As the subcommittee reviews the proposed legislation on the IMF, it is appropriate to consider two central functions that the IMF performs. First, the IMF lends resources to member countries in weak external financial circumstances to alleviate the abruptness and severity of the balance of payments adjustment process that these countries necessarily must undergo. Second, the IMF through its surveillance role and through conditions attached to the use of its resources helps to limit and reduce the use by member countries of exchange restrictions and other policies that have disruptive or inequitable effects on foreign suppliers, creditors, or competing producers, and encourages its members to adopt internal economic policies that help to maintain or restore external balance. In both dimensions, the IMF contributes importantly to the stability of the international financial and trading system and, thus, to the market for U.S. exports.

The preservation of a stable environment for international trade has become increasingly important to the U.S. economy over the past two decades. In 1982, exports of goods and services by the United States amounted to $350 billion, equivalent to almost one-eighth of U.S. gross national product. Exports are more than twice as important to the U.S. economy today as they were 20 years ago. The employment generated by these exports accounts for one of eight jobs in our manufacturing sector. One of every three U.S. farm acres is producing for export.

While exports have become more important to the U.S. economy, the destination of U.S. exports has also been shifting increasingly toward markets in the less-developed, nonindustrial countries. Over the past 10 years the share of these countries in U.S. exports has risen from less than 30 percent to about 37 percent of the total.

These markets are sometimes more uncertain for U.S. suppliers because government restrictions on imports tend to be more pervasive in these countries and because the restrictions are subject to frequent change. Moreover, some of these economies have experienced phases of excessive growth and resultant unsustainable payments deficits followed by severe cutbacks in imports to regain external balance. The sharp reversal in import demands by these countries at times has had unfavorable effects for the U.S. economy. In the case of Mexico, for example, the period of buoyant growth in the late 1970s led to a doubling of U.S. exports to Mexico from an average rate of $8.5 billion in 1978–79 to an average rate of nearly $17 billion in 1980–81. When Mexico in 1982 faced severe external liquidity problems before the establishment of its IMF program, U.S. exports to Mexico fell sharply, to less than $12 billion, with exports in the final quarter of last year at an annual rate of less than $7 billion. By contributing to better stability in the economies of these countries in the long run, the IMF increases the stability of the trading environment and makes possible a more rapid growth of U.S. exports to these countries on a sustained basis in the future.

By providing temporary balance of payments financing to countries in weak financial positions, the IMF helps to stabilize the pattern of international trade. The role of the IMF is sometimes incorrectly criticized by observers who argue that the IMF is responsible for cutbacks in imports or sharp currency devaluations by countries operating under IMF-approved stabilization programs. While the adjustment actions undertaken in these circumstances are sometimes severe, without assistance from the IMF the adjustment that would occur, after the country's own resources had run out, necessarily would be even more severe. During the period of IMF assistance, the hardships for the borrowing country are in part alleviated by the resources that are disbursed in connection with the IMF program. Such disbursements normally include both the funds directly supplied by the IMF and the funds that other foreign creditors agree to lend or to roll over because of the confidence-building effect of the IMF's "seal of approval." Thus, the

IMF's assistance implies that adjustment is less draconian for the borrower than would be the case if the country were completely cut off from foreign financing and less burdensome for the United States in terms of lower exports.

The financial resources provided by the IMF are temporary and must be completely repaid over a relatively short period. The standard maturity is three to five years, although for some multiyear arrangements—such as those recently approved for Mexico and Brazil—maturities are extended to six to ten years. The loan repayments generate a revolving fund of resources for the IMF that is replenished during periods of calm in the international economy. Interest rates paid to members on the use of their quota subscriptions are based on short-term market rates of interest in the United States, France, Germany, Japan, and the United Kingdom.

When the IMF provides a standby credit to a member, it requires the member to forgo any intensification of exchange restrictions. In general, IMF members are prohibited by the IMF's charter from interfering with the free flow of foreign exchange payments for imports of goods and services, from imposing discriminatory taxes–subsidies on importers–exporters, and from engaging in bilateral payments arrangements that unfairly exclude third-country competitors. As a condition for its standby credits, the IMF normally requires the borrower to avoid any new transgressions of these rules and often, in the case of Extended Fund Facility programs, requires the borrower to reverse its recent or even long-standing actions in these areas.

Historically, the United States has been adversely affected by the application of exchange restrictions on international trade. During the 1930s, U.S. exporters were badly damaged by the spread of bilateral trade and barter agreements among other major countries, while U.S. private holders of foreign bonds and the U.S. government suffered heavy losses because of the suspension or restriction of payments by foreign debtors for many years.

Currently, the United States retains a vital concern for the maintenance of free and nondiscriminatory payments for international transactions. In particular, the United States is the world's largest recipient of the types of payments that are most frequently discriminated against, such as dividends, royalties, and license fees. Worldwide export receipts for services by the United States amounted to about $140 billion in 1982—of which nearly $40 billion is estimated to have originated in Latin America and a further $30 billion in other nonindustrialized countries.

The unhappy history of the 1930s should also remind us that one of the IMF's central objectives is to avoid competitive exchange depreciations in the world economy. This fact is important to remember at a time when the current high unemployment throughout the world may tempt some countries to seek depreciation of their currencies as a short-run device to stimulate employment—rather than to correct a fundamental imbalance in their external accounts. The United States is vulnerable to the adoption of any such exchange rate practices by other countries because the dollar is so widely used as a reserve or reference currency. This latter role for the dollar tends to create a situation in which any exchange rate depreciations by other countries would lead to further appreciation of the dollar. Such an appreciation would be particularly unwelcome at the present time because the United States has already experienced a large exchange rate appreciation and loss of export competitiveness over the past two years. The appreciation of the dollar that has already occurred, along with the weak growth performance of the world economy as a whole, has been restraining and will continue to restrain our own economic recovery.

RESOLVING RECENT PAYMENTS CRISES IN THE WORLD ECONOMY

The International Monetary Fund requires a prompt expansion of its resources to provide adequate assistance to countries that are currently experiencing severe balance of payments adjustment problems, but as I noted earlier the broad scope of the proposals before you was determined by discussions associated with the Eighth General Review of IMF quotas—discussions that had been under way before the international financial strains emerged last summer. Thus, the proposals need to be evaluated in a longer-term perspective as well as from the perspective of the IMF's immediate liquidity needs. The increases would not result in an inordinate expansion in the IMF's role in financing payments imbalances. Nor is the proposed enlargement of IMF resources and its lending activities designed to provide an opportunity for banks to reduce their exposure in major borrowing countries or a possibility for borrowers to follow an easy path toward correction of their payments imbalances.

The IMF's effective influence over policies that its members follow in correcting their payments imbalances is partly a function of its lending capacity. In some extreme cases, countries may face negotiations with their foreign creditors over new private credits or debt rescheduling that require the borrower to conclude an IMF standby arrangement as a precondition. In other cases, the IMF may be able to influence a member's policies in the course of its ongoing surveillance activities and discussions with members of their exchange policies and exchange restrictions. However, it is clear from recent events that, during the early stage of a country's balance of payments problems, the size of a potential IMF standby credit relative to a member's need may affect a country's willingness to establish an IMF-approved stabilization program.

The growth of IMF quotas over the past two decades has lagged well behind the growth of the world economy, which, to some extent, may have reduced the IMF's influence. As an offset the IMF has allowed countries' borrowing limits under conditional arrangements to grow to a larger multiple of their quotas. Consequently, most countries have been able to borrow, over a three-year period, about the same amount from the IMF in relation to imports as they could borrow in the early 1960s.

To permit member countries to borrow larger multiples of their quotas, the IMF in recent years has had to rely increasingly on special borrowing arrangements with members to supplement normal quota subscriptions. Recently, such borrowings have included those under the IMF's temporary Supplementary Financing Facility (SFF) established in 1979 and subsequent ad hoc borrowing arrangements with Saudi Arabia and various industrial countries. The United States participated in the SFF but not in the subsequent ad hoc borrowing arrangements.

The provision of resources to the IMF through borrowing arrangements has the advantage that the creditor countries have somewhat greater control over the availability of credit to borrowers from the IMF. But these arrangements have the disadvantage that ad hoc multilateral efforts to raise supplementary funds for the IMF take time to establish. For U.S. participation, they of course require congressional approval. Thus completion of the arrangements can come too late to meet the problem at hand.

The proposed expansion of the General Arrangements to Borrow (GAB) now before the Congress would retain the advantage, but avoid the disadvantage, of past temporary borrowing arrangements, such as the SFF. The General Arrangements to Borrow were established in 1962, and the size of those arrangements has not significantly increased for more than 20 years. The proposed expansion in these permanent lines of credit for the IMF would bring them more in line with the IMF's longer-run needs.

Under a proposed change in the provisions of arrangements, GAB resources could also be used by the IMF in the future to provide loans to nonparticipants instead of just to other participants as is now the case. However, the GAB resources would be available to the IMF to lend to nonparticipants in the GAB only in circumstances that threaten the stability of the international monetary system and in which the IMF's other resources were not sufficient to meet the threat. Thus, the enlarged and expanded GAB provides a mechanism whereby the industrial countries can respond quickly to the IMF's legitimate financial needs in extraordinary situations.

The current urgency of expanding the IMF's resources stems from a sharp upsurge over recent months in demands for IMF financing. In the past four months, five developing countries that had encountered payments imbalances or liquidity problems—Mexico, Brazil, Argentina, Chile, and the Philippines—have sought and are now obtaining substantial financial assistance from the IMF. In view of these and other existing and upcoming demands on the IMF, disbursements of more than $15 billion may be required in 1983, seriously depleting the IMF's present liquidity.

Most of the IMF's loans go to non-OPEC developing countries, which collectively had a deficit in their balance of payments for goods, services, and private transfers that amounted to more than $70 billion in 1982 and more than $85 billion in 1981. In view of the abrupt reduction of new lending to many of these countries from international banks since last September, that deficit will have to be reduced substantially further in 1983. Under the stabilization program Brazil recently introduced, its current account deficit is scheduled to fall from $14½ billion in 1982 to $7 billion in 1983. Similarly, in the case of Mexico the current account deficit is expected to decline from $13 billion in 1981 to about $4 billion in 1983, and in Argentina the deficit is expected to decline from $4½ billion in 1981 to $1 billion in 1983. These represent burdensome, but necessary, balance of payments adjustments to restore financial stability for these countries.

In addition to an expansion of their exports and continued restraint of their imports, some developing countries will need to implement policies to improve their capital accounts. For example, Mexico and Argentina experienced large outflows of domestic private capital in 1981 and 1982. With a return of confidence in government policy and with appropriate incentives, these funds can be attracted home and can help to finance these countries' needed imports and the rebuilding of their foreign exchange reserves. One objective of the recent IMF-approved programs is to maintain exchange rate and interest rate policies that will facilitate such reflows of capital.

While the borrowing countries will have to assume the main burden of resolving their current financial difficulties, foreign banks, the IMF, and foreign governments will also be extending new loans to smooth the immediate adjustment. The recent negotiations with Brazilian, Mexican, and Argentine authorities provide a basis for estimating the amounts of new funds that will be available from the IMF and the banks.

For Brazil, the IMF has approved credits that amount to $2.2 billion in 1983 and $1.6 billion in 1984. Bank lending to Brazil, net of repayments, is expected to amount to about $4 billion each year. For Mexico, financing from the IMF should amount to $1.3 billion in 1983 and in 1984, while net lending from the banks is expected to be about $5 billion in 1983 and can be estimated at around $3 billion in 1984. For Argentina, IMF credits have been approved to allow disbursements of $1.9 billion in 1983 and a further $300 million in early 1984. New financial commitments of banks to lend to Argentina in 1983 amount to about $2 billion, but will be partly offset by the payment of some arrears on debt service obligations that fell due in 1982.

Foreign governmental assistance to major Latin American borrowers will mainly take the form of direct or guaranteed export credits whose magnitude cannot yet be determined. The largest such arrangement undoubtedly will be the guarantees for three-year credits by the U.S. Commodity Credit Corporation to finance shipment of substantially increased amounts of U.S. agricultural exports to Mexico during 1983. Similar assistance will support sales of U.S. wheat to Brazil. Bridging credits that U.S. and other monetary authorities have provided to or supported for the major Latin American borrowers do not show up in longer-term assessments of the adjustment and financing prospects for 1983 and 1984. These loans have been useful to meet minimum immediate liquidity requirements while adjustment and borrowing programs were being arranged, but the loans have been or are scheduled to be repaid within a short time.

Future Bank Participation in International Lending

In formulating their external adjustment programs, major foreign borrowers have realistically accepted that their future access to new bank financing will be less than in the past. Outstanding bank loans to Brazil, Mexico, and Argentina are projected to grow 5 to 10 percent annually in 1983 and 1984. Under these circumstances, the claims of U.S. banks on these countries relative to their capital will decline somewhat.

The prospects for 1983 and 1984 represent a major adjustment from the period 1979–81, when bank exposures in Mexico, Argentina, and Brazil were rising at annual rates of 15 to 40 percent. That expansion produced a rapid growth in these claims in relation to bank capital; such a process cannot continue indefinitely.

The level of capital exposure by some banks in some countries has led many observers to conclude that banks have not paid adequate attention to diversification of their assets. In the current circumstances, however, it would be unwise for regulators to force abrupt reductions in bank claims on large borrowers. The risks of loss on foreign sovereign loans would be increased rather than reduced if banks attempted to pull back quickly from lending, say, to Brazil and Mexico. In 1974, following the first sharp increase in oil prices by OPEC, the expansion of international bank lending to developing countries was viewed by many, given the absence of obvious alternative sources of funds, as a constructive development that helped to meet the growing financing needs of these countries. The current international economic situation requires a continuation of international lending at a realistic pace. Nevertheless, recent international financial developments have raised legitimate questions about the future international activities of banks, and these questions require prompt consideration.

To discourage excessive exposure or lack of adequate diversification of some banks, two broad possibilities can be considered. First, some banks may be encouraged to slow the future growth in their outstanding loans to some foreign borrowers. Second, banks may be encouraged to expand their capital base.

The expansion of bank capital in relation to total assets has been a primary objective of U.S. regulatory agencies for a number of years. Recently, we have witnessed some improvement in the capital base for the large banks, and such banks are especially active in international lending. Given the buoyancy of the stock market, conditions are now more favorable for further actions to improve their capital positions.

To ensure moderation in the growth of bank lending to the largest foreign borrowers over the longer term, a good deal of discussion has occurred recently of closer supervisory surveillance of banks' international lending activities and possible restraints on exposures to individual countries. Among the options that have been mentioned in those discussions are the following: (1) specific *country limits,* akin to the limits on loans to an individual borrower that are now in effect; (2) *disclosure requirements* that would warn stockholders of country concentrations that might affect the safety of their investments in the bank; (3) establishment of *specific reserves* for troubled country loans; and (4) *income-accounting requirements* that loan fees be amortized over the life of the loan.

Country lending limits are likely to be either too rigid or so flexible that they are not workable. Limits based on objective criteria would tend to enforce diversification but would not necessarily steer banks away from the greatest potential dangers. Large countries with stable, diversified economies and politically mature governments tend to attract higher levels of bank exposure than do large countries that lack those characteristics. Should one place "too low" a limit on the former countries to reach an adequately low limit for the latter? If, alternatively, countries are differentiated among risk classes based on subjective evaluations, the limits would have to be changed periodically—requiring controversial judgments by the supervisors, provoking diplomatic pressures or misinterpretations, and possibly inducing abrupt financial dislocations if classifications are changed.

Financial disclosure requirements have a number of advantages for the investor, both directly and through providing a solid base of information for evaluation by independent security analysts. On balance, requirements to provide additional information could contribute to a more effective market policing of, and hence prudence in, lending practices by banks.

Specific reserves have been proposed for the purpose of dealing with severely troubled country credits. These reserves have been proposed to combat the view espoused by some bankers that sovereign credits never turn bad or become unrecoverable because the borrower can never disappear or be liquidated. Some have also argued that regulatory action in such cases might be harmful because it would further damage the debtor's reputation and tempt the debtor not to pay. These arguments appear unconvincing to me. It is clearly appropriate for banks to make some provision against loans when there has been a protracted period in which the debtor has been unable to service its debt. Indeed, some banks make such provisions now. The question is whether such a practice should be more universally adopted.

A requirement that fee income, over and above identifiable expenses, be amortized over the life of a loan might reduce somewhat the enthusiasm that some banks have shown toward foreign lending. A fee is normally received by banks at the time a loan is made—amounting to up to 1 percent or more of the value of some loans. In some cases, such fees are not taken into income right away. However, if such fees are taken into income, in whole or in part, they tend to enhance reported bank income at a time when the "strength" of the bank's assets may in fact have deteriorated, for example, when a rescheduling is involved. One may of course ask whether an accounting requirement to amortize certain loan fees, which under some proposals would only come into play in the case of a rescheduling, would have a significant bearing on banks' lending decisions, but more uniform treatment is probably desirable.

When considering the various regulatory approaches, we should guard against overreaction to problems in foreign lending whose dangers were once downplayed by banks and the markets, but which may now have been exaggerated. We must in any event retain an awareness that a growing economy can carry a growing external debt. We must also acknowledge that the current difficulties in international lending are more aptly described as liquidity problems than as solvency problems. Finally, when regulatory action is warranted, we should work with authorities abroad to seek solutions that are consistent and compatible with the supervisory and regulatory actions that other industrial countries take with respect to the banks under their jurisdiction; such a cooperative approach will help to avoid competitive inequities and a retreat to the "lowest common denominator" in the supervision and regulation of international lending.

As you know, the federal bank regulators have had this entire subject under careful review. Their review is essentially complete, and I expect that the Banking Committee will receive a more detailed report on their conclusions by the end of the week.

International Lending and the Availability of Domestic Credit

In addition to questions raised about the adequacy of the regulatory and supervisory approaches to international lending, concern also has been raised that continued lending by banks to developing countries, or lending through the IMF to its members out of the U.S. quota subscription, will reduce the amount of credit available for the domestic economy. There are a number of ways to assess the effects on domestic credit markets of any increase in international lending. One approach is in the context of the overall balance of payments; a second is in terms of the specific amounts involved for specific countries; and a third is in terms of the repercussions on domestic credit markets of a breakdown of private international credit flows.

In the context of the overall balance of payments, any increase in foreign lending either by private banks or financed through the IMF may have only limited domestic credit implications in the short run. As long as there is no induced change in the demand for U.S. goods and services, the borrowed funds would have to be held, either by the original borrowers or by others, in U.S. credit markets, and there would be no net effect on credit available to the U.S. economy. On the other hand, if there is an increase in the demand for U.S. goods and services as a consequence of the lending, our exports will be larger, and the effect on U.S. business would be the same as if the credit had gone directly to U.S. exporters to finance their foreign sales.

Even if the incremental bank lending in connection with these programs were quite large, it would not in itself create any difficulties for domestic borrowers as a group, though some may gain (exporters) and some may lose. Moreover, as noted earlier, the additional bank lending contemplated under the various arrangements between banks and major foreign borrowers is a considerable reduction from the rate of lending over the past few years. The increase in lending should also be viewed in the context of large, gross capital inflows and outflows from the United States; in fact, much of the international lending by U.S. banks is in effect financed from foreign sources.

Finally, the moderate further extensions of credit that are involved in these programs may very well be essential for the maintenance of a healthy flow of bank credit in our domestic credit market. A sudden cutoff of lending by U.S. and foreign banks to the countries with severe liquidity problems could force them to suspend all servicing of their debts. Such an event would trigger write-offs of a large amount of banks' assets, weakening their capital base and most likely causing them to raise the cost and slow down the expansion of domestic credit that would otherwise prevail.

A more general point may be added. Significant feedbacks occur from the economies of other countries to the pace of economic activity in the United States. Should a sudden contraction of foreign lending occur, the economies of some of our important trading partners would be forced to contract abruptly. This could mean another year of declining U.S. exports, after a year in which the weakness of the external sector was a major factor in the slowdown of the U.S. economy. In that perspective, a relatively small U.S. share in the flow of new financing to some of these countries may well have a widespread positive effect on the U.S. economy.

Role of the IMF

My comments on the role of the IMF in helping to resolve current international debt problems focused on the IMF as a source of funds and its function in promoting appropriate adjustment. The Fund also has assumed a greater role in recent months in developing a closer working relationship with commercial banks. This aspect of the Fund's activities is still evolving, but on balance it is likely to contribute to better informed lending and borrowing decisions.

In the context of its surveillance function, the Fund is reviewing its procedures in generating and sharing information and analyses on external financial circumstances of individual member countries with the commercial banking community and with national supervisory authorities. Over the past months, the Fund also has assumed a role in coordinating various forms of private and official balance of payments assistance in the framework of IMF-approved stabilization programs. Time will tell whether this will become standard procedure for the Fund or only reflects the exceptional circumstances prevailing in international credit markets over the past half year. Finally, in designing performance criteria in Fund programs, the IMF is intensifying its focus on the growth and structure of members' external debts and the relationship of such criteria to assessments of medium-term debt capacity of the borrowing country. These new and expanded activities by the Fund are likely to have favorable effects on the quality of lending and borrowing decisions and will help create an environment that, it is hoped, will avoid a recurrence of debt problems of the severity we have experienced recently.

In conclusion, the United States has vital long-run interests in strengthening the International Monetary Fund and in strengthening the supervision of banks' international lending. The liquidity needs now present in the world financial system and the consequences of failing to meet those needs also argue for prompt, favorable consideration by the Congress of the legislation to augment the financial resources of the International Monetary Fund. □

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, April 11, 1983.

I am pleased to appear before this committee once again to discuss the legislation now before you providing for an increase in the resources of the International Monetary Fund and to discuss related questions concerning the international financial situation and international lending by banks.

During the eight weeks since I last appeared before this committee to examine these issues, considerable progress has been made in addressing the problems associated with the heavy indebtedness and external financing problems of some of the major international borrowers. However, the international financial system still remains subject to extraordinary pressures. Borrowing countries, the international banking community, the International Monetary Fund, and governments of the lending nations, will all need to continue the efforts well started and to build upon the progress that has been made. The Senate Committee on Foreign Relations has acted promptly in reporting out the IMF legislation, and my hope is that this committee, after due deliberation, will also act favorably on this important matter, critical to the entire effort. In my opinion, the proposed increase in the resources of the IMF remains the key element in a successful strategy of dealing with international financial strains for the short run as well as for the long run.

The federal bank regulators have completed a review of proposals for strengthening supervision and regulation of U.S. banks engaged in international lending. The "Joint Memorandum" of April 7 on our proposed program in this area appears as an appendix to this statement.

In my testimony today I will touch briefly on each of these three areas of recent activity: the international financial situation, the IMF legislation, and our proposals with regard to international lending.

International Financial Situation

During the past two months, further progress has been made in putting into place programs to deal with some of the problems of important borrowing countries that during the closing months of 1982 threatened the stability of the international financial system as well as their own economic prospects. This progress has involved strong actions of the borrowing countries themselves, supported by the IMF, by the international banking community, and in some instances by other governments and central banks.

In the important case of Mexico, the government has been effectively implementing its stabilization program approved by the IMF in late December. Economic activity had, of course, been severely affected by the balance of payments and economic pressures before the program could be implemented, and the shortage of foreign exchange has been reflected in a sharp drop in imports and in the current account deficit. But there are also early signs that more fundamental adjustment processes are beginning. Meanwhile, in late March, the first disbursement on the $5 billion bank credit took place, and a large part of earlier official "bridge" financing has been repaid. Other components of Mexico's external financial arrangements—the restructuring of public sector debt maturing from August 1982 to December 1984 and of private sector debt—are proceeding. Despite the decline in oil prices, prospects appear favorable that the adjustment program can be carried through successfully, laying the base for renewed growth.

An important adjustment was made in the Brazilian stabilization program in mid-February when the cruzeiro was devalued sharply on February 18. The net effect should reinforce other measures to move toward external equilibrium, and Brazil, as a major oil importer, will ultimately benefit from the recent decline in oil prices. Meanwhile, banks have completed arrangements to loan new money to Brazil this year; the first drawdown was on March 10. In some respects, the Brazilian adjustment may not be as far advanced—perhaps in part because the process started later—and the objective of halving both its current account deficit and budget deficit this year is ambitious. But the Brazilian economy has, of course, great potential, and the challenge can be met.

A number of other countries in Latin America and elsewhere are also grappling with difficult and painful external financial problems and internal imbalances. These countries are in various stages of negotiations with the IMF and lending institutions. Obviously the period of extraordinary liquidity pressures on the international financial system is not over. While the problems are manageable, they will continue to require the skill and patience of all the parties involved. Ultimately, successful evolution will also require a reasonably favorable world economic and financial climate—a circumstance that emphasizes the importance of policies in the United States and other leading countries. But it is also crystal clear that during this difficult period a great deal depends on the capacity of the IMF to provide leadership, and potentially resources, in the worldwide effort to maintain the kind of financial environment supportive of the needed growth. For that reason, I am gratified that the Senate Committee on Foreign Relations has completed its work on the authorizing legislation and that this committee has moved expeditiously in its consideration.

Progress on the IMF Legislation[1]

Three amendments were added by the Committee on Foreign Relations to legislation before you, each of which seems to me constructive. As I understand it, the first amendment essentially clarifies that the Congress has to authorize any future changes in the General Arrangements to Borrow (GAB) that would affect the basic terms of U.S. participation or the fundamental structure of the arrangement.

The second amendment would establish the sense of the Congress that consideration should be given to membership in the Bank for International Settlements (BIS), an institution that is playing an important role in dealing with the present strains on the financial system, as it has from time to time in the past. The BIS also provides a forum for more or less continuous consultation among central banks, and its role and functioning are of direct interest to the Federal Reserve.

For more than 20 years, the Federal Reserve has regularly participated in meetings at the BIS, including those of the Group of Ten central bank governors and the committee on banking regulations and supervisory practices. We have found this participation very useful but, on balance, have seen no urgent need to be a formal member and assume the seat on the board of directors reserved for the governor of the central bank of the United States.

We would, of course, be glad to examine the matter again, consulting not only with the Secretary of the Treasury and the Secretary of State, as provided in the amendment, but also with our central banking colleagues who are now members of the BIS. In that connection, I would point out that in addition to other considerations, formal U.S. membership necessarily would involve some attention to the day-by-day banking operations of the BIS that are not of primary interest to us.

The third amendment to the IMF legislation would establish the sense of the Congress that the IMF should strengthen its activities with regard to the collection and dissemination of information on the international borrowing and lending of its members, and it calls upon the Secretary of the Treasury to instruct the U.S. Executive Director of the Fund to discuss, propose, and vote for procedures to increase the IMF's traditional role in this area.

I fully support the thrust of this amendment. As you have noticed, the program for improved supervision and regulation of international lending proposed by the federal bank regulators puts forward similar ideas. We have proposed not only that the IMF try to improve the information flow between borrowers and lenders, but also that the IMF intensify its analysis for the benefit of members and the public of the trend and volume of international lending and strengthen its surveillance activities in this area. The surveillance activities of the IMF involve all members—including the United States—whether or not they are currently borrowing from the IMF. The Fund should be encouraged to examine closely policies of the members before international financial crises break. These activities are crucial to the IMF's central role in helping to guide the functioning of the international monetary system, and I believe they are not inconsistent with the general direction in which the IMF has been moving.

International Lending Proposals

The Joint Memorandum provides a rather complete treatment of the consideration of this important topic by the federal banking regulators, and I will not repeat the analysis here.

I would note the basic premise of the program before you is not that international lending by banks is contrary to the U.S. interest or that it should be abruptly curtailed, but that banks should maintain adequate financial strength to deal with unexpected contingencies and be strongly conscious of the need to diversify risks and avoid undue concentration. Those concerns should be a continuing part of the supervisory effort.

At this particular point, I should also reiterate that abrupt action by lenders to withdraw from lending can only be mutually self-defeating, pre-

1. An appendix on the role of the IMF in promoting a liberal international trading system is available from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

cipitating financial crises in otherwise creditworthy countries where sound economic policies are in place and damaging the stability of the international financial system. We need a balanced, sound, long-range approach, protecting against the possibility of a future crisis while permitting the flexibility to deal with the present situation. I would point out that, in general, lending in conjunction with IMF programs can be extended without increasing the exposure of the banks in terms of ratios of their loans to capital or assets; in fact, these ratios should decline moderately.

Against this background, the federal banking regulators have designed a five-part integrated program.

1. Strengthening of the country risk examination and evaluation system established in 1979.

2. Additional reporting and disclosure designed to provide the public with more current, complete, and consistent information about U.S. banks' aggregate exposure to countries and for individual banks in which the exposure passes an established threshold.

3. Requirement that banks make specific provisions—to the extent that they have not already done so—against certain country exposures when the country has been unable to service its debt over a protracted period of time and has no prospects of establishing arrangements to do so.

4. Establishment of guidelines to account for fees on syndicated international credits, in general requiring spreading of those fees over the life of the credit.

5. Strengthening of international cooperation in two areas. First, we would where possible coordinate our actions with bank supervisors abroad to limit competitive inequalities, to assure equal treatment of lenders and borrowers, and to reinforce the effectiveness of U.S. programs. We also suggest an increased role of the IMF in improving information flows (along the lines of the amendment to the IMF legislation by the Committee on Foreign Relations) and strengthening its surveillance over member countries.

You will note that our program does not include the establishment of country lending limits. We concluded that lending limits based upon objective criteria are likely to be entirely too rigid. More or less permanent limits would fail to distinguish between countries capable of carrying substantial debt without significant transfer risk and countries in which smaller amounts of debt still raise large problems of transfer of risk. Lending limits based on subjective judgments that change over time are likely to have capricious and abrupt effects on flows of credit, imply a degree of foresight on the part of the regulators that may not be realistic, be difficult to administer fairly, and involve the impression of politically charged judgments. Moreover, extremely difficult transitional problems would arise in current circumstances.

Finally, we believe the bank regulatory agencies can use, and would plan to use, existing authority, including authority to define and prevent unsafe and unsound banking practices, to implement the program I have outlined. For that reason, legislation along the lines of the Heinz–Proxmire bill does not appear necessary, but I point out, with the exception of the country lending limits provision, our proposals parallel the subject matter of the bill. In view of the technical complexity of some parts of the program and the need to adapt the program in light of experience and economic circumstances, rigid or inconsistent legislative specifications would be undesirable. In any event, before this program is fully implemented we will want to consider comments from the Congress, the banks, and the public, as well as from bank supervisors abroad.

Appendix A: Joint Memorandum on Program for Improved Supervision and Regulation of International Lending, April 7, 1983

In recent years, the banking systems in the United States and abroad have extended large amounts of credit to foreign borrowers, including foreign governments. As a result of strained economic conditions worldwide, a number of countries, particularly in Latin America, have simultaneously experienced reduced foreign exchange earnings and external financing problems, thus helping to precipitate problems in servicing debt burdens built up over a number of years. As part of the necessary readjustment, many of the major borrowers have adopted economic stabilization programs approved by the IMF and involving, in addition to important domestic measures, both the restructuring of existing bank credits and the extension of a limited amount of new credit. This situation has raised concern that there should be in place strengthened supervisory and regulatory practices aimed at avoiding excessive concentrations of credit in foreign countries.

In response to these problems, the federal bank regulators have reviewed a number of suggestions for strengthening supervision and regulation of U.S. depository institutions engaged in foreign lending. Some foreign lending (for example, that to private companies abroad) includes elements of credit risk analogous to domestic lending—elements relating to the capacity and willingness of borrowers to generate resources from operations to repay debts. Lending to foreign governments (that is, sovereign lending), while not entirely free of credit risk, is not subject to the same "market test" of potential insolvency. However, all foreign lending must take account of risks not present in domestic private or public lending (that is, transfer risk). Thus, overall "country exposure" is also a relevant concept for assessing the risks involved in foreign lending.

Transfer risk means the possibility that a borrower may not be able to maintain debt servicing in the currency in which the debt is to be paid because of a lack of foreign exchange. A bank's country exposure is defined as all cross-border and cross-currency claims and contingent claims on residents of the country, plus other credits guaranteed by residents of the country, less credits guaranteed by residents of other countries and net local currency assets of the bank's offices in the country.

As a result of our review of the supervision and regulation of foreign lending, a five-point program has been developed. The objective of the program is to encourage prudent private decisionmaking in foreign lending that appropriately recognizes the risks while permitting the exercise of lender discretion in the funding of creditworthy borrowers both here and abroad. The proposed procedures reinforce two of the basic principles of sound banking—diversification of risk and maintenance of adequate financial strength to deal with unexpected contingencies. The program will help assure earlier recognition of potential international payments problems, encourage orderly responses to these problems, and provide for stronger reserves to meet adverse conditions when they infrequently, but inevitably, arise.

The five-point program consists of the following elements:

1. Strengthening of the existing program of country risk examination and evaluation.
2. Increased disclosure of banks' country exposures.
3. A system of special reserves.
4. Supervisory rules for accounting for fees.
5. Strengthening international cooperation with foreign banking regulators and through the International Monetary Fund.

The program constitutes an integrated package—none of the elements alone could accomplish the intended objectives. This memorandum summarizes the principal aspects of the five points.

The program has been designed to create incentives for prudent lending but without establishing arbitrary obstacles to international capital movements or preventing the continuation of credit flows to creditworthy borrowers. Depending upon particular circumstances, continued capital flows to basically creditworthy countries in current strained economic conditions remain appropriate—especially in the context of IMF-approved economic stabilization programs—in order to encourage appropriate adjustment by borrowers to their problems, to maintain their capacity to service their outstanding debt, and therefore to preserve the integrity of existing bank assets. These considerations are, of course, not unique to international lending, but the scale of the lending to particular foreign borrowers means that broader considerations of the stability of the international financial and economic system are at stake as well; this fact is reflected in the role of the IMF and other official lending. The five-point program set forth below is designed to recognize these circumstances.

Strengthening of Country Risk Examination and Evaluation

As a first step, the federal banking regulators intend to strengthen their present program of country risk examination and evaluation basically established in its present form in 1979. Our review of the operation of this system indicates that increases in banks' country exposure have not in all cases been brought to the attention of high-level management as explicitly and forcefully as they probably should have been. This procedure can be made more effective by establishing clearer guidelines for examiners in formulating exposure warnings and for assuring that these warnings are considered at the policymaking level within bank management. Its more effective use should help to avoid risk concentration and to increase risk diversification.

As a separate part of country risk examination and evaluation, the federal banking regulators will also analyze a bank's capital adequacy in relationship to the level of diversification of the bank's international portfolio. Those institutions with relatively large concentrations of credit in particular countries will be expected to maintain generally higher overall capital ratios than those institutions that are well diversified. As part of this process, the banking regulators will further develop, as a reference point, standards for country exposure concentration as it relates to capital adequacy. Because banks vary in their current capital positions and other elements of risk exposure, the implications for the capital adequacy of any particular bank would have to be evaluated on a case-by-case basis.

In general, the characteristics of a bank's country exposure will be considered a factor to be weighed in the application of the capital adequacy guidelines used by the federal banking agencies. Thus, recommendations on capital levels as a function of country exposure concentrations will form an integral part of the overall supervision and regulation process. In accordance with their recommendations in this regard, the banking regulators will expect appropriate corrective action as necessary to conform to safe and sound banking practices, taking full account of the need for flexibility in some circumstances for responding to needs for additional credit as part of well-considered adjustment programs.

Additional Disclosure

Experience suggests that the identification of increased country exposure and transfer risk based on a subjective analysis of economic factors, particularly in cases of larger countries, may not always take place at a sufficiently early stage so as to make adjustment in banks' lending feasible without jeopardizing service of existing debts or, indeed, without disrupting the financial system more generally. Disclosure triggered by subjective risk evaluation may aggravate the problem. However, more routine disclosure, centered around the concept of concentration, may strengthen other approaches, helping to bring appropriate marketplace discipline to bear on lending decisions.

Depositors and investors, through their individual decisions, will have the information to assess better the prudence of foreign lending and require greater risk diversification and adequate reserves as the condition for their increased deposits and investments in banks' equity and other securities. Banks will need to be prepared to defend policies leading to large and concentrated country exposure as a consequence of their continuing reporting requirements, and indeed considerable movement has been made in that direction by some institutions. The best current practice should be made more uniform. To that end, individual banks should make public disclosure of all concentrations of country exposure that are material.

Another step toward better analysis of developing trends in international lending is more frequent and earlier availability of aggregate data. To this end, reports on material country exposure should be submitted to the banking supervisors quarterly, instead of semiannually as at present. In this connection, the banking supervisors will require that the reports be submitted more promptly than in the past so that the aggregate information on lending by U.S. banks can be made available to the public on a more current basis.

Special Reserves

Another incentive for risk diversification and increased financial strength can be created through establishment of a system of provisioning against certain country exposures. When a borrower has been unable to service its debts over a protracted period of time, whether or not that borrower is a sovereign, it is appropriate to recognize the risks and the diminished quality of the assets represented by these loans. Indeed, to the extent interest has not been paid, that by itself diminishes the value of the underlying asset.

It is prudent that the lending institutions establish specific provisions against such assets in order to reflect more accurately the current condition of the asset. Although some banks now make reserve provisions for such purposes, this approach should be more systematic. Such provisions would be deducted from current earnings and, to the extent required by regulation, would not be included in capital for regulatory and accounting purposes. The prospective requirement for reserving, with its attendant bottom-line earnings impact, should act as a cautionary element when the initial decision to lend is being made. Such reserve provisions would not apply to lending to a country in which the terms of any restructuring of debt were being met, in which interest payments were being made, and in which the borrowing country is complying with the terms of a stabilization program that has been approved by the IMF.

Accounting for Fees

This program element would establish rules for accounting for fees charged in connection with international lending. Some concern has been expressed that so-called front-end fees, when taken into income in the quarter or year in which they are charged, provide an added incentive to seek out international loans in order to boost earnings immediately and, once this has occurred, to sustain past earnings levels. The general practice in the industry is, apparently, to treat a portion of these loan fees—that part which is paid to all participating lenders—as interest to be taken into earnings over the maturity of the credit and the remainder—syndication fees—as current income. However, specific practice apparently varies, and the more conservative practices may not prevail generally. Therefore, it would be desirable to assure uniform rules so that artificial incentives are not created for foreign lending. To this end, the regulators are prepared to establish rules to require that front-end fees be treated as interest except when they are identifiable as reimbursement of direct costs.

International Cooperation

Present problems in foreign lending are international in scope, and an effective program for limiting the potential scope for such problems in the future must be coordinated with bank supervisors abroad and with the activities and operations of the International Monetary Fund.

Coordination with overseas bank supervisors can help to avoid competitive inequalities, to assure equal treatment of lenders and borrowers, and to reinforce the effectiveness of U.S. programs. The bank regulatory agencies will seek understandings with foreign bank authorities to help achieve the objectives of risk diversification and strengthened financial condition that we have set for ourselves.

Similarly, the IMF can play a major role, particularly with borrowers, in avoiding situations involving excessive buildups of credit, especially short-term credit. We intend to work in the following areas to improve information flows and to ensure a more effective IMF surveillance process:

1. In its consultations with member governments on their economic policies, the Fund should intensify its examination of the trend and

volume of external indebtedness of private and public borrowers in the member country and comment to the country and in its reports to the executive board of such borrowing from the viewpoint of its contribution to the economic stability of the borrower. The IMF might also consider the extent or form in which these comments might be made available to the international banking community and the public.

2. As part of any member's stabilization program approved by the IMF, the Fund should place limits on public sector external short- and long-term borrowing.

As a part of its annual report, and at such times as it may consider desirable, the Fund should publish information on the trend and volume of international lending in the aggregate as it affects the economic situation of lenders and borrowers and the smooth functioning of the international financial system.

Consideration of Lending Limits

The foregoing program does not include the establishment of country lending limits. It was concluded that lending limits based upon objective criteria are likely to be too rigid. Such limits would fail to distinguish between countries capable of carrying substantial debt without significant transfer risk and countries in which smaller amounts of debt still raise large transfer risk problems. On the other hand, lending limits based on subjective judgments that change over time are likely to have capricious and abrupt effects on flows of credit, imply a degree of foresight on the part of the regulators that may not be realistic, and be difficult to administer fairly while avoiding political complications. Finally, in view of the substantial exposures already incurred, a program of lending limits would not be workable except with a very long transition period that would tend to vitiate its credibility.

The problem that is before the international financial community today is one of maintaining a reasonable flow of international credit to allow time for orderly adjustment. As for the future, as levels of exposure decrease over time, the program of intensified regulatory surveillance and evaluation of country exposures, additional disclosure, special reserves, rules for fee accounting, and improved international cooperation should prove sufficient to deal with buildups of concentrations of international credit that might threaten a sound banking system.

Implementation Authority

The authority of the bank regulatory agencies to define and prevent unsafe and unsound banking practices under their enabling statutes and the Financial Institutions Supervisory Act of 1966 could be used to implement the program outlined above insofar as the agencies require regulatory action. A number of similar measures have been taken in the past utilizing this authority, and the courts have generally sustained the banking agency actions. To be effective, the banking agencies must demonstrate a clear link between the established prudential practice and the safety and soundness of depository institutions—a relationship that past experience indicates can be established in the area of international lending. In view of the existence of this authority, it would not be desirable to establish rigid or inconsistent legislative rules that could limit the ability of the banking regulators to adapt the program as they gain experience with its implementation and could have the unwarranted and unintended effect of discouraging the international lending necessary to support world trade and economic recovery. □

Announcements

Thrift Institutions Advisory Council: New Members

The Federal Reserve Board on March 15, 1983, announced the appointment of seven new members of its Thrift Institutions Advisory Council and designated Harry W. Albright, President of the Dime Savings Bank, New York, New York, as President of the Council for the current year. Thomas R. Bomar, President of AmeriFirst Federal Savings and Loan Association of Miami, Florida, has been designated Vice President of the Council.

The Council is an advisory group made up of ten representatives from nonbank depository thrift institutions. The panel was established by the Board in 1980 and includes seven savings and loan officials, two mutual savings bankers, and one credit union representative. The Council meets at least four times each year with the Board of Governors to discuss developments relating to thrift institutions, the housing industry and mortgage finance, and certain regulatory issues.

Under the Monetary Control Act of 1980, thrift institutions, for the first time, became subject to reserve requirements of the Federal Reserve System; were required to provide reports on their deposits; and had access to the discount window and other System services.

The newly appointed members to the Council, in addition to Mr. Bomar, are the following:

James A. Aliber, Chairman and Chief Executive Officer of First Federal of Michigan, Detroit, Michigan.

Gene R. Artemenko, President of United Airlines Employees' Credit Union, Chicago, Illinois.

John R. Eppinger, President and Chief Executive Officer of MainLine Federal Savings and Loan Association, Villanova, Pennsylvania.

Norman M. Jones, President of Metropolitan Federal Savings and Loan Association, Fargo, North Dakota.

Robert R. Masterton, President of The Maine Savings Bank, Portland, Maine.

Fred A. Parker, President of Heritage Federal Savings and Loan Association, Monroe, North Carolina.

Those reappointed to the Council, in addition to Mr. Albright, are the following:

Mary A. Grigsby, Chairman and Chief Executive Officer of Houston First American Savings Association, Houston, Texas.

James F. Montgomery, Chairman of the Board of Great Western Financial Corporation, Beverly Hills, California.

Regulation D: Amendment and Proposal

The Federal Reserve Board has announced an amendment to Regulation D (Reserve Requirements of Depository Institutions) modifying reserve requirements on nonpersonal time deposits, effective March 31, 1983.

Under the amendment, nonpersonal time deposits with original maturities of two and one-half years or more will have no required reserves. Nonpersonal time deposits with original maturities of less than two and one-half years will continue to be subject to a 3 percent reserve requirement.

The existing reserve requirement for nonpersonal time accounts with original maturities of less than three and one-half years is 3 percent. The Board amended the rule to conform Regulation D with action by the Depository Institutions Deregulation Committee (DIDC) that created a ceiling-free negotiable or nonnegotiable time deposit with an original maturity of two and one-half years or more.

Nonpersonal time deposits are defined by the Monetary Control Act as time deposits that are transferable, regardless of the nature of the holder, and time deposits in which any beneficial interest is held by a depositor that is not a natural person.

The minimum maturity of a time deposit instrument of two and one-half years or more is scheduled to decrease by one year annually until March 31, 1986, at which time the minimum maturity will be that specified for any time deposit. The Board said, however, that its action does not indicate that it will make further adjustments in the reserve requirements on nonpersonal time deposits. The Board noted that reducing further the maturity break for reserve requirements on nonpersonal time deposits could have an adverse effect on monetary and credit conditions by eroding the reserve base and loosening the linkage between reserves and deposits in the money stock.

The Board has also issued for comment a proposal to amend Regulation D by reducing the deposit reporting burden for small institutions. Comment was requested by April 8, 1983.

REGULATION Z: AMENDMENTS

The Federal Reserve Board adopted several amendments to Regulation Z (Truth in Lending) affecting arrangers of credit, student loans, and the use of calculation devices in determining annual percentage rates. The amendments were effective April 1, 1983. The Board acted after consideration of comment received on proposals published in January.

Two of the amendments implement provisions of the Garn–St Germain Depository Institutions Act of 1982. The first implements the act's deletion of "arrangers of credit" from the definition of creditor. The second implements the provision of the act exempting student loans made under title IV of the Higher Education Act of 1965 from the requirements of Truth in Lending.

The Board also reinstated two provisions of the regulation dealing with errors in calculation of the annual percentage rate resulting from the use of faulty calculation tools.

In addition, the Board is renumbering certain provisions of Regulation E (Electronic Fund Transfers), which cross-reference provisions of Regulation Z, to bring them into line with the revision and simplification of Regulation Z.

FEE SCHEDULES

The Federal Reserve Board has announced revisions to the national fee schedule for its book-entry securities service (computer recording of government securities and related wire transfers), effective April 28, 1983.

The Federal Reserve is pricing its services to banks and other depositories in compliance with the Monetary Control Act of 1980. As required by the act, the schedule is designed to recover the full costs of providing the service, plus a private sector adjustment factor (PSAF).[1] The Board adopted its new fee schedule for book-entry securities service after receiving comment on proposals published in December 1982.

The Board's national fee schedule (in dollars) for book-entry securities service is as follows:

Component	Fee
On-line transfer originated[1] (per transfer)	3.00
Off-line transfer originated (per transfer)	10.00
Off-line transfer received (per transfer)	10.00
Account maintenance (per account/per month)	15.00
Issues in accounts maintained (per issue/per month)	.50

1. For all Federal Reserve Districts except New York the fee schedule for on-line transfers originated through the Federal Reserve Bank of New York will be based on the time of day the transfers are originated.

In addition, the Board announced on March 17, 1983, that it will continue without change current charges to depository institutions for wire transfer of funds and net settlement services.

The Federal Reserve is pricing its services to banks and other depositories in compliance with the Monetary Control Act of 1980. The act requires that the Federal Reserve charge explicitly for its services and that the charges recover the System's costs of providing the priced services plus the PSAF. The fees are in accordance

1. The PSAF is an allocation of imputed costs taking into account taxes that would have been paid and the return on capital that would have been provided had the services been provided by private-sector firms.

with pricing principles established by the Board and published in December 1980.

The current fee schedules for the wire transfer and net settlement services were put into effect April 29, 1982. The Board has concluded that these fee schedules should be retained because revenues for these services are covering costs, including the PSAF, and are expected to continue to do so.

Accordingly, the fee schedules (in dollars) for the Federal Reserve's wire transfer of funds and net settlement services will continue in effect as follows:

Wire transfer of funds		Net settlement[1]	
On-line transfer			
Originator	.65	Settlement entries	1.30
Receiver	.65		
Off-line surcharges		*Off-line surcharges*	
Originator	3.50	Per settlement	5.00
Receiver	2.25	Telephone advice	2.25

1. Reserve Banks may charge higher fees for net settlement arrangements that result in higher costs.

ANNUAL REPORT: PUBLICATION

The Sixty-Ninth *Annual Report* of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1982, is available for distribution. Copies may be obtained on request to Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

CHANGE IN BOARD STAFF

The Board has announced the retirement of Murray Altmann, Assistant to the Board, Office of Staff Director for Monetary and Financial Policy, effective February 25, 1983.

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period March 11 through April 10, 1983:

California
Los Angeles .. American Pacific State Bank
Colorado
Longmont ..... Pioneer Bank of Longmont

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON FEBRUARY 8–9, 1983

Domestic Policy Directive

Preliminary estimates of the Commerce Department indicated that real gross national product had declined at an annual rate of 2½ percent in the fourth quarter of 1982. The decline was the result mainly of a sharp contraction in business inventories; final sales increased appreciably in the quarter. Average prices, as measured by the fixed-weight price index for gross domestic business product, rose at an annual rate of about 4¾ percent. Over the four quarters of 1982, real GNP declined about 1¼ percent, nominal GNP grew about 3¼ percent, and the increase in prices on average decelerated sharply to about 4¾ percent.

The nominal value of retail sales edged down in December, but rose 3 percent in the fourth quarter as a whole. Retail sales at automotive outlets strengthened considerably in the fourth quarter, and sales at general merchandise and furniture and appliance stores also picked up. Sales of new domestic automobiles were at an annual rate of about 6 million units in the fourth quarter, compared with an average selling pace of about 5½ million units during much of 1982; in January, sales continued at about the fourth-quarter pace.

Private housing starts fell somewhat in December, following a surge in November, but at an annual rate of 1¼ million units in the fourth quarter, starts were about 45 percent above the cyclical trough of a year earlier. Combined sales of new and existing homes have advanced appreciably in recent months.

Spending for business fixed investment declined substantially further in the fourth quarter to a rate nearly 8½ percent below the recent peak in the fourth quarter of 1981. The decline was concentrated in outlays for durable equipment, but nonresidential construction spending also fell somewhat. According to the Department of Commerce survey taken in November and December, plant and equipment spending would decline about 1¼ percent in 1983; taking account of respondents' expectations of inflation, the survey results implied a decline of about 5¼ percent in real terms, compared with a decline of 4¾ percent in 1982.

Nonfarm payroll employment increased 340,000 in January, after an average monthly decline of about 200,000 in the second half of 1982. Other indicators also suggested improvement in labor markets: in manufacturing, employment edged up for the first time in about a year and a half and the factory workweek increased 0.8 hour to 39.7 hours. However, the January data may have overstated the improvement in labor market conditions because of seasonal adjustment problems. The civilian unemployment rate fell 0.4 percentage point to 10.4 percent, as the civilian labor force declined substantially.

The producer price index for finished goods was about unchanged in December, reflecting a decline in prices of energy-related items and only modest increases in prices of consumer foods and other goods. During 1982 the index rose 3½ percent, about half the pace recorded in 1981. The consumer price index declined 0.3 percent in December, as homeownership costs fell sharply and prices for food and energy declined as well. Over the year the index increased less than 4 percent, compared with a rise of about 9 percent in 1981. Price increases were smaller in 1982 than in 1981 for all major components of the index. The rise in the index of average hourly earnings slowed further in the final months of 1982. Over the year the index rose about 6 percent, compared with an increase of about 8½ percent over 1981.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies had declined about 3 percent further from mid-December to about mid-January. Subsequently, the dollar appreciated and was up on balance over the period since the Committee's meeting in December. In the fourth quarter the U.S. merchandise trade deficit was close to the relatively high third-quarter rate. Agricultural exports continued at about the reduced third-quarter rate while a decline in nonagricultural exports was roughly offset by a decline in imports.

In July 1982 the Committee reaffirmed the objectives for monetary growth that it had set in early February for the period from the fourth quarter of 1981 to the fourth quarter of 1982 and also decided tentatively to retain the 1982 target ranges for 1983. Those objectives included ranges of 2½ to 5½ percent for M1, 6 to 9 percent for M2, and 6½ to 9½ percent for M3. The associated range for bank credit was 6 to 9 percent. The Committee agreed that growth in the monetary and credit aggregates around the top of the indicated ranges would be acceptable and that it would tolerate for some period of time growth somewhat above the target ranges if uncertainties relating to unsettled economic and financial conditions should lead to unusual precautionary demands for money and liquidity.

Actual monetary growth during 1982 was above the Committee's target ranges. M1 grew about 8½ percent on a fourth-quarter to fourth-quarter basis, substantially more than in 1981 and well above the target range. M2 and M3 expanded 9.2 percent and 10.1 percent respectively over the four quarters of 1982, somewhat above the upper limits of their target ranges; prior to certain revisions and redefinitions of M2 and M3 in early 1983, their indicated growth rates for 1982 had been 9.8 percent and 10.3 percent respectively.[1] Bank credit expanded about 7 percent during the year.

At its meeting on December 20–21, the Committee had decided to seek to maintain expansion in bank reserves consistent with growth of M2 at an annual rate of around 9½ percent and growth of M3 at an annual rate of about 8 percent for the period from December to March. The objective for M2 was designed to allow for a modest amount of growth resulting from shifts into the newly authorized money market deposit accounts (MMDAs) from large-denomination certificates of deposit or market instruments. For both M2 and M3, the Committee had noted that greater growth would be acceptable if analysis of incoming data and other evidence from banking and market reports indicated that the new MMDAs were generating more substantial shifts of funds from market instruments into the broader aggregates. The intermeeting range for the federal funds rate, which provides a mechanism for initiating further consultation of the Committee, was set at 6 to 10 percent.

On several occasions following the December meeting, the Committee discussed the extraordinarily rapid growth in MMDAs that had taken place since the accounts had become available in mid-December and the implications of that growth for the behavior and interpretation of the monetary aggregates. At the conclusion of a discussion on January 28, 1983, it was the Committee consensus to maintain the existing degree of reserve restraint for the time being but not to increase that restraint further in response to the reported over-target growth of the broader monetary aggregates because that growth appeared to be primarily related to the massive redistribution of funds under way.

M2 grew at an estimated annual rate of about 29 percent in January, following an increase at an

1. The revised data for the monetary aggregates reflect new benchmarks and revised seasonal factors and some relatively minor changes in definitions of the broader aggregates that were published on February 11, 1983. As redefined, the broader aggregates now include balances in tax-exempt money market mutual funds on the same basis as those in taxable money funds and no longer include balances in individual retirement or Keogh accounts at depository institutions and money market mutual funds.

M1 comprises demand deposits at commercial banks and thrift institutions, currency in circulation, traveler's checks, negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, and credit union share draft accounts. M2 contains M1 and savings and small-denomination time deposits at all depository institutions, money market deposit accounts (MMDAs) at all depository institutions, overnight repurchase agreements (RPs) at commercial banks and retail RPs at all depository institutions, overnight Eurodollars held at foreign branches of U.S. banks by U.S. residents other than banks, and taxable and tax-exempt money market mutual fund shares other than those restricted to institutions. M3 is M2 plus large-denomination time deposits at all depository institutions, large-denomination term RPs at commercial banks and savings and loan associations, and taxable and tax-exempt institution-only money market mutual fund shares.

annual rate of about 8 percent in December. At this meeting it was reported that MMDAs had grown to more than $210 billion by late January, and available evidence suggested that some of the December increase in M2 and much of the surge in January was related to the associated shifts of funds out of non-M2 assets—such as market instruments and large-denomination CDs—into MMDAs. Abstracting from such shifts, which could be calculated only very roughly, the growth of M2 over the December–January period was estimated to have been at a pace that was generally consistent with the Committee's longer-run growth objective for this aggregate. Growth of M3, estimated at annual rates of about 3¼ percent in December and 11 percent in January, was much less affected by the introduction of MMDAs, as depository institutions responded to large net inflows of funds in part by allowing their large-denomination certificates of deposit to run off. Growth of M1 remained rapid in January, although the increase was appreciably smaller than the average pace in other recent months. To date, M1 growth appeared to have been little affected on balance by the introduction of MMDAs in mid-December or of Super NOW accounts in early January.

Expansion in total and nonborrowed reserves slowed considerably in January; the slowing reflected the moderation in growth of transaction balances as well as the substantial reduction in required reserves associated with the attrition of large-denomination CDs and shifts out of savings and other time deposits into nonreservable MMDAs. Excess reserves were extraordinarily high around the turn of the year, and also were on the high side around mid-January, reflecting usual year-end pressures and the implementation of two mandated reserve requirement reductions. Also reflecting typical year-end money market churning, adjustment borrowing (including seasonal borrowing) was quite large at the beginning of the year, but it tended to be relatively low thereafter, with the federal funds rate remaining close to the 8½ percent discount rate except for a brief period around year-end.

Interest rates on private short-term market instruments were little changed over the period, while yields on corporate bonds were up about 30 basis points. Yields on most U.S. Treasury bills rose about 35 to 40 basis points, and rates on Treasury notes and bonds increased about 35 to 45 basis points, apparently in response to the substantially increased recent and prospective volume of Treasury financing. The prime rate charged by most commercial banks on short-term business loans was reduced ½ percentage point to 11 percent in mid-January. Average rates on new commitments for fixed-rate conventional home mortgage loans at savings and loan associations declined about ½ percentage point over the intermeeting period to a level a little above 13 percent.

Total credit at U.S. commercial banks accelerated to an annual rate of about 10½ percent in December and was estimated to have picked up further in January. Banks responded to the strong inflows of funds into MMDAs by purchasing sizable amounts of Treasury and other securities. Banks also expanded their loans somewhat.

Staff projections presented at this meeting suggested that real GNP would turn upward in the first quarter and continue to grow moderately during 1983. The unemployment rate was expected to remain at a high level, while inflation, as measured by the fixed-weight price index for gross domestic business product, was projected to slow somewhat further over the year.

In the Committee's discussion of the economic situation and outlook, members emphasized that signs of an economic recovery had multiplied in recent weeks, and while some question remained about the actual onset of the recovery the members generally agreed that moderate growth in real GNP was a reasonable prospect for 1983 as a whole. The members also believed that economic recovery could be achieved without a resurgence in inflation, partly in light of favorable prospects for productivity growth and for oil prices. The cautionary note was expressed, however, that inflationary expectations, as well as actual prices and wages, would be importantly influenced by federal budgetary developments, and monetary policy also needed to remain clearly oriented toward fostering further progress in containing inflation.

While the outlook for economic activity and prices was generally viewed as favorable, it remained subject to considerable uncertainty. Some members stressed the potential obstacles to a sustained recovery, including the prospect of continuing large federal deficits in the absence of new legislation, the outlook for weak export markets, real interest rates that were still high by historical standards, and the possibility of further disturbances in international and domestic financial markets. On the other hand, a number of members commented that once under way, the recovery might gather momentum and prove to be markedly more vigorous than the staff had projected, with the expansion in 1983 perhaps more in line with the average experience in the first year of previous economic recoveries.

For the period from the fourth quarter of 1982 to the fourth quarter of 1983, the central tendency of the members' projections was for growth in real GNP in a range of 3½ percent to 4½ percent, while the range for all members was from 3¼ percent to 5½ percent. The central tendency for the GNP deflator was a range of 4 to 5 percent, and for growth in nominal GNP it was a range of 8 to 9 percent. Projections for the rate of unemployment in the fourth quarter of 1983 ranged from 9¾ to 10½ percent, with a central tendency of 9.9 to 10.4 percent. These projections were based on the Committee's objectives for monetary and credit growth established at this meeting, and the members generally assumed that legislative progress would be made over the months ahead in reducing federal deficits in future years.

In reviewing at this meeting the monetary and credit objectives for 1983 that it had tentatively established in July within the framework of the Full Employment and Balanced Growth ("Humphrey–Hawkins") Act of 1978, the Committee recognized that its assessment of appropriate growth targets for implementing broad economic goals was complicated by a number of economic and institutional factors. Members took particular note of the fact that the relationships between monetary and credit growth to income and expenditures had deviated markedly from past patterns during 1982. The deviations in question were reflected in atypical behavior of the income velocity of various measures of money—the ratio of gross national product to the individual monetary measures—all of which fell sharply in 1982. To a considerable extent the declines in velocity appeared to be a consequence of strong precautionary demands for monetary assets in a period characterized by economic uncertainties and severe strains in financial markets. In addition, declining short-term market rates in the latter half of the year had encouraged inflows into NOW accounts, which have become an increasingly important component of M1, as the cost of holding such accounts relative to market instruments fell considerably. Late in the year, the authorization by the Depository Institutions Deregulation Committee (DIDC) of new deposit instruments incorporating transaction features and paying interest returns tied to market rates may have been associated with some anticipatory increases in balances at depository institutions. Against the background of sharply declining velocity, the Committee had concluded that rigid adherence to the 1982 targets would have resulted in a much more restrictive policy impact than had been intended.

For 1983 the Committee faced the question of whether underlying relationships between monetary and ultimate economic objectives might still be in the process of changing. Past cyclical expansions had typically been accompanied by sharp increases in velocity, particularly for the narrower measures of money. Developments during 1982 suggested, however, that increases in velocity might be relatively restrained in 1983. Reduced rates of inflation, a markedly lower level of interest rates, and institutional changes characterized by a greater availability of market-related interest rates on transaction accounts could induce larger holdings of monetary assets relative to income than usually occurs during a cyclical upturn. The payment of market rates on the new Super NOW account could have an especially pronounced impact on the income velocity of M1 as could the continued attractiveness of regular NOW accounts if short-term market interest rates were to remain near, or fall below, current levels. More generally, movements in M1 could be influenced increasingly by attitudes toward savings as well as by transaction needs as the share of NOW accounts, which have both savings and transaction features, expands in this aggregate. Members recognized that it could take some time before this newly emerging behavior of M1 in relation to GNP became clear. The broader monetary aggregates, too, were being affected by institutional changes, with M2 especially influenced in 1983 by shifts into its MMDA component from market instruments and large-denomination CDs. Moreover, the phased deregulation of interest rate ceilings was undoubtedly changing the cyclical characteristics of the broader aggregates.

The Committee's assessment of appropriate monetary growth ranges was greatly complicated by the massive flows of funds associated with recently introduced deposit instruments, the Super NOW accounts and especially the money market deposit accounts. The extremely rapid buildup of MMDAs since mid-December had resulted in a substantial flow of funds into M2 from market instruments and large-denomination certificates of deposit, which are not included in M2, with the consequence that growth of that aggregate had been greatly inflated over the course of recent weeks. It was anticipated that further redistribution of funds associated with MMDAs and to a lesser extent with Super NOW accounts would continue to influence the behavior of the monetary aggregates to some degree. While uncertainties in predicting flows into these accounts were obviously great, the staff expected those inflows to moderate over the weeks ahead.

In the course of the Committee's discussion, a consensus emerged in favor of setting target ranges for all three measures of money but to depart from past practice in some respects in light of the complexities and uncertainties that were involved. Most of the Committee members agreed that it would be desirable for the time being to place substantial weight on the broader aggregates, M2 and M3. It was expected that, once the bulk of shifts had taken place, the performance of those aggregates in relation to economic activity might be somewhat more predictable than that of M1 during the year ahead, although major uncertainties affected all of the aggregates. Thus the members recognized that an unusual degree of judgment would be required in interpreting the performance of the monetary aggregates as a group. The ongoing appropriateness of the target ranges would need to be judged in the light of evolving economic conditions, including developments in domestic and international financial markets. In this connection a number of members stressed the overriding importance of assuring that monetary performance remained consistent with the basic objectives of fostering sustained economic recovery in a context of continuing progress toward price stability.

After weighing alternative growth ranges for 1983, a majority of the Committee expressed support for retaining the 1982 range for M3 and adopting higher ranges for M2 and M1 than had been targeted in 1982 to allow for ongoing institutional changes. The preferred range for M3 was therefore 6½ percent to 9½ percent on a fourth-quarter 1982 to fourth-quarter 1983 basis. In favoring this range, which contemplated growth below the actual outcome for 1982, Committee members assumed that M3 would not be greatly affected on balance by shifts of funds associated with the new deposit accounts. Depository institutions had the option, which many had already exercised in recent weeks, of reducing their issuance of large-denomination certificates of deposit if sizable inflows of MMDAs and other core deposits satisfied their need for funds.

For M2 majority sentiment centered on a range of 7 to 10 percent and the use of a February–March 1983 base period in the expectation that the latter would minimize distortions stemming from the highly aggressive marketing of MMDAs in the weeks since their mid-December introduction. The members assumed that the bulk of the MMDA-generated shifts into M2 from assets not included in that aggregate would be accomplished by March. The range did, however, allow for some modest future asset shifts into M2. Thus, while the new 7 to 10 percent range was above its 1982 counterpart, it was judged in practical effect to represent about the same or slightly lower growth over the balance of the year, after abstracting from the further anticipated shifts of funds into M2. Moreover, given the growth experienced in 1982, an actual outcome within the target range implied slower effective growth in 1983.

Committee members' views varied considerably on the weight to attach to M1—which had been given much less emphasis as a target beginning in the fourth quarter of last year when its behavior was distorted by maturing all-savers certificates and preparation for the introduction of new depository accounts—and some members questioned the desirability of adopting an M1 target at this time. More generally, the performance of that aggregate had been subject over the past year or more to substantial uncertainties related to the growing role of NOW accounts and an apparent shift in the behavior of its income velocity. Against that background, a majority of the members supported setting an M1 target with a relatively wide range for 1983 as a whole, and most members found acceptable a proposal to establish a specific range of 4 to 8 percent. The comparatively wide range for M1 reflected allowance for some possible change in its cyclical behavior as well as for its evolving character as an increasingly important vehicle for savings, especially in an environment of reduced inflation and interest rates. Only modest allowance was made for the possibility that the new Super NOW accounts would draw funds into M1 from other sources. It was understood that the target for M1 would have to be reassessed if the DIDC should extend the authority for depository institutions to pay market rates on transaction balances held by business firms.

It was agreed that the behavior of M1 would be monitored and that the degree of emphasis to be placed on that aggregate as the year progressed would depend on evidence about whether the behavior of the velocity of M1 was becoming more predictable and beginning to show its usual cyclical characteristics. Over the year, growth in the lower part of the range would be appropriate if velocity rose strongly, as had usually been the case during recoveries. An outcome near the upper end would be appropriate if velocity did not rebound sharply from the declines in 1982 and tended to stabilize close to current levels.

In addition to the specification of monetary growth targets, the members agreed on the desirability of indicating for the first time the Committee's expectations with respect to growth of total debt of domestic nonfinancial sectors during 1983 and a consensus was expressed for a growth range of 8½ to 11½ percent for that variable. A consistent range for growth in bank credit, which the Committee had associated with its monetary targets in previous years, was judged to be 6 to 9 percent, unchanged from the range in 1982. The new range for total credit encompassed growth about in line with expected growth of nominal GNP in accordance with longer-term trends, but the Committee recognized that in the particular circumstances likely to prevail in 1983, growth in the upper part of the range might occur. It was observed that data for such a broad credit aggregate were not currently available on a monthly basis, and that the Committee did not have the tools to exert close influence over total flows of credit. However, the Committee intended to monitor total debt flows closely for whatever information they could provide in assessing appropriate responses to developments in the targeted monetary aggregates.

Given the uncertainties and complexities involved in setting monetary growth targets for 1983, the members anticipated the need for reviewing those targets during the spring and possibly altering them in light of the accumulated evidence available at that time regarding the behavior of the aggregates and their relationship to other economic variables. Policy implementation in 1983 would in fact require a continuing reassessment of the performance of the monetary and credit aggregates, particularly in the aftermath of the unusual behavior of income velocities in 1982. Such reassessment would involve taking account of patterns of saving behavior and cash management among businesses and households, and of indications of changing conditions in domestic and international credit markets and in foreign exchange markets.

At the conclusion of its discussion, the Committee adopted the following:

The information reviewed at this meeting indicates that real GNP declined in the fourth quarter because of a sharp reduction in business inventories. Final sales increased appreciably, and the rise in prices remained much less rapid than in 1981. Retail sales and housing activity have strengthened in recent months, but business fixed investment has weakened further. Nonfarm payroll employment rose in January, after an extended period of declines, and the civilian unemployment rate fell 0.4 percentage point to 10.4 percent. In recent months the advance in the index of average hourly earnings has slowed further.

The weighted average value of the dollar against major foreign currencies depreciated moderately further from mid-December to mid-January, but a subsequent appreciation has more than offset that decline. In the fourth quarter the U.S. merchandise trade deficit was close to the relatively high third-quarter rate.

Growth of M2 surged to an extraordinary pace in January, apparently reflecting shifts of funds into recently authorized money market deposit accounts. Growth of M3 accelerated, following very slow expansion in December. Growth of M1 remained rapid in January, although it was down appreciably from the average pace in other recent months. Market interest rates on U.S. Treasury obligations have risen somewhat since the latter part of December, while rates on most private market instruments are about unchanged to slightly higher. Mortgage rates have declined further.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation further, promote a resumption of growth in output on a sustainable basis, and contribute to a sustainable pattern of international transactions. In establishing growth ranges for monetary and credit aggregates for 1983 in furtherance of these objectives, the Committee recognized that the relationships between such ranges and ultimate economic goals have been less predictable over the past year; that the current impact of new deposit accounts on growth rates of monetary aggregates cannot be determined with a high degree of confidence; and that the availability of interest on large portions of transaction accounts, declining inflation, and lower market rates of interest may be reflected in some changes in the historical trends in velocity. A substantial shift of funds into M2 from market instruments, including large certificates of deposit not included in M2, in association with the extraordinarily rapid build-up of money market deposit accounts has distorted growth in that aggregate during the current quarter.

In establishing growth ranges for the aggregates for 1983 against this background, the Committee felt that growth in M2 might be more appropriately measured after the period of highly aggressive marketing of money market deposit accounts has subsided. The Committee also felt that a somewhat wider range was appropriate for monitoring M1. Those growth ranges will be reviewed in the spring and altered, if appropriate, in the light of evidence at that time.

With these understandings, the Committee established the following growth ranges: for the period from February–March of 1983 to the fourth quarter of 1983, 7 to 10 percent at an annual rate for M2, taking into account the probability of some residual shifting into that aggregate from non-M2 sources; and for the period from the fourth quarter of 1982 to the fourth quarter of 1983, 6½ to 9½ percent for M3, which appears to be less distorted by the new accounts. For the same period a tentative range of 4 to 8 percent has been established for M1, assuming that Super NOW accounts draw only modest amounts of funds from sources outside M1 and assuming that the authority to pay interest on transaction balances is not extended beyond presently eligible accounts. An associated range of growth for total domestic nonfinancial debt has been estimated at 8½ to 11½ percent.

In implementing monetary policy, the Committee agreed that substantial weight would be placed on behavior of the broader monetary aggregates, expecting that current distortions in M2 from the initial adjustment to the new deposit accounts will abate. The behavior of M1 will be monitored, with the degree of weight placed on that aggregate over time dependent on evidence that velocity characteristics are resuming more predictable patterns. Debt expansion, while not directly targeted, will be evaluated in judging responses to the monetary aggregates. The Committee understood that policy implementation would involve continuing appraisal of the relationships between the various measures of money and credit and nominal GNP, including evaluation of conditions in domestic credit and foreign exchange markets.

Votes for this action: Messrs. Volcker, Solomon, Balles, Gramley, Martin, Partee, Rice, and Mrs. Teeters. Votes against this action: Messrs. Black, Ford, Mrs. Horn, and Mr. Wallich.

Mr. Black and Mrs. Horn dissented from this action because they preferred to give more weight to M1 as a policy objective. While recognizing the difficulties in interpreting M1 currently, they believed that over time M1 was more reliably related to the Committee's ultimate economic objectives than were the broader aggregates and that it constituted a better basis for setting appropriate paths for reserve growth. They also favored reemphasizing M1 because they viewed it as a more controllable aggregate. In addition, Mr. Black indicated that he saw a need for lower target ranges, but he wanted to reduce monetary expansion gradually to avert dislocative effects.

Mr. Ford dissented because be believed that policy should focus more firmly on implementing noninflationary growth via a smaller number of monetary targets. He also saw an urgent need to begin gradually reducing the rate of monetary growth in light of its inflationary potential, particularly when complemented by highly stimulative fiscal policy. He felt strongly that this combination of policies ran the risk of triggering another short-lived recovery that might be aborted in 1984 by a private credit shortage and the return of high inflation and interest rates.

Mr. Wallich favored somewhat lower monetary growth ranges for 1983, which in his view would be more consistent with the objectives of fostering economic recovery while minimizing the risks of stimulating inflation.

In their discussion of policy for the weeks immediately ahead, Committee members were generally in favor of maintaining the existing degree of restraint on reserve positions. Reference was made to an analysis that indicated that the current degree of restraint was likely to be associated with a slowing in the growth rates of the various monetary aggregates, although M2 growth would probably remain relatively rapid. The members agreed that the near-term outlook for growth in the monetary aggregates remained subject to unusual uncertainties, and an appropriate assessment of such growth would need to take account of distortions that might continue to be created by the introduction of new deposit accounts. If, after adjustment for such distortions, monetary growth were to slow appreciably over the weeks ahead and the monetary aggregates appeared to be growing at rates in line with or below the paths implied by the Committee's ranges for the year, most of the members indicated that they would find a reduced degree of reserve restraint acceptable. With regard to the intermeeting range for the federal funds rate, which provides a mechanism for initiating consultation of the Committee, the members favored retention of the current range of 6 to 10 percent.

At the conclusion of the Committee's discussion, the following short-run operational paragraph of the domestic policy directive was approved and issued to the Federal Reserve Bank of New York:

For the more immediate future, the Committee seeks to maintain the existing degree of restraint on reserve positions. Lesser restraint would be acceptable in the context of appreciable slowing of growth in the monetary aggregates to or below the paths implied by the long-term ranges, taking account of the distortions relating to the introduction of new accounts. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting is likely to be associated with a federal funds rate persistently outside a range of 6 to 10 percent.

Votes for this action: Messrs. Volcker, Solomon, Balles, Black, Gramley, Mrs. Horn, Messrs. Martin, Partee, Rice, Mrs. Teeters, and Mr. Wallich. Vote against this action: Mr. Ford.

Mr. Ford dissented from this action because he believed that policy should be directed more firmly toward gradually reducing monetary growth in the period immediately ahead. He was concerned that continued monetary expansion at recent rapid rates would restimulate inflation and threaten the sustainability of the economic recovery, especially against the backdrop of a very expansionary fiscal policy. □

Legal Developments

Amendment to Regulation D

The Board of Governors has amended Regulation D—Reserve Requirements of Depository Institutions (12 C.F.R. Part 204) to modify the reserve requirements on nonpersonal time deposits. Under the amendment, nonpersonal time deposits with original maturities of 2-1/2 years or more will be subject to a reserve requirement ratio of zero per cent. Nonpersonal time deposits with original maturities of less than 2-1/2 years will continue to be subject to a three per cent reserve requirement ratio. This action was taken in view of the change in the Depository Institutions Deregulation Committee's rules, effective April 1, 1983, to permit the issuance of a ceiling-free time deposit with an original maturity of 2-1/2 years or more which may be offered by depository institutions in negotiable form.

Effective March 31, 1983, the Board amends Regulation D (12 C.F.R. Part 204) by revising section 204.9 (a)(1) to read as set forth below:

Part 204—Reserve Requirements of Depository Institutions

Section 204.9—Reserve Requirement Ratios

(a)(1) *Reserve percentages.* The following reserve ratios are prescribed for all depository institutions, Edge and Agreement Corporations and United States branches and agencies of foreign banks:

Category	Reserve Requirement
Net Transaction Accounts	
$0–$26.3 million	3% of amount
Over $26.3 million	$789,000 plus 12% of amount over $26.3 million
Nonpersonal Time Deposit	
By original maturity (or notice period):	
less than 2-1/2 years	3%
2-1/2 years or more	0%
Eurocurrency Liabilities	3%

* * * * *

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

Orders Under Section 3 of the Bank Holding Company Act

Allied Bancshares, Inc., Houston, Texas

Order Approving Acquisition of Bank

Allied Bancshares, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares of Citizens National Bank of Beaumont, Beaumont, Texas ("Bank").

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

Applicant, the seventh largest banking organization in Texas, controls 46 banking subsidiaries with deposits of approximately $4.1 billion, representing 3.89 percent of total deposits in commercial banks in the state.[1] Bank, with deposits of $28.2 million, is the 447th largest commercial banking organization in Texas, holding 0.03 percent of total deposits in commercial banks in the state. Upon consummation, Applicant would remain the seventh largest banking organization in Texas, controlling 3.92 percent of total commercial bank deposits in the state. Thus, the Board concludes that acquisition of Bank would have no significant effect on the concentration of banking resources in Texas.

Bank is the eleventh largest banking organization in the Beaumont-Port Arthur banking market,[2] control-

1. All banking data are as of December 31, 1981, and include acquisitions as of September 30, 1982.
2. The Beaumont-Port Arthur banking market is approximated by the Beaumont-Port Arthur-Orange SMSA, excluding the City of Orange and the surrounding unincorporated area in the eastern part of Orange County

ling approximately 1.68 percent of the total deposits in commercial banks in the market. Applicant also competes in the Beaumont-Port Arthur banking market, and is the fourth largest banking organization in the relevant market, controlling about 13.16 percent of total deposits in commercial banks in the market. Upon consummation, Applicant's market share of deposits would increase to 14.84 percent, and Applicant would become the third largest banking organization in the market. Thus, consummation of this proposal would eliminate some existing competition between Applicant and Bank. However, any adverse competitive consequences are mitigated by the following and other facts of record. First, a number of banking organizations compete in the market, including two of the state's largest banking organizations. Also, the Beaumont-Port Arthur banking market would not be considered highly concentrated after consummation of this proposal, with a four-firm concentration ratio of 67.3 percent. In view of these factors, as well as the relative size of Bank and its small market share, the Board finds that the acquisition would not have any significant adverse effects on competition or on the concentration of resources in any relevant area.

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are regarded as generally satisfactory. Accordingly, considerations relating to banking factors are consistent with approval. Moreover, Bank's affiliation with Applicant will enable Bank to avail itself of Applicant's resources and services. Thus, considerations relating to the convenience and needs of the community to be served lend slight weight toward approval and outweigh any adverse competitive effects that might result from consummation of the proposal. Accordingly, the Board has determined that consummation of the transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective March 7, 1983.

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

(Signed) JAMES MCAFEE,
Associate Secretary of the Board

[SEAL]

First Monco Bancshares, Inc., Monroeville, Alabama

Order Approving Formation of a Bank Holding Company

First Monco Bancshares, Inc., Monroeville, Alabama, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to form a bank holding company by acquiring 100 percent of the voting shares of The Monroe County Bank, Monroeville, Alabama ("Bank").

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

Applicant, a nonoperating Alabama corporation, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of $30.4 million.[1] Bank is the largest of five banking organizations in the Monroe County banking market and holds approximately 39.9 percent of the total deposits in commercial banks in the market.

This proposal involves a restructuring of Bank's ownership from individuals to a corporation owned by the same individuals. Bank's principals, who commenced Bank de novo in 1904, are also directors of First National Bank of Monroeville, Monroeville, Alabama ("FNB"), and until 1948 owned 50.4 percent of the stock of FNB. In 1948, these principals donated 50.4 percent of the voting stock of FNB to Bank. Bank became a registered bank holding company with respect to FNB by virtue of enactment of the 1970 Amendments to the Bank Holding Company Act, which covered for the first time a company that owned or controlled one bank. FNB, with deposits of $12.3 million, also competes in the Monroe County banking market, where it currently controls 16.1 percent of total deposits in commercial banks in the market.

Section 3(c) of the Act precludes the Board from approving any proposed acquisition of a bank that (1) would result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any part of the United States; or (2) may substantially lessen competition or tend to create a monopoly or be

1. All banking data are as of September 30, 1982, unless otherwise noted.

in restraint of trade in any banking market, unless the Board finds that such anticompetitive effects are clearly outweighed by the convenience and needs of the community to be served. In analyzing a case under these standards where, as here, the principals of an applicant control another banking organization in the same market as the bank to be placed in the holding company, the Board considers the competitive effects of the transaction whereby common control of the formerly competing institutions was established.[2] In this instance, common control of Bank and FNB was established in 1938, well before enactment of the Bank Merger Act of 1960 or the Celler-Kefauver Antimerger Act of 1950, which subjected the merger of organizations to scrutiny under the Clayton Antitrust Act. At that time, Bank held deposits of $375,000 and FNB held deposits of $175,000. During the 46 years Bank and FNB have been affiliated, the affiliation has not been challenged by any state or federal regulatory authority. In fact, a proposed merger between Bank and FNB has been previously approved by the Comptroller of the Currency, but was not consummated for reasons unrelated to the federal antitrust laws. After considering the facts of record, including the size of the institutions at the time of affiliation and the substantial number of years that the institutions have been affiliated, the Board concludes that competitive considerations are consistent with approval of the application.

Because of the affiliation between Bank and FNB, the Board has considered their financial and managerial resources under the Board's multi-bank holding company standards. Based upon such an analysis in this case, the financial and managerial resources and future prospects of Applicant, bank and FNB appear to be satisfactory. Therefore, considerations relating to banking factors are consistent with, but lend no weight toward approval of the application. Considerations relating to convenience and needs of the community to be served also are consistent with approval of this application. Accordingly, 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 consummated before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Atlanta acting pursuant to delegated authority.

2. See *Mid Nebraska Bancshares, Inc.*, v. *Board of Governors of the Federal Reserve System*, 627 F.2d 266 (D.C Cir. 1980)

By order of the Board of Governors, effective March 15, 1983.

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

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

KYNB Bancshares, Inc., Lexington, Kentucky

Order Approving Formation of a Bank Holding Company

KYNB Bancshares, Inc., Lexington, Kentucky, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring 95 percent of the voting shares of Citizens Union National Bank & Trust Co., Lexington, Kentucky ("Bank").

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

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank, which holds deposits of approximately $173 million.[1] Upon acquisition of Bank, Applicant would control the ninth largest bank in Kentucky and would hold approximately 1.1 percent of the total deposits in commercial banks in the state.

Bank is the second largest of 21 commercial banking organizations in the Lexington banking market and holds approximately 11.3 percent of total deposits in commercial banks in the market.[2] Although one of Applicant's principals is a principal in another bank, this bank does not compete in the Lexington banking market. Accordingly, consummation of the proposal would not result in any adverse effects upon competition or increase the concentration of banking resources in any relevant area.

The financial and managerial resources and future prospects of Applicant are satisfactory and its future

1. All banking data are as of June 30, 1981
2. The Lexington banking market is approximated by Fayette, Scott, Woodford, Jessamine, and Bourbon Counties in Kentucky.

prospects appear favorable. In addition, as a result of consummation of this proposal, Bank's financial and managerial resources will be strengthened. Thus, considerations relating to banking factors lend weight toward approval of the application as do considerations relating to the convenience and needs of the community to be served. Thus, based on the foregoing and other facts of record, the Board has determined that consummation of the proposed transaction would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective March 21, 1983.

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

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

Rainier Bancorporation, Seattle, Washington

Order Approving Acquisition of a Bank

Rainier Bancorporation, Inc., Seattle, Washington ("Rainier"), a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 90 percent or more of the voting shares of Peoples Bank and Trust Company, Anchorage, Alaska ("Bank").

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

Rainier, the second largest banking organization in Washington, maintains a network of 135 branches throughout the state of Washington through its only banking subsidiary, Rainier National Bank. Rainier has consolidated assets of $5.9 billion and holds $4.4 billion or approximately 20.4 percent of total deposits in commercial banks in the state.[1] Upon acquisition of Bank, with total assets of $56 million[2] and deposits of 46.7 million, Rainier would control the eleventh largest bank in Alaska and 2.4 percent of total deposits in commercial banks in the state.[3]

Section 3(d) of the Bank Holding Company Act (12 U.S.C. § 1842(d)) prohibits the Board from approving any application by a bank holding company to acquire any bank located outside of the state in which operations of the bank holding company's subsidiaries are principally conducted, unless such acquisition is "specifically authorized by the statute laws of the state in which such bank is located, by language to that effect and not merely by implication." Alaska statute law authorizes an "out-of-state bank holding company" to acquire "one or more state banks, domestic bank holding companies, or national banks conducting business in the state unless the state bank or national bank is a recently formed bank."[4] The Alaska Statutes were amended in July 1982 and Rainier proposes the first acquisition of an Alaskan bank by an out-of-state bank holding company under the new statute.

Rainier, an out-of-state bank holding company within the meaning of the Alaskan statute[5], is eligible to acquire an Alaskan bank. In addition, Bank, which was organized over thirteen years ago, is not a recently formed bank such that it cannot be acquired by an out-of-state bank holding company. The State Banking Authority of Alaska has determined that Rainier's proposed acquisition is permitted under Alaska law. Therefore, based on the foregoing, the Board has determined, as required by section 3(d) of the Act, that the proposed acquisition is specifically authorized by, and conforms with, the statute laws of Alaska.

Bank operates three offices, all of which are located in the Anchorage metropolitan banking market,[6] and holds 4.1 percent of the deposits in commercial banks in the Anchorage market. Inasmuch as Rainier's banking subsidiary does not operate in Anchorage, consummation of the proposal would not eliminate any existing competition between Rainier's banking subsidiary and Bank. However, Rainier's mortgage company subsidiary maintains an office in Anchorage, which originated $34.9 million in real estate loans during 1981. Bank originated $51.6 million in real estate loans during the same period. While the proposed acquisition would eliminate some existing competition between Rainier and Bank with respect to mortgage origination services, the Board does not

1. Banking data are as of September 30, 1982.
2. Banking data are as of September 30, 1982.
3. Banking data are as of June 30, 1982.
4. Alaska Stat. § 06.05.235 (1982).
5. Alaska Stat. § 06.05.235(h) (1982).
6. This market is approximated by the Anchorage Division, Alaska

view this effect as substantially adverse since numerous other competitors provide such services in the market, including commercial banks, thrift institutions, credit unions, and other mortgage companies.

In view of the lack of concentration in the market, the size of Bank, and the number of potential entrants into the market, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in the relevant market.

The financial and managerial resources of Rainier, its subsidiaries and Bank are considered satisfactory and their future prospects appear favorable. Thus, considerations relating to these banking factors are consistent with approval of the application.

Affiliation with Rainier will enable Bank to improve its current services and to provide new services to its customers. These services include improved cash management and checking account services, as well as the introduction of electronic banking services to Bank's market area. Thus, the Board concludes that considerations relating to the convenience and needs of the communities to be served are favorable and are sufficient to outweigh any anticompetitive effects of the proposal. Accordingly, it is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

Based on the foregoing and all the facts of record, the application by Rainier to acquire Bank is hereby approved. The transaction shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of the Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco acting pursuant to delegated authority.

By order of the Board of Governors, effective March 29, 1983.

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

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

Orders Under Section 4 of Bank Holding Company Act

Mellon National Corporation, Pittsburgh, Pennsylvania

Order Approving Acquisition of Nonbank Company

Mellon National Corporation, Pittsburgh, Pennsylvania, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to acquire through its wholly owned subsidiary, Mellon Mortgage, Inc.-Texas, substantially all of the assets of Mortgage and Trust, Inc. and an affiliated company, Caroline Realty Co., both of Houston, Texas (collectively "M & T"). M & T engages primarily in the origination, sale and servicing of mortgage loans. In addition, M & T is engaged in the sale of credit-related life, accident and health insurance to customers who have been granted extensions of credit by M & T. M & T also acts as an investment advisor to a real estate investment trust. Each of these activities has been determined by the Board to be closely related to banking, (12 C.F.R. §§ 225.4(1), (3), (5), and (9)).

Notice of the application, affording opportunity for interested persons to submit comments on the public interest factors has been duly published (47 *Federal Register* 57345 (1982)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant, with total assets of $21.1 billion,[1] is the largest commercial banking organization in Pennsylvania and the 16th largest in the United States. In addition, Applicant engages in the following nonbank activities: leasing, data processing, reinsurance activities, mortgage banking, and consumer and commercial finance activities. M & T is headquartered in Houston, Texas, and is the 27th largest mortgage company in the nation with total consolidated assets of $214.5 million. M & T has offices in Texas and Colorado.

One product market to be considered in evaluating the competitive effects of Applicant's proposal is the origination of 1-to-4 family residential mortgages. Mortgage banking companies complete with other types of financial institutions, such as commercial banks and thrift institutions, for this business, and the relevant geographic market for this activity is approximated by the local banking markets. In this case, M & T and Applicant originate mortgages in two of the same markets, the Denver and Houston banking markets.[2] In 1981, Applicant originated $13.5 million in such mortgages in the Denver market, representing 1.1 percent of the total mortgages originated in the market. In the same year, M & T originated $5.5 million in residential mortgages, representing a 0.4

1. Banking data are of September 30, 1982.
2. The Denver banking market is approximated by the Denver SMSA and the Houston banking market is approximated by the Houston SMSA.

percent market share. Although the consummation of the proposal would reduce the number of competitors in the Denver market, the combined market share of Applicant and M & T is relatively small, and approximately 300 other residential mortgage lenders would remain.

In the Houston market, Applicant originated $7.5 million in 1-to-4 family residential mortgages in 1981, representing 0.2 percent of such mortgage loans originated. In 1981, M & T made $53.0 million in such loans, representing a 1.4 percent market share. Consummation of the proposal would result in a combined market share of 1.6 percent, and over 400 other competitors would remain after consummation. In light of the unconcentrated nature of the Denver and Houston markets, the low resulting market share, and the large number of other competitors that would remain after consummation, the Board believes that consummation of the proposal will not have significant adverse effects on existing competition in the Denver or Houston markets.

With regard to potential competition, M & T has offices and originates loans in eight Texas markets[3] in which Mellon does not operate. Because of its financial and managerial resources, Mellon appears to have the potential to enter these markets. M & T, however, has less than 10 percent of the market share in all but one of these markets[4] and there are a large number of other competitors in each of these areas. These factors mitigate the negative effects on the proposal in terms of potential competition in these markets. Mellon operates its mortgage lending on a nationwide basis and M & T might be considered a potential entrant into a number of Mellon's markets. M & T, however, does not have a history that would indicate that it would expand its operations outside Texas and Colorado. In addition, a large number of competitors would remain after consummation of the proposal. Accordingly, elimination of M & T as a competitor will not result in an adverse effect on potential competition.

Applicant also proposes to acquire the $2.6 billion mortgage servicing portfolio of M & T, which ranks as the 27th largest mortgage servicer in the country and holds about 0.9 percent of the national market. Applicant's subsidiaries service a mortgage portfolio of $2.2 billion representing 0.7 percent of the national market, and they rank as the nation's 30th largest mortgage servicer. After consummation, Applicant would become the eighth largest mortgage servicing company in the country. In view of the size of the two companies involved in the proposal and based upon all the facts of record, consummation of the proposal would have some negative effects with respect to the concentration of resources. Nevertheless, the Board believes that such negative effects are mitigated by the large number of competitors that will remain in the market after consummation and the low barriers to entry for mortgage servicing. When balanced against the public benefits expected to result from this transaction, the Board believes the proposal warrants approval.

M & T is a closely held company facing problems of management succession. Affiliation with Applicant will ensure that M & T continues to be a strong competitor. Applicant also has the resources to strengthen M & T's capital structure and to help M & T modernize its operations.

On the basis of these and other facts of record, the Board concludes that the benefits to the public that would result from Applicant's acquisition of M & T are sufficient to outweigh the negative effects on competition and concentration of resources that would result from the proposed acquisition. Furthermore, there is no evidence in the record to indicate that consummation of the proposed transaction would result in unfair competition, conflicts of interest, unsound banking practices or any other effects that would be adverse to 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 § 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 Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective March 7, 1983.

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

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

3. These markets are approximated by the Austin, Corpus Christi, Dallas, Fort Worth, El Paso, Lubbock, Midland/Odessa, and San Antonio SMSAs.
4. M & T holds a 13.7 percent market share in the San Antonio market.

Orders Under Section 3 and 4 of Bank Holding Company Act

First Tennessee National Corporation, Memphis, Tennessee

Order Approving Merger of Bank Holding Companies, and Acquisition of Leasing Company

First Tennessee National Corporation, Memphis, Tennessee, a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.), has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)), to merge with Mountain Financial Company, Maryville, Tennessee ("Company"), also a bank holding company, under the charter and name of Applicant. As a result of the merger, Applicant would acquire company's two subsidiary banks, Bank of Maryville, Maryville, Tennessee ("Maryville Bank"), and Jefferson County Bank, Dandridge, Tennessee ("Jefferson Bank").

Applicant has also applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to acquire indirectly Mountain Leasing Company, Maryville, Tennessee ("Leasing"). Leasing engages in the activity of leasing equipment to the Maryville Bank for use by that bank. Such activities have been determined to be closely related to banking (12 C.F.R. § 225.4(a)(6)(a)).

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the Act (47 *Federal Register* 55033 (1982)). The time for filing comments has expired and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations specified in section 4(c)(8) of the Act.

Applicant is the largest commercial banking organization in Tennessee and controls 14 subsidiary banks with total deposits of $3.0 billion, representing 14.3 percent of total deposits in commercial banks in the state.[1] Company is the 14th largest commercial banking organization in the state, controlling two subsidiary banks with aggregate deposits of $199.8 million, representing 0.9 percent of the total deposits in commercial banks in the state. Upon consummation of this proposal, Applicant's share of the total deposits in commercial banks in the state would increase to 15.3 percent. The Board concludes that consummation of this transaction would not have a significant effect on the concentration of banking resources in Tennessee.

Subsidiary banks of Applicant compete directly with subsidiary banks of Company in the Knoxville and Hamblen County banking markets. Company operates one bank in the Knoxville banking market, Maryville Bank, which is located in the Blount County portion of the market. Maryville Bank is the fifth largest of 12 banking organizations in the market and holds deposits of $167.5 million, representing 7.1 percent of the total deposits in commercial banks in the market.[2]

On November 18, 1982, when this application was filed, Applicant controlled one bank in the Knoxville market with $150 million in deposits, representing 6.4 percent of the total deposits in commercial banks in the market. This application was scheduled for consideration at the meeting of the Board held on February 16, 1983, and based upon the record, the competitive, financial and managerial and convenience and needs aspects of this application were at that time consistent with approval. On the evening of February 14, 1983, the Federal Deposit Insurance Corporation, under the emergency provisions of the Bank Merger Act of 1966, approved a merger of Applicant's subsidiary bank in Knoxville, First Tennessee Bank, with the largest bank in the Knoxville market, United American Bank in Knoxville ("UAB"). At approximately 5:00 a.m. on Monday, February 14, 1983, UAB had been closed by the Tennessee Banking Commissioner and its assets and liabilities transferred to the FDIC as receiver. After the merger, Applicant controlled the largest bank in the market and 30.3 percent of the total deposits in commercial banks in the market and the share of market deposits held by the four largest banking organizations in the market increased from 60.9 to 67.3 percent.

Upon acquisition of Company, Applicant would control 37.4 percent of the total deposits in commercial banks in the Knoxville banking market, and the four-firm concentration ratio for the market would increase by 7 percentage points to 74.2 percent. The Herfindahl-Hirschman index ("HHI") in the Knoxville banking market would increase by 430 points from 1587 to 2017, making the transaction one that

1. Unless otherwise indicated, all banking data are as of June 30, 1982, and reflect bank holding company acquisitions approved as of March 15, 1983.

2. The Knoxville banking market consists of the Knoxville RMA and includes Anderson, Blount, and Knox Counties in Tennessee.

would be subject to challenge by the Department of Justice under its merger guidelines.[3]

Applicant asserts that the effect of this transaction will not be substantially to lessen competition for the following reasons. First, Applicant argues that Blount County, where Company is located, should be considered a separate market from Knox County where Applicant is located. Second, Applicant contends that, while it controls 30.3 percent of the market's commercial bank deposits based on June 1982 figures, its market share is likely to decrease substantially as a result of expected deposit and loan losses associated with the failure of UAB. Third, Applicant urges that competition from thrift institutions in the Knoxville banking market is substantial and should be taken into account when evaluating the competitive effects of this proposal.

The Board has previously indicated that the relevant geographic market within which to evaluate the effects of a transaction must reflect commercial and banking realities and should consist of the localized area where banks involved offer their services and where local customers can practicably turn for alternatives.[4] In this case, the Board has considered the record and finds that, because of the substantial commuting between Blount and Knox counties and other facts of record, the Knoxville RMA, which includes Blount County, is the appropriate market within which to measure the effects of this merger.[5]

Before its failure on February 14, 1983, UAB was the largest bank in the Knoxville banking market, holding 23.9 percent of the total deposits in commercial banks in the market. As a result of the failure of UAB and factors associated with that failure, Applicant projects substantial losses of deposits and loans acquired in its merger with UAB and expects its share of deposits in commercial banks in the market to decrease to 25 percent or less. While the Board makes no judgment as to the precise magnitude of the decline in deposits, the Board believes that the record in this case supports Applicant's contention that its competitive position in the Knoxville banking market, as measured by its share of deposits in commercial banks in the market based on June 30, 1982 data, is overstated.

With respect to commercial loans, the FDIC has indicated that extensive losses are expected to be incurred in the loan portfolio acquired by Applicant, as a result of the large number of loan classifications at UAB.[6] These expected losses will reduce Applicant's share of commercial loans in the market.

Although the Board has not to date included thrift institutions generally in the commercial banking line of commerce, the Board has, in a number of previous cases, considered the presence of thrift institutions in the particular market and the extent of competition afforded by such institutions as a mitigating factor in its evaluation of the impact of a proposal on existing competition.[7] The enactment of the Consumer Checking Account Equity Act of 1980,[8] which authorized thrift institutions to offer NOW accounts, and the Garn-St Germain Depository Institutions Act of 1982,[9] which greatly expanded the commercial lending powers of federal thrift institutions, and regulatory actions by the Federal Home Loan Bank Board and various state statutes have significantly expanded the services that thrifts may offer. As a result, thrift institutions have become, or at least have the potential to become, major competitors of commercial banks not only in the provision of consumer banking services but also in the provision of commercial lending services. These developments, coupled with the size and market share held by thrift institutions in numerous markets, persuade the Board that in many cases the competition afforded by thrift institutions to commercial banks may be substantial.

In this case, thrift institutions control 34 percent of the total deposits in the Knoxville market and federally chartered savings and loan associations control approximately 25 percent of the total deposits in the market. The three largest thrift institutions in the market are federally chartered and each control well over $100 million in deposits. The largest savings and loan association in the market controls $473 million in deposits, and, on this basis, would be the second largest financial institution in the market. In the Board's judgment, thrift institutions provide an alternative for consumer banking services in the Knoxville banking market, and the Board believes that the

3. United States Department of Justice Merger Guidelines, June 14, 1982. If the post-merger HHI for the market is over 1800, the Department is likely to challenge a merger that produces an increase in the HHI of 100 points or more

4. See *Wyoming Bancorporation*, 68 FEDERAL RESERVE BULLETIN 313, 314 (1982), *St. Joseph Valley Bank*, 68 FEDERAL RESERVE BULLETIN 673, 674 (1982)

5. Preliminary figures from the 1980 Census show that approximately one quarter of the labor force living in Blount County commute into Knoxville to work.

6. Statement by William Isaac, Chairman, FDIC, on United American Bank in Knoxville, presented to the Subcommittee on Commerce, Consumer and Monetary Affairs, Committee on Government Operations, House of Representatives, 6-7, March 15, 1983.

7. *First Bancorp of N.H.*, 68 FEDERAL RESERVE BULLETIN 769 (1982); *United Bank Corporation of New York*, 67 FEDERAL RESERVE BULLETIN 358 (1981), and *Fidelity Union Bancorporation*, 66 FEDERAL RESERVE BULLETIN 576 (1980).

8. Title III, 96 Stat. 132, 145, codified at 12 U S C § 1832.

9. Title III, 96 Stat. 1469, 1499–1500.

presence of thrift institutions and the competitive influence they exert in this market should be given considerable weight in assessing the competitive effects of this transaction, even though the thrift institutions are not presently exercising their recently expanded commercial lending powers to any significant extent.

In a number of previous cases, the Board has indicated that the competitive influence in a market of the largest bank holding companies in a state may be greater than what would be expected based on their market shares alone, especially with respect to their ability to serve local commercial customers.[10] In this case, upon consummation of the proposal, 10 other banking organizations would remain in the market, including three of Tennessee's largest bank holding companies. These organizations as well as other organizations operating in the market provide a number of alternatives for commercial financing for locally limited commercial customers.

For the foregoing reasons, the Board believes that the degree of anticompetitive effect that might normally be expected to result from a combination of banking organizations with market shares of the size involved here is not likely to result upon consummation of this proposal.

Finally, the Board believes that the competitive effects of this proposal should be evaluated in the context of the important benefits to the convenience and needs of the Knoxville market resulting from Applicant's acquisition of UAB, which occurred one day before the Board was scheduled to consider this application.

The record shows that, prior to February 14, 1983, UAB's financial condition had deteriorated markedly and it was experiencing a steady "run" of large creditors.[11] Late on Sunday, February 13, 1983, it became apparent that UAB was insolvent and could not open for business on Monday without the real possibility of a massive run on the bank. In an attempt to obtain a solution that would allow UAB to open on Monday morning, avoid disruption of the business of UAB's customers and maintain public confidence in the banking system, the FDIC, late on February 13, sought to arrange for an FDIC-assisted merger of UAB with one of a number of Tennessee banks, including Applicant's subsidiary in the Knoxville market.

During the early morning hours of Monday, February 14, Applicant proposed an offer to merge UAB into Applicant's Knoxville subsidiary that was generally satisfactory to the FDIC. The offer was made in the belief that the acquisition of UAB would not prejudice this application. At that time, Applicant's offer was the only acceptable and available alternative to assure the reopening of UAB on Monday. However, it was not possible to arrange a merger in time for a Monday opening. At this point the Banking Commissioner determined that UAB was insolvent and closed the bank, and the FDIC decided to seek bids for UAB from other organizations.

Nevertheless, Applicant advised the FDIC that its proposal to acquire UAB would remain open Mondany and that, if the FDIC did not obtain other bidders for UAB, Applicant stood ready to proceed on the basis of its offer. In order to assure the public with respect to the situation at UAB, the FDIC advised the public that it had an outstanding offer from a large Tennessee banking organization to assume the assets and liabilities of UAB that was generally satisfactory to the FDIC; that the FDIC was seeking other alternatives, both within and outside the State of Tennessee; and that the FDIC expected to consummate a merger between UAB and other banking organization that evening and to reopen UAB at normal business hours on Tuesday, February 15, 1983.

On Monday, February 14, the FDIC received eight bids for UAB, only three of which would have reduced the FDIC's cost below that of a payoff of UAB's insured depositors. After the highest bidder was unable to consummate the proposal in time to reopen UAB on February 15, the FDIC determined that Applicant's bid, which was the second highest bid, should be accepted in order to assure UAB's opening on February 15. Accordingly, the FDIC approved a merger of First Tennessee Bank with UAB.

Applicant's acquisition of UAB allowed the largest bank in the market to open on Tuesday morning, as promised by the FDIC, avoided further disruption of the business of UAB's customers and favorably resolved a volatile situation in the Knoxville market that threatened public confidence in the market's largest banking organization and the banking system. The benefits to the convenience and needs of the Knoxville market, the State of Tennessee, and the banking system are obvious and substantial.

In these circumstances, and considering the lack of acceptable alternatives to the FDIC to resolve UAB's failure effectively and expeditiously and to reopen UAB's offices without further disruption to the public,

10. *United Bank Corporation of New York*, 67 Federal Reserve Bulletin, 358 (1981); *First Bancorporation of Ohio*, 67 Federal Reserve Bulletin 799 (1981); *Bank of New York ("Empire")*, 66 Federal Reserve Bulletin 807 (1980).

11. Informational supplement to the testimony of William Isaac, supra, n. 9, at 16. In fact, some businesses had posted signs stating that UAB checks were not welcome and one of UAB's branches had experienced a retail depositor "run".

the Board believes that any anticompetitive effects in the Knoxville banking market associated with this proposal are outweighed by the benefits to the convenience and needs of the community associated with Applicant's acquisition of UAB.

Jefferson Bank, Company's other subsidiary bank, operates two branches, one in Dandridge and one in the town of White Pine, which is in the upper northeastern section of Jefferson County. The Board previously defined the Jefferson County banking market to consist of all of Jefferson County, which includes the town of White Pine. However, based upon a study of commuter, shopping and service information, the Board has determined that the northeastern portion of Jefferson County, including the town of White Pine, should be included in the neighboring Hamblen County banking market instead of the Jefferson County banking market.[12]

Applicant is the third largest banking organization in the Hamblen County market and holds deposits of $30.8 million representing 16.4 percent of the total deposits in commercial banks in the market. Jefferson Bank's White Pine branch (White Pine) is the smallest of five banks in the Hamblen County market and holds deposits of $2.7 million, representing 1.4 percent of the total deposits in commercial banks in the market. Upon consummation of this transaction, Applicant's market share would increase to 17.8 percent of the total deposits in commercial banks in the market and Applicant's rank in the market would be unchanged. The Hamblen County banking market is highly concentrated, with a four-firm concentration ratio of 98.7 percent which would increase to 100 percent upon consummation.[13] However, the high level of concentration in the market is due primarily to the large market shares of the two leading firms which together control nearly 75 percent of the market's deposits.

Moreover, the structure of the Hamblen County market is such that a branch location in Morristown appears essential for growth and profitability in the market. White Pine is prohibited by Tennessee law from branching into Hamblen County.[14] As a result, White Pine has consistently held only one percent of the total deposits in the market. In view of these constraints on White Pine's ability to compete and expand in the market, its small absolute and relative size, and the low population in the area where White Pine is located, the Board concludes that consummation of the proposal is not likely substantially to lessen competition in the Hamblen County market.

Jefferson Bank's remaining branch is located in the Jefferson County market, a market in which Applicant is not represented. Jefferson Bank is one of four banks in the Jefferson County market and holds 31.4 percent of total deposits in commercial banks in the market. Based upon evidence with respect to the structure and attractiveness of the Jefferson County market, the Board concludes that consummation of this transaction will not substantially lessen probable future competition in the Jefferson County market. There are no foothold entry points in the market and Applicant is prohibited by law from entering the market de novo until January 1, 1985.[15] The ratio of deposits to banking offices in this market is significantly lower than that of other markets in Tennessee, and, the economic condition of Jefferson County has declined markedly since 1975.

The financial and managerial resources and future prospects of Applicant, Company and their respective subsidiaries are considered satisfactory and consistent with approval. While there is no evidence in the record indicating that the banking needs of the communities to be served are not being met, Applicant has indicated that customers of Company would benefit from the addition of new services, such as daily versus semiannual compounding of savings account interest, higher rates on floating rate IRA accounts, and lower premiums on credit life insurance policies. In addition, Company's customers will have access to increased trust, mortgage loan and international services as well as the VISA debit card, which is offered exclusively by Applicant in Tennessee. These additional benefits to the convenience and needs of the community to be served lend weight toward approval of the proposal.

Applicant has also applied to acquire Company's existing leasing subsidiary, Leasing. Leasing is engaged solely in the activity of leasing equipment to Company's Maryville Bank for that bank's use. Thus, Leasing does not compete with Applicant's existing leasing subsidiary. Accordingly, consummation of the proposed merger would not decrease competition in this line of commerce. There is no evidence in the record to indicate that approval would result in other adverse effects such as undue concentration of resources, unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the balance of the public interest

12. The analysis revealed that residents of the town of White Pine tend to work, shop and obtain most needed services in Morristown, which is the county seat of Hamblen County, and do not depend to any significant degree on Jefferson County towns for employment, shopping or services.

13. The Herfindahl-Hirschman index of the Hamblen County market is 3156 and will increase by only 46 points upon consummation of the merger. Thus, the merger does not appear to be one that would be subject to challenge by the Department of Justice

14 Tenn Code Ann. § 45-2-614 (1980).

15. Tenn. Code Ann. § 45-2-1403 (2) (1980).

factors it must consider under section 4(c)(8) of the Act is consistent with approval of the application.

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3(a)(5) and 4(c)(8) should be and are hereby approved. The merger shall not be made before the thirtieth calendar day following the effective date of this Order, and neither the merger nor the acquisition of the nonbanking subsidiary shall be made later than three months after the effective date of this Order, unless such period is extended for good cause by the Federal Reserve Bank of St. Louis pursuant to delegated authority. The determination as to Applicant's acquisition of Company's nonbanking subsidiary is subject to the conditions set forth in section 225.4(c) of Regulation Y (12 C.F.R. § 225.4(c)) and to the Board's authority to require such modifications or termination of 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 31, 1983.

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

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

Concurring Statement of Governor Rice

I believe that the effect of this transaction would be substantially to lessen competition in the Knoxville banking market and that this effect is not mitigated to any significant extent by the factors enumerated by the majority.

Upon consummation of this proposal, Applicant's share of total deposits in commercial banks in the Knoxville banking market would increase to 37.4 percent and the Herfindahl-Hirschman index (HHI) in the market would increase by 430 points from 1587 to 2017. Based on previous Board and judicial precedent, these increases in market share and concentration reflect a transaction whose effect would substantially lessen competition in the relevant geographic market. Even accepting Applicant's projection of a loss of $150 million in deposits, this transaction would produce a firm controlling 33.2 percent of the total deposits in commercial banks in the market and the HHI would increase by 391 points from 1395 to 1786, again reflecting a substantially anticompetitive transaction under relevant precedent. Moreover, while Applicant is likely to lose some loans as a result of the failure of UAB, it does not appear that the loan losses will be sufficient to substantially alter Applicant's market position.

Finally, the record in this case indicates that, notwithstanding their expanded commercial lending authority, thrift institutions in the Knoxville market are not extensively engaged in making commercial loans and do not therefore provide competition over the full range of services offered by commercial banks. In addition, thrift institutions hold only 34 percent of the total deposits in the market. Based on these facts, and consistent with prior Board and judicial decisions, I believe that the presence of thrift institutions in the Knoxville market does not mitigate the substantial anticompetitive effect of this transaction.

I am voting to approve this application, however, because I believe that the anticompetitive effects of this transaction are clearly outweighed in the public interest by the facts related to Applicant's acquisition of UAB. I believe these two transactions should be considered together and that the substantial benefits to the public associated with resolving the UAB situation quickly and effectively should be attributed to this application.

March 31, 1983

Mellon National Corporation, Pittsburgh, Pennsylvania

Order Approving Merger of Holding Companies and Acquisition of Companies Engaged in Leasing, Data Processing, Insurance, and Investment Advising Activities

Mellon National Corporation, Pittsburgh, Pennsylvania ("Mellon"), a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.), has applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) to merge with The Girard Company, Bala Cynwyd, Pennsylvania ("Girard") also a bank holding company. As a result of the merger, Mellon would acquire Girard's two subsidiary banks, Girard Bank, Philadelphia, Pennsylvania, and Girard Bank Delaware, Dover, Delaware.

Mellon has also applied for the Board's approval under sections 4(c)(8) and (13) of the Act (12 U.S.C. § 1843(c)(8) and (13)) to acquire the following nonbanking subsidiaries of Girard: Girard Leasing Corporation, Bala Cynwyd, Pennsylvania, which engages in the activity of leasing personal property and equipment; Girard Services, Inc., Philadelphia, Pennsylvania, which provides data processing and data transmission services for banks where the data to be processed is financial, banking, or economic in nature; GIRACO Life Insurance Company, Phoenix, Arizona, which engages in the activity of reinsuring credit life and credit accident and health insurance directly related to extensions of credit by Girard Bank, and Girard Zurich A.G., Zurich, Switzerland, which provides portfolio investment advice to individuals outside the United States. These activities have been determined by the Board to be closely related to banking (12 C.F.R. §§ 225.4(a)(6), (8), (10)) or permissible under section 4(c)(13) of the Act (12 U.S.C. § 1843(c)(13)).

Also as a result of the merger, Mellon would acquire Girard International Bank, Miami, Florida, and New York, New York, a corporation organized pursuant to the Edge Act (12 U.S.C. § 611 et seq.).

Notice of the applications, affording opportunity for interested persons to submit comments has been given in accordance with sections 3 and 4 of the Act (47 *Federal Register* 57345 (1982)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)), the considerations specified in section 4(c)(8) of the Act and the purposes of the Edge Act.[1]

Mellon, the largest commercial banking organization in Pennsylvania, controls one bank with aggregate domestic deposits of $8.8 billion, representing 12.9 percent of the total deposits in commercial banks in the state. Girard, the seventh largest commercial banking organization in Pennsylvania, controls one subsidiary bank in Pennsylvania with aggregate deposits of $2.1 billion, representing 2.9 percent of the total deposits in commercial banks in the state[2] and one subsidiary bank in Delaware with aggregate deposits of $303 million. Upon consummation of this transaction, Mellon's share of the total deposits in commercial banks in Pennsylvania would be 15.8 percent.

The Board has carefully considered the effects of the proposal on statewide banking structure and upon competition in the relevant markets. The proposal involves a combination of sizeable commercial banking organizations that are among the leading banking organizations in the state. However, in terms of the concentration of deposits in commercial banks, Pennsylvania is one of the least concentrated states in the United States, and would remain so upon consummation of the proposal. In addition, a large number of banking organizations of substantial size would continue to operate in the state following consummation of this proposal.[3] On the basis of these considerations, the Board concludes that the proposed merger would have no substantial adverse effects on the concentration of banking resources in Pennsylvania.

Mellon and Girard do not operate subsidiary banks in the same markets. Therefore, consummation of the proposal would not eliminate existing competition in any relevant geographic market.

The Board has considered the effects of this proposal on probable future competition and also examined the proposal in light of its proposed guidelines for assessing the competitive effects of market extension mergers and acquisitions.[4] In evaluating the effects of a proposed merger or consolidation upon probable future competition, the Board considers market concentration, the number of probable future entrants into the market, the size of the bank to be acquired and the attractiveness of the market for entry on a de novo or foothold basis absent approval of the acquisition. After consideration of these factors in the context of the specific facts of this case, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

Girard's banking subsidiary in Pennsylvania operates in the Philadelphia[5] and the Allentown-Bethlehem-Easton[6] banking markets, two markets in which Mellon is not represented. Because of its size and substantial managerial and financial resources, Mellon appears to be a probable future entrant into these markets. Girard is the fourth largest banking organization in the Philadelphia banking market and controls

1. The Board received comments from the Pennsylvania Association of Community Organizations for Reform Now (ACORN), The Community Resource Center of Philadelphia, The Philadelphia Council of Neighborhood Organizations, and Kensington Action Now (KAN), on Girard's efforts to meet the needs of the community pursuant to the Community Reinvestment Act and the effect that the application would have on these efforts. No formal protest was filed. Mellon and Girard met with these community groups to solicit information regarding problems facing the community and to ensure that the banking needs of the community would continue to be met after the merger, as required by the Community Reinvestment Act.

2. Unless otherwise indicated, all banking data are as of June 30, 1982.

3. Eleven commercial banking organizations with total assets over $1 billion and 15 commercial banking organizations with total assets over $500 million would remain in Pennsylvania after consummation of this proposal.

4. "Policy Statement of the Board of Governors of the Federal Reserve System for Assessing Competitive Factors Under the Bank Merger Act and the Bank Holding Company Act," 47 *Federal Register* 9017 (March 3, 1982). While the proposed policy statement has not been approved by the Board, the Board is using the policy guidelines as part of its analysis of the effect of a proposal on probable future competition.

5. The Philadelphia banking market is defined as Bucks, Chester, Delaware, Montgomery, and Philadelphia counties in Pennsylvania and Burlington, Camden, and Gloucester counties in New Jersey.

6. The Allentown-Bethlehem-Easton banking market is defined as the Allentown-Bethlehem-Easton SMSA.

slightly over 9 percent of the total deposits in commercial banks in the market.[7] The Philadelphia market is unconcentrated, with a three-firm concentration ratio of 36.1 percent and there is no evidence in the record that indicates that the Philadelphia market is not competitive. Girard is the 41st largest of 44 banks in the Allentown-Bethlehem-Easton market and controls only 0.3 percent of the total deposits in commercial banks in the market. The Allentown-Bethlehem-Easton market is also unconcentrated, with a three-firm concentration ratio of 46.6 percent, and there is no evidence that indicates that the Allentown-Bethlehem-Easton banking market is not competitive. The Supreme Court has indicated that "the potential competition doctrine has meaning only as applied to concentrated markets" and has no applicability if the target market is competitive.[8] On the basis of the low concentration ratio in the relevant markets, Girard's small market share in the Allentown-Bethlehem-Easton market, and the absence of any evidence that the markets are not competitive, the Board concludes that the proposal would not have substantial adverse effects on probable future competition in either the Philadelphia or Allentown-Bethlehem-Easton market.

Girard Bank Delaware operates in the Wilmington, Dover, and Sussex banking markets.[9] Girard operates a full-service bank in Delaware pursuant to state legislation that permits out-of-state bank holding companies to acquire Delaware banks to which the state has provided financial assistance and in which the state has obtained 25 percent of the voting shares.[10] This legislation was enacted in order to allow an orderly transfer of a specific Delaware bank. There are no other banks in Delaware that meet the state law criteria to be acquired by an out-of-state bank holding company, and it is unlikely that a bank meeting these criteria will exist in the future. In view of the unlikelihood that Mellon could operate a full-service bank in Delaware, the Board concludes that the proposal would not have substantial effects on probable future competition in the Wilmington, Dover and Sussex markets.

Mellon operates in five markets[11] in which Girard does not operate. It appears that Girard has the financial and managerial resources to enter these markets. The largest of the markets in which Mellon operates is the Pittsburgh market,[12] which is the second largest market in the state. The Pittsburgh market is highly concentrated with a three-firm concentration ratio of 86.6 percent. Mellon is the largest banking organization in the market with 51.9 percent of the market's deposits.[13] However, in the Board's view, a large number of probable future entrants into the Pittsburgh market would remain after consummation of this proposal. In this regard, there would be seven banking organizations in Pennsylvania with assets of over $1 billion that do not operate in the Pittsburgh market and, on this basis, the Board's probable future competition guidelines are not triggered. In addition, there are 15 other banking organizations in Pennsylvania with assets over $500 million, that do not operate in the Pittsburgh market, many of which appear to have the financial and managerial resources to enter the Pittsburgh market.[14] Accordingly, the Board concludes that the elimination of Girard as a probable future entrant will not have a substantial anticompetitive effect in the Pittsburgh market.

With regard to the other four markets in which Mellon operates, the Board finds that there are a large number of probable future entrants into each of the markets and, moreover, that two of these markets are not highly concentrated as measured by the Board's guidelines. On the basis of the above and other facts of record, the Board concludes that consummation of the proposed consolidation would not have such adverse effects on probable future competition in these four markets or in any market in the state to warrant denial of the proposal.

The financial and managerial resources and future prospects of Mellon, Girard and their respective subsidiaries are considered satisfactory and consistent with approval. While there is no evidence in the record indicating that the banking needs of the communities to be served are not being met, consummation of the merger will result in expanded services for Girard customers, such as a wider range of international banking services and an improved cash management system.

Mellon has a satisfactory record for meeting the needs of its community under the Community Reinvestment Act. Girard's record in this area has improved in recent years, and the public comments on

7. Market data are as of June 30, 1982.

8. *United States*, v. *Marine Bancorporation*, 418 U.S. 602, 630 (1974); *accord*, *Mercantile Texas Corp.*, v. *Board of Governors*, 638 F 2d 1255 (5th Cir. 1980).

9. The Wilmington banking market consists of Cecil County, Maryland, Salem County, New Jersey, and New Castle County, Delaware. The Dover market is comprised of Kent County, Delaware and the Sussex market is comprised of Sussex County Delaware.

10. See *The Girard Company*, 67 FEDERAL RESERVE BULLETIN 916 (1981).

11. These banking markets are the Pittsburgh, Butler, Kittanning, Washington, and Greensburg-Latrobe markets.

12. The Pittsburgh banking market is defined as all of Allegheny County and the adjoining portions of Armstrong, Beaver, Butler, Washington, and Westmoreland counties, all in Pennsylvania.

13. Banking data are as of June 30, 1981.

14. Under recent changes in Pennsylvania law, any Pennsylvania bank may establish a branch in Allegheny County, Pennsylvania, which is the county where Pittsburgh is located. 1982 Pa Legis. Serv., Act. No. 1982-44 (Purdon).

this application reflect Girard Bank's continuing effort to serve its community. Mellon is active in monitoring the credit needs of its communities and would help assure that Girard continues to meet the needs of the communities it serves. Thus, considerations relating to the convenience and needs of the community to be served are consistent with approval.

Mellon has also applied, pursuant to section 4(c)(8) of the Act, to acquire the nonbanking subsidiaries of Girard. While there is some service area overlap between Girard Leasing Corporation, a subsidiary that engages in the leasing of personal property and equipment, and Mellon's leasing activities in Philadelphia, the two companies serve different segments of the market. In light of the market segmentation and the large number of other suppliers of leasing services in Philadelphia, the elimination of Girard as a competitor would not result in any significant adverse effects. Girard's data processing subsidiary, Girard Services, Inc., and Datacenter, a subsidiary of Mellon's banking subsidiary, both engage in data processing activities in the Philadelphia, Allentown-Bethlehem-Easton, and Trenton areas. However, because the data processing field contains numerous competitors and has low barriers to entry, elimination of Girard as a competitor will not have any significant adverse effects. There is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4 of the Act is consistent with approval of the application.

The financial and managerial resources of Mellon are regarded as consistent with the retention of Girard's Edge Corporation by Mellon. Mellon's acquisition of the Edge Corporation would enable them to continue the international services that are currently being provided to customers, consistent with the purposes of the Edge Act to afford at all times a means of financing international trade, to stimulate competition for international banking and financing services, and to facilitate and stimulate United States exports. Accordingly, the Board finds that the retention of Girard International Bank, Miami, Florida, and New York, New York, would be in the public interest.

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3 and 4 of the Act should be and are hereby approved. The merger shall not be made before the thirtieth calendar day following the effective date of this Order, and neither the merger nor the acquisition of the nonbanking subsidiaries shall be made later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Cleveland, pursuant to delegated authority. The determination as to Mellon's acquisition of the nonbank subsidiaries is subject to the conditions set forth in section 225.4(c) of Regulation Y (12 C.F.R. § 225.4(c)) 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 7, 1983.

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

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

Dissenting Statement of Governor Teeters

I would deny this application on the grounds that the proposed merger of these two holding companies would have a significant adverse effect on probable future competition in the Pittsburgh market. In my dissent in the decision of *PNC Financial Corp,* 69 FEDERAL RESERVE BULLETIN 51, 54 (1983), I stated that the Board's guidelines on probable future competition will be difficult to enforce and will permit combinations of bank holding companies that result in substantially anticompetitive effects. This decision is further evidence that the guidelines are not drawn to reflect accurately the adverse effects that can result from such combinations.

I believe that Girard has the managerial and financial capability to enter Pittsburgh and its surrounding markets on a de novo or foothold basis. Girard's acquisition of the Farmers State Bank in Delaware is evidence that Girard has the disposition to enter new markets.

In addition, the Pittsburgh market is highly concentrated and is dominated by Mellon, which controls over 50 percent of the market's deposits. Because of these structural characteristics, only banking organizations with substantial financial and managerial resources should be viewed as probable future entrants into the Pittsburgh market. In my opinion, there are only a limited number of banking organizations in Pennsylvania that have resources and incentive to enter this particular market on a de novo or foothold basis with the prospect of a substantial deconcentrating effect. Girard is plainly one of the more likely of these few potential entrants. While it is possible that a smaller organization may enter the market, such entry is not as likely to occur or to produce a substantial procompetitive effect in the market.

In my opinion, consummation of this application is likely to result in substantial anticompetitive effects in the Pittsburgh market through the elimination of one of the few banking organizations in Pennsylvania with the resources to enter that highly concentrated market on a de novo or foothold basis.

Accordingly, I dissent from the Board's decision regarding this application.

March 7, 1983

Norstar Bancorp Inc., Albany, New York

Order Approving the Acquisition of a Bank Holding Company and Acquisition of Companies Engaged in Financing and Data Processing Activities

Norstar Bancorp Inc., Albany, New York, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842) to acquire 100 percent of the voting shares of Northeast Bankshare Association, Portland, Maine ("Northeast"). As a result of the acquisition, Applicant will acquire Northeast's subsidiary banks: Northeast Bank, Portland, Maine; Northeast Bank & Trust Co., Bangor, Maine; Northeast Bank N.A. of Farmington, Farmington, Maine; Northeast Bank of Guilford, Guilford, Maine; Northeast Bank of Lincoln, Lincoln, Maine; and Northeast Bank of Millinocket, Millinocket, Maine.

Applicant has also applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)) to acquire Northeast's nonbanking subsidiaries, Northeast Consumer Services Corporation ("NCSC") and Northeast Data Processing Corporation ("NDPC"), both of Portland, Maine. NCSC provides credit services for all of Northeast's subsidiary banks and acts as a card issuing and servicing agent for two other financial institutions in Maine. NDPC engages in automatic payroll accounting, check reconciliation, and electronic funds transfer services and, incidental to these activities, the sale of excess computer processing to Northeast's subsidiary banks, other nonbanking subsidiaries, and two correspondent banks. These nonbanking activities have been determined by the Board to be closely related to banking under sections 225.4(a)(1), (3), and (8) of Regulation Y (12 C.F.R. § 225.4(a)(1), (3), and (8)).

Notice of these applications affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the Act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations specified in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, with nine banking subsidiaries, has consolidated assets of $3.5 billion and deposits of $2.9 billion.[1] It is the eleventh largest banking organization in New York. Upon acquisition of Northeast with consolidated assets of $551 million and deposits of $465 million, Applicant would control the third largest banking organization in Maine.

Section 3(d) of the Bank Holding Company Act (12 U.S.C. § 1842(d)) prohibits the Board from approving any application by a bank holding company to acquire any bank located outside of the state in which operations of the bank holding company's subsidiaries are principally conducted, unless such acquisition is "specifically authorized by the statute laws of the state in which such bank is located, by language to that effect and not merely by implication." The laws of the State of Maine expressly authorize the acquisition of a banking institution in Maine by a bank holding company that controls a bank located in another state, if that other state authorizes the acquisition of a financial institution in that state by a Maine bank holding company under terms no more restrictive than those imposed under Maine law.[2] Similarly, New York law expressly authorizes the acquisition of a banking institution in New York by a bank holding company that controls a bank located in another state, if that other state authorizes the acquisition of a financial institution in that state by a New York bank holding company.[3] In the Board's judgment, the conditions for approval of such acquisitions under the New York law are not more restrictive than those provided for under the Maine statute. Based on the foregoing, the Board has determined, as required by section 3(d) of the Act, that the proposed acquisition conforms with Maine law and is expressly authorized by the statute laws of Maine.

1. Deposit data as of September 30, 1982.
2. Me. Rev. Stat. Ann., tit. 9-B § 1013 (Supp. 1980)
3. N.Y. Banking Law § 142-b (McKinney Supp. 1982)

Northeast's banking subsidiaries operate 50 offices in 13 relevant banking markets in Maine.[4] Inasmuch as the proposed acquisition represents Applicant's initial entry into Maine, consummation of the proposal would not eliminate existing competition in any relevant market.

The Board has considered the effects of this proposal on probable future competition and has also examined the proposal in light of its proposed guidelines for assessing the competitive effects of market extension mergers and acquisitions.[5] In evaluating the effects of a proposal on probable future competition, the Board considers market concentration, the number of probable future entrants into the market, the size of the bank to be acquired, and the attractiveness of the market for entry on a de novo or foothold basis absent approval of the acquisition. After consideration of these factors in the context of the specific facts of this case, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

All but two of the 13 markets in which Northeast operates are highly concentrated. Of these markets, none is considered attractive for de novo entry under the Board's guidelines. Moreover, in view of the fact that Maine law allows the acquisition of banks in Maine by out-of-state bank holding companies, there are a number of probable future entrants into all of the relevant banking markets involved in this proposed acquisition.[6] Thus, the Board finds that intensive examination is not required under the Board's proposed policy statement in any of the 13 markets in which Northeast operates.

Based on the foregoing and other facts of record, the Board concludes that consummation of this proposed acquisition of Northeast's banking subsidiaries would not have any significant adverse effects on existing or potential competition and would not increase the concentration of banking resources in any relevant area. Thus, competitive considerations are consistent with approval of the application.

The financial and managerial resources of Applicant, Northeast, and their subsidiaries are considered generally satisfactory and their future prospects appear favorable. Thus, considerations relating to banking factors are consistent with approval of the application.

Applicant's acquisition of Northeast will result in the expansion of services currently offered by Northeast's banking subsidiaries to their customers. Such services will include trust services, accounts receivable processing, and leasing services. Northeast will also be able to enhance its operating efficiency through access to Applicant's centralized data processing system. Thus, the Board concludes that considerations relating to the convenience and needs of the communities to be served are consistent with approval of this application. Accordingly, the Board's judgment is that under section 3 of the Act consummation of the proposed transaction would be in the public interest and that the application should be approved.

With respect to the application to acquire Northeast's financing and data processing subsidiaries, there is no evidence in the record to indicate that approval would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the Act are consistent with approval of the application, and that the application to acquire Northeast's nonbanking subsidiaries should be approved.

Based on the foregoing and other facts of record, the applications are approved for the reasons set forth above. The acquisition of Northeast's banking subsidiaries pursuant to section 3 of the Act shall not be made before the thirtieth calendar day following the effective date of this Order, and neither the acquisition of Northeast's banking subsidiaries nor the acquisition of its nonbanking subsidiaries shall be made later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority. The approval of Applicant's proposal to acquire Northeast's nonbanking subsidiaries and to engage in finance and data processing activities are 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

4. Eight of the relevant banking markets in which Northeast operates are defined as follows. (1) Portland includes the coastal area of northeastern York and western Cumberland Counties; (2) Bangor includes the city of Bangor, Southern Penobscot County and the town of Winterport in Waldo County; (3) Augusta includes the portion of Kennebec County surrounding the city of Augusta; (4) Lewiston-Auburn includes all but the northern most portion of Androscoggin County; (5) Sanford includes the central portion of York County; (6) Livermore Falls includes the northwest corner of Kennebec County and the southcentral portion of Franklin County; (7) Guilford includes the central portion of Somerset County surrounding the town of Guildford; and (8) Portsmouth-Dover-Rochester includes the southern most tip of Maine and Strafford County in New Hampshire. In addition, Northeast operates offices in the following "economic areas" as defined by the Maine State Planning Office: Lincoln, Belfast, Millinocket; Calais and Machias.

5. 47 *Federal Register* 9017 (March 3, 1982).

6. There are 20 New York banking organizations with more than $1 billion in deposits that might be considered as probable future entrants into Maine. In addition, a recently enacted Massachusetts law that allows acquisitions in Massachusetts by out-of-state banking organizations may satisfy the reciprocity requirements of Maine law. There are five Massachusetts banking organizations that might thus be regarded as probable future entrants into the Maine banking markets

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 Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective March 21, 1983.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, Partee, Teeters, Rice, and Gramley. Governor Gramley abstains from voting on the acquisition of Northeast Consumer Services Corporation.

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

Philadelphia National Corporation, Philadelphia, Pennsylvania

National Central Financial Corporation, Lancaster, Pennsylvania

Combination of Bank Holding Companies

Philadelphia National Corporation, Philadelphia, Pennsylvania ("PNC"), and National Central Financial Corporation, Lancaster, Pennsylvania ("NCFC"), bank holding companies within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 et seq.), have applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. § 1842), to combine their operations.

As proposed, NCFC will be recapitalized and renamed and its board of directors will be reconstituted to include the 18 current PNC directors, five current NCFC directors and one nominee of the current PNC board of directors. The recapitalized NCFC will, thereupon, acquire PNC through a merger of PNC into a newly formed subsidiary of the recapitalized NCFC. The recapitalized NCFC will continue to hold all of the outstanding voting common shares of NCFC's sole bank subsidiary, Hamilton Bank, Lancaster, Pennsylvania. As a result, the restructured NCFC will control three banks: Hamilton Bank, Lancaster, Pennsylvania; The Philadelphia National Bank, Ardmore, Pennsylvania ("PNB"), and The Philadelphia Bank (Delaware), Wilmington, Delaware.

On behalf of the restructured NCFC, PNC and NCFC have also applied for the Board's approval under section 4 of the Act (12 U.S.C. § 1843) to acquire the operations of the following nonbanking subsidiaries: The Colonial Group of Companies, Philadelphia, Pennsylvania, which engages in mortgage banking activities; Signal Financial Corporation, Pittsburgh, Pennsylvania, which engages in consumer finance and credit health, accident and life insurance activities; Congress Financial Corporation, New York, New York, which engages in commercial lending and factoring activities; Charter Atlantic Corporation New York, New York, which engages in investment management and advisory services; Hartzler Mortgage Company, Worthington, Ohio, which engages in mortgage banking activities; National Central Commercial Corporation, Lancaster, Pennsylvania, which issues commercial paper to provide funding for NCFC; Princeton Life Insurance Company, Lancaster, Pennsylvania, which engages in reinsuring group credit life, accident, and health insurance, and Central Capital Corporation, Lancaster, Pennsylvania, a federally licensed Small Business Investment Company. The activities have been determined by the Board to be closely related to banking (12 C.F.R. §§ 225.4(a)(1), (3), (5), (9), (10)) or permissible under section 4(c)(1)(C) of the Act (12 U.S.C. § 1843(c)(1)(C)).

Notice of the applications, affording opportunity for interested persons to submit comments has been given in accordance with sections 3 and 4 of the Act (48 *Federal Register* 2834 (1983)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations specified in section 4 of the Act.[1]

PNC, the third largest commercial banking organization in Pennsylvania, controls one subsidiary bank in Pennsylvania, The Philadelphia National Bank, with aggregate deposits of $3.4 billion, representing 5.0 percent of the total domestic deposits in commercial banks in the state. PNC also controls The Philadelphia Bank (Delaware), Wilmington, Delaware, which conducts wholesale banking operations for PNC. NCFC, the ninth largest commercial banking organization in Pennsylvania, controls one bank, Hamilton Bank, with aggregate domestic deposits of $1.6 billion, representing 2.4 percent of the total deposits in commercial banks in the state.[2] Upon consummation of this transaction, PNC's shares of the total deposits in commercial banks in Pennsylvania would be 7.4 percent and

1. The Board received comments from the Tenant Action Group, Philadelphia, Pennsylvania, on PNC's efforts to meet the needs of the community pursuant to the Community Reinvestment Act and the effect that the application would have on these efforts. No formal protest was filed PNC met with the Tenant Action Group to solicit information regarding problems facing the community and to ensure that the banking needs of the community would continue to be met after consummation of the proposal.

2 Unless otherwise indicated, all banking data are as of June 30, 1982.

the resulting organization would retain PNC's rank as the third largest commercial banking organization in Pennsylvania.

The Board has carefully considered the effects of the proposal on statewide banking structure and upon competition in the relevant markets. The proposal involves a combination of sizeable commercial banking organizations that are among the leading banking organizations in the state. However, in terms of the concentration of deposits in commercial banks, Pennsylvania is one of the least concentrated states in the United States, and would remain so upon consummation of the proposal. In addition, a large number of banking organizations of substantial size would continue to operate in the state following consummation of this proposal.[3] On the basis of these considerations, the Board concludes that the proposed merger would have no substantial adverse effects on the concentration of banking resources in Pennsylvania.

PNC's subsidiary bank, PNB, competes only in the Philadelphia banking market,[4] where it is the largest commercial banking organization in the market, controlling 14.5 percent of the total deposits of commercial banks in the market.[5] NCFC's subsidiary, Hamilton Bank, also competes in the Philadelphia banking market and is the 37th largest bank in the market, controlling 0.3 percent of the market's deposits. Although the proposed acquisition would eliminate some existing competition between PNB and Hamilton Bank, the Board notes that the Philadelphia banking market is unconcentrated, with a four-firm concentration ratio of 45.3 percent and there is little competitive overlap between the areas served by PNB's and Hamilton Bank's offices. Although PNB operates 67 offices throughout the market, it has only one office in Chester County, where Hamilton Bank operates all its offices in the market. In addition, 59 commercial banking organizations would continue to operate in the market after consummation of the proposal. Accordingly, the Board concluded, that consummation of this proposal would not have a significant adverse effect on existing competition in the Philadelphia market.

The Board has considered the effects of this proposal on probable future competition and also examined the proposal in light of its proposed guidelines for assessing the competitive effects of market extension mergers and acquisitions.[6] In evaluating the effects of a proposed merger or consolidation upon probable future competition, the Board considers market concentration, the number of probable future entrants into the market, the size of the bank to be acquired, and the attractiveness of the market for entry on a de novo or foothold basis absent approval of the acquisition. After consideration of these factors in the context of the specific facts of this case, the Board concludes that consummation of this proposal would not have any significant adverse effects on probable future competition in any relevant market.

NCFC operates in five banking markets in which PNC does not operate. These markets are the Lancaster, Reading, Harrisburg, York, and Lebanon markets. PNC has substantial financial and managerial resources and appears to be a probable future entrant into these markets. With the exception of the Reading market, all of the markets are relatively unconcentrated, each with a three-firm concentration level of below 60 percent. In addition, there are numerous other probable future entrants into each of these markets. Thus, the Board concludes that consummation of the proposed transaction would not have a substantial adverse effect on probable future competition in these markets.

The Reading market is concentrated, with the three largest banking organizations controlling 83.3 percent of the total deposits in commercial banks in the market. NCFC's subsidiary bank ranks third in the market and controls 19.7 percent of the market's deposits. However, there would remain after consummation of the proposal a large number of probable future entrants into the Reading market. Nine banking organizations in Pennsylvania with assets over $1 billion do not compete in the Reading market and thus are considered as probable future entrants into the market. In addition, there are 13 other banking organizations in Pennsylvania with assets over $500 million, that do not operate in the Reading market, many of which appear to have the financial and managerial resources to enter the Reading market. Accordingly, the Board concludes that the elimination of PNC as a probable future entrant into the Reading market would

3. Twelve commercial banking organizations with total assets over $1 billion and 15 other commercial banking organizations with total assets over $500 million would remain in Pennsylvania after consummation of this proposal.

4. The Philadelphia banking market is defined as Bucks, Chester, Delaware, Montgomery, and Philadelphia counties in Pennsylvania and Burlington, Camden, and Gloucester counties in New Jersey.

5. Banking data are as of June 30, 1981.

6. "Policy Statement of the Board of Governors of the Federal Reserve System for Assessing Competitive Factors Under the Bank Merger Act and the Bank Holding Company Act," 47 *Federal Register* 9017 (March 3, 1982). Although the proposed policy statement has not been approved by the Board, the Board is using the policy guidelines as part of its analysis of the effect of a proposal on probable future competition.

not have a substantial adverse effect on probable future competition in the Reading banking market.

The financial and managerial resources and future prospects of the restructured NCFC and PNC and their respective subsidiaries are considered satisfactory and consistent with approval. Although some expanded services may result from approval of this acquisition, there is no evidence in the record indicating that the banking needs of the community to be served are not being met. Considerations relating to the convenience and needs of the community to be served are consistent with approval.

PNC and NCFC have also applied pursuant to section 4(c)(8) of the Act to permit its successor corporation to acquire their nonbanking subsidiaries. PNC's mortgage banking subsidiary, The Colonial Group of Companies ("Colonial"), engages in originating and servicing 1–4 family residential mortgage loans, multifamily and commercial mortgage loans and construction loans in 15 states throughout the country. NCFC's mortgage banking subsidiary, Hartzler Mortgage Company ("Hartzler"), originates residential mortgage loans principally in Ohio and to a smaller extent, in Pennsylvania. Hartzler also engages in mortgage servicing.

Consummation of this transaction would eliminate some existing competition between Colonial and Hartzler in the Lancaster, York, Harrisburg, Reading, and Philadelphia banking markets in the origination of 1- to 4-family residential mortgages. However, the record indicates that Colonial and Hartzler together originate less than 10 percent of the residential mortgages in each of these markets. In addition, numerous financial institutions, such as thrift institutions, commercial banks, and other mortgage companies compete in these markets. Accordingly, the Board believes that consummation of the proposal would not have significant adverse effects on existing competition in these markets.

With regard to the effect of this transaction on probable future competition in the product market of residential mortgage loan origination, Colonial and Hartzler each compete in several geographic markets in which the other is not represented. The record indicates, however, that Hartzler has confined its expansion efforts to markets in Ohio and does not appear a likely entrant into other states. In addition, Colonial is not a likely entrant into the other Pennsylvania or Ohio markets currently served by Hartzler. In fact, in 1973, the Board denied the application by PNC to acquire Hartzler because it believed that Colonial was likely to enter the residential mortgage loan origination market in Columbus through expansion of an existing office in Columbus that made construction and commercial mortgage loans, but not residential mortgage loans.[7] Since 1973, however, Colonial has closed its Columbus office and has not expanded into residential lending in this market. Accordingly, the Board concludes that Colonial is unlikely to engage in residential mortgage lending in the Ohio markets and thus, consummation of the proposal is unlikely to have an adverse effect on probable future competition in any relevant market.

The restructured NCFC also proposes to acquire the mortgage servicing portfolios of Colonial and Hartzler, which rank as the 8th largest and 165th largest mortgage servicers in the country. Colonial and Hartzler service mortgage portfolios of $4.2 billion and $390 million respectively. The geographic market for mortgage servicing is regional to national in character and a larger number of competitors would remain after consummation of the proposal. Accordingly, the Board concludes that no significant competition would be eliminated by the consummation of the proposal.

PNC's subsidiary, Signal Financial Corporation, and NCFC's subsidiary, Princeton Life Insurance Company, underwrite and sell credit life, accident and health insurance. This insurance is sold and underwritten only in connection with loans by their respective subsidiaries and thus consummation of this proposal would not result in any significant adverse effects on competition between these insurance subsidiaries.

With respect to the successor corporation's acquisition of the mortgage banking, insurance and other nonbanking subsidiaries of PNC and NCFC, there is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4 of the Act is consistent with approval of the application.

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3 and 4 of the Act should be and are hereby approved. The merger shall not be made before the thirtieth calendar day following the effective date of this Order, and neither the combination nor the acquisition of the nonbanking subsidiaries shall be made later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of

7. *Philadelphia National Corporation*, 59 FEDERAL RESERVE BULLETIN 913 (1973).

Philadelphia, pursuant to delegated authority. The determination as to the acquisition of the nonbank subsidiaries is subject to the conditions set forth in section 225.4(c) and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective March 31, 1983.

Voting for this action: Chairman Volcker and Governors Martin, Wallich, and Gramley. Voting against this action: Governor Teeters. Absent and not voting: Governors Partee and Rice. Governor Wallich abstains from voting on the applications regarding the acquisition of Princeton Life Insurance Company and the insurance activities of Signal Financial Corporation.

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

Dissenting Statement of Governor Teeters

I would deny this application on the grounds that the proposed combination of these bank holding companies would have a significantly adverse effect on probable future competition in the Reading banking market. I believe Philadelphia National Corporation has the capacity to enter the Reading market on a de novo or foothold basis. In light of the concentrated nature of the Reading market, the elimination of Philadelphia National Corporation as a probable future entrant is substantially anticompetitive.

The Board has proposed guidelines regarding probable future competition as a method of addressing the standards set out by the United States Court of Appeals for the Fifth Circuit in *Mercantile Texas Corporation* v. *Board of Governors*, 638 F.2d 1255 (5th Cir. 1981). As I have previously indicated, these guidelines will be difficult to enforce and today's action reaffirms my belief that the guidelines permit combinations of bank holding companies that, in my opinion, have substantially anticompetitive consequences.

I believe the Board should give more attention to developing and applying standards that more realistically reflect the adverse effects of the elimination of probable future competition.

Accordingly, I dissent from the Board's decision regarding this application.

March 31, 1983

Orders Under Bank Merger Act

1st Source Bank, South Bend, Indiana

Order Approving Merger of Banks

1st Source Bank, South Bend, Indiana, a subsidiary of 1st Source Corporation, South Bend, Indiana, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under the Bank Merger Act (12 U.S.C. § 1828(c)) to merge with The First National Bank of Mishawaka, Mishawaka, Indiana ("Bank"), under the charter and title of Applicant. Applicant has concurrently applied for membership in the Federal Reserve System.[1]

Notice of the application, affording interested persons an opportunity to submit comments and views, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. § 262.3(b)). As required by the Bank Merger Act, reports of the competitive effects of the merger were requested from the United States Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

Applicant is the ninth largest commercial bank in Indiana and holds total deposits of $419 million, representing 1.5 percent of the total deposits in commercial banks in the state.[2] Bank is the 41st largest commercial bank in the state and holds deposits of $126.9 million, representing 0.45 percent of the total deposits in commercial banks in the state. Upon consummation of the proposed merger, Applicant would become the fourth largest commercial bank in Indiana and would control 1.9 percent of the total deposits in commercial banks in the state. Consummation of the proposal would have no appreciable effect upon the concentration of banking resources in Indiana.

Applicant operates in two banking markets: the La Porte banking market in which Applicant maintains a branch office, and the Elkhart-Niles-South Bend banking market.[3] Bank does not compete in the La Porte banking market and therefore, consummation of this proposal would not eliminate any existing competition

1. The application for membership is being processed by the Federal Reserve Bank of Chicago under delegated authority.
2. State deposit figures are as of June 30, 1982. All other banking data are as of June 30, 1981.
3. The Elkhart-Niles-South Bend banking market is approximated by Elkhart County, Indiana; St. Joseph County, Indiana (excluding Olive and Warren townships); Cass County, Michigan; and Oronoko, Berrien, Bertrand, Niles, and Buchanan townships in Berrien County, Michigan

in that market. In the Elkhart-Niles-South Bend market, the proposed merger would eliminate existing competition between Applicant and Bank. Applicant is the largest banking organization in the market with total deposits of $383.6 million, representing 15.5 percent of the total deposits in commercial banks in the market. Bank is the ninth largest banking organization in the market, with total deposits of $119.9 million representing 4.8 percent of the the total deposits in commercial banks in the market. Upon consummation of this proposal, Applicant would control 20.3 percent of the total deposits in commercial banks in the market and the four-firm concentration ratio in the market would increase from 55.5 percent to 60.3 percent.

Although consummation of the proposed merger would eliminate existing competition in the Elkhart-Niles-South Bend banking market, certain facts of record mitigate the competitive effects of this proposal. The Elkhart-Niles-South Bend market is presently unconcentrated and would become only moderately concentrated upon consummation of the proposal. The Herfindahl Hirschman index in the Elkhart-Niles-South Bend market is 989 and would increase to 1138 after the merger. The Department of Justice has indicated that the merger would not have a significantly adverse effect on competition. Moreover, at least 20 independent banking organizations would remain in the market upon consummation of this transaction. Based on these facts and other facts of record, the Board does not regard the elimination of existing competition in this case to be so significant as to warrant denial of the application. In addition, in view of its size, Bank does not appear to be a probable future entrant into the La Porte banking market. Accordingly, the Board concludes that consummation of the proposed merger would not have a significant adverse effect upon existing or probable future competition in any relevant market. Thus, competitive considerations are consistent with approval of the merger.

The financial and managerial resources of Applicant, its parent, and Bank are regarded as satisfactory and their future prospects appear favorable. Thus, considerations relating to banking factors are consistent with approval. Although no new banking services to the customers of Bank would result from the merger, Applicant will expand Bank's lending activities, cash management, trust, and credit card services. Thus, considerations relating to the convenience and needs of the community are consistent with approval. Based on the foregoing and other considerations reflected in the record, the Board's judgment is that consummation of the transaction would be consistent with the public interest.

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

By order of the Board of Governors, effective March 25, 1983.

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

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

Orders Approved Under Bank Holding Company Act

By the Board of Governors

During March 1983, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank(s)	Board action (effective date)
CCB Bancshares, Inc., Hahira, Georgia	The Citizens Bank of Hahira, Hahira, Georgia	March 9, 1983
First City Bancorporation of Texas, Inc., Houston, Texas	First City Bank-MOPAC, N.A., Austin, Texas	March 4, 1983
InterFirst Corporation, Dallas, Texas	InterFirst Bank NW San Antonio, N.A., San Antonio, Texas	March 8, 1983
Sun Banks of Florida, Orlando, Florida	Avon Citrus Bank, Avon Park, Florida	March 15, 1983
Texas Commerce Bancshares, Inc., Houston, Texas	Bank of Pasadena, Pasadena, Texas	March 14, 1983

By Federal Reserve Banks

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies of the orders are available upon request to the Reserve Banks.

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
Allied Bancshares, Inc., Houston, Texas	Texas Bank & Trust Company of Houston, Houston, Texas	Dallas	March 14, 1983
Bancshares of Hayti, Inc., Hayti, Missouri	Bank of Hayti, Hayti, Missouri	St. Louis	March 3, 1983
Bank North Group, Inc., St. Albans, Vermont	Franklin-Lamoille Bank, St. Albans, Vermont	Boston	March 25, 1983
Bern Bancshares, Inc., Bern, Kansas	The State Bank of Bern, Bern, Kansas	Kansas City	March 14, 1983
Blackwater Bancshares, Inc., Blackwater, Missouri	Central Missouri State Bank, Boonville, Missouri	Kansas City	March 25, 1983
Brazosport Corporation, Freeport, Texas	Brazosport Bank of Texas, Freeport, Texas	Dallas	March 2, 1983
CBA Bancshares, Inc., Americus, Georgia	Citizens Bank of Americus, Americus, Georgia	Atlanta	February 25, 1983
CSB Banco, Inc., Lincoln, Nebraska	Citizens State Banco, Lincoln, Nebraska	Kansas City	March 11, 1983
Cedar Rapids State Company, Cedar Rapids, Nebraska	Cedar Rapids State Bank, Cedar Rapids, Nebraska	Kansas City	February 22, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Chisholm Trail Financial Corporation, Wichita, Kansas	Derby Financial Corporation, Wichita, Kansas	Kansas City	February 22, 1983
Citi-Bancshares, Inc., Leesburg, Florida	Citizens National Bank of Leesburg, Leesburg, Florida	Atlanta	March 15, 1983
Citizens Holding Company, Lexington, Georgia	Citizens Banking Company, Lexington, Georgia	Atlanta	February 25, 1983
Claremont Bancshares, Inc., Claremont, Minnesota	Security State Bank of Claremont, Claremont, Minnesota	Minneapolis	February 25, 1983
Clark Bancshares, Inc., Clarks, Nebraska	Bank of Clarks, Clarks, Nebraska	Kansas City	March 22, 1983
Clayco Bancshares, Inc., Claycomo, Missouri	Clayco State Bank, Claycomo, Missouri	Kansas City	March 4, 1983
Cornerstone Financial Corporation, Derry, New Hampshire	Derry Bank and Trust Company, Derry, New Hampshire	Boston	March 25, 1983
Craco, Inc., Vinita, Oklahoma	The First National Bank of Vinita, Vinita, Oklahoma	Kansas City	March 16, 1983
Custer Bancorp., Westcliffe, Colorado	Liberty State Bank, Colorado Springs, Colorado Custer County Bank, Westcliffe, Colorado	Kansas City	February 25, 1983
Derby Financial Corporation, Wichita, Kansas	First National Bank of Derby, Derby, Kansas	Kansas City	February 22, 1983
Equitable Bankshares of Colorado, Inc., Denver, Colorado	EquiBank-South, N.A., Arapahoe County, Colorado	Kansas City	March 22, 1983
Farley Bancshares, Inc., Farley, Missouri	Farley State Bank, Farley, Missouri	Kansas City	March 24, 1983
Fergus Falls Bancshares, Inc., Fergus Falls, Minnesota	Security State Bank of Fergus Falls, Fergus Falls, Minnesota	Minneapolis	March 21, 1983
First Alex Bancshares, Inc., Alex, Oklahoma	The First National Bank of Alex, Alex, Oklahoma	Kansas City	March 1, 1983
First Anderson Bancshares, Inc., Anderson, Texas	The First National Bank of Anderson, Anderson, Texas	Dallas	March 17, 1983
First Atlanta Corporation, Atlanta, Georgia	The First National Bank of Cartersville Cartersville, Georgia	Atlanta	March 17, 1983
First Bancorporation of Geraldine, Inc., Geraldine, Alabama	Bank of Geraldine, Geraldine, Alabama	Atlanta	February 25, 1983
First Citizens Bancorp of Cherokee County, Inc., Ball Ground, Georgia	The Citizens Bank, Ball Ground, Georgia	Atlanta	March 23, 1983
First Elbert Corporation, Elberton, Georgia	First National Bank in Elberton, Elberton, Georgia	Atlanta	March 25, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
First Freeport Corporation, Freeport, Illinois	Lincolnway State Bank, Sterling, Illinois	Chicago	March 1, 1983
First State Bancorp., Inc., Caruthersville, Missouri	First State Bank of Caruthersville, Caruthersville, Missouri	St. Louis	February 25, 1983
First Thomson Bancorp., Inc., Thomson, Georgia	The First National Bank of Thomson, Thomson, Georgia	Atlanta	March 10, 1983
First Wyoming Bancorporation, Cheyenne, Wyoming	Bank of Laramie, Laramie, Wyoming	Kansas City	March 2, 1983
Floresville Bancshares, Inc., Floresville, Texas	First City National Bank of Floresville, Floresville, Texas	Dallas	March 25, 1983
Fremont State Bancshares, Inc., Lincoln, Nebraska Fremont Bancshares, Inc., Lincoln, Nebraska	CSB Banco, Inc., Lincoln, Nebraska	Kansas City	March 11, 1983
General Bancshares Corporation, St. Louis, Missouri	The First National Bank of Benld, Benld, Illinois	St. Louis	March 22, 1983
Germantown Banc Corp., Germantown, Illinois	Germantown Trust & Savings Bank, Germantown, Illinois	St. Louis	March 7, 1983
Gilcrease Hills Bancorp, Inc., Tulsa, Oklahoma	Gilcrease Hills Bank, Tulsa, Oklahoma	Kansas City	March 25, 1983
Gwinnett Holding Company, Snellville, Georgia	Fulton Bancshares, Inc., Snellville, Georgia Heritage Bank, Alpharetta, Georgia	Atlanta	March 11, 1983
Hartsville Bancshares, Inc., Hartsville, Tennessee	Bank of Hartsville, Hartsville, Tennessee	Atlanta	March 2, 1983
JC Bankshares, Inc., Prairie Village, Kansas	Johnson County Bankshares, Inc., Prairie Village, Kansas	Kansas City	March 17, 1983
LaFayette County Bancshares, Inc., Lexington, Missouri	Lafayette County Bank of Lexington Wellington, Lexington, Missouri	Kansas City	February 23, 1983
Lakeside Bancshares, Inc., Rockwall, Texas	Lakeside National Bank, Rockwall, Texas	Dallas	February 25, 1983
Mercantile Bancorporation, Inc., St. Louis, Missouri	Interstate Bank of St. Peters, St. Peters, Missouri	St. Louis	March 2, 1983
Merchants & Planters Bancshares, Inc., Montevallo, Alabama	Merchants & Planters Bank, Montevallo, Alabama	Atlanta	March 2, 1983
Metro Bancshares, Inc., Broken Arrow, Oklahoma	Metro Bank of Broken Arrow, Broken Arrow, Oklahoma	Kansas City	March 9, 1983
Midwest Financial Group, Inc., Peoria, Illinois	Sangamon Bank and Trust, Springfield, Illinois	Chicago	March 1, 1983
Mountain Bancorp, Inc., West Liberty, Kentucky	Bank of the Mountains, West Liberty, Kentucky	Cleveland	March 16, 1983
National Bancshares Corporation of Texas, San Antonio, Texas	First National Bank of Mission, Mission, Texas	Dallas	March 21, 1983

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Nixon Bancshares, Inc., Nixon, Texas	Nixon State Bank, Nixon, Texas	Dallas	March 22, 1983
Northern Trust Corporation, Chicago, Illinois	First Security Bank of Oak Brook, Oak Brook, Illinois	Chicago	March 7, 1983
Panhandle Bancshares, Inc., Panhandle, Texas	First State Bank, Tulia, Texas	Dallas	March 7, 1983
Peoples Exchange Bancorporation of Thorp, Inc., Thorp, Wisconsin	Peoples Exchange Bank, Thorp, Wisconsin	Chicago	March 22, 1983
Pilot Point Bancshares Corporation, Pilot Point, Texas	The Pilot Point National Bank, Pilot Point, Texas	Dallas	March 4, 1983
Ray Bancorporation, Inc., Ray, North Dakota	Citizens State Bank of Ray, Ray, North Dakota	Minneapolis	March 18, 1983
Rice Lake Bancorp., Inc., Rice Lake, Wisconsin	Citizens State Bank, Birchwood, Wisconsin	Minneapolis	March 1, 1983
Richmond Bancshares, Inc., Richmond, Texas	Community Bank-Fort Bend County, Richmond, Texas	Dallas	March 25, 1983
Rushville Bancshares, Inc., Rushville, Illinois	Rushville State Bank, Rushville, Illinois	Chicago	March 11, 1983
Security Bancshares, Incorporated, Monroe, Louisiana	Security Bank, Monroe, Louisiana	Dallas	March 21, 1983
South Dakota Bancshares, Inc., Pierre, South Dakota	Farmers State Bank, Faith, South Dakota	Minneapolis	March 3, 1983
South Taylor County Bancshares, Tuscola, Texas	First State Bank in Tuscola, Tuscola, Texas	Dallas	March 24, 1983
Southern Bankshares, Inc., Beckley, West Virginia	Beckley National Bank, Beckley, West Virginia	Richmond	March 2, 1983
Southwest Bancshares, Inc., Houston, Texas	Westhollow National Bank, Houston, Texas	Dallas	March 23, 1983
Sterling Bancorp., Inc., Eleanor, West Virginia	The Buffalo Bank, Eleanor, West Virginia	Richmond	March 11, 1983
TBT Bancshares, Inc., Mt. Sterling, Kentucky	Traders Bank and Trust Company, Mt. Sterling, Kentucky	Cleveland	March 17, 1983
TransTexas Bancshares, Inc., Beaumont, Texas	The First National Bank of Canton, Canton, Texas	Dallas	March 11, 1983
TwinCo, Inc., Twin Bridges, Montana	First National Bank of Twin Bridges, Twin Bridges, Montana	Minneapolis	March 8, 1983
Unicorp Bancshares-Houston, Inc., Houston, Texas	Unitedbank-Metro, Houston, Texas	Dallas	March 11, 1983
United Banks of Wisconsin, Inc., Madison, Wisconsin	Independent Bankshares, Inc., Madison, Wisconsin	Chicago	March 1, 1983
Walthall Capital Group, Ltd., Tylertown, Mississippi	Walthall Citizens Bank, Tylertown, Mississippi	Atlanta	March 11, 1983
Western Illinois National Bancshares, Inc., Aledo, Illinois	National Bank of Aledo, Aledo, Illinois	Chicago	March 25, 1983

Section 4

Applicant	Nonbanking company	Reserve Bank	Effective date
European American Bancorp, New York City, New York	Pilgrim, Baxter, Hoyt & Greig, Philadelphia, Pennsylvania	New York	March 9, 1983

Sections 3 and 4

Applicant	Bank(s)/Nonbanking company or activity	Reserve Bank	Effective date
American Bancorp, Inc., Reading, Pennsylvania	Central Penn National Corp., Philadelphia, Pennsylvania	Philadelphia	March 16, 1983
Broadway Financial Corporation, Paterson, New Jersey	Broadway Bank & Trust Company, Paterson, New Jersey; Broadway Premium Computer Service Center, Inc., New York, New York	New York	March 2, 1983
Edgewater Capital Corporation, Chicago, Illinois	Community Bank & Trust Company of Edgewater, Chicago, Illinois	Chicago	March 25, 1983
South Central Bancshares, Inc., Russellville, Kentucky	Citizens National Bank of Russellville, Russellville, Kentucky; To engage in insurance activities		

ORDER APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
Bank of Virginia, Richmond, Virginia	The Bank of Vienna, Vienna, Virginia	Richmond	March 10, 1983

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

Flagship Banks, Inc. v. Board of Governors, filed January 1983, U.S.D.C. for the District of Columbia.

Flagship Banks, Inc. v. Board of Governors, filed October 1982, U.S.D.C. for the District of Columbia.

Association of Data Processing Service Organizations, Inc., et al. v. Board of Governors, filed August 1982, U.S.C.A. for the District of Columbia.

The Philadelphia Clearing House Association, et al. v. Board of Governors, filed July 1982, U.S.D.C. for the Eastern District of Pennsylvania.

Richter v. Board of Governors, et al., filed May 1982, U.S.D.C. for the Northern District of Illinois.

Wyoming Bancorporation v. Board of Governors, filed May 1982, U.S.C.A. for the Tenth Circuit.

First Bancorporation v. Board of Governors, filed April 1982, U.S.C.A. for the Tenth Circuit.

Charles G. Vick v. Paul A. Volcker, et al., filed March 1982, U.S.D.C. for the District of Columbia.

Jolene Gustafson v. Board of Governors, filed March 1982, U.S.C.A. for the Fifth Circuit.

Edwin F. Gordon v. *Board of Governors, et al.*, filed October 1981, U.S.C.A. for the Eleventh Circuit (two consolidated cases).

Allen Wolfson v. *Board of Governors*, filed September 1981, U.S.D.C. for the Middle District of Florida.

Bank Stationers Association, Inc., et al. v. *Board of Governors*, filed July 1981, U.S.D.C. for the Northern District of Georgia.

Public Interest Bounty Hunters v. *Board of Governors, et al.*, filed June 1981, U.S.D.C. for the Northern District of Georgia.

Edwin F. Gordon v. *John Heimann, et al.*, filed May 1981, U.S.C.A. for the Fifth Circuit.

First Bank & Trust Company v. *Board of Governors*, filed February 1981, U.S.D.C. for the Eastern District of Kentucky.

9 to 5 Organization for Women Office Workers v. *Board of Governors*, filed December 1980, U.S.D.C. for the District of Massachusetts.

Securities Industry Association v. *Board of Governors, et al.*, filed October 1980, U.S.D.C. for the District of Columbia.

Securities Industry Association v. *Board of Governors, et al.*, filed October 1980, U.S.C.A. for the District of Columbia.

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

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

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

Berkovitz, et al. v. *Government of Iran, et al.*, filed June 1980, U.S.D.C. for the Northern District of California.

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1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[1]								
	1982				1982			1983	
	Q1	Q2	Q3	Q4	Oct	Nov	Dec	Jan	Feb
Reserves of depository institutions									
1 Total	7.5	6	4.8	14.8	9.4	17.5	12.8	1.9	14.4
2 Required	7.1	1.1	4.6	13.9	8.9	17.8	10.0	5	-11.0
3 Nonborrowed	−9	4.2	11.2	16.5	23.8	13.4	12.7	5.0	-16.2
4 Monetary base[2]	7.9	6.6	6.7	13.0r	14.5	13.3	8.4	12.7	3.7
Concepts of money and liquid assets[3]									
5 M1	10.5	3.2	6.1	8.8r	8.0	13.3	8.9	9.8	22.2
6 M2	8.7	7.0	10.9	7.5r	9.3	9.3	3.6	29.8	24.1
7 M3	8.6	8.5	12.0	8.2r	9.2	n.a.	n.a.	12.0	13.4
8 L	10.2	10.5	11.4	n.a.	10.7	n.a.	n.a.	n.a.	n.a.
Time and savings deposits									
Commercial banks									
9 Total	6.5	13.4	18.2	3.2	2.7	−5.0	5.5	27.4	8.5
10 Savings[4]	4.5	1.7	−1.8	13.1r	20.3	28.8	21.7	−88.2	−57.1
11 Small-denomination time[5]	9.1	17.0	18.7	4	-4.6	−2.2	-18.2	83.6	63.6
12 Large-denomination time[6]	4.6	17.0	26.8	−6.8	2.9	-22.9	44.3	−97.1	−61.3
13 Thrift institutions[7]	1.3	4.1	6.5	6.0	5.5	7.4	4.5	8.3	20.3
14 Total loans and securities at commercial banks[8]	2.6	-6.7	6.0	5.5	6.8	1.5	10.5	12.8	7.6

Item	Interest rates (levels, percent per annum)								
	1982			1983	1982		1983		
	Q2	Q3	Q4	Q1	Nov	Dec	Jan	Feb	Mar.
Short-term rates									
15 Federal funds[9]	14.52	11.01	9.28	8.65	9.20	8.95	8.68	8.51	8.77
16 Discount window borrowing[10]	12.00	10.83	9.25	8.50	9.35	8.73	8.50	8.50	8.50
17 Treasury bills (3-month market yield)[11]	12.42	9.32	7.90	8.11	8.07	7.94	7.86	8.11	8.35
18 Commercial paper (3-month)[11, 12]	13.81	11.15	8.80	8.34	8.69	8.51	8.17	8.34	8.52
Long-term rates									
Bonds									
19 U.S. government[13]	13.74	12.94	10.72	10.87	10.57	10.62	10.78	11.03	10.80
20 State and local government[14]	12.33	11.39	9.90	9.43	10.06	9.96	9.50	9.58	9.20
21 Aaa utility (new issue)[15]	15.73	14.25	12.10	11.89	11.76	11.84	12.05	12.08	11.70
22 Conventional mortgages[16]	16.63	15.65	13.79	n.a.	13.80	13.62	13.44	13.18	n.a.

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

2. Includes reserve balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.

3. M1. Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's checks of nonbank issuers, (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2: M1 plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and balances of money market mutual funds (general purpose and broker/dealer).

M3. M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations and balances of institution-only money market mutual funds.

L. M3 plus other liquid assets such as term Eurodollars held by U.S. residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U.S. savings bonds.

4. Savings deposits exclude NOW and ATS accounts at commercial banks and thrifts and CUSD accounts at credit unions.

5. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than $100,000.

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

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

8. Changes calculated from figures shown in table 1.23. Beginning December 1981, growth rates reflect shifts of foreign loans and securities from U.S. banking offices to international banking facilities.

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

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

11. Quoted on a bank-discount basis.

12. Unweighted average of offering rates quoted by at least five dealers.

13. Market yields adjusted to a 20-year maturity by the U.S. Treasury.

14. *Bond Buyer* series for 20 issues of mixed quality.

15. Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.

16. Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.

NOTE. Revisions in reserves of depository institutions reflect the transitional phase-in of reserve requirements as specified in the Monetary Control Act of 1980.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending					
	1983			1983					
	Jan	Feb	Mar.	Feb 16	Feb 23	Mar 2	Mar 9	Mar 16	Mar 23[p]	Mar. 30[p]
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit outstanding**	**157,519**	**155,365**	**156,202**	**155,725**	**156,384**	**155,789**	**154,836**	**155,642**	**157,063**	**155,499**
2 U.S. government securities[1]	135,318	134,379	135,201	133,833	136,442	134,751	134,321	135,149	136,337	134,460
3 Bought outright	134,862	133,961	135,087	133,833	134,771	134,247	134,321	135,149	136,337	134,460
4 Held under repurchase agreements	456	418	114	0	1,671	504	0	0	0	0
5 Federal agency securities	8,987	8,945	8,929	8,924	9,009	8,977	8,923	8,915	8,915	8,915
6 Bought outright	8,934	8,924	8,917	8,924	8,924	8,923	8,923	8,915	8,915	8,915
7 Held under repurchase agreements	53	21	12	0	85	54	0	0	0	0
8 Acceptances	126	17	9	0	68	39	0	0	0	0
9 Loans	500	561	854	868	475	710	626	890	641	896
10 Float	2,652	2,079	2,263	2,436	1,532	2,368	2,287	1,838	2,117	1,978
11 Other Federal Reserve assets	9,936	9,384	8,946	9,665	8,858	8,944	8,680	8,851	9,054	9,250
12 Gold stock	11,146	11,142	11,138	11,143	11,139	11,139	11,138	11,138	11,138	11,138
13 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
14 Treasury currency outstanding	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786
ABSORBING RESERVE FUNDS										
15 Currency in circulation	152,672	151,650	153,186	151,846	151,881	151,963	152,693	153,369	153,367	153,356
16 Treasury cash holdings	438	457	482	456	462	465	473	481	485	493
Deposits, other than reserves, with Federal Reserve Banks										
17 Treasury	3,250	3,200	3,361	3,271	3,221	2,896	3,709	3,690	3,387	2,534
18 Foreign	259	236	244	246	210	267	260	229	219	231
19 Other	691	551	547	545	506	531	520	565	584	521
20 Required clearing balances	460	511	578	507	521	534	550	579	595	598
21 Other Federal Reserve liabilities and capital	4,868	4,776	4,858	4,792	4,770	4,897	4,845	4,843	4,809	4,911
22 Reserve accounts[2]	24,431	23,530	22,487	23,609	24,354	23,778	21,328	21,427	23,159	22,397

Factors	End-of-month figures			Wednesday figures					
	1983			1983					
	Jan.	Feb	Mar	Feb 16	Feb 23	Mar 2	Mar. 9	Mar 16	Mar. 23	Mar 30
SUPPLYING RESERVE FUNDS										
23 **Reserve Bank credit outstanding**	**152,537**	**153,936**	**158,047**	**158,051**	**159,752**	**160,402**	**155,576**	**158,633**	**157,499**	**156,688**
24 U S government securities[1]	132,368	135,561	136,651	134,138	138,130	136,343	134,883	136,293	136,811	134,660
25 Bought outright	132,368	135,561	136,651	134,138	133,965	132,817	134,883	136,293	136,811	134,660
26 Held under repurchase agreements	0	0	0	0	4,165	3,526	0	0	0	0
27 Federal agency securities	8,928	8,923	8,915	8,924	9,063	9,302	8,923	8,915	8,915	8,915
28 Bought outright	8,928	8,923	8,915	8,924	8,924	8,923	8,923	8,915	8,915	8,915
29 Held under repurchase agreements	0	0	0	0	139	379	0	0	0	0
30 Acceptances	0	0	0	0	245	275	0	0	0	0
31 Loans	354	1,155	2,808	3,518	467	1,777	367	3,730	825	1,985
32 Float	1,006	−2,664	486	2,690	2,658	3,748	2,542	177	1,590	1,743
33 Other Federal Reserve assets	9,881	10,961	9,187	8,781	9,189	8,957	8,861	9,518	9,358	9,385
34 Gold stock	11,144	11,139	11,138	11,142	11,139	11,139	11,138	11,138	11,138	11,138
35 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
36 Treasury currency outstanding	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786	13,786
ABSORBING RESERVE FUNDS										
37 Currency in circulation	150,511	151,872	154,307	152,210	152,513	152,609	153,469	153,760	153,675	154,250
38 Treasury cash holdings	448	465	498	458	463	467	481	481	485	495
Deposits, other than reserves, with Federal Reserve Banks										
39 Treasury	2,627	2,856	3,572	4,057	2,643	3,525	3,407	3,935	3,118	2,116
40 Foreign	366	352	425	197	210	226	197	237	199	250
41 Other	603	486	535	524	504	521	498	670	478	575
42 Required clearing balances	478	535	601	504	522	535	552	575	595	598
43 Other Federal Reserve liabilities and capital	4,850	4,988	4,834	4,652	4,706	4,766	4,677	4,828	4,683	4,757
44 Reserve accounts[2]	22,201	21,924	22,816	24,994	27,733	27,296	21,836	23,688	23,807	23,188

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

2 Excludes required clearing balances.

NOTE For amounts of currency and coin held as reserves, see table 1 12

1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1981	1982						1983		
	Dec.	July	Aug.	Sept	Oct.	Nov	Dec.	Jan	Feb.	Mar.p
1 Reserve balances with Reserve Banks[1]	26,163	24,273	24,471	23,385	24,252	24,604	24,804	24,431	23,530	22,028
2 Total vault cash (estimated)	19,538	19,448	19,500	19,921	19,578	19,807	20,392	21,454	20,035	19,491
3 Vault cash at institutions with required reserve balances[2]	13,577	13,105	13,188	13,651	13,658	13,836	14,292	14,602	13,695	13,074
4 Vault cash equal to required reserves at other institutions	2,178	2,486	2,518	2,927	2,677	2,759	2,757	2,829	2,562	2,768
5 Surplus vault cash at other institutions[3]	3,783	3,857	3,794	3,343	3,243	3,212	3,343	4,023	3,778	3,649
6 Reserve balances + total vault cash[4]	45,701	43,721	43,971	43,306	43,830	44,411	45,196	45,885	43,565	41,519
7 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	41,918	39,864	40,177	39,963	40,587	41,199	41,853	41,862	39,787	37,870
8 Required reserves (estimated)	41,606	39,573	39,866	39,579	40,183	40,797	41,353	41,316	39,362	37,601
9 Excess reserve balances at Reserve Banks[4,6]	312	291	311	384	404	402	500	546	425	269
10 Total borrowings at Reserve Banks	642	669	510	976	455	579	697	500	557	854
11 Seasonal borrowings at Reserve Banks	53	225	119	102	86	47	33	33	39	53
12 Extended credit at Reserve Banks	149	46	94	118	141	188	187	156	277	318

Reserve classification	Weekly averages of daily figures for week ending									
	1983									
	Jan 26	Feb. 2	Feb. 9	Feb. 16	Feb 23	Mar. 2	Mar. 9	Mar. 16	Mar. 23p	Mar. 30p
13 Reserve balances with Reserve Banks[1]	23,830	23,710	22,400	23,609	24,354	23,778	21,328	21,427	23,159	22,397
14 Total vault cash (estimated)	21,836	21,228	20,952	20,396	18,684	19,663	19,859	20,307	18,274	19,468
15 Vault cash at institutions with required reserve balances[2]	14,892	14,513	14,074	13,679	13,156	13,616	12,974	13,096	12,690	13,193
16 Vault cash equal to required reserves at other institutions	2,801	2,677	2,853	2,731	2,161	2,433	3,039	3,237	2,369	2,701
17 Surplus vault cash at other institutions[3]	4,143	4,038	4,025	3,986	3,367	3,614	3,846	3,974	3,215	3,574
18 Reserve balances + total vault cash[4]	45,666	44,938	43,352	44,005	43,038	43,441	41,187	41,734	41,433	41,865
19 Reserve balances + total vault cash used to satisfy reserve requirements[4,5]	41,523	40,900	39,327	40,019	39,671	39,827	37,341	37,760	38,218	38,291
20 Required reserves (estimated)	41,022	40,484	39,018	39,410	39,377	39,308	36,873	37,369	37,898	37,837
21 Excess reserve balances at Reserve Banks[4,6]	501	416	309	609	294	519	468	391	320	454
22 Total borrowings at Reserve Banks	325	383	370	868	475	710	626	890	641	896
23 Seasonal borrowings at Reserve Banks	34	37	35	39	45	43	44	44	59	62
24 Extended credit at Reserve Banks	197	211	234	274	335	295	297	326	346	305

1. As of Aug. 13, 1981, excludes required clearing balances of all depository institutions.
2. Before Nov. 13, 1980, the figures shown reflect only the vault cash held by member banks
3. Total vault cash at institutions without required reserve balances less vault cash equal to their required reserves.
4. Adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merged into an existing member bank, or when a nonmember bank joins the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total because adjusted data by class are not available.
5. Reserve balances with Federal Reserve Banks, which exclude required clearing balances *plus vault cash at institutions with required reserve balances* plus vault cash equal to required reserves at other institutions.
6. Reserve balances with Federal Reserve Banks, which exclude required clearing balances plus vault cash used to satisfy reserve requirements less required reserves. (This measure of excess reserves is comparable to the old excess reserve concept published historically.)

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

Averages of daily figures, in millions of dollars

By maturity and source	1983, week ending Wednesday								
	Feb 2	Feb 9	Feb 16	Feb 23	Mar 2	Mar 9	Mar 16	Mar. 23	Mar 30
One day and continuing contract									
1 Commercial banks in United States	59,398r	63,541r	60,970	61,055	61,536	68,175	64,608	60,985	58,326
2 Other depository institutions, foreign banks and foreign official institutions, and U S. government agencies	26,980	27,928	29,014	30,612	29,080	29,565	29,296	28,876	24,571
3 Nonbank securities dealers	5,022	4,273	5,110	4,654	4,408	4,471	4,259	4,649	4,250
4 All other	26,054	24,697	24,468	24,727	26,048	24,934	25,052	24,475	23,790
All other maturities									
5 Commercial banks in United States	4,362r	4,638r	4,807r	4,476r	4,446	4,376	4,500	4,778	5,292
6 Other depository institutions, foreign banks and foreign official institutions, and U S. government agencies	8,802	9,299	9,534	9,487	9,221	9,484	9,806	10,088	11,005
7 Nonbank securities dealers	4,914	4,986	4,898	5,010	5,213	4,997	4,687	4,801	5,516
8 All other	8,808	8,544	9,441	9,581	9,194	8,918	8,954	8,820	9,716
MEMO. Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States	23,575	23,574	24,176	25,220	24,415	25,700	23,208	22,144	20,415
10 Nonbank securities dealers	4,749	4,638	4,137	3,897	4,636	5,121	4,467	4,260	4,359

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Short-term adjustment credit and seasonal credit			Extended credit[1]						
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		Effective date for current rates
	Rate on 3/31/83	Effective date	Previous rate	Rate on 3/31/83	Previous rate	Rate on 3/31/83	Previous rate	Rate on 3/31/83	Previous rate	
Boston	8½	12/14/82	9	8½	9	9½	10	10½	11	12/14/82
New York		12/15/82								12/15/82
Philadelphia		12/17/82								12/17/82
Cleveland		12/15/82								12/15/82
Richmond		12/15/82								12/15/82
Atlanta		12/14/82								12/14/82
Chicago		12/14/82								12/14/82
St. Louis		12/14/82								12/14/82
Minneapolis		12/14/82								12/14/82
Kansas City		12/15/82								12/15/82
Dallas		12/14/82								12/14/82
San Francisco	8½	12/14/82	9	8½	9	9½	10	10½	11	12/14/82

Range of rates in recent years[2]

Effective date	Range (or level)— All F.R Banks	F R Bank of N Y
In effect Dec 31, 1973	7½	7½
1974— Apr 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾
1975— Jan. 6	7¼–7¾	7¾
10	7¼–7¾	7¼
24	7¼	7¼
Feb 5	6¾–7¼	6¾
7	6¾	6¾
Mar. 10	6¼–6¾	6¼
14	6¼	6¼
May 16	6–6¼	6
23	6	6
1976— Jan 19	5½–6	5½
23	5½	5½
Nov. 22	5¼–5½	5¼
26	5¼	5¼
1977— Aug 30	5¼–5¾	5¼
31	5¼–5¾	5¾
Sept. 2	5¾	5¾
Oct. 26	6	6
1978— Jan 9	6–6½	6½
20	6½	6½
May 11	6½–7	7
12	7	7

Effective date	Range (or level)— All F R Banks	F.R. Bank of N Y
1978— July 3	7–7¼	7¼
10	7¼	7¼
Aug. 21	7¾	7¾
Sept. 22	8	8
Oct. 16	8–8½	8½
20	8½	8½
Nov. 1	8½–9½	9½
3	9½	9½
1979— July 20	10	10
Aug. 17	10–10½	10½
20	10½	10½
Sept. 19	10½–11	11
21	11	11
Oct. 8	11–12	12
10	12	12
1980— Feb 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
July 28	10–11	10
29	10	10
Sept. 26	11	11
Nov 17	12	12
Dec 5	12–13	13
8	13	13

Effective date	Range (or level)— All F R Banks	F.R Bank of N Y
1981— May 5	13–14	14
8	14	14
Nov 2	13–14	13
6	13	13
Dec. 4	12	12
1982— July 20	11½–12	11½
23	11½	11½
Aug. 2	11–11½	11
3	11	11
16	10½	10½
27	10–10½	10
30	10	10
Oct. 12	9½–10	9½
13	9½	9½
Nov. 22	9–9½	9
26	9	9
Dec 14	8½–9	9
15	8½–9	8½
17	8½	8½
In effect Mar 31, 1983	8½	8½

1. Applicable to advances when exceptional circumstances or practices involve only a particular depository institution and to advances when an institution is under sustained liquidity pressures. See section 201.3(b)(2) of Regulation A.

2 Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors. *Banking and Monetary Statistics, 1914–1941* and *1941–1970, Annual Statistical Digest, 1970–1979, and 1980.*

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of $500 million or more that had borrowed in successive weeks or in more than 4 weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar 17, 1980, through May 7, 1980 There was no surcharge until Nov. 17, 1980, when a 2 percent surcharge was adopted, the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981 The surcharge was reduced to 3 percent effective Sept 22, 1981, and to 2 percent effective Oct. 12. As of Oct. 1, the formula for applying the surcharge was changed from a calendar quarter to a moving 13-week period The surcharge was eliminated on Nov 17, 1981

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Percent of deposits

Type of deposit, and deposit interval in millions of dollars	Member bank requirements before implementation of the Monetary Control Act		Type of deposit, and deposit interval[5]	Depository institution requirements after implementation of the Monetary Control Act[6]	
	Percent	Effective date		Percent	Effective date
Net demand[2]			*Net transaction accounts*[7,8]		
0–2	7	12/30/76	$0–$26 3 million	3	12/30/82
2–10	9½	12/30/76	Over $26 3 million	12	12/30/82
10–100	11¾	12/30/76			
100–400	12¾	12/30/76	*Nonpersonal time deposits*[9]		
Over 400	16¼	12/30/76	By original maturity		
			Less than 2½ years	3	3/31/83
Time and savings[2,3]			2½ years or more	0	3/31/83
Savings	3	3/16/67			
			Eurocurrency liabilities		
Time[4]			All types	3	11/13/80
0–5, by maturity					
30–179 days	3	3/16/67			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			
Over 5, by maturity					
30–179 days	6	12/12/74			
180 days to 4 years	2½	1/8/76			
4 years or more	1	10/30/75			

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

2. Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank. Demand deposits subject to reserve requirements were gross demand deposits minus cash items in process of collection and demand balances due from domestic banks

The Federal Reserve Act as amended through 1978 specified different ranges of requirements for reserve city banks and for other banks Reserve cities were designated under a criterion adopted effective Nov 9, 1972, by which a bank having net demand deposits of more than $400 million was considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constituted designation of that place as a reserve city. Cities in which there were Federal Reserve Banks or branches were also reserve cities. Any banks having net demand deposits of $400 million or less were considered to have the character of business of banks outside of reserve cities and were permitted to maintain reserves at ratios set for banks not in reserve cities

Effective Aug. 24, 1978, the Regulation M reserve requirements on net balances due from domestic banks to their foreign branches and on deposits that foreign branches lend to U.S. residents were reduced to zero from 4 percent and 1 percent respectively The Regulation D reserve requirement of borrowings from unrelated banks abroad was also reduced to zero from 4 percent

Effective with the reserve computation period beginning Nov 16, 1978, domestic deposits of Edge corporations were subject to the same reserve requirements as deposits of member banks.

3. Negotiable order of withdrawal (NOW) accounts and time deposits such as Christmas and vacation club accounts were subject to the same requirements as savings deposits.

The average reserve requirement on savings and other time deposits before implementation of the Monetary Control Act had to be at least 3 percent, the minimum specified by law

4 Effective Nov. 2, 1978, a supplementary reserve requirement of 2 percent was imposed on large time deposits of $100,000 or more, obligations of affiliates, and ineligible acceptances This supplementary requirement was eliminated with the maintenance period beginning July 24, 1980

Effective with the reserve maintenance period beginning Oct 25, 1979, a marginal reserve requirement of 8 percent was added to managed liabilities in excess of a base amount. This marginal requirement was increased to 10 percent beginning Apr 3, 1980, was decreased to 5 percent beginning June 12, 1980, and was eliminated beginning July 24, 1980 Managed liabilities are defined as large time deposits, Eurodollar borrowings, repurchase agreements against U S. government and federal agency securities, federal funds borrowings from nonmember institutions, and certain other obligations. In general, the base for the marginal reserve requirement was originally the greater of (a) $100 million or (b) the average amount of the managed liabilities held by a member bank, Edge corporation, or family of U.S. branches and agencies of a foreign bank for the two reserve computation periods ending Sept 26, 1979 For the computation period beginning Mar 20, 1980, the base was lowered by (a) 7 percent or (b) the decrease in an institution's U S office gross loans to foreigners and gross balances due from foreign offices of other institutions between the base period (Sept 13–26, 1979) and the week ending Mar. 12, 1980, whichever was greater For the computation period beginning May 29, 1980, the base was increased by 7½ percent above the base used to calculate the marginal reserve in the statement week of May 14–21, 1980 In addition, beginning Mar. 19, 1980, the base was reduced to the extent that foreign loans and balances declined

5 The Garn-St Germain Depository Institutions Act of 1982 (Public Law 97–320) provides that $2 million of reservable liabilities (transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities) of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the next succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30 No corresponding adjustment is to be made in the event of a decrease Effective Dec 9, 1982, the amount of the exemption was established at $2.1 million In determining the reserve requirements of a depository institution, the exemption shall apply in the following order (1) nonpersonal money market deposit accounts (MMDAs) authorized under 12 CFR section 1204.122, (2) net NOW accounts (NOW accounts less allowable deductions), (3) net other transaction accounts; and (4) nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio With respect to NOW accounts and other transaction accounts, the exemption applies only to such accounts that would be subject to a 3 percent reserve requirement.

6. For nonmember banks and thrift institutions that were not members of the Federal Reserve System on or after July 1, 1979, a phase-in period ends Sept. 3, 1987. For banks that were members on or after July 1, 1979, but withdrew on or before Mar. 31, 1980, the phase-in period established by Public Law 97–320 ends on Oct 24, 1985. For existing member banks the phase-in period is about three years, depending on whether their new reserve requirements are greater or less than the old requirements All new institutions will have a two-year phase-in beginning with the date that they open for business, except for those institutions that have total reservable liabilities of $50 million or more

7. Transaction accounts include all deposits on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers (in excess of three per month) for the purpose of making payments to third persons or others. However, MMDAs and similar accounts offered by institutions not subject to the rules of the Depository Institutions Deregulation Committee (DIDC) that permit no more than six preauthorized, automatic, or other transfers per month of which no more than three can be checks—are not transaction accounts (such accounts are savings deposits subject to time deposit reserve requirements)

8. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage increase in transaction accounts held by all depository institutions determined as of June 30 each year. Effective Dec 31, 1981, the amount was increased accordingly from $25 million to $26 million; and effective Dec 30, 1982, to $26.3 million

9. In general, nonpersonal time deposits are time deposits, including savings deposits, that are not transaction accounts and in which the beneficial interest is held by a depositor that is not a natural person. Also included are certain transferable time deposits held by natural persons, and certain obligations issued to depository institution offices located outside the United States For details, see section 204 2 of Regulation D

NOTE Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. After implementation of the Monetary Control Act, nonmembers may maintain reserves on a pass-through basis with certain approved institutions

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

Percent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks (thrift institutions)			
	In effect March 31, 1983		Previous maximum		In effect March 31, 1983		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings	5¼	7/1/79	5	7/1/73	5½	7/1/79	5¼	(1)
2 Negotiable order of withdrawal accounts[2]	5¼	12/31/80	5	1/1/74	5¼	12/31/80	5	1/1/74
Time accounts[3]								
Fixed ceiling rates by maturity[4]								
3 14–89 days[5]	5¼	8/1/79	5	7/1/73	(6)	...	(6)	.
4 90 days to 1 year	5¾	1/1/80	5½	7/1/73	6	1/1/80	5¾	(1)
5 1 to 2 years[7]	6	7/1/73	5½	1/21/70	6½	(1)	5¾	1/21/70
6 2 to 2½ years[7]			5¾	1/21/70			6	1/21/70
7 2½ to 4 years[7]	6½	7/1/73	5¾	1/21/70	6¾	(1)	6	1/21/70
8 4 to 6 years[8]	7¼	11/1/73	(9)	.	7½	11/1/73	(9)	
9 6 to 8 years[8]	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
10 8 years or more[8]	7¾	6/1/78	(6)	..	8	6/1/78	(6)	.....
11 Issued to governmental units (all maturities)[10]	8	6/1/78	7¾	12/23/74	8	6/1/78	7¾	12/23/74
12 IRAs and Keogh (H R 10) plans (3 years or more)[10,11]	8	6/1/78	7¾	7/6/77	8	6/1/78	7¾	7/6/77

1. July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loans.

2 Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb 27, 1976, in New York State on Nov 10, 1978, New Jersey on Dec. 28, 1979, and to similar institutions nationwide effective Dec. 31, 1980 Effective January 5, 1983 the interest rate ceiling is removed for NOW accounts with an initial balance and average maintenance balance of $2,500

3 For exceptions with respect to certain foreign time deposits see the BULLETIN for October 1962 (p 1279), August 1965 (p. 1084), and February 1968 (p 167)

4. Effective Nov. 10, 1980, the minimum notice period for public unit accounts at savings and loan associations was decreased to 14 days and the minimum maturity period for time deposits at savings and loan associations in excess of $100,000 was decreased to 14 days Effective Oct 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 to 14 days at mutual savings banks

5 Effective Oct. 30, 1980, the minimum maturity or notice period for time deposits was decreased from 30 to 14 days at commercial banks

6 No separate account category.

7 No minimum denomination Until July 1, 1979, a minimum of $1,000 was required for savings and loan associations, except in areas where mutual savings banks permitted lower minimum denominations This restriction was removed for deposits maturing in less than 1 year, effective Nov 1, 1973

8. No minimum denomination Until July 1, 1979, the minimum denomination was $1,000 except for deposits representing funds contributed to an individual retirement account (IRA) or a Keogh (H.R. 10) plan established pursuant to the Internal Revenue Code The $1,000 minimum requirement was removed for such accounts in December 1975 and November 1976 respectively

9. Between July 1, 1973, and Oct 31, 1973, certificates maturing in 4 years or more with minimum denominations of $1,000 had no ceiling, however, the amount of such certificates that an institution could issue was limited to 5 percent of its total time and savings deposits Sales in excess of that amount, as well as certificates of less than $1,000, were limited to the 6½ percent ceiling on time deposits maturing in 2½ years or more. Effective Nov 1, 1973, ceilings were reimposed on certificates maturing in 4 years or more with minimum denomination of $1,000 There is no limitation on the amount of these certificates that banks can issue

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

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

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

For deposits subject to variable ceiling rates and deposits not subject to interest rate ceilings see page A10.

1.16 Continued

TIME DEPOSITS SUBJECT TO VARIABLE CEILING RATES

91-day time deposits Effective May 1, 1982, depository institutions were authorized to offer time deposits that have a minimum denomination of $7,500 and a maturity of 91 days Effective January 5, 1983, the minimum denomination required for this deposit is reduced to $2,500 The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 91-day Treasury bills for thrift institutions and the discount rate minimum 25 basis points for commercial banks. The rate differential ends 1 year from the effective date of these instruments and is suspended at any time the Treasury bill discount rate is 9 percent or below for four consecutive auctions. The maximum allowable rates in March 1983 (in percent) for commercial banks and thrifts were as follows Mar 1, 7.944, Mar. 8, 8.205, Mar. 15, 8 256, Mar 22, 8 434, Mar 29, 8.680

Six-month money market time deposits. Effective June 1, 1978, commercial banks and thrift institutions were authorized to offer time deposits with a maturity of exactly 26 weeks and a minimum denomination requirement of $10,000. Effective January 5, 1983, the minimum denomination required for this deposit is reduced to $2,500 The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 26-week U S Treasury bills. Interest on these certificates may not be compounded Effective for all 6-month money market certificates issued beginning Nov. 1, 1981, depository institutions may pay rates of interest on these deposits indexed to the higher of (1) the rate for 26-week Treasury bills established immediately before the date of deposit (bill rate) or (2) the average of the four rates for 26-week Treasury bills established for the 4 weeks immediately before the date of deposit (4-week average bill rate). Ceilings are determined as follows:

Bill rate or 4-week average bill rate	*Commercial bank ceiling*
7.50 percent or below	7.75 percent
Above 7 50 percent	1/4 of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
	Thrift ceiling
7 25 percent or below	7 75 percent
Above 7 25 percent, but below 8 50 percent	1/2 of 1 percentage point plus the higher of the bill rate or 4-week average bill rate
8 50 percent or above, but below 8.75 percent	9 percent
8.75 percent or above	1/4 of 1 percentage point plus the higher of the bill rate or 4-week average bill rate

The maximum rates in March 1983 for commercial banks based on the bill rate were as follows Mar. 1, 8.198; Mar 8, 8.421, Mar 15, 8.514, Mar 22, 8.785; Mar. 29, 8.955, and based on the 4-week average bill rate were as follows: Mar 1, 8.414, Mar 8, 8.370, Mar 15, 8.339, Mar 22, 8.479; Mar 29, 8 668 The maximum allowable rates in March 1983 for thrifts based on the bill rate were as follows. Mar. 1, 8.448, Mar. 8, 8.671, Mar. 15, 8 764, Mar 22, 9.000, Mar 29, 9.000, and based on the 4-week average bill rate were as follows. Mar 1, 8 664, Mar. 8, 8.620; Mar 15, 8.589, Mar 22, 8.729, Mar. 29, 8.918

12-month all savers certificates Effective Oct. 1, 1981, depository institutions are authorized to issue all savers certificates (ASCs) with a 1-year maturity and an annual investment yield equal to 70 percent of the average investment yield for 52-week U S. Treasury bills as determined by the auction of 52-week Treasury bills held immediately before the calendar week in which the certificate is issued A maximum lifetime exclusion of $1,000 ($2,000 on a joint return) from gross income is generally authorized for interest income from ASCs. The annual investment yield for ASCs issued in December 1982 (in percent) was as follows: Dec 26, 6.26.

2½-year to less than 3½-year time deposits. Effective Aug 1, 1981, commercial banks are authorized to pay interest on any variable ceiling nonnegotiable time deposit with an original maturity of 2½ years to less than 4 years at a rate not to exceed 1/4 of 1 percent below the average 2½-year yield for U.S. Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. Effective May 1, 1982, the maximum maturity for this category of deposits was reduced to less than 3½ years Thrift institutions may pay interest on these certificates at a rate not to exceed the average 2½-year yield for Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit If the announced average 2½-year yield for Treasury securities is less than 9.50 percent, commercial banks may pay 9 25 percent and thrift institutions 9.50 percent for these deposits. These deposits have no required minimum denomination, and interest may be compounded on them. The ceiling rates of interest at which they may be offered vary biweekly. The maximum allowable rates in March 1983 (in percent) for commercial banks were as follows: Mar. 1, 9 25, Mar 15, 9.45; Mar. 29, 9 70; and for thrift institutions, Mar 1, 9 50; Mar 15, 9.70, Mar. 29, 9 95

Between Jan 1, 1980, and Aug. 1, 1981, commercial banks and thrift institutions were authorized to offer variable ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2½ years or more Effective Jan 1, 1980, the maximum rate for commercial banks was 3/4 percentage point below the average yield on 2½-year U S Treasury securities, the ceiling rate for thrift institutions was 1/4 percentage point higher than that for commercial banks Effective Mar. 1, 1980, a temporary ceiling of 11¾ percent was placed on these accounts at commercial banks and 12 percent on these accounts at savings and loans Effective June 2, 1980, the ceiling rates for these deposits at commercial banks and savings and loans were increased ½ percentage point The temporary ceiling was retained, and a minimum ceiling of 9 25 percent for commercial banks and 9 50 percent for thrift institutions was established.

TIME DEPOSITS NOT SUBJECT TO INTEREST RATE CEILINGS

Money market deposit account Effective Dec 14, 1982, depository institutions are authorized to offer a new account with a required initial balance of $2,500 and an average maintenance balance of $2,500 not subject to interest rate restrictions No minimum maturity period is required for this account, but depository institutions must reserve the right to require seven days' notice before withdrawals When the average balance is less than $2,500, the account is subject to the maximum ceiling rate of interest for NOW accounts, compliance with the average balance requirement may be determined over a period of one month. Depository institutions may not guarantee a rate of interest for this account for a period longer than one month or condition the payment of a rate on a requirement that the funds remain on deposit for longer than one month No more than six preauthorized, automatic, or other third-party transfers are permitted per month, of which no more than three can be checks Telephone transfers to third parties or to another account of the same depositor are regarded as preauthorized transfers

IRAs and Keogh (H.R. 10) plans (18 months or more). Effective Dec 1, 1981, depository institutions are authorized to offer time deposits not subject to interest rate ceilings when the funds are deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an IRA agreement or Keogh (H.R 10) plan Such time deposits must have a minimum maturity of 18 months, and additions may be made to the time deposit at any time before its maturity without extending the maturity of all or a portion of the balance of the account.

Time deposits of 7 to 31 days Effective Sept. 1, 1982, depository institutions were authorized to issue nonnegotiable time deposits of $20,000 or more with a maturity or required notice period of 7 to 31 days The maximum rate of interest payable by thrift institutions was the rate established and announced (auction average on a discount basis) for U S Treasury bills with maturities of 91 days at the auction held immediately before the date of deposit or renewal ("bill rate"). Commercial banks could pay the bill rate minus 25 basis points. The interest rate ceiling was suspended when the bill rate is 9 percent or below for the four most recent auctions held before the date of deposit or renewal Effective January 5, 1983, the minimum denomination required for this deposit was reduced to $2,500 and the interest rate ceiling was removed

Time deposits of 3½ years or more Effective May 1, 1982, depository institutions are authorized to offer negotiable or nonnegotiable time deposits with a minimum original maturity of 3½ years or more that are not subject to interest rate ceilings. Such time deposits have no minimum denomination, but must be made available in a $500 denomination Additional deposits may be made to the account during the first year without extending its maturity.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1980	1981	1982	1982					1983	
				Aug	Sept	Oct	Nov	Dec	Jan.	Feb
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	7,668	13,899	17,067	1,721	425	774	2,552	1,897	0	1,456
2 Gross sales	7,331	6,746	8,369	651	674	0	0	731	1,983	934
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	3,389	1,816	3,000	600	400	0	0	200	900	300
Others within 1 year										
5 Gross purchases	912	317	312	0	0	0	88	0	0	0
6 Gross sales	0	23	0	0	0	0	0	0	0	0
7 Maturity shift	12,427	13,794	17,295	4,938	733	623	2,819	906	558	4,564
8 Exchange	−18,251	−12,869	−14,164	−3,914	−650	0	−1,924	−943	−544	−2,688
9 Redemptions	0	0	0	0	0	0	0	0	0	0
1 to 5 years										
10 Gross purchases	2,138	1,702	1,797	0	0	0	485	0	0	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shift	−8,909	−10,299	14,524	−4,938	−733	−623	−2,204	−906	−553	−4,564
13 Exchange	13,412	10,117	11,804	3,078	650	0	1,515	943	544	1,599
5 to 10 years										
14 Gross purchases	703	393	388	0	0	0	194	0	0	0
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shift	3,092	−3,495	−2,172	601	0	0	−616	0	−5	229
17 Exchange	2,970	1,500	2,128	837	0	0	250	0	0	650
Over 10 years										
18 Gross purchases	811	379	307	0	0	0	132	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	−426	0	−601	−601	0	0	0	0	0	−229
21 Exchange	1,869	1,253	234	0	0	0	159	0	0	439
All maturities										
22 Gross purchases	12,232	16,690	19,870	1,721	425	774	3,452	1,897	0	1,456
23 Gross sales	7,331	6,769	8,369	651	674	0	0	731	1,983	934
24 Redemptions	3,389	1,816	3,000	600	400	0	0	200	900	300
Matched transactions										
25 Gross sales	674,000	589,312	543,804	39,403	51,983	45,655	39,579	72,123	59,398	35,234
26 Gross purchases	675,496	589,647	543,173	37,962	51,554	46,370	41,724	69,088	59,043	38,204
Repurchase agreements										
27 Gross purchases	113,902	79,920	130,774	3,755	9,649	5,618	4,161	15,229	6,747	6,697
28 Gross sales	113,040	78,733	130,286	2,567	7,035	9,420	4,161	11,525	10,451	6,697
29 Net change in U.S. government securities	3,869	9,626	8,358	217	1,535	−2,313	5,596	1,636	−6,943	3,192
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	668	494	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	145	108	189	46	5	6	*	6	9	5
Repurchase agreements										
33 Gross purchases	28,895	13,320	18,957	1,095	1,997	1,776	739	2,566	452	276
34 Gross sales	28,863	13,576	18,638	866	1,225	2,778	739	1,978	1,040	276
35 Net change in federal agency obligations	555	130	130	183	767	−1,008	*	582	−596	−5
BANKERS ACCEPTANCES										
36 Repurchase agreements, net	73	−582	1,285	565	248	−813	0	1,480	−1,480	0
37 Total net change in System Open Market Account	**4,497**	**9,175**	**9,773**	**966**	**2,550**	**−4,134**	**5,596**	**3,697**	**−9,019**	**3,187**

NOTE. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings. Details may not add to totals because of rounding.

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1983					1983		
	Mar 2	Mar. 9	Mar. 16	Mar 23	Mar. 30	Jan.	Feb	Mar.
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,139	11,138	11,138	11,138	11,138	11,144	11,139	11,138
2 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
3 Coin	512	510	495	495	479	506	508	477
Loans								
4 To depository institutions	1,777	367	3,730	825	1,985	354	1,155	2,808
5 Other	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements	275	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	8,923	8,923	8,915	8,915	8,915	8,928	8,923	8,915
8 Held under repurchase agreements	379	0	0	0	0	0	0	0
U.S. government securities								
Bought outright								
9 Bills	51,635	53,701	55,111	55,629	53,478	51,186	54,379	55,469
10 Notes	62,187	62,187	62,187	62,187	62,187	62,626	62,187	62,187
11 Bonds	18,995	18,995	18,995	18,995	18,995	18,556	18,995	18,995
12 Total[1]	132,817	134,883	136,293	136,811	134,660	132,368	135,561	136,651
13 Held under repurchase agreements	3,526	0	0	0	0	0	0	0
14 Total U.S government securities	136,343	134,883	136,293	136,811	134,660	132,368	135,561	136,651
15 **Total loans and securities**	**147,697**	**144,173**	**148,938**	**146,551**	**145,560**	**141,650**	**145,639**	**148,374**
16 Cash items in process of collection	12,479	8,834	7,844	8,164	8,818	6,620	4,207	6,584
17 Bank premises	552	553	552	553	552	550	552	552
Other assets								
18 Denominated in foreign currencies[2]	4,992	4,993	5,011	5,012	5,017	5,263	4,988	4,962
19 All other[3]	3,413	3,315	3,955	3,793	3,816	4,068	5,421	3,673
20 **Total assets**	**185,402**	**178,134**	**182,551**	**180,324**	**179,998**	**174,419**	**177,072**	**180,378**
LIABILITIES								
21 Federal Reserve notes	139,802	140,675	140,951	140,870	141,439	137,680	139,060	141,497
Deposits								
22 Depository institutions	27,832	22,389	24,265	24,403	23,793	22,683	22,468	23,419
23 U.S. Treasury—General account	3,525	3,407	3,935	3,118	2,116	2,627	2,856	3,572
24 Foreign—Official accounts	226	197	237	199	250	366	352	425
25 Other	520	497	668	477	568	599	477	533
26 **Total deposits**	**32,103**	**26,490**	**29,105**	**28,197**	**26,727**	**26,275**	**26,153**	**27,949**
27 Deferred availability cash items	8,731	6,292	7,667	6,574	7,075	5,614	6,871	6,098
28 Other liabilities and accrued dividends[4]	1,678	1,623	1,776	1,621	1,699	1,708	1,709	1,752
29 **Total liabilities**	**182,314**	**175,080**	**179,499**	**177,262**	**176,940**	**171,277**	**173,793**	**177,296**
CAPITAL ACCOUNTS								
30 Capital paid in	1,388	1,389	1,393	1,393	1,393	1,381	1,388	1,393
31 Surplus	1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,359
32 Other capital accounts	341	306	300	310	306	402	532	330
33 **Total liabilities and capital accounts**	**185,402**	**178,134**	**182,551**	**180,324**	**179,998**	**174,419**	**177,072**	**180,378**
34 MEMO: Marketable U S government securities held in custody for foreign and international account	114,134	108,925	111,596	109,965	109,450	112,040	112,208	112,120
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to bank)	159,611	159,592	159,682	159,805	159,624	159,546	159,741	159,568
36 LESS. Held by bank[5]	19,809	18,917	18,731	18,935	18,185	21,866	20,681	18,130
37 Federal Reserve notes, net	139,802	140,675	140,951	140,870	141,439	137,680	139,060	141,438
Collateral for Federal Reserve notes								
38 Gold certificate account	11,139	11,138	11,138	11,138	11,138	11,144	11,139	11,138
39 Special drawing rights certificate account	4,618	4,618	4,618	4,618	4,618	4,618	4,618	4,618
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. government and agency securities	124,045	124,919	125,195	125,114	125,683	121,918	123,303	125,682
42 **Total collateral**	**139,802**	**140,675**	**140,951**	**140,870**	**141,439**	**137,680**	**139,060**	**141,438**

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

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

3. Includes special investment account at Chicago of Treasury bills maturing within 90 days.

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday 1983 Mar 2	Mar 9	Mar. 16	Mar 23	Mar 30	End of month 1983 Jan. 31	Feb 28	Mar 31
1 Loans—Total	1,777	367	3,730	825	1,985	354	1,155	2,808
2 Within 15 days	1,756	347	3,708	813	1,968	338	1,141	2,782
3 16 days to 90 days	21	20	22	12	17	16	14	26
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	275	0	0	0	0	0	0	0
6 Within 15 days	275	0	0	0	0	0	0	0
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S government securities—Total	136,343	134,883	136,293	136,811	134,660	132,368	135,561	136,651
10 Within 15 days[1]	7,519	7,088	8,669	8,422	4,596	3,755	3,916	3,525
11 16 days to 90 days	25,953	24,828	24,284	26,537	26,664	25,796	28,249	26,664
12 91 days to 1 year	40,991	41,086	41,459	39,971	41,519	39,060	40,865	44,879
13 Over 1 year to 5 years	32,127	32,128	32,128	32,128	32,128	35,092	32,778	31,830
14 Over 5 years to 10 years	12,970	12,970	12,970	12,970	12,970	12,091	12,970	12,970
15 Over 10 years	16,783	16,783	16,783	16,783	16,783	16,574	16,783	16,783
16 Federal agency obligations—Total	9,302	8,923	8,915	8,915	8,915	8,928	8,923	8,915
17 Within 15 days[1]	537	158	0	122	309	99	225	309
18 16 days to 90 days	601	662	789	667	508	690	602	508
19 91 days to 1 year	2,059	1,998	1,886	1,886	1,862	1,957	1,963	1,862
20 Over 1 year to 5 years	4,515	4,515	4,615	4,618	4,614	4,715	4,543	4,614
21 Over 5 years to 10 years	1,072	1,072	1,107	1,104	1,104	949	1,072	1,104
22 Over 10 years	518	518	518	518	518	518	518	518

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE

Billions of dollars, averages of daily figures

Item	1978 Dec	1979 Dec	1980 Dec	1981 Dec	1982 Aug.	1982 Sept	1982 Oct.	1982 Nov	1982 Dec	1983 Jan	1983 Feb	1983 Mar.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[1]												
1 **Total reserves**[2]	**32.82**	**34.26**	**36.46**	**37.99**	**38.80**	**39.57**	**39.88**	**40.46**	**40.89**	**40.96**	**40.46**	**40.74**
2 Nonborrowed reserves	31.95	32.79	34.77	37.35	38.29	38.63	39.40	39.84	40.26	40.43	39.88	39.95
3 Required reserves	32.59	33.93	35.95	37.67	38.49	39.18	39.47	40.06	40.39	40.41	40.04	40.31
4 Monetary base[3]	132.2	142.5	155.0	162.7	170.2	171.8	172.9	174.0	175.2	177.1	177.6	179.3
	Not seasonally adjusted											
5 **Total reserves**[2]	**33.37**	**34.83**	**37.11**	**38.66**	**38.51**	**39.35**	**40.00**	**40.68**	**41.57**	**42.25**	**40.23**	**40.17**
6 Nonborrowed reserves	32.50	33.35	35.42	38.03	38.00	38.42	39.52	40.06	40.94	41.72	39.65	39.38
7 Required reserves	33.13	34.50	36.59	38.34	38.20	38.97	39.59	40.28	41.07	41.71	39.80	39.74
8 Monetary base[3]	134.8	145.4	158.0	165.8	170.4	171.4	172.9	175.1	178.4	177.3	175.4	177.0
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[4]												
9 **Total reserves**[2]	**41.68**	**43.91**	**40.66**	**41.92**	**40.18**	**39.96**	**40.59**	**41.20**	**41.85**	**41.86**	**39.79**	**38.03**
10 Nonborrowed reserves	40.81	42.43	38.97	41.29	39.66	39.03	40.11	40.58	41.22	41.33	39.21	37.25
11 Required reserves	41.45	43.58	40.15	41.60	39.87	39.58	40.18	40.80	41.35	41.32	39.36	37.61
12 Monetary base[3]	144.6	156.2	162.4	169.7	172.8	172.3	173.8	176.0	179.3	177.9	176.0	175.9

1. Reserve aggregates include required reserves of member banks and Edge Act corporations and other depository institutions. Discontinuities associated with the implementation of the Monetary Control Act, the inclusion of Edge Act corporation reserves, and other changes in Regulation D have been removed. Beginning with the week ended December 23, 1981, reserve aggregates have been reduced by shifts of reservable liabilities to international banking facilities (IBFs). On the basis of reports of liabilities transferred to IBFs by U.S. commercial banks and U.S. agencies and branches of foreign banks, it is estimated that required reserves were lowered on average $10 million to $20 million in December 1981 and $40 million to $70 million in January 1982.

2. Reserve balances with Federal Reserve Banks (which exclude required clearing balances) plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

3. Includes reserve balances and required clearing balances at Federal Reserve Banks in the current week plus vault cash held two weeks earlier used to satisfy reserve requirements at all depository institutions plus currency outside the U.S. Treasury, Federal Reserve Banks, the vaults of depository institutions, and surplus vault cash at depository institutions.

4. Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustments to eliminate the effect of changes in Regulation D including changes associated with the implementation of the Monetary Control Act. Includes required reserves of member banks and Edge Act corporations and beginning November 13, 1980, other depository institutions. Under the transitional phase-in program of the Monetary Control Act of 1980, the net changes in required reserves of depository institutions have been as follows: Effective Nov 13, 1980, a reduction of $2.9 billion, Feb 12, 1981, an increase of $245 million, Mar 12, 1981, an increase of $75 million, May 14, 1981, an increase of $245 million; Sept. 3, 1981, a reduction of $1.1 billion, Nov 12, 1981, an increase of $210 million; Jan. 14, 1982, a reduction of $60 million, Feb. 11, 1982 an increase of $170 million; Mar 4, 1982, an estimated reduction of $2.0 billion; May 13, 1982, an estimated increase of $150 million, Aug 12, 1982 an estimated increase of $140 million, and Sept 2, 1982, an estimated reduction of $1.2 billion, Oct 28, 1982 an estimated reduction of $100 million, Dec 23, 1982 an estimated reduction of $800 million, and Mar 3, 1983 an estimated reduction of $2.1 billion. Beginning with the week ended December 23, 1981, reserve aggregates have been reduced by shifts of reservable liabilities to IBFs. On the basis of reports of liabilities transferred to IBFs by U.S. commercial banks and U.S. agencies and branches of foreign banks, it is estimated that required reserves were lowered on average by $60 million to $90 million in December 1981 and $180 million to $230 million in January 1982, mostly reflecting a reduction in reservable Eurocurrency transactions.

NOTE. Latest monthly and weekly figures are available from the Board's H.3(502) statistical release. Back data and estimates of the impact on required reserves and changes in reserve requirements are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1979 Dec	1980 Dec	1981 Dec	1982 Dec.r	1982 Oct r	1982 Nov.r	1982 Dec r	1983 Jan	1983 Feb
	Seasonally adjusted								
MEASURES[1]									
1 M1	389 0	414 1	440 6	478 2	468.7	474 0	478 2	482.1	491 0
2 M2	1,497 5	1,630.3	1,794.9	1,959.5	1,929 7	1,945 0	1,959.5	2,008 1	2,048 3
3 M3	1,758 4	1,936 7	2,167 9	2,377.7	2,352.0	2,370 2	2,377 7	2,401.4	2,428 2
4 L[2]	2,131 8	2,343 6	2,622.0	n.a.	n a.	n a.	n.a.	n.a	n a
SELECTED COMPONENTS									
5 Currency	106.5	116 2	123.2	132 8	131 3	131.9	132.8	134 2	135 6
6 Traveler's checks[3]	3 7	4 1	4 5	4 2	4.4	4.4	4 2	4 1	4 3
7 Demand deposits	262 0	266 8	236 4	239.8	236.0	237.6	239.8	239.4	238 7
8 Other checkable deposits[4]	17 0	26 9	76 6	101.3	97 0	100.1	100 7	104.4	112 4
9 Savings deposits[5]	423 1	400 7	344 4	358 9	358.0	366.4	358 7	332.5	322.1
10 Small-denomination time deposits[6]	635.9	731 7	828.6	859.7	878 0	874 9	859 7	798.1	756 2
11 Large-denomination time deposits[7]	222 2	258 9	302 6	333 8	339.6	340 4	333 8	310.6	298 0
	Not seasonally adjusted								
MEASURES[1]									
12 M1	398 8	424 7	452 1	491.0	470.6	479.0	491 0	489 6	480.6
13 M2	1,502.1	1,635 0	1,799 6	1,964 5	1,928 6	1,943 6	1,964.5	2,016.4	2,040 0
14 M3	1,766.1	1,944.9	2,175.9	2,385.3	2,350.4	2,369.2	2,385 3	2,413 2	2,424 6
15 L[2]	2,138.9	2,350.8	2,629 7	n.a	n a	n.a.	n.a	n a	n a
SELECTED COMPONENTS									
16 Currency	108 2	118.3	125 4	135 2	131 3	132.7	135.2	133 2	133 7
17 Traveler's checks[3]	3.5	3.9	4.3	4.0	4 4	4.2	4.0	3 9	4 1
18 Demand deposits	270 1	275 2	244 0	247 7	237.6	240 6	247 7	245.1	232 8
19 Other checkable deposits[4]	17 0	27 2	78.4	81.0	76.1	79.2	81 0	82 3	83.6
20 Overnight RPs and Eurodollars[8]	21.2	28.4	36.1	44.3	43 9	45 2	44.3	47 4	49.3
21 Savings deposits[5]	420.7	398.3	342.1	356.0	357 8	363 4	356.1	332 1	320.9
22 Small-denomination time deposits[6]	633 1	728 3	824 1	854.5	875 3	871 5	854 4	799.3	759 5
Money market mutual funds									
23 General purpose and broker/dealer	33 4	61.4	150.9	182 2	187.6	191 1	182 2	166.7	159.4
24 Institution only	9.5	14 9	36 0	47 6	49.3	49 9	47.6	46.1	45 2
25 Large-denomination time deposits[7]	226.0	262 4	305 9	336 5	339 1	340 8	336 5	314.2	302 7

1. Composition of the money stock measures is as follows.

M1 Averages of daily figures for (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks; (2) traveler's checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float, and (4) negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft (CUSD) accounts, and demand deposits at mutual savings banks.

M2· M1 plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U S residents other than banks at Caribbean branches of member banks and balances of money market mutual funds (general purpose and broker/dealer)

M3: M2 plus large-denomination time deposits at all depository institutions, term RPs at commercial banks and savings and loan associations, and balances of institution-only money market mutual funds

2 L. M3 plus other liquid assets such as term Eurodollars held by U.S residents other than banks, bankers acceptances, commercial paper, Treasury bills and other liquid Treasury securities, and U S. savings bonds

3 Outstanding amount of U S dollar-denominated traveler's checks of nonbank issuers

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

5. Excludes NOW and ATS accounts at commercial banks and thrift institutions and CUSDs at credit unions

6. Issued in amounts of less than $100,000 and includes retail RPs

7. Issued in amounts of $100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. government, money market mutual funds, and foreign banks and official institutions

8 Overnight (and continuing contract) RPs are those issued by commercial banks to other than depository institutions and money market mutual funds (general purpose and broker/dealer), and overnight Eurodollars are those issued by Caribbean branches of member banks to U S. residents other than depository institutions and money market mutual funds (general purpose and broker/dealer)

NOTE: Latest monthly and weekly figures are available from the Board's H 6 (508) release. Back data are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551

1.22 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1980[1]	1981[1]	1982[1]	1982				1983	
				Sept	Oct	Nov.	Dec	Jan.	Feb
	Seasonally adjusted								
DEBITS TO									
Demand deposits[2]									
1 All insured banks	62,757 8	80,858 7	90,914 4	94,480 0	97,097 0	95,475 9	97,748 5	103,333 1	102,743 5
2 Major New York City banks	25,156.1	33,891 9	37,932.9	37,986 3	42,077 9	38,971 6	42,104 4	46,353 0	45,133.2
3 Other banks	37,601 7	46,966.9	52,981 6	56,493.7	55,019 1	56,504 4	55,644 1	56,980.1	57,610 3
4 ATS-NOW accounts[3]	159.3	743 4	1,036 2	1,165.4	1,109 4	1,224.6	1,448.1	1,262.3	1,286 4
5 Savings deposits[4]	670 0	672 7	721 4	707.8	637 0	697 1	889 3	904 3	827.9
DEPOSIT TURNOVER									
Demand deposits[2]									
6 All insured banks	198 7	285 8	324.2	341 0	343.0	333 8	342.6	361 1	361 3
7 Major New York City banks	803 7	1,105.1	1,287 6	1,282.5	1,298 7	1,263 7	1,381.2	1,462.3	1,462 5
8 Other banks	132 2	186 2	211 1	228.3	219 5	221 4	218 3	223.9	227 2
9 ATS-NOW accounts[3]	9 7	14 0	14.5	15 9	14.7	15 6	18.4	15.8	15.1
10 Savings deposits[4]	3 6	4 1	4 5	4.6	4 0	4.3	4 7	6 0	5 8
	Not seasonally adjusted								
DEBITS TO									
Demand deposits[2]									
11 All insured banks	63,124 4	81,197 9	91,031 9	95,557 1	93,543 3	91,838 3	107,454 9	101,566 1	92,654 1
12 Major New York City banks	25,243 1	34,032 0	38,001.0	39,634 0	39,657.6	36,893 5	47,576.3	45,657 2	40,937 3
13 Other banks	37,881 3	47,165.9	53,030 9	55,923.1	53,885 7	54,944.8	59,878 6	55,908.8	51,716 8
14 ATS-NOW accounts[3]	158.0	737 6	1,027 1	1,097.3	1,098 0	1,115 0	1,411 9	1,525 5	1,198.7
15 MMDA[5]	0	0	0	0	0	0	0	278 4	324 7
16 Savings deposits[4]	669 8	672 9	720.0	695 2	672.7	663 3	878 0	980 4	754 3
DEPOSIT TURNOVER									
Demand deposits[2]									
17 All insured banks	202 3	286 1	325 0	345 3	327 8	319.3	367 2	346 1	334.8
18 Major New York City banks	814 8	1,114.2	1,295 7	1,362 5	1,220 8	1,198.6	1,540 7	1,368.1	1,366.7
19 Other banks	134 8	186 2	211 5	225 8	213 1	213.9	228 8	215.0	209.5
20 ATS-NOW accounts[3]	9 7	14.0	14 3	15 0	14 5	14 1	17.5	18 6	14.4
21 MMDA[5]	0	0	0	0	0	0	0	2 4	2 0
22 Savings deposits[4]	3 6	4.1	4 5	4.4	4 2	4 1	4.7	6 6	5 3

1 Annual averages of monthly figures.
2 Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions
3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS) ATS data availability starts with December 1978.
4 Excludes ATS and NOW accounts, MMDA and special club accounts, such as Christmas and vacation clubs.
5 Money Market Deposit Accounts.

NOTE Historical data for demand deposits are available back to 1970 estimated in part from the debits series for 233 SMSA's that were available through June 1977 Historical data for ATS-NOW and savings deposits are available back to July 1977 Back data are available on request from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D C. 20551

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars, averages of Wednesday figures

Category	1981 Dec.[2]	1982 Oct	1982 Nov	1982 Dec	1983 Jan[3]	1983 Feb	1981 Dec.[2]	1982 Oct	1982 Nov	1982 Dec	1983 Jan[3]	1983 Feb
	Seasonally adjusted						Not seasonally adjusted					
1 **Total loans and securities**[4]	**1,316.3**	**1,397.5**	**1,398.5**	**1,412.1**	**1,428.2**	**1,436.5**	**1,326.1**	**1,402.8**	**1,405.4**	**1,422.5**	**1,430.5**	**1,432.2**
2 U.S. Treasury securities	111.0	122.3	126.4	130.9	139.8	144.5	111.4	121.3	125.5	131.5	139.3	145.1
3 Other securities	231.4	237.2	235.8	239.1	243.3	243.2	232.8	237.5	236.3	240.6	243.5	242.6
4 Total loans and leases[4]	973.9	1,038.1	1,036.4	1,042.0	1,045.1	1,048.8	981.8	1,044.0	1,043.5	1,050.4	1,047.7	1,044.4
5 Commercial and industrial loans	358.0	394.8	392.0	392.4	395.2	394.9	360.1	395.4	393.8	394.7	394.2	393.4
6 Real estate loans	285.7	300.5	301.6	303.2	305.3	307.6	286.8	301.7	302.8	304.1	305.9	307.3
7 Loans to individuals	185.1	190.0	190.3	191.8	192.6	192.9	186.4	191.5	191.5	193.1	193.2	192.3
8 Security loans	21.9	24.2	23.4	24.7	22.7	22.2	22.7	23.9	23.9	25.5	22.9	21.5
9 Loans to nonbank financial institutions	30.2	32.4	32.2	31.1	31.7	31.6	31.2	32.7	32.6	32.1	31.9	31.7
10 Agricultural loans	33.0	36.3	36.3	36.3	36.5	36.8	33.0	36.8	36.5	36.3	36.3	36.3
11 Lease financing receivables	12.7	13.1	13.1	13.1	13.3	13.3	12.7	13.1	13.1	13.1	13.3	13.3
12 All other loans	47.2	46.8	47.5	49.5	47.6	49.4	49.2	48.9	49.3	51.5	50.2	48.7
MEMO												
13 **Total loans and securities plus loans sold**[4,5]	**1,319.1**	**1,400.3**	**1,401.5**	**1,415.0**	**1,431.2**	**1,439.4**	**1,328.9**	**1,405.6**	**1,408.3**	**1,425.4**	**1,433.5**	**1,435.1**
14 Total loans plus loans sold[4,5]	976.7	1,040.9	1,039.3	1,045.0	1,048.0	1,051.7	984.7	1,046.9	1,046.4	1,053.3	1,050.7	1,047.4
15 Total loans sold to affiliates[4,5]	2.8	2.8	2.9	2.9	3.0	3.0	2.8	2.8	2.9	2.9	3.0	3.0
16 Commercial and industrial loans plus loans sold[5]	360.2	397.0	394.3	394.6	397.5	397.2	362.3	397.7	396.1	396.9	396.5	395.8
17 Commercial and industrial loans sold[5]	2.2	2.2	2.3	2.3	2.3	2.3	2.2	2.2	2.3	2.3	2.3	2.3
18 Acceptances held	8.9	9.4	8.4	8.5	8.8	8.2	9.8	9.3	8.7	9.5	9.2	8.4
19 Other commercial and industrial loans	349.1	385.3	383.6	383.8	386.4	386.7	350.3	386.1	385.1	385.2	384.9	385.1
20 To U.S. addressees[6]	334.9	372.7	371.5	373.5	374.1	374.5	334.3	373.4	372.6	372.7	372.7	372.8
21 To non-U.S. addressees	14.2	12.6	12.1	10.3	12.3	12.2	16.1	12.7	12.6	12.4	12.2	12.3
22 Loans to foreign banks	19.0	13.9	14.0	13.5	13.7	14.3	20.0	14.2	14.1	14.5	14.3	14.1

1. Includes domestically chartered banks, U.S. branches and agencies of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

2. Beginning December 1981, shifts of foreign loans and securities from U.S. banking offices to international banking facilities (IBFs) reduced the levels of several items. Seasonally adjusted data that include adjustments for the amounts shifted from domestic offices to IBFs are available in the Board's G.7 (407) statistical release (available from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551).

3. Due to loan reclassifications, several categories have breaks in series beginning January 12, 1983, real estate loans increased $0.4 billion and loans to individuals decreased $0.2 billion. As of January 26, 1983, other securities increased $0.2 billion and total loans and commercial and industrial loans decreased $0.2 billion. As of February 2, 1983, real estate loans increased $0.5 billion and commercial and industrial loans decreased $0.5 billion.

4. Excludes loans to commercial banks in the United States.

5. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

6. United States includes the 50 states and the District of Columbia.

NOTE. Data are prorated averages of Wednesday estimates for domestically chartered banks, based on weekly reports of a sample of domestically chartered banks and quarterly reports of all domestically chartered banks. For foreign-related institutions, data are averages of month-end estimates based on weekly reports from large agencies and branches and quarterly reports from all agencies, branches, investment companies, and Edge Act corporations engaged in banking.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	1980	1981	1982								1983	
	Dec	Dec.	May	June	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.	Feb.
Total nondeposit funds												
1 Seasonally adjusted[2]	122.0	98.5	82.0	84.2	79.8	78.1	71.5	76.2	79.1	78.7	69.6	72.1
2 Not seasonally adjusted	122.6	98.9	85.4	86.3	81.8	82.6	77.2	78.6	84.4	79.2	67.8	70.3
Federal funds, RPs, and other borrowings from nonbanks[3]												
3 Seasonally adjusted	111.1	114.2	113.2	113.8	114.3	116.7	114.8	121.9	121.7	124.2	129.2	131.3
4 Not seasonally adjusted	111.6	114.6	116.6	115.9	116.3	121.2	120.5	124.2	126.9	124.7	127.4	129.5
5 Net balances due to foreign-related institutions, not seasonally adjusted	8.2	−18.6	−34.0	−32.5	−37.3	−41.4	−46.1	−48.5	−45.5	−48.4	−62.6	−62.2
6 Loans sold to affiliates, not seasonally adjusted[4]	2.7	2.8	2.8	3.0	2.8	2.8	2.8	2.8	2.9	2.9	3.0	3.0
MEMO												
7 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted[5]	−14.7	−22.5	−29.9	−29.2	−33.0	−34.4	−38.7	−40.4	−38.4	−39.6	−49.9	−50.4
8 Gross due from balances	37.5	54.9	58.1	57.7	60.6	65.1	68.5	69.8	69.9	72.3	80.7	78.9
9 Gross due to balances	22.8	32.4	28.3	28.5	27.6	30.6	29.8	29.4	31.5	32.7	30.7	28.5
10 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted[6]	22.9	3.9	−4.1	−3.3	−4.4	−7.0	−7.3	−8.1	−7.1	−8.8	−12.7	−11.8
11 Gross due from balances	32.5	48.1	49.5	50.2	52.6	53.4	54.1	53.9	53.6	54.8	57.4	55.8
12 Gross due to balances	55.4	52.0	45.4	46.9	48.3	46.4	46.7	45.8	46.5	45.9	44.7	44.0
Security RP borrowings												
13 Seasonally adjusted[7]	64.0	70.0	69.0	69.1	69.3	71.9	68.5	75.2	74.4	77.8	81.8	83.5
14 Not seasonally adjusted	62.3	68.2	70.0	68.7	68.9	73.9	71.7	75.0	77.1	75.8	77.4	79.1
U.S. Treasury demand balances[8]												
15 Seasonally adjusted	9.5	11.8	15.3	9.9	8.4	9.2	10.6	13.6	9.8	11.5	15.5	8.6
16 Not seasonally adjusted	9.0	11.2	15.4	10.8	8.3	8.2	12.4	16.5	7.9	10.9	16.6	10.6
Time deposits, $100,000 or more[9]												
17 Seasonally adjusted	267.0	324.0	341.1	349.5	360.1	367.0	366.5	367.4	360.4	347.0	318.8	302.4
18 Not seasonally adjusted	272.4	330.3	340.0	344.6	350.5	359.2	361.6	364.7	361.5	353.6	325.0	309.8
IBF ADJUSTMENTS FOR SELECTED ITEMS[10]												
19 Items 1 and 2	...	22.4	31.7	32.0	32.2	32.4	32.4	...	...		...	...
20 Items 3 and 4		1.7	2.4	2.4	2.4	2.4	2.4	...	...		...	...
21 Item 5	...	20.7	29.3	29.6	29.8	30.0	30.0	...	...	...	...	...
22 Item 7	...	3.1	5.0	5.0	5.1	5.1	5.1	...	...	...	...	...
23 Item 10	...	17.6	24.3	24.6	24.7	24.9	24.9	...		...	...	...

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks
2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestically chartered banks and averages of current and previous month-end data for foreign-related institutions.
3 Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.
4. Loans initially booked by the bank and later sold to affiliates that are still held by affiliates Averages of Wednesday data
5. Averages of daily figures for member and nonmember banks.
6. Averages of daily data.
7. Based on daily average data reported by 122 large banks
8. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks Averages of daily data
9. Averages of Wednesday figures.
10. Estimated effects of shifts of foreign assets from U S banking offices to international banking facilities (IBFs).

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

Billions of dollars except for number of banks

Account	1982 May	June	July	Aug	Sept	Oct	Nov	Dec	1983 Jan	Feb	Mar
DOMESTICALLY CHARTERED COMMERCIAL BANKS[1]											
1 Loans and securities, excluding interbank	1,300.7	1,315.4	1,313.2	1,318.8	1,337.1	1,343.0	1,347.0	1,370.4	1,370.8	1,373.7	1,392.8
2 Loans, excluding interbank	954.3	969.1	966.6	970.6	985.9	988.5	990.4	1,000.8	993.3	991.4	1,001.8
3 Commercial and industrial	341.9	348.7	346.4	346.2	354.4	355.8	355.4	357.9	355.6	356.3	358.6
4 Other	612.4	620.4	620.3	624.4	631.5	632.7	635.0	642.9	638.2	635.8	643.1
5 U.S. Treasury securities	111.5	113.4	113.4	113.7	115.0	119.4	122.2	129.0	136.0	141.4	150.5
6 Other securities	234.9	232.9	233.2	234.5	236.2	235.1	234.4	240.5	241.6	240.8	239.8
7 Cash assets, total	153.0	165.4	154.5	160.8	157.4	162.1	169.7	184.4	167.8	184.7	168.9
8 Currency and coin	20.0	20.1	20.5	20.3	20.4	20.5	19.0	23.0	20.4	20.3	19.9
9 Reserves with Federal Reserve Banks	21.7	18.2	25.1	26.1	17.0	23.5	22.0	25.4	23.9	25.3	20.5
10 Balances with depository institutions	54.9	59.6	55.4	58.8	60.4	61.3	64.6	67.6	67.7	71.6	67.1
11 Cash items in process of collection	56.3	67.4	53.6	55.5	59.6	56.8	64.1	68.4	55.9	67.5	61.5
12 Other assets[2]	209.9	223.2	224.2	231.3	234.9	237.0	241.8	265.3	260.1	263.6	258.1
13 Total assets/total liabilities and capital	**1,663.6**	**1,704.0**	**1,692.0**	**1,710.9**	**1,729.3**	**1,742.1**	**1,758.6**	**1,820.1**	**1,798.7**	**1,822.0**	**1,819.1**
14 Deposits	1,244.0	1,284.8	1,266.4	1,279.1	1,290.7	1,300.2	1,316.9	1,361.8	1,340.6	1,368.3	1,374.3
15 Demand	315.4	345.2	314.4	315.5	323.0	326.5	338.1	363.9	324.0	337.9	333.4
16 Savings	227.6	228.9	227.1	229.5	230.9	238.2	244.9	296.4	361.5	395.2	419.3
17 Time	701.0	710.7	724.8	734.1	736.8	735.4	733.9	701.5	655.1	635.2	621.6
18 Borrowings	195.1	189.7	195.4	196.0	202.8	203.7	198.1	215.1	221.6	218.0	211.3
19 Other liabilities	93.9	96.6	99.1	103.9	103.4	106.2	109.3	109.2	106.4	106.0	103.4
20 Residual (assets less liabilities)	130.6	133.0	131.1	131.9	132.5	132.0	134.3	133.9	130.1	129.6	130.1
MEMO:											
21 U.S. Treasury note balances included in borrowing	7.1	7.5	8.0	5.9	17.0	11.7	2.4	10.7	17.1	7.0	9.6
22 Number of banks	14,722	14,736	14,752	14,770	14,785	14,797	14,782	14,787	14,780	14,812	14,819
ALL COMMERCIAL BANKING INSTITUTIONS[3]											
23 Loans and securities, excluding interbank	1,358.5	1,374.3	1,371.3	1,376.6	1,397.3	1,401.7	1,413.7	1,429.8	1,427.5	1,429.8	1,451.2
24 Loans, excluding interbank	1,007.6	1,023.7	1,020.8	1,024.7	1,042.4	1,042.3	1,052.1	1,054.9	1,044.8	1,042.3	1,054.6
25 Commercial and industrial	379.3	386.7	384.4	384.5	395.0	393.7	398.9	396.5	393.0	392.9	396.5
26 Other	628.3	637.0	636.4	640.2	647.4	648.6	653.2	658.4	652.4	650.0	658.1
27 U.S. Treasury securities	114.3	116.2	115.7	115.8	117.2	122.7	125.7	132.8	139.5	145.1	155.2
28 Other securities	236.6	234.4	234.8	236.1	237.7	236.7	235.9	242.1	243.2	242.4	241.5
29 Cash assets, total	167.7	180.3	169.3	176.2	173.7	178.7	181.2	200.7	183.7	200.5	185.5
30 Currency and coin	20.0	20.2	20.5	20.4	20.4	20.5	19.0	23.0	20.4	20.3	19.9
31 Reserves with Federal Reserve Banks	23.0	19.6	26.5	27.5	18.4	25.0	23.4	26.8	25.3	26.7	22.0
32 Balances with depository institutions	67.3	72.2	67.8	71.8	74.2	75.3	74.4	81.4	81.1	84.9	81.0
33 Cash items in process of collection	57.3	68.4	54.6	56.5	60.6	57.8	64.3	69.4	56.9	68.6	62.6
34 Other assets[2]	285.9	300.0	299.4	306.8	310.3	313.9	323.3	341.7	333.2	330.2	325.7
35 Total assets/total liabilities and capital	**1,812.1**	**1,854.7**	**1,840.1**	**1,859.6**	**1,881.3**	**1,894.2**	**1,918.2**	**1,972.2**	**1,944.4**	**1,960.4**	**1,962.4**
36 Deposits	1,286.2	1,325.8	1,307.3	1,321.7	1,335.5	1,345.2	1,358.1	1,409.7	1,385.4	1,412.6	1,419.6
37 Demand	327.9	357.4	326.8	327.7	335.1	338.9	344.9	376.2	335.9	350.2	345.7
38 Savings	227.8	229.1	227.4	229.7	231.1	238.5	245.1	296.7	361.9	395.6	419.7
39 Time	730.4	739.3	753.1	764.3	769.2	767.8	768.0	736.7	687.7	666.8	654.2
40 Borrowings	255.3	253.2	260.0	260.0	267.6	268.3	267.0	278.3	283.5	276.0	269.8
41 Other liabilities	138.2	140.8	139.8	144.1	143.8	146.9	156.6	148.4	143.5	140.4	141.0
42 Residual (assets less liabilities)	132.5	134.9	133.0	133.8	134.4	133.9	136.6	135.8	132.0	131.5	131.9
MEMO											
43 U.S. Treasury note balances included in borrowing	7.1	7.5	8.0	5.9	17.0	11.7	2.4	10.7	17.1	7.0	9.6
44 Number of banks	15,235	15,235	15,271	15,289	15,311	15,330	15,318	15,329	15,332	15,366	15,376

1. Domestically chartered commercial banks include all commercial banks in the United States except branches of foreign banks, included are member and nonmember banks, stock savings banks, and nondeposit trust companies.
2. Other assets include loans to U.S. commercial banks.
3. Commercial banking institutions include domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York State foreign investment corporations.

NOTE. Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Data for domestically chartered commercial banks are for the last Wednesday of the month. Data for other banking institutions are estimates made on the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarter-end condition report data.

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

Millions of dollars, Wednesday figures

Account	1983								
	Feb. 2	Feb. 9	Feb 16	Feb 23	Mar 2p	Mar 9p	Mar 16p	Mar 23p	Mar. 30p
1 Cash items in process of collection	48,524	40,860	48,063	53,348	54,311	45,090	50,967	43,587	49,324
2 Demand deposits due from banks in the United States	7,079	6,604	7,629	8,238	7,743	6,686	7,148	6,373	6,763
3 All other cash and due from depository institutions	35,750	34,195	34,519	37,542	37,128	32,276	34,130	33,903	33,904
4 Total loans and securities	**662,890**	**653,301**	**657,855**	**650,137**	**665,408**	**660,512**	**658,624**	**653,772**	**652,411**
Securities									
5 U.S Treasury securities	48,816	47,520	48,300	47,387	49,366	51,138	49,879	49,937	49,096
6 Trading account	10,139	8,794	9,246	8,209	9,344	10,648	9,152	9,625	8,508
7 Investment account, by maturity	38,677	38,726	39,054	39,178	40,022	40,490	40,727	40,312	40,587
8 One year or less	11,929	11,770	11,704	11,784	12,287	12,584	12,831	12,741	12,996
9 Over one through five years	23,965	24,138	24,604	24,598	25,090	25,212	25,244	24,973	24,971
10 Over five years	2,783	2,818	2,746	2,794	2,645	2,694	2,652	2,598	2,621
11 Other securities	83,015	81,131	81,484	81,470	81,848	81,712	80,924	80,829	80,876
12 Trading account	5,138	3,174	3,704	3,678	4,748	4,734	4,699	4,676	4,680
13 Investment account	77,877	77,957	77,780	77,792	77,100	76,978	76,225	76,153	76,196
14 U S government agencies	16,249	16,432	16,484	16,472	16,139	16,072	15,635	15,635	15,570
15 States and political subdivisions, by maturity	58,244	58,162	57,922	57,925	57,549	57,462	57,041	56,984	57,084
16 One year or less	7,188	7,121	7,012	7,130	6,995	7,064	6,739	6,724	6,663
17 Over one year	51,057	51,041	50,910	50,796	50,554	50,399	50,302	50,259	50,421
18 Other bonds, corporate stocks and securities	3,384	3,363	3,374	3,394	3,412	3,443	3,549	3,535	3,541
Loans									
19 Federal funds sold[1]	43,106	41,682	44,493	39,144	44,901	44,604	42,036	37,221	35,763
20 To commercial banks	29,545	28,865	31,638	27,560	32,160	30,743	30,241	26,684	25,198
21 To nonbank brokers and dealers in securities	9,777	9,242	9,192	8,241	8,959	9,941	8,306	7,250	7,256
22 To others	3,784	3,575	3,664	3,343	3,782	3,920	3,489	3,286	3,308
23 Other loans, gross	501,262	496,293	496,898	495,483	502,695	496,481	499,207	499,187	500,006
24 Commercial and industrial	218,520	216,672	217,025	216,157	218,267	216,464	217,387	216,650	216,513
25 Bankers acceptances and commercial paper	5,651	4,255	4,368	4,310	4,573	4,444	4,749	4,357	4,867
26 All other	212,869	212,417	212,656	211,847	213,694	212,020	212,638	212,293	211,646
27 U.S. addressees	206,237	205,783	205,937	205,109	206,812	205,260	205,856	205,518	204,843
28 Non-U.S. addressees	6,632	6,634	6,719	6,738	6,883	6,760	6,782	6,776	6,803
29 Real estate	134,146	134,141	134,396	134,337	134,244	134,246	134,411	134,466	134,567
30 To individuals for personal expenditures	75,570	75,180	75,158	74,967	74,859	74,730	74,740	74,684	74,788
To financial institutions									
31 Commercial banks in the United States	7,524	7,477	7,485	7,799	7,677	7,282	7,978	8,164	7,568
32 Banks in foreign countries	7,252	7,192	6,951	7,054	7,533	7,277	7,701	7,596	7,571
33 Sales finance, personal finance companies, etc.	10,255	10,129	10,220	10,133	10,490	10,104	10,174	10,413	10,507
34 Other financial institutions	16,117	16,279	16,290	15,930	16,071	15,959	15,795	15,890	16,065
35 To nonbank brokers and dealers in securities	7,131	5,823	5,817	5,146	8,571	6,928	7,181	6,899	8,151
36 To others for purchasing and carrying securities[2]	2,627	2,593	2,581	2,598	2,580	2,563	2,563	2,669	2,674
37 To finance agricultural production	6,326	6,331	6,313	6,387	6,396	6,388	6,485	6,542	6,637
38 All other	15,794	14,475	14,661	14,975	16,007	14,538	14,792	15,212	14,965
39 LESS: Unearned income	5,520	5,490	5,482	5,473	5,361	5,364	5,356	5,331	5,338
40 Loan loss reserve	7,788	7,836	7,838	7,874	8,042	8,059	8,065	8,071	7,992
41 Other loans, net	487,953	482,967	483,578	482,136	489,293	483,058	485,786	485,785	486,676
42 Lease financing receivables	11,248	11,263	11,230	11,221	11,130	11,128	11,119	11,070	11,057
43 All other assets	146,240	147,161	146,441	144,816	146,927	147,126	146,764	142,769	141,810
44 Total assets	**911,730**	**893,384**	**905,737**	**905,302**	**922,646**	**902,818**	**908,753**	**891,474**	**895,270**
Deposits									
45 Demand deposits	173,522	160,599	171,053	174,482	182,689	169,173	174,507	165,010	173,380
46 Mutual savings banks	729	638	704	654	720	630	822	569	536
47 Individuals, partnerships, and corporations	131,260	123,156	129,115	130,701	136,565	129,073	132,341	125,250	130,156
48 States and political subdivisions	5,729	4,829	4,918	4,994	5,530	4,498	5,074	5,356	4,439
49 U S. government	1,212	1,075	2,360	1,224	2,580	1,073	2,536	2,015	2,095
50 Commercial banks in the United States	19,969	17,512	19,900	22,505	20,790	19,003	19,085	18,118	18,723
51 Banks in foreign countries	5,397	5,463	5,758	5,626	5,908	5,896	5,872	6,038	5,599
52 Foreign governments and official institutions	1,160	954	1,077	932	915	1,044	893	1,071	1,064
53 Certified and officers' checks	8,067	6,970	7,220	7,846	9,681	7,955	7,883	6,592	10,767
54 Time and savings deposits	416,778	417,466	416,398	415,704	415,774	414,208	413,433	414,958	415,152
55 Savings	147,936	151,336	153,802	155,703	159,109	161,339	162,988	163,626	164,483
56 Individuals and nonprofit organizations	134,466	136,648	139,002	140,257	143,467	145,403	147,065	147,685	148,239
57 Partnerships and corporations operated for profit	12,301	13,428	13,516	14,177	14,390	14,719	14,677	14,793	15,022
58 Domestic governmental units	1,075	1,130	1,182	1,179	1,154	1,121	1,146	1,053	1,100
59 All other	94	130	102	90	98	96	100	95	122
60 Time	268,842	266,130	262,596	260,001	256,665	252,869	250,445	251,332	250,668
61 Individuals, partnerships, and corporations	232,829	230,043	226,810	224,307	221,850	218,520	216,564	217,274	216,964
62 States and political subdivisions	20,234	20,477	20,450	20,560	19,909	19,770	19,736	19,923	19,792
63 U.S government	418	411	410	423	439	437	417	531	519
64 Commercial banks in the United States	11,120	11,086	10,882	10,813	10,676	10,292	9,947	9,892	9,708
65 Foreign governments, official institutions, and banks	4,240	4,112	4,044	3,898	3,791	3,850	3,782	3,712	3,686
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	1,982	185	2,911		1,360	....	3,268	264	1,196
67 Treasury tax-and-loan notes	9,484	3,346	3,186	4,878	7,585	7,381	7,041	8,437	7,552
68 All other liabilities for borrowed money[3]	162,222	164,225	165,875	165,879	171,681	170,440	168,806	160,698	156,470
69 Other liabilities and subordinated notes and debentures	88,417	88,162	87,042	85,193	83,929	81,846	82,193	82,793	82,390
70 Total liabilities	**852,406**	**833,982**	**846,464**	**846,136**	**863,019**	**843,047**	**849,248**	**832,161**	**836,138**
71 Residual (total assets minus total liabilities)[4]	59,324	59,402	59,273	59,166	59,627	59,770	59,505	59,313	59,132

1 Includes securities purchased under agreements to resell
2 Other than financial institutions and brokers and dealers
3. Includes federal funds purchased and securities sold under agreements to repurchase, for information on these liabilities at banks with assets of $1 billion or more on Dec 31, 1977, see table 1.13.
4. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses

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

Millions of dollars, Wednesday figures

Account	1983								
	Feb. 2	Feb 9	Feb. 16	Feb. 23	Mar. 2p	Mar 9p	Mar 16p	Mar. 23p	Mar. 30p
1 Cash items in process of collection	45,652	38,400	44,996	50,044	50,974	42,590	48,067	40,953	46,744
2 Demand deposits due from banks in the United States	6,365	6,008	7,046	7,424	7,086	6,081	6,580	5,744	6,247
3 All other cash and due from depository institutions	32,735	31,299	31,395	34,403	34,237	29,501	31,241	30,930	30,946
4 Total loans and securities	**617,059**	**608,040**	**612,140**	**604,881**	**619,177**	**614,043**	**612,206**	**607,934**	**606,747**
Securities									
5 U.S. Treasury securities	44,862	43,508	44,078	43,142	45,007	46,680	45,332	45,448	44,673
6 Trading account	10,026	8,668	9,134	8,094	9,168	10,430	8,952	9,458	8,340
7 Investment account, by maturity	34,835	34,840	34,943	35,048	35,839	36,250	36,381	35,990	36,333
8 One year or less	10,458	10,300	10,178	10,263	10,680	10,903	11,053	11,008	11,293
9 Over one through five years	21,822	21,961	22,283	22,245	22,767	22,907	22,931	22,638	22,672
10 Over five years	2,556	2,579	2,482	2,540	2,392	2,440	2,397	2,344	2,367
11 Other securities	75,584	73,728	73,988	74,063	74,589	74,459	73,588	73,518	73,544
12 Trading account	4,970	3,023	3,438	3,507	4,576	4,580	4,475	4,506	4,529
13 Investment account	70,614	70,705	70,551	70,556	70,013	69,879	69,113	69,012	69,016
14 U S government agencies	14,800	14,992	15,056	15,030	14,744	14,668	14,228	14,226	14,168
15 States and political subdivisions, by maturity	52,686	52,618	52,393	52,414	52,149	52,061	51,650	51,576	51,658
16 One year or less	6,405	6,336	6,244	6,363	6,266	6,337	6,015	5,986	5,917
17 Over one year	46,281	46,282	46,149	46,051	45,883	45,723	45,635	45,589	45,741
18 Other bonds, corporate stocks and securities	3,128	3,095	3,101	3,112	3,120	3,151	3,235	3,210	3,189
Loans									
19 Federal funds sold[1]	37,433	36,519	39,144	34,207	39,192	38,716	36,755	32,364	31,291
20 To commercial banks	24,581	24,315	26,994	23,251	27,051	25,606	25,570	22,398	21,261
21 To nonbank brokers and dealers in securities	9,124	8,684	8,548	7,684	8,414	9,273	7,787	6,736	6,797
22 To others	3,728	3,520	3,602	3,272	3,727	3,838	3,398	3,229	3,233
23 Other loans, gross	471,463	466,581	467,224	465,791	472,773	466,592	468,932	468,985	469,555
24 Commercial and industrial	207,346	205,490	205,883	205,004	206,886	205,073	205,936	205,196	204,984
25 Bankers acceptances and commercial paper	5,276	3,872	3,976	3,943	4,196	4,064	4,366	3,954	4,459
26 All other	202,070	201,618	201,907	201,061	202,690	201,009	201,570	201,242	200,525
27 U S. addressees	195,540	195,083	195,286	194,422	195,911	194,351	194,886	194,569	193,831
28 Non-U.S. addressees	6,530	6,535	6,620	6,640	6,780	6,658	6,684	6,673	6,694
29 Real estate	126,216	126,207	126,481	126,407	126,251	126,246	126,358	126,407	126,487
30 To individuals for personal expenditures	67,206	66,856	66,831	66,676	66,594	66,486	66,492	66,451	66,526
To financial institutions									
31 Commercial banks in the United States	7,341	7,304	7,290	7,569	7,493	7,098	7,613	7,804	7,112
32 Banks in foreign countries	7,174	7,122	6,880	6,987	7,455	7,205	7,613	7,528	7,486
33 Sales finance, personal finance companies, etc	10,088	9,965	10,057	9,969	10,325	9,934	9,996	10,235	10,332
34 Other financial institutions	15,508	15,677	15,697	15,336	15,474	15,365	15,171	15,275	15,432
35 To nonbank brokers and dealers in securities	7,091	5,797	5,793	5,108	8,535	6,899	7,155	6,868	8,117
36 To others for purchasing and carrying securities[2]	2,394	2,356	2,346	2,353	2,334	2,327	2,326	2,430	2,435
37 To finance agricultural production	6,140	6,142	6,129	6,201	6,208	6,198	6,292	6,347	6,443
38 All other	14,958	13,666	13,837	14,180	15,216	13,759	13,980	14,445	14,200
39 LESS. Unearned income	4,899	4,868	4,860	4,852	4,752	4,754	4,746	4,718	4,727
40 Loan loss reserve	7,384	7,429	7,434	7,469	7,632	7,649	7,656	7,662	7,588
41 Other loans, net	459,181	454,285	454,930	453,469	460,389	454,188	456,531	456,605	457,239
42 Lease financing receivables	10,848	10,863	10,831	10,823	10,732	10,731	10,723	10,674	10,665
43 All other assets	142,027	142,977	142,468	140,824	142,845	143,036	142,683	138,642	137,389
44 Total assets	**854,686**	**837,588**	**848,876**	**848,400**	**865,052**	**845,983**	**851,502**	**834,878**	**838,738**
Deposits									
45 Demand deposits	160,854	148,875	158,576	162,025	169,692	157,217	162,080	152,929	161,222
46 Mutual savings banks	694	610	677	626	692	607	795	545	513
47 Individuals, partnerships, and corporations	121,511	113,869	119,478	121,161	126,724	119,645	122,724	115,988	120,762
48 States and political subdivisions	5,150	4,274	4,373	4,424	4,959	3,952	4,410	4,505	3,842
49 U.S. government	1,028	974	2,105	1,069	2,259	972	2,326	1,840	1,898
50 Commercial banks in the United States	18,287	16,113	18,262	20,784	18,995	17,520	17,526	16,692	17,218
51 Banks in foreign countries	5,347	5,412	5,713	5,587	5,859	5,852	5,824	5,995	5,546
52 Foreign governments and official institutions	1,155	953	1,075	931	909	1,043	892	1,070	1,062
53 Certified and officers' checks	7,683	6,670	6,892	7,443	9,294	7,626	7,583	6,292	10,381
54 Time and savings deposits	388,757	389,232	388,042	387,129	387,052	385,500	384,538	386,026	386,243
55 Savings	136,904	140,046	142,368	144,165	147,281	149,364	150,896	151,509	152,278
56 Individuals and nonprofit organizations	124,510	126,593	128,849	130,016	132,972	134,781	136,307	136,919	137,396
57 Partnerships and corporations operated for profit	11,296	12,279	12,322	12,967	13,148	13,455	13,434	13,532	13,748
58 Domestic governmental units	1,008	1,050	1,100	1,098	1,070	1,040	1,064	975	1,020
59 All other	89	124	96	83	90	88	91	84	114
60 Time	251,853	249,185	245,674	242,964	239,771	236,136	233,642	234,517	233,964
61 Individuals, partnerships, and corporations	218,113	215,441	212,210	209,592	207,306	204,104	202,081	202,813	202,558
62 States and political subdivisions	18,274	18,436	18,429	18,545	17,879	17,764	17,720	17,873	17,788
63 U.S. government	349	339	333	333	334	332	317	430	430
64 Commercial banks in the United States	10,877	10,857	10,659	10,596	10,462	10,085	9,743	9,688	9,502
65 Foreign governments, official institutions, and banks	4,240	4,112	4,044	3,898	3,791	3,850	3,782	3,712	3,686
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	1,902	185	2,896	.....	1,360	..	3,253	229	1,158
67 Treasury tax-and-loan notes	8,907	3,150	2,937	4,573	7,158	6,999	6,589	7,922	7,084
68 All other liabilities for borrowed money[3]	152,417	154,438	155,859	156,066	162,075	160,444	159,107	151,441	147,365
69 Other liabilities and subordinated notes and debentures	86,274	86,061	85,028	83,171	81,873	79,846	80,194	80,779	80,332
70 Total liabilities	**799,111**	**781,940**	**793,338**	**792,964**	**809,210**	**790,005**	**795,760**	**779,326**	**783,404**
71 Residual (total assets minus total liabilities)[4]	55,575	55,648	55,538	55,436	55,841	55,978	55,741	55,552	55,334

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

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

Millions of dollars, Wednesday figures

Account	1983								
	Feb 2	Feb 9	Feb 16	Feb 23	Mar 2p	Mar 9p	Mar 16p	Mar 23p	Mar 30p
1 Cash items in process of collection	14,529	13,107	14,440	16,167	17,821	15,728	16,455	13,744	18,952
2 Demand deposits due from banks in the United States	1,235	1,367	1,420	1,637	1,246	1,066	1,172	1,011	1,064
3 All other cash and due from depository institutions	8,845	6,445	7,463	7,508	7,420	6,936	7,622	6,154	5,884
4 Total loans and securities[1]	**145,894**	**144,091**	**145,976**	**142,015**	**147,268**	**143,651**	**144,473**	**141,859**	**142,175**
Securities									
5 U S Treasury securities[2]									
6 Trading account[2]									
7 Investment account, by maturity	9,024	9,036	9,156	9,126	9,288	9,252	9,215	8,745	8,860
8 One year or less	1,355	1,345	1,414	1,390	1,371	1,298	1,320	1,343	1,413
9 Over one through five years	7,138	7,160	7,285	7,277	7,357	7,345	7,309	6,891	6,935
10 Over five years	531	531	458	459	559	610	585	510	511
11 Other securities[2]									
12 Trading account[2]									
13 Investment account	14,030	14,039	14,020	14,138	13,886	13,942	13,802	13,776	13,815
14 U S government agencies	1,495	1,495	1,503	1,513	1,447	1,447	1,436	1,435	1,444
15 States and political subdivisions, by maturity	11,745	11,758	11,742	11,852	11,658	11,717	11,586	11,567	11,585
16 One year or less	1,539	1,554	1,543	1,645	1,499	1,577	1,402	1,384	1,376
17 Over one year	10,206	10,204	10,199	10,207	10,159	10,139	10,184	10,183	10,209
18 Other bonds, corporate stocks and securities	790	786	775	774	782	778	780	774	786
Loans									
19 Federal funds sold[3]	10,705	11,074	12,321	9,526	11,049	11,012	10,686	9,305	8,839
20 To commercial banks	4,309	5,032	6,155	4,394	5,074	5,200	5,576	4,694	4,160
21 To nonbank brokers and dealers in securities	4,327	4,140	4,206	3,434	4,027	4,106	3,475	3,118	3,019
22 To others	2,069	1,902	1,960	1,698	1,948	1,706	1,635	1,493	1,660
23 Other loans, gross	115,996	113,797	114,334	113,103	116,952	113,382	114,712	113,968	114,586
24 Commercial and industrial	61,418	60,537	60,710	59,797	60,182	59,497	59,626	59,120	59,295
25 Bankers acceptances and commercial paper	1,517	1,035	1,039	1,029	1,143	1,038	1,137	1,055	1,211
26 All other	59,900	59,502	59,671	58,768	59,039	58,458	58,489	58,065	58,084
27 U S addressees	58,514	58,099	58,270	57,370	57,518	57,001	57,006	56,549	56,525
28 Non-U S. addressees	1,386	1,403	1,400	1,397	1,520	1,457	1,483	1,516	1,559
29 Real estate	18,906	18,909	19,035	19,146	19,015	19,099	19,164	19,222	19,264
30 To individuals for personal expenditures	11,480	11,449	11,451	11,428	11,420	11,427	11,421	11,434	11,460
To financial institutions									
31 Commercial banks in the United States	2,680	2,518	2,615	3,014	2,848	2,531	2,542	2,816	2,255
32 Banks in foreign countries	2,932	2,892	2,577	2,767	3,104	2,771	3,095	2,731	2,592
33 Sales finance, personal finance companies, etc	4,371	4,325	4,274	4,297	4,578	4,297	4,365	4,470	4,515
34 Other financial institutions	4,853	4,784	4,940	4,809	4,902	4,787	4,774	4,842	4,919
35 To nonbank brokers and dealers in securities	4,221	3,428	3,684	2,728	5,286	4,022	4,857	4,204	5,298
36 To others for purchasing and carrying securities[4]	705	676	670	656	646	642	650	700	686
37 To finance agricultural production	417	419	416	419	408	436	461	469	480
38 All other	4,013	3,860	3,961	4,042	4,563	3,871	3,757	3,959	3,821
39 LESS Unearned income	1,430	1,414	1,414	1,417	1,402	1,412	1,420	1,416	1,426
40 Loan loss reserve	2,431	2,441	2,442	2,463	2,505	2,524	2,523	2,518	2,498
41 Other loans, net	112,135	109,942	110,478	109,224	113,045	109,445	110,770	110,033	110,661
42 Lease financing receivables	2,045	2,046	2,041	2,031	2,018	2,017	2,018	2,018	2,008
43 All other assets[5]	62,187	60,661	61,024	62,002	62,695	63,646	62,150	58,937	56,502
44 Total assets	**234,737**	**227,718**	**232,364**	**231,360**	**238,470**	**233,044**	**233,891**	**223,724**	**226,586**
Deposits									
45 Demand deposits	46,904	42,163	45,424	47,890	51,050	47,183	47,140	44,481	49,699
46 Mutual savings banks	332	275	317	292	314	275	461	257	179
47 Individuals, partnerships, and corporations	32,061	28,932	30,299	32,383	34,362	31,727	31,772	30,198	31,804
48 States and political subdivisions	996	751	606	669	782	654	667	704	574
49 U S government	201	225	551	267	535	243	689	518	555
50 Commercial banks in the United States	4,543	3,607	4,891	5,344	4,522	4,756	4,246	4,170	4,643
51 Banks in foreign countries	4,016	4,130	4,320	4,300	4,561	4,532	4,538	4,722	4,238
52 Foreign governments and official institutions	952	748	882	700	704	848	696	853	833
53 Certified and officers' checks	3,802	3,495	3,557	3,934	5,271	4,146	4,071	3,058	6,872
54 Time and savings deposits	75,939	75,916	75,993	75,675	76,349	75,173	74,484	74,560	74,760
55 Savings	20,608	21,438	22,080	22,686	23,412	23,936	24,476	24,878	25,310
56 Individuals and nonprofit organizations	19,046	19,394	20,230	20,431	21,128	21,704	22,222	22,612	23,053
57 Partnerships and corporations operated for profit	1,338	1,719	1,499	1,927	1,973	1,941	1,952	2,002	1,986
58 Domestic governmental units	215	285	306	292	263	244	253	215	199
59 All other	9	40	44	36	47	46	50	48	72
60 Time	55,331	54,479	53,913	52,989	52,937	51,238	50,008	49,682	49,450
61 Individuals, partnerships, and corporations	45,852	45,058	44,518	43,626	43,604	42,214	41,244	40,828	40,711
62 States and political subdivisions	2,246	2,345	2,339	2,364	2,337	2,280	2,248	2,281	2,271
63 U S. government	95	86	86	86	81	78	73	83	81
64 Commercial banks in the United States	5,394	5,337	5,357	5,307	5,332	5,055	4,884	4,948	4,877
65 Foreign governments, official institutions, and banks	1,744	1,653	1,613	1,605	1,582	1,610	1,559	1,542	1,510
Liabilities for borrowed money									
66 Borrowings from Federal Reserve Banks	1,622	150	1,300		1,320	...	2,495	200	...
67 Treasury tax-and-loan notes	2,369	938	868	1,438	2,038	1,978	1,949	2,252	1,994
68 All other liabilities for borrowed money[6]	54,774	55,681	55,956	54,403	55,998	57,642	56,130	51,260	49,542
69 Other liabilities and subordinated notes and debentures	34,168	33,886	33,840	32,996	32,571	31,873	32,579	32,028	31,783
70 Total liabilities	**215,776**	**208,734**	**213,382**	**212,402**	**219,326**	**213,850**	**214,777**	**204,780**	**207,778**
71 Residual (total assets minus total liabilities)[7]	18,960	18,984	18,983	18,958	19,144	19,194	19,114	18,944	18,807

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

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1983								
	Feb. 2	Feb 9	Feb 16	Feb 23	Mar 2p	Mar 9p	Mar. 16p	Mar 23p	Mar 30p
BANKS WITH ASSETS OF $750 MILLION OR MORE									
1 Total loans (gross) and securities adjusted[1]	639,130	630,285	632,052	628,124	638,973	635,910	633,826	632,326	632,975
2 Total loans (gross) adjusted[1]	507,299	501,633	502,268	499,267	507,759	503,060	503,023	501,560	503,003
3 Demand deposits adjusted[2]	103,817	101,152	100,729	97,404	105,008	104,006	101,918	101,290	103,237
4 Time deposits in accounts of $100,000 or more	167,805	166,256	163,581	162,007	159,219	156,199	154,145	155,395	154,910
5 Negotiable CDs	118,226	116,981	114,713	113,297	111,311	108,466	106,400	107,372	107,072
6 Other time deposits	49,579	49,276	48,868	48,710	47,908	47,733	47,744	48,023	47,838
7 Loans sold outright to affiliates[3]	2,972	2,969	3,001	2,968	2,864	2,997	2,933	2,984	3,017
8 Commercial and industrial	2,318	2,326	2,357	2,327	2,282	2,357	2,322	2,366	2,390
9 Other	654	643	644	641	581	640	611	617	626
BANKS WITH ASSETS OF $1 BILLION OR MORE									
10 Total loans (gross) and securities adjusted[1]	597,420	588,718	590,150	586,383	597,017	593,743	591,426	590,113	590,689
11 Total loans (gross) adjusted[1]	476,975	471,482	472,084	469,178	477,421	472,604	472,506	471,147	472,472
12 Demand deposits adjusted[2]	95,887	93,389	93,214	90,128	97,464	96,135	94,161	93,443	95,362
13 Time deposits in accounts of $100,000 or more	159,620	158,074	155,369	153,624	150,950	148,048	145,849	147,137	146,760
14 Negotiable CDs	113,694	112,471	110,126	108,704	106,794	104,099	101,884	102,966	102,695
15 Other time deposits	45,926	45,604	45,243	44,921	44,155	43,949	43,965	44,171	44,065
16 Loans sold outright to affiliates[3]	2,906	2,903	2,934	2,905	2,798	2,931	2,871	2,921	2,953
17 Commercial and industrial	2,266	2,276	2,306	2,277	2,233	2,306	2,275	2,323	2,345
18 Other	640	627	628	628	565	625	596	598	608
BANKS IN NEW YORK CITY									
19 Total loans (gross) and securities adjusted[1,4]	142,765	140,396	141,062	138,486	143,254	139,856	140,297	138,284	139,684
20 Total loans (gross) adjusted[1]	119,711	117,321	117,885	115,221	120,080	116,662	117,280	115,763	117,010
21 Demand deposits adjusted[2]	27,631	25,224	25,541	26,111	28,172	26,456	25,750	26,048	25,549
22 Time deposits in accounts of $100,000 or more	42,797	42,231	41,814	41,141	41,192	39,823	38,724	38,548	38,409
23 Negotiable CDs	32,089	31,554	31,243	30,813	30,832	29,541	28,525	28,398	28,382
24 Other time deposits	10,707	10,677	10,571	10,328	10,360	10,282	10,200	10,150	10,027

1 Exclusive of loans and federal funds transactions with domestic commercial banks

2 All demand deposits except U.S. government and domestic banks less cash items in process of collection

3. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company

4 Excludes trading account securities.

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

Millions of dollars, Wednesday figures

Account	1983								
	Feb 2	Feb. 9	Feb. 16	Feb. 23	Mar. 2p	Mar 9p	Mar. 16p	Mar 23p	Mar. 30p
1 Cash and due from depository institutions	7,093	7,013	7,210	6,954	7,232	7,560	7,409	7,199	7,448
2 Total loans and securities	42,944	42,184	41,562	41,218	42,716	42,911	43,418	43,767	43,530
3 U.S. Treasury securities	3,293	3,446	3,479	3,052	3,691	3,850	3,760	3,804	3,935
4 Other securities	885	882	887	888	890	903	907	908	901
5 Federal funds sold[1]	3,036	2,205	1,755	2,225	2,914	2,745	2,988	3,725	2,661
6 To commercial banks in United States	2,857	2,112	1,617	2,134	2,832	2,620	2,624	3,533	2,578
7 To others	179	92	138	91	82	125	364	193	83
8 Other loans, gross	35,729	35,650	35,442	35,054	35,221	35,412	35,761	35,330	36,033
9 Commercial and industrial	18,192	18,036	17,918	17,978	17,964	18,400	18,412	18,410	18,692
10 Bankers acceptances and commercial paper	2,619	2,588	2,680	2,740	2,698	3,052	2,848	2,830	2,700
11 All other	15,573	15,448	15,238	15,238	15,266	15,348	15,564	15,580	15,992
12 U S. addressees	13,647	13,509	13,307	13,277	13,424	13,500	13,803	13,748	14,252
13 Non-U S. addressees	1,926	1,939	1,931	1,960	1,843	1,848	1,761	1,832	1,739
14 To financial institutions	13,546	13,578	13,438	13,060	13,113	12,965	13,389	13,035	13,390
15 Commercial banks in United States	10,476	10,590	10,593	10,288	10,256	10,196	10,547	9,882	10,175
16 Banks in foreign countries	2,512	2,415	2,276	2,210	2,273	2,186	2,274	2,583	2,656
17 Nonbank financial institutions	558	574	569	562	584	584	568	570	558
18 For purchasing and carrying securities	360	312	194	189	426	390	464	404	426
19 All other	3,630	3,723	3,892	3,827	3,718	3,657	3,496	3,481	3,524
20 Other assets (claims on nonrelated parties)	10,757	10,635	10,482	10,326	10,268	10,233	10,553	10,409	10,242
21 Net due from related institutions	14,906	13,918	14,112	12,960	13,462	13,456	13,573	11,990	12,854
22 Total assets	75,699	73,750	73,367	71,459	73,678	74,159	74,952	73,366	74,073
23 Deposits or credit balances[2]	23,848	23,620	22,775	23,003	23,359	23,157	23,287	23,788	24,111
24 Credit balances	230	216	212	218	203	199	299	198	188
25 Demand deposits	1,852	1,764	1,796	1,947	1,925	1,810	1,875	1,698	1,703
26 Individuals, partnerships, and corporations	761	747	795	866	845	821	900	817	800
27 Other	1,091	1,017	1,001	1,081	1,080	989	975	881	904
28 Total time and savings	21,765	21,640	20,767	20,838	21,230	21,148	21,113	21,893	22,219
29 Individuals, partnerships, and corporations	18,861	18,747	17,783	17,839	18,164	17,899	17,726	18,636	18,922
30 Other	2,904	2,893	2,985	2,999	3,066	3,248	3,387	3,256	3,297
31 Borrowings[3]	32,173	31,214	32,111	30,099	31,420	31,328	31,902	28,993	29,914
32 Federal funds purchased[4]	10,196	9,490	10,610	9,200	10,590	10,595	11,104	8,117	8,255
33 From commercial banks in United States	9,084	8,083	9,054	7,738	8,922	9,171	9,442	6,351	6,402
34 From others	1,112	1,407	1,556	1,463	1,667	1,424	1,661	1,766	1,852
35 Other liabilities for borrowed money	21,977	21,724	21,501	20,898	20,830	20,733	20,799	20,876	21,660
36 To commercial banks in United States	19,598	19,407	19,240	18,502	18,421	18,250	18,359	18,414	19,242
37 To others	2,380	2,317	2,261	2,396	2,409	2,483	2,440	2,462	2,418
38 Other liabilities to nonrelated parties	11,825	11,812	11,615	11,320	11,371	11,266	11,482	11,388	11,071
39 Net due to related institutions	7,853	7,105	6,866	7,037	7,528	8,408	8,280	9,196	8,977
40 Total liabilities	75,699	73,750	73,367	71,459	73,678	74,159	74,952	73,366	74,073
MEMO									
41 Total loans (gross) and securities adjusted[5]	29,610	29,482	29,353	28,796	29,628	30,095	30,246	30,353	30,776
42 Total loans (gross) adjusted[5]	25,432	25,153	24,987	24,856	25,047	25,341	25,579	25,641	25,941

1 Includes securities purchased under agreements to resell.
2. Balances due to other than directly related institutions
3. Borrowings from other than directly related institutions
4 Includes securities sold under agreements to repurchase
5. Excludes loans and federal funds transactions with commercial banks in United States

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

▲Series discontinued.

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations[1]

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks									
	1978 Dec	1979[2] Dec	1980 Dec	1981			1982			
				June[3]	Sept	Dec	Mar.	June	Sept.	Dec.
1 **All holders—Individuals, partnerships, and corporations**	**294.6**	**302.2**	**315.5**	↑	**277.5**	**288.9**	**268.9**	**271.5**	**276.7**	**295.4**
2 Financial business	27.8	27.1	29.8		28.2	28.0	27.8	28.6	31.9	35.5
3 Nonfinancial business	152.7	157.7	162.3	n.a.	148.6	154.8	138.7	141.4	142.9	151.7
4 Consumer	97.4	99.2	102.4		82.1	86.6	84.6	83.7	83.3	88.1
5 Foreign	2.7	3.1	3.3		3.1	2.9	3.1	2.9	2.9	3.0
6 Other	14.1	15.1	17.2	↓	15.5	16.7	14.6	15.0	15.7	17.1
	Weekly reporting banks									
	1978 Dec.	1979[4] Dec	1980 Dec	1981			1982			
				June[3]	Sept	Dec	Mar	June	Sept	Dec
7 **All holders—Individuals, partnerships, and corporations**	**147.0**	**139.3**	**147.4**	↑	**131.3**	**137.5**	**126.8**	**127.9**	**132.1**	**144.0**
8 Financial business	19.8	20.1	21.8	n.a.	20.7	21.0	20.2	20.2	23.4	26.7
9 Nonfinancial business	79.0	74.1	78.3		71.2	75.2	67.1	67.7	68.7	74.2
10 Consumer	38.2	34.3	35.6		28.7	30.4	29.2	29.7	29.6	31.9
11 Foreign	2.5	3.0	3.1		2.9	2.8	2.9	2.8	2.7	2.9
12 Other	7.5	7.8	8.6	↓	7.9	8.0	7.3	7.5	7.7	8.4

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

2 Beginning with the March 1979 survey, the demand deposit ownership survey sample was reduced to 232 banks from 349 banks, and the estimation procedure was modified slightly. To aid in comparing estimates based on the old and new reporting sample, the following estimates in billions of dollars for December 1978 have been constructed using the new smaller sample; financial business, 27.0; nonfinancial business, 146.9; consumer, 98.3; foreign, 2.8; and other, 15.1.

3 Demand deposit ownership survey estimates for June 1981 are not available due to unresolved reporting errors.

4 After the end of 1978 the large weekly reporting bank panel was changed to 170 large commercial banks, each of which had total assets in domestic offices exceeding $750 million as of Dec. 31, 1977. See "Announcements," p. 408 in the May 1978 BULLETIN. Beginning in March 1979, demand deposit ownership estimates for these large banks are constructed quarterly on the basis of 97 sample banks and are not comparable with earlier data. The following estimates in billions of dollars for December 1978 have been constructed for the new large-bank panel; financial business, 18.2; nonfinancial business, 67.2; consumer, 32.8; foreign, 2.5; other, 6.8.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1977 Dec	1978 Dec	1979[1] Dec.	1980 Dec.[r]	1981 Dec.[r]	1982 Sept.[r]	1982 Oct.[r]	1982 Nov[r]	1982 Dec[6r]	1983 Jan.[r]	1983 Feb.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**65,051**	**83,438**	**112,803**	**124,374**	**165,455**	**172,054**	**169,386**	**165,110**	**166,917**	**165,705**	**168,675**
Financial companies[2]											
Dealer-placed paper[3]											
2 Total	8,796	12,181	17,359	19,599	29,904	36,158	35,073	35,219	34,216	35,324	37,536
3 Bank-related (not seasonally adjusted)	2,132	3,521	2,784	3,561	6,045	5,924	5,791	6,232	2,516	2,660	2,604
Directly placed paper[4]											
4 Total	40,574	51,647	64,757	67,854	81,715	80,209	79,533	78,290	84,204	82,978	85,020
5 Bank-related (not seasonally adjusted)	7,102	12,314	17,598	22,382	26,914	27,761	27,712	27,769	32,034	31,691	31,661
6 Nonfinancial companies[5]	15,681	19,610	30,687	36,921	53,836	55,687	54,780	51,601	48,497	47,403	46,119
	Bankers dollar acceptances (not seasonally adjusted)										
7 **Total**	**25,450**	**33,700**	**45,321**	**54,744**	**69,226**	**73,818**	**75,811**	**77,125**	**79,543**	**77,529**	n.a.
Holder											
8 Accepting banks	10,434	8,579	9,865	10,564	10,857	10,752	10,661	10,596	10,910	10,249	n.a.
9 Own bills	8,915	7,653	8,327	8,963	9,743	9,370	9,399	9,455	9,471	9,067	n.a.
10 Bills bought	1,519	927	1,538	1,601	1,115	1,382	1,262	1,140	1,439	1,182	n.a.
Federal Reserve Banks											
11 Own account	954	587	704	776	195	813	0	0	1,480	0	n.a.
12 Foreign correspondents	362	664	1,382	1,791	1,442	1,139	1,080	992	949	965	n.a.
13 Others	13,700	23,870	33,370	41,614	56,926	61,927	64,070	65,537	66,204	66,315	n.a.
Basis											
14 Imports into United States	6,378	8,574	10,270	11,776	14,765	16,075	16,511	16,716	17,683	15,803	n.a.
15 Exports from United States	5,863	7,586	9,640	12,712	15,400	15,608	16,463	16,711	16,328	17,931	n.a.
16 All other	13,209	17,540	25,411	30,257	39,061	42,136	42,837	43,699	45,532	43,794	n.a.

1. A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979.
2. Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking, sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
3. Includes all financial company paper sold by dealers in the open market.
4. As reported by financial companies that place their paper directly with investors.
5. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
6. Effective December 1, 1982, there was a break in the commercial paper series. The key changes in the content of the data involved additions to the reporting panel, the exclusion of broker or dealer placed borrowings under any master note agreements from the reported data, and the reclassification of a large portion of bank-related paper from dealer-placed to directly placed

1.33 PRIME RATE CHARGED BY BANKS on Short-Term Business Loans

Percent per annum

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1981—Nov. 17	16.50–17.00	Aug. 2	15.00	1981—Oct.	18.45	1982—July	16.26
		16	14.50	Nov.	16.84	Aug.	14.39
20	16.50	18	14.00	Dec.	15.75	Sept.	13.50
24	16.00	23	13.50			Oct.	12.52
Dec. 1	15.75	Oct. 7	13.00	1982—Jan.	15.75	Nov.	11.85
		14	12.00	Feb.	16.56	Dec.	11.50
1982—Feb. 18	17.00	Nov. 22	11.50	Mar.	16.50		
23	16.50			Apr.	16.50	1983—Jan.	11.16
July 20	16.00	1983—Jan. 11	11.00	May	16.50	Feb.	10.98
29	15.50	Feb. 28	10.50	June	16.50	Mar.	10.50

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 1–6, 1982

Item	All sizes	Size of loan (in thousands of dollars)					
		1–24	25–49	50–99	100–499	500–999	1,000 and over
Short-Term Commercial and Industrial Loans							
1 Amount of loans (thousands of dollars)	37,830,563	1,004,140	642,584	562,394	2,129,432	913,862	32,578,151
2 Number of loans	170,984	123,157	20,331	9,027	12,408	1,403	4,658
3 Weighted-average maturity (months)	1.2	3.6	3.6	4.1	4.8	3.2	.8
4 Weighted-average interest rate (percent per annum)	11.26	15.63	15.32	13.80	13.85	12.93	10.79
5 Interquartile range[1]	10.38–11.34	14.37–16.99	13.72–16.45	12.68–14.45	12.68–15.01	12.25–13.80	10.38–10.90
Percentage of amount of loans							
6 With floating rate	26.4	32.5	39.5	70.8	65.4	65.0	21.6
7 Made under commitment	70.1	40.8	35.8	64.5	54.4	68.9	72.8
8 With no stated maturity	9.6	15.9	18.7	40.0	22.2	29.5	7.3
Long-Term Commercial and Industrial Loans		1–99					
9 Amount of loans (thousands of dollars)	4,007,972	380,177			459,970	204,266	2,963,558
10 Number of loans	25,270	22,129			2,265	311	565
11 Weighted-average maturity (months)	46.2	43.9			26.4	45.3	49.6
12 Weighted-average interest rate (percent per annum)	12.24	15.17			13.98	13.02	11.54
13 Interquartile range[1]	10.68–13.55	13.80–16.65			13.50–14.94	12.55–13.88	10.62–12.68
Percentage of amount of loans							
14 With floating rate	77.8	49.0			67.9	81.6	82.7
15 Made under commitment	76.1	44.1			32.4	69.6	87.5
Construction and Land Development Loans		1–24	25–49	50–99		500 and over	
16 Amount of loans (thousands of dollars)	1,433,072	157,866	179,347	85,282	531,567	479,010	
17 Number of loans	25,255	16,181	4,750	1,278	2,806	241	
18 Weighted-average maturity (months)	11.1	14.4	16.0	6.4	8.3	12.2	
19 Weighted-average interest rate (percent per annum)	15.14	16.74	17.44	18.52	15.01	13.30	
20 Interquartile range[1]	12.73–16.09	15.02–18.10	14.75–18.97	14.23–20.57	12.69–15.58	11.82–14.50	
Percentage of amount of loans							
21 With floating rate	56.6	27.8	27.2	34.9	47.4	91.1	
22 Secured by real estate	71.6	75.0	85.6	92.8	69.2	64.3	
23 Made under commitment	39.6	44.4	43.1	29.7	21.5	58.7	
24 With no stated maturity	2.9	3.7	4	4.8	2.1	4.0	
Type of construction							
25 1- to 4-family	43.3	74.8	64.2	72.2	56.7	5.2	
26 Multifamily	12.1	1.5	18.8	7.6	4.6	22.2	
27 Nonresidential	44.6	23.7	17.0	20.2	38.7	72.6	
Loans to Farmers	All sizes	1–9	10–24	25–49	50–99	100–249	250 and over
28 Amount of loans (thousands of dollars)	1,457,533	158,122	234,089	169,062	282,570	200,860	412,831
29 Number of loans	67,611	40,418	15,969	5,177	4,206	1,304	536
30 Weighted-average maturity (months)	5.8	5.4	7.1	6.4	5.7	6.1	4.7
31 Weighted-average interest rate (percent per annum)	14.84	15.60	15.38	15.34	15.57	15.01	13.46
32 Interquartile range[1]	13.96–15.71	15.00–16.21	14.65–16.11	14.57–16.02	15.03–16.08	14.00–15.57	11.01–15.22
By purpose of loan							
33 Feeder livestock	13.90	15.48	15.19	15.22	15.01	14.35	12.66
34 Other livestock	15.49	15.46	15.42	15.34	15.58	(2)	(2)
35 Other current operating expenses	15.33	15.65	15.40	15.42	15.50	14.56	15.20
36 Farm machinery and equipment	15.68	15.53	15.16	15.76	(2)	(2)	(2)
37 Other	14.53	15.62	15.66	14.84	16.26	14.65	13.74

1. Interest rate range that covers the middle 50 percent of the total dollar amount of loans made.
2. Fewer than 10 sample loans.

NOTE. For more detail, see the Board's E.2 (111) statistical release.

1.35 INTEREST RATES Money and Capital Markets

Averages, percent per annum; weekly and monthly figures are averages of business day data unless otherwise noted.

Instrument	1980	1981	1982	1982	1983			1983, week ending				
				Dec.	Jan	Feb.	Mar	Mar 4	Mar 11	Mar. 18	Mar 25	Apr 1
MONEY MARKET RATES												
1 Federal funds[1,2]	13.36	16.38	12.26	8.95	8.68	8.51	8.77	8.44	8.59	8.57	8.75	8.88
Commercial paper[3,4]												
2 1-month	12.76	15.69	11.83	8.53	8.19	8.30	8.56	8.16	8.44	8.51	8.68	9.04
3 3-month	12.66	15.32	11.89	8.51	8.17	8.34	8.52	8.10	8.38	8.48	8.68	8.95
4 6-month	12.29	14.76	11.89	8.50	8.15	8.39	8.48	8.07	8.33	8.45	8.67	8.90
Finance paper, directly placed[3,4]												
5 1-month	12.44	15.30	11.64	8.35	8.03	8.25	8.48	8.07	8.34	8.47	8.60	8.87
6 3-month	11.49	14.08	11.23	8.18	7.96	8.24	8.35	8.01	8.20	8.34	8.52	8.66
7 6-month	11.28	13.73	11.20	8.20	7.97	8.26	8.35	8.02	8.21	8.33	8.51	8.66
Bankers acceptances[4,5]												
8 3-month	12.72	15.32	11.89	8.54	8.19	8.36	8.54	8.10	8.43	8.52	8.77	8.84
9 6-month	12.25	14.66	11.83	8.50	8.19	8.41	8.52	8.10	8.39	8.48	8.76	8.85
Certificates of deposit, secondary market[6]												
10 1-month	12.91	15.91	12.04	8.64	8.28	8.40	8.62	8.20	8.52	8.61	8.79	8.97
11 3-month	13.07	15.91	12.27	8.66	8.36	8.54	8.69	8.24	8.55	8.67	8.91	9.05
12 6-month	12.99	15.77	12.57	8.80	8.46	8.77	8.80	8.32	8.63	8.79	9.08	9.16
13 Eurodollar deposits, 3-month[2]	14.00	16.79	13.12	9.47	8.97	9.14	9.25	8.88	8.91	9.16	9.48	9.54
U.S. Treasury bills[4]												
Secondary market[7]												
14 3-month	11.43	14.03	10.61	7.94	7.86	8.11	8.35	7.97	8.25	8.31	8.55	8.64
15 6-month	11.37	13.80	11.07	8.16	7.93	8.23	8.37	7.97	8.25	8.35	8.57	8.67
16 1-year	10.89	13.14	11.07	8.23	8.01	8.28	8.36	7.98	8.27	8.37	8.55	8.60
Auction average[8]												
17 3-month	11.506	14.077	10.686	8.013	7.810	8.130	8.304	7.944	8.205	8.256	8.434	8.680
18 6-month	11.374	13.811	11.084	8.225	7.898	8.233	8.325	7.948	8.171	8.264	8.535	8.705
19 1-year	10.748	13.159	11.099	8.234	8.007	8.308	8.427	...	...	...	8.427	...
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds[9]												
Constant maturities[10]												
20 1-year	12.05	14.78	12.27	8.91	8.62	8.92	9.04	8.59	8.93	9.05	9.28	9.34
21 1-½-year[11]	...	...	...	...	...	...	...	...	...	...	...	9.65
22 2-year	11.77	14.56	12.80	9.66	9.33	9.64	9.66	9.27	9.61	9.66	9.83	9.89
23 2-½-year[12]	...	...	...	...	...	...	...	...	9.70	...	9.95	
24 3-year	11.55	14.44	12.92	9.88	9.64	9.91	9.84	9.48	9.78	9.83	10.03	10.06
25 5-year	11.48	14.24	13.01	10.22	10.03	10.26	10.08	9.76	10.03	10.08	10.26	10.28
26 7-year	11.43	14.06	13.06	10.49	10.36	10.56	10.31	9.97	10.24	10.30	10.51	10.53
27 10-year	11.46	13.91	13.00	10.54	10.46	10.72	10.51	10.25	10.51	10.52	10.60	10.62
28 20-year	11.39	13.72	12.92	10.62	10.78	11.03	10.80	10.60	10.84	10.85	10.84	10.84
29 30-year	11.30	13.44	12.76	10.54	10.63	10.88	10.63	10.47	10.66	10.67	10.67	10.68
Composite[13]												
30 Over 10 years (long-term)	10.81	12.87	12.23	10.33	10.37	10.60	10.34	10.16	10.36	10.39	10.39	10.40
State and local notes and bonds												
Moody's series[14]												
31 Aaa	7.85	10.43	10.88	9.34	9.00	8.80	8.42	8.30	8.45	8.40	8.45	8.50
32 Baa	9.01	11.76	12.48	10.80	10.98	10.59	10.05	9.90	10.15	10.05	10.05	10.10
33 *Bond Buyer* series[15]	8.59	11.33	11.66	9.96	9.50	9.58	9.20	9.04	9.22	9.19	9.15	9.38
Corporate bonds												
Seasoned issues[16]												
34 All industries	12.75	15.06	14.94	13.02	12.90	13.02	12.71	12.70	12.75	12.74	12.71	12.69
35 Aaa	11.94	14.17	13.79	11.83	11.79	12.01	11.73	11.63	11.72	11.79	11.76	11.75
36 Aa	12.50	14.75	14.41	12.44	12.35	12.58	12.32	12.30	12.37	12.35	12.30	12.31
37 A	12.89	15.29	15.43	13.66	13.53	13.52	13.15	13.22	13.23	13.21	13.19	13.14
38 Baa	13.67	16.04	16.11	14.14	13.94	13.95	13.61	13.67	13.65	13.61	13.58	13.56
Aaa utility bonds[17]												
39 New issue	12.74	15.56	14.41	11.84	12.05	12.08	11.70	11.57	11.72	11.82	...	...
40 Recently offered issues	12.70	15.56	14.45	11.91	11.84	12.09	11.74	11.65	11.76	11.77	11.74	11.79
MEMO: Dividend/price ratio[18]												
41 Preferred stocks	10.60	12.36	12.53	11.20	11.23	11.13	10.86	11.05	10.83	10.71	10.95	10.78
42 Common stocks	5.26	5.20	5.81	4.93	4.79	4.74	4.59	4.57	4.56	4.66	4.58	4.56

1. Weekly and monthly figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates

2. Weekly figures are statement week averages—that is, averages for the week ending Wednesday.

3. Unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper) Before November 1979, maturities for data shown are 30–59 days, 90–119 days, and 120–179 days for commercial paper; and 30–59 days, 90–119 days, and 150–179 days for finance paper.

4. Yields are quoted on a bank-discount basis, rather than an investment yield basis (which would give a higher figure).

5. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).

6. Unweighted average of offered rates quoted by at least five dealers early in the day.

7. Unweighted average of closing bid rates quoted by at least five dealers.

8. Rates are recorded in the week in which bills are issued.

9. Yields are based on closing bid prices quoted by at least five dealers.

10. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities Based on only recently issued, actively traded securities.

11. The figure for April 1 is the average Treasury rate for the five business days ending Thursday, March 31 Subsequent biweekly figures will be the average of five business days ending on the Monday following the date indicated. Beginning April 1, 1983, this rate determines the maximum interest payable in the following two-week period on 1-½ year small saver certificates. (See table 1.16.)

12. Each biweekly figure is the average of five business days ending on the Monday following the date indicated. Until March 31, 1983, the biweekly rate determined the maximum interest rate payable in the following two-week period on 2-½ year small saver certificates (See table 1.16.)

13. Unweighted averages of yields (to maturity or call) for all outstanding notes and bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.

14. General obligations only, based on figures for Thursday, from Moody's Investors Service.

15. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.

16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds

17. Compilation of the Federal Reserve. Issues included are long-term (20 years or more). New-issue yields are based on quotations on date of offering, those on recently offered issues (included only for first 4 weeks after termination of underwriter price restrictions), on Friday close-of-business quotations.

18. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation Common stock ratios on the 500 stocks in the price index

1.36 STOCK MARKET Selected Statistics

Indicator	1980	1981	1982	1982 July	1982 Aug	1982 Sept	1982 Oct	1982 Nov	1982 Dec	1983 Jan	1983 Feb	1983 Mar.
	Prices and trading (averages of daily figures)											
Common stock prices												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	68.06	74.02	68.93	62 82	62 91	70 21	76 10	79 75	80.30	83 25	84 74	87.50
2 Industrial	78.64	85.44	78 18	71.37	70.98	80.08	86.67	90.76	92.00	95.37	97.26	100.61
3 Transportation	60 52	72 61	60.41	53 40	53 98	61 39	66.64	71 92	73.40	75 65	79 44	83 28
4 Utility	37.35	38.90	39 75	37 20	38.19	40.36	42.67	43.46	42.93	45.59	45.92	45.89
5 Finance	64.28	73.52	71.99	61 59	62 84	69 66	80 59	88 66	86 22	85 66	86.57	93.22
6 Standard & Poor's Corporation (1941–43 = 10)[1]	118 71	128 05	119.71	109 38	109 65	122 43	132 66	138 10	139.37	145 13	146.80	151.88
7 American Stock Exchange (Aug 31, 1973 = 100)	300.94	343.58	282 62	250.63	253.54	286.22	308 74	333 54	333 36	360.92	373.84	383.76
Volume of trading (thousands of shares)												
8 New York Stock Exchange	44,867	46,967	64,617	54,530	76,031	73,710	98,508	88,431	76,463	88,463	85,026	82,694
9 American Stock Exchange	6,377	5,346	5,283	3,611	5,567	5,064	7,828	8,672	7,475	9,220	8,256	7,354
	Customer financing (end-of-period balances, in millions of dollars)											
10 **Regulated margin credit at brokers–dealers**[2]	**14,721**	**14,411**	**13,325**	**11,729**	**11,396**	**11,208**	**11,728**	**12,459**	**13,325**	**13,370**	**13,985**	n.a.
11 Margin stock[3]	14,500	14,150	12,980	11,470	11,150	10,950	11,450	12,170	12,980	13,070	13,680	n.a.
12 Convertible bonds	219	259	344	258	245	257	277	288	344	299	304	n.a.
13 Subscription issues	2	2	1	1	1	1	1	1	1	1	1	n.a.
Free credit balances at brokers[4]												
14 Margin-account	2,105	3,515	5,735	4,410	4,470	4,990	5,520	5,600	5,735	6,257	6,195	n.a.
15 Cash-account	6,070	7,150	8,390	6,730	7,550	7,475	8,120	8,395	8,390	8,230	7,960	n.a.
	Margin-account debt at brokers (percentage distribution, end of period)											
16 **Total**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	n.a.
By equity class (in percent)[5]												
17 Under 40	14 0	37 0	21 0	44 0	30 0	27.0	21 0	20 0	21 0	18 0	18 0	n.a.
18 40–49	30.0	24 0	24 0	23.0	26.0	26.0	24 0	21 0	24 0	23 0	20.0	n.a.
19 50–59	25 0	17 0	24.0	13 0	18 0	20 0	22 0	25.0	24 0	25.0	27.0	n.a.
20 60–69	14 0	10.0	14.0	9 0	12 0	12 0	16.0	15.0	14 0	16.0	16 0	n.a.
21 70–79	9.0	6 0	9 0	6.0	8.0	8 0	9 0	10 0	9 0	9.0	10 0	n.a.
22 80 or more	8.0	6 0	8.0	5.0	6 0	7 0	8 0	9.0	8 0	9.0	9.0	n.a.
	Special miscellaneous-account balances at brokers (end of period)											
23 **Total balances (millions of dollars)**[6]	**21,690**	**25,870**	**35,598**	**29,773**	**31,102**	**31,644**	**33,689**	**34,909**	**35,598**	**35,654**	**43,006**	n.a.
Distribution by equity status (percent)												
24 Net credit status	47.8	58 0	62 0	59.0	60.0	61.0	61 0	62 0	62 0	57 0	66.0	n.a.
Debt status, equity of												
25 60 percent or more	44.4	31.0	29 0	26.0	28.0	27.0	29 0	29.0	29.0	35.0	27.0	n.a.
26 Less than 60 percent	7 7	11 0	9.0	14 0	12 0	12.0	10 0	9 0	9.0	8.0	7.0	n.a.

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

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

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exhange.
In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.
3 A distribution of this total by equity class is shown on lines 17–22
4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.
6 Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur
7 Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1980	1981	1982 May	1982 June	1982 July	1982 Aug	1982 Sept	1982 Oct	1982 Nov.	1982 Dec r	1983 Jan r	1983 Feb p
	Savings and loan associations											
1 **Assets**	**630,712**	**664,167**	**687,273**	**692,759**	**697,690**	**703,399**	**691,077**	**692,549**	**697,189**	**706,045**	**714,676**	**722,309**
2 Mortgages	503,192	518,547	514,046	512,997	510,678	509,776	493,899	489,923	488,614	482,234	481,470	479,970
3 Cash and investment securities[1]	57,928	63,123	70,302	70,824	72,854	74,141	74,692	75,638	78,122	84,767	90,662	93,948
4 Other	69,592	82,497	102,925	108,938	114,158	119,482	122,486	126,988	130,453	139,044	142,544	148,388
5 **Liabilities and net worth**	**630,712**	**664,167**	**687,273**	**692,759**	**697,690**	**703,399**	**691,077**	**692,549**	**697,189**	**706,045**	**714,676**	**722,309**
6 Savings capital	511,636	525,061	535,215	538,667	539,830	542,648	547,628	547,112	548,439	566,189	582,918	591,249
7 Borrowed money	64,586	88,782	94,117	96,850	98,433	98,803	99,771	100,881	102,948	97,979	88,925	86,883
8 FHLBB	47,045	62,794	65,216	66,925	67,019	66,374	65,567	65,015	64,202	63,861	60,415	59,060
9 Other	17,541	25,988	28,901	29,925	31,414	32,429	34,204	35,866	38,746	34,118	28,510	27,823
10 Loans in process	8,767	6,385	6,766	7,116	7,250	7,491	8,084	8,484	8,967	9,934	10,453	10,971
11 Other	12,394	15,544	25,756	24,671	27,375	29,965	19,202	20,018	21,048	15,720	16,658	17,824
12 Net worth[2]	33,329	28,395	25,419	25,455	24,802	24,492	24,476	24,538	24,754	26,157	26,175	26,350
13 MEMO: Mortgage loan commitments outstanding[3]	16,102	15,225	16,622	16,828	15,924	16,943	17,256	18,407	19,682	18,054	19,453	22,096
	Mutual savings banks[4]											
14 **Assets**	**171,564**	**175,728**	**174,952**	**175,225**	**175,683**	**172,901**	**173,487**	**172,908**	**172,287**	**174,204**	**174,720**	n.a.
Loans												
15 Mortgage	99,865	99,997	96,334	96,364	96,282	94,498	94,382	94,261	94,017	94,452	93,883	
16 Other	11,733	14,753	17,409	16,721	17,128	16,929	17,458	17,035	16,702	16,876	17,460	
Securities												
17 U.S. government[5]	8,949	9,810	9,968	10,217	10,058	9,675	9,404	9,219	9,456	9,685	10,244	
18 State and local government	2,390	2,288	2,259	2,240	2,236	2,201	2,191	2,505	2,496	2,500	2,453	
19 Corporate and other[6]	39,282	37,791	37,486	36,612	36,651	35,937	35,845	35,599	35,753	36,286	36,371	
20 Cash	4,334	5,442	5,469	6,074	6,225	6,460	6,695	6,749	6,291	6,920	6,282	
21 Other assets	5,011	5,649	6,027	6,997	7,104	7,192	7,514	7,540	7,572	7,485	8,062	
22 **Liabilities**	**171,564**	**175,728**	**174,952**	**175,225**	**175,683**	**172,901**	**173,487**	**172,908**	**172,287**	**174,204**	**174,720**	
23 Deposits	154,805	155,110	153,354	154,392	154,314	152,014	153,089	152,210	151,304	155,225	157,161	
24 Regular[7]	151,416	153,003	151,253	152,167	151,969	149,736	150,795	149,928	149,167	152,735	154,918	
25 Ordinary savings	53,971	49,425	47,895	47,977	47,580	46,901	47,496	48,520	49,208	56,548	41,962	
26 Time	97,445	103,578	103,358	117,449	116,998	116,213	103,299	101,408	99,959	110,330	104,100	
27 Other	2,086	2,108	2,101	2,225	2,345	2,278	2,294	2,283	2,137	2,490	2,243	
28 Other liabilities	6,695	10,632	12,246	11,264	11,926	11,671	11,166	11,556	11,893	9,742	7,637	
29 General reserve accounts	11,368	9,986	9,352	9,570	9,443	9,216	9,232	9,141	9,089	9,238	9,204	
30 MEMO: Mortgage loan commitments outstanding[8]	1,476	1,293	998	1,010	992	1,056	1,217	1,281	1,400	1,285	1,253	
	Life insurance companies											
31 **Assets**	**479,210**	**525,803**	**543,470**	**547,075**	**551,124**	**557,094**	**563,321**	**571,902**	**578,200**	**584,311**	**589,490**	n.a.
Securities												
32 Government	21,378	25,209	27,835	28,243	28,694	30,263	30,759	31,791	32,682	34,558	35,567	
33 United States[9]	5,345	8,167	10,187	10,403	10,774	12,214	12,606	13,538	14,370	16,072	16,731	
34 State and local	6,701	7,151	7,543	7,643	7,705	7,799	7,834	7,871	7,935	8,094	8,225	
35 Foreign[10]	9,332	9,891	10,105	10,197	10,215	10,250	10,319	10,382	10,377	10,392	10,611	
36 Business	238,113	255,769	264,107	265,080	267,627	270,029	273,539	279,918	283,650	283,799	290,178	
37 Bonds	190,747	208,098	217,594	219,006	221,503	221,642	223,783	226,879	229,101	228,220	233,380	
38 Stocks	47,366	47,670	46,513	46,074	46,124	48,387	49,756	53,039	54,549	55,579	56,798	
39 Mortgages	131,030	137,747	139,455	139,539	140,044	140,244	140,404	140,678	140,956	141,919	142,277	
40 Real estate	15,063	18,278	19,713	19,959	20,198	20,176	20,268	20,293	20,480	21,019	20,922	
41 Policy loans	41,411	48,706	50,992	51,438	51,867	52,238	52,525	52,751	52,916	53,114	53,239	
42 Other assets	31,702	40,094	41,368	42,816	42,694	44,144	45,826	46,471	47,516	49,902	47,307	
	Credit unions											
43 ***Total assets/liabilities and capital***	**71,709**	**77,682**	**82,858**	**84,107**	**84,423**	**85,102**	**86,554**	**88,144**	**89,261**	**88,844**	n.a.	n.a.
44 Federal	39,801	42,382	45,077	45,705	45,931	46,310	47,076	47,649	48,272	49,642		
45 State	31,908	35,300	37,781	38,402	38,492	38,792	39,478	40,495	40,989	39,203		
46 Loans outstanding	47,774	50,448	49,556	49,919	50,133	50,733	51,047	50,934	50,936	51,053		
47 Federal	25,627	27,458	27,073	27,295	27,351	27,659	27,862	27,789	27,824	27,690		
48 State	22,147	22,990	22,483	22,624	22,782	23,074	23,185	23,145	23,139	23,363		
49 Savings	64,399	68,871	73,602	74,834	75,088	75,331	76,874	78,529	79,799	81,905		
50 Federal (shares)	36,348	37,574	40,213	40,710	40,969	41,178	41,961	42,852	43,413	45,525		
51 State (shares and deposits)	28,051	31,297	33,389	34,124	34,119	34,153	34,913	35,677	36,386	36,380		

For notes see bottom of opposite page.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1980	Fiscal year 1981	Fiscal year 1982	Calendar year					
				1981	1982		1982	1983	
				H2	H1	H2	Dec.	Jan.	Feb.
U.S. budget									
1 Receipts[1]	517,112	599,272	617,766	301,777	322,478	286,338	54,498	57,505	38,816
2 Outlays[1,2]	576,675	657,204	728,375	358,558	348,678	390,846	72,436	67,087	64,152
3 Surplus, or deficit (−)	−59,563	−57,932	−110,609	−56,780	−26,200	−104,508	−17,938	−9,582	−25,336
4 Trust funds	8,801	6,817	5,456	−8,085	−17,690	−6,576	3,382	−3,623	−4,830
5 Federal funds[3]	−68,364	−64,749	−116,065	−48,697	−43,889	−97,934	−21,320	−5,959	−20,506
Off-budget entities (surplus, or deficit (−))									
6 Federal Financing Bank outlays	−14,549	−20,769	−14,142	−8,728	−7,942	−4,923	−198	−271	−52
7 Other[4]	303	−236	−3,190	−1,752	227	−2,267	33	−63	47
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit (−)	−73,808	−78,936	−127,940	−67,260	−33,914	−111,699	−18,103	−9,916	−25,341
Source or financing									
9 Borrowing from the public	70,515	79,329	134,993	54,081	41,728	119,609	29,895	6,419	17,919
10 Cash and monetary assets (decrease, or increase (−))[5]	−355	−1,878	−11,911	−1,111	−408	−9,057	−13,002	2,179	7,496
11 Other[6]	3,648	1,485	4,858	14,290	−7,405	1,146	1,211	1,318	−74
MEMO.									
12 Treasury operating balance (level, end of period)	20,990	18,670	29,164	12,046	10,999	19,773	19,773	17,502	10,006
13 Federal Reserve Banks	4,102	3,520	10,975	4,301	4,099	5,033	5,033	2,627	2,856
14 Tax and loan accounts	16,888	15,150	18,189	7,745	6,900	14,740	14,740	14,875	7,150

1 Effective Feb. 8, 1982, supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other insurance receipts, have been reclassified as offsetting receipts in the health function.

2. Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was reclassified from an off-budget agency to an on-budget agency in the Department of Labor

3. Half-year figures are calculated as a residual (total surplus/deficit less trust fund surplus/deficit).

4. Other off-budget includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank; it also includes petroleum acquisition and transportation and strategic petroleum reserve effective November 1981.

5. Includes U.S. Treasury operating cash accounts; special drawing rights; gold tranche drawing rights; loans to International Monetary Fund; and other cash and monetary assets.

6. Includes accrued interest payable to the public; allocations of special drawing rights; deposit funds, miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain/loss for U.S currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

SOURCE. "Monthly Treasury Statement of Receipts and Outlays of the U.S Government." *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1984*.

NOTES TO TABLE 1.37

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

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

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

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

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

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

7. Excludes checking, club, and school accounts.

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

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

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

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

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

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

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

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1980	Fiscal year 1981	Fiscal year 1982	Calendar year					
				1981	1982		1982	1983	
				H2	H1	H2	Dec	Jan.	Feb.
RECEIPTS									
1 **All sources**[1]	**517,112**	**599,272**	**617,766**	**301,777**	**322,478**	**286,338**	**54,498**	**57,505**	**38,816**
2 Individual income taxes, net	244,069	285,917	297,744	147,035	150,565	145,676	24,946	34,151	20,544
3 Withheld	223,763	256,332	267,513	134,199	133,575	131,567	23,843	20,953	22,288
4 Presidential Election Campaign Fund	39	41	39	5	34	5	0	0	4
5 Nonwithheld	63,746	76,844	84,691	17,391	66,174	20,040	1,906	13,217	1,970
6 Refunds	43,479	47,299	54,498	4,559	49,217	5,938	804	18	3,717
Corporation income taxes									
7 Gross receipts	72,380	73,733	65,991	31,056	37,836	25,661	9,402	2,394	2,115
8 Refunds	7,780	12,596	16,784	738	8,028	11,467	1,238	1,230	2,388
9 Social insurance taxes and contributions, net	157,803	182,720	201,498	91,592	108,079	94,278	15,776	17,071	13,797
10 Payroll employment taxes and contributions[2]	133,025	156,932	172,744	82,984	88,795	85,063	15,138	15,479	11,845
11 Self-employment taxes and contributions[3]	5,723	6,041	7,941	244	7,357	177	0	415	43
12 Unemployment insurance	15,336	15,763	16,600	6,355	9,809	6,857	264	789	1,553
13 Other net receipts[1,4]	3,719	3,984	4,212	2,009	2,119	2,181	373	387	356
14 Excise taxes	24,329	40,839	36,311	22,097	17,525	16,556	2,674	2,707	2,795
15 Customs deposits	7,174	8,083	8,854	4,661	4,310	4,299	724	485	503
16 Estate and gift taxes	6,389	6,787	7,991	3,742	4,208	3,445	572	553	349
17 Miscellaneous receipts[5]	12,748	13,790	16,161	8,441	7,984	7,891	1,643	1,374	1,101
OUTLAYS									
18 **All types**[1,6]	**576,675**	**657,204**	**728,375**	**358,558**	**346,286**	**390,846**	**72,436**	**67,087**	**64,152**
19 National defense	135,856	159,765	187,418	87,421	93,154	100,419	18,141	16,297	16,567
20 International affairs	10,733	11,130	9,982	4,655	5,183	4,406	1,044	804	108
21 General science, space, and technology	5,722	6,359	7,070	3,388	3,370	3,903	838	487	610
22 Energy	6,313	10,277	4,674	4,394	2,814	2,059	362	296	330
23 Natural resources and environment	13,812	13,525	12,934	7,296	5,636	6,940	1,060	1,007	998
24 Agriculture	4,762	5,572	14,875	5,181	7,087	13,260	5,326	3,223	2,170
25 Commerce and housing credit	7,788	3,946	3,865	1,825	1,410	2,244	968	1,213	−559
26 Transportation	21,120	23,381	20,560	10,753	9,915	10,686	1,567	1,718	1,557
27 Community and regional development	10,068	9,394	7,165	4,269	3,193	4,186	638	504	405
28 Education, training, employment, social services	30,767	31,402	26,300	13,878	12,595	12,187	2,019	2,259	2,159
29 Health[1]	55,220	65,982	74,017	35,322	37,213	39,073	6,895	6,612	6,575
30 Income security[6]	193,100	225,101	248,343	129,269	112,782	133,779	24,263	23,010	22,812
31 Veterans benefits and services	21,183	22,988	23,955	12,880	10,865	13,241	3,202	837	2,063
32 Administration of justice	4,570	4,696	4,671	2,290	2,334	2,373	382	448	412
33 General government	4,505	4,614	4,726	2,311	2,410	2,322	451	337	345
34 General-purpose fiscal assistance	8,584	6,856	6,393	3,043	3,325	3,152	58	1,269	89
35 Net Interest[7]	52,458	68,726	84,697	39,950	41,880	44,948	6,611	7,616	8,416
36 Undistributed offsetting receipts[8]	−9,887	−16,509	−13,270	−9,564	6,490	−8,333	1,389	−849	−905

1 Effective Feb 8, 1982, supplemental medical insurance premiums and voluntary hospital insurance premiums, previously included in other insurance receipts, have been reclassified as offsetting receipts in the health function.

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

3 Old-age, disability, and hospital insurance.

4. Federal employee retirement contributions and civil service retirement and disability fund

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

6 Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was reclassified from an off-budget agency to an on-budget agency in the Department of Labor

7 Net interest function includes interest received by trust funds.

8 Consists of rents and royalties on the outer continental shelf and U S government contributions for employee retirement

SOURCE "Monthly Treasury Statement of Receipts and Outlays of the U S Government" and the *Budget of the U.S Government, Fiscal Year 1984*

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1980	1981				1982			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 **Federal debt outstanding**	**936.7**	**970.9**	**977.4**	**1,003.9**	**1,034.7**	**1,066.4**	**1,084.7**	**1,147.0**	**1,201.9**
2 Public debt securities	930.2	964.5	971.2	997.9	1,028.7	1,061.3	1,079.6	1,142.0	1,197.1
3 Held by public	737.7	773.7	771.3	789.8	825.5	858.9	867.9	925.6	987.7
4 Held by agencies	192.5	190.9	199.9	208.1	203.2	202.4	211.7	216.4	209.4
5 Agency securities	6.5	6.4	6.2	6.1	6.0	5.1	5.0	5.0	4.8
6 Held by public	5.0	4.9	4.7	4.6	4.6	3.9	3.9	3.7	3.7
7 Held by agencies	1.5	1.5	1.5	1.5	1.4	1.2	1.1	1.3	1.1
8 **Debt subject to statutory limit**	**931.2**	**965.5**	**972.2**	**998.8**	**1,029.7**	**1,062.2**	**1,080.5**	**1,142.9**	**1,197.9**
9 Public debt securities	929.6	963.9	970.6	997.2	1,028.1	1,060.7	1,079.0	1,141.4	1,196.5
10 Other debt[1]	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.4
11 MEMO Statutory debt limit	935.1	985.0	985.0	999.8	1,079.8	1,079.8	1,143.1	1,143.1	1,290.2

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

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

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

Billions of dollars, end of period

Type and holder	1978	1979	1980	1981	1982		1983		
					Nov	Dec	Jan	Feb	Mar
1 ***Total gross public debt***	**789.2**	**845.1**	**930.2**	**1,028.7**	**1,161.7**	**1,197.1**	**1,201.0**	**1,215.3**	**1,244.5**
By type									
2 Interest-bearing debt	782.4	844.0	928.9	1,027.3	1,160.5	1,195.5	1,199.6	1,213.7	1,243.0
3 Marketable	487.5	530.7	623.2	720.3	852.5	881.5	888.7	907.7	937.8
4 Bills	161.7	172.6	216.1	245.0	293.5	311.8	308.1	314.9	331.9
5 Notes	265.8	283.4	321.6	375.3	454.2	465.0	473.0	481.3	494.1
6 Bonds	60.0	74.7	85.4	99.9	104.7	104.6	107.6	111.5	111.4
7 Nonmarketable[1]	294.8	313.2	305.[illegible]	307.0	308.0	314.0	310.9	306.1	305.2
8 Convertible bonds[2]	2.2	2.2	.	.	....		.	.	.
9 State and local government series	24.3	24.6	23.8	23.0	25.0	25.7	25.6	25.7	27.1
10 Foreign issues[3]	29.6	28.8	24.0	19.0	14.9	14.7	14.0	12.7	12.4
11 Government	28.0	23.6	17.6	14.9	12.5	13.0	12.7	11.4	11.1
12 Public	1.6	5.3	6.4	4.1	2.4	1.7	1.3	1.3	1.3
13 Savings bonds and notes	80.9	79.9	72.5	68.1	68.1	68.0	68.1	68.3	68.5
14 Government account series[4]	157.5	177.5	185.1	196.7	199.9	205.4	203.0	199.1	197.0
15 Non-interest-bearing debt	6.8	1.2	1.3	1.4	1.2	1.6	1.4	1.6	1.5
By holder[5]									
16 U.S. government agencies and trust funds	170.0	187.1	192.5	203.3	203.9	209.4			
17 Federal Reserve Banks	109.6	117.5	121.3	131.0	137.7	139.3			
18 Private investors	508.6	540.5	616.4	694.5		848.2			
19 Commercial banks	93.2	96.4	116.0	109.4		131.4			
20 Mutual savings banks	5.0	4.7	5.4	5.2		n.a.			
21 Insurance companies	15.7	16.7	20.1	19.1		34.8			
22 Other companies	19.6	22.9	25.7	37.8		n.a.	n.a.	n.a.	n.a.
23 State and local governments	64.4	69.9	78.8	85.6	n.a.	n.a.			
Individuals									
24 Savings bonds	80.7	79.9	72.5	68.0		68.3			
25 Other securities	30.3	36.2	56.7	75.6		47.3			
26 Foreign and international[6]	137.8	124.4	127.7	141.4		152.0			
27 Other miscellaneous investors[7]	58.9	90.1	106.9	152.3		n.a.			

1 Includes (not shown separately) Securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.

2 These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ percent, 5-year marketable Treasury notes Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category (line 5)

3 *Nonmarketable dollar-denominated and foreign currency-denominated series* held by foreigners

4 Held almost entirely by U.S. government agencies and trust funds.

5 Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings, data for other groups are Treasury estimates

6. Consists of investments of foreign balances and international accounts in the United States

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

NOTE Gross public debt excludes guaranteed agency securities.

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

	Item	1979	1980	1981	1982	1983		1983, week ending Wednesday					
					Dec r	Jan. r	Feb.	Feb 23	Mar 2	Mar 9	Mar. 16	Mar. 23	Mar 30
	Immediate delivery[1]												
1	U.S. government securities	13,183	18,331	24,728	31,392	35,736	40,618	44,144	48,189	39,189	30,961	40,663	37,396
	By maturity												
2	Bills	7,915	11,413	14,768	18,478	19,443	20,355	21,292	23,747	21,572	17,511	21,009	19,283
3	Other within 1 year	454	421	621	647	821	706	637	617	471	510	649	403
4	1–5 years	2,417	3,330	4,360	5,350	6,975	9,247	12,259	9,515	7,281	6,107	11,359	6,213
5	5–10 years	1,121	1,464	2,451	3,794	4,263	5,272	5,108	8,743	5,638	3,948	4,262	6,314
6	Over 10 years	1,276	1,704	2,528	3,124	4,234	5,038	4,847	5,566	4,227	2,886	3,384	5,183
	By type of customer												
7	U.S. government securities dealers	1,448	1,484	1,640	2,156	2,219	1,905	2,141	2,401	1,600	1,556	2,011	1,617
8	U S government securities brokers	5,170	7,610	11,750	14,165	17,130	20,025	21,702	22,876	19,859	15,410	20,179	17,545
9	All others[2]	6,564	9,237	11,337	15,071	16,387	18,688	20,302	22,911	17,730	13,995	18,473	18,234
10	Federal agency securities	2,723	3,258	3,306	4,505	5,199	5,005	4,965	7,260	5,145	4,937	3,901	4,030
11	Certificates of deposit	1,764	2,472	4,477	4,347	4,747	4,404	4,824	5,107	3,734	3,948	3,570	3,431
12	Bankers acceptances	n.a.	n.a.	1,807	2,446	2,827	2,598	3,109	2,938	2,271	2,324	2,381	2,049
13	Commercial paper	n.a.	n.a.	6,128	6,915	7,911	7,806	8,055	8,409	7,077	7,086	7,741	7,916
	Futures transactions[3]												
14	Treasury bills	n.a.	n.a.	3,523	4,280	5,173	6,277	6,178	5,539	7,751	5,880	6,445	5,257
15	Treasury coupons	n.a.	n.a.	1,330	1,529	1,672	2,086	2,529	2,543	2,339	2,045	2,204	1,984
16	Federal agency securities	n.a.	n.a.	234	254	169	236	281	293	257	383	198	241
	Forward transactions[4]												
17	U S government securities	n.a.	n.a.	365	1,082	1,035	1,699	1,525	1,243	847	1,670	2,427	1,514
18	Federal agency securities	n.a.	n.a.	1,370	1,063	1,136	1,175	1,184	1,295	1,606	1,707	1,420	1,086

1. Before 1981, data for immediate transactions include forward transactions
2. Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System
3. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.
4. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

	Item	1979	1980	1981	1982	1983		1983, week ending Wednesday				
					Dec	Jan	Feb.	Feb. 9	Feb. 16	Feb. 23	Mar. 2	Mar. 9
		Positions										
	Net immediate[1]											
1	U.S. government securities	3,223	4,306	9,033	14,814	14,670	14,174	13,244	11,111	16,919	17,074	16,566
2	Bills	3,813	4,103	6,485	8,732	9,953	10,534	10,257	8,972	11,896	10,789	13,273
3	Other within 1 year	−325	−1,062	−1,526	428	−230	−428	−584	−455	−283	−109	106
4	1–5 years	−455	434	1,488	4,249	3,091	2,726	2,204	1,396	4,141	3,776	1,638
5	5–10 years	160	166	292	−36	−193	−291	−205	−589	−614	627	−263
6	Over 10 years	30	665	2,294	1,442	2,049	1,633	1,571	1,787	1,782	1,991	1,812
7	Federal agency securities	1,471	797	2,277	5,948	5,125	4,455	4,514r	4,935	4,296	4,013	5,081
8	Certificates of deposit	2,794	3,115	3,435	6,850	6,180	5,683	5,969	5,184	5,443	6,093	6,293
9	Bankers acceptances	n.a.	n.a.	1,746	4,037	3,551	2,901	3,014	2,372	3,029	3,180	3,139
10	Commercial paper	n.a.	n.a.	2,658	3,157	3,436	2,892	3,267	2,410	2,543	3,229	3,722
	Futures positions											
11	Treasury bills	n.a.	n.a.	−8,934	−4,913	−7,108	−3,221	−707r	−3,325	−5,384	−6,704	−2,280
12	Treasury coupons	n.a.	n.a.	−2,733	−2,304	−2,142	−1,217	−925r	−1,220	−1,372	−1,980	−1,785
13	Federal agency securities	n.a.	n.a.	522	−335	−343	−134	−153	−155	−112	−177	−179
	Forward positions											
14	U.S. government securities	n.a.	n.a.	−603	−1,235	−1,397	−1,061	−1,041	−1,297	−1,060	−972	−970
15	Federal agency securities	n.a.	n.a.	−451	−2,108	−2,329	−1,962	−2,039	−2,527	−1,689	−1,493	−1,695
		Financing[2]										
	Reverse repurchase agreements[3]											
16	Overnight and continuing	n.a.	n.a.	14,568	29,053	27,038	24,136	24,808	25,253	24,205	20,862	n.a.
17	Term agreements	n.a.	n.a.	32,048	61,639	49,013	49,425	51,467	48,935	47,569	49,319	n.a.
	Repurchase agreements[4]											
18	Overnight and continuing	n.a.	n.a.	35,919	57,009	59,753	56,033	56,003	57,304	55,326	54,397	n.a.
19	Term agreements	n.a.	n.a.	29,449	50,073	43,846	42,891	42,939	42,571	42,335	43,700	n.a.

For notes see opposite page

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1979	1980	1981	1982					1983	
				Aug	Sept.	Oct	Nov	Dec	Jan	Feb
1 **Federal and federally sponsored agencies[1]**	**163,290**	**193,229**	**227,210**	**243,623**	**245,951**	**244,599**	**243,535**	**247,119**	**247,887**	**245,108**
2 Federal agencies	24,715	28,606	31,806	32,280	32,606	32,713	32,772	33,055	33,018	33,045
3 Defense Department[2]	738	610	484	399	388	377	364	354	346	336
4 Export-Import Bank[3,4]	9,191	11,250	13,339	13,918	14,042	14,000	13,999	14,218	14,267	14,255
5 Federal Housing Administration[5]	537	477	413	345	335	323	311	288	282	281
6 Government National Mortgage Association participation certificates[6]	2,979	2,817	2,715	2,165	2,165	2,165	2,165	2,165	2,165	2,165
7 Postal Service[7]	1,837	1,770	1,538	1,471	1,471	1,471	1,471	1,471	1,471	1,471
8 Tennessee Valley Authority	8,997	11,190	13,115	13,775	14,010	14,185	14,270	14,365	14,365	14,415
9 United States Railway Association[7]	436	492	202	207	195	192	192	194	122	122
10 Federally sponsored agencies[1]	138,575	164,623	195,404	211,343	213,345	212,886	210,763	214,064	214,869	212,063
11 Federal Home Loan Banks	33,330	41,258	58,090	61,747	61,251	60,904	60,356	61,447	59,969	58,380
12 Federal Home Loan Mortgage Corporation	2,771	2,536	2,604	3,099	3,000	3,000	3,000	3,000	3,000	2,460
13 Federal National Mortgage Association	48,486	55,185	58,749	65,733	68,130	67,916	66,852	70,052	72,247	72,221
14 Federal Land Banks	16,006	12,365	9,717	7,652	7,652	6,813	6,813	6,813	5,802	5,802
15 Federal Intermediate Credit Banks	2,676	1,821	1,388	926	926	926	926	926	926	926
16 Banks for Cooperatives	584	584	220	220	220	220	220	220	220	220
17 Farm Credit Banks[1]	33,216	48,153	60,034	65,657	65,553	66,449	65,877	65,014	66,360	65,796
18 Student Loan Marketing Association	1,505	2,720	4,600	6,307r	6,611r	6,657	6,718	6,591	6,404	6,257
19 Other	1	1	2	2	2	1	1	1	1	1
MEMO										
20 **Federal Financing Bank debt[1,8]**	**67,383**	**87,460**	**110,698**	**122,623**	**124,357**	**125,064**	**125,707**	**126,424**	**126,587**	**126,623**
Lending to federal and federally sponsored agencies										
21 Export-Import Bank[4]	8,353	10,654	12,741	13,823	13,954	13,954	13,954	14,177	14,177	14,177
22 Postal Service[7]	1,587	1,520	1,288	1,221	1,221	1,221	1,221	1,221	1,221	1,221
23 Tennessee Valley Authority	7,272	9,465	11,390	12,050	12,285	12,460	12,545	12,640	12,640	12,690
24 United States Railway Association[7]	436	492	202	207	195	192	192	194	122	122
Other Lending[9]										
25 Farmers Home Administration	32,050	39,431	48,821	53,311	53,736	53,661	53,661	53,261	53,056	52,431
26 Rural Electrification Administration	6,484	9,196	13,516	15,916	16,282	16,600	16,750	17,157	17,330	17,502
27 Other	9,696	13,982	18,140	21,095	21,684	26,976	27,384	27,774	28,041	28,480

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

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

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

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

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

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

7 Off-budget

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

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

NOTES TO TABLE 1 43

1. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs) The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes Securities owned, and hence dealer positions, do not include securities to resell (reverse RPs) Before 1981, data for immediate positions include forward positions

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

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

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

NOTE Data for positions are averages of daily figures, in terms of par value, based on the number of trading days in the period Positions are shown net and are on a commitment basis Data for financing are based on Wednesday figures, in terms of actual money borrowed or lent

1.45 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1979	1980	1981	1982						1983
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 **All issues, new and refunding**[1]	**43,365**	**48,367**	**47,732**	**5,583**	**6,510**	**6,497**	**8,260**	**9,850**	**9,085**	**3,485**
Type of issue										
2 General obligation	12,109	14,100	12,394	974	1,683	1,701	2,262	3,352	1,543	828
3 U.S. government loans[2]	53	38	34	22	25	30	30	34	37	0
4 Revenue	31,256	34,267	35,338	4,609	4,827	4,796	5,998	6,498	7,542	2,657
5 U.S. government loans[2]	67	57	55	49	52	54	57	57	62	0
Type of issuer										
6 State	4,314	5,304	5,288	257	835	1,077	1,010	1,088	169	237
7 Special district and statutory authority	23,434	26,972	27,499	3,695	3,654	3,455	5,101	5,269	5,824	2,044
8 Municipalities, counties, townships, school districts	15,617	16,090	14,945	1,631	2,021	1,965	2,149	3,493	3,092	1,204
9 **Issues for new capital, total**	**41,505**	**46,736**	**46,530**	**5,396**	**6,083**	**6,294**	**7,073**	**9,106**	**8,886**	**3,041**
Use of proceeds										
10 Education	5,130	4,572	4,547	293	516	830	532	716	810	352
11 Transportation	2,441	2,621	3,447	118	768	551	636	1,286	1,338	49
12 Utilities and conservation	8,594	8,149	10,037	1,272	685	283	1,335	1,961	1,830	954
13 Social welfare	15,968	19,958	12,729	2,705	2,500	2,542	2,619	2,204	2,963	754
14 Industrial aid	3,836	3,974	7,651	562	728	1,048	556	729	1,066	285
15 Other purposes	5,536	7,462	8,119	446	886	1,040	1,395	2,210	879	647

1. Par amounts of long-term issues based on date of sale
2. Consists of tax-exempt issues guaranteed by the Farmers Home Administration.

SOURCE. Public Securities Association.

1.46 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1980	1981^r	1982^r	1982						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 **All issues**[1]	**73,694**	**69,991**	**83,788**	**4,928**	**6,222**	**9,318**	**8,247**	**9,989^r**	**8,802**	**9,830**
2 **Bonds**	**53,206**	**44,642**	**53,226**	**3,228**	**3,934**	**6,553**	**5,762**	**7,121^r**	**5,412**	**5,636**
Type of offering										
3 Public	41,587	37,653	43,428	2,398	2,868	5,546	5,308	6,426^r	4,927	4,264
4 Private placement	11,619	6,989	9,798	830	1,066	1,007	454	695	485	1,372
Industry group										
5 Manufacturing	15,409	12,325	13,307	462	1,638	1,602	1,730	2,044	2,138	1,204
6 Commercial and miscellaneous	6,693	5,229	5,681	343	493	1,202	481	417	523	565
7 Transportation	3,329	2,052	1,474	82	58	402	64	285	88	120
8 Public utility	9,557	8,963	12,155	761	717	934	1,021	1,663	1,246	944
9 Communication	6,683	4,280	2,265	176	84	205	311	208	115	372
10 Real estate and financial	11,534	11,793	18,344	1,403	944	2,208	2,156	2,504	1,302	2,431
11 **Stocks**[2]	**20,489**	**25,349**	**30,562**	**1,700**	**2,288**	**2,765**	**2,485**	**2,868**	**3,390**	**4,194**
Type										
12 Preferred	3,631	1,797	5,113	67	644	622	522	611	573	421
13 Common	16,858	23,552	25,449	1,633	1,644	2,143	1,963	2,257	2,817	3,773
Industry group										
14 Manufacturing	4,839	5,074	5,649	503^r	187	717^r	345	666	481	921^r
15 Commercial and miscellaneous	5,245	7,557	7,770	317	615	375	742	640	1,024	693
16 Transportation	549	779	709	52	5	62	84	80	225	22
17 Public utility	6,230	5,577	7,517	277	331	759	1,003	620	752	742
18 Communication	567	1,778	2,227	17	96	495	4	33	14	1,361
19 Real estate and financial	3,059	4,584	6,690	534	1,054	357	307	829	894	455

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

2. Beginning in August 1981, gross stock offerings include new equity volume from swaps of debt for equity.

SOURCE. Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1981	1982	1982						1983	
			July	Aug	Sept.	Oct	Nov.	Dec	Jan[r]	Feb
INVESTMENT COMPANIES[1]										
1 Sales of own shares[2]	20,596	45,675	3,304	4,322	4,709	5,668	5,815	5,291	8,095	6,115
2 Redemptions of own shares[3]	15,866	30,078	2,145	2,335	3,052	3,046	3,493	4,835	4,233	3,510
3 Net sales	4,730	15,597	1,159	1,987	1,657	2,622	2,322	456	3,862	2,605
4 Assets[4]	55,207	76,741	54,592	62,212	63,783	70,964	74,864	76,841	80,384	84,981
5 Cash position[5]	5,277	5,999	5,992	6,039	5,556	5,948	5,838	6,040	6,943	7,404
6 Other	49,930	70,742	48,600	56,173	58,227	65,016	69,026	70,801	73,441	77,577

1. Excluding money market funds
2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
3 Excludes share redemption resulting from conversions from one fund to another in the same group.
4. Market value at end of period, less current liabilities
5 Also includes all U S government securities and other short-term debt securities.

NOTE. Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars, quarterly data are at seasonally adjusted annual rates.

Account	1980	1981	1982	1981				1982			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4[p]
1 Corporate profits with inventory valuation and capital consumption adjustment	181.6	190.6	161.5	200.3	185.1	193.1	183.9	157.1	155.4	166.2	167.5
2 Profits before tax	242.4	232.1	175.6	253.1	225.4	233.3	216.5	171.6	171.7	180.3	178.8
3 Profits tax liability	84.6	81.2	58.1	91.5	79.2	82.4	71.6	56.7	55.3	60.9	59.3
4 Profits after tax	157.8	150.9	117.5	161.6	146.2	150.9	144.9	114.9	116.3	119.4	119.4
5 Dividends	58.1	65.1	70.3	61.5	64.0	66.8	68.1	68.8	69.3	70.5	72.4
6 Undistributed profits	99.7	85.8	47.3	100.1	82.2	84.1	76.8	46.1	47.0	48.8	47.0
7 Inventory valuation	-43.0	-24.6	-9.2	-35.5	-22.8	-23.0	-17.1	-4.4	-9.4	-10.3	-12.6
8 Capital consumption adjustment	-17.8	-16.8	-4.9	-17.3	-17.5	-17.1	-15.5	-10.1	-6.9	-3.8	1.3

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

1.49 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1976	1977	1978	1979	1980	1981		1982		
						Q3	Q4	Q1	Q2	Q3
1 **Current assets**	**827.4**	**912.7**	**1,043.7**	**1,218.2**	**1,333.5**	**1,410.5**	**1,426.8**	**1,424.2**	**1,420.7**	**1,443.2**
2 Cash	88.2	97.2	105.5	118.0	127.1	125.1	131.9	121.5	123.5	125.1
3 U.S. government securities	23.5	18.2	17.3	17.0	19.3	18.1	18.0	17.2	17.5	20.5
4 Notes and accounts receivable	292.9	330.3	388.0	461.1	510.6	542.0	536.2	537.9	534.6	536.9
5 Inventories	342.5	376.9	431.6	505.5	543.7	577.0	587.1	594.1	589.4	598.5
6 Other	80.3	90.1	101.3	116.7	132.7	148.3	153.6	153.6	155.8	162.3
7 **Current liabilities**	**495.1**	**557.1**	**669.3**	**807.8**	**890.9**	**966.7**	**979.5**	**986.3**	**983.7**	**1,000.2**
8 Notes and accounts payable	282.1	317.6	382.9	461.2	515.2	549.0	562.4	555.5	555.4	562.7
9 Other	213.0	239.6	286.4	346.6	375.7	417.7	417.1	430.9	428.3	437.5
10 **Net working capital**	**332.4**	**355.5**	**374.4**	**410.5**	**442.6**	**443.7**	**447.3**	**437.9**	**437.0**	**443.1**
11 MEMO. Current ratio[1]	1.671	1.638	1.559	1.508	1.497	1.459	1.457	1.444	1.444	1.443

1 Ratio of total current assets to total current liabilities

NOTE For a description of this series, see "Working Capital of Nonfinancial Corporations" in the July 1978 BULLETIN, pp 533–37

All data in this table reflect the most current benchmarks Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics.

SOURCE. Federal Trade Commission

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Industry[1]	1981	1982	1983[1]	1981	1982				1983	
				Q4	Q1	Q2	Q3	Q4	Q1[1]	Q2[1]
1 **Total nonfarm business**	**321.49**	**316.43**	**310.92**	**327.83**	**327.72**	**323.22**	**315.79**	**302.77**	**302.25**	**302.20**
Manufacturing										
2 Durable goods industries	61.84	56.44	54.22	60.78	60.84	59.03	57.14	50.50	52.76	50.85
3 Nondurable goods industries	64.95	63.23	61.69	66.14	67.48	64.74	62.32	59.59	60.05	60.45
Nonmanufacturing										
4 Mining	16.86	15.45	15.46	16.81	17.60	16.56	14.63	13.31	14.56	14.62
Transportation										
5 Railroad	4.24	4.38	4.21	4.18	4.56	4.73	3.94	4.31	3.69	4.49
6 Air	3.81	3.93	3.33	4.82	3.20	3.54	4.11	4.85	3.71	3.64
7 Other	4.00	3.64	3.46	4.12	4.23	4.06	3.24	3.25	3.56	3.46
Public utilities										
8 Electric	29.74	33.40	33.09	31.14	30.95	32.26	34.98	35.12	33.38	32.94
9 Gas and other	8.65	8.55	7.91	8.60	9.17	9.14	8.40	7.77	7.61	8.43
10 Trade and services	86.33	86.95	87.78	88.33	87.80	88.85	87.31	84.00	85.38	85.23
11 Communication and other[2]	41.06	40.46	39.78	42.92	41.89	40.33	39.73	40.06	37.55	38.09

1. Anticipated by business

2 "Other" consists of construction, social services and membership organizations, and forestry, fisheries, and agricultural services

SOURCE *Survey of Current Business* (U.S. Dept. of Commerce)

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1977	1978	1979	1980	1981		1982			
					Q3	Q4	Q1	Q2	Q3	Q4
ASSETS										
Accounts receivable, gross										
1 Consumer	44.0	52.6	65.7	73.6	84.5	85.5	85.1	88.0	88.3	89.5
2 Business	55.2	63.3	70.3	72.3	76.9	80.6	80.9	82.6	82.2	81.0
3 Total	99.2	116.0	136.0	145.9	161.3	166.1	166.0	170.6	170.5	170.4
4 LESS: Reserves for unearned income and losses	12.7	15.6	20.0	23.3	27.7	28.9	29.1	30.2	30.4	30.5
5 Accounts receivable, net	86.5	100.4	116.0	122.6	133.6	137.2	136.9	140.4	140.1	139.8
6 Cash and bank deposits	2.6	3.5								
7 Securities	.9	1.3	24.9[1]	27.5	34.5	34.2	35.0	37.3	39.1	39.7
8 All other	14.3	17.3								
9 **Total assets**	**104.3**	**122.4**	**140.9**	**150.1**	**168.1**	**171.4**	**171.9**	**177.8**	**179.2**	**179.5**
LIABILITIES										
10 Bank loans	5.9	6.5	8.5	13.2	14.7	15.4	15.4	14.5	16.8	18.6
11 Commercial paper	29.6	34.5	43.3	43.4	51.2	51.2	46.2	50.3	46.7	45.8
Debt										
12 Short-term, n.e.c.	6.2	8.1	8.2	7.5	11.9	9.6	9.0	9.3	9.9	8.7
13 Long-term, n.e.c.	36.0	43.6	46.7	52.4	50.7	54.8	59.0	60.3	60.9	63.5
14 Other	11.5	12.6	14.2	14.3	17.1	17.8	19.0	18.9	20.5	18.7
15 Capital, surplus, and undivided profits	15.1	17.2	19.9	19.4	22.4	22.8	23.3	24.5	24.5	24.2
16 **Total liabilities and capital**	**104.3**	**122.4**	**140.9**	**150.1**	**168.1**	**171.4**	**171.9**	**177.8**	**179.2**	**179.5**

1. Beginning Q1 1979, asset items on lines 6, 7, and 8 are combined.

NOTE. Components may not add to totals due to rounding

1.52 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Jan 31, 1983[1]	Changes in accounts receivable			Extensions			Repayments		
		1982		1983	1982		1983	1982		1983
		Nov	Dec.	Jan.	Nov.	Dec.	Jan.	Nov.	Dec.	Jan
1 **Total**	**80,830**	**−1,891**	**−571**	**1,030**	**22,319**	**20,031**	**22,808**	**24,210**	**20,602**	**21,778**
2 Retail automotive (commercial vehicles)	12,734	430	142	269	1,330	1,036	1,230	900	894	961
3 Wholesale automotive	12,066	−1,416	−1,087	182	6,637	4,965	6,458	8,053	6,052	6,276
4 Retail paper on business, industrial, and farm equipment	27,852	−476	222	−41	1,297	1,420	1,308	1,773	1,198	1,349
5 Loans on commercial accounts receivable and factored commercial accounts receivable	8,993	−13	−350	501	11,310	10,493	12,286	11,323	10,843	11,785
6 All other business credit	19,185	−416	502	119	1,745	2,117	1,526	2,161	1,615	1,407

1. Not seasonally adjusted.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1980	1981	1982	1982 Aug	1982 Sept	1982 Oct.	1982 Nov.	1982 Dec	1983 Jan	1983 Feb.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms[1]										
1 Purchase price (thousands of dollars)	83.4	90.4	94.6	91.4	95.0	99.1	97.9	91.8	88.9	88.4
2 Amount of loan (thousands of dollars)	59.2	65.3	69.8	66.5	71.6	74.4	75.6	67.6	65.4	66.6
3 Loan/price ratio (percent)	73.2	74.8	76.6	74.1	78.7	77.9	79.0	75.2	75.2	77.9
4 Maturity (years)	28.2	27.7	27.6	26.4	28.1	28.4	27.9	26.9	26.5	27.2
5 Fees and charges (percent of loan amount)[2]	2.09	2.67	2.95	2.87	3.04	2.74	2.76	2.98	2.46	2.78
6 Contract rate (percent per annum)	12.25	14.16	14.47	15.05	14.34	13.86	13.26	13.09	13.00	12.62
Yield (percent per annum)										
7 FHLBB series[3]	12.65	14.74	15.12	15.68	14.98	14.41	13.81	13.69	13.49	13.16
8 HUD series[4]	13.95	16.52	15.79	15.40	15.05	13.95	13.80	13.62	13.44	13.18
SECONDARY MARKETS										
Yield (percent per annum)										
9 FHA mortgages (HUD series)[5]	13.44	16.31	15.31	14.61	14.03	12.99	12.82	12.80	12.87	12.65
10 GNMA securities[6]	12.55	15.29	14.68	14.51	13.57	12.83	12.66	12.60	12.06[r]	11.94
FNMA auctions[7]										
11 Government-underwritten loans	14.11	16.70		15.78	.		...	...	..	...
12 Conventional loans	14.43	16.64	15.95	15.78	15.36	13.92	13.75	13.72		
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
13 Total	55,104	58,675	66,031	67,810	68,841	69,152	70,126	71,814	73,106	73,555
14 FHA/VA-insured	37,365	39,341	39,718	39,922	39,871	39,523	39,174	39,057	38,924	38,768
15 Conventional	17,725	19,334	26,312	27,888	28,970	29,629	30,952	32,757	34,182	34,788
Mortgage transactions (during period)										
16 Purchases	8,099	6,112	15,116	1,931	1,670	1,449	1,681	2,495	2,045	1,594
17 Sales	0	2	0	0	0	0	0	0	0	0
Mortgage commitments[8]										
18 Contracted (during period)	8,083	9,331	22,105	1,820	1,482	1,426	2,795	3,055	2,006	785
19 Outstanding (end of period)	3,278	3,717	7,606	6,900	6,587	6,268	7,286	7,606	7,487	6,475
Auction of 4-month commitments to buy										
Government-underwritten loans										
20 Offered	8,605.4	2,487.2	307.4	43.3	16.4	2.5	27.0	4.6	2.0	0
21 Accepted	4,002.0	1,478.0	104.3	5.7	0	0	0	0	0	0
Conventional loans										
22 Offered	3,639.2	2,524.7	445.3	70.1	27.5	13.6	22.1	23.2	7.8	1.8
23 Accepted	1,748.5	1,392.3	237.6	42.9	0	8.9	11.4	15.3	0	0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[9]										
24 Total	4,362	5,245	5,153	5,201	5,207	4,957	4,676	4,733	4,560	4,450
25 FHA/VA	2,116	2,236	1,921	2,216	2,225	1,016	1,012	1,009	1,004	1,000
26 Conventional	2,246	3,010	3,224	2,985	2,982	3,891	3,618[r]	3,724	3,556	3,450
Mortgage transactions (during period)										
27 Purchases	3,723	3,789	23,671	2,529	1,799	2,000	1,917	3,916	1,479	1,688
28 Sales	2,527	3,531	24,164	2,619	1,923	2,197	2,182	3,798	1,641	1,756
Mortgage commitments[10]										
29 Contracted (during period)	3,859	6,974	28,187	2,768	2,892	2,506	1,714	1,068	2,059	868
30 Outstanding (end of period)	447	3,518	7,549	9,318	10,211	10,572	10,407	7,549	8,098	7,238

1 Weighted averages based on sample surveys of mortgages originated by major institutional lender groups Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation

2 Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan

3 Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.

4 Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points, from Department of Housing and Urban Development.

5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates

6 Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month

7 Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month

8 Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans

9 Includes participation as well as whole loans

10 Includes conventional and government-underwritten loans

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1980	1981	1982	1981		1982			
				Q3	Q4	Q1	Q2	Q3	Q4
1 **All holders**	**1,471,786**	**1,583,732**	**1,654,446**	**1,561,813**	**1,583,732**	**1,603,450**	**1,624,707**	**1,633,059**	**1,654,446**
2 1- to 4-family	986,979	1,060,633	1,104,528	1,047,799	1,060,633	1,071,462	1,082,971	1,089,504	1,104,528
3 Multifamily	137,134	141,442	148,218	140,243	141,442	143,812	145,559	145,399	148,218
4 Commercial	255,655	279,930	294,641	273,765	279,930	284,261	290,693	291,740	294,641
5 Farm	92,018	101,727	107,059	100,006	101,727	103,915	105,484	106,416	107,059
6 Major financial institutions	997,168	1,040,827	1,021,225	1,034,032	1,040,827	1,041,702	1,042,904	1,027,027	1,021,225
7 Commercial banks[1]	263,030	284,536	301,742	279,017	284,536	289,365	294,022	298,342	301,742
8 1- to 4-family	160,326	170,013	177,122	167,550	170,013	171,350	172,596	175,126	177,122
9 Multifamily	12,924	15,132	15,841	14,481	15,132	15,338	15,431	15,666	15,841
10 Commercial	81,081	91,026	100,269	88,588	91,026	94,256	97,522	99,050	100,269
11 Farm	8,699	8,365	8,510	8,398	8,365	8,421	8,473	8,500	8,510
12 Mutual savings banks	99,865	99,997	93,882	99,994	99,997	97,464	96,346	94,382	93,882
13 1- to 4-family	67,489	68,187	63,708	68,116	68,187	66,305	65,381	63,849	63,708
14 Multifamily	16,058	15,960	14,946	15,939	15,960	15,536	15,338	15,026	14,946
15 Commercial	16,278	15,810	15,200	15,909	15,810	15,594	15,598	15,479	15,200
16 Farm	40	40	28	30	40	29	29	28	28
17 Savings and loan associations	503,192	518,547	484,297	518,985	518,547	516,111	512,997	493,899	484,297
18 1- to 4-family	419,763	433,142	400,563	433,923	433,142	430,178	425,890	410,035	400,563
19 Multifamily	38,142	37,699	36,177	37,990	37,699	37,986	38,321	36,894	36,177
20 Commercial	45,287	47,706	47,557	47,072	47,706	47,947	48,786	46,970	47,557
21 Life insurance companies	131,081	137,747	141,304	136,036	137,747	138,762	139,539	140,404	141,304
22 1- to 4-family	17,943	17,201	16,975	17,376	17,201	17,086	16,451	16,865	16,975
23 Multifamily	19,514	19,283	19,107	19,441	19,283	19,199	18,982	18,967	19,107
24 Commercial	80,666	88,163	92,322	86,070	88,163	89,529	91,113	91,640	92,322
25 Farm	12,958	13,100	12,900	13,149	13,100	12,948	12,993	12,932	12,900
26 Federal and related agencies	114,300	126,112	139,291	121,772	126,112	128,721	131,485	134,449	139,291
27 Government National Mortgage Association	4,642	4,765	4,556	4,382	4,765	4,438	4,669	4,110	4,556
28 1- to 4-family	704	693	683	696	693	689	688	682	683
29 Multifamily	3,938	4,072	3,873	3,686	4,072	3,749	3,981	3,428	3,873
30 Farmers Home Administration	3,492	2,235	1,785	1,562	2,235	2,469	1,335	947	1,785
31 1- to 4-family	916	914	783	500	914	715	491	302	783
32 Multifamily	610	473	218	242	473	615	179	46	218
33 Commercial	411	506	377	325	506	499	256	164	377
34 Farm	1,555	342	407	495	342	640	409	435	407
35 Federal Housing and Veterans Administration	5,640	5,999	5,947	6,005	5,999	6,003	5,908	5,362	5,947
36 1- to 4-family	2,051	2,289	2,097	2,240	2,289	2,266	2,218	2,130	2,097
37 Multifamily	3,589	3,710	3,850	3,765	3,710	3,737	3,690	3,232	3,850
38 Federal National Mortgage Association	57,327	61,412	71,814	59,682	61,412	62,544	65,008	68,841	71,814
39 1- to 4-family	51,775	55,986	66,500	54,227	55,986	57,142	59,631	63,495	66,500
40 Multifamily	5,552	5,426	5,314	5,455	5,426	5,402	5,377	5,346	5,314
41 Federal Land Banks	38,131	46,446	50,433	44,708	46,446	47,947	49,270	49,983	50,433
42 1- to 4-family	2,099	2,788	3,077	2,605	2,788	2,874	2,954	3,029	3,077
43 Farm	36,032	43,658	47,356	42,103	43,658	45,073	46,316	46,954	47,356
44 Federal Home Loan Mortgage Corporation	5,068	5,255	4,756	5,433	5,255	5,320	5,295	5,206	4,756
45 1- to 4-family	3,873	4,018	3,494	4,166	4,018	4,075	4,042	3,944	3,494
46 Multifamily	1,195	1,237	1,262	1,267	1,237	1,245	1,253	1,262	1,262
47 Mortgage pools or trusts[2]	142,258	162,990	214,430	158,140	162,990	172,292	183,647	198,365	214,430
48 Government National Mortgage Association	93,874	105,790	118,402	103,750	105,790	108,592	111,459	114,776	118,402
49 1- to 4-family	91,602	103,007	115,293	101,068	103,007	105,701	108,487	111,728	115,293
50 Multifamily	2,272	2,783	3,109	2,682	2,783	2,891	2,972	3,048	3,109
51 Federal Home Loan Mortgage Corporation	16,854	19,843	41,278	17,936	19,843	23,960	28,693	35,121	41,278
52 1- to 4-family	13,471	16,605	46,903	14,401	16,605	21,781	27,193	35,686	46,903
53 Multifamily	3,383	3,955	8,825	3,535	3,955	4,964	6,056	7,568	8,825
54 Federal National Mortgage Association[3]	n.a	717	14,450	n a	717	2,786	4,556	8,133	14,450
55 1- to 4-family	n.a.	717	14,450	n a	717	2,786	4,556	8,133	14,450
56 Farmers Home Administration	31,530	36,640	40,300	36,454	36,640	36,955	38,939	40,335	40,300
57 1- to 4-family	16,683	18,378	20,005	18,407	18,378	18,740	19,357	20,079	20,005
58 Multifamily	2,612	3,426	4,344	3,488	3,426	3,447	4,044	4,344	4,344
59 Commercial	5,271	6,161	7,011	6,040	6,161	6,351	6,762	7,056	7,011
60 Farm	6,964	8,675	8,940	8,519	8,675	8,417	8,776	8,856	8,940
61 Individual and others[4]	218,060	253,808	279,500	247,869	253,803	260,735	266,671	273,218	279,500
62 1- to 4-family[5]	138,284	167,412	187,325	162,524	167,412	172,560	177,592	182,554	187,325
63 Multifamily	27,345	28,286	31,352	28,272	28,286	29,703	29,935	30,572	31,352
64 Commercial	26,661	30,558	31,905	29,761	30,558	30,085	30,656	31,381	31,905
65 Farm	25,770	27,547	28,918	27,312	27,547	28,387	28,488	28,711	28,918

1 Includes loans held by nondeposit trust companies but not bank trust departments

2 Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated

3 Outstanding balances on FNMA's issues of securities backed by pools of conventional mortgages held in trust The program was implemented by FNMA in October 1981.

4 Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U S agencies for which amounts are small or for which separate data are not readily available.

5 Includes a new estimate of residential mortgage credit provided by individuals.

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

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

Millions of dollars

Holder, and type of credit	1980	1981	1982	1982						1983	
				July	Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb
	Amounts outstanding (end of period)										
1 **Total**	**313,472**	**331,697**	**344,798**	**333,285**	**334,971**	**337,469**	**336,473**	**338,372**	**344,798**	**343,355**	**341,545**
By major holder											
2 Commercial banks	147,013	147,622	152,069	147,559	148,438	149,801	149,528	149,651	152,069	150,906	150,257
3 Finance companies	76,756	89,818	94,322	93,353	93,207	93,357	92,541	93,462	94,322	95,080	93,859
4 Credit unions	44,041	45,954	47,253	45,698	46,154	46,846	46,645	46,832	47,253	47,150	47,833
5 Retailers[2]	28,448	29,551	30,202	26,710	26,751	26,829	27,046	27,639	30,202	28,859	27,734
6 Savings and loans	9,911	11,598	13,891	12,520	12,833	13,051	13,457	13,672	13,891	14,209	14,860
7 Gasoline companies	4,468	4,403	4,063	4,600	4,714	4,669	4,322	4,141	4,063	4,102	3,906
8 Mutual savings banks	2,835	2,751	2,998	2,845	2,874	2,916	2,934	2,975	2,998	3,049	3,096
By major type of credit											
9 Automobile	116,838	125,331	130,227	128,110	128,051	128,856	128,375	129,299	130,227	129,090	129,081
10 Commercial banks	61,536	58,081	58,851	57,882	57,992	58,542	58,552	58,701	58,851	57,740	57,971
11 Indirect paper	35,233	34,375	35,178	34,389	34,345	34,728	34,744	34,884	35,178	(3)	(3)
12 Direct loans	26,303	23,706	23,673	23,493	23,647	23,814	23,808	23,817	23,673	(3)	(3)
13 Credit unions	21,060	21,975	22,596	21,852	22,071	22,402	22,306	22,395	22,596	22,066	48,724
14 Finance companies	34,242	45,275	48,780	48,376	47,988	47,921	47,518	48,203	48,780	49,284	22,386
15 Revolving	58,352	62,819	67,184	60,556	61,293	61,845	61,836	62,362	67,184	65,562	63,498
16 Commercial banks	29,765	32,880	36,688	32,937	33,509	34,017	34,110	34,233	36,688	36,282	35,481
17 Retailers	24,119	25,536	26,433	23,019	23,070	23,159	23,404	23,988	26,433	25,178	24,111
18 Gasoline companies	4,468	4,403	4,063	4,600	4,714	4,669	4,322	4,141	4,063	4,102	3,906
19 Mobile home	17,322	18,373	18,988	18,721	18,918	19,011	19,043	19,049	18,988	19,315	19,408
20 Commercial banks	10,371	10,187	9,684	9,977	9,967	9,956	9,860	9,806	9,684	9,828	9,806
21 Finance companies	3,745	4,494	4,965	4,801	4,916	4,953	4,971	4,970	4,965	4,981	4,960
22 Savings and loans	2,737	3,203	3,836	3,458	3,544	3,604	3,716	3,775	3,836	3,984	4,112
23 Credit unions	469	489	503	486	491	498	496	498	503	522	530
24 Other	120,960	125,174	128,399	125,898	126,709	127,748	127,219	127,662	128,399	129,388	129,558
25 Commercial banks	45,341	46,474	46,846	46,763	46,970	47,286	47,006	46,911	46,846	47,056	46,999
26 Finance companies	38,769	40,049	40,577	40,176	40,303	40,483	40,052	40,289	40,577	40,815	40,175
27 Credit unions	22,512	23,490	24,154	23,360	23,592	23,946	23,844	23,939	24,154	24,562	24,917
28 Retailers	4,329	4,015	3,769	3,691	3,681	3,670	3,642	3,651	3,769	3,681	3,623
29 Savings and loans	7,174	8,395	10,055	9,063	9,289	9,447	9,741	9,897	10,055	10,225	10,748
30 Mutual savings banks	2,835	2,751	2,998	2,845	2,874	2,916	2,934	2,975	2,998	3,049	3,096
	Net change (during period)[4]										
31 **Total**	**1,448**	**18,217**	**13,096**	**839**	**256**	**1,256**	**−131**	**2,015**	**2,418**	**2,929**	**1,744**
By major holder											
32 Commercial banks	−7,163	607	4,442	287	−21	688	73	457	1,111	410	788
33 Finance companies	8,438	13,062	4,504	152	−192	106	−372	1,051	1,024	1,881	−658
34 Credit unions	−2,475	1,913	1,298	−47	157	255	38	412	197	224	923
35 Retailers[2]	329	1,103	651	246	−43	69	−67	−51	−91	−14	36
36 Savings and loans	1,485	1,682	2,290	190	263	200	274	181	201	412	677
37 Gasoline companies	739	−65	−340	−7	45	−88	−108	−35	−51	−78	−71
38 Mutual savings banks	95	−85	251	18	47	26	31	0	27	94	49
By major type of credit											
39 Automobile	477	8,495	4,898	37	−380	349	−70	1,534	1,491	233	185
40 Commercial banks	−5,830	−3,455	770	142	−91	360	137	336	527	−581	321
41 Indirect paper	−3,104	−858	803	201	−143	238	117	134	429	(3)	(3)
42 Direct loans	−2,726	−2,597	−33	−59	52	122	20	202	98	(3)	(3)
43 Credit unions	−1,184	914	622	−19	60	110	16	211	89	1,186	−569
44 Finance companies	7,491	11,033	3,505	−86	−349	−121	−223	987	875	−372	433
45 Revolving	1,415	4,467	4,365	558	199	311	81	39	501	68	−6
46 Commercial banks	−97	3,115	3,808	299	166	311	223	74	650	130	61
47 Retailers	773	1,417	897	266	−12	88	−34	0	−98	16	4
48 Gasoline companies	739	−65	−340	−7	45	−88	−108	−35	−51	−78	−71
49 Mobile home	483	1,049	609	108	177	75	−35	23	−37	444	215
50 Commercial banks	−276	−186	−508	−16	−22	−6	−105	−47	−74	193	26
51 Finance companies	355	749	471	66	108	18	−9	5	−15	53	59
52 Savings and loans	430	466	633	57	89	60	78	61	49	175	120
53 Credit unions	−25	20	14	1	2	3	1	4	3	23	10
54 Other	−927	4,206	3,224	136	260	521	−107	419	463	2,184	1,350
55 Commercial banks	−960	1,133	372	−138	−74	23	−182	94	8	668	380
56 Finance companies	592	1,280	528	172	49	209	−140	59	164	642	−148
57 Credit unions	−1,266	975	662	−29	95	142	21	197	105	573	480
58 Retailers	−444	−314	−246	−20	−31	−19	−33	−51	7	−30	32
59 Savings and loans	1,056	1,217	1,657	133	174	140	196	120	152	237	557
60 Mutual savings banks	95	−85	251	18	47	26	31	0	27	94	49

1 The Board's series cover most short- and intermediate-term credit extended to individuals through regular business channels, usually to finance the purchase of consumer goods and services or to refinance debts incurred for such purposes, and scheduled to be repaid (or with the option of repayment) in two or more installments

2 Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies

3. Not reported after December 1982

4 For 1982 and earlier, net change equals extensions, seasonally adjusted less liquidations, seasonally adjusted. Beginning 1983, net change equals outstandings, seasonally adjusted less outstandings of the previous period, seasonally adjusted.

NOTE. Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to, not seasonally adjusted, $74.8 billion at the end of 1980, $80 6 billion at the end of 1981, and $85 9 billion at the end of 1982

▲ These data have been revised from December 1980 through December 1982.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT

Percent unless noted otherwise

Item	1980	1981	1982	1982 Aug	1982 Sept	1982 Oct.	1982 Nov	1982 Dec	1983 Jan.	1983 Feb
INTEREST RATES										
Commercial banks[1]										
1 48-month new car[2]	14.30	16.54	16.83	17.08			15.97			14.81
2 24-month personal	15.47	18.09	18.65	18.93			17.99			17.59
3 120-month mobile home[2]	14.99	17.45	18.05	18.43			17.55			16.73
4 Credit card	17.31	17.78	18.51	18.73			18.75			18.89
Auto finance companies										
5 New car	14.82	16.17	16.15	17.87	17.35	16.66	12.82	12.57	12.25	12.05
6 Used car	19.10	20.00	20.75	20.93	20.89	20.76	20.68	20.63	20.20	19.91
OTHER TERMS[3]										
Maturity (months)										
7 New car	45.0	45.4	46.0	46.1	46.1	45.9	46.4	46.4	46.0	45.9
8 Used car	34.8	35.8	34.0	36.9	37.1	37.1	36.9	36.9	38.2	37.7
Loan-to-value ratio										
9 New car	87.6	86.1	85.3	85.0	85.0	85.0	87.0	87.0	86.0	86.0
10 Used car	94.2	91.8	90.3	91.0	91.0	91.0	91.0	90.0	90.0	90.0
Amount financed (dollars)										
11 New car	6,322	7,339	8,178	8,085	7,968	8,184	8,339	8,468	8,683	8,755
12 Used car	3,810	4,343	4,746	4,799	4,790	4,821	4,822	4,846	4,742	4,731

1. Data for midmonth of quarter only.
2. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.
3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars, half-yearly data are at seasonally adjusted annual rates.

Transaction category, sector	1977	1978	1979	1980	1981	1982	1980 H1	1980 H2	1981 H1	1981 H2	1982 H1	1982 H2
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**317.7**	**368.6**	**388.8**	**355.0**	**391.1**	**408.1**	**325.1**	**384.9**	**402.7**	**379.6**	**365.1**	**451.1**
By sector and instrument												
2 U.S. government	56.8	53.7	37.4	79.2	87.4	161.3	63.3	95.1	81.9	92.9	99.3	223.3
3 Treasury securities	57.6	55.1	38.8	79.8	87.8	162.1	63.9	95.7	82.4	93.2	100.6	223.6
4 Agency issues and mortgages	-.9	-1.4	-1.4	-.6	-.5	-.9	-.6	-.6	-.5	-.4	-1.4	-.4
5 Private domestic nonfinancial sectors	260.9	314.9	351.5	275.8	303.7	246.8	261.9	289.7	320.8	286.7	265.8	227.8
6 Debt capital instruments	169.8	198.7	216.0	204.1	175.0	168.3	203.8	204.4	196.5	153.5	157.5	179.2
7 Tax-exempt obligations	21.9	28.4	29.8	35.9	32.9	60.7	30.7	41.0	35.1	30.6	53.1	68.4
8 Corporate bonds	21.0	20.1	22.5	33.2	23.9	22.4	37.3	29.0	24.7	23.0	13.4	31.4
Mortgages												
9 Home mortgages	94.3	112.1	120.1	96.7	78.6	55.6	96.5	96.9	95.2	62.0	54.8	56.5
10 Multifamily residential	7.1	9.2	7.8	8.8	4.6	7.9	8.1	9.5	5.1	4.1	8.5	7.4
11 Commercial	18.4	21.7	23.9	20.2	25.3	16.3	20.3	20.1	27.4	23.2	22.2	10.3
12 Farm	7.1	7.2	11.8	9.3	9.8	5.3	10.9	7.8	9.0	10.5	5.4	5.2
13 Other debt instruments	91.1	116.2	135.5	71.7	128.8	78.5	58.1	85.4	124.3	133.2	108.3	48.6
14 Consumer credit	40.2	48.8	45.4	4.9	25.3	14.4	-3.3	13.0	29.4	21.2	14.4	14.4
15 Bank loans n.e.c	26.7	37.1	49.2	35.4	51.1	53.7	18.0	52.7	47.7	54.6	77.1	30.4
16 Open market paper	2.9	5.2	11.1	6.6	19.2	-1.3	20.3	-7.1	10.7	27.6	4.4	-7.0
17 Other	21.3	25.1	29.7	24.9	33.1	11.6	23.0	26.7	36.5	29.8	12.4	10.9
18 By borrowing sector	260.9	314.9	351.5	275.8	303.7	246.8	261.9	289.7	320.8	286.7	265.8	227.8
19 State and local governments	15.4	19.1	20.2	27.3	22.3	47.2	21.8	32.8	25.1	19.5	41.5	52.9
20 Households	137.3	169.3	176.5	117.5	120.4	85.1	115.2	119.8	141.0	99.9	83.6	86.6
21 Farm	12.3	14.6	21.4	14.4	16.4	9.3	15.7	13.0	19.9	12.8	8.4	10.2
22 Nonfarm noncorporate	28.3	32.4	34.4	33.8	40.5	28.2	27.5	40.2	41.8	39.3	34.9	21.5
23 Corporate	67.6	79.4	99.0	82.8	104.1	77.0	81.7	83.9	93.0	115.2	97.4	56.6
24 Foreign net borrowing in U.S.	13.5	33.8	20.2	27.2	27.3	16.2	29.0	25.3	34.0	20.6	17.4	14.9
25 Bonds	5.1	4.2	3.9	.8	5.5	6.5	2.0	-.4	3.3	7.6	2.2	10.8
26 Bank loans n.e.c	3.1	19.1	2.3	11.5	3.7	-5.0	5.9	17.2	5.0	2.3	-.4	-9.7
27 Open market paper	2.4	6.6	11.2	10.1	13.9	9.5	15.7	4.5	20.6	7.1	12.5	6.4
28 U.S. government loans	3.0	3.9	2.9	4.7	4.3	5.2	5.4	4.0	5.0	3.6	3.2	7.2
29 **Total domestic plus foreign**	**331.2**	**402.3**	**409.1**	**382.2**	**418.4**	**424.2**	**354.2**	**410.2**	**436.7**	**400.2**	**382.5**	**465.9**
	Financial sectors											
30 **Total net borrowing by financial sectors**	**48.8**	**75.0**	**80.7**	**61.3**	**80.7**	**64.3**	**57.6**	**65.0**	**85.8**	**75.5**	**93.3**	**35.2**
By instrument												
31 U.S. government related	21.9	36.7	47.3	43.6	45.1	60.6	47.3	39.8	42.5	47.8	59.3	61.8
32 Sponsored credit agency securities	7.0	23.1	24.3	24.4	30.1	13.2	27.1	21.7	26.9	33.3	21.4	5.0
33 Mortgage pool securities	16.1	13.6	23.1	19.2	15.0	47.4	20.2	18.1	15.6	14.5	37.9	56.8
34 Loans from U.S. government	-1.2	...	...	...	...	...	...	...	...	...	...	...
35 Private financial sectors	26.9	38.3	33.4	17.7	35.6	3.7	10.3	25.2	43.4	27.8	34.0	-26.6
36 Corporate bonds	10.1	7.5	7.8	7.1	-.8	2.4	9.9	4.4	-2.1	.4	-3.4	8.2
37 Mortgages	3.1	.9	-1.2	-.9	-2.9	1.8	-5.3	3.5	-2.3	-3.5	1.9	1.6
38 Bank loans n.e.c.	-.3	2.8	-.4	-.4	2.2	1.4	.1	-.9	3.7	.7	5.9	-3.1
39 Open market paper	9.6	14.6	18.0	4.8	20.9	-2.7	-.1	9.7	24.8	17.0	16.0	-21.3
40 Loans from Federal Home Loan Banks	4.3	12.5	9.2	7.1	16.2	.8	5.8	8.5	19.3	13.2	13.8	-12.1
By sector												
41 Sponsored credit agencies	5.8	23.1	24.3	24.4	30.1	13.2	27.1	21.7	26.9	33.3	21.4	5.0
42 Mortgage pools	16.1	13.6	23.1	19.2	15.0	47.4	20.2	18.1	15.6	14.5	37.9	56.8
43 Private financial sectors	26.9	38.3	33.4	17.7	35.6	3.7	10.3	25.2	43.4	27.8	34.0	-26.6
44 Commercial banks	1.1	1.3	1.6	.5	.4	1.4	.8	.3	.2	.5	.6	2.1
45 Bank affiliates	2.0	7.2	6.5	6.9	8.3	.8	5.8	8.0	6.9	9.7	9.7	-8.0
46 Savings and loan associations	9.9	14.3	11.4	6.6	13.1	-3.7	.1	13.2	19.2	6.9	16.6	-23.9
47 Finance companies	16.9	18.1	16.6	6.3	14.1	5.7	6.0	6.5	17.3	11.0	7.6	3.8
48 REITs	-2.5	-1.4	-1.3	-2.2	.2	.1	-2.0	-2.5	.2	.2	.1	.1
	All sectors											
49 **Total net borrowing**	**379.9**	**477.4**	**489.7**	**443.5**	**499.1**	**488.5**	**411.8**	**475.2**	**522.5**	**475.7**	**475.8**	**501.1**
50 U.S. government securities	79.9	90.5	84.8	122.9	132.6	222.0	110.7	135.1	124.5	140.7	158.7	285.2
51 State and local obligations	21.9	28.4	29.8	35.9	32.9	60.7	30.7	41.0	35.1	30.6	53.1	68.4
52 Corporate and foreign bonds	36.1	31.8	34.2	41.1	28.5	31.4	49.3	33.0	26.0	30.9	12.2	50.5
53 Mortgages	129.9	151.0	162.4	134.0	115.2	86.8	130.4	137.7	134.3	96.2	92.7	80.9
54 Consumer credit	40.2	48.8	45.4	4.9	25.3	14.4	-3.3	13.0	29.4	21.2	14.4	14.4
55 Bank loans n.e.c.	29.5	59.0	51.0	46.5	57.0	50.1	24.0	69.0	56.4	57.6	82.5	17.6
56 Open market paper	15.0	26.4	40.3	21.6	54.0	5.5	35.9	7.2	56.2	51.8	32.8	-21.9
57 Other loans	27.4	41.5	41.8	36.6	53.7	17.7	34.1	39.2	60.7	46.6	29.4	6.0
	External corporate equity funds raised in U.S.											
58 ***Total new share issues***	***6.5***	***1.9***	***-3.8***	***22.1***	***-2.9***	***26.7***	***16.3***	***27.9***	***11.2***	***-17.0***	***16.3***	***37.1***
59 Mutual funds	.9	-.1	.1	5.0	7.7	19.5	5.5	4.5	8.9	6.5	14.5	24.5
60 All other	5.6	1.9	-3.9	17.1	-10.6	7.2	10.8	23.4	2.3	-23.5	1.8	12.6
61 Nonfinancial corporations	2.7	-.1	-7.8	12.9	-11.5	3.7	6.9	18.8	.9	-23.8	-.1	7.5
62 Financial corporations	2.5	2.5	3.2	2.1	.9	2.2	1.9	2.3	.8	1.0	2.2	2.2
63 Foreign shares purchased in U.S.	.4	-.5	.8	2.1	*	1.3	1.9	2.2	.7	-.7	-.2	2.9

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; half-yearly data are at seasonally adjusted annual rates

Transaction category, or sector	1977	1978	1979	1980	1981	1982	1980		1981		1982	
							H1	H2	H1	H2	H1	H2
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**317.7**	**368.6**	**388.8**	**355.0**	**391.1**	**408.1**	**325.1**	**384.9**	**402.7**	**379.6**	**365.1**	**451.1**
By public agencies and foreign												
2 Total net advances	79.2	101.9	74.6	95.8	95.9	115.7	104.6	87.0	98.7	93.2	92.1	139.3
3 U.S. government securities	34.9	36.1	−6.3	15.7	17.2	23.9	20.5	10.9	15.9	18.5	......	47.8
4 Residential mortgages	20.0	25.7	35.8	31.7	23.4	59.9	34.9	28.5	21.4	25.5	47.4	72.3
5 FHLB advances to savings and loans	4.3	12.5	9.2	7.1	16.2	.8	5.8	8.5	19.3	13.2	13.8	−12.1
6 Other loans and securities	20.1	27.6	35.9	41.3	39.1	31.1	43.4	39.1	42.1	36.0	30.9	31.3
Total advanced, by sector												
7 U.S. government	10.0	17.1	19.0	23.7	24.2	18.9	24.6	22.8	27.1	21.2	14.0	23.8
8 Sponsored credit agencies	22.4	39.9	52.4	44.4	46.0	61.9	45.2	43.7	44.3	47.7	60.5	63.3
9 Monetary authorities	7.1	7.0	7.7	4.5	9.2	9.8	14.9	−5.9	−3.7	22.1	−6.3	25.9
10 Foreign	39.6	38.0	−4.6	23.2	16.6	25.1	19.9	26.5	30.9	2.2	24.0	26.3
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies & mortgage pools	21.9	36.7	47.3	43.6	45.1	60.6	47.3	39.8	42.5	47.8	59.3	61.8
12 Foreign	13.5	33.8	20.2	27.2	27.3	16.2	29.0	25.3	34.0	20.6	17.4	14.9
Private domestic funds advanced												
13 Total net advances	273.9	337.1	381.8	329.9	367.6	369.1	296.9	362.9	380.5	354.7	349.8	388.5
14 U.S. government securities	45.1	54.3	91.1	107.2	115.4	198.0	90.2	124.2	108.5	122.3	158.7	237.4
15 State and local obligations	21.9	28.4	29.8	35.9	32.9	60.7	30.7	41.0	35.1	30.6	53.1	68.4
16 Corporate and foreign bonds	22.2	22.4	23.7	25.8	20.6	17.0	31.6	20.1	18.6	22.7	*	34.0
17 Residential mortgages	81.4	95.5	92.0	73.7	59.7	3.6	69.6	77.8	78.8	40.5	15.8	−8.6
18 Other mortgages and loans	107.6	149.1	154.3	94.4	155.3	90.6	80.6	108.3	158.7	151.8	135.9	45.3
19 LESS: Federal Home Loan Bank advances	4.3	12.5	9.2	7.1	16.2	.8	5.8	8.5	19.3	13.2	13.8	−12.1
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	261.7	302.9	292.2	257.9	301.3	254.7	245.4	270.4	326.3	276.3	277.8	231.7
21 Commercial banking	87.6	128.7	121.1	99.7	103.5	98.8	64.7	134.8	107.8	99.2	120.9	76.6
22 Savings institutions	81.6	73.6	55.5	54.1	24.6	24.2	34.9	73.2	43.9	5.3	29.7	18.7
23 Insurance and pension funds	69.0	75.0	66.4	74.4	75.8	87.7	84.3	64.4	75.8	75.8	87.6	87.9
24 Other finance	23.5	25.6	49.2	29.8	97.4	44.0	61.5	−1.9	98.8	95.9	39.5	48.4
25 Sources of funds	261.7	302.9	292.2	257.9	301.3	254.7	245.4	270.4	326.3	276.3	277.8	231.7
26 Private domestic deposits and RP's	138.9	141.1	142.5	167.8	211.2	161.9	162.5	173.1	212.0	210.3	158.4	165.5
27 Credit market borrowing	26.9	38.3	33.4	17.7	35.6	3.7	10.3	25.2	43.4	27.8	34.0	−26.6
28 Other sources	96.0	123.5	116.4	72.4	54.6	89.1	72.7	72.1	70.9	38.2	85.4	92.9
29 Foreign funds	1.2	6.3	25.6	−23.0	−8.8	−27.9	−20.0	−26.0	−.7	−16.8	−18.2	−37.6
30 Treasury balances	4.3	6.8	.4	−2.6	−1.1	4.5	−6.1	1.0	6.0	−8.2	−4.9	14.0
31 Insurance and pension reserves	51.4	62.2	49.1	65.4	70.8	77.9	70.3	60.5	66.0	75.6	77.7	78.0
32 Other, net	39.1	48.3	41.3	32.6	−6.4	34.6	28.6	36.6	−.4	−12.3	30.7	38.5
Private domestic nonfinancial investors												
33 Direct lending in credit markets	39.0	72.5	122.9	89.7	101.9	118.1	61.7	117.7	97.5	106.2	106.0	130.2
34 U.S. government securities	24.6	36.3	61.4	38.3	50.4	60.1	23.3	53.3	43.0	57.7	58.8	61.4
35 State and local obligations	−.8	3.6	9.4	12.6	20.3	47.5	6.2	18.9	22.8	17.8	41.8	53.2
36 Corporate and foreign bonds	−5.1	−2.9	10.2	9.3	−7.9	−11.7	7.8	10.8	−9.2	−6.6	−26.4	3.2
37 Open-market paper	9.6	15.6	12.1	−3.4	3.5	−1.9	−8.1	1.4	−1.4	8.4	7.8	−11.6
38 Other	10.7	19.9	29.8	32.9	35.6	24.1	32.5	33.3	42.3	29.0	24.1	24.0
39 Deposits and currency	148.5	152.3	151.9	179.2	221.0	167.3	172.4	186.1	218.6	223.4	158.4	176.1
40 Currency	8.3	9.3	7.9	10.3	9.5	8.3	9.3	11.3	5.8	13.2	2.1	14.6
41 Checkable deposits	17.2	16.3	19.2	4.2	18.3	17.8	−2.5	11.0	26.5	10.1	8.6	26.9
42 Small time and savings accounts	93.5	63.7	61.0	79.5	46.6	123.8	73.4	85.7	26.9	66.3	79.3	168.2
43 Money market fund shares	.2	6.9	34.4	29.2	107.5	24.7	61.9	−3.4	104.1	110.8	39.4	10.1
44 Large time deposits	25.8	46.6	21.2	48.3	36.3	1.8	24.4	72.1	46.8	25.7	30.1	−26.5
45 Security RPs	2.2	7.5	6.6	6.5	2.5	−6.1	5.3	7.8	7.7	−2.6	1.0	−13.3
46 Deposits in foreign countries	1.3	2.0	1.5	1.1	.3	−3.0	.6	1.7	.8	−.2	−2.0	−3.9
47 **Total of credit market instruments, deposits and currency**	**187.5**	**224.9**	**274.8**	**269.0**	**322.8**	**285.4**	**234.1**	**303.8**	**316.1**	**329.6**	**264.4**	**306.3**
48 Public holdings as percent of total	23.9	25.3	18.2	25.1	22.9	27.3	29.5	21.2	22.6	23.3	24.1	29.9
49 Private financial intermediation (in percent)	95.6	89.9	76.5	78.2	82.0	69.0	82.7	74.5	85.8	77.9	79.4	59.6
50 Total foreign funds	40.8	44.3	21.0	.2	7.8	−2.8	*	.5	30.3	−14.6	5.8	−11.4
MEMO: Corporate equities not included above												
51 **Total net issues**	**6.5**	**1.9**	**−3.8**	**22.1**	**−2.9**	**26.7**	**16.3**	**27.9**	**11.2**	**−17.0**	**16.3**	**37.1**
52 Mutual fund shares	.9	−.1	.1	5.0	7.7	19.5	5.5	4.5	8.9	6.5	14.5	24.5
53 Other equities	5.6	1.9	−3.9	17.1	−10.6	7.2	10.8	23.4	2.3	−23.5	1.8	12.6
54 Acquisitions by financial institutions	7.4	4.6	10.4	14.6	22.9	24.5	8.6	20.7	25.3	20.5	20.8	28.2
55 Other net purchases	−.8	−2.7	−14.2	7.5	−25.8	2.2	7.7	7.2	−14.1	−37.5	−4.4	8.9

NOTES BY LINE NUMBER

1. Line 1 of table 1.58
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
30. Demand deposits at commercial banks.
31. Excludes net investment of these reserves in corporate equities.
32. Mainly retained earnings and net miscellaneous liabilities.
33. Line 12 less line 20 plus line 27
34–38. Lines 14–18 less amounts acquired by private finance. Line 38 includes mortgages.
40. Mainly an offset to line 9.
47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.
48. Line 2/line 1
49. Line 20/line 13
50. Sum of lines 10 and 29
51, 53. Includes issues by financial institutions.

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1980	1981	1982	1982						1983		
				July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	Mar
1 **Industrial production**[1]	**147.0**	**151.0**	**138.6**	**138.8**	**138.4**	**137.3**	**135.7**	**134.9**	**135.2**	**137.2**	**137.6**	**139.1**
Market groupings												
2 Products, total	146.7	150.6	141.8	142.6	142.0	140.8	139.3	139.0	139.9	140.7	140.5	141.7
3 Final, total	145.3	149.5	141.5	142.5	141.2	140.0	138.7	138.3	139.5	140.0	139.6	140.5
4 Consumer goods	145.4	147.9	142.6	145.8	144.1	143.4	142.2	141.3	142.0	143.6	144.2	145.3
5 Equipment	145.2	151.5	139.8	138.0	137.3	135.2	134.0	134.2	136.1	135.2	133.3	134.0
6 Intermediate	151.9	154.4	143.3	142.8	144.7	143.7	141.6	141.8	141.5	143.3	143.9	146.2
7 Materials	147.6	151.6	133.7	133.0	132.8	132.0	130.0	128.4	127.8	131.7	133.2	135.0
Industry groupings												
8 Manufacturing	146.7	150.4	137.6	138.1	138.0	137.1	135.0	134.0	134.5	136.6	137.4	139.2
Capacity utilization (percent)[1,2]												
9 Manufacturing	79.1	78.5	69.8	70.0	69.8	69.2	68.0	67.4	67.5	67.1	67.7	69.4
10 Industrial materials industries	80.0	79.9	68.9	68.5	68.2	67.7	66.6	65.7	65.2	68.4	68.7	68.5
11 Construction contracts (1977 = 100)[3]	107.0	111.0	111.0	98.0	112.0	117.0	105.0	122.0	131.0	127.0	119.0	n.a.
12 Nonagricultural employment, total[4]	137.4	138.5	136.2	136.1	135.7	135.7	135.1	134.9	134.6	135.1	134.8	135.0
13 Goods-producing, total	110.1	109.3	102.5	102.3	101.5	101.0	99.7	99.0	98.2	99.4r	98.8	98.8
14 Manufacturing, total	104.3	103.7	96.9	96.7	96.0	95.5	94.2	93.5	93.2	93.6	93.7	93.9
15 Manufacturing, production-worker	99.3	98.0	89.3	89.2	88.4	87.8	86.2	85.3	85.1	85.6r	85.7r	86.1
16 Service-producing	152.4	154.4	154.7	154.6	154.5	154.7	154.4	154.5	154.3	154.7	154.6	154.9
17 Personal income, total	342.9	383.5	408.0	410.8	411.4	412.3	414.5	417.7	418.7	419.1r	419.5	n.a.
18 Wages and salary disbursements	317.6	349.9	365.5	367.6	367.8	367.7	368.0	368.2	370.0r	373.7	373.3	n.a.
19 Manufacturing	264.3	288.1	285.3	287.7	286.4	284.5	281.3	280.0	279.3r	283.4r	284.7	n.a.
20 Disposable personal income[5]	332.9	370.3	396.7	400.6	400.9	402.0	403.7	406.8	407.4	408.8	408.9	n.a.
21 Retail sales[6]	303.8	330.6	326.0	341.9	340.3	343.5	347.4	353.4	353.3	352.7	348.5	349.7
Prices[7]												
22 Consumer	246.8	272.4	289.1	292.2	292.8	293.3	294.1	293.6	292.4	292.6	293.2	n.a.
23 *Producer finished goods*	247.0	269.8	280.6	281.7	282.3	281.2	284.1	284.9	285.1	283.6	283.7	n.a.

1. The industrial production and capacity utilization series have been revised back to January 1979.
2. Ratios of indexes of production to indexes of capacity Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce
3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F W. Dodge Division
4. Based on data in *Employment and Earnings* (U S Department of Labor) Series covers employees only, excluding personnel in the Armed Forces
5. Based on data in *Survey of Current Business* (U S Department of Commerce)
6. Based on Bureau of Census data published in *Survey of Current Business*
7. Data without seasonal adjustment, as published in *Monthly Labor Review* Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U S Department of Labor

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

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

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1982			1983	1982			1983	1982			1983
	Q2	Q3	Q4r	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4r	Q1
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 **Manufacturing**	**138.1**	**137.7**	**134.5**	**137.7**	**196.4**	**197.7**	**198.9**	**200.1**	**70.3**	**69.7**	**67.6**	**68.8**
2 Primary processing	132.3	132.4	129.3	135.0	199.5	200.4	201.3	202.3	66.3	66.1	64.2	66.7
3 Advanced processing	141.2	140.5	137.3	139.4	194.9	196.2	197.6	199.0	72.5	71.6	69.5	70.0
4 **Materials**	**134.7**	**132.6**	**128.7**	**133.3**	**193.7**	**194.6**	**195.5**	**196.6**	**69.6**	**68.1**	**65.8**	**67.8**
5 Durable goods	127.1	124.7	117.1	123.9	197.3	198.3	199.2	200.2	64.4	62.9	58.8	61.9
6 Metal materials	77.0	73.0	66.5	77.6	142.4	142.3	142.4	142.6	54.1	51.3	46.7	54.4
7 Nondurable goods	156.8	155.1	157.0	160.2	216.1	217.4	218.9	220.2	72.6	71.3	71.8	72.8
8 Textile, paper, and chemical	160.5	158.4	160.8	164.6	227.3	228.8	230.5	231.9	70.6	69.2	69.8	71.0
9 Textile	101.8	102.0	103.0	106.9	142.4	142.8	143.1	143.6	71.5	71.5	72.0	74.5
10 Paper	142.0	145.9	147.6	149.5	164.6	165.4	166.3	167.0	86.3	88.2	88.7	89.5
11 Chemical	194.0	188.5	191.9	196.3	289.6	291.9	294.3	296.7	67.0	64.6	65.2	66.2
12 Energy materials	125.5	123.8	121.5	122.8	157.0	157.6	158.2	158.8	79.9	78.5	76.8	77.3

2.11 Continued

Series	Previous cycle[1] High	Previous cycle[1] Low	Latest cycle[2] High	Latest cycle[2] Low	1982 Mar.	1982 July	1982 Aug	1982 Sept.	1982 Oct.	1982 Nov	1982 Dec.[r]	1983 Jan[r]	1983 Feb[r]	1983 Mar
	Capacity utilization rate (percent)													
13 Manufacturing	88.0	69.0	87.2	74.9	71.7	70.0	69.8	69.2	68.0	67.4	67.5	68.4	68.7	69.4
14 Primary processing	93.8	68.2	90.1	71.0	68.5	65.7	66.1	66.4	65.0	63.9	63.7	65.9	66.9	67.6
15 Advanced processing	85.5	69.4	86.2	77.2	72.8	72.3	71.7	70.7	69.6	69.2	69.5	70.0	69.8	70.5
16 Materials	92.6	69.4	88.8	73.8	71.4	68.5	68.2	67.7	66.6	65.7	65.2	67.1	67.7	68.5
17 Durable goods	91.5	63.6	88.4	68.2	66.2	63.7	63.1	61.9	59.6	58.4	58.4	60.6	61.8	63.2
18 Metal materials	98.3	68.6	96.0	59.6	65.8	50.7	51.2	51.9	48.6	45.5	46.0	52.0	54.6	56.6
19 Nondurable goods	94.5	67.2	91.6	77.5	73.2	70.2	71.0	72.8	72.5	71.9	71.0	72.4	72.6	73.3
20 Textile, paper, and chemical	95.1	65.3	92.2	75.3	70.7	68.0	68.9	70.7	70.3	69.9	69.3	70.3	70.9	71.7
21 Textile	92.6	57.9	90.6	80.9	68.6	69.8	72.3	72.3	73.0	71.6	71.3	73.1	74.5	n.a.
22 Paper	99.4	72.4	97.7	89.3	87.6	86.0	88.6	89.8	89.7	90.0	86.5	89.9	89.2	n.a.
23 Chemical	95.5	64.2	91.3	70.7	67.4	63.7	63.9[r]	66.2	65.4	65.1	65.1	65.4	66.2	n.a.
24 Energy materials	94.6	84.8	88.3	82.7	83.7	80.0	79.0	76.6	77.6	76.8	76.0	77.8	77.4	76.8

1 Monthly high 1973; monthly low 1975

2 Preliminary, monthly highs December 1978 through January 1980; monthly lows July 1980 through October 1980

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1980	1981	1982	1982 Sept.	1982 Oct.	1982 Nov	1982 Dec.	1983 Jan	1983 Feb.	1983 Mar.
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population[1]	**169,847**	**172,272**	**174,451**	**174,888**	**175,069**	**175,238**	**175,381**	**175,543**	**175,693**	**175,850**
2 Labor force (including Armed Forces)[1]	109,042	110,812	112,383	113,056	112,940	113,222	113,311	112,737	112,741	112,678
3 Civilian labor force	106,940	108,670	110,204	110,858	110,752	111,042	111,129	110,548	110,553	110,484
Employment										
4 Nonagricultural industries[2]	95,938	97,030	96,125	96,180	95,763	95,670	95,682	95,691	95,670	95,729
5 Agriculture	3,364	3,368	3,401	3,363	3,413	3,466	3,411	3,412	3,393	3,375
Unemployment										
6 Number	7,637	8,273	10,678	11,315	11,576	11,906	12,036	11,446	11,490	11,381
7 Rate (percent of civilian labor force)	7.1	7.6	9.7	10.2	10.5	10.7	10.8	10.4	10.4	10.3
8 Not in labor force	60,805	61,460	62,061	61,832	62,129	62,016	62,070	62,806	62,952	63,172
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment[3]	**90,406**	**91,105**	**89,619**	**89,264**	**88,877**	**88,750**	**88,565**	**88,920[r]**	**88,735[r]**	**88,854**
10 Manufacturing	20,285	20,173	18,849	18,572	18,325	18,181	18,131	18,208[r]	18,224[r]	18,263
11 Mining	1,020	1,104	1,122	1,075	1,058	1,046	1,037	1,027[r]	1,005[r]	994
12 Contract construction	4,399	4,307	3,917	3,883	3,856	3,854	3,818	3,927[r]	3,789[r]	3,768
13 Transportation and public utilities	5,143	5,152	5,057	5,031	5,007	4,992	4,983	4,949[r]	4,937[r]	4,933
14 Trade	20,386	20,736	20,547	20,492	20,441	20,425	20,316	20,487[r]	20,435[r]	20,476
15 Finance	5,168	5,330	5,350	5,367	5,357	5,363	5,377	5,384[r]	5,403[r]	5,410
16 Service	17,901	18,598	19,000	19,084	19,074	19,135	19,148	19,200[r]	19,205[r]	19,293
17 Government	16,249	16,056	15,784	15,763	15,742	15,754	15,755	15,738[r]	15,737[r]	15,717

1 Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1979 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted

Grouping	1967 proportion	1982 avg.	1982 Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec r	1983 Jan.	Feb p	Mar e
			Index (1967 = 100)												
MAJOR MARKET															
1 **Total index**	**100.00**	**138.6**	**141.7**	**140.2**	**139.2**	**138.7**	**138.8**	**138.4**	**137.3**	**135.7**	**134.9**	**135.2**	**137.2**	**137.6**	**139.1**
2 Products	60.71	141.8	143.7	142.9	142.3	142.1	142.6	142.0	140.8	139.3	139.0	139.9	140.7	140.5	141.7
3 Final products	47.82	141.5	143.3	142.6	142.2	142.1	142.5	141.2	140.0	138.7	138.3	139.5	140.0	139.6	140.5
4 Consumer goods	27.68	142.6	141.5	142.1	143.6	144.8	145.8	144.1	143.4	142.2	141.3	142.0	143.6	144.2	145.3
5 Equipment	20.14	139.8	145.9	143.4	140.4	138.4	138.0	137.3	135.2	134.0	134.2	136.1	135.2	133.3	134.0
6 Intermediate products	12.89	143.3	145.2	143.7	142.6	141.9	142.8	144.7	143.7	141.6	141.8	141.5	143.3	143.9	146.2
7 Materials	39.29	133.7	138.5	136.2	134.3	133.5	133.0	132.8	132.0	130.0	128.4	127.8	131.7	133.2	135.0
Consumer goods															
8 Durable consumer goods	7.89	129.2	128.1	130.7	132.6	134.6	137.3	132.9	131.3	126.5	124.6	125.9	131.6	134.0	134.3
9 Automotive products	2.83	129.5	125.0	129.9	138.9	143.0	149.7	135.5	135.5	123.6	120.7	128.7	136.2	145.5	142.4
10 Autos and utility vehicles	2.03	99.0	93.6	100.5	111.8	117.1	127.7	107.1	105.8	89.6	86.9	99.0	107.0	120.8	116.4
11 Autos	1.90	86.6	79.8	87.2	96.1	101.9	114.6	93.3	94.3	79.5	77.7	87.9	97.1	107.3	99.9
12 Auto parts and allied goods	.80	206.9	204.5	204.6	207.6	208.6	205.4	207.6	210.7	210.0	206.6	204.0	210.2	208.2	208.4
13 Home goods	5.06	129.1	129.9	131.1	129.1	129.9	130.4	131.4	128.9	128.1	126.8	124.3	129.1	127.6	129.7
14 Appliances, A/C, and TV	1.40	102.6	97.0	102.7	100.5	106.4	102.7	104.5	99.4	106.1	104.8	94.2	109.6	105.5	105.3
15 Appliances and TV	1.33	104.6	97.4	103.1	101.5	108.8	106.1	108.6	104.1	110.5	108.4	98.3	113.0	108.4	
16 Carpeting and furniture	1.07	149.7	151.3	151.8	145.9	149.0	151.4	152.5	153.3	151.9	151.4	150.8	149.0	153.0	.
17 Miscellaneous home goods	2.59	135.0	138.9	138.0	137.7	134.9	136.7	137.2	134.9	130.1	128.6	129.8	131.4	129.1	131.7
18 Nondurable consumer goods	19.79	148.0	146.8	146.6	147.9	148.8	149.1	148.6	148.2	148.5	147.9	148.4	148.3	148.3	149.6
19 Clothing	4.29													.	.
20 Consumer staples	15.50	159.0	158.1	158.3	159.0	159.9	159.7	159.4	158.8	159.1	158.1	158.8	158.5	158.6	160.0
21 Consumer foods and tobacco	8.33	149.7	149.6	148.1	149.9	150.9	149.9	149.6	148.6	150.2	149.0	149.5	150.5	...	...
22 Nonfood staples	7.17	169.7	168.0	170.0	169.5	170.4	171.2	170.8	170.7	169.5	168.7	169.6	167.7	167.2	169.4
23 Consumer chemical products	2.63	219.9	217.8	218.3	216.6	219.8	222.3	222.4	221.7	220.0	218.9	220.9	221.6	221.0	
24 Consumer paper products	1.92	127.7	127.8	128.7	126.7	126.7	128.1	129.4	128.2	125.3	125.1	128.3	126.4	126.7	
25 Consumer energy products	2.62	150.2	147.6	151.9	153.6	152.8	151.4	149.3	150.6	151.1	150.2	148.4	143.8	142.9	
26 Residential utilities	1.45	170.8	170.4	174.5	173.7	171.1	167.7	169.7	169.5	169.1	171.5	169.3	164.1	.	
Equipment															
27 Business	12.63	157.9	169.0	164.9	159.9	156.7	154.9	153.9	150.5	147.1	146.4	148.1	146.5	143.3	143.9
28 Industrial	6.77	134.9	151.2	145.9	138.9	134.0	131.3	128.4	123.8	118.3	117.2	117.9	118.2	114.4	113.8
29 Building and mining	1.44	214.2	256.9	242.2	224.4	209.0	200.4	190.8	182.1	169.3	165.7	171.9	173.8	153.6	145.7
30 Manufacturing	3.85	107.2	116.3	114.0	109.7	107.5	106.0	104.4	101.6	98.0	97.5	97.0	97.3	97.8	99.0
31 Power	1.47	129.9	139.0	134.8	131.5	129.9	129.6	130.1	124.7	121.0	121.0	119.7	118.3	119.4	121.0
32 Commercial transit, farm	5.86	184.4	189.5	186.9	184.1	183.0	182.2	183.3	181.4	180.5	180.2	183.0	179.2	176.7	178.7
33 Commercial	3.26	253.5	257.8	253.1	247.7	247.5	248.8	253.5	254.0	253.5	254.8	258.6	254.9	251.6	253.6
34 Transit	1.93	103.9	110.5	110.9	110.9	108.3	106.3	102.0	95.5	93.2	92.3	96.2	90.8	88.6	91.1
35 Farm	.67	80.5	84.9	83.5	85.8	84.1	76.9	75.8	76.1	76.8	70.7	65.1	66.0	66.0	
36 Defense and space	7.51	109.4	107.0	107.2	107.7	107.6	109.5	109.5	109.5	111.9	113.6	115.9	116.1	116.5	117.4
Intermediate products															
37 Construction supplies	6.42	124.3	125.6	123.6	122.2	123.1	124.1	127.1	125.5	122.5	123.4	123.0	127.0	128.2	131.5
38 Business supplies	6.47	162.1	164.6	163.7	162.8	160.6	161.4	162.1	161.8	160.5	160.1	159.8	159.6	159.5	
39 Commercial energy products	1.14	181.1	184.5	183.5	180.3	178.3	179.8	178.1	179.2	180.4	182.4	182.4	181.0	181.1	
Materials															
40 Durable goods materials	20.35	125.0	130.7	128.1	126.6	126.6	126.0	125.1	123.0	118.5	116.4	116.5	121.2	123.7	126.7
41 Durable consumer parts	4.58	95.3	94.1	94.7	98.9	103.1	103.8	101.0	97.1	91.4	90.0	91.1	95.5	99.0	101.4
42 Equipment parts	5.44	166.8	177.5	173.9	170.0	168.3	166.1	164.1	158.3	155.4	155.1	155.3	157.5	158.0	161.7
43 Durable materials n.e.c.	10.34	116.2	122.2	118.8	116.1	115.1	114.8	115.4	115.8	111.1	107.7	107.4	113.5	116.6	119.4
44 Basic metal materials	5.57	79.9	88.6	82.3	79.4	77.4	75.7	76.1	77.7	73.0	69.1	68.7	77.5	81.5	.
45 Nondurable goods materials	10.47	157.5	162.0	160.3	156.6	153.5	152.3	154.5	158.5	158.2	157.3	155.6	159.0	159.9	161.7
46 Textile, paper, and chemical materials	7.62	161.1	166.6	164.4	160.4	156.7	155.3	157.7	162.2	161.5	161.0	160.0	162.7	164.5	166.6
47 Textile materials	1.85	102.2	104.5	104.5	101.8	99.1	99.6	103.2	103.3	104.4	102.5	102.1	104.8	107.0	...
48 Paper materials	1.62	145.6	146.7	143.5	141.8	140.7	142.1	146.6	148.9	148.9	149.7	144.1	150.1	149.0	
49 *Chemical materials*	4.15	193.5	202.2	199.3	193.9	188.7	185.4	186.5	193.7	192.0	191.6	192.0	193.4	196.3	.
50 Containers, nondurable	1.70	161.4	161.3	159.8	157.2	158.5	158.1	162.8	167.3	164.9	160.8	155.2	162.2	159.8	...
51 Nondurable materials n.e.c.	1.14	127.9	132.4	134.2	130.6	124.8	123.4	120.1	121.1	125.5	127.4	127.2	129.5	129.3	
52 Energy materials	8.48	125.1	128.2	125.8	125.4	125.4	126.0	124.5	121.0	122.6	121.4	120.4	123.4	122.9	122.1
53 Primary energy	4.65	116.0	119.2	117.3	116.9	116.6	117.2	113.8	111.1	114.4	113.7	113.5	116.5	115.5	
54 Converted fuel materials	3.82	136.3	139.1	136.1	135.7	136.0	136.7	137.4	133.0	132.6	130.8	128.9	131.7	132.0	
Supplementary groups															
55 Home goods and clothing	9.35	119.6	118.9	118.9	119.5	120.2	121.4	121.3	120.1	119.9	119.6	118.2	121.1	120.0	121.7
56 Energy, total	12.23	135.7	137.6	136.7	136.5	136.2	136.4	134.8	132.7	134.1	133.3	132.2	133.1	132.6	132.8
57 Products	3.76	159.6	158.8	161.5	161.7	160.5	160.0	158.0	159.3	160.0	160.0	158.7	155.1	154.5	
58 Materials	8.48	125.1	128.2	125.8	125.4	125.4	126.0	124.5	121.0	122.6	121.4	120.4	123.4	122.9	122.1

2.13 Continued

Grouping	SIC code	1967 proportion	1982 avg	1982 Mar	1982 Apr	1982 May	1982 June	1982 July	1982 Aug	1982 Sept	1982 Oct	1982 Nov	1982 Dec r	1983 Jan	1983 Feb p	1983 Mar e
				Index (1967 = 100)												
MAJOR INDUSTRY																
1 Mining and utilities		12.05	146.3	153.1	151.6	148.8	145.2	142.6	141.3	139.7	140.4	140.4	140.1	141.1	138.6	138.3
2 Mining		6.36	126.1	138.1	134.1	128.9	123.5	120.1	116.9	114.7	115.9	116.8	118.4	121.4	115.8	113.6
3 Utilities		5.69	168.7	170.0	171.0	170.9	169.4	167.7	168.5	167.5	167.8	166.7	164.2	163.1	164.1	165.9
4 Electric		3.88	190.5	191.7	193.1	193.4	191.6	189.2	189.9	188.2	188.4	188.3	185.6	184.5	186.0	188.4
5 Manufacturing		87.95	137.6	140.1	138.7	137.9	137.7	138.1	138.0	137.1	135.0	134.0	134.5	136.6	137.4	139.2
6 Nondurable		35.97	156.2	157.3	156.1	155.0	155.3	155.7	156.9	156.7	156.2	155.3	155.6	157.3	157.5	159.2
7 Durable		51.98	124.7	128.2	126.7	126.1	125.5	125.9	124.9	123.5	120.3	119.3	119.9	122.3	123.5	125.3
Mining																
8 Metal	10	.51	82.4	109.9	108.8	90.0	71.8	58.1	53.4	55.4	63.1	70.4	74.9	81.0	83.2	
9 Coal	11, 12	.69	142.7	155.6	146.2	149.2	144.4	140.3	135.8	127.9	143.2	134.1	129.7	144.8	136.5	127.3
10 Oil and gas extraction	13	4.40	131.1	141.4	137.7	132.7	129.1	127.0	123.3	121.0	119.1	120.3	122.9	124.0	116.7	114.3
11 Stone and earth minerals	14	.75	112.1	121.6	119.6	114.6	106.6	103.8	105.7	106.3	108.5	111.9	111.7	112.8	114.3	
Nondurable manufactures																
12 Foods	20	8.75	151.1	150.8	149.7	150.5	151.0	151.0	150.7	149.0	151.5	152.0	152.8	154.4		
13 Tobacco products	21	.67	118.0	126.7	116.1	118.6	123.6	121.4	120.6	113.3	110.6	113.0	109.9	104.7		
14 Textile mill products	22	2.68	124.5	126.0	126.3	123.5	123.7	124.3	125.9	126.1	125.9	123.1	122.2	125.8	128.8	
15 Apparel products	23	3.31														
16 Paper and products	26	3.21	150.8	150.6	149.8	146.5	146.8	147.0	152.5	154.3	155.0	154.5	151.1	158.8	155.7	155.4
17 Printing and publishing	27	4.72	144.1	145.9	144.2	143.8	142.6	143.9	145.3	144.3	142.0	141.7	142.8	141.4	142.5	145.3
18 Chemicals and products	28	7.74	196.1	200.3	198.6	193.6	193.2	194.1	195.6	196.4	194.1	192.8	195.9	196.0	196.6	
19 Petroleum products	29	1.79	121.8	121.3	120.8	122.2	124.3	124.7	121.4	122.6	123.8	120.0	118.7	117.8	115.7	118.8
20 Rubber and plastic products	30	2.24	254.7	253.4	255.1	257.0	258.9	256.8	261.1	262.0	256.3	250.2	249.7	256.2	258.9	
21 Leather and products	31	.86	60.9	61.2	60.6	61.1	62.3	62.9	60.8	60.9	59.5	57.7	56.0	59.5	60.4	
Durable manufactures																
22 Ordnance, private and government	19, 91	3.64	86.9	83.8	85.2	86.3	86.5	87.1	86.5	86.9	89.5	91.9	92.5	93.5	93.0	93.5
23 Lumber and products	24	1.64	112.6	103.5	106.2	110.6	112.2	116.9	120.3	119.9	117.2	119.1	121.4	130.0	132.4	
24 Furniture and fixtures	25	1.37	151.9	150.2	151.8	151.1	152.5	154.5	156.7	155.7	154.3	152.4	153.7	150.0	151.0	
25 Clay, glass, stone products	32	2.74	128.2	131.5	127.0	125.0	126.1	126.9	128.8	130.4	128.1	127.3	125.4	127.9	131.3	
26 Primary metals	33	6.57	75.3	83.0	76.4	75.2	72.8	72.9	72.9	73.2	69.6	63.6	63.5	72.9	76.6	79.0
27 Iron and steel	331.2	4.21	61.7	73.0	65.1	62.4	58.0	58.1	57.4	56.4	54.1	47.5	46.6	59.0	64.8	
28 Fabricated metal products	34	5.93	114.8	121.1	119.1	115.8	115.0	115.5	114.3	112.3	107.6	107.0	107.3	107.6	109.6	111.8
29 Nonelectrical machinery	35	9.15	149.0	157.3	153.7	150.0	147.4	147.1	147.2	144.9	140.4	139.6	139.2	138.0	135.7	137.8
30 Electrical machinery	36	8.05	169.3	172.6	172.2	170.9	170.8	170.3	169.7	167.0	165.4	165.5	165.5	169.5	169.4	171.6
31 Transportation equipment	37	9.27	104.9	104.4	105.9	110.0	111.6	112.7	107.0	105.3	100.8	100.2	103.7	105.8	109.9	110.2
32 Motor vehicles and parts	371	4.50	109.8	105.6	110.7	119.8	124.0	127.2	116.7	113.5	103.0	101.7	108.8	113.3	123.0	122.5
33 Aerospace and miscellaneous transportation equipment	372–9	4.77	100.4	103.2	101.3	100.8	99.9	99.0	97.8	97.6	98.6	98.7	98.9	98.7	97.5	98.7
34 Instruments	38	2.11	161.9	163.0	162.8	163.8	164.8	165.2	165.5	161.9	157.4	155.8	155.2	154.5	154.0	155.8
35 Miscellaneous manufactures	39	1.51	137.0	145.3	144.6	141.7	136.8	134.7	133.9	132.9	129.6	129.5	128.2	130.7	131.0	133.1
	Gross value (billions of 1972 dollars, annual rates)															
MAJOR MARKET																
36 Products, total		**507.4**	**579.6**	**586.8**	**582.1**	**586.1**	**584.1**	**585.8**	**578.5**	**575.3**	**570.0**	**568.4**	**572.9**	**579.4**	**579.5**	**585.6**
37 Final		390.9	451.1	456.6	453.5	458.3	456.7	457.2	449.2	446.3	442.8	441.3	445.8	449.9	449.5	453.2
38 Consumer goods		277.5	308.0	306.9	306.7	312.3	313.1	314.9	309.1	309.3	306.6	305.6	306.8	312.7	314.0	315.2
39 Equipment		113.4	143.1	149.7	146.8	146.0	143.5	142.3	140.1	137.0	136.2	135.7	138.9	137.3	135.5	138.1
40 Intermediate		116.6	128.5	130.2	128.6	127.8	127.4	128.7	129.3	129.0	127.2	127.1	127.1	129.5	130.0	132.4

1. 1972 dollar value.

NOTE. Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System: Washington, D.C.), December 1977.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1980	1981	1982r	1982 July	1982 Aug.	1982 Sept.	1982 Oct.r	1982 Nov.r	1982 Dec.r	1983 Jan.r	1983 Feb.
	Private residential real estate activity (thousands of units)										
NEW UNITS											
1 Permits authorized	1,191	986	985	1,062	888	1,003	1,172	1,192	1,305	1,478	1,493
2 1-family	710	564	538	500	497	561	651	729	736	903	825
3 2-or-more-family	480	421	448	562	391	442	521	463	569	575	668
4 Started	1,292	1,084	1,062	1,185	1,046	1,134	1,142	1,361	1,280	1,707	1,756
5 1-family	852	705	663	625	651	683	716	868	842	1,136	1,040
6 2-or-more-family	440	379	400	560	395	451	426	493	438	571	716
7 Under construction, end of period[1]	896	682	719	670r	671r	685r	691	712	728	756	n.a.
8 1-family	515	382	398	377r	374r	380r	383	395	409	426	n.a.
9 2-or-more-family	382	301	321	293r	296	306r	307	317	319	329	n.a.
10 Completed	1,502	1,266	1,006	1,010r	1,001r	936r	1,077	1,053	1,034	1,197	n.a.
11 1-family	957	818	631	684r	638	585r	679	679	645	778	n.a.
12 2-or-more-family	545	447	374	326r	363r	351r	398	374	389	419	n.a.
13 Mobile homes shipped	222	241	239	240	234	222	224	251	243	284	n.a.
Merchant builder activity in 1-family units											
14 Number sold	545	436	413	364	389	473	481	545	526	593	558
15 Number for sale, end of period[1]	342	278	255	250	248	247	245	246	251	259	262
Price (thousands of dollars)[2]											
Median											
16 Units sold	64.7	68.8	69.3	70.9	70.1	67.7	69.7	73.5	71.5	74.2	75 1
Average											
17 Units sold	76.4	83.1	83.8	86.5	86.5	79.6	79.9	87.8	86.8	88.8	89.9
EXISTING UNITS (1-family)											
18 Number sold	2,974r	2,418r	1,991	1,910r	1,860r	1,910	1,990	2,150	2,260	2,580	2,470
Price of units sold (thousands of dollars)[2]											
19 Median	62.1	66.1	67.7	69 2	68.9	67.3	66.9	67.7	67.8	68.1	68.3
20 Average	72.7	78.0	80.4	82 0	82.0	80.0	79.3	80.4	80.6	80.0	80.4
	Value of new construction[3] (millions of dollars)										
CONSTRUCTION											
21 **Total put in place**	**230,748**	**238,198**	**229,566**	**227,638**	**228,053**	**228,136**	**230,818**	**239,637**	**239,031**	**256,055**	**250,901**
22 Private	175,701	185,221	179,418	178,734	176,644	177,002	179,792	187,517	191,441	200,157	201,266
23 Residential	87,261	86,566	75,003	73,436	72,139	71,451	75,687	81,744	86,950	93,492	95,379
24 Nonresidential, total	88,440	98,655	104,415	105,298	104,505	105,551	104,105	105,773	104,491	106,665	105,887
Buildings											
25 Industrial	13,839	17,031	16,670	16,404	16,691	16,587	17,072	15,838	15,257	15,518	14,979
26 Commercial	29,940	34,243	37,125	37,512	36,091	37,129	35,677	37,769	37,516	38,773	39,828
27 Other	8,654	9,543	10,421	10,130	10,499	10,506	10,778	11,100	11,476	12,234	12,176
28 Public utilities and other	36,007	37,838	40,199	41,252	41,224	41,329	40,578	41,066	40,242	40,140	38,904
29 Public	55,047	52,977	50,148	48,904	51,409	51,134	51,026	52,120	47,590	55,898	49,635
30 Military	1,880	1,966	2,192	2,261	2,481	2,674	2,324	2,527	2,320	2,671	2,709
31 Highway	13,808	13,304	13,180	14,119	13,327	13,464	14,314	13,906	12,417	14,757	13,376
32 Conservation and development	5,089	5,225	4,983	5,055	5,036	4,719	4,541	4,718	4,601	5,214	4,878
33 Other	34,270	32,482	29,793	27,469	30,565	30,277	29,847	30,969	28,252	33,256	28,672

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

NOTE. Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change: From 12 months earlier, 1982 Feb	Change: From 12 months earlier, 1983 Feb.	From 3 months earlier (at annual rate), 1982 Mar	From 3 months earlier (at annual rate), 1982 June	From 3 months earlier (at annual rate), 1982 Sept	From 3 months earlier (at annual rate), 1982 Dec	From 1 month earlier, 1982 Oct	From 1 month earlier, 1982 Nov	From 1 month earlier, 1982 Dec	From 1 month earlier, 1983 Jan	From 1 month earlier, 1983 Feb	Index level Feb 1983 (1967 = 100)[1]
CONSUMER PRICES[2]												
1 **All items**	**7.7**	**3.5**	**1.3**	**9.8**	**4.1**	**.5**	**.4**	**.0**	**−.3**	**.2**	**−.2**	**293.2**
2 Food	4.6	2.0	5.0	6.2	6	8	2	0	0	1	0	289.0
3 Energy items	3.0	−1.5	17.7	7.5	8.1	10.2	1.3	8	3	−2.5	−3.7	406.7
4 All items less food and energy	9.2	4.6	4.1	9.6	4.7	.3	4	−.1	5	1.7	9	282.0
5 Commodities	6.0	6.0	5.3	9.9	2.4	5.4	6	3	3	6	5	237.9
6 Services	11.9	3.4	2.9	11.3	4.6	−4.8	1	−.3	−1.0	1	7	332.9
PRODUCER PRICES												
7 Finished goods	5.5	2.1	9	4.6	4.2	4.6	4	6	2	−1.0	1	283.7
8 Consumer foods	2.7	7	6.8	10.2	−5.2	2.6	0	1	1	2	6	259.9
9 Consumer energy	5.4	−4.8	−21.9	−9.2	30.9	7.1	4	2.2	.9	−4.2	−2.9	792.4
10 Other consumer goods	6.3	4.0	3.8	5.7	4.2	6.5	8	4	4	−1.0	7	238.1
11 Capital equipment	7.1	4.1	3.6	5.2	3.5	3.9	0	5	5	1	5	286.2
12 Intermediate materials[3]	5.1	2	−2.3	−.5	2.3	1.5	1	3	0	−.4	−.2	315.9
13 Excluding energy	5.2	9	.3	0	1.0	1.2	0	2	2	−.1	4	292.7
Crude materials												
14 Foods	7.0	4	23.3	15.8	−26.4	1.3	1.0	1.0	4	1.1	2.4	249.3
15 Energy	1.8	1.0	−5.8	1.6	8.7	5.8	9	1.8	1.2	1.2	−.6	804.8
16 Other	7.8	−4.6	−35.7	19.2	2.9	−7.9	−.7	8	−.5	2.9	−2.8	238.5

1 Not seasonally adjusted.

2 Figures for consumer prices are those for all urban consumers and reflect a rental-equivalence measure of homeownership after 1982.

3 Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE. Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data are at seasonally adjusted annual rates.

Account	1980	1981	1982r	1981	1982			
				Q4	Q1	Q2	Q3	Q4
GROSS NATIONAL PRODUCT								
1 **Total**	**2,633.1**	**2,937.7**	**3,059.3**	**3,003.2**	**2,995.5**	**3,045.2**	**3,088.2**	**3,108.2**
By source								
2 Personal consumption expenditures	1,667.2	1,843 2	1,971.1	1,884.5	1,919 4	1,947.8	1,986.3	2,030.8
3 Durable goods	214 3	234.6	242 7	229 6	237.9	240.7	240.3	251.8
4 Nondurable goods	670.4	734.5	762.1	746.5	749.1	755.0	768.4	775.7
5 Services	782 5	874.1	966.3	908 3	932.4	952.1	977.6	1,003.3
6 Gross private domestic investment	402 4	471.5	420 3	468 9	414.8	431 5	443 3	391.5
7 Fixed investment	412.4	451.1	444.1	455.7	450.4	447 7	438.6	439.9
8 Nonresidential	309.2	346.1	348.0	360.2	357.0	352.2	344 2	338.4
9 Structures	110.5	129.7	141.5	139 6	141 4	143.6	141.3	139 6
10 Producers' durable equipment	198.6	216 4	206.5	220.6	215 6	208.6	203.0	198 8
11 Residential structures	103.2	105 0	96.2	95 5	93 4	95.5	94.3	101 4
12 Nonfarm	98 3	99.7	90.5	89.4	87.9	89.6	88 7	95.7
13 Change in business inventories	−10.0	20 5	−23.8	13.2	−35.6	−16 2	4.7	−48.3
14 Nonfarm	−5 7	15.0	−24.3	6 0	−36.0	−15 0	3 7	−50.0
15 Net exports of goods and services	25 2	26.1	20 5	23.5	31.3	34.9	6.9	9.1
16 Exports	339.2	367.3	350.8	367 9	359.9	365.8	349 5	328.1
17 Imports	314.0	341 3	330.3	344.4	328.6	330 9	342.5	319.1
18 Government purchases of goods and services	538 4	596.9	647.4	626.3	630.1	630 9	651 7	676.8
19 Federal	197 2	229.0	257 9	250.5	249.7	244.3	259 0	278.7
20 State and local	341.2	368 0	389.4	375 7	380.4	386.6	392.7	398.0
By major type of product								
21 Final sales, total	2,643 1	2,917 3	3,083 1	2,989 9	3,031.1	3,061 4	3,083 5	3,156 5
22 Goods	1,141.9	1,289.2	1,280.4	1,298.5	1,269.4	1,283.1	1,295.5	1,273.6
23 Durable	477 3	528.1	493.3	504 9	482 4	505.9	516 9	467 9
24 Nondurable	664 6	761 1	787 1	793.6	787.0	777 2	778.6	805.7
25 Services	1,225 6	1,364.3	1,494.4	1,421.5	1,444.4	1,476 7	1,509.5	1,547.0
26 Structures	265 7	284.2	284 5	283 3	281.7	285.3	283 2	287 7
27 Change in business inventories	−10 0	20.5	−23.8	13 2	−35.6	−16.2	4 7	−48 3
28 Durable goods	−5.2	8.7	−18.9	−5 6	−30.9	−6.6	10.1	−48 3
29 Nondurable goods	−4.8	11 8	−5 0	18 9	−4 8	−9 6	−5.4	0
30 MEMO: **Total GNP in 1972 dollars**	**1,474.0**	**1,502.6**	**1,476.9**	**1,490.1**	**1,470.7**	**1,478.4**	**1,481.1**	**1,477.2**
NATIONAL INCOME								
31 **Total**	**2,117.1**	**2,352.5**	**2,437.3**	**2,404.5**	**2,396.9**	**2,425.2**	**2,455.6**	**2,471.7**
32 Compensation of employees	1,598.6	1,767.6	1,856 5	1,813 4	1,830.8	1,850.7	1,868.3	1,876.1
33 Wages and salaries	1,356.1	1,494 0	1,560 6	1,531.1	1,541 5	1,556 6	1,570.0	1,574.5
34 Government and government enterprises	260 2	283.1	302 3	292.3	296.3	300.0	303.5	309.2
35 Other	1,095 9	1,210.9	1,258 4	1,238 8	1,245.2	1,256.6	1,266.4	1,265.4
36 Supplement to wages and salaries	242 5	273.6	295 8	282.3	289.3	294.1	298.3	301.6
37 Employer contributions for social insurance	115.3	133.2	142 1	136.5	140.2	141.7	142.8	143.7
38 Other labor income	127.3	140 4	153 8	145.8	149 1	152 5	155.5	157.9
39 Proprietors' income[1]	116 3	124 7	120 3	124.1	116 4	117 3	118.4	128.9
40 Business and professional[1]	96 9	100.7	101 3	99.5	98.6	99.9	101 7	104.8
41 Farm[1]	19 4	24.0	19.0	24 6	17.8	17.4	16.6	24 1
42 Rental income of persons[2]	32 9	33.9	34.1	33.6	33.9	34 2	34.6	33.9
43 Corporate profits[1]	181.6	190.6	161.5	183.9	157 1	155.4	166.2	167.5
44 Profits before tax[3]	242 5	232.1	175 6	216.5	171.6	171.7	180 3	178.8
45 Inventory valuation adjustment	−43 0	−24.6	−9.2	−17 1	−4.4	−9.4	−10.3	−12.6
46 Capital consumption adjustment	−17.8	−16 8	−4.9	−15.5	−10 1	−6 9	−3.8	1.3
47 Net interest	187.7	235.7	264.9	249.5	258.7	267.5	268.1	265.3

1. With inventory valuation and capital consumption adjustments
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1 48

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

2.17 PERSONAL INCOME AND SAVING

Billions of current dollars; quarterly data are at seasonally adjusted annual rates. Exceptions noted.

Account	1980	1981	1982[r]	1981	1982			
				Q4	Q1	Q2	Q3	Q4
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**2,160.2**	**2,404.1**	**2,569.9**	**2,494.6**	**2,510.5**	**2,552.7**	**2,592.5**	**2,624.0**
2 Wage and salary disbursements	1,356.1	1,493.9	1,560.7	1,531.2	1,541.6	1,556.6	1,570.0	1,574.5
3 Commodity-producing industries	468.0	510.8	509.9	517.7	514.3	513.6	510.2	501.6
4 Manufacturing	354.4	386.4	382.6	388.7	385.1	385.6	383.8	375.8
5 Distributive industries	330.5	361.4	376.0	368.3	371.4	375.4	378.4	378.8
6 Service industries	297.5	338.6	372.5	352.8	359.5	367.6	377.8	385.0
7 Government and government enterprises	260.2	283.1	302.3	292.4	296.5	300.0	303.5	309.2
8 Other labor income	127.3	140.4	153.8	145.8	149.1	152.5	155.5	157.9
9 Proprietors' income[1]	116.3	124.7	120.3	124.1	116.4	117.3	118.4	128.9
10 Business and professional[1]	96.9	100.7	101.3	99.5	98.6	99.9	101.7	104.8
11 Farm[1]	19.4	24.0	19.0	24.6	17.8	17.4	16.6	24.1
12 Rental income of persons[2]	32.9	33.9	34.1	33.6	33.9	34.2	34.6	33.9
13 Dividends	55.9	62.5	67.0	65.2	65.8	66.1	67.2	68.8
14 Personal interest income	256.3	308.5	371.2	351.0	359.7	372.0	378.2	374.6
15 Transfer payments	297.2	336.3	374.7	350.7	354.6	365.2	381.0	397.8
16 Old-age survivors, disability, and health insurance benefits	154.2	182.0	204.5	192.8	194.7	197.5	209.2	216.6
17 LESS: Personal contributions for social insurance	88.7	104.9	111.7	107.0	110.6	111.4	112.4	112.5
18 EQUALS: Personal income	2,160.2	2,404.1	2,569.9	2,494.6	2,510.5	2,552.7	2,592.5	2,624.0
19 LESS: Personal tax and nontax payments	336.2	386.7	397.2	393.2	393.4	401.2	394.4	399.7
20 EQUALS: Disposable personal income	1,824.1	2,029.2	2,172.7	2,101.4	2,117.1	2,151.5	2,198.1	2,224.3
21 LESS: Personal outlays	1,717.9	1,898.9	2,030.5	1,942.7	1,977.9	2,007.2	2,046.1	2,090.9
22 EQUALS: Personal saving	106.2	130.2	142.2	158.6	139.1	144.3	152.0	133.4
MEMO. Per capita (1972 dollars)								
23 Gross national product	6,474	6,536	6,364	6,458	6,360	6,380	6,376	6,342
24 Personal consumption expenditures	4,087	4,122	4,123	4,088	4,104	4,121	4,117	4,151
25 Disposable personal income	4,472	4,538	4,545	4,559	4,527	4,552	4,555	4,547
26 Saving rate (percent)	5.8	6.4	6.5	7.5	6.6	6.7	6.9	6.0
GROSS SAVING								
27 **Gross saving**	**406.3**	**477.5**	**414.7**	**476.3**	**428.8**	**441.5**	**422.4**	**366.2**
28 Gross private saving	438.3	504.7	531.8	547.7	520.3	529.0	546.1	532.6
29 Personal saving	106.2	130.2	142.2	158.6	139.1	144.3	152.0	133.4
30 Undistributed corporate profits[1]	38.9	44.4	33.2	44.3	32.5	30.7	34.8	35.8
31 Corporate inventory valuation adjustment	-43.0	-24.6	-9.2	-17.1	-4.4	-9.4	-10.3	-12.6
Capital consumption allowances								
32 Corporate	181.2	206.2	225.1	216.0	218.9	223.4	227.5	230.6
33 Noncorporate	112.0	123.9	131.3	128.7	129.8	130.5	131.9	132.9
34 Wage accruals less disbursements	0	0	.0	0	.0	0	0	0
35 Government surplus, or deficit (−), national income and product accounts	-33.2	-28.2	-117.1	-72.5	-90.7	-87.5	-123.7	-166.4
36 Federal	-61.4	-60.0	-149.3	-101.7	-118.4	-119.6	-156.0	-203.1
37 State and local	28.2	31.7	32.2	29.1	27.7	32.1	32.3	36.6
38 Capital grants received by the United States, net	1.2	1.1	0	1.1	0	0	0	0
39 **Gross investment**	**410.1**	**475.6**	**415.7**	**469.0**	**421.3**	**442.3**	**426.0**	**373.1**
40 Gross private domestic	402.4	471.5	420.3	468.9	414.8	431.5	443.3	391.5
41 Net foreign	7.8	4.1	-4.6	0.1	6.5	10.8	-17.3	-18.5
42 **Statistical discrepancy**	**3.9**	**-1.9**	**1.0**	**-7.2**	**-7.5**	**.8**	**3.6**	**6.9**

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

	Item credits or debits	1980	1981	1982	1981	1982			
					Q4	Q1[r]	Q2[r]	Q3[r]	Q4[p]
1	Balance on current account	1,520	4,471	−8,093	−927	1,034	2,188	−5,214	−6,103
2	Not seasonally adjusted	...	...		1,293	729	2,841	−7,436	−4,227
3	Merchandise trade balance[2]	−25,338	−27,889	−36,331	−9,185	−5,938	−5,762	−12,495	−12,136
4	Merchandise exports	224,237	236,254	211,013	57,593	55,607	55,001	52,334	48,071
5	Merchandise imports	−249,575	−264,143	−247,344	−66,778	−61,545	−60,763	−64,829	−60,207
6	Military transactions, net	−2,472	−1,541	640	−528	167	247	201	24
7	Investment income, net[3]	29,910	33,037	28,720	8,529	6,867	7,694	7,082	7,076
8	Other service transactions, net	6,203	7,471	6,746	2,127	1,986	1,749	1,646	1,364
9	Remittances, pensions, and other transfers	−2,101	−2,104	−2,455	−562	−575	−671	−601	−608
10	U S government grants (excluding military)	−4,681	−4,504	−5,413	−1,308	−1,473	−1,069	−1,048	−1,823
11	Change in U.S government assets, other than official reserve assets, net (increase, −)	−5,126	−5,137	−5,766	−987	−904	−1,547	−2,496	−818
12	Change in U S official reserve assets (increase, −)	−8,155	−5,175	−4,965	262	−1,089	−1,132	−794	−1,949
13	Gold	0	0	0	0	0	0	0	0
14	Special drawing rights (SDRs)	−16	−1,824	−1,371	−134	−400	−241	−434	−297
15	Reserve position in International Monetary Fund	−1,667	−2,491	−2,552	−358	−547	−814	−459	−732
16	Foreign currencies	−6,472	−861	−1,041	754	−142	−77	99	−920
17	Change in U.S. private assets abroad (increase, −)[3]	−72,746	−98,982	−107,535	−46,952	−29,264	−35,166	−22,307	−20,800
18	Bank-reported claims	−46,838	−84,531	−106,711	−42,645	−32,708	−36,923	−20,430	−16,650
19	Nonbank-reported claims	−3,146	−331	4,750	−508	4,112	304	942	n a
20	U S purchase of foreign securities, net	−3,524	−5,429	−7,772	−2,843	−531	−441	−3,266	−3,535
21	U S. direct investments abroad, net[3]	−19,238	−8,691	2,198	−956	−137	2,502	447	−615
22	Change in foreign official assets in the United States (increase, +)	15,442	4,785	3,043	8,119	−3,122	1,998	2,494	1,673
23	U S. Treasury securities	9,708	4,983	5,716	4,439	−1,344	−2,076	4,825	4,311
24	Other U S government obligations	2,187	1,289	−670	−246	−296	258	−76	−556
25	Other U.S. government liabilities[4]	561	−69	−12	275	−182	387	−286	69
26	Other U.S. liabilities reported by U.S. banks	−159	−4,083	−1,713	3,436	−1,516	3,393	−1,981	−1,609
27	Other foreign official assets[5]	3,145	2,665	−278	215	216	36	12	−542
28	Change in foreign private assets in the United States (increase, +)[3]	39,041	73,136	81,451	30,988	28,202	27,621	14,178	11,451
29	U.S. bank-reported liabilities	10,743	41,262	62,869	20,476	25,423	22,552	10,687	4,207
30	U.S. nonbank-reported liabilities	6,530	532	−3,760	−457	−982	−2,304	−474	n a
31	Foreign private purchases of U S Treasury securities, net	2,645	2,932	6,945	1,238	1,277	2,095	1,316	2,257
32	Foreign purchases of other U.S. securities, net	5,457	7,109	5,973	396	1,319	2,497	220	1,938
33	Foreign direct investments in the United States, net[3]	13,666	21,301	9,424	9,336	1,165	2,781	2,429	3,049
34	Allocation of SDRs	1,152	1,093	0	0	0	0	0	0
35	Discrepancy	28,870	25,809	41,864	9,497	5,142	6,038	14,139	16,546
36	Owing to seasonal adjustments		...	...	2,474	−802	672	−1,904	2,035
37	Statistical discrepancy in recorded data before seasonal adjustment	28,870	25,809	41,864	7,023	5,944	5,366	16,043	14,511
	MEMO								
	Changes in official assets								
38	U.S. official reserve assets (increase, −)	−8,155	−5,175	−4,965	262	−1,089	−1,132	−794	−1,949
39	Foreign official assets in the United States (increase, +)	14,881	4,854	3,055	7,844	−2,940	1,611	2,780	1,604
40	Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	12,769	13,314	7,176	2,230	4,988	3,079	350	−1,241
41	Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	631	602	514	64	93	125	137	158

1. Seasonal factors are no longer calculated for lines 12 through 41
2. Data are on an international accounts (IA) basis Differs from the Census basis data, shown in table 3 11, for reasons of coverage and timing, military exports are excluded from merchandise data and are included in line 6.
3. Includes reinvested earnings of incorporated affiliates
4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies
5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments

NOTE. Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted

Item	1980	1981	1982	1982r					1983	
				Aug.	Sept	Oct	Nov.	Dec	Jan	Feb.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	220,626	233,677	212,193	17,463	17,320	16,671	15,852	16,347	17,393	16,326
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	244,871	261,305	243,952	22,930	20,581	21,006	18,892	19,154	20,021	19,015
3 **Trade balance**	**−24,245**	**−27,628**	**−31,759**	**−5,467**	**−3,261**	**−4,335**	**−3,041**	**−2,808**	**−2,628**	**−2,689**

NOTE The data through 1981 in this table are reported by the Bureau of Census data of a free-alongside-ship (f.a.s.) value basis—that is, value at the port of export. Beginning in 1981, foreign trade of the U.S Virgin Islands is included in the Census basis trade data; this adjustment has been made for all data shown in the table. Beginning with 1982 data, the value of imports are on a customs valuation basis.

The Census basis data differ from merchandise trade data shown in table 3 10, U S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustments are: (1) the addition of exports to Canada not covered in Census statistics, and (2) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3 10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada and other transactions; military payments are excluded and shown separately as indicated above.

SOURCE FT900 "Summary of U.S. Export and Import Merchandise Trade" (U S. Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1979	1980	1981	1982				1983		
				Sept.	Oct.	Nov	Dec.	Jan.	Feb.	Mar
1 **Total**[1]	**18,956**	**26,756**	**30,075**	**31,864**	**31,711**	**34,006**	**33,958**	**33,936**	**34,233**	**34,261**
2 Gold stock, including Exchange Stabilization Fund[1]	11,172	11,160	11,151	11,148	11,148	11,148	11,148	11,144	11,139	11,138
3 Special drawing rights[2,3]	2,724	2,610	4,095	4,809	4,801	4,929	5,250	5,267	5,284	5,229
4 Reserve position in International Monetary Fund[2]	1,253	2,852	5,055	6,406	6,367	7,185	7,348	8,035	8,594	9,293
5 Foreign currencies[4,5]	3,807	10,134	9,774	8,630	9,395	10,744	10,212	9,490	9,216	8,601

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3 13

2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3 Includes allocations by the International Monetary Fund of SDRs as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; $710 million on Jan. 1, 1972, $1,139 million on Jan. 1, 1979, $1,152 million on Jan. 1, 1980; and $1,093 million on Jan. 1, 1981, plus transactions in SDRs

4. Beginning November 1978, valued at current market exchange rates

5 Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies, if any.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1979	1980	1981	1982				1983		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar
1 Deposits	429	411	505	396	326	386	328	366	352	424
Assets held in custody										
2 U.S. Treasury securities[1]	95,075	102,417	104,680	106,117	107,636	107,467	112,544	115,872	116,428	114,999
3 Earmarked gold	15,169	14,965	14,804	14,726	14,706	14,711	14,716	14,717	14,752	14,726

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

NOTE. Excludes deposits and U S. Treasury securities held for international and regional organizations Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1979	1980	1981	1982						1983
				July	Aug	Sept	Oct	Nov	Dec	Jan p
				All foreign countries						
1 **Total, all currencies**	**364,409**	**401,135**	**462,790**	**465,933r**	**471,710**	**471,085**	**463,601**	**468,376**	**468,738**	**462,285**
2 Claims on United States	32,302	28,460	63,743	82,558r	88,936	90,267	89,036	90,844r	91,899	89,521
3 Parent bank	25,929	20,202	43,267	55,965r	60,315	60,872	61,283	62,476r	61,789	59,414
4 Other	6,373	8,258	20,476	26,593	28,621	29,395	27,753	28,368r	30,110	30,107
5 Claims on foreigners	317,330	354,960	378,899	364,126r	362,437	360,462	354,373	357,104r	357,387	353,254
6 Other branches of parent bank	79,662	77,019	87,821	89,446	91,593	93,283	90,030	91,894r	90,907	89,343
7 Banks	123,420	146,448	150,708	142,852r	138,517	135,454	133,365	133,269r	133,517	130,667
8 Public borrowers	26,097	28,033	28,197	24,700r	24,521	24,333	23,850	23,340	23,971	24,464
9 Nonbank foreigners	88,151	103,460	112,173	107,128r	107,806	107,392	107,128	108,601	108,992	108,780
10 Other assets	14,777	17,715	20,148	19,249r	20,337	20,356	20,192	20,428	19,452	19,510
11 **Total payable in U.S. dollars**	**267,713**	**291,798**	**350,678**	**359,981r**	**366,148**	**369,746**	**361,804**	**363,483**	**361,167**	**355,008**
12 Claims on United States	31,171	27,191	62,142	80,915r	87,328	88,613	87,316	88,971r	90,179	87,820
13 Parent bank	25,632	19,896	42,721	55,286r	59,634	60,207	60,538	61,662r	61,133	58,639
14 Other	5,539	7,295	19,421	25,629	27,694	28,406	26,778	27,309r	29,046	29,181
15 Claims on foreigners	229,120	255,391	276,882	267,267	266,420	268,253	261,896	261,701r	258,958	255,367
16 Other branches of parent bank	61,525	58,541	69,398	72,488	74,252	77,470	74,032	74,759	73,303	71,051
17 Banks	96,261	117,342	122,055	115,072	111,712	110,591	107,448	106,636r	106,014	103,269
18 Public borrowers	21,629	23,491	22,877	19,306	19,043	18,984	18,659	18,187	18,301	18,717
19 Nonbank foreigners	49,705	56,017	62,552	60,401	61,413	61,208	61,757	62,119	61,340	62,330
20 Other assets	7,422	9,216	11,654	11,799	12,400	12,880	12,592	12,811	12,030	11,821
				United Kingdom						
21 **Total, all currencies**	**130,873**	**144,717**	**157,229**	**164,106**	**164,523**	**167,189**	**164,582**	**165,687**	**161,067**	**157,464**
22 Claims on United States	11,117	7,509	11,823	23,962	27,031	27,534	27,829	28,677	27,354	27,175
23 Parent bank	9,338	5,275	7,885	19,680	22,730	22,970	23,717	24,278	23,017	22,539
24 Other	1,779	2,234	3,938	4,282	4,301	4,564	4,112	4,399	4,337	4,636
25 Claims on foreigners	115,123	131,142	138,888	133,964	130,814	132,746	129,913	130,666	127,694	124,354
26 Other branches of parent bank	34,291	34,760	41,367	37,250	36,937	40,385	37,013	38,319	37,000	34,955
27 Banks	51,343	58,741	56,315	56,428	53,582	52,203	52,568	51,414	50,757	49,497
28 Public borrowers	4,919	6,688	7,490	6,456	6,286	6,086	6,157	6,170	6,240	6,421
29 Nonbank foreigners	24,570	30,953	33,716	33,830	34,009	34,072	34,175r	34,763	33,697	33,481
30 Other assets	4,633	6,066	6,518	6,180	6,678	6,909	6,840	6,344	6,019	5,935
31 **Total payable in U.S. dollars**	**94,287**	**99,699**	**115,188**	**125,247**	**126,344**	**131,129**	**127,517**	**128,863**	**123,740**	**120,233**
32 Claims on United States	10,746	7,116	11,246	23,421	26,514	26,919	27,255	28,093	26,761	26,581
33 Parent bank	9,297	5,229	7,721	19,451	22,496	22,758	23,478	24,035	22,756	22,250
34 Other	1,449	1,887	3,525	3,970	4,018	4,161	3,777	4,058	4,005	4,331
35 Claims on foreigners	81,294	89,723	99,850	97,699	95,293	99,008	95,269	95,870	92,228	89,137
36 Other branches of parent bank	28,928	28,268	35,439	32,007	31,414	35,703	32,243	33,154	31,648	29,380
37 Banks	36,760	42,073	40,703	42,515	40,321	39,786	39,077	38,310	36,717	35,645
38 Public borrowers	3,319	4,911	5,595	4,513	4,336	4,214	4,251	4,281	4,329	4,600
39 Nonbank foreigners	12,287	14,471	18,113	18,664	19,222	19,305	19,698	20,125	19,534	19,512
40 Other assets	2,247	2,860	4,092	4,127	4,537	5,202	4,993	4,900	4,751	4,515
				Bahamas and Caymans						
41 **Total, all currencies**	**108,977**	**123,837**	**149,051**	**141,099**	**144,194**	**140,614**	**139,438**	**140,939**	**144,841**	**142,561**
42 Claims on United States	19,124	17,751	46,546	52,646	56,087	55,467	55,713	57,076r	59,374	56,960
43 Parent bank	15,196	12,631	31,643	31,242	32,822	32,155	32,927	34,022r	34,653	32,511
44 Other	3,928	5,120	14,903	21,404	23,265	23,312	22,786	23,054r	24,721	24,449
45 Claims on foreigners	86,718	101,926	98,002	84,416	83,835	81,054	79,539	79,185r	81,168	81,512
46 Other branches of parent bank	9,689	13,342	12,951	17,538	17,806	17,772	17,955	18,066	18,720	20,118
47 Banks	43,189	54,861	55,096	44,229	43,616	41,333	40,439	41,025r	42,419	40,471
48 Public borrowers	12,905	12,577	10,010	7,031	7,036	6,999	6,743	6,310	6,411	6,434
49 Nonbank foreigners	20,935	21,146	19,945	15,618	15,377	14,950	14,402	13,784	13,618	14,489
50 Other assets	3,135	4,160	4,503	4,037	4,272	4,093	4,186	4,678	4,299	4,089
51 **Total payable in U.S. dollars**	**102,368**	**117,654**	**143,686**	**135,619**	**138,771**	**136,077**	**134,607**	**135,648**	**139,290**	**136,724**

3.14 Continued

Liability account	1979	1980	1981	1982 July	1982 Aug	1982 Sept	1982 Oct	1982 Nov	1982 Dec	1983 Jan.p
	All foreign countries									
52 **Total, all currencies**	**364,409**	**401,135**	**462,790**	**465,933r**	**471,710**	**471,085**	**463,601**	**468,376**	**468,738**	**462,285**
53 To United States	66,689	91,079	137,712	164,538r	167,661	170,430	169,312	171,762r	176,779	178,284
54 Parent bank	24,533	39,286	56,289	60,973r	64,419	67,028	64,102	66,254	73,408	79,811
55 Other banks in United States	13,968	14,473	19,197	31,555	32,425	33,763	32,607	31,764	33,401	32,779
56 Nonbanks	28,188	37,275	62,226	72,010	70,817	69,639	72,603	73,744r	69,970	65,694
57 To foreigners	283,510	295,411	305,630	281,849r	283,954	280,450	274,222	276,287r	272,164	265,591
58 Other branches of parent bank	77,640	75,773	86,396	86,802r	92,202	93,753	91,658	91,270	91,824	89,318
59 Banks	122,922	132,116	124,906	106,016r	103,466	99,966	98,259	98,209	96,622	92,832
60 Official institutions	35,668	32,473	25,997	20,239	20,004	20,527	19,440	21,095	19,614	20,250
61 Nonbank foreigners	47,280	55,049	68,331	68,792r	68,282	66,204	64,865	65,713r	64,104	63,191
62 Other liabilities	14,210	14,690	19,448	19,546r	20,095	20,205	20,067	20,327	19,795	18,410
63 **Total payable in U.S. dollars**	**273,857**	**303,281**	**364,390**	**376,129r**	**381,898**	**385,440**	**377,121**	**379,142**	**378,455**	**370,457**
64 To United States	64,530	88,157	134,645	161,250r	164,403	167,534	166,377	168,291r	173,304	174,656
65 Parent bank	23,403	37,528	54,437	58,958r	62,369	65,114	62,191	63,963	71,086	77,536
66 Other banks in United States	13,771	14,203	18,883	31,224r	32,162	33,508	32,362	31,428	33,036	32,255
67 Nonbanks	27,356	36,426	61,325	71,068r	69,872	68,912	71,824	72,900r	69,182	64,865
68 To foreigners	201,514	206,883	217,602	203,767	205,709	206,553	199,297	198,938r	193,933	185,663
69 Other branches of parent bank	60,551	58,172	69,299	70,429	75,344	78,499	76,237	74,621	74,593	71,463
70 Banks	80,691	87,497	79,594	66,520	63,959	62,535	59,782	58,829	57,300	52,233
71 Official institutions	29,048	24,697	20,288	15,737	15,672	16,607	15,253	16,774	15,055	15,940
72 Nonbank foreigners	31,224	36,517	48,421	51,081	50,734	48,912	48,025	48,714r	46,985	46,027
73 Other liabilities	7,813	8,241	12,143	11,112	11,786	11,353	11,447	11,913	11,218	10,138
	United Kingdom									
74 **Total, all currencies**	**130,873**	**144,717**	**157,229**	**164,106**	**164,523**	**167,189**	**164,582**	**165,687**	**161,067**	**157,464**
75 To United States	20,986	21,785	38,022	46,965	49,001	53,919	53,777	54,003	53,954	52,650
76 Parent bank	3,104	4,225	5,444	6,679	8,022	11,336	10,568	10,597	13,091	14,287
77 Other banks in United States	7,693	5,716	7,502	11,215	11,616	13,280	12,567	12,374	12,205	12,343
78 Nonbanks	10,189	11,844	25,076	29,071	29,363	29,303	30,642	31,032	28,658	26,020
79 To foreigners	104,032	117,438	112,255	109,105	107,268	104,967	102,611	103,927	99,567	97,827
80 Other branches of parent bank	12,567	15,384	16,545	18,010	18,666	19,123	18,399	19,372	18,361	19,343
81 Banks	47,620	56,262	51,336	48,541	47,502	45,526	45,601	44,266	44,020	41,073
82 Official institutions	24,202	21,412	16,517	12,076	12,006	12,348	11,379	12,940	11,504	12,377
83 Nonbank foreigners	19,643	24,380	27,857	30,478	29,094	27,970	27,232	27,349	25,682	25,034
84 Other liabilities	5,855	5,494	6,952	8,036	8,254	8,303	8,194	7,757	7,546	6,987
85 **Total payable in U.S. dollars**	**95,449**	**103,440**	**120,277**	**131,199**	**132,536**	**137,268**	**133,591**	**135,188**	**130,261**	**126,286**
86 To United States	20,552	21,080	37,332	46,129	48,266	53,262	53,146	53,056	53,029	51,808
87 Parent bank	3,054	4,078	5,350	6,603	7,928	11,223	10,442	10,306	12,814	14,105
88 Other banks in United States	7,651	5,626	7,249	11,048	11,510	13,142	12,472	12,188	12,026	12,128
89 Nonbanks	9,847	11,376	24,733	28,478	28,828	28,897	30,232	30,562	28,189	25,575
90 To foreigners	72,397	79,636	79,034	81,207	79,954	80,025	76,519	77,982	73,477	71,000
91 Other branches of parent bank	8,446	10,474	12,048	14,202	14,514	15,548	14,614	15,310	14,300	15,081
92 Banks	29,424	35,388	32,298	32,364	31,898	31,187	30,404	29,092	28,810	25,177
93 Official institutions	20,192	17,024	13,612	10,200	10,322	11,012	9,806	11,198	9,668	10,657
94 Nonbank foreigners	14,335	16,750	21,076	24,441	23,220	22,278	21,895	22,382	20,699	20,085
95 Other liabilities	2,500	2,724	3,911	3,863	4,316	3,981	3,926	4,150	3,755	3,478
	Bahamas and Caymans									
96 **Total, all currencies**	**108,977**	**123,837**	**149,051**	**141,099**	**144,194**	**140,614**	**139,438**	**140,939**	**144,841**	**142,561**
97 To United States	37,719	59,666	85,704	98,609	99,270	96,936	96,810	98,475	102,469	104,415
98 Parent bank	15,267	28,181	39,396	41,122	42,971	41,806	40,225	41,900	45,101	50,476
99 Other banks in United States	5,204	7,379	10,474	17,831	17,911	17,927	17,481	16,805	18,509	17,549
100 Nonbanks	17,248	24,106	35,834	39,656	38,388	37,203	39,104	39,770	38,859	36,390
101 To foreigners	68,598	61,218	60,012	39,740	42,039	40,965	39,793	39,603	39,919	35,900
102 Other branches of parent bank	20,875	17,040	20,641	15,018	17,348	17,690	17,421	17,566	17,541	14,688
103 Banks	33,631	29,895	23,202	11,766	11,599	10,910	10,297	10,413	10,111	9,279
104 Official institutions	4,866	4,361	3,498	2,407	2,288	2,091	2,137	1,846	1,967	1,849
105 Nonbank foreigners	9,226	9,922	12,671	10,549	10,804	10,274	9,938	9,778	10,300	10,084
106 Other liabilities	2,660	2,953	3,335	2,750	2,885	2,713	2,835	2,861	2,453	2,246
107 **Total payable in U.S. dollars**	**103,460**	**119,657**	**145,227**	**137,910**	**140,750**	**137,717**	**136,574**	**137,828**	**141,593**	**139,148**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1980	1981	1982 Aug.	1982 Sept.	1982 Oct.	1982 Nov.	1982 Dec.	1983 Jan.	1983 Feb.[p]
1 Total[1]	**164,578**	**169,702**	**169,289**	**171,094**	**171,308**	**168,048**	**172,764**	**175,282**	**172,874**
By type									
2 Liabilities reported by banks in the United States[2]	30,381	26,572	26,594	26,440	26,965	25,376	24,873	23,977	21,377
3 U.S. Treasury bills and certificates[3]	56,243	52,389	44,182	44,450	43,964	42,906	46,658	50,432	49,954
U.S. Treasury bonds and notes									
4 Marketable	41,455	53,150	63,415	64,940	65,581	65,801	67,666	67,686	69,265
5 Nonmarketable[4]	14,654	11,791	9,350	9,350	9,350	8,750	8,750	8,750	7,950
6 U.S. securities other than U.S. Treasury securities[5]	21,845	25,800	25,748	25,914	25,448	25,215	24,817	24,437	24,328
By area									
7 Western Europe[1]	81,592	65,484	61,120	61,350	60,723	59,355	61,409	62,469	62,021
8 Canada	1,562	2,403	1,771	2,057	2,204	2,044	2,070	2,520	2,754
9 Latin America and Caribbean	5,688	6,954	6,802	6,385	7,181	5,884	6,028	7,147	6,100
10 Asia	70,784	91,790	94,883	95,822	95,187	94,091	95,999	95,356	95,717
11 Africa	4,123	1,829	1,326	1,303	1,452	1,371	1,350	1,716	1,327
12 Other countries[6]	829	1,242	3,387	4,177	4,561	5,303	5,908	6,074	4,955

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1979	1980	1981	1982 Mar.	1982 June	1982 Sept.	1982 Dec.[p]
1 Banks' own liabilities	1,918	3,748	3,767	4,290	4,783	4,973	4,751
2 Banks' own claims	2,419	4,206	5,224	5,574	6,401	6,772	7,689
3 Deposits	994	2,507	3,398	3,532	3,526	3,429	4,241
4 Other claims	1,425	1,699	1,826	2,042	2,875	3,343	3,448
5 Claims of banks' domestic customers[1]	580	962	971	944	921	506	676

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

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

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1979	1980	1981▲	1982					1983	
				Aug	Sept	Oct	Nov	Dec r	Jan	Feb p
1 **All foreigners**	**187,521**	**205,297**	**243,279**	**293,122**	**298,515**	**297,617**	**303,015**	**305,320**	**304,472**	**302,676**
2 Banks' own liabilities	117,196	124,791	162,974	217,564	220,427	218,741	226,307	225,379	219,058	217,776
3 Demand deposits	23,303	23,462	19,628	15,840	15,418	17,064	17,216	16,017	16,083	17,540
4 Time deposits[1]	13,623	15,076	28,903	62,208	62,332	62,236	62,976	67,072	64,349	65,183
5 Other[2]	16,453	17,583	17,398	24,211	23,520	22,842	24,382	23,791	23,057	20,229
6 Own foreign offices[3]	63,817	68,670	97,044	115,305	119,158	116,600	121,733	118,499	115,569	114,824
7 Banks' custody liabilities[4]	70,325	80,506	80,305	75,558	78,089	78,876	76,708	79,941	85,414	84,900
8 U.S. Treasury bills and certificates[5]	48,573	57,595	55,316	49,646	51,572	53,374	52,138	55,614	62,137	61,832
9 Other negotiable and readily transferable instruments[6]	19,396	20,079	19,019	22,134	22,437	21,787	20,965	20,625	19,347	19,192
10 Other	2,356	2,832	5,970	3,778	4,080	3,715	3,605	3,702	3,930	3,877
11 **Nonmonetary international and regional organizations[7]**	**2,356**	**2,344**	**2,721**	**5,073**	**5,050**	**6,036**	**6,465**	**4,597**	**6,611**	**5,969**
12 Banks' own liabilities	714	444	638	3,093	2,752	2,337	3,387	1,584	1,787	1,695
13 Demand deposits	260	146	262	265	194	261	257	106	284	195
14 Time deposits[1]	151	85	58	453	734	431	969	1,339	1,333	1,367
15 Other[2]	303	212	318	2,376	1,825	1,645	2,161	139	170	134
16 Banks' custody liabilities[4]	1,643	1,900	2,083	1,980	2,298	3,699	3,078	3,013	4,824	4,275
17 U.S. Treasury bills and certificates	102	254	541	328	676	2,160	1,774	1,621	3,603	3,153
18 Other negotiable and readily transferable instruments[6]	1,538	1,646	1,542	1,652	1,621	1,539	1,304	1,392	1,221	1,122
19 Other	2	0	0	0	0	0	0	0	0	0
20 **Official institutions[8]**	**78,206**	**86,624**	**79,037**	**70,776**	**70,891**	**70,930**	**68,282**	**71,531**	**74,409**	**71,331**
21 Banks' own liabilities	18,292	17,826	16,813	16,323	16,646	16,898	16,676	16,526	16,550	14,580
22 Demand deposits	4,671	3,771	2,564	1,994	2,526	2,138	2,127	1,981	2,168	2,062
23 Time deposits[1]	3,050	3,612	4,197	5,859	5,312	6,132	5,524	5,489	4,907	5,481
24 Other[2]	10,571	10,443	10,052	8,470	8,809	8,629	9,025	9,057	9,476	7,036
25 Banks' custody liabilities[4]	59,914	68,798	62,224	54,453	54,245	54,031	51,607	55,006	57,859	56,751
26 U.S. Treasury bills and certificates[5]	47,666	56,243	52,389	44,182	44,450	43,964	42,906	46,658	50,432	49,954
27 Other negotiable and readily transferable instruments[6]	12,196	12,501	9,787	10,234	9,755	10,033	8,672	8,319	7,391	6,764
28 Other	52	54	47	37	39	34	28	28	35	33
29 **Banks[9]**	**88,316**	**96,415**	**135,558**	**177,557**	**181,452**	**179,672**	**185,792**	**185,097**	**178,022**	**178,982**
30 Banks' own liabilities	83,299	90,456	123,839	163,348	165,627	164,054	169,525	168,679	161,200	161,000
31 Unaffiliated foreign banks	19,482	21,786	26,795	48,043	46,469	47,454	47,792	50,179	45,630	46,175
32 Demand deposits	13,285	14,188	11,614	8,765	8,138	9,887	9,739	8,733	8,185	9,746
33 Time deposits[1]	1,667	1,703	8,695	26,698	26,503	26,099	26,220	28,267	25,558	25,182
34 Other[2]	4,530	5,895	6,486	12,580	11,828	11,468	11,833	13,179	11,888	11,247
35 Own foreign offices[3]	63,817	68,670	97,044	115,305	119,158	116,600	121,733	118,499	115,569	114,824
36 Banks' custody liabilities[4]	5,017	5,959	11,718	14,209	15,825	15,618	16,267	16,419	16,822	17,982
37 U.S. Treasury bills and certificates	422	623	1,687	3,970	4,897	5,634	5,792	5,809	6,292	6,772
38 Other negotiable and readily transferable instruments[6]	2,415	2,748	4,421	7,102	7,916	7,181	7,782	7,844	7,698	8,334
39 Other	2,179	2,588	5,611	3,138	3,012	2,803	2,693	2,766	2,833	2,876
40 **Other foreigners**	**18,642**	**19,914**	**25,964**	**39,716**	**41,123**	**40,980**	**42,476**	**44,095**	**45,429**	**46,394**
41 Banks' own liabilities	14,891	16,065	21,684	34,800	35,401	35,452	36,719	38,591	39,521	40,502
42 Demand deposits	5,087	5,356	5,189	4,816	4,560	4,778	5,093	5,197	5,447	5,537
43 Time deposits	8,755	9,676	15,953	29,199	29,783	29,574	30,263	31,977	32,551	33,153
44 Other[2]	1,048	1,033	543	785	1,059	1,100	1,363	1,416	1,524	1,812
45 Banks' custody liabilities[4]	3,751	3,849	4,279	4,916	5,721	5,528	5,756	5,504	5,908	5,893
46 U.S. Treasury bills and certificates	382	474	699	1,167	1,548	1,615	1,666	1,525	1,810	1,953
47 Other negotiable and readily transferable instruments[6]	3,247	3,185	3,268	3,147	3,146	3,035	3,207	3,070	3,037	2,972
48 Other	123	190	312	603	1,028	878	884	908	1,062	968
49 MEMO. Negotiable time certificates of deposit in custody for foreigners	10,984	10,745	10,747	13,921	13,533	13,999	13,408	14,296	13,367	11,611

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
2. Includes borrowing under repurchase agreements.
3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.
4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.
5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.
8. Foreign central banks and foreign central governments, and the Bank for International Settlements.
9. Excludes central banks, which are included in "Official institutions."

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.17 Continued

Area and country	1979	1980	1981▲	1982					1983	
				Aug	Sept	Oct	Nov	Dec r	Jan	Feb. p
1 **Total**	**187,521**	**205,297**	**243,279**	**293,122**	**298,515**	**297,617**	**303,015**	**305,320**	**304,472**	**302,676**
2 **Foreign countries**	**185,164**	**202,953**	**240,558**	**288,049**	**293,466**	**291,581**	**296,550**	**300,723**	**297,861**	**296,707**
3 Europe	90,952	90,897	91,019	112,017	114,263	114,895	117,245	117,695	118,800	115,990
4 Austria	413	523	587	531	537	508	441	512	473	513
5 Belgium-Luxembourg	2,375	4,019	4,117	3,218	3,259	2,782	2,499	2,517	2,264	2,295
6 Denmark	1,092	497	333	446	149	166	221	509	996	1,197
7 Finland	398	455	296	224	328	478	572	748	473	369
8 France	10,433	12,125	8,486	8,145	7,720	7,358	7,065	8,169	8,498	7,723
9 Germany	12,935	9,973	7,665	5,397	5,331	5,360	6,093	5,375	5,807	6,217
10 Greece	635	670	463	559	471	516	496	537	589	595
11 Italy	7,782	7,572	7,290	6,703	6,714	5,541	4,779	5,674	4,938	4,514
12 Netherlands	2,337	2,441	2,823	2,838	2,899	3,102	3,100	3,362	3,770	3,196
13 Norway	1,267	1,344	1,457	1,634	1,773	2,026	2,197	1,567	1,476	1,406
14 Portugal	557	374	354	453	386	356	453	388	398	370
15 Spain	1,259	1,500	916	1,223	1,106	1,315	1,301	1,405	1,316	1,523
16 Sweden	2,005	1,737	1,545	1,278	1,324	2,000	1,615	1,380	1,315	1,645
17 Switzerland	17,954	16,689	18,720	25,014	26,519	26,736	27,994	28,999	28,996	30,340
18 Turkey	120	242	518	287	301	317	255	296	190	251
19 United Kingdom	24,700	22,680	28,287	46,881	48,478	48,809	50,276	48,169	50,344	47,195
20 Yugoslavia	266	681	375	317	307	390	470	499	470	452
21 Other Western Europe[1]	4,070	6,939	6,245	6,381	6,294	6,484	6,889	6,965	6,028	5,802
22 U.S.S.R.	52	68	49	47	47	111	45	50	47	41
23 Other Eastern Europe[2]	302	370	493	440	322	541	486	573	412	345
24 Canada	7,379	10,031	10,250	12,194	11,623	12,163	11,719	12,217	11,079	13,616
25 Latin America and Caribbean	49,686	53,170	84,685	106,882	109,110	106,616	110,345	112,916	110,142	109,242
26 Argentina	1,582	2,132	2,445	2,713	3,359	3,482	3,432	3,577	4,833	4,893
27 Bahamas	15,255	16,381	34,400	41,502	42,164	41,100	44,324	44,026	42,479	43,200
28 Bermuda	430	670	765	1,289	1,519	1,507	1,596	1,572	1,989	1,884
29 Brazil	1,005	1,216	1,568	1,865	1,752	2,020	1,865	2,010	1,915	2,010
30 British West Indies	11,138	12,766	17,794	22,871	23,294	23,071	24,302	26,372	24,640	23,937
31 Chile	468	460	664	1,170	1,293	1,438	1,444	1,626	1,341	1,280
32 Colombia	2,617	3,077	2,993	2,636	2,516	2,407	2,426	2,593	2,384	2,335
33 Cuba	13	6	9	9	7	7	8	9	10	10
34 Ecuador	425	371	434	478	524	556	519	453	472	498
35 Guatemala	414	367	479	616	639	636	639	670	682	669
36 Jamaica	76	97	87	136	121	118	108	126	115	103
37 Mexico	4,185	4,547	7,163	9,259	8,468	8,031	8,135	7,967	7,925	7,380
38 Netherlands Antilles	499	413	3,182	3,759	3,713	3,677	3,518	3,597	3,756	3,473
39 Panama	4,483	4,718	4,847	4,656	6,172	4,688	4,795	4,738	4,923	4,981
40 Peru	383	403	694	984	974	1,031	959	1,147	1,052	903
41 Uruguay	202	254	367	665	721	844	651	759	747	817
42 Venezuela	4,192	3,170	4,245	9,219	8,625	8,796	8,315	8,382	7,627	7,659
43 Other Latin America and Caribbean	2,318	2,123	2,548	3,056	3,249	3,207	3,309	3,291	3,252	3,212
44 Asia	33,005	42,420	50,005	50,854	51,115	49,800	48,597	48,679	48,194	49,532
China										
45 Mainland	49	49	158	245	254	216	214	203	220	196
46 Taiwan	1,393	1,662	2,082	2,323	2,490	2,568	2,786	2,716	3,139	3,466
47 Hong Kong	1,672	2,548	3,950	4,551	4,945	4,957	4,847	4,465	4,542	4,988
48 India	527	416	385	655	407	449	507	433	514	962
49 Indonesia	504	730	640	593	436	748	534	849	1,156	614
50 Israel	707	883	592	486	583	622	705	606	608	515
51 Japan	8,907	16,281	20,750	19,291	18,895	16,860	15,680	16,098	15,836	16,613
52 Korea	993	1,528	2,013	1,712	1,905	1,886	1,791	1,692	1,473	1,458
53 Philippines	795	919	874	728	712	736	768	770	680	787
54 Thailand	277	464	534	369	310	365	349	629	482	529
55 Middle-East oil-exporting countries[3]	15,300	14,453	13,174	14,106	14,026	14,050	14,396	13,433	12,332	11,672
56 Other Asia	1,879	2,487	4,854	5,795	6,152	6,344	6,020	6,784	7,210	7,731
57 Africa	3,239	5,187	3,180	2,586	2,783	3,369	3,192	3,070	3,331	3,087
58 Egypt	475	485	360	405	385	242	373	398	500	416
59 Morocco	33	33	32	47	63	54	66	75	51	51
60 South Africa	184	288	420	341	344	279	564	277	276	317
61 Zaire	110	57	26	25	20	23	22	23	25	31
62 Oil-exporting countries[4]	1,635	3,540	1,395	908	1,074	1,669	1,250	1,280	1,603	1,333
63 Other Africa	804	783	946	860	897	1,103	918	1,016	877	939
64 Other countries	904	1,247	1,419	3,516	4,572	4,738	5,452	6,146	6,314	5,241
65 Australia	684	950	1,223	3,317	4,355	4,530	5,224	5,904	6,080	5,052
66 All other	220	297	196	199	216	207	228	243	235	190
67 Nonmonetary international and regional organizations	2,356	2,344	2,721	5,073	5,050	6,036	6,465	4,597	6,611	5,969
68 International	1,238	1,157	1,661	3,936	3,934	5,141	5,522	3,705	5,769	5,186
69 Latin American regional	806	890	710	776	719	573	533	517	527	487
70 Other regional[5]	313	296	350	362	397	322	410	375	316	296

1 Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2 Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4 Comprises Algeria, Gabon, Libya, and Nigeria.

5 Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1979	1980	1981▲	1982					1983	
				Aug	Sept.	Oct	Nov	Dec[r]	Jan	Feb.[p]
1 **Total**	**133,943**	**172,592**	**251,047**	**328,621**	**339,367**	**334,138**	**336,566**	**353,733**	**356,952**	**359,376**
2 **Foreign countries**	**133,906**	**172,514**	**250,991**	**328,515**	**339,323**	**334,082**	**336,509**	**353,665**	**356,879**	**359,299**
3 Europe	28,388	32,108	49,058	70,807	76,481	78,346	79,213	84,005	83,505	84,010
4 Austria	284	236	121	186	146	173	197	216	234	226
5 Belgium-Luxembourg	1,339	1,621	2,843	4,421	4,804	4,962	5,404	5,115	4,753	5,352
6 Denmark	147	127	187	323	358	396	406	554	609	650
7 Finland	202	460	546	776	806	813	904	990	984	967
8 France	3,322	2,958	4,124	5,960	5,815	6,218	6,638	6,863	7,220	7,359
9 Germany	1,179	948	936	1,565	1,609	1,522	1,766	1,860	1,407	1,740
10 Greece	154	256	333	270	283	335	373	452	576	652
11 Italy	1,631	3,364	5,240	6,569	6,733	7,346	7,718	7,498	7,553	7,006
12 Netherlands	514	575	682	1,085	1,099	1,285	1,122	1,428	1,470	1,358
13 Norway	276	227	384	482	575	544	650	572	625	587
14 Portugal	330	331	529	970	998	1,018	924	943	843	834
15 Spain	1,051	993	2,100	3,520	3,469	3,558	3,633	3,730	3,692	3,217
16 Sweden	542	783	1,205	1,693	2,398	2,799	2,804	3,030	3,113	2,693
17 Switzerland	1,165	1,446	2,213	1,589	1,859	1,636	1,516	1,639	1,568	1,497
18 Turkey	149	145	424	600	605	603	598	560	527	616
19 United Kingdom	13,795	14,917	23,655	37,181	41,370	41,652	40,862	44,754	44,654	45,568
20 Yugoslavia	611	853	1,224	1,220	1,196	1,248	1,261	1,418	1,382	1,417
21 Other Western Europe[1]	175	179	209	286	325	266	380	378	310	319
22 U.S.S.R.	268	281	377	296	246	242	227	263	233	245
23 Other Eastern Europe[2]	1,254	1,410	1,725	1,814	1,787	1,728	1,832	1,741	1,752	1,708
24 Canada	4,143	4,810	9,164	12,083	11,852	12,977	12,526	14,216	14,864	15,523
25 Latin America and Caribbean	67,993	92,992	138,121	181,708	186,355	179,981	180,868	187,379	191,586	192,883
26 Argentina	4,389	5,689	7,522	10,936	10,964	11,019	10,816	10,960	11,231	11,531
27 Bahamas	18,918	29,419	43,437	54,706	55,340	51,692	52,204	56,300	57,617	56,421
28 Bermuda	496	218	346	385	429	602	957	603	578	534
29 Brazil	7,713	10,496	16,918	22,146	23,081	22,970	22,978	23,204	23,036	23,681
30 British West Indies	9,818	15,663	21,920	28,519	29,982	28,223	27,323	29,162	32,760	33,349
31 Chile	1,441	1,951	3,690	5,367	5,394	5,276	5,091	5,560	5,229	5,401
32 Colombia	1,614	1,752	2,018	2,650	2,826	2,838	2,895	3,185	3,221	3,145
33 Cuba	4	3	3	3	3	3	3	3	11	2
34 Ecuador	1,025	1,190	1,531	2,048	2,127	2,057	2,101	2,053	2,038	2,140
35 Guatemala[3]	134	137	124	116	119	111	140	124	129	120
36 Jamaica[3]	47	36	62	508	387	151	218	181	206	199
37 Mexico	9,099	12,595	22,408	29,347	29,596	29,371	29,508	29,449	29,422	30,612
38 Netherlands Antilles	248	821	1,076	778	825	688	731	814	813	907
39 Panama	6,041	4,974	6,779	9,842	10,583	9,983	10,575	10,133	10,035	9,277
40 Peru	652	890	1,218	2,062	2,252	2,244	2,259	2,332	2,299	2,330
41 Uruguay	105	137	157	457	550	572	609	681	687	680
42 Venezuela	4,657	5,438	7,069	9,800	9,867	9,925	10,250	10,682	10,228	10,382
43 Other Latin America and Caribbean	1,593	1,583	1,844	2,039	2,032	2,257	2,211	1,953	2,045	2,173
44 Asia	30,730	39,078	49,770	57,229	57,335	55,678	56,671	60,629	59,087	59,069
China										
45 Mainland	35	195	107	127	126	139	194	210	198	195
46 Taiwan	1,821	2,469	2,461	1,891	1,949	2,020	2,255	2,285	2,223	1,973
47 Hong Kong	1,804	2,247	4,126	6,447	6,723	5,976	6,201	7,705	7,081	7,217
48 India	92	142	123	235	275	254	258	222	230	201
49 Indonesia	131	245	346	297	292	315	314	342	370	429
50 Israel	990	1,172	1,562	1,534	1,623	1,748	1,895	2,043	1,835	1,762
51 Japan	16,911	21,361	26,757	29,491	28,496	26,722	25,952	27,199	26,796	26,750
52 Korea	3,793	5,697	7,324	6,967	7,365	7,790	8,536	9,389	9,052	9,250
53 Philippines	737	989	1,817	2,611	2,508	2,560	2,467	2,555	2,444	2,609
54 Thailand	933	876	564	388	409	442	501	643	649	652
55 Middle East oil-exporting countries[4]	1,548	1,432	1,575	2,633	2,591	2,848	3,176	3,087	3,428	3,394
56 Other Asia	1,934	2,252	3,009	4,607	4,978	4,865	4,923	4,948	4,781	4,636
57 Africa	1,797	2,377	3,503	4,811	5,176	5,017	5,274	5,350	5,608	5,532
58 Egypt	114	151	238	399	386	365	349	322	310	286
59 Morocco	103	223	284	368	376	367	384	347	342	358
60 South Africa	445	370	1,011	1,574	1,775	1,744	1,832	2,013	2,061	2,188
61 Zaire	144	94	112	58	59	61	58	57	57	55
62 Oil-exporting countries[5]	391	805	657	761	842	762	903	803	914	845
63 Other	600	734	1,201	1,651	1,738	1,718	1,747	1,807	1,924	1,800
64 Other countries	855	1,150	1,376	1,878	2,125	2,083	1,957	2,086	2,229	2,283
65 Australia	673	859	1,203	1,534	1,792	1,713	1,528	1,713	1,715	1,705
66 All other	182	290	172	344	332	370	429	373	514	578
67 Nonmonetary international and regional organizations[6]	36	78	56	106	44	56	57	68	73	77

1. Includes the Bank for International Settlements. Beginning April 1978, also *includes Eastern European countries not listed in line 23*.
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. Data for period prior to April 1978 include claims of banks' domestic customers on foreigners.

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents.

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1979	1980	1981▲	1982					1983	
				Aug.	Sept	Oct	Nov	Dec r	Jan	Feb p
1 **Total**	**154,030**	**198,698**	**286,415**	....	**376,923**	....	....	**393,642**	....	....
2 Banks' own claims on foreigners	133,943	172,592	251,047	328,621	339,367	334,138	336,566	353,733	356,952	359,376
3 Foreign public borrowers	15,937	20,882	31,316	41,758	42,682	42,459	42,280	44,601	44,389	45,462
4 Own foreign offices[1]	47,428	65,084	96,647	118,642	125,761	116,870	118,060	127,275	133,321	134,475
5 Unaffiliated foreign banks	40,927	50,168	74,086	109,143	111,499	114,301	115,223	119,327	116,220	117,731
6 Deposits	6,274	8,254	22,979	40,929	40,705	42,024	41,113	43,012	42,048	43,375
7 Other	34,654	41,914	51,107	68,214	70,794	72,278	74,109	76,315	74,172	74,356
8 All other foreigners	29,650	36,459	48,998	59,078	59,424	60,508	61,003	62,530	63,021	61,708
9 Claims of banks' domestic customers[2]	20,088	26,106	35,368		37,556			39,909		
10 Deposits	955	885	1,378		1,389			2,226		
11 Negotiable and readily transferable instruments[3]	13,100	15,574	25,752		29,047			30,627		
12 Outstanding collections and other claims	6,032	9,648	8,238		7,120			7,056		
13 MEMO Customer liability on acceptances	18,021	22,714	29,517		35,273			38 391		. ..
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[4]	22,333	24,511	39,831	43,911	43,649	45,537	46,884	40,967	38,263	n a

1 *U S banks* includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies *Agencies, branches, and majority-owned subsidiaries of foreign banks* principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank

2 Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers

3 Principally negotiable time certificates of deposit and bankers acceptances

4 Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U S dollars issued by banks abroad For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p 550

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents

NOTE Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area	1979	1980	1981	1982			
			Dec ▲	Mar	June	Sept	Dec
1 **Total**	**86,181**	**106,748**	**153,839**	**174,506**	**200,493**	**213,028**	**225,853**
By borrower							
2 *Maturity of 1 year or less*[1]	65,152	82,555	115,818	133,035	151,622	161,257	171,852
3 Foreign public borrowers	7,233	9,974	15,099	16,573	19,397	20,115	20,999
4 All other foreigners	57,919	72,581	100,718	116,463	132,225	141,143	150,852
5 Maturity of over 1 year[1]	21,030	24,193	38,022	41,470	48,871	51,770	54,001
6 Foreign public borrowers	8,371	10,152	15,662	16,831	20,082	21,903	22,883
7 All other foreigners	12,659	14,041	22,360	24,639	28,789	29,867	31,118
By area							
Maturity of 1 year or less[1]							
8 Europe	15,235	18,715	27,903	34,284	39,053	44,828	49,232
9 Canada	1,777	2,723	4,634	5,805	6,582	7,021	7,554
10 Latin America and Caribbean	24,928	32,034	48,473	58,244	67 975	71,597	72,922
11 Asia	21,641	26,686	31,408	30,564	33,537	33,028	37,226
12 Africa	1,077	1,757	2 457	2,890	3,259	3,621	3,692
13 All other[2]	493	640	943	1,249	1,217	1,163	1,225
Maturity of over 1 year[1]							
14 Europe	4,160	5,118	8,092	8,333	9,243	10,507	11,559
15 Canada	1,317	1,448	1,774	1,858	2,340	1,957	1,923
16 Latin America and Caribbean	12,814	15,075	25,088	27,666	32,897	33,985	35,121
17 Asia	1,911	1,865	1,902	2,245	2,474	3,359	3,168
18 Africa	655	507	899	1,056	1,295	1,328	1,491
19 All other[2]	173	179	267	312	622	635	740

1 Remaining time to maturity

2 Includes nonmonetary international and regional organizations

▲ Liabilities and claims of banks in the United States were increased, beginning in December 1981, by the shift from foreign branches to international banking facilities in the United States of liabilities to, and claims on, foreign residents

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

Area or country	1978[2]	1979	1980	1981				1982			
				Mar.	June	Sept	Dec	Mar.	June	Sept	Dec p
1 **Total**	**266.2**	**303.9**	**352.0**	**372.1**	**382.9**	**399.8**	**414.4**	**417.6**	**432.0**	**433.6**	**435.1**
2 G-10 countries and Switzerland	124.7	138.4	162.1	168.5	168.3	172.2	175.2	173.7	175.0	173.4	177.2
3 Belgium-Luxembourg	9.0	11.1	13.0	13.6	13.8	14.1	13.3	13.2	14.1	13.5	13.0
4 France	12.2	11.7	14.1	14.5	14.7	16.0	15.3	15.9	16.4	15.7	16.6
5 Germany	11.3	12.2	12.1	13.3	12.1	12.7	12.9	12.5	12.7	12.2	12.6
6 Italy	6.7	6.4	8.2	7.7	8.4	8.6	9.6	9.0	9.0	9.7	10.3
7 Netherlands	4.4	4.8	4.4	4.6	4.2	3.7	4.0	4.0	4.1	3.8	3.6
8 Sweden	2.1	2.4	2.9	3.2	3.1	3.4	3.7	4.0	4.0	4.7	5.0
9 Switzerland	5.3	4.7	5.0	5.1	5.2	5.1	5.5	5.3	5.1	5.0	5.0
10 United Kingdom	47.3	56.4	67.4	68.5	67.0	68.8	69.9	69.7	68.5	69.0	70.9
11 Canada	6.0	6.3	8.4	8.9	10.8	11.8	10.9	11.6	11.3	10.8	10.9
12 Japan	20.6	22.4	26.5	29.1	28.9	28.0	30.1	28.4	29.9	28.9	29.0
13 Other developed countries	19.4	19.9	21.6	23.5	24.8	26.4	28.4	30.6	32.1	32.6	33.6
14 Austria	1.7	2.0	1.9	1.8	2.1	2.2	1.9	2.1	2.1	2.0	1.9
15 Denmark	2.0	2.2	2.3	2.4	2.3	2.5	2.3	2.5	2.6	2.5	2.4
16 Finland	1.2	1.2	1.4	1.4	1.3	1.4	1.7	1.6	1.6	1.8	2.3
17 Greece	2.3	2.4	2.8	2.7	3.0	2.9	2.8	2.8	2.6	2.5	2.9
18 Norway	2.1	2.3	2.6	2.8	2.8	3.0	3.1	3.2	3.2	3.4	3.3
19 Portugal	.6	.7	.6	.6	.8	1.0	1.1	1.2	1.5	1.6	1.5
20 Spain	3.5	3.5	4.4	5.5	5.7	5.8	6.7	7.2	7.3	7.7	7.5
21 Turkey	1.5	1.4	1.5	1.5	1.4	1.5	1.4	1.6	1.5	1.5	1.4
22 Other Western Europe	1.3	1.4	1.7	1.8	1.8	1.9	2.1	2.2	2.2	2.1	2.3
23 South Africa	2.0	1.3	1.1	1.5	1.9	2.5	2.8	3.3	3.5	3.6	3.7
24 Australia	1.4	1.3	1.3	1.5	1.7	1.9	2.5	3.0	4.0	4.0	4.3
25 OPEC countries[3]	22.7	22.9	22.7	21.7	22.2	23.5	24.5	25.1	26.1	27.0	27.2
26 Ecuador	1.6	1.7	2.1	2.0	2.0	2.1	2.2	2.3	2.4	2.3	2.2
27 Venezuela	7.2	8.7	9.1	8.3	8.8	9.2	9.7	9.7	9.8	10.1	10.6
28 Indonesia	2.0	1.9	1.8	2.1	2.1	2.5	2.5	2.7	2.7	2.9	3.2
29 Middle East countries	9.5	8.0	6.9	6.7	6.8	7.1	7.5	8.2	8.7	9.0	8.5
30 *African countries*	2.5	2.6	2.8	2.6	2.6	2.6	2.5	2.2	2.5	2.7	2.7
31 Non-OPEC developing countries	52.6	63.0	77.4	82.2	84.8	90.2	96.2	97.5	103.6	103.8	106.9
Latin America											
32 Argentina	3.0	5.0	7.9	9.5	8.5	9.3	9.4	9.9	9.7	9.2	8.9
33 Brazil	14.9	15.2	16.2	17.0	17.5	17.7	19.1	19.7	21.3	22.4	22.8
34 Chile	1.6	2.5	3.7	4.0	4.8	5.5	5.8	6.0	6.4	6.2	6.3
35 Colombia	1.4	2.2	2.6	2.4	2.5	2.5	2.6	2.3	2.6	2.8	3.0
36 Mexico	10.8	12.0	15.9	17.0	18.2	20.0	21.6	22.9	25.1	24.8	24.4
37 Peru	1.7	1.5	1.8	1.8	1.7	1.8	2.0	1.9	2.4	2.6	2.6
38 Other Latin America	3.6	3.7	3.9	4.7	3.8	4.2	4.1	4.1	4.0	4.3	4.2
Asia											
China											
39 Mainland	.0	.1	.2	.2	.2	.2	.2	.2	.3	.2	.3
40 Taiwan	2.9	3.4	4.2	4.4	4.6	5.1	5.1	5.1	5.0	4.9	5.2
41 India	.2	.2	.3	.3	.3	.3	.3	.5	.5	.5	.6
42 Israel	1.0	1.3	1.5	1.3	1.8	1.5	2.1	1.7	2.2	1.9	2.3
43 Korea (South)	3.9	5.4	7.1	7.7	8.8	8.6	9.4	8.6	8.9	9.3	10.8
44 Malaysia	.6	1.0	1.1	1.2	1.4	1.4	1.7	1.7	1.9	1.8	2.1
45 Philippines	2.8	4.2	5.1	4.8	5.1	5.6	6.0	5.9	6.3	6.0	6.2
46 Thailand	1.2	1.5	1.6	1.6	1.5	1.4	1.5	1.4	1.3	1.3	1.6
47 Other Asia	.2	.5	.6	.5	.7	.8	1.0	1.2	1.1	1.3	1.1
Africa											
48 Egypt	.4	.6	.8	.8	.7	1.0	1.1	1.3	1.3	1.3	1.2
49 Morocco	.6	.6	.7	.6	.5	.7	.7	.7	.7	.8	.7
50 Zaire	.2	.2	.2	.2	.2	.2	.2	.2	.2	.1	.1
51 Other Africa[4]	1.4	1.7	2.1	2.2	2.1	2.2	2.3	2.3	2.3	2.2	2.5
52 Eastern Europe	6.9	7.3	7.4	7.7	7.7	7.7	7.8	7.2	6.7	6.3	6.2
53 U.S.S.R.	1.3	.7	.4	.4	.5	.4	.6	.4	.4	.3	.3
54 Yugoslavia	1.5	1.8	2.3	2.4	2.5	2.5	2.5	2.5	2.4	2.2	2.2
55 Other	4.1	4.8	4.6	4.8	4.8	4.7	4.7	4.3	3.9	3.8	3.7
56 Offshore banking centers	31.0	40.4	47.0	53.7	59.3	61.7	63.5	65.2	70.7	70.3	66.6
57 Bahamas	10.4	13.7	13.7	15.5	17.9	21.3	18.9	19.8	23.1	20.1	18.0
58 Bermuda	.7	.8	.6	.7	.7	.8	.7	.7	.7	.8	.9
59 Cayman Islands and other British West Indies	7.4	9.4	10.6	11.9	12.6	12.1	12.4	12.0	12.2	13.3	12.8
60 Netherlands Antilles	.8	1.2	2.1	2.3	2.4	2.2	3.2	3.2	3.0	3.3	3.3
61 Panama[5]	3.0	4.3	5.4	6.5	6.9	6.7	7.6	7.1	7.3	8.0	7.5
62 Lebanon	.1	.2	.2	.2	.2	.2	.2	.2	.2	.1	.1
63 Hong Kong	4.2	6.0	8.1	8.4	10.3	10.3	11.8	12.9	14.3	14.9	14.8
64 Singapore	3.9	4.5	5.9	7.3	8.1	8.0	8.7	9.3	9.8	9.8	9.1
65 Others[6]	.5	.4	.3	.9	.3	.1	.1	.1	.1	.0	.0
66 Miscellaneous and unallocated[7]	9.1	11.7	14.0	14.9	15.7	18.2	18.8	18.3	18.2	20.1	17.6

1 The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2 Beginning with data for June 1978, the claims of the U.S. offices in this table include only banks' own claims payable in dollars. For earlier dates the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to $10 billion).

3 In addition to the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

4 Excludes Liberia.

5 Includes Canal Zone beginning December 1979.

6 Foreign branch claims only.

7 Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1979	1980	1981	1981		1982		
				Sept	Dec	Mar	June[r]	Sept[p]
1 **Total**	**17,433[r]**	**22,226[r]**	**22,480[r]**	**23,608[r]**	**22,480[r]**	**22,393[r]**	**20,965**	**21,439**
2 Payable in dollars	14,323	18,481	18,758[r]	20,377[r]	18,758[r]	19,623[r]	18,182	18,320
3 Payable in foreign currencies	3,110[r]	3,745[r]	3,722[r]	3,230[r]	3,722[r]	2,770[r]	2,783	3,119
By type								
4 Financial liabilities	7,523[r]	11,330[r]	12,117[r]	13,084[r]	12,117[r]	12,599[r]	10,028	10,707
5 Payable in dollars	5,223	8,528	9,446[r]	10,688	9,446[r]	10,627[r]	8,066	8,399
6 Payable in foreign currencies	2,300[r]	2,802[r]	2,671[r]	2,396[r]	2,671[r]	1,972[r]	1,961	2,308
7 Commercial liabilities	9,910	10,896	10,363[r]	10,524[r]	10,363[r]	9,794[r]	10,937	10,732
8 Trade payables	4,591	4,993	4,720	4,430	4,720	4,022	5,027	4,526
9 Advance receipts and other liabilities	5,320	5,903	5,643[r]	6,094[r]	5,643[r]	5,773[r]	5,910	6,206
10 Payable in dollars	9,100	9,953	9,312[r]	9,689[r]	9,312[r]	8,996[r]	10,115	9,921
11 Payable in foreign currencies	811	943	1,052	835	1,052	798	822	811
By area or country								
Financial liabilities								
12 Europe	4,665[r]	6,481[r]	6,819[r]	7,968[r]	6,819[r]	7,883[r]	5,947	6,389
13 Belgium-Luxembourg	338[r]	479[r]	471[r]	507[r]	471[r]	605[r]	518	494
14 France	175	327	709	929	709	924	581	672
15 Germany	497	582	491	430	491	503	439	446
16 Netherlands	829	681	748	664	748	755	517	759
17 Switzerland	170	354	715	465	715	707	661	670
18 United Kingdom	2,477	3,923	3,559	4,800	3,559	4,282	3,084	3,212
19 Canada	532	964	958	977	958	914	758	702
20 Latin America and Caribbean	1,514	3,136	3,356[r]	3,293	3,356[r]	3,333[r]	2,805	2,969
21 Bahamas	404	964	1,279	1,019	1,279	1,095	1,003	933
22 Bermuda	81	1	7	6	7	6	7	14
23 Brazil	18	23	22	20	22	27	24	28
24 British West Indies	516	1,452	1,241	1,398	1,241	1,469	1,044	981
25 Mexico	121	99	102	107	102	67	83	85
26 Venezuela	72	81	98	90	98	97	100	104
27 Asia	804	723	957	814	957	455	502	631
28 Japan	726	644	792	696	792	293	340	424
29 Middle East oil-exporting countries[2]	31	38	75	51	75	63	66	67
30 Africa	4	11	3	3	3	2	3	3
31 Oil-exporting countries[3]	1	1	0	1	0	0	0	0
32 All other[4]	4	15	24	29	24	12	11	13
Commercial liabilities								
33 Europe	3,709	4,402	3,771	3,963	3,771	3,422	3,742	3,862
34 Belgium-Luxembourg	137	90	71	79	71	50	47	50
35 France	467	582	573	575	573	504	700	759
36 Germany	545	679	545	590	545	473	457	431
37 Netherlands	227	219	221	239	221	232	248	281
38 Switzerland	316	499	424	569	424	400	412	358
39 United Kingdom	1,080	1,209	880	925	880	824	850	904
40 Canada	924	888	897	853	897	884	1,116	1,188
41 Latin America and Caribbean	1,325	1,300	1,044[r]	1,137[r]	1,044[r]	817[r]	1,418	1,219
42 Bahamas	69	8	2	3	2	22	20	6
43 Bermuda	32	75	67	113	67	71	102	48
44 Brazil	203	111	67	61	67	83	62	128
45 British West Indies	21	35	2	11	2	27	2	3
46 Mexico	257	367	340	392	340	210	727	484
47 Venezuela	301	319	276	273	276	194	219	269
48 Asia	2,991	3,034	3,285	3,221	3,285	3,404	3,298	3,201
49 Japan	583	802	1,094	775	1,094	1,090	1,064	1,133
50 Middle East oil-exporting countries[2]	1,014	890	910	881	910	998	958	821
51 Africa	728	817	703	757	703	664	732	668
52 Oil-exporting countries[3]	384	517	344	355	344	247	340	248
53 All other[4]	233	456	664	593	664	604	630	595

1 For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p 550

2 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

3 Comprises Algeria, Gabon, Libya, and Nigeria

4 Includes nonmonetary international and regional organizations

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

Millions of dollars, end of period

Type, and area or country	1979	1980	1981	1981 Sept	1981 Dec	1982 Mar	1982 June[r]	1982 Sept[p]
1 **Total**	**31,299r**	**34,482r**	**35,672r**	**34,170r**	**35,672r**	**30,203r**	**30,483**	**29,428**
2 Payable in dollars	28,096r	31,528r	32,071r	31,161r	32,071r	27,564r	27,983	26,734
3 Payable *in foreign currencies*	3,203r	2,955r	3,601r	3,010r	3,601r	2,639r	2,500	2,694
By type								
4 Financial claims	18,398r	19,763r	20,742r	19,171r	20,742r	17,748r	18,360	17,714
5 Deposits	12,858r	14,166r	14,688r	13,611r	14,688r	12,730r	13,603	12,608
6 Payable in dollars	11,936	13,381r	14,057r	12,876r	14,057r	12,267r	13,229	12,194
7 Payable *in foreign currencies*	923r	785r	631r	734r	631r	463r	374	413
8 Other financial claims	5,540r	5,597r	6,054r	5,561r	6,054r	5,018r	4,757	5,106
9 Payable in dollars	3,714r	3,914r	3,600r	3,867r	3,600r	3,362r	3,189	3,419
10 Payable in foreign currencies	1,826	1,683	2,454	1,694r	2,454	1,656r	1,568	1,687
11 Commercial claims	12,901	14,720	14,930r	14,999r	14,930r	12,455r	12,122	11,714
12 Trade receivables	12,185	13,960	13,965r	14,062r	13,965r	11,493r	11,069	10,709
13 Advance payments and other claims	716	759	965	937	965	962r	1,053	1,005
14 Payable in dollars	12,447	14,233	14,414r	14,417r	14,414r	11,935r	11,565	11,121
15 Payable in foreign currencies	454	487	516	582	516	520	557	593
By area or country								
Financial claims								
16 Europe	6,179r	6,069r	4,515r	4,515r	4,515r	4,506r	4,661	4,728
17 Belgium-Luxembourg	32	145	43	43	43	16	13	16
18 France	177	298r	285r	285r	285r	375r	313	305
19 Germany	409	230	224	224	224	197	148	174
20 Netherlands	53	51	50	50	50	79	56	52
21 Switzerland	73	54r	57r	43r	57r	53	63	60
22 United Kingdom	5,099r	4,987r	3,525r	3,525r	3,525r	3,549r	3,795	3,749
23 Canada	5,003r	5,036r	6,628r	6,040r	6,628r	4,942r	4,365	4,322
24 Latin America and Caribbean	6,312	7,811	8,615	7,762	8,615	7,432	8,312	7,630
25 Bahamas	2,773	3,477	3,925	3,284	3,925	3,537	3,845	3,366
26 Bermuda	30	135	18	15	18	27	42	19
27 Brazil	163	96	30	66	30	49	76	76
28 British West Indies	2,011	2,755	3,503	3,315	3,503	2,797	3,504	3,171
29 Mexico	157	208	313	283	313	281	274	268
30 Venezuela	143	137	148	143	148	130	134	133
31 Asia	601	60	762r	501r	762r	670r	800	825
32 Japan	199	189	366r	113r	366r	257r	327	247
33 Middle East oil-exporting countries[2]	16	20	37	29	37	36	33	30
34 Africa	258	208	173	169	173	164	156	165
35 Oil-exporting countries[3]	49	26	46	41	46	43	41	50
36 All other[4]	44	32	48r	116	48r	34	66	44
Commercial claims								
37 Europe	4,922	5,544	5,359	5,378	5,359	4,381	4,273	4,164
38 Belgium-Luxembourg	202	233	234	220	234	246	211	178
39 France	727	1,129	776	767	776	698	636	646
40 Germany	593	599	557	582	557	452	392	408
41 Netherlands	298	318	303	308	303	227	297	277
42 Switzerland	272	354	427	404	427	354	384	258
43 United Kingdom	901	929	969	1,034	969	1,062	905	1,036
44 Canada	859	914	967	1,017	967	943	713	665
45 Latin America and Caribbean	2,879	3,766	3,479r	3,734r	3,479r	2,925r	2,787	2,772
46 Bahamas	21	21	12	18	12	80	30	13
47 Bermuda	197	108	223	241	223	212	225	154
48 Brazil	645	861	668	726	668	417	423	481
49 British West Indies	16	34	12	13	12	23	10	7
50 Mexico	708	1,102	1,022	985	1,022	762	750	869
51 Venezuela	343	410	424	456	424	396	383	373
52 Asia	3,451	3,522	3,914	3,700	3,914	3,155	3,323	3,027
53 Japan	1,177	1,052	1,244	1,129	1,244	1,160	1,213	866
54 Middle East oil-exporting countries[2]	765	825	901	829	901	757	806	775
55 Africa	551	653	750	717	750	587	614	638
56 Oil-exporting countries[3]	130	153	152	154	152	143	138	148
57 All other[4]	240	321	461	453	461	463	413	448

1 For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p 550

2 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

3 Comprises Algeria, Gabon, Libya, and Nigeria

4 Includes nonmonetary international and regional organizations

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1981	1982	1983 Jan.–Feb.	1982 Aug.	Sept.	Oct.	Nov.	Dec.	1983 Jan.	Feb.p
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	40,686	41,901r	10,642	3,183	4,292	5,967	5,581	5,839r	5,141	5,500
2 Foreign sales	34,856	37,950	8,918	2,650	4,399	5,675	5,245	4,868	4,376	4,542
3 Net purchases, or sales (−)	**5,830**	**3,951r**	**1,724**	**532**	**−107**	**292**	**336**	**971r**	**765**	**958**
4 Foreign countries	**5,803**	**3,866r**	**1,693**	**530**	**−110**	**282**	**325**	**946r**	**755**	**938**
5 Europe	3,662	2,596r	1,473	272	−268	175	69	672r	586	887
6 France	900	−143	99	−7	−43	−30	−8	43	47	52
7 Germany	−22	333	221	−12	−43	47	26	138	84	137
8 Netherlands	42	−60	10	12	−62	−102	−24	25	2	8
9 Switzerland	288	−529	435	−53	−144	−118	−208	226	211	223
10 United Kingdom	2,235	3,129r	620	366	73	435	317	242r	183	437
11 Canada	783	222	151	73	115	5	72	154	90	61
12 Latin America and Caribbean	−30	304	79	121	−82	142	54	39	−5	84
13 Middle East[1]	1,140	368	−70	101	134	−98	9	−153	−57	−13
14 Other Asia	287	244	27	−43	−16	22	112	210	118	−91
15 Africa	7	2	9	1	0	0	2	3	6	4
16 Other countries	−46	131	24	5	6	35	7	22	18	6
17 Nonmonetary international and regional organizations	**27**	**85**	**30**	**2**	**3**	**10**	**11**	**25**	**10**	**21**
BONDS[2]										
18 Foreign purchases	17,290	21,431	4,134	1,513	2,088	2,778	2,099	2,099	1,933	2,201
19 Foreign sales	12,247	20,340	4,518	1,760	2,230	2,939	2,280	2,457	2,278	2,240
20 Net purchases, or sales (−)	**5,043**	**1,091**	**−384**	**−247**	**−142**	**−162**	**−181**	**−358**	**−345**	**−39**
21 Foreign countries	**4,976**	**1,118**	**−357**	**−111**	**−106**	**−202**	**−190**	**−348**	**−343**	**−14**
22 Europe	1,356	1,736	−385	−27	−279	429	−236	−158	−189	−196
23 France	11	296	−23	−18	25	−16	24	146	−21	−2
24 Germany	848	2,122	−131	106	86	190	11	43	−96	−35
25 Netherlands	70	29	16	0	−10	−2	−4	−1	16	0
26 Switzerland	108	161	91	32	−24	−4	−13	44	29	62
27 United Kingdom	181	−1,085	−250	−109	−380	240	−327	−461	−105	−145
28 Canada	−12	25	25	4	2	−152	10	−2	11	15
29 Latin America and Caribbean	132	160	34	18	19	−15	28	−6	23	11
30 Middle East[1]	3,465	−769	−125	−78	193	−435	−20	−177	−211	86
31 Other Asia	44	−23	95	−31	−47	−30	28	−5	23	72
32 Africa	−1	−19	−1	0	0	0	0	0	0	−1
33 Other countries	−7	7	0	2	5	0	0	−1	0	0
34 Nonmonetary international and regional organizations	**66**	**−28**	**−27**	**−136**	**−36**	**41**	**10**	**−10**	**−2**	**−25**
	Foreign securities									
35 Stocks, net purchases, or sales (−)	−188	−1,334	−560	11	−160	−308	−740	−272	−320	−240
36 Foreign purchases	9,281	7,151	2,059	532	545	706	772	927	1,032	1,027
37 Foreign sales	9,469	8,485	2,619	520	705	1,014	1,512	1,199	1,352	1,267
38 Bonds, net purchases, or sales (−)	−5,449	−6,610	−276	−1,353	−1,157	−1,331	−463	−417	22	−298
39 Foreign purchases	17,553	29,959	6,980	3,279	3,064	3,058	2,948	2,962	2,881	4,098
40 Foreign sales	23,003	36,569	7,255	4,632	4,222	4,389	3,411	3,379	2,859	4,396
41 Net purchases, or sales (−), of stocks and bonds	**−5,637**	**−7,944**	**−836**	**−1,342**	**−1,317**	**−1,639**	**−1,204**	**−689**	**−298**	**−538**
42 Foreign countries	**−4,625**	**−6,756**	**−1,122**	**−1,144**	**−810**	**−1,247**	**−1,173**	**−736**	**−273**	**−850**
43 Europe	−707	−2,489	−1,027	−128	−271	−517	−572	−555	−307	−720
44 Canada	−3,697	−2,376	−469	−678	−299	−181	−12	−29	−20	−449
45 Latin America and Caribbean	69	336	603	49	−65	−268	−62	29	258	345
46 Asia	−322	−1,853	−230	−433	241	−283	−536	−195	−193	−37
47 Africa	−55	−9	12	17	1	0	4	4	−9	21
48 Other countries	87	−364	−12	29	−416	3	5	10	−2	−10
49 Nonmonetary international and regional organizations	**−1,012**	**−1,188**	**286**	**−198**	**−507**	**−392**	**−31**	**47**	**−26**	**312**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1981	1982	1983 Jan.-Feb.	1982 Aug	1982 Sept	1982 Oct	1982 Nov	1982 Dec	1983 Jan	1983 Feb.p
	Holdings (end of period)[1]									
1 **Estimated total**[2]	**70,201**	**85,346**	....	**80,694**	**82,345**	**84,047**	**84,844**	**85,346**	**85,635**	**86,234**
2 Foreign countries[2]	64,530	80,541r	.	76,722	78,339	79,132	79,402	80,541r	80,809	82,054
3 Europe[2]	23,976	29,214		27,722	28,805	29,023	29,388	29,214	29,796	30,980
4 Belgium-Luxembourg	543	447		576	551	834	448	447	716	-87
5 Germany[2]	11,861	14,841	.	13,959	14,520	14,493	14,704	14,841	15,151	16,650
6 Netherlands	1,955	2,702		2,302	2,333	2,315	2,420	2,702	2,787	2,958
7 Sweden	643	667		644	635	655	687	667	668	681
8 Switzerland[2]	846	1,540		1,100	1,233	1,266	1,532	1,540	1,013	1,039
9 United Kingdom	6,709	6,554		7,129	7,362	7,242	7,104	6,554	6,726	6,943
10 Other Western Europe	1,419	2,464		2,012	2,171	2,218	2,493	2,464	2,736	2,792
11 Eastern Europe	0	0		0	0	0	0	0	0	2
12 Canada	514	602		353	428	482	552	602	649	639
13 Latin America and Caribbean	736	1,076		1,166	1,204	1,086	1,231	1,076	1,067	1,051
14 Venezuela	286	188	.	222	221	204	172	188	190	74
15 Other Latin America and Caribbean	319	656		611	771	657	759	656	720	793
16 Netherlands Antilles	131	232	.	333	211	225	300	232	156	185
17 Asia	38,671	49,516r		47,165	47,682	48,302	48,093	49,516r	49,160	49,270
18 Japan	10,780	11,562r	.	11,247	11,395	11,381	11,299	11,562r	11,640	11,692
19 Africa	631	78		305	180	180	78	78	78	81
20 All other	2	54		12	41	60	61	54	59	33
21 Nonmonetary international and regional organizations	5,671	4,805r		3,972	4,006	4,915	5,442	4,805r	4,826	4,180
22 International	5 638	4,439		3,882	3,811	4,670	5,192	4,439	4,418	3,657
23 Latin American regional	1	6		4	4	4	-4	6	6	6
	Transactions (net purchases, or sales ( ) during period)									
24 **Total**[2]	**12,652**	**15,144**	**889**	**822**	**1,651**	**1,703**	**797**	**502**	**289**	**600**
25 Foreign countries[2]	11,568	16,011r	1,513	1,374	1,618	792	270	1,139r	268	1,245
26 Official institutions	11,694	14,516	1,599	367	1,525	641	220	1,866	20	1,579
27 Other foreign[2]	127	1,494r	85	1,007	93	152	51	727r	248	333
28 Nonmonetary international and regional organizations	1,085	-865r	625	553	33	910	526	637r	21	646
MEMO Oil-exporting countries										
29 Middle East[3]	11,156	7,537	112	257	176	209	320	303	121	233
30 Africa[4]	-289	552	0	-100	-125	0	100	0	0	0

1 Estimated official and private holdings of marketable U S Treasury securities with an original maturity of more than 1 year Data are based on a benchmark survey of holdings as of Jan 31, 1971, and monthly transactions reports Excludes nonmarketable U S Treasury bonds and notes held by official institutions of foreign countries

2 Beginning December 1978, includes U.S Treasury notes publicly issued to private foreign residents denominated in foreign currencies

3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

4 Comprises Algeria, Gabon, Libya, and Nigeria

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Mar 31, 1983 Per-cent	Rate on Mar 31, 1983 Month effective	Country	Rate on Mar 31, 1983 Per-cent	Rate on Mar 31, 1983 Month effective	Country	Rate on Mar 31, 1983 Per-cent	Rate on Mar 31, 1983 Month effective
Austria	3 75	Mar 1983	France[1]	12 5	Feb 1983	Norway	9 0	Nov 1979
Belgium	11 0	Mar 1983	Germany, Fed Rep of	4 0	Mar 1983	Switzerland	4 0	Mar 1983
Brazil	49 0	Mar 1981	Italy	18 0	Aug 1981	United Kingdom[2]		
Canada	9 51	Mar 1983	Japan	5 5	Dec 1981	Venezuela	13 0	Sept 1982
Denmark	8 5	Mar. 1983	Netherlands	3 5	Mar 1983			

1 As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days

2 Minimum lending rate suspended as of Aug 20, 1981.

NOTE Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1980	1981	1982	1982				1983		
				Sept	Oct	Nov	Dec	Jan	Feb	Mar
1 Eurodollars	14.00	16.79	12.24	11.74	10.43	9 77	9 47	8 97	9.14	9.25
2 United Kingdom	16 59	13 86	12 21	10 84	9 74	9 30	10 55	11.04	11.29	10.92
3 Canada	13 12	18 84	14 38	13.57	12 14	11 08	10 56	9 87	9.69	9.36
4 Germany	9 45	12 05	8 81	8 13	7 55	7.24	6.54	5.78	5.79	5 40
5 Switzerland	5 79	9 15	5 04	3 97	3 66	3.76	3 71	2.78	2 95	3 64
6 Netherlands	10 60	11 52	8 26	7 85	7 09	6 36	5.66	4.97	4.82	4 34
7 France	12 18	15 28	14 61	14 09	13 51	12 98	12.70	12.55	12.88	12 64
8 Italy	17 50	19.98	19 99	18.56	18.57	19 05	19 20	18 95	19 04	19 19
9 Belgium	14 06	15 28	14 10	13.06	12 75	12 50	12 25	12.25	12.25	13.32
10 Japan	11 45	7 58	6 84	7.19	6 97	6 98	6 96	6 47	6 64	6.78

NOTE Rates are for 3-month interbank loans except for Canada, finance company paper, Belgium, 3-month Treasury bills; and Japan, Gensaki rate

3.28 FOREIGN EXCHANGE RATES

Currency units per dollar

Country/currency	1980	1981	1982	1982			1983		
				Oct	Nov	Dec.	Jan.	Feb.	Mar.
1 Argentina/peso	n a.	n.a.	20985.00	29487.50	39200 00	43883.91	48916.66	50239 47	62386 95
2 Australia/dollar[1]	114 00	114 95	101 65	94 35	94 27	96.82	98 26	96.62	88 39
3 Austria/schilling	12.945	15 948	17.060	17.797	17.947	16 994	16.783	17.076	16 940
4 Belgium/franc	29 237	37 194	45.780	49 103	49 600	47 493	46.888	47.739	47 519
5 Brazil/cruzeiro	n.a	92 374	179.22	215 34	228 51	244 63	262 30	309.01	401 30
6 Canada/dollar	1 1693	1.1990	1 2344	1 2301	1 2262	1.2385	1 2287	1 2277	1.2263
7 Chile/peso	n.a.	n a	51.118	66.770	69 050	72.630	74 257	76 863	76.378
8 China, P R /yuan	n a	1 7031	1 8978	1 9887	2 0002	1.9445	1 9238	1 9653	1.9834
9 Colombia/peso	n a.	n.a.	64.071	66.856	68 168	69 526	70.762	71 751	73.179
10 Denmark/krone	5 6345	7 1350	8 3443	8 9192	8 9595	8.5275	8 4171	8.5811	8.6223
11 Finland/markka	3 7206	4 3128	4 8086	5 3480	5 5263	5.3425	5 3120	5 3907	5.4266
12 France/franc	4 2250	5.4396	6 5793	7 1557	7 2152	6.8548	6 7725	6.8855	7.0204
13 Germany/deutsche mark	1 8175	2 2631	2 428	2 5320	2.5543	2 4193	2 3893	2.4280	2 4110
14 Greece/drachma	n a	n a	66 872	71 948	72.889	70 788	80 761	83.621	83 897
15 Hong Kong/dollar	n a	5 5678	6 0697	6 6038	6 6724	6 5417	6 5252	6 6060	6 6536
16 India/rupee	7 8866	8.6807	9 4846	9 7005	9 7968	9.6926	9 7938	9 9184	9.9652
17 Indonesia/rupiah	n a	n a	660 43	670 31	680 92	687 95	694 62	700.01	714 72
18 Iran/rial	n a	79 324	n a	n a	n.a.	n.a	n a	n a	n.a
19 Ireland/pound[1]	205 77	161 32	142 05	134 35	132 91	137.69	139 16	136.81	134 79
20 Israel/shekel	n a	n a	24 407	29 860	31.344	32 966	34.863	36 986	38.867
21 Italy/lira	856 20	1138.60	1354 00	1439 94	1468 84	1398 74	1374 71	1399 78	1429.72
22 Japan/yen	226 63	220 63	249.06	271.61	264 09	241 94	232 73	236 12	238.25
23 Malaysia/ringgit	2 1767	2 3048	2.3395	2.3688	2 3647	2.3529	2.2822	2 2757	2 2898
24 Mexico/peso	22.968	24.547	72.990	108.83	130 61	147.35	150 75	157 81	161 78
25 Netherlands/guilder	1 9875	2 4998	2.6719	2.7608	2 7861	2 6698	2.6310	2 6779	2.6834
26 New Zealand/dollar[1]	97 34	86 848	75 101	71 431	71.092	72 569	72 921	71.895	66 642
27 Norway/krone	4 9381	5.7430	6 4567	7 1735	7 2397	7.0346	7 0447	7 1171	7.1852
28 Peru/sol	n.a	n.a	694 59	819 14	878 66	942.47	1019 54	1087.43	1160.19
29 Philippines/peso	n a.	7 8113	8.5324	8.7760	8 8733	9 0546	9.2632	9 4488	9 5896
30 Portugal/escudo	50 082	61 739	80 101	89 652	91.911	92 685	94.548	93.771	95 867
31 Singapore/dollar	n a	2.1053	2 1406	2 1984	2.2123	2 1522	2.0768	2 0758	2 0854
32 South Africa/rand[1]	128 54	114 77	92 297	86 20	87 77	92 03	93.82	91 04	91.64
33 South Korea/won	n a	n a	731 93	743 65	745.60	746 36	749.80	752 19	757 94
34 Spain/peseta	71 758	92 396	110.09	115 20	119 09	126.125	126 844	129 886	133 498
35 Sri Lanka/rupee	16.167	18 967	20 756	20 898	21 009	21 166	21 378	22 355	22 982
36 Sweden/krona	4.2309	5.0659	6 2838	7 1543	7.5095	7 3555	7.3227	7 4385	7.4882
37 Switzerland/franc	1 6772	1 9674	2.0327	2.1736	2 1931	2.0588	1.9679	2 0180	2 0663
38 Thailand/baht	n a	21 731	23.014	23 000	23.000	23 000	23.000	22 999	22.991
39 United Kingdom/pound[1]	232 58	202 43	174 80	169.62	163 21	161 60	157 56	153 29	149 00
40 Venezuela/bolivar	n a	4 2781	4 2981	4 2976	4 2996	4 2971	4 2973	4.3101	7 9500
MEMO									
United States/dollar[2]	87 39	102 94	116 57	123 16	124 27	119.22	117 73	119.70	120 71

1 Value in U S. cents

2 Index of weighted-average exchange value of U S dollar against currencies of other G-10 countries plus Switzerland March 1973 = 100 Weights are 1972–76 global trade of each of the 10 countries. Series revised as of August 1978 For description and back data, see "Index of the Weighted-Average Exchange Value of the U S Dollar Revision" on page 700 of the August 1978 BULLETIN.

NOTE Averages of certified noon buying rates in New York for cable tranfers

Guide to Tabular Presentation, Statistical Releases, and Special Tables

Guide to Tabular Presentation

Symbols and Abbreviations

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

General Information

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

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

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

Statistical Releases

List Published Semiannually, with Latest Bulletin Reference

	Issue	*Page*
Anticipated schedule of release dates for periodic releases	December 1982	A76

Special Tables

Published Irregularly, with Latest Bulletin Reference

Assets and liabilities of commercial banks, March 31, 1982	July 1982	A70
Assets and liabilities of commercial banks, June 30, 1982	October 1982	A70
Assets and liabilities of commercial banks, September 30, 1982	January 1983	A70
Assets and liabilities of commercial banks, December 31, 1982	April 1983	A70
Assets and liabilities of U.S. branches and agencies of foreign banks, March 31, 1982	July 1982	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, June 30, 1982	October 1982	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, September 30, 1982	January 1983	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1982	April 1983	A76

Special tables begin on next page.

4.20 DOMESTIC AND FOREIGN OFFICES, Commercial Banks with Assets of $100 Million or over[1,p]
Consolidated Report of Condition; December 31, 1982

Millions of dollars

Item	Insured	Banks with foreign offices[2]			Banks without foreign offices
		Total	Foreign offices[3]	Domestic offices	
1 **Total assets**	**1,758,723**	**1,288,454**	**389,915**	**962,967**	**470,269**
2 Cash and due from depository institutions	291,737	233,708	124,031	109,677	58,029
3 Currency and coin (U.S. and foreign)	14,744	8,882	248	8,634	5,862
4 Balances with Federal Reserve Banks	24,543	18,605	203	18,402	5,939
5 Balances with other central banks	3,599	3,599	3,407	191	(4)
6 Demand balances with commercial banks in United States	19,100	7,639	200	7,439	11,461
7 All other balances with depository institutions in United States and with banks in foreign countries	163,418	141,115	118,890	22,226	22,303
8 Time and savings balances with commercial banks in United States	22,536	13,036	8,558	4,478	9,500
9 Balances with other depository institutions in United States	727	534	464	70	193
10 Balances with banks in foreign countries	140,154	127,545	109,868	17,677	12,609
11 Foreign branches of other U.S. banks	(4)	21,600	16,927	4,673	(4)
12 Other banks in foreign countries	(4)	105,945	92,941	13,004	(4)
13 Cash items in process of collection	66,334	53,868	1,082	52,786	12,466
14 **Total securities, loans, and lease financing receivables**	**1,327,390**	**936,147**	**212,980**	**723,167**	**391,234**
15 Total securities, book value	259,142	142,490	11,195	131,294	116,643
16 U.S. Treasury	76,148	37,431	223	37,209	38,717
17 Obligations of other U.S. government agencies and corporations	40,244	16,181	21	16,161	24,063
18 Obligations of states and political subdivisions in United States	108,926	59,045	619	58,426	49,881
19 All other securities	33,823	29,832	10,333	19,499	3,991
20 Other bonds, notes, and debentures	12,767	10,065	8,044	2,021	2,703
21 Federal Reserve and corporate stock	1,924	1,428	170	1,258	497
22 Trading account securities	19,131	18,339	2,120	16,220	792
23 Federal funds sold and securities purchased under agreements to resell	74,093	41,620	819	40,801	32,472
24 Total loans, gross	1,002,817	753,085	200,210	552,875	249,732
25 LESS: Unearned income on loans	14,004	7,292	1,861	5,432	6,712
26 Allowance for possible loan loss	10,951	8,048	359	7,689	2,904
27 EQUALS: Loans, net	977,862	737,745	197,991	539,755	240,117
Total loans, gross, by category					
28 Real estate loans	230,047	141,975	8,927	133,048	88,072
29 Construction and land development	(4)	(4)	(4)	34,855	11,770
30 Secured by farmland	(4)	(4)	(4)	842	1,409
31 Secured by residential properties	(4)	(4)	(4)	70,619	48,553
32 1- to 4-family	(4)	(4)	(4)	66,794	46,133
33 FHA-insured or VA-guaranteed	(4)	(4)	(4)	4,217	2,219
34 Conventional	(4)	(4)	(4)	62,577	43,914
35 Multifamily	(4)	(4)	(4)	3,825	2,420
36 FHA-insured	(4)	(4)	(4)	228	111
37 Conventional	(4)	(4)	(4)	3,597	2,310
38 Secured by nonfarm nonresidential properties	(4)	(4)	(4)	26,731	26,340
39 Loans to financial institutions	102,325	94,854	33,631	61,223	7,471
40 REITs and mortgage companies in United States	5,451	4,858	59	4,799	593
41 Commercial banks in United States	15,182	10,555	518	10,037	4,627
42 U.S. branches and agencies of foreign banks	(4)	5,229	251	4,978	(4)
43 Other commercial banks	(4)	5,327	267	5,060	(4)
44 Banks in foreign countries	47,695	47,072	24,503	22,569	623
45 Foreign branches of other U.S. banks	(4)	580	290	290	(4)
46 Other	(4)	46,492	24,213	22,279	(4)
47 Finance companies in United States	12,024	11,523	325	11,198	501
48 Other financial institutions	21,973	20,845	8,226	12,619	1,127
49 Loans for purchasing or carrying securities	15,163	13,011	2,121	10,890	2,152
50 Brokers and dealers in securities	10,210	9,601	1,600	8,001	608
51 Other	4,953	3,409	521	2,888	1,544
52 Loans to finance agricultural production and other loans to farmers	12,487	7,181	858	6,323	5,305
53 Commercial and industrial loans	445,847	366,560	123,985	242,575	79,287
54 U.S. addressees (domicile)	(4)	234,738	17,435	217,302	(4)
55 Non-U.S. addressees (domicile)	(4)	131,822	106,549	25,273	(4)
56 Loans to individuals for household, family, and other personal expenditures	143,564	80,362	6,703	73,660	63,201
57 Installment loans	(4)	(4)	(4)	60,248	51,405
58 Passenger automobiles	(4)	(4)	(4)	16,604	21,202
59 Credit cards and related plans	(4)	(4)	(4)	23,882	10,782
60 Retail (charge account) credit card	(4)	(4)	(4)	19,831	9,335
61 Check and revolving credit	(4)	(4)	(4)	4,051	1,448
62 Mobile homes	(4)	(4)	(4)	3,146	3,420
63 Other installment loans	(4)	(4)	(4)	16,616	16,002
64 Other retail consumer goods	(4)	(4)	(4)	4,141	3,174
65 Residential property repair and modernization	(4)	(4)	(4)	3,478	3,986
66 Other installment loans for household, family, and other personal expenditures	(4)	(4)	(4)	8,997	8,842
67 Single-payment loans	(4)	(4)	(4)	13,412	11,796
68 All other loans	53,399	49,141	23,985	25,157	4,257
69 Loans to foreign government and official institutions	(4)	33,549	21,839	11,710	(4)
70 Other	(4)	15,592	2,146	13,447	(4)
71 Lease financing receivables	16,293	14,292	2,975	11,317	2,001
72 Bank premises, furniture and fixtures, and other assets representing bank premises	25,320	15,738	1,588	14,150	9,582
73 Real estate owned other than bank premises	3,183	2,005	92	1,913	1,178
74 All other assets	111,066	100,857	51,224	114,061	10,209
75 Investment in unconsolidated subsidiaries and associated companies	1,746	1,609	1,252	357	137
76 Customers' liability on acceptances outstanding	64,259	63,829	17,085	46,744	429
77 U.S. addressees (domicile)	(4)	18,518	(4)	(4)	(4)
78 Non-U.S. addressees (domicile)	(4)	45,312	(4)	(4)	(4)
79 Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	(4)	(4)	22,059	42,370	(4)
80 Other	45,061	35,418	10,829	24,590	9,643

4.20 Continued

Item	Insured	Banks with foreign offices[2]			Banks without foreign offices
		Total	Foreign offices[3]	Domestic offices	
81 **Total liabilities and equity capital[5]**	**1,758,723**	**1,288,454**	(4)	(4)	**470,269**
82 **Total liabilities excluding subordinated debt**	**1,659,954**	**1,223,814**	**389,417**	**898,825**	**436,140**
83 Total deposits	1,325,562	938,484	306,708	631,776	387,078
84 Individuals, partnerships, and corporations	1,029,144	687,061	158,673	528,388	342,083
85 U.S. government	2,631	1,680	344	1,336	951
86 States and political subdivisions in United States	57,072	27,353	741	26,612	29,719
87 All other	223,383	212,822	146,332	66,490	10,562
88 Foreign governments and official institutions	27,182	26,979	19,144	7,835	203
89 Commercial banks in United States	83,414	73,536	33,037	40,499	9,878
90 U.S. branches and agencies of foreign banks	(4)	6,791	4,515	2,276	(4)
91 Other commercial banks in United States	(4)	66,745	28,522	38,223	(4)
92 Banks in foreign countries	112,787	112,307	94,151	18,156	480
93 Foreign branches of other U.S. banks	(4)	18,485	15,585	2,900	(4)
94 Other banks in foreign countries	(4)	93,822	78,565	15,256	(4)
95 Certified and officers' checks, travelers checks, and letters of credit sold for cash	13,333	9,569	618	8,951	3,764
96 Federal funds purchased and securities sold under agreements to repurchase in domestic offices and Edge and agreement subsidiaries	171,055	135,543	269	135,274	35,513
97 Interest-bearing demand notes issued to U.S. Treasury and other liabilities for borrowed money	53,392	48,287	16,142	32,145	5,104
98 Interest-bearing demand notes (note balances) issued to U.S. Treasury	14,241	11,438	(4)	11,438	2,803
99 Other liabilities for borrowed money	39,150	36,849	16,142	20,707	2,301
100 Mortgage indebtedness and liability for capitalized leases	2,340	1,525	16	1,508	815
101 All other liabilities	107,606	99,975	66,281	98,122	7,631
102 Acceptances executed and outstanding	64,497	64,067	12,903	51,164	431
103 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	(4)	(4)	42,370	22,059	(4)
104 Other	43,108	35,909	11,009	24,900	7,200
105 Subordinated notes and debentures	6,701	5,094	470	4,624	1,607
106 Total equity capital[5]	92,068	59,546	(4)	(4)	32,521
107 Preferred stock	271	194	(4)	(4)	77
108 Common stock	17,471	11,477	(4)	(4)	5,994
109 Surplus	30,549	18,309	(4)	(4)	12,240
110 Undivided profits and reserve for contingencies and other capital reserves	43,777	29,566	(4)	(4)	14,211
111 Undivided profits	42,982	29,228	(4)	(4)	13,754
112 Reserve for contingencies and other capital reserves	794	337	(4)	(4)	457
MEMO					
Deposits in domestic offices					
113 Total demand	290,391	192,932	0	192,932	97,460
114 Total savings	211,972	114,419	0	114,419	97,552
115 Total time	516,496	324,425	0	324,425	192,071
116 Time deposits of $100,000 or more	285,671	213,838	0	213,838	71,833
117 Certificates of deposit (CDs) in denominations of $100,000 or more	242,905	175,991	0	175,991	66,914
118 Other	42,766	37,847	0	37,847	4,919
119 Savings deposits authorized for automatic transfer and NOW accounts	53,556	27,540	0	27,540	26,016
120 Money market time deposits (A) in minimum denomination of $10,000 but less than $100,000 with original maturities of 26 weeks, and (B) in minimum denomination of $7,500 but less than $100,000 with original maturities of 91 days	133,382	63,019	0	63,019	70,363
121 All savers certificates	5,717	3,056	0	3,056	2,661
122 Total Individual Retirement Accounts (IRA) and Keogh Plan accounts	12,342	6,222	0	6,222	6,120
123 Demand deposits adjusted[6]	192,903	116,021	0	116,021	76,882
124 Standby letters of credit, total	98,305	92,489	15,975	76,515	5,816
125 U.S. addressees (domicile)	(4)	70,943	(4)	(4)	(4)
126 Non-U.S. addressees (domicile)	(4)	21,546	(4)	(4)	(4)
127 Standby letters of credit conveyed to others through participations (included in total standby letters of credit)	8,697	8,399	790	7,609	298
128 Holdings of commercial paper included in total gross loans	(4)	(4)	(4)	357	958
Average for 30 calendar days (or calendar month) ending with report date					
129 Total assets	1,730,139	1,272,078	341,489	930,590	458,060
130 Cash and due from depository institutions	288,708	234,139	124,180	109,959	54,569
131 Federal funds sold and securities purchased under agreements to resell	70,767	41,912	909	41,002	28,855
132 Total loans	976,631	736,174	198,134	538,041	240,456
133 Total deposits	1,301,582	926,476	313,291	613,184	375,106
134 Time CDs in denominations of $100,000 or more in domestic offices	253,328	(4)	(4)	185,579	67,750
135 Federal funds purchased and securities sold under agreements to repurchase	173,559	137,851	336	137,515	35,708
136 Other liabilities for borrowed money	37,320	35,193	15,890	19,304	2,127
137 Number of banks	1,689	196	196	196	1,493

For notes see end of table.

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of $100 Million or over [1,7p]
Consolidated Report of Condition; December 31, 1982
Millions of dollars

	Item	Insured	Member banks			Non-member insured
			Total	National	State	
1	**Total assets**	**1,433,236**	**1,220,185**	**920,209**	**299,976**	**213,051**
2	Cash and due from depository institutions	167,706	145,480	105,922	39,558	22,227
3	Currency and coin (U S and foreign)	14,495	12,436	9,684	2,753	2,059
4	Balances with Federal Reserve Banks	24,340	23,224	16,551	6,672	1,117
5	Balances with other central banks	191	191	134	57	*
6	Demand balances with commercial banks in United States	18,900	12,874	10,305	2,568	6,026
7	All other balances with depository institutions in United States and with banks in foreign countries	44,528	34,475	26,517	7,958	10,053
8	Time and savings balances with commercial banks in United States	13,979	9,819	7,823	1,996	4,160
9	*Balances with other depository institutions in United States*	264	146	104	43	117
10	Balances with banks in foreign countries	30,286	24,510	18,591	5,919	5,776
11	Cash items in process of collection	65,252	62,280	42,729	19,550	2,972
12	**Total securities, loans, and lease financing receivables**	**1,114,401**	**935,914**	**712,301**	**223,613**	**178,487**
13	Total securities, book value	247,938	196,000	148,197	47,803	51,938
14	U S Treasury	75,926	58,828	44,570	14,258	17,098
15	Obligations of other U S government agencies and corporations	40,224	29,032	24,136	4,896	11,192
16	Obligations of states and political subdivisions in United States	108,307	86,910	65,610	21,300	21,397
17	All other securities	23,490	21,230	13,881	7,349	2,260
18	Other bonds, notes, and debentures	4,724	2,899	2,181	719	1,824
19	Federal Reserve and corporate stock	1,755	1,570	1,186	384	185
20	Trading account securities	17,011	16,760	10,514	6,246	251
21	Federal funds sold and securities purchased under agreements to resell	73,274	62,122	47,718	14,404	11,152
22	Total loans, gross	802,607	684,351	521,476	162,875	118,255
23	LESS. Unearned income on loans	12,143	9,387	7,107	2,280	2,756
24	Allowance for possible loan loss	10,592	9,277	7,008	2,268	1,315
25	EQUALS Loans, net	779,872	665,688	507,361	158,327	114,184
	Total loans, gross, by category					
26	Real estate loans	221,120	178,446	146,841	31,606	42,673
27	Construction and land development	46,625	39,629	31,079	8,550	6,996
28	Secured by farmland	2,251	1,664	1,489	175	588
29	Secured by residential properties	119,173	96,327	80,687	15,639	22,846
30	1- to 4-family	112,927	91,344	76,611	14,733	21,583
31	FHA-insured or VA-guaranteed	6,435	5,662	4,666	996	774
32	Conventional	106,492	85,682	71,945	13,738	20,809
33	Multifamily	6,245	4,982	4,076	906	1,263
34	FHA-insured	338	237	127	109	102
35	Conventional	5,907	4,746	3,949	797	1,161
36	Secured by nonfarm nonresidential properties	53,071	40,828	33,587	7,241	12,243
37	Loans to financial institutions	68,693	64,100	40,458	23,641	4,594
38	REITs and mortgage companies in United States	5,391	5,139	3,855	1,283	253
39	Commercial banks in United States	14,664	11,636	8,385	3,251	3,028
40	Banks in foreign countries	23,192	22,600	12,618	9,982	592
41	Finance companies in United States	11,699	11,404	7,242	4,162	295
42	Other financial institutions	13,747	13,321	8,359	4,963	425
43	Loans for purchasing or carrying securities	13,042	12,451	7,140	5,311	591
44	Brokers and dealers in securities	8,610	8,396	4,110	4,285	214
45	Other	4,432	4,056	3,029	1,026	377
46	Loans to finance agricultural production and other loans to farmers	11,628	10,266	9,382	884	1,363
47	Commercial and industrial loans	321,862	280,984	208,615	72,369	40,878
48	Loans to individuals for household, family, and other personal expenditures	136,861	110,843	90,759	20,084	26,018
49	Installment loans	111,653	90,338	74,658	15,680	21,315
50	Passenger automobiles	37,805	28,771	23,613	5,158	9,035
51	Credit cards and related plans	34,664	31,512	26,045	5,467	3,152
52	Retail (charge account) credit card	29,166	26,760	22,297	4,462	2,406
53	Check and revolving credit	5,498	4,752	3,747	1,005	746
54	Mobile homes	6,566	5,261	4,829	432	1,305
55	*Other installment loans*	32,618	24,795	20,172	4,623	7,823
56	Other retail consumer goods	7,316	5,876	4,836	1,040	1,439
57	Residential property repair and modernization	7,464	5,333	4,345	988	2,131
58	Other installment loans for household, family, and other personal expenditures	17,838	13,585	10,991	2,594	4,253
59	Single-payment loans	25,208	20,505	16,101	4,404	4,703
60	All other loans	29,414	27,261	18,281	8,979	2,154
61	Lease financing receivables	13,318	12,104	9,025	3,080	1,214
62	Bank premises, furniture and fixtures, and other assets representing bank premises	23,732	19,400	15,599	3,801	4,332
63	Real estate owned other than bank premises	3,091	2,509	2,044	465	582
64	All other assets	124,270	116,881	84,343	32,538	7,389
65	Investment in unconsolidated subsidiaries and associated companies	495	387	358	29	107
66	Customers' liability on acceptances outstanding	47,174	46,470	31,726	14,744	704
67	Net due from foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	42,370	40,322	31,806	8,516	2,047
68	Other	34,232	29,701	20,453	9,249	4,531

4.21 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
69 **Total liabilities and equity capital**[8]	**1,433,236**	**1,220,185**	**920,209**	**299,976**	**213,051**
70 **Total liabilities excluding subordinated debt**	**1,334,965**	**1,137,366**	**857,779**	**279,587**	**197,600**
71 Total deposits	1,018,854	839,933	648,777	191,156	178,921
72 Individuals, partnerships, and corporations	870,470	711,606	557,772	153,834	158,864
73 U.S. government	2,286	1,923	1,645	278	363
74 States and political subdivisions in United States	56,331	42,454	35,066	7,388	13,877
75 All other	77,052	73,121	47,703	25,418	3,931
76 Foreign governments and official institutions	8,038	7,813	4,174	3,639	225
77 Commercial banks in United States	50,377	47,347	33,709	13,638	3,030
78 Banks in foreign countries	18,636	17,960	9,820	8,140	676
79 Certified and officers' checks, travelers checks, and letters of credit sold for cash	12,715	10,829	6,590	4,239	1,886
80 Demand deposits	290,391	248,314	182,422	65,892	42,077
81 Mutual savings banks	1,315	1,162	608	554	153
82 Other individuals, partnerships, and corporations	226,406	190,015	141,928	48,088	36,390
83 U S government	1,324	1,098	899	200	226
84 States and political subdivisions in United States	10,323	8,492	6,813	1,679	1,831
85 All other	38,310	36,718	25,585	11,133	1,592
86 Foreign governments and official institutions	1,001	957	661	296	44
87 Commercial banks in United States	30,913	29,594	22,084	7,510	1,318
88 Banks in foreign countries	6,396	6,167	2,839	3,328	229
89 Certified and officers' checks, travelers checks, and letters of credit sold for cash	12,715	10,829	6,590	4,239	1,886
90 Time deposits	516,496	423,433	329,019	94,413	93,063
91 Mutual savings banks	169	147	96	51	22
92 Other individuals, partnerships, and corporations	433,044	353,961	279,327	74,634	79,083
93 U S government	903	775	698	77	128
94 States and political subdivisions in United States	43,718	32,212	26,842	5,369	11,506
95 All other	38,662	36,338	22,056	14,282	2,324
96 Foreign governments and official institutions	7,007	6,827	3,483	3,343	180
97 Commercial banks in United States	19,416	17,718	11,592	6,126	1,697
98 Banks in foreign countries	12,240	11,793	6,981	4,812	447
99 Savings deposits	211,972	168,192	137,341	30,851	43,780
100 Mutual savings banks	30	4	3	*	27
101 Other individuals, partnerships, and corporations	209,512	166,322	135,815	30,507	43,189
102 Individuals and nonprofit organizations	195,174	155,672	126,993	28,678	39,502
103 Corporations and other profit organizations	14,338	10,651	8,822	1,829	3,687
104 U S. government	60	50	49	1	10
105 States and political subdivisions in United States	2,290	1,751	1,411	340	540
106 All other	80	65	62	3	15
107 Foreign governments and official institutions	31	30	30	1	1
108 Commercial banks in United States	49	35	32	2	14
109 Banks in foreign countries	*	*	*	*	*
110 Federal funds purchased and securities sold under agreements to repurchase	170,786	159,737	114,013	45,724	11,049
111 Interest-bearing demand notes issued to U S Treasury and other liabilities for borrowed money	37,249	35,041	22,747	12,294	2,209
112 Interest-bearing demand notes (note balances) issued to U S Treasury	14,241	13,183	10,064	3,119	1,059
113 Other liabilities for borrowed money	23,008	21,858	12,683	9,174	1,150
114 Mortgage indebtedness and liability for capitalized leases	2,324	1,914	1,622	292	410
115 All other liabilities	105,753	100,741	70,620	30,121	5,012
116 Acceptances executed and outstanding	51,595	50,890	36,092	14,797	705
117 Net due to foreign branches, foreign subsidiaries, Edge and agreement subsidiaries	22,059	21,109	13,961	7,148	950
118 Other	32,100	28,742	20,567	8,175	3,357
119 Subordinated notes and debentures	6,231	5,153	3,424	1,729	1,078
120 **Total equity capital**[8]	**92,040**	**77,666**	**59,006**	**18,660**	**14,373**
MEMO					
121 Time deposits of $100,000 or more	285,671	244,282	180,236	64,046	41,388
122 Certificates of deposit (CDs) in denominations of $100,000 or more	242,905	204,307	154,323	49,984	38,598
123 Other	42,766	39,976	25,914	14,062	2,790
124 Savings deposits authorized for automatic transfer and NOW accounts	53,556	42,530	34,518	8,012	11,026
125 Money market time deposits (A) in minimum denomination of $10,000 but less than $100,000 with original maturities of 26 weeks, and (B) in minimum denomination of $7,500 but less than $100,000 with original maturities of 91 days	133,382	103,828	86,727	17,101	29,554
126 All savers certificates	5,717	4,509	3,712	797	1,208
127 Total Individual Retirement Accounts (IRA) and Keogh Plan accounts	12,342	9,684	7,895	1,789	2,658
128 Demand deposits adjusted[6]	192,903	155,342	116,709	38,632	37,561
129 Standby letters of credit	82,331	79,216	49,652	29,564	3,115
130 Conveyed to others through participation (included in standby letters of credit)	7,907	7,818	5,580	2,238	89
131 Holdings of commercial paper included in total gross loans	1,315	842	655	187	473
Average for 30 calendar days (or calendar month) ending with report date					
132 Total assets	1,388,650	1,180,874	889,603	291,271	207,776
133 Cash and due from depository institutions	164,528	143,691	105,094	38,596	20,838
134 Federal funds sold and securities purchased under agreements to resell	69,858	60,166	44,932	15,234	9,692
135 Total loans	778,497	663,650	503,318	160,333	114,847
136 Total deposits	988,291	814,483	628,553	185,929	173,808
137 Time CDs in denominations of $100,000 or more in domestic offices	253,328	213,767	161,843	51,924	39,562
138 Federal funds purchased and securities sold under agreements to repurchase	173,223	161,725	117,112	44,613	11,498
139 Other liabilities for borrowed money	21,431	20,248	11,463	8,785	1,183
140 Number of banks	1,689	1,056	881	175	633

For notes see end of table

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities[1,p]
Consolidated Report of Condition; December 31, 1982

Millions of dollars

Item	Insured	Member banks			Nonmember insured
		Total	National	State	
1 **Total assets**	**1,861,199**	**1,398,810**	**1,069,984**	**328,826**	**462,389**
2 Cash and due from depository institutions	207,313	163,529	121,145	42,384	43,784
3 Currency and coin (U.S. and foreign)	19,529	14,696	11,575	3,121	4,833
4 Balances with Federal Reserve Banks	26,665	25,179	18,192	6,987	1,487
5 Balances with other central banks	191	191	134	57	*
6 Demand balances with commercial banks in United States	34,829	18,337	14,993	3,344	16,492
7 All other balances with depository institutions in United States and with banks in foreign countries	57,883	41,036	32,062	8,974	16,847
8 Cash items in process of collection	68,213	64,087	44,189	19,898	4,126
9 **Total securities, loans, and lease financing receivables**	**1,484,200**	**1,088,821**	**840,415**	**248,407**	**395,378**
10 Total securities, book value	373,394	247,849	191,657	56,192	125,546
11 U.S. Treasury	117,782	76,137	58,821	17,316	41,646
12 Obligations of other U.S. government agencies and corporations	76,262	43,516	36,178	7,338	32,746
13 Obligations of states and political subdivisions in United States	154,003	106,115	82,076	24,039	47,888
14 All other securities	25,348	22,081	14,582	7,499	3,267
15 Federal funds sold and securities purchased under agreements to resell	102,807	75,097	58,505	16,592	27,710
16 Total loans, gross	1,025,567	775,897	598,232	177,665	249,670
17 LESS: Unearned income on loans	18,512	12,103	9,377	2,726	6,409
18 Allowance for possible loan loss	12,806	10,232	7,821	2,412	2,574
19 EQUALS: Loans, net	994,260	753,562	581,034	172,528	240,699
Total loans, gross, by category					
20 Real estate loans	298,162	209,661	172,622	37,039	88,501
21 Construction and land development	52,225	41,594	32,825	8,769	10,631
22 Secured by farmland	8,362	3,719	3,117	601	4,643
23 Secured by residential properties	165,447	115,953	96,743	19,210	49,495
24 1- to 4-family	157,821	110,447	92,226	18,221	47,374
25 Multifamily	7,627	5,506	4,517	989	2,121
26 *Secured by nonfarm nonresidential properties*	72,127	48,395	39,937	8,459	23,731
27 Loans to financial institutions	73,220	66,094	42,210	23,884	7,126
28 Loans for purchasing or carrying securities	13,705	12,717	7,368	5,350	988
29 Loans to finance agricultural production and other loans to farmers	36,130	19,504	16,974	2,529	16,627
30 Commercial and industrial loans	379,566	304,766	229,030	75,735	74,800
31 Loans to individuals for household, family, and other personal expenditures	191,618	134,308	110,452	23,856	57,311
32 Installment loans	151,958	107,916	89,423	18,493	44,042
33 Passenger automobiles	58,231	37,466	30,923	6,543	20,765
34 Credit cards and related plans	36,697	32,845	27,152	5,693	3,852
35 Mobile homes	9,760	6,690	6,025	665	3,071
36 *All other installment loans for household, family, and other personal expenditures*	47,270	30,916	25,323	5,593	16,355
37 Single-payment loans	39,660	26,391	21,028	5,363	13,269
38 All other loans	33,174	28,846	19,576	9,270	4,328
39 Lease financing receivables	13,738	12,314	9,218	3,095	1,424
40 Bank premises, furniture and fixtures, and other assets representing bank premises	32,301	22,971	18,608	4,363	9,331
41 Real estate owned other than bank premises	4,281	2,959	2,406	553	1,322
42 All other assets	133,077	120,530	87,410	33,120	12,546

4.22 Continued

Item	Insured	Member banks			Non-member insured
		Total	National	State	
43 **Total liabilities and equity capital**[8]	**1,861,199**	**1,398,810**	**1,069,984**	**328,826**	**462,389**
44 **Total liabilities excluding subordinated debt**	**1,726,011**	**1,300,598**	**994,640**	**305,957**	**425,413**
45 Total deposits	1 393,696	995,174	779,122	216,052	398,522
46 Individuals, partnerships, and corporations	1,209,705	852 690	676,236	176,454	357,015
47 U S government	3,006	2,226	1,912	315	780
48 States and political subdivisions in United States	86,393	54,115	44,915	9,200	32,273
49 All other	78,409	73 846	48,243	25,603	4,562
50 Certified and officers' checks, travelers checks, and letters of credit sold for cash	16,174	12 288	7,808	4,480	3,886
51 Demand deposits	369,933	281,833	210,784	71,050	88,100
52 Individuals, partnerships, and corporations	297,324	220,372	167,296	53,076	76,952
53 U S government	1,879	1,333	1,106	227	546
54 States and political subdivisions in United States	15,557	10,666	8,645	2,021	4,891
55 All other	38,990	37,165	25,921	11,244	1,825
56 Certified and officers' checks, travelers checks, and letters of credit sold for cash	16,174	12 288	7,808	4,480	3,886
57 Time deposits	720,398	506,164	398,352	107,812	214,234
58 Other individuals, partnerships, and corporations	614,176	428,086	341,365	86,721	186,090
59 U.S government	1,051	838	752	86	212
60 States and political subdivisions in United States	65,881	40 648	33,996	6,651	25,234
61 All other	39,291	36 593	22,239	14,354	2,698
62 Savings deposits	303,370	207,183	169,991	37,192	96,187
63 Corporations and other profit organizations	17,962	12,101	10,014	2,086	5,862
64 Other individuals, partnerships, and corporations	280,254	192,145	157,575	34,571	88,109
65 U S. government	77	55	53	2	21
66 States and political subdivisions in United States	4,957	2,802	2,274	528	2,156
67 All other	120	80	75	5	40
68 Federal funds purchased and securities sold *under agreements to repurchase*	178,849	164,191	117,632	46,558	14,659
69 Interest-bearing demand notes (note balances) issued to U S Treasury and other liabilities for borrowed money	38,861	35,875	23,356	12,519	2,986
70 Mortgage indebtedness and liability for capitalized leases	2,737	2,064	1,744	319	673
71 All other liabilities	111,869	103,295	72,794	30,501	8,574
72 Subordinated notes and debentures	6,787	5,388	3,632	1,755	1,399
73 **Total equity capital**[8]	**128,390**	**92,813**	**71,703**	**21,110**	**35,577**
MEMO ITEMS					
74 Time deposits of $100,000 or more	333,175	263,172	196,490	66,682	70,003
75 Certificates of deposit (CDs) in denominations of $100,000 or more	287,019	221,830	169,367	52,462	65,189
76 Other	46,156	41,342	27,123	14,220	4,814
77 Savings deposits authorized for automatic transfer and NOW accounts	83,242	55,046	45,151	9,895	28,196
78 Money market time deposits (A) in minimum denomination of $10,000 but less than $100,000 with original maturities of 26 weeks, and (B) in minimum denomination of $7,500 but less than $100,000 with original maturities of 91 days	225,901	141,583	118,287	23,296	84,319
79 All savers certificates	8,499	5,639	4,651	988	2,860
80 Total Individual Retirement Accounts (IRA) and Keogh plan accounts	17,690	11,837	9,711	2,126	5,853
81 Demand deposits adjusted[6]	268,251	186,373	143,069	43,304	81,878
82 Total standby letters of credit	84,219	79,974	50,298	29,675	4,245
Average for 30 calendar days (or calendar month) ending with report date					
83 Total deposits	1,356,061	966,452	756,145	210,307	389,609
84 Number of banks	14,436	5,618	4,579	1,039	8,818

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

Beginning Dec 3, 1981, depository institutions may establish international banking facilities (*IBFs*) *Activity of IBFs established by U S commercial banks* is reflected in the appropriate asset and liability line items in the domestic office portion of the tables. Activity of IBFs established by Edge Act and Agreement subsidiaries of U.S. commercial banks is reflected in the appropriate asset and liability line items in the foreign office portion of the tables When there is a column for fully consolidated foreign and domestic data, activity of IBFs is reflected *in the appropriate asset and liability line items in that portion of the* tables.

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

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

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

5 *Equity capital* is *not* allocated between the domestic and foreign offices of banks with foreign offices

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

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

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

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1982[1]

Millions of dollars

Item	All states[2]			New York		California, total[3]	Illinois, branches	Other states[2]	
	Total	Branches[4]	Agencies	Branches[4]	Agencies			Branches	Agencies
1 **Total assets[5]**	**207,704**	**153,574**	**54,130**	**135,137**	**9,236**	**41,201**	**9,649**	**7,710**	**4,772**
2 Cash and due from depository institutions	30,956	28,182	2,774	26,573	780	1,863	1,292	255	194
3 Currency and coin (U.S and foreign)	20	17	3	13	1	1	2	1	1
4 Balances with Federal Reserve Banks	1,305	1,192	113	1,049	65	42	32	103	14
5 Balances with other central banks	18	15	3	15	0	3	0	0	0
6 Demand balances with commercial banks in United States	1,226	1,058	168	979	82	72	39	33	22
7 All other balances with depository institutions in United States and with banks in foreign countries	28,181	25,728	2,453	24,349	608	1,736	1,217	116	156
8 Time and savings balances with commercial banks in United States	12,657	11,373	1,284	10,494	421	821	726	107	88
9 Balances with other depository institutions in United States	99	90	9	90	5	2	0	0	2
10 Balances with banks in foreign countries	15,425	14,264	1,161	13,765	182	913	491	9	66
11 Foreign branches of U S banks	1,444	1,406	38	1,362	17	21	44	0	0
12 Other banks in foreign countries	13,981	12,858	1,123	12,403	165	892	446	9	66
13 Cash items in process of collection	206	172	34	168	24	9	3	2	1
14 **Total securities, loans, and lease financing receivables**	**132,979**	**100,495**	**32,485**	**87,565**	**5,846**	**23,574**	**7,630**	**4,382**	**3,983**
15 Total securities, book value	5,974	5,482	492	5,254	206	288	191	29	6
16 U S. Treasury	3,596	3,421	176	3,353	138	41	43	22	0
17 Obligations of other U.S. government agencies and corporations	535	516	19	508	2	20	0	4	1
18 Obligations of states and political subdivisions in United States	67	62	5	45	1	1	15	1	4
19 Other bonds, notes, debentures, and corporate stock	1,775	1,484	292	1,348	65	227	133	2	1
20 Federal funds sold and securities purchased under agreements to resell	6,872	5,339	1,532	4,805	813	678	351	162	61
By holder									
21 Commercial banks in United States	5,674	4,293	1,381	3,780	752	633	330	162	16
22 Others	1,198	1,046	152	1,025	62	45	21	0	45
By type									
23 One-day maturity or continuing contract	6,689	5,157	1,532	4,624	813	678	350	162	61
24 Securities purchased under agreements to resell	336	318	18	173	18	1	20	125	0
25 Other	6,353	4,839	1,514	4,451	796	677	330	37	61
26 Other securities purchased under agreements to resell	183	182	1	181	0	1	1	0	0
27 Total loans, gross	127,179	95,132	32,047	82,415	5,652	23,326	7,448	4,358	3,979
28 LESS: *Unearned income on loans*	174	120	54	105	12	40	9	6	2
29 EQUALS: Loans, net	127,004	95,012	31,992	82,310	5,640	23,286	7,439	4,352	3,977
Total loans, gross, by category									
30 Real estate loans	5,098	2,137	2,961	1,437	26	2,052	77	504	1,003
31 Loans to financial institutions	50,134	39,781	10,353	36,447	1,914	7,989	3,035	211	539
32 Commercial banks in United States	26,940	20,640	6,300	18,584	684	5,476	1,787	198	210
33 U.S. branches and agencies of other foreign banks	24,012	18,268	5,743	16,488	425	5,193	1,547	188	171
34 Other commercial banks	2,928	2,372	556	2,096	259	283	241	10	39
35 Banks in foreign countries	21,599	17,885	3,714	16,933	969	2,449	923	12	312
36 Foreign branches of U.S. banks	852	636	216	568	91	126	68	0	0
37 Other	20,747	17,249	3,498	16,365	879	2,324	855	12	312
38 Other financial institutions	1,595	1,256	339	930	260	64	324	1	16
39 Loans for purchasing or carrying securities	873	821	52	742	52	78	0	1	0
40 Commercial and industrial loans	56,892	40,683	16,208	32,750	2,822	11,766	3,876	3,481	2,197
41 U.S. addressees (domicile)	33,137	22,811	10,326	16,590	921	8,385	3,280	2,430	1,532
42 Non-U S addressees (domicile)	23,754	17,872	5,882	16,161	1,901	3,381	596	1,051	665
43 Loans to individuals for household, family, and other personal expenditures	222	153	70	106	15	58	9	26	8
44 All other loans	13,960	11,558	2,402	10,933	824	1,384	451	135	234
45 Loans to foreign governments and official institutions	12,617	10,322	2,295	9,838	772	1,347	374	74	212
46 Other	1,343	1,236	107	1,094	52	37	77	61	22
47 Lease financing receivables	1	1	0	1	0	0	0	0	0
48 All other assets	36,897	19,558	17,339	16,194	1,796	15,085	376	2,911	535
49 Customers' liability on acceptances outstanding	11,657	8,834	2,824	8,566	387	2,382	121	126	75
50 U.S. addressees (domicile)	6,812	4,545	2,267	4,414	58	2,207	111	9	12
51 Non-U.S. addressees (domicile)	4,846	4,289	556	4,152	330	175	10	117	62
52 Net due from related banking institutions[6]	19,809	6,447	13,362	3,749	1,198	11,834	0	2,675	353
53 Other	5,431	4,277	1,154	3,879	211	870	254	110	107

4.30 Continued

Item	All states[2]			New York		California, total[3]	Illinois, branches	Other states[2]	
	Total	Branches[4]	Agencies	Branches[4]	Agencies			Branches	Agencies
54 **Total liabilities[5]**	**207,704**	**153,574**	**54,130**	**135,137**	**9,236**	**41,201**	**9,649**	**7,710**	**4,772**
55 Total deposits and credit balances	91,353	80,584	10,769	72,627	3,548	6,303	2,764	4,874	1,237
56 Individuals, partnerships, and corporations	37,731	34,844	2,887	28,815	948	1,213	1,068	4,712	975
57 U.S. addressees (domicile)	28,233	28,140	93	22,506	54	187	877	4,594	15
58 Non-U.S. addressees (domicile)	9,498	6,703	2,794	6,309	894	1,026	191	117	959
59 U S government, states, and political subdivisions in United States	91	91	0	13	0	2	1	75	0
60 All other	53,532	45,650	7,882	43,799	2,599	5,088	1,696	87	262
61 Foreign governments and official institutions	5,798	4,512	1,286	4,452	883	386	38	22	16
62 Commercial banks in United States	17,493	14,342	3,151	13,414	718	2,374	843	22	123
63 U.S. branches and agencies of other foreign banks	11,952	9,913	2,039	9,352	419	1,562	550	7	61
64 Other commercial banks in United States	5,541	4,430	1,111	4,061	299	812	293	15	62
65 Banks in foreign countries	29,496	26,156	3,340	25,327	933	2,299	799	30	109
66 Foreign branches of U.S. banks	5,842	4,967	875	4,657	383	475	292	19	17
67 Other banks in foreign countries	23,654	21,189	2,465	20,670	550	1,824	508	11	92
68 Certified and officers' checks, traveler's checks, and letters of credit sold for cash	744	639	105	607	65	29	15	13	14
69 Demand deposits	3,326	3,095	231	2,792	84	138	108	118	85
70 Individuals, partnerships, and corporations	1,641	1,541	100	1,357	18	42	86	81	58
71 U S addressees (domicile)	928	911	17	741	17	13	82	74	0
72 Non-U S. addressees (domicile)	713	630	83	616	0	29	3	7	58
73 U S government, states, and political subdivisions in United States	4	4	0	3	0	0	0	1	0
74 All other	1,681	1,550	131	1,433	66	96	22	36	27
75 Foreign governments and official institutions	185	177	8	153	0	8	1	22	0
76 Commercial banks in United States	94	94	0	38	0	54	0	1	0
77 U S. branches and agencies of other foreign banks	7	7	0	7	0	0	0	0	0
78 Other commercial banks in United States	87	87	0	31	0	54	0	1	0
79 Banks in foreign countries	659	641	18	635	1	5	6	0	12
80 Certified and officers' checks, traveler's checks, and letters of credit sold for cash	744	639	105	607	65	29	15	13	14
81 Time deposits	87,116	76,840	10,276	69,294	3,296	6,095	2,616	4,706	1,109
82 Individuals, partnerships, and corporations	35,543	32,930	2,613	27,194	837	1,103	943	4,581	885
83 U S. addressees (domicile)	26,937	26,936	1	21,570	1	134	758	4,474	0
84 Non-U.S. addressees (domicile)	8,606	5,994	2,612	5,624	836	969	184	108	885
85 U.S. government, states, and political subdivisions in United States	86	86	0	10	0	2	0	74	0
86 All other	51,487	43,824	7,663	42,090	2,459	4,990	1,673	51	224
87 Foreign governments and official institutions	5,518	4,253	1,265	4,216	871	378	37	0	16
88 Commercial banks in United States	17,297	14,179	3,118	13,305	687	2,319	843	21	123
89 U S branches and agencies of other foreign banks	11,932	9,893	2,039	9,333	419	1,561	550	7	61
90 Other commercial banks in United States	5,365	4,286	1,079	3,973	268	757	292	14	61
91 Banks in foreign countries	28,672	25,392	3,280	24,568	901	2,294	794	30	85
92 Savings deposits	375	335	39	228	0	43	40	48	16
93 Individuals, partnerships, and corporations	375	335	39	228	0	43	40	48	16
94 U.S. addressees (domicile)	272	272	0	174	0	17	36	45	0
95 Non-U S. addressees (domicile)	103	63	39	54	0	26	4	3	16
96 U.S. government, states, and political subdivisions in United States	0	0	0	0	0	0	0	0	0
97 All other	0	0	0	0	0	0	0	0	0
98 Credit balances	537	314	223	312	168	27	0	2	28
99 Individuals, partnerships, and corporations	173	38	135	36	94	25	0	2	16
100 U.S. addressees (domicile)	96	22	74	20	36	23	0	2	15
101 Non-U S addressees (domicile)	76	16	61	16	58	2	0	0	1
102 U S government, states, and political subdivisions in United States	0	0	0	0	0	0	0	0	0
103 All other	364	276	88	276	74	2	0	0	11
104 Foreign governments and official institutions	96	82	13	82	12	1	0	0	0
105 Commercial banks in United States	103	70	33	70	32	1	0	0	0
106 U.S. branches and agencies of other foreign banks	14	13	1	13	0	1	0	0	0
107 Other commercial banks in United States	89	57	32	57	32	0	0	0	0
108 Banks in foreign countries	166	124	42	124	31	0	0	0	11

For notes see end of table.

4.30 Continued

Item	All states[2]			New York		California, total[3]	Illinois, branches	Other states[2]	
	Total	Branches[4]	Agencies	Branches[4]	Agencies			Branches	Agencies
109 Federal funds purchased and securities sold under agreement to repurchase	18,870	12,244	6,626	10,618	1,444	4,377	1,051	397	983
By holder									
110 Commercial banks in United States	16,205	10,544	5,661	9,114	1,158	4,134	981	376	441
111 Others	2,665	1,700	965	1,504	286	243	71	20	541
By type									
112 One-day maturity or continuing contract	17,411	10,894	6,517	9,308	1,419	4,296	1,011	397	981
113 Securities sold under agreements to repurchase	920	815	106	647	53	51	53	115	1
114 Other	16,490	10,079	6,412	8,661	1,366	4,245	958	282	979
115 Other securities sold under agreements to repurchase	1,460	1,351	109	1,310	25	82	41	0	2
116 Other liabilities for borrowed money	49,898	22,918	26,981	20,723	1,911	24,605	1,332	796	531
117 Owed to banks	47,597	21,108	26,489	18,964	1,902	24,122	1,295	787	527
118 U.S. addressees (domicile)	45,850	19,751	26,098	17,726	1,684	24,043	1,277	703	417
119 Non-U.S. addressees (domicile)	1,747	1,356	391	1,238	217	79	18	84	111
120 Owed to others	2,301	1,810	491	1,758	9	483	37	10	4
121 U.S. addressees (domicile)	1,961	1,564	397	1,516	1	401	33	10	0
122 Non-U.S. addressees (domicile)	341	246	94	243	8	82	4	0	4
123 All other liabilities	47,583	37,829	9,754	31,169	2,333	5,915	4,501	1,643	2,021
124 Acceptances executed and outstanding	13,347	10,371	2,976	10,104	430	2,488	121	125	77
125 Net due to related banking institutions[6]	30,395	24,420	5,976	18,274	1,752	2,826	4,233	1,433	1,878
126 Other	3,841	3,038	803	2,791	151	601	147	85	66
MEMO									
127 Time deposits of $100,000 or more	68,707	62,325	6,382	55,551	69	5,568	1,913	4,644	961
128 *Certificates of deposit (CDs) in denominations of $100,000 or more*	33,998	32,345	1,653	26,740	25	1,037	940	4,552	705
129 Other	34,709	29,981	4,728	28,812	45	4,532	973	92	256
130 Savings deposits authorized for automatic transfer and NOW accounts	50	31	18	7	0	11	12	8	12
131 Money market time certificates of $10,000 and less than $100,000 with original maturities of 26 weeks	1	1	0	0	0	1	0	0	0
132 Time certificates of deposit in denominations of $100,000 or more with remaining maturity of more than 12 months	3,081	3,059	22	2,747	10	10	44	262	9
133 Acceptances refinanced with a U.S.-chartered bank	3,734	2,892	842	2,555	86	753	33	304	4
134 Statutory or regulatory asset pledge requirement	86,225	83,945	2,280	77,218	2,224	70	6,667	40	5
135 Statutory or regulatory asset maintenance requirement	9,437	9,265	171	5,808	22	506	335	2,618	147
136 Commercial letters of credit	7,612	5,226	2,387	4,747	482	1,846	273	190	74
137 Standby letters of credit, total	16,330	14,168	2,163	12,921	424	1,169	588	441	787
138 U.S. addressees (domicile)	14,089	12,275	1,814	11,370	334	935	434	303	714
139 Non-U.S. addressees (domicile)	2,241	1,893	348	1,551	90	235	154	138	73
140 Standby letters of credit conveyed to others through participation (included in total standby letters of credit)	3,086	2,868	218	2,803	111	107	45	20	0
141 Holdings of commercial paper included in total gross loans	968	852	117	811	28	57	41	0	31
142 Holdings of acceptances included in total commercial and industrial loans	5,221	3,864	1,357	3,687	134	1,205	64	111	20
143 Immediately available funds with a maturity greater than one day (included in other liabilities for borrowed money)	36,610	14,830	21,780	13,051	1,652	19,985	1,273	451	198
144 Gross due from related banking institutions[6]	78,913	53,942	24,970	47,593	5,526	18,557	2,362	3,822	1,052
145 U.S. addressees (domicile)	21,234	9,314	11,920	5,392	1,435	10,322	134	3,642	309
146 Branches and agencies in the United States	20,781	9,141	11,640	5,230	1,349	10,130	126	3,642	304
147 In the same state as reporter	500	79	421	44	63	355	0	35	4
148 In other states	20,280	9,062	11,218	5,185	1,286	9,775	126	3,608	301
149 U.S. banking subsidiaries[7]	453	173	280	163	86	192	8	0	4
150 Non-U.S. addressees (domicile)	57,679	44,628	13,051	42,201	4,091	8,235	2,229	179	744
151 Head office and non-U.S. branches and agencies	55,453	42,676	12,778	40,306	4,003	8,119	2,184	166	675
152 Non-U.S. banking companies and offices	2,225	1,953	273	1,895	88	117	45	13	69
153 Gross due to related banking institutions[6]	89,499	71,915	17,584	62,118	6,080	9,550	6,595	2,579	2,577
154 U.S. addressees (domicile)	19,989	14,252	5,737	8,794	1,318	3,403	3,216	1,890	1,368
155 Branches and agencies in the United States	19,670	14,067	5,604	8,649	1,279	3,321	3,206	1,887	1,328
156 In the same state as reporter	570	129	442	63	143	278	0	66	21
157 In other states	19,100	13,938	5,162	8,586	1,137	3,043	3,206	1,821	1,307
158 U.S. banking subsidiaries[7]	318	185	133	145	39	82	10	3	40
159 Non-U.S. addressees (domicile)	69,511	57,663	11,848	53,325	4,761	6,147	3,379	689	1,209
160 Head office and non-U.S. branches and agencies	67,880	56,201	11,679	51,989	4,690	6,067	3,289	659	1,186
161 Non-U.S. banking companies and offices	1,631	1,462	168	1,336	72	80	90	30	23

4.30 Continued

Item	All states[2]			New York		California, total[3]	Illinois, branches	Other states[2]	
	Total	Branches[4]	Agencies	Branches[4]	Agencies			Branches	Agencies
Average for 30 calendar days (or calendar month) ending with report date									
162 Total assets	206,146	151,625	54,520	133,695	9,185	41,409	9,436	7,553	4,868
163 Cash and due from depository institutions	29,008	26,464	2,544	24,862	600	1,810	1,303	238	195
164 Federal funds sold and securities purchased under agreements to resell	6,467	4,797	1,671	4,520	1,071	534	188	86	69
165 Total loans	121,991	90,342	31,649	77,993	5,219	23,307	7,297	4,285	3,891
166 Loans to banks in foreign countries	20,204	16,449	3,755	15,660	1,062	2,414	781	4	282
167 Total deposits and credit balances	86,847	76,525	10,321	68,863	3,330	6,137	2,528	4,833	1,156
168 Time CDs in denominations of $100,000 or more	32,513	30,977	1,536	25,406	30	907	889	4,574	706
169 Federal funds purchased and securities sold under agreements to repurchase	18,707	12,032	6,674	10,522	1,365	4,318	1,178	312	1,011
170 Other liabilities for borrowed money	49,380	22,583	26,798	20,553	1,551	24,805	1,209	759	503
171 Number of reports filed[8]	409	221	188	136	44	109	42	32	46

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

2. Includes the District of Columbia.

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

4. Includes all offices that have the power to accept deposits from U.S. residents, including any such offices that are considered agencies under state law.

5. Total assets and total liabilities include *net* balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 6). On the former monthly branch and agency report, available through the G.11 statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

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

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

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

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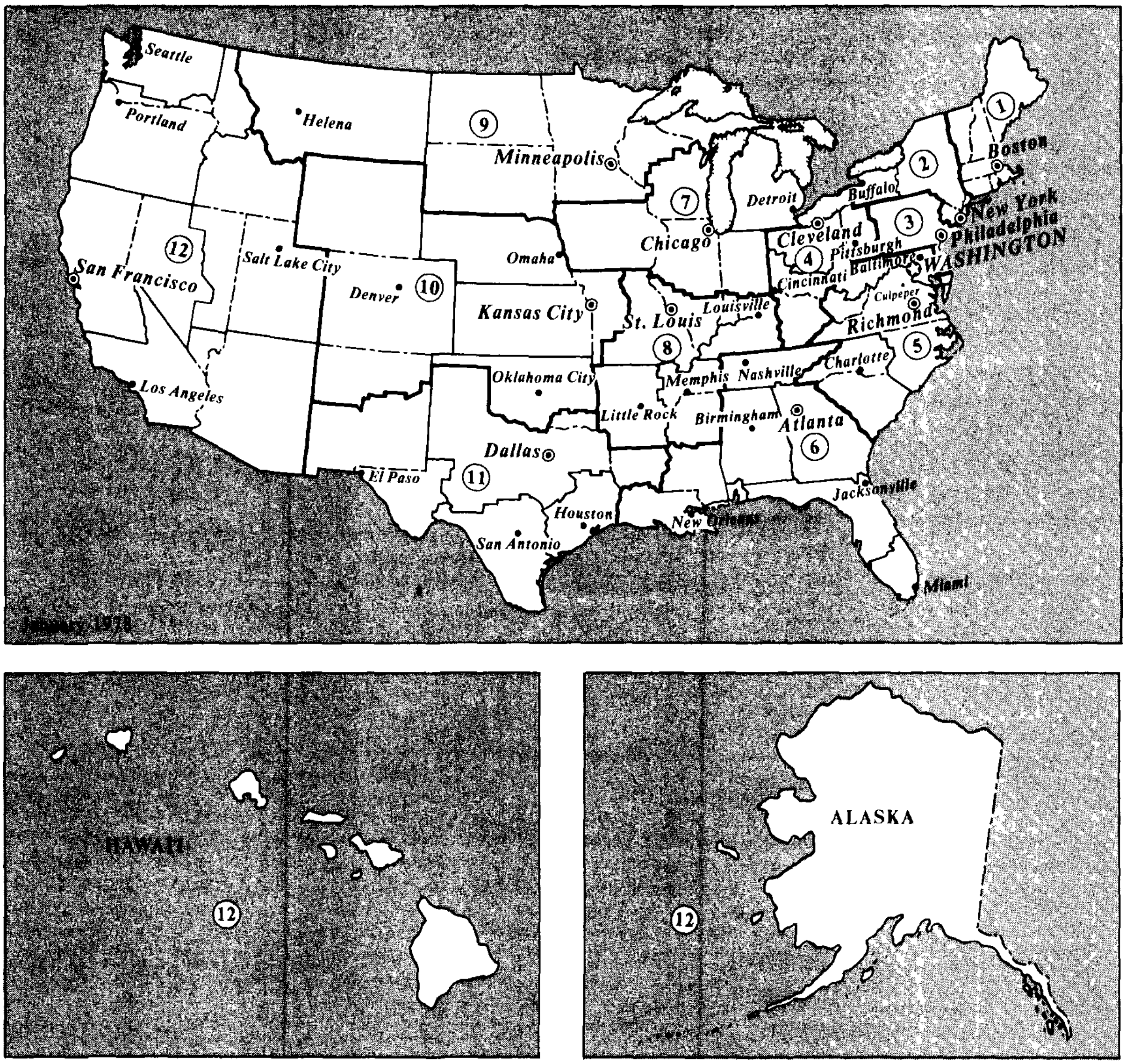

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