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# FEDERAL RESERVE BULLETIN

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Board of Governors of the Federal Reserve System  
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# Monetary Policy Report to Congress

*Report submitted to the Congress on July 20, 1981, pursuant to the Full Employment and Balanced Growth Act of 1978.<sup>1</sup>*

## **FEDERAL RESERVE POLICY AND THE OUTLOOK FOR 1981 AND 1982**

### *The Objectives of Monetary Policy*

The Federal Reserve reported to the Congress in February that the principal objective for monetary policy in 1981 would be to exert continuing resistance to inflationary forces. This goal requires gradual reductions over time in the expansion of money and credit to rates consistent with sustainable growth in output at reasonably stable prices. Signs of a deceleration in broad price measures this year are encouraging. Nonetheless, inflationary forces are still well entrenched, and the Federal Reserve must remain firmly committed to a policy of monetary restraint.

The persistence of inflation and the extraordinary costs it imposes on the economy have been widely demonstrated in recent years. Deeply embedded expectations of inflation have created serious imbalances in financial markets, distorted spending patterns throughout the economy, and imparted a strong upward momentum to wages and prices. At the same time, productivity growth has slowed markedly, and the unemployment rate has remained consistently high by historical standards. Dealing with the inflation problem, with all its difficulties, is essential if we are to provide a solid base for sustained growth, lower unemployment, and higher productivity, goals central to the Humphrey-Hawkins Act.

The reduced rate of increase in prices this year has reflected, in substantial part, developments

in the food and energy sectors. Sensitive commodity prices, more broadly, have been restrained by the high cost of credit and reduced speculative interest. In short time periods, however, prices in these sectors can be greatly influenced by developments only tangentially related to broader trends in the economy and can be quite volatile. The underlying inflationary tendencies in the economy generally are better captured by trends in labor costs—the largest element in production costs for both goods and services. While unit labor costs have shown scattered and tentative indications of some moderation in their rise, their advance remains rapid.

One key element in slowing the rise in costs is avoiding excessive pressures on productive capacity. Restraint on growth of money and credit helps to prevent such pressures. But the process of slowing inflation through monetary restraint can entail strains on particular markets and sectors of the economy, especially when so much of the task of dealing with inflation rests on monetary policy. As long as strong demands for money and credit persist and inflationary expectations remain intense, restrained monetary growth may be accompanied by high interest rates and considerable financial stress. These financial strains impose particular hardships on industries that depend heavily on credit markets such as construction, consumer durable goods, and business equipment. Most obviously, the thrift institutions are experiencing severe pressures on earnings and reduced inflows of deposits. More generally, the recent inflation, combined with a long period of relatively slow growth in activity, has distorted the balance sheets of many businesses and individuals, leaving them more vulnerable to adverse financial and economic developments.

Lasting relief from these financial pressures will be dependent on success in dealing with the inflation that lies at the root of the problem. Monetary stimulus can encourage, at best, only

1. The charts and appendixes of this report are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

short-lived declines in interest rates and would without question sustain or aggravate underlying inflationary forces. The only effective way to bring down interest rates and restore financial stability is through the sustained pursuit of anti-inflation policies. The more quickly inflationary forces are defused, the greater the potential for a sustained easing in credit market conditions and a return to more satisfactory production and employment growth.

Disciplined money policy is an essential element in the effort to damp inflationary forces. Progress in this direction will be speeded and the near-term hardships minimized if other government policies complement the efforts of the monetary authority. As businesses and wage earners become convinced that the government is committed to slowing the rise in prices, expectations of inflation will have a lessening impact on the determination of wages, interest rates, and prices. In this regard, the stance of fiscal policy is of particular importance. Assurance that growth in federal expenditures will be limited and that the budget will move toward balance will reinforce the effectiveness of monetary restraint and help relieve pressures on financial markets.

### *The Growth of Money and Credit*

The targeted ranges of growth for the monetary aggregates announced in February anticipated a deceleration in monetary growth. Measured from the fourth quarter of 1980 to the fourth quarter of 1981, and abstracting from the effects of the authorization of negotiable order of withdrawal (NOW) accounts nationwide, the ranges adopted were as follows: for M1-A, 3 to 5½ percent; for M1-B, 3½ to 6 percent; for M2, 6 to 9 percent; and for M3, 6½ to 9½ percent. The corresponding range for commercial bank credit was 6 to 9 percent.

The monetary aggregates have shown disparate patterns of growth so far this year. The narrow aggregates, after adjusting for the newly authorized NOW accounts, have fallen short of their ranges. At the same time, M2 growth has been at the upper limit of its range, while M3 has exceeded the upper end of its range. The divergent behavior of the aggregates is symptomatic

of the rapid structural changes that are under way in financial markets in response to high and volatile interest rates and to an evolving regulatory environment.

Recently, the most prominent structural development affecting the measured aggregates has been the introduction at the end of 1980 of NOW accounts nationwide. As expected, there have been major shifts of funds into NOW accounts from conventional checking accounts included in M1-A and from interest-earning assets included in M2. Consequently, the Federal Reserve is publishing estimates of M1-A and M1-B that are adjusted for these shifts in order to facilitate comparisons with earlier years. Through June, these adjustments have had the effect of raising M1-A by \$28 billion and lowering M1-B by \$10 billion. Shifts into NOW accounts were particularly large early in the year, reflecting the rapid response by individuals with large demand deposit balances. Over the past two months, in contrast, the shift adjustments have been negligible, as outflows from NOW accounts have been small. These outflows probably do not signal the end of the NOW account buildup. The record in New England, where NOW accounts were introduced some time ago, suggests that the process of adjustment has further to go. Also, a recent survey indicates that individuals are continuing to open NOW accounts, though at a much reduced pace from earlier in the year. Even so, the adjusted and unadjusted data are likely to continue to move much more closely together than in the early months of the year.

The shift adjustments published by the Federal Reserve have attempted to correct for one important distorting influence on the narrow aggregates. After taking account of these adjustments, M1-A and M1-B so far this year have been low relative to their past relationships to income and interest rates. For example, despite the rapid growth in nominal income over the first half of 1981, shift-adjusted M1-B expanded at an annual rate of only 2¼ percent from the fourth quarter of 1980 to the second quarter of 1981. This was less than half the rate at which M1-B grew in 1980 even after allowing for the shift into automatic transfer service (ATS) and related accounts last year. In the first quarter especially, growth in adjusted M1-B was well below what would have

been expected on the basis of average historical relationships among money, income, and interest rates. Relatively low growth in transaction balances has occurred on occasion when interest rates have reached new highs, such as happened at the turn of the year. In addition, the introduction of NOW accounts may have stimulated a general reconsideration of alternative deposit and nondeposit instruments and thereby have intensified the response to the peak in rates.

Indeed, at the same time that the narrow aggregates have been unusually weak, the broader aggregates in the first half of 1981 have been at or above the upper limits of their specified ranges. Instruments that offer market-determined yields have continued to grow rapidly, insulating M2 from the damping effects of rising interest rates by encouraging investors to keep their funds in financial intermediaries rather than shifting into open market securities. The growth of money market mutual funds has been particularly rapid, averaging about 125 percent at an annual rate from December 1980 to June 1981; this growth accounted for 60 percent of the increase in the nontransaction component of M2. While available data do not permit accurate estimates, the exceptionally rapid growth in these funds, which at least in limited part are used as transaction balances, may have lowered growth in recorded M1-B somewhat. To the extent that money market mutual funds attracted funds from the open market, the effect was higher M2 and M3.

Thus far this year, growth of M3 has averaged 11½ percent at an annual rate—about 1¼ percentage points faster than last year and 2 percentage points more than the growth of M2. Large-denomination certificates of deposit, which are the main additional instruments included in M3, have been growing strongly, reflecting the need for depository institutions to expand their managed liabilities to offset the weakness in their core deposits. In addition, M3 appears to have been influenced by changing patterns of transactions between U.S. banks and their foreign branches.

Over the first half of 1981, commercial bank credit grew on balance at a rate a bit below the upper limit of its range for 1981. Loan growth was strong early in the year but soon tapered off.

With the prime rate lagging behind the drop in market rates, business loan growth showed a particularly sharp deceleration, as corporations switched much of their borrowing to the commercial paper and bond markets. Later in the spring, however, business loan growth picked up again, as bond rates moved to all-time highs. Real estate loans have shown a more even pattern of growth, sustaining their moderate 1980 rate of increase, while consumer loans outstanding have continued to edge down this year. Security holdings at banks have grown somewhat faster than loans over the first half of 1981, with the bulk of the increase accounted for by U.S. government obligations. So far this year, bank credit growth has been almost 3 percentage points slower than M3 growth. This divergence between the increase in bank asset portfolios and the expansion in M3—which includes most bank liabilities—mainly reflects the large increase in money market mutual funds; much of the inflow to money funds was channeled into commercial paper and other nonbank instruments.

At its meeting in July, the Federal Open Market Committee (FOMC) reassessed the ranges it had adopted for money growth in 1981 and formulated preliminary objectives for 1982. In the light of all the circumstances, the FOMC elected to retain the previously established ranges for the monetary aggregates over the remainder of 1981. In doing so, the FOMC recognized that the shortfall in M1-B growth in the first half of the year probably reflected in part some shifting of transaction balances included in M1-B into other highly liquid assets; in light of that pattern and the desire to moderate growth in money, the FOMC contemplates that growth in the narrow aggregates, adjusted for shifting into NOW accounts, over the year as a whole may be near the lower ends of their annual ranges. Growth in the broader aggregates, on the other hand, has been running at the top or somewhat above the upper ends of their ranges, and given their behavior in the first half of the year, may be toward the upper part of their ranges for the year as a whole.

As indicated, the nontransaction components of M2 that offer market-determined rates have been growing vigorously, apparently in part at the expense of market instruments not included

in the aggregates. Moreover, the attractiveness of the small-denomination, time deposit component of M2 recently was enhanced by the decision effective August 1 to uncap the ceiling on "small saver certificates" with maturities of two and one-half years or longer and to remove ceilings entirely on small time deposits with initial maturities of four years or more.

In the context of sluggish growth of profits and an expanding need for external financing, business loan demands seem likely to remain relatively strong, though a surge in long-term financing could reduce business borrowing at banks if bond rates were to fall. Other components of bank credit are expected to continue recent trends, with real estate loans showing moderate growth and consumer lending remaining weak. While total bank credit is subject to considerable short-run fluctuation, the 6 to 9 percent range for its growth in 1981 remains appropriate.

Looking ahead to 1982 and beyond, the FOMC remains committed to reducing the growth of money to a rate consistent with noninflationary economic growth. The speed with which monetary expansion can be reduced without large short-run effects on production and employment will depend critically on the forces bearing on inflation and credit market demands, including the fiscal position of the government. Also, during a time of rapid institutional change, monetary targets must be chosen with close attention to how such change may affect particular aggregates and the relationships among them. In this regard, looking toward completion of the major shift into NOW accounts, the FOMC now intends to target a single M1 figure in 1982 with the same coverage as the present M1-B. Assuming that shifts into NOW accounts from nontransaction balances are small by that time, a separate shift-adjusted figure would not be necessary.

Reflecting the intent to reduce growth in money over time, the FOMC tentatively agreed on an M1 range of 2½ to 5½ percent for 1982. This would involve reductions in the upper and lower ends of the range for M1-B (as shift adjusted in 1981) of ½ and 1 percentage point respectively. The growth ranges for M2 and M3 would be left unchanged from those in effect for 1981, a specification that would be fully consistent with a reduction in the actual growth of those aggregates in 1982. Thus, the tentative ranges for the

broader aggregates in 1982 are as follows: for M2, 6 to 9 percent, and for M3, 6½ to 9½ percent. The associated range for bank credit would remain at 6 to 9 percent.

While the level of the range for M1 is a reduction from the M1-B range for 1981, it also is widened by ½ percentage point. Interest-bearing transaction accounts are in the process of becoming a sizable component of M1-B. To a certain degree, those accounts have a greater savings component for individuals than non-interest-bearing demand accounts. Because of the changed composition of this component, some time will have to elapse before the behavior of M1 with this component can be related with confidence to changing economic and financial circumstances. Moreover, when this shift in composition will end is also uncertain. At present, we are assuming that the great bulk of the growth in NOW accounts will have been completed by the end of 1981, with only a small amount of funds continuing to be shifted from nontransaction balances. A firmer judgment about the transition can be made, of course, in light of added experience when the 1982 targets are reevaluated early next year.

The decision to leave unchanged the ranges for M2 and M3 reflects in part the likelihood that the proportion of credit demand financed through depository institutions rather than market instruments will be modestly increased by the trend toward reduced regulatory constraints. Actual growth in the broader aggregates is expected to fall somewhat lower in their ranges than in 1981.

### *The Outlook for the Economy*

The economy entered 1981 on a sharp upward trajectory, but apparently little further growth in activity has occurred since early in the year. Auto sales fell with the termination of price concessions this spring, and real retail sales excluding autos have declined in the second quarter. Housing construction activity also has slackened appreciably, while business spending for capital goods apparently has edged down after allowing for inflation. Preliminary estimates suggest that real gross national product showed no increase in the second quarter, and it now

appears that economic activity will remain sluggish at least in the near term.

In the investment sectors, the weakness in residential construction likely will persist for some time. Declines in housing starts, such as occurred in the first half, typically are reflected with a lag in reduced construction activity. Thus, even if market interest rates should ease soon, homebuilding would tend to be sluggish for a while. Business fixed investment also displays some signs of weakening, although energy remains a strong sector. Contracts for business construction and orders for new equipment have been on a downtrend in real terms. In addition, the Commerce Department's survey of capital spending intentions indicates that, for the second time this year, firms have scaled back their expected outlays, and at present their spending plans imply almost no growth in real terms for 1981 as a whole.

Consumers also may hold down spending in response to slower growth in real income and to indications that finding or retaining a job may become more difficult as the year progresses. Recent surveys indicate that some retrenchment has taken place in anticipated expenditures for consumer goods by households, in part owing to concerns about restrictive credit conditions.

The recent appreciation of the dollar, combined with only moderate economic growth abroad, points to a slowing in the growth of exports. Over coming quarters, the real volume of exports could well decline a bit.

Government expenditures in real terms should rise relatively little. Outside the defense area, spending by the federal government is expected to contract in real terms, based on proposed budget cuts for fiscal year 1982. And state and local governments currently are seeking ways to curb expenditures in response to reduced income from federal grants and to slower growth in tax receipts. Some stimulus to private sector demands would be provided by the reductions in personal and business taxes now under consideration by the Congress; however, at this time most of the impact of the proposed tax cuts seemingly would affect private markets in the second half of 1982.

While the near-term outlook suggests a flat economy, it is more difficult to foresee the path of developments in 1982. A crucial element af-

fecting this outlook is the speed with which progress is made in reducing inflation. As noted earlier, some slowing has occurred in the rate of inflation thus far this year, and the near-term outlook is that prices will continue to rise at a more moderate pace than last year. The recent decline in food prices probably will be reversed in the second half of 1981 in response to tightening supply conditions in some areas. But other factors should work to offset these movements. In particular, the current weakness in world oil markets appears to militate against any substantial rise in petroleum prices over the next few quarters. Also, the increase in the foreign exchange value of the dollar since the end of last year, unless reversed, should further reduce domestic price pressures.

The pace of wage increases has abated only a little despite relatively high levels of unemployment. The rapid increases in consumer prices in 1980 have been a factor in large upward wage adjustments this year, as workers have attempted to recapture losses of real income. Strong productivity gains, such as occurred in the first quarter of this year, can hold down unit labor costs even when nominal wages rise rapidly. But a sluggish pattern of activity, such as is anticipated for the remainder of this year, is likely to be associated with small productivity gains, suggesting relatively little alleviation of labor cost pressures in the period immediately ahead.

The members of the FOMC, in assessing the economic outlook, have formulated projections for economic performance in the current year and in 1982 that fall within the ranges indicated in table 1. In addition to the monetary growth rate targets, the principal assumptions underlying these projections are that there will be a cut in

1. Economic forecasts of the FOMC

Item	Actual	Projected	
	1980	1981	1982
<i>Change from fourth quarter to fourth quarter, percent</i>			
Nominal GNP .....	9.4	10 to 11½	9½ to 12¼
Real GNP .....	-3	1 to 3½	1 to 4
Implicit GNP deflator ..	9.8	7½ to 9	6½ to 8½
<i>Average level in fourth quarter</i>			
Unemployment rate (percent) .....	7.5	7½ to 8¼	7 to 8½



business and personal income taxes, most of which occurs in 1982, and that growth of federal expenditures will slow.

Most of the members believe that economic growth will remain sluggish in the second half of this year, resulting in some further rise in the unemployment rate by year-end. The outlook for 1982 reflects the broad range of views among members of the FOMC about the pace at which the rate of inflation will be reduced. While most expect growth in nominal gross national product to slow somewhat next year, views on how the composition of expenditures will be divided between prices and output are less uniform.

The administration, in association with its mid-year budget review, has updated its forecast of the behavior of major economic variables for 1981 and 1982 (shown in table 2).

As compared with the projections of FOMC members, the administration's forecast for 1982 indicates a greater expansion in nominal GNP. The forecast for the GNP deflator is within the range indicated by Committee members, but real growth is higher. Such an outcome would seem to depend on a substantial rebound in productivity in the wake of the tax and regulatory changes now in prospect, and, relative to historical experience, on a considerable willingness by the public to economize on cash balances in response to continuing changes in financial technology and other factors.

## 2. The administration's forecast

Item	1981	1982
<i>Change from fourth quarter to fourth quarter, percent</i>		
Nominal GNP .....	11.8	12.9
Real GNP .....	2.5	5.2
Implicit price deflator .....	9.1	7.3
<i>Average level in fourth quarter</i>		
Unemployment rate (percent) .....	7.7	7.0

## A REVIEW OF RECENT ECONOMIC AND FINANCIAL DEVELOPMENTS

### *Economic Activity during the First Half of 1981*

The snapback from last year's brief but sharp recession carried into the early part of 1981;

however, the economy clearly lost its upward momentum during the first quarter. Over the past several months, activity has been about unchanged on balance. The initial strength of aggregate demand this year was centered in consumer durable outlays and business fixed investment. Spending in these sectors began the year on a strong uptrend and was bolstered for a time by the various automobile price concessions. In recent months, however, spending for consumer and business capital goods has flattened out. At the same time, residential construction activity weakened in response to rising mortgage rates, after having been aided this winter by comparatively moderate weather. Inventories appear to be under good control, except for autos, as high financing costs have reinforced the continuing desire of businesses to maintain lean stocks.

Unexpectedly favorable developments in volatile food and energy prices played a major role in a noticeable moderation of the broad measures of inflation during the first half. Nonetheless, some limited evidence of a slowing in underlying cost pressures was apparent. Unit labor costs advanced less quickly in the first quarter than over last year, reflecting a spurt in productivity growth. The moderation in unit labor costs appears to have continued this spring, as wage increases slowed in a few sectors. The marked appreciation of the dollar in exchange markets also began to reduce inflationary pressures through the lowering of import prices and the associated competitive restraint on domestic prices.

*Personal Consumption Expenditures.* Consumer outlays rose sharply early in the year, with strength concentrated in spending for relatively discretionary items such as autos, furniture and appliances, and apparel. This increase in spending was associated with a reduction in the personal saving rate to its lowest level in nearly 30 years. In part, the willingness of consumers to save less and to borrow more may have reflected the reduction in their debt burdens that occurred last year in conjunction with the credit restraint program. In addition, the drop in the saving rate undoubtedly was related to the temporary opportunity to save on auto purchases afforded by the sizable rebates offered mainly in February and March; auto sales accounted for more than half

of the increase in spending for durable goods in the first quarter.

Once most of the rebate programs ended, however, auto sales dropped sharply and remained at a reduced pace throughout the second quarter. In addition to the cutback in auto demand, spending for furniture and appliances also weakened in the second quarter. At the same time, outlays for general merchandise increased only moderately, and continuing conservation efforts led to cutbacks in the volume of gasoline purchases. On balance, consumption expenditures appeared to have declined slightly in the second quarter after allowing for inflation. In effect, after the first-quarter surge in durable goods purchases, consumers retrenched to reestablish a more normal spending pattern; even so, the saving rate remained very low by historical standards.

*Business Investment.* Real business fixed investment increased at a 13 percent annual rate in the first quarter, as temporary developments combined to boost spending. In the equipment area, businesses took advantage of the rebates offered on cars and added heavily to their fleets. Nonresidential construction also increased vigorously early in the year, aided by the relatively mild weather throughout much of the country.

Following this surge, capital spending appears to have declined this spring. Shipments of nondefense capital goods have been little changed on balance, and business purchases of autos dropped sharply following the end of the rebate programs. Nonresidential construction spending also fell in the second quarter, reflecting in part the sustained tautness in financial markets so far this year. In addition, the quickening of activity that typically occurs in the spring was not so strong as usual, after the relatively mild winter.

Business inventories declined in real terms during the first quarter, continuing the liquidation that had been under way over the second half of last year. Early this year, manufacturers were rebuilding their stocks at a substantial rate, but this accumulation was more than offset by the liquidation of auto stocks that resulted from the various rebate programs. With the end of the price concessions, however, auto sales weakened appreciably and dealer stocks rose quickly during the second quarter. At the end of June,

the inventory of U.S.-made autos had risen to 87 days supply, only slightly below the peak reported in May 1980. Thus, with sharp increases in auto inventories and with manufacturers' real inventories showing relatively little change in April and May, overall business inventories probably rose in real terms during the second quarter. Apart from autos, however, business inventories still appeared to be well in line with sales in the second quarter.

*Residential Construction.* Residential construction activity weakened considerably over the first half of 1981. Housing starts, which had been averaging about 1½ million units at an annual rate in the latter part of 1980, moved down toward a rate of 1 million units over the course of the past six months. Although starts declined early in the year, the value of construction put in place did not begin to fall appreciably until the spring, reflecting in part the favorable winter weather as well as the normal lag between starts and construction activity.

In the single-family sector, starts declined 30 percent from December 1980 to June 1981. Sales of new and existing single-family homes also have dropped sharply this year. With conventional mortgage rates again rising to unprecedented levels, sales activity has been supported to some extent by sellers offering concessionary financing. At the same time, some deceleration in house prices has been apparent; existing home prices increased at a 4 percent annual rate during the first five months of 1981 compared with 14 percent last year.

After showing a spurt late last year, multifamily starts also have dropped sharply this year. Activity in this sector has increasingly been devoted to the construction of condominiums and cooperatives rather than rental units. First-quarter data indicate that construction of such "for sale" units was up almost a third from a year earlier and accounted for 45 percent of multifamily starts. The popularity of condominiums and cooperatives probably reflects their attractiveness as a lower-cost alternative to new single-family homes.

*Government Expenditures.* Federal government purchases of goods and services rose at an annual rate of 15 percent in real terms in the first

quarter and then declined in the second quarter. This volatility was entirely attributable to acquisitions of agricultural inventories by the Commodity Credit Corporation in the first quarter and a runoff of these stocks in the second quarter. Defense spending in real terms was virtually unchanged during the first half of the year, but sustained growth of order backlogs at manufacturers of defense goods indicates continued economic stimulus from this source. Increases on the revenue side of the budget offset this expansionary influence. Large social security tax increases became effective at the beginning of the year, and the rapid growth in GNP at the turn of the year boosted other revenues. On balance, the budget shifted toward restraint. The federal deficit on a national income accounts basis probably shrank by about \$26 billion at an annual rate between the fourth quarter of 1980 and the second quarter of 1981, while the high-employment budget, which abstracts from the effects of changes in economic activity, became more restrictive by a similar amount as the unemployment rate was little changed over the period.

Real purchases by state and local governments edged down over the first six months of the year, following no growth throughout 1980. In general the continued sluggishness in this sector reflected the effects of fiscal limitation measures passed in a number of areas in recent years, as well as reduced growth of federal grants-in-aid. Employment fell slightly in the first half, with job losses greatest in the federally funded public service employment program. Spending for construction was about unchanged. Despite the expenditure cuts, outlays did not decline so rapidly as receipts, and the state and local government sector's operating surplus was almost completely erased by spring after having been consistently positive for several years.

*International Trade and Payments.* Real exports of goods and services grew rapidly in the first quarter of 1981, in part because of strong growth in GNP of two of our major trading partners, Canada and Mexico. The growth in real exports moderated somewhat in the second quarter in response to a slowing of economic expansion abroad and the appreciation of the dollar. Increases in both agricultural and nonagricultural exports contributed to the growth of total ex-

ports in the first half. The volume of imports also has expanded rapidly so far this year. Strong domestic demands during the first quarter and the appreciation of the dollar helped boost imports. Oil imports increased from their year-end levels, although the volume continued to be below the average for 1980 as a whole.

The U.S. merchandise trade deficit declined from about \$22 billion at an annual rate in the fourth quarter of 1980 to roughly \$18 billion in the first quarter of 1981. The current account, reflecting this improved trade performance as well as larger net investment income from abroad, changed from a \$6 billion surplus (annual rate) in the fourth quarter of 1980 to a surplus of about \$12 billion in the first quarter of this year. But with export growth slowing recently, the trade deficit apparently widened in the second quarter and the current-account surplus was reduced.

*Employment and Labor Markets.* Employment expanded at a much slower rate during the first half of 1981 than during the second half of 1980; in June, nonfarm payroll employment was about 565,000 higher than in December, compared with an increase of 860,000 over the preceding half-year. On balance, the increase in employment was barely sufficient to absorb the influx of workers into the labor force, and the unemployment rate hovered around 7.4 percent throughout the first half of the year, just below its 1980 high of 7.6 percent.

Employment has continued to rise at a moderate pace in the services and trade sectors, while the number of manufacturing jobs has expanded sluggishly this year and remains below the previous peak in 1979. Employment in the automotive industry has continued at a depressed level, despite some recalls, with 160,000 auto workers still on indefinite layoff at the end of June. In recent months sharp declines occurred among construction workers, reflecting weak building activity this spring. The number of government jobs also has contracted since February, as federal hiring was curtailed and cutbacks in federally funded public service jobs reduced state and local payrolls.

*Prices and Labor Costs.* The pace of inflation slowed considerably in the first half of this year,

receding from double-digit rates for the first time in two years. The consumer price index rose at an annual rate of about 8½ percent through May compared with 12½ percent over 1980. The relief has been concentrated in the food and energy areas; however, a considerable slowing of price increases for consumer commodities more generally also has been evident in 1981 compared with the previous year. Inflation in the consumer service sector, on the other hand, has diminished little, owing in large part to the substantial weight that rising labor costs have in this sector.

Retail food prices rose at an annual rate of less than 1 percent in the first five months of 1981, in marked contrast to the 10¼ percent pace of 1980. The deceleration in food prices in early 1981 was largely confined to sharp declines for meats and related products. More recently, however, the slowdown has been much more widespread. Prices of fresh fruits and vegetables fell sharply in May, and the rise in prices of dairy products slowed noticeably.

In the energy area, price increases by the Organization of Petroleum Exporting Countries, coupled with full decontrol of domestic crude petroleum, led to a surge in energy prices early in 1981; in the first three months overall retail energy prices rose at just under a 50 percent annual rate. Later, however, the rise in energy costs slowed sharply, reflecting the emergence of relatively abundant supplies in petroleum markets. Declining demands combined with high levels of production by Saudi Arabia have resulted in price reductions at both the producer and the refiner levels in the second quarter. Even so, energy prices did not decline overall, as prices of natural gas—currently undergoing decontrol—and electricity continued to rise.

Costs of homeownership, as measured in the consumer price index, also have risen more slowly. So far this year, this component has increased at an annual rate near 8 percent, less than half the pace of 1980. The home price measure used in constructing this component has fallen on balance this year, but higher financing costs have more than offset this decline. The CPI measure of home prices is based on a relatively small sample of home sales, and thus, the recent absolute declines in this measure may overstate the degree of softening in housing prices. However, other broader-based indexes indicate a

distinct moderation in the rate of increase in home prices this year.

Prices of consumer items other than food, energy, and homeownership increased at an annual rate of 8¼ percent over the first five months of 1981, somewhat below the 10 percent pace over the 12 months of 1980. The moderation in price gains for commodities excluding food has been particularly striking; these items decelerated from a pace of 11½ percent over the 12 months of 1980 to 8 percent in the first part of 1981. Prices for consumer services other than home financing and energy, however, have barely edged off from the 10¼ percent pace of 1980, as increases in these items tend to follow more closely the underlying trend in labor costs.

Movements in labor costs reflected several special factors in the first half in addition to wage and productivity changes. Growth in hourly compensation—which includes employer contributions to social insurance and the costs of fringe benefits—accelerated from a pace of 10 percent in 1980 to 11½ percent in the first quarter, owing to an upward adjustment in the tax rate for social security contributions and a rise in the base salary to which the tax rate is applied.

On balance, the pace of wage increases in the first half appears to have moderated somewhat. The index of average hourly earnings, which is a measure of wage trends for production and non-supervisory personnel, increased at an annual rate of 8½ percent in the first six months of the year compared with 9½ percent last year. In manufacturing, moreover, wage increases so far this year have been running well below the 11 percent rate posted in 1980, possibly due to the light calendar for new bargaining settlements. While wage increases have abated somewhat, the pace of advance remains strong. Some upward pressures have been generated by catchup adjustments in response to the steep rise in consumer prices last year. In addition, the scheduled minimum wage increase in January boosted wage rates in the trade and service sectors early in the year.

The sharp rebound in productivity had a moderating influence on the rise in unit labor costs in the first quarter, offsetting some of the sizable increases in wages and other labor expenses. Nonetheless, the cyclical recovery of productivity since mid-1980 has been sluggish by historical

standards, and by the first quarter of 1981 output per hour in the nonfarm business sector was just 1 percent above the level a year earlier. Moreover, estimates of weak growth in output suggest that productivity gains provided little, if any, offset to wage increases in the second quarter.

### *Financial Developments during the First Half of 1981*

*Interest Rates.* Short-term market interest rates began the year at, or only a bit below, record highs after having been on an uptrend since mid-1980 as economic activity rebounded and the Federal Reserve sought to restrain monetary expansion. During the opening months of 1981, however, money growth weakened, and the demand for reserves fell relative to the provision of nonborrowed reserves consistent with the FOMC's monetary targets. Short-term rates began to ease, and by the end of the first quarter, the federal funds rate was 6½ percentage points below its January peak, while other short-term rates were down 2 to 3 percentage points. Early in the second quarter, growth in money accelerated, renewing pressures in the reserves market. This, along with an increase of 1 percentage point on May 5 in both the discount rate and the surcharge rate, gave an upward impetus to short-term rates. These rates later declined somewhat as money growth weakened in May and June, but in early July they were about at the same levels or a bit higher than at the beginning of the year.

Long-term interest rates moved quite differently than short-term rates, particularly during the first quarter. Like many short-term rates, bond rates began the year somewhat below the record highs that had just been established in December. However, in contrast to the declines in yields on short-term instruments, long-term rates generally rose over the first quarter. Many financial market participants apparently were concerned about underlying inflationary pressures and about the prospects for continuing large budget deficits in an environment of strong private credit demands. Such concerns, including the growing backlog of potential long-term financing, continued prominent in market sentiment during much of the second quarter, and the rise in short-term rates early in the quarter also

helped move most long-term rates well above their previous highs. Since peaking in May, however, long-term rates have retraced some of their earlier gains for the year. This improvement seems to reflect in part more optimism about the prospects for reduced inflation as encouraging price data were reported, as indications appeared that economic growth had slowed, as firmness in monetary policy was apparent, and as confidence grew that government policy would appropriately restrain federal spending.

*Foreign Exchange Markets and the Dollar.* The dollar appreciated strongly during the first half of 1981, rising about 15 percent on a weighted-average basis. Increases against European currencies averaged about 20 percent, while the appreciation against the yen was 10 percent. Over some time intervals, short-run movements in exchange rates paralleled the course of differentials between U.S. and foreign short-term interest rates. But over the first half as a whole, the dollar appreciated considerably even though U.S. interest rates fell on balance relative to rates in key financial markets abroad, which have risen markedly. A substantial part of the dollar's buoyancy can be associated with the improved outlook for U.S. inflation and the growing consensus that monetary restraint will be applied over an extended horizon. In addition, the continental European currencies have been weakened by the tensions over Poland and by general political uncertainties in several European countries.

*Domestic Credit Flows.* After rebounding rapidly in the second half of 1980, total funds raised in credit and equity markets by domestic nonfinancial sectors of the U.S. economy leveled off in the first half of 1981, based on preliminary estimates. Firm credit market conditions contributed to some slowing in credit flows to private sectors, especially mortgage flows to households. Borrowing by nonfinancial businesses tapered off in the first four months of the year, but began to pick up in late spring. On a quarterly basis, the pattern of credit flows was greatly affected by the U.S. Treasury, which tapped financial markets for an exceptionally large volume of funds early in the year and then did very little net borrowing in the spring.

The credit requirements of the U.S. Treasury were substantial in the first quarter, owing to a combined (on- and off-budget) federal deficit that exceeded \$38 billion. In addition, redemptions of savings bonds totaled more than \$2 billion, further boosting Treasury financing needs. The Treasury met these needs primarily by issuing marketable securities and, to a lesser extent, by a further reduction in cash balances. In the second quarter, when normal seasonal tax receipts moved the combined federal budget to a surplus position, the Treasury used inflows to rebuild its cash balances and to pay down an additional \$2 billion of nonmarketable securities.

Borrowing by state and local governments remained heavy in the first quarter of 1981 despite a sharp decline in the issuance of mortgage revenue bonds. The volume of housing-related bonds dropped dramatically after January 1, 1981, when statutory restrictions on such offerings took effect. These restrictions, among other things, place limitations on eligible uses of the funds with respect to the value and location of homes and the types of homebuyers and the spread between mortgage rates and the original cost of borrowing; also, the volume of mortgage bonds that can be issued by governmental units is limited. The volume of nonhousing issues early in 1981 was buoyed in part by offerings that had been postponed in the fourth quarter, when a large number of mortgage revenue bonds were brought to market in anticipation of regulatory restrictions and yields on municipal bonds rose to then-record levels. State and local governments reduced their issuance of long-term debt in the second quarter as interest costs rose again to record highs. However, financing requirements of many municipal units remained substantial, in part owing to declines in revenues resulting from cutbacks in grants-in-aid to state and local governments.

In the private sector, nonfinancial business firms borrowed at a reduced pace early in the year. The falloff in borrowing was concentrated in short-term credit markets, and, in particular, reflected a sharp deceleration in growth of business loans from domestic offices of U.S. banks. The lag of the banks' prime lending rates behind downward movements in open market rates reduced the relative attractiveness to businesses of bank loans early in the year. During the first

quarter, some firms' short-term needs were met by borrowing from foreign branches of U.S. banks at rates tied to Eurodollar rates; issuance of commercial paper also increased, though not enough to offset the decline in bank borrowing. Near midyear, more favorable rate spreads for bank loans and a bigger gap between cash flow and investment expenditures—largely the result of increased inventory accumulation—encouraged renewed expansion of business loans at commercial banks. Growth of nonfinancial commercial paper also continued robust in the second quarter.

While short-term borrowing fluctuated, long-term bond issuance by business firms was maintained at a fairly heavy pace over most of the first half. Some companies with major long-range investment programs apparently have elected to come to the bond markets at regular intervals to reduce their risk of having to finance large amounts at particularly unfavorable rates. Firms tapping the bond markets, meanwhile, sought to hold down borrowing costs by adjusting various terms of their offerings. In addition to shorter maturities, an increased volume of convertible debentures and bonds with below-market—or zero—coupons were sold at deep discount.

A moderate slowing in bond issuance occurred in May when yields on long-term debt reached new highs, and in June, expectations of near-term rate declines may have led some firms to delay or postpone offerings. But continued indications were that bond issuance would increase quickly in the event of improved market conditions because many firms would like to reduce their short-term indebtedness. Flow of funds estimates indicate that the aggregate ratio of short-term debt to total debt of nonfinancial corporations has risen well above the previous record level reached in 1974.

Net borrowing by the household sector declined slightly on balance in the first half of the year, as a modest recovery in consumer credit growth only partially offset a reduction in net mortgage formation. Growth of consumer installment credit was bolstered in the first quarter by increases in automobile loans, particularly at finance company subsidiaries of the automobile manufacturers. While auto loans slowed in the second quarter in response to slackening car sales, the nonauto consumer goods and personal

loan categories of installment credit showed some pickup. Despite the increases in consumer installment debt, the debt position of the household sector continued to improve in the first half of the year. The ratio of consumer installment debt repayments to disposable personal income fell further from 1979 peaks in the first four months of 1981, reflecting strong growth in income.

Home mortgage borrowing dropped sharply in the first half. The weakness in mortgage activity was accounted for mostly by reduced lending by thrift institutions. Weak deposit flows and continued erosion of earnings constrained the supply of mortgage funds at thrift institutions, and rates on new commitments for conventional home mortgages at savings and loan institutions rose to

a record level of near 17 percent in late May and remained near this level in June and July. Net mortgage lending at commercial banks also fell, and fewer funds for housing were available from municipal units owing to the previously mentioned restrictions on issuance of mortgage revenue bonds. The taut mortgage credit conditions have led to increased use of so-called "creative financing" techniques, including wraparound loans, builder buydown arrangements, and the assumption of low-rate first trusts when house sellers are willing to take back a second mortgage. One effect of such financing arrangements has been to slow the prepayment of old, low-yielding mortgages at the thrift institutions, thus reducing the earnings potential from reinvestment of funds by these institutions. □

## Staff Studies

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*The 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. 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 professions 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 without charge. The list of Federal Reserve Board publications at the back of each BULLETIN includes a separate section entitled “Staff Studies” that lists the studies that are currently available.*

### STUDY SUMMARY

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#### FEDERAL RESERVE DECISIONS ON BANK MERGERS AND ACQUISITIONS DURING THE 1970s

*Stephen A. Rhoades—Staff, Board of Governors*

Prepared as a staff paper in late 1980.

The 1960s and 1970s have been a dynamic time for bank mergers and merger policy, due in large part to the Bank Merger Act of 1960 and the 1970 amendments to the Bank Holding Company Act (1956). The potential importance of mergers and acquisitions for competition and the rapid pace of merger activity since the late 1960s make a review of this activity appropriate.

This staff study presents an overview of all bank mergers and acquisitions during the 20-year period 1960–79. In addition, it provides a detailed description of mergers and acquisitions that focuses on the structural and decision characteristics of 724 relatively important cases that were considered by the Board of Governors during the last decade.

The data show that, from 1960–79, about 3,800 banks with \$100 billion in deposits were acquired or merged. During the 1970s, a large number of

the 724 relatively important decisions made by the Board, including 106 denials of applications, were in states in which multibank holding companies are important (most notably Florida). However, in general, important merger and acquisition decisions do not show any significant trends that could be regarded as indicative of Board policy.

The evidence, particularly in connection with the primary arguments raised in the various cases, suggests that the Board has not attempted to innovate in its merger analysis and that no distinct regulatory ideology has emerged. Instead, the Board—perhaps because of the substantial turnover of Board members during the seventies—apparently has opted for a rule of reason, maintaining consistency based on the precedents established in the courts and its own previous decisions. □



# Industrial Production

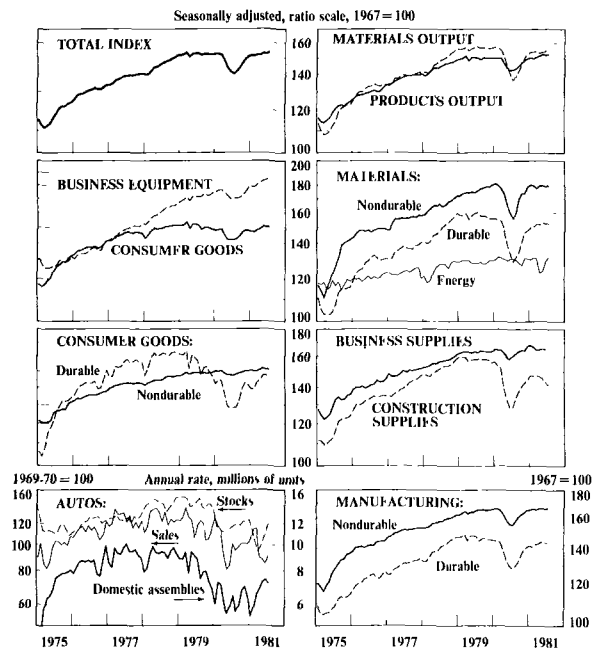
Released for publication August 14

Industrial production increased an estimated 0.3 percent in July, after a slight decline in June. Most of the rise in July reflected a continuation of the post-strike rebound in coal output. Production of autos and trucks and construction supplies declined sharply. Growth in equipment output continued and production of materials other than coal increased somewhat. At 153.4 percent of the 1967 average, the index in July was 9.3 percent above the recent low in July 1980, and virtually the same as the high of 153.5 reached in March 1979.

In market groupings, production of consumer goods was unchanged in July, as a sharp decline in autos and utility vehicles was offset by increases in home goods—such as appliances—and in consumer nondurable goods. Autos were assembled at an annual rate of 7.2 million units—down from a rate of 7.4 million units in June; a further reduction of nearly 10 percent is scheduled for August. Output of lightweight trucks was reduced sharply in July. Production of equipment advanced 0.5 percent, as both defense and space and business equipment increased; within the latter, production of transit equipment declined further. Output of construction supplies

was again cut back, reflecting weakness in the housing market.

Production of materials advanced 0.6 percent, largely reflecting the surge in coal output. Smaller, but nevertheless widespread, increases oc-



Federal Reserve indexes, seasonally adjusted. Latest figures: July. Auto sales and stocks include imports.

## Major market groupings

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, July 1980 to July 1981
	1981		1981					
	June <sup>p</sup>	July <sup>e</sup>	Mar.	Apr.	May	June	July	
<b>Total industrial production ...</b>	<b>152.9</b>	<b>153.4</b>	<b>.5</b>	<b>.0</b>	<b>.5</b>	<b>-.1</b>	<b>.3</b>	<b>9.3</b>
Products, total .....	152.0	152.1	.6	.5	.6	-.3	.1	6.5
Final products .....	151.4	151.7	.9	.7	.8	-.1	.2	6.5
Consumer goods .....	150.2	150.2	.9	.7	1.1	-.4	.0	5.8
Durable .....	147.6	146.6	3.2	.8	2.2	.0	-.7	14.3
Nondurable .....	151.2	151.6	.0	.7	.6	-.5	.3	2.8
Business equipment .....	184.2	185.0	1.2	.8	.8	.4	.4	8.8
Defense and space .....	100.9	101.4	.3	.3	.0	.1	.5	4.3
Intermediate products .....	154.1	153.8	-.4	-.2	-.2	-.1	-.2	6.4
Construction supplies .....	143.3	142.0	.2	-.5	-.7	-.1.8	-.9	10.4
Materials .....	154.4	155.4	.1	-.8	.5	.3	.6	13.8

<sup>p</sup> Preliminary.

<sup>e</sup> Estimated.

NOTE. Indexes are seasonally adjusted.

## Major industry groupings

Grouping	1967 - 100		Percentage change from preceding month					Percentage change, July 1980 to July 1981
	1981		1981					
	June <sup>b</sup>	July <sup>c</sup>	Mar	Apr.	May	June	July	
Manufacturing.....	152.4	152.7	.5	.4	.5	-.4	.2	9.8
Durable.....	143.2	143.2	1.1	.4	.8	-.4	.0	11.6
Nondurable.....	165.8	166.5	-.4	.4	.1	-.3	.4	7.6
Mining.....	141.7	145.6	.1	-5.3	.0	4.3	2.8	11.5
Utilities.....	173.4	172.8	.5	-.1	1.9	.5	-.3	.6

p Preliminary.      e Estimated      No. 11. Indexes are seasonally adjusted.

curred in output of many durable and nondurable materials such as chemical materials and equipment parts.

In industry groupings, manufacturing output in July increased slightly—0.2 percent—after a decline of 0.4 percent in June. Production of dura-

ble goods was unchanged during the month, as sharp declines in the output of motor vehicles and parts were offset by increases in machinery, primary metals, and instruments. Output of nondurable manufacturing rose 0.4 percent, after a decline of similar magnitude in June.

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## Statements to Congress

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*Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, July 16, 1981.*

I appreciate the opportunity to appear before this committee to present the Federal Reserve's views on the international implications of U.S. macroeconomic policies, and particularly monetary policy.

Inevitably, questions arise abroad, as they do in this country, about particular techniques and implications of U.S. economic policies. After all, nearly all of the nations represented at the Ottawa summit and most others are faced with difficult problems and choices in developing economic policy, and external influences on their interest rates and exchange rates inevitably raise new complications for some—just as at times external developments complicate our own policymaking. However, the expression of such concerns should not be taken as disagreement with the basic intent or thrust of our policies, certainly not among those most closely concerned with financial policy. I base that judgment on my own discussions with central bankers and finance ministers abroad as well as on the conclusions reached in May at the meeting of the Interim Committee of the International Monetary Fund (IMF) in Gabon and more recently at the ministerial meeting of the Organization for Economic Cooperation and Development (OECD).

Accordingly, I expect that the President will hear a general endorsement of the broad purposes and objectives of U.S. economic policies when he meets next week with other heads of state and government. Specifically, I believe that the priority the United States has attached to the fight against inflation is widely appreciated. Indeed, the leaders of these very nations, along with many others, have long urged us to adopt rigorous and convincing anti-inflation policies, and I do not believe they will change that attitude now.

Foreign officials do rightly stress that, in our interdependent world, U.S. economic developments and policies have ramifications for the policies and performance of other economies. Our weight in the world economy, while relatively smaller than in the early postwar years, is still significant, and leaders abroad have to take U.S. economic policies into account when they formulate their own programs. They want us to be aware of the external implications of high dollar interest rates and a rising dollar, as we should be. The short-run effects—abroad as well as at home—can indeed be discomfiting. But we should also have a sense of proportion about those effects.

The United States should not and cannot assume the responsibility for all the economic difficulties of particular countries. In some instances—for example, countries with sizable balance of payments deficits—some depreciation of their currencies relative to the dollar may have been natural, and a number of countries have internal reasons for following firm monetary policies. Changes in exchange rate relationships within Europe have been relatively small recently, and most of the trade of those countries is not affected by the substantial appreciation of the dollar. The point is often made in the context of the dollar's appreciation that oil and other commodities are priced in dollars, but it should also be pointed out that monetary restraint in the United States has contributed importantly to squeezing out inflationary excesses in those markets.

In general, the relative weight of different forces that have an impact on the economic policy problems of different countries is rarely easy to trace. We all—certainly including the United States—must guard against a temptation to assign undue responsibility to external forces. I would remind you that any exchange rate involves two national currencies; a change in that exchange rate may reflect policies or developments in either country or more likely both at

the same time. The recent "strength" of the dollar vis-a-vis some currencies headlined in the press has been relative; it may be—indeed has been—influenced by conditions abroad, as well as in the United States. I would note that short-term interest rates in the United States are a bit lower today than at the turn of the year, and interest rate differentials are narrower with respect to continental European currencies. Yet the dollar has appreciated substantially against those currencies over the past six months.

Because of the potential for misunderstanding and because developments and policies here have effects on other countries whose leaders face difficult economic problems and choices, we have a clear responsibility to listen closely to their views, to explain our policies carefully, and to respond to constructive, substantive criticism. Prolonged misunderstanding is always dangerous, for economic and political friction could impair the fabric of the open international economy that serves us all. My perception is that, fortunately, other countries have a broad understanding of our objectives and policies, combined with a good deal of impatience in awaiting results just as is sometimes the case at home.

The essential point about U.S. economic policies—monetary, fiscal, and others—is our commitment to reducing inflation. Most of the foreign leaders with whom I have talked readily agree that it is in their countries' fundamental interest, as well as ours, that the United States make significant progress against inflation. Because of the dollar's role in world financial markets and because of the U.S. prominence in the world economy, a necessary condition for the restoration of stability in currency markets and for the resumption of sustained, worldwide economic growth is the restoration of greater price stability in the United States.

Obviously, they, as we, would like to see lower and more stable U.S. interest rates and less variation in exchange rates. Everyone would agree that reduced inflation and a clear sense of movement toward price stability must be the basis for maintaining such stability over time. Against that background, international discussions raise questions of means, not ends.

As you know, Federal Reserve monetary policy has been directed at restraint in the rate of growth of the monetary aggregates. Some ob-

servers—and they are not confined to those outside our borders—believe we are following a policy deliberately directed at achieving high interest rates and dollar appreciation. Such views are mistaken; the Federal Reserve has neither an interest rate nor an exchange rate objective. We do take the view that persistent restraint in the growth rates of the monetary aggregates is necessary to ensure lower inflation—and therefore lower interest rates—over time. I find no disposition among my colleagues abroad to question that necessity.

In the short run, interest rates are a function of the many factors that influence the demand for money and credit, including the budgetary position of the government, the strength of business activity, and the inflationary momentum. So long as actual and expected inflation and nominal demand remain strong, high interest rates should not be surprising. Only when inflation slackens significantly and markets believe the slowdown will be sustained can we look forward to meaningful, *sustained* declines in dollar interest rates, consistent with growth in real activity.

Relative interest rates can and do influence exchange markets. But that influence has to be judged in the context of other influences working at the same time. As I have already suggested, it would be a mistake to attribute the roughly 20 percent weighted-average appreciation of the dollar since December of last year primarily to the behavior of nominal interest rates on dollar assets. The differential between U.S. interest rates and short-term interest rates on average in foreign industrial countries has declined about 2½ percentage points since the end of 1980. U.S. short-term interest rates are now about 1 percentage point less than their December average. Interest rates of countries on the continent of Europe are appreciably higher, yet currencies of these countries have depreciated substantially relative to the dollar. Interest rates in two of the summit countries, Japan and the United Kingdom, have declined this year; in Japan, the depreciation of its currency relative to the dollar has been smaller than that of the continental European currencies. The yen, as well as the Canadian dollar, has experienced a weighted-average appreciation this year.

Obviously, one must look beyond absolute or relative interest rates to explain the dollar's

appreciation this year. Among the other relevant factors in the United States have been the first signs of some improvement in our relative inflation performance, a continuation of a relatively favorable U.S. current-account position, and favorable assessments of the potential of the new administration's economic program. On the other side of the Atlantic, balance of payments deficits have been large, and a sense of greater political change and uncertainty has prevailed.

A number of foreign observers, while not questioning the need for monetary restraint in the United States, have suggested that monetary policy should not carry so much of the burden of the stabilization effort either here or in their own countries. As you know, I have often emphasized the importance of fiscal restraint and regulatory and other policies, alongside firm restraint on the money supply, in a comprehensive program to reduce U.S. inflation. At the same time, we all have to recognize the difficulties in changing these policies dramatically and quickly. We are in fact making progress in reducing the strong upward trend in government expenditures, and I would remind you that the administration has emphasized that more will need to be done in future years, particularly if we are to reap the benefits of tax reduction in a context of reduced budget deficits. The closer the budget is to balance, all else equal, the less pressure will be felt in financial markets, the lower interest rates will be, and the smaller the danger of abnormal exchange rate pressures will be. But to expect a balanced budget overnight would be unreasonable, and I believe there is a growing understanding abroad, as at home, that fiscal policy cannot easily be shifted in the short run. After all, most other governments are grappling with fiscal problems at least as difficult as our own.

Equally important to recognize is that no "quick fixes" are available through monetary policy to lower or fine tune interest rates. If the Federal Reserve, for example, were to deviate from its policy of monetary restraint in an effort to lower interest rates, any seeming short-run relief would have to be balanced against the substantial risk—for the United States and the rest of the world—of excessive credit growth, a further hardening of inflationary expectations, and still greater interest rate pressures in the future.

"Like others, I shall applaud lower interest rates in the United States any day if they signal success in the battle against inflation. But I would look upon lower rates with mixed feelings if they promised more inflation and hence higher interest rates for the future."<sup>1</sup> Those words are not mine, but those of a central bank colleague in Europe. It seems to me they capture the essence of our policy problem.

Of course, as I suggested earlier, there is impatience for results. Monetary restraint is painful, and it cuts unevenly, at home as well as abroad. Moreover, the burdens are not restricted to the industrial economies; developing countries are affected as well. Some are experiencing slower growth in their exports because of slack demand in the industrial world. They are all facing much stiffer borrowing terms in international markets than those to which they have been accustomed. It may be of little comfort to suggest that, in some cases, those terms may well have been too easy in the past—internationally as well as domestically nominal interest rates have frequently been exceeded by actual inflation rates, encouraging excessive indebtedness and the postponement of needed adjustments. What we would all like to see is a reasonable middle ground, and more stability and predictability; we will not succeed unless we keep at it.

If we cannot promise instantaneous and easy results—the answers do not lie in fine tuning fiscal or monetary policies—we can and must make the effort necessary to explain our policies, formally and informally, in all the forums available to us and to consider carefully the views of others. In that connection, I have long felt that the economic summits can help assure that our mutual economic concerns are fully discussed and addressed at the highest level, and the success of those meetings over time can be measured less by any concrete agreements than by the degree of understanding reached about our mutual problems and purposes.

Certainly we must all avoid the temptation to look inward during this difficult period. Intensification of trade restrictions would be damaging to

1. Remarks by Karl Otto Pohl, President of the German Federal Bank, before the Roundtable of the International Banking Institute in Cannes, June 12, 1981.

the interest of all countries. Together we must seek effective ways to help developing countries cope with their own serious adjustment problems, not the least by maintaining and strengthening our commitment to cooperation and dialogue in the IMF and the World Bank.

Most of all, it is crucial that we not fail in our basic purpose of restoring stability and laying the base for sustained growth. One wise foreign official, widely experienced in international affairs, recently put it to me roughly as follows:

*Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, July 21, 1981.*

I am pleased to be here to review the conduct of monetary policy and to report on the Federal Reserve's objectives for the growth of money and credit for this year as well as tentative targets for 1982. You have already received our formal report, but I would like briefly to summarize some points and amplify others.

I do not need to belabor the point that the current economic situation is far from satisfactory. But we see some encouraging signs that we are beginning to make progress against inflation. I realize that the evidence in the recent price data is not, by itself, conclusive. However, I strongly believe that we now have the clear opportunity and responsibility to achieve and sustain further progress on the price front. That progress will be an essential ingredient in laying the base for a much healthier economy in the years ahead.

The process inevitably requires time and patience. It would obviously be much more pleasant for me to appear before you today if both unemployment and interest rates were lower. High interest rates undeniably place a heavy burden on housing, the auto industry, small business, and other sectors especially dependent on credit. The thrift industry, in particular, has come under heavy stress as its costs of funds exceed returns on fixed-rate assets acquired when interest rates were much lower. The high level of U.S. interest rates also has repercussions internationally, complicating already difficult

You cannot expect us to be enthusiastic about the effects of your policies; we will all have different opinions about just how you are going about it; but the fact is we have no agreed better alternative to offer you. We can only wish you success.

I would only add that with success the present international concerns will fade in memory. We would do no one a service, at home or abroad, if we were to take actions that would jeopardize the prospects for that success. □

economic policy decisions of some of our major economic partners. The surprisingly strong growth in national output last winter has given way to a much more sluggish picture. With continuing sizable increases in the labor force, unemployment has not declined from higher levels reached last year. The trend of both productivity and savings remains low.

Amidst these difficulties, we must not lose sight of the fundamental point that so many of the accumulated distortions and pressures in the economy can be traced to our high and stubborn inflation. Moreover, turning back the inflationary tide, as we can see, is not a simple, painless process, free from risks and strains of its own. All that I would claim is that the risks of not carrying through on the effort to restore price stability would be much greater. Dealing with inflation is essential to our future well-being as a nation, and the Federal Reserve means to do its part.

As I noted, we have begun to see some tentative signs of a relaxation of price pressures. To be sure, much of the recent improvement in various price indicators is accounted for by some reversal of "special" factors that drove the inflation rate higher in 1979 and part of 1980. Instead of the huge increases of the last two years, energy prices have stabilized and some oil prices have even declined in the face of the recent production surpluses. Retail food prices have risen at rates of less than 1 percent this year, partly reflecting improved crop conditions, in contrast to the pace of 10¼ percent in 1980. Commodity prices generally have been weak, as speculative forces have subsided under the pressure of the high cost of finance and more re-

strained price expectations. Despite sharply rising mortgage costs, the overall cost of homeownership as recorded has been rising less rapidly.

Some of these developments could prove temporary. Special factors and short-term improvements in the prices most sensitive to credit restraint alone cannot be counted on to sustain progress indefinitely. The deeply entrenched underlying rate of inflation is sustained by the interaction of labor costs, productivity, and prices. So far, only small and inconclusive signs of a moderation in wage pressures have appeared. Understandably, wages respond to higher prices. But in the economy as a whole, labor accounts for the bulk of all costs, and those rising costs in turn maintain the momentum of the inflationary process. Low productivity gains, high taxes, and unnecessary regulatory burdens aggravate the situation. Moreover, to the extent that firms and their workers are shielded from the competitive consequences of poor productivity and aggressive price and wage policies, such attitudes are encouraged.

These considerations help point to the wide range of policies necessary to support a sustained and effective effort against inflation. Fortunately, recognition of the need is widespread, and progress is being made in a number of directions. But there can be no escaping the fact that monetary policy has a particularly crucial role to play and, in current circumstances, has a particularly heavy burden.

An effective program to restore price stability requires reducing growth in money and credit over time to rates consistent with the growth of output and employment at stable prices. That is the basic premise of our policies and is, I believe, consistent with the philosophy of the Humphrey-Hawkins Act mandating our report to you today on our monetary growth ranges. The periodic decisions we in the Federal Reserve reach about those monetary "targets" and the implementation of policy are entirely within that broad policy context; essentially, these decisions are matters of how much or how fast—not of basic direction.

In approaching its midyear review of the monetary and credit targets within this framework, the Federal Open Market Committee (FOMC) was faced with rather sharply divergent trends in

the several aggregates during the first half of the year. These trends were significantly influenced by the rapidity of market responses to regulatory or structural changes, including the exceptionally rapid growth of negotiable order of withdrawal (NOW) accounts nationwide and of money market mutual funds.

The basic measures of transaction balances—"narrow money" or M1—have risen relatively slowly after adjusting for the effects of the one-time shifts of funds into interest-bearing NOW accounts; those accounts became available nationwide for the first time this year and have been marketed aggressively by banks and thrift institutions.<sup>1</sup> To a degree that cannot be precisely measured, individuals and businesses, spurred by high interest rates, appear to have intensified cash-management practices designed to minimize the use of traditional transaction balances, tending to speed up the "velocity" relationship between M1 and gross national product during early 1981. For example, to some limited degree, needs for "M1" transaction accounts may have been reduced by the growing popularity of money market funds—not included in the definition of M1—which can be used as a substitute for demand deposits or NOW accounts.

At the same time, as shown in table 1, the broader aggregates, M2 and M3, which do include money market funds and some other close money substitutes, have been rising at or above the upper end of the target ranges. You may recall that I suggested to the committee in presenting the targets for 1981 that these broader aggregates might well be expected to rise toward the upper part of their ranges. This expectation is reinforced by the further liberalization of interest ceilings of depository institutions by the Depository Institutions Deregulation Committee, a continued growth of money market funds, and po-

1. These shifts sharply depressed recorded (that is, before "shift adjustment") M1-A early in the year because the bulk of the NOW accounts reflected transfers from demand deposits, which are included in M1-A. Recorded M1-B, which includes NOW accounts, was "artificially" increased to the extent funds were shifted into NOW accounts from savings accounts or other assets not counted as transaction accounts, but continued in part to serve the economic function of savings. The Federal Reserve publishes estimates monthly of "shift-adjusted" data based on a variety of sources. As the transfers diminish, which appears to be happening, the "adjusted" and "unadjusted" data will more closely coincide.

1. Growth ranges and actual growth in money and credit

Percentages at annual rates

Item	Growth ranges	Actual growth	
		1980:4-1981:4	1980:4-1981:2 1980:4- Latest data
M1-B <sup>1</sup> . . . . .	3½ to 6	2.2	2.6 (July 8)
M2 . . . . .	6 to 9	9.5	8.7 (June)
M3 . . . . .	6½ to 9½	11.5	11.1 (June)
Bank credit . . . . .	6 to 9	8.9	8.7 (June)

1. Adjusted for shifts into NOW accounts. The range for recorded M1-B associated with the "shift adjusted" range for M1-B at the start of the year was 6 to 8½ percent. Actual growth in that measure from 1980:4 to 1981:2 was 6.8 percent at an annual rate. With growth in NOW accounts larger than anticipated at the beginning of the year, the divergence between the recorded and shift-adjusted data should be slightly greater than anticipated at the start of the year

tentially the availability of tax-exempt, so-called all savers, certificates at depository institutions, all of which could continue to result in some diversion of funds from market outlets into M2 and M3.

In light of this situation, the FOMC considered the possibility of making small adjustments in the 1981 ranges to account for the impact of institutional change. However, it seems probable that the strongest impact of the introduction of NOW accounts and of adjustments of cash management practices to high interest rates may be behind us. Therefore, the FOMC did not feel that changes in the growth ranges from 1981 were justified. (All targets for 1981 and 1982 are shown in table 2.)

However, given developments during the first half of the year and the need to avoid excessive growth in coming months, the FOMC agreed that growth in M1-B near the lower end of its range for the year as a whole (3½ to 6 percent, after adjusting for NOW account shifts) would be acceptable and desirable, particularly should relatively strong growth in the other aggregates continue. As indicated at the start of the year,

the FOMC does feel it acceptable that growth in M2 and M3 be toward the upper part of their ranges (6 to 9 percent and 6½ to 9½ percent respectively). Growth of bank credit, while often fluctuating considerably from month to month, is expected to remain within its specified range of 6 to 9 percent.

In its tentative consideration of the targets for 1982, the FOMC decided to plan for targeting and publishing a single M1 figure, equivalent in coverage to the present M1-B. Assuming that further "structural" shifts into NOW accounts from nontransaction accounts will be by that time minimal, "shift adjusted" targets and data should not be necessary. The tentative range for M1 in 1982 was set at 2½ to 5½ percent, the midpoint of 4 percent is ¾ percent below the midpoint of the closely comparable current range for "shift adjusted" M1-B.<sup>2</sup>

The tentative ranges for the broader aggregates in 1982 were left unchanged at 6 to 9 percent and 6½ to 9½ percent for M2 and M3 respectively. However, we anticipate actual growth closer to the midpoint in 1982, consistent with the desired reduction over time.

Setting precise targets has inevitably involved us in consideration of the effects of technological and regulatory change on monetary measures. Those technical considerations should not obscure the basic thrust of our intentions—that is, to lower progressively effective money and cred-

2. The tentative range for M1 in 1982 is substantially below the range of 6 to 8½ percent specified for recorded M1-B growth for 1981. Recorded M1-B data for 1981 were strongly affected, particularly during the early months of the year, by the "one-time" shifts into NOW accounts of savings and other funds not included in the M1 series. These shifts are diminishing, and the new tentative target for 1982 assumes that they will be essentially completed by the end of this year. The slightly wider range specified allows for the possibility of some residual shifting. That assumption will, of course, be reviewed at year-end.

2. Growth ranges and actual growth of monetary and credit aggregates

Percent changes, fourth quarter to fourth quarter

Item	M1-A	M1-B	M2	M3	Bank credit
Growth range for 1980 . . . . .	3½ to 6	4 to 6½	6 to 9	6½ to 9½	6 to 9
Actual, 1980 . . . . .	6¼ <sup>1</sup>	6¼ <sup>1</sup>	9.6	10.2	8.0
Growth range for 1981 . . . . .	3 to 5½ <sup>2</sup>	3½ to 6 <sup>2</sup>	6 to 9	6½ to 9½	6 to 9
Growth range for 1982 . . . . .	n.a.	2½ to 5½ <sup>3</sup>	6 to 9	6½ to 9½	6 to 9

1 Adjusted for unanticipated transfers into automatic transfer service (ATS) and other similar accounts from other assets.

2. Adjusted for shifts into NOW accounts.

3. Assumes negligible impact of shifting into NOW accounts



it growth to amounts consistent with price stability. We believe that the targets for both 1981 and 1982 and our operations are fully consistent with that objective.

I have often emphasized that money supply data—like many other financial and economic data—have some inherent instability in the short run. The trend over time is what counts, both as a measure of monetary policy and in terms of economic effect. For some months in the latter part of 1980, as you will recall, the rise in M1 was relatively rapid. Against that background the sluggish growth during most of the first half of 1981 was welcomed as a desirable offset by the FOMC, confirming the trend toward a lower rate of growth over time. At the same time, we have been conscious of the relative strength of M2 and M3. Those measures include money market funds, short-term repurchase agreements, and certain U.S.-held Eurodollars, which to a greater or lesser degree can serve as substitutes for M1 balances. With those components growing relatively rapidly, our experience this year, to my mind, reinforces the need to take account of all available information in assessing the significance of short-term movements in the monetary aggregates and judging our policy posture.

More fundamentally, recent experience also confirms that *demands* for money and credit growing out of an expanding and inflating economy, pressing against a restrained supply, will be reflected in strong pressures on interest rates and credit markets—pressures that in turn restrain the growth in business activity. Some important sectors of the economy are relatively impervious for one reason or another to direct financial restraint—energy, high technology, many services, and defense. Those sectors have been strong, sustaining forces in the economy generally, and particularly in some geographic areas. The brunt of the restraint falls on other credit-dependent sectors, and, as the dollar has sharply appreciated, increasingly on exporters faced with a less favorable competitive position. Should interest rates decline in response to weakness in the economy, many of those sectors would likely, and rather promptly, rebound.

In a longer time frame, the outlook for interest rates will depend importantly on confidence that inflation will be controlled, and on actual progress toward greater price stability, as well as

### 3. Economic forecasts of the FOMC

Item	Actual	Projected	
	1980	1981	1982
<i>Change from fourth quarter to fourth quarter, percent</i>			
Nominal GNP.....	9.4	10 to 11½	9½ to 12¼
Real GNP.....	-.3	1 to 3½	1 to 4
Implicit GNP deflator....	9.8	7½ to 9	6½ to 8½
<i>Average level in fourth quarter</i>			
Unemployment rate (percent).....	7.5	7½ to 8¼	7 to 8½

factors such as the federal deficit. Differences of opinion about these matters help to account for the relatively wide range of forecasts now characteristic for the period ahead, including those set forth by members of the FOMC. (Table 3 shows the range of those projections.)

I cannot fully resolve all those uncertainties in the outlook for you this morning. What does seem clear to me is that progress on inflation is a prerequisite for lasting improvement in financial markets and for sustained, balanced growth. I can also emphasize the policies that seem to me necessary to speed the transition to more equitable financial markets and to a more prosperous, productive economy generally.

First, as I have already indicated, curbing inflation will require persistent restraint on the growth of money and credit. An attempt to escape from high interest rates and strains on financial markets and institutions by abandoning that restraint would be self-defeating. By encouraging expectations of more inflation, such an approach would soon stimulate even more borrowing, further reduce incentives to save, and ultimately result in still higher interest rates and more economic difficulty. You and I know that, after a decade and more of disappointment, skepticism and doubt persist about the ability of the nation to persevere in an anti-inflation program. I believe that skepticism is unwarranted, but we must make that claim good by our actions. Indeed, sustained monetary restraint, by encouraging greater confidence in the price outlook, will in time help bring interest rates lower.

Pressures on financial markets can also be relieved by actions from other directions, entirely consistent with the anti-inflation effort and the longer-run needs of the economy. Specifically,

government deficits and credit programs absorb a large fraction of our available limited savings. You are well aware that the administration and the Congress are hard at work on both sides of that question. A difficult balancing of priorities is required. Some forms of tax reduction are justified by the need to improve incentives and to reduce costs. But if we are to be convincing in our efforts to reduce the deficit at the same time, the Congress will need to maintain and even to intensify the courageous effort to reduce the upward trend in spending.

Monetary restraint implies that the growth in the current value of our output—the nominal GNP—will also be restrained. To the extent that restraint falls on prices, the more room will be available for the growth we want in real output. I have already suggested that the recent improvement in the price performance has some elements that cannot be counted on to continue. But, along with the present slack in many labor and product markets, the encouraging price data certainly helps to create a more favorable setting for changing the fundamentals of pricing policy and wage behavior in ways that can be sustained.

A bulge in labor compensation early this year, and continuing large increases in unit labor costs, have reflected in substantial part a “catch-up” in wages after last year’s large rise in the consumer price index, as well as sizable increases in the minimum wage and social security taxes. These sources of pressure should be much diminished or absent in the period ahead. Intensified by the appreciation of the dollar, strong competitive incentives, domestically and internationally, also exist for important industries to control costs.

In these circumstances, a compelling logic, from an overall economic view, exists in looking toward a sense of greater caution and restraint in behavior of both wages and pricing. What is at issue is the extent to which that need will seem equally compelling, viewed from the specific shop floor or the individual executive suite. These decisions are, of course, made continuously in the nonunion sector of the economy, but a crucially important round of union wage bargaining begins next January, potentially setting a pattern for several years ahead.

That is one reason why we need to be clear and convincing in specifying our monetary and fiscal policy intentions and their implications for the

economic and inflation environment. Without room for financing *both* high levels of inflation and strong growth, inflationary behavior by individual firms can jeopardize markets, jobs, and profits.

The lesson already seems apparent in some key industries. Government can and should help directly by removing unnecessary regulatory burdens and by reviewing laws and practices that actually inhibit competitive pricing and add to costs. I believe it can also help indirectly by making clear that industries suffering from problems of their own making are not entitled to new government protection.

What this all adds up to is that we are at a critical point in the fight on inflation.

We see the first stirrings of progress in the recent data.

With enormous effort, the administration and the Congress are moving together to attain control of spending. We all know much remains to be done for future years, but the unparalleled effort bodes well. With a full measure of success, the most urgently needed tax reduction can be responsibly reconciled with reduced deficits.

We in the Federal Reserve are committed to reducing growth in money and credit.

I believe there is a genuine urge to let the competitive marketplace work and to review government practices that unnecessarily add to costs or limit competition.

These policies can and will be effective. But if they are to work, they must be sustained with conviction. Then, the apparent reluctance of many to bet on reduced inflation—in financial markets, in wage bargaining, in pricing, and in other economic decisions—will change. With such change, the unwinding of the inflationary process should be much easier.

In a real sense, the hardest part of the job faces us now and in the months immediately ahead. We must demonstrate our ability to carry through on our good intentions—not just in monetary policy but in fiscal and other areas as well.

I have talked at some length this morning about the technical aspects of monetary policy and our numerical targets for the various monetary aggregates. I have reemphasized why the Federal Reserve must be, and is, determined to avoid excessive growth in money and credit. I have stressed the key role other policies, includ-

ing budgetary restraint, must play if we are to make real progress toward price stability and relieve pressures on financial markets.

That may all seem abstract and even single-minded, given the pressing problems of the real world.

For far too long, we have not had acceptable economic performance. The average worker has found his or her real income growing slowly, if at all. The overall unemployment rate, high as it is, does not reflect the intensity of the problem for some groups and areas, and the burden too often

falls on those least able to bear it. Interest rates are at extraordinary levels.

We in the Federal Reserve are acutely aware of these problems. We do not restrain money and credit for its own sake, or simply because inflation is an evil in itself.

Financial discipline is a means to an end. It is an essential part—if only a part—of strengthening our economy so that productivity and living standards can rise and worthwhile jobs can be found, not just for a few months, but for the longer period ahead. □

*Chairman Volcker gave a similar statement before the Senate Committee on Banking, Housing, and Urban Affairs, July 22, 1981.*

*Statement by Nancy H. Teeters, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, July 21, 1981.*

I am pleased to appear before the Subcommittee on Financial Institutions to present the Federal Reserve Board's views on two bills—S. 963, a bill to authorize loans at interest rates in excess of certain state usury ceilings, and S. 1406, the Credit Deregulation and Availability Act of 1981. S. 963 would temporarily allow any type of lender to originate loans at a rate of up to 1 percent above the Federal Reserve discount rate. S. 1406 would permanently remove all state limits on interest rates on business, agricultural, and consumer credit, and also would preempt state restrictions on transaction and access fees on consumer credit and payment services. Both bills would permit any state to establish its own ceilings by enacting overriding legislation.

S. 963 and S. 1406 would thus broaden the coverage of preemptive actions under the provisions of the Depository Institutions Deregulation and Monetary Control Act of 1980. That act, as you recall, authorized the orderly phaseout and ultimate elimination of interest rate ceilings on deposit accounts. In addition, it permanently preempted state usury laws affecting most first mortgage home loans, and temporarily preempted state usury laws governing most business and

agricultural loans, permitting lenders to charge a rate of up to 5 percent above the Federal Reserve discount rate. The act also extended to certain financial institutions the authority, previously granted only to national banks, to set rates on all types of loans of up to 1 percentage point above the discount rate. Any state, however, was allowed to override certain of these preemptions.

In many localities during the past few years, rising costs of funds have seriously eroded the profitability of lending at rates permitted by state law. Consequently, the supply of credit in areas with restrictive rate ceilings has at times been curtailed, especially to higher-risk borrowers, as loanable funds obtained at market rates have been channeled to other investments or to geographic areas permitting a more competitive return. These developments have underscored the importance of allowing leeway for financial markets to function without being hampered by artificial constraints on loan rates. With that broad objective in mind, the Board has consistently supported the removal of impediments imposed by usury laws. This view, of course, has recently been reinforced by the prospect of the eventual removal of all controls on the rates that banks and thrift institutions can pay for deposits.

Although the Board favors termination of artificial constraints on interest rates, we continue to have reservations about endorsing preemption by the federal government of state usury laws. The Board would prefer that the counterproduc-

tive effects of usury ceilings be addressed by corrective action at the state level. However, if the Congress chooses to act, we endorse the inclusion of provisions that would allow individual states to override the federal preemption, and that would defer to actions already taken in a number of states to override the preemptive provisions of the Monetary Control Act. Although S. 963 and S. 1406 both would permit states to supersede congressional action, only S. 1406 would recognize the binding character of overriding state actions that have been taken since the Monetary Control Act was enacted but before the effective date of the new legislation.

If the Congress should choose to impose a federal usury limit rather than to remove interest rate controls altogether, the Board would strongly advise against tying such a ceiling rate to the Federal Reserve discount rate, as would be provided by S. 963. It would be inappropriate, we feel, to employ a tool of monetary policy for a use that is not directly related to policy needs.

The Federal Reserve discount rate, as you know, is the rate of interest charged by Federal Reserve Banks on extensions of short-term credit to depository institutions that are subject to significant restrictions on the amount and the frequency of their discount window borrowing. Ordinarily, large institutions with access to national money markets are expected to repay these loans the following business day; smaller institutions that lack such broad market access may require accommodation for somewhat longer periods of time. In any case, the maturity of this special type of borrowing—largely to meet temporary requirements for funds—is ordinarily much shorter than is typical for business, agricultural, or consumer credit. The discount rate thus provides no sensitive indication of the course of interest rates on longer maturity credits.

Another reason why the discount rate is inappropriate for indexing is that it is an administered rate, which reflects general policy considerations that are frequently complex. As a result, the discount rate deviates fairly often from other market interest rates, even those of comparable maturity. Tying the usury limit to the Federal Reserve discount rate would thus increase the likelihood that a statutory ceiling might at times be below market interest rates, thus constraining the availability of credit subject to the usury law.

That is especially the case in consumer lending, on which going rates at any one time typically range widely depending on loan size, collateral (if any), and other determinants of credit risk.

Also of concern to the Board is that title II of S. 1406 would authorize and direct the Federal Reserve to publish official interpretations about the scope and the application of the consumer credit preemption provisions of the act. The Board recognizes that these rulings could help resolve uncertainties about the relationship of the federal law to state usury laws. Even so, it is unclear whether the benefits accruing to the public from these interpretive rulings would outweigh the costs of the additional paperwork and the administrative apparatus that would be required. Moreover, the Board is reluctant to assume the role of interpreting these legal relationships and of resolving possible statutory conflicts. These are functions primarily of a judicial character that, in the Board's opinion, should remain within the purview of the courts whenever possible. They are far removed from the Board's primary responsibility for formulation of monetary policy.

Another special feature of S. 1406 is the removal of state controls on periodic fees associated with credit card or debit card accounts as well as transaction charges for credit cards or payment mechanism services. As in the case of interest rate ceilings, the Board favors the determination of such fees and charges by market forces. The prohibition in some states of account or transaction fees on credit card accounts has allowed customers who pay in full by the end of the billing cycle to use credit services without paying for them. Permitting transaction and access fees in such instances makes economic sense because these charges enable creditors to allocate costs in accordance with the use of specific services. However, the Board believes that—when necessary—corrective action at the state level would be the most desirable way to address any counterproductive effects of limitations on these fees and charges.

To summarize, the Board supports attempts to remove ceilings that can constrain the price of business, agricultural, and consumer credit. It also supports efforts to eliminate controls on fees that may be charged in connection with consumer credit accounts and payment services. The

Board continues to feel, however, that state action rather than federal law should prevail whenever possible in governing pricing policies of these kinds. In view of the large and rapid

recent changes in the underlying determinants of the cost and the availability of credit, appropriate action at the state level has become all the more imperative. □

*Statement by John E. Ryan, Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, before the Subcommittee on General Oversight and Renegotiation of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, July 23, 1981.*

I appreciate the opportunity to appear before this subcommittee on behalf of the Federal Reserve to discuss the final report of the General Accounting Office (GAO) on the Currency and Foreign Transactions Reporting Act (Bank Secrecy Act). The GAO report addresses the investigative use made of bank secrecy reports by responsible law enforcement agencies and the value of the reports to these agencies, the level of compliance with the act's reporting requirements, and the steps taken by federal bank regulatory agencies to monitor compliance by financial institutions. At the outset, let me say that the Federal Reserve is fully committed to taking and strengthening, whenever necessary, appropriate measures to ensure compliance with the Bank Secrecy Act and to providing accurate and timely information for ultimate use by the responsible law enforcement agencies. As background to my discussion of issues raised by the GAO, I would like to describe briefly the scope of the Federal Reserve System's supervisory role for commercial banking organizations.

The Federal Reserve System has primary supervisory authority over approximately 1,000 state member banks and 150 Edge corporations, domestic subsidiaries of banks that are licensed to engage exclusively in international banking. The System is charged by the Congress with ensuring that these commercial banking organizations are operated in a safe and sound manner and for determining their compliance with U.S. banking laws and regulations, including the Bank Secrecy Act. The Federal Reserve discharges its responsibilities for bank safety and soundness and compliance largely through supervisory ex-

aminations and through the referral of possible violations of law to the designated agency with primary responsibility for enforcing the relevant statute.

The Federal Reserve believes that the GAO report represents a reasonably accurate and well-balanced assessment of the major issues pertaining to monitoring compliance and enforcement of the Bank Secrecy Act. My testimony will focus on the performance of the federal banking agencies and, in particular, the Federal Reserve, in monitoring compliance with the Bank Secrecy Act because this is the role that has been delegated to the agencies by the Department of the Treasury. The Department of the Treasury itself has primary responsibility for implementation of the reporting requirements; for the review, evaluation, and follow-up on violations; and for overall enforcement of the act.

In order to improve our ability to monitor compliance with the Bank Secrecy Act and to provide the Treasury with better information on possible violations, new and more comprehensive examination procedures, based on those in place at the Federal Reserve Bank of New York, were developed last year by staffs of all the federal regulatory agencies working under the aegis of the Federal Financial Institutions Examination Council. These revised procedures, which are appended to my testimony, were initially field tested by the agencies late last year and reviewed by staffs of both the Department of the Treasury and the GAO, whose comments resulted in some modifications to the procedures.<sup>1</sup>

The new examination procedures are comprised of two separate phases or modules that are progressively extensive in scope. This approach was designed to determine compliance in a manner that minimizes undue burden on the bank

1. The attachments to this statement are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

while making maximum use of limited examiner resources. In the first phase the examiner must establish that the financial institution has appropriate internal operating and auditing standards to ensure compliance; determine that the institution has established a program of employee education with regard to the requirements of the regulations; and determine that operations personnel are sufficiently knowledgeable about these requirements. This phase also contemplates actual review of the reports submitted (4789s and 4790s), the list of customers exempted from reporting, and the volume of cash shipped to or received from the Federal Reserve Bank or a correspondent bank. If the financial institution's performance is found deficient as a result of this evaluation, or if the institution has an unusually high volume of cash shipments to correspondent banks or Reserve Banks, the examiner proceeds to the more exhaustive second-phase procedures that involve extensive testing of actual transactions.

We believe that targeting the more intensive procedures in this way will lessen the regulatory burden imposed on those institutions in compliance with the regulations, conserve limited examiner resources, and yet still bring to light any institutions that may have circumvented the recordkeeping and reporting requirements of these regulations. An exception to this approach will be made in connection with examinations of selected institutions, particularly those in geographic areas with a reported high incidence of drug-trafficking. For these examinations, the examiner will complete both phases as a matter of routine. The procedures I have outlined were implemented on a Systemwide basis in February of this year, and our experience to date is that the procedures are an effective tool in monitoring compliance with the Bank Secrecy Act.

We are pleased to note that the GAO believes the new procedures will enhance our ability to monitor compliance with the Bank Secrecy Act and that, together with actions taken by the Treasury Department, they will improve the quality, timeliness, and usefulness of bank secrecy reports to the responsible law enforcement investigators. In conjunction with the procedures, the Federal Reserve has taken a number of other actions to contribute to these objectives. In particular, the Federal Reserve has increased

the number of examiner days devoted to bank secrecy, expanded training efforts in this area, and improved the timeliness and detail associated with the information on possible violations that is provided to the Treasury on a quarterly basis. In addition, the Federal Reserve is continuing to explore ways in which the study of cash flows between member banks and Reserve Banks can be effectively used in targeting the bank secrecy examination procedures for those banks whose circumstances suggest a high volume of cash transactions.

The GAO report includes two recommendations whose objectives the Federal Reserve believes can be achieved in a more efficient manner than the report suggests. One recommendation calls for applying the more extensive second-phase procedures to a sample of banks, which the GAO suggests might be a flat 10 percent of banks examined each year. Another recommendation would require each Reserve Bank to designate a regional or district supervisory examiner to review the results of bank secrecy examinations. Concerning the first suggestion, we believe that reliance on deficiencies or suspected violations uncovered by the first-phase review and on the judgment and experience of Reserve Bank supervisory officials to determine which institutions or geographic areas warrant utilization of the more comprehensive procedures is a more effective use of scarce examiner resources than the random sample of 10 percent across-the-board suggested by the GAO. With respect to the second recommendation, the Federal Reserve Banks have long had senior review examiners responsible for reviewing examination reports for violations of law, including any comments relative to compliance with the Bank Secrecy Act. We believe that these procedures and practices comport with the spirit and intent of the GAO suggestions while ensuring the most economic and cost-effective use of the System's limited supervisory resources.

We agree with the GAO that over time compliance problems with the Bank Secrecy Act have occurred. Some of these problems, as the GAO recognizes, were due to vague and imprecise regulations that left room for wide-ranging interpretations, for unclear or overly broad exemption provisions, or for the difficulties that a number of commercial banks, particularly small-

er institutions, were having in devising compliance mechanisms and in understanding the requirements in light of the strains that were placed on these resources by a surge of new regulations and paperwork. Finally, some of the problems were undoubtedly due to the need for more comprehensive procedures on the part of the banking agencies to monitor and enforce compliance.

Recent amendments by the Department of the Treasury to the implementing regulations that tighten exemption procedures for the filing of currency transactions reports have removed many ambiguities. We agree with the GAO assessment that these revisions should result in more consistent interpretation and reporting. Moreover, we believe that these changes combined with the new examination procedures will facilitate more effective compliance monitoring.

While we agree that the new examination procedures are warranted and will improve our ability to monitor compliance, we should note that the Federal Reserve's past efforts to monitor compliance with the act evolved over time and were expanded and adapted as our experience with enforcement broadened. The original compliance checklist was worked out in consultation with the Department of the Treasury following the issuance of the regulations in mid-1972. In March 1976, representatives from the federal banking regulatory agencies and the Department of the Treasury designed more detailed examination guidelines, which were forwarded to the examiners for implementation. In addition to consulting with Treasury to develop these procedures, Federal Reserve examiners have responded to requests from the Internal Revenue Service and the Justice Department for technical assistance in connection with investigations of possible violations of the Bank Secrecy Act by financial institutions. A recent example of this was Operation Greenback in south Florida. Moreover, the Federal Reserve remains committed to assisting law enforcement agencies when necessary and feasible in the conduct of special investigations of possible violations. We believe this record and the additional steps outlined above

represent a long-standing desire and commitment on the part of the Federal Reserve to cooperate with the U.S. Treasury and the primary law enforcement agencies in ensuring compliance with the Bank Secrecy Act.

With respect to the compliance commitment of the financial institutions themselves, we believe that the overwhelming majority of senior management personnel of the financial institutions under the supervision of the Federal Reserve would not knowingly permit their institutions to be used as vehicles for laundering narcotics-related monies, and that compliance with the requirements of the Currency and Foreign Transactions Reporting Act is generally good. Nevertheless, in an effort to reinforce the compliance commitment of financial institutions, the Federal Reserve, on September 17, 1980, forwarded a letter to the chief executive officers of the institutions under its supervision requesting a review of procedures to insure that employees were being properly trained concerning the requirements of the regulations and that adequate internal controls were in place to insure compliance with the Bank Secrecy Act.

In conclusion, I believe that the recent changes in the regulations, the steps being taken by the Department of the Treasury to make greater use of the reported data, and the new examination procedures will improve the level of compliance with the Bank Secrecy Act by financial institutions. I should like to note, however, that compliance with the act and the monitoring and enforcement of it are costly both to the government and to the private financial institutions. While the Federal Reserve remains committed to carrying out and strengthening when necessary its compliance efforts, we believe that such actions should be taken in the most cost-effective and efficient manner possible. Because of the costs associated with compliance, the Federal Reserve concurs with the GAO suggestion that the overall costs to the government and to the banks of complying with the act be studied in relation to the value of the bank secrecy reports to the primary law enforcement agencies that use them. □

*Statement by Lyle E. Gramley, Member, Board of Governors of the Federal Reserve System, before the Senate Forum, July 27, 1981.*

I want to begin by setting forth very briefly my views on the present level of interest rates. There is no doubt that interest rates are extremely high in our country. There is also no doubt that the effects of high interest rates have been painful indeed for major sectors of the economy.

The Commerce Department now estimates that real gross national product fell slightly in the second quarter, and most private forecasters think that this mild decline may be extended into the third quarter. High interest rates appear to be the principal source of the slowdown.

Credit-sensitive sectors of the economy are suffering as follows:

- High mortgage rates have cut housing starts by one-fourth from their level in late 1980. Many small homebuilders have gone out of business; others wonder how long they can hang on.

- Savings and loan associations, mutual savings banks, and some small commercial banks are experiencing severe difficulties. Their deposit flows have weakened markedly in recent months; more importantly, their costs of deposits have gone up much faster than the return on their assets. A few institutions have already failed, and the potential for future failures is mounting.

- The auto industry has been hit very hard. Combined with large increases in car prices, the escalating cost of loans has depressed auto sales. Furthermore, the high cost of financing inventories has been a crushing burden for auto dealers.

- A large number of other small businesses, particularly those with large inventories to finance and heavy burdens of short-term debt, have suffered serious losses and cash-flow problems.

- The effects of high interest rates in the United States have been felt abroad—generating capital outflows, sharply rising costs of debt services, and downward pressures on the currencies of many countries.

Why are interest rates so high? The proximate reason is that demands for money and credit have been strong at a time when the Federal Reserve has been trying to limit money growth in

the interests of bringing inflation down. But the more fundamental reason is that inflation accelerated so much from the early 1960s until just recently, with periodic bursts into the double-digit range. Inflation permits borrowers to pay off loans with shrunken dollars. Since both debtors and creditors now understand this clearly, lenders require—and borrowers are forced to pay—an “inflation premium” that compensates for the erosion of purchasing power. Furthermore, since the rate of inflation has been not only high but also volatile, lenders appear to be requiring a risk premium to protect against capital losses in the event of yet another upward wrench to inflation and interest rates.

Still another reason why interest rates have had to rise to such high levels to ration a limited supply of funds is that some kinds of credit demands do not respond much to interest rates. The demands of the Treasury to finance huge deficits is the clearest case in point. Some private demands may also be rather insensitive to interest rates—for example, those of defense contractors, or high technology industries, or firms investing to comply with governmental regulations. The burden of adjustment, therefore, is shifted to others.

Pumping up the money supply is *not* the way to bring interest rates down. The experience of the past 15 years indicates that faster creation of money can bring only a temporary respite to interest rates. Time and again, when monetary policy eased in the face of gathering financial strains or economic slack, the additional money created and the temporarily lower interest rates ultimately served to fuel inflation. Expansive fiscal policies added to the problem. Expectations therefore deepened that government action would never be adequate or sustained long enough to get the job done. One by-product of such attitudes is that financial market participants have become so sensitive that faster money growth may not lower interest rates even in the short run. For example, on Friday a week ago, the weekly release of monetary data indicated a \$7 billion rise in the money supply; interest rates immediately *rose* substantially, on the expectation that inflation-driven demands for money and credit would collide with Federal Reserve efforts to contain them.

In the long run, the only way to reduce interest



## Inflation and interest rates in selected countries

Percent

Country	Rate of inflation in 1980 <sup>1</sup>	Interest rates in 1980:4 <sup>2</sup>
Switzerland . . . . .	4.1	5.0
Germany . . . . .	5.3	8.8
Netherlands . . . . .	6.7	9.3
Belgium . . . . .	7.4	12.5
Japan . . . . .	7.7	9.9
Canada . . . . .	11.1	14.2
United States . . . . .	12.6	15.8
France . . . . .	13.6	11.5
Sweden . . . . .	14.7	12.9
United Kingdom . . . . .	15.3	13.8
Italy . . . . .	21.5	16.9
Mexico . . . . .	28.9	26.1
Peru . . . . .	59.8	35.0
Brazil . . . . .	86.8	64.4
Argentina . . . . .	88.7	95.3

1. Inflation in 1980 is measured by the percentage change in the consumer price index from its average fourth-quarter level in 1979 to that for the fourth quarter of 1980.

2. Interest rates are averages of the annualized rates on three-month treasury certificates except for Germany (rate on three-month deposits over DM 1 million), Japan (the Gensaki rate), France (three-month interbank rate), Peru (administered rate on three-month treasury certificates), and Argentina (rate on ninety-day commercial assets).

SOURCES. Bulletins of the respective central banks and government statistical releases.

rates is to reduce inflation. That is what the Federal Reserve is trying to do, by reducing the growth of money.

The process of reducing inflation—and of bringing interest rates down—can be speeded up if the task is not left solely to monetary policy. We badly need to reduce government spending and federal deficits. We also need to be much more attentive to the inflationary effects of other governmental policies—environmental and safety regulations, import restrictions, price supports, wage supports, and the like. These poli-

cies have been major contributors to worsening inflation.

The potential for a substantial improvement in the inflation rate is now at hand. The consumer price index during the first half of this year rose at around an 8½ percent annual rate, compared with more than 12 percent in all of 1980. Food and energy costs have taken a beneficial turn in recent months; appreciation of the dollar in exchange markets has also helped, and idle capacity and weak markets are damping price increases in housing and other areas. Unfortunately, however, habits of wage and price setting change slowly. In particular, wage increases are still far in excess of productivity gains, and have as yet shown little evidence of moderating. The hard-core inflation rate—that determined by rising unit costs of production—still seems to be in the range of 9 to 10 percent. A fundamental breakthrough on the inflation front will not be achieved until wage increases moderate or productivity improves.

Given the fact that the economy has slowed, and inflation has shown some improvement, a basis exists for hope that interest rates may have already passed their peaks. But I cannot predict with any confidence that interest rates will ease substantially in the near term because it is by no means certain that a substantial further decline in inflation is just around the corner. I firmly believe, however, that staying with policies of monetary and fiscal restraint is essential to reducing inflation and, thus, to bringing an end to high interest rates. □

# Announcements

## *SURVEY PERTAINING TO CONSUMER REGULATIONS*

The Federal Reserve Board is conducting a survey of financial institutions to determine compliance costs and benefits associated with the Board's Regulations E (Electronic Fund Transfers), B (Equal Credit Opportunity), and Z (Truth in Lending). Participants are needed for all size classes, geographical regions, and types of institutions affected by these regulations.<sup>1</sup> The one-time questionnaire survey, in which participation is voluntary, asks for information on initial costs of Regulation E and for information on benefits and ongoing costs of all three regulations.

Questions are designed to obtain data on incremental regulatory costs for the following functional categories: administration, training, legal services, data processing systems changes, labor, postage, statements, disclosures, and premises and equipment. The survey questions also afford institutions an opportunity to comment on the usefulness, the effectiveness, and the burden of specific regulatory provisions and to indicate which disclosures and documentation they would continue to provide in the absence of regulatory requirements.

The survey will contribute to the Board's knowledge of the costs and benefits of consumer protection regulations and will help it develop, evaluate, and improve regulation in this area. Information obtained will help to improve the effectiveness of all Board regulations while reducing compliance costs and the regulatory burden. Moreover, several recently enacted statutes require regulatory cost studies.<sup>2</sup> Data from the

survey will provide a basis for Board staff to perform these analyses. Survey results will also enable the Board, the Congress, and the public to become more aware of the costs of compliance with consumer regulations. A summary and analysis of survey results is expected to be published by early 1982.

A financial institution might have any of several reasons for taking part in the survey: a need to determine compliance costs for better internal control; an ability to compare its cost and benefit levels with those of other institutions; and a desire to make regulatory agencies, the Congress, and the public more aware of the costs of compliance. Furthermore, the cost of participation can be small if respondents already have collected or analyzed some cost information. Participants may choose to provide information on only one or two of the regulations, and they need not provide detailed information for all cost categories.<sup>3</sup>

## *REGULATION C: REVISION*

The Federal Reserve Board has adopted a revision and simplification of its Regulation C (Home Mortgage Disclosure), which implements the Home Mortgage Disclosure Act.

HMDA requires financial institutions located in standard metropolitan statistical areas (SMSAs) to disclose publicly the location of their residential mortgage loans. Institutions with more than \$10 million in assets are covered.

The Board's action, effective for the most part on July 31, 1981, followed amendment of the act

1. Financial institutions wishing to participate in the survey or desiring more information may call or write any of the following Board staff members: Barbara R. Lowrey (202-452-3742), Frederick J. Schroeder (202-452-2584), and Fred B. Ruckdeschel (202-452-2579).

2. For example, the Electronic Fund Transfer Act requires a study of the costs and benefits of Regulation E; the Financial Regulatory Simplification Act calls for minimizing

compliance costs and for periodic reviews of the cost of regulation; and the Regulatory Flexibility Act requires an economic analysis of the impact of regulations on small business.

3. The Board and Federal Reserve Banks have already offered some financial institutions an opportunity to participate in the survey. Many institutions have voluntarily submitted compliance cost information to the Board.

by the Congress and extension of its life by five years. The amendments to the act require the following: (1) compilation and disclosure of mortgage loan data on a calendar (rather than fiscal) year basis; (2) itemization of data by census tract and county (rather than by census tract and ZIP code); (3) the use of a standard disclosure format to be prescribed by the Federal Reserve; (4) a system of central data repositories in each SMSA; and (5) aggregation of mortgage loan data to cover all institutions in each SMSA.

The Board in November had amended Regulation C to implement the changeover to calendar year compilation of the data required by the act. The Board's further revisions of the regulation implement the other changes in the act.

In addition, the Board has further revised the regulation—in keeping with the Board's Regulatory Improvement Project for review and simplification of all of its regulations—to simplify the language and substance of Regulation C, to concentrate on disclosure requirements that are most useful and that can be provided at reasonable cost, and to make the regulation more concise. The revised regulation is nearly a third shorter than the existing regulation.

The principal revisions of Regulation C follow:

1. Requirement that depository institutions report the location of property on which they make mortgage or home improvement loans, and related data, to their primary federal regulators. The data will be forwarded to the Federal Reserve for compilation and aggregation. To this end the Board has prepared a standard reporting form, which will be supplied to lenders in the near future.

2. Requirement that covered institutions, effective September 30, 1981, display a notice in their lobby that information about the institution's mortgage lending is available. The Board will furnish such a notice on request.

3. Permitting the use of either 1970 or 1980 census tracts as a basis for reporting, pending full availability of 1980 census tract maps from the Census Bureau

4. Allowing most institutions that have been exempt (on grounds of size or location) but which lost their exemption to begin compiling data for the year after the year in which the exemption is lost (rather than for the year before the loss).

5. Requirement of disclosures of conventional

loans and of FHA, FmHA (Farmers Home Administration), and VA loans, but *not* (as previously required) the sum of the conventional and other types of loans.

6. Avoidance of duplicate reporting of loans by a branch and a head office of a lending institution located in the same SMSA.

7. Limitation of reports by branch offices to data on loans made on property in the SMSA where the branch is located.

#### *REGULATION Y: AMENDMENT*

The Federal Reserve Board has amended its Regulation Y (Bank Holding Companies and Change in Bank Control) to limit the insurance agency activities authorized for bank holding companies.

The Board acted to conform its regulation to court decisions. The Board deleted the authority of bank holding companies to act as an agent for the sale of insurance sold as a matter of convenience to the public. In addition, the Board removed the authority under section 4(c)(8) of the Bank Holding Company Act for bank holding companies to act as agent for the sale of insurance for themselves or for their subsidiaries. The Board determined this latter activity to be permissible under other provisions of the Bank Holding Company Act.

Subject to approval of specific proposals, bank holding companies may act as agent or broker for the sale of insurance (including property and casualty insurance) directly related to an extension of credit, or the provision of financial services, by a bank or a bank-related firm.

#### *ADOPTION OF FEE SCHEDULE*

The Federal Reserve Board has adopted a fee schedule, effective October 1, for securities and for noncash collection services provided by the Federal Reserve Banks.

The Board acted under the Monetary Control Act of 1980, which requires pricing of Federal Reserve services, and after review of comment received on proposals published in August 1980. The fee schedule has been revised to reflect 1981 costs, and a private-sector adjustment factor

(PSAF) of 16 percent, rather than the 12 percent PSAF proposed last year.

The specific schedule of fees is set forth in tables 1 and 2. Upon implementation of the fee schedule on October 1, 1981, the securities and noncash collection services will be available to all financial depository institutions.<sup>1</sup>

*Safekeeping of Securities*

The fees for account maintenance in definitive (paper) securities safekeeping are based on the volume of securities held (not on par value, as proposed) and the account maintenance fee covers coupon clipping, conforming to practice in the private sector. These fees will be the same throughout a Federal Reserve District except for the Chicago District, where they will differ for the territories served by the head office and the Detroit Branch, reflecting costs at those offices. The San Francisco District's definitive securities safekeeping services will be limited to certain arrangements in accord with current practice.

1. A description of Federal Reserve securities services is available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2. Fee schedule: definitive securities safekeeping, purchase and sale, and noncash collection services, October 1, 1981

Dollars

Federal Reserve District	Definitive securities safekeeping			Purchase or sale of government securities (per transaction <sup>1</sup> )	Noncash collection (coupon, bond, or noncash item)	
	Per transaction		Per receipt per month <sup>2</sup>		Per envelope or item processed <sup>3</sup>	Per \$1,000 coupon value shipped
	Deposit withdrawal, or redemption <sup>3</sup>	Account switch	Account maintenance			
Boston	12.50	12.50	2.65	12.00	1.80	1.00
New York	35.50	13.50	5.35	23.00	1.40	1.00
Philadelphia	15.00	10.00	2.50	17.00	2.90	1.00
Cleveland	11.00	11.00	2.00	27.00	2.85	1.00
Richmond	20.00	12.50	1.50	27.00	2.00	1.00
Atlanta	20.00	10.00	2.50	...	1.40	1.00
Chicago	15.00	10.00	3.20	17.50	2.50	1.30
Detroit	11.00	10.00	1.75	17.50	2.50	1.30
St. Louis	16.00	16.00	1.45	...	2.80	.50
Minneapolis	13.50	11.50	1.70	5.50	2.25	.60
Kansas City	15.00	6.50	1.35	10.50	3.20	1.00
Dallas	12.00	5.00	1.40	26.50	2.25	1.00
San Francisco	...	...	...	22.00	6.85	1.00

1. Plus brokers' fees, if any.

2. In the New York and Minneapolis Districts, the fee shown is per issue per month.

1. Fee schedule, book-entry securities services, October 1, 1981<sup>1</sup>

Item	Cost (dollars)
Securities transfers	
Originated on-line (per transaction)	2.00 <sup>2</sup>
Originated off-line (per transaction)	8.50 <sup>3</sup>
Received off-line (per transaction)	6.50
Account maintenance (per account per month)	6.00

1. The \$3.00 fee now assessed by the Federal Reserve Banks on behalf of the Treasury Department and various federal agencies for interdistrict transfers of securities will be discontinued effective October 1, 1981.

2. Fees (in dollars) at the Federal Reserve Bank of New York will vary by time of day as follows:

Time of day	Originated on-line
9:00 a.m.-12:00 noon	.50
12:01 p.m.-2:00 p.m.	1.25
2:01 p.m.-close	4.50

3. Composed of the on-line origination fee of \$2.00 plus the \$6.50 off-line surcharge.

*Book-Entry Securities Service*

This service involves recording of ownership of securities by computer rather than by issuance of definitive paper securities to buyers. The Board adopted a standard national average fee schedule for all book-entry services: the basic on-line transfer charge, account maintenance charges, and the off-line transfer surcharge. The off-line

3. For bonds as well as other noncash items, add shipping expenses, insurance fees, and fees assessed by other Federal Reserve Banks, if any.

transfer surcharge replaces the proposed District fee. The Federal Reserve Bank of New York will continue to employ a time-of-day fee schedule for securities transfers originating in that District.

*Purchase and Sale of Government Securities and Noncash Collection Services*

Fees for the purchase and sale of government securities have been revised to reflect 1981 costs and the 16 percent PSAF.

A fee will be charged by the collecting bank for coupons clipped from securities held in safekeeping accounts and sent to another District Bank for collection.

On average, the proposed 1981 fee schedule for Federal Reserve securities and noncash collection services is 12 percent higher than that proposed last August, a third of the increase being due to the 16 percent, rather than 12 percent, PSAF.

*PROPOSED ACTIONS*

The Federal Reserve Board, acting under the Monetary Control Act of 1980, has proposed for public comment revised fee schedules for its transportation services in supplying currency and coin to the nation's banks and thrift institu-

tions. The Board also proposed a policy for access to its cash processing services. Comment was requested by September 25, 1981.

The Board has also requested comment on proposed amendments to its Regulation Y (Bank Holding Companies and Change in Bank Control) concerning data processing. The Board requested comment by October 1, 1981.

*CHANGES IN BOARD STAFF*

The Board of Governors has announced the promotion of Robert E. Frazier from Assistant Director to Associate Director in the Division of Support Services, effective August 3, 1981.

The Board has also announced the resignations of Raymond L. Teed, Associate Director, Division of Federal Reserve Bank Operations, effective August 7, 1981, and Cornelius K. Hurley, Jr., Assistant General Counsel, effective September 4, 1981.

*SYSTEM MEMBERSHIP:*

*ADMISSION OF STATE BANK*

The following bank was admitted to membership in the Federal Reserve System during the period July 11 through August 10, 1981:

*Colorado*

Julesburg . . . . . Sedgwick County Bank

# Legal Developments

## AMENDMENT TO REGULATION Y

### *Part 225—Bank Holding Companies and Change in Bank Control*

#### Nonbank Activities

The Board of Governors of the Federal Reserve System has adopted certain amendments to its Regulation Y ("Bank Holding Companies") that would limit the insurance agency activities authorized for bank holding companies. The first amendment would delete from the Board's regulations the authority for bank holding companies to act under section 4(c)(8) of the Bank Holding Company Act as agent for the sale of insurance for themselves and their subsidiaries. This amendment reflects a court decision that acting as agent for the sale of insurance for the bank holding company and its nonbanking subsidiaries is not an activity permissible under the Bank Holding Company Act. It also reflects the decision that such activities may be conducted pursuant to other provisions of the Act. The second amendment deletes from the Board's regulations the authority for bank holding companies to act as agent for insurance sold as a matter of convenience to the public.

These amendments are required in order to conform the Board's regulations to an opinion of the United States Court of Appeals for the Fifth Circuit. That opinion found that the sale by bank holding companies of certain of the types of insurance described in connection with the first amendment was not an activity in which bank holding companies legally may engage pursuant to section 225.4(a)(9)(i) of the Board's Regulation Y. Further, the Court's opinion found that the part of the Board's regulation relating to the sale of "convenience" insurance also authorized the sale of insurance beyond the scope of the provisions of section 4(c)(8) of the Bank Holding Company Act and therefore is impermissible.

Effective September 1, 1981, Regulation Y (12 CFR Part 225) is amended as follows:

#### Section 225.4—Nonbanking Activities

(a) \* \* \*

(9) Acting as insurance agent or broker in offices at

which the holding company or its subsidiaries are otherwise engaged in business (or in an office adjacent thereto) with respect to the following types of insurance:

(i) Any insurance that (A) is directly related to an extension of credit by a bank or bank-related firm of the kind described in this regulation, or (B) is directly related to the provision of other financial services by a bank or such a bank-related firm.

(ii) Any insurance sold by a bank holding company or a nonbanking subsidiary in a community that has a population not exceeding 5,000 (as shown by the last preceding decennial census), provided the principal place of banking business of the bank holding company is located in a community having a population not exceeding 5,000.

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

##### *Orders Under Section 3 of Bank Holding Company Act*

Callaway Security Banks, Inc.,  
Fulton, Missouri

##### *Order Denying Formation of Multi-bank Holding Company*

Callaway Security Banks, Inc., Fulton, Missouri, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring 80 percent or more of the voting shares of The Callaway Bank, Fulton, Missouri ("Callaway Bank"), and 80 percent or more of the voting shares of Security Bank of Auxvasse, Auxvasse, Missouri ("Security Bank").

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

Applicant is a nonoperating corporation formed for

the purpose of becoming a multi-bank holding company through the acquisition of Callaway Bank with \$40.5 million in deposits and Security Bank with \$9.3 million in deposits.<sup>1</sup> Upon consummation of the proposed acquisitions, Applicant would become the 29th largest banking organization in Missouri, controlling 0.2 percent of the total commercial bank deposits in the state.

Both Callaway Bank and Security Bank are located in Callaway County, a predominantly rural, agricultural county in central Missouri, which approximates the relevant banking market as defined by the Board.<sup>2</sup> Callaway Bank is the largest of five commercial banks in the market, controlling 53.1 percent of the total commercial bank deposits in the market, while Security Bank is the third largest bank controlling 12.2 percent of deposits in the market. There are no banks located between Callaway Bank and Security Bank, and the only banking office located between them is a facility of Security Bank. Moreover, two of the three market competitors which would remain after consummation of this proposal, are located near the southern border of the market, approximately 17 road miles from Callaway Bank and 30 road miles from Security Bank's main office. Upon consummation of the subject proposal, Applicant would be the largest banking organization in the market, controlling 65.3 percent of the total commercial bank deposits. Furthermore, the number of banking organizations operating in the market would be reduced to four, with Applicant's market share being approximately three times the percentage held by the next largest organization. Based upon the above facts of record, approval of the proposed transaction would result in the elimination of substantial existing competition, the elimination of a vehicle of entry for holding companies not represented in the relevant market, and would increase the already high level of concentration of banking resources within the relevant market.

Applicant, however, disagrees with the Board's definition of the relevant geographic market and, in this connection, has proposed several alternative market definitions.<sup>3</sup> Applicant's most recent contention is

1. All banking data are as of June 30, 1980, unless otherwise indicated.

2. The Board notes that in connection with an application in 1976 by Central Bancompany, Jefferson City, Missouri, to acquire First National Bank of Mexico, Mexico, Missouri, the Board defined the Mexico banking market to include Audrain County plus the town of Auxvasse. A careful analysis of all the facts of record has led the Board to conclude that Auxvasse should now be included in the Callaway County banking market, not in the Mexico banking market.

3. Applicant first contended that Callaway Bank and Security Bank were located in a five-county market area. However, in response to a request that Applicant submit market information supporting that

that the relevant banking market should include the Jefferson City metropolitan area in addition to Callaway County. This conclusion was based upon a random telephone survey of Callaway County residents which demonstrated, among other less significant results, that 17.8 percent of those surveyed commuted to Jefferson City for work and 9.5 percent had checking accounts in Jefferson City.<sup>4</sup> The Board believes that this evidence is insufficient to support Applicant's market definition.

The Supreme Court has articulated a number of factors to be considered in determining a geographic banking market. See, *United States v. Philadelphia National Bank*, 374 U.S. 321 (1963); *United States v. Phillipsburg National Bank & Trust Co.*, 399 U.S. 350 (1970); See also *Mid-Nebraska Bancshares v. Board of Governors*, 627 F.2d 266 (D.C. Cir. 1980). These cases indicate that the competitive effects of a proposed merger or acquisition should be judged in a localized market in which banks offer their services and to which local customers can practicably turn for alternatives. The Supreme Court has stated in this regard that "the proper question is not where the parties to the merger do business or even where they compete, but where, within the area of competitive overlap, the effect of the merger on competition will be direct and immediate." (*United States v. Philadelphia National Bank*, supra at 357). In determining what this area is, the Supreme Court sought "to delineate the areas in which bank customers that are neither very large or very small find it practical to do their bank business, . . ." *United States v. Philadelphia National Bank*, supra at 359.

After consideration of a number of the relevant factors outlined by the Supreme Court, the Board has determined that the evidence of record, as summa-

contention, Applicant gathered additional information and revised its market definition. Based upon that information Applicant argued that Callaway Bank and Security Bank operate in separate, but adjacent, banking markets divided by Interstate 70. Thus, Applicant defined Security Bank's market to include Audrain County and northern Callaway County (including Kingdom City where the branch of Security Bank is located). The market of Callaway Bank was defined by Applicant to include the remaining portion of Callaway County plus the metropolitan areas of Columbia and Jefferson City. Finally, Applicant submitted evidence that it claims supports a market definition which placed Callaway Bank and Security Bank in the same banking market, a relatively large geographic area encompassing Callaway County and the Jefferson City metropolitan area.

4. A closer examination of the data indicates that most of those commuting into Jefferson City reside in the extreme southern portion of Callaway County. Thus, Applicant's evidence would tend to lend support to the inclusion of that small portion of Callaway County in the Jefferson City market, rather than expanding the Callaway market to include Jefferson City. Based upon this market redefinition, it appears the market shares of the two banks to be acquired would be even higher than those used by the Board for market analysis purposes.

rized below, supports the conclusion that the rural areas of Callaway County constitute a local banking market separate from the metropolitan areas of Columbia and Jefferson City. First, Applicant's market definition conflicts with the Board's past market definitions that were based upon surveys and commuting data.<sup>5</sup> Second, the areas immediately surrounding both Columbia and Jefferson City are included in their respective Rand-McNally ("RMA") definitions, and none of the towns in Callaway County is included in either of these RMAs.<sup>6</sup> Third, Missouri banking law restricts banking offices of a bank to county boundaries. Finally, the data on service area overlap for banks generally in the relevant geographic areas, and for Callaway Bank and Security Bank specifically, support the findings that neither the service areas of banks in Columbia nor in Jefferson City significantly overlap with service areas of Callaway County banks while those of Callaway County banks do overlap with each other, thus indicating that the towns within Callaway County constitute a separate local banking market. On balance, the Board is persuaded that there is no significant competition between the banks in Callaway County on the one hand, and Jefferson City or Columbia on the other, and accordingly, the Board concludes that the evidence supporting the extension of the Callaway County banking market to include either of those two metropolitan areas is not sufficient to warrant the Board finding that the relevant banking market of Callaway County is other than Callaway County itself.

Based upon the foregoing and all the information of record relevant to the market definition, the Board believes that the appropriate geographic market for assessing the competitive effects of this proposal is the Callaway County banking market, approximated by Callaway County. Accordingly, the Board finds on the basis of all the facts of record that the effects of this

proposal on competition in the relevant market would be substantially adverse.<sup>7</sup>

The financial and managerial resources and future prospects of Applicant, Callaway Bank and Security Bank are satisfactory. Applicant contends that consummation of the subject proposal would provide management continuity and maintenance of local control of Security Bank. However, there is no evidence of record to suggest that this issue cannot be resolved absent consummation of this proposal. Thus, considerations relating to banking factors are consistent with, but lend no weight towards approval. Upon consummation of this proposal Applicant plans to initiate and expand services offered by Security Bank, including extending Friday evening hours, initiating a student loan program, and automatic transfer accounts, and providing various trust, loan and international services. Accordingly, the Board finds that while considerations relating to convenience and needs of the community to be served lend some weight toward approval, they do not outweigh the substantially adverse competitive effects that would result from the subject proposal.

Under section 3(c) of the Bank Holding Company Act, the Board is precluded from approving any proposed acquisition of a bank that in any part of the country may substantially lessen competition or tend to create a monopoly or be in restraint of trade in any banking market, unless the Board finds that such anti-competitive effects are clearly outweighed by the convenience and needs of the community to be served. Thus, on the basis of the foregoing and other considerations reflected in the record, the Board's judgment is that consummation of the proposed transaction would not be in the public interest and the application should be, and hereby is denied.

By Order of the Board of Governors, effective July 2, 1981.

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

(Signed) WILLIAM W. WILES,  
*Secretary of the Board.*

[SEAL]

5. The Jefferson City banking market is defined by the Board to be approximated by Cole County. The Columbia banking market is defined as Boone County which is coterminous with the Columbia SMSA.

6. RMA definitions are based upon criteria of metropolitan character and integration and exclude outlying portions with only scattered suburban development, high proportions of agricultural employment, or low population density. Because RMAs closely approximate economic development and commercial patterns, they have served as useful approximations for banking markets. It should be noted that Boone County, which includes the city of Columbia, is also considered to be a Standard Metropolitan Service Area ("SMSA"). If contiguous counties meet certain criteria of metropolitan character and integration, they are also included within an SMSA. Although Callaway County is contiguous to Boone County, it is not included in the SMSA of Boone County.

7. Applicant also argues that the presence of thrifts in the relevant market must be assessed in analyzing the competitive impact of the proposal. Even if all deposits of thrifts in the market were included in deposit data for the competitive analysis, the proposal would involve the combination of Callaway Bank, the largest organization in the market with 34.4 percent of market deposits, and Security Bank, the fifth largest organization in the market with 7.9 percent of market deposits, resulting in a combined market share of 42.3 percent. (Deposit data for thrifts are as of March 31, 1979). These market shares, viewed in light of the limited commercial powers of thrifts, would not alter the determination that the competitive effects of the proposal would be substantially adverse.



Detroitbank Corporation,  
Detroit, Michigan

*Order Approving Acquisition of Bank*

Detroitbank Corporation, Detroit, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act, 12 U.S.C. § 1842(a)(3), to acquire 100 percent of the voting shares of the successor by merger to SNB Bank and Trust ("Bank"), Battle Creek, Michigan. The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of shares of Bank.

Notice of the application affording opportunity for interested persons to submit comments and views has been given in accordance with section 3(b) of the act (12 U.S.C. § 1842(b)). The time for filing comments and views has expired, and all comments received, including those of the Federal Deposit Insurance Corporation and the Michigan Financial Institutions Bureau recommending approval of this application, have been considered in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1842(c)).

Applicant, the third largest banking organization in Michigan, controls 10 banks with aggregate deposits of \$3.8 billion,<sup>1</sup> representing about 9.5 percent of total deposits held by commercial banks in the state. Bank is the 61st largest banking organization in the state with deposits of \$107 million, representing about 0.3 percent of deposits in commercial banks in Michigan. Acquisition of Bank would increase Applicant's share of statewide deposits to 9.8 percent and would not alter Applicant's ranking in the state. Thus, consummation of the transaction would not result in a significant increase in the concentration of banking resources in Michigan.

Bank operates 10 branch offices in four banking markets in Michigan: the Barry County banking market,<sup>2</sup> the Kalamazoo-Battle Creek banking market,<sup>3</sup>

the Lansing banking market,<sup>4</sup> and the St. Joseph-Branch Counties banking market.<sup>5</sup> With the exception of the Kalamazoo-Battle Creek banking market, Bank does not have a significant presence in any other market in which Bank competes and the effects of consummation of the transaction on existing competition in these markets would not be significant. Because Michigan branching laws would permit a subsidiary bank of Applicant to branch into the Barry County and St. Joseph-Branch Counties banking markets, consummation of this proposal would result in the elimination of some potential competition.

Bank is the fifth largest of 13 banking organizations in the Kalamazoo-Battle Creek banking market and controls about 7.0 percent of the total deposits in commercial banks in the market. Applicant is the market's fourth largest banking organization through its control of Industrial State Bank and Trust ("ISB"), Kalamazoo, Michigan (deposits of \$138.6 million), holding 10.1 percent of the total deposits in commercial banks in the market. Consummation of the proposal would increase Applicant's share of market deposits to 17.1 percent but its rank within the market would remain unchanged. In light of these and other facts of record, the Board finds that consummation of the proposal would result in eliminating existing competition between Bank and ISB, would remove an independent competitor from the Kalamazoo-Battle Creek market, and would increase the concentration of banking resources in that market.

In view of the foregoing discussion and based on the facts of record, the Board concludes that the competitive effects of the proposal are substantially adverse. Under the standards set forth in section 3(c) of the Bank Holding Company Act, it is clear that the Board may not approve the subject proposal unless it finds that "the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served." In assessing such considerations in light of the facts surrounding this proposal, the Board finds that the anticompetitive effects are clearly outweighed in the public interest. The financial and managerial resources and future prospects of Applicant and its subsidiaries are considered satisfactory and consistent with approval of this application. Bank's financial and

1. All banking data are as of June 30, 1980.

2. The Barry County banking market is approximated by Barry County excluding the northwestern portion and southern tier of townships.

3. The Kalamazoo-Battle Creek banking market is approximated by all of Kalamazoo County, the western three tiers of townships in Calhoun County, the northwestern portion of St. Joseph County, the two eastern tiers of townships in Van Buren County, the two southwestern townships in Allegan County, and the southern tier of townships in Barry County.

4. The Lansing banking market is approximated by Eaton, Ingham and Clinton Counties, the southeastern corner of Ionia County, and the northwestern corner of Livingston County.

5. The St. Joseph-Branch Counties banking market is approximated by all of Branch County and all of St. Joseph County except for the northwestern corner which includes Three Rivers.

managerial resources, absent consummation of the instant proposal, are less than satisfactory, and its future prospects are uncertain. Bank has suffered losses in its operations and, lacking the internal capability of reversing the adverse trend, Bank apparently will be unable to continue as a viable organization in serving the public. Under this proposal, Applicant has agreed to inject capital of \$1.5 million and to provide significant managerial assistance to Bank. These actions would assure Bank's continued viability and the availability of Bank as a source of banking services in the Kalamazoo-Battle Creek banking market.

In addition to the fact that affiliation with Applicant would strengthen Bank's condition, consummation of the proposal would enable Bank to remain a viable competitive alternative in servicing Bank's commercial customers as well as the convenience and needs of the Battle Creek community. In this respect, Applicant intends to expand the commercial services of Bank, to make lease financing available through a subsidiary of Applicant, to pay the maximum allowable rates on savings deposits, and to decrease service charges on NOW accounts.

Although the Board would prefer a less anticompetitive acquisition as a means for assuring the continuation of Bank as a vehicle for serving the convenience and needs of the public, such an alternative does not appear to be readily available. Therefore, the Board views the improved financial prospects of Bank and the convenience and needs considerations as lending significant weight toward approval of the application, and as clearly outweighing the substantially adverse competitive effects that would result from consummation of the proposal. Accordingly, the Board's judgment is that consummation of the proposal would be in the public interest and that the application should be approved.

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

By Order of the Board of Governors, effective July 7, 1981.

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

(Signed) WILLIAM W. WILES,  
*Secretary of the Board.*

[SEAL]

The Wyoming National Corporation,  
Casper, Wyoming

First Bankshares of Wyoming,  
Cheyenne, Wyoming

*Order Approving Merger of Bank Holding Companies*

The Wyoming National Corporation ("WNC"), Casper, Wyoming, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(5) of the act (12 U.S.C. § 1842(a)(5)) to acquire 100 percent of First Bankshares of Wyoming ("Bankshares"), Cheyenne, Wyoming, an unaffiliated bank holding company.

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

WNC, the third largest banking organization in Wyoming, controls four subsidiary banks with aggregate deposits of \$252.9 million, representing 9.2 percent of the total deposits in commercial banks in Wyoming.<sup>1</sup> Bankshares, the fourth largest banking organization in Wyoming, controls three subsidiaries with aggregate deposits of \$118.7 million, representing 4.3 percent of the total commercial bank deposits in the state. Upon consummation of the proposed acquisition, WNC will become the second largest banking organization in Wyoming, controlling seven subsidiary banks with aggregate deposits of \$371.6 million, representing 13.5 percent of total statewide commercial bank deposits. Furthermore, consummation of this proposal would increase the four-firm statewide concentration ratio from 42.9 percent to 46.7 percent. Although the increase in statewide concentration, and elimination of one of the state's six multi-bank holding companies are regarded as adverse competitive factors particularly because there are so few banking organizations of even moderate size in Wyoming,<sup>2</sup> given the structure of banking in Wyoming, it does not appear that approval of this application would have any significantly adverse effects upon the concentration of banking resources in the state.

1. All banking data are as of June 30, 1980.

2. There are only five banking organizations in Wyoming having more than \$100 million in aggregate deposits, and only 10 banking organizations in the state having more than \$50 million in aggregate deposits.

WNC currently owns banks in the Casper, Campbell and Carbon banking markets, while Bankshares owns banks in the Laramie and Platte banking markets.<sup>3</sup> WNC is the largest banking organization in the Casper market, with two banks having \$224.8 million in aggregate deposits, representing 37.1 percent of market deposits. WNC also owns the third largest bank in the Campbell market, controlling \$21.6 million in deposits, representing 12.1 percent of market deposits; and the fourth largest bank in the Carbon market, controlling \$6.5 million in deposits, representing 5.8 percent of market deposits. Bankshares is the second largest banking organization in the Laramie market, with two banks having \$90.8 million in aggregate deposits, representing 31.2 percent of market deposits. Bankshares also owns the largest bank in the Platte market, controlling \$27.9 million in deposits, representing 45.9 percent of market deposits. Consummation of the proposed merger would eliminate no significant existing competition since none of WNC's four subsidiary banks operates in the same markets as Bankshares' three subsidiary banks.<sup>4</sup>

In view of the fact that both WNC and Bankshares are for Wyoming relatively large banking organizations, ranking as third and fourth largest in the state, each is regarded as a potential entrant into the markets where the other is currently operating. Thus, the Board has examined the effects of the proposal on potential competition with respect to each of the markets in which WNC and Bankshares are represented, including the Casper, Campbell, Carbon, Laramie and Platte banking markets.

In considering WNC's potential entry into the Laramie and Platte banking markets, the Board has found both markets to be highly concentrated with three-firm concentration ratios of 91.0 and 93.4 percent, respectively. In addition, WNC is one of only two large multibank firms able to expand into but not represented in the Laramie market, and one of only three firms able to expand into but not represented in the Platte market. However, based upon all the facts of record, neither of these markets appears to be particularly attractive for de novo or foothold entry. Moreover, WNC's past acquisition history indicates it is unlikely that WNC would enter into either the Laramie or Platte markets by foothold or on a de novo basis. Accordingly, the Board concludes that the likelihood of WNC's entry into the markets where Bankshares is

represented is not significant and thus would result in only a slightly adverse effect upon potential competition.

The Board has also considered Bankshares' potential entry into the Casper, Campbell and Carbon markets, and found that each of these markets are highly concentrated, with three-firm concentration ratios of 84.8, 97.4 and 94.2 percent, respectively. Furthermore, all three of these markets appear to be highly attractive for de novo or foothold entry, and Bankshares is one of only two large multibank firms not represented in the Casper market, and one of only three multibank firms able to expand into but not represented in the Campbell and Carbon markets. However, Bankshares itself has shown little inclination to expand, particularly in the areas of the state where WNC is represented. Moreover, Bankshares appears to lack both the financial and managerial resources necessary for significant expansion. Accordingly, the Board concludes that the likelihood of Bankshares' entry into the markets where WNC is represented is not significant and thus would likewise result in only a slightly adverse effect upon potential competition.

Based upon the above discussion and all the facts of record, including the structure and nature of banking in Wyoming, the future needs for banking services in the state, the absolute size of WNC and Bankshares, and the nature of competition and size of the relevant markets involved, the Board's opinion is that the overall competitive effects of this proposal are not significantly adverse.

The financial and managerial resources of WNC, Bankshares and their respective subsidiaries are regarded as satisfactory and future prospects of these organizations appear favorable. The merger of WNC and Bankshares would combine the financial and managerial resources of both, thus strengthening these factors with respect to the resulting organization. In addition, following consummation of this proposal, the combined organization would have increased access to national capital markets, thus allowing more aggressive, expansionary policies. The combined organization would also be more capable of meeting the expanding needs of businesses in Wyoming. Thus, the Board concludes that considerations relating to the positive benefits resulting from the proposed merger lend sufficient weight toward approval to outweigh any adverse competitive effects associated with this proposal.

Based upon the foregoing and other considerations reflected in the record, the Board's judgment is 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 ap-

3. The Casper banking market is approximated by all of Natrona County and the adjacent portion of Converse County, the Campbell, Carbon, Laramie, and Platte banking markets are each approximated by the Wyoming county of the same name.

4. WNC's nearest banking office to a Bankshares banking office is 109 miles.

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

By order of the Board of Governors, effective July 8, 1981.

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

(Signed) WILLIAM W. WILES,  
*Secretary of the Board.*

[SEAL]

*Concurring Statement of Governor Teeters*

This proposal involves the acquisition of the fourth largest banking organization by the third largest banking organization in Wyoming. As noted in the Board's Order, Wyoming is a concentrated state in terms of deposits held by banking organizations and consummation of this proposal will further increase that concentration. However, in light of all of the facts of record in this instance, including the small absolute size of the organizations involved and the structure of banking in Wyoming, I agree with the majority's action in approving this proposal. In addition, I continue to believe that statewide concentration of banking deposits is a source of legitimate inquiry and concern to the Board in its review of acquisition applications and I do not believe the Board's action should be read as a contrary precedent.

July 8, 1981

*Orders Issued Under Section 4 of Bank Holding Company Act*

JCT Trust Company Limited,  
Tel Aviv, Israel

Otzar Hityashvuth Hayehudim B.M.,  
Tel Aviv, Israel

Bank Leumi Le-Israel B.M.,  
Tel Aviv, Israel

*Order Approving Request to Engage in Certain Securities-Related Activities*

JCT Trust Company Limited ("JCT"), Otzar Hityash-

vuth Hayehudim B.M. ("OHH"), and Bank Leumi le-Israel B.M. ("Bank Leumi"), all of Tel Aviv, Israel (collectively referred to as "Applicants"),<sup>1</sup> bank holding companies within the meaning of the Bank Holding Company Act have requested the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)), to engage through their subsidiary, Leumi Securities Corporation ("Leumi Securities"), New York, New York, in certain securities-related activities.

Applicants have applied for approval for Leumi Securities to engage in the following activities: (1) executing unsolicited purchases and sales of securities as agent solely upon the order of and for the account of customers; (2) providing custodial services for such securities;<sup>2</sup> (3) acting as managing agent for the securities of customers;<sup>3</sup> and (4) buying and selling gold and silver coin and bullion for the account of others. The activity of acting as managing agent for customers with respect to securities is among the activities that the Board has designated in Regulation Y as being closely related to banking and thus permissible for bank holding companies, (12 C.F.R. § 225.4(a)(5)(iii)). The remaining activities are not among the activities listed in Regulation Y as permissible for a bank holding company.

Notice of the applications, affording opportunity for interested persons to submit comments, has been duly published. The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the standards set forth in section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)).

Bank Leumi, a bank organized under the laws of the state of Israel, is the largest commercial bank in Israel and engages in banking and a variety of nonbanking activities worldwide. Bank Leumi controls Bank

1 The only assets of OHH consist of 94 percent of the voting shares of Bank Leumi, a bank organized under the laws of Israel. JCT is the trustee for a trust controlling 38.9 percent of the voting shares of OHH. This trust is also a bank holding company within the meaning of the Bank Holding Company Act and the trust is one of the Applicants.

2 The Board has determined that these custodial services are incidental to the proposed securities brokerage activities, and therefore do not require separate approval. Applicants have also applied to engage in furnishing, without charge, general information and advice about the Israeli economy, information about particular Israeli companies, and assistance in the formation of investment clubs to invest in Israeli companies. The Board regards these as merely promotional activities incidental to activities (1) and (3), and as such, not requiring separate approval.

3 Applicants anticipate that the proposed securities-related activities would involve primarily securities of companies located in Israel, or of subsidiaries of such companies, but Leumi Securities would also perform some services with respect to other securities. Leumi Securities is not a member of any stock exchange, and does not offer margin accounts or otherwise extend credit in connection with securities transactions executed on behalf of customers.

Leumi Trust Company of New York, New York, New York, which has total deposits in the United States of approximately \$1.7 billion.<sup>4</sup> Applicants became bank holding companies as a result of the 1970 Amendments to the Bank Holding Company Act.

Applicants commenced acting, through Leumi Securities, as broker, dealer, and underwriter in securities transactions in the United States de novo in 1962. On December 8, 1980, the Board determined that Applicants are not entitled to continue to engage in the general securities business pursuant to the permanent grandfather privileges of section 4(a)(2) of the Bank Holding Company Act (12 U.S.C. § 1843(a)(2)). On the same date, the Board approved Applicants' request pursuant to section 4(c)(9) (12 U.S.C. § 1843(c)(9))<sup>5</sup> to continue to engage, through Leumi Securities, in acting as a broker or dealer in securities issued by the State of Israel. The Board refused, however, to permit Leumi Securities to continue to engage in general broker-dealer or underwriter activities pursuant to section 4(c)(9). The activities for which Applicants now seek approval were conducted as incidental activities to Leumi Securities' now discontinued general securities business.

At the same time that Applicants submitted this application pursuant to section 4(c)(8), they also requested temporary authority for Leumi Securities to engage in the activities involved pursuant to section 4(c)(9), pending action on this application. The Board approved the request for temporary authority on March 13, 1981.<sup>6</sup>

In order to authorize a bank holding company to engage in a nonbank activity pursuant to section 4(c)(8) of the Bank Holding Company Act, the Board must first determine whether the activity is closely related to banking or managing or controlling banks. As the Supreme Court has made clear, an activity that does not differ significantly from the traditional functions of banks is closely related to banking within the meaning of section 4(c)(8).<sup>7</sup> In addition, a federal circuit court has delineated certain criteria that would support a finding that a particular activity is closely related to banking,<sup>8</sup> and the Board has previously

found these criteria useful in determining whether a proposed new nonbanking activity is closely related to banking. Under these criteria, an activity is closely related to banking if it is demonstrated (1) that banks generally have in fact provided the proposed service; or (2) that banks generally provide services that are operationally or functionally so similar to the proposed services as to equip them particularly well to provide the proposed service; or (3) that banks generally provide services that are so integrally related to the proposed service as to require their provision in a specialized form.

With respect to the proposed activity of executing unsolicited purchases and sales of securities solely for the account of customers, it has been well established that banks do in fact provide such services. Historically, commercial banks, acting as agent, that is, as a broker, have assisted their customers in purchasing and selling securities and continue to do so.<sup>9</sup> In addition, the Banking Act of 1933 (the Glass-Steagall Act) expressly recognizes the permissibility of brokerage activities by commercial banks. Section 16 of that act limits the business of dealing in securities by member banks "to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers . . ." (12 U.S.C. § 24 (Seventh)). As noted above, the securities brokerage activities for which Applicants seek approval are limited in scope and appear to be substantially the same as the brokerage activities that commercial banks provide. On the basis of these findings, the Board finds that banks have provided the proposed securities brokerage activities and that this activity, in the context of this application, is closely related to banking.

With regard to purchasing and selling gold and silver coin and bullion, the Board has, in connection with an earlier application, determined that a number of activities involving trading in gold and silver bullion are closely related to banking, including buying and selling gold and silver bullion and silver coin, and dealing in exchange and silver futures.<sup>10</sup> The Board's determina-

4. Banking data are as of December 30, 1980.

5. Section 4(c)(9) of the BHCA exempts from the nonbanking prohibitions of the Bank Holding Company Act shares held or activities conducted by a foreign company the greater part of whose business is conducted outside of the United States, if the Board determines by order or regulation that such exemption is consistent with the public interest and the purposes of the Bank Holding Company Act.

6. 67 FEDERAL RESERVE BULLETIN 362 (1981)

7. *Board of Governors v. Investment Company Institute*, 101 S. Ct. 973, 981 (1981).

8. *National Courier Association v. Board of Governors*, 516 F.2d 1229, 1237 (D.C. Cir. 1975). These guidelines are cited, for example, in

*NCNB Corporation v. Board of Governors*, 599 F.2d 609, 613 (4th Cir. 1979); *Association of Bank Travel Bureaus, Inc. v. Board of Governors*, 568 F.2d 549, 511 (7th Cir. 1978); *Alabama Association of Insurance Agents v. Board of Governors*, 533 F.2d 224, 241 (5th Cir. 1976), rehearing denied, 558 F.2d 729 (1977), cert. denied, 435 U.S. 904 (1978).

9. See generally Securities and Exchange Commission, Initial Report on Bank Securities Activities (1977); Brokerage and Related Commercial Bank Services: Hearings before the Subcommittee on Securities of the Senate Committee on Banking, Housing and Urban Affairs, 94th Cong., 2d Sess. (1976); House of Representatives, Rep. No. 1193, 94th Cong., 2d Sess. (1976).

10. *Standard and Chartered Banking Group Limited (Mocatta Metals, Inc.)*, 38 *Federal Register* 27552 (1973). See also *Republic New York Corp.* (Republic Clearing Corporation), 63 *FEDERAL RE-*

tion was based on the express authority of banks to engage in these services and on the fact that a number of banks are among the major dealers in gold and silver. Leumi Securities intends to confine its activities with respect to gold and silver to transactions for immediate cash payment, and only upon the order of customers. In light of the fact that banks engage in a wide variety of trading activities regarding gold and silver coin and bullion, and the limited nature of the proposed activities, the Board finds that Leumi Securities' proposed gold and silver activities are closely related to banking.

In order to approve the subject application, the Board must also find that Applicants' performance, through Leumi Securities, of the activities at issue "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." The Board notes that Leumi Securities began offering the activities involved de novo. Accordingly, approval of the applications would not result in any adverse effect on existing or potential competition. In addition, there is no evidence in the record indicating that approval of this proposal would result in any other adverse effects, such as undue concentration of resources, unfair competition, conflicts of interests, or unsound banking practices.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the applications are hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y, and to the Board's authority to require such termination or modification 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 Bank Holding Company Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The proposed activities shall commence 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 New York, pursuant to delegated authority.

By order of the Board of Governors, effective July 28, 1981.

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

(Signed) WILLIAM W. WILES,  
[SEAL] Secretary of the Board.

Security Pacific Corporation,  
Los Angeles, California

Order Approving Acquisition of A. J. Armstrong  
Company, Inc.

Security Pacific Corporation, Los Angeles, California, a bank holding company within the meaning of the Bank Holding Company Act, has applied for approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to acquire A. J. Armstrong Company, Inc., New York, New York ("Company"), a company that engages in the activities of commercial finance and factoring, as well as arranging letters of credit for use in international trade, and holding full pay-out leases. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published. The time for filing comments and views has expired, and the Secretary of 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, which controls one banking subsidiary and holds assets of about \$27.8 billion, has applied to acquire Company (assets of \$316.7 million),<sup>1</sup> and thereby engage primarily in commercial finance and factoring activities. In connection with the application, it has been considered whether the activities to be performed by Company can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Having considered the record of this application, it has been determined that the balance of public interest factors required to be considered under section 4(c)(8) is favorable. On the basis of these considerations, the application is approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y, and to the authority of the Board or Reserve Bank to require such modification or termination of the activities of a holding company or any of its subsidiaries as it finds necessary

SERV BULLETIN 951 (1977) (acting as futures commission merchant to execute futures contracts covering gold and silver bullion and coins is closely related to banking).

1. All banking data are as of December 31, 1980.

to assure compliance with the provisions and purposes of the act and the Board's regulations and orders issued thereunder, or to prevent evasions thereof.

The transaction shall not be consummated 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 San Francisco acting pursuant to delegated authority.

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors of the Federal Reserve System, effective July 7, 1981.

(Signed) JAMES McAFEE,  
Assistant Secretary of the Board.

[SEAL]

### *Orders Issued Under Section 2 of Bank Holding Company Act*

Walter E. Heller International Corporation,  
Chicago, Illinois

#### *Order Granting Determination Under the Bank Holding Company Act*

American National Bank and Trust Company of Chicago ("American"), Chicago, Illinois, has requested a determination pursuant to the provisions of section 2(g)(3) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841(g)(3)) that American is not capable of controlling Messrs. Denis J. Daly, Jerome J. Brault and Sheldon Lavin ("Purchasers") to whom American sold 96 percent of the shares of Suburban Trust and Savings Bank ("Bank"), Oak Park, Illinois. This request is made notwithstanding the indebtedness to American incurred by Purchasers in connection with the sale by American of its shares of Bank. American's parent, Walter E. Heller International Corporation ("Heller"), Chicago, Illinois, is a bank holding company within the meaning of section 2(a) of the act (12 U.S.C. § 1841(a)) by virtue of its ownership of over 25 percent of the outstanding voting shares of American and, pursuant to section 2(g)(1) of the act (18 U.S.C. § 1841(g)(1)), shares controlled by American are deemed to be indirectly controlled by Heller.

Under section 2(g)(3) of the act (12 U.S.C. § 1841(g)(3)), shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines

that the transferor is not in fact capable of controlling the transferee.

In December 1974, American acquired 96,008 shares of Bank, representing 96 percent of the outstanding voting shares of Bank, in satisfaction of a debt previously contracted. Pursuant to section 3(a)(A)(ii) of the act (12 U.S.C. § 1842(a)(A)(ii)), American was not required to obtain prior approval to acquire the shares of Bank but would have to obtain such approval to retain the shares of Bank if such shares were not disposed of within two years. Accordingly, in March 1975, American sold the shares of Bank to Purchasers for \$55.03 per share or a total purchase price of \$5,300,000. Of this amount, \$400,000 was paid in cash and \$4,900,000 was paid in the form of a demand note from Purchasers to American bearing interest of 7 percent per annum, and secured by all of the Bank shares purchased. Because Purchasers were indebted to American, pursuant to the presumption contained in section 2(g)(3) of the act, American was deemed to control the shares of Bank held by the Purchasers.

The Board was previously unable to determine that American and Heller were not capable of controlling Purchasers of Bank (64 FEDERAL RESERVE BULLETIN 329 (1978)). The Board had based this determination principally on the fact that two retired officers of American, who continued to serve as consultants to American, were placed as representatives of American on Bank's board of directors and their function was to keep American advised of Bank's activities. In its Order, the Board also expressed its concern about certain aspects of the structure of Purchaser's indebtedness to American. The indebtedness is in the form of a demand note with no repayment schedule, although it is understood among the parties that the note is to be repaid over a 12 year period and that the annual interest rate will not exceed 7 percent. It is also understood that American will not call the note as long as current interest is paid, satisfactory progress on amortization of principal is made, and American believes that Bank is "pursuing sound banking practices."<sup>1</sup> At the time of the Board's original determination in this matter in March 1978, Purchasers had made no payments on the principal, and interest had been paid only to December 31, 1976.

Heller has submitted evidence to the Board to show that Heller and American are no longer capable of controlling Purchasers and Bank. In particular, Heller has informed the Board that as of January 1979, the two former officers of American ceased to be members

1. The Board relied on the terms of this understanding in approving the application under section 3(a)(1) of the act of Acorn Financial Corp., Oak Park, Illinois, Bank's parent, to become a bank holding company (64 FEDERAL RESERVE BULLETIN 307 (1978)).

of Bank's board of directors, and has stated that it will not have representatives in Bank's management. Furthermore, Purchasers are now current in their interest payments on the indebtedness, and American has submitted that it believes Bank is currently performing satisfactorily. In addition, American had previously submitted a resolution of its Board of Directors to the Board to the effect that neither American nor its affiliates controls or exercises a controlling influence over Bank or Purchasers, and Bank and Purchasers had submitted a resolution of Bank's board of directors and individual affidavits, respectively, to the effect that Bank is not controlled by American and that American and its affiliates are not capable of controlling Purchasers or Bank.

Accordingly, on the basis of the foregoing and the facts of record, and in view of the actions Heller and American have taken to modify their relationship with Bank since the Board's adverse determination, the

Board has ordered that the request of Heller and American for a determination pursuant to section 2(g)(3) be and hereby is granted. In the event that the Board should later determine that facts material to this determination are otherwise than as represented, or that Heller or American or Purchasers have failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts or circumstances relied upon in making this determination could result in the Board's reconsideration of this determination.

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective July 2, 1981.

(Signed) WILLIAM W. WILKS,  
*Secretary of the Board.*

[S:AT]

**ORDERS APPROVING APPLICATIONS UNDER THE BANK HOLDING COMPANY ACT AND BANK MERGER ACT**

*By the Board of Governors*

During July 1981, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank(s)	Board action (effective date)
Central Bancorp, Inc., Nashville, Tennessee	Citizens Central Bank, Murfreesboro, Tennessee	July 29, 1981
The Central Bancorporation, Inc., Cincinnati, Ohio	The Clear Creek Valley Banking Company, Amanda, Ohio	July 8, 1981
First Security Bancshares, Inc., Lake Park, Iowa	Security State Bank, Lake Park, Iowa Security State Bank, Hartley, Iowa	July 14, 1981
United Bank Corporation of New York, Albany, New York	Island State Bank, Patchogue, New York	July 14, 1981



## Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Effective date
First International Bancshares, Inc., Dallas, Texas	First Bancorp, Inc., Corsicana, Texas Old Reliable Mortgage Company, Corsicana, Texas	to engage in originating and servicing real estate mortgage loans	July 29, 1981

*By Federal Reserve Banks*

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

## Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
Affiliated Bankshares of Colorado, Boulder, Colorado	First Colorado Bank, N.A., Colorado Springs, Colorado	Kansas City	June 25, 1981
American National Bancorp, Inc., Bristow, Oklahoma	American National Bank of Bristow Bristow, Oklahoma	Kansas City	July 10, 1981
AmSouth Bancorporation, Birmingham, Alabama	The First National Bank of Autauga County, Prattville, Alabama	Atlanta	July 27, 1981
Ashland Capital Corporation, Inc., Ashland, Alabama	The First National Bank of Ashland, Ashland, Alabama	Atlanta	July 6, 1981
Binger Agency, Inc., Binger, Oklahoma	Binger Community Bank, Binger, Oklahoma	Kansas City	July 10, 1981
Boatmen's Bancshares, Inc., St. Louis, Missouri	Mountain Grove National Bank, Mountain Grove, Missouri	St. Louis	July 28, 1981
Bokchito Bancshares, Inc., Bokchito, Oklahoma	The First State Bank, Bokchito, Oklahoma	Dallas	July 2, 1981
BonState Bancshares, Inc., Bonham, Texas	Bonham State Bank, Bonham, Texas	Dallas	July 23, 1981
Boone Bancorporation, Inc., Alexandria, Kentucky	Dixie State Bank, Walton, Kentucky	Cleveland	July 7, 1981
Braman Bancshares, Inc., Braman, Oklahoma	The First National Bank of Braman, Braman, Oklahoma	Kansas City	July 17, 1981
Bannen Banks of Florida, Inc., Inverness, Florida	Dunnellon State Bank, Dunnellon, Florida	Atlanta	July 21, 1981
The Carbondale Investment Corporation, Carbondale, Illinois	The Bank of Carbondale, Carbondale, Illinois	St. Louis	July 2, 1981
Centennial Bancshares, Inc., Overland Park, Kansas	Centennial Bank and Trust, Mission, Kansas	Kansas City	July 10, 1981
Century Holding Corporation, San Francisco, California	Century Bank Los Angeles, California	San Francisco	July 14, 1981
Chester State Bancshares, Inc., Chester, Texas	Chester State Bank, Chester, Texas	Dallas	July 17, 1981
Citizens Deposit Bancshares, Inc., Calhoun, Kentucky	Citizens Deposit Bank, Calhoun, Kentucky	St. Louis	July 16, 1981

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Citizens Holding Corporation, Genoa City, Wisconsin	Citizens State Bank, Genoa City, Wisconsin	Chicago	July 13, 1981
Citizens National Bancshares, Inc., Oklahoma City, Oklahoma	Citizens National Bank and Trust Co., Oklahoma City, Oklahoma	Kansas City	July 17, 1981
Citizens State Bankshares of Bald Knob, Inc., Bald Knob, Arkansas	Citizens State Bank, Bald Knob, Arkansas	St. Louis	July 28, 1981
Commerce Southwest Inc., Dallas, Texas	Carrollton First National Bank, Carrollton, Texas	Dallas	July 2, 1981
Conway Bancshares, Inc., Little Rock, Arkansas	First State Bank and Trust Company, Conway, Arkansas	St. Louis	July 22, 1981
Copperas Cove Bancshares, Inc., Copperas Cove, Texas	Cove State Bank, Copperas Cove, Texas	Dallas	July 2, 1981
Cozad Elevators, Inc., Cozad, Nebraska	Wilber State Company, Wilber, Nebraska	Kansas City	July 13, 1981
Culbertson Ban Corp., Culbertson, Montana	Culbertson State Bank of Culbertson, Culbertson, Montana	Minneapolis	July 20, 1981
Eden Bank Holding Company, Inc., Eden, South Dakota	The First National Bank of Eden, Eden, South Dakota	Minneapolis	July 6, 1981
Fall River Bankshares, Inc., Fall River, Kansas	Fall River State Bank, Fall River, Kansas	Kansas City	July 10, 1981
First Arkadelphia Bancshares, Inc., Arkadelphia, Arkansas	Citizens First State Bank, Arkadelphia, Arkansas	St. Louis	July 15, 1981
Grant S. Clark Investment Company, Salt Lake City, Utah	Davis County Bank, Farmington, Utah	San Francisco	July 8, 1981
G. W. Bancorp., Inc., Greenleaf, Wisconsin	Greenleaf Wayside Bank, Greenleaf, Wisconsin	Chicago	July 13, 1981
Grove Bancshares, Inc., Grove, Oklahoma	State Bank of Grove, Grove, Oklahoma	Kansas City	June 25, 1981
Gunnison Bank Holding Corporation, Gunnison, Colorado	The Gunnison Bank and Trust Company, Gunnison, Colorado	Kansas City	July 1, 1981
Hartman Bancshares, Inc., Okabena, Minnesota	First State Bank of Okabena, Okabena, Minnesota	Minneapolis	July 14, 1981
Howe Financial Corporation, Howe, Texas	Howe State Bank, Howe, Texas	Dallas	July 9, 1981
Independent Bankshares Corporation, San Rafael, California	Vaca Valley Bank, Vacaville, California	San Francisco	July 23, 1981
Industrial Bancshares, Inc., Kansas City, Kansas	Centennial Bancshares, Inc., Overland Park, Kansas	Kansas City	July 10, 1981
K. B. J. Enterprises, Inc., Sibley, Iowa	Crawford County Trust and Savings Bank, Denison, Iowa The Viking Corporation, Denison, Iowa	Chicago	June 23, 1981

## Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Kansas Bancshares, Inc., Kansas City, Missouri	Parklane Financial Corporation, Kansas City, Missouri	Kansas City	June 25, 1981
Kimball Bancshares, Inc., Kimball, Minnesota	State Bank of Kimball, Kimball, Minnesota	Minneapolis	July 23, 1981
Lac Qui Parle Bancorporation, Inc., Boyd, Minnesota	State Bank of Boyd, Boyd, Minnesota	Minneapolis	July 16, 1981
Landmark Bancshares Corporation, Clayton, Missouri	Kansas City International Bank and Trust Company Kansas City, Missouri	St. Louis	July 2, 1981
Lyon Bancorp, Inc., Eddyville, Kentucky	The Bank of Lyon County, Eddyville, Kentucky	St. Louis	July 21, 1981
Mauston Bancorp, Inc., Mauston, Wisconsin	Bank of Mauston, Mauston, Wisconsin	Chicago	July 15, 1981
Meeker Bancshares, Inc., Meeker, Oklahoma	Bank of Meeker, Meeker, Oklahoma	Kansas City	July 13, 1981
Mesa Bancorp, San Diego, California	California Heritage Bank, San Diego, California	San Francisco	July 24, 1981
Midwest Bancorp, Columbus, Indiana	The First National Bank of Columbus, Columbus, Indiana	Chicago	July 24, 1981
Moultrie Bancorp, Inc., Lovington, Illinois	Hardware State Bank, Lovington, Illinois	Chicago	July 6, 1981
Northwest Funding, Inc., Rockford, Illinois	Northwest Bank of Rockford, Rockford, Illinois	Chicago	July 20, 1981
Oxford Bancshares, Inc., Oxford, Kansas	The Oxford Bank, Oxford, Kansas	Kansas City	July 17, 1981
The People's First National Bancshares, Inc., New Iberia, Louisiana	The People's National Bank of Iberia Parish New Iberia, Louisiana	Atlanta	July 20, 1981
Peoples Investment Corporation Cuba, Missouri	Peoples Bank of Cuba, Cuba, Missouri	St. Louis	July 3, 1981
Rainsville Holding Company, Rainsville, Alabama	Rainsville Bank, Rainsville, Alabama	Atlanta	July 10, 1981
Rio Grande City Bancshares, Inc., Rio Grande City, Texas	First National Bank of Rio Grande City, Rio Grande City, Texas	Dallas	July 2, 1981
Royalton Bancshares, Inc., Royalton, Minnesota	Royalton State Bank, Royalton, Minnesota	Minneapolis	July 16, 1981
Southern Bancorporation of Alabama, Birmingham, Alabama	Auburn Bank and Trust Company, Auburn, Alabama	Atlanta	July 10, 1981
Sugarland Bankshares, Inc., Jeanerette, Louisiana	Sugarland State Bank, Jeanerette, Louisiana	Atlanta	June 29, 1981
Sweetwater Valley Corp., Sweetwater, Tennessee	Sweetwater Valley Bank, Sweetwater, Tennessee	Atlanta	June 29, 1981
Texplaza Bancshares, Inc., Lubbock, Texas	Texas Bank and Trust Co., Lubbock, Texas	Dallas	July 24, 1981
Union Holding Company, Halliday, North Dakota	The Union Bank, Halliday, North Dakota	Minneapolis	July 10, 1981

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
United Central Bancshares, Inc., Des Moines, Iowa	Perry Development Company, Sioux City, Iowa Valley State Bank, Sioux City, Iowa	Chicago	July 15, 1981
Valley View Bancshares, Inc., Overland Park, Kansas	Centennial Bancshares, Inc., Overland Park, Kansas	Kansas City	July 10, 1981
Westex Bancorp, Inc., Del Rio, Texas	The First State Bank, Bracketville, Texas	Dallas	July 27, 1981
Wilber State Company, Wilber, Nebraska	The Bank of Wilber, Wilber, Nebraska	Kansas City	July 13, 1981

Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date
Mathes Bancshares, Inc., Ellington, Missouri	Farmers State Bank of Ellington, Ellington, Missouri	to engage de novo in the sale of insurance directly related to extensions of credit made by the bank	St. Louis	July 10, 1981
St. Joseph Bancorporation, Inc. South Bend, Indiana	Central State Bank of Lakeville, Lakeville, Indiana St. Joseph Bank and Trust Company, South Bend, Indiana		Chicago	July 10, 1981
	St. Joseph Mortgage Company, Inc., South Bend Indiana	to engage in originating, acquiring, selling and servicing mortgage loans	Chicago	July 10, 1981
	St. Joseph Lease Capital Corporation, Alexandria, Virginia	to engage in the leasing of personal property		

Section 4

Applicant	Nonbanking company (or activity)	Effective date
El Paso National Corporation, El Paso, Texas	North Coast Mortgage Company, San Antonio, Texas,	July 22, 1981
First York Bancorp., York, Nebraska	First Trust Company of York, York, Nebraska	July 2, 1981

## Section 4—Continued

Applicant	Nonbanking company (or activity)	Effective date
Maryland National Corporation, Baltimore, Maryland	Mutual Loan Plan, Inc., Colorado Springs, Colorado American Industrial Bank, Inc., Colorado Springs, Colorado	July 2, 1981

*ORDERS APPROVED UNDER BANK MERGER ACT**By the Board of Governors*

Applicant	Bank(s)	Effective date
Central Trust Company Rochester N.Y., Rochester, New York	The Citizens Central Bank, Arcade, New York	July 6, 1981

*By Federal Reserve Banks*

Applicant	Bank(s)	Reserve Bank	Effective date
United Virginia Bank, Richmond, Virginia	The First and Merchants National Bank of Radford, Radford, Virginia	Richmond	June 26, 1981

*PENDING CASES INVOLVING THE BOARD OF GOVERNORS\**

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

*Louis J. Roussel v. Board of Governors*, filed May 1981, U.S.C.A. for the District of Columbia.

*Wilshire Oil Company of Texas v. Board of Governors, et al.*, filed April 1981, U.S.C.A. for the Third Circuit.

*People of the State of Arkansas v. Board of Governors, et al.*, filed March 1981, U.S.C.A. for the Western District of Arkansas.

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

*Ellis E. St. Rose & James H. Sibbet v. Board of Governors*, filed February 1981, U.S.D.C. for the District of Columbia.

*Option Advisory Service, Inc. v. Board of Governors, et al.*, filed February 1981, U.S.C.A. for the Second Circuit.

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

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

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

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

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

*Independent Insurance of America and Independent Insurance Agents of Missouri v. Board of Governors*, filed September 1980, U.S.C.A. for the Eighth Circuit.

- Independent Insurance Agents of America and Independent Insurance Agents of Virginia v. Board of Governors*, filed September 1980, U.S.C.A. for the Fourth Circuit.
- Nebraska Bankers Association, et al. v. Board of Governors, et al.*, filed September 1980, U.S.D.C. for the District of Nebraska.
- Republic of Texas Corporation v. Board of Governors*, filed September 1980, U.S.C.A. for the Fifth Circuit.
- A. G. Becker, Inc. v. Board of Governors, et al.*, filed August 1980, U.S.D.C. for the District of Columbia.
- Otero Savings and Loan Association v. Board of Governors*, filed August 1980, U.S.D.C. for the District of Columbia.
- Edwin F. Gordon v. Board of Governors, et al.*, filed August 1980, U.S.C.A. for the Fifth Circuit.
- U.S. League of Savings Associations v. Depository Institutions Deregulation Committee, et al.*, filed June 1980, U.S.D.C. for the District of Columbia.
- Berkovitz, et al. v. Government of Iran, et al.*, filed June 1980, U.S.D.C. for the Northern District of California.
- Mercantile Texas Corporation v. Board of Governors*, filed May 1980, U.S.C.A. for the Fifth Circuit.
- Corbin, Trustee v. United States*, filed May 1980, United States Court of Claims.
- Ulysess S. Crockett v. United States, et al.*, filed April 1980, U.S.D.C. for the Eastern District of North Carolina.
- County National Bancorporation and TGB Co. v. Board of Governors*, filed September 1979, U.S.C.A. for the Eighth Circuit.
- Donald W. Riegel, Jr. v. Federal Open Market Committee*, filed July 1979, U.S.D.C. for the District of Columbia.
- Security Bancorp and Security National Bank v. Board of Governors*, filed March 1978, U.S.C.A. for the Ninth Circuit.
- Roberts Farms, Inc. v. Comptroller of the Currency, et al.*, filed November 1975, U.S.D.C. for the Southern District of California.
- David Merrill, et al. v. Federal Open Market Committee*, filed May 1975, U.S.D.C. for the District of Columbia.

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## 1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1980		1981		1981				
	Q3	Q4	Q1	Q2	Feb	Mar	Apr	May	June
Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) <sup>1</sup>									
<i>Reserves of depository institutions</i>									
1 Total	6.7	16.5	2.0	3.5	-14.7	11.9	0	12.6	-2.4
2 Required	5.8	15.2	2.5	4.8	-4.0	6.0	7.2	9.0	-4.5
3 Nonborrowed	12.4	7.2	6.8	-2.9	-12.4	21.9	-10.4	-14.6	3.5
4 Monetary base <sup>2</sup>	9.5	10.6	5.5	6.7	2.2	7.5	7.3	9.8	0.9
<i>Concepts of money and liquid assets<sup>3</sup></i>									
5 M1-A	11.3	8.2	-20.8	-5.3	-25.3	-4.6	2.6	-5.6	-9.9
6 M1-B	13.9	10.8	4.9	8.7	5.7	13.1	22.3	-6.1	-7.5
7 M2	15.4	8.1	8.2	10.6	10.6	16.2 <sup>r</sup>	13.6 <sup>r</sup>	3.7 <sup>r</sup>	4.1
8 M3	13.1	11.3	12.4	10.5 <sup>r</sup>	11.8	10.9 <sup>r</sup>	11.0 <sup>r</sup>	8.5 <sup>r</sup>	10.0
9 L	9.9	11.5	12.7 <sup>r</sup>	n a	12.1 <sup>r</sup>	5.6 <sup>r</sup>	5.8 <sup>r</sup>	10.0	n a
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Total	6.1	15.4	17.0	10.0	9.8	2.0	6.8	19.2 <sup>r</sup>	17.2
11 Savings <sup>4</sup>	22.2	1.5	30.5	-11.9	-22.3	-10.4	-2.8	-16.0	-24.0
12 Small-denomination time <sup>5</sup>	2.1	16.2	30.2	13.4	16.3	16.4	5.4	15.8	22.0
13 Large-denomination time <sup>6</sup>	-1.2	25.4	37.5	20.0	23.8	-5.9	13.7	44.3	35.8
14 Thrift institutions <sup>7</sup>	10.1	9.7	5.3	0.4	3.0	1.5	-2.5	2.7 <sup>r</sup>	0.3
15 Total loans and securities at commercial banks <sup>8</sup>	6.7	14.6 <sup>r</sup>	11.8	5.5	8.2 <sup>r</sup>	-8 <sup>r</sup>	4.5	11.7 <sup>r</sup>	5.7
Interest rates (levels, percent per annum)									
1980									
1981									
1981									
Q3									
Q4									
Q1									
Q2									
Mar									
Apr									
May									
June									
July									
<i>Short-term rates</i>									
16 Federal funds <sup>9</sup>	9.83	15.85	16.57	17.78	14.70	15.72	18.52	19.10	19.04
17 Discount window borrowing <sup>10</sup>	10.35	11.78	13.00	13.62	13.00	13.00	13.87	14.00	14.00
18 Treasury bills (3-month market yield) <sup>11</sup>	9.15	13.61	14.39	14.91	13.36	13.69	16.30	14.73	14.95
19 Commercial paper (3-month) <sup>11, 12</sup>	9.65	15.26	15.34	16.15	13.94	14.56	17.56	16.32	17.00
<i>Long-term rates</i>									
<i>Bonds</i>									
20 U.S. government <sup>13</sup>	10.95	12.23	12.74	13.49	12.94	13.46	13.82	13.20	13.92
21 State and local government <sup>14</sup>	8.58	9.59	9.97	10.69	10.16	10.62	10.78	10.67	11.14
22 Aaa utility (new issue) <sup>15</sup>	12.20	13.49	14.45	15.41	14.71	15.68	15.81	14.76	16.30
23 Conventional mortgages <sup>16</sup>	13.12	14.62	15.10	15.10	15.25	15.70	16.35	16.40	16.70

1 Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter. Growth rates are adjusted for discontinuities in series that result from changes in Regulation D.

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

3 M1-A. Averages of daily figures for (1) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float, (2) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks, and (3) travelers' checks of nonbank issuers.

M1-B. M1-A plus negotiable order of withdrawal and automated transfer service accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M2. M1-B plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and money market mutual fund shares.

M3. M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

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

4 Savings deposits exclude NOW and ATS accounts at commercial banks.

5 Small-denomination time deposits are those issued in amounts of less than \$100,000.

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

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

8 Changes calculated from figures shown in table 1.23.

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

10 Rate for the Federal Reserve Bank of New York.

11 Quoted on a bank-discount basis.

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

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

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

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

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

A4 Domestic Financial Statistics □ August 1981

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week-ending						
	1981			1981						
	May	June	July	June 17	June 24	July 1	July 8	July 15	July 22	July 29
SUPPLYING RESERVE FUNDS										
<b>1 Reserve bank credit outstanding</b>	<b>144,065</b>	<b>144,999</b>	<b>147,405</b>	<b>144,653</b>	<b>145,949</b>	<b>146,175</b>	<b>146,592</b>	<b>147,172</b>	<b>148,927</b>	<b>147,425</b>
2 U.S. government securities <sup>1</sup>	119,937	120,637	122,882	120,655	121,618	121,340	122,058	123,129	123,889	122,820
3 Bought outright	119,819	120,333	121,203	120,655	120,971	120,684	121,384	120,624	121,344	121,604
4 Held under repurchase agreements	118	304	1,679	0	647	656	674	2,505	2,545	1,216
5 Federal agency securities	8,738	8,773	9,067	8,707	8,891	8,791	8,956	9,094	9,395	8,867
6 Bought outright	8,720	8,710	8,694	8,707	8,707	8,703	8,694	8,694	8,694	8,694
7 Held under repurchase agreements	18	63	373	0	184	88	262	400	701	173
8 Acceptances	20	155	338	0	142	522	339	393	453	154
9 Loans	2,154	2,038	1,751	1,895	2,305	1,735	1,866	1,295	1,730	1,978
10 Float	3,085	3,474	3,176	3,628	2,577	3,332	2,983	3,276	3,230	3,462
11 Other Federal Reserve assets	10,131	9,922	10,191	9,769	10,415	10,455	10,389	9,984	10,229	10,145
12 Gold stock	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
13 Special drawing rights certificate account	2,818	2,826	3,068	2,818	2,818	2,889	3,068	3,068	3,068	3,068
14 Treasury currency outstanding	13,597	13,587	13,588	13,567	13,571	13,659	13,583	13,585	13,590	13,594
ABSORBING RESERVE FUNDS										
15 Currency in circulation	135,684	136,730	138,335	136,956	136,652	136,928	138,372	139,069	138,411	137,732
16 Treasury cash holdings	509	498	468	502	495	485	480	475	463	457
Deposits, other than member bank reserves, with Federal Reserve Banks										
17 Treasury	3,210	3,049	3,144	3,196	3,021	3,213	2,934	3,407	3,106	3,063
18 Foreign	342	292	309	258	310	281	406	262	293	282
19 Other	283	367	538	391	321	404	572	524	490	531
20 Other Federal Reserve liabilities and capital	4,784	4,810	5,249	4,636	5,259	5,183	5,227	4,867	5,024	6,001
21 Reserve accounts <sup>2</sup>	26,822	26,819	27,172	26,254	27,430	27,383	26,406	26,373	28,952	27,176
End of month figures				Wednesday figures						
1981				1981						
	May	June	July	June 17	June 24	July 1	July 8	July 15	July 22	July 29
SUPPLYING RESERVE FUNDS										
<b>22 Reserve bank credit outstanding</b>	<b>140,540</b>	<b>142,934</b>	<b>144,651</b>	<b>151,595</b>	<b>144,646</b>	<b>147,760</b>	<b>150,229</b>	<b>149,276</b>	<b>155,422</b>	<b>147,760</b>
23 U.S. government securities <sup>1</sup>	118,311	120,017	123,172	121,346	119,360	120,276	124,312	122,289	125,682	122,549
24 Bought outright	118,311	120,017	121,554	121,346	119,360	120,276	122,979	121,581	121,658	120,873
25 Held under repurchase agreements	0	0	1,618	0	0	0	1,333	708	4,024	1,676
26 Federal agency securities	8,720	8,694	9,054	8,707	8,707	8,694	9,231	8,918	9,998	9,251
27 Bought outright	8,720	8,694	8,694	8,707	8,707	8,694	8,694	8,694	8,694	8,694
28 Held under repurchase agreements	0	0	360	0	0	0	537	224	1,304	557
29 Acceptances	0	0	453	0	0	0	668	223	621	296
30 Loans	1,366	1,010	1,027	6,357	1,803	4,128	2,831	3,286	5,230	1,916
31 Float	2,542	2,506	1,251	4,660	4,315	3,661	3,157	4,443	3,626	3,060
32 Other Federal Reserve assets	9,601	10,707	9,694	10,525	10,461	11,001	10,030	10,117	10,265	10,688
33 Gold stock	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
34 Special drawing rights certificate account	2,818	3,068	3,068	2,818	2,818	3,068	3,068	3,068	3,068	3,068
35 Treasury currency outstanding	14,111	14,155	13,599	13,570	13,575	13,580	13,584	13,588	13,593	13,599
ABSORBING RESERVE FUNDS										
36 Currency in circulation	136,460	138,080	137,536	137,127	136,930	137,856	139,429	139,181	138,348	138,158
37 Treasury cash holdings	506	478	448	498	493	481	477	466	463	453
Deposits, other than member bank reserves, with Federal Reserve Banks										
38 Treasury	2,288	2,923	2,922	5,215	2,909	3,700	2,853	3,153	3,573	3,193
39 Foreign	346	338	285	196	237	275	292	288	346	211
40 Other	275	536	472	435	284	961	521	486	674	1,010
41 Other Federal Reserve liabilities and capital	4,444	5,330	4,798	4,714	5,217	5,267	4,632	4,558	5,064	5,686
42 Reserve accounts <sup>2</sup>	24,304	23,626	26,011	30,951	26,122	27,021	29,831	28,953	34,769	26,870

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

2. Includes reserve balances of all depository institutions.  
NOTE: For amounts of currency and coin held as reserves, see table 1.12.

## 1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1979	1980		1981						
	Dec	Nov	Dec	Jan <sup>P</sup>	Feb <sup>P</sup>	Mar <sup>P</sup>	Apr <sup>P</sup>	May <sup>P</sup>	June <sup>P</sup>	July <sup>P</sup>
1 Reserve balances with Reserve Banks <sup>1</sup>	32,473	29,215	26,664	27,114	26,591	26,722	27,117	26,822	26,819	27,168
2 Total vault cash (estimated)		15,311	18,149	19,293	17,824	17,327	17,189	17,773	18,198	18,273
3 Vault cash at institutions with required reserve balances <sup>2</sup>	11,344	11,876	12,602	13,587	12,187	11,687	11,687	12,124	12,396	12,504
4 Vault cash equal to required reserves at other institutions	n.a.	439	704	700	763	1,237	1,204	1,310	1,350	1,319
5 Surplus vault cash at other institutions <sup>3</sup>	n.a.	2,996	4,843	5,006	4,874	4,403	4,298	4,339	4,452	4,450
6 Reserve balances + total vault cash <sup>4</sup>	43,972	44,674	44,940	46,520	44,524	44,155	44,395	44,683	45,100	45,503
7 Reserve balances + total vault cash used to satisfy reserve requirements <sup>4,5</sup>	n.a.	41,678	40,097	41,514	39,650	39,752	40,097	40,344	40,648	41,053
8 Required reserves (estimated)	43,578	40,723	40,067	41,025	39,448	39,372	40,071	40,213	40,098	40,675
9 Excess reserve balances at Reserve Banks <sup>4,6</sup>	394	955	30	489	202	380	26	131	550	378
10 Total borrowings at Reserve Banks	1,473	2,156	1,617	1,405	1,278	1,004	1,343	2,154	2,038	1,751
11 Seasonal borrowings at Reserve Banks	82	99	116	120	148	197	161	259	291	248
<i>All commercial banks</i>										
12 Reserves held	↑	↑	24,940	26,267	24,874	24,772	24,894	25,033	25,332	39,245
13 Required			25,819	26,605	25,328	25,145	25,519	25,450	25,315	39,440
14 Excess			-879	-338	-454	-373	-625	-417	17	-195
<i>U.S. agencies and branches</i>										
15 Reserves held	n.a.	n.a.	260	253	388	461	444	576	651	644
16 Required			230	228	366	450	432	545	628	610
17 Excess			30	25	22	11	12	31	23	34
<i>All other institutions</i>										
18 Reserves held	↓	↓	494	513	502	605	611	649	646	653
19 Required			495	502	519	548	562	585	606	625
20 Excess			-1	11	-17	57	49	64	40	28
	Weekly averages of daily figures for week ending									
	May 27 <sup>P</sup>	June 3 <sup>P</sup>	June 10 <sup>P</sup>	June 17 <sup>P</sup>	June 24 <sup>P</sup>	July 1 <sup>P</sup>	July 18 <sup>P</sup>	July 15 <sup>P</sup>	July 22 <sup>P</sup>	July 29 <sup>P</sup>
21 Reserve balances with Reserve Banks <sup>1</sup>	26,835	26,220	25,612	26,254	27,430	27,383	26,406	26,373	28,952	26,997
22 Total vault cash (estimated)	17,627	18,249	18,312	18,846	17,306	18,325	18,495	18,856	16,736	18,878
23 Vault cash at institutions with required reserve balances <sup>2</sup>	11,940	12,379	12,379	12,756	11,907	12,573	12,729	12,831	11,411	12,940
24 Vault cash equal to required reserves at other institutions	1,384	1,414	1,433	1,417	1,230	1,285	1,309	1,361	1,258	1,351
25 Surplus vault cash at other institutions <sup>3</sup>	4,303	4,456	4,500	4,673	4,169	4,467	4,457	4,664	4,067	4,587
26 Reserve balances + total vault cash <sup>4</sup>	44,552	44,556	44,011	45,185	44,818	45,785	44,975	45,288	45,747	45,931
27 Reserve balances + total vault cash used to satisfy reserve requirements <sup>4,5</sup>	40,249	40,100	39,511	40,512	40,649	41,318	40,518	40,624	41,680	41,344
28 Required reserves (estimated)	39,810	39,855	39,262	40,223	40,285	40,830	40,017	40,495	41,350	40,895
29 Excess reserve balances at Reserve Banks <sup>4,6</sup>	439	245	249	289	364	488	501	129	330	449
30 Total borrowings at Reserve Banks	2,923	1,954	2,207	1,895	2,305	1,735	1,866	1,295	1,730	1,978
31 Seasonal borrowings at Reserve Banks	309	287	277	279	306	306	241	247	244	258
<i>All commercial banks</i>										
32 Reserves held	25,056	24,494	24,506	25,119	25,768	39,645	38,412	38,805	39,747	40,124
33 Required	25,032	25,185	24,788	25,458	25,391	39,616	38,813	39,243	40,095	39,657
34 Excess	24	-691	-282	-339	377	29	-401	-438	-348	467
<i>U.S. agencies and branches</i>										
35 Reserves held	669	668	695	663	617	616	621	665	688	621
36 Required	627	636	651	648	610	598	593	627	600	619
37 Excess	42	32	44	15	7	18	28	38	88	2
<i>All other institutions</i>										
38 Reserves held	735	631	657	640	645	657	624	649	675	675
39 Required	579	572	601	623	602	616	611	625	655	619
40 Excess	156	59	56	17	43	41	13	24	20	56

1. Includes all reserve balances of depository institutions

2. Prior to Nov. 13, 1980, the figures shown reflect only the vault cash held by member banks.

3. Total vault cash at institutions without required reserve balances less vault cash equal to their required reserves

4. Adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merged into an

existing member bank, or when a nonmember bank joins the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total because adjusted data by class are not available.

5. Reserve balances with Federal Reserve Banks plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions

6. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves. (This measure of excess reserves is comparable to the old excess reserve concept published historically.)

A6 Domestic Financial Statistics □ August 1981

1.13 FEDERAL FUNDS AND REPURCHASE AGREEMENTS Large Member Banks<sup>1</sup>

Averages of daily figures, in millions of dollars

By maturity and source	1981, week ending Wednesday								
	June 3	June 10	June 17	June 24	July 1	July 8	July 15	July 22	July 29
<i>One day and continuing contract</i>									
1 Commercial banks in United States	46,911	50,831	50,506	47,880	46,496	51,960	52,105	46,894	44,540
2 Other depository institutions, foreign banks and foreign official institutions, and U S government agencies	14,048	14,878	15,463	16,955	16,309	15,534	16,295	15,561	15,543
3 Nonbank securities dealers	3,250	3,000	2,375	2,919	2,600	2,831	2,998	3,041	2,732
4 All other	19,942	20,339	21,159	21,076 <sup>r</sup>	20,731	17,066	20,660	21,320	21,791
<i>All other maturities</i>									
5 Commercial banks in United States	3,516	3,715	3,734	4,077	3,655	4,930	3,572	3,504	3,515
6 Other depository institutions, foreign banks and foreign official institutions, and U S government agencies	7,492	7,239	7,120	7,137	7,410	7,429	7,732	8,218	7,376
7 Nonbank securities dealers	5,139	4,968	5,126	5,126 <sup>r</sup>	5,313	5,469	4,926	4,884	4,919
8 All other	10,880	11,550	11,216	10,580 <sup>r</sup>	9,702	12,731	9,822	9,849	9,507
MLMO: Federal funds and resale agreement loans in maturities of one day or continuing contract									
9 Commercial banks in United States	15,240	16,233	14,787	14,988	16,006	15,924	17,081	15,304	14,796
10 Nonbank securities dealers	3,033	2,502	2,814	2,611	2,931	2,744	2,295	2,601	2,355

<sup>1</sup> Banks with assets of \$1 billion or more as of Dec 31, 1977

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Federal Reserve Bank	Current and previous levels											
	Short-term adjustment credit <sup>1</sup>			Extended credit						Emergency credit to all others under section 13 <sup>3</sup>		
				Seasonal credit			Special circumstances <sup>2</sup>					
	Rate on 7/31/81	Effective date	Previous rate	Rate on 7/31/81	Effective date	Previous rate	Rate on 7/31/81	Effective date	Previous rate	Rate on 7/31/81	Effective date	Previous rate
Boston	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
New York	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Philadelphia	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Cleveland	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Richmond	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Atlanta	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Chicago	14	5/8/81	13	14	5/8/81	13	15	5/8/81	14	17	5/8/81	16
St. Louis	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Minneapolis	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Kansas City	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
Dallas	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16
San Francisco	14	5/5/81	13	14	5/5/81	13	15	5/5/81	14	17	5/5/81	16

Range of rates in recent years<sup>4</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, 1972	4½	4½	1976 Jan 19	5½-6	5½	1979 Sept 19	10½-11	11
1973 Jan 15	5	5	Jan 23	5½	5½	Sept 21	11	11
Feb 26	5-5½	5½	Nov 22	5½-5¾	5½	Oct 8	11-12	12
Mar 2	5½	5½	26	5¾	5¾	10	12	12
Apr 23	5½-5¾	5½	1977 Aug 30	5½-5¾	5½	1980 Feb 15	12-13	13
May 4	5¾	5¾	31	5¾-5¾	5¾	19	13	13
11	5¾-6	6	Sept 2	5¾	5¾	29	12-13	13
18	6	6	Oct 26	6	6	30	12	12
June 11	6-6½	6½	1978 Jan 9	6-6½	6½	June 13	11-12	11
15	6½	6½	20	6½	6½	16	11	11
July 2	7	7	May 11	6½-7	7	July 28	10-11	10
Aug 14	7-7½	7½	12	7	7	29	10	10
23	7½	7½	July 3	7	7	Sept 26	11	11
1974 Apr 25	7½-8	8	July 10	7-7½	7½	Nov 17	12	13
30	8	8	Aug 21	7½	7½	Dec 5	12-13	13
Dec 9	7¾-8	7¾	22	7¾	7¾	8	13	13
16	7¾	7¾	Oct 16	8	8	1981 May 5	13-14	14
1975 Jan 6	7¾	7¾	20	8-8½	8½	May 8	14	14
10	7¾	7¾	Nov 1	8½-9½	9½			
24	7¾	7¾	3	9½	9½			
Feb 5	6¾-7¾	6¾	1979 July 20	10	10			
7	6¾	6¾	Aug 17	10-10½	10½			
Mar 10	6¾-6¾	6¾	20	10½	10½			
14	6¾	6¾						
May 16	6-6½	6						
						In effect July 31, 1981	14	14

1 Effective May 5, 1981, a 4 percent surcharge was applied to short-term adjustment credit borrowings by institutions with deposits of \$500 million or more who borrowed in successive weeks or in more than 4 weeks in a calendar quarter.

2 Applicable to advances when exceptional circumstances or practices involve only a particular depository institution as described in section 201 3(b) (2) of Regulation A.

3 Applicable to emergency advances to individuals, partnerships, and corporations as described in section 201 3(c) of Regulation A.

4 Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914-1941 and 1941-1970, Annual Statistical Digest, 1971-1975, 1972-1976, 1974-1977, and 1974-1978*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of \$500 million or more that had borrowed in successive weeks or in more than 4 weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980 through May 7, 1980. On Nov. 17, 1980, a 2 percent surcharge was adopted, the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981.

1.15 DEPOSITORY INSTITUTIONS RESERVE REQUIREMENTS<sup>1</sup>

Percent of deposits

Type of deposit, and deposit interval in millions of dollars	Member bank requirements before implementation of the Monetary Control Act		Type of deposit, and deposit interval	Depository institution requirements after implementation of the Monetary Control Act <sup>5</sup>	
	Percent	Effective date		Percent	Effective date
<i>Net demand</i> <sup>2</sup>			<i>Net transaction accounts</i> <sup>6</sup>		
0-2 .....	7	12/30/76	\$0-\$25 million .....	3	11/13/80
2-10 .....	9½	12/30/76	Over \$25 million .....	12	11/13/80
10-100 .....	11¾	12/30/76	<i>Nonpersonal time deposits</i> <sup>7</sup>		
100-400 .....	12¾	12/30/76	By original maturity		
Over 400 .....	16¼	12/30/76	Less than 4 years .....	3	11/13/80
			4 years or more .....	0	11/13/80
<i>Time and savings</i> <sup>2,3</sup>			<i>Lurocurrency liabilities</i>		
Savings .....	3	3/16/67	All types .....	3	11/13/80
<i>Time</i> <sup>4</sup>					
0-5, by maturity					
30-179 days .....	3	3/16/67			
180 days to 4 years .....	2½	1/8/76			
4 years or more .....	1	10/30/75			
Over 5, by maturity					
30-179 days .....	6	12/12/74			
180 days to 4 years .....	2½	1/8/76			
4 years or more .....	1	10/30/75			

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

2 (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 were gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

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

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

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

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

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

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

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

5 For existing nonmember banks and thrift institutions at the time of implementation of the Monetary Control Act, the phase-in period ends Sept. 3, 1987. For existing member banks the phase-in period is about three years, depending on whether their new reserve requirements are greater or less than the old requirements. For existing agencies and branches of foreign banks, the phase-in ends Aug. 12, 1982. All new institutions will have a two-year phase-in beginning with the date that they open for business.

6 Transaction accounts include all deposits on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers (in excess of three per month) for the purpose of making payments to third persons or others.

7 In general, nonpersonal time deposits are time deposits, including savings deposits, that are not transaction accounts and in which the beneficial interest is held by a depositor that is not a natural person. Also included are certain transferable time deposits held by natural persons, and certain obligations issued to depository institution offices located outside the United States. For details, see section 204.2 of Regulation D.

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

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

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect July 31, 1981		Previous maximum		In effect July 31, 1981		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings	5 1/4	7/1/79	5	7/1/73	5 1/2	7/1/79	5 1/4	(1)
2 Negotiable order of withdrawal accounts <sup>2</sup> Time accounts <sup>3</sup>	5 3/4	12/31/80	5	1/1/74	5 3/4	12/31/80	5	1/1/74
<i>Fixed ceiling rates by maturity<sup>4</sup></i>								
3 14-89 days <sup>5</sup>	5 1/4	8/1/79	5	7/1/73	(6)		(6)	
4 90 days to 1 year	5 3/4	1/1/80	5 1/2	7/1/73	6	1/1/80	5 3/4	(1)
5 1 to 2 years <sup>7</sup>			5 1/2	1/21/70	6 1/2	(1)	5 3/4	1/21/70
6 2 to 2 1/2 years <sup>7</sup>	6	7/1/73	5 3/4	1/21/70	6 1/2	(1)	6	1/21/70
7 2 1/2 to 4 years <sup>7</sup>	6 1/2	7/1/73	5 3/4	1/21/70	6 3/4	(1)	6	1/21/70
8 4 to 6 years <sup>8</sup>	7 1/4	11/1/73	(9)		7 1/2	11/1/73	(9)	
9 6 to 8 years <sup>8</sup>	7 1/2	12/23/74	7 1/4	11/1/73	7 3/4	12/23/74	7 1/2	11/1/73
10 8 years or more <sup>8</sup>	7 3/4	6/1/78	(6)		8	6/1/78	(6)	
11 Issued to governmental units (all maturities) <sup>10</sup>	8	6/1/78	7 3/4	12/23/74	8	6/1/78	7 3/4	12/23/74
12 Individual retirement accounts and Keogh (11 R 10) plans (3 years or more) <sup>10, 11</sup>	8	6/1/78	7 3/4	7/6/77	8	6/1/78	7 3/4	7/6/77
<i>Special variable ceiling rates by maturity</i>								
13 6-month money market time deposits <sup>12</sup>	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
14 2 1/2 years or more	(14)	(14)	(15)	(15)	(14)	(14)	(15)	(15)

1 July 1, 1973, for mutual savings banks, July 6, 1973, for savings and loan associations.

2 For authorized states only, federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976, and in New York State on Nov. 10, 1978, and in New Jersey on Dec. 28, 1979. Authorization to issue NOW accounts was extended to similar institutions nationwide effective Dec. 31, 1980.

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

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

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

6 No separate account category.

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

8 No minimum denomination. Until July 1, 1979, minimum denomination was \$1,000 except for deposits representing funds contributed to an Individual Retirement Account (IRA) or a Keogh (11 R 10) plan established pursuant to the Internal Revenue Code. The \$1,000 minimum requirement was removed for such accounts in December 1975 and November 1976 respectively.

9 Between July 1, 1973, and Oct. 31, 1973, 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 percent of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than \$1,000, were limited to the 6 1/2 percent ceiling on time deposits maturing in 2 1/2 years or more.

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

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

11 Effective January 1, 1980, commercial banks are permitted to pay the same rate as thrifts on IRA and Keogh accounts and accounts of governmental units when such deposits are placed in the new 2 1/2-year or more variable-ceiling certificates or in 26-week money market certificates regardless of the level of the Treasury bill rate.

12 Must have a maturity of exactly 26 weeks and a minimum denomination of \$10,000, and must be nonnegotiable.

13 Commercial banks, savings and loan associations and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The ceiling rate for commercial banks on money market time deposits entered into before June 5, 1980, is the discount rate (auction average) on most recently issued six-month U.S. Treasury bills. Until Mar. 15, 1979, the ceiling rate for savings and loan associations and mutual savings banks was 1/4 percentage point higher than the rate for commercial banks. Beginning March 15, 1979, the 1/4-percentage-point interest differential is removed when the six-month Treasury bill rate is 9 percent or more. The full differential is in effect when the six-month bill rate is 8 3/4 percent

or less. Thrift institutions may pay a maximum 9 percent when the six-month bill rate is between 8 3/4 and 9 percent. Also effective March 15, 1979, interest compounding was prohibited on six-month money market time deposits at all offering institutions. The maximum allowable rates in July for commercial banks and thrift institutions were as follows: July 7, 14.30, July 14, 14.480, July 21, 15.568, July 28, 15.040. Effective for all six-month money market certificates issued beginning June 5, 1980, the interest rate ceilings will be determined by the discount rate (auction average) of most recently issued six-month U.S. Treasury bills as follows:

Treasury yield	Commercial bank ceiling	Thrift ceiling
8.75 and above	bill rate + 1/4 percent	bill rate + 1/4 percent
8.50 to 8.75	bill rate + 1/4 percent	9.00
7.50 to 8.50	bill rate + 1/4 percent	bill rate + 1/2 percent
7.25 to 7.50	7.75	bill rate + 1/2 percent
Below 7.25	7.75	7.75

The prohibition against compounding interest in these certificates continues.

14 Effective Jan. 1, 1980, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable-ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2 1/2 years or more. The maximum rate for commercial banks is 1/4 percentage point below the yield on 2 1/2-year U.S. Treasury securities, the ceiling rate for thrift institutions is 1/4 percentage point higher than that for commercial banks. Effective Mar. 1, 1980, a temporary ceiling of 11 3/4 percent was placed on these accounts at commercial banks; the temporary ceiling is 12 percent at savings and loan associations and mutual savings banks. Effective for all variable-ceiling nonnegotiable time deposits with maturities of 2 1/2 years or more issued beginning June 2, 1980, the ceiling rates of interest will be determined as follows:

Treasury yield	Commercial bank ceiling	Thrift ceiling
12.00 and above	11.75	12.00
9.50 to 12.00	Treasury yield less 1/4 percent	Treasury yield
Below 9.50	9.25	9.50

Interest may be compounded on these time deposits. The ceiling rates of interest at which these accounts may be offered vary biweekly. The maximum allowable rates in July for commercial banks were as follows: July 7, 11.75, July 21, 11.75. The maximum allowable rates in July for thrift institutions were as follows: July 7, 12.00, July 21, 12.00.

15 Between July 1, 1979, and Dec. 31, 1979, commercial banks, savings and loan associations, and mutual savings banks were authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 4 years or more. The maximum rate for commercial banks was 1/4 percentage points below the yield on 4-year U.S. Treasury securities; the ceiling rate for thrift institutions was 1/4 percentage point higher than that for commercial banks.

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

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1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1978	1979	1980	1980	1981						
				Dec	Jan	Feb	Mar	Apr	May	June	
<b>U.S. GOVERNMENT SECURITIES</b>											
Outright transactions (excluding matched sale-purchase transactions)											
<i>Treasury bills</i>											
1 Treasury bills											
2 Gross purchases	16,628	15,998	7,668	1,331	1,100	0	1,607	1,141	790	295	
3 Gross sales	13,725	6,855	7,331	0	3,865	357	0	0	0	90	
4 Exchange	0	0	0	0	0	0	0	0	0	0	
5 Redemptions	2,033	2,900	3,389	49	1,000	0	0	0	0	0	
<i>Others within 1 year<sup>1</sup></i>											
6 Gross purchases	1,184	3,203	912	100	0	0	0	115	0	0	
7 Gross sales	0	0	0	0	0	23	0	0	0	0	
8 Maturity shift	5,170	17,339	12,427	754	462	990	878	522	2,900	833	
9 Exchange	0	11,308	18,251	967	0	1,936	1,385	261	1,281	-823	
10 Redemptions	0	2,600	0	0	0	0	0	0	0	0	
<i>1 to 5 years</i>											
11 Gross purchases	4,188	2,148	2,138	0	0	0	0	469	0	0	
12 Gross sales	0	0	0	0	0	0	0	0	0	0	
13 Maturity shift	178	12,693	8,909	754	462	990	878	522	1,724	833	
14 Exchange	0	7,508	13,412	967	0	1,211	1,385	261	681	823	
<i>5 to 10 years</i>											
15 Gross purchases	1,526	523	703	0	0	0	0	164	0	0	
16 Gross sales	0	0	0	0	0	0	0	0	0	0	
17 Maturity shift	2,803	4,646	3,092	0	0	0	0	0	1,176	0	
18 Exchange	0	2,181	2,970	0	0	400	0	0	300	0	
<i>Over 10 years</i>											
19 Gross purchases	1,063	454	811	0	0	0	0	89	0	0	
20 Gross sales	0	0	0	0	0	0	0	0	0	0	
21 Maturity shift	2,545	0	426	0	0	0	0	0	0	0	
22 Exchange	0	1,619	1,869	0	0	325	0	0	300	0	
<i>All maturities<sup>1</sup></i>											
23 Gross purchases	24,591	22,325	12,232	1,431	1,100	0	1,607	1,977	790	295	
24 Gross sales	13,725	6,855	7,331	0	3,865	380	0	0	0	90	
25 Redemptions	2,033	8,500	3,389	49	1,000	0	0	0	0	0	
Matched transactions											
26 Gross sales	511,126	627,350	674,000	79,754	61,427	30,819	32,003	37,251	45,658	51,106	
27 Gross purchases	510,854	624,192	675,496	78,734	63,062	31,651	30,441	37,295	43,492	52,607	
Repurchase agreements											
28 Gross purchases	151,618	107,051	113,902	11,534	6,108	0	1,623	9,458	1,219	3,509	
29 Gross sales	152,436	106,968	113,040	11,381	8,137	0	1,246	9,835	1,219	3,509	
30 Net change in U.S. government securities	7,743	6,896	3,869	516	4,159	452	422	1,644	1,376	1,706	
<b>FEDERAL AGENCY OBLIGATIONS</b>											
Outright transactions											
31 Gross purchases	301	853	668	0	0	0	0	0	0	0	
32 Gross sales	173	399	0	0	0	0	0	0	0	0	
33 Redemptions	235	134	145	22	0	3	15	2	-	26	
Repurchase agreements											
34 Gross purchases	40,567	37,321	28,895	1,889	652	0	494	1,211	186	691	
35 Gross sales	40,885	36,960	28,863	1,767	1,177	0	437	1,268	186	691	
36 Net change in federal agency obligations	426	681	555	99	525	3	42	58	0	26	
<b>BANKERS ACCEPTANCES</b>											
37 Outright transactions, net	0	0	0	0	0	0	0	0	0	0	
38 Repurchase agreements, net	366	116	73	253	776	0	298	298	0	0	
39 Net change in bankers acceptances	366	116	73	253	776	0	298	298	0	0	
40 Total net change in System Open Market Account	6,951	7,693	4,497	868	-5,460	450	762	1,287	-1,376	1,680	

<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): March 1979, 2,600

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



## 1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday					End of month		
	1981					1981		
	July 1	July 8	July 15	July 22	July 29	May	June	July
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
2 Special drawing rights certificate account	3,068	3,068	3,068	3,068	3,068	2,818	3,068	3,068
3 Coin	374	365	365	365	367	396	380	380
Loans								
4 To depository institutions	4,128	2,831	3,286	5,230	1,916	1,366	1,010	1,027
5 Other	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements	0	668	223	621	296	0	0	453
Federal agency obligations								
7 Bought outright	8,694	8,694	8,694	8,694	8,694	8,720	8,694	8,694
8 Held under repurchase agreements	0	537	224	1,304	557	0	0	360
U.S. government securities								
Bought outright								
9 Bills	43,852	46,555	44,181	44,258	43,473	41,887	43,593	44,154
10 Notes	58,818	58,818	59,609	59,609	59,609	58,818	58,818	59,609
11 Bonds	17,606	17,606	17,791	17,791	17,791	17,606	17,606	17,791
12 Total <sup>1</sup>	120,276	122,979	121,581	121,658	120,873	118,311	120,017	121,554
13 Held under repurchase agreements	0	1,333	708	4,024	1,676	0	0	1,618
14 Total U.S. government securities	120,276	124,312	122,289	125,682	122,549	118,311	120,017	123,172
15 Total loans and securities	133,098	137,042	134,716	141,531	134,012	128,397	129,721	133,706
Cash items in process of collection								
16 Bank premises	10,841	9,672	11,108	9,931	8,556	9,096	11,297	7,085
17 Other assets	474	475	477	481	479	470	475	479
Denominated in foreign currencies <sup>2</sup>								
18 All other	6,466	6,478	6,476	6,485	5,812	6,412	6,430	5,739
19 All other	4,061	3,077	3,164	3,299	4,397	2,719	3,802	3,476
20 Total assets	169,536	171,331	170,528	176,314	167,845	161,462	166,327	165,087
LIABILITIES								
Federal Reserve notes								
21 Deposits	125,132	126,687	126,425	125,583	125,379	123,251	124,783	124,765
Depository institutions								
22 U.S. Treasury—General account	27,021	29,831	28,953	34,769	26,870	24,304	23,626	26,011
23 Foreign—Official accounts	3,700	2,853	3,153	3,573	3,193	2,288	2,923	2,922
24 Other	275	292	288	346	211	346	338	285
25 Total deposits	961	521	486	674	1,010	275	536	472
26 Deterred availability cash items	7,180	6,515	6,665	6,305	5,496	6,554	8,791	5,834
27 Other liabilities and accrued dividends <sup>3</sup>	2,530	1,865	1,780	2,289	2,885	1,744	2,387	1,992
28 Total liabilities	166,799	168,564	167,750	173,539	165,044	158,762	163,384	162,281
CAPITAL ACCOUNTS								
29 Capital paid in	1,245	1,246	1,249	1,248	1,250	1,238	1,246	1,250
30 Surplus	1,203	1,203	1,203	1,203	1,203	1,203	1,203	1,203
31 Other capital accounts	289	318	326	324	348	259	494	353
32 Total liabilities and capital accounts	169,536	171,331	170,528	176,314	167,845	161,462	166,327	165,087
33 MEMO Marketable U.S. government securities held in custody for foreign and international account	97,474	96,370	96,262	94,911	95,116	96,635	97,549	95,133
Federal Reserve note statement								
34 Federal Reserve notes outstanding (issued to bank)	145,281	145,826	146,289	146,552	146,989	143,936	145,062	147,142
35 Less—held by bank <sup>4</sup>	20,149	19,139	19,864	20,969	21,610	20,685	20,279	22,377
36 Federal Reserve notes, net	125,132	126,687	126,425	125,583	125,379	123,251	124,783	124,765
Collateral for Federal Reserve notes								
37 Gold certificate account	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
38 Special drawing rights certificate account	3,068	3,068	3,068	3,068	3,068	2,818	3,068	3,068
39 Other eligible assets	18	0	0	0	0	0	27	0
40 U.S. government and agency securities	110,892	112,465	112,203	111,361	111,157	109,279	110,534	110,543
41 Total collateral	125,132	126,687	126,425	125,583	125,379	123,251	124,783	124,765

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

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

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

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

# A12 Domestic Financial Statistics □ August 1981

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

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1981					1981		
	July 1	July 8	July 15	July 22	July 29	May 31	June 30	July 31
1 Loans—Total	4,128	2,831	3,286	5,230	1,916	1,366	1,010	1,027
2 Within 15 days	4,054	2,685	3,119	5,191	1,869	1,317	964	926
3 16 days to 90 days	74	146	167	39	47	49	46	101
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	0	668	223	621	296	0	0	453
6 Within 15 days	0	668	223	621	296	0	0	453
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. government securities—Total	120,276	124,312	122,289	125,682	122,549	118,311	120,017	123,172
10 Within 15 days <sup>1</sup>	3,070	6,714	3,460	6,044	3,451	3,162	1,714	4,253
11 16 days to 90 days	22,779	23,881	25,199	24,391	23,801	21,552	23,875	21,945
12 91 days to 1 year	31,742	31,032	30,091	31,708	31,758	30,543	31,742	34,157
13 Over 1 year to 5 years	33,928	33,928	34,535	34,535	34,535	34,297	33,928	33,813
14 Over 5 years to 10 years	13,042	13,042	13,106	13,106	13,106	13,042	13,042	13,106
15 Over 10 years	15,715	15,715	15,898	15,898	15,898	15,715	15,716	15,898
16 Federal agency obligations—Total	8,694	9,231	8,918	9,998	9,251	8,720	8,694	9,054
17 Within 15 days <sup>1</sup>	3	586	310	1,410	622	178	207	425
18 16 days to 90 days	446	525	559	555	647	471	446	647
19 91 days to 1 year	1,983	1,858	1,832	1,788	1,717	1,853	1,779	1,717
20 Over 1 year to 5 years	4,636	4,636	4,612	4,629	4,649	4,593	4,636	4,649
21 Over 5 years to 10 years	982	982	961	1,015	1,015	982	982	1,015
22 Over 10 years	644	644	644	601	601	643	644	601

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

## 1.20 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1978	1979	1980	1981				
				Feb	Mar	Apr	May	June
Debits to demand deposits <sup>1</sup> (seasonally adjusted)								
1 All commercial banks	40,297.8	49,775.0	63,013.4	73,174.6	75,487.3	73,621.7	74,800.5	78,745.3
2 Major New York City banks	15,008.7	18,512.7	25,192.5	29,752.0	30,276.0	29,501.3	29,610.9	32,262.4
3 Other banks	25,289.1	31,262.3	37,820.9	43,422.5	45,211.3	44,120.4	45,189.6	46,482.8
Debits to savings deposits <sup>2</sup> (not seasonally adjusted)								
4 ATS/NOW <sup>3</sup>	17.1	83.3	158.4	526.6	668.7	815.4	693.3	808.8
5 Business <sup>4</sup>	56.7	77.3	93.4	93.4	112.8	112.4	112.0	113.8
6 Others <sup>5</sup>	359.7	515.2	605.3	553.1	556.8	590.1	518.3	586.4
7 All accounts	432.9	675.8	857.2	1,173.1	1,338.3	1,517.9	1,323.6	1,509.0
Demand deposit turnover <sup>1</sup> (seasonally adjusted)								
8 All commercial banks	139.4	163.5	201.6	253.6	262.9	257.2	260.9	281.3
9 Major New York City banks	541.9	646.2	813.7	952.6	959.5	1,001.9	975.1	1,085.4
10 Other banks	96.8	113.3	134.3	168.7	176.9	171.8	176.3	185.8
Savings deposit turnover <sup>2</sup> (not seasonally adjusted)								
11 ATS/NOW <sup>3</sup>	7.0	7.8	9.7	12.5	14.2	15.2	13.5	15.2
12 Business <sup>4</sup>	5.1	7.2	9.3	9.8	11.3	11.6	11.7	12.3
13 Others <sup>5</sup>	1.7	2.7	3.4	3.4	3.5	3.6	3.3	3.7
14 All accounts	1.9	3.1	4.2	5.5	6.1	6.7	6.0	6.9

1. Represents accounts of individuals, partnerships, and corporations, and of states and political subdivisions

2. Excludes special club accounts, such as Christmas and vacation clubs.

3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data availability starts with December 1978.

4. Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and federally sponsored lending agencies).

5. Savings accounts other than NOW; business; and, from December 1978, ATS

NOTE: Historical data for the period 1970 through June 1977 have been estimated; these estimates are based in part on the debits series for 233 SMSAs, which were available through June 1977. Back data are available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D C 20551. Debits and turnover data for savings deposits are not available before July 1977.

## 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1977 Dec	1978 Dec	1979 Dec	1980 Dec.	1981				
					Feb.	Mar	Apr	May	June
Seasonally adjusted									
MEASURES <sup>1</sup>									
1 M1-A . . . . .	331.4	354.8	372.7	387.7	367.2	365.8	366.6	364.9	361.9
2 M1-B . . . . .	336.4	364.2	390.5	415.6	421.2	425.8	433.7	431.5	428.8
3 M2 . . . . .	1,296.4	1,404.2	1,525.2	1,669.4	1,695.7	1,718.6 <sup>r</sup>	1,738.1 <sup>r</sup>	1,743.4 <sup>r</sup>	1,749.3
4 M3 . . . . .	1,462.5	1,625.7	1,775.1	1,963.5	2,007.9	2,026.1 <sup>r</sup>	2,044.6 <sup>r</sup>	2,059.0 <sup>r</sup>	2,076.1
5 L <sup>2</sup> . . . . .	1,722.7	1,936.5	2,151.1	2,377.4	2,432.3 <sup>r</sup>	2,443.7 <sup>r</sup>	2,455.6 <sup>r</sup>	2,476.0	n a.
COMPONENTS									
6 Currency . . . . .	88.6	97.4	106.1	116.1	117.2	117.9	118.9	119.8	119.9
7 Demand deposits . . . . .	239.7	253.9	262.8	267.4	245.8	243.5	243.1	240.7	237.9
8 Travelers checks <sup>3</sup> . . . . .	3.1	3.5	3.8	4.2	4.2	4.4	4.6	4.4	4.2
9 Savings deposits . . . . .	486.5	475.5	416.5	393.0	370.8	368.3	367.0	361.1 <sup>r</sup>	353.8
10 Small-denomination time deposits <sup>4</sup> . . . . .	453.8	533.3	652.7	756.8	783.3	789.4	790.0	798.4 <sup>r</sup>	807.9
11 Large-denomination time deposits <sup>5</sup> . . . . .	145.1	194.0	219.7	256.8	273.9	271.0	269.5	277.2 <sup>r</sup>	287.3
Not seasonally adjusted									
MEASURES <sup>1</sup>									
12 M1-A . . . . .	340.1	364.2	382.5	397.7	358.7	358.9	369.5	359.4	361.1
13 M1-B . . . . .	345.1	373.6	400.6	425.9	411.5	417.8	436.7	424.4	428.4
14 M2 . . . . .	1,299.0	1,409.0	1,531.3	1,675.2	1,685.1	1,713.4 <sup>r</sup>	1,745.7 <sup>r</sup>	1,737.5 <sup>r</sup>	1,751.6
15 M3 . . . . .	1,467.7	1,634.6	1,785.5	1,974.0	1,999.8	2,023.6 <sup>r</sup>	2,051.1 <sup>r</sup>	2,052.1 <sup>r</sup>	2,072.7
16 L <sup>2</sup> . . . . .	1,726.7	1,943.6	2,158.8	2,384.0	2,425.5 <sup>r</sup>	2,444.5 <sup>r</sup>	2,465.3 <sup>r</sup>	2,471.9	n a.
COMPONENTS									
17 Currency . . . . .	90.3	99.4	108.3	118.4	115.8	116.8	118.4	119.3	119.9
18 Demand deposits . . . . .	247.0	261.5	270.8	275.4	238.9	237.9	246.8	235.9	236.9
19 Travelers checks <sup>3</sup> . . . . .	2.9	3.3	3.5	3.9	4.0	4.2	4.3	4.2	4.3
20 Other checkable deposits <sup>6</sup> . . . . .	5.0	9.4	18.2	28.3	53.0	59.2	67.5	65.3	67.5
21 Overnight RPs and Eurodollars <sup>7</sup> . . . . .	18.6	23.9	25.4	32.4	31.9	33.3 <sup>r</sup>	34.3 <sup>r</sup>	38.3 <sup>r</sup>	39.7
22 Money market mutual funds . . . . .	3.8	10.3	43.6	75.8	92.4	105.6	117.1	118.1	122.8
23 Savings deposits . . . . .	483.1	472.6	413.9	390.2	365.6	365.7	366.4	359.7 <sup>r</sup>	355.2
24 Small-denomination time deposits <sup>4</sup> . . . . .	451.3	531.7	651.4	755.2	787.7	794.8	795.2	801.0 <sup>r</sup>	809.1
25 Large-denomination time deposits <sup>5</sup> . . . . .	147.7	198.1	223.9	261.4	276.3	273.8	268.3	276.3 <sup>r</sup>	281.6

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

M1-A: Averages of daily figures for (1) demand deposits at all commercial banks other than those due to domestic banks, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; (2) currency outside the Treasury, Federal Reserve Banks, and the vaults of commercial banks, and (3) travelers checks of nonbank issuers.

M1-B: M1-A plus negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M2: M1-B plus savings and small-denomination time deposits at all depository institutions, overnight repurchase agreements at commercial banks, overnight Eurodollars held by U.S. residents other than banks at Caribbean branches of member banks, and money market mutual fund shares.

M3: M2 plus large-denomination time deposits at all depository institutions and term RPs at commercial banks and savings and loan associations.

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

3. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers.

4. Small-denomination time deposits are those issued in amounts of less than \$100,000.

5. Large-denomination time deposits are those issued in amounts of \$100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. government, money market mutual funds, and foreign banks and official institutions.

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

7. Overnight (and continuing contract) RPs are those issued by commercial banks to the nonbank public, and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. nonbank customers.

NOTE: Latest monthly and weekly figures are available from the Board's H.6(508) release. Back data are available from the Banking Section, Division of Research and Statistics.

1.22 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MEMBER BANK DEPOSITS<sup>1</sup>

Billions of dollars, averages of daily figures

Item	1978 Dec	1979 Dec	1980 Dec	1980		1981					
				Nov <sup>2</sup>	Dec	Jan	Feb	Mar.	Apr	May	June
Seasonally adjusted											
1 Total reserves <sup>3</sup>	41.16	43.46	40.13	41.23	40.13	40.10	39.76	40.25	40.25	40.81	40.83
2 Nonborrowed reserves	40.29	41.98	38.44	39.17	38.44	38.71	38.45	39.25	38.91	38.58	38.80
3 Required reserves	40.93	43.13	39.58	40.73	39.58	39.56	39.57	39.87	40.10	40.55	40.50
4 Monetary base <sup>4</sup>	142.2	153.7	159.8	160.7	159.8	160.1	160.6	161.3	162.2	163.6	163.8
5 Member bank deposits subject to reserve requirements <sup>5</sup>	616.1	644.5	701.8	694.3	701.8	703.8	704.3	703.4	711.2	715.0	720.8
6 Time and savings	428.7	451.2	485.6	475.4	485.6	517.5	523.4	524.7	531.1	538.1	545.6
7 Demand											
8 U.S. government	185.1	191.5	196.0	198.1	196.0	184.1	178.8	176.7	177.4	174.7	173.3
	2.2	1.8	1.9	2.2	1.9	2.3	2.1	2.0	2.8	2.2	1.9
Not seasonally adjusted											
9 Monetary base <sup>4</sup>	144.6	156.2	162.5	161.5	162.5	161.0	158.9	159.6	161.7	162.7	163.3
10 Member bank deposits subject to reserve requirements <sup>5</sup>	624.0	652.7	710.3	694.6	710.3	712.6	701.5	702.9	713.5	710.0	719.7
11 Time and savings	429.6	452.1	486.5	493.0	505.0	520.6	524.9	527.8	531.6	538.1	545.0
12 Demand											
13 U.S. government	191.9	198.6	203.2	199.6	203.3	189.9	174.5	173.0	178.9	169.8	172.2
	2.5	2.0	2.1	1.9	2.1	2.1	2.0	2.1	3.0	2.1	2.5

1 Reserves of depository institutions series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Before Nov. 13, 1980, the date of implementation of the Monetary Control Act, only the reserves of commercial banks that were members of the Federal Reserve System were included in the series. Since that date the series include the reserves of all depository institutions. In conjunction with the implementation of the act, required reserves of member banks were reduced about \$4.3 billion and required reserves of other depository institutions were increased about \$1.4 billion. Effective Oct. 11, 1979, an 8 percentage point marginal reserve requirement was imposed on "Managed Liabilities." This action raised required reserves about \$320 million. Effective Mar. 12, 1980, the 8 percentage point marginal reserve requirement was raised to 10 percentage points. In addition the base upon which the marginal reserve requirement was calculated was reduced. This action increased required reserves about \$1.7 million in the week ending Apr. 2, 1980. Effective May 29, 1980, the marginal reserve requirement was reduced from 10 to 5 percentage points and the base upon which the marginal reserve requirement was calculated was raised. This action reduced required reserves about \$980 million in the week ending June 18, 1980. Effective July 24, 1980, the 5 percent marginal reserve requirement on managed liabilities and the 2 percent supplementary reserve requirement against large time deposits were removed. These actions reduced required reserves about \$3.2 billion.

2 Reserve measures for November reflect increases in required reserves associated with the reduction of weekend avoidance activities of a few large banks. The reduction in these activities lead to essentially a one-time increase in the average level of required reserves that need to be held for a given level of deposits entering the money supply. In November, this increase in required reserves is estimated at \$550 million to \$600 million.

3 Reserve balances with Federal Reserve Banks plus vault cash at institutions with required reserve balances plus vault cash equal to required reserves at other institutions.

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

5 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. government, less cash items in process of collection and demand balances due from domestic commercial banks.

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

1.23 LOANS AND SECURITIES—All Commercial Banks<sup>1</sup>

Billions of dollars, averages of Wednesday figures

Category	1978 Dec	1979 Dec	1980 Dec	1981		1978 Dec	1979 Dec	1980 Dec	1981	
				May	June				May	June
	Seasonally adjusted					Not seasonally adjusted				
<b>1 Total loans and securities<sup>2</sup></b>	<b>1,013.4<sup>3</sup></b>	<b>1,134.6<sup>4</sup></b>	<b>1,237.2<sup>5</sup></b>	<b>1,279.3</b>	<b>1,285.4</b>	<b>1,022.5<sup>3</sup></b>	<b>1,145.0<sup>4</sup></b>	<b>1,248.8<sup>5</sup></b>	<b>1,276.1</b>	<b>1,289.4</b>
2 U.S. Treasury securities	93.3	93.8	110.7	117.5	119.3	94.5	95.0	112.1	118.2	119.7
3 Other securities	173.2 <sup>3</sup>	191.8	213.9	218.7	219.0	173.9 <sup>3</sup>	192.6	214.8	219.1	219.6
4 Total loans and leases <sup>3</sup>	746.9 <sup>3</sup>	848.0 <sup>4</sup>	912.7 <sup>5</sup>	943.1	947.2	751.2 <sup>3</sup>	857.1	922.0 <sup>5</sup>	938.7	950.0
5 Commercial and industrial loans	246.1 <sup>6</sup>	291.1 <sup>4</sup>	324.9 <sup>5</sup>	333.6	338.7	247.7 <sup>6</sup>	293.0	327.0 <sup>5</sup>	335.4	340.6
6 Real estate loans	210.5	241.3 <sup>4</sup>	260.6 <sup>5</sup>	270.4	271.7	210.9	241.8 <sup>4</sup>	261.1 <sup>5</sup>	269.3	271.4
7 Loans to individuals	164.7	181.9	175.2	173.9	174.1	165.6	186.0	176.2	173.5	173.6
8 Security loans	19.3	18.6	17.6	20.1	20.5	20.6	19.8	18.8	19.2	20.6
9 Loans to nonbank financial institutions	27.1 <sup>8</sup>	28.8 <sup>4</sup>	28.7 <sup>5</sup>	29.3	29.3	27.6 <sup>8</sup>	29.3 <sup>4</sup>	29.3 <sup>5</sup>	29.1	29.5
10 Agricultural loans	28.2	31.1	31.6	32.1	32.2	28.1	30.9	31.4	32.0	32.4
11 Lease financing receivables	7.5	9.3	10.9	12.1	12.2	7.5	9.3	10.9	12.1	12.2
12 All other loans	13.6 <sup>3</sup>	14.0	63.3	70.7	68.5	46.2 <sup>3</sup>	47.3	67.3	69.2	69.7
<b>Memo</b>										
<b>13 Total loans and securities plus loans sold<sup>9</sup></b>	<b>1,017.1<sup>3</sup></b>	<b>1,137.6<sup>4</sup></b>	<b>1,239.9<sup>5</sup></b>	<b>1,282.1</b>	<b>1,288.3</b>	<b>1,026.2<sup>3</sup></b>	<b>1,148.0<sup>4</sup></b>	<b>1,251.5<sup>5</sup></b>	<b>1,278.9</b>	<b>1,292.2</b>
14 Total loans plus loans sold <sup>9</sup>	780.6 <sup>3</sup>	851.9 <sup>4</sup>	915.4 <sup>5</sup>	945.8	950.0	757.9 <sup>3</sup>	860.4 <sup>4</sup>	934.7 <sup>5</sup>	941.5	951.9
15 Total loans sold to affiliates <sup>9</sup>	3.7	3.0 <sup>10</sup>	3.7	3.8	3.8	3.7	3.0 <sup>10</sup>	2.7	3.8	3.8
16 Commercial and industrial loans plus loans sold <sup>9</sup>	248.0 <sup>6</sup>	293.1 <sup>4</sup>	326.6 <sup>5</sup>	336.5 <sup>7</sup>	340.8	249.6 <sup>6</sup>	295.0 <sup>4</sup>	328.8 <sup>5</sup>	337.3	342.7
17 Commercial and industrial loans sold <sup>9</sup>	1.9 <sup>11</sup>	2.0 <sup>10</sup>	1.8	1.9	2.0	1.9 <sup>11</sup>	2.0 <sup>10</sup>	1.8	1.9	2.0
18 Acceptances held	6.6	8.2	8.2	9.6	10.0	7.3	9.1	8.8	9.3	10.0
19 Other commercial and industrial loans	239.5	282.9	316.7	325.0	328.8	230.4	283.9	318.2	326.1	330.7
20 To U.S. addressees <sup>12</sup>	226.0	264.1	295.2	300.2	304.0	225.9	264.1	295.2	301.6	306.1
21 To non-U.S. addressees	13.5	18.8	21.5	24.8	24.7	14.5	19.8	23.0	24.5	24.6
22 Loans to foreign banks	21.5	18.5	23.1	23.5	21.8	23.2	20.0	24.8	22.7	22.4

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

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

3. As of Dec. 31, 1978, total loans and securities were reduced by \$0.1 billion. Other securities were increased by \$1.5 billion and total loans were reduced by \$1.6 billion largely as the result of reclassifications of certain tax-exempt obligations. Most of the loan reduction was in all other loans.

4. As of Jan. 3, 1979, as the result of reclassifications, total loans and securities and total loans were increased by \$0.6 billion. Business loans were increased by \$0.4 billion and real estate loans by \$0.5 billion. Nonbank financial loans were reduced by \$0.3 billion.

5. Absorption of a nonbank affiliate by a large commercial bank added the following to February figures: total loans and securities, \$1.0 billion; total loans and leases, \$1.0 billion; commercial and industrial loans, \$.5 billion; real estate loans, \$.1 billion; nonbank financial, \$.4 billion.

6. As of Dec. 31, 1978, commercial and industrial loans were reduced \$0.1 billion as a result of reclassifications.

7. An accounting procedure change by one bank reduced commercial and industrial loans by \$0.1 billion as of Apr. 1, 1981.

8. As of Dec. 1, 1978, nonbank financial loans were reduced \$0.1 billion as the result of reclassification.

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

10. As of Dec. 1, 1979, loans sold to affiliates were reduced \$800 million and commercial and industrial loans sold were reduced \$300 million due to corrections of two banks in New York City.

11. As of Dec. 31, 1978, commercial and industrial loans sold outright were increased \$0.7 billion as the result of reclassifications, but \$0.1 billion of this amount was offset by a balance sheet reduction of \$0.1 billion as noted above.

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

NOTE: Data are prorated averages of Wednesday estimates for domestically chartered banks based on weekly reports of a sample of domestically chartered banks and quarterly reports of all domestically chartered banks. For foreign-related institutions, data are averages of month-end estimates based on weekly reports from large agencies and branches and quarterly reports from all agencies, branches, investment companies, and Edge Act corporations engaged in banking. Data have been revised due to benchmarking to the June, September, and December 1980 and March 1981 call reports for foreign-related institutions.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS<sup>1</sup>

Monthly averages, billions of dollars

Source	December outstanding			Outstanding in 1980 and 1981								
	1977	1978	1979	Oct	Nov	Dec.	Jan	Feb	Mar	Apr	May	June
Total nondeposit funds												
1 Seasonally adjusted <sup>2</sup>	61.5	91.2	121.1	119.9	116.9	120.4'	124.5'	122.0'	117.0'	111.2'	117.6'	119.7
2 Not seasonally adjusted	60.1	90.2	119.8	120.8	120.1	119.9	122.0'	121.2'	116.7'	111.8'	122.0'	120.4
Federal funds, RPs, and other borrowings from non-banks <sup>3</sup>												
3 Seasonally adjusted	58.4	80.7	90.0	105.7	105.4	109.5'	113.5'	110.9	110.7	109.4	106.7	111.8'
4 Not seasonally adjusted	57.0	79.7	88.7	106.6	108.6	109.0	111.0'	110.2	110.5	109.0	111.0	112.6
5 Net balances due to foreign-related institutions, not seasonally adjusted	-1.5	6.8	28.1	11.4	8.9	8.2	8.2'	8.3'	3.5'	0.9'	8.2'	5.0
6 Loans sold to affiliates, not seasonally adjusted <sup>4</sup>	4.7	3.7	3.0	2.8	2.6	2.7	2.8	2.8	2.8	2.7	2.8	2.8
MISO												
7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted <sup>5</sup>	-12.5	-10.2	6.5	-12.9	-14.2	-14.7	-16.2	-14.7	-16.9	21.3'	-13.6'	-14.6
8 Gross due from balances	21.1	24.9	22.8	38.3	37.3	37.5	37.5	36.4	38.9	43.1	43.6	42.7
9 Gross due to balances	8.6	14.7	29.3	25.5	23.1	22.8	21.2	21.7	22.0	21.8'	30.0'	28.0
10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted <sup>7</sup>	10.9	17.0	21.6	24.3	23.1	22.9	24.4'	22.9'	20.5'	20.4'	21.8'	19.6
11 Gross due from balances	10.7	14.3	28.9	30.8	31.0	32.5	31.5'	31.8'	31.9'	33.8'	34.9'	35.5
12 Gross due to balances	21.7	31.3	50.5	55.2	54.1	55.4	55.9	54.7'	52.3'	54.1'	56.7'	55.1
Security RP borrowings												
13 Seasonally adjusted <sup>8</sup>	36.0	44.8	49.2	59.7	58.8	63.4	68.7	67.0	67.1	67.0	64.4	71.1
14 Not seasonally adjusted	35.1	43.6	47.9	59.5	60.9	61.7	65.0	65.2	65.8	65.6	67.7	70.8
U.S. Treasury demand balances <sup>9</sup>												
15 Seasonally adjusted	4.4	8.7	8.9	11.5	8.1	8.4	6.9	8.2	11.7	12.3	14.2	10.8
16 Not seasonally adjusted	5.1	10.3	9.7	12.6	6.7	9.0	8.0	8.1	10.3	12.1	12.4	12.3
Time deposits, \$100,000 or more <sup>10</sup>												
17 Seasonally adjusted	162.0	213.0	227.1	247.8	254.9	265.8	277.0	282.5	281.1	284.3	294.8	303.1
18 Not seasonally adjusted	165.4	217.9	232.8	246.8	257.9	272.4	282.0	287.0	285.9	283.7	293.6	297.9

1 Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks. New York investment companies majority owned by foreign banks, and Ldgc Act corporations owned by domestically chartered and foreign banks.

2 Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestically chartered banks and averages of current and previous month-end data for foreign-related institutions.

3 Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.

4 Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.

5 As of Dec. 1, 1979, loans sold to affiliates were reduced \$800 million due to corrections of two New York City banks.

6 Averages of daily figures for member and nonmember banks. Before October 1980 nonmember banks were interpolated from quarterly call report data.

7 Includes averages of current and previous month-end data until August 1979, beginning September 1979 averages of daily data.

8 Based on daily average data reported by 122 large banks beginning February 1980 and 46 banks before February 1980.

9 Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.

10 Averages of Wednesday figures.

NOTE: Movement of federal funds, RPs, and other borrowings from nonbanks (lines 3 and 4) is based on fluctuations in security RP borrowings (lines 13 and 14) and borrowings from unaffiliated foreign sources (not shown) after October 1980. U.S. Treasury demand balances (lines 15 and 16) and time deposits of \$100,000 or more (lines 17 and 18) have revised beginning July 1980 to reflect benchmarking to the June, September and December 1980 call reports. Data have revised beginning July 1980, for total nondeposit funds, federal funds, RPs, and other borrowings from nonbanks, and net balances due to related foreign institutions due to benchmarking to the June, September, and December 1980, and March 1981 call reports for foreign-related institutions.

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

Billions of dollars except for number of banks

Account	1980				1981						
	Sept	Oct	Nov	Dec	Jan	Feb	Mar.	Apr.	May	June	July
<b>DOMESTICALLY CHARTERED COMMERCIAL BANKS<sup>1</sup></b>											
1 Loans and securities, excluding interbank	1,117.9	1,134.8	1,150.8	1,177.1	1,166.0	1,167.0	1,169.5	1,187.8	1,194.6	1,205.3	1,213.2
2 Loans, excluding interbank	809.1	821.6	832.8	851.4	840.2	839.0	840.6	855.4	862.4	872.2	879.2
3 Commercial and industrial	263.9	269.0	275.7	281.5	277.6	276.3	277.5	285.4	287.9	293.1	295.8
4 Other	545.2	552.6	557.1	569.9	562.6	562.7	563.1	570.1	574.5	579.1	583.4
5 U.S. Treasury securities	103.2	104.4	107.1	111.2	112.0	113.7	112.9	115.8	114.9	116.1	115.8
6 Other securities	205.6	208.9	210.9	214.6	213.8	214.3	216.0	216.6	217.3	216.9	218.2
7 Cash assets, total	156.6	155.9	175.6	194.2	159.3	165.9	167.9	181.8	180.3	169.8	161.1
8 Currency and coin	17.8	18.3	16.9	19.9	18.7	18.6	17.8	18.8	19.5	19.1	19.6
9 Reserves with Federal Reserve Banks	31.1	31.7	30.4	28.2	25.2	30.4	31.8	38.3	25.2	25.4	27.0
10 Balances with depository institutions	46.8	47.2	56.1	63.0	54.9	54.6	55.1	57.3	62.0	60.7	56.8
11 Cash items in process of collection	60.9	58.8	72.2	83.0	60.5	62.3	63.3	67.4	73.6	64.6	57.7
12 Other assets <sup>2</sup>	154.4	151.3	151.3	165.6	155.8	160.1	163.4	167.7	158.8	168.6	158.8
<b>13 Total assets/total liabilities and capital</b>	<b>1,428.9</b>	<b>1,442.1</b>	<b>1,477.7</b>	<b>1,537.0</b>	<b>1,481.0</b>	<b>1,493.0</b>	<b>1,500.9</b>	<b>1,537.3</b>	<b>1,533.7</b>	<b>1,543.7</b>	<b>1,533.2</b>
14 Deposits	1,077.2	1,092.9	1,126.2	1,187.4	1,128.7	1,132.0	1,136.5	1,151.7	1,170.3	1,165.9	1,160.8
15 Demand	369.7	375.7	393.0	432.2	351.1	345.5	345.3	356.8	360.7	350.9	333.6
16 Savings	209.1	210.9	209.5	201.3	211.9	214.3	220.5	222.7	220.9	220.7	219.8
17 Time	498.5	506.2	523.7	553.8	565.7	572.3	570.7	572.2	588.7	594.3	607.3
18 Borrowings	163.7	161.7	157.3	156.4	156.4	163.2	163.8	179.5	155.7	169.3	159.3
19 Other liabilities	75.6	74.7	78.1	79.0	76.7	80.3	80.6	81.8	82.3	81.8	86.3
20 Residual (assets less liabilities)	112.3	112.7	116.1	114.2	119.3	117.5	120.0	124.3	125.4	126.7	126.7
<b>MEMO:</b>											
21 U.S. Treasury note balances included in borrowing	15.7	11.5	4.4	9.5	9.5	8.5	10.2	16.9	5.5	17.4	7.2
22 Number of banks	14,678	14,760	14,692	14,693	14,689	14,696	14,701	14,713	14,719	14,719	14,719
<b>ALL COMMERCIAL BANKING INSTITUTIONS<sup>3</sup></b>											
23 Loans and securities, excluding interbank	1,194.3			1,262.4			1,253.8				
24 Loans, excluding interbank	881.5			932.5			920.9				
25 Commercial and industrial	308.1			330.6			329.3				
26 Other	573.4			601.9			591.6				
27 U.S. Treasury securities	105.6			113.6			115.2				
28 Other securities	207.2			216.3			217.7				
29 Cash assets, total	178.2			218.6			193.6				
30 Currency and coin	17.8			20.0			17.8				
31 Reserves with Federal Reserve Banks	31.6			29.0			32.7				
32 Balances with depository institutions	66.4			85.0			77.9				
33 Cash items in process of collection	62.4			84.7			65.3				
34 Other assets <sup>2</sup>	204.3			222.7			225.5				
<b>35 Total assets/total liabilities and capital</b>	<b>1,576.8</b>			<b>1,703.7</b>			<b>1,673.0</b>				
36 Deposits	1,122.1			1,239.9			1,190.6				
37 Demand	388.8			453.6			367.4				
38 Savings	209.5			201.6			220.7				
39 Time	523.9			584.7			602.5				
40 Borrowings	211.0			210.4			223.3				
41 Other liabilities	129.7			135.5			137.2				
42 Residual (assets less liabilities)	113.9			117.9			121.9				
<b>MEMO:</b>											
43 U.S. Treasury note balances included in borrowing	15.7			9.5			10.2				
44 Number of banks	15,084			15,120			15,147				

1 Domestically chartered commercial banks include all commercial banks in the United States except branches of foreign banks; included are member and non-member banks, stock savings banks, and nondeposit trust companies.

2 Other assets include loans to U.S. commercial banks.

3 Commercial banking institutions include domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York State foreign investment corporations.

NOTE: Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Data for domestically chartered commercial banks are for the last Wednesday of the month; data for other banking institutions are for the last day of the quarter.

## A18 Domestic Financial Statistics [ ] August 1981

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

Millions of dollars, Wednesday figures

Account	1981								
	June 3	June 10	June 17	June 24	July 1 <sup>1</sup>	July 8 <sup>1</sup>	July 15 <sup>1</sup>	July 22 <sup>1</sup>	July 29 <sup>1</sup>
1 Cash items in process of collection	57,966	56,580	66,611	53,270	65,919	53,555	57,633	51,889	46,657
2 Demand deposits due from banks in the United States	21,946	19,478	19,027	21,512	22,805	21,661	22,527	20,096	14,748
3 All other cash and due from depository institutions	36,154	30,776	37,279	31,533	31,724	35,642	35,310	39,123	33,297
<b>4 Total loans and securities</b>	<b>571,420</b>	<b>572,730</b>	<b>573,191</b>	<b>571,953</b>	<b>584,064</b>	<b>580,247</b>	<b>582,508</b>	<b>571,433</b>	<b>573,292</b>
<i>Securities</i>									
5 U.S. Treasury securities	42,128	43,334	43,138	40,945	40,612	41,839	41,068	40,244	40,657
6 Trading account	7,685	8,879	8,836	7,071	6,793	8,148	7,411	6,843	7,247
7 Investment account, by maturity	34,444	34,455	34,303	33,874	33,819	33,691	33,656	33,401	33,410
8 One year or less	10,627	10,788	10,758	10,506	10,550	10,382	10,296	9,940	10,019
9 Over one through five years	19,994	19,840	19,708	19,596	19,466	19,473	19,462	19,543	19,553
10 Over five years	3,823	3,827	3,836	3,772	3,802	3,836	3,899	3,918	3,837
11 Other securities	78,914	78,092	77,593	77,008	78,930	77,651	77,311	77,282	77,475
12 Trading account	3,711	2,945	2,723	2,353	4,650	3,421	3,389	3,252	3,246
13 Investment account	75,202	75,148	74,870	74,655	74,280	74,230	73,922	74,030	74,229
14 U.S. government agencies	16,556	16,406	16,374	16,266	16,409	16,345	16,115	16,069	16,154
15 States and political subdivisions, by maturity	55,882	55,970	55,735	55,670	55,166	55,166	55,148	55,302	55,385
16 One year or less	7,733	7,767	7,502	7,406	7,034	7,077	7,077	7,087	7,051
17 Over one year	48,149	48,203	48,233	48,264	48,132	48,089	48,099	48,215	48,334
18 Other bonds, corporate stocks and securities	2,764	2,771	2,761	2,720	2,704	2,719	2,659	2,659	2,690
<i>Loans</i>									
19 Federal funds sold <sup>1</sup>	28,498	32,141	27,334	29,748	28,703	30,822	33,974	25,780	26,331
20 To commercial banks	19,764	22,469	19,136	20,753	20,157	23,298	26,696	18,385	19,172
21 To nonbank brokers and dealers in securities	6,713	6,426	6,266	6,422	6,695	5,598	5,192	5,371	5,261
22 To others	2,021	3,246	1,932	2,572	1,851	1,926	2,085	2,024	1,898
23 Other loans, gross	433,858	431,209	437,230	436,339	447,847	442,003	442,273	440,278	441,000
24 Commercial and industrial	176,639	176,005	178,296	178,750	182,505	181,553	180,770	180,515	180,479
25 Bankers acceptances and commercial paper	4,209	4,217	4,585	4,878	5,720	5,015	4,822	4,165	4,397
26 All other	172,430	171,788	173,711	173,873	176,784	176,538	175,948	176,349	176,082
27 U.S. addresses	165,033	164,226	166,140	166,320	169,103	168,971	168,321	168,810	168,531
28 Non-U.S. addresses	7,397	7,562	7,570	7,553	7,682	7,567	7,627	7,540	7,551
29 Real estate	116,635	116,918	117,237	117,519	117,749	117,800	118,246	118,480	118,697
30 To individuals for personal expenditures	70,708	70,720	70,875	71,026	71,493	71,277	71,249	71,352	71,688
31 To financial institutions									
31 Commercial banks in the United States	5,274	4,870	5,321	5,581	6,232	5,761	6,219	6,047	5,558
32 Banks in foreign countries	8,783	8,746	8,741	8,386	9,385	9,360	9,548	8,767	9,216
33 Sales finance, personal finance companies, etc.	9,841	9,894	9,822	9,809	10,545	9,909	9,737	9,864	10,085
34 Other financial institutions	15,966	15,907	16,114	15,948	16,225	16,129	15,906	15,922	15,844
35 To nonbank brokers and dealers in securities	7,796	6,105	7,866	6,906	9,555	7,116	7,337	6,311	6,617
36 To others for purchasing and carrying securities <sup>2</sup>	2,592	2,616	2,539	2,509	2,545	2,535	2,539	2,539	2,543
37 To finance agricultural	5,823	5,821	5,844	5,902	5,946	5,990	5,982	5,981	5,975
38 All other	13,799	13,604	14,575	14,001	15,666	14,572	14,738	14,500	14,299
39 Loss: Unearned income	5,838	5,880	5,914	5,921	5,878	5,918	5,948	5,953	5,980
40 Loan loss reserve	6,139	6,166	6,192	6,166	6,150	6,150	6,169	6,199	6,191
41 Other loans, net	421,880	419,162	425,125	424,252	435,819	429,935	430,155	428,126	428,829
42 Lease financing receivables	10,242	10,259	10,269	10,272	10,270	10,362	10,395	10,381	10,410
43 All other assets	87,780	90,940	91,260	90,206	92,981	91,514	89,859	87,112	87,270
<b>44 Total assets</b>	<b>785,509</b>	<b>780,764</b>	<b>797,637</b>	<b>778,745</b>	<b>807,763</b>	<b>792,982</b>	<b>798,233</b>	<b>780,034</b>	<b>765,674</b>
<i>Deposits</i>									
45 Demand deposits	195,125	192,070	200,130	188,291	209,696	191,354	203,375	182,912	173,405
46 Mutual savings banks	689	495	521	517	737	598	694	492	535
47 Individuals, partnerships, and corporations	130,743	131,013	133,582	125,958	140,436	129,640	133,779	124,507	122,409
48 States and political subdivisions	4,262	4,306	4,734	4,427	5,179	4,504	4,853	4,146	4,163
49 U.S. government	3,312	1,913	2,098	3,192	1,082	1,971	3,005	1,860	1,784
50 Commercial banks in the United States	36,735	35,232	34,059	36,137	41,213	36,132	41,194	34,893	27,901
51 Banks in foreign countries	8,674	8,488	9,408	9,126	8,392	8,450	9,389	7,637	8,693
52 Foreign governments and official institutions	1,725	1,990	1,623	1,492	1,619	1,760	1,906	1,305	1,304
53 Certified and officers' checks	8,985	8,633	14,105	7,441	11,038	8,299	8,554	8,072	6,975
54 Time and savings deposits	334,602	333,130	331,623	334,260	337,390	337,754	337,954	339,331	341,228
55 Savings	77,797	77,822	77,719	76,796	78,250	78,708	77,942	77,305	76,373
56 Individuals and nonprofit organizations	73,903	73,953	73,920	72,923	74,373	74,910	74,153	73,631	72,730
57 Partnerships and corporations operated for profit	3,244	3,273	3,180	3,194	3,203	3,192	3,150	3,141	3,111
58 Domestic governmental units	633	579	599	657	656	586	618	509	509
59 All other	16	18	21	22	18	20	21	23	22
60 Time	256,805	255,308	253,904	257,463	259,139	259,046	260,012	262,027	264,855
61 Individuals, partnerships, and corporations	221,968	220,914	220,197	223,663	226,109	225,905	228,004	229,749	232,390
62 States and political subdivisions	19,852	19,626	19,250	19,268	18,446	18,460	18,246	18,505	18,591
63 U.S. government	258	240	264	271	264	279	268	278	281
64 Commercial banks in the United States	8,394	8,272	7,934	8,020	8,121	8,040	8,032	8,041	8,304
65 Foreign governments, official institutions, and banks	6,333	6,256	6,258	6,241	6,195	6,362	6,462	6,454	6,289
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks	4,813	2,669	5,147	616	3,128	2,145	2,521	4,147	653
67 Treasury tax- and loan notes	2,023	2,536	11,352	12,653	9,542	5,141	4,000	5,133	4,891
68 All other liabilities for borrowed money <sup>3</sup>	138,969	132,097	130,608	134,632	128,273	138,916	132,288	127,754	123,490
69 Other liabilities and subordinated notes and debentures	67,971	66,213	66,883	66,401	67,549	65,304	65,944	68,692	69,896
<b>70 Total liabilities</b>	<b>733,533</b>	<b>728,710</b>	<b>746,043</b>	<b>726,854</b>	<b>755,578</b>	<b>740,615</b>	<b>746,082</b>	<b>727,969</b>	<b>713,563</b>
71 Residual (total assets minus total liabilities) <sup>1</sup>	51,976	52,054	51,594	51,891	52,184	52,367	52,151	52,064	52,110

<sup>1</sup> Includes securities purchased under agreements to resell

<sup>2</sup> Other than financial institutions and brokers and dealers

<sup>3</sup> Includes federal funds purchased and securities sold under agreements to repurchase, for information on these liabilities at banks with assets of \$1 billion or more on Dec. 31, 1977, see table 1.13

<sup>4</sup> Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses



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

Millions of dollars, Wednesday figures

Account	1981								
	June 3	June 10	June 17	June 24	July 1 <sup>P</sup>	July 8 <sup>P</sup>	July 15 <sup>P</sup>	July 22 <sup>P</sup>	July 29 <sup>P</sup>
1 Cash items in process of collection	54,959	53,988	63,416	50,239	62,670	50,798	54,629	49,201	44,161
2 Demand deposits due from banks in the United States	21,301	18,943	18,424	20,744	22,078	20,973	21,788	19,493	14,085
3 All other cash and due from depository institutions	34,016	28,755	34,846	29,374	29,583	33,707	33,031	36,766	31,074
<b>4 Total loans and securities</b>	<b>533,790</b>	<b>534,896</b>	<b>535,397</b>	<b>534,118</b>	<b>545,810</b>	<b>541,355</b>	<b>544,193</b>	<b>533,410</b>	<b>535,294</b>
<i>Securities</i>									
5 U.S. Treasury securities	38,733	39,925	39,707	37,526	37,206	38,447	37,669	36,846	37,266
6 Trading account	7,613	8,801	8,750	6,993	6,728	8,073	7,342	6,766	7,158
7 Investment account, by maturity	31,120	31,124	30,958	30,513	30,478	30,375	30,327	30,080	30,108
8 One year or less	9,790	9,925	9,884	9,632	9,657	9,460	9,371	9,022	9,125
9 Over one through five years	17,881	17,742	17,607	17,498	17,380	17,438	17,417	17,499	17,505
10 Over five years	3,449	3,457	3,467	3,403	3,441	3,477	3,539	3,558	3,478
11 Other securities	72,593	71,818	71,358	70,748	72,641	71,379	71,056	71,005	71,159
12 Trading account	3,632	2,886	2,659	2,284	4,558	3,364	3,327	3,197	3,174
13 Investment account	68,961	68,932	68,699	68,464	68,082	68,016	67,728	67,808	67,985
14 U.S. government agencies	15,322	15,222	15,190	15,082	15,211	15,135	14,920	14,869	14,942
15 States and political subdivisions, by maturity	51,001	51,115	50,925	50,838	50,344	50,338	50,325	50,456	50,528
16 One year or less	6,970	6,992	6,772	6,668	6,299	6,333	6,305	6,327	6,290
17 Over one year	44,031	44,123	44,153	44,170	44,046	44,006	44,020	44,129	44,238
18 Other bonds, corporate stocks and securities	2,588	2,594	2,584	2,543	2,527	2,542	2,484	2,484	2,515
<i>Loans</i>									
19 Federal funds sold <sup>1</sup>	25,385	28,695	24,045	26,413	25,542	26,826	30,599	22,696	23,358
20 To commercial banks	17,135	19,543	16,328	17,971	17,519	19,879	23,895	15,803	16,670
21 To nonbank brokers and dealers in securities	6,252	5,928	5,797	5,900	6,203	5,054	4,653	4,894	4,816
22 To others	1,998	3,224	1,919	2,542	1,820	1,893	2,051	1,998	1,872
23 Other loans, gross	408,068	405,513	411,393	410,520	421,439	415,755	415,963	413,988	414,656
24 Commercial and industrial	167,730	167,120	169,429	169,922	173,535	172,595	171,769	171,517	171,482
25 Bankers acceptances and commercial paper	4,028	4,040	4,404	4,701	5,529	4,830	4,634	3,977	4,224
26 All other	163,702	163,080	165,025	165,221	168,007	167,765	167,135	167,540	167,258
27 U.S. addressees	156,373	155,587	157,524	157,739	160,393	160,267	159,578	160,072	159,779
28 Non-U.S. addressees	7,329	7,494	7,500	7,482	7,614	7,498	7,557	7,467	7,479
29 Real estate	110,103	110,382	110,669	110,944	111,169	111,211	111,634	111,876	112,076
30 To individuals for personal expenditures	62,196	62,198	62,343	62,462	62,658	62,457	62,452	62,554	62,855
31 To financial institutions	5,165	4,764	5,173	5,434	6,080	5,622	6,073	5,936	5,448
32 Commercial banks in the United States	8,700	8,662	8,671	8,316	9,261	9,290	9,475	8,674	9,132
33 Banks in foreign countries	9,692	9,746	9,684	9,681	10,400	9,769	9,589	9,718	9,938
34 Sales finance, personal finance companies, etc	15,608	15,542	15,734	15,562	15,843	15,755	15,538	15,542	15,548
35 Other financial institutions	7,710	6,017	7,774	6,817	7,045	7,267	6,239	6,542	6,542
36 To nonbank brokers and dealers in securities	2,393	2,418	2,136	2,306	2,312	2,299	2,304	2,312	2,317
37 To others for purchasing and carrying securities <sup>2</sup>	5,679	5,679	5,697	5,755	5,798	5,839	5,829	5,825	5,819
38 All other	13,092	12,985	13,883	13,322	14,886	13,873	14,033	13,794	13,588
39 Loss Unearned income	5,207	5,246	5,274	5,277	5,240	5,278	5,304	5,304	5,333
40 Loan loss reserve	5,783	5,809	5,833	5,811	5,777	5,775	5,790	5,821	5,812
41 Other loans, net	397,078	394,458	400,286	399,431	410,422	404,702	404,869	402,863	403,511
42 Lease financing receivables	9,949	9,965	9,974	9,978	9,973	10,066	10,100	10,090	10,119
43 All other assets	85,102	88,293	88,641	87,386	90,207	88,825	87,295	84,552	84,659
<b>44 Total assets</b>	<b>739,116</b>	<b>734,841</b>	<b>750,699</b>	<b>731,838</b>	<b>760,323</b>	<b>745,723</b>	<b>751,037</b>	<b>733,513</b>	<b>719,392</b>
<i>Deposits</i>									
45 Demand deposits	183,215	180,717	188,270	176,417	197,066	179,506	191,310	171,705	162,267
46 Mutual savings banks	651	474	500	498	570	570	673	473	516
47 Individuals, partnerships, and corporations	121,580	122,054	124,459	116,980	130,740	120,355	124,433	115,639	113,356
48 States and political subdivisions	3,732	3,830	4,075	3,865	4,565	4,056	4,334	3,644	3,553
49 U.S. government	3,057	1,699	1,767	2,650	936	1,804	2,673	1,678	1,604
50 Commercial banks in the United States	35,223	33,934	32,735	34,721	39,534	34,611	39,730	33,599	26,615
51 Banks in foreign countries	8,578	8,386	9,319	9,053	8,312	8,369	9,316	7,563	8,612
52 Foreign governments and official institutions	1,724	1,988	1,615	1,485	1,615	1,752	1,898	1,295	1,303
53 Certified and officers' checks	8,669	8,351	13,800	7,165	10,660	7,989	8,252	7,812	6,207
54 Time and savings deposits	312,687	311,242	309,698	312,275	315,351	315,620	315,813	317,281	319,194
55 Savings	71,810	71,864	71,778	70,880	72,308	72,701	71,903	71,400	70,544
56 Individuals and nonprofit organizations	68,233	68,301	68,270	67,353	68,726	69,190	68,474	68,004	67,177
57 Partnerships and corporations operated for profit	2,989	3,017	2,927	2,943	2,950	2,947	2,907	2,899	2,872
58 Domestic governmental units	571	528	560	563	614	544	501	473	472
59 All other	16	18	21	22	20	20	21	23	22
60 Time	240,877	239,379	237,920	241,395	243,042	242,920	243,909	245,882	248,650
61 Individuals, partnerships, and corporations	208,190	207,121	206,279	209,671	211,994	211,819	213,950	215,656	218,272
62 States and political subdivisions	18,084	17,882	17,572	17,578	16,845	16,802	16,586	16,842	16,891
63 U.S. government	241	224	250	257	254	265	254	264	270
64 Commercial banks in the United States	8,030	7,895	7,562	7,647	7,753	7,672	7,657	7,664	7,926
65 Foreign governments, official institutions, and banks	6,333	6,256	6,258	6,241	6,195	6,362	5,462	5,454	5,289
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks	4,731	2,546	5,314	578	3,106	2,041	2,357	3,977	596
67 Treasury tax-and-loan notes	1,856	2,365	10,501	11,631	8,830	4,728	3,683	4,731	4,510
68 All other liabilities for borrowed money <sup>3</sup>	121,597	124,642	123,242	117,615	121,277	131,230	124,764	120,075	115,942
69 Other liabilities and subordinated notes and debentures	66,446	64,701	65,496	64,843	65,902	63,677	64,390	67,104	68,228
<b>70 Total liabilities</b>	<b>690,532</b>	<b>686,213</b>	<b>702,521</b>	<b>683,359</b>	<b>711,532</b>	<b>696,803</b>	<b>702,316</b>	<b>684,874</b>	<b>670,737</b>
71 Residual (total assets minus total liabilities) <sup>4</sup>	48,584	48,628	48,178	48,479	48,791	48,920	48,720	48,640	48,656

1. Includes securities purchased under agreements to resell  
2. Other than financial institutions and brokers and dealers  
3. Includes federal funds purchased and securities sold under agreement to repurchase, for information on these liabilities at banks with assets of \$1 billion or more on Dec. 31, 1977, see table 1.13

4. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses

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

Millions of dollars, Wednesday figures

Account	1981								
	June 3	June 10	June 17	June 24	July 1 <sup>P</sup>	July 8 <sup>P</sup>	July 15 <sup>P</sup>	July 22 <sup>P</sup>	July 29 <sup>P</sup>
1 Cash items in process of collection	21,808	24,382	30,078	20,189	25,553	19,870	20,808	19,107	15,256
2 Demand deposits due from banks in the United States	15,950	13,698	13,129	15,709	15,542	15,708	16,332	14,362	8,775
3 All other cash and due from depository institutions	9,853	8,514	10,211	5,394	8,164	9,819	9,361	8,774	6,529
<b>4 Total loans and securities<sup>1</sup></b>	<b>130,759</b>	<b>129,003</b>	<b>130,349</b>	<b>129,182</b>	<b>134,677</b>	<b>131,792</b>	<b>135,942</b>	<b>129,734</b>	<b>129,689</b>
<i>Securities</i>									
5 U.S. Treasury securities <sup>2</sup>									
6 Trading account <sup>2</sup>									
7 Investment account, by maturity	9,239	9,164	9,062	8,873	9,014	9,085	9,078	8,936	8,956
8 One year or less	2,371	2,371	2,368	2,294	2,306	2,350	2,336	2,153	2,210
9 Over one through five years	6,077	5,979	5,884	5,785	5,897	5,888	5,864	5,906	5,868
10 Over five years	791	814	810	793	811	847	877	877	878
11 Other securities <sup>2</sup>									
12 Trading account <sup>2</sup>									
13 Investment account	14,575	14,718	14,605	14,456	14,238	14,240	14,152	14,192	14,193
14 U.S. government agencies	2,663	2,642	2,642	2,588	2,551	2,535	2,516	2,491	2,510
15 States and political subdivision, by maturity	11,260	11,424	11,314	11,260	11,074	11,101	11,060	11,123	11,096
16 One year or less	1,948	2,007	1,878	1,842	1,630	1,673	1,675	1,718	1,690
17 Over one year	9,312	9,416	9,436	9,418	9,444	9,427	9,385	9,404	9,406
18 Other bonds, corporate stocks and securities	652	651	649	608	613	604	576	578	586
<i>Loans</i>									
19 Federal funds sold <sup>3</sup>	7,400	8,110	6,372	7,549	7,508	7,458	11,331	7,615	6,952
20 To commercial banks	2,737	3,903	2,464	3,427	3,274	3,801	7,749	3,948	3,490
21 To nonbank brokers and dealers in securities	3,720	2,998	2,954	2,953	3,249	2,589	2,428	2,529	2,535
22 To others	943	1,210	954	1,169	984	1,068	1,154	1,137	927
23 Other loans, gross	102,726	100,231	103,567	101,558	107,145	104,237	104,639	102,252	102,859
24 Commercial and industrial	52,150	51,696	52,622	51,994	53,556	53,544	53,037	52,222	52,231
25 Bankers acceptances and commercial paper	1,259	1,354	1,562	1,578	1,898	1,648	1,621	1,172	1,312
26 All other	50,890	50,342	51,059	50,415	51,658	51,896	51,416	51,050	50,919
27 U.S. addressees	48,322	47,663	48,405	47,859	49,040	49,377	48,866	48,507	48,362
28 Non-U.S. addressees	2,568	2,679	2,654	2,556	2,618	2,519	2,551	2,542	2,557
29 Real estate	15,875	15,856	15,951	16,020	16,061	16,082	16,234	16,286	16,382
30 To individuals for personal expenditures	9,890	9,914	9,950	9,974	10,000	10,011	10,041	10,107	10,153
31 To financial institutions									
Commercial banks in the United States	1,618	1,025	1,364	1,428	1,662	1,479	1,814	1,570	1,171
Banks in foreign countries	4,501	4,419	4,417	4,040	4,845	4,849	5,222	4,396	4,972
Sales finance, personal finance companies, etc.	4,036	3,982	4,036	4,088	4,663	4,156	4,066	4,201	4,254
Other financial institutions	4,651	4,724	4,716	4,606	4,652	4,471	4,448	4,448	4,420
To nonbank brokers and dealers in securities	5,136	3,715	5,170	4,294	6,082	4,294	4,544	3,739	3,910
To others for purchasing and carrying securities <sup>4</sup>	628	647	614	584	576	586	601	582	609
To finance agricultural production	440	428	417	407	390	389	371	374	365
All other	3,800	3,826	4,308	4,122	4,656	4,226	4,238	4,325	4,391
39 Less Unearned income	1,249	1,267	1,289	1,303	1,291	1,304	1,319	1,311	1,324
40 Loan loss reserve	1,932	1,953	1,969	1,950	1,936	1,923	1,940	1,949	1,946
41 Other loans, net	99,545	97,011	100,309	98,305	103,917	101,010	101,380	98,991	99,589
42 Lease financing receivables	2,240	2,242	2,241	2,241	2,244	2,245	2,260	2,259	2,263
43 All other assets <sup>5</sup>	36,951	40,611	39,387	37,270	39,233	37,887	36,055	35,588	36,210
<b>44 Total assets</b>	<b>217,563</b>	<b>218,450</b>	<b>225,396</b>	<b>209,986</b>	<b>225,414</b>	<b>217,322</b>	<b>220,758</b>	<b>209,823</b>	<b>198,723</b>
<i>Deposits</i>									
45 Demand deposits	69,242	70,236	75,627	67,360	75,928	66,315	74,152	63,888	54,922
46 Mutual savings banks	330	246	241	266	387	278	395	238	259
47 Individuals, partnerships, and corporations	32,696	34,225	35,546	31,038	36,461	31,025	32,654	30,307	28,909
48 States and political subdivisions	417	511	467	476	522	436	483	412	344
49 U.S. government	865	395	697	766	178	551	725	506	380
50 Commercial banks in the United States	22,094	22,232	20,196	22,870	24,998	22,149	27,020	21,844	14,519
51 Banks in foreign countries	6,748	6,580	7,381	7,357	6,453	6,566	7,423	5,841	6,938
52 Foreign governments and official institutions	1,450	1,704	1,342	1,176	1,281	1,404	1,622	1,019	1,036
53 Certified and officers' checks	4,642	4,344	9,756	3,410	5,647	3,905	3,829	3,721	2,536
54 Time and savings deposits	58,767	58,452	58,022	59,073	60,483	60,257	60,213	61,082	61,396
55 Savings	9,328	9,334	9,394	9,262	9,437	9,438	9,358	9,243	9,117
56 Individuals and nonprofit organizations	8,929	8,946	9,005	8,871	9,060	9,064	8,999	8,895	8,766
57 Partnerships and corporations operated for profit	271	271	264	261	255	258	253	258	261
58 Domestic governmental units	125	115	120	124	120	112	103	87	88
59 All other	2	2	5	6	3	2	2	2	2
60 Time	49,439	49,117	48,628	49,811	51,045	50,819	50,855	51,839	52,279
61 Individuals, partnerships, and corporations	42,060	41,757	41,451	42,484	43,850	43,533	43,949	44,845	45,336
62 States and political subdivisions	1,811	1,826	1,722	1,708	1,503	1,618	1,676	1,702	1,711
63 U.S. government	46	35	60	65	83	83	79	87	98
64 Commercial banks in the United States	2,513	2,546	2,479	2,679	2,729	2,662	2,639	2,690	2,718
65 Foreign governments, official institutions, and banks	3,008	2,952	2,916	2,875	2,880	2,923	2,511	2,515	2,416
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks	3,085	1,070	3,085		1,625	360	1,283	1,003	
67 Treasury tax-and-loan notes	389	741	3,031	2,964	2,369	1,255	1,081	1,300	1,339
68 All other liabilities for borrowed money <sup>6</sup>	43,716	46,910	44,314	39,588	43,548	47,908	41,894	40,012	37,940
69 Other liabilities and subordinated notes and debentures	26,077	24,777	25,232	24,982	25,156	24,850	25,908	26,354	27,068
<b>70 Total liabilities</b>	<b>201,275</b>	<b>202,186</b>	<b>209,312</b>	<b>193,967</b>	<b>209,108</b>	<b>200,946</b>	<b>204,530</b>	<b>193,638</b>	<b>182,665</b>
71 Residual (total assets minus total liabilities) <sup>7</sup>	16,288	16,264	16,084	16,019	16,306	16,377	16,228	16,185	16,057

1 Excludes trading account securities.

2 Not available due to confidentiality.

3 Includes securities purchased under agreements to resell.

4 Other than financial institutions and brokers and dealers.

5 Includes trading account securities.

6 Includes federal funds purchased and securities sold under agreements to repurchase.

7 Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1981								
	June 3	June 10	June 17	June 24	July 1 <sup>P</sup>	July 8 <sup>P</sup>	July 15 <sup>P</sup>	July 22 <sup>P</sup>	July 29 <sup>P</sup>
<b>BANKS WITH ASSETS OF \$750 MILLION OR MORE</b>									
1 Total loans (gross) and securities adjusted <sup>1</sup>	558,359	557,437	560,839	557,706	569,703	563,256	561,710	559,152	560,733
2 Total loans (gross) adjusted <sup>1</sup>	437,317	436,011	440,108	439,753	450,162	443,766	443,331	441,626	442,601
3 Demand deposits adjusted <sup>2</sup>	97,112	98,345	97,361	95,692	101,482	99,696	101,542	94,271	97,063
4 Time deposits in accounts of \$100,000 or more	168,083	166,415	164,919	169,071	170,418	170,347	170,881	172,516	174,815
5 Negotiable CDs	120,636	118,938	117,544	121,226	122,735	122,345	123,533	124,423	126,528
6 Other time deposits	47,447	47,477	47,375	47,845	47,683	48,002	47,348	48,093	48,288
7 Loans sold outright to affiliates <sup>3</sup>	2,880	2,902	2,837	2,799	2,798	2,673	2,711	2,693	2,650
8 Commercial and industrial	2,027	2,071	1,995	1,960	2,133	2,016	2,062	2,035	1,971
9 Other	853	831	843	838	665	657	649	658	679
<b>BANKS WITH ASSETS OF \$1 BILLION OR MORE</b>									
10 Total loans (gross) and securities adjusted <sup>1</sup>	522,479	521,644	525,003	521,802	533,229	526,907	525,319	522,796	524,324
11 Total loans (gross) adjusted <sup>1</sup>	411,153	409,902	413,937	413,528	423,382	417,080	416,595	414,946	415,899
12 Demand deposits adjusted <sup>2</sup>	89,976	91,095	90,352	88,807	93,926	92,293	94,277	87,226	89,886
13 Time deposits in accounts of \$100,000 or more	159,197	157,533	156,002	160,041	161,361	161,275	161,848	163,483	165,749
14 Negotiable CDs	114,537	112,878	111,448	115,067	116,565	116,146	117,354	118,249	120,341
15 Other time deposits	44,660	44,655	44,554	44,974	44,796	45,129	44,494	45,234	45,409
16 Loans sold outright to affiliates <sup>3</sup>	2,824	2,841	2,775	2,732	2,729	2,604	2,643	2,618	2,574
17 Commercial and industrial	1,980	2,018	1,943	1,906	2,077	1,960	2,007	1,964	1,907
18 Other	844	822	832	826	652	644	636	654	667
<b>BANKS IN NEW YORK CITY</b>									
19 Total loans (gross) and securities adjusted <sup>1, 4</sup>	129,584	127,295	129,778	127,580	132,968	129,739	129,637	127,475	128,298
20 Total loans (gross) adjusted <sup>1</sup>	105,771	103,413	106,111	104,252	109,716	106,414	106,407	104,348	105,150
21 Demand deposits adjusted <sup>2</sup>	24,474	23,227	24,655	23,535	25,199	23,745	25,600	22,430	24,766
22 Time deposits in accounts of \$100,000 or more	38,572	38,226	37,694	39,021	40,196	39,919	39,882	40,822	41,192
23 Negotiable CDs	28,363	27,991	27,553	28,831	29,827	29,395	29,640	30,486	30,880
24 Other time deposits	10,209	10,235	10,141	10,191	10,369	10,524	10,242	10,336	10,312

1. Exclusive of loans and federal funds transactions with domestic commercial banks.  
 2. All demand deposits except U S government and domestic banks less cash items in process of collection.

3. Loans sold are those sold outright to a bank's own foreign branches, non-consolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company  
 4. Excludes trading account securities

A22 Domestic Financial Statistics □ August 1981

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

Millions of dollars

Industry classification	Outstanding					Net change during				
	1981					1981		1981		
	Mar 25	Apr 29	May 27	June 24 <sup>P</sup>	July 29 <sup>P</sup>	Q1	Q2 <sup>P</sup>	May	June	July <sup>P</sup>
1 Durable goods manufacturing	24,654	24,570	24,623	25,274	25,410	-217	620	52	651	136
2 Nondurable goods manufacturing	19,401	19,845	20,250 <sup>r</sup>	20,618	20,144	-1,229	1,217	404 <sup>r</sup>	368	-474
3 Food, liquor, and tobacco	4,580	4,409	4,577	4,404	4,101	-834	-176	168	-173	-303
4 Textiles, apparel, and leather	4,351	4,469	4,603	4,920	4,981	200	569	134	317	61
5 Petroleum refining	2,982	3,298	3,440 <sup>r</sup>	3,412	3,521	-724	430	142 <sup>r</sup>	-28	109
6 Chemicals and rubber	3,838	4,036	3,957	4,055	3,794	-100	217	-79	98	-260
7 Other nondurable goods	3,650	3,633	3,672	3,826	3,746	230	176	40	154	-80
8 Mining (including crude petroleum and natural gas)	15,750	16,752	17,197 <sup>r</sup>	18,194	18,605	-695	2,444	445 <sup>r</sup>	998	410
9 Trade	25,617	26,778	26,306	26,107	26,973	-729	490	-472	-199	866
10 Commodity dealers	1,950	2,337	1,865	1,499	1,600	-613	-451	-473 <sup>r</sup>	-366	101
11 Other wholesale	11,875	12,244	12,023	12,087	12,397	-467	212	-221	65	309
12 Retail	11,792	12,196	12,418	12,520	12,976	352	728	222	102	456
13 Transportation, communication, and other public utilities	19,973	20,338	20,403	20,824	21,014	-1,518	851	65	421	190
14 Transportation	8,107	8,156	8,343	8,196	8,237	-377	89	187	-147	40
15 Communication	3,160	3,275	3,462	3,542	3,530	-174	381	186	79	-11
16 Other public utilities	8,705	8,906	8,597	9,086	9,247	-967	381	-308	489	161
17 Construction	6,225	6,446	6,988	6,984	7,110	218	758	542	-4	126
18 Services	23,611	24,074	24,421 <sup>r</sup>	24,546	25,065	555	934	346 <sup>r</sup>	124	520
19 All other <sup>2</sup>	15,181	15,416	15,023 <sup>r</sup>	15,192	15,458	-878	11	-393 <sup>r</sup>	170	266
20 Total domestic loans	150,413	154,220	155,210	157,739	159,779	-4,492	7,326	990	2,529	2,040
21 Mi Mo. Term loans (original maturity more than 1 year) included in domestic loans	79,298	80,333	82,411 <sup>r</sup>	83,402	84,389	-2,492	4,104 <sup>r</sup>	2,078 <sup>r</sup>	991	987

1 Adjustment bank amounts represent accumulated adjustments originally made to offset the cumulative effects of mergers. These adjustment amounts should be added to outstanding data for any date in the year to establish comparability with any date in the subsequent year. Changes shown have been adjusted for these amounts.

2 Includes commercial and industrial loans at a few banks with assets of \$1 billion or more that do not classify their loans.

NOTE: New series. The 134 large weekly reporting commercial banks with domestic assets of \$1 billion or more as of December 31, 1977, are included in this series. The revised series is on a last-Wednesday-of-the-month basis. Partly estimated historical data are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C., 20551.

NOTES TO TABLE 1.31

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

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

3 Demand deposit ownership data for March 1981 are subject to greater than normal errors reflecting unusual reporting difficulties associated with funds shifted to NOW accounts authorized at year-end 1980. For the household category, the \$15.7 billion decline in demand deposits at all commercial banks between December 1980 and March 1981 has an estimated standard error of \$4.8 billion.

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

1.31 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations<sup>1</sup>

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks									
	1975 Dec	1976 Dec	1977 Dec	1978 Dec	1979 <sup>2</sup>	1980				1981
					Dec	Mar	June	Sept	Dec	Mar <sup>3</sup>
<b>1 All holders—Individuals, partnerships, and corporations</b>	<b>236.9</b>	<b>250.1</b>	<b>274.4</b>	<b>294.6</b>	<b>302.2</b>	<b>288.4</b>	<b>288.6</b>	<b>302.0</b>	<b>315.5</b>	<b>280.8</b>
2 Financial business	20.1	22.3	25.0	27.8	27.1	28.4	27.7	29.6	29.8	30.8
3 Nonfinancial business	125.1	130.2	142.9	152.7	157.7	144.9	145.3	151.9	162.3	144.3
4 Consumer	78.0	82.6	91.0	97.4	99.2	97.6	97.9	101.8	102.4	86.7
5 Foreign	2.4	2.7	2.5	2.7	3.1	3.1	3.3	3.2	3.3	3.4
6 Other	11.3	12.4	12.9	14.1	15.1	14.4	14.4	15.5	17.2	15.6
	Weekly reporting banks									
	1975 Dec	1976 Dec	1977 Dec	1978 Dec	1979 <sup>1</sup>	1980				1981
					Dec	Mar	June	Sept	Dec	Mar <sup>3</sup>
<b>7 All holders—Individuals, partnerships, and corporations</b>	<b>124.4</b>	<b>128.5</b>	<b>139.1</b>	<b>147.0</b>	<b>139.3</b>	<b>133.6</b>	<b>133.9</b>	<b>140.6</b>	<b>147.4</b>	<b>133.2</b>
8 Financial business	15.6	17.5	18.5	19.8	20.1	20.1	20.2	21.2	21.8	21.9
9 Nonfinancial business	69.9	69.7	76.3	74.1	69.1	69.1	69.2	72.4	78.3	69.8
10 Consumer	29.9	31.7	34.6	38.2	34.3	34.2	33.9	36.0	35.6	30.6
11 Foreign	2.3	2.6	2.4	2.5	3.0	3.0	3.1	3.1	3.1	3.2
12 Other	6.6	7.1	7.4	7.5	7.8	7.2	7.5	7.9	8.6	7.7

For notes see bottom of page A22

## 1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1977 Dec	1978 Dec	1979 <sup>1</sup> Dec	1980 Dec	1980	1981					
					Dec	Jan	Feb	Mar	Apr	May	June
	Commercial paper (seasonally adjusted)										
<b>1 All issuers</b>	<b>65,051</b>	<b>83,438</b>	<b>112,809</b>	<b>125,148</b>	<b>125,148</b>	<b>128,656</b>	<b>130,306</b>	<b>132,702</b>	<b>134,229</b>	<b>141,466</b>	<b>148,355</b>
Financial companies <sup>2</sup>											
<i>Dealer-placed paper</i> <sup>3</sup>											
2 Total	8,796	12,181	17,377	19,631	19,631	19,886	20,859	22,643	24,206	25,061	27,145
3 Bank-related	2,132	3,521	2,874	3,561	3,561	3,670	3,742	4,163	4,437	4,800	4,750
<i>Directly placed paper</i> <sup>4</sup>											
4 Total	40,574	51,647	64,748	67,888	67,888	68,956	68,936	69,461	69,537	71,842	74,952
5 Bank-related	7,102	12,314	17,598	22,382	22,382	22,570	22,331	21,604	22,858	23,880	24,107
6 Nonfinancial companies <sup>5</sup>	15,681	19,610	30,684	37,629	37,629	39,814	40,511	40,598	40,486	44,563	46,258
	Bankers dollar acceptances (not seasonally adjusted)										
<b>7 Total</b>	<b>25,450</b>	<b>33,700</b>	<b>45,321</b>	<b>54,744</b>	<b>54,744</b>	<b>54,465</b>	<b>58,084</b>	<b>60,089</b>	<b>62,320</b>	<b>60,551</b>	<b>63,427</b>
<i>Holder</i>											
8 Accepting banks	10,434	8,579	9,865	10,564	10,564	9,371	9,911	10,117	10,781	10,138	11,595
9 Own bills	8,915	7,653	8,327	8,963	8,963	7,951	8,770	8,735	9,626	9,049	10,207
10 Bills bought	1,519	927	1,538	1,601	1,601	1,420	1,141	1,382	1,155	1,088	1,389
<i>Federal Reserve Banks</i>											
11 Own account	954	1	704	776	776	0	0	298	0	0	0
12 Foreign correspondents	362	664	1,382	1,791	1,791	1,771	1,399	1,372	1,383	1,255	1,272
13 Others	13,700	24,456	33,370	41,614	41,614	43,323	46,779	48,303	50,156	49,158	50,560
<i>Basis</i>											
14 Imports into United States	6,378	8,574	10,270	11,776	11,776	11,903	12,976	13,292	13,634	12,775	12,996
15 Exports from United States	5,863	7,586	9,640	12,712	12,712	12,816	12,979	13,451	13,368	13,057	13,388
16 All other	13,209	17,540	25,411	30,257	30,257	29,746	32,129	33,347	35,319	34,768	37,043

<sup>1</sup> A change in reporting instructions results in offsetting shifts in the dealer-placed and directly placed financial company paper in October 1979.

<sup>2</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>3</sup> Includes all financial company paper sold by dealers in the open market.

<sup>4</sup> As reported by financial companies that place their paper directly with investors.

<sup>5</sup> Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

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

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1980—Dec. 16 ..	21 00	1981—Apr 2 ..	17 00	1980—Apr ..	19.77	1981—Jan ..	20.16
19 ..	21 50	24 ..	17 50	May ..	16.57	Feb ..	19.43
		30 ..	18 00	June ..	12.63	Mar ..	18.05
1981—Jan 2 ..	20.50	May 4 ..	19 00	July ..	11.48	Apr ..	17.15
9 ..	20 00	11 ..	19.50	Aug ..	11 12	May ..	19.61
Feb. 3 ..	19 50	19 ..	20.00	Sept ..	12.23	June ..	20.03
23 ..	19 00	22 ..	20.50	Oct ..	13.79	July ..	20.39
Mar. 10 ..	18 00	June 3 ..	20.00	Nov ..	16.06		
17 ..	17 50	July 8 ..	20.50	Dec.	20.35		

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, May 4-9, 1981

Item	All sizes	Size of loan (in thousands of dollars)					
		1-24	25-49	50-99	100-499	500-999	1,000 and over
<b>SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS</b>							
1 Amount of loans (thousands of dollars)	16,840,794	853,190	481,971	767,519	2,118,788	1,041,775	11,577,551
2 Number of loans	164,452	121,015	14,694	12,003	12,686	1,706	2,346
3 Weighted-average maturity (months)	2.0	3.1	3.8	3.5	3.2	3.3	1.4
4 Weighted-average interest rate (percent per annum)	19.99	19.45	19.87	19.10	19.93	19.58	20.14
5 Interquartile range <sup>1</sup>	19.00-20.85	17.85-21.15	18.83-21.74	17.00-21.00	18.95-21.49	18.39-20.75	19.36-20.85
<i>Percentage of amount of loans</i>							
6 With floating rate	49.0	30.1	41.2	43.2	64.7	60.7	47.2
7 Made under commitment	52.8	24.6	33.1	48.1	49.1	56.7	56.4
8 With no stated maturity	21.6	13.4	12.6	21.4	20.7	29.5	22.0
<b>LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS</b>							
9 Amount of loans (thousands of dollars)	3,633,958	280,677		450,944		175,691	2,726,645
10 Number of loans	21,441	17,936		2,725		277	503
11 Weighted-average maturity (months)	50.6	35.4		53.1		43.8	52.2
12 Weighted-average interest rate (percent per annum)	19.25	19.22		19.34		19.48	19.23
13 Interquartile range <sup>1</sup>	19.00-20.00	17.87-21.34		18.68-20.16		19.00-20.74	19.00-19.76
<i>Percentage of amount of loans</i>							
14 With floating rate	78.6	49.5		68.4		87.1	82.7
15 Made under commitment	77.2	25.7		34.6		78.0	89.5
<b>CONSTRUCTION AND LAND DEVELOPMENT LOANS</b>							
16 Amount of loans (thousands of dollars)	874,542	74,010	81,222	169,763	223,133	326,415	
17 Number of loans	13,956	7,690	2,363	2,333	1,332	237	
18 Weighted-average maturity (months)	13.2	3.3	4.1	17.7	12.0	16.1	
19 Weighted-average interest rate (percent per annum)	19.09	19.83	19.06	16.10	20.74	19.35	
20 Interquartile range <sup>1</sup>	18.00-21.94	18.00-21.91	15.00-21.74	8.25-18.40	20.40-22.54	19.00-21.55	
<i>Percentage of amount of loans</i>							
21 With floating rate	66.3	58.5	42.3	19.4	83.2	87.0	
22 Secured by real estate	93.1	93.3	85.5	97.9	92.4	93.0	
23 Made under commitment	64.8	63.5	62.3	19.8	80.9	78.1	
24 With no stated maturity	10.5	20.6	5.2	4.7	4.0	17.0	
<i>Type of construction</i>							
25 1- to 4-family	32.3	64.1	85.5	12.5	24.0	27.7	
26 Multifamily	13.1	2.9	3.3	3.0	10.1	25.2	
27 Nonresidential	54.7	33.0	11.2	84.5	65.9	47.2	
<b>LOANS TO FARMERS</b>							
28 Amount of loans (thousands of dollars)	1,419,090	188,183	236,302	220,646	180,935	281,187	311,838
29 Number of loans	77,593	50,065	15,850	6,450	2,740	1,957	531
30 Weighted-average maturity (months)	6.8	6.8	6.4	6.6	6.3	7.7	6.8
31 Weighted-average interest rate (percent per annum)	17.88	17.50	17.59	17.67	17.78	17.77	18.46
32 Interquartile range <sup>1</sup>	16.53-19.10	16.64-18.68	16.64-18.81	16.64-18.50	16.64-18.50	16.53-18.77	16.10-20.75
<i>By purpose of loan</i>							
33 Feeder livestock	18.44	17.98	18.43	17.91	18.07	18.49	18.93
34 Other livestock	17.98	17.28	18.42	17.39	18.75	17.64	(2)
35 Other current operating expenses	17.73	17.46	17.36	17.65	17.88	18.27	17.85
36 Farm machinery and equipment	17.61	17.53	17.62	17.63	17.01	(2)	(2)
37 Other	17.68	17.30	17.25	17.58	17.22	17.35	19.73

1. Interest rate range that covers the middle 50 percent of the total dollar amount of loans made

2. Fewer than 10 sample loans

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1978	1979	1980	1981				1981, week ending				
				Apr	May	June	July	July 3	July 10	July 17	July 24	July 31
<b>MONEY MARKET RATES</b>												
1 Federal funds <sup>1,2</sup>	7.93	11.19	13.36	15.72	18.52	19.10	19.04	18.84	19.93	18.76	19.05	18.54
2 Commercial paper <sup>3,4</sup>												
1-month	7.76	10.86	12.76	14.79	17.91	17.34	17.70	17.29	18.07	17.39	17.94	17.36
3-month	7.94	10.97	12.66	14.56	17.56	16.32	17.00	16.35	16.97	16.78	17.39	17.02
6-month	7.99	10.91	12.29	14.17	16.66	15.22	16.09	15.46	15.79	15.82	16.64	16.28
3 Finance paper, directly placed <sup>3,4</sup>												
1-month	7.73	10.78	12.44	14.24	17.47	16.66	17.29	16.78	17.51	17.09	17.53	17.08
3-month	7.80	10.47	11.49	13.28	15.56	14.58	15.21	14.21	14.65	15.38	15.52	15.68
6-month	7.78	10.25	11.28	12.94	14.97	14.13	14.47	13.79	14.09	14.38	14.65	15.03
4 Bankers acceptances <sup>4,5</sup>												
3-month	8.11	11.04	12.78	14.65	17.56	16.27	17.10	16.53	16.97	16.80	17.49	17.20
6-month	n a	n a	n a	14.19	16.26	15.02	16.15	15.46	15.89	15.77	16.65	16.45
5 Certificates of deposit, secondary market <sup>6</sup>												
1-month	7.88	11.03	12.91	14.92	18.16	17.55	17.98	17.43	18.17	17.72	18.26	17.85
3-month	8.22	11.22	13.07	15.08	18.27	16.90	17.76	17.10	17.68	17.47	18.18	17.82
6-month	8.61	11.44	12.99	15.12	17.66	16.09	17.40	16.42	17.12	17.00	17.98	17.73
6 Eurodollar deposits, 3-month <sup>2</sup>	8.78	11.96	14.00	15.95	19.06	17.86	18.49	18.01	18.19	18.30	18.66	18.91
7 U.S. Treasury bills <sup>4</sup>												
Secondary market <sup>7</sup>												
3-month	7.19	10.07	11.43	13.69	16.30	14.73	14.95	14.34	14.82	14.56	15.50	15.07
6-month	7.58	10.06	11.37	13.45	15.29	14.09	14.74	14.04	14.45	14.39	15.30	15.00
1-year	7.74	9.75	10.89	12.79	14.29	13.22	13.91	13.30	13.58	13.56	14.40	14.25
Auction average <sup>8</sup>												
3-month	7.221	10.041	11.506	13.635	16.295	14.557	14.699	13.909	14.400	14.558	15.563	15.065
6-month	7.572	10.017	11.374	13.434	15.334	13.947	14.402	13.621	14.050	14.230	15.318	14.790
1-year	7.678	9.817	10.748	12.991	14.623	13.146				13.735		
<b>CAPITAL MARKET RATES</b>												
U.S. Treasury notes and bonds <sup>9</sup>												
Constant maturities <sup>10</sup>												
20 1-year	8.34	10.67	12.05	14.32	16.20	14.86	15.72	14.94	15.27	15.34	16.36	16.13
21 2-year	8.34	10.12	11.77	14.15	15.46	14.51	15.35	14.74	14.93	15.02	15.88	15.77
22 2-1/2-year <sup>11</sup>								14.65		15.15		15.80
23 3-year	8.29	9.71	11.55	14.09	15.08	14.29	15.15	14.58	14.76	14.86	15.61	15.55
24 5-year	8.32	9.52	11.48	13.99	14.63	13.95	14.79	14.28	14.48	14.53	15.17	15.13
25 7-year	8.36	9.48	11.43	13.85	14.30	13.67	14.49	14.10	14.22	14.27	14.79	14.80
26 10-year	8.41	9.44	11.46	13.68	14.10	13.47	14.28	13.88	14.00	14.08	14.56	14.59
27 20-year	8.48	9.33	11.39	13.46	13.82	13.20	13.92	13.61	13.66	13.73	14.16	14.23
28 30-year	8.49	9.29	11.30	13.20	13.60	12.96	13.59	13.31	13.35	13.40	13.81	13.87
29 Composite <sup>12</sup>												
Over 10 years (long-term)	7.89	8.74	10.81	12.62	12.96	12.39	13.05	12.76	12.85	12.84	13.28	13.30
State and local notes and bonds												
Moody's series <sup>13</sup>												
30 Aaa	5.52	5.92	7.85	9.78	9.90	9.86	10.21	9.80	10.15	10.30	10.30	10.50
31 Baa	6.27	6.73	9.01	10.85	11.28	11.21	11.55	11.25	11.40	11.70	11.70	11.70
32 Bond Buyer series <sup>14</sup>	6.03	6.52	8.59	10.62	10.78	10.67	11.14	10.85	10.97	11.09	11.34	11.44
Corporate bonds												
Seasoned issues <sup>15</sup>												
33 All industries	9.07	10.12	12.75	14.66	15.15	14.76	15.18	14.91	15.01	15.09	15.33	15.35
34 Aaa	8.73	9.63	11.94	13.88	14.32	13.75	14.38	14.04	14.19	14.25	14.55	14.61
35 Aa	8.92	9.94	12.50	14.39	14.88	14.41	14.79	14.51	14.59	14.70	14.99	14.99
36 A	9.12	10.20	12.89	14.82	15.43	15.08	15.36	15.11	15.22	15.27	15.49	15.55
37 Baa	9.45	10.69	13.67	15.56	15.95	15.80	16.17	15.97	16.05	16.15	16.30	16.25
38 Aaa utility bonds <sup>16</sup>												
New issue	8.96	10.03	12.74	15.68	15.81	14.76	16.30			15.72	16.41	16.78
39 Recently offered issues	8.97	10.02	12.70	15.48	15.48	14.81	15.73	14.94	15.04	15.67	16.05	16.55
MIMO: Dividend/price ratio <sup>17</sup>												
40 Preferred stocks	8.25	9.07	10.57	11.80	12.03	12.23	12.43	12.32	12.42	12.31	12.55	12.57
41 Common stocks	5.28	5.46	5.25	4.84	4.98	5.03	5.18	5.13	5.02	5.12	5.26	5.17

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

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

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

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

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

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

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

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

9 Yields (not compounded) are based on closing bid prices quoted by at least five dealers.

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

11 Each weekly figure is calculated on a biweekly basis and is the average of five business days ending on the Monday following the calendar week. The biweekly rate is used to determine the maximum interest rate payable in the following two-week period on small saver certificates. (See table 1.16.)

12 Unweighted averages for all outstanding notes and bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.

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

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

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

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

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

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1.36 STOCK MARKET Selected Statistics

Indicator	1978	1979	1980	1981						
				Jan.	Feb	Mar	Apr	May	June	July
Prices and trading (averages of daily figures)										
<i>Common stock prices</i>										
1 New York Stock Exchange (Dec 31, 1965 = 50)	53.76	55.67	68.06	76.24	73.52	76.46	77.60	76.28	76.80	74.98
2 Industrial	58.30	61.82	78.64	89.23	85.74	89.39	90.57	88.78	88.63	86.64
3 Transportation	43.25	45.20	60.52	74.43	72.76	77.09	80.63	76.78	76.71	74.42
4 Utility	39.23	36.46	37.35	38.53	37.59	37.78	38.34	38.27	39.23	38.90
5 Finance	56.74	58.65	64.28	70.04	68.48	72.82	74.59	74.65	79.79	74.97
6 Standard & Poor's Corporation (1941-43 = 10) <sup>1</sup>	96.11	107.94	118.71	132.97	128.40	133.19	134.43	131.73	132.28	129.13
7 American Stock Exchange (Aug 31, 1973 = 100)	144.56	186.56	300.94	344.21	338.28	347.07	363.09	365.52	369.64	364.33
<i>Volume of trading (thousands of shares)</i>										
8 New York Stock Exchange	28,591	32,233	44,867	45,500	42,963	53,387	54,124	45,272	50,517	43,930
9 American Stock Exchange	3,622	4,182	6,377	6,024	4,816	5,682	6,339	5,650	6,096	4,374
Customer financing (end-of-period balances, in millions of dollars)										
10 Regulated margin credit at brokers-dealers <sup>2</sup>	11,035	11,619	14,721	14,242	14,171	14,243	14,869	14,951	15,126	↑
11 Margin stock <sup>3</sup>	10,830	11,450	14,500	14,020	13,950	14,020	14,630	14,700	14,870	↑
12 Convertible bonds	205	167	219	221	220	222	238	251	254	↓
13 Subscription issues	1	2	2	1	1	1	1	1	2	n.a.
<i>Free credit balances at brokers<sup>4</sup></i>										
14 Margin-account	835	1,105	2,105	2,065	2,225	2,340	2,270	2,350 <sup>r</sup>	2,350	↓
15 Cash-account	2,510	4,060	6,070	5,655	5,700	6,530	6,440 <sup>r</sup>	6,150	6,650	↓
Margin-account debt at brokers (percentage distribution, end of period)										
16 Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	↑
<i>By equity class (in percent)<sup>5</sup></i>										
17 Under 40	33.0	16.0	14.0	20.0	20.0	16.0	20.8	21.3	25.0	↑
18 40-49	28.0	29.0	30.0	30.0	31.0	28.0	26.8	25.3	29.0	↓
19 50-59	18.0	27.0	25.0	22.0	21.0	26.0	23.7	25.3	21.0	↓
20 60-69	10.0	14.0	14.0	13.0	13.0	14.0	12.6	12.7	11.0	↓
21 70-79	6.0	8.0	9.0	8.0	8.0	9.0	8.1	8.0	7.0	↓
22 80 or more	5.0	7.0	8.0	7.0	7.0	8.0	8.0	8.0 <sup>r</sup>	7.0	↓
Special miscellaneous-account balances at brokers (end of period)										
23 Total balances (millions of dollars) <sup>6</sup>	13,092	16,150	21,690	21,686	21,861	22,548	22,748	23,457 <sup>r</sup>	23,700	↑
<i>Distribution by equity status (percent)</i>										
24 Net credit status	41.3	44.2	47.8	47.0	48.6	50.9	49.3	50.2	53.2	n.a.
25 Debt status, equity of	45.1	47.0	44.4	43.9	43.1	41.5	41.7	41.0	38.4	↓
26 Less than 60 percent	13.6	8.8	7.7	9.1	8.3	7.6	9.0	8.8	8.4	↓
Margin requirements (percent of market value and effective date) <sup>7</sup>										
	Mar 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov 24, 1972	Jan 3, 1974				
27 Margin stocks	70	80	65	55	65	50				
28 Convertible bonds	50	60	50	50	50	50				
29 Short sales	70	80	65	55	65	50				

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exchange.

3. 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.

4. A distribution of this total by equity class is shown on lines 17-22.

5. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

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

7. 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.

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



1.37 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1978	1979	1980				1981					
			Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June <sup>a</sup>
Savings and loan associations												
<b>1 Assets</b>	<b>523,542</b>	<b>578,962</b>	<b>609,320</b>	<b>617,773</b>	<b>623,939</b>	<b>629,829</b>	<b>631,228</b>	<b>634,405</b>	<b>636,859</b>	<b>639,827</b>	<b>644,603</b>	<b>646,350</b>
2 Mortgages	432,808	475,688	491,895	496,495	499,973	502,812	504,068	505,309	507,152	509,525	511,754	514,568
3 Cash and investment securities <sup>1</sup>	44,884	46,341	53,435	56,146	57,302	57,572	57,460	58,401	58,461	56,886	59,045	57,649
4 Other	45,850	56,933	63,990	65,132	66,664	69,445	69,700	70,695	71,246	72,416	73,804	74,133
<b>5 Liabilities and net worth</b>	<b>523,542</b>	<b>578,962</b>	<b>609,320</b>	<b>617,773</b>	<b>623,939</b>	<b>629,829</b>	<b>631,228</b>	<b>634,405</b>	<b>636,859</b>	<b>639,827</b>	<b>644,603</b>	<b>646,350</b>
6 Savings capital	430,953	470,004	496,991	500,861	503,365	510,959	512,946	515,250	518,990	516,071	517,628	517,792
7 Borrowed money	42,907	55,232	58,418	60,727	62,067	64,491	62,938	62,270	64,197	67,704	70,025	74,716
8 FHLBB	31,990	40,441	42,547	44,325	45,505	47,045	46,629	46,360	47,310	49,607	51,064	53,734
9 Other	10,917	14,791	16,402	16,562	17,446	16,309	15,910	16,887	18,097	18,097	18,961	20,982
10 Loans in process	10,721	9,582	8,654	8,853	8,783	8,120	7,833	7,756	7,840	7,840	7,997	7,968
11 Other	9,904	11,506	12,776	14,502	16,433	12,227	14,104	16,071	13,271	14,946	17,089	14,317
12 Net worth <sup>2</sup>	29,057	32,638	32,892	33,029	33,221	33,319	33,120	32,981	32,645	32,266	31,864	31,557
13 M/MO. Mortgage loan commitments outstanding <sup>3</sup>	18,911	16,007	20,311	19,077	17,979	16,102	15,972	16,279	17,374	18,552	18,740	18,212
Mutual savings banks <sup>4</sup>												
<b>14 Assets</b>	<b>158,174</b>	<b>163,405</b>	<b>169,409</b>	<b>170,432</b>	<b>171,126</b>	<b>171,564</b>	<b>171,891</b>	<b>172,349</b>	<b>173,232</b>	<b>172,837</b>	<b>173,776</b>	↑
Loans												
15 Mortgage	95,157	98,908	99,306	99,523	99,677	99,865	99,816	99,739	99,719	99,798	99,790	
16 Other	7,195	9,253	11,415	11,382	11,477	11,733	12,199	12,598	13,248	12,756	13,375	
Securities												
17 U S government <sup>5</sup>	4,959	7,658	8,434	8,622	8,715	8,949	9,000	9,032	9,203	9,262	9,296	
18 State and local government	3,333	2,930	2,728	2,754	2,736	2,390	2,378	2,376	2,359	2,314	2,328	
19 Corporate and other <sup>6</sup>	39,732	37,086	39,609	39,720	39,888	39,282	39,256	39,223	39,236	39,247	39,111	
20 Cash	3,665	3,156	3,153	3,592	3,717	4,334	4,133	4,205	4,238	4,172	4,513	n.a.
21 Other assets	4,131	4,412	4,764	4,839	4,916	5,011	5,107	5,177	5,231	5,288	5,364	
<b>22 Liabilities</b>	<b>158,174</b>	<b>163,405</b>	<b>169,409</b>	<b>170,432</b>	<b>171,126</b>	<b>171,564</b>	<b>171,891</b>	<b>172,349</b>	<b>173,232</b>	<b>172,837</b>	<b>173,776</b>	↓
23 Deposits	142,701	146,006	151,765	151,998	152,133	153,501	153,143	153,332	154,805	153,692	153,891	
24 Regular <sup>7</sup>	141,170	144,070	149,395	149,797	150,109	151,416	151,051	151,346	152,630	151,429	151,658	
25 Ordinary savings	71,816	61,123	58,658	57,651	56,256	53,971	52,737	52,035	53,049	52,331	51,212	
26 Time and other	69,354	82,947	90,736	92,146	93,853	97,445	98,314	99,311	99,581	99,098	100,447	
27 Other	1,531	1,936	2,370	2,200	2,042	2,086	2,092	1,986	2,174	2,264	2,232	
28 Other liabilities	4,565	5,873	6,299	7,117	7,644	6,695	7,426	7,753	7,265	8,103	8,922	
29 General reserve accounts	10,907	11,525	11,344	11,317	11,349	11,368	12,957	13,412	11,163	11,042	10,923	
30 M/MO. Mortgage loan commitments outstanding <sup>8</sup>	4,400	3,182	1,883	1,817	1,682	1,476	1,316	1,331	1,379	1,614	1,709	
Life insurance companies												
<b>31 Assets</b>	<b>389,924</b>	<b>432,282</b>	<b>464,483</b>	<b>468,057</b>	<b>473,529</b>	<b>476,190</b>	<b>482,009</b>	<b>485,033</b>	<b>490,149</b>	<b>493,185</b>	<b>497,276</b>	↑
Securities												
32 Government	20,009	0,338	20,853	20,942	21,204	21,453	22,246	22,669	22,775	22,603	22,948	
33 United States <sup>9</sup>	4,822	4,888	5,361	5,390	5,568	5,753	6,429	6,774	6,807	6,502	6,787	
34 State and local	6,402	6,428	6,474	6,484	6,568	6,645	6,571	6,145	6,199	6,809	6,815	
35 Foreign <sup>10</sup>	8,785	9,022	9,018	9,068	9,068	9,068	9,246	9,250	9,269	9,292	9,346	
36 Business	198,105	222,332	233,652	236,115	239,150	238,048	240,959	241,675	243,996	245,841	247,437	n.a.
37 Bonds	162,587	178,371	189,586	191,229	191,753	190,090	194,777	195,251	196,514	198,397	199,818	
38 Stocks	35,518	39,757	44,066	44,886	47,397	46,958	46,182	46,424	47,482	47,444	47,619	
39 Mortgages	106,167	118,421	128,089	128,977	129,878	131,145	131,710	132,567	133,230	133,896	134,492	
40 Real estate	11,764	13,007	14,460	14,702	15,183	15,247	15,657	15,869	16,244	16,464	16,738	
41 Policy loans	30,146	34,825	40,258	40,548	40,878	41,411	41,988	42,574	43,231	43,772	44,292	
42 Other assets	23,733	27,563	27,171	26,765	27,236	28,836	29,449	29,679	30,673	30,609	31,369	
Credit unions												
<b>43 Total assets/liabilities and capital</b>	<b>62,348</b>	<b>65,854</b>	<b>70,515</b>	<b>70,702</b>	<b>71,335</b>	<b>71,709</b>	<b>70,754</b>	<b>71,446</b>	<b>73,214</b>	<b>72,783</b>	<b>73,565</b>	<b>74,041</b>
44 Federal	34,760	35,934	39,219	39,155	39,428	39,801	39,142	39,636	40,624	40,207	40,648	40,948
45 State	27,588	29,920	31,296	31,547	31,907	31,908	31,612	31,810	32,576	32,576	32,917	33,093
46 Loans outstanding	50,269	53,125	47,211	47,221	47,299	47,774	47,309	47,451	47,815	47,994	48,499	49,064
47 Federal	27,687	28,698	25,381	25,288	25,273	25,627	25,272	25,376	25,618	25,707	26,038	26,422
48 State	22,582	24,426	21,830	21,933	22,026	22,147	22,037	22,075	22,197	22,287	22,461	22,642
49 Savings	53,517	56,232	63,728	63,957	64,304	64,399	64,874	64,357	65,744	65,495	65,988	66,472
50 Federal (shares)	29,802	35,530	35,961	36,030	36,183	36,348	35,915	36,236	36,898	36,684	36,967	37,260
51 State (shares and deposits)	23,715	25,702	27,767	27,927	28,121	28,051	27,959	28,121	28,846	28,811	29,021	29,212

For notes see bottom of page A28

A28 Domestic Financial Statistics □ August 1981

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980	Calendar year					
				1980		1981	1981		
				H1	H2	H1	Apr	May	June
<i>U.S. budget</i>									
1 Receipts <sup>1</sup> .....	401,997	465,940	520,050	270,864	262,152	318,899	74,464	38,514	70,688
2 Outlays <sup>1, 2</sup> .....	450,804	493,635	579,613	289,905	310,972	334,710	57,198	54,608	55,619
3 Surplus, or deficit (-) .....	-48,807	-27,694	-59,563	-19,041	-48,821	-15,811	17,266	-16,094	15,070
4 Trust funds .....	12,693	18,335	8,791	4,383	-2,551	5,797	1,896	3,639	3,026
5 Federal funds <sup>3</sup> .....	-61,532	-46,069	-67,752	-23,418	-46,306	-21,608	15,370	-19,733	12,045
<i>Off-budget entties (surplus, or deficit (-))</i>									
6 Federal Financing Bank outlays .....	-10,661	-13,261	-14,549	-7,735	-7,552	-11,046	-2,088	-1,943	-1,295
7 Other <sup>4</sup> .....	302	793	303	-522	376	-900	-73	-342	45
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-) .....	-59,166	-40,162	-73,808	-27,298	-55,998	-27,757	15,251	-18,379	13,820
Source or financing									
9 Borrowing from the public .....	59,106	33,641	70,515	24,435	54,764	33,213	-3,725	539	572
10 Cash and monetary assets (decrease, or increase (-)) <sup>5</sup> .....	-3,023	-408	-355	-3,482	-6,730	2,873	-5,122	22,809	15,121
11 Other <sup>6</sup> .....	3,083	6,929	3,648	6,345	7,964	-8,328	6,404	-4,969	730
MEMO:									
12 Treasury operating balance (level, end of period) .....	22,444	24,176	20,990	14,092	12,305	16,389	21,150	5,702	16,389
13 Federal Reserve Banks .....	16,647	6,489	4,102	3,199	3,062	2,923	4,460	2,288	2,923
14 Tax and loan accounts .....	5,797	17,687	16,888	10,893	9,243	13,466	16,690	3,414	13,466

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.

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

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

4. Includes Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank.

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

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

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1981*.

NOTES TO TABLE 1 37

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

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

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

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

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

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

7. Excludes checking, club, and school accounts.

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

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

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

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

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

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

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

## 1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980	Calendar year					
				1980		1981	1981		
				H1	H2	H1	Apr.	May	June
<b>RECEIPTS</b>									
1 All sources <sup>1</sup>	401,997	465,955	520,050	270,864	262,152	318,899	74,464	38,514	70,688
2 Individual income taxes, net	180,988	217,841	244,069	119,988	131,962	142,889	38,659	10,496	33,729
3 Withheld	165,215	195,295	223,763	110,394	120,924	126,101	20,532	20,260	23,000
4 Presidential Election Campaign Fund	39	36	39	34	4	36	7	8	5
5 Nonwithheld	47,804	56,215	63,746	49,707	14,592	59,907	30,674	2,451	11,682
6 Refunds <sup>2</sup>	32,070	33,705	43,479	40,147	3,559	43,155	12,644	12,222	958
7 Corporation income taxes									
8 Gross receipts	65,380	71,448	72,380	43,434	28,579	44,048	10,203	1,894	16,411
9 Refunds	5,428	5,771	7,780	4,064	4,518	6,565	1,617	883	618
10 Social insurance taxes and contributions, net	123,410	141,591	160,747	86,597	77,262	102,911	20,201	20,694	14,657
11 Payroll employment taxes and contributions <sup>3</sup>	99,626	115,041	133,042	69,077	66,831	83,851	13,843	15,026	13,308
12 Self-employment taxes and contributions	4,267	5,034	5,723	5,535	188	6,240	3,945	419	536
13 Unemployment insurance	13,850	15,387	15,336	8,690	6,742	9,205	1,802	4,660	234
14 Other net receipts <sup>4</sup>	5,668	6,130	6,646	3,294	3,502	3,615	612	588	580
15 Excise taxes	18,376	18,745	24,329	11,383	15,332	21,945	3,754	3,953	4,224
16 Customs deposits	6,573	7,439	7,174	3,443	3,717	3,926	655	625	791
17 Estate and gift taxes	5,285	5,411	6,389	3,091	3,499	3,259	485	647	531
18 Miscellaneous receipts <sup>5</sup>	7,413	9,252	12,741	6,993	6,318	6,487	1,338	1,087	964
<b>OUTLAYS</b>									
18 All types <sup>6</sup>	450,804	493,635	579,613	289,905	310,972	334,710	57,198	54,608	55,619
19 National defense	105,186	117,681	135,856	69,132	72,457	80,005	13,274	13,810	13,839
20 International affairs	5,922	6,091	10,733	4,602	5,430	5,999	1,681	737	1,373
21 General science, space, and technology	4,742	5,041	5,722	3,150	3,205	3,314	505	536	609
22 Energy	5,861	6,856	6,313	3,126	3,997	5,677	924	1,106	1,319
23 Natural resources and environment	10,925	12,091	13,812	6,668	7,722	6,476	1,093	1,017	1,140
24 Agriculture	7,731	6,238	4,762	3,193	1,892	3,101	-304	-151	274
25 Commerce and housing credit	3,324	2,565	7,782	3,878	3,163	1,940	321	-269	860
26 Transportation	15,445	17,459	21,120	9,582	11,547	11,991	1,685	1,581	1,841
27 Community and regional development	11,039	9,482	10,068	5,302	5,370	4,621	844	687	928
28 Education, training, employment, social services	26,463	29,685	30,767	16,686	15,221	15,928	2,564	2,677	2,131
29 Health	43,676	49,614	58,165	29,299	31,263	34,708	6,259	5,645	6,123
30 Income security <sup>6</sup>	146,180	160,159	193,100	94,605	107,912	113,490	18,768	18,576	18,807
31 Veterans benefits and services	18,974	19,928	21,183	9,758	11,731	10,531	2,168	1,670	1,786
32 Administration of justice	3,802	4,153	4,570	2,291	2,299	2,344	465	343	388
33 General government	3,737	4,153	4,505	2,422	2,432	2,692	310	393	506
34 General-purpose fiscal assistance	9,601	8,372	8,584	3,940	4,191	3,015	1,166	253	44
35 Interest <sup>7</sup>	43,966	52,556	64,504	32,658	35,909	41,178	6,423	7,024	11,674
36 Undistributed offsetting receipts <sup>8</sup>	-15,772	-18,489	-21,933	-10,387	-14,769	-12,432	-949	-1,029	-8,023

1 Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, were classified as outlays retroactive to January 1976

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

3 Old-age, disability, and hospital insurance.

4 Supplementary medical insurance premiums, federal employee retirement contributions, and Civil Service retirement and disability fund

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

6 Effective Oct. 1, 1980, the Pension Benefit Guaranty Corporation was re-

classified from an off-budget agency to an on-budget agency in the Department of Labor.

7 Effective September 1976, "Interest" and "Undistributed offsetting receipts" reflect the accounting conversion from an accrual basis to a cash basis for the interest on special issues for U.S. government accounts

8 Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. government contributions for employee retirement.

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1981*.

A30 Domestic Financial Statistics □ August 1981

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1979				1980				1981
	Mar 31	June 30	Sept 30	Dec 31	Mar 31	June 30	Sept 30	Dec 31	Mar 31
<b>1 Federal debt outstanding</b>	<b>804.6</b>	<b>812.2</b>	<b>833.8</b>	<b>852.2</b>	<b>870.4</b>	<b>884.4</b>	<b>914.3</b>	<b>936.7</b>	<b>970.9</b>
2 Public debt securities	796.8	804.9	826.5	845.1	863.5	877.6	907.7	930.2	964.5
3 Held by public	630.5	626.4	638.8	658.0	677.1	682.7	710.0	737.7	773.7
4 Held by agencies	166.3	178.5	187.7	187.1	186.3	194.9	197.7	192.5	190.9
5 Agency securities	7.8	7.3	7.2	7.1	7.0	6.8	6.6	6.5	6.4
6 Held by public	6.3	5.9	5.8	5.6	5.5	5.3	5.1	5.0	4.9
7 Held by agencies	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
<b>8 Debt subject to statutory limit</b>	<b>797.9</b>	<b>806.0</b>	<b>827.6</b>	<b>846.2</b>	<b>864.5</b>	<b>878.7</b>	<b>908.7</b>	<b>931.2</b>	<b>965.5</b>
9 Public debt securities	796.2	804.3	825.9	844.5	862.8	877.0	907.1	929.6	963.9
10 Other debt <sup>1</sup>	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6
11 MLMO Statutory debt limit	798.0	830.0	830.0	879.0	879.0	925.0	925.0	935.1	985.0

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

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

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

Billions of dollars, end of period

Type and holder	1977	1978	1979	1980	1981				
					Mar	Apr.	May	June	July
<b>1 Total gross public debt</b>	<b>718.9</b>	<b>789.2</b>	<b>845.1</b>	<b>930.2</b>	<b>964.5</b>	<b>964.0</b>	<b>968.5</b>	<b>971.2</b>	<b>973.3</b>
<i>By type</i>									
2 Interest-bearing debt	715.2	782.4	844.0	928.9	963.2	962.8	964.8	969.9	972.1
3 Marketable	459.9	487.5	530.7	623.2	661.1	657.9	656.2	660.8	666.4
4 Bills	161.1	161.7	172.6	216.1	235.3	225.8	224.5	218.8	217.5
5 Notes	251.8	265.8	283.4	321.6	336.5	341.1	338.4	348.8	354.0
6 Bonds	47.0	60.0	74.7	85.4	89.3	91.0	93.3	92.2	94.9
7 Nonmarketable <sup>1</sup>	255.3	294.8	313.2	305.7	302.1	304.9	308.6	309.2	305.6
8 Convertible bonds <sup>2</sup>	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
9 State and local government series	13.9	24.3	24.6	23.8	23.5	23.4	23.2	23.2	22.8
10 Foreign issues <sup>3</sup>	22.2	29.6	28.8	24.0	24.2	24.4	24.8	23.5	21.9
11 Government	21.0	28.0	23.6	17.6	17.7	18.0	18.4	17.1	16.3
12 Public	1.2	1.6	5.3	6.4	6.4	6.4	6.4	6.4	5.7
13 Savings bonds and notes	77.0	80.9	79.9	72.5	70.3	69.8	69.5	69.2	69.0
14 Government account series <sup>4</sup>	139.8	157.5	177.5	185.1	183.8	187.0	190.8	193.0	191.6
15 Non-interest-bearing debt	3.7	6.8	1.2	1.3	1.3	1.2	3.7	1.3	1.2
<i>By holder<sup>5</sup></i>									
16 U.S. government agencies and trust funds	154.8	170.0	187.1	192.5	190.9	193.9	197.8	↑	↑
17 Federal Reserve Banks	102.8	109.6	117.5	121.3	119.0	119.7	117.9	↑	↑
18 Private investors	461.3	508.6	540.5	616.4	654.6	650.4	652.3	↑	↑
19 Commercial banks	101.4	93.1	91.5	104.7	108.5	104.8	104.4	↑	↑
20 Mutual savings banks	5.9	5.0	4.7	5.8	6.0	6.2	6.2	↑	↑
21 Insurance companies	15.1	14.9	14.8	15.2	14.8	14.8	16.3	n a	n a
22 Other companies	22.7	21.2	24.9 <sup>6</sup>	24.6	21.5	21.8	20.7	↑	↑
23 State and local governments	55.2	64.4	67.4	74.7	77.8	79.1	80.4	↑	↑
<i>Individuals</i>									
24 Savings bonds	76.7	80.7	79.9	72.2	70.4	69.8	69.5	↓	↓
25 Other securities	28.6	30.3	36.2	56.7	68.2	68.3	70.3	↓	↓
26 Foreign and international <sup>6</sup>	109.6	137.8	123.8	134.3	142.7	143.1 <sup>7</sup>	139.4	↓	↓
27 Other miscellaneous investors <sup>7</sup>	46.1	58.2	97.4	127.9	144.7	142.5 <sup>7</sup>	145.1	↓	↓

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

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

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

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

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

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

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

NOTE: Gross public debt excludes guaranteed agency securities 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 Department), data by holder from *Treasury Bulletin*.

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

Par value; millions of dollars, end of period

Type of holder	1979	1980	1981		1979	1980	1981	
			Apr	May			Apr	May
	All maturities				1 to 5 years			
1 All holders	530,731	623,186	657,906	656,185	164,198	197,409	203,931	203,174
2 U S. government agencies and trust funds	11,047	9,564	9,228	9,228	2,555	1,990	1,363	1,357
3 Federal Reserve Banks	117,458	121,328	119,687	117,900	8,469	35,835	34,981	33,938
4 Private investors	402,226	492,294	528,992	529,057	133,173	159,585	167,588	167,880
5 Commercial banks	69,076	77,868	77,913	77,689	38,346	44,482	41,218	40,325
6 Mutual savings banks	3,204	3,917	4,204	4,202	1,668	1,925	2,008	2,071
7 Insurance companies	11,496	11,930	11,661	12,621	4,518	4,504	4,224	5,493
8 Nonfinancial corporations	8,433	7,758	7,342	6,820	2,844	2,203	1,392	1,157
9 Savings and loan associations	3,209	4,225	4,330	4,572	1,763	2,289	2,654	2,549
10 State and local governments	15,735	21,058	22,756	23,338	3,487	4,595	5,218	5,472
11 All others	291,072	365,539	400,787	399,815	80,546	99,577	110,873	110,813
	Total, within 1 year				5 to 10 years			
12 All holders	255,252	297,385	311,001	314,411	50,440	56,037	64,945	58,295
13 U S. government agencies and trust funds	1,629	830	1,113	1,119	871	1,404	1,411	1,411
14 Federal Reserve Banks	63,219	56,858	55,373	55,205	12,977	13,458	13,918	13,042
15 Private investors	190,403	239,697	254,515	258,087	36,592	41,175	49,616	43,842
16 Commercial banks	20,171	25,197	27,183	28,662	8,086	5,793	6,695	5,680
17 Mutual savings banks	836	1,246	1,340	1,404	459	455	521	400
18 Insurance companies	2,016	1,940	1,992	2,103	2,815	3,037	3,207	2,616
19 Nonfinancial corporations	4,933	4,281	3,768	3,664	308	357	516	391
20 Savings and loan associations	1,301	1,646	1,489	1,881	69	216	127	82
21 State and local governments	5,607	7,750	7,819	8,135	1,540	2,030	2,491	2,254
22 All others	155,539	197,636	210,924	212,238	23,314	29,287	36,060	32,419
	Bills, within 1 year				10 to 20 years			
23 All holders	172,644	216,104	225,849	224,514	27,588	36,854	38,202	39,927
24 U S. government agencies and trust funds	0	1	1	2	4,520	3,686	3,685	3,685
25 Federal Reserve Banks	45,337	43,971	43,263	41,887	3,272	5,919	5,929	5,945
26 Private investors	127,306	172,132	182,585	182,625	19,796	27,250	28,587	30,296
27 Commercial banks	5,938	9,856	9,504	9,891	993	1,071	1,190	1,368
28 Mutual savings banks	262	394	426	455	127	181	182	177
29 Insurance companies	473	672	730	791	1,305	1,718	1,528	1,674
30 Nonfinancial corporations	2,793	2,363	1,900	1,671	218	431	839	766
31 Savings and loan associations	219	818	526	749	58	52	37	36
32 State and local governments	3,100	5,413	5,150	5,318	1,762	3,597	4,014	4,164
33 All others	114,522	152,616	164,349	163,751	15,332	20,200	20,798	22,110
	Other, within 1 year				Over 20 years			
34 All holders	82,608	81,281	85,153	89,897	33,254	35,500	39,827	40,378
35 U S. government agencies and trust funds	1,629	829	1,112	1,118	1,472	1,656	1,656	1,656
36 Federal Reserve Banks	17,882	12,888	12,110	13,318	9,520	9,258	9,486	9,770
37 Private investors	63,097	67,565	71,931	75,462	22,262	24,587	28,685	28,953
38 Commercial banks	14,233	15,341	17,680	18,771	1,470	1,325	1,627	1,654
39 Mutual savings banks	574	852	914	949	113	110	153	150
40 Insurance companies	1,543	1,268	1,262	1,312	842	730	709	734
41 Nonfinancial corporations	2,140	1,918	1,868	1,993	130	476	828	843
42 Savings and loan associations	1,081	828	963	1,132	19	21	23	24
43 State and local governments	2,508	2,337	2,669	2,817	3,339	3,086	3,213	3,313
44 All others	41,017	45,020	46,574	48,487	16,340	18,838	22,132	22,235

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

Data complete for U.S. government agencies and trust funds and Federal Reserve 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 May 31, 1981: (1) 5,341 commercial banks, 458 mutual savings banks,

and 723 insurance companies, each about 80 percent, (2) 409 nonfinancial corporations and 474 savings and loan associations, each about 50 percent, and (3) 488 state and local governments, about 40 percent.

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

A32 Domestic Financial Statistics □ August 1981

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1978	1979	1980	1981			1981, week ending Wednesday						
				Apr <sup>p</sup>	May <sup>p</sup>	June <sup>p</sup>	June 17	June 24	July 1	July 8	July 15	July 22	
Immediate delivery <sup>1</sup>													
1 U.S. government securities	10,285	13,183	↑	21,360	21,554	23,513	21,664	24,215	24,378	24,683	23,231	19,541	
By maturity													
2 Bills	6,173	7,915		13,134	12,359	13,900	13,314	14,011	14,143	15,209	15,506	12,812	
3 Other within 1 year	392	454		374	459	478	584	304	625	1,317	393	382	
4 1-5 years	1,889	2,417		3,390	3,954	4,052	3,008	5,525	4,168	3,103	2,791	2,914	
5 5-10 years	965	1,121		2,135	1,982	2,511	2,386	2,118	2,356	3,123	2,212	1,637	
6 Over 10 years	867	1,276		2,328	2,574	2,571	2,371	2,257	3,086	1,931	2,330	1,796	
By type of customer													
7 U.S. government securities dealers	1,135	1,448		1,070	1,108	1,373	1,311	1,454	1,307	4,627	1,898	1,676	
8 U.S. government securities brokers	3,838	5,170	n a	10,565	10,226	11,158	10,635	11,715	10,860	9,981	11,752	9,705	
9 All others <sup>2</sup>	5,312	6,564		9,725	10,221	10,984	9,718	11,047	12,211	10,074	9,582	8,160	
10 Federal agency securities	1,894	2,723		2,864	2,806	3,865	3,724	3,938	3,587	3,171	3,864	2,110	
11 Certificates of deposit				3,518	2,992	4,336	4,168	4,829	4,882	3,697	4,690	4,058	
12 Bankers acceptances	↑	↑		1,627	1,363	1,833	1,986	1,528	2,038	1,500	1,647	1,570	
13 Commercial paper	↑	↑		5,302	6,047	6,295	6,652	5,834	7,010	6,210	5,880	5,754	
Futures transactions <sup>3</sup>													
14 Treasury bills	n a	n a		2,572	2,768	3,390	3,089	3,249	3,991	3,598	4,612	3,272	
15 Treasury coupons				978	1,040	887	805	844	963	1,119	1,274	967	
16 Federal agency securities				186	243	190	144	151	191	142	107	163	
Forward transactions <sup>4</sup>													
17 U.S. government securities	↓	↓		158	280	253	337	338	248	469	213	420	
18 Federal agency securities	↓	↓		1,337	1,403	1,375	1,462	1,192	1,344	1,178	562	946	

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

date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.  
 NOTE: Averages for transactions are based on number of trading days in the period.  
 Transactions are market purchases and sales of U.S. government securities dealers reporting to the Federal Reserve Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. government securities, redemptions of called or matured securities, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

Item	1978	1979	1980	1981			1981, week ending Wednesday					
				Apr <sup>p</sup>	May <sup>p</sup>	June <sup>p</sup>	May 27	June 3	June 10	June 17	June 24	July 1
Positions												
Net immediate <sup>1</sup>												
1 U.S. government securities	2,656	3,223	↑	11,570	4,646	9,037	4,689	6,317	8,500	11,672	9,578	7,320
2 Bills	2,452	3,813		8,471	1,820	5,472	1,635	3,215	4,395	8,819	6,261	3,031
3 Other within 1 year	260	-325		142	226	-523	112	88	36	-740	-715	-1,001
4 1-5 years	-92	-455		399	499	1,133	994	329	169	556	1,750	2,613
5 5-10 years	40	160		530	157	490	-14	735	768	676	182	184
6 Over 10 years	-4	30		2,027	1,944	2,232	1,962	1,950	2,132	2,360	2,100	2,493
7 Federal agency securities	606	1,471		1,710	1,680	2,504	1,521	2,115	2,157	2,749	2,578	2,729
8 Certificates of deposit	2,775	2,794	n a	2,117	1,965	4,012	1,746	2,419	2,987	4,055	4,360	5,550
9 Bankers acceptances				1,705	1,278	2,109	1,040	1,370	1,951	2,211	2,019	2,649
10 Commercial paper	↑	↑		2,721	2,373	3,043	2,180	3,190	2,615	3,377	2,981	3,153
Futures positions												
11 Treasury bills				-770	-6,146	-9,773	-6,258	-8,072	-8,638	-11,627	-10,187	-9,302
12 Treasury coupons	n.a.	n a		-2,503	-2,312	-2,455	-2,303	-2,349	-2,418	-2,749	-2,372	-2,305
13 Federal agency securities				-552	-735	-1,041	-912	-993	-1,023	-1,057	-1,067	-1,035
Forwards positions												
14 U.S. government securities	↓	↓		-672	-1,009	-720	-998	-1,043	-888	-465	-763	-610
15 Federal agency securities	↓	↓		-239	-124	260	45	94	131	203	413	382
Financing <sup>2</sup>												
Reverse repurchase agreements <sup>3</sup>												
16 Overnight and continuing	↑	↑	↑	9,466	10,667	12,193	10,123	11,256	11,982	10,522	12,378	14,643
17 Term agreements				25,704	30,592	29,785	31,342	28,715	29,547	28,626	31,244	30,248
18 Repurchase agreements <sup>4</sup>	n a	n a	n a	32,515	28,075	33,748	28,393	28,393	31,566	34,263	35,009	36,899
19 Overnight and continuing	↓	↓	↓	24,563	27,716	27,684	28,845	27,281	29,273	26,443	28,718	26,275

For notes see opposite page

## 1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt outstanding

Millions of dollars, end of period

Agency	1977	1978	1979	1980					
				Dec	Jan	Feb	Mar	Apr	May
<b>1 Federal and federally sponsored agencies<sup>1</sup></b>	<b>112,472</b>	<b>137,063</b>	<b>163,290</b>	<b>193,229</b>	<b>195,056</b>	<b>194,926</b>	<b>198,828</b>	<b>200,434</b>	<b>205,020</b>
2 Federal agencies	22,760	23,488	24,715	28,606	28,769	28,596	29,397	29,502	29,311
3 Defense Department <sup>2</sup>	983	968	738	610	600	591	576	566	556
4 Export-Import Bank <sup>3,4</sup>	8,671	8,711	9,191	11,250	11,239	11,201	11,881	11,868	11,850
5 Federal Housing Administration <sup>5</sup>	581	588	537	477	476	468	464	459	449
6 Government National Mortgage Association participation certificates <sup>6</sup>	3,743	3,141	2,979	2,817	2,817	2,817	2,817	2,775	2,775
7 Postal Service <sup>7</sup>	2,431	2,364	1,837	1,770	1,770	1,770	1,770	1,770	1,538
8 Tennessee Valley Authority	6,015	7,460	8,997	11,190	11,375	11,550	11,680	11,845	11,930
9 United States Railway Association <sup>7</sup>	336	356	436	492	492	199	209	219	213
10 Federally sponsored agencies <sup>1</sup>	89,712	113,575	138,575	164,623	166,287	166,330	169,431	170,932	175,709
11 Federal Home Loan Banks	18,345	27,563	33,330	41,258	41,819	42,275	43,791	44,357	47,121
12 Federal Home Loan Mortgage Corporation	1,686	2,262	2,771	2,536	2,518	2,514	2,409	2,409	2,409
13 Federal National Mortgage Association	31,890	41,080	48,486	55,185	54,605	54,110	54,666	54,183	54,430
14 Federal Land Banks	19,118	20,360	16,006	12,365	11,507	11,507	11,507	10,583	10,583
15 Federal Intermediate Credit Banks	11,174	11,469	2,676	1,821	1,388	1,388	1,388	1,388	1,388
16 Banks for Cooperatives	4,434	4,843	584	584	584	584	584	220	220
17 Farm Credit Banks <sup>1</sup>	2,548	5,081	33,216	48,153	50,645	50,675	51,689	54,345	56,061
18 Student Loan Marketing Association <sup>8</sup>	515	915	1,505	2,720	3,220	3,275	3,395	3,445	3,495
19 Other	2	2	1	1	1	2	2	2	2
MEMO:									
<b>20 Federal Financing Bank debt<sup>9</sup></b>	<b>38,580</b>	<b>51,298</b>	<b>67,383</b>	<b>87,460</b>	<b>88,420</b>	<b>89,444</b>	<b>94,101</b>	<b>96,489</b>	<b>98,297</b>
<i>Lending to federal and federally sponsored agencies</i>									
21 Export-Import Bank <sup>4</sup>	5,834	6,898	8,353	10,654	10,654	10,654	11,346	11,346	11,346
22 Postal Service <sup>7</sup>	2,181	2,114	1,587	1,520	1,520	1,520	1,520	1,520	1,288
23 Student Loan Marketing Association <sup>8</sup>	515	915	1,505	2,720	3,220	3,275	3,395	3,445	3,495
24 Tennessee Valley Authority	4,190	5,635	7,272	9,465	9,650	9,825	9,955	10,120	10,205
25 United States Railway Association <sup>7</sup>	336	356	436	492	492	199	209	219	213
<i>Other Lending<sup>10</sup></i>									
26 Farmers Home Administration	16,095	23,825	32,050	39,431	39,271	39,851	41,791	43,456	44,746
27 Rural Electrification Administration	2,647	4,604	6,484	9,196	9,471	10,212	10,443	10,652	10,988
28 Other	6,782	6,951	9,696	13,982	14,142	13,908	15,442	15,731	16,016

1 In September 1977 the Farm Credit Banks issued their first consolidated bonds and in January 1979 they began issuing these bonds on a regular basis to replace the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Line 17 represents those consolidated bonds outstanding, as well as any discount notes that have been issued. Lines 1 and 10 reflect the addition of this item.

2 Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

3 Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

4 Off-budget Aug. 17, 1974, through Sept. 30, 1976, on-budget thereafter.

5 Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

6 Certificates of participation issued prior to fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare, Department

of Housing and Urban Development; Small Business Administration, and the Veterans Administration.

7 Off-budget.

8 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.

9 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.

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

## NOTES TO TABLE 1.44

1. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities to resell (reverse RPs). Before 1981, data for immediate positions include forward positions.

2. Figures cover financing involving U.S. government and federal agency securities, negotiable CDs, bankers acceptances, and commercial paper.

3. Includes all reverse repurchase agreements, including those that have been arranged to make delivery on short sales and those for which the securities obtained have been used as collateral on borrowings, i.e., matched agreements.

4. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.

NOTE. Data for positions are averages of daily figures, in terms of par value, based on the number of trading days in the period. Positions are shown net and are on a commitment basis. Data for financing are based on Wednesday figures, in terms of actual money borrowed or lent.

A34 Domestic Financial Statistics □ August 1981

1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1978	1979	1980	1980		1981				
				Dec	Jan. †	Feb †	Mar †	Apr †	May	
<b>1 All issues, new and refunding<sup>1</sup></b>	<b>48,607</b>	<b>43,490</b>	<b>48,462</b>	<b>3,859</b>	<b>2,658</b>	<b>2,928</b>	<b>3,879</b>	<b>5,068</b>	<b>3,406</b>	
<i>Type of issue</i>										
2 General obligation	17,854	12,109	14,100	558	728	876	1,249	1,317	1,307	
3 Revenue	30,658	31,256	34,267	3,297	1,923	2,049	2,619	3,745	2,089	
4 Housing Assistance Administration <sup>2</sup>										
5 U.S. government loans	95	125	95	4	7	3	11	6	10	
<i>Type of issuer</i>										
6 State	6,632	4,314	5,304	127	478	530	349	544	639	
7 Special district and statutory authority	24,156	23,434	26,972	2,332	1,442	1,442	1,979	2,701	1,629	
8 Municipalities, counties, townships, school districts	17,718	15,617	16,090	1,395	731	951	1,541	1,816	1,127	
<b>9 Issues for new capital, total</b>	<b>37,629</b>	<b>41,505</b>	<b>46,736</b>	<b>3,760</b>	<b>2,650</b>	<b>2,855</b>	<b>3,845</b>	<b>4,898</b>	<b>3,394</b>	
<i>Use of proceeds</i>										
10 Education	5,003	5,130	4,572	198	338	292	515	479	227	
11 Transportation	3,460	2,441	2,621	53	147	322	238	121	424	
12 Utilities and conservation	9,026	8,594	8,149	408	585	452	784	1,262	641	
13 Social welfare	10,494	15,968	19,958	2,465	786	881	956	1,001	1,054	
14 Industrial aid	3,526	3,836	3,974	295	389	296	512	1,298	408	
15 Other purposes	6,120	5,536	7,462	341	405	612	840	737	640	

1. Par amounts of long-term issues based on date of sale  
 2. 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

SOURCE: Public Securities Association

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1978	1979	1980	1980		1981				
				Nov	Dec	Jan	Feb	Mar.	Apr	May
<b>1 All issues<sup>1</sup></b>	<b>47,230</b>	<b>51,533</b>	<b>73,688</b>	<b>3,936</b>	<b>5,933</b>	<b>5,581</b>	<b>4,157</b>	<b>6,423</b>	<b>6,511</b>	<b>5,347</b>
<b>2 Bonds</b>	<b>36,872</b>	<b>40,208</b>	<b>53,199</b>	<b>2,164</b>	<b>3,044</b>	<b>3,386</b>	<b>2,834</b>	<b>4,275</b>	<b>4,273</b>	<b>2,970</b>
<i>Type of offering</i>										
3 Public	19,815	25,814	41,587	1,405	1,719	2,928	2,408	3,778 <sup>c</sup>	3,668	2,490
4 Private placement	17,057	14,394	11,612	759	1,325	458	426	497	605	480
<i>Industry group</i>										
5 Manufacturing	9,572	9,678	15,409	132	609	1,635	1,140	1,064	1,355	1,269
6 Commercial and miscellaneous	5,246	3,948	6,688	442	509	231	356	212	301	138
7 Transportation	2,007	3,119	3,329	147	165	353	45	172	105	9
8 Public utility	7,092	8,153	9,556	565	314	800	593	594	774	1,022
9 Communication	3,373	4,219	6,683	147	653	62	272	958	553	56
10 Real estate and financial	9,586	11,094	11,534	732	793	306	430	1,276	1,181	476
<b>11 Stocks</b>	<b>10,358</b>	<b>11,325</b>	<b>20,490</b>	<b>1,772</b>	<b>2,889</b>	<b>2,195</b>	<b>1,323</b>	<b>2,148</b>	<b>2,238</b>	<b>2,377</b>
<i>Type</i>										
12 Preferred	2,832	3,574	3,632	256	241	364	149	298	85	164
13 Common	7,526	7,751	16,858	1,516	2,648	1,831	1,174	1,850	2,153 <sup>c</sup>	2,213
<i>Industry group</i>										
14 Manufacturing	1,241	1,679	4,839	418	844	609	204	735	531	903
15 Commercial and miscellaneous	1,816	2,623	5,245	509	908	603	589	816	477	958
16 Transportation	263	255	549	53	95	124	81	17	146	47
17 Public utility	5,140	5,171	6,230	227	669	562	260	414	717	173
18 Communication	264	303	567	113	65	14	31		56	
19 Real estate and financial	1,631	12,931	3,059	452	308	284	159	167	310	296

1. Figures, which represent gross proceeds of issues maturing in more than one year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than \$100,000, secondary offerings, undefined or exempted issues as defined in the Securities Act of

1933, employee stock plans, investment companies other than closed-end, intra-corporate transactions, and sales to foreigners

SOURCE: Securities and Exchange Commission.



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

Millions of dollars

Item	1979	1980	1980		1981					
			Nov	Dec	Jan	Feb	Mar	Apr	May'	June
INVESTMENT COMPANIES <sup>1</sup>										
1 Sales of own shares <sup>2</sup>	7,495	15,266	1,289	1,242	1,676	1,347	1,696	2,000	1,785	1,910
2 Redemptions of own shares <sup>3</sup>	8,393	12,012	1,086	1,720	1,193	960	1,112	1,594	1,250	1,512
3 Net sales	898	3,254	203	478	483	387	584	406	535	398
4 Assets <sup>4</sup>	49,277	58,400	60,329	58,400	56,160	56,452	59,146	58,531	60,081	58,887
5 Cash position <sup>5</sup>	4,983	5,321	5,467	5,321	4,636	4,882	4,971	5,099	5,448	5,199
6 Other	44,294	53,079	54,862	53,079	51,524	51,570	54,175	53,432	54,633	53,688

<sup>1</sup> Excluding money market funds<sup>2</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>3</sup> Excludes share redemption resulting from conversions from one fund to another in the same group<sup>4</sup> Market value at end of period, less current liabilities<sup>5</sup> Also includes all U.S. government securities and other short-term debt securities

NOTE: Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

## 1.49 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1978	1979	1980	1979		1980				1981
				Q3	Q4	Q1	Q2	Q3	Q4	Q1
1 Corporate profits with inventory valuation and capital consumption adjustment	185.5	196.8	182.7	199.5	189.4	200.2	169.3	177.9	183.3	203.0
2 Profits before tax	223.3	255.3	245.5	262.0	255.4	277.1	217.9	237.6	249.5	259.1
3 Profits tax liability	82.9	87.6	82.3	88.4	87.2	94.2	71.5	78.5	85.2	91.1
4 Profits after tax	140.3	167.7	163.2	173.6	168.2	182.9	146.4	159.1	164.3	168.0
5 Dividends	44.6	50.1	56.0	50.2	51.6	53.9	55.7	56.7	57.7	59.0
6 Undistributed profits	95.7	117.6	107.2	123.4	116.6	129.0	90.7	102.4	106.6	108.4
7 Inventory valuation	24.3	42.6	45.6	46.5	50.8	61.4	31.1	41.7	48.4	39.2
8 Capital consumption adjustment	13.5	15.9	17.2	16.1	15.1	15.4	17.6	-17.9	17.8	16.9

SOURCE: Survey of Current Business (U.S. Department of Commerce)

A36 Domestic Financial Statistics □ August 1981

1.50 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1975	1976	1977	1978	1979	1980				1981
						Q1 <sup>1</sup>	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1
<b>1 Current assets</b> .....	<b>759.0</b>	<b>826.8</b>	<b>902.1</b>	<b>1,030.0</b>	<b>1,200.9</b>	<b>1,234.0</b>	<b>1,232.2</b>	<b>1,254.9</b>	<b>1,281.1</b>	<b>1,321.4</b>
2 Cash .....	82.1	88.2	95.8	104.5	116.1	110.5	111.5	113.4	120.9	120.4
3 U.S. government securities .....	19.0	23.4	17.6	16.3	15.6	15.2	14.0	16.4	17.1	16.8
4 Notes and accounts receivable .....	272.1	292.8	324.7	383.8	456.8	470.3	463.4	478.7	491.6	507.9
5 Inventories .....	315.9	342.4	374.8	426.9	501.7	518.9	525.0	524.5	525.3	542.8
6 Other .....	69.9	80.1	89.2	98.5	110.8	119.2	118.3	121.9	126.2	133.5
<b>7 Current liabilities</b> .....	<b>451.6</b>	<b>494.7</b>	<b>549.4</b>	<b>665.5</b>	<b>809.1</b>	<b>836.5</b>	<b>826.0</b>	<b>850.5</b>	<b>877.8</b>	<b>911.7</b>
8 Notes and accounts payable .....	264.2	281.9	313.2	373.7	456.3	467.7	462.8	477.0	498.5	504.5
9 Other .....	187.4	212.8	236.2	291.7	352.8	368.8	363.2	373.5	379.3	407.2
<b>10 Net working capital</b> .....	<b>307.4</b>	<b>332.2</b>	<b>352.7</b>	<b>364.6</b>	<b>391.8</b>	<b>397.5</b>	<b>406.2</b>	<b>404.3</b>	<b>403.4</b>	<b>409.7</b>
11 MEMO: Current ratio <sup>1</sup> .....	1.681	1.672	1.642	1.548	1.484	1.475	1.492	1.475	1.460	1.449

1. Ratio of total current assets to total current liabilities.

All data in this table reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics.

NOTE: For a description of this series, see "Working Capital of Nonfinancial Corporations" in the July 1978 BULLETIN, pp. 533-37.

SOURCE: Federal Trade Commission.

1.51 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry	1979	1980	1981 <sup>1</sup>	1980			1981			
				Q2	Q3	Q4	Q1	Q2 <sup>1</sup>	Q3 <sup>1</sup>	Q4 <sup>1</sup>
<b>1 Total nonfarm business</b> .....	<b>270.46</b>	<b>295.63</b>	<b>320.51</b>	<b>294.36</b>	<b>296.23</b>	<b>299.58</b>	<b>312.24</b>	<b>311.87</b>	<b>322.88</b>	<b>333.09</b>
<i>Manufacturing</i>										
2 Durable goods industries .....	51.07	58.91	63.99	59.38	58.19	59.77	61.24	60.28	64.90	68.65
3 Nondurable goods industries .....	47.61	56.90	63.89	56.32	58.21	58.86	63.27	61.71	65.56	64.80
<i>Nonmanufacturing</i>										
4 Mining .....	11.38	13.51	16.91	12.81	13.86	15.28	16.20	15.93	17.51	17.87
Transportation										
5 Railroad .....	4.03	4.25	4.39	4.06	3.98	4.54	4.23	4.10	4.41	4.81
6 Air .....	4.01	4.01	3.65	4.27	4.06	3.77	3.85	3.17	3.09	4.55
7 Other .....	4.31	3.82	4.10	3.76	4.18	3.39	3.66	4.21	4.07	4.35
Public utilities										
8 Electric .....	27.65	28.12	28.93	27.91	28.14	27.54	27.69	28.98	30.26	28.73
9 Gas and other .....	6.31	7.32	8.33	7.12	7.44	7.41	8.36	8.40	7.98	8.57
10 Trade and services .....	79.26	81.79	85.22	81.07	81.19	82.91	83.43	84.55	84.12	88.33
11 Communication and other <sup>2</sup> .....	34.83	36.99	41.09	37.66	36.97	36.11	40.32	40.54	40.97	42.43

1. Anticipated by business.

2. "Other" consists of construction, social services and membership organizations; and forestry, fisheries, and agricultural services

SOURCE: Survey of Current Business (U.S. Dept. of Commerce).

## 1.52 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1975	1976	1977	1978	1979	1980				1981	
						Q1	Q2	Q3	Q4	Q1	
<b>ASSETS</b>											
Accounts receivable, gross											
1 Consumer	36.0	38.6	44.0	52.6	65.7	67.7	70.2	71.7	73.6	76.1	
2 Business	39.3	44.7	55.2	63.3	70.3	70.6	70.3	66.9	72.3	72.7	
3 Total	75.3	83.4	99.2	116.0	136.0	138.4	140.4	138.6	145.9	148.7	
4 Less: Reserves for unearned income and losses	9.4	10.5	12.7	15.6	20.0	20.4	21.4	22.3	23.3	24.3	
5 Accounts receivable, net	65.9	72.9	86.5	100.4	116.0	118.0	119.0	116.3	122.6	124.5	
6 Cash and bank deposits	2.9	2.6	2.6	3.5							
7 Securities	1.0	1.1	9	1.3	24.9 <sup>1</sup>	23.7	26.1	28.3	27.5	30.8	
8 All other	11.8	12.6	14.3	17.3							
9 Total assets	81.6	89.2	104.3	122.4	140.9	141.7	145.1	144.7	150.1	155.3	
<b>LIABILITIES</b>											
10 Bank loans	8.0	6.3	5.9	6.5	8.5	9.7	10.1	10.1	13.2	13.1	
11 Commercial paper	22.2	23.7	29.6	34.5	43.3	40.8	40.7	40.5	43.4	44.2	
<b>Debt</b>											
12 Short-term, n.e.c.	4.5	5.4	6.2	8.1	8.2	7.4	7.9	7.7	7.5	8.2	
13 Long-term, n.e.c.	27.6	32.3	36.0	43.6	46.7	48.9	50.5	52.0	52.4	51.6	
14 Other	6.8	8.1	11.5	12.6	14.2	15.7	16.0	14.6	14.3	17.3	
15 Capital, surplus, and undivided profits	12.5	13.4	15.1	17.2	19.9	19.2	19.9	19.8	19.4	20.9	
16 Total liabilities and capital	81.6	89.2	104.3	122.4	140.9	141.7	145.1	144.7	150.1	155.3	

1. Beginning Q1 1979, asset items on lines 6, 7, and 8 are combined

NOTE: Components may not add to totals due to rounding.

## 1.53 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding May 31, 1981 <sup>1</sup>	Changes in accounts receivable			Extensions			Repayments		
		1981			1981			1981		
		Mar.	Apr.	May	Mar.	Apr.	May	Mar.	Apr.	May
1 Total	75,808	-773	1,409	1,813	18,096	18,133	18,983	18,869	16,724	17,170
2 Retail automotive (commercial vehicles)	11,484	-295	-213	-152	749	790	830	1,044	1,003	982
3 Wholesale automotive	12,481	-1,075	890	682	5,050	5,865	5,426	6,125	4,975	4,744
4 Retail paper on business, industrial and farm equipment	24,581	556	56	608	1,788	1,384	1,595	1,232	1,328	987
5 Loans on commercial accounts receivable and factored commercial accounts receivable	8,319	178	139	488	8,142	7,735	8,696	7,964	7,596	8,208
6 All other business credit	19,013	-137	537	187	2,367	2,359	2,436	2,504	1,822	2,249

1. Not seasonally adjusted.

## 1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted

Item	1978	1979	1980	1980	1981					
				Dec	Jan	Feb	Mar	Apr	May	June
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
Conventional mortgages on new homes										
<i>Terms<sup>1</sup></i>										
1 Purchase price (thousands of dollars)	62.6	74.4	83.5	90.1	87.0	90.3	90.9	88.5	88.9	94.5
2 Amount of loan (thousands of dollars)	45.9	53.3	59.3	63.0	63.0	65.6	64.5	64.1	65.5	67.9
3 Loan/price ratio (percent)	75.3	73.9	73.3	72.9	75.6	75.6	73.9	74.7	76.7	74.0
4 Maturity (years)	28.0	28.5	28.2	28.2	29.1	29.0	28.7	28.6	28.5	28.1
5 Fees and charges (percent of loan amount) <sup>2</sup>	1.39	1.66	2.10	2.40	2.40	2.59	2.64	2.61	2.60	2.47
6 Contract rate (percent per annum)	9.30	10.48	12.25	12.80	12.80	13.02	13.48	13.62	13.56	14.07
<i>Yield (percent per annum)</i>										
7 FHFB series <sup>3</sup>	9.54	10.77	12.65	13.28	13.26	13.54	14.02	14.15	14.10	14.54
8 HUD series <sup>4</sup>	9.68	11.15	13.95	15.05	14.95	15.10	15.25	15.70	16.35	16.40
SECONDARY MARKETS										
<i>Yield (percent per annum)</i>										
9 FHA mortgages (HUD series) <sup>5</sup>	9.70	10.87	13.42	14.08	14.23	14.79	15.04	15.91	16.03	16.31
10 GNMA securities <sup>6</sup>	8.98	10.22	12.55	13.62	13.50	14.13	14.22	14.69	15.31	15.02
11 FNMA auctions <sup>7</sup>										
11 Government-underwritten loans	9.77	11.17	14.11	15.21	14.87	15.24	15.67	16.54	16.43	16.17
12 Conventional loans	10.01	11.77	14.43	15.54	14.95	15.05	15.33	15.66	16.44	16.30
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
13 Total	43,311	51,091	57,327	57,327	57,390	57,434	57,362	57,436	57,586	57,657
14 FHA-insured	21,243	24,489	38,969*	38,969	38,955	38,972	38,878	38,919	39,030	38,988
15 VA-guaranteed	10,544	10,496								
16 Conventional	11,524	16,106	18,358	18,358	18,435	18,462	18,484	18,517	18,557	18,699
<i>Mortgage transactions (during period)</i>										
17 Purchases	12,303	10,805	8,100	855	185	161	87	206	283	247
18 Sales	9	0	0	0	0	0	0	0	0	0
<i>Mortgage commitments<sup>9</sup></i>										
19 Contracted (during period)	18,959	10,179	8,044	403	241	244	320	383	802	1,110
20 Outstanding (end of period)	9,185	6,409	3,278	3,278	3,063	2,683	2,173	2,031	2,328	3,103
<i>Auction of 4-month commitments to buy Government-underwritten loans</i>										
21 Offered	12,978	8,860	8,605	242.1	210.7	155.3	145.3	139.1	2,048	237.6
22 Accepted	6,747.2	3,921	4,002	110.8	93.0	104.7	104.7	114.5	179.1	216.1
<i>Conventional loans</i>										
23 Offered	9,933.0	4,495	3,639	84.8	32.0	108.6	149.2	126.9	281.3	307.1
24 Accepted	5,111	2,344	1,749	54.1	30.3	79.1	97.6	92.0	113.2	142.0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)<sup>10</sup></i>										
25 Total	3,064	4,035	5,067	5,067	5,039	5,107	5,161	5,176	5,223	5,257
26 FHA/VA	1,243	1,102	1,033	1,033	1,029	1,025	1,021	1,017	1,013	1,009
27 Conventional	1,165	1,957	2,830	2,830	2,825	2,883	2,931	2,952	2,988	3,016
<i>Mortgage transactions (during period)</i>										
28 Purchases	6,525	5,717	3,722	285	152	174	148	125	480	139
29 Sales	6,211	4,544	2,526	48	168	94	127	97	422	94
<i>Mortgage commitments<sup>11</sup></i>										
30 Contracted (during period)	7,451	5,542	3,859	126	203	294	768	886	1,016	1,309
31 Outstanding (end of period)	1,410	797	447	653	487	394	699	678	322	1,018

1 Weighted averages based on sample surveys of mortgages originated by major institutional lender groups. Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.

2 Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) in order to obtain a loan.

3 Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.

4 Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points, from Department of Housing and Urban Development.

5 Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.

6 Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities,

assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.

7 Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.

8 Beginning March 1980, FHA-insured and VA-guaranteed mortgage holdings in lines 14 and 15 are combined.

9 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.

10 Includes participation as well as whole loans.

11 Includes conventional and government-underwritten loans.

## 1.55 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1978	1979	1980	1980				1981
				Q1	Q2	Q3	Q4	
<b>1 All holders</b>	<b>1,169,412</b>	<b>1,326,750</b>	<b>1,451,840</b>	<b>1,357,660</b>	<b>1,380,928</b>	<b>1,414,881</b>	<b>1,451,840</b>	<b>1,474,943</b>
2 1- to 4-family	765,217	878,931	960,422	897,608	910,286	935,393	960,422	973,601
3 Multifamily	121,138	128,852	136,580	130,363	132,194	134,193	136,580	139,087
4 Commercial	211,851	236,451	258,338	242,776	247,444	251,651	258,338	262,140
5 Farm	71,206	82,516	96,500	86,913	91,004	93,644	96,500	100,115
6 Major financial institutions	848,177	938,567	998,386	951,276	958,750	977,281	998,386	1,008,265
7 Commercial banks <sup>1</sup>	214,045	245,187	264,602	250,702	253,103	258,003	264,602	268,102
8 1- to 4-family	129,167	149,460	160,746	152,553	153,753	156,737	160,746	162,872
9 Multifamily	10,266	11,180	12,304	11,557	11,764	11,997	12,304	12,467
10 Commercial	66,115	75,957	82,688	77,993	79,110	80,626	82,688	83,782
11 Farm	8,497	8,590	8,864	8,599	8,476	8,643	8,864	8,981
12 Mutual savings banks	95,157	98,908	99,827	99,151	99,150	99,306	99,827	99,840
13 1- to 4-family	62,252	64,706	65,307	64,865	64,864	64,966	65,307	65,316
14 Multifamily	16,529	17,340	17,180	17,223	17,223	17,240	17,340	17,342
15 Commercial	16,319	16,963	17,120	17,004	17,004	17,031	17,120	17,122
16 Farm	57	59	60	59	59	60	60	60
17 Savings and loan associations	432,808	475,688	502,812	478,952	481,042	491,895	502,812	507,040
18 1- to 4-family	356,114	394,345	419,446	398,009	399,746	409,896	419,446	422,964
19 Multifamily	36,053	37,579	38,113	37,215	37,329	37,728	38,113	38,443
20 Commercial	40,461	43,764	45,253	43,728	43,967	44,271	45,253	45,633
21 Life insurance companies	106,167	118,784	131,145	122,471	125,455	128,077	131,145	133,283
22 1- to 4-family	14,436	16,193	17,911	16,850	17,796	17,996	17,911	18,203
23 Multifamily	19,000	19,274	19,614	19,590	19,284	19,357	19,614	19,934
24 Commercial	62,232	71,137	80,776	73,618	75,693	77,995	80,776	82,093
25 Farm	10,499	12,180	12,844	12,413	12,682	12,729	12,844	13,053
26 Federal and related agencies	81,739	97,084	114,300	103,921	108,539	110,526	114,300	116,306
27 Government National Mortgage Association	3,509	3,852	4,642	3,919	4,466	4,389	4,642	4,966
28 1- to 4-family	877	763	704	749	736	719	704	730
29 Multifamily	2,632	3,089	3,938	3,170	3,730	3,670	3,938	4,236
30 Farmers Home Administration	926	1,274	3,492	2,845	3,375	3,525	3,492	2,837
31 1- to 4-family	288	417	916	1,139	1,383	978	916	1,321
32 Multifamily	320	71	610	408	636	774	610	528
33 Commercial	101	174	411	409	402	370	411	479
34 Farm	217	612	1,555	889	954	1,403	1,555	509
35 Federal Housing and Veterans Administration	5,305	5,555	5,640	5,621	5,691	5,600	5,640	5,723
36 1- to 4-family	1,673	1,955	2,051	2,022	2,085	1,986	2,051	2,098
37 Multifamily	3,632	3,600	3,589	3,599	3,606	3,614	3,589	3,625
38 Federal National Mortgage Association	43,311	51,091	57,327	53,990	55,419	55,632	57,327	57,362
39 1- to 4-family	37,579	45,488	51,775	48,394	49,837	50,071	51,775	51,842
40 Multifamily	5,732	5,603	5,552	5,596	5,582	5,561	5,552	5,520
41 Federal Land Banks	25,624	31,277	38,131	33,311	35,874	36,837	38,131	40,258
42 1- to 4-family	927	1,552	2,099	1,708	1,893	1,985	2,099	2,228
43 Farm	24,697	29,725	36,032	31,603	33,681	34,852	36,032	38,030
44 Federal Home Loan Mortgage Corporation	3,064	4,035	5,068	4,235	4,014	4,543	5,068	5,160
45 1- to 4-family	2,407	3,059	3,873	3,210	3,037	3,459	3,873	3,952
46 Multifamily	657	976	1,195	1,025	977	1,084	1,195	1,208
47 Mortgage pools or trusts <sup>2</sup>	88,633	119,278	142,258	124,632	129,647	136,583	142,258	147,251
48 Government National Mortgage Association	54,347	76,401	93,874	80,843	84,282	89,452	93,874	97,184
49 1- to 4-family	52,732	74,546	91,602	78,872	82,208	87,276	91,602	94,810
50 Multifamily	1,615	1,855	2,272	1,971	2,074	2,176	2,272	2,374
51 Federal Home Loan Mortgage Corporation	11,892	15,180	16,854	15,454	16,120	16,659	16,854	17,100
52 1- to 4-family	9,657	12,149	13,471	12,359	12,886	13,318	13,471	13,680
53 Multifamily	2,235	3,031	3,383	3,095	3,234	3,341	3,383	3,420
54 Farmers Home Administration	22,394	27,697	31,530	28,335	29,245	30,472	31,530	32,967
55 1- to 4-family	13,400	14,884	16,683	14,926	15,224	16,226	16,683	16,640
56 Multifamily	1,116	2,163	2,612	2,159	2,159	2,235	2,612	2,825
57 Commercial	3,560	4,328	5,271	4,495	4,763	5,059	5,271	5,382
58 Farm	4,318	6,322	6,964	6,755	7,099	6,952	6,964	8,120
59 Individual and others <sup>3</sup>	150,863	171,821	196,896	177,831	183,992	190,491	196,896	203,121
60 1- to 4-family	83,708	99,414	113,838	101,952	104,838	109,780	113,838	116,945
61 Multifamily	21,351	23,251	26,058	23,755	24,596	25,407	26,058	27,165
62 Commercial	22,883	24,128	26,819	25,529	26,505	26,299	26,819	27,649
63 Farm	22,921	25,028	30,181	26,595	28,053	29,005	30,181	31,362

1 Includes loans held by nondeposit trust companies but not bank trust departments.

2 Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.

3. 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 governmental sources, with some quarters estimated in part by the Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Department of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations when required, are estimated mainly by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

A40 Domestic Financial Statistics □ August 1981

1.56 CONSUMER INSTALLMENT CREDIT<sup>1</sup> Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1978	1979	1980	1980	1981					
				Dec.	Jan	Feb	Mar	Apr	May	June
Amounts outstanding (end of period)										
<b>1 Total</b>	<b>273,645</b>	<b>312,024</b>	<b>313,435</b>	<b>313,435</b>	<b>310,554</b>	<b>309,188</b>	<b>310,766</b>	<b>313,419</b>	<b>315,465</b>	<b>318,459</b>
<i>By major holder</i>										
2 Commercial banks	136,016	154,177	145,765	145,765	143,749	142,030	141,897	142,070	142,143	143,310
3 Finance companies	54,298	68,318	76,756	76,756	77,131	78,090	79,490	81,033	81,794	82,723
4 Credit unions	44,334	46,517	44,041	44,041	43,601	43,776	44,212	44,390	45,055	45,686
5 Retailers <sup>2</sup>	25,987	28,119	29,410	29,410	28,300	27,329	26,965	27,227	27,319	27,412
6 Savings and loans	7,097	8,424	9,911	9,911	10,023	10,173	10,458	10,792	11,148	11,115
7 Gasoline companies	3,220	3,729	4,717	4,717	4,929	4,958	4,898	5,046	5,157	5,364
8 Mutual savings banks	2,693	2,740	2,835	2,835	2,821	2,832	2,846	2,861	2,849	2,849
<i>By major type of credit</i>										
9 Automobile	101,647	116,362	116,327	116,327	115,262	115,677	117,517	118,479	118,932	119,685
10 Commercial banks	60,510	67,367	61,025	61,025	59,608	59,061	59,378	59,252	59,169	59,192
11 Indirect paper	33,850	38,338	34,857	34,857	33,947	33,667	34,016	33,931	33,913	33,996
12 Direct loans	26,660	29,029	26,168	26,168	25,661	25,394	25,362	25,321	25,256	25,196
13 Credit unions	21,200	22,244	21,060	21,060	20,850	20,933	21,142	21,227	21,545	21,847
14 Finance companies	19,937	26,751	34,242	34,242	34,804	35,683	36,997	38,000	38,218	38,646
15 Revolving	48,309	56,937	59,862	59,862	58,985	57,566	56,831	57,322	57,524	58,470
16 Commercial banks	24,341	29,862	30,001	30,001	29,952	29,412	29,051	29,127	29,096	29,722
17 Retailers	20,748	23,346	25,144	25,144	24,104	23,196	22,882	23,149	23,271	23,384
18 Gasoline companies	3,220	3,729	4,717	4,717	4,929	4,958	4,898	5,046	5,157	5,364
19 Mobile home	15,235	16,838	17,327	17,327	17,244	17,189	17,273	17,422	17,626	17,724
20 Commercial banks	9,545	10,647	10,376	10,376	10,271	10,174	10,153	10,142	10,159	10,179
21 Finance companies	3,152	3,390	3,745	3,745	3,741	3,740	3,762	3,828	3,909	3,990
22 Savings and loans	2,067	2,307	2,737	2,737	2,768	2,809	2,888	2,980	3,079	3,069
23 Credit unions	471	494	469	469	464	466	470	472	479	486
24 Other	108,454	121,887	119,919	119,919	119,063	118,756	119,145	120,196	121,383	122,580
25 Commercial banks	41,620	46,301	44,363	44,363	43,918	43,383	43,315	43,549	43,719	44,217
26 Finance companies	31,209	38,177	38,769	38,769	38,586	38,667	38,731	39,205	39,667	40,087
27 Credit unions	22,663	23,779	22,512	22,512	22,287	22,377	22,600	22,691	23,031	23,353
28 Retailers	5,239	4,773	4,266	4,266	4,196	4,133	4,083	4,078	4,048	4,028
29 Savings and loans	5,030	6,117	7,174	7,174	7,255	7,364	7,570	7,812	8,069	8,046
30 Mutual savings banks	2,693	2,740	2,835	2,835	2,821	2,832	2,846	2,861	2,849	2,849
Net change (during period) <sup>3</sup>										
<b>31 Total</b>	<b>43,079</b>	<b>38,381</b>	<b>1,410</b>	<b>1,619</b>	<b>869</b>	<b>1,996</b>	<b>3,108</b>	<b>2,331</b>	<b>1,346</b>	<b>1,930</b>
<i>By major holder</i>										
32 Commercial banks	23,641	18,161	-8,412	-276	-1,357	-544	612	-345	-14	614
33 Finance companies	9,430	14,020	8,438	860	1,113	1,530	1,539	1,253	409	570
34 Credit unions	6,729	2,185	-2,475	378	288	444	287	272	391	219
35 Retailers <sup>2</sup>	2,497	2,132	1,291	316	409	103	253	531	-3	416
36 Savings and loans	7	1,327	1,485	190	232	254	418	421	519	45
37 Gasoline companies	257	509	988	83	106	209	-6	141	67	78
38 Mutual savings banks	518	47	95	68	78	0	5	58	-23	-12
<i>By major type of credit</i>										
39 Automobile	18,736	14,715	-35	302	-63	979	1,682	428	-195	57
40 Commercial banks	10,933	6,857	-6,342	-491	-1,253	-346	229	-461	-208	-214
41 Indirect paper	6,471	4,488	-3,481	-181	-839	-229	268	-256	-83	-44
42 Direct loans	4,462	2,369	-2,861	-310	-414	-117	-39	-205	-125	-170
43 Credit unions	3,101	1,044	-1,184	174	206	211	132	142	160	106
44 Finance companies	4,702	6,814	7,491	619	984	1,114	1,321	747	-147	165
45 Revolving	9,035	8,628	2,925	616	557	441	587	838	350	1,018
46 Commercial banks	5,967	5,521	139	211	59	166	346	153	230	580
47 Retailers	2,811	2,598	1,798	322	392	66	247	544	53	360
48 Gasoline companies	257	509	988	83	106	209	-6	141	67	78
49 Mobile home	286	1,603	488	66	-24	-47	88	145	243	89
50 Commercial banks	419	1,102	-271	-34	-85	-102	-35	-15	7	-12
51 Finance companies	74	238	355	48	15	18	25	58	78	85
52 Savings and loans	-276	240	430	47	46	31	97	99	152	14
53 Credit unions	69	23	-25	5	0	6	1	3	6	2
54 Other	15,022	13,435	-1,968	635	399	623	751	920	948	766
55 Commercial banks	6,322	4,681	-1,938	38	-78	-262	72	-22	-43	260
56 Finance companies	4,654	6,968	592	193	114	398	193	448	478	320
57 Credit unions	3,559	1,118	-1,266	199	82	227	154	127	225	111
58 Retailers	-314	-466	-507	-6	17	37	6	-13	-56	56
59 Savings and loans	283	1,087	1,056	143	186	223	321	322	367	31
60 Mutual savings banks	518	47	95	68	78	0	5	58	-23	-12

1 The Board's series cover most short- and intermediate-term credit extended to individuals through regular business channels, usually to finance the purchase of consumer goods and services or to refinance debts incurred for such purposes, and scheduled to be repaid (or with the option of repayment) in two or more installments

2 Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies

3 Net change equals extensions minus liquidations (repayments, charge-offs, and other credit), figures for all months are seasonally adjusted

## 1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

Holder, and type of credit	1978	1979	1980	1980	1981					
				Dec	Jan	Feb	Mar	Apr	May	June
<b>Extensions</b>										
<b>1 Total</b>	<b>297,668</b>	<b>324,777</b>	<b>305,887</b>	<b>27,149</b>	<b>27,059</b>	<b>28,706</b>	<b>29,822</b>	<b>28,878</b>	<b>28,149</b>	<b>29,005</b>
<i>By major holder</i>										
2 Commercial banks	142,433	154,733	133,605	11,484	10,397	11,648	12,676	11,986	12,055	12,483
3 Finance companies	50,505	61,518	60,801	5,185	5,904	6,193	5,911	5,218	4,937	5,251
4 Credit unions	38,111	34,926	29,594	3,035	2,994	3,167	3,153	3,181	3,212	3,137
5 Retailers <sup>1</sup>	44,571	47,676	50,959	4,497	4,673	4,500	4,685	5,002	4,486	5,018
6 Savings and loans	3,724	5,901	6,621	658	715	751	1,038	985	1,068	649
7 Gasoline companies	16,017	18,005	22,402	2,061	2,130	2,284	2,180	2,272	2,243	2,296
8 Mutual savings banks	2,307	2,018	1,905	229	246	163	179	234	148	171
<i>By major type of credit</i>										
9 Automobile	87,981	93,901	83,002	7,234	7,237	8,333	8,700	7,205	7,320	7,442
10 Commercial banks	52,969	53,554	40,657	3,271	2,598	3,560	4,117	3,438	3,627	3,652
11 Indirect paper	29,342	29,623	22,269	1,857	1,230	1,944	2,365	1,929	2,071	2,126
12 Direct loans	23,627	23,931	18,388	1,414	1,368	1,616	1,752	1,509	1,556	1,526
13 Credit unions	18,539	17,397	15,294	1,538	1,592	1,613	1,586	1,589	1,608	1,553
14 Finance companies	16,473	22,950	27,051	2,425	3,047	3,160	2,997	2,178	2,085	2,237
15 Revolving	105,125	120,174	129,580	11,614	11,483	11,867	12,071	12,352	11,904	12,668
16 Commercial banks	51,333	61,048	61,847	5,554	5,185	5,602	5,695	5,561	5,613	5,905
17 Retailers	37,775	41,121	45,331	3,999	4,168	3,981	4,196	4,519	4,048	4,467
18 Gasoline companies	16,017	18,005	22,402	2,061	2,130	2,284	2,180	2,272	2,243	2,296
19 Mobile home	5,412	6,471	5,098	479	383	409	641	551	609	488
20 Commercial banks	3,697	4,542	2,942	254	171	185	259	251	250	259
21 Finance companies	886	797	898	89	81	88	88	100	112	122
22 Savings and loans	609	948	1,146	119	119	118	269	184	230	93
23 Credit unions	220	184	113	17	12	18	25	16	17	14
24 Other	99,150	104,231	88,207	7,822	7,956	8,097	8,410	8,770	8,316	8,407
25 Commercial banks	34,434	35,589	28,159	2,405	2,443	2,301	2,605	2,736	2,565	2,667
26 Finance companies	33,146	37,771	32,852	2,671	2,776	2,945	2,826	2,940	2,740	2,892
27 Credit unions	19,352	17,345	14,187	1,480	1,390	1,536	1,542	1,576	1,587	1,570
28 Retailers	6,796	6,555	5,628	498	505	519	489	483	438	551
29 Savings and loans	3,115	4,953	5,476	539	596	633	769	801	838	556
30 Mutual savings banks	2,307	2,018	1,905	229	246	163	179	234	148	171
<b>Liquidations</b>										
<b>31 Total</b>	<b>254,589</b>	<b>286,396</b>	<b>304,477</b>	<b>25,530</b>	<b>26,190</b>	<b>26,710</b>	<b>26,714</b>	<b>26,547</b>	<b>26,803</b>	<b>27,075</b>
<i>By major holder</i>										
32 Commercial banks	118,792	136,522	142,017	11,760	11,754	12,192	12,064	12,331	12,069	11,869
33 Finance companies	41,075	47,498	52,363	4,325	4,791	4,663	4,372	3,965	4,528	4,681
34 Credit unions	31,382	32,741	32,069	2,657	2,706	2,866	2,866	2,909	2,821	2,918
35 Retailers <sup>1</sup>	42,074	45,544	49,668	4,181	4,264	4,397	4,432	4,471	4,489	4,602
36 Savings and loans	3,717	4,574	5,136	468	483	497	620	564	540	604
37 Gasoline companies	15,760	17,496	21,414	1,978	2,024	2,075	2,186	2,131	2,176	2,218
38 Mutual savings banks	1,789	1,971	1,810	161	168	163	174	176	171	183
<i>By major type of credit</i>										
39 Automobile	69,245	79,186	83,037	6,932	7,300	7,354	7,018	6,777	7,515	7,385
40 Commercial banks	42,036	46,697	46,999	3,762	3,851	3,906	3,888	3,899	3,835	3,866
41 Indirect paper	22,871	25,135	25,750	2,038	2,069	2,173	2,097	2,185	2,154	2,170
42 Direct loans	19,165	21,562	21,249	1,724	1,782	1,733	1,791	1,714	1,681	1,696
43 Credit unions	15,438	16,353	16,478	1,364	1,386	1,402	1,454	1,447	1,448	1,447
44 Finance companies	11,771	16,136	19,560	1,806	2,063	2,046	1,676	1,431	2,232	2,072
45 Revolving	96,090	111,546	126,655	10,998	10,926	11,426	11,484	11,514	11,554	11,650
46 Commercial banks	45,366	55,527	61,708	5,343	5,126	5,436	5,349	5,408	5,383	5,325
47 Retailers	34,964	38,523	43,533	3,677	3,776	3,915	3,949	3,975	3,995	4,107
48 Gasoline companies	15,760	17,496	21,414	1,978	2,024	2,075	2,186	2,131	2,176	2,218
49 Mobile home	5,126	4,868	4,610	413	407	456	553	406	366	399
50 Commercial banks	3,278	3,440	3,213	288	256	287	294	266	243	271
51 Finance companies	812	559	543	41	66	70	63	42	34	37
52 Savings and loans	885	708	716	72	73	87	172	85	78	79
53 Credit unions	151	161	138	12	12	12	24	13	11	12
54 Other	84,128	90,796	90,175	7,187	7,557	7,474	7,659	7,850	7,368	7,641
55 Commercial banks	28,112	30,908	30,097	2,367	2,521	2,563	2,533	2,758	2,608	2,407
56 Finance companies	28,492	30,803	32,260	2,478	2,662	2,547	2,633	2,492	2,262	2,572
57 Credit unions	15,793	16,227	15,453	1,281	1,308	1,309	1,388	1,449	1,362	1,459
58 Retailers	7,110	7,021	6,135	504	488	482	483	496	494	495
59 Savings and loans	2,832	3,866	4,420	396	410	420	448	479	471	525
60 Mutual savings banks	1,789	1,971	1,810	161	168	163	174	176	171	183

<sup>1</sup> Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies

## A42 Domestic Financial Statistics □ August 1981

## 1.58 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-yearly data are at seasonally adjusted annual rates.

Transaction category, sector	1975	1976	1977	1978	1979	1980	1978		1979		1980	
							H1	H2	H1	H2	H1	H2
Nonfinancial sectors												
1 Total funds raised	210.8	271.9	338.5	400.4	394.9	365.4	384.8	416.0	380.5	408.2	325.8	404.9
2 Excluding equities	200.7	261.0	335.3	398.3	390.6	353.9	387.4	409.2	377.7	402.3	318.0	389.7
<i>By sector and instrument</i>												
3 U.S. government	85.4	69.0	56.8	53.7	37.4	79.2	61.4	46.0	28.6	46.1	64.7	93.7
4 Treasury securities	85.8	69.1	57.6	55.1	38.8	79.8	62.3	47.9	30.9	46.6	65.3	94.3
5 Agency issues and mortgages	-4	-1	-9	-1.4	-1.4	-6	-9	-1.9	-2.3	-5	-6	-6
6 All other nonfinancial sectors	125.4	202.8	281.7	346.7	357.6	286.2	323.4	370.0	351.9	362.1	261.1	311.2
7 Corporate equities	10.1	10.8	3.1	2.1	4.3	11.5	-2.6	6.8	2.8	5.9	7.8	15.3
8 Debt instruments	115.3	192.0	278.6	344.6	353.2	274.7	326.0	363.2	349.1	356.2	253.4	295.9
9 Private domestic nonfinancial sectors	112.1	182.0	267.8	314.4	336.4	256.7	302.8	326.1	338.6	333.0	231.9	281.5
10 Corporate equities	9.9	10.5	2.7	2.6	3.5	9.5	-1.8	7.0	2.8	4.1	6.0	13.0
11 Debt instruments	102.2	171.5	265.1	311.8	333.0	247.2	304.6	319.1	335.8	328.9	225.9	268.5
12 Debt capital instruments	98.4	123.5	175.6	196.6	199.9	179.7	188.3	205.0	198.8	201.1	171.9	187.4
13 State and local obligations	16.1	15.7	23.7	28.3	18.9	25.0	27.8	28.7	16.0	21.8	18.5	31.6
14 Corporate bonds	27.2	22.8	21.0	20.1	21.2	27.9	20.6	19.6	22.4	19.9	33.6	22.3
15 Mortgages												
16 Home Mortgages	39.5	63.6	96.3	104.6	109.1	81.5	100.1	109.1	109.8	108.5	70.7	92.8
17 Multifamily residential		1.8	7.4	10.2	8.9	8.7	9.3	11.2	8.1	9.7	8.1	9.0
18 Commercial	11.0	13.4	18.4	23.3	25.7	21.6	21.2	25.4	26.0	25.4	25.5	19.3
19 Farm	4.6	6.1	8.8	10.2	16.2	14.0	9.3	11.1	16.6	15.9	15.5	12.4
20 Other debt instruments	3.8	48.0	89.5	115.2	133.0	67.2	116.3	114.1	137.0	127.8	54.0	81.1
21 Consumer credit	9.7	25.6	40.6	50.6	44.2	3.1	50.1	51.0	48.3	39.0	-4.3	8.9
22 Bank loans n e c	-12.3	4.0	27.0	37.3	50.6	37.9	43.1	31.4	48.2	52.9	9.7	65.0
23 Open market paper	-2.6	4.0	2.9	5.2	10.9	5.8	5.3	5.1	12.0	9.7	29.7	-18.1
23 Other	9.0	14.4	19.0	22.2	27.3	20.4	17.8	26.5	28.4	26.2	18.9	25.2
24 By borrowing sector	112.1	182.0	267.8	314.4	336.4	254.2	302.8	326.1	338.6	333.0	231.9	281.5
25 State and local governments	13.7	15.2	20.4	23.6	15.5	20.7	21.0	26.1	13.0	18.0	16.6	30.4
26 Households	49.7	90.5	139.9	162.6	164.9	100.8	156.1	169.1	167.6	161.2	88.7	113.7
27 Farm	8.8	10.9	14.7	18.1	25.8	19.0	15.3	20.8	23.5	28.1	20.9	14.7
28 Nonfarm noncorporate	2.0	4.7	12.9	15.4	15.9	12.5	16.4	14.4	15.5	15.9	10.3	15.5
29 Corporate	37.9	60.7	79.9	94.8	114.3	101.1	93.9	95.7	118.9	109.7	95.4	107.2
30 Foreign	13.3	20.8	13.9	32.3	21.2	29.9	20.6	43.9	13.3	29.1	29.3	29.7
31 Corporate equities	2	3	4	-5	9	2.2	-8	-2	*	1.7	1.8	2.3
32 Debt instruments	13.2	20.5	13.5	32.8	20.3	27.7	21.4	44.1	13.3	27.3	27.5	27.4
33 Bonds	6.2	8.6	5.1	4.0	3.9	8	5.0	3.0	3.0	4.7	2.0	-4
34 Bank loans n e c	3.9	6.8	3.1	18.3	2.3	11.8	9.3	27.3	1.0	3.5	4.4	18.7
35 Open market paper	3	1.9	2.4	6.6	11.2	10.1	3.6	9.6	6.1	16.3	15.7	4.5
36 U.S. government loans	2.8	3.3	3.0	3.9	3.0	5.0	3.6	4.2	3.1	2.8	5.4	4.6
Financial sectors												
37 Total funds raised	12.7	24.1	54.0	81.4	88.5	70.8	80.7	82.1	86.3	90.7	53.7	84.2
<i>By instrument</i>												
38 U.S. government related	13.5	18.6	26.3	41.4	52.4	47.5	38.5	44.3	45.8	59.0	45.8	48.9
39 Sponsored credit agency securities	2.3	3.3	7.0	23.1	24.3	24.3	21.9	24.3	21.5	27.0	25.1	23.7
40 Mortgage pool securities	10.3	15.7	20.5	18.3	28.1	23.2	16.6	20.1	24.2	32.0	20.7	25.2
41 Loans from U.S. government	9	-4	-1.2	-	-	-	-	-	-	-	-	-
42 Private financial sectors	-8	5.5	27.7	40.0	36.1	23.3	42.2	37.8	40.5	31.7	7.9	35.3
43 Corporate equities	.6	1.0	9	1.7	2.3	3.4	2.2	1.1	2.0	2.5	2.6	4.3
44 Debt instruments	-14	4.4	26.9	38.3	33.8	19.8	40.0	36.7	38.4	29.2	5.3	31.0
45 Corporate bonds	2.9	5.8	10.1	7.5	7.8	7.2	8.5	6.4	8.7	7.0	10.5	3.5
46 Mortgages	2.3	2.1	3.1	9	-1.2	-9	2.1	-3	-5	-1.9	-6.8	4.8
47 Bank loans n e c	-3.7	-3.7	-3	2.8	-4	1.0	2.5	3.1	-7	-2	1.0	-1.9
48 Open market paper and RPs	1.1	2.2	9.6	14.6	18.4	5.4	13.5	15.7	23.0	13.8	-3.6	14.5
49 Loans from Federal Home Loan Banks	-4.0	-2.0	4.3	12.5	9.2	7.1	13.2	11.8	7.8	10.5	4.1	10.2
<i>By sector</i>												
50 Sponsored credit agencies	3.2	2.9	5.8	23.1	24.3	24.4	21.9	24.3	21.5	27.0	25.1	23.7
51 Mortgage pools	10.3	15.7	20.5	18.3	28.1	23.2	16.6	20.1	24.2	32.0	20.7	25.2
52 Private financial sectors	-8	5.5	27.7	40.0	36.1	23.3	42.2	37.8	40.5	31.7	7.9	35.3
53 Commercial banks	1.2	2.3	1.1	1.3	1.6	6	1.5	1.1	1.3	1.8	8	.3
54 Bank affiliates	3	-8	1.3	6.7	4.5	5.6	5.8	7.6	6.2	2.9	4.5	6.6
55 Savings and loan associations	-2.3	1	9.9	14.3	11.4	6.4	16.4	12.2	9.9	12.9	-3.1	17.0
56 Other insurance companies	1.0	9	9	1.1	1.0	8	1.0	1.1	1.0	9	.8	7
57 Finance companies	5	6.4	17.6	18.6	18.9	8.8	18.9	18.2	23.5	14.3	5.5	10.0
58 REITs	-1.4	-2.4	-2.2	-1.0	-4	-9	-1.0	-1.0	-6	-1	-1.4	-2.0
59 Open-end investment companies	-1	-1.0	-9	-1.0	-1.0	2.0	-5	-1.5	-1.0	-9	9	2.6
All sectors												
60 Total funds raised, by instrument	223.6	295.9	392.5	481.8	483.4	434.1	465.5	498.1	466.7	498.9	379.5	489.2
61 Investment company shares	-1	-1.0	-9	-1.0	-1.0	2.0	-5	-1.5	-1.0	-9	.9	2.6
62 Other corporate equities	10.8	12.9	4.9	4.7	7.6	15.0	.1	9.4	5.8	9.3	9.5	17.0
63 Debt instruments	212.9	284.1	388.5	478.1	476.8	417.1	465.9	490.2	461.9	490.5	369.1	469.6
64 U.S. government securities	98.2	88.1	84.3	95.2	89.9	126.8	100.0	90.4	74.5	105.2	110.6	142.8
65 State and local obligations	16.1	15.7	23.7	28.3	18.9	22.2	27.8	28.7	16.0	21.8	18.5	31.6
66 Corporate and foreign bonds	36.4	37.2	36.1	31.3	32.9	35.6	34.2	29.1	34.1	31.5	46.1	25.4
67 Mortgages	57.2	87.0	133.9	149.1	158.6	124.8	141.9	156.3	159.8	157.4	113.0	138.2
68 Consumer credit	9.7	25.6	40.6	50.6	44.2	3.1	50.1	51.0	48.3	39.0	-4.3	8.9
69 Bank loans n e c	-12.2	7.0	29.8	58.4	52.5	50.7	54.9	61.8	48.6	56.2	15.1	81.7
70 Open market paper and RPs	-1.2	8.1	15.0	26.4	40.5	21.4	22.4	30.4	41.1	39.8	41.9	9
71 Other loans	8.7	15.3	25.2	38.6	39.5	32.6	34.6	42.5	39.4	39.5	28.4	40.0



## 1.59 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted, half-yearly data are at seasonally adjusted annual rates

Transaction category, or sector	1975	1976	1977	1978	1979	1980	1978		1979		1980	
							I11	I12	I11	I12	I11	I12
<b>1 Total funds advanced in credit markets to nonfinancial sectors</b>	<b>200.7</b>	<b>261.0</b>	<b>335.3</b>	<b>398.3</b>	<b>390.6</b>	<b>349.8</b>	<b>387.4</b>	<b>409.2</b>	<b>377.7</b>	<b>402.3</b>	<b>318.0</b>	<b>389.7</b>
<i>By public agencies and foreign</i>												
2 Total net advances	44.6	54.3	85.1	109.7	80.1	95.8	102.8	116.6	47.6	112.5	101.5	90.4
3 U.S. government securities	22.5	26.8	40.2	43.9	2.0	22.3	43.7	44.0	22.1	26.2	24.7	21.3
4 Residential mortgages	16.2	12.8	20.4	26.5	36.1	32.0	22.2	30.7	32.6	39.6	33.4	30.7
5 FHLB advances to savings and loans	-4.0	-2.0	4.3	12.5	9.2	7.1	13.2	11.8	7.8	10.5	4.1	10.2
6 Other loans and securities	9.8	16.6	20.2	26.9	32.8	34.5	23.7	30.1	29.2	36.3	39.3	28.3
<i>Total advanced, by sector</i>												
7 U.S. government	15.1	8.9	11.8	20.4	22.5	26.0	19.4	21.4	23.8	21.3	29.5	21.6
8 Sponsored credit agencies	14.8	20.3	26.8	44.6	57.5	48.6	39.4	49.8	49.9	65.2	43.6	52.9
9 Monetary authorities	8.5	9.8	7.1	7.0	7.7	4.5	13.4	5	9	14.5	14.6	5.6
10 Foreign	6.1	15.2	39.4	37.7	-7.7	16.7	30.6	44.9	27.0	11.7	13.8	21.5
11 Agency borrowing not included in line 1	13.5	18.6	26.3	41.4	52.4	47.5	38.5	44.3	45.8	59.0	45.8	48.9
<i>Private domestic funds advanced</i>												
12 Total net advances	169.7	225.4	276.5	330.0	362.9	301.5	323.2	336.9	375.9	348.8	262.4	348.2
13 U.S. government securities	75.7	61.3	44.1	51.3	87.9	104.6	56.3	46.4	96.6	79.1	85.9	121.5
14 State and local obligations	16.1	15.7	23.7	28.3	18.9	22.2	27.8	28.7	16.0	21.8	18.5	31.6
15 Corporate and foreign bonds	32.8	30.5	22.5	22.5	25.6	25.5	24.1	20.9	26.9	24.3	32.6	19.5
16 Residential mortgages	23.2	52.6	83.3	88.2	81.8	58.1	87.1	89.5	85.1	78.5	45.2	71.0
17 Other mortgages and loans	17.9	63.3	107.3	152.2	157.9	98.2	141.1	163.3	159.1	155.6	84.2	114.7
18 U.S. Federal Home Loan Bank advances	-4.0	-2.0	4.3	12.5	9.2	7.1	13.2	11.8	7.8	10.5	4.1	10.2
<i>Private financial intermediation</i>												
19 Credit market funds advanced by private financial institutions	122.5	190.1	257.0	296.9	292.5	265.6	301.7	292.0	307.5	277.4	230.7	293.0
20 Commercial banking	29.4	59.6	87.6	128.7	121.1	103.5	132.5	125.0	124.6	117.6	57.0	142.4
21 Savings institutions	53.5	70.8	82.0	75.9	56.3	57.6	75.8	75.9	57.7	54.9	32.1	81.1
22 Insurance and pension funds	40.6	49.9	67.9	73.5	70.4	76.4	76.9	70.2	75.4	65.5	86.4	68.0
23 Other finance	-1.0	9.8	19.6	18.7	44.7	28.1	16.6	20.9	49.8	39.6	55.2	1.5
24 Sources of funds	122.5	190.1	257.0	296.9	292.5	265.6	301.7	292.0	307.5	277.4	230.7	293.0
25 Private domestic deposits	92.0	124.6	141.2	142.5	136.7	163.9	138.3	146.7	121.7	151.6	148.3	183.0
26 Credit market borrowing	1.4	4.4	26.9	38.3	33.8	19.8	40.0	36.7	38.4	29.2	5.3	31.0
27 Other sources	32.0	61.0	89.0	116.0	122.0	81.9	123.5	108.6	147.3	96.6	77.2	79.0
28 Foreign funds	-8.7	4.6	1.2	6.3	26.3	-20.0	5.7	6.9	49.4	3.2	18.1	28.1
29 Treasury balances	1.7	-1	4.3	6.8	4	-2.0	1.9	11.6	5.1	-4.3	-2.5	-2.6
30 Insurance and pension reserves	29.7	34.5	49.4	62.7	49.0	58.5	66.2	59.2	53.9	44.0	62.4	55.6
31 Other, net	12.7	31.2	34.1	40.3	46.3	45.4	49.6	31.0	38.9	53.7	35.4	54.1
<i>Private domestic nonfinancial investors</i>												
32 Direct lending in credit markets	45.8	39.7	46.3	71.5	104.2	55.7	61.4	81.6	106.8	100.5	36.9	86.1
33 U.S. government securities	24.1	16.1	23.0	33.2	57.8	30.7	32.1	34.4	64.1	51.5	15.5	48.8
34 State and local obligations	8.4	3.8	2.6	4.5	-2.5	-1.8	7.0	2.0	-2.3	-2.7	1.6	7.9
35 Corporate and foreign bonds	8.4	5.8	3.3	-1.4	11.1	5.4	-3.7	1.0	7.8	14.2	5.2	5.3
36 Commercial paper	1.3	1.9	9.5	16.3	10.7	2.4	8.2	24.4	12.5	9.0	5.7	-2.9
37 Other	6.2	12.0	14.5	18.8	27.1	23.9	17.8	19.8	24.7	28.5	23.6	27.0
38 Deposits and currency	98.1	131.9	149.5	151.8	144.7	173.5	148.7	154.8	131.1	158.1	157.3	194.6
39 Security RPs	2	2.3	2.2	7.5	6.6	4.7	9.8	5.1	18.5	-5.3	5.3	7.4
40 Money market fund shares	1.3		2	6.9	34.4	29.2	6.1	7.7	30.2	38.6	61.9	-3.4
41 Time and savings accounts	84.0	113.5	121.0	115.2	84.7	131.8	110.7	119.8	71.4	97.9	92.3	178.9
42 Large at commercial banks	-15.8	13.2	23.0	45.9	4	12.7	33.9	57.9	-25.3	26.0	12.0	72.6
43 Other at commercial banks	40.3	57.6	29.0	8.2	39.3	62.9	18.4	-1.9	41.3	37.3	60.8	37.7
44 At savings institutions	59.4	69.1	69.0	61.1	45.1	56.2	58.5	63.8	55.4	34.7	43.5	68.7
45 Money	12.6	16.1	20.1	22.2	18.9	7.8	22.1	22.3	10.9	26.8	-2.2	11.8
46 Demand deposits	6.4	8.8	17.8	12.9	11.0	-1.8	11.6	14.2	1.6	20.3	-11.3	2
47 Currency	6.2	7.3	8.3	9.3	7.9	9.6	10.5	8.1	9.3	6.5	9.0	11.6
<b>48 Total of credit market instruments, deposits and currency</b>	<b>143.9</b>	<b>171.6</b>	<b>195.8</b>	<b>223.3</b>	<b>248.9</b>	<b>229.1</b>	<b>210.1</b>	<b>236.4</b>	<b>237.9</b>	<b>258.7</b>	<b>194.2</b>	<b>280.8</b>
49 Public support rate (in percent)	22.2	20.8	25.4	27.5	20.5	27.4	26.5	28.5	12.6	28.0	31.9	23.2
50 Private financial intermediation (in percent)	72.2	84.3	93.0	90.0	80.6	88.1	93.4	80.7	81.8	79.5	87.9	84.2
51 Total foreign funds	-2.6	10.6	40.5	44.0	18.6	-3.3	36.3	51.8	22.4	14.9	-4.3	6.6
<i>MI MO Corporate equities not included above</i>												
<b>52 Total net issues</b>	<b>10.7</b>	<b>11.9</b>	<b>4.0</b>	<b>3.7</b>	<b>6.6</b>	<b>17.0</b>	<b>-4</b>	<b>7.9</b>	<b>4.8</b>	<b>8.4</b>	<b>10.4</b>	<b>19.6</b>
53 Mutual fund shares	-1	-1.0	9	-1.0	1.0	2.0	-5	-1.5	1.0	-9	9	2.6
54 Other equities	10.8	12.9	4.9	4.7	7.6	15.0	1	9.4	5.8	9.3	9.5	17.0
55 Acquisitions by financial institutions	9.6	12.3	7.4	7.6	15.7	18.7	4	14.7	12.5	18.9	10.5	25.1
56 Other net purchases	1.1	-4	3.4	-3.8	-9.1	1.7	-8	-6.8	7.7	-10.5	-1	5.5

## NOTES BY LINE NUMBER

1. Line 2 of p. A42.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities. Included below in lines 3, 13, and 33.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, 40, 41, and 46.
17. Includes farm and commercial mortgages.
25. Sum of lines 39, 40, 41, and 46.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.

30. Includes 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.

47. Mainly an offset to line 9.

48. Lines 32 plus 38, or line 12 less line 27 plus 45.

49. Line 2/line 1.

50. Line 19/line 12.

51. Sum of lines 10 and 28.

52. 54. 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.

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## 2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

1967 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1978	1979	1980	1980		1981						
				Nov	Dec	Jan.	Feb.	Mar.	Apr.	May <sup>r</sup>	June <sup>r</sup>	July
<b>1 Industrial production<sup>1</sup></b>	<b>146.1</b>	<b>152.5</b>	<b>147.1</b>	<b>149.4</b>	<b>151.0</b>	<b>151.7</b>	<b>152.2</b>	<b>152.2</b>	<b>152.2</b>	<b>153.0</b>	<b>152.9</b>	<b>153.4</b>
<i>Market groupings</i>												
2 Products, total	144.8	150.0	146.8	148.7	149.9	150.3	149.8	150.7	151.5	152.4	152.0	152.1
3 Final, total	135.9	147.2	145.4	147.5	148.3	148.3	147.9	149.2	150.3	151.5	151.4	151.7
4 Consumer goods	149.1	150.8	145.5	148.0	147.7	147.2	146.9	148.2	149.2	150.8	150.2	150.2
5 Equipment	132.8	142.2	145.1	146.7	149.1	149.8	149.1	150.7	151.7	152.6	153.1	153.8
6 Intermediate	154.1	160.5	151.9	153.5	156.1	157.7	156.9	156.3	156.0 <sup>r</sup>	155.7	154.1	153.8
7 Materials	148.3	156.4	147.7	150.5	152.6	153.8	154.2	154.4	153.2	154.0	154.4	155.4
<i>Industry groupings</i>												
8 Manufacturing	146.7	153.6	146.6	149.1	150.6	151.1	151.0	151.7	152.3	153.0	152.4	152.7
Capacity utilization (percent) <sup>1,2</sup>												
9 Manufacturing	84.4	85.7	79.0	79.4	79.9	80.0	79.8	79.9	80.0	80.2	79.7	79.6
10 Industrial materials industries	85.6	87.4	79.8	80.4	81.3	81.7	81.7	81.7	80.9	81.1	81.2	81.5
11 Construction contracts (1972 = 100) <sup>3</sup>	174.1	185.6	161.8	210.0	193.0	185.0	177.0	183.0	172.0	160.0	170.0	n.a.
12 Nonagricultural employment, total <sup>4</sup>	131.8	136.5	137.6	138.1	138.2	138.4	138.7	138.8	139.0	139.1	139.2	139.8
13 Goods-producing, total	109.8	113.5	110.3	110.0	110.0	110.0	110.1	110.3	110.3	110.3	110.7	111.2
14 Manufacturing, total	105.4	108.2	104.4	103.8	103.7	103.7	103.8	103.8	104.6	105.0	105.0	105.6
15 Manufacturing, production-worker	103.0	105.3	99.4	98.4	98.3	98.2	98.2	98.4	99.2	99.6	99.6	100.3
16 Service-producing	143.8	149.1	152.6	153.5	153.7	154.0	154.4	154.5	154.7	155.0	154.8	155.4
17 Personal income, total	273.3	308.5	342.9	358.3	361.4	365.2	368.0	371.5	373.6	375.8	378.1	n.a.
18 Wages and salary disbursements	258.8	289.5	314.7	328.0	330.5	335.6	337.9	340.2	341.8 <sup>r</sup>	343.4	344.7	n.a.
19 Manufacturing	223.1	248.6	261.5	273.1	275.8	280.1	281.3	282.9	286.1 <sup>r</sup>	289.0	288.7	n.a.
20 Disposable personal income <sup>5</sup>	267.0	299.6	332.5	346.4	349.2	352.5	355.3	358.7	360.6	362.3	364.2	n.a.
21 Retail sales <sup>6</sup>	253.8	281.6	300.0	313.8	315.8	326.6	331.7	334.8	328.1 <sup>c</sup>	326.7	332.2	336.4
<i>Prices<sup>7</sup></i>												
22 Consumer	195.4	217.4	246.8	256.2	258.4	260.5	263.2	265.1	226.8	269.0	271.3	n.a.
23 Producer finished goods	194.6	216.1	246.9	256.2	257.2	260.4	262.4	265.3	267.7	268.9	269.9	271.3

1. The industrial production and capacity utilization series have been revised back to January 1979.

2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.

4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

6. Based on Bureau of Census data published in *Survey of Current Business*.

7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE: Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business*.

Figures for industrial production for the last two months are preliminary and estimated, respectively.

## 2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1980		1981		1980		1981		1980		1981	
	Q3	Q4	Q1	Q2 <sup>r</sup>	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 <sup>r</sup>
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
<b>1 Manufacturing</b>	<b>141.0</b>	<b>148.7</b>	<b>151.3</b>	<b>152.6</b>	<b>186.3</b>	<b>187.8</b>	<b>189.3</b>	<b>190.8</b>	<b>75.7</b>	<b>79.2</b>	<b>79.9</b>	<b>80.0</b>
2 Primary processing	139.6	153.1	157.3	156.7	191.5	193.0	194.3	195.4	72.9	79.4	81.0	80.2
3 Advanced processing	141.8	146.4	148.2	150.4	183.5	185.0	186.6	188.3	77.3	79.1	79.4	79.8
<b>4 Materials</b>	<b>139.2</b>	<b>149.8</b>	<b>154.1</b>	<b>153.9</b>	<b>185.8</b>	<b>187.2</b>	<b>188.7</b>	<b>189.8</b>	<b>74.9</b>	<b>80.0</b>	<b>81.7</b>	<b>81.1</b>
5 Durable goods	131.5	145.1	151.1	152.6	190.0	191.5	192.8	194.0	69.2	75.8	78.4	78.7
6 Metal materials	86.6	109.9	117.2	112.4	140.9	141.0	141.1	141.1	61.5	78.0	83.1	79.6
7 Nondurable goods	161.9	175.5	179.2	179.4	204.3	206.5	208.5	210.1	79.2	85.0	85.9	85.3
8 Textile, paper, and chemical	165.6	182.7	186.8	187.8	213.7	216.2	218.5	220.4	77.5	84.5	85.5	85.2
9 Textile	113.4	113.2	111.0	113.2	139.6	140.0	140.3	140.7	81.2	80.9	79.1	80.5
10 Paper	142.9	148.9	151.2	151.5	157.4	158.8	160.0	161.0	90.7	93.8	94.5	94.1
11 Chemical	197.9	226.9	234.7 <sup>r</sup>	235.3	268.7	272.9	276.4	279.3	73.6	83.2	84.9	84.2
12 Energy materials	129.6	129.5	130.7 <sup>r</sup>	125.4	152.6	153.1	154.1	155.0	85.0	84.6	84.8 <sup>r</sup>	80.9

2.11 Continued

Series	Previous cycle <sup>1</sup>		Latest cycle <sup>2</sup>		1980	1980			1981					
	High	Low	High	Low	June	Nov	Dec	Jan	Feb.	Mar	Apr. <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	
Capacity utilization rate (percent)														
13 Manufacturing	88.0	69.0	87.2	74.9	75.7	79.4	79.9	80.0	79.8	79.9	80.0	80.2	79.7	
14 Primary processing	93.8	68.2	90.1	70.9	72.7	79.6	80.8	81.2	81.2	80.6 <sup>r</sup>	80.7	80.4	79.6	
15 Advanced processing	85.5	69.4	86.2	77.1	77.4	79.2	79.6	79.5	79.1	79.5 <sup>r</sup>	79.6	80.1	79.7	
16 Materials	92.6	69.4	88.8	73.7	75.7	80.4	81.3	81.7	81.7	81.7	80.9	81.1	81.2	
17 Durable goods	91.5	63.6	88.4	68.0	70.8	76.5	77.3	78.0	78.2	78.9	78.5	79.0	78.5	
18 Metal materials	98.3	68.6	96.0	58.4	67.0	81.4	81.0	82.0	83.2	84.1	80.1	80.5	78.3	
19 Nondurable goods	94.5	67.2	90.9	76.8	78.7	84.3	86.3	86.7	86.1	85.0 <sup>r</sup>	85.7	85.5	84.8	
20 Textile, paper, and chemical	95.1	65.3	91.4	74.5	77.1	83.7	85.9	86.2	85.8	84.5	85.4	85.5	84.6	
21 Textile	92.6	57.9	90.1	79.5	81.8	80.7	79.8	79.8	79.2	78.2	80.2	80.5	80.8	
22 Paper	99.4	72.4	97.6	88.1	91.6	94.1	94.2	93.7	94.8	94.9	94.7	93.7	93.8	
23 Chemical	95.5	64.2	91.2	69.6	72.7	82.0	85.4	85.9	85.2	83.7 <sup>r</sup>	84.5	84.7	83.4	
24 Energy materials	94.6	84.8	88.3	83.1	85.8	85.5	85.0	84.6	85.2	84.7 <sup>r</sup>	79.8	80.1	83.0	

1. Monthly high 1973; monthly low 1975.  
 2. Preliminary; monthly highs December 1978 through January 1980; monthly lows July 1980 through October 1980.

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1978	1979	1980	1981						
				Jan.	Feb.	Mar.	Apr.	May	June	July
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population <sup>1</sup>	161,058	163,620	166,246	167,585	167,747	167,902	168,071	168,272	168,480	168,685
2 Labor force (including Armed Forces) <sup>1</sup>	102,537	104,996	106,821	107,668	107,802	108,305	108,851	109,533	108,307	108,603
3 Civilian labor force	100,420	102,908	104,719	105,543	105,681	106,177	106,722	107,406	106,176	106,464
4 Employment										
5 Nonagricultural industries <sup>2</sup>	91,031	93,648	93,960	94,294	94,646	95,136	95,513	95,882	95,127	95,704
6 Agriculture	3,342	3,297	3,310	3,403	3,281	3,276	3,463	3,353	3,265	3,258
7 Unemployment										
8 Number	6,047	5,963	7,448	7,847	7,754	7,764	7,746	8,171	7,784	7,502
9 Rate (percent of civilian labor force)	6.0	5.8	7.1	7.4	7.3	7.3	7.3	7.6	7.3	7.0
10 Not in labor force	58,521	58,623	59,425	59,917	59,946	59,598	59,219	58,739	60,173	60,082
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment <sup>3</sup>	86,697	89,823	90,564	91,091	91,258	91,347	91,458	91,564 <sup>r</sup>	91,583 <sup>r</sup>	91,966
10 Manufacturing	20,505	21,040	20,300	20,174	20,177	20,171	20,332	20,414 <sup>r</sup>	20,420 <sup>r</sup>	20,528
11 Mining	851	958	1,020	1,083	1,091	1,098	950	957 <sup>r</sup>	1,112 <sup>r</sup>	1,141
12 Contract construction	4,229	4,463	4,399	4,390	4,389	4,416	4,418	4,334 <sup>r</sup>	4,274 <sup>r</sup>	4,253
13 Transportation and public utilities	4,923	5,136	5,143	5,124	5,135	5,139	5,161	5,148 <sup>r</sup>	5,145 <sup>r</sup>	5,151
14 Trade	19,542	20,192	20,386	20,529	20,600	20,635	20,636	20,714	20,703 <sup>r</sup>	20,798
15 Finance	4,724	4,975	5,168	5,268	5,283	5,293	5,316	5,326 <sup>r</sup>	5,330 <sup>r</sup>	5,344
16 Service	16,252	17,112	17,901	18,300	18,343	18,371	18,475	18,540 <sup>r</sup>	18,568 <sup>r</sup>	18,653
17 Government	15,672	15,947	16,249	16,223	16,240	16,204	16,170	16,131 <sup>r</sup>	16,031 <sup>r</sup>	16,098

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1979 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

## 2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted.

Grouping	1967 pro- por- tion	1980 aver- age	1980						1981						
			July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr <sup>r</sup>	May	June <sup>p</sup>	July <sup>r</sup>
Index (1967 = 100)															
MAJOR MARKET															
1 Total index	100.00	147.1	140.4	141.8	144.1	146.9	149.4	151.0	151.7	151.5	152.2	152.2	153.0	152.9	153.4
2 Products	60.71	146.8	142.8	143.8	145.3	147.2	148.7	149.9	150.3	149.8	150.7	151.5	152.4	152.0	152.1
3 Final products	47.82	145.4	142.4	142.8	143.9	145.8	147.5	148.3	148.3	147.9	149.2	150.3	151.5	151.4	151.7
4 Consumer goods	27.68	145.5	142.0	142.7	144.3	146.6	148.0	147.7	147.2	146.9	148.2	149.2	150.8	150.2	150.2
5 Equipment	20.14	145.1	142.9	142.9	143.2	144.8	146.7	149.1	149.8	149.1	150.7	151.7	152.6	153.1	153.8
6 Intermediate products	12.89	151.9	144.5	147.6	150.6	152.4	153.5	156.1	157.7	156.9	156.3	156.0	155.7	154.1	153.8
7 Materials	39.29	147.7	136.5	138.6	142.4	146.4	150.5	152.6	153.8	154.2	154.4	153.2	154.0	154.4	155.4
<i>Consumer goods</i>															
8 Durable consumer goods	7.89	136.5	128.3	128.6	132.7	139.6	142.9	141.3	138.8	138.9	143.3	144.4	147.6	147.6	146.6
9 Automotive products	2.83	132.7	129.2	121.5	130.6	141.8	145.3	139.1	127.1	129.0	139.4	143.8	152.1	153.0	147.0
10 Autos and utility vehicles	2.03	109.9	106.4	94.1	105.5	120.2	124.3	115.9	99.8	103.7	116.7	120.1	129.9	131.4	122.9
11 Autos	1.90	103.4	105.2	91.3	98.0	110.7	114.3	105.3	90.0	96.0	108.3	113.2	120.8	122.2	177.4
12 Auto parts and allied goods	80	190.4	183.7	186.9	191.1	194.2	196.8	198.6	198.0	196.6	196.9	203.9	208.5	208.0	208.5
13 Home goods	5.06	138.7	132.0	127.7	132.6	134.0	138.3	141.5	142.6	145.4	145.5	144.7	145.1	144.5	146.4
14 Appliances, A/C, and TV	1.40	117.1	102.3	114.2	116.3	123.5	128.4	126.8	131.2	124.2	127.7	120.8	122.1	118.2	123.2
15 Appliances and TV	1.33	119.5	103.4	114.2	117.6	125.6	131.0	129.2	132.7	126.7	129.2	122.3	123.4	119.8	-
16 Carpeting and furniture	1.07	155.0	136.1	141.1	146.1	150.2	154.9	156.3	156.8	159.9	159.3	164.1	164.6	166.9	-
17 Miscellaneous home goods	2.59	143.6	138.1	139.1	138.6	141.5	143.0	145.4	148.4	149.0	149.4	149.7	149.5	149.5	150.7
18 Nondurable consumer goods	19.79	149.1	147.4	148.3	148.9	149.4	150.1	150.2	150.5	150.1	150.1	151.1	152.0	151.2	151.6
19 Clothing	4.29	126.8	122.5	123.6	122.1	125.1	127.3	123.7	122.3	119.9	120.0	120.3	122.2	122.2	122.2
20 Consumer staples	15.50	155.3	154.3	155.1	156.3	156.4	156.4	157.5	158.3	158.5	158.5	159.6	160.3	159.5	159.5
21 Consumer foods and tobacco	8.33	147.0	146.4	146.0	147.0	147.7	148.0	148.9	148.7	149.3	149.6	150.6	150.9	149.3	149.3
22 Nonfood staples	7.17	165.0	163.6	165.7	167.1	165.9	166.2	167.6	169.5	169.1	168.8	170.1	171.2	171.4	171.1
23 Consumer chemical products	2.63	208.7	204.3	209.3	213.0	210.2	210.0	212.5	214.7	217.6	220.0	223.4	224.0	222.9	222.9
24 Consumer paper products	1.92	122.9	121.5	122.0	122.3	124.8	127.3	127.0	127.6	129.5	129.1	126.5	127.6	127.5	127.5
25 Consumer energy products	2.62	151.9	153.5	153.9	154.0	151.5	150.8	152.3	154.8	149.4	146.5	148.7	150.2	151.8	151.8
26 Residential utilities	1.45	171.2	176.5	178.6	178.3	175.0	171.8	171.2	174.4	167.0	166.5	170.0	174.6	174.6	174.6
<i>Equipment</i>															
27 Business	12.63	173.3	170.1	170.3	170.5	172.3	174.5	177.8	178.9	178.3	180.5	182.0	183.4	184.2	185.0
28 Industrial	6.77	157.0	154.8	154.5	154.2	154.4	157.1	160.7	163.8	165.2	167.3	168.5	169.6	170.6	171.7
29 Building and mining	1.44	241.3	244.4	243.6	243.4	244.3	250.1	255.7	265.9	272.2	279.6	285.2	287.3	289.4	290.8
30 Manufacturing	3.85	128.5	126.0	124.4	123.9	123.9	126.4	130.6	131.1	131.0	132.0	131.9	132.9	133.8	134.7
31 Power	1.47	149.0	142.0	145.9	146.1	146.1	146.0	146.1	149.1	149.9	149.3	149.9	150.1	150.4	151.4
32 Commercial transit, farm	5.86	192.1	187.8	188.4	189.4	192.8	194.7	197.6	196.3	193.4	195.9	197.6	199.3	199.9	200.4
33 Commercial	3.26	237.5	229.0	233.6	237.2	242.0	244.0	248.3	249.6	250.9	253.4	254.4	257.9	259.3	260.9
34 Transit	1.93	139.4	140.9	138.4	133.8	135.0	136.6	137.9	131.7	122.9	126.6	129.4	129.7	129.2	128.0
35 Farm	67	123.2	122.5	112.7	116.8	120.2	121.9	123.1	122.9	116.4	115.3	117.9	114.4	114.4	114.4
36 Defense and space	7.51	97.8	97.2	96.9	97.4	98.5	99.8	100.7	101.0	100.2	100.5	100.8	100.8	100.9	101.4
<i>Intermediate products</i>															
37 Construction supplies	6.42	140.7	128.6	133.1	137.4	140.5	142.8	144.6	147.4	147.3	147.6	146.9	145.9	143.3	142.0
38 Business supplies	6.47	162.9	160.4	161.9	163.6	164.3	164.2	167.5	168.0	166.5	164.8	165.0	165.5	164.8	164.8
39 Commercial energy products	1.14	173.6	172.1	173.7	175.2	174.6	174.0	179.4	178.3	175.0	174.4	175.1	177.3	176.9	176.9
<i>Materials</i>															
40 Durable goods materials	20.35	143.1	129.0	131.3	134.2	140.4	146.6	148.4	150.2	150.7	152.4	152.1	153.2	152.5	152.9
41 Durable consumer parts	4.58	109.0	93.9	98.1	104.2	110.8	115.5	116.3	116.2	115.9	119.9	121.6	123.0	124.1	123.5
42 Equipment parts	5.44	187.3	177.6	176.3	176.0	178.5	184.0	185.8	189.2	188.9	191.5	192.3	193.8	193.0	193.8
43 Durable materials n e c	10.34	135.0	118.9	122.4	125.4	133.4	140.6	142.9	144.6	146.0	146.2	144.5	145.2	143.8	144.3
44 Basic metal materials	5.57	104.6	84.7	89.4	91.7	102.0	114.4	115.0	116.3	118.1	118.1	113.8	114.0	111.7	111.7
45 Nondurable goods materials	10.47	170.7	156.2	159.8	169.7	173.7	174.1	178.8	180.2	179.6	177.7	179.6	179.7	178.8	179.7
46 Textile, paper, and chemical materials	7.62	177.0	158.5	163.2	175.1	180.5	181.0	186.5	187.7	187.4	185.4	187.8	188.4	187.1	188.0
47 Textile materials	1.85	116.0	114.4	111.0	114.7	114.9	113.0	111.8	111.9	111.1	109.9	112.7	113.3	113.7	113.7
48 Paper materials	1.62	145.1	138.4	142.0	148.2	147.3	149.5	150.0	149.6	151.7	152.2	152.2	150.9	151.3	151.3
49 Chemical materials	4.15	216.7	186.1	194.9	212.6	222.9	223.8	234.1	236.4	235.5	232.1	235.3	236.7	233.9	233.9
50 Containers, nondurable	1.70	165.1	159.0	158.8	167.2	168.6	166.6	169.7	172.1	171.0	168.8	170.1	167.5	168.4	168.4
51 Nondurable materials n e c	1.14	137.3	136.6	137.9	137.2	135.7	139.1	141.1	142.0	140.4	139.4	138.8	139.6	138.9	138.9
52 Energy materials	8.48	130.0	130.4	130.0	128.4	127.2	130.9	130.5	130.2	131.3	130.7	123.3	124.1	128.9	131.6
53 Primary energy	4.65	115.1	115.6	114.0	114.3	113.7	114.5	115.0	114.4	117.5	116.2	104.1	104.6	112.6	112.6
54 Converted fuel materials	3.82	148.2	148.4	149.4	145.4	143.6	150.9	149.4	149.4	148.0	148.3	146.8	147.8	148.8	148.8
<i>Supplementary groups</i>															
55 Home goods and clothing	9.35	133.2	125.3	128.5	128.5	132.2	135.0	133.9	134.8	133.2	133.8	133.5	133.6	133.9	135.6
56 Energy, total	12.23	138.8	139.2	139.2	138.2	136.8	139.2	139.7	139.9	139.2	138.1	133.6	134.6	138.3	139.9
57 Products	3.76	158.5	159.1	159.9	160.5	158.5	157.9	160.5	161.9	157.1	155.0	156.7	158.4	159.4	159.4
58 Materials	8.48	130.0	130.4	130.0	128.4	127.2	130.9	130.5	130.2	131.3	130.7	123.3	124.1	128.9	131.6

## 2.13 Continued

Grouping	SIC code	1967 proportion	1980 avg	1980							1981						
				July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June <sup>1</sup>	July <sup>1</sup>	
Index (1967 = 100)																	
<b>MAJOR INDUSTRY</b>																	
1 Mining and utilities		12 05	150.4	150 1	150 5	150 5	150 2	152.8	154 0	155 2	155 2	155 8	151 7	153 3	156 7	158 4	
2 Mining		6 36	132.9	130 6	129 6	130.5	132 1	136 0	139 3	141 1	143 3	143 5	135 9	135 9	141 7	145 6	
3 Utilities		5 69	169.9	171 8	173 8	172 7	170 4	171 5	170 3	171 0	168 5	169 4	169 3	172 6	173 4	172 8	
4 Electric		3 88	189.7	192 4	195 4	193.9	190 3	191.5	190 3	191 1	187 4	188 7	188 5	193 4	194 4	193 3	
5 Manufacturing		87.95	146.6	139 1	140 6	143 4	146 4	149 1	150 6	151 1	151 0	151 7	152 3	153 0	152 4	152 7	
6 Nondurable		35 97	161 1	154 7	156.9	160 3	161 8	163 3	165 0	165 2	166 1	165 5	166 1	166 3	165 8	166 5	
7 Durable		51 98	136 6	128 3	129 4	131 7	135 8	139 3	140.6	141 4	140 7	142 2	142 7	143 8	143 2	143 2	
<i>Mining</i>																	
8 Metal	10	51	109 1	83 1	71 2	73 1	90 8	107 2	122 2	126 3	133 7	131 1	123 5	122 7	120 9		
9 Coal	11 12	69	146 7	149 8	154 9	148 9	145 7	151 6	155 3	150 3	158 9	151 1	75 8	76 9	122 8	161 8	
10 Oil and gas extraction	13	4 40	133 8	134 3	133 6	134 7	135 4	137 4	139 1	141 5	142 7	144 8	144 8	147 2	148 4	147 9	
11 Stone and earth minerals	14	75	131 7	123.7	123 5	128 2	129 0	133 0	137 8	140 0	138 9	137 4	134 8	132 8	133 7		
<i>Nondurable manufactures</i>																	
12 Foods	20	8.75	149 2	148 9	148 3	148.6	149 4	150 5	150 7	150 0	151 5	152 1	152 7	153 0	152 0		
13 Tobacco products	21	.67	119 8	119 6	117 4	119.1	123 1	125 1	118 8	122 9	123 1	115 8	122 2	122 3			
14 Textile mill products	22	2 68	136 8	132 5	132 6	133 0	133.8	135 0	133 9	133 8	135 5	134 0	136 0	136 4	136 0		
15 Apparel products	23	3 31	128 6	121 5	123 8	126 7	127 5	128 0	125 1	125 9	124 0	123 6	122 1	122 2			
16 Paper and products	26	3.21	151 0	143 6	147 1	152 3	153 0	154 4	156 8	157 2	156 7	156 9	157 3	155 4	153 4	154 6	
17 Printing and publishing	27	4 72	139 6	138 6	140 3	140 3	141 5	142 7	144 9	145 5	145 8	143 6	141 6	141 9	142 4	142 9	
18 Chemicals and products	28	7 74	206 7	190 3	197 8	206 8	209 1	212 0	218 8	219 2	220 9	219 5	220 9	221 6	220 3	128 3	
19 Petroleum products	29	1 79	134 9	130 5	126 7	130 5	130 1	131 2	137 5	137 3	134 3	131 4	130 4	128 8	129 0		
20 Rubber and plastic products	30	2 24	255.8	242 5	245 9	253 1	259 2	259 6	259 2	258 2	264 0	267 9	272 9	276 5	280 2		
21 Leather and products	31	86	70.1	67 8	67 7	67 2	70 2	71 2	67 8	68 9	69 4	69 1	68 8	68 8	67 5		
<i>Durable manufactures</i>																	
22 Ordnance, private and government	19 91	3 64	77 9	77 1	77 2	77 1	79 1	79 6	79 5	78 9	78 6	78 3	78 4	78 8	79 0	79 5	
23 Lumber and products	24	1 64	119.3	112.8	121 7	122.6	122 2	124 9	122 0	126 3	126 3	125 4	126 2	126 8	123 2		
24 Furniture and fixtures	25	1 37	150 0	138.6	141 1	144 8	147 2	149 0	150 5	150 5	153 0	153 0	157 1	158 4	159 8		
25 Clay, glass, stone products	32	2 74	146 5	134.2	135 7	141 4	145 2	147 8	151.4	154 9	154 8	152 4	152 4	150 4	147 0		
26 Primary metals	33	6 57	101 6	81 7	86 0	90 1	100 6	113 4	112 1	113 9	114 2	114 3	111 8	111 5	107 6	108 4	
27 Iron and steel	33 1 2	4 21	91 7	68 1	75 3	79 8	93 3	107 4	103 5	108 0	107 8	107 3	105 1	105 7	99 3		
28 Fabricated metal products	34	5 93	135 0	123 8	125 8	129 0	132 8	134 1	137 4	137 6	139 1	141 3	141 2	140 9	141 0	141 5	
29 Nonelectrical machinery	35	9 15	162.8	158 5	158 8	159 1	161 1	163 4	167 5	168 9	169 1	170 7	172 0	174 2	175 0	176 0	
30 Electrical machinery	36	8 05	172.7	165 0	166 7	167.5	170 0	173 0	174 9	177 9	174 6	177 1	178 4	180 5	179 3	180 7	
31 Transportation equipment	37	9 27	116.8	110 7	108 3	112 9	118 8	121 7	120 6	117 3	114 9	119 4	120 2	123 1	123 3	120 7	
32 Motor vehicles and parts	37 1	4 50	118.8	107 9	104 4	113 4	124 2	129 0	126 3	119 2	117 5	127 4	129 7	136 0	137 4	131 8	
33 Aerospace and miscellaneous transportation equipment	37 2-9	4 77	114.9	113 4	111 9	112 3	113 6	114 8	115 2	115 5	112 5	111 9	111 2	110 9	110 0		
34 Instruments	38	2 11	171 0	167 5	167 6	167 4	169 6	169 9	172 1	174 0	171 3	169 9	170 0	170 4	171 2	172 2	
35 Miscellaneous manufactures	39	1 51	147 8	144 7	144 2	142 8	145 0	147 5	149 5	151 8	153 6	154 9	157 3	157 0	157 0	158 8	
Gross value (billions of 1972 dollars, annual rates)																	
<b>MAJOR MARKET</b>																	
36 Products, total		507.4 <sup>1</sup>	602.1	586.7	585.9	593.3	604.7	610.9	615.5	614.0	612.0	617.8	616.7	621.8	618.8	616.9	
37 Final		390 9 <sup>1</sup>	465 4	456 9	453 0	458 0	467 7	473 0	475 5	472 6	470 4	476 7	477 1	482 0	480 6	479 3	
38 Consumer goods		277 5 <sup>1</sup>	313.5	307 7	305 1	309 0	316 6	320 0	320 3	317 2	316 5	320 4	321 0	324 8	322 8	322 7	
39 Equipment		113 4 <sup>1</sup>	151 9	149 2	147 9	149 0	151 1	153 0	155 2	155 4	154 0	156 3	156 1	157 1	157 8	156 7	
40 Intermediate		116 6 <sup>1</sup>	136.7	129.9	132 9	135.3	137 1	137 9	140.0	141 5	141 5	141 2	139 7	139 9	138 2	137.6	

1 1972 dollar value

NOTE: Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System, Washington, D C), December 1977.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1978	1979	1980	1980		1981					
				Nov	Dec.	Jan	Feb.	Mar	Apr. <sup>r</sup>	May <sup>r</sup>	June
Private residential real estate activity (thousands of units)											
<b>New UNITS</b>											
1 Permits authorized . . . . .	1,801	1,552	1,191	1,366	1,249	1,214	1,165	1,153	1,186	1,167	976
2 1-family . . . . .	1,183	981	710	809	753	715	677	678	689	654	567
3 2-or-more-family . . . . .	618	571	481	557	496	499	488	475	497	513	409
4 Started . . . . .	2,020	1,745	1,292	1,550	1,535	1,660	1,215	1,297	1,332	1,159	1,032
5 1-family . . . . .	1,433	1,194	852	1,019	974	993	791	838	897	767	671
6 2-or-more-family . . . . .	587	551	440	531	561	667	424	459	435	392	361
7 Under construction, end of period <sup>1</sup>	1,310	1,140	896	905	915	940	938	927 <sup>r</sup>	915	901	n.a.
8 1-family . . . . .	765	639	515	529	535	544	541	533	527	511	n.a.
9 2-or-more-family . . . . .	546	501	382	376	381	397	397	394 <sup>r</sup>	387	390	n.a.
10 Completed . . . . .	1,868	1,855	1,502	1,274	1,373	1,252	1,389	1,362 <sup>r</sup>	1,516	1,242	n.a.
11 1-family . . . . .	1,369	1,286	957	819	895	903	965	880 <sup>r</sup>	955	850	n.a.
12 2-or-more-family . . . . .	498	569	545	455	478	349	424	482	561	392	n.a.
13 Mobile homes shipped . . . . .	276	277	222	239	261	233	256	255	265	255	n.a.
<i>Merchant builder activity in 1-family units</i>											
14 Number sold . . . . .	818	709	530	560	514	523	500	507	457	493	408
15 Number for sale, end of period <sup>1</sup>	419	402	340	337	336	329	334	325	327	324	312
<i>Price (thousands of dollars)<sup>2</sup></i>											
<i>Median</i>											
16 Units sold . . . . .	55.8	62.7	64.9	67.1	67.2	67.9	65.8	67.1	68.4	71.8	71.6
<i>Average</i>											
17 Units sold . . . . .	62.7	71.9	76.6	82.2	81.5	80.2	80.1	81.2	82.5	84.3	88.3
<b>EXISTING UNITS (1-family)</b>											
18 Number sold . . . . .	3,863	3,701	2,881	2,960	2,910	2,580	2,560	2,490	2,610	2,500	2,650
<i>Price of units sold (thous. of dollars)<sup>2</sup></i>											
19 Median . . . . .	48.7	55.5	62.1	64.3	63.0	64.5	64.1	64.4	65.3	66.3	67.9
20 Average . . . . .	55.1	64.0	72.7	74.9	74.0	76.1	75.7	76.2	77.3	78.6	80.3
Value of new construction <sup>3</sup> (millions of dollars)											
<b>CONSTRUCTION</b>											
21 Total put in place . . . . .	<b>205,559</b>	<b>230,781</b>	<b>230,273</b>	<b>234,275</b>	<b>245,433</b>	<b>259,049</b>	<b>254,458</b>	<b>250,274</b>	<b>248,904</b>	<b>239,742</b>	<b>236,167</b>
22 Private . . . . .	159,664	181,690	174,896	180,882	187,875	193,877	193,155	189,641	192,465	188,253	184,908
23 Residential . . . . .	93,423	99,032	87,260	95,617	98,898	100,686	99,684	96,266	98,287	94,282	91,074
24 Nonresidential, total . . . . .	66,241	82,658	87,636	85,265	88,977	93,191	93,471	93,375	94,178	93,971	93,834
<i>Buildings</i>											
25 Industrial . . . . .	10,993	14,953	13,839	12,916	14,293	15,339	15,094	15,380	15,505	15,503	15,755
26 Commercial . . . . .	25,137 <sup>r</sup>	34,381 <sup>r</sup>	43,260 <sup>r</sup>	43,408 <sup>r</sup>	45,294 <sup>r</sup>	48,459 <sup>r</sup>	49,359 <sup>r</sup>	49,448 <sup>r</sup>	33,394	32,391	30,709
27 Other . . . . .	6,739	7,427	8,654	8,961	9,268	9,891	9,938	9,588	9,196	8,903	9,879
28 Public utilities and other . . . . .	23,372 <sup>r</sup>	25,897 <sup>r</sup>	21,883 <sup>r</sup>	19,980 <sup>r</sup>	20,122 <sup>r</sup>	19,502 <sup>r</sup>	19,080 <sup>r</sup>	18,959 <sup>r</sup>	36,083	37,174	37,491
29 Public . . . . .	45,896	49,088 <sup>r</sup>	55,371 <sup>r</sup>	53,393	57,558	65,173	61,302	60,632 <sup>r</sup>	56,439	51,489	51,260
30 Military . . . . .	1,501	1,648	1,880	1,770	1,743	1,810	2,173	1,685	1,915	1,752	1,837
31 Highway . . . . .	10,708	11,998	13,784	12,786	13,127	19,882	17,812	15,515	14,144	n.a.	n.a.
32 Conservation and development . . . . .	4,457	4,586	5,089	5,177	5,383	6,242	6,197	6,018	5,688	n.a.	n.a.
33 Other . . . . .	29,230	30,856 <sup>r</sup>	34,618 <sup>r</sup>	33,660	37,305	37,239	35,120	37,414 <sup>r</sup>	34,692	n.a.	n.a.

1. Not at annual rates.  
 2. Not seasonally adjusted.  
 3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods 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.

NOTE. Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

## 2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	12 months to		3 months (at annual rate) to				1 month to					Index level June 1981 (1967 =100) <sup>1</sup>
	1980 June	1981 June	1980		1981		1981					
			Sept.	Dec.	Mar.	June	Feb.	Mar.	Apr.	May	June	
<b>CONSUMER PRICES<sup>2</sup></b>												
1 All Items . . . . .	14.3	9.6	7.8	13.2	9.6	7.4	1.0	.6	.4	.7	.7	271.3
2 Commodities . . . . .	11.7	8.8	13.2	11.0	8.9	2.1	1.1	.5	.0	.2	.4	253.2
3 Food . . . . .	7.1	8.6	19.7	13.1	2.1	-1	.3	.4	.0	-.2	.2	273.6
4 Commodities less food . . . . .	13.7	8.9	10.6	9.9	12.3	3.1	1.4	.5	.0	.4	.4	241.1
5 Durable . . . . .	9.2	8.6	15.2	11.8	-7	9.0	-.3	-1	.3	.9	1.0	226.6
6 Nondurable . . . . .	19.6	9.2	5.0	6.2	29.8	-2.0	3.2	1.3	-.2	-.2	-.2	258.0
7 Services . . . . .	18.1	10.7	7	16.8	10.3	15.1	8	.8	1.0	1.4	1.2	303.5
8 Rent . . . . .	9.4	8.2	8.6	9.6	7.0	7.7	5	.5	6	.8	.4	206.8
9 Services less rent . . . . .	19.5	11.0	-3	17.8	10.9	16.1	9	.8	1.0	1.5	1.3	321.9
<i>Other groupings</i>												
10 All items less food . . . . .	15.9	9.8	5.7	13.2	11.7	9.0	1.1	7	.5	9	.8	269.5
11 All items less food and energy . . . . .	13.6	9.4	5.8	14.4	5.8	11.8	4	.4	6	1.1	1.0	255.6
12 Homeownership . . . . .	23.8	9.4	-3.5	23.1	3.1	16.9	0	.3	7	1.7	1.5	350.4
<b>PRODUCER PRICES</b>												
13 Finished goods . . . . .	13.8	10.2	13.5	8.3	12.0	7.1	.8	9	.8	4	.6	269.9
14 Consumer . . . . .	14.8	10.0	14.5	7.4	12.1	6.3	7	1.0	8	.2	.5	271.5
15 Foods . . . . .	4.3	8.6	31.0	4.3	3	1.8	-.6	6	.0	0	.5	253.1
16 Excluding foods . . . . .	20.3	10.4	7.5	8.9	17.4	7.7	1.3	1.2	1.1	.3	.5	277.0
17 Capital equipment . . . . .	10.3	11.0	9.9	11.8	11.5	10.6	9	.6	9	.9	.7	264.0
18 Intermediate materials <sup>3</sup> . . . . .	16.4	10.5	7.8	12.9	13.2	8.4	6	1.1	1.1	6	.3	311.0
<i>Crude materials</i>												
19 Nonfood . . . . .	16.5	25.9	32.3	27.5	35.7	9.7	7.0	-1.1	1.4	1.5	-.5	484.2
20 Food . . . . .	-2.4	8.7	73.9	-4.0	-23.1	8.5	-3.3	-2.0	1.5	-2.2	2.8	264.2

1 Not seasonally adjusted.

2 Figures for consumer prices are those for all urban consumers.

3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE: Bureau of Labor Statistics.

A50 Domestic Nonfinancial Statistics □ August 1981

2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted, quarterly data are at seasonally adjusted annual rates.

Account	1978	1979	1980	1980			1981	
				Q2	Q3	Q4	Q1	Q2
<b>GROSS NATIONAL PRODUCT</b>								
<b>1 Total</b>	<b>2,156.1</b>	<b>2,413.9</b>	<b>2,626.1</b>	<b>2,564.8</b>	<b>2,637.3</b>	<b>2,730.6</b>	<b>2,853.0</b>	<b>2,881.0</b>
<i>By source</i>								
2 Personal consumption expenditures	1,348.7	1,510.9	1,672.8	1,626.8	1,682.2	1,751.0	1,810.0	1,830.3
3 Durable goods	199.3	212.3	211.9	194.4	208.8	223.3	238.3	226.7
4 Nondurable goods	529.8	602.2	675.7	664.0	674.2	703.5	726.0	732.7
5 Services	619.6	696.3	785.2	768.4	799.2	824.2	845.8	870.9
6 Gross private domestic investment	375.3	415.8	395.3	390.9	377.1	397.7	437.1	453.8
7 Fixed investment	353.2	398.3	401.2	383.5	393.2	415.1	432.7	433.4
8 Nonresidential	242.0	279.7	296.0	289.8	294.0	302.1	315.9	322.0
9 Structures	78.7	96.3	108.8	108.4	107.3	111.5	117.2	120.9
10 Producers' durable equipment	163.3	183.4	187.1	181.4	186.8	190.7	198.7	201.0
11 Residential structures	111.2	118.6	105.3	93.6	99.2	113.0	116.7	111.4
12 Nonfarm	106.9	113.9	100.3	88.9	94.5	107.6	111.4	106.1
13 Change in business inventories	22.2	17.5	-5.9	7.4	-16.0	-17.4	4.5	10.4
14 Nonfarm	21.8	13.4	-4.7	6.1	-12.3	-14.0	6.8	19.5
15 Net exports of goods and services	-0.6	13.4	23.3	17.1	44.5	23.3	29.2	19.4
16 Exports	219.8	281.3	339.8	333.3	342.4	346.1	367.4	366.2
17 Imports	220.4	267.9	316.5	316.2	297.9	322.7	338.2	346.9
18 Government purchases of goods and services	432.6	473.8	534.7	530.0	533.5	558.6	576.5	577.6
19 Federal	153.4	167.9	198.9	198.7	194.9	212.0	221.6	219.5
20 State and local	279.2	305.9	335.8	331.3	338.6	346.6	354.9	358.1
<i>By major type of product</i>								
21 Final sales, total	2,133.9	2,396.4	2,632.0	2,557.4	2,653.4	2,748.0	2,848.5	2,860.6
22 Goods	946.6	1,055.9	1,130.4	1,106.4	1,129.4	1,169.0	1,247.5	1,247.7
23 Durable	409.8	451.2	458.6	444.6	456.5	476.7	501.4	513.1
24 Nondurable	536.8	604.7	671.9	661.8	672.9	692.2	746.1	734.6
25 Services	976.3	1,097.2	1,229.6	1,205.6	1,249.0	1,285.3	1,317.1	1,349.8
26 Structures	233.2	260.8	266.0	252.8	258.9	276.4	288.4	283.6
27 Change in business inventories	22.2	17.5	-5.9	7.4	-16.0	-17.4	4.5	20.4
28 Durable goods	17.8	11.5	-4.0	3.3	-8.4	-7.7	-4.2	19.5
29 Nondurable goods	4.4	6.0	-1.8	4.1	-7.7	-18.1	8.6	.9
<b>30 MEMO: Total GNP in 1972 dollars</b>	<b>1,436.9</b>	<b>1,483.0</b>	<b>1,480.7</b>	<b>1,463.3</b>	<b>1,471.9</b>	<b>1,485.6</b>	<b>1,516.4</b>	<b>1,509.1</b>
<b>NATIONAL INCOME</b>								
<b>31 Total</b>	<b>1,745.4</b>	<b>1,963.3</b>	<b>2,121.4</b>	<b>2,070.0</b>	<b>2,122.4</b>	<b>2,204.8</b>	<b>2,291.1</b>	<b>n.a.</b>
32 Compensation of employees	1,299.7	1,460.9	1,596.5	1,569.0	1,597.4	1,661.8	1,722.4	1,751.0
33 Wages and salaries	1,105.4	1,235.9	1,343.6	1,320.4	1,342.3	1,397.3	1,442.9	1,465.9
34 Government and government enterprises	219.6	235.9	253.6	250.5	253.9	263.3	267.1	270.3
35 Other	885.7	1,000.0	1,090.0	1,069.9	1,088.4	1,134.0	1,175.7	1,195.6
36 Supplement to wages and salaries	194.3	225.0	252.9	248.6	255.0	264.5	279.5	285.0
37 Employer contributions for social insurance	92.1	106.4	115.8	113.6	116.0	121.0	131.5	133.2
38 Other labor income	102.2	118.6	137.1	135.1	139.1	143.5	148.0	151.8
39 Proprietors' income <sup>1</sup>	117.1	131.6	130.6	124.9	129.7	134.0	132.1	134.3
40 Business and professional <sup>1</sup>	91.0	100.7	107.2	101.6	107.6	111.6	113.2	112.6
41 Farm <sup>1</sup>	26.1	30.8	23.4	23.3	22.1	22.5	18.9	21.7
42 Rental income of persons <sup>2</sup>	27.4	30.5	31.8	31.5	32.0	32.4	32.7	33.3
43 Corporate profits <sup>1</sup>	199.0	196.8	182.7	169.3	177.9	183.3	203.0	n.a.
44 Profits before tax <sup>3</sup>	223.3	255.4	245.5	217.9	237.6	249.5	259.1	n.a.
45 Inventory valuation adjustment	-24.3	-42.6	-45.7	-31.1	-41.7	-48.4	-39.2	-24.1
46 Capital consumption adjustment	-13.5	-15.9	-17.2	-17.6	-17.9	-17.8	-16.9	-19.0
47 Net interest	115.8	143.4	179.8	175.3	185.3	193.3	200.8	211.0

1 With inventory valuation and capital consumption adjustments  
2 With capital consumption adjustments.

3 For after-tax profits, dividends, and the like, see table 1.49.

SOURCE: Survey of Current Business (Department of Commerce)



## 2.17 PERSONAL INCOME AND SAVING

Billions of current dollars, quarterly data are at seasonally adjusted annual rates Exceptions noted

Account	1978	1979	1980	1980			1981	
				Q2	Q3	Q4	Q1	Q2
PERSONAL INCOME AND SAVING								
<b>1 Total personal income</b>	<b>1,721.8</b>	<b>1,943.8</b>	<b>2,160.2</b>	<b>2,114.5</b>	<b>2,182.1</b>	<b>2,256.2</b>	<b>2,319.8</b>	<b>2,367.8</b>
2 Wage and salary disbursements	1,105.2	1,236.1	1,343.7	1,320.4	1,341.8	1,397.8	1,442.9	1,465.9
3 Commodity-producing industries	389.1	437.9	465.4	456.0	460.1	484.0	501.3	507.4
4 Manufacturing	299.2	333.4	350.7	343.2	346.7	364.0	377.4	386.2
5 Distributive industries	270.5	303.0	328.9	323.2	329.2	340.6	351.9	357.8
6 Service industries	226.1	259.2	295.7	290.8	298.7	310.0	322.5	330.4
7 Government and government enterprises	219.4	236.1	253.6	250.5	253.9	263.3	267.1	270.3
8 Other labor income	102.2	118.6	137.1	135.1	139.1	143.5	148.0	151.8
9 Proprietors' income <sup>1</sup>	117.2	131.6	130.6	124.9	129.7	134.0	132.1	134.3
10 Business and professional <sup>1</sup>	91.0	100.8	107.2	101.6	107.6	111.6	113.2	112.6
11 Farm <sup>1</sup>	26.1	30.8	23.4	23.3	22.1	22.5	18.9	21.7
12 Rental income of persons <sup>2</sup>	27.4	30.5	31.8	31.5	32.0	32.4	32.7	33.3
13 Dividends	43.1	48.6	54.4	54.2	55.1	56.1	58.0	60.2
14 Personal interest income	173.2	209.6	256.3	253.6	261.8	269.7	288.7	301.3
15 Transfer payments	223.3	249.4	294.2	280.7	310.7	313.9	319.6	323.9
16 Old-age survivors, disability, and health insurance benefits	116.2	131.8	153.8	144.7	163.2	165.3	169.8	171.8
17 LESS: Personal contributions for social insurance	69.6	80.6	87.9	85.9	88.1	91.2	102.3	103.0
18 EQUALS: Personal income	1,721.8	1,943.8	2,160.2	2,114.5	2,182.1	2,256.2	2,319.8	2,367.8
19 LESS: Personal tax and nontax payments	258.8	302.0	338.5	330.3	341.5	359.2	372.0	382.4
20 EQUALS: Disposable personal income	1,462.9	1,641.7	1,821.7	1,784.1	1,840.6	1,897.0	1,947.8	1,985.4
21 LESS: Personal outlays	1,386.6	1,555.5	1,720.4	1,674.1	1,729.2	1,799.4	1,858.9	1,879.4
22 EQUALS: Personal saving	76.3	86.2	101.3	110.0	111.4	97.6	88.9	106.0
MLMO								
Per capita (1972 dollars)								
23 Gross national product	6,426 <sup>r</sup>	6,588 <sup>r</sup>	6,503 <sup>r</sup>	6,438 <sup>r</sup>	6,456 <sup>r</sup>	6,499 <sup>r</sup>	6,619 <sup>r</sup>	6,576
24 Personal consumption expenditures	4,046 <sup>r</sup>	4,135 <sup>r</sup>	4,108 <sup>r</sup>	4,044 <sup>r</sup>	4,082 <sup>r</sup>	4,142 <sup>r</sup>	4,191 <sup>r</sup>	4,164
25 Disposable personal income	4,389 <sup>r</sup>	4,493 <sup>r</sup>	4,473 <sup>r</sup>	4,435 <sup>r</sup>	4,468 <sup>r</sup>	4,488 <sup>r</sup>	4,511 <sup>r</sup>	4,516
26 Saving rate (percent)	5.2	5.2	5.6	6.2	6.1	5.1	4.6	5.3
GROSS SAVING								
<b>27 Gross saving</b>	<b>355.2</b>	<b>412.0</b>	<b>401.9</b>	<b>394.5</b>	<b>402.0</b>	<b>406.7</b>	<b>442.7</b>	<b>n.a.</b>
28 Gross private saving	355.4	398.9	432.9	435.9	446.5	436.4	447.7	n.a.
29 Personal saving	76.3	86.2	101.3	110.0	111.4	97.6	88.9	106.0
30 Undistributed corporate profits	57.9	59.1	44.3	42.1	42.8	40.4	52.3	n.a.
31 Corporate inventory valuation adjustment	24.3	-42.6	45.7	31.1	41.7	48.4	39.2	24.1
Capital consumption allowances								
32 Corporate	136.4	155.4	175.4	173.0	178.4	183.2	187.5	194.6
33 Noncorporate	84.8	98.2	111.8	110.7	113.4	115.8	119.0	122.7
34 Wage accruals less disbursements	0	0	0	0	5	-5	0	0
35 Government surplus, or deficit ( ), national income and product accounts	0.2	11.9	-32.1	-29.6	-45.6	-30.8	-6.2	n.a.
36 Federal	-29.2	-14.8	-61.2	-66.5	-74.2	-67.9	-43.3	n.a.
37 State and local	29.0	26.7	29.1	23.9	28.6	37.1	37.0	n.a.
38 Capital grants received by the United States, net	0	1.1	1.1	1.1	1.1	1.1	1.2	1.1
<b>39 Gross investment</b>	<b>361.6</b>	<b>414.1</b>	<b>401.2</b>	<b>392.5</b>	<b>405.0</b>	<b>400.1</b>	<b>446.0</b>	<b>452.0</b>
40 Gross private domestic	375.3	415.8	395.3	390.9	377.1	397.7	437.1	453.8
41 Net foreign	-13.8	-1.7	5.9	1.7	27.8	2.3	8.9	1.8
<b>42 Statistical discrepancy</b>	<b>6.4</b>	<b>2.2</b>	<b>-7</b>	<b>-1.9</b>	<b>3.0</b>	<b>-6.6</b>	<b>3.4</b>	<b>n.a.</b>

1. With inventory valuation and capital consumption adjustments  
2. With capital consumption adjustment

SOURCE: Survey of Current Business (Department of Commerce)

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.<sup>1</sup>

Item credits or debits	1978	1979	1980	1980				1981
				Q1	Q2	Q3	Q4	Q1 <sup>P</sup>
1 Balance on current account . . . . .	-14,075	1,414	3,723	-2,095	-545	4,975	1,390	3,087
2 Not seasonally adjusted . . . . .				-1,575	905	1,149	3,244	3,368
3 Merchandise trade balance <sup>2</sup> . . . . .	-33,759	-27,346	-25,342	-10,126	-6,744	-2,902	-5,570	-4,602
4 Merchandise exports . . . . .	142,054	184,473	223,966	54,898	55,667	56,252	57,149	61,117
5 Merchandise imports . . . . .	-175,813	-211,819	-249,308	-65,024	-62,411	-59,154	-62,719	-65,719
6 Military transactions, net . . . . .	738	-1,947	-2,515	-918	-427	-455	-715	-701
7 Investment income, net <sup>3</sup> . . . . .	21,400	33,462	32,762	9,836	6,518	8,154	8,257	8,869
8 Other service transactions, net . . . . .	2,613	2,839	5,874	991	1,440	1,681	1,762	1,033
9 Remittances, pensions, and other transfers . . . . .	-1,884	-2,057	-2,397	-542	-545	-591	-720	-562
10 U.S. government grants (excluding military) . . . . .	-3,183	-3,536	-4,659	-1,336	-787	-912	-1,624	-950
11 Change in U.S. government assets, other than official reserve assets, net (increase, -) . . . . .	-4,644	-3,767	-5,165	-1,456	-1,187	-1,427	-1,094	-1,358
12 Change in U.S. official reserve assets (increase, -) . . . . .	732	-1,132	-8,155	-3,268	-502	-1,109	-4,279	-4,529
13 Gold . . . . .	-65	-65	0	0	0	0	0	0
14 Special drawing rights (SDRs) . . . . .	1,249	-1,136	-16	-1,152	-112	-261	1,285	-1,441
15 Reserve position in International Monetary Fund . . . . .	4,231	-189	-1,667	-34	-99	-294	-1,240	-707
16 Foreign currencies . . . . .	-4,683	257	-6,472	-2,082	489	-554	-4,324	-2,381
17 Change in U.S. private assets abroad (increase, -) <sup>3</sup> . . . . .	-57,158	-57,739	-71,456	-7,915	-24,152	-16,766	-22,622	-12,633
18 Bank-reported claims . . . . .	-33,667	-26,213	-46,947	-1,203	-20,165	-12,440	-13,139	-11,163
19 Nonbank-reported claims . . . . .	-3,853	-3,026	-2,653	-1,083	92	343	-2,005	n.a.
20 U.S. purchase of foreign securities, net . . . . .	-3,582	-4,552	-3,310	-766	-1,369	-818	-356	-488
21 U.S. direct investments abroad, net <sup>3</sup> . . . . .	-16,056	-23,948	-18,546	-4,863	-2,710	-3,851	-7,122	-982
22 Change in foreign official assets in the United States (increase, +) . . . . .	33,561	-13,757	15,492	-7,462	-7,557	7,686	7,712	5,384
23 U.S. Treasury securities . . . . .	23,555	-22,435	9,683	-5,357	-4,360	3,769	6,911	7,055
24 Other U.S. government obligations . . . . .	666	463	2,187	801	250	549	587	454
25 Other U.S. government liabilities <sup>4</sup> . . . . .	2,359	-133	636	-68	420	80	205	55
26 Other U.S. liabilities reported by U.S. banks . . . . .	5,551	7,213	-159	-3,198	-1,676	1,823	-460	-3,009
27 Other foreign official assets <sup>5</sup> . . . . .	1,4530	1,135	3,145	360	851	1,465	469	829
28 Change in foreign private assets in the United States (increase, +) <sup>3</sup> . . . . .	30,187	52,703	34,769	14,971	-326	3,965	16,157	2,157
29 U.S. bank-reported liabilities . . . . .	16,141	32,607	10,743	6,599	-4,509	916	7,737	-3,662
30 U.S. nonbank-reported liabilities . . . . .	1,717	2,065	5,109	416	1,092	373	3,228	n.a.
31 Foreign private purchases of U.S. Treasury securities, net . . . . .	2,178	4,820	2,679	3,300	-1,260	-254	893	1,405
32 Foreign purchases of other U.S. securities, net . . . . .	2,254	1,334	5,384	2,435	468	241	2,240	2,449
33 Foreign direct investments in the United States, net <sup>3</sup> . . . . .	7,896	11,877	10,853	2,221	3,883	2,689	2,059	1,965
34 Allocation of SDRs . . . . .	0	1,139	1,152	1,152	0	0	0	1,093
35 Discrepancy . . . . .	11,398	21,140	29,640	6,073	18,151	2,676	2,736	6,799
36 Owing to seasonal adjustments . . . . .				-206	1,355	-3,291	2,139	-344
37 Statistical discrepancy in recorded data before seasonal adjustment . . . . .	11,398	21,140	29,640	6,279	16,796	5,967	597	7,143
MLMO								
Changes in official assets								
38 U.S. official reserve assets (increase, -) . . . . .	732	-1,132	-8,155	-3,268	502	-1,109	-4,279	-4,529
39 Foreign official assets in the United States (increase, +) . . . . .	31,202	-13,624	14,856	-7,394	7,137	7,606	7,507	5,329
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above) . . . . .	-1,137	5,543	12,744	2,988	4,617	4,115	1,024	5,188
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above) . . . . .	236	305	635	144	155	125	211	193

1 Seasonal factors are no longer calculated for lines 12 through 41.  
 2 Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.

3 Includes reinvested earnings of incorporated affiliates.

4 Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.

5 Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE: Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

## 3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1978	1979	1980 <sup>r</sup>	1980	1981					
				Dec	Jan	Feb	Mar	Apr	May	June
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	143,682	181,860	220,626	19,251	18,825	19,764	21,434	19,818	18,869	19,870
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	174,759	209,458	244,871	21,436	23,194	21,922	20,949	22,289	21,310	21,975
3 Trade balance	-31,075	-27,598	-24,245	-2,185	-4,369	-2,158	485	-2,471	-2,441	-2,105

NOTE. The data in this table are reported by the Bureau of Census data on a free-alongside-ship (f.a.s.) value basis—that is, value at the port of export. Beginning in 1981, foreign trade of the U.S. Virgin Islands is included in the Census basis trade data; this adjustment has been made for all data shown in the table.

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service

account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada and other transactions; military payments are excluded and shown separately as indicated above.

SOURCE: FT900 "Summary of U.S. Export and Import Merchandise Trade" (U.S. Department of Commerce, Bureau of the Census).

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1978	1979	1980	1981						
				Jan	Feb	Mar.	Apr.	May	June	July
1 Total <sup>1</sup>	18,650	18,956	26,756	28,316	29,682	30,410	29,693	29,395	29,582	28,867
2 Gold stock, including Exchange Stabilization Fund <sup>1</sup>	11,671	11,172	11,160	11,159	11,156	11,154	11,154	11,154	11,154	11,154
3 Special drawing rights <sup>2,3</sup>	1,558	2,724	2,610	3,628	3,633	3,913	3,712	3,652	3,689	3,717
4 Reserve position in International Monetary Fund <sup>2</sup>	1,047	1,253	2,852	2,867	3,110	3,448	3,576	3,690	3,988	4,154
5 Foreign currencies <sup>4,5</sup>	4,374	3,807	10,134	10,662	11,783	11,895	11,251	10,899	10,751	9,842

1 Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States, see table 3.22.

2 Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3 Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980, and \$1,093 million on Jan. 1, 1981; plus net transactions in SDRs.

4 Beginning November 1978, valued at current market exchange rates.

5 Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies, if any.

## 3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1977	1978 <sup>1</sup>	1979	1980		1981				
				Nov	Dec	Jan	Feb.	Mar	Apr	May <sup>P</sup>
All foreign countries										
<b>1 Total, all currencies</b>	<b>258,897</b>	<b>306,795</b>	<b>364,233</b>	<b>389,184</b>	<b>397,516<sup>r</sup></b>	<b>397,602<sup>r</sup></b>	<b>401,094<sup>r</sup></b>	<b>410,087<sup>r</sup></b>	<b>410,581</b>	<b>416,258</b>
2 Claims on United States	11,623	17,340	32,302	30,617	28,459	29,534 <sup>r</sup>	31,923 <sup>r</sup>	30,256	34,519	38,614
3 Parent bank	7,806	12,811	25,929	22,254	20,202	20,674 <sup>r</sup>	21,369 <sup>r</sup>	18,781	23,086	27,981
4 Other	3,817	4,529	6,373	8,363	8,257	8,860	10,554	11,475	11,433	10,633
5 Claims on foreigners	238,848	278,135	317,175	341,027 <sup>r</sup>	351,435 <sup>r</sup>	350,313 <sup>r</sup>	351,101 <sup>r</sup>	361,413 <sup>r</sup>	357,642	358,675
6 Other branches of parent bank	55,772	70,338	79,661	74,062	76,547 <sup>r</sup>	75,604 <sup>r</sup>	75,516 <sup>r</sup>	77,611 <sup>r</sup>	77,113	76,289
7 Banks	91,883	103,111	123,413	139,977	144,701 <sup>r</sup>	144,836 <sup>r</sup>	146,204 <sup>r</sup>	150,596	147,656	148,464
8 Public borrowers <sup>2</sup>	14,634	23,737	26,072	27,114 <sup>r</sup>	27,845 <sup>r</sup>	27,830 <sup>r</sup>	28,138 <sup>r</sup>	28,758 <sup>r</sup>	28,121	27,728
9 Nonbank foreigners	76,560	80,949	88,029	99,874	102,342 <sup>r</sup>	102,043 <sup>r</sup>	101,243	104,448 <sup>r</sup>	104,752	106,194
10 Other assets	8,425	11,320	14,756	17,540 <sup>r</sup>	17,622 <sup>r</sup>	17,755 <sup>r</sup>	18,070 <sup>r</sup>	18,418 <sup>r</sup>	18,420	18,969
<b>11 Total payable in U.S. dollars</b>	<b>193,764</b>	<b>224,940</b>	<b>267,711</b>	<b>284,401</b>	<b>290,017<sup>r</sup></b>	<b>292,665<sup>r</sup></b>	<b>296,918<sup>r</sup></b>	<b>302,851<sup>r</sup></b>	<b>307,038</b>	<b>312,249</b>
12 Claims on United States	11,049	16,382	31,171	29,173	27,190	28,278 <sup>r</sup>	30,660 <sup>r</sup>	29,063	33,306	37,372
13 Parent bank	7,692	12,625	25,632	21,853	19,896	20,382 <sup>r</sup>	21,107 <sup>r</sup>	18,566	22,839	27,678
14 Other	3,357	3,757	5,539	7,320	7,294	7,896	9,553	10,497	10,467	9,694
15 Claims on foreigners	178,896	203,498	229,118	246,363	253,647 <sup>r</sup>	254,847 <sup>r</sup>	256,332 <sup>r</sup>	263,641 <sup>r</sup>	263,224	263,872
16 Other branches of parent bank	44,256	55,408	61,525	57,238	58,268 <sup>r</sup>	58,831 <sup>r</sup>	57,923 <sup>r</sup>	58,811 <sup>r</sup>	59,824	58,803
17 Banks	70,786	78,686	96,261	110,799	116,047 <sup>r</sup>	116,935 <sup>r</sup>	118,428 <sup>r</sup>	121,475	120,222	121,455
18 Public borrowers <sup>2</sup>	12,632	19,567	21,629	22,846	23,458 <sup>r</sup>	23,258 <sup>r</sup>	23,561 <sup>r</sup>	24,035 <sup>r</sup>	23,767	23,194
19 Nonbank foreigners	51,222	49,837	49,703	55,480	55,874 <sup>r</sup>	55,823 <sup>r</sup>	56,420	58,281 <sup>r</sup>	59,411	60,420
20 Other assets	3,820	5,060	7,422	8,865	9,180 <sup>r</sup>	9,540 <sup>r</sup>	9,926 <sup>r</sup>	10,147 <sup>r</sup>	10,508	11,005
United Kingdom										
<b>21 Total, all currencies</b>	<b>90,933</b>	<b>106,593</b>	<b>130,873</b>	<b>140,715</b>	<b>142,781</b>	<b>143,609</b>	<b>144,708<sup>r</sup></b>	<b>145,459</b>	<b>142,582</b>	<b>146,605</b>
22 Claims on United States	4,341	5,370	11,117	8,771	7,508	7,727	9,126 <sup>r</sup>	9,413	8,518	10,347
23 Parent bank	3,518	4,448	9,338	6,552	5,275	5,278	6,386 <sup>r</sup>	6,405	6,652	7,631
24 Other	823	922	1,779	2,219	2,233	2,449	2,740	3,008	2,752	2,716
25 Claims on foreigners	84,016	98,137	115,123	125,859	129,232	130,174	129,646	129,992	128,095	130,200
26 Other branches of parent bank	22,017	27,830	34,291	32,267	34,538	35,136	35,406	34,583	34,614	34,834
27 Banks	39,899	45,013	51,343	57,423	57,658	58,489	58,554	58,714	56,816	57,611
28 Public borrowers <sup>2</sup>	2,206	4,522	4,919	6,405	6,684	6,620	6,626	6,929	6,844	6,720
29 Nonbank foreigners	19,895	20,772	24,570	29,764	30,352	29,929	29,060	29,766	29,821	31,035
30 Other assets	2,576	3,086	4,633	6,085	6,041	5,708	5,936	6,054	5,969	6,058
<b>31 Total payable in U.S. dollars</b>	<b>66,635</b>	<b>75,860</b>	<b>94,287</b>	<b>97,246</b>	<b>98,913</b>	<b>101,038</b>	<b>102,954<sup>r</sup></b>	<b>102,933</b>	<b>101,506</b>	<b>104,924</b>
32 Claims on United States	4,100	5,113	10,746	8,233	7,115	7,304	8,671 <sup>r</sup>	9,001	8,080	9,897
33 Parent bank	3,431	4,386	9,297	6,410	5,229	5,221	6,324 <sup>r</sup>	6,381	5,715	7,576
34 Other	669	727	1,449	1,823	1,886	2,083	2,347	2,620	2,365	2,321
35 Claims on foreigners	61,408	69,416	81,294	86,246	88,950	90,682	91,204	90,696	90,199	91,632
36 Other branches of parent bank	18,947	22,838	28,928	26,710	28,231	28,768	28,946	28,132	28,393	28,527
37 Banks	28,530	31,482	36,760	40,542	41,373	42,887	42,751	42,609	41,767	42,786
38 Public borrowers <sup>2</sup>	1,669	3,317	3,319	4,706	4,909	4,816	4,930	5,168	5,093	4,967
39 Nonbank foreigners	12,263	11,779	12,287	14,288	14,437	14,211	14,577	14,787	14,946	15,352
40 Other assets	1,126	1,331	2,247	2,767	2,848	3,052	3,079	3,236	3,227	3,395
Bahamas and Caymans										
<b>41 Total, all currencies</b>	<b>79,052</b>	<b>91,735</b>	<b>108,977</b>	<b>119,367</b>	<b>123,837</b>	<b>123,460</b>	<b>124,809</b>	<b>127,801</b>	<b>132,045</b>	<b>133,513</b>
42 Claims on United States	5,782	9,635	19,124	18,325	17,751	18,370	19,150	17,348	22,473	24,531
43 Parent bank	3,051	6,429	15,196	13,071	12,631	12,842	12,417	10,017	14,908	17,511
44 Other	2,731	3,206	3,928	5,254	5,120	5,528	6,733	7,331	7,565	7,020
45 Claims on foreigners	71,671	79,774	86,718	96,800	101,926	100,792	101,199	105,970	104,983	104,117
46 Other branches of parent bank	11,120	12,904	9,689	13,118	13,315	12,956	11,998	14,002	13,436	12,334
47 Banks	27,939	33,677	43,189	50,626	54,888	54,252	55,280	57,065	56,996	56,896
48 Public borrowers <sup>2</sup>	9,109	11,514	12,905	12,213	12,577	12,558	12,605	12,579	12,205	12,169
49 Nonbank foreigners	23,503	21,679	20,935	20,843	21,146	21,026	21,316	22,324	22,346	22,718
50 Other assets	1,599	2,326	3,135	4,242	4,160	4,298	4,460	4,483	4,589	4,865
<b>51 Total payable in U.S. dollars</b>	<b>73,987</b>	<b>85,417</b>	<b>102,368</b>	<b>113,560</b>	<b>117,654</b>	<b>117,549</b>	<b>119,007</b>	<b>121,900</b>	<b>126,411</b>	<b>127,965</b>

For notes see opposite page

## 3.13 Continued

Liability account	1977	1978 <sup>1</sup>	1979	1980		1981				
				Nov	Dec	Jan	Feb <sup>r</sup>	Mar	Apr.	May <sup>p</sup>
All foreign countries										
<b>52 Total, all currencies</b>	<b>285,897</b>	<b>306,795</b>	<b>364,233</b>	<b>389,184</b>	<b>397,516<sup>r</sup></b>	<b>397,602<sup>r</sup></b>	<b>401,094</b>	<b>410,087<sup>r</sup></b>	<b>410,581</b>	<b>416,258</b>
53 To United States	44,154	58,012	66,686	86,589	90,966 <sup>r</sup>	92,388 <sup>r</sup>	90,657	97,676 <sup>r</sup>	105,706	105,321
54 Parent bank	24,542	28,654	24,530	36,974 <sup>r</sup>	39,176 <sup>r</sup>	38,679 <sup>r</sup>	36,374	43,025 <sup>r</sup>	45,269	40,951
55 Other banks in United States		12,169	13,968	13,420	14,473	13,591	13,959	14,372	15,471	16,230
56 Nonbanks	19,613	17,189	28,188	36,195 <sup>r</sup>	37,272 <sup>r</sup>	40,118	40,324	40,279	44,966	48,140
57 To foreigners	206,579	238,912	283,344	288,385	292,013 <sup>r</sup>	290,905 <sup>r</sup>	296,557	297,983 <sup>r</sup>	290,039	295,539
58 Other branches of parent bank	53,244	67,496	77,601	71,554	74,032 <sup>r</sup>	73,084 <sup>r</sup>	73,764	75,320 <sup>r</sup>	74,831	75,876
59 Banks	94,140	97,711	122,849	132,281	130,743 <sup>r</sup>	133,055 <sup>r</sup>	134,867	133,715	128,434	133,038
60 Official institutions	28,110	31,936	35,664	31,145	32,448 <sup>r</sup>	28,951 <sup>r</sup>	28,602	29,871	28,028	27,456
61 Nonbank foreigners	31,085	41,769	47,230	53,405	54,790 <sup>r</sup>	55,815 <sup>r</sup>	59,324	59,077	58,746	59,169
62 Other liabilities	8,163	9,871	14,203	14,210	14,582 <sup>r</sup>	14,309 <sup>r</sup>	13,880	14,428 <sup>r</sup>	14,836	15,398
<b>63 Total payable in U.S. dollars</b>	<b>198,572</b>	<b>230,810</b>	<b>273,819</b>	<b>292,549</b>	<b>301,139<sup>r</sup></b>	<b>303,368<sup>r</sup></b>	<b>307,535</b>	<b>313,610<sup>r</sup></b>	<b>318,378</b>	<b>323,894</b>
64 To United States	42,881	55,811	64,530	83,764	88,131 <sup>r</sup>	89,759 <sup>r</sup>	88,268	95,264 <sup>r</sup>	103,261	102,961
65 Parent bank	24,213	27,519	23,403	35,233	37,504 <sup>r</sup>	37,021 <sup>r</sup>	34,898	41,513 <sup>r</sup>	43,797	39,521
66 Other banks in United States		11,915	13,771	13,124	14,203	13,417	13,757	14,235	15,298	16,104
67 Nonbanks	18,669	16,377	27,356	35,407	36,424	39,321	39,613	39,516	44,166	47,336
68 To foreigners	151,363	169,927	201,476	200,937	204,834 <sup>r</sup>	205,339 <sup>r</sup>	210,693	209,459 <sup>r</sup>	205,549	211,352
69 Other branches of parent bank	43,268	53,396	60,513	55,599	57,050 <sup>r</sup>	56,972 <sup>r</sup>	56,894	58,507 <sup>r</sup>	58,454	59,170
70 Banks	64,872	63,000	80,691	86,556	86,642 <sup>r</sup>	89,436 <sup>r</sup>	91,657	87,521	85,627	89,457
71 Official institutions	23,972	26,404	29,048	23,870	24,692 <sup>r</sup>	21,863 <sup>r</sup>	21,896	23,102	21,444	21,339
72 Nonbank foreigners	19,251	27,127	31,224	34,912	36,450 <sup>r</sup>	37,068 <sup>r</sup>	40,246	40,329	40,024	41,386
73 Other liabilities	4,328	5,072	7,813	7,848	8,174 <sup>r</sup>	8,270 <sup>r</sup>	8,574	8,887 <sup>r</sup>	9,568	9,581
United Kingdom										
<b>74 Total, all currencies</b>	<b>90,933</b>	<b>106,593</b>	<b>130,873</b>	<b>140,715</b>	<b>142,781</b>	<b>143,609</b>	<b>144,708</b>	<b>145,459</b>	<b>142,582</b>	<b>146,605</b>
75 To United States	7,753	9,730	20,986	20,594	21,735	23,226	22,754	24,374	26,008	26,791
76 Parent bank	1,451	1,887	3,104	3,198	4,176	4,228	3,190	4,242	4,542	4,343
77 Other banks in United States		4,189	7,693	5,732	5,716	5,436	5,840	5,519	5,915	5,965
78 Nonbanks	6,302	3,654	10,189	11,664	11,843	13,562	13,724	14,613	15,551	16,483
79 To foreigners	80,736	93,202	104,032	114,813	115,582	115,236	116,862	115,816	111,486	114,477
80 Other branches of parent bank	9,376	12,786	12,567	13,951	13,933	13,734	13,335	13,913	13,491	14,169
81 Banks	17,893	39,917	47,620	58,127	55,928	57,371	57,527	56,110	53,563	56,238
82 Official institutions	18,318	20,963	24,202	20,437	21,412	19,199	19,591	19,743	18,385	18,503
83 Nonbank foreigners	15,149	19,536	19,643	22,298	24,309	24,932	26,409	26,050	26,047	25,567
84 Other liabilities	2,445	3,661	5,855	5,308	5,464	5,147	5,092	5,269	5,088	5,337
<b>85 Total payable in U.S. dollars</b>	<b>67,573</b>	<b>77,300</b>	<b>95,449</b>	<b>99,135</b>	<b>102,300</b>	<b>104,123</b>	<b>106,354</b>	<b>106,637</b>	<b>105,847</b>	<b>109,174</b>
86 To United States	7,480	9,328	20,552	19,978	21,080	22,597	22,245	23,927	25,499	26,324
87 Parent bank	1,416	1,836	3,054	3,101	4,078	4,126	3,132	4,160	4,447	4,273
88 Other banks in United States		4,101	7,651	5,616	5,626	5,343	5,757	5,487	5,841	5,911
89 Nonbanks	6,064	3,391	9,847	11,261	11,376	13,128	13,356	14,280	15,211	16,140
90 To foreigners	58,977	66,216	72,397	76,696	78,512	78,768	81,006	79,501	77,212	79,575
91 Other branches of parent bank	7,505	9,635	8,446	9,770	9,600	9,591	9,097	9,297	9,168	9,327
92 Banks	25,608	25,287	29,424	35,998	35,177	36,463	37,007	34,553	34,117	35,899
93 Official institutions	15,482	17,091	20,192	15,989	17,024	14,941	15,404	15,718	14,473	14,846
94 Nonbank foreigners	10,382	14,203	14,335	14,939	16,711	17,773	19,498	19,933	19,454	19,503
95 Other liabilities	1,116	1,486	2,500	2,461	2,708	2,758	3,103	3,209	3,136	3,275
Bahamas and Caymans										
<b>96 Total, all currencies</b>	<b>79,052</b>	<b>91,735</b>	<b>108,977</b>	<b>119,367</b>	<b>123,837</b>	<b>123,460</b>	<b>124,809</b>	<b>127,801</b>	<b>132,045</b>	<b>133,513</b>
97 To United States	32,176	39,431	37,719	56,860	59,666	58,928	58,607	64,031	69,484	69,048
98 Parent bank	20,956	20,482	15,267	26,861	28,181	26,563	26,222	31,746	32,931	29,583
99 Other banks in United States		6,073	5,204	6,528	7,379	7,126	7,165	7,883	8,618	9,297
100 Nonbanks	11,220	12,876	17,248	23,471	24,106	25,239	25,220	24,402	27,935	30,168
101 To foreigners	45,292	50,447	68,598	59,492	61,218	61,597	63,323	60,875	59,326	61,090
102 Other branches of parent bank	12,816	16,094	20,875	15,878	17,040	17,819	18,781	17,436	18,150	18,079
103 Banks	24,717	23,104	33,631	28,933	29,895	30,050	30,289	28,671	26,753	28,639
104 Official institutions	3,000	4,208	4,866	4,368	4,361	4,204	3,663	4,403	4,079	3,666
105 Nonbank foreigners	4,759	7,041	9,226	10,313	9,922	9,524	10,590	10,365	10,344	10,706
106 Other liabilities	1,584	1,857	2,660	3,015	2,953	2,935	2,879	2,895	3,235	3,375
<b>107 Total payable in U.S. dollars</b>	<b>74,463</b>	<b>87,014</b>	<b>103,460</b>	<b>115,121</b>	<b>119,657</b>	<b>119,214</b>	<b>120,714</b>	<b>123,785</b>	<b>128,217</b>	<b>129,807</b>

1. In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

2. In May 1978 a broader category of claims on foreign public borrowers, in-

cluding corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1978 <sup>r</sup>	1979 <sup>r</sup>	1980 <sup>r</sup>	1981						
				Jan. <sup>r</sup>	Feb. <sup>r</sup>	Mar. <sup>▲r</sup>		Apr.	May <sup>p</sup>	June <sup>p</sup>
<b>1 Total<sup>1</sup></b> .....	<b>162,775</b>	<b>149,697</b>	<b>164,576</b>	<b>162,991</b>	<b>162,880</b>	<b>170,193</b>	<b>170,213</b>	<b>170,599</b>	<b>165,653</b>	<b>167,024</b>
<i>By type</i>										
2 Liabilities reported by banks in the United States <sup>2</sup> .....	23,326	30,540	30,381	27,046	25,025	27,471	27,491	25,563	23,813	25,205
3 U.S. Treasury bills and certificates <sup>3</sup> .....	67,671	47,666	56,243	56,522	56,988	60,493	60,493	61,670	57,858	57,719
U.S. Treasury bonds and notes										
4 Marketable.....	35,894	37,590	41,455	42,320	43,725	44,808	44,808	45,303	45,625	46,605
5 Nonmarketable <sup>4</sup> .....	20,970	17,387	14,654	14,654	14,494	14,294	14,294	14,294	14,294	13,202
6 U.S. securities other than U.S. Treasury securities <sup>5</sup> .....	14,914	16,514	21,843	22,449	22,648	23,127	23,127	23,769	24,063	24,293
<i>By area</i>										
7 Western Europe <sup>1</sup> .....	93,089	85,633	81,592	80,434	78,334	79,981	79,999	78,242	71,657	71,101
8 Canada .....	2,486	1,898	1,562	1,174	1,089	1,437	1,437	1,177	1,365	1,248
9 Latin America and Caribbean .....	5,046	6,291	5,688	5,456	5,242	6,365	6,365	5,908	5,536	6,103
10 Asia.....	59,004	52,978	70,782	70,769	73,162	77,169	77,171	79,255	81,042	83,107
11 Africa.....	2,408	2,412	4,123	3,973	3,947	4,087	4,087	4,187	3,927	3,190
12 Other countries <sup>6</sup> .....	742	485	829	1,185	1,106	1,154	1,154	1,830	2,126	2,274

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
  6. Includes countries in Oceania and Eastern Europe.
- ▲ Data in the two columns for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding month; figures in the second column are comparable with those for the following month.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.15 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1977	1978	1979	1980			1981	
				June	Sept.	Dec.	Mar. <sup>▲</sup>	
<b>1 Banks' own liabilities</b> .....	<b>925</b>	<b>2,406</b>	<b>1,918</b>	<b>2,739</b>	<b>2,754</b>	<b>3,748</b>	<b>3,268</b>	<b>3,262</b>
2 Banks' own claims <sup>1</sup> .....	2,356	3,671	2,419	2,874	3,203	4,206	4,238	4,245
3 Deposits.....	941	1,795	994	1,090	1,169	2,507	1,697	1,758
4 Other claims.....	1,415	1,876	1,425	1,784	2,035	1,699	2,542	2,488
5 Claims of banks' domestic customers <sup>2</sup> .....		358	580	798	595	962	444	444

1. Includes claims of banks' domestic customers through March 1978.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

▲ Data in the two columns for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding quarter; figures in the second column are comparable with those for the following quarter.

NOTE. Data on claims exclude foreign currencies held by U.S. monetary authorities.

3.16 LIABILITIES TO FOREIGNERS Reported by Banks in the United States  
Payable in U.S. dollars  
Millions of dollars, end of period

Holder and type of liability	1978	1979	1980	1981						
				Jan.	Feb.	Mar.▲	Apr.	May	June <sup>P</sup>	
<b>1 All foreigners</b> .....	<b>166,842</b>	<b>187,521</b>	<b>205,295</b>	<b>202,397<sup>r</sup></b>	<b>201,515<sup>r</sup></b>	<b>203,651<sup>r</sup></b>	<b>205,284<sup>r</sup></b>	<b>213,152<sup>r</sup></b>	<b>213,648</b>	<b>209,572</b>
2 Banks' own liabilities.....	78,661	117,196	124,789	122,857	121,528	120,217	120,425	128,115 <sup>r</sup>	132,087	128,793
3 Demand deposits.....	19,218	23,303	23,462	22,149	23,300	21,308	21,216	22,644	22,193	23,186
4 Time deposits <sup>1</sup> .....	12,427	13,623	15,076	15,898	15,778	16,272	16,304	15,719 <sup>r</sup>	16,046	16,538
5 Other <sup>2</sup> .....	9,705	16,453	17,581	14,685	13,476	15,947	16,199	14,789 <sup>r</sup>	12,316	14,124
6 Own foreign offices <sup>3</sup> .....	37,311	63,817	68,670	70,125	68,973	66,690	66,707	74,963 <sup>r</sup>	81,532	74,944
7 Banks' custody liabilities <sup>4</sup> .....	88,181	70,325	80,506	79,539 <sup>r</sup>	79,988 <sup>r</sup>	83,433 <sup>r</sup>	84,859 <sup>r</sup>	85,037 <sup>r</sup>	81,560	80,799
8 U.S. Treasury bills and certificates <sup>5</sup> .....	68,202	48,573	57,595	57,673	58,518 <sup>r</sup>	62,259 <sup>r</sup>	62,342 <sup>r</sup>	63,273 <sup>r</sup>	59,583	59,726
9 Other negotiable and readily transferable instruments <sup>6</sup> .....	17,472	19,396	20,079	19,050	18,350	18,226	18,207	17,886 <sup>r</sup>	17,647	17,005
10 Other.....	2,507	2,356	2,832	2,816 <sup>r</sup>	3,120 <sup>r</sup>	2,948 <sup>r</sup>	4,310 <sup>r</sup>	3,878 <sup>r</sup>	4,331	4,069
<b>11 Nonmonetary international and regional organizations<sup>7</sup></b> .....	<b>2,607</b>	<b>2,356</b>	<b>2,342</b>	<b>1,961</b>	<b>2,003</b>	<b>1,854</b>	<b>1,854</b>	<b>1,804</b>	<b>1,803</b>	<b>1,777</b>
12 Banks' own liabilities.....	906	714	442	419	317	293	293	655	498	357
13 Demand deposits.....	330	260	146	212	186	126	126	178	147	224
14 Time deposits <sup>1</sup> .....	84	151	85	71	76	67	67	81	80	75
15 Other <sup>2</sup> .....	492	303	211	137	54	100	100	396	271	58
16 Banks' custody liabilities <sup>4</sup> .....	1,701	1,643	1,900	1,542	1,687	1,561	1,561	1,149	1,304	1,420
17 U.S. Treasury bills and certificates.....	201	102	254	88	368	333	333	63	213	289
18 Other negotiable and readily transferable instruments <sup>6</sup> .....	1,499	1,538	1,646	1,453	1,319	1,228	1,228	1,086	1,091	1,132
19 Other.....	1	2	0	0	0	0	0	0	0	0
<b>20 Official institutions<sup>8</sup></b> .....	<b>90,742</b>	<b>78,206</b>	<b>86,624</b>	<b>83,568<sup>r</sup></b>	<b>82,013<sup>r</sup></b>	<b>87,963<sup>r</sup></b>	<b>87,983<sup>r</sup></b>	<b>87,233<sup>r</sup></b>	<b>81,671</b>	<b>82,924</b>
21 Banks' own liabilities.....	12,165	18,292	17,826	15,222	13,938	16,200	16,220	14,688 <sup>r</sup>	13,466	15,795
22 Demand deposits.....	3,390	4,671	3,771	3,869	3,580	3,338	3,232	3,768	3,444	3,975
23 Time deposits <sup>1</sup> .....	2,560	3,050	3,612	3,343	2,997	2,920	2,938	2,412 <sup>r</sup>	2,642	2,551
24 Other <sup>2</sup> .....	6,215	10,571	10,443	8,010	7,361	9,941	10,050	8,508 <sup>r</sup>	7,381	9,270
25 Banks' custody liabilities <sup>4</sup> .....	78,577	59,914	68,798	68,346 <sup>r</sup>	68,075 <sup>r</sup>	71,763 <sup>r</sup>	71,763 <sup>r</sup>	72,545 <sup>r</sup>	68,205	67,129
26 U.S. Treasury bills and certificates <sup>5</sup> .....	67,415	47,666	56,243	56,522	56,988 <sup>r</sup>	60,492 <sup>r</sup>	60,492 <sup>r</sup>	61,670 <sup>r</sup>	57,858	57,719
27 Other negotiable and readily transferable instruments <sup>6</sup> .....	10,992	12,196	12,501	11,756	10,894	11,080 <sup>r</sup>	11,080	10,790 <sup>r</sup>	10,263	9,337
28 Other.....	170	52	54	68 <sup>r</sup>	193 <sup>r</sup>	191 <sup>r</sup>	191	84 <sup>r</sup>	83	73
<b>29 Banks<sup>9</sup></b> .....	<b>57,423</b>	<b>88,316</b>	<b>96,415</b>	<b>96,659</b>	<b>96,608</b>	<b>93,018</b>	<b>94,338</b>	<b>102,542<sup>r</sup></b>	<b>108,484</b>	<b>102,316</b>
30 Banks' own liabilities.....	52,626	83,299	90,456	90,594	90,319	86,649	86,620	95,096 <sup>r</sup>	100,389	94,131
31 Unaffiliated foreign banks.....	15,315	19,482	21,786	20,469	21,346	19,958	19,914	20,133 <sup>r</sup>	18,857	19,186
32 Demand deposits.....	11,257	13,285	14,188	12,889	14,287	12,585	12,588	13,493	13,394	13,643
33 Time deposits <sup>1</sup> .....	1,429	1,667	1,703	1,857	1,813	2,324	2,305	1,549 <sup>r</sup>	1,687	1,663
34 Other <sup>2</sup> .....	2,629	4,530	5,895	5,723	5,245	5,049	5,021	5,091 <sup>r</sup>	3,776	3,881
35 Own foreign offices <sup>3</sup> .....	37,311	63,817	68,670	70,125	68,973	66,690	66,707	74,963 <sup>r</sup>	81,532	74,944
36 Banks' custody liabilities <sup>4</sup> .....	4,797	5,017	5,959	6,065	6,289	6,369	7,717	7,446	8,095	8,186
37 U.S. Treasury bills and certificates.....	300	422	623	631	714	826	827	839	940	1,164
38 Other negotiable and readily transferable instruments <sup>6</sup> .....	2,425	2,415	2,748	2,856	2,850	2,928	2,913	2,932	3,053	3,171
39 Other.....	2,072	2,179	2,588	2,578	2,726	2,615	3,977	3,675	4,102	3,851
<b>40 Other foreigners</b> .....	<b>16,070</b>	<b>18,642</b>	<b>19,914</b>	<b>20,209</b>	<b>20,891</b>	<b>20,816</b>	<b>21,109</b>	<b>21,573<sup>r</sup></b>	<b>21,689</b>	<b>22,575</b>
41 Banks' own liabilities.....	12,964	14,891	16,065	16,623	16,955	17,076	17,291	17,676 <sup>r</sup>	17,734	18,510
42 Demand deposits.....	4,242	5,087	5,356	5,179	5,246	5,259	5,270	5,205	5,208	5,345
43 Time deposits.....	8,353	8,755	9,676	10,628	10,892	10,961	10,995	11,677 <sup>r</sup>	11,638	12,250
44 Other <sup>2</sup> .....	368	1,048	1,033	815	816	856	1,027	794 <sup>r</sup>	888	915
45 Banks' custody liabilities <sup>4</sup> .....	3,106	3,751	3,849	3,586	3,937	3,740	3,817	3,897 <sup>r</sup>	3,956	4,064
46 U.S. Treasury bills and certificates.....	285	382	474	432	449	607	690	701	571	554
47 Other negotiable and readily transferable instruments <sup>6</sup> .....	2,557	3,247	3,185	2,985	3,287	2,991	2,986	3,078 <sup>r</sup>	3,240	3,366
48 Other.....	264	123	190	170	201	141	141	119	145	144
<b>49 MEMO: Negotiable time certificates of deposit in custody for foreigners</b> .....	<b>11,007</b>	<b>10,984</b>	<b>10,745</b>	<b>10,267</b>	<b>9,868</b>	<b>9,893</b>	<b>9,887</b>	<b>9,549<sup>r</sup></b>	<b>9,841</b>	<b>10,159</b>

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments." Data for time deposits before April 1978 represent short-term only.

2. Includes borrowing under repurchase agreements.

3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.

4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.

8. Foreign central banks and foreign central governments and the Bank for International Settlements.

9. Excludes central banks, which are included in "Official institutions."

▲ Data in the two columns for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding month; figures in the second column are comparable with those for the following month.

## 3.16 Continued

Area and country	1978	1979	1980	1981						
				Jan	Feb	Mar ▲	Apr	May	June <sup>p</sup>	
1 Total	166,842	187,521	205,295	202,397 <sup>r</sup>	201,515 <sup>r</sup>	203,651 <sup>r</sup>	205,284 <sup>r</sup>	213,152 <sup>r</sup>	213,648	209,592
2 Foreign countries	164,235	185,164	202,953	200,436 <sup>r</sup>	199,512 <sup>r</sup>	201,796 <sup>r</sup>	203,430 <sup>r</sup>	211,348 <sup>r</sup>	211,845	207,815
3 Europe	85,172	90,952	90,897	89,701	89,181	91,338	92,495	89,934 <sup>r</sup>	87,362	86,985
4 Austria	513	413	523	554	551	522	522	523 <sup>r</sup>	497	540
5 Belgium-Luxembourg	2,550	2,375	4,019	4,062	4,782	4,698	4,698	4,926 <sup>r</sup>	5,510	5,037
6 Denmark	1,946	1,092	497	420	432	463	461	434	526	415
7 Finland	346	398	455	264	355	332	332	328 <sup>r</sup>	290	305
8 France	9,214	10,433	12,125	12,168	12,521	12,959	12,950	13,102 <sup>r</sup>	11,366	11,509
9 Germany	17,283	12,935	9,973	10,336	9,296	12,299	12,305	12,489	9,472	9,628
10 Greece	826	635	670	524	563	593	593	574 <sup>r</sup>	543	507
11 Italy	7,739	7,782	7,572	6,743	5,987	3,446	3,446	3,600	3,008	4,629
12 Netherlands	2,402	2,337	2,441	2,568	2,540	2,324	2,328	2,314 <sup>r</sup>	2,176	2,131
13 Norway	1,271	1,267	1,344	899	1,037	1,575	1,575	1,477	1,648	1,743
14 Portugal	330	557	374	370	358	356	356	309	336	454
15 Spain	870	1,259	1,500	1,416	1,388	1,631	1,631	1,352	1,678	1,190
16 Sweden	3,121	2,005	1,737	1,465	2,078	2,408	2,408	2,784 <sup>r</sup>	2,518	2,180
17 Switzerland	18,225	17,954	16,689	16,631	16,636	16,844	16,856	15,739 <sup>r</sup>	15,831	15,808
18 Turkey	157	120	242	203	231	235	235	209	182	194
19 United Kingdom	14,272	24,700	22,680	24,209	24,325	24,715	25,836	24,343 <sup>r</sup>	25,477	24,743
20 Yugoslavia	254	266	681	296	269	202	202	238	270	312
21 Other Western Europe <sup>1</sup>	3,440	4,070	6,939	6,225	5,385	5,358	5,358	4,893 <sup>r</sup>	5,654	5,261
22 U.S.S.R.	82	52	68	46	84	47	47	37	85	41
23 Other Eastern Europe <sup>2</sup>	330	302	370	401	363	352	350	264	294	358
24 Canada	6,969	7,379	10,031	9,802	9,131	8,570	8,610	10,388 <sup>r</sup>	11,221	10,209
25 Latin America and Caribbean	31,638	49,686	53,170	53,229	52,275	50,818	51,178	58,415 <sup>r</sup>	60,080	56,732
26 Argentina	1,484	1,582	2,132	1,857	1,998	1,917	1,917	1,919	1,800	1,991
27 Bahamas	6,752	15,255	16,381	16,164	15,916	14,183	14,356	18,815	20,140	18,329
28 Bermuda	428	430	670	475	804	915	913	634 <sup>r</sup>	806	698
29 Brazil	1,125	1,005	1,216	1,339	1,266	1,151	1,148	1,345	1,347	1,411
30 British West Indies	5,974	11,138	12,766	12,798	12,144	11,566	11,566	13,995 <sup>r</sup>	14,897	12,819
31 Chile	398	468	460	501	431	549	549	539	526	507
32 Colombia	1,756	2,617	3,077	3,085	3,087	2,970	2,970	2,940 <sup>r</sup>	2,838	2,826
33 Cuba	13	13	6	6	6	6	6	8	7	7
34 Ecuador	322	425	371	389	449	511	511	352	391	463
35 Guatemala <sup>3</sup>	416	414	367	428	461	446	446	416	413	397
36 Jamaica <sup>4</sup>	52	76	97	112	101	94	94	141	132	79
37 Mexico	3,467	4,185	4,547	4,595	4,600	4,755	4,755	5,332	4,948	5,344
38 Netherlands Antilles	308	499	413	599	523	436	476	442 <sup>r</sup>	415	497
39 Panama	2,967	4,483	4,738	4,460	3,984	4,297	4,445	4,723 <sup>r</sup>	4,847	4,645
40 Peru	363	383	403	401	447	341	342	354	334	450
41 Uruguay	231	202	254	290	266	306	306	284	334	322
42 Venezuela	3,821	4,192	3,170	3,794	3,925	4,218	4,220	4,178	3,924	3,547
43 Other Latin America and Caribbean	1,760	2,318	2,123	1,936	1,869	2,158	2,158	1,997	1,979	2,399
44 Asia	36,492	33,005	42,420	41,687 <sup>r</sup>	43,041 <sup>r</sup>	44,992 <sup>r</sup>	45,068 <sup>r</sup>	45,944 <sup>r</sup>	46,181	47,300
45 China	67	49	49	55	55	60	60	46	54	102
46 Taiwan	502	1,393	1,662	1,821	1,733	1,822	1,822	1,798 <sup>r</sup>	1,781	1,935
47 Hong Kong	1,256	1,672	2,548	2,764	3,054	2,440	2,438	2,468 <sup>r</sup>	3,001	3,152
48 India	790	527	416	437	604	576	576	442	458	408
49 Indonesia	449	504	730	1,170	678	1,063	1,063	944	706	582
50 Israel	688	707	883	523	557	582	582	444	404	477
51 Japan	21,927	8,907	16,281	17,701	17,990	19,367	19,442	19,450	19,802	19,558
52 Korea	795	993	1,528	1,498	1,485	1,380	1,380	1,381	1,397	1,330
53 Philippines	644	795	919	849	1,057	1,115	1,115	1,213	802	1,049
54 Thailand	427	277	464	367	404	250	250	391	338	422
55 Middle-East oil-exporting countries <sup>5</sup>	7,534	15,300	14,453	12,254 <sup>r</sup>	13,015 <sup>r</sup>	14,205 <sup>r</sup>	14,205 <sup>r</sup>	15,119 <sup>r</sup>	14,753	15,126
56 Other Asia	1,414	1,879	2,487	2,749	2,409	2,132	2,134	2,247 <sup>r</sup>	2,686	3,159
57 Africa	2,886	3,239	5,187	4,358	4,371	4,553	4,553	4,529	4,513	3,917
58 Egypt	404	475	485	313	496	333	333	336	308	289
59 Morocco	32	33	33	42	30	33	33	34	54	41
60 South Africa	168	184	288	327	258	322	322	330	360	265
61 Zaïre	43	110	57	48	58	28	28	28	24	181
62 Oil-exporting countries <sup>5</sup>	1,525	1,635	3,540	2,921	2,833	3,084	3,084	3,135	3,004	2,388
63 Other Africa	715	804	783	707	697	753	753	666	764	753
64 Other countries	1,076	904	1,247	1,658	1,513	1,526	1,526	2,189 <sup>r</sup>	2,487	2,672
65 Australia	838	684	950	1,304	1,205	1,287	1,287	1,913 <sup>r</sup>	2,286	2,398
66 All other	239	220	297	354	307	240	240	275	201	275
67 Nonmonetary international and regional organizations	2,607	2,356	2,342	1,961	2,003	1,854	1,854	1,804	1,803	1,777
68 International	1,485	1,238	1,156	913	995	754	754	795	771	747
69 Latin American regional	808	806	890	769	745	768	768	693	729	722
70 Other regional <sup>6</sup>	314	313	296	279	263	333	333	317	303	307

<sup>1</sup> Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

<sup>2</sup> Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

<sup>3</sup> Included in "Other Latin America and Caribbean" through March 1978.

<sup>4</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates (Emirate States).

<sup>5</sup> Comprises Algeria, Gabon, Libya, and Nigeria.

<sup>6</sup> Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

▲ Data in the two columns for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding month; figures in the second column are comparable with those for the following month.



3.17 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States  
Payable in U.S. Dollars  
Millions of dollars, end of period

Area and country	1978	1979	1980	1981						
				Jan	Feb	Mar ▲	Apr	May	June <sup>P</sup>	
1 Total	115,545	133,943	172,702	167,338	167,687	179,535	181,551	184,769 <sup>F</sup>	186,403	195,695
2 Foreign countries	115,488	133,906	172,624	167,266	167,608	179,461	181,477	184,700 <sup>F</sup>	186,327	195,618
3 Europe	24,201	28,388	32,155	30,657	30,768	34,136	35,098	34,265 <sup>F</sup>	34,220	36,891
4 Austria	140	284	236	249	191	174	151	151	149	166
5 Belgium-Luxembourg	1,200	1,339	1,621	1,739	2,140	2,568	2,573	2,155	2,010	2,793
6 Denmark	254	147	127	129	172	119	119	141	162	125
7 Finland	305	202	460	322	337	319	326	327 <sup>F</sup>	299	365
8 France	3,735	3,322	2,958	2,716	3,067	3,838	3,911	3,696	3,164	3,214
9 Germany	845	1,179	948	993	1,028	1,074	1,122	1,038	1,140	1,099
10 Greece	164	154	256	264	244	210	210	334	242	213
11 Italy	1,523	1,631	3,364	3,168	3,105	3,052	3,055	2,926	2,976	3,825
12 Netherlands	677	514	575	642	523	548	560	530	584	625
13 Norway	299	276	227	294	224	223	223	180	173	172
14 Portugal	171	330	331	299	240	247	247	242	263	353
15 Spain	1,120	1,051	993	1,131	1,152	1,494	1,497	1,601	1,715	1,768
16 Sweden	537	542	783	688	733	868	884	975	996	794
17 Switzerland	1,283	1,165	1,446	1,753	1,729	1,313	1,375	1,263	1,693	1,690
18 Turkey	300	149	145	146	155	136	136	132	172	147
19 United Kingdom	10,147	13,795	14,917	13,175	12,949	15,093	15,827	15,652 <sup>F</sup>	15,640	16,186
20 Yugoslavia	363	611	853	863	859	871	872	878	904	988
21 Other Western Europe <sup>1</sup>	122	175	179	347	177	176	176	211	147	182
22 U S S R	360	268	281	249	249	265	265	266	254	302
23 Other Eastern Europe <sup>2</sup>	657	1,254	1,457	1,490	1,494	1,548	1,548	1,569	1,538	1,884
24 Canada	5,152	4,143	4,810	4,221	4,872	5,017	5,297	6,091 <sup>F</sup>	5,983	7,020
25 Latin America and Caribbean	57,565	67,993	92,992	90,792	89,625	96,364	96,829	98,594 <sup>F</sup>	99,551	102,218
26 Argentina	2,281	4,389	5,689	5,642	5,636	5,672	5,672	5,881	5,637	5,807
27 Bahamas	21,555	18,918	29,419	28,358	28,642	34,149	34,285	33,926 <sup>F</sup>	33,127	34,189
28 Bermuda	184	496	218	267	364	324	324	401 <sup>F</sup>	481	581
29 Brazil	6,251	7,713	10,496	10,260	9,801	10,213	10,269	9,924	9,916	10,013
30 British West Indies	9,694	9,818	15,663	14,546	14,338	14,236	14,320	16,143 <sup>F</sup>	17,102	17,818
31 Chile	970	1,441	1,951	1,862	1,843	1,876	1,876	2,028	2,019	2,073
32 Colombia	1,012	1,614	1,752	1,665	1,435	1,467	1,467	1,457	1,580	1,532
33 Cuba	0	4	4	4	3	3	3	4	3	4
34 Ecuador	705	1,025	1,190	1,222	1,179	1,257	1,229	1,229	1,239	1,284
35 Guatemala <sup>3</sup>	94	134	137	114	113	208	208	98	104	103
36 Jamaica <sup>3</sup>	40	47	36	36	41	77	77	34	35	38
37 Mexico	5,479	9,099	12,595	12,687	12,460	12,407	12,447	13,242	13,351	13,992
38 Netherlands Antilles	273	248	821	835	807	921	921	809	756	856
39 Panama	3,098	6,041	4,974	5,033	4,964	5,640	5,643	5,477 <sup>F</sup>	6,044	6,061
40 Peru	918	652	890	912	877	794	794	853	873	817
41 Uruguay	52	105	137	111	107	103	103	105	100	94
42 Venezuela	3,474	4,657	5,438	5,515	5,514	5,441	5,458	5,325	5,433	5,285
43 Other Latin America and Caribbean	1,485	1,593	1,583	1,728	1,653	1,702	1,705	1,658	1,751	1,672
44 Asia	25,362	30,730	39,140	38,564	39,113	40,636	40,941	42,439 <sup>F</sup>	42,997	45,995
45 China										
45 Mainland	4	35	195	225	186	201	201	202	204	205
46 Taiwan	1,499	1,821	2,469	2,415	2,270	2,413	2,413	2,568	2,413	2,552
47 Hong Kong	1,479	1,804	2,247	2,250	2,212	2,340	2,340	2,476	2,896	3,248
48 India	54	92	142	110	142	127	127	134	170	132
49 Indonesia	143	131	245	280	306	288	288	299	268	258
50 Israel	888	990	1,172	1,081	829	944	981	1,014	1,186	1,309
51 Japan	12,646	16,911	21,361	21,187	22,314	23,710	23,977	23,862 <sup>F</sup>	24,209	25,999
52 Korea	2,282	3,793	5,697	5,904	5,936	5,823	5,823	6,024	6,014	6,680
53 Philippines	680	737	989	840	745	605	605	994	1,024	1,230
54 Thailand	758	933	876	810	808	835	835	829	698	647
55 Middle East oil-exporting countries <sup>4</sup>	3,125	1,548	1,494	1,435	1,443	1,486	1,486	1,909	1,472	1,606
56 Other Asia	1,804	1,934	2,252	2,026	1,922	1,874	1,874	2,130 <sup>F</sup>	2,443	2,130
57 Africa	2,221	1,797	2,377	1,910	1,981	2,271	2,271	2,272	2,536	2,422
58 Egypt	107	114	151	175	152	137	137	124	126	155
59 Morocco	82	103	223	186	115	153	153	118	187	71
60 South Africa	860	445	370	337	421	534	534	562	668	658
61 Zaïre	164	144	94	96	94	111	111	108	98	98
62 Oil-exporting countries <sup>5</sup>	452	391	805	410	425	589	589	650	805	672
63 Other	556	600	734	707	773	746	746	710	751	767
64 Other countries	988	855	1,150	1,122	1,250	1,038	1,041	1,038	1,040	1,073
65 Australia	877	673	859	827	868	870	874	922	898	934
66 All other	111	182	290	295	381	167	167	116	142	139
67 Nonmonetary international and regional organizations <sup>6</sup>	56	36	78	72	79	74	74	69	76	77

<sup>1</sup> Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

<sup>2</sup> Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

<sup>3</sup> Included in "Other Latin America and Caribbean" through March 1978.

<sup>4</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

<sup>5</sup> Comprises Algeria, Gabon, Libya, and Nigeria.

<sup>6</sup> Excludes the Bank for International Settlements, which is included in "Other Western Europe."

▲ 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 month; figures in the second column are comparable with those for the following month.

Note: Data for period prior to April 1978 include claims of banks domestic customers on foreigners.

### 3.18 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1978	1979	1980	1981						
				Jan	Feb.	Mar ▲		Apr	May	June <sup>p</sup>
1 Total	126,787	154,030	198,807	.....	.....	210,586	213,220	.....	.....	.....
2 Banks' own claims on foreigners	115,545	133,943	172,702	167,338	167,687	179,535	181,551	184,769 <sup>r</sup>	186,403	195,695
3 Foreign public borrowers	10,346	15,937	20,944	20,969	20,321	20,836	21,027	21,401 <sup>r</sup>	21,319	22,978
4 Own foreign offices <sup>1</sup>	41,605	47,428	65,084	64,002	64,798	74,660	74,717	76,632 <sup>r</sup>	75,320	78,791
5 Unaffiliated foreign banks	40,483	40,927	50,215	46,350	45,880	46,502	48,104	48,670 <sup>r</sup>	51,741	54,895
6 Deposits	5,428	6,274	8,254	7,261	7,079	7,263	8,205	7,831 <sup>r</sup>	10,125	10,829
7 Other	35,054	34,654	41,962	39,089	38,800	39,239	39,898	40,839 <sup>r</sup>	41,616	44,066
8 All other foreigners	23,111	29,650	36,459	36,017	36,689	37,537	37,703	38,066 <sup>r</sup>	38,023	39,031
9 Claims of banks' domestic customers <sup>2</sup>	11,243	20,088	26,106	.....	.....	31,052	31,669	.....	.....	.....
10 Deposits	480	955	885	.....	.....	369	852	.....	.....	.....
11 Negotiable and readily transferable instruments <sup>3</sup>	5,396	13,100	15,574	.....	.....	19,930	20,064	.....	.....	.....
12 Outstanding collections and other claims <sup>4</sup>	5,366	6,032	9,648	.....	.....	10,752	10,753	.....	.....	.....
13 Mi-MO Customer liability on acceptances	15,030	18,021	22,714	.....	.....	24,452	24,452	.....	.....	.....
Dollar deposits in banks abroad, reported by non-banking business enterprises in the United States <sup>5</sup>	13,162	21,578	23,659	28,318	30,812	30,142	30,142	33,790	34,347	n a

1 U.S. banks includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks, principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

2 Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

3 Principally negotiable time certificates of deposit and bankers acceptances.

4. Data for March 1978 and for period prior to that are outstanding collections only.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

▲ Data in the two columns for this month differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding month, figures in the second column are comparable with those shown for the following month.

NOTE: Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

### 3.19 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area	1978	1979	1980			1981	
	Dec	Dec	June	Sept.	Dec	Mar ▲	
1 Total	73,635	86,181	93,260	99,022	106,857	104,789	106,513
<i>By borrower</i>							
2 Maturity of 1 year or less <sup>1</sup>	58,345	65,152	71,938	76,231	82,665	80,855	82,636
3 Foreign public borrowers	4,633	7,233	7,227	8,935	10,036	10,519	10,630
4 All other foreigners	53,712	57,919	64,711	67,296	72,628	70,336	72,005
5 Maturity of over 1 year <sup>1</sup>	15,289	21,030	21,322	22,791	24,193	23,934	23,877
6 Foreign public borrowers	5,395	8,371	8,673	9,722	10,152	10,158	10,244
7 All other foreigners	9,894	12,659	12,649	13,069	14,041	13,775	13,634
<i>By area</i>							
8 Maturity of 1 year or less <sup>1</sup>							
8 Europe	15,169	15,235	17,215	16,940	18,762	17,306	18,261
9 Canada	2,670	1,777	2,047	2,166	2,723	2,358	2,621
10 Latin America and Caribbean	20,895	24,928	24,460	28,097	32,034	30,844	31,096
11 Asia	17,545	21,641	26,162	26,876	26,748	28,001	28,305
12 Africa	1,496	1,077	1,330	1,401	1,757	1,624	1,624
13 All other <sup>2</sup>	569	493	724	751	640	722	729
9 Maturity of over 1 year <sup>1</sup>							
14 Europe	3,142	4,160	4,033	4,705	5,118	5,698	5,578
15 Canada	1,426	1,317	1,199	1,188	1,448	1,184	1,200
16 Latin America and Caribbean	8,464	12,814	13,887	14,187	15,075	14,768	14,870
17 Asia	1,407	1,911	1,477	2,014	1,865	1,585	1,530
18 Africa	637	655	576	567	507	531	531
19 All other <sup>2</sup>	214	173	150	130	179	168	167

1 Remaining time to maturity.

2 Includes nonmonetary international and regional organizations.

▲ Data in the two columns for this month differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding quarter, figures in the second column are comparable with those for the following quarter.

3.20 CLAIMS ON FOREIGN COUNTRIES Held by U. S. Offices and Foreign Branches of U.S.-Chartered Banks<sup>1</sup>

Billions of dollars, end of period

Area or country	1977	1978 <sup>2</sup>	1979				1980				1981
			Mar	June	Sept	Dec	Mar	June	Sept	Dec	
1 Total	240.0	266.2	263.9	275.6	294.0	303.8	308.5	328.5	338.7	350.1	363.8
2 G-10 countries and Switzerland	116.4	124.7	119.0	125.2	135.7	138.4	141.2	154.2	158.7	161.5	165.5
3 Belgium-Luxembourg	8.4	9.0	9.4	9.7	10.7	11.1	10.8	13.1	13.5	12.9	13.4
4 France	11.0	12.2	11.7	12.7	12.0	11.7	12.0	14.0	13.9	14.0	14.3
5 Germany...	9.6	11.3	10.5	10.8	12.8	12.2	11.4	12.7	12.9	11.5	12.3
6 Italy	6.5	6.7	5.7	6.1	6.1	6.4	6.2	6.9	7.2	8.2	7.6
7 Netherlands	3.5	4.4	3.9	4.0	4.7	4.8	4.3	4.5	4.4	4.4	4.5
8 Sweden	1.9	2.1	2.0	2.0	2.3	2.4	2.4	2.7	2.8	2.9	3.2
9 Switzerland	3.6	5.3	4.5	4.7	5.0	4.7	4.3	3.3	3.4	4.0	4.0
10 United Kingdom	46.5	47.3	46.4	50.3	53.7	56.4	57.6	64.3	66.6	68.7	68.2
11 Canada	6.4	6.0	5.9	5.5	6.0	6.3	6.9	7.2	7.7	8.4	8.5
12 Japan	18.8	20.6	19.0	19.5	22.3	22.4	25.4	25.5	26.1	26.5	29.4
13 Other developed countries	18.6	19.4	18.2	18.2	19.7	19.9	18.8	20.3	20.6	21.1	23.0
14 Austria	1.3	1.7	1.7	1.8	2.0	2.0	1.7	1.8	1.8	1.9	1.8
15 Denmark	1.6	2.0	2.0	1.9	2.0	2.2	2.1	2.2	2.2	2.2	2.4
16 Finland	1.2	1.2	1.2	1.1	1.2	1.2	1.1	1.3	1.2	1.4	1.3
17 Greece	2.2	2.3	2.3	2.2	2.3	2.4	2.4	2.5	2.6	2.8	2.8
18 Norway	1.9	2.1	2.1	2.1	2.3	2.3	2.4	2.4	2.4	2.6	2.8
19 Portugal	6	6	6	5	7	7	6	6	7	6	6
20 Spain	3.6	3.5	3.0	3.0	3.3	3.5	3.5	3.9	4.2	4.0	5.1
21 Turkey	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.5	1.5
22 Other Western Europe	9	13	11	9	15	14	14	16	17	17	18
23 South Africa	2.4	2.0	1.7	1.8	1.7	1.3	1.1	1.5	1.2	1.1	1.5
24 Australia	1.4	1.4	1.3	1.4	1.3	1.3	1.2	1.2	1.2	1.3	1.4
25 OPEC countries <sup>3</sup>	17.6	22.7	22.6	22.7	23.4	22.9	21.8	20.9	21.3	22.8	21.4
26 Ecuador	1.1	1.6	1.5	1.6	1.6	1.7	1.8	1.8	1.9	2.1	2.0
27 Venezuela	5.5	7.2	7.2	7.6	7.9	8.7	7.9	7.9	8.5	9.1	8.3
28 Indonesia	2.2	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.8	2.0
29 Middle East countries	6.9	9.5	9.4	9.0	9.2	8.0	7.8	6.9	6.6	6.9	6.4
30 African countries	1.9	2.5	2.6	2.6	2.8	2.6	2.5	2.5	2.4	2.8	2.6
31 Non-OPEC developing countries	48.7	52.6	53.9	56.0	58.9	62.9	63.7	67.4	72.8	76.9	80.5
Latin America											
32 Argentina	2.9	3.0	3.1	3.5	4.1	5.0	5.5	5.6	7.6	7.9	8.5
33 Brazil	12.7	14.9	14.9	15.1	15.1	15.2	15.0	15.3	15.8	16.2	16.7
34 Chile	9	1.6	1.7	1.8	2.2	2.5	2.5	2.7	3.2	3.5	4.0
35 Colombia	1.3	1.4	1.5	1.5	1.7	2.2	2.1	2.2	2.4	2.6	2.4
36 Mexico	11.9	10.8	10.9	10.7	11.4	12.0	12.1	13.6	14.4	15.9	17.0
37 Peru	1.9	1.7	1.6	1.4	1.4	1.5	1.3	1.4	1.5	1.8	1.8
38 Other Latin America	2.6	3.6	3.5	3.3	3.6	3.7	3.6	3.6	3.9	3.9	4.8
Asia											
39 Mainland China	0	0	1	1	1	1	1	1	1	2	2
40 Taiwan	3.1	2.9	3.1	3.3	3.5	3.4	3.6	3.8	4.1	4.2	4.4
41 India	3	2	2	2	2	2	2	2	2	3	3
42 Israel	9	10	10	9	10	13	9	12	11	15	13
43 Korea (South)	3.9	3.9	4.2	5.0	5.3	5.4	6.4	7.1	7.3	7.1	7.7
44 Malaysia <sup>4</sup>	7	6	6	7	7	9	8	9	9	10	10
45 Philippines	2.5	2.8	3.2	3.7	3.7	4.2	4.4	4.6	4.8	5.0	4.7
46 Thailand	1.1	1.2	1.2	1.4	1.6	1.5	1.4	1.5	1.5	1.4	1.4
47 Other Asia	4	2	4	4	4	5	5	5	5	6	4
Africa											
48 Egypt	3	4	5	7	6	6	7	7	7	8	8
49 Morocco	5	6	6	5	5	6	5	5	6	7	6
50 Zaïre	3	2	2	2	2	2	2	2	2	2	4
51 Other Africa <sup>5</sup>	7	1.4	1.4	1.5	1.6	1.7	1.7	1.8	2.0	2.0	2.1
52 Eastern Europe	6.3	6.9	6.7	6.7	7.2	7.3	7.3	7.2	7.3	7.5	8.0
53 U.S.S.R.	1.6	1.3	1.1	9	9	7	6	5	5	4	4
54 Yugoslavia	1.1	1.5	1.6	1.7	1.8	1.8	1.9	2.1	2.1	2.3	2.4
55 Other	3.7	4.1	4.0	4.1	4.6	4.8	4.9	4.5	4.7	4.7	5.1
56 Offshore banking centers	26.1	31.0	33.7	37.0	38.6	40.4	42.6	44.2	44.5	46.5	50.7
57 Bahamas	9.9	10.4	12.3	14.4	13.0	13.7	13.9	13.7	13.1	13.3	13.6
58 Bermuda	6	7	6	7	7	8	6	6	6	6	7
59 Cayman Islands and other British West Indies	3.7	7.4	7.1	7.4	9.5	9.4	11.3	9.8	10.1	10.6	11.3
60 Netherlands Antilles	7	8	8	10	11	12	9	12	13	2.1	2.1
61 Panama <sup>6</sup>	3.1	3.0	3.5	3.8	3.4	4.3	4.9	5.6	5.6	5.4	6.4
62 Lebanon	2	1	1	1	2	2	2	2	2	2	2
63 Hong Kong	3.7	4.2	4.8	4.9	5.5	6.0	5.7	6.9	7.5	8.1	8.4
64 Singapore	3.7	3.9	4.2	4.2	4.9	4.5	4.7	5.9	5.6	5.9	7.2
65 Others <sup>7</sup>	5	5	4	4	4	4	4	4	4	3	9
66 Miscellaneous and unallocated <sup>8</sup>	5.3	9.1	9.5	9.9	10.6	11.7	13.1	14.3	13.7	13.9	14.8

1 The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices not covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.17 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2 Beginning with data for June 1978, the claims of the U.S. offices in this table include only banks' own claims payable in dollars. For earlier dates

the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to \$10 billion).

3 In addition to the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

4 Foreign branch claims only through December 1976.

5 Excludes Liberia.

6 Includes Canal Zone beginning December 1979.

7 Foreign branch claims only.

8 Includes New Zealand, Liberia, and international and regional organizations.

## 3.21 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1979	1980	1981	1980	1981					
			Jan - June <sup>p</sup>	Dec	Jan	Feb	Mar	Apr	May	June <sup>p</sup>
Holdings (end of period) <sup>1</sup>										
1 Estimated total <sup>2</sup>	51,344	57,418	57,418	58,453	60,277	61,760	62,124	62,837	64,101	
2 Foreign countries <sup>2</sup>	45,915	52,831	52,831	53,919	55,655	56,840	57,352	58,039	59,158	
3 Europe <sup>2</sup>	24,824	24,337	24,337	25,176	25,466	25,235	24,883	24,511	24,867	
4 Belgium-Luxembourg	60	77	77	80	88	106	123	131	173	
5 Germany <sup>2</sup>	14,056	12,335	12,335	12,791	12,915	12,340	11,925	11,949	12,594	
6 Netherlands	1,466	1,884	1,884	1,954	1,944	1,965	1,950	1,813	1,781	
7 Sweden	647	595	595	555	535	566	567	572	582	
8 Switzerland <sup>2</sup>	1,868	1,485	1,485	1,561	1,524	1,527	1,526	1,535	1,600	
9 United Kingdom	6,236	7,183	7,183	7,438	7,745	7,892	7,862	7,274	6,834	
10 Other Western Europe	491	777	777	796	714	839	930	1,236	1,304	
11 Eastern Europe	0	0	0	0	0	0	0	0	0	
12 Canada	232	449	449	458	490	478	464	486	484	
13 Latin America and Caribbean	466	999	999	998	1,074	1,151	939	849	666	
14 Venezuela	103	292	292	292	292	292	292	287	287	
15 Other Latin America and Caribbean	200	285	285	281	341	339	389	430	217	
16 Netherlands Antilles	163	421	421	425	441	519	258	132	162	
17 Asia	19,805	26,112	26,112	26,303	27,467	28,827	29,920	31,047	31,997	
18 Japan	11,175	9,479	9,479	9,519	9,543	9,543	9,566	9,606	9,778	
19 Africa	591	920	920	970	1,139	1,140	1,140	1,140	1,140	
20 All other	-3	14	14	14	18	9	7	6	3	
21 Nonmonetary international and regional organizations	5,429	4,587	4,587	4,534	4,622	4,920	4,772	4,798	4,943	
22 International	5,388	4,548	4,548	4,505	4,586	4,878	4,759	4,791	4,936	
23 Latin American regional	37	36	36	26	36	36	6	1	1	
Transactions (net purchases, or sales (-) during period)										
24 Total <sup>2</sup>	6,397	6,075	6,682	196	1,035	1,827	1,480	364	713	1,264
25 Foreign countries <sup>2</sup>	6,099	6,916	6,327	-41	1,088	1,736	1,185	512	686	1,119
26 Official institutions	1,697	3,840	5,149	-336	865	1,404	1,084	495	321	980
27 Other foreign <sup>2</sup>	4,403	3,076	1,177	295	223	332	101	17	365	139
28 Nonmonetary international and regional organizations	301	-843	356	237	-53	91	295	-148	26	145
Mt Mo Oil-exporting countries										
29 Middle East <sup>3</sup>	-1,014	7,672	5,230	358	300	1,139	1,322	1,062	841	565
30 Africa <sup>4</sup>	-100	328	220	205	51	169	0	0	0	0

1 Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2 Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4 Comprises Algeria, Gabon, Libya, and Nigeria.

## 3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1978	1979	1980	1981						
				Jan	Feb	Mar	Apr	May	June	July <sup>p</sup>
1 Deposits	367	429	411	573	422	474	475	346	338	285
Assets held in custody										
2 U.S. Treasury securities <sup>1</sup>	117,126	95,075	102,417	104,490	106,389	111,859	113,746	109,742	107,884	105,064
3 Earmarked gold <sup>2</sup>	15,463	15,169	14,965	14,893	14,892	14,883	14,886	14,875	14,871	14,854

1 Marketable U.S. Treasury bills, notes, and bonds, and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

2 The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in 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.

## 3.23 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1979	1980	1981	1980	1981					
			Jan - June <sup>p</sup>	Dec	Jan	Feb	Mar	Apr	May	June <sup>p</sup>
U.S. corporate securities										
STOCKS										
1 Foreign purchases	22,781	40,320	22,561	4,345	3,422	2,718	3,948	4,041	4,083	4,350
2 Foreign sales	21,123	34,962	18,018	3,701	2,798	2,312	3,313	3,323	2,858	3,413
3 Net purchases, or sales (-)	1,658	5,358	4,543	644	624	406	634	718	1,225	936
4 Foreign countries	1,642	5,340	4,499	623	612	403	626	710	1,215	931
5 Europe	217	3,069	2,963	254	438	257	605	419	766	477
6 France	122	482	773	60	62	41	110	126	393	42
7 Germany	-221	186	83	8	24	18	31	15	-17	11
8 Netherlands	-71	-328	112	-17	43	2	12	-2	31	27
9 Switzerland	-519	308	377	-88	105	-24	138	75	84	0
10 United Kingdom	964	2,503	1,469	300	178	220	308	197	215	351
11 Canada	552	865	697	247	26	91	103	230	143	104
12 Latin America and Caribbean	-19	148	201	-8	101	-22	14	-26	9	126
13 Middle East <sup>1</sup>	688	1,206	389	177	63	74	-95	91	223	33
14 Other Asia	211	16	251	-49	-14	-2	0	3	77	187
15 Africa	-14	-1	7	-2	2	0	-1	-1	1	4
16 Other countries	7	38	-9	2	-5	7	0	-5	-4	-1
17 Nonmonetary international and regional organizations	17	18	44	22	12	2	8	8	10	5
BONDS <sup>2</sup>										
18 Foreign purchases	8,835	15,425	9,360	946	1,549	1,402	2,035	1,549	894	1,931
19 Foreign sales	7,602	9,976	5,819	826	817	863	1,239	774	669	1,457
20 Net purchases, or sales (-)	1,233	5,449	3,542	121	733	539	769	775	225	474
21 Foreign countries	1,330	5,514	3,489	107	706	552	797	733	243	459
22 Europe	626	1,576	1,162	-26	214	311	132	328	-3	180
23 France	11	129	6	12	4	-42	9	8	17	10
24 Germany	58	213	460	22	49	112	97	23	28	152
25 Netherlands	-202	-65	49	17	6	12	14	13	4	0
26 Switzerland	-118	54	109	14	22	12	4	17	34	20
27 United Kingdom	814	1,257	456	-113	124	207	-22	231	-87	3
28 Canada	80	135	47	7	7	-2	19	12	18	-6
29 Latin America and Caribbean	109	185	94	-5	-3	26	28	22	9	12
30 Middle East <sup>1</sup>	424	3,486	2,312	113	492	201	723	362	192	343
31 Other Asia	88	117	-124	32	-1	17	-105	9	27	-71
32 Africa	1	5	0	0	0	0	0	0	0	0
33 Other countries	1	10	-3	0	-4	0	0	0	0	1
34 Nonmonetary international and regional organizations	-96	-65	53	14	27	-13	-1	42	-18	16
Foreign securities										
35 Stocks, net purchases, or sales (-)	-786	-2,084	-317	-68	35	13	-187	-90	32	-119
36 Foreign purchases	4,615	7,885	4,758	721	696	709	763	852	852	887
37 Foreign sales	5,401	9,968	5,075	788	661	697	950	941	820	1,006
38 Bonds, net purchases, or sales (-)	-3,855	-846	-1,620	274	-237	29	-141	-632	-192	-447
39 Foreign purchases	12,672	17,069	8,080	1,786	1,142	1,296	1,686	1,154	1,292	1,509
40 Foreign sales	16,527	17,915	9,700	1,512	1,379	1,267	1,827	1,786	1,485	1,956
41 Net purchases, or sales (-), of stocks and bonds	-4,641	-2,929	-1,937	206	-202	42	-328	-723	-161	-566
42 Foreign countries	-3,891	-3,806	-2,034	-177	-261	24	-340	-732	-160	-566
43 Europe	-1,646	-957	-467	-86	-116	80	-161	-300	76	-46
44 Canada	-2,601	-1,948	-1,191	24	-4	76	-101	-271	-385	-507
45 Latin America and Caribbean	347	126	93	-11	51	52	-68	119	-51	-10
46 Asia	44	-1,131	-469	-84	-177	-169	9	-234	174	-72
47 Africa	-61	24	-51	-13	-10	-8	-17	-7	-3	-6
48 Other countries	25	80	51	-7	-4	-7	-2	-39	29	75
49 Nonmonetary international and regional organizations	-750	876	97	383	59	17	12	9	0	0

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad

3.24 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1978	1979	1979	1980					1981
			Dec	Mar	June	Sept	Dec	Mar <sup>2</sup>	
<b>1 Total</b>	<b>14,948</b>	<b>17,062</b>	<b>17,062</b>	<b>17,476</b>	<b>18,643</b>	<b>18,634</b>	<b>21,229<sup>r</sup></b>	<b>20,997</b>	
2 Payable in dollars	11,513	13,984	13,984	14,470	15,203	15,337	17,520 <sup>r</sup>	17,502	
3 Payable in foreign currencies <sup>2</sup>	3,435	3,078	3,078	3,006	3,440	3,296	3,709 <sup>r</sup>	3,495	
<i>By type</i>									
4 Financial liabilities	6,353	7,366	7,366	7,832	8,410	8,293	11,015 <sup>r</sup>	11,206	
5 Payable in dollars	3,838	5,096	5,096	5,591	5,791	5,818	8,243 <sup>r</sup>	8,600	
6 Payable in foreign currencies	2,515	2,270	2,270	2,242	2,619	2,475	2,772 <sup>r</sup>	2,606	
7 Commercial liabilities	8,595	9,696	9,696	9,693	10,233	10,341	10,214 <sup>r</sup>	9,791	
8 Trade payables	4,008	4,424	4,424	4,190	4,297	4,381	4,400 <sup>r</sup>	4,442	
9 Advance receipts and other liabilities	4,587	5,272	5,272	5,454	5,936	5,960	5,814 <sup>r</sup>	5,349	
10 Payable in dollars	7,674	8,888	8,888	8,879	9,412	9,520	9,277 <sup>r</sup>	8,903	
11 Payable in foreign currencies	921	808	808	764	821	821	936 <sup>r</sup>	888	
<i>By area or country</i>									
12 Financial liabilities									
Europe	3,958	4,642	4,642	4,860	5,470	5,314	6,303 <sup>r</sup>	5,995	
13 Belgium-Luxembourg	289	345	345	360	422	417	484 <sup>r</sup>	553	
14 France	173	175	175	193	347	339	427	324	
15 Germany	366	497	497	520	657	557	582	496	
16 Netherlands	390	828	828	795	797	780	663 <sup>r</sup>	544	
17 Switzerland	248	170	170	174	238	224	354	315	
18 United Kingdom	2,159	2,449	2,449	2,647	2,841	2,867	3,758 <sup>r</sup>	3,650	
19 Canada	244	439	439	380	530	508	864 <sup>r</sup>	982	
20 Latin America and Caribbean	1,357	1,483	1,483	1,764	1,633	1,732	3,100 <sup>r</sup>	3,342	
21 Bahamas	478	375	375	459	434	412	964 <sup>r</sup>	1,148	
22 Bermuda	4	81	81	83	2	1	1	1	
23 Brazil	10	18	18	22	25	20	23	19	
24 British West Indies	194	514	514	694	700	703	1,452 <sup>r</sup>	1,380	
25 Mexico	102	121	121	101	101	108	99 <sup>r</sup>	97	
26 Venezuela	49	72	72	70	72	74	81	85	
27 Asia	784	793	793	807	752	707	723 <sup>r</sup>	858	
28 Japan	717	726	726	740	683	618	644	744	
29 Middle East oil-exporting countries <sup>3</sup>	32	31	31	26	31	37	38	51	
30 Africa	5	4	4	11	10	11	11	6	
31 Oil-exporting countries <sup>4</sup>	2	1	1	1	1	1	1	1	
32 All other <sup>5</sup>	5	4	4	10	15	21	15	23	
<i>Commercial liabilities</i>									
33 Europe	3,054	3,639	3,639	3,716	4,038	4,079	4,067 <sup>r</sup>	3,669	
34 Belgium-Luxembourg	97	137	137	117	132	109	90 <sup>r</sup>	82	
35 France	321	467	467	503	485	501	582	560	
36 Germany	529	548	548	545	727	693	679 <sup>r</sup>	639	
37 Netherlands	246	227	227	288	245	276	219	246	
38 Switzerland	302	310	310	362	462	452	493	385	
39 United Kingdom	824	1,077	1,077	1,012	1,133	1,045	1,011 <sup>r</sup>	871	
40 Canada	667	868	868	720	591	590	785 <sup>r</sup>	725	
41 Latin America	997	1,323	1,323	1,253	1,271	1,361	1,244	1,280	
42 Bahamas	25	69	69	4	26	8	8	1	
43 Bermuda	97	32	32	47	107	114	73	111	
44 Brazil	74	203	203	228	151	156	111	82	
45 British West Indies	53	21	21	20	37	12	35	16	
46 Mexico	106	257	257	235	272	324	326	419	
47 Venezuela	303	301	301	211	210	293	307	253	
48 Asia	2,931	2,905	2,905	2,950	3,091	2,909	2,848	2,853	
49 Japan	448	494	494	581	418	502	645	621	
50 Middle East oil-exporting countries <sup>3</sup>	1,523	1,017	1,017	901	1,030	944	894	947	
51 Africa	743	728	728	742	875	1,006	814	824	
52 Oil-exporting countries <sup>4</sup>	312	384	384	382	498	633	514	515	
53 All other <sup>5</sup>	203	233	233	263	367	396	456	440	

<sup>1</sup> For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550

<sup>2</sup> Before December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year

<sup>3</sup> Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

<sup>4</sup> Comprises Algeria, Gabon, Libya, and Nigeria

<sup>5</sup> Includes nonmonetary international and regional organizations

3.25 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1978	1979	1979	1980					1981
			Dec	Mar	June	Sept	Dec	Mar <sup>2</sup>	
1 Total . . . . .	27,892	31,023	31,023	32,077	32,024	31,579	33,869 <sup>2</sup>	37,061	
2 Payable in dollars . . . . .	24,905	27,850	27,850	29,069	28,962	28,322	31,030 <sup>2</sup>	34,139	
3 Payable in foreign currencies <sup>2</sup> . . . . .	2,988	3,173	3,173	3,008	3,062	3,257	2,838 <sup>2</sup>	2,921	
<i>By type</i>									
4 Financial claims . . . . .	16,570	18,222	18,222	19,332	18,630	18,285	19,281 <sup>2</sup>	21,760	
5 Deposits . . . . .	11,111	12,579	12,579	13,657	12,786	12,218	13,455 <sup>2</sup>	15,980	
6 Payable in dollars . . . . .	10,043	11,663	11,663	12,681	11,907	11,056	12,722 <sup>2</sup>	15,198	
7 Payable in foreign currencies . . . . .	1,068	916	916	977	879	1,162	733 <sup>2</sup>	782	
8 Other financial claims . . . . .	5,459	5,643	5,643	5,675	5,844	6,067	5,826 <sup>2</sup>	5,780	
9 Payable in dollars . . . . .	3,874	3,803	3,803	4,055	4,103	4,399	4,137 <sup>2</sup>	4,119	
10 Payable in foreign currencies . . . . .	1,584	1,840	1,840	1,620	1,740	1,668	1,689 <sup>2</sup>	1,662	
11 Commercial claims . . . . .	11,323	12,801	12,801	12,745	13,394	13,294	14,588 <sup>2</sup>	15,301	
12 Trade receivables . . . . .	10,764	12,112	12,112	12,095	12,685	12,605	13,871 <sup>2</sup>	14,506	
13 Advance payments and other claims . . . . .	559	688	688	649	710	688	717 <sup>2</sup>	795	
14 Payable in dollars . . . . .	10,988	12,384	12,384	12,333	12,952	12,867	14,171 <sup>2</sup>	14,823	
15 Payable in foreign currencies . . . . .	335	416	416	411	443	427	416 <sup>2</sup>	478	
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe . . . . .	5,215	6,146	6,146	5,843	5,843	5,605	6,021 <sup>2</sup>	6,047	
17 Belgium-Luxembourg . . . . .	48	32	32	21	23	17	195 <sup>2</sup>	159	
18 France . . . . .	178	177	177	290	307	409	340 <sup>2</sup>	411	
19 Germany . . . . .	510	409	409	300	190	168	230 <sup>2</sup>	213	
20 Netherlands . . . . .	103	53	53	39	37	30	32	42	
21 Switzerland . . . . .	98	73	73	89	96	41	59 <sup>2</sup>	90	
22 United Kingdom . . . . .	4,021	5,081	5,081	4,790	4,863	4,545	4,889 <sup>2</sup>	4,856	
23 Canada . . . . .	4,484	4,813	4,813	4,885	4,783	4,804	4,785 <sup>2</sup>	6,281	
24 Latin America and Caribbean . . . . .	5,714	6,261	6,261	7,583	6,924	6,757	7,496 <sup>2</sup>	8,485	
25 Bahamas . . . . .	3,001	2,741	2,741	3,516	3,080	2,831	3,333 <sup>2</sup>	3,919	
26 Bermuda . . . . .	80	30	30	34	25	65	135	13	
27 Brazil . . . . .	151	163	163	128	120	116	96	22	
28 British West Indies . . . . .	1,291	2,001	2,001	2,591	2,393	2,301	2,586 <sup>2</sup>	3,321	
29 Mexico . . . . .	163	158	158	169	178	192	208	201	
30 Venezuela . . . . .	157	143	143	134	139	128	137 <sup>2</sup>	131	
31 Asia . . . . .	920	706	706	713	758	791	710 <sup>2</sup>	696	
32 Japan . . . . .	305	199	199	226	253	269	177 <sup>2</sup>	191	
33 Middle East oil-exporting countries <sup>3</sup> . . . . .	18	16	16	18	16	20	20 <sup>2</sup>	17	
34 Africa . . . . .	181	253	253	265	256	260	238 <sup>2</sup>	214	
35 Oil-exporting countries <sup>4</sup> . . . . .	10	49	49	40	35	29	26	27	
36 All other <sup>5</sup> . . . . .	55	44	44	43	65	68	32	36	
<i>Commercial claims</i>									
37 Europe . . . . .	3,980	4,897	4,897	4,759	4,830	4,655	5,487 <sup>2</sup>	5,785	
38 Belgium-Luxembourg . . . . .	144	202	202	208	258	230	232	275	
39 France . . . . .	609	726	726	702	662	707	1,128 <sup>2</sup>	906	
40 Germany . . . . .	398	589	589	515	510	569	590 <sup>2</sup>	594	
41 Netherlands . . . . .	267	298	298	347	297	289	318	349	
42 Switzerland . . . . .	198	269	269	349	429	333	351 <sup>2</sup>	460	
43 United Kingdom . . . . .	824	901	901	926	903	988	930 <sup>2</sup>	1,192	
44 Canada . . . . .	1,094	846	846	861	896	929	897 <sup>2</sup>	1,027	
45 Latin America and Caribbean . . . . .	2,544	2,850	2,850	2,986	3,277	3,375	3,790 <sup>2</sup>	3,807	
46 Bahamas . . . . .	109	21	21	19	53	21	21	15	
47 Bermuda . . . . .	215	197	197	135	133	81	148	170	
48 Brazil . . . . .	628	645	645	654	695	710	861 <sup>2</sup>	797	
49 British West Indies . . . . .	9	16	16	11	9	17	34	15	
50 Mexico . . . . .	505	698	698	832	921	981	1,090 <sup>2</sup>	1,049	
51 Venezuela . . . . .	291	343	343	350	395	388	407 <sup>2</sup>	435	
52 Asia . . . . .	3,080	3,413	3,413	3,395	3,576	3,395	3,447 <sup>2</sup>	3,684	
53 Japan . . . . .	976	1,140	1,140	1,213	1,143	1,094	990 <sup>2</sup>	1,238	
54 Middle East oil-exporting countries <sup>3</sup> . . . . .	716	766	766	719	830	837	821	915	
55 Africa . . . . .	447	554	554	517	566	669	651	675	
56 Oil-exporting countries <sup>4</sup> . . . . .	136	133	133	114	115	135	151	143	
57 All other <sup>5</sup> . . . . .	178	240	240	225	249	270	316	321	

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550

2. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States)

4. Comprises Algeria, Gabon, Libya, and Nigeria

5. Includes nonmonetary international and regional organizations

## 3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on July 31, 1981		Country	Rate on July 31, 1981		Country	Rate on July 31, 1981	
	Per- cent	Month effective		Per- cent	Month effective		Per- cent	Month effective
Argentina	311.15	June 1981	France <sup>1</sup>	12.5	July 1981	Sweden	12.0	Jan 1981
Austria	6.75	Mar 1980	Germany, Fed. Rep. of	7.5	May 1980	Switzerland	5.0	May 1981
Belgium	13.0	May 1981	Italy	19.0	Mar 1981	United Kingdom	12.0	Mar 1981
Brazil	40.0	June 1980	Japan	6.25	Mar 1981	Venezuela	10.0	July 1980
Canada	20.54	July 1981	Netherlands	9.0	Mar 1981			
Denmark	11.00	Oct 1980	Norway	9.0	Nov 1979			

1 As from February 1981, the rate at which the Bank of France discounts Treasury bills for 7 to 10 days.

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.

## 3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1978	1979	1980	1981						
				Jan	Feb	Mar	Apr	May	June	July
1 Eurodollars	8.74	11.96	14.00	18.07	17.18	15.36	15.95	19.06	17.86	18.50
2 United Kingdom	9.18	13.60	16.59	14.20	13.12	12.58	12.26	12.34	12.61	13.63
3 Canada	8.52	11.91	13.12	16.98	17.28	16.85	17.35	18.96	19.28	19.67
4 Germany	3.67	6.64	9.45	9.41	10.74	13.44	13.12	13.06	13.05	12.92
5 Switzerland	0.74	2.04	5.79	5.68	7.09	8.33	8.67	9.87	10.02	9.76
6 Netherlands	6.53	9.33	10.60	9.36	9.78	10.61	10.41	11.76	11.81	12.38
7 France	8.10	9.44	12.18	11.38	11.87	12.56	13.00	15.75	18.84	17.34
8 Italy	11.40	11.85	17.50	17.34	17.50	18.22	19.92	19.92	20.49	20.78
9 Belgium	7.14	10.48	14.06	12.41	12.52	13.93	17.16	16.90	15.58	16.16
10 Japan	4.75	6.10	11.45	9.00	8.52	7.87	6.83	7.22	7.41	7.16

NOTE: Rates are for 3-month interbank loans except for the following: Canada, finance company paper; Belgium, 3-month Treasury bills, and Japan, Gensaki rate.

## 3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1978	1979	1980	1981						
				Jan	Feb	Mar	Apr	May	June	July
1 Australia/dollar	114.41	111.77	114.00	118.19	116.26	116.29	115.32	114.06	114.07	114.27
2 Austria/schilling	6.8958	7.4799	7.7349	7.0297	6.6033	6.6959	6.5355	6.1722	5.9502	5.8225
3 Belgium/franc	3.1809	3.4098	3.4247	3.0962	2.8972	2.8966	2.8220	2.6742	2.5734	2.5027
4 Canada/dollar	87.729	85.386	85.530	83.974	83.442	83.936	83.966	83.265	83.050	82.601
5 Denmark/krone	18.156	19.010	17.766	16.181	15.152	15.109	14.683	13.864	13.384	13.074
6 Finland/markka	24.337	27.732	26.892	25.752	24.656	24.612	23.059	23.207	22.511	22.045
7 France/franc	22.218	23.504	23.694	21.539	20.142	20.147	19.548	18.225	17.679	17.253
8 Germany/deutsche mark	49.867	54.561	55.089	49.771	46.757	47.498	46.219	43.601	42.054	40.977
9 India/rupee	12.207	12.265	12.686	12.567	12.164	12.131	12.060	11.900	11.688	11.229
10 Ireland/pound	191.84	204.65	205.77	185.54	173.31	173.25	168.46	159.49	153.61	149.40
11 Italy/lira	11782	12035	11694	10478	109807	09699	09280	08766	08436	08233
12 Japan/yen	47981	45834	44311	49419	48615	47897	46520	45332	44621	43055
13 Malaysia/ringgit	43.210	45.720	45.967	44.994	44.196	43.830	43.182	42.752	42.720	42.519
14 Mexico/peso	4.3896	4.3826	4.3535	4.2792	4.2544	4.2238	4.1880	4.1500	4.1066	4.0650
15 Netherlands/guilder	46.284	49.843	50.369	45.810	42.870	42.912	41.660	39.224	37.816	36.833
16 New Zealand/dollar	103.64	102.23	97.337	96.137	93.414	91.999	90.273	88.150	85.823	83.771
17 Norway/krone	19.079	19.747	20.261	19.087	18.485	18.540	18.271	17.652	16.907	16.387
18 Portugal/escudo	2.2782	2.0437	1.9980	1.8591	1.7722	1.7621	1.7178	1.6449	1.5899	1.5429
19 South Africa/rand	115.01	118.72	128.54	133.69	129.27	126.50	123.32	119.35	115.18	108.46
20 Spain/peseta	1.3073	1.4896	1.3958	1.2409	1.1686	1.1672	1.1395	1.0953	1.0565	1.0248
21 Sri Lanka/rupee	6.3834	6.4226	6.1947	5.9525	5.5975	5.5527	5.4185	5.4422	5.3970	5.3491
22 Sweden/krona	22.139	23.323	23.647	22.490	21.734	21.704	21.309	20.450	19.802	19.293
23 Switzerland/franc	56.283	60.121	59.697	54.907	51.502	52.043	50.664	48.400	48.226	47.667
24 United Kingdom/pound	191.84	212.24	232.58	240.29	229.41	223.19	217.53	208.84	197.38	187.37
MI MO										
25 United States/dollar <sup>1</sup>	92.39	88.09	87.39	91.38	96.02	96.22	98.80	103.59	106.86	109.87

1 Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland, March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of

the Weighted-Average Exchange Value of the U.S. Dollar Revision" on page 700 of the August 1978 BULLETIN.

NOTE: Averages of certified noon buying rates in New York for cable transfers.



# Guide to Tabular Presentation, Statistical Releases, and Special Tables

## GUIDE TO TABULAR PRESENTATION

### *Symbols and Abbreviations*

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when more than half of figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
		REITs	Real estate investment trusts
		RPs	Repurchase agreements
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	SMSAs	Standard metropolitan statistical areas
		.....	Cell not applicable

### *General Information*

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

## STATISTICAL RELEASES

### *List Published Semiannually, with Latest Bulletin Reference*

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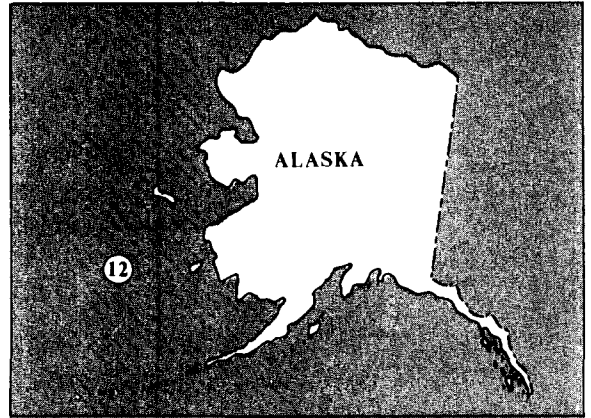
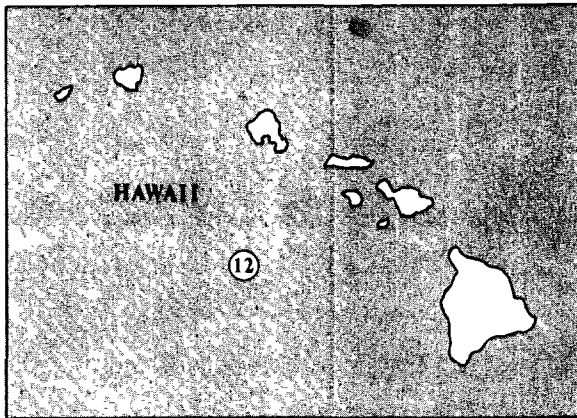
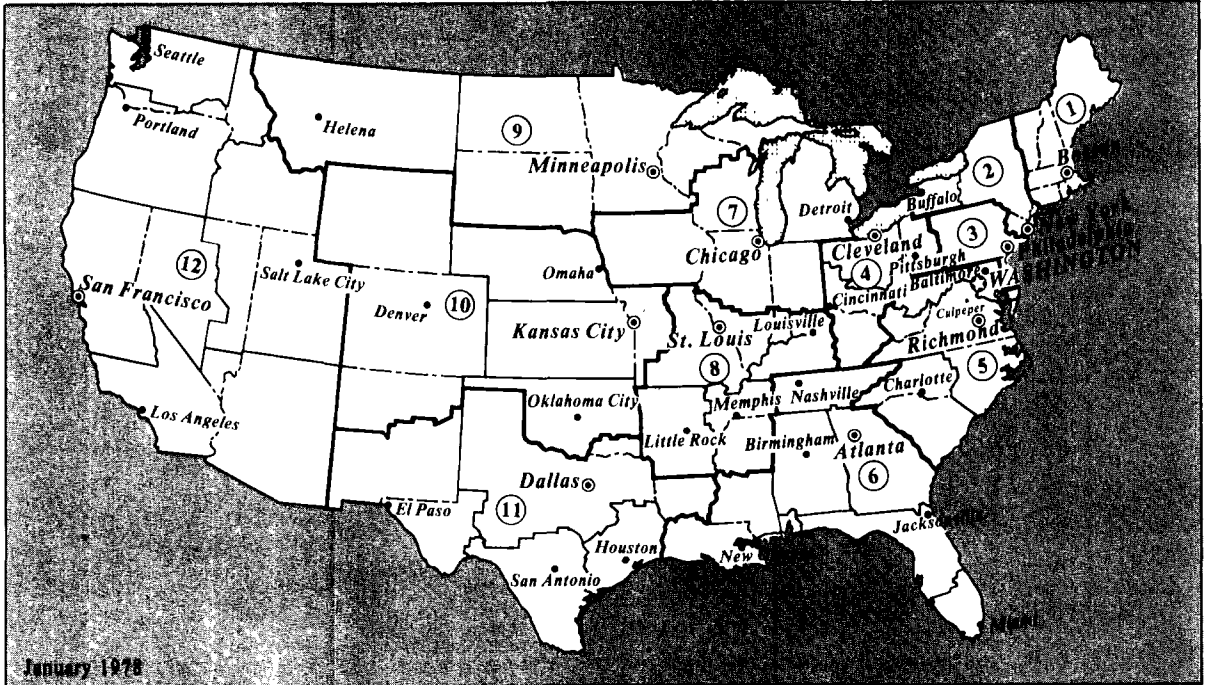
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# The Federal Reserve System

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