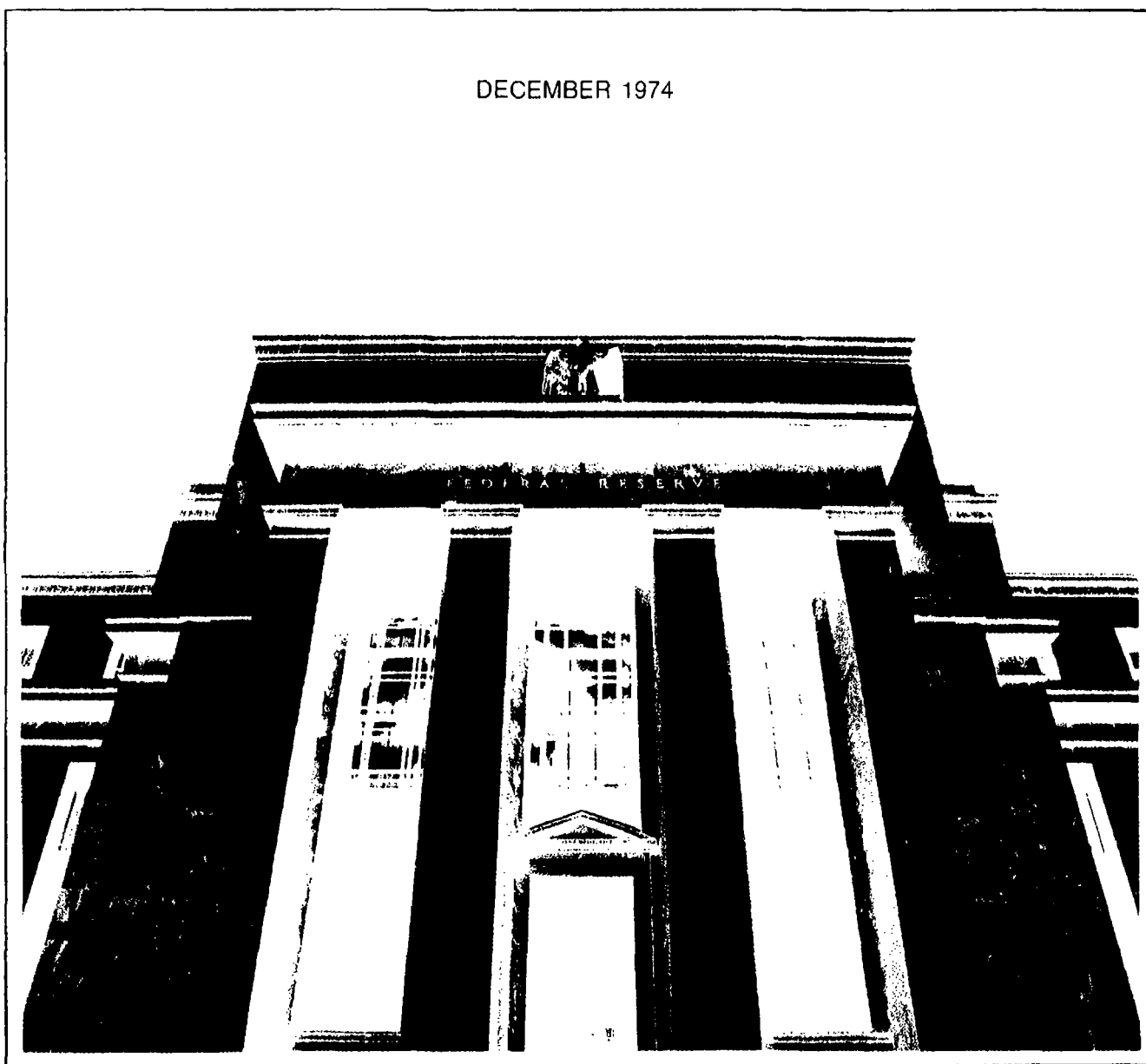


FEDERAL RESERVE BULLETIN

DECEMBER 1974



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

FEDERAL RESERVE BULLETIN

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Industrial Production

This article was prepared in the Business Conditions Section of the Division of Research and Statistics.

Industrial production turned down in the fall of 1974 following little change during the spring and summer. At the end of the year, price pressures were still strong although final demands for goods were softening and inventories were becoming increasingly burdensome. At the same time shortages of materials and component parts had become less frequent, numerous commodities were in easy supply, and delivery times had shortened considerably.

The decline that has occurred in industrial output in recent months reflects a widening of cutbacks in production of consumer goods and materials— including particularly sharp curtailments in autos and the auto-supplying industries—and the primary and secondary effects of the coal strike. By November, output was well below the peak reached a year earlier after marked expansion over the preceding 2 years.

CHART 1
INDUSTRIAL PRODUCTION and the major groupings turn down at year-end



Seasonally adjusted. Latest data, November.

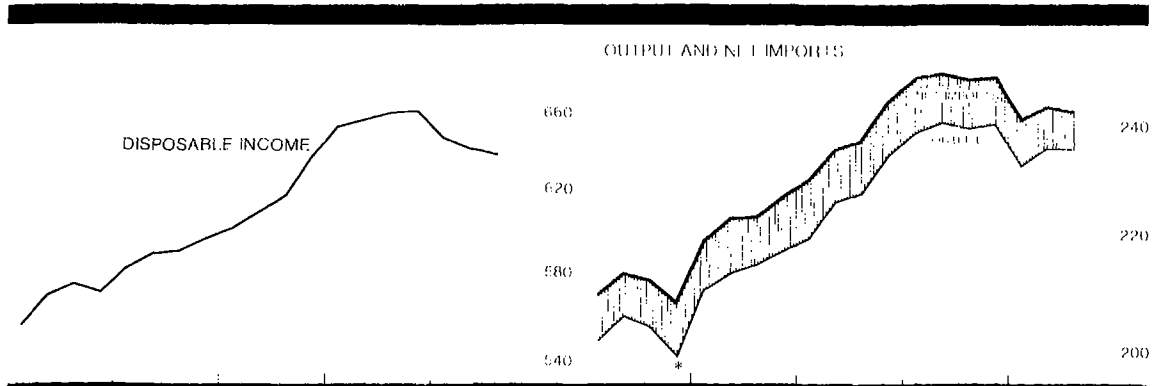
For most of 1974 industrial output has been characterized by a mixture of strengths and weaknesses. The business equipment and industrial materials sectors have been sustaining forces while output of consumer goods has been a depressing influence. Demands for automobiles are down sharply, and declines in residential construction and retail sales have cut deeply into purchases of household durable goods. Output of construction products has declined in tandem with the severe curtailment of residential construction activity. Under pressure of a decline in demand for housing and for durable consumer goods and a steady expansion in production capacity of major materials, the earlier tight market for industrial materials eased, and output of most materials was declining at the year-end. Production of business equipment increased moderately until October 1974, then declined. Domestic installation of new capital equipment slowed considerably during the year although export demands remained strong.

In the labor market, total employment in nonagricultural establishments continued to rise until September 1974 but at a much slower rate than in the previous 2 years. In contrast, employment in manufacturing establishments eased off, and average weekly hours of production workers declined from 40.6 hours in the last quarter of 1973 to 39.5 hours in November of this year. The unemployment rate, which had hovered around 5.2 per cent in the first half of 1974, began to rise sharply in the summer and in November it was 6.5 per cent.

During 1973 much of the rise in the wholesale price index had reflected a sharp increase in prices of farm products and feeds and to some extent a rise in industrial commodities. In 1974, on the other hand, prices of oil and other industrial commodities soared. Farm products and processed foods fluctuated but on balance did not exceed the 1973 peaks. In late 1974 wholesale prices of some industrial materials began to ease as a result of the downturn in the economy. The consumer price index has shown a larger increase in 1974 than in 1973, with the sharpest increases in costs of fuel and utilities, medical care services, and homeownership.

CONSUMER GOODS During the period from early 1971 to mid-1973, output of consumer goods had expanded faster than its long-term trend and also faster than real disposable income, while net imports of these goods had increased further. During 1973, however, because of an accelerated rise in prices, real disposable income slowed and in early 1974 began to decline (Chart 2). Thus, while retail sales continued to rise in dollar volume, they were barely maintained in real terms during most of 1974. By the latter part of the year, sales in both current dollars and physical volume were declining. Business inventories of consumer goods, especially automobiles, reached record levels in the closing months of the year.

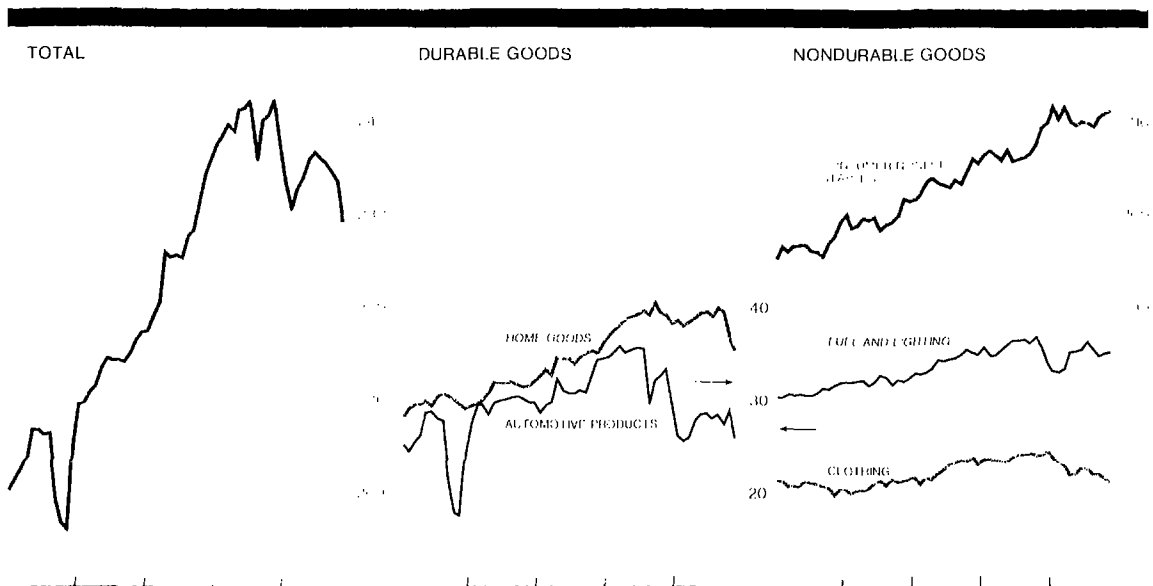
CHART 2
Consumer INCOME and OUTPUT of consumer goods are curtailed



Seasonally adjusted annual rates. Disposable personal income, BEA data in 1958 dollars converted to 1963 dollars by F.R. Production series based on gross values. Imports, Dept. of Commerce data, adjusted by F.R. Latest data, Q3
 *Auto strike.

Auto sales, which had reached a peak of 10.3 million units at an annual rate in the first quarter of 1973, began to decline by the middle of the year, and consequently assemblies were reduced to an annual rate of 9.1 million units during the second half of 1973. Nevertheless, total output of consumer goods reached advanced levels in the fourth quarter before beginning to decline late in the period. The initial phase of the decline was attributable to the oil embargo and in the first quarter of 1974 was confined largely to the automotive products and energy groups. By the fourth quarter

CHART 3
Production of CONSUMER GOODS shows varied movements



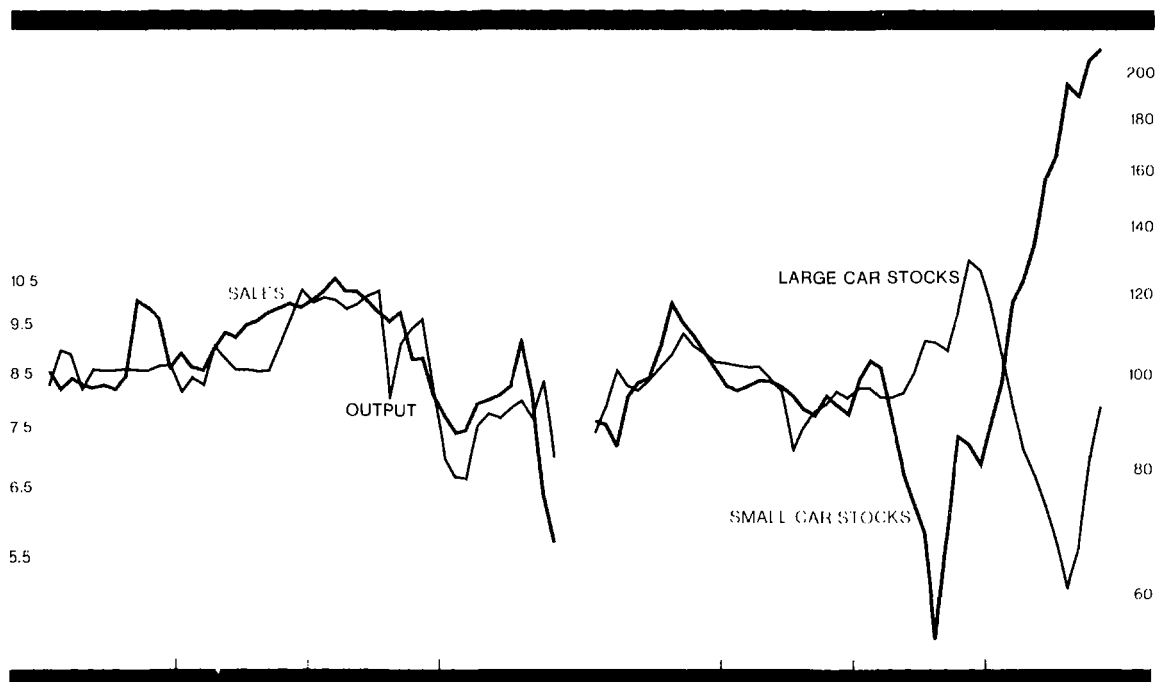
Seasonally adjusted annual rates based on IP gross value series with some revisions in seasonal allowances. Latest data, November.

of this year the decline had spread to include the clothing and home goods sectors (Chart 3). In November, output of durable consumer goods, the most volatile sector within the consumer goods group, was down 15 per cent from the mid-1973 peak while production of total consumer goods was down 5 per cent from the year earlier.

Automobiles. During the oil embargo, sales and production of new domestic autos dropped sharply—with the decline centered in large cars. Assemblies of these cars declined 50 per cent from October 1973 to March 1974, whereas the production of small cars rose 20 per cent. During the second and third quarters, sales and production firmed as gasoline became readily available and fears of a shortage abated; and in August, in anticipation of large price increases announced for 1975 models, consumers accelerated sharply their purchases of 1974 model cars (Chart 4). Sales of new domestic autos reached an annual rate of 9.2 million units that month but then fell to a 5.7-million-unit rate in November.

Despite curtailments made in production schedules, stocks of new domestic cars have risen to record levels. At the end of November, stocks of small cars were equivalent to a 130-day supply and large cars to a 90-day supply at prevailing sales rates. As a result of the worsening sales and inventory situations, car pro-

CHART 4
SALES AND OUTPUT of domestic autos down sharply;
STOCKS of small cars at record levels



Seasonally adjusted. Sales and output at annual rates; stocks are index numbers. Latest data, November.

duction was cut sharply in November to a level 32 per cent below the 1973 high; and widespread shutdowns at auto assembly plants in December indicate further substantial curtailments.

Sales of foreign autos, which had been declining since the 1973 dollar devaluation, turned upward in the summer of 1974; the rise was probably influenced by the price increases for 1975 domestic models, which gave imported cars a substantial competitive advantage prior to the introduction of their higher-priced 1975 models. However, in the fourth quarter these sales also dropped and by November they were at an annual rate of 1.3 million units—the same as in the low second quarter—while stocks were near record levels.

Production of auto replacement parts appears to have changed little during 1974. However, cutbacks have been announced in other consumer transportation items—including leisure vehicles, utility trucks, motorcycles, and bicycles. Output of mobile homes was down 50 per cent in November from the highs of early 1973, whereas it had merely leveled off during periods of curtailments in housing activity in 1966 and 1969.

Home goods. Output of appliances, television sets, carpets, and furniture has fallen about one-tenth on the average since midyear as a result of reduced sales and increased stocks. Not only have sales of household appliances declined at retail, but also the prolonged decline in residential construction and the curtailed sales of existing dwellings have reduced installations of these goods. Factory and dealer stocks of home appliances have been increasing since midyear. Consequently, further cutbacks in production of these durable goods are expected.

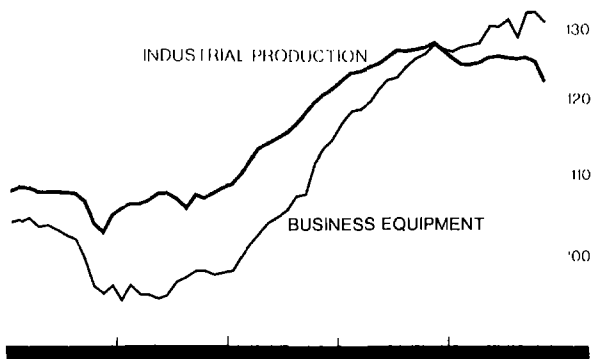
Nondurable consumer goods. Over-all output of nondurable consumer goods has been relatively stable this year. In fact, few of the series in this group have shown the usual year-over-year growth. Fuel and lighting and, to a lesser extent, paper products, both of which experienced a sharply falling output last winter, have risen during 1974 and have offset a decline in clothing. Output of consumer chemical products, as well as foods, has shown little change over last year.

BUSINESS EQUIPMENT

Following 2 years of rapid increases, business equipment output in 1974 advanced at a much slower pace until October. In November business equipment declined, but it was still 2.5 per cent above the November 1973 level. In contrast, in November the total production index was 4.3 per cent below its 1973 peak. In the 1969 cyclical downturn, both industrial production and business equipment had turned down at about the same time (Chart 5).

The situation in 1974 differs from that in 1969 mainly in the growth of U.S. exports of capital goods, which has been promoted

CHART 5 BUSINESS EQUIPMENT output turns down almost a year after the industrial production peak

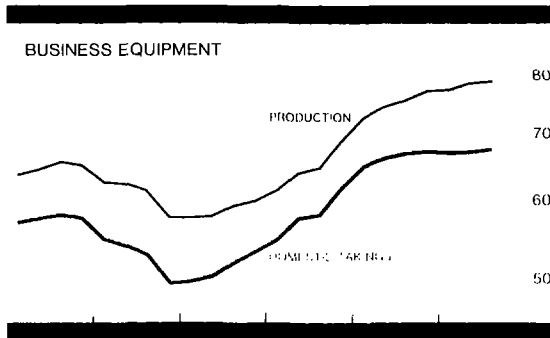


Seasonally adjusted. Latest data, November.

by dollar devaluations, domestic price controls, and a worldwide economic boom. During the 1971–74 period, real net exports of capital goods increased from an annual volume just under \$8 billion to more than \$11 billion (1963 dollars). The effect of foreign trade developments appears in Chart 6, which compares in real gross value terms domestic business equipment production with a series for production less net exports—a measure of the domestic economy’s takings of such goods. According to these series, domestic takings peaked in the final quarter of 1973, which suggests that growth in the domestic takings of capital goods had ceased a full year ago. Exports of all types of equipment, but especially aircraft and nonelectric machinery, have expanded in 1974.

There have been a number of factors unfavorable to the continued expansion of business equipment production. First, inflation has to date abated little. As a result, capital financing has been made

CHART 6 1974 growth in business equipment due to EXPORTS



Seasonally adjusted gross values in 1963 dollars, at annual rates. Imports and exports, Bureau of Census, deflated by F.R. Latest data, Q3.

difficult by high nominal interest rates at a time when prices of capital goods are high and rising rapidly. More recently, inflation has hurt capital spending because it has reduced the volume of consumer buying, thus contributing to the general slowdown of business activity. For example, there has been considerable scaling back of investment plans by electric utilities in the face of slower-than-expected growth in consumption of electricity and the high cost of financing.

Second, the book value of materials inventories has been growing at a dramatic rate—an annual rate of more than \$16 billion in late 1974 contrasted with \$7 billion or less in 1972 and the first half of 1973, according to the Department of Commerce. This rate of increase is considerably larger than can be explained by inflation alone, and it raises the likelihood of a general materials inventory adjustment that could adversely affect profitability and, therefore, the investment climate in basic materials industries.

Third has been the mediocre profit performance over several previous years on the part of some key industries, such as steel and paper. Even though capacity utilization rates in manufacturing were high in 1973, these high rates were probably symptomatic of the factors, such as profits performance, that had been discouraging growth in investment for at least several years. To some extent, more favorable prices and profits to producers created a better investment climate in 1974. Increased investment by some of the basic materials industries with recent histories of slow capacity growth has been a major reason why aggregate investment continued to show strength in 1974. It remains to be seen, however, whether profit realizations for these and other industries can be maintained at present high levels in a weakening economy.

Fourth, corporate profits have begun to decline as consumers have retrenched and costs have continued to climb. One sign that the general weakness is affecting the capital goods industry adversely is the decrease in new orders for machine tools (in real terms), which began in April 1974. Moreover, backlogs of machine tool orders declined in October, for the first time in more than 2 years.

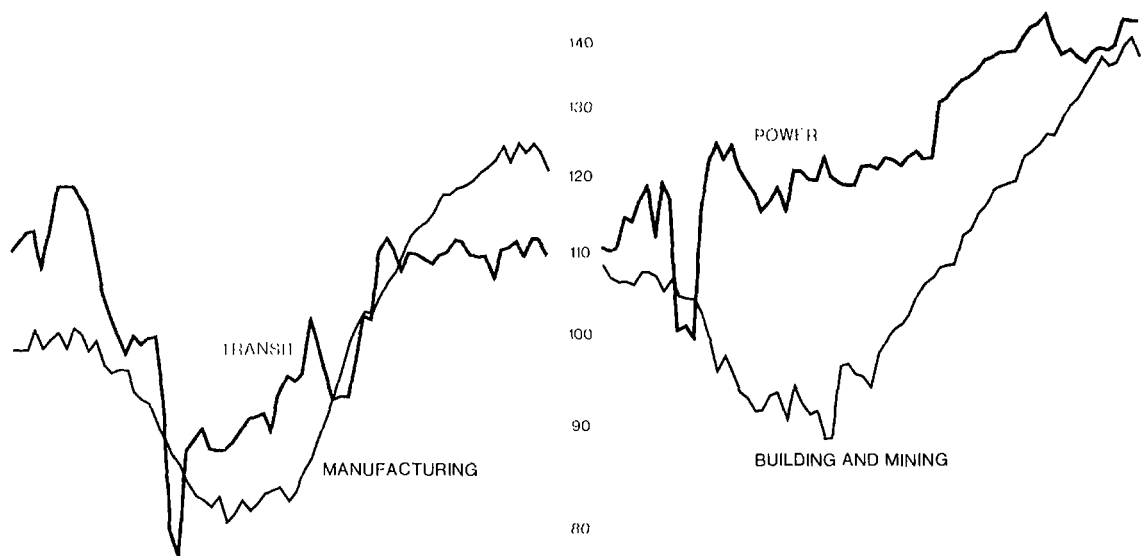
Chart 7 presents the recent history of selected components of production of business equipment. Output of manufacturing equipment rose steadily from its most recent trough—in mid-1971—to June 1974. Meanwhile, production of all manufactured goods, which had risen steadily after 1971, turned downward in the late autumn of 1973. Equipment output for this market, however, did not weaken until midyear; then it leveled off.

During 1974, and in fact since early 1972, production of the second component—transportation equipment—has not grown significantly. Output of motor trucks, after having pressed capacity

limits in late 1973, began to decline in mid-1974, and in November it was little different from last January's level. Civilian aircraft production showed little change in 1974 and remains well below its 1966 level. Capital expenditures by the airlines in 1975 are expected to be lower (in real terms) than those in 1974 because of financial problems that such companies are encountering as a result of a decrease in passenger volume, inflated fuel costs, and heavy debt service from past equipment financing. In contrast, output of rail equipment continues to rise, as railroads anticipate a large increase in equipment expenditures for 1975.

A steady and rapid rise in output of building and mining equipment from July 1971 to June 1974 took place in spite of the plunge in residential construction activity that began in mid-1973. Commercial and industrial construction held firm through midyear of 1974, but it too began to decline in the second half. A rapid expansion of oil and gas well-drilling activity and growing demand for equipment on the part of the oil and gas and other mining industries have to some extent offset the effects of the declines in the construction industry. After a brief setback in July, building and mining equipment production resumed its growth, and in November it was 55 per cent above its level at the trough of mid-1971.

CHART 7
Components of BUSINESS EQUIPMENT ease late in 1974



Seasonally adjusted. Latest data, November.

One of the weaker components of total business equipment in recent months has been power-generating equipment; production in November 1974 was about 1 per cent below the peak in late 1973. Since mid-1973 rapidly rising fuel prices, increasing construction and financing costs, and less-than-anticipated growth in demand have resulted in a widespread scaling down of investment plans on the part of public utilities. According to the Department of Commerce survey, electric utilities anticipate a substantial decline in the size of their real investment for 1975. The 1974 slackness in output of power equipment may well reflect the early effects of this policy, rather than a short-run fluctuation of the sort that has characterized this series.

DEFENSE AND SPACE EQUIPMENT

Output of defense and space equipment continues to be depressed as compared with its peak rate in 1968. This slowdown is due to a decreased space effort since the completion of the Apollo program, the removal of the need for keeping a large proportion of the Armed Forces on a war footing as in the Vietnam war, and strong congressional resistance to expanded defense budgets.

INTERMEDIATE PRODUCTS

Intermediate products—such as construction products, job printing, and fertilizer—are manufactured in the industrial sector for use mainly outside the sector. Output of construction products has been declining since its August 1973 high, and in November it was down by 11 per cent. The cutbacks in output of lumber, plywood, and other construction materials reflect the long and sharp curtailment in residential construction and the more recent peaking of nonresidential construction. Production of general business supplies rose moderately through June of this year, but it too has declined rather sharply since then.

MATERIALS

Production of materials for further industrial processing peaked in November 1973 after a 2-year expansion of 24 per cent. During that period, output of such materials had risen about one-third more than the increase in total products (Chart 8). Capacity utilization in major materials industries had risen over the same period by about 11 per cent to a high of 93.5 per cent in the third quarter of 1973. The increase in capacity utilization reflected not only the growth of domestic demand relative to capacity but also increasing foreign demand and worldwide inventory accumulation, which contributed to reported shortages and rapidly escalating prices for such materials as metals, paper, fuels, and petrochemicals. Increased output of materials, higher prices, and greater profitability led to the higher levels of investment in plant and equipment that were necessary to expand materials production.

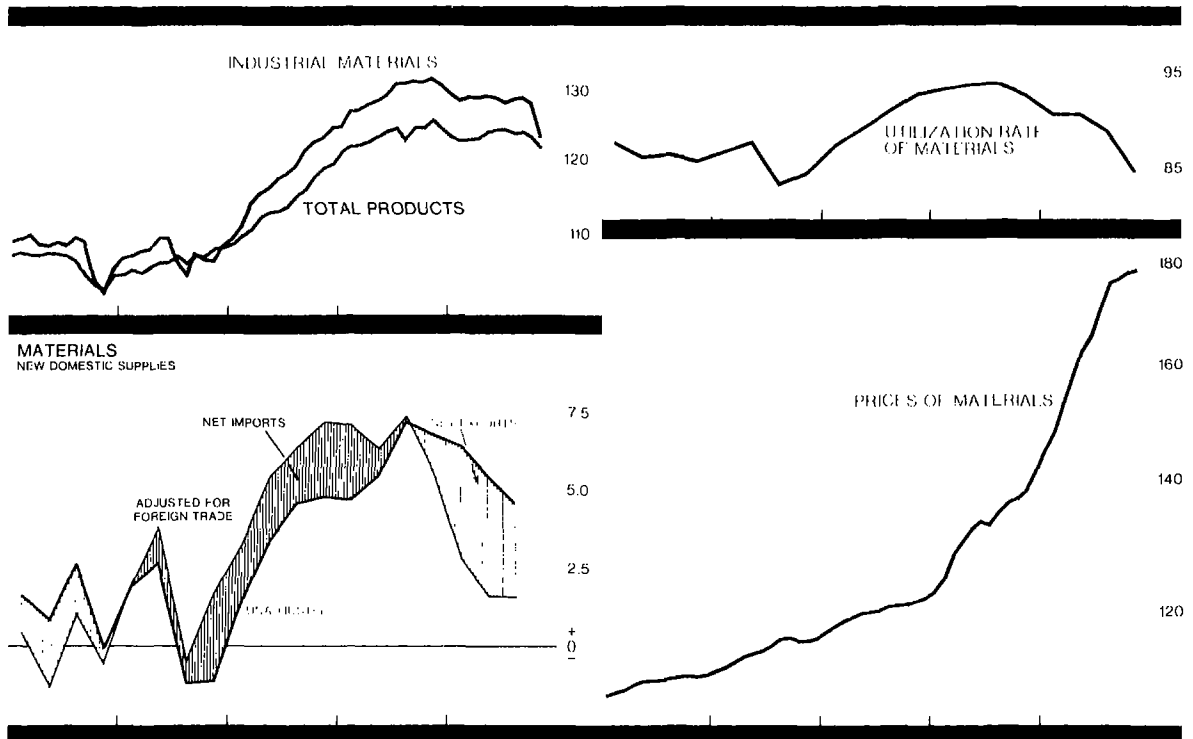
Since the 1973 peak, total materials production has declined by about 7 per cent, and the capacity utilization rate for major materials

has fallen from 93.5 to about 84 per cent. The reduction in materials output reflects the contraction in residential construction activity and in production of durable consumer goods, a decline in foreign demand for U.S. materials, attempts to limit further accumulation of stocks of materials, and in some industries a reduction of excessive stocks.

Because of declining demands and the growth in available capacity, prices of several basic industrial materials began to drop as early as last spring. The Federal Reserve spot price index for industrial materials has declined in nearly all months since July, and in mid-December it was about one-fourth below its April peak. Price declines have been reported for lumber, plywood, copper, nonferrous scrap, and textile fibers and gray goods. However, prices of steel mill products and many other fabricated materials have continued to rise. On balance the price rise for the over-all index has slowed from its earlier extraordinary rate (Chart 8).

Declines in output of materials have reflected the changing patterns of domestic and foreign demand for different products.

CHART 8
MATERIALS output declines faster than total products,
and PRICE rise slows



Seasonally adjusted except prices. Price index, F.R. grouping of BLS data. Utilization rate, F.R. Supplies, net imports plus projections of 1963 output-inventory relationships based on

industrial production indexes for materials and total products (net imports compiled from Dept. of Commerce data; duties and freight on imports, F.R. estimates). Latest data, November or Q3 .

Production of both the durable and the nondurable materials that are used mainly to manufacture automobiles, appliances, and apparel have declined relative to the output of materials used to produce equipment.

Usually, the most volatile of the materials in terms of production rates are those used in durable goods manufacturing. This category includes basic metals and the various semifinished products that are processed into durable consumer goods and business equipment. Because of the strength of equipment output, production of these materials was down only 3 per cent in October from the 1973 high. In November, however, output of durable goods materials dropped by over 4 per cent more. Further cutbacks are anticipated as weakening price trends lead to reduced demands for inventory.

Output of iron and steel, which has been at or near maximum capacity during 1974, declined appreciably in November. The cutbacks probably reflected a softening of demands in certain sectors as well as shutdowns due to the coal strike. Inventories of steel mill products have been drawn down sharply at producing plants but have risen considerably at steel-consuming industries. Despite the coal strike, the accumulation of user inventories remains large. Nevertheless, future production by those industries may be affected by the economic slowdown both here and abroad.

Output of durable consumer parts declined by 15 per cent between November 1973 and February 1974 as automobile sales and production plummeted. This decline, along with a modest reduction in industrial fuel and power production, accounted for most of the 2.3 per cent decline in total materials output over that period. Production of durable consumer parts recovered to some degree through the summer, but sharp curtailments in production of appliances and of 1975-model-year automobiles caused output of materials for durable consumer goods to decline to a level in November that was 20 per cent below the peak in late 1973.

Demands for materials and parts used in the business equipment industries, however, have remained high throughout 1974. Output of these goods continues to be near peak levels.

Over-all production of nondurable industrial materials is typically more stable and less influenced by cyclical changes than is output of durable materials. However, the textile, paper, and chemical grouping is affected by cyclical developments, and its output has been declining since last autumn.

The long-term trend in the growth of energy output, as measured in industrial production, was interrupted by the oil embargo. Output declined from November 1973 through the first quarter of 1974, and then recovered partially by midyear. Production has since edged off slightly, and it remains below the levels prior to the oil embargo in 1973.



With the softening of the economy in the latter part of 1974, industrial production declined in October and November. Cutbacks in employment and output announced for December indicate a further drop. Large inventories of durable consumer goods at year-end, a change from a position of scarcity to one approaching surplus of industrial materials and supplies, and cutbacks in domestic plans for plant and equipment spending suggest further weakness in industrial production in the coming months. □

Revision of Money Stock Measures and Member Bank Reserves and Deposits

In late November the Board of Governors released its annual revision of the money stock measures and related items. At the same time it revised published data for member bank deposits and reserves.¹

The money stock revision included the incorporation of new estimates for domestic nonmember banks, based on the June 1974 call report, and the regular updating of seasonal adjustment factors. In addition, data were incorporated from monthly reports filed by agencies and branches of foreign banks and foreign investment banking corporations, which are reported with some lag.

Revised monthly data back to January 1968, both before and after seasonal adjustment, on the money stock and related measures and on member bank deposits and reserves are shown on pages 822, 823, and 826. Revised weekly data for M_1 , M_2 and their components are shown on pages 824 and 825. Monthly and weekly data for earlier years are available from the Banking Section, Division of Research and Statistics.

NOTE: Edward R. Fry, Darwin Beck, and Mary F. Weaver of the Board's Division of Research and Statistics prepared this article.

¹The money stock and related measures include M_1 (private demand deposits adjusted plus currency); M_2 (M_1 plus commercial bank time and savings deposits other than large negotiable certificates of deposit); and M_3 (M_2 plus deposits at mutual savings banks and savings capital at savings and loan associations), as well as (1) large negotiable time CD's outstanding at weekly reporting banks and (2) U.S. Government deposits. Monthly and weekly data for these series are published in the *BULLETIN* and they also appear each week in the Board's H.6 press release.

Member bank reserves include total, nonborrowed, and required reserves at member banks, as well as reserves available to support private nonbank deposits (RPD's). Member bank deposits and related series include all deposits subject to reserve requirements (the credit proxy), the components of that total, consisting of time and savings deposits and private and U.S. Government demand deposits; and the adjusted credit proxy (total member bank deposits subject to reserve requirements plus Euro-dollar borrowing, loans sold to bank related institutions, and other nondeposit items). Current monthly data on the reserves and deposits series are published in the *BULLETIN* and monthly and weekly data appear in the Board's H.3 press release.

EFFECTS OF THE REVISION

The domestic nonmember bank benchmark adjustment for June was small, lowering M_1 only about \$200 million. (The December 1973 domestic nonmember bank benchmark had raised M_1 by \$400 million, while the April 1974 benchmark had lowered it \$1.1 billion.) Other minor benchmark adjustments offset this downward revision. In addition, incorporation of M_1 -type deposits held at internationally oriented banking institutions raised the level of M_1 in June about \$300 million. Thus, on balance, the level of M_1 was raised by about \$300 million in June.

Minor changes in the construction of M_2 and of the adjusted credit proxy were introduced in this revision, but they had little impact on either the level or the trend of these series. In order to avoid a break in the adjusted credit proxy series because of a change in the reporting of commercial paper issued by a bank holding company or affiliate, loans sold to bank-related institutions were substituted for the commercial paper component. This substitution lowered the adjusted credit proxy about \$1.8 billion in October 1974, and by lesser amounts back to late 1972. For the 1969-71 period, the level of the series was raised slightly. Changes in monthly patterns of growth were small.

Time deposits other than large negotiable CD's at weekly reporting banks are added to M_1 to construct M_2 . In the past, CD figures for Wednesday dates had been subtracted from weekly average total time deposits to derive the "other" time deposits component. In this revision, a CD measure more closely approximating a weekly average figure was derived by averaging two Wednesday observations - one for the current week and one for the previous week. This measure was then subtracted from weekly average total time and savings deposits. Monthly average measures for CD's and other

time deposits are based on prorations of these weekly observations. This minor change tended to smooth the weekly and monthly averages for both CD's and other time deposits.

Changes in member bank deposits and reserves were small and were related entirely to changes in seasonal adjustment factors.

Table 1 shows in percentage terms the effect of the revision on annual rates of change in money stock measures and the adjusted credit proxy. On the basis of half-year rates, the revision lowered the growth of M_1 in the first half of 1973 and raised it in the second half by an equal amount. In the first half of 1974, the rate of increase in M_1 remained unchanged as the lower growth resulting from the benchmark adjustment was exactly offset by revised seasonal adjustment factors. As usual, differences in monthly growth rates were somewhat larger than for longer-run periods but were still relatively small. In no month did the revised estimate of growth in M_1 exceed the earlier estimate by more than 1.5 percentage points, and in most

months the difference was less than 1 percentage point. Revisions in growth rates for the adjusted credit proxy were also small; the largest changes occurred in March and April when the growth rates were reduced about 2 percentage points.

SEASONAL FACTOR REVISION OF MONEY STOCK MEASURES

Revisions in monthly seasonal adjustment factors were minor. As shown in Table 2, changes in seasonal adjustment factors for demand deposits tended to be concentrated in the second half of the year. In the first half, only 2 months were affected—the January factor was lowered and the June factor raised. In general, seasonal factors for demand deposits in the early months of the second half were raised, while factors in the last 4 months of the year were lowered or remained unchanged. Seasonal adjustment factor revisions for currency were also small, and they had little impact on monthly growth rates.

TABLE 1

GROWTH RATES OF MONETARY AGGREGATES: COMPARISON OF OLD AND REVISED

Annual rates of change in per cent

Period	Money stock						Credit proxy	
	M_1		M_2		M_3		Old series	New series
	Old series	New series	Old series	New series	Old series	New series		
1973.....	6.1	6.1	8.9	8.8	8.8	8.8	10.6	10.4
1973—H1.....	7.7	7.4	9.1	9.1	9.7	9.6	13.8	13.5
H2.....	4.4	4.7	8.2	8.3	7.5	7.6	7.0	6.8
1974—H1.....	6.0	6.0	8.4	8.6	7.7	7.6	14.9	14.5
1973—Q1.....	3.8	3.4	6.9	7.3	8.6	8.6	14.6	14.5
Q2.....	11.5	11.3	11.1	10.6	10.6	10.3	12.6	12.2
Q3.....	.....	.6	5.3	5.6	5.1	5.2	10.5	10.5
Q4.....	8.9	8.7	11.0	10.8	9.8	9.8	3.3	3.1
1974—Q1.....	5.6	5.5	9.0	9.3	8.9	8.8	8.5	8.2
Q2.....	6.4	6.5	7.7	7.7	6.4	6.4	20.9	20.4
Q3.....	1.6	1.6	4.6	4.6	4.0	4.0	6.3	6.6
1974—Jan.....	-3.5	-2.7	6.3	6.9	7.1	7.2	12.5	12.3
Feb.....	11.1	9.7	12.7	11.1	10.9	9.3	1.3	2.9
Mar.....	9.2	9.2	7.8	9.7	8.3	9.5	11.3	9.2
Apr.....	6.5	6.1	7.2	8.0	7.0	7.3	31.6	29.6
May.....	4.8	4.3	5.1	4.3	4.2	3.3	16.8	16.9
June.....	7.8	9.1	10.6	10.5	7.9	8.5	13.3	13.6
July.....	1.7	2.1	5.4	5.4	4.8	5.0	9.4	9.2
Aug.....	2.6	1.3	6.2	5.2	4.5	4.1	5.2	6.4
Sept.....	.4	1.3	2.2	3.2	2.6	2.9	4.2	3.9
Oct.....	5.1	3.8	9.9	8.3	8.2	6.9	-.7	-.2

TABLE 2
SEASONAL ADJUSTMENT FACTORS FOR M_1

Month	Demand deposit component		Currency component	
	Old series	Revised series	Old series	Revised series
1973—November...	1.0060	1.0050	1.0075	1.0070
December....	1.0320	1.0310	1.0156	1.0175
1974—January.....	1.0360	1.0350	.9956	.9935
February.....	.9900	.9900	.9873	.9873
March.....	.9900	.9900	.9902	.9910
April.....	1.0090	1.0090	.9936	.9945
May.....	.9790	.9790	.9964	.9970
June.....	.9900	.9910	1.0013	1.0020
July.....	.9939	.9955	1.0081	1.0080
August.....	.9830	.9840	1.0037	1.0037
September....	.9930	.9920	.9990	.9990
October.....	.9980	.9980	.9990	.9994

BENCHMARK REVISIONS

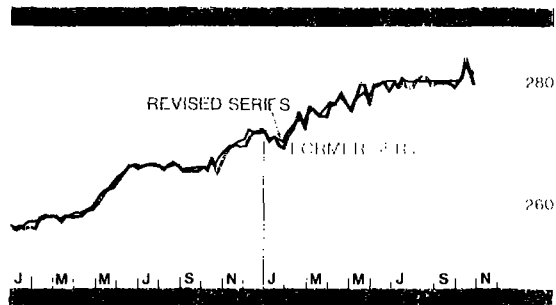
The money stock measures published by the Board of Governors are based on daily deposits reported weekly by member banks and on single-day call report data available four times a year for domestic nonmember banks. In addition, the series are based in part on data for agencies and branches of foreign banks and foreign investment banking corporations, which have reported single-day data each month since late 1972. These latter data are available only with some lag, however. Hence the most recent figures are folded into the series when benchmark data for domestic nonmember banks are incorporated.

In view of the shift from semiannual to quarterly reporting of benchmark data by domestic nonmember banks beginning in March 1973, the Board of Governors began in 1974 to revise the money stock series as soon as the call report data were tabulated. Thus, in May 1974, benchmark data for December 1973 were incorporated into the money stock series; and in August 1974, the benchmark data for April 1974 were folded in. As previously noted, the December benchmark revision had raised the M_1 series about \$400 million, while the April benchmark revision had lowered the series by \$1.1 billion.

As an experiment to improve the estimate of the domestic nonmember bank component of the money stock, the Federal Deposit Insurance Corporation for the past several months has been collecting daily deposit and vault cash data—similar to those reported by member banks—from about 175 of the largest insured nonmember banks and from a stratified sample of smaller insured nonmember banks. The Board and FDIC staffs are in the process of reviewing the data from this experiment. Meanwhile, current estimates continue to be based on the ratio of domestic nonmember bank deposits to small member bank deposits.

The June 1974 benchmark data for domestic nonmember banks lowered the money stock series about \$200 million. As indicated earlier, incorporation of M_1 -type deposits at internationally oriented institutions and other minor benchmark adjustments—primarily deposits due

MONEY STOCK



Seasonally adjusted weekly averages of daily figures.

Seasonal adjustment factors for time deposits other than CD's and for thrift institution deposits—components of the broader money stock measures M_2 and M_3 , respectively—were also reviewed. Here, too, changes were minor, and monthly and longer-run rates of growth were affected even less than M_1 .

Weekly seasonal adjustment factors were also revised. As in other recent years an additional year's data tended to smooth the week-to-week fluctuations in the M_1 series, as shown in the chart. In particular, more of the month-end decline and more of the beginning-of-month bulge noted in last year's revision were removed as the continuation of that intramonthly pattern for another year was given more weight.²

²In the past, the Board has received numerous requests for seasonal adjustment factors for M_1 for future periods. Because of the public interest, estimated weekly and monthly seasonal adjustment factors for the demand deposit and currency components of M_1 are shown in the table on page 821.

TABLE 3
SOURCES OF REVISIONS IN M_1 (1974)

In billions of dollars

Month	Old series	Revised series	Difference	Difference due to-		
				Domestic non-member	Inter-national institutions	Other
April.....	278.2	278.2				
May.....	273.1	272.9	-.2	.1	-.2	.1
June.....	277.6	277.9	.3	.2	.3	.2
July.....	279.2	279.7	.5	.4	.7	.2
Aug.....	277.2	277.3	.1	-.4	.3	.2
Sept.....	279.2	279.0	-.2	-.5	.1	.2
Oct.....	281.4	281.2	-.2	-.5	.1	.2

NOTE. Data are not adjusted for seasonal variation.

to foreign commercial banks and mutual savings banks—at member banks more than offset this revision. On balance benchmark revisions raised M_1 in June by about \$300 million, as shown in Table 3, which indicates how the several factors affected the level of M_1 beginning in May 1974.

MEMBER BANK DEPOSITS AND RESERVES

Revisions in member bank deposits and reserves reflect changes in seasonal adjustment factors based on one additional year of data. Seasonally unadjusted deposits were not changed. The series on seasonally unadjusted RPD's was revised slightly to reflect revised ratios of reserves held against private deposits and to incorporate minor revisions in reserves held against nondeposit sources of funds. Revisions in these series were very small.

As indicated earlier, a more significant change was made that affected the level of the adjusted credit proxy series. Since May 1969 selected member banks had been reporting on the amounts of commercial paper issued by the bank's holding company or affiliate. These same banks had also reported the amounts of loans sold to bank-related institutions. While the levels of these two series had been different, the patterns of growth had been much the same, and in the old adjusted credit proxy series the commercial paper measure had been included

as part of the adjustment. In the fall of this year the reporting panel of banks was enlarged, and the definition of commercial paper to be reported was revised, thus causing a sharp break in the series. Enlarging the panel of banks also caused a break in the "loans sold" series, but the break was small because new banks had made very few loans sales and there were only minor definitional changes in the series.

Since the loans-sold series is a better measure of funds actually channeled to a commercial bank—whether from commercial paper financing or from other sources of funds available to an affiliate—loans sold by a bank to its own subsidiary or affiliate were substituted for the old commercial paper series in this revision. Figures previously reported for loans sold were adjusted to remove the small break in series, which occurred in late August. Euro-dollar borrowings and other minor nondeposit sources of funds continue to be added to the credit proxy to round out the adjustment.

As mentioned earlier, the current revision lowered the level of the adjusted credit proxy about \$1.8 billion in recent months and by lesser amounts back to late 1972. For 1969 to late 1972 the level of the series was raised slightly. As seen in Table 1, this adjustment lowered slightly the growth rates in 1973 and the first half of 1974. The impact was minor, however, and it had little effect on month-to-month growth rates.

M1 SEASONAL ADJUSTMENT FACTORS -1975

Monthly		Demand deposits	Currency	Weekly		Demand deposits	Currency
Jan.		1.0350	.9935	Jan. 1		1.0540	1.0060
Feb.		.9900	.9873	8		1.0630	1.0090
Mar.		.9900	.9910	15		1.0500	.9985
Apr.		1.0090	.9945	22		1.0290	.9885
May		.9790	.9970	29		1.0050	.9770
June		.9910	1.0020	Feb. 5		1.0050	.9880
July		.9955	1.0080	12		.9910	.9940
Aug.		.9840	1.0035	19		.9920	.9890
Sept.		.9920	.9990	26		.9760	.9775
Oct.		.9980	.9990	Mar. 5		.9940	.9900
Nov.		1.0050	1.0070	12		.9890	.9960
Dec.		1.0310	1.0175	19		.9930	.9920
				26		.9810	.9870
				Apr. 2		.9970	.9880
				9		1.0125	1.0065
				16		1.0240	1.0005
				23		1.0130	.9910
				30		.9910	.9820
				May 7		.9830	1.0010
				14		.9830	1.0000
				21		.9770	.9955
				28		.9680	.9910
				June 4		.9870	1.0000
				11		.9900	1.0080
				18		.9995	1.0030
				25		.9825	.9950
				July 2		.9980	1.0050
				9		1.0040	1.0210
				16		1.0030	1.0130
				23		.9870	1.0040
				30		.9860	.9950
				Aug. 6		.9890	1.0070
				13		.9890	1.0095
				20		.9850	1.0060
				27		.9720	.9925
				Sept. 3		.9860	1.0000
				10		.9920	1.0110
				17		1.0040	1.0000
				24		.9840	.9930
				Oct. 1		.9890	.9890
				8		.9960	1.0060
				15		1.0030	1.0050
				22		.9980	1.0000
				29		.9940	.9890
				Nov. 5		1.0095	1.0020
				12		1.0040	1.0120
				19		1.0090	1.0080
				26		.9970	1.0050
				Dec. 3		1.0100	1.0060
				10		1.0200	1.0200
				17		1.0340	1.0160
				24		1.0320	1.0260
				31		1.0450	1.0140

MONEY STOCK—SEASONALLY ADJUSTED

In billions of dollars (for footnotes see page 827)

Year and month	Over-all measures			Components and related items					Nonbank thrift institutions ⁵	
	M ₁ (Currency plus demand deposits ¹)	M ₂ (M ₁ plus time deposits at coml. banks other than large CD's ²)	M ₂ (M ₂ plus nonbank thrift institutions ³)	Currency	Demand	Deposits at commercial banks		Other		Total
						CD's ⁴	Time and savings			
1968—Jan.	187.8	351.5	535.4	40.6	147.2	20.7	163.7	184.3	183.9	
Feb.	188.7	354.0	538.7	40.7	148.0	20.8	165.3	186.0	184.7	
Mar.	189.5	355.9	541.6	41.1	148.4	20.7	166.5	187.2	185.7	
Apr.	190.4	357.9	544.4	41.4	149.1	20.2	167.4	187.6	186.6	
May	192.3	360.7	548.1	41.5	150.8	20.0	168.3	188.4	187.5	
June	193.9	363.4	551.8	41.8	152.0	19.9	169.5	189.4	188.4	
July	195.0	365.5	554.8	42.0	153.0	20.8	170.5	191.3	189.3	
Aug.	196.1	368.8	559.1	42.3	153.8	21.6	172.7	194.3	190.3	
Sept.	197.4	372.1	563.4	42.6	154.8	22.0	174.7	196.7	191.3	
Oct.	198.5	375.2	567.6	42.8	155.7	22.7	176.7	199.4	192.4	
Nov.	200.3	379.2	572.7	43.2	157.1	22.9	178.9	201.8	193.5	
Dec.	201.7	382.3	576.8	43.4	158.2	23.5	180.6	204.1	194.5	
1969—Jan.	202.9	384.7	580.1	43.6	159.2	21.7	181.8	203.5	195.5	
Feb.	204.0	386.5	582.9	43.9	160.1	20.3	182.5	202.8	196.4	
Mar.	204.7	387.9	585.3	44.1	160.6	19.1	183.1	202.3	197.4	
Apr.	205.5	389.3	587.5	44.2	161.3	18.5	183.8	202.3	198.1	
May	206.2	390.3	589.0	44.4	161.7	17.7	184.1	201.9	198.7	
June	206.7	391.8	591.1	44.7	162.0	16.3	185.1	201.4	199.3	
July	207.3	391.0	590.7	44.9	162.4	14.4	183.8	198.2	199.6	
Aug.	207.1	390.0	589.9	45.2	161.9	12.6	182.9	195.6	199.9	
Sept.	207.6	390.7	591.1	45.3	162.3	11.8	183.1	194.8	200.4	
Oct.	208.1	391.0	591.7	45.6	162.5	11.3	182.9	194.2	200.7	
Nov.	208.7	392.0	592.9	45.9	162.8	11.1	183.3	194.4	200.9	
Dec.	208.7	392.2	593.5	46.1	162.7	11.0	183.5	194.5	201.3	
1970—Jan.	210.6	393.3	594.5	46.3	164.3	10.5	182.7	193.2	201.2	
Feb.	210.0	392.6	593.7	46.5	163.5	10.6	182.6	193.3	201.1	
Mar.	211.7	395.3	596.8	46.7	165.0	11.4	183.6	195.1	201.5	
Apr.	213.3	398.8	601.1	47.0	166.3	13.0	185.5	198.5	202.3	
May	214.3	401.0	604.3	47.5	166.8	13.4	186.7	200.1	203.4	
June	214.8	403.6	608.2	47.6	167.2	13.4	188.8	202.2	204.6	
July	215.6	407.4	613.4	47.9	167.7	16.5	191.7	208.3	206.1	
Aug.	217.3	411.9	620.0	48.1	169.2	18.7	194.6	213.3	208.1	
Sept.	219.3	416.4	626.8	48.3	171.0	20.9	197.2	218.0	210.3	
Oct.	219.8	419.2	631.8	48.5	171.3	22.3	199.4	221.8	212.6	
Nov.	220.6	421.9	636.9	48.8	171.9	23.7	201.3	225.0	215.0	
Dec.	221.4	425.3	642.8	49.1	172.3	25.4	203.9	229.3	217.5	
1971—Jan.	222.2	429.9	650.0	49.4	172.7	26.6	207.8	234.4	220.1	
Feb.	224.2	436.7	659.5	49.8	174.5	27.7	212.4	240.1	222.9	
Mar.	226.0	443.1	669.1	50.0	176.1	28.3	217.0	245.4	226.0	
Apr.	227.7	447.6	677.1	50.4	177.3	27.9	219.8	247.7	229.5	
May	230.3	452.6	685.6	50.7	179.6	28.3	222.3	250.6	233.0	
June	232.0	457.1	693.4	51.0	181.1	29.1	225.1	254.2	236.3	
July	233.1	459.3	698.7	51.5	181.6	30.0	226.1	256.1	239.5	
Aug.	233.7	461.2	703.9	51.7	182.0	30.0	227.5	257.6	242.7	
Sept.	234.3	463.7	709.6	51.9	182.4	30.9	229.4	260.3	245.8	
Oct.	234.9	466.6	715.5	52.2	182.7	32.4	231.7	264.0	248.9	
Nov.	235.1	469.6	721.5	52.3	182.7	32.7	234.5	267.2	251.9	
Dec.	235.3	473.1	727.9	52.6	182.7	33.5	237.7	271.2	254.9	
1972—Jan.	235.9	477.5	735.6	52.9	183.0	33.7	241.6	275.3	258.1	
Feb.	238.2	482.7	744.2	53.2	184.9	34.4	244.6	279.0	261.4	
Mar.	240.5	487.5	752.3	53.6	186.9	33.9	247.0	280.9	264.8	
Apr.	242.0	490.9	758.9	53.8	188.2	34.7	248.9	283.5	268.0	
May	242.7	494.3	765.5	54.1	188.7	35.8	251.6	287.4	271.2	
June	244.0	498.7	773.5	54.3	189.6	36.7	254.7	291.4	274.8	
July	246.2	503.2	781.9	54.6	191.6	37.4	257.0	294.4	278.7	
Aug.	247.7	507.8	790.7	54.9	192.8	38.1	260.1	298.2	282.9	
Sept.	249.7	512.3	799.4	55.3	194.4	39.4	262.6	302.0	287.0	
Oct.	251.3	516.5	807.3	55.8	195.6	40.5	265.1	305.6	290.8	
Nov.	252.8	520.3	814.5	56.3	196.4	42.1	267.5	309.6	294.2	
Dec.	255.8	525.7	823.2	56.9	198.9	43.9	269.9	313.8	297.5	
1973—Jan.	256.9	529.8	830.5	57.2	199.8	45.2	272.9	318.1	300.7	
Feb.	257.9	532.9	836.2	57.5	200.4	49.4	275.0	324.4	303.3	
Mar.	258.0	535.3	840.9	57.9	200.1	54.4	277.3	331.7	305.6	
Apr.	259.4	538.8	846.5	58.6	200.8	57.7	279.4	337.1	307.8	
May	262.3	544.2	854.4	58.9	203.4	59.6	281.9	341.5	310.2	
June	265.3	549.5	862.6	59.1	206.0	60.6	284.2	344.9	313.1	
July	266.1	551.9	866.8	59.5	206.6	62.5	285.8	348.3	314.9	
Aug.	266.0	555.1	870.7	59.8	206.2	65.3	289.0	354.3	315.6	
Sept.	265.7	557.2	873.9	60.2	205.5	66.1	291.5	357.6	316.7	
Oct.	266.6	561.6	880.0	60.5	206.1	64.7	295.0	359.6	318.4	
Nov.	269.4	567.2	887.8	61.0	208.4	63.1	297.7	360.8	320.6	
Dec.	271.5	572.2	895.3	61.6	209.9	63.8	300.7	364.5	323.1	
1974—Jan.	270.9	575.5	900.7	62.0	208.9	66.4	304.6	371.0	325.2	
Feb.	273.1	580.8	907.7	62.7	210.4	68.2	307.7	375.9	326.9	
Mar.	275.2	585.5	914.9	63.3	211.9	68.0	310.3	378.3	329.5	
Apr.	276.6	589.4	920.5	63.9	212.8	73.9	312.7	386.7	331.1	
May	277.6	591.5	923.0	64.3	213.2	78.5	314.0	392.5	331.5	
June	279.7	596.7	929.5	64.6	215.0	81.3	317.0	398.4	332.7	
July	280.2	599.4	933.4	64.8	215.4	83.6	319.2	402.8	334.0	
Aug.	280.5	602.0	936.6	65.4	215.1	83.8	321.5	405.3	334.5	
Sept.	280.8	603.6	938.9	65.8	215.0	84.8	322.8	407.6	335.3	
Oct.	281.7	607.8	944.3	66.5	215.2	86.2	326.1	412.3	336.6	

MONEY STOCK—NOT SEASONALLY ADJUSTED

In billions of dollars (for footnotes see page 827)

Year and week-ending date	Over-all measures		Components and related items							U.S. Govt. deposits ⁶
	M ₁ (Currency plus demand deposits ¹)	M ₂ (M ₁ plus time dep. at com. banks other than large time CD's ²)	Currency	Deposits at commercial banks						
				Demand deposits			Time and savings deposits			
				Total	Member	Domestic non-member	Total	CD's ⁴	Other	
1974—Jan. 2...	285.9	586.9	62.0	223.8	162.5	58.3	365.5	64.5	301.0	10.0
9...	283.6	585.5	62.4	221.2	159.4	58.6	367.0	65.1	301.9	8.5
16...	281.0	583.9	61.9	219.2	158.3	58.0	368.5	65.6	302.9	6.2
23...	274.5	579.1	61.4	213.2	154.0	56.3	370.6	66.0	304.6	7.4
30...	269.7	575.1	60.8	208.8	151.6	54.4	372.1	66.7	305.4	9.2
Feb. 6...	271.2	577.2	61.7	209.5	152.0	54.8	372.5	66.6	306.0	8.8
13...	270.4	578.1	62.1	208.2	150.7	54.9	373.9	66.2	307.7	6.0
20...	271.4	579.9	62.0	209.4	152.0	54.8	374.4	65.9	308.5	5.2
27...	267.7	577.8	61.4	206.3	149.6	54.0	375.8	65.7	310.1	6.7
Mar. 6...	273.2	584.0	62.5	210.7	153.1	54.9	376.7	65.8	310.8	6.7
13...	272.8	584.8	62.9	209.9	152.1	55.1	378.2	66.2	312.0	4.3
20...	272.4	584.5	62.7	209.7	152.2	54.7	378.5	66.4	312.1	7.2
27...	270.2	583.6	62.4	207.9	151.1	54.0	380.4	67.0	313.4	6.9
Apr. 3...	275.8	590.1	62.8	212.9	155.0	55.1	383.0	68.6	314.4	7.2
10...	279.4	594.6	64.2	215.2	156.1	56.3	385.7	70.5	315.2	4.6
17...	283.1	598.1	63.9	219.2	158.8	57.4	386.7	71.6	315.0	4.6
24...	277.0	592.6	63.2	213.8	155.1	56.0	388.3	72.7	315.6	6.0
May 1...	273.7	589.3	63.0	210.7	153.0	54.9	389.6	73.9	315.7	9.4
8...	273.4	589.3	64.4	209.0	151.6	54.8	391.1	75.1	315.9	11.2
15...	274.3	590.8	64.3	210.0	152.1	55.4	392.9	76.4	316.5	7.6
22...	272.7	589.5	64.1	208.6	151.3	54.7	394.6	77.9	316.8	6.5
29...	270.3	587.6	64.0	206.1	149.5	54.2	396.7	79.2	317.4	5.3
June 5...	276.8	594.4	64.5	212.3	153.8	55.6	397.0	79.4	317.7	4.3
12...	278.4	596.7	65.2	213.2	153.8	56.4	397.7	79.4	318.3	3.7
19...	279.3	597.4	64.8	214.4	154.1	56.5	397.6	79.4	318.2	6.7
26...	275.6	594.0	64.2	211.4	152.3	55.7	398.0	79.7	318.4	8.0
July 3...	281.0	599.7	65.1	215.9	155.8	56.5	399.2	80.5	318.7	8.7
10...	281.4	600.1	66.1	215.4	154.6	57.3	399.7	81.0	318.7	6.9
17...	282.0	600.9	65.5	216.5	155.6	57.4	401.0	82.1	319.0	4.2
24...	277.3	596.8	65.0	212.3	153.0	55.9	403.3	83.9	319.5	4.6
31...	276.8	596.9	64.6	212.2	153.3	55.4	405.3	85.2	320.1	4.3
Aug. 7...	278.6	599.0	65.8	212.8	153.2	56.3	406.1	85.8	320.3	4.3
14...	279.1	600.6	66.0	213.1	153.3	56.7	407.9	86.5	321.4	3.7
21...	277.5	598.7	65.7	211.8	152.4	56.3	408.6	87.4	321.2	4.0
28...	274.2	595.7	65.1	209.1	150.7	55.6	409.6	88.2	321.5	4.1
Sept. 4...	278.3	600.0	65.8	212.5	153.2	56.4	410.2	88.5	321.8	3.3
11...	280.3	601.9	66.3	214.0	153.4	57.7	410.3	88.7	321.5	3.8
18...	280.7	601.5	65.8	214.9	154.3	57.6	409.4	88.6	320.8	5.6
25...	276.2	597.6	65.3	210.9	151.8	55.9	410.1	88.7	321.4	7.0
Oct. 2...	278.7	601.1	65.4	213.3	154.5	55.9	411.7	89.3	322.4	6.7
9...	280.6	604.3	66.9	213.7	153.8	57.0	412.8	89.2	323.6	4.6
16...	283.9	608.7	66.8	217.1	156.0	58.3	413.5	88.8	324.8	3.0
23...	280.8	606.3	66.3	214.5	154.0	57.6	414.3	88.9	325.5	3.3
30...	279.4	604.7	65.9	213.4	153.8	56.8	413.7	88.3	325.4	3.1

MONEY STOCK—SEASONALLY ADJUSTED

In billions of dollars (for footnotes see page 827)

Year and week-ending date	Over-all measures		Components and related items				
	M ₁ (Currency plus demand deposits ¹)	M ₂ (M ₁ plus time dep. at coml. banks other than large time CD's ²)	Currency	Deposits at commercial banks			Total
				Demand	Time and savings		
					CD's ⁴	Other	
1974-- Jan. 2.....	271.8	574.4	61.6	210.2	65.1	302.6	367.8
9.....	270.7	574.1	61.9	208.9	65.5	303.4	368.9
16.....	270.8	574.9	62.1	208.7	65.9	304.1	370.1
23.....	270.5	575.8	62.1	208.4	66.7	305.3	372.0
30.....	270.5	576.4	62.3	208.2	67.6	305.8	373.4
Feb. 6.....	271.6	578.0	62.4	209.3	68.3	306.4	374.7
13.....	272.7	580.1	62.6	210.1	68.4	307.3	375.7
20.....	273.9	581.8	62.8	211.1	68.3	308.0	376.2
27.....	273.8	582.7	62.8	210.9	68.0	308.9	376.9
Mar. 6.....	274.9	584.3	63.0	211.9	67.3	309.3	376.6
13.....	275.4	585.3	63.2	212.2	67.2	309.9	377.1
20.....	274.6	584.9	63.2	211.4	67.5	310.3	377.8
27.....	275.3	586.2	63.4	211.9	68.5	310.9	379.4
Apr. 3.....	276.4	588.0	63.5	212.9	70.3	311.6	381.9
10.....	276.3	588.8	63.8	212.5	72.3	312.4	384.7
17.....	277.4	589.9	64.0	213.4	73.8	312.5	386.3
24.....	276.7	589.8	63.9	212.8	75.1	313.1	388.2
May 1.....	276.5	589.7	64.1	212.4	76.3	313.2	389.6
8.....	277.0	590.3	64.3	212.7	77.2	313.3	390.4
15.....	277.6	591.4	64.3	213.2	78.1	313.8	391.9
22.....	278.2	592.2	64.4	213.7	78.9	314.0	392.9
29.....	277.5	592.1	64.5	213.0	79.7	314.6	394.3
June 5.....	278.8	594.3	64.4	214.4	80.1	315.5	395.7
12.....	279.6	595.9	64.7	214.9	80.6	316.3	396.8
19.....	280.0	597.4	64.7	215.3	81.3	317.4	398.7
26.....	280.1	597.9	64.6	215.5	82.1	317.8	399.9
July 3.....	280.4	598.4	64.7	215.7	82.8	318.0	400.8
10.....	279.1	597.8	64.6	214.5	83.2	318.7	401.8
17.....	280.6	599.6	64.7	215.9	83.6	319.0	402.5
24.....	280.1	599.7	64.8	215.3	84.0	319.6	403.5
31.....	280.1	600.3	65.0	215.1	84.1	320.2	404.3
Aug. 7.....	280.6	601.1	65.2	215.4	84.0	320.5	404.5
14.....	280.9	602.4	65.5	215.5	83.7	321.5	405.2
21.....	280.6	602.2	65.4	215.2	83.7	321.6	405.3
28.....	280.6	602.7	65.7	214.9	83.6	322.1	405.7
Sept. 4.....	280.9	603.4	65.6	215.3	83.9	322.5	406.4
11.....	280.8	603.5	65.7	215.1	84.6	322.6	407.2
18.....	280.4	603.0	65.9	214.5	84.8	322.6	407.4
25.....	280.6	603.6	65.9	214.8	84.9	323.0	407.9
Oct. 2.....	280.7	604.2	65.9	214.8	86.0	323.5	409.5
9.....	280.8	605.4	66.3	214.6	86.4	324.6	411.0
16.....	282.4	608.2	66.6	215.8	86.1	325.8	411.9
23.....	282.0	608.8	66.5	215.6	86.2	326.8	413.0
30.....	281.2	608.3	66.7	214.5	86.1	327.0	413.1

NOTES TO TABLES

¹ Includes (1) demand deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt., less cash items in the process of collection and Federal Reserve float; (2) foreign demand balances at Federal Reserve Banks; (3) currency outside Treasury, Federal Reserve Banks, and vaults of all commercial banks.

² Includes—in addition to currency and demand deposits—savings deposits, time deposits open account, and time certificates of deposit (CD's) other than negotiable time CD's issued in denominations of \$100,000 or more by large weekly reporting commercial banks. Excludes time deposits of the U.S. Govt. and of domestic commercial banks.

³ Includes M_2 plus the average of the beginning- and end-of-month deposits of mutual savings banks and savings capital at savings and loan associations.

⁴ Negotiable time CD's issued in denominations of \$100,000 or more by large weekly reporting banks.

⁵ Average of beginning- and end-of-month deposits at mutual savings banks and savings capital at savings and loan associations.

⁶ At all commercial banks.

⁷ Averages of daily figures. Member bank reserve series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M.

⁸ Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private demand deposits, (b) total time and savings deposits, and (c) nondeposit sources subject to reserve requirements, and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Govt. demand deposits.

⁹ Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

¹⁰ Total member bank deposits subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related subsidiaries and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTES relating to changes in series over the 1968-74 period for the tables on pp. 822-26 are as follows:

1. Effective Jan. 11, 1968, the reserve requirement of reserve city banks against net demand deposits in excess of \$5 million was increased from 16½ per cent to 17 per cent. This action increased required reserves approximately \$360 million and RPD's \$310 million.

2. Effective Jan. 18, 1968, the reserve requirement of country banks against net demand deposits in excess of \$5 million was increased from 12 per cent to 12½ per cent. This action increased required reserves approximately \$190 million and RPD's \$170 million.

3. Effective Apr. 17, 1969, the reserve requirement of all member banks against net demand deposits was increased ½ percentage point. This action increased required reserves approximately \$660 million and RPD's \$590 million.

4. Effective Oct. 16, 1969, a 10 per cent marginal reserve requirement was established on certain foreign borrowings, primarily Eurodollars, by member banks and on the sale of assets to their foreign branches. This action increased required reserves and RPD's approximately \$400 million.

5. Effective Oct. 1, 1970, the reserve requirement of all member banks against time deposits (other than savings deposits) in excess of \$5 million was reduced from 6 per cent to 5 per cent. At the same time, a 5 per cent reserve requirement was imposed against funds obtained by member banks through the issuance of commercial paper by their affiliates. This action reduced required reserves and RPD's approximately \$500 million (net).

6. Effective Jan. 7, 1971, the reserve percentage required to be maintained against certain foreign borrowings, primarily Eurodollars, by member banks and the sale of assets to their foreign branches was raised from 10 per cent to 20 per cent. This action had little effect on required reserves and RPD's.

7. Effective Nov. 9, 1972, Regulations D and J were revised to (1) adopt a system of reserve requirements against demand deposits of all member banks based on the amount of such deposits held by a member bank, and (2) to require banks—member and nonmember—

to pay cash items presented by a Federal Reserve Bank on the day of presentation in funds available to the Reserve Bank on that day. These changes reduced required reserves approximately \$2.5 billion, effective Nov. 9; and \$1.0 billion, effective Nov. 16, and increased required reserves \$300 million, effective Nov. 23. On the same dates RPD's were reduced \$2.3 billion and \$785 million and increased \$235 million, respectively.

8. Effective June 21, 1973, the Board amended its Regulation D to establish a marginal reserve requirement of 8 per cent against certain time deposits and to subject to the 8 per cent reserve requirement certain deposits exempt from the rate limitations of the Board's Regulation Q. In addition, reserves against certain foreign branch deposits were reduced from 10 per cent to 8 per cent. These changes had little effect on required reserves or RPD's.

9. Effective July 12, 1973, reserve requirements were imposed against finance bills. This action increased required reserves and RPD's approximately \$90 million.

10. Effective July 19, 1973, the reserve requirement against all net demand deposits, except the first \$2 million, was increased ½ percentage point. This action increased required reserves approximately \$760 million and RPD's approximately \$670 million.

11. Effective Oct. 4, 1973, the marginal reserve requirement against certain time deposits was increased from 8 per cent to 11 per cent. This action increased required reserves and RPD's approximately \$465 million.

12. Effective Dec. 27, 1973, the marginal reserve requirement against certain time deposits was reduced from 11 per cent to 8 per cent. This action reduced required reserves and RPD's approximately \$360 million.

13. Effective Sept. 19, 1974, the marginal reserve requirement against time deposits in denominations greater than \$100,000 and with more than 4 months maturity was eliminated. This action reduced required reserves and RPD's approximately \$510 million.

Treasury and Federal Reserve Foreign Exchange Operations

Interim Report

This interim report, covering the period August through October 1974, is the fourth of a series providing information on Treasury and System foreign exchange operations to supplement the regular series of semiannual reports that are usually issued each March and September. It was prepared by Charles A. Coombs, Senior Vice President in charge of the Foreign Department of the Federal Reserve Bank of New York, and Special Manager of the System Open Market Account.

As previously reported, the Federal Reserve had repaid by the end of July 1974 all but \$64.6 million of swap debt to the German Federal Bank incurred during the first half of the year. The dollar remained generally buoyant in August during the transition of presidential authority from the Nixon to the Ford administration, rising against the mark to a level 10 per cent above the lows reached in early May. In this favorable market situation, the Federal Reserve was able to acquire through a series of market purchases sufficient marks to liquidate the remainder of its swap debt to the German Federal Bank and accumulate working balances as well. In two instances, however, the Federal Reserve found it desirable to intervene to restrain sudden selling pressure on the dollar. On August 8-9, when market uneasiness over the political uncertainties was compounded by release of discouraging U.S. wholesale price figures for July, the Federal Reserve sold \$20.8 million of marks from balances, \$5.3 million of Dutch guilders drawn on the swap line with the Netherlands Bank, and \$2.5 million of Belgian francs, of which \$0.8 million was financed from balances and \$1.7 million drawn under the swap line with the National Bank of Belgium. These swap drawings of guilders and Belgian francs were quickly repaid through market purchases as the dollar recovered. Again on September 3, after

the German authorities had announced the proposed lifting of their reserve requirement on German residents' borrowings abroad (the *Bardepot*), a sharp decline in the dollar was checked by Federal Reserve sales of \$16.2 million of marks from balances.

The buoyancy of the dollar during the summer months reflected primarily the pull of unusually high interest rates in New York and the Euro-dollar market, reinforced by a revival of expectations that surplus oil revenues would accumulate in U.S. financial markets after having saturated investment outlets elsewhere. By September, however, New York and Euro-dollar interest rates were slipping back from their peaks. Disappointing trade figures for both July and August and news of further rapid inflation of U.S. prices also tended to weaken the dollar rate.

By early October, the exchange markets were showing signs of nervousness as the decline of dollar interest rates continued amid mounting evidence of a slackening pace of U.S. business activity. Reported diversification of surplus oil revenues from dollars and sterling into continental European currencies, and the pessimistic mood at the International Monetary Fund annual meeting, heightened market fears of renewed exchange-rate volatility. Moderately heavy selling of dollars developed in early October, and the Federal Reserve resisted an excessive slippage in the dollar rate by selling a total of \$36.1 million equivalent of marks from balances on October 3-4. The dollar briefly steadied, but on October 9, as the market assessed President Ford's anti-inflation proposals, a large buy order for marks pushed the dollar down sharply, setting off more generalized speculative selling of dollars. To maintain orderly market conditions, the Federal Reserve sold \$104.4 million of marks: of these, \$26 million was financed from balances and \$78.4 million was drawn on the

swap line with the German Federal Bank, which followed up by buying an even larger amount of dollars the next day. This coordinated operation helped the market to settle down, and, to consolidate the improvement, the Federal Reserve sold later that day an additional \$15.5 million of marks drawn on the swap line.

The dollar then steadied against the mark and other major European currencies at about 3 per cent below early-September levels, and the Federal Reserve intervened on only two other occasions in October. On October 15, the continued easing of dollar interest rates and rumors of further diversification of surplus oil revenues provoked some selling of dollars, and the Federal Reserve sold \$5.8 million of marks to cushion the dollar's decline. On October 23, market expectations of a still bigger German trade surplus for September sparked a renewed flurry of dollar sales, and \$3.9 million of marks was sold to help stabilize the market. Both of these Federal Reserve intervention operations were financed by further drawings on the swap line with the German Federal Bank. Late in the month, when the dollar firmed somewhat following discount rate cuts in Germany and the Netherlands, the Federal Reserve System began to acquire in the market moderate amounts of marks against outstanding swap indebtedness.

In summary, Federal Reserve sales of foreign currencies totaled \$210.5 million equivalent over the 3-month period. Sales of German marks amounted to \$202.7 million, of which \$99.1 million was financed from System balances. The remaining \$103.6 million represented drawings under the swap line with the German Federal Bank and remained outstanding as of October 31, 1974. In addition, the Federal Reserve sold \$5.3 million of Dutch guilders drawn on the swap line with the Netherlands Bank and \$2.5 million of Belgian francs, of which \$1.7 million was financed by a drawing on the swap line with the National Bank of Belgium; both of these drawings were quickly liquidated.

Also during the period, on August 21, the Bank of Mexico drew the full \$180 million available under the swap arrangement with the Federal Reserve to cover a temporary shortfall

in reserves. This drawing was repaid in November, prior to maturity.

On September 26, the Federal Reserve Bank of New York, after consultations with the Board of Governors of the Federal Reserve System, the United States Treasury, and other Government agencies, acquired the foreign exchange commitments of the Franklin National Bank. Since disclosure in May of substantial foreign exchange losses, Franklin had found it increasingly difficult to fulfill its maturing contracts as other banks limited exchange dealings with it. By late September, the situation had worsened, and there was a significant risk that Franklin might be unable to meet all its remaining commitments. To avoid a serious weakening of confidence in the exchange markets and in the dollar that could have resulted from a failure to honor such exchange commitments, the New York Bank acquired Franklin's foreign exchange book, which at the time included approximately 300 forward contracts for purchases and sales of several foreign currencies totaling about \$725 million. This action was greeted with relief by market participants in this country and abroad, and the subsequent news of Franklin's insolvency was taken in stride by the market with no adverse impact on dollar rates.

FEDERAL RESERVE SYSTEM DRAWINGS AND REPAYMENTS UNDER RECIPROCAL CURRENCY ARRANGEMENTS

In millions of dollars equivalent

Transactions with	System swap commitments July 31, 1974	Drawings, or repayments () Aug 1 through Oct 31, 1974	System swap commitments Oct. 31, 1974
National Bank of Belgium	261.8	{ 1.7 1.7 }	261.8
German Federal Bank	64.6	{ 103.6 64.6 }	103.6
Netherlands Bank . . . . .	.....	{ 5.3 5.3 }	.....
Swiss National Bank	371.2	.....	371.2
Bank for International Settlements (Swiss francs)	600.0	.....	600.0
Total	1,297.5	{ 110.6 71.6 }	1,336.5

NOTE: Discrepancies in totals are due to rounding.

Statements to Congress

Statement by Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System, before the Joint Economic Committee of the U.S. Congress, November 27, 1974.

No economic event in a long generation, excluding only wartime upheavals, has so seriously disrupted our economy as the manipulation of oil prices and supplies over the past year. The fourfold increase in the international price of oil has compounded the domestic economic problems of other oil-importing nations as well as our own. International financial relationships have been upset. Plans to reform the international monetary system have been partially derailed. And with further interruptions in the flow of oil still a possibility to be reckoned with, a great cloud of uncertainty now surrounds the economic future of nations around the world.

My remarks this morning will concentrate on some of the implications of high oil prices for international finance—as this committee has requested. But I cannot be silent on the bearing of oil prices on our domestic economy or our international political position.

The manipulation of oil prices and supplies by the oil-exporting countries came at a most inopportune time for the United States. In the middle of 1973, wholesale prices of industrial commodities were already rising at an annual rate of more than 10 per cent; our industrial plant was operating at virtually full capacity; and many major industrial materials were in extremely short supply. Inflationary expectations were therefore becoming more deeply ingrained at the very time when inflation was curtailing the purchasing power of worker incomes and creating some weakness for big-ticket items in consumer markets. Thus, the oil embargo, together with the huge increase in oil prices that began in the fall of 1973, contributed to the twin economic problems plaguing us in

1974—namely, high rates of inflation and weakness in production.

Furthermore, the increases in the price of oil have added to the imbalances that have made the current period of economic weakness so unusual by historical standards. Some sectors that depend heavily on a plentiful supply of inexpensive fuel—such as the automobile industry—have had to contend with sharp declines in sales and considerable idle capacity. At the same time, the oil crisis bolstered the demand for energy-saving equipment and stimulated the production of alternative sources of energy. Thus, the energy crisis contributed to the tightness in markets for business capital goods that marked much of this past year.

The adverse effects of rising oil prices have been felt even more acutely in some foreign countries than in the United States. This year, inflation is proceeding at historically high rates throughout the industrial world, while output is growing only slowly or actually declining. In Japan—which has been particularly hard hit because of its heavy dependence on imported oil—consumer prices are 24 per cent higher than a year ago, while economic activity is below the level of 1973. This weak performance of the Japanese economy is particularly striking when viewed against the background of the preceding decade, when the output of Japan grew at an average annual rate of over 10 per cent.

At the other end of the spectrum, several countries—most notably Canada—have gotten off rather lightly because of their plentiful domestic supplies of oil. Even these countries, however, have been adversely affected by the combination of inflationary pressures and sluggish economic activity of their trading partners.

Economic difficulties are by no means confined to the industrial countries. In particular, because of the heavy reliance on oil in the production of fertilizers, the high price of oil has contributed to the danger of widespread

starvation in a number of the less developed countries.

On the other side of the ledger, the increases in the price of oil have resulted in a spectacular jump in the income of members of OPEC—that is, the Organization of Petroleum Exporting Countries. The United States alone will spend about \$27.5 billion on fuel imports this year, in contrast to \$8.8 billion for substantially the same volume of imports in 1973. The higher price of imported oil has in effect been a heavy tax on American consumers, and it has taken its toll in weaker domestic markets.

Through the first 10 months of 1974, the OPEC nations have received from other countries about \$75 billion in oil revenues, nearly three times the amount obtained during the whole of 1973. The imports of OPEC nations have risen rapidly in percentage terms, but they have fallen far short of their increased revenues. As a result, oil-producing countries have achieved an estimated \$45 billion surplus on goods and services during the first 10 months of this year. Most of this sum has been invested in highly liquid short-term instruments in the Euro-currency markets and in the British and U.S. money markets.

Of the \$45 billion, about \$10½ billion has been placed in the United States. This includes about \$5 billion in marketable securities issued by the Federal Government or its agencies, chiefly Treasury bills. Most of the remainder has been placed on deposit in our banks, with scattered amounts invested in real estate, bank acceptances, and other private securities.

Of the total increase in OPEC assets of about \$45 billion, by far the largest share—about \$16½ billion or more than one-third of the total—has gone into the Euro-currency market. Nearly all of this is in the form of Euro-dollar deposits, the average maturity of which is quite short. A large proportion consists of 2-day call deposits, and most of the remainder run 6 months or less. Banks located in Great Britain have been the predominant recipients of these deposits.

Several of the oil-exporting countries— notably Kuwait, the United Arab Emirates, and Nigeria— have traditionally kept part of their reserves in sterling. Those traditional ties are

being maintained. During the first 10 months of 1974, OPEC sterling holdings increased by the equivalent of about \$6½ billion. Again, most of this sum has gone into short-term assets, and only relatively small amounts have been invested in government bonds, private securities, and real estate.

The OPEC holdings thus far specified— in the United States, Britain, and the Euro-currency markets—account for roughly three-quarters of the total increase of \$45 billion of OPEC assets. Of the remainder, an estimated \$3½ billion has been loaned to governmental bodies in continental Western Europe and Japan. Bonds issued by international financial institutions, or loans to the International Monetary Fund for use under the Oil Facility, account for \$2 billion. Another \$2 billion has been devoted to grants or credits to less developed countries, either directly or through contributions to regional development banks. Egypt has probably been the largest recipient of such aid. The remaining increases in OPEC assets—estimated at \$4 billion—have been scattered among other items, including private securities and real estate in continental Europe and Japan.

To date, the huge financial flows to and from OPEC countries have been handled mainly— and also reasonably well— by private markets, particularly commercial banks. But there is no room for complacency regarding the future. Because of the lag in payments to the oil-producing countries, the peak rates of financial flows to these countries have been experienced only for a few months. Greater strains in financial markets may well develop in the future not only because of new financial flows to the OPEC countries, but also as a result of the growing volume of assets that they will already have acquired.

As a matter of arithmetic, the volume of foreign assets accumulated by the OPEC countries will depend on four factors: first, the flow of oil revenues to the OPEC countries; second, the flow of their other earnings, particularly investment income; third, the expenditures of the OPEC countries on imports of goods and services; and fourth, the financial resources that these countries transfer to others in the form of aid.

Roughly speaking, oil revenues of the OPEC nations will amount to something in excess of \$100 billion per year, if their current oil exports and prices are maintained. This is four times as large as the figure for 1973. On the import side, some of the OPEC countries—such as Indonesia, Iran, Nigeria, and Venezuela—have large absorptive capacities. But a substantial proportion of the earnings of other oil exporters—notably Saudi Arabia and the States of the Persian Gulf—will not be spent for additional imports in the near future. The two other key factors in the picture—the flow of investment earnings to the OPEC countries and the transfer of resources from the OPEC nations to the less developed countries—are as yet quite small compared to the flow of oil revenues. While the future volume of aid by the OPEC countries is uncertain, their investment earnings promise to grow at a very rapid rate.

All this suggests very large OPEC surpluses—of perhaps \$55 billion to \$60 billion in 1975, something like \$50 billion in 1976, and continuing large surpluses for at least another five years. The practical counterpart of these surpluses would be the accumulation of a huge mountain of debts by the oil-importing countries—unless the price of oil comes down or unless the consuming nations take major steps to reduce dependence on imported oil.

In view of the enormous debts in prospect for oil-importing countries, it is only natural for governmental leaders and private financiers to concern themselves with “recycling.” But preoccupation with “recycling” techniques has had the unfortunate effect of diverting attention from the fundamental need to bring down the price of oil. Unless that is done, it is extremely doubtful whether the financial problems released by the huge increase in the price of oil will prove manageable. As a practical matter, “recycling” simply means that oil-importing countries will slip more and more deeply into debt. Piling debt on top of debt—or speaking more realistically, piling dubious debt on top of good debt—neither can nor should go on indefinitely.

If the price of oil remains at anything like its present level—and there are repeated stirrings in OPEC countries to move it still higher—there will be a massive redistribution

of economic and political power among the countries of the world. This of itself carries dangers for our country's future. In addition, the huge and growing financial reserves of OPEC countries may cause very serious problems for some of the countries—both in the industrial and in the less developed parts of the world—that will simultaneously be piling up, or even just handling, the enormous debts.

Clearly, as the financial assets in the hands of the OPEC countries grow, the burden of servicing these assets will grow. The burden of future repayment will grow. Furthermore, as the potential for shifts in deposits from one bank to another increases, financial institutions here and there may become vulnerable. So too may foreign exchange markets if funds should be moved abruptly and on a large scale from one currency into another. These dangers can be easily exaggerated, but they cannot be dismissed. Nor can we ignore the possibility that this or that foreign industrial country, already finding itself in a weakened position, may be unable to adjust sufficiently to the burdensome price of oil and as a result suffer economic and political collapse.

As I have already noted, commercial banks—particularly banks in the Euro-currency markets—have been playing a major role as intermediaries in the oil-related financial flows, taking the deposits of the OPEC nations and relending them. Thus far, they have been able to cope with the strains brought on by the oil financing. But OPEC money cannot continue to be directed to the banks on anything like the recent scale.

Financial prudence sets limits to the willingness of banks to rely on large, interest-bearing, potentially volatile deposits from relatively few sources. Banks must be concerned that the maturity structure of their assets and liabilities does not endanger their liquidity. They must be concerned that their exposure in any one country does not become excessive. They must be concerned about the decline in the ratio of their capital to their liabilities. The well-publicized difficulties of several banks heavily engaged in international finance have served as a warning that bankers have not overlooked. Nor have their regulators been entirely silent.

It is clear, therefore, that banks cannot prudently continue to play the role of intermediary for flows of oil money to the extent that they have in the recent past. Indeed, as banks have moved toward the limits of sound intermediation, they have begun to shave the interest rates at which they will accept large new deposits on a short-term basis. In recent months, OPEC countries have not put so large a share of their assets in the Euro-currency markets as they did in the first half of 1974. And there have been some indications of larger diversification of OPEC holdings among countries.

As yet, however, there has been no large shift by OPEC nations into longer-term assets; as noted earlier, most of their holdings continue to be short-term assets. This may simply reflect a lag in the adjustment of the OPEC countries to their newly won affluence. As large and growing creditors, they have an increasing stake in international financial stability, and they should contribute to it by moving more rapidly to acquire longer-term assets. Further reductions in the interest rates paid on large short-term deposits would hasten such movement.

Even so, the plight of countries whose weak financial position makes them unable to borrow in international financial markets will remain very worrisome. To be sure, it is desirable that they, along with other oil-consuming nations, look sternly to measures of oil conservation and the development of alternative sources of power as a means of controlling their deficits. But as long as oil prices remain at their present level, a huge over-all deficit will remain for the oil importers as a group; and some countries will have disproportionately large deficits. If help is not provided to those in a weak financial situation, they may be driven toward beggar-thy-neighbor trade policies, thus disrupting international trading relationships. They may be driven toward excessively tight domestic policies, threatening a prolonged recession and political disorder. And in their desolate need, they may be tempted to bend to the political will of oil-exporting countries in order to obtain loans.

It is therefore to the interest of the United States and the entire community of industrial nations that we develop institutions to ease the financial strains to which any one of them may

be subjected. If the weaker countries are left unprotected to face their oil bills, they may be forced into special arrangements with oil-producing countries. Such arrangements would undercut the bargaining power of the oil-consuming nations and delay the day when the present exorbitant oil prices are reduced.

It is toward the goal of unity and mutual aid among the industrial countries that a new initiative has recently been announced by Secretary Kissinger and elaborated by Secretary Simon. The American proposal for a new financial mechanism, to be developed in association with the Organization for Economic Cooperation and Development, would provide stand-by financial assistance to participating countries that find themselves in difficulty after reasonable efforts on their part to deal with their oil import and balance of payments problems. The proposal is intended to promote cooperation among oil-importing countries and to facilitate rational dialogue with the oil-exporting countries. It is not intended to replace the private market and other official channels such as the International Monetary Fund, but rather to supplement them.

The details of the American proposal remain to be worked out, and the proposal itself must still be negotiated with other countries. It is nevertheless clear that any new financing facility must have sufficient resources at its disposal to meet the needs of countries in difficulty. Unless that is assured, the new facility will not serve the purpose of providing mutual security to its participants. In consideration of this security, participating countries should undertake cooperative efforts to reduce dependence on oil imports. They should also undertake to follow responsible adjustment policies, avoiding the use of trade restrictions. The facility might be financed through direct contributions by the participating governments or through loan guarantees, with the credit risks being shared. In either case, congressional authority will be needed for U.S. participation.

The program proposed by the administration thus has the objective of bringing the major oil-consuming countries together in a common effort. It has two major aspects: cooperation to reduce dependence on imported oil and financial cooperation. Financial cooperation is important:

changes in preparing for private gold trading. Also, the recent run-up in the price of gold in European markets suggests that market participants abroad anticipate the development of an active market in the United States.

Some sources close to the gold market have attempted to estimate the potential demand for gold in this country. We at the Board of Governors have no estimate of our own and are skeptical of the guesses being bandied about. But we, as well as others, recognize that when the gold market is reopened, people might rush in with funds transferred from savings accounts, common stocks, or other financial assets. The financial wealth of households, personal trusts, and nonprofit organizations in the United States is enormous. Although we can be quite sure that the transfer of accumulated savings to the gold market will not be more than a tiny fraction of this total, the diversion of funds from customary financial channels could still come to an uncomfortably large sum in dollars.

The resulting disturbance of the money and capital markets—especially in the period immediately following removal of the ban on gold ownership—would tend to have adverse effects on the sectors of the economy that are most heavily dependent on credit. Thrift institutions and commercial banks have only recently begun to experience improved deposit inflows. Any sizable withdrawal of funds from savings accounts would, of course, dim the prospects for a larger supply of mortgage credit in coming months. Recovery of the homebuilding industry might therefore be retarded.

Money flows to the equity and debt markets may also be reduced as investors move to acquire gold. At present, prices of common stocks are severely depressed. The corporate and municipal bond markets, meanwhile, are handling a huge volume of new issues. Borrowers in these markets are counting on an ample supply of funds to refinance maturing debt and to raise capital for new business ventures or new public undertakings. To the extent that the public's savings are diverted from these markets to gold, business firms and other borrowers would find it more expensive and more difficult to carry out their capital expenditure programs.

Besides these effects on credit flows, early

removal of the prohibition on gold ownership could lead to excessive speculation in the gold market. Since annual world production of gold is rather small, and the gold market abroad has typically been rather thin, changes in demand have often led to wide swings in the price of gold. Given these characteristics of the market, removal of the ban on gold ownership might lead for a time to exceptionally large movements in the price of gold, and therefore encourage widespread speculation. Speculative forces originating in the gold market may spread to the markets for silver and other precious metals and from there to other commodity markets. Eventually, a reversal of such a speculative development would be practically inevitable, so that many investors in gold and other commodities would suffer losses. If events took such a course, our economy could be injured.

The risks associated with a reopening of the gold market extend also to the exchange value of the dollar in international markets. Apart from sales by the Treasury, any substantial demand for gold by our citizens would have to be met by gold imports. The consequence might be a worsening of our international balance of trade and downward pressures on the dollar in foreign exchange markets.

These pressures on the dollar could, of course, be checked by sales of gold from our Nation's monetary reserves. But there are risks associated also with this course of action. Since the precise role of gold in the international monetary system is yet to be determined, it would hardly be desirable to dispose of any sizable part of our reserve assets.

Clearly, therefore, various adverse consequences for our financial markets and our economy may stem from a reopening of the gold market at the end of this month. No one can now say with any confidence how serious these consequences are likely to be. The risks associated with private ownership of gold are, however, postponable, and I see no material advantage to the Nation in incurring these risks under present circumstances. The prudent course of action would be to delay the reopening of the gold market until a more propitious time. In the Board's judgment, therefore, the proposal of H.R. 17475 goes in the right direction.

At the same time, the Board recognizes that the bill presently before this committee may not be greeted with enthusiasm by the Congress and that the development of plans for implementing the provisions of Public Law 93-373 must go forward.

It will be important to do what we reasonably can to minimize the risks associated with that statute. I expressed doubts earlier about the wisdom of disposing of any large amount of gold at the present time. We should be ready, nevertheless, to make prudent use of the Treasury's holdings if demands for gold threaten to have adverse economic or financial consequences. For example, if large imports of gold exerted significant downward pressure on the exchange value of the dollar, prices of imported products would rise, and this would tend to worsen our inflationary problems. Sales from the Treasury's gold stock could lessen this difficulty, and I therefore endorse the Treasury's intention to auction 2 million ounces of gold early in January.

Moreover, we will need to bear in mind that the proceeds of any gold sales by the Government would enable the Treasury to reduce its borrowing compared with what it otherwise would be. This reduced borrowing, in turn, would tend to lower interest rates on Government securities and thus mitigate the adverse effects on money and capital markets that would result from large private purchases of gold.

Over the long future, however, it would be best for the Government to avoid frequent or sizable intervention in the gold market. A principal reason for abandoning the existing prohibition on gold ownership is the fact that it infringes on the freedom of our citizens. Periodic sales or purchases by the Treasury to influence the price of gold would hardly be consistent with return to a free market for that commodity. All in all, it would seem better to let the gold market find its own level and to let the cost of any excesses be borne by those investors or speculators who choose to enter that market.

I would like to conclude with a brief comment

on the regulatory status of gold transactions by banks. Since 1968 banks have been able to buy and sell gold for industrial or artistic uses under a Treasury license. At present, only two banks are actively engaged in such transactions. If private gold ownership goes into effect on December 31, 1974, banks will no longer require Treasury licenses to deal in gold, and many banks may become involved in gold transactions or in providing gold-related services to their customers.

In anticipation of this possibility, the Federal Reserve has been working jointly with the other bank supervisory agencies to clarify the regulatory status of gold transactions. It is expected that the results of this effort will be made available to banks in the near future.

The Federal regulatory authorities agree that our Nation's financial institutions must proceed cautiously in participating in gold transactions. Because of the risks inherent in gold trading, some banks may prefer to act only as agents. In cases where a bank decides to trade in gold for its own account, it would be appropriate to do so only in such amounts as may be required to satisfy the needs of customers. It will be particularly important that banks offering gold for sale avoid promotional efforts that could lead to unrealistic expectations by bank clients or to adverse effects on public confidence in individual banks or the banking system.

The bank examination process must play a role in assuring that banks are not exposed to undue risks because of gold transactions. Examiners will have to be concerned with a bank's accounting practices in regard to gold, with its recordkeeping for the accounts of customers, with its management expertise in this area, and with the additional risks that the bank undertakes in relation to its capital. Banks will need to understand that excessive involvement in gold transactions, including concentration on loans collateralized by gold or otherwise related to gold dealings, could constitute an unsafe or unsound banking practice and therefore become subject to the cease-and-desist provisions of the Financial Institutions Supervisory Act of 1966.

Statement by Robert C. Holland, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Bank Supervision and Insurance of the Committee on Banking and Currency, U.S. House of Representatives, December 12, 1974.

I am pleased to appear, on behalf of the Board of Governors of the Federal Reserve System, before your subcommittee on the subject of bank examination and regulatory structure and procedure.

We at the Federal Reserve are much concerned with this subject, and we believe that reforms are urgently needed. The general thrust of our concern has been highlighted in Chairman Burns' address on this subject before the American Bankers Association last October. I hope that the text of that speech will be made a part of the record of these hearings.

The recent two largest bank failures in the Nation's history have stirred public interest in such banking questions, and the record needs to be carefully examined for evidence of possible weaknesses in our banking system and possible shortcomings in our bank examination and supervisory procedures. We welcome your subcommittee's decision to focus attention on these issues, and the Board of Governors looks forward to working with the subcommittee and the Congress as a whole in analyzing the problems and evaluating alternative solutions.

We can take considerable encouragement from the fact that the recent failures, worrisome though they were, did not seriously damage our financial system or our economy. We believe that our banking system is basically sound and is entirely capable of meeting the current and prospective needs of the economy. We believe that our bank regulators wound up these two bank failure cases successfully. And we believe that in these cases the Federal Reserve fulfilled its traditional responsibilities as "lender of last resort" effectively.

Nonetheless, this is no time for complacency. We must endeavor to learn from the difficult financial experiences of the past year or two if we are not to repeat them. In that spirit, we at the Federal Reserve—and I am sure others as well—are hard at work poring over the past

and trying to devise appropriate measures to improve the performance of banking and bank regulation.

To give our work focus, we have concentrated on what we regard as key problem areas. In our work to date, a half dozen such areas stand out. Certainly one is the *attenuation of bank capital*. Rapid expansion of bank assets, particularly in the larger banks, over the last decade has far outpaced the additions that have been made to bank equity capital. Furthermore, greater leveraging of organizational capital has entered the picture by such means as bank holding companies' issuing debt securities to raise funds to buy new issues of common stock from their bank subsidiaries.

To finance their rapid asset expansion, many larger banks, in particular, have turned to *heavy reliance on liability management*, involving the issuance of market-type deposit certificates and other liabilities to raise whatever added funds are wanted. Such instruments have proved not only highly interest-sensitive but also highly confidence-sensitive in time of stress.

Undue banker confidence in their abilities as liability managers has sometimes contributed to the making of *excessive loan commitments*. Such promises to lend are a practical part of everyday banking, but those promises have not always been prudently limited to amounts that banks could effectively handle in times of strong credit pressures.

A companion problem has been some *deterioration in the quality of bank assets*. This development seems to result partly from the cost-income squeeze that has been suffered by many borrowers and partly from the overly aggressive lending policies followed by some banks in recent years.

In certain specialized areas of bank activities, some trouble signals have also been flashing. One involves *foreign exchange risks*. In the new world of flexible exchange rates, the opportunities for profit by bank foreign exchange departments can loom larger, but so can the risks of loss. Also, the sharp fluctuations and recent historic highs in interest rates have increased the risk of losses in bond trading departments of banks. These developments have placed heavy burdens on management systems

for controlling risks and on the systems of audit control relied upon to discipline these two departments in many banks.

Finally, recent experience has suggested to us that the public interest would be well served if there could be *more expeditious resolution of problem bank cases*. In the end, such cases have been resolved, but often the time consumed in dealing with these difficulties has aggravated uncertainties and concerns within the financial community.

The Federal Reserve believes that now is the time to begin to develop and implement corrective action in each of these areas. As we see it, some needed changes in basic legislation will have to be brought to the attention of Congress. Other problems can probably be dealt with by means of well-designed regulatory or administrative changes. Some of these problems are comparatively easy to diagnose and cure; others are extraordinarily complex and difficult. All our Board members are giving close attention to these questions.

I am now chairing a wide-ranging variety of task forces within the Federal Reserve System that are studying these supervisory and regulatory problems and trying to develop appropriate solutions therefor. This study, which covers all the problem areas discussed above and more, has been organized in six major sections. These are: resolution of problem banks and bank holding company cases; foreign exchange supervision and regulation; bank examinations; bank capital and liquidity standards; longer-run bank holding company supervisory and regulatory policy; and the structure of bank regulatory agencies and related reforms.

One of our priority items is to find ways of resolving problem bank (and problem bank holding company) cases more speedily and efficiently.

Our work on the resolution of this subject starts with a searching examination of the adequacy and efficacy of existing regulatory powers and present practices as a guide to any needed legislative, regulatory, or administrative changes. Closely paralleling this work is an assessment of the best methods of ensuring that stockholder and director responsibilities are met in problem cases.

It seems reasonably clear that these are areas in which we will need to ask the Congress for legislation. For example, in the Bank Merger Act the Congress wisely granted an exception to the 30-day waiting period before a merger may take place when prompt action is necessary to prevent the probable failure of a bank. There is no such waiver authority in the Bank Holding Company Act. We are considering proposing legislation to permit such a waiver.

Another legislative suggestion under consideration is to modify the geographic restraints on acquisitions by a bank holding company in emergency situations. It may be that the public interest would be better served by permitting out-of-State acquisitions in those undoubtedly rare emergency cases when it might be found that such action is necessary to protect the stability of the regional or national economy and the competitiveness of the banking system.

Turning to the subject of foreign exchange supervision and regulation, reviews are under way of the operations of banks engaged in foreign exchange activities. Our studies are giving particular attention to the banks' information and audit systems, to their policy controls over foreign exchange positions and trading, and to the question of whether further measures may be needed to limit the risks involved. Bank examination treatment of foreign exchange operations is an important part of this subject.

Our consideration of bank examinations encompasses all aspects of bank operations. We are interested in possible improvements in bank examination practices and procedures, the early detection of unsound practices, and the possible use of management information systems for bank examiners and auditors. As a part of this project, attention will be given to ways to monitor and constrain excessive loan commitments and other off-balance-sheet promises to lend, methods to detect and discipline poor quality bank loans more effectively, and measures needed to minimize bond trading risks. An important segment of this work is a critical analysis of banks involved in recent failures in order to identify possible inadequacies or failures of the banks' internal management and audit controls.

In the area of bank capital and liquidity standards, our analysis is directed toward reviewing and sharpening the concept of what is "adequate" capital and liquidity. We are hopeful this work will lead to the formulation of clarified standards for bank capital and liquidity. In coordination with the study on bank examinations, attention also will be given to the need for more effective surveillance and enforcement measures.

Because of the great importance that bank holding companies have assumed in the banking system in the last few years, one section of our study is devoted to longer-run bank holding company supervisory and regulatory policy. Work is now going forward on efforts to design an information system to monitor activities and changes in bank holding company operations. Attention is also being given to the relations of nonbanking affiliates to bank holding companies, with particular focus on the possible contribution of nonbanking affiliates to banking difficulties.

The last project relates to the structure of bank regulatory agencies and related reforms. This subject quite properly occupies a concluding position. The analysis involved in all of the other projects described above will contribute to our understanding of the inadequacies—and accomplishments—of the Federal bank regulatory and supervisory structure. This information should supply a factual foundation for judging whether changes should be recommended in the structure of the Federal bank regulatory agencies. One project in this section is looking at the relationship between field examining forces, both Federal and State, and to means for improving those relationships. It is perhaps appropriate to note that many alternatives will be considered before the Board reaches a conclusion on this sensitive subject.

I might mention that we have been in touch with our sister regulatory agencies regarding these studies, and we will continue to confer with them as our work progresses.

We realize fully, as I am sure you do, that this re-examination and study is a massive undertaking. I want to assure you, however, that we at the Board are fully committed to moving

forward with it as speedily as possible. We view our work as an action program to be put into effect by legislative recommendations, changes in regulations, or reforms in administrative and operating procedures.

I can report the Board already has taken concrete action on several fronts. Beginning last June, we introduced a "go-slow" policy regarding bank holding company expansion. This policy remains in effect today; its future will have to be determined by the Board in the light of emerging economic and financial conditions. The policy is evident in cases in which we have felt that either an organization's capital or its liquidity positions have been stretched. We have denied, in such cases, applications for acquisitions of other firms in permissible lines of activity, except when we felt the public benefits of a particular acquisition were exceedingly strong. We have also refused, for the time being, to add new lines of activity to the permissible list for bank holding companies.

In addition, we have stepped up our information-gathering and supervisory oversight with respect to banks and bank holding companies.

This fall, when circumstances seemed to us propitious, we restructured the reserve requirements of member banks, raising average reserve requirements somewhat on short-dated time deposits, but cutting requirements to the statutory minimum on time deposits with over 6 months' maturity. Such action, we felt, would be an encouragement to banks to lengthen the average maturity of their liabilities and thereby reduce the potential volatility of their funds.

More recently, in coordination with the other relevant regulatory agencies, we acted to raise somewhat the interest rates banks could pay to attract time deposits with maturities as long as 6 years or more.

Finally, I might mention that we have just sent to the Congress a comprehensive proposal for legislation covering foreign banking operations in this country. The main thrust of this legislation is to treat foreign-owned bank operations in this country like domestically owned banks; one effect is to extend certain existing Federal bank regulatory and supervisory authority to such operations.

Many more actions like these will need to follow, we believe, in the weeks and months ahead.

These have been difficult times for us all, but they have served to emphasize the need for prompt corrective action. We intend to see that improvements in banking and bank regulation result from this experience, and we are now hard at work to find the best possible solutions. In this process, we would welcome comments and suggestions from members of this subcommittee and other Members of Congress who may wish to contribute to this undertaking.

Our aim is to complete our work on the legislative portion of our program sometime in

the first quarter of 1975 in order to allow ample time for the new Congress to study our proposals. We are not sure at this point whether we will be coming forward with a series of recommendations or with a single comprehensive program. In the meantime, of course, we intend to move ahead with regulatory and administrative changes as the need dictates.

Mr. Chairman, I appreciate the opportunity you have afforded the Board to outline what we are doing and planning in the areas of bank supervision and regulatory reform. The Board looks forward to working with you and the other members of the committee in the 94th Congress. □

Record of Policy Actions

of the Federal Open Market Committee

MEETING HELD ON SEPTEMBER 10, 1974

1. Domestic policy directive

The information reviewed at this meeting continued to suggest that real output of goods and services—which had declined in the first half of the year—was changing little in the current quarter and that both the GNP implicit deflator and wage rates were continuing to rise at a rapid pace. Staff projections, like those of 3 weeks earlier, suggested that weakness in real economic activity would persist in the fourth quarter of the year and in the first half of 1975 and that the rate of increase in prices would remain rapid, although not so rapid as in recent quarters.

In August, according to preliminary indications, industrial production had remained near the level of the preceding 3 months. Although employment in manufacturing establishments declined somewhat during the month—only in part because of strikes—total nonfarm payroll employment rose moderately. The unemployment rate edged up further to 5.4 per cent. Weekly data suggested that retail sales, after a sharp advance in July, had expanded somewhat further in August.

Wholesale prices of farm products rose further in the period from mid-July to mid-August, and price increases for industrial products continued numerous. The advance in the index of average hourly earnings for private nonfarm production workers had remained rapid over recent months. In July the consumer price index had risen somewhat less than in the preceding 2 months, reflecting a decline in retail prices of foods.

Staff projections that weakness in economic activity would persist in the fourth quarter of this year and in the first half of 1975, like those of 3 weeks earlier, were based on the following expectations: that the contraction in residential construction outlays would continue; that the expansion in business fixed investment would taper off; that growth in disposable personal income and in personal consumption expenditures would be little, if any, greater than the

rate of increase in prices; and that the pace of business inventory accumulation would moderate.

In recent weeks the exchange rate for the dollar against leading foreign currencies had continued to appreciate, apparently in part because of a favorable shift in net capital flows. In July there had been a net inflow of bank-reported capital, reflecting both a lessening of the outflow of U.S. bank credit to foreigners and a significant increase in liabilities to private foreigners. Foreign lending by U.S. banks appeared to have declined further in August. The U.S. trade deficit, which had narrowed in June, increased appreciably in July, as imports rose somewhat further while exports declined.

Expansion in total loans and investments at U.S. commercial banks was moderate in August. Growth in business loans remained relatively strong, but growth in total loans slowed from the fast pace in July and banks further reduced their holdings of U.S. Government securities.

The narrowly defined money stock (M_1)¹ grew at an annual rate of 3 per cent in August, up somewhat from the slow July pace but still well below the 6 per cent rate of the first half of the year.² Growth in the more broadly defined money stock (M_2)³ also picked up a little in August; whereas the performance of passbook savings continued weak, inflows of total time and savings deposits other than large-denomination CD's remained relatively strong. U.S. Treasury deposits increased substantially, and banks reduced their outstanding volume of large-denomination CD's and their use of nondeposit sources of funds. On September 4 the Board announced the removal of the 3 per cent marginal reserve requirement on large time deposits and related instruments maturing in 4 months or more.

Deposit experience at nonbank thrift institutions continued weak in August, and growth in the measure of the money stock that includes such deposits (M_3)⁴ remained near the reduced rate of

¹Private demand deposits plus currency in circulation.

²The growth rate cited for the quarter is calculated on the basis of the daily-average level in the last month of the quarter relative to that in the last month of the preceding quarter.

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

⁴ M_2 plus time and savings deposits at mutual savings banks and at savings and loan associations.

July. Contract interest rates on conventional mortgages in the primary market and yields in the secondary market for Federally underwritten mortgages continued to rise during August.

Market interest rates on most private short-term securities had fluctuated narrowly in the period since the Committee's meeting on August 20. However, yields on Treasury bills moved through a wide range; they rose sharply in late August—when market supplies increased as the Treasury auctioned \$2 billion of 299-day bills and raised the size of the regular weekly bill auctions—and then declined in early September. On the day before this meeting the market rate on 3-month Treasury bills was 9.15 per cent, down from an inter-meeting high of 9.74 per cent on August 23 but up from 8.84 per cent on the day before the August meeting.

Yields on long-term securities rose moderately, on balance, over the inter-meeting period, reflecting market anticipation of a large volume of Federal agency and corporate offerings. Public offerings of corporate bonds were unseasonally large in August, and a moderate increase was in prospect for September. Offerings of State and local government bonds declined in August but were expected to rise considerably in September.

System open market operations since the August meeting had been guided by the Committee's decision to seek bank reserve and money market conditions consistent with moderate growth in the monetary aggregates over the months ahead, while taking account of developments in domestic and international financial markets. Data that had become available a few days after the meeting suggested that in the August–September period M_1 would grow at a rate slightly below the lower limit of the range of tolerance that had been specified by the Committee while M_2 would grow at a rate within its range; data available a week later suggested that growth rates for both aggregates had weakened. Accordingly, System operations were directed toward some easing in bank reserve and money market conditions, with the expectation that the Federal funds rate would decline within the $11\frac{1}{2}$ to $12\frac{1}{2}$ per cent range that the Committee had specified. At the time of this meeting the funds rate was about $11\frac{3}{4}$ per cent, compared with $12\frac{1}{4}$ per cent at the time of the August meeting.

The Committee concluded that the economic situation and outlook called for moderate growth in the monetary aggregates over

the longer run, at rates slightly higher than those contemplated earlier. A staff analysis suggested that monetary growth - although apparently remaining sluggish in September - would pick up in later months as transactions demands for money strengthened. Nevertheless, it appeared likely that if M_1 were to grow at a rate consistent with the Committee's longer-run objectives for the monetary aggregates, money market conditions would ease somewhat further in the period immediately ahead. Such easing would probably lead to additional declines in market interest rates.

The staff analysis suggested that a modest recovery in flows of savings at both banks and nonbank thrift institutions might develop and that upward pressures on mortgage rates might lessen. Demands for bank credit were likely to be tempered by the projected slowdown in the rate of expansion in nominal GNP.

In view of sluggish monetary growth since midyear, the Committee decided that the tolerance ranges specified for rates of expansion in the monetary aggregates over the September-October period should be wide enough to accommodate somewhat higher growth rates, should they develop, than those presently thought to be consistent with the money market conditions contemplated. Specifically, for the September-October period the members adopted ranges of tolerance of 3 to 6 per cent and 5 to 7½ per cent for the annual rates of growth in M_1 and M_2 , respectively, and they agreed that such growth rates would be likely to involve growth in reserves available to support private nonbank deposits (RPD's) within a range of 6 to 8½ per cent. The members also decided that in the period until the next meeting the weekly average Federal funds rate might be permitted to vary in an orderly fashion from as low as 10½ per cent to as high as 12 per cent, if necessary, in the course of operations. It was understood that in the early weeks of the period the weekly average funds rate would be permitted to decline gradually from its present level of 11¾ per cent to about 11¼ per cent so long as the monetary aggregates did not appear to be growing at rates above their specified ranges.

The members also agreed that, in the conduct of operations, account should be taken of developments in domestic and international financial markets. It was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant incon-

sistencies appeared to be developing among the Committee's various objectives and constraints.

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

The information reviewed at this meeting suggests that real output of goods and services is changing little in the current quarter, following the first-half decline, and that price and wage increases are continuing large. In August industrial production, according to preliminary indications, remained near the level of recent months, while the unemployment rate edged up to 5.4 per cent. Wholesale prices of farm products rose further, on average, and announcements of increases for industrial commodities continued numerous.

In recent weeks, the dollar has continued to appreciate against leading foreign currencies. U.S. bank lending to foreign borrowers diminished in July and apparently also in August, while inflows from abroad increased. The foreign trade deficit, which had narrowed in June, widened in July.

In August growth of the narrowly defined money stock was above the low pace of July but well below the 6 per cent annual rate of the first half of the year. Net inflows of time deposits other than money market CD's continued at about the July rate, but the performance of passbook savings at banks—and of total deposits at nonbank thrift institutions—remained weak. Although growth in business loans remained relatively strong in August, growth in total bank credit was moderate, and banks reduced their reliance on large-denomination CD's and nondeposit funds. Interest rates on most short-term market instruments have changed little on balance since mid-August, while rates on most types of longer-term securities have risen further. On September 4 the Federal Reserve announced the removal of the 3 per cent marginal reserve requirement on longer-term large-denomination CD's.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to resisting inflationary pressures, supporting a resumption of real economic growth, and achieving equilibrium in the country's balance of payments.

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

Votes for this action: Messrs. Burns, Black, Bucher, Clay, Holland, Kimbrel, Mitchell, Sheehan, Wallich, and Winn. Vote against this action: Mr. Hayes.

Mr. Hayes, who dissented from this action, observed that inflation and inflationary expectations continued unabated whereas the probabilities, in his view, were against the development of a severe recession. He believed that the pursuit of somewhat higher rates of monetary growth than contemplated earlier—in accordance with the Committee's decision—would signify an inappropriate easing of policy in terms of an immediate decline in the Federal funds rate and in other market interest rates. He favored maintenance of about the current policy of firm monetary restraint, particularly since fiscal restraint was by no means assured at present.

Subsequent to the meeting it appeared that in the September–October period the annual rates of growth in the monetary aggregates would be below the lower limits of the ranges of tolerance that had been specified by the Committee. The Federal funds rate recently had been fluctuating around 11 per cent, $\frac{1}{2}$ of a percentage point above the lower limit of its specified range, and the System Account Manager was endeavoring to supply reserves at a rate consistent with some further easing in money market conditions. The members—with the exception of Messrs. Hayes and Winn—concurred in the Chairman's recommendation of October 3 that, in order to provide operating flexibility in the event of evidence of further weakening in the behavior of the aggregates, the lower limit of the funds rate constraint be reduced by $\frac{1}{4}$ of a percentage point, to $10\frac{1}{4}$ per cent, for the period remaining until the next Committee meeting.

2. Special authorization relating to foreign currency operations

On September 25, 1974, Committee members were advised that the Federal Reserve Bank of New York, after discussions with Franklin National Bank, had developed a plan to purchase the foreign exchange position of Franklin, amounting to approximately \$800 million equivalent; that the Board of Governors of the Federal Reserve System had concurred in the proposed arrangement; and

that the New York Bank was requesting the Committee's specific approval of such open market transactions in foreign currencies as might be necessary to carry out the arrangement.

The members of the Committee voted to approve the following special authorization:

The Federal Reserve Bank of New York is authorized and directed, under the provisions of 270.4(e) of the Regulation relating to Open Market Operations of Federal Reserve Banks, to engage in such open market transactions in foreign currencies, including transactions for the System Open Market Account, as may be necessary to carry out the arrangements that have been made by the Federal Reserve Bank of New York, with the concurrence of the Board of Governors of the Federal Reserve System, for the disposition of assets and liabilities of the Franklin National Bank.

Votes for this action: Messrs. Burns, Hayes, Black, Bucher, Clay, Holland, Kimbrel, Mitchell, Sheehan, Wallich, and Winn. Votes against this action: None.

This action was taken against the background of the problems that Franklin has been experiencing in covering its foreign exchange commitments, and for the purpose of assisting the foreign exchange markets by avoiding the weakening of confidence that appeared likely to ensue if contracts in the volume Franklin had outstanding were not honored. Under the agreement proposed (and subsequently implemented), Franklin would indemnify the New York Bank against any losses it might incur in fulfilling Franklin's foreign exchange position.

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

Law Department

Statutes, regulations, interpretations, and decisions

FEDERAL DEPOSIT INSURANCE AND FAIR CREDIT BILLING

An Act of Congress approved October 28, 1974, doubled the basic Federal insurance limits for deposits and savings accounts in insured banks, savings and loan associations and credit unions. The Act (P.L. 93-495) also contains fair credit billing provisions and prohibits discrimination on the basis of sex or marital status in granting or denying credit. The Act reads as follows:

AN ACT

To increase deposit insurance from \$20,000 to \$40,000, to provide full insurance for public unit deposits of \$100,000 per account, to establish a National Commission on Electronic Fund Transfers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO AND EXTENSIONS OF PROVISIONS OF LAW RELATING TO FEDERAL REGULATION OF DEPOSITORY INSTITUTIONS

FULL DEPOSIT INSURANCE FOR PUBLIC UNITS

SEC. 101. (a) The Federal Deposit Insurance Act is amended--

(1) in subsection (m) of section 3 (12 U.S.C. 1813(m)), by inserting immediately after "depositor" in the first sentence the following: "(other than a depositor referred to in the third sentence of this subsection)";

(2) in subsection (i) of section 7 (12 U.S.C. 1817(i)), by striking out "Trust" and inserting in lieu thereof the following: "Except with respect to trust funds which are owned by a depositor referred to in paragraph (2) of section 11(a) of this Act, trust"; and

(3) in subsection (a) of section 11 (12 U.S.C. 1821(a)), by inserting "(1)" immediately after "(a)", by striking out "The" in the last sentence and inserting in lieu thereof the following: "Except as provided in paragraph (2), the", and by inserting at the end of such subsection the following:

"(2)(A) Notwithstanding any limitation in this Act or in any other provision of law relating to the amount of deposit insurance available for the account of any one depositor, in the case of a depositor who is

"(i) an officer, employee, or agent of the United States having official custody of public funds and lawfully investing or depositing the same in time and savings deposits in an insured bank;

"(ii) an officer, employee, or agent of any State of the United States, or of any county, municipality, or political subdivision thereof having official custody of public funds and lawfully investing or depositing the same in time and savings deposits in an insured bank in such State;

"(iii) an officer, employee, or agent of the District of Columbia having official custody of public funds and lawfully investing or depositing the same in time and savings deposits in an insured bank in the District of Columbia; or

"(iv) an officer, employee, or agent of the Commonwealth of Puerto Rico, of the Virgin Islands, of American Samoa, or of Guam, or of any county, municipality, or political subdivision thereof having official custody of public funds and lawfully investing or depositing the same in time and savings deposits in an insured bank in the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, or Guam, respectively; his deposit shall be insured in an amount not to exceed \$100,000 per account.

"(b) The Corporation may limit the aggregate amount of funds that may be invested or deposited in time and savings deposits in any insured bank by any depositor referred to in subparagraph (A) of this paragraph on the basis of the size of any such bank in terms of its assets: *Provided, however,* such limitation may be exceeded by the pledging of acceptable securities to the depositor referred to in subparagraph (A) of this paragraph when and where required."

(b) Title IV of the National Housing Act is amended

(1) in section 401(b) (12 U.S.C. 1724(b)), by striking out "funds" in the third sentence and inserting in lieu thereof the following: "Except in the case of an insured member referred to in the preceding sentence, funds";

(2) in section 405(a) (12 U.S.C. 1728(a)), by inserting after "except that no member or investor" the following: "(other than a member or investor referred to in subsection (d))"; and

(3) by adding at the end of section 405 (12 U.S.C. 1728) the following new subsection:

"(d)(1) Notwithstanding any limitation in this subchapter or in any other provision of law relating to the amount of deposit insurance available for any one account, in the case of an insured member who is

"(i) an officer, employee, or agent of the United States having official custody of public funds and lawfully investing the same in an insured institution;

"(ii) an officer, employee, or agent of any State of the United States, or of any county, municipality, or political subdivision thereof having official custody of public funds and lawfully investing the same in an insured institution in such State;

"(iii) an officer, employee, or agent of the District of Columbia having official custody of public funds and lawfully investing the same in an insured institution in the District of Columbia; or

"(iv) an officer, employee, or agent of the Commonwealth of Puerto Rico, or of the Virgin Islands, or of any county, municipality, or political subdivision thereof having official custody of public funds and lawfully investing the same in an insured institution in the Commonwealth of Puerto Rico or the Virgin Islands, respectively;

the account of such insured member shall be insured in an amount not to exceed \$100,000 per account.

"(2) The Corporation may limit the aggregate amount of

funds that may be invested in any insured institution by any insured member referred to in paragraph (1) of this subsection on the basis of the size of any such institution in terms of its assets."

(c) Subsection (c) of section 207 of the Federal Credit Union Act (12 U.S.C. 1787) is amended by—

(1) inserting "(1)" after "(c)";

(2) striking out "For the purposes of this subsection," and inserting in lieu thereof the following: "Subject to the provisions of paragraph (2), for the purposes of this subsection," and

(3) adding at the end thereof the following:

"(2)(A) Notwithstanding any limitation in this Act or in any other provision of law relating to the amount of insurance available for the account of any one depositor or member, in the case of a depositor or member who is—

"(i) an officer, employee, or agent of the United States having official custody of public funds and lawfully investing the same in a credit union insured in accordance with this title;

"(ii) an officer, employee, or agent of any State of the United States, or of any county, municipality, or political subdivision thereof having official custody of public funds and lawfully investing the same in a credit union insured in accordance with this title in such State;

"(iii) an officer, employee, or agent of the District of Columbia having official custody of public funds and lawfully investing the same in a credit union insured in accordance with this title in the District of Columbia; or

"(iv) an officer, employee, or agent of the Commonwealth of Puerto Rico, of the Panama Canal Zone, or of any territory or possession of the United States, or of any county, municipality, or political subdivision thereof having official custody of public funds and lawfully investing the same in a credit union insured in accordance with this title in the Commonwealth of Puerto Rico, the Panama Canal Zone, or any such territory or possession, respectively;

his account shall be insured in an amount not to exceed \$100,000 per account.

"(B) The Administrator may limit the aggregate amount of funds that may be invested or deposited in any credit union insured in accordance with this title by any depositor or member referred to in subparagraph (A) on the basis of the size of any such credit union in terms of its assets."

(d) Section 107(7) of the Federal Credit Union Act (12 U.S.C. 1757(7)) is amended by adding at the end thereof the following: "and to receive from an officer, employee, or agent of those nonmember units of Federal, State, or local governments and political subdivisions thereof enumerated in section 207 of this Act (12 U.S.C. 1787) and in the manner so prescribed payments on shares, share certificates, and share deposits;"

(e) Section 5(b)(2) of the Home Owners' Loan Act of 1933 is amended by inserting immediately after "security," "may be surety as defined by the Board".

(f)(1) The Advisory Commission on Intergovernmental Relations (hereinafter referred to as the "Commission") shall conduct a study of the impact of this section on funds available for housing and on State and local bond markets.

(2) The Commission shall make a report to the Congress of the results of its study not later than two years after the date of enactment of this Act.

(3) There is authorized to be appropriated to the Commission such sums as may be necessary to carry out this subsection.

(g) This section and the amendments made by it shall take effect on the thirtieth day beginning after the date of enactment of this Act.

INCREASED CEILING ON DEPOSIT INSURANCE: FEDERAL DEPOSIT INSURANCE CORPORATION

SEC. 102 (a) The following provisions of the Federal Deposit Insurance Act are amended by striking out "\$20,000" each

place it appears therein and inserting in lieu thereof "\$40,000":

(1) The first sentence of section 3(m) (12 U.S.C. 1813(m)).

(2) The first sentence of section 7(i) (12 U.S.C. 1817(i)).

(3) The last sentence of section 11(a) (12 U.S.C. 1821(a)).

(4) The fifth sentence of section 11(i) (12 U.S.C. 1821(i)).

(b) The amendments made by this section are not applicable to any claim arising out of the closing of a bank prior to the effective date of this section.

(c) The amendments made by this section shall take effect on the thirtieth day beginning after the date of enactment of this Act.

INCREASED CEILING ON DEPOSIT INSURANCE: FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

SEC. 103. (a) The following provisions of title IV of the National Housing Act are amended by striking out "\$20,000" each place it appears therein and inserting in lieu thereof "\$40,000":

(1) Section 401(b) (12 U.S.C. 1724(b)).

(2) Section 405(a) (12 U.S.C. 1728(a)).

(b) The amendments made by this section are not applicable to any claim arising out of a default, as defined in section 401(d) of the National Housing Act, where the appointment of a conservator, receiver, or other legal custodian as set forth in that section becomes effective prior to the effective date of this section.

(c) The amendments made by this section shall take effect on the thirtieth day beginning after the date of enactment of this Act.

INCREASED CEILING ON DEPOSIT INSURANCE: INSURED CREDIT UNIONS

SEC. 104. (a) The first sentence of section 207(c) of title II of the Federal Credit Union Act (12 U.S.C. 1787 (c)) is amended by striking out "\$20,000" and inserting in lieu thereof "\$40,000".

(b) The amendment made by this section is not applicable to any claim arising out of the closing of a credit union for liquidation on account of bankruptcy or insolvency pursuant to section 207 of title II of the Federal Credit Union Act (12 U.S.C. 1787) prior to the effective date of this section.

(c) The amendment made by this section shall take effect on the thirtieth day beginning after the date of enactment of this Act.

CONVERSION OF SAVINGS AND LOAN ASSOCIATIONS

SEC. 105. (a) Section 403(b) of the National Housing Act, as amended (12 U.S.C. 1726(b)), is amended by adding at the end thereof the following new sentence: "As used in this subsection the term 'reserves' shall, to such extent as the Corporation may provide, include capital stock and other items, as defined by the Corporation."

(b) Section 12(i) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 781(i)), is amended to read as follows:

"(i) In respect of any securities issued by banks the deposits of which are insured in accordance with the Federal Deposit Insurance Act or institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, the powers, functions, and duties vested in the Commission to administer and enforce sections 12, 13, 14(a), 14(c), 14(d), 14(f), and 16, (1) with respect to national banks and banks operating under the Code of Law for the District of Columbia are vested in the Comptroller of the Currency, (2) with respect to all other member banks of the Federal Reserve System are vested in the Board of Governors of the Federal Reserve System, (3) with respect to all other insured banks are vested in the Federal Deposit Insurance Corporation, and (4) with respect to institutions the accounts of which are insured by

the Federal Savings and Loan Insurance Corporation are vested in the Federal Home Loan Bank Board. The Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board shall have the power to make such rules and regulations as may be necessary for the execution of the functions vested in them as provided in this subsection. In carrying out their responsibilities under this subsection, the agencies named in the first sentence of this subsection shall issue substantially similar regulations to regulations and rules issued by the Commission under sections 12, 13, 14(a), 14(c), 14(d), 14(f) and 16, unless they find that implementation of substantially similar regulations with respect to insured banks and insured institutions are not necessary or appropriate in the public interest or for protection of investors, and publish such findings, and the detailed reasons therefor, in the Federal Register. Such regulations of the above-named agencies, or the reasons for failure to publish such substantially similar regulations to those of the Commission, shall be published in the Federal Register within 120 days of the date of enactment of this subsection, and, thereafter, within 60 days of any changes made by the Commission in its relevant regulations and rules."

(c) Paragraph (5) of subsection (1) of section 407 of the National Housing Act, as amended (12 U.S.C. 1730(f)(5)), is amended by inserting after "disclosures" a comma and the following: "including proxy statements and the solicitation of proxies thereby."

(d) Subsection (j) of section 402 of the National Housing Act, as amended (12 U.S.C. 1725(j)), is amended to read as follows:

"(j)(1) Except as otherwise provided in this subsection, until June 30, 1976, the Corporation shall not approve, under regulations adopted pursuant to this title or section 5 of the Home Owner's Loan Act of 1933, by order or otherwise, a conversion from the mutual to stock form of organization involving or to involve an insured institution, except that this sentence shall not be deemed to limit now or hereafter the authority of the Corporation to approve conversions in supervisory cases. The Corporation may by rule, regulation, or otherwise and under such civil penalties (which may be cumulative to any other remedies) as it may prescribe take whatever action it deems necessary or appropriate to implement or enforce this subsection.

(2) The number of applications for conversion which the Corporation may approve pursuant to such regulations prior to such date shall be determined by the Corporation but shall not in any case be in excess of 1 per centum of the total number of all insured institutions in existence on the date of enactment, exclusive of the number of applications submitted for filing prior to May 22, 1973. *Provided*, that the Corporation shall process to final determination any application submitted for filing prior to May 22, 1973, pursuant to regulations in effect and adopted pursuant to this title or section 5 of the Home Owner's Loan Act of 1933; with further proviso that, with respect to a plan of conversion of any such applicant which, before May 22, 1973, has given written public notice to its accountholders of adoption of a plan of conversion or has obtained waiver forms from substantially all its new accountholders subsequent to the giving of such notice, such plan need not require payment for stock distributed to accountholders as of a record date prior to the date of such notice.

"(3) Notwithstanding any other provision of law, an insured institution converting in accordance with this subsection may retain its Federal charter. The Corporation shall not, however, permit the conversion of Federally chartered associations in States the laws of which do not authorize the operation of State chartered stock associations, except that the prohibition contained in this sentence shall not apply to the District of Columbia, the Commonwealth of Puerto Rico, or a State where all insured institutions domiciled therein are Federally chartered.

"(4) Any aggrieved person may obtain review of a final

action of the Federal Home Loan Bank Board or the Corporation which approves, with or without conditions, or disapproves a plan of conversion pursuant to this subsection only by complying with the provisions of subsection (k) of section 408 of this title (12 U.S.C. 1730a(k)) within the time limit and in the manner therein prescribed, which provisions shall apply in all respects as if such final action were an order the review of which is therein provided for, except that such time limit shall commence upon publication of notice of such final action in the Federal Register or upon the giving of such general notice of such final action as is required by or approved under regulations of the Corporation, whichever is later.

"(5) The Corporation shall, at least annually and more often as circumstances require, render reports to the Congress on the exercise of its authority under this subsection.

"(6) In implementing the provisions of this subsection the Corporation shall regulate the approvals granted so as to achieve (A) as much geographical dispersion as practicable; (B) an equitable distribution with respect to the size of converting institutions; (C) an appropriate distribution between State chartered and Federally chartered institutions; (D) timeliness of filing; (E) flexibility to the extent possible in plans of conversion taking into account the characteristics of particular converting institutions; (F) the meeting of capital needs; and (G) such other reasonable results as it may consider necessary or appropriate in the public interest."

MORATORIUM ON CONVERSION OF FEDERAL DEPOSIT INSURANCE CORPORATION INSURED INSTITUTIONS

SEC. 106. Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by adding at the end thereof the following new subsection:

"(10) Until June 30, 1976, the responsible agency shall not grant any approval required by law which has the practical effect of permitting a conversion from the mutual to the stock form of organization, including approval of any application pending on the date of enactment of this subsection, except that this sentence shall not be deemed to limit now or hereafter the authority of the responsible agency to grant approvals in cases where the responsible agency finds that it must act in order to maintain the safety, soundness, and stability of an insured bank. The responsible agency may by rule, regulation, or otherwise and under such civil penalties (which shall be cumulative to any other remedies) as it may prescribe take whatever action it deems necessary or appropriate to implement or enforce this subsection."

EXTENSION OF FLEXIBLE REGULATION OF INTEREST RATES AUTHORITY

SEC. 107. Section 7 of the Act of September 21, 1966 (Public Law 89-597), is amended by striking out "December 31, 1974" and inserting in lieu thereof "December 31, 1975".

INCREASE DOLLARS LIMITATION ON THE COST FOR CONSTRUCTION OF FEDERAL RESERVE BANK BRANCH BUILDINGS

SEC. 108. The ninth paragraph of section 10 of the Federal Reserve Act, as amended (12 U.S.C. 522), is amended by striking out "\$60,000,000" and inserting in lieu thereof "\$140,000,000".

PURCHASE OF UNITED STATES OBLIGATIONS BY FEDERAL RESERVE BANKS

SEC. 109. (a) Section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "November 1, 1973" and inserting in lieu thereof "November 1, 1975" and by striking out "October 31, 1973" and inserting in lieu thereof "October 31, 1975".

SUPERVISORY AUTHORITY OF THE BOARD OF
GOVERNORS OF THE FEDERAL RESERVE SYSTEM
OVER BANK HOLDING COMPANIES AND THEIR
NONBANKING SUBSIDIARIES

SEC. 110. Subsection (b) of section 8 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1818(b)), is amended by adding at the end thereof the following new paragraph:

“(3) This subsection and subsections (c), (d), (h), (i), (k), (l), (m), and (n) of this section shall apply to any bank holding company, and to any subsidiary (other than a bank) of a holding company, as those terms are defined in the Bank Holding Company Act of 1956, in the same manner as they apply to a State member insured bank.”

INDEPENDENCE OF FINANCIAL REGULATORY
AGENCIES

SEC. 111. No officer or agency of the United States shall have any authority to require the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, or the National Credit Union Administration to submit legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress if such recommendations, testimony, or comments to the Congress include a statement indicating that the views expressed therein are those of the agency submitting them and do not necessarily represent the views of the President.

INCREASE IN AUTHORITY OF THE TREASURY
TO PURCHASE FEDERAL HOME LOAN BANK
OBLIGATIONS

SEC. 112. Subsection (i) of section 11 of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1431(i)), is amended as follows:

(1) In the fourth sentence of the first paragraph, strike out “subsection” both places it appears and insert in lieu thereof “paragraph”.

(2) Strike out the second paragraph and insert in lieu thereof the following:

“In addition to obligations authorized to be purchased by the preceding paragraph, the Secretary of the Treasury is authorized to purchase any obligations issued pursuant to this section in amounts not to exceed \$2,000,000,000. The authority provided in this paragraph shall expire August 10, 1975.

“Notwithstanding the foregoing, the authority provided in this subsection may be exercised during any calendar quarter beginning after the date of enactment of the Depository Institutions Amendments of 1974 only if the Secretary of the Treasury and the Chairman of the Federal Home Loan Bank Board certify to the Congress that (1) alternative means cannot be effectively employed to permit members of the Home Loan Bank System to continue to supply reasonable amounts of funds to the mortgage market, and (2) the ability to supply such funds is substantially impaired because of monetary stringency and a high level of interest rates. Any funds borrowed under this subsection shall be repaid by the Home Loan Banks at the earliest practicable date.”

AUTHORITY OF THE FEDERAL HOME LOAN MORTGAGE CORPORATION TO PURCHASE MORTGAGES FROM STATE INSURED INSTITUTIONS

SEC. 113. The first sentence of section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act is amended by inserting “or from any financial institution the deposits or accounts of which are insured under the laws of any State if the total amount of time and savings deposits held in all such institutions in that State is more than 20 per centum of

the total amount of such deposits in all banks, building and loan, savings and loan, and homestead associations (including cooperative banks) in that State” immediately after “agency of the United States”.

TECHNICAL AMENDMENT

SEC. 114. (a) Section 7(d)(2) of the Act of August 16, 1973 (Public Law 93-100), is amended by striking out “the Commonwealth of Puerto Rico.”

(b) The amendment made by subsection (a) applies with respect to any taxable year or other taxable period beginning on or after August 16, 1973.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION SECONDARY RESERVE ADJUSTMENT

SEC. 115. Paragraph (1) of subsection (d) of section 404 of the National Housing Act, as amended (12 U.S.C. 1727), is amended by inserting “(A)” immediately after “(d)(1)” and by adding at the end thereof the following:

“(B) (i) As used in this subparagraph (B), ‘minimum net reduction year’ means a year in which, at the close of December 31, the aggregate of the primary reserve and secondary reserve equals or exceeds 1¼ per centum of the total amount of all accounts of insured members of all insured institutions, and ‘beginning balance’ means, with respect to each insured institution, the amount of such institution’s pro rata share, if any, of the secondary reserve as of the close of December 31, 1973, plus any amount or amounts which, after such close, shall have been transferred to such institution under the last sentence of subsection (e) of this section.

“(ii) In May of each year succeeding each of the first ten minimum net reduction years occurring after December 31, 1973, the Corporation shall reduce the amount of each insured institution’s pro rata share, if any, of the secondary reserve as of the preceding December 31 by making to the extent available, a cash refund to each such institution of the difference, if any, between such pro rata share and the applicable percentage of its beginning balance prescribed in the following table:

Minimum net reduction year:	Per cent of beginning balance
1.....	98.1818182
2.....	94.5454546
3.....	89.0909091
4.....	81.8181818
5.....	72.7272727
6.....	61.8181818
7.....	49.0909091
8.....	34.5454546
9.....	18.1818182
10.....	0.0000000”.

CREDIT UNION MANAGEMENT: REASONABLE
HEALTH AND ACCIDENT INSURANCE NOT
CONSIDERED COMPENSATION

SEC. 116. Section 111 of the Federal Credit Union Act (12 U.S.C. 1761) is amended by striking the period at the end thereof and adding “: Provided, however, That reasonable health, accident, and similar insurance protection shall not be considered compensation under regulations promulgated by the Administrator.”

TITLE II—NATIONAL COMMISSION ON
ELECTRONIC FUND TRANSFERS

ESTABLISHMENT

SEC. 201. There is established the National Commission on Electronic Fund Transfers (hereinafter referred to as the “Commission”) which shall be an independent instrumentality of the United States.

MEMBERSHIP

SEC. 202. (a) The Commission shall be composed of twenty-six members as follows:

- (1) the Chairman of the Board of Governors of the Federal Reserve System or his delegate;
- (2) the Attorney General or his delegate;
- (3) the Comptroller of the Currency or his delegate;
- (4) the Chairman of the Federal Home Loan Bank Board or his delegate;
- (5) the Administrator of the National Credit Union Administration or his delegate;
- (6) the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation or his delegate;
- (7) the Chairman of the Federal Communications Commission or his delegate;
- (8) the Postmaster General or his delegate;
- (9) the Secretary of the Treasury or his delegate;
- (10) the Chairman of the Federal Trade Commission or his delegate;

(11) two individuals, appointed by the President, one of whom is an official of a State agency which regulates banking, or similar financial institutions, and one of whom is an official of a State agency which regulates thrift or similar financial institutions;

(12) seven individuals, appointed by the President, who are officers or employees of, or who otherwise represent banking, thrift, or other business entities, including one representative each of commercial banks, mutual savings banks, savings and loan associations, credit unions, retailers, non-banking institutions offering credit card services, and organizations providing interchange services for credit cards issued by banks;

(13) five individuals, appointed by the President, from private life who are not affiliated with, do not represent and have no substantial interest in any banking, thrift, or other financial institution, including but not limited to credit unions, retailers, and insurance companies;

(14) the Comptroller General of the United States or his delegate; and

(15) the Director of the Office of Technology Assessment.

(b) The Chairperson shall be designated by the President at the time of his appointment from among the members of the Commission and such selection shall be by and with the advice and consent of the Senate unless the appointee holds an office to which he was appointed by and with the advice and consent of the Senate.

(c) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

FUNCTIONS

SEC. 203. (a) The Commission shall conduct a thorough study and investigation and recommend appropriate administrative action and legislation necessary in connection with the possible development of public or private electronic fund transfer systems, taking into account, among other things--

(1) the need to preserve competition among the financial institutions and other business enterprises using such a system;

(2) the need to promote competition among financial institutions and to assure Government regulation and involvement or participation in a system competitive with the private sector be kept to a minimum;

(3) the need to prevent unfair or discriminatory practices by any financial institution or business enterprise using or desiring to use such a system;

(4) the need to afford maximum user and consumer convenience;

(5) the need to afford maximum user and consumer rights to privacy and confidentiality;

(6) the impact of such a system on economic and monetary policy;

(7) the implications of such a system on the availability of credit;

(8) the implications of such a system expanding interna-

tionally and into other forms of electronic communications; (9) the need to protect the legal rights of users and consumers.

(b) The Commission shall make an interim report within one year of its findings and recommendations and at such other times as it deems advisable and shall transmit to the President and to the Congress not later than two years after the date of enactment of this Act a final report of its findings and recommendations. Any such report shall include all hearing transcripts, staff studies, and other material used in preparation of the report. The interim and final reports shall be made available to the public upon transmittal. Sixty days after transmission of its final report the Commission shall cease to exist.

(c) The Commission shall not be required to obtain the clearance of any Federal agency prior to the transmittal of any interim or final report.

POWERS OF COMMISSION

SEC. 204. (a) The Commission may for the purpose of carrying out this Act hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem advisable. The Commission may administer oaths of affirmations to witnesses appearing before it.

(b) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(c) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) (1) The Commission shall have power to issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) All process of any court to which application may be made under this section may be served in the judicial district wherein the person required to be served resides or may be found.

ADMINISTRATION

SEC. 205. (a) The Commission--

(1) may appoint with the advice and consent of the Senate and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS--18 of the General Schedule under section 5332 of such title; and

(2) may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5,

United States Code, but at rates not to exceed \$150 a day for individuals.

(b) The Comptroller General is authorized to make detailed audits of the books and records of the Commission, and shall report the results of any such audit to the Commission and to the Congress.

COMPENSATION

SEC. 206. (a) A member of the Commission who is an officer or employee of the United States shall serve as a member of the Commission without additional compensation, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

(b) A member of the Commission who is not otherwise an officer or employee of the United States shall be compensated at a rate of \$150 per day when engaged in the performance of his duties as a member of the Commission, and shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Commission.

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 207. (a) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request, such data, reports, and other information as the Commission deems necessary to carry out its functions under this title.

(b) The head of any department, agency, or instrumentality of the United States may detail such personnel and may furnish such services, with or without reimbursement, as the Commission may request to assist in carrying out its functions.

AUTHORIZATION OF APPROPRIATIONS

SEC. 208. There are authorized to be appropriated without fiscal year limitations such sums, not to exceed \$2,000,000, as may be necessary to carry out the provisions of this title.

TITLE III—FAIR CREDIT BILLING

§ 301. Short title

This title may be cited as the "Fair Credit Billing Act".

§ 302. Declaration of purpose

The last sentence of section 102 of the Truth in Lending Act (15 U.S.C. 1601) is amended by striking out the period and inserting in lieu thereof a comma and the following: "and to protect the consumer against inaccurate and unfair credit billing and credit card practices."

§ 303. Definitions of creditor and open end credit plan

The first sentence of section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended to read as follows: "The term 'creditor' refers only to creditors who regularly extend, or arrange for the extension of, credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required, whether in connection with loans, sales of property or services, or otherwise. For the purposes of the requirements imposed under Chapter 4 and sections 127(a)(6), 127(a)(7), 127(a)(8), 127(b)(1), 127(b)(2), 127(b)(3), 127(b)(9), and 127(b)(11) of Chapter 2 of this Title, the term 'creditor' shall also include card issuers whether or not the amount due is payable by agreement in more than four installments or the payment of a finance charge is or may be required, and the Board shall, by regulation, apply these requirements to such card issuers, to the extent appropriate, even though the requirements are by their terms applicable only to creditors offering open end credit plans."

§ 304. Disclosure of fair credit billing rights

(a) Section 127(a) of the Truth in Lending Act (15 U.S.C. 1637 (a)) is amended by adding at the end thereof a new paragraph as follows:

"(8) A statement, in a form prescribed by regulations of the Board of the protection provided by sections 161 and 170 to an obligor and the creditor's responsibilities under sections 162 and 170. With respect to each of two billing cycles per year, at semiannual intervals, the creditor shall transmit such statement to each obligor to whom the creditor is required to transmit a statement pursuant to section 127(b) for such billing cycle."

(b) Section 127(c) of such Act (15 U.S.C. 1637(c)) is amended to read:

"(c) In the case of any existing account under an open end consumer credit plan having an outstanding balance of more than \$1 at or after the close of the creditor's first full billing cycle under the plan after the effective date of subsection (a) or any amendments thereto, the items described in subsection (a), to the extent applicable and not previously disclosed, shall be disclosed in a notice mailed or delivered to the obligor not later than the time of mailing the next statement required by subsection (b)."

§ 305. Disclosure of billing contact

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end thereof a new paragraph as follows:

"(11) The address to be used by the creditor for the purpose of receiving billing inquiries from the obligor."

§ 306. Billing practices

The Truth in Lending Act (15 U.S.C. 1601--1665) is amended by adding at the end thereof a new chapter as follows:

"Chapter 4—CREDIT BILLING

"Sec.

- "161. Correction of billing errors.
- "162. Regulation of credit reports.
- "163. Length of billing period.
- "164. Prompt crediting of payments.
- "165. Crediting excess payments.
- "166. Prompt notification of returns.
- "167. Use of cash discounts.
- "168. Prohibition of tie-in services.
- "169. Prohibition of offsets.
- "170. Rights of credit card customers.
- "171. Relation to State laws.

"§ 161. Correction of billing errors

"(a) If a creditor, within sixty days after having transmitted to an obligor a statement of the obligor's account in connection with an extension of consumer credit, receives at the address disclosed under section 127(b)(11) a written notice (other than notice on a payment stub or other payment medium supplied by the creditor if the creditor so stipulates with the disclosure required under section 127(a)(8)) from the obligor in which

"(1) sets forth or otherwise enables the creditor to identify the name and account number (if any) of the obligor,

"(2) indicates the obligor's belief that the statement contains a billing error and the amount of such billing error, and

"(3) sets forth the reasons for the obligor's belief (to the extent applicable) that the statement contains a billing error, the creditor shall, unless the obligor has, after giving such written notice and before the expiration of the time limits herein specified, agreed that the statement was correct—

"(A) not later than thirty days after the receipt of the notice, send a written acknowledgement thereof to the obligor, unless the action required in subparagraph (B) is taken within such thirty-day period, and

"(B) not later than two complete billing cycles of the

creditor (in no event later than ninety days) after the receipt of the notice and prior to taking any action to collect the amount, or any part thereof, indicated by the obligor under paragraph (2) either

“(i) make appropriate corrections in the account of the obligor, including the crediting of any finance charges on amounts erroneously billed, and transmit to the obligor a notification of such corrections and the creditor’s explanation of any change in the amount indicated by the obligor under paragraph (2) and, if any such change is made and the obligor so requests, copies of documentary evidence of the obligor’s indebtedness; or

“(ii) send a written explanation or clarification to the obligor, after having conducted an investigation, setting forth to the extent applicable the reasons why the creditor believes the account of the obligor was correctly shown in the statement and, upon request of the obligor, provide copies of documentary evidence of the obligor’s indebtedness. In the case of a billing error where the obligor alleges that the creditor’s billing statement reflects goods not delivered to the obligor or his designee in accordance with the agreement made at the time of the transaction, a creditor may not construe such amount to be correctly shown unless he determines that such goods were actually delivered, mailed, or otherwise sent to the obligor and provides the obligor with a statement of such determination.

After complying with the provisions of this subsection with respect to an alleged billing error, a creditor has no further responsibility under this section if the obligor continues to make substantially the same allegation with respect to such error.

“(b) For the purpose of this section, a ‘billing error’ consists of any of the following:

“(1) A reflection on a statement of an extension of credit which was not made to the obligor or, if made, was not in the amount reflected on such statement.

“(2) A reflection on a statement of an extension of credit for which the obligor requests additional clarification including documentary evidence thereof.

“(3) A reflection on a statement of goods or services not accepted by the obligor or his designee or not delivered to the obligor or his designee in accordance with the agreement made at the time of a transaction.

“(4) The creditor’s failure to reflect properly on a statement a payment made by the obligor or a credit issued to the obligor.

“(5) A computation error or similar error of an accounting nature of the creditor on a statement.

“(6) Any other error described in regulations of the Board.

“(c) For the purposes of this section, ‘action to collect the amount, or any part thereof, indicated by an obligor under paragraph (2)’ does not include the sending of statements of account to the obligor following written notice from the obligor as specified under subsection (a), if

“(1) the obligor’s account is not restricted or closed because of the failure of the obligor to pay the amount indicated under paragraph (2) of subsection (a), and

“(2) the creditor indicates the payment of such amount is not required pending the creditor’s compliance with this section.

Nothing in this section shall be construed to prohibit any action by a creditor to collect any amount which has not been indicated by the obligor to contain a billing error.

“(d) Pursuant to regulations of the Board, a creditor operating an open end consumer credit plan may not, prior to the sending of the written explanation or clarification required under paragraph (B) (ii), restrict or close an account with respect to which the obligor has indicated pursuant to subsection (a) that he believes such account to contain a billing error solely because of the obligor’s failure to pay the amount indicated to be in error. Nothing in this subsection shall be deemed to prohibit a creditor from applying against the credit limit on the obligor’s account the amount indicated to be in error.

“(e) Any creditor who fails to comply with the requirements

of this section or section 162 forfeits any right to collect from the obligor the amount indicated by the obligor under paragraph (2) of subsection (a) of this section, and any finance charges thereon, except that the amount required to be forfeited under this subsection may not exceed \$50.

“§ 162. Regulation of credit reports

“(a) After receiving a notice from an obligor as provided in section 161 (a), a creditor or his agent may not directly or indirectly threaten to report to any person adversely on the obligor’s credit rating or credit standing because of the obligor’s failure to pay the amount indicated by the obligor under section 161 (a) (2), and such amount may not be reported as delinquent to any third party until the creditor has met the requirements of section 161 and has allowed the obligor the same number of days (not less than ten) thereafter to make payment as is provided under the credit agreement with the obligor for the payment of undisputed amounts.

“(b) If a creditor receives a further written notice from an obligor that an amount is still in dispute within the time allowed for payment under subsection (a) of this section, a creditor may not report to any third party that the amount of the obligor is delinquent because the obligor has failed to pay an amount which he has indicated under section 161(a) (2), unless the creditor also reports that the amount is in dispute and, at the same time, notifies the obligor of the name and address of each party to whom the creditor is reporting information concerning the delinquency.

“(c) A creditor shall report any subsequent resolution of any delinquencies reported pursuant to subsection (b) to the parties to whom such delinquencies were initially reported.

“§ 163. Length of billing period

“(a) If an open end consumer credit plan provides a time period within which an obligor may repay any portion of the credit extended without incurring an additional finance charge, such additional finance charge may not be imposed with respect to such portion of the credit extended for the billing cycle of which such period is a part unless a statement which includes the amount upon which the finance charge for that period is based was mailed at least fourteen days prior to the date specified in the statement by which payment must be made in order to avoid imposition of that finance charge.

“(b) Subsection (a) does not apply in any case where a creditor has been prevented, delayed, or hindered in making timely mailing or delivery of such periodic statement within the time period specified in such subsection because of an act of God, war, natural disaster, strike, or other excusable or justifiable cause, as determined under regulations of the Board.

“§ 164. Prompt crediting of payments

“Payments received from an obligor under an open end consumer credit plan by the creditor shall be posted promptly to the obligor’s account as specified in regulations of the Board. Such regulations shall prevent a finance charge from being imposed on any obligor if the creditor has received the obligor’s payment in readily identifiable form in the amount, manner, location, and time indicated by the creditor to avoid the imposition thereof.

“§ 165. Crediting excess payments

“Whenever an obligor transmits funds to a creditor in excess of the total balance due on an open end consumer credit account, the creditor shall promptly (1) upon request of the obligor refund the amount of the overpayment, or (2) credit such amount to the obligor’s account.

“§ 166. Prompt notification of returns

“With respect to any sales transaction where a credit card has been used to obtain credit, where the seller is a person other than the card issuer, and where the seller accepts or allows a return of the goods or forgiveness of a debit for services which were the subject of such sale, the seller shall promptly transmit to the credit card issuer, a credit statement with respect thereto and the credit card issuer shall credit the account of the obligor for the amount of the transaction.

“§ 167. Use of cash discounts

“(a) With respect to credit card which may be used for extensions of credit in sales transactions in which the seller is a person other than the card issuer, the card issuer may not, by contract or otherwise, prohibit any such seller from offering a discount to a cardholder to induce the cardholder to pay by cash, check, or similar means rather than use a credit card.

“(b) With respect to any sales transaction, any discount not in excess of 5 per centum offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of a credit card shall not constitute a finance charge as determined under section 106, if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously in accordance with regulations of the Board.

“§ 168. Prohibition of tie-in services

“Notwithstanding any agreement to the contrary, a card issuer may not require a seller, as a condition to participating in a credit card plan, to open an account with or procure any other service from the card issuer or its subsidiary or agent.

“§ 169. Prohibition of offsets

“(a) A card issuer may not take any action to offset a cardholder's indebtedness arising in connection with a consumer credit transaction under the relevant credit card plan against funds of the cardholder held on deposit with the card issuer unless—

“(1) such action was previously authorized in writing by the cardholder in accordance with a credit plan whereby the cardholder agrees periodically to pay debts incurred in his open end credit account by permitting the card issuer periodically to deduct all or a portion of such debt from the cardholder's deposit account, and

“(2) such action with respect to any outstanding disputed amount not be taken by the card issuer upon request of the cardholder.

In the case of any credit card account in existence on the effective date of this section, the previous written authorization referred to in clause (1) shall not be required until the date (after such effective date) when such account is renewed, but in no case later than one year after such effective date. Such written authorization shall be deemed to exist if the card issuer has previously notified the cardholder that the use of his credit card account will subject any funds which the card issuer holds in deposit accounts of such cardholder to offset against any amounts due and payable on his credit card account which have not been paid in accordance with the terms of the agreement between the card issuer and the cardholder.

“(b) This section does not alter or affect the right under State law of a card issuer to attach or otherwise levy upon funds of a cardholder held on deposit with the card issuer if that remedy is constitutionally available to creditors generally.

“§ 170. Rights of credit card customers

“(a) Subject to the limitation contained in subsection (b), a card issuer who has issued a credit card to a cardholder pursuant to an open end consumer credit plan shall be subject to all claims (other than tort claims) and defenses arising out of any transaction in which the credit card is used as a method of payment or extension of credit if (1) the obligor has made a good faith attempt to obtain satisfactory resolution of a disagreement or problem relative to the transaction from the person honoring the credit card; (2) the amount of the initial transaction exceeds \$50; and (3) the place where the initial transaction occurred was in the same State as the mailing address previously provided by the cardholder or was within 100 miles from such address, except that the limitations set forth in clauses (2) and (3) with respect to an obligor's right to assert claims and defenses against a card issuer shall not be applicable to any transaction in which the person honoring the credit card (A) is the same person as the card issuer, (B) is controlled by the card issuer, (C) is under direct or indirect common control with the card issuer, (D) is a franchised dealer

in the card issuer's products or services, or (E) has obtained the order for such transaction through a mail solicitation made by or participated in by the card issuer in which the cardholder is solicited to enter into such transaction by using the credit card issued by the card issuer.

“(b) The amount of claims or defenses asserted by the cardholder may not exceed the amount of credit outstanding with respect to such transaction at the time the cardholder first notifies the card issuer or the person honoring the credit card of such claim or defense. For the purpose of determining the amount of credit outstanding in the preceding sentence, payments and credits to the cardholder's account are deemed to have been applied, in the order indicated, to the payment of: (1) late charges in the order of their entry to the account; (2) finance charges in order of their entry to the account; and (3) debts to the account other than those set forth above, in the order in which each debit entry to the account was made.

“§ 171. Relation to State laws

“(a) This chapter does not annul, alter, or affect, or exempt any person subject to the provisions of this chapter from complying with, the laws of any State with respect to credit billing practices, except to the extent that those laws are inconsistent with the provision of this chapter, and then only to the extent of the inconsistency. The Board is authorized to determine whether such inconsistencies exist. The Board may not determine that any State law is inconsistent with any provision of this chapter if the Board determines that such law gives greater protection to the consumer.

“(b) The Board shall by regulation exempt from the requirements of this chapter any class of credit transactions within any State if it determines that under the law of that State that class of transactions is subject to requirements substantially similar to those imposed under this chapter or that such law gives greater protection to the consumer, and that there is adequate provision for enforcement.”

“§ 307. Conforming amendments

(a) The table of chapters of the Truth in Lending Act is amended by adding immediately under item 3 the following:

“4. CREDIT BILLING..... 161”

(b) Section 111 (d) of such Act (15 U.S.C. 1610(d)) is amended by striking out “and 130” and inserting in lieu thereof a comma and the following: “130, and 166”.

(c) Section 121 (a) of such Act (15 U.S.C. 1631 (a)) is amended —

(1) by striking out “and upon whom a finance charge is or may be imposed”; and

(2) by inserting “or chapter 4” immediately after “this chapter”.

(d) Section 121 (b) of such Act (15 U.S.C. 1631 (b)) is amended by inserting “or chapter 4” immediately after “this chapter”.

(e) Section 122(a) of such Act (15 U.S.C. 1632(a)) is amended by inserting “or chapter 4” immediately after “this chapter”.

(f) Section 122(b) of such Act (15 U.S.C. 1632(b)) is amended by inserting “or chapter 4” immediately after “this chapter”.

§ 308. Effective date

This title takes effect upon the expiration of one year after the date of its enactment.

TITLE IV—AMENDMENTS TO THE TRUTH IN LENDING ACT**§ 401. Advertising; more-than-four-installment rule**

(a) Chapter 3 of the Truth in Lending Act (15 U.S.C. 1661-1665) is amended by adding at the end thereof a new section as follows:

“§ 146. More-than-four-installment rule

Any advertisement to aid, promote, or assist directly or indirectly the extension of consumer credit repayable in more than four installments shall, unless a finance charge is imposed,

clearly and conspicuously state, in accordance with the regulations of the Board:

“THE COST OF CREDIT IS INCLUDED IN THE PRICE QUOTED FOR THE GOODS AND SERVICES”

(b) The table of sections of such chapter is amended by adding at the end thereof a new item as follows:
 “146. More-than-four-installment rule.”

§ 402. Agricultural credit exemption

Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended by adding at the end thereof a new paragraph as follows:

“(5) Credit transactions primarily for agricultural purposes in which the total amount to be financed exceeds \$25,000.”

§ 403. Administrative enforcement

(a) Section 108(a) of the Truth in Lending Act (15 U.S.C. 1607 (a)) is amended by striking out paragraph (4) and by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(b) Section 108(a) of such Act (15 U.S.C. 1607(a)) is amended by adding at the end thereof a new paragraph as follows:

“(6) the Farm Credit Act to 1971, by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.”

§ 404. Liens arising by operation of State law

Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended

(1) by striking out “is” the first time it appears in the first sentence of subsection (a) and inserting in lieu thereof “, including any such interest arising by operation of law, is or will be”; and

(2) by inserting after “obligor” the second time it appears in the first sentence of subsection (b) the following: “, including any such interest arising by operation of law.”

§ 405. Time limit for right of rescission

Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended by adding at the end thereof a new subsection as follows: “(f) An obligor’s right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs earlier, notwithstanding the fact that the disclosures required under this section or any other material disclosures required under this chapter have not been delivered to the obligor.”

§ 406. Good faith compliance

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

“(f) No provision of this section or section 112 imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board, notwithstanding that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.”

§ 407. Liability for multiple disclosures

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

“(g) The multiple failure to disclose to any person any information required under this chapter to be disclosed in connection with a single account under an open end consumer credit plan, other single consumer credit sale, consumer loan, or other extension of consumer credit, shall entitle the person to a single recovery under this section but continued failure to disclose after a recovery has been granted shall give rise to rights to additional recoveries.”

§ 408. Civil liability

(a) Section 130 (a) of the Truth in Lending Act (15 U.S.C. 1640 (a)) is amended to read as follows:

“(a) Except as otherwise provided in this section, any creditor who fails to comply with any requirement imposed under this chapter or chapter 4 of this title with respect to any person is liable to such person in an amount equal to the sum of

“(1) any actual damage sustained by such person as a result of the failure;

“(2) (A) in the case of an individual action twice the amount of any finance charge in connection with the transaction, except that the liability under this subparagraph shall not be less than \$100 nor greater than \$1,000; or

“(B) in the case of a class action, such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery in such action shall not be more than the lesser of \$100,000 or 1 per centum of the net worth of the creditor; and

“(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney’s fee as determined by the court.

In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor’s failure of compliance was intentional.”

(b) Section 130 (b) of such Act (15 U.S.C. 1640 (b)) is amended by inserting after “this section” the first place it appears the following: “for any failure to comply with any requirement imposed under this chapter.”

(c) Section 130 (c) of such Act (15 U.S.C. 1640(c)) is amended by striking out “chapter” and inserting in lieu thereof “title”.

(d) Section 130 of such Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

“(h) A person may not take any action to offset any amount for which a creditor is potentially liable to such person under subsection (a) (2) against any amount owing to such creditor by such person, unless the amount of the creditor’s liability to such person has been determined by judgment of a court of competent jurisdiction in an action to which such person was a party.”

(e) The amendments made by sections 406, 407, and 408 shall apply in determining the liability of any person under chapter 2 or 4 of the Truth in Lending Act, unless prior to the date of enactment of this Act such liability has been determined by final judgment of a court of competent jurisdiction and no further review of such judgment may be had by appeal or otherwise.

§ 409. Full statement of closing costs

Section 121 of the Truth in Lending Act (15 U.S.C. 1631) is amended by adding at the end thereof a new subsection as follows:

“(c) For the purpose of subsection (a), the information required under this chapter shall include a full statement of closing costs to be incurred by the consumer, which shall be presented, in accordance with the regulations of the Board—

“(1) prior to the time when any downpayment is made,

or

“(2) in the case of a consumer credit transaction involving real property, at the time the creditor makes a commitment with respect to the transaction.

The Board may provide by regulation that any portion of the information required to be disclosed by this section may be given in the form of estimates where the provider of such information is not in a position to know exact information.”

§ 410. Business use of credit cards

(a) Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631-1644) is amended by adding the following new section at the end thereof:

“§ 135. Business credit cards

“The exemption provided by section 104(1) does not apply to the provisions of sections 132, 133, and 134, except that a card issuer and a business or other organization which provides credit cards issued by the same card issuer to ten or more of its employees may by contract agree as to liability of the business or other organization with respect to unauthorized use of such credit cards without regard to the provisions of section 133, but in no case may such business or other organization or card issuer impose liability upon any employee with respect to unauthorized use of such a credit card except in accordance with and subject to the limitations of section 133.”

(b) The table of sections of such chapter is amended by adding at the end thereof a new item as follows:

“135. Business credit cards.”

§ 411. Identification of transaction

Section 127 (b) (2) of the Truth in Lending Act (15 U.S.C. 1637 (b)(2)) is amended to read as follows:

“(2) The amount and date of each extension of credit during the period and a brief identification on or accompanying the statement of each extension of credit in a form prescribed by regulations of the Board sufficient to enable the obligor to identify the transaction, or relate it to copies of sales vouchers or similar instruments previously furnished.”

§ 412. Exemption for State lending agencies

Section 125(e) of the Truth in Lending Act (15 U.S.C. 1635(e)) is amended by striking the period at the end thereof and adding the following: “or to a consumer credit transaction in which an agency of a State is the creditor.”

§ 413. Liability of assignees

(a) Chapter 1 of the Truth in Lending Act (15 U.S.C. 1601-1613) is amended by adding at the end thereof a new section as follows:

“§ 115. Liability of assignees

“Except as otherwise specifically provided in this title, any civil action for a violation of this title which may be brought against the original creditor in any credit transaction may be maintained against any subsequent assignee of the original creditor where the violation from which the alleged liability arose is apparent on the face of the instrument assigned unless the assignment is involuntary.”

(b) The analysis of such chapter is amended by adding at the end thereof a new item as follows:

“115. Liability of assignees.”

§ 414. Credit card fraud

Section 134 of the Truth in Lending Act (15 U.S.C. 1644) is amended to read as follows:

“§ 134. Fraudulent use of credit card

“(a) Whoever knowingly in a transaction affecting interstate or foreign commerce, uses or attempts or conspires to use any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card to obtain money, goods, services, or anything else of value which within any one-year period has a value aggregating \$1,000 or more; or

“(b) Whoever, with unlawful or fraudulent intent, transports or attempts or conspires to transport in interstate or foreign commerce a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained; or

“(c) Whoever, with unlawful or fraudulent intent, uses any instrumentality of interstate or foreign commerce to sell or transport a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained; or

“(d) Whoever knowingly receives, conceals, uses, or transports money, goods, services, or anything else of value (except tickets for interstate or foreign transportation) which (1) within

any one-year period has a value aggregating \$1,000 or more, (2) has moved in or is part of, or which constitutes interstate or foreign commerce, and (3) has been obtained with a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card; or

“(e) Whoever knowingly receives, conceals, uses, sells, or transports in interstate or foreign commerce one or more tickets for interstate or foreign transportation, which (1) within any one-year period have a value aggregating \$500 or more, and (2) have been purchased or obtained with one or more counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit cards; or

“(f) Whoever in a transaction affecting interstate or foreign commerce furnishes money, property, services, or anything else of value, which within any one-year period has a value aggregating \$1,000 or more, through the use of any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained— shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.”

§ 415. Grace period for consumers

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended—

(1) by amending subsection (a) (1) to read as follows:

“(1) The conditions under which a finance charge may be imposed, including the time period (if any) within which any credit extended may be repaid without incurring a finance charge, except that the creditor may, at his election and without disclosure, impose no such finance charge if payment is received after the termination of such time period.”; and

(2) by amending subsection (b) (10) to read as follows:

“(10) The date by which or the period (if any) within which, payment must be made to avoid additional finance charges, except that the creditor may, at his election and without disclosure, impose no such additional finance charge if payment is received after such date or the termination of such period.”

§ 416. Effective date

This title takes effect upon the date of its enactment, except that sections 409 and 411 take effect upon the expiration of one year after the date of its enactment.

TITLE V—EQUAL CREDIT OPPORTUNITY**§ 501. Short title**

This title may be cited as the “Equal Credit Opportunity Act”

§ 502. Findings and purpose

The Congress finds that there is a need to insure that the various financial institutions and other firms engaged in the extensions of credit exercise their responsibility to make credit available with fairness, impartiality, and without discrimination on the basis of sex or marital status. Economic stabilization would be enhanced and competition among the various financial institutions and other firms engaged in the extension of credit would be strengthened by an absence of discrimination on the basis of sex or marital status, as well as by the informed use of credit which Congress has heretofore sought to promote. It is the purpose of this Act to require that financial institutions and other firms engaged in the extension of credit make that credit equally available to all creditworthy customers without regard to sex or marital status.

§ 503. Amendment to the Consumer Credit Protection Act

The Consumer Credit Protection Act (Public Law 90-321), is amended by adding at the end thereof a new title VII:

“TITLE VII—EQUAL CREDIT OPPORTUNITY

“Sec.

“701. Prohibited discrimination.

- **702. Definitions.
- **703. Regulations.
- **704. Administrative enforcement
- **705. Relation to State laws.
- **706. Civil liability.
- **707 Effective date.

****§ 701. Prohibited discrimination**

“(a) It shall be unlawful for any creditor to discriminate against any applicant on the basis of sex or marital status with respect to any aspect of a credit transaction.

“(b) An inquiry of marital status shall not constitute discrimination for purposes of this title if such inquiry is for the purpose of ascertaining the creditor’s rights and remedies applicable to the particular extension of credit, and not to discriminate in a determination of creditworthiness.

****§ 702. Definitions**

“(a) The definitions and rules of construction set forth in this section are applicable for the purposes of this title.

“(b) The term ‘applicant’ means any person who applies to a creditor directly for an extension, renewal, or continuation of credit, or applies to a creditor indirectly by use of an existing credit plan for an amount exceeding a previously established credit limit.

“(c) The term ‘Board’ refers to the Board of Governors of the Federal Reserve System.

“(d) The term ‘credit’ means the right granted by a creditor to a debtor to defer payment of debt or to incur debts and defer its payment or to purchase property or services and defer payment therefor.

“(e) The term ‘creditor’ means any person who regularly extends, renews, or continues credit; any person who regularly arranges for the extension, renewal, or continuation of credit; or any assignee of an original creditor who participates in the decision to extend, renew, or continue credit.

“(f) The term ‘person’ means a natural person, a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

“(g) Any reference to any requirement imposed under this title or any provision thereof includes reference to the regulations of the Board under this title or the provision thereof in question.

****§ 703. Regulations**

“The Board shall prescribe regulations to carry out the purposes of this title. These regulations may contain but are not limited to such classifications, differentiation, or other provision, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate or substantiate compliance therewith. Such regulations shall be prescribed as soon as possible after the date of enactment of this Act, but in no event later than the effective date of this Act.

****§ 704. Administrative enforcement**

“(a) Compliance with the requirements imposed under this title shall be enforced under:

“(1) Section 8 of the Federal Deposit Insurance Act, in the case of:

“(A) national banks, by the Comptroller of the Currency,

“(B) member banks of the Federal Reserve System (other than national banks), by the Board.

“(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation.

“(2) Section 5(d) of the Home Owners’ Loan Act of 1933, section 407 of the National Housing Act, and sections 6(1) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions.

“(3) The Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal Credit Union.

“(4) The Acts to regulate commerce, by the Interstate Commerce Commission with respect to any common carrier subject to those Acts.

“(5) The Federal Aviation Act of 1958, by the Civil Aeronautics Board with respect to any air carrier or foreign air carrier subject to that Act.

“(6) The Packers and Stockyards Act, 1921 (except as provided in section 406 of that Act), by the Secretary of Agriculture with respect to any activities subject to that Act.

“(7) The Farm Credit Act of 1971, by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, and production credit association;

“(8) The Securities Exchange Act of 1934, by the Securities and Exchange Commission with respect to brokers and dealers; and

“(9) The Small Business Investment Act of 1958, by the Small Business Administration, with respect to small business investment companies.

“(b) For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law. The exercise of the authorities of any of the agencies referred to in subsection (a) for the purpose of enforcing compliance with any requirement imposed under this title shall in no way preclude the exercise of such authorities for the purpose of enforcing compliance with any other provision of law not relating to the prohibition of discrimination on the basis of sex or marital status with respect to any aspect of a credit transaction.

“(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a), the Federal Trade Commission shall enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this title shall be deemed a violation of a requirement imposed under that Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with the requirements imposed under this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

“(d) The authority of the Board to issue regulations under this title does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this title.

****§ 705. Relation to State laws**

“(a) A request for the signature of both parties to a marriage for the purpose of creating a valid lien, passing clear title, waiving inchoate rights to property, or assigning earnings, shall not constitute discrimination under this title: *Provided, however*, That this provision shall not be construed to permit a creditor to take sex or marital status into account in connection with the evaluation of creditworthiness of any applicant.

“(b) Consideration or application of State property laws directly or indirectly affecting creditworthiness shall not constitute discrimination for purposes of this title.

“(c) Any provision of State law which prohibits the separate extension of consumer credit to each party to a marriage shall not apply in any case where each party to a marriage voluntarily applies for separate credit from the same creditor: *Provided*,

That in any case where such a State law is so preempted, each party to the marriage shall be solely responsible for the debt so contracted.

"(d) When each party to a marriage separately and voluntarily applies for and obtains separate credit accounts with the same creditor, those accounts shall not be aggregated or otherwise combined for purposes of determining permissible finance charges or permissible loan ceilings under the laws of any State or of the United States.

"(e) Except as otherwise provided in this title, the applicant shall have the option of pursuing remedies under the provisions of this title in lieu of, but not in addition to, the remedies provided by the laws of any State or governmental subdivision relating to the prohibition of discrimination on the basis of sex or marital status with respect to any aspect of a credit transaction.

****§ 706. Civil liability**

"(a) Any creditor who fails to comply with any requirement imposed under this title shall be liable to the aggrieved applicant in an amount equal to the sum of any actual damages sustained by such applicant acting either in an individual capacity or as a representative of a class.

"(b) Any creditor who fails to comply with any requirement imposed under this title shall be liable to the aggrieved applicant for punitive damages in an amount not greater than \$10,000, as determined by the court, in addition to any actual damages provided in section 706(a): *Provided, however*, That in pursuing the recovery allowed under this subsection, the applicant may proceed only in an individual capacity and not as a representative of a class.

"(c) Section 706(b) notwithstanding, any creditor who fails to comply with any requirement imposed under this title may be liable for punitive damages in the case of a class action in such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery in such action shall not exceed the lesser of \$100,000 or 1 percent of the net worth of the creditor. In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional.

"(d) When a creditor fails to comply with any requirement imposed under this title, an aggrieved applicant may institute a civil action for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other action.

"(e) In the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court shall be added to any damages awarded by the court under the provisions of subsections (a), (b), and (c) of this section.

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

"(g) Without regard to the amount in controversy, any action under this title may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

****§ 707. Effective date**

"This title takes effect upon the expiration of one year after the date of its enactment."

TITLE VI—DISPOSITION OF ABANDONED MONEY ORDERS AND TRAVELER'S CHECKS

FINDINGS

SEC. 601. The Congress finds and declares that—

(1) the books and records of banking and financial organizations and business associations engaged in issuing and selling money orders and traveler's checks do not, as a matter of business practice, show the last known addresses of purchasers of such instruments;

(2) a substantial majority of such purchasers reside in the States where such instruments are purchased;

(3) the States wherein the purchasers of money orders and traveler's checks reside should, as a matter of equity among the several States, be entitled to the proceeds of such instruments in the event of abandonment;

(4) it is a burden on interstate commerce that the proceeds of such instruments are not being distributed to the States entitled thereto; and

(5) the cost of maintaining and retrieving addresses of purchasers of money orders and traveler's checks is an additional burden on interstate commerce since it has been determined that most purchasers reside in the State of purchase of such instruments.

DEFINITIONS

SEC. 602. As used in this title—

(1) "banking organization" means any bank, trust company, savings bank, safe deposit company, or a private banker engaged in business in the United States;

(2) "business association" means any corporation (other than a public corporation), joint stock company, business trust, partnership, or any association for business purposes of two or more individuals; and

(3) "financial organization" means any savings and loan association, building and loan association, credit union, or investment company engaged in business in the United States.

STATE ENTITLED TO ESCHATEAT OR TAKE CUSTODY

SEC. 603. Where any sum is payable on a money order, traveler's check, or other similar written instrument (other than a third party bank check) on which a banking or financial organization or a business association is directly liable—

(1) if the books and records of such banking or financial organization or business association show the State in which such money order, traveler's check, or similar written instrument was purchased, that State shall be entitled exclusively to escheat or take custody of the sum payable on such instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum;

(2) if the books and records of such banking or financial organization or business association do not show the State in which such money order, traveler's check, or similar written instrument was purchased, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, until another State shall demonstrate by written evidence that it is the State of purchase; or

(3) if the books and records of such banking or financial organizations or business association show the State in which such money order, traveler's check, or similar written instrument was purchased and the laws of the State of purchase do not provide for the escheat or custodial taking of the sum payable on such instrument, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take

custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, subject to the right of the State of purchase to recover such sum from the State of principal place of business if and when the law of the State of purchase makes provision for escheat or custodial taking of such sum.

APPLICABILITY

Sec. 604. This title shall be applicable to sums payable on money orders, traveler's checks, and similar written instruments deemed abandoned on or after February 1, 1965, except to the extent that such sums have been paid over to a State prior to January 1, 1974.

REGULATION OF INTEREST RATES ON CERTAIN OBLIGATIONS

An Act of Congress approved October 29, 1974 (P.L. 93-501) authorizes Federal regulatory agencies to place interest rates ceilings on securities issued by bank holding companies. Section 101 of Title I and section 301 of Title II read as follows:

* * * * *

TITLE III—APPLICABILITY OF STATE USURY CEILINGS TO CERTAIN OBLIGATIONS ISSUED BY BANKS AND AFFILIATES

Sec. 301. Section 19 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(k) No member bank or affiliate thereof, or any successor or assignee of such member bank or affiliate or any endorser, guarantor, or surety of such member bank or affiliate may plead, raise, or claim directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member bank or affiliate or to any other person."

AN ACT

To authorize the regulation of interest rates payable on obligations issued by affiliates of certain depository institutions, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—REGULATION OF INTEREST RATES ON CERTAIN OBLIGATIONS

Sec. 101. Section 19(a) of the Federal Reserve Act (12 U.S.C. 461) is amended by inserting "and, regardless of the use of the proceeds," immediately before "shall be deemed a deposit".

(b) The amendment made by subsection (a) shall not apply to any bank holding company which has filed prior to the date of enactment of this Act an irrevocable declaration with the Board of Governors of the Federal Reserve System to divest itself of all of its banks under section 4 of the Bank Holding Company Act, or to any debt obligation which is an exempted security under section 3(a) (3) of the Securities Act of 1933.

RESERVES OF MEMBER BANKS

The Board of Governors has amended its Regulation D to modify the reserve balances that member banks are required to maintain.

AMENDMENTS TO REGULATION D

Effective November 28, 1974, section 204.5(a)(1)(ii) and (2)(ii) and (iii) are amended to read as follows:

SECTION 204.5—RESERVE REQUIREMENTS

(a) Reserve percentage. Pursuant to the provisions of Section 19 of the Federal Reserve Act and § 204.2(a) and subject to paragraph (c) of this section, the Board of Governors of the Federal Reserve System hereby prescribes the following reserve balances that each member bank of the Federal Reserve System is required to maintain on deposits with the Federal Reserve Bank of its district.

(1) If not in a reserve city

* * * * *

(ii) 3 per cent of its time deposits outstanding on November 28, 1974, which have an initial maturity of 180 days or more, or are issued on or after November 28, 1974 with an initial maturity of 180 days or more, 3 per cent of its time deposits up to \$5 million, outstanding on November 28, 1974, which have an initial maturity of less than 180 days, or are issued on or after November 28, 1974 with an initial maturity of less than 180 days, plus 6 per cent of such deposits in excess of \$5 million.*

* * * * *

(2) If in a reserve city (except as to any bank located in such a city that is permitted by the Board of Governors of the Federal Reserve System, pursuant to § 204.2(a)(2), to maintain the reserves specified in subparagraph (1) of this paragraph)—

* * * * *

(ii) 3 per cent of its time deposits outstanding on November 28, 1974, which have an initial

* Time deposits issued in the period November 14, 1974 to November 18, 1974, with maturities of between 120 and 179 days, may be treated as if they had initial maturities of 180 days or more.

maturity of 180 days or more, or are issued on or after November 28, 1974 with an initial maturity of 180 days or more, 3 per cent of its time deposits up to \$5 million, outstanding on November 28, 1974, which have an initial maturity of less than 180 days, or are issued on or after November 28, 1974 with an initial maturity of less than 180 days, plus 6 per cent of such deposits in excess of \$5 million.*

(iii) \$52,750,000 plus 17½ per cent of its net demand deposits in excess of \$400 million.

* * * * *

RESERVES OF MEMBER BANKS

FOREIGN ACTIVITIES OF NATIONAL BANKS

The Board of Governors has approved technical amendments to its Regulation D, Reserves of Member Banks, and Regulation M, Foreign Activities of National Banks, in order to delete certain provisos pertaining to the gradual elimination of reserve-free bases on member banks' Euro-dollar borrowings, since these reserve-free bases have expired.

AMENDMENTS TO REGULATIONS D AND M

Effective November 22, 1974, section 204.5(c) of Regulation D and section 213.7(a) of Regulation M are amended to read as follows:

SECTION 204.5—RESERVE REQUIREMENTS

* * * * *

(c) **Reserve percentages against certain deposits by foreign banking offices.** Deposits represented by promissory notes, acknowledgements of advance, due bills, or similar obligations described in § 204.1(f) to foreign offices of other banks,⁸ or to institutions the time deposits of which are exempt from the rate limitations of Regulation Q pursuant to § 217.3(g) thereof, shall not be subject to paragraph (a) of this section or to § 204.3(a)(1) and (2); but during each week of the four-week period beginning June 21, 1973, and

*See preceding page for footnote.

⁸Any banking office located outside the States of the United States and the District of Columbia of a bank organized under domestic or foreign law.

during each successive four-week ("maintenance") period, a member bank shall maintain with the Reserve Bank of its district a daily average balance equal to 8 per cent of the daily average amount of such deposits during the four-week computation period ending on the Wednesday fifteen days before the beginning of the maintenance period. An excess or deficiency in reserves in any week of a maintenance period under this paragraph shall be subject to § 204.3(a)(3), as if computed under § 204.3(a)(2), and deficiencies under this paragraph shall be subject to § 204.3(b).⁹

SECTION 213.7—RESERVES AGAINST FOREIGN BRANCH DEPOSITS

(a) **Transactions with parent bank.** During each week of the four-week period beginning June 21, 1973, and during each week of each successive four-week ("maintenance") period, a member bank having one or more foreign branches shall maintain with the Reserve Bank of its district, as a reserve against its foreign branch deposits, a daily average balance equal to 8 per cent of the daily average total of

(1) net balances due from its domestic offices to such branches, and

(2) assets (including participants) held by such branches which were acquired from its domestic offices (other than assets representing credit extended to persons not residents of the United States), during the four-week computation period ending on the Wednesday fifteen days before the beginning of the maintenance period.

* * * * *

RESERVES OF MEMBER BANKS

INTEREST ON DEPOSITS

In conjunction with P.L. 93-495 which, effective November 27, 1974, provides Federal deposit insurance up to \$100,000 for time and savings deposits of governmental units, the Board of Governors has amended Regulation D (12 CFR 204) and Regulation Q (12 CFR 217) to include deposits of governmental units in the definition of savings deposits.

⁹The term "computation period" in § 204.3(a)(3) and (b) shall, for this purpose, be deemed to refer to each week of a maintenance period under this paragraph.

AMENDMENTS TO REGULATIONS
D AND Q

Effective November 27, 1974, section 204.1(e)(1) of Regulation D and sections 217.1(e)(1) and 217.7 of Regulation Q are amended to read as follows:

SECTION 204.1--DEFINITIONS

* * * * *

(e) **Savings deposits.** The term "savings deposit" means a deposit

(1) which consists of funds deposited to the credit of one or more individuals, or of a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes and not operated for profit;¹ or in which the entire beneficial interest is held by one or more individuals or by such a corporation, association or other organization, or which consists of funds deposited to the credit of, or in which the entire beneficial interest is held by, the United States, any State of the United States, or any county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or political subdivision thereof, except where the deposit is to the credit of the bank's own trust department and the funds involved are utilized to cover checks; and

* * * * *

SECTION 217.7-- MAXIMUM RATES OF INTEREST PAYABLE BY MEMBER BANKS ON TIME AND SAVINGS DEPOSITS

* * * * *

(b) **Time deposits of less than \$100,000.**

(1) Except as provided in paragraphs (a) and

¹Deposits in joint accounts of two or more individuals may be classified as savings deposits if they meet the other requirements of the above definition, but deposits of a partnership operated for profit may not be so classified. Deposits to the credit of an individual or a governmental unit of funds in which the beneficial interest is held by a corporation, partnership, association, or other organization operated for profit or not operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes may not be classified as savings deposits unless permitted elsewhere within this subsection.

(d) and subpart 2 of this paragraph, no member bank shall pay interest on any time deposit at a rate in excess of the applicable rate under the following schedule:

* * * * *

(d) **Governmental unit time deposits of less than \$100,000.**

(1) Except as provided in paragraph (a), no member bank shall pay interest on any time deposit which consists of funds deposited to the credit of, or in which the entire beneficial interest is held by, the United States, any State of the United States, or any county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or political subdivision thereof, at a rate in excess of the highest of any of the permissible rates that can be paid on time deposits under \$100,000 by any Federally insured commercial bank, mutual savings bank or savings and loan institution.²

SECURITIES CREDIT TRANSACTIONS

The Board of Governors has amended its securities credit Regulations G, T, and U to suspend for a six-month period the limitation on use of the same-day substitution rule in accounts where a customer's equity in collateral is less than 40 per cent.

AMENDMENTS TO REGULATIONS
G, T, AND U

1. Effective November 5, 1974 the Supplement to Regulation G is amended to read as follows:

SECTION 207.5- SUPPLEMENT

* * * * *

(f) **Minimum equity ratio.** The minimum equity ratio of a credit subject to § 207.1 is 40 per cent. For the period November 5, 1974, through May 5, 1975, all same-day substitutions of collateral permitted by section 207.1(j)(2) for credits in which the equity ratio equals or exceeds the minimum equity ratio shall also be permitted for

²The highest permissible rate is currently 7.5 per cent per annum (12 CFR 329.7 and 12 CFR 526.5).

all credits in which the equity ratio is less than the minimum equity ratio.

2. Effective November 5, 1974 the Supplement to Regulation T is amended to read as follows:

SECTION 220.8--SUPPLEMENT

* * * * *

(g) Account subject to section 8(g).

* * * * *

(3) For the period November 5, 1974, through May 5, 1975, all transactions permitted by §§ 220.3(b)(1) and 220.3(g) for accounts not subject to section 8(g) shall also be permitted in accounts subject to section 8(g).

3. Effective November 5, 1974 the Supplement is amended by adding a sentence giving notice of the suspension and its duration. The amended to read as follows:

SECTION 221.4- SUPPLEMENT

* * * * *

(f) **Minimum equity ratio.** The minimum equity ratio of a credit subject to § 221.1 is 40 per cent. For the period November 5, 1974, through May 5, 1975, all same-day transactions permitted by § 221.1(c) for credits in which the equity ratio is equal to or exceeds the minimum equity ratio shall also be permitted for those credits in which the equity ratio is less than the minimum equity ratio.

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

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

COMMONWEALTH BANCSHARES, INC.,
DALLAS, TEXAS

ORDER DENYING FORMATION OF BANK
HOLDING COMPANY

Commonwealth Bancshares, Inc., Dallas, Texas, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 88 per cent of the voting shares of Commonwealth National Bank of Dallas, Dallas, Texas ("Bank").

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

Applicant is a nonoperating corporation organized for the purpose of becoming a bank holding company through the acquisition of Bank. The sole shareholders of Applicant are three individuals who are now members of a partnership that is a

registered one-bank holding company owning about 59 per cent of Bank. The proposal contemplates shifting control of Bank from the partnership to a corporation along with acquisition of additional shares of Bank by the corporation. With deposits of \$19.6 million, Bank holds approximately .39 of one per cent of the total commercial bank deposits in the relevant banking market (approximated by the Dallas Ranally Metro Area) and is the 51st largest bank in that market.¹ Inasmuch as this proposal represents essentially a reorganization of existing interests and Applicant has no present banking subsidiaries, the acquisition of Bank by Applicant would neither eliminate any significant existing or potential competition, increase the concentration of banking resources, nor have any adverse effect on competition within the Dallas market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that it believes that a holding company should provide a source of strength to its subsidiary bank(s), and that it will examine closely the con-

¹All banking data are as of December 31, 1973, unless otherwise indicated.

dition of the Applicant in each case with this view in mind. The proposal involves an acquisition debt of approximately \$1.6 million, which Applicant proposes to service over a twelve-year period through a 50 per cent dividend payout from Bank. In recent years, Bank has not paid any dividends. In the Board's view, this high level of debt and the dividend payout required from Bank to service the debt could place an undue strain on Bank's capital position. In this regard, the projected asset and deposit growth and earnings from the Bank between 1974-1985, the debt retirement period, do not appear to provide Applicant with the necessary financial flexibility to meet its annual debt service requirements while maintaining adequate capital at Bank. On the basis of the above banking factors, and other facts of record, the Board is unable to conclude that it would be in the public interest to permit the formation of a one-bank holding company with an initial debt structure which could result in impairing Bank's financial condition. Accordingly, the Board concludes that the financial aspects of Applicant's proposal weigh against approval of the application.

The proposed formation essentially involves the reorganization of the ownership interests of the partnership without any significant changes in Bank's operations or any additional services offered to customers that are not already provided by Bank. Consequently, considerations relating to the convenience and needs of the community to be served lend no weight toward approval of the application. On the contrary, as noted above, the debt service requirements of Applicant's proposal could impair Bank's ability to maintain its capital adequacy and to continue to serve the community as a viable banking organization.

On the basis of all of the circumstances concerning this application, the Board concludes that the financial considerations involved in this proposal present adverse circumstances bearing upon the financial condition and prospects of both Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits which would result in serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be denied.

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

By order of the Board of Governors, effective November 27, 1974.

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

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

TENNESSEE VALLEY BANCORP, INC.,
NASHVILLE, TENNESSEE

ORDER APPROVING ACQUISITION OF BANK

Tennessee Valley Bancorp, Inc., Nashville, Tennessee, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to convert nonvoting preferred shares into 50 per cent or more of the voting shares of Mountain Empire Bank, Johnson City, Tennessee ("Bank"), a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those of the Tennessee Bankers Association and its Independent Bankers Division, the Tennessee Association of Registered Bank Holding Companies, and three Tennessee banks, in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fifth largest bank holding company in Tennessee, controls 11 banks with aggregate deposits of \$935 million, representing 8.0 per cent of total commercial bank deposits in the State.¹ Since Bank is a proposed new bank, consummation of the proposal would not immediately increase Applicant's share of Statewide deposits.

Bank is to be located in the Johnson City banking market,² which is the relevant market. Applicant is the fourth largest banking organization in the Johnson City banking market, controlling through one subsidiary bank 11.3 per cent of total deposits held by commercial banks in the market. The two largest banking organizations in the market (both multi-bank holding companies) control approximately 72 per cent of the market's com-

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

²The Johnson City banking market is approximated by the following cities: Elizabethton, Jonesboro, Limestone, and Johnson City, Tennessee.

mercial bank deposits. Since Bank is a proposed new bank, consummation of the proposal would not eliminate any existing competition between Applicant and Bank, nor would it result in an increase in the concentration of banking resources in the market. Furthermore, it does not appear that any significant potential competition would be foreclosed as a result of the consummation of the proposal. Applicant does not occupy a dominant position in the market, and it does not appear that the present proposal would raise significant barriers to entry from other organizations or individuals not presently in the market. Accordingly, on the basis of the record before it, the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and prospects of Applicant, its subsidiary banks, and Bank are regarded as generally satisfactory, particularly in view of Applicant's commitments to inject capital into certain of its subsidiaries. Thus, considerations relating to banking factors are consistent with approval. Considerations relating to the convenience and needs of the community to be served lend some weight toward approval since Bank would serve as an alternative source of full banking services to residents of the area.

In its consideration of the subject application, it is noted that the Tennessee Bankers Association, its Independent Bankers Division the Tennessee Association of Registered Bank Holding Companies, and three commercial banks in Tennessee (here collectively referred to as "protestants") have objected to approval of the application. The protestants contend generally that 1) approval of the proposal would violate provisions of the Tennessee Bank Structure Act of 1974; and 2) Tennessee Valley Bancorp has violated § 3 of the Bank Holding Company Act by acquiring control of Bank without the prior approval of the Board, as required by the Act. Upon receipt of the objections to the application, the Board accorded Applicant an opportunity to respond to the points raised by the protestants and Applicant availed itself of the opportunity to respond. The Board has considered fully the comments received from the protestants, Applicant's response thereto, and additional submissions on behalf of certain of the protestants and, for the reasons summarized below, concludes that 1) approval of the subject proposal is not barred by the provisions of the Tennessee Bank Structure Act of 1974; and 2) Tennessee Valley Bancorp has not violated § 3 of the Bank Holding Company Act by acquiring control of Bank with-

out the prior approval of the Board, as required by the Act.

We turn first to the contention of protestants that approval of the subject proposal would violate the provisions of the Tennessee Bank Structure Act. If the contention of the protestants is correct, it is clear that the Board may not approve the proposal.³ The Tennessee Bank Structure Act became effective on March 4, 1974. Its purpose, broadly stated, is to prohibit, until after January 1, 1980, the acquisition by a registered bank holding company of any bank which has been in existence for a period of less than five years, which would include a *de novo* bank. While there are several exceptions in the statute not here relevant, section 3(c) of the Act does permit a bank holding company to acquire shares of a bank if the holding company held more than 50 per cent of such bank's shares prior to March 4, 1974. Protestants argue that the subject proposal, involving the acquisition of 50,000 nonvoting convertible preferred shares of Bank by Tennessee Valley Bancorp, is an attempt to circumvent the provisions of the Tennessee Bank Structure Act and is clearly contrary to the legislative intent of the Act.

Being recently enacted, the relevant provisions of the Tennessee Bank Structure Act have yet to be interpreted by any Tennessee Court. In exercising its responsibilities under the Bank Holding Company Act, the Board would normally look to such authoritative State court interpretations of a State statute in instances where protestants to a holding company proposal contend that the proposal would contravene State law. Failing a judicial decision on the question, the Board inquires next to see if the Attorney General in the State has rendered an opinion that would assist the Board in resolving the issue. Here too, the Board is unaware of any Attorney General opinion on the question, nor have the Applicant or the protestants cited the Board to any such opinion in support of their respective positions. It appears from the record that the only authoritative opinion that has been rendered on the question has been that of the Acting Commissioner of Banking for the State of Tennessee, who has indicated that the Tennessee Department of Banking has no objection to the proposal.⁴ The Acting Commissioner states:

³See *Whitney National Bank in Jefferson Parish v. Bank of New Orleans & Trust Co.*, 379 U.S. 411 (1965).

⁴Letter of March 6, 1974, from Hugh F. Sinclair, Acting Commissioner of Banking, State of Tennessee, to Federal Reserve Bank of Atlanta.

"Since there appears to be no legal obstacle to the proposal, we have no objection thereto." The Acting Commissioner goes on to examine the applicability of the Tennessee Bank Structure Act to the proposal and finds that Tennessee Valley Bancorp benefits from the exception in section 3(c) of the Act, since Tennessee Valley Bancorp owned more than 50 per cent of the shares of Bank prior to the effective date of the statute. The Acting Commissioner refers specifically to the fact that the Act makes no distinction between voting and nonvoting stock and states: "Thus, if a holding company owns a majority of all the shares of a new bank, regardless of their class, it can make use of the exception afforded by section 3(c)."

In the Board's view, the opinion of the Acting Commissioner of Banking is well reasoned and consistent with the plain language of the relevant statute. Where as here, the State's administrative officer authorized under Tennessee law to interpret the banking laws of the State and to regulate banking practices has advised the Board of his view that the proposal is permissible under State law, the Board believes that it would be inappropriate for it to adopt a contrary interpretation of the statute in question, particularly when the Acting Commissioner's opinion is not clearly erroneous and is consistent with the plain language of the statute. Accordingly, the Board concludes that the subject proposal is not prohibited by the Tennessee Bank Structure Act and, therefore, Board approval of the application is not barred.

Turning to the second contention of the protestants, i.e., that Tennessee Valley Bancorp has violated the Bank Holding Company Act by acquiring a controlling influence over the management and affairs of Bank without the prior approval of the Board, as required by the Act, the Board also finds this argument to be no impediment to approval of the subject application. In this regard protestants rely on the presumptions of control found in Regulation Y. These presumptions of control, adopted by the Board for use in proceedings instituted by the Board, provide that the Board may determine, as provided by the Act, after notice and an opportunity for a hearing, that a company directly or indirectly exercises a controlling influence over the management or policies of a bank. If one of the regulatory presumptions of control applies under a given situation, the procedures set forth in the regulation provide that the

Board inform the company that the Board has made a preliminary determination of control and the company is given the opportunity to, "(i) indicate to the Board its willingness to terminate the control relationship . . . ; (ii) state that it will promptly seek Board approval to retain the control relationship, . . . ; or (iii) set forth such facts and circumstances as may support its contention that there is not a control relationship."

Assuming for the purposes of the discussion that Bank constitutes a "bank" as defined in the Bank Holding Company Act, since the Board is only empowered to find a control relationship after notice and opportunity for hearing, due process of law prevents a finding of control which would relate back so as to constitute a violation of the Bank Holding Company Act.⁵ A violation would, however, occur were a company to fail to apply to retain the control relationship after a finding of control or to refuse to divest the control relationship were the Board to deny any such retention application. Thus, the second contention of the protestants does not preclude favorable Board action on the subject application.

Accordingly, on the basis of the entire record, it is the Board's judgment that consummation of the proposed acquisition would be in the public interest and, for the reasons summarized above, the application should be, and is hereby approved. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) Mountain Empire Bank, Johnson City, Tennessee, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective November 26, 1974.

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

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

⁵It should be noted that indirect control of the voting shares of a bank as for instance through officers and directors of the holding company, without prior Board approval, would of course constitute a violation of the Act.

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

AMERICAN FLETCHER CORPORATION,
INDIANAPOLIS, INDIANA

ORDER DENYING ACQUISITION OF SOUTHWEST
SAVINGS AND LOAN ASSOCIATION

American Fletcher Corporation, Indianapolis, Indiana, a bank holding company within the meaning of the Bank Holding Company Act of 1956, has applied for the Board's prior approval under section 4(c)(8) of the Act for permission to engage in the activity of the operation of a savings and loan association through the acquisition of Southwest Savings and Loan Association ("Southwest"), Phoenix, Arizona, a savings and loan association insured by the Federal Savings and Loan Insurance Corporation. Such activity has not previously been determined by the Board to be closely related to banking.¹

Notice of the application, affording opportunity for interested persons to submit comments and views on whether such activity is closely related to banking, as well as on the public interest factors, has been duly published (38 *Federal Register* 22802). The time for filing comments and views has expired and those filed, including testimony and exhibits received at the oral presentation before available members of the Board, held October 30 and 31, 1973, have been considered.

Applicant² controls American Fletcher National Bank and Trust Company ("Bank"), Indianapolis, Indiana, the largest bank in that State, with total domestic deposits of \$1.3 billion as of December 31, 1973. Through a nonbanking subsidiary, Applicant is engaged in mortgage banking activities in Indiana and nearby States.

Southwest (deposits of \$116 million at year-end 1972) is the fourth largest savings and loan association in the State of Arizona and holds 7 per

cent of the total deposits held by savings and loan associations in Arizona. It now operates 15 branch offices, 14 in central Maricopa County and one in Pima County. Southwest has two subsidiaries, one of which is engaged solely in providing advertising services to Southwest. Under section 4(a)(2) of the Act, a bank holding company may indirectly furnish services to its subsidiaries. The other subsidiary, Southwest Service Corporation, is engaged principally in providing bookkeeping and data processing services to Southwest, but also processes the accounts and billings for four mortgage servicing firms and rents the balance of available time on its data processing equipment to others who furnish their own personnel, supplies, and programs. This activity is generally permissible for bank holding companies.³

Savings and loan associations may be classified according to corporate structure into mutual, that is, depositor-owned, and stock, that is, non-depositor-owned. Only stock associations may be acquired by a bank holding company (or other corporate entity), and stock associations currently comprise only a minor part of the savings and loan industry. With certain limited exceptions, all federally-chartered savings and loan associations are mutual in form as are the majority of State-chartered savings and loan associations. As of December 31, 1972, there were 5,448 savings and loan associations in the United States, of which 665 (representing 12 per cent) were stock associations. Twenty-one States currently charter stock associations, and 438 of the 665 stock associations in existence at year-end 1972 were located in four of those States, California, Illinois, Ohio, and Texas. Conversion from mutual form to stock form would increase the number of savings and loan associations that would be potential candidates for acquisition by bank holding companies; however, Congress recently extended until June 30, 1976, with limited exceptions, a prohibition, originally imposed in 1965, against such conversions by savings and loan associations insured by the Federal Savings and Loan Insurance Corporation.⁴

Operation of a savings and loan association traditionally and basically consists of the receipt of deposits in the form of share, certificate, or deposit accounts for the purpose of lending funds so received to finance the construction, sale, or

¹On February 17, 1972 and March 9, 1972, the Board approved separate affiliations of each of two savings and loan associations in Rhode Island with two banks in Rhode Island. 58 *Federal Reserve Bulletin* 313 and 417 (1972). At that time, the Board characterized the Rhode Island situation as "special" in view of the historical affiliation of mutual thrift institutions and commercial banks in that State and express State legislative provision for such affiliation. Theretofore, the Board treated that situation "separately from the question whether operation of a savings and loan association by a bank holding company is so closely related to banking that it can be a permissible activity within the meaning of section 4(c)(8) of the Act."

²As of December 31, 1973, Applicant possessed consolidated resources of approximately \$2.2 billion.

³12 CFR 225.4(a)(8) and 12 CFR 225.123.

⁴As of December 31, 1972, 4,191 of the 5,448 savings and loan associations were federally insured.

purchase of housing and other real estate, and the actual lending of these funds for such purposes, all in the ordinary course of business. Banks have traditionally received deposits and loaned funds so received for various purposes, including financing the construction, sale, and purchase of housing and other real estate. Banks and savings and loan associations are financial intermediaries whose liability structures are dominated by deposits and whose asset structures are dominated by loans. Specifically, both receive time deposits and make mortgage loans. That being the case, banks and savings and loan associations are more closely related than are banks and mortgage companies. The Board has previously concluded, as a general matter, that mortgage companies engage in activities that are "closely related to banking or managing or controlling banks."⁵

Further, there is a discernible trend toward lessening distinctions between banks and savings and loan associations. Geographic restrictions on mortgage lending by savings and loan associations have been liberalized. Recently, savings and loan associations were permitted by the Federal Home Loan Bank Board to participate in the Federal funds market, previously dominated by commercial banks.⁶ Savings and loan associations recently were authorized to offer large negotiable certificates of deposits.⁷ The role of savings and loan associations in the nation's payments mechanism is growing. The President's Commission on Financial Institutions and others have made proposals to expand the powers of savings and loan associations. The close relationship between banking and operation of savings and loan associations would become even closer should these proposals be implemented. Should this trend continue to the point where savings and loan associations both accept demand deposits and engage in the business of making commercial loans, savings and loan associations would actually become "banks" for purposes of the Act.⁸

The Board is not unmindful of the specialized function savings and loan associations serve in the

economy, nor of the separate statutory frameworks regulating banks and savings and loan associations. However, neither of these propositions is inconsistent with the determination, compelled by reality, that the operation of a savings and loan association is "closely related to banking or managing or controlling banks."

Southwest would, as an affiliate of Applicant, continue to serve the specialized purpose for which it was formed. Neither its attention nor its resources would be diverted from the acceptance of savings deposits primarily for mortgage lending to finance purchases of single-family residential properties.⁹ The Bank Holding Company Act and other applicable Federal and State regulatory provisions would limit the operations of Southwest to that purpose.

The existence of separate regulatory frameworks for various industries has not barred the affiliation of corporations in those respective industries. Bank holding companies may be affiliated with investment advisers, consumer finance companies, industrial loan companies, credit insurance underwriters, and courier companies. In instances of "grandfathered" one-bank holding companies, banks are affiliated with air carriers, title insurance companies, life and health insurance companies, radio and television broadcasting companies, casualty insurance underwriting companies, and cable television companies. Each operates under a separate regulatory framework from that of commercial banks, yet no regulatory body, to the Board's knowledge, has found the existence of such frameworks a bar to affiliation with commercial banks.¹⁰ Similarly, certain companies operating savings and loan associations are "grandfathered" one-bank holding companies, and such affiliations were approved by the Federal Savings and Loan Insurance Corporation.

In 1933, Congress, seeing a need to separate two industries, enacted the Banking Act of 1933, parts of which are known as the Glass-Steagall Act, to separate investment banking from com-

⁵ 12 CFR 225.4(a)(1).

⁶ 12 CFR 523.10(g)(4).

⁷ 12 CFR 545.1-5.

⁸ 12 U.S.C. 1841(c). Until that point is reached, if ever, savings and loan associations, although closely related to banking, may not be deemed "banks," and the affiliation of an out-of-State savings and loan association with a bank through common ownership by a bank holding company would not be prohibited by section 3(d) of the Act (12 U.S.C. 1842(d)).

⁹ Provisions of the Savings and Loan Holding Company Act (12 U.S.C. 1730a) and enforcement of those provisions by the Federal Savings and Loan Insurance Corporation, as well as supervision of Southwest by the Federal Home Loan Bank Board, State Department of Banking of Arizona, and the Board, would effectively prevent improper diversion of funds from Southwest to Applicant and its subsidiaries.

¹⁰ The list of common ownership of companies in two separately regulated industries is longer when expanded to include common ownership of two nonbanking industries; thus regulated air carriers own regulated radio and television broadcasters and vice versa.

mercial banking. That Act expressly prohibits the affiliation of member banks and securities companies. Congress has not similarly evidenced an intent to separate operation of savings and loan associations from commercial banking, although, by passage of the Glass-Steagall Act, it evidenced its awareness of the means to separate other industries from banking.¹¹ Rather, Congress has delegated to the Board the decision whether commercial banks should be permitted to affiliate with companies engaged in nonbanking activities, through common ownership by bank holding companies, and has promulgated standards in section 4(c)(8) of the Act that the Board is to apply in deciding particular cases, that is, whether the activities of a particular company are "so closely related to banking or managing or controlling banks as to be a proper incident thereto." In the absence of explicit Congressional action concerning the affiliation of banks and savings and loan associations, the Board has no alternative but to consider any such proposed affiliation under the existing standards of section 4(c)(8).

The Board, based upon the record before it, is compelled to conclude, and does conclude, that the activity in which Southwest is engaged is closely related to banking. Whether it is a "proper incident thereto" requires application of a second standard promulgated by Congress in section 4(c)(8) of the Act, that is, whether its performance by Southwest, as an affiliate of Applicant, can reasonably be expected to produce benefits to the public that outweigh possible adverse effects.

In order to make such a determination in any particular case, the Board must, under section 4(c)(8) of the Act, consider the competitive effects of the proposed affiliation. A competitive analysis in the case of affiliation of a particular bank holding company with a particular savings and loan association would be essentially similar to that the Board has regularly applied in cases involving the affiliation of two banks or of a bank holding company and a company engaged in an activity closely related to banking. Thus, anticompetitive effects in this area could be identified and avoided in the same manner as anticompetitive effects have been avoided in other cases falling within the Board's jurisdiction under the Act.

Four savings and loan associations are head-

quartered in Phoenix.¹² The two largest held approximately 80 per cent of the total deposits held by savings and loan associations headquartered in Phoenix,¹³ as of June 30, 1972. At that time, Southwest was the third largest of the four and held approximately 10 per cent of the total deposits held by savings and loan associations in Phoenix. Applicant does not operate a savings and loan association although it does indirectly, through Bank, engage in the receipt of deposits and, through both Bank and American Fletcher Mortgage Company ("AFMC"), engage in the making of mortgage loans.

Bank, as of December 31, 1972,¹⁴ held 20 savings and other time deposit accounts which amounted to \$122,000 for persons located in Maricopa County, Arizona.¹⁵ These accounts represent substantially less than 1 per cent of Bank's total savings and time deposit accounts. Bank has not made any mortgage loans to persons located in the Phoenix area. AFMC operates offices in Indiana, Illinois, Ohio, Kentucky, Florida, and the District of Columbia and specializes in the making of real estate mortgage loans for industrial, commercial, and multi-family construction projects and for land development. AFMC has only one mortgage loan outstanding to a borrower in the Phoenix area; it amounts to \$425,000. Southwest has limited its mortgage activity to residential real property and derives no deposits from Indiana and no mortgage business from Indiana, Illinois, Ohio, Kentucky, Florida, or the District of Columbia. The Board concludes that consummation of the proposed transaction would foreclose no significant actual competition between Applicant and Southwest for savings and time deposits or in the making of mortgage loans.

It does not appear that Southwest is a likely

¹²It does not appear that inclusion of commercial banks in this market analysis would significantly alter the conclusions stated in the text.

¹³This datum is an approximation since deposits held by non Phoenix offices of Phoenix savings and loan associations are included in reported head office totals and Phoenix deposit data for any particular association must be estimated by subtracting head office totals of other savings and loan associations headquartered in Phoenix from total savings and loan deposits deriving from the Phoenix area. Therefore, the market shares in the text may be somewhat overstated as the underlying data effectively attribute Phoenix deposits held by non Phoenix headquartered savings and loan associations to the two largest Phoenix associations.

¹⁴There is no reason to believe that any significant change has occurred in the textual data since December 31, 1972.

¹⁵Geographic markets for deposits in savings and loan associations are presumed to be local in nature as banking markets have been held to be

¹¹Congress has also exhibited similar awareness in expressly prohibiting by statute the ownership of air carriers by other carriers. See 49 U.S.C. § 1378(a)(5).

entrant into mortgage loan or deposit markets in which Applicant or its subsidiaries presently conduct significant operations. Southwest may lawfully neither establish offices beyond the boundaries of the State of Arizona, nor make loans on property located beyond the territorial limits of that State. Although there do exist alternative means of entry into the Phoenix mortgage market by Applicant, it does not appear that Applicant is one of the most likely potential entrants into that market, particularly in view of the distance between Phoenix and markets presently served by Applicant. Statutory and regulatory barriers effectively bar Applicant's entry into the Phoenix market for savings and time deposits. Accordingly, it does not appear that consummation of the proposed transaction would foreclose any substantial probability of development of competition between Southwest and Applicant; nor does it appear that either Southwest or Applicant presently exerts any influence on competition in the market or markets respectively served by the other.

It does not appear that the affiliation of Southwest with Applicant may result in an undue concentration of resources in any section of the country, decreased or unfair competition, or conflicts of interests. The Board has also considered whether the affiliation of Southwest with Applicant would adversely affect the flow of funds into any housing market. The record contains no evidence supporting assertions to that effect. As an insured savings and loan association, Southwest is restricted by statute in its dealings with its affiliates¹⁶ and is subject to comprehensive regulation by State supervisory authorities, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board, and, in the event of consummation of the proposed transaction, by this Board. The combined effect of statutory and regulatory prohibitions against, and limitations upon, Southwest's transactions with Applicant and its subsidiaries and effective supervision by the appropriate agencies would effectively bar any significant diversion of funds from Southwest to Applicant and any adverse effect upon the flow of housing funds in the area served by Southwest.

Rather than reduce funds available for housing

in markets served by Southwest, the affiliation of Southwest with Applicant may increase the availability of such funds. Southwest has experienced problems in the past in maintaining growth of its capital accounts commensurate with the growth of its deposits. State law requires that its capital accounts be maintained in an amount equal to at least 5 per cent of its deposits. Southwest's inability to attract periodic infusions of capital has forced it actually to discourage deposits at times. Those lost deposits, assuming that they were not placed in other savings and loan associations, represent funds that otherwise would have been available to support housing in markets served by Southwest. Applicant has expressed its willingness to maintain the level of capital of Southwest commensurate with the deposit growth of Southwest. That deposit growth has been projected to approximately \$500 million by 1980, requiring an influx of approximately \$17 million in additional capital. Applicant is prepared to make a commitment to provide that capital.

Southwest's difficulties in raising capital to support its deposit growth have impeded its ability to attract deposits and indirectly its ability to make mortgage loans. Its capacity to compete vigorously has accordingly been hampered by those difficulties. To the extent Applicant would remedy these difficulties, the proposed affiliation may increase competition in areas served by Southwest.

These public benefits, however, are virtually entirely dependent upon the continuing infusion of capital by Applicant into Southwest. Applicant and Bank are both in generally satisfactory condition. However, Applicant's ratio of debt to equity is such that its capacity to deal with adverse conditions in the economic environment would be affected by the proposed acquisition of Southwest. Since Applicant would fund this acquisition with the proceeds of a loan from an unaffiliated bank, its leverage would be increased. In the Board's judgment, that should be avoided at this time.

The Board has previously expressed the view that at this time bank holding companies generally should slow their rate of expansion into new activities and should direct their energies toward strengthening existing operations, particularly where such expansion may be into new activities in which bank holding companies have not previously engaged.¹⁷ That view is especially appli-

¹⁶It appears that statutory provisions governing transactions between an insured savings and loan association that is a subsidiary of a savings and loan holding company and its affiliates are considerably more restrictive than are statutory provisions governing transactions between member banks and their affiliates. Compare 12 U.S.C. 1730a(d) with 12 U.S.C. 371c.

¹⁷See Order of September 9, 1974, concerning the underwriting of real estate mortgage guaranty insurance. Federal Reserve Bulletin, 39 Fed. Reg. 33712, 33713 (September 19, 1974).

cable to bank holding companies applying to acquire companies which are highly leveraged and which would require continuing infusions of capital.¹⁸ The Board has frequently reiterated its view that the primary role of a bank holding company should be to serve as a source of financial strength and support for its subsidiaries. The financial and managerial resources of a bank holding company should not be unduly diverted from that role. Applicant has in the past two years consummated four significant nonbanking acquisitions. The acquisition of Southwest, even absent any commitment by Applicant to inject capital into Southwest, would further divert its resources away from Bank's possible future needs and would require a significant increase in Applicant's debt. Such diversion and increase in debt constitute significant adverse effects of the proposed affiliation which are not outweighed, at this time and under these circumstances, in the Board's judgment, by any benefits to the public that can reasonably be expected to be produced by the affiliation.

Based upon the foregoing and other considerations reflected in the record, the Board is unable to determine, under section 4(c)(8) of the Act, that the proposed affiliation can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Accordingly, the application is hereby denied.

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

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

(Signed) THEODORE E. ALLISON,

[SEAL.]

Secretary of the Board.

CONCURRING STATEMENT OF
GOVERNOR COLDWELL¹

I concur in the Board's denial of the application of American Fletcher Corporation to acquire shares of Southwest Savings and Loan Association. In my judgment, American Fletcher Corporation, at this time, should avoid the increase in leverage contemplated by that application.

¹⁸See Order of June 29, 1973, denying application of Chemical New York Corporation to acquire CNA Nuclear Leasing, Inc., 59 Federal Reserve BULLETIN 698, 699 (1973), 38 Fed. Reg. 18407, 18408 (July 10, 1973).

¹Governor Sheehan did not participate in the vote on this action. He participated, however, in preliminary Board discussions of the application and played a principal role in formulating the position reflected in this concurring statement.

I also concur with the Board's conclusion that operation of a savings and loan association is closely related to banking, but I would not interpret the Board's Order to mean that at this time all bank holding companies should avoid acquisitions of leveraged companies that may require periodic infusions of capital. Certainly, bank holding companies, such as American Fletcher Corporation, already significantly leveraged, should avoid increasing that leverage at this time. However, in my judgment, conservatively-managed bank holding companies without significant debt should not, because of this policy, be denied opportunities for expansion of which they have not previously availed themselves. The Board apparently chooses to apply its so-called "go slow" policy across the board without discriminating between leveraged and non-leveraged holding companies in order to avoid confusion in the industry as to the scope of the policy. In my view, it is our responsibility to examine each holding company's application on a case by case basis and to acknowledge differences among non-leveraged and leveraged holding companies. Those non-leveraged holding companies whose subsidiaries are in sound condition should not be prohibited from undertaking additional burdens on their resources, and I do not join the Board in imposing such a requirement.

BANKSHARES OF INDIANA, INC.
MERRILLVILLE, INDIANA

ORDER DENYING ACQUISITION OF GOODWIN
BROTHERS LEASING, INC.

Bankshares of Indiana, Inc., Merrillville, Indiana, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under Section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire¹ all of the assets of Goodwin Brothers Leasing, Inc., Lexington, Kentucky, a company that engages in the activities of full-payout leasing of real and personal property and commercial financing. Such activities have been determined by the Board to be closely related to banking (12 CFR 225.4(a)(1) and (6) (a) and (b)).

Notice of the application, affording opportunity

¹Upon acquisition of Company, Applicant proposes to transfer the assets and liabilities of Company to a wholly-owned operating subsidiary of Applicant's banking subsidiary (See 12 CFR 7.7376 and 7.7380).

for interested persons to submit comments and views on the public interest factors, has been duly published (39 Federal Register 26786). The time for filing comments and views has expired, and the Board has considered the application and all comments and views received in light of the public interest factors set forth in Section 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant controls one bank, Bank of Indiana (N.A.) ("Bank"), with deposits of \$155 million, which represents about 1 per cent of the total deposits in commercial banks in Indiana. Applicant is the 15th largest banking organization in the State.²

Company, organized in 1957, has total assets of \$7.2 million and total lease receivables of \$5.7 million. Company is primarily engaged in leasing, on a full-payout basis, personal property.³ Company leases construction equipment, restaurant and grocery equipment, furniture and fixtures, vehicles and dairy cows. With offices in Lexington and Louisville, Kentucky, and in Nashville and Memphis, Tennessee, Company serves portions of Tennessee, Kentucky, Ohio, Indiana, West Virginia, Georgia, Alabama, Mississippi and Arkansas. Company competes with numerous national and regional lessors and is not viewed as dominant in any of the markets it serves. Applicant does not engage in any leasing activity directly or indirectly and there is no evidence in the record that, absent this proposal, Applicant would be likely to engage *de novo* in leasing operations in the areas served by Company. Furthermore, acquisition of Company would not give Applicant a dominant position in any relevant market. On the basis of these and other facts of record, it appears that no substantial amount of existing or potential competition in personal or real property leasing would be eliminated by consummation of this proposal.

Company also engages in commercial lending activities incidental to its leasing operations and in 1973, Company had commercial finance receivables of \$762,000. This activity is primarily conducted from the Lexington office and is engaged in for a limited number of customers. Company is a relatively minor competitive factor in the commercial lending market it serves. Company does not derive any of its commercial loans from Bank's market area and the amount and size of

Bank's loans in Company's service area indicate that Bank and Company are only marginal competitors. The Board finds that overall competitive considerations with regard to commercial finance loans are consistent with approval of the application.

In order to approve the subject application § 4(c)(8) of the Act requires the Board to find that Applicant's acquisition of Company can reasonably be expected to produce benefits to the public such as greater convenience, increased competition, or gains in efficiency that outweigh possible adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. In applying this test the Board finds that this application should be denied.

Over the past few years Company has not had a significant increase in its gross receivables. During the same period, Company's earnings have been uneven and recently have decreased. Further, while Company appears to be conservatively capitalized for a leasing company, its cost of funds has been high. Upon acquisition by Applicant, Company would be transferred to Bank and Bank would provide funds to Company at a lower rate.

The Board has on numerous occasions stated that one of the primary purposes of a holding company is to serve as a source of financial strength for its subsidiary banks. Applicant has experienced significant growth in its assets over the last few years and this growth has not been accompanied by a concomitant increase in its equity base. Applicant's overall capital position in relation to its total assets has improved somewhat recently; however, it is the Board's judgment that further augmentation is needed. While acquisition of Company would initially improve Bank's capital position somewhat, such improvement would be only temporary and it appears that thereafter Applicant would be called upon to devote significant resources to Company. The Board is of the view that any additional funds should be used to strengthen Bank rather than be diverted to expand or support Company's leasing activities. Accordingly, in the Board's judgment, this proposal could detract from Applicant's overall financial condition and reduce Applicant's ability to provide additional financial support to its subsidiary bank. In cases where a banking organization has experienced significant growth in assets without a concomitant increase in its capital accounts, the Board, under current economic and financial conditions, gives additional weight to

² Banking data are as of December 31, 1973.

³ Company also presently engages in leasing real property on a full payout basis.

considerations of whether proposals that would utilize funds for further expansion rather than for improvement of the organization's capital position are consistent with the public interest standard of § 4(c)(8) of the Act. Under the circumstances of this case, the Board does not regard this proposal as being in the public interest. While Applicant proposes, upon acquiring Company, to open a new office to serve northwestern Indiana and to serve smaller customers, it is the Board's view that such benefits to the public do not outweigh the possible adverse financial effects connected with this proposal.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8), that the possible adverse effects of consummation of the proposal are not outweighed by reasonably expected benefits to the public and that the application should be, and hereby is, denied.

By order of the Board of Governors, effective November 19, 1974.

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

Board action was taken before Governor Coldwell was a board member.

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

[SEAL]

THE CHASE MANHATTAN CORPORATION,
NEW YORK, NEW YORK

ORDER DENYING ACQUISITION OF DIAL
FINANCIAL CORPORATION

The Chase Manhattan Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act of 1956, has applied for the Board's approval, under § 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire all of the voting shares of Dial Financial Corporation, Des Moines, Iowa ("Dial"). Dial through its subsidiaries engages in the activities of making direct consumer installment loans, secured and unsecured, to individuals (in most instances, by direct customer contact, in some instances, by mail); selling credit life, and credit health and accident insurance policies to those individuals; underwriting (in Missouri only), or re-insurance of, such insurance; selling to those individuals insurance on property (other than automobiles) in which a subsidiary of Dial has a security interest; purchasing installment sales

finance contracts from retailers; and providing data processing services, including computerized general accounting services, computerized billing services, and computerized delinquent list preparation, and the use of computer time, to its subsidiaries and other consumer credit companies.

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 *Federal Register* 11223 (March 26, 1974)). The time for filing comments and views has expired; and the Board has considered all comments received in light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

The Board, by Order of January 30, 1974,¹ denied an application by Applicant to acquire shares of Dial.

The possible adverse effects of the first application are also present in the instant application. The instant application differs from the earlier application principally in that it contains a proposal to lower to 30 per cent the maximum annual percentage rate charged by Dial for new loans. Such a rate reduction affects less than 7 per cent of Dial's receivables and would benefit only certain customers of Dial. Although the Board regards rate reductions in the consumer finance industry as constituting a public benefit, the Board finds that the aggregate public benefits that may reasonably be expected from the affiliation of Applicant and Dial do not outweigh the possible adverse effects of such an affiliation which were enumerated in the Board's order of January 30, 1974.

Accordingly, based upon the foregoing and other considerations reflected in the record, and for the reasons stated herein and in the Board's order of January 30, 1974, which are hereby incorporated by reference herein, the application should be, and hereby is, denied.

By order of the Board of Governors, effective October 31, 1974.

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

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

[SEAL]

¹ 39 *Fed. Reg.* 4814 (February 7, 1974); 60 *Federal Reserve Bulletin* 142 (1974).

AMERICAN SECURITY AND TRUST
COMPANY AND AMERICAN SECURITY,
CORPORATION, WASHINGTON, D.C.

DETERMINATION OF VIOLATION OF THE BANK
HOLDING COMPANY ACT

By letter dated December 10, 1971, The Riggs National Bank ("Riggs"), Washington, D.C., requested that the Board initiate a proceeding under § 5(b) of the Bank Holding Company Act, as amended (12 U.S.C. 1841 *et. seq.*) ("Act") to examine the relationships between American Security and Trust Company ("AS&T"), Washington, D.C., American Security Corporation ("ASC"), Washington, D.C. and various suburban Maryland and Virginia banks. By Order dated May 18, 1972, the Board, pursuant to the Riggs request, directed that a formal hearing be held before a designated Administrative Law Judge ("Administrative Law Judge") (37 *Federal Register* 10479). In addition to the parties designated above, the Virginia Bankers Association sought and was granted permission to participate as an observer in the proceedings.

On May 23, 1972, notice was issued for a pre-hearing conference; pre-hearing conferences were held on various dates from June 23, 1972 through March 30, 1973. Following the pre-hearing conferences, and discovery procedures, a hearing was held in Washington, D.C. on April 13, 1973. A substantial record was developed through depositions of various individuals and exhibits of the parties to the proceedings. The pre-hearing conferences, the discovery and the hearing were conducted in accordance with the Board's Rules of Practice for Formal Hearings (12 CFR 263).¹

In a Recommended Decision, the Administrative Law Judge concluded that the evidence supported the following findings of fact and law:

1. The stapled stockholders of AS&T/ASC constituted a Company within the definition of the Act.
2. The Company had stock control of AS&T from December 1957 to December 31, 1970.
3. The Company never received Board approval to become a bank holding company.
4. The Company acquired stock control on October 25, 1962 of The Loudon National Bank

of Leesburg, Leesburg, Virginia ("Loudon") which continued until November 15, 1962.

5. The Company acquired stock control on August 20, 1963 of Fairfax County National Bank, Falls Church, Virginia ("FCNB") which has continued through the filing of the Recommended Decision.

6. The Company acquired stock control on May 26, 1969 of University National Bank, Rockville, Maryland ("UNB") which continued until 1972.

7. The Company was an unapproved bank holding company in violation of section 3(a)(1) of the Act having unlawful stock control of the following banks for the following periods:

(a) October 25-November 15, 1962, AS&T and Loudon.

(b) August 20, 1963-December 31, 1970, AS&T and FCNB.

(c) May 26, 1969-December 31, 1970, AS&T, FCNB and UNB.

8. The unapproved bank holding company also acquired more than 5 per cent of the shares of these banks without the approval of the Board in violation of sections 3(a)(3) and 3(d) of the Act and held these shares during the following periods:

(a) June 2, 1964-September 1, 1965, Loudon.

(b) June 15, 1964-December 31, 1970, UNB.

(c) July 5, 1968-July 31, 1970, First National Bank of Arlington, Arlington, Virginia (and its successors, Suburban National Bank of Arlington).

The Board, having considered the exceptions taken to the Recommended Decision by the parties and the entire record, and having determined that the Administrative Law Judge's findings of fact, conclusions and recommendations, as modified and supplemented herein, should be adopted as the findings, conclusions, and order of the Board, now makes its findings as to the facts, its conclusions drawn therefrom, and its order.

On January 16, 1957, AS&T caused ASC to be incorporated under the laws of the District of Columbia. In December, 1957, AS&T conveyed to ASC its banking premises, its real estate, its insurance brokerage and travel departments, stock in Security Storage Company and \$700,000 in cash in exchange for all of ASC's stock and some secured notes. ASC's 500,000 shares of capital stock were distributed, share for share, to the shareholders of AS&T, with the result that each shareholder of AS&T became a like shareholder of ASC. The ASC charter provides that no ASC shares may be transferred unless an equal number of AS&T shares are concomitantly transferred to

¹ Board counsel participated in the hearing but did not participate in or advise as to the Board's decision in this matter.

the same transferee. In fact, the stock of AS&T and ASC is printed on a single sheet of paper which can be separated only by cutting them apart; this relationship between the shares is referred to as "stapling".²

The net effect of this stapling arrangement has been and continues to be that AS&T and ASC have identical shareholders. Every additional issue of AS&T stock has been accompanied by a corresponding issue, share for share, of ASC stock. The stock is traded on the over-the-counter market only in equal units of both companies. The stock is widely held among approximately 4,000 holders with no known holder owning as much as 5 per cent of the total outstanding stock.

Almost all of the violations cited in the Recommended Decision are founded on the conclusion that the stapled stockholders of AS&T/ASC were a "company" within the definition of that term found in § 2(b) of the Act.³ Under that theory the constructive company owned one bank, AS&T, and when it directly or indirectly owned, controlled or held with the power to vote 25 per centum or more of the voting shares of any other bank, without prior Board approval, it became a multi-bank holding company and violated the Act.

The 1970 Amendments to the Act (regulating one-bank holding companies) became effective on January 1, 1971. On September 20, 1971, the Board adopted a regulation (§ 225.2(a) of Regulation Y) establishing a conclusive presumption of control in the case of stock-stapling arrangements which would require that AS&T and ASC be considered subsidiaries of a constructive company consisting of the holders of the stapled stock. The Recommended Decision has the impact of applying the standards of that regulation, adopted in 1971, to the facts at the creation of ASC in 1957.

To determine whether a stock stapling arrangement falls within the meaning of "association" as used in § 2(b) of the Act prior to the 1970 Amendments, the legislative intent, as discerned from the Act as a whole and its legislative history must be considered. It is clear that Congress could have explicitly provided for stock stapling within

the definition of "company", but did not choose to do so. This is especially significant when considered in light of § 4(b) of the Act which expressly concerns stock stapling. The inclusion elsewhere within the Act of a stock stapling provision dispels the argument that Congress either overlooked or could not be expected to include specifically stock stapling within § 2(b). Congress was attempting to control concrete legal entities through its definition of company, and in fact Congress specifically chose not to cover one type of entity which involved voluntary group action, a partnership. The constructive company created by stock stapling is not such a concrete entity.

The Administrative Law Judge's constructive company does not fit within the definition of "corporation", "business trust" or "other trust". These terms represent entities with recognizable legal formalities, powers, members and other properties. "Association" by itself could arguably include a group of shareholders. To determine its meaning within the statute, "association" must be read in conjunction with the series of terms in which it is included. Such a reading compels an understanding of "association" not as a group of individuals but as a structured entity. "Similar organizations", by its very reference to the specifically enumerated entities in the series, also connotes a more formal structure for the controlled entities than is present in stock stapling. The 1956 Act was obviously not intended to cover every instance of bank control and does not include within its definition of company, a constructive company formed by a stock stapled relationship.

The purpose of the 1970 Amendments was to increase the scope of regulation of bank control. The newly added class to be regulated was, of course, one-bank holding companies, but other control devices were also included. Individual control was expressly considered and a decision made not to regulate it.⁴ Section 2(b) was amended through the inclusion of partnerships, an expansion beyond the strict entity concept of "company" into an area of individual joint action. The inclusion of "partnerships" indicated an extension of the definition of "company" to include groups of individuals, loosely or tightly formed to hold bank stock. This addition indicates a broadening of the legislative intent such that stock stapled relationships, although not specifically enumerated, fall within the regulatory confines of the 1970 Act.

² U.S.C. 12 U.S.C. 336 allows conditioning the transfer of nonbanking company stock upon the transfer of bank stock.

³ Section 2(b) of the 1956 Act defines company as "any corporation, business trust, association, or similar organization . . ." The 1966 Amendments added to that definition, after "organization," "or any other trust unless by its terms it must terminate within twenty-five years. . ." Unenumerated, but regulated entities, were those "similar" to corporations, business trusts, associations or long term trusts.

⁴ S 3823 (Brooke Bill) made express provision for individual control.

Section 2(a)(2)(A) was significantly amended to prohibit action by individuals on behalf of a "company". The amended section 2(a)(2)(A) probably covers the stock stapling prohibition without the necessity of further provision through rulemaking. The issue left vague by section 2(a)(2)(A) is whether the nonbank stapled company acts "through one or more other persons" (i.e. its joint stockholders) to control another company or bank.⁵ The uncertainty of inclusion of stock stapled relationships led the Board, after the expansion of its authority under the 1970 Amendments, to issue, under its rulemaking authority of section 5(b), the stock stapling restrictions of section 225.2(a) of Regulation Y.

The Board was without authority prior to the 1970 Amendments to the Act to find that stock stapled shareholders form a company within the meaning of § 2(b) of the Act. Since Congress, in enacting the 1970 Amendments, did not provide for retrospective application of its legislative intent, the Board does not have the authority to apply retroactively the standards of the 1970 Amendments. Those violations, enumerated in the Recommended Decision, which depend on the conclusion of law that the stock stapling of AS&T/ASC created a company within the definition of § 2(b) of the Act, necessarily fall with the Board's rejection of that conclusion.

The hearing itself and the Recommended Decision did develop additional facts, previously unknown to the Board, concerning ASC's ownership of FCNB and UNB stock. This new information centered on the details of the December 1970 purchases and sales of FCNB and UNB stock.

The then-pending amendments to the Act provided that any bank holding company could not acquire additional shares of any bank without prior Board approval unless the bank holding company owned more than 50 per cent of the outstanding shares of that bank. In November, 1970, ASC decided, in light of the proposed amendments to the Act, to acquire in excess of 50 per cent of

the outstanding shares of either UNB or FCNB. As of November, 1970, ASC owned 40.8 per cent of the outstanding shares of UNB and 24.3 per cent of the outstanding shares of FCNB. After experiencing some difficulty in attempting to purchase additional UNB stock, ASC turned its attention to FCNB. As of December 1, 1970, ASC directly owned in excess of 41 per cent of the outstanding shares of UNB and 24.33 per cent of the outstanding shares of FCNB, needing only 396 additional shares to own 25 per cent of FCNB. As a result of a concerted campaign by ASC to acquire shares of FCNB, shares of FCNB were received by Alex Brown & Co., Washington, D.C., acting as broker for ASC. On December 11, 1970, Alex Brown & Co. issued a confirmation to ASC reflecting the purchase of 546 shares of FCNB stock for ASC, thereby giving ASC ownership of 25.25 per cent of the outstanding shares of FCNB, this at a time when ASC owned in excess of 41 per cent of the outstanding shares of UNB.⁶ By December 16, 1970 the broker had issued confirmation to ASC of additional purchases of FCNB stock, giving ASC ownership of 50.93 per cent of the outstanding shares of FCNB. ASC did not reduce its direct ownership of UNB stock to below 25 per cent of the total then outstanding until December 18, 1970. Thus, ASC acquired direct ownership of in excess of 25 per cent of two banks without prior Board approval.

The consequence of these purchases is that ASC's acquisition of ownership of FCNB was in violation of the Act. ASC was in compliance with the Act prior to its purchase on December 11, 1970 of 396 shares of FCNB. ASC's purchases on December 14, 1970 and December 16, 1970, dates on which the broker for ASC issued confirmation slips to ASC, were further violations of the Act. All the evidence elicited during the hearing appears to substantiate the Administrative Law

⁵ The original version of H.R. 6778 as introduced by Representative Patman included in the definition of control (§ 2(d)(2)) "Any given person has control over a company if the person directly or indirectly or acting in concert with one or more persons, has the power to vote 25 per centum . . ." Clearly this language would have brought stock stapling, chain banking and individual control within the regulation of the Act. Congress expressly rejected this language making it unclear, even after the broadening of the Act by the 1970 Amendments, whether stock stapling arrangements were covered by the Act.

⁶ AS&T/ASC argue that ASC did not become owner of the shares until December 21, 1970 at which time ASC paid the brokers for the shares and the shares were delivered to ASC. AS&T/ASC argue that ASC had no control over the shares and did not have the right to vote any of the FCNB shares until it had received and paid for them. The position of AS&T/ASC, however, ignores the provisions of the D.C. Code §§ 28.8-313(1)(c) which provide "Delivery to a purchaser occurs when his broker sends him confirmation of the purchase . . ." and § 28.8-313(2) provides, in part, "The purchaser is the owner of a security held for him by his broker, but is not the holder except as specified in subparagraphs (b)(c) and (e) of subsection (1) . . ." Thus, in this matter, since ASC is a holder within the terms of the exception, ASC is both the owner and holder of the additional shares of FCNB stock as of December 11, 1970.

Judge's conclusion that these violations by ASC were not intentional or willful. ASC remained in violation of the Act by its ownership of in excess of 25 per cent of two banks without prior Board approval through at least December 18, 1970 at which time it reduced its direct ownership of the outstanding shares of UNB below 25 per cent. Subsequent to December 31, 1970 it divested to below 5 per cent.

ASC thus acquired its ownership of FCNB in violation of the Act in December, 1970, prior to the operation of the 1970 Amendments to the Act. The operation of the 1970 Amendments to the Act cannot be construed to legitimize this prior illegal acquisition. Thus ASC did not become a grand-fathered one bank holding company by operation of the 1970 Amendments to the Act. Divestment of its UNB shares does not cure the illegality of ASC's purchase of FCNB stock. The taint of that

illegality remains as long as ASC holds its FCNB stock.⁷

Pursuant to §§ 3(a) and 5(b) of the Act, AS&T/ASC must terminate its ownership and control of FCNB stock as soon as possible but in no event later than two years from the date of this order.

By order of the Board of Governors, effective November 12, 1974.

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

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

[SEAL]

⁷ Although the Board did not find it necessary to reach the issue, this conclusion derives additional support from the Administrative Law Judge's finding that as of December 31, 1970 ASC directly and indirectly through its officers controlled more than 25 per cent of UNB stock. It thus could not have qualified as a one bank holding company.

ORDERS NOT PRINTED IN THIS ISSUE

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

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
First West Virginia Bancorp, Inc., Wheeling, West Virginia	The Bank of Warwood, National Association, and Community Savings Bank, National Association, both in Wheeling, West Virginia	11/20/74	39 F.R. 41781 12/2/74
Second Bancorporation, Eldora, Iowa	Second National Bank, Eldora, Iowa	11/18/74	39 F.R. 41311 11/26/74
Wisdom Holding Corporation, Salem, Missouri	The Bank of Bunker, Bunker, Missouri, and Dent County Bank, Salem, Missouri	11/20/74	39 F.R. 41782 12/2/74

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
County National Bancorporation, Clayton, Missouri	First National Bank of Arnold, Arnold, Missouri	11/20/74	39 F.R. 41414 11/27/74
Mercantile Bancorporation, Inc., St. Louis, Missouri	Salisbury Savings Bank, Salisbury, Missouri	11/19/74	39 F.R. 41311 11/26/74
The Jacobus Company and Inland Financial Corporation, both of Milwaukee, Wisconsin	Heritage Bank of Mt. Pleasant, Mt. Pleasant, Wisconsin	11/15/74	39 F.R. 41219 11/25/74

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

<i>Applicant</i>	<i>Nonbanking company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
D.H. Baldwin Company, Cincinnati, Ohio	C.C. Fletcher Mortgage Company, Cincinnati, Ohio	11/15/74	39 F.R. 41307 11/26/74
Landmark Banking Corporation of Florida, Inc., Fort Lauderdale, Florida	Robert Wilmoth Associates, Inc., Palm Beach, Florida	11/18/74	39 F.R. 41310 11/26/74
The Jacobus Company and Inland Financial Corporation, both of Milwaukee, Wisconsin	Providing management consulting advice to nonaffiliated banks	11/15/74	39 F.R. 41309 11/26/74
United Carolina Bancshares Corporation, Whiteville, North Carolina	Providing management consulting advice to nonaffiliated through UCB Management Services Division	11/20/74	39 F.R. 41586 11/29/74

ORDERS ISSUED BY FEDERAL RESERVE BANKS

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

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

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Commercial Security Ban- corporation, Ogden, Utah	Bank of Salt Lake, Salt Lake City, Utah	San Francisco	11/29/74	39 F.R. 43127 12/10/74

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

<i>Applicant</i>	<i>Nonbanking Company (or activity)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Farmers & Merchants Agency, Inc., Pierz, Minnesota	Farmers and Merchants State Bank of Pierz, Pierz, Minnesota	Minneapolis	11/25/74	39 F.R. 42952 12/9/74
First National Charter Corporation, Kansas City, Missouri	First National Bank of Cassville, Cassville, Missouri	Kansas City	10/22/74	39 F.R. 39107 11/5/74

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

<i>Applicant</i>	<i>Nonbanking Company (or activity)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Independent Bank Corporation, Ionia, Iowa	First State Bank of Newago, Newago, Iowa	Chicago	11/12/74	39 F.R. 41308 11/26/74
Virginia National Bancshares, Inc., Norfolk, Virginia	General Finance Company and City Auto Finance, Inc., both of High Point, North Carolina	Richmond	11/15/74	39 F.R. 41312 11/26/74

Announcements

PROPOSED LEGISLATION RE FOREIGN BANKS

The Board of Governors on December 3, 1974, sent to Congress proposed legislation to establish a national policy on foreign banks operating in the United States and a system of Federal regulation and supervision of those operations.

The proposed legislation would standardize the status of foreign banks operating in the United States and place them basically under the same rules and regulations that must be observed by domestic banks.

Foreign banking in the United States has grown from \$6.5 billion in assets in 1966 to \$38 billion as of the end of 1973. There are currently more than 60 foreign banks with U.S. operations. In explaining the basic reasons for recommending the adoption of the proposed legislation, the Board included the following statement in its transmittal to Congress:

Foreign banks have in recent years been coming to the United States in increasing numbers and operating through branches, agencies, and subsidiary banks. The scale and nature of foreign bank activities through these facilities are now significant in terms of competition within the banking industry and of the functioning of money and credit markets. This movement by foreign banks into the United States is part of the broader development of multinational banking in which United States banks are deeply involved through their extensive operations overseas. The multinational banking system that has evolved as a result of the establishment by the world's leading commercial banks of banking and financing facilities on a global basis is now a key element in the world's financial system. Its functioning has far-reaching ramifications for international financial policy and for the economic and financial policies of individual nations.

At present, foreign banks operating in this country do so on terms determined almost exclusively by State laws. Among the conditions that have resulted from this are the following:

A prohibition of foreign banking in some States and its permission in others; multistate banking by foreign-owned organizations; lack of constraints on nonbanking activities by foreign banks; the fact that few foreign banks are members of the Federal Reserve System, although they are for the most part large banks (all but a few large domestic banks are members), thus excluding a growing sector of money and credit from the direct

influence of Federal Reserve monetary policy; the fact that the Federal Government can play only a limited role in foreign bank operations in the United States, although this has important implications for U.S. foreign relations.

The proposed legislation would standardize the status of foreign banks and their branches and agencies, on the basis of nondiscriminatory national treatment aimed at providing foreign banks with the same opportunities to conduct activities in this country that are available to domestic banking and subjecting them to the same rules.

The legislation would also provide for a Federal role in licensing and supervising foreign bank operations. The Comptroller of the Currency would issue licenses for all foreign banking facilities in the United States upon approval of the Secretary of the Treasury. The Comptroller would also supervise foreign-owned national banks and Federally insured branches of foreign banks. The Federal Reserve would exercise supervisory authority under the Federal Reserve Act and the Bank Holding Company Act.

The Federal Deposit Insurance Corporation would be required to submit proposals to extend its deposit insurance, now covering subsidiaries of foreign banks, to branches and agencies.

The proposed legislation culminates months of extensive work by a special Federal Reserve Steering Committee on International Banking Regulation headed by George W. Mitchell, Vice Chairman of the Board.

The main provisions of the proposal are as follows:

1. *Coverage:* The Bank Holding Company Act would be redefined to include branches and agencies—as well as subsidiaries which are presently covered—of foreign banks, bringing nearly all foreign banks with depository and lending functions in the United States under the Bank Holding Company Act.

2. *Equality of Treatment:* In addition to bringing virtually all foreign bank operations in the United States under the Bank Holding Company Act, it would provide equality of treatment with domestic banking by facilitating foreign ownership of national banks, by enabling licensing of a Federally chartered branch, by permitting foreign banks to own Edge Act Corporations, and by requiring Federal Reserve membership in most instances and FDIC insurance of deposits in branches and agencies.

3. *Entry*: The National Banking Act would be amended to permit up to half of the directors of a national bank—all of whose directors must now be U.S. citizens—to be foreigners. The Comptroller would also be empowered to license branches of foreign banks to conduct a banking business in any State on the same basis as a national bank.

4. *Edge Corporations*: The section of the Federal Reserve Act dealing with establishment of Edge Act Corporations—subsidiaries of member banks in the United States that deal with foreign financial transactions—would be amended to allow foreign banks to conduct foreign business throughout the United States on the same basis as domestic banks, without majority control by U.S. citizens.

5. *Federal Reserve Membership*: Membership would be required for branches, agencies, and subsidiaries of a foreign bank where the parent foreign bank had worldwide assets exceeding \$500 million.

6. *Grandfathering*: Multistate banking operations of foreign banks, in operation as of the date of introduction of the legislation, would be permanently grandfathered and could be expanded where existing, in accordance with State law. Nonbanking interests of foreign banks covered by the legislation would also be permanently grandfathered if in operation as of the date of introduction of the legislation. This includes securities affiliates of foreign banks in the United States.

PARTICIPATION IN GOLD TRANSACTIONS

The Board of Governors on December 9, 1974, released information relating to the lifting of the ban on private ownership of gold.

The text of a letter, which was sent to all State member banks by the Presidents of the Federal Reserve Banks, relating to questions of banking practice in gold-related transactions follows:

Public Law 93-373 provides that on December 31, 1974, the ban on private ownership of gold will end. After that, U.S. citizens may own gold and trade in it as they might any other commodity. National banks possess statutory authority to buy and sell "exchange, coin, and bullion," and some State laws contain similar provisions with respect to State-chartered banks. The Office of the Comptroller of the Currency has determined that gold will not be acceptable as bullion unless it has a fineness of 0.900 or better.

For the past 41 years, U.S. citizens have been able to hold gold only under U.S. Treasury license. During this period, private individuals and banks have had negligible experience with gold. Gold is not legal tender. Rather, it is a highly speculative commodity, subject to widely fluctuating prices. In light of these circumstances, State member banks will wish to proceed cautiously, should they decide to provide gold-related services to customers.

The Federal Reserve System believes that the following information will be useful to State member banks in the event that they decide to participate in gold transactions. Similar information is being issued by

other Federal banking agencies with respect to banks under their jurisdiction.

If a bank does decide to engage in gold-related activities, preferably it should act only on a consignment basis or otherwise as agent.

The risk inherent in gold transactions is such that any State member bank considering acting as principal with respect to gold transactions should give advance notice to the Federal Reserve Bank of its district. The advance notice should contain information relative to experience of personnel, services to be provided, anticipated inventories and positions, safekeeping facilities, insurance coverages, audit procedures, and anticipated impact on earnings.

Banks should not engage in the business of issuing receipts for gold without considering the implications of securities laws; and any gold for which a bank issues any form of receipt must be physically held on hand at all times and under strict safeguards. Moreover, obligations payable in gold or its equivalent are still unenforceable (Public Resolution of June 5, 1933, 31 U.S.C. 463).

As with any commodity loan, it is anticipated that banks will carefully consider such matters as adequacy of margins on loans collateralized by gold, precautions to assure authenticity and safe custody of gold held as collateral, and total risk exposure from gold-related loans. Moreover, gold-related loans should be considered nonproductive credits unless extended for commercial or industrial purposes.

If a bank should decide to offer gold for sale, it should carefully avoid excessive or misleading promotions that could lead to unrealized expectations by bank clients and adversely affect public confidence in a particular bank or the banking system.

Examiners will pay strict attention to the relevant accounting practices of banks and recordkeeping for accounts of customers. Any gold owned should be shown on financial statements under "other assets," and any hedging futures contracts should be shown as a memorandum item. It is anticipated that a bank would revalue accounts at least monthly to reflect current market values.

During examinations of State member banks, examiners will review closely a bank's total involvement in gold-related transactions to assure that individual banks and the banking system are not exposed to undue risk. Among other considerations, examiners will be concerned with management's expertise in this area, risk undertaken in relation to the bank's equity capital, and the needs of customers. An undue concentration of gold loans, as with any imprudent involvement in gold transactions, could constitute an unsafe or unsound banking practice subject to action under the cease-and-desist provisions of the Financial Institutions Supervisory Act of 1966. Our examiners are instructed to be vigorous in countering any manifestation of bank speculation in gold.

In addition, the Board issued the following statement regarding the treatment of gold by the Federal Reserve Banks:

The Board has received numerous inquiries from member banks relating to the repeal of the ban on ownership of gold by U.S. citizens. A statement on

the subject is being sent to all State member banks similar to statements being sent to national banks by the Comptroller of the Currency and insured nonmember banks by the Federal Deposit Insurance Corporation. In addition, there are listed below questions and answers that affect member banks and relate to certain other responsibilities of the Federal Reserve.

1. May gold in the form of coins or bullion be counted as vault cash in order to satisfy reserve requirements? No. Section 19(c) of the Federal Reserve Act requires that reserve balances be satisfied either by a balance maintained at the Federal Reserve Bank or by vault cash, consisting of United States currency and coin. Gold in bullion form is not United States currency. Gold coins are not considered legal tender by the Department of the Treasury and, therefore, are not United States currency or coin.

2. Will the Federal Reserve Banks perform services for member banks with respect to gold, such as safekeeping or assaying? No.

3. Will a Federal Reserve Bank accept gold as collateral for an advance to a member bank under § 10(b) of the Federal Reserve Act? No.

AMENDMENTS TO REGULATION Q

The Board of Governors on November 26, 1974, amended its Regulation Q to permit governmental units to hold savings deposits at member commercial banks. The action was taken in conjunction with new legislation, effective November 27, providing deposit insurance for public time and savings deposits up to \$100,000.

Additionally, the Board created a new category of time deposit, under Regulation Q, for governmental bodies. The ceiling rates for public deposits at member banks are:

Passbook savings deposits	5 per cent
Other time deposits under \$100,000	7½ per cent

The rate ceiling on time deposits of governmental bodies (as distinct from passbook savings) will be maintained at the highest permissible rate that can be paid on time deposits under \$100,000 by Federally insured commercial banks, mutual savings banks, or savings and loan associations. This rate is currently 7½ per cent.

Savings and loan associations previously had authority to accept savings deposits from public bodies. Extension of this authority to member commercial banks will permit public bodies a wider choice of deposit alternatives for public funds. The Board also amended its definition of a savings deposit in Regulation D to conform to the action taken under Regulation Q.

Similar actions are being taken by the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board for institutions under their jurisdiction.

Subsequently on December 6 the Board of Governors established a new category of long-term consumer time deposit, to be known as Investment Certificates, on which member banks may pay up to 7½ per cent annual interest.

The Board's action was intended to permit member banks to offer longer-term time deposits at more competitive rates of interest. The action amended Regulation Q interest on deposits effective December 23, 1974.

Similar actions to permit nonmember commercial banks and thrift institutions under their supervision to pay more competitive rates on longer-term time deposits have been announced by the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board.

The principal features of the new instrument for time deposits of less than \$100,000 issued by member banks are:

1. Investment Certificates will mature in not less than 6 years.

2. They may be sold in amounts of \$1,000 or more.

3. The maximum interest rate is 7½ per cent per annum.

4. Investment Certificates may be issued in negotiable or in nonnegotiable form.

Negotiable Investment Certificates may not be redeemed prior to maturity, in any circumstances. However, they may be used as collateral for loans. When an Investment Certificate is used as loan collateral the interest rate on the loan must be at least 2 percentage points higher than the interest rate on the certificate. Issuing banks may arrange sales between holders and prospective buyers of Investment Certificates, but the bank may not purchase the certificates for its own account. Issuing banks must give notice that the negotiable Investment Certificates are not redeemable prior to maturity in a separate disclosure statement, in advertising, and on the face of the instrument itself.

Nonnegotiable Investment Certificates may be redeemed prior to maturity, under the Board's existing rules for early withdrawal of time deposits.

The Board's action followed consultation with the Treasury Department, the FDIC, and the FHLBB.

In accordance with recently published rules for rate ceilings on time deposits of governmental units, the ceiling on such deposits will rise to 7¾ per cent as a result of the above actions by the Federal Reserve, FDIC, and FHLBB.

ELECTRONIC DISTRIBUTION OF GOVERNMENT PAYMENTS

The U.S. Air Force, the Department of the Treasury, and the Federal Reserve System jointly an-

nounced on November 25, 1974, plans for the electronic distribution of Government payments.

Under this new program, U.S. Air Force personnel who have authorized their net pay to be sent directly to the financial institution of their choice will have their payroll credits distributed electronically, beginning November 30, 1974.

This program will replace payroll credit listings and Treasury checks currently in use, and it will substantially reduce both the cost of making Government payments and the risks of loss by theft or fraud of payments to Air Force members. At the same time, delivery of payments will be faster.

Other Government agencies are expected to participate in similar programs leading eventually to a nationwide electronic funds transfer system for the Federal Government. The other military services are expected to follow the Air Force in implementing a direct deposit electronic program. Of greater significance, in terms of the volume of checks that will be converted to electronic transmission, is the anticipated handling of a large number of social security and supplemental security income payments under a project recently announced jointly by the Treasury, the Social Security Administration, and the Federal Reserve.

The feasibility of the electronic distribution program was successfully demonstrated in tests conducted in September 1973. The Air Force Accounting and Finance Center in Denver simulated the distribution, on two consecutive payroll dates, of some 20,000 payroll deposits. The simulated payments involved the use of the Federal Reserve System facilities to distribute payroll information to Federal Reserve offices at Atlanta, Denver, and Los Angeles. There, the information was sorted by computer, and simulated payments were made for the participants' accounts at 189 commercial banks.

As a follow-up to the September 1973 tests, an expanded test program was successfully conducted during the payment dates of October 31 and November 15, 1974. The expanded test consisted of verifying the payroll deposits at financial organizations in the States of California, Georgia, Colorado, Wyoming, and part of New Mexico.

As a result of the success of the simulation tests, regular electronic distribution of pay for Air Force personnel who have authorized it can begin. Implementation of the program will be accomplished in three steps and will take nearly a year to complete. The three steps are:

Step 1—Distribution of the actual payroll deposits to financial institutions designated by Air

Force personnel in California, Georgia, Colorado, Wyoming, and part of New Mexico, beginning with the November 30, 1974, Air Force payroll.

Step 2—Expansion to include deposits of payroll credits to banks in the remaining areas served by the San Francisco and Atlanta Federal Reserve Districts scheduled for the first quarter of 1975.

Step 3—Continued expansion of the Air Force payroll project to include the remaining Federal Reserve offices, in an effort to provide nationwide coverage as soon as possible. The pace and extent of this expansion will depend upon technical capabilities available at each Federal Reserve office and the financial organizations involved.

Once fully implemented, the electronic distribution program for Air Force payroll deposits will include payments for all of the approximately 280,000 Air Force personnel who have volunteered to participate in the Air Force "Checks to Financial Organizations" program plus others who wish to participate in the electronic pay deposit program. In the "Checks to Financial Organizations" program, payroll credits in the form of checks or other payment media are delivered to the participant's financial organization, instead of to the participant.

OVERSEAS BRANCHES OF MEMBER BANKS: ASSETS AND LIABILITIES

Total assets of the overseas branches of member banks increased by \$40.6 billion, or 52 per cent, during 1973 to a total of \$118 billion, according to a Federal Reserve announcement that released data showing balance sheet items of overseas branches at the beginning and end of the year. At the end of 1973, 694 branches were in operation in foreign countries and overseas territories, an increase of 67 branches during the year.

The tabulations (which are available on request) show as separate items the amounts due from and due to other overseas branches of the same bank. Omitting these offshore inter-office claims, assets of the branches increased by \$36.7 billion, or 51 per cent. This growth was again principally accounted for by branches in Europe (particularly those in London) and in the Bahamas. The 1973 tabulation groups the figures for the 90 branches in the Bahamas with those for the 30 branches in the Cayman Islands because of the similarity of their operations. Almost all of the Cayman Island branches were established during 1973.

Loans at overseas branches expanded by \$13.8 billion, or 38 per cent, during 1973. In addition,

cash assets increased by \$20 billion (67 per cent), again reflecting continued expansion of time placements with other banks in Euro-currency markets.

The data are derived from reports of condition filed at the end of the year with the Comptroller of the Currency and the Federal Reserve System, and differ in certain respects from other statistical reports covering aspects of overseas branch operations. The assets and liabilities are payable in U.S. dollars as well as in currencies of the countries where the branches are located and in other foreign currencies.

CHANGE IN DISCOUNT RATE

The Board of Governors approved actions by the directors of the Federal Reserve Banks of New York and Philadelphia reducing the discount rate of those banks from 8 per cent to 7 $\frac{3}{4}$ per cent, effective December 9.

Subsequently, the Board approved similar actions by the directors of the Federal Reserve Banks of Boston, Chicago, Dallas, and Richmond, effective December 10; San Francisco, effective December 11; Cleveland, St. Louis, Minneapolis, and Kansas City, effective December 13; and Atlanta, effective December 16. At that time the rate was 7 $\frac{3}{4}$ per cent at all Reserve Banks.

The action was taken in view of the recent slackening in the demand for credit and in recognition of the lower level of market interest rates that has developed since last summer.

The discount rate is the rate charged member commercial banks for borrowing from their district Federal Reserve Banks.

HOLDINGS OF BANKERS' ACCEPTANCES

The Federal Reserve announced on November 22, 1974, that the limit on outright holdings of bankers' acceptances that may be held by the System has been increased from \$500 million to \$1 billion.

The increase was initially authorized by the Federal Open Market Committee on November 11, shortly after the suspension of the System's guarantee of acceptances purchased by the Federal Reserve Bank of New York for foreign official accounts. This initial action provided flexibility for possible System purchases of acceptances to insure a smooth market adjustment.

At its November meeting, the FOMC decided to retain the \$1 billion limit, which was deemed consistent with longer-term needs of open market operations.

The limit on outright holdings of bankers' acceptances had been increased from \$125 million to \$500 million last July in light of the sharp growth in outstanding acceptances over the previous decade-- from \$3 $\frac{3}{4}$ billion to \$12 billion. Since July, outstanding acceptances have grown sharply further, to more than \$16 billion.

Also, on November 22 the Board of Governors terminated the System guarantee on acceptances purchased for foreign official accounts. Suspension of this guarantee was announced by the Federal Reserve Bank of New York on November 8, 1974.

SURVEY OF FEDERAL FUNDS BORROWING

Aggregate data from a special survey of Federal funds borrowing by a sample of member banks during the week ended April 24, 1974, are now available. These data may be obtained on request from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

The survey, in which 45 of the 46 money market banks participated, provided previously unavailable information regarding the composition of Federal funds borrowing with respect to (1) form of transaction (that is, repurchase agreements against U.S. Government or agency securities or other forms), (2) maturity of loan, and (3) type of institution making the loan. In addition, figures on commitments to borrow Federal funds in the future were obtained for the 45 banks in the sample.

PUBLISHED INTERPRETATIONS OF THE BOARD

Supplement No. 22 to the looseleaf compilation of "Published Interpretations of the Board of Governors of the Federal Reserve System," containing the published interpretations as of June 30, 1974, is now available.

ADMISSION OF STATE BANKS TO MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM

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

Tennessee

Gallatin	Commerce Union Bank of Sumner County
Lawrenceburg	Commerce Union Bank of Lawrence County
Murfreesboro	Commerce Union Bank of Rutherford County

Industrial Production

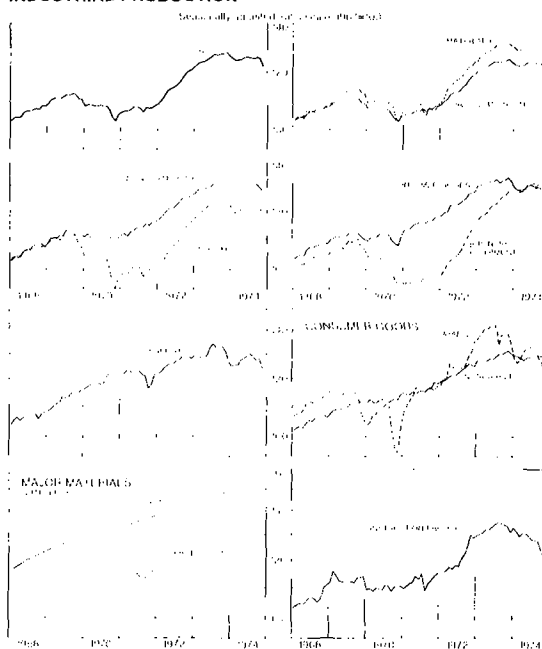
Released for publication December 13

Industrial production declined by an estimated 2.3 per cent in November following a 0.6 per cent decline in October. At 122.0 per cent of the 1967 base, the total index in November was 4.3 per cent below a year earlier. Reductions in output were relatively large and widespread in all categories - consumer goods, business equipment, and industrial materials.

Auto assemblies declined 16 per cent in November to an annual rate of 7.0 million units. Sales of new domestic cars, however, continued well below the reduced production level, and further output cutbacks are being made in December. Large declines also occurred in the production of other consumer durable goods in November, while output of nondurable consumer goods eased off further. Production of business equipment declined 1.1 per cent from the peak reached in October, as a number of equipment industries showed weakness. Output of construction products dropped further, reflecting the continuing weakness in the construction industry.

Production of steel declined in November, in part because of the coal strike, and there were reductions in output in most other durable and nondurable industrial materials.

INDUSTRIAL PRODUCTION



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

Industrial production	Seasonally adjusted 1967 = 100			Per cent changes from		Per cent changes, annual rate		
	1974			Month ago	Year ago	1974		
	Sept. ¹	Oct. ²	Nov. ³			Q1	Q2	Q3
Total	125.6	124.9	122.0	2.3	4.3	6.6	1.9	.3
Products, total	123.7	123.0	121.4	1.3	3.1	5.8	2.6	.6
Final products	122.8	122.6	120.9	1.4	2.2	6.5	3.0	2.3
Consumer goods	129.4	128.6	126.6	1.6	5.2	11.5	2.5	.6
Durable goods	128.6	126.8	120.4	5.0	13.1	26.6	14.7	5.1
Nondurable goods	129.6	129.3	129.0	.2	1.9	5.2	2.2	3.1
Business equipment	132.3	132.4	131.0	1.1	2.5	.6	7.2	4.0
Intermediate products	126.9	124.4	122.7	1.4	6.4	4.6	1.2	4.3
Construction products	127.5	123.7	120.2	2.8	10.1	5.1	2.7	7.7
Materials	128.8	128.0	122.9	4.0	6.5	6.4	.3	1.6

¹Revised

²Preliminary

³Estimated

Financial and Business Statistics

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Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures

also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

TABLES PUBLISHED SEMIANNUALLY OR ANNUALLY, WITH LATEST BULLETIN REFERENCE

<i>Quarterly</i>	<i>Issue</i>	<i>Page</i>	<i>Annually</i>	<i>Continued</i>	<i>Issue</i>	<i>Page</i>
Sales, revenue, profits, and dividends of large manufacturing corporations	Dec. 1974	A 79	Banks and branches, number, by class and State		Apr. 1974	A 88 A-89
<i>Semiannually</i>						
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Analysis of changes in number	Aug. 1974	A 79	Assets and liabilities:			
On, and not on, Federal Reserve			1962-73		Oct. 1974	A 59-14 A 59-28
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			1965-73		Oct. 1974	A-58 A-59-13
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group banks, Dec. 31, 1973	June 1974	A 80	Insured commercial banks	June 1974	A 84	A 85
	July 1974	A 80	Member banks:			
		530	Calendar year	June 1974	A 84	A 93
Banking and monetary statistics:			Income ratios	June 1974	A 94	A 99
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	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for individual releases	Dec. 1974	A 80

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

(In millions of dollars)

Period or date	Factors supplying reserve funds								Treasury currency outstanding	
	Reserve Bank credit outstanding						Gold stock	Special Drawing Rights certificate account		
	U.S. Govt. securities ¹			Loans	Float ²	Other F.R. assets ³				Total ⁴
	Total	Bought outright	Held under repurchase agreement							
Averages of daily figures										
1939—Dec.	2,510	2,510		8	83		2,612	17,518		2,956
1941—Dec.	2,219	2,219		5	170		2,404	22,759		3,239
1945—Dec.	23,708	23,708		381	652		24,744	20,047		4,322
1950—Dec.	20,345	20,336	9	142	1,117		21,606	22,879		4,629
1960—Dec.	27,248	27,170	78	94	1,665		29,060	17,954		5,396
1968—Dec.	52,529	52,454	75	765	3,251		56,610	10,367		6,810
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367		6,841
1970—Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Nov.	78,457	77,937	520	1,399	2,764	1,078	83,756	11,567	400	8,642
Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Jan.	80,793	80,608	185	1,044	3,385	1,258	86,568	11,567	400	8,705
Feb.	80,801	80,551	250	1,186	2,300	1,117	85,493	11,567	400	8,747
Mar.	80,686	80,184	502	1,352	1,816	960	84,943	11,567	400	8,767
Apr.	81,567	80,873	694	1,714	2,295	1,160	86,907	11,567	400	8,807
May	83,434	82,037	1,397	2,580	2,025	1,093	89,405	11,567	400	8,838
June	82,812	81,859	953	3,000	2,114	1,106	89,254	11,567	400	8,877
July	84,313	83,496	817	3,308	2,267	1,343	91,554	11,567	400	8,905
Aug.	84,493	84,221	272	3,351	1,983	1,258	91,367	11,567	400	8,951
Sept.	84,384	84,049	335	3,287	2,239	1,349	91,617	11,567	400	8,992
Oct. ¹	83,735	83,303	432	1,794	2,180	2,984	91,069	11,567	400	9,041
Nov. ²	84,052	83,395	657	1,287	2,456	3,171	91,351	11,567	400	9,109
Week ending—										
1974—Sept. 4	85,304	85,061	243	3,906	1,778	1,237	92,539	11,567	400	8,973
11	83,126	83,126		3,084	2,717	1,290	90,486	11,567	400	8,971
18	83,791	83,222	569	2,921	2,535	1,323	90,876	11,567	400	8,974
25	84,982	84,616	366	3,531	2,171	1,413	92,486	11,567	400	9,016
Oct. 2	85,380	84,904	476	3,218	1,898	1,646	92,695	11,567	400	9,039
9	84,041	83,480	561	2,245	2,137	2,047	91,006	11,567	400	9,027
16	83,367	82,598	769	1,744	1,875	3,288	90,716	11,567	400	9,036
23	83,472	83,472		1,322	2,553	3,396	90,958	11,567	400	9,042
30 ³	83,581	83,218	363	1,638	1,976	3,386	90,848	11,567	400	9,054
Nov. 6 ⁴	83,662	83,217	445	1,127	2,074	3,466	90,648	11,567	400	9,080
13 ⁵	82,421	82,421		1,098	2,531	3,484	90,755	11,567	400	9,099
20 ⁶	83,959	83,480	479	1,367	3,052	2,967	91,701	11,567	400	9,118
27 ⁶	85,212	84,076	1,136	1,481	2,100	2,917	92,201	11,567	400	9,128
End of month										
1974—Sept.	84,046	85,046		2,920	1,460	1,481	91,411	11,567	400	9,069
Oct. ⁷	83,362	83,362		1,120	2,330	3,442	90,472	11,567	400	9,125
Nov. ⁸	85,709	84,471	1,238	1,227	2,337	2,899	92,783	11,567	400	9,141
Wednesday										
1974—Sept. 4	86,841	85,136	1,705	3,207	1,943	1,238	93,764	11,567	400	8,969
11	82,760	82,760		2,455	3,064	1,406	89,948	11,567	400	8,974
18	82,185	82,185		3,123	3,093	1,334	90,010	11,567	400	8,974
25	84,887	84,181	706	5,192	3,721	1,403	95,693	11,567	400	9,032
Oct. 2	85,523	84,901	622	2,829	2,740	1,544	93,224	11,567	400	9,038
9	79,589	79,589		802	2,945	3,346	86,997	11,567	400	9,033
16	85,748	82,565	3,183	1,762	2,765	3,349	94,478	11,567	400	9,041
23	83,694	83,694		2,481	2,640	3,391	92,422	11,567	400	9,046
30 ⁹	83,594	82,790	804	1,851	2,244	3,429	91,444	11,567	400	9,069
Nov. 6 ¹⁰	84,592	83,253	1,339	842	2,666	3,479	91,985	11,567	400	9,075
13 ¹¹	81,175	81,175		625	2,618	3,379	88,013	11,567	400	9,104
20 ¹²	83,472	82,325	1,147	2,535	3,584	2,913	93,075	11,567	400	9,118
27 ¹³	86,764	83,948	2,816	1,756	2,113	2,922	94,385	11,567	400	9,136

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

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

³ Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

⁴ Includes industrial loans and acceptances until Aug. 21, 1959, when

industrial loan program was discontinued. For holdings of acceptances on Wed. and end-of-month dates, see table on F.R. Banks on p. A-12. See also note 2.

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

Notes continued on opposite page.

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

(In millions of dollars)

Cur- rency in cir- cu- la- tion	Factors absorbing reserve funds								Period or date	
	Treas- ury cash hold- ings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. ac- counts ³	Other F.R. li- a- bil- ities and capital ³	Member bank reserves			Total ⁷
		Treas- ury	For- eign	Other ^{2, 5}			With F.R. Banks	Cur- rency and coin ⁶		
Averages of daily figures										
7,609	2,402	616	739	248		11,473		11,473	1939—Dec.	
10,985	2,189	592	1,531	292		12,812		12,812	1941—Dec.	
28,452	2,269	625	1,247	493		16,027		16,027	1945—Dec.	
27,806	1,290	615	920	353		17,391		17,391	1950—Dec.	
33,019	408	522	250	495	1,029	16,688	2,595	19,283	1960—Dec.	
50,609	756	360	225	458	-1,105	22,484	4,737	27,221	1968—Dec.	
53,591	656	1,194	146	458		23,071	4,960	28,031	1969—Dec.	
57,013	427	849	145	735		22,265	5,340	29,265	1970—Dec.	
61,060	453	1,926	290	728		22,287	5,676	31,329	1971—Dec.	
66,060	350	1,449	272	631		23,362	6,095	31,353	1972—Dec.	
69,927	340	1,772	522	5 689		23,854	6,382	34,725	1973—Nov.	
71,646	323	1,892	406	5 717		22,942	6,635	35,068	1973—Dec.	
70,962	349	2,488	427	5 713		29,904	7,192	36,655	1974—Jan.	
70,411	342	2,972	293	5 682		22,932	6,601	15,242	1974—Feb.	
71,081	334	1,803	311	5 699		22,998	6,450	34,966	1974—Mar.	
72,176	308	1,712	328	5 702		22,985	6,402	35,929	1974—Apr.	
72,876	286	3,000	320	5 699		3,168	29,861	6,600	36,519	1974—May
73,749	293	2,015	491	5 691		3,187	29,672	6,668	36,390	1974—June
74,556	275	2,795	296	5 773		3,216	30,514	6,824	37,338	1974—July
74,709	283	2,633	326	5 831		3,240	30,264	6,765	37,029	1974—Aug.
75,098	303	2,451	456	5 766		3,345	30,156	6,920	37,076	1974—Sept.
75,654	315	1,601	294	5 869		3,260	30,083	6,852	36,935	1974—Oct.
77,024	303	864	370	5 770		3,149	29,947	7,009	36,956	1974—Nov.
Week ending—										
74,979	302	3,107	371	5 802		3,502	30,410	6,823	37,239	1974—Sept. 4
75,399	297	1,858	362	5 732		3,126	29,649	7,088	36,737	1974—11
75,302	298	1,438	525	5 751		3,255	30,249	6,837	37,086	1974—18
74,890	304	3,148	612	5 904		3,450	30,161	6,785	36,946	1974—25
74,839	315	3,274	356	5 960		3,493	30,464	7,069	37,533	1974—Oct. 2
75,327	314	2,698	288	5 824		3,107	29,441	7,160	36,601	1974—9
75,944	318	838	271	5 794		3,180	30,376	7,039	37,415	1974—16
75,848	318	1,200	271	5 843		3,285	30,202	6,254	36,456	1974—23
75,624	313	1,341	312	5 800		3,410	30,068	6,830	36,898	1974—30
76,060	295	1,049	302	5 811		3,312	29,865	7,125	36,990	1974—Nov. 6 ⁹
77,025	300	1,59	302	5 703		3,038	29,293	7,239	36,532	1974—13 ⁹
77,209	300	1,649	512	5 781		3,060	30,274	6,573	36,847	1974—20 ⁹
77,328	307	1,346	303	5 788		3,174	30,049	7,069	37,118	1974—27 ⁹
End of Month										
74,856	304	3,209	411	5 718		3,685	29,266	7,069	36,335	1974—Sept.
75,899	294	787	376	5 815		3,504	29,888	7,125	37,013	1974—Oct.
77,716	318	1,495	626	5 799		3,303	29,634	7,118	36,752	1974—Nov.
Wednesday										
75,416	302	2,785	359	5 777		3,135	31,926	6,823	38,749	1974—Sept. 4
75,655	302	1,287	305	5 739		3,181	29,420	7,088	36,508	1974—11
75,254	311	2,503	327	5 758		3,259	28,538	6,837	35,375	1974—18
74,972	318	3,347	611	5 711		3,477	33,256	6,785	40,041	1974—25
75,193	324	3,255	313	5 822		3,093	31,229	7,069	38,298	1974—Oct. 2
75,887	328	1,179	296	5 798		3,097	26,411	7,160	33,571	1974—9
76,218	314	629	328	5 789		3,299	33,909	7,039	40,948	1974—16
75,868	326	1,393	282	5 916		3,346	31,304	6,254	37,558	1974—23
75,921	299	1,079	404	5 844		3,481	30,452	6,830	37,282	1974—30
76,710	307	*	318	5 707		3,046	31,938	7,125	39,063	1974—Nov. 6 ⁹
77,461	312	256	272	5 763		2,997	27,022	7,239	34,261	1974—13 ⁹
77,331	313	1,349	499	5 639		3,098	30,931	6,573	37,504	1974—20 ⁹
77,841	327	1,315	274	5 745		3,259	31,727	7,069	38,796	1974—27 ⁹

⁶ Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning with Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.
⁷ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279 million; Q2, \$172 million; Q3, \$112 million; Q4, \$84 million. Beginning

1974 Q1, \$67 million Q2, \$58 million, transition period ended after second quarter, 1974.
⁸ Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks.
⁹ Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks. Also reflects securities sold, and scheduled to be bought back, under matched sale/purchase transactions.

For other notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Large banks ²						All other banks		
	Reserves			Borrowings		New York City		City of Chicago		Other		Excess	Borrowings	
	Total held ¹	Re-quired	Excess ¹	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings			
												Excess	Total	Excess	Borrowings	Excess	Borrowings
1939—Dec.	11,473	6,462	5,011	3		2,611		540		1,188		671	3	
1941—Dec.	12,812	9,422	3,390	5		989		295		1,303		804	4	
1945—Dec.	16,027	14,536	1,491	334		48	192	14		418		1,011	46	
1950—Dec.	17,391	16,364	1,027	142		125	58	8		232	50	663	29	
1960—Dec.	19,283	18,527	756	87		29	19	4	8	100	20	623	40	
1965—Dec.	22,719	22,267	452	454		41	111	15	23	67	228	330	92	
1967—Dec.	25,260	24,915	345	238		18	40	8	13	50	105	267	80	
1968—Dec.	27,221	26,766	455	765		100	230	15	85	90	270	250	180	
1969—Dec.	28,031	27,774	257	1,086		56	259	18	27	6	479	177	321	
1970—Dec.	29,265	28,993	272	321		34	25	7	4	42	264	189	28	
1971—Dec.	31,329	31,164	165	107		25	35	1	8	-35	22	174	42	
1972—Dec.	31,353	31,134	219	1,049		-20	301	13	55	-42	429	-160	264	
1973—Nov.	34,725	34,543	182	1,399	84	27	180	-24	28	-20	593	115	598	
Dec.	35,068	34,806	262	1,298	41	-23	74	43	28	28	761	133	435	
1974—Jan.	36,655	36,419	236	1,044	18	65	135	-44	17	-8	549	156	343	
Feb.	35,242	35,053	189	1,186	17	51	87	-19	18	-51	635	141	446	
Mar.	34,966	34,790	176	1,352	32	21	113	-61	65	43	689	107	485	
Apr.	35,929	35,771	158	1,714	50	19	114	69	41	-58	987	70	572	
May	36,519	36,325	194	2,580	102	-20	772	29	20	-4	939	131	849	
June	36,390	36,259	131	3,000	130	-26	1,303	-8	51	26	799	89	847	
July	37,338	37,161	177	3,308	149	45	1,457	19	70	12	848	125	933	
Aug.	37,029	36,851	178	3,351	165	-58	1,464	6	23	78	860	152	1,004	
Sept.	37,076	36,885	191	3,287	139	133	1,662	20	17	-77	792	115	816	
Oct.	36,935	36,757	178	1,794	118	-8	502	-33	36	-163	570	113	686	
Nov.	36,956	36,578	378	1,287	67	-87	257	25	12	40	568	155	450	
Week ending:														
1973—Nov.	7 ⁷	34,626	34,369	257	1,171	93	101	192	-53	12	-7	384	132	583
14 ⁷		34,871	34,725	146	1,521	80	-92	262		61	29	716	125	482
21 ⁷		35,095	34,726	369	1,568	85	110	224	2	15	69	623	107	706
28 ⁷		34,438	34,372	66	1,287	84	-56	94	-14	28	31	541	83	624
1974—May	1	36,845	36,668	177	2,157	74	62	176	-47	17	-34	1,140	138	824
8		36,336	36,201	135	1,616	82	-57	134	41	14	10	822	83	646
15		36,646	36,470	176	1,977	94	83	506	-39	37	-63	731	137	703
22		36,616	36,487	129	3,090	112	-55	993	57	7	-9	1,131	78	959
29		36,349	26,170	179	3,606	114	32	1,449	-17	9	-10	1,081	116	1,067
June	5	36,279	36,054	225	3,054	131	-37	1,210	2	15	61	846	141	983
12		35,789	35,658	131	2,729	136	26	1,296	21	40	-67	629	93	764
19		36,708	36,461	247	3,223	140	31	1,385	-17	139	44	984	131	715
26		36,536	36,437	99	2,788	133	-8	1,221	41	17	-76	690	84	860
July	3	37,274	36,905	369	3,435	127	9	1,412	111	137	72	878	177	1,008
10		36,868	36,590	278	2,640	136	90	1,339	1	52	84	432	103	817
17		37,824	37,840	-16	3,175	150	-75	1,536	26	15	-74	786	107	838
24		37,417	37,302	115	3,641	156	17	1,538	-41	10	80	1,108	58	915
31		37,204	37,020	184	3,690	163	33	1,431	1	38	13	1,086	137	1,135
Aug.	7	36,920	36,692	228	3,089	174	-7	1,420	9	24	54	644	172	1,001
14		36,936	36,823	113	3,041	160	20	1,431	8	24	39	716	124	870
21		37,156	36,947	209	3,437	167	-32	1,447	-2	23	130	967	113	1,006
28		37,066	36,920	146	3,533	161	105	1,457	31	21	-98	951	108	1,104
Sept.	4	37,239	36,918	321	3,906	152	-66	1,729	40	19	171	1,125	176	1,033
11		36,737	36,628	109	3,084	132	127	1,567	35	20	-110	766	127	731
18		37,086	37,004	82	2,921	134	-150	1,517	15	16	90	740	127	648
25		36,946	36,872	74	3,531	141	80	1,782	12	10	-93	871	75	868
Oct.	2	37,533	37,077	456	3,218	143	67	1,756	9	17	222	532	158	913
9		36,601	36,656	-55	2,245	132	-26	1,245	-20	10	-127	336	118	654
16		37,415	37,088	327	1,744	121	41	219	27	135	99	784	160	606
23		36,456	36,615	-159	1,322	108	-101	148	-12	2	-122	509	76	663
30 ²		36,898	36,579	319	1,638	104	119	96	-39	11	-138	730	121	801
Nov.	6 ²	36,990	36,688	302	1,127	79	-16	68	52		72	425	124	634
13 ²		36,532	36,333	199	1,098	70	-111	188	-86	21	-149	488	261	401
20 ²		36,847	36,781	66	1,367	63	99	465	6	29	-217	495	85	378
27 ²		37,118	36,475	643	1,481	65	20	243			224	814	126	424

¹ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279 million; Q2, \$172 million; Q3, \$112 million; Q4, \$84 million. Beginning 1974 Q1, \$67 million, Q2, \$58 million, transition period ended after second quarter, 1974.

² Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the *Bulletin*

for July 1972, p. 626. Categories shown here as "Large" and "All other" parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

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

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

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

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves ¹	Less		Net--		Gross transactions:		Total two-way transactions ²	Net transactions		Loans to dealers ³	Borrowings from dealers ⁴	Net loans
		Borrowings at F.R. Banks	Net inter-bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
<i>Total—46 banks</i>													
1974—Oct. 2.....	271	184	9,977	- 9,890	57.4	17,661	7,684	5,868	11,792	1,815	3,262	891	2,371
9.....	44	83	13,610	-13,737	80.3	19,866	6,256	4,855	15,012	1,401	4,039	901	3,138
16.....	137	765	14,686	-15,315	86.9	20,532	5,846	5,034	15,498	812	4,790	890	3,900
23.....	77	240	12,480	-12,797	74.8	18,806	6,326	4,832	13,974	1,493	3,678	795	2,883
30.....	38	345	11,847	-12,155	71.7	18,037	6,189	4,791	13,246	1,399	3,606	823	2,783
Nov. 6.....	200	144	14,046	-13,990	82.1	20,916	6,869	5,033	15,883	1,836	3,180	827	2,353
13.....	70	412	17,391	-17,734	104.8	23,751	6,360	4,943	18,808	1,417	3,859	899	2,961
20.....	111	618	16,335	-16,841	99.1	22,357	6,023	5,033	17,324	989	3,660	1,062	2,598
27.....	147	471	15,342	-15,666	94.3	21,227	5,885	5,080	16,146	805	3,050	922	2,128
<i>8 in New York City</i>													
1974—Oct. 2.....	76		3,920	3,844	54.5	5,305	1,385	1,355	3,949	29	1,524	601	923
9.....	21		5,359	5,388	75.9	6,250	891	891	5,359		1,854	543	1,311
16.....	63	219	5,139	5,295	72.8	6,343	1,204	1,204	5,139		2,015	543	1,472
23.....	60	148	3,893	-4,101	58.1	5,087	1,195	1,195	3,893		2,030	545	1,486
30.....	48	53	3,767	3,772	54.5	5,003	1,236	1,041	3,962	195	1,983	567	1,417
Nov. 6.....	67		5,082	5,015	70.6	6,172	1,090	977	5,194	112	1,792	580	1,212
13.....	38	163	7,562	7,688	109.3	8,239	676	677	7,562		2,314	583	1,731
20.....	4	356	6,450	6,802	94.3	7,513	1,063	1,063	6,450		2,270	605	1,666
27.....	50	82	5,763	5,795	85.4	6,921	1,158	1,158	5,763		1,707	572	1,135
<i>38 outside New York City</i>													
1974—Oct. 2.....	195	184	6,057	-6,046	59.3	12,356	6,299	4,513	7,843	1,786	1,738	290	1,449
9.....	65	83	8,251	-8,399	83.4	13,616	5,365	3,963	9,653	1,401	2,185	358	1,827
16.....	74	547	9,548	-10,020	96.8	14,189	4,641	3,829	10,360	812	2,775	347	2,428
23.....	17	92	8,587	8,696	86.5	13,719	5,131	3,638	10,081	1,493	1,648	250	1,398
30.....	11	292	8,080	8,383	83.5	13,033	4,953	3,750	9,284	1,204	1,623	257	1,366
Nov. 6.....	133	144	8,965	8,976	90.4	14,744	5,779	4,056	10,689	1,724	1,388	247	1,141
13.....	32	249	9,829	-10,046	101.6	15,513	5,684	4,267	11,246	1,417	1,545	316	1,229
20.....	107	262	9,885	-10,040	102.6	14,845	4,960	3,971	10,874	989	1,389	457	932
27.....	97	389	9,579	9,871	100.4	14,306	4,727	3,922	10,383	805	1,343	351	992
<i>5 in City of Chicago</i>													
1974—Oct. 2.....	49		1,986	-1,937	99.4	3,163	1,177	1,177	1,986		360		360
9.....	4		3,002	-3,005	153.8	3,837	835	835	3,002		451		451
16.....	38	118	3,656	-3,736	180.6	4,299	643	643	3,656		508		508
23.....	13		3,227	3,215	163.9	3,859	632	632	3,227		457		457
30.....	22		3,493	3,515	184.7	4,209	716	716	3,493		458		458
Nov. 6.....	30		4,082	4,052	218.0	4,823	741	742	4,082		349		349
13.....	20	21	4,340	-4,381	242.2	5,042	702	702	4,340		407		407
20.....	11	29	4,180	4,219	203.1	4,805	625	625	4,180		357		357
27.....	38		3,794	-3,756	213.9	4,630	836	836	3,794		341		341
<i>33 others</i>													
1974—Oct. 2.....	146	184	4,071	-4,109	49.9	9,193	5,122	3,336	5,857	1,786	1,378	290	1,088
9.....	61	83	5,249	5,393	66.4	9,779	4,530	3,128	6,651	1,401	1,734	358	1,376
16.....	36	429	5,892	-6,284	75.9	9,890	3,998	3,186	6,704	812	2,267	347	1,921
23.....	30	92	5,360	5,482	67.8	9,860	4,499	3,006	6,854	1,493	1,191	250	940
30.....	11	292	4,587	4,868	59.8	8,824	4,238	3,034	5,790	1,204	1,165	257	908
Nov. 6.....	103	144	4,883	4,923	61.0	9,921	5,038	3,314	6,607	1,724	1,039	247	793
13.....	52	228	5,489	5,665	70.1	10,471	4,981	3,565	6,906	1,417	1,138	316	822
20.....	118	234	5,705	5,821	73.2	10,040	4,335	3,345	6,694	989	1,032	457	575
27.....	59	389	5,785	-6,115	75.8	9,676	3,891	3,087	6,589	805	1,002	351	651

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

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

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

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

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

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

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks—											
	Under Secs. 13 and 13a ¹			Under Sec. 10(b) ²						Loans to all others under last par. Sec. 13 ⁴		
				Regular rate			Special rate ³					
	Rate on 11/30/74	Effective date	Previous rate	Rate on 11/30/74	Effective date	Previous rate	Rate on 11/30/74	Effective date ³	Previous rate	Rate on 11/30/74	Effective date	Previous rate
Boston	8	4/30/74	7½	8½	4/30/74	8	10	10/11/74	10	4/30/74	9½	
New York	8	4/25/74	7½	8½	4/25/74	8	10	9/27/74	10	4/25/74	9½	
Philadelphia	8	4/25/74	7½	8½	4/25/74	8	10	10/3/74	10	4/25/74	9½	
Cleveland	8	4/25/74	7½	8½	4/25/74	8	10	10/4/74	10	4/25/74	9½	
Richmond	8	4/25/74	7½	8½	4/25/74	8	10	10/3/74	10	4/25/74	9½	
Atlanta	8	4/29/74	7½	8½	4/29/74	8	10	10/14/74	10	4/29/74	9½	
Chicago	8	4/26/74	7½	8½	4/26/74	8	10	10/11/74	10	4/26/74	9½	
St. Louis	8	4/26/74	7½	8½	4/26/74	8	10	10/3/74	10	4/26/74	9½	
Minneapolis	8	4/26/74	7½	8½	4/26/74	8	10	10/4/74	10	4/26/74	9½	
Kansas City	8	4/25/74	7½	8½	4/25/74	8	10	10/4/74	10	4/25/74	9½	
Dallas	8	4/25/74	7½	8½	4/25/74	8	10	9/27/74	10	4/25/74	9½	
San Francisco	8	4/25/74	7½	8½	4/25/74	8	10	10/4/74	10	4/25/74	9½	

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

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

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

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

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1954	1½	1½	1959—Mar. 6	2½-3	3	1970—Dec. 1	5½-5¾	5½
1955—Apr. 14	1½-1¾	1½	16	3	3	4	5½-5¾	5½
15	1½-1¾	1½	May 29	3 -3½	3½	11	5½	5½
May 2	1¾	1¾	June 12	3½	3½			
Aug. 4	1¾-2¼	1¾	Sept. 11	3½-4	4	1971—Jan. 8	5¼-5½	5¼
5	1¾-2¼	2	18	4	4	15	5¼	5¼
12	2 -2¼	2	1960—June 3	3½-4	4	19	5 -5¼	5¼
Sept. 9	2 -2¼	2¼	10	3½-4	3½	22	5 -5¼	5
13	2¼	2¼	14	3½	3½	29	5	5
Nov. 18	2¼-2½	2½	Aug. 12	3 -3½	3	Feb. 13	4¾-5	5
23	2½	2½	Sept. 9	3	3	19	4¾	4¾
1956—Apr. 13	2½-3	2¾	1963—July 17	3 -3½	3½	July 16	4¾-5	5
20	2¾-3	2¾	26	3½	3½	23	5	5
Aug. 24	2¾-3	3	1964—Nov. 24	3½-4	4	Nov. 11	4¾-5	5
31	3	3	30	4	4	19	4¾	4¾
1957—Aug. 9	3 -3½	3	1965—Dec. 6	4 -4½	4½	Dec. 13	4½-4¾	4½
23	3½	3½	13	4½	4½	17	4½-4¾	4½
Nov. 15	3 -3½	3	1967—Apr. 7	4 -4½	4	24	4½	4½
Dec. 2	3	3	14	4	4	1973—Jan. 15	5	5
1958—Jan. 22	2¾-3	3	Nov. 20	4 -4½	4½	Feb. 26	5 -5½	5½
24	2¾-3	2¾	27	4½	4½	Mar. 2	5½	5½
Mar. 7	2¼-3	2¼	1968—Mar. 15	4½-5	4½	Apr. 23	5½-5¾	5½
13	2¼-2¾	2¼	22	5	5	May 4	5¾	5¾
21	2¼	2¼	Apr. 19	5 -5½	5½	11	5¾-6	6
Apr. 18	1¾-2¼	1¾	26	5½	5½	18	6	6
May 9	1¾	1¾	Aug. 16	5¼-5½	5½	June 11	6 -6½	6½
Aug. 15	1¾-2	1¾	30	5¼	5¼	15	6½	6½
Sept. 12	1¾-2	2	Dec. 18	5¼-5½	5½	July 2	7	7
23	2	2	20	5½	5½	Aug. 14	7 -7½	7½
Oct. 24	2 -2½	2	1969—Apr. 4	5½-6	6	23	7½	7½
Nov. 7	2½	2½	8	6	6	1974—Apr. 25	7½-8	8
			1970—Nov. 11	5¾-6	6	30	8	8
			13	5¾-6	5¾	In effect Nov. 30, 1974	8	8
			16	5¾	5¾			

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1955, see *Banking and Monetary Statistics, 1943*, pp. 439-42, and Supplement to Section 12, p. 31.

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

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

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

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

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

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

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Since June 21, 1973, loans aggregating \$100,000 or less to any U.S. resident have been excluded from computations, as have total loans of a bank to U.S. residents if not exceeding \$1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 8 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, and was reduced to the current 8 per cent effective June 21, 1973. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve-free bases were eliminated. For details, see Regulations D and M.

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

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

less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see Regulation D and appropriate supplements and amendments.

⁵ Reserve city banks.

⁶ Except as noted below, member banks are subject to an 8 per cent marginal reserve requirement against increases in the aggregate of less than 120 days: (a) outstanding time deposits of \$100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to the existing reserve requirements on time deposits, and (c) funds from sales of finance bills. The 8 per cent requirement applies to balances above a specified base, but is not applicable to banks that have obligations of these types aggregating less than \$10 million. For the period June 21 through Aug. 29, 1973, (a) included only single-maturity time deposits. Previous requirements have been: 8 per cent for (a) and (b) from June 21 through Oct. 3, 1973, and for (c) from July 12 through Oct. 3, 1973; 11 per cent for all three categories from Oct. 4 through Dec. 26, 1973; and 8 per cent from Dec. 27, 1973 through Sept. 18, 1974. Beginning Sept. 19, 1974, the 8 per cent requirement is applied to only those obligations in (a), (b), and (c) with initial maturities of less than 120 days. For details, see Regulation D and appropriate supplements and amendments.

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

⁸ See preceding columns for earliest effective date of this rate.

⁹ For changes in reserves required to be maintained beginning Dec. 12, 1974, see "Announcements" on p. 799 of the Nov. 1974 Bulletin.

NOTE: All required reserves were held on deposit with F.R. Banks June 21, 1917, until Dec. 1959. From Dec. 1959 to Nov. 1960, member banks were allowed to count part of their currency and coin as reserves; effective Nov. 24, 1960, they were allowed to count all as reserves. For further details, see Board's *Annual Reports*.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966—June 30, 1973					Rates beginning July 1, 1973			
Type of deposit	Effective date				Type and size of deposit	Effective date		
	July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970		July 1, 1973	Nov. 1, 1973	Nov. 27, 1974
Savings deposits.....	4	4	4	4½	Savings deposits.....	5	5	
Other time deposits: ¹					Other time deposits (multiple- and single-maturity):			
Multiple maturity: ²					Less than \$100,000:			
30-89 days.....	4	4	4	4½	30-89 days.....	5	5	
90 days to 1 year.....				5	90 days to 1 year.....	5½	5½	
1 year to 2 years.....	5	5	5	5½	1 year to 2½ years.....	6	6	
2 years or more.....				5¾	2½ years or more.....	6½	6½	
Single-maturity:					4 years or more in minimum denomination of \$1,000.....	(3)	7¼	
Less than \$100,000:					Governmental units.....			7½
30 days to 1 year.....				5	\$100,000 or more.....	(3)	(3)	
1 year to 2 years.....	5½	5	5	5½				
2 years and over.....				5¾				
\$100,000 or more:								
30-59 days.....			5½	(3)				
60-89 days.....			5¾	(3)				
90-179 days.....	5½	5½	6	(3)				
180 days to 1 year.....			6¼	(3)				
1 year or more.....				(3)				

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

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

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

30-59 days	6¼ per cent	June 24, 1970
60-89 days	6½ per cent	
90-179 days	6¾ per cent	
180 days to 1 year	7 per cent	May 16, 1973
1 year or more	7½ per cent	

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

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

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

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

NOTE.—Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

Period		For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks)						
Beginning date	Ending date	On margin stocks			On convertible bonds			On short sales (T)
		T	U	G	T	U	G	
1937—Nov. 1	1945—Feb. 4	40						50
1945—Feb. 5	July 4	50						50
July 5	1946—Jan. 20	75						75
1946—Jan. 21	1947—Jan. 31	100						100
1947—Feb. 1	1949—Mar. 29	75						75
1949—Mar. 30	1951—Jan. 16	50						50
1951—Jan. 17	1953—Feb. 19	75						75
1953—Feb. 20	1955—Jan. 3	50						50
1955—Jan. 4	Apr. 22	60						60
Apr. 23	1958—Jan. 15	70						70
1958—Jan. 16	Aug. 4	50						50
Aug. 5	Oct. 15	70						70
Oct. 16	1960—July 27	90						90
1960—July 28	1962—July 9	70						70
1962—July 10	1963—Nov. 5	50						50
1963—Nov. 6	1968—Mar. 10	70						70
1968—Mar. 11	June 7	70	70			50		70
June 8	1970—May 5	80				60		80
1970—May 6	1971—Dec. 3	65				50		65
1971—Dec. 6	1972—Nov. 22	55				50		55
1972—Nov. 24	1974—Jan. 2	65				50		65
Effective Jan. 3, 1974		50				50		50

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

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

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale-purchase transactions)															
Period	Treasury bills ¹			Others within 1 year ²			1-5 years			5-10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970.....	11,074	5,214	2,160	99		3,483	848		5,430	249		1,845	93		102
1971.....	8,896	3,642	1,064	1,036		6,462	1,338		4,672	933		685	311		150
1972.....	8,522	6,467	2,545	125		2,933	789		-1,405	539		2,094	167		250
1973.....	15,517	4,880	3,405	1,396		140	579		-2,028	500		895	129		37
1973—Oct.....	2,117	153													
Nov.....	583	489	1,101	41		1,515	125		680	331		-2,220	35		25
Dec.....	1,919	70	10	75		34	116		34	35					
1974—Jan.....	1,340	335	1,402	9			93			77					
Feb.....	768	391	410			687	30		922			200			35
Mar.....	664	566	165				109			56			25		
Apr.....	1,237	49	407				172								
May.....	737	100		112		2,563	26		2,663	31			38		100
June.....	614	954	204	48			34			78			16		
July.....	988	211		27			53			9			36		
Aug.....	1,654	851				2,867			1,057			1,940			130
Sept.....	717	565	786	22		200	65		200	53			37		
Oct.....	547	1,110	1,063												

Period	Total outright ¹			Matched sale-purchase transactions (Treasury bills)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations			Bankers' acceptances, net		Net change ³	
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Gross purchases	Sales or redemptions	Repurchase agreements, net	Outright	Repurchase agreements		
1970.....	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988						-6	4,982
1971.....	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	101				22	8,866
1972.....	10,142	6,467	2,862	23,319	23,319	31,103	32,228	-312	1,197	370				-9	272
1973.....	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239				2	9,227
1973—Oct.....	2,117	153		4,735	4,735	8,220	7,859	2,325	176	4				8	2,440
Nov.....	1,116	489	1,101	2,089	2,089	6,637	7,525	-1,360	74	3				2	-1,307
Dec.....	2,145	70	10	3,435	3,435	9,523	10,202	1,387	212	84				23	1,386
1974—Jan.....	1,519	335	1,402	2,590	2,590	4,442	4,500	-276	29	39					-328
Feb.....	798	391	410	2,393	2,393	4,265	4,265	3	120	46				1	72
Mar.....	854	566	165	702	702	6,248	5,124	1,247	170	48				4	1,780
Apr.....	1,409	49	407			8,069	8,498	524	360	48				8	789
May.....	944	100		4,586	4,586	9,192	8,648	1,388	201	15				16	2,155
June.....	790	954	204	4,580	4,580	6,124	6,667	-911	309	72				-70	-1,115
July.....	1,113	211		2,587		4,269	4,965	-2,381	761	35				121	-2,011
Aug.....	1,654	851		9,060	11,285	2,096	2,096	3,028	238	3				59	3,322
Sept.....	893	565	786	9,420	9,782	3,551	3,551	96	207	16				40	3,322
Oct.....	547	1,110	1,063	12,574	12,516	4,618	4,618	-1,684						-100	-1,970

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

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

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

NOTE.—Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings.

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Austrian schillings	Belgian francs	Canadian dollars	French francs	German marks	Italian lire	Japanese yen	Mexico pesos	Netherlands guilders	Swiss francs
1970.....	257	154		*	*		98				*	4
1971.....	18	3		3	*		2					8
1972.....	192	*		*	*		164				20	6
1973—Aug.....	5	*		*	*							3
Sept.....	4	*		*	*							3
Oct.....	4	*		*	*							3
Nov.....	4	*		*	*							3
Dec.....	4	*		*	*							3
1974—Jan.....	1	*		*	*							
Feb.....	32	*		*	*		10					
Mar.....	6	*		*	*		*					
Apr.....	6	*		*	*		*					
May.....	63	*		*	*		57					
June.....	90	*		*	*		84					
July.....	8	*		*	*		6					
Aug.....	220	*		*	*		39			180		

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1974					1974		1973
	Nov. 27	Nov. 20	Nov. 13	Nov. 6	Oct. 30	Nov. 30	Oct. 31	Nov. 30
Assets								
Gold certificate account.....	11,460	11,460	11,460	11,460	11,460	11,460	11,460	11,460
Special Drawing Rights certificate account.....	400	400	400	400	400	400	400	400
Cash.....	245	242	239	235	241	250	245	305
Loans:								
Member bank borrowings.....	1,756	2,535	625	842	1,851	1,227	1,120	1,915
Other.....								
Acceptances:								
Bought outright.....	395	297	214	214	220	391	216	45
Held under repurchase agreements.....	435	274	2	192	106	220	2	26
Federal agency obligations:								
Bought outright.....	4,342	4,342	4,011	4,011	4,011	4,342	4,011	1,810
Held under repurchase agreements.....	807	291		580	344	369		168
U.S. Govt. securities:								
Bought outright:								
Bills.....	36,578	35,167	34,348	36,295	35,963	37,101	36,535	35,058
Certificates—Special.....				131				
Other.....								
Notes.....	39,774	39,587	39,719	39,719	39,719	39,774	39,719	38,186
Bonds.....	3,254	3,229	3,097	3,097	3,097	3,254	3,097	3,149
Total bought outright.....	1,279,606	1,277,983	1,277,164	1,279,242	1,278,779	1,280,129	1,279,351	176,393
Held under repurchase agreements.....	2,009	856		759	460	869		736
Total U.S. Govt. securities.....	81,615	78,839	77,164	80,001	79,239	80,998	79,351	77,129
Total loans and securities.....	89,350	86,578	82,016	85,840	85,771	87,547	84,700	81,093
Cash items in process of collection.....	7,174	7,102	9,283	8,477	7,813	7,302	7,410	6,810
Bank premises.....	258	256	255	255	253	257	254	221
Other assets:								
Denominated in foreign currencies.....	40	30	2	205	190	40	190	4
All other.....	2,624	2,627	3,122	3,019	2,986	2,602	2,998	691
Total assets.....	111,551	110,695	106,777	109,891	109,114	109,858	107,657	100,984
Liabilities								
F.R. notes.....	69,170	68,661	68,802	68,071	67,285	69,036	67,207	62,128
Deposits:								
Member bank reserves.....	31,727	30,931	27,022	31,938	30,452	29,634	29,888	28,108
U.S. Treasury—General account.....	1,315	1,349	256		1,079	1,495	787	1,945
Foreign.....	274	499	272	318	404	626	376	420
Other:								
All other.....	3,745	3,639	3,763	3,707	3,844	3,799	3,815	672
Total deposits.....	34,061	33,418	28,313	32,963	32,779	32,554	31,866	31,145
Deferred availability cash items.....	5,061	5,518	6,665	5,811	5,569	4,965	5,080	4,686
Other liabilities and accrued dividends.....	1,265	1,216	1,137	1,165	1,220	1,264	1,216	942
Total liabilities.....	109,557	108,813	104,917	108,010	106,853	107,819	105,369	98,901
Capital accounts								
Capital paid in.....	893	891	891	891	888	894	891	838
Surplus.....	844	844	844	844	844	844	844	793
Other capital accounts.....	257	147	125	146	529	301	553	452
Total liabilities and capital accounts.....	111,551	110,695	106,777	109,891	109,114	109,858	107,657	100,984
Contingent liability on acceptances purchased for foreign correspondents.....	1,751	1,946	2,050	2,064	2,022	1,702	2,037	604
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	32,486	33,033	32,242	31,842	31,420	32,852	31,763	27,354
Federal Reserve Notes—Federal Reserve Agents' Accounts								
F.R. notes outstanding (issued to Bank).....	72,974	72,573	72,262	71,764	71,617	73,234	71,621	66,229
Collateral held against notes outstanding:								
Gold certificate account.....	2,800	2,750	2,670	2,405	2,405	2,850	2,405	2,485
U.S. Govt. securities.....	71,215	70,770	70,545	70,545	70,545	71,215	70,545	65,130
Total collateral.....	74,015	73,520	73,215	72,950	72,950	74,065	72,950	67,615

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

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

(In millions of dollars)

Item	Wednesday					End of month		
	1974					1974		1973
	Nov. 27	Nov. 20	Nov. 13	Nov. 6	Oct. 30	Nov. 30	Oct. 31	Nov. 30
Loans--Total.....	1,756	2,535	625	842	1,851	1,227	1,120	1,914
Within 15 days.....	1,733	2,532	535	795	1,800	1,202	1,059	1,849
16 days to 90 days.....	23	3	90	47	51	25	61	65
91 days to 1 year.....								
Acceptances--Total.....	830	571	216	406	326	611	218	71
Within 15 days.....	395	296	40	251	157	262	57	31
16 days to 90 days.....	435	240	148	128	147	291	141	40
91 days to 1 year.....		35	28	27	22	58	20	
U.S. Government securities--Total.....	81,615	78,839	77,164	80,001	79,239	80,998	79,351	77,129
Within 15 days ¹	6,095	3,865	5,587	8,335	4,787	3,264	5,408	4,018
16 days to 90 days.....	21,170	20,723	18,592	17,625	20,116	23,045	18,255	20,689
91 days to 1 year.....	19,509	19,604	19,831	20,887	21,182	19,848	22,534	20,238
Over 1 year to 5 years.....	23,139	23,047	21,289	21,289	21,289	23,138	21,289	22,953
Over 5 years to 10 years.....	9,559	9,481	9,946	9,946	9,946	9,559	9,946	7,469
Over 10 years.....	2,143	2,119	1,919	1,919	1,919	2,144	1,919	1,762
Federal agency obligations--Total.....	5,149	4,633	4,011	4,591	4,355	4,711	4,011	1,978
Within 15 days ¹	888	361	49	580	353	450	8	252
16 days to 90 days.....	98	124	142	191	143	98	144	85
91 days to 1 year.....	640	622	559	559	598	640	598	280
Over 1 year to 5 years.....	2,133	2,136	1,937	1,937	1,937	2,133	1,937	665
Over 5 years to 10 years.....	891	891	836	836	836	891	836	469
Over 10 years.....	499	499	488	488	488	499	488	227

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

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts ¹ (billions of dollars)				Turnover of demand deposits					
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others ²				N.Y.	6 others ²		
1973--Oct.....	18,394.4	8,137.2	4,418.0	10,257.2	5,839.1	109.5	265.3	116.4	74.7	58.8
Nov.....	19,049.5	8,437.9	4,519.8	10,611.6	6,091.7	113.2	274.9	118.6	77.1	61.2
Dec.....	18,641.3	8,097.7	4,462.8	10,543.6	6,080.8	110.2	269.8	115.0	75.8	60.6
1974--Jan.....	18,817.7	8,081.0	4,517.1	10,736.8	6,219.6	111.5	270.3	116.2	77.3	62.2
Feb.....	19,813.7	8,896.2	4,582.1	10,917.5	6,335.4	118.0	294.2	119.9	79.3	63.6
Mar.....	20,166.9	8,914.4	4,718.0	11,252.5	6,534.6	118.2	292.5	120.8	80.3	64.7
Apr.....	20,062.3	8,637.9	4,747.6	11,424.3	6,676.7	115.4	274.6	119.7	80.2	65.0
May.....	20,564.7	8,970.1	4,820.8	11,594.6	6,773.8	117.1	275.3	122.3	81.0	65.4
June.....	20,458.2	9,065.7	4,768.0	11,392.5	6,624.5	116.9	279.9	120.0	79.8	64.4
July.....	20,900.6	9,140.4	4,892.1	11,760.2	6,868.1	119.8	282.1	123.5	82.8	67.0
Aug.....	21,479.4	9,240.8	5,173.0	12,238.7	7,065.7	123.4	286.4	132.0	86.3	68.8
Sept.....	22,017.5	9,970.8	5,092.1	12,046.7	6,954.7	125.1	310.5	127.5	83.7	66.9
Oct.....	22,814.7	10,734.2	5,084.7	12,080.5	6,995.9	129.6	331.0	127.3	84.1	67.5

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

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

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Month or week	Seasonally adjusted			Not seasonally adjusted		
	M ₁	M ₂	M ₃	M ₁	M ₂	M ₃
Composition of measures is described in the NOTE below.						
1971—Dec.....	235.3	473.1	727.9	241.9	477.9	730.9
1972—Dec.....	255.8	525.7	823.2	263.0	530.7	826.3
1973—Oct.....	266.6	561.6	880.0	266.1	559.8	876.9
Nov.....	269.4	567.2	887.8	270.9	565.6	883.9
Dec.....	271.5	572.2	895.3	279.1	577.3	898.5
1974—Jan.....	270.9	575.5	900.7	277.8	581.4	905.9
Feb.....	273.1	580.8	907.7	270.2	578.5	905.4
Mar.....	275.2	585.5	914.9	272.5	584.9	915.7
Apr.....	276.6	589.4	920.5	278.2	593.5	926.7
May.....	277.6	591.5	923.0	272.9	589.6	922.6
June.....	279.7	596.7	929.5	277.9	596.1	930.8
July.....	280.2	599.4	933.4	279.7	599.0	934.5
Aug.....	280.5	602.0	936.6	277.3	598.5	932.6
Sept.....	280.8	603.6	938.9	279.0	600.4	934.6
Oct. ^a	281.7	607.8	944.3	281.2	605.9	941.1
Week ending—						
1974— Oct. 2.....	280.7	604.2	.....	278.7	601.1	.....
9.....	280.8	605.4	.....	280.6	604.3	.....
16.....	282.4	608.2	.....	283.9	608.7	.....
23.....	282.0	608.8	.....	280.8	606.3	.....
30 ^b	281.2	608.3	.....	279.4	604.7	.....

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

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

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

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

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

For description and back data, see "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817-27 of the Dec. 1974 BULLETIN.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted						Not seasonally adjusted						U.S. Govt. deposits ³		
	Cur-rency	Commercial banks				Non-bank thrift institutions ²	Cur-rency	Commercial banks				Non-bank thrift institutions ²			
		Dem-and deposits	Time and savings deposits		Total			Total	Demand deposits		Time and savings deposits				
			CD's ¹	Other					Member	Domestic-non-member	CD's ¹			Other	Total
1971—Dec.....	52.6	182.7	33.5	237.3	271.2	254.9	53.5	188.4	142.6	44.1	33.8	236.0	269.8	253.0	6.9
1972—Dec.....	56.9	198.9	43.9	269.9	313.8	297.5	57.9	205.1	152.4	51.4	44.2	267.6	311.8	295.6	7.4
1973— Oct.....	60.5	206.1	64.7	295.0	359.6	318.4	60.4	205.7	149.7	53.8	66.6	293.7	360.3	317.0	6.0
Nov.....	61.0	208.4	63.1	297.7	360.8	320.6	61.5	209.5	151.8	55.1	64.3	294.7	359.0	318.3	4.3
Dec.....	61.6	209.9	63.8	300.7	364.5	323.1	62.7	216.4	157.0	56.6	64.0	298.2	362.2	321.2	6.3
1974— Jan.....	62.0	208.9	66.4	304.6	371.0	325.2	61.6	216.2	156.4	56.9	65.8	303.6	369.4	324.5	8.1
Feb.....	62.7	210.4	68.2	307.7	375.9	326.9	61.9	208.3	151.1	54.6	66.1	308.3	374.3	326.9	6.6
Mar.....	63.3	211.9	68.0	310.3	378.3	329.5	62.7	209.8	152.4	54.7	66.7	312.4	379.1	330.8	6.4
Apr.....	63.9	212.8	73.9	312.7	386.7	331.1	63.5	214.7	155.8	56.2	71.8	315.3	387.1	333.2	6.0
May.....	64.3	213.2	78.5	314.0	392.5	331.5	64.1	208.7	151.3	54.8	77.2	316.7	393.9	333.0	7.6
June.....	64.6	215.0	81.3	317.0	398.4	332.7	64.8	213.1	153.6	56.1	79.6	318.3	397.9	334.7	6.1
July.....	64.8	215.4	83.6	319.2	402.8	334.0	65.3	214.4	154.4	56.5	82.8	319.2	402.0	335.6	5.4
Aug.....	65.4	215.1	83.8	321.5	405.3	334.5	65.7	211.6	152.4	56.2	87.1	321.2	408.3	334.2	4.0
Sept.....	65.8	215.0	84.8	322.8	407.6	335.3	65.8	213.2	153.5	56.8	88.7	321.4	410.2	334.1	5.4
Oct. ^a	66.5	215.2	86.2	326.1	412.3	336.6	66.4	214.8	154.5	57.4	88.8	324.7	413.5	335.2	3.6
Week ending—															
1974— Oct. 2.....	65.9	214.8	86.0	323.5	409.5	.....	65.4	213.3	154.5	55.9	89.3	322.4	411.7	.....	6.7
9.....	66.3	214.6	86.4	324.6	411.0	.....	66.9	213.7	153.8	57.0	89.2	323.6	412.8	.....	4.6
16.....	66.6	215.8	86.1	325.8	411.9	.....	66.8	217.1	156.0	58.3	88.8	324.8	413.5	.....	3.0
23.....	66.5	215.6	86.2	326.8	413.0	.....	66.3	214.5	154.0	57.6	88.9	325.5	414.3	.....	3.3
30 ^b	66.7	214.5	86.1	327.0	413.1	.....	65.9	213.4	153.8	56.8	88.3	325.4	413.7	.....	3.1

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

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

³ At all commercial banks.

See also NOTE above.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS
(In billions of dollars)

Period	Member bank reserves, S.A. ¹				Deposits subject to reserve requirements ³								Total member bank deposits plus nondeposit items ⁴	
	Total	Non-borrowed	Re-quired	Avail-able ²	S.A.				N.S.A.				S.A.	N.S.A.
					Total	Time and savings	Private	U.S. Govt.	Total	Time and savings	Private	U.S. Govt.		
1970- Dec.	29.20	28.87	28.95	27.13	321.3	178.9	136.0	6.4	325.2	178.1	141.1	6.0	333.4	337.2
1971- Dec.	31.33	31.20	31.15	29.03	360.3	210.7	143.8	5.8	364.6	209.7	149.2	5.7	365.2	369.5
1972- Dec.	31.46	30.41	31.17	29.09	402.0	242.0	154.5	5.6	406.8	240.7	160.1	6.1	406.4	411.2
1973- Oct.	34.93	33.45	34.70	32.83	439.7	277.9	156.5	5.2	439.7	278.8	156.1	4.8	446.2	446.2
Nov.	34.87	33.48	34.63	32.78	440.4	277.8	157.5	5.1	438.2	276.6	158.3	3.2	446.8	444.6
Dec.	35.16	33.87	34.86	32.97	442.2	280.0	158.2	3.9	447.5	278.5	164.0	5.0	448.7	454.0
1974- Jan.	35.82	34.77	35.66	32.82	446.8	284.1	157.5	5.1	453.0	283.1	163.4	6.5	453.3	454.0
Feb.	35.12	33.92	34.93	32.90	447.5	287.4	157.9	2.2	447.1	285.7	156.3	5.1	454.4	459.0
Mar.	34.98	33.66	34.84	33.13	450.4	288.6	158.7	3.2	450.4	288.6	156.9	4.9	457.9	457.9
Apr.	35.88	34.15	35.70	33.66	461.2	296.6	160.0	4.6	462.5	296.2	161.5	4.8	469.2	470.6
May.	36.52	33.93	36.34	34.26	467.0	302.3	159.1	5.6	464.7	303.0	155.6	6.1	475.8	473.5
June.	36.74	33.73	36.54	34.71	472.9	307.0	160.6	5.3	470.0	306.4	158.9	4.7	481.2	478.4
July.	37.40	34.10	36.24	34.96	475.7	310.7	160.7	4.2	474.3	310.1	160.0	4.1	484.9	483.5
Aug.	37.27	33.93	37.08	35.27	478.5	312.4	159.9	6.2	475.1	315.3	157.0	2.9	487.5	484.2
Sept.	37.28	34.00	37.09	35.30	480.6	314.4	159.9	6.3	479.6	317.2	158.3	4.2	489.1	488.2
Oct.	36.87	35.06	36.73	34.91	480.4	317.2	159.4	3.7	480.4	318.6	159.0	2.7	488.2	488.2

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

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

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

by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

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

NOTE.—For description of revised series and for back data, see article "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817-27 of the Dec. 1974 BULLETIN.

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

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS
(In billions of dollars)

Date	Seasonally adjusted						Not seasonally adjusted							
	Total loans and investments ¹	Loans			Securities		Total loans and investments ¹	Loans			Securities			
		Total ¹	Plus loans sold ²	Commercial and industrial ³	U.S. Treasury	Other ⁴		Total ¹	Plus loans sold ²	Commercial and industrial ³	U.S. Treasury	Other ⁴		
1970- Dec. 31.	435.5	291.7	294.7	110.0	112.1	57.9	85.9	446.8	299.0	301.9	112.5	114.6	61.7	86.1
1971- Dec. 31.	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972- Dec. 31.	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973- Nov. 28.	628.4	445.5	449.8	155.0	157.7	55.0	127.9	628.2	443.9	448.3	154.1	156.8	57.8	126.5
Dec. 31.	630.3	447.3	451.6	155.8	158.4	52.8	130.2	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974- Jan. 30.	638.9	452.9	457.3	157.9	160.5	54.5	131.5	638.4	448.9	453.3	156.2	158.8	58.8	130.7
Feb. 27.	647.4	458.3	463.3	159.5	162.2	56.4	132.7	642.1	452.7	457.7	157.9	160.6	57.7	131.7
Mar. 27.	657.5	468.2	473.1	165.1	167.9	56.4	132.9	654.0	463.0	467.9	164.9	167.7	57.5	133.5
Apr. 29.	666.9	476.3	481.7	169.5	172.6	57.1	133.5	664.2	473.0	478.4	170.2	173.3	56.4	134.7
May 29.	673.4	481.4	487.1	172.9	176.0	57.2	134.8	669.8	480.3	485.9	172.3	175.4	54.1	135.5
June 30.	677.5	484.5	489.9	174.6	177.5	56.4	136.6	681.6	491.8	497.2	177.2	181.1	52.1	137.6
July 31.	686.6	494.3	499.7	177.9	180.8	55.8	136.5	685.4	496.6	502.0	178.3	181.2	52.2	136.6
Aug. 28.	692.0	500.2	505.5	180.7	183.6	55.3	136.5	687.5	499.3	504.6	179.1	182.0	52.0	136.2
Sept. 25.	687.0	498.2	503.5	180.8	183.6	52.2	136.6	686.6	499.2	504.5	180.9	183.7	50.6	136.7
Oct. 30.	687.1	499.5	504.7	182.5	185.3	49.7	137.9	685.8	498.2	503.4	181.3	184.1	50.6	137.0
Nov. 27.	688.3	500.7	505.6	181.0	185.7	49.3	138.3	688.0	498.9	503.9	182.0	184.7	52.2	136.8

¹ Adjusted to exclude domestic commercial interbank loans.

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

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

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

⁵ Beginning June 30, 1974, data revised to include one large mutual savings bank that merged with a nonmember commercial bank. Total loans and investments were increased by about \$600 million of which \$500 million were in loans and \$100 million in "other securities."

⁶ Beginning Aug. 28, 1974, loans sold outright to bank affiliates reflect a newly issued definition of the group of affiliates included as well as a somewhat different group of reporting banks. Total loans were decreased by \$100 million on the new basis; commercial and industrial loans were decreased by \$100 million.

⁷ Beginning Oct. 31, 1974, total loans and investments of all commercial banks were reduced by \$1.5 billion in connection with the liquidation of one large bank. Total loans were reduced by \$1.0 billion and "Other securities" by \$0.5 billion. Business loans were reduced by \$0.6 billion. In late November, business loans were increased by \$0.1 billion as a result of loan reclassifications at another large bank.

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

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Classification by F.R.S. membership and F.DIC insurance	Loans and investments					Total assets— Total liabilities and capital accounts ⁴	Deposits					Bor- row- ings	Total capital ac- counts	Num- ber of banks		
	Total	Loans ¹	Securities		Cash assets ³		Interbank ³	Other			Total ³					
			U.S. Treasury	Other ²				Demand	Time	U.S. Govt.					Other	Time ⁵
Call date series																
Insured banks (cont.):																
State member:																
1941- Dec. 31....	15,950	6,295	7,500	2,155	8,145	24,688	22,259	1,739			621	13,874	4,025	1	2,246	1,502
1947- Dec. 31....	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918	
1960- Dec. 31....	58,073	36,240	16,394	5,439	17,081	77,316	68,118	6,608	1,028	2,022	40,733	17,727	20	6,299	1,644	
1970- Dec. 31....	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147	
1971- Dec. 31....	102,813	71,441	11,247	20,125	26,998	135,517	111,777	13,102	721	2,412	45,945	49,597	6,878	10,214	1,128	
1972- Dec. 31....	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886	1,092	
1973- Dec. 31....	130,240	97,828	10,532	21,880	29,387	166,780	131,421	14,425	1,968	2,318	49,859	62,851	15,914	11,617	1,076	
1974- Apr. 24....	132,211	100,876	31,335		27,008	166,929	127,944	32,918	2,084	1,114	44,173	67,655	18,210	12,145	1,071	
June 30....	132,388	101,732	8,303	22,353	35,268	175,896	139,446	19,125	2,906	1,586	47,690	68,138	14,713	11,980	1,068	
Nonmember:																
1941- Dec. 31....	5,776	3,241	1,509	1,025	2,668	8,708	7,702			53	4,162	3,360	6	959	6,810	
1947- Dec. 31....	16,444	10,039	1,448	4,083	20,691	19,342		262	4	149	12,366	6,558	7	1,271	6,478	
1960- Dec. 31....	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232	6,948	
1970- Dec. 31....	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735	
1971- Dec. 31....	108,527	67,188	17,058	24,282	12,092	123,970	109,841	1,212	242	1,723	44,717	61,946	582	9,451	7,875	
1972- Dec. 31....	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938	8,017	
1973- Dec. 31....	149,638	99,143	16,467	34,027	16,167	170,831	150,170	1,467	586	1,582	58,966	87,569	1,920	12,862	8,229	
1974- Apr. 24....	156,305	103,594	52,711		12,183	173,645	151,812	1,130	553	1,163	55,072	93,894	2,322	13,587	8,284	
June 30....	159,186	106,033	15,898	37,255	14,565	179,457	156,406	1,323	610	1,731	56,580	96,162	2,678	14,057	8,347	
Noninsured nonmember:																
1941- Dec. 31....	1,457	455	761	241	763	2,283	1,872			329	1,291	253	13	329	852	
1947- Dec. 31....	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783	
1960- Dec. 31....	1,498	550	535	413	314	1,883	1,443	159	132	13	846	293	14	358	352	
1970- Dec. 31....	3,979	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	26	532	184	
1971- Dec. 31....	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181	
1972- Dec. 31....	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206	
1973- Dec. 31....	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524	207	
1974- June 30....	9,269	7,987	282	1,001	2,951	12,770	6,610	1,481	476	12	2,209	2,432	2,033	620	229	
Total nonmember:																
1941- Dec. 31....	7,233	3,696	2,270	1,266	3,431	10,992	9,573			457	5,504	3,613	18	1,288	7,662	
1947- Dec. 31....	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261	
1960- Dec. 31....	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590	7,300	
1970- Dec. 31....	95,478	59,621	16,342	19,514	12,143	110,822	96,538	1,466	243	1,478	41,303	52,078	796	8,858	7,919	
1971- Dec. 31....	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932	8,056	
1972- Dec. 31....	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429	8,223	
1973- Dec. 31....	155,830	104,070	16,783	34,976	18,177	179,480	155,165	2,057	930	1,592	60,802	89,784	3,383	13,386	8,436	
1974- June 30....	168,456	114,020	16,180	38,256	17,516	192,227	163,016	2,804	1,086	1,743	58,789	98,593	4,711	14,677	8,576	

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

² Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately \$300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

³ See also table (and notes) at the bottom of p. A-26.

⁴ See first two paragraphs of note 1.

⁵ Reciprocal balances excluded beginning with 1942.

⁶ Includes items not shown separately. See also note 1.

⁷ See third paragraph of note 1 above.

⁸ From the last-Wednesday-of-the-month series, figures for call dates are shown for June and December as soon as they became available.

⁹ Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

¹⁰ Member bank data for Oct. exclude assets of \$3.6 billion of one large bank.

¹¹ Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-

owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

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

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

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

Beginning Dec. 31, 1973 and June 30, 1974, respectively, member banks exclude and noninsured nonmember banks include one and two noninsured trust companies that are members of the Federal Reserve System.

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

Figures are partly estimated except on call dates.

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

ASSETS BY CLASS OF BANK, JUNE 30, 1974

(Amounts in millions of dollars)

Account	All commercial banks	Insured commercial banks	Total	Member banks ¹			All other	Non-member banks ¹
				Large banks				
				New York City	City of Chicago	Other large		
Cash bank balances, items in process.....	126,487	123,536	108,971	36,265	4,217	38,075	30,415	17,516
Currency and coin.....	8,378	8,350	6,245	460	131	1,983	3,671	2,133
Reserves with Federal Reserve banks.....	30,146	30,146	30,146	6,204	1,319	12,459	10,165	.....
Demand balances with banks in United States.....	31,853	29,824	19,732	7,560	741	3,503	7,928	12,121
Other balances with banks in United States.....	2,517	2,080	1,295	99	71	456	669	1,222
Balances with banks in foreign countries.....	1,386	1,011	884	221	70	498	96	502
Cash items in process of collection.....	52,207	52,125	50,669	21,722	1,885	19,176	7,886	1,538
Total securities held - Book value.....	189,762	188,480	135,326	15,193	5,266	44,738	70,129	54,436
U.S. Treasury.....	52,114	51,832	35,934	3,715	1,207	11,586	19,426	16,180
Other U.S. Government agencies.....	31,359	31,001	20,523	2,123	923	5,960	11,518	10,835
States and political subdivisions.....	99,870	99,466	74,457	8,578	2,930	25,850	37,099	25,413
All other securities.....	6,420	6,180	4,412	777	206	1,342	2,087	2,008
Trade-account securities.....	6,370	6,368	6,281	2,162	539	3,293	288	88
U.S. Treasury.....	707	705	691	22	141	531	42	16
Other U.S. Government agencies.....	1,472	1,472	1,462	505	148	774	35	10
States and political subdivisions.....	3,921	3,921	3,876	1,616	250	1,802	207	45
All other.....	269	269	253	63	.....	186	4	17
Bank investment portfolios.....	183,393	182,112	129,045	13,031	4,727	41,445	69,842	54,348
U.S. Treasury.....	51,407	51,127	35,243	3,738	1,066	11,056	19,384	16,164
Other U.S. Government agencies.....	29,886	29,528	19,061	1,617	775	5,186	11,483	10,825
States and political subdivisions.....	95,949	95,545	70,581	6,962	2,680	24,047	36,892	25,368
All other.....	6,151	5,911	4,159	714	206	1,156	2,083	1,992
Federal funds sold and securities resale agreements.....	35,307	33,225	25,374	1,944	1,239	11,939	10,251	9,933
Commercial banks.....	31,612	29,530	21,780	1,692	900	9,379	9,808	9,832
Brokers and dealers.....	2,658	2,658	2,628	82	227	1,956	361	30
Others.....	1,037	1,037	966	170	112	602	82	72
Other loans.....	494,104	488,199	390,017	76,484	23,502	147,030	143,001	104,087
Real estate loans.....	126,173	125,914	92,093	7,698	1,260	35,201	47,934	34,079
Secured by farmland.....	5,797	5,777	2,599	6	2	340	2,251	3,199
Secured by residential.....	78,752	78,544	58,923	4,174	833	23,742	30,175	19,829
1- to 4-family residences.....	71,577	71,387	52,993	2,888	774	20,874	28,457	18,584
FHA insured.....	6,297	6,250	5,472	261	40	3,065	2,106	824
VA guaranteed.....	3,350	3,301	2,851	196	20	1,505	1,130	499
Other.....	61,930	61,836	44,669	2,431	714	16,304	25,221	17,260
Multifamily.....	7,175	7,157	5,930	1,286	59	2,868	1,717	1,245
FHA insured.....	1,064	1,046	954	179	28	491	256	110
Other.....	6,112	6,110	4,976	1,107	31	2,378	1,461	1,135
Secured by other properties.....	41,623	41,593	30,572	3,519	425	11,119	15,509	11,052
Loans to domestic and foreign banks.....	13,110	11,218	10,784	5,191	954	4,027	612	2,325
Loans to other financial institutions.....	33,567	33,418	31,997	11,881	4,509	12,956	2,651	1,570
Loans on securities to brokers and dealers.....	5,317	5,294	5,176	3,189	794	1,023	170	141
Other loans for purchase/carry securities.....	4,217	4,175	3,533	623	338	1,597	974	684
Loans to farmers.....	18,444	18,423	10,885	140	222	2,622	7,901	7,558
Commercial and industrial loans.....	177,184	174,304	149,154	39,229	12,907	58,205	38,812	28,030
Loans to individuals.....	102,615	102,165	74,285	5,104	1,410	26,254	41,517	28,330
Installment loans.....	78,947	78,565	56,485	2,874	735	20,051	32,825	22,462
Passenger automobiles.....	33,902	33,648	22,953	458	161	7,243	15,091	10,948
Residential-repair/modernize.....	5,151	5,142	3,788	197	38	1,522	2,030	1,363
Credit cards and related plans.....	9,458	9,458	8,408	969	299	4,703	2,436	1,050
Charge-account credit cards.....	7,017	7,016	6,322	689	272	3,541	1,820	694
Check and revolving credit plans.....	2,442	2,442	2,086	280	27	1,162	617	356
Other retail consumer goods.....	15,364	15,340	10,890	151	111	3,723	6,906	4,474
Mobile homes.....	8,847	8,845	6,399	76	57	2,261	4,004	2,448
Other.....	6,518	6,495	4,492	74	54	1,462	2,902	2,026
Other installment loans.....	15,072	14,977	10,445	1,099	126	2,859	6,362	4,627
Single-payment loans to individuals.....	23,668	23,600	17,801	2,230	676	6,203	8,692	5,868
All other loans.....	13,479	13,288	12,109	3,428	1,107	5,144	2,430	1,370
Total loans and securities.....	719,173	709,904	550,717	93,621	30,008	203,707	223,381	168,456
Fixed assets - Buildings, furniture, real estate.....	14,168	14,092	10,808	1,115	431	4,358	4,903	3,360
Investments in subsidiaries not consolidated.....	1,595	1,586	1,568	716	121	674	57	27
Customer acceptances outstanding.....	6,645	6,500	6,249	3,739	359	1,900	251	396
Other assets.....	16,688	16,367	14,216	3,539	771	6,537	3,368	2,472
Total assets.....	884,755	871,986	692,529	138,996	35,906	255,251	262,376	192,227

¹ Member banks exclude and nonmember banks include two noninsured trust companies that are members of the Federal Reserve System, and member banks exclude two national banks outside the continental United States.

² See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 26.

³ Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Figures for total loans and for individual categories of securities are reported on a gross basis that is, before deduction of valuation reserves.

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

LIABILITIES AND CAPITAL BY CLASS OF BANK, JUNE 30, 1974

(Amounts in millions of dollars)

Account	All commercial banks	Insured commercial banks	Total	Member banks ¹			All other	Non-member banks ¹
				Large banks				
				New York City	City of Chicago	Other large		
Demand deposits	302,816	299,114	239,480	60,522	9,014	81,359	88,585	63,337
Mutual savings banks	1,298	1,186	1,103	472	1	171	459	196
Other individuals, partnerships, and corporations	216,285	215,421	165,670	26,762	6,871	61,031	71,006	50,615
U.S. Government	8,367	8,355	6,624	882	226	2,893	2,622	1,743
States and political subdivisions	19,379	19,249	14,264	1,346	202	4,076	3,640	5,116
Foreign governments, central banks, etc.	1,698	1,534	1,514	1,307	17	182	8	185
Commercial banks in United States	34,586	33,562	32,576	18,867	1,335	9,135	3,240	2,010
Banks in foreign countries	6,131	5,786	5,532	4,332	127	955	118	598
Certified and officers' checks, etc.	15,072	14,020	12,197	6,553	235	2,916	2,493	2,875
Time and savings deposits	407,561	404,653	307,881	44,468	16,233	111,622	135,559	99,679
Savings deposits	133,129	132,868	96,488	6,165	2,039	33,834	54,450	36,641
Accumulated for personal loan payments ²	460	457	330	—	—	63	267	130
Mutual savings banks	486	465	456	275	32	129	20	30
Other individuals, partnerships, and corporations	207,331	206,061	159,052	25,950	10,969	58,285	63,848	48,279
U.S. Government	446	446	334	53	31	100	149	111
States and political subdivisions	47,711	47,551	35,192	2,088	1,655	14,963	16,487	12,518
Foreign governments, central banks, etc.	9,581	8,843	8,668	5,074	874	2,686	33	913
Commercial banks in United States	7,502	7,301	6,784	4,437	606	1,461	280	718
Banks in foreign countries	915	661	578	426	27	100	25	338
Total deposits	710,377	703,767	547,361	104,990	25,247	192,980	224,144	163,016
Federal funds purchased and securities sold under agreements to repurchase	57,064	55,983	53,652	11,115	5,641	28,973	7,922	3,412
Other liabilities for borrowed money	10,483	9,531	9,184	3,665	141	4,193	1,185	1,299
Mortgage indebtedness	1,192	1,188	1,002	78	5	386	533	189
Bank acceptances outstanding	6,916	6,761	6,509	3,980	362	1,914	253	407
Other liabilities	29,091	25,767	21,338	4,583	2,015	8,053	6,689	7,752
Total liabilities	815,123	802,997	639,046	128,411	33,410	236,499	240,726	176,076
Minority interest in consolidated subsidiaries	4	4	1	—	—	—	1	3
Total reserves on loans/securities	8,005	7,982	6,535	1,449	428	2,428	2,231	1,470
Reserves for bad debts (IRS)	7,709	7,691	6,347	1,448	427	2,368	2,104	1,362
Other reserves on loans	125	125	79	1	1	8	69	47
Reserves on securities	171	166	110	—	—	52	58	61
Total capital accounts	61,623	61,003	46,946	9,136	2,068	16,323	19,418	14,677
Capital notes and debentures	4,310	4,203	3,419	1,752	57	1,682	929	891
Equity capital	57,313	56,801	43,526	8,384	2,012	14,641	18,490	13,786
Preferred stock	64	59	41	18	—	11	12	23
Common stock	14,525	14,424	10,886	2,167	562	3,542	4,614	3,640
Surplus	24,408	24,272	18,655	3,458	1,140	6,705	7,351	5,753
Undivided profits	17,398	17,196	13,329	2,737	268	4,130	6,194	4,069
Other capital reserves	917	851	616	4	41	253	318	301
Total liabilities, reserves, minority interest, capital accounts	884,755	871,986	692,529	138,996	35,906	255,251	262,376	192,227
Demand deposits adjusted ³	207,657	205,072	149,611	19,051	5,569	50,155	74,837	58,046
Average total deposits (past 15 days)	693,902	687,496	532,535	96,854	24,780	189,299	221,602	161,366
Average total loans (past 15 days)	501,628	493,909	390,178	75,995	23,483	147,258	143,441	111,450
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	14.3	14.2	15.7	26.1	11.7	14.9	11.6	9.1
Total securities held	21.4	21.6	19.6	10.9	14.7	17.5	26.7	28.3
Trading account securities	.7	.7	.9	1.6	1.5	1.3	.1	—
U.S. Treasury	.1	.1	.1	—	.4	.2	—	—
States and political subdivisions	.4	.4	.6	1.2	.7	.7	.1	—
All other trading account securities	.2	.2	.2	.4	.4	.4	—	—
Bank investment portfolios	20.7	20.9	18.6	9.4	13.2	16.2	26.6	28.3
U.S. Treasury	5.8	5.9	5.1	2.7	3.0	4.3	7.4	8.4
States and political subdivisions	10.8	11.0	10.2	5.0	7.5	9.4	14.1	13.2
All other portfolio securities	4.1	4.1	3.4	1.7	2.7	2.5	5.2	6.7
Other loans and Federal funds sold	59.8	59.8	60.0	56.4	68.9	62.3	58.4	59.3
All other assets	4.4	4.4	4.7	6.6	4.7	5.3	3.3	3.3
Total loans and securities	81.3	81.4	79.5	67.4	83.6	79.8	85.1	87.6
Reserves for loans and securities	.9	.9	.9	1.0	1.2	1.0	.9	.8
Equity capital - Total	6.5	6.5	6.3	6.0	5.6	5.7	7.0	7.2
Total capital accounts	7.0	7.0	6.8	6.6	5.8	6.4	7.4	7.6
Number of banks	14,337	14,108	5,761	13	9	156	5,583	8,576

For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments	Loans													
		Federal funds sold, etc. ¹					Other								
		Total	To commercial banks	To brokers and dealers involving—		To others	Total	Commercial and industrial	Agricultural	For purchasing or carrying securities		To nonbank financial institutions			
				U.S. Treasury securities	Other securities					To brokers and dealers	To others				
								U.S. Treasury secs.	Other secs.	U.S. Treasury secs.	Other secs.	Pers. and sales finan. cos., etc.	Other		
Large banks - Total															
1973															
Nov. 7	363,207	16,290	14,400	1,312	349	229	263,271	107,194	3,409	1,445	6,012	138	2,903	8,612	17,037
14	360,150	15,811	14,163	1,206	258	184	261,638	107,300	3,409	613	5,752	135	2,870	8,450	17,088
21	358,562	13,487	12,059	904	309	215	261,566	107,577	3,409	628	5,632	143	2,844	7,992	16,824
28	359,766	14,447	12,843	1,065	356	183	262,469	107,632	3,434	623	5,564	142	2,853	8,350	16,971
1974															
Oct. 2	398,212	16,938	13,834	1,300	889	915	299,353	128,932	3,771	898	3,709	101	2,629	10,217	22,069
9	401,400	19,550	14,057	3,556	836	1,101	299,451	128,683	3,754	2,500	4,009	91	2,634	9,707	21,888
16	399,373	18,515	14,723	2,059	773	960	298,286	129,212	3,739	618	3,457	92	2,629	9,992	21,955
23	394,245	15,493	12,541	1,240	744	968	297,009	128,507	3,751	1,324	3,373	94	2,607	9,684	21,710
30	395,157	16,243	12,929	1,820	696	798	296,807	128,520	3,759	966	3,738	94	2,613	9,883	21,525
Nov. 6	399,743	18,050	15,035	1,409	774	832	298,378	129,432	3,736	828	4,045	92	2,614	10,140	21,688
13	403,109	19,800	15,914	2,344	741	801	299,097	129,271	3,717	1,742	3,830	91	2,622	9,904	21,656
20	400,741	17,398	14,339	1,324	920	815	298,984	129,376	3,728	1,946	3,778	86	2,611	10,040	21,659
27	399,673	17,305	14,288	1,303	843	871	298,591	129,766	3,725	633	4,091	94	2,587	10,282	21,474
New York City															
1973															
Nov. 7	79,250	1,060	940	120			63,271	30,783	107	1,318	3,781	30	685	2,934	5,868
14	78,054	1,845	1,725	120			61,585	30,737	108	543	3,447	31	662	2,835	5,914
21	77,988	1,760	1,640	120			61,346	30,851	109	534	3,360	31	653	2,542	5,772
28	78,616	2,298	2,178	120			61,839	30,935	112	514	3,296	31	652	2,766	5,900
1974															
Oct. 2	92,213	2,101	1,882	140		79	75,294	39,104	122	789	2,466	21	545	3,564	8,551
9	92,752	1,600	1,519	54		27	76,138	39,168	117	2,146	2,755	21	544	3,276	8,424
16	92,838	2,840	2,755	33		52	74,785	39,287	119	520	2,304	21	547	3,488	8,529
23	91,387	2,435	2,291	72		72	74,327	38,864	122	1,187	2,289	21	547	3,299	8,429
30	90,788	1,704	1,569	86		49	74,266	38,913	123	826	2,557	21	545	3,515	8,402
Nov. 6	91,882	1,537	1,374	112	5	46	75,431	39,423	124	752	2,847	21	550	3,624	8,536
13	92,588	1,130	979	99	5	47	76,129	39,481	120	1,444	2,639	22	553	3,478	8,469
20	92,821	1,335	1,176	102	5	52	76,433	39,546	120	1,727	2,507	20	546	3,624	8,549
27	92,441	1,746	1,526	100	20	100	75,919	39,909	119	562	2,785	20	538	3,754	8,527
Outside New York City															
1973															
Nov. 7	283,957	15,230	13,460	1,192	349	229	200,000	76,411	3,302	127	2,231	108	2,218	5,678	11,169
14	282,096	13,966	12,438	1,086	258	184	200,053	76,563	3,301	70	2,305	104	2,208	5,615	11,174
21	280,574	11,727	10,419	784	309	215	200,220	76,726	3,300	94	2,272	112	2,191	5,450	11,052
28	281,150	12,149	10,665	945	356	183	200,630	76,697	3,322	109	2,268	111	2,201	5,584	11,071
1974															
Oct. 2	305,999	14,837	11,952	1,160	889	836	224,059	89,828	3,649	109	1,243	80	2,084	6,653	13,518
9	308,648	17,950	12,538	3,502	836	1,074	223,313	89,515	3,637	354	1,254	70	2,090	6,431	13,464
16	306,535	15,675	11,968	2,026	773	908	223,501	89,925	3,620	98	1,153	71	2,082	6,504	13,426
23	302,858	13,058	10,250	1,168	744	896	222,682	89,643	3,629	137	1,084	73	2,060	6,385	13,281
30	304,369	14,539	11,360	1,734	696	749	222,541	89,607	3,636	140	1,181	73	2,068	6,368	13,123
Nov. 6	307,861	16,513	13,661	1,297	769	786	222,947	90,009	3,612	76	1,198	71	2,064	6,516	13,152
13	310,721	18,670	14,935	2,245	736	754	222,968	89,790	3,597	298	1,191	69	2,069	6,426	13,187
20	307,920	16,063	13,163	1,222	915	763	222,551	89,830	3,608	219	1,271	66	2,065	6,416	13,110
27	307,232	15,559	12,762	1,203	823	771	222,672	89,857	3,606	71	1,306	74	2,049	6,528	12,947

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Real estate	Loans (cont.)					Investments						Wednesday
	Other (cont.)					U.S. Treasury securities						
	To commercial banks		Consumer instalment	Foreign govts. ²	All other	Total	Bills	Certificates	Notes and bonds maturing—			
	Domestic	Foreign							Within 1 yr.	1 to 5 yrs.	After 5 yrs.	
<i>Large banks—Total</i>												
1973												
53,971	3,490	4,422	32,293	1,354	20,991	24,180	5,052	4,416	11,908	2,804	Nov. 7	
54,225	3,562	4,495	32,383	1,408	19,948	24,129	5,114	4,429	11,865	2,721	14	
54,444	3,833	4,365	32,444	1,403	20,028	24,872	4,837	4,075	12,354	3,606	21	
54,548	3,856	4,543	32,525	1,435	19,993	24,257	4,434	3,911	12,416	3,496	28	
1974												
59,749	3,596	6,343	35,142	1,643	20,554	19,766	1,224	3,691	10,939	3,912	Oct. 2	
59,740	3,517	6,338	35,133	1,636	19,821	20,104	1,551	3,643	10,927	3,983	9	
59,839	3,374	6,566	35,063	1,611	20,140	20,553	2,032	3,624	10,903	3,994	16	
59,966	3,349	6,010	35,025	1,626	19,983	20,373	1,996	3,617	10,718	4,042	23	
59,964	3,308	6,068	35,076	1,627	19,666	20,522	2,174	3,658	10,684	4,006	30	
59,946	3,261	5,994	35,157	1,568	19,877	21,605	2,978	3,799	10,876	3,952	Nov. 6 ^a	
60,051	3,295	6,083	35,011	1,598	20,226	21,948	3,473	3,656	10,868	3,951	13 ^a	
60,127	3,237	6,144	34,967	1,618	19,667	22,721	3,310	3,562	11,806	4,043	20 ^a	
60,036	3,249	6,209	34,985	1,617	19,843	22,014	2,735	3,519	11,869	3,891	27 ^a	
<i>New York City</i>												
1973												
6,171	1,368	1,930	2,411	685	5,200	4,890	1,734	687	1,719	750	Nov. 7	
6,217	1,468	2,066	2,419	748	4,390	4,834	1,797	711	1,659	667	14	
6,265	1,647	1,972	2,432	722	4,456	5,029	1,443	759	1,634	1,193	21	
6,271	1,661	2,090	2,443	728	4,440	4,719	1,188	664	1,681	1,186	28	
1974												
7,274	1,654	3,032	2,599	871	4,702	3,768	331	372	1,970	1,393	Oct. 2	
7,270	1,552	3,108	2,633	885	4,239	4,097	401	336	1,898	1,462	9	
7,296	1,495	3,345	2,627	874	4,333	4,420	738	344	1,893	1,445	16	
7,330	1,513	2,880	2,615	852	4,379	4,115	472	344	1,829	1,470	23	
7,324	1,521	2,977	2,630	832	4,080	4,322	630	361	1,853	1,478	30	
7,350	1,564	2,847	2,637	861	4,295	4,435	876	338	1,825	1,396	Nov. 6 ^a	
7,379	1,587	2,941	2,634	873	4,509	4,728	1,116	358	1,863	1,391	13 ^a	
7,413	1,565	3,067	2,639	865	4,245	4,776	956	386	2,272	1,162	20 ^a	
7,433	1,579	3,021	2,660	872	4,140	4,562	633	421	2,314	1,194	27 ^a	
<i>Outside New York City</i>												
1973												
47,800	2,122	2,492	29,882	669	15,791	19,290	3,318	3,729	10,189	2,054	Nov. 7	
48,008	2,094	2,429	29,964	660	15,558	19,295	3,317	3,718	10,206	2,054	14	
48,179	2,186	2,393	30,012	681	15,572	19,843	3,394	3,316	10,720	2,413	21	
48,277	2,195	2,453	30,082	707	15,553	19,538	3,246	3,247	10,735	2,310	28	
1974												
52,475	1,942	3,311	32,543	772	15,852	15,998	1,191	3,319	8,969	2,519	Oct. 2	
52,470	1,965	3,230	32,500	751	15,582	16,007	1,150	3,307	9,029	2,521	9	
52,543	1,878	3,221	32,436	737	15,807	16,133	1,294	3,280	9,010	2,549	16	
52,636	1,836	3,130	32,410	774	15,604	16,258	1,524	3,273	8,889	2,572	23	
52,640	1,787	3,091	32,446	795	15,586	16,200	1,544	3,297	8,831	2,528	30	
52,596	1,697	3,147	32,520	707	15,582	17,170	2,102	3,461	9,051	2,556	Nov. 6 ^a	
52,672	1,708	3,142	32,377	725	15,717	17,220	2,357	3,298	9,005	2,560	13 ^a	
52,714	1,672	3,077	32,328	753	15,422	17,945	2,354	3,176	9,534	2,881	20 ^a	
52,603	1,670	3,188	32,325	745	15,703	17,452	2,102	3,098	9,555	2,697	27 ^a	

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Investments (cont.)										Total assets/ total liabilities	
	Total	Other securities				Cash items in process of collection	Re- serves with F.R. Banks	Cur- rency and coin	Bal- ances with do- mestic banks	Invest- ments in sub- sidi- aries not consol- idated		Other assets
		Obligations of States and political subdivisions		Other bonds, corp. stocks, and securities								
		Tax war- rants ³	All other	Certif. of partici- pation ⁴	All other ⁵							
<i>Large banks— Total</i>												
<i>1973</i>												
Nov. 7.....	59,466	7,749	39,187	2,212	10,318	36,848	20,940	3,955	14,314	1,355	20,599	461,218
14.....	58,572	7,348	38,666	2,230	10,328	36,059	25,990	4,360	12,417	1,360	19,883	460,219
21.....	58,637	7,180	38,970	2,193	10,294	31,700	23,570	4,021	10,576	1,363	20,033	449,825
28.....	58,593	7,152	38,907	2,298	10,236	31,361	22,713	4,745	12,228	1,368	20,016	452,197
<i>1974</i>												
Oct. 2.....	62,155	6,899	40,888	2,431	11,937	33,872	24,163	4,394	10,485	1,642	30,432	503,200
9.....	62,295	6,963	41,127	2,494	11,711	29,963	20,139	4,448	10,505	1,622	29,910	497,987
16.....	62,019	6,764	41,090	2,447	11,718	42,009	27,592	4,628	11,918	1,585	29,321	516,426
23.....	61,370	6,324	40,818	2,456	11,772	33,617	24,425	4,752	10,703	1,600	29,558	498,900
30.....	61,585	6,254	40,799	2,582	11,950	33,857	23,873	4,865	11,178	1,605	30,367	500,902
Nov. 6 ^p	61,710	6,498	40,826	2,541	11,845	38,780	25,306	4,258	11,957	1,610	30,600	512,254
13 ^p	62,464	6,784	41,233	2,521	11,926	38,140	21,313	4,803	11,572	1,629	31,335	512,101
20 ^p	61,638	6,515	40,758	2,504	11,861	32,196	23,906	4,766	11,069	1,638	30,539	504,855
27 ^p	61,763	6,415	40,831	2,530	11,987	37,932	24,685	4,519	10,639	1,599	31,605	510,652
<i>New York City</i>												
<i>1973</i>												
Nov. 7.....	10,029	2,311	5,070	611	2,037	16,504	5,719	508	7,972	663	5,945	116,561
14.....	9,790	2,368	4,803	601	2,018	13,296	7,197	511	6,431	662	5,636	111,787
21.....	9,853	2,247	4,975	590	2,041	9,870	5,358	454	4,328	665	5,909	104,572
28.....	9,760	2,248	4,878	594	2,040	11,711	5,387	539	6,308	668	5,804	109,033
<i>1974</i>												
Oct. 2.....	11,050	2,370	5,714	473	2,493	10,918	6,292	504	4,238	711	10,059	124,935
9.....	10,917	2,284	5,778	472	2,383	10,195	5,559	523	4,492	709	10,073	124,303
16.....	10,793	2,276	5,725	427	2,365	15,911	7,252	511	5,358	709	9,539	132,118
23.....	10,510	2,040	5,614	447	2,409	13,441	5,724	507	5,189	713	9,911	126,872
30.....	10,496	1,977	5,541	505	2,473	12,442	7,938	524	5,363	724	10,285	128,064
Nov. 6 ^p	10,479	2,011	5,538	524	2,406	14,646	7,077	511	5,267	722	10,212	130,317
13 ^p	10,601	1,870	5,843	502	2,386	13,549	7,368	543	4,930	723	10,633	130,334
20 ^p	10,277	1,843	5,652	501	2,281	10,790	6,619	531	5,327	724	9,930	126,742
27 ^p	10,214	1,813	5,586	512	2,303	14,828	6,376	474	4,901	726	10,649	130,395
<i>Outside New York City</i>												
<i>1973</i>												
Nov. 7.....	49,437	5,438	34,117	1,601	8,281	20,344	15,221	3,447	6,342	692	14,654	344,657
14.....	48,782	4,980	33,863	1,629	8,310	22,763	18,793	3,849	5,986	698	14,247	348,432
21.....	48,784	4,933	33,995	1,603	8,253	21,830	18,212	3,567	6,248	698	14,124	345,253
28.....	48,833	4,904	34,029	1,704	8,196	19,650	17,326	4,206	5,920	700	14,212	343,164
<i>1974</i>												
Oct. 2.....	51,105	4,529	35,174	1,958	9,444	22,954	17,871	3,890	6,247	931	20,373	378,265
9.....	51,378	4,679	35,349	2,022	9,328	19,768	14,580	3,925	6,013	913	19,837	373,684
16.....	51,226	4,488	35,365	2,020	9,353	26,098	20,340	4,117	6,560	876	19,782	384,308
23.....	50,860	4,284	35,204	2,009	9,363	20,176	18,701	4,245	5,514	887	19,647	372,028
30.....	51,089	4,277	35,258	2,077	9,477	21,415	15,935	4,341	5,815	881	20,082	372,838
Nov. 6 ^p	51,231	4,487	35,288	2,017	9,439	24,134	18,229	3,747	6,690	888	20,388	381,937
13 ^p	51,863	4,914	35,390	2,019	9,540	24,591	13,945	4,260	6,642	906	20,702	381,767
20 ^p	51,361	4,672	35,106	2,003	9,580	21,406	17,287	4,235	5,742	914	20,609	378,113
27 ^p	51,549	4,602	35,245	2,018	9,684	23,104	18,309	4,045	5,738	873	20,956	380,257

For notes see page A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits															Wednesday
Demand										Time and savings					
Total	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank	Foreign	Certified and officers' checks	Total ⁶	IPC	States and political subdivisions	Domestic interbank	Foreign govts. ⁷				
				Commercial	Mutual sav- ings	Govts., etc. ²	Com- mercial banks	Sav- ings	Other						
<i>Large banks - Total</i>															
1973															
164,691	112,459	6,800	2,200	28,247	820	1,021	3,999	9,145	187,077	56,257	94,097	22,079	5,622	8,525	Nov. 7
159,601	112,884	6,410	1,494	23,768	685	888	4,011	9,461	186,338	56,262	93,622	21,886	5,795	8,278	14
153,280	111,914	6,450	2,424	21,189	629	954	3,835	5,885	186,468	56,315	93,872	21,670	5,815	8,310	21
156,083	112,459	6,173	2,138	22,406	604	1,055	3,777	7,471	186,481	56,278	94,014	21,568	5,849	8,267	28
1974															
160,987	115,074	6,164	3,195	22,460	855	1,166	5,199	6,874	221,496	57,220	119,328	24,752	7,652	10,787	Oct. 2
154,150	111,950	5,877	1,074	21,739	826	1,155	5,281	6,248	221,122	57,380	118,647	25,111	7,564	10,659	9
170,097	120,145	5,984	1,850	26,780	773	1,283	5,601	7,681	221,182	57,437	118,790	25,081	7,485	10,630	16
156,319	113,339	5,568	1,030	24,076	691	1,095	4,961	5,559	221,596	57,462	119,243	25,057	7,280	10,742	23
159,896	115,026	6,106	1,155	23,832	679	1,247	4,635	7,216	219,890	57,408	118,126	24,652	7,217	10,627	30
166,316	117,445	5,942	2,225	26,133	807	1,174	4,949	7,641	219,310	57,586	117,621	24,112	7,252	10,859	Nov. 6 ^p
164,764	120,705	5,931	1,473	22,779	723	1,250	5,131	6,772	219,194	57,661	117,386	24,026	7,216	11,051	13 ^p
158,403	114,891	6,174	2,260	21,752	569	1,072	5,339	6,346	218,324	57,766	116,836	23,804	7,162	10,868	20 ^p
164,767	118,252	6,086	1,892	24,816	575	1,058	5,136	6,952	218,867	57,806	117,439	23,719	7,268	10,670	27 ^p
<i>New York City</i>															
1973															
52,027	25,728	464	477	15,684	400	863	2,981	5,430	34,056	4,966	19,110	2,074	3,736	4,091	Nov. 7
45,954	23,752	366	150	12,030	346	731	2,949	5,630	34,558	4,977	19,456	2,143	3,934	3,969	14
40,924	23,851	433	458	9,890	323	804	2,763	2,402	34,952	4,961	19,699	2,148	4,039	4,028	21
44,706	24,566	344	363	11,561	311	895	2,777	3,889	34,913	4,961	19,694	2,140	4,044	3,998	28
1974															
45,234	26,190	307	485	10,219	511	937	3,869	2,716	46,753	4,942	27,892	1,892	4,423	6,443	Oct. 2
43,499	24,187	406	121	10,648	434	943	3,947	2,813	46,536	4,945	27,712	1,949	4,353	6,384	9
50,800	26,442	298	242	13,988	426	1,040	4,289	4,075	46,850	4,964	28,045	1,955	4,299	6,363	16
46,580	25,580	317	109	13,385	383	883	3,657	2,266	46,914	4,957	28,155	2,016	4,142	6,360	23
47,182	26,049	366	128	12,088	365	1,061	3,384	3,741	46,366	4,945	27,846	1,871	4,069	6,309	30
49,574	26,943	274	475	13,056	414	983	3,691	3,738	46,386	4,967	27,657	1,874	4,100	6,453	Nov. 6 ^p
47,283	27,792	342	168	10,473	386	1,028	3,802	3,292	46,186	4,991	27,340	1,900	4,090	6,539	13 ^p
44,481	25,207	303	397	10,299	271	887	4,061	3,056	45,786	4,999	27,186	1,833	4,020	6,414	20 ^p
49,150	26,544	338	273	13,475	289	869	3,828	3,534	46,413	4,994	27,710	1,844	4,136	6,303	27 ^p
<i>Outside New York City</i>															
1973															
112,664	86,731	6,336	1,723	12,563	420	158	1,018	3,715	153,021	51,291	74,987	20,005	1,886	4,434	Nov. 7
113,647	89,132	6,044	1,344	11,738	439	157	1,062	3,831	151,780	51,285	74,166	19,743	1,861	4,309	14
112,356	88,063	6,017	1,966	11,299	406	150	1,072	3,483	151,516	51,354	74,173	19,522	1,776	4,282	21
111,377	87,893	5,829	1,775	10,845	293	160	1,000	3,582	151,568	51,317	74,320	19,428	1,805	4,269	28
1974															
115,753	88,884	5,857	2,710	12,241	344	229	1,330	4,158	174,743	52,288	91,436	22,860	3,229	4,444	Oct. 2
110,651	87,763	5,471	953	11,091	392	212	1,334	3,435	174,586	52,435	90,935	23,162	3,209	4,275	9
119,297	93,703	5,686	1,608	12,792	347	243	1,312	3,606	174,332	52,473	90,745	23,126	3,186	4,267	16
109,739	87,759	5,251	921	10,691	408	212	1,304	3,293	174,682	52,505	91,088	23,041	3,138	4,382	23
112,714	88,977	5,740	1,027	11,744	314	186	1,251	3,475	173,524	52,463	90,280	22,781	3,148	4,311	30
116,742	90,502	5,668	1,750	13,077	393	191	1,258	3,903	172,924	52,619	89,964	22,238	3,152	4,406	Nov. 6 ^p
117,481	92,913	5,589	1,305	12,306	337	222	1,329	3,480	173,008	52,670	90,046	22,126	3,126	4,512	13 ^p
113,922	89,684	5,871	1,863	11,453	298	185	1,278	3,290	172,538	52,767	89,650	21,971	3,142	4,454	20 ^p
115,617	91,708	5,748	1,619	11,341	286	189	1,308	3,418	172,454	52,812	89,729	21,875	3,132	4,367	27 ^p

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Federal funds purchased, etc. ⁷	Borrowings from—		Other liabilities, etc. ⁸	Reserves for—		Total capital accounts	Total loans (gross) adjusted ⁹	Total loans and investments (gross) adjusted ⁹	Demand deposits adjusted ¹⁰	Memoranda			Cross liabilities of banks to their foreign branches
		F.R. Banks	Others		Loans	Securities					Large negotiable time CD's included in time and savings deposits ¹¹			
											Total	Issued to IPC's	Issued to others	
<i>Large banks—Total</i>														
1973														
NOV. 7.....	49,546	531	5,894	17,488	4,613	65	31,313	261,671	345,317	97,396	64,470	42,554	21,916	1,754
14.....	51,676	3,699	5,645	17,223	4,613	65	31,359	259,724	342,425	98,280	63,814	41,979	21,835	1,807
21.....	48,791	975	5,653	18,678	4,606	65	31,309	259,161	342,670	97,967	64,117	42,257	21,860	2,473
28.....	48,407	1,025	5,533	18,598	4,606	65	31,399	260,217	343,067	100,178	64,043	42,378	21,665	2,458
1974														
OCT. 2.....	50,055	2,183	5,892	23,610	5,173	64	33,740	298,861	380,782	101,460	89,505	61,832	27,673	2,372
9.....	51,742	311	6,022	25,696	5,145	64	33,735	301,427	383,826	101,374	88,858	61,207	27,651	2,188
16.....	53,900	1,278	5,544	25,526	5,148	64	33,687	298,705	381,277	99,458	88,694	61,288	27,406	3,140
23.....	48,912	1,907	5,564	25,731	5,143	64	33,664	296,612	378,355	97,596	89,016	61,712	27,304	2,709
30.....	49,896	1,285	5,448	25,604	5,143	64	33,676	296,813	378,920	101,052	87,673	60,640	27,033	2,131
NOV. 6 ^u	55,887	476	5,176	25,843	5,193	64	33,989	298,132	381,447	99,178	87,088	60,184	26,904	1,970
13 ^u	57,545	311	5,054	26,028	5,190	63	33,952	299,688	384,100	102,372	87,146	59,959	27,187	1,897
20 ^u	54,958	2,243	4,983	26,797	5,196	63	33,888	298,806	383,165	102,195	86,320	59,403	26,917	2,319
27 ^u	54,758	1,456	4,840	26,919	5,207	62	33,776	298,359	382,136	100,127	87,168	60,159	27,009	2,631
<i>New York City</i>														
1973														
NOV. 7.....	13,092		2,417	5,744	1,324		7,901	62,023	76,942	19,362	20,026	12,443	7,583	1,200
14.....	12,536	1,491	2,405	5,503	1,323		8,017	60,237	74,861	20,478	20,428	12,724	7,704	1,389
21.....	10,286	325	2,482	6,274	1,320		8,009	59,819	74,701	20,706	20,850	12,964	7,886	1,715
28.....	11,097	258	2,524	6,214	1,320		8,001	60,298	74,777	21,071	20,830	12,985	7,845	1,687
1974														
OCT. 2.....	11,848		2,371	8,498	1,418		8,813	73,859	88,677	23,612	30,235	20,168	10,067	1,436
9.....	12,850		2,421	8,764	1,412		8,821	74,667	89,681	22,535	30,085	20,049	10,036	1,215
16.....	12,879	230	2,197	8,928	1,415		8,819	73,375	88,588	20,659	30,149	20,295	9,854	2,179
23.....	10,859	1,038	2,262	9,012	1,415		8,792	72,958	87,583	19,645	30,111	20,437	9,674	2,014
30.....	12,908	370	2,140	8,924	1,408		8,766	72,880	87,698	22,524	29,616	20,039	9,577	1,459
NOV. 6 ^u	13,528		2,030	8,482	1,432		8,885	74,030	88,944	21,397	29,532	19,858	9,674	1,110
13 ^u	16,100		2,019	8,432	1,427		8,887	74,693	90,022	23,093	29,310	19,499	9,811	849
20 ^u	13,962	1,340	1,961	8,905	1,428		8,879	75,027	90,080	22,995	28,901	19,345	9,556	1,146
27 ^u	13,201	575	2,035	8,701	1,447		8,873	74,560	89,336	20,574	29,777	20,017	9,760	1,274
<i>Outside New York City</i>														
1973														
NOV. 7.....	36,454	531	3,477	11,744	3,289	65	23,412	199,648	268,375	78,034	44,444	30,111	14,333	554
14.....	39,140	2,208	3,240	11,720	3,290	65	23,342	199,487	267,564	77,802	43,386	29,255	14,131	418
21.....	38,505	650	3,171	12,404	3,286	65	23,300	199,342	267,969	77,261	43,267	29,293	13,974	758
28.....	37,310	767	3,009	12,384	3,286	65	23,398	199,919	268,290	79,107	43,213	29,393	13,820	771
1974														
OCT. 2.....	38,207	2,183	3,521	15,112	3,755	64	24,927	225,002	292,105	77,848	59,270	41,664	17,606	936
9.....	38,892	311	3,601	16,932	3,733	64	24,914	226,760	294,145	78,839	58,773	41,158	17,615	973
16.....	41,021	1,048	3,347	16,598	3,733	64	24,868	225,330	292,689	78,799	58,545	40,993	17,552	961
23.....	38,053	869	3,302	16,719	3,728	64	24,872	223,654	290,772	77,951	58,905	41,275	17,630	695
30.....	36,988	915	3,308	16,680	3,735	64	24,910	223,933	291,222	78,528	58,057	40,601	17,456	672
NOV. 6 ^u	42,359	476	3,146	17,361	3,761	64	25,104	224,102	292,503	77,781	57,556	40,326	17,230	860
13 ^u	41,445	311	3,035	17,596	3,763	63	25,065	224,995	294,078	79,279	57,836	40,460	17,376	1,048
20 ^u	40,996	903	3,022	17,892	3,768	63	25,009	223,779	293,085	79,200	57,419	40,058	17,361	1,173
27 ^u	41,557	881	2,805	18,218	3,760	62	24,903	223,799	292,800	79,553	57,391	40,142	17,249	1,357

¹ Includes securities purchased under agreements to resell.

² Includes official institutions and so forth.

³ Includes short-term notes and bills.

⁴ Federal agencies only.

⁵ Includes corporate stocks.

⁶ Includes U.S. Govt. and foreign bank deposits, not shown separately.

⁷ Includes securities sold under agreements to repurchase.

⁸ Includes minority interest in consolidated subsidiaries.

⁹ Exclusive of loans and Federal funds transactions with domestic commercial banks.

¹⁰ All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

¹¹ Certificates of deposit issued in denominations of \$100,000 or more.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1974					1974			1974		1974	1973	
	Nov. 27	Nov. 20	Nov. 13	Nov. 6	Oct. 30	Nov.	Oct.	Sept.	III	II	I	1st half	2nd half
Durable goods manufacturing:													
Primary metals.....	1,936	1,862	1,877	1,872	1,871	65	-57	57	63	-23	79	56	-229
Machinery.....	8,811	8,749	8,813	8,719	8,679	132	-189	323	349	779	1,069	1,848	615
Transportation equipment.....	3,460	3,454	3,473	3,470	3,519	-59	72	80	340	229	358	587	362
Other fabricated metal products.....	2,930	2,936	2,997	3,010	3,029	-99	-60	94	253	236	267	503	71
Other durable goods.....	5,028	5,029	5,122	5,048	5,061	-33	-63	139	512	560	349	909	-73
Nondurable goods manufacturing:													
Food, liquor, and tobacco.....	4,536	4,502	4,436	4,469	4,429	107	-8	237	500	344	124	-220	733
Textiles, apparel, and leather.....	3,848	3,925	4,023	4,017	3,988	140	-247	-122	107	339	570	909	-205
Petroleum refining.....	1,936	1,889	1,876	1,891	1,900	36	123	32	494	67	-175	-108	203
Chemicals and rubber.....	3,301	3,364	3,431	3,446	3,390	-89	-47	128	311	355	255	610	150
Other nondurable goods.....	2,450	2,475	2,501	2,505	2,497	-47	144	66	158	222	116	338	91
Mining, including crude petroleum and natural gas.....	4,797	4,740	4,707	4,646	4,636	161	155	49	290	75	312	387	156
Trade: Commodity dealers.....	2,129	2,177	1,999	1,888	1,763	366	389	85	-195	-630	357	273	588
Other wholesale.....	6,525	6,476	6,461	6,426	6,410	115	31	45	135	364	465	829	194
Retail.....	7,266	7,183	7,169	7,247	7,149	-117	196	-43	-219	557	542	1,099	19
Transportation.....	6,079	6,079	6,127	6,130	6,108	-29	17	41	22	34	105	139	80
Communication.....	2,223	2,234	2,231	2,272	2,198	25	211	26	92	326	149	475	-91
Other public utilities.....	8,045	8,077	7,995	8,078	7,725	320	284	398	1,088	1,335	-291	1,044	1,330
Construction.....	6,362	6,340	6,322	6,345	6,344	18	100	-12	234	623	34	657	11
Services.....	11,880	11,893	11,807	11,799	11,813	67	26	12	137	405	189	594	927
All other domestic loans.....	10,014	9,887	9,996	10,145	9,977	17	252	84	357	576	541	1,117	682
Bankers' acceptances.....	1,579	1,494	1,478	1,441	1,453	126	101		-365	381	62	443	-123
Foreign commercial and industrial loans.....	4,305	4,279	4,249	4,373	4,384	-79	-92	51	-208	506	105	611	361
Total classified loans.....	109,440	109,044	109,090	109,237	108,343	1,097	174	1,498	4,271	6,972	5,582	12,554	4,480
Total commercial and industrial loans of large commercial banks.....	129,766	129,376	129,271	129,432	128,520	1,246	8	1,636	4,809	7,718	5,864	13,582	5,309

See NOTE to table below

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during—				
	1974									1974			1973	1974
	Nov. 27	Oct. 30	Sept. 25	Aug. 28	July 31	June 26	May 29	Apr. 24	Mar. 27	III	II	I	IV	1st half
Durable goods manufacturing:														
Primary metals.....	1,176	1,107	1,133	1,104	1,116	1,105	1,111	1,083	1,064	28	41	-40	-203	1
Machinery.....	4,049	3,970	3,896	3,789	3,572	3,286	3,213	3,145	3,114	610	172	248	186	420
Transportation equipment.....	1,586	1,570	1,535	1,419	1,373	1,410	1,424	1,423	1,365	125	45	81	18	126
Other fabricated metal products.....	1,113	1,093	1,066	1,000	996	954	960	934	911	112	43	17	23	60
Other durable goods.....	2,361	2,339	2,268	2,198	2,169	2,107	2,012	1,972	1,915	161	192	143	-16	335
Nondurable goods manufacturing:														
Food, liquor, and tobacco.....	1,674	1,661	1,649	1,604	1,604	1,571	1,584	1,533	1,529	78	42	38	14	80
Textiles, apparel, and leather.....	1,179	1,187	1,151	1,171	1,182	1,128	1,120	1,147	1,089	23	39	86	-25	125
Petroleum refining.....	1,272	1,208	1,097	1,048	996	963	954	934	945	134	18	12	13	30
Chemicals and rubber.....	1,818	1,820	1,778	1,790	1,760	1,737	1,686	1,690	1,603	41	134	42	9	176
Other nondurable goods.....	1,170	1,187	1,204	1,189	1,149	1,171	1,157	1,145	1,139	33	32	57	-18	89
Mining, including crude petroleum and natural gas.....	3,620	3,468	3,339	3,319	3,197	3,130	3,172	3,284	3,245	209	-115	287	-32	172
Trade: Commodity dealers.....	171	157	139	166	155	141	144	144	140	-2	1	13	11	14
Other wholesale.....	1,431	1,488	1,449	1,419	1,446	1,406	1,404	1,335	1,323	43	83	133	12	216
Retail.....	2,602	2,578	2,527	2,529	2,512	2,428	2,514	2,543	2,480	99	-52	274	59	222
Transportation.....	4,379	4,370	4,349	4,322	4,353	4,425	4,474	4,414	4,417	-76	8	97	41	105
Communication.....	1,076	1,047	1,029	1,021	1,030	1,030	1,033	978	966	-1	64	106	2	170
Other public utilities.....	3,987	3,810	3,672	3,664	3,539	3,443	3,356	3,196	3,154	229	289	-98	416	191
Construction.....	2,281	2,237	2,272	2,218	2,183	2,130	1,984	1,908	1,898	142	232	-7	-87	225
Services.....	5,417	5,340	5,350	5,301	5,275	5,273	5,263	5,223	5,076	77	197	27	330	224
All other domestic loans.....	3,255	3,215	3,122	3,074	3,058	3,017	2,945	2,935	2,808	105	209	206	17	415
Foreign commercial and industrial loans.....	2,473	2,487	2,401	2,500	2,565	2,548	2,396	2,369	2,350	147	198	16	148	214
Total loans.....	48,090	47,339	46,426	45,845	45,230	44,403	43,906	43,335	42,531	2,023	1,872	1,738	918	3,610

NOTE.—About 160 weekly reporting banks are included in this series; these banks classify, by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

Commercial and industrial "term" loans are all outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS¹

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, JPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970—Sept.....	17.0	88.0	51.4	1.4	10.0	167.9
Dec.....	17.3	92.7	53.6	1.3	10.3	175.1
1971—Mar.....	18.3	86.3	54.4	1.4	10.5	170.9
June.....	18.1	89.6	56.2	1.3	10.5	175.8
Sept.....	17.9	91.5	57.5	1.2	9.7	177.9
Dec.....	18.5	98.4	58.6	1.3	10.7	187.5
1972—June.....	17.9	97.6	60.5	1.4	11.0	188.4
Sept.....	18.0	101.5	63.1	1.4	11.4	195.4
Dec.....	18.9	109.9	65.4	1.5	12.3	208.0
1973—Mar.....	18.6	102.8	65.1	1.7	11.8	200.0
June.....	18.6	106.6	67.3	2.0	11.8	206.3
Sept.....	18.8	108.3	69.1	2.1	11.9	210.3
Dec.....	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.....	18.9	108.4	70.6	2.3	11.0	211.2
June.....	18.2	112.1	71.4	2.2	11.1	215.0
Sept.....	17.9	114.2	72.1	2.1	11.0	217.2
Weekly reporting banks:						
1971—Dec.....	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.....	14.7	64.4	27.1	1.4	6.6	114.3
1973—Aug.....	14.3	59.5	27.3	1.9	6.1	109.1
Sept.....	14.5	60.6	27.2	1.9	6.5	110.8
Oct.....	15.0	61.7	27.3	2.0	6.6	112.5
Nov.....	14.8	62.9	27.5	2.1	6.7	113.9
Dec.....	14.9	66.2	28.0	2.2	6.8	118.1
1974—Jan.....	15.2	63.8	28.4	2.3	6.7	116.5
Feb.....	14.1	62.1	26.9	2.3	6.2	111.5
Mar.....	14.7	61.5	27.6	2.1	6.3	112.1
Apr.....	14.7	62.2	29.6	2.1	6.2	114.7
May.....	14.2	62.3	28.0	2.1	6.1	112.7
June.....	14.1	63.4	28.1	2.0	6.3	113.9
July.....	14.4	63.5	28.5	2.1	6.5	115.1
Aug.....	14.1	62.6	28.0	1.9	5.8	112.5
Sept.....	13.9	64.4	28.4	2.0	6.3	115.0
Oct.....	14.7	64.6	28.1	2.0	6.4	115.8

¹ Including cash items in process of collection.

NOTE.—Daily-average balances maintained during month as estimated

from reports supplied by a sample of commercial banks. For a detailed description of the type of depositor in each category, see June 1971 BULLETIN, p. 466.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1972	Dec. 31, 1973	Apr. 24, 1974	June 30, 1974	Class of bank	Dec. 31, 1972	Dec. 31, 1973	Apr. 24, 1974	June 30, 1974
Insured.....	554	503	478	457	Other large banks ¹	69	58	62	63
National member.....	311	288	282	265	All other member ¹	313	294	284	267
State member.....	71	64	64	65	All nonmember.....	177	155	.....	130
All member.....	381	352	346	330	Insured.....	172	152	131	127
					Noninsured.....	5	3	.....	3

¹ Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Other large" and "All other member" parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on pp. A-16; from the figures for weekly reporting banks as shown on pp. A-20-A-24 (consumer instalment loans); and from the figures in the table at the bottom of p. A-15. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-16-A-19.

MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper ¹		Finance co. paper placed directly, 3 to 6 months ²	Prime bankers acceptances, 90 days ¹	Federal funds rate ³	U.S. Government securities ⁴						
	90-119 days	4 to 6 months				3-month bills ⁵		6-month bills ⁵		9- to 12-month issues		3- to 5-year issues ⁶
						Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield) ⁵	Other ⁶	
1967.....		5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968.....		5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969.....		7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970.....		7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971.....		5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972.....		4.66	4.69	4.52	4.47	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973.....		8.20	8.15	7.40	8.08	7.041	7.03	7.178	7.20	7.01	7.30	6.92
1973—Nov.....	9.11	8.94	7.94	8.73	10.03	7.866	7.83	7.823	7.96	7.40	7.66	6.96
Dec.....	9.28	9.08	8.16	8.94	9.95	7.364	7.45	7.444	7.56	7.01	7.38	6.80
1974—Jan.....	8.86	8.66	7.92	8.72	9.65	7.755	7.77	7.627	7.65	7.01	7.46	6.94
Feb.....	8.00	7.82	7.40	7.83	8.97	7.060	7.12	6.874	6.96	6.51	6.93	6.77
Mar.....	8.64	8.42	7.76	8.43	9.35	7.986	7.96	7.829	7.83	7.34	7.86	7.33
Apr.....	9.92	9.79	8.43	9.61	10.51	8.229	8.33	8.171	8.32	8.08	8.66	7.99
May.....	10.82	10.62	8.94	10.68	11.31	8.430	8.23	8.496	8.40	8.21	8.78	8.24
June.....	11.18	10.96	9.00	10.79	11.93	8.145	7.90	8.232	8.12	8.16	8.71	8.14
July.....	11.93	11.72	9.00	11.88	12.92	7.752	7.55	8.028	7.94	8.04	8.89	8.39
Aug.....	11.79	11.65	9.31	12.08	12.01	8.744	8.96	8.853	9.11	8.88	9.54	8.64
Sept.....	11.36	11.23	9.41	11.06	11.34	8.363	8.06	8.599	8.53	8.52	8.95	8.38
Oct.....	9.55	9.36	9.03	9.34	10.06	7.244	7.46	7.559	7.74	7.59	8.04	7.98
Nov.....	8.95	8.81	8.50	9.03	9.45	7.585	7.47	7.551	7.52	7.29	7.67	7.65
Week ending.....												
1974—Aug. 3.....	11.43	11.23	9.00	12.00	12.29	7.698	7.84	8.055	8.38	8.38	9.19	8.55
10.....	11.60	11.48	9.00	12.00	12.09	8.505	8.75	8.660	8.82	8.49	9.27	8.59
17.....	11.73	11.63	9.05	12.08	12.02	8.763	8.75	8.719	8.78	8.50	9.33	8.58
24.....	11.95	11.80	9.65	12.16	12.23	8.846	9.29	8.899	9.41	9.25	9.71	8.69
31.....	12.00	11.85	9.65	12.10	11.84	9.908	9.37	9.930	9.61	9.38	9.93	8.69
Sept. 7.....	11.84	11.72	9.41	11.79	11.64	9.167	9.34	9.283	9.39	9.14	9.65	8.61
14.....	11.75	11.63	9.43	11.46	11.48	9.099	9.10	8.980	8.92	8.69	9.14	8.52
21.....	11.43	11.25	9.50	10.95	11.41	8.185	7.64	8.203	8.30	8.40	8.74	8.35
28.....	10.68	10.58	9.35	10.36	11.12	7.002	6.81	7.928	7.91	8.10	8.53	8.14
Oct. 5.....	10.40	10.18	9.45	9.79	11.04	6.385	6.64	7.439	7.66	7.97	8.34	8.13
12.....	9.85	9.70	9.20	9.61	10.43	6.698	7.24	7.364	7.70	7.53	7.92	7.98
19.....	9.50	9.31	9.13	9.31	10.11	7.722	7.73	7.829	7.79	7.60	8.04	7.95
26.....	9.15	8.90	8.80	9.12	9.81	7.524	7.60	7.398	7.62	7.40	7.90	7.90
Nov. 2.....	8.95	8.83	8.53	8.95	9.72	7.892	7.95	7.766	7.86	7.51	8.02	7.98
9.....	9.00	8.88	8.50	8.83	9.63	7.880	7.66	7.857	7.65	7.38	7.81	7.83
16.....	8.94	8.81	8.50	8.93	9.37	7.604	7.26	7.552	7.39	7.29	7.63	7.67
23.....	8.88	8.73	8.50	9.00	9.34	7.528	7.46	7.427	7.42	7.19	7.55	7.53
30.....	9.00	8.81	8.50	9.41	9.46	7.328	7.45	7.369	7.57	7.26	7.62	7.50

¹ Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

² Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90-179 day range.

³ Seven-day averages for week ending Wednesday. Beginning with statement week ending July 25, 1973, weekly averages are based on the daily average of the range of rates on a given day weighted by the volume of transactions at these rates. For earlier statement weeks, the averages

were based on the daily effective rate—the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

⁴ Except for new bill issues, yields are averages computed from daily closing bid prices.

⁵ Bills quoted on bank-discount-rate basis.

⁶ Selected note and bond issues.

NOTE.— Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds					Corporate bonds						Stocks			
	United States (long-term)	State and local			Aaa utility		Total ¹	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total ¹	Aaa	Baa	New issue	Recently offered		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
1970.....	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971.....	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972.....	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973.....	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1973—Nov.....	6.31	5.21	5.03	5.46	7.90	7.94	8.02	7.67	8.42	7.81	8.28	8.11	7.40	3.36	.....
Dec.....	6.35	5.14	4.90	5.43	8.00	8.04	8.05	7.68	8.48	7.84	8.28	8.17	7.76	3.70	8.37
1974—Jan.....	6.56	5.23	5.03	5.49	8.21	8.21	8.15	7.83	8.58	7.97	8.34	8.27	7.60	3.64	.....
Feb.....	6.54	5.25	5.05	5.49	8.12	8.23	8.17	7.85	8.59	8.01	8.27	8.33	7.47	3.81	.....
Mar.....	6.81	5.44	5.20	5.71	8.46	8.44	8.27	8.01	8.65	8.12	8.35	8.44	7.56	3.65	8.96
Apr.....	7.04	5.76	5.45	6.06	8.99	8.95	8.50	8.25	8.88	8.39	8.51	8.68	7.83	3.86	.....
May.....	7.07	6.06	5.89	6.30	9.24	9.13	8.68	8.37	9.10	8.55	8.73	8.86	8.11	4.00	.....
June.....	7.03	6.17	5.95	6.41	9.38	9.40	8.85	8.47	9.34	8.69	8.89	9.08	8.25	4.02	10.30
July.....	7.18	6.70	6.34	7.10	10.20	10.04	9.10	8.72	9.55	8.95	9.08	9.35	8.40	4.42	.....
Aug.....	7.33	6.70	6.38	7.10	10.07	10.19	9.36	9.00	9.77	9.16	9.30	9.70	8.61	4.90	.....
Sept.....	7.30	6.77	6.49	7.18	10.38	10.30	9.67	9.24	10.12	9.44	9.46	10.11	8.93	5.45	.....
Oct.....	7.22	6.56	6.21	6.99	10.16	10.23	9.80	9.27	10.41	9.53	9.64	10.31	8.78	5.38	.....
Nov.....	6.93	6.54	6.06	7.01	9.21	9.34	9.60	8.89	10.50	9.30	9.59	10.14	8.60	5.13	.....
Week ending—															
1974—Oct. 5.....	7.31	6.73	6.50	7.10	10.61	10.52	9.81	9.37	10.32	9.56	9.62	10.30	8.88	5.87	.....
12.....	7.26	6.55	6.20	7.00	.....	10.36	9.84	9.38	10.39	9.58	9.66	10.33	8.93	5.49	.....
19.....	7.22	6.49	6.15	6.95	10.44	10.36	9.82	9.29	10.43	9.54	9.65	10.34	8.68	5.27	.....
26.....	7.18	6.49	6.10	6.90	10.03	10.02	9.77	9.19	10.44	9.49	9.62	10.30	8.61	5.24	.....
Nov. 2.....	7.12	6.55	6.10	7.00	9.42	9.82	9.73	9.09	10.48	9.44	9.64	10.25	8.78	5.03	.....
9.....	7.04	6.56	6.10	7.00	9.00	9.28	9.67	8.99	10.49	9.35	9.61	10.20	8.69	4.90	.....
16.....	6.92	6.50	6.05	6.90	8.87	9.17	9.61	8.89	10.50	9.26	9.58	10.15	8.61	5.00	.....
23.....	6.87	6.46	6.00	6.90	9.17	9.29	9.56	8.84	10.49	9.21	9.56	10.08	8.57	5.39	.....
30.....	6.88	6.65	6.10	7.25	9.68	9.38	9.54	8.84	10.52	9.23	9.56	10.02	8.53	5.23	.....
Number of issues ²	12	20	5	5	.....	.....	121	20	30	41	30	40	14	500	500

¹ Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

² Number of issues varies over time; figures shown reflect most recent count.

NOTE.—Annual yields are averages of monthly or quarterly data. Bonds: Monthly and weekly yields are computed as follows: (1) U.S. Govt.: Averages of daily figures for bonds maturing or callable in 10 years or more; from Federal Reserve Bank of New York. (2) State and local

govt.: General obligations only, based on Thurs. figures; from Moody's Investor Service. (3) Corporate: Rates for "New issue" and "Recently offered" Aaa utility bonds are weekly averages compiled by the Board of Governors of the Federal Reserve System. Rates for seasoned issues are averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures; earnings/price ratios are as of end of period. Preferred stock ratio is based on eight median yields for a sample of non-callable issues—12 industrial and 2 public utility; common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

NOTE.—Annual data are averages of monthly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: U.S. Govt. bonds, derived from average market yields in table on p. A-30 on basis of an assumed 3 per cent, 20-year bond. Municipal and corporate bonds, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. Common stocks, derived from component common stock prices. Average daily volume of trading, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours:

Stock Market Customer Financing:

¹ Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (see Dec. 1970 BULL. FIN.). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

² In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

³ Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of Over the Counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

⁴ Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices											Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange												
	U.S. Govt. (long-term)	State and local	Corporate AAA	Standard and Poor's index (1941-43=10)				New York Stock Exchange index (Dec. 31, 1965=50)					American Stock Exchange total index (Aug. 31, 1973=100)	NYSE	AMEX	
				Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance				
1970.....	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	96.63	10,532	3,376	
1971.....	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	113.40	17,429	4,234	
1972.....	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35	120.10	16,487	4,447	
1973.....	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,004	
1973—Nov.....	62.71	85.6	62.1	102.03	114.64	39.74	48.30	54.59	60.15	36.31	34.73	67.85	99.91	19,044	3,693	
Dec.....	62.37	86.1	62.9	94.78	106.16	41.48	45.73	50.39	55.12	34.69	33.47	62.49	88.39	19,227	3,553	
1974—Jan.....	60.66	85.2	62.3	96.11	107.18	44.37	48.60	51.39	55.77	36.85	35.89	64.80	95.32	16,506	2,757	
Feb.....	60.83	85.3	62.0	93.45	104.13	41.85	48.13	50.01	54.02	36.26	35.27	62.81	95.11	13,517	2,079	
Mar.....	58.70	83.5	61.3	97.44	108.98	42.57	47.90	52.15	56.80	38.39	35.22	64.47	99.10	14,745	2,123	
Apr.....	57.01	80.2	60.3	92.46	103.66	40.26	44.03	49.21	53.95	35.87	32.59	58.72	93.57	12,109	1,752	
May.....	56.81	77.3	59.7	89.67	101.17	37.04	39.35	47.35	52.53	33.62	30.25	52.85	84.71	12,512	1,725	
June.....	57.11	73.2	59.5	89.79	101.62	37.31	37.46	47.14	52.63	33.76	29.20	51.20	82.88	12,268	1,561	
July.....	55.97	71.9	58.5	82.82	93.54	35.63	35.37	43.27	48.35	31.01	27.50	44.23	77.92	12,459	1,610	
Aug.....	54.95	71.6	57.6	76.03	85.51	35.06	34.00	39.86	44.19	29.41	26.72	40.11	74.97	12,732	1,416	
Sept.....	55.13	71.0	56.2	68.12	76.54	31.55	30.93	35.69	39.29	25.86	24.94	36.42	65.70	13,998	1,808	
Oct.....	55.69	72.7	55.9	69.44	77.57	33.70	33.80	36.62	39.81	27.26	26.76	39.28	66.78	16,396	1,880	
Nov.....	57.80	72.6	56.3	71.74	80.17	35.95	34.45	37.98	41.24	28.40	27.60	41.89	63.72	14,341	1,823	
Week ending—																
1974—Nov. 2.....	56.43	72.2	56.2	73.00	81.75	35.92	34.24	38.11	41.51	28.44	27.30	41.69	68.93	15,723	1,956	
9.....	57.04	71.9	56.3	74.61	83.50	36.82	35.28	39.38	42.90	29.40	28.17	43.11	69.69	17,135	2,044	
16.....	57.87	73.4	56.4	73.43	82.07	36.57	35.25	38.89	42.20	29.10	28.38	42.60	68.70	14,067	1,950	
23.....	58.24	73.4	61.1	68.49	76.43	34.77	33.46	36.33	39.29	27.23	26.97	40.41	65.24	14,042	1,757	
30.....	58.22	71.8	56.3	69.55	77.68	35.34	33.60	36.83	40.08	27.51	26.64	41.14	63.09	11,777	1,501	

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks ¹											Free credit balances at brokers ⁴	
	Regulated ²										Unregulated ³		
	By source			By type								Nonmargin stock credit at banks	
	Total	Brokers	Banks	Margin stock		Convertible bonds		Subscription issues		Margin accts.	Cash accts.		
			Brokers	Banks	Brokers	Banks	Brokers	Banks					
1973—Sept.....	6,954	5,949	1,005	5,730	929	204	60	15	16	1,909	379	1,632	
Oct.....	7,093	5,912	1,181	5,690	1,105	203	59	19	17	1,878	419	1,713	
Nov.....	6,774	5,671	1,003	5,460	1,027	197	60	14	16	1,917	464	1,685	
Dec.....	6,382	5,251	1,131	5,050	1,070	189	46	12	15	1,866	454	1,700	
1974—Jan.....	6,343	5,323	1,020	5,130	961	182	45	11	14	1,845	445	1,666	
Feb.....	6,462	5,423	1,039	5,230	977	183	46	10	16	1,843	420	1,604	
Mar.....	6,527	5,519	1,008	5,330	944	180	48	9	16	1,869	425	1,583	
Apr.....	6,567	5,558	1,009	5,370	952	179	44	9	13	1,868	415	1,440	
May.....	6,381	5,361	1,020	5,180	963	172	44	9	13	1,858	395	1,420	
June.....	6,345	5,260	1,085	5,080	1,027	172	45	8	13	1,721	395	1,360	
July.....	5,996	4,925	1,071	4,760	1,013	158	45	7	13	1,739	402	1,391	
Aug.....	5,649	4,672	977	4,510	925	156	39	6	13	1,759	427	1,382	
Sept.....		4,173		4,020		148		5			437	1,354	

For notes see opposite page.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars) ¹	Equity class (per cent)					
		80 or more	70-79	60-69	50-59	40-49	Under 40
1973—Sept.	5,730	5.0	13.9	18.9	23.9	23.5	16.8
Oct.	5,690	7.2	10.0	19.9	22.6	22.1	18.2
Nov.	5,460	5.4	6.1	12.0	16.9	19.5	40.1
Dec.	5,050	5.8	7.7	14.4	17.4	20.3	34.2
1974—Jan.	5,130	5.5	8.0	14.2	22.6	25.8	24.0
Feb.	5,230	5.4	7.4	13.3	22.6	28.0	23.3
Mar.	5,330	5.0	7.0	11.4	19.4	30.2	27.1
Apr.	5,370	4.4	6.0	9.9	16.5	26.5	37.0
May	5,180	4.2	5.1	8.5	13.7	23.3	45.3
June	5,080	4.0	5.0	7.7	12.6	21.8	49.1
July	4,760	4.0	4.8	7.9	13.3	22.2	47.9
Aug.	4,510	3.5	4.0	6.6	11.2	18.4	56.3
Sept.	4,020	3.5	3.9	6.1	10.2	18.0	58.3

¹ Note 1 appears at the bottom of p. A-30.

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

SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1973—Sept.	37.4	53.1	9.4	5,740
Oct.	38.5	46.7	14.8	5,860
Nov.	37.5	42.2	20.3	5,882
Dec.	39.4	40.0	20.6	5,935
1974—Jan.	38.3	42.7	18.0	6,596
Feb.	39.4	43.3	24.9	6,740
Mar.	40.0	41.2	18.9	6,784
Apr.	39.6	42.3	19.4	6,526
May	37.8	40.0	22.2	6,544
June	40.3	37.4	22.4	6,538
July	40.2	36.5	23.2	6,695
Aug.	39.9	34.0	26.0	6,783
Sept.	40.7	31.2	27.0	7,005

NOTE. Special miscellaneous accounts contain credit balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans		Securities			Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve ac- counts	Mortgage loan commitments classified by maturity (in months)				
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other ¹							3 or less	3-6	6-9	Over 9	Total
1970.....	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619	322	302	688	1,931
1971.....	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972.....	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973—Sept.	72,034	4,200	2,945	957	21,799	1,491	2,345	105,771	95,183	3,134	7,453	1,411	762	589	1,197	3,959
Oct.	72,367	4,181	3,007	919	21,276	1,501	2,285	105,557	94,944	3,139	7,474	1,318	771	510	1,096	3,695
Nov.	72,760	4,424	2,948	925	21,150	1,519	2,264	105,991	95,259	3,201	7,530	1,272	685	479	1,079	3,515
Dec.	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974—Jan.	73,440	4,161	2,925	936	21,623	1,686	2,312	107,083	96,792	2,665	7,626	1,171	587	439	998	3,196
Feb.	73,647	4,584	2,846	942	21,923	1,618	2,316	107,877	97,276	2,919	7,681	1,232	562	407	952	3,153
Mar.	73,957	4,825	2,851	934	22,302	1,634	2,373	108,876	98,557	2,595	7,724	1,302	525	413	929	3,168
Apr.	74,181	4,425	2,852	951	22,366	1,601	2,347	108,722	98,035	2,943	7,744	1,214	584	401	994	3,193
May	74,011	4,388	2,750	893	22,241	1,656	2,355	108,295	97,391	3,173	7,731	1,129	608	400	1,014	3,151
June	74,281	4,274	2,758	880	22,324	1,651	2,488	108,654	98,190	2,688	7,776	1,099	602	328	1,001	3,031
July	74,541	4,311	2,650	884	22,383	1,402	2,487	108,660	97,713	3,144	7,803	990	586	316	1,076	2,968
Aug.	74,724	4,031	2,604	879	22,292	1,334	2,519	108,383	97,067	3,475	7,841	949	496	417	977	2,839
Sept.	74,790	4,087	2,574	876	22,218	1,303	2,573	108,420	97,425	3,089	7,906	932	382	450	904	2,668

¹ Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

² Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans beginning with Aug. 1967.

³ Balance sheet data beginning 1972 are reported on a gross-of-valuation-reserves basis. The data differ somewhat from balance sheet data previously reported by National Assn. of Mutual Savings Banks which

were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSAB data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mortgages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign ¹	Total	Bonds	Stocks				
1970.....	207,254	11,068	4,574	3,306	3,188	88,518	73,098	15,420	74,375	6,320	16,064	10,909
1971.....	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972.....	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973—Sept.....	250,453	11,407	4,375	3,396	3,636	119,364	91,843	27,521	79,187	7,639	19,597	13,259
Oct.....	251,925	11,456	4,421	3,397	3,638	119,885	92,105	27,780	79,677	7,713	19,870	13,324
Nov.....	251,178	11,574	4,514	3,404	3,656	118,100	92,265	25,835	80,371	7,771	20,039	13,323
Dec.....	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1974—Jan.....	253,531	11,465	4,410	3,463	3,592	119,079	93,082	25,997	81,490	7,816	20,242	13,439
Feb.....	254,739	11,535	4,429	3,518	3,588	119,715	93,672	26,043	81,745	7,825	20,382	13,537
Mar.....	255,847	11,766	4,595	3,511	3,660	119,936	94,037	25,899	81,971	7,831	20,538	13,805
Apr.....	256,583	11,594	4,317	3,526	3,751	120,466	95,010	25,456	82,469	7,795	20,830	13,429
May.....	257,518	11,606	4,318	3,538	3,750	120,642	95,721	24,921	82,750	7,840	21,067	13,613
June.....	258,398	11,617	4,290	3,562	3,765	120,526	95,934	24,592	83,228	7,878	21,321	13,828
July.....	259,187	11,675	4,301	3,572	3,802	120,404	96,507	23,897	83,697	7,924	21,581	13,906
Aug.....	258,951	11,725	4,338	3,577	3,810	119,139	96,723	22,416	84,119	7,998	21,888	14,088
Sept.....	258,668	11,718	4,306	3,596	3,816	117,740	96,861	20,879	84,509	8,055	22,202	14,444

¹ Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

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."

NOTE.—Institute of Life Insurance estimates for all life insurance companies in the United States.

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets Total liabilities	Savings capital	Liabilities				Mortgage loan commitments outstanding at end of period ⁴
	Mortgages	Investment securities ¹	Cash	Other			Net worth ²	Borrowed money ³	Loans in process	Other	
1970.....	150,331	13,020	3,506	9,326	176,183	146,404	12,401	10,911	3,078	3,389	4,452
1971.....	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972.....	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973.....	232,104	21,027		19,227	272,358	227,254	17,108	17,100	4,676	6,220	9,532
1973—Oct.....	230,195	20,618		19,295	270,108	223,033	17,041	16,435	5,535	8,064	9,909
Nov.....	231,089	21,220		19,449	271,758	224,304	17,330	16,312	5,011	8,801	9,717
Dec.....	232,104	21,027		19,227	272,358	227,254	17,108	17,100	4,676	6,220	9,532
1974—Jan.....	232,980	22,378		19,502	274,860	229,435	17,333	16,663	4,380	7,049	9,788
Feb.....	234,426	23,327		19,901	277,654	231,264	17,623	16,431	4,304	8,032	10,740
Mar.....	236,514	23,970		20,429	280,913	235,436	17,488	16,652	4,492	8,845	12,018
Apr.....	239,027	23,520		20,902	283,449	235,218	17,763	18,087	4,807	7,574	12,933
May.....	241,650	23,680		21,538	286,868	235,731	18,074	19,282	5,050	8,731	12,493
June.....	243,791	23,975		21,733	288,499	238,421	17,893	20,274	5,044	8,867	11,744
July.....	245,529	23,024		22,045	290,598	237,938	18,157	21,635	4,878	7,990	10,854
Aug.....	247,106	22,050		22,486	291,642	236,777	18,435	22,821	4,592	9,017	9,860
Sept.....	248,018	21,134		22,884	292,036	238,185	18,259	24,067	4,232	7,293	9,134
Oct.....	248,614	22,092		23,157	293,863	238,627	18,500	24,489	3,816	8,431	8,123

¹ Excludes stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other assets."

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

³ Advances from FHLBB and other borrowing.

⁴ Data comparable with those shown for mutual savings banks (on preceding page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

⁵ Beginning 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration and certain other Government-insured mortgage-type investments, previously included in mortgage loans, are

included in other assets. The effect of this change was to reduce the mortgage total by about \$0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in cash and investment securities are included in other assets. These amounted to about \$2.4 billion at the end of 1972.

NOTE.—FHLBB data: figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget			Means of financing								Other means of financing, net ³	
	Receipts	Outlays	Surplus or deficit (-)	Borrowings from the public						Less: Cash and monetary assets			
				Public debt securities	Agency securities	Less: Investments by Govt. accounts ¹		Less: Special notes ²	Equals: Total	Treasury operating balance	Other		
						Special issues	Other						
Fiscal year:													
1971.....	188,392	211,425	-23,033	27,211	-347	6,616	801		19,448	710	-710	3,587	
1972.....	208,649	231,876	-23,227	29,131	-1,269	6,796	1,623		19,442	1,362	-1,108	6,003	
1973.....	232,225	246,526	-14,301	30,881	216	11,712	109		19,275	2,459	-1,613	-4,120	
1974.....	264,932	268,392	-3,460	16,918	903	13,673	1,140		3,009	-3,417	898	-2,063	
Half year:													
1972-July-Dec.....	106,062	118,579	-12,517	22,038	876	5,996	-468		17,386	956	-1,520	-5,434	
1973-Jan.-June.....	126,164	127,947	-1,784	8,843	-661	5,716	577		1,889	1,503	-93	1,305	
1973-July-Dec.....	124,253	130,360	-6,107	11,756	477	5,376	845		6,013	2,202	-191	-2,299	
1974-Jan.-June.....	140,679	138,032	2,647	5,162	426	8,297	295		-3,004	-1,215	1,089	231	
Month:													
1973-Oct.....	17,642	23,105	-5,463	1,037	31	-292	36		1,397	-2,615	183	1,634	
Nov.....	20,209	22,099	-1,891	1,561	273	-3,508	3,139		2,202	-1,010	-48	-1,368	
Dec.....	21,987	19,686	2,302	5,861	-174	5,584	-3,025		3,128	5,693	54	209	
1974-Jan.....	23,476	23,671	-195	-1,714	12	-1,069	139		-773	168	544	1,681	
Feb.....	20,226	21,030	804	2,503	17	2,489	159		-162	-2,877	-84	-1,995	
Mar.....	16,818	22,905	-6,086	3,813	394	155	52		4,309	690	191	2,657	
Apr.....	29,657	22,273	7,384	-2,597	37	93	35		-2,502	3,125	1,319	-438	
May.....	19,243	23,981	-4,739	2,773	-28	2,947	-211		8	-5,032	-1,120	-1,423	
June.....	31,259	24,172	7,087	385	29	4,178	121		-3,886	2,711	239	-252	
July.....	20,939	24,411	-3,472	1,109	-126	-858	198		1,644	-2,705	-658	-1,534	
Aug.....	23,620	25,408	-1,787	6,447	-56	4,133	-25		2,283	-1,012	83	-1,425	
Sept.....	28,377	24,712	3,666	326	-167	1,311	250		569	3,244	797	-194	
Oct.....	19,633	26,460	-6,827	-1,242	-242	-2,053	-152		721	-6,445	-338	-677	

End of period	Selected balances										Memo: Debt of Govt.-sponsored corps.—Now private ⁵	
	Treasury operating balance				Borrowing from the public.							
	F.R. Banks	Tax and loan accounts	Other depositaries ⁴	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts ¹		Less: Special notes ²	Equals: Total		
							Special issues	Other				
Fiscal year:												
1971.....	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086	
1972.....	2,344	7,934	139	10,117	427,260	10,894	89,536	24,023	825	323,770	41,814	
1973.....	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325	
1974.....	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411	
Calendar year:												
1972.....	1,856	8,907	310	11,073	449,298	11,770	95,532	23,556	825	341,155	43,459	
1973.....	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857	
Month:												
1973-Oct.....	1,839	3,781	71	5,691	462,476	11,488	104,548	24,864	825	343,727	59,330	
Nov.....	1,945	2,666	70	4,681	464,037	11,760	101,040	28,003	825	345,930	59,317	
Dec.....	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857	
1974-Jan.....	2,844	7,628	69	10,542	468,184	11,598	105,555	25,117	825	348,285	59,566	
Feb.....	2,017	5,579	69	7,665	470,687	11,581	108,044	25,276	825	348,123	59,282	
Mar.....	1,372	6,915	69	8,356	474,500	11,975	107,889	25,328	825	352,433	59,897	
Apr.....	2,814	8,576	89	11,480	471,903	12,012	107,796	25,363	825	349,931	61,151	
May.....	3,134	3,226	88	6,448	474,675	11,984	110,743	25,152	825	349,939	62,650	
June.....	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411	
July.....	3,822	2,544	88	6,454	475,344	11,895	114,063	25,471	6.....	347,706	68,243	
Aug.....	3,303	2,049	91	5,443	481,792	11,831	118,196	25,446		349,980	69,951	
Sept.....	3,209	5,386	92	8,687	481,466	11,664	116,885	25,696		350,549		
Oct.....	787	1,381	71	2,239	480,224	11,422	114,832	25,544		351,270		

¹ With the publication of the Oct. 1974, Federal Reserve BULLETIN, these series have been corrected (beginning in fiscal year 1971) to exclude special issues held by the Federal home loan banks and the General Services Adm. Participation Certificate Trust, which are not Government accounts.

² Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

³ Includes accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.

⁴ As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other depositaries"

(deposits in certain commercial depositaries that have been converted from a time to a demand basis to permit greater flexibility in Treasury cash management).

⁵ Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and FICB and banks for cooperatives (both beginning Dec. 1968).

⁶ Beginning July 1974, public debt securities excludes \$825 million of notes issued to International Monetary Fund to conform with Office of Management and Budget's presentation of the budget.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Budget receipts																
	Total	Individual income taxes				Corporation income taxes			Social insurance taxes and contributions				Excise taxes	Customs	Estate and gift	Misc. receipts ⁴	
		Withheld	Pres. Election Campaign Fund ¹	Non-withheld	Re-funds	Net total	Gross receipts	Re-funds	Employment taxes and contributions ²		Unempl. insur.	Other net receipts ³					Net total
									Payroll taxes	Self-empl.							
Fiscal year:																	
1971	188,392	76,490		24,262	14,522	86,230	30,320	3,535	39,751	1,948	3,673	3,206	48,578	16,614	2,591	3,735	3,858
1972	208,649	83,200		25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633
1973	232,225	98,093		27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921
1974	264,932	112,064		28,30,812	23,952	118,952	41,744	3,125	62,886	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,368
Half year:																	
1972-July-Dec.	106,062	46,056		5,784	688	51,152	15,315	1,459	22,493	165	2,437	1,773	26,867	8,244	1,551	2,333	2,059
1973-Jan.-June	126,164	52,037		21,233	21,179	52,094	23,730	1,434	30,013	2,206	3,616	1,841	37,657	8,016	1,637	2,584	1,861
1974-Jan.-June	140,679	59,103		6,207	999	58,170	16,589	1,494	29,965	201	2,974	1,967	35,109	8,966	1,633	2,514	2,768
Month:																	
1973-Oct.	17,642	8,756		550	71	9,235	1,515	467	4,120	24	217	352	4,713	1,459	291	454	437
Nov.	20,209	9,811		261	66	10,006	939	282	5,578		825	321	6,724	1,563	301	462	501
Dec.	21,987	8,887		362	115	9,134	6,201	105	3,760		89	299	4,149	1,536	224	333	515
1974-Jan.	23,476	9,296		5,076	45	14,327	1,722	160	4,439	170	244	378	5,232	1,263	304	455	334
Feb.	20,226	9,505		945	1,851	8,601	1,066	248	7,080	214	761	346	8,400	1,315	239	423	429
Mar.	16,818	9,662		2,186	8,631	3,219	5,887	338	5,059	228	96	338	5,721	1,211	277	465	377
Apr.	29,657	9,946		13,118	6,313	14,764	5,893	430	4,390	1,603	552	351	6,896	1,275	286	371	602
May	19,243	10,083		5,120	5,651	5,641	1,318	218	7,196	311	2,190	339	10,036	1,301	295	437	343
June	31,259	10,611		4,077	462	14,231	9,269	237	4,757	281	18	329	5,386	1,423	301	370	517
July	20,939	10,227		957	378	10,806	1,796	310	5,005		418	358	5,781	1,517	325	418	607
Aug.	23,620	10,223		491	229	10,485	1,084	256	7,813		1,363	368	9,544	1,415	355	453	540
Sept.	28,377	9,754		4,323	130	13,947	6,082	435	5,428	240	62	389	6,119	1,465	305	352	543
Oct.	19,633	10,106		561	78	10,590	1,717	511	4,558		221	363	5,142	1,401	347	370	578

Period	Budget outlays														
	Total	National defense	Intl. affairs	Space research	Agriculture	Natural resources	Com. and transp.	Com. dev. and housing	Education and man-power	Health and welfare	Veterans	Interest	General govt.	General revenue sharing	Intra-govt. trans-act ⁵
Fiscal year:															
1972	231,876	78,336	3,786	3,422	7,061	3,759	11,197	4,216	10,198	81,538	10,747	20,584	4,889		-7,858
1973	246,526	76,023	3,132	3,311	6,051	559	12,505	4,162	10,822	91,343	12,004	22,836	5,519	6,636	-8,379
1974	268,392	79,387	3,527	3,252	5,156	-1,109	12,561	5,184	10,581	105,597	13,367	28,096	6,491	6,106	-9,893
1975 ⁷	304,445	87,729	4,103	3,272	2,729	3,128	13,400	5,667	11,537	126,353	13,612	29,122	6,774	6,174	-10,717
Half year:															
1972-July-Dec.	118,579	35,329	1,639	1,676	4,616	330	6,199	2,637	5,133	43,213	5,740	10,619	2,869	2,617	-4,039
1973-Jan.-June	127,947	40,694	1,493	1,635	1,435	230	6,306	1,525	5,690	48,130	6,264	12,217	2,650	4,019	-4,340
1974-Jan.-June	130,360	37,331	1,617	1,501	3,472	763	7,387	3,215	4,772	48,978	6,518	13,440	3,088	3,032	-4,753
1974-Jan.-June	138,032	42,057	1,910	1,752	1,684	-1,782	5,174	1,969	5,809	56,619	6,848	14,655	3,403	3,074	-5,141
Month:															
1973-Oct.	23,105	6,620	282	249	503	417	1,261	461	956	78,053	1,058	2,135	468	1,495	-850
Nov.	22,099	6,900	276	246	782	424	912	36	805	8,373	1,194	2,401	438	29	-717
Dec.	19,686	6,079	219	221	-228	-130	1,064	316	619	8,534	1,143	2,169	498		-816
1974-Jan.	23,671	6,793	351	251	756	-544	886	331	983	9,067	1,204	2,353	636	1,532	-929
Feb.	21,030	6,509	224	231	138	58	363	198	932	8,979	1,088	2,466	520	1	-677
Mar.	22,905	6,686	345	252	205	759	746	263	1,036	9,310	1,194	2,508	499		-898
Apr.	22,273	6,751	336	293	89	-1,618	740	373	925	9,505	1,165	2,455	586	1,540	-867
May	23,981	7,243	312	278	313	428	875	352	662	10,087	1,180	2,516	498	1	-763
June	24,172	8,062	402	447	183	865	1,574	452	1,270	9,675	1,017	2,308	655		-1,007
July	24,411	5,862	369	216	-60	498	1,099	693	854	10,060	1,258	2,525	466	1,538	-967
Aug.	25,408	6,905	260	247	-61	514	2,257	773	925	9,925	1,236	2,477	727		-778
Sept.	24,712	6,877	398	267	19	728	1,163	819	837	10,022	1,147	2,721	731	7	-1,026
Oct.	26,460	7,652	62	281	358	280	1,246	752	794	10,282	1,220	2,433	529	1,533	-961

¹ Collections of these receipts, totaling \$2,427 million for fiscal year 1973, were included as part of nonwithheld income taxes prior to Feb. 1974.

² Old-age, disability, and hospital insurance, and Railroad Retirement accounts.

³ Supplementary medical insurance premiums and Federal employee retirement contributions.

⁴ Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

⁵ Consists of Government contributions for employee retirement and of interest received by trust funds.

⁶ Contains retroactive payments of \$2,617 million for fiscal 1972.

⁷ Estimate presented in *Budget of the U.S. Government, Fiscal Year 1975*. Breakdown does not add to total because special allowances for contingencies, Federal pay increase (excluding Department of Defense), and acceleration of energy research and development, totaling \$1,561 million, are not included.

NOTE:—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt ¹	Public issues (interest-bearing)										Special issues ⁵
		Total	Marketable				Con-vertible bonds	Nonmarketable				
			Total	Bills	Certifi-cates	Notes		Bonds ²	Total ³	Foreign issues ⁴	Sav-ings bonds & notes	
1967—Dec.	344.7	284.0	226.5	69.9	61.4	95.2	2.6	54.9	3.1	51.7	57.2	
1968—Dec.	358.0	296.0	236.8	75.0	76.5	85.3	2.5	56.7	4.3	52.3	59.1	
1969—Dec.	368.2	295.2	235.9	80.6	85.4	69.9	2.4	56.9	3.8	52.2	71.0	
1970—Dec.	389.2	309.1	247.7	87.9	101.2	58.6	2.4	59.1	5.7	52.5	78.1	
1971—Dec.	424.1	336.7	262.0	97.5	114.0	50.6	2.3	72.3	16.8	54.9	85.7	
1972—Dec.	449.3	351.4	269.5	103.9	121.5	44.1	2.3	79.5	20.6	58.1	95.9	
1973—Nov.	464.0	360.5	270.2	107.7	124.6	37.8	2.3	88.0	26.1	60.8	101.6	
Dec.	469.9	360.7	270.2	107.8	124.6	37.8	2.3	88.2	26.0	60.8	107.1	
1974—Jan.	468.2	360.1	270.1	107.8	124.6	37.7	2.3	87.7	25.3	61.0	106.2	
Feb.	470.7	360.0	269.7	107.9	126.1	35.7	2.3	88.1	25.4	61.3	108.6	
Mar.	474.5	364.2	273.6	111.9	126.1	35.6	2.3	88.3	25.2	61.6	108.5	
Apr.	471.9	361.7	270.5	107.3	127.6	35.5	2.3	89.0	25.7	61.9	108.4	
May	474.7	361.5	269.6	107.9	128.4	33.2	2.3	89.6	26.0	62.1	111.3	
June	475.1	357.8	266.6	105.0	128.4	33.1	2.3	89.0	25.0	62.4	115.4	
July	475.3	359.7	268.8	107.3	128.4	33.0	2.3	88.7	24.4	62.7	114.6	
Aug.	481.8	362.0	272.1	110.6	127.7	33.9	2.3	87.6	23.2	62.8	118.7	
Sept.	481.5	362.7	272.6	111.1	127.7	33.8	2.3	87.8	23.2	63.0	117.4	
Oct.	480.2	363.9	273.5	112.1	127.7	33.8	2.3	88.1	23.1	63.3	115.3	
Nov.	485.4	365.9	277.5	114.6	129.6	33.3	2.3	88.4	23.1	63.6	115.9	

¹ Includes non-interest-bearing debt (of which \$617 million on Nov. 30, 1974, was not subject to statutory debt limitation).

² Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

³ Includes (not shown separately): depository bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

⁴ Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

⁵ Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on Daily Statement of U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Com-mercial banks	Mutual savings banks	Insur-ance companies	Other corporations	State and local govts.	Individuals		Foreign and international ¹	Other misc. investors ²
										Savings bonds	Other securities		
1967—Dec.	344.7	73.1	49.1	222.4	63.8	4.2	9.0	12.2	24.1	51.2	22.3	15.8	19.9
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973—Oct.	462.5	127.4	78.5	256.5	56.3	2.9	6.3	10.2	28.5	60.0	17.0	57.5	17.9
Nov.	464.0	127.1	77.1	259.8	58.5	2.9	6.2	11.1	28.9	60.3	16.9	56.2	18.9
Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—Jan.	468.2	128.7	78.2	261.2	60.2	2.8	6.3	10.7	29.9	60.5	16.9	52.8	21.1
Feb.	470.7	131.3	78.2	261.1	58.2	2.8	6.0	10.9	30.7	60.8	17.0	53.6	21.2
Mar.	474.5	131.2	79.5	263.8	59.5	2.8	6.1	11.7	30.4	61.1	17.3	54.9	20.0
Apr.	471.9	131.1	80.0	260.7	56.8	2.7	5.9	10.5	30.1	61.4	17.8	55.9	19.7
May	474.7	133.9	81.4	259.4	54.8	2.6	5.8	11.2	29.2	61.7	18.3	57.3	18.5
June	475.1	138.2	80.5	256.4	53.2	2.6	5.9	10.8	28.3	61.9	18.8	57.7	17.3
July	475.3	137.5	78.1	259.7	53.9	2.6	5.7	11.3	28.8	62.2	19.4	56.9	18.8
Aug.	481.8	141.6	81.1	259.0	53.0	2.6	5.7	11.0	29.2	62.3	20.3	56.0	19.0
Sept.	481.5	140.6	81.0	259.8	52.9	2.5	5.7	10.5	29.3	62.5	20.8	56.0	19.5
Oct.	480.2	138.4	79.4	262.5	53.5	2.5	5.9	11.2	28.8	62.8	21.0	56.6	20.3

¹ Consists of investments of foreign and international accounts in the United States.

² Consists of savings and loan assns., nonprofit institutions, corporate pension trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF (\$825 million).

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1-5 years	5-10 years	10-20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1971—Dec. 31	262,038	119,141	97,505	21,636	93,648	29,321	9,530	10,397
1972—Dec. 31	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Sept. 30	272,608	143,349	111,099	32,250	79,410	29,044	14,924	5,879
Oct. 31	273,525	144,334	112,083	32,251	79,407	29,024	14,895	5,865
U.S. Govt. agencies and trust funds:								
1971—Dec. 31	18,444	1,380	605	775	7,614	4,676	2,319	2,456
1972—Dec. 31	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Sept. 30	21,444	2,600	514	2,086	7,783	4,751	4,673	1,637
Oct. 31	21,533	2,524	535	1,989	7,868	4,833	4,671	1,637
Federal Reserve Banks:								
1971—Dec. 31	70,218	36,032	31,033	4,999	25,299	7,702	584	601
1972—Dec. 31	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Sept. 30	81,035	47,881	38,220	9,661	21,289	9,945	1,433	486
Oct. 31	79,351	46,197	36,535	9,662	21,289	9,946	1,433	486
Held by private investors:								
1971—Dec. 31	173,376	81,729	65,867	15,862	60,735	16,943	6,627	7,340
1972—Dec. 31	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31	170,746	93,162	70,227	22,935	59,939	13,241	9,063	4,341
1974—Sept. 30	170,129	92,868	72,365	20,503	50,338	14,348	8,818	3,756
Oct. 31	172,641	95,613	75,013	20,600	50,250	14,245	8,791	3,742
Commercial banks:								
1971—Dec. 31	51,363	14,920	8,287	6,633	28,823	6,847	555	217
1972—Dec. 31	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Sept. 30	39,042	11,823	3,227	8,596	21,246	4,932	778	263
Oct. 31	39,376	12,318	3,998	8,320	21,106	4,944	760	248
Mutual savings banks:								
1971—Dec. 31	2,742	416	235	181	1,221	499	281	326
1972—Dec. 31	2,609	590	309	281	1,152	469	274	124
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Sept. 30	1,452	349	117	232	602	177	229	94
Oct. 31	1,424	338	104	234	602	174	220	90
Insurance companies:								
1971—Dec. 31	5,679	720	325	395	1,499	993	1,366	1,102
1972—Dec. 31	5,220	799	448	351	1,190	976	1,593	661
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Sept. 30	4,519	519	217	302	979	1,327	1,311	383
Oct. 31	4,545	544	215	329	990	1,343	1,304	363
Nonfinancial corporations:								
1971—Dec. 31	6,021	4,191	3,280	911	1,492	301	16	20
1972—Dec. 31	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Sept. 30	4,250	2,673	1,606	1,067	1,204	302	51	20
Oct. 31	4,446	2,777	1,755	1,022	1,284	274	71	39
Savings and loan associations:								
1971—Dec. 31	3,002	629	343	286	1,449	587	162	175
1972—Dec. 31	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Sept. 30	1,729	370	53	317	820	320	193	25
Oct. 31	1,709	353	50	303	820	321	192	24
State and local governments:								
1971—Dec. 31	9,823	4,592	3,832	760	2,268	783	918	1,263
1972—Dec. 31	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Sept. 30	8,660	4,829	3,502	1,327	1,800	856	884	291
Oct. 31	7,933	4,090	2,752	1,338	1,797	870	883	293
All others:								
1971—Dec. 31	94,746	56,261	49,565	6,696	23,983	6,933	3,329	4,237
1972—Dec. 31	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Sept. 30	110,477	72,305	63,643	8,662	23,687	6,434	5,372	2,680
Oct. 31	113,208	75,193	66,139	9,054	23,651	6,319	5,361	2,685

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting: (1) 5,582 commercial banks, 476 mutual savings

banks, and 733 insurance companies combined, each about 90 per cent; (2) 467 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 503 State and local govts., about 40 per cent.

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

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other ¹	
1973—Oct.....	3,384	2,798	374	163	48	568	954	1,073	789	810
Nov.....	4,022	3,001	485	447	89	655	1,188	1,173	1,007	810
Dec.....	3,889	3,167	348	317	58	675	1,051	1,123	1,040	869
1974—Jan.....	3,659	3,074	325	215	45	706	889	1,103	962	695
Feb.....	4,229	3,192	402	561	74	795	1,058	1,299	1,077	1,019
Mar.....	3,697	2,814	450	369	64	744	892	1,071	991	733
Apr.....	3,338	2,682	438	173	45	614	836	951	937	710
May.....	3,542	2,645	693	133	72	711	905	991	936	861
June.....	3,084	2,549	385	110	41	693	759	877	755	978
July.....	2,566	2,114	348	66	38	490	685	681	710	1,044
Aug.....	3,097	2,407	389	238	64	554	876	789	878	856
Sept.....	4,114	3,327	472	265	50	683	1,351	1,022	1,058	1,227
Oct.....	3,543	2,802	498	193	50	607	1,087	928	920	1,150
Week ending—										
1974—Oct. 2.....	3,991	3,022	711	218	40	728	1,206	1,051	1,005	852
9.....	3,832	2,911	619	242	61	585	1,313	970	963	1,166
16.....	2,923	2,313	401	162	47	546	855	727	796	1,253
23.....	3,831	3,049	479	255	49	657	1,174	1,060	940	1,509
30.....	3,152	2,561	452	92	47	553	885	853	862	850
Nov. 6.....	4,097	3,333	530	180	55	609	1,219	1,178	1,091	1,062
13.....	4,451	2,908	894	494	154	679	1,159	1,311	1,302	1,391
20.....	4,598	3,177	800	520	101	616	1,218	1,326	1,438	1,257
27.....	3,314	2,491	432	336	55	442	857	920	1,096	1,189

¹ Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York.

They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1973—Oct.....	3,073	2,858	93	56	67	904
Nov.....	3,618	3,034	95	350	139	1,185
Dec.....	4,441	3,697	223	396	124	1,400
1974—Jan.....	3,653	3,210	51	262	130	1,324
Feb.....	4,081	2,707	537	647	190	1,435
Mar.....	2,587	2,149	50	287	102	1,045
Apr.....	1,536	1,577	-121	62	17	719
May.....	495	421	-33	66	41	791
June.....	594	447	52	78	16	1,226
July.....	263	219	-50	90	4	935
Aug.....	2,487	1,819	228	356	84	1,073
Sept.....	3,060	2,317	334	340	69	1,216
Oct.....	2,870	2,149	430	260	31	1,445
Week ending—						
1974—Sept. 4.....	3,430	2,663	259	418	90	1,230
11.....	3,825	3,067	294	385	78	1,064
18.....	3,241	2,508	277	360	96	1,288
25.....	2,417	1,782	294	299	42	1,265
Oct. 2.....	1,990	1,106	587	253	44	1,239
9.....	1,949	1,216	442	234	57	1,179
16.....	3,089	2,427	397	236	29	1,354
23.....	3,209	2,654	355	266	24	1,576
30.....	3,493	2,690	485	303	15	1,754

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.
Average of daily figures based on number of trading days in the period.

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations ¹	All other
		New York City	Elsewhere		
1973—Oct.....	3,721	1,253	918	328	1,223
Nov.....	4,469	1,809	900	570	1,190
Dec.....	5,468	2,322	1,147	671	1,329
1974—Jan.....	4,802	1,747	1,253	658	1,143
Feb.....	4,837	1,545	1,501	533	1,257
Mar.....	3,817	1,196	952	485	1,185
Apr.....	2,449	600	728	287	833
May.....	1,637	26	486	213	913
June.....	2,477	241	884	268	1,083
July.....	1,710	6	596	216	892
Aug.....	4,138	988	1,248	548	1,354
Sept.....	4,709	1,312	1,247	480	1,671
Oct.....	4,621	1,194	1,003	571	1,853
Week ending—					
1974—Sept. 4.....	4,082	953	1,195	491	1,443
11.....	5,654	2,030	1,454	606	1,563
18.....	5,445	1,823	1,377	484	1,761
25.....	4,058	882	1,108	436	1,633
Oct. 2.....	3,596	457	873	336	1,931
9.....	3,685	645	665	456	1,920
16.....	5,013	1,503	1,143	521	1,846
23.....	4,800	1,367	1,128	612	1,693
30.....	5,274	1,495	1,140	757	1,882

¹ All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

OUTSTANDING ISSUES OF FEDERALY SPONSORED CREDIT AGENCIES, OCTOBER 31, 1974

Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Cou- pon rate	Amount (millions of dollars)
Federal home loan banks			Federal National Mortgage Association—Cont.			Banks for cooperatives		
Bonds:			Debentures:			Bonds:		
11/25/69 - 11/25/74	8.00	250	5/10/71 - 12/10/74	6.10	250	5/1/74 - 11/4/74	8.65	361
5/25/73 - 11/25/74	7.05	1,000	9/10/71 - 12/10/74	6.45	450	6/3/74 - 12/2/74	8.90	451
1/26/71 - 2/25/75	6.10	250	1/10/70 - 3/10/75	7.55	300	7/1/74 - 1/2/75	9.25	408
11/27/72 - 2/25/75	5 7/8	400	10/12/71 - 3/10/75	6.35	600	8/1/74 - 2/3/75	9.45	581
9/21/73 - 2/25/75	8.20	500	4/12/71 - 6/10/75	5.25	500	9/3/74 - 3/3/75	9.85	515
4/12/73 - 5/25/75	7.15	700	10/13/70 - 9/10/75	7.50	350	10/1/74 - 4/1/75	9.55	341
8/25/70 - 5/26/75	8.05	265	3/10/72 - 12/10/75	5.70	500	10/1/73 - 4/4/77	7.70	200
2/25/74 - 5/27/75	6.80	300	9/10/73 - 12/10/75	8.25	300	Federal intermediate credit banks		
7/27/70 - 8/25/75	7.95	300	3/11/71 - 3/10/76	5.65	500	Bonds:		
7/25/73 - 8/25/75	7 3/4	500	6/12/73 - 3/10/76	7.13	400	2/4/74 - 11/4/74	8.00	769
10/25/73 - 8/25/75	7.15	400	6/10/71 - 6/10/76	6.70	250	3/4/74 - 12/2/74	7.15	810
12/18/70 - 11/25/75	6.50	350	2/10/72 - 6/10/76	5.85	450	5/1/72 - 1/2/75	6.05	240
5/25/73 - 11/25/75	7.05	600	9/10/74 - 6/10/76	10.00	700	4/1/74 - 1/2/75	8.15	608
5/28/74 - 11/25/75	9.10	700	11/10/71 - 9/10/76	6.13	300	5/1/74 - 2/3/75	8.80	674
6/21/74 - 2/25/76	8.70	400	6/12/72 - 9/10/76	5.85	500	6/3/74 - 3/3/75	9.00	796
8/27/71 - 2/25/76	7 3/4	250	7/12/71 - 12/10/76	7.45	300	7/1/74 - 4/1/75	9.25	811
8/27/73 - 2/25/76	8 1/4	300	12/11/72 - 12/10/76	6.25	500	8/1/74 - 5/1/75	9.45	766
8/26/74 - 2/25/76	9.20	600	6/10/74 - 12/10/76	8.45	600	9/3/74 - 6/2/75	9.80	714
6/22/73 - 5/25/76	7.20	600	2/13/62 - 2/10/77	4 1/2	198	10/1/74 - 7/1/75	9.60	769
11/27/73 - 5/25/76	7.45	300	9/11/72 - 3/10/77	6.30	500	1/3/72 - 7/1/75	5.70	302
5/25/73 - 8/25/76	7.80	500	3/11/74 - 3/10/77	7.05	400	3/2/73 - 1/5/76	6.65	261
9/25/74 - 8/25/76	9.55	700	12/10/70 - 6/10/77	6.38	250	7/1/73 - 1/3/77	7.10	236
10/25/74 - 11/26/76	8.60	600	5/10/71 - 6/10/77	6.50	150	7/1/74 - 4/4/77	8.70	321
7/25/74 - 11/25/77	9.55	500	12/10/73 - 6/10/77	7.20	500	1/2/74 - 1/3/78	7.10	406
10/25/73 - 2/25/77	7.20	500	9/10/71 - 9/12/77	6.88	300	Federal land banks		
6/21/74 - 5/25/77	8.70	500	9/10/73 - 9/12/77	7.85	400	Bonds:		
6/25/71 - 5/25/77	6.95	200	7/10/73 - 12/12/77	7.25	500	2/20/70 - 1/20/75	8 3/4	220
4/12/73 - 8/25/77	7.15	300	10/1/73 - 12/12/77	7.55	500	4/23/73 - 1/20/75	7.15	300
5/28/74 - 8/25/77	8.80	600	6/10/74 - 3/10/78	8.45	650	4/20/65 - 4/21/75	4 3/4	200
2/26/73 - 11/25/77	6 3/4	300	6/12/73 - 6/12/78	7.15	600	7/20/73 - 4/21/75	7.65	300
11/27/73 - 11/25/77	7.45	300	3/11/74 - 9/11/78	7.15	550	2/15/72 - 7/21/75	5.70	425
8/26/74 - 11/25/77	9.15	700	10/12/71 - 12/11/78	6.75	300	4/22/74 - 7/21/75	8.30	300
9/21/73 - 5/25/78	7.60	500	7/10/74 - 12/11/78	8.95	300	7/20/71 - 10/20/75	7.20	300
8/26/74 - 11/27/78	9.10	500	12/10/73 - 3/12/79	7.25	500	10/23/73 - 10/20/75	7.40	362
6/21/74 - 2/26/79	8.65	600	9/10/73 - 6/11/79	7.85	300	4/20/72 - 1/20/76	6 1/4	300
9/25/74 - 2/26/79	9.45	600	6/12/72 - 9/10/79	6.40	300	7/22/74 - 1/20/76	9.20	650
5/28/74 - 5/25/79	8.65	500	12/10/71 - 12/10/79	6.55	350	2/21/66 - 2/24/76	5.00	123
7/25/74 - 8/27/79	9.50	500	2/10/72 - 3/10/80	6.88	250	1/22/73 - 4/20/76	6 1/4	373
3/25/70 - 2/25/80	7.75	350	6/10/74 - 6/10/80	8.50	450	4/22/74 - 4/20/76	8 1/4	400
2/25/74 - 2/25/80	7.05	300	2/16/73 - 7/31/80	5.19	1	7/20/66 - 7/20/76	5 3/4	150
10/15/70 - 10/15/80	7.80	200	10/1/73 - 9/10/80	7.50	400	1/21/74 - 7/20/76	7.05	360
10/27/71 - 11/27/81	6.60	200	1/16/73 - 10/30/80	4.46	5	4/23/73 - 10/20/76	7.15	450
10/25/74 - 11/25/81	8.65	400	12/11/72 - 12/10/80	6.60	300	4/22/74 - 4/20/77	8 1/4	565
4/12/73 - 5/25/83	7.30	200	6/29/72 - 1/29/81	6.15	156	7/20/73 - 7/20/77	7 1/2	550
5/28/74 - 5/25/84	8 3/4	300	3/12/73 - 4/10/81	7.05	350	10/20/71 - 10/20/77	6.35	300
10/25/73 - 11/26/93	7 3/4	400	4/18/73 - 4/10/81	6.59	26	10/21/74 - 1/23/78	8.70	546
Federal Home Loan Mortgage Corporation			3/21/73 - 5/1/81	5.77	2	2/20/63 - 2/20/73 78	4 1/4	148
Bonds:			1/21/71 - 6/10/81	7.25	250	5/2/66 - 4/20/78	5 1/2	150
5/29/73 - 8/25/76	7.05	400	9/10/71 - 9/10/81	7.25	250	7/20/72 - 7/20/78	6.40	269
5/11/72 - 2/25/77	6.15	350	9/10/74 - 9/10/81	9.70	300	7/22/74 - 7/20/78	9.15	350
11/19/70 - 11/27/95	8.60	140	3/11/74 - 12/10/81	7.30	250	10/23/73 - 10/19/78	7.35	550
7/15/71 - 8/26/96	7.75	150	7/10/74 - 3/10/82	8.88	300	2/20/67 - 1/22/79	5.00	285
5/11/72 - 5/26/97	7.15	150	6/28/72 - 5/1/82	5.84	58	1/21/74 - 1/22/79	7.10	300
Federal National Mortgage Association—Secondary market operations			2/10/71 - 6/10/82	6.65	250	9/15/72 - 4/23/79	6.85	235
Discount notes			9/11/72 - 9/10/82	6.80	200	2/20/74 - 7/23/79	7.15	389
Capital debentures:			12/10/73 - 12/10/82	7.35	300	10/23/72 - 10/23/79	6.80	400
4/1/70 - 4/1/75	8.00	200	3/11/71 - 6/10/83	6.75	200	1/22/73 - 1/21/80	6.70	300
9/30/71 - 10/1/96	4.38	248	6/12/73 - 6/10/83	7.30	300	7/20/73 - 7/21/80	7 1/2	250
10/2/72 - 10/1/97	7.40	250	11/10/71 - 9/12/83	6.75	250	10/21/74 - 10/20/80	8.70	400
Mortgage-backed bonds:			4/12/71 - 6/11/84	6.25	200	2/23/71 - 4/20/81	6.70	224
6/1/70 - 6/2/75	8.38	250	12/10/71 - 12/10/84	6.90	250	7/22/74 - 7/20/81	9.10	265
3/14/73 - 1/15/81	3.58	53	3/10/72 - 3/10/92	7.00	200	4/20/72 - 4/20/82	6.90	200
3/14/73 - 1/15/81	5.48	5	6/12/72 - 6/10/92	7.05	200	4/23/73 - 10/20/82	7.30	239
6/21/73 - 7/1/82	5.85	71	12/11/72 - 12/10/97	7.10	200	10/23/73 - 10/20/83	7.30	300
6/21/73 - 7/1/82	5.92	35						
3/1/73 - 8/31/84	5.50	10						
3/1/73 - 10/31/85	5.49	21						
3/1/73 - 3/1/86	5.74	81						
9/29/70 - 10/1/90	8.63	200						

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table at top of p. A-40.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital			Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Bonds (L)	Loans and dis-counts (A)	Bonds (L)	Mortgage loans (A)	Bonds (L)
	Ad-vances to mem-bers	Invest-ments	Cash and de-posits	Bonds and notes	Mem-ber de-posits	Capital stock								
1970.....	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971.....	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972.....	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973—Oct...	14,799	3,498	106	15,362	1,270	2,107	23,348	22,243	2,711	2,728	7,130	6,901	10,781	9,838
Nov...	14,866	3,649	77	15,362	1,545	2,112	23,912	22,404	2,662	2,704	7,029	6,890	10,926	9,838
Dec...	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974—Jan...	15,188	2,843	121	14,556	1,692	2,246	24,424	23,131	3,123	2,741	7,163	6,956	11,245	10,048
Feb...	14,904	2,680	116	13,906	1,936	2,294	24,541	23,092	3,211	2,828	7,277	7,029	11,402	10,282
Mar...	14,995	2,779	124	13,906	2,027	2,306	24,888	23,515	3,143	2,878	7,545	7,162	11,467	10,282
Apr...	16,020	1,615	82	13,902	2,067	2,337	25,264	23,668	2,891	2,810	7,850	7,403	11,878	10,843
May...	17,103	1,956	96	14,893	2,215	2,376	25,917	25,089	2,694	2,674	8,195	7,585	12,142	10,843
June...	17,642	2,564	115	16,393	2,158	2,413	26,559	25,232	2,733	2,449	8,479	7,860	12,400	10,843
July...	18,582	2,578	150	17,390	1,954	2,450	27,304	25,878	3,008	2,477	8,706	8,212	12,684	11,782
Aug...	19,653	2,052	80	18,759	1,935	2,495	28,022	26,639	3,026	2,622	8,548	8,381	12,941	11,782
Sept...	20,772	2,681	135	20,647	2,160	2,543	28,641	27,312	3,092	2,835	8,931	8,502	13,185	11,782
Oct...	21,409	3,224	105	22,058	2,129	2,580	29,139	27,543	3,598	2,855	8,838	8,482	13,418	12,427

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly

offered securities (excluding, for FHLB's, bonds held within the FHLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table on preceding page. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)									Total amount delivered ³	Issues for new capital						
	Total	Type of issue				Type of issuer					Total	Use of proceeds					
		General obligations	Revenue	HAA ¹	U.S. Govt. loans	State	Special district and stat. auth.	Other ²	Education			Roads and bridges	Utilities ⁴	Housing ⁵	Veterans' aid	Other purposes	
1970.....	18,164	11,850	6,082	131	103	4,174	5,595	8,399	.....	18,110	5,062	1,532	3,525	466	.....	7,526
1971.....	24,962	15,220	8,681	1,000	62	5,999	8,714	10,246	.....	24,495	5,278	2,642	5,214	2,068	.....	9,293
1972.....	23,652	13,305	9,332	959	57	4,991	9,496	9,165	.....	22,073	4,981	1,689	4,638	1,910	.....	6,741
1973.....	23,970	12,257	10,632	1,022	58	4,212	9,507	10,249	.....	22,408	4,311	1,458	5,654	2,639	.....	8,335
1973—Aug...	1,657	1,067	588	.....	2	529	498	630	.....	1,602	311	30	352	290	.....	618
Sept...	1,750	721	741	285	2	236	838	675	.....	1,653	327	66	579	384	.....	298
Oct...	2,313	1,344	964	.....	6	337	842	1,135	.....	2,163	299	142	412	251	.....	1,060
Nov...	2,257	866	1,383	.....	9	243	1,247	766	.....	1,929	356	42	596	247	.....	687
Dec...	2,089	919	995	173	1	450	1,022	616	.....	1,954	372	165	487	344	.....	582
1974—Jan...	2,198	1,402	794	.....	2	208	825	1,163	.....	2,129	595	36	372	56	.....	1,070
Feb...	1,934	1,155	778	.....	1	473	523	937	.....	1,869	449	53	611	39	.....	717
Mar...	2,002	1,170	600	227	5	344	783	871	.....	1,887	366	258	355	241	.....	667
Apr...	2,381	1,703	667	.....	11	360	855	1,155	.....	2,333	508	9	594	178	.....	1,044
May...	2,246	1,147	1,091	.....	8	443	1,025	770	.....	2,181	394	108	689	7	.....	983
June...	2,009	1,048	722	234	5	582	557	865	.....	1,908	205	62	562	287	.....	792
July...	1,497	885	605	.....	7	888	164	438	.....	1,486	314	58	154	.....	.....	960
Aug...	1,085	568	517	.....	.....	141	387	556	.....	1,046	221	84	256	15	.....	470

¹ Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

² Municipalities, counties, townships, school districts.

³ Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

⁴ Water, sewer, and other utilities.

⁵ Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated. Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues ¹										
	Total	Noncorporate				Total	Corporate				
		U.S. Govt. ²	U.S. Govt. agency ³	State and local (U.S.) ⁴	Other ⁵		Total	Bonds		Stock	
							Publicly offered	Privately placed	Preferred	Common	
1970.....	88,666	14,831	16,181	17,762	949	38,945	30,315	25,384	4,931	1,390	7,240
1971.....	105,233	17,325	16,283	24,370	2,165	45,090	32,123	24,775	7,354	3,670	9,291
1972.....	96,522	17,080	12,825	23,070	1,589	41,957	28,896	19,434	9,462	3,367	9,694
1973.....	100,417	19,057	23,883	22,700	1,385	33,391	22,768	13,649	8,620	3,372	7,750
1973—July.....	7,643	490	2,471	1,992	60	2,631	1,870	857	1,013	226	536
Aug.....	8,019	3,097	1,600	1,474	42	1,806	1,382	792	590	94	330
Sept.....	8,091	2,432	2,100	1,630	15	1,915	1,366	684	682	119	430
Oct.....	8,924	485	2,612	2,232	196	3,398	2,358	1,805	553	355	685
Nov.....	12,553	4,521	2,200	2,224	45	3,563	2,257	1,669	589	637	668
Dec.....	6,635	148	1,032	1,966	251	3,238	2,469	1,552	917	196	573
1974—Jan. ⁶						3,341	2,908	2,115	794	152	280
Feb.....						2,690	2,104	1,683	421	268	318
Mar.....						3,216	2,457	2,020	437	398	361
Apr.....						3,067	2,265	1,594	671	356	446
May.....						3,151	2,943	2,350	593	65	142
June.....						2,968	2,440	1,936	502	113	415
July.....						3,224	2,565	2,086	478	181	478

Gross proceeds, major groups of corporate issuers

Period	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1970.....	9,192	1,320	1,963	2,540	2,213	47	8,016	3,001	5,053	83	3,878	1,638
1971.....	9,426	2,152	2,272	2,390	1,998	420	7,605	4,195	4,227	1,592	6,601	2,212
1972.....	4,821	1,809	2,645	2,882	2,862	185	6,392	4,965	3,692	1,125	8,485	2,095
1973.....	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1973—July.....	364	169	139	112	250	1	651	269	244	60	223	151
Aug.....	230	49	149	129	83	15	419	90	320	5	182	136
Sept.....	270	78	149	96	140	2	334	252	228	16	244	106
Oct.....	472	52	63	147	114	4	342	608	633	46	734	193
Nov.....	383	93	61	92	241	4	584	496	296	499	692	122
Dec.....	485	18	145	285	226	6	569	319	350	27	693	115
1974—Jan. ⁶	867	29	136	124	89	.....	1,192	249	142	4	485	27
Feb.....	354	36	54	143	5	1	536	293	372	25	783	87
Mar.....	480	161	52	71	76	.....	850	449	310	21	690	58
Apr.....	1,193	9	238	56	6	.....	446	685	289	5	95	47
May.....	839	15	330	71	44	.....	837	75	660	3	235	44
June.....	420	44	317	139	5	16	859	288	352	1	489	39
July.....	961	40	228	93	58	1	317	283	240	177	761	65

¹ Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

² Includes guaranteed issues.

³ Issues not guaranteed.

⁴ See NOTE to table at bottom of opposite page.

⁵ Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

⁶ Beginning Jan. 1974 noncorporate figures are no longer published by the SEC.

NOTE: Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers ¹								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1970.....	38,707	9,079	29,628	29,495	6,667	22,825	9,213	2,411	6,801
1971.....	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1972.....	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973.....	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1973—II.....	9,140	2,470	6,669	5,769	1,664	4,106	3,370	806	2,564
III.....	6,532	2,150	4,382	4,521	1,579	2,941	2,012	571	1,441
IV.....	10,711	4,378	6,334	7,013	3,786	3,227	3,698	591	3,107
1974—I.....	8,973	2,031	6,942	6,810	1,442	5,367	2,163	588	1,575
II.....	9,637	2,048	7,589	7,847	1,584	6,263	1,790	465	1,326

Period	Type of issues											
	Manu- facturing		Commercial and other ²		Transpor- tation ³		Public utility		Communi- cation		Real estate and financial ¹	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
1971.....	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1972.....	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973.....	801	658	-109	1,411	1,044	-93	4,265	4,509	3,165	1,399	3,523	1,181
1973—II.....	632	-2	119	327	327	7	1,136	1,276	842	562	1,049	395
III.....	165	450	108	247	414	-44	1,217	557	752	77	284	154
IV.....	-131	147	162	460	176	-13	1,068	1,506	1,051	575	1,225	431
1974—I.....	906	324	11	363	-37	-35	2,172	827	675	76	1,662	20
II.....	1,921	-12	698	213	-13	12	1,699	1,038	1,080	-7	877	82

¹ Excludes investment companies.

² Extractive and commercial and miscellaneous companies.

³ Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on opposite page, new issues

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

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other		Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other
1962.....	2,699	1,123	1,576	21,271	1,315	19,956	1973—Oct...	305	559	-254	51,952	4,168	47,784
1963.....	2,460	1,504	952	25,214	1,341	23,873	Nov...	502	542	-40	45,814	4,126	41,688
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	Dec...	349	392	-43	46,518	4,002	42,516
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	1974—Jan...	334	325	9	47,094	4,226	42,863
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	Feb...	215	303	-88	45,958	4,447	41,511
1967.....	4,670	2,745	1,927	44,701	2,566	42,135	Mar...	297	346	-49	44,423	4,406	40,017
1968.....	6,820	3,841	2,979	52,677	3,187	49,490	Apr...	262	327	-65	42,679	4,426	38,253
1969.....	6,717	3,661	3,056	48,291	3,846	44,445	May...	323	320	3	41,015	4,389	36,626
1970.....	4,624	2,987	1,637	47,618	3,649	43,969	June...	337	276	61	40,040	4,461	35,579
1971.....	5,145	4,751	774	56,694	3,163	53,531	July...	442	352	90	37,669	4,609	33,060
1972.....	4,892	6,563	1,671	59,831	3,035	56,796	Aug...	446	339	127	35,106	4,953	30,153
1973.....	4,358	5,651	1,261	46,518	4,002	42,516	Sept...	499	292	207	31,985	5,078	26,907
							Oct...	816	311	505	37,115	5,652	31,463

¹ Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.

² Market value at end of period less current liabilities.

³ Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

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

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹
1968.....	87.6	39.9	47.8	23.6	24.2	46.8	1972—III...	100.2	41.8	58.4	27.8	30.6	66.7
1969.....	84.9	40.1	44.8	24.3	20.5	51.9	IV....	108.2	45.2	63.1	28.2	34.9	68.2
1970.....	74.0	34.8	39.3	24.7	14.6	56.0	1973—I....	120.4	48.9	71.5	28.7	42.8	69.2
1971.....	83.6	37.5	46.1	25.0	21.1	60.4	II....	124.9	50.9	74.0	29.1	44.9	70.8
1972.....	99.2	41.5	57.7	27.3	30.3	66.3	III....	122.7	49.9	72.9	29.8	43.1	71.6
1973.....	122.7	49.8	72.9	29.6	43.3	71.2	IV....	122.7	49.5	73.2	30.7	42.5	73.1
							1974—I....	138.7	53.6	85.1	31.6	53.5	74.1
							II....	143.5	57.9	85.6	32.5	53.0	75.7

¹ Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							Current liabilities				
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt. ¹	Other				U.S. Govt. ¹	Other		
1970.....	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971.....	204.9	518.8	55.7	10.7	3.5	208.8	200.3	39.7	313.9	4.9	207.3	12.2	89.5
1972—II....	215.0	536.5	56.0	8.9	2.8	217.8	207.7	43.1	321.5	4.9	208.5	11.4	96.7
III....	219.2	547.5	57.7	7.8	2.9	224.1	212.2	42.8	328.3	4.7	212.1	12.7	98.8
IV....	224.3	563.1	60.5	9.9	3.4	230.5	215.1	43.6	338.8	4.0	221.6	14.1	99.1
1973—I....	231.8	579.2	61.2	10.8	3.2	235.7	222.8	45.5	347.4	4.1	222.8	15.7	104.7
II....	237.7	596.8	62.3	9.6	2.9	245.6	230.3	46.0	359.1	4.5	232.5	13.9	108.1
III....	241.9	613.6	62.2	9.5	3.0	254.2	238.2	46.6	371.7	4.4	240.8	15.3	111.2
IV....	245.3	631.4	65.2	10.7	3.5	255.8	247.0	49.3	386.1	4.3	252.0	16.6	113.3
1974—I....	253.2	653.9	62.8	11.7	3.2	265.6	258.9	51.6	400.7	4.5	256.7	18.7	120.7
II....	257.4	673.3	62.2	10.4	3.4	278.7	269.7	48.8	415.8	4.7	268.4	17.4	125.3

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

NOTE.—Based on Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other ¹	Total (S.A. A.R.)
		Durable	Non-durable		Railroad	Air	Other	Electric	Gas and other			
1971.....	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	.....
1972.....	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	.....
1973.....	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.91	2.76	12.85	21.40	.....
1972—II....	22.01	3.71	3.92	.61	.48	.73	.39	3.61	.62	2.95	4.98	87.12
III....	21.86	3.86	3.87	.59	.38	.61	.35	3.67	.72	2.84	4.97	87.67
IV....	25.20	4.77	4.61	.63	.47	.63	.40	4.01	.73	3.39	5.57	91.94
1973—I....	21.50	3.92	3.88	.63	.46	.52	.32	3.45	.50	2.87	4.94	96.19
II....	24.73	4.65	4.51	.71	.46	.72	.43	3.91	.68	3.27	5.40	97.76
III....	25.04	4.84	4.78	.69	.48	.57	.44	4.04	.77	3.19	5.24	100.90
IV....	28.48	5.84	5.59	.71	.56	.60	.47	4.54	.82	3.53	5.83	103.74
1974—I....	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
II....	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III....	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV ²	31.44	6.69	6.73	.83	.72	.45	.63	4.82	.90	9.67	5.57	114.40

¹ Includes trade, service, construction, finance, and insurance.

² Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1970	1971	1972	1973		1974		
				III	IV	I	II	III
ALL HOLDERS	451,726	499,758	565,196	619,996	635,137	646,280	663,826	677,621
1- to 4-family.....	280,175	307,200	345,500	378,382	386,489	392,053	402,315	410,387
Multifamily ¹	58,023	67,367	76,585	83,521	85,394	86,760	88,456	90,482
Commercial.....	82,292	92,333	107,673	119,504	123,915	127,228	131,461	133,886
Farm.....	31,236	32,858	35,438	38,589	39,339	40,239	41,594	42,866
PRIVATE FINANCIAL INSTITUTIONS ..	355,929	394,239	450,371	495,044	505,583	514,110	527,751	536,587
1- to 4-family.....	231,317	253,540	288,169	316,754	322,296	327,146	335,592	341,060
Multifamily ¹	45,796	52,498	59,293	63,566	64,723	65,555	66,781	68,056
Commercial.....	68,697	78,345	92,387	103,429	107,078	109,891	113,524	115,349
Farm.....	10,119	9,856	10,522	11,295	11,486	11,518	11,854	12,122
<i>Commercial banks</i> ²	73,275	82,515	99,314	114,788	119,068	121,668	126,468	129,268
1- to 4-family.....	42,329	48,020	57,004	65,484	67,998	69,351	72,087	73,683
Multifamily ¹	3,311	3,984	5,778	6,745	6,932	7,178	7,462	7,627
Commercial.....	23,284	26,306	31,751	37,181	38,696	39,664	41,228	42,141
Farm.....	4,351	4,205	4,781	5,378	5,442	5,475	5,691	5,817
<i>Mutual savings banks</i>	57,948	61,978	67,556	72,034	73,231	73,957	74,264	74,792
1- to 4-family.....	37,342	38,641	41,650	43,738	44,247	44,462	44,426	44,593
Multifamily ¹	12,594	14,386	15,490	16,567	16,843	17,011	17,081	17,202
Commercial.....	7,893	8,901	10,354	11,670	12,084	12,425	12,698	12,938
Farm.....	119	50	62	59	57	59	59	59
<i>Savings and loan associations</i>	150,331	174,250	206,182	229,182	232,104	236,514	243,791	248,018
1- to 4-family.....	124,970	142,275	167,049	185,706	188,051	191,529	197,324	200,870
Multifamily ¹	13,830	17,355	20,783	22,391	22,561	22,800	23,380	23,661
Commercial.....	11,531	14,620	18,350	21,085	21,492	22,185	23,087	23,487
<i>Life insurance companies</i>	74,375	75,496	77,319	79,040	81,180	81,971	83,228	84,509
1- to 4-family.....	26,676	24,604	22,466	21,826	22,000	21,804	21,755	21,914
Multifamily ¹	16,061	16,773	17,242	17,863	18,387	18,566	18,858	19,566
Commercial.....	25,989	28,518	31,932	33,493	34,806	35,617	36,511	36,783
Farm.....	5,649	5,601	5,679	5,858	5,987	5,984	6,104	6,246
FEDERAL AND RELATED AGENCIES ..	32,992	39,357	45,790	53,008	55,664	58,430	62,535	67,694
1- to 4-family.....	21,993	26,453	30,147	33,725	35,454	37,168	39,784	43,188
Multifamily ¹	3,359	4,555	6,086	8,171	8,489	8,923	9,643	10,644
Commercial.....	16	11						
Farm.....	7,624	8,338	9,557	11,112	11,721	12,339	13,108	13,862
<i>Government National Mortgage Association</i>	5,222	5,323	5,113	4,429	4,029	3,604	3,618	4,052
1- to 4-family.....	2,902	2,770	2,490	1,462	1,330	1,189	1,194	1,337
Multifamily ¹	2,304	2,542	2,623	2,967	2,699	2,415	2,424	2,715
Commercial.....	16	11						
<i>Farmers Home Administration</i>	767	819	837	1,000	1,200	1,300	1,400	1,500
1- to 4-family.....	330	398	387	480	550	596	642	688
Farm.....	437	421	450	520	650	704	758	812
<i>Federal Housing and Veterans Administrations</i>	3,505	3,389	3,338	3,446	3,476	3,514	3,619	3,765
1- to 4-family.....	2,771	2,517	2,199	2,046	2,013	1,964	1,980	2,037
Multifamily ¹	734	872	1,139	1,400	1,463	1,550	1,639	1,728
<i>Federal National Mortgage Association</i>	15,502	17,791	19,791	22,831	24,175	24,875	26,559	28,641
1- to 4-family.....	15,181	16,681	17,697	19,479	20,370	20,516	21,691	23,258
Multifamily ¹	321	1,110	2,094	3,352	3,805	4,359	4,868	5,383
Federal land banks (farm only).....	7,187	7,917	9,107	10,592	11,071	11,635	12,350	13,050
<i>Federal Home Loan Mortgage Corporation</i>	357	964	1,789	2,423	2,604	2,637	3,191	3,713
1- to 4-family.....	357	934	1,754	2,294	2,446	2,472	2,951	3,414
Multifamily ¹		30	35	129	158	165	240	299
<i>GNMA Pools</i>	452	3,154	5,815	8,287	9,109	10,865	11,798	12,973
1- to 4-family.....	452	3,153	5,620	7,964	8,745	10,431	11,326	12,454
Multifamily ¹		1	195	323	364	434	472	519
INDIVIDUALS AND OTHERS ³	62,805	66,162	69,035	71,944	73,890	73,740	73,540	73,340
1- to 4-family.....	26,865	27,207	27,184	27,903	28,739	27,739	26,939	26,139
Multifamily ¹	8,868	10,314	11,206	11,784	12,182	12,282	12,032	11,782
Commercial.....	13,579	13,977	15,286	16,075	16,837	17,337	17,937	18,537
Farm.....	13,493	14,664	15,359	16,182	16,132	16,382	16,632	16,882

¹ Structure of five or more units.² Includes loans held by nondeposit trust companies but not bank trust departments.³ Includes some U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Government sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, where not reported directly, and interpolations and extrapolations where required, estimated mainly by Federal Reserve.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION—
SECONDARY MORTGAGE MARKET ACTIVITY**

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings		Mortgage transactions (during period)			Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total ¹	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Out-standing	Total	FHA VA	Con-ventional	Purchases	Sales	Made during period	Out-standing
1970.....	15,492	11,063	4,429	5,079	20	8,047	5,203	325	325		325			
1971.....	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64		182
1972.....	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,298	408	1,606	198
1973.....	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1973—Oct...	23,348	16,510	6,101	659		264	8,918	2,527	1,742	785	113		63	218
Nov...	23,912	16,734	6,294	656		200	8,690	2,565	1,746	819	46		45	207
Dec...	24,175	16,852	6,352	410	40	158	7,889	2,604	1,743	861	50	2	43	186
1974—Jan...	24,424	17,008	6,348	350		110	6,715	2,621	1,736	885	34	8	26	161
Feb...	24,529	17,050	6,336	242		489	6,768	2,625	1,730	895	21	6	49	185
Mar...	24,875	17,315	6,340	462	1	1,646	7,913	2,638	1,724	914	29	2	595	748
Apr...	25,263	17,450	6,503	526	1	2,154	9,292	2,722	1,756	967	101		400	1,037
May...	25,917	17,725	6,794	821		1,145	9,475	2,986	1,827	1,159	281		1,486	2,221
June...	26,559	17,966	7,079	770		537	9,019	3,191	1,877	1,314	222		628	2,598
July...	27,304	18,250	7,384	886		1,175	9,044	3,309	1,883	1,426	129		1,127	3,583
Aug...	28,022	18,526	7,704	868	2	1,202	9,115	3,451	1,886	1,565	155		81	3,500
Sept...	28,641	18,758	7,994	760		997	9,043	3,713	1,896	1,817	273		69	3,278
Oct...	29,139	18,966	8,206	612		878	8,987	4,107	1,910	2,197	410	7	30	2,871

¹ Includes conventional loans not shown separately.

NOTE: Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem Plan (Program 18).

For FHLMC: Data for 1970 begin with Nov. 26, when the FHLMC became operational. Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guaranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages								FHA-insured loans: Yield in private secondary market ⁵
	Terms ¹				Yields (per cent) in primary market				
	Contract rate (per cent)	Fees and charges (per cent) ²	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	FHLBB series ³	HUD series ⁴	
1970.....	8.27	1.03	25.1	71.7	35.5	25.2	8.44	8.52	9.03
1971.....	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70
1972.....	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.52
1973.....	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	
1973—Oct.....	8.12	1.20	26.1	76.9	38.5	29.0	8.31	8.80	8.97
Nov.....	8.22	1.08	26.0	75.5	38.9	28.8	8.39	8.75	8.86
Dec.....	8.31	1.12	25.6	75.5	37.7	28.0	8.49	8.75	8.78
1974—Jan.....	8.33	1.16	26.4	76.3	38.8	28.9	8.52	8.65	
Feb.....	8.40	1.33	25.9	76.5	37.8	28.5	8.62	8.55	8.54
Mar.....	8.43	1.35	26.4	77.3	39.1	29.5	8.64	8.60	8.66
Apr.....	8.47	1.21	26.1	77.3	38.5	29.2	8.67	8.90	9.17
May.....	8.55	1.20	25.8	76.8	37.9	28.8	8.74	9.15	9.46
June.....	8.65	1.25	26.3	76.9	39.7	30.1	8.85	9.25	9.46
July.....	8.75	1.28	26.1	74.4	40.5	29.6	8.96	9.40	9.85
Aug.....	8.87	1.32	26.4	75.3	40.2	29.5	9.09	9.60	10.30
Sept.....	8.97	1.30	26.1	74.8	42.4	31.1	9.19	9.80	10.38
Oct.....	8.95	1.37	26.7	74.7	42.3	30.7	9.17	9.70	10.13

¹ Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

² Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

³ Effective rate, reflecting fees and charges as well as contract rates

(as shown in first column of this table) and an assumed prepayment at end of 10 years.

⁴ Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

⁵ Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

NOTE TO TABLE AT BOTTOM OF PAGE A-46:

American Life Insurance Association data for new commitments of \$100,000 and over each on mortgages for multifamily and nonresidential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan

amortization and prepayment terms. Data for the following are limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant annual level payment, including principal and interest, per \$100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction											
	1974											
	July 1	July 15	July 29	Aug. 12	Aug. 26	Sept. 9	Sept. 23	Oct. 7	Oct. 21	Nov. 4	Nov. 18	Dec. 2
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered ¹	271.7	379.5	151.6	207.9	309.6	176.1	57.2	46.6	34.5	47.8	25.7	52.5
Accepted.....	103.0	193.5	73.4	97.7	93.0	98.6	38.2	29.7	26.0	24.7	17.6	23.3
Conventional loans												
Offered ¹	39.7	60.4	36.8	45.8	59.0	46.5	22.1	26.1	14.1	20.4	20.6	24.0
Accepted.....	23.6	29.9	18.1	19.4	24.9	30.9	19.0	23.3	12.2	12.1	6.8	12.0
Average yield (per cent) on short-term commitments ²												
Govt.-underwritten loans.....	9.65	9.90	9.98	10.12	10.38	10.59	10.56	10.32	10.11	9.93	9.81	9.61
Conventional loans.....	9.76	9.90	10.02	10.16	10.42	10.71	10.66	10.46	10.27	10.11	9.92	9.80

¹ Mortgage amounts offered by bidders are total bids received.
² Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT

(End of period, in billions of dollars)

Holder	Dec. 31, 1971	Dec. 31, 1972	June 30, 1973	Sept. 30, 1973	Dec. 31, 1973	Mar. 31, 1974	June 30, 1974
All holders.....	120.8	131.1	133.6	133.8	135.0	136.7	137.8
FHA.....	81.3	86.4	86.4	85.6	85.0	85.0	84.9
VA.....	39.5	44.7	47.2	48.2	50.0	51.7	52.9
Commercial banks.....	11.3	11.7	11.7	11.7	11.5	11.1	10.7
FHA.....	8.3	8.5	8.5	8.4	8.2	7.8	7.4
VA.....	3.0	3.2	3.2	3.3	3.3	3.3	3.4
Mutual savings banks.....	28.2	28.6	28.7	28.6	28.4	28.2	27.9
FHA.....	16.1	16.0	15.8	15.7	15.5	15.3	15.1
VA.....	12.1	12.6	12.9	12.9	12.9	12.9	12.8
Savings and loan assns.....	24.3	28.9					
FHA.....	13.7	15.4	29.8	30.1	29.7	29.8	29.7
VA.....	10.6	13.5					
Life insurance cos.....	15.8	14.7	14.0	13.7	13.6	13.3	13.1
FHA.....	10.8	10.0	9.5	9.3	9.2	9.0	8.8
VA.....	5.0	4.7	4.5	4.4	4.4	4.3	4.3
Others.....	41.2	47.2	49.4	50.0	52.1	54.3	56.4
FHA.....	32.4	36.5					
VA.....	8.8	10.7					

NOTE.—VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures. Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Averages						
			Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1970.....	912	2,341.1	2,567	9.93	22/8	74.7	10.8	1.32	11.1
1971.....	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972.....	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973.....	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1973—June.....	229	541.8	2,366	8.65	23/7	73.7	9.5	1.31	9.8
July.....	230	415.7	1,807	8.72	24/3	74.0	9.4	1.27	10.0
Aug.....	255	541.9	2,125	8.77	23/5	73.6	9.2	1.26	10.1
Sept.....	176	351.5	1,997	8.94	22/6	73.7	9.3	1.23	10.3
Oct.....	161	203.3	1,263	9.09	22/6	73.6	9.4	1.24	10.3
Nov.....	95	313.5	3,300	9.17	22/2	74.3	9.7	1.25	10.4
Dec.....	55	152.8	2,778	9.18	23/3	74.8	9.9	1.27	10.3
1974—Jan.....	61	91.5	1,501	9.07	20/11	73.7	9.7	1.24	10.4
Feb.....	90	209.4	2,327	9.10	23/11	73.6	9.8	1.33	10.2
Mar.....	117	238.8	2,041	8.99	21/11	74.2	9.6	1.31	10.1
Apr.....	141	306.7	2,175	9.02	21/9	73.8	9.9	1.33	10.2
May.....	148	352.4	2,381	9.31	21/11	74.2	10.0	1.30	10.4
June.....	147	287.5	1,956	9.35	20/10	75.7	10.1	1.24	10.7

See NOTE on p. A-45.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment				
		Total	Auto-mobile paper	Other consumer goods paper	Home improvement loans ¹	Personal loans	Total	Single-payment loans	Charge accounts		Service credit
									Retail outlets	Credit cards ²	
1965	89,883	70,893	28,437	18,483	3,736	20,237	18,990	7,671	5,724	706	4,889
1966	96,239	76,245	30,010	20,732	3,841	21,662	19,994	7,972	5,812	874	5,336
1967	100,783	79,428	29,796	22,389	4,008	23,235	21,355	8,558	6,041	1,029	5,727
1968	110,770	87,745	32,948	24,626	4,239	25,932	23,025	9,532	5,966	1,227	6,300
1969	121,146	97,105	35,527	28,313	4,613	28,652	24,041	9,747	5,936	1,437	6,921
1970	127,163	102,064	35,184	31,465	5,070	30,345	25,099	9,675	6,163	1,805	7,456
1971	138,394	111,295	38,664	34,353	5,413	32,865	27,099	10,585	6,397	1,953	8,164
1972	157,564	127,332	44,129	40,080	6,201	36,922	30,232	12,256	7,055	1,947	8,974
1973	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1973—Oct.	174,840	143,610	51,092	44,632	7,235	40,651	31,230	13,145	6,554	2,036	9,495
Nov.	176,969	145,400	51,371	45,592	7,321	41,116	31,569	13,161	6,761	2,024	9,623
Dec.	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974—Jan.	178,686	146,575	50,617	47,303	7,303	41,352	32,111	13,117	6,894	1,981	10,119
Feb.	177,522	145,927	50,386	46,781	7,343	41,417	31,595	13,159	6,136	1,882	10,418
Mar.	177,572	145,768	50,310	46,536	7,430	41,492	31,804	13,188	6,097	1,842	10,677
Apr.	179,495	147,047	50,606	47,017	7,573	41,851	32,448	13,315	6,556	1,878	10,699
May	181,680	148,852	51,076	47,588	7,786	42,402	32,828	13,331	6,948	1,999	10,550
June	183,425	150,615	51,641	48,099	7,930	42,945	32,810	13,311	7,002	2,104	10,393
July	184,805	152,142	52,082	48,592	8,068	43,400	32,663	13,192	6,936	2,204	10,331
Aug.	187,369	154,472	52,772	49,322	8,214	44,164	32,897	13,202	6,983	2,282	10,430
Sept.	187,906	155,139	52,848	49,664	8,252	44,375	32,767	13,131	6,876	2,277	10,483
Oct.	188,023	155,328	52,736	49,986	8,287	44,319	32,695	13,003	7,027	2,156	10,509

¹ Holdings of financial institutions; holdings of retail outlets are included in "Other consumer goods paper."

² Service station and miscellaneous credit-card accounts and home-heating-oil accounts.

NOTE: Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and *BULLETINS* for Dec. 1968 and Oct. 1972.

CONSUMER CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Instalment								Non-instalment Single-payment loans	
		Total	Automobile paper		Other consumer goods paper			Home improvement loans	Personal loans		
			Purchased	Direct	Mobile homes	Credit cards	Other		Check credit		Other
1965	35,652	28,962	10,209	5,659			4,166		2,571	6,357	6,690
1966	38,265	31,319	11,024	5,956			4,681		2,647	7,011	6,946
1967	40,630	33,152	10,972	6,232			5,469		2,731	7,748	7,478
1968	46,310	37,936	12,324	7,102			1,307	5,387	2,858	798	8,374
1969	50,974	42,421	13,133	7,791			2,639	6,082	2,996	1,081	8,553
1970	53,867	45,398	12,918	7,888			3,792	7,113	3,071	1,336	8,469
1971	60,556	51,240	13,837	9,277	4,423		4,419	4,501	3,236	1,497	9,316
1972	70,640	59,783	16,320	10,776	5,786		5,288	5,122	3,544	1,789	10,857
1973	81,248	69,495	19,038	12,218	7,223		6,649	6,054	3,982	2,144	11,753
1973—Oct.	80,281	68,627	19,124	12,262	7,106		5,991	6,012	3,950	2,060	11,654
Nov.	80,830	69,161	19,198	12,306	7,208		6,171	6,035	3,979	2,085	11,669
Dec.	81,248	69,495	19,038	12,218	7,223		6,649	6,054	3,982	2,144	11,753
1974—Jan.	81,081	69,429	18,885	12,113	7,237		6,826	6,041	3,944	2,167	11,652
Feb.	80,909	69,246	18,770	12,028	7,285		6,770	6,063	3,937	2,173	11,663
Mar.	80,918	69,232	18,775	11,985	7,333		6,667	6,082	3,958	2,169	11,686
Apr.	81,750	69,944	18,896	12,039	7,399		6,761	6,208	4,028	2,180	11,806
May	82,527	70,721	19,037	12,100	7,491		6,887	6,323	4,135	2,199	11,806
June	83,417	71,615	19,220	12,169	7,564		7,076	6,420	4,224	2,230	11,802
July	84,078	72,384	19,377	12,250	7,623		7,222	6,484	4,316	2,266	11,694
Aug.	84,982	73,302	19,511	12,344	7,681		7,491	6,541	4,409	2,312	11,680
Sept.	85,096	73,455	19,389	12,314	7,706		7,638	6,527	4,445	2,348	11,641
Oct.	84,887	73,372	19,246	12,195	7,700		7,749	6,530	4,480	2,376	11,515

See also NOTE to table at top of page.

INSTALMENT CREDIT HELD BY NONBANK LENDERS

(In millions of dollars)

End of period	Finance companies					Other financial lenders			Retail outlets			
	Total	Auto-mobile paper	Other consumer goods paper		Home improvement loans	Personal loans	Total	Credit unions	Miscellaneous lenders ¹	Total	Auto-mobile dealers	Other retail outlets
			Mobile homes	Other								
1965.....	23,851	9,218	4,343		232	10,058	8,289	7,324	965	9,791	315	9,476
1966.....	24,796	9,342	4,925		214	10,315	9,315	8,255	1,060	10,815	277	10,538
1967.....	24,576	8,627	5,069		192	10,688	10,216	9,003	1,213	11,484	287	11,197
1968.....	26,074	9,003	5,424		166	11,481	11,717	10,300	1,417	12,018	281	11,737
1969.....	27,846	9,412	5,775		174	12,485	13,722	12,028	1,694	13,116	250	12,866
1970.....	27,678	9,044	2,464	3,237	199	12,734	15,088	12,986	2,102	13,900	218	13,682
1971.....	28,883	9,577	2,561	3,052	247	13,446	17,021	14,770	2,251	14,151	226	13,925
1972.....	32,088	10,174	2,916	3,589	497	14,912	19,511	16,913	2,598	15,950	261	15,689
1973.....	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1973- Oct.....	36,365	11,859	3,269	4,316	847	16,074	22,315	19,339	2,976	16,303	300	16,003
Nov.....	36,887	11,949	3,310	4,371	886	16,371	22,505	19,517	2,988	16,847	302	16,545
Dec.....	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974- Jan.....	37,140	11,754	3,392	4,460	940	16,594	22,301	19,429	2,872	17,705	296	17,409
Feb.....	37,148	11,710	3,406	4,486	968	16,578	22,413	19,430	2,983	17,120	293	16,827
Mar.....	37,005	11,624	3,324	4,497	1,018	16,542	22,562	19,550	3,012	16,969	292	16,677
Apr.....	37,291	11,684	3,364	4,547	1,057	16,639	22,753	19,704	3,049	17,059	293	16,766
May.....	37,751	11,810	3,413	4,583	1,097	16,848	23,203	20,053	3,150	17,177	294	16,883
June.....	38,159	11,957	3,449	4,626	1,114	17,013	23,630	20,501	3,129	17,211	296	16,915
July.....	38,479	12,040	3,505	4,664	1,118	17,152	23,968	20,825	3,143	17,311	297	17,014
Aug.....	38,943	12,267	3,539	4,680	1,097	17,360	24,677	21,402	3,275	17,550	299	17,251
Sept.....	38,921	12,345	3,573	4,662	1,073	17,268	25,085	21,792	3,293	17,678	298	17,380
Oct.....	38,901	12,458	3,597	4,658	1,054	17,134	25,204	21,893	3,311	17,851	296	17,555

¹ Savings and loan associations and mutual savings banks.

See also NOTE to table at top of preceding page.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks					Finance companies				
	New automobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit-card plans	Automobiles		Mobile homes	Other consumer goods	Personal loans
						New	Used			
1972- Aug.....	10.02	10.71	12.47	12.72	17.25	11.85	16.62			
Sept.....	10.02	10.67	12.47	12.70	17.25	11.88	16.71	12.41	19.15	21.05
Oct.....	10.01	10.66	12.38	12.70	17.23	11.86	16.67			
Nov.....	10.02	10.85	12.44	12.63	17.23	11.89	16.78	12.41	18.90	21.22
Dec.....	10.01	10.69	12.55	12.77	17.24	11.92	16.87			
1973- Jan.....	10.01	10.54	12.46	12.65	17.13	11.89	16.08	12.51	19.04	21.00
Feb.....	10.05	10.76	12.51	12.76	17.16	11.86	16.20			
Mar.....	10.04	10.67	12.48	12.71	17.19	11.85	16.32	12.54	18.92	20.79
Apr.....	10.04	10.64	12.50	12.74	17.19	11.88	16.44			
May.....	10.05	10.84	12.48	12.78	17.22	11.91	16.52	12.73	18.88	20.76
June.....	10.08	10.57	12.57	12.78	17.24	11.94	16.61			
July.....	10.10	10.84	12.51	12.75	17.21	11.92	16.75	12.77	18.93	20.55
Aug.....	10.25	10.95	12.66	12.84	17.22	12.13	16.86			
Sept.....	11.06	11.06	12.67	12.96	17.23	12.28	16.98	12.90	18.69	20.52
Oct.....	10.53	10.98	12.80	13.02	17.23	12.34	17.11			
Nov.....	11.49	11.19	12.75	12.94	17.23	12.40	17.21	13.12	18.77	20.65
Dec.....	10.49	11.07	12.86	13.12	17.24	12.42	17.31			
1974- Jan.....	10.55	11.09	12.78	12.96	17.25	12.39	16.56	13.24	18.90	20.68
Feb.....	10.53	11.25	12.82	13.02	17.24	12.33	16.62			
Mar.....	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	18.69	20.57
Apr.....	10.51	11.07	12.81	13.00	17.25	12.28	16.76			
May.....	10.63	10.96	12.88	13.10	17.25	12.36	16.86	13.07	18.90	20.57
June.....	10.81	11.21	13.01	13.20	17.23	12.50	17.06			
July.....	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.21	19.24	20.78
Aug.....	11.15	11.71	13.10	13.45	17.21	12.67	17.32			
Sept.....	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.42	19.30	20.93
Oct.....	11.53	11.94	13.28	13.60	17.17	12.97	17.78			

NOTE: Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with

specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see Bulletin for Sept. 1973.

INSTALMENT CREDIT EXTENDED AND REPAID

(In millions of dollars)

Period	Total	Type				Holder			
		Automobile paper	Other consumer goods paper	Home improvement loans	Personal loans	Commercial banks	Finance companies	Other financial lenders	Retail outlets
Extensions									
1966.....	82,832	27,192	26,329	2,223	27,088	30,073	25,897	10,368	16,494
1967.....	87,171	26,320	29,504	2,369	28,978	31,382	26,461	11,238	18,090
1968.....	99,984	31,083	33,507	2,534	32,860	37,395	30,261	13,206	19,122
1969.....	109,146	32,553	38,332	2,831	35,430	40,955	32,753	15,198	20,240
1970.....	112,158	29,794	43,873	2,963	35,528	42,960	31,952	15,720	21,526
1971.....	124,281	34,873	47,821	3,244	38,343	51,237	32,935	17,966	22,143
1972.....	142,951	40,194	55,599	4,006	43,152	59,339	38,464	20,607	24,541
1973.....	165,083	46,453	66,859	4,728	47,043	69,726	43,221	23,414	28,722
1973—Oct.....	14,149	3,912	5,911	415	3,911	6,060	3,623	1,951	2,515
Nov.....	14,275	3,819	5,978	402	4,076	6,222	3,564	2,029	2,460
Dec.....	12,677	3,315	5,254	429	3,679	5,124	3,279	1,897	2,377
1974—Jan.....	13,714	3,492	5,662	373	4,187	5,715	3,693	1,911	2,395
Feb.....	13,541	3,389	5,647	409	4,096	5,794	3,656	1,861	2,230
Mar.....	13,823	3,484	5,933	424	3,982	5,710	3,497	1,976	2,640
Apr.....	14,179	3,545	6,034	447	4,153	5,838	3,671	2,054	2,616
May.....	14,669	3,769	6,156	468	4,276	6,023	3,832	2,140	2,674
June.....	14,387	3,731	6,043	425	4,188	6,076	3,729	2,040	2,542
July.....	14,635	3,812	6,164	416	4,243	6,129	3,685	2,201	2,620
Aug.....	14,394	3,887	5,993	388	4,126	6,034	3,476	2,290	2,594
Sept.....	14,089	3,835	5,935	302	4,017	6,050	3,408	2,079	2,552
Oct.....	13,626	3,369	5,948	348	3,961	5,600	3,229	2,160	2,637
Repayments									
1966.....	77,480	25,619	24,080	2,118	25,663	27,716	24,952	9,342	15,470
1967.....	83,988	26,534	27,847	2,202	27,405	29,549	26,681	10,337	17,421
1968.....	91,667	27,931	31,270	2,303	30,163	32,611	28,763	11,705	18,588
1969.....	99,786	29,974	34,645	2,457	32,710	36,470	30,981	13,193	19,142
1970.....	107,199	30,137	40,721	2,506	33,835	40,398	31,705	14,354	20,742
1971.....	115,050	31,393	44,933	2,901	35,823	45,395	31,730	16,033	21,892
1972.....	126,914	34,729	49,872	3,218	39,095	50,796	35,259	18,117	22,742
1973.....	144,978	39,452	59,409	3,577	42,540	60,014	38,066	20,358	26,540
1973—Oct.....	12,449	3,427	5,149	308	3,565	5,212	3,287	1,703	2,247
Nov.....	12,549	3,471	5,154	301	3,623	5,345	3,143	1,814	2,247
Dec.....	12,267	3,338	5,001	332	3,596	5,088	3,151	1,766	2,262
1974—Jan.....	12,797	3,433	5,193	356	3,815	5,254	3,418	1,821	2,302
Feb.....	12,870	3,394	5,340	323	3,813	5,430	3,423	1,692	2,325
Mar.....	13,206	3,544	5,596	308	3,758	5,479	3,452	1,827	2,448
Apr.....	13,026	3,498	5,483	312	3,733	5,470	3,375	1,784	2,397
May.....	13,407	3,601	5,607	315	3,884	5,573	3,528	1,855	2,451
June.....	13,301	3,577	5,615	335	3,774	5,564	3,405	1,835	2,497
July.....	13,310	3,563	5,610	320	3,817	5,541	3,513	1,819	2,437
Aug.....	12,882	3,443	5,444	309	3,686	5,463	3,166	1,851	2,402
Sept.....	13,412	3,604	5,700	279	3,829	5,808	3,371	1,723	2,510
Oct.....	13,224	3,470	5,499	321	3,934	5,542	3,250	1,962	2,470
Net change									
1966.....	5,352	1,573	2,249	105	1,425	2,357	945	1,026	1,024
1967.....	3,183	-214	1,657	167	1,573	1,833	-220	901	669
1968.....	8,317	3,152	2,237	231	2,697	4,784	1,498	1,501	534
1969.....	9,360	2,579	3,687	374	2,720	4,485	1,772	2,005	1,098
1970.....	4,959	-343	3,152	457	1,693	2,977	-168	1,366	784
1971.....	9,231	3,480	2,888	343	2,520	5,842	1,205	1,933	251
1972.....	16,037	5,465	5,727	788	4,057	8,543	3,205	2,490	1,799
1973.....	20,105	7,001	7,450	1,151	4,503	9,712	5,155	3,056	2,182
1973—Oct.....	1,700	485	762	107	346	848	336	248	268
Nov.....	1,726	348	824	101	453	877	421	215	213
Dec.....	410	-23	253	97	83	36	128	131	115
1974—Jan.....	917	59	469	17	372	461	275	88	93
Feb.....	671	-5	307	86	283	364	233	169	95
Mar.....	1,157	-60	337	116	224	231	45	149	192
Apr.....	1,153	47	551	135	420	368	296	270	219
May.....	1,262	168	549	153	392	450	304	285	223
June.....	1,086	154	428	90	414	512	324	205	45
July.....	1,325	249	554	96	426	588	172	382	183
Aug.....	1,512	444	549	79	440	571	310	439	192
Sept.....	677	231	235	23	188	242	37	356	42
Oct.....	402	101	449	27	27	58	21	198	167

NOTE.—Monthly estimates are seasonally adjusted and include adjustments for differences in trading days. Annual totals are based on data not seasonally adjusted.

Estimates are based on accounting records and often include finance charges. Renewals and refinancing of loans, purchases and sales of in-

stalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and *BULLETINS* for Dec. 1968 and Oct. 1972.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 pro- por- tion	1973 aver- age	1973		1974										
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^a	Nov. ^a
Manufacturing	88.55	125.2	127.4	126.4	125.3	124.5	124.6	124.8	125.7	125.6	125.2	125.2	125.4	124.6	121.7
Durable.....	52.33	122.1	124.3	123.1	121.1	119.4	120.4	120.7	122.1	122.1	121.6	121.6	122.1	121.6	117.7
Nondurable.....	36.22	129.6	131.3	131.2	131.4	131.5	130.9	130.4	130.9	130.8	130.8	130.4	130.2	128.9	127.5
Mining and utilities	11.45	128.9	130.6	126.9	125.4	126.9	127.3	127.8	128.0	128.1	128.9	127.4	128.4	128.3	124.3
Mining.....	6.37	110.2	111.3	110.4	109.9	111.7	112.2	111.3	111.0	110.2	110.2	107.3	109.3	109.6	103.9
Utilities.....	5.08	152.3	154.6	147.6	144.9	146.1	146.5	148.7	149.2	150.6	152.4	152.6	152.2	151.8	150.3
Durable manufactures															
Primary and fabricated metals	12.55	128.8	131.0	130.5	130.4	127.6	128.2	127.5	128.1	128.4	126.9	126.5	126.9	126.0	121.6
Primary metals.....	6.61	127.1	128.9	130.7	129.5	125.0	125.3	124.0	124.6	124.7	123.2	121.9	122.2	123.3	118.5
Iron and steel, subtotal.....	4.23	121.6	124.2	127.7	125.5	119.4	119.6	116.4	118.0	118.5	119.9	120.7	119.1	121.0	116.0
Fabricated metal products.....	5.94	130.7	133.1	130.0	131.4	130.6	131.6	131.3	131.9	132.5	131.1	131.5	132.0	128.8	125.0
Machinery and allied goods	32.44	117.3	119.9	118.6	115.2	113.8	114.8	115.5	117.5	117.7	117.3	117.8	119.1	118.9	115.2
Machinery.....	17.39	125.9	130.4	130.9	128.6	127.2	128.4	128.2	129.7	130.4	129.9	130.5	132.5	131.4	129.0
Nonelectrical machinery.....	9.17	125.1	130.3	130.2	129.4	128.1	129.8	130.7	131.9	131.7	131.1	136.4	137.9	137.7	135.0
Electrical machinery.....	8.22	126.8	130.5	131.6	127.7	126.2	126.8	125.3	127.4	129.0	128.4	123.7	126.4	124.3	122.3
Transportation equipment.....	9.29	109.2	109.8	103.0	95.7	93.9	95.0	97.8	100.6	99.4	98.7	99.9	100.4	102.9	94.3
Motor vehicles and parts.....	4.56	138.1	137.8	124.6	112.7	109.2	110.2	116.4	119.6	116.9	117.3	117.8	118.6	122.9	106.8
Aerospace and misc. trans. eq.....	4.73	81.4	82.9	82.2	79.3	79.3	80.3	80.0	82.4	82.6	80.9	82.6	82.8	83.6	82.4
Instruments.....	2.07	138.4	142.6	142.7	143.0	142.8	142.8	143.8	146.1	147.5	146.7	146.7	144.8	142.5	141.9
Ordnance, private and Govt.....	3.69	85.4	84.3	86.1	85.2	84.2	84.9	84.3	86.1	86.4	87.2	87.1	87.7	87.3	87.0
Lumber, clay, and glass	4.44	129.5	129.3	127.8	129.7	127.4	128.1	128.9	128.0	126.4	125.5	123.4	120.7	118.6	115.3
Lumber and products.....	1.65	128.9	127.3	126.3	126.1	127.1	126.8	126.8	126.8	125.6	121.6	121.5	116.6	112.8	.....
Clay, glass, and stone products.....	2.79	129.9	130.4	128.7	131.8	127.6	129.3	130.3	128.7	126.9	127.7	124.6	123.2	122.0	.....
Furniture and miscellaneous	2.90	135.2	136.4	135.3	133.4	135.2	136.8	136.8	138.9	138.5	139.7	140.1	137.7	135.4	132.1
Furniture and fixtures.....	1.38	126.3	127.9	124.9	124.2	125.4	126.8	128.8	129.7	131.1	131.6	130.5	129.0	127.0	.....
Miscellaneous manufactures.....	1.52	143.3	144.3	144.5	141.8	144.2	145.8	144.1	147.3	145.3	147.1	148.8	145.6	143.1	.....
Nondurable manufactures															
Textiles, apparel, and leather	6.90	114.7	116.7	118.8	116.2	115.3	112.4	109.3	109.8	108.5	108.1	107.4	106.1	105.2	102.6
Textile mill products.....	2.69	127.1	129.4	130.9	128.4	127.6	125.0	123.4	124.0	125.1	125.3	124.3	121.1	118.8	.....
Apparel products.....	3.33	112.9	115.3	118.5	116.4	113.6	110.0	105.8	105.0	102.1	102.7	102.5	102.1	.....	.....
Leather and products.....	.88	83.6	82.9	82.9	77.6	83.7	83.0	79.5	83.9	81.6	75.7	74.2	70.5	68.6	.....
Paper and printing	7.92	122.1	121.9	121.2	121.7	122.2	122.5	121.2	121.3	122.3	122.4	121.0	122.5	119.2	116.5
Paper and products.....	3.18	135.4	136.2	136.7	138.7	137.6	140.2	135.4	135.1	136.7	136.1	132.2	135.3	129.4	.....
Printing and publishing.....	4.74	113.2	112.3	110.8	110.4	111.9	110.7	111.7	111.9	112.7	113.4	113.4	113.9	112.3	109.8
Chemicals, petroleum, and rubber	11.92	149.3	151.6	151.6	151.5	151.2	151.3	153.5	153.0	153.7	153.9	154.4	153.8	153.3	152.0
Chemicals and products.....	7.86	150.1	153.0	154.5	154.9	155.3	155.5	156.2	156.2	156.9	155.8	156.7	157.0	157.3	156.5
Petroleum products.....	1.80	127.4	129.5	125.5	120.5	116.9	117.3	126.9	126.1	126.2	127.9	125.8	121.7	123.9	124.3
Rubber and plastics products.....	2.26	164.0	164.5	162.3	164.3	163.5	164.2	165.5	163.7	164.5	167.2	169.0	168.6	162.7	.....
Foods and tobacco	9.48	121.9	124.7	123.0	125.4	126.2	125.3	124.3	126.5	125.3	124.8	124.8	124.5	123.7	123.8
Foods.....	8.81	122.7	125.4	124.5	126.3	127.2	126.5	125.9	127.8	127.1	126.6	126.3	125.9	125.0	125.2
Tobacco products.....	.67	111.6	115.8	104.2	113.3	112.1	110.4	104.6	109.4	102.9	101.5	104.2	106.2	.....	.....
Mining															
Metal, stone, and earth minerals	1.26	118.1	121.3	122.0	121.4	119.9	119.7	117.5	117.9	112.4	113.5	109.9	115.4	119.1	117.2
Metal mining.....	.51	130.8	135.2	135.2	135.2	132.2	132.9	127.4	128.1	121.1	120.3	110.0	130.5	140.7	.....
Stone and earth minerals.....	.75	109.5	111.7	113.1	111.9	111.6	110.7	110.7	111.0	106.4	108.8	109.9	105.0	104.2	.....
Coal, oil, and gas	5.11	108.3	108.8	107.5	107.0	109.6	110.2	109.8	109.2	109.7	109.4	106.7	107.8	107.3	100.6
Coal.....	.69	103.6	104.1	110.4	108.7	112.7	114.7	110.3	112.4	118.3	115.6	99.4	112.1	113.9	75.0
Oil and gas extraction.....	4.42	109.0	109.6	107.0	106.8	109.1	109.5	109.7	108.8	108.4	108.4	107.9	107.2	106.3	104.6
Utilities															
Electric.....	3.91	160.7	163.4	155.6	153.0	154.6	155.1	158.3	159.0	160.3	162.7	162.8	162.4	.....	.....
Gas.....	1.17	124.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

NOTE: -Data for the complete year of 1972 are available in a pamphlet *Industrial Production Indexes 1972* from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Published groupings include series and subtotals not shown separately. Figures for individual series and subtotals are published in the monthly Business Indexes release.

SELECTED BUSINESS INDEXES

(1967 = 100, except as noted)

Period	Industrial production										Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Non-agricultural employment—Total ¹	Manufacturing ²		Total retail sales ³	Prices ⁴	
	Total	Market						In-dustry	Employment	Pay-rolls				Consumer	Wholesale commodity			
		Total	Products		Inter-mediate	Mate-rials	Manu-facturing											
			Total	Con-sumer goods													Equip-ment	
1955.....	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2	90.0	76.9	92.9	61.1	59	80.2	87.8			
1956.....	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5	88.2	79.6	93.9	64.6	61	81.4	90.7			
1957.....	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2	88.5	80.3	92.2	65.4	64	84.3	93.3			
1958.....	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9	75.1	78.0	83.9	60.3	64	86.6	94.6			
1959.....	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1	81.4	81.0	88.1	67.8	69	87.3	94.8			
1960.....	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4	80.1	82.4	88.0	68.8	70	88.7	94.9			
1961.....	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6	77.6	82.1	84.5	68.0	70	89.6	94.5			
1962.....	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4	81.4	84.4	87.3	73.3	75	90.6	94.8			
1963.....	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8	83.0	86.1	87.8	76.0	79	91.7	94.5			
1964.....	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2	85.5	89.4	88.6	80.1	83	92.9	94.7			
1965.....	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	91	94.5	96.6			
1966.....	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	94.8	97.1	99.9	97	97.2	99.8			
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.9	100.0	100.0	100.0	100	100.0	100.0			
1968.....	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.2	101.4	109	104.2	102.5			
1969.....	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.9	103.2	114	109.8	106.5			
1970.....	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.7	98.1	120	116.3	110.4			
1971.....	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	75.0	145.4	108.1	94.2	122	121.2	113.9			
1972.....	115.2	113.8	111.9	123.6	95.5	121.1	117.4	114.0	78.6	165.3	111.9	97.6	142	125.3	119.8			
1973.....	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	181.3	116.7	103.1	148.9	133.1	134.7			
1973—Oct.....	127.0	124.3	122.7	132.6	108.9	130.6	131.1	126.4	82.6	191.0	117.9	104.1	153.9	164	136.6	138.7		
Nov.....	127.5	125.3	123.7	133.5	110.1	131.1	131.5	127.4	82.6	194.0	118.3	104.4	157.9	164	137.6	139.2		
Dec.....	126.5	124.0	122.6	131.3	110.1	129.1	130.7	126.4	82.6	161.0	118.3	104.4	155.8	161	138.5	141.8		
1974—Jan.....	125.4	122.9	121.2	129.2	109.8	129.2	129.7	125.3	80.5	155.0	118.3	104.0	151.4	164	139.7	146.6		
Feb.....	124.6	122.4	120.6	128.3	109.9	129.1	128.3	124.5	80.5	187.0	118.5	103.2	153.1	165	141.5	149.5		
Mar.....	124.7	122.6	121.0	128.5	110.1	128.2	128.8	124.6	80.1	181.0	118.6	102.9	152.5	168	143.1	151.4		
Apr.....	124.9	122.7	120.8	128.5	110.1	129.4	128.7	124.8	80.1	167.0	118.8	103.0	149.8	169	144.0	152.7		
May.....	125.7	123.8	122.4	129.7	112.2	129.2	129.1	125.7	80.1	188.0	119.0	103.0	156.5	172	145.6	155.0		
June.....	125.8	124.0	122.6	130.2	112.0	128.9	128.8	125.6	80.1	166.0	119.1	103.2	157.5	170	147.1	155.7		
July.....	125.5	124.0	122.8	130.0	113.0	127.8	128.0	125.2	80.1	177.0	119.2	103.0	158.4	177	148.3	161.7		
Aug.....	125.2	123.5	122.1	129.8	111.4	128.6	128.5	125.2	79.4	170.0	119.4	102.6	160.3	180	150.2	167.4		
Sept.....	125.6	123.7	122.8	129.4	113.8	126.9	128.8	125.4	80.1	187.0	119.7	102.5	162.3	176	151.9	167.2		
Oct.....	124.9	123.0	122.6	128.6	114.2	124.4	128.0	124.6	80.1	148.0	119.7	101.7	161.0	175	153.2	170.2		
Nov.....	122.0	121.4	120.9	126.6	113.1	122.7	122.9	121.7	80.1	119.0	119.0	99.4	160.3	173	151.9	171.9		

¹ Employees only; excludes personnel in the Armed Forces.

² Production workers only. Revised back to 1968.

³ F.R. index based on Census Bureau figures.

⁴ Prices are not seasonally adjusted. Latest figure is final.

NOTE: —All series: Data are seasonally adjusted unless otherwise noted. Capacity utilization: based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts; McGraw-Hill Informations Systems Company F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1972	1973	1973			1974									
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Total construction ¹	90,979	100,071	8,983	7,905	6,133	5,954	6,610	7,911	8,929	10,158	8,480	9,295	8,416	8,359	7,227
By type of ownership:															
Public.....	24,043	26,686	2,055	2,140	1,855	2,135	2,212	2,481	2,336	3,082	2,968	3,242	3,311	3,273	2,720
Private ¹	66,936	73,385	6,928	5,765	4,277	3,819	4,398	5,430	6,593	7,076	5,512	6,053	5,105	5,086	4,508
By type of construction:															
Residential building ¹	44,975	46,246	3,673	3,299	2,341	2,231	2,678	3,374	3,924	3,862	3,546	3,350	3,060	2,503	2,457
Nonresidential building.....	27,021	31,761	2,758	2,655	2,210	2,307	2,260	2,752	2,842	3,120	2,989	3,698	3,246	3,320	2,710
Nonbuilding.....	18,983	22,064	2,552	1,951	1,581	1,415	1,672	1,785	2,163	3,176	1,945	2,247	2,110	2,536	2,061
Private housing units authorized.....	2,219	1,820	1,379	1,361	1,285	1,282	1,325	1,410	1,296	1,120	1,106	1,017	900	823	802
(In thousands, S.A., A.R.)															

¹ Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE: Dollar value of construction contracts as reported by the McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data exceed annual totals because adjustments—negative—are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Residential	Nonresidential				Total	Military	Highway	Conservation and development	Other ²	
				Total	Buildings								Other
					Industrial	Commercial	Other buildings ¹						
1965	73,412	51,350	27,934	23,416	5,118	6,739	4,735	6,824	22,062	830	7,550	2,019	11,663
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685	24,007	727	8,405	2,194	12,681
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293	25,536	695	8,591	2,124	14,126
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292	27,605	808	9,321	1,973	15,503
1969	93,728	65,404	33,200	32,204	6,783	9,401	4,971	11,049	27,964	879	9,250	1,783	16,052
1970	94,167	66,071	31,864	34,207	6,538	9,754	5,125	12,790	28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972	124,077	93,893	54,288	39,605	4,676	13,462	5,898	15,569	30,184	1,087	10,429	2,172	16,496
1973	135,456	102,894	57,623	45,271	6,243	15,453	5,888	17,687	32,562	1,170	10,559	2,313	18,520
1973 Oct.	136,446	103,280	56,316	46,964	6,748	15,762	5,860	18,594	33,166	1,079	10,566	2,300	19,221
1973 Nov.	135,692	102,270	54,548	47,722	7,080	16,054	5,727	18,861	33,422	1,060	10,952	2,362	19,048
1973 Dec.	133,222	100,110	52,357	47,753	7,343	15,890	5,913	18,607	33,112	1,082	11,168	2,314	18,548
1974 Jan.	132,863	98,023	49,720	48,303	6,831	15,762	6,058	19,652	34,840	1,305	12,043	2,044	19,448
1974 Feb.	136,604	99,092	48,963	50,129	7,869	16,650	6,143	19,467	37,512	1,361	12,465	2,510	21,176
1974 Mar.	135,880	99,442	49,090	50,352	7,500	16,652	6,336	19,864	36,438	1,401	10,985	2,463	21,589
1974 Apr.	138,277	99,323	49,438	49,885	6,920	16,296	6,264	20,405	38,954	1,505	12,209	2,665	22,575
1974 May	140,508	100,234	49,604	50,630	7,606	16,498	5,890	20,726	40,274	1,181	12,322	2,692	24,079
1974 June	138,613	100,128	49,244	50,884	8,027	16,425	6,034	20,398	38,485	1,169	11,632	3,306	22,378
1974 July	138,024	98,069	48,527	49,542	7,158	15,953	5,915	20,516	39,955	1,131	11,632	3,306	22,378
1974 Aug.	134,003	95,803	47,156	48,647	7,616	15,053	5,691	20,287	36,974	978	11,632	3,306	22,378
1974 Sept.	133,167	94,506	45,010	49,496	7,677	15,668	5,776	20,375	38,661	1,167	11,632	3,306	22,378
1974 Oct.	132,658	94,577	43,258	51,319	8,645	16,213	5,704	20,757	38,081	1,065	11,632	3,306	22,378

¹ Includes religious, educational, hospital, institutional, and other buildings.
² Sewer and water, formerly shown separately, now included in "Other."

NOTE.— Census Bureau data; monthly series at seasonally adjusted annual rates.

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home shipments	New 1-family homes sold and for sale ¹			
	Total	1-family	2-or-more family	Total	1-family	2-or-more family	Total	1-family	2-or-more family		Units		Median prices (in thousands of dollars) of units	
											Sold	For sale (end of period)	Sold	For sale
1965	1,473	964	509	1,165	779	386	217	575	217	575	228	20.0	21.3	
1966	1,165	779	386	1,292	844	448	217	461	217	461	196	21.4	22.8	
1967	1,292	844	448	1,508	899	608	240	487	318	490	190	22.7	23.6	
1968	1,508	899	608	1,320	859	461	318	490	413	448	218	24.7	24.6	
1969	1,467	811	656	1,399	808	592	413	535	413	448	228	25.6	27.0	
1970	1,434	813	621	1,418	802	617	401	541	401	485	227	23.4	26.2	
1971	2,052	1,151	901	1,706	1,014	692	497	749	497	656	294	25.2	25.9	
1972	2,357	1,309	1,048	1,972	1,143	828	576	947	576	718	416	27.6	28.3	
1973	2,045	1,132	913	2,014	1,174	840	567	1,016	567	620	456	32.5	32.9	
1973 Oct.	1,674	957	718	1,973	1,121	851	458	1,045	458	505	451	33.3	32.3	
1973 Nov.	1,675	938	737	1,949	1,128	821	490	1,038	490	511	447	34.0	32.6	
1973 Dec.	1,403	767	636	1,873	1,050	823	456	1,025	456	433	446	35.7	32.9	
1974 Jan.	1,464	793	671	1,916	1,026	890	469	1,009	469	474	450	34.2	33.4	
1974 Feb.	1,922	1,056	866	1,891	1,018	873	449	1,010	449	516	459	34.9	33.5	
1974 Mar.	1,499	962	537	1,885	973	912	475	970	475	585	453	36.0	34.0	
1974 Apr.	1,630	996	634	1,695	883	812	435	945	435	570	449	35.7	34.3	
1974 May	1,471	931	540	1,677	882	795	451	918	451	599	441	35.7	34.7	
1974 June	1,596	1,014	582	1,851	1,092	759	441	899	441	532	435	35.1	35.0	
1974 July	1,338	958	380	1,674	935	739	380	511	380	511	431	36.8	35.3	
1974 Aug.	1,134	812	322	1,490	884	607	370	834	370	456	433	35.6	35.5	
1974 Sept.	1,132	817	295	1,462	834	628	316	803	316	478	415	36.9	35.7	
1974 Oct.	1,124	787	337											

¹ Merchant builders only.

NOTE.— All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except

for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufacturers' Assn. and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total non-institutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate ² (per cent; S.A.)
				Total	Employed ¹			Unemployed	
					Total	In non-agricultural industries	In agriculture		
1968.....	135,562	53,291	82,272	78,737	75,920	72,103	3,817	2,817	3.6
1969.....	137,841	53,602	84,240	80,734	77,902	74,296	3,606	2,832	3.5
1970.....	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971.....	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972.....	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973.....	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1973—Nov.....	149,208	57,040	92,186	89,903	85,649	82,088	3,561	4,254	4.7
Dec.....	149,436	57,453	92,315	90,033	85,669	82,026	3,643	4,364	4.8
1974—Jan.....	149,656	58,303	92,801	90,543	85,811	82,017	3,794	4,732	5.2
Feb.....	149,857	58,165	92,814	90,556	85,803	81,951	3,852	4,753	5.2
Mar.....	150,066	58,183	92,747	90,496	85,863	82,164	3,699	4,633	5.1
Apr.....	150,283	58,547	92,556	90,313	85,775	82,264	3,511	4,538	5.0
May.....	150,507	58,349	92,909	90,679	85,971	82,514	3,457	4,708	5.2
June.....	150,710	55,952	93,130	90,919	86,165	82,872	3,293	4,754	5.2
July.....	150,922	55,426	93,387	91,167	86,312	82,907	3,405	4,855	5.3
Aug.....	151,135	56,456	93,281	91,061	86,187	82,744	3,443	4,874	5.4
Sept.....	151,367	57,706	94,067	91,850	86,538	83,027	3,511	5,312	5.8
Oct.....	151,593	57,489	94,237	92,024	86,511	83,035	3,476	5,513	6.0
Nov.....	151,812	57,991	93,913	91,701	85,726	82,356	3,370	5,975	6.5

¹ Includes self-employed, unpaid family, and domestic service workers.
² Per cent of civilian labor force.
 NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation & public utilities	Trade	Finance	Service	Government
1968.....	67,951	19,781	606	3,306	4,311	14,099	3,381	10,622	11,845
1969.....	70,442	20,167	619	3,525	4,435	14,704	3,562	11,228	11,202
1970.....	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971.....	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972.....	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973.....	76,833	20,054	638	4,028	4,646	16,665	4,075	12,986	13,742
SEASONALLY ADJUSTED									
1973—Oct.....	77,649	20,252	644	4,083	4,696	16,847	4,110	13,160	13,857
Nov.....	77,915	20,314	648	4,099	4,692	16,904	4,116	13,221	13,921
Dec.....	77,924	20,323	652	4,115	4,688	16,826	4,121	13,236	13,963
1974—Jan.....	77,925	20,253	658	4,098	4,710	16,851	4,132	13,236	13,987
Feb.....	78,053	20,155	661	4,127	4,717	16,871	4,142	13,313	14,067
Mar.....	78,089	20,116	662	4,102	4,708	16,914	4,145	13,339	14,103
Apr.....	78,226	20,147	665	4,087	4,704	16,945	4,154	13,367	14,157
May.....	78,357	20,151	668	4,066	4,701	16,994	4,161	13,429	14,187
June.....	78,421	20,184	669	3,994	4,698	17,031	4,156	13,488	14,201
July.....	78,479	20,169	675	3,920	4,693	17,107	4,157	13,516	14,242
Aug.....	78,661	20,112	676	3,965	4,701	17,140	4,168	13,573	14,326
Sept.....	78,844	20,112	682	3,939	4,679	17,166	4,176	13,647	14,443
Oct.....	78,811	19,976	690	3,904	4,704	17,160	4,184	13,711	14,482
Nov.....	78,368	19,628	679	3,855	4,703	17,041	4,185	13,748	14,529
NOT SEASONALLY ADJUSTED									
1973—Oct.....	78,221	20,417	645	4,332	4,715	16,910	4,098	13,173	13,931
Nov.....	78,627	20,451	648	4,226	4,697	17,183	4,100	13,208	14,114
Dec.....	78,680	20,355	647	4,033	4,683	17,516	4,100	13,170	14,176
1974—Jan.....	76,837	20,057	647	3,647	4,653	16,675	4,091	13,011	14,056
Feb.....	77,011	19,971	646	3,702	4,651	16,513	4,105	13,153	14,270
Mar.....	77,362	19,962	648	3,786	4,670	16,584	4,120	13,246	14,346
Apr.....	77,994	20,011	659	3,919	4,671	16,851	4,137	13,380	14,366
May.....	78,545	20,063	669	4,058	4,701	16,964	4,161	13,536	14,393
June.....	79,287	20,345	684	4,190	4,759	17,108	4,202	13,677	14,322
July.....	78,322	20,066	688	4,187	4,740	17,064	4,219	13,665	13,693
Aug.....	78,561	20,288	690	4,286	4,734	17,058	4,222	13,668	13,615
Sept.....	79,097	20,350	688	4,191	4,721	17,153	4,180	13,647	14,167
Oct.....	79,378	20,140	691	4,142	4,723	17,225	4,171	13,725	14,561
Nov.....	79,087	19,758	679	3,974	4,708	17,335	4,168	13,734	14,731

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of Armed Forces are excluded.
 Beginning with 1968, series has been adjusted to Mar. 1973 benchmark.

CONSUMER PRICES

(1967 = 100)

Period	All items	Housing								Health and recreation								
		Food	Total	Rent	Home-ownership	Fuel oil and coal	Gas and electricity	Furnishings and operation	Apparel and upkeep	Transportation	Total	Medical care	Personal care	Reading and recreation	Other goods and services			
1929.....	51.3	48.3	.....	76.0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1933.....	38.8	30.6	.....	54.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1941.....	44.1	38.4	53.7	.....	.....	40.5	81.4	.....	.....	44.8	44.2	.....	37.0	41.2	47.7	49.2	.....	.....
1945.....	53.9	50.7	59.1	58.8	.....	48.0	79.6	.....	.....	61.5	47.8	.....	42.1	55.1	62.4	56.9	.....	.....
1960.....	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	.....	89.6	89.6	85.1	79.1	90.1	87.3	87.8	.....	.....
1965.....	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2	.....	.....	.....
1966.....	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2	.....	.....	.....
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968.....	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6	104.6	104.6	104.6
1969.....	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1	.....	.....	.....
1970.....	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0	.....	.....	.....
1971.....	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	120.9	.....	.....	.....
1972.....	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	125.5	.....	.....	.....
1973.....	133.1	141.4	135.0	124.2	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0	.....	.....	.....
1973—Oct.....	136.6	148.4	138.1	125.9	151.5	141.1	127.4	126.7	129.6	125.0	132.1	140.6	127.3	127.2	130.3	.....	.....	.....
Nov.....	137.6	150.0	139.4	126.3	152.6	155.6	129.8	127.5	130.5	125.8	132.6	140.9	128.1	127.5	130.8	.....	.....	.....
Dec.....	138.5	151.3	140.6	126.9	153.6	172.8	131.0	128.0	130.5	126.7	133.0	141.4	129.2	127.6	131.3	.....	.....	.....
1974—Jan.....	139.7	153.7	142.2	127.3	154.8	194.6	134.3	129.0	128.8	128.1	133.7	142.2	129.8	128.3	131.8	.....	.....	.....
Feb.....	141.5	157.6	143.4	128.0	155.8	202.0	137.3	130.1	130.4	129.3	134.5	143.4	130.8	128.9	132.3	.....	.....	.....
Mar.....	143.1	159.1	144.9	128.4	157.2	201.5	140.0	132.6	132.2	132.0	135.4	144.8	131.8	129.5	132.8	.....	.....	.....
Apr.....	144.0	158.6	146.0	128.8	158.2	206.5	141.9	134.0	133.6	134.4	136.3	145.6	133.1	130.4	133.6	.....	.....	.....
May.....	145.6	159.7	147.6	129.3	159.4	211.0	143.9	137.0	135.0	137.6	137.7	147.2	134.9	132.0	134.4	.....	.....	.....
June.....	147.1	160.3	149.2	129.8	161.2	214.2	144.5	139.2	135.7	140.7	139.4	149.4	136.5	133.5	135.8	.....	.....	.....
July.....	148.3	160.5	150.9	130.3	163.2	218.5	146.2	141.4	135.3	142.6	141.0	151.4	137.8	134.6	137.7	.....	.....	.....
Aug.....	150.2	162.8	152.8	130.9	165.4	220.9	148.5	143.9	138.1	143.4	142.6	151.7	139.3	135.2	139.4	.....	.....	.....
Sept.....	151.9	165.0	154.9	131.4	167.9	222.7	150.2	146.6	139.9	144.3	144.0	155.2	141.2	137.0	140.4	.....	.....	.....
Oct.....	153.2	166.1	156.7	132.2	170.1	225.5	151.5	149.0	141.1	145.1	145.2	156.3	143.0	137.8	141.4	.....	.....	.....

NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Industrial commodities															
		Farm products	Processed foods and feeds	Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Non-metallic minerals	Transportation equipment ¹	Miscellaneous
1960.....	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2	.....	93.0
1965.....	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5	.....	95.9
1966.....	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4	.....	97.7
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.....	100.0
1968.....	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7	.....	102.2
1969.....	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970.....	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1971.....	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.1	119.0	115.5	109.9	122.4	110.3	112.8
1972.....	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973.....	134.7	176.3	148.1	125.9	123.8	143.1	134.3	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1973—Nov.....	139.2	184.0	151.9	130.1	130.0	143.0	144.1	113.5	114.8	184.7	127.6	138.5	123.8	117.2	131.5	116.1	121.3
Dec.....	141.8	187.2	155.7	132.2	131.4	141.9	151.5	115.6	116.5	186.1	128.7	141.8	124.6	117.5	132.6	117.3	121.6
1974—Jan.....	146.6	202.6	162.1	135.3	133.8	142.6	162.5	118.2	117.7	183.7	131.8	145.0	126.0	119.0	138.7	118.6	123.5
Feb.....	149.5	205.6	164.7	138.2	135.2	143.4	177.4	120.2	119.8	184.1	132.9	148.0	127.0	120.2	142.1	118.9	124.6
Mar.....	151.4	197.0	163.0	142.4	136.1	143.4	189.0	127.3	123.8	191.3	137.2	154.7	129.0	121.3	144.2	119.1	125.8
Apr.....	152.7	186.2	159.1	146.6	137.5	145.4	197.9	132.3	129.4	200.2	114.4	161.2	130.8	122.9	146.7	119.4	128.2
May.....	155.0	180.8	158.9	150.5	139.1	146.3	204.3	137.0	133.7	198.0	146.6	168.7	134.1	124.5	150.7	121.4	133.2
June.....	155.7	168.6	157.4	153.6	141.7	146.0	210.5	142.8	135.6	192.2	147.5	174.0	137.2	126.1	152.3	122.8	134.3
July.....	161.7	180.8	167.6	157.8	142.1	146.6	221.7	148.4	139.5	188.6	153.3	180.3	140.3	128.2	156.4	125.1	135.2
Aug.....	167.4	189.2	179.7	161.6	142.3	146.2	226.0	158.5	143.4	183.7	162.9	185.6	144.3	129.8	157.6	126.7	135.4
Sept.....	167.2	182.7	176.8	162.9	142.1	148.1	225.0	161.7	145.6	180.4	164.2	187.1	146.8	132.8	159.8	127.7	136.3
Oct.....	170.2	187.5	183.5	164.8	140.5	145.2	228.5	168.5	147.5	169.4	166.0	186.9	150.0	135.5	162.2	134.2	137.1
Nov.....	171.9	187.8	189.7	165.8	139.8	144.5	227.4	172.9	148.5	165.8	166.9	186.7	152.7	136.9	163.4	135.1	140.7

¹ Dec. 1968 = 100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1969	1970	1971	1972	1973	1973		1974		
										III	IV	I	II	III
Gross national product	103.1	55.6	124.5	284.8	930.3	977.1	1,054.9	1,158.0	1,294.9	1,308.9	1,344.0	1,358.8	1,383.8	1,415.4
Final purchases	101.4	57.2	120.1	278.0	922.5	972.6	1,048.6	1,149.5	1,279.6	1,297.0	1,316.1	1,341.9	1,370.3	1,406.7
Personal consumption expenditures	77.2	45.8	80.6	191.0	579.5	617.6	667.1	729.0	805.2	816.3	823.9	840.6	869.1	901.3
Durable goods	9.2	3.5	9.6	30.5	90.8	91.3	103.9	118.4	130.3	132.4	124.3	123.9	129.5	136.1
Nondurable goods	37.7	22.3	42.9	98.1	245.9	263.8	278.4	299.7	338.0	343.8	352.1	364.4	375.8	389.0
Services	30.3	20.1	28.1	62.4	242.7	262.6	284.8	310.9	336.9	340.1	347.4	352.4	363.8	376.2
Gross private domestic investment	16.2	1.4	17.9	54.1	139.0	136.3	153.7	179.3	209.4	209.0	224.5	210.5	211.8	205.8
Fixed investment	14.5	3.0	13.4	47.3	131.1	131.7	147.4	170.8	194.0	197.1	195.5	193.6	198.3	197.1
Nonresidential	10.6	2.4	9.5	27.9	98.5	106.6	104.6	116.8	136.8	139.0	141.9	145.2	149.4	150.9
Structures	5.0	.9	2.9	9.2	34.2	36.1	37.9	41.1	47.0	47.9	49.3	51.3	52.2	51.0
Producers' durable equipment	5.6	1.5	6.6	18.7	64.3	64.4	66.6	75.7	89.8	91.1	92.6	93.9	97.2	99.9
Residential structures	4.0	.6	3.9	19.4	32.6	31.2	42.8	54.0	57.2	58.1	53.6	48.4	48.8	46.2
Nonfarm	3.8	.5	3.7	18.6	32.0	30.7	42.3	53.4	56.7	57.6	53.0	47.8	48.0	45.4
Change in business inventories	1.7	-1.6	4.5	6.8	7.8	4.5	6.3	8.5	15.4	11.8	28.9	16.9	13.5	8.7
Nonfarm	1.8	-1.4	4.0	6.0	7.7	4.3	4.9	7.8	11.4	7.4	24.0	13.1	10.4	6.6
Net exports of goods and services	1.1	.4	1.3	1.8	1.9	3.6	.2	-6.0	3.9	6.7	9.3	11.3	-1.5	-4.0
Exports	7.0	2.4	5.9	13.8	55.5	62.9	65.4	72.4	100.4	103.7	113.6	131.2	138.5	142.6
Imports	5.9	2.0	4.6	12.0	53.6	59.3	65.6	78.4	96.4	96.9	104.3	119.9	140.0	146.6
Government purchases of goods and services	8.5	8.0	24.8	37.9	210.0	219.5	234.2	255.7	276.4	276.9	286.4	296.3	304.4	312.3
Federal	1.3	2.0	16.9	18.4	98.8	96.2	97.6	104.9	106.6	105.3	108.4	111.5	114.3	117.2
National defense			13.8	14.1	78.4	74.6	71.2	74.8	74.4	73.3	75.3	75.8	76.6	78.4
Other			3.1	4.3	20.4	21.6	26.5	30.1	32.2	32.0	33.1	35.7	37.7	38.8
State and local	7.2	6.0	7.9	19.5	111.2	123.3	136.6	150.8	169.8	171.6	177.9	184.8	190.1	195.1
Gross national product in constant (1958) dollars	203.6	141.5	263.7	355.3	725.6	722.5	746.3	792.5	839.2	840.8	845.7	830.5	827.1	822.7

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series,

see the *Survey of Current Business* (generally the July issue) and the Aug. 1966 Supplement to the *Survey*.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1969	1970	1971	1972	1973	1973		1974		
										III	IV	I	II	III
National income	86.8	40.3	104.2	241.1	766.0	800.5	857.7	946.5	1,065.6	1,077.3	1,106.8	1,118.8	1,130.2	1,156.4
Compensation of employees	51.1	29.5	64.8	154.6	566.0	603.9	643.1	707.1	786.0	793.3	814.8	828.8	848.3	868.2
Wages and salaries	50.4	29.0	62.1	146.8	509.7	542.0	573.6	626.8	691.6	698.2	717.0	727.6	744.6	761.5
Private	45.5	23.9	51.9	124.4	405.6	426.9	449.5	491.4	545.1	550.8	565.8	573.8	588.3	602.5
Military	.3	.3	1.9	5.0	19.0	19.6	19.4	20.5	20.6	20.2	21.0	21.0	20.9	20.8
Government civilian	4.6	4.9	8.3	17.4	85.1	95.5	104.7	114.8	126.0	127.2	130.2	132.8	135.4	138.2
Supplements to wages and salaries	.7	.5	2.7	7.8	56.3	61.9	69.5	80.3	94.4	95.1	97.7	101.2	103.7	106.7
Employer contributions for social insurance	.1	.1	2.0	4.0	27.8	29.7	33.1	38.6	48.4	48.8	50.1	52.3	53.2	54.5
Other labor income	.6	.4	.7	3.8	28.4	32.2	36.4	41.7	46.0	46.3	47.6	48.9	50.5	52.3
Proprietors' income	15.1	5.9	17.5	37.5	67.2	66.9	69.2	75.9	96.1	99.3	103.2	98.4	89.9	92.1
Business and professional	9.0	3.3	11.1	24.0	50.5	50.0	52.0	54.9	57.6	57.7	58.4	59.3	60.7	62.3
Farm	6.2	2.6	6.4	13.5	16.7	16.9	17.2	21.0	38.5	41.5	44.9	39.1	29.1	29.8
Rental income of persons	5.4	2.0	3.5	9.4	22.6	23.9	25.2	25.9	26.1	26.2	26.4	26.4	26.3	26.6
Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	79.8	69.2	78.7	92.2	105.1	105.2	106.4	107.7	105.6	106.7
Profits before tax	10.0	1.0	17.7	42.6	84.9	74.0	83.6	99.2	122.7	122.7	122.7	135.4	139.0	158.4
Profits tax liability	1.4	.5	7.6	17.8	40.1	34.8	37.5	41.5	49.8	49.9	49.5	52.2	55.9	63.5
Profits after tax	8.6	.4	10.1	24.9	44.8	39.3	46.1	57.7	72.9	72.9	73.2	83.2	83.1	94.9
Dividends	5.8	2.0	4.4	8.8	24.3	24.7	25.0	27.3	29.6	29.8	30.7	31.6	32.5	33.2
Undistributed profits	2.8	-1.6	5.7	16.0	20.5	14.6	21.1	30.3	43.3	43.1	42.5	51.6	50.5	61.7
Inventory valuation adjustment	.5	-2.1	-2.5	-5.0	-5.1	-4.8	-4.9	-7.0	-17.6	-17.5	-16.3	27.7	-33.4	-51.7
Net interest	4.7	4.1	3.2	2.0	30.5	36.5	41.6	45.6	52.3	53.2	55.5	57.5	60.1	62.8

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1969	1970	1971	1972	1973	1973		1974		
										III	IV	I	II	III ^a
Gross national product	103.1	55.6	124.5	284.8	930.3	977.1	1,054.9	1,158.0	1,294.9	1,308.9	1,344.0	1,358.8	1,383.8	1,415.4
Less: Capital consumption allowances	7.9	7.0	8.2	18.3	81.6	87.3	93.7	102.9	110.8	111.5	113.9	115.8	118.6	120.7
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	85.9	93.5	102.7	110.0	119.2	120.4	121.3	122.6	125.9	129.5
Business transfer payments	.6	.7	.5	.8	3.8	4.0	4.3	4.6	4.9	4.9	5.0	5.1	5.2	5.3
Statistical discrepancy	.7	.6	.4	1.5	-6.1	-6.4	-2.3	3.8	-5.0	4.9	-2.6	-6.3	.3	1.2
Plus: Subsidies less current surplus of government enterprises	.1		.1	.2	1.0	1.7	1.1	2.3	.6	.3	-.1	2.7	3.7	-2.4
Equals: National income	86.8	40.3	104.2	241.1	766.0	800.5	857.7	946.5	1,065.6	1,077.3	1,106.3	1,118.8	1,130.2	1,156.4
Less: Corporate profits and inventory valuation adjustment	10.5	1.2	15.2	37.7	79.8	69.2	78.7	92.2	105.1	105.2	106.4	107.7	105.6	106.7
Contributions for social insurance	.2	.3	2.8	6.9	54.2	57.7	63.8	73.0	91.2	92.1	93.9	99.1	100.8	103.0
Excess of wage accruals over disbursements						.0	.6	.0	.1	.0	.0	.0	.6	1.5
Plus: Government transfer payments	.9	1.5	2.6	14.3	61.9	75.1	89.0	98.6	113.0	114.1	117.1	123.1	130.6	138.7
Net interest paid by government and consumers	2.5	1.6	2.2	7.2	28.7	31.0	31.2	33.0	38.3	39.3	40.4	40.8	41.9	42.7
Dividends	5.8	2.0	4.4	8.8	24.3	24.7	25.0	27.3	29.6	29.8	30.7	31.6	32.5	33.2
Business transfer payments	.6	.7	.5	.8	3.8	4.0	4.3	4.6	4.9	4.9	5.0	5.1	5.2	5.3
Equals: Personal income	85.9	47.0	96.0	227.6	750.9	808.3	864.0	944.9	1,055.0	1,068.0	1,099.3	1,112.5	1,131.6	1,168.2
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	116.5	116.6	117.6	142.4	151.3	154.2	159.9	161.9	168.2	175.1
Equals: Disposable personal income	83.3	45.5	92.7	206.9	634.4	691.7	746.4	802.5	903.7	913.9	939.4	950.6	966.5	993.1
Less: Personal outlays	79.1	46.5	81.7	193.9	596.2	635.5	685.9	749.9	829.4	840.7	850.1	866.2	894.9	927.6
Personal consumption expenditures	77.2	45.8	80.6	191.0	579.5	617.6	667.1	729.0	805.2	816.3	823.9	840.6	869.1	901.3
Consumer interest payments	1.5	.5	.9	2.4	15.8	16.8	17.7	19.8	22.9	23.4	24.0	24.4	24.8	25.3
Personal transfer payments to foreigners	.3	.2	.2	.5	.9	1.0	1.1	1.1	1.3	.9	2.2	1.2	1.0	.9
Equals: Personal saving	4.2	.9	11.0	13.1	38.2	56.2	60.5	52.6	74.4	73.2	89.3	84.4	71.5	65.5
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	513.6	534.8	555.4	580.5	619.6	621.8	622.9	610.3	603.5	602.9

NOTE: Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1972	1973	1973			1974									
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^a
Total personal income	944.9	1,055.0	1,090.8	1,100.0	1,107.1	1,107.0	1,113.4	1,117.1	1,125.2	1,135.2	1,143.5	1,159.5	1,167.2	1,178.0	1,186.4
Wage and salary disbursements	626.8	691.7	711.0	717.9	722.2	722.5	728.3	732.4	737.1	745.3	753.2	759.7	761.6	767.7	773.4
Commodity-producing industries	225.4	251.9	260.0	263.1	264.5	262.1	264.6	265.3	267.4	270.0	272.6	273.3	276.5	278.3	279.9
Manufacturing only	175.8	196.6	202.9	205.2	205.8	204.1	204.9	205.5	207.8	210.1	212.5	214.0	215.5	217.8	219.5
Distributive industries	151.0	165.1	169.1	171.1	170.9	172.0	172.8	173.9	175.3	177.8	179.1	180.8	180.7	183.1	184.0
Service industries	115.3	128.2	131.5	132.3	134.7	135.3	137.0	138.2	139.1	141.1	142.6	143.5	144.9	146.4	146.8
Government	135.0	146.6	150.4	151.4	152.1	153.0	153.8	154.6	155.3	156.3	158.9	162.1	159.5	159.9	162.8
Other labor income	41.7	46.0	47.1	47.6	48.0	48.5	48.9	49.4	49.9	50.5	51.1	51.7	52.3	52.9	53.5
Proprietors' income	75.9	96.1	103.2	103.4	103.3	100.8	98.5	96.0	92.8	89.9	86.9	90.0	91.1	93.2	92.7
Business and professional	54.9	57.6	58.3	58.5	58.4	58.7	59.4	59.9	60.2	60.8	61.2	61.9	62.5	62.5	62.7
Farm	21.0	38.5	44.9	44.9	44.9	42.1	39.1	36.1	32.6	29.1	25.7	28.1	30.6	30.7	30.0
Rental income	25.9	26.1	26.4	26.4	26.4	26.4	26.4	26.4	25.5	26.7	26.7	26.6	26.6	26.6	26.7
Dividends	27.3	29.6	30.2	30.4	31.6	31.4	31.6	31.9	32.1	32.5	33.0	33.1	33.2	33.4	33.5
Personal interest income	78.6	90.6	94.8	96.0	97.0	97.5	98.3	99.0	100.4	102.0	103.5	104.4	105.3	106.9	107.9
Transfer payments	103.2	117.8	121.7	122.1	122.6	126.7	128.4	129.5	134.6	135.8	137.0	142.5	143.6	146.0	147.6
Less: Personal contributions for social insurance	34.5	42.8	43.7	43.8	43.8	46.7	46.8	47.0	47.2	47.6	47.9	48.5	48.4	48.6	48.9
Nonagricultural income	916.5	1,008.0	1,037.0	1,046.1	1,052.9	1,055.5	1,061.9	1,071.6	1,083.1	1,096.6	1,106.8	1,121.7	1,126.8	1,137.4	1,146.3
Agricultural income	28.4	47.1	53.8	53.9	54.2	51.5	48.5	45.5	42.1	38.6	36.8	37.1	40.4	40.6	40.1

NOTE: Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

SUMMARY OF FUNDS RAISED AND ADVANCED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1965	1966	1967	1968	1969	1970	1971	1972	1973	1973		1974	
										H1	H2	H1	
Funds raised, by type and sector													
1 Total funds raised by nonfinancial sectors.....	69.9	67.9	82.4	95.9	91.8	98.2	147.4	169.4	187.4	199.9	174.8	188.7	1
2 Excluding equities.....	69.6	66.9	80.0	95.9	88.0	92.5	135.9	158.9	180.1	192.5	167.8	182.3	2
3 U.S. Government.....	1.8	3.6	13.0	13.4	-3.6	12.8	25.5	17.3	9.7	17.8	1.6	8.2	3
4 Public debt securities.....	1.3	2.3	8.9	10.3	-1.3	12.9	26.0	13.9	7.7	16.6	-1.2	7.0	4
5 Budget agency issues.....	.5	1.3	4.1	3.1	-2.4	.1	.5	3.4	2.0	1.2	2.8	1.2	5
6 All other nonfinancial sectors.....	68.1	64.3	69.4	82.5	95.5	85.4	121.9	152.1	177.7	182.1	173.2	180.5	6
7 Corporate equities.....	.3	1.0	2.4	*.5	3.9	5.8	11.5	10.5	7.2	7.4	7.0	6.4	7
8 Debt instruments.....	67.9	63.3	67.0	82.6	91.6	79.7	110.4	141.6	170.4	174.6	166.2	174.1	8
9 Debt capital instruments.....	38.8	38.9	45.7	50.6	50.6	57.6	84.2	94.9	97.1	96.4	97.7	96.0	9
10 State and local government securities.....	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	11.6	15.8	16.4	10
11 Corporate and foreign bonds.....	5.9	11.0	15.9	14.0	13.0	20.6	19.7	13.2	10.2	9.4	10.9	16.3	11
12 Mortgages.....	25.6	22.3	22.0	27.1	27.7	25.7	46.9	67.3	73.2	75.4	71.0	63.2	12
13 Home mortgages.....	15.4	11.7	11.5	15.1	15.7	12.8	26.1	39.6	43.3	44.8	41.9	37.4	13
14 Other residential.....	3.6	3.1	3.6	3.4	4.7	5.8	8.8	10.3	8.4	9.7	7.1	8.3	14
15 Commercial.....	4.4	5.7	4.7	6.4	5.3	5.3	10.0	14.8	17.0	16.8	17.3	13.5	15
16 Farm.....	2.2	1.8	2.3	2.2	1.9	1.8	2.0	2.6	4.4	4.2	4.6	4.2	16
17 Other private credit.....	29.0	24.4	21.3	32.0	41.0	22.1	26.3	46.7	73.4	78.2	68.6	78.1	17
18 Bank loans n.e.c.....	14.1	10.7	9.5	13.1	15.3	6.4	9.3	21.8	38.6	47.1	30.1	43.0	18
19 Consumer credit.....	9.6	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	25.1	20.8	12.7	19
20 Open-market paper.....	.3	1.0	2.1	1.6	3.3	3.8	.9	1.6	1.8	2.3	6.0	14.7	20
21 Other.....	5.6	6.2	5.1	7.2	12.0	5.9	6.6	7.3	10.0	8.3	11.7	7.7	21
22 By borrowing sector.....	68.1	64.3	69.4	82.5	95.5	85.4	121.9	152.1	177.7	182.1	173.2	180.5	22
23 Debt instruments.....	67.9	63.3	67.0	82.6	91.6	79.7	110.4	141.6	170.4	174.6	166.2	174.1	23
24 Foreign.....	2.4	1.8	4.0	2.7	3.2	2.7	4.6	4.7	7.7	8.4	7.1	20.2	24
25 State and local governments.....	7.7	6.3	7.9	9.8	10.7	11.3	17.8	14.2	12.3	9.8	14.7	14.6	25
26 Households.....	28.3	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	73.3	72.3	53.1	26
27 Nonfinancial business.....	29.5	32.5	35.7	40.1	46.0	42.3	48.2	59.6	77.6	83.2	72.1	86.2	27
28 Farm.....	3.3	3.1	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.5	9.7	9.0	28
29 Nonfarm noncorporate.....	5.7	5.4	5.0	5.6	7.4	5.3	8.7	10.4	9.3	11.2	7.4	7.0	29
30 Corporate.....	20.4	24.0	27.2	31.7	35.5	33.8	35.4	44.4	59.7	64.4	55.0	70.1	30
31 Corporate equities.....	.3	1.0	2.4	*.5	3.9	5.8	11.5	10.5	7.2	7.4	7.0	6.4	31
32 Foreign.....	.3	.3	.1	.2	.5	.1	.1	.4	.2	.4	*.3	.3	32
33 Corporate business.....	*.3	1.3	2.4	-2.2	3.4	5.7	11.4	10.9	7.4	7.8	7.0	6.1	33
Totals including equities.....													
34 Foreign.....	2.7	1.5	4.0	2.8	3.7	2.7	4.6	4.3	7.5	8.0	7.1	20.5	34
35 Nonfinancial business.....	29.4	33.8	38.1	39.9	49.4	48.0	59.6	70.5	85.1	91.0	79.1	92.3	35
36 Corporate.....	20.4	25.3	29.6	31.5	38.9	39.5	46.8	55.3	67.2	72.3	62.0	76.2	36
37 Memo: U.S. Govt. cash balance.....	-1.0	-4	1.2	-1.1	.4	2.8	3.2	-3	-1.7	3.8	-7.1	-2.4	37
Totals net of changes in U.S. Govt. cash balances.....													
38 Total funds raised.....	70.9	68.3	81.3	97.1	91.4	95.5	144.2	169.7	189.0	196.2	181.9	191.0	38
39 By U.S. Government.....	2.8	4.0	11.8	14.5	-4.0	10.0	22.3	17.6	11.4	14.1	8.7	10.6	39
Private domestic net investment and borrowing in credit markets													
Total, households and business.....	173.1	190.6	188.1	207.6	226.7	224.2	253.5	293.0	334.7	328.8	340.5	334.1	1
1 Total capital outlays ¹	110.3	118.5	128.4	140.4	154.3	166.0	178.9	194.3	211.0	207.8	214.1	218.1	2
2 Capital consumption ²	62.8	72.2	59.7	67.2	72.4	58.2	74.6	98.7	123.7	121.0	126.3	116.0	3
3 Net physical investment.....	57.8	56.5	57.5	69.9	81.1	71.4	99.4	133.6	157.9	164.3	151.4	145.3	4
4 Net funds raised.....	5.1	15.7	2.2	-2.7	-8.7	-13.2	-24.8	-34.9	-34.2	-43.3	-25.1	-29.3	5
5 Excess net investment ³													
6 Total business.....	83.6	96.4	93.4	97.9	108.9	108.0	117.1	134.3	160.5	152.7	168.4	168.8	6
7 Total capital outlays.....	50.5	54.2	58.5	63.2	69.5	74.6	80.3	88.2	95.2	93.5	97.0	100.9	7
8 Capital consumption.....	33.1	42.3	35.0	34.7	39.4	33.5	36.8	46.0	65.3	59.2	71.4	67.9	8
9 Net physical investment.....	29.5	32.5	35.7	40.1	46.0	42.3	48.2	59.6	77.6	83.2	72.1	86.2	9
10 Net debt funds raised.....	*.3	1.3	2.4	-2.2	3.4	5.7	11.4	10.9	7.4	7.8	7.0	6.1	10
11 Corporate equity issues.....	3.7	8.5	-3.2	-5.2	10.0	-14.5	-22.8	-19.8	-31.8	-7.7	-24.4	11	
12 Excess net investment ³													
13 Corporate business.....	62.3	76.5	71.4	75.0	83.7	84.0	87.2	102.5	121.5	115.2	127.8	132.2	12
14 Total capital outlays.....	35.2	38.2	41.5	45.1	49.8	53.6	57.7	63.0	67.5	66.5	68.4	70.8	13
15 Capital consumption.....	27.1	38.3	29.9	29.9	33.9	30.4	29.5	39.4	54.0	48.7	59.4	61.5	14
16 Net physical investment.....	20.4	24.0	27.2	31.7	35.5	33.8	35.4	44.4	59.7	64.4	55.0	70.1	15
17 Net debt funds raised.....	*.3	1.3	2.4	-2.2	3.4	5.7	11.4	10.9	7.4	7.8	7.0	6.1	16
18 Corporate equity issues.....	6.7	13.0	.4	-1.6	-5.0	-9.1	-17.3	-15.8	-13.1	-23.6	-2.6	-14.8	17
19 Excess net investment ³													
20 Households.....	89.6	94.2	94.6	109.7	117.8	116.2	136.4	158.8	174.1	176.2	172.1	165.2	18
21 Total capital outlays.....	59.9	64.3	69.9	77.2	84.8	91.4	98.6	106.1	115.7	114.4	117.1	117.2	19
22 Capital consumption.....	29.7	29.9	24.7	32.5	33.0	24.7	37.8	52.7	58.4	61.8	55.0	48.1	20
23 Net physical investment.....	28.3	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	73.3	72.3	53.1	21
24 Net funds raised.....	1.4	7.2	5.4	2.5	1.3	1.4	-2.1	-10.4	-14.4	-11.5	-17.3	-5.0	22
25 Excess net investment ³													

¹ Capital outlays are totals for residential and nonresidential fixed capital, net change in inventories, and consumer durables, except outlays by financial business.

² Capital consumption includes amounts for consumer durables and excludes financial business capital consumption.

³ Excess of net investment over net funds raised.

NOTE.—Full statements for sectors and transaction types are available on a quarterly basis and annually for flows and for amounts outstanding. Requests for these statements should be addressed to the Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Funds raised by type and sector. Credit flows included here are the net amounts raised by households, nonfinancial business, governments, and foreigners. All funds raised by financial sectors are excluded. U.S. Government budget issues (line 5) are loan participation certificates issued by CCC, Export-Import Bank, FNMA, and GNMA, together with security issues by FHA, Export-Import Bank, and TVA. Issues by Federally sponsored credit agencies are excluded as borrowing by financial institutions. Such issues are on p. A-59, line 11. Corporate equity issues are net cash issues by nonfinancial and foreign corporations. Mortgages exclude loans in process. Open market paper is commercial paper issued by nonfinancial corporations plus bankers' acceptances.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1965	1966	1967	1968	1969	1970	1971	1972	1973	1973		1974	
										II1	II2	II1	
1 Total funds advanced in credit markets to nonfinancial sectors	69.6	66.9	80.0	95.9	88.0	92.5	135.9	158.9	180.1	192.5	167.8	182.3	1
By public agencies and foreign													
2 Total net advances	8.9	11.9	11.3	12.2	15.7	28.1	41.7	18.3	33.2	41.0	25.4	38.9	2
3 U.S. Government securities	3.7	3.4	6.8	3.4	7	15.9	33.8	8.4	11.0	20.6	1.3	9.0	3
4 Residential mortgages	4	2.8	2.1	2.8	4.6	5.7	5.7	5.2	7.6	5.0	10.2	11.4	4
5 F.H.B. advances to S&I's	7	9	2.5	9	4.0	1.3	-2.7	*	7.2	8.0	6.3	6.8	5
6 Other loans and securities	4.1	4.8	4.9	5.1	6.3	5.2	4.9	4.6	7.5	7.4	7.6	11.7	6
By agency—													
7 U.S. Government	2.8	4.9	4.6	4.9	2.9	2.8	3.2	2.6	3.0	9	5.0	2.6	7
8 Sponsored credit agencies	2.2	5.1	-1	3.2	8.9	10.0	3.2	7.0	20.3	18.3	22.2	20.0	8
9 Monetary authorities	3.8	3.5	4.8	3.7	4.2	5.0	8.9	3	9.2	10.1	8.3	6.2	9
10 Foreign	1	1.6	2.0	3	-3	10.3	26.4	8.4	7	11.6	10.1	10.2	10
11 Agency borrowing not included in line 1	2.1	4.8	6	3.5	8.8	8.2	3.8	6.2	19.6	17.4	21.8	14.1	11
Private domestic funds advanced													
12 Total net advances	62.8	59.8	68.1	87.2	81.1	72.6	98.1	146.7	166.5	168.8	164.2	157.5	12
13 U.S. Government securities	*	5.4	5.7	13.3	4.8	5.2	-4.4	15.2	18.4	14.7	22.2	13.4	13
14 State and local obligations	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	11.6	15.8	16.4	14
15 Corporate and foreign bonds	6.0	10.3	16.0	13.8	12.5	20.0	19.5	13.2	10.1	9.1	11.0	14.9	15
16 Residential mortgages	18.6	12.0	13.0	15.5	15.7	12.8	29.1	44.6	44.1	49.4	38.8	34.2	16
17 Other mortgages and loans	31.6	27.4	23.1	35.9	42.2	24.6	33.7	59.5	87.4	92.0	82.8	85.5	17
18 Less: F.H.B. advances	7	9	2.5	9	4.0	1.3	-2.7	*	7.2	8.0	6.3	6.8	18
Private financial intermediation													
19 Credit market funds advanced by private financial institutions	62.9	45.4	63.5	75.3	55.3	74.9	110.7	153.4	158.8	179.0	138.7	142.1	19
20 Commercial banking	28.7	17.5	35.9	38.7	18.2	35.1	50.6	70.5	86.6	93.7	79.5	78.0	20
21 Savings institutions	14.3	7.9	15.0	15.6	14.5	16.9	41.4	49.3	35.1	49.4	20.8	35.0	21
22 Insurance and pension funds	13.6	15.5	12.9	14.0	12.7	17.3	13.3	17.7	22.1	21.3	22.9	22.6	22
23 Other finance	6.2	4.5	3	7.0	9.9	5.7	5.3	15.8	15.0	14.6	15.5	6.4	23
24 Sources of funds	62.9	45.4	63.5	75.3	55.3	74.9	110.7	153.4	158.8	179.0	138.7	142.1	24
25 Private domestic deposits	38.4	22.5	50.0	45.9	2.6	63.2	90.3	97.5	84.9	102.3	67.4	87.4	25
26 Credit market borrowing	7.9	3.2	4	8.5	18.8	3	9.3	20.3	31.6	36.5	26.7	22.0	26
27 Other sources	16.6	19.8	13.9	21.0	34.0	12.0	11.0	35.5	42.4	40.2	44.6	32.7	27
28 Foreign funds	8	3.7	2.3	2.6	9.3	-8.5	-3.2	5.2	6.5	5.2	7.7	11.7	28
29 Treasury balances	1.0	5	2	-2	*	2.9	2.2	7	1.0	-3	-1.7	2.7	29
30 Insurance and pension reserves	11.4	13.6	12.0	11.4	10.8	13.1	9.1	13.1	16.7	15.9	17.6	17.8	30
31 Other, net	5.4	3.0	6	7.2	13.8	4.4	2.9	16.5	20.2	19.3	21.0	5.9	31
Private domestic nonfinancial investors													
32 Direct lending in credit markets	7.9	17.6	4.2	20.4	44.5	-2.6	-3.2	13.7	39.3	26.4	52.2	37.4	32
33 U.S. Government securities	2.9	8.4	-1.4	8.1	17.0	9.0	-14.0	1.6	18.8	15.7	21.8	10.1	33
34 State and local obligations	2.6	2.6	2.5	2	8.7	-1.2	6	2.1	4.4	5.5	3.3	6.3	34
35 Corporate and foreign bonds	1.0	2.0	4.6	4.7	6.6	10.7	9.3	5.2	1.1	-2	2.4	2.6	35
36 Commercial paper	1.5	2.3	1.9	5.8	10.2	4.4	-6	4.0	11.3	2.8	19.8	15.1	36
37 Other	1	2.3	1.7	2.1	2.0	1.4	1.5	8	3.8	2.6	4.9	3.4	37
38 Deposits and currency	40.5	24.4	52.1	48.3	5.4	66.6	93.7	101.9	88.8	108.0	69.6	96.5	38
39 Time and savings accounts	32.7	20.3	39.3	33.9	-2.3	56.1	81.0	85.2	76.3	94.4	58.1	85.6	39
40 Large negotiable CD's	3.6	2	4.3	3.5	-13.7	15.0	7.7	8.7	18.5	27.2	9.9	32.5	40
41 Other at commercial banks	16.0	13.3	18.3	17.5	3.4	24.2	32.9	30.6	29.5	29.3	29.8	27.0	41
42 At savings institutions	13.2	7.3	16.7	12.9	8.0	16.9	40.4	45.9	28.2	37.9	18.4	26.1	42
43 Money	7.8	4.1	12.8	14.5	7.7	10.5	12.7	16.7	12.6	13.6	11.6	10.9	43
44 Demand deposits	5.6	2.1	10.6	12.1	4.8	7.1	9.3	12.3	8.6	7.9	9.3	1.8	44
45 Currency	2.1	2.0	2.1	2.4	2.8	3.5	3.4	4.4	3.9	5.7	2.2	9.1	45
46 Total of credit market instr., deposits, and currency	48.4	42.0	56.3	68.7	49.9	64.1	90.5	115.7	128.1	134.3	121.9	133.9	46
47 Public support rate (in per cent)	12.8	17.9	14.1	12.7	17.8	30.4	30.7	11.5	18.4	21.3	15.1	21.3	47
48 Private financial intermediation (in per cent)	100.1	75.9	93.2	86.4	68.3	103.1	112.8	104.5	95.4	106.0	84.5	90.2	48
49 Total foreign funds	8	2.1	4.3	2.9	9.1	1.8	23.2	13.6	7.2	16.9	2.4	21.9	49
Corporate equities not included above													
1 Total net issues	3.5	4.8	5.5	6.4	10.0	10.4	14.8	12.9	8.0	9.7	6.4	9.4	1
2 Mutual fund shares	3.2	3.7	3.0	5.8	4.8	2.6	7.1	7	-1.6	-2.0	1.2	2	2
3 Other equities	3	1.1	2.5	6	5.2	7.7	13.6	13.6	9.6	11.6	7.6	9.5	3
4 Acquisitions by financial institutions	6.1	6.0	9.1	10.8	12.2	11.4	19.3	16.0	13.4	13.1	13.8	12.2	4
5 Other net purchases	2.6	1.2	3.6	4.4	2.2	1.0	4.5	3.1	5.4	3.4	7.4	2.8	5

Notes

Line

1. Line 2 of p. A-58.
2. Sum of lines 3-6 or 7-10.
3. Includes farm and commercial mortgages.
4. Includes farm and commercial mortgages.
5. Credit market funds raised by Federally sponsored credit agencies. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
6. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
7. Includes farm and commercial mortgages.
8. Lines 39 + 44.
9. Excludes equity issues and investment company shares. Includes line 18.
10. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
11. Demand deposits at commercial banks.
12. Excludes net investment of these reserves in corporate equities.
13. Mainly retained earnings and net miscellaneous liabilities.
14. Line 12 less line 19 plus line 26.
15-17. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.
18-19. See line 25.
20. Mainly an offset to line 9.
21. Lines 32 plus 38 or line 12 less line 27 plus line 45.
22. Line 2/line 1.
23. Line 19/line 12.
24. Lines 10 plus 28.

Corporate equities

Line 1 and 3. Includes issues by financial institutions.

1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted unless shown in italics.)

Line	Credits (+), debits (-)	1971	1972	1973	1973			1974	
					II	III	IV	I	II ^a
1	Merchandise trade balance ¹	-2,722	-6,986	471	-363	578	1,210	-74	-1,631
2	Exports.....	42,754	48,768	70,277	16,679	18,152	20,216	22,299	24,089
3	Imports.....	45,476	55,754	69,806	17,042	17,574	19,006	22,373	25,720
4	Military transactions, net.....	-2,908	-3,604	-2,201	-763	-547	-58	-493	-636
5	Travel and transportation, net.....	-2,341	-3,055	-2,710	-781	-613	-630	-502	-612
6	Investment income, net ²	5,021	4,526	5,291	1,208	1,257	1,378	3,076	1,780
7	U.S. direct investments abroad ²	6,385	6,925	9,415	2,210	2,323	2,688	4,619	4,449
8	Other U.S. investments abroad.....	3,444	3,494	4,569	1,098	1,179	1,292	1,500	1,823
9	Foreign investments in the United States ²	-4,809	-5,893	-8,693	-2,100	-2,245	-2,602	-3,043	-4,492
10	Other services, net ²	2,781	3,110	3,540	815	984	901	921	977
11	Balance on goods and services ³	-170	-6,009	4,391	116	1,659	2,801	2,928	122
					228	-195	3,865	4,029	63
12	Remittances, pensions, and other transfers.....	-1,604	-1,624	-1,943	-411	-412	-717	-390	-461
13	Balance on goods, services, and remittances.....	-1,774	-7,634	2,448	295	1,247	2,084	2,538	583
					-187	-623	3,142	3,665	-401
14	U.S. Government grants (excluding military).....	-2,043	-2,173	-1,933	-645	-485	-447	-2,561	-1,395
15	Balance on current account.....	-3,817	-9,807	515	-940	762	1,637	4-23	-1,978
					-872	-1,071	2,717	1,086	-1,838
16	U.S. Government capital flows excluding nonscheduled repayments, net ⁵	-2,111	-1,705	-2,938	-565	-608	-1,066	1,307	287
17	Nonscheduled repayments of U.S. Government assets.....	227	137	289	174	4	*	*	.....
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	-478	238	1,111	485	206	204	36	101
19	Long-term private capital flows, net.....	-4,381	-98	127	-315	1,529	-1,406	466	-1,150
20	U.S. direct investments abroad.....	-4,943	-3,517	-4,872	-973	-710	-1,374	-627	-1,552
21	Foreign direct investments in the United States.....	-115	383	2,537	588	886	712	1,281	1,516
22	Foreign securities.....	-966	-654	-807	-124	-209	-525	-646	-357
23	U.S. securities other than Treasury issues.....	2,289	4,507	4,501	489	1,173	670	687	397
24	Other, reported by U.S. banks.....	862	-1,158	-581	-239	227	-459	-26	880
25	Other, reported by U.S. nonbanking concerns.....	216	341	-200	-56	162	-430	-203	-274
26	Balance on current account and long-term capital ⁵	-10,559	-11,235	-896	1,161	1,893	-631	1,786	-2,740
					-1,184	224	1,109	2,163	-2,692
27	Nonliquid short-term private capital flows, net.....	-2,347	-1,541	-4,276	-1,457	97	-1,253	-3,963	-5,468
28	Claims reported by U.S. banks.....	-1,802	-1,457	-3,940	-1,399	222	-1,119	-2,790	-5,168
29	Claims reported by U.S. nonbanking concerns.....	-530	-305	-1,240	-59	-460	-664	-1,636	-460
30	Liabilities reported by U.S. nonbanking concerns.....	-15	221	904	1	335	530	463	160
31	Allocations of Special Drawing Rights (SDR's).....	717	710	.....	.....	.....	.....	.....	.....
32	Errors and omissions, net.....	-9,776	-1,790	-2,624	908	-364	925	1,209	1,979
33	Net liquidity balance.....	-21,965	-13,856	-7,796	-1,710	-1,626	-959	-968	-6,229
					-2,038	611	-179	-158	-6,609
34	Liquid private capital flows, net.....	-7,788	3,502	2,492	1,997	316	3,620	2,030	1,700
35	Liquid claims.....	-1,097	-1,247	-1,944	923	-521	493	-2,600	-1,120
36	Reported by U.S. banks.....	-566	-742	-1,103	966	-456	-472	-2,239	-1,246
37	Reported by U.S. nonbanking concerns.....	531	-505	-841	-73	-65	-21	-361	126
38	Liquid liabilities.....	-6,691	4,749	4,436	1,074	837	4,113	4,630	2,820
39	Foreign commercial banks.....	-6,908	3,716	2,978	723	699	3,229	4,616	1,977
40	International and regional organizations.....	682	104	376	31	-50	384	-585	292
41	Other foreigners.....	-465	929	1,082	320	188	500	599	551
42	Official reserve transactions balance, financed by changes in.....	29,753	-10,354	-5,304	287	1,942	2,661	1,062	4,529
					769	939	2,982	1,495	-4,104
43	Liquid liabilities to foreign official agencies.....	27,615	9,734	4,452	730	-1,488	-2,145	-573	4,262
44	Other readily marketable liabilities to foreign official agencies ⁶	-551	399	1,118	259	11	-354	-277	182
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.....	341	189	-475	167	-452	147	-2	443
46	U.S. official reserve assets, net.....	2,348	32	209	17	-13	15	-210	-358
47	Gold.....	866	547	.....	.....	.....	.....	.....	.....
48	SDR's.....	-249	-703	9	9	.....	.....	.....	-29
49	Convertible currencies.....	381	35	233	.....	.....	.....	.....	-85
50	Gold tranche position in IMF.....	1,350	153	-33	8	-13	-15	-209	244
Memoranda:									
51	Transfers under military grant programs (excluded from lines 2, 4, and 14).....	3,204	4,189	2,772	833	758	487	393	543
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	3,157	4,521	.....	.....	.....	.....	.....	.....
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	498	548	.....	.....	.....	.....	.....	.....
Balances excluding allocations of SDR's:									
54	Net liquidity.....	-22,682	-14,566	-7,796	-2,038	611	-179	-158	-6,609
55	Official reserve transactions.....	-30,470	-11,064	-5,304	769	939	2,982	1,495	-4,104

For notes see the following page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports ¹				Imports				Trade balance			
	1971	1972	1973	1974	1971	1972	1973	1974	1971	1972	1973	1974
Month:												
Jan.....	3,601	4,074	4,955	7,111	3,599	4,436	5,244	6,467	2	-361	289	644
Feb.....	3,695	3,824	5,070	7,606	3,564	4,473	5,483	7,392	130	-649	-413	213
Mar.....	3,790	3,869	5,311	7,674	3,628	4,515	5,414	7,845	160	-647	-103	171
Apr.....	3,631	3,820	5,494	8,234	3,774	4,417	5,360	8,141	-143	-596	-133	93
May.....	3,746	3,882	5,561	7,630	3,908	4,486	5,703	8,407	161	-604	-142	777
June.....	3,672	3,971	5,728	8,357	4,037	4,468	5,775	8,613	-365	-497	-47	256
July.....	3,573	4,074	5,865	8,307	3,832	4,565	5,829	9,036	-259	-491	137	-728
Aug.....	3,667	4,197	6,042	8,370	3,913	4,726	6,011	9,502	-247	-530	+32	-1,132
Sept.....	4,487	4,176	6,420	8,286	4,179	4,612	5,644	8,519	308	-436	1,776	233
Oct.....	2,669	4,316	6,585	8,665	3,469	4,738	5,996	8,635	-800	-421	589	29
Nov.....	3,196	4,473	6,879	.....	3,456	5,148	6,684	.....	-260	-675	-195	.....
Dec.....	3,881	4,558	6,949	.....	4,169	5,002	6,291	.....	-288	-444	658	.....
Quarter:												
I.....	11,086	11,767	15,337	22,390	10,792	13,403	16,140	21,704	294	1,657	-804	686
II.....	11,049	11,673	16,783	24,220	11,719	13,370	16,838	25,161	-670	-1,697	-56	-940
III.....	11,727	12,447	18,327	24,963	11,924	13,903	17,483	27,057	-197	1,456	+845	-2,094
IV.....	9,746	13,347	20,413	.....	11,094	14,888	18,972	.....	-1,348	1,540	1,441	.....
Year ³	43,549	49,208	70,823	.....	45,563	55,555	69,476	.....	-2,014	-6,347	1,348	.....

¹ Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.

² General imports including imports for immediate consumption plus entries into bonded warehouses.

³ Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock ¹		Convertible foreign currencies	Reserve position in IMF	SDR's ³	End of month	Total	Gold stock		Convertible foreign currencies ⁴	Reserve position in IMF	SDR's ³
		Total ²	Treasury						Total ²	Treasury			
1960...	19,359	17,804	17,767	.....	1,555	.....	1973						
1961...	18,753	16,947	16,889	116	1,690	.....	Nov....	14,373	11,652	11,567	8	547	2,166
1962...	17,220	16,057	15,978	99	1,064	.....	Dec....	14,378	11,652	11,567	8	552	2,166
1963...	16,843	15,596	15,513	212	1,035	.....	1974						
1964...	16,672	15,471	15,388	432	769	.....	Jan....	14,565	11,652	11,567	59	688	2,166
1965...	15,450	13,806	13,733	781	863	.....	Feb....	14,643	11,652	11,567	68	757	2,166
1966...	14,882	13,235	13,159	1,321	326	.....	Mar....	14,588	11,652	11,567	9	761	2,166
1967...	14,830	12,065	11,982	2,345	420	.....	Apr....	14,642	11,652	11,567	9	824	2,157
1968...	15,710	10,892	10,367	3,528	1,290	.....	May....	14,870	11,652	11,567	66	989	2,163
1969...	516,964	11,859	10,367	52,781	2,324	.....	June...	14,946	11,652	11,567	94	1,005	2,195
1970...	14,487	11,072	10,732	629	1,935	851	July....	14,912	11,652	11,567	12	1,021	2,227
1971...	612,167	10,206	10,132	6,276	585	1,100	Aug....	15,460	11,652	11,567	224	1,384	2,200
1972 ⁵ ...	13,151	10,487	10,410	241	465	1,958	Sept....	15,893	11,652	11,567	246	1,713	2,282
1973 ⁶ ...	14,378	11,652	11,567	8	552	2,166	Oct....	15,890	11,652	11,567	193	1,739	2,306
							Nov....	15,840	11,652	11,567	43	1,816	2,329

¹ Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

² Includes gold in Exchange Stabilization Fund.

³ Includes allocations by the IMF of Special Drawing Rights as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; and \$710 million on Jan. 1, 1972; plus net transactions in SDR's.

⁴ For holdings of F.R. Banks only, see p. A-11.

⁵ Includes gain of \$67 million resulting from revaluation of the German mark in Oct. 1969, of which \$13 million represents gain on mark holdings at time of revaluation.

⁶ Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

⁷ Total reserve assets include an increase of \$1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which,

total gold stock is \$828 million (Treasury gold stock \$822 million), reserve position in IMF \$33 million, and SDR's \$155 million.

⁸ Total reserve assets include an increase of \$1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is \$1,165 million (Treas. gold stock \$1,157 million) reserve position in IMF \$54 million, and SDR's \$217 million.

⁹ Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = \$1.20635) SDR holdings at end of Nov. amounted to \$2,326 million, reserve position in IMF \$1,807 million, and total U.S. reserve assets \$15,828 million.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

NOTES TO TABLE 1 ON OPPOSITE PAGE:

¹ Adjusted to balance of payments basis; excludes transfers under military grants, exports under U.S. military agency sales contracts, and imports of U.S. military agencies.

² Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from investment income and included in "Other services".

³ Equal to net exports of goods and services in national income and product accounts of the United States.

⁴ Includes under U.S. Government grants \$2 billion equivalent, rep-

resenting the refinancing of economic assistance loans to India; a corresponding reduction of credits is shown in line 16.

⁵ Includes some short-term U.S. Govt. assets.

⁶ Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

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

4. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales [—] or net acquisitions; in millions of dollars valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972–Sept. 1973, and at \$42.22 thereafter)

Area and country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973				1974				
											IV	I	II	III	I	II	III	IV	
Western Europe:																			
Austria	-82	-55	-100	-25			4												
Belgium		-40	-83			-58				-110									
France	-518	-405	-884	-601		600	325	-129	-473										
Germany, Fed. Rep. of		-225					500												
Ireland		-1	-2	-2	-2	-52	41	2											
Italy		200	-80	-60	-85	-209	-76												
Netherlands		-60	-35			-19		-50	-25										
Spain	-130	-32	-180					51	-175										
Switzerland		-81	-50	-2	-30	-50	-25	-50											
United Kingdom	329	618	150	80	-879	-835													
Bank for Intl. Settlements							200												
Other	1	-6	-35	-49	16	-47	11	-29	-13										
Total	-399	-88	-1,299	-659	-980	-669	969	-204	-796										
Canada				200	150	50													
Latin American republics:																			
Argentina	-30			-39	-1	-25	-25	-28											
Brazil	72	54	25	3	-1	*		-23											
Colombia		10	29	7			*	-1											
Venezuela			-25																
Other	-11	-9	-13	-6	11	-40	-29	-80	-5										
Total	32	56	17	-41	9	-65	-54	-131	-5										
Asia:																			
Iraq			-10	-4	-21	-42													
Japan				-56				-119											
Lebanon		-11		-11	-1	-95			-35										
Malaysia						-34			-10										
Philippines	25	20	*	-1		9	40	-4	-2										
Saudi Arabia						-50													
Singapore						-81	11	-30											
Other	-13	-6	-14	-14	-22	-75	-9	2-91	39	-3									
Total	12	3	-24	-86	-44	-366	42	-213	-38	-3									
All other	-36	-7	-16	-22	3-166	3-68	-1	-81	-6										
Total foreign countries	-392	-36	-1,322	-608	-1,031	-1,118	957	-631	-845	-3									
Intl. Monetary Fund⁴			5-225	177	22	-3	10	-156	-22	-544									
Grand total	-392	-36	-1,547	-431	-1,009	-1,121	967	6-787	-867	-547									

¹ Includes purchase from Denmark of \$25 million.

² Includes purchase from Kuwait of \$25 million.

³ Includes sales to Algeria of \$150 million in 1967 and \$50 million in 1968.

⁴ Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 3), and withdrawal of deposits. The first withdrawal (\$17 million) was made in June 1968 and the last withdrawal (\$144 million) was made in Feb. 1972.

IMF sold to the United States a total of \$800 million of gold (\$200 million in 1956, and \$300 million in 1959 and in 1960) with the right of

repurchase; proceeds from these sales invested by IMF in U.S. Treasury securities. IMF repurchased \$400 million in Sept. 1970 and the remaining \$400 million in Feb. 1972.

⁵ Payment to the IMF of \$259 million increase in U.S. gold subscription less gold deposits by the IMF.

⁶ Includes the U.S. payment of \$385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF totaled \$548 million each.

5. U.S. LIQUID AND OTHER LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Liabilities to foreign countries												
	Total	Liquid liabilities to IMF arising from gold transactions ¹	Official institutions ²						Liquid liabilities to other foreigners			Liquid liabilities to non-monetary intl. and regional organizations ⁸	
			Total	Liquid			Other readily marketable liabilities ⁵	Liquid liabilities to commercial banks abroad ⁶	Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ⁷		
				Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ³	Nonmarketable convertible U.S. Treas. bonds and notes							Nonmarketable nonconvertible U.S. Treas. bonds and notes ⁴
1962	24,268	800	12,914	11,963	751		200		5,346	3,013	2,565	448	2,195
1963	26,433 26,394	800 800	14,459 14,425	12,467 12,467	1,217 1,183	703 703	63 63	9 9	5,817 5,817	3,397 3,387	3,046 3,046	351 341	1,960 1,965
1964	29,313 29,364	800 800	15,790 15,786	13,224 13,220	1,125 1,125	1,079 1,079	204 204	158 158	7,271 7,303	3,730 3,753	3,354 3,377	376 376	1,722 1,722
1965	29,569	834	15,826	13,066	1,105	1,201	334	120	7,419	4,059	3,587	472	1,431
1966	31,145 31,020	1,011 1,011	14,841 14,896	12,484 12,539	860 860	256 256	328 328	913 913	10,116 9,936	4,271 4,272	3,743 3,744	528 528	906 905
1967	35,819 35,667	1,033 1,033	18,201 18,194	14,034 14,027	908 908	711 711	741 741	1,807 1,807	11,209 11,085	4,685 4,678	4,127 4,120	558 558	691 677
1968	38,687 38,473	1,030 1,030	17,407 17,340	11,318 11,318	529 462	701 701	2,518 2,518	2,341 2,341	14,472 14,472	5,053 4,909	4,444 4,444	609 465	725 722
1969	45,755 45,914	1,019 1,019	15,975 15,998	11,054 11,077	346 346	555 555	1,215 1,215	1,505 1,505	23,638 23,645	4,464 4,589	3,939 4,064	525 525	659 663
1970—Dec. 9	47,009 46,960	566 566	23,786 23,775	19,333 19,333	306 295	429 429	3,023 3,023	695 695	17,137 17,169	4,676 4,604	4,029 4,039	647 565	844 846
1971—Dec. 11	67,681 67,808	544 544	51,209 50,651	39,679 39,018	1,955 1,955	6,060 6,093	3,371 3,441	144 144	10,262 10,949	4,138 4,141	3,691 3,694	447 447	1,528 1,523
1972—Dec.	82,862		61,526	40,000	5,236	12,108	3,639	543	13,666	5,043	4,618	425	1,627
1973—Oct. 7	93,035		69,702	45,212	6,929	12,319	3,233	2,009	15,958	5,554	5,180	374	1,821
Nov. 7	92,413		67,400	43,791	6,207	12,319	3,234	1,849	17,282	5,721	5,311	410	2,010
Dec. 7	92,391		66,810	43,919	5,701	12,319	3,210	1,661	17,647	5,931	5,501	430	2,003
1974—Jan. 7	89,900		63,871	41,556	5,229	12,321	3,210	1,555	18,040	6,067	5,618	449	1,922
Feb. 7	91,857		64,100	41,992	5,192	12,322	3,210	1,384	19,715	6,249	5,839	410	1,793
Mar. 7	95,572		65,527	43,412	5,192	12,329	3,210	1,384	22,056	6,571	6,171	400	1,418
Apr. 7	97,368		67,154	45,175	5,020	12,330	3,210	1,419	22,103	6,816	6,399	417	1,295
May 7	100,929		68,160	46,177	5,013	12,330	3,210	1,430	24,316	6,906	6,540	366	1,547
June 7	103,731		69,994	47,430	5,013	12,330	3,655	1,566	24,854	7,173	6,810	363	1,710
July 7	106,757		71,091	48,447	5,013	12,330	3,655	1,646	26,517	7,338	6,961	377	1,811
Aug. 7	109,751		70,970	48,400	4,940	12,330	3,655	1,645	29,224	7,523	7,157	366	2,034
Sept. 7	110,146		72,581	50,107	4,880	12,330	3,655	1,609	27,583	8,051	7,658	393	1,931
Oct. 7	111,729		73,643	50,813	4,880	12,330	3,867	1,753	27,901	8,125	7,694	431	2,060

¹ Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

² Includes BIS and European Fund.

³ Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated 1962-63.

⁴ Excludes notes issued to foreign official nonreserve agencies.

⁵ Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

⁶ Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to "other foreigners."

⁷ Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

⁸ Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

⁹ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those

shown for the preceding date; figures on second line are comparable with those shown for the following date.

¹⁰ Includes \$101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969 as follows: liquid, \$17 million, and other, \$84 million.

¹¹ Data on the second line differ from those on first line because certain accounts previously classified as "official institutions" are included with "banks"; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations, and minor rounding differences. Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIQUID AND OTHER LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe ¹	Canada	Latin American republics	Asia	Africa	Other countries ²
1967.....	18,194	10,321	1,310	1,582	4,428	250	303
1968 ³	17,407	8,070	1,867	1,865	5,043	259	303
.....	17,340	8,062	1,866	1,865	4,997	248	302
1969 ³	15,975	7,074	1,624	1,888	4,552	546	291
.....	15,998	7,074	1,624	1,911	4,552	546	291
1970 ³	23,786	13,620	2,951	1,681	4,713	407	414
.....	23,775	13,615	2,951	1,681	4,708	407	413
1971 ⁵	51,209	30,010	3,980	1,414	14,519	415	871
.....	50,651	30,134	3,980	1,429	13,823	415	870
1972.....	61,526	34,197	4,279	1,733	17,577	777	2,963
1973- Oct.....	69,702	47,514	3,851	1,938	12,601	735	3,063
Nov.....	67,400	46,002	3,820	2,233	11,474	785	3,086
Dec.....	66,810	45,717	3,853	2,544	10,884	788	3,024
1974- Jan.....	63,871	43,270	3,945	2,446	10,479	838	2,893
Feb.....	64,100	42,391	4,262	2,744	10,878	1,000	2,825
Mar.....	65,527	42,772	4,195	2,887	11,631	1,249	2,793
Apr.....	67,154	42,638	4,309	3,532	12,360	1,402	2,913
May.....	68,160	42,961	4,302	3,384	12,988	1,620	2,905
June.....	69,994	43,200	4,201	4,006	13,992	1,854	2,741
July.....	71,091	43,002	4,125	3,951	15,209	2,055	2,749
Aug.....	70,970	42,292	3,953	4,127	15,526	2,272	2,800
Sept.....	72,581	42,675	3,819	4,421	16,162	2,850	2,654
Oct.....	73,643	43,025	3,809	3,986	17,187	2,947	2,689

¹ Includes Bank for International Settlements and European Fund.
² Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

³ See note 9 to Table 5.

⁴ Includes \$101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

⁵ Data on second line differ from those on the first line because certain accounts previously classified as "Official institutions" are included in "Banks"; a number of reporting banks are included in the series for the first time; and U.S. Treasury liabilities payable in foreign currencies

to official institutions of foreign countries have been increased in value by \$110 million to reflect market exchange rates as of Dec. 31, 1971.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							To nonmonetary international and regional organizations ⁶							
	Total ¹	Payable in dollars					Payable in foreign currencies	IMF gold investment ⁵	Total	Deposits			Other short-term liab. ⁴		
		Total	Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴				Demand	Time ²	U.S. Treasury bills and certificates		Demand	Time ²
			Demand	Time ²											
1969.....	40,199	39,770	20,460	6,959	5,015	7,336	429	800	613	62	83	244	223		
.....	41,719	41,351	15,785	5,924	14,123	5,519	368	400	820	69	159	211	381		
1970.....	41,761	41,393	15,795	5,961	14,123	5,514	368	400	820	69	159	211	381		
.....	55,404	55,018	10,399	5,209	33,025	6,385	386	400	1,372	73	192	210	896		
1971 ⁸	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892		
.....	60,697	60,201	8,290	5,603	31,850	14,458	496	.....	1,413	96	202	326	800	
1973- Oct.....	68,117	67,541	9,111	6,626	32,869	18,935	577	.....	1,768	70	90	173	1,434	
Nov.....	68,346	67,724	9,852	6,709	31,977	19,185	622	.....	1,962	73	94	373	1,423	
Dec.....	69,022	68,425	11,310	6,863	31,886	18,366	597	.....	1,955	101	83	296	1,474	
1974 Jan.....	67,067	66,427	10,826	6,809	29,543	19,249	640	.....	1,853	95	89	286	1,383	
Feb.....	69,239	68,470	11,477	6,855	30,274	19,864	770	.....	1,693	77	63	232	1,321	
Mar.....	72,790	72,024	11,656	6,986	31,444	21,938	766	.....	1,151	96	63	227	765	
Apr.....	74,787	74,080	11,981	7,324	32,676	22,099	706	.....	1,109	60	57	209	783	
May.....	78,365	77,712	11,675	7,629	33,983	24,425	653	.....	1,333	95	53	46	1,139	
June.....	80,687	79,895	12,860	8,274	34,038	24,723	792	.....	1,593	106	64	91	1,332	
July.....	83,610	82,944	12,227	8,661	34,178	27,877	666	.....	1,685	121	66	51	1,448	
Aug.....	86,642	85,897	11,848	9,091	33,179	31,778	746	.....	1,861	81	68	146	1,567	
Sept.....	87,188	86,493	12,771	9,214	33,473	31,035	696	.....	1,840	128	69	75	1,569	
Oct.....	88,345	87,625	11,228	9,777	34,187	32,432	720	.....	1,937	125	89	93	1,630	

For notes see the following page.

**7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS
IN THE UNITED STATES, BY TYPE—Continued**

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners						To official institutions ⁹					
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies
		Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴			Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴	
		Demand	Time ²					Demand	Time ²			
1969.....	38,786	20,397	6,876	3,971	7,113	429	11,077	1,930	2,942	3,844	2,159	202
1970 ⁷	40,499	15,716	5,765	13,511	5,138	368	19,333	6,652	2,554	13,367	1,612	148
1971 ⁸	40,541	15,726	5,802	13,511	5,133	368	19,333	1,652	2,554	13,367	1,612	148
1971 ⁸	53,632	10,326	5,017	32,415	5,489	386	39,679	1,620	2,504	32,311	3,086	158
1971 ⁸ Dec.....	53,661	6,386	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,177	165
1972- Dec.....	59,284	8,204	5,401	31,523	13,659	496	40,000	1,591	2,880	31,453	3,905	171
1973- Oct.....	66,350	9,040	6,536	32,696	17,501	577	45,212	1,811	3,846	32,613	6,814	127
1973- Nov.....	66,384	9,780	6,615	31,604	17,763	622	43,791	2,036	3,802	31,529	6,298	127
1973- Dec.....	67,067	11,209	6,780	31,590	16,892	597	43,919	2,125	3,911	31,511	6,245	127
1974- Jan.....	65,214	10,731	6,720	29,257	17,865	640	41,556	2,379	3,705	29,152	6,192	127
1974- Feb.....	67,546	11,399	6,792	30,042	18,543	770	41,992	2,408	3,703	29,917	5,836	127
1974- Mar.....	71,639	11,559	6,924	31,217	21,173	766	43,412	2,631	3,800	31,064	5,790	127
1974- Apr.....	73,677	11,921	7,267	32,467	21,315	706	45,175	2,920	3,949	32,312	5,867	127
1974- May.....	77,033	11,580	7,576	33,937	23,287	653	46,177	2,352	4,025	33,731	5,941	127
1974- Jun.....	79,094	12,753	8,210	33,947	23,391	792	47,430	2,643	4,277	33,745	6,638	127
1974- Jul.....	81,925	12,107	8,596	34,128	26,429	666	48,447	2,561	4,463	33,749	7,547	128
1974- Aug.....	84,781	11,767	9,023	33,033	30,212	746	48,400	2,473	4,447	32,687	8,665	127
1974- Sept.....	85,348	12,643	9,145	33,398	29,466	696	50,107	2,824	4,311	32,955	9,890	127
1974- Oct.....	86,408	11,104	9,688	34,094	30,802	720	50,813	2,168	4,471	33,634	10,412	127

End of period	To banks ¹⁰						To other foreigners					
	Total	Payable in dollars				Other short-term liab. ⁴	Total	Payable in dollars				Other short-term liab. ⁴
		Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁴			Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁴	
		Demand	Time ²					Demand	Time ²			
1969.....	27,709	23,419	16,756	1,999	20	4,644	4,064	1,711	1,935	107	312	226
1970 ⁷	21,166	16,917	12,376	1,326	14	3,202	4,029	1,688	1,886	131	325	220
1970 ⁷	21,208	16,949	12,385	1,354	14	3,197	4,039	1,688	1,895	131	325	220
1971 ⁸	13,953	10,034	7,047	850	8	2,130	3,691	1,660	1,663	96	274	228
1971 ⁸	14,643	10,721	3,399	320	8	6,995	3,694	1,660	1,666	96	271	228
1972- Dec.....	19,284	14,340	4,658	405	5	9,272	4,618	1,955	2,116	65	481	325
1973- Oct.....	21,138	15,509	5,250	479	7	9,774	5,179	1,980	2,211	76	912	449
1973- Nov.....	22,593	16,787	5,734	495	8	10,550	5,310	2,010	2,318	67	915	495
1973- Dec.....	23,147	17,178	6,941	515	11	9,710	5,500	2,143	2,353	68	936	469
1974- Jan.....	23,658	17,527	6,329	517	14	10,668	5,618	2,024	2,498	91	1,005	513
1974- Feb.....	25,554	19,072	6,853	526	32	11,662	5,840	2,139	2,563	93	1,045	642
1974- Mar.....	28,226	21,417	6,573	511	54	14,279	6,171	2,356	2,613	98	1,104	639
1974- Apr.....	28,503	21,524	6,603	683	63	14,174	6,400	2,398	2,635	92	1,274	579
1974- May.....	30,856	23,790	6,913	795	82	16,000	6,540	2,315	2,756	124	1,346	526
1974- June.....	31,664	24,190	7,692	1,004	95	15,398	6,810	2,419	2,929	107	1,355	665
1974- July.....	33,478	25,978	7,110	1,165	204	17,499	6,961	2,436	2,967	175	1,383	539
1974- Aug.....	36,381	28,606	6,897	1,426	200	20,083	7,156	2,397	3,150	145	1,464	618
1974- Sept.....	35,242	27,014	7,098	1,576	258	18,082	7,659	2,722	3,258	185	1,495	568
1974- Oct.....	35,595	27,309	6,361	1,796	268	18,884	7,694	2,574	3,422	193	1,505	593

¹ Data exclude "holdings of dollars" of the IMF.
² Excludes negotiable time certificates of deposit, which are included in "Other."
³ Includes nonmarketable certificates of indebtedness issued to official institutions of foreign countries.
⁴ Through 1971 (first line) principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit. See also note 8(a).
⁵ U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.
⁶ Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.
⁷ Includes difference between cost value and face value of securities in IMF gold investment account.
⁸ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

⁹ Data on second line differ from those on first line because (a) those liabilities of U.S. banks to their foreign branches and those liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, which were previously reported as deposits, are included in "Other short-term liabilities"; (b) certain accounts previously classified as "Official institutions" are included in "Banks"; and (c) a number of reporting banks are included in the series for the first time.
¹⁰ Excludes central banks, which are included in "Official institutions."

NOTE: "Short term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude the "holdings of dollars" of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

**8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS
IN THE UNITED STATES, BY COUNTRY**

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1972	1973	1974								
	Dec. †	Dec.	Feb. †	Mar. †	Apr. †	May †	June †	July †	Aug.	Sept. †	Oct.
Europe:											
Austria.....	272	161	279	327	248	298	310	482	528	595	566
Belgium-Luxembourg.....	1,094	1,483	1,662	1,572	1,795	1,739	1,827	1,819	1,928	1,924	2,038
Denmark.....	284	659	456	380	358	261	266	239	251	268	285
Finland.....	163	165	160	169	140	143	174	203	229	219	223
France.....	4,441	3,483	2,967	2,852	2,767	3,019	3,425	3,763	3,611	3,561	3,920
Germany.....	5,346	13,227	12,357	12,275	13,035	13,778	13,528	12,602	11,873	9,337	8,623
Greece.....	238	389	238	343	285	239	232	222	298	293	255
Italy.....	1,338	1,404	1,119	2,243	1,386	1,435	1,281	1,327	1,101	3,138	2,748
Netherlands.....	1,468	2,886	2,502	2,547	2,507	2,407	2,352	2,232	2,234	2,498	3,009
Norway.....	978	965	962	993	923	923	911	878	894	1,023	1,131
Portugal.....	416	534	486	450	450	452	411	429	422	435	411
Spain.....	256	305	304	267	289	365	324	362	303	377	347
Sweden.....	1,184	1,885	1,973	1,733	1,475	1,350	1,211	1,160	1,049	1,096	1,071
Switzerland.....	2,857	3,377	3,513	3,792	4,228	6,386	7,216	7,850	8,061	8,061	8,847
Turkey.....	97	98	146	96	92	95	125	134	106	100	121
United Kingdom.....	5,011	6,148	6,186	7,392	7,697	8,792	8,533	8,294	8,969	8,606	7,562
Yugoslavia.....	117	86	94	78	82	86	100	106	100	151	136
Other Western Europe ¹	1,483	3,352	3,007	2,946	3,003	2,639	2,701	2,851	2,829	3,249	3,329
U.S.S.R.....	11	22	20	29	52	28	27	27	16	40	44
Other Eastern Europe.....	81	110	96	122	95	104	126	133	147	149	136
Total.....	27,136	40,742	38,525	40,605	40,905	43,292	44,249	44,479	44,749	45,120	44,803
Canada.....	3,432	3,627	4,217	3,640	4,350	3,983	3,550	3,595	3,250	3,754	4,226
Latin America:											
Argentina.....	638	924	905	1,012	1,071	1,194	1,379	1,252	1,189	1,105	1,017
Bahamas ²	540	824	1,012	2,017	1,336	1,946	1,487	1,546	3,201	1,155	1,672
Brazil.....	605	860	961	837	774	731	782	778	817	873	894
Chile.....	137	158	175	187	226	193	240	279	253	266	270
Colombia.....	210	247	238	238	227	227	217	264	285	293	292
Cuba.....	6	7	8	7	6	6	6	7	6	7	6
Mexico.....	831	1,285	1,345	1,372	1,379	1,417	1,412	1,411	1,610	1,643	1,731
Panama.....	167	282	357	433	444	559	559	566	445	511	484
Peru.....	225	135	154	159	160	162	166	197	185	182	177
Uruguay.....	140	120	115	121	121	132	121	122	115	120	128
Venezuela.....	1,078	1,468	1,636	1,736	2,297	2,248	2,708	2,600	2,999	3,217	2,932
Other Latin American republics.....	861	884	1,032	1,106	1,151	1,059	1,080	1,183	1,066	1,217	1,115
Netherlands Antilles and Surinam.....	86	71	61	69	63	95	124	92	103	123	138
Other Latin America.....	44	359	792	659	566	424	450	671	825	546	478
Total.....	5,568	7,626	8,791	9,951	9,821	10,393	10,732	10,964	13,099	11,256	11,335
Asia:											
China, People's Rep. of (China Mainland).....	39	38	39	38	39	33	39	39	40	40	43
China, Republic of (Taiwan).....	675	757	715	641	573	620	688	772	842	822	797
Hong Kong.....	318	372	416	452	453	512	462	470	490	621	470
India.....	98	85	183	133	177	264	225	172	131	158	140
Indonesia.....	108	133	175	240	305	220	257	863	785	943	1,600
Israel.....	177	327	311	302	275	267	256	226	211	217	218
Japan.....	15,843	6,954	7,440	8,307	8,668	9,060	9,419	9,974	9,894	10,115	10,385
Korea.....	192	195	204	180	253	234	262	215	277	304	313
Philippines.....	438	515	604	595	642	731	772	762	715	748	726
Thailand.....	171	247	471	607	536	517	524	451	403	362	328
Other.....	1,071	1,202	1,196	1,445	1,942	1,886	2,572	3,634	4,272	4,726	4,832
Total.....	19,131	10,826	11,752	12,940	13,861	14,350	15,470	17,578	18,062	19,055	19,851
Africa:											
Egypt.....	24	35	72	52	68	71	84	91	105	73	109
Morocco.....	12	11	12	17	15	20	39	54	63	79	73
South Africa.....	115	114	119	148	83	122	102	170	156	157	138
Zaire.....	21	87	30	42	43	52	58	46	46	43	41
Other.....	768	808	1,044	1,335	1,500	1,703	1,911	2,042	2,258	2,893	2,973
Total.....	939	1,056	1,277	1,593	1,709	1,968	2,193	2,403	2,627	3,245	3,333
Other countries:											
Australia.....	3,027	3,131	2,917	2,849	2,979	2,980	2,831	2,848	2,926	2,847	2,788
All other.....	51	59	66	60	52	68	69	58	68	72	71
Total.....	3,077	3,190	2,984	2,909	3,031	3,047	2,900	2,906	2,994	2,918	2,859
Total foreign countries.....	59,284	67,067	67,546	71,639	73,677	77,033	79,094	81,925	84,781	85,348	86,408
International and regional:											
International ³	951	1,627	1,404	863	840	1,038	1,250	1,328	1,512	1,479	1,610
Latin American regional.....	307	272	228	226	217	226	222	248	257	256	227
Other regional ⁴	156	57	61	62	51	69	122	108	93	103	100
Total.....	1,413	1,955	1,693	1,151	1,109	1,333	1,593	1,685	1,861	1,840	1,937
Grand Total.....	60,697	69,022	69,239	72,790	74,787	78,365	80,687	83,610	86,642	87,188	88,345

For notes see the following page.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1972				1973				1974			
	Apr.	Dec.	Apr.	Dec.	Apr.	Dec.	Apr.	July ⁶	Aug.	Sept. ⁶	Oct. ⁶	
Other Western Europe:												
Cyprus.....	2	3	9	19	10							
Iceland.....	9	9	12	8	11							
Ireland, Rep. of.....	15	17	22	62	53							
Other Latin American republics:												
Bolivia.....	53	87	65	68	102							
Costa Rica.....	70	92	75	86	88							
Dominican Republic.....	91	114	104	118	137							
Ecuador.....	62	121	109	92	90							
El Salvador.....	83	76	86	90	129							
Guatemala.....	123	132	127	156	245							
Haiti.....	23	27	25	21	28							
Honduras.....	50	58	64	56	71							
Jamaica.....	32	41	32	39	52							
Nicaragua.....	66	61	79	99	119							
Paraguay.....	17	22	26	29	40							
Trinidad & Tobago.....	15	20	17	17	21							
Other Latin America:												
Bermuda.....	(2)	(2)	127	242	201							
British West Indies.....	23	36	100	109								
Other Asia:												
Afghanistan.....	17	25	19	22	11							
Bahrain.....	18	24	23	24	11							
Burma.....	5	2	17	12								
Cambodia.....	2	3	3	2	4							
Iran.....	88	93	114	124	243							
Iraq.....	9	10	26	101								
Jordan.....	2	4	4	6	6							
Other Asia—Cont.:												
Kuwait.....												
Laos.....									18	72	17	21
Lebanon.....									267	208	160	301
Malaysia.....									45	49	51	59
Pakistan.....									150	151	146	128
Ryukyu Islands (incl. Okinawa).....									703	760	637	476
Saudi Arabia.....									372	379	342	332
Singapore.....									61	66	59	48
Sri Lanka (Ceylon).....									437	441	354	340
Syria.....									165	112	130	176
Vietnam.....									103	116	113	94
Other Africa:												
Algeria.....									392	382	253	227
Ethiopia (incl. Eritrea).....									119	139	159	149
Ghana.....									26	19	15	15
Kenya.....									2,260	2,513	2,112	1,486
Liberia.....									26	25	28	24
Libya.....									19	22	18	31
Nigeria.....									35	30	21	27
Southern Rhodesia.....									105	106	119	105
Sudan.....									5,720	5,986	5,136	4,349
Tanzania.....												
Tunisia.....									2,340	2,111	2,021	2,556
Uganda.....												
Zambia.....												
All other:									686	704	695	679
New Zealand.....									1,558	2,085	2,471	2,158
									1,507	1,522	1,534	1,481
									224	231	250	583
									601	679	665	686
									13	13	14	13
									1,775	1,833	1,711	1,816

¹ Includes Bank for International Settlements and European Fund.
² Bermuda included with Bahamas through Dec. 1972.

³ Data exclude "holdings of dollars" of the International Monetary Fund.

⁴ Asian, African, and European re European Fund, which are included in "All other".
⁵ Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").

⁶ Included in Japan after Apr. 1972.

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks ¹	Other foreigners	Germany	United Kingdom	Other Europe	Total Latin America	Japan	Other Asia	All other countries
1970.....	1,703	789	914	695	165	53	110	42	26	152	385	137	62
1971.....	902	446	457	144	257	56	164	52	30	111	3	87	9
1972 ²	1,000	562	439	93	259	87	165	63	32	136	1	32	10
	1,018	580	439	93	259	87	165	63	32	136	1	32	10
1973—Oct.....	1,473	735	738	312	305	122	165	68	265	140	2	81	18
Nov.....	1,469	753	717	313	287	117	165	67	246	138	2	80	19
Dec.....	1,467	761	706	310	296	100	165	66	245	132	5	78	16
1974—Jan.....	1,496	821	675	310	275	90	165	65	236	119	2	78	10
Feb.....	1,519	888	631	259	286	86	165	58	231	128	2	35	13
Mar.....	1,577	951	626	259	280	87	165	45	232	130	2	39	13
Apr.....	1,690	1,025	665	294	282	89	165	56	227	152	2	50	13
May.....	1,657	1,005	652	296	282	74	165	56	220	144	2	52	13
June.....	1,650	974	676	321	283	73	165	56	220	144	2	77	12
July.....	1,671	978	693	319	299	75	171	56	233	142	2	77	13
Aug.....	1,516	1,005	511	118	316	77	170	60	47	147	1	77	13
Sept.....	1,384	920	464	75	316	73	170	60	47	123	1	50	13
Oct.....	1,334	851	483	114	299	71	170	48	47	116	1	88	13

¹ Excludes central banks, which are included with "Official institutions."

² Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type					Country or area							
		Payable in dollars					Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries ²
		Loans to—			Other long-term claims	Total									Official institutions	Banks^{1}	Other foreigners
1970.....	3,075	2,698	504	236			1,958	352	25	71	411	312	1,325	115				548	292
1971.....	3,667	3,345	575	315	2,455	300	22	130	593	228	1,458	246	583	429
1972 ³	4,954	4,539	833	430	3,276	375	40	145	704	406	1,996	319	881	503
	5,063	4,588	844	430	3,314	435	40	150	703	406	2,020	353	918	514
1973—Oct. 7.....	5,849	5,095	1,056	540	3,499	474	80	135	1,016	491	1,995	262	1,236	514
Nov. 7.....	5,845	5,306	1,143	557	3,607	461	78	143	1,063	484	2,104	255	1,279	516
Dec. 7.....	5,962	5,412	1,145	574	3,692	478	72	148	1,107	490	2,112	251	1,320	534
1974—Jan. 7.....	5,907	5,359	1,132	563	3,665	469	79	147	1,109	486	2,078	259	1,319	510
Feb. 7.....	5,960	5,359	1,187	584	3,588	522	79	154	1,166	457	2,087	256	1,328	512
Mar. 7.....	6,134	5,518	1,262	640	3,616	541	75	157	1,271	473	2,151	256	1,336	491
Apr. 7.....	6,742	6,099	1,552	734	3,814	567	76	201	1,556	478	2,365	254	1,357	530
May 7.....	6,788	6,171	1,549	755	3,867	550	67	224	1,541	467	2,428	241	1,365	521
June 7.....	7,043	6,431	1,600	775	4,056	545	66	222	1,669	496	2,481	244	1,416	515
July 7.....	7,072	6,460	1,469	891	4,099	545	67	249	1,586	498	2,546	269	1,406	517
Aug. 7.....	7,011	6,404	1,434	895	4,075	539	68	285	1,527	503	2,520	269	1,399	509
Sept. 7.....	6,927	6,314	1,392	834	4,088	542	71	265	1,510	543	2,463	247	1,397	502
Oct. 7.....	7,245	6,566	1,440	914	4,212	608	71	331	1,727	523	2,489	264	1,397	515

¹ Excludes central banks, which are included with "Official institutions."

² Includes international and regional organizations.

³ Data on the two lines shown for this date differ because of changes in

reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes ¹					U.S. corporate securities ²			Foreign bonds			Foreign stocks		
	Net purchases or sales					Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
	Total	Intl. and regional	Foreign											
1971.....	1,672	130	1,542	1,661	-119	14,593	13,158	1,435	1,687	2,621	-935	1,385	1,439	-57
1972.....	3,316	57	3,258	3,281	-23	19,083	15,015	4,068	1,901	2,932	-1,031	2,532	2,123	409
1973.....	305	-165	470	465	6	18,569	13,810	4,759	1,474	2,467	-993	1,729	1,554	176
1974—Jan.—Oct. 6.....	-746	74	-820	-821	1	13,098	11,533	1,565	856	2,635	-1,779	1,656	1,527	129
1973—Oct.	29	-13	42	15	27	1,807	1,722	86	97	336	-238	129	131	-2
Nov.	-691	-5	-686	-722	36	1,948	1,692	256	104	317	-213	156	178	-22
Dec.	-486	1	-487	-506	19	1,336	1,359	-23	144	209	-65	159	144	15
1974—Jan.	-432	20	-452	-472	19	1,717	1,454	263	71	364	-292	209	207	2
Feb.	-45	31	-77	-37	-39	1,202	1,189	13	100	145	-45	206	206	-1
Mar.	157	166	-10	.....	-10	1,672	1,484	188	102	398	-295	167	183	-16
Apr.	-237	-82	-155	-171	16	1,126	904	222	103	323	-219	189	155	34
May	-28	29	57	-7	-50	903	852	51	89	154	-64	173	174	-2
June	-101	-97	-3	.....	-3	1,174	923	251	74	272	-197	207	117	90
July	23	9	14	.....	14	1,048	1,054	-6	94	251	-158	128	116	12
Aug.	-37	47	-84	-73	11	1,398	1,130	269	59	214	-157	146	117	29
Sept. 7.....	-116	-82	-33	-60	27	1,360	1,180	180	77	153	-76	143	99	44
Oct.	70	32	38	.....	38	1,496	1,362	134	86	362	-276	89	152	63

¹ Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.

² Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities

sold abroad by U.S. corporations organized to finance direct investments abroad.

NOTE.—Statistics include transactions of international and regional organizations.

15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales (-)	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Other ¹
1971.....	11,626	10,894	731	87	131	219	168	-49	71	627	-93	37	108	52
1972.....	14,361	12,173	2,188	372	-51	297	642	561	137	1,958	-78	-32	256	83
1973.....	12,762	9,978	2,785	439	2	339	685	366	274	2,104	99	-1	577	5
1974—Jan.—Oct. ²	6,435	6,041	394	185	24	312	81	-147	37	493	18	38	-52	9
1973—Oct.....	1,369	1,272	96	6	-7	5	-34	68	25	62	-26	16	41	4
Nov.....	1,482	1,088	394	106	27	54	68	67	6	327	-18	-9	108	-14
Dec.....	873	878	-4	30	9	32	-64	-25	7	-12	-8	-4	34	-16
1974—Jan.....	976	802	174	68	4	37	43	28	23	202	-27	-42	33	9
Feb.....	743	586	157	39	5	54	40	-6	33	165	*	1	-9	1
Mar.....	896	846	49	14	-26	40	24	14	25	91	21	9	-29	1
Apr.....	577	559	19	22	17	35	-3	-14	-35	21	10	2	3	2
May.....	576	591	-15	18	7	29	5	-36	-5	19	-7	-15	-14	2
June.....	521	513	8	15	8	33	11	-18	-3	16	13	-7	-15	2
July.....	507	508	-1	13	5	39	9	-48	3	3	10	-2	-14	2
Aug.....	579	500	79	19	18	16	15	9	-11	65	14	9	-10	*
Sept. ²	446	443	4	9	17	21	6	21	-3	-1	6	4	-6	1
Oct. ²	613	693	80	17	-29	9	39	-55	11	87	3	2	9	7

¹ Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries ¹	Intl. and regional
1971.....	703	15	35	-1	216	327	39	631	37	19	-2	*	-21	39
1972.....	1,881	336	77	74	135	367	315	1,303	82	22	323	2	*	148
1973.....	1,948	201	-33	-19	307	275	473	1,204	49	44	588	*	10	52
1974—Jan. Oct. ²	1,170	91	34	185	84	321	57	655	44	26	67	*	10	370
1973—Oct.....	-11	53	*	1	46	14	1	86	4	1	1	*	*	-103
Nov.....	-138	4	11	-2	28	76	5	122	-21	3	209	*	*	-33
Dec.....	-19	9	10	4	37	60	32	152	*	16	-183	*	*	-3
1974—Jan.....	89	3	25	*	23	117	9	159	14	1	104	*	*	18
Feb.....	144	1	*	*	*	45	-15	30	-2	-5	-119	*	*	-47
Mar.....	139	1	*	2	6	79	6	81	-1	6	1	*	*	215
Apr.....	203	60	3	*	8	23	17	114	4	-1	*	*	*	86
May.....	66	10	*	*	28	26	1	59	3	5	3	*	*	-3
June.....	242	5	3	116	15	64	17	185	1	4	-3	*	*	56
July.....	-5	-1	2	72	2	36	-11	100	1	5	7	*	10	128
Aug.....	190	1	*	1	1	29	9	21	2	4	199	*	*	-36
Sept. ²	176	1	1	-1	2	54	3	55	4	2	-15	*	*	130
Oct. ²	214	10	1	1	1	6	5	13	18	5	100	*	*	79

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1971.....	-992	-310	-682	31	-275	-46	-366	-57	32
1972.....	-622	-90	-532	505	-635	-69	-296	-66	29
1973.....	-818	139	-957	-141	569	-120	168	3	37
1974—Jan.—Oct. ²	-1,650	33	-1,683	-536	1,342	.....	225	6	19
1973—Oct.....	-240	4	-243	-25	-148	-8	64	1	1
Nov.....	-236	9	-245	-47	-89	-6	-104	*	*
Dec.....	-50	51	-101	-45	11	-15	34	2	3
1974—Jan.....	-291	-4	-287	-81	204	-2	-1	1	2
Feb.....	-46	6	-52	-62	-11	-9	32	4	1
Mar.....	-311	4	-315	-24	-288	-15	10	*	3
Apr.....	-185	3	-188	49	-157	6	12	*	*
May.....	-66	5	-71	-26	35	-22	10	*	3
June.....	-108	1	-110	-78	121	-6	94	1	*
July.....	-146	1	-147	-63	-108	-1	24	-1	3
Aug.....	-125	2	-127	-35	126	9	42	1	1
Sept. ²	-32	12	-44	-37	37	5	20	1	3
Oct. ²	-340	2	-342	-81	254	*	-18	1	2

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1971—Sept.....	333	320
Dec.....	311	314
1972—Mar.....	325	379
June.....	312	339
Sept.....	286	336
Dec.....	372	405
1973—Mar.....	310	364
June.....	316	243
Sept.....	290	255
Dec.....	333	231
1974—Mar.....	383	225
June.....	354	241
Sept. ²	298	178

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS
(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Non-bank foreigners	
IN ALL FOREIGN COUNTRIES											
Total, all currencies	1971 Dec.	59,807	4,753	2,300	2,453	53,296	11,210	23,520	1,164	17,401	1,758
	1972 Dec.	78,202	4,678	2,113	2,565	71,304	11,504	35,773	1,594	22,432	2,220
	1973 Sept.	108,296	4,808	1,917	2,891	98,886	16,782	48,244	2,147	31,712	4,603
	Oct.	111,087	4,802	1,831	2,970	101,789	17,721	49,477	2,239	32,352	4,496
	Nov.	117,514	5,811	2,848	2,964	106,221	18,525	52,001	2,120	33,574	5,481
	Dec.	121,866	4,881	1,882	3,000	112,240	19,207	55,857	2,503	34,673	4,745
	1974 Jan.	123,871	4,563	1,510	3,054	114,703	19,497	57,032	2,733	35,441	4,604
	Feb.	127,240	4,417	1,615	2,802	117,765	20,341	57,163	2,957	37,304	5,064
	Mar.	136,983	7,753	5,150	2,603	124,056	22,401	59,964	3,330	38,360	5,174
	Apr.	140,018	5,870	3,350	2,521	128,931	23,179	62,361	3,644	39,747	5,217
	May	145,910	7,893	5,327	2,566	132,513	24,583	64,687	3,703	39,541	5,510
	June	147,465	6,775	4,093	2,682	134,954	25,020	64,434	3,610	41,889	5,736
	July	145,004	6,523	3,795	2,728	132,771	25,613	61,921	3,688	41,549	5,710
	Aug.	148,470	9,559	6,956	2,603	133,038	26,276	60,465	3,422	42,878	5,873
	Sept.	148,070	6,578	3,984	2,594	135,126	26,621	61,098	3,720	43,686	6,366
Payable in U.S. dollars	1971 Dec.	39,095	4,501	2,294	2,207	34,041	6,658	17,307	861	9,215	553
	1972 Dec.	52,636	4,419	2,091	2,327	47,444	7,869	26,251	1,059	12,264	773
	1973 Sept.	66,361	4,386	1,865	2,521	60,362	10,315	31,767	1,186	17,093	1,613
	Oct.	68,406	4,356	1,789	2,567	62,461	11,223	32,595	1,223	17,419	1,583
	Nov.	73,823	5,340	2,788	2,552	66,772	11,938	35,018	1,314	18,502	1,711
	Dec.	79,437	4,427	1,844	2,583	73,244	12,829	39,013	1,587	19,815	1,766
	1974 Jan.	81,907	4,125	1,473	2,651	76,033	13,253	40,027	1,848	20,905	1,749
	Feb.	83,913	4,032	1,560	2,473	77,963	13,769	40,185	2,024	21,985	1,918
	Mar.	92,838	7,347	5,066	2,281	83,565	15,798	42,671	2,277	22,818	1,925
	Apr.	94,197	5,499	3,302	2,197	86,510	16,103	44,379	2,726	23,302	2,188
	May	100,264	7,547	5,279	2,268	90,202	16,890	47,367	2,841	23,105	2,514
	June	101,602	6,453	4,043	2,410	92,530	17,378	47,813	2,803	24,535	2,619
	July	101,502	6,232	3,746	2,486	92,579	18,367	46,094	2,889	24,929	2,691
	Aug.	105,627	9,247	6,904	2,343	93,504	19,545	45,627	2,780	25,552	2,876
	Sept.	104,740	6,301	3,926	2,375	95,203	19,711	46,321	2,873	26,297	3,216
IN UNITED KINGDOM											
Total, all currencies	1971 Dec.	34,227	2,693	1,230	1,464	30,675	5,690	15,965	473	8,546	859
	1972 Dec.	43,467	2,234	1,138	1,096	40,214	5,659	23,842	606	10,106	1,018
	1973 Sept.	55,842	1,473	604	870	52,489	8,022	30,774	659	13,035	1,879
	Oct.	57,306	1,833	879	954	53,518	7,970	31,617	685	13,247	1,954
	Nov.	61,897	2,230	1,181	1,049	56,808	8,552	33,813	700	13,743	2,859
	Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974 Jan.	63,757	1,484	521	964	60,185	9,123	35,796	907	14,359	2,087
	Feb.	63,585	1,477	616	861	59,792	9,209	34,813	916	14,853	2,317
	Mar.	68,076	3,070	2,319	751	63,020	10,706	36,192	887	15,235	1,986
	Apr.	68,959	2,589	1,806	783	64,238	10,819	36,775	1,073	15,572	2,131
	May	71,982	3,792	2,969	823	66,008	11,759	37,920	889	15,439	2,183
	June	71,305	3,661	2,712	949	65,517	11,886	36,468	812	16,352	2,126
	July	69,197	3,309	2,468	840	63,711	12,486	34,575	718	15,932	2,177
	Aug.	70,382	4,008	3,266	741	64,087	12,790	33,929	666	16,701	2,287
	Sept.	70,965	3,494	2,721	774	64,962	12,436	34,801	829	16,893	2,509
Payable in U.S. dollars	1971 Dec.	24,210	2,585	1,146	1,439	21,277	4,135	12,572	4,571	348	
	1972 Dec.	30,257	2,146	1,096	1,050	27,664	4,326	17,874	5,464	446	
	1973 Sept.	34,251	1,348	604	744	32,062	5,309	19,759	6,904	840	
	Oct.	35,511	1,681	879	802	33,062	5,769	20,336	6,956	768	
	Nov.	39,096	2,042	1,181	861	36,218	6,273	22,650	7,296	835	
	Dec.	40,323	1,642	738	904	37,816	6,509	23,899	7,409	865	
	1974 Jan.	42,131	1,368	521	847	39,932	6,825	25,098	8,010	830	
	Feb.	41,762	1,384	616	768	39,409	6,902	24,415	8,093	969	
	Mar.	46,062	2,967	2,319	748	42,212	8,240	25,365	8,608	882	
	Apr.	46,419	2,499	1,806	693	42,895	8,386	25,768	8,741	1,024	
	May	49,654	3,693	2,969	824	44,825	9,285	26,994	8,546	1,135	
	June	49,363	3,562	2,712	791	44,674	9,425	26,147	9,403	1,126	
	July	48,158	3,221	2,468	753	43,798	9,912	24,698	9,169	1,138	
	Aug.	49,406	3,915	3,266	649	44,269	10,529	24,500	9,241	1,222	
	Sept.	50,075	3,408	2,721	677	45,327	10,305	25,564	9,458	1,339	
IN BAHAMAS AND CAYMANS¹											
Total, all currencies	1971 Dec.	8,234	1,274	496	777	6,871	3,620		3,251	90	
	1972 Dec.	12,642	1,486	214	1,272	10,986	6,663		4,322	170	
	1973 Sept.	20,673	2,280	489	1,791	17,890	10,596		7,294	504	
	Oct.	20,698	1,976	222	1,704	18,198	10,618		7,580	524	
	Nov.	21,692	2,528	824	1,704	18,591	10,468		8,123	572	
	Dec.	23,771	2,001	313	1,688	21,307	12,302		9,005	463	
	1974 Jan.	24,071	2,012	228	1,783	21,581	12,232		9,349	479	
	Feb.	25,657	1,882	170	1,713	23,262	13,293		9,969	513	
	Mar.	28,444	3,299	1,787	1,512	24,534	14,600		9,934	611	
	Apr.	28,776	2,280	802	1,478	25,873	15,496		10,376	623	
	May	30,862	3,164	1,697	1,467	26,953	17,029		9,924	744	
	June	31,217	2,262	816	1,446	28,168	17,537		10,630	787	
	July	30,401	2,238	615	1,623	27,348	16,707		10,640	815	
	Aug.	32,193	4,409	2,833	1,576	27,008	16,017		10,991	776	
	Sept.	30,566	1,992	478	1,514	27,718	16,500		11,218	856	

For notes see p. A-76

19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Total	To U.S.			To foreigners				Other	Month-end	Location and currency form	
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions				Non-bank foreigners
IN ALL FOREIGN COUNTRIES											
59,809	3,061	658	2,403	54,679	10,743	29,765	5,472	8,699	2,069	1971 Dec.	Total all currencies,
78,203	3,501	997	2,504	72,121	11,121	41,218	8,351	11,432	2,580	1972 Dec.	
108,296	4,728	1,180	3,548	98,907	16,555	57,863	8,635	15,854	4,661	1973 Sept.	
111,087	4,680	1,298	3,382	101,719	17,253	59,304	9,073	16,089	4,688	Oct.	
117,515	4,776	1,084	3,692	107,092	17,726	63,378	9,553	16,434	5,646	Nov.	
121,866	5,070	1,158	3,912	111,672	18,231	65,636	10,094	17,711	5,125	Dec.	
123,840	5,266	1,685	3,581	113,818	18,531	67,849	9,547	17,890	4,756	1974 Jan.	
127,246	5,857	2,013	3,844	116,440	19,337	67,584	10,119	19,399	4,949	Feb.	
136,983	6,632	2,114	4,517	125,026	21,055	71,948	10,474	21,550	5,324	Mar.	
140,018	6,878	2,376	4,503	127,665	22,786	71,619	11,201	22,059	5,474	Apr.	
145,916	7,995	2,938	5,057	131,976	23,941	74,508	11,413	22,114	5,944	May	
147,465	8,549	3,009	5,540	132,326	24,234	71,956	13,681	22,456	6,589	June	
145,004	10,129	4,373	5,757	128,565	25,279	66,915	13,985	22,386	6,309	July	
148,470	9,282	3,999	5,282	132,669	25,971	68,894	15,148	22,656	6,519	Aug.	
148,070	10,399	5,476	4,923	130,939	26,308	66,202	16,211	22,218	6,733	Sept.	
40,899	2,624	503	2,121	37,024	6,624	21,107	4,391	4,901	1,250	1971 Dec.	Payable in U.S. dollars
54,878	3,050	847	2,202	50,406	7,955	29,229	6,781	6,441	1,422	1972 Dec.	
68,610	4,146	1,021	3,125	62,196	10,627	37,260	6,242	8,067	2,269	1973 Sept.	
70,058	4,135	1,139	2,996	63,693	11,312	37,662	6,337	8,382	2,230	Oct.	
75,921	4,190	928	3,262	68,619	11,877	41,703	6,301	8,738	3,112	Nov.	
80,318	4,488	993	3,495	73,221	12,571	43,694	7,327	9,629	2,608	Dec.	
82,171	4,767	1,556	3,211	74,931	12,754	45,001	7,172	10,003	2,473	1974 Jan.	
84,553	5,353	1,860	3,493	76,732	13,337	44,458	7,809	11,128	2,468	Feb.	
93,355	6,061	1,912	4,149	84,495	15,054	49,077	8,205	12,159	2,799	Mar.	
94,959	6,311	2,195	4,116	85,735	15,885	48,257	8,792	12,801	2,913	Apr.	
100,712	7,405	2,741	4,664	89,846	16,694	51,148	9,057	12,947	3,461	May	
102,300	7,934	2,800	5,135	90,357	17,070	49,134	10,962	13,191	4,009	June	
102,395	9,494	4,160	5,334	89,228	18,404	45,796	11,325	13,703	3,673	July	
106,696	8,649	3,809	4,840	94,106	19,420	48,501	12,384	13,801	3,941	Aug.	
106,383	9,712	5,251	4,461	92,595	19,570	46,150	13,274	13,602	4,076	Sept.	
IN UNITED KINGDOM											
34,227	1,653	109	1,544	31,814	3,401	18,833	4,454	5,126	760	1971 Dec.	Total, all currencies
43,467	1,453	113	1,340	41,020	2,961	24,596	6,433	7,030	994	1972 Dec.	
55,842	2,125	161	1,964	51,957	4,118	31,963	6,929	8,947	1,759	1973 Sept.	
57,306	2,026	129	1,897	53,475	4,036	33,341	7,118	8,980	1,805	Oct.	
61,897	2,197	143	2,054	57,042	3,886	36,052	7,680	9,424	2,657	Nov.	
61,732	2,431	136	2,295	57,311	3,944	35,063	8,056	10,248	1,990	Dec.	
63,726	2,429	346	2,083	59,356	4,350	36,996	7,679	10,332	1,941	1974 Jan.	
63,585	2,573	269	2,303	58,956	4,193	35,489	8,160	11,112	2,057	Feb.	
68,076	3,167	353	2,814	63,096	4,587	37,836	8,456	12,217	1,813	Mar.	
68,959	3,123	409	2,714	63,914	4,975	36,700	9,064	13,175	1,922	Apr.	
71,982	3,729	749	2,979	66,156	4,890	39,758	9,111	12,398	2,097	May	
71,305	3,744	606	3,138	65,429	4,913	36,838	11,162	12,516	2,132	June	
69,197	3,439	611	2,828	63,557	5,099	34,293	11,643	12,521	2,201	July	
70,382	3,701	713	2,988	64,309	4,794	33,920	12,737	12,858	2,373	Aug.	
70,965	3,503	635	2,867	64,919	5,428	33,766	13,544	12,181	2,543	Sept.	
24,629	1,405	23	1,383	22,852	2,164	13,840	3,666	3,181	372	1971 Dec.	Payable in U.S. dollars
30,810	1,272	72	1,200	29,002	2,008	17,379	5,329	4,287	535	1972 Dec.	
34,886	1,866	137	1,729	32,213	2,245	19,836	5,110	5,022	807	1973 Sept.	
35,342	1,831	103	1,727	32,781	2,515	20,195	4,934	5,137	730	Oct.	
39,527	1,940	119	1,821	36,032	2,468	23,059	4,971	5,534	1,555	Nov.	
39,658	2,173	113	2,060	36,646	2,519	22,135	5,839	6,152	839	Dec.	
40,979	2,200	329	1,871	37,884	2,846	22,971	5,806	6,262	895	1974 Jan.	
40,930	2,346	243	2,103	37,579	2,729	21,464	6,342	7,044	1,006	Feb.	
45,579	2,927	329	2,598	41,708	3,063	24,300	6,694	7,650	945	Mar.	
46,323	2,878	384	2,494	42,453	3,234	23,382	7,225	8,612	992	Apr.	
49,301	3,481	724	2,757	44,625	3,083	26,172	7,308	8,064	1,195	May	
48,970	3,516	579	2,937	44,214	3,253	23,795	9,010	8,153	1,239	June	
48,018	3,176	568	2,608	43,528	3,164	22,287	9,550	8,326	1,314	July	
49,481	3,448	692	2,756	44,654	3,278	22,558	10,437	8,382	1,380	Aug.	
50,212	3,177	605	2,572	45,550	3,667	22,818	11,035	8,030	1,486	Sept.	
IN BAHAMAS AND CAYMANS											
8,236	747		7,305	1,649	4,539		1,116	183		1971 Dec.	Total, all currencies
12,643	1,220		11,260	1,818	8,105		1,338	163		1972 Dec.	
20,673	1,608		18,464	4,321	12,255		1,887	601		1973 Sept.	
20,698	1,663		18,463	4,591	11,902		1,969	572		Oct.	
21,693	1,559		19,546	4,798	12,973		1,776	588		Nov.	
23,771	1,517		21,803	5,526	14,453		1,824	451		Dec.	
24,071	1,848		21,782	5,293	14,569		1,920	441		1974 Jan.	
25,657	2,166		23,026	5,617	15,248		2,161	465		Feb.	
28,444	2,192		25,692	6,591	16,793		2,309	560		Mar.	
28,776	2,202		26,095	7,200	16,784		2,111	479		Apr.	
30,862	2,567		27,704	8,255	16,759		2,690	591		May	
31,217	2,855		27,732	7,642	17,150		2,931	639		June	
30,401	3,684		26,037	7,663	15,239		3,134	681		July	
32,193	2,772		28,685	8,123	17,400		3,162	736		Aug.	
330,566	4,139		25,694	7,142	15,133		3,419	733		Sept.	

For notes see p. A-76.

20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities ¹	Farmarked gold
1971.....	294	43,195	13,815
1972.....	325	50,934	215,530
1973—Nov....	420	52,998	217,104
Dec.....	251	52,070	17,068
1974—Jan....	392	49,582	17,044
Feb....	542	50,255	17,039
Mar....	366	51,342	17,037
Apr....	517	52,642	17,026
May....	429	54,195	17,021
June....	384	54,442	17,014
July....	330	54,317	16,964
Aug....	372	53,681	16,917
Sept....	411	53,849	16,892
Oct....	376	54,691	16,875
Nov....	626	55,908	16,865

¹ Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

² The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972, and in Oct. 1973.

NOTE.—Excludes deposits and U.S. Treasury securities held for international and regional organizations. Farmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments ¹	Deposits	Short-term investments ¹		
1970.....	1,491	1,062	161	183	86	663	534
1971.....	1,141	697	150	173	121	372	443
1971.....	1,648	1,092	203	234	120	577	587
1971.....	1,507	1,078	127	234	68	580	443
1972.....	1,965	1,446	169	307	42	702	485
1972.....	2,374	1,910	55	340	68	911	536
1973—Sept.....	3,285	2,571	78	476	161	1,142	892
Oct.....	2,991	2,328	66	451	148	1,063	881
Nov.....	3,239	2,602	64	437	136	1,121	922
Dec.....	3,184	2,603	37	431	113	1,128	775
1974—Jan.....	2,858	2,284	59	365	149	1,091	772
Feb.....	3,260	2,624	65	368	203	1,229	868
Mar.....	3,701	3,027	99	358	218	1,373	1,029
Apr.....	3,587	2,981	60	339	209	1,486	922
May.....	3,683	3,051	76	331	227	1,442	979
June.....	3,677	3,065	62	369	181	1,419	926
July.....	3,776	3,228	74	341	133	1,441	829
Aug.....	3,499	2,938	49	368	144	1,432	870
Sept.....	3,026	2,446	29	362	189	.....	864

¹ Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

² Data on the two lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1970 Sept.....	2,512	1,956	557	4,361	3,756	301	305
Dec.....	2,677	2,281	496	4,160	3,579	234	348
1971—Mar.....	2,437	1,975	462	4,515	3,909	232	374
June.....	2,375	1,937	438	4,708	4,057	303	348
Sept.....	2,564	2,109	454	4,894	4,186	383	326
Dec.....	2,704	2,229	475	5,185	4,535	318	333
1972—Mar.....	2,763	2,301	463	5,004	4,467	290	247
1972—Mar.....	2,844	2,407	437	5,177	4,557	318	302
June.....	2,925	2,452	472	5,331	4,685	376	270
Sept.....	2,933	2,435	498	5,495	4,833	432	230
Dec.....	3,119	2,635	484	5,723	5,074	411	238
1973—Mar.....	3,536	3,024	511	6,366	5,688	396	282
1973—Mar.....	3,467	2,945	522	7,170	6,268	464	438
June.....	3,442	2,864	578	7,424	6,555	501	366
Sept.....	3,760	3,040	720	7,800	6,840	535	425
Dec.....	4,219	3,437	782	8,598	7,624	489	445
1974—Mar.....	4,695	3,795	900	10,608	9,642	412	554
June.....	5,374	4,351	1,024	11,289	10,323	436	530

¹ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1972	1973		1974		1972	1973		1974	
	Dec.	Sept.	Dec.	Mar.	June ^a	Dec.	Sept.	Dec.	Mar.	June ^a
Europe:										
Austria.....	2	2	3	4	12	19	15	17	16	17
Belgium-Luxembourg.....	83	129	131	221	387	73	112	106	153	139
Denmark.....	7	18	9	17	18	29	21	46	37	27
Finland.....	4	7	7	8	9	25	31	44	42	80
France.....	167	165	168	161	204	231	283	310	413	537
Germany, Fed. Rep. of.....	164	200	236	238	214	195	265	284	337	345
Greece.....	15	33	40	21	28	35	52	51	87	76
Italy.....	121	108	116	136	146	202	201	237	327	402
Netherlands.....	109	115	134	123	114	84	119	118	111	133
Norway.....	14	10	9	9	9	16	23	18	22	36
Portugal.....	4	12	13	24	17	19	24	50	112	101
Spain.....	81	79	77	68	56	157	169	244	414	432
Sweden.....	13	32	48	43	52	57	53	71	74	106
Switzerland.....	105	142	103	94	114	82	67	101	90	75
Turkey.....	4	11	18	26	28	48	17	34	41	46
United Kingdom.....	1,107	857	940	1,129	1,205	1,223	1,544	1,559	1,846	1,871
Yugoslavia.....	7	22	28	31	36	12	21	49	30	41
Other Western Europe.....	2	3	3	3	6	12	12	15	19	23
Eastern Europe.....	3	24	31	26	31	42	73	104	79	97
Total.....	2,013	1,969	2,115	2,384	2,687	2,561	3,100	3,457	4,248	4,582
Canada.....	215	236	255	320	294	965	1,341	1,251	1,532	1,579
Latin America:										
Argentina.....	29	24	38	49	52	79	65	75	94	94
Bahamas ¹	391	364	419	206	278	662	746	633	765	1,007
Brazil.....	35	42	64	78	125	172	208	230	410	523
Chile.....	18	13	20	6	9	34	34	42	78	64
Colombia.....	7	8	9	18	22	39	43	40	44	51
Cuba.....	1	*	*	*	*	1	1	1	1	1
Mexico.....	26	36	44	68	69	181	185	235	260	262
Panama.....	18	17	13	14	19	85	102	120	178	187
Peru.....	4	10	15	17	11	36	37	49	67	61
Uruguay.....	7	2	2	3	2	4	5	5	6	5
Venezuela.....	21	24	50	69	60	92	104	143	143	173
Other L.A. republics.....	45	58	67	66	91	95	127	134	172	172
Neth. Antilles and Surinam.....	10	7	6	5	6	13	9	12	12	16
Other Latin America.....	4	20	22	37	59	34	105	214	158	138
Total.....	615	625	769	635	803	1,527	1,771	1,932	2,386	2,754
Asia:										
China, People's Republic of (China Mainland).....	32	36	42	20	39	*	48	11	8	3
China, Rep. of (Taiwan).....	26	33	34	53	74	65	77	120	184	119
Hong Kong.....	12	18	41	24	19	33	44	47	65	68
India.....	7	7	14	14	13	34	32	37	36	38
Indonesia.....	16	15	14	13	22	48	52	54	51	67
Israel.....	19	11	25	31	39	31	28	38	38	37
Japan.....	224	348	294	374	374	468	633	821	1,142	977
Korea.....	21	20	37	38	44	67	55	105	109	124
Philippines.....	16	17	17	9	19	59	70	73	87	86
Thailand.....	5	6	6	7	7	23	28	28	53	54
Other Asia.....	152	183	239	363	527	206	207	238	260	323
Total.....	530	694	763	947	1,177	1,035	1,274	1,571	2,034	1,896
Africa:										
Egypt.....	32	11	25	48	36	16	28	18	15	17
South Africa.....	8	6	14	22	24	52	60	62	69	85
Zaire.....	1	19	19	21	15	8	19	18	20	17
Other Africa.....	62	97	128	134	158	93	95	127	162	203
Total.....	104	134	187	224	233	170	202	225	266	321
Other countries:										
Australia.....	45	94	118	134	94	83	90	97	110	117
All other.....	14	9	12	22	24	23	22	25	31	39
Total.....	59	103	130	156	117	107	111	123	142	157
International and regional.....	*	*	*	29	63	1	*	1	1	1
Grand total.....	3,536	3,760	4,219	4,695	5,374	6,366	7,800	8,558	10,608	11,289

¹ Includes Bermuda through Dec. 1972.

Note.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States.

Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1970—June.....	2,587	2,757	161	712	580	177	65	477	166	288	76	54
Sept.....	2,785	2,885	157	720	620	180	63	586	144	284	73	58
Dec.....	3,102	2,950	146	708	669	183	60	618	140	292	71	64
1971—Mar.....	3,177	2,983	154	688	670	182	63	615	161	302	77	72
June.....	3,172	2,982	151	687	677	180	63	625	138	312	75	74
Sept.....	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec. ¹	3,159	3,118	128	705	761	174	60	652	141	327	86	85
	3,138	3,118	128	705	767	174	60	653	136	325	86	84
1972—Mar.....	3,093	3,191	129	713	787	175	60	665	137	359	81	85
June.....	3,300	3,255	108	713	797	188	61	671	161	377	86	93
Sept.....	3,448	3,235	128	695	805	177	63	661	132	389	89	96
Dec. ¹	3,540	3,370	163	715	833	184	60	659	156	406	87	109
	3,688	3,472	187	758	868	187	64	703	134	396	82	111
1973—Mar.....	3,874	3,614	151	816	864	165	63	796	124	410	101	125
June.....	3,857	3,674	174	818	875	146	65	819	130	413	104	131
Sept.....	4,089	3,844	211	840	894	147	73	827	140	471	104	137
Dec.....	4,003	3,915	285	785	949	145	79	821	128	470	112	142
1974—Mar.....	3,924	4,045	370	759	988	194	81	796	123	469	119	147
June.....	3,673	4,037	362	727	1,008	184	137	734	122	492	123	148

¹ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom			France	Germany, Fed. Rep. of		Netherlands		Switzerland	
	Treasury bills, 3 months ¹	Day-to-day money ²	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money		Clearing banks' deposit rates	Day-to-day money ³	Treasury bills, 60-90 days ⁴	Day-to-day money ⁵		Treasury bills, 3 months	Day-to-day money	Private discount rate
1972.....	3.55	3.65	6.06	5.02	4.83	3.84	4.95	3.04	4.30	2.15	1.97	4.81
1973.....	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1973—Nov.....	6.48	6.56	13.38	11.76	8.80	9.50	10.96	7.00	11.30	5.29	7.88	5.25
Dec.....	6.39	6.58	13.74	12.41	9.57	9.46	11.14	7.00	11.89	6.41	8.75	5.40
1974—Jan.....	6.31	6.50	13.67	12.09	10.36	9.25	13.63	7.00	10.40	6.50	9.36	6.00
Feb.....	6.10	6.49	13.63	11.94	8.96	9.50	12.48	7.00	9.13	6.50	9.73	6.00
Mar.....	6.24	6.50	14.39	11.95	11.31	9.50	11.88	7.00	11.63	6.00	9.07	6.00
Apr.....	7.18	6.93	13.20	11.53	10.00	9.50	11.81	5.63	5.33	6.64	9.86	6.50
May.....	8.22	7.48	13.31	11.36	10.72	9.50	12.90	6.63	8.36	7.00	9.00	6.50
June.....	8.66	8.36	12.61	11.23	10.58	9.50	13.59	5.63	8.79	7.00	8.98	6.50
July.....	8.88	8.52	13.21	11.20	8.70	9.50	13.75	5.63	9.13	7.50	8.57	7.00
Aug.....	8.76	8.83	12.80	11.24	11.11	9.50	13.68	5.63	9.05	7.50	7.09	7.00
Sept.....	8.70	8.84	12.11	10.91	10.69	9.50	13.41	5.63	9.00	7.42	5.08	7.00
Oct.....	8.67	8.56	11.95	10.93	10.81	9.50	13.06	5.63	8.88	7.38	7.81	7.00
Nov.....	7.84	7.86	12.07	10.98	7.70	9.50	12.40	.....	7.20	.....	7.00	.....

¹ Based on average yield of weekly tenders during month.² Based on weekly averages of daily closing rates.³ Rate shown is on private securities.⁴ Rate in effect at end of month.⁵ Monthly averages based on daily quotations.NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics, 1962*.

NOTES TO TABLES 19A AND 19B ON PAGES A-72 AND A73 RESPECTIVELY:

N.B. Major changes in these two tables will be made in the BULLETIN for October.

¹ Cayman Islands included beginning Aug. 1973.² Total assets and total liabilities payable in U.S. dollars amounted to \$30,291 million and \$30,193 million, respectively, on August 31, 1974, and \$28,573 million and \$28,745 million, respectively, on Sept. 30, 1974.

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

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of August 31, 1974		Country	Rate as of August 31, 1974	
	Per cent	Month effective		Per cent	Month effective
Argentina.....	18.0	Feb. 1972	Italy.....	9.0	Mar. 1974
Austria.....	6.50	May 1974	Japan.....	9.0	Dec. 1973
Belgium.....	8.75	Feb. 1974	Mexico.....	4.5	June 1942
Brazil.....	18.0	Feb. 1972	Netherlands.....	7.0	Oct. 1974
Canada.....	8.75	Nov. 1974	Norway.....	5.5	Mar. 1974
Denmark.....	10.0	Jan. 1974	Sweden.....	7.0	Aug. 1974
France.....	13.0	June 1974	Switzerland.....	5.5	Jan. 1974
Germany, Fed. Rep. of.....	6.5	Oct. 1974	United Kingdom.....	11.50	Sept. 1974
			Venezuela.....	5.0	Oct. 1970

NOTE.— Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or gov't. securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina— 3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil— 8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan— Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom— The Bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above.

Venezuela— 2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (kroner)	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1970.....	111.36	3.8659	2.0139	95.802	13.334	18.087	27.424	13.233	239.59	1.5945	2.27921
1971.....	113.61	4.0009	2.0598	99.021	13.508	18.148	28.768	13.338	244.42	1.6174	2.28779
1972.....	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	1.7132	3.2995
1973.....	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	1.7192	3.6915
1973—Nov.....	148.22	5.2670	2.5882	100.092	16.744	22.687	38.764	12.767	238.70	1.6904	3.5941
Dec.....	148.33	5.1150	2.4726	100.058	16.089	21.757	37.629	12.328	231.74	1.6458	3.5692
1974—Jan.....	148.23	4.8318	2.3329	100.859	14.981	19.905	35.529	11.854	222.40	1.5433	3.3559
Feb.....	148.50	5.0022	2.4358	102.398	15.570	20.187	36.844	12.131	227.49	1.5275	3.4367
Mar.....	148.55	5.1605	2.5040	102.877	16.031	20.742	38.211	12.415	234.06	1.5687	3.5454
Apr.....	148.41	5.3345	2.5686	103.356	16.496	20.541	39.594	12.711	238.86	1.5720	3.6001
May.....	148.44	5.5655	2.6559	103.916	17.012	20.540	40.635	12.841	241.37	1.5808	3.5847
June.....	148.34	5.5085	2.6366	103.481	16.754	20.408	39.603	12.735	239.02	1.5379	3.5340
July.....	147.99	5.4973	2.6378	102.424	16.858	20.984	39.174	12.759	238.96	1.5522	3.4372
Aug.....	148.24	5.3909	2.5815	102.053	16.547	20.912	38.197	12.525	234.56	1.5269	3.3082
Sept.....	144.87	5.2975	2.5364	101.384	16.111	20.831	37.580	12.316	231.65	1.5103	3.3439
Oct.....	130.92	5.4068	2.5939	101.727	16.592	21.131	38.571	12.416	233.30	1.4992	3.3404
Nov.....	131.10	5.5511	2.6529	101.280	16.997	21.384	39.836	12.397	232.50	1.4996	3.3325
Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (kroner)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1970.....	32.396	8.0056	27.651	111.48	13.992	3.4978	139.24	1.4280	19.282	23.199	239.59
1971.....	32.989	8.0056	28.650	113.71	14.205	3.5456	140.29	1.4383	19.592	24.325	244.42
1972.....	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973.....	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1973—Nov.....	41.838	8.0000	37.267	147.74	17.872	4.1155	148.45	1.7479	23.019	31.604	238.70
Dec.....	41.405	8.0000	35.615	144.34	17.651	3.9500	148.66	1.7571	22.026	31.252	231.74
1974—Jan.....	40.094	8.0000	34.009	139.08	16.739	3.7195	148.66	1.7205	20.781	29.727	222.40
Feb.....	40.489	8.0000	35.349	140.31	17.351	3.8567	148.76	1.6933	21.373	31.494	227.49
Mar.....	41.152	8.0000	36.354	143.40	17.734	3.9519	148.88	1.6927	21.915	32.490	234.06
Apr.....	41.959	8.0000	37.416	145.12	18.170	4.0232	148.85	1.7080	22.730	33.044	238.86
May.....	42.155	8.0000	38.509	146.07	18.771	4.1036	148.78	1.7409	23.388	34.288	241.37
June.....	41.586	8.0000	37.757	145.29	18.410	4.0160	148.86	1.7450	22.885	33.449	239.02
July.....	41.471	8.0000	38.043	145.15	18.519	3.9886	149.73	1.7525	22.861	33.739	238.96
Aug.....	42.780	8.0000	37.419	143.73	18.246	3.9277	146.83	1.7466	22.597	33.509	234.56
Sept.....	41.443	8.0000	36.870	139.64	17.993	3.8565	142.69	1.7339	22.333	33.371	231.65
Oct.....	41.560	8.0000	37.639	129.95	18.165	3.9246	142.75	1.7422	22.683	34.528	233.29
Nov.....	43.075	8.0000	38.438	130.42	18.404	3.9911	143.88	1.7522	23.175	36.384	232.52

NOTE.— Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972-Sept. 1973, and at \$42.22 thereafter)

End of period	Estimated total world ¹	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970.....	41,275	4,339	11,072	25,865	191	140	239	714	1,470	791	82	64	85
1971.....	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972.....	44,890	5,830	10,487	28,575	208	152	281	792	1,638	834	87	69	92
1973—Oct.....	6,474	11,652	231	169	312	881	1,781	927	97	77	103		
Nov.....	6,476	11,652	231	169	312	881	1,781	927	97	77	103		
Dec.....	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974—Jan.....	6,478	11,652	231	169	312	882	1,781	927	97	77	103		
Feb.....	6,478	11,652	231	169	312	882	1,781	927	97	77	103		
Mar.....	49,840	6,478	11,652	31,710	231	169	312	882	1,781	927	97	77	103
Apr.....	6,478	11,652	231	169	312	882	1,781	927	97	77	103		
May.....	6,478	11,652	231	169	312	882	1,781	927	97	77	103		
June.....	49,835	6,478	11,652	31,705	231	169	312	882	1,781	927	97	77	103
July.....	6,478	11,652	231	169	312	882	1,781	927	97	76			
Aug.....	6,478	11,652	231	169	312	882	1,781	927	97	76			
Sept.....	49,830	6,478	11,652	31,700	231		312	882	1,781	927	97	76	
Oct. ²	6,478	11,652	231		312		882	1,781	927	97	76		
End of period	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970.....	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971.....	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972.....	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973—Oct.....	4,261	4,966	148	293	159	173	3,483	891	115	388	103	198	2,294
Nov.....	4,261	4,966	148	293	159	173	3,483	891	105	388	103	198	2,294
Dec.....	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974—Jan.....	4,262	4,966	148	293	159	173	3,483	891	113	389	103	195	2,294
Feb.....	4,262	4,966	148	293	159	173	3,483	891	120	389	103	194	2,294
Mar.....	4,262	4,966	149	293	159	173	3,483	891	123	389	103	156	2,294
Apr.....	4,262	4,966	149	293	159	173	3,483	891	118	389	103	155	2,294
May.....	4,262	4,966	149	293	159	173	3,483	891	142	389	103	154	2,294
June.....	4,262	4,966	150	293	159	173	3,483	891	130	389	103	154	2,294
July.....	4,262	4,966	150	293	158	173	3,483	891	130	389	105	154	2,294
Aug.....	4,262	4,966	150	293	158	173	3,483	891	130	389	107		2,294
Sept.....	4,262	4,966	150	293	158	173	3,483	891	130	389	103		2,294
Oct. ²	4,262	4,966	150		158	173	3,483	891	138	389	103		2,294
End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements ²
1970.....	54	902	119	666	498	200	2,732	92	126	1,349	162	384	-282
1971.....	55	921	108	410	498	200	2,909	82	130	775	148	391	310
1972.....	60	1,021	117	681	541	217	3,158	89	136	800	133	425	218
1973—Oct.....	67	1,154	129	820	602	244	3,512	99	151	886	148	472	227
Nov.....	67	1,159	129	809	602	244	3,513	99	151	886	148	472	237
Dec.....	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974—Jan.....	67	1,167	129	793	602	244	3,513	99	151	886	148	472	271
Feb.....	67	1,171	129	783	602	244	3,513	99	151	886	148	472	277
Mar.....	67	1,176	129	780	602	244	3,513	99	151	886	148	472	274
Apr.....	67	1,180	129	780	602	244	3,513	99	151	886	148	472	271
May.....	67	1,180	129	777	602	244	3,513	99	151	886	148	472	247
June.....	67	1,180	129	781	602	244	3,513	99	151	886	148	472	259
July.....	67		129	788	602	244	3,513	99	151		148	472	259
Aug.....	67		129	778	602	244	3,513	99	151		148	472	255
Sept.....	67		129	778	602	244	3,513	99	151			472	259
Oct. ²	67		129	786	602	244	3,513	99	151			472	271

¹ Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

² Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1971	1972	1973	1972			1973			1974		
				II	III	IV	I	II	III	IV	I	II
Total (170 corps.):												
Sales.....	334,957	371,946	442,254	93,853	89,550	100,194	102,932	109,967	108,370	120,985	126,889	143,074
Total revenue.....	339,134	376,604	448,795	95,271	90,803	101,078	104,139	111,526	109,984	123,108	128,788	145,213
Profits before taxes.....	35,771	41,164	53,833	10,467	8,978	12,003	12,695	14,009	12,411	14,742	16,847	18,881
Profits after taxes.....	19,146	21,753	28,772	5,674	4,936	5,931	6,801	7,491	6,762	7,750	7,739	9,282
Memo: PAT unadj. ¹	18,020	21,233	28,804	5,687	4,490	5,894	6,754	7,385	6,732	7,930	7,626	9,210
Dividends.....	10,104	10,538	11,513	2,598	2,525	2,877	2,646	2,715	2,767	3,393	2,906	2,928
Nonurable goods industries (86 corps.):²												
Sales.....	160,973	176,329	210,118	43,395	43,865	46,815	47,519	50,223	53,168	59,207	68,860	77,190
Total revenue.....	163,448	178,915	213,904	44,273	44,689	47,023	48,259	51,191	54,098	60,357	70,142	78,644
Profits before taxes.....	19,900	21,799	30,200	4,998	5,278	6,479	6,487	7,129	7,610	8,988	11,880	12,657
Profits after taxes.....	10,490	11,154	15,538	2,682	2,852	2,946	3,411	3,667	4,018	4,463	5,056	5,728
Memo: PAT unadj. ¹	10,085	10,859	15,421	2,625	2,574	3,035	3,348	3,597	3,957	4,517	4,957	5,677
Dividends.....	5,664	5,780	6,103	1,430	1,427	1,476	1,487	1,462	1,527	1,633	1,625	1,645
Durable goods industries (84 corps.):³												
Sales.....	173,985	195,618	232,136	50,458	45,685	53,379	55,413	59,744	55,202	61,778	58,029	65,884
Total revenue.....	175,686	197,690	234,891	50,999	46,115	54,055	55,880	60,335	55,886	62,751	58,646	66,569
Profits before taxes.....	15,871	19,365	23,633	5,469	3,697	5,524	6,208	6,880	4,801	5,754	4,967	6,225
Profits after taxes.....	8,656	10,599	13,234	2,992	2,083	2,854	3,390	3,824	2,744	3,287	2,638	3,554
Memo: PAT unadj. ¹	7,935	10,374	13,383	3,062	1,916	2,859	3,390	3,788	2,775	3,413	2,669	3,533
Dividends.....	4,440	4,758	5,410	1,168	1,097	1,401	1,159	1,253	1,240	1,760	1,281	1,283
Selected industries:												
Food and kindred prod. (28 corps.):												
Sales.....	34,584	37,624	42,628	9,229	9,531	10,039	9,561	10,183	11,014	11,871	11,885	12,729
Total revenue.....	35,090	38,091	43,198	9,371	9,665	10,115	9,711	10,348	11,201	11,938	12,110	12,996
Profits before taxes.....	3,372	3,573	3,957	880	940	960	890	962	1,031	1,046	1,046	1,190
Profits after taxes.....	1,714	1,845	2,063	454	486	490	470	499	546	543	529	607
Memo: PAT unadj. ¹	1,644	1,805	2,074	452	492	452	453	501	546	573	533	610
Dividends.....	862	893	935	222	223	227	237	230	236	240	243	248
Chemical and allied prod. (22 corps.):												
Sales.....	33,005	36,638	43,208	9,167	9,099	9,593	10,153	10,693	10,828	11,534	12,507	13,829
Total.....	33,388	37,053	43,784	9,265	9,196	9,723	10,264	10,849	10,968	11,704	12,664	14,059
Profits before taxes.....	4,123	4,853	6,266	1,184	1,216	1,280	1,487	1,606	1,599	1,572	1,856	2,293
Profits after taxes.....	2,290	2,672	3,504	667	683	669	838	886	901	883	1,044	1,247
Memo: PAT unadj. ¹	2,167	2,671	3,469	626	684	712	834	884	871	880	1,031	1,245
Dividends.....	1,332	1,395	1,496	341	340	378	346	359	374	417	383	405
Petroleum refining (15 corps.):												
Sales.....	68,534	74,662	93,505	18,169	18,298	19,925	20,477	21,689	23,586	27,752	36,196	41,463
Total revenue.....	69,903	76,133	95,722	18,756	18,837	19,845	20,892	22,258	23,988	28,584	37,006	42,361
Profits before taxes.....	10,835	11,461	17,494	2,433	2,628	3,717	3,514	3,884	4,371	5,724	8,296	8,249
Profits after taxes.....	5,624	5,562	8,550	1,270	1,398	1,509	1,760	1,899	2,230	2,662	3,098	3,349
Memo: PAT unadj. ¹	5,519	5,325	8,505	1,273	1,119	1,578	1,737	1,888	2,192	2,688	3,011	3,304
Dividends.....	2,952	2,992	3,147	742	741	746	777	748	789	832	864	853
Primary metals and prod. (23 corps.):												
Sales.....	31,441	34,359	42,400	8,886	8,525	9,099	9,635	10,784	10,602	11,379	11,888	13,976
Total revenue.....	31,808	34,797	43,104	8,984	8,629	9,253	9,733	10,891	10,764	11,715	12,045	14,167
Profits before taxes.....	1,517	1,969	3,221	581	413	589	618	885	799	919	1,232	1,586
Profits after taxes.....	969	1,195	1,966	372	274	302	383	542	480	561	589	927
Memo: PAT unadj. ¹	561	1,109	2,039	465	128	256	397	538	496	608	607	942
Dividends.....	739	653	789	161	162	168	200	178	184	227	221	209
Machinery (27 corps.):												
Sales.....	49,206	55,615	65,041	13,796	13,862	15,018	14,828	16,035	16,306	17,871	16,830	18,846
Total revenue.....	49,846	56,348	65,925	13,993	14,050	15,203	14,997	16,241	16,519	18,168	17,612	19,023
Profits before taxes.....	5,277	6,358	7,669	1,550	1,583	1,810	1,705	1,880	1,936	2,149	1,829	2,076
Profits after taxes.....	2,884	3,522	4,236	854	870	1,017	933	1,034	1,069	1,200	1,006	1,151
Memo: PAT unadj. ¹	2,560	3,388	4,208	848	865	902	931	1,020	1,070	1,188	996	1,137
Dividends.....	1,450	1,497	1,606	374	375	375	389	401	407	410	441	441
Motor vehicles and equipment (9 corps.):												
Sales.....	61,481	70,653	83,016	18,953	14,703	19,725	21,616	22,256	17,959	21,186	18,467	20,979
Total revenue.....	61,804	71,139	83,671	19,105	14,735	19,946	21,710	22,415	18,142	21,362	18,597	21,146
Profits before taxes.....	5,648	6,955	7,429	2,290	628	2,019	2,716	2,704	729	1,280	636	1,118
Profits after taxes.....	2,948	3,626	3,992	1,186	343	1,060	1,405	1,446	431	709	369	657
Memo: PAT unadj. ¹	2,952	3,640	4,078	1,178	337	1,091	1,429	1,436	450	763	361	648
Dividends.....	1,433	1,762	2,063	439	365	599	369	473	404	817	380	382

¹ Profits after taxes (PAT) as reported by the individual companies. In contrast to other profits data in the series, these figures reflect company variations in accounting treatment of special charges and credits.

² Includes 21 corporations in groups not shown separately.

³ Includes 25 corporations in groups not shown separately.

NOTE: Data are obtained from published reports of companies and reports made to the Securities and Exchange Commission. Sales are net

of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes (not shown) include Federal, State and local government, and foreign. Previous series last published in June 1972 BUSINESS, p. A-50.

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**

Weekly releases	Approximate release day	Date or period to which data refer
Aggregate Reserves and Member Bank Deposits (H.3)	Tuesday	Week ended previous Wednesday
Applications and Reports Received or Acted on by the Board (H.2)	Friday	Week ended previous Saturday
Assets and Liabilities of All Commercial Banks in the United States (H.8)	Wednesday	Wednesday, 2 weeks earlier
Capital Market Developments (H.16)	Monday	Week ended previous Friday
Changes in State Member Banks (K.3)	Tuesday	Week ended previous Saturday
Commercial and Industrial Loans Outstanding by Industry (H.12) ²	Wednesday	Wednesday, 1 week earlier
Condition Report of Large Commercial Banks in New York and Chicago (H.4.3)	Thursday	Previous Wednesday
Condition Report of Large Commercial Banks and Domestic Subsidiaries (H.4.2) ³	Wednesday	Wednesday, 1 week earlier
Deposits, Reserves, and Borrowings of Member Banks (H.7)	Wednesday	Week ended 3 Wednesdays earlier
Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks (H.4.1)	Thursday	Week ended previous Wednesday
Foreign Exchange Rates (H.10)	Monday	Week ended previous Friday
Money Stock Measures (H.6)	Thursday	Week ended Wednesday of previous week
Reserve Positions of Major Reserve City Banks (H.5)	Friday	Week ended Wednesday of previous week
Selected Interest and Exchange Rates for Major Countries and the United States (H.13)	Thursday	Week ended previous Saturday
U.S. Government Security Yields and Prices (H.15)	Monday	Week ended previous Saturday
Weekly Summary of Banking and Credit Measures (H.9)	Thursday	Week ended previous Wednesday; and week ended Wednesday of previous week
Semimonthly and bimonthly releases		
Finance Rates and Other Terms on Selected Categories of Consumer Instalment Credit Extended by Finance Companies (J.3)	20th of month	2nd month previous
Research Library—Recent Acquisitions (J.2)	1st and 16th of month	Period since last release

¹Release dates are those anticipated or usually met. However, it should be noted that for some releases there is normally a certain variability because of reporting or processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.

²Contains monthly H.12b release on second Wednesday of month.

³Contains revised H.4.3 data.

Monthly releases	Approximate release day	Date or period to which data refer
Assets and Liabilities of All Member Banks by Districts (G.7.1)	14th of month	Last Wednesday of previous month
Automobile Loans by Major Finance Companies (G.25)	7th working day of month	2nd month previous
Automobile Instalment Credit Developments (G.26)	6th working day of month	2nd month previous
Bank Debits, Deposits, and Deposit Turnover (G.6)	25th of month	Previous month
Changes in Status of Banks and Branches (G.2.5)	25th of month	Previous month
Commercial and Industrial Term Loans Outstanding by Industry (H.12b) Available only as attachment to weekly H.12 release	2nd Wednesday of month	Last Wednesday of previous month
Consumer Credit (G.19)	3rd working day of month	2nd month previous
Consumer Instalment Credit at Commercial Banks (G.18)	4th working day of month	2nd month previous
Federal Reserve System Memorandum on Exchange Charges (K. 14)	5th of month	Period since last release
Finance Companies (G.20)	5th working day of month	2nd month previous
Finance Rate and Other Terms on New and Used Car Instalment Credit Contracts Purchased from Dealers by Major Auto Finance Companies (G.11)	30th of month	Previous month
Foreign Exchange Rates (G.5)	1st of month	Previous month
Index Numbers of Wholesale Prices (G.8)	20th of month	Previous month
Industrial Production (G.12.3) (Similar data also available annually, see p. A-88)	15th of month	Previous month
Interdistrict Settlement Fund (G.15)	15th of month	Previous month
Interest Rates Charged on Selected Types of Bank Loans (G.10)	15th of month	2nd month previous
Maturity Distribution of Outstanding Negotiable Time Certificates of Deposits (G.9)	24th of month	Last Wednesday of previous month
Open Market Money Rates and Bond Prices (G.13)	6th of month	Previous month
State Member Banks of Federal Reserve System and Nonmember Banks that Maintain Clearing Accounts with Federal Reserve Banks (G.4) (Also annual)	1st week of month 1st week of February	Previous month End of previous year
Summary of Equity Security Transactions (G.16)	Last week of month	Release date
U.S. Government Security Yields and Prices (G.14)	4th of month	Previous month
Quarterly releases		
Bank Rates on Short Term Business Loans (E.2)	18th of March, June, September, December	1st 15 days of February, May, August, November
Capacity Utilization in Manufacturing (E.5)	21st of January, April, July, October	Previous quarter
Flow of Funds: Seasonally adjusted and unadjusted (Z.1) Seasonally adjusted only (Z.1a)	15th of February, May, August, and November	Previous quarter
Volume and Composition of Individuals' Saving (Flow of funds series) (E.8)		
Sales, Revenue, Profits, and Dividends of Large Manufacturing Corporations (E.6)	10th of March, July, September, December	2nd quarter previous

Semiannual releases	Approximate release day	Date or period to which data refer
Assets and Liabilities of All Commercial Banks, by Class of Bank (E.3.4)	May and November	End of previous December and June
List of OTC Margin Stocks (E.7)	June 30, December 31	Release date
Assets, Liabilities, and Capital Accounts of Commercial and Mutual Savings Banks Reports of Call (<i>Joint Release of the Federal Deposit Insurance Corp., the Board of Governors of the Federal Reserve System, and Office of the Comptroller of the Currency. Published and distributed by FDIC.</i>)	May and November	End of previous December and June
Annual releases		
Bank Debits to Demand Deposit Accounts Except Interbank and U.S. Government Accounts (C.5)	March 25	Previous year
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Industrial Production and Related Data (<i>Available upon request, after being announced</i>)	November	Previous year
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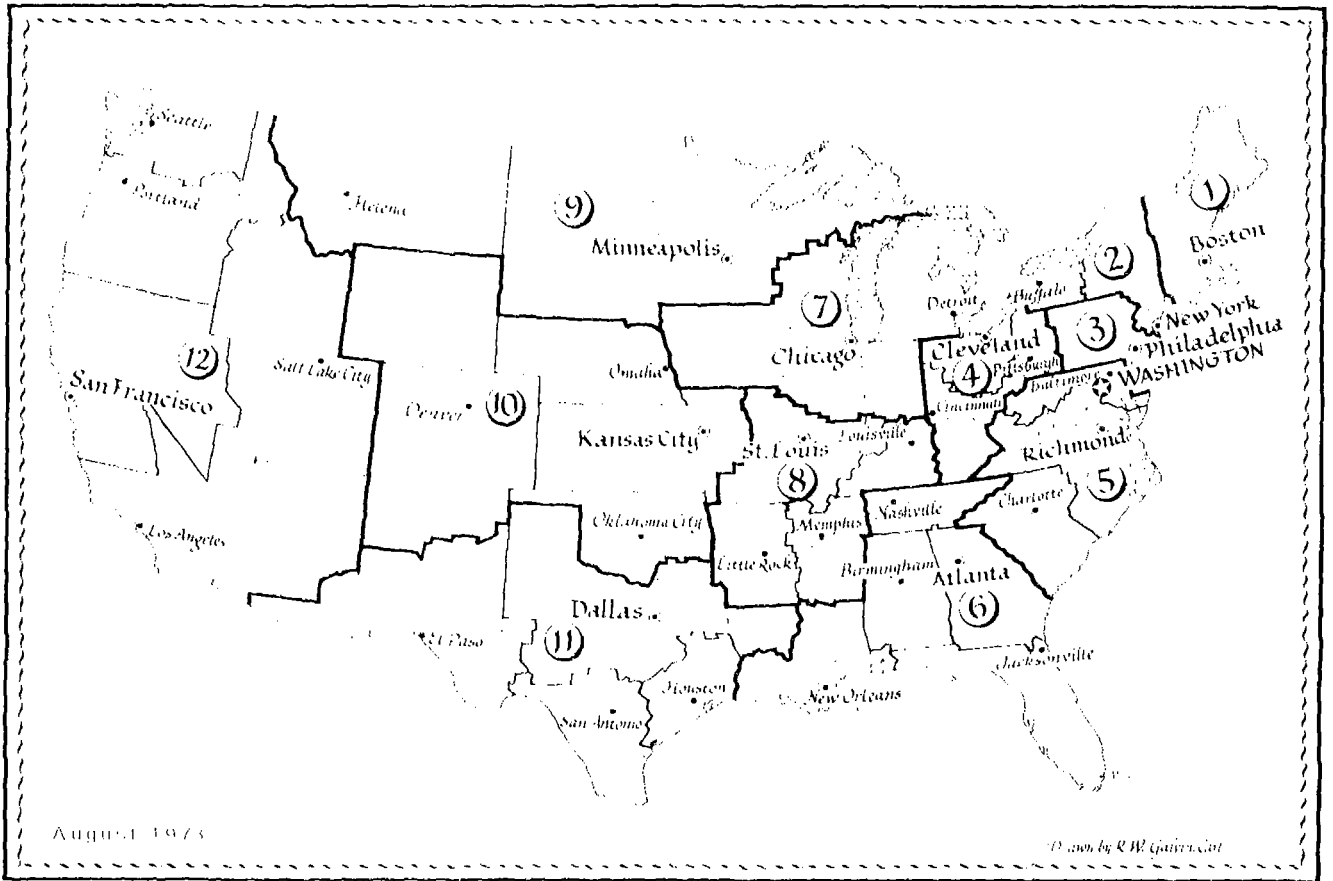
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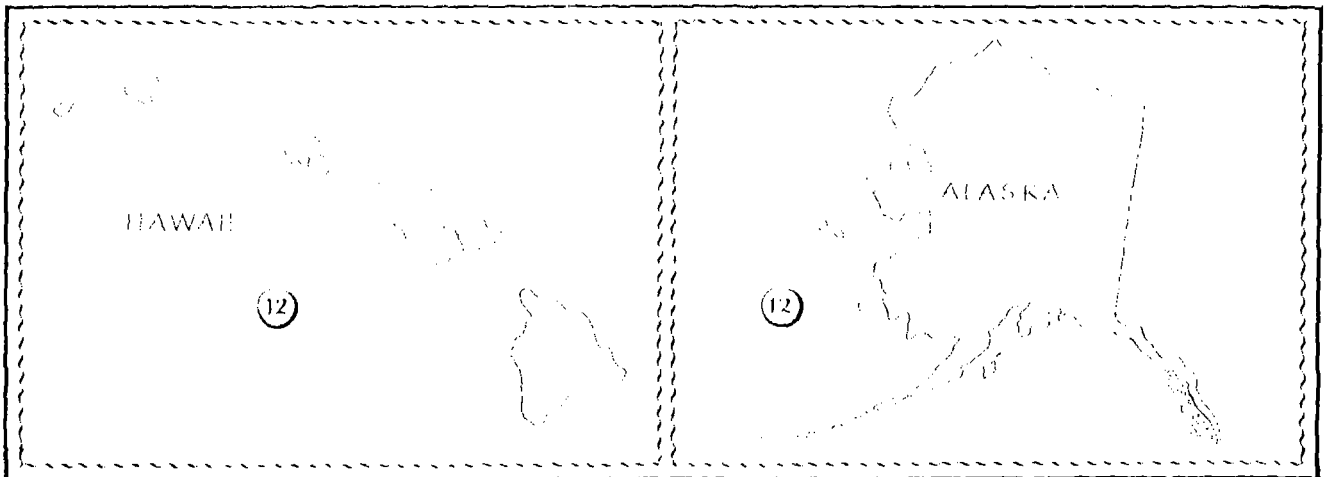
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BOUNDARIES OF FEDERAL RESERVE DISTRICTS AND THEIR BRANCH TERRITORIES



THE FEDERAL RESERVE SYSTEM



Legend

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- Boundaries of Federal Reserve Branch Territories
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- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facilities