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VOLUME 67 □ NUMBER 12 □ DECEMBER 1981

# FEDERAL RESERVE BULLETIN

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

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# Seasonal Adjustment Methods for the Monetary Aggregates

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*David A. Pierce and William P. Cleveland of the Board's Division of Research and Statistics prepared this article. Amanda Bayer, Gerhard Fries, David Wilcox, and Clifton Wilson provided computer assistance. Notes appear at the end of the article.*

The monetary aggregates are among the most closely watched economic and financial time series in the United States. Movements in these series are believed by many to reflect, accompany, or foreshadow important developments in the behavior of prices, employment, output, and other attributes of the economy. The relevant movements in this respect are in the trend-cycle, or longer-run behavior, of the aggregate series. But the series also display less significant movements, which have generally been classified as either *irregular* or *seasonal* in nature. Irregular movements include random fluctuations and transitory variations and tend to be unpredictable and of short duration. Seasonal movements are calendar-linked variations that tend to recur on a regular basis.

Seasonality in the monetary aggregates stems from many forces. Harvests require funds to pay for produce or for storage. Holiday seasons bring a higher volume of sales and greater use of credit. Income tax payments generate large transfers from individuals and businesses to the government, concentrated around certain dates. At other times, the government sends refunds to taxpayers because of overwithholding. Many paychecks are distributed at the end of the week or the month, and this practice affects the timing of other payments. The nature and extent of seasonal variation resulting from these forces are influenced by the decisions of the Federal Reserve—concerning, for example, whether to accommodate an increase in the demand for

money at Christmas or to allow interest rates to rise.

Unlike irregular movements, seasonal movements are systematic and repetitive, and so it is possible, as well as desirable, to eliminate them from the data. The removal of such seasonal patterns is referred to as seasonal adjustment.

Seasonal adjustment of the monetary aggregates would be straightforward if their seasonal patterns did not shift over time. Over the years, however, seasonal patterns have changed, in some cases abruptly though more often in an evolutionary manner. Such changes present both conceptual and operational difficulties for distinguishing seasonal and nonseasonal movements in these series, and the development and enhancement of techniques to make such distinctions have long been a subject of interest to the Federal Reserve Board and its staff.

This article reviews current developments at the Federal Reserve concerning methods for seasonally adjusting the monetary aggregates. The nature of seasonal adjustment is described, along with the X-11 program and other aspects of the Board's current seasonal adjustment procedure. Some recent work on possible improvements in the X-11 method is discussed. A major focus of seasonal adjustment research concerns the use of models fitted to the series to derive seasonal factors, and this practice is described both as an enhancement to X-11 and as a possible basis for completely new seasonal adjustment procedures. We also report investigations aimed at establishing measures of error or uncertainty for seasonal factors and for seasonally adjusted data. In the concluding section, we examine the report of the Committee of Experts on Seasonal Adjustment Techniques, recently published by the Board, and summarize the report's recommendations and current staff work on their evaluation and implementation.

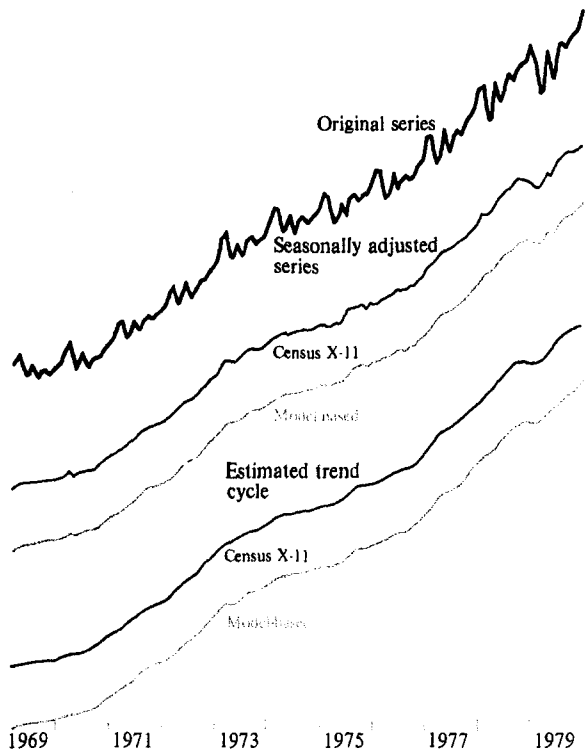


CURRENT SEASONAL ADJUSTMENT PROCEDURE

Seasonal adjustment at the Board currently consists of (1) applying the X-11 computer program to data through the previous December, (2) when necessary, judgmentally modifying the seasonal movements projected by X-11 for the current year to take account of seasonal elements not captured by that program, and (3) removing these projected movements from the numbers as they are received each month.

Chart 1 represents seasonal adjustment of a historical series. It shows the demand deposit component of the money supply both unadjusted and seasonally adjusted by two different methods. It also shows the corresponding trend-cycle components resulting from these methods. The seasonal movements in the unadjusted series are clearly discernible and rather extensive. These movements are absent from the remaining series in the chart, in which the other movements can be more clearly perceived and interpreted.

1. Demand deposit component of M1-E, original and seasonally adjusted series and estimated trend cycle



The X-11 Computation

The X-11 computer program was developed in the late 1950s and early 1960s at the Bureau of the Census by the late Julius Shiskin in collaboration with Allan Young and John Musgrave. It is generally effective, and it is sufficiently flexible for use not only on the monetary aggregates but also on numerous other series published or produced by the Federal Reserve and by other government agencies. But this program has limitations, which have been highlighted by recent economic fluctuations.

In X-11, as in any seasonal adjustment procedure, seasonal movements in a series must be determined in relation to its other movements. "Multiplicative" and "additive" models are used to express the most common relationships among the seasonal and nonseasonal components of the series. In the multiplicative model the observed aggregate value is assumed to be the product of seasonal, trend, and irregular elements of the series, which are thus referred to as the seasonal, trend, and irregular factors. Symbolically, if  $M_t$  denotes the value of a monetary aggregate or other time series  $M$ , measured at a particular time (week, month, quarter)  $t$ , the multiplicative representation for the series  $M$  is

$$(1) \quad M_t = P_t S_t E_t,$$

where  $P_t$ ,  $S_t$ , and  $E_t$  are respectively the trend-cycle, seasonal, and irregular factors of  $M_t$ , all at time  $t$ .

The trend is the dominant part of the series and retains the units (dollars, in the case of monetary aggregates) associated with the series. The seasonal and irregular factors are unity when there are no seasonal or irregular effects, and are above or below one respectively when the effect of seasonal or irregular influences is to increase or decrease the level of the series.

The monetary aggregate series appear to exhibit seasonal variation proportional to their levels, and for these the multiplicative model is most appropriate.

For series in which such interaction between the irregular or seasonal elements and the trend of the series is absent, an additive model may be more suitable. These series are represented as the sum, rather than the product, of elements

that are then referred to as the seasonal, trend, and irregular *components* of the series. In an analogy to equation 1, the representation of an additive series is

$$(2) \quad m_t = p_t + s_t + e_t,$$

where  $p_t$ ,  $s_t$ , and  $e_t$  are the trend, seasonal, and irregular components measured at time  $t$ . By computing logarithms, the multiplicative series in equation 1 may be transformed into an additive series as in equation 2.

In practice the "true" seasonal components or factors are unknown, and they must be estimated in a suitable manner—for example, by the X-11 procedure. The seasonally adjusted series is then obtained by dividing the unadjusted series by the estimated seasonal factors, or (for additive series) by subtracting the estimated seasonal components from the unadjusted series. Thus, with  $\hat{S}_t$  and  $\hat{s}_t$  denoting the estimated seasonals, the seasonally adjusted series are given by

$$(3) \quad M_t^a = M_t / \hat{S}_t, \quad m_t^a = m_t - \hat{s}_t,$$

for the multiplicative and additive adjustments respectively. The problem of seasonal adjustment is the problem of obtaining estimates of the seasonal components or factors.

If seasonal patterns were unchanging from year to year and if there were no trend, a natural way to estimate the seasonal component for, say, January would be to calculate the difference between the average for all Januarys in the series and the overall average of the series. The X-11 program expands this idea to allow both for trends in the series and for changing seasonal patterns. The program employs a two-step approach in which the trend is first estimated and then removed to give a series with zero mean. Then averages by month are used to estimate the seasonals. In both steps the simple averages are replaced by weighted moving averages to allow for changing seasonal patterns and for trend levels.

The sequence of weighted moving averages used by X-11 to detrend the series and to estimate seasonality in the detrended series is equivalent to a single weighted moving average of the original series. Therefore, the seasonal component or factor may be represented as a single

composite moving average of the original series. This result eases comparison of X-11 with model-based procedures later in the article because the estimated seasonal component of these procedures is also represented in this way.

This weighted moving average computation of the estimated seasonal in X-11 can be written symbolically as

$$(4) \quad \hat{s}_t = \sum_{j=-K}^L w_j m_{t-j},$$

where the  $w_j$  are the X-11 weights; the weights extend  $L$  months into the past and  $K$  periods into the future. The seasonally adjusted series  $m_t^a$  is then calculated as in equation 3. In a multiplicative adjustment the seasonally adjusted figure  $M_t^a$  is the ratio of the unadjusted value  $M_t$  to the estimate  $\hat{S}_t$ , as in equation 3, a procedure therefore known as a ratio-to-moving-average adjustment. For adjusting historical aggregate series the weights  $w_0, w_1, w_{-1}$ , and so on in equation 4 are *symmetric* ( $w_{-j} = w_j, K = L$ ), so that observations before and after the value being adjusted play equal roles in determining the seasonal factors. There are several choices in X-11 for weights, depending in part on how rapidly the seasonal pattern may be changing. The standard option uses data seven years into the past and seven years into the future ( $K = L = 84$ ) to determine the seasonal factor. However, the weights are very small after about three and a half years in either direction.

In addition to these moving average calculations, X-11 contains features for treating outliers or extreme values in the series, which otherwise would exert a disproportionate influence on the seasonal factors, and for calculating "trading day" variations that arise because the days of the week appearing four and five times in a given month vary from year to year.

### *Judgmental Modifications*

For several reasons the seasonal factors produced by X-11 may not adequately incorporate the seasonality believed to exist in the data. An institutional change, say, in tax dates or in social security payments, will not be fully reflected in

the X-11 results for several years, yet it constitutes an immediate shift in the seasonal pattern. Conversely, a temporary, within-year change in aggregate growth may be known to arise from nonseasonal causes, yet X-11 can incorporate a portion of this effect as a seasonal movement, particularly if it occurs in adjacent years. For such reasons the output of X-11 is occasionally modified to correspond more closely to what is known about seasonality in the monetary aggregates.

### *Seasonal Adjustment of Recent Data: Revisions*

As noted, for the historical adjustment of the monetary aggregates the computations of the X-11 program depend equally and symmetrically on the future and the past of the series. However, the seasonal adjustment of current and recent monetary aggregate data is very important for interpreting and anticipating economic developments, and for such data the relevant future is not yet available. Preliminary estimates or projections of the seasonal factors are made using special sets of weights in the X-11 program. These factors are then revised, using different patterns of weights, as information accumulates. The current practice calls for computing, at the end of each year, projected seasonal factors for the following year and revised seasonal factors for the just-completed year and the preceding three years. The factors for a given year are thus revised annually until three years of additional data are available.

### *STATISTICAL MODELS AND SEASONAL ADJUSTMENT*

Federal Reserve staff and other investigators have conducted extensive research on the use of models in seasonal adjustment. A model is a set of one or more equations that describes the systematic behavior of a series. A model can be causal—for example, relating a monetary aggregate to interest rates, reserves, and other economic determinants; or it can be descriptive—for example, relating the aggregate to its own past

values and time trends. Most models proposed as bases for seasonal adjustment have been largely descriptive, including in particular the ARIMA models to be described below. However, research is continuing on causal approaches to seasonal adjustment as well.

The merit of a model-based procedure for seasonal adjustment is its adaptability to the characteristics of the monetary aggregate series being seasonally adjusted. By contrast, X-11 and other empirically based adjustment procedures frequently apply the same adjustment—that is, the same set of weights given by equation 4—to series that may have widely differing characteristics. One thus expects X-11 to do better in adjusting some series than others.

Research in the use of models in seasonal adjustment falls into two areas: (1) their use as means for modifying the X-11 procedure, and (2) their use as bases for alternative procedures; and these are the subjects of the following two sections. Two major types of models that have been studied are ARIMA models for adaptive, evolving effects and regression models for specific, predetermined effects.

### *ARIMA Models*

In its simplest form an ARIMA model (autoregressive-integrated-moving-average model) is an equation for explaining an aggregate or other series as a weighted combination of its past values.<sup>1</sup> Thus the aggregate  $m_t$  is represented as

$$(5) \quad m_t = b_1 m_{t-1} + b_2 m_{t-2} + \dots + a_t,$$

where  $b_1, b_2, \dots$  are the weights and  $a_t$  is a random uncorrelated disturbance term. The weights  $b_i$  are estimated from the values of  $m_t$ .

ARIMA models have been successfully employed in analyzing wide varieties of economic and financial time series. Among the uses of ARIMA models in seasonal adjustment are forecasting the series before application of the X-11 procedure and constructing moving average weights as alternatives to those in equation 4 for X-11. In the latter case ARIMA models are also constructed for the trend and seasonal components ( $p_t$  and  $s_t$  in equation 2).

### Regression Models

In seasonal regression models, the trend and seasonal components are represented as weighted combinations of such terms as time variables, say  $y_{it}$ , and seasonal dummy variables, say  $z_{it}$ . These variables are predetermined and are independent of the values for the series. In this sense a regression model is "deterministic," in contrast with the ARIMA model above, which is "adaptive" because the value of the current series depends explicitly on previous values. Thus the trend and seasonal components in a regression model are written as

$$(6) \quad p_t = \sum_i b_i y_{it}, \quad s_t = \sum_i c_i z_{it}.$$

Substituting these expressions into equation 2 yields a regression model in which the irregular component  $e_t$  is the random disturbance term. Ordinarily, the model is fit by least squares to obtain estimates of the coefficients  $b_i$  and  $c_i$ .

In seasonal adjustment, regression models can be used as bases for separate seasonal adjustment procedures or as means to capture special effects in conjunction with another procedure. Examples of the latter are the trading-day adjustment in X-11 and the preadjustment via intervention analysis described in the following section.

### MODIFICATIONS OF THE X-11 PROCEDURE

The X-11 program is widely used not only for the monetary aggregates but also for the industrial production index, other Federal Reserve series, and thousands of series published by others. Its wide acceptance is due to its versatility and to the extensive experience that has accumulated with its use. When limitations in X-11 are found, therefore, effort might be directed at improving it rather than abandoning it for an entirely new method. Three modifications in X-11 are being thoroughly reviewed at the Board: (1) improved trading-day adjustments; (2) preadjustment of the series to account for special effects, using the technique of intervention analysis; and (3) more effective use of recent information to improve

first-published seasonal factors and reduce revisions, using techniques such as X-11-ARIMA and concurrent seasonal adjustment.

### Adjustment for Calendar Variations

In recent use, the term "calendar effects" has tended to refer to variations resulting from specific details of the calendar rather than from the positioning of the season or month within the year. These include holiday and day-of-week, or trading-day, effects. Trading-day variation is the result of year-to-year changes in, for example, the number of Fridays in March, so that if the money supply is higher on Friday than on some other days of the week, a high March value for a given year may simply reflect the presence of five Fridays in March of that year. Trading-day variation requires special attention because calendar patterns are not strictly periodic over a year.

A trading-day regression model is contained in the X-11 program, although it is not currently employed in adjusting the monetary aggregates. One problem with the X-11 trading-day adjustment is that it fails to distinguish adequately among series that are flows, end-of-month stocks, and (as the aggregates are defined) averages of daily stocks. Furthermore, the X-11 adjustment is introduced after an initial application of the moving average in equation 4, so that trading-day weights for a given month are in fact estimated from a composite of months. The effects of these procedures and alternative calendar-adjustment procedures are the subject of current research.

Table 1 shows growth rates of the seasonally adjusted series for currency and demand deposits without any trading-day adjustment, with the X-11 trading-day adjustment, and with a modified version of the X-11 adjustment.<sup>2</sup> Over a 10-year period, both series are smoothest (the standard deviation of their growth rates are smallest) when adjusted by X-11 with the modified trading-day procedure. The own trading-day adjustment of the X-11 program in fact increased the variability in the series of growth rates relative to that with no trading-day adjustment.

## 1. Seasonally adjusted growth rates of components of M1-B, selected methods of adjustment, 1979

Month	Currency			Demand deposits		
	X-11	X-11 with own trading-day procedure	X-11 with modified trading-day procedure	X-11	X-11 with own trading-day procedure	X-11 with modified trading-day procedure
January.....	10.2	8.81	12.19	-5.98	-5.33	-4.17
February.....	7.14	7.46	6.12	-5.57	-6.07	-6.43
March.....	8.41	7.64	7.98	6.56	6.17	5.39
April.....	8.21	9.04	8.96	17.38	17.52	17.46
May.....	7.91	9.49	8.22	-6.25	-3.01	-3.23
June.....	10.51	7.66	7.87	13.53	8.32	10.10
July.....	9.93	12.67	11.02	10.38	15.15	11.93
August.....	13.56	10.82	14.01	4.14	1.27	4.70
September.....	10.48	13.00	11.00	3.01	2.20	.72
October.....	7.04	5.49	7.33	-1.22	.06	1.46
November.....	4.98	5.02	3.58	2.30	2.78	.37
December.....	4.79	4.12	4.93	3.90	1.45	2.78

*Intervention Analysis*

Seasonal adjustment of any financial or economic time series is sensitive to unusual or deviant values in the series, because such values can distort averages used in the estimation of seasonal factors not only for the months of the deviant values but also for several adjacent months and for the like months of several adjacent years. The X-11 program devotes much effort to the identification and elimination of outliers in the estimation of seasonal factors. This procedure is usually very effective when extreme values are isolated and not too frequent.

However, it is difficult for X-11 to distinguish a run of consecutive unusual observations from the trend-cycle or seasonal elements of the series. In particular, a sharp upswing or downswing that persists for a few months and then ceases, or reverses itself, will tend to be interpreted in part as a seasonal movement. To that extent, such an upswing or downswing will be removed from the series in the process of its seasonal adjustment; moreover, the seasonal factors and resulting adjusted series in adjacent years will be affected in a similar manner. In these circumstances a modification of the usual method is necessary to prevent distortion of the seasonal factor estimates.

Such a need arose in 1980, when the monetary aggregates moved in an unusual way for several months as a result of the imposition of the credit restraint program in March and its removal by July. In general, demand and savings deposits exhibited sharp declines from March through

May and correspondingly strong growth in the following months, while the reverse was true of time deposits. The effect of this phenomenon on the revised seasonal factors for 1980 and those projected for 1981 for these deposit series was substantial.

There are several approaches to this problem. In the context of a seasonal adjustment method such as X-11, a reasonable procedure is to *preadjust* the series to minimize the effects of erratic fluctuations on the seasonal adjustment procedure. Preadjustment consists of removing from the series the estimated effects (in this example, those of the credit control period) and then determining seasonal factors from the preadjusted series.

The technique used for estimating these effects is "intervention analysis," a procedure that augments a model of the series, such as an ARIMA model, by a functional form suitable for capturing the effects of the "intervention," which in this case was the imposition (and subsequent removal) of credit controls.<sup>3</sup> Having fitted the combined model, one can preadjust the series by removing that part of the fitted model representing the intervention, after which the seasonal factors can be obtained in the customary way (by X-11) from the preadjusted series. These factors are then applied to the original data to obtain the seasonally adjusted series.

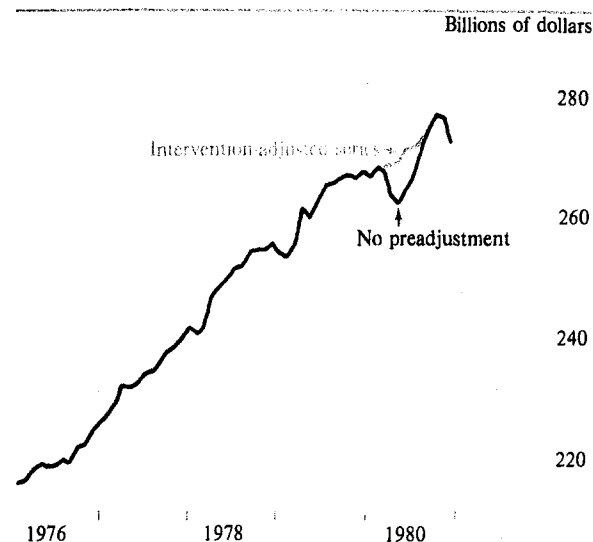
Intervention analysis was applied to a total of eight deposit series, and the results were incorporated into the 1981 annual revisions of seasonal factors for the monetary aggregates. The color curve in chart 2 shows the intervention adjust-

2. Intervention factors, seasonal factors, and growth rates for demand deposit component of M1-B, 1980

Month	Intervention factor	Seasonal factor		Annual growth rate	
		Without intervention adjustment	With intervention adjustment	Without intervention adjustment	With intervention adjustment
January.....	1.000	1.022	1.019	1.0	2.2
February.....	1.000	.974	.973	10.8	8.5
March.....	.991	.976	.978	-2.5	-6.1
April.....	.977	1.012	1.015	-29.2	-30.3
May.....	.963	.973	.980	.3	-4.3
June.....	.975	.993	.996	6.8	12.2
July.....	.983	1.003	1.004	6.9	9.3
August.....	.992	.991	.991	20.6	21.6
September.....	1.000	1.003	1.000	11.3	14.5
October.....	1.000	1.009	1.006	11.1	11.6
November.....	1.000	1.010	1.007	1.9	1.8
December.....	1.000	1.032	1.030	-17.4	-18.6

ment for the demand deposit series. Table 2 lists the intervention factors for demand deposits together with seasonal factors and annual growth rates. The intervention factors are less than 1 during the credit restraint period; and dividing by these factors thus raises the value of the preadjusted series, as shown in chart 2.

2. Effect of intervention on seasonally adjusted demand deposits



Also shown in table 2 are what the seasonal factors and growth rates would have been without preadjustment. The differences in seasonally adjusted annual growth rates are frequently in excess of 3 percentage points.<sup>4</sup>

*X-11-ARIMA and Related Procedures*

As noted earlier, the X-11 procedure is symmetric in that it makes equal use of data for the past and for the future to determine the seasonal factor at a given point in the series. But for the seasonal adjustment of current data, the relevant future of the series is not yet available. Thus X-11 computes preliminary estimates of the seasonal factors, which are subsequently revised.

On the assumption that the final X-11 figure is what is sought from the seasonal adjustment, the closer the preliminary seasonal factor is to the final factor, the more accurate will be the preliminary seasonally adjusted figure. Thus substantial interest exists in obtaining preliminary factors with the smallest possible revisions.

The X-11 program has its own sets of end-weights or asymmetric moving averages for adjusting current and recent data and for projecting seasonal factors, and the problem is to determine whether they can be improved. The main proposal has been to replace the application of the particular end-weights in X-11 to the *unmodified* series with the application of central weights to the *extended* time series, which consists of the available observations augmented by a set of projections of future values of the unadjusted series. When these forecasts are constructed from an ARIMA model, the technique is referred to as X-11-ARIMA.<sup>5</sup> Other methods can be used for forecasting the series. A study by the staff using stepwise autoregressive procedures for generating the projected factors indicates that

the root mean squares of the revisions may be reduced 20 percent on some aggregates, relative to revisions from the usual X-11 procedure.

### *Concurrent Seasonal Adjustment*

In concurrent adjustment the estimation of seasonal factors is based on all available data up to and including the figure being adjusted, by contrast with the present procedure, in which the current figure is adjusted using a projected factor calculated from data through the previous December. Like X-11-ARIMA and related procedures, concurrent adjustment is intended to reduce revisions, insofar as more information is being used in calculating the first-published figures. The announcement in advance of the precise method to be used in calculating the seasonal factors—for example, X-11-ARIMA with standard options—preserves the objectivity of the seasonal adjustment.

A recent investigation conducted on concurrent seasonal adjustment of the monetary aggregates shows that using X-11 with concurrent adjustment produces an average reduction of 46 percent in first-year revisions of the seasonal factors and of 18 percent in the total revisions (measured by root mean square). Consequently, concurrent adjustment may also provide a substantial improvement in the quality of the first-published statistics on the monetary aggregates.

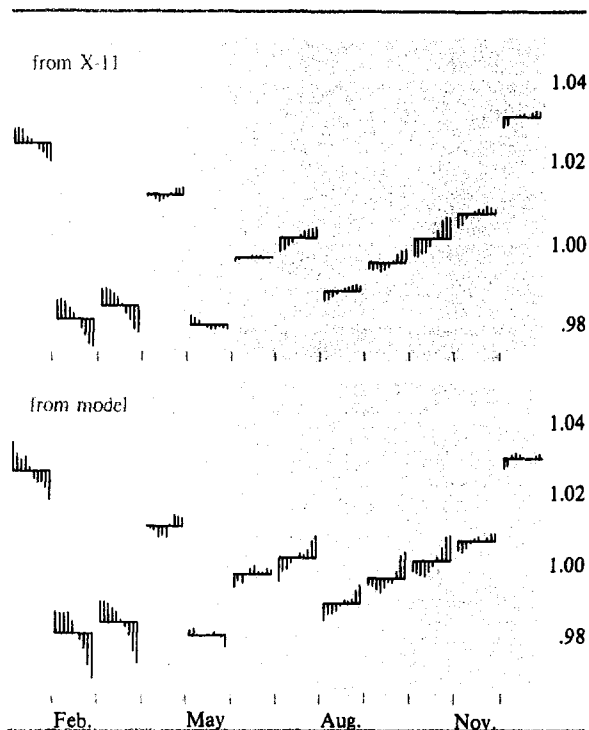
Nevertheless, some uncertainties surround the use of concurrent adjustment. Judgmental modification of the seasonal factors or preadjustment of the data before using X-11 could not be done during the year without destroying the objectivity of the procedure. This fact would have been a particular problem during 1980, when preadjustment by intervention analysis was seen to be important in preventing distortion by X-11 of the seasonal factors during the period of credit controls. There is also the practical problem that revised factors are generated every month: for example, 11 revised factors for January would result from successive concurrent adjustments of figures for the following February through December, in addition to any later revisions that may be made.

### *MODEL-BASED SEASONAL ADJUSTMENT*

Although the X-11 program contains options for selecting alternative moving averages, usually the same moving averages are applied to all series. They were designed largely from experience, through empirical means.

An alternative way of designing moving averages is by statistical models. Given an ARIMA model for the aggregate series  $m_t$ , as in equation 5, corresponding ARIMA models can generally be obtained for the seasonal and trend components of the series. Provided these component models satisfy suitable criteria, they offer a basis for seasonally adjusting the series. The result is an expression for the seasonal component as a weighted moving average of the aggregate series, of the same form as equation 4 produced by the X-11 program, but with the  $w_j$  replaced by a new set of weights, say  $v_j$ . As in equation 4 for the X-11 procedure, these weights are symmetric. The essential difference between the weights  $w_j$  in equation 4 for the X-11 procedure and the weights  $v_j$  in the ARIMA model-based procedure is that the latter, because they are derived from

#### 3. Seasonal factors for demand deposits . . .



the model for the series, reflect the features of the series, whereas the X-11 weights are preassigned.

Some of these considerations are illustrated in chart 1, which shows both X-11 and model-based adjustments of demand deposits. Whereas differences are apparent, the two adjustments are on the whole quite similar, reflecting the similarity of the X-11 moving averages and those implied by the model for demand deposits. An alternative depiction of the X-11 and model-based approaches to estimation of seasonal factors is provided by chart 3, in which seasonal factors for the same month in different years are combined. Changes in the factors over time are evident in both the X-11 and the model-based procedures. Also evident is that these changes are allowed to occur more rapidly in the model-based procedure.

#### *X-11 as a Model-Based Procedure*

An important result, which considerably increases our understanding of the strengths and limitations of the X-11 procedure, is that a particular ARIMA model for the series  $m_t$  and its seasonal component  $s_t$  has derived seasonal adjustment weights that are essentially the same as the X-11 weights.<sup>6</sup> Thus X-11 may be considered a model-based procedure with respect to this model. It also follows that series whose ARIMA models resemble the ARIMA model for X-11 will be better adjusted by X-11 than other series. In general, ARIMA models fitted to the major components of the monetary aggregates do resemble the X-11 model: one explanation of the relative success of X-11 in adjusting the aggregates.

#### *Regression Models for Seasonal Adjustment*

In addition to X-11 and seasonal adjustment procedures based on ARIMA models, methods stemming from other types of time-series models have been investigated. Among the most prominent of these are regression methods, based on models of the form given in equation 6. A general regression method developed at the Board about

ten years ago allows for changing seasonal patterns and a flexible trend representation as well.<sup>7</sup>

Special effects—for example, a change in reserve requirements that produces an abrupt change in the level of a reserves series—can be incorporated into the regression model. Some other uses of regression components for trend models are given in the section on intervention analysis. Calendar effects constitute a regression subcomponent of the overall seasonal component  $s_t$ .

When a regression model is used for seasonal adjustment, the model coefficients are estimated by least squares or a variant that provides for the treatment of extreme values. Revised coefficient estimates based on new observations can change the seasonal components in the entire sample so that suitable criteria for publication of revisions may be needed.

#### *Combinations of Seasonal Adjustment Methods*

Other model-based methods have also been developed and applied to the monetary aggregates, including procedures based on models with variable coefficients<sup>8</sup> and on combinations of regression and moving-average procedures.<sup>9</sup> In fact, the combining of elements of different seasonal adjustment methods is one of the more promising areas of research being pursued by the Board staff. Examples include several of the modifications to the X-11 procedure discussed earlier, which combine this procedure with the use of models. In the context of procedures based entirely on models, general variation in a component is often captured with an ARIMA model; and variation attributable to a specific source, such as a tax date or a change in regulations, is frequently explained with a regression model.

#### *ERROR AND UNCERTAINTY IN SEASONALLY ADJUSTED AGGREGATES*

As noted earlier, the monetary aggregates are seasonally adjusted using estimates of the unknown seasonal factors or components. The resulting discrepancy between the estimated and



true seasonals represents the error or uncertainty due to seasonal adjustment. Part of this discrepancy is in the initial factors and preliminary adjusted data only, and is removed when the factors are subsequently revised; the remainder is present in final as well as initial figures. In addition, there are sources of uncertainty in the monetary aggregates apart from seasonality, including transitory variations and sampling and reporting error.

Thus the monetary statistics clearly are only estimates of the underlying or true money supply, containing error due to several sources. The first-published seasonally adjusted data at higher frequencies (weekly and monthly) may be particularly subject to substantial revision when more information becomes available for estimating seasonal and other elements.

Most straightforward to calculate among error sources are revisions in preliminary data and in seasonal factors. Recording all initial and revised values permits such measures as the average revision, average absolute revision, and root mean-square revision, over a recent period, to be determined. For monthly demand deposits the standard deviation of revisions in seasonal factors over the period 1974-77 was found to be about 0.2 percent.<sup>10</sup>

A more elusive problem is measuring seasonal adjustment error in final data. While revisions can always be observed eventually, errors in final data are by definition unobservable. Even to say that such error exists presupposes a generating mechanism or model for the series, so that measures of such error are heavily model-

dependent. As we noted earlier, the monetary aggregates are rather well fitted by the ARIMA model for X-11. Thus measures of error for final seasonal factors derived from this model should be appropriate for the monetary aggregates. For demand deposits the standard deviation of this error is about 0.1 percent.

Similarly, the ARIMA model yields estimates of "irregular" or "transitory" variation that, while not necessarily error in the above sense, is a source of noise or uncertainty in the data. The Advisory Committee on Monetary Statistics studied the desirability and feasibility of measuring transitory variation and recommended the publication of such measures. In its report the committee calculated the transitory standard deviation to be 2.5 percent for annual monthly growth rates of M1, using a daily model for this series. More recently, a calculation based on the Cleveland X-11 model found this standard deviation to be 3.6 percent, though it was less after revision of the seasonal factors.

Table 3 summarizes some of the measures of uncertainty in the aggregates M1-B and M2. As an example, the standard deviation of the total seasonal factor (revision plus final-factor error) in annual monthly growth rates in M1-B is estimated to be 2.9 percent. Thus, if a first-published monthly growth rate for this aggregate is 6 percent, the true rate could be less than 3 percent or greater than 9 percent about one-third of the time owing to error in seasonal factors. With other sources of noise incorporated, the confidence limits expand to 6 percent  $\pm$  4.5 percent for the underlying or trend M1-B value.

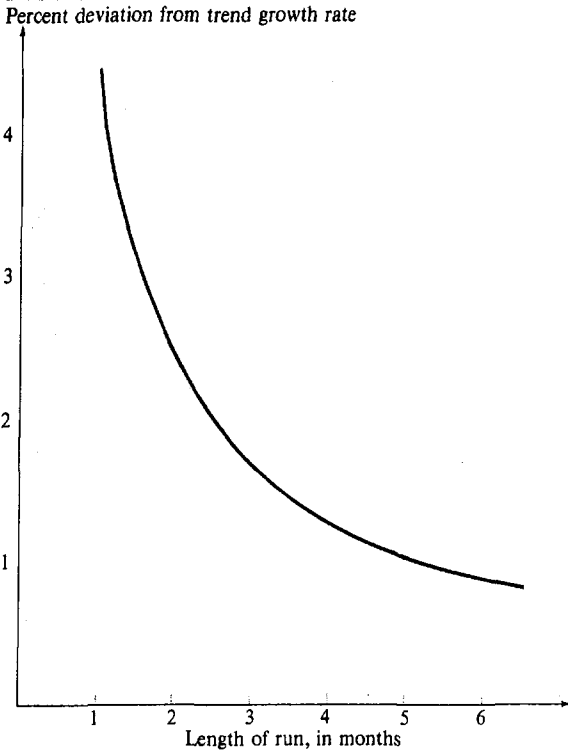
### 3. Standard deviations of noise in monthly monetary aggregates

Noise source	M1-B				M2			
	Levels		Growth rates		Levels		Growth rates	
	Percent	Billions of dollars <sup>1</sup>	Percent	Annual rate (percent)	Percent	Billions of dollars <sup>2</sup>	Percent	Annual rate (percent)
Transitory variations .....	.21	.9	.30	3.6	.17	3.4	.24	2.9
Seasonal revisions .....	.18	.8	.18	2.1	.13	2.6	.13	1.6
Error in final seasonal factors..	.10	.4	.16	1.9	.08	1.6	.13	1.6
Total seasonal .....	.21	1.0	.24	2.9	.15	3.0	.18	2.2
Total .....	.29	1.3	.38	4.5	.23	4.6	.30	3.6

1. Based on a level of \$450 billion.

2. Based on a level of \$2 trillion.

4. Identification of a change in trend of M1-B



Curve is deviation of observed growth rate in M1-B from assumed trend growth rate required to identify a change in trend growth rate with two-thirds probability.

This uncertainty or noise in the aggregates is mitigated as the figures are averaged over longer periods. Chart 4 shows the relationships between the sizes of the fluctuations in M1-B (annual growth rates) and the number of months necessary before the degree of fluctuation reflects, with two-thirds probability, a change in trend. Values for M2 may be obtained by replacing numbers on the vertical axis by entries about 75 percent as large. As a guide to interpreting this chart, if the trend or the targeted growth rate in M1-B had been 5 percent and the figure for the current month's growth rate is 8 percent, one could not say with even two-thirds probability that the trend was now different from 5 percent because that would require a 4.5 percent deviation from the current trend, in contrast to the observed 3 percent deviation. It would require two months of growth averaging 8 percent to say with two-thirds probability that the underlying trend growth rate was now different from 5 percent.

Board staff research on seasonally adjusting the monetary aggregates has been stimulated in part by the Board's Committee of Experts on Seasonal Adjustment Techniques, which has recently completed its report.<sup>11</sup> This committee, chaired by Dr. Geoffrey H. Moore and including Professor George E. P. Box, Mr. Hyman B. Kaitz, Professor James A. Stephenson, and Professor Arnold Zellner, was established by the Board in 1978 to examine the applicability of seasonal adjustment techniques to time series of financial data, particularly the monetary aggregates, their components, and related series, with a view to recommending to the Board the most appropriate methods for seasonally adjusting such series.

The committee's report contains ten principal recommendations for modifications in the Board procedures and their use, the development of alternative procedures, and the publication of initial and revised seasonally adjusted monetary statistics, as well as guidelines for additional research by the Board's staff on seasonal adjustment techniques. These recommendations are summarized below.

1. The X-11-ARIMA procedure, or a similar technique that improves the method of estimating projected seasonal factors and reduces the size of subsequent revisions, should be developed and applied to the monetary aggregates.
2. The use of the present seasonal adjustment procedure or its recommended modification on a concurrent basis, utilizing all available data up to and including the current figure for estimating seasonal factors, should be seriously considered.
3. Model-based approaches to seasonal adjustment of the monetary aggregates should be developed and applied on a current, continuing basis, along with the present methods. This work will build up a fund of experience with model-based approaches so that their relative advantages can be appraised in a realistic environment.
4. In reporting seasonally adjusted data, the practice should be to report measures of error to which the seasonally adjusted data and their rates of change are subject. Such measures can be obtained either from the record of revisions or by more formal methods.
5. It would be desirable to include in the

regular release of current data on the level of aggregates measures of their rates of change that have been found to be most useful, together with measures of their reliability.

6. Judgmental modifications of seasonal factors should be avoided. It is desirable to specify in advance what procedure will be used so that others can obtain the same result. If a modification does prove necessary, the procedure yielding the modification should be described also.

7. The Board should set forth its views on policy with respect to seasonal variations in the demand for and supply of money and credit. Methods of seasonal adjustment could then be designed and evaluated accordingly.

8. In light of the Board's policies with respect to seasonal variations, specific criteria for appraising seasonal adjustment methods should be established by the staff responsible for this work and applied systematically to the various techniques that are used.

9. Several modifications of the present seasonal adjustment procedure (X-11) should be developed and applied to the monetary aggregates, including improved smoothing procedures and exclusion of further routine revisions of seasonal adjustment factors after one full year of additional data has become available.

10. A continuing research program on seasonal adjustment methods and their application to financial data should be established by the Board. Staff positions should be assigned to this work and regular reports scheduled. Among the important areas for research, in addition to those noted above, is the relation between seasonal movements and Federal Reserve policies.

In summary, three of the committee's recommendations (1, 2, and 9) propose modifications to

the X-11 procedure that aim to reduce seasonal factor revisions. Two other recommendations (4 and 5) have to do with publishing measures of error for seasonally adjusted levels and growth rates of the aggregates, and with alternative ways to calculate the latter. The report in fact includes two alternative calculations for the current rate of change of an aggregate series. One of these, based on an ARIMA modelling of the series, has the useful feature that the seasonally adjusted rate of growth is determined directly from the overall model.<sup>12</sup> The second method is to calculate a year-over-year change but to replace last year's value with a centered 12-month average of that and surrounding figures, to reduce the dependence of the traditional year-over-year calculation on what went on a year earlier.

The tenth recommendation has already been implemented: the Division of Research and Statistics' newly established Seasonal Adjustment Research Committee consists of about twenty members of that Division and of the Division of International Finance. One of the major efforts of this research group is to develop and experiment with model-based procedures, along the lines discussed earlier in this article and in accordance with the third recommendation of the Committee of Experts. These efforts are directed initially at enhancements to X-11, including X-11-ARIMA, preadjustment by intervention analysis, and improved trading-day or calendar adjustments. Any modifications in technique that may be proposed will require much "on-line" experimentation and analysis. The X-11 procedure, whatever its shortcomings, is a well-established and widely accepted method, and any proposed modification will also be thoroughly evaluated and firmly established before being implemented. □

# Treasury and Federal Reserve Foreign Exchange Operations: Interim Report

*This interim report, covering the period August through October 1981, is the eighteenth 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 Sam Y. Cross, Manager of Foreign Operations of the System Open Market Account and Senior Vice President in charge of the Foreign Group of the Federal Reserve Bank of New York.*

In early August the year-long advance of the dollar in the exchange markets reached its peak. Until then, the dollar was in persistently strong demand against most major currencies, bolstered by an improving outlook for U.S. inflation, positive worldwide sentiment toward the Reagan administration's economic program, a favorable U.S. current account performance, and large interest differentials favoring dollar investments. At the same time, many industrial countries abroad experienced economic and political difficulties that depressed market sentiment toward their currencies. By August 10 the dollar had risen some 45 percent from its level a year earlier to reach a five-year high of DM 2.5773 against the German mark, while registering sizable increases against other currencies as well.

Subsequently, some of the factors that had spurred bidding for the dollar began to appear less compelling than before. The international enthusiasm that followed congressional passage of the administration's tax and expenditure program started to wane. Market participants remained impressed by the administration's goals of stimulating private savings and investment and reducing the government's role in the economy. But participants in the exchanges, as in the U.S. domestic financial markets, expressed skepticism that the fiscal package approved by the Congress would in fact succeed in adequately

reducing the federal budget deficit. The prospect of continuing sizable Treasury financing requirements raised serious concerns.

By late summer, also, there was growing evidence of sluggish U.S. economic activity, and market participants expressed concern that the Federal Reserve might be forced to relax its policy of monetary restraint under the weight of growing political criticism of high interest rates at a time of little or no U.S. economic growth. U.S. short-term interest rates did in fact begin to ease, even though monetary policy continued tight. Between August and early October the federal funds rate dropped about 500 basis points, the rate on three-month Eurodollar deposits declined about 300 basis points, and the Federal Reserve progressively reduced its surcharge on large banks that frequently borrow at the discount window from 4 percent to 2 percent.

Abroad, the domestic economies of major industrial countries were also generally stagnant. Nonetheless, most countries were experiencing accelerating inflation, owing in part to the prolonged weakness of their currencies in the exchanges. The authorities in some nations—notably France, Switzerland, and the United Kingdom—raised their interest rates while others, feeling they had little room to ease monetary policy so as to provide some stimulus to their flagging economies, opted to hold monetary con-

## 1. U.S. Treasury securities, foreign currency denominated<sup>1</sup>

Millions of dollars equivalent; issues, or redemptions (-)

Issues	Commitments, July 31, 1981	August through October 1981	Commitments, Oct. 31, 1981
<i>Public series</i>			
Germany .....	5,233.6	-680.3	4,553.3
Switzerland.....	458.5	0	458.5
<b>Total.....</b>	<b>5,692.1</b>	<b>-680.3</b>	<b>5,011.8</b>

1. Data are on a value-date basis.

FOOTNOTES

1. See George E. P. Box and Gwilym M. Jenkins, *Time Series Analysis, Forecasting and Control* (San Francisco: Holden Day, 1970).

2. For the modified version, see William P. Cleveland and Michael R. Grupe, "Modeling Time Series When Calendar Effects are Present," Special Studies Paper 162 (Board of Governors of the Federal Reserve System, 1981; processed).

3. George E. P. Box and George C. Tiao, "Intervention Analysis with Applications to Economic and Environmental Problems," *Journal of the American Statistical Association*, vol. 70 (March 1975), pp. 70-80.

4. For a more complete description of this technique and its application, see David A. Pierce and William P. Cleveland, "Intervention Analysis and Seasonal Adjustment of the Monetary Aggregates," Special Studies Paper 163 (Board of Governors of the Federal Reserve System, 1981; processed). See also Thomas D. Simpson, John R. Williams, William P. Cleveland, David A. Pierce, Michael R. Grupe, Edward R. Fry, and David E. Lindsey, "Recent Revisions in the Money Stock: Benchmark, Seasonal Adjustment, and Calculations of Shift-Adjusted M1-B," (Board of Governors of the Federal Reserve System, Division of Research and Statistics, Banking Section, 1981; processed); a short version of the paper appeared in the *FEDERAL RESERVE BULLETIN*, vol. 67 (July 1981), pp. 539-42.

5. Estela Bee Dagum, *The X-11-ARIMA Seasonal Adjustment Method* (Statistics Canada, February 1980).

6. William P. Cleveland, "Analysis and Forecasting of Seasonal Time Series" (Ph.D. dissertation, University of Wisconsin, 1972).

7. James A. Stephenson and Helen T. Farr, "Seasonal Adjustment of Economic Data by Application of the General Linear Statistical Model," *Journal of the American Statistical Association*, vol. 67 (March 1972), pp. 37-45.

8. Arthur Havenner and P. A. V. B. Swamy, "A Random Coefficient Approach to Seasonal Adjustment of Economic Time Series," *Journal of Econometrics*, vol. 15 (February 1981), pp. 177-210.

9. David A. Pierce, "Seasonal Adjustment when Both Deterministic and Stochastic Seasonality are Present," in A. Zellner (ed.), *Seasonal Analysis of Economic Time Series* (U.S. Bureau of the Census, 1978), pp. 242-73.

10. David A. Pierce, "Trend and Noise in the Monetary Aggregates," *New Monetary Control Procedures*, vol. II (Board of Governors of the Federal Reserve System, 1981).

11. *Seasonal Adjustment of the Monetary Aggregates*, Report of the Committee of Experts on Seasonal Adjustment Techniques (Board of Governors of the Federal Reserve System, 1981).

12. Further detail on this method is contained in George E. P. Box and David A. Pierce, "Estimating Current Trend and Growth Rates in Seasonal Time Series," Special Studies Paper 156 (Board of Governors of the Federal Reserve System, 1981; processed).

2. Net profits and losses (–) on U.S. Treasury and Federal Reserve foreign exchange operations<sup>1</sup>

Millions of dollars

Period	Federal Reserve	U.S. Treasury	
		Exchange Stabilization Fund	General Account
Aug. 1 through Oct. 31, 1981 .....	0	0	24.3
Valuation profits and losses on outstanding assets and liabilities as of Oct. 31, 1981 .....	-316.5	-1,200.4	856.0

1. Data are on a value-date basis.

ditions firm. As a result, short-term interest differentials favoring the dollar narrowed sharply.

Moreover, a number of balance of payments developments here and abroad were interpreted in the market as signalling a reversal in current account positions that in recent years had been favorable to the United States. This country's trade account posted a wide deficit in August, and the current account was expected to move from surplus to deficit sometime during 1982 in view of the sharp appreciation of the dollar and the sluggishness of most foreign economies. At the same time, Japan's current account moved strongly into surplus. Germany's net exports had expanded to the point of bringing monthly current account figures close to balance, and German officials as well as private forecasters began to talk of a sharp turnaround in Germany's external position.

Throughout the summer, expectations intensified that divergent policies and economic trends among European Monetary System (EMS) countries, particularly Germany and France, would force a realignment of the joint float. These expectations generated large speculative flows that imposed major strains on the joint float. To keep their currencies within the agreed limits, EMS central banks intervened by selling large amounts of dollars in addition to EMS currencies during August and September. Then on October 4 the EMS currencies were realigned, with the German mark and Dutch guilder each revalued 5½ percent and the French franc and Italian lira each devalued 3 percent in relation to the other participating currencies whose central rates remained unchanged. After the realignment the German mark traded near the bottom of the joint

float while the French franc rose toward the top, and for a time substantial reflows of capital occurred.

From mid-August through early October these various considerations led to widespread and occasionally substantial selling pressure on the dollar and produced a major decline in dollar rates. From its peak levels the dollar declined as much as 17 percent against the Swiss franc, 15½ percent against the German mark, 7¾ percent against sterling, 5¾ percent against the Japanese yen, and 4 percent against the Canadian dollar.

After reaching a low point on October 9, however, the dollar came into renewed demand. Commercial buy orders emerged in large amounts in a number of centers to take advantage of what were regarded as favorable dollar rates for both investments and current payments. From time to time there were also substantial purchases of dollars by non-Group of Ten central banks. In addition, recurrent episodes of geopolitical tension, especially in Poland and the Middle East, generated sharp demands for dollars essentially because political and security concerns were seen in the exchanges as potentially less destabilizing to the United States than to most countries abroad. Thus, market participants remained relatively optimistic about the U.S. overall prospects and continued to regard the United States as an attractive outlet for investment.

Also during October, developments suggested that interest rate differentials favorable to the dollar would not erode as rapidly as had been expected. In the United States, short-term interest rates declined further toward the month-end as evidence mounted of a softer-than-expected economy. On October 30 the Federal Reserve responded to the lower level of market interest rates by reducing the discount rate 1 percentage point to 13 percent. But by this time, recessionary tendencies in many European countries had deepened, and market participants came to expect that foreign monetary authorities would take advantage of further declines in U.S. interest rates to ease their own domestic monetary conditions. Moreover, as analysts took account of shifting economic growth prospects here and abroad, many began revising their current account forecasts, predicting less deterioration than previously expected in the 1982 current

account for the United States and less improvement in the current accounts of other countries. Adding to this sense of caution were the widening deficits on invisibles in Germany and Japan, partly reflecting the influence of mounting interest payments on foreign borrowings.

In these circumstances, despite the renewed decline in short-term U.S. interest rates during the last days of the month, the dollar proved resilient in the exchanges and ended the period up from its lows. On balance, over the three months the dollar declined nearly 16 percent against the Swiss franc, 10½ percent against the German mark, and about 3¼ percent against the Japanese yen. With respect to the Canadian dollar and pound sterling, the dollar ended the period down 2¾ percent and 2¼ percent respectively.

During the August–October period there were occasions when the market experienced unusually sudden and sharp exchange rate movements mainly related to political events. These episodes occurred largely during the European trading session and were quickly reversed. The U.S. authorities did not intervene in the market for their own account during the period.

Foreign central banks did intervene during the

period in dollars and in sizable amounts. In this connection the Trading Desk at the New York Federal Reserve intervened on occasion as agent for other central banks in the New York market.

On September 1 the U.S. Treasury paid off \$680.3 million equivalent of its German mark-denominated securities. After this redemption the Treasury had outstanding \$5,011.8 million equivalent of foreign currency notes (public series)—\$4,553.3 million equivalent denominated in German marks and \$458.5 million equivalent denominated in Swiss francs.

In the three-month period from August through October, the Federal Reserve and the Exchange Stabilization Fund realized no profits or losses from exchange transactions, while the Treasury's general account gained \$24.3 million, reflecting the profit that occurred upon the redemption of the German mark-denominated securities. As of October 31, valuation losses on outstanding foreign currency balances were \$316.5 million for the Federal Reserve and \$1,200.4 million for the Exchange Stabilization Fund. The Treasury's general account had valuation gains of \$856 million related to outstanding issues of securities denominated in foreign currencies. □

# Industrial Production

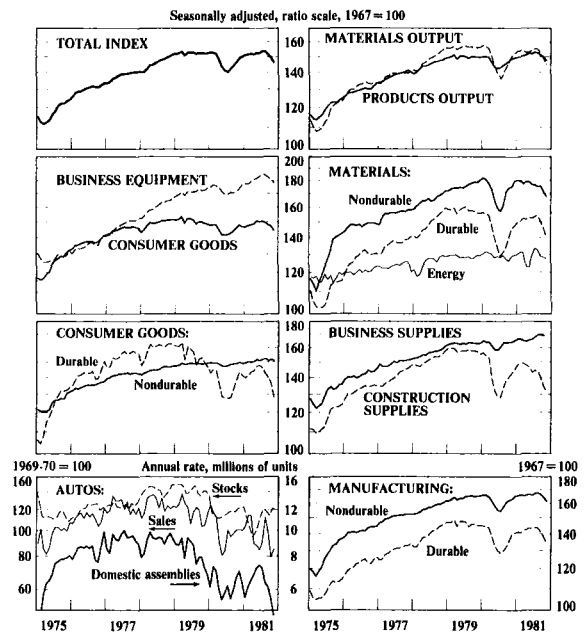
Released for publication December 16

Industrial production fell an estimated 2.1 percent in November, after declines of 1.4 percent in October and 1.2 percent in September. Reductions were widespread again, with large cutbacks in output of consumer durable goods, construction supplies, business equipment, and both durable and nondurable materials. Industrial production in November was 146.5 percent of its 1967 average.

In market groupings, output of consumer goods fell sharply in November, as production of durable consumer goods dropped substantially. Auto assemblies, at an annual rate of 4.8 million units, were almost 13 percent below their October rate; output of home goods fell more than 5 percent, reflecting a deep cut in the production of appliances. Output of consumer nondurable goods declined only a little. Business equipment dropped 1.6 percent further, as output of all of its major components was reduced. Production of construction supplies fell 2.1 percent, somewhat less than in October. In contrast to these large reductions, output of defense and space equipment continued its upward trend and was more than 4 percent higher than a year earlier.

The production of materials was reduced 2.7

percent in November, as both durable and non-durable materials declined sharply. Among durable materials, large declines occurred in output of basic metals and of parts for consumer durable goods and for business equipment. The decline in nondurable materials was concentrated in chemi-



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

## Major market groupings

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, Nov. 1980 to Nov. 1981
	1981		1981					
	Oct. <sup>p</sup>	Nov. <sup>e</sup>	July	Aug.	Sept.	Oct.	Nov.	
<b>Total industrial production</b>	<b>149.6</b>	<b>146.5</b>	.7	-.2	-1.2	-1.4	-2.1	-1.8
Products, total	150.0	147.6	.5	-.3	-.9	-.8	-1.6	-.7
Final products	149.6	147.3	.5	-.4	-.8	-.5	-1.5	-.1
Consumer goods	147.5	144.7	.3	-.7	-.9	-.5	-1.9	-2.3
Durable	136.6	128.4	-.9	-2.7	-1.5	-2.6	-6.0	-10.5
Nondurable	151.9	151.3	.7	.1	-.8	.4	-.4	.9
Business equipment	181.1	178.2	.7	-.2	-1.0	-.8	-1.6	2.5
Defense and space	104.0	104.6	.9	.2	.7	.5	.6	4.3
Intermediate products	151.6	149.0	.8	.4	-1.5	-1.9	-1.7	-2.9
Construction supplies	134.3	131.5	.6	-.2	-3.1	-3.8	-2.1	-7.8
Materials	148.9	144.9	.8	-.1	-1.8	-2.3	-2.7	-3.5

<sup>p</sup> Preliminary. <sup>e</sup> Estimated. NOTE. Indexes are seasonally adjusted.



## Major industry groupings

Grouping	1967 = 100		Percentage change from preceding month					Percentage change, Nov. 1980 to Nov. 1981
	1981		1981					
	Oct. <sup>p</sup>	Nov. <sup>e</sup>	July	Aug.	Sept.	Oct.	Nov.	
Manufacturing.....	148.7	145.2	.5	.0	-1.3	-1.7	-2.4	-2.5
Durable.....	138.1	134.0	.3	-.1	-1.7	-2.0	-3.0	-3.7
Nondurable.....	164.0	161.5	.8	.1	-.7	-1.3	-1.5	-.9
Mining.....	145.1	144.4	3.4	-.3	-.4	-.2	-.5	6.9
Utilities.....	168.5	166.6	.2	-.7	-1.6	-.4	-1.1	-1.9

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

cals and textiles. Output of energy materials fell 0.5 percent again in November.

In industry groupings, manufacturing output was cut 2.4 percent in November. Production of durable manufactures dropped 3.0 percent, and

nondurable manufactures fell 1.5 percent; curtailments were widespread among industries. Output of mines and of utilities also continued to decline.

## Statements to Congress

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*Statement by Frederick H. Schultz, Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Agriculture and Transportation of the Joint Economic Committee, December 1, 1981.*

I am pleased to have the opportunity to participate in your hearings on the importance of agriculture to the U.S. economy. You asked me to discuss the impact on agriculture of developments in the general economy and financial markets. Although conditions in the agricultural sector depend importantly on circumstances unique to that sector, over recent years the performance of agriculture has in some respects become increasingly tied to events in the rest of the economy. During the past decade in the absence of large surplus stocks of farm commodities, crop production problems and changes in demand for farm output, whether in the United States or abroad, have been transmitted more rapidly to changes in the price and availability of farm products. In similar fashion, cyclical changes in the general level of interest rates have recently been reflected more quickly and completely in the cost of funds borrowed by farmers.

Agriculture, like many other sectors of the U.S. economy, has been affected by the related ailments of high inflation, high interest rates, and sluggish economic activity that have plagued us for the last few years. The failure of consumer incomes to grow, after taking account of inflation, has limited demand for many farm products, particularly meat. With favorable weather in many areas of the country spurring production at the same time, retail food prices this year seem certain to register their smallest increase since 1976. Prices for meats and livestock have actually fallen this year, reflecting a shift in consumers' preferences that may have been accentuated by the uncertain economic environment. The softness in agricultural prices has helped to slow the overall rate of inflation this year—which, of course, is what we are all trying to achieve.

For the farmer, however, relatively stable prices have meant little growth in gross farm income. Other prices, unfortunately, have not stopped rising—including prices paid by farmers for the goods necessary to produce their output. Prices of production goods and services purchased from the nonfarm sector rose 11 percent in 1981, following an increase of 16 percent in 1980. The result has been a marked decline in net farm income; not only has inflation reduced farm earnings, but it has also eroded the purchasing power of this net income. In response, farmers have pared their purchases of new equipment sharply, placing great stress on the manufacturers in this sector. Thus inflation has played a major and direct role in causing difficulties for farmers and related industries.

Inflation also has affected the agricultural sector through its influence on interest rates. When prices are expected to rise, lenders seek to be compensated for being repaid in funds with reduced purchasing power by receiving a higher return on their loans. Many borrowers often are willing to pay these higher rates because they expect that the goods they are purchasing on credit will be more expensive if they wait. As a result, the rapid inflation experienced in recent years has been associated with interest rates that are high by historical standards.

Before 1979, farmers borrowing from rural banks were largely insulated from fluctuations in interest rates in national markets because these changes had little effect on the cost of funds at such banks. The introduction of smaller time deposits with ceiling rates tied to money market rates has changed that situation, however. By September 30 of this year, six-month money market certificates of deposit represented 30 percent of total resources at agricultural banks and large-denomination certificates accounted for another 7 percent; thus, well over a third of the footings of these banks were in the form of short-term deposits carrying market-related rates. In addition, most rural banks have been

offering longer-term "small saver" certificates, which, beginning this summer, have been issued at market-related rates. Consequently, when market interest rates increased sharply during the past spring and summer, the rising cost of funds at rural banks led to higher rates on farm loans. Even so, at their peaks, these rates remained below the prime rate at large banks. The average effective rate on farm loans at the smaller banks had reached 19.1 percent at the time of our quarterly survey conducted during the first week of August, when the prime rate at large banks was 20½ percent.

Although the shift to market-related yields on the liabilities of smaller and rural banks has caused loan rates at these institutions to fluctuate with changes in market rates, offsetting benefits have accrued to rural communities. Rural residents, including farmers, have been able to obtain market-related yields on their deposits in local institutions. The capacity of rural banks to compete more successfully for savings has allowed them to maintain or increase their lending ability during a period in which otherwise lending probably would have been impaired. The ample liquidity and lending capacity of rural banks are illustrated by the relatively low level of their average loan-to-deposit ratios recently. Currently this measure is around 61 percent, down from 68 percent two years ago, despite growth in loans over this period. Credit has remained available to farmers, although at high rates.

The rise in interest rates has greatly aggravated cash flow difficulties for those farmers who are highly leveraged—operating at high debt-to-asset ratios—and those who rely on short-term financing. When one looks at the agricultural sector as a whole, however, farmers in this particularly vulnerable credit position are a small proportion of all farmers. The average debt-to-asset ratio in agriculture is only 18 percent—less than half the average ratio found in nonfinancial corporate business. Furthermore, the average interest rate being paid on all outstanding farm debt has risen relatively slowly, and for 1981 is estimated at about 10¼ percent, up less than 2 percentage points from 1979. Much outstanding debt was incurred in earlier years at lower fixed rates and for long periods from sellers of farms, life insurance companies, and other mortgage lenders, or from Federal Land Banks whose

variable rates have risen relatively slowly; also, a significant proportion of recent new debt consisted of drought-related loans from the Farmers Home Administration that were made at below-market rates. The increase in interest costs that has resulted from the rise in rates accounts for a relatively small part—less than a fifth—of the drop in real net earnings of the farm sector since 1979.

By the same token, the reduction in interest rates that has occurred in the last few months is unlikely to produce dramatic improvement in the financial situation of the farming sector as a whole. The increase in total interest costs will be slowed, but average rates on new loans would have to fall below 11 percent in order to reverse the upward climb in the average rate on all debt. However, the ongoing drop in market and farm loan rates will greatly aid those highly leveraged users of short-term loans who were hardest hit as rates rose.

The recent declines in interest rates appear to stem primarily from reductions in private demands for money and credit associated with a weakening economy—a combination that implies costs as well as benefits to farmers. Longer-term relief will not come until we see a pronounced and continuing moderation in the inflation that has gripped this country for more than a decade. Reduced inflation will bring with it permanently lower interest rates and will set the stage for resumption of sustained economic growth.

The Federal Reserve is following a strategy designed to bring about this result. We have announced our intention to reduce growth in money and credit gradually to rates consistent with stable noninflationary economic growth. The course will not be smooth. In a world of volatile expectations and rapid changes in financial practices, we cannot guarantee the achievement of our objectives for monetary expansion over short periods, nor perhaps should we attempt to do so. Moreover, even a stable growth path for money and credit may be associated with considerable volatility in the level and pattern of spending as the economy adapts to slowing inflation rates.

The current downturn in economic activity is an unfortunate example of this. I believe that the decline will be limited, partly because the recent downward movement in interest rates will buoy

demands in credit-sensitive sectors. It would be a grave mistake, in my view, for the Federal Reserve to attempt to turn the economy around by greatly accelerating money growth. Such a policy might result initially in lower interest rates and a faster rebound in activity, but it would also signal once again a lack of resolve in combating inflation. The ultimate outcome would be higher inflation and interest rates and additional strains on our economy and financial system. This outcome can be prevented if the Federal Reserve sticks to its longer-run policy, and we are determined to do so.

The transition to an economy of noninflationary growth will not be easy. The problems we are facing have been building up for many years, and we cannot expect quick or painless solutions to them. Moreover, heavy reliance on monetary policy to accomplish this goal puts particular stress on those sectors of the economy that are sensitive to changes in the cost and availability of credit—and agriculture falls increasingly into this category. The adjustment would be swifter and more equitable were the federal government's budget policy working to reinforce the thrust of

monetary policy. This does not appear to be in prospect, given the very large gaps now expected between receipts and expenditures in coming years. High budget deficits put additional strain on private borrowers because in effect the government has first call on the nation's pool of savings. Reducing government competition for these funds would lower interest rates and encourage private spending initiatives. As important as the direct effect of lower deficits on financial markets, in my view, would be the perception, fostered by a better outlook for budget balance, that policy throughout the government was being formulated to accomplish the goal of lower deficits. Inflation has persisted at such a high level in the face of generally weak economic activity because, for one reason, the public is not yet convinced that government will follow a sustained and consistent policy to end it. We must convince businessmen, farmers, consumers, and wage earners that they can no longer plan on continuing price increases—that all elements of government policy are dedicated to stopping inflation and will persist until successful. □

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*Statement by Nancy H. Teeters, Member, Board of Governors of the Federal Reserve System, before the Task Force on Federal Credit of the Committee on the Budget, U.S. Senate, December 10, 1981.*

Mr. Chairman, it is a pleasure to be here to present the views of the Federal Reserve Board on the impact, budgeting, and control of federally assisted credit. This is a particularly appropriate time to consider such issues. Given the serious inflation problem currently plaguing our nation, it is imperative that growth in money and credit be held to a moderate pace. Within this context, every effort should be made to insure that federal credit activities as well as federal spending are carefully evaluated in order to avoid creating serious distortions in financial markets.

Indeed, it would be most inappropriate for off-budget federal loan programs and loan guarantees to provide a less conspicuous substitute for direct, on-budget federal spending at a time when strenuous efforts are being made to bring the

growth of spending under control. Although the economic and credit-market consequences of federal loans and loan guarantees are not in all cases the same as those of deficit-financed federal spending, enough similarities exist to warrant parallel procedures for budgetary review and control. I shall argue, therefore, that formal procedures for budgetary control of federal credit activities be given careful consideration. Furthermore, I shall renew my earlier recommendations for establishment of a new budget commission to analyze the appropriate accounting for federal credit programs and for continuing analysis and evaluation of the appropriate tools—direct spending, loans, loan guarantees, or tax expenditures—for achieving alternative program objectives.

#### *GROWTH OF FEDERAL CREDIT PROGRAMS*

Mr. Chairman, federal credit programs have expanded enormously, both in amount and in

scope, in recent years. The total volume of outstanding direct loans and loan guarantees, for example, has been projected to total more than \$540 billion by the close of the fiscal year that ended in September. This volume is nearly triple the \$190 billion level reached just 10 years ago. In addition, the volume of loans held by government-sponsored agencies was projected to total about \$170 billion at the end of fiscal year 1981, up \$20 billion from last year and more than four times the level 10 years earlier. In fact, the growth of these loans has been much larger than anticipated, principally due to increased demands on the Federal Home Loan Banks.

Federal credit activities, moreover, are likely to continue to grow rapidly in the years ahead unless deliberate efforts are made to constrain them. The January budget projected that net credit advanced under federal auspices—direct, guaranteed, and sponsored—would total more than \$100 billion during fiscal year 1982. The administration's March budget revisions for fiscal year 1982 called for a significant reduction in loan obligations and guarantee commitments, and further sizable reductions in loan guarantee commitments were recently announced. Even so, if total credit flows in the coming years were roughly to match those of the past year, funds raised under federal credit auspices would account for considerably more than one-quarter of the total net funds raised by nonfinancial and financial borrowers in domestic credit markets.

The widening range of economic activities assisted by federal programs is also noteworthy. In the late 1950s, the home mortgage guarantee programs of the Federal Housing Administration (FHA) and the Veterans Administration accounted for 90 percent of the total volume of guaranteed and insured loans outstanding. This proportion has since trended down and was expected to have been about 73 percent at the end of the last fiscal year, mainly because of an expansion of loan guarantees into new areas—such as military sales and student loans.

The provision of federal credit assistance through direct loans and loan guarantees to achieve particular social and economic objectives has been widely recognized as a legitimate and valuable activity. Many credit programs originally were established to correct imperfec-

tions in capital markets that denied credit to some groups or made its cost prohibitive. For example, the FHA-insured loan programs were devised during the Great Depression to reduce the risks perceived by lenders. By pooling risks across a large number of loans issued in a standardized fashion, the government program encouraged private lenders to advance credit at a lower cost to borrowers and on less restrictive terms than would otherwise have been possible. Over time, these more liberal terms gained general acceptance among all types of private lenders.

Many other federal credit assistance programs have been introduced over subsequent years to foster social objectives. Increasingly, these programs have involved substantial interest subsidies. According to estimates by the Office of Management and Budget, the present value of the interest subsidy on new direct loan obligations and commitments to guarantee loans in the fiscal year just ended was estimated to total almost \$27 billion. In contrast to the home mortgage area, moreover, the default rate in some of these programs—such as student loans and assistance for low-income housing—has been comparatively high. Thus, the government has had to absorb sizable, and in some cases unanticipated, default losses in addition to the measured interest rate subsidies to borrowers. In the past few years, the federal government has also guaranteed sizable loans to single borrowers that carry a large potential for default.

### *IMPACTS OF FEDERAL CREDIT PROGRAMS*

Since the general purpose of federal credit programs, obviously, is to enable individual borrowers or groups of borrowers to obtain credit, which would otherwise be unavailable to them or only available at a higher cost, it follows that these programs will generally tend to increase use of credit by program beneficiaries. Whether this increase will, in turn, result in greater use of credit in the aggregate, and whether such an increase is desirable, depends on the characteristics of the particular programs and on the state of the economy at large.

Let me give some examples to demonstrate the

differences in the economic effects of federal credit assistance programs. In some cases, programs may serve as close substitutes for deficit-financed federal spending. Consider, for example, a situation in which the Congress was contemplating expanding the program in which the federal government guarantees debt issued by state and local authorities who then use the proceeds to provide low-cost housing to the poor. Many of the end results of such an expansion could be quite similar to those that would be observed if the federal government were, alternatively, to increase its direct spending to undertake the construction of rental units and were then to rent space on a subsidized basis. Note that under either approach construction funds would be provided by private investors either through the acquisition of federally guaranteed securities or by acquiring more Treasury securities than otherwise; the same essential type and volume of productive resources would be used to construct the rental units; and low-income families would be provided with better housing than they are otherwise able to obtain.

While stressing basic similarities, however, I should also note some important differences. The most important is that loans must be paid back. Thus, if such a program were to grow to a plateau and then remain constant in size, the volume of loan repayments would equal new loans being guaranteed and the net economic effect would be small. Growth in the net volume of guaranteed loans outstanding, however, could have an effect similar to that of deficit spending. In addition, interest paid on the debt instruments issued by states and localities under the program is not subject to federal tax, as it would be on a direct debt issue of the federal government, so net tax revenues would also be reduced by an expansion of the program.

Of course, other credit programs have much less similarity to noncredit federal spending. For example, homebuyers who take out mortgages under federal guarantees could, in most instances, obtain private credit without the guarantee, albeit at a slightly higher rate. Providing roughly equivalent assistance through direct federal spending in this case would require the federal government to give homebuyers only a modest interest subsidy. The small size of this

subsidy suggests that net demands on real resources and credit markets are affected relatively little by the guarantee program. Many cases obviously fall somewhere between these two extremes. Compare the effects of direct federal loans and outright grants-in-aid. In both cases, beneficiaries gain immediate command over goods and services. The major difference between the two approaches—that in the case of the loan the government obtains a claim on the beneficiary while it does not with the grant—is an important distinction. It is, however, a distinction without substance in those cases in which the borrower defaults.

In general, the closeness of the analogy between assistance provided by federal credit programs and deficit-financed direct federal spending appears to depend less on whether the aid in question is provided through direct loans or loan guarantees than on such things as creditworthiness of beneficiaries, the size and riskiness of their undertaking, and their relative ability to tap private credit sources on their own.

As in the case of deficit-financed federal spending, federal credit activities may reduce the availability of credit to others who are not program beneficiaries. The extent to which such “crowding out” takes place, however, depends importantly on the state of conditions in the economy and financial markets. During recessionary periods when credit supplies are readily available, credit assistance may work mainly to enable borrowers to obtain additional funds, which can be used to increase demands for goods or services. Thus, in these periods the net result of such programs may, to a great extent, promote a more intense use of resources and an expansion of economic activity rather than a transfer of credit (and resulting effective demand) from one borrower to another.

When resource utilization has less slack and credit market conditions are relatively tight, however, a much greater tendency exists for credit extended under federal auspices to channel loanable funds, and hence command over real resources, toward assisted borrowers and away from others. In other words, just as private borrowers can, at times, be crowded out of credit markets when federal outlays are financed through the issuance of Treasury debt, so can

some private borrowers face higher credit costs when other selected borrowers obtain loans with the assistance of the federal government. Nothing need be inherently wrong with the resulting allocation of credit if the federal intervention in credit markets reflects a careful assessment of the market imperfections that the government is trying to overcome and a careful weighing of costs and benefits. Continuous scrutiny of priorities under a credit budget process is important, however, if such balancing of costs and benefits is to be achieved. And such scrutiny is essential in current circumstances when the growth of credit is necessarily limited by anti-inflation policies.

#### *BUDGETARY CONTROL OF FEDERAL CREDIT ACTIVITIES*

As you know, congressional review and control of federal credit activities have been evolving over time. The utilization of the "unified budget" concept, beginning with the 1969 budget, is one notable watershed. At that time, the government adopted for *control* purposes a budget framework that was, in most respects, a cash accounting system. In making this choice, it decided (after considerable debate) to include the net outlays of all direct lending programs on-budget. This new approach, however, was uncomfortably silent on how federal loan guarantees were to be treated. In the early 1970s, moreover, there was some backsliding from the comprehensive coverage of the unified budget as a number of agencies were removed from the budget and newly established agencies were accorded off-budget status.

Furthermore, the advantages for orderly marketing of federal debt gained through creation of the Federal Financing Bank (FFB) in 1974 had an unfortunate side effect. Since the activities of the FFB have been off-budget from the outset, its acquisition of loans is not reflected in the budget. Accordingly, the budgetary scrutiny intended to apply to direct loan programs as a result of the comprehensive coverage of the unified budget tended to be eroded. And agencies that made direct, on-budget loans to the public were able to sell these loans to the FFB, thereby enabling them to extend new loans without constraint.

In recent years, this erosion process has begun to be turned around. A number of important steps have been taken to make coverage of the unified budget more comprehensive and to improve controls of credit programs. In addition to incremental improvements in budget coverage, major strides have been taken in the development of a separate credit budget process. In the past two years, totals have been calculated and presented in the budget for gross new direct loan obligations and new loan guarantee commitments. Components of the credit budget total have been shown in respective budget functions and have been subdivided by agency and program in the special analysis accompanying the budget and in the budget appendix. Also, the outlays of the FFB (direct loans and loan-asset purchases) are now attributed to the originating agency, which in my view eliminates the tendency for the operation of the FFB to obscure the nature of credit programs. A final important step taken by the Congress last year was to have the budget resolutions include target ceilings for total new obligations and total new guarantee commitments and to distribute these totals by budget function.

Both the past and the current administrations have also proposed that a substantial proportion of the credit budget totals be made subject to annual appropriations limitations. The January budget proposed that 63.8 percent of the credit budget for fiscal year 1982 be so limited. Those programs exempted are limited to the following: unambiguous entitlements that cannot be effectively limited by appropriations; programs that provide for unforeseeable contingencies, such as deposit insurance; guarantees of certificates of beneficial ownership that are sold by the Farmers Home Administration and the Rural Electrification Administration; and a catchall of programs, such as export promotion loans by the Commodity Credit Corporation, that the last administration believed appropriate not to curtail because of economic circumstances. That final area of exemption, in particular, deserves careful evaluation by the Congress.

Broadening the coverage of the unified budget and the formulation of a separate but parallel credit budget sets the stage for a number of further steps in implementing an effective process to bring credit programs under systematic

review and control. One logical next step might be to formalize a credit budget process with enforcement procedures. The Federal Reserve Board, in general, enthusiastically endorses the formalization of some credit budget process such as that implemented on an experimental basis last year.

The Board's view, however, is that legislation that contains measures pertaining to appropriations limitations should be carefully approached. Such limitations are, of course, central to the budgetary control process proposed by the last administration and endorsed by the present one. However, exemption of at least some emergency assistance and entitlement programs appears warranted. If legislation applying such limitations is contemplated, the Board, therefore, suggests that all emergency assistance and entitlement programs be exempted, at least until more experience is gained with a formal budget process and until a case-by-case review of these programs can determine the possible difficulties or advantages of applying appropriations limitations to them. The exemption of entitlement and emergency assistance programs from appropriations limitations need not imply changing the current procedures whereby legislation creating or expanding entitlements is referred to the Appropriations Committee for review. The Board's recommendation that entitlements and emergency assistance programs be exempted from binding appropriations ceilings is intended only to promote the effective operations of those programs thought by the Congress to be worthwhile, even in the event of unanticipated demands on them resulting from natural disasters or unforeseen economic developments.

Although enactment of legislation to apply a

formal budget process to credit programs would go far to bring order into the federal credit program scene, I would like to recommend other steps. One is a systematic review of the treatment of federal credit programs in the unified budget. The current haphazard situation, in which some loan programs are included in the unified budget and others are not, should be ended. A careful analysis should be undertaken of the question of whether or not the principal amount (net) of all direct loans should be included in the unified budget and whether, if the principal amount of direct loans is excluded as I am inclined to prefer, the amount of the implicit or explicit interest subsidy should be placed on-budget. Similarly, a comprehensive review of guarantee programs would be desirable in order to determine whether the potential subsidy or future outlay for defaults is taken appropriately into account. I have previously called for the establishment of a new budget commission, which would be charged with analyzing and resolving these questions. In my view, the passage of time has not reduced the advisability of establishing such a commission.

Finally, I recommend to this committee a continuing evaluation of the extent to which direct spending, direct loans, loan guarantees, or beneficial tax treatment can most effectively be used to achieve particular program objectives and the extent to which, in particular budget functions, there may be duplicative and excessive use of these various approaches. The budget process has come a long way in providing the accounting framework and legislative process needed to address such questions. I look forward to further progress and I am sure that the work of this committee will contribute to it. □



# Announcements

## *CHANGE IN DISCOUNT RATE*

The Federal Reserve Board approved a reduction in the basic discount rate from 13 percent to 12 percent, effective December 4, 1981. The action was taken to bring the discount rate into better alignment with short-term rates that have been prevailing recently in the market.

In announcing the change the Board acted on requests from the directors of the 12 Federal Reserve Banks. The discount rate is the interest rate that applies to borrowings from the District Federal Reserve Banks.

## *REMOVAL OF DISCOUNT RATE SURCHARGE*

The Federal Reserve Board removed the 2 percent surcharge that applies to large, frequent borrowers at the discount window effective November 17, 1981. No change was made in the basic discount rate of 13 percent.

The Board considers the surcharge unnecessary in the current circumstances in the light of the level of short-term interest rates prevailing in the market and the reduced level of adjustment borrowing.

In announcing the change, the Board acted on requests from the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco. The Board approved similar actions by the directors of the Federal Reserve Banks of Boston and New York, effective November 18, and of Philadelphia and Kansas City, effective November 20, 1981. The discount rate is the interest rate that applies to borrowings from the District Federal Reserve Banks.

## *DEFINITION OF BANK CAPITAL*

The Federal Reserve Board has adopted a broadened definition of bank capital for its use in

determining the adequacy of capital in state member banks. The definition had been recommended to the Federal Reserve and to the other federal bank regulators by the Federal Financial Institutions Examination Council (FFIEC) in the interests of promoting uniformity among federal bank regulators.

In adopting the FFIEC's recommended definition of capital the Board made it clear that the definition applies only to bank capital and does not apply to the definition of capital for bank holding companies. The Board indicated that in the application of the definition it would take into account the level of bank equity represented by the proceeds of debt issued by the parent holding company. The Board expressed concern about the possibility of undue bank purchases of the subordinated debt of other banks and indicated that the level of such activity would be monitored through the examination process.

The FFIEC's recommendations on bank capital to the federal regulators made it clear that the regulators would have flexibility to depart from the recommended guidelines when warranted by the circumstances of particular cases.

The Board decided not to accept a recommendation by the FFIEC that would have required, if accepted by the Board, all state member banks to keep their books on an accrual accounting basis. The Board felt that this would impose an unnecessary burden on small banks that prefer to keep their accounts on a cash basis.

The new definition of bank capital adopted by the Board follows.

## *Primary Components of Bank Capital*

The primary components of bank capital are as follows: common stock; perpetual preferred stock; surplus; undivided profits; contingency and other capital reserves; mandatory convertible instruments (capital instruments with covenants mandating conversion into common or perpetual preferred stock); and allowance for possible loan losses.

### *Secondary Components of Bank Capital*

It is recognized that other financial instruments can, with certain restrictions, be considered as part of bank capital because they possess some, though not all, of the features of capital. These instruments are limited-life preferred stock and subordinated notes and debentures.

#### *Restrictions Relating to Secondary Components*

The secondary components will be considered as bank capital under the following conditions:

1. The issue must have an original weighted average maturity of at least seven years.

2. If the issue has a serial or installment repayment program, all scheduled repayments shall be made at least annually, once contractual repayment of principal begins, and the amount repaid in a given year shall be no less than the amount repaid in the previous year.

3. The aggregate amount of limited-life preferred stock and subordinated debt qualifying as secondary capital may not exceed 50 percent of the amount of primary capital.

4. As the secondary components approach maturity, redemption, or payment, the outstanding balance of all such instruments—including those with serial note payments, sinking fund provisions, or an amortization schedule—will be amortized as shown in the accompanying table.

Years to maturity	Percent of issue considered capital
Greater than or equal to 5 . . . . .	100
Less than 5 but greater than or equal to 4 . . . . .	80
Less than 4 but greater than or equal to 3 . . . . .	60
Less than 3 but greater than or equal to 2 . . . . .	40
Less than 2 but greater than or equal to 1 . . . . .	20
Less than 1 . . . . .	0

No adjustment in the book amount of the issue is required or expected by this schedule. Adjustment will be made by a memorandum account.

#### *REGULATION D: AMENDMENT*

The Federal Reserve Board has amended, temporarily, its Regulation D (Reserve Requirements of Depository Institutions) to provide that the two-year period for phasing in reserve requirements of new depository institutions will apply only to institutions that began business on or after November 18, 1981, and that have reservable liabilities under \$50 million.

At the same time, the Board said that it intends to adopt a revised phase-in rule of this nature as a final rule and that it was considering making its

final rule applicable to all depository institutions, including those engaged in business before November 18, 1981. The Board asked for comment by December 21.

The phase-in rule of Regulation D was meant to assist new institutions during their start-up period. The Board is taking this action to prevent reserve avoidance by bank holding companies that open out-of-state banking subsidiaries.

#### *REGULATION Y: AMENDMENT*

The Federal Reserve Board has amended its Regulation Y (Bank Holding Companies and Change in Bank Control) to include the issuance of traveler's checks among the nonbanking activities permissible for bank holding companies.

The Board acted after consideration of comment received on its proposal published in June.

#### *REGULATION Z: REVISION OF STAFF COMMENTARY*

The staff of the Federal Reserve Board on November 27, 1981, issued a revision of its commentary on Regulation Z (Truth in Lending) stating that the origination fee on student loans made before August 1, 1982, need not be taken into account in making any Truth in Lending disclosures.

The staff had stated, in its commentary on Regulation Z published in October, that the origination fee need not be taken into account in calculating or disclosing the annual percentage rate on student loans, but the commentary did not extend the exception to other Truth in Lending disclosures.

#### *ASSETS AND LIABILITIES OF OVERSEAS BRANCHES OF MEMBER BANKS*

The Federal Reserve Board reported on November 17, 1981, that the combined assets of the overseas branches of member banks increased in 1980 by \$30.6 billion, or 9.8 percent, to a total of \$343.5 billion. Excluding claims on other foreign

Assets and liabilities of overseas branches of member banks, end of year, 1979 and 1980<sup>1</sup>

Millions of dollars

Item	United Kingdom and Ireland		Continental Europe		Bahamas and Cayman Islands		Latin America		Far East		Near East and Africa		U.S. overseas areas and trust territories		Total	
	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
<b>ASSETS</b>																
Cash and balances with banks.....	44,877	48,428	11,942	12,023	30,088	39,820	1,555	1,162	6,429	8,668	2,980	2,338	630	916	98,501	113,355
Loans, net.....	32,512	42,903	17,099	19,015	42,902	45,753	10,268	12,452	23,398	28,066	5,948	4,889	3,300	3,886	135,427	156,964
Due from other non-U.S. branches of own bank.....	23,272	23,031	4,245	4,233	818	2,538	1,645	219	2,388	2,142	916	363	145	482	33,429	33,009
Due from head office and U.S. branches.....	7,833	4,194	110	41	9,435	2,532	202	693	269	145	170	34	150	177	18,169	7,815
Due from consolidated subsidiaries.....	4,027	5,470	501	663	2,315	1,620	301	875	1,078	1,164	98	91	31	49	8,351	9,932
Other assets.....	5,734	6,391	3,804	3,982	2,784	3,513	1,140	1,639	4,589	6,026	396	301	601	535	19,048	22,386
<b>Total.....</b>	<b>118,256</b>	<b>130,419</b>	<b>37,701</b>	<b>39,955</b>	<b>88,342</b>	<b>95,776</b>	<b>15,111</b>	<b>17,039</b>	<b>38,151</b>	<b>46,211</b>	<b>10,508</b>	<b>8,016</b>	<b>4,856</b>	<b>6,045</b>	<b>312,925</b>	<b>343,461</b>
<b>LIABILITIES</b>																
Total deposits.....	108,983	119,185	28,859	29,173	63,922	68,157	7,492	10,092	19,278	22,062	8,188	5,640	3,920	5,209	240,642	259,518
Deposits of other banks.....	57,301	60,249	19,652	20,030	36,719	34,720	2,878	4,485	9,988	10,545	4,840	3,867	505	850	131,883	134,746
Other deposits.....	51,682	58,936	9,207	9,143	27,203	33,437	4,614	5,607	9,290	11,517	3,348	1,773	3,415	4,359	108,759	124,772
Due to other non-U.S. branches of own bank.....	2,158	3,797	2,871	3,809	12,539	6,768	4,250	4,288	9,943	12,087	1,894	2,021	160	236	33,815	33,006
Due to head office and U.S. branches.....	1,437	2,436	1,307	1,853	9,391	17,271	2,178	1,141	991	1,884	107	116	207	44	15,618	24,744
Due to consolidated subsidiaries.....	21	22	1,578	1,965	269	1,356	185	304	525	603	34	19	448	430	3,060	4,699
Other liabilities.....	5,657	4,979	3,086	3,154	2,221	2,226	1,006	1,213	7,414	9,575	285	221	121	126	19,790	21,494
<b>Total.....</b>	<b>118,256</b>	<b>130,419</b>	<b>37,701</b>	<b>39,955</b>	<b>88,342</b>	<b>95,776</b>	<b>15,111</b>	<b>17,039</b>	<b>38,151</b>	<b>46,211</b>	<b>10,508</b>	<b>8,016</b>	<b>4,856</b>	<b>6,045</b>	<b>312,925</b>	<b>343,461</b>
Number of branches.....	64	61	108	108	150	154	212	207	154	163	50	48	51	46	789	787

1. Data are from Board of Governors of the Federal Reserve System. Details may not add to totals due to rounding.

branches of the same bank, combined assets were \$310.5 billion at the end of December, an 11.1 percent increase from the 1979 year-end figure.

The increases for both measures were the smallest in more than 10 years.

Since 1970, total assets of foreign branches have increased at a compound annual rate of 20.6 percent; for assets net of claims on other foreign branches of the same bank the figure was 21.6 percent. During 1980, the foreign branches remained net providers of funds to their U.S. offices, continuing a pattern reestablished last year.

At year-end 1980, member banks operated 787 branches in foreign countries and overseas territories, a net decrease of 2 branches during the year. The distribution of these branches by geographic areas is provided in the table.

These 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. The report reflects all assets and liabilities of overseas branches whether denominated in U.S. dollars or other currencies. Nondollar

amounts have been translated into dollars at the relevant exchange rate.

### NEW PUBLICATION

*The Annual Statistical Digest, 1980*, is now available. This new one-year *Digest* is designed as a compact source of economic—and especially financial—data. The object is to lighten the burden of assembling time series by providing a single source of historical continuations of the statistics carried regularly in the FEDERAL RESERVE BULLETIN. The *Digest* also offers a continuation of series that formerly appeared regularly in the BULLETIN, as well as certain special, irregular tables that the BULLETIN also once carried. The domestic nonfinancial series included are those for which the Board of Governors is the primary source.

This issue of the *Digest* covers only 1980 unless data were revised for earlier years. It serves to maintain the historical series first published in *Banking and Monetary Statistics, 1941-70*, and the *Digest, 1970-1979*.

Copies of the *Digest* are available from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The price is \$10.00 per copy.

### PROPOSED ACTIONS

The Federal Reserve Board has proposed for comment amendments to some of the criteria that over-the-counter (OTC) stocks must meet and continue to meet to be included on the Board's list of OTC margin stocks. The Board requested comment by January 29, 1982.

The Board has also requested public comment on the questions of whether certain activities of a futures commission merchant are closely related to banking and whether public benefits would result if the activities were permitted for a subsidiary of a bank holding company. At the same time, the Board requested comment on the question of whether these activities should be added to the list of activities permissible for bank holding companies. The Board asked for comment by January 4, 1982.

### DISCONTINUANCE OF PUBLISHED INTERPRETATIONS

The Federal Reserve has discontinued issuing *Published Interpretations*, which is a compilation of interpretations of laws and regulations administered by the Federal Reserve Board. Copies of the *Interpretations* as of June 30, 1980, are available at a cost of \$7.50 each until the supply is exhausted.

Interpretations in *Published Interpretations* have been incorporated into the *Federal Reserve Regulatory Service*, which was first issued last

June and is available on a subscription basis from the Board. The *Regulatory Service* incorporates all Board regulations, interpretations, rulings, and staff opinions. The subscription price of the service is \$150 per year. Parts of the *Service* are available as separate handbooks covering consumer affairs, margin regulations, and regulations relating to monetary policy; they are available by subscription at \$50 a year each. Subscription requests should be directed to Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Persons who do not subscribe to the *Regulatory Service* may obtain complimentary copies of individual interpretations from the Board or the Federal Reserve Banks upon request. In addition, all official regulatory interpretations are published in the *Federal Register*.

### CHANGES IN BOARD STAFF

The Board of Governors has announced the following appointment.

Earl G. Hamilton as Assistant Director, Division of Federal Reserve Bank Operations, effective November 25, 1981. Before joining the Board's staff in June 1976, Mr. Hamilton had been an Assistant Professor of Finance at Howard University. He holds an M.B.A. from Louisiana State University and a Ph.D. in Finance from the University of Michigan.

The Board has also announced the promotion of Don E. Kline from Assistant Director to Associate Director in the Division of Banking Supervision and Regulation, effective November 16, 1981, and the resignation of Peter M. Keir, Assistant to the Board, on December 2, 1981.

# Record of Policy Actions of the Federal Open Market Committee

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## **Meeting Held on October 5-6, 1981**

### **Domestic Policy Directive**

The information reviewed at this meeting suggested that real GNP declined slightly further in the third quarter, following a decline at an annual rate of about 1½ percent in the second quarter indicated by revised estimates of the Commerce Department. Average prices, as measured by the fixed-weight price index for gross domestic business product, were estimated to have continued rising at the somewhat lower rate that emerged in the second quarter.

In July and August the nominal value of total retail sales was essentially unchanged from the level in June. Substantial credit and price concessions offered during August and early September temporarily boosted unit sales of new domestic automobiles. Sales dropped off in the latter part of September, however, and for the month as a whole were down considerably from August. Growth in consumer spending on goods other than autos had remained sluggish in August; the nominal value of nonauto retail sales in August was only slightly above its March level.

The index of industrial production fell 0.4 percent in August. Most of the decline reflected a sharp reduction in output of consumer durable goods, particularly in the motor vehicle industry. Production of business equipment and space and defense products continued to expand, while output of home goods, construction supplies, and materials fell.

Incoming information for September, including reports of declines in output in steel, electricity, and coal, and data on hours and employment, suggested a further appreciable decline in industrial production. Capacity utilization in manufacturing declined 0.6 percentage point in August to 79.2 percent, its lowest level since October 1980 and 8 percentage points below its recent peak in early 1979.

Total nonagricultural employment changed little in August and September, according to the establishment data. In manufacturing, employment changes in the two months were small and offsetting, and the average factory workweek dropped 0.9 hour in September, although the decline was apparently overstated because the survey week included Labor Day. Over the August-September period, employment in service industries continued to expand, while employment by state and local governments declined appreciably. In contrast to the establishment data, the survey of households showed a substantial decline in employment in September, and the unemployment rate rose to 7.5 percent, about equal to its average in the first half of 1981.

The Department of Commerce survey of business spending plans taken in late July and August suggested that current-dollar expenditures for plant and equipment would be 8.8 percent greater in 1981 than in 1980, compared with the 8.4 percent indicated by the survey taken in late April and May. The latest survey implied little, if any, change in real expenditures for the year.

Private housing starts fell in Au-

gust to an annual rate below 1 million units, down from the already depressed rate of just over a million units in June and July. Starts of single-family homes, at an annual rate of less than 600,000 units in August, were down two-fifths from their level of a year earlier. Newly issued permits for residential construction also declined, and sales of new and existing homes dropped considerably. Outlays for residential construction had declined sharply in real terms over the spring and summer months, but expenditures for nonresidential construction had changed little on balance during that period.

The producer price index for finished goods rose 0.3 percent in August, compared with 0.4 percent in July. The rate of increase in the two months was moderately lower than the rate during the second quarter and sharply lower than that during the first quarter. The consumer price index rose considerably more in July and August than in the immediately preceding months. Much of the acceleration reflected a substantial rise in the homeownership component of the index; food prices rose considerably, but energy costs increased little. Over the first nine months of the year, the rise in the index of average hourly earnings was somewhat less rapid than it was during 1980.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies had declined by nearly 10 percent through mid-September from its peak in early August and on balance had changed little after that. The depreciation through mid-September was associated with a decline in U.S. short-term interest rates and with market sentiment that the U.S. current account might move more sharply into deficit than had been thought earlier. In August the U.S. foreign trade deficit rose substantially from the low rate in July; for July and August combined, the rate was considerably higher than that in the

second quarter, as the value of non-petroleum imports increased and the value of exports, agricultural and nonagricultural, declined markedly.

At its meeting on August 18, the Committee had decided to reaffirm the policy objectives for the third quarter that had been adopted at its meeting on July 6-7. Specifically, the Committee agreed that open market operations in the period until this meeting should be directed toward behavior of reserve aggregates associated with growth of M-1B from June to September at an annual rate of 7 percent after allowance for flows into NOW accounts (resulting in growth at an annual rate of about 2 percent from the average in the second quarter to the average in the third quarter), provided that growth of M-2 remained around the upper end of, or moved within, its range for the year. If it appeared to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before this meeting was likely to be associated with a federal funds rate persistently outside a range of 15 to 21 percent, the Chairman might call for a Committee consultation.

Shortly after the meeting on August 18, data becoming available indicated some shortfall in growth of M-1B from the path consistent with the Committee's objective for growth over the three months from June to September; and later in the intermeeting period, the shortfall widened. However, growth of M-2 remained relatively strong, especially after allowance for shifts from time accounts into retail repurchase agreements (not included in M-2) in anticipation of the October 1 introduction of all savers certificates. Reflecting the shortfall in growth of M-1B, required reserves and the demand for reserves contracted in relation to the supply being made available through open market operations. Consequently, borrowings from Federal Reserve Banks for pur-

poses of adjusting reserve positions declined considerably from late August to late September. The federal funds rate fell from around 18¼ percent in mid-August to 15 percent in the statement week ending September 30. The funds rate moved back up to about 16½ percent in the days just before this meeting, apparently reflecting cautious bank reserve management associated with the introduction of same-day settlement for most international transactions cleared through New York.

M-1B, adjusted for the estimated effects of shifts into NOW accounts, increased at an annual rate of about 1¾ percent over the period from June to September, while M-2 grew at an annual rate of about 9 percent. In September the level of shift-adjusted M-1B was well below the lower end of the Committee's range for growth over the year from the fourth quarter of 1980 to the fourth quarter of 1981, while the level of M-2 was at the upper end of its range for the year. Growth of M-2 during the third quarter was reduced, perhaps by 1 or 2 percentage points at an annual rate, by the diversion of M-2-type assets into retail repurchase agreements issued by depository institutions in anticipation of the scheduled introduction of all savers certificates on October 1.

Total credit outstanding at U.S. commercial banks grew at an annual rate of about 10¼ percent in August, following expansion at annual rates of about 5¾ percent in June and July. Growth in business loans picked up somewhat further from the brisk pace in June and July, while security loans contracted sharply. Bank holdings of Treasury securities declined in August, but acquisitions of other securities increased appreciably. Net issues of commercial paper by nonfinancial corporations expanded at an exceptionally rapid pace, following moderate growth in July.

In frequently volatile markets, short-term interest rates declined on

balance over the intermeeting period, while long-term rates rose further. At the time of this meeting, most short-term rates were down about 1 to 3 percentage points and long-term rates were up about ½ to 1 percentage point from their levels in mid-August. The rise in long-term rates apparently reflected concerns of market participants about the prospective size of federal deficits. During the intermeeting interval, the prime rate charged by commercial banks on short-term business loans was reduced by ½ percentage points to 19 percent. On September 21, in view of the decline in short-term market rates, the Board of Governors announced a reduction, from 4 to 3 percentage points, in the surcharge on frequent borrowings of large depository institutions at the discount window. In home mortgage markets, average rates on new commitments for fixed-rate level-payment conventional loans at sampled savings and loan associations rose to 18¼ percent from 17¼ percent at the time of the August meeting.

The staff projections presented at this meeting suggested that real GNP was likely to decline further in the current quarter and that activity would remain sluggish over the first part of 1982. The rise in the fixed-weight price index for gross domestic business product was projected to moderate somewhat further over the year ahead.

In the Committee's discussion of the economic situation and outlook, the consensus was that real GNP was drifting downward more or less as portrayed by the staff projections. The members generally agreed that the evidence currently available did not portend a sharp cumulative contraction in activity in coming months, but a few nevertheless commented on the risks of a more significant decline. A number of members observed that businesses, especially the smaller ones, were exposed to growing financial strains because of the sluggishness of their sales, the

high level of interest rates, and a tendency among their customers to defer payments of bills.

With respect to prospects for prices, the members in general accepted the staff projection of a further moderation of the rise over the next few quarters. The view was expressed that in the current environment, both business and labor were being subjected to pressures to restrain or to reduce costs for the sake of maintaining sales and, in some cases, avoiding plant closings.

At its meeting on July 6-7, 1981, the Committee reaffirmed the monetary growth ranges for the period from the fourth quarter of 1980 to the fourth quarter of 1981 that it had set at its meeting in early February. These ranges were 3 to 5½ percent for M-1A and 3½ to 6 percent for M-1B, abstracting from the impact of NOW accounts on a nationwide basis; 6 to 9 percent for M-2; and 6½ to 9½ percent for M-3. The associated range for bank credit was 6 to 9 percent. The Committee recognized that a shortfall in M-1B growth in the first half of the year partly reflected a shift in public preferences toward other highly liquid assets and that growth in the broader aggregates had been running somewhat above the upper end of the ranges. In light of its desire to maintain moderate growth in money over the balance of the year, the Committee expected that growth in M-1B for the year would be near the lower end of its range. At the same time, growth in the broader monetary aggregates might be at the higher end of their ranges. For the period from the fourth quarter of 1981 to the fourth quarter of 1982, the Committee tentatively agreed that growth of M-1, M-2, and M-3 within ranges of 2½ to 5½ percent, 6 to 9 percent, and 6½ to 9½ percent respectively would be appropriate.

The Committee considered policy for the period immediately ahead against the background of a widening divergence between the behavior

of M-1B and the more broadly defined monetary aggregates. M-1B (shift-adjusted) had expanded little from June to September, and its annual rate of growth from the average in the fourth quarter of 1981 to the estimated level in September was about 1 percent, compared with the Committee's range of 3½ to 6 percent for growth over the year from the fourth quarter of 1980 to the fourth quarter of 1981. From June to September, meanwhile, M-2 had continued to grow at a rate consistent with the upper end of its range of 6 to 9 percent for the year, and M-3 had grown at a rate somewhat above its range.

In interpreting recent experience and contemplating policy for the period immediately ahead, the Committee continued to face uncertainties with respect to the behavior of the monetary aggregates. Among these was an apparent decline in the public's desire to hold transaction balances in the forms included in M-1B. Given income and interest rates, the increase in M-1B so far this year had been considerably smaller than would have been predicted from historical relationships embodied in conventional money demand equations. It also seemed clear, however, that the slow growth in M-1B recently had resulted in part from the weakening in economic activity. With respect to M-2, the uncertainties included the impact of the liberalization of interest rate ceilings on small savers certificates, the growth of money market mutual funds, and the introduction of the all savers (tax-exempt) certificate on October 1, 1981. Reflecting various structural changes, assets that bear either a market interest rate or are subject to variable ceilings closely related to market rates had become a much larger share of the nontransaction component of M-2 than they were just a year or two ago.

Committee members agreed on the desirability of continuing to seek more rapid growth in M-1B over the



remaining three months of 1981, while taking account of the relative strength of the broader aggregates. The observation was made that a pickup in growth of M-1B now would reduce the risks of a cumulative contraction in activity, which could well be followed by an excessively rapid recovery and expansion.

At the same time, many members expressed the view that very rapid growth of M-1B over the few remaining months of the year would contribute to instability and would interfere with achievement of longer-term economic goals. Specifically, such growth most likely would dissipate the gains already made in moderating inflation, exacerbate inflationary expectations, and induce a rebound in interest rates after no more than a temporary decline. Moreover, rapid growth in M-1B would significantly increase the risk that the broader monetary aggregates would exceed their ranges for growth over the year by sizable margins, which was a source of concern in light of the uncertainties about the interpretation of the various monetary aggregates in the current circumstances.

In weighing the risks of inadequate monetary growth versus excessive growth over the last three months of 1981, Committee members took account of the need to reduce the chances of large destabilizing swings in both monetary growth and interest rates, while at the same time achieving the targets for money growth tentatively established for 1982. Agreement was reached to seek behavior of reserve aggregates associated with growth of M-1B from September to December at an annual rate of 7 percent, after allowance for the impact of flows into NOW accounts, and growth of M-2 at an annual rate of 10 percent or slightly higher; in specifying the rate for M-2, the Committee recognized that the behavior of that aggregate would be affected by the recent regulatory and legislative changes,

particularly the public's response to the availability of the all savers certificate. In developing related reserve paths, approximately equal weight would be given to the movements of M-1B and M-2. It was understood that if these objectives were realized, growth of M-1B from the fourth quarter of 1980 to the fourth quarter of 1981 would remain below the Committee's range for the year, while growth of M-2 would equal or slightly exceed the upper end of its range. The intermeeting range for the federal funds rate that provided a mechanism for initiating further consultation of the Committee was set at 12 to 17 percent.

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

The information reviewed at this meeting suggests that real GNP declined slightly further in the third quarter and that prices on the average continued to rise at the somewhat lower rate that emerged in the second quarter. In July and August the nominal value of total retail sales was essentially unchanged from the June level, and unit sales of domestic automobiles weakened in September. Industrial production declined slightly in August and apparently slackened further in September, while non-farm payroll employment changed little in both months. The unemployment rate rose to 7.5 percent in September, about equal to its average in the first half of 1981. Housing starts fell in August to the lowest rate in several years. Over the first nine months of the year, the rise in the index of average hourly earnings was somewhat less rapid than during 1980.

The weighted average value of the dollar against major foreign currencies declined sharply through mid-September from its peak in early August and on balance has changed little since then. In August the U.S. foreign trade deficit widened substantially from the low rate in July; for July and August combined, the deficit was considerably larger than the second-quarter rate.

M-1B, adjusted for the estimated effects of shifts into NOW accounts, increased little over the period from June to September, while M-2 grew at a relatively strong pace. The level of adjusted M-1B in September was well below the lower end of the Committee's range for growth over the year from the fourth

quarter of 1980 to the fourth quarter of 1981; the level of M-2 was at the upper end of its range for the year. In frequently volatile markets, short-term interest rates have declined on balance since mid-August while long-term rates have risen considerably further. On September 21 the Board of Governors announced a reduction in the surcharge from 4 to 3 percentage points on frequent borrowings of large depository institutions.

The Federal Open Market Committee seeks to foster monetary and financial conditions that will help to reduce inflation, promote sustained economic growth, and contribute to a sustainable pattern of international transactions. At its meeting in early July, the Committee agreed that these objectives would be furthered by reaffirming the monetary growth ranges for the period from the fourth quarter of 1980 to the fourth quarter of 1981 that it had set at the February meeting. These ranges included growth of 3½ to 6 percent for M-1B, abstracting from the impact of flows into NOW accounts on a nationwide basis, and growth of 6 to 9 percent and 6½ to 9½ percent for M-2 and M-3, respectively. The Committee recognized that the shortfall in M-1B growth in the first half of the year partly reflected a shift in public preferences toward other highly liquid assets and that growth in the broader aggregates had been running at about or somewhat above the upper ends of their ranges. In light of its desire to maintain moderate growth in money over the balance of the year, the Committee expected that growth in M-1B for the year would be near the lower end of its range. At the same time, growth in the broader aggregates might be high in their ranges. The associated range for bank credit was 6 to 9 percent. The Committee also tentatively agreed that for the period from the fourth quarter of 1981 to the fourth quarter of 1982 growth of M-1, M-2, and M-3 within ranges of 2½ to 5½ percent, 6 to 9 percent, and 6½ to 9½ percent would be appropriate. These ranges will be reconsidered as warranted to take account of developing experience with public preferences for NOW and similar accounts as well as changing economic and financial conditions.

In the short run the Committee seeks behavior of reserve aggregates consistent with growth of M-1B from September to December at an annual rate of 7 percent after allowance for the impact of flows into NOW accounts and with growth in M-2 at an annual rate around 10 percent or slightly higher, recognizing that the behavior of M-2 will be affected by recent regulatory and legislative changes, particularly the public's response to the availability of the all savers certificate. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that pursuit of the monetary objectives and related reserve paths during the period before the next meeting is likely to be associated with a federal funds rate persistently outside a range of 12 to 17 percent.

Votes for this action: Messrs. Volcker, Solomon, Boehne, Boykin, Corrigan, Gramley, Keehn, Partee, Rice, Schultz, and Mrs. Teeters. Vote against this action: Mr. Wallich.

Mr. Wallich dissented from this action because he favored specification of somewhat lower rates for growth in the monetary aggregates over the last three months of 1981 than those adopted at this meeting and was willing to accept a greater shortfall in growth of M-1B from the Committee's range for growth over the year. In his opinion, much of the shortfall was attributable to a decline in the public's desire to hold transaction balances of the types included in M-1B and to the growth of other asset forms, especially money market mutual funds, that to some extent serve as transaction balances. He was also concerned that the public might perceive fairly rapid monetary growth over the balance of the year as a relaxation of the System's policy of restraint, especially if such growth were to be accompanied by sizable decreases in interest rates.

\* \* \* \* \*

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 made available a few days after the next regularly scheduled meeting and are later published in the BULLETIN.

# Legal Developments

## AMENDMENTS TO REGULATION D

### Final Rule

The Board of Governors of the Federal Reserve System has amended its Regulation D—Reserve Requirements of Depository Institutions (12 C.F.R. Part 204). Under the amendment, all depository institutions with offices in Hawaii, that were brought under federal reserve requirements for the first time by the Monetary Control Act of 1980 will be accorded the same five year exemption from reserve requirements to which state chartered nonmember institutions whose principal offices are located in Hawaii are entitled.

Effective December 18, 1981, section 204.4(f) of the Board's Regulation D is revised to read as follows:

### Section 204.4—Transitional Adjustments

\* \* \* \* \*

(f) *Nonmember depository institutions with offices in Hawaii.* Any depository institution that, on August 1, 1978, (i) was engaged in business as a depository institution in Hawaii, and (ii) was not a member of the Federal Reserve System at any time on or after such date shall not maintain reserves imposed under this Part against deposits held or maintained at its offices located in Hawaii until January 2, 1986. Beginning January 2, 1986, the required reserves on deposits held or maintained at offices located in Hawaii of such a depository institution shall be determined by reducing the amount of required reserves under section 204.3 in accordance with the following schedule:

Maintenance periods occurring between	Percentage that computed reserves will be reduced
January 2 to December 31, 1986	87.5
January 1, 1987 to January 6, 1988	75
January 7, 1988 to January 4, 1989	62.5
January 5, 1989 to January 3, 1990	50
January 4, 1990 to January 2, 1991	37.5
January 3, 1991 to January 1, 1992	25
January 2, 1992 to January 6, 1993	12.5
January 7, 1993 forward	0

### Temporary Rule and Request for Comment

The Board of Governors of the Federal Reserve System has also amended Regulation D to modify the two-year phase-in of reserve requirements that is accorded to de novo depository institutions. This rule is being adopted on a temporary basis in order to provide the public with an opportunity to comment on this issue.

Effective November 19, 1981, section 204.4(e) of the Board's Regulation D is temporarily amended by revising it to read as follows:

### Section 204.4—Transitional Adjustments

\* \* \* \* \*

#### (e) *De novo institutions.*

(1) The required reserves of any depository institution that was not engaged in business on September 1, 1980, shall be computed under section 204.3 in accordance with the following schedule:

Maintenance periods occurring during successive quarters after entering into business	Percentage of reserve requirement to be maintained
1	40
2	45
3	50
4	55
5	65
6	75
7	85
8 and succeeding	100

This subparagraph shall also apply to a United States branch or agency of a foreign bank if such branch or agency is the foreign bank's first office in the United States. Additional branches or agencies of such a foreign bank shall be entitled only to the remaining phase-in available to the initial office.

(2) Notwithstanding subparagraph (1), the required reserves of any depository institution that:

- (i) was not engaged in business on November 18, 1981; and
- (ii) has \$50 million or more in daily average total transaction accounts, nonpersonal time deposits and Eurocurrency liabilities for any computation period after commencing business shall maintain 100 per cent of the required reserves computed under section 204.3 starting with the maintenance period that begins eight days after the computa-

tion period during which such institution has daily average total transaction accounts, nonpersonal time deposits and Eurocurrency liabilities of \$50 million or more.

*AMENDMENT TO REGULATION Q*

The Board of Governors of the Federal Reserve System, acting through its Secretary, pursuant to delegated authority, has amended the definition of "international banking facility time deposit" or "IBF time deposit" to clarify that IBFs may issue overnight deposits to other banking entities, and to make its definition of "international banking facility time deposit" or "IBF time deposit" parallel the definition in Regulation D.

Effective December 3, 1981, the Board of Governors, acting through its Secretary pursuant to delegated authority, amends Regulation Q (12 CFR Part 217) by changing paragraph (1) of section 217.1 to read as follows:

**Section 217.1—Definitions**

\* \* \* \* \*

(1) "International banking facility time deposit" or "IBF time deposit" means a deposit, placement, borrowing or similar obligation represented by a promissory note, acknowledgment of advance, or similar instrument that is not issued in negotiable or bearer form, and

- (1) (i) that must remain on deposit at the IBF at least overnight; and
- (ii) that is issued to
  - (A) any office located outside the United States of another depository institution organized under the laws of the United States or of an Edge or Agreement Corporation;
  - (B) any office located outside the United States of a foreign bank;
  - (C) a United States office of a non-United States office or the entity establishing the IBF;
  - (D) another IBF; or
  - (E) an institution whose time deposits are exempt from interest rate limitations under section 217.3(g) of this Part; or

- (2) (i) that is payable
  - (A) on a specified date not less than two business days after the date of deposit;
  - (B) upon expiration of a specified period of time not less than two business days after the date of deposit; or
  - (C) upon written notice that actually is required to be given by the depositor not less than two

- business days prior to the date of withdrawal;
- (ii) that represents funds deposited to the credit of a non-United States resident or a foreign branch, office, subsidiary, affiliate, or other foreign establishment ("foreign affiliate") controlled by one or more domestic corporations provided that such funds are used only to support the operations outside the United States of the depositor or of its affiliates located outside the United States; and
- (iii) that is maintained under an agreement or arrangement under which no deposit or withdrawal of less than \$100,000 is permitted, except that a withdrawal of less than \$100,000 is permitted if such withdrawal closes an account.

*AMENDMENT TO REGULATION Y*

The Board of Governors of the Federal Reserve System has adopted a final rule to its Regulation Y—Bank Holding Companies and Change in Bank Control (12 C.F.R. Part 225), as proposed on June 18, 1981. This rule adds the issuance of travelers checks to the list of nonbank activities permissible for bank holding companies.

Effective December 21, 1981, section 225.4(a)(13) of the Board's Regulation Y is revised to read as follows:

**Section 225.4—Nonbanking Activities**

- (a) \*\*\*
  - (13) The sale at retail of money orders having a face value of not more than \$1,000 and the sale of U.S. Savings Bonds and the issuance and the sale of travelers checks.

\* \* \* \* \*

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

*Orders Under Section 3 of Bank Holding Company Act*

County National Bancorporation,  
Clayton, Missouri

T.G.B. Co.,  
Clayton, Missouri

*Order Approving Formation of Bank Holding Companies*

County National Bancorporation ("County National"), Clayton, Missouri, a bank holding company within the meaning of the Bank Holding Company

Act, has applied for the Board's approval to acquire control of TG Bancshares, Co. ("TG"), St. Louis, Missouri, an unaffiliated bank holding company. This would be accomplished by the merger of TG into County National's subsidiary, T.G.B. Co., Clayton, Missouri, a nonoperating company formed to facilitate the proposed acquisition. In this connection, T.G.B. Co., has applied to become a bank holding company. Both applications were filed pursuant to section 3(a) of the Bank Holding Company Act (12 U.S.C. § 1842(a)).

After due notice of the subject applications, the Board, in its 4-2 decision of August 27, 1979, denied the applications based upon its determination that consummation of the proposal would not be in the public interest because the competitive effects of the proposed merger were so seriously adverse as to warrant denial of the applications, and because there were no countervailing public benefits to outweigh the anticompetitive effects.<sup>1</sup> The Board did not make any determination with respect to whether consummation of the proposed merger would result in a violation of the antitrust standards set forth in subsections 3(c)(1) and (2) of the act (12 U.S.C. §§ 1842(c)(1) and (2)), but denied the applications on the basis that the Board had authority under the act to deny applications for serious anticompetitive effects whether or not the proposal was likely to violate the antitrust standards.

Pursuant to section 9 of the Bank Holding Company Act (12 U.S.C. § 1848), County National and T.G.B. Co., Inc. petitioned the United States Court of Appeals for the Eighth Circuit for judicial review of the Board's Order (65 FEDERAL RESERVE BULLETIN 763 (1979)) denying their applications under the act.<sup>2</sup> On July 31, 1981, after granting the Board's motion for rehearing en banc, the full Court, in a 5-3 decision (*County National Bancorporation v. Board of Governors*, 654 F.2d 1253 (8th Cir. 1981)), held that the

Board lacked authority to deny an application under section 3(a) of the act for anticompetitive effects unless those effects amount to a violation of the antitrust standards contained in sections 3(c)(1) and (2) of the act. Accordingly, the Court invalidated the Board's denial Order and remanded the subject applications to the Board for de novo consideration consistent with the Court's opinion.

County National, the eleventh largest commercial banking organization in Missouri, controls five banks with aggregate deposits of about \$452.5 million, representing 1.7 percent of total deposits of commercial banks in the state.<sup>3</sup> TG, the fifteenth largest commercial banking organization in Missouri, controls three subsidiary banks with aggregate deposits of approximately \$283.2 million, representing 1.0 percent of the total commercial bank deposits in the state. Upon consummation of the proposal, County National will become the seventh largest commercial banking organization in the state with 2.7 percent of the total statewide commercial bank deposits.

Four of County National's five subsidiary banks and all three subsidiary banks of TG operate in the St. Louis banking market.<sup>4</sup> County National's four subsidiaries in the St. Louis market, with total deposits of \$429.4 million, representing 3.5 percent of market deposits, and TG's subsidiaries, with total deposits of \$283.2 million, representing 2.3 percent of market deposits, are, respectively, the eighth and tenth largest banking organizations in the market. The proposed merger would increase County National's share of total market deposits from 3.5 percent to 5.8 percent and increase its rank from eighth to fourth largest commercial banking organization in the market. Thus, the Board concludes that consummation of the proposed merger would eliminate existing competition and would increase the concentration of banking resources in the St. Louis banking market.

The Board has evaluated the competitive considerations associated with the subject proposal in accordance with the standards specified by the United States Court of Appeals for the Eighth Circuit, and has determined that any anticompetitive effects that might

1. The Board concluded that the combination of County National (\$333.7 million in deposits as of June 30, 1978) and TG (\$225.6 million in deposits as of June 30, 1978), the sixth and tenth largest banking organizations, respectively, in the St. Louis banking market, would result in serious anticompetitive effects. In addition, the Board was concerned with the increase in concentration of banking resources that would result from consummation of the subject proposal in Missouri and the St. Louis banking market. The proposed acquisition would have made County National the fourth largest banking organization in the St. Louis market, and would have given it control of eight banks (including the market's fourth and sixth largest), and 5.6 percent of deposits in commercial banks in the market.

2. A three-judge panel of the court, on September 3, 1980, issued an opinion holding that so far as anticompetitive factors are concerned, the Board is limited to consideration of the antitrust standards set forth in section 3(c) of the act, and, accordingly, vacated the Board's denial order and remanded it for further consideration in light of their opinion (*County National Bancorporation v. Board of Governors*, 628 F.2d (8th Cir. 1980), withdrawn). On September 27, with the approval of the Solicitor General, the Board asked that the panel decision be reconsidered by the full court on the basis that, in this case, the issue of the Board's authority under the Bank Holding Company Act involved a significant question of Federal law. On October 28, 1980, the court granted the Board's motion.

3. Unless otherwise indicated, all deposit data are as of December 31, 1980, and reflect bank holding company formations and acquisitions approved through April 30, 1981. Therefore, the data do not reflect County National's acquisition of Security Bank of Manchester, Manchester, Missouri (located in the St. Louis market, which was approved on August 31, 1981).

4. The St. Louis banking market is defined as the St. Louis Ranally Metro Area and includes all of the city of St. Louis and St. Louis County; portions of Franklin, Jefferson, Lincoln, and St. Charles Counties in Missouri; and portions of Jersey, Macoupin, Madison, Monroe, and St. Clair Counties in Illinois.

County National's only subsidiary bank not located in the St. Louis market is the Bank of Louisiana, Louisiana, Missouri, which is located more than 90 road miles northeast of any subsidiary bank of TG.

result from consummation of the subject proposal are not so substantially adverse as to result in a violation of the antitrust standards as set forth in sections 3(c)(1) and (2) of the act. This finding is based upon all the facts of record, including the fact that County National's ranking in the market has declined from sixth (when the Board originally considered this proposal) to eighth, and upon the fact that there will remain about 80 commercial banking organizations in the market after consummation of this proposal. The opinion of the United States Court of Appeals for the Eighth Circuit is binding and, therefore, the Board is precluded from denying these particular applications on competitive grounds because the anticompetitive effects of the subject proposal would not result in a violation of the antitrust standards contained in sections 3(c)(1) and (2) of the act. The Board, however, continues to be of the view that the last sentence of section 3(c), which requires that "[i]n every case the Board shall take into consideration . . . the convenience and needs of the community to be served", authorizes the Board to consider all competitive aspects of an acquisition or merger proposal.

Consideration of the financial and managerial resources and future prospects of County National, TG, and their subsidiaries are satisfactory. Therefore, the Board regards banking factors as consistent with approval. With respect to convenience and needs considerations, County National has proposed various services that would be offered through the subsidiary banks. Although such services are already available in the market, County National's introduction or expansion of such services should increase competition and make the services more conveniently available to some customers. Thus, the Board concludes that considerations relating to the convenience and needs of the communities to be served (absent competitive considerations) lend some very slight weight toward approval of the subject applications.

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

By order of the Board of Governors, effective November 23, 1981.

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

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

[SEAL]

#### *Concurring Statement of Governor Teeters*

Although I concur in the Board's decision that the subject applications be approved in accordance with the opinion of the United States Court of Appeals for the Eighth Circuit, I disagree with the Board's conclusion that convenience and needs considerations associated with the proposal lend some very slight weight toward approval of the subject application. In my opinion, since the proposed services are already available in the market, and since either County National or TG have the ability to provide such services even absent this merger, the fact that County National plans to introduce or expand such services after consummation lends no weight toward approval of the subject applications based upon considerations relating to convenience and needs of the communities to be served.

November 23, 1981

#### *First Missouri Banks, Inc., Creve Coeur, Missouri*

##### *Order Approving Acquisition of Bank*

First Missouri Banks, Inc., Creve Coeur, Missouri, a bank holding company within the meaning of the Bank Company Act, has applied for the Board's approval under section 3(a)(3) of the act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of First Missouri Bank of Washington, Washington, Missouri ("Bank"), a proposed de novo bank.

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

Applicant, the 16th largest multibank holding company in Missouri, controls 10 subsidiary banks with aggregate deposits of approximately \$226.3 million, representing 1.2 percent of the total deposits in commercial banks in the state.<sup>1</sup> Because Bank is a proposed de novo bank, its acquisition by Applicant would not immediately increase Applicant's share of deposits in commercial banks in Missouri.

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

Bank is to be located in the Washington banking market,<sup>2</sup> in which Applicant is the fourth largest banking organization, with two subsidiary banks controlling 11.9 percent of total market deposits. Applicant's market share would not change initially as a result of approval of this application. Because Bank would be a *de novo* bank, there will be no elimination of existing competition. Moreover, given the *de novo* nature of Bank, the number of banking organizations operating in the area, and the prospects for continuing growth therein, it does not appear that consummation of the proposal would have any adverse effects on potential competition. On the basis of the above and other facts of record, competitive considerations appear consistent with approval of the application.

The financial and managerial resources of Applicant, its subsidiaries, and Bank are regarded as satisfactory. Bank, a proposed *de novo* bank has no financial or operating history; however, its prospects as a subsidiary of Applicant appear favorable. Accordingly, considerations relating to banking factors are consistent with approval of this application. As a new institution in the Washington banking market, Bank would serve as an additional source of a full range of banking services in the market. Accordingly, considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application.

In its analysis of the application, the Board has given careful consideration to the comments submitted by Protestant, the largest bank in the Washington banking market. Protestant's principal assertion is that Bank was chartered in violation of Missouri state law.<sup>3</sup> The Board as a rule does not review the incorporation or chartering procedures defined by state statutes and administered by state banking officials. Instead, the Board requires evidence of the issuance of the necessary charter, or its conditional or preliminary approval, and solicits the comments of the appropriate bank-

ing authority.<sup>4</sup> Bank's charter has been granted by the Missouri Finance Commissioner, and that decision has been affirmed on appeal by the State Banking Board. Absent a judicial determination to the contrary, the Board presumes that the charter was granted lawfully.<sup>5</sup> Since the effectiveness of the chartering action has not been stayed, the pending litigation in the Missouri state courts does not act as a bar to the Board's action on this application.<sup>6</sup>

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

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, and First Missouri Bank of Washington, Washington, Missouri, shall be opened for business not later than six months after the effective date of this Order, unless such periods are extended for good cause by the Board, or by the Federal Reserve Bank of St. Louis, pursuant to delegated authority.

By order of the Board of Governors, effective November 2, 1981.

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

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

[SEAL]

2. The Washington banking market is approximated by Franklin County, Missouri (except the communities of Pacific and Berger), plus the town of Dutzow in adjacent Warrent County, Missouri.

3. Protestant also requested a hearing regarding this application. Under section 3(b) of the act, the Board is required to hold a hearing when the primary supervisor of the bank to be acquired recommends disapproval of the application (12 U.S.C. § 1842(b)). In this case, the Missouri Commissioner of Finance issued charter approval to Bank on September 19, 1980. Protestant filed an appeal to the Missouri State Banking Board for review of the Commissioner's action. Following a hearing, the State Banking Board affirmed the Commissioner's decision. Neither state banking authority has subsequently recommended that the subject application be denied. Thus, there is no statutory requirement that the Board hold a hearing. Moreover, the Board has examined the written submissions by Protestant, and Applicant's response, and is unable to conclude that a hearing would significantly supplement the record before the Board or resolve any issues not already discussed in the written submissions contained in the record before the Board. In view of these facts, the Board concludes that the record in this case is sufficiently complete to render a decision and hereby denies Protestant's request for a hearing.

4. In *Plaza Bank of West Port v. Board of Governors*, 575 F.2d 1248 (8th Cir. 1978), the Eighth Circuit Court of Appeals specifically upheld the Board's refusal to review a protest regarding the validity of a Missouri state bank charter.

5. Protestant has challenged the charter in several state administrative and judicial proceedings, some of which are still pending; however, to date Bank's charter has not been stayed. The Board's approval, of course, does not preclude Protestant from continuing to pursue its remedies in the Missouri state courts.

6. Protestant also claims that Applicant's interest-free loan to the incorporators of Bank, who also serve as officers and directors of Applicant and its subsidiary bank, was made without the Board's prior approval and on a preferential basis. However, the loan was made in connection with the chartering of a new bank that would be a nonoperating institution until such time as acquired by Applicant following approval under the act. In these circumstances, the Board regards the loan as being a part of Applicant's business of managing and controlling banks. Therefore, the loan comes within the exception in section 4(a)(2)(A) of the act (12 U.S.C. § 1843(a)(2)(A)), to the prior approval requirements of section 4 for bank holding company activities of "... banking or of managing or controlling banks ...". However, the Board notes that such a loan made in connection with the acquisition of an existing bank may be considered an indirect acquisition of control of a bank for which the Board's prior approval is necessary. The preferential lending prohibitions pertain only to loans made by member and FIDC-insured banks, not to extensions of credit made by Applicant, a bank holding company.

The Girard Company,  
Bala-Cynwyd, Pennsylvania

*Order Approving Acquisition of Bank*

The Girard Company, Bala-Cynwyd, Pennsylvania, ("Applicant") a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent, less directors' qualifying shares, of Farmers Bank of the State of Delaware, Dover, Delaware ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3 of the act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1842(c)).<sup>1</sup>

Applicant is the third largest banking organization in Pennsylvania controlling one banking subsidiary, Girard Bank, with deposits totaling \$2.1 billion, representing 2.9 percent of total deposits in commercial banks in the state.<sup>2</sup> Upon acquisition of Bank with deposits of \$433.6 million, Applicant would control the fifth largest bank in Delaware, representing 11.8 percent of total commercial bank deposits in the state.

Section 3(d) of the act (12 U.S.C. § 1842(d)) prohibits the Board from approving any application by a bank holding company to acquire any bank located outside of the state in which the operations of the bank holding company's banking subsidiaries are principally conducted, unless such acquisition is "specifically authorized by the statute laws of the state in which such bank is located, by language to that effect and not merely by implication." Although Delaware law generally forbids the acquisition of a Delaware bank by an out-of-state bank holding company, on October 9, 1981, Delaware amended its banking law<sup>3</sup> to authorize out-of-state bank holding companies to acquire stock, assets, and interests in banks located in Delaware to which the state has provided financial assistance resulting in the state obtaining stock in the bank. In addition, the Delaware legislation specifically, by

name, allows the acquisition of Bank by Applicant. A state-assisted bank is defined as a bank that the state has assisted financially and thereby the state has obtained at least 25 percent of the voting stock. From the record, it appears that Bank is a state-assisted bank as defined by Delaware law. Based on the foregoing, the Board's judgment is that Delaware law now specifically authorizes the acquisition of a bank chartered in Delaware by an out-of-state bank holding company as required by section 3(d) of the act, and that the proposed acquisition complies with the terms of the Delaware law. Accordingly, the Board will proceed to consider the application on its merits.

Bank operates 15 offices in the Wilmington banking market and seven offices each in the Dover and Sussex County banking markets.<sup>4</sup> Inasmuch as Applicant's only banking subsidiary has 116 offices in the Philadelphia banking market,<sup>5</sup> Applicant does not compete in any of the Delaware local banking markets where Bank operates. Although Applicant might be regarded as a potential de novo entrant into the Wilmington market, the strict requirements imposed by Delaware law on out-of-state bank holding companies entry into the state de novo<sup>6</sup>, makes such entry remote. Accordingly, the Board concludes that consummation of the proposed transaction would have no significantly adverse effect on competition or concentration of banking resources in any relevant area. Thus, competitive considerations are consistent with approval of the application.

The financial and managerial resources of Applicant and its subsidiaries are regarded as satisfactory and their future prospects appear favorable. As a result of consummation of this proposal, Bank's financial and managerial resources will be strengthened. Thus, considerations relating to banking factors are consistent with approval of the application. Following consummation of the acquisition, Applicant intends to increase the number of Bank's offices in Delaware and to expand the hours of operation. In addition, Applicant plans to install ATMs at all locations of Bank. The affiliation of Bank with Applicant also will enable Bank to expand its commercial lending and trust activities. Accordingly, the Board concludes that con-

1. The Board received a protest from Kensington Action Now ("Protestant") a community group, which challenged Applicant's record of meeting the credit needs of its community, particularly the area represented by Protestant, under the Community Reinvestment Act. Protestant withdrew its protest after several meetings with Applicant which resulted in an agreement by Applicant to institute an affirmative marketing program of its credit services in Protestant's area.

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

3. Volume 63, Chapter 186 Delaware Laws (House Bill No. 480) 1981.

4. The Wilmington banking market consists of Cecil County, Maryland; Chester County, Pennsylvania; Salem County, New Jersey; and New Castle County, Delaware. The Dover market is comprised of Kent County, Delaware; southern New Castle County, Delaware; and the Maryland counties of Queen Anne's, Caroline, and Kent. The Sussex market is comprised of Sussex County Delaware; Wicomico County Delaware; and the adjoining portions of Caroline, Dorchester, and Worcester counties in Maryland.

5. The Philadelphia banking market is approximated by Philadelphia and Delaware counties and major portions of Chester, Montgomery, and Bucks County in Pennsylvania and major portions of Camden, Burlington, and Gloucester counties in New Jersey.

6. Del. Code Ann. Title 5 § 803.



siderations relating to convenience of the community to be served are consistent with approval. The Board's judgment is that the proposed acquisition is in the public interest and that the application should be approved.

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

By order of the Board of Governors effective November 24, 1981.

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

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

### *Orders Issued Under Sections 3 and 4 of Bank Holding Company Act*

J. P. Morgan & Company, Incorporated,  
New York, New York

Morgan Holdings Corp.,  
Wilmington, Delaware

### *Order Approving Acquisition of Bank and Retention of Nonbank Subsidiaries*

J. P. Morgan & Company, Incorporated, New York, New York ("JPM"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the act (12 U.S.C. § 1842(a)(3)) to acquire indirectly through its wholly-owned subsidiary, Morgan Holdings Corp., Wilmington, Delaware ("Morgan Holdings"), 100 percent of the voting shares, less directors' qualifying shares, of Morgan Bank (Delaware), Wilmington, Delaware, a proposed new bank. Morgan Holdings has applied for the Board's approval under section 3(a)(1) of the act (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring 100 percent, less directors' qualifying shares, of the shares of Morgan Bank (Delaware) ("Bank").

Morgan Holdings has also applied under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)) to retain its interest in Morgan Data

Services, Inc., Jersey City, New Jersey ("Data Services"); and, under section 4(c)(13) of the act, to retain its interests in Morgan Curacao, N.V., Netherlands Antilles ("Curacao"), and Morgan Fociere Cayman Islands Ltd., Georgetown, Grand Cayman Island ("Fociere"), after Morgan Holdings becomes a bank holding company.

Notice of receipt of these applications has been given in accordance with sections 3 and 4 of the Bank Holding Company Act (46 *Federal Register* 45196 (1981)), and the time for filing comments and views has expired. The Board has considered the applications and all comments received, including those of Option Advisory Services, Inc., New York, New York,<sup>1</sup> in light of the factors set forth in section 3(c) of the act (12 U.S.C. § 1842(c)) and the considerations specified in sections 4(c)(8) and (13) of the act (12 U.S.C. §§ 1843(c)(8) and (13)).

JPM, the fourth largest banking organization in New York State, with consolidated assets of \$53.9 billion,<sup>2</sup> operates primarily through its banking subsidiary, Morgan Guaranty Trust Company of New York, New York, New York ("Morgan Guaranty"). Morgan Guaranty holds deposits of \$35.6 billion and is the fourth largest commercial bank in the state of New York. JPM also engages in certain nonbanking activities through several subsidiaries. Morgan Holdings is a shell corporation which holds the shares of six nonbanking companies.

Bank is a newly chartered bank formed to engage in wholesale banking nationally and internationally. Section 3(d) of the Bank Holding Company Act (12 U.S.C. § 1842(d)) prohibits the Board from approving any application by a bank holding company to acquire any bank located outside the state in which the operations of the bank holding company's banking subsidiaries

1. The Board has received a request for a hearing on the applications by Option Advisory Services, Inc., New York, New York ("Protestant"), asserting that a hearing is required to examine why JPM is not acquiring Bank directly; to determine whether Morgan Holdings is an unregistered investment company; and to determine the validity of Volume 63, Chapter 2 of the Laws of Delaware. The Board has considered Protestant's comments and has determined that they are without merit. The Board also has found that Protestant's comments do not present material facts in dispute such as to warrant a hearing under the Board's Rules of Procedure (12 C.F.R. § 262.3(e)). In addition, Protestant's comments appear to be directed to the applications filed under section 3 of the Act, and under that section, a hearing is required only if the primary supervisory agency of the bank to be acquired recommends disapproval. The primary supervisory agency in this case, the State Bank Commissioner of Delaware, has approved the application. Moreover, Protestant's comments and hearing request were not received by the Board within the 30-day comment period following publication of notice of the application in the *Federal Register* and, under the Board's Rules of Procedure, the Board is not required to consider them. Finally, even if Protestant's comments and hearing request had been timely received, it does not appear that Protestant has standing to object to these applications.

2. All banking data are as of June 30, 1981.

are principally conducted unless such acquisition is "specifically authorized by the statute laws of the state in which such bank is located, by language to that effect and not merely by implication." On February 19, 1981, the state of Delaware amended its banking laws to permit an out-of-state bank holding company to acquire a single de novo bank that will be "operated in a manner and at a location that is not likely to attract customers from the general public in [Delaware] to the substantial detriment of existing banking institutions located in this state."<sup>3</sup> However, the bank may operate to attract and retain customers with whom the bank, the out-of-state holding company, or such holding company's bank or nonbanking subsidiaries have or have had business relations. Such acquisition is subject to approval by the State Bank Commissioner who, in acting on the application, must consider the financial and managerial resources of the out-of-state bank holding company or its subsidiary, the future prospects of such company, its financial history, whether such acquisition may result in undue concentration of resources or substantial lessening of competition in Delaware, and the convenience and needs of the public in Delaware.

Both JPM and Morgan Holdings have stated in a hearing before the State Bank Commissioner that Bank will not solicit business, either deposits or loans, from individuals or from small business enterprises. Bank's location will be on the upper floors of an office building and Bank will not employ any regular tellers. JPM and Morgan Holdings plan to operate Bank as a wholesale bank whose customers will consist of domestic corporations and financial institutions located throughout the United States. Bank also plans to participate from time to time in large loans made by Delaware banks and to participate in loans to Delaware banks.

The State Bank Commissioner of Delaware, after a hearing on this matter, approved the applications of JPM and Morgan Holdings to acquire Bank, and found that the acquisition meets the statutory requirements for approval under Delaware law. In reviewing the above facts, the Board has determined that the pro-

posed acquisition conforms to Delaware law and that the statute laws of Delaware specifically authorize the acquisition of a bank chartered in Delaware by an out-of-state bank holding company and its subsidiary, as required by section 3(d) of the act.

Because of the limitations imposed by Delaware law, Bank is unlikely to be in extensive direct competition with banks in the local market. However, Bank will engage in a wholesale banking business domestically and internationally, will hold demand and other types of deposits, make loans, and provide a range of other banking and financial facilities to corporate customers and financial institutions. Thus, as Bank will provide banking services on a de novo basis, consummation of the transaction will be procompetitive. Accordingly, the overall competitive effects of the proposal are consistent with approval.

The financial and managerial resources and future prospects of JPM, Morgan Holdings and Bank are regarded as satisfactory. Bank's proposed participation in loans made by other Delaware banks will make available a substantial additional source of capital to Delaware borrowers. This increase in available capital should have a positive impact on economic development in Delaware. Based upon all the facts of record, the Board finds that convenience and needs factors are consistent with approval of the application.<sup>4</sup>

With respect to the application by Morgan Holdings to retain Data Services, which provides bookkeeping and data processing services for JPM and its subsidiaries, it was previously determined that the balance of public interest factors prescribed by section 4(c)(8) of the act favored approval of the application to engage in these activities and nothing in the record suggests that Morgan Holdings' acquisition of Bank would alter that balance. There is no evidence in the record that retention of Data Services would result in undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the act favors approval of the application filed under that section and that the application should be approved.

Morgan Holdings has also applied under section 4(c)(13) of the act to retain the shares of Curacao, an

3. Volume 63, Chapter 2 of the Laws of Delaware (1981). The Supreme Court's decision in *Lewis v. BT Investment Managers, Inc.*, 100 S. Ct. 2009 (1980), creates some uncertainty as to the ability of states to limit bank holding company activities under section 3(d) of the act. The Court stated that it is "doubtful" that section 3(d) gives states authority to impose restrictions on bank holding company activities because the only authority conferred by that section is authority to permit expansion into a state. The Court's holding striking state restrictions on bank holding company activities, however, applies only to activities conducted pursuant to section 4(c)(8) of the act, as opposed to section 3 of the act, which is applicable here. Accordingly, for purposes of this application, the Delaware statute is presumed valid on its face.

4. Under the Board's Regulation D—Reserve Requirements of Depository Institutions (12 C.F.R. Part 204), a de novo depository institution, such as Bank, is entitled to a phase-in of required reserves for a two-year period. However, the Board today has issued a temporary amendment to Regulation D that requires a depository institution that commences business on or after November 18, 1981, to maintain full reserves when it reaches \$50 million in total reservable liabilities. This rule applies to Bank, since it has not yet commenced business.

inactive company established to serve as a funding vehicle for the JPM organization, and Fonciere, a company formed to hold the real estate used by JPM for bank premises overseas. There is nothing in the record demonstrating that the continued holding of these companies would be at variance with the purposes of the act or not in the public interest. Thus, the Board finds that the application to retain these companies under section 4(c)(13) should be approved.

Based on the foregoing and other considerations reflected in the record, the Board has determined that the applications under sections 3(a)(1), 3(a)(3), and 4(c)(8) should be and hereby are approved. The acquisition of shares of Bank shall not be made before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order unless such period is extended for good cause by the Board or the Federal Reserve Bank of New York, under delegated authority. Retention of the nonbank subsidiaries under sections 4(c)(8) and 4(c)(13) is subject to the conditions set forth in section 225.4(c) of Regulation Y and section 211.5(a) of Regulation K, and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective November 19, 1981.

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

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

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

**Security Bancorp, Inc.,  
Southgate, Michigan**

#### *Order Approving Retention of Central Computer Corporation*

Security Bancorp, Inc., Southgate, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 4(c)(8) of the act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's

Regulation Y (12 C.F.R. § 225.4(b)(2)) to retain the voting shares of Central Computer Corporation, Gaylord, Michigan ("CCC"), a company acquired by Applicant's nonbank subsidiary, SecureData, Troy, Michigan ("SecureData"). CCC engages in certain data processing activities. Such activities have been determined by the Board to be closely related to banking and permissible for bank holding companies (12 C.F.R. § 225.4(a)(8)).

Notice of the application, affording an opportunity for interested persons to submit comments and views on the public interest factors has been duly published. The time for filing comments and views has expired, and the application and all comments received, including those of the Association of Data Processing Service Organizations, Inc. ("ADAPSO"), have been considered in light of the public interest factors set forth in section 4(c)(8) of the act.

Applicant, a bank holding company with consolidated assets of \$845.1 million,<sup>1</sup> controls five commercial banks and three nonbanking organizations in southeast Michigan. SecureData (assets of \$1.5 million), the nonbanking subsidiary of Applicant that directly acquired CCC, engages in data processing activities and participates in the commercial paper market. CCC (assets of \$418,968) was originally established by seven commercial banks located in northern Michigan for the purpose of providing cooperative data processing services to such banks. On January 22, 1981, SecureData acquired all the voting shares of CCC, resulting in the indirect acquisition by Applicant of CCC without the required prior Board approval under section 4(c)(8) of the act. The subject application requests Board approval for Applicant's retention of CCC.

Section 4(c)(8) of the act provides that the Board may approve a bank holding company's application to acquire a nonbanking company or engage in a nonbanking activity only after the Board has determined that the proposed activity is closely related to banking and that the performance of the proposed activity by a nonbanking subsidiary of a bank holding company can reasonably be expected to provide 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. When acting on an application under section 4(c)(8) of the act and Regulation Y to retain a nonbanking company, in a situation where required prior Board approval was not obtained for the acquisition of such company, the Board applies the same standards that it would apply

1. All deposit data are as of June 30, 1981.

to an application to acquire such company or commence such activities initially. In analyzing such an application, the Board considers the competitive effects of such a proposal both at the time of the acquisition of the nonbanking company, and at the time of the application to retain such company.

The subject application is for Board approval to retain a company that was acquired in violation of the act and Regulation Y. In acting on this application, the Board has considered Applicant's actions to conform its operations to the act and to prevent future violations. In particular, Applicant promptly notified the Federal Reserve Bank of Chicago of the subject violation, and thereafter, cooperated fully in attempting to resolve the matter to the Board's satisfaction. Moreover, Applicant's management has committed to familiarize itself with the provisions of the act and Regulation Y, to comply with such provisions in the future, to consult with the Reserve Bank or Board concerning questions or obligations thereunder, and to appoint a compliance officer to oversee and ensure compliance of Applicant and its subsidiaries with the act and Regulation Y. The Board expects that these actions will assist Applicant in avoiding a recurrence of similar violations. In light of the above and other information of record, the Board has determined that the circumstances of the subject violation do not reflect so adversely upon Applicant's management as to warrant denial of this application to retain CCC.

Although SecureData and CCC were both engaged in data processing activities at the time of CCC's acquisition by SecureData and both continue to engage in such activities, each is of a limited size and appears to serve separate and distinct markets. Moreover, even if they were considered to be in the same relevant market, barriers to entry are minimal and a large number of alternatives are present. Accordingly, it does not appear that the acquisition of CCC by SecureData had any significant anticompetitive effects nor does it appear that any significant anticompetitive effects would result from Applicant's retention of CCC.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as satisfactory. In addition, Applicant's retention of CCC should result in public benefits through the offering of continued data processing services by CCC and by enabling CCC to draw upon Applicant's technical expertise in the data processing area. With respect to other factors to be considered, the Board finds no evidence in the record indicating that Applicant's ownership of CCC has resulted in, or would result in, any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices, or other adverse effects on the public interest.

In connection with this application, the Board has also considered ADAPSO's submission, requesting the Board to consider the issues involved in the pending application of Citicorp to engage in a wide range of data processing and transmission activities, and further requesting that any Board approval in this case be made subject to the Board's final Order in the Citicorp proceeding.<sup>2</sup> Because CCC's data processing activities appear to be the type described in Regulation Y and the interpretation thereunder,<sup>3</sup> the concerns raised with respect to the permissibility of Citicorp's proposed wide range of data processing activities do not appear to be at issue in this case. To the extent, if any, that the Board modifies its data processing regulation as a result of the pending Citicorp proceeding and rulemaking, Applicant would be required to modify its operations to conform to the requirements of the modified regulation. The Board's conditional approval of this application is dependent upon Security's compliance with Regulation Y, including any changes in the regulation that may result from the pending Citicorp proceeding.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors that the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the retention application is hereby approved. This determination is subject to the conditions and commitments specific to this case as well as the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a bank

2. ADAPSO raised a number of concerns regarding the permissibility of activities in connection with Citicorp's application to engage in data processing activities through a subsidiary to be known as Citishare Corporation. The Board ordered a hearing to resolve these issues (*Citicorp*, 66 FEDERAL RESERVE BULLETIN 585 (1980)).

3. CCC's activities are as follows: providing full data processing services as they may be required or desired by the banks that formerly owned CCC; providing data processing services to any bank in northern Michigan that may wish to contract for such services; providing payroll service for any business firm in northern Michigan, either through banks or directly; providing services to the medical industry through client banks or directly; and offering to sell excess equipment capacity on a one-time and single-use basis to the general public.

With respect to those activities for which 4(c)(8) approval is sought, the Board has determined by regulation that "storing and processing other banking, financial, or related economic data, such as performing payroll, accounts receivable or payable, or billing services" are permissible nonbank activities. (12 C.F.R. § 225.4(a)(8)). The Board has interpreted this provision of Regulation Y to authorize bank holding companies to process the kinds of data that banks have traditionally processed in conducting their internal operations and accommodating their customers; the interpretation further specifies permissible incidental activities that may be carried on by a data processing subsidiary of a bank holding company. (12 C.F.R. § 225.123).

holding company as the Board finds necessary to assure compliance with the provisions and purposes of the act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective November 10, 1981.

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

[SEAL]

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

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

*By the Board of Governors*

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

**Section 3**

Applicant	Bank(s)	Board action (effective date)
Executive Banking Corporation, Miami, Florida	Jefferson National Bank at Kendall, Miami, Florida	November 27, 1981
First Bankers Corporation of Florida, Pompano Beach, Florida	Century National Bank of Brevard, Melbourne, Florida	November 18, 1981
First City Bancorporation of Texas, Inc., Houston, Texas	First State Bank, Aransas Pass, Texas Forest Hill Bancshares, Inc., Fort Worth, Texas	November 3, 1981 November 24, 1981
North Platte Corporation, Torrington, Wyoming	Western Bank of Cody, Cody, Wyoming	November 19, 1981
Texas American Bancshares, Inc., Fort Worth, Texas	Pioneer National Bank, Richardson, Texas Allen State Bank, Allen, Texas Prestonwood National Bank, Dallas, Texas	November 13, 1981 November 20, 1981 November 5, 1981
Utah Bancorporation, Salt Lake City, Utah	Silver King State Bank, Park City, Utah	October 30, 1981

**Section 4**

Applicant	Nonbanking company (or activity)	Effective date
First National Cincinnati Corporation, Cincinnati, Ohio	to engage de novo in the issuance and sale of travelers checks	November 10, 1981
Mercantile Bancorporation, Inc., St. Louis, Missouri	to engage de novo in the issuance and sale of travelers checks	November 13, 1981

*By Federal Reserve Banks*

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

## Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
Affiliated Bankshares of Colorado, Inc., Boulder, Colorado	First Colorado Bank of Pueblo, N.A., Pueblo, Colorado	Kansas City	November 2, 1981
Allied Bancshares, Inc., Houston, Texas	Beltway Bank, Houston, Texas Beltway Bancshares, Inc., Houston, Texas	Dallas	October 22, 1981
American Bancorp, Inc., Newport, Kentucky	The American National Bank of Newport, Newport, Kentucky Bellevue Commercial & Savings Banks, Bellevue, Kentucky	Cleveland	November 16, 1981
Bosworth Bancshares, Inc., Bosworth, Missouri	Bosworth State Bank, Bosworth, Missouri	Kansas City	November 12, 1981
Bourbon Bancshares, Inc. Paris, Kentucky	Bourbon Agricultural Bank and Trust Company, Paris, Kentucky	Cleveland	October 23, 1981
Bradford Bancorp, Inc., Bradford, Illinois	Bradford Banking Company Bradford, Illinois	Chicago	October 30, 1981
Bryson Bancshares, Inc., Bryson, Texas	The First State Bank of Bryson, Bryson, Texas	Dallas	November 2, 1981
CB&T Bancshares, Inc., Columbus, Georgia	First State Bancshares, Inc., Valdosta, Georgia First State Bank and Trust Company of Valdosta, Valdosta, Georgia	Atlanta	November 10, 1981
Carson Bancorporation, Inc., Carson, North Dakota	Grant County State Bank, Carson, North Dakota	Minneapolis	October 30, 1981
Chemical Financial Corporation, Midland, Michigan	Montcalm Central Bank, Stanton, Michigan	Chicago	November 13, 1981
Cleghorn Financial, Inc., Cleghorn, Iowa	Cleghorn State Bank, Cleghorn, Iowa	Chicago	November 13, 1981
Commercial Banshares, Inc., Woonsocket, South Dakota	Sanborn County Bank, Woonsocket, South Dakota	Minneapolis	November 17, 1981
Dakota Bankshares, Inc., Bismarck, North Dakota	Bank of Kirkwood Plaza, Bismarck, North Dakota	Minneapolis	November 19, 1981
Dakota Bancshares, Inc., St. Joseph, Missouri	Dakota County State Bank, South Sioux City, Nebraska	Kansas City	October 23, 1981
Dale Hollow Holding Company Celina, Tennessee	Bank of Celina, Celina, Tennessee	Atlanta	November 19, 1981
Elk County Bancshares, Inc., Howard, Kansas	Howard State Bank, Howard, Kansas	Kansas City	November 6, 1981
Elk Valley Bancshares, Inc., Fayetteville, Tennessee	The Peoples Bank of Elk Valley, Fayetteville, Tennessee	Atlanta	October 26, 1981

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Ellis Banking Corporation, Bradenton, Florida	The Peoples Bank, Gainesville, Florida	Atlanta	November 20, 1981
Financial Dominion of Indiana Corporation, Rushville, Indiana	The Rushville National Bank, Rushville, Indiana	Chicago	November 5, 1981
First Deposit Bancshares, Inc., Tompkinsville, Kentucky	Deposit Bank of Monroe County, Tompkinsville, Kentucky	St. Louis	October 21, 1981
First Fordyce Bancshares, Inc., Fordyce, Arkansas	The First National Bank of For- dyce, Fordyce, Arkansas	St. Louis	November 14, 1981
First Luther Bancorporation, Inc., Luther, Oklahoma	The First National Bank of Luther, Luther, Oklahoma	Kansas City	November 13, 1981
First National Bancshares, Inc., East Lansing, Michigan	First National Bank of Michigan, East Lansing, Michigan	Chicago	November 4, 1981
First National Holding Com- pany, Oxford, Mississippi	The First National Bank of Oxford, Oxford, Mississippi	St. Louis	October 30, 1981
First Porter Bancshares, Inc., Porter, Oklahoma	The First National Bank of Porter, Porter, Oklahoma	Kansas City	November 13, 1981
First State Bancorporation, Tuscaloosa, Alabama	First State Bank of Tuscaloosa, Tuscaloosa, Alabama	Atlanta	November 19, 1981
First State Financial Corpora- tion, East Detroit, Michigan	Macomb County Bank, Richmond, Michigan	Chicago	November 19, 1981
First Tuscumbia Corporation, Tuscumbia, Alabama	The First National Bank in Tus- cumbia, Tuscumbia, Alabama	Atlanta	November 5, 1981
First United Bancorporation, Inc., Fort Worth, Texas	The Terrell State Bank, Terrell, Texas	Dallas	November 9, 1981
First of Waverly Corporation, Waverly, Iowa	The First National Bank of Waverly, Waverly, Iowa	Chicago	November 16, 1981
Geary Bancshares, Inc., Geary, Oklahoma	The First National Bank of Geary, Geary, Oklahoma	Kansas City	November 2, 1981
Gilpin County Bancshares, Inc., Black Hawk, Colorado	Gilpin County Bank, Black Hawk, Colorado	Kansas City	November 2, 1981
Guaranty Capital Corporation, Belzoni, Mississippi	Guaranty Bank and Trust Com- pany, Belzoni, Mississippi	St. Louis	November 9, 1981
Hancock Bancshares Corpora- tion, Greenfield, Indiana	Hancock Bank & Trust, Greenfield, Indiana	Chicago	November 19, 1981
Hardeman County Investment Company, Inc., Bolivar, Tennessee	Hardeman County Bank, Bolivar, Tennessee	St. Louis	November 18, 1981
Holmes County Capital Corpo- ration, Lexington, Mississippi	Holmes County Bank & Trust Company, Lexington, Mississippi	St. Louis	October 29, 1981

## Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Huntington Bancshares, Inc., Columbus, Ohio	CUbanc Corp., Reynoldsburg, Ohio The Alexandria Bank Company, Alexandria, Ohio	Cleveland	October 23, 1981
Independence Bank Group, Inc., Waukesha, Wisconsin	Metropolitan National Bank, Monona, Wisconsin	Chicago	November 13, 1981
Jefferson Bancorp, Inc., Louisville, Kentucky	Republic Bank & Trust Company, Louisville, Kentucky	St. Louis	October 29, 1981
Landmark Bancshares Corpora- tion, St. Louis, Missouri	Battlefield National Bank, Springfield, Missouri Oakville Bank and Trust Company, Oakville, Missouri	St. Louis	November 12, 1981
Lincoln State Company, Inc., Lincoln, Nebraska	Lincoln State Bank, Lincoln, Nebraska	Kansas City	November 12, 1981
Mangum Bancshares, Inc., Mangum, Oklahoma	First Mangum Corp., Mangum, Oklahoma The First National Bank of Mangum, Mangum, Oklahoma	Kansas City	October 29, 1981
Mansfield Bancshares, Inc., Mansfield, Louisiana	Mansfield Bank and Trust Company, Mansfield, Louisiana	Dallas	October 30, 1981
Merchants Capital Corporation, Vicksburg, Mississippi	Merchants National Bank, Vicksburg, Mississippi	Atlanta	October 26, 1981
Michigan Financial Corporation, Menominee, Michigan	First National Bank and Trust of Menominee, Menominee, Michigan	Minneapolis	November 4, 1981
Morgan Bancorporation, Inc., Morgan, Minnesota	State Bank of Morgan, Morgan, Minnesota	Minneapolis	October 28, 1981
Munich Bancshares, Inc., Munich, North Dakota	The First State Bank of Munich, Munich, North Dakota	Minneapolis	November 5, 1981
Myers Bancshares, Inc., Dallas, Texas	Continental State Bank, Boyd, Texas	Dallas	November 9, 1981
New Lenox Holding Company, New Lenox, Illinois	New Lenox State Bank, New Lenox, Illinois	Chicago	November 6, 1981
Northwest Bancorp., Albany, Oregon	Citizens Valley Bank, Albany, Oregon	San Francisco	November 19, 1981
Northwest Bancorporation of Arkansas, Inc., Fayetteville, Arkansas	Northwest National Bank, Fayetteville, Arkansas	St. Louis	October 30, 1981
Northwest Bancshares of Loui- siana, Inc., Mansfield, Louisiana	First National Bank in Mansfield, Mansfield, Louisiana	Dallas	November 20, 1981
Northwest Georgia Bankshares, Inc., LaFayette, Georgia	Walker County Bank, LaFayette, Georgia	Atlanta	November 20, 1981
Old Kent Financial Corporation, Grand Rapids, Michigan	National Bank and Trust Company of Traverse City, Traverse City, Michigan	Chicago	November 6, 1981



Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Ozark Bancshares, Inc., Ozark, Arkansas	Bankstock One, Inc., Ozark, Arkansas Bank of Ozark, Ozark, Arkansas	St. Louis	October 30, 1981
Pan American Banks, Inc., Miami, Florida	Manufacturers National Bank, Hialeah, Florida	Atlanta	November 18, 1981
Peoples Bancorp of Sandy Hook, Inc., Sandy Hook, Kentucky	Peoples Bank, Sandy Hook, Kentucky	Cleveland	November 16, 1981
The Peoples Corporation, Ripley, Mississippi	The Peoples Bank, Ripley, Mississippi	St. Louis	October 28, 1981
Peoples Holding Company, Inc., Collinsville, Alabama	The Peoples Bank, Collinsville, Alabama	Atlanta	November 10, 1981
The Plains Corporation, Lubbock, Texas	The Plains National Bank of Lubbock, Lubbock, Texas	Dallas	November 16, 1981
Port Gibson Capital Corpora- tion, Port Gibson, Mississippi	Port Gibson Bank, Port Gibson, Mississippi	Atlanta	November 16, 1981
Prairieland Bancorp., Inc., Bushnell, Illinois	Farmers and Merchants State Bank of Bushnell, Bushnell, Illinois	Chicago	November 9, 1981
The Protection Bank Holding Company, Inc., Protection, Kansas	The Bank of Protection, Protection, Kansas	Kansas City	November 13, 1981
Rawlins Bancshares, Inc., Atwood, Kansas	Farmers Bank and Trust, Atwood, Kansas	Kansas City	October 30, 1981
Rio Grande Bancorp, Inc. Del Norte, Colorado	Rio Grande County Bank, Del Norte, Colorado	Kansas City	October 29, 1981
Spencer Bancorporation, Inc., Spencer, Wisconsin	Spencer State Bank, Spencer, Wisconsin	Chicago	November 17, 1981
Steuben Financial Corp., Auburn, Indiana	The Hamilton Bank, Hamilton, Indiana	Chicago	November 9, 1981
Sulphur Community Banc- shares, Inc., Sulphur, Oklahoma	Sulphur Community Bank, Sulphur, Oklahoma	Kansas City	November 2, 1981
Texas Commerce Bancshares, Inc., Houston, Texas	The Hillcrest State Bank, University Park, Texas The Stone Fort National Bank of Nacadoches, Nacadoches, Texas	Dallas	November 4, 1981 October 30, 1981
United Bank Corporation, Barnesville, Georgia	Lamar State Bank, Barnesville, Georgia Bank of Zebulon, Zebulon, Georgia Crawford County Bank, Roberta, Georgia	Atlanta	November 13, 1981
United Kansas Bank Group, Inc., Merriam, Kansas	United Kansas Bank & Trust, Merriam, Kansas	Kansas City	November 14, 1981

## Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Valley Bancshares, Inc., Valley Park, Missouri	Meramec Valley Bank, Valley Park, Missouri	St. Louis	November 20, 1981
Waunakee Bank Shares, Inc., Waunakee, Wisconsin	Bank of Waunakee, Waunakee, Wisconsin	Chicago	October 29, 1981
West Point Bancorp., Inc., St. Joseph, Missouri	Dakota Bancshares, Inc., St. Joseph, Missouri	Kansas City	October 23, 1981
Wolf Point Bancorporation, Inc., Wolf Point, Montana	Dakota County State Bank, South Sioux City, Nebraska Citizens First National Bank of Wolf Point, Wolf Point, Montana	Minneapolis	November 17, 1981
Wynnewood Bancshares, Inc., Wynnewood, Oklahoma	The State Bank of Wynnewood, Wynnewood, Oklahoma	Kansas City	November 2, 1981

## Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date
Clifford Bancshares, Inc., Clarksville, Missouri	Clifford Banking Company, Clarksville, Missouri	to engage in credit related insurance activities	St. Louis	November 20, 1981
Elco Bancshares, Inc., Lorraine, Kansas	Lorraine State Bank, Lorraine, Kansas	Lorraine Insurance Agency, Lorraine, Kansas	Kansas City	November 12, 1981
Farmers Investment Company, Inc., Eyota, Minnesota	First Dover Investment Company, et. al., Elgin, Minnesota	general insurance agency activities and purchasing merchants' accounts receivable	Minneapolis	November 16, 1981
Milan Agency, Inc., Milan, Minnesota	Peoples State Bank of Milan, Milan, Minnesota	to continue to engage in general insurance activities	Minneapolis	November 19, 1981

## Section 4

Applicant	Nonbanking company (or activity)	Reserve Bank	Effective date
Coronado, Inc., Sterling, Kansas	First Agency, Inc., Sterling, Kansas	Kansas City	November 13, 1981
Southeast Banking Corporation, Miami, Florida	Churchill Mortgage Corporation, Atlanta, Georgia	Atlanta	November 5, 1981
UST Corp., Boston, Massachusetts	First Commonwealth Associates, Houston, Texas	Boston	November 6, 1981

## ORDERS APPROVED UNDER BANK MERGER ACT

## By Federal Reserve Banks

Applicant	Bank(s)	Reserve Bank	Effective date
Central Bank of Birmingham, Birmingham, Alabama	Central Bank of Alabama, N.A., et. al., Decatur, Alabama	Atlanta	November 17, 1981

## PENDING CASES INVOLVING THE BOARD OF GOVERNORS\*

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

- American Bankers Association v. Federal Home Loan Bank Board, et al.*, filed August 1981, U.S.D.C. for the District of Columbia.
- The National Bank of Davis, et al. v. Charles E. Lord, et al.*, filed July 1981, U.S.C.A. for the Fourth Circuit.
- Bank Stationers Association, Inc., et al. v. Board of Governors*, filed July 1981, U.S.D.C. for the Northern District of Georgia.
- Public Interest Bounty Hunters v. Board of Governors, et al.*, filed June 1981. U.S.D.C. for the Northern District of Georgia.
- Edwin F. Gordon v. John Heimann, et al.*, filed May 1981, U.S.C.A. for the Fifth Circuit.
- Louis J. Roussell v. Board of Governors*, filed May 1981, U.S.C.A. for the District of Columbia.
- Wilshire Oil Company of Texas v. Board of Governors, et al.*, filed April 1981, U.S.C.A. for the Third Circuit.
- People of the State of Arkansas v. Board of Governors, et al.*, filed March 1981, U.S.C.A. for the Western District of Arkansas.
- First Bank & Trust Company v. Board of Governors*, filed February 1981, U.S.D.C. for the Eastern District of Kentucky.
- Ellis E. St. Rose & James H. Sibbet v. Board of Governors*, filed February 1981, U.S.D.C. for the District of Columbia.
- Option Advisory Service, Inc. v. Board of Governors, et al.*, filed February 1981, U.S.C.A. for the Second Circuit.
- 9 to 5 Organization for Women Office Workers v. Board of Governors*, filed December 1980, U.S.D.C. for the District of Massachusetts.
- Securities Industry Association v. Board of Governors, et al.*, filed October 1980, U.S.D.C. for the District of Columbia.
- Securities Industry Association v. Board of Governors, et al.*, filed October 1980, U.S.C.A. for the District of Columbia.
- A. G. Becker, Inc. v. Board of Governors, et al.*, filed October 1980, U.S.D.C. for the District of Columbia.
- A. G. Becker, Inc. v. Board of Governors, et al.*, filed October 1980, U.S.C.A. for the District of Columbia.
- Independent Insurance Agents of America and Independent Insurance Agents of Missouri v. Board of Governors*, filed September 1980, U.S.C.A. for the Eighth Circuit.
- Nebraska Bankers Association, et al. v. Board of Governors, et al.*, filed September 1980, U.S.D.C. for the District of Nebraska.
- Republic of Texas Corporation v. Board of Governors*, filed September 1980, U.S.C.A. for the Fifth Circuit.
- A. G. Becker, Inc. v. Board of Governors, et al.*, filed August 1980, U.S.D.C. for the District of Columbia.
- Otero Savings and Loan Association v. Board of Governors*, filed August 1980, U.S.D.C. for the District of Colorado.
- Edwin F. Gordon v. Board of Governors, et al.*, filed August 1980, U.S.C.A. for the Fifth Circuit.
- U.S. League of Savings Associations v. Depository Institutions Deregulation Committee, et al.*, filed June 1980, U.S.D.C. for the District of Columbia.
- Berkovitz, et al. v. Government of Iran, et al.*, filed June 1980, U.S.D.C. for the Northern District of California.
- Mercantile Texas Corporation v. Board of Governors*, filed May 1980, U.S.C.A. for the Fifth Circuit.
- Corbin, Trustee v. United States*, filed May 1980, United States Court of Claims.
- Louis J. Roussel v. Comptroller of the Currency and Federal Reserve Board*, filed April 1980, U.S.D.C. for the District of Columbia.
- County National Bancorporation and TGB Co. v. Board of Governors*, filed September 1979, U.S.C.A. for the Eighth Circuit.

*Donald W. Riegle, Jr. v. Federal Open Market Committee*, filed July 1979, U.S.D.C. for the District of Columbia.

*Security Bancorp and Security National Bank v. Board of Governors*, filed March 1978, U.S.C.A. for the Ninth Circuit.

*Roberts Farms, Inc. v. Comptroller of the Currency,*

*et al.*, filed November 1975, U.S.D.C. for the Southern District of California.

*Darnell Hilliard v. G. William Miller, et al.*, filed September 1976, U.S.C.A. for the District of Columbia.

*David Merrill, et al. v. Federal Open Market Committee*, filed May 1975, U.S.D.C. for the District of Columbia.

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## 1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1980	1981			1981				
	Q4	Q1	Q2	Q3	June	July	Aug.	Sept.	Oct.
Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) <sup>1</sup>									
<i>Reserves of depository institutions</i>									
1 Total	16.7	2.7	3.3	6.6	-5.8	7.9	8.3	22.0	-10.3
2 Required	15.5	4.0	4.3	5.9	-8.1	7.9	9.8	18.4	-6.3
3 Nonborrowed	7.2	7.7	-3.3	10.6	.0	19.8	16.9	21.7	-2.2
4 Monetary base <sup>2</sup>	10.8	4.9	5.5	5.3	-3	8.2	5.0	4.3	-4.6
<i>Concepts of money and liquid assets<sup>3</sup></i>									
5 M1-A	8.2	-20.8	-5.3	-3.6 <sup>r</sup>	-9.9	-1.7 <sup>r</sup>	3.0	-7.9	2.3
6 M1-B	10.8	4.9	8.7	3 <sup>r</sup>	-7.5	3.6	7.5 <sup>r</sup>	-2.8	3.3
7 M2	8.1	8.3	10.6	7.1	4.1	7.4	11.7 <sup>r</sup>	6.5 <sup>r</sup>	8.1
8 M3	11.3	12.4	10.6	10.3 <sup>r</sup>	10.6	8.7	13.5 <sup>r</sup>	9.2 <sup>r</sup>	5.6
9 L	11.4	12.9	8.4	n.a.	11.0 <sup>r</sup>	8.0 <sup>r</sup>	15.0	n.a.	n.a.
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Total	15.4	17.0	10.0	17.3	17.2	16.7 <sup>r</sup>	20.8	7.9 <sup>r</sup>	4.8
11 Savings <sup>4</sup>	1.5	-30.5	-11.9	-19.6	-24.0	-11.5	-29.1 <sup>r</sup>	-22.4 <sup>r</sup>	-19.0
12 Small-denomination time <sup>5</sup>	16.2	30.2	13.4	21.0	22.0	14.5	30.9	20.1	24.7
13 Large-denomination time <sup>6</sup>	25.4	37.5	20.0	34.7	35.8	34.8	36.5	10.4	-4.4
14 Thrift institutions <sup>7</sup>	9.7	5.3	4	-1.7	.3	-5.3	-2.0	1.3 <sup>r</sup>	3.2
15 Total loans and securities at commercial banks <sup>8</sup>	14.6	11.8	6.1 <sup>r</sup>	8.5 <sup>r</sup>	6.9 <sup>r</sup>	6.0 <sup>r</sup>	10.4 <sup>r</sup>	10.6	8.8
Interest rates (levels, percent per annum)									
1980                      1981                      1981									
	Q4	Q1	Q2	Q3	July	Aug.	Sept.	Oct.	Nov.
<i>Short-term rates</i>									
16 Federal funds <sup>9</sup>	15.85	16.57	17.78	17.58	19.04	17.82	15.87	15.08	13.31
17 Discount window borrowing <sup>10</sup>	11.78	13.00	13.62	14.00	14.00	14.00	14.00	14.00	13.00
18 Treasury bills (3-month market yield) <sup>11</sup>	13.61	14.39	14.91	15.05	14.95	15.51	14.70	13.54	10.86
19 Commercial paper (3-month) <sup>11,12</sup>	15.26	15.34	16.15	16.78	17.00	17.23	16.09	14.85	12.16
<i>Long-term rates</i>									
<i>Bonds</i>									
20 U.S. government <sup>13</sup>	12.23	12.74	13.49	14.51	13.92	14.52	15.07	15.13	13.56
21 State and local government <sup>14</sup>	9.59	9.97	10.69	12.11	11.14	12.26	12.92	12.83	11.89
22 Aaa utility (new issue) <sup>15</sup>	13.49	14.45	15.41	16.82	16.30	17.21	17.21	16.94	15.56
23 Conventional mortgages <sup>16</sup>	14.62	15.10	16.15	17.50	16.70	17.50	18.30	18.05	n.a.

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

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

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

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

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

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

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

4. Savings deposits exclude negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at commercial banks.

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

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

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

8. Changes calculated from figures shown in table 1.23.

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

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

11. Quoted on a bank-discount basis.

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

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

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

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

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

NOTE: Reserve series have been revised to adjust for discontinuities associated with the transitional phase-in of reserve requirements under the Monetary Control Act of 1980.

M3 has been revised to incorporate additional data for term repurchase agreements.

A4 Domestic Financial Statistics □ December 1981

1.11 RESERVES OF DEPOSITORY INSTITUTIONS, RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1981			1981						
	Sept.	Oct.	Nov.	Oct. 14	Oct. 21	Oct. 28	Nov. 4	Nov. 11	Nov. 18	Nov. 25
<b>SUPPLYING RESERVE FUNDS</b>										
1 Reserve bank credit outstanding .....	145,511	145,960	148,339	145,245	148,600	145,678	146,206	146,203	149,300	149,319
2 U.S. government securities <sup>1</sup> .....	123,685	123,497	125,247	123,327	125,444	123,457	123,978	123,526	125,951	126,396
3 Bought outright .....	123,685	123,273	124,559	123,327	124,450	123,457	123,796	123,526	124,599	125,283
4 Held under repurchase agreements .....	0	224	688	0	994	0	182	0	1,352	1,113
5 Federal agency securities .....	8,671	8,700	8,888	8,657	8,856	8,646	8,683	8,646	8,844	9,048
6 Bought outright .....	8,671	8,652	8,776	8,657	8,646	8,646	8,646	8,646	8,646	8,857
7 Held under repurchase agreements .....	0	48	112	0	210	0	37	0	198	191
8 Acceptances .....	0	58	261	0	257	0	95	0	502	392
9 Loans .....	1,473	1,149	695	1,110	1,255	1,187	1,237	965	561	337
10 Float .....	3,206	3,285	3,320	2,978	3,507	3,031	2,452	2,894	3,423	3,493
11 Other Federal Reserve assets .....	8,476	9,271	9,928	9,173	9,280	9,358	9,761	10,172	10,019	9,653
12 Gold stock .....	11,154	11,152	11,152	11,152	11,152	11,152	11,152	11,152	11,152	11,152
13 Special drawing rights certificate account .....	3,126	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318
14 Treasury currency outstanding .....	13,648	13,641	13,663	13,640	13,640	13,643	13,651	13,657	13,660	13,668
<b>ABSORBING RESERVE FUNDS</b>										
15 Currency in circulation .....	138,525	138,477	140,504	139,164	138,812	138,117	138,520	140,005	140,759	140,955
16 Treasury cash holdings .....	453	455	449	458	457	450	447	449	450	453
Deposits, other than reserves, with Federal Reserve Banks										
17 Treasury .....	3,155	3,339	3,061	2,957	3,743	3,069	3,410	3,052	3,215	2,841
18 Foreign .....	284	353	325	329	350	318	423	269	338	310
19 Other .....	592	611	688	577	624	595	773	652	696	591
20 Required clearing balances .....	54	74	91	72	77	78	82	87	89	95
21 Other Federal Reserve liabilities and capital .....	4,849	5,171	5,438	5,184	5,300	5,030	5,234	5,190	5,405	5,583
22 Reserve accounts <sup>2</sup> .....	25,527	25,592	25,915	24,613	27,348	26,134	25,437	24,627	26,478	26,630
<b>End-of-month figures</b>				<b>Wednesday figures</b>						
1981				1981						
	Sept.	Oct.	Nov.	Oct. 14	Oct. 21	Oct. 28	Nov. 4	Nov. 11	Nov. 18	Nov. 25
<b>SUPPLYING RESERVE FUNDS</b>										
23 Reserve bank credit outstanding .....	147,585	143,917	149,264	148,045	153,425	145,522	150,665	146,398	149,904	149,966
24 U.S. government securities <sup>1</sup> .....	124,330	123,005	126,539	123,989	127,854	121,495	124,996	123,584	125,912	126,788
25 Bought outright .....	124,330	123,005	124,743	123,989	124,747	121,495	123,720	123,584	124,337	126,479
26 Held under repurchase agreements .....	0	0	1,796	0	3,107	0	1,276	0	1,575	309
27 Federal agency securities .....	8,661	8,646	9,448	8,646	9,173	8,646	8,905	8,646	9,020	9,189
28 Bought outright .....	8,661	8,646	9,129	8,646	8,646	8,646	8,646	8,646	8,646	9,139
29 Held under repurchase agreements .....	0	0	319	0	527	0	259	0	374	50
30 Acceptances .....	0	0	744	0	801	0	664	0	656	164
31 Loans .....	2,486	924	232	2,593	3,315	1,885	1,941	2,434	1,444	656
32 Float .....	2,811	1,690	2,177	3,459	2,786	4,084	3,768	1,305	3,304	3,229
33 Other Federal Reserve assets .....	9,297	9,652	10,124	9,358	9,496	9,412	10,391	10,429	9,568	9,940
34 Gold stock .....	11,152	11,152	11,152	11,152	11,152	11,152	11,152	11,152	11,152	11,152
35 Special drawing rights certificate account .....	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318
36 Treasury currency outstanding .....	14,315	13,651	13,679	13,640	13,640	13,651	13,651	13,658	13,666	13,674
<b>ABSORBING RESERVE FUNDS</b>										
37 Currency in circulation .....	138,508	138,137	141,919	139,583	138,796	138,552	139,451	140,970	141,087	141,691
38 Treasury cash holdings .....	457	447	447	459	456	449	448	450	450	450
Deposits, other than reserves, with Federal Reserve Banks										
39 Treasury .....	2,520	3,550	3,475	3,024	3,723	2,842	3,197	2,720	3,146	2,905
40 Foreign .....	420	547	535	293	290	264	403	280	284	302
41 Other .....	843	573	715	565	628	568	726	631	522	720
42 Required clearing balances .....	63	82	99	72	77	78	82	87	89	95
43 Other Federal Reserve liabilities and capital .....	5,379	5,112	6,011	5,015	5,174	4,831	5,092	5,202	5,385	5,520
44 Reserve accounts <sup>2</sup> .....	27,180	23,590	24,213	27,144	32,391	26,060	29,388	24,187	27,077	26,427

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

2. Excludes required clearing balances.

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



1.12 RESERVES AND BORROWINGS Depository Institutions

Millions of dollars

Reserve classification	Monthly averages of daily figures									
	1980	1981								
	Dec.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 Reserve balances with Reserve Banks <sup>1</sup> . . . . .	26,664	26,722	27,173	26,822	26,819	27,172	27,023	25,527	25,592	25,915
2 Total vault cash (estimated) . . . . .	18,149	17,327	17,189	17,773	18,198	18,273	18,438	18,927	18,810	18,839
3 Vault cash at institutions with required reserve balances <sup>2</sup> . . . . .	12,602	11,687	11,687	12,124	12,396	12,504	12,585	12,966	12,881	12,956
4 Vault cash equal to required reserves at other institutions . . . . .	704	1,237	1,204	1,310	1,350	1,319	1,364	2,041	2,054	2,011
5 Surplus vault cash at other institutions <sup>3</sup> . . . . .	4,843	4,403	4,298	4,339	4,452	4,450	4,489	3,920	3,875	3,872
6 Reserve balances + total vault cash <sup>4</sup> . . . . .	44,940	44,155	44,451	44,683	45,100	45,507	45,513	44,499	44,430	44,778
7 Reserve balances + total vault cash used to satisfy reserve requirements <sup>4,5</sup> . . . . .	40,097	39,752	40,153	40,344	40,648	41,057	41,024	40,579	40,555	40,906
8 Required reserves (estimated) . . . . .	40,067	39,372	40,071	40,213	40,098	40,675	40,753	40,179	40,438	40,591
9 Excess reserve balances at Reserve Banks <sup>4,6</sup> . . . . .	30	380	82	131	550	382	271	400	117	315
10 Total borrowings at Reserve Banks . . . . .	1,617	1,004	1,343	2,154	2,038	1,751	1,408	1,473	1,149	695
11 Seasonal borrowings at Reserve Banks . . . . .	116	197	161	259	291	248	220	222	152	79
12 Extended credit at Reserve Banks . . . . .	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	79	301	442	178
	Weekly averages of daily figures for week ending:									
	Sept. 23	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28	Nov. 4	Nov. 11	Nov. 18	Nov. 25
13 Reserve balances with Reserve Banks <sup>1</sup> . . . . .	26,510	25,844	24,817	24,613	27,348	26,134	25,437	24,627	26,478	26,556
14 Total vault cash (estimated) . . . . .	17,608	19,618	19,391	19,499	17,619	18,558	19,212	19,403	18,593	17,934
15 Vault cash at institutions with required reserve balances <sup>2</sup> . . . . .	12,205	13,453	13,323	13,154	12,115	12,767	13,272	13,322	12,666	12,410
16 Vault cash equal to required reserves at other institutions . . . . .	1,909	2,196	2,144	2,235	1,890	1,959	2,021	2,091	1,992	1,916
17 Surplus vault cash at other institutions <sup>3</sup> . . . . .	3,494	3,969	3,924	4,110	3,614	3,832	3,919	3,990	3,935	3,608
18 Reserve balances + total vault cash <sup>4</sup> . . . . .	44,163	45,502	44,246	44,137	44,992	44,716	44,674	44,054	45,095	44,513
19 Reserve balances + total vault cash used to satisfy reserve requirements <sup>4,5</sup> . . . . .	40,669	41,533	40,322	40,027	41,378	40,884	40,755	40,064	41,160	40,905
20 Required reserves (estimated) . . . . .	40,391	41,009	40,105	39,742	41,245	40,625	40,521	39,637	40,966	40,753
21 Excess reserve balances at Reserve Banks <sup>4,6</sup> . . . . .	278	524	217	285	133	259	234	427	194	152
22 Total borrowings at Reserve Banks . . . . .	1,446	1,448	1,146	1,110	1,255	1,187	1,237	965	561	337
23 Seasonal borrowings at Reserve Banks . . . . .	230	233	115	158	155	147	134	134	102	69
24 Extended credit at Reserve Banks . . . . .	325	387	413	423	444	464	452	111	126	123

1. As of Aug. 13, 1981 excludes required clearing balances of all depository institutions.

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

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

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

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

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

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

A6 Domestic Financial Statistics □ December 1981

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

Averages of daily figures, in millions of dollars

By maturity and source	1981, week ending Wednesday								
	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28	Nov. 4	Nov. 11	Nov. 18	Nov. 25
<i>One day and continuing contract</i>									
1 Commercial banks in United States .....	45,275	51,268	50,532	49,736	45,182 <sup>r</sup>	48,715	54,547	52,581	49,570
2 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies ..	16,895	16,513	16,376	18,215	17,670 <sup>r</sup>	17,192	17,907	18,785	18,941
3 Nonbank securities dealers .....	3,125	2,840	3,317	3,318	3,994	3,464	3,755	3,844	3,773
4 All other .....	19,106	19,003	18,434	19,021	19,409	19,548	19,126	19,658	18,772
<i>All other maturities</i>									
5 Commercial banks in United States .....	3,396	3,604	4,190	3,347	3,185	3,853	3,612	3,367	3,600
6 Other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies ..	7,191	7,108	7,382	7,559	7,451	7,598	7,719	7,794	7,998
7 Nonbank securities dealers .....	4,676	4,808	4,485	4,544	4,510 <sup>r</sup>	4,384	4,369	4,386	4,283
8 All other .....	10,185	8,937	10,126	9,181	9,757 <sup>r</sup>	10,359	10,552	10,415	11,030
MEMO: Federal funds and resale agreement loans in ma- turities of one day or continuing contract									
9 Commercial banks in United States .....	17,438	16,745	18,469	17,741	16,036 <sup>r</sup>	18,238	18,508	19,293	16,316
10 Nonbank securities dealers .....	2,939	3,365	3,205	3,204	2,688	2,773	3,474	3,589	3,408

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Federal Reserve Bank	Current and previous levels									
	Short-term adjustment credit and seasonal credit			Extended credit <sup>1</sup>						Effective date for current rates
				First 60 days of borrowing		Next 90 days of borrowing		After 150 days		
	Rate on 11/30/81	Effective date	Previous rate	Rate on 11/30/81	Previous rate	Rate on 11/30/81	Previous rate			
Boston.....	13	11/2/81	14	13	14	14	15	15	16	
New York.....	13	11/2/81	14	13	14	14	15	15	16	11/2/81
Philadelphia.....	13	11/2/81	14	13	14	14	15	15	16	11/2/81
Cleveland.....	13	11/2/81	14	13	14	14	15	15	16	11/2/81
Richmond.....	13	11/2/81	14	13	14	14	15	15	16	11/2/81
Atlanta.....	13	11/3/81	14	13	14	14	15	15	16	11/3/81
Ohio.....	13	11/2/81	14	13	14	14	15	15	16	11/2/81
St. Louis.....	13	11/2/81	14	13	14	14	15	15	16	11/2/81
Minneapolis.....	13	11/2/81	14	13	14	14	15	15	16	11/2/81
Kansas City.....	13	11/3/81	14	13	14	14	15	15	16	11/3/81
Dallas.....	13	11/6/81	14	13	14	14	15	15	16	11/6/81
San Francisco.....	13	11/2/81	14	13	14	14	15	15	16	11/2/81

Range of rates in recent years<sup>2</sup>

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1972.....	4½	4½	1976— Jan. 19.....	5½-6	5½	1979— Sept. 19.....	10½-11	11
1973— Jan. 15.....	5	5	23.....	5½	5½	21.....	11	11
Feb. 26.....	5-5½	5½	Nov. 22.....	5¼-5½	5¼	Oct. 8.....	11-12	12
Mar. 2.....	5½	5½	26.....	5¼	5¼	10.....	12	12
Apr. 23.....	5½-5¾	5½	1977— Aug. 30.....	5¼-5¾	5¼	1980— Feb. 15.....	12-13	13
May 4.....	5¾	5¾	31.....	5¼-5¾	5¾	19.....	13	13
11.....	5¾-6	6	Sept. 2.....	5¾	5¾	May 29.....	12-13	13
18.....	6	6	Oct. 26.....	6	6	30.....	12	12
June 11.....	6-6½	6½	1978— Jan. 9.....	6-6½	6½	June 13.....	11-12	11
15.....	6½	6½	20.....	6½	6½	16.....	11	11
July 2.....	7	7	12.....	6½-7	7	29.....	10-11	10
Aug. 14.....	7-7½	7½	May 11.....	7	7	Sept. 26.....	10	10
23.....	7½	7½	12.....	7	7	Nov. 17.....	12	12
1974— Apr. 25.....	7½-8	8	July 3.....	7¼	7¼	Dec. 5.....	12-13	13
30.....	8	8	10.....	7¼	7¼	8.....	13	13
Dec. 9.....	7¾-8	7¾	Aug. 21.....	7¾	7¾	1981— May 5.....	13-14	14
16.....	7¾	7¾	Sept. 22.....	8	8	May 8.....	14	14
1975— Jan. 6.....	7¼-7¾	7¾	Oct. 16.....	8-8½	8½	Nov. 2.....	13-14	13
10.....	7¼-7¾	7¼	20.....	8½	8½	Nov. 6.....	13	13
24.....	7¼	7¼	Nov. 1.....	8½-9½	9½	1979— July 20.....	10	10
Feb. 5.....	6¾-7¼	6¾	3.....	9½	9½	Aug. 17.....	10½	10½
7.....	6¾	6¾	1979— July 20.....	10	10	20.....	10½	10½
Mar. 10.....	6¼-6¾	6¼	Aug. 17.....	10½	10½	In effect Nov. 30, 1981	13	13
14.....	6¼	6¼	20.....	10½	10½			
May 16.....	6-6¼	6						

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

2. Rates for short-term adjustment credit. For description and earlier data see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914-1941* and *1941-1970*; *Annual Statistical Digest, 1971-1975, 1972-1976, 1973-1977, and 1974-1978*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of \$500 million or more that had borrowed in successive weeks or in more than 4 weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. On Nov. 17, 1980, a 2 percent surcharge was adopted; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980 and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981 and to 2 percent effective Oct. 12. As of Oct. 1, the formula for applying the surcharge was changed from a calendar quarter to a moving 13-week period. The surcharge was eliminated on Nov. 17, 1981.

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

Percent of deposits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE TO TABLE 1.16

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

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

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks (thrift institutions)			
	In effect Nov. 30, 1981		Previous maximum		In effect Nov. 30, 1981		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings	5¼	7/1/79	5	7/1/73	5½	7/1/79	5¼	(1)
2 Negotiable order of withdrawal accounts <sup>2</sup>	5¼	12/31/80	5	1/1/74	5¼	12/31/80	5	1/1/74
Time accounts <sup>3</sup>								
Fixed ceiling rates by maturity <sup>4</sup>								
3 14-89 days	5¼	8/1/79	5	7/1/73	(6)		(6)	
4 90 days to 1 year	5¾	1/1/80	5½	7/1/73	6	1/1/80	5¾	(1)
5 1 to 2 years			5½	1/21/70	6½	(1)	6	1/21/70
6 2 to 2½ years	6	7/1/73	5¾	1/21/70	6		5¾	1/21/70
7 2½ to 4 years	6½	7/1/73	5¾	1/21/70	6¾	(1)	6	1/21/70
8 4 to 6 years	7¼	11/1/73	(9)		7½	11/1/73	(9)	
9 6 to 8 years	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
10 8 years or more	7¾	6/1/78	(6)		8	6/1/78	(6)	
11 Issued to governmental units (all maturities) <sup>10</sup>	8	6/1/78	7¾	12/23/74	8	6/1/78	7¾	12/23/74
12 Individual retirement accounts and Keogh (H.R. 10) plans (3 years or more) <sup>10,11</sup>	8	6/1/78	7¾	7/6/77	8	6/1/78	7¾	7/6/77
Special variable ceiling rates by maturity								
13 6-month money market time deposits <sup>12</sup>	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
14 12-month all savers certificates	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
15 2½ years or more	(15)	(15)	(16)	(16)	(15)	(15)	(16)	(16)

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

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

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

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

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

6. No separate account category.

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

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

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

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

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

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

13. Commercial banks and thrift institutions were authorized to offer money market time deposits effective June 1, 1978. These deposits have a minimum denomination requirement of \$10,000 and a maturity of 26 weeks. The ceiling rate of interest on these deposits is indexed to the discount rate (auction average) on most recently issued 26-week U.S. Treasury bills. Interest on these certificates may not be compounded. Effective for all 6-month money market certificates issued beginning Nov. 1, 1981, depository institutions may pay rates of interest on these deposits indexed to the higher of (1) the rate for 26-week Treasury bills established immediately prior to the date of deposit (bill rate) or (2) the average of the four rates for 26-week Treasury bills established for the 4 weeks immediately prior to the date of deposit (4-week average bill rate). Rate ceilings will be determined as follows:

Bill rate or 4-week average bill rate  
7.50 per cent or below  
Above 7.50 per cent

Commercial bank ceiling

7.75 per cent  
¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate

Thrift ceiling

7.25 per cent or below  
Above 7.25 per cent, but below 8.50 per cent  
8.50 per cent or above, but below 8.75 per cent  
8.75 per cent or above

7.75 per cent  
½ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate  
9 per cent  
¼ of 1 percentage point plus the higher of the bill rate or 4-week average bill rate

The maximum allowable rates in November for commercial banks and thrifts based on the bill rate were as follows: Nov. 3, 12.971; Nov. 10, 11.76; Nov. 17, 11.222; Nov. 24, 11.165. The maximum allowable rates in November for commercial banks and thrifts based on the 4-week average bill rate were as follows: Nov. 3, 13.659; Nov. 10, 13.161; Nov. 17, 12.455; Nov. 24, 11.779.

14. Effective Oct. 1, 1981, depository institutions are authorized to issue all savers certificates (ASCs) with a 1-year maturity and an annual investment yield equal to 70 percent of the average investment yield for 52-week U.S. Treasury bills as determined by the auction of 52-week Treasury bills held immediately before the calendar week in which the certificate is issued. A maximum lifetime exclusion of \$1,000 (\$2,000 on a joint return) from gross income is generally authorized for interest income from ASCs. The annual investment yields for ASCs issued in November (in percent) were as follows: Nov. 10, 10.77; Nov. 29, 8.34.

15. Effective Aug. 1, 1981, commercial banks may pay interest on any variable ceiling nonnegotiable time deposit with an original maturity of 2½ years to less than 4 years at a rate not to exceed ¼ of 1 percent below the average 2½-year yield for U.S. Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. Thrift institutions may pay interest on these certificates at a rate not to exceed the average 2½-year yield for Treasury securities as determined and announced by the Treasury Department immediately before the date of deposit. If the announced average 2½-year yield for Treasury securities is less than 9.50 percent, commercial banks may pay 9.25 percent and thrift institutions 9.50 percent for these deposits. These deposits have no required minimum denomination, and interest may be compounded on them. The ceiling rates of interest at which they may be offered vary biweekly. The maximum allowable rates in November (in percent) for commercial banks were as follows: Nov. 10, 13.70; Nov. 24, 12.30; and for thrift institutions: Nov. 10, 13.95; Nov. 24, 12.55.

16. Between Jan. 1, 1980, and Aug. 1, 1981, commercial banks, and thrift institutions were authorized to offer variable ceiling nonnegotiable time deposits with no required minimum denomination and with maturities of 2½ years or more. Effective Jan. 1, 1980, the maximum rate for commercial banks was ¾ percentage point below the average yield on 2½-year U.S. Treasury securities; the ceiling rate for thrift institutions was ¼ percentage point higher than that for commercial banks. Effective Mar. 1, 1980, a temporary ceiling of 1¼ percent was placed on these accounts at commercial banks and 12 percent on these accounts at savings and loan associations. Effective June 2, 1980, the ceiling rates for these deposits at commercial banks and savings and loans was increased ½ percentage point. The temporary ceiling was retained, and a minimum ceiling of 9.25 percent for commercial banks and 9.50 percent for thrift institutions was established.

For NOTE see opposite page.

A10 Domestic Financial Statistics □ December 1981

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1978	1979	1980	1981						
				Apr.	May	June	July	Aug.	Sept.	Oct.
<b>U.S. GOVERNMENT SECURITIES</b>										
Outright transactions (excluding matched sale-purchase transactions)										
<i>Treasury bills</i>										
1 Gross purchases .....	16,628	15,998	7,668	1,141	790	295	1,325	1,713	1,753	241
2 Gross sales .....	13,725	6,855	7,331	0	0	90	0	333	945	1,157
3 Exchange .....	0	0	0	0	0	0	0	0	0	0
4 Redemptions .....	2,033	2,900	3,389	0	0	0	100	0	500	200
<i>Others within 1 year<sup>1</sup></i>										
5 Gross purchases .....	1,184	3,203	912	115	0	0	122	0	0	0
6 Gross sales .....	0	0	0	0	0	0	0	0	0	0
7 Maturity shift .....	-5,170	17,339	12,427	522	2,900	833	1,073	2,807	628	425
8 Exchange .....	0	-11,308	-18,251	-261	-1,281	-823	-351	-2,430	-599	0
9 Redemptions .....	0	2,600	0	0	0	0	0	0	0	0
<i>1 to 5 years</i>										
10 Gross purchases .....	4,188	2,148	2,138	469	0	0	607	0	0	0
11 Gross sales .....	0	0	0	0	0	0	0	0	0	0
12 Maturity shift .....	-178	-12,693	-8,909	-522	-1,724	-833	-1,073	-820	-628	-425
13 Exchange .....	0	7,508	13,412	261	681	823	351	1,724	599	0
<i>5 to 10 years</i>										
14 Gross purchases .....	1,526	523	703	164	0	0	64	0	0	0
15 Gross sales .....	0	0	0	0	0	0	0	0	0	0
16 Maturity shift .....	2,803	-4,646	-3,092	0	-1,176	0	0	-1,987	0	0
17 Exchange .....	0	2,181	2,970	0	300	0	0	400	0	0
<i>Over 10 years</i>										
18 Gross purchases .....	1,063	454	811	89	0	0	182	0	0	0
19 Gross sales .....	0	0	0	0	0	0	0	0	0	0
20 Maturity shift .....	2,545	0	-426	0	0	0	0	0	0	0
21 Exchange .....	0	1,619	1,869	0	300	0	0	305	0	0
<i>All maturities<sup>1</sup></i>										
22 Gross purchases .....	24,591	22,325	12,232	1,977	790	295	2,301	1,713	1,753	241
23 Gross sales .....	13,725	6,855	7,331	0	0	90	0	333	945	1,157
24 Redemptions .....	2,033	5,500	3,389	0	0	0	100	0	500	200
<b>Matched transactions</b>										
25 Gross sales .....	511,126	627,350	674,000	37,251	45,658	51,106	69,972	54,329	52,055	58,581
26 Gross purchases .....	510,854	624,192	675,496	37,295	43,492	52,607	69,309	55,917	51,555	58,372
<b>Repurchase agreements</b>										
27 Gross purchases .....	151,618	107,051	113,902	9,458	1,219	3,509	23,217	7,199	0	3,902
28 Gross sales .....	152,436	106,968	113,040	9,835	1,219	3,509	21,599	8,817	0	3,902
29 Net change in U.S. government securities .....	7,743	6,896	3,869	1,644	-1,376	1,706	3,155	1,350	-192	-1,325
<b>FEDERAL AGENCY OBLIGATIONS</b>										
Outright transactions										
30 Gross purchases .....	301	853	668	0	0	0	0	0	0	0
31 Gross sales .....	173	399	0	0	0	0	0	0	0	0
32 Redemptions .....	235	134	145	2	0	26	0	0	33	15
Repurchase agreements										
33 Gross purchases .....	40,567	37,321	28,895	1,211	186	691	5,182	864	0	787
34 Gross sales .....	40,885	36,960	28,863	1,268	186	691	4,822	1,225	0	787
35 Net change in federal agency obligations .....	-426	681	555	-58	0	-26	360	-360	-33	-15
<b>BANKERS ACCEPTANCES</b>										
36 Outright transactions, net .....	0	0	0	0	0	0	0	0	0	0
37 Repurchase agreements, net .....	-366	116	73	-298	0	0	453	-453	0	0
38 Net change in bankers acceptances .....	-366	116	73	298	0	0	453	-453	0	0
39 Total net change in System Open Market Account .....	6,951	7,693	4,497	1,287	-1,376	1,680	3,968	536	-225	-1,340

1. Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): March 1979, 2,600.

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

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

Millions of dollars

Account	Wednesday					End of month		
	1981					1981		
	Oct. 28	Nov. 4	Nov. 11	Nov. 18	Nov. 25	Sept.	Oct.	Nov.
Consolidated condition statement								
ASSETS								
1 Gold certificate account.....	11,152	11,152	11,152	11,152	11,152	11,152	11,152	11,152
2 Special drawing rights certificate account.....	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318
3 Coin.....	403	401	402	399	398	400	418	400
Loans								
4 To depository institutions.....	1,885	1,941	2,434	1,444	656	2,486	924	232
5 Other.....	0	0	0	0	0	0	0	0
Acceptances								
6 Held under repurchase agreements.....	0	664	0	656	164	0	0	744
Federal agency obligations								
7 Bought outright.....	8,646	8,646	8,646	8,646	9,139	8,661	8,646	9,129
8 Held under repurchase agreements.....	0	259	0	374	50	0	0	319
U.S. government securities								
Bought outright								
9 Bills.....	44,095	46,320	46,184	46,837	48,979	46,930	45,605	47,243
10 Notes.....	59,429	59,429	59,429	59,207	59,207	59,429	59,429	59,207
11 Bonds.....	17,971	17,971	17,971	18,293	18,293	17,971	17,971	18,293
12 Total <sup>1</sup> .....	121,495	123,720	123,584	124,337	126,479	124,330	123,005	124,743
13 Held under repurchase agreements.....	0	1,276	0	1,575	309	0	0	1,796
14 Total U.S. government securities.....	121,495	124,996	123,584	125,912	126,788	124,330	123,005	126,539
15 Total loans and securities.....	132,026	136,506	134,664	137,032	136,797	135,477	132,575	136,963
16 Cash items in process of collection.....	10,035	10,198	9,525	9,909	9,756	9,824	7,954	7,485
17 Bank premises.....	491	491	490	493	495	487	491	497
Other assets								
18 Denominated in foreign currencies <sup>2</sup> .....	5,607	5,717	5,741	5,703	5,727	5,567	5,717	5,998
19 All other <sup>3</sup> .....	3,314	4,183	4,198	3,372	3,718	3,243	3,444	3,629
20 Total assets.....	166,346	171,966	169,490	171,378	171,361	169,468	165,069	169,442
LIABILITIES								
21 Federal Reserve notes.....	125,752	126,648	128,163	128,270	128,865	125,050	125,351	129,086
Deposits								
22 Depository institutions.....	26,138	29,470	24,274	27,166	26,522	27,243	23,672	24,312
23 U.S. Treasury—General account.....	2,842	3,197	2,720	3,146	2,905	3,520	3,550	3,475
24 Foreign—Official accounts.....	264	403	280	284	302	420	547	535
25 Other.....	568	726	631	522	720	843	573	715
26 Total deposits.....	29,812	33,796	27,905	31,118	30,449	32,026	28,342	29,037
27 Deferred availability cash items.....	5,951	6,430	8,220	6,605	6,527	7,013	6,264	5,308
28 Other liabilities and accrued dividends <sup>4</sup> .....	2,000	2,255	2,158	2,552	2,677	2,440	2,114	2,846
29 Total liabilities.....	163,515	169,129	166,446	168,545	168,518	166,529	162,071	166,277
CAPITAL ACCOUNTS								
30 Capital paid in.....	1,268	1,268	1,268	1,269	1,269	1,257	1,268	1,270
31 Surplus.....	1,203	1,203	1,203	1,203	1,203	1,203	1,203	1,203
32 Other capital accounts.....	360	366	573	361	371	479	527	692
33 Total liabilities and capital accounts.....	166,346	171,966	169,490	171,378	171,361	169,468	165,069	169,442
34 MEMO: Marketable U.S. government securities held in custody for foreign and international account.....	90,482	91,154	92,159	94,959	93,999	91,462	90,857	91,787
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to bank).....	150,613	150,638	150,530	150,848	150,992	149,794	150,552	150,955
36 Less: Held by bank <sup>5</sup> .....	24,861	23,990	22,367	22,578	22,127	24,744	25,201	21,869
37 Federal Reserve notes, net.....	125,752	126,648	128,163	128,270	128,865	125,050	125,351	129,086
Collateral for Federal Reserve notes								
38 Gold certificate account.....	11,152	11,152	11,152	11,152	11,152	11,152	11,152	11,152
39 Special drawing rights certificate account.....	3,318	3,318	3,318	3,318	3,318	3,318	3,318	3,318
40 Other eligible assets.....	0	0	0	45	0	0	0	57
41 U.S. government and agency securities.....	111,282	112,178	113,693	113,755	114,395	110,580	110,881	114,559
42 Total collateral.....	125,752	126,648	128,163	128,270	128,865	125,050	125,351	129,086

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

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

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

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

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

A12 Domestic Financial Statistics □ December 1981

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1981					1981		
	Oct. 28	Nov. 4	Nov. 11	Nov. 18	Nov. 25	Sept. 30	Oct. 30	Nov. 30
1 Loans—Total	1,885	1,941	2,434	1,444	656	2,486	924	232
2 Within 15 days	1,834	1,854	2,353	1,389	641	2,440	843	214
3 16 days to 90 days	51	87	81	55	15	46	81	18
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	0	664	0	656	164	0	0	744
6 Within 15 days	0	664	0	656	164	0	0	744
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. government securities—Total	121,495	124,996	123,584	125,912	126,788	124,330	123,005	126,539
10 Within 15 days <sup>1</sup>	4,421	6,838	3,453	6,296	7,553	4,218	2,692	5,190
11 16 days to 90 days	22,648	24,193	25,142	22,487	22,170	24,805	26,464	25,503
12 91 days to 1 year	32,015	31,373	32,397	33,673	33,609	32,896	31,438	32,101
13 Over 1 year to 5 years	34,689	34,870	34,870	35,343	35,343	34,689	34,689	35,632
14 Over 5 years to 10 years	11,519	11,519	11,519	11,587	11,587	11,519	11,519	11,587
15 Over 10 years	16,203	16,203	16,203	16,526	16,526	16,203	16,203	16,526
16 Federal agency obligations—Total	8,646	8,905	8,646	9,020	9,189	8,661	8,646	9,448
17 Within 15 days <sup>1</sup>	71	259	119	579	259	200	71	518
18 16 days to 90 days	741	805	686	676	599	522	741	719
19 91 days to 1 year	1,465	1,472	1,472	1,396	1,482	1,631	1,465	1,394
20 Over 1 year to 5 years	4,781	4,781	4,781	4,781	5,269	4,730	4,781	5,237
21 Over 5 years to 10 years	1,015	1,015	1,015	1,015	1,007	977	1,015	1,007
22 Over 10 years	573	573	573	573	573	601	573	573

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

1.20 BANK DEBITS AND DEPOSIT TURNOVER

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

Bank group, or type of customer	1978	1979	1980	1981				
				June	July	Aug.	Sept.	Oct.
Debits to demand deposits <sup>1</sup> (seasonally adjusted)								
1 All commercial banks	40,297.8	49,775.0	63,013.4	78,745.3	83,356.8	89,723.4	85,571.0	85,705.8
2 Major New York City banks	15,008.7	18,512.7	25,192.5	32,262.4	37,282.6	41,877.2	37,477.2	37,144.3
3 Other banks	25,289.1	31,262.3	37,820.9	46,482.8	46,074.2	47,846.3	48,093.8	48,561.5
Debits to savings deposits <sup>2</sup> (not seasonally adjusted)								
4 ATS/NOW <sup>3</sup>	17.1	83.3	158.4	808.8	798.2	745.0	820.2	833.4
5 Business <sup>4</sup>	56.7	77.3	93.4	113.8	120.6	118.1	118.2	117.2
6 Others <sup>5</sup>	359.7	515.2	605.3	586.4	605.5	595.5	577.0	581.6
7 All accounts	432.9	675.8	857.2	1,509.0	1,524.3	1,458.6	1,519.2	1,532.2
Demand deposit turnover <sup>1</sup> (seasonally adjusted)								
8 All commercial banks	139.4	163.5	201.6	281.3	296.1	316.8	303.3	303.4
9 Major New York City banks	541.9	646.2	813.7	1,085.4	1,288.6	1,338.1	1,204.4	1,174.1
10 Other banks	96.8	113.3	134.3	185.8	182.4	189.9	191.6	193.6
Savings deposit turnover <sup>2</sup> (not seasonally adjusted)								
11 ATS/NOW <sup>3</sup>	7.0	7.8	9.7	15.2	14.7	13.5	14.5	14.6
12 Business <sup>4</sup>	5.1	7.2	9.3	12.3	13.2	13.5	14.3	14.1
13 Others <sup>5</sup>	1.7	2.7	3.4	3.7	3.9	3.9	3.9	3.9
14 All accounts	1.9	3.1	4.2	6.9	6.9	6.7	7.1	7.2

1. Represents accounts of individuals, partnerships, and corporations, and of states and political subdivisions.  
 2. Excludes special club accounts, such as Christmas and vacation clubs.  
 3. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data availability starts with December 1978.  
 4. Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and federally sponsored lending agencies).  
 5. Savings accounts other than NOW; business; and, from December 1978, ATS.

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



## 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1977 Dec.	1978 Dec.	1979 Dec.	1980 Dec.	1981				
					June	July	Aug.	Sept. <sup>r</sup>	Oct.
Seasonally adjusted									
MEASURES <sup>1</sup>									
1 M1-A.....	331.4	354.8	372.7	387.7	361.9	361.4 <sup>r</sup>	362.3 <sup>r</sup>	360.0	360.6
2 M1-B.....	336.4	364.2	390.5	415.6	428.8	430.1	432.8 <sup>r</sup>	431.8	433.0
3 M2.....	1,296.4	1,404.2	1,525.2	1,669.4	1,749.3	1,760.1	1,777.2 <sup>r</sup>	1,786.8	1,798.8
4 M3.....	1,462.5	1,625.9	1,775.6	1,965.1	2,079.0	2,094.0	2,117.5 <sup>r</sup>	2,133.7	2,143.3
5 L <sup>2</sup> .....	1,722.7	1,936.8	2,151.7	2,378.4	2,502.8 <sup>r</sup>	2,519.4 <sup>r</sup>	2,552.3	n.a.	n.a.
COMPONENTS									
6 Currency.....	88.6	97.4	106.1	116.1	119.9	120.8	121.2	121.1	121.4
7 Demand deposits.....	239.7	253.9	262.8	267.4	237.9	236.4	236.7	234.4	234.7
8 Travelers checks <sup>3</sup> .....	3.1	3.5	3.8	4.2	4.2	4.1	4.4 <sup>r</sup>	4.5	4.5
9 Savings deposits.....	486.5	475.5	416.5	393.0	354.0	349.1	340.7	334.5	329.3
10 Small-denomination time deposits <sup>4</sup> .....	453.8	533.3	652.7	756.8	807.7	811.3	821.9 <sup>r</sup>	830.7	841.1
11 Large-denomination time deposits <sup>5</sup> .....	145.1	194.0	219.7	256.8	287.3	290.3	296.6	299.9	298.7
Not seasonally adjusted									
MEASURES <sup>1</sup>									
12 M1-A.....	340.1	364.2	382.5	397.7	361.1	363.5	360.8 <sup>r</sup>	360.0	362.0
13 M1-B.....	345.1	373.6	400.6	425.9	428.4	432.9	431.3 <sup>r</sup>	432.3	435.1
14 M2.....	1,299.0	1,409.0	1,531.3	1,675.2	1,751.5	1,765.0	1,773.5	1,783.5	1,800.7
15 M3.....	1,467.7	1,634.8	1,786.0	1,975.6	2,075.6	2,094.6	2,110.8 <sup>r</sup>	2,128.1	2,144.3
16 L <sup>2</sup> .....	1,726.7	1,943.9	2,159.4	2,385.0	2,501.4	2,518.3 <sup>r</sup>	2,543.9	n.a.	n.a.
COMPONENTS									
17 Currency.....	90.3	99.4	108.3	118.4	119.9	121.4	121.4 <sup>r</sup>	121.0	121.4
18 Demand deposits.....	247.0	261.5	270.8	275.4	237.0	237.4	234.5	234.4	236.1
19 Travelers checks <sup>3</sup> .....	2.9	3.3	3.5	3.9	4.3	4.7	4.8 <sup>r</sup>	4.7	4.5
20 Other checkable deposits <sup>6</sup> .....	5.0	9.4	18.2	28.3	67.6	69.7	70.8	72.6	73.5
21 Overnight RPs and Eurodollars <sup>7</sup> .....	18.6	23.9	25.4	32.4	39.7	39.2	40.2	36.7	33.0
22 Money market mutual funds.....	3.8	10.3	43.6	75.8	122.8	134.3	145.4	157.0	166.4
23 Savings deposits.....	483.1	472.6	413.9	390.2	355.4	352.9	343.7	337.3	332.6
24 Small-denomination time deposits <sup>4</sup> .....	451.3	531.7	651.4	755.2	808.9	809.6	816.8	824.2	837.6
25 Large-denomination time deposits <sup>5</sup> .....	147.7	198.1	223.9	261.4	281.6	286.0	293.6 <sup>r</sup>	297.6	297.7

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

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

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

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

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

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

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

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

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

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

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

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

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

Billions of dollars, averages of daily figures

Item	1978 Dec.	1979 Dec.	1980 Dec.	1981									
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	
Seasonally adjusted													
1 Total reserves <sup>2</sup> .....	41.16	43.46	40.13	39.88	40.19	40.32	40.76	40.75	41.00	41.48	41.12	40.76	
2 Nonborrowed reserves .....	40.29	41.98	38.44	38.58	39.19	38.99	38.54	38.72	39.32	40.06	39.67	39.58	
3 Required reserves .....	40.93	43.13	39.66	39.61	39.94	40.20	40.59	40.50	40.75	41.28	40.80	40.57	
4 Monetary base <sup>3</sup> .....	142.0	153.6	159.5	160.4	161.2	162.2	163.5	163.7	164.8	165.7	164.6	164.5	
5 Member bank deposits subject to reserve requirements <sup>4</sup> .....	616.1	644.5	701.8	704.3	703.4	711.3	715.1	720.8	728.2	740.2	744.6	748.9	
6 Time and savings .....	428.7	451.2	504.0	523.4	524.7	531.1	538.1	545.6	553.8	565.3	570.9	574.9	
7 Demand .....													
8 Private .....	185.1	191.5	195.9	178.8	176.7	177.4	174.7	173.3	172.2	172.6	171.5	172.0	
9 U.S. government .....	2.2	1.8	1.9	2.1	2.0	2.8	2.3	1.9	2.2	2.3	2.1	2.1	
Not seasonally adjusted													
9 Monetary base <sup>3</sup> .....	144.6	156.2	162.4	158.8	159.5	161.6	162.6	163.3	165.4	165.4	163.9	164.3	
10 Member bank deposits subject to reserve requirements <sup>4</sup> .....	624.0	652.7	710.3	701.5	702.9	713.5	710.0	719.7	727.7	734.7	741.6	748.3	
11 Time and savings .....	429.6	452.1	505.0	524.9	527.8	531.6	538.1	545.0	552.7	562.5	568.1	573.7	
12 Demand .....													
13 Private .....	191.9	198.6	203.2	174.5	173.0	178.9	169.8	172.2	173.0	170.3	171.0	172.7	
14 U.S. government .....	2.5	2.0	2.1	2.1	2.1	3.0	2.1	2.5	2.0	1.9	2.5	1.9	

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

requirement against large time deposits were removed. These actions reduced required reserves about \$3.2 billion.

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

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

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

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

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

Billions of dollars; averages of Wednesday figures

Category	1978 Dec.	1979 Dec.	1980 Dec. <sup>7</sup>	1981		1978 Dec.	1979 Dec.	1980 Dec. <sup>7</sup>	1981	
				Sept. <sup>7</sup>	Oct. <sup>7</sup>				Sept. <sup>7</sup>	Oct. <sup>7</sup>
<b>1 Total loans and securities<sup>2</sup></b> .....	<b>1,013.4<sup>3</sup></b>	<b>1,134.6<sup>4</sup></b>	<b>1,237.0<sup>5</sup></b>	<b>1,317.6</b>	<b>1,327.3</b>	<b>1,022.5<sup>3</sup></b>	<b>1,145.0<sup>4</sup></b>	<b>1,248.7<sup>5</sup></b>	<b>1,319.5</b>	<b>1,329.3</b>
2 U.S. Treasury securities.....	93.3	93.8	110.6	117.6	117.1	94.5	95.0	112.1	115.6	114.4
3 Other securities.....	173.2 <sup>3</sup>	191.8	213.9	224.1	227.2	173.9 <sup>3</sup>	192.6	214.8	224.1	227.5
4 Total loans and leases <sup>2</sup> .....	746.9 <sup>3</sup>	848.9 <sup>4</sup>	912.5 <sup>5</sup>	976.0	983.0	754.2 <sup>3</sup>	857.4 <sup>4</sup>	921.8 <sup>5</sup>	979.9	987.4
5 Commercial and industrial loans.....	246.1 <sup>6</sup>	291.1 <sup>4</sup>	324.9 <sup>5</sup>	357.7	361.8	47.7 <sup>6</sup>	293.0 <sup>4</sup>	327.1 <sup>5</sup>	357.6	361.5
6 Real estate loans.....	210.5	241.3 <sup>4</sup>	260.6 <sup>5</sup>	277.4	279.0	210.9	241.8 <sup>4</sup>	261.1 <sup>5</sup>	278.8	280.4
7 Loans to individuals.....	164.7	184.9	175.2	174.0	174.2	165.6	186.0	176.2	176.1	176.1
8 Security loans.....	19.3	18.6	17.6	18.4	18.7	20.6	19.8	18.8	18.5	18.9
9 Loans to nonbank financial institutions.....	27.1 <sup>8</sup>	28.8 <sup>4</sup>	28.7 <sup>5</sup>	29.2	29.2	27.6 <sup>8</sup>	29.3 <sup>4</sup>	29.2 <sup>5</sup>	29.7	29.3
10 Agricultural loans.....	28.2	31.1	31.6	32.9	33.0	28.1	30.9	31.4	33.5	33.4
11 Lease financing receivables.....	7.5	9.3	10.9	12.5	12.6	7.5	9.3	10.9	12.5	12.6
12 All other loans.....	43.6 <sup>3</sup>	44.0	63.0	73.9	74.5	46.2 <sup>3</sup>	47.3	67.1	73.2	75.1
MEMO:										
<b>13 Total loans and securities plus loans sold<sup>2,9</sup></b> .....	<b>1,017.1<sup>3</sup></b>	<b>1,137.6<sup>4,10</sup></b>	<b>1,239.8<sup>5</sup></b>	<b>1,320.3</b>	<b>1,330.0</b>	<b>1,026.2<sup>3</sup></b>	<b>1,148.0<sup>4,10</sup></b>	<b>1,251.4<sup>5</sup></b>	<b>1,322.2</b>	<b>1,332.0</b>
14 Total loans plus loans sold <sup>2,9</sup> .....	750.6 <sup>3</sup>	851.9 <sup>4,10</sup>	915.2 <sup>5</sup>	978.7	985.7	757.9 <sup>3</sup>	860.4 <sup>4,10</sup>	924.5 <sup>5</sup>	982.6	990.1
15 Total loans sold to affiliates <sup>9</sup> .....	3.7	3.0 <sup>8,10</sup>	2.7	2.7	2.7	3.7	3.0 <sup>8,10</sup>	2.7	2.7	2.7
16 Commercial and industrial loans plus loans sold <sup>9</sup> .....	248.0 <sup>6,11</sup>	293.1 <sup>4,10</sup>	326.7 <sup>5</sup>	359.8	363.8	249.6 <sup>6,11</sup>	295.0 <sup>4,10</sup>	328.9 <sup>5</sup>	359.6	363.6
17 Commercial and industrial loans sold <sup>9</sup> .....	1.9 <sup>11</sup>	2.0 <sup>10</sup>	1.8	2.0	2.0	1.9 <sup>11</sup>	2.0 <sup>10</sup>	1.8	2.0	2.0
18 Acceptances held.....	6.6	8.2	8.2	9.2	9.4	7.3	9.1	8.8	8.8	9.3
19 Other commercial and industrial loans.....	239.5	282.9	316.8	348.5	352.3	240.4	283.9	318.3	348.8	352.3
20 To U.S. addressees <sup>12</sup> .....	226.0	264.1	295.2	321.6	325.2	225.9	264.1	295.2	322.1	325.5
21 To non-U.S. addressees.....	13.5	18.8	21.6	26.9	27.1	14.5	19.8	23.1	26.7	26.8
22 Loans to foreign banks.....	21.5	18.5	23.2	24.8	24.5	23.2	20.0	24.9	24.6	24.0

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

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

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

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

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

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

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

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

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

10. As of Dec. 1, 1979, loans sold to affiliates were reduced \$800 million and commercial and industrial loans sold were reduced \$700 million due to corrections of two banks in New York City.

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

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

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

A16 Domestic Financial Statistics □ December 1981

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

Monthly averages, billions of dollars

Source	December outstanding			Outstanding in 1981								
	1978	1979	1980 <sup>r</sup>	Feb. <sup>r</sup>	Mar. <sup>r</sup>	Apr. <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct.
Total nondeposit funds												
1 Seasonally adjusted <sup>2</sup>	91.2	121.1	121.7	124.0	119.2	112.5	120.1	123.8	122.8	124.7	122.5	118.9
2 Not seasonally adjusted	90.2	119.8	121.1	123.3	118.9	112.0	124.4	124.6	123.5	127.7	126.6	119.8
Federal funds, RPs, and other borrowings from nonbanks <sup>3</sup>												
3 Seasonally adjusted	80.7	90.0	110.8	113.0	112.9	110.5	108.8	115.5	114.6	112.2	111.0	112.0
4 Not seasonally adjusted	79.7	88.7	110.2	112.2	112.7	110.1	113.1	116.2	115.3	115.2	115.2	112.8
5 Net balances due to foreign-related institutions, not seasonally adjusted	6.8	28.1	8.2	8.3	3.5	-0.7	8.5	5.5	5.5	9.9	8.7	4.2
6 Loans sold to affiliates, not seasonally adjusted <sup>4,5</sup>	3.7	3.0	2.7	2.8	2.8	2.7	2.8	2.9	2.7	2.6	2.7	2.7
MEMO												
7 Domestically chartered banks net positions with own foreign branches, not seasonally adjusted <sup>6</sup>	-10.2	6.5	-14.7	-14.7	-17.0	-21.3	-13.6	-14.6	-14.6	-10.2	-12.3	-15.4
8 Gross due from balances	24.9	22.8	37.5	36.3	38.8	43.0	43.4	42.5	45.0	43.7	44.5	45.5
9 Gross due to balances	14.7	29.3	22.8	21.6	21.8	21.7	29.8	27.8	30.4	33.5	32.2	30.1
10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted <sup>7</sup>	17.0	21.6	22.9	23.0	20.5	20.5	22.1	20.1	20.2	20.1	21.0	19.7
11 Gross due from balances	14.3	28.9	32.5	31.8	31.9	33.8	34.9	35.6	33.8	33.9	35.0	33.8
12 Gross due to balances	31.3	50.5	55.4	54.8	52.4	54.3	57.0	55.7	53.9	54.0	56.0	53.4
Security RP borrowings												
13 Seasonally adjusted <sup>8</sup>	45.0	49.7	65.0	68.1	68.2	68.3	65.7	72.4	71.4	68.8	67.2	69.2
14 Not seasonally adjusted	43.8	48.4	63.3	66.2	66.8	66.8	69.0	72.0	71.0	70.7	70.2	68.9
U.S. Treasury demand balances <sup>9</sup>												
15 Seasonally adjusted	8.7	8.9	8.4	8.2	11.7	12.3	14.2	10.9	11.8	9.1	8.8	12.3
16 Not seasonally adjusted	10.3	9.7	9.0	8.1	10.3	12.1	12.3	12.4	10.7	7.4	11.1	13.5
Time deposits, \$100,000 or more <sup>10</sup>												
17 Seasonally adjusted	213.0	227.1	265.8	282.5	281.1	284.3	294.8	303.6	312.4	321.9	324.7	323.3
18 Not seasonally adjusted	217.9	232.8	272.4	287.0	285.9	283.7	293.6	298.4	304.6	314.5	319.8	322.1

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.  
 2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestically chartered banks and averages of current and previous month-end data for foreign-related institutions.  
 3. Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions. After October 1980, movement in federal funds, RPs, and other borrowings from nonbanks is based on fluctuations in security RPs, borrowings from unaffiliated foreign sources and federal reserve banks and federal funds purchased from federal agencies.

4. Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.  
 5. As of Dec. 1, 1979, loans sold to affiliates were reduced \$800 million due to corrections of two New York City banks.  
 6. Averages of daily figures for member and nonmember banks. Before October 1980 nonmember banks were interpolated from quarterly call report data.  
 7. Includes averages of current and previous month-end data until August 1979; beginning September 1979 averages of daily data.  
 8. Based on daily average data reported by 122 large banks beginning February 1980 and 46 banks before February 1980.  
 9. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.  
 10. Averages of Wednesday figures.

NOTE: Data for Eurodollars have been benchmarked to the June 1981 call report for foreign-related institutions.

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

Billions of dollars except for number of banks

Account	1981										
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
<b>DOMESTICALLY CHARTERED COMMERCIAL BANKS<sup>1</sup></b>											
1 Loans and securities, excluding interbank	1,166.0	1,167.0	1,169.5	1,187.8	1,194.6	1,205.3	1,213.2	1,220.6	1,241.8	1,239.2	1,249.1
2 Loans, excluding interbank	840.2	839.0	840.6	855.4	862.4	872.2	879.2	886.8	904.4	900.9	911.3
3 Commercial and industrial	277.6	276.3	277.5	285.4	287.9	293.1	295.8	299.0	306.1	306.1	310.2
4 Other	562.6	562.7	563.1	570.1	574.5	579.1	583.4	587.9	598.3	594.9	601.1
5 U.S. Treasury securities	112.0	113.7	112.9	115.8	114.9	116.1	115.8	114.0	112.4	112.7	109.3
6 Other securities	213.8	214.3	216.0	216.6	217.3	216.9	218.2	219.8	225.0	225.6	228.5
7 Cash assets, total	159.3	165.9	167.9	181.8	180.3	169.8	161.1	173.2	195.3	154.8	168.1
8 Currency and coin	18.7	18.6	17.8	18.8	19.5	19.1	19.6	20.2	19.3	19.8	18.4
9 Reserves with Federal Reserve Banks	25.2	30.4	31.8	38.3	25.2	23.4	27.0	23.4	26.8	25.3	26.1
10 Balances with depository institutions	54.9	54.6	55.1	57.3	62.0	60.7	56.8	66.0	73.6	54.1	57.1
11 Cash items in process of collection	60.5	62.3	63.3	67.4	73.6	64.6	57.7	61.6	75.6	55.5	66.5
12 Other assets <sup>2</sup>	155.8	160.1	163.4	167.7	158.8	168.6	158.8	164.2	180.0	171.1	190.0
13 Total assets/total liabilities and capital	1,481.0	1,493.0	1,500.9	1,537.3	1,533.7	1,543.7	1,533.2	1,557.9	1,617.1	1,565.1	1,607.2
14 Deposits	1,128.7	1,132.0	1,136.5	1,151.7	1,170.3	1,165.9	1,160.8	1,182.2	1,225.6	1,178.1	1,208.1
15 Demand	351.1	345.5	345.3	356.8	360.7	350.9	333.6	342.5	378.1	324.1	340.0
16 Savings	211.9	214.3	220.5	222.7	220.9	220.7	219.8	218.0	217.6	215.0	218.9
17 Time	565.7	572.3	570.7	572.2	588.7	594.3	607.3	621.7	629.9	639.1	649.3
18 Borrowings	156.4	163.2	163.8	179.5	155.7	169.3	159.3	163.7	175.8	173.3	177.9
19 Other liabilities	76.7	80.3	80.6	81.8	82.3	81.8	86.3	89.8	91.5	89.4	95.3
20 Residual (assets less liabilities)	119.3	117.5	120.0	124.3	125.4	126.7	126.7	122.1	124.3	124.3	126.0
MEMO:											
21 U.S. Treasury note balances included in borrowing	9.5	8.5	10.2	16.9	5.5	17.4	7.2	6.9	15.3	13.9	5.6
22 Number of banks	14,689	14,696	14,701	14,713	14,719	14,719	14,719	14,720	14,720	14,740	14,743
<b>ALL COMMERCIAL BANKING INSTITUTIONS<sup>2</sup></b>											
23 Loans and securities, excluding interbank			1,253.8			1,290.7					
24 Loans, excluding interbank			920.9			953.3					
25 Commercial and industrial			329.3			343.2					
26 Other			591.6			610.1					
27 U.S. Treasury securities			115.2			118.5					
28 Other securities			217.7			218.9					
29 Cash assets, total			193.6			211.5					
30 Currency and coin			17.8			19.1					
31 Reserves with Federal Reserve Banks			32.7			26.6					
32 Balances with depository institutions			77.9			98.2					
33 Cash items in process of collection			65.3			67.6					
34 Other assets <sup>2</sup>			225.5			234.3					
35 Total assets/total liabilities and capital		1,673.0			1,736.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
36 Deposits			1,190.6			1,236.7					
37 Demand			367.4			389.4					
38 Savings			220.7			220.9					
39 Time			602.5			626.4					
40 Borrowings			223.3			230.6					
41 Other liabilities			137.2			140.7					
42 Residual (assets less liabilities)			121.9			128.6					
MEMO:											
43 U.S. Treasury note balances included in borrowing			10.2			17.4					
44 Number of banks			15,147			15,188					

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

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

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

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





## A20 Domestic Financial Statistics □ December 1981

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

Millions of dollars, Wednesday figures

Account	1981								
	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28 <sup>P</sup>	Nov. 4 <sup>P</sup>	Nov. 11 <sup>P</sup>	Nov. 18 <sup>P</sup>	Nov. 25 <sup>P</sup>
1 Cash items in process of collection.....	25,164	13,193	17,243	13,159	12,832	16,826	15,389	16,432	15,516
2 Demand deposits due from banks in the United States .....	18,728	1,113	1,277	1,010	1,178	1,135	943	1,230	1,141
3 All other cash and due from depository institutions ..	7,190	4,183	8,578	9,196	6,292	8,788	8,324	7,839	7,414
4 Total loans and securities <sup>1</sup> .....	139,371	135,190	136,320	139,219	131,749	134,401	134,854	134,876	137,820
<i>Securities</i>									
5 U.S. Treasury securities <sup>2</sup> .....									
6 Trading account <sup>2</sup> .....									
7 Investment account, by maturity .....	8,310	8,386	8,248	8,176	8,133	7,945	7,747	7,629	7,230
8 One year or less .....	1,910	1,932	1,890	1,858	1,877	1,882	1,848	1,608	1,268
9 Over one through five years .....	5,534	5,575	5,480	5,441	5,374	5,186	5,077	5,323	5,287
10 Over five years .....	867	879	877	877	881	877	822	698	675
11 Other securities <sup>2</sup> .....									
12 Trading account <sup>2</sup> .....									
13 Investment account .....	14,554	14,579	14,629	14,587	14,718	14,709	14,757	14,758	14,801
14 U.S. government agencies .....	2,405	2,390	2,386	2,354	2,345	2,298	2,313	2,370	2,367
15 States and political subdivision, by maturity .....	11,380	11,406	11,450	11,490	11,615	11,630	11,626	11,598	11,640
16 One year or less .....	1,936	1,961	1,906	1,973	1,934	1,953	1,941	1,941	1,934
17 Over one year .....	9,444	9,445	9,544	9,517	9,682	9,677	9,685	9,656	9,706
18 Other bonds, corporate stocks and securities .....	769	783	793	742	758	781	818	790	794
<i>Loans</i>									
19 Federal funds sold <sup>3</sup> .....	9,517	7,752	8,091	8,922	6,849	7,025	8,117	8,463	9,514
20 To commercial banks .....	5,166	3,772	4,274	5,276	3,131	3,432	4,045	4,668	5,440
21 To nonbank brokers and dealers in securities .....	3,262	2,681	2,758	2,708	2,488	2,405	2,928	3,045	3,214
22 To others .....	1,089	1,298	1,060	938	1,229	1,187	1,144	750	860
23 Other loans, gross .....	110,308	107,835	108,732	110,920	105,450	108,122	107,638	107,438	109,710
24 Commercial and industrial .....	54,719	54,872	54,942	55,055	54,231	55,154	54,884	54,966	55,032
25 Bankers acceptances and commercial paper .....		1,036	1,038	1,092	1,069	1,190	1,082	996	1,116
26 All other .....	53,683	53,955	53,905	53,963	53,162	53,964	53,802	53,971	53,916
27 U.S. addressees .....	51,434	51,506	51,443	51,502	50,783	51,603	51,481	51,712	51,637
28 Non-U.S. addressees .....	2,249	2,449	2,462	2,461	2,378	2,362	2,321	2,259	2,279
29 Real estate .....	17,121	17,122	17,151	17,145	17,201	17,259	17,393	17,403	17,412
30 To individuals for personal expenditures .....	10,663	10,686	10,696	10,708	10,717	10,744	10,781	10,793	10,838
31 To financial institutions .....									
32 Commercial banks in the United States .....	1,968	1,877	1,899	2,138	1,807	2,144	1,860	1,988	1,954
33 Banks in foreign countries .....	5,217	4,747	5,151	4,784	4,428	4,266	4,500	4,380	4,505
34 Sales finance, personal finance companies, etc. ....	4,584	4,403	4,424	4,278	3,939	4,261	4,062	4,081	4,121
35 Other financial institutions .....	4,626	4,684	4,676	4,630	4,464	4,573	4,679	4,578	4,652
36 To nonbank brokers and dealers in securities .....	5,191	4,235	3,271	2,912	3,389	3,867	4,116	3,706	5,321
37 To others for purchasing and carrying securities <sup>4</sup> .....	618	596	590	605	619	614	604	567	580
38 To finance agricultural production .....	320	324	308	320	313	321	316	318	313
39 All other .....	5,280	4,290	5,624	8,346	4,342	4,917	4,443	4,657	4,982
40 Less: Unearned income .....	1,323	1,343	1,359	1,354	1,366	1,339	1,335	1,336	1,350
41 Loan loss reserve .....	1,996	2,019	2,021	2,031	2,034	2,070	2,070	2,076	2,085
42 Other loans, net .....	106,989	104,473	105,352	107,534	102,050	104,722	104,233	104,026	106,275
43 Lease financing receivables .....	2,302	2,278	2,279	2,282	2,280	2,264	2,249	2,260	2,260
44 All other assets <sup>5</sup> .....	39,317	39,874	41,308	37,006	38,326	44,491	40,653	41,490	38,732
44 Total assets .....	232,073	195,830	207,004	201,872	192,658	207,905	202,413	204,128	202,884
<i>Deposits</i>									
45 Demand deposits .....	80,140	45,872	51,384	47,018	44,865	52,900	47,592	49,338	48,174
46 Mutual savings banks .....	368	408	340	316	285	377	300	279	246
47 Individuals, partnerships, and corporations .....	35,054	30,005	33,940	31,712	30,114	34,972	31,238	31,922	31,743
48 States and political subdivisions .....	669	616	516	524	334	353	366	363	410
49 U.S. government .....	496	339	369	177	367	543	327	695	474
50 Commercial banks in the United States .....	28,945	4,016	4,428	4,854	4,104	5,861	4,990	4,297	4,879
51 Banks in foreign countries .....	8,859	6,395	7,456	6,200	6,532	6,698	5,733	6,398	6,356
52 Foreign governments and official institutions .....	1,328	813	652	695	943	916	1,294	757	693
53 Certified and officers' checks .....	4,420	3,281	3,683	2,539	2,186	3,180	3,342	4,626	3,374
54 Time and savings deposits .....	63,317	64,342	64,169	63,979	64,220	63,839	63,538	64,060	66,004
55 Savings .....	9,016	9,120	9,084	8,982	8,926	9,143	9,200	9,261	9,224
56 Individuals and nonprofit organizations .....	8,641	8,719	8,699	8,607	8,572	8,785	8,814	8,818	8,801
57 Partnerships and corporations operated for profit .....	250	251	250	248	244	245	249	251	252
58 Domestic governmental units .....	120	146	132	125	108	111	135	190	168
59 All other .....	3	3	2	2	2	2	2	2	3
60 Time .....	54,301	55,222	55,085	54,997	55,294	54,696	54,338	54,798	56,780
61 Individuals, partnerships, and corporations .....	47,124	47,854	47,627	47,524	48,033	47,523	47,179	47,532	48,974
62 States and political subdivisions .....	1,963	2,039	2,119	2,112	2,149	2,101	2,053	2,029	2,178
63 U.S. government .....	36	36	45	60	45	37	38	26	19
64 Commercial banks in the United States .....	2,770	2,848	2,831	2,822	2,582	2,606	2,646	2,762	3,157
65 Foreign governments, official institutions, and banks .....	2,408	2,445	2,462	2,479	2,485	2,429	2,422	2,449	2,451
<i>Liabilities for borrowed money</i>									
66 Borrowings from Federal Reserve Banks .....			1,450	2,135	850	1,175		950	170
67 Treasury tax-and-loan notes .....	2,870	1,217	1,632	2,510	2,580	1,038	913	696	852
68 All other liabilities for borrowed money <sup>6</sup> .....	40,703	40,349	44,702	40,686	36,051	41,418	45,684	42,523	40,183
69 Other liabilities and subordinated notes and debentures .....	28,312	27,283	26,973	28,968	27,570	30,615	27,731	29,817	30,810
70 Total liabilities .....	215,342	179,062	190,311	185,296	176,137	190,984	185,458	187,385	186,193
71 Residual (total assets minus total liabilities) <sup>7</sup> .....	16,731	16,768	16,694	16,576	16,520	16,921	16,956	16,743	16,691

1. Excludes trading account securities.

2. Not available due to confidentiality.

3. Includes securities purchased under agreements to resell.

4. Other than financial institutions and brokers and dealers.

5. Includes trading account securities.

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

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



## 1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1981								
	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28 <sup>P</sup>	Nov. 4 <sup>P</sup>	Nov. 11 <sup>P</sup>	Nov. 18 <sup>P</sup>	Nov. 25 <sup>P</sup>
<b>BANKS WITH ASSETS OF \$750 MILLION OR MORE</b>									
1 Total loans (gross) and securities adjusted <sup>1</sup> .....	577,988	577,417	575,283	575,823	572,370	578,769	576,089	577,913	580,482
2 Total loans (gross) adjusted <sup>1</sup> .....	460,634	460,751	459,338	460,191	455,917	460,519	460,189	461,564	464,560
3 Demand deposits adjusted <sup>2</sup> .....	100,697	101,846	101,236	100,748	99,150	103,354	97,460	99,409	98,320
4 Time deposits in accounts of \$100,000 or more .....	180,515	182,700	181,142	179,519	179,742	178,245	178,976	180,720	184,238
5 Negotiable CDs .....	130,948	132,644	131,317	129,620	129,708	128,105	128,021	129,344	132,640
6 Other time deposits .....	49,567	50,056	49,825	49,900	50,034	50,140	50,955	51,376	51,598
7 Loans sold outright to affiliates <sup>3</sup> .....	2,770	2,676	2,665	2,688	2,741	2,703	2,756	2,712	2,749
8 Commercial and industrial .....	2,035	2,005	2,013	2,050	2,108	2,059	2,136	2,089	2,124
9 Other .....	735	671	652	637	633	644	620	623	624
<b>BANKS WITH ASSETS OF \$1 BILLION OR MORE</b>									
10 Total loans (gross) and securities adjusted <sup>1</sup> .....	540,866	540,339	538,087	538,780	535,329	541,416	538,805	540,462	543,013
11 Total loans (gross) adjusted <sup>1</sup> .....	433,368	433,382	432,005	432,938	428,658	432,964	432,768	433,944	436,903
12 Demand deposits adjusted <sup>2</sup> .....	93,363	94,733	94,436	93,812	92,065	96,210	90,541	92,108	91,101
13 Time deposits in accounts of \$100,000 or more .....	171,002	173,083	171,554	169,922	170,268	168,846	169,364	171,127	174,517
14 Negotiable CDs .....	124,442	126,068	124,753	123,052	123,240	121,716	121,468	122,847	126,065
15 Other time deposits .....	46,560	47,015	46,801	46,870	47,028	47,130	47,896	48,280	48,452
16 Loans sold outright to affiliates <sup>3</sup> .....	2,687	2,592	2,581	2,605	2,659	2,618	2,672	2,626	2,659
17 Commercial and industrial .....	1,972	1,940	1,948	1,985	2,043	1,991	2,069	2,021	2,052
18 Other .....	715	652	633	620	616	627	603	605	607
<b>BANKS IN NEW YORK CITY</b>									
19 Total loans (gross) and securities adjusted <sup>1,4</sup> .....	135,556	132,903	133,527	135,191	130,210	132,224	132,354	131,632	133,862
20 Total loans (gross) adjusted <sup>1</sup> .....	112,691	109,938	110,650	112,428	107,360	109,570	109,850	109,245	111,830
21 Demand deposits adjusted <sup>2</sup> .....	25,536	28,324	29,344	28,828	27,562	29,670	26,885	27,914	27,305
22 Time deposits in accounts of \$100,000 or more .....	42,755	43,387	43,243	43,084	43,360	42,651	42,189	42,537	44,467
23 Negotiable CDs .....	31,853	32,406	32,408	32,042	32,232	31,577	30,972	31,169	33,134
24 Other time deposits .....	10,903	10,981	10,834	11,042	11,127	11,074	11,217	11,368	11,333

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

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

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

4. Excludes trading account securities.

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

Millions of dollars, Wednesday figures

Account	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28 <sup>P</sup>	Nov. 4 <sup>P</sup>	Nov. 11 <sup>P</sup>	Nov. 18 <sup>P</sup>	Nov. 25 <sup>P</sup>
1 Cash and due from depository institutions	29,860	7,412	6,826	6,913	7,037	7,078	7,142	7,316	7,774
2 Total loans and securities	66,094	63,242	62,809	61,540	62,900	62,529	63,397	64,513	64,773
3 U.S. Treasury securities	1,814	1,605	1,572	1,540	1,544	1,467	1,581	1,471	1,639
4 Other securities	1,016	1,017	1,026	1,022	1,033	1,039	1,048	1,022	1,051
5 Federal funds sold <sup>1</sup>	4,280	3,636	4,284	4,001	4,520	4,368	4,516	4,291	4,606
6 To commercial banks in U.S.	3,783	3,311	4,141	3,888	4,342	3,831	3,916	3,868	4,220
7 To others	496	325	143	114	179	536	600	422	387
8 Other loans, gross	58,984	56,984	55,928	54,976	55,802	55,656	56,252	57,729	57,477
9 Commercial and industrial	29,646	28,661	28,087	27,542	27,500	26,892	27,322	27,472	27,287
10 Bankers acceptances and commercial paper	3,918	3,971	3,954	3,948	4,001	3,703	3,622	3,589	3,518
11 All other	25,728	24,690	24,133	23,594	23,499	23,188	23,699	23,883	23,769
12 U.S. addressees	15,610	14,663	14,145	13,758	13,725	13,362	13,787	13,837	13,726
13 Non-U.S. addressees	10,118	10,026	9,988	9,836	9,774	9,827	9,913	10,046	10,044
14 To financial institutions	20,415	19,760	19,540	19,415	19,998	20,260	20,574	21,643	21,528
15 Commercial banks in U.S.	12,072	12,182	12,206	12,254	12,709	12,862	13,320	14,179	13,958
16 Banks in foreign countries	7,992	7,219	7,015	6,859	6,990	7,061	6,925	7,139	7,229
17 Nonbank financial institutions	350	359	320	303	299	337	330	325	341
18 For purchasing and carrying securities	929	913	693	542	707	766	824	723	676
19 All other	7,994	7,650	7,608	7,476	7,597	7,737	7,532	7,892	7,986
20 Other assets (claims on nonrelated parties)	11,516	10,683	10,850	11,121	10,986	11,407	11,564	11,971	12,166
21 Net due from related institutions	9,756	9,768	9,822	9,528	9,796	9,584	9,748	9,979	9,792
22 Total assets	117,226	91,105	90,308	89,103	90,720	90,598	91,851	93,779	94,506
23 Deposits or credit balances <sup>2</sup>	47,528	25,821	25,635	24,884	25,265	24,263	25,412	24,968	25,616
24 Credit balances	2,622	504	340	322	309	295	323	467	382
25 Demand deposits	21,348	2,383	2,569	2,452	3,322	2,256	2,366	2,488	2,504
26 Individuals, partnerships, and corporations	1,044	887	909	901	883	855	792	892	887
27 Other	20,304	1,496	1,660	1,551	1,439	1,401	1,573	1,596	1,617
28 Total time and savings	23,558	22,935	22,726	22,110	22,634	21,712	22,724	22,013	22,730
29 Individuals, partnerships, and corporations	19,764	19,212	19,070	18,572	19,202	18,198	18,809	18,013	18,618
30 Other	3,793	3,722	3,655	3,538	3,433	3,514	3,914	4,000	4,112
31 Borrowings <sup>3</sup>	32,438	31,588	31,197	31,423	31,736	32,155	32,922	34,617	34,171
32 Federal funds purchased <sup>4</sup>	5,311	5,013	4,800	4,700	4,871	5,980	6,056	7,136	6,247
33 From commercial banks in U.S.	4,530	4,293	4,008	3,788	3,918	5,221	4,920	6,071	5,356
34 From others	780	720	792	911	953	758	1,135	1,065	891
35 Other liabilities for borrowed money	27,127	26,575	26,397	26,723	26,864	26,175	26,866	27,481	27,924
36 To commercial banks in U.S.	22,766	22,442	22,407	22,673	22,835	22,069	22,608	23,129	23,409
37 To others	4,362	4,134	3,990	4,050	4,029	4,106	4,258	4,352	4,515
38 Other liabilities to nonrelated parties	11,418	10,874	11,205	11,208	11,137	11,481	11,744	12,176	12,242
39 Net due to related institutions	25,841	22,822	22,271	21,589	22,582	22,698	21,773	22,019	22,476
40 Total liabilities	117,226	91,105	90,308	89,103	90,720	90,598	91,851	93,779	94,506
MEMO									
41 Total loans (gross) and securities adjusted <sup>5</sup>	50,238	47,748	46,462	45,398	45,849	45,835	46,161	46,466	46,595
42 Total loans (gross) adjusted <sup>5</sup>	47,408	45,126	43,865	42,836	43,272	43,330	43,532	43,973	43,905

1. Includes securities purchased under agreements to resell.
2. Balances due to other than directly related institutions.
3. Borrowings from other than directly related institutions.

4. Includes securities sold under agreements to repurchase.
5. Excludes loans and federal funds transactions with commercial banks in U.S.

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

Industry classification	Outstanding					Net change during				
	1981					1981		1981		
	July 29	Aug. 26	Sept. 30	Oct. 28	Nov. 25 <sup>P</sup>	Q2	Q3	Sept.	Oct.	Nov. <sup>P</sup>
1 Durable goods manufacturing.....	25,370	25,629	26,112	25,914	25,574	620	838	482	-198	-340
2 Nondurable goods manufacturing.....	20,175	22,478	23,401	22,062	22,196	1,217	2,783	923	-1,339	134
3 Food, liquor, and tobacco.....	4,095	4,392	4,433	4,312	4,290	-176	28	40	-121	-22
4 Textiles, apparel, and leather.....	4,994	5,068	5,076	4,863	4,648	569	156	8	-214	-215
5 Petroleum refining.....	3,546	3,587	3,956	3,719	4,772	430	544	370	-238	1,053
6 Chemicals and rubber.....	3,791	5,500	5,747	5,056	4,623	211	1,698	247	-691	-433
7 Other nondurable goods.....	3,749	3,931	4,189	4,113	3,864	182	357	258	-76	-249
8 Mining (including crude petroleum and natural gas).....	19,658	20,019	21,286	21,729	22,943	2,444	3,092	1,267	442	1,214
9 Trade.....	26,462	26,406	26,996	27,496	28,189	490	888	590	500	693
10 Commodity dealers.....	1,601	1,659	1,657	1,666	1,901	-451	158	-2	8	235
11 Other wholesale.....	12,405	12,377	12,622	12,637	12,798	212	534	244	16	161
12 Retail.....	12,456	12,370	12,717	13,193	13,490	728	196	347	476	297
13 Transportation, communication, and other public utilities.....	21,027	21,418	21,864	21,737	22,040	851	1,040	446	-127	303
14 Transportation.....	8,251	8,283	8,468	8,433	8,305	89	272	186	-36	-128
15 Communication.....	3,545	3,580	3,535	3,574	3,701	381	-7	-45	39	128
16 Other public utilities.....	9,231	9,555	9,861	9,731	10,034	381	775	306	-130	303
17 Construction.....	7,108	7,132	7,248	7,172	7,148	758	264	116	-75	-24
18 Services.....	24,521	24,774	25,355	25,434	25,605	934	810	581	79	170
19 All other <sup>2</sup> .....	15,444	15,562	15,817	15,950	16,081	-4	639	254	134	131
20 Total domestic loans.....	159,765	163,418	168,078	167,494	169,776	7,311	10,354	4,660	-585	2,282
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans.....	84,401	86,147	86,456	84,630	83,842	4,104	3,054	309	-1,826	-788

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

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

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

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

Billions of dollars, estimated daily-average balances

Type of holder	Commercial banks									
	1977 Dec.	1978 Dec.	1979 <sup>2</sup> Dec.	1980				1981		
				Mar.	June	Sept.	Dec.	Mar. <sup>3</sup>	June <sup>4</sup>	Sept.
<b>1 All holders—Individuals, partnerships, and corporations</b> .....	<b>274.4</b>	<b>294.6</b>	<b>302.2</b>	<b>288.4</b>	<b>288.6</b>	<b>302.0</b>	<b>315.5</b>	<b>280.8</b>	↑	<b>277.5</b>
2 Financial business .....	25.0	27.8	27.1	28.4	27.7	29.6	29.8	30.8	↑	28.2
3 Nonfinancial business .....	142.9	152.7	157.7	144.9	145.3	151.9	162.3	144.3	↑	148.6
4 Consumer .....	91.0	97.4	99.2	97.6	97.9	101.8	102.4	86.7	n.a.	82.1
5 Foreign .....	2.5	2.7	3.1	3.1	3.3	3.2	3.3	3.4	↓	3.1
6 Other .....	12.9	14.1	15.1	14.4	14.4	15.5	17.2	15.6	↓	15.5
	Weekly reporting banks									
	1977 Dec.	1978 Dec.	1979 <sup>5</sup> Dec.	1980				1981		
				Mar.	June	Sept.	Dec.	Mar. <sup>3</sup>	June <sup>4</sup>	Sept.
<b>7 All holders—Individuals, partnerships, and corporations</b> .....	<b>139.1</b>	<b>147.0</b>	<b>139.3</b>	<b>133.6</b>	<b>133.9</b>	<b>140.6</b>	<b>147.4</b>	<b>133.2</b>	↑	<b>131.3</b>
8 Financial business .....	18.5	19.8	20.1	20.1	20.2	21.2	21.8	21.9	↑	20.7
9 Nonfinancial business .....	76.3	79.0	74.1	69.1	69.2	72.4	78.3	69.8	↑	71.2
10 Consumer .....	34.6	38.2	34.3	34.2	33.9	36.0	35.6	30.6	n.a.	28.7
11 Foreign .....	2.4	2.5	3.0	3.0	3.1	3.1	3.1	3.2	↓	2.9
12 Other .....	7.4	7.5	7.8	7.2	7.5	7.9	8.6	7.7	↓	7.9

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

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

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

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

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1977 Dec.	1978 Dec.	1979 <sup>1</sup> Dec.	1980 Dec.	1981						
					Apr.	May	June	July	Aug.	Sept.	Oct.
Commercial paper (seasonally adjusted)											
1 All issuers .....	65,051	83,438	112,087	123,597	132,117	139,228	145,737	151,013	157,121	165,379	164,026
Financial companies <sup>2</sup>											
Dealer-placed paper <sup>3</sup>											
2 Total .....	8,796	12,181	17,161	19,236	23,497	24,144	25,933	26,006	27,813	30,213	28,909
3 Bank-related .....	2,132	3,521	2,874	3,561	4,437	4,800	4,750	5,267	6,037	6,161	5,626
Directly placed paper <sup>4</sup>											
4 Total .....	40,574	51,647	64,748	67,888	69,537	71,842	74,952	79,571	80,769	83,311	83,053
5 Bank-related .....	7,102	12,314	17,598	22,382	22,858	23,880	24,107	26,104	25,153	26,426	25,397
6 Nonfinancial companies <sup>5</sup> .....	15,681	19,610	30,178	36,473	39,083	43,242	44,852	45,436	48,539	51,855	52,064
Bankers dollar acceptances (not seasonally adjusted)											
7 Total .....	25,450	33,700	45,321	54,744	62,320	60,551	63,427	63,721	64,577	66,281	↑
Holder											
8 Accepting banks .....	10,434	8,579	9,865	10,564	10,781	10,132	11,595	10,505	9,959	10,064	↑
9 Own bills .....	8,915	7,653	8,327	8,963	9,626	9,049	10,207	9,437	9,214	9,083	↑
10 Bills bought .....	1,519	927	1,538	1,601	1,155	1,082	1,389	1,068	745	982	↑
Federal Reserve Banks											
11 Own account .....	954	1	704	776	0	0	0	453	0	0	n.a.
12 Foreign correspondents .....	362	664	1,382	1,791	1,383	1,255	1,272	1,459	1,451	1,243	n.a.
13 Others .....	13,700	24,456	33,370	41,614	50,156	49,164	50,560	51,303	53,167	54,974	↓
Basis											
14 Imports into United States .....	6,378	8,574	10,270	11,776	13,634	12,775	12,996	13,059	13,313	14,034	↓
15 Exports from United States .....	5,863	7,586	9,640	12,712	13,368	13,057	13,388	13,296	13,774	14,705	↓
16 All other .....	13,209	17,540	25,411	30,257	35,319	34,768	37,043	37,365	37,490	37,542	↓

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

2. Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

3. Includes all financial company paper sold by dealers in the open market.

4. As reported by financial companies that place their paper directly with investors.

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

A26 Domestic Financial Statistics □ December 1981

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

Percent per annum

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1981—May 4	19.00	1981—Oct. 5	19.00	1980—July	11.48	1981—Apr.	17.15
11	19.50	13	18.00	Aug.	11.12	May	19.61
19	20.00	Nov. 3	17.50	Sept.	12.23	June	20.03
22	20.50	9	16.50	Oct.	13.79	July	20.39
June 3	20.00	17	17.00	Nov.	16.06	Aug.	20.50
July 8	20.50	20	16.50	Dec.	20.35	Sept.	20.08
Sept. 15	20.00	24	16.00	1981—Jan.	20.16	Oct.	18.45
22	19.50			Feb.	19.43	Nov.	16.84
				Mar.	18.05		

1.34 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 3-8, 1981

Item	All sizes	Size of loan (in thousands of dollars)					
		1-24	25-49	50-99	100-499	500-999	1,000 and over
<b>SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS</b>							
1 Amount of loans (thousands of dollars)	\$24,597,283	\$826,223	\$641,885	\$674,174	\$2,112,392	\$769,926	\$19,572,683
2 Number of loans	165,324	118,581	20,112	10,549	11,494	1,212	3,376
3 Weighted-average maturity (months)	1.6	3.1	3.5	3.1	3.4	3.2	1.2
4 Weighted-average interest rate (percent per annum)	21.11	20.76	21.18	21.36	21.37	21.85	21.06
5 Interquartile range <sup>1</sup>	20.37-22.00	18.81-22.93	18.81-23.16	19.56-23.25	19.99-22.86	20.84-22.85	20.37-21.76
<i>Percentage of amount of loans</i>							
6 With floating rate	34.5	25.2	39.0	48.0	59.3	71.8	30.1
7 Made under commitment	50.8	24.7	26.4	38.7	49.1	69.3	52.6
8 With no stated maturity	18.5	8.8	10.9	23.1	21.7	32.6	18.2
<b>LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS</b>							
9 Amount of loans (thousands of dollars)	\$3,889,453	\$344,172		\$313,708	\$189,351	\$3,042,222	
10 Number of loans	22,151	19,603		1,841	282	425	
11 Weighted-average maturity (months)	57.6	26.9		39.2	48.7	63.5	
12 Weighted-average interest rate (percent per annum)	20.62	19.77		20.70	21.45	20.65	
13 Interquartile range <sup>1</sup>	20.50-21.50	17.50-21.94		19.56-22.25	20.50-23.52	20.50-21.11	
<i>Percentage of amount of loans</i>							
14 With floating rate	79.2	31.3		68.8	80.3	85.7	
15 Made under commitment	75.1	23.4		44.8	77.9	83.9	
<b>CONSTRUCTION AND LAND DEVELOPMENT LOANS</b>							
16 Amount of loans (thousands of dollars)	\$1,253,985	\$94,295	\$160,298	\$105,325	\$508,226	\$385,840	
17 Number of loans	18,932	11,067	4,048	1,454	2,110	253	
18 Weighted-average maturity (months)	8.7	8.6	2.1	6.1	6.5	15.7	
19 Weighted-average interest rate (percent per annum)	20.26	20.34	20.03	19.80	19.23	21.81	
20 Interquartile range <sup>1</sup>	18.00-22.50	17.81-23.11	18.39-22.06	18.00-22.39	16.50-21.19	21.27-22.71	
<i>Percentage of amount of loans</i>							
21 With floating rate	44.4	41.1	14.7	31.6	25.9	85.5	
22 Secured by real estate	93.4	96.7	87.6	94.9	96.7	90.2	
23 Made under commitment	46.6	54.6	46.1	36.9	25.3	75.5	
24 With no stated maturity	13.3	9.4	3.0	57.8	2.7	20.2	
<i>Type of construction</i>							
25 1- to 4-family	22.3	78.6	56.6	26.1	6.6	14.0	
26 Multifamily	24.0	3.4	1.5	55.6	35.3	15.0	
27 Nonresidential	53.7	18.0	41.9	18.3	58.2	71.0	
<b>LOANS TO FARMERS</b>							
28 Amount of loans (thousands of dollars)	\$918,222	\$145,418	\$143,283	\$118,786	\$143,410	\$78,547	\$288,779
29 Number of loans	56,842	40,267	9,823	3,583	2,209	591	369
30 Weighted-average maturity (months)	5.0	5.6	5.2	5.0	6.2	5.2	3.8
31 Weighted-average interest rate (percent per annum)	19.57	18.82	19.06	18.93	19.60	19.74	20.41
32 Interquartile range <sup>1</sup>	18.11-20.62	17.72-19.82	17.96-20.23	17.72-19.90	18.68-20.40	17.98-21.50	19.00-22.13
<i>By purpose of loan</i>							
33 Feeder livestock	19.63	19.43	19.64	19.33	19.64	18.47	19.86
34 Other livestock	19.88	19.45	19.55	18.47	18.77	17.80	(?)
35 Other current operating expenses	19.48	18.68	18.86	19.14	19.62	20.50	20.47
36 Farm machinery and equipment	18.87	18.46	18.93	18.85	18.82	(?)	(?)
37 Other	20.11	19.00	19.62	17.91	19.97	21.12	21.98

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1978	1979	1980	1981				1981, week ending				
				Aug.	Sept.	Oct.	Nov.	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27
<b>MONEY MARKET RATES</b>												
1 Federal funds <sup>1,2</sup>	7.93	11.19	13.36	17.82	15.87	15.08	13.31	14.87	14.79	14.01	13.17	12.42
2 Commercial paper <sup>3,4</sup>												
1-month	7.76	10.86	12.76	17.58	15.95	14.80	12.35	14.56	13.92	12.73	11.89	11.26
3-month	7.94	10.97	12.66	17.23	16.09	14.85	12.16	14.60	13.71	12.50	11.65	11.15
6-month	7.99	10.91	12.29	16.62	15.93	14.72	11.96	14.47	13.50	12.19	11.45	11.04
5 Finance paper, directly placed <sup>3,4</sup>												
1-month	7.73	10.78	12.44	17.37	15.68	14.63	12.13	14.45	13.82	12.44	11.59	11.10
3-month	7.80	10.47	11.49	15.88	15.24	14.04	11.80	13.84	13.18	12.06	11.37	10.95
6-month	7.78	10.25	11.28	15.32	15.01	13.96	11.72	13.74	13.05	11.98	11.29	10.90
8 Bankers acceptances <sup>4,5</sup>												
3-month	8.11	11.04	12.78	17.22	16.11	14.78	12.00	14.53	13.50	12.29	11.47	11.10
6-month	n.a.	n.a.	n.a.	16.56	15.80	14.62	11.84	14.39	13.28	12.03	11.29	11.08
10 Certificates of deposit, secondary market <sup>6</sup>												
1-month	7.88	11.03	12.91	17.91	16.31	14.97	12.45	14.76	14.02	12.84	11.96	11.45
3-month	8.22	11.22	13.07	17.96	16.84	15.39	12.48	15.14	14.13	12.77	11.97	11.51
6-month	8.61	11.44	12.99	17.98	17.19	15.71	12.65	15.49	14.27	12.85	12.09	11.78
13 Eurodollar deposits, 3-month <sup>2</sup>	8.78	11.96	14.00	18.79	17.80	16.34	13.33	16.35	15.49	14.25	13.09	12.35
U.S. Treasury bills <sup>7</sup>												
Secondary market <sup>7</sup>												
3-month	7.19	10.07	11.43	15.51	14.70	13.54	10.86	13.14	12.21	10.93	10.31	10.23
6-month	7.58	10.06	11.37	15.32	14.92	13.82	11.30	13.43	12.54	11.44	10.82	10.65
1-year	7.74	9.75	10.89	14.70	14.53	13.62	11.20	13.36	12.35	11.29	10.78	10.63
Auction average <sup>8</sup>												
3-month	7.221	10.041	11.506	15.612	14.951	13.873	11.269	13.352	12.695	11.128	10.693	10.560
6-month	7.572	10.017	11.374	15.548	15.057	14.013	11.530	13.619	12.721	11.510	10.972	10.915
1-year	7.678	9.817	10.748	14.542	15.056	14.580	13.159		13.159			
<b>CAPITAL MARKET RATES</b>												
U.S. Treasury notes and bonds <sup>9</sup>												
Constant maturities <sup>10</sup>												
20 1-year	8.34	10.67	12.05	16.72	16.52	15.38	12.41	15.02	13.83	12.51	11.88	11.70
21 2-year	8.34	10.12	11.77	16.28	16.46	15.54	12.88	15.24	14.15	13.00	12.40	12.22
22 2-1/2-year <sup>11</sup>									13.95		12.55	
23 3-year	8.29	9.71	11.55	16.00	16.22	15.50	13.11	15.34	14.17	13.07	12.72	12.67
24 5-year	8.32	9.52	11.48	15.56	15.93	15.41	13.38	15.36	14.36	13.43	13.12	12.81
25 7-year	8.36	9.48	11.43	15.22	15.65	15.33	13.42	15.33	14.34	13.41	13.17	12.97
26 10-year	8.41	9.44	11.46	14.94	15.32	15.15	13.39	15.25	14.22	13.29	13.09	13.12
27 20-year	8.48	9.33	11.39	14.52	15.07	15.13	13.56	15.27	14.41	13.61	13.29	13.12
28 30-year	8.49	9.29	11.30	14.17	14.67	14.68	13.35	14.87	14.07	13.40	13.12	13.00
29 Composite <sup>12</sup>												
Over 10 years (long-term)	7.89	8.74	10.81	13.61	14.14	14.13	12.68	14.27	13.39	12.78	12.41	12.32
State and local notes and bonds												
Moody's series <sup>13</sup>												
30 Aaa	5.52	5.92	7.85	11.10	11.55	12.05	11.05	12.60	12.00	10.50	10.70	10.98
31 Baa	6.27	6.73	9.01	12.78	13.60	13.34	12.74	13.50	13.25	12.50	12.50	12.69
32 Bond Buyer series <sup>14</sup>	6.03	6.52	8.59	12.26	12.92	12.83	11.89	12.99	12.44	11.43	11.71	11.98
Corporate bonds												
Seasoned issues <sup>15</sup>												
33 All industries	9.07	10.12	12.75	15.60	16.16	16.20	15.35	16.31	15.89	15.38	15.10	15.04
34 Aaa	8.73	9.63	11.94	14.89	15.49	15.40	14.22	15.51	14.88	14.18	13.92	13.92
35 Aa	8.92	9.94	12.50	15.42	15.95	15.82	14.97	15.95	15.53	15.04	14.71	14.61
36 A	9.12	10.20	12.89	15.76	16.36	16.47	15.82	16.60	16.29	15.91	15.56	15.54
37 Baa	9.49	10.69	13.67	16.34	16.92	17.11	16.39	17.16	16.87	16.41	16.20	16.08
Aaa utility bonds <sup>16</sup>												
New issue	8.96	10.03	12.74		17.21	16.94	15.56		17.20		14.62	14.85
Recently offered issues	8.97	10.02	12.70	16.82	17.33	17.24	15.49	17.32	16.88	15.89	14.65	14.52
MEMO: Dividend/price ratio <sup>17</sup>												
40 Preferred stocks	8.25	9.07	10.57	12.63	13.01	13.09	12.76	13.06	13.09	12.81	12.54	12.59
41 Common stocks	5.28	5.46	5.25	5.16	5.69	5.65	5.54	5.72	5.45	5.54	5.66	5.50

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1.36 STOCK MARKET Selected Statistics

Indicator	1978	1979	1980	1981							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
<b>Prices and trading (averages of daily figures)</b>											
<i>Common stock prices</i>											
1 New York Stock Exchange (Dec. 31, 1965 = 50) .....	53.76	55.67	68.06	77.60	76.28	76.80	74.98	75.24	68.37	69.40	71.49
2 Industrial .....	58.30	61.82	78.64	90.57	88.78	88.63	86.64	86.72	78.07	78.94	80.86
3 Transportation .....	43.25	45.20	60.52	80.63	76.78	76.71	74.42	73.27	63.67	65.65	67.68
4 Utility .....	39.23	36.46	37.35	38.34	38.27	39.23	38.90	40.22	38.17	38.87	40.73
5 Finance .....	56.74	58.65	64.28	74.59	74.65	79.79	74.97	73.76	69.38	72.58	76.47
6 Standard & Poor's Corporation (1941-43 = 10) <sup>1</sup> .....	96.11	107.94	118.71	134.43	131.73	132.28	129.13	129.63	118.27	119.84	122.92
7 American Stock Exchange (Aug. 31, 1973 = 100) .....	144.56	186.56	300.94	363.09	365.52	369.64	364.33	364.60	313.60	308.81	321.01
<i>Volume of trading (thousands of shares)</i>											
8 New York Stock Exchange .....	28,591	32,233	44,867	54,124	45,272	50,517	43,930	44,489	46,042	46,233	50,791
9 American Stock Exchange .....	3,622	4,182	6,377	6,339	5,650	6,096	4,374	5,137	5,556	4,233	5,257
<b>Customer financing (end-of-period balances, in millions of dollars)</b>											
10 Regulated margin credit at brokers-dealers <sup>2</sup> .....	11,035	11,619	14,721	14,869	14,951	15,126	15,134	14,545	13,973	13,866	↑ n.a.
11 Margin stock <sup>3</sup> .....	10,830	11,450	14,500	14,630	14,700	14,870	14,870	14,270	13,710	13,600	↑
12 Convertible bonds .....	205	167	219	238	251	254	263	274	263	263	↓
13 Subscription issues .....	1	2	2	1	1	2	1	1	.....	3	↓
<i>Free credit balances at brokers<sup>4</sup></i>											
14 Margin-account .....	835	1,105	2,105	2,270	2,345	2,350	2,670	2,645	2,940	2,990	↓
15 Cash-account .....	2,510	4,060	6,070	6,440	6,150	6,650	6,470	6,640	6,555	6,100	↓
<b>Margin-account debt at brokers (percentage distribution, end of period)</b>											
16 Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	↑ n.a.
<i>By equity class (in percent)<sup>5</sup></i>											
17 Under 40 .....	33.0	16.0	14.0	20.8	21.3	25.0	25.0	38.5	47.0	32.0	↑
18 40-49 .....	28.0	29.0	30.0	26.8	25.3	29.0	29.0	24.0	22.0	28.0	↑
19 50-59 .....	18.0	27.0	25.0	23.7	25.3	21.0	22.0	15.0	13.0	18.0	↑
20 60-69 .....	10.0	14.0	14.0	12.6	12.7	11.0	11.0	10.0	8.0	10.0	↑
21 70-79 .....	6.0	8.0	9.0	8.1	8.0	7.0	7.0	6.0	5.0	6.0	↑
22 80 or more .....	5.0	7.0	8.0	8.0	8.0	7.0	6.0	6.0	5.0	6.0	↑
<b>Special miscellaneous-account balances at brokers (end of period)</b>											
23 Total balances (millions of dollars) <sup>6</sup> .....	13,092	16,150	21,690	22,748	23,457	23,700	24,460	24,760	25,234	24,962	↑ n.a.
<i>Distribution by equity status (percent)</i>											
24 Net credit status .....	41.3	44.2	47.8	49.3	50.2	53.2	53.8	53.5	55.0	55.0	↑
25 Debt status, equity of 60 percent or more .....	45.1	47.0	44.4	41.7	41.0	38.4	37.9	37.0	33.0	35.0	↑
26 Less than 60 percent .....	13.6	8.8	7.7	9.0	8.8	8.4	8.3	9.5	12.0	10.0	↓
<b>Margin requirements (percent of market value and effective date)<sup>7</sup></b>											
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974					
27 Margin stocks .....	70	80	65	55	65	50					
28 Convertible bonds .....	50	60	50	50	50	50					
29 Short sales .....	70	80	65	55	65	50					

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

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

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

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

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

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

7. Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

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





## 1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1979	Fiscal year 1980 <sup>7</sup>	Fiscal year 1981	Calendar year					
				1980		1981	1981		
				H1	H2	H1	Aug.	Sept.	Oct.
<i>U.S. budget</i>									
1 Receipts <sup>1</sup> .....	465,940	520,056	602,612	270,864	262,152	318,899	47,976	60,594	45,467
2 Outlays <sup>1,2</sup> .....	493,635	579,603	660,544	289,905	310,972	334,710	53,095	53,698	63,573
3 Surplus, or deficit (-) .....	-27,694	-59,547	-57,932	-19,041	-48,821	-15,811	-5,119	6,897	-18,106
4 Trust funds .....	18,335	8,791	7,168	4,383	-2,551	5,797	310	9,408	-4,269
5 Federal funds <sup>3</sup> .....	-46,069	-67,752	-65,099	-23,418	-46,306	-21,608	-5,429	-2,511	-13,837
<i>Off-budget entities (surplus, or deficit (-))</i>									
6 Federal Financing Bank outlays .....	-13,261	-14,549	-20,769	-7,735	-7,552	-11,046	-616	-3,129	-638
7 Other <sup>4</sup> .....	793	303	-236	-522	376	-900	-418	30	-5
<i>U.S. budget plus off-budget, including Federal Financing Bank</i>									
8 Surplus, or deficit (-) .....	-40,162	-73,792	-78,937	-27,298	-55,998	-27,757	-6,153	3,798	-18,749
9 Source or financing .....									
10 Borrowing from the public .....	33,641	70,515	79,329	24,435	54,764	33,213	6,501	8,577	10,374
11 Cash and monetary assets (decrease, or increase (-)) <sup>5</sup> .....	-408	-355	-1,878	-3,482	-6,730	2,873	1,330	-13,731	1,483
12 Other <sup>6</sup> .....	6,929	3,632	1,485	6,345	7,964	-8,328	-1,678	1,356	6,892
MEMO:									
13 Treasury operating balance (level, end of period) .....	24,176	20,990	18,670	14,092	12,305	16,389	5,714	18,670	16,335
14 Federal Reserve Banks .....	6,489	4,102	3,520	3,199	3,062	2,923	2,595	3,520	3,550
15 Tax and loan accounts .....	17,687	16,888	15,150	10,893	9,243	13,466	3,119	15,150	12,785

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

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

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

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

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

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

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1982*.

## NOTES TO TABLE 1.37

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

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

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

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

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

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

7. Excludes checking, club, and school accounts.

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

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

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

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

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

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

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

## 1.39 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1979	Fiscal year 1980 <sup>2</sup>	Fiscal year 1981	Calendar year					
				1980		1981	1981		
				H1	H2	H1	Aug.	Sept.	Oct.
<b>RECEIPTS</b>									
<b>1 All sources<sup>1</sup></b> .....	<b>465,955</b>	<b>520,056</b>	<b>602,612</b>	<b>270,864</b>	<b>262,152</b>	<b>318,899</b>	<b>47,976</b>	<b>60,594</b>	<b>45,467</b>
2 Individual income taxes, net.....	217,841	244,069	285,551	119,988	131,962	142,889	21,615	30,882	22,555
3 Withheld.....	195,295	223,763	255,936	110,394	120,924	126,101	21,150	21,291	21,817
4 Presidential Election Campaign Fund.....	36	39	41	34	4	36	1	0	0
5 Nonwithheld.....	56,215	63,746	76,844	49,707	14,592	59,907	1,227	10,155	1,283
6 Refunds <sup>3</sup> .....	33,705	43,479	47,299	40,147	3,559	43,155	813	564	545
Corporation income taxes									
7 Gross receipts.....	71,448	72,380	73,733	43,434	28,579	44,048	2,397	10,040	2,934
8 Refunds.....	5,771	7,780	12,596	4,064	4,518	6,565	790	1,381	1,669
9 Social insurance taxes and contributions, net.....	141,591	160,747	186,426	86,597	77,262	102,911	18,190	14,516	15,369
10 Payroll employment taxes and contributions <sup>4</sup> .....	115,041	133,042	156,953	69,077	66,831	83,851	14,965	13,136	13,872
11 Self-employment taxes and contributions <sup>5</sup> .....	5,034	5,723	6,041	5,535	188	6,240	0	524	443
12 Unemployment insurance.....	15,387	15,336	16,129	8,690	6,742	9,205	2,561	193	439
13 Other net receipts <sup>4</sup> .....	6,130	6,646	7,304	3,294	3,502	3,615	664	663	616
14 Excise taxes.....	18,745	24,329	40,839	11,383	15,332	21,945	4,052	3,597	3,486
15 Customs deposits.....	7,439	7,174	8,083	3,443	3,717	3,926	776	771	784
16 Estate and gift taxes.....	5,411	6,389	6,787	3,091	3,499	3,259	568	699	643
17 Miscellaneous receipts <sup>5</sup> .....	9,252	12,748	13,790	6,993	6,318	6,487	1,169	1,500	1,365
<b>OUTLAYS</b>									
<b>18 All types<sup>1,6</sup></b> .....	<b>493,635</b>	<b>579,603</b>	<b>660,544</b>	<b>289,905</b>	<b>310,972</b>	<b>334,710</b>	<b>53,095</b>	<b>53,698</b>	<b>64,216</b>
19 National defense.....	117,681	135,880	159,699	69,132	72,457	80,005	13,523	14,022	14,722
20 International affairs.....	6,091	10,472	11,051	4,602	5,430	5,999	785	982	1,019
21 General science, space, and technology.....	5,041	5,999	6,422	3,150	3,205	3,314	490	347	830
22 Energy.....	6,856	6,623	10,642	3,126	3,997	5,677	929	1,018	1,276
23 Natural resources and environment.....	12,091	14,130	13,783	6,668	7,722	6,476	1,194	1,131	1,562
24 Agriculture.....	6,238	4,951	5,598	3,193	1,892	3,101	536	-407	820
25 Commerce and housing credit.....	2,565	7,795	3,995	3,878	3,163	1,940	292	-639	1,154
26 Transportation.....	17,459	20,840	23,312	9,582	11,547	11,991	1,925	1,881	1,727
27 Community and regional development.....	9,482	9,917	9,265	5,302	5,370	4,621	618	641	990
28 Education, training, employment, social services.....	29,685	31,399	30,563	16,686	15,221	15,928	2,647	1,954	2,655
29 Health.....	49,614	58,165	69,324	29,299	31,263	34,708	5,838	6,599	6,276
30 Income security <sup>1,6</sup> .....	160,159	192,133	225,599	94,605	107,912	113,490	18,857	19,094	20,847
31 Veterans benefits and services.....	19,928	21,167	22,937	9,758	11,731	10,531	789	2,011	3,013
32 Administration of justice.....	4,153	4,554	4,721	2,291	2,299	2,344	397	397	387
33 General government.....	4,153	4,641	4,730	2,422	2,432	2,692	581	266	508
34 General-purpose fiscal assistance.....	8,372	8,306	6,621	3,940	4,191	3,015	28	179	1,314
35 Interest <sup>7</sup> .....	52,556	64,564	82,590	32,658	35,909	41,178	7,320	6,436	6,157
36 Undistributed offsetting receipts <sup>7,8</sup> .....	-18,489	-21,933	-30,306	-10,387	-14,769	-12,432	-3,652	-2,216	-1,039

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

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

3. Old-age, disability, and hospital insurance.

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

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

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

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

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

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

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government" and the *Budget of the U.S. Government, Fiscal Year 1982*.

A32 Domestic Financial Statistics □ December 1981

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1979		1980				1981		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding .....	833.8	852.2	870.4	884.4	914.3	936.7	970.9	977.4	1003.9
2 Public debt securities .....	826.5	845.1	863.5	877.6	907.7	930.2	964.5	971.2	997.9
3 Held by public .....	638.8	658.0	677.1	682.7	710.0	737.7	773.7	771.3	789.8
4 Held by agencies .....	187.7	187.1	186.3	194.9	197.7	192.5	190.9	199.9	208.1
5 Agency securities .....	7.2	7.1	7.0	6.8	6.6	6.5	6.4	6.2	6.1
6 Held by public .....	5.8	5.6	5.5	5.3	5.1	5.0	4.9	4.7	4.6
7 Held by agencies .....	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
8 Debt subject to statutory limit .....	827.6	846.2	864.5	878.7	908.7	931.2	965.5	972.2	998.8
9 Public debt securities .....	825.9	844.5	862.8	877.0	907.1	929.6	963.9	970.6	997.2
10 Other debt <sup>1</sup> .....	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6
11 MEMO: Statutory debt limit .....	830.0	879.0	879.0	925.0	925.0	935.1	985.0	985.0	999.8

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

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

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

Billions of dollars, end of period

Type and holder	1977	1978	1979	1980	1981				
					July	Aug.	Sept.	Oct.	Nov.
1 Total gross public debt .....	718.9	789.2	845.1	930.2	973.3	980.2	997.9	1,005.0	1013.3
<i>By type</i>									
2 Interest-bearing debt .....	715.2	782.4	844.0	928.9	972.1	978.9	996.5	999.5	1011.9
3 Marketable .....	459.9	487.5	530.7	623.2	666.4	673.8	683.2	689.6	704.8
4 Bills .....	161.1	161.7	172.6	216.1	217.5	219.9	223.4	229.1	233.9
5 Notes .....	251.8	265.8	283.4	321.6	354.0	357.6	363.6	362.6	370.8
6 Bonds .....	47.0	60.0	74.7	85.4	94.9	96.3	96.2	97.9	100.1
7 Nonmarketable <sup>1</sup> .....	255.3	294.8	313.2	305.7	305.6	305.2	313.3	309.9	307.1
8 Convertible bonds <sup>2</sup> .....	2.2	2.2	2.2	.....	.....	.....	.....	.....	.....
9 State and local government series .....	13.9	24.3	24.6	23.8	22.8	22.8	23.2	23.1	23.0
10 Foreign issues <sup>3</sup> .....	22.2	29.6	28.8	24.0	21.9	21.4	20.5	20.5	20.3
11 Government .....	21.0	28.0	23.6	17.6	16.3	15.7	15.5	15.5	15.3
12 Public .....	1.2	1.6	5.3	6.4	5.7	5.7	5.0	5.0	5.0
13 Savings bonds and notes .....	77.0	80.9	79.9	72.5	69.0	68.6	68.3	68.0	68.0
14 Government account series <sup>4</sup> .....	139.8	157.5	177.5	185.1	191.6	192.1	201.1	198.1	195.5
15 Non-interest-bearing debt .....	3.7	6.8	1.2	1.3	1.2	1.3	1.4	5.6	1.4
<i>By holder<sup>5</sup></i>									
16 U.S. government agencies and trust funds .....	154.8	170.0	187.1	192.5	198.6	199.0	208.1	↑	↑
17 Federal Reserve Banks .....	102.8	109.6	117.5	121.3	123.4	124.5	124.3	↑	↑
18 Private investors .....	461.3	508.6	540.5	616.4	651.3	656.7	665.4	↑	↑
19 Commercial banks .....	101.4	93.2	96.4	116.0	114.2	115.0	112.2	↑	↑
20 Mutual savings banks .....	5.9	5.0	4.7	5.4	5.6	5.5	5.5	↑	↑
21 Insurance companies .....	15.1	15.7	16.7	20.1	19.8	20.6	20.7	n.a.	n.a.
22 Other companies .....	20.5	19.6	22.9	25.7	37.8	38.0	37.8	↑	↑
23 State and local governments .....	55.2	64.4	69.9	78.8	76.0	86.2	86.2	↑	↑
<i>Individuals</i>									
24 Savings bonds .....	76.7	80.7	79.9	72.5	69.0	68.7	68.3	↓	↓
25 Other securities .....	28.6	30.3	36.2	56.7	70.5	71.5	72.0	↓	↓
26 Foreign and international <sup>6</sup> .....	109.6	137.8	124.4	127.7	139.0	137.0	135.5	↓	↓
27 Other miscellaneous investors <sup>7</sup> .....	49.7	58.9	90.1	106.9	109.4	114.2	127.2	↓	↓

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

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

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

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

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

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

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

NOTE. Gross public debt excludes guaranteed agency securities. Data by type of security from *Monthly Statement of the Public Debt of the United States* (U.S. Treasury Department); data by holder from *Treasury Bulletin*.

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

Par value; millions of dollars, end of period

Type of holder	1979	1980	1981		1979	1980	1981	
			Aug.	Sept.			Aug.	Sept.
			All maturities				1 to 5 years	
<b>1 All holders</b> .....	<b>530,731</b>	<b>623,186</b>	<b>673,765</b>	<b>683,209</b>	<b>164,198</b>	<b>197,409</b>	<b>216,771</b>	<b>218,310</b>
2 U.S. government agencies and trust funds .....	11,047	9,564	9,015	9,015	2,555	1,990	1,368	1,368
3 Federal Reserve Banks .....	117,458	121,328	124,522	124,330	8,469	35,835	34,718	34,689
4 Private investors .....	402,226	492,294	540,228	549,863	133,173	159,585	180,685	182,253
5 Commercial banks .....	69,076	77,868	78,972	77,015	38,346	44,482	42,963	40,551
6 Mutual savings banks .....	3,204	3,917	4,096	4,101	1,668	1,925	2,069	1,991
7 Insurance companies .....	11,496	11,930	13,209	13,297	4,518	4,504	5,358	5,415
8 Nonfinancial corporations .....	8,433	7,758	5,366	5,278	2,844	2,203	1,292	1,065
9 Savings and loan associations .....	3,209	4,225	4,218	4,253	1,763	2,289	2,357	2,354
10 State and local governments .....	15,735	21,058	23,743	23,757	3,487	4,595	5,090	4,995
11 All others .....	291,072	365,539	410,624	422,162	80,546	99,577	121,556	125,881
	Total, within 1 year				5 to 10 years			
<b>12 All holders</b> .....	<b>255,252</b>	<b>297,385</b>	<b>314,506</b>	<b>318,998</b>	<b>50,440</b>	<b>56,037</b>	<b>58,214</b>	<b>61,660</b>
13 U.S. government agencies and trust funds .....	1,629	830	909	909	871	1,404	1,398	1,398
14 Federal Reserve Banks .....	63,219	56,858	62,082	61,919	12,977	13,458	11,519	11,519
15 Private investors .....	190,403	239,697	251,516	256,170	36,592	41,175	45,297	48,743
16 Commercial banks .....	20,171	25,197	28,435	28,793	8,086	5,793	4,397	4,466
17 Mutual savings banks .....	836	1,246	1,382	1,463	459	455	270	272
18 Insurance companies .....	2,016	1,940	2,186	2,104	2,815	3,037	2,787	2,851
19 Nonfinancial corporations .....	4,933	4,281	2,388	2,543	308	357	340	335
20 Savings and loan associations .....	1,301	1,646	1,661	1,723	69	216	129	102
21 State and local governments .....	5,607	7,750	8,679	8,545	1,540	2,030	2,338	2,395
22 All others .....	155,539	197,636	206,785	211,000	24,314	29,287	35,036	38,324
	Bills, within 1 year				10 to 20 years			
<b>23 All holders</b> .....	<b>172,644</b>	<b>216,104</b>	<b>219,854</b>	<b>223,388</b>	<b>27,588</b>	<b>36,854</b>	<b>43,165</b>	<b>41,378</b>
24 U.S. government agencies and trust funds .....	0	1	1	1	4,520	3,686	4,027	4,027
25 Federal Reserve Banks .....	45,337	43,971	47,123	46,931	3,272	5,919	6,535	6,491
26 Private investors .....	127,306	172,132	172,730	176,456	19,796	27,250	32,602	30,860
27 Commercial banks .....	5,938	9,856	9,218	8,688	993	1,071	1,263	1,265
28 Mutual savings banks .....	262	394	343	360	127	181	203	197
29 Insurance companies .....	473	672	660	575	1,305	1,718	2,117	2,106
30 Nonfinancial corporations .....	2,793	2,363	941	1,021	218	431	849	775
31 Savings and loan associations .....	219	818	377	385	58	52	38	38
32 State and local governments .....	3,100	5,413	6,133	5,862	1,762	3,597	4,542	4,390
33 All others .....	114,522	152,616	155,059	159,565	15,332	20,200	23,590	22,089
	Other, within 1 year				Over 20 years			
<b>34 All holders</b> .....	<b>82,608</b>	<b>81,281</b>	<b>94,652</b>	<b>95,610</b>	<b>33,254</b>	<b>35,500</b>	<b>41,109</b>	<b>42,863</b>
35 U.S. government agencies and trust funds .....	1,629	829	907	907	1,472	1,656	1,313	1,313
36 Federal Reserve Banks .....	17,882	12,888	14,959	14,988	9,520	9,258	9,669	9,713
37 Private investors .....	63,097	67,565	78,785	79,715	22,262	24,587	30,127	31,837
38 Commercial banks .....	14,233	15,341	19,217	20,104	1,470	1,325	1,914	1,941
39 Mutual savings banks .....	574	852	1,039	1,103	113	110	172	178
40 Insurance companies .....	1,543	1,268	1,526	1,529	842	730	760	821
41 Nonfinancial corporations .....	2,140	1,918	1,447	1,523	130	476	497	559
42 Savings and loan associations .....	1,081	828	1,284	1,338	19	21	34	36
43 State and local governments .....	2,508	2,337	2,546	2,683	3,339	3,086	3,094	3,433
44 All others .....	41,017	45,020	51,726	51,435	16,340	18,838	23,656	24,869

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

Data complete for U.S. government agencies and trust funds and Federal Reserve Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of Sept. 30, 1981: (1) 5,326 commercial banks, 456 mutual savings banks,

and 725 insurance companies, each about 80 percent; (2) 409 nonfinancial corporations and 470 savings and loan associations, each about 50 percent; and (3) 489 state and local governments, about 40 percent.

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

A34 Domestic Financial Statistics □ December 1981

1.43 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1978	1979	1980	1981			1981, week ending Wednesday						
				Aug.	Sept.	Oct.	Oct. 14	Oct. 21	Oct. 28	Nov. 4	Nov. 11	Nov. 18	
Immediate delivery <sup>1</sup>													
1 U.S. government securities . . .	10,285	13,183	18,331	23,901	24,881	27,905	28,485	24,554	25,112	38,770	40,026	35,180	
<i>By maturity</i>													
2 Bills . . . . .	6,173	7,915	11,413	14,188	14,980	17,241	16,607	15,220	15,753	24,324	21,388	18,701	
3 Other within 1 year . . . . .	392	454	421	516	794	768	511	747	608	1,324	857	1,424	
4 1-5 years . . . . .	1,889	2,417	3,330	3,990	4,238	4,408	4,063	3,779	4,612	7,520	8,847	7,192	
5 5-10 years . . . . .	965	1,121	1,464	2,410	2,688	2,903	4,824	2,471	2,234	2,813	3,237	3,386	
6 Over 10 years . . . . .	867	1,276	1,704	2,797	2,181	2,587	2,479	2,337	1,905	2,789	5,698	4,477	
<i>By type of customer</i>													
7 U.S. government securities dealers . . . . .	1,135	1,448	1,484	1,767	1,810	2,138	1,215	1,885	1,864	3,089	2,120	1,936	
8 U.S. government securities brokers . . . . .	3,838	5,170	7,610	11,555	11,922	13,499	14,266	11,931	11,608	18,183	18,771	16,742	
9 All others <sup>2</sup> . . . . .	5,312	6,564	9,237	10,579	11,149	12,269	13,004	10,738	11,162	17,498	19,135	16,502	
10 Federal agency securities . . . . .	1,894	2,723	3,258	3,136	2,786	3,559	3,471	3,227	3,114	4,828	4,206	4,646	
11 Certificates of deposit . . . . .	1,292	1,764	2,472	4,161	5,337	5,370	5,354	4,327	5,205	7,535	6,890	6,773	
12 Bankers acceptances . . . . .				1,420	1,844	2,087	2,118	1,771	2,000	2,815	2,829	2,656	
13 Commercial paper . . . . .				5,942	6,622	6,989	7,038	7,396	6,140	8,015	7,306	7,902	
Futures transactions <sup>3</sup>													
14 Treasury bills . . . . .				3,619	3,764	3,825	3,886	3,847	3,421	5,348	4,638	5,461	
15 Treasury coupons . . . . .				1,337	1,840	1,499	1,590	1,499	1,264	1,493	2,255	3,077	
16 Federal agency securities . . . . .	n.a.	n.a.	n.a.	237	169	195	173	246	191	256	276	360	
Forward transactions <sup>4</sup>													
17 U.S. government securities . . . . .				612	359	303	429	173	340	918	700	233	
18 Federal agency securities . . . . .				1,123	1,269	1,437	1,673	1,372	1,326	2,073	2,116	2,154	

1. Before 1981, data for immediate transactions include forward transactions.  
 2. Includes, among others, all other dealers and brokers in commodities and securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.  
 3. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.  
 4. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for government securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.  
 NOTES. Averages for transactions are based on number of trading days in the period.  
 Transactions are market purchases and sales of U.S. government securities dealers reporting to the Federal Reserve Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. government securities, redemptions of called or matured securities, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

1.44 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing

Averages of daily figures, in millions of dollars

Item	1978	1979	1980	1981			1981, week ending Wednesday					
				Aug.	Sept.	Oct.	Sept. 30	Oct. 7	Oct. 14	Oct. 21	Oct. 28	Nov. 4
<b>Positions</b>												
Net immediate <sup>1</sup>												
1 U.S. government securities . . . . .	2,656	3,223	4,306	6,635	6,148	6,384	4,431	6,807	7,709	5,318	5,945	7,569
2 Bills . . . . .	2,452	3,813	4,103	4,322	5,543	4,781	2,689	5,640	5,576	4,247	4,056	5,103
3 Other within 1 year . . . . .	260	-325	-1,062	-2,181	-2,613	3,235	-2,326	-3,026	-3,072	-3,283	-3,435	-3,532
4 1-5 years . . . . .	-92	-455	434	2,531	2,180	1,901	2,516	1,753	1,409	1,170	2,766	3,229
5 5-10 years . . . . .	40	160	166	72	31	-12	-702	-605	552	196	-15	-57
6 Over 10 years . . . . .	-4	30	665	1,892	2,081	2,947	2,254	3,044	3,243	2,989	2,573	2,825
7 Federal agency securities . . . . .	606	1,471	797	2,984	2,341	2,059	2,040	1,673	1,751	2,160	2,397	2,630
8 Certificates of deposit . . . . .	2,775	2,794	3,115	3,925	3,341	4,209	4,275	4,454	4,022	4,194	4,045	4,412
9 Bankers acceptances . . . . .				1,475	1,440	2,133	1,741	2,118	2,046	2,207	2,110	2,239
10 Commercial paper . . . . .				2,171	2,337	2,635	2,430	3,100	2,607	2,566	2,259	2,880
Future positions												
11 Treasury bills . . . . .				-9,939	-9,786	-8,568	-8,055	-8,140	-8,901	-8,355	-8,022	-10,225
12 Treasury coupons . . . . .	n.a.	n.a.	n.a.	-2,598	-2,363	-3,146	-2,638	-2,849	-3,422	-3,218	-2,988	-3,405
13 Federal agency securities . . . . .				-807	-661	-363	-562	-416	-548	-532	-145	-80
Forwards positions												
14 U.S. government securities . . . . .				-509	-565	-560	-492	-557	-553	-616	-538	-500
15 Federal agency securities . . . . .				-206	-254	-362	-196	-202	-273	-362	-451	-688
<b>Financing<sup>2</sup></b>												
Reverse repurchase agreements <sup>3</sup>												
16 Overnight and continuing . . . . .				16,087	17,052	19,848	19,204	19,645	18,788	20,896	19,832	20,080
17 Term agreements . . . . .				29,414	30,889	37,492	35,365	37,581	35,144	35,279	39,901	39,553
Repurchase agreements <sup>4</sup>												
18 Overnight and continuing . . . . .	n.a.	n.a.	n.a.	36,719	35,814	41,347	36,971	38,172	40,457	41,331	42,401	44,375
19 Term agreements . . . . .				27,213	29,521	32,892	32,831	33,538	30,717	32,468	33,860	33,875

For notes see opposite page.

## 1.45 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1978	1979	1980	1981					
				Apr.	May	June	July	Aug.	Sept.
<b>1 Federal and federally sponsored agencies<sup>1</sup></b>	<b>137,063</b>	<b>163,290</b>	<b>193,229</b>	<b>200,434</b>	<b>205,020</b>	<b>208,961</b>	<b>213,690</b>	<b>218,362</b>	<b>223,393</b>
2 Federal agencies	23,488	24,715	28,606	29,502	29,311	29,945	29,978	30,088	30,870
3 Defense Department <sup>2</sup>	968	738	610	566	556	546	536	526	516
4 Export-Import Bank <sup>3,4</sup>	8,711	9,191	11,250	11,868	11,850	12,423	12,401	12,385	12,855
5 Federal Housing Administration <sup>5</sup>	588	537	477	459	449	448	443	449	432
6 Government National Mortgage Association participation certificates <sup>6</sup>	3,141	2,979	2,817	2,775	2,775	2,715	2,715	2,715	2,715
7 Postal Service <sup>7</sup>	2,364	1,837	1,770	1,770	1,538	1,538	1,538	1,538	1,538
8 Tennessee Valley Authority	7,460	8,997	11,190	11,845	11,930	12,060	12,130	12,260	12,599
9 United States Railway Association <sup>7</sup>	356	436	492	219	213	215	215	215	215
10 Federally sponsored agencies <sup>1</sup>	113,575	138,575	164,623	170,932	175,709	179,016	183,712	188,274	192,523
11 Federal Home Loan Banks	27,563	33,330	41,258	44,357	47,121	49,425	52,431	55,161	58,276
12 Federal Home Loan Mortgage Corporation	2,262	2,771	2,536	2,409	2,409	2,409	2,408	2,408	2,308
13 Federal National Mortgage Association	41,080	48,486	55,185	54,183	54,430	54,657	55,362	56,372	56,688
14 Federal Land Banks	20,360	16,006	12,365	10,583	10,583	10,583	10,317	10,317	10,317
15 Federal Intermediate Credit Banks	11,469	2,676	1,821	1,388	1,388	1,388	1,388	1,388	1,388
16 Banks for Cooperatives	4,843	584	584	220	220	220	220	220	220
17 Farm Credit Banks <sup>1</sup>	5,081	33,216	48,153	54,345	56,061	56,932	57,784	58,306	59,024
18 Student Loan Marketing Association <sup>8</sup>	915	1,505	2,720	3,445	3,495	3,400	3,800	4,100	4,300
19 Other	2	1	1	2	2	2	2	2	2
MEMO:									
<b>20 Federal Financing Bank debt<sup>1,9</sup></b>	<b>51,298</b>	<b>67,383</b>	<b>87,460</b>	<b>96,489</b>	<b>98,297</b>	<b>100,333</b>	<b>102,853</b>	<b>103,597</b>	<b>107,309</b>
<i>Lending to federal and federally sponsored agencies</i>									
21 Export-Import Bank <sup>4</sup>	6,898	8,353	10,654	11,346	11,346	11,933	11,933	11,933	12,409
22 Postal Service <sup>7</sup>	2,114	1,587	1,520	1,520	1,288	1,288	1,288	1,288	1,288
23 Student Loan Marketing Association <sup>8</sup>	915	1,505	2,720	3,445	3,495	3,400	3,800	4,100	4,300
24 Tennessee Valley Authority	5,635	7,272	9,465	10,120	10,205	10,335	10,405	10,535	10,874
25 United States Railway Association <sup>7</sup>	356	436	492	219	213	215	215	215	215
<i>Other Lending<sup>10</sup></i>									
26 Farmers Home Administration	23,825	32,050	39,431	43,456	44,746	45,691	47,396	47,171	48,821
27 Rural Electrification Administration	4,604	6,484	9,196	10,652	10,988	11,346	11,604	11,861	12,343
28 Other	6,951	9,696	13,982	15,731	16,016	16,125	16,212	16,494	17,059

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

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

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

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

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

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

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

7. Off-budget.

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

9. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

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

## NOTES TO TABLE 1.44

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

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

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

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

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

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1.46 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1978	1979	1980	1981					
				Apr.	May	June	July	Aug.	Sept.
<b>1 All issues, new and refunding<sup>1</sup></b> .....	<b>48,607</b>	<b>43,490</b>	<b>48,462</b>	<b>5,216</b>	<b>3,476</b>	<b>4,862</b>	<b>3,180</b>	<b>3,066</b>	<b>3,769</b>
<i>Type of issue</i>									
2 General obligation .....	17,854	12,109	14,100	1,360	1,321	1,387	1,064	954	530
3 Revenue .....	30,658	31,256	34,267	3,850	2,145	3,470	2,111	2,100	3,228
4 Housing Assistance Administration <sup>2</sup> .....									
5 U.S. government loans .....	95	125	95	6	10	5	5	12	11
<i>Type of issuer</i>									
6 State .....	6,632	4,314	5,304	544	639	585	353	446	92
7 Special district and statutory authority .....	24,156	23,434	26,972	2,787	1,667	2,706	1,724	1,682	2,667
8 Municipalities, counties, townships, school districts .....	17,718	15,617	16,090	1,878	1,160	1,566	1,099	927	1,000
<b>9 Issues for new capital, total</b> .....	<b>37,629</b>	<b>41,505</b>	<b>46,736</b>	<b>5,036</b>	<b>3,463</b>	<b>4,781</b>	<b>3,167</b>	<b>2,408</b>	<b>3,752</b>
<i>Use of proceeds</i>									
10 Education .....	5,003	5,130	4,572	497	231	641	255	267	136
11 Transportation .....	3,460	2,441	2,621	137	427	160	537	110	206
12 Utilities and conservation .....	9,026	8,594	8,149	1,278	664	760	881	541	1,626
13 Social welfare .....	10,494	15,968	19,958	1,022	1,029	1,371	712	825	459
14 Industrial aid .....	3,526	3,836	3,974	1,341	459	747	358	266	823
15 Other purposes .....	6,120	5,536	7,462	761	653	1,102	424	399	502

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

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

SOURCE: Public Securities Association.

1.47 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1978	1979	1980	1981						
				Mar.	Apr.	May	June	July	Aug.	Sept.
<b>1 All issues<sup>1</sup></b> .....	<b>47,230</b>	<b>51,533</b>	<b>73,688</b>	<b>6,423</b>	<b>6,835</b>	<b>5,457</b>	<b>9,536</b>	<b>4,133<sup>f</sup></b>	<b>3,062<sup>f</sup></b>	<b>4,637</b>
<b>2 Bonds</b> .....	<b>36,872</b>	<b>40,208</b>	<b>53,199</b>	<b>4,275</b>	<b>4,597</b>	<b>3,080</b>	<b>5,601</b>	<b>2,376<sup>f</sup></b>	<b>1,616<sup>f</sup></b>	<b>2,797</b>
<i>Type of offering</i>										
3 Public .....	19,815	25,814	41,587	3,778	3,668	2,520	4,603	1,925	905	2,198
4 Private placement .....	17,057	14,394	11,612	497	929	560	998	451 <sup>f</sup>	711 <sup>f</sup>	599
<i>Industry group</i>										
5 Manufacturing .....	9,572	9,678	15,409	1,064	1,459	1,269	1,313	600 <sup>f</sup>	308 <sup>f</sup>	452
6 Commercial and miscellaneous .....	5,246	3,948	6,688	212	342	138	566	206	390 <sup>f</sup>	201
7 Transportation .....	2,007	3,119	3,329	172	142	49	584	133 <sup>f</sup>	95 <sup>f</sup>	64
8 Public utility .....	7,092	8,153	9,556	594	904	1,063	996	383	360 <sup>f</sup>	1,012
9 Communication .....	3,373	4,219	6,683	958	554	56	470	767	115 <sup>f</sup>	471
10 Real estate and financial .....	9,586	11,094	11,534	1,276	1,197	506	1,672	287 <sup>f</sup>	348 <sup>f</sup>	598
<b>11 Stocks</b> .....	<b>10,358</b>	<b>11,325</b>	<b>20,490</b>	<b>2,148</b>	<b>2,238</b>	<b>2,377</b>	<b>3,935</b>	<b>1,757</b>	<b>1,446</b>	<b>1,840</b>
<i>Type</i>										
12 Preferred .....	2,832	3,574	3,632	298	85	164	188	67	14	156
13 Common .....	7,526	7,751	16,858	1,850	2,153	2,213	3,747	1,690	1,432 <sup>f</sup>	1,684
<i>Industry group</i>										
14 Manufacturing .....	1,241	1,679	4,839	735	531	903	382	335	160	117
15 Commercial and miscellaneous .....	1,816	2,623	5,245	816	477	958	1,024	437	626	457
16 Transportation .....	263	255	549	17	146	47	18	29	91 <sup>f</sup>	87
17 Public utility .....	5,140	5,171	6,230	414	717	173	843	308	248	484
18 Communication .....	264	303	567	.....	56	.....	1,036	73	12	369
19 Real estate and financial .....	1,631	12,931	3,059	167	310	296	632	574	310 <sup>f</sup>	325

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

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

SOURCE: Securities and Exchange Commission.



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

Millions of dollars

Item	1979	1980	1981							
			Mar.	Apr.	May	June	July	Aug.	Sept. <sup>r</sup>	Oct.
INVESTMENT COMPANIES <sup>1</sup>										
1 Sales of own shares <sup>2</sup> .....	7,495	15,266	1,696	2,000	1,785	1,910	1,639	1,457	1,449	1,768
2 Redemptions of own shares <sup>3</sup> .....	8,393	12,012	1,112	1,594	1,250	1,512	1,297	1,422	1,457	593
3 Net sales.....	-898	3,254	584	406	535	398	342	35	-8	1,175
4 Assets <sup>4</sup> .....	49,277	58,400	59,146	58,531	60,081	58,887	57,494	54,221	51,659	54,335
5 Cash position <sup>5</sup> .....	4,983	5,321	4,971	5,099	5,448	5,199	5,109	5,058	5,409	5,799
6 Other.....	44,294	53,079	54,175	53,432	54,633	53,688	52,385	49,163	46,250	48,536

1. Excluding money market funds.

2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes share redemption resulting from conversions from one fund to another in the same group.

4. Market value at end of period, less current liabilities.

5. Also includes all U.S. government securities and other short-term debt securities.

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

## 1.49 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1978	1979	1980	1979	1980					1981	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	
1 Corporate profits with inventory valuation and capital consumption adjustment.....	185.5	196.8	182.7	189.4	200.2	169.3	177.9	183.3	183.3	203.0	190.3
2 Profits before tax.....	223.3	255.3	245.5	255.4	277.1	217.9	237.6	249.5	249.5	257.0	229.0
3 Profits tax liability.....	82.9	87.6	82.3	87.2	94.2	71.5	78.5	85.2	85.2	87.7	76.4
4 Profits after tax.....	140.3	167.7	163.2	168.2	182.9	146.4	159.1	164.3	164.3	169.2	152.7
5 Dividends.....	44.6	50.1	56.0	51.6	53.9	55.7	56.7	57.7	57.7	59.6	62.0
6 Undistributed profits.....	95.7	117.6	107.2	116.6	129.0	90.7	102.4	106.6	106.6	109.6	90.6
7 Inventory valuation.....	-24.3	-42.6	-45.6	-50.8	-61.4	-31.1	-41.7	-48.4	-48.4	-39.2	-24.0
8 Capital consumption adjustment.....	-13.5	-15.9	-17.2	-15.1	-15.4	-17.6	-17.9	-17.8	-17.8	-14.7	-14.7

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

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1.50 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1975	1976	1977	1978	1979	1980			1981	
						Q2	Q3	Q4	Q1	Q2
<b>1 Current assets</b> .....	<b>759.0</b>	<b>826.8</b>	<b>902.1</b>	<b>1,030.0</b>	<b>1,200.9</b>	<b>1,232.2</b>	<b>1,254.9</b>	<b>1,281.6</b>	<b>1,321.2</b>	<b>1,317.7</b>
2 Cash .....	82.1	88.2	95.8	104.5	116.1	111.5	113.4	121.0	120.5	118.5
3 U.S. government securities .....	19.0	23.4	17.6	16.3	15.6	14.0	16.4	17.3	17.0	18.3
4 Notes and accounts receivable .....	272.1	292.8	324.7	383.8	456.8	463.4	478.7	491.2	507.3	507.1
5 Inventories .....	315.9	342.4	374.8	426.9	501.7	525.0	524.5	525.4	542.8	540.0
6 Other .....	69.9	80.1	89.2	98.5	110.8	118.3	121.9	126.7	133.6	133.7
<b>7 Current liabilities</b> .....	<b>451.6</b>	<b>494.7</b>	<b>549.4</b>	<b>665.5</b>	<b>809.1</b>	<b>826.0</b>	<b>850.5</b>	<b>877.2</b>	<b>910.9</b>	<b>908.1</b>
8 Notes and accounts payable .....	264.2	281.9	313.2	373.7	456.3	462.8	477.0	498.3	504.0	500.8
9 Other .....	187.4	212.8	236.2	291.7	352.8	363.2	373.5	378.9	406.9	407.2
<b>10 Net working capital</b> .....	<b>307.4</b>	<b>332.2</b>	<b>352.7</b>	<b>364.6</b>	<b>391.8</b>	<b>406.2</b>	<b>404.3</b>	<b>404.4</b>	<b>410.3</b>	<b>409.6</b>
<b>11 MEMO: Current ratio</b> <sup>1</sup> .....	<b>1.681</b>	<b>1.672</b>	<b>1.642</b>	<b>1.548</b>	<b>1.484</b>	<b>1.492</b>	<b>1.475</b>	<b>1.461</b>	<b>1.450</b>	<b>1.451</b>

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

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

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

SOURCE: Federal Trade Commission.

1.51 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment.

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

Industry	1979	1980	1981 <sup>1</sup>	1980	1981				1982	
					Q4	Q1	Q2 <sup>1</sup>	Q3	Q4 <sup>1</sup>	Q1 <sup>1</sup>
<b>1 Total nonfarm business</b> .....	<b>270.46</b>	<b>295.63</b>	<b>322.61</b>	<b>299.58</b>	<b>312.24</b>	<b>316.73</b>	<b>328.25</b>	<b>332.06</b>	<b>345.46</b>	<b>354.83</b>
<i>Manufacturing</i>										
2 Durable goods industries .....	51.07	58.91	62.94	59.77	61.24	63.10	62.58	64.73	66.26	68.34
3 Nondurable goods industries .....	47.61	56.90	65.32	58.86	63.27	62.40	67.53	67.50	70.21	72.24
<i>Nonmanufacturing</i>										
4 Mining .....	11.38	13.51	16.80	15.28	16.20	16.80	17.55	16.59	17.23	17.81
<i>Transportation</i>										
5 Railroad .....	4.03	4.25	4.28	4.54	4.23	4.38	4.18	4.32	4.20	5.18
6 Air .....	4.01	4.01	3.83	3.77	3.85	3.29	3.34	4.93	3.06	3.63
7 Other .....	4.31	3.82	3.95	3.39	3.66	4.04	4.09	3.96	4.53	5.08
<i>Public utilities</i>										
8 Electric .....	27.65	28.12	29.38	27.54	27.69	29.32	30.54	29.82	30.59	31.57
9 Gas and other .....	6.31	7.32	8.56	7.41	8.36	8.53	9.01	8.27	9.55	8.71
10 Trade and services .....	79.26	81.79	86.27	82.91	83.43	85.88	87.55	88.27	95.12	96.29
11 Communication and other <sup>2</sup> .....	34.83	36.99	41.27	36.11	40.32	39.02	41.89	43.69	44.17	45.97

1. Anticipated by business.

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

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

## 1.52 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1975	1976	1977	1978	1979	1980		1981		
						Q3	Q4	Q1	Q2	Q3
<b>ASSETS</b>										
Accounts receivable, gross										
1 Consumer .....	36.0	38.6	44.0	52.6	65.7	71.7	73.6	76.1	79.0	84.5
2 Business .....	39.3	44.7	55.2	63.3	70.3	66.9	72.3	72.7	78.2	76.9
3 Total .....	75.3	83.4	99.2	116.0	136.0	138.6	145.9	148.7	157.2	161.3
4 Less: Reserves for unearned income and losses .....	9.4	10.5	12.7	15.6	20.0	22.3	23.3	24.3	25.7	27.7
5 Accounts receivable, net .....	65.9	72.9	86.5	100.4	116.0	116.3	122.6	124.5	131.4	133.6
6 Cash and bank deposits .....	2.9	2.6	2.6	3.5						
7 Securities .....	1.0	1.1	.9	1.3	24.9 <sup>1</sup>	28.3	27.5	30.8	31.6	34.5
8 All other .....	11.8	12.6	14.3	17.3						
9 Total assets .....	81.6	89.2	104.3	122.4	140.9	144.7	150.1	155.3	163.0	168.1
<b>LIABILITIES</b>										
10 Bank loans .....	8.0	6.3	5.9	6.5	8.5	10.1	13.2	13.1	14.4	14.7
11 Commercial paper .....	22.2	23.7	29.6	34.5	43.3	40.5	43.4	44.2	49.0	51.2
Debt										
12 Short-term, n.e.c. ....	4.5	5.4	6.2	8.1	8.2	7.7	7.5	8.2	8.5	11.9
13 Long-term, n.e.c. ....	27.6	32.3	36.0	43.6	46.7	52.0	52.4	51.6	52.6	50.7
14 Other .....	6.8	8.1	11.5	12.6	14.2	14.6	14.3	17.3	17.0	17.1
15 Capital, surplus, and undivided profits .....	12.5	13.4	15.1	17.2	19.9	19.8	19.4	20.9	21.5	22.4
16 Total liabilities and capital .....	81.6	89.2	104.3	122.4	140.9	144.7	150.1	155.3	163.0	168.1

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

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

## 1.53 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding September 30, 1981 <sup>1</sup>	Changes in accounts receivable			Extensions			Repayments		
		1981			1981			1981		
		July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
1 Total .....	76,877	1,213	430	-619	19,419	20,356	18,852	18,206	19,926	19,471
2 Retail automotive (commercial vehicles) .....	11,188	-128	63	99	838	988	1,022	966	925	923
3 Wholesale automotive .....	11,312	588	-62	-1,216	5,657	5,905	5,203	5,069	5,967	6,419
4 Retail paper on business, industrial and farm equipment .....	26,135	456	-73	307	1,523	1,701	1,446	984	1,774	1,139
5 Loans on commercial accounts receivable and factored commercial accounts receivable .....	8,606	-97	519	-352	8,824	9,459	8,721	8,921	8,940	9,073
6 All other business credit .....	19,636	311	-17	543	2,577	2,303	2,460	2,266	2,320	1,917

1. Not seasonally adjusted.

A40 Domestic Financial Statistics □ December 1981

1.54 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1978	1979	1980	1981						
				Apr.	May	June	July	Aug.	Sept.	Oct.
Terms and yields in primary and secondary markets										
<b>PRIMARY MARKETS</b>										
<i>Conventional mortgages on new homes</i>										
<i>Terms<sup>1</sup></i>										
1 Purchase price (thousands of dollars) .....	62.6	74.4	83.4	88.5	88.9	94.1	95.2	98.1	89.1 <sup>r</sup>	89.2
2 Amount of loan (thousands of dollars) .....	45.9	53.3	59.2	64.1	65.5	66.8	67.7	70.3	64.8 <sup>r</sup>	63.5
3 Loan/price ratio (percent) .....	75.3	73.9	73.2	74.7	76.7	72.6	73.9	74.7	74.1	73.0
4 Maturity (years) .....	28.0	28.5	28.2	28.6	28.5	27.5	28.3	27.2	26.6 <sup>r</sup>	27.4
5 Fees and charges (percent of loan amount) <sup>2</sup> .....	1.39	1.66	2.09	2.61	2.60	2.50	2.73	2.98	2.75 <sup>r</sup>	2.86
6 Contract rate (percent per annum) .....	9.30	10.48	12.25	13.62	13.56	14.12	14.13	14.60	14.69 <sup>r</sup>	15.04
<i>Yield (percent per annum)</i>										
7 FHLBB series <sup>3</sup> .....	9.54	10.77	12.65	14.15	14.10	14.67	14.72	15.27	15.29 <sup>r</sup>	15.65
8 HUD series <sup>4</sup> .....	9.68	11.15	13.95	15.70	16.35	16.40	16.70	17.50	18.30	18.05
<b>SECONDARY MARKETS</b>										
<i>Yield (percent per annum)</i>										
9 FHA mortgages (HUD series) <sup>5</sup> .....	9.70	10.87	13.42	15.91	16.03	16.31	16.76	17.96	18.55	17.43
10 GNMA securities <sup>6</sup> .....	8.98	10.22	12.55	14.69	15.31	15.02	15.76	16.67	17.06	16.54
11 FNMA auctions <sup>7</sup> .....										
11 Government-underwritten loans .....	9.77	11.17	14.11	16.54	16.93	16.17	16.65	17.63	18.99	18.13
12 Conventional loans .....	10.01	11.77	14.43	15.66	16.44	16.30	16.44	17.59	19.14	18.61
Activity in secondary markets										
<b>FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>										
<i>Mortgage holdings (end of period)</i>										
13 Total .....	39,032	46,050	55,104	57,436	57,586	57,657	57,979	58,722	59,682	60,489
14 FHA/VA-insured .....	29,941	33,673	37,364	38,919	39,030	38,988	39,108	39,368	39,792	40,043
15 Conventional .....	9,091	14,377	17,724	18,517	18,557	18,669	18,870	19,354	19,890	24,445
<i>Mortgage transactions (during period)</i>										
16 Purchases .....	12,301	10,812	8,099	206	283	247	627	944	1,125	1,001
17 Sales .....	9	0	0	1	0	0	0	0	0	0
<i>Mortgage commitments<sup>8</sup></i>										
18 Contracted (during period) .....	18,959	10,179	8,083	383	802	1,110	1,662	1,394	811	533
19 Outstanding (end of period) .....	9,185	6,409	3,278	2,031	2,328	3,103	4,039	4,399	3,997	3,447
<i>Auction of 4-month commitments to buy</i>										
<i>Government-underwritten loans</i>										
20 Offered .....	12,978.1	8,860.4	8,605.4	139.1	204.8	237.6	331.9	689.5	145.9	66.3
21 Accepted .....	6,747.2	3,920.9	4,002.0	114.5	179.1	127.1	290.4	336.6	64.1	37.3
<i>Conventional loans</i>										
22 Offered .....	9,933.0	4,495.3	3,639.2	126.9	281.3	307.1	306.6	862.2	120.7	43.2
23 Accepted .....	5,110.9	2,343.6	1,748.5	92.0	155.9	224.0	238.2	304.3	67.9	27.5
<b>FEDERAL HOME LOAN MORTGAGE CORPORATION</b>										
<i>Mortgage holdings (end of period)<sup>9</sup></i>										
24 Total .....	2,810	3,543	4,362	5,176	5,223	5,257	5,250	5,294	5,431	5,469
25 FHA/VA .....	1,847	1,995	2,116	2,224	2,235	2,241	2,233	2,238	2,264	2,267
26 Conventional .....	963	1,549	2,246	2,952	2,988	3,016	3,017	3,056	3,167	3,202
<i>Mortgage transactions (during period)</i>										
27 Purchases .....	6,525	5,717	3,723	125	480	139	242	101	337	290
28 Sales .....	6,211	4,544	2,527	97	422	94	238	44	249	244
<i>Mortgage commitments<sup>10</sup></i>										
29 Contracted (during period) .....	7,451	5,542	3,859	118	130	293	866	386	365	1,834
30 Outstanding (end of period) .....	1,410	797	447	678	322	1,018	824	1,028	982	2,863

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

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

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

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

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

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

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

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

8. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.

9. Includes participation as well as whole loans.

10. Includes conventional and government-underwritten loans.

**1.55 MORTGAGE DEBT OUTSTANDING**

Millions of dollars, end of period

Type of holder, and type of property	1978	1979	1980	1980		1981		
				Q3	Q4	Q1	Q2	Q3
<b>1 All holders</b>	<b>1,169,412</b>	<b>1,326,750</b>	<b>1,451,840</b>	<b>1,414,881</b>	<b>1,451,841</b>	<b>1,468,594<sup>r</sup></b>	<b>1,498,021<sup>r</sup></b>	<b>1,525,101</b>
2 1- to 4-family	765,217	878,931	960,422	935,393	960,408	973,460	992,497	1,010,241
3 Multifamily	121,138	128,852	136,580	134,193	136,601	137,750	138,947	140,253
4 Commercial	211,851	236,451	258,338	251,651	258,332	262,459	268,261	272,884
5 Farm	71,206	82,516	96,500	93,644	96,500	94,925 <sup>r</sup>	98,316 <sup>r</sup>	101,723
<b>6 Major financial institutions</b>	<b>848,177</b>	<b>938,567</b>	<b>998,386</b>	<b>977,281</b>	<b>998,372</b>	<b>1,008,204</b>	<b>1,024,618</b>	<b>1,037,853</b>
7 Commercial banks <sup>1</sup>	214,045	245,187	264,602	258,003	264,602	268,102	274,503	282,404
8 1- to 4-family	129,167	149,460	160,746	156,737	160,746	162,872	166,761	171,560
9 Multifamily	10,266	11,180	12,304	11,997	12,304	12,467	12,764	13,132
10 Commercial	66,115	75,957	82,688	80,626	82,688	83,782	85,782	88,251
11 Farm	8,497	8,590	8,864	8,643	8,864	8,981	9,196	9,461
12 Mutual savings banks	95,157	98,908	99,827	99,8306	99,813	99,719	99,993	100,200
13 1- to 4-family	62,252	64,706	65,307	64,966	65,297	65,238	65,415	65,551
14 Multifamily	16,529	17,340	17,180	17,249	17,338	17,321	17,369	17,405
15 Commercial	16,319	16,963	17,120	17,031	17,118	17,102	17,149	17,184
16 Farm	57	59	60	60	60	60	60	60
17 Savings and loan associations	432,808	475,688	502,812	491,895	502,812	507,152	514,803	518,132
18 1- to 4-family	356,114	394,345	419,446	409,896	419,446	423,629	430,324	433,107
19 Multifamily	36,053	37,579	38,113	37,728	38,113	38,189	38,044	38,290
20 Commercial	40,461	43,764	45,253	44,271	45,253	45,694	46,435	46,735
21 Life insurance companies	106,167	118,784	131,145	128,077	131,145	133,231	135,319	131,117
22 1- to 4-family	14,436	16,193	17,911	17,996	17,911	17,847	17,646	17,889
23 Multifamily	19,000	19,274	19,614	19,357	19,614	19,579	19,603	19,872
24 Commercial	62,232	71,137	80,776	77,995	80,776	82,839	85,038	86,207
25 Farm	10,499	12,180	12,844	12,729	12,844	12,966	13,032	13,149
<b>26 Federal and related agencies</b>	<b>81,739</b>	<b>97,084</b>	<b>114,300</b>	<b>110,526</b>	<b>114,300</b>	<b>116,243</b>	<b>120,040</b>	<b>124,511</b>
27 Government National Mortgage Association	3,509	3,852	4,642	4,389	4,642	4,826	4,955	4,380
28 1- to 4-family	877	763	704	719	704	696	699	690
29 Multifamily	2,632	3,089	3,938	3,730	3,938	4,130	4,256	3,690
30 Farmers Home Administration	926	1,274	3,492	3,525	3,492	2,837	3,595	4,295
31 1- to 4-family	288	417	916	978	916	1,321	1,565	1,765
32 Multifamily	320	71	610	774	610	528	489	564
33 Commercial	101	174	411	370	411	479	576	651
34 Farm	217	612	1,555	1,403	1,555	509	965	1,315
35 Federal Housing and Veterans Administration	5,305	5,555	5,640	5,600	5,640	5,799	5,895 <sup>r</sup>	6,014
36 1- to 4-family	1,673	1,955	2,051	1,986	2,051	2,135	2,172	2,224
37 Multifamily	3,632	3,600	3,589	3,614	3,589	3,664	3,723	3,790
38 Federal National Mortgage Association	43,311	51,091	57,327	55,632	57,327	57,362	57,657	59,682
39 1- to 4-family	37,579	45,488	51,775	50,071	51,775	51,842	52,181	54,227
40 Multifamily	5,732	5,603	5,552	5,561	5,552	5,520	5,476	5,455
41 Federal Land Banks	25,624	31,277	38,131	36,837	38,131	40,258	42,681	44,708
42 1- to 4-family	927	1,552	2,099	1,985	2,099	2,228	2,401	2,605
43 Farm	24,697	29,725	36,032	34,852	36,032	38,030	40,280	42,103
44 Federal Home Loan Mortgage Corporation	3,064	4,035	5,068	4,543	5,068	5,161	5,257	5,432
45 1- to 4-family	2,407	3,059	3,873	3,459	3,873	3,953	4,025	4,166
46 Multifamily	657	976	1,195	1,084	1,195	1,208	1,232	1,266
47 Mortgage pools or trusts <sup>2</sup>	88,633	119,278	142,258	136,583	142,258	147,246	151,374	155,487
48 Government National Mortgage Association	54,347	76,401	93,874	89,452	93,874	97,184	100,558	103,750
49 1- to 4-family	52,732	74,546	91,602	87,276	91,602	94,810	98,057	101,068
50 Multifamily	1,615	1,855	2,272	2,176	2,272	2,374	2,501	2,682
51 Federal Home Loan Mortgage Corporation	11,892	15,180	16,854	16,659	16,854	17,067	17,565	17,936
52 1- to 4-family	9,657	12,149	13,471	13,318	13,471	13,641	14,115	14,401
53 Multifamily	2,235	3,031	3,383	3,341	3,383	3,426	3,450	3,535
54 Farmers Home Administration	22,394	27,697	31,530	30,472	31,530	32,995	33,251	33,801
55 1- to 4-family	13,400	14,884	16,683	16,226	16,683	16,640	16,750	16,900
56 Multifamily	1,116	2,612	2,235	2,235	2,612	2,853	3,072	3,172
57 Commercial	3,560	4,328	5,271	5,059	5,271	5,382	5,531	5,631
58 Farm	4,318	6,322	6,964	6,952	6,964	8,120	7,898	8,098
59 Individual and others <sup>3</sup>	150,863	171,821	196,896	190,491	196,911	196,901 <sup>r</sup>	201,989 <sup>r</sup>	207,250
60 1- to 4-family	83,708	99,414	113,838	109,780	113,834	116,970	120,386	124,088
61 Multifamily	21,351	23,251	26,058	25,407	26,081	26,491	26,968	27,400
62 Commercial	22,883	24,128	26,819	26,299	26,815	27,181	27,750	28,225
63 Farm	22,921	25,028	30,181	29,005	30,181	26,259 <sup>r</sup>	26,885 <sup>r</sup>	27,537

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

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

3. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

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

A42 Domestic Financial Statistics □ December 1981

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

Millions of dollars

Holder, and type of credit	1978	1979	1980	1981						
				Apr.	May	June	July	Aug.	Sept.	Oct.
	Amounts outstanding (end of period)									
<b>1 Total</b>	<b>273,645</b>	<b>312,024</b>	<b>313,435</b>	<b>313,419</b>	<b>315,465</b>	<b>318,459</b>	<b>320,886</b>	<b>324,653</b>	<b>328,296</b>	<b>328,826</b>
<i>By major holder</i>										
2 Commercial banks	136,016	154,177	145,765	142,070	142,143	143,310	144,020	144,769	145,287	145,090
3 Finance companies	54,298	68,318	76,756	81,033	81,794	82,723	83,924	86,152	88,698	89,583
4 Credit unions	44,334	46,517	44,041	44,390	45,055	45,686	46,096	46,605	46,791	46,416
5 Retailers <sup>2</sup>	25,987	28,119	29,410	27,227	27,319	27,412	27,469	27,494	27,712	28,046
6 Savings and loans	7,097	8,424	9,911	10,792	11,148	11,115	10,959	11,125	11,236	11,348
7 Gasoline companies	3,220	3,729	4,717	5,046	5,157	5,364	5,597	5,716	5,771	5,562
8 Mutual savings banks	2,693	2,740	2,835	2,861	2,849	2,849	2,821	2,792	2,801	2,781
<i>By major type of credit</i>										
9 Automobile	101,647	116,362	116,327	118,479	118,932	119,685	121,002	123,219	125,646	126,235
10 Commercial banks	60,510	67,367	61,025	59,252	59,169	59,192	59,434	59,485	59,394	59,133
11 Indirect paper	33,850	38,338	34,857	33,931	33,913	33,996	34,270	34,501	34,656	34,638
12 Direct loans	26,660	29,029	26,168	25,321	25,256	25,196	25,164	24,984	24,738	24,495
13 Credit unions	21,200	22,244	21,060	21,227	21,545	21,847	22,044	22,286	22,375	22,196
14 Finance companies	19,937	26,751	34,242	38,000	38,218	38,646	39,525	41,448	43,877	44,906
15 Revolving	48,309	56,937	59,862	57,322	57,524	58,470	58,976	59,745	60,415	60,651
16 Commercial banks	24,341	29,862	30,001	29,127	29,096	29,722	29,923	30,530	30,921	31,012
17 Retailers	20,748	23,346	25,144	23,149	23,271	23,384	23,456	23,499	23,723	24,077
18 Gasoline companies	3,220	3,729	4,717	5,046	5,157	5,364	5,597	5,716	5,771	5,562
19 Mobile home	15,235	16,838	17,327	17,422	17,626	17,724	17,784	17,988	18,157	18,329
20 Commercial banks	9,545	10,647	10,376	10,142	10,159	10,179	10,192	10,242	10,274	10,317
21 Finance companies	3,152	3,390	3,745	3,828	3,909	3,990	4,076	4,178	4,282	4,384
22 Savings and loans	2,067	2,307	2,737	2,980	3,079	3,069	3,026	3,072	3,103	3,134
23 Credit unions	471	494	469	472	479	486	490	496	498	494
24 Other	108,454	121,887	119,919	120,196	121,383	122,580	123,124	123,701	124,078	123,611
25 Commercial banks	41,620	46,301	44,363	43,549	43,719	44,217	44,471	44,512	44,698	44,628
26 Finance companies	31,209	38,177	38,769	39,205	39,667	40,087	40,323	40,526	40,539	40,293
27 Credit unions	22,663	23,779	22,512	22,691	23,031	23,353	23,563	23,823	23,918	23,726
28 Retailers	5,239	4,773	4,266	4,078	4,048	4,028	4,013	3,995	3,989	3,969
29 Savings and loans	5,030	6,117	7,174	7,812	8,069	8,046	7,933	8,053	8,133	8,214
30 Mutual savings banks	2,693	2,740	2,835	2,861	2,849	2,849	2,821	2,792	2,801	2,781
	Net change (during period) <sup>3</sup>									
<b>31 Total</b>	<b>43,079</b>	<b>38,381</b>	<b>1,410</b>	<b>2,331</b>	<b>1,346</b>	<b>1,930</b>	<b>1,954</b>	<b>2,859</b>	<b>2,819</b>	<b>1,014</b>
<i>By major holder</i>										
32 Commercial banks	23,641	18,161	-8,412	-345	-14	614	432	185	123	-175
33 Finance companies	9,430	14,020	8,438	1,253	409	570	948	2,383	2,682	1,204
34 Credit unions	6,729	2,185	-2,475	272	391	219	532	245	-134	-209
35 Retailers <sup>2</sup>	2,497	2,132	1,291	531	-3	416	265	-13	117	101
36 Savings and loans	7	1,327	1,485	421	519	45	-175	42	71	32
37 Gasoline companies	257	509	988	141	67	78	4	33	-20	72
38 Mutual savings banks	518	47	95	58	-23	-12	-52	-16	-20	-11
<i>By major type of credit</i>										
39 Automobile	18,736	14,715	-35	428	-195	57	1,208	2,115	2,282	962
40 Commercial banks	10,933	6,857	-6,342	-461	-208	-214	199	-91	-201	-288
41 Indirect paper	6,471	4,488	-3,481	-256	-83	-44	274	159	63	-44
42 Direct loans	4,462	2,369	-2,861	-205	-125	-170	-75	-250	-264	-244
43 Credit unions	3,101	1,044	-1,184	142	160	106	263	106	-82	-98
44 Finance companies	4,702	6,814	7,491	747	-147	165	746	2,100	2,565	1,348
45 Revolving	9,035	8,628	2,925	838	350	1,018	477	491	293	390
46 Commercial banks	5,967	5,521	139	153	230	580	156	440	171	138
47 Retailers	2,811	2,598	1,798	544	53	360	317	18	142	180
48 Gasoline companies	257	509	988	141	67	78	4	33	-20	72
49 Mobile home	286	1,603	488	145	243	89	67	176	175	135
50 Commercial banks	419	1,102	-271	-15	7	-12	20	44	48	41
51 Finance companies	74	238	355	58	78	85	81	93	102	74
52 Savings and loans	-276	240	430	99	152	14	-44	37	26	23
53 Credit unions	69	23	-25	3	6	2	10	2	-1	-3
54 Other	15,022	13,435	-1,968	920	948	766	202	77	69	-473
55 Commercial banks	6,322	4,681	-1,938	-22	-43	260	57	-208	105	-66
56 Finance companies	4,654	6,968	592	448	478	320	121	190	15	-218
57 Credit unions	3,559	1,118	-1,266	127	225	111	259	137	-51	-108
58 Retailers	-314	-466	-507	-13	-56	56	-52	-31	-25	-79
59 Savings and loans	283	1,087	1,056	322	367	31	-131	5	45	9
60 Mutual savings banks	518	47	95	58	-23	-12	-52	-16	-20	-11

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

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

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

▲ Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to \$64.3 billion at the end of 1978, \$71.3 billion at the end of 1979, and \$72.2 billion at the end of 1980.

1.57 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars; monthly data are seasonally adjusted.

Holder, and type of credit	1978	1979	1980	1981						
				Apr.	May	June	July	Aug.	Sept.	Oct.
Extensions										
<b>1 Total</b> .....	<b>297,668</b>	<b>324,777</b>	<b>305,887</b>	<b>28,878</b>	<b>28,149</b>	<b>29,005</b>	<b>28,750</b>	<b>28,899</b>	<b>29,428</b>	<b>26,952</b>
<i>By major holder</i>										
2 Commercial banks .....	142,433	154,733	133,605	11,986	12,055	12,483	12,433	12,034	12,036	11,244
3 Finance companies .....	50,505	61,518	60,801	5,218	4,937	5,251	5,439	6,385	7,158	5,327
4 Credit unions .....	38,111	34,926	29,594	3,181	3,212	3,137	3,299	2,913	2,558	2,621
5 Retailers <sup>1</sup> .....	44,571	47,676	50,959	5,002	4,486	5,018	4,826	4,616	4,727	4,729
6 Savings and loans .....	3,724	5,901	6,621	985	1,068	649	383	537	573	553
7 Gasoline companies .....	16,017	18,005	22,402	2,272	2,243	2,296	2,252	2,284	2,246	2,333
8 Mutual savings banks .....	2,307	2,018	1,905	234	148	171	118	130	130	145
<i>By major type of credit</i>										
9 Automobile .....	87,981	93,901	83,002	7,205	7,320	7,442	8,178	8,573	9,176	7,139
10 Commercial banks .....	52,969	53,554	40,657	3,438	3,627	3,652	3,874	3,457	3,394	2,912
11 Indirect paper .....	29,342	29,623	22,269	1,929	2,071	2,126	2,349	2,084	2,075	1,627
12 Direct loans .....	23,627	23,931	18,388	1,509	1,556	1,526	1,525	1,373	1,319	1,285
13 Credit unions .....	18,539	17,397	15,294	1,589	1,608	1,553	1,663	1,537	1,337	1,308
14 Finance companies .....	16,473	22,950	27,051	2,178	2,085	2,237	2,641	3,579	4,445	2,919
15 Revolving .....	105,125	120,174	129,580	12,352	11,904	12,668	12,190	11,964	12,335	12,208
16 Commercial banks .....	51,333	61,048	61,847	5,561	5,613	5,905	5,557	5,528	5,831	5,555
17 Retailers .....	37,775	41,121	45,331	4,519	4,048	4,467	4,381	4,152	4,258	4,320
18 Gasoline companies .....	16,017	18,005	22,402	2,272	2,243	2,296	2,252	2,284	2,246	2,333
19 Mobile home .....	5,412	6,471	5,098	551	609	488	451	536	543	487
20 Commercial banks .....	3,697	4,542	2,942	251	250	259	282	297	302	266
21 Finance companies .....	886	797	898	100	112	122	116	120	134	123
22 Savings and loans .....	609	948	1,146	184	230	93	30	105	95	89
23 Credit unions .....	220	184	113	16	17	14	23	14	12	9
24 Other .....	99,150	104,231	88,207	8,770	8,316	8,407	7,931	7,826	7,374	7,118
25 Commercial banks .....	34,434	35,589	28,159	2,736	2,565	2,667	2,720	2,752	2,509	2,511
26 Finance companies .....	33,146	37,771	32,852	2,940	2,740	2,892	2,682	2,686	2,579	2,285
27 Credit unions .....	19,352	17,345	14,187	1,576	1,587	1,570	1,613	1,362	1,209	1,304
28 Retailers .....	6,796	6,555	5,628	483	438	551	445	464	469	409
29 Savings and loans .....	3,115	4,953	5,476	801	838	556	353	432	478	464
30 Mutual savings banks .....	2,307	2,018	1,905	234	148	171	118	130	130	145
Liquidations										
<b>31 Total</b> .....	<b>254,589</b>	<b>286,396</b>	<b>304,477</b>	<b>26,547</b>	<b>26,803</b>	<b>27,075</b>	<b>26,796</b>	<b>26,040</b>	<b>26,609</b>	<b>25,938</b>
<i>By major holder</i>										
32 Commercial banks .....	118,792	136,572	142,017	12,331	12,069	11,869	12,001	11,849	11,913	11,419
33 Finance companies .....	41,075	47,498	52,363	3,965	4,528	4,681	4,491	4,002	4,476	4,123
34 Credit unions .....	31,382	32,741	32,069	2,909	2,821	2,918	2,767	2,668	2,692	2,830
35 Retailers <sup>1</sup> .....	42,074	45,544	49,668	4,471	4,489	4,602	4,561	4,629	4,610	4,628
36 Savings and loans .....	3,717	4,574	5,136	564	549	604	558	495	502	521
37 Gasoline companies .....	15,760	17,496	21,414	2,131	2,176	2,218	2,248	2,251	2,266	2,261
38 Mutual savings banks .....	1,789	1,971	1,810	176	171	183	170	146	150	156
<i>By major type of credit</i>										
39 Automobile .....	69,245	79,186	83,037	6,777	7,515	7,385	6,970	6,458	6,894	6,177
40 Commercial banks .....	42,036	46,697	46,999	3,899	3,835	3,866	3,675	3,548	3,595	3,200
41 Indirect paper .....	22,871	25,135	25,750	2,185	2,154	2,170	2,075	1,925	2,012	1,671
42 Direct loans .....	19,165	21,562	21,249	1,714	1,681	1,696	1,600	1,623	1,583	1,529
43 Credit unions .....	15,438	16,353	16,478	1,447	1,448	1,447	1,400	1,431	1,419	1,406
44 Finance companies .....	11,771	16,136	19,560	1,431	2,232	2,072	1,895	1,479	1,880	1,571
45 Revolving .....	96,090	111,546	126,655	11,514	11,554	11,650	11,713	11,473	12,042	11,818
46 Commercial banks .....	45,366	55,527	61,708	5,408	5,383	5,325	5,401	5,088	5,660	5,417
47 Retailers .....	34,964	38,523	43,533	3,975	3,995	4,107	4,064	4,134	4,116	4,140
48 Gasoline companies .....	15,760	17,496	21,414	2,131	2,176	2,218	2,248	2,251	2,266	2,261
49 Mobile home .....	5,126	4,868	4,610	406	366	399	384	360	368	352
50 Commercial banks .....	3,278	3,440	3,213	266	243	271	262	253	254	225
51 Finance companies .....	812	559	543	42	34	37	35	27	32	49
52 Savings and loans .....	885	708	716	85	78	79	74	68	69	66
53 Credit unions .....	151	161	138	13	11	12	13	12	13	12
54 Other .....	84,128	90,796	90,175	7,850	7,368	7,641	7,729	7,749	7,305	7,591
55 Commercial banks .....	28,112	30,908	30,097	2,758	2,608	2,602	2,407	2,960	2,404	2,577
56 Finance companies .....	28,492	30,803	32,260	2,492	2,262	2,572	2,561	2,496	2,564	2,503
57 Credit unions .....	15,793	16,227	15,453	1,449	1,362	1,459	1,354	1,225	1,260	1,412
58 Retailers .....	7,110	7,021	6,135	496	494	495	497	495	494	488
59 Savings and loans .....	2,832	3,866	4,420	479	471	525	484	427	433	455
60 Mutual savings banks .....	1,789	1,971	1,810	176	171	183	170	146	150	156

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

## 1.58 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-yearly data are at seasonally adjusted annual rates.

Transaction category, sector	1975	1976	1977	1978	1979	1980	1978		1979		1980		1981
							H2	H1	H2	H1	H2	H1	H1'
<b>Nonfinancial sectors</b>													
1 Total funds raised .....	211.8	273.6	336.6	395.6	387.0	371.9	404.9	385.0	389.0	339.0	404.9	416.8	
2 Excluding equities .....	201.7	262.8	333.5	396.3	394.0	357.0	403.5	394.7	393.3	330.1	383.8	415.3	
<i>By sector and instrument</i>													
3 U.S. government .....	85.4	69.0	56.8	53.7	37.4	79.2	43.4	30.0	44.7	66.5	91.9	89.0	
4 Treasury securities .....	85.8	69.1	57.6	55.1	38.8	79.8	45.3	32.3	45.2	67.2	92.4	89.5	
5 Agency issues and mortgages .....	- 4	- 1	- 9	- 1.4	- 1.4	- 6	- 1.9	- 2.3	- 5	- 6	- 6	- 5	
6 All other nonfinancial sectors .....	126.4	204.6	279.9	342.0	349.6	292.7	361.5	355.0	344.3	272.5	313.0	327.9	
7 Corporate equities .....	10.1	10.8	3.1	- 6	- 7.1	15.0	1.4	- 9.8	- 4.3	8.9	21.0	1.6	
8 Debt instruments .....	116.3	193.8	276.7	342.6	356.7	277.8	360.1	364.7	348.6	263.6	292.0	326.3	
9 Private domestic nonfinancial sectors .....	114.9	185.0	266.0	308.7	328.6	263.4	318.2	341.0	316.1	241.3	285.6	292.6	
10 Corporate equities .....	9.9	10.5	2.7	- 1	- 7.8	12.9	1.6	- 9.6	- 6.1	6.9	18.8	9	
11 Debt instruments .....	105.0	174.5	263.2	308.8	336.4	250.6	316.6	350.6	322.2	234.4	266.8	291.7	
12 Debt capital instruments .....	98.4	123.7	172.2	193.7	200.1	179.4	202.1	203.0	197.2	177.0	181.9	162.2	
13 State and local obligations .....	16.1	15.7	21.9	26.1	21.8	26.9	26.8	20.9	22.7	21.6	32.1	27.8	
14 Corporate bonds .....	27.2	22.8	21.0	20.1	21.2	30.4	21.0	21.7	20.7	35.3	25.6	20.5	
<i>Mortgages</i>													
15 Home mortgages .....	39.5	64.0	96.3	108.5	113.7	81.7	116.7	117.6	109.8	76.5	87.0	76.1	
16 Multifamily residential .....	..	3.9	7.4	9.4	7.8	8.5	8.5	8.0	7.6	8.2	8.8	5.4	
17 Commercial .....	11.0	11.6	18.5	22.1	24.4	22.4	20.5	23.4	25.4	24.8	19.9	22.6	
18 Farm .....	4.6	5.7	7.1	7.5	11.3	9.5	8.4	11.6	11.0	10.6	8.4	9.7	
19 Other debt instruments .....	6.6	50.7	91.0	115.1	136.3	71.1	114.5	147.6	125.0	57.4	84.9	129.5	
20 Consumer credit .....	9.6	25.4	40.2	47.6	46.3	2.3	47.0	50.9	41.6	- 5.1	9.7	29.2	
21 Bank loans n.e.c. .....	- 10.5	4.4	26.7	37.1	49.2	37.3	30.5	55.5	42.8	13.5	61.2	46.3	
22 Open market paper .....	- 2.6	4.0	2.9	5.2	11.1	6.6	7.1	8.0	14.2	24.8	- 11.6	16.9	
23 Other .....	10.1	16.9	21.3	25.1	29.7	24.9	30.0	33.1	26.4	24.1	25.6	37.1	
24 By borrowing sector .....	114.9	185.0	266.0	308.7	328.6	263.4	318.2	341.0	316.1	241.3	285.6	292.6	
25 State and local governments .....	13.7	15.2	17.3	20.9	18.4	25.3	23.3	17.9	18.9	19.7	30.9	25.3	
26 Households .....	49.6	89.6	139.1	164.3	170.6	101.7	173.5	179.1	162.1	94.2	109.1	126.8	
27 Farm .....	8.5	10.2	12.3	15.0	20.8	14.5	17.1	21.2	20.4	17.9	11.1	23.0	
28 Nonfarm noncorporate .....	1.4	5.7	12.7	15.3	14.0	15.8	13.0	13.5	14.5	11.0	20.6	16.8	
29 Corporate .....	1.7	64.3	84.6	93.2	104.8	106.1	91.3	109.3	100.2	98.4	113.8	100.8	
30 Foreign .....	11.5	19.6	13.9	33.2	21.0	29.3	43.2	14.0	28.1	31.2	27.4	35.2	
31 Corporate equities .....	..	..	..	..	..	..	..	..	..	..	..	..	
32 Debt instruments .....	11.3	19.3	13.5	33.8	20.3	27.2	43.5	14.1	26.4	29.2	25.2	34.6	
33 Bonds .....	6.2	8.6	5.1	4.2	3.9	..	3.1	2.8	4.9	2.0	- 4	3.3	
34 Bank loans n.e.c. .....	2.0	5.6	3.1	19.1	2.3	11.5	26.5	2.1	2.4	6.1	17.0	5.5	
35 Open market paper .....	..	..	..	..	..	..	..	..	..	..	..	..	
36 U.S. government loans .....	2.8	3.3	3.0	3.9	3.0	4.7	4.2	3.1	2.8	5.4	4.0	5.2	
<b>Financial sectors</b>													
37 Total funds raised .....	9.7	23.4	51.4	76.8	84.3	66.7	75.2	87.8	80.8	59.8	73.5	90.9	
<i>By instrument</i>													
38 U.S. government related .....	10.3	15.1	21.9	36.7	48.2	43.0	39.0	43.7	52.8	44.7	41.3	38.7	
39 Sponsored credit agency securities .....	2.3	3.3	7.0	23.1	24.3	24.4	24.9	21.2	27.3	25.1	23.7	24.0	
40 Mortgage pool securities .....	7.1	12.2	16.1	13.6	24.0	18.6	14.1	22.5	25.5	19.6	17.6	14.7	
41 Loans from U.S. government .....	..	..	..	..	..	..	..	..	..	..	..	..	
42 Private financial sectors .....	- 6	8.2	29.5	40.1	36.0	23.7	36.2	44.1	28.0	15.2	32.2	52.2	
43 Corporate equities .....	..	..	..	..	..	..	..	..	..	..	..	..	
44 Debt instruments .....	- 1.1	8.4	26.9	38.3	33.6	17.5	35.8	40.6	26.6	8.1	27.0	41.9	
45 Corporate bonds .....	3.2	9.8	10.1	7.5	7.8	7.1	7.1	8.2	7.5	10.1	4.2	- 1.7	
46 Mortgages .....	2.3	2.1	3.1	..	- 1.2	- 9	- 7	..	- 2.6	- 5.8	4.0	- 2.9	
47 Bank loans n.e.c. .....	- 3.7	- 3.7	- 3	2.8	- 4	- 5	3.0	- 1.4	..	..	- 9	4.6	
48 Open market paper and RPs .....	1.1	2.2	9.6	14.6	18.2	4.6	15.0	25.4	10.9	- 8	10.1	23.8	
49 Loans from Federal Home Loan Banks .....	- 4.0	- 2.0	4.3	12.5	9.2	7.1	11.5	8.2	10.1	4.6	9.6	18.0	
<i>By sector</i>													
50 Sponsored credit agencies .....	3.2	2.9	5.8	23.1	24.3	24.4	24.9	21.2	27.3	25.1	23.7	24.0	
51 Mortgage pools .....	7.1	12.2	16.1	13.6	24.0	18.6	14.1	22.5	25.5	19.6	17.6	14.7	
52 Private financial sectors .....	- 6	8.2	29.5	40.1	36.0	23.7	36.2	44.1	28.0	15.2	32.2	52.2	
53 Commercial banks .....	1.2	2.3	1.1	1.3	1.6	..	1.1	1.3	1.8	..	..	..	
54 Bank affiliates .....	..	5.4	2.0	7.2	6.5	6.9	8.2	8.0	4.9	5.8	8.0	6.9	
55 Savings and loan associations .....	- 2.3	..	9.9	14.3	11.4	6.9	11.4	11.1	11.7	- 1.4	15.2	17.0	
56 Other insurance companies .....	1.0	..	1.4	..	..	..	..	..	..	..	..	..	
57 Finance companies .....	..	4.3	16.9	18.1	16.8	5.8	17.5	22.7	10.9	5.2	6.3	18.7	
58 REITs .....	- 1.3	- 2.2	- 2.3	- 1.1	- 4	- 1.7	- 1.1	- 6	- 2	- 1.4	- 2.0	- 8	
59 Open-end investment companies .....	- 3	- 2.4	..	- 5	- 6	4.4	- 1.7	..	- 1.9	5.3	3.4	9.3	
<b>All sectors</b>													
60 Total funds raised, by instrument .....	221.5	297.0	388.0	472.5	471.3	438.6	480.1	472.8	469.7	398.8	478.4	507.8	
61 Investment company shares .....	- 3	- 2.4	..	- 5	- 6	4.4	- 1.7	..	- 1.9	5.3	3.4	9.3	
62 Other corporate equities .....	10.9	13.1	5.3	1.7	- 4.0	16.8	3.6	- 6.9	- 1.0	10.7	22.8	2.6	
63 Debt instruments .....	210.9	286.4	382.3	471.3	475.8	417.5	478.3	479.0	472.6	382.9	452.1	495.8	
64 U.S. government securities .....	94.9	84.6	79.9	90.5	85.7	122.3	82.5	73.8	97.6	111.3	133.2	127.8	
65 State and local obligations .....	16.1	15.7	21.9	26.1	21.8	26.9	26.8	20.9	22.7	21.6	32.1	27.8	
66 Corporate and foreign bonds .....	36.7	41.2	36.1	31.8	32.8	38.4	31.2	32.8	33.0	47.4	29.5	22.1	
67 Mortgages .....	57.2	87.2	132.3	148.3	155.9	121.1	153.4	160.6	151.1	114.2	128.0	110.9	
68 Consumer credit .....	9.6	25.4	40.2	47.6	46.3	2.3	47.0	50.9	41.6	- 5.1	9.7	29.2	
69 Bank loans n.e.c. .....	- 12.2	6.2	29.5	59.0	51.0	48.4	60.0	56.2	45.8	19.6	77.2	56.4	
70 Open market paper and RPs .....	- 1.2	8.1	15.0	26.4	40.5	21.4	31.6	39.5	41.5	39.7	3.1	61.3	
71 Other loans .....	9.8	17.8	27.4	41.5	41.9	36.7	45.7	44.4	39.3	34.1	39.3	60.3	



## 1.59 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; half-yearly data are at seasonally adjusted annual rates

Transaction category, or sector	1975	1976	1977	1978	1979	1980	1978	1979		1980		1981
							H2	H1	H2	H1	H2	H1
<b>1 Total funds advanced in credit markets to nonfinancial sectors</b>	<b>201.7</b>	<b>262.8</b>	<b>333.5</b>	<b>396.3</b>	<b>394.0</b>	<b>357.0</b>	<b>403.5</b>	<b>394.7</b>	<b>393.3</b>	<b>330.1</b>	<b>383.8</b>	<b>415.3</b>
<i>By public agencies and foreign</i>												
2 Total net advances	39.6	49.8	79.2	101.9	74.0	92.1	102.7	49.6	98.5	102.9	81.3	103.0
3 U.S. government securities	18.0	23.1	34.9	36.1	-6.2	15.6	29.5	-27.1	14.7	23.2	8.0	24.0
4 Residential mortgages	15.8	12.3	20.0	25.7	36.7	31.1	30.1	35.7	37.8	33.3	28.9	20.8
5 FHLB advances to savings and loans	-4.0	-2.0	4.3	12.5	9.2	7.1	11.5	8.2	10.1	4.6	9.6	18.0
6 Other loans and securities	9.8	16.4	20.1	27.6	34.3	38.2	31.6	32.8	35.8	41.7	34.8	40.3
<i>Total advanced, by sector</i>												
7 U.S. government	13.4	7.9	10.0	17.1	19.0	23.7	20.8	19.8	18.3	25.4	22.1	29.3
8 Sponsored credit agencies	11.6	16.8	22.4	39.9	53.4	43.8	44.8	47.8	58.9	42.4	45.2	40.4
9 Monetary authorities	8.5	9.8	7.1	7.0	7.7	4.5	.5	-9	16.2	12.1	-3.1	-7.4
10 Foreign	6.1	15.2	39.6	38.0	-6.1	20.0	36.7	-17.2	5.1	23.0	17.0	40.8
11 Agency borrowing not included in line 1	10.3	15.1	21.9	36.7	48.2	43.0	39.0	43.7	52.8	44.7	41.3	38.7
<i>Private domestic funds advanced</i>												
12 Total net advances	172.4	228.1	276.2	331.0	368.2	307.9	339.8	388.9	347.6	271.9	351.0	351.0
13 U.S. government securities	76.9	61.5	45.1	54.3	91.9	106.7	53.0	101.0	82.9	88.1	125.3	103.8
14 State and local obligations	16.1	15.7	21.9	26.1	21.8	26.9	26.8	20.9	22.7	21.6	32.1	27.8
15 Corporate and foreign bonds	32.8	30.5	22.2	22.4	24.0	26.2	22.3	24.0	24.0	32.5	19.9	17.3
16 Residential mortgages	23.6	55.5	83.7	92.1	84.6	59.1	95.0	89.8	79.5	51.2	66.9	60.7
17 Other mortgages and loans	18.9	62.9	107.7	148.6	155.1	96.2	154.2	161.4	148.7	83.1	109.3	159.4
18 Less: Federal Home Loan Bank advances	-4.0	-2.0	4.3	12.5	9.2	7.1	11.5	8.2	10.1	4.6	9.6	18.0
<i>Private financial intermediation</i>												
19 Credit market funds advanced by private financial institutions	123.4	191.4	260.9	302.4	292.5	270.3	294.8	316.9	268.0	246.1	294.4	322.5
20 Commercial banking	29.4	59.6	87.6	128.7	121.1	99.7	124.6	130.3	112.0	58.5	140.9	101.4
21 Savings institutions	53.2	70.5	82.0	73.5	55.9	58.4	69.4	59.6	52.2	35.5	81.3	43.8
22 Insurance and pension funds	40.6	49.7	67.8	75.0	66.4	79.8	73.9	72.3	60.5	89.2	70.3	79.3
23 Other finance	.3	11.6	23.4	25.2	49.0	32.4	27.0	54.8	43.3	62.8	1.9	97.9
24 Sources of funds	123.4	191.4	260.9	302.4	292.5	270.3	294.8	316.9	268.0	246.1	294.4	322.5
25 Private domestic deposits	94.2	124.4	138.9	140.8	143.2	171.1	132.9	135.1	151.2	158.7	183.6	196.9
26 Credit market borrowing	-1.1	8.4	26.9	38.3	33.6	17.5	35.8	40.6	26.6	8.1	27.0	41.9
27 Other sources	30.3	58.5	95.1	123.2	115.7	81.6	126.1	141.2	90.3	79.4	83.8	83.7
28 Foreign funds	-8.7	-4.7	1.2	6.3	25.6	-22.3	11.8	45.6	5.6	-22.8	-21.9	-5.1
29 Treasury balances	-1.7	-1	4.3	6.8	4	-2.6	12.4	5.0	-4.2	-2.3	-2.8	10.6
30 Insurance and pension reserves	29.7	34.3	50.1	62.2	47.8	64.1	60.8	52.3	43.4	70.0	58.1	61.6
31 Other, net	11.0	29.0	39.5	48.0	41.9	42.4	41.1	38.4	45.4	34.5	50.4	16.7
<i>Private domestic nonfinancial investors</i>												
32 Direct lending in credit markets	47.9	45.1	42.2	67.0	109.3	55.1	80.7	112.5	106.1	33.9	76.4	70.4
33 U.S. government securities	25.4	16.4	24.1	35.6	62.8	32.6	37.8	71.0	54.5	19.3	45.8	34.6
34 State and local obligations	8.4	3.3	-8	1.4	1.4	3.1	.8	2.6	-2	-1.8	7.9	19.7
35 Corporate and foreign bonds	8.9	11.8	-3.8	-2.9	10.3	3.6	*	4.6	16.0	4.8	2.3	-12.5
36 Commercial paper	-1.3	1.9	9.6	16.5	11.4	-3.8	23.1	11.4	11.4	-4.5	-3.1	7.2
37 Other	6.6	11.7	13.2	16.4	23.5	19.7	19.1	22.9	24.0	16.0	23.3	21.4
38 Deposits and currency	101.2	133.4	148.5	152.1	152.6	182.3	143.0	149.3	155.9	167.6	197.1	202.6
39 Currency	6.2	7.3	8.3	9.3	7.9	10.3	8.7	9.0	6.9	8.5	12.1	4.7
40 Checkable deposits	9.4	10.4	17.2	16.3	19.2	4.2	13.8	16.6	21.9	-1.5	9.9	29.9
41 Small time and savings accounts	97.3	123.7	93.5	63.5	61.7	80.9	65.8	66.5	56.9	66.7	95.2	11.3
42 Money market fund shares	1.3	*	2	6.9	34.4	29.2	7.7	30.2	38.6	61.9	-3.4	104.1
43 Large time deposits	-14.0	-12.0	25.8	46.6	21.2	50.3	40.6	3.3	39.1	26.3	74.2	43.9
44 Security RPs	2	2.3	2.2	7.5	6.6	6.5	5.1	18.5	-5.3	5.3	7.8	7.7
45 Foreign deposits	.8	1.7	1.3	2.0	1.5	.9	1.4	5.2	-2.3	.4	1.3	1.0
<b>46 Total of credit market instruments, deposits and currency</b>	<b>149.1</b>	<b>178.5</b>	<b>190.7</b>	<b>219.1</b>	<b>261.9</b>	<b>237.5</b>	<b>223.7</b>	<b>261.8</b>	<b>262.0</b>	<b>201.5</b>	<b>273.4</b>	<b>273.0</b>
47 Public support rate (in percent)	19.6	19.0	23.7	25.7	18.8	25.8	25.5	12.6	25.0	31.2	21.2	24.8
48 Private financial intermediation (in percent)	71.6	83.9	94.4	91.3	79.4	87.8	86.8	81.5	77.1	90.5	85.6	91.9
49 Total foreign funds	-2.6	10.5	40.8	44.3	19.5	-2.3	48.5	28.4	10.7	.2	-4.8	35.6
<i>MEMO: Corporate equities not included above</i>												
50 Total net issues	10.6	10.6	5.7	1.2	-4.6	21.1	1.8	-6.2	-2.9	16.0	26.3	11.9
51 Mutual fund shares	-3	-2.4	.4	-.5	-.6	4.4	-1.7	.7	-1.9	5.3	3.4	9.3
52 Other equities	10.9	13.1	5.3	1.7	-4.0	16.8	3.6	-6.9	-1.0	10.7	22.8	2.6
53 Acquisitions by financial institutions	9.8	12.5	7.4	4.5	10.6	17.7	6.9	7.1	14.0	10.5	24.9	28.8
54 Other net purchases	.8	-1.9	-1.6	-3.4	-15.1	3.4	-5.0	-13.4	-16.9	5.5	1.4	-16.9

## NOTES BY LINE NUMBER.

1. Line 2 of table 1.58.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, and 38 less lines 40 and 46.
17. Includes farm and commercial mortgages.
25. Line 38 less lines 40 and 46.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.

30. Excludes net investment of these reserves in corporate equities.
  31. Mainly retained earnings and net miscellaneous liabilities.
  32. Line 12 less line 19 plus line 26.
  - 33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.
  39. Mainly an offset to line 9.
  46. Lines 32 plus 38, or line 12 less line 27 plus 39 and 45.
  47. Line 2/line 1.
  48. Line 19/line 12.
  49. Sum of lines 10 and 28.
  50. 52. Includes issues by financial institutions.
- NOTE. Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

1967 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1978	1979	1980	1981									
				Feb.	Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct. <sup>r</sup>	Nov.
1 Industrial production <sup>1</sup> .....	146.1	152.5	147.0	151.8	152.1	151.9	152.7	152.9	153.9	153.6	151.7	149.6	146.5
<i>Market groupings</i>													
2 Products, total.....	144.8	150.0	146.7	150.2	150.7	151.3	152.3	152.7	153.0	152.6	151.2	150.0	147.6
3 Final, total.....	135.9	147.2	145.3	148.2	149.0	149.9	151.3	151.4	152.1	151.5	150.3	149.6	147.3
4 Consumer goods.....	149.1	150.8	145.4	147.6	148.3	148.9	150.7	150.3	150.7	149.6	148.2	147.5	144.7
5 Equipment.....	132.8	142.2	145.2	148.7	150.0	151.4	152.1	153.0	154.1	154.0	153.1	152.3	150.8
6 Intermediate.....	154.1	160.5	151.9	157.7	157.1	156.3	156.1	154.9	156.2	156.8	154.5	151.6	149.0
7 Materials.....	148.3	156.4	147.6	154.3	154.4	152.9	153.4	154.0	155.3	155.2	152.4	148.9	144.9
<i>Industry groupings</i>													
8 Manufacturing.....	146.7	153.6	146.7	151.2	151.6	152.0	152.8	152.4	153.2	153.2	151.2	148.7	145.2
Capacity utilization (percent) <sup>1,2</sup>													
9 Manufacturing.....	84.4	85.7	79.1	79.8	79.8	79.8	80.0	79.6	79.8	79.6	78.4	76.9	74.9
10 Industrial materials industries.....	85.6	87.4	80.0	82.3	82.1	81.1	81.2	81.3	81.9	81.7	80.0	78.0	75.8
11 Construction contracts (1972 = 100) <sup>3</sup> .....	174.1	185.6	161.8	177.0	183.0	172.0	160.0	170.0	153.0	156.0	159.0	157.0	n.a.
12 Nonagricultural employment, total <sup>4</sup> .....	131.8	136.5	137.6	138.7	138.8	139.0	139.1	139.2	139.6	139.7	139.9	139.5	139.1
13 Goods-producing, total.....	109.8	113.5	110.3	110.0	110.3 <sup>r</sup>	110.3	110.3	110.8	111.3	111.3	111.2	110.1	109.2
14 Manufacturing, total.....	105.4	108.2	104.4	103.8	103.8	104.6	105.0	105.0 <sup>r</sup>	105.6	105.4	105.4	104.0	103.0
15 Manufacturing, production-worker.....	103.0	105.3	99.4	98.2	98.4	99.2	99.6	99.6	100.1	99.9	99.8	98.0	96.6
16 Service-producing.....	143.8	149.1	152.6	154.4	154.5	154.7	155.0	154.8	155.2	155.2	155.6	155.7	155.6
17 Personal income, total.....	273.3	308.5	342.9	368.0	371.5	373.6	375.8	378.5	383.9 <sup>r</sup>	388.0	390.9	393.1	n.a.
18 Wages and salary disbursements.....	258.8	289.5	314.7	337.9	340.2	341.8	343.6	345.2	347.8	351.4	353.2	354.6	n.a.
19 Manufacturing.....	223.1	248.6	261.5	281.3	282.9	286.1	289.2	289.9	292.1	294.3	294.1	292.0	n.a.
20 Disposable personal income <sup>5</sup> .....	267.0	299.6	332.5	355.3	358.7	360.1	362.3	366.6 <sup>r</sup>	371.9 <sup>r</sup>	375.3	377.7	382.3	n.a.
21 Retail sales <sup>6</sup> .....	253.8	281.6	303.8	331.7	334.8	328.1	326.7	333.9 <sup>c</sup>	333.8 <sup>c</sup>	338.5	338.9	331.7	334.2
<i>Prices<sup>7</sup></i>													
22 Consumer.....	195.4	217.4	246.8	263.2	265.1	266.8 <sup>r</sup>	269.0	271.3	274.4	276.5	279.3	279.9	n.a.
23 Producer finished goods.....	194.6	216.1	246.9	263.3	266.0	268.5	269.6	270.5 <sup>r</sup>	271.8 <sup>r</sup>	271.2	271.1	274.0	274.5

1. The industrial production and capacity utilization series have been revised back to January 1979.

2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.

4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

6. Based on Bureau of Census data published in *Survey of Current Business*.

7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE. Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business*.

Figures for industrial production for the last two months are preliminary and estimated, respectively.

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1980				1981				1980				1981			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Output (1967 = 100)								Capacity (percent of 1967 output)				Utilization rate (percent)			
1 Manufacturing.....	148.6	151.3	152.4	152.5	187.9	189.4	190.9	192.4	79.1	79.9	79.8	79.3	79.1	79.8	79.3	79.4
2 Primary processing.....	152.7	157.5	156.5	155.7	192.5	193.8	195.0	196.3	79.3	81.3	80.3	80.3	79.4	80.3	79.4	79.4
3 Advanced processing.....	146.2	148.1	150.2	150.8	185.5	187.1	188.7	190.4	78.8	79.1	79.6	79.6	79.2	79.6	79.2	79.2
4 Materials.....	149.4	154.2	153.4	154.3	186.4	187.6	188.9	190.1	80.1	82.2	81.2	81.2	81.2	81.2	81.2	81.2
5 Durable goods.....	144.3	150.9	152.3	152.7	190.6	191.8	192.9	194.0	75.7	78.7	79.0	78.7	78.7	79.0	78.7	78.7
6 Metal materials.....	109.4	117.5	112.8	114.2	141.3	141.5	141.7	141.9	77.4	83.0	79.6	80.5	80.5	83.0	79.6	80.5
7 Nondurable goods.....	176.3	179.2	178.4	175.8	205.3	207.3	209.2	211.2	85.9	86.5	85.3	83.3	83.3	86.5	85.3	83.3
8 Textile, paper, and chemical.....	183.7	186.7	185.9	182.8	214.9	217.1	219.4	221.7	85.5	86.0	84.8	82.5	82.5	86.0	84.8	82.5
9 Textile.....	113.7	114.8	114.5	115.5	139.7	140.1	140.6	141.0	81.4	81.9	81.4	81.8	81.8	81.9	81.4	81.8
10 Paper.....	149.7	151.4	151.0	152.2	158.5	159.7	160.7	161.9	94.5	94.8	93.9	94.1	94.1	94.8	93.9	94.1
11 Chemical.....	228.2	232.7	231.6	224.9	270.5	274.1	277.5	281.0	84.3	84.9	83.5	80.1	80.1	84.9	83.5	80.1
12 Energy materials.....	128.2	130.9	125.1	131.6	152.8	153.5	154.2	155.0	83.9	85.3	81.1	85.0	85.0	85.3	81.1	85.0

## 2.11 Continued

Series	Previous cycle <sup>1</sup>		Latest cycle <sup>2</sup>		1980	1981							
	High	Low	High	Low	Oct.	Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct.
Capacity utilization rate (percent)													
13 Manufacturing .....	88.0	69.0	87.2	74.9	78.2	79.8	79.8	80.0	79.6	79.8	79.6	78.4	76.9
14 Primary processing .....	93.8	68.2	90.1	71.0	77.6	80.8	80.7	80.6	79.5	80.1	79.9	78.1	75.6
15 Advanced processing .....	85.5	69.4	86.2	77.2	78.3	79.2	79.4	79.8	79.7	79.8	79.4	78.5	77.5
16 Materials .....	92.6	69.4	88.8	73.8	78.4	82.1	81.1	81.2	81.3	81.9	81.7	80.0	78.0
17 Durable goods .....	91.5	63.6	88.4	68.2	73.3	79.2	78.8	79.2	78.9	79.3	79.5	77.3	75.0
18 Metal materials .....	98.3	68.6	96.0	59.6	70.5	83.9	79.9	80.3	78.7	79.5	83.0	79.0	74.5
19 Nondurable goods .....	94.5	67.2	91.6	77.5	85.1	85.4	85.9	85.6	84.3	83.9	83.0	82.9	80.7
20 Textile, paper, and chemical .....	95.1	65.3	92.2	75.3	84.5	85.0	85.5	85.4	83.5	83.2	82.3	82.1	79.9
21 Textile .....	92.6	57.9	90.6	80.9	81.4	81.5	81.9	81.7	80.5	82.0	82.3	81.3	79.5
22 Paper .....	99.4	72.4	97.7	89.3	94.1	95.3	94.9	93.9	93.0	92.9 <sup>r</sup>	93.6	95.7	92.1
23 Chemical .....	95.5	64.2	91.3	70.7	82.9	83.4	84.1	84.3	82.0	81.2	79.7	79.3	77.2
24 Energy materials .....	94.6	84.8	88.3	82.7	82.7	85.2	79.9	79.8	83.7	86.2	85.6	83.1	82.6

1. Monthly high 1973; monthly low 1975.

2. Preliminary; monthly highs December 1978 through January 1980; monthly lows July 1980 through October 1980.

## 2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1978	1979	1980	1981						
				May	June	July	Aug.	Sept.	Oct.	Nov.
HOUSEHOLD SURVEY DATA										
1 Noninstitutional population <sup>1</sup> .....	161,058	163,620	166,246	168,272	168,480	168,685	168,855	169,049	169,252	169,435
2 Labor force (including Armed Forces) <sup>1</sup> .....	102,537	104,996	106,821	109,533	108,307	108,603	108,762	108,401	108,894	109,187
3 Civilian labor force .....	100,420	102,908	104,719	107,406	106,176	106,464	106,602	106,236	106,736	107,029
4 Employment .....	91,031	93,648	93,960	95,882	95,127	95,704	95,574	94,959	94,880	94,662
5 Agriculture .....	3,342	3,297	3,310	3,353	3,265	3,258	3,370	3,310	3,337	3,363
6 Unemployment .....	6,047	5,963	7,448	8,171	7,784	7,502	7,657	7,966	8,520	9,004
7 Rate (percent of civilian labor force) .....	6.0	5.8	7.1	7.6	7.3	7.0	7.2	7.5	8.0	8.4
8 Not in labor force .....	58,521	58,623	59,425	58,739	60,173	60,082	60,093	60,648	60,359	60,248
ESTABLISHMENT SURVEY DATA										
9 Nonagricultural payroll employment <sup>3</sup> .....	86,697	89,823	90,564	91,564	91,615	91,880	91,901	92,033 <sup>r</sup>	91,798 <sup>r</sup>	91,561
10 Manufacturing .....	20,505	21,040	20,300	20,414	20,424	20,535	20,505	20,496 <sup>r</sup>	20,227 <sup>r</sup>	20,038
11 Mining .....	851	958	1,020	957	1,110	1,132	1,151	1,162 <sup>r</sup>	1,164 <sup>r</sup>	1,179
12 Contract construction .....	4,239	4,463	4,399	4,334	4,284	4,272	4,275	4,272 <sup>r</sup>	4,260 <sup>r</sup>	4,242
13 Transportation and public utilities .....	4,923	5,136	5,143	5,148	5,149	5,167	5,170	5,186 <sup>r</sup>	5,164 <sup>r</sup>	5,161
14 Trade .....	19,542	20,192	20,386	20,714	20,717	20,796	20,862	20,872 <sup>r</sup>	20,910 <sup>r</sup>	20,826
15 Finance .....	4,724	4,975	5,168	5,326	5,331	5,344	5,354	5,366 <sup>r</sup>	5,359 <sup>r</sup>	5,355
16 Service .....	16,252	17,112	17,901	18,540	18,560	18,642	18,667	18,774 <sup>r</sup>	18,782 <sup>r</sup>	18,828
17 Government .....	15,672	15,947	16,249	16,131	16,040	15,992	15,917	15,905 <sup>r</sup>	15,932 <sup>r</sup>	15,932

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1979 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).



## 2.13 Continued

Grouping	SIC code	1967 proportion	1980 avg.	1980		1981										
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>r</sup>	Sept.	Oct. <sup>p</sup>	Nov. <sup>e</sup>
Index (1967 = 100)																
<b>MAJOR INDUSTRY</b>																
1 Mining and utilities.....		12.05	149.5	151.5	152.4	153.3	154.1	154.8	150.5	152.1	156.3	159.1	158.2	156.6	156.1	154.9
2 Mining.....		6.36	132.7	135.1	138.6	140.4	143.1	143.2	135.2	135.4	141.7	146.5	146.0	145.4	145.1	144.4
3 Utilities.....		5.69	168.3	169.9	167.9	167.6	166.4	167.8	167.6	170.7	172.7	173.1	171.9	169.1	168.5	166.6
4 Electric.....		3.88	189.7	192.6	189.5	189.3	187.1	188.9	188.6	192.9	195.6	196.2	194.2	190.2	189.4	187.1
5 Manufacturing.....		87.95	146.7	148.9	150.4	151.1	151.2	151.6	152.0	152.8	152.4	153.2	153.2	151.2	148.7	145.2
6 Nondurable.....		35.97	161.2	163.0	165.0	165.6	166.2	165.3	165.9	166.4	165.8	167.1	167.3	166.2	164.0	161.5
7 Durable.....		51.98	136.7	139.2	140.3	141.0	140.8	142.1	142.5	143.5	143.2	143.6	143.4	140.9	138.1	134.0
<i>Mining</i>																
8 Metal.....	10	.51	109.2	107.2	122.2	125.5	134.1	131.1	123.1	125.0	123.5	123.6	124.1	120.9	118.3	.....
9 Coal.....	11.12	.69	146.7	151.7	153.5	147.5	159.0	151.2	75.9	77.0	122.9	170.0	167.4	161.9	165.3	161.9
10 Oil and gas extraction.....	13	4.40	133.3	136.1	138.4	141.4	142.2	144.1	146.1	146.2	148.2	147.7	148.2	149.2	149.4	149.7
11 Stone and earth minerals.....	14	.75	132.8	132.7	137.4	138.4	140.0	138.8	133.7	132.2	132.7	133.3	128.2	124.5	119.7	.....
<i>Nondurable manufactures</i>																
12 Foods.....	20	8.75	149.6	151.6	151.0	151.9	152.5	152.4	151.9	152.2	151.3	151.6	151.9	151.1	151.2	.....
13 Tobacco products.....	21	.67	119.9	123.5	118.8	123.5	125.4	125.7	122.2	122.3	120.9	121.3	123.8	122.4	.....	.....
14 Textile mill products.....	22	2.68	138.6	136.4	135.6	138.4	139.3	136.2	138.9	138.8	138.3	139.4	140.7	136.3	133.6	.....
15 Apparel products.....	23	3.31	127.0	125.7	122.7	123.8	121.6	120.2	121.6	122.6	121.1	122.6	122.6	122.5	.....	.....
16 Paper and products.....	26	3.21	151.1	154.3	157.0	156.5	156.0	157.6	157.0	155.9	153.4	154.9	156.7	158.6	153.5	151.0
17 Printing and publishing.....	27	4.72	139.6	142.1	143.0	143.9	144.8	142.7	141.6	141.3	143.1	144.4	146.1	145.9	146.0	146.1
18 Chemicals and products.....	28	7.74	207.1	211.7	220.5	218.9	219.8	218.5	219.8	220.6	218.4	221.5	219.2	217.9	213.8	213.8
19 Petroleum products.....	29	1.79	132.9	128.6	131.3	133.1	131.5	130.3	130.0	129.8	129.3	128.7	130.4	129.3	127.2	126.1
20 Rubber and plastic products.....	30	2.24	235.7	258.9	262.3	264.0	270.2	269.5	273.2	280.3	285.1	285.3	286.7	279.6	271.9	.....
21 Leather and products.....	31	.86	70.1	71.0	67.9	68.9	68.3	68.8	68.9	69.8	68.4	70.1	69.6	69.7	70.6	.....
<i>Durable manufactures</i>																
22 Ordnance, private and government.....	19.91	3.64	78.5	79.7	79.6	78.6	78.4	78.5	79.8	80.9	80.9	80.6	81.8	82.3	82.8	83.0
23 Lumber and products.....	24	1.64	119.3	123.7	123.6	127.4	126.2	125.6	126.3	126.2	122.5	122.9	119.1	113.2	107.1	.....
24 Furniture and fixtures.....	25	1.37	150.0	147.6	148.6	150.0	154.3	155.6	158.7	158.9	162.4	164.9	163.3	159.9	157.0	.....
25 Clay, glass, stone products.....	32	2.74	147.5	148.8	153.0	156.8	156.4	154.6	154.3	151.7	148.1	148.7	148.2	146.1	143.6	.....
26 Primary metals.....	33	6.57	102.3	113.2	111.5	114.1	114.5	114.9	110.6	111.9	107.4	109.4	113.1	108.5	102.6	96.8
27 Iron and steel.....	331.2	4.21	92.4	107.6	103.0	108.7	108.4	108.0	103.4	105.6	98.5	99.7	105.1	99.2	93.0	.....
28 Fabricated metal products.....	34	5.93	134.1	132.3	135.7	135.8	137.6	139.2	139.5	138.4	139.3	140.1	140.0	137.1	133.5	128.5
29 Nonelectrical machinery.....	35	9.15	162.8	162.9	166.9	167.3	168.3	169.2	169.7	172.1	174.1	176.7	176.4	173.9	171.5	168.0
30 Electrical machinery.....	36	8.05	172.8	173.0	175.1	177.6	174.9	177.4	178.8	179.9	180.1	180.9	182.6	180.0	179.0	173.2
31 Transportation equipment.....	37	9.27	116.9	121.8	120.4	117.4	116.1	119.5	121.3	123.7	123.4	119.8	115.4	114.1	111.0	106.3
32 Motor vehicles and parts.....	371	4.50	119.0	129.2	125.7	120.0	119.9	127.1	130.7	136.4	137.5	130.5	123.1	120.2	113.8	104.6
33 Aerospace and miscellaneous transportation equipment.....	372-9	4.77	114.9	114.9	115.4	114.9	112.6	112.3	112.4	111.8	110.2	109.7	108.2	108.5	108.4	108.0
34 Instruments.....	38	2.11	171.1	170.0	171.9	173.9	171.1	170.0	170.0	170.6	171.3	172.1	172.3	169.7	168.7	165.5
35 Miscellaneous manufactures.....	39	1.51	148.3	147.1	151.0	152.9	154.9	155.4	157.3	157.0	158.8	159.4	158.6	156.0	153.4	153.1
Gross value (billions of 1972 dollars, annual rates)																
<b>MAJOR MARKET</b>																
36 Products, total.....		507.4 <sup>1</sup>	601.9	611.8	612.4	612.9	614.5	618.0	616.2	622.2	619.2	621.4	616.5	607.4	607.0	596.8
37 Final.....		390.9 <sup>1</sup>	465.2	473.5	472.6	471.6	472.8	476.4	476.3	482.4	480.5	481.9	476.4	469.6	471.7	463.9
38 Consumer goods.....		277.5 <sup>1</sup>	313.3	320.7	317.7	316.8	318.8	320.5	320.0	324.3	322.1	324.0	319.3	314.5	315.1	309.7
39 Equipment.....		113.4 <sup>1</sup>	152.0	152.9	154.9	154.8	154.0	155.9	156.3	158.1	158.5	157.9	157.1	155.1	156.7	154.2
40 Intermediate.....		116.6 <sup>1</sup>	136.7	138.3	139.8	141.2	141.7	141.7	139.9	139.8	138.7	139.5	140.1	137.8	135.3	132.9

1. 1972 dollar value.

NOTE. Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System: Washington, D. C.), December 1977.

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2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1978	1979	1980	1981							
				Mar.	Apr.	May	June	July	Aug.	Sept. †	Oct.
<b>Private residential real estate activity (thousands of units)</b>											
<b>NEW UNITS</b>											
1 Permits authorized .....	1,801	1,552	1,191	1,153	1,186	1,167	963	913	865	850	729
2 1-family .....	1,183	981	710	678	689	654	567	528	494	453	397
3 2-or-more-family .....	618	571	481	475	497	513	396	385	371	397	332
4 Started .....	2,020	1,745	1,292	1,297	1,332	1,158	1,039	1,047	941 <sup>†</sup>	920	857
5 1-family .....	1,433	1,194	852	838	897	764	688	704	606 <sup>†</sup>	646	487
6 2-or-more-family .....	587	551	440	459	435	394	351	343	335 <sup>†</sup>	274	370
7 Under construction, end of period <sup>1</sup> .....	1,310	1,140	896	927	913	894	853	822 <sup>†</sup>	793 <sup>†</sup>	774	n.a.
8 1-family .....	765	639	515	533	526	506	482	462 <sup>†</sup>	439 <sup>†</sup>	428	n.a.
9 2-or-more-family .....	546	501	382	394	388	388	371	361 <sup>†</sup>	354 <sup>†</sup>	345	n.a.
10 Completed .....	1,868	1,855	1,502	1,362	1,519	1,273	1,377	1,324 <sup>†</sup>	1,224 <sup>†</sup>	1,169	n.a.
11 1-family .....	1,369	1,286	957	880	964	875	877	864 <sup>†</sup>	801 <sup>†</sup>	759	n.a.
12 2-or-more-family .....	498	569	545	482	555	398	500	460 <sup>†</sup>	423 <sup>†</sup>	410	n.a.
13 Mobile homes shipped .....	276	277	222	255	265	255	246	268	230	235	n.a.
<i>Merchant builder activity in 1-family units</i>											
14 Number sold .....	818	709	530	507	451	478	402	408 <sup>†</sup>	350 <sup>†</sup>	313	360
15 Number for sale, end of period <sup>1</sup> .....	419	402	340	325	327	322	310	303	300 <sup>†</sup>	295	284
<i>Price (thousands of dollars)<sup>2</sup></i>											
<i>Median</i>											
16 Units sold .....	55.8	62.7	64.9	67.1	68.4	71.2	68.7	69.6	73.2 <sup>†</sup>	67.8	71.2
<i>Average</i>											
17 Units sold .....	62.7	71.9	76.6	81.2	82.9	83.7	84.7	82.7	87.1 <sup>†</sup>	84.7	84.6
<b>EXISTING UNITS (1-family)</b>											
18 Number sold .....	3,863	3,701	2,881	2,490	2,610	2,500	2,660	2,520	2,260	2,050	1,920
<i>Price of units sold (thous. of dollars)<sup>2</sup></i>											
19 Median .....	48.7	55.5	62.1	64.4	65.3	66.3	67.7	67.5	68.1	67.1	65.2
20 Average .....	55.1	64.0	72.7	76.2	77.3	78.6	79.9	79.6	80.5	79.1	76.4
<b>Value of new construction<sup>3</sup> (millions of dollars)</b>											
<b>CONSTRUCTION</b>											
21 Total put in place .....	205,559	230,781	230,273	250,274	246,542	235,907	233,998	234,741	232,673 <sup>†</sup>	234,686	230,826
22 Private .....	159,664	181,690	174,896	189,641	189,921	184,077	181,811	183,380	183,283 <sup>†</sup>	182,454	179,101
23 Residential .....	93,423	99,032	87,260	96,266	95,206	89,719	85,971	85,340	84,699 <sup>†</sup>	83,831	80,844
24 Nonresidential, total .....	66,241	82,658	87,636	93,375	94,715	94,358	95,840	98,040	98,584	98,623	98,257
<i>Buildings</i>											
25 Industrial .....	10,993	14,953	13,839	15,380	15,504	15,503	16,243	17,182	18,295	18,344	18,944
26 Commercial .....	18,561	24,919	29,940	33,307	33,395	32,391	32,442	34,028	33,721	33,412	32,080
27 Other .....	6,739	7,427	8,654	9,588	9,196	8,903	9,735	9,241	9,367	9,402	9,614
28 Public utilities and other .....	29,948	35,359	35,203	35,100	36,620	37,561	37,420	37,589	37,201	37,465	37,619
<i>Public</i>											
29 Public .....	45,896	49,088	55,371	60,632	56,620	51,830	52,186	51,360	49,390	52,232	51,725
30 Military .....	1,501	1,648	1,880	1,685	2,105	2,065	2,254	1,925	1,739	1,831	2,120
31 Highway .....	10,708	11,998	13,784	16,200	15,099	12,419	13,338	13,203	12,227	12,537	11,277
32 Conservation and development .....	4,457	4,586	5,089	5,565	5,681	4,894	4,912	5,226	4,711	4,904	6,523
33 Other .....	29,230	30,856	34,618	37,182	33,735	32,452	31,682	31,006	30,713	32,960	31,805

1. Not at annual rates.  
 2. Not seasonally adjusted.  
 3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports (C-30-76-5)*, issued by the Bureau in July 1976.

NOTE: Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

## 2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	12 months to		3 months (at annual rate) to				1 month to					Index level Oct. 1981 (1967 = 100) <sup>1</sup>
	1980 Oct.	1981 Oct.	1980	1981			1981					
			Dec.	Mar.	June	Sept.	June	July	Aug.	Sept.	Oct.	
<b>CONSUMER PRICES<sup>2</sup></b>												
1 All items .....	12.6	10.2	13.2	9.6	7.4	13.5	.7	1.2	.8	1.2	.4	279.9
2 Commodities .....	11.6	7.1	11.0	8.9	2.1	9.2	.4	.8	.6	.9	.4	257.9
3 Food .....	10.2	5.8	13.1	2.1	-1	10.9	.2	.8	.8	1.0	.3	277.6
4 Commodities less food .....	12.2	7.7	9.9	12.3	3.1	8.6	.4	.7	.5	.8	.4	245.9
5 Durable .....	11.3	6.8	11.8	-7	9.0	12.4	1.0	1.2	1.0	.7	.0	232.9
6 Nondurable .....	13.4	8.8	6.2	29.8	-2.0	3.6	-2	.1	.3	.5	.3	260.7
7 Services .....	14.1	14.6	16.8	10.3	15.1	19.5	1.2	1.8	1.2	1.5	.4	318.6
8 Rent .....	8.7	8.4	9.6	7.0	7.7	10.2	.4	.5	.8 <sup>r</sup>	2.5	.8	213.6
9 Services less rent .....	14.9	15.5	17.8	10.9	16.1	20.9	1.3	2.0	1.2	1.6	.4	338.7
<i>Other groupings</i>												
10 All items less food .....	13.1	11.2	13.2	11.7	9.0	14.1	.8	1.3	.8	1.2	.4	279.0
11 All items less food and energy .....	12.2	10.9	14.4	5.8	11.8	15.2	1.0	1.4	.9	1.2	.4	265.9
12 Homeownership .....	17.0	13.2	23.1	3.1	16.9	21.3	1.5	2.1	1.1	.6	-.3	366.7
<b>PRODUCER PRICES</b>												
13 Finished goods .....	13.1	7.3	8.3	13.3	6.8	2.8	.5	.4 <sup>r</sup>	.1 <sup>r</sup>	.2	.6	274.0
14 Consumer .....	13.3	6.9	7.4	13.6	6.1	2.1	.4	.3 <sup>r</sup>	.0 <sup>r</sup>	.2	.4	274.7
15 Foods .....	9.3	2.3	4.3	1.6	1.8	5.6	.5	1.4 <sup>r</sup>	.0 <sup>r</sup>	.0	-.2	253.7
16 Excluding foods .....	15.3	8.7	8.9	18.6	7.9	.7	.4	-.1 <sup>r</sup>	.0 <sup>r</sup>	.3	.7	281.3
17 Capital equipment .....	12.0	8.9	11.8	12.0	9.8	5.7	.7	.7 <sup>r</sup>	.7 <sup>r</sup>	.0	.9	271.4
18 Intermediate materials <sup>3</sup> .....	11.9	9.1	12.9	14.3	7.7	4.3	.3	.4 <sup>r</sup>	.4 <sup>r</sup>	.3	.0	314.5
<i>Crude materials</i>												
19 Nonfood .....	19.5	15.7	27.5	39.7	9.5	2.1	-.7	.7 <sup>r</sup>	-.7 <sup>r</sup>	.6	-.8	480.5
20 Food .....	12.8	-12.0	-4.0	-23.1	8.6	-12.1	2.8	.3 <sup>r</sup>	-1.0 <sup>r</sup>	-2.5	-2.5 <sup>r</sup>	245.6

1. Not seasonally adjusted.

2. Figures for consumer prices are those for all urban consumers.

3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE: Bureau of Labor Statistics.

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2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data are at seasonally adjusted annual rates.

Account	1978	1979	1980	1980		1981		
				Q3	Q4	Q1	Q2	Q3'
<b>GROSS NATIONAL PRODUCT</b>								
<b>1 Total</b> .....	<b>2,156.1</b>	<b>2,413.9</b>	<b>2,626.1</b>	<b>2,637.3</b>	<b>2,730.6</b>	<b>2,853.0</b>	<b>2,885.8</b>	<b>2,956.6</b>
<i>By source</i>								
2 Personal consumption expenditures .....	1,348.7	1,510.9	1,672.8	1,682.2	1,751.0	1,810.1	1,829.1	1,887.2
3 Durable goods .....	199.3	212.3	211.9	208.8	223.3	238.3	227.3	237.9
4 Nondurable goods .....	529.8	602.2	675.7	674.2	703.5	726.0	735.3	750.5
5 Services .....	619.6	696.3	785.2	799.2	824.2	845.8	866.5	898.8
6 Gross private domestic investment .....	375.3	415.8	395.3	377.1	397.7	437.1	458.6	459.1
7 Fixed investment .....	353.2	398.3	401.2	393.2	415.1	432.7	435.3	434.8
8 Nonresidential .....	242.0	279.7	296.0	294.0	302.1	315.9	324.6	333.2
9 Structures .....	78.7	96.3	108.8	107.3	111.5	117.2	117.2	127.8
10 Producers' durable equipment .....	163.3	183.4	187.1	186.8	190.7	198.7	201.5	205.4
11 Residential structures .....	111.2	118.6	105.3	99.2	113.0	116.7	110.7	101.6
12 Nonfarm .....	106.9	113.9	100.3	94.5	107.6	111.4	105.4	96.0
13 Change in business inventories .....	22.2	17.5	-5.9	-16.0	-17.4	4.5	23.3	24.3
14 Nonfarm .....	21.8	13.4	-4.7	-12.3	-14.0	6.8	21.5	19.5
15 Net exports of goods and services .....	-0.6	13.4	23.3	44.5	23.3	29.2	20.8	22.0
16 Exports .....	219.8	281.3	339.8	342.4	346.1	367.4	368.2	364.1
17 Imports .....	220.4	267.9	316.5	297.9	322.7	338.2	347.5	342.1
18 Government purchases of goods and services .....	432.6	473.8	534.7	533.5	558.6	576.5	577.4	588.3
19 Federal .....	153.4	167.9	198.9	194.9	212.0	221.6	219.5	226.0
20 State and local .....	279.2	305.9	335.8	338.6	346.6	354.9	357.9	362.3
<i>By major type of product</i>								
21 Final sales, total .....	2,133.9	2,396.4	2,632.0	2,653.4	2,748.0	2,848.5	2,862.5	2,932.2
22 Goods .....	946.6	1,055.9	1,130.4	1,129.4	1,169.0	1,247.5	1,257.0	1,294.4
23 Durable .....	409.8	451.2	458.6	456.5	476.7	501.4	516.9	523.3
24 Nondurable .....	536.8	604.7	671.9	672.9	692.2	746.1	740.1	769.1
25 Services .....	976.3	1,097.2	1,229.6	1,249.0	1,285.3	1,317.1	1,344.7	1,385.5
26 Structures .....	233.2	260.8	266.0	258.9	276.4	288.4	284.7	276.7
27 Change in business inventories .....	22.2	17.5	-5.9	-16.0	-17.4	4.5	23.3	24.3
28 Durable goods .....	17.8	11.5	-4.0	-8.4	-7	-4.2	18.5	18.0
29 Nondurable goods .....	4.4	6.0	-1.8	-7.7	-18.1	8.6	4.8	6.3
<b>30 MEMO: Total GNP in 1972 dollars</b> .....	<b>1,436.9</b>	<b>1,483.0</b>	<b>1,480.7</b>	<b>1,471.9</b>	<b>1,485.6</b>	<b>1,516.4</b>	<b>1,510.4</b>	<b>1,512.8</b>
<b>NATIONAL INCOME</b>								
<b>31 Total</b> .....	<b>1,745.4</b>	<b>1,963.3</b>	<b>2,121.4</b>	<b>2,122.4</b>	<b>2,204.8</b>	<b>2,291.1</b>	<b>2,320.9</b>	<b>2,371.9</b>
32 Compensation of employees .....	1,299.7	1,460.9	1,596.5	1,597.4	1,661.8	1,722.4	1,752.0	1,789.9
33 Wages and salaries .....	1,105.4	1,235.9	1,343.6	1,342.3	1,397.3	1,442.9	1,467.0	1,498.0
34 Government and government enterprises .....	219.6	235.9	253.6	253.9	263.3	267.1	270.5	274.7
35 Other .....	885.7	1,000.0	1,090.0	1,088.4	1,134.0	1,175.7	1,196.4	1,223.3
36 Supplement to wages and salaries .....	194.3	225.0	252.9	255.0	264.5	279.5	285.1	291.9
37 Employer contributions for social insurance .....	92.1	106.4	115.8	116.0	121.0	131.5	133.2	135.6
38 Other labor income .....	102.2	118.6	137.1	139.1	143.5	148.0	151.8	156.3
39 Proprietors' income <sup>1</sup> .....	117.1	131.6	130.6	129.7	134.0	132.1	134.1	137.2
40 Business and professional <sup>1</sup> .....	91.0	100.7	107.2	107.6	111.6	113.2	112.5	112.4
41 Farm <sup>1</sup> .....	26.1	30.8	23.4	22.1	22.5	18.9	21.7	24.9
42 Rental income of persons <sup>2</sup> .....	27.4	30.5	31.8	32.0	32.4	32.7	33.3	33.9
43 Corporate profits <sup>1</sup> .....	199.0	196.8	182.7	177.9	183.3	203.0	190.3	191.2
44 Profits before tax <sup>3</sup> .....	223.3	255.4	245.5	237.6	249.5	257.0	229.0	230.9
45 Inventory valuation adjustment .....	-24.3	-42.6	-45.7	-41.7	-48.4	-39.2	-24.0	-26.3
46 Capital consumption adjustment .....	-13.5	-15.9	-17.2	-17.9	-17.8	-14.7	-14.7	-13.4
47 Net interest .....	115.8	143.4	179.8	185.3	193.3	200.8	211.0	219.6

1. With inventory valuation and capital consumption adjustments.  
2. With capital consumption adjustments.

3. For after-tax profits, dividends, and the like, see table 1.49.

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



## 2.17 PERSONAL INCOME AND SAVING

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

Account	1978	1979	1980	1980		1981		
				Q3	Q4	Q1	Q2	Q3 <sup>r</sup>
<b>PERSONAL INCOME AND SAVING</b>								
<b>1 Total personal income</b> .....	<b>1,721.8</b>	<b>1,943.8</b>	<b>2,160.2</b>	<b>2,182.1</b>	<b>2,256.2</b>	<b>2,319.8</b>	<b>2,368.5</b>	<b>2,441.8</b>
2 Wage and salary disbursements .....	1,105.2	1,236.1	1,343.7	1,341.8	1,397.8	1,442.9	1,467.0	1,497.8
3 Commodity-producing industries .....	389.1	437.9	465.4	460.1	484.0	501.3	508.1	519.8
4 Manufacturing .....	299.2	333.4	350.7	346.7	364.0	377.4	386.7	393.6
5 Distributive industries .....	270.5	303.0	328.9	329.2	340.6	351.9	357.8	365.3
6 Service industries .....	226.1	259.2	295.7	298.7	310.0	322.5	330.5	338.2
7 Government and government enterprises.....	219.4	236.1	253.6	253.9	263.3	267.1	270.5	274.5
8 Other labor income .....	102.2	118.6	137.1	139.1	143.5	148.0	151.8	156.3
9 Proprietors' income <sup>1</sup> .....	117.2	131.6	130.6	129.7	134.0	132.1	134.1	137.2
10 Business and professional <sup>1</sup> .....	91.0	100.8	107.2	107.6	111.6	113.2	112.5	112.4
11 Farm <sup>1</sup> .....	26.1	30.8	23.4	22.1	22.5	18.9	21.7	24.9
12 Rental income of persons <sup>2</sup> .....	27.4	30.5	31.8	32.0	32.4	32.7	33.3	33.9
13 Dividends .....	43.1	48.6	54.4	55.1	56.1	58.0	60.2	63.0
14 Personal interest income .....	173.2	209.6	236.3	261.8	269.7	288.7	300.9	315.8
15 Transfer payments .....	223.3	249.4	294.2	310.7	313.9	319.6	324.2	342.7
16 Old-age survivors, disability, and health insurance benefits.....	116.2	131.8	153.8	163.2	165.3	169.8	172.0	188.5
17 LESS: Personal contributions for social insurance .....	69.6	80.6	87.9	88.1	91.2	102.3	103.1	105.0
18 EQUALS: Personal income .....	1,721.8	1,943.8	2,160.2	2,182.1	2,256.2	2,319.8	2,368.5	2,441.8
19 LESS: Personal tax and nontax payments .....	258.8	302.0	338.5	341.5	359.2	372.0	382.9	400.0
20 EQUALS: Disposable personal income .....	1,462.9	1,641.7	1,821.7	1,840.6	1,897.0	1,947.8	1,985.6	2,041.7
21 LESS: Personal outlays .....	1,386.6	1,555.5	1,720.4	1,729.2	1,799.4	1,858.9	1,879.0	1,938.5
22 EQUALS: Personal saving .....	76.3	86.2	101.3	111.4	97.6	88.9	106.6	103.3
<b>MEMO:</b>								
Per capita (1972 dollars)								
23 Gross national product .....	6,426	6,588	6,503	6,456	6,499	6,619	6,581	6,554
24 Personal consumption expenditures .....	4,046	4,135	4,108	4,082	4,142	4,191	4,162	4,195
25 Disposable personal income .....	4,389	4,493	4,473	4,468	4,488	4,511	4,517	4,534
26 Saving rate (percent) .....	5.2	5.2	5.6	6.1	5.1	4.6	5.4	5.1
<b>GROSS SAVING</b>								
27 Gross saving .....	355.2	412.0	401.9	402.0	406.7	442.6	465.3	462.3
28 Gross private saving .....	355.4	398.9	432.9	446.5	436.4	451.1	475.3	478.8
29 Personal saving .....	76.3	86.2	101.3	111.4	97.6	88.9	106.6	103.3
30 Undistributed corporate profits <sup>1</sup> .....	57.9	59.1	44.3	42.8	40.4	55.7	52.0	49.0
31 Corporate inventory valuation adjustment .....	-24.3	-42.6	-45.7	-41.7	-48.4	-39.2	-24.0	-26.3
<i>Capital consumption allowances</i>								
32 Corporate .....	136.4	155.4	175.4	178.4	183.2	187.5	194.6	201.1
33 Noncorporate .....	84.8	98.2	111.8	113.4	115.8	119.0	122.1	125.4
34 Wage accruals less disbursements .....	.0	.0	.0	.5	-.5	.0	.0	.0
35 Government surplus, or deficit (-), national income and product accounts .....	-0.2	11.9	-32.1	-45.6	-30.8	-9.7	-11.2	-17.6
36 Federal .....	-29.2	-14.8	-61.2	-74.2	-67.9	-46.6	-47.2	-54.9
37 State and local .....	29.0	26.7	29.1	28.6	37.1	36.9	36.1	37.2
38 Capital grants received by the United States, net .....	.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1
39 Gross investment .....	361.6	414.1	401.2	405.0	400.1	446.0	458.3	459.9
40 Gross private domestic .....	375.3	415.8	395.3	377.1	397.7	437.1	458.6	459.1
41 Net foreign .....	-13.8	-1.7	5.9	27.8	2.3	8.8	-.2	.8
42 Statistical discrepancy .....	6.4	2.2	-7.7	3.0	-6.6	3.4	-6.9	-2.4

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

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

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.<sup>1</sup>

Item credits or debits	1978	1979	1980	1980			1981	
				Q2	Q3	Q4	Q1	Q2 <sup>P</sup>
1 Balance on current account .....	-14,075	1,414	3,723	-545	4,975	1,390	3,263	1,073
2 Not seasonally adjusted .....				905	1,149	3,244	3,546	2,369
3 Merchandise trade balance <sup>2</sup> .....	-33,759	-27,346	-25,342	-6,744	-2,902	-5,570	-4,677	-6,914
4 Merchandise exports .....	142,054	184,473	223,966	55,667	56,252	57,149	61,098	60,477
5 Merchandise imports .....	-175,813	-211,819	-249,308	-62,411	-59,154	-62,719	-65,775	-67,391
6 Military transactions, net .....	738	-1,947	-2,515	-427	-455	-715	-568	-586
7 Investment income, net <sup>3</sup> .....	21,400	33,462	32,762	6,518	8,154	8,257	9,053	8,647
8 Other service transactions, net .....	2,613	2,839	5,874	1,440	1,681	1,762	982	1,456
9 Remittances, pensions, and other transfers .....	-1,884	-2,057	-2,397	-545	-591	-720	-550	-536
10 U.S. government grants (excluding military) .....	-3,183	-3,536	-4,659	-787	-912	-1,624	-977	-994
11 Change in U.S. government assets, other than official reserve assets, net (increase, -) .....	-4,644	-3,767	-5,165	-1,187	-1,427	-1,094	-1,395	-1,475
12 Change in U.S. official reserve assets (increase, -) .....	732	-1,132	-8,155	502	-1,109	-4,279	-4,529	-905
13 Gold .....	-65	-65	0	0	0	0	0	0
14 Special drawing rights (SDRs) .....	1,249	-1,136	-16	112	-261	1,285	-1,441	-23
15 Reserve position in International Monetary Fund .....	4,231	-189	-1,667	-99	-294	-1,240	-707	-780
16 Foreign currencies .....	-4,683	257	-6,472	489	-554	-4,324	-2,381	-102
17 Change in U.S. private assets abroad (increase, -) <sup>3</sup> .....	-57,158	-57,739	-71,456	-24,152	-16,766	-22,622	-16,473	-19,141
18 Bank-reported claims .....	-33,667	-26,213	-46,947	-20,165	-12,440	-13,139	-11,241	-14,063
19 Nonbank-reported claims .....	-3,853	-3,026	-2,653	92	343	-2,005	-3,192	n.a.
20 U.S. purchase of foreign securities, net .....	-3,582	-4,552	-3,310	-1,369	-818	-356	-488	1,451
21 U.S. direct investments abroad, net <sup>3</sup> .....	-16,056	-23,948	-18,546	-2,710	-3,851	-7,122	-1,552	-3,627
22 Change in foreign official assets in the United States (increase, +) .....	33,561	-13,757	15,492	7,557	7,686	7,712	5,503	-3,009
23 U.S. Treasury securities .....	23,555	-22,435	9,683	4,360	3,769	6,911	7,242	-2,069
24 Other U.S. government obligations .....	666	463	2,187	250	549	587	454	536
25 Other U.S. government liabilities <sup>4</sup> .....	2,359	-133	636	420	80	205	-112	180
26 Other U.S. liabilities reported by U.S. banks .....	5,551	7,213	-159	1,676	1,823	-460	-2,910	-2,286
27 Other foreign official assets <sup>5</sup> .....	1,4530	1,135	3,145	851	1,465	469	829	630
28 Change in foreign private assets in the United States (increase, +) <sup>3</sup> .....	30,187	52,703	34,769	-326	3,965	16,157	1,637	15,819
29 U.S. bank-reported liabilities .....	16,141	32,607	10,743	-4,509	916	7,737	-3,889	8,791
30 U.S. nonbank-reported liabilities .....	1,717	2,065	5,109	1,092	373	3,228	-820	n.a.
31 Foreign private purchases of U.S. Treasury securities, net .....	2,178	4,820	2,679	-1,260	-254	893	1,405	701
32 Foreign purchases of other U.S. securities, net .....	2,254	1,334	5,384	468	241	2,240	2,454	3,450
33 Foreign direct investments in the United States, net <sup>3</sup> .....	7,896	11,877	10,853	3,883	2,689	2,059	2,487	2,878
34 Allocation of SDRs .....	0	1,139	1,152	0	0	0	1,093	0
35 Discrepancy .....	11,398	21,140	29,640	18,151	2,676	2,736	10,901	7,637
36 Owing to seasonal adjustments .....				1,355	-3,291	2,139	-340	1,221
37 Statistical discrepancy in recorded data before seasonal adjustment .....	11,398	21,140	29,640	16,796	5,967	597	11,241	6,416
MEMO:								
38 Changes in official assets								
U.S. official reserve assets (increase, -) .....	732	-1,132	-8,155	502	-1,109	-4,279	-4,529	-905
39 Foreign official assets in the United States (increase, +) .....	31,202	-13,624	14,856	7,137	7,606	7,507	5,615	-3,189
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above) .....	-1,137	5,543	12,744	4,617	4,115	1,024	5,446	2,635
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above) .....	236	305	635	155	125	211	192	207

1. Seasonal factors are no longer calculated for lines 12 through 41.
2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing; military exports are excluded from merchandise data and are included in line 6.
3. Includes reinvested earnings of incorporated affiliates.

4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.
5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE: Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

## 3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1978	1979	1980	1981						
				Apr.	May	June	July	Aug.	Sept.	Oct.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments .....	143,682	181,860	220,626	19,818	18,869	19,870	19,264	19,050	19,655	19,044
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses.....	174,759	209,458	244,871	22,289	21,310	21,975	19,807	23,528	21,229	23,234
3 Trade balance .....	-31,075	-27,598	-24,245	-2,471	-2,441	-2,105	-542	-4,478	-1,574	-4,190

NOTE. The data in this table are reported by the Bureau of Census data on a free-alongside-ship (f.a.s.) value basis—that is, value at the port of export. Beginning in 1981, foreign trade of the U.S. Virgin Islands is included in the Census basis trade data; this adjustment has been made for all data shown in the table.

The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military sales (which are combined with other military transactions and reported separately in the "service

account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada and other transactions; military payments are excluded and shown separately as indicated above.

SOURCE: FT900 "Summary of U.S. Export and Import Merchandise Trade" (U.S. Department of Commerce, Bureau of the Census).

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1978	1979	1980	1981						
				Apr.	May	June	July	Aug.	Sept.	Oct. <sup>P</sup>
1 Total <sup>1</sup> .....	18,650	18,956	26,756	29,693	29,395	29,582	28,870	29,265	29,716	30,248
2 Gold stock, including Exchange Stabilization Fund <sup>1</sup> .....	11,671	11,172	11,160	11,154	11,154	11,154	11,154	11,154	11,152	11,152
3 Special drawing rights <sup>2,3</sup> .....	1,558	2,724	2,610	3,712	3,652	3,689	3,717	3,739	3,896	3,949
4 Reserve position in International Monetary Fund <sup>2</sup> .....	1,047	1,253	2,852	3,576	3,690	3,988	4,157	4,341	4,618	4,736
5 Foreign currencies <sup>4,5</sup> .....	4,374	3,807	10,134	11,251	10,899	10,751	9,842	10,031	10,050	10,411

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.22.

2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3. Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; plus net transactions in SDRs.

4. Beginning November 1978, valued at current market exchange rates.

5. Includes U.S. government securities held under repurchase agreement against receipt of foreign currencies, if any.

## 3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1978 <sup>1</sup>	1979	1980	1981						
				Mar.	Apr.	May	June	July	Aug.	Sept. <sup>2</sup>
All foreign countries										
1 Total, all currencies .....	306,795	364,233	400,510	413,880	413,516	417,187	422,946	433,238	433,242	450,151
2 Claims on United States .....	17,340	32,302	28,460	30,002	34,519	38,645	35,204	43,074	41,533	46,509
3 Parent bank .....	12,811	25,929	20,202	18,641	23,086	28,012	24,311	30,994	29,782	32,272
4 Other .....	4,529	6,373	8,258	11,361	11,433	10,633	10,893	12,080	11,751	14,237
5 Claims on foreigners .....	278,135	317,175	354,368	365,349	360,514	359,531	368,654	370,938	372,378	384,219
6 Other branches of parent bank .....	70,338	79,661	76,986	78,882	76,917	76,224	79,814	82,128	83,171	84,469
7 Banks .....	103,111	123,413	146,400	152,363	149,647	149,060	154,748	154,843	152,286	159,623
8 Public borrowers <sup>2</sup> .....	23,737	26,072	28,014	28,919	28,291	27,734	27,806	28,645	29,270	29,876
9 Nonbank foreigners .....	80,949	88,029	102,968	105,185	105,659	106,513	106,286	105,322	107,651	110,251
10 Other assets .....	11,320	14,756	17,682	18,529	18,483	19,011	19,088	19,226	19,331	19,423
11 Total payable in U.S. dollars .....	224,940	267,711	291,635	305,328	308,373	312,683	320,308	330,758	328,784	342,997
12 Claims on United States .....	16,382	31,171	27,191	28,817	33,306	37,403	33,950	41,873	40,250	45,255
13 Parent bank .....	12,625	25,632	19,896	18,421	22,839	27,709	24,041	30,742	29,490	32,008
14 Other .....	3,757	5,539	7,295	10,396	10,467	9,694	9,909	11,131	10,760	13,247
15 Claims on foreigners .....	203,498	229,118	255,234	266,291	264,537	264,263	275,195	277,354	276,935	286,166
16 Other branches of parent bank .....	55,408	61,525	58,508	60,969	59,590	58,711	62,696	64,725	65,477	66,127
17 Banks .....	78,686	96,261	117,302	122,873	121,674	121,930	128,114	127,552	124,504	131,505
18 Public borrowers <sup>2</sup> .....	19,567	21,629	23,491	24,095	23,801	23,201	23,488	24,250	24,410	24,679
19 Nonbank foreigners .....	49,837	49,703	55,933	58,354	59,472	60,421	60,897	60,827	62,544	63,855
20 Other assets .....	5,060	7,422	9,210	10,220	10,530	11,017	11,163	11,531	11,599	11,576
United Kingdom										
21 Total, all currencies .....	106,593	130,873	144,717	148,077	144,577	146,640	149,704	148,774	150,161	153,838
22 Claims on United States .....	5,370	11,117	7,509	9,159	8,518	10,382	9,640	9,130	9,995	11,143
23 Parent bank .....	4,448	9,338	5,275	6,265	5,766	7,098	6,167	7,098	7,189	7,680
24 Other .....	922	1,779	2,234	2,894	2,752	2,716	2,542	2,963	2,806	3,463
25 Claims on foreigners .....	98,137	115,123	131,142	132,797	130,062	130,200	134,102	133,626	134,034	136,856
26 Other branches of parent bank .....	27,830	34,291	34,760	35,654	34,704	34,834	35,914	37,035	38,035	38,874
27 Banks .....	45,013	51,343	58,741	59,742	57,934	57,611	60,261	59,639	58,362	59,045
28 Public borrowers <sup>2</sup> .....	4,522	4,919	6,688	6,920	6,848	6,720	6,811	6,822	6,665	7,097
29 Nonbank foreigners .....	20,772	24,570	30,953	30,481	30,576	31,035	31,116	30,130	30,972	31,840
30 Other assets .....	3,086	4,633	6,066	6,121	5,997	6,058	5,962	6,018	6,132	5,839
31 Total payable in U.S. dollars .....	75,860	94,287	99,699	104,533	102,336	104,959	108,854	107,961	109,008	112,769
32 Claims on United States .....	5,113	10,746	7,116	8,755	8,080	9,932	9,150	8,628	9,552	10,679
33 Parent bank .....	4,386	9,297	5,229	6,236	5,715	7,611	7,059	6,110	7,128	7,617
34 Other .....	727	1,449	1,887	2,519	2,365	2,321	2,091	2,518	2,424	3,062
35 Claims on foreigners .....	69,416	81,294	89,723	92,493	91,018	91,632	96,240	95,832	95,887	98,397
36 Other branches of parent bank .....	22,838	28,928	28,268	29,087	28,466	28,527	29,725	30,789	31,710	32,623
37 Banks .....	31,482	36,760	42,073	43,379	42,467	42,786	45,631	44,488	42,957	43,643
38 Public borrowers <sup>2</sup> .....	3,317	3,319	4,911	5,189	5,096	4,967	5,123	5,176	5,006	5,251
39 Nonbank foreigners .....	11,779	12,287	14,471	14,838	14,989	15,352	15,761	15,379	16,214	16,880
40 Other assets .....	1,331	2,247	2,860	3,285	3,238	3,395	3,464	3,501	3,569	3,693
Bahamas and Caymans										
41 Total, all currencies .....	91,735	108,977	123,837	127,886	132,145	133,594	135,081	145,290	142,087	148,079
42 Claims on United States .....	9,635	19,124	17,751	17,348	22,473	24,531	21,812	29,808	27,131	30,059
43 Parent bank .....	6,429	15,196	12,631	10,017	14,908	17,511	14,477	21,654	19,303	20,556
44 Other .....	3,206	3,928	5,120	7,331	7,565	7,020	7,335	8,154	7,828	9,503
45 Claims on foreigners .....	79,774	86,718	101,926	106,052	105,081	104,197	108,477	110,584	109,888	113,061
46 Other branches of parent bank .....	12,904	9,689	13,342	14,022	13,107	12,235	13,569	13,788	13,909	13,174
47 Banks .....	33,677	43,189	54,861	57,127	57,405	57,073	59,705	60,748	59,316	62,959
48 Public borrowers <sup>2</sup> .....	11,514	12,905	12,577	12,579	12,205	12,169	12,038	12,471	12,610	12,431
49 Nonbank foreigners .....	21,679	20,935	21,146	22,324	22,364	22,720	23,165	23,577	24,053	24,497
50 Other assets .....	2,326	3,135	4,160	4,486	4,591	4,866	4,792	4,898	5,068	4,959
51 Total payable in U.S. dollars .....	85,417	102,368	117,654	121,900	126,429	127,969	129,438	139,514	136,054	142,228

1. In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

2. In May 1978 a broader category of claims on foreign public borrowers, in-

cluding corporations that are majority owned by forcing governments, replaced the previous, more narrowly defined claims on foreign official institutions.

## 3.13 Continued

Liability account	1978 <sup>1</sup>	1979	1980	1981						
				Mar.	Apr.	May	June	July	Aug.	Sept. <sup>p</sup>
<b>All foreign countries</b>										
<b>52 Total, all currencies</b>	<b>306,795</b>	<b>364,233</b>	<b>400,510</b>	<b>413,880</b>	<b>413,516</b>	<b>417,187</b>	<b>422,946</b>	<b>433,238</b>	<b>433,242</b>	<b>450,151</b>
53 To United States	58,012	66,686	91,059	98,776	105,667	105,343	109,322	118,093	116,190	124,337
54 Parent bank	28,654	24,530	39,266	43,062	45,320	41,039	44,327	43,069	44,010	48,755
55 Other banks in United States	12,169	13,968	14,473	14,584	15,551	16,301	16,136	17,578	15,686	18,125
56 Nonbanks	17,189	28,188	37,275	41,130	44,796	48,003	48,859	57,446	56,494	57,457
57 To foreigners	238,912	283,344	294,823	300,525	292,941	296,462	298,169	299,240	300,081	306,442
58 Other branches of parent bank	67,496	77,601	75,685	77,050	76,094	75,815	79,033	81,387	80,991	83,205
59 Banks	97,711	122,849	131,747	134,325	129,670	133,650	131,818	129,290	125,563	127,374
60 Official institutions	31,936	35,664	32,466	29,385	28,046	27,469	26,352	25,682	28,209	28,720
61 Nonbank foreigners	41,769	47,230	54,925	59,765	59,131	59,528	60,966	62,881	65,318	67,143
62 Other liabilities	9,871	14,203	14,673	14,579	14,908	15,382	15,455	15,905	16,971	19,372
<b>63 Total payable in U.S. dollars</b>	<b>230,810</b>	<b>273,819</b>	<b>303,076</b>	<b>316,771</b>	<b>320,256</b>	<b>324,479</b>	<b>332,284</b>	<b>343,947</b>	<b>341,596</b>	<b>354,934</b>
64 To United States	55,811	64,530	88,156	96,319	103,204	102,971	106,740	115,481	113,526	121,374
65 Parent bank	27,519	23,403	37,527	41,531	43,826	39,604	42,822	41,620	42,481	46,932
66 Other banks in United States	11,915	13,771	14,203	14,432	15,381	16,175	15,945	17,391	15,529	17,945
67 Nonbanks	16,377	27,356	36,426	40,356	43,997	47,192	47,973	56,470	55,516	56,497
68 To foreigners	169,927	201,476	206,684	211,496	207,455	211,915	215,931	218,178	217,239	220,744
69 Other branches of parent bank	53,396	60,513	58,093	59,874	59,213	59,108	62,292	64,884	64,388	66,104
70 Banks	63,000	80,691	87,377	87,990	86,490	89,885	89,909	88,554	83,842	84,378
71 Official institutions	26,404	29,048	24,697	22,762	21,453	21,345	20,853	20,108	22,056	22,731
72 Nonbank foreigners	27,127	31,224	36,517	40,870	40,299	41,577	42,877	44,632	47,003	47,531
73 Other liabilities	5,072	7,813	8,236	8,956	9,597	9,593	9,613	10,288	10,831	12,816
<b>United Kingdom</b>										
<b>74 Total, all currencies</b>	<b>106,593</b>	<b>130,873</b>	<b>144,717</b>	<b>148,077</b>	<b>144,577</b>	<b>146,640</b>	<b>149,704</b>	<b>148,774</b>	<b>150,161</b>	<b>153,838</b>
75 To United States	9,730	20,986	21,785	25,424	25,843	26,688	29,598	30,383	31,408	34,216
76 Parent bank	1,887	3,104	4,225	4,242	4,543	4,376	4,371	4,138	4,189	5,365
77 Other banks in United States	4,189	7,693	5,716	5,731	5,928	5,973	6,172	5,864	5,646	6,635
78 Nonbanks	3,654	10,189	11,844	15,451	15,372	16,339	19,055	20,381	21,573	22,216
79 To foreigners	93,202	104,032	117,438	117,318	113,634	114,655	115,099	113,560	113,191	113,534
80 Other branches of parent bank	12,786	12,567	15,384	15,437	15,095	14,169	14,996	15,103	15,255	14,989
81 Banks	39,917	47,620	56,262	55,990	53,842	56,209	55,923	54,351	51,532	51,638
82 Official institutions	20,963	24,202	21,412	19,241	18,390	18,508	17,197	16,352	17,866	18,480
83 Nonbank foreigners	19,536	19,643	24,380	26,650	26,307	25,769	26,983	27,754	28,538	28,427
84 Other liabilities	3,661	5,855	5,494	5,335	5,100	5,297	5,007	4,831	5,562	6,088
<b>85 Total payable in U.S. dollars</b>	<b>77,030</b>	<b>95,449</b>	<b>103,440</b>	<b>108,895</b>	<b>107,139</b>	<b>109,209</b>	<b>113,427</b>	<b>113,247</b>	<b>114,191</b>	<b>117,669</b>
86 To United States	9,328	20,552	21,080	24,950	25,333	26,221	28,858	29,606	30,661	33,539
87 Parent bank	1,836	3,054	4,078	4,159	4,448	4,306	4,277	4,054	4,132	5,306
88 Other banks in United States	4,101	7,651	5,626	5,684	5,854	5,919	6,094	5,768	5,594	6,556
89 Nonbanks	3,391	9,847	11,376	15,107	15,031	15,996	18,487	19,784	20,935	21,677
90 To foreigners	66,216	72,397	79,636	80,729	78,668	79,713	81,544	80,400	79,988	80,312
91 Other branches of parent bank	9,635	8,446	10,474	10,460	10,282	9,327	10,289	10,566	10,943	10,615
92 Banks	25,287	29,424	35,388	34,467	34,209	35,870	36,701	35,789	32,914	32,820
93 Official institutions	17,091	20,192	17,024	15,374	14,478	14,851	14,000	13,133	14,244	15,307
94 Nonbank foreigners	14,203	14,335	16,750	20,428	19,699	19,665	20,554	20,912	21,887	21,570
95 Other liabilities	1,486	2,500	2,724	3,216	3,138	3,275	3,025	3,241	3,542	3,818
<b>Bahamas and Caymans</b>										
<b>96 Total, all currencies</b>	<b>91,735</b>	<b>108,977</b>	<b>123,837</b>	<b>127,886</b>	<b>132,145</b>	<b>133,594</b>	<b>135,081</b>	<b>145,290</b>	<b>142,087</b>	<b>148,079</b>
97 To United States	39,431	37,719	59,666	64,026	69,478	69,048	69,407	77,197	73,924	77,702
98 Parent bank	20,482	15,267	28,181	31,741	32,925	29,583	32,160	31,034	31,265	33,451
99 Other banks in United States	6,073	5,204	7,379	7,883	8,618	9,297	8,822	10,517	8,938	10,191
100 Nonbanks	12,876	17,248	24,106	24,402	27,935	30,168	28,425	35,646	33,721	34,060
101 To foreigners	50,447	68,598	61,218	60,957	59,424	61,170	62,470	64,491	64,565	66,627
102 Other branches of parent bank	16,094	20,875	17,040	17,437	17,788	17,950	19,484	20,989	20,315	22,393
103 Banks	23,104	33,631	29,895	28,752	27,213	28,846	28,326	28,056	27,538	27,983
104 Official institutions	4,208	4,866	4,361	4,403	4,079	3,666	3,685	3,934	4,605	4,028
105 Nonbank foreigners	7,041	9,226	9,922	10,365	10,344	10,708	10,975	11,512	12,107	12,223
106 Other liabilities	1,857	2,660	2,953	2,903	3,243	3,376	3,204	3,602	3,598	3,750
<b>107 Total payable in U.S. dollars</b>	<b>87,014</b>	<b>103,460</b>	<b>119,657</b>	<b>123,785</b>	<b>128,235</b>	<b>129,811</b>	<b>131,120</b>	<b>141,241</b>	<b>137,754</b>	<b>143,682</b>

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1978	1979	1980	1981						
				Apr.	May	June	July	Aug.	Sept. <sup>P</sup>	Oct. <sup>P</sup>
1 Total <sup>1</sup> .....	162,775	149,697	164,576	170,600	165,414	167,069	166,986	162,391	161,587	159,685
<i>By type</i>										
2 Liabilities reported by banks in the United States <sup>2</sup> .....	23,326	30,540	30,381	25,563	23,575	25,234	25,937	22,934	22,865	20,816
3 U.S. Treasury bills and certificates <sup>3</sup> .....	67,671	47,666	56,243	61,671	57,858	57,719	55,659	52,924	50,179	48,867
U.S. Treasury bonds and notes										
4 Marketable.....	35,894	37,590	41,455	45,303	45,625	46,605	47,402	48,934	50,312	51,945
5 Nonmarketable <sup>4</sup> .....	20,970	17,387	14,654	14,294	13,202	12,802	12,402	12,402	12,402	12,191
6 U.S. securities other than U.S. Treasury securities <sup>5</sup> .....	14,914	16,514	21,843	23,769	24,062	24,309	25,186	25,197	25,829	25,866
<i>By area</i>										
7 Western Europe <sup>1</sup> .....	93,089	85,633	81,592	78,237	71,467	71,130	70,557	65,960	64,409	60,969
8 Canada.....	2,486	1,898	1,562	1,177	1,365	1,248	664	1,603	1,366	1,073
9 Latin America and Caribbean.....	5,046	6,291	5,688	5,908	5,526	6,103	5,584	5,968	5,429	5,088
10 Asia.....	59,004	52,978	70,782	79,253	81,014	83,124	85,845	84,641	87,333	89,194
11 Africa.....	2,408	2,412	4,123	4,188	3,927	3,190	2,645	2,840	2,090	2,149
12 Other countries <sup>6</sup> .....	742	485	829	1,835	2,116	2,275	1,691	1,379	960	1,212

- 1. Includes the Bank for International Settlements.
- 2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
- 3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
- 4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.
- 5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
- 6. Includes countries in Oceania and Eastern Europe.

NOTE: Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.15 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1977	1978	1979	1980	1981		
				Dec.	Mar.	June	Sept. <sup>P</sup>
1 Banks' own liabilities.....	925	2,406	1,918	3,748	3,298	3,031	2,870
2 Banks' own claims <sup>1</sup> .....	2,356	3,671	2,419	4,206	4,257	3,673	4,132
3 Deposits.....	941	1,795	994	2,507	1,779	2,052	2,423
4 Other claims.....	1,415	1,876	1,425	1,699	2,478	1,621	1,709
5 Claims of banks' domestic customers <sup>2</sup> .....		358	580	962	444	347	247

- 1. Includes claims of banks' domestic customers through March 1978.
- 2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE: Data on claims exclude foreign currencies held by U.S. monetary authorities.

**3.16 LIABILITIES TO FOREIGNERS** Reported by Banks in the United States  
Payable in U.S. dollars  
Millions of dollars, end of period

Holder and type of liability	1978	1979	1980	1981							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>p</sup>
<b>1 All foreigners</b>	<b>166,842</b>	<b>187,521</b>	<b>205,295</b>	<b>205,285<sup>r</sup></b>	<b>213,250</b>	<b>213,487</b>	<b>208,799</b>	<b>213,677</b>	<b>208,044<sup>r</sup></b>	<b>215,930</b>	<b>197,898</b>
2 Banks' own liabilities	78,661	117,196	124,789	120,616 <sup>r</sup>	128,170	132,167	127,947	131,903	130,980 <sup>r</sup>	142,030	123,201
3 Demand deposits	19,218	23,303	23,462	21,195 <sup>r</sup>	22,644	22,193	23,174	21,401	22,072	23,589	19,023
4 Time deposits <sup>1</sup>	12,427	13,623	15,076	16,316 <sup>r</sup>	15,731	16,059	16,641	16,457	17,250 <sup>r</sup>	17,300	17,497
5 Other <sup>2</sup>	9,705	16,453	17,581	16,227 <sup>r</sup>	14,814	12,359	14,090	13,327	11,242 <sup>r</sup>	13,584	11,032
6 Own foreign offices <sup>3</sup>	37,311	63,817	68,670	66,877 <sup>r</sup>	74,980	81,556	74,042	80,717	80,416 <sup>r</sup>	87,556	75,649
7 Banks' custody liabilities <sup>4</sup>	88,181	70,325	80,506	84,669 <sup>r</sup>	85,080	81,320	80,852	81,774	77,065 <sup>r</sup>	73,900	74,697
8 U.S. Treasury bills and certificates <sup>5</sup>	68,202	48,573	57,595	62,344 <sup>r</sup>	63,281	59,597	59,745	57,550	54,846 <sup>r</sup>	52,368	51,530
9 Other negotiable and readily transferable instruments <sup>6</sup>	17,472	19,396	20,079	18,015 <sup>r</sup>	17,922	17,392	17,023	17,865	17,999 <sup>r</sup>	17,295	18,248
10 Other	2,507	2,356	2,832	4,310	3,877	4,331	4,084	6,359	4,220 <sup>r</sup>	4,238	4,919
<b>11 Nonmonetary international and regional organizations<sup>7</sup></b>	<b>2,607</b>	<b>2,356</b>	<b>2,342</b>	<b>1,854</b>	<b>1,816</b>	<b>1,813</b>	<b>1,777</b>	<b>1,798</b>	<b>1,650</b>	<b>1,826</b>	<b>1,981</b>
12 Banks' own liabilities	906	714	442	293	667	509	357	363	436	398	303
13 Demand deposits	330	260	146	126	178	147	224	222	233	249	185
14 Time deposits <sup>1</sup>	84	151	85	67	81	80	75	75	59	60	58
15 Other <sup>2</sup>	492	303	211	100	408	281	58	65	145	89	60
16 Banks' custody liabilities <sup>4</sup>	1,701	1,643	1,900	1,561	1,149	1,304	1,420	1,435	1,214	1,428	1,678
17 U.S. Treasury bills and certificates	201	102	254	333	63	213	289	247	84	96	184
18 Other negotiable and readily transferable instruments <sup>6</sup>	1,499	1,538	1,646	1,228	1,086	1,091	1,132	1,188	1,130	1,332	1,494
19 Other	1	2	0	0	0	0	0	0	0	0	0
<b>20 Official institutions<sup>8</sup></b>	<b>90,742</b>	<b>78,206</b>	<b>86,624</b>	<b>87,797<sup>r</sup></b>	<b>87,262</b>	<b>81,434</b>	<b>82,953</b>	<b>81,596</b>	<b>75,858</b>	<b>73,044</b>	<b>69,683</b>
21 Banks' own liabilities	12,165	18,292	17,826	16,242 <sup>r</sup>	14,689	13,478	15,815	14,460	13,482	13,951	11,762
22 Demand deposits	3,390	4,671	3,771	3,232	3,768	3,444	3,975	3,134	3,714	2,697	2,668
23 Time deposits <sup>1</sup>	2,560	3,050	3,612	2,950 <sup>r</sup>	2,424	2,654	2,563	2,090	2,021	1,981	1,693
24 Other <sup>2</sup>	6,215	10,571	10,443	10,060 <sup>r</sup>	8,496	7,381	9,277	9,236	7,747	9,273	7,402
25 Banks' custody liabilities <sup>4</sup>	78,577	59,914	68,798	71,555 <sup>r</sup>	72,574	67,955	67,138	67,136	62,376	59,093	57,921
26 U.S. Treasury bills and certificates <sup>5</sup>	67,415	47,666	56,243	60,492	61,670	57,858	57,719	55,659	52,921 <sup>r</sup>	50,179	48,867
27 Other negotiable and readily transferable instruments <sup>6</sup>	10,992	12,196	12,501	10,871	10,819	10,014	9,346	9,396	9,400 <sup>r</sup>	8,659	9,007
28 Other	170	52	54	191	84	83	73	2,081	55 <sup>r</sup>	255	46
<b>29 Banks<sup>9</sup></b>	<b>57,423</b>	<b>88,316</b>	<b>96,415</b>	<b>94,516<sup>r</sup></b>	<b>102,584</b>	<b>108,542</b>	<b>101,464</b>	<b>107,806</b>	<b>107,448<sup>r</sup></b>	<b>117,457</b>	<b>102,034</b>
30 Banks' own liabilities	52,626	83,299	90,456	86,784 <sup>r</sup>	95,138	100,442	93,250	98,886	98,350 <sup>r</sup>	108,445	91,834
31 Unaffiliated foreign banks	15,315	19,482	21,786	19,907 <sup>r</sup>	20,157	18,886	19,208	18,168	17,933	20,889	16,184
32 Demand deposits	11,257	13,285	14,188	12,567 <sup>r</sup>	13,493	13,394	13,628	12,929	13,255	15,199	11,309
33 Time deposits <sup>1</sup>	1,429	1,667	1,703	2,305 <sup>r</sup>	2,305	1,549	1,685	1,728	1,686	1,880	1,663
34 Other <sup>2</sup>	2,629	4,530	5,895	5,035 <sup>r</sup>	5,115	3,808	3,852	3,666	2,993	3,810	3,212
35 Own foreign offices <sup>3</sup>	37,311	63,817	68,670	66,877 <sup>r</sup>	74,980	81,556	74,042	80,717	80,416 <sup>r</sup>	87,556	75,649
36 Banks' custody liabilities <sup>4</sup>	4,797	5,017	5,959	7,731 <sup>r</sup>	7,446	8,100	8,214	8,921	9,099 <sup>r</sup>	9,012	10,200
37 U.S. Treasury bills and certificates	300	422	623	827	839	945	1,170	1,069	1,217	1,439	1,574
38 Other negotiable and readily transferable instruments <sup>6</sup>	2,425	2,415	2,748	2,927 <sup>r</sup>	2,932	3,053	3,178	3,732	4,019 <sup>r</sup>	3,889	4,091
39 Other	2,072	2,179	2,588	3,977	3,675	4,102	3,866	4,119	3,862 <sup>r</sup>	3,684	4,535
<b>40 Other foreigners</b>	<b>16,070</b>	<b>18,642</b>	<b>19,914</b>	<b>21,118<sup>r</sup></b>	<b>21,588</b>	<b>21,698</b>	<b>22,605</b>	<b>22,477</b>	<b>23,088</b>	<b>23,603</b>	<b>24,200</b>
41 Banks' own liabilities	12,964	14,891	16,065	17,296 <sup>r</sup>	17,677	17,737	18,525	18,195	18,712	19,236	19,302
42 Demand deposits	4,242	5,087	5,356	5,270	5,205	5,209	5,346	5,116	4,871	5,444	4,861
43 Time deposits	8,353	8,755	9,676	10,995	11,677	11,640	12,275	12,719	13,483 <sup>r</sup>	13,380	14,084
44 Other <sup>2</sup>	368	1,048	1,033	1,032 <sup>r</sup>	795	889	903	360	358 <sup>r</sup>	411	358
45 Banks' custody liabilities <sup>4</sup>	3,106	3,751	3,849	3,822 <sup>r</sup>	3,911	3,961	4,080	4,283	4,376	4,367	4,898
46 U.S. Treasury bills and certificates	285	382	474	692 <sup>r</sup>	709	581	568	575	624	654	905
47 Other negotiable and readily transferable instruments <sup>6</sup>	2,557	3,247	3,185	2,989 <sup>r</sup>	3,085	3,235	3,367	3,548	3,450	3,414	3,656
48 Other	264	123	190	141	118	145	144	159	302	300	337
<b>49 MEMO: Negotiable time certificates of deposit in custody for foreigners</b>	<b>11,007</b>	<b>10,984</b>	<b>10,745</b>	<b>9,697<sup>r</sup></b>	<b>9,584</b>	<b>9,653</b>	<b>10,176</b>	<b>10,091</b>	<b>9,961</b>	<b>9,481</b>	<b>9,410</b>

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments." Data for time deposits before April 1978 represent short-term only.  
 2. Includes borrowing under repurchase agreements.  
 3. U.S. banks; includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks; principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.  
 4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.  
 6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.  
 7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.  
 8. Foreign central banks and foreign central governments and the Bank for International Settlements.  
 9. Excludes central banks, which are included in "Official institutions."





## 3.17 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1978	1979	1980	1981							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>P</sup>
<b>1 Total</b>	<b>115,545</b>	<b>133,943</b>	<b>172,592</b>	<b>182,753<sup>r</sup></b>	<b>185,871</b>	<b>187,139</b>	<b>197,312</b>	<b>196,860</b>	<b>198,878<sup>r</sup></b>	<b>209,951</b>	<b>196,134</b>
<b>2 Foreign countries</b>	<b>115,488</b>	<b>133,906</b>	<b>172,514</b>	<b>182,707<sup>r</sup></b>	<b>185,830</b>	<b>187,092</b>	<b>197,264</b>	<b>196,800</b>	<b>198,827<sup>r</sup></b>	<b>209,896</b>	<b>196,091</b>
<b>3 Europe</b>	<b>24,201</b>	<b>28,388</b>	<b>32,108</b>	<b>35,528<sup>r</sup></b>	<b>34,687</b>	<b>34,463</b>	<b>37,338</b>	<b>35,198</b>	<b>35,065<sup>r</sup></b>	<b>40,861</b>	<b>34,131</b>
4 Austria	140	284	236	174	151	149	166	157	185	436	138
5 Belgium-Luxembourg	1,200	1,339	1,621	2,573	2,157	2,012	2,796	2,087	2,373	2,625	1,755
6 Denmark	254	147	127	119	141	162	125	132	166 <sup>r</sup>	167	186
7 Finland	305	202	460	326	327	299	365	343	352	337	397
8 France	3,735	3,322	2,958	3,911	3,706	3,164	3,209	2,861	3,074 <sup>r</sup>	3,350	2,563
9 Germany	845	1,179	948	1,122	1,040	1,140	1,099	1,259	1,144	1,268	846
10 Greece	164	154	256	210	334	242	249	292	214	286	229
11 Italy	1,523	1,631	3,364	3,060 <sup>r</sup>	2,931	2,981	3,879	3,923	3,997 <sup>r</sup>	4,015	4,322
12 Netherlands	677	514	575	575 <sup>r</sup>	545	604	627	497	581	568	565
13 Norway	290	276	227	233	180	173	173	167	249	298	227
14 Portugal	171	330	331	247	242	263	353	389	350	328	353
15 Spain	1,120	1,051	993	1,502 <sup>r</sup>	1,611	1,720	1,769	1,726	1,801	1,711	1,627
16 Sweden	537	542	783	884	975	996	794	730	672	930	871
17 Switzerland	1,283	1,165	1,446	1,390 <sup>r</sup>	1,278	1,708	1,690	1,871	1,708	1,947	1,471
18 Turkey	200	149	136	136	132	172	147	137	159	144	153
19 United Kingdom	10,147	13,795	14,917	16,201 <sup>r</sup>	16,004	15,835	16,675	15,454	14,832 <sup>r</sup>	19,375	15,516
20 Yugoslavia	363	611	853	872	878	904	988	992	948	928	954
21 Other Western Europe <sup>1</sup>	122	175	179	265	224	147	182	160	200	185	148
22 U.S.S.R.	360	268	281	265	256	254	302	245	252	236	203
23 Other Eastern Europe <sup>2</sup>	657	1,254	1,410	1,548	1,567	1,539	1,752	1,776	1,809	1,730	1,608
<b>24 Canada</b>	<b>5,152</b>	<b>4,143</b>	<b>4,810</b>	<b>5,422<sup>r</sup></b>	<b>6,201</b>	<b>6,068</b>	<b>7,024</b>	<b>7,661</b>	<b>6,353<sup>r</sup></b>	<b>7,960</b>	<b>7,299</b>
<b>25 Latin America and Caribbean</b>	<b>57,565</b>	<b>67,993</b>	<b>92,992</b>	<b>97,434<sup>r</sup></b>	<b>99,120</b>	<b>99,964</b>	<b>103,375</b>	<b>105,302</b>	<b>108,706</b>	<b>111,451</b>	<b>107,673</b>
26 Argentina	2,281	4,389	5,689	5,691 <sup>r</sup>	5,900	5,659	5,822	5,742	5,702	5,743	5,885
27 Bahamas	21,555	18,918	29,419	34,634 <sup>r</sup>	34,080	33,285	34,753	35,552	36,684 <sup>r</sup>	37,849	36,609
28 Bermuda	184	496	218	324	401	481	404	411	340	650	335
29 Brazil	6,251	7,713	10,496	10,278 <sup>r</sup>	9,934	9,927	10,014	9,781	10,214 <sup>r</sup>	9,823	10,352
30 British West Indies	9,694	9,818	15,663	14,511	16,422	17,312	18,313	18,001	17,846 <sup>r</sup>	18,996	17,022
31 Chile	970	1,441	1,951	1,876	2,028	2,019	2,074	2,203	2,321	2,511	2,565
32 Colombia	1,012	1,614	1,752	1,467	1,457	1,580	1,533	1,480	1,429	1,487	1,529
33 Cuba	0	4	3	3	4	4	3	3	14	5	4
34 Ecuador	705	1,025	1,190	1,257	1,229	1,239	1,285	1,307	1,318 <sup>r</sup>	1,297	1,282
35 Guatemala <sup>3</sup>	94	134	137	208	98	104	104	95	115	119	126
36 Jamaica <sup>4</sup>	40	47	36	36 <sup>r</sup>	34	35	38	39	40	68	39
37 Mexico	5,479	9,099	12,595	12,489 <sup>r</sup>	13,243	13,351	14,066	15,560	17,391 <sup>r</sup>	17,238	17,130
38 Netherlands Antilles	273	248	821	921	824	756	874	933	894	867	928
39 Panama	3,098	6,041	4,974	5,673 <sup>r</sup>	5,517	6,054	6,210	6,029	6,167	6,664	5,776
40 Peru	918	652	890	794	855	871	818	803	796	787	794
41 Uruguay	52	105	137	103	105	100	94	102	107	142	166
42 Venezuela	3,474	4,657	5,438	5,463 <sup>r</sup>	5,330	5,438	5,295	5,436	5,529	5,319	5,268
43 Other Latin America and Caribbean	1,485	1,593	1,583	1,705	1,658	1,751	1,675	1,821	1,800 <sup>r</sup>	1,885	1,865
<b>44 Asia</b>	<b>25,362</b>	<b>30,730</b>	<b>39,078</b>	<b>40,011<sup>r</sup></b>	<b>42,512</b>	<b>43,020</b>	<b>46,027</b>	<b>44,999</b>	<b>44,934<sup>r</sup></b>	<b>45,562</b>	<b>43,141</b>
45 China	4	35	195	201	202	204	205	188	186	153	148
46 Mainland	1,499	1,821	2,469	2,413	2,568	2,414	2,471	2,380	2,543 <sup>r</sup>	2,476	2,359
47 Taiwan	1,479	1,804	2,247	2,333 <sup>r</sup>	2,429	2,898	3,328	3,208	3,347	3,721	3,775
48 Hong Kong	54	92	142	130 <sup>r</sup>	134	170	132	106	135	144	176
49 India	143	31	245	288	299	268	257	271	254	363	267
50 Indonesia	888	990	1,172	983 <sup>r</sup>	1,016	1,186	1,309	1,178	1,108	1,086	1,200
51 Israel	12,646	16,911	21,361	23,983 <sup>r</sup>	23,918	24,195	25,995	25,954	25,352 <sup>r</sup>	25,330	22,746
52 Japan	2,282	3,793	5,697	5,826 <sup>r</sup>	6,031	6,023	6,678	6,426	6,479 <sup>r</sup>	6,486	6,563
53 Korea	680	737	989	610 <sup>r</sup>	999	1,024	1,192	1,194	1,402	1,530	1,448
54 Philippines	758	933	876	835	829	698	661	546	527 <sup>r</sup>	512	559
55 Thailand	3,125	1,548	1,432	1,491 <sup>r</sup>	1,914	1,474	1,617	1,288	1,473	1,394	1,381
56 Middle East oil-exporting countries <sup>5</sup>	1,804	1,934	2,252	1,919 <sup>r</sup>	2,175	2,465	2,181	2,261	2,129	2,367	2,520
56 Other Asia	1,804	1,934	2,252	1,919 <sup>r</sup>	2,175	2,465	2,181	2,261	2,129	2,367	2,520
<b>57 Africa</b>	<b>2,221</b>	<b>1,797</b>	<b>2,377</b>	<b>2,271</b>	<b>2,272</b>	<b>2,536</b>	<b>2,422</b>	<b>2,518</b>	<b>2,715</b>	<b>2,954</b>	<b>2,788</b>
58 Egypt	107	114	151	137	124	126	155	128	148	145	147
59 Morocco	82	103	223	153	118	87	86	86	204	273	269
60 South Africa	860	445	370	534	562	668	658	688	787	917	852
61 Zaire	164	144	94	111	108	98	98	100	87	102	98
62 Oil-exporting countries <sup>5</sup>	452	391	805	589	650	805	672	726	713	689	534
63 Other	556	600	734	746	710	752	769	789	777	828	888
<b>64 Other countries</b>	<b>988</b>	<b>855</b>	<b>1,150</b>	<b>1,041</b>	<b>1,038</b>	<b>1,040</b>	<b>1,078</b>	<b>1,121</b>	<b>1,054</b>	<b>1,109</b>	<b>1,059</b>
65 Australia	877	673	859	874	922	898	939	988	952	957	962
66 All other	111	182	290	167	116	142	139	133	102	152	97
<b>67 Nonmonetary international and regional organizations<sup>6</sup></b>	<b>56</b>	<b>36</b>	<b>78</b>	<b>46<sup>r</sup></b>	<b>41</b>	<b>47</b>	<b>48</b>	<b>60</b>	<b>51</b>	<b>55</b>	<b>43</b>

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Included in "Other Latin America and Caribbean" through March 1978.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE: Data for period prior to April 1978 include claims of banks' domestic customers on foreigners.

3.18 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States  
Payable in U.S. Dollars  
Millions of dollars, end of period

Type of claim	1978	1979	1980	1981							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>P</sup>
1 Total .....	126,787	154,030	198,698	214,581 <sup>r</sup>	.....	.....	231,076	.....	.....	245,507 <sup>r</sup>	.....
2 Banks' own claims on foreigners .....	115,545	133,943	172,592	182,753 <sup>r</sup>	185,871	187,139	197,312	196,860	198,878 <sup>r</sup>	209,951 <sup>r</sup>	196,134
3 Foreign public borrowers .....	10,346	15,937	20,882	21,159 <sup>r</sup>	21,466	21,541	22,825	24,020	24,414 <sup>r</sup>	25,004 <sup>r</sup>	25,418
4 Own foreign offices <sup>1</sup> .....	41,605	47,428	65,084	75,107 <sup>r</sup>	76,763	75,441	80,228	80,673	80,373 <sup>r</sup>	88,189 <sup>r</sup>	78,767
5 Unaffiliated foreign banks .....	40,483	40,927	50,168	48,865 <sup>r</sup>	49,600	52,236	55,212	54,204	55,364 <sup>r</sup>	58,424 <sup>r</sup>	54,512
6 Deposits .....	5,428	6,274	8,254	8,980 <sup>r</sup>	8,798	10,743	11,342	11,278	11,678 <sup>r</sup>	12,720 <sup>r</sup>	12,060
7 Other .....	35,054	34,654	41,914	39,885 <sup>r</sup>	40,802	41,493	43,870	42,926	43,686 <sup>r</sup>	45,704 <sup>r</sup>	42,452
8 All other foreigners .....	23,111	29,650	36,459	37,622 <sup>r</sup>	38,042	37,921	39,047	37,963	38,727 <sup>r</sup>	38,334 <sup>r</sup>	37,436
9 Claims of banks' domestic customers <sup>2</sup> ..	11,243	20,088	26,106	31,828 <sup>r</sup>	.....	.....	33,764	.....	.....	35,556	.....
10 Deposits .....	480	955	885	1,011 <sup>r</sup>	.....	.....	743	.....	.....	992	.....
11 Negotiable and readily transferable instruments <sup>3</sup> ..	5,396	13,100	15,574	20,064	.....	.....	23,514	.....	.....	25,191	.....
12 Outstanding collections and other claims <sup>4</sup> .....	5,366	6,032	9,648	10,753	.....	.....	9,507	.....	.....	9,373	.....
13 MEMO: Customer liability on acceptances ..	15,030	18,021	22,714	24,409 <sup>r</sup>	.....	.....	27,457	.....	.....	27,628	.....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States <sup>5</sup> .....	13,558	22,042	24,100	30,403	34,316	34,753	33,070	37,327	34,153	35,998	n.a.

1. U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

3. Principally negotiable time certificates of deposit and bankers acceptances.

4. Data for March 1978 and for period before that are outstanding collections only.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

NOTE. Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

3.19 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States  
Payable in U.S. Dollars  
Millions of dollars, end of period

Maturity; by borrower and area	1978	1979	1980		1981		
	Dec.	Dec.	Sept.	Dec.	Mar.	June	Sept. <sup>P</sup>
1 Total .....	73,635	86,181	99,022	106,857	107,276 <sup>r</sup>	116,251	122,050
<i>By borrower</i>							
2 Maturity of 1 year or less <sup>1</sup> .....	58,345	65,152	76,231	82,665	83,471 <sup>r</sup>	90,819	94,603
3 Foreign public borrowers .....	4,633	7,233	8,935	10,036	10,734 <sup>r</sup>	11,619	12,970
4 All other foreigners .....	53,712	57,919	67,296	72,628	72,737 <sup>r</sup>	79,200	81,633
5 Maturity of over 1 year <sup>1</sup> .....	15,289	21,030	22,791	24,193	23,805 <sup>r</sup>	25,431	27,447
6 Foreign public borrowers .....	5,395	8,371	9,722	10,152	10,250 <sup>r</sup>	11,012	12,296
7 All other foreigners .....	9,894	12,659	13,069	14,041	13,555	14,419	15,151
<i>By area</i>							
8 Maturity of 1 year or less <sup>1</sup> .....							
9 Europe .....	15,169	15,235	16,940	18,762	18,681 <sup>r</sup>	20,718	22,749
10 Canada .....	2,670	1,777	2,166	2,723	2,743 <sup>r</sup>	3,196	3,799
11 Latin America and Caribbean .....	20,895	24,928	28,097	32,034	31,329 <sup>r</sup>	32,911	35,509
12 Asia .....	17,545	21,641	26,876	26,748	28,363 <sup>r</sup>	31,448	29,448
13 Africa .....	1,496	1,077	1,401	1,757	1,624 <sup>r</sup>	1,770	2,324
14 All other <sup>2</sup> .....	569	493	751	640	730 <sup>r</sup>	776	774
15 Maturity of over 1 year <sup>1</sup> .....							
16 Europe .....	3,142	4,160	4,705	5,118	5,585 <sup>r</sup>	6,277	6,403
17 Canada .....	1,426	1,317	1,188	1,448	1,180 <sup>r</sup>	1,316	1,347
18 Latin America and Caribbean .....	8,464	12,814	14,187	15,075	14,841 <sup>r</sup>	15,448	17,423
19 Asia .....	1,407	1,911	2,014	1,865	1,530 <sup>r</sup>	1,680	1,571
20 Africa .....	637	655	567	507	531 <sup>r</sup>	551	548
21 All other <sup>2</sup> .....	214	173	130	179	138 <sup>r</sup>	159	155

1. Remaining time to maturity.

2. Includes nonmonetary international and regional organizations.

3.20 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks<sup>1</sup>

Billions of dollars, end of period

Area or country	1977	1978 <sup>2</sup>	1979		1980				1981		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept. <sup>P</sup>
<b>1 Total</b> .....	<b>240.0</b>	<b>266.2</b>	<b>294.0</b>	<b>303.8</b>	<b>308.5</b>	<b>328.7'</b>	<b>339.1'</b>	<b>351.9'</b>	<b>370.9</b>	<b>382.2</b>	<b>398.2</b>
<b>2 G-10 countries and Switzerland</b> .....	<b>116.4</b>	<b>124.7</b>	<b>135.7</b>	<b>138.4</b>	<b>141.2</b>	<b>154.2</b>	<b>158.8</b>	<b>162.1</b>	<b>168.4</b>	<b>168.3</b>	<b>171.8</b>
3 Belgium-Luxembourg .....	8.4	9.0	10.7	11.1	10.8	13.1	13.6	13.0	13.5	14.2	14.0
4 France .....	11.0	12.2	12.0	11.7	12.0	14.1'	13.9	14.1	14.5	14.7	16.0
5 Germany .....	9.6	11.3	12.8	12.2	11.4	12.7	12.9	12.1	13.2	12.1	12.7
6 Italy .....	6.5	6.7	6.1	6.4	6.2	6.9	7.2	8.2	7.7	8.4	8.6
7 Netherlands .....	3.5	4.4	4.7	4.8	4.3	4.5	4.4	4.4	4.6	4.1	3.7
8 Sweden .....	1.9	2.1	2.3	2.4	2.4	2.7	2.8	2.9	3.2	3.1	3.4
9 Switzerland .....	3.6	5.3	5.0	4.7	4.3	3.3	3.4	5.0	5.1	5.2	5.1
10 United Kingdom .....	46.5	47.3	53.7	56.4	57.6	64.4'	66.7'	67.4	68.2	66.7	68.6
11 Canada .....	6.4	6.0	6.0	6.3	6.9	7.2	7.7	8.4	8.8	10.8	11.5
12 Japan .....	18.8	20.6	22.3	22.4	25.4	25.5	26.1	26.5	29.6	28.9	28.2
<b>13 Other developed countries</b> .....	<b>18.6</b>	<b>19.4</b>	<b>19.7</b>	<b>19.9</b>	<b>18.8</b>	<b>20.3</b>	<b>20.6</b>	<b>21.7</b>	<b>23.5</b>	<b>24.8</b>	<b>26.3</b>
14 Austria .....	1.3	1.7	2.0	2.0	1.7	1.8	1.9	1.9	1.8	2.1	2.1
15 Denmark .....	1.6	2.0	2.0	2.2	2.1	2.2	2.2	2.3	2.4	2.3	2.5
16 Finland .....	1.2	1.2	1.2	1.2	1.1	1.3	1.2	1.4	1.4	1.3	1.4
17 Greece .....	2.2	2.3	2.3	2.4	2.4	2.5	2.6	2.8	2.7	3.0	2.9
18 Norway .....	1.9	2.1	2.3	2.3	2.4	2.4	2.4	2.6	2.8	2.8	3.0
19 Portugal .....	.6	.6	.7	.7	.6	.6	.7	.6	.6	.8	1.0
20 Spain .....	3.6	3.5	3.3	3.5	3.5	3.9	4.2	4.4	5.6	5.7	5.8
21 Turkey .....	1.5	1.5	1.4	1.4	1.4	1.4	1.3	1.5	1.5	1.4	1.5
22 Other Western Europe .....	.9	1.3	1.5	1.4	1.4	1.6	1.7	1.7	1.8	1.8	1.9
23 South Africa .....	2.4	2.0	1.7	1.3	1.1	1.5	1.2	1.1	1.5	1.9	2.5
24 Australia .....	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.3	1.4	1.7	1.9
<b>25 OPEC countries<sup>3</sup></b> .....	<b>17.6</b>	<b>22.7</b>	<b>23.4</b>	<b>22.9</b>	<b>21.8</b>	<b>20.9</b>	<b>21.4'</b>	<b>22.7</b>	<b>21.7</b>	<b>22.2</b>	<b>23.4</b>
26 Ecuador .....	1.1	1.6	1.6	1.7	1.8	1.8	1.9	2.1	2.0	2.0	2.1
27 Venezuela .....	5.5	7.2	7.9	8.7	7.9	7.9	8.5	9.1	8.3	8.7	9.2
28 Indonesia .....	2.2	2.0	1.9	1.9	1.9	1.9	1.9	1.8	2.1	2.1	2.5
29 Middle East countries .....	6.9	9.5	9.2	8.0	7.8	6.9	6.7'	6.9	6.7	6.8	7.1
30 African countries .....	1.9	2.5	2.8	2.6	2.5	2.5	2.4	2.8	2.6	2.6	2.6
<b>31 Non-OPEC developing countries</b> .....	<b>48.7</b>	<b>52.6</b>	<b>58.9</b>	<b>62.9</b>	<b>63.7</b>	<b>67.6'</b>	<b>72.8</b>	<b>77.2</b>	<b>81.8</b>	<b>84.6</b>	<b>89.8</b>
<i>Latin America</i>											
32 Argentina .....	2.9	3.0	4.1	5.0	5.5	5.6	7.6	7.9	9.4	8.5	9.2
33 Brazil .....	12.7	14.9	15.1	15.2	15.0	15.3	15.8	16.2	16.8	17.3	17.6
34 Chile .....	.9	1.6	2.2	2.5	2.5	2.7	3.2	3.7	4.0	4.7	5.5
35 Colombia .....	1.3	1.4	1.7	2.2	2.1	2.2	2.4	2.6	2.4	2.5	2.5
36 Mexico .....	11.9	10.8	11.4	12.0	12.1	13.6	14.4	15.9	17.0	18.2	20.0
37 Peru .....	1.9	1.7	1.4	1.5	1.3	1.4	1.5	1.8	1.8	1.7	1.8
38 Other Latin America .....	2.6	3.6	3.6	3.7	3.6	3.6	3.9	3.9	4.7	3.8	4.2
<i>Asia</i>											
39 China											
40 Mainland .....	.0	.0	.1	.1	.1	.1	.1	.2	.2	.2	.2
41 Taiwan .....	3.1	2.9	3.5	3.4	3.6	3.8	4.1	4.2	4.4	4.6	5.1
42 India .....	.3	.2	.2	.2	.2	.2	.2	.3	.3	.3	.3
43 Israel .....	.9	1.0	1.0	1.3	.9	1.2	1.1	1.5	1.3	1.8	1.5
44 Korea (South) .....	3.9	3.9	5.3	5.4	6.4	7.1	7.3	7.1	7.7	8.7	8.5
45 Malaysia <sup>4</sup> .....	.7	.6	.7	.9	.8	.9	.9	1.0	1.0	1.4	1.4
46 Philippines .....	2.5	2.8	3.7	4.2	4.4	4.6	4.8	5.1'	4.8	5.1	5.6
47 Thailand .....	1.1	1.2	1.6	1.5	1.4	1.5	1.5	1.6'	1.6	1.5	1.4
48 Other Asia .....	.4	.2	.4	.5	.5	.5	.5	.6	.5	.7	.8
<i>Africa</i>											
49 Egypt .....	.3	.4	.6	.6	.7	.8'	.6'	.8	.8	.7	1.0
50 Morocco .....	.5	.6	.5	.6	.5	.5	.6	.7	.6	.5	.7
51 Zaire .....	.3	.2	.2	.2	.2	.2	.2	.2	.2	.2	.2
52 Other Africa <sup>5</sup> .....	.7	1.4	1.6	1.7	1.7	1.9'	2.1'	2.1'	2.2	2.1	2.2
<b>52 Eastern Europe</b> .....	<b>6.3</b>	<b>6.9</b>	<b>7.2</b>	<b>7.3</b>	<b>7.3</b>	<b>7.2</b>	<b>7.3</b>	<b>7.4</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>
53 U.S.S.R. .....	1.6	1.3	.9	.7	.6	.5	.5	.4	.4	.5	.4
54 Yugoslavia .....	1.1	1.5	1.8	1.8	1.9	2.1	2.1	2.3	2.4	2.5	2.5
55 Other .....	3.7	4.1	4.6	4.8	4.9	4.5	4.7	4.6	4.8	4.8	4.8
<b>56 Offshore banking centers</b> .....	<b>26.1</b>	<b>31.0</b>	<b>38.6</b>	<b>40.4</b>	<b>42.6</b>	<b>44.3</b>	<b>44.6'</b>	<b>47.0'</b>	<b>53.1</b>	<b>59.0</b>	<b>60.9</b>
57 Bahamas .....	9.9	10.4	13.0	13.7	13.9	13.7	13.2'	13.7'	15.2	17.7	20.8
58 Bermuda .....	.6	.7	.7	.8	.6	.6	.6	.6	.7	.7	.9
59 Cayman Islands and other British West Indies .....	3.7	7.4	9.5	9.4	11.3	9.8	10.1	10.6	11.7	12.4	11.7
60 Netherlands Antilles .....	.7	.8	1.1	1.2	.9	1.2	1.3	2.1	2.3	2.4	2.2
61 Panama <sup>6</sup> .....	3.1	3.0	3.4	4.3	4.9	5.6	5.6	5.4	6.5	6.9	6.7
62 Lebanon .....	.2	.1	.2	.2	.2	.2	.2	.2	.2	.2	.2
63 Hong Kong .....	3.7	4.2	5.5	6.0	5.7	6.9	7.5	8.1	8.4	10.3	10.3
64 Singapore .....	3.7	3.9	4.9	4.5	4.7	5.9	5.6	5.9	7.3	8.1	8.0
65 Others <sup>7</sup> .....	.5	.5	.4	.4	.4	.4	.4	.3	.9	.3	.1
<b>66 Miscellaneous and unallocated<sup>8</sup></b> .....	<b>5.3</b>	<b>9.1</b>	<b>10.6</b>	<b>11.7</b>	<b>13.1</b>	<b>14.3</b>	<b>13.7</b>	<b>14.0</b>	<b>14.9</b>	<b>15.7</b>	<b>18.2</b>

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices not covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.17 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2. Beginning with data for June 1978, the claims of the U.S. offices in this table include only banks' own claims payable in dollars. For earlier dates

the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to \$10 billion).

3. In addition to the Organization of Petroleum Exporting Countries shown individually, this group includes other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates) as well as Bahrain and Oman (not formally members of OPEC).

4. Foreign branch claims only through December 1976.

5. Excludes Liberia.

6. Includes Canal Zone beginning December 1979.

7. Foreign branch claims only.

8. Includes New Zealand, Liberia, and international and regional organizations.

## 3.21 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1979	1980	1981							
			Jan.- Oct. <sup>p</sup>	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>p</sup>
Holdings (end of period) <sup>1</sup>										
1 Estimated total <sup>2</sup> .....	51,484	57,549	62,245	62,967	64,263 <sup>r</sup>	64,668 <sup>r</sup>	66,468 <sup>r</sup>	67,001 <sup>r</sup>	68,222	
2 Foreign countries <sup>2</sup> .....	46,055	52,961	57,474	58,168	59,289	59,658	61,579	62,331	63,770	
3 Europe <sup>2</sup> .....	24,964	24,468	25,005	24,641	25,000	24,573	25,090	24,334	24,531	
4 Belgium-Luxembourg.....	60	77	123	131	173	163	370	372	384	
5 Germany <sup>2</sup> .....	14,056	12,327	11,907	11,940	12,585	13,226	13,524	12,830	13,029	
6 Netherlands.....	1,466	1,884	1,950	1,813	1,781	1,756	1,760	1,756	1,784	
7 Sweden.....	647	595	567	572	582	606	623	646	661	
8 Switzerland <sup>2</sup> .....	1,868	1,485	1,526	1,535	1,600	763	848	876	861	
9 United Kingdom.....	6,376	7,323	8,002	7,414	6,976	6,709	6,630	6,469	6,446	
10 Other Western Europe.....	491	777	930	1,236	1,304	1,350	1,334	1,385	1,367	
11 Eastern Europe.....	0	0	0	0	0	0	0	0	0	
12 Canada.....	232	449	464	486	484	501	514	528	547	
13 Latin America and Caribbean.....	466	999	939	849	666	724	818	854	788	
14 Venezuela.....	103	.....	292	287	287	287	313	294	289	
15 Other Latin America and Caribbean.....	200	285	389	430	217	260	321	313	317	
16 Netherlands Antilles.....	163	421	258	132	162	177	184	246	182	
17 Asia.....	19,805	26,112	29,920	31,047	31,997	32,716	34,008	35,468	37,014	
18 Japan.....	11,175	9,479	9,566	9,606	9,778	9,786	9,890	10,102	10,094	
19 Africa.....	591	919	1,139	1,139	1,140	1,139	1,140	1,140	882	
20 All other.....	-3	14	7	6	3	6	8	8	8	
21 Nonmonetary international and regional organizations.....	5,429	4,588	4,771	4,799	4,974 <sup>r</sup>	5,010 <sup>r</sup>	4,889 <sup>r</sup>	4,667 <sup>r</sup>	4,452	
22 International.....	5,388	4,548	4,759	4,791	4,966 <sup>r</sup>	5,008 <sup>r</sup>	4,887 <sup>r</sup>	4,670 <sup>r</sup>	4,450	
23 Latin American regional.....	37	36	6	1	1	1	1	1	1	
Transactions (net purchases, or sales (-) during period)										
24 Total <sup>2</sup> .....	6,537	6,066	10,932	368	721	1,297 <sup>r</sup>	405	1,799	533	1,480
25 Foreign countries <sup>2</sup> .....	6,238	6,906	11,068	516	694	1,121	369	1,920	753	1,698
26 Official institutions.....	1,697	3,865	10,490	495	321	980	798	1,532	1,378	1,633
27 Other foreign <sup>2</sup> .....	4,543	3,040	577	21	373	141	-429	388	-625	65
28 Nonmonetary international and regional organizations.....	300	-843	-134	-148	26	176 <sup>r</sup>	36	-120	-220	-217
MEMO: Oil-exporting countries										
29 Middle East <sup>3</sup> .....	-1,014	7,672	9,850	1,062	841	565	659	1,204	1,316	1,442
30 Africa <sup>4</sup> .....	-100	327	220	0	0	0	0	0	0	0

1. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

## 3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1978	1979	1980	1981						
				May	June	July	Aug.	Sept.	Oct.	Nov. <sup>p</sup>
1 Deposits.....	367	429	411	346	338	285	255	419	547	534
Assets held in custody										
2 U.S. Treasury securities <sup>1</sup> .....	117,126	95,075	102,417	109,742	107,884	105,064	102,197	101,068	101,068	103,894
3 Earmarked gold <sup>2</sup> .....	15,463	15,169	14,965	14,875	14,871	14,854	14,833	14,813	14,811	14,802

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

2. The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

NOTE. Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

## 3.23 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1979	1980	1981							
			Jan.- Oct. <sup>P</sup>	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>P</sup>
U.S. corporate securities										
STOCKS										
1 Foreign purchases .....	22,783	40,273	34,875	4,034	4,076	4,384 <sup>r</sup>	3,455	3,152	2,846	2,838
2 Foreign sales .....	21,104	34,852	29,589	3,315	2,860	3,417 <sup>r</sup>	3,257	3,206	2,322	2,791
3 Net purchases, or sales (-) .....	1,679	5,421	5,285	719	1,217	967 <sup>r</sup>	198	-54	525	47
4 Foreign countries .....	1,662	5,403	5,250	711	1,207	962 <sup>r</sup>	190	-49	530	53
5 Europe .....	237	3,110	3,271	420	764	508 <sup>r</sup>	119	74	37	46
6 France .....	137	490	887	126	393	45	48	29	10	21
7 Germany .....	-215	172	-18	17	-20	13 <sup>r</sup>	-28	-28	-48	6
8 Netherlands .....	-71	-328	56	-2	31	29	-41	-28	-3	13
9 Switzerland .....	-519	308	194	75	84	0	-19	1	-68	-97
10 United Kingdom .....	964	2,523	1,939	197	215	371	147	85	131	86
11 Canada .....	552	887	735	230	143	104	77	-39	44	-47
12 Latin America and Caribbean .....	-19	148	-50	-26	9	126	-126	-51	-81	7
13 Middle East <sup>1</sup> .....	688	1,206	1,119	91	223	33	105	-36	497	164
14 Other Asia .....	211	16	213	3	71	187	37	20	29	-117
15 Africa .....	-14	-1	6	-1	1	4	-1	0	0	0
16 Other countries .....	7	38	-44	-5	-4	-1	-21	-17	4	-2
17 Nonmonetary international and regional organizations .....	17	18	36	8	10	5	8	-5	-5	-6
BONDS <sup>2</sup>										
18 Foreign purchases .....	8,871	15,425	14,760	1,548	897	1,793 <sup>r</sup>	1,894	1,171	1,309	1,166
19 Foreign sales .....	7,592	9,964	9,708	774	669	1,319 <sup>r</sup>	820	894	1,051	1,203
20 Net purchases, or sales (-) .....	1,279	5,461	5,052	774	228	474 <sup>r</sup>	1,074	277	258	-37
21 Foreign countries .....	1,376	5,526	5,003	732	246	473	1,067	278	243	-27
22 Europe .....	671	1,576	1,294	327	-3	179	122	176	5	-106
23 France .....	56	129	0	8	17	10	-5	-9	4	5
24 Germany .....	59	213	731	22	28	151	68	105	64	43
25 Netherlands .....	-202	-65	47	13	4	0	0	-2	-2	3
26 Switzerland .....	-118	54	80	17	34	20	22	22	-23	7
27 United Kingdom .....	814	1,257	295	231	-87	4	11	45	-53	-164
28 Canada .....	80	135	24	12	18	-6	23	2	-12	-35
29 Latin America and Caribbean .....	109	185	105	22	9	12	21	-5	7	-13
30 Middle East <sup>1</sup> .....	424	3,499	3,599	362	192	359	853	81	252	84
31 Other Asia .....	88	117	-15	9	29	-71	49	24	-9	43
32 Africa .....	1	5	0	0	0	0	0	0	0	0
33 Other countries .....	1	10	-4	0	0	1	0	0	-1	0
34 Nonmonetary international and regional organizations .....	-96	-65	49	42	-18	1 <sup>r</sup>	7	-1	15	-10
Foreign securities										
35 Stocks, net purchases, or sales (-) .....	-817	-2,139	5	-92	32	-114	108	51	190	-30
36 Foreign purchases .....	4,617	7,887	7,872	852	853	891	891	835	792	588
37 Foreign sales .....	5,434	10,026	7,867	944	821	1,005	783	784	603	617
38 Bonds, net purchases, or sales (-) .....	-3,912	-1,013	-2,644	-632	-194	-479	-417	-32	-427	-153
39 Foreign purchases .....	12,662	17,073	13,546	1,155	1,292	1,509	1,768	1,078	1,023	1,553
40 Foreign sales .....	16,573	18,086	16,191	1,787	1,487	1,988	2,185	1,110	1,450	1,705
41 Net purchases, or sales (-), of stocks and bonds .....	-4,729	-3,152	-2,639	-724	-162	-592	-309	19	-237	-182
42 Foreign countries .....	-3,979	-4,029	-2,900	-734	-162	-592	-619	62	40	-355
43 Europe .....	-1,698	-1,105	-304	-302	75	-41	147	-55	75	-44
44 Canada .....	-2,601	-1,959	-2,605	-271	-385	-507	-858	-74	-231	-250
45 Latin America and Caribbean .....	343	80	182	119	-51	-10	-24	62	1	50
46 Asia .....	15	-1,147	-138	-234	174	-104	141	131	204	-113
47 Africa .....	-63	24	-61	-7	-3	-6	-2	-3	-6	1
48 Other countries .....	25	78	27	-39	29	75	-23	1	-3	0
49 Nonmonetary international and regional organizations .....	-750	876	261	9	0	0	311	-43	-277	173

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.24 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1978	1979	1980	1980			1981	
				June	Sept.	Dec.	Mar.	June
1 Total	14,956	17,104	21,235	18,649	18,682	21,235	21,646	20,937
2 Payable in dollars	11,527	14,029	17,527	15,210	15,345	17,527	18,121	17,782
3 Payable in foreign currencies <sup>2</sup>	3,429	3,075	3,709	3,439	3,337	3,709	3,525	3,154
<i>By type</i>								
4 Financial liabilities	6,368	7,411	11,022	8,417	8,345	11,022	11,458	11,140
5 Payable in dollars	3,853	5,141	8,249	5,796	5,858	8,249	8,825	8,838
6 Payable in foreign currencies	2,515	2,270	2,772	2,621	2,487	2,772	2,633	2,302
7 Commercial liabilities	8,588	9,693	10,214	10,232	10,337	10,214	10,188	9,796
8 Trade payables	4,001	4,421	4,400	4,296	4,377	4,400	4,781	4,400
9 Advance receipts and other liabilities	4,587	5,272	5,814	5,936	5,960	5,814	5,407	5,396
10 Payable in dollars	7,674	8,888	9,277	9,413	9,487	9,277	9,296	8,944
11 Payable in foreign currencies	914	805	936	819	850	936	892	852
<i>By area or country</i>								
<i>Financial liabilities</i>								
12 Europe	3,971	4,655	6,309	5,437	5,316	6,309	6,007	5,748
13 Belgium-Luxembourg	293	345	484	437	432	484	553	511
14 France	173	175	327	347	360	327	324	354
15 Germany	366	497	582	657	557	582	498	471
16 Netherlands	391	829	663	799	781	663	544	624
17 Switzerland	248	170	354	233	224	354	315	321
18 United Kingdom	2,167	2,460	3,765	2,796	2,832	3,765	3,661	3,337
19 Canada	247	466	864	557	551	864	1,059	945
20 Latin America and Caribbean	1,357	1,483	3,100	1,641	1,734	3,100	3,483	3,575
21 Bahamas	478	375	964	429	407	964	1,217	1,256
22 Bermuda	4	81	1	2	1	1	1	1
23 Brazil	10	18	23	25	20	23	19	20
24 British West Indies	194	514	1,452	714	708	1,452	1,458	1,534
25 Mexico	102	121	99	101	108	99	97	98
26 Venezuela	49	72	81	72	74	81	85	91
27 Asia	784	799	723	757	712	723	880	843
28 Japan	717	726	644	683	618	644	766	730
29 Middle East oil-exporting countries <sup>3</sup>	32	31	38	31	37	38	51	29
30 Africa	5	4	11	10	11	11	6	5
31 Oil-exporting countries <sup>4</sup>	2	1	1	1	1	1	1	0
32 All other <sup>5</sup>	5	4	15	15	21	15	23	24
<i>Commercial liabilities</i>								
33 Europe	3,047	3,636	4,067	4,036	4,074	4,067	3,814	3,894
34 Belgium-Luxembourg	97	137	90	133	109	90	83	72
35 France	321	467	582	485	501	582	563	564
36 Germany	523	545	679	724	686	679	639	615
37 Netherlands	246	227	219	245	276	219	246	225
38 Switzerland	302	310	493	462	452	493	385	375
39 United Kingdom	824	1,077	1,011	1,133	1,047	1,011	880	949
40 Canada	667	868	785	591	591	785	749	661
41 Latin America	997	1,323	1,244	1,271	1,361	1,244	1,287	1,156
42 Bahamas	25	69	8	26	8	8	1	4
43 Bermuda	97	32	73	107	114	73	111	72
44 Brazil	74	203	111	151	156	111	84	54
45 British West Indies	53	21	35	37	12	35	16	34
46 Mexico	106	257	326	272	324	326	421	327
47 Venezuela	303	301	307	210	293	307	253	290
48 Asia	2,931	2,905	2,848	3,091	2,909	2,848	3,071	2,788
49 Japan	448	494	645	418	502	645	810	867
50 Middle East oil-exporting countries <sup>3</sup>	1,523	1,017	894	1,030	944	894	955	852
51 Africa	743	728	814	875	1,006	814	828	675
52 Oil-exporting countries <sup>4</sup>	312	384	514	498	633	514	519	392
53 All other <sup>5</sup>	203	233	456	367	396	456	440	622

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Before December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

5. Includes nonmonetary international and regional organizations.

### 3.25 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1978	1979	1980	1980			1981	
				June	Sept.	Dec.	Mar.	June
<b>1 Total</b> .....	<b>27,882</b>	<b>31,095</b>	<b>34,288</b>	<b>32,290</b>	<b>31,908</b>	<b>34,288</b>	<b>37,548</b>	<b>35,081</b>
2 Payable in dollars.....	24,910	27,936	31,415	29,216	28,612	31,415	34,609	32,202
3 Payable in foreign currencies <sup>2</sup> .....	2,972	3,159	2,874	3,074	3,296	2,874	2,939	2,879
<i>By type</i>								
4 Financial claims.....	16,554	18,282	19,701	18,858	18,573	19,701	22,149	20,028
5 Deposits.....	11,111	12,654	13,872	13,028	12,520	13,872	16,425	14,389
6 Payable in dollars.....	10,043	11,738	13,097	12,125	11,307	13,097	15,630	13,664
7 Payable in foreign currencies.....	1,068	916	775	904	1,213	775	795	725
8 Other financial claims.....	5,443	5,628	5,829	5,830	6,053	5,829	5,724	5,639
9 Payable in dollars.....	3,874	3,802	4,146	4,102	4,399	4,146	4,078	3,894
10 Payable in foreign currencies.....	1,569	1,826	1,683	1,728	1,655	1,683	1,646	1,655
11 Commercial claims.....	11,329	12,813	14,588	13,432	13,335	14,588	15,399	15,053
12 Trade receivables.....	10,770	12,122	13,871	12,715	12,635	13,871	14,598	14,222
13 Advance payments and other claims.....	559	691	717	717	700	717	801	830
14 Payable in dollars.....	10,993	12,396	14,171	12,989	12,906	14,171	14,901	14,554
15 Payable in foreign currencies.....	335	416	416	443	428	416	498	499
<i>By area or country</i>								
<i>Financial claims</i>								
16 Europe.....	5,215	6,163	6,094	5,882	5,680	6,094	6,098	5,215
17 Belgium-Luxembourg.....	48	32	195	23	17	195	170	174
18 France.....	178	177	334	307	409	334	411	377
19 Germany.....	510	409	230	195	168	230	213	139
20 Netherlands.....	103	53	32	37	30	32	42	30
21 Switzerland.....	98	73	59	96	41	59	90	96
22 United Kingdom.....	4,021	5,107	4,967	4,908	4,634	4,967	4,900	4,046
23 Canada.....	4,469	4,841	5,016	4,918	4,906	5,016	6,562	6,088
24 Latin America and Caribbean.....	5,714	6,276	7,612	6,956	6,806	7,612	8,548	7,855
25 Bahamas.....	3,001	2,757	3,420	3,098	2,845	3,420	3,947	3,231
26 Bermuda.....	80	30	135	25	65	135	13	33
27 Brazil.....	151	163	96	120	116	96	22	20
28 British West Indies.....	1,291	2,001	2,615	2,408	2,337	2,615	3,393	3,382
29 Mexico.....	162	157	208	177	192	208	168	158
30 Venezuela.....	157	143	137	139	128	137	131	143
31 Asia.....	920	706	710	781	853	710	691	618
32 Japan.....	305	199	177	276	331	177	191	107
33 Middle East oil-exporting countries <sup>3</sup> .....	18	16	20	16	20	20	17	19
34 Africa.....	181	253	238	256	260	238	214	216
35 Oil-exporting countries <sup>4</sup> .....	10	49	26	35	29	26	27	39
36 All other <sup>5</sup> .....	55	44	32	65	68	32	36	37
<i>Commercial claims</i>								
37 Europe.....	3,982	4,904	5,487	4,850	4,676	5,487	5,822	5,449
38 Belgium-Luxembourg.....	144	202	232	258	230	232	277	235
39 France.....	609	727	1,128	665	709	1,128	918	782
40 Germany.....	398	589	590	512	569	590	597	570
41 Netherlands.....	267	298	318	297	289	318	347	308
42 Switzerland.....	198	272	351	434	339	351	461	474
43 United Kingdom.....	824	901	930	907	991	930	1,187	1,067
44 Canada.....	1,094	846	897	899	933	897	1,037	987
45 Latin America and Caribbean.....	2,546	2,853	3,790	3,291	3,389	3,790	3,832	3,786
46 Bahamas.....	109	21	21	19	53	21	15	29
47 Bermuda.....	215	197	148	133	81	148	170	192
48 Brazil.....	628	645	661	712	861	799	823	823
49 British West Indies.....	9	16	34	9	17	34	15	34
50 Mexico.....	505	698	1,090	931	992	1,090	1,051	1,110
51 Venezuela.....	291	343	407	395	388	407	436	417
52 Asia.....	3,081	3,415	3,447	3,577	3,398	3,447	3,704	3,721
53 Japan.....	976	1,140	990	1,143	1,094	990	1,234	1,171
54 Middle East oil-exporting countries <sup>3</sup> .....	716	766	821	830	837	821	925	956
55 Africa.....	447	554	651	566	669	651	678	701
56 Oil-exporting countries <sup>4</sup> .....	136	133	151	115	135	151	143	137
57 All other <sup>5</sup> .....	178	240	316	249	270	316	327	409

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

5. Includes nonmonetary international and regional organizations.

## 3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Nov. 30, 1981		Country	Rate on Nov. 30, 1981		Country	Rate on Nov. 30, 1981	
	Per-cent	Month effective		Per-cent	Month effective		Per-cent	Month effective
Argentina .....	188.81	Nov. 1981	France <sup>1</sup> .....	17.5	Oct. 1981	Sweden .....	11.0	Oct. 1981
Austria .....	6.75	Mar. 1980	Germany, Fed. Rep. of .....	7.5	May 1980	Switzerland .....	6.0	Sept. 1981
Belgium .....	13.0	May 1981	Italy .....	19.0	Mar. 1981	United Kingdom <sup>2</sup> .....	14.0	Aug. 1981
Brazil .....	49.0	Mar. 1981	Japan .....	6.25	Mar. 1981	Venezuela .....		
Canada .....	15.07	Nov. 1981	Netherlands .....	9.0	Mar. 1981			
Denmark .....	11.00	Oct. 1980	Norway .....	9.0	Nov. 1979			

1. As from February 1981, the rate at which the Bank of France discounts Treasury bills for 7 to 10 days.

2. Minimum lending rate suspended as of August 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either

discounts or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

## 3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1978	1979	1980	1981						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 Eurodollars .....	8.74	11.96	14.00	19.06	17.86	18.50	18.79	17.80	16.34	13.33
2 United Kingdom .....	9.18	13.60	16.59	12.34	12.61	13.63	14.02	14.60	16.27	15.03
3 Canada .....	8.52	11.91	13.12	18.96	19.28	19.67	21.84	20.42	18.84	16.53
4 Germany .....	3.67	6.64	9.45	13.06	13.05	12.92	12.87	12.48	11.72	11.05
5 Switzerland .....	0.74	2.04	5.79	9.87	10.02	9.76	9.05	10.56	10.85	9.88
6 Netherlands .....	6.53	9.33	10.60	11.76	11.81	12.38	13.54	12.96	12.57	11.70
7 France .....	8.10	9.44	12.18	15.75	18.84	17.34	17.40	17.65	16.47	15.35
8 Italy .....	11.40	11.85	17.50	19.92	20.49	20.78	20.94	21.07	21.00	21.12
9 Belgium .....	7.14	10.48	14.06	16.90	15.58	16.16	16.00	16.00	15.83	15.28
10 Japan .....	4.75	6.10	11.45	7.22	7.41	7.16	7.22	7.26	7.13	7.15

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, Gensaki rate.

## 3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1978	1979	1980	1981						
				May	June	July	Aug.	Sept.	Oct.	Nov.
1 Australia/dollar .....	114.41	111.77	114.00	114.06	114.07	114.27	113.99	114.86	114.32	114.55
2 Austria/schilling .....	6.8958	7.4799	7.7349	6.1722	5.9502	5.8225	5.6968	6.0554	6.3356	6.4022
3 Belgium/franc .....	3.1809	3.4098	3.4247	2.6742	2.5734	2.5027	2.4466	2.5978	2.6557	2.6724
4 Canada/dollar .....	87.729	85.386	85.530	83.265	83.050	82.601	81.766	83.275	83.136	84.235
5 Denmark/krone .....	18.156	19.010	17.766	13.864	13.384	13.074	12.732	13.552	13.825	13.944
6 Finland/markka .....	24.337	27.732	26.892	23.207	22.511	22.045	21.607	22.225	22.601	23.020
7 France/franc .....	22.218	23.504	23.694	18.225	17.679	17.253	16.720	17.769	17.762	17.782
8 Germany/deutsche mark .....	49.867	54.561	55.089	43.601	42.054	40.977	39.988	42.545	44.370	44.862
9 India/rupee .....	12.207	12.265	12.686	11.900	11.688	11.229	11.038	10.971	10.948	10.947
10 Ireland/pound .....	191.84	204.65	205.77	159.49	153.61	149.40	146.04	155.04	157.50	158.95
11 Italy/lira .....	.11782	.12035	.11694	.08766	.08436	.08233	.08038	.08424	.08374	.08392
12 Japan/yen .....	.47981	.45834	.44311	.45332	.44621	.43055	.42881	.43582	.43198	.44843
13 Malaysia/ringgit .....	43.210	45.720	45.967	42.752	42.720	42.519	42.119	42.527	43.500	44.323
14 Mexico/peso .....	4.3896	4.3826	4.3535	4.1500	4.1066	4.0650	4.0301	3.9859	3.9371	3.8878
15 Netherlands/guilder .....	46.284	49.843	50.369	39.224	37.816	36.833	36.009	38.329	40.151	40.915
16 New Zealand/dollar .....	103.64	102.23	97.337	88.150	85.823	83.771	82.331	82.644	82.355	83.104
17 Norway/krone .....	19.079	19.747	20.261	17.652	16.907	16.387	16.177	16.779	16.897	17.194
18 Portugal/escudo .....	2.2782	2.0437	1.9980	1.6449	1.5899	1.5429	1.4999	1.5268	1.5458	1.5534
19 South Africa/rand .....	115.01	118.72	128.54	119.35	115.18	108.46	105.27	105.56	104.61	103.82
20 Spain/peseta .....	1.3073	1.4896	1.3958	1.0953	1.0565	1.0248	.99864	1.0407	1.0416	1.0483
21 Sri Lanka/rupee .....	6.3834	6.4226	6.1947	5.4422	5.3970	5.3491	5.1932	5.0056	4.8372	4.8020
22 Sweden/krona .....	22.139	23.323	23.647	20.450	19.802	19.293	18.870	18.435	18.023	18.217
23 Switzerland/franc .....	56.283	60.121	59.697	48.400	48.226	47.667	46.091	49.511	53.080	56.000
24 United Kingdom/pound .....	191.84	212.24	232.58	208.84	197.38	187.37	182.03	181.46	184.07	190.25
MEMO:										
25 United States/dollar <sup>1</sup> .....	92.39	88.09	87.39	103.59	106.86	109.87	112.29	107.98	106.34	104.53

1. Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland, March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of

the Weighted-Average Exchange Value of the U.S. Dollar: Revision" on page 700 of the August 1978 BULLETIN.

NOTE. Averages of certified noon buying rates in New York for cable transfers.



# Guide to Tabular Presentation, Statistical Releases, and Special Tables

## GUIDE TO TABULAR PRESENTATION

### Symbols and Abbreviations

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when more than half of figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		RP	Repurchase agreements
		SMSAs	Standard metropolitan statistical areas
		.....	Cell not applicable

### General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

## STATISTICAL RELEASES

### List Published Semiannually, with Latest Bulletin Reference

	Issue	Page
Anticipated schedule of release dates for periodic releases .....	June 1981	A78

## SPECIAL TABLES

### Published Irregularly, with Latest Bulletin Reference

Commercial bank assets and liabilities, June 30, 1980 .....	December 1980	A68
Commercial bank assets and liabilities, September 30, 1980 .....	February 1981	A68
Commercial bank assets and liabilities, December 31, 1980 .....	April 1981	A72
Assets and liabilities of U.S. branches and agencies of foreign banks, June 30, 1981 .....	October 1981	A80
Commercial bank assets and liabilities, March 31, 1981 .....	July 1981	A72
Commercial bank assets and liabilities, June 30, 1981 .....	October 1981	A74

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Assets and Liabilities of Domestically Chartered Commercial Banks. H.8 (510) [1.25]	Tuesday	Wednesday, 2 weeks earlier
Changes in State Member Banks. K.3 (615)	Tuesday	Week ended previous Saturday
Factors Affecting Reserves of Depository Institutions and Condition Statement of Federal Reserve Banks. H.4.1 (503) [1.11]	Friday	Week ended previous Wednesday
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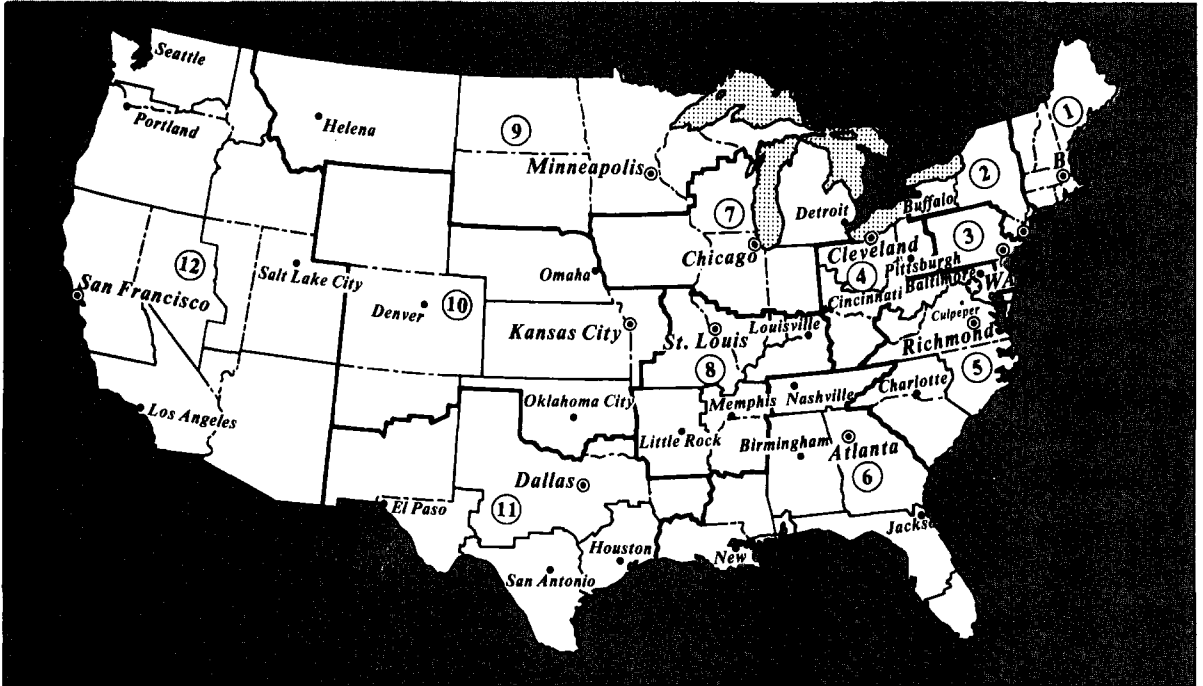


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# The Federal Reserve System

## Boundaries of Federal Reserve Districts and Their Branch Territories



### 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 Facility