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AUGUST 1977

FEDERAL RESERVE  
BULLETIN

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Domestic Financial Developments in the Second Quarter of 1977

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# FEDERAL RESERVE BULLETIN

Board of Governors of the Federal Reserve System  
Washington, D.C.

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# Domestic Financial Developments in the Second Quarter of 1977

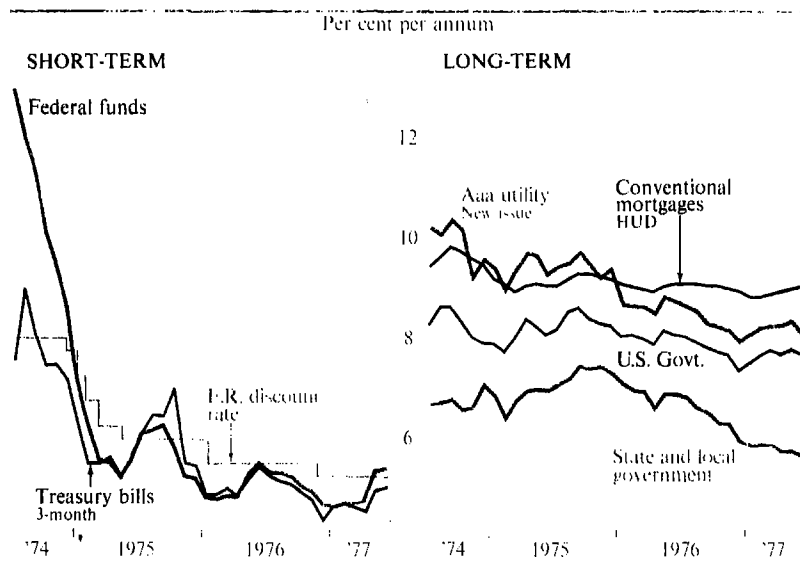
*This report, which was sent to the Joint Economic Committee of the U.S. Congress, highlights the important developments in domestic financial markets during the spring and early summer.*

The total quantity of funds raised in domestic credit markets rose substantially during the second quarter of 1977, in association with continued vigorous expansion of aggregate economic activity, with all sectors except the Federal Government increasing their financing demands. Although the pace of long-term bond and equity financing by U.S. corporations moderated, a greater reliance on short-term borrowing led to an increase in total credit advanced to these firms. Consumer instalment credit expanded somewhat more

rapidly than in the first quarter, and the volume of net mortgage borrowing rose substantially to a new record level. In the public sector, long-term bond offerings by State and local governments rose further from the previous record level in the first quarter; on the other hand, Treasury demands on credit markets were sharply lower, reflecting cancellation of the personal tax rebate and related payments previously scheduled, and a greater-than-seasonal rise in Federal Government tax receipts.

The rapid expansion of economic activity since midwinter also contributed to an increase in the demand for money for transactions purposes. The narrowly defined money stock (*M-1*) increased at an 8.5 per cent annual rate during the second quarter, considerably

## Interest rates



higher than the 4.2 per cent rate of gain in the previous quarter. Inflows of time and savings deposits to commercial banks and thrift institutions moderated further in the second quarter, however, as interest-sensitive savers apparently shifted funds to market instruments in response to rising yields. As a result, the rate of expansion of the broader measures of the money stock slowed. Growth of *M-2* declined to a seasonally adjusted annual rate of 9.2 per cent from 9.9 per cent the three previous months, and *M-3* grew at a 10 per cent annual rate—down from an 11.3 per cent rate of gain in the first quarter.

With the economy showing considerable strength and with the April growth in *M-1* surging to a rate well above the upper limit of the longer-run ranges set by the Federal Open Market Committee, the Federal Reserve did not fully accommodate the associated increase in demands for bank reserves. Accordingly, the interest rate on Federal funds (overnight loans of immediately available bank funds) rose about 60 basis points during the latter part of April and the first half of May to a level of

around 5½ per cent. By late May, other short-term rates had increased by roughly similar amounts. The Federal funds rate was relatively stable during the rest of May and June, and short-term rates showed little further variation over the remainder of the quarter.

In contrast to short-term rates, most long-term yields edged slightly lower on balance over the quarter. Long-term credit markets showed little response to the upward movement in short-term rates, in part because some of the movement in short-term rates apparently had already been anticipated in the level of long-term yields. In addition, business corporations and the U.S. Government both reduced their demands for long-term funds substantially during the second quarter. Long-term rates also may have been favorably influenced by the moderation in the rate of inflation during the spring, following a period of exceptionally rapid price increases last winter, and by the demonstrated willingness of the Federal Reserve to move promptly to restrain excessively rapid monetary growth.

Changes in selected monetary aggregates  
Per cent, seasonally adjusted annual rates

Item	1975	1976	1976		1977	
			Q3	Q4	Q1	Q2
<b>Member bank reserves:</b>						
Total .....	-2	1.0	2.7	4.4	2.7	3.1
Nonborrowed .....	3.2	1.2	2.6	4.8	2.6	1.9
<b>Concepts of money:<sup>1</sup></b>						
<i>M-1</i> .....	4.4	5.6	4.4	6.5	4.2	8.5
<i>M-2</i> .....	8.3	10.8	9.1	12.5	9.9	9.2
<i>M-3</i> .....	11.1	12.8	11.4	14.4	11.3	10.0
<i>M-4</i> .....	6.5	7.1	6.0	9.8	9.3	8.5
<i>M-5</i> .....	9.7	10.3	9.3	12.7	10.9	9.4
<b>Time and savings deposits at commercial banks:</b>						
Total (excluding large CD's) .....	11.7	15.2	12.8	17.1	14.0	9.8
Savings .....	17.4	25.0	13.8	24.7	21.9	7.9
Other time .....	7.8	7.7	11.7	10.8	7.1	11.6
<b>Thrift institutions<sup>2</sup> .....</b>	15.8	15.8	14.8	17.3	13.4	11.0
<b>MEMO (change in billions of dollars, seasonally adjusted):</b>						
Large CD's .....	-5.3	-19.2	-4.3	-3.1	.3	-3
U.S. Govt. demand deposits at all member banks .....	-2	.3	.6	.1	-.8	.4

NOTES:

<sup>1</sup>*M-1* is currency plus private demand deposits adjusted.

*M-2* is *M-1* plus bank time and savings deposits adjusted other than large CD's.

*M-3* is *M-2* plus deposits at mutual savings banks and savings and loan associations and credit union shares.

*M-4* is *M-2* plus large negotiable CD's.

*M-5* is *M-3* plus large negotiable CD's.

<sup>2</sup>Savings and loan associations, mutual savings banks, and credit unions.

NOTE.—Changes are calculated from the average amounts outstanding in each quarter. Annual rates of change in reserve measures have been adjusted for changes in reserve requirements.

MONETARY AGGREGATES  
AND BANK CREDIT

*M-1* expanded much more rapidly during the second quarter than in the three previous months, primarily reflecting an annualized growth rate of nearly 20 per cent in the month of April. The April bulge may have stemmed in part from transitory factors—including earlier-than-normal distribution of social security checks and unusually large personal income tax payments—but it also appears to have reflected increasing transactions demands generated by the quickened pace of economic expansion in the first quarter. In recent years, large sudden increases in *M-1* generally have been followed by much smaller growth rates in the subsequent month or two. This was true also in the period following the April bulge, although *M-1* growth in May and June still averaged 2.6 per cent.

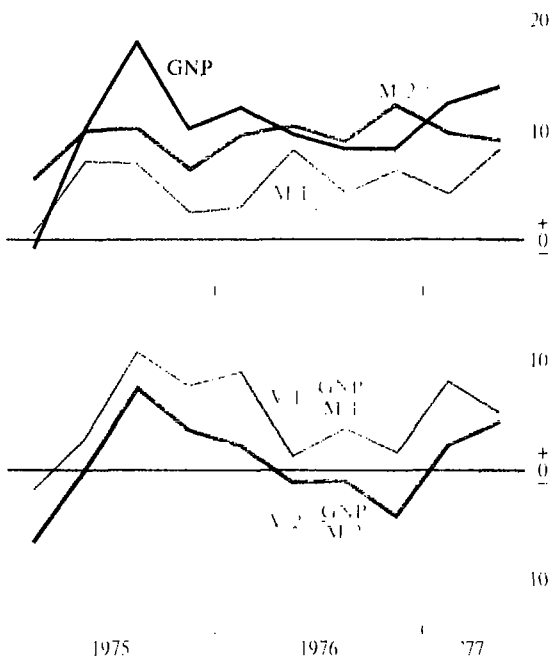
Although the second quarter increase in the narrow money stock was the fastest for any quarter since 1972, it was still substantially less than the rate of increase in gross national product (GNP). Indeed, the income velocity of *M-1*—that is, the ratio of GNP to *M-1*—rose at the relatively brisk rate of around 5 per cent during the second quarter, following an even greater increase of 8 per cent in the previous quarter.

Despite the marked acceleration in *M-1*, growth of the broader monetary aggregates during the second quarter was somewhat less than the pace of the first quarter. The interest-bearing components of *M-2*—time and savings deposits, other than negotiable certificates of deposit (CD's) at weekly reporting banks—grew at a 9.8 per cent annual rate, as compared with 14 per cent in the first quarter. Total deposits at savings and loan associations, mutual savings banks, and credit unions—included in *M-3*—rose at an 11 per cent rate in the second quarter, somewhat less than the 13.4 per cent pace of the first.

At commercial banks, the slackening of interest-bearing deposit inflows was due to a fall-off of savings deposit growth. Savings flows weakened each month during the quarter, continuing a trend that had begun in January. In May and June there were net withdrawals from savings accounts of State and local governments, and inflows to savings accounts of individuals, nonprofit organizations, and businesses showed a sharp deceleration. The abatement of savings deposit inflows apparently was associated with rising short-term market interest rates; interest-sensitive depositors—especially the large depositors who have easy access to alternative money market investments—were attracted by the higher yields available on Treasury bills, commercial paper, CD's, and other market instruments.

In contrast to savings deposit flows, the growth of time deposits at commercial banks accelerated in the second quarter. Small-denomination time deposits, whose ceiling rates remained substantially above yields on

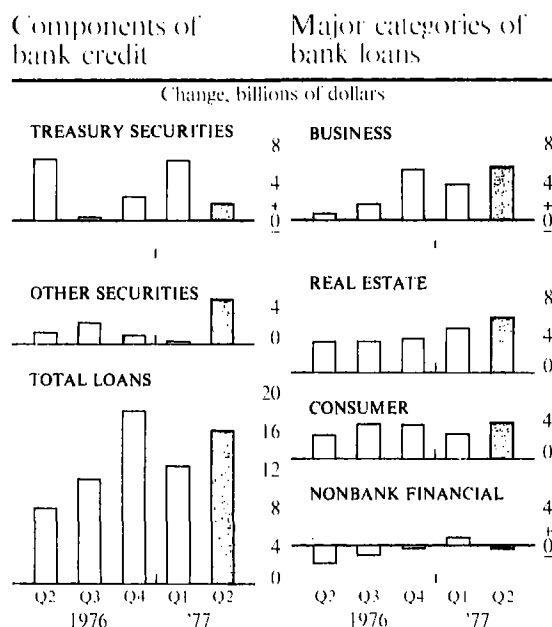
Changes in income velocity of *M-1* and *M-2*  
Percentage rate of change



Data are at seasonally adjusted annual rates of growth. Money stock data are quarterly averages.



market instruments of comparable maturity, rose at a 14.2 per cent annual rate, compared with 7.9 per cent in the first quarter. Large-denomination time deposits, including all negotiable and nonnegotiable large CD's, grew slightly in the second quarter after a small decline in the first. The increase in large time deposits was especially strong late in the quarter; banks increased their reliance on these liabilities to support the substantial pace of bank credit expansion while reducing the rate of growth of funds raised through net Federal funds purchases and securities sold under repurchase agreements.



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

Total loans and investments at all commercial banks rose at an 11.2 per cent annual rate in the second quarter, somewhat faster than in the first quarter. Bank acquisitions of tax-exempt and Government agency securities picked up considerably, but net purchases of Treasury issues declined markedly from a high first-quarter pace. Bolstered by a near-record increase in real estate loans as well as by strength in the business and consumer loan categories, total bank loans rose at an 11.5 per cent annual rate.

## BUSINESS CREDIT

Businesses increased their short-term borrowing from banks and in the commercial paper markets during the second quarter from the already advanced pace of the three previous months. Excluding commercial bank holdings of bankers acceptances, bank loans to businesses grew at a 12.5 per cent annual rate, nearly matching the 13 per cent pace of the first quarter. Expansion of business loans at large banks picked up during the quarter—with the strength broadly distributed across commercial and industrial borrowers—and loans made by small banks continued to grow rapidly. In response to earlier increases in short-term open market interest rates, most banks raised the rate charged on short-term loans to prime business borrowers in May to 6¾ per cent in two steps of ¼ of a percentage point each. Despite these increases, the spread of the prime rate over commercial paper rates narrowed slightly over the quarter.

In addition to the continuing growth in bank loans to businesses, commercial paper issued by nonfinancial corporations increased \$2.1 billion in the second quarter, the largest seasonally adjusted quarterly gain since the summer of 1974. As a result, short-term business credit—business loans at banks excluding bank holdings of bankers acceptances plus

Business loans and short-term business credit  
Seasonally adjusted changes at annual percentage rates

Period	Business loans		Column 2 plus nonfinancial company commercial paper <sup>2</sup>
	Total <sup>1</sup>	Excluding bank holdings of bankers acceptances	
	(1)	(2)	(3)
1975—Q1 .....	-5.1	-6.8	-5.0
Q2 .....	-8.7	-9.0	-11.2
Q3 .....	-3.1	-3.5	-4.0
Q4 .....	.7	-3.3	-6.5
1976—Q1 .....	-6.7	-4.8	-2.9
Q2 .....	1.4	2.2	6.4
Q3 .....	3.9	1.1	-1.7
Q4 .....	12.0	8.2	9.6
1977—Q1 .....	8.1	13.0	13.1
Q2 .....	11.9	12.5	15.8

<sup>1</sup>At all commercial banks based on last-Wednesday-of-month data, adjusted for outstanding amounts of loans sold to affiliates.

<sup>2</sup>Short-term business credit is business loans excluding bank holdings of bankers acceptances plus nonfinancial company commercial paper measured from end of month to end of month.

## Gross offerings of new security issues

Billions of dollars, seasonally adjusted annual rates

Type of issue	1976			1977	
	Q2	Q3	Q4	Q1	Q2
Corporate securities—total . . . .	52	56	53	46	41
Bonds . . . . .	41	47	43	36	32
Publicly offered . . . . .	27	26	26	23	19
Privately placed . . . . .	14	21	17	13	13
Stocks . . . . .	11	9	10	10	9
Foreign securities . . . . .	13	13	9	4	13
State and local govt. bonds . . . .	35	36	36	43	52

†Estimated.

commercial paper—grew at a substantial 15.8 per cent annual rate in the second quarter, and at a 14.5 per cent rate for the first half of 1977. Moreover, finance companies appear to have provided considerable amounts of credit to commercial and industrial concerns—primarily for purchases of autos and commercial vehicles or for supporting dealer inventories of these products. Net credit extensions to businesses by these lenders averaged \$800 million per month on a seasonally adjusted basis in the first 6 months of the year, as compared with \$400 million in the last 3 months of 1976.

The advancing pace of short-term business credit expansion extended a pattern that had emerged in the final quarter of 1976. With capital expenditures—especially inventory investment—rising more rapidly than internal sources of funds, nonfinancial corporations have relied more heavily on external borrowing in the last three quarters. Furthermore, after a lengthy period of heavy reliance on long-term issues to restructure balance sheets—to repay short-term debt and increase liquid assets—the liquidity positions of these corporations have apparently improved to the point where they are now returning to short-term markets to meet a larger part of their external financing needs.

Reflecting, in part, these improved balance-sheet conditions, gross bond and equity financing by U.S. corporations declined to a seasonally adjusted annual rate of \$41 billion during the second quarter of 1977—the smallest total since the third quarter of 1974. Much of the recent decline was in public bond issues by industrial corporations.

Private placements of bonds remained substantial, although below the record volumes of the second half of 1976, as many smaller and lower-rated firms continued to restructure balance sheets.

Public bond financing by utilities continued at a high level and accounted for more than 40 per cent of public issues during the second quarter. Financial concerns stepped up long-term borrowing during the period. In addition to several large bank holding company issues, a few West Coast savings and loan associations marketed mortgage-backed bonds to support record mortgage lending, and finance companies increased borrowing to help accommodate strong demand for auto and consumer credit. Foreign bond issues in the domestic capital markets also increased during the quarter, as the International Bank for Reconstruction and Development completed a sizable financing.

The light volume of total new bond issues contributed to a decline in corporate bond yields during the second quarter. The Federal Reserve index of new Aaa-rated utility bond yields, which had closed the first quarter at 8.22 per cent, declined to 8.07 per cent at the end of the second quarter. At this level it exceeded by less than 20 basis points the 3-year low reached in early January 1977.

Stock price performance was mixed during the second quarter. The New York Stock Exchange (NYSE) composite index showed little net movement and remained below its level at the end of 1976. A drop in price of a number of highly capitalized stocks that had carried high price/earnings ratios accounted for much of the net decline in the NYSE index during the first half of 1977. In contrast, both the American Stock Exchange index and the National Association of Securities Dealers Automated Quotations over-the-counter index—which reflect the stock price performance of generally smaller corporations—increased during the second quarter to their highest levels since early 1973. New corporate stock offerings continued at the same moderate pace as in recent quarters. Public utilities again accounted for the majority of new issues, as they have since mid-1976.

## GOVERNMENT SECURITIES

In the municipal securities market, gross bond issuance by State and local governments was at a record seasonally adjusted annual rate of \$52 billion during the second quarter. As during the preceding quarter, about 20 per cent of this volume represented advance refundings of outstanding higher-coupon issues.

Despite the record volume, tax-exempt yields declined as new issues were readily absorbed by property-casualty insurance companies, commercial banks, and municipal bond funds. The *Bond Buyer* index of municipal yields closed the quarter at 5.56 per cent, near its lowest level in 3 years. Yields on higher-rated issues fell slightly over the quarter, and much of the decline in the index was attributable to a general narrowing of rate spreads between higher- and lower-rated issues. Such rate spreads have declined significantly since last fall as a result of the general improvement in State and local financial positions and recent court decisions reaffirming the rights of bondholders.

With the scheduled tax rebates and associated payments cancelled, a large volume of tax receipts permitted the Treasury to make fewer demands on credit markets in the second quarter. On a seasonally unadjusted basis the Federal budget was in surplus by \$8.6

billion, enabling the Treasury to reduce its outstanding debt and to increase its cash balance. The Treasury continued to pursue a financing policy designed to lengthen the maturity structure of its debt by paying down \$9.2 billion in bills while increasing outstanding marketable notes and bonds by \$5.1 billion. This \$4.1 billion net repayment of marketable obligations was offset in part by savings bond sales and by the issuance of nonmarketable securities to State and local governments engaged in advance refunding operations. At the same time the level of Treasury debt was declining during the second quarter, outstanding obligations of Federally sponsored agencies increased by \$2.5 billion—the largest increase since the final quarter of 1974. This rise in net borrowing was attributable to such housing-related agencies as the Federal National Mortgage Association (FNMA) and the Federal Home Loan Bank System, which were expanding their support of the mortgage market.

The Federal Reserve System was a net purchaser of \$2.1 billion in Treasury bills and \$1.0 billion in Treasury coupon issues in the course of providing reserves to the banking system during the second quarter. In addition, the Federal Reserve acquired a net \$0.7 billion in Federal agency obligations during the quarter.

## Federal Government borrowing and cash balance

Quarterly totals, in billions of dollars, not seasonally adjusted

Item	1976				1977	
	Q1	Q2	Q3	Q4	Q1	Q2
<b>Treasury financing:</b>						
Budget surplus, or deficit (—) . . .	-22.8	2.0	-13.0	-22.8	-18.7	8.6
Off-budget deficit <sup>1</sup> . . . . .	-3.7	-.6	-1.8	.4	-4.3	.1
Net cash borrowings, or repayments (—) . . . . .	24.1	9.4	18.0	17.4	17.6	-1.1
Other means of financing <sup>2</sup> . . . . .	2.0	-4.0	-.7	-.8	2.7	-.4
Change in cash balance . . . . .	-.4	6.8	2.6	-5.7	-2.6	7.2
<b>Federally sponsored credit agencies, net cash borrowings<sup>3</sup> . . . .</b>	.3	.5	1.7	.4	.7	2.5

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

<sup>2</sup>Checks issued less checks paid, accrued items, and other transactions.

<sup>3</sup>Includes debt of the Federal Home Loan Mortgage Corporation, Federal home loan banks, Federal land banks, Federal intermediate credit banks, banks for cooperatives, and Federal National Mortgage Association (including discount notes and securities guaranteed by the Government National Mortgage Association).

<sup>4</sup>Estimated.

**MORTGAGE AND CONSUMER CREDIT**

Net mortgage lending rose sharply to a record \$126 billion seasonally adjusted annual rate during the second quarter, following more moderate growth during the harsh winter weather of the first quarter. One- to four-family residential mortgages continued to dominate mortgage lending, accounting for more than 90 per cent of the residential component and for about three-fourths of total mortgage debt formation. Mortgage lending on commercial properties also expanded somewhat, whereas loans secured by multifamily residential structures remained relatively weak.

Net change in mortgage debt outstanding

Billions of dollars, seasonally adjusted annual rates

Change—	1976			1977	
	Q2	Q3	Q4	Q1	Q2
<b>By type of debt:</b>					
Total .....	75	91	102	108	126
Residential .....	59	71	79	85	100
Other <sup>1</sup> .....	16	20	23	23	26
<b>By type of holder:</b>					
Commercial banks .....	13	15	14	17	23
Savings and loans .....	43	47	52	48	57
Mutual savings banks .....	4	4	5	4	4
Life insurance companies .....	(*)	2	3	2	5
FNMA-GNMA .....	-6	-1	-5	(*)	8
Other <sup>2</sup> .....	21	24	33	37	29

<sup>1</sup>Includes commercial and other nonresidential as well as farm properties.

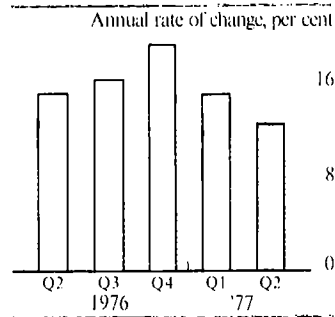
<sup>2</sup>Includes net changes in mortgage-backed securities guaranteed by the Government National Mortgage Association, Federal Home Loan Mortgage Corporation, or Farmers Home Administration, some of which may have been purchased by the institutions shown separately.

\*Estimated.

<sup>3</sup>Less than \$500 million.

Savings and loan associations again accounted for almost one-half of total net mortgage lending in the second quarter, as they increased their mortgage holdings by a record amount. At the same time, deposits at these institutions grew at a 12.3 per cent annual rate—the slowest rate of expansion since 1974. In order to meet the heavy demand for home loans, savings and loan associations curtailed their acquisition of liquid assets and borrowed moderately from home loan banks and other sources. Nevertheless, aggregate liquidity ratios at insured associations remained at historically high levels.

Deposits, Savings and Loans



Seasonally adjusted. Quarterly averages at annual rates.

Among other major lenders, commercial banks supplied almost 20 per cent of total net mortgage funds during the second quarter, increasing their holdings at a record \$23 billion seasonally adjusted annual rate. Mortgage acquisitions by life insurance companies also increased somewhat during the quarter—reflecting primarily lending on commercial properties—but remained well below the record levels of 1973-74. Net mortgage acquisitions by FNMA picked up substantially, as a rise in mortgage interest rates since March made the purchase price on outstanding 4-month FNMA purchase commitments attractive to mortgage originators possessing such FNMA commitments.

Reflecting heavy credit demands in the face of moderating savings flows, average interest rates on conventional new-home mortgages increased by about 15 basis points during the second quarter to 9.00 per cent at the end of June. However, secondary market yields on Government National Mortgage Association

Net change in consumer instalment debt outstanding

Billions of dollars, seasonally adjusted annual rates

Change	1976			1977	
	Q2	Q3	Q4	Q1	Q2
<b>By type of debit:</b>					
Total .....	21	19	24	27	31
Automobile .....	11	9	10	12	14
Other .....	10	10	14	15	17
<b>By type of holder:</b>					
Commercial banks .....	11	10	12	12	14
Finance companies .....	2	2	3	6	6
Credit unions .....	6	5	5	7	7
Retail firms .....	1	1	2	1	2
Other .....	1	1	1	1	1

\*Estimated.

(GNMA)-guaranteed, mortgage-backed securities—which had risen by 50 basis points during the first quarter—eased slightly during the second quarter, ending the period at 7.90 per cent. In response to the earlier increase in yields on Government-underwritten mortgages in the secondary market, the ceiling rate on mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration was raised by administrative action from 8 to 8½ per cent, effective May 31.

Consumer instalment credit outstanding is estimated to have expanded at a record seasonally adjusted annual rate of \$31 billion during the second quarter. Automobile credit continued to account for more than 40 per cent of the total net increase, as a high level of auto sales paced the over-all strength in second-quarter consumer spending. The recent trend toward longer maturities on new auto loans continued, with lenders offering manageable monthly payment schedules in the face of higher auto prices. □

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## Staff Economic Studies

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*The research staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects, and other staff members prepare papers related to such subjects. In some instances the Federal Reserve System finances similar studies by members of the academic profession.*

*From time to time the results of studies that are of general interest to the economics profession and to others are summarized—or they may be printed in full—in this section of the Federal Reserve BULLETIN.*

*In all cases the analyses and conclusions set forth are those of the authors and do not necessarily indicate concurrence by the Board of Governors, by the Federal Reserve Banks, or by the members of their staffs.*

*Single copies of the full text of each of the studies or papers summarized in the BULLETIN are available in mimeographed form. The list of Federal Reserve Board publications at the back of each BULLETIN includes a separate section entitled "Staff Economic Studies" that enumerates the studies for which copies are currently available in that form.*

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### STUDY SUMMARY

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#### THE PERFORMANCE OF BANK HOLDING COMPANY-AFFILIATED FINANCE COMPANIES

STEPHEN A. RHOADES—Staff, Board of Governors, and  
GREGORY E. BOCZAR—Formerly on the Staff, Board of Governors

*Prepared as a staff paper in 1976*

Bank holding companies have been permitted to enter into various nonbanking activities since the passage of the 1970 amendments to the Bank Holding Company Act. In justifying their entry into these activities, particularly through merger, bank holding companies typically claim that such entry will yield a variety of public benefits—increased growth, better performance, and so forth—because of the large size of the bank holding companies and superior management.

One of the most popular activities entered into by bank holding companies is the consumer

finance industry. This study analyzes a sample of bank holding company-affiliated and independent consumer finance companies to determine whether there are significant differences in performance between the two groups. Detailed data from Warburg, Paribus, Becker, Inc., for groups of affiliated and independent companies were used to construct a multiple-regression model for testing purposes. Although detailed data were obtained, two important shortcomings should be noted—a limited sample and the fact that there is only one year of post-affiliation data.

Results indicate that prior to their affiliation, the affiliated companies performed no differently from the independent companies in terms of performance and financial soundness. After affiliation, however, the affiliated companies were found to have higher interest and debt expense, lower profits, greater leverage, and higher growth than the independent companies. Moreover, it was determined that af-

filiated companies, subsequent to affiliation, did not have lower losses, did not open more offices, and did not have lower operating expenses than independent companies. Subject to the caveats noted above, it is concluded that this study generally does not confirm the arguments of bank holding companies that their entry into the consumer finance industry will yield numerous public benefits. □

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## Statements to Congress

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*Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, July 26, 1977.*

I am pleased to have the opportunity to present the views of the Board of Governors on H.R. 8094, the "Federal Reserve Reform Act of 1977." The stated purpose of this bill is "to promote the accountability of the Federal Reserve System."

Let me say at the outset that the Board fully recognizes its accountability to the Congress for its performance of the duties the Congress has given it. My colleagues and I appear frequently before this committee and other committees of the House and the Senate to report to you and to answer for our actions. We have participated earnestly in the quarterly dialogue on monetary policy initiated under House Concurrent Resolution 133 of the 94th Congress. I am scheduled, as you know, to appear before this committee on Friday to continue that dialogue. Last year the Board recommended that the House and Senate Banking Committees evaluate our performance as bank supervisors through periodic oversight hearings on the condition of the banking system, and the first such hearing was held by the Senate Banking Committee this March.

In April we advanced the dialogue further by presenting testimony on the budget of the Federal Reserve System before the same committee. I believe that through proceedings such as these we are evolving an effective means by which the Congress can fulfill its oversight responsibilities with respect to the Federal Reserve while respecting the basic principle of an independent central bank.

The most significant provision of H.R. 8094

is Section 1 of the bill. The objective of monetary policy set forth in this section—namely, that it "shall be governed by the national policy to promote maximum employment, production, and price stability"—is consistent with the Board's understanding of the intent of the Congress, and it also reflects the actual practice of the Board and of the Federal Open Market Committee (FOMC). In the Board's judgment this would be an appropriate addition to the Federal Reserve Act. It is a clearer statement of national policy than is contained in the Employment Act of 1946, which uses the term "purchasing power" rather than "price stability."

On the other hand, the Board is disturbed by the bill's language relating to hearings on monetary policy, which differs in several major respects from that of the concurrent resolution it would replace. The concurrent resolution was the carefully framed product of extended discussions between the Banking Committees and the Board. It has been thoroughly tested in the course of the nine hearings held under its provisions over the past 2 years. We know of no good reason for revising it; indeed, some of the proposed revisions, if enacted, would be inimical to the orderly functioning of financial markets.

The provision calling for projections of interest rate levels for 12 months ahead is particularly ill advised. Neither the Board nor the FOMC makes such estimates. To be sure, some, if not all, members have more or less well-defined expectations about the likely course of rates in coming months, but members of the Board and of the FOMC do not discuss such expectations in public. Federal Reserve officials are extremely careful to avoid any public comment that might suggest or imply some particular outlook for interest rates.



The reason for reticence on this subject should be obvious. While the Federal Reserve cannot determine market interest rates, it certainly can influence them—particularly in the short run. Participants in financial markets know this, and they have strong incentives to make use of any clues they can get to the System's intentions. If, for example, bondholders conclude from a remark by a System official that rates will be rising in the future, they may deem it advantageous to sell their holdings immediately—and that may cause rates to rise prematurely. It may also cause rates to move up unnecessarily if the view of the System official was not well founded but nevertheless was taken seriously.

But if the casual comments of a Federal Reserve official can affect market interest rates, public reports each quarter on the interest rate expectations of the Board or of the FOMC could rock financial markets. The expectations voiced by the Board at a quarterly hearing might change a week or a month later, and in any event might be mistaken. If we made specific pronouncements about the future of interest rates, many traders would no doubt tend to respond promptly. Inappropriate as well as violent changes of interest rates could take place, and the economy could suffer from the financial instability so generated. The capacity for mischief inherent in the interest rate provision is so apparent that I find its inclusion in the bill inexplicable.

The provision calling for quarterly testimony on monetary velocity 12 months ahead is questionable for other reasons. Particular considerations—often of a sort that defy quantification—weigh heavily in the thinking of most, if not all, members of the FOMC. In the nine hearings held thus far under House Concurrent Resolution 133, I have tried to set forth the reasons underlying the Federal Reserve's policy decisions. In fact, I have often commented in general terms on expectations for velocity, speaking for the FOMC or the Board when that was appropriate and for myself when it was not. But in so doing, I have consistently emphasized the sensitivity and flexibility of monetary policy, which can change by the month or even by the hour, and

which should never become the prisoner of some preconceived number.

Conceivably, in response to a congressional mandate, the FOMC could vote on some numerical figure for monetary velocity. But any such exercise is not necessary for effective policy formulation; if undertaken, it would divert members of the FOMC from basic analysis in which they have some competence to a numerical guessing exercise; the end result would be artificial at best and would be grossly misleading at worst.

Finally, I must advise this committee that the Board seriously questions the provision calling for quarterly reports on the "proposed composition of the Federal Reserve's portfolio" 12 months ahead. In the first place, such reports could influence current interest rates as market participants drew inferences about Federal Reserve purchases or sales in different sectors of the market. Second, such reports could prove highly misleading. In view of the uncertainties about future conditions in securities markets, numerical projections of likely changes in the portfolio during the coming 12 months cannot be made with much confidence.

Of course, the FOMC could always instruct the Manager of the System Open Market Account to make its guesses come true, or perhaps to reduce particularly large misses, whether or not the open market operations required were consistent with the needs of the Nation. I very much doubt that the Congress will want to force the Federal Reserve into that kind of predicament.

These observations on the deficiencies of Section 1 of this bill suffice, I hope, to show why the Board recommends that the language providing for quarterly hearings on the conduct of monetary policy follow much more closely the carefully framed and thoroughly tested language of House Concurrent Resolution 133.

Section 2 of the present bill would prohibit discrimination and broaden the list of interests to be considered in the selection of directors of the Reserve Banks. We are in sympathy with the concerns underlying this provision and we support it. As I stated last year, the Federal

Reserve is fully committed to the principle of equal employment opportunity, and we have made vigorous efforts over the years to employ and promote qualified women and minority group members to the staffs of the Board and of the Reserve Banks. Moreover, we have recently increased our emphasis on the appointment of such persons to the Boards of Directors of the Reserve Banks. While we have achieved some success, we recognize that it has not been sufficient. Last year I advised you that the System had six women serving as members of Reserve Bank branch boards. For 1977, this figure has increased to 17 women directors, 4 on head office boards and 13 on branch boards. This year our minority directors have increased from 13 to 16, including 3 who serve on the boards of head offices. We appreciate Chairman Reuss's continuing interest in this matter, and I assure the committee that we intend to continue our efforts to enlarge the representation of women and members of minority groups on the boards of the Reserve Banks.

Another change in the provisions of Section 2 relating to directors would expand the categories of individuals to be considered in the selection of Class B and C directors. The Board endorses this proposed broadening in the representation of the public on Reserve Bank boards. Indeed, in connection with the FINE (Financial Institutions and the Nation's Economy) Discussion Principles we recommended that consideration be given to appointment of Class B directors by the Board rather than their election by member banks.

We continue to hope that the committee will consider whether its objectives in this section of the bill may not be better achieved by providing for Board appointment of Class B directors. As the bill stands, both Class A and Class B directors would still be elected by member banks, in accordance with the nomination and balloting procedures set forth in Section 4 of the Federal Reserve Act. Under these procedures it is difficult to see how the bill's antidiscrimination provisions can be enforced in elections in which literally thousands of member banks will be voting on a large number of nominees. This difficulty could be overcome

by specifying that Class B directors are to be selected by the Board. Such an amendment would have the added benefit of putting to rest the mischievous fiction that the member banks control the Federal Reserve by virtue of their ability to elect six of the nine directors of each Reserve Bank.

Section 3 of the bill provides for Senate confirmation of the person appointed by the President as Chairman of the Board. As I recently testified before the Subcommittee on Domestic Monetary Affairs, we have no objection to this provision.

The Board has serious problems with the provisions of Section 4 relating to so-called "lobbying communications" with regulated institutions. Unlike the existing provisions of law relating to lobbying by Government officials, which make it a crime to use appropriated funds for such purposes, H.R. 8094 would enact a direct prohibition against communication by any Federal Reserve official with any institution regulated by the Federal Reserve "to influence legislative actions affecting the Federal Reserve System."

The Board seriously doubts whether such a prohibition is consistent with the first amendment to the Constitution, which commands that the Congress shall make no law abridging freedom of speech. Moreover, this provision of the bill is so broadly worded that it could have a chilling effect on perfectly innocent communications that, besides being constitutionally protected, are not intended to be included within the scope of this bill. Just what legislation, for example, would be excluded from the bill's reference to "legislative actions affecting the Federal Reserve System"? How explicit must the intention be to "influence" such actions? Need the Federal Reserve official urge bankers to write their Congressmen in order to violate such a prohibition? Are we prevented from informing banks about changes that the Federal Reserve is proposing in the laws that govern banking? Would we violate the law if a banker decided on his own to write his Congressman after listening to our description or analysis of a pending bill? Indeed, may not this provision be violated whether or not the banker who received a communication from the Federal Re-

serve subsequently communicated with his congressional representative? With such uncertainties the inevitable effect would be to inhibit Federal Reserve officials from discussing any proposed or pending legislation in a public forum—particularly if bankers were present. I cannot believe that the Congress would want to limit so severely the ability of Federal Reserve officials to discuss legislative ideas or that it would want to create such impediments to the free flow of information or opinion to the Congress itself.

Moreover, since three members of the board of directors of each Reserve Bank are bankers, as provided by law, the bill could even be construed to prevent any discussion of pending legislation at Reserve Bank board meetings. In fact, since Federal Reserve Banks could themselves be considered institutions "subject to the regulatory authority" of the Board of Governors, the bill might be read to prohibit communication between the Board and the Federal Reserve Banks about such proposed legislation. Similarly, the bill could be interpreted to prohibit the Board from discussing legislative matters with the Federal Advisory Council, a body composed of bankers that was created by the Federal Reserve Act for the express purpose of counselling with the Board on matters affecting the System. Again, I cannot believe such results could be intended.

The officers and directors of the Reserve Banks, as well as members of the Federal Advisory Council, are appointed under law. The Board has a responsibility to keep these individuals informed on legislative issues, and they naturally share our concern for legislation that may have an impact upon the System. Their interest in these matters exists quite apart from the positions that some of them hold in private business institutions. Neither Government service nor election to a Reserve Bank directorate should require an individual to forfeit those rights of expression and petition that are generally guaranteed by the first amendment.

We appreciate that Section 4 of the bill is intended to protect against the possibility that regulated institutions, hoping to curry favor with their regulator, may be induced to promote the regulator's interest in particular legis-

lation. One who entertains such a fear must be assuming that men and women who work in regulated businesses would let themselves be used by unscrupulous regulators to express views that may not be their own. I see little basis for any such cynicism about bankers or their regulators, or—for that matter—about the ability of Congressmen to protect themselves against misleading rhetoric of their constituents.

We live in disturbed times, and if the Congress should consider Section 4 a proper subject for new legislation, I still see no basis for singling out for special treatment the Federal Reserve—an institution whose integrity should not be so lightly questioned. I cannot deny a theoretical possibility of misconduct in the future; and if the Congress believes it appropriate to address the issue, it should do so in the broad context of all Federal regulatory agencies—not excluding Cabinet departments.

Finally, Section 5 of the bill would add "Federal Reserve Bank director, officer, or employee" to the list of individuals covered by the conflict-of-interest prohibitions of Section 208 of the Criminal Code. This section of the code prohibits any covered employee or official from participating personally and substantially in any matter in which he, or certain persons or entities related to him, has a financial interest unless he first makes a full disclosure to the official who appointed him and receives appropriate clearance in advance.

In principle we have no objection to this proposal. The Board of Governors has since the inception of the Federal Reserve System recognized the need to assure that the highest standards of personal integrity are observed, not only by Board officials and employees but also by all those associated with the System. As early as 1919, the Board stated that:

it has always entertained the view that no director or officer of a Federal Reserve bank should permit his connection with the bank to be used in furthering his private business or the interest of any corporation with which he may be associated.

The Board has requested the Reserve Banks to distribute to their directors, officers, and employees the Code of Ethics for Government

Service, and it has asked each Reserve Bank to adopt rules on employee responsibilities and conduct comparable to those adopted by the Board itself in furtherance of Executive Order 11222. These rules constitute a broad prohibition of conflicts of interest.

While we thus concur with the principle underlying this proposal, we are disturbed by its discriminatory nature. I believe that there are many positions comparable to those of Reserve Bank directors that are not now covered by Section 208 of the Criminal Code. The directorates of the Federal home loan banks is the example that comes to mind most readily. If the Congress is to consider extending the criminal penalties for conflicts of interest, it seems highly inappropriate to do so by singling out one group as a special target and to do so without benefit of some deeper study of the proposal.

If such a study were undertaken, consideration would need to be given to the unique status of Reserve Bank directors in the structure of the Federal Reserve System. The Federal Reserve Act provides for a balancing of economic interests on Reserve Bank boards—lenders, borrowers, and public representatives. Directors are required by the act and by their oath of office to administer the affairs of the Bank “fairly and impartially and without discrimination.” The legislative history of the act indicates clearly that the Congress viewed Class C directors as having a responsibility, as “representatives of the United States,” to insure that this requirement of impartiality was carried out.

The Federal Reserve System has been untouched by conflict-of-interest scandals in its 64 years of existence, and we certainly have the power to deal effectively with miscon-

duct—even to remove officers and directors—if any such thing should occur. In light of this, and particularly if the Board of Governors appointed three additional public representatives, it is very doubtful that Section 5 of the present bill is at all necessary. Not only that, there is at least the possibility that specific reference to directors under the Criminal Code would diminish the ability of the Federal Reserve Banks to attract highly qualified citizens to their directorates.

We urge the committee to move very cautiously on Section 5, not only for the above reasons but also because of what appears to be a technical flaw in drafting. Subsection (b)(1) of Section 208 of the Criminal Code provides that the Government official responsible for the appointment of another person covered by the code may permit that person to participate in a particular matter where the person’s interest in the matter is not substantial. It so happens, however, that the Reserve Bank directors in Classes A and B are elected by member banks, so there is no appointing official in their case. The obvious, but perhaps unintended, discrimination against those directors should be noted by the committee.

In summary, the Board supports enactment of several provisions of this bill. We believe, however, that the objectives of the quarterly hearings on monetary policy can be best achieved by retaining the tested language of House Concurrent Resolution 133. We urge the committee to drop the provision of the bill relating to “lobbying” because it is unjustifiably broad and of doubtful constitutionality. And we also urge the committee to study very carefully the implications of amending the Criminal Code before taking any serious legislative move in such a direction. □

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*Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, July 29, 1977.*

I am pleased to appear before this committee once again to present the report of the Board of Governors of the Federal Reserve System on the condition of the national economy and the course of monetary policy.

Since the closing months of 1976, our Nation has experienced a vigorous and broadly based economic expansion. The gains in the industrial sector have been especially impressive; during the past 8 months, the combined output of factories, mines, and power plants has risen at an annual rate of 9½ per cent. Activity in other sectors of the economy also has increased briskly. As a result, total employment in June was almost 3 million higher than last October—an unprecedented gain in so short a period. The unemployment rate remains high; but it has declined in recent months by nearly a full percentage point, despite rapid growth of the labor force. The rate of utilization of our industrial plant capacity also has risen significantly and now exceeds 83 per cent in manufacturing.

Demand for consumer goods has continued to propel the expansion. With confidence buoyed by improving economic conditions, consumers have been spending freely from current income besides adding significantly to their personal indebtedness. The strong buying mood of consumers is reflected in the personal saving rate, which in the first half of this year averaged less than at any time since the early 1960's.

Retail sales climbed steeply during the fall and winter months and remained at a high level this spring. Over the past three quarters, retail sales, after adjustment for price increases, have risen at an annual rate of about 6 per cent. Auto sales contributed greatly to the advance, averaging—on a seasonally adjusted basis—almost 1 million cars per month since March.

The rise of consumer spending played a major role in prompting a resurgence of inventory investment early this year. A moderate inventory correction in the latter part of 1976 had reduced the ratio of stocks to sales to exceptionally low levels in many lines of trade and manufacturing. Once sales again accelerated, businessmen had to rebuild their inventories in order to meet customer demands. The annual rate of additions to business inventories reached \$14 billion in the first quarter of this year and perhaps \$20 billion in the quarter just ended.

In the past 2 months or so, it appears that

stocks in certain categories of nondurable goods reached somewhat higher levels than businessmen desired. The latest data on employment and production in manufacturing suggest that business firms have again moved promptly to reverse the build-up. With inventory positions generally still lean and sales prospects favorable, inventory investment is likely to contribute to economic expansion later in the year and on into 1978.

The upward trend of sales and of capacity utilization has encouraged businessmen to enlarge their outlays for plant and equipment. There are some signs that business capital spending may finally be gaining significant upward momentum. Order backlogs of capital goods manufacturers have been climbing. Business equipment posted the largest advance of any major category of industrial production during the first half. New contracts and orders for plant and equipment most recently have been running more than 20 per cent above year-earlier levels. To date, business capital expenditures have been concentrated largely on vehicles and other light equipment, but there is some tentative evidence that large construction projects and heavy machinery are beginning to make a contribution to the capital goods recovery. All told, the evidence at hand points to moderate strength in spending on plant and equipment in the months ahead.

Residential construction meanwhile has remained a major area of strength in the economy. Sales of homes have been brisk, and the average level of single-family housing starts in the second quarter was the highest in more than two decades. The multifamily sector has continued to recover slowly, but the low vacancy rates in many localities are likely to stimulate additional construction. In certain parts of the country, especially in California, speculative activity in the single-family sector has recently emerged and this development bears watching. In general, however, the expansion of homebuilding seems to be realistically attuned to the Nation's mobile population. In the Board's judgment, residential construction will post further gains in coming quarters.

Governmental spending has picked up recently, most markedly in the State and local

sector. The budgetary position of many State and local governments has improved considerably, being bolstered by Federal grants, by higher tax rates, and by the effects of economic expansion on tax revenues. State and local units have been able to expand employment more rapidly of late, although growth has not been as strong as in the 1960's and early 1970's. Their construction programs, delayed in many cases as governmental units concentrated on rebuilding their financial position, are moving ahead again and should provide significant impetus to economic activity in coming quarters.

The only major weak spot in the economy has been the foreign trade sector. Exports have been sluggish this year, being limited by the relatively slow economic expansion in other industrial nations. Most of these countries have experienced indecisive rebounds in business investment, and this has restricted the demand for American machinery—an important part of our sales abroad.

Cyclical developments have also played a large role on the import side of the trade ledger. In general, the demand for imported industrial materials has increased in step with the recent rapid growth of production in this country. Imports of cyclically sensitive durable goods—such as machinery, autos, and other consumer items—are also reflecting recent economic trends. And needless to say, oil imports have risen enormously this year, swelled first by cold weather and then by inventory building in anticipation of price increases by the Organization of Petroleum Exporting Countries (OPEC).

Continuing advances in investment income and other nontrade items have partly offset the deficit in our foreign trade; even so, the current-account deficit has reached record size. Oil imports should experience some decline later this year, aided by the availability of Alaskan oil. But prevailing trends in economic activity here and abroad suggest little likelihood of significant near-term reduction in our foreign trade or current-account deficits.

In general, financial developments have favored economic expansion in our country, and they are continuing to do so. However, some

familiar cyclical patterns have begun to emerge since the turn of the year.

Borrowing by households has been growing very rapidly. Instalment credit has expanded at a 16 per cent annual rate thus far this year. Measured relative to disposable personal income, growth of instalment credit has reached a pace comparable to past peak rates.

Mortgage credit flows have been of record magnitude. Mortgage credit has, in fact, grown much faster than could be expected on the basis of past relationships between borrowing and residential construction, thus suggesting that households have been putting mortgage funds to a broad variety of uses.

Despite the rapid growth of consumer and mortgage credit, measures of household debt burden generally remain within the range of historical experience. Moreover, delinquency and bankruptcy rates have declined significantly from their recession highs. At this juncture, debt burdens do not appear to constitute a serious impediment to further gains in household expenditures; but we must not overlook the possibility of excesses in this area.

Business firms also have placed heavy demands on credit markets this year. Their overall need for external financing has grown because capital outlays have risen much faster than profits. The net funds raised by nonfinancial corporations increased by about 30 per cent between the second half of 1976 and the first half of this year.

The character of business borrowing has also shifted considerably. Until the latter part of 1976, business firms concentrated on repayment of short-term debt with the proceeds of long-term borrowing. Since last fall, long-term indebtedness has continued to grow, but not nearly so rapidly as short- and intermediate-term borrowing. Bank loans to businesses have increased at an annual rate of 11 per cent since last September, and commercial paper and finance company loans have increased even faster.

These developments have caused liquidity ratios of corporate balance sheets to decline somewhat—a normal cyclical development, although delayed in this case. Still, the state of corporate liquidity remains relatively comfort-

able because of the extensive improvement achieved during the preceding 2 years.

Credit demands by State and local governmental units have been very large this year. About a fifth of the record bond offerings has been devoted to advance refunding of debt issues that were sold in earlier years when interest rates were appreciably higher. The remainder has included substantial amounts to finance construction of public power plants, hospitals, and water and sewer facilities.

Federal Government borrowing, in contrast, has declined from last year—a development which, among other things, reflects the recovery of Treasury revenues and an expenditure pattern still characterized by shortfalls. However, both the administration's projection and the first concurrent resolution indicate that the deficit for fiscal year 1978 will substantially exceed that for the current year. If actually realized, this would be an unusual development. Normally, of course, Federal borrowing diminishes in the course of an economic expansion. In view of the probable need to finance an increasing volume of private capital formation, the prospect of greater demands for funds by the Federal Government in the next fiscal year has been a cause of some disquietude in financial circles.

The strong demands for money and credit that have accompanied our economic expansion have been reflected in a rise in short-term interest rates since the turn of the year. The Federal Reserve might have accommodated credit demands by providing bank reserves more liberally. However, such a course would only have postponed briefly the rise in interest rates because the resulting build-up of liquidity would have intensified inflationary expectations. By responding promptly to the enormous expansion of the monetary aggregates in April, the Federal Reserve gave clear notice that it was alert to the danger of a new wave of inflation. This reassurance to the business and financial community that the Federal Reserve would not permit the money supply to run riot was well received by credit markets. Long-term interest rates, of course, are of much larger significance to the economy than short-term rates; but the long-term rates are also

especially sensitive to inflationary expectations. It is well, therefore, to take note of the fact that interest rates on corporate and municipal bonds, instead of following the recent rise in short-term rates, remained fairly stable and are actually a little lower now than they were in April.

These developments in credit markets are, I believe, attributable in significant part to public confidence in the Federal Reserve's monetary policy. It is noteworthy that, in general, interest rates still remain below levels prevailing at the beginning of the economic recovery.

During the past half year, the Federal Reserve has managed to keep the growth of the major monetary aggregates on a moderate path. *M-1*—which consists of currency and checking accounts at commercial banks—increased at an annual rate of 6.4 per cent. This is a faster rate of growth than occurred last year, and it reflects the very intense demand for transactions balances in recent months. Growth of the broader aggregates, on the other hand, has been slower than last year—a deceleration due partly to the low personal saving rate that has evolved and partly to some modest redirection of savings flows away from deposit accounts and into market securities as short-term interest rates have risen. Despite the moderate slowing of the broader monetary aggregates, financial institutions—both commercial banks and the thrift institutions—remain relatively liquid and in a good position to continue supporting economic expansion.

During the next few quarters, it is improbable that over-all economic growth will proceed as rapidly as it did during the past 6 months. Typically, bursts of consumer spending of the kind witnessed this year are followed by phases of moderation. Such moderation, indeed, seems to be signaled by recent data on retail sales. Nor, of course, is it to be expected that inventory investment will be adding as much to economic expansion as it did in preceding quarters. And in view of the high rate of single-family housing starts already attained, it is likely that housing will contribute less to growth.

These probable developments, however, do not portend an end to general economic expansion.

sion. We at the Board anticipate continuing growth—albeit at less rapid rates—in consumption, inventory investment, and homebuilding. We think, moreover, that investment activity by business firms will maintain a good growth pace and perhaps accelerate as businessmen are confronted, as they may well be, by reduced capacity margins next year. Meanwhile, as I noted earlier, there is reason to expect that the pace of State and local government spending will continue to quicken. What these various trends suggest is a change in the character of the expansion—with the over-all growth rate slowing but still high enough to produce some further reductions in unemployment.

The fact that the Nation's unemployment rate remains high by historical standards is a source of continuing concern. If we as a people are to address this problem effectively, our first task is to understand the special factors that make it so difficult now to achieve rapid reductions in joblessness.

The stickiness of the unemployment rate, it needs to be appreciated, does not reflect unusual slowness in the opening up of new job opportunities during the current expansion. On the contrary, the growth of jobs since the recession trough in March 1975—some 6½ million—has been more rapid than during the comparable phase of any cyclical recovery since World War II. It happens, however, that the rate of increase in the labor force also has been unprecedentedly rapid in the course of this expansion—amounting to more than 5½ million persons. Consequently, despite the huge rise that has occurred in employment, the reduction in over-all unemployment has been modest.

The single most important reason for the fast pace of labor force growth has been a veritable rush of adult women into the job market. Indeed, of the increase of 5.6 million that has occurred in the labor force since the recession trough, 2.4 million—or more than 40 per cent—is accounted for by women of age 25 or over. Strikingly, if the percentage of this adult female population in the labor force had been the same in June 1977 as it was in March 1975, when economic recovery started, the adult

female labor force would have been lower by 1½ million this June. What we are witnessing, literally, is a revolution in the role of women in our society, and we need to focus on the economic implications of this phenomenon more carefully than we have.

Obviously, the fact that the labor market has had to absorb the "extra" influx of female job seekers is a major reason why the Nation's over-all unemployment rate has not moved downward more decisively. The rapid influx of women into the labor force takes on particular significance because it happens to reinforce another demographic factor that also is taxing the absorptive capabilities of the labor market. I refer to the continuing large additions of young people to the labor force—a reflection of the high birth rates of the 1950's.

Both adult women and young people tend to experience unemployment rates above average. Many have never held a regular job before. Others left the work force years earlier on account of marriage or the arrival of children. Whatever the state of the labor market, a decision to enter or re-enter the labor force often involves a fairly extended period of job hunting—frequently prolonged by lack of knowledge about available job opportunities. For married women—especially those with young children—the desired job is often part time and close to home, so finding the right position may take quite a lot of time. For young people, early work experience frequently involves various job shifts—and sometimes several periods of unemployment—until a job considered appropriate is found.

Because of the decline in birth rates that started in the early 1960's, growth in the younger-age component of the labor force can be expected to taper off in the next few years. But no sign of tapering is as yet visible in the labor force participation by adult women. A decided slowing of the inflation rate—if that were to occur—might check the rise in female labor force participation, since some women clearly have taken jobs in order to offset the effects of inflation on household budgets. However, social trends seem to be of greater significance in conditioning the movement of women into the labor force. Attitudes toward



childbearing and childrearing and toward educational and career aspirations of women have been undergoing dramatic changes in our society, and it cannot be foretold when this process will wane.

Thus rapid labor force growth may persist, thereby continuing to make it difficult to reduce the over-all unemployment rate to levels that were once considered reasonably consistent with the goal of full employment. Indeed, the changed age-sex composition of the labor force—now weighted more than formerly toward groups that tend to have higher-than-average unemployment rates—probably has imparted an upward tilt to over-all unemployment of about 1 percentage point compared with 20 years ago.

In time, of course, as women gain experience in the labor market and as businesses adapt their operations so as to employ women more effectively, the upward bias should lessen. One of our prime policy objectives certainly should be to facilitate the assimilation of adult women and young people into the active work force. That is not likely to be accomplished by actions that rely simply on boosting aggregate monetary demand. Such actions would tend to accentuate inflationary pressures in the economy without doing a great deal to facilitate the desired assimilation. In fact, the need to protect family incomes against the ravages of inflation may cause even more women and young people to enter the labor force. We therefore need to recognize very clearly that accommodation of significant changes in the labor market requires policies that are specifically tailored to the elimination of structural hindrances to full employment.

Even before the sharp acceleration of growth in the entry of women into the labor force, there was reason to be concerned that reasonably full use of our commercial and industrial capacity might be reached before we began approaching full employment of our labor force. That concern, arising from the laggard behavior of capital formation, is now greater because of the unexpected rapidity with which the labor force is expanding. The inference seems inescapable that we need governmental policies that offer decisive encouragement to capital formation.

Unless recognition of that need conditions the evolution of policies in such major areas as energy, taxes, social security, welfare, and governmental regulation, there will be small hope of maximizing job opportunities in the next several years.

We need an environment that is decidedly more conducive to business risk-taking than that which has prevailed in recent years. In my judgment, we are very much in danger of forgetting that ours is basically an enterprise economy whose vitality depends on whether business firms are able to earn an adequate rate of return on invested capital. Despite the increasing role of government in economic activities, profits are still the essential driving force of our economic system. Economic discussions nowadays deal extensively with the effects of monetary and fiscal policies on economic activity; but they do not focus frequently enough on the even more important matter of whether private businesses—which dominate job creation in our system—have adequate incentive to expand their operations or to undertake new ventures. Our citizenry may pay dearly if this myopia persists.

It also is important to rethink some of our national policies with respect to the market for jobs. One of the most critical needs is to avoid governmental actions that compound the problems that newcomers to the job market already have. New entrants—whether young people or adult women—often cannot be highly productive in the initial phase of their employment. Minimum wage legislation is blind to that fact, and thus limits employment opportunities for job seekers with little or no recent work experience. With young people and other newcomers to the labor force now accounting for a disproportionate share of the unemployed, this is hardly an opportune time for the Congress to contemplate a boost in the minimum wage that goes well beyond the President's original recommendation.

Statutory changes in minimum wages affect not only the lower end of the wage spectrum. In practice, they tend to have a leveraging effect on the general wage structure as various tiers of workers seek to maintain the differential between their wage and that of lower-paid work-

ers. Such a development would reinforce the upward pressure on wages that already derives from the continuing advance of consumer prices, from tight labor markets here and there, and from large and well-publicized collective bargaining settlements in some industries.

Labor costs per unit of output in the private business sector rose by 5.4 per cent in the year ending in March. This increase reflects the difference between an average increase in labor compensation per hour of about 8 per cent and an average increase of 2½ per cent in output per hour. Since we are now in a phase of the business cycle when productivity gains are more likely to slow than to accelerate, the upward pressures on wages may lead to still stronger pressures on unit labor costs. Many businesses—not always justifiably—already feel a need to recoup labor cost increases or to increase profit margins. To the extent that they succeed in raising their selling prices, the inflation rate will tend to worsen and so too will inflationary expectations. To the extent that they fail, profit margins may narrow—a development that would diminish the likelihood of sustained expansion of capital investment.

The need to concern ourselves with impending cost distortions and inflationary trends is evident from the price record of the first half of this year. That record, to be sure, was influenced by some transitory forces, and there has been some diminution in the rate of inflation lately. Even so, the rate of inflation this year is running higher than it did last year. This is a disturbing development for international as well as for domestic reasons.

In recent weeks, the dollar—which had maintained remarkable stability against the average of foreign currencies since early last year—has experienced limited but conspicuous depreciation. This is a matter that no one in our Government can or does take lightly: first, because any material depreciation of the dollar against foreign currencies would have some adverse effect on our domestic price level; second, because the dollar is a store of value for much of the rest of the world. The fact that the dollar has weakened even in relation to the currencies of countries experi-

encing much greater inflation than the United States is a reminder that market psychology has a way of magnifying or distorting for a time underlying trends. A sound dollar is essential to our economic future, and everyone with major financial responsibility in our Government is keenly aware of that.

We at the Federal Reserve have persistently sought to protect the integrity of the dollar and at the same time to foster further economic expansion. The members of the Federal Open Market Committee, when they met earlier this month to discuss the longer-run growth of the monetary aggregates, carefully considered international as well as domestic developments. The Committee decided to leave unchanged for the year ending in the second quarter of 1978 the previously projected growth ranges of the broader monetary aggregates. *M-2* thus is projected to grow within a range from 7 to 9½ per cent during the next year, and *M-3* within a range from 8½ to 11 per cent. An adjustment, however, was made in the growth range for *M-1*; the lower boundary of this range was dropped by one-half of a percentage point, so this aggregate is projected to increase within a range from 4 per cent to 6½ per cent in the year ahead.

The adjustment in the projected growth range for *M-1*, while small, represents another step toward bringing the long-run growth of the monetary aggregates down to rates compatible with general price stability. Sustained progress in this direction is essential if the administration's publicly announced goal of reducing the pace of inflation by about 2 percentage points by the end of 1979 is to be achieved.

The trend of growth in monetary aggregates, I regret to say, is still too rapid. Even though the Federal Reserve has steadily sought during the past 2 years to achieve lower ranges for monetary expansion, the evolution of its projections has been extremely gradual; indeed, at the pace we have been moving it would require perhaps a decade to reach rates of growth consistent with price stability. I must report, moreover, that despite the gradual reduction of projected growth ranges for the aggregates during the past 2 years, no meaningful reduction has as yet occurred in actual

growth rates. That unintended consequence is partly the result of data deficiencies that complicate the already formidable task of adjusting or approximating monetary growth objectives. Some of the data deficiencies we have experienced are being overcome. Even so, monetary measurement will continue to lack the precision of a science. So too will the Federal Reserve's actions aiming to influence developments in financial markets.

Implicit in our projections for monetary growth is the expectation that the velocity—or turnover—of *M-1* will increase at a faster rate than it has on the average during comparable periods of previous business-cycle expansions. That does not seem an unreasonable expectation, inasmuch as the velocity of *M-1* has, in fact, been increasing more rapidly during the current recovery than the historical record would have suggested—a development that reflects the increasing importance of a wide range of substitutes for traditional checking deposits. The Federal Reserve Board's staff estimates that the growing use of such substitutes—for example, negotiable orders of withdrawal (NOW) accounts, credit union share drafts, drafts on money market mutual funds, passbook savings accounts for business firms and State and local governments, and telephonic transfers from savings to checking accounts—depressed the rate of growth of *M-1* by about 1½ percentage points in 1976. This year the impact may be smaller but nonetheless will remain significant.

The relationship between monthly or even yearly rates of monetary expansion and the performance of the economy is subject to considerable uncertainty under the best of circumstances. In the current environment of rapid change in methods of carrying on financial transactions that uncertainty is heightened. Consequently, the Federal Reserve will continue to maintain a posture of vigilance and flexibility in the period ahead.

Current monetary policy represents our best judgment as to what is appropriate in the light of evolving economic and financial developments. We will not be slow in modifying that policy if actual conditions deviate materially from our expectations.

In concluding this report, I think it appropriate to emphasize the great complexity of the economic problems currently confronting our Nation. There are no instant, easy solutions that will deliver us from our difficulties. For our part, we at the Federal Reserve know that inflation ultimately cannot proceed without monetary nourishment. But we also live with a realization of our limited capacity to move dramatically or quickly in making means of financing less readily available. The shock of abrupt adjustment after so many years of druglike abuse of our economic system would be excessively risky. To the maximum extent feasible, however, we are determined to move toward re-establishing conditions of financial order in our society. That is not because financial order is itself an end with which we are preoccupied, but because our Nation cannot realize its potential for sustained prosperity and well-being until existing apprehensions about inflation are subdued.

We at the Board have no illusions about what the Federal Reserve alone can accomplish. Sound monetary policy is a prerequisite to the achievement of the employment and price goals set forth by the administration. But other elements are no less critical. The President's timetable for eliminating the deficit in the Federal budget deserves the earnest support of the Congress. Structural rigidities that are weakening our economy also require serious attention. It is fortunate that members of the Congress increasingly perceive that persistent budget deficits and ever-faster increases of the money supply, whatever their usefulness in the past, are no longer capable of solving our economic problems. □

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# Record of Policy Actions of the Federal Open Market Committee

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MEETING HELD ON JUNE 21, 1977

## Domestic Policy Directive

The information reviewed at this meeting suggested that growth in real output of goods and services in the current quarter had been close to the pace in the first quarter, now indicated by revised estimates of the Commerce Department to have been at an annual rate of 6.9 per cent. The rise in average prices—as measured by the fixed-weighted price index for gross domestic business product—appeared to have been somewhat faster than the annual rate of 6.5 per cent estimated for the first quarter, owing in large part to substantial increases in prices of foods. Staff projections suggested that in the second half of 1977 and in early 1978 the rate of growth in real GNP would be fairly rapid, although significantly less so than in the first half of this year. The projections also suggested that the rate of increase in prices would moderate from that in the first half but would remain comparatively high.

In the current quarter, according to staff estimates, growth in personal consumption expenditures had slowed somewhat from the high rate in the first quarter. The expansion in business fixed investment also had moderated—from an especially rapid pace in the first quarter induced by recovery from strikes. On the other hand, residential construction activity had expanded sharply in the current quarter, after having been adversely affected in the first quarter by severe winter weather; State and local government purchases of goods and services had turned up; and business inventory investment had increased moderately further.

Staff projections for the second half of the year suggested that growth in consumption expenditures would slow somewhat further and that the pace of expansion in residential construction would moderate. At the same time, however, it was expected that increases in Federal purchases of goods and services would be substantial; that growth in State and local government purchases would be sustained at a high rate; that expansion of business

investment would remain relatively strong; and that the rate of inventory accumulation would continue to increase.

In May economic activity continued to expand at a rapid pace. Industrial production rose by 1.1 per cent, following gains of 1.5 per cent and 0.8 per cent in March and April, respectively. As in other recent months, increases in output were widespread among both final products and materials; such increases were especially large for business equipment and for some durable goods materials. However, assemblies of automobiles declined slightly for the second consecutive month.

Rates of capacity utilization rose in May to about 83 per cent both for manufacturing as a whole and for the materials-producing industries. These utilization rates were significantly above those of last autumn and winter, but they remained well below the peaks in the previous business expansion when capacity constraints in a number of materials-producing industries limited growth in output and contributed to upward pressures on prices.

Private housing starts—which had risen sharply in March to an annual rate of 2.1 million—were at a rate of about 1.9 million in both April and May. At that level, starts were about 10 per cent above the average for both the first quarter of 1977 and the fourth quarter of 1976. Mortgage lending activity had remained strong in recent months. At savings and loan associations, outstanding commitments to acquire mortgage loans reached a new high in April—the latest month for which data were available—and holdings of mortgage loans increased by a record amount during the month.

Developments in labor markets continued to reflect the strength in economic activity. Payroll employment in nonfarm establishments increased by 190,000 persons in May—bringing the cumulative increase in the first 5 months of the year to almost 1.5 million, about one-third of which was in manufacturing. The unemployment rate edged down from 7.0 to 6.9 per cent. During the second half of 1976 it had fluctuated between 7.8 and 8.0 per cent.

Personal income expanded considerably less in April and May than in the preceding 2 months when increases had been especially large owing to the rebound in wage and salary payments from the weather-reduced level in January and to disbursements by the Federal Government of earned-income credits to low-income families. Wage and salary payments rose about 1 per cent in both

April and May, close to the average monthly increase for the first quarter.

Gains in employment and income continued to strengthen consumer demands. In May total retail sales increased further to a level about  $3\frac{1}{4}$  per cent above the monthly average for the first quarter. Sales of new automobiles—at a relatively high annual rate of 11.7 million units—were unchanged from April and were moderately above the first-quarter pace. Sales of foreign models, at an annual rate of 2.6 million units in May, set a record for the third successive month. Data available for domestic models indicated an appreciable rise in sales in the first 10 days of June.

Data reflecting business commitments to spend for certain kinds of plant and equipment suggested a vigorous expansion in outlays over the near term. New orders for nondefense capital goods rose nearly 2 per cent further in April, and the average for the first 4 months of the year was about  $6\frac{1}{2}$  per cent above the average for the last 3 months of 1976. Unfilled orders for such goods at the end of April were 3 per cent above the level at the end of 1976. Contract awards for commercial and industrial buildings—measured in terms of floor space—declined in April, but the March–April average was sharply above the averages for the first 2 months of the year and for the last 3 months of 1976.

However, the latest Commerce Department survey of business plans, taken in May, suggested that in the third and fourth quarters of the year increases in spending for plant and equipment would be small and perhaps no more than the rise in prices for such goods. The survey suggested that for 1977 as a whole, businesses would spend 12.3 per cent more than in 1976, only 0.6 of a percentage point above the year-to-year increase suggested by the survey taken in February.

The index of average hourly earnings for private nonfarm production workers—which had advanced at an annual rate of 7.6 per cent in April, according to revised data—rose at a rate of 5.7 per cent in May. Over the first quarter the index had increased at a rate of 7.4 per cent, including the effects of the January increase in the minimum wage. In addition, labor costs had been raised in the first quarter by an increase in taxes on employers for social security and unemployment insurance.

The rise in the wholesale price index slowed to 0.4 per cent in May

from about 1.0 per cent in each of the preceding 3 months. Average prices for farm products declined in May while those for processed foods rose further, and the average for the two groups changed little following 3 months of large increases. In May average prices of industrial commodities also rose less than in the immediately preceding months; increases continued to be substantial for fuels and power and were larger than in the preceding months for machinery and equipment, but prices of scrap metals and some other materials either declined or rose less rapidly than earlier.

The consumer price index rose 0.8 per cent in April, and the average increase over the first 4 months of the year also was 0.8 per cent—considerably larger than the average increase during the second half of 1976. Average prices of foods jumped 1.5 per cent in April, reflecting relatively large increases in almost all categories. Over the first 4 months of the year, food prices rose 5 per cent, after having changed little on balance over the 12 months of 1976. It was reported during the course of this meeting that the consumer price index for May—which had just been released—was 0.6 per cent above the index for April.

The U.S. foreign trade deficit, which had increased sharply in each month of the first quarter, was about the same in April as in March (estimated on the international accounts basis). Over the 5 weeks between the May and June meetings of the Committee, the average value of the dollar against leading foreign currencies had changed little on balance—despite the publication in late May of the U.S. trade deficit for April, which was larger than had been expected. The impact on exchange rates of the large deficit was moderated in part by declines in interest rates abroad relative to those in the United States. On balance over the 5-week period, moreover, foreign central banks purchased dollars in the exchange markets.

At U.S. banks, growth in total credit slowed somewhat in May from the relatively rapid pace of April, but the rate was close to the average for the January–April period. The slowing of growth in May was attributable almost entirely to a drop in the expansion of business loans to less than half the high rate of April. Over the first 5 months of the year, growth in business loans (excluding bankers acceptances) was substantially faster than over the fourth quarter of 1976.

The narrowly defined money stock (*M-1*) increased at an annual rate of only 1.1 per cent in May, after having grown at a record rate of nearly 20 per cent in April. Typically, in recent years rapid monetary growth in one month has been followed by slow growth for a month or two. For April and May combined, growth was at an annual rate of 10.4 per cent, compared with a rate of 4.8 per cent in the first quarter.<sup>1</sup>

Growth in the more broadly defined measures of money (*M-2* and *M-3*) also slowed sharply in May—to annual rates of 4.6 and 6.9 per cent, respectively—mainly as a result of the slowing in *M-1*. However, inflows of the time and savings deposits included in *M-2* continued to slacken in response to earlier increases in market interest rates relative to offering rates on deposits. Inflows to nonbank thrift institutions, on the other hand, remained at about the pace of recent months. Over the first 5 months of 1977, *M-2* grew at an annual rate of 8.3 per cent; and *M-3*, at a rate of 9.6 per cent.<sup>2</sup>

At its May meeting the Committee had decided that growth in *M-1* and *M-2* in the May–June period at annual rates within ranges of 0 to 4 per cent and 3½ to 7½ per cent, respectively, would be appropriate. It had judged that these growth rates were likely to be associated with a weekly-average Federal funds rate of about 5¾ per cent. The Committee had agreed that if growth rates in the aggregates over the 2-month period appeared to be deviating significantly from the midpoints of the indicated ranges, the operational objective for the weekly-average Federal funds rate should be modified in an orderly fashion within a range of 5¼ to 5¾ per cent.

In the days immediately preceding the May meeting the Manager of the System Open Market Account had aimed for a Federal funds rate of around 5¼ per cent, and the rate actually had fluctuated between 5¼ and 5¾ per cent. In the days just after the meeting the Manager began to implement the Committee's directive by seeking a weekly-average rate of 5¾ per cent for Federal funds. Throughout

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<sup>1</sup>Revised measures of the monetary aggregates, reflecting new benchmark data for deposits at nonmember banks, were published on June 23, 1977. On the basis of these revised figures, the annual rate of growth in *M-1* was 0.8 per cent in May; 19.4 per cent in April; and 4.2 per cent in the first quarter.

<sup>2</sup>Revised figures for *M-2* and *M-3*, respectively, were 4.7 and 7.1 per cent for May, and 8.7 and 9.8 per cent for the first 5 months of 1977.



the inter-meeting period, incoming data suggested that over the May–June period *M-1* and *M-2* on the average would grow at rates well within the specified ranges. Accordingly, the Manager continued to aim for a weekly-average funds rate of about 5¾ per cent, and the rate remained close to that level during the period.

Short-term market rates changed little on balance over the inter-meeting period. Rates rose somewhat early in the period, but later they fell back partly in response to the steadiness of the Federal funds rate and to the indications of slow monetary growth after the April surge. In addition, demands for short-term credit by State and local governments as well as by businesses moderated, and the Treasury continued to redeem bills in its regular auctions. In late May most major banks raised their prime rate on business loans from 6½ to 6¾ per cent, but one of these banks later cut the rate back to 6½ per cent.

Bond yields declined 10 to 20 basis points over the inter-meeting period, in part because short-term rates did not rise as market participants had expected. In addition, the volume of public offerings of new corporate bonds declined in May and appeared likely to be much lower for the second quarter as a whole than for the first quarter. Moreover, the Federal budget registered a surplus during the second quarter, permitting not only a decrease in the volume of Treasury bills outstanding but also a reduction in offerings of new bonds. Offerings of new State and local government bonds rose to a record volume in May and appeared likely to be much larger for the second quarter than for the first. However, demands for tax-exempt bonds remained strong.

The volume of mortgage lending remained large in May, at commercial banks as well as at savings and loan associations. Moreover, issues of GNMA-guaranteed, mortgage-backed securities and net mortgage acquisitions by FNMA were considerably above the average for the first 4 months of the year. Average interest rates on new commitments for conventional home mortgages continued to edge higher in May, and in the secondary mortgage market yields in FNMA commitments auctions also rose slightly further.

At its April meeting the Committee had agreed that from the first quarter of 1977 to the first quarter of 1978 average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: *M-1*, 4½ to 6½ per cent; *M-2*, 7

to 9½ per cent; and *M-3*, 8½ to 11 per cent. The associated range for growth in the bank credit proxy was 7 to 10 per cent. It was agreed that the longer-term ranges, as well as the particular aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings. It also was understood that short-run factors might cause growth rates from month to month to fall outside the ranges contemplated for annual periods.

In the discussion of the economic situation and outlook, the suggestion was made that it was reasonable to expect growth in real GNP for a number of quarters ahead to be fairly rapid, although less rapid than in the current quarter. Members differed somewhat in the emphasis placed on the favorable versus the unfavorable elements in the outlook for prices and costs.

It was observed that the expansion in personal consumption expenditures was likely to slow—and the rate of personal saving to increase—as consumer purchases of new automobiles leveled off or declined following their large gains in recent quarters. It was also observed, however, that strength in other sectors should be sufficient to sustain over-all expansion at a reasonably good rate. Specifically, it was suggested that the outlook for State and local government purchases of goods and services had strengthened because of higher tax revenues and enlarged transfers of funds from the Federal Government resulting from recent legislation; that expansion in business fixed investment in the second half of the year was likely to be stronger than portrayed by the latest Commerce Department survey; and that, in association with the expansion in fixed investment, business inventory investment would continue to increase.

Several members reported that businessmen were disturbed by an atmosphere of uncertainty about Government policies and regulations—in particular, those affecting taxes, energy, and environmental pollution. Moreover, businessmen were reported to be deeply concerned about inflation. In contrast with earlier times, inflation was now viewed as a cause of deterioration in profits, in part because of sharp increases in wage rates and in prices of raw materials and in part because of the taxation of profits that to some degree were unreal. Such considerations were seen as retarding the expansion in business fixed investment—which so far had been slower than might have been expected on the basis of earlier business expansions. Some members observed that business confidence nevertheless has been

improving and that the behavior of new orders for nondefense capital goods and of other indicators pointed to continuing expansion in outlays for plant and equipment.

It was also suggested that confidence has been enhanced by System policies—specifically, by the promptness with which open market operations during the period between the April and May meetings responded to the April surge in monetary growth. The magnitude of recent declines in yields on long-term bonds was cited as partial evidence for this view.

In the discussion of the outlook for prices, it was observed that the second-quarter acceleration in the over-all measures was attributable in large part to substantial increases in prices of farm products, which had been influenced more by the severe winter weather and the early-spring drought than the initial estimates indicated they would be. It was noted that in the past few months supply prospects had improved considerably for both grains and meats. It was noted also that prices of a number of basic industrial materials had declined over the past 2 months.

With respect to wages and costs, the recent behavior of the index of average hourly earnings for private nonfarm production workers was described as an indication that the rise in labor costs per unit of output had not been accelerating, and it was noted that this was a favorable development for the present stage of the business expansion. On the other hand, there had been some pick-up during the past year in the rate of increase in the broader measure of compensation per manhour in the private business sector. It was suggested, moreover, that the accelerated increase in the consumer price index during the first 4 months of 1977 may well be reflected in the pace of wage advances later on, that a rapid rate of inflation by itself tended to reduce industry's resistance to granting large wage increases, and that the rate of gain in productivity was likely to slow.

In considering policy for the period immediately ahead, the members of the Committee took account of the likelihood that growth in *M-1* would remain relatively slow in June—continuing to respond to the April surge—but that growth from the first to the second quarter would nevertheless exceed the Committee's longer-run range for that aggregate. In July, according to staff analysis, expansion of *M-1* was likely to be magnified by a purely technical factor—namely, distribution of social security checks earlier in the month than usual,

thereby causing demand deposits to be larger than they otherwise would be over the 3-day weekend including July 4.

The members differed little in their preferences for the ranges to be specified for the annual rates of growth in the monetary aggregates over the June–July period. For *M-1*, sentiment initially was about equally divided between ranges of 2½ to 6½ per cent and 3 to 7 per cent; the midpoint of each range was somewhat below the midpoint of the Committee’s longer-run range for growth in that aggregate. However, after some discussion of the extent to which growth in *M-1* in the second quarter was likely to exceed its longer-run range, sentiment in favor of the lower of the two ranges prevailed. For *M-2*, most members favored a range of 6 to 10 per cent, but sentiment was also expressed for a range of 5½ to 9½ per cent.

Most members favored giving greater weight than usual to money market conditions in conducting open market operations in the period until the next meeting because of uncertainty about *M-1* growth rates in the near term. However, a number of the members expressed a preference for continuing to have operating decisions in the period ahead based primarily on the behavior of the monetary aggregates.

Almost all members favored directing operations—at least initially—toward maintaining the Federal funds rate at about its prevailing level of 5¾ per cent. Most of them advocated retaining the inter-meeting range for the funds rate of 5¼ to 5¾ per cent that had been specified at the May meeting, but sentiment was also expressed for a range of 5 to 5¾ per cent. One of the members who expressed a preference for continuing to base operations primarily on the behavior of the aggregates favored a range of 5½ to 6¼ per cent for the funds rate.

At the conclusion of the discussion the Committee decided that operations in the period immediately ahead should be directed toward maintaining about the prevailing money market conditions, as represented by a weekly-average Federal funds rate of 5¾ per cent. With respect to the annual rates of growth in *M-1* and *M-2* over the June–July period, the Committee specified ranges of 2½ to 6½ per cent and 6 to 10 per cent, respectively. The members agreed that if growth in the aggregates should appear to approach or move beyond the limits of the specified ranges, with approximately equal weight given to *M-1* and *M-2*, the operational objective for the weekly-average Federal funds rate should be varied in an orderly fashion

within a range of  $5\frac{1}{4}$  to  $5\frac{3}{4}$  per cent. As customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives.

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

The information reviewed at this meeting suggests that real output of goods and services has grown in the current quarter at about the rapid rate of the first quarter. In May industrial output and employment continued to expand at a substantial pace, and the unemployment rate edged down from 7.0 to 6.9 per cent. Total retail sales increased from the advanced March–April level. The rise in the wholesale price index for all commodities slowed substantially in May, as average prices of farm products and foods changed little after having increased sharply for three consecutive months; average prices of industrial commodities also rose less than in other recent months.

The average value of the dollar against leading foreign currencies has changed little on balance over the past month. The U.S. foreign trade deficit was nearly as large in April as in March.

*M-1* increased only slightly in May, after rising at an exceptionally rapid rate in April. Reflecting mainly the behavior of *M-1*, growth in *M-2* and *M-3* also slowed sharply. Inflows to banks of time and savings deposits other than large-denomination CD's continued to slacken, but inflows to nonbank thrift institutions remained sizable. Business short-term borrowing moderated from the sharply increased pace of April, and corporate borrowing in the capital markets was reduced further. Short-term market interest rates have changed little on balance in recent weeks, while longer-term yields have declined.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster bank reserve and other financial conditions that will encourage continued economic expansion and help resist inflationary pressures, while contributing to a sustainable pattern of international transactions.

At its meeting on April 19, 1977, the Committee agreed that growth of *M-1*, *M-2*, and *M-3* within ranges of  $4\frac{1}{2}$  to  $6\frac{1}{2}$  per cent, 7 to  $9\frac{1}{2}$  per cent, and  $8\frac{1}{2}$  to 11 per cent, respectively, from the first quarter of 1977 to the first quarter of 1978 appears to be consistent with these objectives. These ranges are subject to reconsideration at any time as conditions warrant.

At this time, the Committee seeks to maintain about the prevailing

money market conditions during the period immediately ahead, provided that monetary aggregates appear to be growing at approximately the rates currently expected, which are believed to be on a path reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, the Committee seeks to maintain the weekly-average Federal funds rate at about  $5\frac{3}{8}$  per cent, so long as *M-1* and *M-2* appear to be growing over the June–July period at annual rates within ranges of  $2\frac{1}{2}$  to  $6\frac{1}{2}$  per cent and 6 to 10 per cent, respectively. If, giving approximately equal weight to *M-1* and *M-2*, it appears that growth rates over the 2-month period are approaching or moving beyond the limits of the indicated ranges, the operational objective for the weekly-average Federal funds rate shall be modified in an orderly fashion within a range of  $5\frac{1}{4}$  to  $5\frac{3}{4}$  per cent.

If it appears during the period before the next meeting that the operating constraints specified above are proving to be significantly inconsistent, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

Votes for this action: Messrs. Burns, Volcker, Gardner, Guffey, Jackson, Lilly, Mayo, Morris, Pardee, Roos, and Wallich. Vote against this action: Mr. Coldwell.

Mr. Coldwell dissented from this action because he favored a funds rate range of 5 to  $5\frac{3}{4}$  per cent, in order to provide more leeway for a reduction should the rates of growth in *M-1* and *M-2* appear to be near or below the lower limits of their specified ranges for the June–July period. This preference reflected his views that the April bulge in *M-1* had been caused largely by special factors, that the projections of the aggregates for the June–July period were highly uncertain, and that realization of the staff projection for growth in nominal GNP would involve very large increases in the velocity of money.

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

# Law Department

Statutes, regulations, interpretations, and decisions

## LOAN GUARANTEES FOR DEFENSE PRODUCTION

The Board of Governors has amended its Regulation V to reflect that the name of the Defense

Supply Agency has been changed to the Defense Logistics Agency.

Effective June 30, 1977, Section 1 of Regulation V (Loan Guarantees for Defense Production) of the Board of Governors is amended by deleting "the Defense Supply Agency" and substituting the phrase "the Defense Logistics Agency."

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

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

Banco Central, S.A.,  
Madrid, Spain

#### *Order Approving Formation of Bank Holding Company*

Banco Central, S.A., Madrid, Spain, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of the formation of a bank holding company through acquisition of all the voting shares of Banco Central y Economias ("Bank"), Hato Rey, Puerto Rico. Bank, a new bank organized under the laws of the Commonwealth of Puerto Rico, proposes to purchase assets and assume liabilities, including deposit liabilities, of Banco Economias, San German, Puerto Rico. Bank would be the successor to Banco Economias and, accordingly, the proposed acquisition of voting shares of Bank is treated in this Order as a proposed acquisition of voting shares of Banco Economias.

Notice of the application has been given to the Secretary of the Treasury of the Commonwealth of Puerto Rico, who has advised the Board that he has no objection to approval of the application. Published notice<sup>1</sup> of the application has been dispensed

with because of the emergency that exists. The Act does not require such notice. The Board has considered the application and the comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, a Spanish commercial bank with total assets of approximately \$8.5 billion and total deposits of approximately \$7.2 billion, is the second largest commercial bank in Spain. Applicant has 1,181 offices, including six foreign branches, and nine representative offices. Applicant also plans to establish an agency in New York City.<sup>2</sup>

Banco Economias, the assets and liabilities of which Bank will acquire, is the sixth largest of 15 nongovernment-owned banking organizations operating in Puerto Rico, and holds deposits of approximately \$199 million, or 4.1 per cent of the total deposits in commercial banks in the Commonwealth of Puerto Rico.<sup>3</sup> Applicant does not now operate in Puerto Rico, and it does not appear that any meaningful competition would be eliminated as a result of the proposal. Consummation of the proposal should, in fact, have a salutary effect on competition by restoring Bank to a condition that will enable it to compete with other banking organizations in the market. Therefore, on the basis of the record, the Board concludes that competitive considerations are consistent with approval of the application.

<sup>1</sup>The Federal Deposit Insurance Corporation has asked the Board to act on this application as soon as possible for reasons related to the condition of Banco Economias.

<sup>2</sup>Banking data are as of December 31, 1976.

<sup>3</sup>Deposit and market data within Puerto Rico are as of June 30 1976.

The financial and managerial resources of Applicant are considered satisfactory and its future prospects appear favorable. Without consummation of this proposal, the financial resources and future prospects of Banco Economias would be considered poor, and if it is to continue as a viable banking institution it must be acquired by a sound and well-managed organization such as Applicant. Applicant will provide Bank with needed financial and managerial resources and will greatly improve its future prospects. These factors lend great weight toward approval. Considerations relating to the convenience and needs of the community to be served also lend weight toward approval, as the continuity of banking services by a locally-chartered institution would be maintained in areas now served by Banco Economias. It is the Board's judgment, therefore, that the proposed acquisition would be in the public interest and that the application should be approved.

Applicant appears to qualify, upon consummation of the proposed transaction, as a foreign bank holding company under section 225.4(g)(1) of Regulation Y, and as such it will be exempt from certain of the nonbanking prohibitions of the Act applicable to domestic bank holding companies. Specifically, a foreign bank holding company may, without the Board's prior approval, retain and acquire shares of any company that is not engaged, directly or indirectly, in any activities in the United States except those incidental to such company's international or foreign business. Applicant does not itself engage in any nonbanking activity in the United States and it does not own, directly or indirectly, more than five per cent of the shares of any company located in the United States. Applicant is in the process of submitting information to clarify whether Board approval is necessary for the retention of shares it holds directly or indirectly in any foreign company on the basis of that company's direct activities in the United States. Under section 4(a)(2) of the Act, Applicant would have a two-year period from the time it becomes a bank holding company to secure such approval or to dispose of shares of any such company in excess of five per cent.

On the basis of the record, the application is approved for the reasons summarized above, subject to the issuance of all necessary regulatory approvals for Bank to commence business as an insured bank. The transaction shall not be made before the thirtieth day after 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 the

Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, effective July 1, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Coldwell.

(Signed) GRIFFITH L. GARWOOD,  
*Deputy Secretary of the Board.*

[SEAL.]

Berbanc, Inc.,  
Salina, Kansas

*Order Approving  
Formation of Bank Holding Company*

Berbanc, Inc., Salina, Kansas, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of The Gypsum Valley National Bank of Gypsum, Gypsum, Kansas ("Bank").

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

Applicant is a newly formed corporation organized under the laws of Kansas for the purpose of becoming a bank holding company through the acquisition of Bank. Bank (deposits of \$4.4 million)<sup>1</sup> is the 10th largest of 11 banking organizations in the relevant market<sup>2</sup> and controls approximately 1.7 per cent of the total deposits held by commercial banks in that market. There are two banks affiliated with Bank already present in the Salina banking market.<sup>3</sup> It is the Board's view that consummation of this proposal would not have any significant adverse effect on existing competition in

<sup>1</sup>All banking data are as of December 31, 1976.

<sup>2</sup>The relevant market is the Salina banking market, approximated by Saline County and the southern half of Ottawa County.

<sup>3</sup>The Bennington State Bank, Bennington, Kansas, located 25 miles north of Bank with \$13.3 million in deposits, controls 5.2 per cent of total deposits in commercial banks in the market. The Bank of Tescott, located 31 miles northwest of Bank with \$12.0 million in deposits, controls 4.7 per cent of total deposits in commercial banks in the market.



view of the relative size of these organizations, their small market shares, and the number of remaining banking alternatives in the market. Accordingly, on the basis of the facts of record, the Board concludes that consummation of the proposal would have only a slightly adverse effect on competition.

The financial and managerial resources and future prospects of Applicant and Bank are considered to be satisfactory and are consistent with approval of the application. Although Applicant will incur debt in connection with the proposal, it appears to have the necessary financial resources available to service the debt without impairing the financial condition of Bank. Applicant also proposes to sell 24 per cent of its voting shares to Berco, Inc., Bennington, Kansas, in order to enable Applicant to receive additional funding to retire its debt.<sup>1</sup>

Applicant proposes to improve or expand several of Bank's existing services. Service charges on demand deposits are to be reduced in the near future. A method of computation of interest on savings deposits more favorable to bank customers is being instituted. Considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the application and outweigh in the public interest the slightly adverse competitive effects that might result from consummation of the proposal. Based upon the foregoing and other considerations reflected in the record, it is the Board's judgment that the proposed acquisition is in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective July 18, 1977.

Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Gardner.

(Signed) THEODORE F. ALLISON,  
*Secretary of the Board.*

[SEAL.]

<sup>1</sup>In a related matter, the Board today approved an application by Berco, Inc., Bennington, Kansas, to acquire 24 per cent of the voting shares of Applicant. (See Board's Order of July 18, 1977.)

Berco, Inc.,  
Bennington, Kansas

*Order Approving Acquisition of  
Shares of a Bank Holding Company*

Berco, Inc., Bennington, Kansas ("Berco"), a bank holding company by virtue of its ownership of 94.4 per cent of the voting shares of The Bennington State Bank, Bennington, Kansas ("Bennington Bank"), has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)) to acquire 24 per cent of the voting shares of Berbanc, Inc., Salina, Kansas ("Berbanc"), a proposed bank holding company with respect to The Gypsum Valley National Bank of Gypsum, Gypsum, Kansas ("Gypsum Bank").<sup>1</sup>

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

Gypsum Bank (deposits of \$4.4 million),<sup>2</sup> controls 1.7 per cent of the total deposits held by commercial banks in the relevant market and is the tenth largest of 11 banking organizations in that market.<sup>3</sup> Applicant's subsidiary bank, The Bennington State Bank (deposits of \$13.3 million), controls 5.2 per cent of the total deposits held by commercial banks in the relevant market and is the fifth largest of 11 banking organizations in that market. While Applicant's existing subsidiary bank and Gypsum Bank are located in the same banking market along with a third affiliated bank,<sup>4</sup> it appears that consummation of the proposal would not have any significant adverse effect on competition, due to the relative size of these organizations, their small market shares, and the number of remaining banking alternatives in the market. The three banks in the aggregate control only 11.6 per cent of the total deposits in commercial banks in the market, and together rank as the 4th largest organization in the Salina banking market, and are disbursed geo-

<sup>1</sup>In a related action, the Board approved today an application by Berbanc to become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of Bank. (See Board's Order of July 18, 1977.)

<sup>2</sup>All banking data are as of December 31, 1976.

<sup>3</sup>The relevant market is the Salina banking market, approximated by Saline County and the southern half of Ottawa County.

<sup>4</sup>The Bank of Tescott ("Tescott Bank") (deposits of \$12.0 million) controls 4.7 per cent of total commercial bank deposits and ranks 6th in the relevant banking market.

graphically throughout the market.<sup>5</sup> Accordingly, on the basis of the facts of record, the Board concludes that consummation of the proposal would have only a slightly adverse effect on competition.

The financial and managerial resources and future prospects of Applicant and its present subsidiary bank are considered satisfactory and consistent with approval. Applicant's acquisition of Berbanc's shares would not adversely affect the overall financial conditions of Applicant, Bennington Bank, or Gypsum Bank. Improved and expanded services to Gypsum Bank's customers would be instituted upon consummation of this and the related Berbanc proposal. Considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of the application. It is the Board's judgment that the proposed transaction would be consistent with the public interest, and that the application to acquire shares of Berbanc should be approved.<sup>6</sup>

Based upon the foregoing and other considerations reflected in the record, the application is approved for the reasons summarized above. The transaction to acquire shares of Berbanc shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order,

<sup>5</sup>Bennington Bank is located 25 miles north of Bank and 13 miles east of Tescott Bank; Tescott Bank is located 31 miles northwest of Bank.

<sup>6</sup>Pursuant to the Supreme Court's holding in *Whitney National Bank of Jefferson Parish v. Bank of New Orleans and Trust Company*, 379 U.S. 411, 419 (1965), the Board may not approve an application by a bank holding company if Board approval of the proposal contemplated by such application would, by reason of ownership of the bank by bank holding company, result in the violation of a valid State law. Kansas law prohibits the formation of "bank holding companies." The relevant statute generally defines a "bank holding company" as any company that directly or indirectly owns, controls, or holds with power to vote, 25 per cent or more of the voting shares of each of two or more banks; or controls in any manner the election of a majority of the directors of each of two or more banks (K.S.A. § 9-504). Acquisition of 24 per cent of the voting shares of Berbanc would not appear to contravene the provisions of Kansas law. (See Board's Order of September 15, 1975, concerning the application of Valley View Bancshares, Inc., to acquire shares of Industrial Bancshares, Inc., 1975 Federal Reserve BULLETIN 676, 677.)

Pursuant to a written commitment Applicant will upon consummation of the proposal report Berbanc and Gypsum Bank as subsidiaries of Applicant and comply with applicable provisions of Federal banking law, as if Berbanc and Gypsum Bank were subsidiaries of Applicant. In view of this commitment, and the current applicability of § 23A of the Federal Reserve Act to the relationships among Berco, Berbanc, Gypsum Bank and Bennington Bank, it is not necessary at this time to determine whether Berco controls Berbanc by virtue of § 2(a)(2)(C) of the Bank Holding Company Act. The Board notes, however, that section 225.2(b)(2) of the Board's Regulation Y establishes a rebuttable presumption that Berco controls Berbanc and Gypsum Bank on the facts of this application.

unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City, pursuant to delegated authority.

By order of the Board of Governors, effective July 18, 1977.

Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Gardner.

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

First International Bancshares, Inc.,  
Dallas, Texas

#### *Order Approving Acquisition of Bank*

First International Bancshares, Inc., Dallas, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Texas State Bank, Abilene, Texas ("Bank"), a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted on behalf of the Independent Bankers Association of Texas, Inc., and three Texas banks: Abilene National Bank, Bank of Commerce, and The First State Bank, all of Abilene, Texas (hereinafter collectively referred to as "Protestants"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the second largest banking organization in Texas, controls 24 banks with aggregate deposits of approximately \$3.9 billion, which represent 7.5 per cent of the total commercial bank deposits in Texas.<sup>1</sup> Since Bank is a proposed new bank, its acquisition would neither immediately increase Applicant's share of commercial bank deposits nor alter its rank in the State.

Bank is to be located in the growing southern portion of the city of Abilene, Texas, and will compete in the Abilene banking market (the rele-

<sup>1</sup>All banking data are as of December 31, 1976, and reflect bank holding company formations and acquisitions approved through April 30, 1977.

vant banking market).<sup>2</sup> Applicant operates one subsidiary bank in the relevant market,<sup>3</sup> The Citizens National Bank of Abilene ("Citizens Bank"), and is thereby the third largest of fourteen commercial banking organizations located in the market with 23 per cent of market deposits. Since Bank is a proposed new bank, its acquisition by Applicant would not eliminate any existing or potential competition. In addition, there is no evidence that Applicant's proposal is an attempt to preempt a site before there is a need for a bank. On the basis of the above and other facts of record, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and its subsidiary banks are regarded as satisfactory and consistent with approval of the application. Similarly, the financial and managerial resources and future prospects of Bank as a subsidiary of Applicant are satisfactory and consistent with approval of the application. Accordingly, considerations relating to the banking factors are consistent with approval. Considerations relating to the convenience and needs of the community to be served lend some weight toward approval since affiliation of Bank with Applicant will enable Bank to provide a full range of banking services to its customers.

In its review of the subject application, the Board has given careful consideration to the comments submitted on behalf of Protestants. In addition to requesting a formal hearing on the application, which request is denied by the Board,<sup>4</sup> Protestants contend that Bank's proposed affiliation with Ap-

plicant would offend Texas law prohibiting branch banking (TEX. CONST. Art. XVI § 16). The Board has stated that a State's restrictive branch banking laws are not automatically applicable to bank holding company operations. In a given case the Board examines the facts to determine whether a particular acquisition by a bank holding company would constitute an illegal branch under State law. If the Board determines that a violation of State law would result, it is required to disapprove the transaction. *Whitney National Bank v. Bank of New Orleans*, 323 F. 2d 290 (D.C. Cir. 1963), *rev'd on other grounds*, 379 U.S. 411 (1965); *Gravois Bank v. Board of Governors*, 478 F. 2d 546 (8th Cir. 1973).

The Board notes that the Banking Commissioner of the State of Texas has granted preliminary approval for the charter of Bank, following a hearing, apparently concluding that Bank would not be an illegal branch under applicable Texas law. Furthermore, the facts of record in this case indicate Bank will be a separate corporation, with its own capital stock and a loan limit based upon such capital stock; Bank's operations will be conducted primarily by its own officers; Bank's board of directors will be generally separate from the boards of Applicant and of Citizens Bank and will exercise independent judgment with respect to the management of Bank; Bank's officers and employees will not directly perform any services for customers of Citizens Bank other than those services that would be provided for customers of other area banks, such as check cashing, and the same is true of Citizens Bank's officers and employees with regard to customers of Bank; Bank's customers will be able to deposit and withdraw their funds only with respect to their accounts in Bank and will not be able to effect a deposit or withdrawal from Bank at Citizens Bank; and the same is true of Citizens Bank's customers who will likewise not be able to effect a deposit or withdrawal from Citizens Bank at Bank; Bank and Citizens Bank will be advertised as being members of the same bank holding company system but they will not be identified as united institutions; Bank will maintain its own books of account, use its own stationery and issue its own distinctive checks and forms; and Bank's name will be different from the name of Citizens Bank. Applicant further represents that it will purchase Bank's shares through use of its own capital resources.

In order to prevail on the branching issue, "It must be shown that in substance a bank is doing business through the instrumentality of the affiliate institution which constitutes the alleged branch, or vice versa, in the same way as if the institutions

<sup>2</sup>The Abilene banking market is approximated by the Abilene MSA, which is comprised of Callahan, Jones, and Taylor Counties.

<sup>3</sup>In addition to its main office, Citizens Bank operates a "facility" at Dyess Air Force Base, which is within the Abilene market. This facility can only receive demand and savings deposits. It has no loan-making authority.

<sup>4</sup>Under § 3(b) of the Act, the Board is required to hold a hearing when the primary supervisor of the bank to be acquired recommends disapproval of the application (12 U.S.C. § 1842(b)). In this case, after a hearing on Bank's charter application in which three of the Protestants participated, the Banking Commissioner of the State of Texas issued preliminary charter approval to Bank on December 11, 1975, and he has not subsequently recommended that the subject application be denied. Thus, there is no statutory requirement that the Board hold a hearing. During the processing of the subject application Protestants were given several opportunities to submit their views in writing. Additionally, in response to a request by the Protestants, an informal hearing was held at the Federal Reserve Bank of Dallas at which representatives of Applicant and the four Protestants were present and were provided an opportunity to express their views. In view of the Board's conclusion that the record in this case is sufficiently complete to render a decision, Protestants' request for a formal hearing is denied.

were one." *Independent Bankers Association of Georgia v. Board of Governors of the Federal Reserve System*, 516 F. 2d 1206 (D.C. Cir. 1975). In view of the foregoing, and having considered the comments of the Protestants and all the other facts of record, the Board concludes that Bank will not be operated in a unitary fashion with Applicant's banking subsidiary and thus this proposal will not contravene Texas' branch banking law.

Protestants contend that approval of this application would also have such adverse competitive consequences as to merit denial of the application.<sup>5</sup> One of the arguments advanced by Protestants is that the Abilene banking market is not particularly attractive for *de novo* entry because little growth in the area can be expected. Consequently, Protestants assert, it is doubtful Bank can become a viable independent banking institution. The Board has reviewed the facts of record and finds that the market can reasonably be expected to support an additional banking alternative. This is especially so in light of the fact that Bank is to be located in the expanding southern portion of Abilene which is currently served by a single bank. While the decision to establish a new bank almost always involves some measure of risk, the Board is unable to conclude that Applicant's proposal involves more than the usual entrepreneurial risks inherent in such a proposal.

Protestants also assert that any substantial growth by Bank would be at the expense of the area's existing banks. Applicant has defined a service area for Bank that overlaps the service area of a neighboring bank that has sustained an annual deposit growth rate of approximately 20 per cent over the past five years. Moreover, it appears that the economy of the Abilene area is experiencing steady growth and the bulk of Abilene's growth in population and new housing is occurring in that portion of Abilene where Bank is to be located. The continued growth in the economy of Abilene should insure that Bank can experience adequate growth without endangering the viability of the other banks in the market.

Protestants also assert that the acquisition of

Bank will enable Applicant to become the dominant banking organization in the market. However, while Applicant controls 23 per cent of the deposits in the relevant market, it is only the third largest of fourteen banking organizations in the market (with two out of sixteen banking offices in the Abilene SMSA)<sup>6</sup> and has experienced a steadily declining market share in recent years. Moreover, the first and second ranked banking organizations in the market control 30.5 and 24.4 per cent, respectively, of the market's deposits. In addition, the largest banking organization in the market controls both the largest and fourth largest banks therein. Based upon the record in this matter, it is the Board's view that the acquisition of Bank will not enable Applicant to become the dominant banking organization in the market.

In view of the foregoing discussion and having considered the facts of record and all the comments of Protestants in light of the statutory factors the Board must consider under § 3(c) of the Act, it is the Board's judgment that consummation of the subject proposal would be in the public interest and that the application to acquire Bank should be approved.

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

By order of the Board of Governors, effective July 7, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, and Partee. Absence and not voting: Chairman Burns and Governor Lilly.

(Signed) RUTH A. REISTER,  
[SEAL.] Assistant Secretary of the Board.

<sup>5</sup>Protestants also claim that the prohibitions against director interlocks of section 8 of the Clayton Act (15 U.S.C. § 19) and section 212.1 of the Board's Regulation I. (12 CFR § 212.1) would be violated as a result of Applicant's acquisition of Bank since a director of Citizens, a subsidiary of Applicant, would also be a director of Bank. The Board has examined Protestants' contention and is of the view that the existence of a common director at Bank and Citizens Bank is clearly permissible on the basis of section 212.2(d)(4) of Regulation I, since both banks are subsidiaries of the same parent holding company.

<sup>6</sup>For purposes of this analysis, Applicant's Dyess Air Force Base facility is counted as a banking office. The facts of record show that at the same time Applicant's *de novo* charter for Bank was approved by the State Banking Commission, the Commission also approved another charter for the northeast section of the city of Abilene. Thus, upon the opening of Bank and the other newly approved bank in Abilene, Applicant would control only 3 out of the 17 banking offices in the Abilene market.

Northeast United Bancorp, Inc. of Texas,  
Fort Worth, Texas

*Order Approving Acquisition of Bank*

Northeast United Bancorp, Inc. of Texas, Fort Worth, Texas, 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 51 per cent or more of the voting shares of First State Bank, Bedford, Texas ("Bank").

The subject proposal is an amendment to Applicant's original application to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Bank through an exchange of shares of Applicant for shares of Bank. That application was approved by the Board by Order of January 19, 1976 (41 *Federal Register* 3782). Because Applicant was not able to acquire all of the shares of Bank as proposed, Applicant requested the Board to amend its Order to permit Applicant to acquire 75 per cent or more of the shares of Bank through an exchange of shares. By Order of November 5, 1976, the Board granted Applicant's request (41 *Federal Register* 50347). It appears that Applicant is unable to consummate the transaction as amended. Applicant now proposes to acquire 51 per cent or more of the voting shares of Bank through cash purchase rather than through an exchange of shares. In view of the length of time that has elapsed since the Board issued its first Order approving the application and the substantial amendments that Applicant has made to the proposal, the Board has considered the amended proposal as if it were a new application.

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

Applicant, the 107th largest banking organization in Texas, controls one bank with aggregate deposits of approximately \$50.4 million, representing one-tenth of one per cent of the total deposits in commercial banks in the State.<sup>1</sup> Applicant's acquisition of Bank would increase Applicant's share of

total State deposits by 0.06 per cent and would not result in a significant increase in the concentration of banking resources in Texas. Approval of the subject application would result in Applicant becoming the 62nd largest banking organization in Texas.

Bank holds deposits of approximately \$30 million, representing 1.0 per cent of the total deposits in commercial banks operating in the Fort Worth banking market,<sup>2</sup> and ranks as the 17th largest of 51 commercial banks in the market. The three largest banking organizations in the market control, in the aggregate, 63.3 per cent of the market's deposits. Applicant is the ninth largest of 40 banking organizations in the Fort Worth banking market. Its sole subsidiary, Northeast National Bank of Fort Worth, Fort Worth, Texas ("Northeast"), holds deposits of \$50.4 million, representing 1.6 per cent of the market's total commercial bank deposits. To the extent that Northeast Bank and Bank operate in the Fort Worth banking market, some amount of existing competition would be eliminated as a result of the consummation of this proposal. However, Northeast Bank and Bank are located in separate suburbs of Fort Worth seven and one-half miles apart and in view of the sizes of the institutions involved and the large number of banks competing in the market, it does not appear that the effects on existing competition would be significant. Moreover, even after consummation of the proposal, Applicant would control only 2.6 per cent of the market's deposits (about one-third of the deposits held by the market's third largest banking organization, and less than one-tenth of the deposits held by the first or second largest banking organization in the market), and several independent banks in the market would remain available for acquisition by holding companies not presently represented in the market. Accordingly, on the basis of the record, the Board concludes that consummation of the proposal would not have any significantly adverse effects on competition.

The financial and managerial resources of Applicant and its subsidiary bank are considered satisfactory and the future prospects for each appear favorable. In view of Applicant's commitment to inject \$200,000 of equity capital into Bank following its acquisition, the same conclusions generally apply with respect to Bank's financial and managerial resources and future prospects. Although Ap-

<sup>1</sup>All banking data are as of December 31, 1976, and reflect holding company formations and acquisitions approved through June 30, 1977.

<sup>2</sup>The Fort Worth banking market, the relevant geographic market for purposes of analyzing the competitive effects of this proposal, is approximated by the Fort Worth RMA.

plicant will incur debt of approximately \$2.8 million as a result of the acquisition of Bank's shares, it appears that Applicant will be able to service this debt through the earnings of Northeast Bank and Bank, without placing any undue strain upon the capital position of either bank. Thus, the banking factors lend some weight toward approval of the application. Applicant proposes to increase the rates of interest paid on Bank's time and savings deposits, increase the parking facilities at Bank, and, at a later date, provide trust services for customers of Bank. Therefore, the considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application and, in the Board's view, are sufficient to outweigh any slight adverse effects on existing competition that might result from consummation of the proposal. Therefore, on the basis of all of the facts of record, it is the Board's judgment that consummation of the proposed transaction would be in the public interest and that the application should be approved.<sup>3</sup>

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

By order of the Board of Governors, effective July 25, 1977.

Voting for this action: Chairman Burns and Governors Gardner, Wallich, and Coldwell. Absent and not voting: Governors Jackson, Partee, and Lilly.

(Signed) GRIFFITH L. GARWOOD,  
*Deputy Secretary of the Board.*

<sup>3</sup>In its consideration of Applicant's original proposal, the Board considered comments submitted by First National Bank of Euless, Euless, Texas ("Protestant"), regarding the competitive effects of Applicant's proposed acquisition of Bank. Protestant's comments in opposition to approval of Applicant's proposal and the Board's analysis of those comments are set forth in the Board's Order approving Applicant's original proposal (41 *Federal Register* 3782 (1975)). Upon review of Protestant's comments in light of the subject proposal, the Board is of the view that the facts do not justify altering those findings of record.

Peotone Bancorp, Inc.,  
Peotone, Illinois

*Order Approving  
Formation of a Bank Holding Company*

Peotone Bancorp, Inc., Peotone, Illinois, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 80 per cent of more of the voting shares of Peotone Bank and Trust Company, Peotone, Illinois ("Bank").

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

Applicant is a nonoperating corporation organized for the purpose of becoming a bank holding company through the acquisition of Bank (deposits of \$19.8 million).<sup>1</sup> Upon acquisition of Bank, Applicant would control the 506th largest bank in Illinois, with approximately 0.03 per cent of total deposits of commercial banks in the State. Bank is the 9th largest of 22 banks competing in Will County, the relevant banking market, holding about 3 per cent of the total commercial bank deposits therein. Applicant's principals are associated with and exert considerable management influence over two other Illinois banks, one in Westville and the other in Cambridge. Since the instant proposal is essentially a corporate reorganization, and because Bank and the other two banks are each located in separate banking markets, consummation of the proposal would neither eliminate existing or potential competition nor increase the concentration of banking resources in any relevant area. Thus, it is concluded that competitive considerations are consistent with approval of the application.

The condition of the two other banks with which Applicant's principals are associated suggests that they will conduct the operations of Applicant and Bank in a satisfactory manner. Although Applicant will incur debt in connection with the proposal, the projected income from Bank should provide sufficient revenue to service the debt without impairing the financial condition of Bank. Therefore, considerations relating to the financial and managerial resources and future prospects of Applicant and

All banking data are as of December 31, 1976.

Bank are regarded as generally satisfactory and consistent with approval.

Although Applicant proposes no immediate substantive changes in Bank's services, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. It has been determined that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors, effective July 25, 1977.

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

[SEAL]

Texas Commerce Bancshares, Inc.,  
Houston, Texas

*Order Approving Acquisition of Bank*

Texas Commerce 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 § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 per cent (less directors' qualifying shares) of the voting shares of Tanglewood Commerce Bank, Houston, Texas, a proposed new bank ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted by Western Bank, Post Oak Bank, and San Felipe National Bank, all of Houston, Texas (collectively referred to herein as "Protestants"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the third largest banking organization in Texas as of June 30, 1976, controls 32 banks<sup>1</sup>

with aggregate deposits of \$3.4 billion,<sup>2</sup> representing 7 per cent of the total deposits in commercial banks in the State. Since Bank is a proposed new bank, no existing competition between Bank and Applicant's subsidiary banks would be eliminated, nor would Bank's acquisition by Applicant cause any immediate increase in Applicant's share of commercial bank deposits in the State.

Bank, which is currently in formation, has received charter approval from the Department of Banking of the State of Texas and is to be located in the southwest quadrant of the city of Houston, Texas. Applicant is the second largest of 125 banking organizations in the relevant market.<sup>3</sup> Its banking subsidiaries located in the market control 19.2 per cent of total deposits in commercial banks in the market. Five of Applicant's existing subsidiary banks are located in the southwest quadrant of Houston. Since Bank is a proposed new bank, consummation of Applicant's proposal would not eliminate any existing competition, nor would it have any immediate effect on Applicant's share of commercial bank deposits in the market.

In its analysis of the subject application, the Board has considered the comments and request for a hearing submitted by Protestants. In summary, Protestants contend that consummation of the subject proposal would solidify Applicant's "dominant" position in the State and the Houston banking market and promote a trend toward "undue concentration" of banking resources on a Statewide level. In addition, Protestants contend that there is slight, if any, need for additional banking facilities in the market and that the acquisition of Bank of Applicant will preempt a valuable site for future *de novo* entry.<sup>4</sup> Protestants requested a hearing on the instant application.

The Board has examined the record of the hearing held in connection with the chartering of Bank and in which the Protestants participated, the written submissions of Protestants' and Applicant's responses, and is unable to conclude that a formal hearing would significantly supplement the record before the Board or resolve issues not already discussed at length in the written submissions of

<sup>2</sup>Unless otherwise noted, all banking data are as of June 30, 1976.

<sup>3</sup>The relevant market is approximated by the Houston Ranally Metropolitan Area, which is comprised of Harris County and portions of five adjacent counties.

<sup>4</sup>In support of their contentions, Protestants submitted, *inter alia*: (a) the transcript of a September 15, 1975 Hearing before the Texas Banking Commissioner on the proposed new bank, and (b) a privately commissioned market report on the condition of the banking market in Bank's primary service area.

<sup>1</sup>Applicant recently applied to the Board to acquire shares of Main Street National Bank, Dallas, Texas.

Protestants and Applicant and in the record of the hearing before the Texas Banking Commissioner. Protestants have neither specified any particular issue of material fact that a formal hearing would resolve nor indicated what evidence, if any, they would adduce at such a hearing. In view of the foregoing, Protestants' requests for a formal hearing are hereby denied.

Although Protestants characterize Applicant as "dominant" in the State and the relevant market, Applicant is but one of a number of multi-bank holding companies in the State of comparable size, measured by total deposits. Applicant competes with over 150 banks in the Houston market, and its market share of 19.2 per cent is not such that it could properly be characterized as "dominant" in that market. Additionally, the Board is unable to conclude that Protestants' assessment of the effect of this acquisition on Statewide concentration is correct.

While, in certain instances, *de novo* expansion in a market by a leading organization within that market could reduce prospects for market deconcentration by preempting viable sites for *de novo* entry or expansion by other firms, Applicant's *de novo* expansion in the rapidly growing southwest quadrant of Houston<sup>5</sup> will have only a minimal impact on market entry and ample opportunities for market deconcentration remain through natural growth of the market and foothold or *de novo* entry or expansion by other banking organizations.

On the basis of the facts of record, including the record of the chartering hearing, the submissions of Protestants, and the submissions of Applicant, the Board concludes that, given the growth of the market, the large number of competing organizations, and the ample opportunities for market deconcentration, consummation of this proposal would not result in a concentration of financial resources in the relevant market or adversely affect competition in the relevant market.

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are regarded as generally satisfactory based upon the information in the record. Bank, a proposed new bank, has no financial or operating history; however, its prospects as a subsidiary of

Applicant appear favorable. Considerations relating to banking factors, therefore, are consistent with approval of the application.

Bank will serve as an additional full service banking facility for the residents and businesses of Bank's service area. Accordingly, those considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the application. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective July 13, 1977.

Voting for this action: Chairman Burns and Governors Gardner, Wallich, Jackson, and Partec. Absent and not voting: Governors Coldwell and Lilly.

(Signed) RUTH A. REISTER,  
[SEAL] Assistant Secretary of the Board.

#### ORDERS UNDER SECTION 4 of BANK HOLDING COMPANY ACT

Continental Illinois Corporation,  
Chicago, Illinois

*Order Approving Acquisition of  
Great Lakes Life Insurance Company*

Continental Illinois Corporation, Chicago, Illinois, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire Great Lakes Life Insurance Company, Phoenix, Arizona ("Company"), a company that will engage *de novo* in the activity of underwriting, as reinsurer, credit life and credit accident and health insurance

<sup>5</sup>The relevant market has experienced population growth at a rate substantially greater than that experienced by the State of Texas as a whole. The ratio of population to banking offices in the Houston market would, upon the opening of Bank become 12,588, exceeding the Statewide ratio by 39 per cent. Per capita deposits in the market are 37 per cent greater than the Statewide average. Thus, the market may be characterized as an attractive one for *de novo* entry.



that is directly related to extensions of credit by Applicant's subsidiary bank. Such activity has been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(10)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (42 *Fed. Reg.* 21661 (1977)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the largest bank holding company in Illinois, controls one subsidiary bank, Continental Illinois National Bank and Trust Company of Chicago ("Bank"), the largest bank in the State of Illinois. Bank holds domestic deposits of \$9.1 billion<sup>1</sup> representing approximately 14.9 per cent of the total deposits in commercial banks in the State. Applicant also engages directly, or through subsidiaries, in leasing, debt financing, mortgage lending, trust, and investment advisory activities on a national and international basis.

Company will be chartered under the laws of Arizona and will initially engage in the activity of underwriting, as a reinsurer, credit life and credit accident and health insurance sold in connection with Bank's direct instalment loan and direct open-end credit programs. Inasmuch as the subject proposal involves engaging in this activity *de novo*, consummation of this transaction would not have any adverse effect upon existing or potential competition in any relevant market.

Credit life and credit accident and health insurance is generally made available by banks and other lenders and is designed to assure repayment of a loan in the event of death or disability of the borrower. In connection with its addition of the underwriting of such insurance to the list of permissible activities for bank holding companies, the Board stated:

To assure that engaging in the underwriting of credit life and credit accident and health insurance can reasonably be expected to be in the public interest, the Board will only approve applications in which an applicant demonstrates that approval will benefit the consumer or result in other public benefits. Normally such a showing would be made by a projected reduction in rates or increase in policy benefits due to bank holding company performance of this service. (12 C.F.R. § 225.4(a)(10), n. 7)

<sup>1</sup>All banking data are as of June 30, 1976.

Applicant proposes to offer, through Company, various credit life and credit accident and health insurance coverage to its instalment and open-end credit borrowers at various rates ranging from 7.7 to 40.0 per cent below the approved and *prima facie* rates established in Illinois.<sup>2</sup> In addition, Applicant proposes to expand the insurance coverage that it currently makes available, increase the amount of indebtedness covered and offer insurance to a broader class of borrowers. Based upon these factors, the Board concludes that Applicant's proposed continued reductions<sup>3</sup> in premiums and expanded coverage are procompetitive and in the public interest.

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

This 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 Chicago pursuant to authority hereby delegated.

By order of the Board of Governors, effective July 1, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Coldwell.

(Signed) GRIFFITH L. GARWOOD,  
*Deputy Secretary of the Board.*

[SEAL.]

<sup>2</sup>*Prima facie* rates are the maximum rates allowed by the State for particular types of insurance coverage. Where no *prima facie* rate exists for a type of coverage, the insurance company may apply to the State insurance department for approval of a proposed rate.

<sup>3</sup>Applicant has stated that it anticipates that it will be necessary to raise the rate it charges open-end credit customers for credit accident and health insurance if this application is denied.

National Detroit Corporation,  
Detroit, Michigan

*Order Approving Acquisition of  
Grand Traverse Mortgage Company, Inc.*

National Detroit Corporation, Detroit, Michigan ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire substantially all of the assets of Grand Traverse Mortgage Company, Inc., Traverse City, Michigan ("Company"), a mortgage broker, through a subsidiary corporation, NBD Mortgage Corporation, Birmingham, Michigan ("NBD"). Although title to all of the stock of Company will remain in its current shareholders, the acquisition of its assets will render Company essentially a shell corporation and accordingly the proposed acquisition of Company's assets is treated herein as an acquisition of Company.

NBD is a mortgage banker that engages in the origination of mortgage loans for its own account and the account of others, and the servicing of such loans for permanent investors. NBD specializes in the origination and servicing of FHA, VA, and privately insured low down payment residential mortgage loans. Although Company currently acts only as a mortgage broker,<sup>1</sup> Applicant states that it will engage in the full range of mortgage banking activities presently performed by NBD upon consummation of the proposed transaction and will also emphasize FHA, VA, and privately insured low down payment residential mortgage loans. The origination and servicing of mortgage loans has been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(1) and (3)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (42 *Fed. Reg.* 22402 (1977)). The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those of State Savings Bank, Frankfort, Michigan, and Northwestern Savings and Loan Association, Traverse City, Michigan, ("Protestants"), in light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

<sup>1</sup>Company itself does not make mortgage loans in its own name but rather operates as a middleman, on a fee basis, connecting borrowers and lenders.

Applicant, the largest banking organization in Michigan, controls six banks, with total deposits of approximately \$5.1 billion, representing approximately 15.8 per cent of the total deposits in commercial banks in the State.<sup>2</sup> Company has total tangible assets valued at approximately \$15,000. Applicant proposes to acquire these assets, lease the premises currently utilized by Company, and employ Company's two officers.

Company's sole office is located in Traverse City. Its activities are limited to that of a mortgage broker as it does not have the capability of servicing a mortgage portfolio and does not have the capital to qualify as an FHA-Approved Mortgagee. Thus, Company must be regarded as a relatively insignificant competitor in the relevant geographic market.<sup>3</sup> Applicant has no subsidiaries located in this market and its closest office is approximately 130 air miles south of Traverse City. No existing competition would be eliminated by the proposed transaction, and in view of Company's size, the Board regards the acquisition of Company as a foothold entry by Applicant into this market.

Protestants contend, however, that Applicant's acquisition of Company will lead to unsound banking practices and decreased or unfair competition because the mortgage needs of the relevant market presently are overserved and there is no need for additional competitors, particularly an additional competitor of Applicant's size. There is little demand for the low down payment mortgage loans Applicant proposes to emphasize, according to Protestants. Consequently, Protestants believe, Applicant will be required to offer conventional mortgages at lower interest rates than those presently charged by other lenders in the market even though the market's interest rate for such loans is already quite competitive. Applicant's prospects for success are thus marginal, Protestants state, and other financial intermediaries in the market could be endangered by Applicant's entry.

It appears that the needs of the market are not being adequately served with regard to FHA and VA residential mortgage loans.<sup>4</sup>

<sup>2</sup>Banking data are as of June 30, 1976.

<sup>3</sup>There is insufficient data to define a mortgage brokerage market in the Traverse City area for the type of loans currently brokered by Company. However, the origination of 1-4 family mortgage loans provides a reasonable approximation of this market. The relevant geographic market for such originations is approximated by Grand Traverse and Leelanau Counties, Michigan.

<sup>4</sup>The Veterans Administration offers direct loans in Grand Traverse and Leelanau Counties on the basis of its determination that they are areas in which private funds are not available for the making of VA loans.

On balance, Applicant's acquisition of Company would not have significant adverse effects on either existing or potential competition. Indeed, it is expected that the proposed transaction will be pro-competitive and that the additional services Applicant will provide to the market will represent a significant public benefit.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application is hereby approved. 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 Chicago, pursuant to authority hereby delegated.

By order of the Board of Governors, effective July 5, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Coldwell.

(Signed) RUTH A. REISTER,  
[SEAL] Assistant Secretary of the Board.

Winters National Corporation,  
Dayton, Ohio

Order Approving  
*Acquisition of Mead Financial Services, Inc.*

Winters National Corporation, Dayton, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire indirectly through its wholly-owned subsidiary, Winters National Leasing Corp., all of the outstanding stock of Mead Financial Services, Inc., Dayton, Ohio ("MFS"), a company that engages in the activity of leasing personal property (primarily heavy logging equipment) on a full-payout basis.

Such activity has been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(6)(a)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (42 *Fed. Reg.* 22936 (1977)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4 (c)(8) of the Act (12 U.S.C. § 1843 (c)(8)).

Applicant, the eleventh largest banking organization in Ohio, controls two banks with aggregate deposits of \$859.6 million representing 2.6 per cent of the total deposits in commercial banks in the State.<sup>1</sup> Applicant has two nonbanking subsidiaries engaged in credit life and disability reinsurance activities and leasing activities, respectively.

MFS (total assets of \$1.8 million as of December 31, 1976) is a wholly-owned subsidiary of the Mead Corporation, Dayton, Ohio, a multi-national manufacturer of paper and paper-related products. Since its inception in 1972, MFS has operated exclusively for the purpose of leasing logging equipment to the Mead Corporation on a full-payout basis. The Mead Corporation, in turn, subleases the equipment on a full-payout basis to independent logging contractors who supply the Mead Corporation's paper milling operations with logs in five States.

Although Applicant's subsidiaries engage in leasing activities already, it does not appear that any significant existing competition would be eliminated as a result of this acquisition because MFS's leasing activities are small in scale and limited in scope. MFS is not likely to develop into an active general competitor in the leasing industry, since it appears that if the Mead Corporation were to retain control of MFS, it would continue to limit MFS's operations and would not expend the resources necessary to develop an experienced leasing staff at MFS. Although Applicant possesses the legal authority and the financial capability to lease logging equipment, it is not likely to commence this type of leasing on a *de novo* basis because demand for this type of leasing appears limited. Thus, it appears that no significant competition presently exists or would develop between MFS and Applicant. Accordingly, the Board finds that Applicant's acquisition of MFS would not have any significant effect upon existing or future competition.

It appears that consummation of this proposal

<sup>1</sup>All banking data are as of December 31, 1976.

would not result in any undue concentration of resources, conflicts of interests, unsound banking practices, or any other adverse effects on the public interest. Applicant would operate MFS as a subsidiary of its existing leasing subsidiary and MFS would continue to service the Mead Corporation's requirements, thereby insuring the continued availability of subleasing arrangements to Mead Corporation's logging contractors. As an affiliate of Applicant, MFS would be able to obtain lower cost capital and could enable the Mead Corporation to offer Mead Corporation's logging contractors a greater variety of subleasing terms and conditions. In the Board's judgment, any competition between Applicant and MFS that would be eliminated as a result of this proposal is outweighed, under the circumstances, by the public benefits that will result from MFS's affiliation with Applicant.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application is hereby approved. 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 authority hereby delegated.

By order of the Board of Governors, effective July 6, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns and Governor Lilly.

(Signed) RUTH A. REISTER,  
Assistant Secretary of the Board.

[S:AL.]

Central National Bancshares, Inc.,  
Des Moines, Iowa

*Order Approving Acquisition  
by Merger of First Kansas Financial, Inc.*

Central National Bancshares, Inc., Des Moines, Iowa, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)) to acquire by merger First Kansas Financial, Inc. ("Company"), Wichita, Kansas. Company, through its wholly-owned subsidiary, First Mortgage Investment Company ("FMIC"), Kansas City, Missouri, principally engages in mortgage banking, including making and acquiring, for its own account and for the accounts of others, loans and extensions of credit secured by mortgages and deeds of trust on real property, and servicing loans and other extensions of credit for any person. FMIC also acts as agent and broker for the sale of insurance.<sup>1</sup> The Board has determined these activities to be closely related to banking (12 CFR § 225.4(a)(1), (3), and (9)).

Notice of the application, affording an opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (42 *Fed. Reg.* 24313). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant, the fifth largest banking organization in the State of Iowa, controls four banks with aggregate deposits of \$338.5 million, representing approximately three per cent of the total deposits in commercial banks in the State.<sup>2</sup> Company engages

<sup>1</sup>Applicant proposes to continue to engage, through FMIC, in only those insurance activities that are permissible under section 225.4(a)(9) of the Board's Regulation Y and are consistent with a recent decision of the United States Court of Appeals for the Fifth Circuit, *Alabama Association of Insurance Agents v. Board of Governors*, 533 F.2d 224 (1976). Specifically, FMIC proposes to act as an insurance agent and broker selling credit life, accident and health, credit disability, mortgage redemption, and mortgage cancellation insurance directly related to loans and extensions of credit made by FMIC, and selling generally property damage and casualty insurance to Applicant's subsidiary banks. Mortgage redemption and mortgage cancellation insurance are variations of declining-term life and accident and health insurance contracted for in connection with long-term extensions of credit, such as those usually secured by a mortgage on real estate or a deed of trust, made by FMIC. FMIC will discontinue all insurance activities, other than those enumerated herein, before consummation of the proposed merger.

<sup>2</sup>Banking data are as of June 30, 1976, unless otherwise indicated.

in no direct activities except investing corporate funds, and servicing, paying, and redeeming outstanding face-amount certificates it formerly issued.<sup>3</sup> Before consummation of the proposed merger, Company will form a separate subsidiary under the name "FKF, Inc." This company will register under the Investment Company Act of 1940, and, in the event of approval by the Securities and Exchange Commission, will perform these functions. The investment power of FKF, Inc. will be limited to shares representing not more than five per cent of any company, in accordance with section 4(c)(7) of the Bank Holding Company Act, which permits the ownership of shares of investment companies by bank holding companies. FKF, Inc. will be funded for the sole purpose of liquidating Company's liability under previously issued debt securities, and FKF, Inc. will not accept further funds for investment, issue additional securities, lend money on outstanding securities, pay annuities, or engage in other business.

Company's principal indirect activities are the mortgage banking activities conducted by its subsidiary, FMIC. FMIC is the 288th largest mortgage banking company in the United States based upon the size of its mortgage servicing portfolio.<sup>4</sup> FMIC operates its sole office in a market approximated by the Kansas City Standard Metropolitan Statistical Area ("SMSA").<sup>5</sup> In that market Company competes with a variety of financial institutions that originate and service commercial and residential mortgage loans. All of Applicant's subsidiary banks are engaged in extending loans secured by permanent mortgages on residential property. These activities are primarily confined, however, to localized markets within the State of Iowa, and Applicant's subsidiary banks neither derive nor service any mortgage loans from the market area served by FMIC. Given FMIC's small size and limited scope of operations, the limited and localized nature of Applicant's subsidiary banks' mortgage loan activities, the geographic separation

of the markets served by each, and the large number of alternative sources for mortgage loans in the Kansas City market, the Board concludes that approval of the application will not result in any adverse effects on existing competition. Moreover, no significant potential competition would be foreclosed by consummation of the proposed merger. For similar reasons, it appears that no adverse competitive effects will result from the continuation by FMIC, after the proposed merger, of permissible insurance activities.

There is no evidence in the record indicating that consummation of the proposed merger would result in undue concentration of resources, conflicts of interests, *unsound banking practices*, or other adverse effects, and it appears that consummation of the proposed merger would result in significant public benefits. The merger is expected to strengthen Applicant's financial condition, to create a well-capitalized organization, and to enable Applicant to strengthen further the capital bases of its subsidiary banks, which it has undertaken to do. The public would also benefit from the infusion of managerial expertise into Applicant that would result from the merger, and Applicant's ability to offer financing expertise and outlets for large, long-term real estate loans to customers in the areas served by its banks.

FMIC formerly engaged in real estate development activities that are impermissible for a subsidiary of a bank holding company. FMIC has terminated this activity, however, and is now in the process of disposing of real property acquired in connection with the activity. The Board has not determined that holding real property for sale is a permissible activity for bank holding companies, and FMIC accordingly will completely dispose of its real estate holdings at the earliest practicable date, but in no event later than two years after the effective date of this Order.

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 subject to the conditions that FMIC (1) before consummation of the merger, discontinue insurance agency and brokerage activities not permissible for bank holding companies, and (2) dispose of its real estate holdings at the earliest practicable time, but in no event later than two years after the effective date of this Order. This determination is also subject to the conditions set forth in section 225.4(c) of Regulation Y and to the

<sup>3</sup>Company and Applicant both act as transfer agents for their own respective shares. Upon merger into Applicant and cancellation of Company's shares, Company will cease to engage in this activity. Applicant will continue to act as transfer agent for Applicant's shares.

<sup>4</sup>As of June 30, 1976, FMIC had mortgage originations outstanding in the approximate amount of \$17.2 million, and was servicing mortgages totaling approximately \$78.5 million.

<sup>5</sup>The Kansas City SMSA is comprised of Johnson and Wyandotte Counties in Kansas and Jackson, Platte, Clay, and northern Cass Counties in Missouri. As of June 30, 1976, approximately 99 per cent of the dollar volume of mortgages originated by FMIC and 88 per cent of its servicing portfolio involved properties in the first three of these six counties.

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 Chicago, pursuant to authority hereby delegated.

By order of the Board of Governors, effective July 13, 1977.

Voting for this action: Chairman Burns and Governors Gardner, Wallich, Jackson, and Partee. Absent and not voting: Governors Coldwell and Lilly.

(Signed) RUTH A. REISTER,  
Assistant Secretary of the Board.

[SEAL.]

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

Preferred Management Company,  
Omaha, Nebraska

*Order Approving  
Formation of Bank Holding Company and  
Engaging in Insurance Agency Activities*

Preferred Management Company, Omaha, Nebraska, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company through acquisition of an additional 30,000 shares or 60 per cent of the voting shares of North Side Bank, Omaha, Nebraska ("Bank"). Applicant presently owns 10,000 shares or 20 per cent of the outstanding voting shares of Bank.<sup>1</sup> The

<sup>1</sup> Applicant registered as a bank holding company in 1972, apparently on the premise that Applicant controlled Bank by virtue of the fact that it owned 20 per cent of Bank's outstanding voting shares, and had the right to purchase an additional 27 per cent of Bank's shares. Although a rebuttable presumption that Applicant controls Bank exists under § 225.2(b) of the Board's Regulation Y (12 CFR § 225.2(b)) the Board has made no formal determination that Applicant controls Bank.

factors that are considered in acting on this application are set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)). Applicant has also applied, pursuant to § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to continue to act as agent or broker with respect to the sale of decreasing term credit life insurance, credit accident and health disability insurance and property damage insurance directly related to extensions of credit by Bank. Such activities have been determined by the Board to be closely related to banking (12 CFR §§ 225.4(a)(9)(ii)).<sup>2</sup>

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (42 *Federal Register* 20664). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)) and the considerations specified in § 4 (c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Bank, with deposits of \$40.2 million,<sup>3</sup> is the thirteenth largest of forty-one banks in the relevant banking market<sup>4</sup> and controls 2 per cent of the total market deposits. Upon acquisition of control of Bank, Applicant would control the 29th largest banking organization in Nebraska, holding 0.6 per cent of the total commercial bank deposits in the State.<sup>5</sup> The proposed transaction is merely a restructuring of the ownership interest of Applicant's principal in Bank, and the Board finds that consummation of the proposal would not eliminate existing or potential competition or increase the concentration of banking resources in the relevant market. Accordingly, competitive considerations are consistent with approval of the application.

<sup>2</sup> Applicant also provides management consulting and investment advice to Bank and leases real and personal property to Bank. Upon consummation of the acquisition of additional shares of Bank by Applicant, these activities will be exempt from the prohibitions of § 4 under § 4(c)(1)(A) and § 4(c)(1)(C) of the Act (12 U.S.C. § 1843(c)(1)(A) and (C)).

<sup>3</sup> All banking data are as of December 31, 1976.

<sup>4</sup> The relevant banking market is approximated by Douglas and Sarpy Counties in Nebraska and Pottawattamie County in Iowa.

<sup>5</sup> One of Applicant's principals and largest shareholder is also a director and member of the Executive Committee of First National of Nebraska, Inc., Omaha, Nebraska, as well as its subsidiary bank, The First National Bank of Omaha, Omaha, Nebraska. The Board has received a commitment that Applicant's principal will resign his positions as director, officer and employee of Applicant prior to consummation of Applicant's acquisition of Bank so that a violation of the provisions of the Board's Regulation I. (12 CFR 212) will not occur.

The financial resources of Applicant, which are dependent upon those of Bank, are considered to be satisfactory, and future prospects appear favorable. While Applicant would incur a sizable acquisition debt as a result of this proposal, it appears that Applicant will be able to meet its debt service requirements without adversely affecting the financial position of Bank. Furthermore, the managerial resources of Applicant and Bank are regarded as satisfactory. Thus, considerations relating to banking factors are consistent with approval.

While no major changes are contemplated in Bank's services and it appears that the needs of Bank's customers are being adequately met, considerations relating to convenience and needs of the community to be served are consistent with approval. Accordingly, it is the Board's judgment that Applicant's proposal to form a bank holding company would be consistent with the public interest and that the application should be approved.

In connection with its application to become a bank holding company, Applicant has also applied to continue to act as an agent or broker with respect to the sale of decreasing term life insurance, credit accident and disability insurance and property damage insurance directly related to extensions of credit by Bank. Since Applicant presently engages in such activity, it does not appear that approval of Applicant's proposal would have any significant effect on existing or potential competition. On the other hand, approval of the application would assure customers of Bank of the continuation of a convenient source of such insurance services. Furthermore, there is no evidence in the record indicating that consummation of the proposal would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of section 4(c)(8) of the Act, that consummation of this proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects and that the application to engage in credit-related insurance activities should be approved.

Accordingly, the applications are approved for the reasons summarized above. The acquisition of Bank shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the

Federal Reserve Bank of Kansas City pursuant to delegated authority. The approval of Applicant's insurance activities is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of the activities of a 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 June 22, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns.

(Signed) RUTH A. REISTER,  
Assistant Secretary of the Board.

[SEAL]

**PRIOR AND FINAL CERTIFICATIONS  
PURSUANT TO THE BANK HOLDING  
COMPANY TAX ACT OF 1976**

Educators Investment Company of Kansas, Inc.,  
Emporia, Kansas

[Docket No. TCR 76-116]

Educators Investment Company of Kansas, Inc., Emporia, Kansas ("Educators"), has requested a prior certification pursuant to § 6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that the sale on November 1, 1975, by Flint Hills Manor, Inc., Emporia, Kansas ("Flint Hills"), a wholly-owned subsidiary of Educators, of substantially all of the assets of Flint Hills, was necessary or appropriate to effectuate § 4 of the Bank Holding Company Act (12 U.S.C. § 1843) ("BHC Act"). Educators has also requested a final certification pursuant to § 6158(c)(2) of the Code that Educators has (before the expiration of the period prohibited property is permitted under the BHC Act to be held by a bank holding company) disposed of all the property the disposition of

which is necessary or appropriate to effectuate section 4 of the BHC Act.<sup>1</sup>

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification:<sup>2</sup>

1. Educators is a corporation organized under the laws of the State of Kansas on December 22, 1960. Flint Hills is a corporation organized under the laws of the State of Kansas. Educators acquired 20,000 shares, representing 100 per cent of the outstanding shares, of Flint Hills on June 1, 1970.

2. On June 5, 1965, Educators acquired ownership and control of 33,445 shares, representing 55.7 per cent of the outstanding voting shares, of Citizens National Bank & Trust Company, Emporia, Kansas ("Bank").

3. Educators became a bank holding company on December 31, 1970, as a result of the enactment of the 1970 Amendments to the BHC Act by virtue of its ownership and control at that time of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on September 29, 1971. Educators would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its ownership and control on that date, of more than 25 per cent of the outstanding voting shares of Bank. On November 1, 1975, Educators owned and controlled 33,445 shares of Bank, representing 55.7 per cent of the outstanding voting shares of Bank.

4. On November 1, 1975, Educators held property acquired by it on or before July 7, 1970, the disposition of which would be necessary or appropriate to effectuate § 4 of the BHC Act if Educators were to continue to be a bank holding company beyond December 31, 1980, which property is "prohibited property" within the meaning of §§ 6158(f)(2) and 1103(c) of the Code.

5. On November 1, 1975, Flint Hills sold substantially all of its assets to Robert W. Rieger ("Rieger") for \$630,000. Such assets consisted of

real property of approximately 5 acres and the improvements thereon known as Flint Hills Manor Nursing Home, situated on the east side of the 1600 block of Wheeler Street, Emporia, Kansas, including plans, specifications and architectural renderings prepared for a 60-bed expansion to the already existing building, together with all the furniture, fixtures, equipment, general and medical supplies and usual inventory as consistent with the normal operation of a nursing home as required by the State Health Department. In exchange for such assets, Rieger paid to Flint Hills \$150,000 in cash and assumed three outstanding mortgages on the above-described real property in the aggregate amount of \$313,741.85. Under the terms of the instalment sales contract, the remainder is to be paid to Flint Hills in monthly payments of \$1,500 at 8.5 per cent per annum on the unpaid balance, with the remaining unpaid balance due at the end of 5 years, provided that Rieger may pay the remaining unpaid balance to Flint Hills in full at any time without penalty. Flint Hills holds a fourth mortgage on such property.

6. Flint Hills does not engage in any activity, and it remains in existence for the sole purpose of holding Rieger's note and receiving payments from Rieger under the terms of the instalment sales contract.

7. Rieger is not an officer, director (including honorary or advisory director), or employee with policy-making functions of Educators or any of its subsidiaries. Rieger does not hold any interest in Educators or any of its subsidiaries. Other than as a result of his acquisition of the assets of Flint Hills, Rieger is not indebted to Educators or any of its subsidiaries.

On the basis of the foregoing information, it is hereby certified that:

(A) at the time of the sale by Flint Hills of substantially all of its assets to Rieger, Educators was a qualified bank holding corporation, within the meaning of § 6158(f)(1) and subsection (b) of section 1103 of the Code, and satisfied the requirements of that subsection;

(B) the assets sold by Flint Hills were "prohibited property" within the meaning of §§ 6158(f)(2) and 1103(c) of the Code;

(C) the sale of substantially all the assets of Flint Hills was necessary or appropriate to effectuate § 4 of the BHC Act; and

(D) Educators has (before the expiration of the period prohibited property is permitted under the BHC Act to be held by a bank holding company) disposed of all of the property the disposition of

<sup>1</sup>Pursuant to §§ 2(d)(2) and 3(c)(2) of the Tax Act, in the case of any sale that takes place on or before December 31, 1976 (the 90th day after the date of the enactment of the Tax Act), the certification described in § 6158(a) shall be treated as made before the sale, and the certification described in § 6158(c)(2) shall be treated as made before the close of the calendar year following the calendar year in which the last such sale occurred, if application for such certification was made before the close of December 31, 1976. Educators' application for such certifications was received by the Board on December 28, 1976.

<sup>2</sup>This information derives from Educators' correspondence with the Board concerning its request for certification, Educators' Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.



which was necessary or appropriate to effectuate § 4 of the BHC Act.

This certification is based upon the representations made to the Board by Educators and upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification are otherwise than as represented by Educators, or that Educators has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective July 15, 1977.

(Signed) RUTH A. REISTER,  
*Assistant Secretary of the Board.*

[SEAL]

Union Financial Corporation,  
Denver, Colorado

[Docket No. TCR 76-126]

Union Financial Corporation, Denver, Colorado ("UFC") (formerly Stuarco Oil Company, Inc. ("Stuarco")), has requested a prior certification pursuant to § 6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that its sales of various oil and gas properties during 1973 and 1974 were necessary or appropriate to effectuate the policies of § 4 of the Bank Holding Company Act (12 U.S.C. § 1843) ("BHC Act"). UFC has also requested a final certification pursuant to § 6158(c)(2) of the Code that UFC has (before the expiration of the period prohibited property is permitted to be held under the BHC Act by a bank holding company) disposed of all the property the disposition of which is necessary or appropriate to effectuate § 4 of the BHC Act.<sup>1</sup>

In connection with these requests, the following information is deemed relevant, for purposes of issuing the requested certification:<sup>2</sup>

<sup>1</sup>Pursuant to §§ 2(d)(2) and 3(e)(2) of the Tax Act, in the case of any sale that takes place on or before December 31, 1976 (the 90th day after the date of the enactment of the Tax Act), the certification described in § 6158(a) shall be treated as made before the sale, and the certification described in § 6158(c)(2) shall be treated as made before the close of the calendar year following the calendar year in which the last such sale occurred, if application for such certification was made before the close of December 31, 1976. UFC's application for such certification was postmarked December 31, 1976.

<sup>2</sup>This information derives from UFC's correspondence with the Board concerning its request for this certification. UFC's Regis-

1. UFC is a corporation organized under the laws of the State of Colorado on March 25, 1966.

2. On August 28, 1969, UFC acquired ownership and control of 990 shares, representing 100 per cent of the outstanding voting shares, of UNB Corporation, Denver, Colorado ("UNB").<sup>3</sup> On that date UNB owned and controlled 57,360 shares, representing 95.6 per cent of the outstanding voting shares, of Union National Bank (later United Bank & Trust), Denver, Colorado ("Bank").

3. UFC became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its direct and indirect ownership and control at that time of more than 25 per cent of the outstanding voting shares of UNB, and by virtue of its indirect ownership and control at that time, through UNB, of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on July 2, 1971.<sup>4</sup> UFC would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its direct and indirect ownership and control on that date of more than 25 per cent of the outstanding voting shares of UNB and Bank, respectively. At the time of each of the sales described in paragraph 4 below UFC directly and indirectly owned and controlled more than 25 per cent of the outstanding voting shares of UNB and Bank, respectively.

4. On or about May 31, 1973, UFC sold substantially all of its drilling rigs and related equipment to Exeter Drilling Contractors, Denver, Colorado, for cash. On October 1, 1973, after receiving written bids, UFC sold substantially all of its producing oil and gas properties and its undeveloped oil and gas properties to the highest bidder, Terra Resources, Houston, Texas, for cash.<sup>5</sup> Shortly thereafter, various minor mineral interests were sold to the major stockholders of UFC at an appraised value of \$23,000. Concurrently, certain other office furni-

tration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

<sup>3</sup>UNB engages in no other activity than the holding of Bank's stock.

<sup>4</sup>UNB similarly became a bank holding company on December 31, 1970, by virtue of its direct ownership and control of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on December 30, 1971.

<sup>5</sup>In connection with its request for this certification, UFC submitted a copy of its Tax Return Schedule showing the oil and gas properties and leasehold equipment it sold during 1973-74. Those properties and equipment were located in the following States: Colorado, Nebraska, Wyoming, Texas, Oklahoma, Louisiana and Montana. In addition, pursuant to § 1102(d) of the Code, UFC submitted an itemization of all oil and gas leases and related property and equipment divested during the period 1970-1974.

ture, fixtures, and leasehold improvements were sold to one of UFC's stockholders at an independently appraised value. All of the foregoing transactions were for cash.

5. On each of the dates set forth in paragraph 4, UFC held property acquired by it on or before July 7, 1970, the disposition of which was necessary or appropriate to effectuate § 4 of the BHC Act if UFC were to continue to be a bank holding company beyond December 31, 1980, which property was "prohibited property" within the meaning of §§ 6158(b)(1) and 1103(c) of the Code.

6. Neither UFC nor any subsidiary of UFC holds any interest in any of the purchasers of the property described in paragraph 4 (the "Purchasers"), or in any subsidiary of any of the Purchasers.

7. None of the Purchasers, or any subsidiary of any of the Purchasers, holds any interest in UFC or any subsidiary of UFC.

8. No officer, director (including honorary or advisory director) or employee with policy-making functions of UFC or any subsidiary of UFC also holds any such position with any of the Purchasers or any subsidiary of any of the Purchasers.

9. UFC does not control in any manner the election of a majority of the directors, or exercise a controlling influence over the management or policies, of any of the Purchasers or any subsidiary of any of the Purchasers.

10. UFC does not presently own or control any property the disposition of which would be necessary or appropriate to effectuate § 4 of the BHC Act if UFC were to remain a bank holding company beyond December 31, 1980.

On the basis of the foregoing information and other facts of record, it is hereby certified that:

(A) at the time of the sales described in paragraph 4 above, UFC was a qualified bank holding corporation, within the meaning of § 6158(f)(1) and subsection (b) of section 1103 of the Code, and satisfied the requirements of that subsection;

(B) the property sold by UFC as described in paragraph 4 above was "prohibited property" within the meaning of §§ 6158(f)(2) and 1103(c) of the Code;

(C) UFC has (before the expiration of the period prohibited property is permitted under the BHC Act to be held by a bank holding company) disposed of all of the property the disposition of which is necessary or appropriate to effectuate § 4 of the BHC Act.

This certification is based upon the representations made to the Board by UFC and upon the facts set forth above. In the event the Board should

hereafter determine that facts material to this certification are otherwise than as represented by UFC, or that UFC has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective July 29, 1977.

(Signed) GRIFFITH L. GARWOOD,  
*Deputy Secretary of the Board.*

[SEAL]

Westland Banks, Inc.,  
Lakewood, Colorado

[Docket No. TCR 76-113]

Westland Banks, Inc., Lakewood, Colorado ("WBI"), formerly Weerva, Inc., has requested a prior certification pursuant to § 6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that its sale of the trade name, good will, appointments, supplies, files, records, customer lists, transferable insurance policies, outstanding contracts, accounts receivable and all other property except cash, bank accounts, and fixed assets of its travel agency, Westland Travel Service, to Westland Travel Service, Inc. on June 1, 1976, was necessary or appropriate to effectuate § 4 of the Bank Holding Company Act (12 U.S.C. § 1843) ("BHC Act").<sup>1</sup>

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification:<sup>2</sup>

1. WBI, formerly Weerva, Inc. ("Weerva"), was organized as a subsidiary of the Wheat Ridge National Bank ("Bank"), Wheat Ridge, Colorado, under the laws of the State of Colorado on December 27, 1967. In May 1968, Bank distributed all of the shares of Weerva to the shareholders of Bank. In July 1968, Weerva acquired Westland Travel Service from Bank.

<sup>1</sup>Pursuant to § 3(e)(2) of the Tax Act, in case of any sale that took place on or before December 31, 1976 (the 90th day after the date of enactment of the Tax Act), the certification described in § 6158(a) shall be treated as made before the sale if application for such certification was made before the close of business December 31, 1976. WBI's application for such certification was received by the Board on December 27, 1976.

<sup>2</sup>This information derives from WBI's correspondence with the Board concerning its request for this certification, WBI's Registration Statement filed with the Board pursuant to the BHC Act and other records of the Board.

2. On October 29, 1969, Weerva acquired ownership and control of 39,196 shares, representing 97.9 per cent of the outstanding voting shares, of Bank.

3. Weerva became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its ownership and control at that time of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on July 6, 1971. Weerva would have been a bank holding company on July 7, 1970 if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its ownership and control on that date of more than 25 per cent of the outstanding voting shares of Bank. Weerva changed its name to Westland Banks, Inc. on November 10, 1972. On June 1, 1976, WBI owned and controlled 100 per cent (less directors' qualifying shares) of the outstanding voting shares of Bank.

4. Westland Travel Service was owned and controlled by WBI on July 7, 1970 and it engaged in the business of providing general travel agency services primarily for customers of WBI's subsidiary banks. The disposition of Westland Travel Service by WBI was necessary or appropriate to effectuate § 4 of the Act if WBI were to continue to be a bank holding company beyond December 31, 1980.<sup>3</sup>

5. On June 1, 1976, WBI sold the trade name, good will, appointments, supplies, files, records, customer lists, transferable insurance policies, outstanding contracts, accounts receivable and all other property except cash, bank accounts, and fixed assets of Westland Travel Services (the "Travel Service Assets") to Westland Travel Services, Inc. for \$84,944 in cash.

6. Westland Travel Services, Inc. is owned and controlled by a small group of individual investors, including the manager of the agency, none of whom is affiliated with WBI or its subsidiaries.

7. Neither WBI nor any subsidiary of WBI holds any interest in Westland Travel Service, Inc.

8. Neither Westland Travel Service, Inc. nor any shareholder of Westland Travel Service, Inc. holds any interest in WBI or any subsidiary of WBI.

9. No officer, director (including honorary or advisory director) or employee with policymaking functions of WBI or any subsidiary of WBI holds any such position with Westland Travel Services, Inc.

10. WBI does not control in any manner the election of a majority of the directors, or exercise a controlling influence over the management or policies, of Westland Travel Service, Inc.

On the basis of the foregoing information, it is hereby certified that:

(A) at the time of its sale of the Travel Service Assets WBI was a qualified bank holding corporation, within the meaning of § 6158(f)(1) and subsection (b) of § 1103 of the Code, and satisfied the requirements of that subsection;

(B) the Travel Service Assets were "prohibited property" within the meaning of §§ 6158(f)(2) and 1103(c) of the Code;

(C) the sale of the Travel Service Assets was necessary or appropriate to effectuate § 4 of the BHC Act.

This certification is based upon the representations made to the Board by WBI and upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification were otherwise than as represented by WBI or that WBI has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective July 21, 1977.

<sup>3</sup>On January 26, 1976, the Board determined that the operation of a travel agency was not a permissible nonbanking activity for bank holding companies. 62 Federal Reserve BULLETIN 148.

(Signed) RUTH A. REISTER,  
[SEAL.] Assistant Secretary of the Board.

## ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

## BY THE BOARD OF GOVERNORS

During July 1977, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## Section 3

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Northeast United Bancorp, Inc. of Texas, Fort Worth, Texas	First State Bank, Bedford, Texas	7/25/77	42 F.R. 38940 8/1/77

## BY FEDERAL RESERVE BANKS

During June or July 1977, applications were approved by Federal Reserve Banks as listed below. The orders have been published in the Federal Register, and copies are available upon request to the Reserve Banks.

## Section 3

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
United Banks Corpora- tion, Hanover, New Hampshire	Hanover Bank and Trust Company, Hanover, New Hampshire	Boston	7/5/77	42 F.R. 36300 7/14/77
The Central Bancor- poration, Inc., Cincinnati, Ohio	The Central Security National Bank of Lorain County, Lorain, Ohio	Cleveland	7/5/77	42 F.R. 37597 7/22/77
Piedmont Bankgroup Incorporated, Martinsville, Virginia	Piedmont Trust Bank, Collinsville, Virginia; and Bank of Carroll, Carroll, Virginia	Richmond	6/30/77	42 F.R. 35220 7/8/77
DETROITBANK Corporation, Detroit, Michigan	Kentwood Bank, N.A., Kentwood, Michigan	Chicago	7/7/77	42 F.R. 37865 7/25/77

## PENDING CASES INVOLVING THE BOARD OF GOVERNORS\*

- BankAmerica Corporation v. Board of Governors*, filed May 1977, U.S.D.C. for the Northern District of California.
- BankAmerica Corporation v. Board of Governors*, filed May 1977, U.S.C.A. for the Ninth Circuit.
- First Security Corporation v. Board of Governors*, filed March 1977, U.S.C.A. for the Tenth Circuit.
- Farmers State Bank of Crosby v. Board of Governors*, filed January 1977, U.S.C.A. for the Eighth Circuit.
- National Automobile Dealers Association, Inc. v. Board of Governors*, filed November 1976, U.S.C.A. for the District of Columbia.
- First Security Corporation v. Board of Governors*, filed August 1976, U.S.C.A. for the Tenth Circuit.
- Central Wisconsin Bankshares, Inc. v. Board of Governors*, filed June 1976, U.S.C.A. for the Seventh Circuit.
- National Urban League, et al. v. Office of the Comptroller of the Currency, et al.*, filed April 1976, U.S.D.C. for the District of Columbia Circuit.
- Farmers & Merchants Bank of Las Cruces, New Mexico v. Board of Governors*, filed April 1976, U.S.C.A. for the District of Columbia Circuit.
- Grandview Bank & Trust Company v. Board of Governors*, filed March 1976, U.S.C.A. for the Eighth Circuit.
- Association of Bank Travel Bureaus, Inc. v. Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.
- Memphis Trust Company v. Board of Governors*, filed February 1976, U.S.D.C. for the Western District of Tennessee.
- First Lincolnwood Corporation v. Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.
- Roberts Farm, Inc. v. Comptroller of the Currency, et al.*, filed November 1975, U.S.D.C. for the Southern District of California.
- Florida Association of Insurance Agents, Inc. v. Board of Governors*, and *National Association of Insurance Agents, Inc. v. Board of Governors*, filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.
- †‡*David R. Merrill, et al. v. Federal Open Market Committee of the Federal Reserve System*, filed May 1975, U.S.D.C. for the District of Columbia, appeal pending, U.S.D.A. for the District of Columbia.
- Louis J. Roussel v. Board of Governors*, filed April 1975, U.S.D.C. for the Eastern District of Louisiana.
- Georgia Association of Insurance Agents, et al. v. Board of Governors*, filed October 1974, U.S.C.A. for the Fifth Circuit.
- Alabama Association of Insurance Agents, et al. v. Board of Governors*, filed July 1974, U.S.C.A. for the Fifth Circuit.
- Bankers Trust New York Corporation v. Board of Governors*, filed May 1973, U.S.C.A. for the Second Circuit.

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

†Decisions have been handed down in these cases, subject to appeals noted.

‡The Board of Governors is not named as a party in this action.

# Announcements

## REGULATION B: Interpretation

The Board of Governors of the Federal Reserve System on August 4, 1977, issued an interpretation of the provision of its Regulation B (Equal Credit Opportunity) dealing with Federal or State special-purpose credit programs.

The Equal Credit Opportunity Act and Regulation B provide that it is not illegal to deny credit solely because the applicant does not qualify for credit that is "expressly authorized by Federal or State law" for the benefit of an economically disadvantaged class of persons. An example of such a special-purpose credit program would be one designed to benefit economically disadvantaged American Indians. It is not illegal to exclude non-Indian applicants for credit under such a program.

The interpretation states that a credit program is considered to be "expressly authorized by Federal or State law" if it is authorized by the terms of a Federal or State statute or by a regulation lawfully promulgated by the Federal or State agency responsible for implementing the program.

When it proposed on May 10, 1977, the interpretation now adopted, the Board announced that in its opinion any determinations as to whether a Federal or State special-purpose credit program benefits an economically disadvantaged class of persons are best made by the agency charged with the administration of the loan program.

In taking final action, the Board added that it is the responsibility of governmental agencies operating special-purpose loan programs to be sure that their regulations are consistent with relevant State and Federal laws. Creditors will not violate Regulation B by complying with State or Federal special-purpose loan program laws.

## REVISION OF CONSUMER CREDIT INFORMATION

This issue of the BULLETIN contains numerous revisions of previously published consumer installment credit figures (pp. A42 and A43). These changes are based primarily on information derived

from newly available benchmarks and in some cases from new estimating procedures derived from materials that were previously unavailable.

In general, all series are revised through December 1976, with estimates for subsequent months derived from reports of representative samples of credit grantors. Seasonally adjusted series for each of the lender groups reflect revised seasonal factors.

Complete tables of revised data from January 1970 are available upon request from the Mortgage and Consumer Finance Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## DISCONTINUANCE OF BANK CREDIT PROXY

The Board of Governors has discontinued the publication and construction of the bank credit proxy. In recent years the proxy—which is based solely on data for member banks—has become increasingly less representative of total bank credit, in part because of the growth in importance of non-member banks and in part because the proxy does not include certain borrowings by banks from the nonbank public.

## REVISED OTC STOCK LIST

The Board of Governors published a revised list of over-the-counter (OTC) stocks that are subject to its margin regulations, effective August 12, 1977.

The list supersedes the revised list of OTC margin stocks that was issued on December 30, 1976. Changes that have been made in the list, which now includes 1,106 OTC stocks, are as follows:

—195 stocks have been included for the first time.

—13 stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing.

—43 stocks have been removed because they are now listed on a national securities exchange or the companies were acquired by another firm.

The list is available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

### CHANGES IN BOARD STAFF

The Board of Governors has announced the following appointments:

Samuel H. Talley, Senior Economist in the Division of Research and Statistics, to be Assistant Director in the Division of Banking Supervision and Regulation, effective July 18, 1977. Prior to joining the Board's staff in 1970, Mr. Talley was Assistant and Associate Professor of Economics at the University of Maine. He holds a B.A., M.B.A., and Ph.D. from Syracuse University and an M.A. from the University of Michigan.

Robert E. Matthews as Assistant Secretary of the Board for a 6-month period beginning August 1, 1977. Mr. Matthews, Assistant General Auditor at the Federal Reserve Bank of Philadelphia, replaces Ruth A. Reister who has returned to the Federal Reserve Bank of Minneapolis. Mr. Matthews holds a B.S. from Western Kentucky University and an M.B.A. from Georgia State University.

The Board has also announced the retirement of William W. Layton, Director of Equal Employment Opportunity in the Office of Staff Director for Management, effective August 1, 1977.

### SYSTEM MEMBERSHIP: Admission of State Bank

The following bank was admitted to membership in the Federal Reserve System during the period July 16, 1977, through August 15, 1977:

#### *Montana*

Butte . . . . . First Citizens Bank of Butte

# Industrial Production

Released for publication August 15

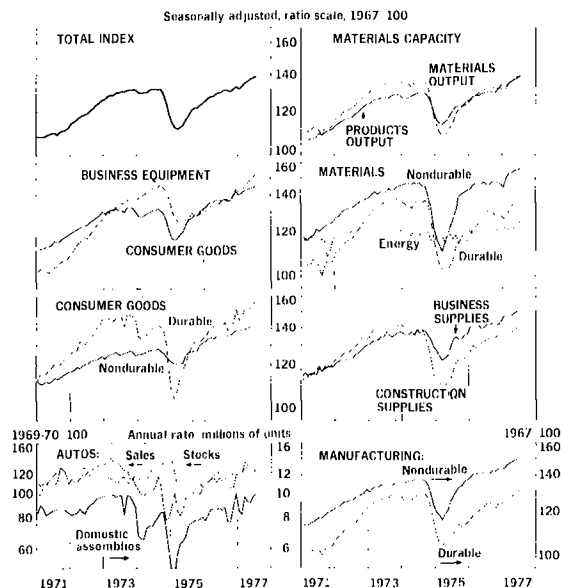
Industrial production in July increased by an estimated 0.5 per cent to 139.0 per cent of the 1967 average. This followed rises of 0.7 and 0.9 per cent in June and May, respectively. There were relatively large increases in output of consumer durable goods and business equipment. These increases were partly offset by reductions in coal and copper output, due to strikes, and by a reduction in steel output.

Total industrial production in the second quarter was 2.8 per cent above that in the first quarter, following revision of earlier estimates of production in May and June. It is estimated that in July production was 6.4 per cent above a year earlier.

Output of consumer durable goods rose 1.6 per cent in July, reflecting a large increase in automotive products and a more moderate rise in home goods. Production of consumer nondurable goods again edged up only a little. Output of business equipment advanced by an estimated 1.2 per cent, reflecting, in part, a large increase in truck assemblies. Output of intermediate products, such as construction and business supplies, increased 0.8 per cent.

Output of durable goods materials was reduced slightly in July, as further sizable gains in the production of parts and components for consumer durable goods and business equipment were more

than offset by weakness in basic metal materials, particularly steel. Nondurable goods materials are estimated to have increased moderately. Output of energy materials increased appreciably, reflecting a sharply greater than seasonal rise in electricity generation.



F.R. indexes, seasonally adjusted. Latest figures: July. \*Auto sales and stocks include imports.

Industrial production	Seasonally adjusted, 1967 = 100				Per cent changes from—		
	1977				Month ago	Year ago	Q1 to Q2
	Apr.	May	June <sup>a</sup>	July <sup>b</sup>			
<b>Total</b>	<b>136.2</b>	<b>137.4</b>	<b>138.3</b>	<b>139.0</b>	.5	6.4	2.8
Products, total	136.1	137.1	138.0	138.9	.7	7.0	2.3
Final products	134.3	135.2	136.1	136.9	.6	7.3	2.5
Consumer goods	143.3	144.0	144.4	145.3	.6	6.2	1.8
Durable goods	151.7	152.4	155.0	157.5	1.6	11.1	3.4
Nondurable goods	140.0	140.7	140.3	140.4	.1	4.2	1.2
Business equipment	147.0	148.8	150.8	152.6	1.2	11.5	4.0
Intermediate products	142.7	144.1	145.4	146.6	.8	6.5	1.6
Construction supplies	137.4	138.9	140.2	141.0	.6	5.9	2.0
Materials	136.3	137.8	138.8	139.1	.2	5.2	3.5

<sup>a</sup>Preliminary.

<sup>b</sup>Estimated.



# Financial and Business Statistics

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## 1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1976		1977		1977				
	Q3	Q4	Q1	Q2	Mar.	Apr.	May	June	July
Monetary and credit aggregates (annual rates of change, seasonally adjusted in per cent) <sup>12</sup>									
<b>Member bank reserves</b>									
1 Total	2.7	4.4	2.7	3.0	-3.1	13.0	1.5	4.8	
2 Required	2.4	4.0	3.0	3.5	-3.8	13.9	0.9	6.9	
3 Nonborrowed	2.6	4.8	2.6	1.9	-4.3	14.1	-3.1	2.9	
<b>Concepts of money<sup>1</sup></b>									
4 M-1	4.4	6.5	4.2	8.5	5.4	19.4	0.7	4.9	
5 M-2	9.1	12.5	9.9	9.3	8.6	13.5	4.7	8.3	
6 M-3	11.4	14.4	11.3	10.0	9.4	12.4	7.3	9.7	
<b>Time and savings deposits</b>									
<b>Commercial banks:</b>									
7 Total	7.0	12.2	12.5	8.3	6.7	6.9	8.3	13.2	
8 Other than large CD's	12.8	17.1	14.0	9.8	10.7	9.5	7.6	10.7	
9 Thrift institutions <sup>2</sup>	14.8	17.3	13.4	11.1	10.9	10.5	11.1	11.7	
10 Total loans and investments at commercial banks <sup>3</sup>	6.9	10.8	8.8	11.9	10.0	14.0	10.3	8.9	
Interest rates (levels, per cent per annum)									
<b>Short-term rates</b>									
11 Federal funds <sup>4</sup>	5.28	4.88	4.66	5.16	4.69	4.73	5.35	5.39	5.42
12 Treasury bills (3-month market yield) <sup>5</sup>	5.15	4.67	3.63	4.84	4.60	4.54	4.96	5.02	5.19
13 Commercial paper (90- to 119-day) <sup>6</sup>	5.41	4.91	4.74	5.15	4.75	4.75	5.26	5.42	5.38
14 Federal Reserve discount <sup>7</sup>	5.50	5.39	5.25	5.25	5.25	5.25	5.25	5.25	5.25
<b>Long-term rates</b>									
<b>Bonds:</b>									
15 U.S. Govt. <sup>8</sup>	7.90	7.54	7.62	7.68	7.74	7.67	7.74	7.64	7.60
16 State and local government <sup>9</sup>	6.64	6.18	5.88	5.70	5.89	5.73	5.75	5.62	5.63
17 Aaa utility (new issue) <sup>10</sup>	8.48	8.15	8.17		8.25	8.26	8.33	8.21	8.14
18 Conventional mortgages <sup>11</sup>	9.03	8.95	8.82	8.95	8.85	8.90	8.95	9.00	

<sup>1</sup> M-1 equals currency plus private demand deposits adjusted.  
<sup>2</sup> M-2 equals M-1 plus bank time and savings deposits other than large negotiable CD's.

<sup>3</sup> M-3 equals M-2 plus deposits at mutual savings banks, savings and loan associations, and credit union shares.

<sup>4</sup> Savings and loan associations, mutual savings banks, and credit unions.

<sup>5</sup> Quarterly changes calculated from figures shown in Table 1.23.

<sup>6</sup> Seven-day averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).

<sup>7</sup> Quoted on a bank-discount rate basis.

<sup>8</sup> Most representative offering rate quoted by five dealers.

<sup>9</sup> Rate for the Federal Reserve Bank of New York.

<sup>10</sup> Market yields adjusted to a 20-year maturity by the U.S. Treasury.

<sup>11</sup> Bond Buyer series for 20 issues of mixed quality.

<sup>12</sup> 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.

<sup>13</sup> 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.

<sup>14</sup> Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

## 1.11 FACTORS AFFECTING MEMBER BANK RESERVES

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for weeks ending—						
	1977			1977						
	May	June	July <sup>a</sup>	June 15	June 22	June 29	July 6	July 13	July 20 <sup>b</sup>	July 27 <sup>b</sup>
<b>SUPPLYING RESERVE FUNDS</b>										
1 Reserve Bank credit outstanding . . .	112,694	109,453	113,970	103,365	111,518	117,210	117,495	113,160	113,223	112,251
2 U.S. Govt. securities <sup>1</sup> . . . . .	99,023	95,337	98,359	90,289	97,194	101,992	102,127	97,435	96,869	97,338
3 Bought outright . . . . .	97,000	94,132	96,930	90,289	96,244	98,359	97,857	97,435	96,508	96,339
4 Held under repurchase agreement . . . . .	2,023	1,205	1,429		950	3,633	4,270		361	999
5 Federal agency securities . . . . .	7,259	7,312	7,611	7,059	7,165	7,878	7,934	7,423	7,491	7,590
6 Bought outright . . . . .	7,077	7,176	7,423	7,059	7,110	7,436	7,423	7,423	7,423	7,423
7 Held under repurchase agreement . . . . .	182	136	188		55	442	511		68	167
8 Acceptances . . . . .	489	228	213	52	203	565	528	37	56	207
9 Loans . . . . .	200	262	336	223	271	334	265	160	406	295
10 Float . . . . .	2,773	3,432	4,089	2,979	3,777	3,421	3,570	4,932	4,989	3,620
11 Other Federal Reserve assets . . . . .	2,950	2,882	3,362	2,762	2,906	3,020	3,070	3,172	3,412	3,201
12 Gold stock . . . . .	11,632	11,628	11,609	11,629	11,629	11,626	11,620	11,616	11,605	11,605
13 Special Drawing Rights certificate account . . . . .	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
14 Treasury currency outstanding . . . . .	11,056	11,099	11,146	11,091	11,110	11,113	11,118	11,140	11,151	11,153
<b>ABSORBING RESERVE FUNDS</b>										
15 Currency in circulation . . . . .	94,968	96,029	97,427	96,146	95,993	95,951	97,065	97,921	97,604	97,166
16 Treasury cash holdings . . . . .	442	437	431	434	440	441	441	439	427	423
Deposits, other than member bank reserves with F.R. Banks:										
17 Treasury . . . . .	10,997	7,057	8,843	1,320	8,690	14,058	12,560	9,022	6,783	8,000
18 Foreign . . . . .	322	277	324	287	261	259	368	271	330	256
19 Other <sup>2</sup> . . . . .	559	675	759	715	600	628	724	630	1,025	638
20 Other F.R. liabilities and capital . . . . .	3,324	3,260	3,395	3,125	3,289	3,525	3,460	3,262	3,328	3,431
21 Member bank reserves with F.R. Banks . . . . .	25,970	25,646	26,747	25,258	26,184	26,290	26,815	25,572	27,683	26,296
<b>End-of-month figures</b>										
<b>1977</b>										
	May	June	July <sup>a</sup>	June 15	June 22	June 29	July 6	July 13	July 20 <sup>b</sup>	July 27 <sup>b</sup>
<b>SUPPLYING RESERVE FUNDS</b>										
22 Reserve Bank credit outstanding . . .	111,838	117,679	113,896	105,657	115,783	117,750	111,357	111,612	115,584	113,779
23 U.S. Govt. securities <sup>1</sup> . . . . .	97,394	102,239	98,711	90,720	99,451	101,864	96,695	96,699	98,418	98,397
24 Bought outright . . . . .	96,560	98,163	96,381	90,720	96,709	98,310	96,695	96,699	95,891	96,834
25 Held under repurchase agreement . . . . .	834	4,076	2,330		2,742	3,554			2,527	1,563
26 Federal agency securities . . . . .	7,087	8,033	7,768	7,056	7,680	7,778	7,423	7,423	7,896	7,628
27 Bought outright . . . . .	7,077	7,423	7,423	7,056	7,436	7,436	7,423	7,423	7,423	7,423
28 Held under repurchase agreement . . . . .	10	610	345		244	342			473	205
29 Acceptances . . . . .	108	621	393	49	399	456	41	32	211	268
30 Loans . . . . .	400	260	788	974	1,214	606	185	383	222	514
31 Float . . . . .	3,993	3,604	2,523	4,005	4,056	4,064	3,846	3,004	4,597	3,740
32 Other Federal Reserve assets . . . . .	2,856	2,922	3,713	2,853	2,983	2,982	3,167	4,071	4,240	3,232
33 Gold stock . . . . .	11,629	11,620	11,595	11,629	11,629	11,620	11,620	11,605	11,605	11,605
34 Special Drawing Rights certificate account . . . . .	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
35 Treasury currency outstanding . . . . .	11,026	11,081	11,166	11,096	11,112	11,116	11,139	11,142	11,151	11,166
<b>ABSORBING RESERVE FUNDS</b>										
36 Currency in circulation . . . . .	95,606	96,652	97,101	96,318	96,116	96,678	97,989	97,762	97,564	97,422
37 Treasury cash holdings . . . . .	433	440	423	435	441	441	438	439	427	421
Deposits, other than member bank reserves with F.R. Banks:										
38 Treasury . . . . .	5,838	15,183	8,789	1,228	12,958	16,115	9,647	8,527	7,220	8,616
39 Foreign . . . . .	436	379	469	344	250	287	372	251	247	289
40 Other <sup>2</sup> . . . . .	831	748	578	657	631	592	607	677	1,867	699
41 Other F.R. liabilities and capital . . . . .	3,539	3,616	3,606	3,173	3,348	3,526	3,159	3,288	3,383	3,495
42 Member bank reserves with F.R. Banks . . . . .	29,009	24,562	26,892	27,427	25,981	24,048	23,105	24,616	28,833	26,809

<sup>1</sup> Includes securities loaned—fully guaranteed by U.S. Govt. securities pledged with F.R. Banks—and excludes (if any) securities sold and scheduled to be bought back under matched sale-purchase transactions.

<sup>2</sup> Includes certain deposits of foreign-owned banking institutions

voluntarily held with member banks and redeposited in full with Federal Reserve Banks.

NOTE.—For amounts of currency and coin held as reserves, see Table 1.12.

## 1.12 RESERVES AND BORROWINGS Member Banks

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1975	1976		1977						
	Dec.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July <sup>a</sup>
<b>All member banks</b>										
Reserves:										
1 At F.R. Banks.....	27,215	26,458	26,430	27,229	25,725	25,849	26,096	25,970	25,646	26,747
2 Currency and coin.....	7,773	8,180	8,548	8,913	8,326	8,134	8,368	8,610	8,609	8,617
3 Total held <sup>1</sup> .....	34,989	34,797	35,136	36,290	34,199	34,135	34,613	34,732	34,406	35,465
4 Required.....	34,727	34,433	34,964	35,796	34,234	33,870	34,602	34,460	34,293	35,039
5 Excess <sup>1</sup> .....	262	364	172	494	-35	265	11	272	113	426
Borrowings at F.R. Banks: <sup>2</sup>										
6 Total.....	127	84	62	61	79	110	73	200	262	336
7 Seasonal.....	13	21	12	8	12	13	14	31	55	59
<b>Large banks in New York City</b>										
8 Reserves held.....	6,812	6,589	6,520	7,076	6,442	6,331	6,264	6,310	6,241	6,314
9 Required.....	6,748	6,485	6,602	6,948	6,537	6,259	6,351	6,279	6,188	6,342
10 Excess.....	64	104	-82	128	-95	72	-87	31	53	-28
11 Borrowings <sup>2</sup> .....	63	36	15	6	47	44	16	18	36	74
<b>Large banks in Chicago</b>										
12 Reserves held.....	1,740	1,621	1,632	1,731	1,624	1,610	1,629	1,637	1,662	1,519
13 Required.....	1,758	1,602	1,641	1,698	1,624	1,611	1,634	1,634	1,627	1,602
14 Excess.....	-18	19	-9	33	-1	-1	-5	3	35	-83
15 Borrowings <sup>2</sup> .....			4	2		3	*	4	15	5
<b>Other large banks</b>										
16 Reserves held.....	13,249	12,889	13,117	13,556	12,683	12,779	13,090	13,067	12,869	13,200
17 Required.....	13,160	12,802	13,053	13,427	12,765	12,705	13,110	12,996	12,943	13,284
18 Excess.....	89	87	64	129	-82	74	-20	71	-74	-84
19 Borrowings <sup>2</sup> .....	26	7	14	25	4	29	23	62	80	77
<b>All other banks</b>										
20 Reserves held.....	13,188	13,698	13,867	13,927	13,450	13,415	13,630	13,718	13,634	14,047
21 Required.....	13,061	13,544	13,668	13,723	13,308	13,295	13,507	13,551	13,535	13,811
22 Excess.....	127	154	199	204	142	120	123	167	99	236
23 Borrowings <sup>2</sup> .....	38	41	29	28	28	34	34	116	131	180
Weekly averages of daily figures for weeks ending—										
1977										
	May 25	June 1	June 8	June 15	June 22	June 29	July 6	July 13	July 20 <sup>a</sup>	July 27 <sup>a</sup>
<b>All member banks</b>										
Reserves:										
24 At F.R. Banks.....	25,632	25,681	24,831	25,258	26,184	26,290	26,815	25,572	27,683	26,296
25 Currency and coin.....	8,149	8,585	8,751	8,695	8,360	8,623	8,676	8,964	7,851	8,803
26 Total held <sup>1</sup> .....	33,933	34,418	33,734	34,104	34,696	35,064	35,619	34,635	35,628	35,193
27 Required.....	33,798	34,009	33,701	33,858	34,623	34,914	35,125	34,371	35,315	35,096
28 Excess <sup>1</sup> .....	135	409	33	246	73	150	494	264	313	97
Borrowings at F.R. Banks: <sup>2</sup>										
29 Total.....	311	230	226	223	271	334	265	160	406	295
30 Seasonal.....	35	45	52	48	52	70	61	51	56	68
<b>Large banks in New York City</b>										
31 Reserves held.....	5,988	6,312	6,042	6,118	6,207	6,394	6,368	6,297	6,359	6,145
32 Required.....	6,034	6,227	6,099	6,065	6,231	6,315	6,438	6,211	6,473	6,204
33 Excess.....	-46	85	-57	53	-24	79	-70	86	-114	-59
34 Borrowings <sup>2</sup> .....	27	9	83	16	57				208	
<b>Large banks in Chicago</b>										
35 Reserves held.....	1,559	1,670	1,578	1,627	1,648	1,629	1,665	1,542	1,696	1,568
36 Required.....	1,568	1,594	1,594	1,629	1,652	1,637	1,626	1,568	1,636	1,574
37 Excess.....	-9	76	-16	-2	-4	-8	39	-26	60	-6
38 Borrowings <sup>2</sup> .....				49	14			25		
<b>Other large banks</b>										
39 Reserves held.....	12,757	12,804	12,664	12,864	13,078	13,147	13,542	13,042	13,163	13,063
40 Required.....	12,680	12,749	12,678	12,828	13,069	13,184	13,240	13,048	13,434	13,297
41 Excess.....	77	55	-14	36	9	-37	302	-6	-271	-234
42 Borrowings <sup>2</sup> .....	111	62	51	74	70	126	102	20	42	81
<b>All other banks</b>										
43 Reserves held.....	13,629	13,632	13,450	13,495	13,763	13,894	14,044	13,754	13,814	14,111
44 Required.....	13,516	13,439	13,330	13,336	13,671	13,778	13,821	13,544	13,772	14,021
45 Excess.....	113	193	120	159	92	116	223	210	42	90
46 Borrowings <sup>2</sup> .....	173	159	92	84	130	208	163	115	156	214

<sup>1</sup> 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 merges 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.

<sup>2</sup> Based on closing figures.

## 1.13 FEDERAL FUNDS TRANSACTIONS of Money Market Banks

Millions of dollars, except as noted

Type	1977, week ending Wednesday—									
	June 1	June 8	June 15	June 22	June 29	July 6	July 13	July 20	July 27	
Total, 46 banks										
<b>Basic reserve position</b>										
1 Excess reserves <sup>1</sup> .....	164	-20	68	17	36	171	109	147	41	
LESS:										
2 Borrowings at F.R. Banks.....	19	87	105	96	51	3	26	228	12	
3 Net interbank Federal funds transactions.....	13,970	18,101	17,921	16,742	12,789	14,896	20,249	18,601	16,218	
EQUALS: Net surplus, or deficit (-):										
4 Amount.....	-13,825	-18,208	-17,958	-16,821	-12,804	-14,728	-20,166	-18,683	-16,189	
5 Per cent of average required reserves.....	94.6	125.7	123.4	113.2	85.5	97.4	136.4	121.9	108.9	
<b>Interbank Federal funds transactions</b>										
Gross transactions:										
6 Purchases.....	21,749	24,451	23,993	24,407	21,551	23,693	27,180	26,631	23,596	
7 Sales.....	7,779	6,350	6,072	7,665	8,763	8,797	6,930	8,030	7,379	
8 Two-way transactions <sup>2</sup> .....	5,391	4,711	4,732	5,462	5,170	5,822	4,971	6,489	4,990	
9 Net transactions:										
Purchases of net buying banks.....	16,358	19,740	19,261	18,945	16,381	17,871	22,209	20,142	18,606	
10 Sales of net selling banks.....	2,389	1,639	1,340	2,203	3,593	2,974	1,960	1,541	2,388	
<b>Related transactions with U.S. Govt. securities dealers</b>										
11 Loans to dealers <sup>3</sup> .....	2,909	5,462	4,593	2,895	1,905	2,665	3,233	2,906	2,387	
12 Borrowing from dealers <sup>4</sup> .....	1,707	2,187	1,968	1,733	2,235	1,715	998	1,386	1,644	
13 Net loans.....	1,202	3,274	2,625	1,162	-329	950	2,235	1,520	743	
8 banks in New York City										
<b>Basic reserve position</b>										
14 Excess reserves <sup>1</sup> .....	53	-18	40	-5	71	-16	66	-20	71	
LESS:										
15 Borrowings at F.R. Banks.....		83	16	57				208		
16 Net interbank Federal funds transactions.....	4,445	6,062	5,438	5,551	4,305	5,873	7,698	5,847	5,806	
EQUALS: Net surplus, or deficit (-):										
17 Amount.....	-4,392	-6,163	-5,414	-5,612	-4,234	-5,889	-7,632	-6,075	-5,735	
18 Per cent of average required reserves.....	77.5	111.3	98.4	99.4	73.9	100.5	135.2	103.5	102.3	
<b>Interbank Federal funds transactions</b>										
Gross transactions:										
19 Purchases.....	5,835	6,900	6,660	6,878	5,566	7,335	8,427	7,685	6,534	
20 Sales.....	1,390	838	1,222	1,327	1,261	1,462	728	1,838	728	
21 Two-way transactions <sup>2</sup> .....	1,390	838	1,222	1,327	1,261	1,462	728	1,838	728	
22 Net transactions:										
Purchases of net buying banks.....	4,445	6,062	5,438	5,551	4,305	5,873	7,698	5,847	5,806	
23 Sales of net selling banks.....										
<b>Related transactions with U.S. Govt. securities dealers</b>										
24 Loans to dealers <sup>3</sup> .....	1,705	2,661	2,067	1,425	868	1,369	1,937	1,620	1,190	
25 Borrowing from dealers <sup>4</sup> .....	679	737	466	720	581	548	524	643	657	
26 Net loans.....	1,026	1,924	1,602	705	287	821	1,414	977	533	
38 banks outside New York City										
<b>Basic reserve position</b>										
27 Excess reserves <sup>1</sup> .....	111	-2	29	21	-35	188	43	167	-30	
LESS:										
28 Borrowings at F.R. Banks.....	19	4	89	39	51	3	26	20	12	
29 Net interbank Federal funds transactions.....	9,525	12,038	12,483	11,191	8,483	9,023	12,551	12,754	10,412	
EQUALS: Net surplus, or deficit (-):										
30 Amount.....	-9,433	-12,044	-12,543	-11,209	-8,570	-8,839	-12,534	-12,608	-10,453	
31 Per cent of average required reserves.....	105.4	134.7	138.6	121.7	92.6	95.5	137.1	133.4	112.8	
<b>Interbank Federal funds transactions</b>										
Gross transactions:										
32 Purchases.....	15,914	17,551	17,333	17,529	15,985	16,358	18,753	18,947	17,062	
33 Sales.....	6,389	5,512	4,850	6,337	7,501	7,334	6,202	6,192	6,651	
34 Two-way transactions <sup>2</sup> .....	4,001	3,873	3,510	4,135	3,909	4,360	4,243	4,651	4,263	
35 Net transactions:										
Purchases of net buying banks.....	11,913	13,678	13,824	13,394	12,076	11,998	14,511	14,295	12,800	
36 Sales of net selling banks.....	2,389	1,639	1,340	2,203	3,593	2,974	1,960	1,541	2,388	
<b>Related transactions with U.S. Govt. securities dealers</b>										
37 Loans to dealers <sup>3</sup> .....	1,204	2,801	2,526	1,470	1,038	1,296	1,296	1,286	1,197	
38 Borrowing from dealers <sup>4</sup> .....	1,028	1,450	1,503	1,014	1,653	1,167	475	743	987	
39 Net loans.....	175	1,351	1,024	457	-616	129	822	543	210	

For notes see end of table.

## 1.13 Continued

Type	1977, week ending Wednesday—								
	June 1	June 8	June 15	June 22	June 29	July 6	July 13	July 20	July 27
5 banks in City of Chicago									
<b>Basic reserve position</b>									
40 Excess reserves <sup>1</sup> .....	61	6	20	-7	-6	34	-7	59	13
LESS:									
41 Borrowings at F.R. Banks.....			49	14			25		
42 Net interbank Federal funds transactions.....	5,066	5,973	6,042	5,882	4,994	4,874	6,552	6,770	5,964
EQUALS: Net surplus, or deficit (-):									
43 Amount.....	-5,006	-5,967	-6,071	-5,903	-5,001	-4,840	-6,583	-6,711	-5,951
44 Per cent of average required reserves.....	322.1	400.5	398.1	381.7	326.7	318.3	449.6	439.0	403.3
<b>Interbank Federal funds transactions</b>									
Gross transactions:									
45 Purchases.....	6,038	6,783	6,708	6,902	6,122	5,988	7,444	7,812	7,108
46 Sales.....	972	811	666	1,020	1,128	1,114	892	1,042	1,144
47 Two-way transactions <sup>2</sup> .....	972	811	666	1,020	1,128	1,114	892	1,042	1,144
Net transactions:									
48 Purchases of net buying banks.....	5,066	5,972	6,042	5,882	4,994	4,874	6,552	6,770	5,964
49 Sales of net selling banks.....									
<b>Related transactions with U.S. Govt. securities dealers</b>									
50 Loans to dealers <sup>3</sup> .....	292	497	401	379	176	289	385	258	220
51 Borrowing from dealers <sup>4</sup> .....	460	411	406	401	557	374	53	144	283
52 Net loans.....	-168	86	-5	-22	-381	-85	332	114	-63
33 other banks									
<b>Basic reserve position</b>									
53 Excess reserves <sup>1</sup> .....	50	-7	9	28	-29	153	50	108	-42
LESS:									
54 Borrowings at F.R. Banks.....	19	4	40	25	51	3	1	20	12
55 Net interbank Federal funds transactions.....	4,459	6,066	6,441	5,309	3,489	4,150	5,999	5,985	4,448
EQUALS: Net surplus, or deficit (-):									
56 Amount.....	-4,427	-6,077	-6,473	-5,306	3,569	-3,999	-5,950	-5,897	-4,502
57 Per cent of average required reserves.....	59.5	81.5	86.0	69.2	46.2	51.7	77.5	74.4	57.8
<b>Interbank Federal funds transactions</b>									
Gross transactions:									
58 Purchases.....	9,875	10,768	10,625	10,627	9,862	10,370	11,310	11,135	9,955
59 Sales.....	5,417	4,702	4,184	5,317	1,373	6,220	5,310	5,150	5,507
60 Two-way transactions <sup>2</sup> .....	3,029	3,062	2,843	3,115	2,781	3,246	3,351	3,609	3,118
Net transactions:									
61 Purchases of net buying banks.....	6,847	7,705	7,782	7,512	7,081	7,124	7,959	7,526	6,836
62 Sales of net selling banks.....	2,389	1,639	1,340	2,203	3,593	2,974	1,960	1,541	2,388
<b>Related transactions with U.S. Govt. securities dealers</b>									
63 Loans to dealers <sup>3</sup> .....	912	2,304	2,125	1,091	862	1,008	911	1,028	977
64 Borrowing from dealers <sup>4</sup> .....	569	1,039	1,097	613	1,092	793	422	599	704
65 Net loans.....	343	1,265	1,028	479	-234	214	489	429	273

<sup>1</sup> Based on reserve balances, including adjustments to include waivers of penalties for reserve deficiencies in accordance with changes in Board policy effective Nov. 19, 1975.

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

<sup>3</sup> Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases from dealers subject to resale), or other lending arrangements.

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

NOTE.—Weekly averages of daily figures. For description of series, see Federal Reserve BULLETIN for August 1964, pp. 944-53. Back data for 46 banks appear in the Board's *Annual Statistical Digest, 1971-1975*, Table 3.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Per cent per annum

Federal Reserve Bank	Current and previous levels											
	Loans to member banks—									Loans to all others under Sec. 13, last par. <sup>4</sup>		
	Under Secs. 13 and 13a <sup>1</sup>			Under Sec. 10(b) <sup>2</sup>								
				Regular rate			Special rate <sup>3</sup>					
Rate on 7/31/77	Effective date	Previous rate	Rate on 7/31/77	Effective date	Previous rate	Rate on 7/31/77	Effective date	Previous rate	Rate on 7/31/77	Effective date	Previous rate	
Boston	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
New York	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
Philadelphia	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
Cleveland	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
Richmond	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
Atlanta	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
Chicago	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
St. Louis	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
Minneapolis	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
Kansas City	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
Dallas	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2
San Francisco	5 1/4	11/22/76	5 1/2	5 3/4	11/22/76	6	6 1/4	11/22/76	6 1/2	8 1/4	11/22/76	8 1/2

Range of rates in recent years<sup>5</sup>

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1970	5 1/2	5 1/2	1973—Jan. 15	5	5	1975—Jan. 6	7 1/4-7 3/4	7 3/4
1971—Jan. 8	5 1/4-5 1/2	5 1/4	Feb. 26	5-5 1/2	5 1/2	10	7 1/4-7 3/4	7 1/2
15	5 1/4	5 1/4	Mar. 2	5 1/2	5 1/2	24	7 1/4	7 1/2
19	5-5 1/4	5 1/4	Apr. 23	5 1/2-5 3/4	5 1/2	Feb. 5	6 3/4-7 1/4	6 3/4
22	5-5 1/4	5	May 4	5 3/4	5 3/4	7	6 3/4	6 3/4
29	5	5	11	5 3/4-6	6	Mar. 10	6 1/4-6 3/4	6 1/2
Feb. 13	4 3/4-5	5	18	6	6	14	6 1/4	6 1/4
19	4 3/4	4 3/4	June 11	6-6 1/2	6 1/2	May 16	6-6 1/4	6
July 16	4 3/4-5	5	15	6 1/2	6 1/2	23	6	6
23	5	5	July 2	7	7			
Nov. 11	4 3/4-5	5	Aug. 14	7-7 1/2	7 1/2	1976—Jan. 19	5 1/2-6	5 1/2
19	4 3/4	4 3/4	23	7 1/2	7 1/2	23	5 1/2	5 1/2
Dec. 13	4 1/2-4 3/4	4 3/4	1974—Apr. 25	7 1/2-8	8	Nov. 22	5 1/4-5 1/2	5 1/4
17	4 1/2-4 3/4	4 1/2	30	8	8	26	5 1/4	5 1/4
24	4 1/2	4 1/2	Dec. 9	7 3/4-8	7 3/4	In effect July 31, 1977	5 1/4	5 1/4
			16	7 3/4	7 3/4			

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

<sup>2</sup> Advances secured to the satisfaction of the F.R. Bank. Advances secured by mortgages on 1- to 4-family residential property are made at the Section 13 rate.

<sup>3</sup> Applicable to special advances described in Section 201.2(e)(2) of Regulation A.

<sup>4</sup> Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof.

<sup>5</sup> Rates under Secs. 13 and 13a (as described above). For description and earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914-1941*, *Banking and Monetary Statistics, 1941-1970*, and *Annual Statistical Digest, 1971-75*.



1.15 MEMBER BANK RESERVE REQUIREMENTS<sup>1</sup>

Per cent of deposits

Type of deposit, and deposit interval in millions of dollars	Requirements in effect July 31, 1977		Previous requirements	
	Per cent	Effective date	Per cent	Effective date
<b>Net demand:<sup>2</sup></b>				
0-2.....	7	12/30/76	7½	2/13/75
2-10.....	9½	12/30/76	10	2/13/75
10-100.....	11¾	12/30/76	12	2/13/75
100-400.....	12¾	12/30/76	13	2/13/75
Over 400.....	16¼	12/30/76	16½	2/13/75
<b>Time:<sup>2,3</sup></b>				
Savings.....	3	3/16/67	3½	3/2/67
Other time:				
0-5, maturing in--				
30-179 days.....	3	3/16/67	3½	3/2/67
180 days to 4 years.....	4 2½	1/8/76	3	3/16/67
4 years or more.....	4 1	10/30/75	3	3/16/67
Over 5, maturing in--				
30-179 days.....	6	12/12/74	5	10/1/70
180 days to 4 years.....	4 2½	1/8/76	3	12/12/74
4 years or more.....	4 1	10/30/75	3	12/12/74
<b>Legal limits, July 31, 1977</b>				
	Minimum		Maximum	
Net demand:				
Reserve city banks.....	10		22	
Other banks.....	7		14	
Time.....	3		10	

<sup>1</sup> 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.

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

(b) The Federal Reserve Act specifies different ranges of requirements for reserve city banks and for other banks. Reserve cities are designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than \$400 million is considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of \$400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see the Board's Regulation D.

(c) Member banks are required under the Board's Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Loans aggregating \$100,000 or less to any U.S. resident are excluded from computations, as are total loans of a bank to U.S. residents if not exceeding \$1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. A reserve of 4 per cent is required for each of these classifications.

<sup>3</sup> Negotiable orders of withdrawal (NOW) accounts and time deposits such as Christmas and vacation club accounts are subject to the same requirements as savings deposits.

<sup>4</sup> The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum specified by law.

NOTE.—Required reserves must be held in the form of deposits with F.R. Banks or vault cash.

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

Per cent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect July 31, 1977		Previous maximum		In effect July 31, 1977		Previous maximum	
	Per cent	Effective date	Per cent	Effective date	Per cent	Effective date	Per cent	Effective date
1 Savings.....	5	7/1/73	4½	1/21/70	5¼	(6)	5	(7)
2 Negotiable order of withdrawal (NOW) accounts <sup>1</sup> .....	5	1/1/74			5	1/1/74		
Time (multiple- and single-maturity unless otherwise indicated): <sup>2</sup>								
30-89 days:								
3 Multiple-maturity.....	5	7/1/73	4½	1/21/70	(8)		(8)	
4 Single-maturity.....			5	9/26/66				
90 days to 1 year:								
5 Multiple-maturity.....	5½	7/1/73	5	7/20/66	5¾	(6)	5¼	1/21/70
6 Single-maturity.....				9/26/66				
7 1 to 2 years <sup>3</sup> .....	6	7/1/73	5½	1/21/70	6½	(6)	5¾	1/21/70
8 2 to 2½ years <sup>3</sup> .....			5¾	1/21/70			6	1/21/70
9 2½ to 4 years <sup>3</sup> .....	6½	7/1/73	5¾	1/21/70	6¾	(6)	6	1/21/70
10 4 to 6 years <sup>4</sup> .....	7¼	11/1/73	(9)		7½	11/1/73	(9)	
11 6 years or more <sup>4</sup> .....	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
12 Governmental units (all maturities).....	7¾	12/23/74	7½	11/27/74	7¾	12/23/74	7½	11/27/74
13 Individual retirement accounts and Keogh (H.R. 10) plans <sup>5</sup> .....	7¾	7/6/77	(8)		7¾	7/6/77	(8)	

<sup>1</sup> For authorized States only. Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks were first permitted to offer NOW accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976.

<sup>2</sup> For exceptions with respect to certain foreign time deposits see the Federal Reserve BULLETIN for October 1962 (p. 1279), August 1965 (p. 1094), and February 1968 (p. 167).

<sup>3</sup> A minimum of \$1,000 is required for savings and loan associations, except in areas where mutual savings banks permit lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.

<sup>4</sup> \$1,000 minimum 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.

<sup>5</sup> 3-year minimum maturity.

<sup>6</sup> July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loan associations.

<sup>7</sup> Oct. 1, 1966, for mutual savings banks; Jan. 21, 1970, for savings and loan associations.

<sup>8</sup> No separate account category.

<sup>9</sup> Between July 1, 1973, and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of \$1,000; however, the amount of such certificates that an institution could issue was limited to 5 per cent 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 per cent ceiling on time deposits maturing in 2½ years or more.

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

NOTE.—Maximum rates that can be paid by Federally insured commercial banks, mutual savings banks, and savings and loan associations are 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. The maximum rates on time deposits in denominations of \$100,000 or more were suspended in mid-1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the Federal Reserve BULLETIN, the Federal Home Loan Bank Board Journal, and the Annual Report of the Federal Deposit Insurance Corporation.

## 1.161 MARGIN REQUIREMENTS

Per cent of market value; effective dates shown.

Type of security on sale	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
1 Margin stocks.....	70	80	65	55	65	50
2 Convertible bonds.....	50	60	50	50	50	50
3 Short sales.....	70	80	65	55	65	50

NOTE.—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 per cent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

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

## 1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1974	1975	1976	1977						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<b>U.S. GOVT. SECURITIES</b>										
<b>Outright transactions (excl. matched sale-purchase transactions)</b>										
Treasury bills:										
1 Gross purchases	11,660	11,562	14,343	975	2,535	110		1,671	681	2,696
2 Gross sales	5,830	5,599	8,462	1,546	313	801	368	260	489	1,154
3 Redemptions	4,550	<sup>2</sup> 6,431	<sup>2</sup> 5,017					19	400	600
Others within 1 year: <sup>1</sup>										
4 Gross purchases	450	3,886	472	59	45	107	41	20		89
5 Gross sales										
6 Exchange, or maturity shift	-1,183	4	792	7	252	63	-266	374	-1,209	478
7 Redemptions	131	3,549								
1 to 5 years:										
8 Gross purchases	797	<sup>2</sup> 3,284	<sup>2</sup> 3,202	681	475	348	174	327		200
9 Gross sales			177							
10 Exchange, or maturity shift	-697	3,854	-2,588	-7	-252	880	266	374	-865	478
5 to 10 years:										
11 Gross purchases	434	1,510	1,048	170	128	151	46	104		68
12 Gross sales										
13 Exchange, or maturity shift	1,675	-4,697	1,572			517			1,174	
Over 10 years:										
14 Gross purchases	196	1,070	642	119	48	81	37	38		114
15 Gross sales										
16 Exchange, or maturity shift	205	848	225			300			900	
All maturities: <sup>1</sup>										
17 Gross purchases	13,537	<sup>2</sup> 21,313	19,707	2,004	3,229	797	298	2,160	681	3,167
18 Gross sales	5,830	5,599	8,639	1,546	313	801	368	260	489	1,154
19 Redemptions	4,682	<sup>2</sup> 9,980	<sup>2</sup> 5,017					19	400	600
<b>Matched sale-purchase transactions</b>										
20 Gross sales	64,229	151,205	196,078	23,193	24,595	22,674	30,115	32,287	28,532	36,258
21 Gross purchases	62,801	152,132	196,579	24,343	22,544	23,447	30,828	32,852	27,306	36,449
<b>Repurchase agreements</b>										
22 Gross purchases	71,333	140,311	232,891	30,872	23,820	13,853	14,368	13,397	29,308	14,748
23 Gross sales	70,947	139,538	230,355	27,119	27,573	12,921	14,860	11,862	30,448	11,506
24 Net change in U.S. Govt. securities	1,984	7,434	9,087	5,361	-2,887	1,702	151	3,980	-2,573	4,845
<b>FEDERAL AGENCY OBLIGATIONS</b>										
Outright transactions:										
25 Gross purchases	3,087	1,616	891					346		380
26 Gross sales										
27 Redemptions	322	246	169	63	4	24	36		*	33
Repurchase agreements:										
28 Gross purchases	23,204	15,179	10,520	1,380	930	689	523	709	2,164	1,656
29 Gross sales	22,735	15,566	10,360	1,102	1,208	612	546	639	2,278	1,056
<b>BANKERS ACCEPTANCES</b>										
30 Outright transactions, net	511	163	-545	8	-5	-18	-19	-51	-45	-15
31 Repurchase agreements, net	420	-35	410	795	-795	149	-23	653	-729	528
32 Net change in total System Account	6,149	8,539	9,833	6,379	-3,969	1,886	50	4,998	-3,461	6,305

<sup>1</sup> Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): 1974, 131; 1975, 3,549; and 1976 to present, none.

<sup>2</sup> In 1975, the System obtained \$421 million of 2-year Treasury notes in exchange for maturing bills. In 1976 there was a similar transaction

amounting to \$189 million. Acquisition of these notes is treated as a purchase; the run-off of bills, as a redemption.

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 F.R. Note Statements

Millions of dollars

Account	Wednesday					End of Month		
	1977					1977		
	June 29	July 6	July 13	July 20 <sup>a</sup>	July 27 <sup>a</sup>	May	June	July <sup>a</sup>
Consolidated condition statement								
ASSETS								
1 Gold certificate account.....	11,620	11,620	11,605	11,605	11,605	11,629	11,620	11,595
2 Special Drawing Rights certificate account.....	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
3 Coin <sup>1</sup> .....	313	303	303	352	309	319	315	317
Loans:								
4 Member bank borrowings.....	606	185	383	222	514	400	260	788
5 Other.....								
Acceptances:								
6 Bought outright.....	43	41	32	25	19	58	43	19
7 Held under repurchase agreements.....	413			186	249	50	578	374
Federal agency obligations:								
8 Bought outright.....	7,436	7,423	7,423	7,423	7,423	7,077	7,423	7,423
9 Held under repurchase agreements.....	342			473	205	10	610	345
U.S. Govt. securities								
Bought outright:								
10 Bills.....	40,974	39,359	39,363	38,555	39,498	39,694	40,827	39,045
11 Certificates—Special.....								
12 Other.....								
13 Notes.....	49,088	49,088	49,088	49,088	49,088	48,732	49,088	49,088
14 Bonds.....	8,248	8,248	8,248	8,248	8,248	8,134	8,248	8,248
15 Total <sup>2</sup> .....	98,310	96,695	96,699	95,891	96,834	96,560	98,163	96,381
16 Held under repurchase agreements.....	3,554			2,527	1,563	834	4,076	2,330
17 Total U.S. Govt. securities.....	101,864	96,695	96,699	98,418	98,397	97,394	102,239	98,711
18 Total loans and securities.....	110,704	104,344	104,537	106,747	106,807	104,989	111,153	107,660
19 Cash items in process of collection.....	9,901	10,919	9,092	10,896	9,425	8,360	8,886	7,570
20 Bank premises.....	370	372	372	372	373	369	371	372
Other assets:								
21 Denominated in foreign currencies.....	57	61	45	16	16	60	57	20
22 All other.....	2,555	2,734	3,654	3,852	2,843	2,427	2,494	3,321
23 Total assets.....	136,720	131,553	130,808	135,040	132,578	129,353	136,096	132,055
LIABILITIES								
24 F.R. notes.....	86,315	87,590	87,361	87,191	86,985	85,333	86,326	86,674
Deposits:								
25 Member bank reserves.....	24,048	23,105	24,616	28,833	26,809	29,009	24,562	26,892
26 U.S. Treasury—General account.....	16,115	9,647	8,527	7,220	8,616	5,838	15,183	8,789
27 Foreign.....	287	372	251	247	289	436	379	469
28 Other <sup>3</sup> .....	592	607	677	1,867	699	831	748	578
29 Total deposits.....	41,042	33,731	34,071	38,167	36,413	36,114	40,872	36,728
30 Deferred availability cash items.....	5,837	7,073	6,088	6,299	5,685	4,367	5,282	5,047
31 Other liabilities and accrued dividends.....	1,090	1,051	1,059	1,035	1,031	1,016	1,165	1,083
32 Total liabilities.....	134,284	129,445	128,579	132,692	130,114	126,830	133,645	129,532
CAPITAL ACCOUNTS								
33 Capital paid in.....	1,000	1,002	1,004	1,004	1,006	1,000	1,000	1,006
34 Surplus.....	983	983	983	983	983	983	983	983
35 Other capital accounts.....	453	123	242	361	475	540	468	534
36 Total liabilities and capital accounts.....	136,720	131,553	130,808	135,040	132,578	129,353	136,096	132,055
37 MEMO: Marketable U.S. Govt. securities held in custody for foreign and intl. account.....	58,032	58,157	57,781	59,568	58,772	58,214	57,867	60,359
Federal Reserve note statement								
38 F.R. notes outstanding (issued to Bank).....	91,171	91,593	92,137	92,505	92,580	90,242	91,250	92,648
Collateral held against notes outstanding:								
39 Gold certificate account.....	11,616	11,615	11,601	11,601	11,601	11,625	11,616	11,591
40 Special Drawing Rights certificate account.....	752	752	752	752	752	643	752	752
41 Acceptances.....								
42 U.S. Govt. securities.....	79,965	80,315	81,235	81,335	81,585	79,283	80,015	81,585
43 Total collateral.....	92,333	92,682	93,588	93,688	93,938	91,551	92,383	93,928

<sup>1</sup> Effective Jan. 1, 1977, Federal Reserve notes of other Federal Reserve Banks were merged into the liability account for Federal Reserve notes.

<sup>2</sup> Includes securities loaned—fully guaranteed by U.S. Govt. securities pledged with F.R. Banks—and excludes (if any) securities sold and scheduled to be bought back under matched sale-purchase transactions.

<sup>3</sup> Includes certain deposits of domestic nonmember banks and foreign-

owned banking institutions voluntarily held with member banks and redeposited in full with F.R. Banks.

NOTE.—Beginning Jan. 1, 1977, "Operating equipment" was transferred to "Other assets."

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

Millions of dollars

Type and maturity	Wednesday					End of month		
	1977					1977		
	June 29	July 6	July 13	July 20	July 27	May 31	June 30	July 31
1 Loans.....	605	184	381	222	514	398	258	788
2 Within 15 days <sup>1</sup> .....	596	165	354	196	508	386	236	768
3 16 days to 90 days.....	9	19	27	26	6	12	22	20
4 91 days to 1 year.....								
5 Acceptances.....	456	41	32	211	268	108	621	393
6 Within 15 days <sup>1</sup> .....	426	16	20	195	258	59	591	384
7 16 days to 90 days.....	26	21	9	12	9	45	26	8
8 91 days to 1 year.....	4	4	3	4	1	4	4	1
9 U.S. Govt. securities.....	101,864	96,695	96,699	98,418	98,397	97,394	102,239	98,711
10 Within 15 days <sup>1</sup> .....	7,778	2,482	3,803	5,770	4,887	2,629	6,195	4,849
11 16 days to 90 days.....	17,712	17,487	16,410	17,165	17,231	19,615	17,712	17,589
12 91 days to 1 year.....	28,546	29,375	29,136	28,132	28,928	27,703	30,981	28,922
13 Over 1 year to 5 years.....	30,129	29,652	29,651	29,652	29,652	29,930	29,652	29,652
14 Over 5 years to 10 years.....	11,233	11,233	11,233	11,233	11,233	11,165	11,233	11,233
15 Over 10 years.....	6,466	6,466	6,466	6,466	6,466	6,352	6,466	6,466
16 Federal agency obligations.....	7,778	7,423	7,423	7,896	7,628	7,087	8,033	7,768
17 Within 15 days <sup>1</sup> .....	402	52	52	503	235	149	657	375
18 16 days to 90 days.....	393	366	366	336	410	277	393	410
19 91 days to 1 year.....	1,025	1,047	1,047	1,074	1,000	1,034	1,025	1,000
20 Over 1 year to 5 years.....	3,636	3,636	3,636	3,648	3,648	3,450	3,636	3,648
21 Over 5 years to 10 years.....	1,499	1,499	1,499	1,512	1,512	1,387	1,499	1,512
22 Over 10 years.....	823	823	823	823	823	790	823	823

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

## 1.20 DEMAND DEPOSIT ACCOUNTS Debits and Rate of Turnover

Seasonally adjusted data

Standard metropolitan statistical area	1974	1975	1976	1977				
				Feb.	Mar.	Apr.	May	June
Debits (billions of dollars) <sup>2</sup>								
1 All 233 SMSA's.....	22,192.2	23,565.1	28,911.0	30,145.4	30,421.7	30,585.5	32,028.5	32,394.9
2 New York City.....	9,931.8	10,970.9	13,835.0	14,898.0	14,612.1	14,988.9	15,739.7	15,516.6
3 232 SMSA's.....	12,260.6	12,594.2	15,076.1	15,247.4	15,809.6	15,596.5	16,288.8	16,878.5
4 6 leading SMSA's other than N.Y.C. <sup>1</sup> .....	5,152.7	4,937.5	5,917.1	5,887.1	6,155.7	6,055.5	6,420.4	6,213.1
5 226 others.....	7,107.9	7,661.8	9,159.0	9,360.2	9,653.9	9,541.1	9,868.4	10,665.4
Turnover of deposits (annual rate)								
6 All 233 SMSA's.....	128.0	131.0	153.5	153.3	155.2	158.2	160.2	160.6
7 New York City.....	312.8	351.8	419.8	437.3	436.0	465.2	474.9	452.1
8 232 SMSA's.....	86.6	84.7	97.0	93.8	97.3	96.3	97.7	100.8
9 6 leading SMSA's other than N.Y.C. <sup>1</sup> .....	131.8	118.4	136.9	129.9	135.2	134.7	139.8	135.5
10 226 others.....	69.3	71.6	81.7	79.8	82.5	82.1	81.7	87.7

<sup>1</sup> Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland, and Los Angeles-Long Beach.

<sup>2</sup> Excludes interbank and U.S. Govt. demand deposit accounts.

NOTE: Total SMSA's includes some cities and counties not designated as SMSA's.

## 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1973 Dec.	1974 Dec.	1975 Dec.	1976 Dec.	1977					
					Jan.	Feb.	Mar.	Apr.	May	June
Seasonally adjusted										
<b>MEASURES<sup>1</sup></b>										
1 M-1.....	270.5	283.1	294.8	312.4	313.8	314.0	315.4	320.5	320.7	322.0
2 M-2.....	571.4	612.4	664.3	740.3	746.3	750.7	756.1	764.6	767.6	772.9
3 M-3.....	919.6	981.5	1,092.6	1,237.1	1,248.9	1,258.2	1,268.1	1,281.2	*1,289.0	1,299.4
4 M-4.....	634.4	701.4	746.5	803.5	809.3	814.0	818.2	826.2	829.9	836.8
5 M-5.....	982.5	1,070.5	1,174.7	1,300.3	1,312.0	1,321.5	1,330.3	1,342.8	*1,351.3	1,363.4
<b>COMPONENTS</b>										
6 Currency.....	61.5	67.8	73.7	80.5	81.1	81.8	82.2	83.1	83.6	84.0
Commercial bank deposits:										
7 Demand.....	209.0	215.3	221.0	231.9	232.7	232.1	233.2	237.4	237.1	238.0
8 Time and savings.....	363.9	418.3	451.7	491.1	495.6	500.0	502.8	505.7	509.2	514.8
9 Negotiable CD's <sup>2</sup> .....	63.0	89.0	82.1	63.3	63.1	63.3	62.2	61.6	62.3	63.9
10 Other.....	300.9	329.3	369.6	427.9	432.5	436.7	440.6	444.1	446.9	450.9
11 Nonbank thrift institutions <sup>3</sup> .....	348.1	369.1	428.3	496.8	502.6	507.5	512.1	516.6	*521.4	526.5
Not seasonally adjusted										
<b>MEASURES<sup>1</sup></b>										
12 M-1.....	278.3	291.3	303.2	321.3	319.7	309.9	312.4	322.3	315.5	321.4
13 M-2.....	576.5	617.5	669.3	745.3	751.2	747.2	756.2	770.0	766.2	774.6
14 M-3.....	921.8	983.8	1,094.3	1,237.9	1,251.4	1,253.1	1,269.8	1,290.2	*1,290.3	1,305.5
15 M-4.....	640.5	708.0	752.8	809.5	814.3	808.5	817.0	830.1	827.4	837.5
16 M-5.....	985.8	1,074.3	1,177.7	1,302.1	1,314.5	1,314.4	1,330.7	1,350.3	*1,351.4	1,368.5
<b>COMPONENTS</b>										
17 Currency.....	62.7	69.0	75.1	82.0	80.5	80.8	81.6	82.8	83.4	84.2
Commercial bank deposits:										
18 Demand.....	215.7	222.2	228.1	239.3	239.2	229.1	230.9	239.6	232.1	237.2
19 Member.....	156.5	159.7	162.1	168.5	168.1	161.0	162.1	167.6	161.8	165.1
20 Domestic nonmember.....	56.3	58.5	62.6	67.3	67.5	64.6	65.2	68.3	66.6	68.3
21 Time and savings.....	362.2	416.7	449.6	488.2	494.6	498.6	504.6	507.7	511.8	516.1
22 Negotiable CD's <sup>2</sup> .....	64.0	90.5	83.5	64.3	63.1	61.3	60.8	60.1	61.2	63.0
23 Other.....	298.2	326.3	366.2	423.9	431.5	437.3	443.8	447.7	450.7	453.2
24 Nonbank thrift institutions <sup>3</sup> .....	345.3	366.3	424.9	492.6	500.2	505.9	513.6	*520.2	*524.1	530.9
25 U.S. Govt. deposits (all commercial banks).....	6.3	4.9	4.1	4.7	4.2	4.4	4.5	5.6	3.8	5.2

<sup>1</sup> Composition of the money stock measures is as follows:

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

M-2: M-1 plus savings deposits, time deposits open account, and time certificates of deposit (CD's) other than negotiable CD's of \$100,000 or more of large weekly reporting banks.

M-3: M-2 plus the average of the beginning- and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

M-4: M-2 plus large negotiable CD's.

M-5: M-3 plus large negotiable CD's.

For a description of the latest revisions in the money stock measures see "Money Stock Measures: Revision" on pp. 305 and 306 of the March 1977 BULLETIN.

Latest monthly and weekly figures are available from the Board's H.6 release. Back data are available from the Banking Section, Division of Research and Statistics.

<sup>2</sup> Negotiable time CD's issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

<sup>3</sup> Average of the beginning- and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.

## NOTES TO TABLE 1.23:

<sup>1</sup> Adjusted to exclude domestic commercial interbank loans.

<sup>2</sup> Loans sold are those sold outright to banks' own foreign branches, nonconsolidated nonbank affiliates of the bank, the banks' holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company. Prior to Aug. 28, 1974, the institutions included had been defined somewhat differently, and the reporting panel of banks was also different. On the new basis, both "Total loans" and "Commercial and industrial loans" were reduced by about \$100 million.

<sup>3</sup> Reclassification of loans reduced these loans by about \$1.2 billion as of Mar. 31, 1976.

<sup>4</sup> Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about \$500 million in loans, \$100 million in "Other" securities, and \$600 million in "Total loans and investments."

As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by \$1.5 billion in connection with the liquidation of one large bank. Reductions in other items were: "Total loans," \$1.0 billion (of which \$0.6 billion was in "Commercial and industrial loans"), and "Other securities," \$0.5 billion. In late November "Commercial and industrial loans" were increased by \$0.1 billion as a result of loan reclassifications at another large bank.

NOTE.—Data are for last Wednesday of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

## 1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

Item	1973			1974		1975		1976		1977					
	Dec.	Dec.	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Seasonally adjusted															
1 Reserves <sup>1</sup> .....	34.94	36.60	34.73	34.85	34.95	34.78	34.40	34.31	34.68	34.72	34.86	34.60	34.60	34.60	34.60
2 Nonborrowed.....	33.64	35.87	34.60	34.78	34.90	34.71	34.33	34.20	34.61	34.52	34.60	34.52	34.60	34.60	34.60
3 Required.....	34.64	36.34	34.47	34.59	34.68	34.51	34.20	34.09	34.49	34.51	34.71	34.51	34.71	34.71	34.71
4 Deposits subject to reserve requirements <sup>2</sup> .....	442.3	486.2	505.4	524.9	529.6	532.5	532.0	535.2	538.4	537.6	544.5	537.6	544.5	544.5	544.5
5 Time and savings.....	279.2	322.1	337.9	350.2	355.0	357.3	360.1	361.3	361.4	363.1	367.0	363.1	367.0	367.0	367.0
Demand:															
6 Private.....	158.1	160.6	164.5	170.7	171.4	172.5	169.5	171.1	173.4	172.3	173.8	173.4	173.8	173.8	173.8
7 U.S. Govt.....	5.0	3.5	3.0	4.0	3.2	2.7	2.5	2.8	3.6	2.1	3.7	3.6	3.7	3.7	3.7
Not seasonally adjusted															
8 Deposits subject to reserve requirements <sup>2</sup> .....	447.5	491.8	510.9	522.5	534.8	537.7	528.7	534.0	541.3	535.8	544.5	535.8	544.5	544.5	544.5
9 Time and savings.....	278.5	321.7	337.2	347.6	353.6	357.0	358.4	361.7	362.3	364.7	367.8	364.7	367.8	367.8	367.8
Demand:															
10 Private.....	164.0	166.6	170.7	171.9	177.9	177.8	167.2	169.1	175.0	168.5	173.0	168.5	173.0	173.0	173.0
11 U.S. Govt.....	5.0	3.4	3.1	3.0	3.3	2.9	3.1	3.2	4.0	2.5	3.7	2.5	3.7	3.7	3.7

<sup>1</sup> Series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Dec. 12, 1974; Feb. 13, May 22, and Oct. 30, 1975; Jan. 8, and Dec. 30, 1976. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

<sup>2</sup> Includes total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

NOTE.—Back data and estimates of the impact on required reserves and changes in reserve requirements are shown in Table 14 of the Board's *Annual Statistical Digest, 1971-1975*.

## 1.23 LOANS AND INVESTMENTS All Commercial Banks

Billions of dollars; last Wednesday of month except for June 30 and Dec. 31

Category	1973		1975	1976		1977					
	Dec. 31	1974 <sup>4</sup> Dec. 31		Dec. 31	Dec. 31	Feb. 23 <sub>p</sub>	Mar. 30 <sub>p</sub>	Apr. 27 <sub>p</sub>	May 25 <sub>p</sub>	June 30 <sub>p</sub>	July 27 <sub>p</sub>
Seasonally adjusted											
1 Loans and investments <sup>1</sup> .....	633.4	690.4	721.1	784.4	796.4	803.0	812.4	819.4	825.5	831.8	831.8
2 Including loans sold outright <sup>2</sup> .....	637.7	695.2	725.5	788.2	800.3	807.0	816.4	823.4	829.5	835.9	835.9
Loans:											
3 Total.....	449.0	500.2	496.9	538.9	545.4	551.0	557.7	562.1	567.0	574.5	574.5
4 Including loans sold outright <sup>2</sup> .....	453.3	505.0	501.3	542.7	549.3	555.0	561.7	566.1	571.0	578.6	578.6
5 Commercial and industrial <sup>3</sup> .....	156.4	183.3	176.0	179.5	181.2	182.9	184.9	185.9	188.3	189.6	189.6
6 Including loans sold outright <sup>2,3</sup> .....	159.0	186.0	178.5	181.9	183.8	185.6	187.7	188.7	191.1	192.4	192.4
Investments:											
7 U.S. Treasury.....	54.5	50.4	79.4	97.3	101.5	103.6	102.8	104.6	105.3	102.9	102.9
8 Other.....	129.9	139.8	144.8	148.2	149.5	148.4	151.9	152.7	153.2	154.4	154.4
Not seasonally adjusted											
9 Loans and investments <sup>1</sup> .....	647.3	705.6	737.0	801.6	790.0	801.1	809.6	816.6	830.5	829.1	829.1
10 Including loans sold outright.....	651.6	710.4	741.4	805.4	793.9	805.1	813.6	820.6	834.5	833.2	833.2
Loans:											
11 Total <sup>1</sup> .....	458.5	510.7	507.4	550.2	538.9	547.7	553.5	561.3	574.4	575.4	575.4
12 Including loans sold outright <sup>2</sup> .....	462.8	515.5	511.8	554.0	542.8	551.7	557.5	565.3	578.4	579.5	579.5
13 Commercial and industrial <sup>3</sup> .....	159.4	186.8	179.3	182.9	179.4	182.8	185.1	186.1	190.7	189.6	189.6
14 Including loans sold outright <sup>2,3</sup> .....	162.0	189.5	181.8	185.3	182.0	185.5	187.9	188.9	193.5	192.4	192.4
Investments:											
15 U.S. Treasury.....	58.3	54.5	84.1	102.5	102.6	104.7	103.0	101.9	101.7	99.5	99.5
16 Other.....	130.6	140.5	145.5	148.9	148.5	148.7	153.1	153.4	154.4	154.4	154.4

For notes see bottom of opposite page.

## 1.24 COMMERCIAL BANK ASSETS AND LIABILITIES Last-Wednesday-of-Month Series

Billions of dollars except for number of banks

Account	1975				1977						
	Dec. 31	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. <sup>P</sup>	May <sup>P</sup>	June <sup>P</sup>	July <sup>P</sup>
All commercial											
1 Loans and investments .....	775.8	808.0	817.6	846.4	824.2	831.6	840.4	846.5	853.1	864.5	866.2
2 Loans, gross .....	546.2	566.5	571.0	594.9	575.3	580.4	587.0	590.4	597.8	609.5	612.5
Investments:											
3 U.S. Treasury securities .....	84.1	94.4	98.0	102.5	101.1	102.6	104.7	103.0	101.9	101.3	99.5
4 Other .....	145.5	147.1	148.6	148.9	147.9	148.5	148.7	153.1	153.4	153.7	154.2
5 Cash assets .....	133.6	116.9	127.0	136.1	120.1	127.1	122.8	122.7	119.4	124.5	124.7
6 Currency and coin .....	12.3	12.7	11.9	12.1	12.8	12.5	12.9	13.3	13.1	13.6	13.3
7 Reserves with F.R. Banks .....	26.8	26.4	29.1	26.1	28.6	28.6	26.9	28.2	24.0	23.5	27.1
8 Balances with banks .....	47.3	38.2	42.5	49.6	39.2	41.5	41.9	40.1	41.3	42.9	40.4
9 Cash items in process of collection ..	47.3	39.7	43.5	48.4	39.6	44.4	41.1	41.0	41.0	44.4	43.9
10 Total assets/total liabilities and capital <sup>1</sup> .....	964.9	973.7	995.7	1,030.7	996.7	1,011.6	1,018.2	1,024.8	1,026.9	1,044.9	1,047.4
11 Deposits .....	786.3	784.4	796.5	838.2	801.0	809.3	817.1	819.4	818.9	833.7	836.4
Demand:											
12 Interbank .....	41.8	34.0	39.1	45.4	35.3	36.6	37.6	33.9	35.2	37.3	37.7
13 U.S. Govt. ....	3.1	3.7	3.4	3.0	4.0	3.8	3.1	7.4	3.6	3.0	3.8
14 Other .....	278.7	260.8	264.0	288.4	260.6	264.5	263.1	267.9	262.8	272.5	272.3
Time:											
15 Interbank .....	12.0	9.2	9.1	9.2	8.8	8.6	8.9	8.6	8.5	8.9	8.3
16 Other .....	450.6	476.6	481.0	492.2	492.3	495.9	504.4	501.6	508.8	511.9	514.4
17 Borrowings .....	60.2	76.7	84.6	80.2	82.5	87.6	84.5	88.2	87.6	90.2	90.6
18 Total capital accounts <sup>2</sup> .....	69.1	74.3	74.8	78.1	76.3	76.8	77.1	77.5	78.1	78.7	78.9
19 MEMO: Number of banks .....	14,633	14,660	14,674	14,671	14,667	14,688	14,685	14,690	14,695	14,709	14,709
Member											
20 Loans and investments .....	578.6	590.7	597.6	620.5	600.9	605.9	611.8	614.8	620.2	629.1	628.9
21 Loans, gross .....	416.4	421.6	424.1	442.9	426.3	429.9	434.6	435.9	441.5	450.1	451.3
Investments:											
22 U.S. Treasury securities .....	61.5	67.7	70.8	74.6	72.6	73.7	74.9	73.0	72.6	72.6	70.8
23 Other .....	100.7	101.4	102.7	103.1	102.0	102.3	102.3	105.8	106.1	106.4	106.7
24 Cash assets, total .....	108.5	94.9	103.0	108.9	97.7	102.8	100.0	99.4	95.7	100.5	101.1
25 Currency and coin .....	9.2	9.5	8.9	9.1	9.5	9.3	9.6	9.9	9.7	10.0	9.9
26 Reserves with F.R. Banks .....	26.8	26.4	29.1	26.0	28.6	28.6	26.9	28.2	24.0	23.5	27.1
27 Balances with banks .....	26.9	20.9	23.3	27.4	21.5	22.2	24.0	21.9	22.6	24.2	21.9
28 Cash items in process of collection ..	45.5	38.2	41.8	46.5	38.1	42.7	39.5	39.4	39.3	42.7	42.2
29 Total assets/total liabilities and capital <sup>1</sup> .....	733.6	727.6	744.8	772.9	744.6	755.1	759.7	762.7	763.9	778.9	780.1
30 Deposits .....	590.8	576.1	584.8	618.7	587.0	592.0	598.1	597.8	597.4	609.4	610.6
Demand:											
31 Interbank .....	38.6	32.2	37.2	42.4	33.1	34.1	35.3	31.6	32.9	34.9	35.3
32 U.S. Govt. ....	3.2	2.9	2.4	2.1	3.0	2.7	2.1	5.9	2.7	2.2	2.8
33 Other .....	210.8	194.7	196.0	215.5	193.7	196.6	195.9	199.0	195.1	202.7	202.1
Time:											
34 Interbank .....	10.0	7.1	7.0	7.2	6.8	6.6	6.9	6.6	6.5	6.9	6.3
35 Other .....	329.1	339.2	342.1	351.5	350.3	351.9	357.9	354.7	360.3	362.7	364.1
36 Borrowings .....	53.6	69.1	76.4	71.7	73.6	78.0	75.3	78.1	77.5	80.0	80.4
37 Total capital accounts <sup>2</sup> .....	52.1	56.2	56.6	58.6	57.7	57.9	58.1	58.3	58.8	59.2	59.5
38 MEMO: Number of banks .....	5,788	5,769	5,767	5,759	5,739	5,740	5,739	5,726	5,708	5,721	5,721

<sup>1</sup> Includes items not shown separately.

Effective Mar. 31, 1976, some of the item "reserve for loan losses" and all of the item "unearned income on loans" are no longer reported as liabilities. As of that date the "valuation" portion of "reserve for loan losses" and the "unearned income on loans" have been netted against "other assets," and against "total assets" as well.

Total liabilities continue to include the deferred income tax portion of "reserve for loan losses."

<sup>2</sup> Effective Mar. 31, 1976, includes "reserves for securities" and the contingency portion (which is small) of "reserve for loan losses."

<sup>3</sup> Figures partly estimated except on call dates.

NOTE.—Figures include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries.

Commercial banks: All such banks in the United States, including member and nonmember banks, stock savings banks, nondeposit trust companies, and U.S. branches of foreign banks, but excluding one national bank in Puerto Rico and one in the Virgin Islands.

Member banks: The following numbers of noninsured trust companies that are members of the Federal Reserve System are excluded from member banks in Tables 1.24 and 1.25 and are included with noninsured banks in Table 1.25: 1974—June, 2; December, 3; 1975—June and December, 4; 1976 (beginning month shown)—July, 5, December, 7; 1977—January 8.



## 1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series

Millions of dollars except for number of banks

Account	1975		1976		1975		1976	
	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31
	Total insured				National (all insured)			
1 Loans and investments, Gross	736,164	762,400	773,696	827,692	428,167	441,135	443,955	476,602
Loans:								
2 Gross	526,272	535,170	539,017	578,712	312,229	315,738	315,624	340,679
3 Net	(2)	(2)	520,970	560,069	(2)	(2)	305,275	329,968
Investments:								
4 U.S. Treasury securities	67,833	83,629	90,947	101,459	37,606	46,799	49,688	55,729
5 Other	142,060	143,602	143,731	147,520	78,331	78,598	78,642	80,193
6 Cash assets	125,181	128,256	124,072	129,578	75,686	78,026	75,488	76,074
7 Total assets/total liabilities <sup>1</sup>	914,781	944,654	942,510	1,004,020	536,836	553,285	548,697	583,315
8 Deposits	746,348	775,209	776,957	825,001	431,646	447,590	444,251	469,378
Demand:								
9 U.S. Govt.	3,106	3,108	4,622	3,020	1,723	1,788	2,858	1,674
10 Interbank	41,244	40,259	37,503	44,072	21,096	22,305	20,329	23,148
11 Other	261,903	276,384	265,670	285,190	152,576	159,840	152,382	163,347
Time:								
12 Interbank	10,252	10,733	9,407	8,250	6,804	7,302	5,532	4,909
13 Other	429,844	444,725	459,754	484,468	249,446	256,355	263,148	276,298
14 Borrowings	59,310	56,775	63,823	75,308	41,954	40,875	45,183	54,420
15 Total capital accounts	65,986	68,474	68,989	72,070	37,483	38,969	39,502	41,323
16 MEMO: Number of banks	14,320	14,372	14,373	14,397	4,730	4,741	4,747	4,735
	State member (all insured)				Insured nonmember			
17 Loans and investments, Gross	134,759	137,620	136,915	144,000	173,238	183,645	192,825	207,089
Loans:								
18 Gross	100,968	100,823	98,889	102,278	113,074	118,609	124,503	135,754
19 Net	(2)	(2)	96,037	99,475	(2)	(2)	119,658	130,626
Investments:								
20 U.S. Treasury securities	12,004	14,720	16,323	18,847	18,223	22,109	24,934	26,882
21 Other	21,787	22,077	21,702	22,874	41,942	42,927	43,387	44,451
22 Cash assets	31,466	30,451	30,422	32,859	18,029	19,778	18,161	20,644
23 Total assets/total liabilities	179,787	180,495	179,645	189,573	198,157	210,874	214,167	231,130
24 Deposits	141,995	143,409	142,061	149,481	172,707	184,210	190,644	206,141
Demand:								
25 U.S. Govt.	443	467	869	429	940	853	894	917
26 Interbank	18,751	16,265	15,334	19,296	1,397	1,689	1,339	1,627
27 Other	48,621	50,984	49,658	52,194	60,706	65,560	63,629	69,648
Time:								
28 Interbank	2,771	2,712	3,074	2,384	676	719	799	957
29 Other	71,409	72,981	72,624	75,177	108,989	115,389	123,980	132,991
30 Borrowings	14,380	12,771	15,300	17,318	2,976	3,128	3,339	3,569
31 Total capital accounts	12,773	13,105	12,791	13,199	15,730	16,400	16,696	17,547
32 MEMO: Number of banks	1,064	1,046	1,029	1,023	8,526	8,585	8,597	8,639
	Noninsured nonmember				Total nonmember			
33 Loans and investments, Gross	11,725	13,674	15,905	18,819	184,963	197,319	208,730	225,908
Loans:								
34 Gross	9,559	11,283	13,209	16,336	122,633	129,892	137,712	152,091
35 Net	(2)	(2)	13,092	16,209	(2)	(2)	132,751	146,836
Investments:								
36 U.S. Treasury securities	358	490	472	1,054	18,581	22,599	25,407	27,936
37 Other	1,808	1,902	2,223	1,428	43,750	44,829	45,610	45,880
38 Cash assets	3,534	5,359	4,362	6,496	21,563	25,137	22,524	27,141
39 Total assets/total liabilities	16,277	20,544	21,271	26,790	214,434	231,418	235,439	257,921
40 Deposits	8,314	11,323	11,735	13,325	181,021	195,533	202,380	219,467
Demand:								
41 U.S. Govt.	11	6	4	4	951	859	899	921
42 Interbank	1,338	1,552	1,006	1,277	2,735	3,241	2,346	2,904
43 Other	2,124	2,308	2,555	3,236	62,830	67,868	66,184	72,884
Time:								
44 Interbank	957	1,291	1,292	1,041	1,633	2,010	2,092	1,998
45 Other	3,883	6,167	6,876	7,766	112,872	121,556	130,857	140,758
46 Borrowings	3,110	3,449	3,372	4,842	6,086	6,577	6,711	8,412
47 Total capital accounts	570	651	663	818	16,300	17,051	17,359	18,366
48 MEMO: Number of banks	253	261	270	275	8,779	8,846	8,867	8,914

<sup>1</sup> Includes items not shown separately.<sup>2</sup> Not available.

For Note see Table 1.24.

## 1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, December 31, 1976

Asset and liability items are shown in millions of dollars.

Asset account	All commercial banks	Insured commercial banks	Member banks <sup>1</sup>					Non-member banks <sup>1</sup>
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
1 Cash bank balances, items in process . . . . .	136,075	129,578	108,934	29,494	3,934	40,471	35,034	27,141
2 Currency and coin . . . . .	12,124	12,115	9,066	832	220	3,048	4,965	3,059
3 Reserves with F.R. Banks . . . . .	25,968	25,968	25,968	3,585	1,423	10,627	10,334	10,334
4 Demand balances with banks in United States . . . . .	36,815	32,964	19,711	7,389	196	3,324	8,804	17,103
5 Other balances with banks in United States . . . . .	6,972	5,763	3,623	193	34	1,434	1,961	3,349
6 Balances with banks in foreign countries . . . . .	5,823	4,509	4,046	836	23	2,102	1,085	1,777
7 Cash items in process of collection . . . . .	48,374	48,260	46,520	16,659	2,038	19,937	7,886	1,854
8 Total securities held—Book value . . . . .	249,882	247,439	176,333	21,349	8,157	57,755	89,072	73,549
9 U.S. Treasury . . . . .	102,514	101,460	74,577	11,823	4,072	25,735	32,948	27,937
10 Other U.S. Govt. agencies . . . . .	35,838	35,269	22,150	1,355	500	6,237	14,059	13,688
11 States and political subdivisions . . . . .	104,661	104,374	75,310	7,751	3,349	24,546	39,665	29,350
12 All other securities . . . . .	6,732	6,220	4,217	421	236	1,191	2,370	2,515
13 Unclassified total . . . . .	137	116	78	—	—	47	30	60
14 Trading-account securities . . . . .	7,904	7,882	7,650	3,251	832	3,246	322	253
15 U.S. Treasury . . . . .	5,011	5,011	4,861	2,386	582	1,705	188	151
16 Other U.S. Govt. agencies . . . . .	991	991	975	259	55	624	38	15
17 States and political subdivisions . . . . .	1,324	1,324	1,297	479	110	660	48	27
18 All other trading acct. securities . . . . .	440	440	440	127	86	209	17	—
19 Unclassified . . . . .	137	116	78	—	—	47	30	60
20 Bank investment portfolios . . . . .	241,979	239,557	168,683	18,098	7,325	54,510	88,750	73,296
21 U.S. Treasury . . . . .	97,503	96,449	69,717	9,437	3,490	24,030	32,760	27,786
22 Other U.S. Govt. agencies . . . . .	34,847	34,279	21,175	1,096	445	5,613	14,021	13,672
23 States and political subdivisions . . . . .	103,336	103,049	74,013	7,272	3,239	23,885	39,617	29,323
24 All other portfolio securities . . . . .	6,292	5,780	3,778	293	151	981	2,352	2,515
25 F.R. stock and corporate stock . . . . .	1,580	1,541	1,313	281	86	497	449	268
26 Federal funds sold and securities resale agreement . . . . .	48,346	45,767	36,378	1,993	1,339	19,648	13,398	11,968
27 Commercial banks . . . . .	40,199	37,876	28,780	979	1,035	14,217	12,550	11,419
28 Brokers and dealers . . . . .	5,775	5,693	5,499	610	192	3,981	716	275
29 Others . . . . .	2,373	2,198	2,099	404	113	1,450	132	273
30 Other loans, gross . . . . .	546,704	532,945	406,579	75,468	21,807	148,516	160,788	140,124
31 Less: Unearned income on loans . . . . .	12,577	12,526	8,614	561	82	2,856	5,117	3,963
32 Reserves for loan loss . . . . .	6,192	6,116	4,899	1,185	300	1,751	1,663	1,293
33 Other loans, net . . . . .	527,934	514,303	393,066	73,722	21,426	143,909	154,008	134,869
Other loans, gross, by category								
34 Real estate loans . . . . .	149,483	149,276	104,714	9,419	1,848	37,462	55,984	44,769
35 Construction and land development . . . . .	16,644	16,638	13,153	2,801	382	6,039	3,931	3,491
36 Secured by farmland . . . . .	6,721	6,710	2,868	16	14	295	2,543	3,853
37 Secured by residential . . . . .	84,922	84,784	60,487	4,433	944	21,816	33,294	24,435
38 1- to 4-family residences . . . . .	80,394	80,265	57,201	3,992	845	20,639	31,726	23,193
39 FHA-insured or VA-guaranteed . . . . .	7,956	7,919	6,859	611	49	3,670	2,529	1,097
40 Conventional . . . . .	72,438	72,346	50,342	3,381	797	16,968	29,196	22,096
41 Multifamily residences . . . . .	4,528	4,519	3,286	441	99	1,178	1,568	1,242
42 FHA-insured . . . . .	388	387	323	122	25	95	82	64
43 Conventional . . . . .	4,140	4,132	2,963	320	74	1,083	1,486	1,177
44 Secured by other properties . . . . .	41,195	41,144	28,206	2,169	509	9,311	16,216	12,989
45 Loans to financial institutions . . . . .	42,427	35,738	33,760	12,048	4,383	14,349	2,981	8,666
46 To REIT's and mortgage companies . . . . .	9,982	9,855	9,516	3,496	1,301	4,045	674	466
47 To domestic commercial banks . . . . .	4,531	2,774	2,196	606	127	1,126	337	2,335
48 To banks in foreign countries . . . . .	10,880	6,617	6,487	3,022	290	2,717	457	4,393
49 To other depository institutions . . . . .	1,482	1,340	1,173	163	24	789	198	309
50 To other financial institutions . . . . .	15,552	15,151	14,389	4,761	2,641	5,672	1,315	1,164
51 Loans to security brokers and dealers . . . . .	11,420	11,075	10,793	6,900	1,417	2,267	209	627
52 Other loans to purchase/carry securities . . . . .	4,032	4,015	3,329	336	317	1,701	975	703
53 Loans to farmers—except real estate . . . . .	23,282	23,259	12,971	128	149	3,028	9,667	10,311
54 Commercial and industrial loans . . . . .	182,920	177,128	145,849	37,893	11,018	55,108	41,830	37,071
55 Loans to individuals . . . . .	118,408	118,051	82,896	6,003	1,820	29,066	46,005	35,512
56 Installment loans . . . . .	94,078	93,751	65,619	4,428	1,040	23,385	36,766	28,458
57 Passenger automobiles . . . . .	39,862	39,588	25,641	790	136	7,397	17,318	14,221
58 Residential-repair/modernize . . . . .	6,523	6,522	4,589	324	55	1,808	2,403	1,933
59 Credit cards and related plans . . . . .	14,358	14,353	12,675	1,649	669	6,935	3,422	1,683
60 Charge-account credit cards . . . . .	11,317	11,317	10,172	1,186	637	5,731	2,618	1,146
61 Check and revolving credit plans . . . . .	3,041	3,036	2,504	463	33	1,205	803	537
62 Other retail consumer goods . . . . .	15,937	15,930	10,974	327	73	3,886	6,689	4,963
63 Mobile homes . . . . .	8,743	8,742	6,217	173	28	2,231	3,785	2,525
64 Other . . . . .	7,195	7,189	4,757	154	44	1,654	2,904	2,438
65 Other installment loans . . . . .	17,397	17,358	11,739	1,338	106	3,360	6,935	5,658
66 Single-payment loans to individuals . . . . .	24,330	24,300	17,276	1,575	781	5,681	9,239	7,054
67 All other loans . . . . .	14,732	14,405	12,267	2,741	855	5,533	3,137	2,466
68 Total loans and securities, net . . . . .	827,742	809,050	607,089	97,344	31,009	221,810	256,927	220,653
69 Direct lease financing . . . . .	5,111	5,111	4,865	1,088	129	2,910	738	246
70 Fixed assets—Buildings, furniture, real estate . . . . .	19,539	19,448	14,616	1,949	662	5,680	6,325	4,923
71 Investment in unconsolidated subsidiaries . . . . .	2,341	2,303	2,272	1,000	206	978	89	68
72 Customer acceptances outstanding . . . . .	9,505	9,147	8,758	4,125	177	4,169	288	747
73 Other assets . . . . .	30,498	29,384	26,355	9,322	1,651	11,257	4,126	4,142
74 Total assets . . . . .	1,030,811	1,004,020	772,890	144,323	37,767	287,274	303,526	257,922

For notes see opposite page.

## 1.26 Continued

Liability or capital account	Member banks <sup>1</sup>								Non-member banks <sup>1</sup>
	All commercial banks	Insured commercial banks	Total	Large banks			All other		
				New York City	City of Chicago	Other large			
75 Demand deposits.....	336,800	332,283	260,090	60,201	10,267	92,746	96,876	76,711	
76 Mutual savings banks.....	1,684	1,385	1,254	624	2	268	360	430	
77 Other individuals, partnerships, and corporations.....	255,433	254,221	192,616	32,600	7,552	72,262	80,201	62,818	
78 U.S. Govt.....	3,025	3,020	2,103	134	41	669	1,259	921	
79 States and political subdivisions.....	17,715	17,648	12,071	645	125	3,568	7,733	5,644	
80 Foreign governments, central banks, etc.....	2,414	1,846	1,813	1,365	35	387	26	601	
81 Commercial banks in United States.....	36,256	35,926	34,679	16,412	2,022	11,852	4,394	1,577	
82 Banks in foreign countries.....	7,410	6,761	6,512	5,345	174	862	132	898	
83 Certified and officers' checks, etc.....	12,864	11,475	9,041	3,076	318	2,878	2,769	3,822	
84 Time deposits.....	298,276	289,949	212,936	33,842	12,151	73,759	93,183	85,340	
85 Accumulated for personal loan payments.....	146	146	118	.....	.....	10	108	28	
86 Mutual savings banks.....	339	317	296	145	6	125	20	43	
87 Other individuals, partnerships, and corporations.....	233,964	228,522	166,393	25,005	8,745	56,289	76,354	67,571	
88 U.S. Govt.....	6,675	6,675	514	66	27	205	216	161	
89 States and political subdivisions.....	44,165	43,885	30,407	1,203	861	12,835	15,508	13,758	
90 Foreign governments, central banks, etc.....	10,044	8,481	8,218	4,574	1,408	2,185	52	1,827	
91 Commercial banks in United States.....	7,139	6,709	5,858	2,148	1,011	1,878	820	1,281	
92 Banks in foreign countries.....	1,803	1,213	1,132	702	94	231	106	670	
93 Savings deposits.....	203,251	202,770	145,835	11,157	2,983	54,407	77,288	57,416	
94 Individuals and nonprofit organizations.....	188,391	187,922	134,596	10,209	2,782	49,570	72,036	53,795	
95 Corporations and other profit organizations.....	8,642	8,633	6,420	480	175	2,761	3,003	2,222	
96 U.S. Govt.....	6,103	6,100	4,719	388	25	2,060	2,245	1,384	
97 All other.....	115	114	100	79	.....	16	4	15	
98 Total deposits.....	838,328	825,002	618,860	105,200	25,401	220,912	267,347	219,468	
99 Federal funds purchased and securities sold under agreements to repurchase.....	72,847	70,188	66,899	15,000	8,643	34,537	8,719	5,948	
100 Commercial banks.....	42,819	40,613	39,195	6,523	7,241	20,844	4,587	3,624	
101 Brokers and dealers.....	5,603	5,577	5,345	949	29	3,651	716	258	
102 Others.....	24,425	23,998	22,360	7,529	1,373	10,041	3,416	2,066	
103 Other liabilities for borrowed money.....	7,304	5,120	4,840	2,500	49	1,919	372	2,464	
104 Mortgage indebtedness.....	776	774	548	66	15	271	196	227	
105 Bank acceptances outstanding.....	10,118	9,755	9,366	4,714	177	4,186	288	752	
106 Other liabilities.....	23,389	16,013	13,772	4,539	805	5,298	3,129	9,617	
107 Total liabilities.....	952,761	926,852	714,285	132,020	35,091	267,122	280,052	238,476	
108 Subordinated notes and debentures.....	5,161	5,098	4,082	1,124	83	1,823	1,053	1,079	
109 Equity capital.....	72,889	72,070	54,522	11,179	2,593	18,329	22,421	18,366	
110 Preferred stock.....	73	67	25	.....	.....	2	23	48	
111 Common stock.....	16,238	16,143	11,882	2,453	570	3,818	5,041	4,356	
112 Surplus.....	29,205	28,791	21,407	4,229	1,243	7,655	8,280	7,798	
113 Undivided profits.....	25,505	25,266	19,929	4,406	728	6,422	8,373	5,575	
114 Other capital reserves.....	1,868	1,803	1,279	91	52	432	705	589	
115 Total liabilities and equity capital.....	1,030,811	1,004,020	772,890	144,323	37,767	287,274	303,526	257,922	
MEMO ITEMS:									
116 Demand deposits adjusted <sup>2</sup> .....	249,146	245,076	176,787	26,996	6,167	60,288	83,336	72,359	
Average for last 15 or 30 days:									
117 Cash and due from bank.....	129,797	125,226	106,860	29,510	4,372	39,824	33,154	22,936	
118 Federal funds sold and securities purchased under agreements to resell.....	48,860	45,794	35,440	2,307	1,425	17,825	13,883	13,420	
119 Total loans.....	529,177	515,977	394,113	73,976	21,349	143,957	154,831	135,064	
120 Time deposits of \$100,000 or more.....	139,381	132,893	109,644	28,517	9,682	43,372	28,073	29,736	
121 Total deposits.....	816,113	803,019	600,420	98,932	24,869	213,361	263,259	215,693	
122 Federal funds purchased and securities sold under agreements to repurchase.....	80,161	77,949	74,703	20,453	9,340	35,775	9,135	5,458	
123 Other liabilities for borrowed money.....	6,936	4,686	4,396	2,165	53	1,842	335	2,540	
124 Standby letters of credit outstanding.....	13,493	12,969	11,340	6,494	921	3,162	762	2,153	
125 Time deposits of \$100,000 or more.....	141,153	135,031	111,415	28,795	9,582	44,546	28,492	29,738	
126 Certificates of deposit.....	117,258	113,275	92,891	24,451	8,279	35,878	24,285	24,368	
127 Other time deposits.....	23,895	21,756	18,524	4,344	1,306	8,668	4,207	5,371	
128 Number of banks.....	14,672	14,397	5,758	12	9	154	5,583	8,914	

<sup>1</sup> Member banks exclude and nonmember banks include 8 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

<sup>2</sup> Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Holdings by type of security will be reported as soon as they become available.

Back data in lesser detail were shown in previous BULLETINS. Details may not add to totals because of rounding.

## 1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1977							
	June 8	June 15	June 22	June 29	July 6	July 13	July 20	July 27
<b>1 Total loans and investments</b>	<b>422,968</b>	<b>425,999</b>	<b>421,099</b>	<b>424,410</b>	<b>426,406</b>	<b>425,072</b>	<b>425,456</b>	<b>422,237</b>
Loans:								
2 <i>Federal funds sold</i> <sup>1</sup>	24,905	23,217	21,562	23,442	24,521	23,170	22,840	21,614
3 To commercial banks	16,653	16,534	17,268	19,270	19,016	18,063	18,304	16,914
To brokers and dealers involving—								
4 U.S. Treasury securities	5,878	4,221	2,274	2,211	3,369	3,062	2,253	2,543
5 Other securities	570	466	436	292	410	332	402	424
6 To others	1,804	1,996	1,584	1,669	1,726	1,713	1,881	1,733
7 <i>Other, gross</i>	294,032	296,999	295,845	297,686	298,934	298,202	298,978	298,948
8 Commercial and industrial	117,744	118,371	119,653	119,439	119,099	118,592	118,441	118,863
9 Agricultural	4,595	4,628	4,688	4,693	4,694	4,713	4,739	4,745
For purchasing or carrying securities:								
To brokers and dealers:								
10 U.S. Treasury securities	2,158	2,177	880	1,006	1,718	1,735	1,146	972
11 Other securities	7,810	8,748	8,178	8,660	8,637	8,576	9,306	8,841
To others:								
12 U.S. Treasury securities	92	95	95	90	74	77	73	72
13 Other securities	2,509	2,519	2,509	2,540	2,553	2,556	2,548	2,574
To nonbank financial institutions:								
14 Personal and sales finance cos., etc.	7,473	7,727	7,410	7,351	7,449	7,411	7,175	7,220
15 Other	15,557	15,718	15,533	15,662	15,444	15,362	15,305	15,295
16 Real estate	66,502	66,846	67,070	67,721	67,923	68,307	68,520	68,748
To commercial banks:								
17 Domestic	1,780	2,062	1,849	2,134	2,029	2,013	1,972	1,912
18 Foreign	5,808	5,543	5,515	5,780	5,965	5,765	6,152	5,911
19 Consumer instalment	41,316	41,583	41,748	41,688	41,737	41,847	42,036	42,265
20 Foreign governments, official institutions, etc.	1,576	1,506	1,527	1,531	1,517	1,539	1,538	1,624
21 All other loans	19,112	19,476	19,190	19,391	20,095	19,709	20,027	19,906
LESS: Loan loss reserve and unearned income on loans	8,979	9,028	9,065	8,967	8,920	8,996	9,050	9,082
23 <i>Other loans, net</i>	285,053	287,971	286,780	288,719	290,014	289,206	289,928	289,866
Investments:								
24 U.S. Treasury securities	49,784	50,788	49,024	48,295	47,826	47,816	47,889	46,565
25 Bills	9,942	10,959	9,601	9,142	8,858	8,885	8,886	8,060
Notes and bonds, by maturity:								
26 Within 1 year	8,820	8,890	8,773	8,906	9,062	9,113	9,283	9,233
27 1 to 5 years	27,080	26,930	26,834	26,286	26,061	25,667	25,680	25,331
28 After 5 years	3,942	4,009	3,816	3,961	3,845	4,151	4,040	3,941
29 <i>Other securities</i>	63,226	64,023	63,733	63,954	64,045	64,880	64,799	64,192
Obligations of States and political subdivisions:								
30 Tax warrants, short-term notes, and bills	8,563	8,468	8,400	8,286	8,599	9,234	8,865	8,692
31 All other	41,121	41,622	41,608	41,677	41,547	41,888	41,930	41,741
Other bonds, corporate stocks, and securities:								
32 Certificates of participation <sup>2</sup>	2,045	2,063	2,046	2,131	2,089	2,063	2,105	2,057
33 All other, including corporate stocks	11,497	11,870	11,679	11,860	11,810	11,695	11,899	11,702
34 Cash items in process of collection	36,147	44,728	38,133	38,932	46,609	38,665	41,353	38,362
35 Reserves with F.R. Banks	16,109	21,267	18,691	16,776	17,382	18,779	22,048	20,485
36 Currency and coin	5,709	5,729	5,919	6,119	5,437	6,047	5,945	6,028
37 Balances with domestic banks	14,269	12,788	12,738	14,738	14,327	12,785	12,976	12,603
38 Investments in subsidiaries not consolidated	2,694	2,691	2,674	2,675	2,659	2,738	2,738	2,767
39 Other assets	55,522	54,593	54,123	53,796	57,156	56,569	55,412	54,709
<b>40 Total assets/total liabilities</b>	<b>553,418</b>	<b>567,795</b>	<b>553,377</b>	<b>557,446</b>	<b>569,976</b>	<b>560,589</b>	<b>565,928</b>	<b>557,191</b>
Deposits:								
41 <i>Demand deposits</i>	171,771	191,279	173,445	176,019	188,998	177,853	181,059	175,902
42 Individuals, partnerships, and corporations	123,597	134,463	125,870	126,871	135,158	130,141	129,877	126,417
43 States and political subdivisions	5,577	6,237	6,083	6,298	6,395	5,634	5,966	5,815
44 U.S. Govt.	921	9,912	1,900	1,349	2,713	1,305	2,610	1,902
Domestic interbank:								
45 Commercial	26,984	25,475	23,534	25,407	28,764	25,410	25,374	25,088
46 Mutual savings	870	786	780	832	1,124	926	956	897
Foreign:								
47 Governments, official institutions, etc.	1,508	1,152	1,120	1,266	1,271	1,091	1,316	1,567
48 Commercial banks	5,982	5,665	6,117	6,356	6,013	6,145	6,815	7,044
49 Certified and officers' checks	6,332	7,589	8,041	7,640	7,560	7,201	8,145	7,172
50 <i>Time and savings deposits</i> <sup>3</sup>	236,847	236,054	236,862	237,931	236,716	237,138	237,099	237,766
51 Savings <sup>4</sup>	94,477	94,144	93,980	94,084	94,484	94,380	94,370	94,351
Time:								
52 Individuals, partnerships, and corporations	142,370	141,910	142,882	143,847	142,232	142,758	142,729	143,415
53 States and political subdivisions	108,361	108,051	108,868	109,842	108,478	108,996	109,268	109,651
54 Domestic interbank	20,352	20,131	20,062	19,921	19,999	20,343	20,474	20,666
55 Foreign govts., official institutions, etc.	4,712	4,750	4,847	4,880	4,565	4,421	4,416	4,388
	7,370	7,380	7,449	7,549	7,477	7,386	6,971	7,122
56 Federal funds purchased, etc. <sup>5</sup>	70,098	65,106	68,754	69,464	71,174	73,166	74,537	71,381
Borrowings from:								
57 F.R. Banks	708	894	1,075	387	75	263	68	289
58 Others	4,535	4,640	4,617	5,007	4,745	3,785	3,627	3,553
59 Other liabilities, etc. <sup>6</sup>	26,796	27,226	25,933	25,890	25,350	25,340	26,535	25,236
60 Total equity capital and subordinated notes/debentures <sup>7</sup>	42,663	42,596	42,691	42,748	42,918	43,044	43,003	43,064

<sup>1</sup> Includes securities purchased under agreements to resell.<sup>2</sup> Federal agencies only.<sup>3</sup> Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.<sup>4</sup> For amounts of these deposits by ownership categories, see Table 1.30.<sup>5</sup> Includes securities sold under agreements to repurchase.<sup>6</sup> Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.<sup>7</sup> Includes reserves for securities and contingency portion of reserves for loans.

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

Millions of dollars, Wednesday figures

Account	1977							
	June 8	June 15	June 22	June 29	July 6	July 13	July 20	July 27
<b>1 Total loans and investments</b>	<b>91,205</b>	<b>93,897</b>	<b>91,018</b>	<b>92,491</b>	<b>92,596</b>	<b>92,160</b>	<b>92,739</b>	<b>90,163</b>
Loans:								
2 <i>Federal funds sold</i> <sup>1</sup>	3,361	3,715	3,627	4,503	3,461	3,417	3,760	2,761
3 To commercial banks	1,808	2,460	2,512	3,304	2,120	1,906	2,339	1,465
To brokers and dealers involving—								
4 U.S. Treasury securities	1,119	685	494	563	647	884	469	636
5 Other securities	1	0	3	0	5	3	0	0
6 To others	433	570	618	636	689	624	952	660
7 <i>Other, gross</i>	67,318	68,739	67,064	67,850	68,592	67,892	68,036	67,427
8 Commercial and industrial	33,503	33,856	34,467	34,446	34,353	33,840	33,677	33,897
9 Agricultural	131	129	157	149	150	148	146	145
For purchasing or carrying securities:								
To brokers and dealers:								
10 U.S. Treasury securities	1,888	1,900	690	812	1,493	1,444	927	826
11 Other securities	4,084	4,730	4,252	4,507	4,336	4,324	4,920	4,557
To others:								
12 U.S. Treasury securities	24	24	24	24	24	25	24	23
13 Other securities	346	345	346	347	347	347	341	376
To nonbank financial institutions:								
14 Personal and sales finance cos., etc.	2,395	2,619	2,446	2,402	2,531	2,527	2,351	2,390
15 Other	4,927	4,968	4,900	4,893	4,775	4,727	4,747	4,758
16 Real estate	8,761	8,777	8,761	8,732	8,687	8,701	8,685	8,680
To commercial banks:								
17 Domestic	479	738	545	750	674	752	743	708
18 Foreign	2,770	2,569	2,511	2,698	2,780	2,689	2,933	2,777
19 Consumer instalment	4,090	4,109	4,124	4,144	4,145	4,144	4,152	4,151
20 Foreign governments, official institutions, etc.	326	305	332	331	342	365	375	418
21 All other loans	3,594	3,670	3,509	3,615	3,955	3,859	4,015	3,721
22 Less: Loan loss reserve and unearned income on loans	1,682	1,688	1,678	1,633	1,605	1,626	1,642	1,634
23 <i>Other loans, net</i>	65,636	67,051	65,386	66,217	66,987	66,266	66,394	65,793
Investments:								
24 <i>U.S. Treasury securities</i>	11,941	12,669	11,676	11,373	11,772	12,002	12,070	11,310
25 Bills	3,441	4,449	3,553	3,258	3,555	3,686	3,739	3,083
Notes and bonds, by maturity:								
26 Within 1 year	1,182	1,180	1,174	1,232	1,351	1,355	1,412	1,440
27 1 to 5 years	6,489	6,199	6,156	6,018	5,989	5,814	5,898	5,819
28 After 5 years	829	841	793	865	877	1,147	1,021	968
29 <i>Other securities</i>	10,267	10,462	10,329	10,398	10,376	10,475	10,515	10,299
Obligations of States and political subdivisions:								
30 Tax warrants, short-term notes, and bills	2,435	2,451	2,418	2,355	2,329	2,525	2,443	2,334
31 All other	6,059	6,200	6,172	6,238	6,242	6,298	6,338	6,323
Other bonds, corporate stocks, and securities:								
32 Certificates of participation <sup>2</sup>	213	214	214	211	201	200	196	195
33 All other, including corporate stocks	1,560	1,597	1,525	1,594	1,604	1,452	1,538	1,447
34 Cash items in process of collection	12,186	15,515	13,595	14,358	14,587	12,457	15,930	14,150
35 Reserves with F.R. Banks	4,862	5,931	4,972	4,006	5,464	5,871	5,134	5,288
36 Currency and coin	885	870	882	906	817	865	825	857
37 Balances with domestic banks	7,643	5,701	5,735	6,907	6,390	5,630	6,210	5,571
38 Investments in subsidiaries not consolidated	1,284	1,284	1,285	1,289	1,289	1,302	1,312	1,307
39 Other assets	19,766	18,710	18,976	18,720	20,091	20,170	20,096	20,217
<b>40 Total assets/total liabilities</b>	<b>137,831</b>	<b>141,908</b>	<b>136,463</b>	<b>138,677</b>	<b>141,234</b>	<b>138,455</b>	<b>142,246</b>	<b>137,553</b>
Deposits:								
41 <i>Demand deposits</i>	49,478	55,989	49,948	51,992	52,871	49,390	53,777	50,926
42 Individuals, partnerships, and corporations	25,610	30,536	27,282	28,307	29,505	27,314	29,190	27,035
43 States and political subdivisions	652	760	649	529	605	491	519	474
44 U.S. Govt.	85	3,178	324	112	494	97	514	298
Domestic interbank:								
45 Commercial	13,903	12,061	11,181	12,747	12,519	12,066	12,166	12,245
46 Mutual savings	466	378	391	416	599	496	510	480
Foreign:								
47 Governments, official institutions, etc.	1,247	911	888	1,062	986	811	1,060	1,282
48 Commercial banks	4,594	4,356	4,746	4,974	4,619	4,598	5,369	5,544
49 Certified and officers' checks	2,921	3,809	4,487	3,845	3,544	3,517	4,449	3,568
50 <i>Time and savings deposits</i> <sup>3</sup>	42,302	41,960	42,215	42,360	41,700	41,562	41,466	41,486
51 Savings <sup>4</sup>	10,776	10,781	10,741	10,694	10,684	10,663	10,671	10,634
Time:								
52 Individuals, partnerships, and corporations	31,526	31,179	31,474	31,666	31,016	30,899	30,795	30,852
53 States and political subdivisions	23,198	22,943	23,100	23,366	23,040	23,072	23,071	23,028
54 Domestic interbank	1,469	1,441	1,412	1,357	1,210	1,256	1,281	1,303
55 Foreign govts., official institutions, etc.	1,792	1,821	1,889	1,874	1,737	1,636	1,613	1,587
55 Foreign govts., official institutions, etc.	4,169	4,104	4,187	4,180	4,152	4,060	3,969	4,071
56 Federal funds purchased, etc. <sup>5</sup>	19,735	17,384	18,517	18,813	21,553	22,267	21,054	20,130
Borrowings from:								
57 F.R. Banks	580	110	396					
58 Others	1,837	1,812	1,721	1,793	1,733	1,552	1,483	1,409
59 Other liabilities, etc. <sup>6</sup>	11,846	12,601	11,535	11,579	11,216	11,500	12,295	11,422
60 Total equity capital and subordinated notes/debentures <sup>7</sup>	12,053	12,052	12,131	12,140	12,161	12,184	12,171	12,180

<sup>1</sup> Includes securities purchased under agreements to resell.<sup>2</sup> Federal agencies only.<sup>3</sup> Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.<sup>4</sup> For amounts of these deposits by ownership categories, see Table 1.30.<sup>5</sup> Includes securities sold under agreements to repurchase.<sup>6</sup> Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.<sup>7</sup> Includes reserves for securities and contingency portion of reserves for loans.

## 1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS OUTSIDE NEW YORK CITY

## Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1977							
	June 8	June 15	June 22	June 29	July 6	July 13	July 20	July 27
<b>1 Total loans and investments</b>	<b>331,763</b>	<b>332,102</b>	<b>330,081</b>	<b>331,919</b>	<b>333,810</b>	<b>332,912</b>	<b>332,717</b>	<b>332,074</b>
<b>Loans:</b>								
2 <i>Federal funds sold</i> <sup>1</sup>	21,544	19,502	17,935	18,939	21,060	19,753	19,080	18,853
3 To commercial banks	14,845	14,074	14,756	15,966	16,896	16,157	15,965	15,449
4 To brokers and dealers involving								
5 U.S. Treasury securities	4,749	3,536	1,780	1,648	2,722	2,178	1,784	1,907
6 Other securities	569	466	433	292	405	329	402	424
6 To others	1,371	1,426	966	1,033	1,037	1,089	929	1,073
7 <i>Other, gross</i>	226,714	228,260	228,781	229,836	230,342	230,310	230,942	231,521
8 Commercial and industrial	84,241	84,515	85,186	84,993	84,746	84,752	84,764	84,966
9 Agricultural	4,464	4,499	4,531	4,544	4,544	4,565	4,593	4,600
For purchasing or carrying securities:								
To brokers and dealers:								
10 U.S. Treasury securities	270	277	190	194	225	291	219	146
11 Other securities	3,726	4,018	3,926	4,153	4,301	4,252	4,386	4,284
To others:								
12 U.S. Treasury securities	68	71	71	66	50	52	49	49
13 Other securities	2,163	2,174	2,163	2,193	2,206	2,209	2,207	2,198
To nonbank financial institutions:								
14 Personal and sales finance cos., etc.	5,078	5,108	4,964	4,949	4,918	4,884	4,824	4,830
15 Other	10,630	10,750	10,633	10,769	10,669	10,635	10,558	10,537
16 Real estate	57,741	58,069	58,309	58,989	59,236	59,606	59,835	60,068
To commercial banks:								
17 Domestic	1,301	1,324	1,304	1,384	1,355	1,261	1,229	1,204
18 Foreign	3,038	2,974	3,004	3,082	3,185	3,076	3,219	3,134
19 Consumer instalment	37,226	37,474	37,624	37,544	37,592	37,703	37,884	38,114
20 Foreign governments, official institutions, etc.	1,250	1,201	1,195	1,200	1,175	1,174	1,163	1,206
21 All other loans	15,518	15,806	15,681	15,776	16,140	15,850	16,012	16,185
22 <i>Loss: Loan reserve and unearned income on loans</i>	7,297	7,340	7,387	7,334	7,315	7,370	7,408	7,448
23 <i>Other loans, net</i>	219,417	220,920	221,394	222,502	223,027	222,940	223,534	224,073
<b>Investments:</b>								
24 <i>U.S. Treasury securities</i>	37,843	38,119	37,348	36,922	36,054	35,814	35,819	35,255
25 Bills	6,501	6,510	6,048	5,884	5,303	5,199	5,147	4,977
Notes and bonds, by maturity:								
26 Within 1 year	7,638	7,710	7,599	7,674	7,711	7,758	7,871	7,793
27 1 to 5 years	20,591	20,731	20,678	20,268	20,072	19,853	19,782	19,512
28 After 5 years	3,113	3,168	3,023	3,096	2,968	3,004	3,019	2,973
29 <i>Other securities</i>	52,959	53,561	53,404	53,556	53,669	54,405	54,284	53,893
Obligations of States and political subdivisions:								
30 Tax warrants, short-term notes, and bills	6,128	6,017	5,982	5,931	6,270	6,709	6,422	6,358
31 All other	35,062	35,422	35,436	35,439	35,305	35,590	35,592	35,418
Other bonds, corporate stocks, and securities:								
32 Certificates of participation <sup>2</sup>	1,832	1,849	1,832	1,920	1,888	1,863	1,909	1,862
33 All other, including corporate stocks	9,937	10,273	10,154	10,266	10,206	10,243	10,361	10,255
34 Cash items in process of collection	23,961	29,213	24,538	24,574	32,022	26,208	25,423	24,212
35 Reserves with F. R. Banks	11,247	15,336	13,719	12,770	11,918	12,908	16,914	15,197
36 Currency and coin	4,824	4,859	5,037	5,213	4,620	5,182	5,120	5,171
37 Balances with domestic banks	6,626	7,087	7,003	7,831	7,937	7,155	6,766	7,032
38 Investments in subsidiaries not consolidated	1,410	1,407	1,389	1,386	1,370	1,370	1,426	1,460
39 Other assets	35,756	35,883	35,147	35,076	37,065	36,399	35,316	34,492
<b>40 Total assets/total liabilities</b>	<b>415,587</b>	<b>425,887</b>	<b>416,914</b>	<b>418,769</b>	<b>428,742</b>	<b>422,134</b>	<b>423,682</b>	<b>419,638</b>
<b>Deposits:</b>								
41 <i>Demand deposits</i>	122,293	135,290	123,497	124,027	136,127	128,463	127,282	124,976
42 Individuals, partnerships, and corporations	97,987	103,927	98,588	98,564	105,653	102,827	100,687	99,382
43 States and political subdivisions	4,925	5,477	5,434	5,769	5,790	5,143	5,447	5,341
44 U.S. Govt.	836	6,734	1,576	1,237	2,219	1,208	2,096	1,604
Domestic interbank:								
45 Commercial	13,081	13,414	12,353	12,660	16,245	13,344	13,208	12,843
46 Mutual savings	404	408	389	416	525	430	446	417
Foreign:								
47 Governments, official institutions, etc.	261	241	232	204	285	280	256	285
48 Commercial banks	1,388	1,309	1,371	1,382	1,394	1,547	1,446	1,500
49 Certified and officers' checks	3,411	3,780	3,554	3,795	4,016	3,684	3,696	3,604
50 <i>Time and savings deposits</i> <sup>3</sup>	194,545	194,094	194,647	195,571	195,016	195,576	195,633	196,280
51 Savings <sup>4</sup>	83,701	83,363	83,239	83,390	83,800	83,717	83,699	83,717
Time:								
52 Individuals, partnerships, and corporations	110,844	110,731	111,408	112,181	111,216	111,859	111,934	112,563
53 States and political subdivisions	85,163	85,108	85,768	86,476	85,438	85,924	86,197	86,623
54 Domestic interbank	18,883	18,690	18,650	18,564	18,789	19,087	19,193	19,363
55 Foreign govts., official institutions, etc.	2,920	2,929	2,958	3,006	2,828	2,785	2,803	2,801
	3,201	3,276	3,262	3,369	3,325	3,326	3,002	3,051
56 Federal funds purchased, etc. <sup>5</sup>	50,363	47,722	50,237	50,651	49,621	50,899	53,483	51,251
<b>Borrowings from:</b>								
57 F. R. Banks	128	784	679	387	75	263	68	289
58 Other	2,698	2,828	2,896	3,214	3,012	2,233	2,144	2,144
59 Other liabilities, etc. <sup>6</sup>	14,950	14,625	14,398	14,311	14,134	13,840	14,240	13,814
60 Total equity capital and subordinated notes/debentures <sup>7</sup>	30,610	30,544	30,560	30,608	30,757	30,860	30,832	30,884

<sup>1</sup> Includes securities purchased under agreements to resell.<sup>2</sup> Federal agencies only.<sup>3</sup> Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.<sup>4</sup> For amounts of these deposits by ownership categories, see Table 1.30.<sup>5</sup> Includes securities sold under agreements to repurchase.<sup>6</sup> Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.<sup>7</sup> Includes reserves for securities and contingency portion of reserves for loans.

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account and bank group	1977							
	June 8	June 15	June 22	June 29	July 6	July 13	July 20	July 27
<b>Total loans (gross) and investments, adjusted<sup>1</sup></b>								
1 <i>Large banks</i> .....	413,514	416,431	411,047	411,973	414,281	413,992	414,230	412,493
2 New York City banks.....	90,600	92,387	89,639	90,070	91,407	91,128	91,299	89,624
3 Banks outside New York City.....	322,914	324,044	321,408	321,903	322,874	322,864	322,931	322,869
<b>Total loans (gross), adjusted</b>								
4 <i>Large banks</i> .....	300,504	301,620	298,290	299,724	302,410	301,296	301,542	301,736
5 New York City banks.....	68,392	69,256	67,634	68,299	69,259	68,651	68,714	68,015
6 Banks outside New York City.....	232,112	232,364	230,656	231,425	233,151	232,645	232,828	233,721
<b>Demand deposits, adjusted<sup>2</sup></b>								
7 <i>Large banks</i> .....	107,719	111,164	109,878	110,331	110,912	112,473	111,722	110,550
8 New York City banks.....	23,304	25,235	24,848	24,775	25,271	24,770	25,167	24,233
9 Banks outside New York City.....	84,415	85,929	85,030	85,556	85,641	87,703	86,555	86,317
<b>Large negotiable time CD's included in time and savings deposits<sup>3</sup></b>								
Total:								
10 <i>Large banks</i> .....	62,983	62,559	63,322	64,002	62,214	62,544	62,329	63,082
11 New York City.....	20,786	20,338	20,593	20,737	20,232	20,056	19,976	20,018
12 Banks outside New York City.....	42,197	42,221	42,729	43,265	41,982	42,488	42,353	43,064
Issued to IPC's:								
13 <i>Large banks</i> .....	41,588	41,057	41,630	42,353	41,219	41,585	41,704	42,144
14 New York City banks.....	13,942	13,547	13,690	13,930	13,715	13,696	13,691	13,657
15 Banks outside New York City.....	27,646	27,510	27,940	28,423	27,504	27,889	28,013	28,487
Issued to others:								
16 <i>Large banks</i> .....	21,395	21,502	21,692	21,649	20,995	20,959	20,625	20,938
17 New York City banks.....	6,844	6,791	6,903	6,807	6,517	6,360	6,285	6,361
18 Banks outside New York City.....	14,551	14,711	14,789	14,842	14,478	14,599	14,340	14,577
<b>All other large time deposits<sup>4</sup></b>								
Total:								
19 <i>Large banks</i> .....	26,239	26,070	26,163	26,298	26,530	26,788	26,999	27,099
20 New York City banks.....	5,381	5,395	5,418	5,466	5,400	5,500	5,462	5,468
21 Banks outside New York City.....	20,858	20,675	20,745	20,832	21,130	21,288	21,537	21,631
Issued to IPC's:								
22 <i>Large banks</i> .....	14,391	14,469	14,594	14,694	14,609	14,761	14,927	14,998
23 New York City banks.....	3,959	4,015	4,014	4,039	4,000	4,093	4,084	4,081
24 Banks outside New York City.....	10,432	10,454	10,580	10,655	10,609	10,668	10,843	10,917
Issued to others:								
25 <i>Large banks</i> .....	11,848	11,601	11,569	11,604	11,921	12,027	12,072	12,101
26 New York City banks.....	1,422	1,380	1,404	1,427	1,400	1,407	1,378	1,387
27 Banks outside New York City.....	10,426	10,221	10,165	10,177	10,521	10,620	10,694	10,714
<b>Savings deposits, by ownership category</b>								
<b>Individuals and nonprofit organizations:</b>								
28 <i>Large banks</i> .....	87,014	86,707	86,652	86,928	87,441	87,373	87,358	87,357
29 New York City banks.....	9,716	9,688	9,688	9,681	9,754	9,734	9,733	9,720
30 Banks outside New York City.....	77,298	77,019	76,964	77,247	77,687	77,639	77,625	77,637
<b>Partnerships and corporations for profit:<sup>5</sup></b>								
31 <i>Large banks</i> .....	5,130	5,048	5,061	5,062	5,075	5,077	5,086	5,132
32 New York City banks.....	572	566	564	567	567	573	570	573
33 Banks outside New York City.....	4,558	4,482	4,497	4,495	4,508	4,504	4,516	4,559
<b>Domestic governmental units:</b>								
34 <i>Large banks</i> .....	2,285	2,334	2,209	2,041	1,926	1,886	1,884	1,820
35 New York City banks.....	458	492	451	411	339	332	347	320
36 Banks outside New York City.....	1,827	1,842	1,758	1,630	1,587	1,554	1,537	1,500
<b>All other:<sup>6</sup></b>								
37 <i>Large banks</i> .....	48	55	58	53	42	44	42	42
38 New York City banks.....	30	35	38	35	24	24	21	21
39 Banks outside New York City.....	18	20	20	18	18	20	21	21
<b>Gross liabilities of banks to their foreign branches</b>								
40 <i>Large banks</i> .....	3,155	5,597	3,751	4,535	4,184	3,426	4,725	3,431
41 New York City banks.....	1,911	4,349	2,398	2,636	2,532	2,160	3,083	1,613
42 Banks outside New York City.....	1,244	1,248	1,353	1,899	1,652	1,266	1,642	1,818
<b>Loans sold outright to selected institutions by all large banks<sup>7</sup></b>								
43 Commercial and industrial.....	2,698	2,742	2,834	2,844	2,830	2,827	2,829	2,839
44 Real estate.....	204	216	217	193	205	195	209	196
45 All other.....	1,053	1,028	1,009	985	985	1,011	1,006	1,015

<sup>1</sup> Exclusive of loans and Federal funds transactions with domestic commercial banks.  
<sup>2</sup> All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.  
<sup>3</sup> Certificates of deposit (CD's) issued in denominations of \$100,000 or more.  
<sup>4</sup> All other time deposits issued in denominations of \$100,000 or more (not included in large negotiable CD's).

<sup>5</sup> Other than commercial banks.  
<sup>6</sup> Domestic and foreign commercial banks, and official international organizations.  
<sup>7</sup> To bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

## 1.31 LARGE WEEKLY REPORTING COMMERCIAL BANKS Commercial and Industrial Loans

Millions of dollars

Industry classification	Outstanding					Net change during—				
	1977					1977		1977		
	June 29	July 6	July 13	July 20	July 27	Q1	Q2	May	June	July
Total loans classified <sup>2</sup>										
1 Total	97,336	97,033	96,570	96,491	96,734	-916	1,542	-136	1,481	-602
Durable goods manufacturing:										
2 Primary metals	2,416	2,350	2,287	2,329	2,323	377	-161	-7	10	-93
3 Machinery	4,804	4,772	4,703	4,768	4,744	108	38	-35	56	-60
4 Transportation equipment	2,398	2,404	2,412	2,438	2,421	74	94	35	-18	23
5 Other fabricated metal products	1,961	1,976	1,968	1,928	1,936	181	70	-18	72	-25
6 Other durable goods	3,667	3,688	3,664	3,630	3,602	90	323	-15	228	-65
Nondurable goods manufacturing:										
7 Food, liquor, and tobacco	3,328	3,280	3,240	3,233	3,177	-151	-21	-1	43	-151
8 Textiles, apparel, and leather	3,852	3,915	3,928	3,957	4,048	381	475	111	226	196
9 Petroleum refining	2,621	2,610	2,590	2,591	2,631	-305	285	68	134	10
10 Chemicals and rubber	2,757	2,784	2,802	2,782	2,768	131	68	-48	32	11
11 Other nondurable goods	2,022	1,998	2,023	2,026	2,014	147	-22	13	-33	-8
12 Mining, including crude petroleum and natural gas	8,172	8,164	8,133	8,114	8,160	94	757	170	403	-12
Trade:										
13 Commodity dealers	1,703	1,687	1,622	1,501	1,496	204	-434	-217	-86	-207
14 Other wholesale	6,761	6,816	6,781	6,730	6,727	465	36	-124	40	-34
15 Retail	6,887	6,858	6,855	7,026	7,169	405	380	156	140	282
16 Transportation	5,037	4,932	4,936	4,877	4,914	-140	-128	-14	27	-123
17 Communication	1,196	1,368	1,268	1,265	1,232	-10	-152	-6	-107	36
18 Other public utilities	5,552	5,277	5,265	5,247	5,238	-61	12	-3	167	-314
19 Construction	4,267	4,282	4,296	4,353	4,381	64	294	85	148	114
20 Services	11,284	11,197	11,101	11,136	11,137	398	331	187	23	-147
21 All other domestic loans	7,721	7,764	7,637	7,652	7,689	-303	105	140	69	-32
22 Bankers acceptances	3,680	3,706	3,828	3,670	3,691	-2,930	-263	-283	6	11
23 Foreign commercial and industrial loans	5,250	5,205	5,231	5,238	5,236	-135	-545	-330	-99	-14
MEMO:										
24 Commercial paper included in total classified loans <sup>1</sup>	318				243	-216	-34	-10	70	-75
25 Total commercial and industrial loans of all large weekly reporting banks	119,439	119,099	118,592	118,441	118,862	203	2,648	-27	1,819	-576
"Term" loans classified <sup>3</sup>										
26 Total	45,841	45,893	46,107	46,516	45,901	630	675	214	409	-615
Durable goods manufacturing:										
27 Primary metals	1,521	1,344	1,342	1,388	1,323	204	-133	-2	46	-65
28 Machinery	2,552	2,499	2,490	2,520	2,414	-33	-32	-9	30	-106
29 Transportation equipment	1,339	1,383	1,386	1,382	1,404	-13	43	3	-4	22
30 Other fabricated metal products	820	841	826	832	813	44	12	-15	6	-19
31 Other durable goods	1,625	1,630	1,647	1,722	1,719		97	17	75	-3
Nondurable goods manufacturing:										
32 Food, liquor, and tobacco	1,412	1,374	1,438	1,435	1,363	14	23	64	-3	-72
33 Textiles, apparel, and leather	1,071	1,099	1,163	1,150	1,204	-27	79	64	-13	54
34 Petroleum refining	1,770	1,805	1,824	1,938	1,975	-202	168	19	114	37
35 Chemicals and rubber	1,547	1,589	1,615	1,646	1,677	103	99	26	31	31
36 Other nondurable goods	1,032	1,101	1,172	1,128	1,118	78	96	71	-44	-10
37 Mining, including crude petroleum and natural gas	5,856	6,015	6,043	6,375	6,250	173	519	28	332	-125
Trade:										
38 Commodity dealers	199	199	202	171	180	-1	-28	3	-31	9
39 Other wholesale	1,479	1,489	1,519	1,483	1,478		4	30	-36	-5
40 Retail	2,268	2,274	2,353	2,325	2,331	223	57	79	-28	6
41 Transportation	3,773	3,695	3,604	3,649	3,607	-164	-124	-91	45	-42
42 Communication	779	802	793	748	764	-68	-31	-9	-45	16
43 Other public utilities	3,907	3,796	3,796	3,771	3,416	243	-136		-25	-355
44 Construction	1,661	1,720	1,722	1,833	1,873	32	172	2	111	40
45 Services	5,111	5,188	5,283	5,301	5,247	113	190	95	18	-54
46 All other domestic loans	2,433	2,408	2,465	2,432	2,464	-167	-1	57	-33	32
47 Foreign commercial and industrial loans	3,686	3,642	3,424	3,287	3,281	62	-399	-218	-137	-6

<sup>1</sup> Reported for the last Wednesday of each month.<sup>2</sup> Includes "term" loans, shown below.<sup>3</sup> Outstanding loans with an original maturity of more than 1 year and

all outstanding loans granted under a formal agreement—revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.



## 1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations

Billions of dollars, estimated daily-average balances

Type of holder	At commercial banks									
	1972 Dec.	1973 Dec.	1974 Dec.	1975		1976		1977		
				Dec.	Mar.	June	Sept.	Dec.	Mar.	June <sup>a</sup>
1 All holders, IPC.....	208.0	220.1	225.0	236.9	227.9	234.2	236.1	250.1	242.3	253.8
2 Financial business.....	18.9	19.1	19.0	20.1	19.9	20.3	19.7	22.3	21.6	25.9
3 Nonfinancial business.....	109.9	116.2	118.8	125.1	116.9	121.2	122.6	130.2	125.1	129.2
4 Consumer.....	65.4	70.1	73.3	78.0	77.2	78.8	80.0	82.6	81.6	84.1
5 Foreign.....	1.5	2.4	2.3	2.4	2.4	2.5	2.3	2.7	2.4	2.5
6 Other.....	12.3	12.4	11.7	11.3	11.4	11.4	11.5	12.4	11.6	12.2

	At weekly reporting banks									
	1973 Dec.	1974 Dec.	1975 Dec.	1976 Dec.	1977					
					Jan.	Feb.	Mar.	Apr.	May	June <sup>a</sup>
7 All holders, IPC.....	118.1	119.7	124.4	128.5	127.4	123.0	124.7	127.5	124.4	128.7
8 Financial business.....	14.9	14.8	15.6	17.5	16.7	15.6	16.7	16.7	17.0	17.8
9 Nonfinancial business.....	66.2	66.9	69.9	69.7	69.5	67.4	67.8	68.5	67.2	69.5
10 Consumer.....	28.0	29.0	29.9	31.7	32.0	31.1	31.5	33.5	31.5	32.3
11 Foreign.....	2.2	2.2	2.3	2.6	2.2	2.4	2.2	2.3	2.4	2.4
12 Other.....	6.8	6.8	6.6	7.1	7.1	6.5	6.5	6.6	6.4	6.7

NOTE.—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.

## 1.33 COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1974 Dec.	1975 Dec.	1976 Dec.	1977						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Commercial paper (seasonally adjusted)										
1 All issuers.....	49,742	48,145	52,623	52,623	52,778	52,775	54,546	56,715	57,434	61,237
Financial companies: <sup>1</sup>										
Dealer-placed paper: <sup>2</sup>										
2 Total.....	4,599	6,220	7,271	7,271	7,053	6,931	7,196	7,286	7,555	8,196
3 Bank-related.....	1,814	1,762	1,900	1,900	1,895	1,929	1,839	1,778	1,805	1,894
Directly-placed paper: <sup>3</sup>										
4 Total.....	31,801	31,230	32,365	32,365	32,726	32,073	33,873	34,753	34,949	37,593
5 Bank-related.....	6,518	6,892	5,959	5,959	5,637	5,502	6,126	5,703	5,999	6,636
6 Nonfinancial companies <sup>4</sup> .....	13,342	10,695	12,987	12,987	12,999	13,771	13,475	14,676	14,930	15,538
Dollar acceptances (not seasonally adjusted)										
7 Total.....	18,484	18,727	22,523	22,523	22,362	22,187	22,694	22,899	23,201	23,440
Held by:										
8 Accepting banks.....	4,226	7,333	10,442	10,442	8,183	7,991	7,787	7,761	7,326	7,630
9 Own bills.....	3,685	5,899	8,769	8,769	7,011	6,654	6,367	6,309	6,218	6,356
10 Bills bought.....	542	1,435	1,673	1,673	1,172	1,337	1,421	1,381	1,108	1,273
F.R. Banks:										
11 Own account.....	999	1,126	991	991	191	322	280	881	108	228
12 Foreign correspondents.....	1,109	293	375	375	374	440	435	394	385	360
13 Others.....	12,150	9,975	13,447	10,715	13,615	13,434	14,191	13,863	15,382	15,222
Based on:										
14 Imports into United States.....	4,023	3,726	4,992	4,992	4,992	5,138	4,983	5,114	5,124	5,635
15 Exports from United States.....	4,067	4,001	4,818	4,818	5,137	5,074	5,222	5,376	5,642	5,729
16 All other.....	10,394	11,000	12,713	12,713	12,233	11,974	12,489	12,410	12,436	12,076

<sup>1</sup> 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.

<sup>2</sup> Includes all financial company paper sold by dealers in the open market.

<sup>3</sup> As reported by financial companies that place their paper directly with investors.

<sup>4</sup> Includes public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

1.34 PRIME RATE CHARGED BY BANKS on Short-term Business Loans

Per cent per annum

Effective date	Rate	Effective date	Rate	Month	Average rate	Month	Average rate
1976- Jan. 12.....	7	1976 Oct. 4.....	6¾	1976- Feb.....	6.75	1976--Nov.....	6.50
21.....	6¾	Nov. 1.....	6½	Mar.....	6.75	Dec.....	6.35
June 1.....	7	Dec. 13.....	6¼	Apr.....	6.75	1977 Jan.....	6.25
7.....	7¼	1977 May 13.....	6½	May.....	6.75	Feb.....	6.25
Aug. 2.....	7	31.....	6¾	June.....	7.20	Mar.....	6.25
				July.....	7.25	Apr.....	6.25
				Aug.....	7.01	May.....	6.41
				Sept.....	7.00	June.....	6.75
				Oct.....	6.78		

1.35 TERMS OF LENDING AT COMMERCIAL BANKS May 2-7, 1977, survey

Per cent per annum

Item	All sizes	Size of loan (in thousands of dollars)					1,000 and over
		1-24	25-49	50-99	100-499	500-999	
Short-term commercial and industrial loans							
1 Amount of loans (thousands of dollars)	6,652,747	806,754	431,421	504,177	1,247,257	605,755	3,057,385
2 Number of loans	144,391	113,551	13,447	7,967	7,316	962	1,148
3 Weighted-average maturity (months)	2.9	3.2	3.7	3.8	2.7	2.7	2.7
4 Weighted-average interest rate (per cent)	7.37	9.04	8.39	8.04	7.57	7.11	6.65
5 Interquartile range <sup>1</sup>	6.40-8.14	8.03-9.50	7.71-9.20	7.25-8.97	6.50-8.30	6.40-7.54	6.25-6.92
Percentage of amount of loans:							
6 With floating rate	47.2	12.6	18.3	34.1	40.7	49.8	64.6
7 Made under commitment	52.4	23.0	33.5	36.1	51.3	61.0	64.2
Long-term commercial and industrial loans							
8 Amount of loans (thousands of dollars)	1,651,267	439,081	175,761	183,375	188,678	74,981	589,391
9 Number of loans	59,524	49,530	5,398	3,157	1,172	119	150
10 Weighted-average maturity (months)	35.0	18.8	23.1	46.8	49.1	42.9	41.5
11 Weighted-average interest rate (per cent)	8.24	9.31	8.95	8.71	8.03	8.03	7.18
12 Interquartile range <sup>1</sup>	7.20-9.25	7.50-9.50	7.26-9.38	7.25-10.20	6.98-9.00	6.84-8.84	6.51-7.45
Percentage of amount of loans:							
13 With floating rate	36.7	3.0	7.3	9.1	42.1	68.3	73.4
14 Made under commitment	45.1	9.4	8.5	19.0	37.3	68.9	90.2
Construction and land development loans							
15 Amount of loans (thousands of dollars)	863,318	167,107	87,280	331,708	145,933		131,289
16 Number of loans	28,820	19,843	2,763	5,100	1,017		98
17 Weighted-average maturity (months)	7.5	8.0	5.7	4.8	9.5		12.7
18 Weighted-average interest rate (per cent)	8.72	9.28	8.95	8.79	8.46		7.97
19 Interquartile range <sup>1</sup>	8.16-9.25	8.25-9.92	8.00-9.73	8.71-8.71	8.00-9.00		7.43-8.91
Percentage of amount of loans:							
20 With floating rate	20.0	8.4	9.9	3.7	32.2		69.1
21 Secured by real estate	81.4	81.9	82.5	82.7	63.1		97.0
22 Made under commitment	39.4	46.4	56.3	13.6	45.5		77.4
23 Type of construction: 1-4 family	55.9	75.9	74.6	61.4	23.6		39.9
24 Multifamily	11.9	4.3	1.0	18.6	7.9		16.7
25 Nonresidential	32.2	19.8	24.4	20.0	68.5		43.4
Loans to farmers							
26 Amount of loans (thousands of dollars)	924,826	196,521	212,922	140,441	145,491	102,271	127,180
27 Number of loans	77,543	56,467	13,784	4,109	2,219	765	199
28 Weighted-average maturity (months)	8.3	8.1	7.9	11.5	6.6	5.9	9.6
29 Weighted-average interest rate (per cent)	8.73	9.06	8.98	8.98	8.73	8.58	7.67
30 Interquartile range <sup>1</sup>	8.25-9.20	8.62-9.34	8.50-9.24	8.45-9.20	8.31-9.20	8.16-9.07	6.27-8.68
By purpose of loan:							
32 Feeder livestock	8.42	8.84	8.80	8.65	8.55	8.19	7.68
33 Other livestock	8.20	8.89	8.91	9.41	8.81	8.47	6.77
34 Other current operating expenses	8.84	9.01	8.95	8.81	8.91	8.59	8.01
35 Farm machinery and equipment	9.40	9.47	9.44	9.74	8.96	8.58	8.72
36 Other	8.82	9.04	8.90	9.04	8.66	8.73	8.78

<sup>1</sup> Interest rate range that covers the middle 50 per cent of the total dollar amount of loans made.

NOTE. --For more information, see the Board's G.14 statistical release.

1.36 INTEREST RATES Money and Capital Markets

Averages, per cent per annum

Instrument	1974	1975	1976	1977				1977, week ending--				
				Apr.	May	June	July	July 2	July 9	July 16	July 23	July 30
<b>Money market rates</b>												
<b>Prime commercial paper<sup>1</sup></b>												
1 90- to 119-day.....	10.05	6.26	5.24	4.75	5.26	5.42	5.38	5.38	5.38	5.38	5.38	5.41
2 4- to 6-month.....	9.87	6.33	5.35	4.87	5.35	5.49	5.41	5.44	5.43	5.41	5.40	5.42
3 Finance company paper, directly placed, 3- to 6-month <sup>2</sup> .....	8.62	6.16	5.22	4.81	5.13	5.38	5.38	5.38	5.38	5.38	5.38	5.38
4 Prime bankers acceptances, 90-day <sup>3</sup> .....	9.92	6.30	5.19	4.78	5.34	5.39	5.43	5.35	5.38	5.41	5.44	5.49
5 Federal funds <sup>4</sup> .....	10.51	5.82	5.05	4.73	5.35	5.39	5.42	5.43	5.35	5.33	5.35	5.45
<b>Large negotiable certificates of deposit</b>												
6 3-month, secondary market <sup>5</sup> .....	10.27	6.43	5.26	4.81	5.20	5.42	5.46	5.40	5.45	5.45	5.43	5.65
7 3-month, primary market <sup>6</sup> .....			5.15	4.72	5.13	5.35	5.32	5.30	5.25	5.38	5.38	5.65
8 Euro-dollar deposits, 3-month <sup>7</sup> .....	10.96	6.97	5.57	5.16	5.70	5.78	5.80		5.79	5.75	5.78	6.11
<b>U.S. Govt. securities</b>												
<b>Bills:<sup>8</sup></b>												
<b>Market yields:</b>												
9 3-month.....	7.84	5.80	4.98	4.54	4.96	5.02	5.19	4.97	5.12	5.16	5.21	5.27
10 6-month.....	7.95	6.11	5.26	4.80	5.20	5.21	5.40	5.19	5.29	5.37	5.43	5.51
11 1-year.....	7.71	6.30	5.52	5.10	5.43	5.41	5.57	5.39	5.46	5.51	5.60	5.70
<b>Rates on new issue:</b>												
12 3-month.....	7.886	5.838	4.989	4.540	4.942	5.004	5.146	4.965	5.044	5.163	5.214	5.163
13 6-month.....	7.926	6.122	5.266	4.790	5.193	5.198	5.351	5.173	5.246	5.356	5.436	5.364
<b>Notes and bonds maturing in</b>												
14 9 to 12 months <sup>9</sup> .....	8.25	6.70	5.84	5.37	5.81	5.76	5.89	5.68	5.76	5.85	5.93	6.01
15 <b>Constant maturities:<sup>10</sup></b>												
1-year.....	8.18	6.76	5.88	5.44	5.84	5.80	5.88	5.72	5.81	5.88	5.99	6.08
<b>Capital market rates</b>												
<b>Government notes and bonds</b>												
<b>U.S. Treasury:</b>												
<b>Constant maturities:<sup>10</sup></b>												
16 2-year.....			6.31	5.96	6.25	6.13	6.27	6.07	6.15	6.22	6.34	6.38
17 3-year.....	7.82	7.49	6.77	6.31	6.55	6.39	6.51	6.32	6.40	6.47	6.55	6.61
18 5-year.....	7.80	7.77	7.18	6.79	6.94	6.76	6.84	6.68	6.78	6.80	6.86	6.94
19 7-year.....	7.71	7.90	7.42	7.11	7.26	7.05	7.12	6.98	7.08	7.09	7.12	7.18
20 10-year.....	7.56	7.99	7.61	7.37	7.46	7.28	7.33	7.22	7.33	7.31	7.32	7.35
21 20-year.....	8.05	8.19	7.86	7.67	7.74	7.64	7.60	7.57	7.58	7.60	7.62	7.61
22 30-year.....				7.73	7.80	7.64	7.64	7.57	7.63	7.64	7.64	7.67
<b>Notes and bonds maturing in<sup>9</sup>:</b>												
23 3 to 5 years.....	7.81	7.55	6.94	6.58	6.76	6.58	6.67	6.49	6.60	6.62	6.69	6.77
24 Over 10 years (long-term).....	6.99	6.98	6.78	7.14	7.17	6.99	6.97	6.90	6.94	6.96	6.99	7.01
<b>State and local:<sup>11</sup></b>												
<b>Moody's series:</b>												
25 Aaa.....	5.89	6.42	5.66	5.18	5.23	5.21	5.21	5.18	5.20	5.20	5.22	5.22
26 Baa.....	6.53	7.62	7.49	6.27	6.23	6.05	6.00	5.95	6.00	6.00	6.00	6.00
27 <b>Bond Buyer series<sup>12</sup></b> .....	6.17	7.05	6.64	5.73	5.75	5.62	5.63	5.56	5.63	5.64	5.62	5.62
<b>Corporate bonds</b>												
<b>Seasoned issues<sup>13</sup></b>												
28 All industries.....	9.03	9.57	9.01	8.49	8.47	8.38	8.33	8.32	8.33	8.34	8.33	8.34
<b>By rating groups:</b>												
29 Aaa.....	8.57	8.83	8.43	8.04	8.05	7.95	7.94	7.91	7.93	7.94	7.94	7.96
30 Aa.....	8.84	9.17	8.75	8.28	8.28	8.19	8.12	8.11	8.11	8.12	8.13	8.13
31 A.....	9.20	9.65	9.09	8.55	8.55	8.46	8.40	8.40	8.40	8.40	8.40	8.40
32 Baa.....	9.50	10.61	9.75	9.07	9.01	8.91	8.87	8.87	8.88	8.88	8.87	8.85
<b>Aaa utility bonds:<sup>14</sup></b>												
33 New issue.....	9.33	9.40	8.48	8.26	8.33	8.08	8.14		8.14	8.14	8.12	8.17
34 Recently offered issues.....	9.34	9.41	8.49	8.22	8.31	8.12	8.12	8.03	8.12	8.12	8.14	8.14
<b>Dividend/price ratio</b>												
35 Preferred stocks.....	8.23	8.38	7.97	7.60	7.63	7.62	7.51	7.51	7.50	7.50	7.50	7.51
36 Common stocks.....	4.47	4.31	3.77	4.47	4.39	4.60	4.59	4.56	4.59	4.59	4.50	4.66

<sup>1</sup> Averages of the most representative daily offering rate quoted by dealers.

<sup>2</sup> Averages of the most representative daily offering rates published by finance companies for varying maturities in this range.

<sup>3</sup> Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

<sup>4</sup> Weekly figures are 7-day averages of daily effective rates for the week ending Wednesday; the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates.

<sup>5</sup> Weekly figures are 7-day averages of the daily midpoints as determined from the range of offering rates; monthly figures are averages of total days in the month.

<sup>6</sup> Posted rates, which are the annual interest rates most often quoted on new offerings of negotiable C.D.'s in denominations of \$100,000 or more. Rates prior to 1976 not available. Weekly figures are for Wednesday dates.

<sup>7</sup> Averages of daily quotations for the week ending Wednesday.

<sup>8</sup> Except for new bill issues, yields are computed from daily closing bid prices. Yields for all bills are quoted on a bank-discount basis.

<sup>9</sup> Unweighted averages for all outstanding notes and bonds in maturity ranges shown, based on daily closing bid prices. "Long-term" includes all bonds neither due nor callable in less than 10 years.

<sup>10</sup> Yields on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.

<sup>11</sup> General obligations only, based on figures for Thursday, from Moody's Investors Service.

<sup>12</sup> Twenty issues of mixed quality.

<sup>13</sup> Averages of daily figures from Moody's Investors Service.

<sup>14</sup> Compilation of the Board of Governors of the Federal Reserve System.

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.

## 1.37 STOCK MARKET Selected Statistics

Indicator	1974			1975			1976			1977				
	Jan.	Feb.	Mar.	Apr.	May	June	July	Jan.	Feb.	Mar.	Apr.	May	June	July
Prices and trading (averages of daily figures)														
<b>Common stock prices</b>														
1 New York Stock Exchange (Dec. 31, 1965 = 50)	43.84	45.73	54.45	56.28	54.93	54.67	53.92	53.96	54.31	54.94	54.94	54.94	54.94	54.94
2 Industrial	48.08	51.88	60.44	61.26	59.65	59.56	58.47	58.13	58.44	58.90	58.90	58.90	58.90	58.90
3 Transportation	31.89	30.73	39.57	41.93	40.59	40.52	41.51	43.25	43.29	43.52	43.52	43.52	43.52	43.52
4 Utility	29.82	31.45	36.97	41.13	40.86	40.18	40.24	41.14	41.59	42.44	42.44	42.44	42.44	42.44
5 Finance	49.67	46.62	52.94	57.86	55.65	54.84	54.30	54.80	55.15	57.29	57.29	57.29	57.29	57.29
6 Standard & Poor's Corporation (1941-43 = 10) <sup>1</sup>	82.85	85.17	102.01	103.81	100.96	100.57	99.05	98.76	99.29	100.19	100.19	100.19	100.19	100.19
7 American Stock Exchange (Aug. 31, 1973 = 100)	79.97	83.15	101.63	111.04	112.17	111.77	111.70	113.72	116.28	122.03	122.03	122.03	122.03	122.03
<b>Volume of trading (thousands of shares)<sup>2</sup></b>														
8 New York Stock Exchange	13,883	18,568	21,189	23,562	19,310	17,814	17,380	18,700	20,478	19,215	19,215	19,215	19,215	19,215
9 American Stock Exchange	1,908	2,150	2,565	3,268	2,830	2,580	2,500	2,440	2,720	2,880	2,880	2,880	2,880	2,880
Customer financing (end-of-period balances, in millions of dollars)														
<b>10 Regulated margin credit at brokers/dealers and banks<sup>3</sup></b>														
11 Brokers, total	4,836	6,500	9,011	9,301	9,523	9,701	9,887	10,068	10,255	10,255	10,255	10,255	10,255	10,255
12 Margin stock <sup>4</sup>	3,980	5,540	8,166	8,469	8,679	8,897	9,078	9,267	9,432	9,432	9,432	9,432	9,432	9,432
13 Convertible bonds	3,840	5,390	7,960	8,270	8,480	8,690	8,880	9,070	9,230	9,230	9,230	9,230	9,230	9,230
14 Subscription issues	137	147	204	196	197	199	196	196	198	198	198	198	198	198
15 Banks, total	3	3	2	3	2	2	2	1	4	4	4	4	4	4
16 Margin stocks	856	960	1,845	832	844	810	809	807	823	823	823	823	823	823
17 Convertible bonds	815	909	1,800	788	799	767	766	761	779	779	779	779	779	779
18 Subscription issues	30	36	130	27	28	25	25	25	25	25	25	25	25	25
19 Unregulated nonmargin stock credit at banks <sup>5</sup>	11	15	15	17	17	18	18	15	19	19	19	19	19	19
<b>MfMO: Free credit balances at brokers<sup>6</sup></b>														
20 Margin-account	2,064	2,281	2,817	2,844	2,850	2,293	2,878	2,886	2,992	2,992	2,992	2,992	2,992	2,992
21 Cash-account	410	475	585	645	605	605	615	625	595	595	595	595	595	595
	1,425	1,525	1,855	1,930	1,815	1,720	1,715	1,710	1,805	1,805	1,805	1,805	1,805	1,805
Margin-account debt at brokers (percentage distribution, end of period)														
22 Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>By equity class (in per cent):<sup>7</sup></b>														
23 Under 40	45.4	24.0	12.0	15.0	17.6	16.5	16.5	17.8	12.9	12.9	12.9	12.9	12.9	12.9
24 40-49	23.0	28.8	23.0	28.8	34.9	36.8	34.1	35.6	27.0	27.0	27.0	27.0	27.0	27.0
25 50-59	13.9	22.3	35.0	28.0	23.4	23.2	25.4	23.0	33.0	33.0	33.0	33.0	33.0	33.0
26 60-69	8.8	11.6	15.0	13.0	11.3	11.6	11.8	11.0	13.3	13.3	13.3	13.3	13.3	13.3
27 70-79	4.6	6.9	8.7	8.3	7.3	6.7	6.8	7.0	8.0	8.0	8.0	8.0	8.0	8.0
28 80 or more	4.3	5.3	6.0	5.8	5.5	5.3	5.4	5.0	5.8	5.8	5.8	5.8	5.8	5.8
Special miscellaneous-account balances at brokers (end of period)														
29 Total balances (millions of dollars) <sup>8</sup>	7,010	7,290	8,776	9,070	9,170	9,350	9,300	9,360	9,470	9,470	9,470	9,470	9,470	9,470
<b>Distribution by equity status (per cent)</b>														
30 Net credit status	41.1	43.8	41.3	42.3	42.9	42.3	41.4	41.0	41.0	41.0	41.0	41.0	41.0	41.0
<b>Debit status, equity of—</b>														
31 60 per cent or more	32.4	40.8	47.8	46.6	45.5	46.0	46.3	46.3	47.8	47.8	47.8	47.8	47.8	47.8
32 Less than 60 per cent	26.5	15.4	10.9	11.1	11.6	11.7	12.4	12.6	11.2	11.2	11.2	11.2	11.2	11.2

<sup>1</sup> 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.

<sup>2</sup> Based on trading for a 5½-hour day.

<sup>3</sup> 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 by brokers is end-of-month data for member firms of the New York Stock Exchange; June data for banks are universe totals; all other data for banks are estimates for all commercial banks based on data from a sample of reporting banks.

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

<sup>4</sup> A distribution of this total by equity class is shown below.

<sup>5</sup> Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over-the-counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

<sup>6</sup> Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

<sup>7</sup> Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

<sup>8</sup> 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.

NOTE.— For table on "Margin Requirements" see p. A-10, Table 1.161.

1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1976			1977								
	1974	1975	1976	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Savings and loan associations												
1 Assets	295,545	338,233	391,999	385,013	389,173	391,999	398,299	403,591	409,357	414,436	421,865	427,076
2 Mortgages	249,301	278,590	323,130	315,742	319,273	323,130	326,056	329,086	333,703	338,984	344,631	350,777
3 Cash and investment securities <sup>1</sup>	23,251	30,853	35,660	36,442	36,605	35,660	38,252	39,505	39,656	39,061	40,461	39,625
4 Other	22,993	28,790	33,209	32,829	33,295	33,209	33,991	35,000	35,998	36,391	36,773	36,674
5 Liabilities and net worth	295,545	338,233	391,999	385,013	389,173	391,999	398,299	403,591	409,357	414,436	421,865	427,076
6 Savings capital	242,974	285,743	336,030	327,252	329,833	336,030	341,211	344,616	352,194	354,318	357,965	364,332
7 Borrowed money	24,780	20,634	19,087	18,810	18,715	19,087	18,455	18,256	18,283	18,880	19,804	20,584
8 FHLBB	21,508	17,524	15,708	15,636	15,571	15,708	15,029	14,661	14,325	14,809	15,000	15,583
9 Other	3,272	3,110	3,379	3,174	3,144	3,379	3,426	3,595	3,958	4,071	4,804	5,001
10 Loans in process	3,244	5,128	6,836	6,735	6,753	6,836	6,718	6,783	7,351	7,899	8,505	9,134
11 Other	6,105	6,949	8,015	10,531	11,918	8,015	9,667	11,418	8,833	10,360	12,287	9,532
12 Net worth <sup>2</sup>	18,442	19,779	22,031	21,685	21,954	22,031	22,248	22,518	22,696	22,979	23,304	23,494
13 MEMO: Mortgage loan commitments outstanding <sup>3</sup>	7,454	10,673	14,828	15,319	15,467	14,828	15,079	16,796	19,304	21,242	22,274	22,001
Mutual savings banks												
14 Assets	109,550	121,056	134,702	132,455	133,361	134,812	135,906	137,307	138,901	139,496	140,593	
Loans:												
15 Mortgage	74,891	77,221	81,554	80,543	80,884	81,630	81,826	81,982	82,273	82,687	83,075	
16 Other	3,812	4,023	5,192	5,549	5,801	5,183	5,956	6,254	6,389	6,050	6,650	
Securities:												
17 U.S. Govt.	2,555	4,740	5,911	5,796	5,836	5,840	5,917	6,096	6,360	6,323	6,248	
18 State and local government	930	1,545	2,420	2,429	2,466	2,417	2,295	2,366	2,431	2,504	2,539	
19 Corporate and other <sup>4</sup>	22,550	27,992	33,676	32,793	33,074	33,793	34,475	35,088	35,928	36,322	36,455	
20 Cash	2,167	2,330	2,374	1,695	1,668	2,355	1,800	1,835	1,823	1,900	1,922	
21 Other assets	2,645	3,205	3,574	3,649	3,632	3,593	3,637	3,686	3,668	3,709	3,703	
22 Liabilities	109,550	121,056	134,702	132,455	133,361	134,812	135,906	137,307	138,901	139,496	140,593	
23 Deposits	98,701	109,873	122,802	120,360	120,971	122,877	123,864	124,728	126,687	126,938	127,791	
24 Regular <sup>5</sup>	98,221	109,291	121,874	119,346	120,125	121,961	122,874	123,721	125,624	125,731	126,587	
25 Ordinary savings	64,286	69,653	74,483	73,610	73,857	74,535	74,621	75,038	76,260	76,336	76,384	
26 Time and other	33,935	39,639	47,391	45,736	46,268	47,426	48,253	48,683	49,364	49,395	50,203	
27 Other	480	582	928	1,014	846	916	989	1,007	1,063	1,207	1,204	
28 Other liabilities	2,888	2,755	2,853	3,140	3,376	2,884	2,940	3,368	2,939	3,230	3,381	
29 General reserve accounts	7,961	8,428	9,047	8,955	9,015	9,052	9,102	9,211	9,275	9,329	9,422	
30 MEMO: Mortgage loan commitments outstanding <sup>6</sup>	2,040	1,803	2,439	2,548	2,553	2,439	2,584	2,840	3,161	3,287	3,521	
Life insurance companies												
31 Assets	263,349	289,304	321,552	314,845	317,499	321,552	323,407	325,094	326,753	328,786	331,028	
Securities:												
32 Government	10,900	13,758	17,942	18,019	18,390	17,942	18,198	18,443	18,470	18,500	18,475	
33 United States <sup>7</sup>	3,372	4,736	5,368	5,821	5,992	5,368	5,537	5,592	5,546	5,544	5,396	
34 State and local	3,667	4,508	5,594	5,463	5,533	5,594	5,657	5,709	5,732	5,758	5,797	
35 Foreign <sup>8</sup>	3,861	4,514	6,980	6,735	6,865	6,980	7,004	7,142	7,192	7,198	7,282	
36 Business	119,637	135,317	157,246	153,291	154,382	157,246	159,213	160,463	161,214	162,816	164,126	
37 Bonds	97,717	107,256	122,984	120,610	121,763	122,984	125,910	127,603	128,596	130,057	131,568	
38 Stocks	21,920	28,061	34,262	32,681	32,619	34,262	33,303	32,860	32,618	32,759	32,558	
39 Mortgages	86,234	89,167	91,552	90,293	90,794	91,552	91,566	91,585	91,786	92,200	92,358	
40 Real estate	8,331	9,621	10,476	10,231	10,244	10,476	10,556	10,629	10,738	10,802	10,822	
41 Policy loans	22,862	24,467	25,834	25,594	25,695	25,834	25,911	26,034	26,207	26,364	26,500	
42 Other assets	15,385	16,971	18,502	17,417	17,994	18,502	17,963	17,940	18,338	18,104	18,747	
Credit unions												
43 Total assets/liabilities and capital	31,948	38,037	44,897	43,415	44,089	44,835	44,906	45,798	47,111	47,348	48,322	49,479
44 Federal	16,715	20,209	24,164	23,283	23,668	24,164	24,188	24,756	25,596	25,697	26,259	27,017
45 State	15,233	17,828	20,733	20,132	20,421	20,671	20,718	21,042	21,515	21,651	22,063	22,462
46 Loans outstanding	24,432	28,169	34,033	33,275	33,732	34,293	34,188	34,549	35,411	36,019	36,936	38,134
47 Federal	12,730	14,869	18,022	17,522	17,786	18,202	18,081	18,275	18,776	19,050	19,583	20,303
48 State	11,702	13,300	16,011	15,753	15,946	16,091	16,107	16,274	16,635	16,969	17,353	17,831
49 Savings	27,518	33,013	39,264	37,854	38,281	38,968	39,344	39,981	41,161	41,394	42,125	43,196
50 Federal (shares)	14,370	17,530	21,149	20,358	20,597	20,980	21,165	21,559	22,346	22,524	22,955	23,608
51 State (shares and deposits)	13,148	15,483	18,115	17,496	17,684	17,988	18,179	18,442	18,815	18,870	19,170	19,588

For notes see bottom of page A30.

## 1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year		Transition quarter (July-Sept. 1976)	Calendar year						
	1975	1976		1976		1977	1977			
				H1	H2	H1	Apr.	May	June	
<b>U.S. Budget</b>										
1 Receipts.....	280,997	300,005	81,773	160,552	157,961	190,238	40,016	27,672	43,075	
2 Outlays <sup>1,2</sup> .....	326,105	366,466	94,746	181,369	193,719	200,310	35,547	33,715	32,881	
3 Surplus, or deficit <sup>3</sup> (-).....	-45,108	-66,461	-12,973	-20,816	-35,758	-10,072	4,469	-6,043	10,194	
4 Trust funds.....	7,419	2,409	-1,952	5,503	-4,621	7,332	647	7,542	1,829	
5 Federal funds <sup>3</sup> .....	-52,526	-68,870	-11,021	-26,320	-31,137	-17,405	3,822	-13,584	8,365	
<b>Off-budget entities surplus, or deficit (-)</b>										
6 Federal Financing Bank outlays... <sup>4</sup>	-6,389	-5,915	-2,575	-3,222	-5,176	-2,075	581	-299	-45	
7 Other <sup>1,4</sup> .....	-1,652	-1,355	793	-1,119	3,809	-2,086	-114	245	-262	
<b>U.S. Budget plus off-budget, including Federal Financing Bank</b>										
8 Surplus, or deficit (-).....	-53,149	-73,731	-14,755	-25,158	-37,125	-14,233	4,936	-6,097	9,888	
<b>Financed by:</b>										
9 Borrowing from the public <sup>2</sup> , ...	50,867	82,922	18,027	33,561	35,457	16,480	1,206	-2,871	518	
10 Cash and monetary assets (decrease, or increase (-)).....	-320	-7,796	-2,899	-7,909	2,153	-4,666	-9,422	11,268	-9,345	
11 Other <sup>5</sup> .....	2,602	-1,396	-373	-495	-485	2,420	3,280	-2,300	-1,061	
<b>MEMO items:</b>										
12 Treasury operating balance (level, end of period).....	7,591	14,836	17,418	14,836	11,670	77,311	17,763	6,992	16,246	
13 F.R. Banks.....	5,773	11,975	13,299	11,975	10,393	65,372	13,628	5,836	15,183	
14 Tax and loan accounts.....	1,475	2,854	4,119	2,854	1,277	11,940	4,135	1,156	1,063	
15 Other demand accounts <sup>6</sup> .....	343	7	.....	7	.....	.....	.....	.....	.....	

<sup>1</sup> Outlay totals reflect the reclassification of the Export-Import Bank from off-budget status to unified budget status.

<sup>2</sup> Export-Import Bank certificates of beneficial interest (effective July 1, 1975) and loans to the Private Export Funding Corp. (PEFCO), a wholly owned subsidiary of the Export-Import Bank are treated as debt rather than asset sales.

<sup>3</sup> Half years calculated as a residual of total surplus/deficit and trust fund surplus/deficit.

<sup>4</sup> Includes Pension Benefit Guaranty Corp., Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, and Housing for the Elderly or Handicapped Fund.

<sup>5</sup> Includes: Public debt accrued interest payable to the public; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seignorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment.

<sup>6</sup> Excludes the gold balance but includes deposits in certain commercial depositories that have been converted from a time deposit to a demand deposit basis to permit greater flexibility in Treasury cash management.

SOURCE.—"Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and *U.S. Budget, Fiscal Year 1978*.

## NOTES TO TABLE 1.38

<sup>1</sup> Stock of the Federal Home Loan Bank Board (FHLBB) is included in "other assets."

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

<sup>3</sup> Excludes figures for loans in process, which are shown as a liability.

<sup>4</sup> Includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

<sup>5</sup> Excludes checking, club, and school accounts.

<sup>6</sup> Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Assn. of the State of New York.

<sup>7</sup> Direct and guaranteed obligations. Excludes Federal agency issues not guaranteed, which are shown in this table under "business" securities.

<sup>8</sup> 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. Data are reported on a gross-of-valuation-reserves basis.

*Life insurance companies:* Estimates of the Institute 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 per cent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

## 1.40 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year			Calendar year					
	1975	1976	Transition quarter (July- Sept. 1976)	1976		1977		1977	
				III	II2	III	Apr.	May	June
Receipts									
1 All sources <sup>1</sup> .....	280,997	300,005	81,773	160,552	157,961	190,238	40,016	27,672	43,075
2 Individual income taxes, net.....	122,386	131,603	38,801	65,767	75,094	78,775	18,660	9,413	17,949
3 Withheld.....	122,071	123,408	32,949	63,859	68,023	73,303	11,797	12,993	12,175
4 Presidential Election Campaign Fund.....	32	34	1	33	1	28	7	6	4
5 Nonwithheld.....	34,296	35,528	6,809	27,879	8,426	32,967	14,581	2,092	6,272
6 Refunds <sup>1</sup> .....	34,013	27,367	958	26,004	1,356	27,521	7,725	5,678	501
7 Corporation income taxes:									
8 Gross receipts.....	45,747	46,783	9,808	27,973	20,706	37,133	8,461	1,465	14,758
9 Refunds.....	5,125	5,374	1,348	2,639	2,886	2,324	488	369	379
10 Social insurance taxes and contribu- tions, net.....	86,441	92,714	25,760	51,828	47,596	58,098	10,703	14,203	7,696
11 Payroll employment taxes and contributions <sup>2</sup> .....	71,789	76,391	21,534	40,947	40,427	45,241	6,670	9,912	6,709
12 Self-employment taxes and contributions <sup>2</sup> .....	3,417	3,518	269	3,250	286	3,688	2,328	248	335
13 Unemployment insurance.....	6,771	8,054	2,698	5,193	4,379	6,576	1,296	3,582	228
14 Other net receipts <sup>3</sup> .....	4,466	4,752	1,259	2,438	2,504	2,594	409	461	424
15 Excise taxes.....	16,551	16,963	4,473	8,204	8,910	8,431	1,392	1,485	1,530
16 Customs.....	3,676	4,074	1,212	2,147	2,361	2,518	393	427	504
17 Estate and gift.....	4,611	5,216	1,455	2,643	2,943	4,333	376	501	437
18 Miscellaneous receipts <sup>4</sup> .....	6,711	8,026	1,612	4,630	3,236	3,269	517	548	581
Outlays									
19 All types <sup>1,5</sup> .....	326,105	366,466	94,746	181,369	193,719	200,310	35,547	33,715	32,881
20 National defense.....	86,585	89,996	22,518	44,052	45,002	48,721	7,976	8,555	8,404
21 International affairs <sup>5</sup> .....	5,862	5,067	1,997	2,668	3,028	2,522	548	284	439
22 General science, space, and technology.....	3,989	4,370	1,161	1,708	2,377	2,108	356	350	362
23 Natural resources, environment, and energy.....	9,537	11,282	3,324	6,900	7,206	6,855	1,077	1,239	1,421
24 Agriculture.....	1,660	2,502	584	417	2,019	2,628	737	138	256
25 Commerce and transportation.....	16,010	17,248	4,700	5,766	9,643	5,945	1,316	1,586	1,419
26 Community and regional development.....	4,431	5,300	1,530	2,411	3,192	3,149	579	525	670
27 Education, training, employment, and social services.....	15,248	18,167	5,013	9,116	9,083	9,775	1,604	1,628	1,772
28 Health.....	27,647	33,448	8,720	17,008	19,329	18,654	3,241	3,317	3,398
29 Income security <sup>1</sup> .....	108,605	127,406	32,796	65,336	65,456	70,745	11,632	11,568	11,129
30 Veterans benefits and services.....	16,597	18,432	3,962	9,450	8,542	9,382	1,684	1,625	1,225
31 Law enforcement and justice.....	2,942	3,320	859	1,784	1,839	1,783	305	285	316
32 General government.....	3,089	2,927	878	870	1,734	1,587	113	488	324
33 Revenue sharing and general purpose fiscal assistance.....	7,005	7,119	2,024	3,664	4,729	4,333	2,103	45	47
34 Interest <sup>6</sup> .....	30,974	34,589	7,246	18,560	18,409	18,927	2,751	2,690	5,908
35 Undistributed offsetting receipts <sup>6,7</sup>	-14,075	-14,704	-2,567	-8,340	-7,869	-6,803	-475	-609	-4,211

<sup>1</sup> Effective June 1977, earned income credit payments in excess of an individual's tax liability, formerly treated as outlays, are classified as income tax refunds.

<sup>2</sup> Old-age, disability and hospital insurance, and Railroad Retirement accounts.

<sup>3</sup> Supplementary medical insurance premiums, Federal employee retirement contributions and Civil Service retirement and disability fund.

<sup>4</sup> Deposits of earnings by F.R. Banks and other miscellaneous receipts.

<sup>5</sup> Outlay totals reflect the reclassification of the Export-Import Bank from off-budget status to unified budget status. Export-Import Bank

certificates of beneficial interest (effective July 1, 1975) and loans to the Private Export Funding Corp. (PEFCO), a wholly owned subsidiary of the Export-Import Bank, are treated as debt rather than asset sales.

<sup>6</sup> Effective September 1976, "Interest" and "Undistributed Offsetting Receipts" reflect the accounting conversion for the interest on special issues for U.S. Govt. accounts from an accrual basis to a cash basis.

<sup>7</sup> Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. Govt. contributions for employee retirement.

## 1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1973		1974		1975		1976			1977
	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Sept. 30	Dec. 31	Mar. 31	
1 Federal debt outstanding.....	480.7	486.2	504.0	544.1	587.6	631.9	2 646.4	665.5	680.1	
2 Public debt securities.....	469.1	474.2	492.7	533.7	576.6	620.4	634.7	653.5	669.2	
3 Held by public.....	339.4	336.0	351.5	387.9	437.3	470.8	488.6	506.4	524.3	
4 Held by agencies.....	129.6	138.2	141.2	145.3	139.3	149.6	146.1	147.1	144.9	
5 Agency securities.....	11.6	12.0	11.3	10.9	10.9	11.5	11.6	12.0	10.9	
6 Held by public.....	9.6	10.0	9.3	9.0	8.9	9.5	29.7	10.0	9.1	
7 Held by agencies.....	2.0	2.0	2.0	1.9	2.0	2.0	1.9	1.9	1.8	
8 Debt subject to statutory limit.....	470.8	476.0	493.0	534.2	577.8	621.6	635.8	654.7	670.3	
9 Public debt securities.....	468.4	473.6	490.5	532.6	576.0	619.8	634.1	652.9	668.6	
10 Other debt <sup>1</sup> .....	2.4	2.4	2.4	1.6	1.7	1.7	1.7	1.7	1.7	
11 MEMO: Statutory debt limit.....	475.7	495.0	495.0	577.0	595.0	636.0	636.0	682.0	682.0	

<sup>1</sup> Includes guaranteed debt of Govt. agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

<sup>2</sup> Gross Federal debt and Agency debt held by the public increased

\$0.5 billion due to a retroactive reclassification of the Export-Import Bank certificates of beneficial interest from loan asset sales to debt, effective July 1, 1975.

NOTE.—Data from *Treasury Bulletin* (U.S. Treasury Dept.).

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

Billions of dollars, end of period

Type and holder	1973	1974	1975	1976	1977				
					Mar.	Apr.	May	June	July
1 Total gross public debt <sup>1</sup> .....	469.9	492.7	576.6	653.5	669.2	671.0	672.1	674.4	673.9
By type:									
2 Interest-bearing debt.....	467.8	491.6	575.7	652.5	668.2	668.5	671.0	673.4	671.4
3 Marketable.....	270.2	282.9	363.2	421.3	435.4	434.1	431.5	431.1	430.2
4 Bills.....	107.8	119.7	157.5	164.0	164.3	162.0	157.9	155.1	154.2
5 Notes.....	124.6	129.8	167.1	216.7	229.6	230.7	230.2	232.9	231.4
6 Bonds.....	37.8	33.4	38.6	40.6	41.5	41.4	43.3	43.2	44.7
7 Nonmarketable <sup>2</sup> .....	197.6	208.7	212.5	231.2	232.8	234.4	239.5	242.2	241.1
8 Convertible bonds <sup>3</sup> .....	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2
9 Foreign issues <sup>4</sup> .....	26.0	22.8	21.6	22.3	22.1	21.9	21.8	21.7	21.5
10 Savings bonds and notes.....	60.8	63.8	67.9	72.3	73.4	73.9	74.3	74.7	75.2
11 Govt. account series <sup>5</sup> .....	108.0	119.1	119.4	129.7	128.2	129.0	133.0	134.8	132.4
By holder: <sup>6</sup>									
12 U.S. Govt. agencies and trust funds.....	129.6	141.2	139.3	147.1	145.0	145.5	149.4		
13 F.R. Banks.....	78.5	80.5	87.9	97.0	96.0	99.8	97.4		
14 Private investors.....	261.7	271.0	349.4	409.5	428.3	425.7	425.3		
15 Commercial banks.....	60.3	55.6	85.1	102.5	106.0	103.5	102.0		
16 Mutual savings banks.....	2.9	2.5	4.5	5.5	5.2	5.2	5.2		
17 Insurance companies.....	6.4	6.1	9.3	12.3	12.2	12.1	12.3		
18 Other corporations.....	10.9	11.0	20.2	25.5	26.0	26.3	25.3		
19 State and local governments.....	29.2	29.2	33.8	41.6	43.4	46.9	47.8		
Individuals:									
20 Savings bonds.....	60.3	63.4	67.3	72.0	72.8	73.2	73.7		
21 Other securities.....	16.9	21.5	24.0	28.8	29.1	29.0	29.1		
22 Foreign and international <sup>7</sup> .....	55.5	58.4	66.5	78.1	84.7	85.9	86.0		
23 Other miscellaneous investors <sup>8</sup> .....	19.3	23.2	38.6	43.2	48.9	43.6	47.8		

<sup>1</sup> Includes \$2.5 billion of non-interest-bearing debt (of which \$611 million on July 31, 1977, was not subject to statutory debt limitations).

<sup>2</sup> Includes (not shown separately): Securities issued to the Rural Electrification Administration and to State and local governments, depositary bonds, retirement plan bonds, and individual retirement bonds.

<sup>3</sup> These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ per cent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category above.

<sup>4</sup> Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency series.

<sup>5</sup> Held only by U.S. Govt. agencies and trust funds.

<sup>6</sup> Data for F.R. Banks and U.S. Govt. agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

<sup>7</sup> Consists of the investments of foreign balances and international accounts in the United States. Beginning with 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.

<sup>8</sup> Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain Govt. deposit accounts, and Govt.-sponsored agencies.

NOTE.—Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues. Data by type of security from *Monthly Statement of the Public Debt of the United States*, U.S. Treasury Dept.; data by holder from *Treasury Bulletin*.



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

Par value; millions of dollars, end of period

Type of holder	1975	1976	1977		1975	1976	1977	
			May	June			May	June
			All maturities				1 to 5 years	
1 All holders	363,191	421,276	431,447	431,149	112,270	141,132	143,011	144,503
2 U.S. Govt. agencies and trust funds	19,397	16,485	15,434	15,425	7,058	6,141	5,949	5,949
3 F. R. Banks	87,934	96,971	97,394	102,239	30,518	31,249	30,239	31,554
4 Private investors	255,860	307,820	318,619	313,485	74,694	103,742	106,823	107,000
5 Commercial banks	64,398	78,262	77,048	79,059	29,629	40,005	41,129	41,725
6 Mutual savings banks	3,300	4,072	4,450	4,390	1,524	2,010	2,093	2,118
7 Insurance companies	7,565	10,284	10,158	11,372	2,359	3,885	4,088	4,274
8 Nonfinancial corporations	9,365	14,193	13,607	12,487	1,967	2,618	3,120	2,972
9 Savings and loan associations	2,793	4,576	5,170	4,827	1,558	2,360	2,662	2,588
10 State and local governments	9,285	12,252	16,201	14,522	1,761	2,543	4,573	3,826
11 All others	159,154	184,182	191,985	186,828	35,894	50,321	49,157	49,497
			Total, within 1 year				5 to 10 years	
12 All holders	199,692	211,035	213,662	211,955	26,436	43,045	45,972	45,955
13 U.S. Govt. agencies and trust funds	2,769	2,012	1,821	1,811	3,283	2,879	2,141	2,141
14 F. R. Banks	46,845	51,569	49,630	52,792	6,463	9,148	11,172	11,371
15 Private investors	150,078	157,454	162,211	157,353	16,690	31,018	32,658	32,443
16 Commercial banks	29,875	31,213	28,622	29,633	4,071	6,278	6,576	7,063
17 Mutual savings banks	983	1,214	1,407	1,319	448	567	654	662
18 Insurance companies	2,024	2,191	1,720	1,705	1,592	2,546	2,791	2,884
19 Nonfinancial corporations	7,105	11,009	9,861	9,064	175	370	380	262
20 Savings and loan associations	914	1,984	2,297	2,030	216	155	140	139
21 State and local governments	5,288	6,622	8,747	7,530	782	1,465	1,253	1,345
22 All others	103,889	103,220	109,556	106,071	9,405	19,637	20,865	20,086
			Bills, within 1 year				10 to 20 years	
23 All holders	157,483	163,992	157,931	155,064	14,264	11,865	11,656	11,607
24 U.S. Govt. agencies and trust funds	207	449	280	270	4,233	3,102	3,102	3,102
25 F. R. Banks	38,018	41,279	40,054	42,388	1,507	1,363	1,374	1,413
26 Private investors	119,258	122,264	117,597	112,406	8,524	7,400	7,180	7,092
27 Commercial banks	17,481	17,303	11,410	11,669	552	339	301	314
28 Mutual savings banks	554	454	445	397	232	139	134	135
29 Insurance companies	1,513	1,463	728	732	1,154	1,114	1,076	1,577
30 Nonfinancial corporations	5,829	9,939	8,178	7,576	61	142	159	146
31 Savings and loan associations	518	1,266	1,268	1,013	82	64	56	56
32 State and local governments	4,566	5,556	6,916	5,886	896	718	663	634
33 All others	88,797	86,282	88,651	85,133	5,546	4,884	4,790	4,230
			Other, within 1 year				Over 20 years	
34 All holders	42,209	47,043	55,731	56,891	10,530	14,200	17,146	17,129
35 U.S. Govt. agencies and trust funds	2,562	1,563	1,541	1,541	2,053	2,350	2,421	2,421
36 F. R. Banks	8,827	10,290	9,576	10,404	2,601	3,642	4,979	5,110
37 Private investors	30,820	35,190	44,614	44,947	5,876	8,208	9,746	9,598
38 Commercial banks	12,394	13,910	17,212	17,964	271	427	419	324
39 Mutual savings banks	429	760	962	922	112	143	162	157
40 Insurance companies	511	728	992	973	436	548	483	931
41 Nonfinancial corporations	1,276	1,070	1,683	1,488	57	55	87	42
42 Savings and loan associations	396	718	1,029	1,017	22	13	15	13
43 State and local governments	722	1,066	1,831	1,644	558	904	965	1,186
44 All others	15,092	16,938	20,905	20,938	4,420	6,120	7,616	6,945

NOTE: Direct public issues only. Based on Treasury Survey of Ownership from *Treasury Bulletin* (U.S. Treasury Dept.).

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of June 30, 1977; (1) 5,493 commercial

banks, 466 mutual savings banks, and 728 insurance companies, each about 90 per cent; (2) 433 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 496 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

## 1.44 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1974	1975	1976	1977			1977, week ending Wednesday						
				Apr.	May	June	June 22	June 29	July 6	July 13	July 20	July 27	
				1 U.S. Govt. securities.....	3,579	6,027	10,449	13,597	10,306	8,683	7,445	9,026	8,238
By maturity:													
2 Bills.....	2,550	3,889	6,676	8,829	6,495	5,021	4,083	4,874	5,023	4,940	5,579	6,874	
3 Other within 1 year.....	250	223	210	215	183	215	171	230	277	141	220	192	
4 1-5 years.....	465	1,414	2,317	2,727	1,981	2,059	1,896	2,301	1,505	1,261	1,979	2,019	
5 5-10 years.....	256	363	1,019	1,592	1,322	952	926	1,078	697	688	698	648	
6 Over 10 years.....	58	138	229	235	325	436	370	544	735	511	322	293	
By type of customer:													
7 U.S. Govt. securities dealers.....	652	885	1,360	1,523	1,059	1,030	739	1,204	985	971	899	1,047	
8 U.S. Govt. securities brokers.....	965	1,750	3,407	4,795	3,975	2,529	2,025	2,638	2,477	2,320	2,696	3,355	
9 Commercial banks.....	998	1,451	2,426	2,705	2,095	1,965	1,606	1,955	1,902	1,690	2,378	2,260	
10 All others <sup>1</sup> .....	964	1,941	3,257	4,575	3,177	3,159	3,075	3,230	2,874	2,561	2,825	3,365	
11 Federal agency securities.....	965	1,043	1,548	2,008	1,786	2,138	2,028	2,348	2,276	1,355	1,697	1,404	

<sup>1</sup> Includes—among others—all other dealers and brokers in commodities and securities, foreign banking agencies, and the F.R. System.

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

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

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

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

Item	1974	1975	1976	1977			1977, week ending Wednesday					
				Apr.	May	June	May 25	June 1	June 8	June 15	June 22	June 29
				Positions <sup>2</sup>								
1 U.S. Govt. securities.....	2,580	5,884	7,592	5,911	3,900	5,757	3,584	5,611	6,561	6,537	4,840	4,922
2 Bills.....	1,932	4,297	6,290	5,215	3,786	5,538	3,647	4,930	6,280	6,374	5,140	4,430
3 Other within 1 year.....	-6	265	188	253	198	15	230	134	27	33	12	5
4 1-5 years.....	265	886	515	211	101	82	-259	332	174	33	201	257
5 5-10 years.....	302	300	402	101	-70	23	-111	77	-11	45	54	91
6 Over 10 years.....	88	136	198	131	87	99	76	139	91	52	33	139
7 Federal agency securities.....	1,212	943	729	687	539	1,027	481	1,632	1,660	1,513	1,023	1,621
Sources of financing <sup>3</sup>												
8 All sources.....	3,977	6,666	8,715	10,301	9,351	10,791	9,338	8,585	12,098	12,043	10,489	8,781
Commercial banks:												
9 New York City.....	1,032	1,621	1,896	1,948	881	1,583	840	1,129	2,224	1,969	1,492	692
10 Outside New York City....	1,064	1,466	1,660	2,174	1,735	2,179	1,711	1,963	2,670	2,891	2,070	1,187
11 Corporations <sup>1</sup> .....	459	842	1,479	1,891	1,806	2,769	2,103	1,905	2,619	3,484	2,888	2,272
12 All other.....	1,423	2,738	3,681	4,288	4,929	4,261	4,683	3,589	4,586	3,699	4,038	4,631

<sup>1</sup> All business corporations except commercial banks and insurance companies.

<sup>2</sup> Net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase. The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities purchased under agreements to resell.

<sup>3</sup> Total amounts outstanding of funds borrowed by nonbank dealer

firms and dealer departments of commercial banks against U.S. Govt. and Federal agency securities (through both collateral loans and sales under agreements to repurchase), plus internal funds used by bank dealer departments to finance positions in such securities. Borrowings against securities held under agreement to resell are excluded where the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

NOTE.—Averages for positions are based on number of trading days in the period; those for financing, on the number of calendar days in the period.

## 1.46 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1973	1974	1975	1976 Dec.	1977				
					Jan.	Feb.	Mar.	Apr.	May
1 Federal and Federally sponsored agencies.....	71,594	89,381	97,680	103,308	103,489	102,961	103,673	105,579	105,823
2 Federal agencies.....	11,554	12,719	19,046	22,419	22,168	22,307	22,413	22,462	22,316
3 Defense Department <sup>1</sup> .....	1,439	1,312	1,220	1,113	1,095	1,086	1,077	1,068	1,059
4 Export-Import Bank <sup>2,3</sup> .....	2,625	2,893	7,188	8,574	8,557	8,580	8,615	8,610	8,596
5 Federal Housing Administration <sup>4</sup> .....	415	440	564	575	579	581	592	598	594
6 Government National Mortgage Association participation certificates <sup>5</sup> .....	4,390	4,280	4,200	4,120	3,845	3,845	3,845	3,803	3,803
7 Postal Service <sup>6</sup> .....	250	721	2,998	2,998	2,998	2,998	2,998	2,998	2,856
8 Tennessee Valley Authority.....	2,435	3,070	3,915	4,935	4,985	5,005	5,070	5,155	5,175
9 United States Railway Association <sup>6</sup> .....		3	209	104	109	212	216	230	233
10 Federally sponsored agencies.....	60,040	76,662	78,634	80,889	81,321	80,654	81,260	83,117	83,507
11 Federal home loan banks.....	15,362	21,890	18,900	16,811	16,805	16,587	16,626	16,678	16,851
12 Federal Home Loan Mortgage Corporation.....	1,784	1,551	1,550	1,150	1,350	957	957	957	957
13 Federal National Mortgage Association.....	23,002	28,167	29,963	30,565	30,394	30,143	30,392	30,684	30,843
14 Federal land banks.....	10,062	12,653	15,000	17,127	17,304	17,304	17,304	18,137	18,137
15 Federal intermediate credit banks.....	6,932	8,589	9,254	10,494	10,631	10,556	10,670	10,990	11,174
16 Banks for cooperatives.....	2,695	3,589	3,655	4,330	4,425	4,695	4,899	5,254	5,113
17 Student Loan Marketing Association <sup>7</sup> .....	200	220	310	410	410	410	410	415	430
18 Other.....	3	3	2	2	2	2	2	2	2
MI MO ITEMS:									
19 Federal Financing Bank debt <sup>8</sup> .....		4,474	17,154	28,711	29,848	30,328	31,312	30,823	31,007
Lending to Federal and Federally sponsored agencies:									
20 Export-Import Bank <sup>3</sup> .....			4,595	5,208	5,208	5,247	5,273	5,273	5,273
21 Postal Service <sup>6</sup> .....		500	1,500	2,748	2,748	2,748	2,748	2,748	2,606
22 Student Loan Marketing Association <sup>7</sup> .....		220	310	410	410	410	410	415	430
23 Tennessee Valley Authority.....		895	1,840	3,110	3,160	3,180	3,245	3,330	3,350
24 United States Railway Association <sup>6</sup> .....		3	209	104	109	212	216	230	233
Other lending: <sup>9</sup>									
25 Farmers Home Administration.....		2,500	7,000	10,750	11,450	11,450	11,750	11,750	12,250
26 Rural Electrification Administration.....			566	1,768	1,509	1,584	1,677	1,806	1,864
27 Other.....		356	1,134	4,613	5,254	5,507	5,993	5,271	5,001

<sup>1</sup> Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

<sup>2</sup> Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

<sup>3</sup> Off-budget Aug. 17, 1974 through Sept. 30, 1976; on-budget thereafter.

<sup>4</sup> Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

<sup>5</sup> 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.

<sup>6</sup> Off-budget.

<sup>7</sup> Unlike other Federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.

<sup>8</sup> 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.

<sup>9</sup> Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

1.47 NEW SECURITY ISSUES State and Local Government and Corporate

Millions of dollars

Type of issue or issuer, or use	1974	1975	1976	1977					
				Jan.	Feb.	Mar.	Apr.	May	June
State and local government									
1 All issues, new and refunding <sup>1</sup> .....	24,315	30,607	35,313	3,429	3,150	4,140	3,566	4,308	5,347
By type of issue:									
2 General obligation.....	13,563	16,020	18,040	1,867	1,624	1,812	1,701	2,032	2,265
3 Revenue.....	10,212	14,511	17,140	1,552	1,518	2,323	1,862	2,272	3,079
4 Housing Assistance Administration <sup>2</sup> .....	461								
5 U.S. Govt. loans.....	79	76	133	10	8	5	3	4	3
By type of issuer:									
6 State.....	4,784	7,438	7,054	468	441	705	769	875	1,476
7 Special district and statutory authority.....	8,638	12,441	15,304	1,786	1,335	1,818	1,388	1,836	1,873
8 Municipalities, counties, townships, school districts.....	10,817	10,660	12,845	1,166	1,367	1,612	1,407	1,593	1,994
9 Issues for new capital, total.....	23,508	29,495	32,108	3,084	3,019	3,209	2,939	3,781	4,456
By use of proceeds:									
10 Education.....	4,730	4,689	4,900	489	502	472	249	497	807
11 Transportation.....	1,712	2,208	2,586	104	410	180	119	508	218
12 Utilities and conservation.....	5,634	7,209	9,594	1,050	935	804	703	1,235	1,202
13 Social welfare.....	3,820	4,392	6,566	483	580	600	658	438	816
14 Industrial aid.....	494	445	483	15	12	38	42	130	23
15 Other purposes.....	7,118	10,552	7,979	943	580	1,115	1,168	973	1,390
Corporate									
16 All issues <sup>3</sup> .....	38,313	53,619	53,356	3,989	2,708	5,495	3,639		
17 Bonds.....	32,066	42,756	42,262	3,387	1,888	4,300	3,048		
By type of offering:									
18 Public.....	25,903	32,583	26,453	2,786	1,102	2,610	1,961		
19 Private placement.....	6,160	10,172	15,808	601	786	1,690	1,087		
By industry group:									
20 Manufacturing.....	9,867	16,980	13,243	817	568	1,049	1,128		
21 Commercial and miscellaneous.....	1,845	2,750	4,361	743	346	454	180		
22 Transportation.....	1,550	3,439	4,357	165	47	243	129		
23 Public utility.....	8,873	9,658	8,297	634	210	756	602		
24 Communication.....	3,710	3,464	2,787	50	290	808	324		
25 Real estate and financial.....	6,218	6,469	9,222	979	426	991	684		
26 Stocks.....	6,247	10,863	11,094	602	820	1,195	591		
By type:									
27 Preferred.....	2,253	3,458	2,789	103	128	520	163		
28 Common.....	3,994	7,405	8,305	499	692	675	428		
By industry group:									
29 Manufacturing.....	544	1,670	2,237	89	175	76	220		
30 Commercial and miscellaneous.....	940	1,470	1,183	136	94	114	114		
31 Transportation.....	22	1	24			125			
32 Public utility.....	3,964	6,235	6,101	352	225	842	172		
33 Communication.....	217	1,002	776		267		10		
34 Real estate and financial.....	562	488	771	25	60	38	75		

<sup>1</sup> Par amounts of long-term issues based on date of sale.

<sup>2</sup> Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

<sup>3</sup> Figures, which represent gross proceeds of issues maturing in more than 1 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.

SOURCES.—State and local government securities, Securities Industry Association; corporate securities, Securities and Exchange Commission.

## 1.48 CORPORATE SECURITIES Net Change in Amounts Outstanding

Millions of dollars

Source of change, or industry	1974	1975	1976	1975			1976				
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>All issues<sup>1</sup></b>											
1 New issues	39,344	53,255	53,123	15,602	9,079	13,363	13,671	14,229	11,385	13,838	
2 Retirements	9,935	10,991	12,184	3,211	2,576	3,116	2,315	3,668	2,478	3,723	
3 Net change	29,399	42,263	40,939	12,390	6,503	10,247	11,356	10,561	8,907	10,115	
<b>Bonds and notes</b>											
4 New issues	31,354	40,468	38,994	11,460	6,654	9,595	9,404	10,244	8,701	10,645	
5 Retirements	6,255	8,583	9,109	2,336	2,111	2,549	1,403	3,159	1,826	2,721	
6 Net change: Total	25,098	31,886	29,884	9,124	4,543	7,047	8,001	7,084	6,875	7,924	
<b>By industry:</b>											
7 Manufacturing	7,404	13,219	8,978	4,574	1,442	2,069	2,966	1,529	1,551	2,932	
8 Commercial and other <sup>2</sup>	1,116	1,605	2,259	483	221	528	203	726	610	720	
9 Transportation, including railroad	341	2,165	3,078	429	147	1,588	985	488	1,092	513	
10 Public utility	7,308	7,236	6,829	1,977	1,395	1,211	1,820	1,260	2,109	1,640	
11 Communication	3,499	2,980	1,687	810	472	429	498	953	335	-99	
12 Real estate and financial	5,428	4,682	7,054	852	866	1,222	1,530	2,128	1,178	2,218	
<b>Common and preferred stock</b>											
13 New issues	7,980	12,787	14,129	4,142	2,425	3,768	4,267	3,985	2,684	3,193	
14 Retirements	3,678	2,408	3,075	875	465	567	912	509	652	1,002	
15 Net change: Total	4,302	10,377	11,055	3,266	1,960	3,200	3,355	3,477	2,032	2,191	
<b>By industry:</b>											
16 Manufacturing	17	1,607	2,634	500	412	433	838	1,120	744	-68	
17 Commercial and other <sup>2</sup>	-135	1,137	762	490	108	462	88	318	117	239	
18 Transportation, including railroad	-20	65	96	7	53	4	5	25	17	49	
19 Public utility	3,834	6,015	6,171	1,866	1,043	1,537	2,174	1,300	932	1,765	
20 Communication	398	1,084	854	359	97	604	47	735	19	53	
21 Real estate and financial	207	468	538	43	247	160	203	-21	203	153	

<sup>1</sup> Excludes issues of investment companies.<sup>2</sup> Extractive and commercial and miscellaneous companies.NOTE.—Securities and Exchange Commission estimates of cash transactions only, as published in the Commission's *Statistical Bulletin*.

New issues and retirements exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements, defined in the same way, include securities retired with internal funds or with proceeds of issues for that purpose.

## 1.49 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1975	1976	1976	1977					
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<b>INVESTMENT COMPANIES</b> excluding money market funds									
1 Sales of own shares <sup>1</sup>	3,302	4,226	661	655	423	463	558	421	601
2 Redemptions of own shares <sup>2</sup>	3,686	6,802	628	628	463	553	468	531	510
3 Net sales	-384	2,496	33	141	-40	-90	63	-110	91
4 Assets <sup>3</sup>	42,179	47,537	47,537	45,760	45,040	44,516	44,862	44,403	46,217
5 Cash position <sup>4</sup>	3,748	2,747	2,747	2,958	3,260	3,474	2,776	2,859	2,901
6 Other	38,431	44,790	44,790	42,802	41,780	41,042	42,086	41,544	43,316

<sup>1</sup> 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.<sup>2</sup> Excludes share redemption resulting from conversions from one fund to another in the same group.<sup>3</sup> Market value at end of period, less current liabilities.<sup>4</sup> Also includes all U.S. Govt. 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.

1.50 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Account	1974 <sup>r</sup>	1975 <sup>r</sup>	1976 <sup>r</sup>	1975 <sup>r</sup>		1976 <sup>r</sup>				1977 <sup>r</sup>
				Q3	Q4	Q1	Q2	Q3	Q4	
1 Profits before tax.....	126.9	123.5	156.9	137.7	141.0	153.5	159.2	159.9	154.8	161.7
2 Profits tax liability.....	52.4	50.2	64.7	56.3	57.9	63.1	66.1	65.9	63.9	64.4
3 Profits after tax.....	74.5	73.3	92.2	81.4	83.1	90.4	93.1	94.0	90.9	97.3
4 Dividends.....	31.0	32.4	35.8	32.9	32.5	33.6	35.0	36.0	38.4	38.4
5 Undistributed profits.....	43.5	40.9	56.4	48.5	50.6	56.8	58.1	58.0	52.5	58.9
6 Capital consumption allowances.....	81.6	89.5	97.2	90.6	92.2	94.1	95.9	98.2	100.4	102.0
7 Net cash flow.....	125.1	130.4	153.6	139.1	142.8	150.9	154.0	156.2	152.9	160.9

SOURCE.—U.S. Dept. of Commerce, *Survey of Current Business*.

1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, end of period

Account	1971	1972	1973	1974	1975	1976				1977
					Q4	Q1	Q2	Q3	Q4	
1 Current assets.....	529.4	574.4	643.2	712.2	731.6	753.5	775.4	791.8	816.8	845.3
2 Cash.....	53.3	57.5	61.6	62.7	68.1	68.4	70.8	71.1	77.0	75.0
3 U.S. Govt. securities.....	11.0	10.2	11.0	11.7	19.4	21.7	23.3	23.9	26.4	27.3
4 Notes and accounts receivable.....	221.1	243.4	269.6	293.2	298.2	310.9	321.8	328.5	328.2	346.6
5 U.S. Govt. <sup>1</sup> .....	3.5	3.4	3.5	3.5	3.6	3.6	3.7	4.3	4.3	4.7
6 Other.....	217.6	240.0	266.1	289.7	294.6	307.3	318.1	324.2	323.9	342.0
7 Inventories.....	200.4	215.2	246.7	288.0	285.8	288.8	295.6	302.1	315.4	322.1
8 Other.....	43.8	48.1	54.4	56.6	60.0	63.6	63.9	66.3	69.8	74.3
9 Current liabilities.....	326.0	352.2	401.0	450.6	457.5	465.9	475.9	484.1	499.9	516.6
10 Notes and accounts payable.....	220.5	234.4	265.9	292.7	288.0	286.9	293.8	291.7	302.9	309.0
11 U.S. Govt. <sup>1</sup> .....	4.9	4.0	4.3	5.2	6.4	6.4	6.8	7.0	7.0	6.8
12 Other.....	215.6	230.4	261.6	287.5	281.6	280.5	287.0	284.7	295.9	302.2
13 Accrued Federal income taxes.....	13.1	15.1	18.1	23.2	20.7	23.9	22.0	24.9	26.8	28.6
14 Other.....	92.4	102.6	117.0	134.8	148.8	155.0	160.1	167.5	170.2	179.0
15 Net working capital.....	203.6	221.3	242.3	261.5	274.1	287.6	299.5	307.7	316.9	328.7

<sup>1</sup> Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

SOURCE.—Securities and Exchange Commission estimates published in the Commission's *Statistical Bulletin*.

1.52 BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Industry	1975	1976	1975	1976				1977		
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 <sup>2</sup>
1 All industries.....	112.75	120.82	111.80	114.72	118.12	122.55	125.22	130.16	134.46	136.91
Manufacturing										
2 Durable goods industries.....	21.88	23.50	21.07	21.63	22.54	24.59	25.50	26.30	26.42	28.30
3 Nondurable goods industries.....	26.13	29.22	25.75	27.58	28.09	30.20	28.93	30.13	32.20	33.46
Nonmanufacturing										
4 Mining.....	3.80	3.98	3.82	3.83	3.83	4.21	4.13	4.24	4.42	4.54
Transportation:										
5 Railroad.....	2.56	2.35	2.39	2.08	2.64	2.69	2.63	2.71	2.69	2.37
6 Air.....	1.87	1.31	1.65	1.18	1.44	1.12	1.41	1.62	1.52	1.94
7 Other.....	3.03	3.56	3.56	3.29	4.16	3.44	3.49	2.96	2.39	2.43
Public utilities:										
8 Electric.....	16.99	18.90	17.92	18.56	18.82	18.22	19.49	21.19	21.09	21.58
9 Gas and other.....	3.14	3.47	3.00	3.36	3.03	3.45	3.96	4.16	4.56	4.14
10 Communication.....	12.76	12.93	12.22	12.54	12.62	13.64	14.30	14.19	39.16	38.14
11 Commercial and other <sup>1</sup> .....	20.61	20.87	20.44	20.68	20.94	20.99	21.36	22.67		

<sup>1</sup> Includes trade, service, construction, finance, and insurance.

<sup>2</sup> Anticipated by business.

agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

NOTE.—Estimates for corporate and noncorporate business, excluding

SOURCE.—U.S. Dept. of Commerce, *Survey of Current Business*.

## 1.521 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1972	1973	1974	1975	1976				1977	
					Q4	Q1	Q2	Q3	Q4	Q1
<b>ASSETS</b>										
Accounts receivable, gross										
1 Consumer.....	31.9	35.4	36.1	36.0	35.7	36.7	37.6	38.6	39.2	40.7
2 Business.....	27.4	32.3	37.2	39.3	41.2	42.4	42.4	44.7	47.5	50.4
3 Total.....	59.3	67.7	73.3	75.3	76.9	79.2	80.0	83.4	86.7	91.2
4 LESS: Reserves for unearned income and losses	7.4	8.4	9.0	9.4	9.4	9.8	10.2	10.5	10.6	11.1
5 Accounts receivable, net.....	51.9	59.3	64.2	65.9	67.4	69.4	69.9	72.9	76.1	80.1
6 Cash and bank deposits.....	2.8	2.6	3.0	2.9	2.8	2.7	2.6	2.6	2.7	2.5
7 Securities.....	.9	.8	.4	1.0	.8	.8	1.2	1.1	1.0	1.2
8 All other.....	10.0	10.6	12.0	11.8	12.5	12.4	12.7	12.6	13.0	13.7
9 Total assets.....	65.6	73.2	79.6	81.6	83.5	85.3	86.4	89.2	92.8	97.5
<b>LIABILITIES</b>										
10 Bank loans.....	5.6	7.2	9.7	8.0	7.4	6.9	5.5	6.3	6.1	5.7
11 Commercial paper.....	17.3	19.7	20.7	22.2	22.2	22.2	21.7	23.7	24.8	27.5
Debt:										
12 Short-term, n.e.c.....	4.3	4.6	4.9	4.5	4.9	5.0	5.2	5.4	4.5	5.5
13 Long-term, n.e.c.....	22.7	24.6	26.5	27.6	28.4	30.1	31.0	32.3	34.0	35.0
14 Other.....	4.8	5.6	5.5	6.8	7.8	7.8	9.5	8.1	9.5	9.4
15 Capital, surplus, and undivided profits.....	10.9	11.5	12.4	12.5	12.8	13.2	13.4	13.4	13.9	14.4
16 Total liabilities and capital.....	65.6	73.2	79.6	81.6	83.5	85.3	86.4	89.2	92.8	97.5

NOTE.-- Components may not add to totals due to rounding.

## 1.522 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding June 30, 1977 <sup>1</sup>	Changes in accounts receivable during -			Extensions			Repayments		
		1977			1977			1977		
		Apr.	May	June	Apr.	May	June	Apr.	May	June
1 Retail automotive (commercial vehicles).....	10,750	307	229	340	1,005	943	1,042	698	714	702
2 Wholesale automotive.....	10,710	164	361	137	5,261	5,120	5,049	5,097	4,759	4,912
3 Retail paper on business, industrial, and farm equipment.....	12,645	76	113	238	752	731	694	676	618	456
4 Loans on commercial accounts receivable.....	3,901	60	37	115	2,585	2,333	2,483	2,525	2,296	2,368
5 Factored commercial accounts receivable.....	2,225	124	14	-50	1,721	1,541	1,347	1,597	1,555	1,397
6 All other business credit.....	10,211	112	273	202	1,310	1,392	1,346	11,198	1,119	1,144

<sup>1</sup> Not seasonally adjusted.

## 1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1977									
	1974	1975	1976	Jan.	Feb.	Mar.	Apr.	May	June	
Terms and yields in primary and secondary markets										
<b>PRIMARY MARKETS</b>										
Conventional mortgages on new homes										
Terms: <sup>1</sup>										
1	Purchase price (thous. dollars).....	40.1	44.6	48.4	52.5	53.1	53.8	53.4	52.8	53.0
2	Amount of loan (thous. dollars).....	29.8	33.3	35.9	39.0	39.3	40.9	39.6	39.9	39.4
3	Loan/price ratio (per cent).....	74.3	74.7	74.2	76.3	75.8	77.5	75.5	77.4	75.8
4	Maturity (years).....	26.3	26.8	27.2	28.2	27.8	28.0	27.3	27.9	27.3
5	Fees and charges (per cent of loan amount) <sup>2</sup> .....	1.30	1.54	1.44	1.38	1.31	1.34	1.30	1.34	1.25
6	Contract rate (per cent per annum).....	8.71	8.75	8.76	8.82	8.78	8.74	8.73	8.74	8.77
Yield (per cent per annum):										
7	FHLBB series <sup>3</sup> .....	8.92	9.01	8.99	9.05	8.99	8.95	8.94	8.96	8.98
8	FHUD series <sup>4</sup> .....	9.22	9.10	8.99	8.80	8.80	8.85	8.90	8.95	9.00
<b>SECONDARY MARKETS</b>										
Yields (per cent per annum) on—										
9	FHA mortgages (FHUD series) <sup>5</sup> .....	9.55	9.19	8.82	8.40	8.50	8.58	8.57	8.04	8.74
10	GNMA securities <sup>6</sup> .....	8.72	8.52	8.17	7.85	7.98	8.06	7.96	8.04	7.95
FNMA auctions: <sup>7</sup>										
11	Government-underwritten loans.....	9.31	9.26	8.99	8.48	8.55	8.68	8.67	8.74	8.75
12	Conventional loans.....	9.43	9.37	9.11	8.82	8.86	8.91	8.97	9.08	9.12
Activity in secondary markets										
<b>FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>										
Mortgage holdings (end of period)										
13	Total.....	29,578	31,824	32,904	32,848	32,792	32,830	32,938	33,580	33,918
14	FHA-insured.....	19,189	19,732	18,916	18,854	18,771	18,739	18,745	18,939	18,974
15	VA-guaranteed.....	8,310	9,573	9,212	9,162	9,115	9,099	9,125	9,399	9,509
16	Conventional.....	2,080	2,519	4,776	4,833	4,906	4,992	5,069	5,241	5,435
Mortgage transactions (during period)										
17	Purchases.....	6,953	4,263	3,606	141	150	283	391	947	656
18	Sales.....	4	2	86	.....	.....	.....	.....	7	.....
Mortgage commitments: <sup>8</sup>										
19	Contracted (during period).....	10,765	6,106	6,247	1,180	968	1,119	716	1,452	999
20	Outstanding (end of period).....	7,960	4,126	3,398	4,142	4,707	5,184	5,411	5,773	5,854
Auction of 4-month commitments to buy—										
Government-underwritten loans:										
21	Offered <sup>9</sup> .....	5,462.6	7,042.6	4,929.8	747.4	868.4	1,138.2	456.1	1,842.8	278.9
22	Accepted.....	2,371.4	3,848.3	2,787.2	549.1	484.7	612.0	269.8	1,027.4	127.8
Conventional loans:										
23	Offered <sup>9</sup> .....	1,195.4	1,401.3	2,595.7	326.8	300.0	373.9	348.1	1,164.6	371.1
24	Accepted.....	656.5	765.0	1,879.2	238.3	235.8	268.1	280.7	751.7	263.0
<b>FEDERAL HOME LOAN MORTGAGE CORPORATION</b>										
Mortgage holdings (end of period) <sup>10</sup>										
25	Total.....	4,586	4,987	4,269	3,896	3,672	3,557	3,355	3,285	3,389
26	FHA/VA.....	1,904	1,824	1,618	1,594	1,580	1,564	1,542	1,523	.....
27	Conventional.....	2,682	3,163	2,651	2,302	2,092	1,993	1,813	1,762	.....
Mortgage transactions (during period)										
28	Purchases.....	2,191	1,716	1,175	16	98	200	235	310	.....
29	Sales.....	52	1,020	1,396	51	290	285	388	329	.....
Mortgage commitments: <sup>11</sup>										
30	Contracted (during period).....	4,553	982	1,477	250	170	459	606	525	.....
31	Outstanding (end of period).....	2,390	111	333	462	533	760	1,112	1,314	.....

<sup>1</sup> 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.

<sup>2</sup> Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) in order to obtain a loan.

<sup>3</sup> Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.

<sup>4</sup> Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Dept. of Housing and Urban Development.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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.

<sup>8</sup> 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.

<sup>9</sup> Mortgage amounts offered by bidders are total bids received.

<sup>10</sup> Includes participations as well as whole loans.

<sup>11</sup> Includes conventional and Government-underwritten loans.



## 1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1972	1973	1974	1975 <sup>r</sup>	1976			1977
					Q2 <sup>r</sup>	Q3 <sup>r</sup>	Q4 <sup>r</sup>	Q1 <sup>r</sup>
1 All holders.....	603,417	682,321	742,504	801,537	840,591	865,733	889,039	910,941
2 1- to 4-family.....	372,793	416,883	449,937	490,761	519,836	538,847	556,443	572,517
3 Multifamily.....	82,572	92,877	99,851	100,601	102,906	103,882	104,283	104,342
4 Commercial.....	112,294	131,308	146,428	159,298	164,056	167,539	171,259	174,763
5 Farm.....	35,758	41,253	46,288	50,877	53,793	55,465	57,054	59,319
6 Major financial institutions.....	450,000	505,400	542,552	581,193	611,538	630,103	647,627	662,272
7 Commercial banks <sup>1</sup> .....	99,314	119,068	132,105	136,186	143,699	147,805	151,208	154,510
8 1- to 4-family.....	57,004	67,998	74,758	77,018	81,281	83,938	86,205	88,086
9 Multifamily.....	5,778	6,932	7,619	5,915	8,130	8,144	8,100	8,282
10 Commercial.....	31,751	38,696	43,679	46,882	47,924	49,160	50,175	51,266
11 Farm.....	4,781	5,442	6,049	6,371	6,363	6,563	6,728	6,876
12 Mutual savings banks.....	67,556	73,230	74,926	77,249	78,838	80,249	81,734	82,273
13 1- to 4-family.....	46,229	48,811	49,213	50,025	51,326	52,250	53,217	53,568
14 Multifamily.....	10,910	12,343	12,923	13,792	13,674	13,915	14,173	14,266
15 Commercial.....	10,355	12,012	12,722	13,373	13,780	14,028	14,287	14,381
16 Farm.....	62	64	62	59	58	56	57	58
17 Savings and loan associations.....	206,182	231,733	249,293	278,590	299,296	31,847	323,130	333,703
18 1- to 4-family.....	167,049	187,750	201,553	223,903	241,023	251,629	260,895	270,100
19 Multifamily.....	20,783	22,524	23,683	25,547	26,817	27,505	28,436	29,032
20 Commercial.....	18,350	21,459	24,057	29,140	31,456	32,713	33,799	34,571
21 Life insurance companies.....	76,948	81,369	86,234	89,168	89,706	90,202	91,555	91,786
22 1- to 4-family.....	22,315	20,426	19,026	17,590	16,855	16,448	16,088	15,699
23 Multifamily.....	17,347	18,451	19,625	19,629	19,367	19,234	19,178	18,921
24 Commercial.....	31,608	36,496	41,256	45,196	46,479	47,336	48,864	49,526
25 Farm.....	5,678	5,996	6,327	6,753	7,005	7,184	7,425	7,640
26 Federal and related agencies.....	40,157	46,721	58,320	66,891	66,033	67,314	66,753	66,248
27 Government National Mortgage Assn.....	5,113	4,029	4,846	7,438	5,557	5,068	4,241	4,013
28 1- to 4-family.....	2,513	1,455	2,248	4,728	3,165	2,486	1,970	1,670
29 Multifamily.....	2,600	2,574	2,598	2,710	2,392	2,582	2,271	2,343
30 Farmers Home Admin.....	1,019	1,366	1,432	1,109	830	1,355	1,064	500
31 1- to 4-family.....	279	743	759	208	228	754	454	98
32 Multifamily.....	29	29	167	215	46	143	218	28
33 Commercial.....	320	218	156	190	151	133	72	64
34 Farm.....	391	376	350	496	405	325	320	310
35 Federal Housing and Veterans Admin.....	3,338	3,476	4,015	4,970	5,111	5,092	5,150	5,406
36 1- to 4-family.....	2,199	2,013	2,009	1,990	1,781	1,716	1,676	1,732
37 Multifamily.....	1,139	1,463	2,006	2,980	3,330	3,376	3,474	3,674
38 Federal National Mortgage Assn.....	19,791	24,175	29,578	31,824	32,028	32,962	32,904	32,830
39 1- to 4-family.....	17,697	20,370	23,778	25,813	26,112	27,030	26,934	26,836
40 Multifamily.....	2,094	3,805	5,800	6,011	5,916	5,932	5,970	5,994
41 Federal land banks.....	9,107	11,071	13,863	16,563	17,978	18,568	19,125	19,942
42 1- to 4-family.....	13	123	406	549	575	586	601	611
43 Farm.....	9,094	10,948	13,457	16,014	17,403	17,982	18,524	19,331
44 Federal Home Loan Mortgage Corp.....	1,789	2,604	4,586	4,987	4,529	4,269	4,269	3,557
45 1- to 4-family.....	1,754	2,446	4,217	4,588	4,166	3,917	3,889	3,200
46 Multifamily.....	35	158	369	399	363	352	380	357
47 Mortgage pools or trusts <sup>2</sup> .....	14,404	18,040	23,799	34,138	41,225	44,960	49,801	54,811
48 Government National Mortgage Assn.....	5,504	7,890	11,769	18,257	23,634	26,725	30,572	34,260
49 1- to 4-family.....	5,353	7,561	11,249	17,538	22,821	25,841	29,583	33,190
50 Multifamily.....	151	329	520	719	813	884	989	1,070
51 Federal Home Loan Mortgage Corp.....	441	766	757	1,598	2,153	2,506	2,671	3,570
52 1- to 4-family.....	331	617	608	1,349	1,831	2,141	2,282	3,112
53 Multifamily.....	110	149	149	249	322	365	389	458
54 Farmers Home Admin.....	8,459	9,384	11,273	14,283	15,438	15,720	16,558	16,981
55 1- to 4-family.....	5,017	5,458	6,782	9,194	9,670	9,587	10,219	10,423
56 Multifamily.....	131	138	116	295	541	535	532	530
57 Commercial.....	867	1,124	1,473	1,948	2,104	2,291	2,440	2,560
58 Farm.....	2,444	2,664	2,902	2,846	3,123	3,316	3,367	3,468
59 Individuals and others <sup>3</sup> .....	98,856	112,160	117,833	119,315	121,795	123,356	124,858	127,610
60 1- to 4-family.....	45,040	51,112	53,331	56,268	59,002	60,524	62,430	64,192
61 Multifamily.....	21,465	23,982	24,276	22,140	21,195	20,915	20,173	19,387
62 Commercial.....	19,043	21,303	23,085	22,569	22,162	21,878	21,622	22,395
63 Farm.....	13,308	15,763	17,141	18,338	19,436	20,039	20,633	21,636

<sup>1</sup> Includes loans held by nondeposit trust companies but not bank trust departments.

<sup>2</sup> Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.

<sup>3</sup> Other holders include mortgage companies, real estate investment trusts, State and local credit agencies, State and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations where required, are estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

## 1.55 CONSUMER INSTALMENT CREDIT Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1974 <sup>r</sup>	1975 <sup>r</sup>	1976 <sup>r</sup>	1976 <sup>r</sup>		1977 <sup>r</sup>				
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Amounts outstanding (end of period)										
1 Total	157,454	164,955	185,489	185,489	184,597	184,504	186,379	189,187	192,143	196,157
By holder:										
2 Commercial banks	75,846	78,667	89,511	89,511	89,262	89,223	90,187	91,837	93,190	95,307
3 Finance companies	36,087	35,994	38,639	38,639	38,790	38,868	39,188	39,561	40,127	40,712
4 Credit unions	21,895	25,666	30,546	30,546	30,410	30,701	31,448	31,912	32,704	33,750
5 Retailers <sup>1</sup>	17,933	18,002	19,052	19,052	18,378	17,860	17,585	17,734	17,911	18,032
6 Others <sup>2</sup>	5,693	6,626	7,741	7,741	7,757	7,852	7,971	8,142	8,211	8,355
By type of credit:										
7 Automobile	52,871	55,879	66,116	66,116	65,874	66,361	67,678	69,064	70,557	72,459
8 Commercial banks	30,994	31,553	37,984	37,984	37,948	38,170	38,962	39,940	40,760	41,937
9 Indirect	18,687	18,353	21,176	21,176	21,091	21,170	21,563	22,059	22,442	23,054
10 Direct	12,306	13,200	16,808	16,808	16,857	17,000	17,399	17,881	18,319	18,883
11 Finance companies	10,623	11,155	12,489	12,489	12,367	12,450	12,593	12,757	13,023	13,219
12 Credit unions	10,869	12,741	15,163	15,163	15,096	15,240	15,611	15,841	16,234	16,754
13 Others	386	430	480	480	464	501	513	525	540	549
14 Mobile homes	14,618	14,423	14,572	14,572	14,466	14,396	14,409	14,471	14,477	14,551
15 Commercial banks	8,972	8,649	8,734	8,734	8,644	8,590	8,571	8,597	8,617	8,646
16 Finance companies	3,525	3,451	3,273	3,273	3,244	3,202	3,190	3,170	3,149	3,136
17 Home improvement	8,522	9,405	10,990	10,990	10,948	10,962	11,097	11,287	11,465	11,742
18 Commercial banks	4,694	4,965	5,554	5,554	5,510	5,474	5,510	5,594	5,702	5,838
Revolving credit:										
18 Bank credit cards	8,281	9,501	11,351	11,351	11,269	11,090	10,971	11,149	11,205	11,462
19 Bank check credit	2,797	2,810	3,041	3,041	3,062	3,071	3,061	3,076	3,125	3,202
20 All other	70,364	72,937	79,418	79,418	78,978	78,624	79,162	80,139	81,313	82,742
21 Commercial banks, total	20,108	21,188	22,847	22,847	22,830	22,828	23,112	23,481	23,780	24,224
22 Personal loans	13,771	14,629	15,669	15,669	15,732	15,753	15,932	16,168	16,344	16,602
23 Finance companies, total	21,590	21,238	22,749	22,749	23,054	23,088	23,277	23,506	23,827	24,223
24 Personal loans	16,985	17,263	18,554	18,554	18,531	18,567	18,751	18,938	19,214	19,540
25 Credit unions	9,174	10,754	12,799	12,799	12,742	12,864	13,177	13,371	13,703	14,141
26 Retailers	17,933	18,002	19,052	19,052	18,378	17,860	17,585	17,734	17,911	18,032
27 Others	1,559	1,755	1,971	1,971	1,974	1,984	2,011	2,047	2,092	2,121
Net change (during period) <sup>3</sup>										
28 Total	9,280	7,504	20,533	2,442	1,990	1,824	2,848	2,770	2,519	2,282
By holder:										
29 Commercial banks	3,975	2,821	10,845	1,269	627	858	1,434	1,328	1,100	1,283
30 Finance companies	731	-90	2,644	409	627	349	585	392	460	182
31 Credit unions	2,262	3,771	4,880	511	501	517	611	634	665	519
32 Retailers	1,538	69	1,050	159	200	14	113	223	210	144
33 Others	774	933	1,115	94	35	86	106	192	84	154
By type of credit:										
34 Automobile	500	3,007	10,238	1,201	732	955	1,326	1,155	1,188	898
35 Commercial banks	-508	559	6,431	784	428	491	790	693	561	681
36 Indirect	-310	-334	2,823	409	178	217	396	355	241	328
37 Direct	-198	894	3,608	376	249	274	394	338	320	353
38 Finance companies	-116	532	1,334	152	61	174	244	135	258	28
39 Credit unions	1,123	1,872	2,422	259	250	266	294	298	352	244
40 Other	2	44	50	6	-7	24	-2	29	17	2
41 Mobile homes	1,068	-195	150	85	-48	-48	48	56	-18	23
42 Commercial banks	632	-323	85	80	-54	-38	5	11	-7	-7
43 Finance companies	166	-73	177	-17	-18	-40	-1	14	24	-21
44 Home improvement	1,094	881	1,585	161	95	87	160	181	126	174
45 Commercial banks	611	271	588	69	38	20	71	64	58	67
Revolving credit:										
45 Bank credit cards	1,443	1,220	1,850	69	-10	186	245	259	173	219
46 Bank check credit	543	14	231	26	39	39	50	54	98	85
47 All other	4,631	2,577	6,479	899	1,182	605	1,019	1,065	952	883
48 Commercial banks, total	1,255	1,080	1,659	239	186	160	272	248	209	237
49 Personal loans	898	858	1,040	132	189	126	200	182	146	156
50 Finance companies, total	746	-348	1,509	274	585	212	341	270	227	226
51 Personal loans	486	279	1,290	128	185	178	280	219	184	185
52 Credit unions	948	1,580	2,045	206	204	204	264	281	258	239
53 Retailers	1,538	69	1,050	159	200	14	113	223	210	144
54 Others	145	196	217	20	7	15	29	43	48	36

<sup>1</sup> Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

<sup>2</sup> Mutual savings banks, savings and loan associations, and auto dealers.

<sup>3</sup> Net change equals extensions minus liquidations (repayments, charge-offs, and other credits); figures for all months are seasonally adjusted.

NOTE.—Total consumer noninstalment credit outstanding credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit amounted to \$38.7 billion at the end of 1976, \$35.7 billion at the end of 1975, and \$33.8 billion at the end of 1974. Comparable data for Dec. 31, 1977, will be published in the BULLETIN for February 1978.

1.56 CONSUMER INSTALMENT CREDIT Extensions and Liquidations

Millions of dollars

Holder, and type of credit	1974	1975	1976	1976*	1977*					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Extensions <sup>1</sup>										
1 Total	157,200	164,169	193,328	17,677	17,072	17,418	18,351	18,609	18,322	18,613
By holder:										
2 Commercial banks	72,605	77,312	94,220	8,721	8,010	8,399	8,927	9,008	8,888	9,036
3 Finance companies	34,061	31,173	36,028	3,247	3,477	3,301	3,528	3,445	3,359	3,443
4 Credit unions	19,596	24,096	28,587	2,625	2,536	2,674	2,787	2,859	2,860	2,769
5 Retailers <sup>2</sup>	27,034	27,049	29,188	2,620	2,643	2,580	2,615	2,721	2,728	2,806
6 Others <sup>3</sup>	3,904	4,539	5,305	465	406	464	494	576	485	559
By type of credit:										
7 Automobile	45,429	51,413	62,988	5,869	5,440	5,747	6,135	6,037	5,973	5,978
8 Commercial banks	26,406	28,573	36,585	3,476	3,115	3,278	3,563	3,462	3,341	3,442
9 Indirect	15,576	15,766	19,882	1,889	1,668	1,730	1,923	1,850	1,751	1,817
10 Direct	10,830	12,807	16,704	1,587	1,447	1,547	1,640	1,612	1,590	1,625
11 Finance companies	8,604	9,674	11,209	999	1,000	1,014	1,112	1,074	1,114	1,099
12 Credit unions	10,015	12,683	14,675	1,348	1,292	1,392	1,418	1,431	1,457	1,390
13 Others	404	483	518	46	33	64	42	70	60	47
14 Mobile homes	5,782	4,323	4,841	470	352	367	434	463	402	408
15 Commercial banks	3,486	2,622	3,071	324	204	210	257	269	262	232
15 Finance companies	1,376	764	690	52	50	53	56	58	50	48
16 Home improvement	5,211	5,556	6,736	624	558	564	638	660	627	677
17 Commercial banks	2,789	2,722	3,245	306	274	262	310	308	308	319
Revolving credit:										
18 Bank credit cards	17,098	20,428	25,862	2,297	2,166	2,384	2,381	2,547	2,589	2,604
19 Bank check credit	4,227	4,024	4,783	441	460	459	470	467	498	512
20 All other	79,453	78,425	88,117	7,977	8,096	7,897	8,292	8,436	8,233	8,434
21 Commercial banks, total	18,599	18,944	20,673	1,877	1,791	1,806	1,945	1,956	1,891	1,927
22 Personal loans	13,176	13,386	14,480	1,303	1,337	1,302	1,392	1,406	1,365	1,380
23 Finance companies, total	23,796	20,657	24,087	2,191	2,423	2,228	2,354	2,307	2,188	2,289
24 Personal loans	17,162	16,944	19,579	1,722	1,737	1,755	1,863	1,833	1,744	1,850
25 Credit unions	8,560	10,134	12,340	1,128	1,094	1,127	1,207	1,264	1,233	1,225
26 Retailers	27,034	27,049	29,188	2,620	2,643	2,580	2,615	2,721	2,728	2,806
27 Others	1,463	1,642	1,830	161	146	156	171	188	193	187
Liquidations <sup>1</sup>										
28 Total	147,920	156,665	172,795	15,236	15,082	15,594	15,503	15,840	15,803	16,331
By holder:										
29 Commercial banks	68,630	74,491	83,376	7,452	7,383	7,540	7,493	7,680	7,789	7,753
30 Finance companies	33,330	31,263	33,384	2,838	2,850	2,952	2,943	3,053	2,899	3,261
31 Credit unions	17,334	20,325	23,707	2,114	2,035	2,157	2,176	2,225	2,195	2,250
32 Retailers <sup>2</sup>	25,496	26,980	28,138	2,461	2,443	2,566	2,502	2,497	2,518	2,662
33 Others <sup>3</sup>	3,130	3,606	4,191	371	371	378	389	384	401	405
By type of credit:										
34 Automobile	44,929	48,406	52,750	4,667	4,708	4,792	4,809	4,882	4,785	5,080
35 Commercial banks	26,915	28,014	30,154	2,692	2,688	2,787	2,773	2,769	2,780	2,761
36 Indirect	15,886	16,101	17,059	1,480	1,490	1,513	1,527	1,495	1,509	1,489
37 Direct	11,029	11,913	13,095	1,212	1,198	1,274	1,246	1,274	1,271	1,272
38 Finance companies	8,720	9,142	9,875	847	939	840	868	939	856	1,127
39 Credit unions	8,892	10,811	12,253	1,089	1,042	1,126	1,124	1,133	1,106	1,146
40 Others	402	439	468	40	40	40	44	41	43	45
41 Mobile homes	4,715	4,517	4,691	385	400	415	386	407	420	385
42 Commercial banks	2,854	2,944	2,986	244	258	248	252	258	262	239
42 Finance companies	1,210	837	867	69	68	93	57	72	74	68
43 Home improvement	4,117	4,675	5,151	463	463	477	478	479	501	503
44 Commercial banks	2,178	2,451	2,657	236	237	241	238	244	250	252
Revolving credit:										
45 Bank credit cards	15,655	19,208	24,012	2,228	2,176	2,198	2,136	2,288	2,416	2,385
46 Bank check credit	3,684	4,010	4,552	415	421	420	420	413	400	427
47 All other	74,821	75,849	81,638	7,078	6,914	7,292	7,273	7,371	7,282	7,551
48 Commercial banks, total	17,345	17,864	19,014	1,638	1,604	1,646	1,673	1,708	1,682	1,689
49 Personal loans	12,278	12,528	13,439	1,171	1,148	1,176	1,192	1,224	1,219	1,224
50 Finance companies, total	23,050	21,005	22,578	1,917	1,838	2,016	2,013	2,037	1,961	2,063
51 Personal loans	16,676	16,665	18,289	1,594	1,552	1,577	1,583	1,614	1,560	1,666
52 Credit unions	7,613	8,554	10,295	921	890	922	943	983	975	986
53 Retailers	25,496	26,980	28,138	2,461	2,443	2,566	2,502	2,497	2,518	2,662
54 Others	1,318	1,446	1,613	141	139	141	143	145	146	151

<sup>1</sup> Monthly figures are seasonally adjusted.

<sup>2</sup> Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

<sup>3</sup> Mutual savings banks, savings and loan associations, and auto dealers.

## 1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-year data are at seasonally adjusted annual rates.

Transaction category, or sector	1971	1972	1973	1974	1975	1976	1975		1976	
							H1	H2	H1	H2
Nonfinancial sectors										
1 Total funds raised.....	151.0	176.9	197.6	188.8	210.4	271.6	184.2	236.5	256.6	286.3
2 Excluding equities.....	139.6	166.4	190.0	185.0	200.3	260.8	173.8	226.9	243.0	278.2
By sector and instrument:										
3 U.S. Govt.....	24.7	15.2	8.3	12.0	85.2	69.0	80.8	89.6	71.6	66.6
4 Public debt securities.....	26.0	14.3	7.9	12.0	85.8	69.1	82.0	89.7	71.5	66.9
5 Agency issues and mortgages.....	-1.3	1.0	.4	*	-.6	-.1	-1.2	-.1	.1	-.3
6 All other nonfinancial sectors.....	126.3	161.7	189.4	176.8	125.2	202.6	103.4	146.9	185.0	219.7
7 Corporate equities.....	11.5	10.5	7.7	3.8	10.0	10.8	10.5	9.6	13.6	8.1
8 Debt instruments.....	114.8	151.2	181.7	173.0	115.1	191.8	93.0	137.3	171.4	211.7
9 Private domestic nonfinancial sectors.....	121.1	157.7	183.1	161.6	112.2	181.1	94.9	129.4	169.1	192.5
10 Corporate equities.....	11.4	10.9	7.9	4.1	9.9	10.5	10.3	9.5	13.3	7.7
11 Debt instruments.....	109.7	146.8	175.3	157.5	102.3	170.5	84.6	119.9	155.8	184.8
12 Debt capital instruments.....	86.8	102.8	106.7	101.2	101.3	123.6	97.5	105.1	113.5	133.8
13 State and local obligations.....	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4
14 Corporate bonds.....	18.8	12.2	9.2	19.7	27.2	22.8	33.4	21.0	20.7	25.0
Mortgages:										
15 Home.....	28.6	42.6	46.4	34.6	40.8	64.4	33.5	48.1	58.1	70.7
16 Multifamily residential.....	9.7	12.7	10.4	7.0	-.1	1.1	*	-.2	1.6	-.6
17 Commercial.....	9.8	16.4	18.9	15.1	10.9	11.7	8.7	13.1	9.8	13.5
18 Farm.....	2.4	3.6	5.5	5.1	5.2	6.4	5.6	4.8	5.1	7.6
19 Other debt instruments.....	22.8	44.0	68.6	56.3	1.0	46.9	-12.8	14.8	42.3	51.0
20 Consumer credit.....	11.6	18.6	21.7	9.8	8.5	20.5	1.1	16.0	19.4	21.6
21 Bank loans n.e.c.....	6.5	18.1	34.8	26.2	-14.5	7.7	-23.5	-5.5	2.2	12.7
22 Open market paper.....	-.4	.8	2.5	6.8	-2.2	3.5	-.2	-4.2	8.2	-1.3
23 Other.....	5.1	6.5	9.6	13.5	9.1	15.3	9.7	8.5	12.6	17.9
24 By borrowing sector.....	121.1	157.7	183.1	161.6	112.2	181.1	94.9	129.4	169.1	192.5
25 State and local governments.....	17.8	15.2	14.8	18.6	14.9	16.8	13.9	15.9	16.4	17.2
26 Households.....	42.1	64.8	73.5	45.2	49.7	90.7	39.0	60.4	88.3	93.0
27 Farm.....	4.5	5.8	9.7	7.9	9.4	12.3	9.4	9.4	11.0	13.6
28 Nonfarm noncorporate.....	10.3	13.1	12.3	6.7	1.2	4.7	-.8	3.2	4.2	4.8
29 Corporate.....	46.4	58.8	72.9	83.1	37.1	56.6	33.5	40.6	49.3	63.9
30 Foreign.....	5.2	4.0	6.2	15.3	13.0	21.5	8.5	17.4	15.9	27.2
31 Corporate equities.....	*	-.4	-.2	-.2	.1	.3	.1	.1	.3	.3
32 Debt instruments.....	5.2	4.4	6.4	15.5	12.8	21.2	8.4	17.3	15.6	26.9
33 Bonds.....	.9	1.0	1.0	2.1	6.2	8.4	5.7	6.7	7.3	9.4
34 Bank loans n.e.c.....	2.1	3.0	2.8	4.7	4.0	6.8	-.6	7.4	4.2	9.3
35 Open market paper.....	.3	-1.0	.9	7.1	-.1	2.5	-1.2	1.0	.8	4.2
36 U.S. Govt. loans.....	1.8	1.5	1.7	1.6	2.8	3.6	3.3	2.2	3.2	4.0
Financial sectors										
37 Total funds raised.....	17.0	29.1	56.7	43.0	14.8	29.8	14.4	15.3	27.5	32.1
By instrument:										
38 U.S. Govt. related.....	5.9	8.4	19.9	23.1	13.5	17.7	14.0	13.1	18.0	17.4
39 Sponsored credit agency securities.....	1.1	3.5	16.3	16.6	2.3	2.4	1.4	3.3	3.9	.9
40 Mortgage pool securities.....	4.8	4.9	3.6	5.8	10.3	15.7	11.5	9.2	14.2	17.2
41 Loans from U.S. Govt.....				.7	.9	-.4	1.1	.6	*	-.7
42 Private financial sectors.....	11.1	20.7	36.8	19.9	1.3	12.1	.4	2.1	9.5	14.7
43 Corporate equities.....	3.5	2.8	1.5	1.0	1.2	1.8	1.2	1.2	.3	3.3
44 Debt instruments.....	7.6	18.0	35.3	18.9	.1	10.3	-.8	1.0	9.1	11.4
45 Corporate bonds.....	3.8	5.1	3.5	2.1	2.9	5.8	2.5	3.3	7.2	4.4
46 Mortgages.....	2.1	1.7	-1.2	-1.3	2.3	1.9	1.2	3.4	1.0	2.8
47 Bank loans n.e.c.....	3.5	6.8	14.0	7.5	-3.9	-3.3	-4.7	-3.2	-3.6	-3.0
48 Open market paper and Rp's.....	.9	4.4	11.8	3.9	2.8	7.8	7.6	-1.9	6.8	8.8
49 Loans from FHLB's.....	-2.7	*	7.2	6.7	-4.0	-2.0	-7.3	-.6	-2.3	-1.7
By sector:										
50 Sponsored credit agencies.....	1.1	3.5	16.3	17.3	3.2	2.0	2.5	4.0	3.9	.2
51 Mortgage pools.....	4.8	4.9	3.6	5.8	10.3	15.7	11.5	9.2	14.2	17.2
52 Private financial sectors.....	11.1	20.7	36.8	19.9	1.3	12.1	.4	2.1	9.5	14.7
53 Commercial banks.....	2.4	4.8	8.1	-1.1	1.7	7.6	5.7	-2.3	9.9	5.3
54 Bank affiliates.....	-.4	.7	2.2	3.5	.3	-.8	-.9	-.3	-1.3	-.3
55 Foreign banking agencies.....	1.6	.8	5.1	2.9	-.3	-.4	-.9	.2	1.5	2.4
56 Savings and loan associations.....	-.1	2.0	6.0	6.3	-2.1	-.1	-7.8	3.6	-1.0	-.7
57 Other insurance companies.....	.6	.5	.5	.9	.9	1.0	.9	1.0	1.0	1.0
58 Finance companies.....	2.7	6.2	9.4	4.5	.7	6.1	-.8	2.1	6.0	6.2
59 RIT's.....	2.9	6.3	6.5	1.1	-1.9	-2.1	-1.6	-2.2	-1.8	-2.5
60 Open-end investment companies.....	1.3	-.5	-1.2	-.5	.8	.3	1.5	.1	-1.1	1.8
61 Money market funds.....				2.4	1.3	-.3	2.6	*	-.7	.2
All sectors										
62 Total funds raised, by instrument.....	168.1	206.0	254.3	231.8	225.2	301.4	198.6	251.8	284.1	318.4
63 Investment company shares.....	1.3	-.5	-1.2	-.5	.8	.3	1.5	.1	-1.1	1.8
64 Other corporate equities.....	13.7	13.8	10.4	5.4	10.4	12.3	10.2	10.7	15.0	9.6
65 Debt instruments.....	153.1	192.8	245.2	227.0	214.0	288.7	187.0	241.0	270.2	307.0
66 U.S. Govt. securities.....	30.7	23.7	28.3	34.5	98.0	87.2	93.6	102.4	89.8	84.7
67 State and local obligations.....	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4
68 Corporate and foreign bonds.....	23.5	18.4	13.6	23.9	36.3	37.0	41.6	31.0	35.2	38.8
69 Mortgages.....	52.5	76.8	79.9	60.5	59.0	85.4	49.1	69.0	75.7	95.2
70 Consumer credit.....	11.6	18.6	21.7	9.8	8.5	20.5	1.1	16.0	19.4	21.6
71 Bank loans n.e.c.....	12.1	27.8	51.6	38.4	-14.4	11.2	-27.6	-1.2	2.9	19.1
72 Open market paper and Rp's.....	.9	4.1	15.2	17.8	.5	13.8	6.2	-5.1	15.8	11.8
73 Other loans.....	4.2	8.0	18.5	22.5	8.7	16.5	6.8	10.7	13.4	19.5

## 1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; half-year data are at seasonally adjusted annual rates.

Transaction category or sector	1971	1972	1973	1974	1975	1976	1975		1976	
							H1	H2	H1	H2
<b>1 Total funds advanced in credit markets to nonfinancial sectors</b>	<b>139.6</b>	<b>166.4</b>	<b>190.0</b>	<b>185.0</b>	<b>200.3</b>	<b>260.8</b>	<b>173.8</b>	<b>226.9</b>	<b>243.0</b>	<b>278.2</b>
By public agencies and foreign:										
2 Total net advances	43.4	19.8	34.2	52.7	44.2	55.9	51.9	36.6	50.5	61.2
3 U.S. Govt. securities	34.4	7.6	9.6	11.9	22.5	26.8	32.6	12.4	26.7	26.9
4 Residential mortgages	7.0	7.0	8.2	14.7	16.2	12.8	15.9	16.5	10.8	14.8
5 FHLB advances to S&L's	-2.7	*	7.2	6.7	-4.0	-2.0	-7.3	.6	2.3	-1.7
6 Other loans and securities	4.6	5.1	9.2	19.5	9.5	18.2	10.6	8.3	15.3	21.1
Totals advanced, by sector										
7 U.S. Govt.	2.8	1.8	2.8	9.8	15.1	10.2	14.9	15.2	5.6	14.9
8 Sponsored credit agencies	5.2	9.2	21.4	25.6	14.5	20.6	15.9	13.2	20.0	21.3
9 Monetary authorities	8.9	.3	9.2	6.2	8.5	9.8	7.0	10.1	13.6	6.1
10 Foreign	26.4	8.4	.7	11.2	6.1	15.2	14.2	-2.0	11.4	19.0
11 Agency borrowing not included in line 1	5.9	8.4	19.9	23.1	13.5	17.7	14.0	13.1	18.0	17.4
Private domestic funds advanced										
12 Total net advances	102.1	155.0	175.7	155.3	169.6	222.6	135.9	203.4	210.5	234.4
13 U.S. Govt. securities	-3.7	16.1	18.7	22.6	75.5	60.4	61.0	63.1	63.1	57.8
14 State and local obligations	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4
15 Corporate and foreign bonds	19.5	13.1	10.0	20.9	32.8	30.3	38.9	26.7	27.0	33.5
16 Residential mortgages	31.2	48.1	48.5	26.9	24.4	52.7	17.7	31.1	48.9	56.4
17 Other mortgages and loans	35.0	62.3	89.3	71.9	15.7	60.1	-5.2	36.5	51.1	68.6
18 LESS: FHLB advances	-2.7	*	7.2	6.7	-4.0	-2.0	-7.3	.6	-2.3	-1.7
Private financial intermediation										
19 Credit market funds advanced by private financial institutions	109.7	149.4	163.8	126.2	116.0	181.8	97.7	134.3	161.9	201.1
20 Commercial banking	50.6	70.5	86.5	64.6	27.6	57.7	13.5	41.7	41.5	73.6
21 Savings institutions	39.1	47.2	36.0	27.0	51.0	69.7	49.8	52.2	71.0	68.2
22 Insurance and pension funds	14.2	17.8	23.8	30.1	39.3	44.2	36.4	42.3	44.3	44.2
23 Other finance	5.9	13.8	17.4	4.5	-1.8	10.1	-1.9	-1.8	5.1	15.1
24 Sources of funds	109.7	149.4	163.8	126.2	116.0	181.8	97.7	134.3	161.9	201.1
25 Private domestic deposits	89.4	100.9	86.4	69.4	90.5	122.7	90.3	90.6	103.8	141.4
26 Credit market borrowing	7.6	18.0	35.3	18.9	.1	10.3	.8	1.0	9.1	11.4
27 Other sources	12.6	30.5	42.1	37.8	25.4	48.8	8.2	42.7	49.0	48.3
28 Foreign funds	-3.9	5.3	6.9	14.5	-4	2.5	-5.7	5.0	-2.7	7.7
29 Treasury balances	2.2	.7	-1.0	-5.1	-1.7	-1	3.5	-1	3.9	4.2
30 Insurance and pension reserves	8.6	11.6	18.4	26.0	29.9	34.3	27.4	32.5	33.6	35.0
31 Other, net	5.7	12.8	17.8	2.4	-2.4	12.1	10.1	5.2	14.2	9.9
Private domestic nonfinancial investors										
32 Direct lending in credit markets	*	23.6	47.2	40.8	53.7	51.1	37.4	70.1	57.7	44.7
33 U.S. Govt. securities	10.8	4.2	19.4	17.9	23.0	19.6	5.0	41.0	21.5	17.6
34 State and local obligations	.5	3.1	7.5	12.2	9.9	7.1	10.3	9.6	6.0	8.2
35 Corporate and foreign bonds	8.3	4.2	.9	5.3	10.4	5.9	12.9	7.9	8.2	3.6
36 Commercial paper	1.1	3.0	12.5	4.6	3.1	6.3	3.5	2.7	10.6	2.0
37 Other	3.2	9.1	6.9	8.1	7.3	12.2	5.6	8.9	11.3	13.2
38 Deposits and currency	92.8	105.3	90.3	75.7	96.7	130.0	95.7	97.7	107.9	151.9
39 Time and savings accounts	79.1	83.7	76.2	67.4	84.8	113.2	75.0	94.7	97.9	128.5
40 Large negotiable CD's	6.3	7.7	18.3	18.9	-13.3	-14.1	27.3	.7	-17.9	10.3
41 Other at commercial banks	33.2	30.6	29.6	26.1	39.0	58.1	39.4	38.5	50.0	66.2
42 At savings institutions	39.6	45.4	28.4	22.4	59.2	69.2	63.0	55.4	65.7	72.7
43 Money	13.7	21.6	14.1	8.3	11.9	16.8	20.7	3.0	10.1	23.3
44 Demand deposits	10.4	17.2	10.2	2.0	5.7	9.5	15.3	-4.0	5.9	12.9
45 Currency	3.4	4.4	3.9	6.3	6.2	7.3	5.4	7.1	4.2	10.5
<b>46 Total of credit market instruments, deposits and currency</b>	<b>92.9</b>	<b>129.0</b>	<b>137.5</b>	<b>123.7</b>	<b>150.4</b>	<b>181.2</b>	<b>133.1</b>	<b>167.8</b>	<b>165.6</b>	<b>196.5</b>
47 Public support rate (in per cent)	31.1	11.9	18.0	28.5	22.1	21.4	29.9	16.1	20.8	22.0
48 Private financial intermediation (in per cent)	107.4	96.4	93.2	81.2	68.4	81.6	71.9	66.0	76.9	85.8
49 Total foreign funds	22.5	13.7	7.6	25.7	5.7	17.7	8.5	3.0	8.7	26.6
MEMO: Corporate equities not included above										
50 Total net issues	15.0	13.3	9.2	4.9	11.2	12.7	11.7	10.8	14.0	11.4
51 Mutual fund shares	1.3	-.5	1.2	.5	.8	.3	1.5	.1	-1.1	1.8
52 Other equities	13.7	13.8	10.4	5.4	10.4	12.3	10.2	10.7	15.0	9.6
53 Acquisitions by financial institutions	17.8	15.3	13.3	5.5	8.3	12.0	9.2	7.4	11.8	12.1
54 Other net purchases	-2.9	-2.1	-4.1	-.7	2.9	.7	2.4	3.4	2.1	-.7

## NOTES BY LINE NO.

- Line 2 of p. A-44.
- Sum of lines 3-6 or 7-10.
- Includes farm and commercial mortgages.
- Credit market funds raised by Federally sponsored credit agencies, and net issues of Federally related mortgage pool securities. Included below in lines 3, 13, and 33.
- Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
- Includes farm and commercial mortgages.
- Lines 39 plus 44.
- Excludes equity issues and investment company shares. Includes line 18.
- Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.

29. Demand deposits at commercial banks.

30. Excludes net investment of these reserves in corporate equities.

31. Mainly retained earnings and net miscellaneous liabilities.

32. Line 12 less line 19 plus line 26.

33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.

45. Mainly an offset to line 9.

46. Lines 32 plus 38 or line 12 less line 27 plus line 45.

47. Line 2/line 1.

48. Line 19/line 12.

49. Lines 10 plus 28.

50. 52. Includes issues by financial institutions.

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1974	1975	1976	1977							
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June <sup>p</sup>	July
1 Industrial production.....	129.3	117.8	129.8	133.1	132.1	133.2	135.2	136.2	137.4	138.3	139.0
Market groupings:											
2 Products, total.....	129.3	119.3	129.3	133.8	133.1	133.9	134.9	136.1	137.1	138.0	138.9
3 Final, total.....	125.1	118.2	127.3	132.1	130.8	131.8	133.0	134.3	135.2	136.1	136.9
4 Consumer goods.....	128.9	124.0	136.8	142.0	140.2	141.0	142.8	143.3	144.0	144.4	145.3
5 Equipment.....	120.0	110.2	114.3	118.6	117.8	119.0	119.7	121.8	123.1	124.5	125.6
6 Intermediate.....	135.3	123.1	136.8	139.8	141.8	141.8	141.9	142.7	144.1	145.4	146.6
7 Materials.....	132.4	115.5	130.5	131.9	130.7	132.4	135.5	136.3	137.8	138.8	139.1
Industry groupings:											
8 Manufacturing.....	129.4	116.3	129.4	132.8	131.5	132.9	135.2	136.0	137.4	138.3	138.8
Capacity utilization (per cent) <sup>1</sup> in--											
9 Manufacturing.....	84.2	73.6	80.1	81.2	80.2	80.8	82.1	82.3	82.9	83.3	83.4
10 Industrial materials industries.....	87.7	73.6	80.3	80.1	79.1	80.0	81.6	82.0	82.7	83.1	83.0
11 Construction contracts <sup>2</sup> .....	173.9	162.3	190.2	183.0	203.0	207.0	207.0	250.0	317.0	284.0	.....
12 Nonagricultural employment, total <sup>3</sup> .....	119.1	116.9	120.6	122.0	122.3	122.7	123.6	124.0	124.4	124.7	125.0
13 Goods-producing, total.....	106.2	96.9	100.3	101.0	101.3	101.9	103.2	104.1	104.5	104.7	105.0
14 Manufacturing, total.....	103.1	94.3	97.5	98.2	98.8	98.9	99.8	100.4	100.8	100.9	101.2
15 Manufacturing, production-worker.....	102.1	91.3	95.2	95.7	96.5	96.5	97.6	98.3	98.9	98.9	99.2
16 Service-producing.....	126.1	127.8	131.7	133.5	133.8	134.1	134.8	134.9	135.3	135.6	136.0
17 Personal income, total <sup>4</sup> .....	*184.3	*200.0	*220.7	*231.4	*232.1	*235.7	*239.2	*241.0	*242.1	*243.3	*245.1
18 Wages and salary disbursements.....	*178.9	*188.5	*208.6	*217.9	*219.3	*222.6	225.7	*227.9	*229.7	*230.8	*232.0
19 Manufacturing.....	*157.6	*157.3	*177.6	*185.1	*186.7	*190.4	*194.4	*196.0	*198.5	*200.4	*201.2
20 Disposable personal income.....	*180.8	*199.2	*217.8	.....	.....	*235.4	.....	.....	*239.4	.....	.....
21 Retail sales <sup>5</sup> .....	171.2	186.0	206.6	221.2	216.5	222.3	227.4	227.2	226.1	223.3	224.5
Prices: <sup>6</sup>											
22 Consumer.....	147.7	161.2	170.5	174.3	175.3	177.1	178.2	179.6	180.6	181.8	182.6
23 Wholesale.....	160.1	174.1	182.9	187.1	188.0	190.0	191.9	194.3	195.2	194.4	194.8

<sup>1</sup> Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

<sup>2</sup> Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.

<sup>3</sup> Based on data in *Employment and Earnings* (U.S. Dept. of Labor). Series covers employees only, excluding personnel in the Armed Forces.

<sup>4</sup> Based on data in *Survey of Current Business* (U.S. Dept. of Commerce). Series for disposable income is quarterly.

<sup>5</sup> Based on Bureau of Census data published in *Survey of Current Business* (U.S. Dept. of Commerce).

<sup>6</sup> Data without seasonal adjustment, as published in *Monthly Labor Review* (U.S. Dept. of Labor). Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Dept. of Labor.

NOTE.—Basic data (not index numbers) for series mentioned in notes 3, 4, and 5, and indexes for series mentioned in notes 2 and 6 may also be found in the *Survey of Current Business* (U.S. Dept. of Commerce).

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1976		1977		1976		1977		1976		1977	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1 Manufacturing.....	131.1	131.5	133.2	137.2	162.3	163.2	164.3	165.6	80.8	80.6	81.1	82.9
2 Primary processing.....	139.3	138.9	136.3	146.2	168.8	170.1	171.4	172.9	82.5	81.7	79.5	84.7
3 Advanced processing.....	126.3	127.5	129.4	132.4	158.8	159.6	160.6	161.8	79.6	79.9	80.6	81.8
4 Materials.....	132.6	131.8	132.9	137.6	163.1	164.3	165.5	166.6	81.3	80.2	80.3	82.6
5 Durable goods.....	130.7	128.4	129.0	135.3	166.7	167.8	169.0	170.3	78.4	76.5	76.3	79.5
6 Basic metal.....	117.1	107.7	107.9	116.9	143.7	144.4	144.8	145.1	81.5	74.6	74.5	80.6
7 Nondurable goods.....	146.6	147.0	149.3	154.4	172.5	174.1	175.6	177.2	85.0	84.4	85.0	87.1
8 Textile, paper, and chemical.....	151.2	151.5	153.7	160.0	180.1	182.0	183.6	185.4	84.0	83.2	83.7	86.3
9 Textile.....	114.4	111.7	111.1	112.4	139.8	140.6	141.4	141.9	81.8	79.4	78.6	79.2
10 Paper.....	131.9	130.2	131.7	134.9	146.7	147.9	148.9	150.1	89.9	88.1	88.4	89.9
11 Chemical.....	175.1	177.6	181.4	191.2	211.2	213.7	216.2	218.7	82.9	83.1	83.9	87.4
12 Energy.....	119.9	121.5	121.7	122.6	142.7	143.9	144.3	144.7	84.0	84.4	84.3	84.7

## 2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1974	1975	1976	1977						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Household survey data										
1 Noninstitutional population <sup>1</sup> . . . . .	150,827	153,449	156,048	157,176	157,381	157,584	157,782	157,986	158,228	158,456
2 Labor force (including Armed Forces) <sup>1</sup> . . . . .	93,240	94,793	96,917	98,106	97,649	98,282	98,677	98,892	99,286	99,770
3 Civilian labor force . . . . .	91,011	92,613	94,773	95,960	95,516	96,145	96,539	96,760	97,158	97,641
Employment:										
4 Nonagricultural industries <sup>2</sup> . . . . .	82,443	81,403	84,188	85,184	85,468	85,872	86,359	86,763	87,022	87,341
5 Agriculture . . . . .	3,492	3,380	3,297	3,257	3,090	3,090	3,116	3,260	3,386	3,338
Unemployment:										
6 Number . . . . .	5,076	7,830	7,288	7,517	6,958	7,183	7,064	6,737	6,750	6,962
7 Rate (per cent of civilian labor force) . . . . .	5.6	8.5	7.7	7.8	7.3	7.5	7.3	7.0	6.9	7.1
8 Not in labor force . . . . .	57,587	58,655	59,130	59,071	59,732	59,302	59,104	59,094	58,943	58,686
Establishment survey data										
9 Nonagricultural payroll employment <sup>3</sup> . . . . .	78,413	77,050	79,443	80,344	80,561	80,824	81,395	81,686	81,921	82,056
10 Manufacturing . . . . .	20,046	18,347	18,958	19,095	19,211	19,233	19,404	19,528	19,599	19,575
11 Mining . . . . .	694	745	783	808	817	823	842	847	844	859
12 Contract construction . . . . .	3,957	3,515	3,593	3,605	3,561	3,645	3,759	3,842	3,867	3,898
13 Transportation and public utilities . . . . .	4,696	4,499	4,508	4,553	4,549	4,553	4,568	4,575	4,585	4,574
14 Trade . . . . .	17,017	16,997	17,694	17,898	17,981	18,067	18,189	18,203	18,226	18,237
15 Finance . . . . .	4,208	4,222	4,315	4,403	4,423	4,431	4,453	4,463	4,481	4,493
16 Service . . . . .	13,617	14,008	14,645	14,936	15,010	15,068	15,149	15,182	15,205	15,281
17 Government . . . . .	14,177	14,773	14,947	15,046	15,009	15,004	15,031	15,046	15,114	15,139

<sup>1</sup> 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. Dept. of Labor).

<sup>2</sup> Includes self-employed, unpaid family, and domestic service workers.

<sup>3</sup> 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 February 1977 benchmark. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

## 2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted.

Grouping	1967 pro- por- tion	1976				1977						
		1976 aver- age	May	June	July	Jan.	Feb.	Mar.	Apr.	May <sup>a</sup>	June <sup>b</sup>	July <sup>c</sup>
Index (1967 = 100)												
<b>MAJOR MARKET</b>												
1 Total index.....	100.00	129.8	129.6	130.1	130.7	132.1	133.2	135.2	136.2	137.4	138.3	139.0
2 Products.....	60.71	129.3	128.9	129.5	129.8	133.1	133.9	134.9	136.1	137.1	138.0	138.9
3 Final products.....	47.82	127.3	127.3	127.6	127.6	130.8	131.8	133.0	134.3	135.2	136.1	136.9
4 Consumer goods.....	27.68	136.8	137.4	137.8	136.8	140.2	141.0	142.8	143.3	144.0	144.4	145.3
5 Equipment.....	20.14	114.3	113.5	113.8	114.9	117.8	119.0	119.7	121.8	123.1	124.5	125.6
6 Intermediate products.....	12.89	136.8	135.0	135.9	137.6	141.8	141.8	141.9	142.7	144.1	145.4	146.6
7 Materials.....	39.29	130.5	130.6	131.1	132.2	130.7	132.4	135.5	136.3	137.8	138.8	139.1
<b>Consumer goods</b>												
8 Durable consumer goods.....	7.89	141.5	143.2	144.2	141.8	145.1	146.1	152.4	151.7	152.4	155.0	157.5
9 Automotive products.....	2.83	154.8	154.0	156.6	155.9	164.0	161.8	178.3	174.8	172.8	178.7	183.7
10 Autos and utility vehicles.....	2.03	149.9	153.4	156.6	155.9	155.8	152.7	176.1	171.2	167.4	175.8	182.0
11 Autos.....	1.90	132.0	134.4	137.5	135.0	136.9	132.8	155.8	150.6	148.5	156.8	161.4
12 Auto parts and allied goods.....	.80	167.2	135.6	156.9	156.0	184.9	184.5	184.1	184.0	186.6	186.6	187.8
13 Home goods.....	5.06	134.1	137.2	137.4	133.8	134.6	137.3	137.9	138.5	140.9	141.8	142.7
14 Appliances, A/C, and TV.....	1.40	115.8	123.5	123.8	110.3	113.4	118.5	124.1	126.3	131.0	132.9	133.5
15 Appliances and TV.....	1.33	118.6	126.4	126.7	114.1	116.0	121.1	126.5	129.7	134.8	136.5	.....
16 Carpeting and furniture.....	1.07	144.1	142.6	142.5	142.0	142.7	145.9	144.6	143.8	148.8	149.5	.....
17 Misc. home goods.....	2.59	139.9	142.5	142.6	143.0	142.8	144.0	142.7	143.0	143.2	143.4	144.0
18 Nondurable consumer goods.....	19.79	134.9	135.1	135.1	134.8	138.3	138.9	139.0	140.0	140.7	140.3	140.4
19 Clothing.....	4.29	126.9	132.1	127.9	126.3	124.2	124.2	124.0	126.3	125.9	.....	.....
20 Consumer staples.....	15.50	137.2	135.8	137.1	137.2	142.2	142.9	143.3	144.6	144.8	144.5	144.7
21 Consumer foods and tobacco.....	8.33	130.8	129.8	130.8	131.4	132.9	135.4	136.5	138.0	137.9	.....	.....
22 Nonfood staples.....	7.17	144.6	142.7	144.5	143.9	153.1	151.6	151.1	152.2	153.0	152.3	153.1
23 Consumer chemical products.....	2.63	166.6	161.4	165.4	166.2	178.5	175.7	175.9	178.1	180.5	180.4	.....
24 Consumer paper products.....	1.92	113.3	113.8	112.3	112.8	117.0	113.3	117.4	116.6	118.4	117.4	.....
25 Consumer energy products.....	2.62	145.4	145.1	147.2	144.1	154.1	155.3	151.3	152.2	150.8	149.8	.....
26 Residential utilities.....	1.45	.....	154.7	153.2	150.4	.....	.....	.....	.....	.....	.....	.....
<b>Equipment</b>												
27 Business equipment.....	12.63	136.1	134.6	135.0	136.9	142.0	143.1	144.5	147.0	148.8	150.8	152.6
28 Industrial equipment.....	6.77	127.9	126.9	127.4	127.5	131.4	124.2	133.9	136.3	138.5	139.4	140.3
29 Building and mining equip.....	1.44	177.4	174.6	174.9	176.9	187.9	192.9	195.9	200.5	205.4	206.2	207.4
30 Manufacturing equipment.....	3.85	106.4	106.4	106.5	107.2	107.8	108.5	109.0	112.0	112.6	114.2	114.9
31 Power equipment.....	1.47	135.3	134.0	135.4	132.6	137.5	139.3	138.3	136.7	140.4	140.2	140.5
32 Commercial transit-farm equip.....	5.86	145.5	143.7	143.8	147.7	154.5	154.6	156.6	159.2	160.9	164.0	166.7
33 Commercial equipment.....	3.26	173.2	169.5	171.4	174.1	185.2	185.2	186.1	189.7	191.1	194.5	196.6
34 Transit equipment.....	1.93	103.8	104.2	102.9	107.6	108.4	108.7	113.0	114.5	115.4	118.9	123.0
35 Farm equipment.....	.67	130.6	133.1	128.0	135.3	138.0	137.7	138.8	140.0	144.4	146.0	.....
36 Defense and space equipment.....	7.51	77.9	78.2	78.3	78.0	77.1	78.5	78.3	79.4	79.7	80.2	80.2
<b>Intermediate products</b>												
37 Construction supplies.....	6.42	132.0	130.9	131.8	133.1	136.1	135.7	136.4	137.4	138.9	140.2	141.0
38 Business supplies.....	6.47	141.5	139.0	140.1	142.1	147.3	147.8	147.4	148.0	149.2	150.5	.....
39 Commercial energy products.....	1.14	156.5	157.1	156.1	159.1	162.3	165.7	164.2	166.0	166.6	166.9	.....
<b>Materials</b>												
40 Durable goods materials.....	20.35	126.6	126.8	127.0	130.6	126.8	128.0	132.1	134.1	135.5	136.4	136.1
41 Durable consumer parts.....	4.58	121.6	123.0	123.1	126.1	121.5	124.1	126.8	130.3	132.4	133.5	135.3
42 Equipment parts.....	5.44	133.9	133.0	134.0	126.3	135.1	137.3	137.8	140.7	141.7	141.9	143.1
43 Durable materials n.e.c.....	10.34	125.0	125.2	125.0	129.8	124.8	124.9	131.3	132.2	133.4	135.0	132.8
44 Basic metal materials.....	5.57	109.8	113.2	111.3	117.5	104.7	104.8	114.1	115.0	117.5	118.3	.....
45 Nondurable goods materials.....	10.47	146.4	146.2	147.5	146.0	144.6	150.3	153.1	153.2	154.8	155.1	155.9
46 Textile, paper, and chem. mat.....	7.62	151.2	150.9	151.8	150.5	148.8	154.2	158.2	158.9	160.3	160.9	161.8
47 Textile materials.....	1.85	114.4	116.4	116.1	114.7	110.6	110.4	112.4	111.8	112.8	112.5	.....
48 Paper materials.....	1.62	131.1	131.2	134.2	132.1	127.6	133.2	134.3	132.6	136.9	135.1	.....
49 Chemical materials.....	4.15	175.5	173.9	174.7	173.8	174.2	181.9	188.0	190.2	190.8	192.6	.....
50 Containers, nondurable.....	1.70	142.6	140.7	146.6	142.8	139.5	150.7	148.9	146.9	151.7	152.0	.....
51 Nondurable materials n.e.c.....	1.14	120.0	123.2	119.6	120.4	122.6	124.3	126.1	124.6	123.0	121.0	.....
52 Energy materials.....	8.48	120.3	120.6	120.6	119.5	122.6	120.8	121.7	120.8	122.7	124.3	.....
53 Primary energy.....	4.65	107.0	106.2	107.5	106.9	102.9	103.1	107.0	106.0	107.0	110.6	.....
54 Converted fuel materials.....	3.82	136.4	138.1	136.7	134.6	146.5	142.3	139.6	138.7	141.8	141.0	.....
<b>Supplementary groups</b>												
55 Home goods and clothing.....	9.35	130.8	134.9	133.0	130.3	129.8	131.3	131.5	131.6	134.1	134.0	134.7
56 Energy, total.....	12.23	129.0	129.3	129.7	128.4	133.0	132.4	132.0	131.7	132.8	133.6	135.4
57 Products.....	3.76	148.8	148.8	149.9	148.7	156.5	158.4	155.2	156.4	155.7	154.9	.....
58 Materials.....	8.48	120.3	120.6	120.6	119.5	122.6	120.8	121.7	120.8	122.7	124.3	.....

For NOTE see opposite page.



## 2.13 Continued

Grouping	SIC code	1967 proportion	1976 average	1976			1977								
				May	June	July	Jan.	Feb.	Mar.	Apr.	May	June <sup>1</sup>	July <sup>1</sup>		
MAJOR INDUSTRY													Index (1967 = 100)		
1	Mining and utilities	12.05	131.9	132.0	131.9	130.6	136.1	136.4	136.2	135.2	137.3	139.1	139.1		
2	Mining	6.36	114.1	113.0	114.4	112.5	113.2	116.5	120.2	119.2	120.0	122.3	119.3		
3	Utilities	5.69	151.7	153.0	151.2	150.8	161.5	158.8	154.2	153.1	156.4	157.7	161.3		
4	Electric	3.88		169.8	167.2	167.2									
5	Manufacturing	87.95	139.4	129.6	130.2	131.0	131.5	132.9	135.2	136.0	137.4	138.3	138.8		
6	Nonurable	35.97	141.0	140.9	141.3	141.1	143.7	145.7	147.0	147.8	149.1	149.3	149.6		
7	Durable	51.98	121.4	121.7	122.3	124.2	123.0	124.0	126.8	127.9	129.3	130.6	131.3		
Mining															
8	Metal mining	10	.51	122.8	118.3	118.3	121.6	135.6	132.3	133.8	127.7	124.3	119.0		
9	Coal	11, 12	.69	116.9	119.2	122.7	104.8	95.3	100.8	124.1	118.4	122.4	133.6	119.4	
10	Oil and gas extraction	13	4.40	112.0	110.8	112.3	112.0	112.0	115.8	117.0	117.5	118.6	120.8	120.6	
11	Stone and earth minerals	14	.75	118.3	116.7	116.5	116.5	121.6	124.9	126.1	124.0	123.0	122.7		
Nonurable manufactures															
12	Food	20	8.75	132.0	131.2	130.5	131.8	135.5	137.1	138.5	139.9	139.8	139.5		
13	Tobacco products	21	.67	117.2	114.5	115.4	114.5	114.8	117.0	115.3	112.1	105.2			
14	Textile mill products	22	2.68	135.9	138.0	138.1	136.8	131.8	133.0	133.1	135.4	136.0	136.3		
15	Apparel products	23	3.31	126.1	130.3	126.8	125.6	123.6	125.2	123.5	123.8	125.2			
16	Paper and products	26	3.21	133.1	134.0	139.1	132.0	130.6	136.5	135.5	136.5	140.0	139.4	139.8	
17	Printing and publishing	27	4.72	120.7	120.5	119.7	122.0	124.3	122.4	124.3	123.4	124.4	123.9	124.6	
18	Chemicals and products	28	7.74	169.4	166.6	170.0	167.6	172.0	175.1	179.0	180.6	182.0	182.5		
19	Petroleum products	29	1.79	132.7	132.7	135.1	134.1	141.0	145.4	145.1	145.1	144.1	142.5	141.0	
20	Rubber & plastic products	30	2.24	199.8	185.6	189.1	191.2	218.7	220.4	225.6	226.0	232.4	235.1		
21	Leather and products	31	.86	82.0	91.4	84.0	81.1	74.8	75.0	73.8	74.7	76.1	75.0		
Durable manufactures															
22	Ordnance, pvt. & govt.	19, 91	3.64	71.7	71.4	73.1	74.0	70.8	72.4	72.3	73.8	73.8	73.6	74.5	
23	Lumber and products	24	1.64	125.1	123.0	120.3	124.6	132.7	132.2	132.1	131.6	133.0	133.1		
24	Furniture and fixtures	25	1.37	132.8	131.0	130.1	131.6	135.1	137.1	135.1	135.4	137.5	139.4		
25	Clay, glass, stone prod.	32	2.74	135.8	133.9	136.1	137.2	137.3	139.0	143.7	144.5	145.5	147.2		
26	Primary metals	33	6.57	108.0	113.2	111.5	116.9	100.0	100.4	108.3	112.3	116.8	115.6	112.2	
27	Iron and steel	33, 12	4.21	104.4	110.7	110.0	115.3	89.8	91.3	97.9	104.0	111.0	109.3		
28	Fabricated metal prod.	34	5.93	123.3	121.4	124.0	124.6	125.7	126.0	127.5	127.6	128.0	130.2	130.5	
29	Nonelectrical machinery	35	9.15	134.7	134.0	133.5	135.0	139.5	139.4	140.4	142.5	143.2	144.8	146.4	
30	Electrical machinery	36	8.05	131.7	131.8	132.0	131.0	134.0	137.6	137.6	139.6	141.8	143.2	143.9	
31	Transportation equip.	37	9.27	110.6	112.9	112.6	113.3	113.5	113.4	120.5	119.8	120.1	123.3	124.2	
32	Motor vehicles & pts.	371	4.50	140.7	144.3	146.5	148.5	145.5	145.4	161.2	158.1	157.7	162.9	167.0	
33	Aerospace & misc. tr. eq.	37, 29	4.77	82.2	83.3	80.7	80.3	83.4	83.3	82.3	83.8	84.8	86.0	84.1	
34	Instruments	38	2.11	148.2	149.0	149.5	151.3	153.7	157.0	156.9	157.8	157.3	158.0	160.0	
35	Miscellaneous mfrs.	39	1.51	143.5	145.5	145.9	148.5	147.8	147.9	147.4	145.8	147.9	148.8		
MAJOR MARKET														Gross value (billions of 1972 dollars, annual rates)	
36	Products, total	1507.4	550.6	551.5	552.4	552.6	564.2	570.3	578.1	579.4	585.7	588.8	593.8		
37	Final products	1390.9	426.2	427.5	428.3	427.8	436.5	441.2	449.0	449.0	453.9	456.4	460.0		
38	Consumer goods	1277.5	302.9	303.7	305.5	302.2	309.3	312.6	317.6	316.8	319.5	320.3	321.7		
39	Equipment	113.4	123.5	123.7	123.1	125.8	127.2	128.6	131.7	132.3	134.5	135.9	138.1		
40	Intermediate products	116.6	124.3	123.7	124.1	124.7	127.8	128.6	129.3	130.6	131.8	132.7	133.8		

1 1972 dollars.

NOTE.—Published groupings include some series and subtotals not shown separately. For summary description and historical data, see BULLETIN for June 1976, pp. 470-79. Availability of detailed descriptive and historical data will be announced in a forthcoming BULLETIN.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates. Exceptions noted.

Item	1974 <sup>1</sup>	1975 <sup>1</sup>	1976 <sup>1</sup>	1976			1977			
				Dec.	Jan. <sup>2</sup>	Feb. <sup>2</sup>	Mar. <sup>2</sup>	Apr. <sup>2</sup>	May <sup>2</sup>	June
<b>Private residential real estate activity</b> (thousands of units)										
<b>NEW UNITS</b>										
1 Permits authorized.....	1,074	927	1,281	1,514	1,313	1,526	1,687	1,605	1,615	1,692
2 1-family.....	644	669	895	1,053	930	1,060	1,188	1,051	1,077	1,089
3 2-or-more-family.....	431	278	386	461	403	466	499	554	538	513
4 Started.....	1,338	1,160	1,540	1,889	1,384	1,802	2,089	1,880	1,954	1,833
5 1-family.....	888	892	1,163	1,324	1,006	1,424	1,503	1,413	1,467	1,383
6 2-or-more-family.....	450	268	377	565	378	378	586			
7 Under construction, end of period <sup>3</sup>	1,189	1,003	1,157	1,192	1,198	1,215	1,237	1,269	1,308	
8 1-family.....	516	531	656	686	692	710	732	749	774	
9 2-or-more-family.....	673	472	501	507	506	505	505	520	534	
10 Completed.....	1,692	1,297	1,362	1,444	1,416	1,637	1,707	1,532	1,485	
11 1-family.....	931	866	1,026	1,078	1,103	1,242	1,236	1,219	1,137	
12 2-or-more-family.....	760	430	336	366	313	395	471	313	348	
13 Mobile homes shipped.....	329	213	250	248	258	275	275	252	252	256
<b>Merchant builder activity in 1-family units:</b>										
14 Number sold.....	501	544	639	808	827	893	854	746	720	
15 Number for sale, end of period <sup>1</sup> .....	407	383	433	431	431	434	435	442	441	
<b>Price (thous. of dollars)<sup>2</sup></b>										
<b>Median:</b>										
16 Units sold.....	35.9	39.3	44.2	45.9	45.5	47.4	45.4	48.9	49.4	
17 Units for sale.....	36.2	38.9	41.6	41.6	41.9	42.1	42.9	43.3	43.9	
<b>Average:</b>										
18 Units sold.....	38.9	42.5	48.1	50.6	50.7	52.6	51.6	54.7	54.6	54.7
<b>EXISTING UNITS (1-family)</b>										
19 Number sold.....	2,272	2,452	3,002	3,470	3,190	3,080	3,410	3,300	3,450	3,420
<b>Price of units sold (thous. of dollars):<sup>2</sup></b>										
20 Median.....	32.0	35.3	38.1	39.0	39.6	40.7	41.0	42.0	42.2	43.4
21 Average.....	35.8	39.0	42.2	43.3	44.0	45.1	45.5	46.5	46.8	47.7
<b>Value of new construction<sup>3</sup></b> (millions of dollars)										
<b>CONSTRUCTION</b>										
22 Total put in place.....	138,499	134,293	147,481	155,425	148,393	157,117	163,346	166,147	170,381	170,979
23 Private.....	100,165	93,624	109,499	121,153	116,410	122,634	127,942	129,963	131,961	132,218
24 Residential.....	50,377	46,472	60,519	71,094	66,785	72,378	76,209	77,976	80,495	80,087
25 Nonresidential, total.....	49,788	47,152	48,980	50,059	49,625	50,256	51,733	51,987	51,466	52,131
<b>Buildings:</b>										
26 Industrial.....	7,902	8,017	7,182	6,559	6,157	6,262	7,162	7,279	7,184	7,065
27 Commercial.....	15,945	12,804	12,757	12,796	12,537	12,542	13,677	13,851	13,760	14,789
28 Other.....	5,797	5,585	6,155	6,507	6,068	6,061	5,850	6,271	6,077	6,426
29 Public utilities and other.....	20,144	20,746	22,886	24,197	24,863	25,391	25,044	24,586	24,445	23,851
30 Public.....	38,333	40,669	37,982	34,273	31,983	34,483	35,403	36,184	38,420	38,761
31 Military.....	1,188	1,392	1,508	1,474	1,498	1,552	1,452	1,494	1,640	1,564
32 Highway.....	12,066	10,861	9,756	8,162	5,975	7,244	8,140	8,984		
33 Conservation and development.....	2,740	3,256	3,722	3,651	3,446	4,037	3,776	4,092		
34 Other <sup>4</sup> .....	22,339	25,160	22,996	20,986	21,064	21,650	22,035	21,614		

<sup>1</sup> Not at annual rates.

<sup>2</sup> Not seasonally adjusted.

<sup>3</sup> Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports (C-30-76-5)*, issued by the Bureau in July 1976.

<sup>4</sup> Beginning Jan. 1977 Highway imputations are included in Other.

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 for 14,000 jurisdictions reporting to the Census Bureau.

2.15 CONSUMER AND WHOLESALE PRICES

Percentage changes based on seasonally adjusted data, except as noted.

Item	12 months to--		3 months (at annual rate) to--				1 month to--					Index level June 1977 (1967 = 100) <sup>1</sup>
	1976 June	1977 June	1976		1977		1977					
			Sept.	Dec.	Mar.	June	Feb.	Mar.	Apr.	May	June	
<b>Consumer prices</b>												
1 All items.....	5.9	6.9	5.3	4.2	10.0	8.1	1.0	.6	.8	.6	.6	181.8
2 Commodities.....	4.6	6.2	3.9	3.4	10.4	7.4	1.2	.5	.8	.5	.5	175.4
3 Food.....	3.7	7.0	1.6	3.4	14.6	12.7	2.0	.6	1.5	.7	.8	193.6
4 Commodities less food.....	5.1	5.7	5.5	5.7	7.4	4.2	.7	.4	.4	.4	.2	165.4
5 Durable.....	6.1	5.9	5.0	6.0	10.5	2.5	.9	.6	.5	.2	-.1	163.9
6 Nondurable.....	4.4	5.5	6.0	5.4	5.5	5.2	.6	.3	.3	.5	.4	166.6
7 Services.....	8.3	7.9	7.5	5.1	9.8	9.4	.6	.8	.8	.7	.8	193.7
8 Rent.....	5.5	5.9	5.4	5.3	6.3	6.3	.3	.5	.7	.4	.5	152.9
9 Services less rent.....	8.7	8.2	7.7	5.4	10.4	9.7	.7	.8	.8	.7	.8	201.1
Other groupings:												
10 All items less food <sup>1</sup> .....	6.6	6.8	7.4	5.3	6.9	7.8	.6	.6	.7	.6	.6	178.4
11 All items less shelter <sup>1</sup> .....	6.1	6.9	5.6	4.3	9.4	8.4	1.1	.6	.8	.5	.7	179.7
12 Homeownership <sup>1</sup> .....	5.1	6.9	8.0	1.2	9.1	9.6	.7	.6	.9	.6	.8	203.9
<b>Wholesale prices</b>												
13 All commodities.....	5.5	6.1	3.5	7.1	10.2	3.6	.9	1.1	1.1	.4	.7	194.4
14 Farm products, and processed foods and feeds.....	2.8	2.2	12.0	6.6	19.1	-2.5	2.0	2.1	2.9	.3	-3.6	191.5
15 Farm products.....	5.5	1.9	-11.9	5.8	26.0	21.6	2.2	2.5	3.4	-2.3	-6.8	192.7
16 Processed foods and feeds.....	1.2	4.6	-11.8	6.5	15.6	10.8	1.8	1.9	2.5	1.8	-1.7	190.1
17 Industrial commodities.....	6.3	7.2	8.0	7.6	7.9	5.3	.6	.8	.6	.4	.3	194.6
Materials, supplies, and components of which:												
18 Crude materials <sup>2</sup> .....	9.9	12.5	10.6	21.6	21.9	-2.0	4.0	2.3	.3	.8	-1.6	279.6
19 Intermediate materials <sup>3</sup> .....	6.2	7.0	8.3	7.1	8.0	4.7	.6	.9	.6	.3	.2	202.1
Finished goods, excluding foods:												
20 Consumer.....	5.7	7.0	7.7	5.2	8.5	6.5	.3	.8	.7	.5	.4	171.9
21 Durable.....	4.6	5.4	5.1	3.3	7.0	6.0	.5	.4	.7	.4	.3	151.3
22 Nondurable.....	6.4	8.0	9.1	6.5	9.5	7.0	.2	1.0	.7	.5	.5	185.8
23 Producer.....	6.4	6.4	4.7	9.5	5.3	6.3	.5	.4	.6	.6	.4	183.1
MEMO:												
24 Consumer foods.....	1.0	4.7	-13.1	8.4	12.7	13.8	2.0	1.1	2.5	2.1	-1.3	190.7

<sup>1</sup> Not seasonally adjusted.  
<sup>2</sup> Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

<sup>3</sup> 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	1974	1975	1976	1976				1977	
				Q1	Q2	Q3	Q4	Q1	Q2 <sup>p</sup>
Gross national product									
1 Total.....	1,412.9	1,528.8	1,706.5	1,651.2	1,691.9	1,727.3	1,755.4	1,810.8	1,869.0
By source:									
2 Personal consumption expenditures.....	889.6	980.4	1,094.0	1,056.0	1,078.5	1,102.2	1,139.0	1,172.4	1,194.0
3 Durable goods.....	122.0	132.9	158.9	153.3	156.7	159.3	166.3	177.0	179.1
4 Nondurable goods.....	376.3	409.3	442.7	430.4	437.1	444.7	458.8	466.6	475.3
5 Services.....	391.3	438.2	492.3	472.4	484.6	498.2	513.9	528.8	539.6
6 Gross private domestic investment.....	214.6	189.1	243.3	231.3	244.4	254.3	243.4	271.8	293.0
7 Fixed investment.....	205.7	200.6	230.0	216.8	226.1	232.8	244.3	258.0	273.3
8 Nonresidential.....	150.6	149.1	161.9	155.4	159.8	164.9	167.6	177.0	183.3
9 Structures.....	54.5	52.9	55.8	54.7	55.8	56.0	57.0	57.9	60.2
10 Producers' durable equipment.....	96.2	96.3	106.1	100.8	104.0	109.0	110.6	119.2	123.1
11 Residential structures.....	55.1	51.5	68.0	61.4	66.3	67.8	76.7	81.0	90.0
12 Nonfarm.....	52.7	49.5	65.7	58.9	64.1	65.7	74.3	78.5	87.6
13 Change in business inventories.....	8.9	-11.5	13.3	14.5	18.3	21.5	.9	13.8	19.7
14 Nonfarm.....	10.8	-15.1	14.9	15.9	20.4	22.0	1.4	14.1	20.4
15 Net exports of goods and services.....	6.0	2.0	7.8	10.2	10.2	7.9	3.0	-8.2	-8.1
16 Exports.....	137.9	147.3	162.9	153.9	160.6	168.4	168.5	170.4	175.4
17 Imports.....	131.9	126.9	155.1	143.7	150.4	160.6	165.6	178.6	183.5
18 Govt. purchases of goods and services.....	302.7	338.9	361.4	353.6	358.9	363.0	370.0	374.9	390.1
19 Federal.....	111.1	123.3	130.1	127.6	128.5	130.2	134.2	136.3	143.3
20 State and local.....	191.5	215.6	231.2	225.9	230.4	232.7	235.8	238.5	246.7
By major type of product:									
21 Final sales, total.....	1,404.0	1,540.3	1,693.1	1,636.7	1,673.7	1,705.8	1,756.3	1,797.0	1,849.3
22 Goods.....	638.6	686.2	764.2	744.6	761.7	746.0	774.7	805.9	831.3
23 Durable goods.....	247.8	258.2	303.4	285.6	301.9	313.4	312.6	334.4	345.0
24 Nondurable.....	390.8	428.0	460.9	459.0	459.7	464.1	460.6	471.5	486.3
25 Services.....	626.8	699.2	782.0	751.6	770.8	791.8	813.8	833.7	851.5
26 Structures.....	147.4	143.5	160.2	155.0	159.4	159.6	166.9	171.2	186.2
27 Change in business inventories.....	8.9	-11.5	13.3	14.5	18.3	21.5	.9	13.8	19.7
28 Durable goods.....	7.1	-9.2	4.1	-2.0	7.0	10.7	.6	7.8	9.3
29 Nondurable goods.....	1.8	-2.2	9.3	16.6	11.2	12.4	-3.1	6.0	10.5
30 MEMO: Total GNP in 1972 dollars.....	1,217.8	1,202.1	1,274.7	1,256.0	1,271.5	1,283.7	1,287.4	1,311.0	1,331.6
National income									
31 Total.....	1,136.0	1,217.0	1,364.1	1,321.0	1,353.9	1,379.6	1,402.1	1,450.2	.....
32 Compensation of employees.....	875.8	930.3	1,036.3	999.6	1,024.9	1,046.5	1,074.2	1,109.9	1,144.8
33 Wages and salaries.....	764.1	805.7	891.8	861.5	882.4	900.2	923.2	951.3	981.0
34 Government and Government enterprises.....	160.0	175.4	187.2	182.7	185.4	188.2	192.5	194.8	197.2
35 Other.....	604.1	630.3	704.6	678.8	697.0	712.0	730.7	756.4	783.7
36 Supplement to wages and salaries.....	111.7	124.6	144.5	138.1	142.5	146.3	150.9	158.6	163.8
37 Employer contributions for social insurance.....	56.1	59.8	68.6	66.4	68.0	69.1	70.9	75.4	77.1
38 Other labor income.....	55.6	64.9	75.9	71.7	74.5	77.3	80.0	83.2	86.7
39 Proprietors' income <sup>1</sup> .....	86.4	86.0	88.0	86.9	90.4	86.2	88.7	95.1	98.7
40 Business and professional <sup>1</sup> .....	60.9	62.8	69.4	66.9	68.8	70.0	72.0	74.3	77.4
41 Farm <sup>1</sup> .....	25.4	23.2	18.6	20.0	21.6	16.2	16.6	20.7	21.2
42 Rental income of persons <sup>2</sup> .....	21.4	22.3	23.3	23.0	22.9	23.3	24.1	24.5	25.3
43 Corporate profits <sup>1</sup> .....	83.6	99.3	128.1	126.5	129.2	133.5	123.1	125.4	.....
44 Profits before tax <sup>3</sup> .....	126.9	123.5	156.9	153.5	159.2	159.9	154.8	161.7	.....
45 Inventory valuation adjustment.....	-40.4	-12.0	-14.1	-12.4	-15.5	-11.7	-16.9	-20.6	-17.8
46 Capital consumption adjustment.....	-2.9	-12.2	-14.7	-14.6	-14.6	-14.7	-14.8	-15.6	-15.9
47 Net interest.....	69.0	79.1	88.4	85.0	86.5	90.1	92.0	95.3	98.7

<sup>1</sup> With inventory valuation and capital consumption adjustments.  
<sup>2</sup> With capital consumption adjustments.

<sup>3</sup> For after-tax profits, dividends, etc., see Table 1.50.

SOURCE.—Survey of Current Business (U.S. Dept. of Commerce).

## 2.17 PERSONAL INCOME AND SAVING

Billions of current dollars; quarterly data are at seasonally adjusted annual rates. Exceptions noted.

Account	1974	1975	1976	1976				1977	
				Q1	Q2	Q3	Q4	Q1	Q2 <sup>p</sup>
Personal income and saving									
1 Total personal income . . . . .	1,154.9	1,253.4	1,382.7	1,338.1	1,366.7	1,393.9	1,432.2	1,476.8	1,520.1
2 Wage and salary disbursements . . . . .	764.6	805.7	891.8	861.5	882.4	900.2	923.2	951.3	981.0
3 Commodity-producing industries . . . . .	274.6	275.0	308.4	298.6	306.7	310.8	317.7	328.9	345.1
4 Manufacturing . . . . .	211.4	211.0	238.2	230.6	236.7	240.2	245.1	255.4	265.6
5 Distributive industries . . . . .	184.3	195.4	217.1	208.2	213.7	220.2	226.4	234.5	240.7
6 Service industries . . . . .	145.1	159.9	179.0	172.0	176.6	180.9	186.7	193.0	198.0
7 Government and government enterprises . . . . .	160.5	175.4	187.2	182.7	185.4	188.2	192.5	194.8	197.2
8 Other labor income . . . . .	55.6	64.9	75.9	71.7	74.5	77.3	80.0	83.2	86.7
9 Proprietors' income <sup>1</sup> . . . . .	86.2	86.0	88.0	86.9	90.4	86.2	88.7	95.1	98.7
10 Business and professional <sup>1</sup> . . . . .	60.9	62.8	69.4	66.9	68.8	70.0	72.0	74.3	77.4
11 Farm <sup>1</sup> . . . . .	25.4	23.2	18.6	20.0	21.6	16.2	16.6	20.7	21.2
12 Rental income of persons <sup>2</sup> . . . . .	21.4	22.3	23.3	23.0	22.9	23.3	24.1	24.5	25.3
13 Dividends . . . . .	31.0	32.4	35.8	33.6	35.0	36.0	38.4	38.5	40.3
14 Personal interest income . . . . .	103.0	115.6	130.3	125.0	127.5	132.2	136.4	140.3	145.3
15 Transfer payments . . . . .	140.8	176.8	192.8	190.3	188.7	194.3	198.0	203.5	203.9
16 Old-age survivors, disability, and health insurance benefits . . . . .	70.1	81.4	92.9	88.1	89.3	95.8	98.4	99.9	101.9
17 LESS: Personal contributions for social insurance . . . . .	47.7	50.4	55.2	53.9	54.8	55.6	56.6	59.6	60.8
18 EQUALS: Personal income . . . . .	1,154.9	1,253.4	1,382.7	1,338.1	1,366.7	1,393.9	1,432.2	1,476.8	1,520.1
19 LESS: Personal tax and nontax payments . . . . .	170.3	169.0	196.9	184.8	192.6	200.6	209.5	224.4	224.9
20 EQUALS: Disposable personal income . . . . .	984.6	1,084.4	1,185.8	1,153.3	1,174.1	1,193.3	1,222.6	1,252.4	1,295.2
21 LESS: Personal outlays . . . . .	913.0	1,004.2	1,119.9	1,080.9	1,103.8	1,128.5	1,166.3	1,201.0	1,223.6
22 EQUALS: Personal saving . . . . .	71.7	80.2	65.9	72.4	70.3	64.8	56.3	51.4	71.6
MEMO ITEMS:									
Per capita (1972 dollars):									
23 Gross national product . . . . .	5,746	5,629	5,924	5,853	5,916	5,961	5,966	6,064	6,148
24 Personal consumption expenditures . . . . .	3,589	3,629	3,817	3,761	3,794	3,820	3,892	3,934	3,946
25 Disposable personal income . . . . .	3,973	4,014	4,137	4,107	4,130	4,135	4,177	4,202	4,280
26 Saving rate (per cent) . . . . .	7.3	7.4	5.6	6.3	6.0	5.4	4.6	4.1	5.5
Gross saving									
27 Gross private saving . . . . .	209.5	259.4	272.5	276.0	275.4	277.2	261.6	262.9	.....
28 Personal saving . . . . .	71.7	80.2	65.9	72.4	70.3	64.8	56.3	51.4	71.6
29 Undistributed corporate profits <sup>1</sup> . . . . .	.2	16.7	27.6	29.8	28.0	31.6	20.8	22.5	.....
30 Corporate inventory valuation adjustment . . . . .	-40.4	-12.0	-14.1	-12.4	-15.5	-11.7	-16.9	-20.6	-17.8
Capital consumption allowances:									
31 Corporate . . . . .	84.6	101.7	111.8	108.7	110.4	112.9	115.2	117.6	120.0
32 Noncorporate . . . . .	53.1	60.8	67.2	65.1	66.6	68.0	69.2	71.4	73.1
33 Wage accruals less disbursements . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....
34 Government surplus, or deficit (-), national income and product accounts . . . . .	-3.2	-64.3	-35.6	-47.1	-33.3	-32.4	-29.4	-11.5	.....
35 Federal . . . . .	-10.7	-70.2	-54.0	-60.3	46.2	-53.5	-55.9	-38.8	.....
36 State and local . . . . .	7.6	5.9	18.4	13.3	12.9	21.1	26.5	27.3	.....
37 Capital grants received by the United States, net . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....
38 Investment . . . . .	210.1	201.0	242.5	233.1	246.5	252.8	237.5	254.7	275.6
39 Gross private domestic . . . . .	214.6	189.1	243.3	231.3	244.4	254.1	243.3	271.8	293.0
40 Net foreign . . . . .	-4.5	11.8	-.9	1.8	2.2	-1.5	-5.9	-17.1	-17.4
41 Statistical discrepancy . . . . .	5.8	5.9	5.5	4.2	4.5	8.0	5.3	3.3	.....

<sup>1</sup> With inventory valuation and capital consumption adjustments.<sup>2</sup> With capital consumption adjustment.

SOURCE.—Survey of Current Business (U.S. Dept. of Commerce).

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.<sup>1</sup>

Item credits or debits	1974	1975	1976	1976				1977
				Q1	Q2	Q3	Q4	Q1
1 Merchandise exports.....	98,306	107,088	114,700	26,998	28,379	29,603	29,720	29,476
2 Merchandise imports.....	103,673	98,043	123,917	28,324	29,914	32,387	33,292	36,456
3 Merchandise trade balance <sup>2</sup> .....	-5,367	9,045	-9,217	-1,326	-1,535	-2,784	-3,572	-6,980
4 Military transactions, net.....	-2,083	-876	366	-65	-39	235	235	82
5 Investment income, net.....	8,744	5,954	9,808	2,437	2,280	2,667	2,424	3,170
6 Other service transactions, net.....	865	2,042	2,743	523	839	781	598	556
7 Balance on goods and services <sup>3</sup> .....	2,160	16,164	3,699	1,569	1,545	889	-315	-3,172
8 Remittances, pensions, and other transfers.....	-1,714	-1,719	-1,878	-485	-459	-461	-473	-518
9 U.S. Govt. grants (excluding military).....	-5,475	-2,893	-3,146	-544	-556	-1,475	-572	-627
10 Balance on current account.....	-5,028	11,552	-1,324	540	530	-1,037	-1,360	-4,317
11 Not seasonally adjusted.....				1,475	661	-3,785	325	-3,622
12 Change in U.S. Govt. assets, other than official reserve assets, net (increase, -).....	365	-3,463	-4,213	-723	-944	-1,405	-1,142	-895
13 Change in U.S. official reserve assets (increase, -).....	-1,434	-607	-2,530	-773	-1,578	-407	228	-388
14 Gold.....								-58
15 SDR's.....	172	-66	-78	-45	14	-18	-29	
16 Reserve position in IMF.....	-1,265	-466	-2,212	-237	-798	-716	-461	-389
17 Foreign currencies.....	3	-75	-240	-491	-794	327	718	59
18 Change in U.S. private assets abroad (increase, -).....	-25,960	-27,478	-36,216	-9,254	-7,257	-6,597	-13,108	1,734
19 Bank-reported claims.....	-19,516	-13,532	-20,904	-3,630	-4,754	-3,372	-9,148	2,374
20 Long-term.....	-1,183	-2,357	-2,124	-289	-377	-978	-480	-541
21 Short-term.....	-18,333	-11,175	-18,780	-3,341	-4,377	-2,394	-8,668	3,815
22 Nonbank-reported claims.....	-3,221	-1,447	-1,986	-738	-1,004	723	-967	-359
23 Long-term.....	-474	-432	10	191	145	66	-10	38
24 Short-term.....	-2,747	-1,015	-1,996	-547	-1,149	657	-957	-397
25 U.S. purchase of foreign securities, net.....	-1,854	-6,236	-8,730	-2,460	-1,357	-2,743	-2,171	-649
26 U.S. direct investments abroad, net.....	-1,368	-6,264	-4,596	-2,427	-142	-1,205	-822	-532
27 Change in foreign official assets in the United States (increase, +).....	10,981	6,960	17,945	3,847	4,051	3,070	6,977	5,852
28 U.S. Treasury securities.....	3,282	4,408	9,333	1,998	2,166	1,260	3,909	4,980
29 Other U.S. Govt. obligations.....	902	905	566	68	316	66	116	99
30 Other U.S. Govt. liabilities <sup>4</sup> .....	724	1,701	4,938	1,524	743	1,819	852	1,005
31 Other U.S. liabilities reported by U.S. banks.....	5,818	-2,158	893	-412	135	-599	1,769	-405
32 Other foreign official assets <sup>5</sup> .....	254	2,104	2,215	669	691	524	331	173
33 Change in foreign private assets in the United States (increase, +).....	22,631	7,376	16,575	3,009	3,333	5,131	5,102	-2,785
34 U.S. bank-reported liabilities.....	16,017	628	10,982	672	3,528	1,774	5,008	-5,249
35 Long-term.....	9	-280	175	-105	-16	75	221	96
36 Short-term.....	16,008	908	10,807	777	3,544	1,699	4,787	-5,345
37 U.S. nonbank-reported liabilities.....	1,844	240	-616	161	-238	-297	-242	-433
38 Long-term.....	-90	334	-947	-233	-162	-241	-311	-238
39 Short-term.....	1,934	-94	331	394	-76	-56	69	-195
40 Foreign private purchases of U.S. Treasury securities, net.....	697	2,590	2,783	437	-592	3,026	-88	1,191
41 Foreign purchases of other U.S. securities, net.....	378	2,503	1,250	1,030	131	68	21	879
42 Foreign direct investments in the United States, net.....	3,695	1,414	2,176	709	504	561	403	827
43 Allocations of SDR's.....								
44 Discrepancy.....	-1,555	5,660	9,763	3,355	1,865	1,244	3,303	799
45 Owing to seasonal adjustments.....				717	129	-2,622	1,780	470
46 Statistical discrepancy in recorded data before seasonal adjustment.....	-1,555	5,660	9,763	2,638	1,736	3,866	1,523	329
MEMO ITEMS:								
Changes in official assets:								
47 U.S. official reserve assets (increase, -).....	-1,434	-607	-2,530	-773	-1,578	-407	228	-388
48 Foreign official assets in the U.S. (increase, +).....	10,257	5,259	13,007	2,323	3,308	1,251	6,125	4,847
49 Changes in OPEC official assets in the U.S. (part of line 27 above).....	10,841	7,092	9,324	3,482	3,263	1,774	805	3,178
50 Transfers under military grant programs (excluded from lines 1, 4, and 9 above).....	1,817	2,217	386	50	86	156	94	32

<sup>1</sup> Seasonal factors are no longer calculated for lines 13 through 50.<sup>2</sup> Data are on an international accounts (IA) basis. Differs from the Census basis primarily because the IA basis includes imports into the U.S. Virgin Islands, and it excludes military exports, which are part of Line 4.<sup>3</sup> Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition

excludes certain military sales to Israel from exports and excludes U.S. Govt. interest payments from imports.

<sup>4</sup> Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.<sup>5</sup> 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	1974	1975	1976	1977						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments.....	97,908	107,130	114,802	10,410	9,599	9,808	10,072	9,970	10,395	10,112
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses.....	100,252	96,115	120,678	11,020	11,269	11,674	12,459	12,593	11,616	12,932
3 Trade balance.....	-2,344	11,014	-5,876	-610	1,670	-1,866	-2,387	-2,623	-1,221	-2,820

NOTE.—Bureau of Census data reported on a free-alongside-ship (f.a.s.) value basis. Before 1974 imports were reported on a customs import value basis. For calendar year 1974 the f.a.s. import value was \$100.3 billion, about 0.7 per cent less than the corresponding customs import value. The international-accounts-basis data shown in Table 3.10 adjust the Census basis data for reasons of coverage and timing. On the export side, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military

exports (which are combined with other military transactions and are reported separately in the "service account"). On the import side, the largest single adjustment is the addition of imports into the Virgin Islands (largely oil for a refinery on St. Croix), which are not included in Census statistics.

SOURCE.—U.S. Dept. of Commerce, Bureau of the Census, Summary of U.S. Export and Import Merchandise Trade (FT 900).

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1974	1975	1976	1977						
				Jan.	Feb.	Mar.	Apr.	May <sup>1</sup>	June <sup>2</sup>	July
1 Total.....	15,883	16,226	18,747	19,087	19,122	19,120	18,868	19,195	19,156	18,927
2 Gold stock, including Exchange Stabilization Fund <sup>1</sup> .....	11,652	11,599	11,598	11,658	11,658	11,658	11,658	11,658	11,658	11,658
3 Special Drawing Rights <sup>2</sup> .....	2,374	2,335	2,395	2,375	2,383	2,389	2,384	2,470	2,486	2,498
4 Reserve position in International Monetary Fund.....	1,852	2,212	4,434	4,682	4,819	4,812	4,720	4,972	4,920	4,716
5 Convertible foreign currencies.....	5	80	320	372	262	261	106	95	92	55

<sup>1</sup> Gold held under earmark at F.R. Banks for foreign and international accounts is not included in the gold stock of the United States; see Table 3.24.

<sup>2</sup> Includes allocations by the International Monetary Fund of SDR's as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; and \$710 million on Jan. 1, 1972; plus net transactions in SDR's.

<sup>3</sup> Beginning July 1974, the IMF adopted a technique for valuing the

SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR1 = \$1.20635) total U.S. reserve assets at end of July amounted to \$19,003; SDR holdings, \$2,572, and reserve position in IMF, \$4,718.

## 3.13 SELECTED U.S. LIABILITIES TO FOREIGNERS

Millions of dollars, end of period

Holder, and type of liability	1974		1975	1976	1977					
	Dec. <sup>9</sup>				Jan.	Feb.	Mar.	Apr.	May <sup>10</sup>	June <sup>10</sup>
1 Total.....	119,240	119,164	126,552	151,329	147,913	149,008	151,903	157,020	161,181	163,681
2 Foreign countries.....	115,918	115,842	120,929	142,846	139,994	141,023	143,806	149,306	152,490	155,497
3 Official institutions <sup>1</sup> .....	76,801	76,823	80,712	91,900	93,046	93,858	96,782	99,748	101,526	102,967
4 Short-term, reported by banks in the United States <sup>2</sup> .....	53,057	53,079	49,530	53,528	54,515	54,796	56,040	57,486	58,268	57,354
U.S. Treasury bonds and notes:										
5 Marketable <sup>3</sup> .....	5,059	5,059	6,671	11,788	12,017	12,725	13,772	14,694	15,846	17,773
6 Nonmarketable <sup>4</sup> .....	16,339	16,339	19,976	20,648	20,622	20,495	21,106	20,976	20,950	20,917
7 Other readily marketable liabilities <sup>5</sup> .....	2,346	2,346	4,535	5,936	5,892	5,842	5,864	6,592	6,462	6,923
Commercial banks abroad:										
8 Short-term, reported by banks in the United States <sup>2,6</sup> .....	30,314	30,106	29,516	37,377	33,510	33,088	32,858	35,356	36,226	37,370
9 Other foreigners.....	8,803	8,913	10,701	13,569	13,438	14,077	14,166	14,202	14,738	15,160
10 Short-term, reported by banks in the United States <sup>2</sup> .....	8,305	8,415	10,000	12,592	12,441	13,056	13,008	12,873	13,384	13,602
11 Marketable U.S. Treasury bonds and notes <sup>3,7</sup> .....	498	498	701	977	997	1,021	1,158	1,329	1,354	1,558
12 Nonmonetary international and regional organization <sup>8</sup> .....	3,322	3,322	5,623	8,483	7,919	7,985	8,097	7,714	8,691	8,184
13 Short-term, reported by banks in the United States <sup>2</sup> .....	3,171	3,171	5,292	5,450	4,625	3,918	4,278	5,287	6,556	5,728
14 Marketable U.S. Treasury bonds and notes <sup>3</sup> .....	151	151	331	3,033	3,294	4,067	3,819	2,427	2,135	2,456

<sup>1</sup> Includes Bank for International Settlements.<sup>2</sup> Includes Treasury bills as shown in Table 3.15.<sup>3</sup> Derived by applying reported transactions to benchmark data.<sup>4</sup> Excludes notes issued to foreign official nonreserve agencies.<sup>5</sup> Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally sponsored agencies and U.S. corporations.<sup>6</sup> Includes short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.<sup>7</sup> Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad and other foreigners.<sup>8</sup> Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.<sup>9</sup> Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding date; figures in the second column are comparable with those shown for the following date.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks (including Federal Reserve banks) and brokers in the United States. Data exclude the holdings of dollars of the International Monetary Fund derived from payments of the U.S. subscription, and from the exchange transactions and other operations of the IMF. Data also exclude U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by nonmonetary international and regional organizations.

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

Millions of dollars, end of period

Area	1974		1975	1976	1977					
	Dec. <sup>3</sup>				Jan.	Feb.	Mar.	Apr.	May <sup>10</sup>	June <sup>10</sup>
1 Total.....	76,801	76,823	80,712	91,900	93,046	93,858	96,782	99,748	101,526	102,967
2 Western Europe <sup>1</sup> .....	44,328	44,328	45,701	45,855	45,927	46,108	47,932	48,733	50,048	52,762
3 Canada.....	3,662	3,662	3,132	3,406	3,197	2,844	2,684	2,752	2,798	2,699
4 Latin American republics.....	4,419	4,419	4,450	4,853	4,546	4,525	4,826	4,396	4,672	4,234
5 Asia.....	18,604	18,627	22,551	34,112	35,562	36,458	37,730	39,946	40,311	39,728
6 Africa.....	3,161	3,160	2,983	1,893	1,757	1,771	1,628	1,883	1,821	1,938
7 Other countries <sup>2</sup> .....	2,627	2,627	1,895	1,781	2,057	2,152	1,982	2,038	1,876	1,606

<sup>1</sup> Includes Bank for International Settlements.<sup>2</sup> Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.<sup>3</sup> See Note 9 to Table 3.13.

NOTE.—Data represent breakdown by area of line 3, Table 3.13.



**3.15 SHORT-TERM LIABILITIES TO FOREIGNERS** Reported by Banks in the United States  
By Holder and by Type of Liability  
Millions of dollars, end of period

Holder, and type of liability	1974		1975	1976 Dec.	1977					
	Dec. <sup>8</sup>				Jan.	Feb.	Mar.	Apr.	May <sup>9</sup>	June <sup>9</sup>
<b>1 All foreigners, excluding the International Monetary Fund</b> .....	<b>94,847</b>	<b>94,771</b>	<b>94,338</b>	<b>108,947</b>	<b>105,091</b>	<b>104,858</b>	<b>106,184</b>	<b>111,002</b>	<b>114,434</b>	<b>114,054</b>
<b>2 Payable in dollars</b> .....	<b>94,081</b>	<b>94,004</b>	<b>93,780</b>	<b>108,223</b>	<b>104,359</b>	<b>104,043</b>	<b>105,323</b>	<b>110,193</b>	<b>113,781</b>	<b>113,382</b>
Deposits:										
3 Demand.....	14,068	14,051	13,564	16,803	15,314	16,098	15,101	15,382	16,738	16,301
4 Time <sup>1</sup> .....	10,106	9,932	10,250	11,297	11,395	11,205	11,239	11,282	11,606	12,130
5 U.S. Treasury bills and certificates <sup>2</sup> .....	35,662	35,662	37,414	40,744	41,275	42,669	43,498	44,661	45,463	44,110
6 Other short-term liabilities <sup>3</sup> .....	34,246	34,359	32,552	39,380	36,374	34,071	35,485	38,869	39,975	40,841
<b>7 Payable in foreign currencies</b> .....	<b>766</b>	<b>766</b>	<b>558</b>	<b>724</b>	<b>732</b>	<b>815</b>	<b>861</b>	<b>809</b>	<b>653</b>	<b>672</b>
<b>8 Nonmonetary international and regional organizations<sup>4</sup></b> .....	<b>3,171</b>	<b>3,171</b>	<b>5,293</b>	<b>5,450</b>	<b>4,625</b>	<b>3,918</b>	<b>4,278</b>	<b>5,287</b>	<b>6,556</b>	<b>5,728</b>
<b>9 Payable in dollars</b> .....	<b>3,171</b>	<b>3,171</b>	<b>5,284</b>	<b>5,445</b>	<b>4,621</b>	<b>3,912</b>	<b>4,275</b>	<b>5,284</b>	<b>6,550</b>	<b>5,715</b>
Deposits:										
10 Demand.....	139	139	139	290	166	216	203	119	172	228
11 Time <sup>1</sup> .....	111	111	148	205	230	237	236	207	166	156
12 U.S. Treasury bills and certificates.....	497	497	2,554	2,701	2,890	2,779	2,743	2,849	2,977	2,521
13 Other short-term liabilities <sup>5</sup> .....	2,424	2,424	2,443	2,250	1,335	680	1,093	2,109	3,234	2,811
<b>14 Payable in foreign currencies</b> .....	<b>8</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>13</b>
<b>15 Official institutions, banks, and other foreigners</b> .....	<b>91,676</b>	<b>91,600</b>	<b>89,046</b>	<b>103,497</b>	<b>100,466</b>	<b>100,940</b>	<b>101,906</b>	<b>105,716</b>	<b>107,878</b>	<b>108,326</b>
<b>16 Payable in dollars</b> .....	<b>90,910</b>	<b>90,834</b>	<b>88,497</b>	<b>102,778</b>	<b>99,738</b>	<b>100,131</b>	<b>101,048</b>	<b>104,910</b>	<b>107,231</b>	<b>107,667</b>
Deposits:										
17 Demand.....	13,928	13,912	13,426	16,513	15,148	15,882	14,898	15,262	16,565	16,074
18 Time <sup>1</sup> .....	9,995	9,796	10,102	11,092	11,166	10,968	11,003	11,076	11,440	11,974
19 U.S. Treasury bills and certificates <sup>2</sup> .....	35,165	35,165	34,860	38,042	38,386	39,889	40,755	41,813	42,485	41,589
20 Other short-term liabilities <sup>3</sup> .....	31,822	31,961	30,109	37,130	35,039	33,391	34,392	36,760	36,741	38,030
<b>21 Payable in foreign currencies</b> .....	<b>766</b>	<b>766</b>	<b>549</b>	<b>719</b>	<b>728</b>	<b>809</b>	<b>858</b>	<b>805</b>	<b>647</b>	<b>660</b>
<b>22 Official institutions<sup>6</sup></b> .....	<b>53,057</b>	<b>53,079</b>	<b>49,530</b>	<b>53,528</b>	<b>54,515</b>	<b>54,796</b>	<b>56,040</b>	<b>57,486</b>	<b>58,268</b>	<b>57,354</b>
<b>23 Payable in dollars</b> .....	<b>52,930</b>	<b>52,952</b>	<b>49,530</b>	<b>53,528</b>	<b>54,515</b>	<b>54,796</b>	<b>56,040</b>	<b>57,486</b>	<b>58,268</b>	<b>57,354</b>
Deposits:										
24 Demand.....	2,951	2,951	2,644	3,394	2,931	2,404	2,629	2,747	2,676	2,727
25 Time <sup>1</sup> .....	4,257	4,167	3,423	2,289	2,456	2,376	2,269	2,335	2,449	2,497
26 U.S. Treasury bills and certificates <sup>2</sup> .....	34,656	34,656	34,199	37,725	38,081	39,559	40,399	41,508	42,197	41,321
27 Other short-term liabilities <sup>5</sup> .....	11,066	11,178	9,264	10,120	11,047	10,457	10,744	10,896	10,947	10,809
<b>28 Payable in foreign currencies</b> .....	<b>127</b>	<b>127</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>29 Banks and other foreigners</b> .....	<b>38,619</b>	<b>38,520</b>	<b>39,515</b>	<b>49,969</b>	<b>45,951</b>	<b>46,144</b>	<b>45,866</b>	<b>48,230</b>	<b>49,609</b>	<b>50,972</b>
<b>30 Payable in dollars</b> .....	<b>37,980</b>	<b>37,881</b>	<b>38,966</b>	<b>49,250</b>	<b>45,223</b>	<b>45,335</b>	<b>45,008</b>	<b>47,425</b>	<b>48,963</b>	<b>50,312</b>
<b>31 Banks<sup>7</sup></b> .....	<b>29,676</b>	<b>29,467</b>	<b>28,966</b>	<b>36,658</b>	<b>32,788</b>	<b>32,279</b>	<b>32,000</b>	<b>34,551</b>	<b>35,580</b>	<b>36,710</b>
Deposits:										
32 Demand.....	8,248	8,231	7,534	9,104	8,475	9,387	8,401	8,721	9,778	9,557
33 Time <sup>1</sup> .....	1,942	1,885	1,856	2,279	2,074	1,779	1,739	1,675	1,805	2,198
34 U.S. Treasury bills and certificates.....	232	232	335	119	122	102	108	104	108	101
35 Other short-term liabilities <sup>3</sup> .....	19,254	19,119	19,241	25,156	22,111	21,011	21,752	24,060	23,889	24,854
<b>36 Other foreigners</b> .....	<b>8,304</b>	<b>8,414</b>	<b>10,000</b>	<b>12,592</b>	<b>12,441</b>	<b>13,056</b>	<b>13,008</b>	<b>12,873</b>	<b>13,383</b>	<b>13,603</b>
Deposits:										
37 Demand.....	2,729	2,730	3,248	4,015	3,741	4,091	3,868	3,803	4,111	3,790
38 Time <sup>1</sup> .....	3,796	3,744	4,823	6,524	6,636	6,813	6,996	7,065	7,186	7,279
39 U.S. Treasury bills and certificates.....	277	277	325	198	183	229	248	201	180	168
40 Other short-term liabilities <sup>5</sup> .....	1,502	1,664	1,604	1,854	1,876	1,924	1,896	1,804	1,906	2,366
<b>41 Payable in foreign currencies</b> .....	<b>639</b>	<b>639</b>	<b>549</b>	<b>719</b>	<b>728</b>	<b>809</b>	<b>858</b>	<b>805</b>	<b>647</b>	<b>660</b>

<sup>1</sup> Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."

<sup>2</sup> Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

<sup>3</sup> Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches of their head offices, bankers acceptances, commercial paper, and negotiable time certificates of deposit.

<sup>4</sup> Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.

<sup>5</sup> Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

<sup>6</sup> Foreign central banks and foreign central governments and their agencies, and Bank for International Settlements.

<sup>7</sup> Excludes central banks, which are included in "Official institutions."

<sup>8</sup> Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable with those for the preceding date; figures in the second column are comparable with those shown for the following date.

NOTE.—"Short-term obligations" are those payable on demand, or having an original maturity of 1 year or less.

## 3.16 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States

By Country

Millions of dollars, end of period

Area and country	1974		1975	1976	1977					
	Dec. 7				Jan.	Feb.	Mar.	Apr.	May <sup>a</sup>	June <sup>b</sup>
1 Total.....	94,847	94,771	94,338	108,947	105,091	104,858	106,183	111,002	114,434	114,054
2 Foreign countries.....	91,676	91,600	89,046	103,497	100,466	100,940	101,906	105,715	107,878	108,326
3 Europe.....	48,667	48,813	43,988	46,923	43,765	43,584	44,363	45,049	48,217	50,389
4 Austria.....	607	607	754	348	373	401	499	509	410	464
5 Belgium-Luxembourg.....	2,506	2,506	2,898	2,268	2,376	2,411	2,566	2,607	2,640	2,673
6 Denmark.....	369	369	332	363	419	419	569	809	974	1,208
7 Finland.....	266	266	391	419	389	367	312	306	242	258
8 France.....	4,287	4,287	7,733	4,875	4,701	4,590	4,817	4,748	4,920	5,090
9 Germany.....	9,420	9,429	4,357	5,965	5,304	5,495	4,677	4,490	4,825	4,270
10 Greece.....	248	248	284	403	421	346	302	350	409	556
11 Italy.....	2,617	2,577	1,072	3,206	2,858	2,703	2,361	2,625	3,509	4,635
12 Netherlands.....	3,234	3,234	3,411	3,007	2,832	2,817	3,181	2,924	3,111	3,529
13 Norway.....	1,040	1,040	996	785	566	793	746	906	999	1,196
14 Portugal.....	310	310	195	239	172	228	209	184	238	162
15 Spain.....	382	382	426	565	492	546	555	501	586	668
16 Sweden.....	1,138	1,138	2,286	1,693	1,613	1,593	1,717	2,047	2,431	2,391
17 Switzerland.....	9,986	10,139	8,514	9,453	9,571	9,619	8,927	8,798	8,436	9,322
18 Turkey.....	152	152	118	166	85	82	88	81	68	127
19 United Kingdom.....	7,559	7,584	6,886	9,999	8,996	8,711	10,368	10,704	11,944	11,471
20 Yugoslavia.....	183	183	126	188	113	121	96	111	102	115
21 Other Western Europe <sup>1</sup> .....	4,073	4,073	2,070	2,672	2,263	2,136	2,144	2,132	2,136	2,019
22 U.S.S.R.....	82	82	40	51	47	45	50	41	66	73
23 Other Eastern Europe.....	206	206	200	255	172	162	178	176	172	162
24 Canada.....	3,517	3,520	3,076	4,784	4,519	4,815	4,324	4,823	4,869	4,210
25 Latin America.....	12,038	11,754	14,942	19,010	17,847	18,529	19,089	20,437	19,944	20,726
26 Argentina.....	886	886	1,147	1,538	1,648	1,820	1,890	1,845	1,971	1,698
27 Bahamas.....	1,448	1,054	1,827	2,789	1,979	2,439	2,184	4,001	2,744	3,768
28 Brazil.....	1,034	1,034	1,227	1,432	1,292	1,272	1,108	1,225	1,175	1,349
29 Chile.....	276	276	317	335	325	302	403	329	432	394
30 Colombia.....	305	305	417	1,017	1,090	1,152	1,201	1,253	1,172	1,196
31 Cuba.....	7	7	6	6	6	6	6	6	8	7
32 Mexico.....	1,770	1,770	2,066	2,848	2,710	2,782	2,747	2,699	2,764	2,822
33 Panama.....	488	510	1,099	1,140	909	1,002	1,001	1,008	984	941
34 Peru.....	272	272	244	257	244	228	246	255	219	224
35 Uruguay.....	147	165	172	245	250	239	241	263	251	234
36 Venezuela.....	3,413	3,413	3,289	3,060	2,986	2,909	2,927	2,440	2,992	2,462
37 Other Latin American republics.....	1,316	1,316	1,494	1,740	2,033	2,226	2,429	2,284	2,270	2,363
38 Netherlands Antilles <sup>2</sup> .....	158	158	129	140	151	157	162	173	215	207
39 Other Latin America.....	519	589	1,507	2,139	2,223	1,995	2,545	2,656	2,745	3,061
40 Asia.....	21,073	21,130	21,539	28,461	29,789	29,258	29,614	30,459	29,933	28,404
41 China, People's Republic of (Mainland).....	50	50	123	47	47	47	52	52	53	44
42 China, Republic of (Taiwan).....	818	818	1,025	985	1,058	1,158	1,067	1,138	1,211	1,191
43 Hong Kong.....	530	530	623	892	941	1,039	1,018	993	950	940
44 India.....	261	261	126	648	510	559	538	648	721	814
45 Indonesia.....	1,221	1,221	369	340	695	546	480	887	531	282
46 Israel.....	386	389	386	385	430	547	509	436	503	543
47 Japan.....	10,897	10,931	10,218	14,380	14,481	13,358	13,271	13,071	12,481	12,375
48 Korea.....	384	384	390	437	448	483	382	430	472	547
49 Philippines.....	747	747	698	627	602	554	652	624	634	610
50 Thailand.....	333	333	252	275	301	313	312	308	275	258
51 Middle East oil-exporting countries <sup>3</sup> .....	4,633	4,623	6,461	8,073	9,029	9,276	9,987	10,399	10,447	9,233
52 Other <sup>4</sup> .....	813	844	867	1,373	1,245	1,377	1,346	1,473	1,655	1,567
53 Africa.....	3,551	3,551	3,373	2,300	2,207	2,406	2,285	2,587	2,753	2,671
54 Egypt.....	103	103	343	333	209	244	251	245	360	314
55 Morocco.....	38	38	68	88	97	105	94	91	93	81
56 South Africa.....	130	130	169	143	211	155	136	176	184	236
57 Zaire.....	84	84	63	35	48	41	39	28	30	30
58 Oil-exporting countries <sup>5</sup> .....	2,814	2,814	2,239	1,116	1,033	1,132	964	1,151	1,205	1,145
59 Other <sup>4</sup> .....	383	383	491	585	609	728	802	896	881	866
60 Other countries.....	2,831	2,831	2,128	2,019	2,339	2,348	2,231	2,361	2,162	1,926
61 Australia.....	2,742	2,742	2,014	1,911	2,224	2,231	2,101	2,223	2,026	1,801
62 All other.....	89	89	114	108	116	118	130	138	135	125
63 Nonmonetary international and regional organizations.....	3,171	3,171	5,293	5,450	4,625	3,918	4,278	5,287	6,556	5,728
64 International.....	2,900	2,900	5,064	5,091	4,275	3,599	3,960	4,995	6,229	5,367
65 Latin American regional.....	202	202	187	136	160	132	131	110	118	142
66 Other regional <sup>6</sup> .....	69	69	42	223	190	187	187	182	209	218

For notes see bottom of p. A59.

3.17 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States  
Supplemental "Other" Countries<sup>1</sup>  
Millions of dollars, end of period

Area and country	1975		1976		1977	Area and country	1975		1976		1977
	Apr.	Dec.	Apr.	Dec.	Apr.		Apr.	Dec.	Apr.	Dec.	Apr.
<b>Other Western Europe</b>						<b>Other Asia</b>					
1 Cyprus	17	6	38	68	50	25 Afghanistan	19	41	57	55	90
2 Iceland	20	33	43	40	32	26 Bangladesh	50	54	44	54	.....
3 Ireland, Republic of	29	75	43	236	131	27 Burma	49	31	34	13	.....
<b>Other Eastern Europe</b>						<b>Other Africa</b>					
4 Bulgaria	13	19	14	34	11	30 Cambodia	4	4	3	4	.....
5 Czechoslovakia	11	32	11	19	31	29 Jordan	30	39	23	37	23
6 German Democratic Republic	18	17	3	11	.....	30 Laos	5	2	2	1	.....
7 Hungary	11	13	11	18	16	31 Lebanon	180	117	132	140	133
8 Poland	42	66	74	75	64	32 Malaysia	92	77	130	394	511
9 Rumania	14	44	29	19	23	33 Nepal	22	28	34	32	35
<b>Other Latin American republics</b>						<b>Other Latin America</b>					
10 Bolivia	93	110	117	121	135	35 Singapore	215	256	344	280	300
11 Costa Rica	120	124	134	134	170	36 Sri Lanka (Ceylon)	13	13	10	22	27
12 Dominican Republic	214	169	170	274	280	37 Vietnam	70	62	66	50	50
13 Ecuador	157	120	150	319	311	<b>Other Africa</b>					
14 El Salvador	144	171	212	176	214	38 Ethiopia (incl. Eritrea)	76	60	72	41	48
15 Guatemala	255	260	368	340	392	39 Ghana	13	23	45	27	37
16 Haiti	34	38	48	46	68	40 Ivory Coast	11	18	17	10	26
17 Honduras	92	99	137	134	210	41 Kenya	32	19	39	46	185
18 Jamaica	62	41	59	34	43	42 Liberia	33	53	63	76	95
19 Nicaragua	126	133	158	113	133	43 Southern Rhodesia	3	1	1	1	1
20 Paraguay	38	43	50	47	60	44 Sudan	14	12	17	22	30
21 Surinam	.....	.....	13	29	17	45 Tanzania	21	30	20	48	57
22 Trinidad and Tobago	31	131	44	167	85	46 Tuzisia	23	29	34	19	15
<b>Other Latin America:</b>						<b>All Other</b>					
23 Bermuda	100	170	197	177	199	49 New Zealand	36	42	48	43	75
24 British West Indies	627	1,311	2,284	1,874	2,377						

<sup>1</sup> Represents a partial breakdown of the amounts shown in the "Other" categories on Table 3.16.

<sup>2</sup> Surinam included with Netherlands Antilles until January 1976.

3.18 LONG-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States  
Millions of dollars, end of period

Holder, and area or country	1973	1974	1975	1976		1977					
				Dec.	Jan.	Feb.	Mar.	Apr.	May <sup>6</sup>	June <sup>6</sup>	
1 Total	1,462	1,285	1,812	2,408	2,352	2,297	2,295	2,505	2,283	2,315	
2 Nonmonetary international and regional organizations	761	822	415	264	263	248	262	250	262	269	
3 Foreign countries	700	464	1,397	2,144	2,090	2,049	2,033	2,256	2,022	2,047	
4 Official institutions, including central banks	310	124	931	1,352	1,262	1,192	1,163	1,358	1,042	1,097	
5 Banks, excluding central banks	291	261	366	588	604	627	648	631	630	638	
6 Other foreigners	100	79	100	204	224	230	222	267	350	312	
<b>Area or country:</b>											
7 Europe	470	226	330	537	555	580	571	583	594	612	
8 Germany	159	146	214	313	313	296	354	304	297	312	
9 United Kingdom	66	59	66	134	144	122	103	131	148	132	
10 Canada	8	19	23	29	31	29	37	35	34	35	
11 Latin America	132	115	140	230	244	267	263	264	254	295	
12 Middle East oil-exporting countries <sup>1</sup>	.....	94	894	1,251	1,186	1,104	1,091	1,304	1,069	1,030	
13 Other Asia <sup>2</sup>	.....	82	8	96	67	67	67	68	68	68	
14 African oil-exporting countries <sup>3</sup>	.....	*	*	*	*	*	*	*	*	*	
15 Other Africa <sup>3</sup>	.....	1	1	.....	1	2	2	2	2	6	
16 All other countries	.....	7	*	*	1	4	1	1	1	1	

<sup>1</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

<sup>2</sup> Includes Middle East oil-exporting countries until December 1974.

<sup>3</sup> Comprises Algeria, Gabon, Libya, and Nigeria.

<sup>4</sup> Includes African oil-exporting countries until December 1974.

NOTE.— Long-term obligations are those having an original maturity of more than 1 year.

NOTES TO TABLE 3.16:

<sup>1</sup> Includes Bank for International Settlements.

<sup>2</sup> Surinam included with Netherlands Antilles until January 1976.

<sup>3</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

<sup>4</sup> Includes oil-exporting countries until December 1974.

<sup>5</sup> Comprises Algeria, Gabon, Libya, and Nigeria.

<sup>6</sup> Asian, African, and European regional organizations, except BIS, which is included in "Other Western Europe."

<sup>7</sup> Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

## 3.19 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

By Country

Millions of dollars, end of period

Area and country	1973	1974	1975	1976						
				Dec.	Jan.	Feb.	Mar.	Apr.	May <sup>1</sup>	June <sup>2</sup>
1 Total	20,723	39,056	50,231	69,126	63,719	63,447	65,187	65,874	68,143	70,553
2 Foreign countries	20,723	39,055	50,229	69,121	63,712	63,442	65,181	65,869	68,139	70,541
3 Europe	3,970	6,255	8,987	12,162	10,486	10,764	10,887	12,033	12,917	13,761
4 Austria	11	21	15	44	41	42	58	63	43	53
5 Belgium-Luxembourg	147	384	352	662	554	611	570	470	589	765
6 Denmark	48	46	49	85	72	64	67	84	88	84
7 Finland	108	122	128	141	137	131	141	126	130	113
8 France	621	673	1,471	1,448	1,246	1,372	1,343	1,511	1,546	1,468
9 Germany	311	589	436	563	511	667	535	550	503	578
10 Greece	35	64	49	79	57	85	54	70	65	51
11 Italy	316	345	370	929	875	802	870	946	979	875
12 Netherlands	133	348	300	304	246	510	252	385	362	462
13 Norway	72	119	71	98	124	127	133	142	148	126
14 Portugal	23	20	16	65	80	90	98	90	100	96
15 Spain	222	196	249	429	362	375	291	363	302	284
16 Sweden	153	180	167	177	112	85	74	116	79	105
17 Switzerland	176	335	237	482	539	530	496	496	473	483
18 Turkey	10	15	86	173	199	207	274	291	322	333
19 United Kingdom	1,459	2,580	4,718	6,158	4,960	4,671	5,218	5,939	6,803	7,461
20 Yugoslavia	10	22	38	45	60	64	37	31	55	58
21 Other Western Europe	25	22	27	52	53	60	56	51	40	51
22 U.S.S.R.	46	46	103	99	82	95	104	108	82	90
23 Other Eastern Europe	44	131	108	130	178	175	218	203	209	222
24 Canada	1,955	2,776	2,817	3,100	2,944	3,512	3,737	3,701	3,554	3,607
25 Latin America	5,900	12,377	20,532	34,060	31,459	31,487	32,057	31,789	32,550	33,472
26 Argentina	499	720	1,203	962	937	867	914	873	886	905
27 Bahamas	883	3,405	7,570	15,340	13,872	14,102	15,431	14,157	15,127	16,063
28 Brazil	900	1,418	2,221	3,378	3,456	3,145	2,951	3,186	3,061	2,968
29 Chile	151	290	360	396	370	379	357	420	362	415
30 Colombia	397	713	689	575	593	598	544	565	505	494
31 Cuba	12	14	13	13	13	13	13	13	13	13
32 Mexico	1,373	1,972	2,802	3,419	3,366	3,332	3,295	3,302	3,239	3,189
33 Panama	274	505	1,052	1,021	760	869	849	753	840	905
34 Peru	178	518	583	690	737	739	733	756	741	791
35 Uruguay	55	63	51	38	41	39	39	35	36	32
36 Venezuela	518	704	1,086	1,552	1,296	1,260	1,241	1,197	1,359	1,348
37 Other Latin American republics	493	852	967	1,140	1,127	1,120	1,132	1,079	1,176	1,148
38 Netherlands Antilles <sup>1</sup>	13	62	49	40	45	41	41	54	36	67
39 Other Latin America	154	1,142	1,885	5,495	4,848	4,985	4,518	5,401	5,170	5,133
40 Asia	8,224	16,226	16,057	17,765	16,686	15,471	16,118	15,760	16,596	16,917
41 China, People's Republic of (Mainland)	31	4	22	3	4	30	5	3	15	54
42 China, Republic of (Taiwan)	140	500	736	987	1,028	1,089	1,124	1,099	1,221	1,232
43 Hong Kong	147	223	258	361	229	265	317	337	298	334
44 India	16	14	21	41	28	23	32	24	34	34
45 Indonesia	88	157	102	76	54	55	53	41	39	72
46 Israel	155	255	491	554	344	337	328	287	280	327
47 Japan	6,398	12,518	10,776	10,992	10,579	9,472	9,486	9,397	9,591	9,912
48 Korea	403	955	1,561	1,722	1,710	1,574	1,736	1,807	1,912	1,859
49 Philippines	181	372	384	559	592	479	463	490	488	406
50 Thailand	273	458	499	422	421	446	491	468	519	561
51 Middle East oil-exporting countries <sup>2</sup>	330	330	524	1,312	981	1,050	1,389	1,170	1,469	1,271
52 Other <sup>3</sup>	392	441	684	735	715	651	693	638	730	855
53 Africa	388	855	1,228	1,486	1,519	1,478	1,603	1,572	1,559	1,775
54 Egypt	35	111	101	132	151	126	149	146	152	141
55 Morocco	5	18	9	13	19	13	26	35	34	36
56 South Africa	129	329	545	763	798	797	792	783	778	812
57 Zaire	61	98	34	29	16	11	10	8	7	9
58 Oil-exporting countries <sup>4</sup>	115	231	256	238	249	343	291	243	422	422
59 Other <sup>3</sup>	158	185	308	293	298	282	283	309	344	355
60 Other countries	286	565	609	549	618	729	779	1,013	963	1,009
61 Australia	243	466	535	450	512	604	663	894	846	877
62 All other	43	99	73	99	105	125	116	119	117	132
63 Nonmonetary international and regional organizations	1	*	1	5	7	5	6	5	4	13

<sup>1</sup> Includes Surinam until January 1976.<sup>2</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).<sup>3</sup> Includes oil-exporting countries until December 1974.<sup>4</sup> Comprises Algeria, Gabon, Libya, and Nigeria.

## 3.20 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

By Type of Claim

Millions of dollars, end of period

Type	1973	1974	1975	1976						
				Dec.	Jan.	Feb.	Mar.	Apr.	May <sup>1</sup>	June <sup>1</sup>
1 Total	20,723	39,056	50,231	69,126	63,719	63,447	65,187	65,874	68,143	70,553
2 Payable in dollars	20,061	37,859	48,683	67,481	61,987	61,488	63,290	64,188	66,379	68,776
3 Loans, total	7,660	11,287	13,194	18,300	16,072	16,234	15,756	16,396	16,651	16,081
4 Official institutions, including central banks	284	381	613	1,451	1,251	935	784	741	967	980
5 Banks, excluding central banks	4,538	7,332	7,665	11,076	9,334	9,764	9,730	10,550	10,618	10,016
6 All other, including nonmonetary international and regional organizations	2,838	3,574	4,916	5,773	5,487	5,535	5,241	5,105	5,066	5,085
7 Collections outstanding	4,307	5,637	5,467	5,846	5,833	5,868	6,190	6,316	6,292	6,389
8 Acceptances made for accounts of foreigners	4,160	11,237	11,147	12,367	12,018	12,009	12,793	12,976	13,045	13,151
9 Other claims <sup>1</sup>	3,935	9,694	19,054	30,968	28,064	27,778	28,550	28,499	30,391	33,155
10 Payable in foreign currencies	662	1,196	1,368	1,645	1,732	1,959	1,897	1,686	1,764	1,778
11 Deposits with foreigners	428	669	656	1,063	1,126	1,091	1,100	918	864	861
12 Foreign government securities, commercial and finance paper	119	289	340	89	145	272	323	332	377	302
13 Other claims	115	238	372	493	460	596	474	436	522	614

<sup>1</sup> Includes claims of U.S. banks on their foreign branches and claims of U.S. agencies and branches of foreign banks on their head offices and foreign branches of their head offices.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans

made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

## 3.21 LONG-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

Millions of dollars, end of period

Type, and area or country	1973	1974	1975	1976						
				Dec.	Jan.	Feb.	Mar.	Apr.	May <sup>1</sup>	June <sup>1</sup>
1 Total	5,996	7,179	9,536	11,660	11,684	11,829	12,201	12,457	12,287	12,208
By type:										
2 Payable in dollars	5,924	7,099	9,419	11,512	11,534	11,618	12,012	12,256	12,085	12,008
3 Loans, total	5,446	6,490	8,316	9,935	9,953	10,131	10,411	10,533	10,392	10,318
4 Official institutions, including central banks	1,156	1,324	1,351	1,422	1,404	1,535	1,625	1,647	1,642	1,634
5 Banks, excluding central banks	591	929	1,567	2,212	2,178	2,218	2,192	2,193	2,273	2,240
6 All other, including nonmonetary international and regional organizations	3,698	4,237	5,399	6,301	6,371	6,377	6,591	6,693	6,478	6,444
7 Other long-term claims	478	609	1,103	1,577	1,581	1,487	1,604	1,723	1,693	1,690
8 Payable in foreign currencies	72	80	116	148	150	211	190	201	202	200
By area or country:										
9 Europe	1,271	1,908	2,704	3,232	3,309	3,362	3,616	3,698	3,650	3,663
10 Canada	490	501	555	586	518	536	566	558	501	483
11 Latin America	2,116	2,614	3,468	4,806	4,878	4,906	4,908	4,990	5,036	5,066
12 Asia	1,582	1,619	1,795	1,882	1,835	1,841	1,896	1,933	1,884	1,830
13 Japan	251	258	296	387	383	363	417	416	420	409
14 Middle East oil-exporting countries <sup>1</sup>		384	220	146	117	123	152	149	149	152
15 Other Asia <sup>2</sup>	1,331	977	1,279	1,349	1,334	1,356	1,327	1,368	1,316	1,270
16 Africa	355	366	747	883	856	876	890	953	898	855
17 Oil-exporting countries <sup>3</sup>		62	151	264	201	206	211	228	213	210
18 Other <sup>4</sup>	355	305	596	619	655	670	678	725	685	645
19 All other countries <sup>5</sup>	181	171	267	269	288	308	327	327	319	311

<sup>1</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

<sup>2</sup> Includes Middle East oil-exporting countries until December 1974.

<sup>3</sup> Comprises Algeria, Gabon, Libya, and Nigeria.

<sup>4</sup> Includes oil-exporting countries until December 1974.

<sup>5</sup> Includes nonmonetary international and regional organizations.

## 3.22 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1973	1974	1975	1976			1977			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May <sup>a</sup>
All foreign countries										
1 Total, all currencies . . . . .	121,866	151,905	176,493	207,734	219,432	212,415	215,914	223,222	223,044	229,580
2 Claims on United States . . . . .	5,091	6,900	6,743	7,639	7,999	6,563	7,062	7,303	8,860	7,397
3 Parent bank . . . . .	1,886	4,464	3,665	4,359	4,435	2,999	3,759	3,658	5,462	3,967
4 Other . . . . .	3,205	2,435	3,078	3,281	3,564	3,563	3,303	3,645	3,398	3,430
5 Claims on foreigners . . . . .	111,974	138,712	163,391	192,886	204,390	198,241	201,416	208,500	207,211	214,786
6 Other branches of parent bank . . . . .	19,177	27,559	34,508	42,747	45,894	46,086	47,766	48,645	47,826	49,489
7 Other banks . . . . .	56,368	60,283	69,206	77,401	83,765	77,415	77,923	81,668	79,800	83,950
8 Official institutions . . . . .	2,693	4,077	5,792	9,550	10,608	10,836	11,188	11,766	12,356	12,686
9 Nonbank foreigners . . . . .	33,736	46,793	53,886	63,188	64,123	63,905	64,538	66,421	67,230	68,660
10 Other assets . . . . .	4,802	6,294	6,359	7,208	7,043	7,612	7,436	7,420	6,973	7,397
11 Total payable in U.S. dollars . . . . .	79,445	105,969	132,901	156,597	167,717	163,026	165,461	172,352	171,956	176,642
12 Claims on United States . . . . .	4,599	6,603	6,408	7,297	7,705	6,283	6,774	6,904	8,487	6,988
13 Parent bank . . . . .	1,848	4,428	3,628	4,296	4,375	2,960	3,714	3,611	5,419	3,941
14 Other . . . . .	2,751	2,175	2,780	3,001	3,330	3,323	3,061	3,293	3,068	3,047
15 Claims on foreigners . . . . .	73,018	96,209	123,496	145,986	156,808	152,831	155,063	161,922	160,167	166,162
16 Other branches of parent bank . . . . .	12,799	19,688	28,478	34,399	37,848	38,362	39,822	40,922	39,960	41,373
17 Other banks . . . . .	39,527	45,067	55,319	60,352	66,331	60,816	60,909	64,591	63,037	66,297
18 Official institutions . . . . .	1,777	3,289	4,864	8,298	9,017	9,468	9,853	10,469	11,056	11,364
19 Nonbank foreigners . . . . .	18,915	28,164	34,835	42,936	43,611	44,185	44,479	45,940	46,113	47,128
20 Other assets . . . . .	1,828	3,157	2,997	3,315	3,204	3,912	3,623	3,526	3,303	3,492
United Kingdom										
21 Total, all currencies . . . . .	61,732	69,804	74,883	77,249	81,466	76,482	78,708	81,268	80,150	83,178
22 Claims on United States . . . . .	1,789	3,248	2,392	3,426	3,354	2,262	1,772	2,311	2,541	2,714
23 Parent bank . . . . .	738	2,472	1,449	2,538	2,376	1,377	1,011	1,302	1,698	1,850
24 Other . . . . .	1,051	776	943	888	978	885	761	1,009	843	863
25 Claims on foreigners . . . . .	57,761	64,111	70,331	71,477	75,859	71,995	74,713	76,865	75,559	78,333
26 Other branches of parent bank . . . . .	8,773	12,724	17,557	17,949	19,753	19,483	21,450	21,115	21,733	21,122
27 Other banks . . . . .	34,442	32,701	35,904	35,846	38,089	34,827	35,517	37,074	35,559	38,635
28 Official institutions . . . . .	735	788	881	1,168	1,274	1,377	1,615	1,606	1,611	1,631
29 Nonbank foreigners . . . . .	13,811	17,898	15,990	16,514	16,743	16,309	16,130	17,070	16,656	16,945
30 Other assets . . . . .	2,183	2,445	2,159	2,345	2,253	2,225	2,224	2,092	2,050	2,131
31 Total payable in U.S. dollars . . . . .	40,323	49,211	57,361	57,699	61,587	57,758	60,038	62,353	61,179	63,481
32 Claims on United States . . . . .	1,642	3,146	2,273	3,313	3,275	2,185	1,684	2,173	2,430	2,590
33 Parent bank . . . . .	730	2,468	1,445	2,523	2,374	1,372	1,008	1,297	1,690	1,842
34 Other . . . . .	912	678	828	789	902	813	676	876	740	748
35 Claims on foreigners . . . . .	37,817	44,694	54,121	53,541	57,488	54,735	57,492	59,342	57,894	60,030
36 Other branches of parent bank . . . . .	6,509	10,265	15,645	15,405	17,249	17,183	19,114	18,712	19,256	18,642
37 Other banks . . . . .	23,389	23,716	28,224	27,008	28,983	26,184	26,767	28,352	26,917	29,498
38 Official institutions . . . . .	510	610	648	817	846	1,110	1,340	1,310	1,297	1,306
39 Nonbank foreigners . . . . .	7,409	10,102	9,604	10,311	10,410	10,258	10,271	10,968	10,424	10,584
40 Other assets . . . . .	865	1,372	967	845	824	838	862	839	855	861
Bahamas and Caymans										
41 Total, all currencies . . . . .	23,771	31,733	45,203	61,886	66,774	66,479	66,134	69,562	70,980	71,579
42 Claims on United States . . . . .	2,210	2,464	3,229	2,970	3,506	3,192	3,722	3,446	5,026	3,579
43 Parent bank . . . . .	317	1,081	1,477	845	1,141	811	1,418	1,073	2,734	1,289
44 Other . . . . .	1,893	1,383	1,752	2,126	2,365	2,381	2,303	2,372	2,293	2,290
45 Claims on foreigners . . . . .	21,041	28,453	41,040	57,683	62,050	61,539	60,999	64,783	64,654	66,581
46 Other branches of parent bank . . . . .	1,928	3,478	5,411	7,389	8,144	8,463	7,815	9,060	8,095	8,703
47 Other banks . . . . .	9,895	11,354	16,298	22,481	25,354	23,836	23,435	25,339	25,234	25,585
48 Official institutions . . . . .	1,151	2,022	3,576	6,485	7,101	7,004	7,225	7,495	7,784	8,062
49 Nonbank foreigners . . . . .	8,068	11,599	15,756	21,327	21,451	22,236	22,523	22,890	23,540	24,231
50 Other assets . . . . .	520	815	933	1,232	1,217	1,748	1,413	1,333	1,300	1,419
51 Total payable in U.S. dollars . . . . .	21,937	28,726	41,887	57,799	62,705	62,266	61,605	64,982	66,396	66,589

## 3.22 Continued

Liability account	1973	1974	1975	1976			1977				
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May <sup>a</sup>	
All foreign countries											
52 Total, all currencies.....	121,866	151,905	176,493	207,734	219,432	212,415	215,914	223,222	223,044	229,580	
53 To United States.....	5,610	11,982	20,221	30,290	32,836	30,411	30,515	34,455	33,112	34,806	
54 Parent bank.....	1,642	5,809	12,165	19,059	19,894	18,728	19,261	21,054	18,342	20,536	
55 Other.....	3,968	6,173	8,057	11,231	12,942	11,683	11,253	13,402	14,770	14,270	
56 To foreigners.....	111,615	132,990	149,815	170,690	179,862	175,124	178,540	181,965	182,966	187,537	
57 Other branches of parent bank.....	18,213	26,941	34,111	41,711	44,309	44,288	46,327	47,661	46,175	48,157	
58 Other banks.....	65,389	65,675	72,259	78,369	83,852	79,486	78,295	80,031	82,668	84,018	
59 Official institutions.....	10,330	20,185	22,773	23,967	25,828	25,771	26,631	26,199	26,125	27,298	
60 Nonbank foreigners.....	17,683	20,189	20,672	26,643	25,873	25,580	27,288	28,014	27,998	28,065	
61 Other liabilities.....	4,641	6,933	6,456	6,755	6,734	6,880	6,859	6,862	6,965	7,237	
62 Total payable in U.S. dollars.....	80,374	107,890	135,907	161,054	173,092	167,589	170,533	177,247	177,092	181,836	
63 To United States.....	5,027	11,437	19,503	29,399	32,049	29,475	29,601	33,512	32,148	33,920	
64 Parent bank.....	1,477	5,641	11,939	18,821	19,680	18,480	19,015	20,800	18,097	20,280	
65 Other.....	3,550	5,795	7,564	10,578	12,368	10,996	10,585	12,712	14,051	13,640	
66 To foreigners.....	73,189	92,503	112,879	138,231	137,527	134,352	137,290	140,155	141,220	144,098	
67 Other branches of parent bank.....	12,554	19,330	28,217	34,008	37,037	37,706	39,372	40,691	39,096	40,696	
68 Other banks.....	43,641	43,656	51,583	55,900	60,597	56,772	56,096	57,750	60,513	60,835	
69 Official institutions.....	7,491	17,444	19,982	20,924	22,877	23,038	23,598	23,411	23,216	24,324	
70 Nonbank foreigners.....	9,502	12,072	13,097	17,398	17,016	16,836	18,223	18,303	18,395	18,242	
71 Other liabilities.....	2,158	3,951	3,526	3,424	3,516	3,761	3,643	3,580	3,724	3,819	
United Kingdom											
72 Total, all currencies.....	61,732	69,804	74,883	77,249	81,466	76,482	78,708	81,268	80,150	83,178	
73 To United States.....	2,431	3,978	5,646	5,520	5,997	5,101	4,871	6,365	6,272	5,845	
74 Parent bank.....	136	510	2,122	1,459	1,198	1,211	1,191	1,537	1,515	1,460	
75 Other.....	2,295	3,468	3,523	4,061	4,798	3,889	3,681	4,828	4,756	4,386	
76 To foreigners.....	57,311	63,409	67,246	69,368	73,228	69,202	71,523	72,665	71,787	75,145	
77 Other branches of parent bank.....	3,944	4,762	6,494	6,783	7,092	7,663	7,981	8,252	7,764	8,570	
78 Other banks.....	34,979	32,040	32,964	33,690	36,259	32,336	32,097	33,830	33,747	35,932	
79 Official institutions.....	8,140	15,258	16,553	16,181	17,273	16,975	18,204	17,711	17,260	17,538	
80 Nonbank foreigners.....	10,248	11,349	11,229	12,713	12,605	12,228	13,242	12,872	13,016	13,106	
81 Other liabilities.....	1,990	2,418	1,997	2,360	2,241	2,179	2,313	2,238	2,091	2,187	
82 Total payable in U.S. dollars.....	39,689	49,666	57,820	58,757	63,174	59,009	61,331	63,346	62,373	64,343	
83 To United States.....	2,173	3,744	5,415	5,330	5,849	4,876	4,704	6,189	6,108	5,688	
84 Parent bank.....	113	484	2,083	1,447	1,182	1,195	1,166	1,506	1,498	1,438	
85 Other.....	2,060	3,261	3,332	3,883	4,666	3,681	3,538	4,683	4,610	4,250	
86 To foreigners.....	36,646	44,594	51,447	52,503	56,372	53,230	55,675	56,283	55,390	57,720	
87 Other branches of parent bank.....	2,519	3,256	5,442	5,520	5,874	6,573	6,906	7,188	6,563	7,333	
88 Other banks.....	22,051	20,526	23,330	23,040	25,527	22,137	22,211	23,841	23,815	25,171	
89 Official institutions.....	5,923	13,225	14,498	14,283	15,423	15,184	16,345	15,817	15,394	15,674	
90 Nonbank foreigners.....	6,152	7,587	8,176	9,660	9,547	9,336	10,213	9,437	9,617	9,541	
91 Other liabilities.....	870	1,328	959	924	953	903	953	874	875	936	
Bahamas and Caymans											
92 Total, all currencies.....	23,771	31,733	45,203	61,886	66,774	66,479	66,134	69,562	70,980	71,579	
93 To United States.....	1,573	4,815	11,147	20,676	22,723	21,689	21,672	24,314	23,090	25,175	
94 Parent bank.....	307	2,636	7,628	14,797	16,163	15,191	15,241	17,146	14,545	16,465	
95 Other.....	1,266	2,180	3,520	5,879	6,560	6,499	6,431	7,167	8,545	8,710	
96 To foreigners.....	21,747	26,140	32,949	40,111	42,897	43,376	43,166	43,863	46,641	45,054	
97 Other branches of parent bank.....	5,508	7,702	10,569	12,931	13,801	13,551	14,406	14,931	14,123	14,019	
98 Other banks.....	14,071	14,050	16,825	19,923	21,758	22,256	21,006	20,475	23,780	22,201	
99 Official institutions.....	492	2,377	3,308	3,198	3,573	3,607	3,314	3,302	3,893	4,100	
100 Nonbank foreigners.....	1,676	2,011	2,248	4,059	3,765	3,963	4,439	5,155	4,845	4,734	
101 Other liabilities.....	451	778	1,106	1,099	1,154	1,413	1,295	1,385	1,249	1,350	
102 Total payable in U.S. dollars.....	22,328	28,840	42,197	58,367	63,417	62,851	62,416	65,792	67,199	67,556	

## 3.23 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1975	1976	1977 Jan.— June <sup>p</sup>	1976		1977					
				Dec.	Jan.	Feb.	Mar.	Apr. <sup>p</sup>	May <sup>p</sup>	June <sup>p</sup>	
Holdings (end of period) <sup>4</sup>											
1 Estimated total.....	7,703	15,798		15,798	16,307	17,813	18,748	18,450	19,335	21,787	
2 Foreign countries.....	7,372	12,765		12,765	13,014	13,746	14,929	16,024	17,200	19,331	
3 Europe.....	1,085	2,330		2,330	2,300	2,504	2,870	3,505	3,624	4,862	
4 Belgium-Luxembourg.....	13	14		14	14	14	14	14	16	18	
5 Germany.....	215	764		764	764	789	894	1,112	1,112	1,262	
6 Netherlands.....	16	288		288	287	367	388	388	418	492	
7 Sweden.....	276	191		191	191	188	188	188	148	149	
8 Switzerland.....	55	261		261	271	324	317	397	429	439	
9 United Kingdom.....	363	485		485	476	512	713	1,069	1,181	2,190	
10 Other Western Europe.....	143	323		323	293	306	354	332	316	312	
11 Eastern Europe.....	4	4		4	4	4	4	4	4	4	
12 Canada.....	395	256		256	256	261	270	268	271	279	
13 Latin America.....	200	312		312	314	295	405	448	472	481	
14 Venezuela.....	4	149		149	149	149	258	193	193	193	
15 Other Latin America republics.....	29	35		35	21	21	26	21	21	18	
16 Netherlands Antilles <sup>1</sup> .....	161	118		118	125	121	120	119	113	114	
17 Asia.....	5,370	9,323		9,323	9,637	10,330	11,068	11,476	12,528	13,407	
18 Japan.....	3,271	2,687		2,687	2,682	2,806	3,123	3,174	3,773	4,290	
19 Africa.....	321	543		543	506	356	305	305	279	279	
20 All other.....	*	*		*	*	*	11	23	27	23	
21 Nonmonetary international and regional organizations.....	331	3,033		3,033	3,294	4,068	3,819	2,426	2,135	2,456	
22 International.....	322	2,905		2,905	3,180	3,948	3,700	2,318	2,032	2,353	
23 Latin American regional.....	9	128		128	114	119	118	108	103	103	
Transactions (net purchases, or sales (-), during period)											
24 Total.....	1,994	8,095	5,989	735	510	1,505	936	298	885	2,451	
25 Foreign countries.....	1,814	5,393	6,566	428	249	732	1,184	1,094	1,176	2,131	
26 Official institutions.....	1,612	5,116	5,985	421	229	709	1,047	922	1,152	1,927	
27 Other foreign.....	202	276	580	6	21	23	137	172	24	203	
28 Nonmonetary international and regional organizations.....	180	2,702	-577	307	261	773	248	-1,392	-291	321	
MEMO: Oil-exporting countries											
29 Middle East <sup>2</sup> .....	1,797	3,887	2,294	140	254	505	408	338	392	397	
30 Africa <sup>3</sup> .....	170	221	-264		-37	-150	-51		-26		

<sup>1</sup> Includes Surinam until January 1976.<sup>2</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States). Data not available until 1975.<sup>3</sup> Comprises Algeria, Gabon, Libya, and Nigeria. Data not available until 1975.<sup>4</sup> 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.

## 3.24 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1974	1975	1976	1977						
				Jan.	Feb.	Mar.	Apr.	May	June	July
1 Deposits.....	418	353	352	383	361	349	305	436	379	468
Assets held in custody:										
2 U.S. Treasury securities <sup>1</sup> .....	55,600	60,019	66,532	66,992	68,653	71,435	73,261	73,964	74,098	75,443
3 Earmarked gold <sup>2</sup> .....	16,838	16,745	16,414	16,343	16,304	16,271	16,282	16,221	16,184	16,179

<sup>1</sup> Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.<sup>2</sup> The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

NOTE.—Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.



## 3.25 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1975	1976	1977							
			Jan.- June <sup>a</sup>	Dec.	Jan.	Feb.	Mar.	Apr.	May <sup>b</sup>	June <sup>c</sup>
U.S. corporate securities										
<b>Stocks</b>										
1 Foreign purchases.....	15,347	18,227	7,214	1,562	1,425	1,162	1,101	1,135	1,207	1,184
2 Foreign sales.....	10,678	15,474	5,972	1,287	1,137	1,036	980	913	978	927
3 Net purchases, or sales (-).....	4,669	2,752	1,242	274	288	126	121	222	229	257
4 Foreign countries.....	4,651	2,740	1,224	281	290	124	116	222	209	263
5 Europe.....	2,491	336	575	111	130	47	72	105	128	94
6 France.....	262	256	32	37	27	10	4	-6	-3	21
7 Germany.....	251	68	77	24	1	-7	-4	38	37	12
8 Netherlands.....	359	-199	27	35	24	-5	10	-7	27	2
9 Switzerland.....	899	-100	114	-7	39	23	30	38	4	20
10 United Kingdom.....	594	340	330	84	39	36	55	47	67	86
11 Canada.....	361	325	5	60	8	30	9	5	-33	-4
12 Latin America.....	-7	155	88	1	4	14	14	21	17	18
13 Middle East <sup>1</sup> .....	1,640	1,803	499	115	100	50	17	97	92	143
14 Other Asia <sup>2</sup> .....	142	117	51	9	46	-17	3	5	4	10
15 Africa.....	10	7	*	2	*	*	*	*	*	*
16 Other countries.....	15	-4	6	-17	2	1	1	1	1	2
17 Nonmonetary international and regional organizations.....	18	12	18	-6	-2	1	5	1	20	7
<b>Bonds<sup>3</sup></b>										
18 Foreign purchases.....	5,408	5,529	3,723	533	400	534	348	856	609	976
19 Foreign sales.....	4,642	4,322	1,715	524	322	214	208	245	332	394
20 Net purchases, or sales (-).....	766	1,207	2,008	9	78	320	140	611	277	582
21 Foreign countries.....	1,795	1,248	1,957	6	73	329	112	566	308	569
22 Europe.....	113	92	877	53	8	281	75	100	99	314
23 France.....	82	40	25	7	-5	3	-2	5	7	3
24 Germany.....	-6	-50	21	1	-4	4	*	-4	13	12
25 Netherlands.....	-8	-29	19	-20	2	2	-3	7	28	57
26 Switzerland.....	117	158	110	13	15	32	31	-4	19	17
27 United Kingdom.....	-52	23	707	54	8	225	43	106	102	223
28 Canada.....	128	96	77	7	11	55	3	6	1	7
29 Latin America.....	31	94	9	27	-5	8	1	3	*	2
30 Middle East <sup>1</sup> .....	1,553	1,179	981	-21	59	7	48	454	192	235
31 Other Asia <sup>2</sup> .....	-35	-165	18	-43	1	8	6	4	17	10
32 Africa.....	5	-25	-2	-14	*	*	-2	*	*	*
33 Other countries.....	1	-21	*	-2	*	*	*	*	*	*
34 Nonmonetary international and regional organizations.....	-1,030	41	49	3	4	-9	27	45	-31	13
Foreign securities										
35 Stocks, net purchases, or sales (-).....	-189	-322	-292	4	18	-109	-62	40	-7	56
36 Foreign purchases.....	1,541	1,937	1,032	217	181	130	187	157	204	173
37 Foreign sales.....	1,730	2,259	1,323	213	199	238	249	197	211	229
38 Bonds, net purchases, or sales (-).....	-6,325	-8,652	-2,037	-1,323	-30	-374	-56	-11	-866	-700
39 Foreign purchases.....	2,383	4,932	3,876	670	818	581	628	606	607	636
40 Foreign sales.....	8,708	13,584	5,914	1,993	848	955	684	617	1,473	1,337
41 Net purchases, or sales (-) of stocks and bonds.....	-6,515	-8,973	-817	-1,319	49	-483	-118	-51	-873	757
42 Foreign countries.....	-4,323	-7,078	-1,800	-790	-338	-488	-149	4	201	-628
43 Europe.....	-53	-844	-507	-140	-21	-207	54	2	-124	-211
44 Canada.....	-3,202	5,168	1,156	-668	298	265	83	94	-128	288
45 Latin America.....	-306	3	119	37	25	42	35	69	-13	-39
46 Asia.....	-622	-700	276	-24	-53	-61	-155	25	62	-94
47 Africa.....	15	48	4	2	1	2	*	*	*	3
48 Other countries.....	-155	-416	16	3	9	1	*	2	2	2
49 Nonmonetary international and regional organizations.....	-2,192	-1,898	531	-529	290	5	31	55	-673	129

<sup>1</sup> Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

<sup>2</sup> Includes Middle East oil-exporting countries until 1975.

<sup>3</sup> Includes State and local government securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

## 3.26 SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns in the United States

Millions of dollars, end of period

Type, and area or country	1976				1977	1976				1977
	Mar.	June	Sept.	Dec.	Mar. <sup>1</sup>	Mar.	June	Sept.	Dec.	Mar. <sup>P</sup>
	Liabilities to foreigners					Claims on foreigners				
1 Total	6,365	6,307	6,449	6,654	6,632	12,699	13,847	13,172	14,188	14,956
By type:										
2 Payable in dollars	5,715	5,683	5,715	5,943	5,871	11,712	12,850	12,111	13,205	14,004
3 Payable in foreign currencies	650	625	734	710	762	988	997	1,060	984	952
4 Deposits with banks abroad in reporter's name						480	558	592	442	387
5 Other						508	439	468	541	565
By area or country:										
6 Foreign countries	6,146	6,061	6,263	6,445	6,441	12,697	13,846	13,170	14,187	14,953
7 Europe	2,337	2,271	2,386	2,227	2,124	4,932	5,326	5,151	5,271	5,217
8 Austria	6	13	15	10	9	17	17	21	21	23
9 Belgium-Luxembourg	296	233	183	166	169	116	193	195	164	170
10 Denmark	12	12	13	7	15	35	30	26	56	49
11 Finland	5	1	17	2	2	31	131	135	77	40
12 France	205	159	185	200	163	355	363	413	426	422
13 Germany	152	228	256	174	173	305	358	492	378	366
14 Greece	25	29	28	48	80	41	47	56	51	90
15 Italy	125	116	148	131	135	406	335	358	384	473
16 Netherlands	162	170	141	141	168	176	146	142	166	172
17 Norway	23	22	24	29	37	58	52	43	51	42
18 Portugal	3	3	5	13	23	45	22	28	40	35
19 Spain	68	51	36	40	52	516	432	336	369	325
20 Sweden	25	24	35	34	35	80	84	62	90	92
21 Switzerland	162	213	243	190	214	207	270	253	241	154
22 Turkey	14	20	16	13	12	26	31	23	25	32
23 United Kingdom	924	837	888	879	689	2,282	2,602	2,365	2,445	2,476
24 Yugoslavia	91	108	113	123	113	30	28	30	26	30
25 Other Western Europe	6	7	8	7	6	18	14	17	20	18
26 U.S.S.R.	23	10	19	9	15	106	96	81	156	104
27 Other Eastern Europe	10	16	14	13	7	80	75	79	85	36
28 Canada	315	373	328	380	404	2,234	2,202	2,197	2,465	2,428
29 Latin America	1,194	1,095	1,028	1,036	1,117	2,565	3,055	2,816	3,563	4,358
30 Argentina	49	49	48	44	42	48	43	39	44	47
31 Bahamas	376	330	251	260	256	883	1,150	925	1,367	1,824
32 Brazil	97	97	58	72	49	475	462	417	683	536
33 Chile	11	15	16	17	16	27	46	26	34	35
34 Colombia	16	19	11	13	18	47	57	66	59	75
35 Cuba	*	*	*	*	*	1	1	1	1	1
36 Mexico	92	72	74	98	117	332	332	352	332	317
37 Panama	10	12	10	34	12	84	101	83	74	105
38 Peru	30	31	32	25	24	38	39	35	42	32
39 Uruguay	2	3	3	4	4	4	4	22	5	6
40 Venezuela	163	184	222	219	260	156	186	215	194	214
41 Other Latin American republics	75	99	104	141	101	170	184	179	276	234
42 Netherlands Antilles <sup>1</sup>	58	55	68	10	11	7	10	9	9	14
43 Other Latin America	214	130	129	100	2	294	440	447	441	918
44 Asia	1,733	1,752	2,027	2,138	2,154	2,491	2,729	2,421	2,325	2,371
45 China, People's Republic of (Mainland)	5	8	7	20	27	35	23	11	23	30
46 China, Republic of (Taiwan)	110	124	129	112	113	100	215	136	200	130
47 Hong Kong	23	28	33	40	42	66	104	88	96	107
48 India	9	10	11	23	39	60	51	53	55	36
49 Indonesia	141	133	144	134	137	155	160	193	210	246
50 Israel	26	34	32	39	37	42	53	48	41	50
51 Japan	307	290	275	229	206	1,163	1,170	1,010	908	963
52 Korea	53	62	85	77	97	105	131	142	118	130
53 Philippines	18	18	28	53	59	106	114	93	86	84
54 Thailand	18	11	23	24	19	20	19	23	22	26
55 Other Asia	1,022	1,035	1,260	1,385	1,378	638	691	624	566	466
56 Africa	502	527	426	588	574	343	378	406	392	429
57 Egypt	30	22	25	27	29	22	28	36	28	71
58 Morocco	7	32	42	43	27	10	12	9	10	12
59 South Africa	113	88	65	54	33	80	83	78	87	80
60 Zaire	7	12	24	36	39	23	25	28	21	17
61 Other Africa	345	372	270	429	446	207	230	255	247	249
62 Other countries	65	44	67	76	68	133	155	178	172	150
63 Australia	47	32	59	57	49	97	100	112	107	114
64 All other	18	12	18	19	19	36	56	67	65	36
65 Nonmonetary international and regional organizations	219	246	186	208	192	1	1	1	1	2

<sup>1</sup> Includes Surinam until 1976.

NOTE: Reported by exporters, importers, and industrial and com-

mercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks and intercompany accounts between U.S. companies and their affiliates.

## 3.27 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Large Nonbanking Concerns in the United States

Millions of dollars, end of period

Type and country	1973	1974	1976		1977					
			1975	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. <sup>a</sup>	May <sup>a</sup>
1 Total.....	3,185	3,357	3,799	5,141	5,440	5,381	5,590	6,314	6,226	7,370
By type:										
2 Payable in dollars.....	2,641	2,660	3,042	4,518	4,772	4,676	4,935	5,696	5,555	6,736
3 Deposits.....	2,604	2,591	2,710	4,131	4,399	4,308	4,558	5,241	4,973	6,213
4 Short-term investments <sup>1</sup> .....	37	69	332	387	373	368	377	455	582	523
5 Payable in foreign currencies.....	544	697	757	624	669	705	654	619	672	634
6 Deposits.....	431	429	511	408	383	397	339	317	362	300
7 Short-term investments <sup>1</sup> .....	113	268	246	216	286	308	315	302	310	334
By country:										
8 United Kingdom.....	1,128	1,350	1,306	1,695	1,837	1,854	1,846	1,879	1,713	1,889
9 Canada.....	775	967	1,156	1,552	1,539	1,292	1,338	1,468	1,503	1,642
10 Bahamas.....	597	391	546	1,062	1,247	1,320	1,412	1,709	1,649	2,350
11 Japan.....	336	398	343	138	113	130	165	147	155	158
12 All other.....	349	252	446	694	704	785	829	1,111	1,206	1,331

<sup>1</sup> Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

NOTE.—Data represent the assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 3.26.

## 3.28 LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns in the United States

Millions of dollars, end of period

Area and country	1976				1977	1976				1977
	Mar.	June	Sept.	Dec.	Mar. <sup>a</sup>	Mar.	June	Sept.	Dec.	Mar. <sup>a</sup>
	Liabilities to foreigners					Claims on foreigners				
1 Total.....	4,064	3,928	3,718	3,508	3,438	5,178	5,037	4,974	4,979	4,936
2 Europe.....	3,109	2,985	2,813	2,693	2,617	973	984	953	910	897
3 Germany.....	446	425	406	396	391	34	35	73	72	84
4 Netherlands.....	214	214	270	258	254	22	211	211	156	154
5 Switzerland.....	484	467	327	260	178	56	56	54	57	52
6 United Kingdom.....	1,572	1,486	1,445	1,409	1,372	349	365	298	297	257
7 Canada.....	144	166	111	89	82	1,468	1,511	1,507	1,530	1,470
8 Latin America.....	248	222	230	243	244	1,776	1,609	1,552	1,521	1,488
9 Bahamas.....	184	157	132	138	139	7	37	37	36	34
10 Brazil.....	5	5	5	5	5	183	165	172	133	124
11 Chile.....	1	1	1	1	1	312	306	244	248	210
12 Mexico.....	6	6	7	17	19	209	187	219	195	180
13 Asia.....	495	489	498	423	432	685	712	739	773	816
14 Japan.....	394	388	402	397	413	129	85	80	77	96
15 Africa.....	2	2	2	2	2	214	163	165	187	198
16 All other <sup>1</sup> .....	65	64	64	58	59	61	59	58	58	67

<sup>1</sup> Includes nonmonetary international and regional organizations.

## 3.29 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Per cent per annum

Country	Rate on July 31, 1977		Country	Rate on July 31, 1977		Country	Rate on July 31, 1977	
	Per cent	Month effective		Per cent	Month effective		Per cent	Month effective
Argentina	18.0	Feb. 1972	France	10.5	Sept. 1976	Norway	6.0	Sept. 1976
Austria	5.5	June 1977	Germany, Fed. Rep. of	3.5	Sept. 1975	Sweden	8.0	Oct. 1976
Belgium	6.0	June 1977	Italy	13.0	June 1977	Switzerland	1.5	July 1977
Brazil	28.0	May 1976	Japan	5.0	Apr. 1977	United Kingdom	8.0	May 1977
Canada	7.5	May 1977	Mexico	4.5	June 1942	Venezuela	5.0	Oct. 1970
Denmark	9.0	Mar. 1977	Netherlands	3.5	May 1977			

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government securities for commercial banks or brokers. For countries with

more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

## 3.30 FOREIGN SHORT-TERM INTEREST RATES

Per cent per annum, averages of daily figures

Country, or type	1974	1975	1976	1977					
				Feb.	Mar.	Apr.	May	June	July
1 Euro-dollars	11.01	7.02	5.58	5.08	5.13	5.16	5.80	5.78	5.80
2 United Kingdom	13.34	10.63	11.35	11.56	10.31	8.59	7.63	7.81	7.77
3 Canada	10.47	8.00	9.39	7.78	7.63	7.58	7.44	7.16	7.27
4 Germany	9.80	4.87	4.19	4.64	4.70	4.57	4.43	4.24	4.20
5 Switzerland		3.01	1.45	1.68	2.88	2.61	3.98	3.80	3.01
6 Netherlands		5.17	7.02	6.04	5.73	4.89	3.03	2.84	3.05
7 France		7.91	8.65	9.81	9.87	9.33	9.13	9.01	8.67
8 Italy		10.37	16.32	15.86	16.57	16.26	15.49	14.65	14.09
9 Belgium		6.63	10.25	7.59	7.07	7.01	6.94	6.88	6.85
10 Japan		11.64	7.70	7.50	7.20	6.46	5.75	6.05	6.25

NOTE.—Rates are for 3-month interbank loans except for—Canada, finance company paper; Belgium, time deposits of 20 million francs and

over; and Japan, loans and discounts that can be called after being held over a minimum of two month-ends.

## 3.31 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1974	1975	1976	1977					
				Feb.	Mar.	Apr.	May	June	July
1 Australia/dollar	143.89	130.77	122.15	109.04	109.94	110.53	110.31	110.80	112.20
2 Austria/shilling	5.3564	5.7467	5.5744	5.8453	5.8822	5.9525	5.9533	5.9647	6.1691
3 Belgium/franc	2.5713	2.7253	2.5921	2.7114	2.7258	2.7509	2.7700	2.7713	2.8208
4 Canada/dollar	102.26	98.30	101.41	97.295	95.125	95.103	95.364	94.549	94.230
5 Denmark/krone	16.442	17.437	16.546	16.891	17.038	16.710	16.638	16.544	16.769
6 Finland/markka	26.565	27.285	25.938	26.169	26.296	24.899	24.530	24.524	24.902
7 France/franc	20.805	23.354	20.942	20.083	20.075	20.133	20.190	20.240	20.607
8 Germany/deutsche mark	38.723	40.729	39.737	41.582	41.812	42.119	42.394	42.453	43.827
9 India/rupee	12.460	11.926	11.148	11.285	11.313	11.310	11.320	11.286	11.342
10 Ireland/pound	234.03	222.16	180.48	171.03	171.74	171.90	171.85	171.91	172.26
11 Italy/lira	.15372	.15328	.12044	.11327	.11276	.11264	.11279	.11295	.11330
12 Japan/yen	.34302	.33705	.33741	.35087	.35687	.36339	.36046	.36652	.37756
13 Malaysia/ringgit	41.682	41.753	39.340	40.011	40.152	40.305	40.255	40.270	40.443
14 Mexico/peso	8.0000	8.0000	6.9161	4.4084	4.3978	4.4076	4.3890	4.3582	4.3528
15 Netherlands/guilder	37.267	39.632	37.846	39.813	40.079	40.464	40.7009	40.326	40.983
16 New Zealand/dollar	140.02	121.16	99.115	95.192	95.689	96.129	96.002	96.264	97.160
17 Norway/krone	18.119	19.180	18.327	18.904	19.035	18.909	18.956	18.915	19.023
18 Portugal/escudo	3.9506	3.9286	3.3159	3.0717	2.5778	2.5752	2.5818	2.5802	2.5953
19 South Africa/rand	146.98	136.47	114.85	115.00	115.00	114.93	115.00	114.88	114.98
20 Spain/peseta	1.7337	1.7424	1.4958	1.4475	1.4530	1.4536	1.4491	1.4404	1.2382
21 Sri Lanka/rupee	14.978	14.385	11.908	11.442	12.820	13.676	13.700	13.664	13.700
22 Sweden/krona	22.563	24.141	22.957	23.543	23.726	23.004	22.962	22.625	22.991
23 Switzerland/franc	33.688	38.743	40.013	39.669	39.209	39.582	39.694	40.170	41.487
24 United Kingdom/pound	234.03	222.16	180.48	171.03	171.74	171.90	171.85	171.91	172.26
MEMO:									
25 United States/dollar <sup>1</sup>	84.11	82.20	89.68	90.55	90.45	90.13	89.99	89.91	88.67

<sup>1</sup> Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. May 1970 parities = 100. Weights are 1972 global trade of each of the 10 countries.

NOTE.—Averages of certified noon buying rates in New York for cable transfers.

# Guide to Tabular Presentation and Statistical Releases

## GUIDE TO TABULAR PRESENTATION

### SYMBOLS AND ABBREVIATIONS

p	Preliminary	SMSA's	Standard metropolitan statistical areas
r	Revised	REIT's	Real estate investment trusts
rp	Revised preliminary	*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
e	Estimated	.....	(1) Zero, (2) no figure to be expected, or (3) figure delayed or, (4) no change (when figures are expected in percentages).
c	Corrected		
n.e.c.	Not elsewhere classified		
Rp's	Repurchase agreements		
IPC's	Individuals, partnerships, and corporations		

### GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. "State and local gov't." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

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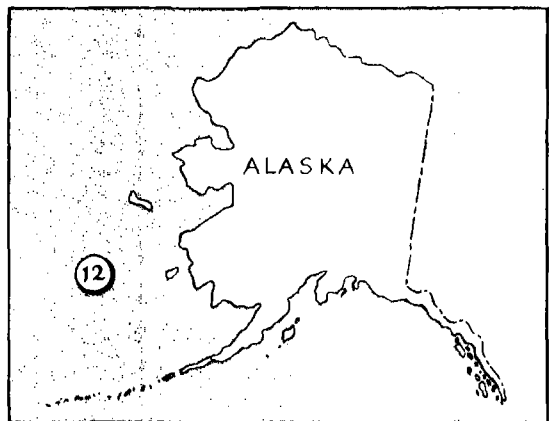
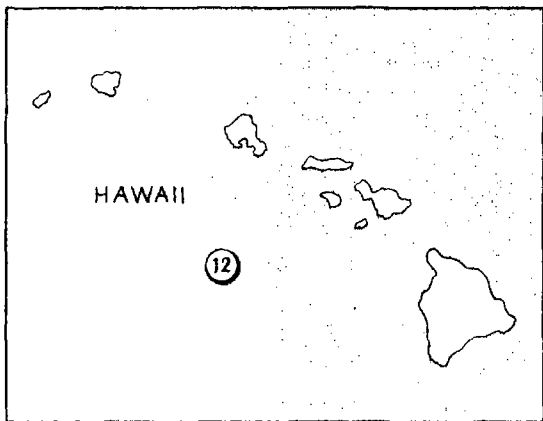
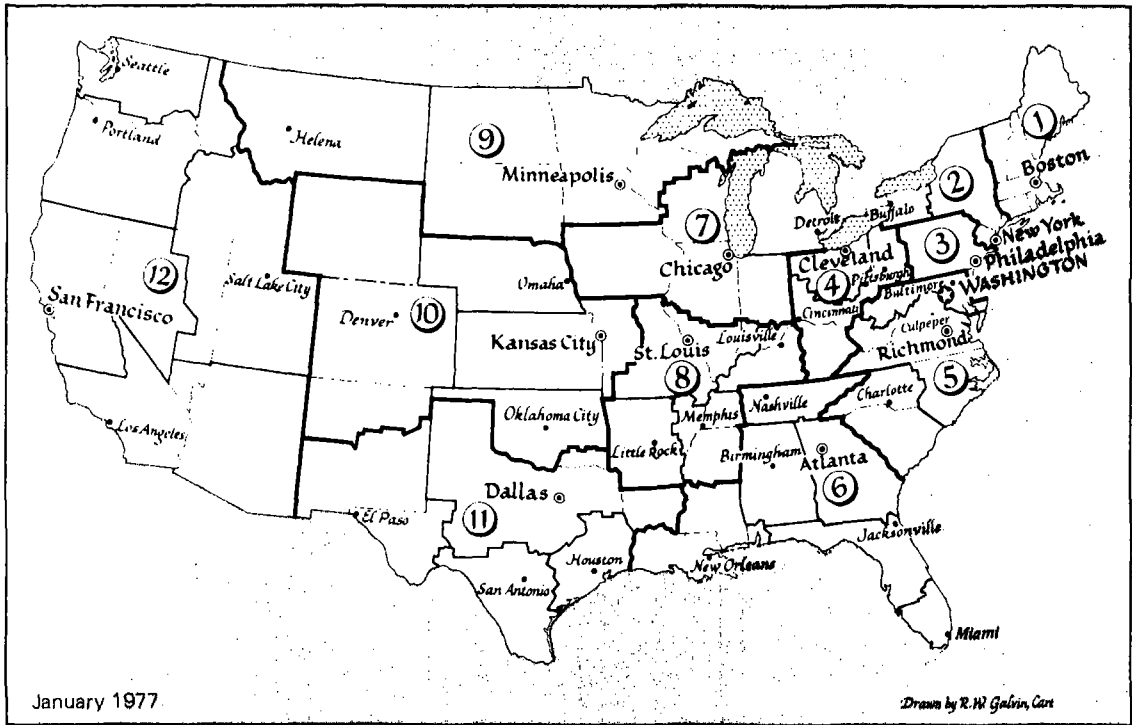
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# The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



## LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility